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**THE WAYS OF INCREASING OF COMPETITIVE ABILITY OF HIGHER
EDUCATIONAL ESTABLISHMENT (THE EXPERIENCE OF MARKETING
DEPARTMENT OF LUHANSK TARAS SCHEVCHENKO
NATIONAL UNIVERSITY)**

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The Ways of Increasing of Competitive Ability of Higher Educational Establishment (the Experience of Marketing Department of Luhansk Taras Schevchenko National University)

The article analyses the actual problems of increasing the effective functioning of the Ukrainian educational sphere mechanism and development from the viewpoint of the competitive ability increasing of Higher education establishment on the market of educational service. There are examples and results of practical usage of the given methods.

The author makes out the conclusion that increasing of effective system functioning of Higher education establishment is impossible without the management of its competitive ability on the market of educational service. The tendency of increasing the suggestion against the reduction of demand actually makes marketing to be the instrument of the university activity coordination; to denote the philosophy of its functioning. According to the research that we have done, we can analyze the ways of competitive ability increasing of Higher education establishment, in particular the address influence of the separate marketing complex composites on quality level of educational service and also the correlation of Higher education establishment with potential consumers of educational service.

Key words: Higher education establishment, effective functioning of Higher education establishment, market of educational service, marketing, competitive ability, competition.

In modern conditions of forming the new structure of social and economic relations and the development of economic knowledge grows the role and responsibility of higher education institutions (HEIs) in business education market and the labor market for playback the high-quality labor force and its capacity according to the requirements of scientific and technical progress. Under such circumstances, the university must refocus its activities on the use of marketing tools

to meet the needs of the education market on the one hand, and the labor market - on the other. This is possible when there are appropriate strategies used to optimize the factors that have a direct relationship to improve the competitiveness of individual universities. It should be emphasized that the problem of managing and improving the competitiveness of universities is of particular relevance due to the projected demographic decline, the result of which will reduce the demand for educational services and increased competition among schools.

Based on the problem of increased competition, high schools just have to compete more actively for the attention of potential consumers of educational services - entrants, often involving non-traditional methods and approaches that have not previously been characterized by the education industry, and belong exclusively to the realm of business: marketing, advertising, public relations and so on. Some aspects of quality performance and competitiveness of the university were studied by V. Zabolotnyi, A. M. Tybynya, Z. I. Dabrowski, T. Reshetilova, U. Petrunya, I. Loshenyuk, and Russian scientists U. Adler, G. Vorobyov, E. Hafforonova, V. Balaban, I. Kravchenko, N. Nikitina, U. Rubin, H. Fashiyev, O. Bilash, V. Lazarev. The question related to the election of ways and means to improve market competitiveness of universities in the literature [1 – 13] was highlighted insufficiently and require further research.

The purpose of article is to determine the ways of marketing and mechanisms of higher education institutions' direction aimed at increasing competitiveness in today's environment of educational services.

Competitiveness as an economic phenomenon and an essential attribute of the market is studied in the works of foreign and domestic scholars, who offered a different interpretation of competitiveness, but were focused on manufacturing industry. In this regard, for current research is the problem of difference in management of universities' competitiveness.

In modern literature, competitiveness of the subject is treated uniquely. Most often it is understood as a property of an object, which is characterized by degree of its actual or potential meeting specific needs of its customers compared to

competitors. It also determines the possibility of companies' survival in constant competition in the market and reflects the degree of utilization of its resources [1]. International organization "European Forum on management problems" defines competitiveness as real and potential capacity of firms in existing conditions to design, produce and market products which are more attractive than competitors' products according to price and non-price characteristics [2, p. 83].

In works of many well-known foreign and domestic scholars competitiveness of an enterprise is determined by various factors, which may manifest itself in a competitive advantage. Thus, in the theory of companies' competitive advantages, developed by M. Porter these advantages are formed due to the effective usage of all kinds of businesses' resources, and not only because of their presence [3]. J. J. Lambe understands competitiveness of firms as an opportunity to serve the needs of customers better than opponents do [4].

Unfortunately, there is no single definition of high schools' competitiveness. Thus, the idea of I. B. Romonova is that competitiveness means a property of the university, which determines the fate of the relevant market of educational services belonging to the university, and an ability to resist market redistribution in favor of other subjects [5]. The imperfection of this definition depends on the economic performance of higher education institutions that reflect its actual and prospective fortune in some market segments. R. O. Fatkhutdinov noted that competitiveness of higher education institution is: "... 1) training the specialists able to maintain a competitive struggle for the internal and external labor market, 2) ability to develop competitive innovation in education, and 3) ability to conduct effective policy in all areas of its activity" [6].

We believe that competitiveness is a result that captures the presence of competitive advantage, without which competitiveness cannot exist itself. However, existence of specific competitive advantage does not mean an automatic advantage. Only together these two types of advantage can influence in choosing the best [5].

We agree with the L. A. Zaitseva, that unlike other economic categories competitiveness is characterized by a number of specific properties that should be

considered while determining the level and characteristics of competitiveness of individual objects [8, p. 81]. In particular, effectiveness in meeting the needs of educational services' consumers is the main marketing target in education, aimed at developing and implementing the strategies of increasing humans' value for person, employers, social groups and society itself and it affects the level of competitiveness of the university.

Thus, competitiveness can be defined only in direction to a particular object of market relations taking into account market segments. Here is the segmentation of consumers of educational services Luhansk Taras Shevchenko National University.

Market of educational services in Luhansk is characterized by high saturation: there are 5 state universities and a large number of commercial branches of universities from other cities on the market. Fierce competition necessitates continuous marketing research education market in the region, which is on the segmentation stage.

Segmentation in 2011 was conducted by the marketing department of LTSNU by constructing a typology of consumers, which include consumer associations in the typical group of signs identical or similar consumer behavior sufficiently homogeneous and stable in time and space. As the unit of observation for constructing segmentation the individual was chosen, because the product (educational services) was considered as an object for personal use. For the basic criteria of the typology there were features that characterize behavioral response of consumer combined:

- propensity to education;
- willingness to pay a premium price for quality services;
- desire to get a prestigious job.

As a result of the typology there were three main types of consumers identified.

Type "1" – its representatives get first higher education. These are young people aged 17 – 20 of secondary and special secondary education who wish to obtain a prestigious job and have qualified knowledge. This type is compositionally uniformed and characterized by the lowest level of previous education. In choose the

kind of education consumers of the first type are usually captive, advice and opportunities of relatives play an important role for them.

Type “2” – its representatives get a second degree. Representatives of this type are older than the ones of type 1: they are young people and people of middle age. Representatives of the second type are mostly officers, engineers and technical workers, entrepreneurs. In terms of education and income they are superior of consumers of the first type. While making decision they are most independent. They pay more attention to such conditions as the schedule of the learning process, the possibility of learning on the job (in the evenings, weekends), the quality of education (set of subjects taught, a broad choice of specialization within the profession based on the state of affairs of the market, faculty, internship opportunities).

Type “3” – its representatives are oriented on training or retraining on the basis of higher education they already have. Representatives of the third type are inherent in broad age limits. The decision-making process of representatives of this type is often predetermined by the need to gain a foothold in the workplace through training or retraining, but the lack of desire (opportunities) to obtain a second higher education. When choosing educational services consumers of the third type are captive (training and retraining can be carried out according to the plan by training staff). In this case, the quality and cost of education is the primary criterion for the management of the company, not the individual.

According to the study of LNU advertising campaign it is more aimed at consumers of the first type, the parents of potential students (type “1”) and consumers of the second type, which are informed about the benefits of obtaining the second higher education in LTSNU.

Higher education institution offering its educational services in the higher education market has the opportunity to try and increase its value experienced by consumers in two ways. First, universities should increase the overall value of education services, improving its quality characteristics, increasing the provision of related services and qualified personnel, and enhancing corporate image. Second, universities can decrease cash costs of education services consumer, which is to

reduce the price of educational services. University has the ability to reduce the cost of consumer, promoting saving his time, energy and emotional costs. It should be emphasized that each of the following areas of impact on the universities' competitiveness, so we'll examine them using the example of Luhansk Taras Shevchenko National University.

As for the first way. The main parameters of the situation by using SWOT – analysis can be divided into two groups: positive and negative.

Positive: A large number of specialties, a large spatial area attraction to Luhansk as an educational center, roll marks of Luhansk Taras Shevchenko National University, the quality of the staff of the University, alumni parents focus on their children obtain higher education.

Negative: intense competition in the education market in the region (universities provide other alike perspectives by another universities of Luhansk region), the negative impact of the Ukrainian - Russian border to move students who tend to Luhansk from the Rostov region of Russia habitat and competition between other educational centers – in Kharkiv and Donetsk, total consumer attitude towards education, outflow of famous teachers, lack of teachers working in popularity and a significant reduction in the number of school leavers, intense competition for university graduates in recent years.

To overcome the negative factors there are different innovations implemented in learning process by Luhansk Taras Shevchenko National University. It should be emphasized that the innovation system of higher education is based primarily on finding solutions for economy, efficiency and effectiveness of higher education institutions and systems in general, improving the preparation, effectiveness of implementation of innovative learning technologies. As the results of these innovations one may name changes in the educational process in accordance with the Bologna Declaration. This should significantly affect the quality of educational activities and the quality of higher education, and in organizational terms - the quality of higher education institution. Thus, the cause of innovation in higher education is the desire to win or to establish a leadership position and achieve competitive or keep

it in the educational market and the labor market due to high quality educational activities and the quality of higher education.

Here are some innovative changes of the last years in Luhansk Taras Shevchenko National University. University signed the Magna Charta of Universities (Magna Charta Universitatum).

Since 2009 – 2010 school years there was new curricula based on credits ECTS enacted, the European system of established knowledge assessment with the possibility of re-study course. The mechanism of continuous updating and improvement work programs was elaborated. Advances university research institutions affect the content of academic disciplines, operating system research seminars for teachers and students.

In accordance with the Bologna Process there was a gradual transition from the reproductive approaches in the educational process carried out at the University to a productive, creative learning, combining teaching with research activities. Independent work of students at the university is filled with real content. There also were propaedeutic courses for first-year students introduced to all disciplines in the curricula to form study skills, information culture, and self-study and research skills.

For further development of student mobility, improved access to their global knowledge base there was Common European References according the language education brought in the university. Since 2009 – 2010 school years teaching courses in English began (some with an interpreter), a system of monetary incentives teaching English was introduced. Separate groups of foreign students will study English language courses Social and Humanitarian Unit (decision of the administration in February 2010). Prior to joining the University attracted foreign teachers.

Curriculums of departments contain research tasks. Students carry out researches on current range of problems within the framework of classroom disciplines and present the results of research in the form of articles, poster sessions and research projects, etc. Integration of education and science is also carried out by way of student scientific circles.

Over 7000 students of basic educational institutions, which makes up almost 65%, take part in work of scientific topical groups and development of research projects.

The range of educational services extends by means of distance learning technologies. The number of computer equipment units and power of computer networks are increased. Internet traffic grew compared to 2006 (access channel is expanded at university from 2 Mb/s in 2006 up to 100 Mb/s in 2011). The University's dormitories are provided with Wi-Fi Internet access.

To ensure the compliance of the faculty and staff's quality with the accreditation requirements, the University is carrying out the following measures:

- implementation of staffing program of the educational process;
- working out of market approaches to faculty formation;
- involvement of leading scientists and teachers of the higher education institutions, specialists of branches to the educational process;
- involvement of talented and gifted student youth, in particular, graduates with master's degree to the scientific and educational activity;
- supporting of probation efficiency and further training of scientific-educational workers;
- formation system improvement of the educational competence of young teachers and scientists;
- system implementation of the objective performance measures of teacher's activity.

The University will guarantee economical and social support to self-actualization of its faculty members by resolving the following tasks:

- to create conditions for effective professional activity of scientific-pedagogical workers;
- to refine on arrangements for strategic planning and update program realization of departments' personnel and scientific units, which are based on preservation of scientific and educational schools and their scientific potential;

- to provide social protection to the teaching staff, especially young teachers and scientists at University's own cost.

Performance of these measures will provide preservation and increase of potential of the academic collegiate school, teacher's intergenerational continuity, positive dynamics of staff, and compliance of index with the accreditation requirements. Certainly, the given measures will provide increase of level of the University's competitive ability. However, it is noteworthy that system innovations demand constant accumulation of information and knowledge about processes which occur in the external and internal contexts of higher education system.

Another way of competitiveness increase of higher education establishment provides decrease of customer's cash expenditures, namely decrease in value of educational services.

Generally, the price calculation of educational services should base on a certain strategy, determination of demand, reckoning of cost, market analysis, choice of pricing methods and determination of the final price, which might consider some additional circumstances and interests of higher educational institutions and consumers as well.

On the one hand, the price should be reasonable for the prospective buyer; on the other hand, it should provide profitability of a company [9].

First of all, higher education institutions need to decide what the purposes of pricing policy are. This methodological framework can be defined by such features: [9, 10, 11, 12]:

1. Ensuring of the University's existence on the educational markets. Rivalry or changed consumer needs may cause problems. To ensure the functioning of higher education establishments and sale of the services, the Universities are bound to establish a low price looking for benevolent consumer response. In such a case, income can lose its primary importance. But, while the price defrays expenses, the functioning of higher education institution can continue.

2. Profit maximization. Many higher education institutions would like to establish the service prices which would provide the maximum surplus. For this

purpose, possible demand and preliminary expenses for each alternative of the prices should be determined. From many options should accept the one that will maximize profits in short-term period. In realization of this goal, they are geared to short-term expectations. Having disregarded the long-term prospects implemented by other elements of marketing and government-regulated rivals policy.

3. Maximal expansion in turnover. Price aimed at the highest sale turnover should be applied when the product is performed by means of other educational institutions and it is difficult to define all structure and functions of the expenses. At this point, it is important to estimate demand.

4. Optimal sales increase. Businessmen believe that the increase in sales would result in a lower per-unit cost and a higher income. Relying on market opportunities, they cut the price as much as they can, which is called "predatory pricing".

The University lowers the price of the services to the floor limit, raising a share of its market, reaching decrease in expenses of unit. On this basis the University can keep reducing the prices.

But this kind of policy can only be successful if the price sensitivity is high.

5. "Skimming" due to fixing of high price. The higher education institution establishes a full price for each its innovation due to comparative advantages of recent development. When sale at the given price is decreased, the University reduces the price, attracting other consumers, reaching the maximum possible turn-round in each segment of the target market.

6. Leadership in quality. Being able to secure such a reputation, the higher education institution establishes the high price to cover heavy expenses connected with improvement of quality and expenses necessary for this purpose.

Generally, the realization of above-mentioned types of strategies adds up to three principal types of the pricing policy, namely providing of survival, profit maximization and market retention. We agree with V. A. Zinchenko that participation in development and correction of price strategy of the higher education institution should be taken by such departments as:

- Planning-Finance Department, which defines expenses, earning power ratio, critical volume of sales, volumes of privileges' application, benchmark price of educational service, carries out the price analysis in the majors;

- Marketing Department, which study a share of educational services which are implemented by higher educational institution in the regional market; this department compares sales volumes of educational services for previous years, studies the changes of service revenue, volumes and efficiency of advertising costs;

- Admission Committee, which analyzes the number of applications submitted by enrollees and the number of the signed contracts, relation between the number of budgetary and contractual places, budgetary places contest, dynamics of the number of submitted applications in relation to last year, dynamics of the number of accepted students, the price analysis in the majors, availability and validity of discounts' (privileges') system and volume of its application;

- directorate (deanery), which compares the number of students in majors concerning last year, establishes the number of students who are studying on the budgetary and contractual mode of study, forms the list of additional factors which can have an effect on decrease or increase in price in each specialty;

- rectorate, which analyzes data of average number of students in the course of a year, dynamics of changes of the students' number, dynamics of changes of the enrollment, dynamics of the price changes, a share of a higher educational institution in the regional market by types of educational services.

The result of the named departments' activity implicates solving such issues as establishment of the long-term or changing prices, existence of prices psychologically attractive to the consumer, differentiation of the segmented prices depending on quality of educational services, inclusion of the cost of risk in the price of educational services, application of discount system in the implementation of educational services.

It must be emphasized that the price of educational services will only be reasonable if higher education institution develops the pricing strategy which reflects the development strategy of the educational institution itself and is regularly

updated. Absolutely, in order to fulfill the marketing tasks set for the higher education institution, first of all, it is necessary to improve organizational structure.

System efficiency enhancement of the University's functioning is impossible without management of its competitiveness in the market of educational services. Tendency of the increase in supply against the diminution in demand makes marketing itself the tool that is supposed to play a coordinating role in higher education institution activity, and define philosophy of its functioning. The conducted studies served as the basis for the analysis of competitive recovery of the higher educational institution. In particular, the specific targeted marketing efforts' impact on the quality criteria of educational services was analyzed, as well as the interaction of higher education institution with potential consumers of educational services.

Certainly, this are only the first steps taken by Luhansk Taras Shevchenko National University in terms of employment of marketing technologies towards educational branch for the purpose of increase of competitiveness of the higher education institution. Therefore, further development of substantial marketing elements in this area and its scientific development is affair of the next time.

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Лисенко І. О.

Шляхи підвищення конкурентоспроможності вищого навчального закладу (з досвіду роботи відділу маркетингу Луганського національного університету імені Тараса Шевченка)

У статті аналізуються актуальні проблеми підвищення ефективності функціонування механізму та розвитку освітньої сфери України з точки зору підвищення конкурентоздатності вищих навчальних закладів на ринку освітніх послуг. Наводяться конкретні приклади і результати практичного застосування даних методів. Зокрема проаналізовано адресний вплив окремих складових комплексу маркетингу на критерії якості освітніх послуг, а також взаємозв'язок ВНЗ з потенційними споживачами освітніх послуг.

Ключові слова: вищий навчальний заклад (ВНЗ), ефективність функціонування вищого навчального закладу, ринок освітніх послуг, маркетинг, конкуренція, конкурентоспроможність.

Лысенко И. А.

Пути повышения конкурентоспособности высшего учебного заведения (из опыта работы отдела маркетинга Луганского национального университета имени Тараса Шевченко)

В статье анализируются актуальные проблемы повышения эффективности функционирования механизма и развития образовательной сферы Украины с точки зрения повышения конкурентоспособности высших учебных заведений на рынке образовательных услуг. Приводятся конкретные примеры и результаты практического применения данных методов. В частности проанализировано адресное влияние отдельных составляющих комплекса маркетинга на критерии качества образовательных услуг, а также взаимосвязь вуза с потенциальными потребителями образовательных услуг.

Ключевые слова: высшее учебное заведение (ВНЗ), эффективность функционирования высшего учебного заведения, рынок образовательных услуг, маркетинг, конкуренция, конкурентоспособность.

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