universitas bandar lampung
EDUCATION FOR PRESENT AND FUTURE

In Cooperation With

INDONESIA

INDIA

THAILAND

THAILAND

SINGAPORE

NATIONAL INSTITUTE OF EDUCATION SINGAPORE

INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

MALAYSIA

2ⁿᵈ ICEL 2014

THE SECOND INTERNATIONAL CONFERENCE ON EDUCATION AND LANGUAGE

20, 21, 22 MAY 2014
Bandar Lampung University, Indonesia
PROCEEDINGS

Hosted by
Teacher Training and Education Faculty (FKIP),
English Education Study Program, Bandar Lampung University (UBL)

PROCEEDINGS

THE SECOND INTERNATIONAL CONFERENCE ON EDUCATION AND LANGUAGE

2nd ICEL 2014

20 -22 MAY 2013

PREFACE

The activities of the International Conference are in line and very appropriate with the vision and mission of Bandar Lampung University (UBL) to promote training and education as well as research in these areas.

On behalf of the Second International Conference of Education and Language (2nd ICEL 2014) organizing committee, we are very pleased with the very good responses especially from the keynote speakers and from the participants. It is noteworthy to point out that about 80 technical papers were received for this conference

The participants of the conference come from many well known universities, among others: University of Wollongong, NSW Australia, International Islamic University Malaysia, Kyoto University (Temple University (Osaka), Japan - Jawaharlal Nehru University, New Delhi, India - West Visayas State University College of Agriculture and Forestry, Lambunao, Iloilo, Philipine - Bahcesehir University, Istanbul, Turkey - The Higher Institute of Modern Languages, Tunisia - University of Baku, Azerbaijan - Sarhad University, KPK, Pakistan - Medical Sciences English Language Teacher Foundation Program, Ministry of Health, Oman - Faculty School of Arts and Sciences, Banga, Aklan Philippines - Sultan Ageng Tirtayasa, Banten, - Pelita Harapan University, Jakarta - STIBA Saraswati Denpasar, Bali - University of Muhammadiyah Yogyakarta - Ahmad Dahlan University Yogyakarta - Sriwijaya University, Palembang - Islamic University of Malang - IAIN Raden Fatah Palembang - Universitas Diponegoro, Semarang, Indonesia - Universitas Haluoleo Kendari - State Islamic University of Sunan Gunung Djati, Bandung - Tadulako University, Central Sulawesi - Sanata Dharma University - Lampung University and Open University,

I would like to express my deepest gratitude to the International Advisory Board members, sponsors and also to all keynote speakers and all participants. I am also grateful to all organizing committee and all of the reviewers who contribute to the high standard of the conference. Also I would like to express my deepest gratitude to the Rector of Bandar Lampung University (UBL) who gives us endless support to these activities, so that the conference can be administrated on time.

Bandar Lampung, 20 May 2014

Drs. Harpain, M.A.T., M.M
2nd lCEL 2014 Chairman

PROCEEDINGS

The Second International Conference on
Education and Language (2ⁿᵈ ICEL 2014)
BANDAR LAMPUNG UNIVERSITY
Bandar Lampung, Indonesia
May 20,21,22 2014

STEERING COMMITTEE

Executive Advisors

Dr. Ir. M. Yusuf S. Barusman, MBA
Prof. Dr. Khomsahrial Romli, M.Si
Dr. Lintje Anna Marpaung, S.H.,M.H
Drs. Thontowie, M.S
Dr. Andala Rama Putra Barusman, S.E., M.A.Ec
Mustafa Usman, Ph.D

Chairman

Drs. Harpain, M.A.T., M.M

Co-Chairman

Tissa Zadya, S.E., M.M

Secretary

Helta Anggia, S.Pd., M.A

Treasurer

Tissa Zadya, S.E., M.M

Managing Committee Team

Drs. Harpain, M.A.T., M.M
Helta Anggia, S.Pd., M.A
Tissa Zadya, S.E., M.M
Yanuarius Y. Dharmawan, S.S., M.Hum
R. Nadia R.P Dalimunthe, S.S., M.Hum
Bery Salatar, S.Pd
Kartini Adam, S.E
Nazil Chupra Hakim, S.Pd
Miryanti Feralia, S.Pd

Table Of Content

SOME THEORIES OF EDUCATIONAL MARKETING

Hasbi

Lecture in Politeknik Negeri Padang, West Sumatera, Indonesia

Corresponding email: hasbi_nian@yahoo.com

Abstract

Marketing is a method to provide the best service and product for the customers for the sake of producers long benefit and existence. Educational institutions as a service provider for customers should be aware of the marketing theories and techniques so that they can give better service and higher quality of education. There are some products offered by educational institutions, however due to lack of awareness of the importance of marketing, some instituions not pay so much attention on its developments. This paper presents some theories of marketing for educational institutions. It is aimed at long term improvements in educational institutions.

Keyword : Educational Marketing

1. INTRODUCTION: A BASIC MODEL OF MARKETING

Marketing came into existence with the first barter exchange when someone realised that exchanges added value for both parties (Baker et al, 1998). Exchange is the act of obtaining a desired object from someone by offering something in return (Armstrong and Kotler, 2003). Though it is not the only way for people to satisfy their needs, exchange allows a society to produce much more than it would with any alternative system. People can concentrate on producing things that they are good at making and trade them for needed items made by others. A person does not have to be a computer engineer to possess a computer. Consequently, a person can be a carpenter and trade that skill to get a computer.

As Baker et al (1998) have pointed out, exchange not only makes it possible to have a desired thing, but it also creates a better value for the exchange to be made. The better the product that is made, the more the people value it; consequently people get a better exchange. People then start to think about the value of the things that they exchange.

As people always want to get better value, they start to think about gaining some benefit from their exchange activities. People then organize themselves to be able to create and offer some products to exchange with other parties. This is what Gibbs and Knapp (2000, p. 4) defined as marketing: "a social and managerial process through which institutions and individuals obtain what they want through creating, offering and exchanging products and services with others". The concept of marketing then develops into more strategic and comprehensive concepts involving the pricing, promotion, and distribution of goods, ideas, and services. These concepts are planned and implemented in such a way as to create exchange that is beneficial for both individual and organizational objectives.

2. EDUCATIONAL MARKETING

The previous section describes the basic model of marketing that is applicable to the marketing of education. However, Canterbury (1999) argued that although marketing was introduced to educational institutions more than 30 years ago, there is still a challenge to the institutions to identify whether they are different from other markets and services to warrant adjustments in marketing methods. From this point of view, this section discusses the nature of marketing in educational institutions.

Kotler (1982) confirmed that: "Marketing is the effective management by an organization of its exchange relations with its various markets and publics". Therefore, all organizations operate in an environment of one or more markets and publics. In this study, the term public is in line with the definition stated by Kotler and Fox (1995) that is to describe a person or group which has an actual or potential interest in or effect on the institution. Every educational institution has several publics, and the institution

should strive to have responsive relations with most or all of them. In Figure 2.1, Kotler and Fox (1995) illustrated 16 major publics, individuals, and groups who have an actual or potential interest in and effect on an educational institution.
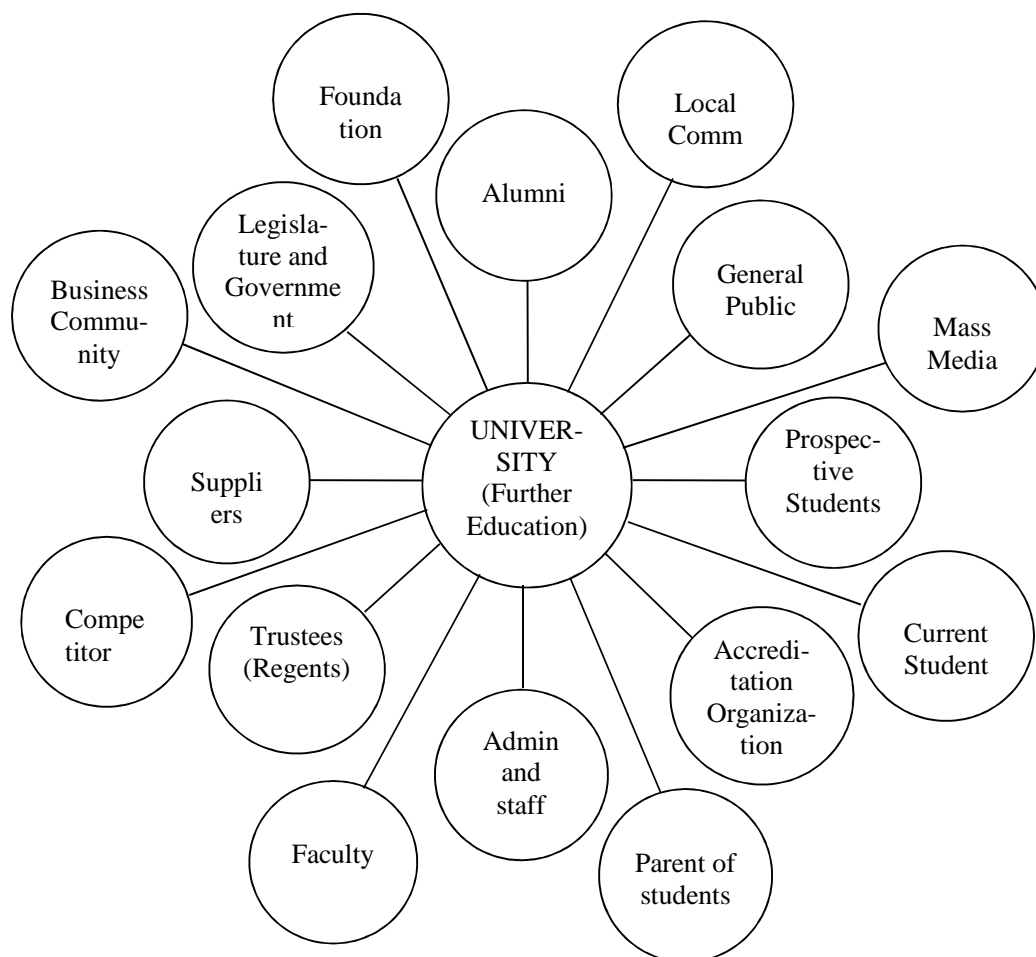
Figure 1. The University and its publics (Following Kotler and Fox, 1995)

When students come to a college they willingly give their time, energy and sometimes tuition fees, to get a better education and knowledge in exchange. Kotler and Fox (1995) pointed out that the nature of educational marketing is the way an institution offers satisfaction – courses, degree programs, career preparation, and other services and benefits – to its markets. In return, the institutions receive needed resources in the form of tuition payments, donations, volunteers, money, time, and energy from those publics.

2.1. Why Market?

There are a number of reasons for educational institutions to develop marketing programs. Kotler, Ferrel, and Lamb (1987) argued that "marketing is relevant not only to businesses but to every organisation that provides something of value to clients or the public". The fact that educational institutions have some publics to serve may encourage them to develop a marketing program.

Michael, Hamilton and Dorsey (1995, p. 22) reported that "the competitive nature of the market necessitates a continuous exploration of changes in people's needs and a constant adaptation of the organisation and its output to these changes". The success of this adaptation enhances product or service quality and ensures institutional survival. Michael et al (1995) explained that educational institutions can become more effective by adopting marketing strategies.

Competitive consumerism is another reason for educational institutions to run a marketing program. Gibbs and Knapp (2002) suggested that educators need to get their message through the clutter of competitive consumerism. Supporting this premise, Baker et al (1998) stated that as institutions have been opened to competition and the creation of market economies, they have to have an understanding of marketing concepts.

Likewise, Hesketh and Knight (1998, p. 22) added that "schools are in the market place, having to attract sufficient pupils to finance their activities and, preferably, to attract the right sort of pupils". In many countries, a new policy, advanced by the government about funding education, is one reason that forces education to find alternative sources of funding.

Figure 2. illustrates the fact that educational institutions have to make an effort to develop marketing programs so that they can achieve their strategic mission. Implementing the marketing concept requires that the entire company and its people are oriented towards the needs of the customer (Lancaster and Massingham, 1999, p. 41).
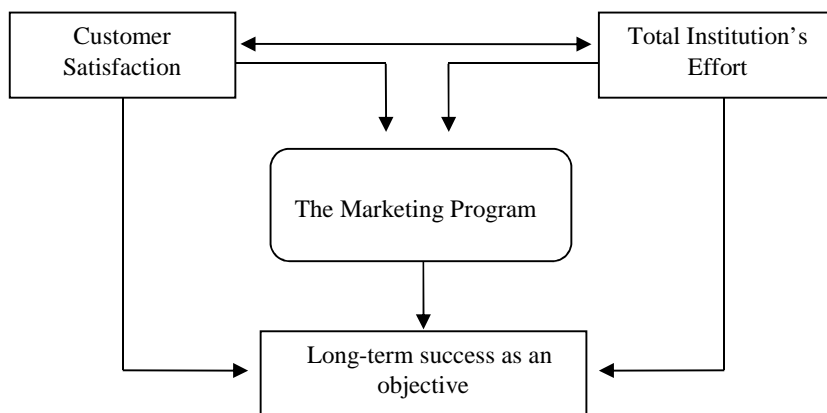
Figure 2. Educational Institutions with a marketing orientation carry out the Marketing Program (Following Perreault and McCarthy, 2000)

Gibbs and Knapp (2002, p. 2) argued that "it is essential to put the educational offering into the context of a marketing process". Further they suggested that marketing processes can help institutions understand who their customers are, how their needs are changing, and how an institution needs to adapt, develop and change to meet these needs. Marketing requires the institutions to provide better services to their real customers as they come to understand both their clients, and the changes that occur in the market.

Kotler and Armstrong, (1989) stated that one of the goals of marketing is to maximize consumer satisfaction. In order to build a more highly regarded institution and increase the level of customer satisfaction, marketing programs are considered to be important factors. To make marketing function in carefully formulated programs and not just random actions, it must be well planned and carefully implemented.

2.2. Benefits of Marketing Programs for Educational Institutions

In an examination of the research undertaken in marketing non-profit making organizations, Stott and Parr (1991) drew attention to several important features of relevance to education. First, they suggested programs should be designed so that the target audience perceives that the benefits outweigh the costs involved. This means that, when developing a program, the educational institutions have to know the needs of the target audience in order to be of benefit to them. By having marketing programs the institutions may achieve greater success in fulfilling their mission and increasing the satisfaction of their publics and their markets without losing their funding.

Second, Stott and Parr (1991) argued that the attitudes of the audience should determine the provision, rather than the reverse. This means that an institution should be customer-driven instead of product-driven. Third, when the consumption of a public service is free and compulsory, it is undervalued in conventional terms. This suggests that to provide a program, it is necessary that the audience should supply some financial contribution to get it. This cost would make them appreciate the program.

Finally, Stott and Parr (1991) also emphasized that by having a marketing program, providers may be able to fight the blindness that can come from self-righteousness – the 'it's good for you' syndrome. Educational institutions should realize that their programs might need some modification and development in the future. They cannot rely on the assumption that they should remain constant.

To sum up, Stott and Parr (1991, p. 14) suggested that "the benefits of marketing educational institutions are: improvement in the school's appearance and in the educational service to pupils, as well as more parental involvement and developments to meet local need". The demand from the market and the challenge from the competitors force the institution to move ahead and keep making improvements. As the

public for educational institutions is not only the students but also parents and the local environment, having a marketing program may help them to create a good relationship with the environment.

2.3. Marketing Mix

In any discussion of marketing concepts, it is widely agreed that there is a need to present the concept of marketing mix. Baker et al (1991) noted that this is one of the oldest and most useful concepts in the marketing repertoire. In this study the concepts of this marketing mix of four Ps, namely product, price, place (service distribution) and promotion, are discussed in relation to the setting of educational institutions.

As one of the most basic concepts in marketing, Zeithaml and Bitner (2003) defined the 'marketing mix' as the elements an organisation controls that can be used to satisfy or communicate with customers. Marketers need to identify their product, price, place, and promotion in order to be able to suit the customers. What is their product, how high a price are they willing to set, where is the product to be located or made available, and how to communicate these ideas to the prospective customers are questions associated with these elements.

Furthermore, Michael et al (1995) stated that generally the idea of 'marketing mix' is described as the elements that the management can control to achieve program or institutional objectives. Each of these elements is a process that embodies a specific order of activities. Although there is a sense of order, it must be noted that the flow of these activities is far from being linear. What is important is how this concept will satisfy the customers and fulfill the organization's goals.

2.4. Products of Educational Institutions

From the marketer's viewpoint, the first thing that is determined is the product. Slaughter, Kittay and Duguid (2002, p. 12) raised a critical question that faces educational institutions before they go to market: What is the product of the educational institutions that they sell? This is a crucial question, as some people have no clear idea of what the products of educational institutions are. To clarify this question, it is necessary to have some understanding of the concept of products.

McColl, Callaghan, and Palmer (1998, p. 19) defined products as "the means by which organizations seek to satisfy consumer needs". So a product is anything that the organization offers to potential consumers that may satisfy a need, whether it is tangible or intangible.

Similar ideas have been developed by Armstrong and Kotler (2003) who suggest that a product is anything that can be offered to a market to satisfy a need or want. The concept of product is not limited to physical objects. Anything capable of satisfying a need can be called a product. Furthermore, Armstrong and Kotler (2003, p. 7) indicated that "in addition to tangible goods, products include services, which are activities or benefits offered for sale that are essentially intangible and do not result in the ownership of anything".

From these concepts it can be argued that a program of study in a college is an activity that is intangible but people can benefit from it. This means that the program of study is one of an educational institution's products. Indeed, Wearne (1993, p. 91) stated that "an institute's products are its training programs or any education materials it produces".

2.5. Product Development

Kotler and Andreasen (1987) stated that in developing a product or a program, administrators should focus on three levels: the core, the tangible, and the augmented aspects. The core aspect addresses what the consumers are really seeking in terms of benefits that are expected. The tangible aspect – which has certain features, styling and quality – focuses on what is associated with the product that can be perceived, felt or touched by the consumer. For example, course packages constitute a tangible aspect of an adult and continuing education program. The augmented aspect includes all additional services that attempt to enrich the consumer's experience. Institutions can differentiate their program offerings at each of these levels.

Stott and Parr (1991) and McDonald (1999) suggested that one step in developing a marketing program is an evaluation strengths, weaknesses, opportunities, and threats, known as 'SWOT' analysis. The idea of SWOT analysis is how to match the strengths of the organisation with market opportunities by decreasing the weaknesses and challenging the threats. Baker et al (1998) pointed out that a SWOT analysis is the strategic audit of the organisation in developing its products. This can help the institution with the competitive strategies in which it has to exploit its strengths while avoiding or improving on its weaknesses.

Following the SWOT analysis, the institution can then design and develop a product range which is in keeping with the demands of the market and which exploits the real strength of the institution (Stott and Parr, 1991).

In developing a product, it is important to understand whether the product will satisfy customers and be purchased by the target market. As Stott and Parr (1991) indicated, a product can also be defined as what someone buys to satisfy a perceived need. Therefore, marketers need to look at how well the product satisfies the customer. Customers are not as interested in a list of specifications rather they are more attracted by the personal advantages to be gained, such as a better qualification of their education.

2.6. Product Life-cycle

Those responsible for marketing have to be constantly aware of the inevitability of change in the nature of the market. If customers' needs are changing, so products must also be expected to change if they are to match those needs (Stott and Parr, 1991). Product life cycle is the period of growth of a product. When the product is first introduced, the growth will be slow, but then as the market needs it, the growth will be faster. At a certain phase, the growth will decline. Stott and Parr (1991) explained that the relevance of the product life cycle in the compulsory phase of education is less clear, however, it is worth examining. Marketers should know the features of each product and try to assess where it lies in the cycle. In educational setting the changes in technology is one of the crucial issues to examine in the modern time.

2.7. Product Quality

Stott and Parr (1991) reported that, crucial to the whole notion of the marketing concept is the pursuit of high quality, and all efforts that are directed to this end, such as staff development and the acquisition of a valued resource, are a vital part of the marketing process.

Kotler and Armstrong (1999) argued that institutions need to identify the expectation of the target customers concerning service and product quality. It is worth asking what the customer is really buying by choosing a particular educational institution. Several answers may emerge, such as the quality of teaching, the pleasant educational environment, the qualifications of staff, the attention to personal service, and the overall reputation and standing of the particular institution. All these are part of the product, and if any of these are major influences on buying decisions, they need to be examined from the point of view of product quality.

Quality must also be considered in relation to the product focus, and at the same time it is necessary to derive some indication of where the institution lies in comparison with competitors (Stott and Parr, 1991). In educational institutions the accreditation of the program is one way to guarantee the quality of the product delivery. Kotler and Armstrong (1999) argued that standardization helps an institution to develop a consistent image.

The notion of quality should be related to the institution's strengths and the demands of the market. It is probably unrealistic to expect optimum quality in all facets of an institution's life, but the central product features, those which are crucial to the success of the institution, need a very clear focus on quality, and there needs to be a commitment by all those concerned to achieving this end (Stott and Parr, 1991). Therefore, there should be a regular evaluation in product delivery. Kotler and Armstrong (1999) stated the importance of communication and evaluation to secure the quality.

2.8. Place of Services Distribution

Products need to be available to customers in the right places at the right times. Stott and Parr (1991) articulated that as far as educational institutions are concerned, place decisions are concerned with the institution's environment and the importance which management attaches to it. They are also concerned with access.

Michael et al (1995) stated that place, distribution strategy or the program delivery system describes how the products or services developed are made available to the consumer. In particular, Kotler and Fox (1995) endorsed the view that the basic service-delivery question for educational institutions is concerned with how they can make their programs and services available and accessible to their target consumers.

Furthermore, Oplatka (2002) said a place for service delivery refers to more than just the location, accessibility and availability of the services but also to its appearance and facilities. Offering a high quality, appropriately priced program is not enough. The customers must be satisfied with the facilities and the environment of the institution. Whether the appearance is stimulating is also a matter of concern.

Some educational institutions, recognizing these market changes, have adopted new schedules, delivery systems, and locations to retain existing markets and serve new markets.

2.9. Marketing Communication

After developing good quality products and choosing a strategic location, marketers need to inform their potential customers of the existence and availability of the products. Stott and Parr (1991, p. 83) stated "unless they are convinced of the value of the products, all research efforts and product development initiatives will be wasted". Following the development of the product, the marketers need to inform and convince the customers about the availability of the product and its value for them.

Michael et al (1995) defined promotion as the process of creating awareness and encouraging consumers to act favorably towards the program developed. This definition confirms that the objective of promotion is to approach and persuade the customers so that they have information about the product. In this sense, Engel, Warshaw, and Kinnear (1987) discussed criteria of usable segments in promotion planning. They suggested four criteria should be met in marketing communication.

First, the segment should be of sufficient size and market potential to warrant expenditure of marketing funds. The size of the potential market influences the media used for promotion. Second, it must be possible to measure market potential in the segments. The potential market is already segmented so that different methods can be applied to different segments. Third, it must be possible to reach each segment through available media. Whether the segmented market can access the information given should be considered. And finally, each segment should show clear variations in market behavior in comparison with other segments and the response of the segment to promotional variables must be different.

Stott and Parr (1991, p. 83) stated "in its simplest form, the promotional plan of any organisation is a matching process between the producer (in this case, educational institution) and the customer or client". The process assembles the customer into the objectives of the organisation, and the marketers communicate the organisation through the promotional mix.

2.10. Developing the Promotional Mix

All promotional activities fall into one or more of the four phases of attention, interest, desire, and action known as 'AIDA' (Stott and Parr, 1991). AIDA stands for attracting the 'attention' of potential customers, then arousing their 'interest' in the product, after that creating their 'desire' for its benefits, and finally prompting 'action' from the potential customers.

In deciding the promotional mix, knowledge of the characteristics of potential students is important (Riggs, 1989). Indeed, the effectiveness of this process depends on how accurate this knowledge is. As such, Michael et al (1995) added that the selection of a promotional mix depends on the purpose to be achieved. For example, a strategy to create general awareness of a program is different from that which is aimed at changing negative attitudes of a particular group of people towards the program. As well, the media technology available to the institution through which the target audience can be reached influences the options for promotion available to the administrators.

Oplatka (2002) suggested that promotion includes activities such as advertising, public relations, and written materials, which inform the market and persuade the clients to choose the service that is offered. More specifically, Stott and Parr (1991) added that there are three main types of promotion that may be used by any organisation, namely advertising, public relations including press and non-press, and outreach material.

There is one more tool for promotional communication, and this is word of mouth. Lovelock et al (2001, p. 299) stated that:

> Word of mouth is sometimes classified as a form of advertising, publicity or personal selling, but strictly speaking, it is not advertising, because it is not usually paid for, although customers and other influential parties are sometimes offered incentives to promote a product or organisation. Even if customers are not normally engaged as members of an organization's paid sales force, positive word of mouth can act as a powerful and highly credible selling agent.

2.11. Advertising and the Media

Advertising is a non-personal communication from an identified sponsor using mass media to persuade or influence an audience. This is where time or space is purchased to communicate a given message to a specific market. From this perspective, Stott and Parr (1991) mentioned that the advantage of advertising is

that it gives reliable coverage, certainty and economy. This can be understood from the comparison of cost and coverage. Another advantage is that the effort and time on the part of the organisation is low, since a single advertisement may reach an extremely large number of potential buyers.

However, there are some disadvantages of advertising. Stott and Parr (1991) stated that it is a one-way communication tool, since people cannot ask questions or seek clarification, and the cost to have an impact on the target market can be high.

There is a broad array of paid advertising media to function as communication channels, namely television, cinema, radio, posters, billboards and press, as well as newspapers and magazines (Stott and Parr, 1991 and Lovelock et al, 2001).

2.12. Public Relations

Public relations are an indirect promotional tool whose role is to establish and enhance a positive image of an organisation and its services among its various publics (McColl et al, 1998). Public relations seek to persuade people that a company is an attractive organisation with which to relate or do business. This is important for services, as it has already been noted that services are evaluated very subjectively and often rely on word of mouth recommendation.

Stott and Parr (1991) mentioned that there are two categories of public relations: press and non-press. Non-press public relations include receptions, exhibitions and special events. Exhibitions appear to be quite an effective way to communicate educational institutions. They can be run in an exhibition hall or just in the institution as an open day activity.

Stott and Parr (1991) pointed out that exhibitions present the opportunity to combine the strengths of personal selling with non-personal communication activities. Potential customers come at their own expense to a location which suits the organisation and, when there, may be exposed to face-to-face contact which is the most powerful selling tool.

Another form of public relations is outreach material, sometimes called 'giveaways'. This form includes all material that is produced to communicate with a specific audience. It includes all forms of printed material, such as the school prospectus, leaflets, letters, Christmas cards, direct mail, and other material such as a school video or the so-called 'giveaways' such as pens, carrier bags and badges, all of which carry some messages about the school (Stott and Parr, 1991).

2.13. Sponsorship

One way that service organizations can try to make their service tangible is to attempt to get customers to link the image of the organisation or of specific services with a more tangible event or activity. More specifically, McColl et al (1998) stated that sponsorship involves investment in events or causes so that an organisation can achieve objectives such as increased awareness levels or an enhanced reputation. Sponsorship can build the reputation and credibility of institutions and forms strong relationships with customers and the community.

Moreover, McColl et al (1998) found out that the advantage of sponsorship is that it is attractive to service companies as it allows the relatively well known characteristics of an event or activity being sponsored to help to enhance the image of an organization's own inherently intangible service. A further advantage of sponsorship is that it allows a company to avoid the general media control usually associated with advertising.

However, the disadvantage is that it is difficult to evaluate sponsorship activities because of the problem of isolating the effects of sponsorship from other elements of the promotion mix. Therefore it should be seen as a tool that complements other elements of the promotional mix (McColl et al, 1998).

2.14. Advertising on the Internet

Institutions should view internet communication as strategic communication and develop websites and other resources accordingly. The strategic issue is to establish what the strengths of the educational institution are and communicates them through the internet (Gibbs and Knapp, 2002). The advantage of internet communication is that it enables the educational institution to cultivate relationships with students and their parents by developing high quality material and making it available online.

In order to maximize the transaction through web sites, Gibbs and Knapp (2002) suggested that the educational institutions should consider partnerships or strategic alliances with other organizations that can develop and facilitate the overall offering. Otherwise the people in the institutions need to become as competent at using the internet as a tool as they are with the telephone, fax or postal service.

Gose (2000, p. 51) stated that "a college could eliminate some production and mailing costs by using e-mail messages to steer staff to recruitment information on its World Wide Web site". Email would also allow a college to send timely updates to various segments of its market, such as the so-called 'prospect pool'. Quoting one counselor's comment, Gose (2000) reported that e-mail is still new enough that students feel special when they are contacted in that particular way.

2.15. Pricing Educational Services

In developing marketing programs for educational institutions, it is necessary to conduct a proper analysis of pricing. Gibbs and Knapp (2002) suggested that in order to set a price accurately requires an understanding of a number of related issues, including the relationship between pricing decisions and institutional missions, how the learner and the purchaser view the price, and how the customer judges the value that it conveys.

For this, Michael et al (1995) proposed the idea that pricing in a marketing-oriented institution is a carefully planned strategy that follows an orderly sequenced decision-making process. The ultimate pricing decision reflects knowledge of the market and competitors, government decisions, students' willingness and ability to pay, the cost of operation and the objective of the institutional administrators. For example, an institution may be willing to charge below the market price in order to attract students, or above the market price to communicate both 'elitism' and 'quality', or above the costs to generate profit, or below the costs to comply with government directives.

In this way, Ihlanfeldt (1980) suggested that the institution should consider the effects of a given pricing policy on enrolment, and also the degree to which a particular pricing policy may encourage response. He also argued that prices are charged by comparable competing institutions, therefore marketers need to consider the effects of its own price level and price changes on the actions of such other institutions.

Furthermore, Kotler and Fox (1995, p. 310) argued that "pricing decisions should reflect the institution's mission, goals, and priorities". Even if the school cannot offer 'free education to all who want it', the school's pricing policy and financial policy should be congruent with good fiscal management and with the institution's mission.

As research confirms, Kotler and Fox (1995) and Baker et al (1998) reported that consumers often use the price of a product or service as an indicator of its quality. Consumers tend to rely on price more frequently in making an important decision, especially when they lack self-confidence in making the decision.

Another issue that is important to note is how pricing policy impacts on maximizing net tuition revenue. Gibbs and Knapp (2002) stated that the margin between costs for the institution's tuition, corporate identity, research, time and resources and the cost of enrolment for the learner (savings, lost work opportunities, scholarships) is the net benefit or profit attained from the transaction.

2.16. The Marketing Environment

McColl et al (1998) stated that marketing orientation requires organizations to monitor their environment and to adjust their offerings so that consumer needs are fulfilled, thereby facilitating the organisation in meeting its own objectives. The marketers should have information about the environment and the needs of their real customers so that the marketing program meets that need.

Kotler and Armstrong (1999, p. 64) defined the marketing environment as "the actors and forces outside marketing that affect the marketing management's ability to develop and maintain successful transactions with its target customers". It comprises suppliers, marketing firms, competitors, the public, and demographic, economic, natural, technological, political, as well as cultural forces. Knowing the environment might help the marketers to maintain their transactions and satisfy the customers.

Kotler and Armstrong (1999) stated that to be successful, a company must provide greater customer value and satisfaction than its competitors. Thus, marketers must do more than simply adapt to the needs of target customers. They must also gain a strategic advantage by positioning their offerings strongly against competitors' offerings in the minds of consumers.

2.17. Customer Analysis: Students as Customer

Slaughter, Kittay and Duguid (2002, p. 12) raised a critical question that must be answered by marketers before an educational institution goes to market: "Who are the customers of the educational institution that they sell?" Stott and Parr (1991) believed that the concept of 'customer' is vital for the

marketing programs. Therefore, failing to define the customer may produce something that may not meet the demands of real customers.

The nature of the relationship between customers and producers often differs between the manufactured goods and service sectors, including education (McColl et al 1998). For many public services, the fact that their service is supplied to individuals may conceal the reality that society as a whole receives the benefit, and may, therefore, be considered to be the customer. This is something not so commonly found in the brief transactions that generally occur when goods are sold by a company to its customers. In this way, although a student can be seen as a customer of an educational institution, society is an important beneficiary of the skills that the student acquires during the educational process and may also be regarded as an important customer. Moreover, if an institution is funded by government revenue, the government may see itself as t he purchaser of education services on behalf of the public and may, therefore, expect the institution to offer high quality products.

2.18. Who Performs Marketing Functions in Educational Institutions?

Baker et al (1998, p. 443) suggested that "marketing organizational structure is critical to marketing success". Some educational institutions, in order to run their marketing programs, form a special workforce or department. This department is responsible for conducting the marketing research, and for planning and evaluating the programs. The idea is that the manager or director cannot do the whole marketing job (Kotler and Fox, 1995).

Other institutions consider hiring marketing specialists or a marketing organisation to run their marketing programs (Kotler and Fox, 1995). That body is then made responsible for the marketing and promotion programs.

3. SUMMARY

In summary, this writing leads to the idea that the theory of marketing developed in business and commerce can be applied to educational institutions. Although the objectives of marketing in business are not exactly the same as the objectives of not-for-profit organizations, such as educational institutions, the literature reveals one common concept that they share, namely how to satisfy the customer and how to fullfil the customer's need.

Over the time this theories has to face some challenges especially due to the development of information technology. Therefore every individual in educational institution must be aware of their role as marketing person and develop their marketing skills.

REFERENCES

[1] Armstrong, G. & Kotler, P. 2003. *Marketing: an introduction* (6th Ed). New Jersey: Prentice Hall.

[2] Baker, M., Graham P., Harker, D., & Harker, M. 1998. *Marketing: Managerial foundations*. South Yarra, Australia: Macmillan Education Australia Pty.

[3] Canterbury, R. M. 1999. Higher education marketing: A challenge. *Journal of College Admission, 165 (22)*, 22 – 27.

[4] Engel, J. E., Warshaw, M. R. & Kinnear, T. C. 1987. *Promotion strategy: Managing the marketing communication process*. Homewood, IL: Irwin.

[5] Gibbs, P. & Knapp, M. 2002. *Marketing Higher and Further Education: An educator's guide to promoting courses, departments and institutions.* London: Kogan Page.

[6] Gose, B. 2000. Colleges plan to use e-mail as a new tool for recruiting. *The Chronicle of Higher Education*, *46 (42),* A51 – A52.

[7] Hesketh, A. J., & Knight, P. T. 1998. Secondary school prospectuses and educational markets. *Cambridge Journal of Education*, *28 (1)*.

[8] Ihlanfeldt, W. 1980. *Achieving optimal enrolments and tuition revenues*. San Francisco: Jossey-Bass.

[9] Kotler, P. 1982. *Marketing for non-profit organizations* (2nd Ed.). Englewood Cliffs, New Jersey: Prentice-Hall Inc.

[10] Kotler, P. & Andreasen, A. R. 1987. *Strategic marketing for nonprofit organizations* (3rd Ed.). Englewood Cliffs, New Jersey: Prentice-Hall, Inc.

[11] Kotler, P. & Armstrong, G. 1989. *Principles of Marketing*, (4th ed.). New Jersey: Prentice-Hall, Inc.

[12] Kottler, P. & Armstrong, G. 1999. *Principles of Marketing* (7th ed.). Englewood Cliffs, New Jersey: Prentice-Hall, Inc.

[13] Kotler, P. & Fox, K. F. A. 1995. *Strategic Marketing for Educational Institutions* (2ⁿᵈ ed.). Englewood Cliffs: Prentice-Hall, Inc.

[14] Kotler, P., Ferrel, O. C., & Lamb, C. 1987. *Strategic marketing for non profit organizations: cases and readings* (3ʳᵈ Ed.). Englewood Cliffs, New Jersey: Prentice-Hall Inc.

[15] Lancaster G., & Massingham L. 1999. *Essentials of marketing* (3ʳᵈ Ed.). England: McGraw-Hill Publishing Company.

[16] Lovelock, C. H., Patterson, P. G., & Walker, R. H. 2001. *Service marketing: An Asia-Pacific perspective* (2ⁿᵈ Ed.). New South Wales, Australia: Prentice Hall.

[17] McColl R., Callaghan B., & Palmer A. 1998. *Services marketing: a managerial perspective*. Sydney: The McGRaw-Hills Companies, Inc.

[18] McDonald, M. 1999. *Marketing plans: How to prepare them, how to use them*. Oxford: Butterworth-Heinemann.

[19] Michael, S. O., Hamilton, A., & Dorsey, M. R. 1995. Administering the adult and continuing education program in a free market economy: The use of strategic marketing planning. *The International Journal of Educational Management. 9 (6)*, 22 – 36.

[20] Oplatka, I. 2002. The emergence of educational marketing: Lesson from the experiences of Israeli principals. *Comparative Education Review, 46* (2), 211 – 233.

[21] Perreault W. D. & McCarthy, E. J. 2000. *Essentials of marketing: a global managerial approach* (8 Ed.). USA: McGraw-Hills Companies, Inc.

[22] Riggs, J. K. 1989. *Determining an effective marketing mix.*, in Simerly, R. G. and associates (Eds), Handbook of marketing for continuing education, p. 126 -137, San Francisco, California: Jossey-Bass..

[23] Slaughter, S., Kittay, J., & Duguid, P. 2002. Technology, markets, and the new political economy of higher education. *Liberal Education. 87 (2)*, 6 – 17.

[24] Stott, K. & Parr, H. 1991. *Marketing your school*, London: Honder and Stoughton.

[25] Wearne, N. 1993. Seizing the future: *A marketing program for institutes of vocational education staff*. Adelaide: Marketing Services Branch Department of Education, Employment and Training.

[26] Zeithaml, V. A., & Bitner M. J. 2003. *Services marketing: Integrating customer focus across firm* (3ʳᵈ Ed). New York: McGraw-Hill/Irwin.

universitas
bandar lampung

9 772303 141001