

Marketing B-schools to millennials: Challenges and opportunities



They need to carve out a clearly-defined position for themselves in the business education market

The concept of 'marketing' does not go well with the place called a school, no matter what kind. After all, what should a hardcore commercial function have to do with something as noble as teaching and learning?

However, marketing as we know it today, is a function of 'creating, communicating, and delivering' customer value. With rising fees, proliferation of schools, high investments in infrastructure, and faculty salaries, delivering value to the 'student customer' assumes great significance. For communicating and delivering customer value effectively, the role of marketing for a school, and more so a B-school, is gaining importance by the day. Since the supply side of B-school education is overcrowded with all types of service providers, it becomes very important to communicate and to deliver differentiated 'value'.

No business school which has survived the last 20 years can expect to do so for the next two decades without carving a clearly-defined 'position' for itself in the business education market. This article talks about the why and how of B-school positioning. It goes on to throw light on how to manage a B-school brand.

Finally, a case study of a B-school launched in such a scenario is presented to highlight some 'best practices.'

Part one of this two-part article argues in favour of the necessity for strategic positioning of a B-school in the light of the plethora of formats that have mushroomed in the Indian business school milieu, in order to stand above, and be differentiated from, the crowd.

Selling techniques

The last few decades have witnessed an increasing demand for the MBA. Growing demand has also brought in competition. Stand-alone institutions which were not affiliated to any University started the Post Graduate Diploma in Management, popularly known as PGDM. This was almost similar to the two-year MBA degree programme. Acquiring an MBA degree from a foreign country is an option for many aspirants today, further increasing competition for major players in the 'market.' Like other businesses facing stiff competition, B-schools, too, resorted to run-of-the-mill selling techniques to capture market share. Some schools went on to advertise on television. Yet others adopted online tools. This saw B-schools launching elaborate websites and tying up with off-line and online coaching institutes to reach potential applicants through their portals.

The use of social media to appeal to the applicants became the order of the day. In an attempt to look different from others, B-schools started making trivial cosmetic changes in their programme offerings, such as renaming them and their formats and so on. Smaller scale B-schools even used outdoor media to reach and appeal to potential applicants in tier 1 and tier 3 cities. All these efforts were supplemented through personal selling by almost all schools involving one-to-one interactions with potential aspirants at coaching institutes.

Tele-calling messaging and e-mailing were also embraced, albeit with limited results. Such efforts soon turned into a game of one-upmanship involving making tall claims which were not necessarily true. While these seemed to work for some time, it was not long before B-schools realised that selling techniques had their own limitations. Selling techniques are of particularly limited use in the education business, which demarcate this from most of the other businesses.

For one, the 'education' buyer now attaches highest importance to the decision of choosing a career path and also in choosing the institution of higher learning. Aspirants no longer take these decisions casually. The potential applicant is a 'highly involved buyer who tries to search for information, seek guidance, and views the institute's website and may even the institute itself.

What comprises a good B-school?

Seeking and going by online reviews is a trend prevalent among many applicants today. Having said that, it is also true that the involved buyer, in this case, is also, to a significant extent, an 'unaware buyer'. That is to say, most of the applicants do not know what comprises a good B-school, or how to verify the veracity of the claims being made by it, or yet again, what constitutes a good fit between the offering and his own 'wants', considering his skills and aspirations.

On the whole, the business education market today is composed of a small set of involved-aware buyers and a vast majority of involved unaware buyers.

It is time B-schools understand and appreciate the new normal — students are customers and today's students wish to be treated as such. Although traditional academia will be strong critics of this approach, and quick to point out the flaws such an approach may lead to, the challenge would lie in avoiding the possible pitfalls in adopting the new normal approach.

The modern marketing approach of customer relationship management can be adopted by B-schools to retain 'customers.'

Clear positioning

Amid the all-pervading chaos, B-schools have to firstly develop clarity about 'what the school views itself to be for its students and recruiters.' In other words, it should clarify its positioning to its stakeholders, both within and outside. The image a B-school portrays to the world plays a significant role in the attitude people develop towards it. Here are some of the environmental forces which compel B-schools to seek out a positioning strategy:

Changing needs

Over the past 20 years, the business scenario has undergone tremendous change. Technological advancement and globalisation have brought about significant changes in the ways of getting work done. Employee empowerment, change in approach towards lifetime employment, and a shift towards lifelong education have changed the 'needs' sought to be addressed by a B-school.

Increased competition

B-schools have witnessed increased competition, not only from within the country, but also from international institutions. The decision of the Government of India to leverage the IIM brand has led to the establishment of many new IIMs in the last decade. Even if the new IIMs are still in their infancy, the brand pull they enjoy from day one has impacted other B-schools, especially the autonomous stand-alone ones. Similarly, the AICTE policy of granting liberal approvals to new entrants has resulted in the mushrooming of B-schools all over the country. This has added to further fragmentation of an already overcrowded market, confusing potential students and recruiters alike.

Changing models

Changing needs and increasing competition has forced B-schools to react. Many have made changes in the courses, duration and mode of offering, providing programmes with an in-built international immersion component, and so on. The online mode has emerged as a strong alternative. The last five years has seen the emergence of new business models, which has made it important for a B-school to clearly define its positioning for all its stakeholders.

Escalating fees and placement expectations

The earlier three forces have resulted in intense competition among B-schools, not only for the best students, but also for the best faculty.

While attracting the best students requires B-schools to provide the best faculty, this entails paying 'best -in -the- industry' salaries. This, in turn, places pressure on the school's revenues, leading to charging of higher fees, which impacts expectations of the students from the schools in terms of placements, both quantitatively as well qualitatively, namely, better average CTCs and better profiles in the best of companies. All this translates to pressures which were earlier seldom perceived by B-schools in the country. Thus, today's B-schools need to be much better equipped to effectively market their offerings.

How does a B-school decide its position?

As a B-school commences on the path of deciding a position for itself, characteristics of good positioning should be kept in mind.

Firstly, a position should differentiate the school from others. Secondly, it should be important for its buyers — in this case, the potential students and recruiters. Finally, a position has to be carefully and consciously established in the minds of its buyers. This requires an integrated approach in all its outgoing communications.

The first step in deciding a position for itself is to decide 'who does the school wish to serve'? And, 'what does the school do'? It is important to clearly spell out whether the school wishes to serve only degree programmes or executive education or research education or a combination of all these. Within each of these, the institute needs to decide about its programme duration, scope, work experience requirements, programme design, and pricing.

Thereafter, the school needs to look into how it should deliver its programmes? Through the traditional classroom teaching mode, on-line delivery, a project-learning experience or by the case-based learning approach?

Sometimes a positioning emerges by answering the question – who delivers the courses? Does the school predominantly use full-time tenured faculty or adjunct faculty drawn from industry? Then again, a B-school needs to decide how big a school they intend to be. This, in turn, will depend upon the number of programmes offered, approved intake and number of school campuses. Size may clearly define a position that a B-school can take for its buyers, for example, impacting how the B-school is organised – whether as a stand-alone institute, or part of a bigger set up like a University. Academic partnerships of the school may help to decide a position for the school. Another important aspect to impact a school's positioning is the way it is funded, whether it is a not-for-profit institution or a for-profit one.

Red part 2 here: **What does your B-school stand for**

(The authors are Professors of Marketing at the Birla Institute of Management Technology, BIMTECH, Greater Noida)