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The Application of Marketing Practices for Competitiveness in Public Further Education and Training Colleges in Gauteng

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Mini Dissertation

Submitted in partial fulfilment of the requirements for the degree

MASTER IN BUSINESS ADMINISTRATION

in the

FACULTY OF COMMERCE AND ADMINISTRATION

at

NORTHWEST UNIVERSITY, MAFIKENG CAMPUS

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DECEMBER 2012

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ACKNOWLEDGEMENTS

First and foremost I thank God almighty for enabling me to successfully complete this programme. I wish to thank Professor Theuns Pelsler for the guidance and invaluable advice I received from him with regard to this dissertation. Professor Pelsler's commitment played an important role to ensure a successful completion of this dissertation.


I also wish to thank my MBA group members, Naomi Molefe, Len Kekana, Mangi Kekana and Benjamin Amalukwe for unison displayed in the group and for their understanding and encouragement throughout the years that we studied together.

I appreciate my wife and child for their support and forbearance even when I had to stay away to attend classes and study to complete the course work.

The efforts of my lecturers will not go unnoticed, I wish to say thank you to all my lecturers for the outstanding teaching abilities displayed by them and for their contributions to a successful completion of my dissertation.

DECLARATION

I declare that this is an original work submitted by me. Any work of similar nature has been properly referenced in this dissertation.

A handwritten signature in blue ink, appearing to read 'Tayo Fadahunsi', is written over a horizontal line.

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SUMMARY

It is the desire of every government to widen participation in education. Widening participation refers to increasing access to learning opportunities for success to a wider cross section of the population than presently (Farr, 2003:315-316). South Africa is not an exception, since 1994 the government has worked to transform all facets of the education system (OECD 2008).

Marketing is now regarded as an essential set of principles and practices, which are necessary to attract and retain customers. Colleges and other service providers are faced with competitive situations where it is necessary to satisfactorily meet the needs of customers and to have a competitive advantage that will ensure long term survival.

The problem statement in the current research is that there is inadequate knowledge on the application of marketing practices for competitiveness in public further education and training (FET) colleges in South Africa. It is necessary to look into the marketing practices that are being used for competitiveness by public FET colleges in Gauteng.

In order to carry out this research, a survey was undertaken to describe the current state of affairs in the selected colleges in Gauteng with respect to the marketing practices being used to ensure competitiveness. The survey was conducted making use of a questionnaire, using both open and closed questions. The questionnaires were sent out to the participants and the researcher had a response rate of 44% of the total sample of 250. The questionnaire consists of three parts. Part one seeks to ask for permission to use the participants' responses for research purposes; part two relates to the demographics of the participants and part three comprises questions about marketing practices.

Due to limitations of the study, the research has not been able to wholly achieve the research objectives, but in a way it has contributed to the body of research on the application of marketing practices for competitiveness in public FET colleges. The relevant findings about the respondents indicated that they were positive about marketing practices used by their colleges for competitiveness. The literature review and empirical research have also established the following correlations:

- The correlation between alignments of offerings and driving down cost is 1, a positive and very strong correlation between two variables.
- The correlation between soliciting feedback and improving responsiveness is 0.75, a positive and strong correlation between two variables.
- The correlation between employees' compensation and effectiveness is 0.64, a positive correlation between the two variables.
- The correlation between soliciting feedback and improving overall performance is 1, a positive and very strong correlation between two variables.
- It was also established that age is not the determinant of whether respondents are positive or negative about the impact of marketing practices for competitiveness.

Given that the scope of the research is limited and coupled with other limitations associated with the study, certain recommendations for future research were given as follows:

- Further surveys could include specific marketing activities that were not included in the current survey that could be a pioneer of competitiveness.
- Further research may be conducted to ascertain how institutions define factors and variables that are relating to marketing practices.

- Only employees of the colleges were selected in the current study in order to determine the marketing practices used for competitiveness; further research should be conducted to seek feedback, not only from restricted internal stakeholders, i.e. employees, but also from current students and other external stakeholders, such as prospective students, alumni, affiliate colleges and parents, to see if differences will be reported in current practices and to better understand the practices of marketing for competitiveness in these colleges.

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CHAPTER 1: Introduction

1.1 Background and Problem Statement

Marketing is an essential part of the activities of private businesses specialising in the sale of products. In recent times, the practice of marketing can be applied to the sale of products as well as services. It can further be applied to the non-profit sector (Druker, 1990) and to education according to Kotler & Fox (cited by Akoojee and McGrath, 2008:131).

Research has shown that public educational marketing in further education and training (FET) colleges in South Africa started towards the end of the apartheid era as part of the transformation process in the country (Akoojee & McGrath, 2008:132). The introduction of marketing practice in public further education and training colleges was to develop and empower colleges in South Africa to be able to effectively satisfy the needs of both internal and external stakeholders, since there was an increase in the number of people who were interested in education. There was a need for colleges in South Africa to become more responsive to multiple markets and stakeholders.

Marketing practices in public further education and training (FET) colleges in South Africa are rising; these colleges are beginning to integrate marketing into their systems. Most of the colleges now have marketing sections that are saddled with the responsibility of carrying out all marketing related activities. Public further education and training colleges have come to the realisation that marketing is an integral part of any organisation, even of service providing organisations such as colleges, and that the importance of marketing orientation is considered essential for organisational competitiveness and sustainability. Slater and Narver (1995:63) contend that: "A market orientation is valuable for the

organisation because it focuses the organisation on (1) continuously collecting information about the target customers' needs and competitors' capabilities and (2) using the information to create continuous superior customer value".

There has been an increase in the need of South Africans for education; people want to be better informed, develop their skills and talents and be useful to themselves and society at large. The rising need for education came into the limelight shortly after the apartheid era.

This rising need for education has propelled most colleges to embrace marketing practices in order to be competitive and as a way to better meet the needs of their target market, comprising both internal and external stakeholders. These colleges have been confronted by the growing market pressing for services that will meet their needs. The increase in demand for quality education has also resulted in intense competition in the education industry. This competition is a wakeup call, resulting in the emergence of marketing practices in these colleges, and competition implies that colleges must deliver quality education that is relevant to the current situation and that will affect people, as well as the knowledge, skills and expertise required to be effective in the highly competitive labour market. It means that colleges need to become more competitive and responsive to the demand of the market. Colleges have realised the need for quality service delivery to have a competitive advantage over competitors and it is evident that this can be achieved through marketing.

Marketing practices in public further education and training colleges have made a significant contribution to the improvement and development of further education in South Africa, but the area of concern is about how these practices are being used by public further education and training colleges. There is a dilemma concerning the application of marketing practices for competitiveness in these colleges and this requires adequate perusal.

1.2 Nature of the Problem

FET colleges are supplying programmes that are not responding to the needs of individuals and the labour market; most of the programmes are not relevant to what the people want, thus the needs of people are not satisfactorily met. These colleges are not providing relevant and credible programmes in sought-after technical and vocational learning areas that will lead to uptake in the labour market. Akoojee and McGrath (2008:135) citing Ducker (1990), note that non-profit organisations have a duty towards their stakeholders to allocate scarce resources to results rather than to “squander” them on being righteous.

Learners are also badly advised by these colleges; students register for courses only to discover later that they have actually been swindled into studying these courses. This has also resulted in a situation where a lot of students abandoned their programmes mid-way and attempted starting afresh with the course of their choice.

There has been no commitment on the part of employees in public further education and training colleges, the morale of these employees is low. These employees are not happy with their jobs and they derive no job satisfaction, which are evident in the drop in quality of education in these colleges.

1.3 Core Questions and Sub-problems

What marketing practices are being used by public FET colleges to ensure competitiveness?

How do public FET colleges structure their processes and resources to deliver services and meet customers' needs?

Marketing practices in public FET colleges in South Africa focus more on external stakeholders than internal stakeholders, more attention is given to people outside the institutions while the needs of people within the institutions are ignored or given lesser attention and this has caused delivery of poor quality education. Also, no importance is attached to the role of marketing personnel; these institutions do not see any correlation between marketing, quality assurance and customer satisfaction.

There is the problem of confusing marketing in a for-profit context with marketing in a not-for-profit context in South African public further education and training colleges. The notion of seeing not-for-profit colleges in profit terms has resulted in poor performances of public colleges and this notion has been questioned. Liao, Foreman and Sargeant (2001:262), with reference to the term marketing orientation, contend that: Given the history of the construct, it will seem inappropriate to merely “transfer” it from one sector to another.

The transfer of profit-making motives and assumptions of shareholders' reward in private to public further education and training colleges in South Africa has resulted in lowering the standard of education to attract and retain poor performing students as long as these students can afford the tuition fees.

1.4 Research Objectives

There is a need to look into the marketing practices used by public education and training colleges in South Africa. South Africa's shift to marketing in public FET colleges has not been meaningfully driven by the understanding of how these marketing theories should be applied to public FET colleges.

However, if marketing theories are not well applied to these public FET colleges, there is the risk that South Africa will have weak colleges that are not able to plan strategically and deliver more effectively to meet the needs of the markets. It will also be difficult to enhance the value of public FET colleges, and achievement of the overall national education development objectives will be hindered.

The purpose of this research is to raise concern and look into the ways in which marketing theories are being applied and how they should be applied to public FET colleges in South Africa in order to identify problem areas, make specific recommendations for implementing interventions aimed at resolving the problem in order to ensure competitiveness, and to provide government with relevant information.

Reliable information generated from this research will contribute to the success of public FET colleges in South Africa and strengthen their strategic responsiveness to the market. It will also help these colleges to improve on the processes used to deliver customer satisfaction, make efficient use of resources and thereby create a new corporate image that will meet the needs of all the stakeholders more satisfactorily.

2. Delimitation of the Field

The scope of this research will be limited to selected public FET colleges in Gauteng; the employees of these colleges will be requested to complete questionnaires. The object of the research will be to look into marketing practices which the colleges use to ensure competitiveness.

Private FET colleges and other tertiary institutions have been deliberately excluded from this research; all other aspects not relating to the practices of marketing of public FET

colleges have also been excluded from this research. This is to make the research more specific so that findings can be more accurate and reliable.

3. Assumptions

The following assumptions have been identified:

1. External stakeholders require more attention than internal stakeholders.
2. Marketing in a for-profit context will equally work in a not-for-profit context.
3. The roles of marketing personnel are less important in public FET colleges in achieving quality assurance.
4. All programmes supplied by public FET colleges will probably meet the needs of the market.

4. Hypotheses

Colleges that properly apply marketing practices are more competitive and responsive to the needs of the markets than colleges that improperly apply marketing practices.

5. Research Methodology

The research approach shall be both qualitative and quantitative research; this will involve the collection, analysis and interpretation of data that cannot be meaningfully quantified. It will also involve the collection of data that involves larger, more representative respondents' samples and numerical calculations of results.

The following data collection methods will be applied to selected public FET colleges in Gauteng: literature study, questioning and record analysis. The qualitative research will be used for pre-piloting a quantitative questionnaire; this is to ensure that the questionnaire to be used in the quantitative study is relevant and applicable to the identified respondents. The quantitative research will be used in order to have interaction with the respondents so that all types of required information can be extracted.

5.1 Research Design

Survey design will be used to study the population by selecting samples. Surveys will be undertaken to describe the current state of affairs in the selected colleges, with respect to the marketing practices being used to ensure competitiveness. A cross-sectional survey, where data will be collected at one point in time, will be carried out, due to the limited period available for the survey.

5.2 Data Collection Methods

As mentioned above, a survey will be conducted making use of a questionnaire, both open and closed questions will be used. The specific user group is literate and adults so they are expected to complete a questionnaire properly; this explains why the interview and observation method may not be used.

The questionnaire will only be developed later in the study when all theoretical chapters have been done. Each question included in the questionnaire will pertain to specific aspects of the study identified in the problem statement. Questions will be carefully worded to ensure that they are simple, straightforward, unambiguous, practical and relevant.

5.3 Population and Sampling

The population will comprise all staff of the selected public FET colleges in Gauteng. The survey population will comprise administration staff of these colleges. The sampling unit will be the selected colleges (the primary sample unit) and then sales and marketing staff in these colleges (the secondary sample unit). The sampling frame will be an alphabetical list of sales and marketing staff in the selected colleges.

5.4 Instrumentation

The instrument will be a questionnaire, which will be custom-designed. It will look into the marketing practices used by public FET colleges for competitiveness. Qualitative research conducted on a small sample or group of people will be used for a pilot study, which will help to develop a pre-piloting quantitative questionnaire to identify respondents and to ensure that the questionnaire is relevant and applicable before actually using or distributing it.

6. Study Programme

This study will be structured in the following order: Title, index and acknowledgements, Chapter one: Introduction and problem statement. Chapter Two: Literature chapter (write literature review chapter). Chapter Three: Research methodologies (identify appropriate research methods, research instruments, sample group, and statistical methods and write research methodology chapter). Chapter Four: Discussions of findings (apply research instruments, gather responses, analyse data and write discussion and findings chapter). Chapter Five: Conclusions and recommendations (review findings and write conclusions and recommendations chapter), and finally the bibliography (compile bibliography and add annexures).

CHAPTER 2: Marketing and Education

2.1 Introduction

Marketing in education has been in existence dating back at least 30 years in the USA in private higher education institutions. It is only recently that marketing has taken on an important role in public education in countries around the world. In South Africa, the emergence of marketing as a way of providing solutions to state provision can be seen to have emerged in the later years of apartheid (Akoojee & McGrath, 2008:133). It is only recently that marketing has emerged as part of the transformation process in public colleges after the 1998 FET Act and the new Institutional Landscape document of 2001. It is necessary to evaluate trends in services marketing when dealing with marketing in education. It is also important to evaluate the marketing relationships in services marketing. Kotler (1994), as cited by Akoojee and McGrath (2008:137), states that educational institutions can position their marketing practices based on the three marketing relationships, namely: the relationship between the customer and the company (external marketing), the relationship between the company and the employee (internal marketing) and the relationship between customer and employee (interactive marketing).

In a context where education is the sole product being exchanged and which involves the use of mediated information and a variety of other forms of instruction to deliver knowledge and skills to the learner, external marketing therefore focuses on students' recruitment. This is a situation where attention is given to increase enrolments and rollovers. Efforts are being made to create brand awareness in order to increase enrolments. Akoojee and McGrath (2008:145), citing Liao, Foreman and Sargeant (2001), have also contended that the very nature of education as a service requires the provider to 'change customer behaviours'. This makes it imperative for marketing departments in colleges to devise effective strategies to reach the target markets and meet their needs for competitiveness.

Internal marketing focuses on an internal process in order to deliver satisfactory services. It will be necessary to evaluate the conditions under which these services are delivered. Internal marketing orientation ensures that employees derive satisfaction from their work. Effective internal marketing is vital in an organisation as it provides the necessary information to part-time marketers and boosts employees' morale, which will eventually result in satisfaction of external customers (Gummesson, (1987) cited in Akoojee and McGrath (2008:140)). It may require the integration of marketing strategies and practices into the human resources plan in order to have an effective internal marketing; this will help to reduce labour turnover, which may affect customer satisfaction negatively. It becomes imperative to ensure that employees are adequately motivated to carry out tasks by satisfying their needs. Creating appropriate working conditions within the organisation will go along way in ensuring customer satisfaction.

Interactive marketing takes place primarily during the consumption process and it is an important component of generating repeat sales. Interacting marketing ensures an on-going relationship between the buyer and seller from the initial stage of the service delivery process through to the point of delivery of the service; it also ensures continuous transactions between the buyer and seller. In a situation where more attention is given to the external environment, interactive marketing becomes a vital element of marketing as it defines the relationship between employees of an organisation and its customers.

2.2 Strategic Management of Marketing in Further Education

Inseparability is a distinguishing characteristic of services that reflects the interconnectivity between a service provider and the customer receiving the service (Cant *et al.*, 2006:290). In the marketing of services, the number of contacts between the supplier and the customer is normally greater than in marketing of goods. Given the fact that the production and consumption of services are done simultaneously, it becomes imperative to have inter-personal interaction between the seller and the buyer.

According to Gummesson (1987) as cited by Brennan *et al.* (2003:145), certain key issues have been identified from marketing which arise from the interactive approach:

- The customer can become part of the “production process”. This is easily illustrated in the educational sector where the contributions of other members of a learning group are an important component of the individual’s learning experience.
- Rather than being a separate activity, marketing is intertwined with other functions of the organisation and marketing activities are undertaken by people who are employed in other functions of the organisation as “part-time marketers”.
- The internal marketing becomes an important activity in its own right, so that all of the part-time marketers charged with responsibilities of achieving and maintaining customers’ satisfaction have the information they need.

In most situations, the bulk of marketing activities in a services organisation fall outside of the direct control of the marketing department, this is because the marketing personnel presence in the organisation is limited, and hence, the role of interactive marketing becomes imperative, where part-time marketers will have to interact with service recipients to ensure customer satisfaction. Professional marketers in this situation have the responsibility of supporting these part-time marketers in the organisation.

2.3 Marketing in FE: Lessons from Britain

Brennan *et al.* (2003:144), according to some research work carried out on marketing in further education and training sector in the United Kingdom, suggest that, it is necessary to assess whether marketing and human resources strategies have been integrated with each other, and have been integrated into a broader strategic thinking within further education colleges. This is necessary for educational institutions to be effective, and responsive to changing needs of the market. Emphasis has been placed on integration of marketing and human resources strategies. Marketing practices in colleges in the United Kingdom also focus on building brand names for colleges by giving attention to protection

of and respect for brand names. The practice of marketing in these colleges involves ensuring that current students are satisfied with the service provided by the organisation.

It has been argued that there should be a replacement of the notion of profit with long-term survival in further education and training colleges. The notion of seeing non-profit organisations in profit terms has, however, been questioned. Liao, Foreman and Sargeant (2001) as cited by Akoojee and McGrath (2008:135), with reference to the term marketing orientation, contend that: It will seem inappropriate to merely transfer the profit maximisation goal of the profit sector to the non-profit sector. This indicates a situation where public organisations are accountable for efficient utilisation of resources; they are held liable to justify their existence. There should also be employee orientation and organisation coordination to ensure successful marketing for effectiveness in organisations. The desire to pursue long-term survival in public further education will encourage organisations to move towards implementing marketing orientation instead of focusing on the profit maximisation objective of private institutions. The aim of marketing orientation is to ensure that needs of clients and employees are met, to ensure proper coordination of an organisation's infrastructure, to adapt to changes in the environment and to operate with limited resources for sustainability of the organisation.

The traditional understanding of marketing focuses its attention on the external customer and all the organisation's activities are directed toward satisfying the needs of this external customer. According to Kotler (2009:59), today's best marketers recognise the need to have a more complete, cohesive approach that goes beyond the traditional application of marketing concept. It is perhaps more effective to adopt a holistic marketing concept, which recognises "everything that matters"; it is an approach that ensures that the marketing process is infused into every part of the organisation where customer interactions take place. In service marketing, there is a direct interaction with customers, the customers are actively involved in the production of the service and customers evaluate the quality of the service based on their experience with the contact they have

with the service provider. Internal marketing ensures that everyone in the organisation embraces the marketing orientation. This is particularly required in a service sector such as education, since students rarely distinguish between academic and administrative functions of the organisation.

2.4 Integration of Interactive Marketing and Human Resource Management

In order to have effective interactive marketing, certain interactive activities such as motivation, training of part-time marketers and internal marketing, and human resource management activities such as employee training and internal communication, should be integrated. Employee selection and appraisal will go a long way to have an impact on the performance of these part-time marketers if they are to be effective in delivering customers' satisfaction. Brennen *et al.* (2003:148) contend that, in order to have a successful interactive marketing approach, marketing and human resource strategies should be well integrated. In conjunction with other technical criteria, marketing related criteria should be used as the basis of selection for new recruits who are not experts in the marketing field. This implies that criteria for marketing performance must be a factor in, for the purpose of selection, remuneration and appraisal of employees, in order to ensure customers' satisfaction and to be more competitive in the market. This is particularly important for the education sector as it has been argued that, in order to evaluate the responsiveness of educational institutions, it will be necessary to assess whether marketing and human resource strategies have been integrated into a broader strategic thinking within FE colleges (Brennen *et al.*, 2000:144)

2.5 Marketing Orientation in Further Education Colleges

Marketing orientation is professed to be the organisation culture that most effectively creates the necessary behaviours for the creation of value for buyers and, consequently, continuous superior performance for the business (Narver & Slater, 1990 cited in Siu & Wilson, (1998:302)). Embracement and implementation of marketing orientation has been

described as a unique form of sustainable competitive advantage (Kohli & Jaworski, (1990) cited in Hammond *et al.*, (2006:72)). There are resistances to marketing practice in FE colleges due to their strong association with commercialisation. The attitudes of senior college managers differ from those of lecturers with respect to marketing principles and practices.

Randle and Brady (1996:10) state that market orientation can be located within the differences between the traditional professional paradigm in the context of FE and that of the managerial paradigm. It is widely believed that, due to increasing worldwide competition and production, marketing is now regarded as an essential set of principles and practices that is necessary to attract and retain customers. Market forces and the terminology of the marketplace have gradually slithered into the world of education where consumers place emphasis on quality, choice and value. Colleges, like other service providers, are faced with competitive situations where service quality is not only necessary for ensuring competitive advantage, but it is also required for long-term survival. In dealing with service marketing, attention should be given to one particular behavioural aspect, namely internal customers (i.e. the employees in an organisation). This is relevant to FE colleges in the sense that interactions between lecturers and students determine the quality of service and again dictate the sustainability of the college. With regard to the above validation, three important behavioural elements are regarded as necessary for a market orientation framework. These components are: customer orientation, the internal customer and integrated marketing efforts.

Customer need satisfaction is the key in successful marketing in organisations (Lamb *et al.*, 2004:10). Satisfying customers' needs and wants has been regarded as the prime component to ensure sustainability of an organisation. It is very significant to maintain a buyer-seller relationship for the effectiveness of the organisation, and it is also imperative to evaluate customers' satisfaction; this can be done by means of a survey. This evaluation takes place during the process of interaction and the essence is to examine

whether or not customer satisfaction is achieved. The importance of the concept of interaction is based on the assertion that production and consumption of service occur simultaneously and there is a direct contact between the service provider and the customer. The interaction that occurs at this stage is very important as this will dictate the customer's experience and the likelihood of the customer doing business with the organisation in future. In the FE sector, the interaction between employees, i.e. lecturers, and customers is crucial, given the nature of the service that the colleges offer.

There have been some contributions in literature on service marketing, emphasising the importance of employees due to intensive buyer-seller relationships; these relationships are associated with the unique features of the service, such as intangibility, inseparability and heterogeneity. It has been established that employees play a crucial role in the process of satisfying external customers. There is a correlation between employees' commitment and organisations' success. This was supported by Gummesson (1987) as cited by Siu and Wilson (1998:299), who argues that the concept of the internal customer brings customer-supplier relationships inside the organisation and a job can only be seen as successfully executed when the internal customers are satisfied.

In order to understand the role of employee orientation in the marketing concept, employees are divided into two categories: those having direct contact with buyers (i.e. full-time marketers) and those not having direct contact with buyers (i.e. part-time marketers). Full-time marketers are not only those whose core jobs are marketing related. The point here is to evaluate whether employees do perceive themselves as marketers, since if they do, their attitudes toward customers will be different and they will be able to meet customers' needs more satisfactorily. In FE context, when lecturers see themselves as marketers, their attitudes toward students will be different from those who do not consider themselves as marketers. In a service context, there is a high level of buyer-seller interaction and employees (both full-time marketers and part-time marketers) have been identified as playing a crucial role in this interaction.

An integrated marketing effort is required for effectiveness and an organisation should be structured in such a way that will ensure marketing analysis, planning, implementation and control. All factors, such as interdepartmental dynamics and organisational systems within the organisation, should be co-ordinated to facilitate customers' satisfaction. According to Kohli and Jaworski (1990) as cited by Siu and Wilson (1998:301), organisational coordination is investigated at three levels, namely the individual level, the intergroup level and the infrastructure level.

Top management is considered as the initiator of market orientation culture and it is imperative that they are committed to ensure the effective implementation of the marketing orientation concept. Top management should promote an atmosphere that encourages the marketing orientation within the organisation, provide the necessary resources required to effectively implement this concept, and empower employees to promote marketing orientation within the organisation. Top management should encourage open communication between marketing and other departments.

At the intergroup level, most people working in an organisation belong to various groups, be it formal or informal (Smith *et al.*, 2007:313). All organisational participants are attached to a particular group, either to protect or to extend the interest of their members. Each group actually forms a "coalition". This coalition group has different interests and there is a need to protect the interests of their members, which usually leads to a struggle for power over who makes use of the organisation's scarce resources. Siu and Wilson (1998:301) citing Lusch, *et al.* (1976) argue that a struggle for power is detrimental to the development of a marketing orientation. This fragmentation is evident in FE colleges where there is political tension between marketers and academics.

At the infrastructure level, two main elements are vital for the effectiveness of a marketing orientation in an organisation, namely structure and marketing culture. Siu and Wilson

(1998:302) citing Daft (1989) state that, with reference to structure, there are three components: formal reporting relationships, the grouping together of individuals and the design of systems. The first two relate to hierarchical referral, rules and procedures, written reports, etc. The last component, which is the design of systems, is required to help an organisation adapt to changes by ensuring communication and coordination across the various departments.

It has been established from previous researchers that organisations with a dominate culture perform better in the market place; this is because in such organisations, there is a shared value among all employees and this serves as basis for guiding and directing the behaviour of individual employees in these organisations. In support of this, Narver and Slater (1990) as cited by Hammond *et al.* (2006:71) indicate that this facilitates the creation of the necessary behaviour to develop and maintain superior value for buyers, which in turn, should lead to continuous superior performance for the organisation. There is a need to spread marketing culture throughout the entire organisation in order to have an edge above competitors. This is particularly important in FE colleges in order to be competitive and to meet the needs of customers more satisfactorily.

2.5.1 Marketing Orientation: Lessons from Spain

Marketing orientation entails the processing of marketing information; the concept of marketing orientation has to do with actually putting marketing concepts into practice. A recent study by Flavian and Lozano (2007:93-99) shows that different circumstances have shaped the new scenario in which public Spanish universities are operating. The scenario under which these public universities are operating resulted from intense competition, which has been influenced by the following: a growing opportunity for student mobility, a drop in the potential market traditionally catered for by universities, the growing attraction of other educational alternatives, the increase in geographical proximity of universities and the gradual development of various types of distance learning facilities.

Students in Spanish universities are gradually enjoying more choices in terms of universities they attend. This simply means that there are more opportunities for students to move from one university to another. One of the mechanisms that promote student mobility in Spain is the recent implementation of the Open District System (ODS), as well as the backing from government to support student mobility at both national and international level. The ODS allows students from any part of Spain to study in any university they wish to, regardless of where they are from.

There is a prediction of a sharp fall in the market that is traditionally catered for by the Spanish public university system. This prediction is one of the factors responsible for the competitiveness of Spanish universities, and this drop has been ascribed to a lack of motivation in potential students. According to Flavian and Lazano (2007:95) the dissatisfaction experienced by university students could be ascribed to three major reasons.

The first reason is the high unemployment rate experienced by these university students, as there is rarely a difference between graduate and non-graduate unemployment rates. The second reason is the little importance that university graduates attach to the knowledge they have acquired at the university, and there is also a gap between the level of qualification and the job itself and between training and employment in Spain. The third reason is concerned with the value of university studies: students do not value university studies since there are low employment expectations at the start of their courses.

There are universities other than public universities, namely private universities and vocational training schools. According to Flavian and Lozano (2007:96-97) in recent times private universities in Spain are growing. It is also noticeable that higher education is going through an expansion phase and that the number of enrolments has doubled in the last five years.

There is a great difference between public and private universities in terms of number, size and relative importance. Analysis of the evolution of enrolments shows the following: that the number of enrolments has begun to fall in Spain, that the fall in students' enrolments in Spanish public universities started one year earlier before the general fall in students' enrolments commenced, and that there is a constant rise in the number of enrolments in private universities. This simply shows that there are fewer undergraduates and that students are moving gradually from public to private universities.

Flavian and Lozano (2007:98) maintain that public universities in Spain have grown rapidly in the last two decades and this growth has resulted in a decrease in the distance between one university and the other; this has given the students more opportunities in terms of making decisions on which university to enrol in. Growing opportunities in distance learning education is another factor to consider, as this is actually giving students more alternatives to choose from concerning where and how to study.

2.6 Integrated Marketing Communication in Public Institutions

"Integrated Marketing Communication (IMC) has been more popular over the past few decades; however most colleges are still not implementing IMC as it is not clear how IMC should be structured in colleges. Since IMC extends beyond traditional media and marketing tools and involves processes that are in transition, the challenge of finding conceptual and directional guidance from research looms larger than traditional marketing" (Cook, 2004) cited in Edmiston-Strasser (2009:143).

According to Schultz and Schultz (2004:20), IMC is defined as "a strategic business process which is used to plan, develop, execute and evaluate coordinated, measurable, persuasive brand communication programmes over a period of time with consumers and prospects, relevant external and internal audiences". This definition sees IMC as a business process to drive entire brand communication programmes and not simply product promotion programmes. As such, for IMC to be most effective, it must not be

implemented at the tactical level but at the strategic level, where it will gain the support of top management.

The lack of marketing communication focus tends to be the result of how FEs have evolved over time. Institutions have broadened their programme offerings and have also increased enrolments and rollovers, and at the same time have become fragmented in such a manner that most of the departments within the institutions are actually working without having knowledge of what is happening in other departments (Edmiston-Strasser, 2009:147). Employees within educational institutions see themselves working in separate departments striving to achieve separate goals, rather than working as part of a system to collectively achieve the overall goal of the institution, and they often view themselves as competing with employees in other departments over the limited resources of the organisation.

Rhodes, the former president of Cornell University, explains that “Structural reform remains elusive in the academic culture”. He stated that there has been little improvement in the structural imbalance between goals, tasks and resources since 1996. The inflexibility of departmental structures continues to have an impact on the effectiveness of colleges. “It has become so difficult to effect changes, with a significant time lag between the decision to make it and the ability of the institution to carry it out“(Rhodes (2006) cited in Edmiston-Strasser (2009:148)).

In most public colleges, it is the norm to have separate sections to address marketing issues, public relations issues, admission issues, etc. Where activities of each section are fragmented, this type of mentality has a negative impact on the effectiveness of an IMC and must be checked in order to have true brand orientation and an IMC that will yield a competitive advantage.

2.6.1 Strategic Role of Public Relations in Creating Competitive Advantages in Colleges

Irrespective of the economic conditions, public and private higher education institutions are perceived as institutions of public trust, to an extent where there is a feeling of security resulting from “an investment in the future”. The way and manner in which these institutions of public trust are perceived by different groups is very important. Most higher education institutions with a good reputation with their stakeholders are likely to sell more services than those with bad reputations. When a higher education institution loses its capital of trust, the chances of long-term survival is very slim, except if it rebuilds its capital of trust (Kolasinski *et al.*, 2003:435). This makes it imperative for a higher education institution to create a positive image for itself in order to place itself in a competitive position.

In the case of Poland, many of the colleges around both HEs and FEs offer similar services; this makes it difficult to differentiate the service of one institution from the other and it becomes imperative to distinguish and communicate the identity of the institution to the various groups. An image needs to be created that is unique, special and attributable to a particular institution. Such activities make sense if schools make timely efforts to identify themselves (Hoppe (2001) cited in Kolasinski *et al.* (2003:435)).

Marcinkowski (2003:309-328) states that, in cases where programmes offered by institutions are similar, factors that may influence the choice of school could be its prestige, reputation among friends, and in a wider sense, its unique way of educating. Opinions of higher education are formed by looking at the reputation of the organisation among students, graduates and in the media, as well as the position of the organisation in various ranking lists (Koszembaa-Wiklik, 2003) cited in Kolasinski *et al.* (2003:435).

2.6.2 The Position of Public Relations among other Communication Activities in a Further Education Institution

Marketing and public relations are two distinct disciplines but they are complementary. Marketing activities ensure that an organisation provides products and services that meet the needs of its target audience. The goal of public relations activities is to adjust an organisation to the aspirations and needs of its social environment and to present the image of the organisation accordingly. The activities of marketing and public relations complement each other, therefore the attainment of market aims of an organisation requires the application of the rules of both marketing and public relations (Iwankiewicz-Rak (2001) cited in Kolasinski *et al.* (2003:441)).

Educational institutions benefit from the harmonisation of marketing and public relations activities. Public relations focuses on long term survival of the organisation through creation of a proper image, and its activities are fundamental to other marketing activities. Public relations is regarded as the marketing communication function that evaluates public attitudes, identifies areas within the organisation that the public may be interested in, and execute a programme of actions to earn public understanding and acceptance. The competitive environments in which educational institutes operate and the increasing public interest in the activities of educational institutes as recipients of public trust have created a situation whereby there is an increasing need for these institutions to present themselves as being able to make unique and original offers that make them more competitive.

This competition has become so intense, due to increasing expectations of employees in areas of communication and the role played by the image of the institution, as well as the quality of service provided, that the need to react to vast amounts of information on the economy provided by the press and the information circulating in society, all require the effective use of public relations instruments to maintain an edge over competition.

2.7 Delivering Superior Customer Value and Competitive Advantages through Resource-Based View and Marketing

Marketing practitioners devote little time and attention to the application of resource-based view (RBV) as a way of building marketing theory and evaluating challenges of marketing practices. Despite RBV's rapid rise to prominence over the last decades as a favoured analysis perspective in the broad-based strategic management literature, marketing scholars attempt to develop and apply a core construct in shaping marketing theory and practice including capabilities, without making reference to RBV (Day (1994) cited in Srivastava *et al.* (2001:778)). There have been several attempts to improve the implementation of marketing practices without giving consideration to RBV.

Marketing specific resources such as brands, customers and distribution relationships have been recognised as playing major roles in gaining a competitive advantage, but notwithstanding, to respond effectively, the company requires internal resource management to integrate major business processes (e.g. order processing and production) within a single family of software modules (Kotler & Keller, 2006:41).

2.7.1 Integrating RBV and Marketing

Resources should be valuable, rare, inimitable and non-substitutable in order to lead to sustainable competitive advantages (Barney (1991) cited in Srivastava *et al.* (2001:778)). Resources are used to create customer value and in managing marketplace uncertainties and dynamics. There have not been enough distinctions between the general classification of resources and marketing specific assets and capabilities in marketing literatures. Hence the effective application of RBV will be supported if there could be identification of resources that are market specific and that potentially exhibit some of the RBV features. According to Srivastava *et al.* (1998) as cited by Srivastava *et al.* (2001:779), a market based asset meets the needs of both criteria. Market based assets are of two types: relational and intellectual.

Relational market based assets are relationships with, and perceptions held by, external stakeholders such as the customers, channels, strategic partners, etc. The relevance of such relationships is necessitated by the emergence of "relationship marketing". The key goal of marketing is to develop deep enduring relationships with all people or organisations that could directly or indirectly affect the success of the firm's marketing activities (Kotler & Keller, 2006:17). These relational assets may sometimes be very difficult for competitors to imitate, once organisations have built intimate relationships with customers; this is because such relationships are based on trust and reputation.

Intellectual market based assets refer to the knowledge an organisation possesses about its competitive environments. Information in the marketplace, such as the needs of consumers and their demand for products and services, can serve as good opportunities for an organisation and, consequently, lack of such information may hinder the competitiveness of an organisation. Market orientation serves as a good platform through which information may be acquired and disseminated with an emphasis upon the organisation as a dynamic, evolving, quasi autonomous system of knowledge production and application (Spender (1996) cited in Srivastava *et al.* (2001:787)). Therefore, market based assets must be absorbed and transformed as part of the organisation process in order to convert inputs into outputs that meet the needs of customers. This causes the knowledge base perspective to become an integral part of RBV.

Customer value originates and exists in the external marketplace, it should therefore be noted that efforts to integrate RBV and marketing with the purpose of generating value for customers must address two central issues. The first one is the identification of market opportunities, which is the avenue to meet customers' needs. The second issue is the identification of the sources of resources, which are the assets and capabilities required to capture opportunities. Effective marketing will shed light on these issues and how to develop a theory of customer value that is intended to guide resource acquisition, development and deployment. Also, the fact that customer value is external to the

organisation, makes it necessary to address the value of resources with theoretical tools that specify the market conditions under which different resources will and will not be valuable (Barney, 2001:43).

The two way interface between RBV and marketing is crucial; there is need for a well-integrated and detailed analysis of the resource-competitive advantage connection. The implication for the integration of RBV and marketing is that marketing should not only focus on determining the elements of customer value, but attentions should be given to how variations in market based assets and capabilities contribute to the process of either creating value for the customer or reducing value for the customer.

2.8 Segment Profiling in the FE Sector

There have been complex, historical, political and social antecedents that have given rise to managerialism in higher education. A central tenet of managerialism is the idea that “senior management can solve almost any problem it faces if it adopts strong executive leadership principles and private sector business techniques” (Winter *et al.* (2000) cited in Rindfleish (2003:144)). The competition that exists between colleges in terms of number of students’ enrolments has compelled management practices of most colleges to be based on economic rationalism. The concept and practice of marketing have now been integrated into the operations of higher education. The assertion that “students could be regarded as customers” (Hill (1995) as cited in Rindfleish (2003:144)), has increased the adoption of marketing practices in ‘for profit organisations’ by higher education. Market segmentation has become a common practice in business sectors and higher education is one sector that has embraced market segmentation.

Segment profiling can be used to improve the competitiveness of colleges; this helps management to identify the specific needs of the market segment where marketing efforts would yield the best result and thereby reduce strategic risks of management decision-

making. This will further assist in matching strategic planning goals of the organisation with segments that have been identified as having the market potential to respond to these goals. Colleges will also be able to direct their marketing efforts more effectively towards a more feasible market segment. Market profiling could be used as a technique to drive down cost, especially for colleges that have limited funds to finance their marketing activities; it will at the same time be useful in the area of reducing economic risks that may be associated with new ventures.

Prospective students differ in the specific benefits they wish to receive from college education; segment profiling allows colleges to identify these benefits and puts colleges in a more competitive position. This also offers colleges the privilege to establish priority among different benefits segments once it has been established that the colleges have the means to pursue these segments efficiently.

2.9 Perception Management at Liberal Arts Colleges

A number of colleges are complacent in their out-dated administrative and bureaucratic structures; these colleges are indifferent about the changes in the industry and they do not exhibit the qualities required to be competitive in the changing environment. Most of the liberal arts colleges continue to spend too much time looking inward and planning too much from memory rather than from imagination. They are still following a reactive strategy instead of implementing a proactive strategy, just because of the way they perceive themselves (Stupak, 2001:229).

There has been rapid change in the business environment as a result of growth in technology, communication, etc. Colleges must always strategically align these change dynamics with their goals. The liberal arts colleges that are able to communicate to the public that they provide a high value, integrated curriculum and college experiences, while at the same time developing the channel for accessing, assimilating and energising it for potential students, are those that will thrive (Stupak, 2001:238). Most college managers

see their institutions as unique, different in some ways, or special, when in actual fact this may have been based on wrong perceptions. Stupak (2001:233) argues that major confusion, which may impair competitiveness, exists in the way mediocre colleges perceive themselves. He further identifies the confusing perception barriers of reactive colleges, such as rigidity with rigour, analysis with decisiveness, managing with leading, crisis with performance, activity with productivity, intent with behaviour, insularity with independence, hindsight with foresight, credentials with credibility, and lecturing with teaching.

On the other hand, high performance colleges exhibit a dynamic, proactive, integrated set of perception determinants, no matter their size, context, culture or location. Here are the perception lenses that distinguish high performance colleges from mediocre institutions: opportunity actors rather than crisis reactors, change creators rather than stability protectors, emphasis on interactive systems rather than individual turfs, feedback learning systems rather than hierarchical protectorates, use education-centred technology rather than high tech gimmicks, strategic position based on imagination rather than strategic planners mired in memory, sophisticatedly interdependent rather than dogmatically interdependent, measurement performance rather than rhetorical cheerleaders, market sensitive rather than economically indifferent, and finally emphasises students' needs rather than faculty convenience (Stupak(2000), Brown (1979,1990) cited in Stupak (2001:234)).

Very few academic practitioners understand and practice perception management; colleges should strive to pursue perception management through their promotion programmes, advertisement campaigns and marketing plans. Perceptions are real and colour what we see, how we interpret, what we believe and how we behave. It is a very crucial component in an academic operation as it helps colleges to improve on their operational efficiency. College managers must consider both rational contents of their message and the perceived meaning; adequate attention should be given to rational and

emotional cues, motivating communication strategies should be created, that will break through the clutter of barriers and affect the emotional relevance of both employees and students.

Stupak (2001:237) states that technology has a massive influence on communication and it has changed how people get information. Communication strategies are ways of managing perception that will generate the desired behaviour. Business tries to shape the perception of their audience and to achieve desired results by using simple communication techniques to win the hearts of their audience, identify current perception, target key groups, refocus realities and bring about desired market behaviour and results (Gragnotati & Stupak (1999) as cited in Stupak (2001:239)). Perception management is important for college leaders; the ability to influence the intellectual perception of both internal and external customers will have an impact on the college's ability to enhance its viability and competitiveness. Colleges must develop, design and drive a perception management approach that compliments its culture, size, mission and vision.

2.10 Government as a Force in the Education Industry Competition

Government at all levels must be recognised as having a potential influence, either directly or indirectly, in many aspects of industry structures. In many industries, government as a participant may influence the competition in an industry through its policies. Government regulations may determine the behaviour of firms in an industry, and it may also affect the position of an industry with substitutes, through regulation, subsidies and other means. Hence, structural analysis will not be completed unless a proper diagnosis of how government policies will affect the structural condition has been carried out.

It is the desire of every government to widen participation in education to ensure that all groups are equally represented by targeting those groups that are under-represented. This makes it imperative for colleges to analyse and define government's aim thoroughly

so that marketing practices are aligned with government objectives. Aligning marketing practices with government objectives and public policy issues in general will foster the competitiveness of colleges. This calls for proper incorporation of pressure from government into marketing planning by college managers.

According to Farr (2003:315), traditional marketing practice will identify a high participation group and marketing efforts will therefore be directed at this group. However, the government policy objectives of extending participation require the opposite: it requires the low participation group to be targeted in order to increase their participation. This then makes sense that marketing efforts are directed at low participation groups to increase their participation rates.

2.11 Value Creation in Higher Education

The business environment is increasingly becoming more competitive. In order to survive and be successful in this competitive environment, an organisation must be able to satisfy its customers' needs more effectively than its competitors, and an organisation can only achieve this by adding value for customers in a way that distinguishes the organisation from competitors.

The various functional processes of an organisation are combined to transform inputs into products or services. This is done in order to provide greater value to customers than previously existed. Creating value for customers refers to the actions that make a product or service more useful to customers (Nieman & Bennett, 2006:13). Customer value may arise from three broad categories: the first is if the organisation has a product or service that is unique, secondly, if the product or service is low priced and thirdly, if the organisation has the ability to respond quickly.

Value is the customer's perception about the whole bundle of benefits, either tangible or intangible, which satisfies his or her needs timely, effectively and efficiently (Makkar *et al.*, 2008:1380). Value is subjective, since customers view value in different ways, but notwithstanding, it should be noted that value or satisfaction should be viewed from the customers' perspective. Organisations deliver value by coordinating a range of activities that result in providing a product or service that will meet customers' needs. In order to create value, organisations must work closely with their customers. Since value is determined by customers, it becomes imperative to involve them in the value creation process as this will help to eliminate dissatisfaction, which may occur if customers were not involved in the process. Therefore, whether a customer is satisfied or dissatisfied depends on the net value between total customer value and total customer cost. The value chain model has been considered to be very useful in achieving competitiveness.

The role of higher education becomes crucial in the overall socio-economic development of any country, since no society can progress without knowledge and wisdom and the importance of higher education cannot be over-emphasised (Makkaret *et al.*, 2008:185). Hence the value chain model has been designed for universities and other higher education colleges to maintain competitive advantages (Polese & Monetta, 2006:243). The core business of these colleges is knowledge deployment; the value creation process helps to guide activities that guarantee the deployment of knowledge.

Just like any other organisation, a university also interacts with its surroundings in a dynamic process of learning, adapting and evolving to ensure sustainability (Golinelli (2001), Pellicano (2000) cited in Polese & Monetta (2006:244)). There is a need for an on-going satisfaction of stakeholders' needs by universities as this will strengthen their competitiveness through value creation. The higher education environment is characterised by growing autonomy. The institution gains competitive advantage through value created and this makes it imperative for institutions to identify stakeholders with which relationships can be established for continuity and competitiveness. Universities and colleges have primary stakeholders as well as secondary stakeholders. Students, in fact, are not the only group interested in the universities' value creation; other secondary

stakeholders also evaluate the institutions on their ability to create value and on other social responsibilities.

It is important for universities and colleges to evaluate their relationship with the relevant stakeholders, especially the student bodies, since students in general are the main targets of teaching activities. Students have great influence on strategic management decisions of the colleges, and as a result of this the policy and vision of colleges must direct its strategies towards meeting the needs of the students in order to be competitive and to gain financial benefits. The evaluation and monitoring of this performance will also assist the college to apply effective marketing practices that are aligned with the expectations of its customers.

Value creation in universities or other colleges of higher education involves quite a number of stages. As established earlier, students are main targets of teaching activities, and therefore looking at the value creation process from the students' point of view is reasonable. Value creation dynamics are illustrated through the value chain model. According to Kotler and Scott (1995) as cited by Polese and Monetta (2006:246), the chain represents a designed and focus didactic path, starting from a promotion and information activity, placed in secondary schools, and including a specific orientation and incoming counselling in order to mitigate the 'first year morality'. Parallel to didactic activities, universities coordinate support and tutoring activities, in order to facilitate students' attendance of a course, and to let them participate in the teaching process. Orientation activities that will introduce students into the labour market are integrated into the universities' or colleges' curriculum and this further helps to increase the chances of the students being absorbed into the labour market.

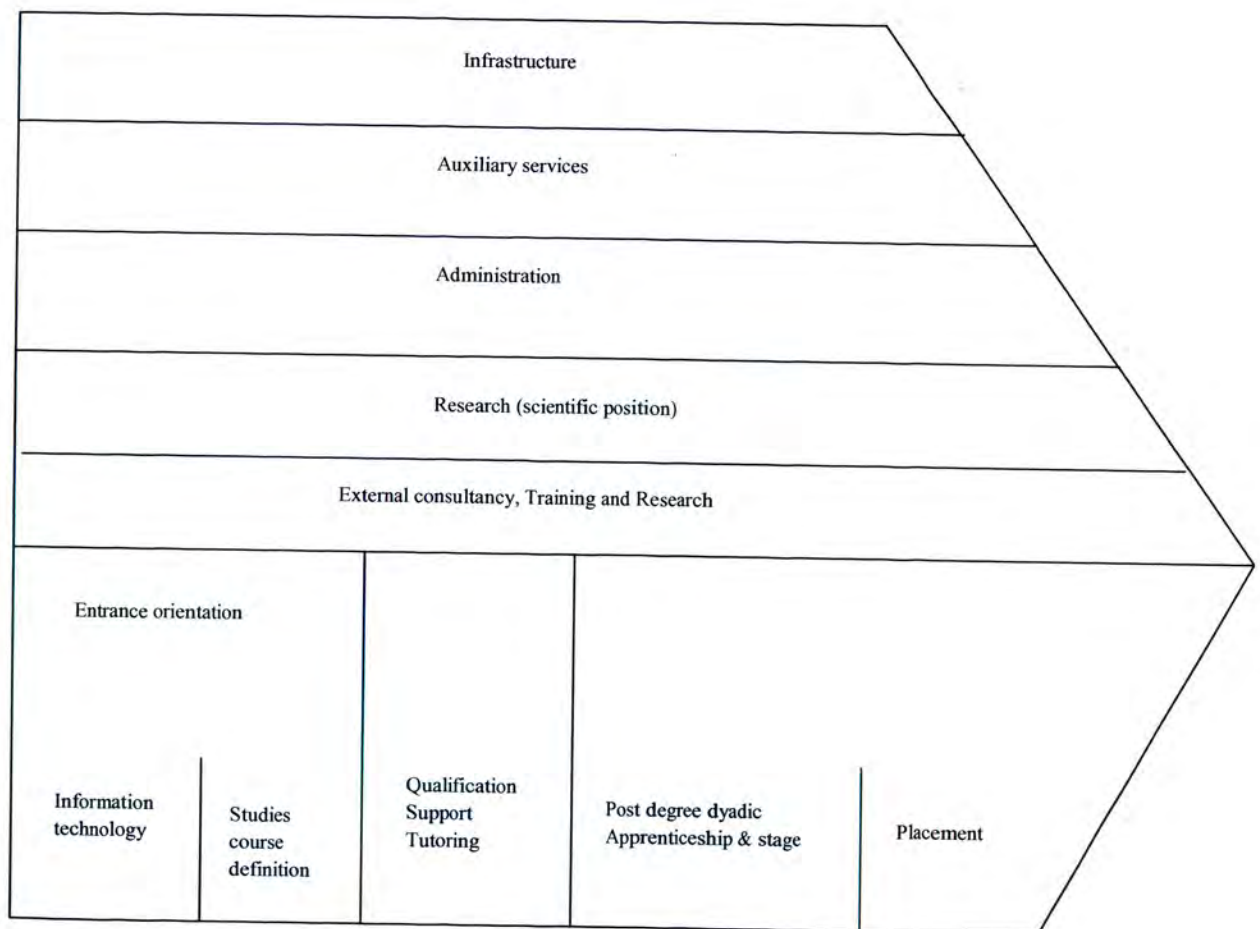
The value perceived by students is directly influenced by the primary activities mentioned above, while the secondary activities facilitate the smooth running of the college and serve as a platform through which value can be created. These secondary activities involve the following:

Scientific production: this entails the application and consequence of basic research; this model actually considers research as a secondary activity needed to facilitate the main didactic activities.

Auxiliary services: these are services supporting main teaching activities such as services that enable students to have a worthwhile experience on campus, such as the availability of facilities.

Technical and administrative activities: these include registration of students, documentation, and classroom and library management.

Figure 2.1 The formative offer value chain



Source: Polese and Monetta 2006:248

2.12 Strategic Positioning and Performance

Education services have expanded due to the increasing rate of demand for education and this has led to a substantial marketplace in which many colleges and universities are now adopting market oriented concepts in order to be competitive. Many colleges now have marketing and other business support staff in their management teams. In order for colleges to be competitive in a dynamic business environment, they have to implement strategies that will strategically position them in the market. Having considered internal and external environmental factors, administrators need to develop strategies that will guide external marketing and internal communications with staff, students, and their families. The strategic objectives of any organisation are still to stay competitive and earn above average returns through competitive advantages. This means that organisations have to adapt quite rapidly to changes, while focusing on their primary goals. This is applicable to any kind of organisation, multinational or small (Ehlers & Lazenby, 2007:10).

Firms within a given industry compete with one another for a market share. Nations also compete with one another for shares of global markets. In 1985, the President's Council on Industrial Competitiveness offered this definition of international competition: Competitiveness for a nation is the degree to which it can, under free and fair market conditions, produce goods and services that meet the test of international markets while simultaneously maintaining and expanding the real incomes of its citizens (Aquilano *et al.*, 1995:22).

In order to develop a competitive advantage, organisations need to position themselves successfully within their industry. Michael Porter describes three competitive strategies presumed to be appropriate for a variety of organisations across diverse industries. He suggests that an organisation should carry out a thorough industry analysis and define a competitive niche by adopting one of the three generic strategies. Mazzarol and Soutar (2008:142) citing Porter (1980) suggest that organisations can adopt three generic

strategies, namely cost leadership, differentiation and focus. The main aim is to develop a competitive advantage that can best serve the organisation.

Cost leadership entails competing by offering the lowest cost possible in the market; an organisation competes by achieving the overall cost structure. Organisations that adopt this strategy attempt to maximise sales by minimising cost, and the organisation tries to increase its total sales by offering low prices. Low cost may be achieved through efficiency in production and distribution or effective supply chain management or other means. This drives down unit costs in order to be able to price better than competitors. Porter (1990), as cited by Mazzarol and Souter (2008:142), states that differentiation requires an organisation to provide unique and superior value to the buyer in terms of product quality, special features or after sales service. The organisation attempts to develop an image for its products or service so that the consumers perceive it as being unique and different. The organisation competes on the basis of distinguishing its products and services from those of its competitors. The rationale behind differentiation is that it allows organisations to charge higher prices for a unique product. The last strategy, which is focus, requires an organisation to compete in a particular segment by pursuing the overall cost leadership or differentiation strategy in that segment. The organisation targets its products or services at a specific area such as a customer group or location.

Cost leadership would be most feasible when organisations have high operational costs that can be reduced by improvement in production process. For differentiation to be viable, it is critical that customers attach weights to product attributes other than price when making purchase decisions (Murray (1988) cited in Mazzarol & Souter (2008:143)). It is applicable when there are possibilities for innovation and the processes that are involved in the value chain allow differentiation of products and services. Focus strategies will only be applicable when markets can be broken down into differentiated segments and the synergies between these segments are few.

Education can be seen as an important public good and as a result it is considered as a service that should not be placed totally within the free market context. The majority of education institutions are publicly owned, hence the education sector in most countries is considered to be a non-profit sector. It is required that educational institutions are competitive and able to deliver quality services that will meet the needs of the public.

An education institute may strategically position itself by building its competitive advantage around any of the three generic strategies. Strategies are chosen to close the gap that has emerged as a result of strategic goals that have been chosen. A whole range of strategies are available but an organisation will choose only those strategies that it needs to apply to achieve its goals and long-term objectives. The choice of strategy may also be determined by the management perception, preference and environmental factors. Research has shown that the least successful organisations are those without constructive strategies. According to Luffmann *et al.* (1996) cited in Rieger (2011:14), a highly formalised system of planning does not guarantee success, but equally, leaving things to chance constitutes the best possible guarantee of failure.

2.13 Conclusion

Literature has shown that education institutes operate in a competitive environment. Common pressures facing education institutes are issues relating to greater competition for student enrolments, increased competition for limited resources, rising operational costs, and increased diversity in colleges and universities. This is not only limited to private schools but encompasses public schools as well. Education institutes employ strategic marketing practices in order to be competitive, the application of marketing practices differs between colleges, and the benefits derived from marketing practices, as well as the factors impeding its application, have been identified in the literature review. The next chapter focuses on data collection, and a survey will be conducted, making use of a questionnaire, with both open and closed questions for gathering relevant data.

CHAPTER 3: Methodology

3.1 Introduction

This chapter discusses the methodology and research methods of the study. A methodology is a collective term for the structured process of conducting research. The methodology in this study consists of both qualitative and quantitative research; this involves the collection, analysis and interpretation of data that cannot be meaningfully quantified and also the collection of data with larger, more representative respondents' samples and numerical calculations of results.

3.2 Research Design

The research method for this study is descriptive, using a questionnaire. The main purpose is to look into the marketing practices being used by public FET colleges. In order to achieve the objectives of the study, the researcher used a mixed method research design, which combined both qualitative and quantitative approaches to address the research problem.

3.3 Sampling Procedure

The development of a sampling plan is a crucial step in the research process as it greatly influences the value of the information obtained by the researcher (Cant *et al.*, 2006:171). In this study, a non-probability sampling technique was used to select participants; the researcher used an alphabetical list of sales and marketing staff members of the selected colleges. This sampling technique is suitable for the study since sales and marketing staff members possessed the desirable characteristics within the population. This simply means that the researcher actually used his subjective judgment to select a sample that is most appropriate for the study.

3.4 Data Collection

A fully structured questionnaire with mainly closed-ended questions was used to collect data, and the questionnaire was designed where appropriate in a 5-point Likert-type form, given the fact that it is easy for respondents to understand and makes results easy to compile. It also ensures that the coding and interpretation of data is based on evidence and objectivity. There were two yes/no questions included in the questionnaire and in the last section, an open-ended question was used to obtain a general perception of marketing practices within the college.

3.5 Theoretical Discussion of the Questionnaire

In this study, the researchers used a structured, self-administered questionnaire with strong dominance of closed-ended questions to collect data. The respondents were restricted to choosing their responses from the alternatives provided in the questionnaire. There is also one open-ended question that allows respondents to freely express themselves.

The questionnaire has been divided into six sections to adequately address the objectives of the study. Some of the questions used were developed from previous studies while other questions were developed by the researcher and tailored to fit the context of South African further education and training colleges.

Cant *et al.* (2006:167) argue that, with the design of the questionnaire, careful considerations must be given to the type of questions, their format, wording and sequence. A badly structured questionnaire could confuse respondents about the data desired and lead to misinterpretation problems. The questionnaire should be relevant to the respondents and what being asked should be clear, it must be convenient for the

interviewer to administer and allow the interviewer to quickly record the respondent's answer; basically it must provide for all research objectives.

3.6 Development of the Questionnaire

Some questions were adopted from the Journal of Marketing for Higher Education (2009). These questions were further modified and aligned to suit the context of South African FET colleges by using terminologies and concepts that portray the conditions of FET colleges in South Africa. Other questions were developed by the researcher to investigate critical areas that will ensure that the objectives of the research are attained. Most of the questions were closed-ended questions; this is to help all research participants to remain focused on the goal of the research and to provide guided answers to encourage the respondents to be more interested in answering the questionnaire. Most of the questions also used a Likert-type scale where the responses are scored on a 5-point scale ranging from strongly agree to strongly disagree.

A cover letter was attached, explaining instructions and procedures for completing the questionnaire. The cover letter also explains the reason why the study is being conducted. The particulars of the researcher were given in order for the respondents to be able to identify the researcher, and the researcher also thanks the respondents for spending time to complete the questionnaire.

3.7 Composition of the Questionnaire

The questionnaire consists of three parts. Part one seeks to get permission to use the participants' responses for research purpose; it asks for participants' identity and also

assures the participants that their identities will not be revealed in the published records of the research.

Part two relates to the demographics of the respondent, who has to tick or encircle the chosen alternative. This section is composed of five variables (1 -5). The purpose of this section is to determine certain demographic factors of the respondents that may influence their responses.

Part three relates to marketing practices questions and this part is further divided into five sections. The first section aims to evaluate the perception of the respondents with regard to marketing orientation within the college. This section consists of variables in statements that have an influence on marketing orientation in an organisation. There are five statements in this section and the respondents are requested to tick or encircle to indicate their answers to a particular statement.

The second section attempts to look into market research activities of the college; this section consists of five statements regarding the collection and use of market data. It consists of variables that evaluate the college's environmental analysis. Respondents are requested to tick or encircle the alternatives that show their perception of the level of market research within the college.

The third section aims to look into processes used by the college to ensure market responsiveness and customer satisfaction. There are five statements in this section; variables have been included in the statements to determine whether the college is actually ensuring customer satisfaction and also to know whether they are responsive to the needs of their target market. Respondents are requested to tick or encircle the alternatives that best express their opinions.

The fourth section is composed of five statements concerning strategic marketing planning that may influence the practices of marketing within the college. This section consists of variables that investigate the practice of marketing at top management level and how it is diffused to every part of the college. Respondents are expected to tick or encircle the alternatives that best represent their perception of marketing planning for the organisation as a whole.

The last section consists of an open-ended question asking respondents about the general perception of marketing practices within the college; this is to allow respondents to freely express themselves. This section has been included to afford the researcher the opportunity to ask respondents for their opinion on the marketing practices within the college and to clarify any uncertainty that may arise.

3.8 Data Analysis

Data was analysed by using regression and correlation analyses, and table and graphic presentations were also used where possible. Responses were categorised according to their similarity; the number of responses which fit into a particular category and the extent to which they fit into the category were counted. The responses to each question were further summarised and responses that were of high importance were discussed in detail. The results generated from this process helped to improve the researcher's understanding of the application of marketing practices for competitiveness in public FET colleges.

Responses given to the open-ended question were compared to identify similarities and were organised into categories and then into themes. These themes were further summarised into narratives and were finally interpreted.

3.9 Data Measurement

Nominal scales were used to classify the different variables into groups, and respondents were categorised into age, gender, tenure, business ranking, etc., to simplify the analysis. Ordinal scales were also used to compare responses by classifying them into varying degrees of agreement, i.e. strongly agree, agree, undecided, disagree and strongly disagree.

3.10 Ethical Consideration

Ethical considerations were adhered to in the process of conducting this research, the rights of the respondents were protected prior to, during and after the research. Respondents were allowed to participate out of their own free will without any coercion, the responses were kept confidential and access was not given to completed questionnaires so that no one is able to trace respondents' opinions back to them as a person. The respondents were given the assurance that their identities would not be disclosed and they were further assured by management that no one will be mistreated for taking part in the research.

3.11 Ensuring Validity and Reliability

According to Joppe (2000) as cited by Golafshani (2003:599), validity determines whether the research truly measures that which it is intended to measure or how truthful the research results are. Reliability and validity in research reveal two stands: The first is with regard to reliability, which checks whether results generated are replicable and consistent. The second is with regard to validity, which checks if the means of measurement are accurate and whether they are actually measuring what they are intended to measure.

The questionnaire for this study was developed by modifying questions that were used by previous researchers in order to reflect the true situation of FET colleges in South Africa. Input from management of the college was used as well to develop the questionnaire; this is a way of ensuring that the questionnaire measures what it has been designed to measure. Qualitative research was conducted on a small sample and was used for a pilot study, which helped to develop a pre-piloting quantitative questionnaire to identify respondents and to ensure that the questionnaire is relevant and applicable before it was actually distributed.

3.12 Conclusion

This study used the mixed method research design in which both qualitative and quantitative methods were employed to provide information on the same research problem. With regard to the design of the questionnaire, both closed-ended and open-ended questions were used and most of the questions were based on a Likert-scale. The data collected in this chapter will be analysed and interpreted in the following chapter.

CHAPTER 4: Data Discussion

4.1 Introduction

This chapter will discuss and report the findings of the research by means of regression and correlation analyses, tables and graphic presentations with reference to investigating the application of marketing practices for effectiveness in public further education and training colleges. The findings will be supported by the literature review.

The research questions relate to demographics of the respondents as well as marketing practices in public FET colleges. The research questions attempt to evaluate marketing orientation in public FET colleges, observing marketing research activities and processes used by colleges to ensure that the needs of the customers are met and that colleges are highly competitive. The research questions also investigate strategic marketing practices to have a general perception of marketing practices in public FET colleges.

The research questions are divided into three parts: the first part requests permission to use participants' responses for research purposes, while the second part relates to participants' demographics and the last part relates to marketing practices. The last part is further divided into five sections to adequately cover all areas of concern.

4.2 Response Rate

The researcher had a response rate of 44% of the total sample of 250. The data collected was captured on a spreadsheet and statistical analysis was done by using SPSS. A non-probability sampling technique was used to select participants. The researcher used an alphabetical list of sales and marketing staff members. This sampling technique is

suitable for the study since sales and marketing staff members possessed the desirable characteristics within the population.

4.3 Demographics

This section gives the demographics of the respondents in order to identify certain demographic factors that may have influenced their responses.

Table 4.1 Age of respondents

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	21-30 yrs.	25.0	22.7	22.7	22.7
	31-40 yrs.	30.0	27.3	27.3	50
	41-50 yrs.	25.0	22.7	22.7	72.7
	Over 50 yrs.	30.0	27.3	27.3	100
	Total	110	98.2	100.0	
Missing	System	0	0.00		
Total		110	100.0		

Out of the total respondents of 110, 25 (22.7%) belong to the age group of 21 – 30 years, 30 (27.3%) were aged between 31 – 40 years, another 25 (22.7%) were aged between 41 – 50 years and 30 (27.3%) were over 50 years. These figures clearly show that the majority of the employees, namely 80 (72.7%), were less than 50 years, an average age of employees who may have sufficient experience and still be very active.

Table 4.2 Gender of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
	Male	66	60.0	60.0	60.0
	Female	44	40.0	40.0	100.0
Valid	Total	110	100.0	100.0	
Missing	System	0	0		
Total		110	100.0		

From a total respondents of 110, 66 (60%) were males while 44 (40%) were females. The sample reflects that there are more females than their male counterparts. No preference was given to sex and the sample therefore is considered as a true representative of demographics.

Table 4.3 Number of years with the college

		Frequency	Percent	Valid Percent	Cumulative Percent
	1-2 yrs.	10	9.1	9.2	9.2
	3-4 yrs.	10	9.1	9.2	18.4
	5-6 yrs.	19	17.3	17.4	35.8
	7-8 yrs.	25	22.7	22.9	58.7
	9-10 yrs.	20	18.2	18.3	77
	Over 10 yrs.	25	22.7	22.9	100.0
Valid	Total	109	99.1	100.0	
Missing	System	1	0.9		
Total		110	100.0		

Out of 110 respondents, 1 (0.9%) did not give a response on years of experience with the college. An equal number of respondents, namely 10 (9.1%) have between 1-2 and 3-4 years of experience in the college, 19 (17.3%) have between 5-6 years' experience, 25 (22.7%) have between 7-8 years' experience, 20 (18.2%) have between 9-10 years' experience and another 25 (22.7%) have over 10 years of experience. It is clear that the majority of respondents belong to the categories of 7-8 years and over 10 years of experience. This may be attributed to a good internal marketing and retention system. More experience may imply that employees have full understanding of marketing practices; hence respondents may be able to give responses that will reflect true marketing practices.

Table 4.4 Level of involvement in marketing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High	50	45.5	45.5	45.5
	Low	60	54.5	54.5	100.0
	Total	110	100.0	100.0	
Missing	System	0	0		
Total		110	100.0		

All respondents are involved with marketing but the level of involvement varies. Out of the 110 respondents, 50 (45.5%) have high involvement in marketing while 60 (54.5%) have low involvement in marketing; this clearly shows that there are less people who are highly involved in marketing.

Table 4.5 Business ranking

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Managerial	50	45.5	45.5	45.5
	Non-managerial	60	54.5	54.5	100.0
	Total	110	100.0	100.0	
Missing	System	0	0		
Total		110	100.0		

Of the 110 respondents, 50 (45.5%) are occupying managerial positions while 60 (54.5%) are occupying non-managerial positions. Having almost half of the respondents operating at managerial level will assist in providing accurate information to questions that relate to marketing practices at strategic level and hence give a fair representation of marketing practices.

4.4 Results of the Investigation

The results of the investigation address questions relating to the application of marketing practices aspects of the questionnaire.

Figure 4.1 Policies for communicating customer satisfaction.



Figure 4.1 shows the responses to the question about policies, practices and procedures to ensure that customer satisfaction is effectively communicated across the college. According to Figure 4.1, 105 (95.4%) of the respondents agreed that there are policies and procedures to ensure that customer satisfaction is effectively communicated throughout the college and another 5 (4.6%) of the respondents strongly agreed with this. This analysis reveals that customer satisfaction is promoted among employees and various departments.

Figure 4.2 Consistent messages through marketing materials

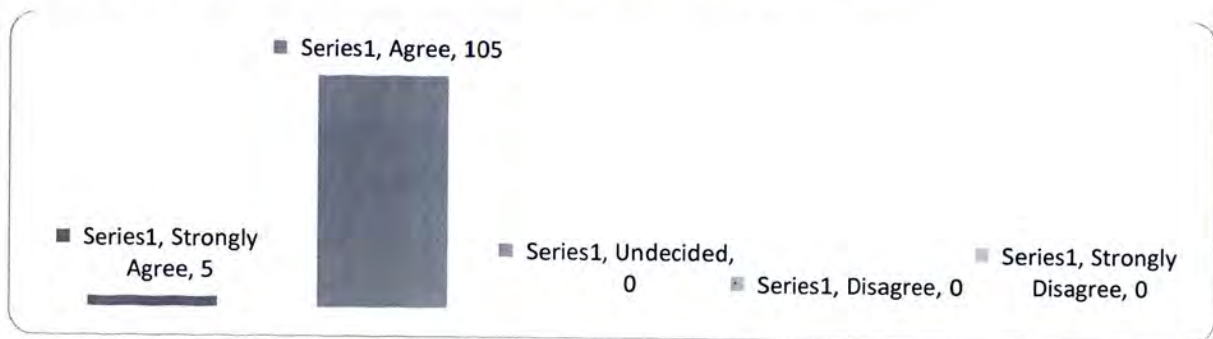


Figure 4.2 summarises the responses to the question about communicating consistent messages by all marketing materials that are produced by the college. Figure 4.2 indicates that 105 (95.4%) of the respondents agreed that marketing materials produced do communicate consistent messages. This implies that customers are not confused about the messages that are sent out and there is no distortion in communication whatsoever as a result of inconsistent messages. Another 5 (4.6%) of the respondents strongly agreed and supported the opinion that there are no variations in the messages that are communicated by marketing materials produced.

Figure 4.3 Frequent interdepartmental meetings



Figure 4.3 shows the responses to the question about whether frequent interdepartmental meetings are held to integrate marketing activities with other departments. According to Figure 4.3, 110 of the respondents (100%) agreed that interdepartmental meetings are held frequently in order to effectively coordinate marketing activities with other departments. This implies that the customer is the central focus, as all departmental activities are directed towards meeting the needs of customers effectively.

Figure 4.4 Cross-functional meetings



Figure 4.4 shows the distribution of responses to the question on whether cross-functional meetings are held regularly to solicit feedback from various departments. As indicated above, 100 (90%) of the respondents said they agreed that cross-functional meetings are frequently held to ask for feedback from various departments, while 5 (4.5%) of the respondents strongly agreed and another 5 (4.5%) disagreed with this. This analysis shows a strong indication that the various departments do not work in isolation, and that management actually embraces a system approach where functions work together to achieve a common goal.

Figure 4.5 Correlation between marketing orientation and overall performance

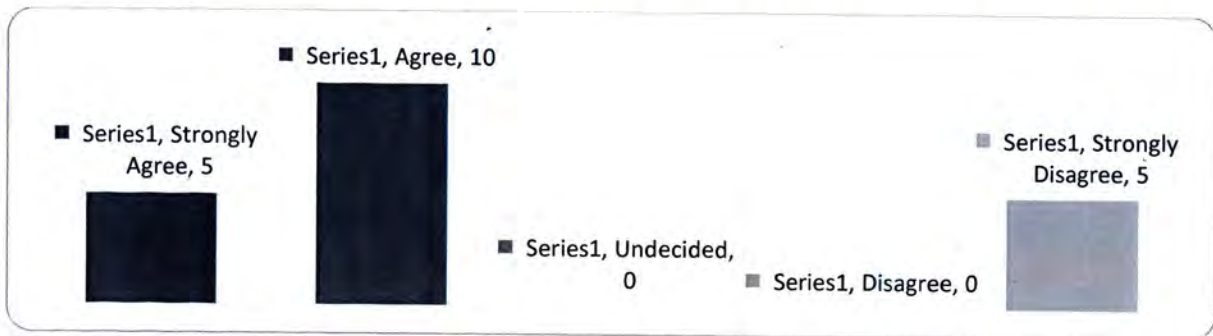


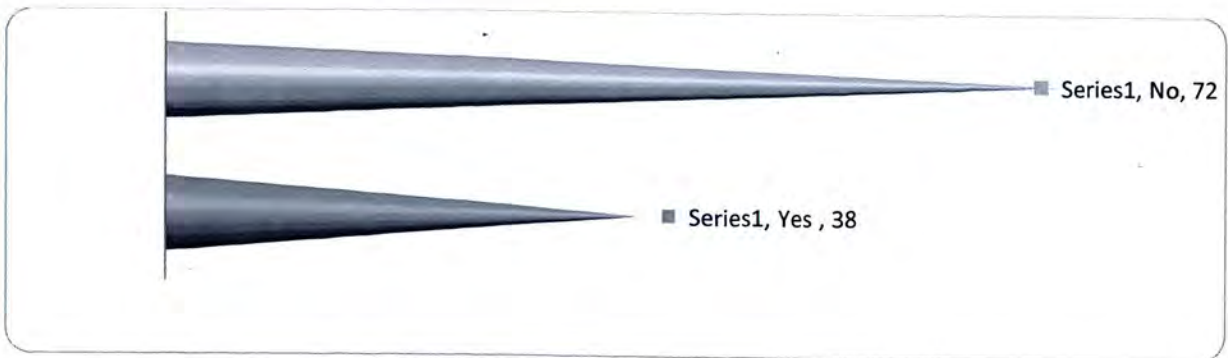
Figure 4.5 shows that, out of the 110 respondents, only 10 (9%) of the sample agreed that there is a positive correlation between the level of marketing orientation that the college exhibits and the overall marketing performance. An equal number of respondents, 5 (4.5%) of the sample, strongly agreed and disagreed that marketing orientation correlates positively with overall performance. About 90 (81.8%) of the respondents did not give their response with regard to this question. This may be attributed to the difficulties that are experienced in measuring marketing efforts.

Figure 4.6 Collection of primary data



Given the information presented in Figure 4.6, 98 (89%) of the respondents agreed that primary data is collected from sources such as interviews with prospective students, current students and alumni, and subsequently used as input for planning and improving service delivery, while 12 (10.9%) of the respondents said that primary data is not used for the purpose of planning and development.

Figure 4.7 Collection of secondary data



According to Figure 4.7, 72 (65.5%) of the respondents said that secondary data is not collected from sources such as association reports for the purpose of improving service delivery, while only 38 (34.5%) said that secondary data is used in formulating plans and improving service delivery. This analysis implies that unnecessary costs may be incurred in the process of collecting primary data, while in actual fact some of the required information may be readily available.

Figure 4.8 The use of feedback channels



In Figure 4.8, it is noted that almost all the respondents, namely 109 (99.1%), agree that a variety of feedback channels are created to obtain information from students and to disseminate such feedback throughout the college. This gives a strong indication that employees are aware of the concerns and needs of the students, which enable them to satisfactorily meet the needs of these students.

Figure 4.9 On-going analysis of environmental factors

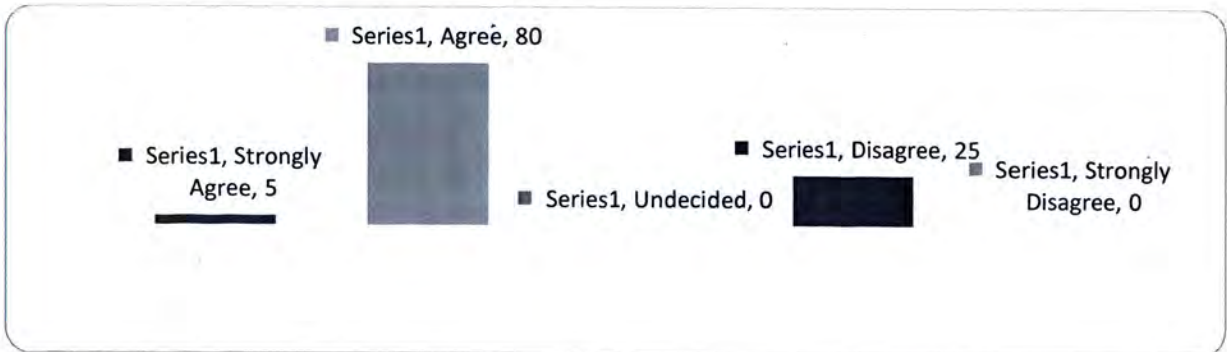
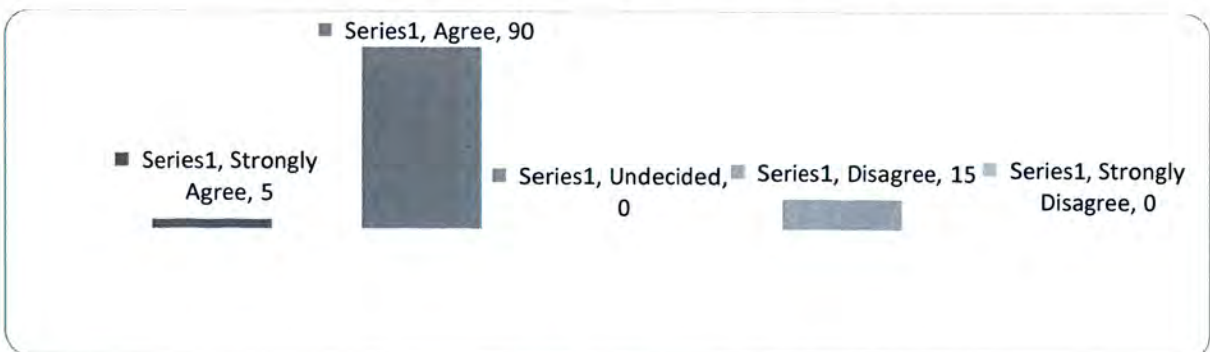


Figure 4.9 summarises the responses to the question about embarking on an on-going analysis and monitoring of the environment to remain competitive. It shows that 80 (72.7%) of the respondents agreed that the college continuously analyses and monitors the environment, 5 (4.5%) strongly agreed to this as well, while 25 (22.7%) of the respondents disagreed. This reflects that there is awareness of changes in the market and the need to adapt to the changing needs of the market.

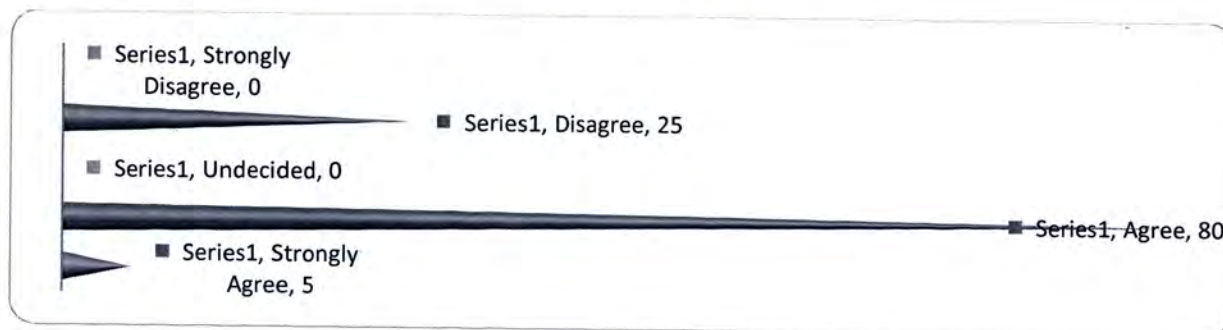
Figure 4.10 Seeking information to reduce cost and improve responsiveness



According to Figure 4.10, a combined 95 (86.4%) of the respondents either agreed or strongly agreed that their college always seeks out information that will be useful in driving down costs and improving responsiveness to market demand, while 15 (13.6%) of the respondents said that the college does not search for information that will help it to be responsive to customers' demands. It can be deduced from the analysis that the college will be able to offer services at competitive prices, due to its cost reduction strategy, which

will further strengthen its competitive position. The analysis also reveals that the college will be able to tailor its services according to the needs and preference of the students.

Figure 4.11 Comprehensive understanding of stakeholders



As indicated in Figure 4.11, 25 (22.7%) of the respondents said that they do not have a thorough understanding of their stakeholders, such as prospective students and affiliated colleges, while a combined 85 (77.2%) of the respondents either agreed or strongly agreed that they understand their stakeholders comprehensively in terms of what they feel, what they do and how they do it. This analysis is an indication that the college will be able to meet the varying needs of their stakeholders, as the expectations of these stakeholders are known.

Figure 4.12 Understanding of roles in meeting stakeholders' needs

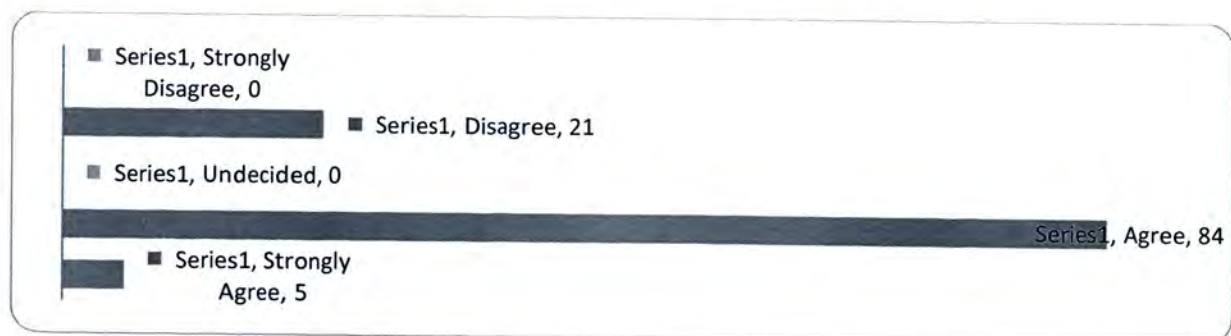


Figure 4.12 shows that 84 (76.3%) of the respondents agreed that they understand what role is expected of them in order to meet the needs of their stakeholders; another 5 (4.5%) of the respondents strongly agreed with this, while the remaining 21(19.1%) said that they are unaware of the role they are expected to perform in order to meet the needs

of their stakeholders. This is a reflection that the majority of employees know exactly what to do, how and when to do it to ensure that needs of various stakeholders are met.

Figure 4.13 Integrating points of contact with stakeholders into marketing strategy



Figure 4.13 shows the distribution of responses to the question about the integration of all possible points of contact, such as prospective students and alumni, into marketing strategy. 70 (63.6%) of the respondents agreed that all possible points of contact with students are integrated into marketing strategy, 5 (4.5%) of the respondents strongly agreed, while 20 (18.1%) of the respondents disagreed and another 15 (13.6%) strongly disagreed that all points of contact have been integrated into marketing strategy. Integrating all points of contact into the marketing strategy, as reported by the majority of the respondents, may serve as an avenue for the college to expand its market.

Figure 4.14 Processes vs. alignment of offerings

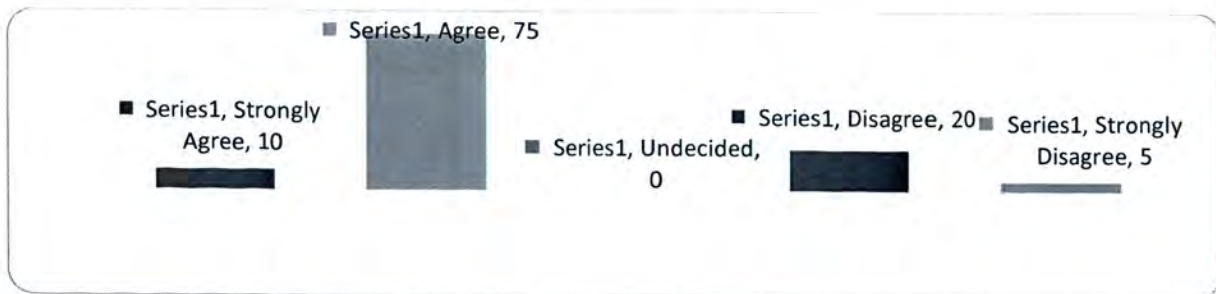


Figure 4.14 summarises responses to questions about whether processes used by the college facilitate the alignment of offerings to changing needs of customers. As indicated in figure 4.14, 75 (68.1%) of the respondents agreed that the college uses processes that are flexible to deliver services and 10 (9.1%) of the respondents strongly agreed with this

as well. The implication is that it enables offerings to be aligned with the changing needs of consumers. 20 (18.1%) of the respondents disagreed with this and another 5 (4.5%) of the respondents strongly disagreed. From the analysis it is evident that the college will be able to adapt to the changes required to align its services to meet the needs of students.

Figure 4.15: Processes vs. operational cost

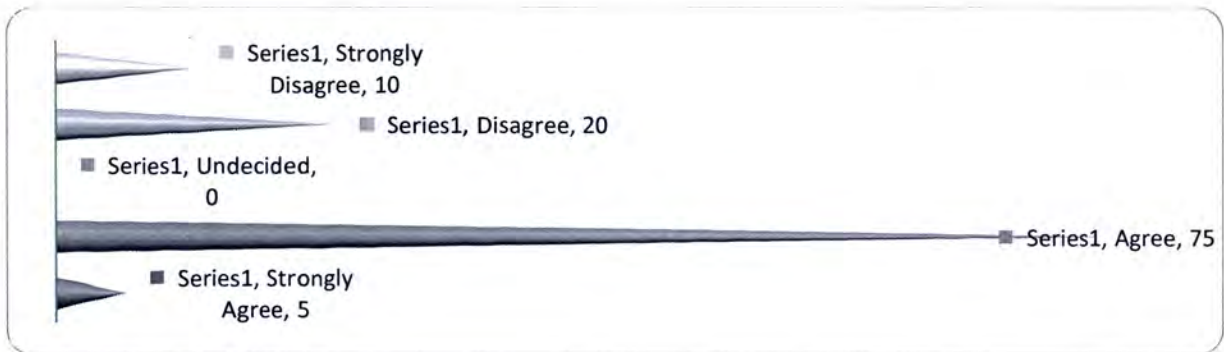


Figure 4.15 shows the distribution of responses to questions about whether the processes used in delivering services allow the college to drive down operational cost in order to be competitive. As shown in Figure 4.15, processes used in delivering services allow the college to reduce its cost of operations; this is supported by 75 (68.1%) of the respondents who agreed and another 5 (4.5%) of the respondents who strongly agreed with this. A combined 30 (27%) of the respondents reported that processes used did not in any way contribute to reducing operational cost. As supported by the majority, it can be deduced that the college uses processes that eliminate duplication of efforts and are efficient to reduce the cost of operations.

Figure 4.16 Aligning compensation with meeting marketing objectives



As shown in Figure 4.16, 80 (72.7%) of the respondents agreed that they get rewarded for meeting marketing objectives; they reported that incentives are available when marketing goals are achieved, and another 4 (3.6%) of the respondents strongly agreed with this. A combined 26 (23.6%) of the respondents either disagreed or strongly disagreed. Having 84 (76.3%) of the respondents attest to the fact that there are compensation and reward policies for meeting marketing objectives, may imply that there is opportunity to retain knowledge and skills within the college, as high performing employees will remain with the college, since their efforts are adequately rewarded.

Figure 4.17 The use of stakeholders' data for strategic decisions

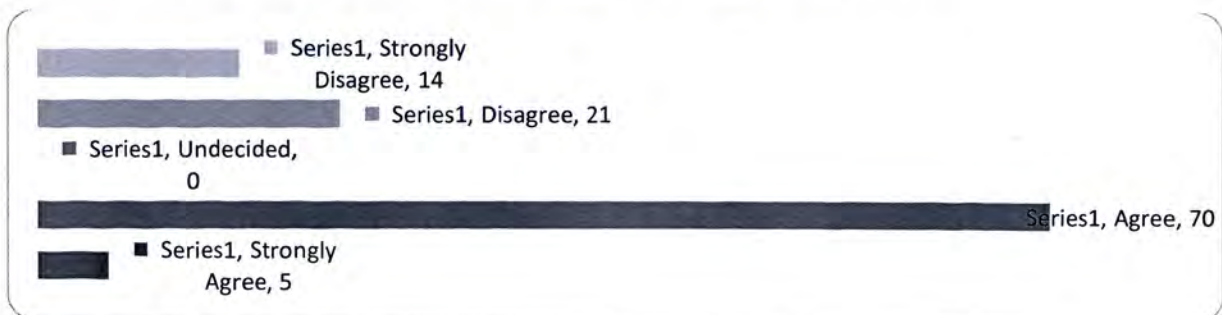


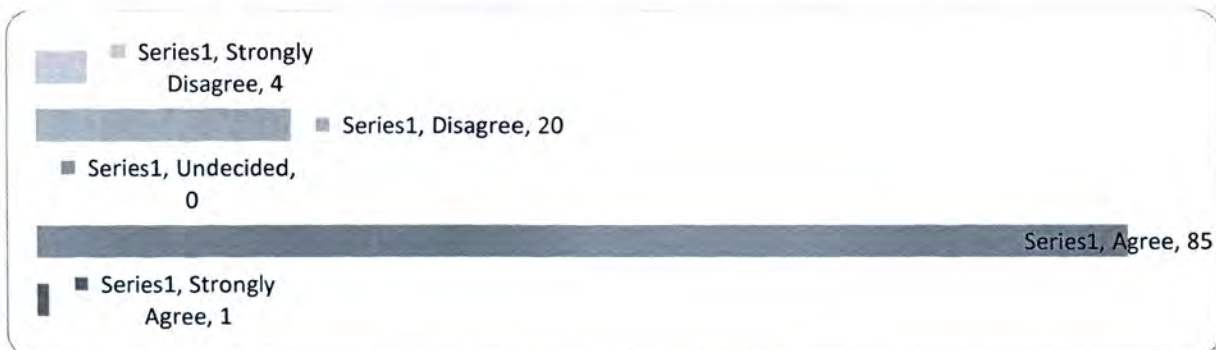
Figure 4.17 indicates that out of the 110 respondents, a combined 75 (68.15) of the respondents reported that strategic decisions are not made in isolation, but data from stakeholders is considered at senior management level. 14 (12.7%) of the respondents strongly disagreed and 21 (19.1%) disagreed with this. The analysis gives a clear indication that senior management formulates policies that address the concerns of their stakeholders and that stakeholders' data is integrated into the decision-making process at senior management level.

Figure 4.18 Integrating marketing as an essential element of strategic direction



Given the information presented in Figure 4.18, it can be seen that out of 110 respondents, 10 (9.1%) strongly agreed and 70 (63.6%) agreed that senior management integrates marketing as an essential element of strategic direction and competitiveness. A combined 30 (27.2%) of the respondents are in opposition to this view. This analysis implies that marketing is infused into every aspect of the college. Furthermore, it means that the college acknowledges that, by meeting the needs of internal customers (employees), the needs of external customers can be satisfactorily met to enhance the competitiveness of the college.

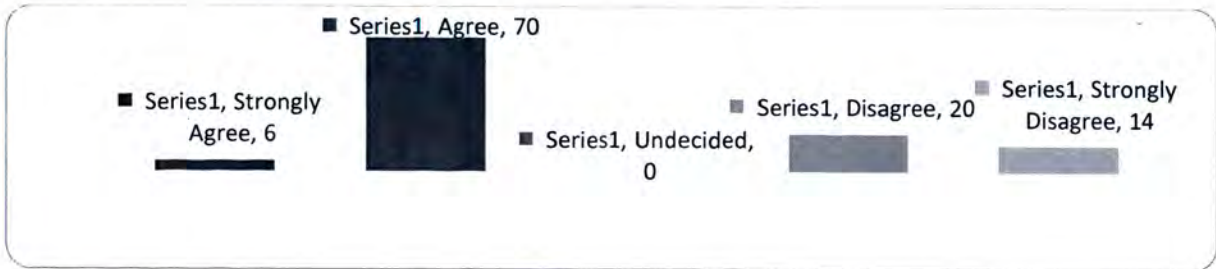
Figure 4.19 Integrating marketing results into strategic planning



As shown in Figure 4.19, out of the 110 respondents, a combined 86 (78.1%) reported that marketing efforts are measured and results are used for strategic planning, while a combined 24 (21.8%) of the respondents either disagreed or strongly disagreed with this. This analysis reveals that there is opportunity for continuous improvements within the college, which can be achieved by putting systems in place to measure marketing

efforts, with the intent that results may be used for strategic planning to make the college more competitive.

Figure 4.20 Processes and resources vs. strategic goals



According to Figure 4.20, the majority of respondents, namely 70 (63.6%), reported that they agree that the different functions within the college structure utilise their processes and resources effectively to achieve strategic goals and 6 (5.5%) reported that they strongly agree with this view. 20 (18.2%) of the respondents disagreed and another 14 (12.7%) strongly disagreed with this as well. This analysis reflects that there is an opportunity for the college to improve on its competitiveness and achieve strategic goals through internal competencies and capabilities.

4.5 Qualitative Findings for Research Question 26

Here, the researcher reports on findings for the open-ended question about what employees think about marketing practices within the college. The findings show that the majority of employees feel positive about the practices of marketing. The participants agreed that this is evident in the ability of the college to increase enrolments and to maintain rollovers. Some of the participants confirmed in their responses that they are actually treated as internal customers and as a result there has been a record of low labour turnover. It was also reported by some participants that the whole process and operations within the college are customer driven. A few of the participants reported that a lot more needs to be done to improve marketing practices within the college, while three of the respondents specifically stated that the marketing function is not well pronounced when compared to other functions within the college.

4.6 Measures of Association

Correlation is a measure of the relation between two or more variables. The measurement scales used should be at least interval scales, but other correlation coefficients are available to handle other types of data. Correlations are often measured as a correlation coefficient, which indicates the strength and direction of a linear relationship between two random variables. Correlation coefficients can range from -1.00 to +1.00. The value of -1.00 represents a perfect negative correlation, while a value of +1.00 represents a perfect positive correlation. A value of 0.00 represents a lack of correlation. For the purpose of this study, correlations that are above the absolute value of 0.5 will be considered to show a strong relationship. The p-value is the probability that the current result would have been found if the correlation coefficient had been zero.

Table 4.6 Calculations of correlations.

		of Point contact	Age	Alignment of offerings	Compensation	Drive down cost	Functions	Effectiveness
Point of contact	Coefficient of determination (Spearman)	1						
	p-value							
Age	Coefficient of determination (Spearman)	0.2000	1					
	p-value	0.7500						
Alignment of offerings	Coefficient of determination (Spearman)	1.0000	0.2000	1				
	p-value	0.0833	0.7500					
Compensation	Coefficient of determination (Spearman)	0.6400	0.2000	0.6400	1			
	p-value	0.3333	1.0000	0.3333				

Drive down cost	Coefficient of determination (Spearman)	1.0000	0.2000	1.0000	0.6400	1		
	p-value	0.0833	0.7500	0.0833	0.3333			
Functions	Coefficient of determination (Spearman)	1.0000	0.2000	1.0000	0.6400	1.0000	1	
	p-value	0.0833	0.7500	0.0833	0.3333	0.0833		
Effectiveness	Coefficient of determination (Spearman)	1.0000	0.2000	1.0000	0.6400	1.0000	1.0000	1
	p-value	0.0833	0.7500	0.0833	0.3333	0.0833	0.0833	
			Age	Solicit feedback	Overall performance	On-going analysis	Improving responsiveness	Comprehensive understanding
Age	Coefficient of determination (Spearman)	1						
	p-value							
Solicit feedback	Coefficient of determination (Spearman)	0.0000	1					
	p-value	1.0000						
Overall performance	Coefficient of determination (Spearman)	0.0000	1.0000	1				
	p-value	1.0000	0.3333					
On-going analysis	Coefficient of determination (Spearman)	0.2500	0.7500	0.7500	1			
	p-value	1.0000	0.3333	0.3333				
Improving responsiveness	Coefficient of determination (Spearman)	0.2500	0.7500	0.7500	1.0000	1		
	p-value	1.0000	0.3333	0.3333	0.3333			
Comprehensive understanding	Coefficient of determination (Spearman)	0.2500	0.7500	0.7500	1.0000	1.0000	1	
	p-value	1.0000	0.3333	0.3333	0.3333	0.3333		

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Correlation between age and points of contact

The correlation between age and points of contact is 0.2, a positive and weak correlation. According to the criteria set above, those correlations that are above the absolute value of 0.5 will be considered to show a strong relationship. The p-value is shown as 0.7500, which is large; this means that the correlation is not statistically significant since there is no compelling evidence that the correlation is real and not a coincidence. This suggests that age does not have significant impact on points of contact. Age is not the determinant of whether respondents are positive or negative about the impact of marketing practices for competitiveness.

Correlation between points of contact and alignment of offerings

The correlation between points of contact and alignment of offerings is 1, a positive and very strong correlation. This implies that the more the points of contact with prospective students and alumni are integrated into marketing strategy, the more offerings will be aligned with the changing needs of customers. According to the criteria set above, those correlations that are above the absolute value of 0.5 will be considered to show a strong relationship. The p-value (significance value) is shown as 0.0833, which is small, indicating that we can reject the idea that the correlation is a coincidence. Therefore, there is a significant linear correlation between the two variables. Given that point of contact is directly associated with alignment of offerings, therefore the more the points of contact are integrated into marketing strategy, the better it will be to align offerings to changing needs of customers.

Correlation between age and compensation

The correlation between age and compensation is 0.2, a positive and weak correlation between the two variables. According to the criteria set above, those correlations that are above the absolute value of 0.5 will be considered to show a strong relationship. The correlation is not statistically significant since the p-value is shown as 1.0000, which is

large. Therefore it can be deduced that there is no significant linear correlation between the two variables. This suggests that age do not have a significant impact on compensation. Age is not the determinant of whether respondents are positive or negative about the impact of marketing practices for competitiveness.

Correlation between alignment of offerings and driving down cost

The correlation between alignment of offerings and driving down cost is 1, a positive and very strong correlation between two variables. This implies that the more offerings are aligned to customers' changing needs, the lower the cost of operations. This is significant since the p-value is shown as 0.0833, which is small, and therefore deduces that there is a significant linear correlation between the two variables. When an organisation aligns its offerings to the changing needs of its customers, it helps to eliminate external failure costs, which may arise from producing defective products that will be rejected by customers. The rejection could also be a result of non-conformance to customers' specifications. External failure costs are often the highest costs of quality management and should be avoided (Walters, 2002:123). It seems clear that there is a strong positive relationship between alignment of offerings and driving down cost.

Correlation between compensation and effectiveness

The correlation between compensation and effectiveness is 0.64, a positive correlation between the two variables. According to the criteria set above, those correlations that are above the absolute value of 0.5 will be considered to show a strong relationship. The correlation is statistically significant since the p-value is shown as 0.3333, which is relatively small. Therefore, it can be deduced that there is a significant linear correlation between compensation and effectiveness. Compensation is one of the ways of motivating employees, because when employees are well compensated or rewarded, it boosts their morale and this in return will have a positive effect on their effectiveness. This suggests

that aligning compensation policies with meeting marketing objectives has a significant impact on effectiveness.

Correlation between soliciting feedback and overall performance

The correlation between soliciting feedback and overall performance is 1, a positive and very strong correlation between two variables. This implies that the more feedback is solicited, the higher the overall performance will be. This correlation is significant as is shown by a small p-value of 0.3333. Obtaining feedback from the market helps an organisation to improve its overall performance. The feedback obtained allows the organisation to know what the customers feel about the organisation's offerings, so that better goods and services may be produced and delivered to customers, and in return, this will have a positive impact on the overall performance of the organisation.

Correlation between age and on-going analysis

The correlation between age and on-going analysis is 0.25, a positive and weak correlation between two variables. According to the criteria set above, those correlations that are above the absolute value of 0.5 will be considered to show a strong relationship. The correlation is not statistically significant since the p-value (significance value) is 1.0000, which is large, and therefore it is deduced that there is no significant linear correlation between the two variables. This suggests that age does not have a significant impact on on-going analysis. Age is not the determinant of whether respondents are positive or negative about the impact of marketing practices for competitiveness.

Correlation between on-going analysis and overall performance

The correlation between on-going analysis and overall performance is 0.75, a positive correlation between the two variables. This implies that the more an organisation carries out on-going analyses of the environment, the higher the overall performance will be.

According to the criteria set above, those correlations that are above the absolute value of 0.5 will be considered to show a strong relationship. The p-value (significance value) is shown as 0.3333, which is relatively small. Therefore there is a significant linear correlation between the two variables. On-going analysis of the environment entails scanning the environment in order to be aware of changes, so that organisations will be able to adapt to these changes. The business and the community it serves are not self-sufficient and closed entities, but depend on each other for survival, and together they form a complex dynamic business environment, in which changes in the environmental variables determine the prosperity or decline of the business (Strydom *et al.*, 2000:69). The business environment is not static, there are constant changes, and being abreast of these changes may help to improve overall performance. Given that an on-going analysis of the environment is associated with overall performance, therefore the more an organisation embarks on on-going analysis, the higher the overall performance.

Correlation between soliciting feedback and improving responsiveness

The correlation between soliciting feedback and improving responsiveness is 0.75, a positive and strong correlation between two variables. This implies that the more feedback is solicited, the higher the level of responsiveness. The p-value is relatively small and it's shown as 0.3333, which indicates that the correlation is significant. Therefore, we deduce that there is a significant linear correlation between the two variables. When organisations solicit feedback from the market, they are able to improve their responsiveness regarding what is considered as central in customers' needs. Therefore, the more feedback is solicited, the higher the rate of responsiveness to the needs of the customers.

Correlation between comprehensive understanding and overall performance

The correlation between comprehensive understanding and overall performance is 0.75, a positive and strong correlation between two variables. This implies that the more

employees have comprehensive understanding of their stakeholders, the higher the overall performance will be. This is significant as is shown by the p-value of 0.3333. Therefore, we deduce that there is a significant linear correlation between the two variables, and the correlation is significant since the p-value is relatively small. Stakeholders are people who are affected by the activities of an organisation, therefore, understanding these stakeholders in terms of their interests, needs and expectations will enhance the overall performance of an organisation. Because information about the stakeholders is required to meet their needs more satisfactorily, it seems clear that there is a strong relationship between comprehensive understanding of stakeholders and overall performance.

Correlation between on-going analysis and improving responsiveness

The correlation between on-going analysis and improving responsiveness is 1, a positive and very strong correlation between the two variables. This implies that the more an organisation embarks on on-going analysis, the more responsive the organisation will be. According to the criteria set above, those correlations that are above the absolute value of 0.5 will be considered to show a strong relationship. The p-value (significance value) is shown as 0.3333, which is relatively small. Therefore there is a significant linear correlation between the two variables. Conducting a continuous environmental analysis helps an organisation get hold of certain relevant information in the environment and to capitalise on this information to improve their responsiveness to the market. Considering that information obtained about the market from an on-going analysis of the environment may be used to serve the market better, therefore, the more an organisation implements on-going analysis, the more responsive the organisation will be.

Correlation between comprehensive understanding and improving responsiveness

The correlation between comprehensive understanding and improving responsiveness is 1, a positive and very strong correlation between the two variables. This implies that the

more an organisation has a comprehensive understanding of its stakeholders, the more responsive it will be to the needs of its customers. This is significant as is shown by the p-value of 0.3333. Therefore, we deduce that there is a significant linear correlation between the two variables, and the correlation is significant since the p-value is relatively small. Having a comprehensive understanding of stakeholders in terms of what they need and who they are may put an organisation in a position to respond effectively to the varying needs of the market. Responsiveness may include meeting shorter lead times, handling a large variety of products, building innovative products, maintaining a very high service level, handling uncertainty, etc. Therefore, the more an organisation has comprehensive understanding of its stakeholders, the more responsive it will be.

4.7 Conclusion

In this chapter, the detailed results of the research, using various statistical methods, have been provided. Correlation analyses, tables and graphs have been used to present the results of the survey. The data analysis presented here is to facilitate the understanding of the various elements of the data. The next chapter presents conclusions and recommendations.

CHAPTER 5: Findings, Recommendations and Conclusions

5.1 Introduction

Chapter five outlines the major findings and discusses them in light of the literature review. Based on the discussions, recommendations and conclusions will be made.

5.2 Limitations of the Study

Whereas it was established that there is a correlation between marketing practices and competitiveness, there are certain limitations in this study. This section discusses these limitations in relation to the findings of this study.

One of the limitations is that the research focuses on a few colleges in Gauteng and the findings of the research is therefore interpreted with reference to the sample. There was also an insufficient number of respondents, which made it difficult to arrive at a significant conclusion, as such biases may limit generalisation.

The respondents self-reported their institutional experiences, which could be biased as a result of the participants' desires to give responses that will satisfy the researcher.

Due to the limited scope of the study, only data regarding certain marketing functions was collected, and possible effects of various measures used by colleges to indicate competitiveness were not considered. Some of these measures not considered may potentially affect the variables or the relationships between the variables that were examined in this study. Although a correlation analysis was done, this study did not further examine relationships that were established. Correlations are a vital prerequisite to causality but they do not provide strong evidence that an increase in either variable "causes" an increase in the other variable.

Nonetheless, the researcher believes that the results of this study are valuable from a descriptive point of view, even if not conclusive, since they affirm the results obtained from other researchers.

5.3 Findings and Discussion

5.3.1 Objective 1: To look at the application of marketing practices for competitiveness in public FET colleges in Gauteng.

- With respect to this objective, the data indicates that customer satisfaction is promoted among employees and various departments, as reported by 105 (95.4%) of the respondents, confirming that there are policies and procedures for communicating customer satisfaction across the college. Findings also show that clear, unambiguous and consistent messages are sent to customers and that marketing materials used by the college communicate consistent messages.

A system approach is promoted within the college, as reported by another 105 (95.4%) of the respondents, showing that the various departments do not work in isolation but work together to achieve a common goal. According to Smith *et al.* (2007:58), the system approach promotes synergy; this means that if the various sections or functions in the organisation cooperate as sub-systems, they become more productive than would have been the case if they had functioned individually.

5.3.2 Objective 2: To provide government with information that will contribute to the success of public FET colleges.

- This study reveals that colleges are able to meet the varying needs of their stakeholders as the expectations of these stakeholders are known to employees, and this is supported by a combined 85 (77.2%) of the respondents, who either agreed or strongly agreed with this opinion. Employees have thorough

understanding of their stakeholders in terms of what they feel, what they do and how they do it as reported by 85 (77.2%) of the respondents.

Stakeholders' data is incorporated into the decision-making process at senior management level as reported by 75 (68.1%) of the respondents. This promotes the formulation of policies that address economic and social concerns of stakeholders and the general public, and government can improve on the results of these findings to ensure progressive success of public FET colleges.

5.3.3 Objective 3: To provide relevant information on strategic responsiveness of public FET colleges to the market.

- The data indicates that colleges are aware of changes in the market and also recognise the importance of adapting to the changing needs of the market through on-going analysis of the environment, as reported by 85 (77.2%) of the respondents.

The majority of respondents, namely 75 (68.1%), also reported that all points of contact have been integrated into their marketing strategy, whereby this may imply that colleges will be more responsive to the market as a result of effective customer contact management (CCM).

CCM is described as the process of managing detailed information about individual customers' touch points with the objective of maximising customer satisfaction, loyalty and profitability (Cant *et al.*, 2006:472).

5.3.4 Objective 4: To provide relevant information on the processes used by public FET colleges to deliver customer satisfaction.

- The findings here was that 80 (72.7%) of the respondents stated that the college is adaptive to changes as a result of processes used, and services are aligned to

meet the changing needs of students, thereby improving the long-term sustainability of the college. Change in the environment may seriously disrupt the once harmonious relationship with the organisation, and to ensure survival, management must make adjustments in one or more of the organisation's interfaces, namely in its systems, strategy, structure and so forth (Smith *et al.*, 2007:75).

As indicated by 80 (72.7%) of the respondents, colleges use processes that eliminate duplication of efforts, and are efficient to reduce cost of operations. This could serve as a source of competitive advantage for the college in the sense that it will be able to meet the needs of the students at reasonably lower prices.

Also, as indicated by 76 (69%) of the respondents, functions within the college structure use their processes and resources to take advantage of internal competencies and capabilities, which may enhance competitiveness. Elhers *et al.* (2007) as cited by Rieger (2011:97) states that in order to develop the most effective and efficient strategy, it is important to analyse the organisation internally. Resources, organisational capabilities and competencies must be seen as the foundation characteristics making up a competitive advantage for an organisation.

5.4 Recommendations

Given that the scope of the research is limited, and coupled with other limitations associated with the study, this offers an opportunity for additional research that can build on the results to gain a better understanding of marketing practices for competitiveness in public FET colleges. Certain recommendations for further research follow:

Further surveys could include specific marketing activities that were not included in the current survey, which could be a pioneer of competitiveness; this will provide a more comprehensive understanding of the application of marketing practices for competitiveness in public further education and training colleges.

Even though it was established that public FET colleges use marketing practices that enhance their competitiveness, it should be noted that only employees of the colleges were selected in the current study in order to determine the marketing practices used for competitiveness. Further research should be conducted to seek feedback, not only from restricted internal stakeholders, i.e. employees, but also from current students and other external stakeholders, such as prospective students, alumni, affiliated colleges and parents, to see if differences will be reported in current practices and to better understand the practices of marketing for competitiveness in these colleges.

The study can be repeated in future with public FET colleges to see if there are changes in marketing practices that have been identified in this study. Other institutions of higher learning may also be included in the survey to see if results generated from the current study with respect to public FET colleges will be consistent with other colleges and universities.

Findings from the current research provide evidence that marketing practices enhance competitiveness within public FET colleges. These findings have also contributed literary and empirical data to existing literature, but future research should consider widening the scope of the analysis and review the nature and value of marketing practices within public FET colleges. Further research may be conducted to ascertain how institutions define factors and variables that are relating to marketing practices. It is necessary to conduct research on how we measure or determine marketing practices and to evaluate the methods of assessment that colleges put in place to ensure competitiveness.

Further research could investigate the relationships established in the current study, such as on-going analysis, responsiveness and overall performance in relation to other factors. Future research could reveal how exactly these measures relate to each other, how these relationships measure competitiveness and what other variables and factors are consequences of competitiveness. Further investigations may reveal the potential causal nature of relationships established in the current study.

Marketing practice in FET colleges in South Africa is still in its infancy, according to Akoojee and McGrath (2008:132), and it is only in the current decade that marketing and a wider range of new management approaches have emerged as part of a transformation of provision, after the 1998 Further Education and Training Act and the new Institutional Landscape document of 2001. Further analysis and the use of common measures for competitiveness are required to conduct a survey where results can be more generalised. The practices of marketing in public FET colleges are still being debated, so there is a possibility of inconsistencies across the survey sample in the current research regarding their understanding of marketing practices.

Should the questions and concerns raised by the literature review and empirical results of the current research be addressed by additional research, there will be opportunities to build on the results in order to gain a better understanding of marketing practices for competitiveness in public FET colleges.

5.5 Conclusions

Due to limitations of the study, the research has not been able to wholly achieve the research objectives, but in a way it has contributed to the body of research on the application of marketing practices for competitiveness in public FET colleges. In conclusion, the relevant findings about the respondents indicated that they were positive about marketing practices used by their colleges for competitiveness.

In respect to the research topic, the literature review and empirical research have also established the following correlations:

Age is not the determinant of whether respondents are positive or negative about the impact of marketing practices for competitiveness. This implies that the relationship between the application of marketing practices and age is so insignificant that it cannot be taken into consideration when looking into marketing practices for competitiveness.

On the other hand, it was established that the more the points of contact with prospective students and alumni are integrated into marketing strategy, the more offerings will be aligned to changing needs of customers. The more offerings are aligned with the changing needs of customers, the lower the cost of operations. The more feedback is solicited, on-going analysis is carried out and there is a comprehensive understanding of the stakeholders, the more responsive an organisation will be, and consequently, the more the overall performance will improve. Therefore there is a strong correlation between marketing practices and competitiveness.

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APPENDIX I – RESEARCH QUESTIONNAIRE

FOR OFFICE USE ONLY:

VOLUNTARY QUESTIONNAIRE ON:

THE APPLICATION OF MARKETING PRACTICES FOR COMPETITIVENESS IN PUBLIC FURTHER EDUCATION AND TRAINING COLLEGES IN GAUTENG

Graduate School of North West University

Researcher: T.O. Fadahunsi

Supervisor: Prof. T. Pelsler

Note to the respondent:

- The purpose of this survey is to look into the marketing practices used by public further education and training colleges in Gauteng to ensure competitiveness, and reliable information generated from this survey will contribute to the success of these colleges and strengthen their strategic responses to the market.
- What you say in this questionnaire will remain private and confidential. No one will be able to trace your opinions back to you as a person.

The questionnaire has three parts:

Part 1 asks permission to use your responses for academic research.

Part 2 asks general personal particulars like your age, gender and home language.

Part 3 asks about the application of marketing practices for competitiveness in FET colleges.

How to complete the questionnaire

1. Please answer the questions as truthfully as you can. Also, please be sure to read and follow the directions for each part. If you do not follow the directions, it will make it harder for us to do our project.
2. We are only asking you about things that you and your fellow colleagues should feel comfortable telling us about. If you don't feel comfortable answering a question, you can indicate that you do not want to answer it. For those questions that you do answer, your responses will be kept confidential.
3. You can mark each response by making a **tick** or a **cross**, or **encircling** each appropriate response with a PEN (not a pencil), or by filling in the required words or numbers.

Thank you very much for filling in this questionnaire.

Part 1: Permission to use my responses for academic research

I hereby give permission that my responses may be used for research purposes provided that my identity is not revealed in the published records of the research.

Initials and surname: _____

Postal address: _____

_____ Postal code: _____

Contact numbers: Home: _____ Cell: _____

No. **PART 2: GENERAL PERSONAL PARTICULARS**

Please tell us a little about yourself

Please mark only ONE option per question.

- | | |
|--|---|
| <p>1. Please tick your age group in the appropriate block:
21-30, 31-40, 41-50, 51-60, 60+</p> <p>2. What is your gender?
Male - Female</p> <p>3. How long have you been working with the college?
1-2, 3-4, 5-6, 7-8, 9-10, 10+</p> <p>4. What is your level of involvement in marketing?
High, Low</p> <p>5. What business ranking do you have?
Managerial, Non managerial</p> | <p>6. There are policies, practices and procedures for ensuring that customer satisfaction are effectively communicated across the college.

Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree</p> <p>7. Consistent messages are communicated by all marketing materials produced by the college.

Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree</p> <p>8. Interdepartmental meetings are held frequently to effectively coordinate marketing activities with other departments.

Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree</p> <p>9. Cross-functional meetings are held frequently to effectively solicit feedback from the various departments.

Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree</p> <p>10. The level of marketing orientation exhibited in the college positively correlates to overall performance.

Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree</p> <p>11. The college collects primary data from sources such as interviews with prospective students, current students and alumni, and uses it for planning, development and improvement of service delivery.

Yes, No</p> <p>12. The college collects secondary data from sources such as association reports and uses it for planning, development and improvement of service delivery.

Yes, No</p> |
|--|---|

PART 3: MARKETING PRACTICES QUESTIONS

Please tell us about the application of marketing practices in the college

Please mark only ONE option per question.

13. The college creates a variety of feedback channels to gather information about prospective students, current students or alumni and disseminates such feedback throughout the college.
- Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree
14. The college embarks on an on-going analysis and monitoring of the environment to remain competitive.
- Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree
15. The college always seeks out for information that is relevant in reducing cost and improving responsiveness.
- Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree
16. All staff have a comprehensive understanding of their stakeholders (i.e. current and prospective students, faculties or college affiliates) - not just how these stakeholders feel but what they do and why they do it.
- Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree
17. All staff understands their role in meeting stakeholders' needs.
- Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree
18. All possible points of contacts with prospective students, and alumni are integrated in the marketing strategy.
- Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree
20. The processes used in delivering services allow the college to drive down operational cost in order to be competitive.
- Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree
21. Compensation and reward policies have been aligned with meeting marketing objectives.
- Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree
22. Stakeholders' data (i.e. current and prospective students, alumni or other college affiliates) are used at senior management level to formulate and drive strategic decisions.
- Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree
23. Senior management considers integrating marketing as essential element to strategic direction and competitiveness.
- Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree
24. The effectiveness of marketing efforts are measured and results are integrated into strategic planning.
- Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree
25. The different functions within the college structure their processes and resources appropriately to achieve strategic goals.
- Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree

19. The processes used by the college facilitate the alignment of offerings to the changing needs of customers.

Strongly Agree- Agree- Undecided- Disagree-
Strongly Disagree

26. Briefly explain in your own words what you think about marketing practices in the college.

APPENDIX II - CORRELATION SPREADSHEET

ASSOCIATION COEFFICIENTS 1

Association coefficients (1):

Coefficient	Value
Pearson's Phi	0.4178
Contingency coefficient	0.3855
Cramer's V	0.2412
Tschuprow's T	0.2123
Goodman and Kruskal tau (R/C)	0.0706
Goodman and Kruskal tau (C/R)	0.0349

Association coefficients (2):

Coefficient	Value	Standard deviation	Lower bound 95%	Upper bound 95%
Goodman and Kruskal Gamma	-0.0700	0.0534	-0.1746	0.0346
Kendall's tau	-0.0481	0.0367	-0.1200	0.0238
Stuart's tau	-0.0435	0.0331	-0.1084	0.0214
Somers' D (R/C)	-0.0391	0.0298	-0.0976	0.0193
Somers' D (C/R)	-0.0592	0.0451	-0.1476	0.0293
Theil's U (R/C)	0.0779	0.0144	0.0497	0.1061
Theil's U (C/R)	0.0451	0.0085	0.0285	0.0618
Theil's U (Symmetric)	0.0572	0.0107	0.0363	0.0781

Contingency table:

Point of contact	Age	Alignment of offerings	Compensation	Drive down cost	Functional meetings	Effectiveness
5	25	5	5	5	6	1
70	30	75	80	75	70	85
20	25	20	21	20	20	20
15	30	10	4	10	14	4

CORRELATION TESTS 1

Summary statistics:

Variable	Observations	Obs. With missing data	Obs. Without missing data	Minimum	Maximum	Mean	Std. deviation
Points of contacts	4	0	4	5.0000	70.0000	27.5000	29.0115
Age	4	0	4	25.0000	30.0000	27.5000	2.8868
Alignment of offerings	4	0	4	5.0000	75.0000	27.5000	32.2749
Compensation	4	0	4	4.0000	80.0000	27.5000	35.8562
Drive down	4	0	4	5.0000	75.0000	27.5000	32.2749
Functions	4	0	4	6.0000	70.0000	27.5000	28.9079
Effectiveness	4	0	4	1.0000	85.0000	27.5000	39.2301

Correlation matrix (Spearman):

Variables	Point of contact	Age	Alignment of offerings	Compensation	Drive down cost	Functional meetings	Effectiveness
Point of contact	1	0.4472	1.0000	0.8000	1.0000	1.0000	1.0000
Age	0.4472	1	0.4472	0.0000	0.4472	0.4472	0.4472
Alignment of offerings	1.0000	0.4472	1	0.8000	1.0000	1.0000	1.0000
Compensation	0.8000	0.0000	0.8000	1	0.8000	0.8000	0.8000
Drive down	1.0000	0.4472	1.0000	0.8000	1	1.0000	1.0000
Functions	1.0000	0.4472	1.0000	0.8000	1.0000	1	1.0000
Effectiveness	1.0000	0.4472	1.0000	0.8000	1.0000	1.0000	1

Values in bold are different from 0 with a significance level alpha=0.05

p-values:

Variables	Point of contact	Age	Alignment of offerings	Compensation	Drive down cost	Functional meetings	Effectiveness
Point of contact	0.08333333	0.7500	0.0833	0.3333	0.0833	0.0833	0.0833
Age	0.7500	0.08333333	0.7500	1.0000	0.7500	0.7500	0.7500
Alignment of offerings	0.0833	0.7500	0.08333333	0.3333	0.0833	0.0833	0.0833
Compensation	0.3333	1.0000	0.3333	0.08333333	0.3333	0.3333	0.3333
Drive down	0.0833	0.7500	0.0833	0.3333	0.08333333	0.0833	0.0833
Functions	0.0833	0.7500	0.0833	0.3333	0.0833	0.08333333	0.0833
Effectiveness	0.0833	0.7500	0.0833	0.3333	0.0833	0.0833	0.08333333

Values in bold are different from 0 with a significance level alpha=0.05

Coefficients of determination

(Spearman):

Variables	Point of contact	Age	Alignment of offerings	Compensation	Drive down cost	Functional meetings	Effectiveness
Point of contact	1	0.2000	1.0000	0.6400	1.0000	1.0000	1.0000
Age	0.2000	1	0.2000	0.0000	0.2000	0.2000	0.2000
Alignment of offerings	1.0000	0.2000	1	0.6400	1.0000	1.0000	1.0000
Compensation	0.6400	0.0000	0.6400	1	0.6400	0.6400	0.6400
Drive down	1.0000	0.2000	1.0000	0.6400	1	1.0000	1.0000
Functions	1.0000	0.2000	1.0000	0.6400	1.0000	1	1.0000
Effectiveness	1.0000	0.2000	1.0000	0.6400	1.0000	1.0000	1

ASSOCIATION COEFFICIENTS

Coefficient	Value
Pearson's Phi	0.2378
Contingency coefficient	0.2314
Cramer's V	0.1682
Tschuprow's T	0.1414
Goodman and Kruskal tau (R/C)	0.0427
Goodman and Kruskal tau (C/R)	0.0141

Association coefficients (2):

Coefficient	Value	Standard deviation	Lower bound 95%	Upper bound 95%
Goodman and Kruskal Gamma	0.2770	0.0682	0.1434	0.4107
Kendall's tau	0.1394	0.0349	0.0710	0.2078
Stuart's tau	0.1041	0.0269	0.0514	0.1568
Somers' D (R/C)	0.0868	0.0224	0.0429	0.1307
Somers' D (C/R)	0.2240	0.0555	0.1151	0.3329
Theil's U (R/C)	0.0529	0.0167	0.0202	0.0856
Theil's U (C/R)	0.0190	0.0061	0.0070	0.0309
Theil's U (Symmetric)	0.0279	0.0089	0.0105	0.0453

Contingency table:

	Point of contact	Solicit feedback	Overall performance	On-going performance	Improving responsiveness	Comprehensive understanding
	25	5	5	5	5	5
	30	100	100	80	90	80
	55	5	5	25	15	25

CORRELATION TESTS

Summary statistics:

Variable	Observations	Obs. with missing data	Obs. without missing data	Minimum	Maximum	Mean	Std. deviation
Age	3	0	3	25.0000	55.0000	36.6667	16.0728
Solicit feedback	3	0	3	5.0000	100.0000	36.6667	54.8483
Overall performance	3	0	3	5.0000	100.0000	36.6667	54.8483
On-going performance	3	0	3	5.0000	80.0000	36.6667	38.8373
Improving responsiveness	3	0	3	5.0000	90.0000	36.6667	46.4579
Comprehensive understanding	3	0	3	5.0000	80.0000	36.6667	38.8373

Correlation matrix (Spearman):

Variables	Age	Solicit feedback	Overall performance	On-going performance	Improving responsiveness	Comprehensive understanding
Age	1	0.0000	0.0000	0.5000	0.5000	0.5000
Solicit feedback	0.0000	1	1.0000	0.8660	0.8660	0.8660
Overall performance	0.0000	1.0000	1	0.8660	0.8660	0.8660
On-going performance	0.5000	0.8660	0.8660	1	1.0000	1.0000
Improving responsiveness	0.5000	0.8660	0.8660	1.0000	1	1.0000
Comprehensive understanding	0.5000	0.8660	0.8660	1.0000	1.0000	1

Values in bold are different from 0 with a significance level $\alpha=0.05$

p-values:

Variables	Age	Solicit feedback	Overall performance	On-going performance	Improving responsiveness	Comprehensive understanding
Age	0.333333333	1.0000	1.0000	1.0000	1.0000	1.0000
Solicit feedback	1.0000	0.33333333	0.3333	0.3333	0.3333	0.3333
Overall performance	1.0000	0.3333	0.33333333	0.3333	0.3333	0.3333
On-going performance	1.0000	0.3333	0.3333	0.33333333	0.3333	0.3333
Improving responsiveness	1.0000	0.3333	0.3333	0.3333	0.33333333	0.3333
Comprehensive understanding	1.0000	0.3333	0.3333	0.3333	0.3333	0.33333333

Values in bold are different from 0 with a significance level $\alpha=0.05$

Coefficients of determination (Spearman):

Variables	Age	Solicit feedback	Overall performance	On-going performance	Improving responsiveness	Comprehensive understanding
Age	1	0.0000	0.0000	0.2500	0.2500	0.2500
Solicit feedback	0.0000	1	1.0000	0.7500	0.7500	0.7500
Overall performance	0.0000	1.0000	1	0.7500	0.7500	0.7500
On-going performance	0.2500	0.7500	0.7500	1	1.0000	1.0000
Improving responsiveness	0.2500	0.7500	0.7500	1.0000	1	1.0000
Comprehensive understanding	0.2500	0.7500	0.7500	1.0000	1.0000	1