

POSITIONING FOR INTERNATIONAL MARKET SEGMENTS IN HIGHER EDUCATION: EVIDENCE FROM SAUDI ARABIA

Yasine A. Qandile, Salman Bin Abdulaziz University
Natalia Oganesyants, Al-Yamamah University

ABSTRACT

The purpose of this qualitative research was to identify target segments to achieve objectives related to the recruitment of high performance international students and distinguished faculty in higher education sector of Saudi Arabia. Based on the premise that internal communicative branding activities are vital for educational institutions, the study examined faculty's perceptions of relevant positioning attributes for Saudi Arabia to compete in the global academic marketplace. Analysis of 92 faculty's responses helped to develop awareness of a perceived added value to occupy a niche in the higher education market. The findings highlighted distinctive positioning strengths to brand higher education institutions in Saudi Arabia. However, it can be implied that Universities should strategize their internal values rather than factors of the external environment to capitalize on these assets in the long run.

JEL: M30

KEYWORDS: Positioning, International Target Segments, Higher Education

INTRODUCTION

Within the new global environment characterized by increasing competition, higher education institutions are emerging as organizations driven by the commercial imperative of market-led forces. In the highly competitive educational market, differentiation and effective positioning appear to be key success factors pertaining to the choice of study and work destination. Universities all over the world compete to recruit international students and faculty in response to globalization and quality standards. Therefore, there is a need for higher education to build strong brands locally and globally.

Positioning an organization in the environment of its industry is one of the most important phases of the organizational strategic planning. Universities currently face complexities in external variables to which their internal structures are under pressure to adapt. Seeking to be acknowledged internationally has become a strategic goal of universities across the world. OECD (2002) specifically uses the number of students studying abroad, import and export trading of educational service as the index of internationalization of higher education in each country.

Higher education sector in the Kingdom of Saudi Arabia has grown substantially since late 1990s in response to national development plans and high demand for a qualified workforce. All education sectors in Saudi Arabia benefited from continual private and public support. The Kingdom is an attractive market for education services, as it represents the largest education base and the largest market for education services in the Gulf Cooperation Council (GCC) region. According to the report of US-Saudi Arabian Business Council (2009), public spending for education is estimated at 5.7 percent of the country's GDP, comparable with the UK (5.3 percent), Germany (4.3 percent), and South Korea (4.2 percent).

The upward trend of budgetary allocations highlights the strategy for sustained economic development. The number of public universities increased from eight universities in 2000 to 25 universities in 2012 in addition

to 35 private institutions of higher education in the country. This expansion of the higher education sector went along with the establishment of the National Commission for Assessment and Academic Accreditation (NCAAA) that obligates all universities to create a long-term strategic plan to meet national higher education quality standards that are consistent with international accreditation.

The boom in the number of Saudi Universities created competition for students, faculty, and financial support among higher education institutions. They strive to occupy a niche and develop a distinctive positioning strategy that would enable to achieve their strategic goals in the increasingly competitive academic marketplace of Saudi Arabia. However, universities in the public sector of Saudi Arabia lack experience in positioning their institutions to forge strong and individual identities. Newly established institutions face a need to raise the quality of the educational process by means of recruiting international professional employees and high achievement students to meet the criteria of NCAAA accreditation standards.

International marketing is not a separate endeavor but one of the strategic priorities to facilitate activities of Saudi universities towards regionalism and international collaboration. Thus, the problem of this research was to identify potential international target segments and specific positioning attributes that could be implemented to achieve the objectives related to the recruitment of high performance students and distinguished faculty at Saudi Universities. This research applies well-established business strategies of market segmentation and market positioning to the higher education sector. The purpose of this study was to examine faculty's perceptions of relevant positioning attributes for Saudi Arabia to compete in the international higher education marketplace.

The remainder of the article discusses current trends and the nature of educational services that reflect marketing strategies in the context of higher education. Furthermore, it presents findings and implications within the research framework to illustrate particular international market segments as applicable targets for strategic positioning in higher education of Saudi Arabia.

LITERATURE REVIEW

There is a general consensus among scholars that branding is as important for educational institutions as it is for commercial businesses. However, marketing in education provoked a lot of discussions. Driscoll and Wicks (1998) argue that market for traditional commodities and the university education is different. Gibbs (2001) claims that the economic market commoditizes higher education on the basis of the accreditations earned at higher education institutions.

Chapleo (2006) holds that brand management in higher education is similar to nonprofit brands, but it may not necessarily be suited for the specific needs of the university sector due to greater competition in the market. Harrison-Walker (2009) emphasizes that strategic positioning, which has critical application to marketing in higher education, is often mismanaged.

A substantial number of published studies address the subject conceptually (Aaker & Shansby, 1982; Lowry and Owens, 2001; Mashhadi et al., 2008; Harrison-Walker, 2009; Manhas, 2010). Positioning has been acknowledged as a core branding activity (Aaker & Shansby, 1982). A quality-oriented approach toward strategic positioning in higher education has been discussed by Mashhadi et al. (2008). By directing all of its marketing efforts towards a desired positioning, a university maintains coherence and unity in its activities and establishes a specific image (Lowry & Owens, 2001). The characteristics of a good positioning are considered to be uniqueness, prevalence, and strength (Aaker, 1991).

Some researchers make attempts to differentiate service from product branding to avoid the danger of adopting product based branding strategy in positioning higher education institutions (Padgett & Allan,

1997; Morrison & Grane, 2007). Padgett & Allan (1997) emphasize the experiential aspect of services that plays an important role in conceptualizing a service brand image because it represents the customers' perspective. According to Morrison & Crane (2007), emotional dynamics plays a powerful role in the customers' selection, satisfaction and loyalty toward service brands.

Within the context of higher education, customer-based brand equity is concerned with the ways prospective students, employees, legislators, other stakeholders, and general public perceive the value added to an institution by associating it with a brand name. Customer-based brand equity is a multidimensional construct. In general, customer-based brand equity comprises brand loyalty, brand awareness, perceived quality, brand associations, and other proprietary brand assets, such as trademarks and patents (Aaker, 1991).

Branding builds an institution identity (Chapleo, 2005; Guzman et al., 2006; Goi Mei, 2010; Lockwood & Hadd, 2007). Chapleo (2005) argues that universities undertake insufficient effort to clearly differentiate their institutions from competitors. Lockwood & Hadd (2007) reiterate that much of the branding work in higher education has been in peripheral areas, such as assessing logos, creating and disseminating marketing materials, or selling licensed merchandise. So, improvements should take place along dimensions of marketing communications, reputation, and public relations activities.

Relationship marketing' highlights the importance of establishing relationships with stakeholders to market their institution. Relationship marketing strategy is compatible with the nature of the higher education sector because it promotes involvement of employees and students in marketing and image-building. Trim (2003) contends that higher educational institutions cannot be promoted if faculty and staff are not responsive to the students' needs and expectations.

Taylor and Reed (1995) hold that marketing in higher education should not take a totally student-centric perspective, but ought to balance needs of various stakeholders. Although the key targets for university's positioning program are prospective students, faculty and staff represent another important sector (Lowry & Owens, 2001).

McAlexander & Koenig (2010) situate brand community framework in the context of higher education marketing investments. As loyalty to the institution depends largely on a sense of belonging, it is one of the critical aspects to determine students' choice. An effective brand management strategy can be maximized only if the brand carries a promise and if every member of the academic community is committed to fulfilling that promise (Lockwood & Hadd, 2007).

Brand messages conveyed to employees internally should closely match those sent to customers (Judson & Aurand, 2009). This becomes even more critical for service organizations where consumer loyalty is typically challenged by service quality, which is often more variable and more difficult to control than product quality (Schultz, 2002).

Researchers emphasize that building brand identity begins within the organization and requires coordination of branding communicative efforts (Schiffenbauer, 2001; Schultz, 2002; Judson & Aurand, 2009). Schiffenbauer (2001) contends that the brand message will lose its credibility if it is not supported by the employees within the organization. Hence, internal branding efforts are essential for employees to understand and take ownership of the brand.

Another line of research has been evolving to help brands achieve differentiation with respect to social values. The use of marketing in education to satisfy consumer needs ignoring the mission of the educational institution misrepresents the essential nature of education. Non-profit organizations are required to focus not only on economic rewards, but on social benefits, such as spiritual values and sharing of humanitarian

ideals (Arnett et al., 2003). Guzman et al. (2006) present a reference group influence model of brand building via social values by leveraging brand equity with public services.

Developing brand identity is important for both public and private universities. Goi Mei (2010) explored the difference in service branding model between private and public higher educational institutions. The finding of the study showed that positioning of private universities is better developed than of public higher education sector (Goi Mei, 2010).

The value of a brand image to attract prospective applicants is a topic that has garnered most interest recently (Lowry & Owens, 2001; Rapert et al., 2004; Bennett & Ali-Choudhury, 2009; Judson et al., 2009). Bennett & Ali-Choudhury (2009) argue that branding facilitates students' decisions in selecting of an educational institution, particularly, by the promise of outcomes. A strong brand increases the institution's ability to compete for the best students, gain alumni membership and financial support from donors (Judson et al., 2009). Consequently, success in the educational marketing environment depends on the ability of an institution to recruit and retain the best students, faculty and staff (Jevons, 2006; Melewar & Akel, 2005). Rapert et al. (2004) argue that students are uniquely qualified to assess the quality of their educational experience. This aspect has acquired more significance due to the globalization of higher education associated with the creation of national and international brands by universities. Empirical studies focus on universities' branding initiatives in the US (Judson, et al., 2009; Jevons, 2006) and UK (Chapleo, 2006; Melewar & Akel., 2005). There is a body of research that deals with specific problems of positioning for international markets in higher education of Asia (Gray et al., 2003) and Australia (Whyte, 2001; Shanka et al., 2005).

According to the large-scale research of Becker & Kolster (2012), the number of countries that are actively involved in international student recruitment has grown considerably. Since international students mobility patterns are not fixed, countries that currently manage to attract a high number of incoming student should not take that for granted. The division between recruiting and target recruitment countries is blurring, and key recruitment countries for other nations are also actively recruiting foreign students themselves.

According to OECD's "Education at a Glance" report (2013), the United States is losing market share to other countries. The United States hosted 23 percent of all international students in 2000; that amount had dropped to 17 percent by 2011. Universities in other countries, especially in the East, are actively exploring niche markets in higher education.

Based on the premise that internal communicative branding activities are vital for educational institutions as service organizations, the authors developed an approach for their qualitative study.

DATA AND METHODOLOGY

Due to its interpretive aspect, this research follows a qualitative method that offers descriptive statistics applicable to the study. A survey using a structured questionnaire was conducted in 2013 to elicit responses within a higher education setting. The overall sample size comprised 92 faculty in Saudi Arabia. The only relevant personal data considered for the research was the type of contract the employees had. The overwhelming majority of the respondents (74%) had an international contract, while only 26% of the respondents were hired locally, which means that such a sample gives a representative diversity for the research purposes.

The questionnaire contained multiple items related to two dimensions. First, it evaluated employment criteria for the academic faculty in KSA, as well as problems they encounter in the job recruitment process. Second, it investigated perceptions of faculty with regards to positioning attributes applicable for higher

education institutions to attract prospective international students and faculty. The attributes were selected to identify perceived target regions for recruitment of high performance international students.

RESULTS

Job contract criteria were viewed as important by academic faculty. The majority of the respondents (78%) who filled out the survey placed salary at the top of the list, while professional development and research opportunities ranked second and third with corresponding 68% and 62%. This means that though financial benefits are the priority for the job seekers, employees in academia are very much concerned about the professional setting a university can offer. Other criteria, such as career promotion, friendly and cooperative environment and satisfaction for family needs, were ranked on average between 44% and 48%.

At the same time, 74% of the respondents would consider not to renew their contract if they encounter lack of administrative support. 57% of the respondents were dissatisfied with their illegibility for conference participation allowance which adds evidence to the professional development orientation on the part of the international faculty. Almost half of the sample regarded the lack of recreation facilities as a disadvantage of KSA. About one third (29.63%) were not contend with availability of postgraduate programs for teaching assignments. It should be noted that half of the respondents (53%) faced problems with initial contract negotiations, and one third encountered difficulties to process visas, verify academic credentials, and arrange travel and relocation. However, issues with cultural adaptation would be considered a reason for resigning only by 9% of the employees.

From the above mentioned data, it can be concluded that offering opportunities to pursue professional growth in the contracts for prospective employees would be a positioning strength for higher educational institutions of Saudi Arabia.

Some 90% of respondents in this study strongly agreed that international faculty and students are important for the University. 92% of respondents unanimously agreed that academic records is the most important criteria for admitting international students to a Saudi university, while 42% consider that majoring in Islamic studies and Arabic language is another significant factor. It should be added to these selective criteria, that 25% of the respondents considered religion and 17% - nationality as valid criteria for students' recruitment. Income status and gender were rated equally low at 8.47%.

These data represent a perceived student's profile targeting, to a large extent, international segments that are either affiliated with the Islamic world or pursue studies in the correspondent fields with no gender or income discrimination. The results are presented in Table 1.

Another important assumption drawn from the survey is the geographic segmentation. According to the responses, Saudi Arabia should attempt to recruit students from diversified locations around the world capitalizing on the niche market, rather than focusing on the Middle East. While the Middle East is still on the top position (3.61), it is narrowly followed by Asia (3.42) and Europe (3.26), which are in close proximity. The results in Table 1 show preferable regions for recruitment of high performance international students as perceived by academic faculty in Saudi Arabia.

In the second part of the survey, value categories were appraised to indicate strength variables and potential positioning attributes for a Saudi University. Three intersecting value categories were identified for the purpose of categorization: 1.) Quality standards and quality of educations, 2.) Tax free salary for employees and financial aid for students, 3.) Standard of life and availability of housing and recreation activities.

The results of cross-checking are consistent with the previous conclusion that faculty value equally financial benefits and professional opportunities with the ranking of the salary (3.44) and research facilities (3.33).

Additionally, Islamic culture was rated at the value of 3.27 for the students, and security and safety at 2.82 for the faculty. The table below summarizes value out of 5 points for the categories perceived as strength for attracting high performance international students and distinguished faculty to a Saudi University.

Table1: Distribution of Geographic Regions for Recruitment of High Performance International Students

Geographic Region	Target Segment %
Middle East	3.61
Asia	3.42
Europe	3.26
Americas	2.8
Africa	1.87

This table shows the distribution of regions for recruitment of high-performance international students.

As displayed by Table 2, there are a few patterns among responses common for both target segments, such as quality of the educational process and living standards with a slight overarching significance for the student segment. The respondents also agree that financial benefits are the key attractive category for both target segments, and it is a dominant factor for prospective international students. From this data, it can be concluded that internal institutional factors are ranked above the factors of the external environment.

Finally, respondents suggested that the best way for advertising higher education in Saudi Arabia is participation in educational fairs (87%) and the institutional website (74%), followed by utilizing advertising in media (53%) and social networks (55%).

Table 2. Distribution of Value Categories for Target Segments

Value category	Faculty	Students
Quality of education	3.36	3.42
Salary/ scholarship	3.44	4.15
Standard of life/ housing	2.38	2.45
Security/safety	2.82	-
Research facilities	3.33	-
Islamic culture	-	3.27
Reputation of KSA	-	1.8

This table shows distribution of value categories.

CONCLUDING COMMENTS

The paper discussed potential benefits of applying marketing strategies, which have been effective in business, to the field of international positioning of higher education institutions. The findings led the authors to conclude that there is a lack of market orientation and customer focus to achieve competitive advantage in Saudi Arabia.

In general, marketing of educational institution is about creating value for stakeholders. There are unique assets that higher educations in Saudi Arabia can capitalize on to develop a distinctive positioning strategy with a clear message for prospective students and faculty, including international target segments.

A need for aligning accurate positioning messages with perceptions of internal stakeholders has emerged. Understanding faculty’s perceptions of marketing attributes may help awareness of customers’ expectations to differentiate a perceived added value in the market. It will enable effective communication between employees and customers, stable enrollments, greater students’ retention and less faculty turn-over, and as a result, increased quality assurance of the educational process.

The survey yielded clear results regarding applicable positioning attributes to target international market segments. The findings highlighted recognizable positioning strength in higher education of Saudi Arabia.

However, it can be implied that universities should strategize their internal values rather than benefits of the external environment to capitalize on these advantages in the long run.

Acknowledging the limitations of this small-scale research, the authors refrain from making wide generalizations. We encourage expanding this study to an approach that gives a better representation of customers' needs involving the student body.

REFERENCES

Aaker, D. (1991), *Managing Brand Equity: Capitalizing on the Value of a Brand Name*. The Free Press, New York, NY.

Aaker, D. & Shansby, G. (1982), Positioning Your Product. *Business Horizons*, 25, 56-62.

Arnett, D., German, S., & Hunt, S. (2003). The Identify Salience Model of Relationship Marketing Success: the Case of Non-Profit Marketing. *Journal of Marketing*, 67, 89-105

Becker, R. & Kolster, R. (2012), International Student Recruitment: Policies and Developments in Selected Countries. Nuffic, The Hague. Retrieved December 20, 2013 from <https://www.nuffic.nl/en/library/international-student-recruitment.pdf>

Bennett, R. and Ali-Choudhury, R. (2009), Prospective Students' Perceptions of University Brands: An Empirical Study. *Journal of Marketing for Higher Education*, 19(1), 85–107.

Chapleo, C. (2006), Barriers to Brand Building in UK Universities? *International Journal of Nonprofit and Voluntary Sector Marketing*, 12(1), 23-32.

Chapleo, C. (2005), Do Universities Have 'Successful' Brands? *International Journal of Educational Advancement*, 6(1), 54–64.

Driscoll, C., and Wicks, D. (1998), The Customer-Driven Approach in Business Education: A Possible Danger? *Journal of Education for Business*, 73(1), 58–61.

Gibbs, P. (2001), Higher Education as a Market: a problem or a solution? *Studies in Higher Education*, 26:1, 85-94

Goi Mei, T. (2010), Service Branding Model Difference between Private and Public HEIs. *Review of Business Research*, 10(2), 82-87.

Gray, B.; Fam, K. and Lalnes, V. (2003), Branding Universities in Asian Markets. *Journal of Product & Brand Management*, 12(2), 108-120.

Guzman, F.; Montaa, J. and Sierra, V. (2006), Brand Building by Associating to Public Services: A Reference Group Influence Model. *Journal of Brand Management*, 13(4/5), 353-362.

Harrison-Walker, J. (2009), Strategic Positioning in Higher Education. *Academy of Educational Leadership Journal*, 13(1), 103-113.

Jevons, C. (2006), Universities: a Prime Example of Branding Going Wrong. *Journal of Product and Brand Management*, 15(7), 466-467.

- Judson, K.; Aurand, T.; Gorchels, L. and Gordon, G. (2009), Building a University Brand from Within: University Administrators' Perspectives of Internal Branding. *Services Marketing Quarterly*, 30 (1), 54-68.
- Lockwood, R. and Hadd, J. (2007), Building a Brand in Higher Education. *Gallup Management Journal*, 7, 1-6.
- Lowry, J. and Owens, B. (2001), Developing a Positioning Strategy for a University. *Services Marketing Quarterly*, 22(4), 27-42.
- Manhas, P. (2010), Strategic Brand Positioning Analysis Through Comparison of Cognitive and Conative Perceptions. *Journal of Economics, Finance & Administrative Science*, 15(29), 15-33.
- Mashhadi, M.; Mohajeri, K. and Nayeri, M. (2008), Quality-Oriented Approach Toward Strategic Positioning in Higher Education Institutions. *International Journal of Social Sciences*, 2(4), 237-243.
- McAlexander, J. and Koenig, H. (2010), Contextual Influences: Building Brand Community in Large and Small Colleges. *Journal of Marketing for Higher Education*, 20(1), 69-84.
- Melewar, T. and Akel, S. (2005), The Role of Corporate Identity in the Higher Education Sector: A Case Study. *Corporate Communications: An International Journal*, 10(1), 41-57.
- Morrison, S. and Grane, F. (2007), Building the Service Brand by Creating and Managing an Emotional Brand Experience. *Journal of Brand Management*, 14(5), 410-421.
- OECD, (2013), Education at a Glance 2013: OECD Indicators. Retrieved on December 20, 2014 from <http://www.oecd.org/edu/eag.htm>
- OECD, (2002), Indicators on Internationalization and Trade of Post-Secondary Education. Washington, DC, US. Retrieved on December 20, 2014 from <http://www.oecd.org/edu/skills-beyond-school/1933574.pdf>
- Padgett, D. and Allan, D. (1997), Communicating Experiences: A Narrative Approach to Creating Service Brand Image. *Journal of Advertising*, 26(4), 49-62.
- Rapert, M.; Villiquette, A.; Smith, S., and Garretson, J. (2004), The Meaning of Quality: Expectations of Students in Pursuit of an MBA. *Journal of Education for Business*, 80(1), 17-24.
- Rouse, W. and Garcia, D. (2004), Moving Up in the Rankings: Creating and Sustaining a World-Class Research University. *Information Knowledge Systems Management*, 4(3), 139-147.
- Shanka, T.; Quintal, V. and Taylor, R. (2005), Factors Influencing International Students' Choice of an Education Destination: A Correspondence Analysis. *Journal of Marketing for Higher Education*, 15(2), 31-46.
- Schiffenbauer, A. (2001), Study all of a Brand's Constituencies, *Marketing News*, 35(11), 17-18.
- Schultz, D. (2002), Study Internal Marketing for Better Impact: New Forum Researches What Motivates Workers. *Marketing News*, 36(21), 8-9.

Taylor, R. and Reed, R. (1995), Situational Marketing: Application for Higher Education Institutions. *Journal of Marketing for Higher Education*, 6(1), 23–36.

Trim, P. (2003). Strategic Marketing of Further and Higher Educational Institutions: Partnership Arrangements and Centres of Entrepreneurship. *International Journal of Educational Management*, 17(2), 59–70

US-Saudi Arabian Business Council., (2009), The Education Sector in the Kingdom of Saudi Arabia. Retrieved on December 15, 2015 from http://www.us-sabc.org/files/public/education_brochure.pdf

Whyte, A. (2001), Positioning Australian Universities for the 21st Century. *Open Learning*, 16(1), 27-35.

BIOGRAPHY

Dr. Yasmine A. Qandile is a Professor of Curricula & Educational Technology at Salman Bin Abdulaziz University, Saudi Arabia. He is also working as a Chief consultant for Academic Affairs and Executive Director for the University Center for Academia Development (CAD). He can be contacted at: Vice Rectorate for Educational & Academic Affairs, P.O. Box 173, Al-Kharj 11942, Saudi Arabia. Phone: +966-11-488-3332. Email: y.qandile@sau.edu.sa or yqandile@yahoo.com

Dr. Natalia Oganesyants is an Associate Professor of English Education. She is currently working as a Senior Instructor at Saudi INTERLINK Orientation Program, Al-Yamamah University, Saudi Arabia. She can be contacted at: INTERLINK, P.O. Box 45180, Riyadh 11512, Saudi Arabia. Phone: +966-11-224-2222 ext. 4619. Email: n_oganesyants@interlink.edu or oganat@gmail.com

