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Marketing in Higher Education: A Stage Model Concerning Where It's Been and Where It's Going

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ABSTRACT

THE IDEAS OF WILLIFORD (1987) WERE USED AS A springboard to propose a four-stage model describing the evolution of marketing in many colleges and universities. This paper elaborates the thinking endemic to strategic marketing management and frameworks drawn from business marketing which will likely become more prominent in higher education.

THE QUESTION of whether or not marketing plays an important role in higher education has now been definitively answered. It does. Just as other basic administrative functions such as the management of human resources and finance are undeniably critical to efficient and effective university management, so too does marketing play a central role. As Litten (1980) noted, quoting Cutlip (1970) years earlier,

> Higher education has long been engaged in the development of services and the promotional activities which in business are called "marketing." We have promoted our institution's service and interest through our public relations, student recruiting, fund-raising, and lobbying efforts; we have changed and developed our institutions to make them more attractive to a variety of publics. Consumer surveys, forecasting, and planning, i.e., marketing research, are not strangers to the academic enterprise. (p.41)

The historic debate about the role of marketing in higher education, when scrutinized carefully, has not really focused on whether marketing is endemic to higher education but rather on more nuanced questions. Among these are

Should marketing, when applied to higher education, still be called "marketing?"
All but a few reactionary semanticists (Rollin 1989, Phelps and Swann 1984) say "yes, of course." Marketing applied to higher education is no more contradictory than when one speaks of health care marketing and political marketing. Higher education marketing simply describes what universities necessarily do.

Can the marketing process in higher education lead to ethical abuses?
As with many things, marketing can be abused. When this happens, the integrity of educational institutions can be severely damaged. But such abuses can also be safeguarded against. Guidelines to help do this have been briefly discussed in the literature (Litten 1981), but much more needs to be done.

To what extent should faculty and educational administrators permit a marketing orientation to drive their approach to university management?
Recommendations for the use of marketing in higher education have been many (Gorman 1974; Knight and Johnson 1981; Pelletier and McNamara 1985). However, recent surveys (Noble 1986) suggest that the implementation of marketing in higher education is far less in practice than many had initially thought.

This last question about the extent of applied marketing in higher education is the most important one and is the focus of this paper. Williford (1987) suggested a normative progression in the use of marketing by a university. He saw four levels of acceptance of marketing in educational institutions:

Marketing as Promotion (Stage One). Marketing is primarily a function of admissions—basically a tool to attract prospective college freshmen to a particular institution.

Marketing as Market Research (Stage Two). The university recognizes that market research is necessary to provide information about students and the institution to better match students to current and future academic programs.

Marketing as Enrollment Management (Stage Three). Via enrollment management, marketing thinking is applied to the provision of financial aid, academic and career counseling, student retention programs, student extracurricular activities, and alumni relations activities.

Strategic Marketing Management (Stage Four). This is marketing in its broadest and most effective form. The idea here is that a marketing orientation drives the university's strategic planning process. In Williford's words, strategic planning "begins with environmental or situation analysis and marketing research" and includes "institutional strategy formulation to meet established educational goals" which are the product of careful market research evaluation of student populations the university hopes to serve.

While Williford did not envision these levels of "marketing acceptance" as stages; we label them as such. In other words, these phases describe a kind of life cycle progression, with each phase representing a greater commitment to marketing as a central force in university administration. As Litten (1980) writes,

> Marketing is a frame of mind in which questions are asked about the optimum relationship between an organization and its environment, or parts of its environment, and action is taken that is informed by the answers to these questions. (p. 41)

The key issue, then, is the degree to which a university accepts a marketing "frame of mind." The broader the questions about a university's environment, the more complex the marketing approach. Some institutions are more sophisticated in the use of marketing than others. Consideration of the particular stage characteristics envisioned by Williford can help universities judge their own level of acceptance of the marketing concept. As in the case with many stage models, Williford's perspective can be interpreted as hierarchical; that is, universities normally move to a more advanced stage when the attributes of previous stages have largely been satisfied.

The model put forth in this paper is conceptualized primarily as an organizing device to focus attention on the evolution of marketing in higher education. We do not claim that the stage model discussed here is purely sequential for every college or university. A college following a stage one "admissions marketing" perspective, for example, might hire a dynamic new president and immediately embrace a stage four "strategic marketing"

approach. Nor do we claim that the attainment of characteristics associated with one particular stage necessarily leads to the following stage. For instance, an institution might remain a stage two "marketing research" type organization for many years. Typically, however, institutions will follow the marketing evolution described in this paper.

In fact, all of the usual shortcomings that have been attached to marketing's better known life cycle models (and other stage models) apply to this one as well. For example, in their classic critique of product life cycle (PLC) thinking, Dhalla and Yuspeh (1976) argue that it is difficult to predict the next stage in the PLC and determine how long each stage will last. Sometimes it is even problematic to identify exactly what stage of the PLC a product or service is in. And while the PLC has four defined phases, the end-points of the phases are not always clear-cut (Dhalla and Yuspeh 1976, pp. 105-106). But despite these criticisms, most practitioners of marketing still find such stage models very useful in their strategic marketing thinking (Cox 1967; Wasson 1971 and 1976; Neidell 1983).

Thus, we propose a classificatory structure to help visualize the development of the marketing process in colleges and universities. One should not infer that the stages postulated here represent an inflexible continuum. It is true that each stage does encompass aspects of previous stages. But, for a particular university to become, for instance, a stage three "enrollment management" organization, it is not necessary to accomplish all of stage one and then all of stage two. In essence, each of the stages is a pure type. Therefore, we find limited predictive ability in this model to indicate when, and even if, the later stages will be achieved. As noted, some colleges may go through their entire existence as stage one or stage two marketing organizations. Given the above qualifications, our approach remains useful. This paper is not so much an attempt to postulate a formal, predictive theory (Hunt 1991) as to propose a logical way to think about how marketing evolves in higher education organizations.

Table 1 provides an overview of this progression. It illustrates how the focus of marketing activities, the kind of research undertaken, administrative coordination, and costs change across the stages. The information contained about each stage is useful for institutions aspiring in that stage. Our hope is that this stage "model" will provide higher education administrators with an organized way to classify and understand the process of shaping marketing perspectives in their institutions. The specific purpose then of this paper is threefold:

1. To elaborate further upon the four levels described by Williford and to show how each stage represents a distinct marketing orientation linked to the university's acceptance of marketing.

2. To review briefly what is already known about the marketing "frame of mind" as it is applies to the area of higher education.

3. To articulate briefly how colleges and universities can improve their marketing sophistication by specifically developing the lessons inherent in the stage four perspective: the strategic marketing approach.

We begin by looking at the most rudimentary stage of marketing orientation: "marketing as promotion." In actual practice, this first stage conceives of marketing as a function performed primarily by the office of admissions.

Stage One: Marketing as Promotion

STAGE ONE marketing fundamentally involves the implementation of promotional and recruiting activities by university admissions departments or offices in their recruiting. Coordinating marketing at stage one colleges usually falls to the admissions director. The admissions area functions as a sales department. Admissions officers are the salespeople; the current curriculum is the product; and advertising, catalogs, brochures and posters are the media employed, with advertising comprising the major form of mass communications. The problem is that many university administrators and faculty see advertising and direct mail as synonymous with marketing because those controlling promotional campaigns are not familiar with broader marketing strategy.

The admissions directors' role in stage one colleges is typically left undefined and varies greatly from institution to institution. As institutional needs shift, their marketing activities have changed, going from the role of gatekeeper—when students and financial aid were abundant—to recruiting agent, and finally to quasi marketing consultant in the late 1970s (Riehl 1982).

This latter role, often lamely implemented, calls for an admissions officer to create a "portfolio, segmenting the marketing, identifying primary and secondary target areas, conducting institutional image surveys, and establishing an on-line application tracking system designed to facilitate an optimal yield compatible with institutional goals" (Riehl 1982, p. 328). Market research is conducted usually on an ad hoc basis and suggests that

Table 1. A Stage Model Reflecting the Acceptance of Marketing in Higher Education

	Stage 1 Marketing as Promotion by the Admissions Department	Stage 2 Marketing as Marketing Research	Stage 3 Marketing as Enrollment Management	Stage 4 Strategic Marketing Management
Primary Focus of Research	Prospective Students	Stage 1 and institutional characteristics of current and future students	Stage 2 and comprehensive data set for all current and past students	Stage 3 and relevant research concerning all university objectives
Administrative Coordinator	Admissions Director	Director of Institutional Research or Marketing Coordinator	VP-Enrollment Management	VP-Marketing
Scope of the Research System	*Ad hoc*	Marketing Information System (MIS)	Decision Support System (DSS)	Institutional wide research for strategic planning and control
Key Marketing Activities Often Included	Advertising Personal Selling Public Relations	Stage 1 and systematic marketing research	Stage 2 and research on pricing and program (i.e., product) modification	Stage 3 and new program development and innovative distribution of programs
Relative Cost to the Institution	Low	Medium	High	Very High

the admissions officer assume an intelligence gathering function to collect data on which marketing decisions can be based.

Information gathered can be useful. Prospective students, for example, can be polled to discover their reasons for choosing or not choosing their present institution. From such polls, the admissions department can discover just how people judge their institution and what needs to be changed, eliminated, or enhanced. Properly conceived, admissions is a "key to the success of an academic institution and how it relates to the rest of the school and to the marketing function. . . . [It is] the *sine qua non* for having things go right rather than having them turn disastrous" (Trachtenberg 1985, p. 2).

The admissions department can also serve as a buffer between the faculty and prospective students, although typically, the role of faculty members in helping the admissions department is minimal and therefore not formally specified. Research suggests that faculty members do not always trust the promotional campaigns conducted by admissions departments (Sevier 1989; Pelletier and McNamara 1985). Milo (1986) surveyed 138 faculty members from 25 (public and private) four-year colleges in California to find out how faculty feel about the work of the admissions office. Contrary to the arguments and expectations of some (Sevier 1989; Pelletier and McNamara 1985), Milo found that faculty are willing to support and participate in recruiting activities and, in fact, strongly support these activities. However, faculty—especially those from the public sector—are less enthusiastic when they are asked to become heavily involved in marketing activities on behalf of the admissions department.

At a time when demographics are not promising for higher education institutions (Alexander 1990), admissions officers are being pressed to increase enrollments. In some institutions the frenzy for students has reached an "anything goes" stage. "Many say that prospective students could be hurt as institutions pressure their admissions officers to enroll freshmen by whatever means are necessary" (Wilson 1990, p. A36). Under such conditions students may be accepted by universities that are a poor "fit" for them personally. A poor fit will undoubtedly lead to lower student satisfaction, lower retention and graduation rates, and higher numbers of student transfers.

In light of such grim possibilities, institutions are realizing that coordinating marketing may have to occur at a

level higher in the university structure than that of admissions director. Colleges need a more comprehensive marketing orientation. This realization of a broader need for marketing frequently transforms stage one universities into stage two—and beyond—institutions.

Stage Two: Market Research

BESIDES MANAGING the admissions process and the communications efforts necessary to replenish the student body annually, many university administrators have come to realize that, for an effective market orientation to occur, an institution needs current and consistent market research. Increasingly, one finds that, "'[t]here is a strong emphasis on using market research to provide information about students and the institution in order to market or promote [the university] more effectively" (Williford 1987, p. 51). Educational institutions which routinely support their admissions process with data obtained through research can be labeled "stage two" marketers. Many stage two marketers hire a Director of Institutional Research or a Marketing Coordinator to oversee the gathering of relevant market and institutional information. Developing this level of marketing in the university implies an ongoing budget commitment to the marketing function, and costs substantially more than the *ad hoc* approach of stage one (see Table 1). Some educational institutions use market information systems (MIS) to help them develop their market orientation. Such MIS networks involve continually interacting structures of people, equipment, and procedures designed to gather, analyze, and distribute information to university decision makers to improve their marketing planning (Kotler 1991).

Limited financial resources present the largest obstacle to expanded market research in universities. It takes considerable funds, as well as skilled personnel, to obtain timely, useful and high quality information. In light of their inadequate resources, many institutions use modified evaluation procedures in place of research. There is an important distinction between evaluation and research in this context. "The focus of research is on drawing conclusions; generalizability is a highly desired characteristic; and the value emphasis is on discovering truth." On the other hand, "evaluation focuses on decision making; generalizability is not relatively as important; and the value emphasis is on determining the worth or importance of the programs being evaluated" (Lolli and Scannell 1983, p. 140). Put another way, certain evaluation may be based on research but may focus upon localized and very specific programs or actions. The market research approach, characteristic of stage two, is far more comprehensive and is directed to attaining information of strategic value on an ongoing basis.

Colleges and universities operating from the market research perspective conduct ongoing research efforts to assess institutional image (i.e., image studies) and to gain further information about prospective applicants and the perceptions of enrolled students (e.g., student satisfaction studies). Consider the following examples of market research that are fairly inexpensive, easy, effective, and ongoing.

> Potsdam College distributed a mail survey to interested parties, applicants, acceptees, and enrollees to help assess its image among these groups. This study illustrated how perceived satisfaction with the college changed as prospective students moved closer to their college choice decision. The results of the research showed that students had high anticipated satisfaction both at the initial stage of information gathering and again at the time they decided to enroll. There was a lag in interest in the [middle] stages of the enrollment process. Further "[t]he results of this research indicated . . . [how] Potsdam can target its marketing and recruitment efforts to increase the likelihood of a student moving from one step to the next in the admissions process, and therefore minimize the impact of an overall decline in college bound students" (Marshall and Delman 1984, p. 331).

> Southern Illinois University-Edwardsville (SIU-E) conducted a series of mail surveys over a 12-month period with student and employee groups. SIU-E based the study on a few key questions: "What is known about students as they enter . . . institutions of higher education? What is known about students as they leave the institution: via graduation, via withdrawing during a term, or dropping out? . . . What are our institutional strengths and weaknesses? What are we doing to enhance the former and to eliminate the latter?" (Bruker and Taliana 1985, p. 41). Research like this suggests that investigations do not always have to be elaborate and expensive to be effective.

> West Virginia University (WVU) used direct mail to determine the status of applicants who had been accepted but had not sent in deposit money. A postage paid postcard was sent that asked a few simple questions: Were they still considering WVU? Were they enrolling else-

where? If so, where and why did they choose not to attend WVU? Or, were they no longer planning to attend college this semester? There was room on the reply card for further comments. For a minimal cost, WVU obtained very useful information concerning their institution and its competition—i.e., those institutions that students selected over WVU. For example, WVU found that 75% of those contacted had chosen another university or college. Twenty percent of these respondents stated that they desired to transfer to WVU in the future. Of those who had chosen another institution, 30% stated that the other institution was either closer to home or smaller in size (Hadsell 1980).

What these institutions did was beneficial for their specific needs, but these studies also suggest that there are general questions any institution should ask. Answers to these generic questions will put the university in a better position to determine what should be done strategically. For example, if an institution finds that a large percentage of current students choose to enroll because of its excellent dormitory facilities, the admissions department could emphasize this benefit to future applicants. Or, an institution may find through exit surveys that students are dropping out because of its poor laboratory facilities. This college may then decide to upgrade these facilities. In any case, universities will have a better grasp of further questions to ask via follow-up research. Inquiries such as those mentioned above are a good place for any institution to begin its research. Once administrators understand the answers to these initial issues, they can develop further plans for research or strategic planning.

Stage Three: Enrollment Management

WHILE MANY institutions conduct periodic market research, their market research is not always comprehensive. Comprehensive research results in an integration of all forms of student information, beginning with admissions efforts and continuing through alumni status. Enrollment management is "a process . . . that influences the size, shape, and the characteristics of a student body by directing institutional efforts in marketing, recruitment, and admissions as well as pricing and financial aid. In addition, the process exerts a significant influence on academic advising, institutional research agenda, orientation, retention studies, and student services" (Hossler 1984, pp. 5-6). Among the areas possibly charted via research are student retention studies, alumni satisfaction surveys, and career placement studies (Hossler 1987). Together, the oversight of such activities constitutes the function of enrollment management. (See Table 1.)

Colleges and universities that embrace the enrollment management perspective are "stage three" marketers. That is, they accept the need for ongoing information that is part of the stage two marketing perspective, but also perceive the need to gather this information to manage student flow throughout the university and onward into the alumni phase. Generally such approaches necessitate a considerable commitment of funds. Commitment to the enrollment management model is not always easy. "There are inherent impediments. . . . Institutional goals and objectives are necessarily vague, authority is broadly dispersed among disciplinary specialties or service units with functional expertise, and coordination of effort is difficult under the best of conditions" (Muston 1985, p. 371).

How broadly has enrollment management been implemented? Muston (1985) surveyed academic and student services officers from 61 large state universities. The results suggest that there is a high degree of organizational resistance to enrollment management strategies. For enrollment management to work, systematic market research should accompany high-level centralized leadership (Albright 1986; Brooker and Noble 1985; and Muston 1985). Although the appointment of one person, generally holding the title of Vice President for Enrollment Management, to coordinate this effort helps to establish accountability, such top-level appointments have not been widespread. Different institutions have settled for different intensities of enrollment management while still claiming to follow what we call a stage three marketing perspective. In other words, many colleges and universities dabble in stage three approaches to marketing.

Kemerer, Baldridge, and Green (1982) identified four enrollment management models: the enrollment management committee, an enrollment coordinator, a matrix approach, and/or an enrollment division. These four approaches require an incremental increase in the degree of centralization and administrative support necessary to implement them. Historically, colleges have opted for increased upper administrative control of enrollment management when they encounter student recruiting problems. When a college experiences lower than desirable enrollments, "there will also be more support for whatever changes are deemed necessary in order to strengthen the institution's ability to attract and retain students" (Hossler 1987, p. 113). This may mean the formation of an enrollment management division, but

the first step might simply be the formation of a committee to assess the situation.

Before choosing which method is best for a specific institution, one must ask what the goals of enrollment management are to be. Many of the basic goals of enrollment management involve becoming more customer responsive to the needs of the students. Glover (1986, p.17) identifies nine goals of enrollment management as follows:

- Increase the accuracy of enrollment forecasts.
- Seek ways to increase the university's market share of prospective applicants.
- Ensure that institutional pricing and student aid policies will be competitive with those of comparable institutions.
- Within the limits of available resources, offer high-quality academic programs and campus experiences that are responsive to the needs and preferences of students.
- Seek ways to increase admissions yield from the number of accepted applicants.
- Maintain academic standards and an enrollment mix that is consistent with the university's mission.
- Find ways to describe, predict, and improve student retention.
- Balance instructional staffing, income, and expense at realistic levels, considering both academic values and enrollment demand.
- Do follow-up reports on the achievements and satisfactions of students and alumni (Glover 1986, p. 17).

Whatever organizational model is chosen to achieve these goals, the administration and faculty must provide the quality consistent with the mission of the university. Thus, unlike the previous stages, the enrollment management approach frequently involves a broad research program analyzing various university costs and benefits as well as the feasibility of academic program adjustments.

Questions remain: Does enrollment management make a difference? Does it enhance the traditional admissions process? Is it effective? One recent study has shown enrollment management gives institutions a stronger chance of survival (Pollock and Wolf 1989), by enhancing the efficiency of the admissions function.

Those who venture into various levels of enrollment management will necessarily be evaluating the current state of the institution, conducting comprehensive market research and using this information effectively to aid in strategic planning. The planning process is further enhanced when various offices such as admissions, development, and financial aid are working in coordination with each other (Pollock and Wolf 1989).

An efficient enrollment management program requires vast amounts of market information. (*See* Glover [1986] for the information requirements of an enrollment management program.) How does an institution process and organize this data? Because of the enormous amount of information colleges and universities demand, the most sophisticated institutions are moving to the use of decision support systems (DSS). DSS "are designed to provide: an integrative, computer-based system to assist decision makers (including groups) in using data and models to address semi-structured or understructured problems or decisions that affect the organization's effectiveness. DSS are intended to provide the administrator or manager with direct, flexible, easy-to-use, computer-based support for important, non-routine problems and decisions and are designed to enhance judgment rather than replace it" (Norris and Mims 1984, p. 708).

The University of Hartford, for example, uses an extensive decision support system to help coordinate its enrollment management program. Specifically, Hartford purchased application software from Systems and Computer Technology Corporation (SCT) that seemed particularly efficient for handling records such as student files, course offerings or funding information. Based upon this software, the university built an effective, flexible DSS. The Hartford experience demonstrates that a DSS-driven enrollment management system can improve the admissions picture facing private, comprehensive universities (Glover 1986).

In summary, enrollment management takes into consideration the big picture concerning the flow of students, beginning with their inquiry about the university and continuing through their evolution to alumni status. Enrollment management (stage three) goes further than the admissions (stage one) or market research (stage two) perspectives because it takes the information about who the students are and why they want to attend and attempts to profile and understand the student throughout the period of enrollment. The enrollment manage-

ment model, at least when fully developed, involves top levels of administration (i.e., VP-Enrollment Management) to ensure that things can and will get done. What is neglected by the enrollment management approach, however, is the market driven application of the overall mission and objectives of the university to key customer markets. This is a factor encompassed by the stage four approach to university marketing—the strategic marketing perspective.

Stage Four: Strategic Marketing Management

A STAGE FOUR marketing perspective involves taking a strategic marketing approach. This stage encompasses all of the prior activities (see Table 1), but has them driven and coordinated by the strategic planning process of the institution. Essentially, the process of strategic planning involves "developing and maintaining a strategic fit between the organization and its changing marketing opportunities" (Kotler and Murphy 1981, p. 471). In higher education, this means developing academic programs that "fit" with the environment and then selecting market segments that offer the best potential for an institution's limited resources. In this way, marketers help ensure the future educational and financial viability of the institution.

How exactly does one achieve a stage four strategic marketing perspective in higher education? A strategic market perspective forces an institution to take a long-range outlook and to make appropriate resource allocations. The discipline of marketing itself has an array of frameworks that can guide administrators in strategic market analysis and decision making and aid the fit between consumers and the programs an educational institution offer (Aaker 1988, p. 18). These frameworks help administrators examine and react to the external environment so that they can capitalize on program opportunities and threats. Many of these frameworks have operated in universities on a piecemeal basis for many years.

The key difference characterizing the strategic marketing approach is that the frameworks operate simultaneously in an ongoing fashion and are always informed by an institution's articulation of what it wants to be and what markets it can best serve. Specifically, the topics illustrative of the marketing approach are generic competitive strategies, the experience curve, competitive advantages, first and late entrant strategies, acquisition strategies, and, finally, global strategies. These topics provide an overview of how a stage four marketing perspective is nurtured in higher education, and of some of the components it may conceivably include.

Generic Strategies

MANY STRATEGISTS conclude that there are three ways to compete in an environment characterized by intense competition: least cost, differentiation, and focus. In the context of higher education, low cost producers are most often community colleges, technical schools, and certain state institutions. These institutions offer a standardized educational product at a relatively low cost.

Differentiation is a second generic strategy. Institutions may differentiate on a number of attributes: the specialty programs they offer (e.g., hotel management), their location (e.g., The University of the Virgin Islands), financial aid availability, placement rates, internship options or a number of other factors. The University of Hawaii, for instance, restructuring its curriculum for first- and second-year medical students, is differentiating its medical education based on its pedagogical approach. Students spend all four years involved in clinical work in contrast to the traditional programs that use the first two years to prepare students to pass their medical boards and only the last two years for clinical work (Dodge 1990).

A third generic approach is a focus strategy used by Hastings School of Law, Keller Graduate School of Management in Illinois, and McDonald's Hamburger University, among others, to fill a specific niche in the market by offering focused coursework to fulfill specialized educational needs. Other institutions using the focus approach are the GM Institute, the U.S. military academies and colleges that use the "great books" approach to college education such as Shimer College (Illinois).

The Experience Curve

THE EXPERIENCE curve concept suggests that a firm accumulating experience in production will have its costs in real dollars decline at a predictable rate (Aaker 1988). The experience curve "rule" suggests that for every doubling of production experience, unit costs should decline 20%-30% (Ghemawhat 1985). At first glance, one may hesitate to associate the experience curve with higher education because it has always been a characteristic inherent to manufacturing firms. However, some positive experience effects do exist. For example, it is easier for a college to expand existing programs than to create new ones. Similarly, it is less expensive to develop a new program within an existing college than to develop an entirely new program. Two years ago one midwestern university added a new biomedical department to its College of Engineering. Some faculty within the other engineering departments (e.g., electrical and

mechanical) already possessed biomedical interests and experience. This existing expertise saved the university from incurring substantial recruitment costs to attract professors to staff this new academic program. Another illustration of experience curve efficiencies involves smaller colleges in close geographic proximity that use joint appointments of professors or share facilities. Prior to their merger, the University of Notre Dame and St. Mary's of Indiana exercised this option for years.

Positioning as a Competitive Advantage

Henderson (1983) argued that competitors who persist and survive do so because they retain a unique competitive advantage over all others. Positioning essentially involves selecting those aspects of an institution which will be developed and then emphasized to the market (Aaker 1982). Positioning a university in a highly competitive market can be a time consuming process since perceptions are built only over a number of years (Aaker 1982; Trout and Reis 1972). Some universities such as the University of Notre Dame use their alumni to help position the institution, as alumni are often a strong source of marketing information and institutional support (Glover 1986).

Variations on positioning strategy which universities might utilize include positioning by price and/or quality, positioning with respect to use of application, positioning by product user, and positioning with respect to competition (Aaker 1982). Positioning a product as "high quality" can sometimes be achieved by attaching a high price. Example of positioning by use of application used by many schools of education involves promoting summer course offerings aimed at attracting teachers (K-12) who need to fulfill college credit requirements to retain their teaching licenses. Other universities attempt to position according to the product user. Positioning by product user can be seen in the University of Wisconsin's program in marketing specifically for bankers. Finally, the University of Chicago's positioning itself as the "Ivy League of the Midwest" illustrates positioning with respect to a competitor (i.e., one institution's exploiting a well established image to aid in communicating its own image).

Sustainable Competitive Advantages

Ghemawat (1986) stated that the most sustainable competitive advantages in the marketplace are those based on size, superior access to supply, or restrictions on competitor options as a result of legal regulation. How does this concept apply to colleges and universities? Some institutions employ top professors, or "stars" in their field to serve as a draw for top notch students (Kelly 1991). Alumni form a nationwide promotional network for the university (Glover 1986). Therefore, institutions with strong alumni support and renowned faculty, such as Princeton and Harvard, gain superior access to the supply of students.

There are also cases in higher education where legal restrictions create a competitive advantage for one institution by blocking a competitor's options. This occurs for example when state governments designate certain campuses as the only location for a specialized program.

First Mover Advantages

Those organizations which are the first in the market with a new product often reap rewards because of (a) their ability to establish technological leadership; (b) their ability to preempt competitor access to key markets or sources of supply; or (c) the likelihood of their establishing high buyer switching costs (Lieberman and Montgomery 1988). Universities can establish technological leadership by dominating and gaining a strong reputation in a particular field. For example, Johns Hopkins University's reputation as outstanding in the area of medical research often helps it obtain research grants, students, and top professors all of which help to sustain its reputation for quality. MIT and Cal Tech have established technological leadership through their superior laboratory facilities, essential in the sciences.

A college can also preempt competitor access by attracting a critical mass of available students, perhaps by building superior facilities (e.g., astronomical observatories) or by attracting the top professors in the field. If there are a relatively small number of interested students, the university with the best facilities and faculty will draw the best students. This situation could discourage competitors from entering the market, because it will no longer seem so attractive.

A university can design its programs so that it builds courses upon previous offerings (prerequisites), creating difficulty for students transferring credits to different institutions. Or, the pedagogical orientation of a program unique to a particular university can create high buyer switching costs for the students considering transferring out. An example of this would be the University of Chicago's graduate program in economics which focuses its studies on a free market approach to economic transactions, in contrast to the program at MIT where the graduate emphasis is heavily on mathematical economics. These two different approaches to the study of economics would make transferring from one program to the

other difficult for students. The university building high switching costs for its students is at the same time creating high barriers to entry for students wanting to transfer in.

Late Mover Advantages

LATE MOVERS wait for other organizations to test the market before entering it. Late mover advantages are dependent on the degree to which technological uncertainty has been resolved; their ability to move down the learning curve via the "free rider" concept; and the likelihood of their capitalizing upon incumbent inertia (Lieberman and Montgomery 1988). Colleges can sometimes benefit as late movers by starting their program after an innovative school with that same program has graduated a few students. At this point the late mover can hire these "new" experts at lower salaries and build a program without the risks associated with being the first in the market. The University of Michigan and the University of California at Berkeley are examples of first institutions pioneering programs in biomedical engineering. Once these programs were established and began graduating students, other colleges and universities hired their graduates to develop their own biomedical engineering departments.

Acquisition Strategies

ACQUISITION STRATEGIES involve the expansion of an institution by acquiring, in one form or another, parts of other departments or colleges. Porter (1987) states that firms pursuing an acquisition strategy should select targets in industries which are structurally attractive, where the cost of entry is not at a premium, and to which the acquiring firm brings some competitive advantage. Colleges and universities looking at the acquisition of programs, departments, or facilities should consider these points when managing the mix of programs at a university.

An institution, for example, may want to acquire an entire department to create a full-service university or to simply expand its current offerings. Acquiring an existing department with established faculty can help create a competitive advantage. The University of Texas-Austin several years ago reconstructed their computer science department by "raiding" faculty superstars from other universities.

Many institutions are acquiring small, struggling colleges to handle increasing enrollment and creating suburban campuses to offset the rising crime on urban campuses. Loyola University purchased the last all women's college, Mundeline College in Illinois, in part, to develop a suburban campus for its undergraduate students.

Global Strategies

AT A TIME when most markets are global in nature, Levitt (1983) suggested that firms should develop globally standardized products in response to this crucial trend of globalization. Educational institutions are no exception to this principle. Universities in western Australian university that have outreach MBA programs situated across southeast Asia with academic staff that rotates from location to location teaching its respective subjects are global institutions. They seek to operate in a consistent way and at a relatively low cost, staffing similar programs in every country they enter (Levitt 1983). Other institutions are less systematic in their approach. Some use the "shot-in-the-dark" method of internationalizing that calls for selecting a locally successful program and taking it abroad without adjustment, in the hope that it sells. This method is often used because it is simple and relatively inexpensive and basically serves as an expanded test market for the program (van Mesdag 1987). However, the "shot-in-the-dark" method is a very risky approach because it is not based on market needs as evidenced by research. Similarly, institutions also develop international programs through random faculty contacts, a procedure which holds investigative costs down.

Conclusion

THE STAGE model proposed in this paper (Table 1) is a classificational device which can be used to understand the evolution of the marketing perspective in institutions of higher education. To summarize, in stage one and stage two marketing the primary target market consists almost exclusively of prospective students. By the time a college or university evolves into a stage three marketer, the target market expands to include present students and former (transfers and graduates) whose reactions to their prior studies and experiences will be surveyed. And when a college or university embodies a stage four orientation, it has accepted the notion that an institution must plan to offer academic programs that flow from its overall mission and are carefully matched to the demonstrated needs of all targeted student groups.

Stage four marketing represents a strategy-driven perspective for analyzing the markets served by institutions of higher education. It involves a reasonably logical evolution in the thinking of higher education administrators about the client markets they service. In essence,

stage four marketing is a new way of thinking about the tasks that institutions of higher education have always inherently done. That is, stage one and stage two marketers engage in a wide range of marketing activities such as the design of new programs, the selection of locations where programs will be offered, the adjustment of tuition levels, etc., but most of these activities may not be recognized as marketing or formally coordinated with each other. The fundamental contribution of the stage four perspective is that the entire package of marketing elements is integrated and driven by a recognition that a university must strategically match the markets it serves to the organizational goals of the institution. This match is best made when the administrative approach is guided by the various strategic marketing frameworks discussed here.

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