

Marketing of Professional Education: Choice, Spending, and Consumption

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Abstract-

There is warm debate whether the education sector slowly becoming an industry or can still be treated as a service for people's wellbeing. The available data show a contrary view that it is getting privatized and following an industrial pathway in its management and operation/ production. The systems of education of different countries are quite different and the aspirants seek it as on their interests, mental capabilities, course duration, and affordability of parents. The present paper highlights the changing definition of marketing and analyses the marketing dimensions of education in the service marketing domain. The parents and the aspirants now prefer to invest in those academic courses that establish a way to a career. The universities and institutions are facing tough competition in attracting the aspirants and hence using marketing techniques and strategies to create their image and preference among the parents and aspirants. The spending and choice attract aspirants to fly over different countries where they feel convinced and therefore universities and institutions spend a huge amount on promotion and communication.

Key Words: - Education, Marketing, AMA, Educational spending, Choice, Consumption.

Introduction

Choice, spending, ease of admission, consumption and provision of employment is the resource-intensive for those who aspire to avail of the appropriate branch of education in a worldwide scenario. The professional education is driven by marketing philosophies that have been a research potential as per core marketing concepts of 4 P's (McCarthy, 1960) along with segmentation, targeting and positioning (STP), social communication and the holistic marketing approach for the last four decades. The education sector picked up the mainstream marketing domain in which most of the marketing strategies (including service strategies and quality management) has been used while devising the education spending and complete course package. Now the basic objectives of professional education have been changed and linked to the philosophy of production, quality, value creation and even sales. It is also viewed as a return on investment (ROI) parameter globally.

Various stakeholders in the education sector seeking to purchase and sales, demand and tailor-made educational programs/courses (diploma/domain expertise etc) at the graduate and postgraduate levels. The internationalization of educational programs has given opportunities to aspirants to seek adequate course packages in those countries where educational infrastructure and admission process/ opportunities are scarce.

Definition of Marketing in Relevant Perspective

The American Marketing Association (AMA, 1985) defined marketing as “the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals.”

The association revised the definition of marketing (AMA, 2004) as “an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders”.

It realized that the earlier definitions are not covering the expanded domain of the subject and hence (AMA, 2007) defined as “marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”.

Finally it reconsidered and revised (AMA, 2007) as “marketing is the activity, conducted by organizations and individuals, that operates through a set of institutions and processes for creating, communicating, delivering, and exchanging market offerings that have value for customers, clients, marketers, and society at large”.

The aggregate conception of marketing AMA’s definition of marketing explicitly states that “marketing is a set of activity ... that has value for customers, clients, partners, and society at large.” This leads into the concept of goals - and as highlighted in the definition above, typically our goals are “creating, communicating, delivering and exchanging offerings that have value”. This part of the definition highlights the key outcomes of marketing. It is quite similar to our 4P’s marketing mix model that we tend to know well.

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (AMA, 2013). However, marketing scholars tend to narrowly focus on customers and marketing departments in companies.

To be sure, there is scholarship in marketing journals that has concerned itself with the societal impact of marketing activities and examined the ameliorative role that marketing can play to combat societal issues.

From a societal perspective, the ameliorative effect of education has been shown to occur in a wide variety of domains. One's amount and/or quality of education are linked to increased income. There is no denying that education transforms individuals, households, and societies for the better. Therefore, embracing education as a field of inquiry can strengthen marketing's role in helping improve society, an objective embedded in the AMA's definition of marketing.

Education/ professional education-definition and differentiation

Webster dictionary defines education as “the action or process of teaching someone in a school, college or university” and “the knowledge, skill and understanding that you get from attending a school, college, or university.” The definition conceptualizes education as a process and a set of activities and views it as an outcome generated for the recipients mental abilities to understand any situation and thereby come to adequate conclusions.

As per observation of marketing management, it may be defined as “a set of activities, institutions, and processes for exchanging offerings that include but are not limited to pedagogical content, knowledge, and ideas that provide value for its consumers, stakeholders, and society.” In terms of processes and activities, education encompasses instruction, teaching, tutoring, schooling, training, guiding, and coaching. In terms of outcomes, we consider proximal outcomes such as learning, increased knowledge and insight, and belief change as well as longer-term outcomes such as knowledge accumulation, behavior change, employment, and earnings. In terms of actors, education may include work performed by teachers, professors, academicians as well as work supported by staff and administration. In the liberal economies academics led by private for-pay faculties and education providers. Commercially, education can range from being fully government funded to fully privately paid, financed by nonprofit institutions, and any other combination.

The substantive domains that has included areas like food consumption, nonprofit marketing, health behaviors, and donation behaviors in marketing study has not only enriched the marketing discipline but also

expanded its theoretical, conceptual ideas etc. It is now conceptualized that in case of aforementioned domains, education should be also a mainstream part of marketing study.

Review of available literature

The scholar has reviewed most of the relevant research papers and articles published on the marketing and education domain from 1960 to 1970 approved the innovation of the marketing discipline and debated marketing education and pedagogy-the content of marketing, how the knowledge should be delivered and who will deliver the knowledge that is blended with the marketing concepts and its application in the specialized services, prominently the education that too in priority of professional education.

Luck (1965) explained if marketing education in universities had kept up with advances in research scholarship then there would have been better outcomes in terms of value creation, innovation and entrepreneurship, business performance etc in different industries and business organizations. Miner (1966) argued for understanding the role of managerial abilities, innovative leadership and business psychology, demand-supply relationship, pricing and profitability etc., the aspiring students may have better analytical and readiness in preparing for a marketing and business career. Smith and Cooke (1967) suggested that marketing education may be an efficient way for students to learn about society, income-expenditure patterns, behavioural issues while purchase and consumption decision making, the role of social communication etc., and Lazer (1970) advocated the expanded marketing of education and competitive sphere at the universities, professional institutions and the society at large.

As the scholar find evidence of growth and maturity in the marketing discipline, the scope of marketing inquiry into education-relevant topics expanded considerably during the 1970s and 1980s. One set of articles focused on consumers (individual, households, and institutions) and their decision processes whereas the other focused on the marketing of services like education, hospital, telephony. Staelin (1978) examined the impact of consumer education on product safety behaviour, while Crosby and Taylor (1981) examined the effect of consumer education and information on their decision making and choice behaviour.

Punj and Staelin (1978) examined students' choice process for availing and enrollment in professional programs like medical studies, engineering education, business schools, and at the same time Moriarty and

Venkatesan (1978) segmented educational institutions in the different service categories. The author had examined the association of consumers' education status as an antecedent of consumer spending. Bellante and Foster (1984) examined the role of employment and education status of working professionals on service-related demand and relative expenditures. From the 1990s onward, education and marketing evolved into a diverse research area and substantive topic.

Balasubramanian and Cole (2002) showed how education aspirants' use of information differed among sub-segments based on mental abilities, parents' income and demand for professions. Taking an identity- and socialization based perspective, Rose (1999) contrasted Japanese and American parents' expectations of their child's educational development on the basis of individual identity and socialization based perspectives. Jung and Mittal (2021) examined how liberal versus conservative parents choose educational programs for their children. Conservatives believe in traditional and rooted education packages whereas liberals grave the newer opportunities for their wards to make them ready as per changing economic and social orders. Such parents choose professional programs based on ranking and the kind of specialization offered by the universities and institutions (Dearden, Grewal, and Lilien 2019).

Chen, Mittal, and Sridhar (2021) focused on the context of technological aspects and have drawn several significant conclusions like marketing of education suitably concerns the established marketing frameworks such as segmentation–targeting–positioning, consumer information processing, and the 4 Ps. There is an emergent body of conceptual and empirical work on education from the past five decades. The authors are of opinion that education is a big business much larger than many industries and sectors that have received a lot of attention in marketing. The sheer size of the education sector makes it an important consideration for the marketing domain of knowledge

Yoon, Yang, and Morewedge (2022) provide a fresh perspective on the classic problem of how college choices are made. They show that an excessively myopic focus on the short-term consequences of student loan debt can cause students to make suboptimal choices. Specifically, a myopic focus can cause students to mistakenly forgo the higher long-term earning potential of attending a higher-quality institution for a shorter-term gain of lower loan expenses associated with a lower-tier institution.

Education as consumption Domain

Where do households spend a large portion of their time and money has been a gigantic question in the behaviour marketing segment. These decisions are just as complex, vexing, and consequential as choosing among products during a grocery shopping trip, buying an automobile, or selecting a cell phone or computer. Yet marketing of education and learning has focused on the latter categories, abstaining from the durable and other consumables. In terms of consumption, a study of Chinese families showed that household education expenditure accounted for 35.1% of total household expenditure and 30.1% of total family income in 2013 (Zhang and Zhou 2017). A study of households in India showed that 27% to 30% of the total household spending of the parents was on higher education (Chandrasekhar, Geetha Rani, and Sahoo 2016). They share a family's spending on a child is twice as large for childcare and education greater than health care (Lino et al. 2017).

As of June 2020, U.S. households had \$14.3 trillion worth of debt, after \$9.78 trillion in mortgage debt, the second-largest category included student loans (\$1.54 trillion), followed by automobile loans (\$1.34 trillion) and credit cards (\$.41 trillion). This level of spending recognizes the undeniable fact that individuals and families view education as one of the most transformational activities in which they engage. Given its outsized share of consumer spending and debt, there is a need for marketing scholars to focus on education.

Professional education is a formal specialized training about a particular profession in which learners are taught the central concepts, principles, and techniques, and how these are applied in real practice, and the learners also acquire the necessary competencies needed for proper practise and behaviour. Preparation of graduates by the university for specific professions such as archivists, librarians, teachers, nurses, engineers, doctors, chartered accountants, software development, information and communication technology, legal practitioners, architects and town planners etc. In this definition, professional education would be the education of different levels by means of which people qualify for a certain profession or speciality. Professional education that is established, the duration of the training, and the degrees obtained depend on the system of education in each country.

Education Institutions as Marketers

A substantive motivation for studying different marketing phenomena is often located in their potential financial impact on organizations' marketing budgets and the impact marketing budgets may have on organizations' success. From this perspective, the education industry/sector is highly relevant and appropriate for marketing scholarship because of its marketing and advertising spending (Cellini and Chaudhary 2020).

It is estimated that educational institutions spend between 1.5% to 6.0% of their budget on marketing (Zinkan 2017). By one estimate, the annual recruiting expenditure of U.S. colleges was estimated to be \$10 billion and projected to increase to about \$100 billion over the next decade (Katzman 2016). Kantar and Marcus (2021) estimate that colleges collectively spent \$2.2 billion in advertising during 2019, spending \$429 to \$623 per enrolled student per year on marketing activities. Several legislators have proposed that colleges and universities be required to disclose marketing and advertising spending; as an example, the College Affordability Act (2019) specifically required that higher and professional education institutions not lump advertising costs with student services and instead report them as a separate line item.

In a survey conducted by Simpson Scarborough in 2019 in which a sample of 270 chief marketing officers (CMOs) in a four-year course that educational institutions provide a more nuanced picture of marketing departments. Forty-eight per cent of the CMOs reported directly to the president or chancellor of the universities/colleges/institutions, and 56% were members of the executive leadership team or the governing body. Clearly, marketing is viewed as a critical element of an institution/college or university's strategy. The CMOs disclosed that in higher-education institutions, marketing budgets represented .27% to 11.00% of the institutional budget, with 26% to 31% stating that their budget had increased in the last year. An average marketing team ranged from 8 to 26 people, with additional support from freelancers and educational consultants. Typical CMOs are responsible for a variety of objectives including, but not limited to, the number and quality of students enrolling, amount and quality of media coverage, social media engagement, yield rate from the applicant pool, fundraising productivity, ranking improvements, measurement of brand strength, and alumni engagement.

There is also a clear trend of migrating the marketing and advertising budgets to digital and social media domains. The author concludes that not only do educational institutions spend a lot on marketing, but CMOs

are important members of the senior leadership team. Thus, education institutions are ideal settings to formulate and test the established theories of marketing strategy.

Education Links Marketing to Its Base Disciplines

Marketing is an applied discipline that takes pride in its heritage and linkages to several base disciplines such as economics, psychology, sociology, and statistics. Each of these disciplines has a rich tradition of examining education as an important substantive area that has also generated many important theories and conceptual frameworks. Several prominent economists, including Joshua Angrist, James Heckman, and Amartya Sen, have concerned themselves with education as an important substantive area. Heckman's seminal work on the effect of early childhood environment and schooling on life-cycle skill formation (Heckman 2006; Heckman and Rubinstein 2001), along with Angrist's work on the effects of school regulation on student performance (Angrist, Bettinger, and Kremer 2006; Angrist and Lang 2004), has provided substantive, methodological, and theoretical insights that can be relevant to marketing.

Theories of self-efficacy (Bandura 1978) and delayed gratification (Mischel, Shoda, and Rodriguez 1989) trace their substantive and empirical roots to education; however, they have profoundly affected many applied fields, particularly marketing. Similarly, statistical techniques such as latent class analysis (Lanza and Cooper 2016) and data envelopment analysis (Charnes and Cooper 1984) were developed within education contexts. While the base disciplines on which marketing draws have embraced education as a substantive area with fervour and vigour, marketing scholarship seems hesitant. In fact, one of the frequent issues that surfaced during the review process was a hesitancy to accept education as a marketing-relevant domain. Eschewing this hesitancy will enable the scholar to draw even more deeply on the base disciplines.

Elucidation and closing annotations

Education is also important for consumers in terms of their choice, decision making, consumption, income-expenditure etc. that are traditionally studied within the consumer behaviour literature. Although marketing executives within educational institutions command significant resources and report directly to the chief executive officer, the literature in marketing strategy does not focus on education as a substantive industry sector. Marketing can contribute a lot too and learn a lot from an educational firm's strategy and success. For

societies, education is one of the most consequential activities; its transformative role is undeniable for individuals and households. Finally, education links marketing scholarship to many of the base disciplines on which it builds deepens marketing linkages to the base disciplines while strengthening the roots of marketing scholarship. These arguments support the increased application of marketing on the education sectors.

Kotler and Levy (1969) stated that “marketing is a pervasive societal activity that goes considerably beyond the selling of toothpaste, soap, and steel.” Not only is education a vital sector of the economy, but it also has a transformative effect on societies. For consumers, education is an important decision and consumption domain, and among education suppliers marketing is a critical activity to which they devote outsized marketing budgets. It reinforces the importance of embracing education as an integral conceptual, theoretical, and substantive area of inquiry within the marketing discipline. The scholar is particularly heartened by the multiplicity of methodological perspectives that can be applied to studying education and marketing. hope that these articles will provide the much-needed fillip to invigorate education and marketing as a prominent focus of scholarship.

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