Marketing in the Hellenic private secondary education during the recession

Apostolou, Georgios and Papatsimpas, Achilleas and Gounas, Athanasios S.

International Hellenic University, Hellenic Ministry of Education

19 October 2018

Online at https://mpra.ub.uni-muenchen.de/98622/
MPRA Paper No. 98622, posted 17 Feb 2020 04:20 UTC
Marketing in the Hellenic private secondary education during the recession

Georgios Apostolou
International Hellenic University, Greece

Achilleas Papatsimpas
Ministry of Education, Greece

Athanasios S. Gounas
International Hellenic University, Greece

Some rights reserved.
Except otherwise noted, this work is licensed under: https://creativecommons.org/licenses/by-nc-nd/4.0

A previous version of this paper was published in: Journal of Contemporary Education, Theory & Research, Volume 2, Issue 2, 2018, pp. 3-8, https://doi.org/10.5281/zenodo.3598486

Abstract: The purpose of this research, is to investigate whether, during the economic crisis, various private secondary-education organizations in Greece including secondary tutorial schools, private schools, foreign language centers, special course delivery services (private tutorial schools) and study centers, develop and pursue a marketing strategy. Other points covered include demographics, characteristics of organizations, specific strategy focus, amount spent on such strategy and possible changes on both academic and financial level. Possible correlations between specific marketing actions and results were calculated. The statistical analysis of the data, showed that the implementation of a marketing plan (and the amount invested on this project) positively affect students' academic performance, new enrollments, organizations' earnings and recruitment of new scientific staff. Twenty close-ended questionnaires were used to collect the data. During research period, many private schools had ceased their duties because of summer holiday time. As a result, a small number of the data was collected from these schools and it will not be possible to generalize any results for the ones.

Keywords: Marketing mix, Educational Organizations, Greek secondary private education, Correlational analysis, Academic performance, Scientific staff

JEL Classification: I20, I21, I29

Biographical note: Georgios Apostolou is an MSc holder on the Management of Educational Units and owner of a private secondary school. Achilleas Papatsimpas is an Msc Holder on Statistics and Operational Research whereas Athanasios Gounas is an assistant professor at the Department of Management of Organizations, Tourism and Marketing at the International Hellenic University. Corresponding author: Georgios Apostolou (apgeorge2004@yahoo.com)

1 INTRODUCTION

As the number of students attending private educational institutions is increasing by the year, so is the number of educational organizations offering these services. Various such organizations include secondary tutorial schools, private schools, foreign language centers, special course delivery services (private tutorial schools) and study centers. As the number of institutions is growing, the need for educational institutions to differentiate themselves from their competitors (Ivy, J. 2008) is also increasing. As a result, the development of a strategic marketing plan plays an important role in attracting new students and preserving existing ones.

As competition increases, the choices offered to students and their parents complicate the process of finding an optimal solution that meets their needs (Ivy, 2001 Όμιλος ελληνικής του αλ. 2009). The management of each educational organization is responsible for providing information of the services and curricula offered by the tutorials, as well as for designing innovative, cost-effective and efficacious solutions.

A learning organization with student-oriented marketing is judged by many researchers as an effective mix to meet the needs of customers, students and parents (Bell L., et al., 1999, Oplatka, L., 2002). An organization with the above-mentioned features that understands its position, predicts the behavior of its customers and meets their needs and preferences, enables marketing to be much more targeted and successful. As a result, it provides high-value services, which are its comparative advantage in the market (Jaworski, B. et al., 2000; Christou & Sigala, 2001).
Marketing in the field of education is not new. Its role in attracting students and preserving existing ones is very important (Cubillo, J. et al., 2006; Ivy J. 2001; Maringe, F. & Foskett, N., 2002; Fisk, RP &Allen, J. 1993, Carlson CK, 1992, Wonders, T J &amp; Gyure, JF 1991). "Education" is a service as it displays the essential characteristics of a service, that is, it is "consumed" at the same time as it is offered and is "immaterial" (Eaton & Christou, 1997; Voon B.H., 2007). When a private educational organization offers knowledge and skills that meet the needs of students, shapes the curriculum with methods that suit their expectations, helps them achieve their goals and the tuition fees are affordable, then it is more likely to achieve its goals and increase its enrolments and income (Ivy, J, 2008).

2 RESEARCH

The purpose of this research is to investigate whether various private educational organizations in Greece follow a marketing plan or not. Additionally, to investigate the features of the organizations that implement a marketing plan, the type of those organizations, the number of the students studying in them, the number of the scientific staff working for them and the studies of their principal. The investigation of the features related to the marketing project that they are implementing, who is responsible for the design and the implementation of the strategic focus on plan, what strategies the organizations choose to follow (diversification, focus, low-cost, mixed), the duration of the project, the amount of money spent on the marketing plan, and on which of the four p’s marketing mix factor, (product, price, place, promotion) plays the most important role for the organizations’ strategy. Consequently, we investigated the results that were observed in the organizations’ marketing plan considering its implementation, when the first results appeared, the change in the organizations ‘profits, students’ academic performance and the number of the scientific staff employed by the educational organizations. Finally, possible relationships and correlations were investigated among those factors. The purpose of this study, therefore, was to determine the characteristics of the private educational organizations that contribute to the best results.

The population of the educational organizations in Greece is: 2905 secondary tutorial schools, 5650 foreign language centers licensed by EOPPEP (EOPPEP, 2018), 99 private secondary schools, 80 private high-schools(Minedu, 2018) and an unidentified number of study centers and private lessons.

The survey was conducted between 15 June and 10 September 2018, during which many educational organizations in Greece had ceased their function. Stratified sampling was used, to ensure the representation of the educational organizations from all over the territories and the existence of enough private schools ‘secondary tutorial schools, private lessons and study centers. All elements of our population (sampling plan) were selected from EOPPEP and the Ministry of Education lists. The population was separated into layers (strata) and then subsamples with simple random sampling were chosen within each stratum. The layers represent the administrative regions of Greece: Attica, Center Macedonia, Western Macedonia, Thessaly, Epirus, Ionian Islands, Western Greece, Central Greece, Peloponnesse, North Aegean, South Aegean and Crete.

Proportional stratified sampling was used, in each region so that the ratio of sample size on the layer to the size of the total sample size is equal to the ratio of the size of the layer’s population to the size of the entire population. This sampling plan was used in all educational organizations of every region. Thus, the total sample is a proportional miniature of the total population (Lagoumintzis, G., et al, 2015).

The data collection procedure was conducted through a questionnaire which contained twenty close-ended questions; dichotomous and multiple-choice questions. Questionnaires were distributed via e-mail, social media (Messenger, Facebook, Instagram) and in a printed form, to achieve, low – cost answers from all over the Greek territory in a short time period.

A single cross-sectional study of 125 educational organizations was undertaken to verify if a marketing strategy was conducted. Self-completion questionnaires were distributed to 600 educational organizations in Greece. In all, 600 questionnaires were distributed, either through e-mail or via social media or personally; a response rate of 20.8 per cent was achieved, which was considered satisfactory for a self-completion questionnaire where response rates of 15 per cent are common (Christou, 1999; Malhotra and Birks, 2006). A structured questionnaire was developed, making use of demographic factors. Likert scales were used to measure the years of operation, the age of the school principal, the number of students enrolled and the scientific staff of the educational organizations.

Data analysis includes descriptive statistics, graphs (pie charts, bar graphs), frequency tables, demographic characteristics of the educational organizations and their principals, as the following marketing strategy that they follow, and the results observed after the implementation of the marketing plan. Since all the variables are not normally distributed, Spearman’s correlation coefficient was used (Mukaka, 2012). Correlational analysis was used to examine the relationship between the amount of money that was invested in the marketing plan per year and the number of students. Nonparametric tests were used to determine if there were any statistically significant differences between two or more groups of an independent variable on a continuous or ordinal dependent variable. In the case of two independent groups, the Mann – Whitney U test was used, while in the case of more than two groups the Kruskal-Wallis H test was more appropriate. A Mann – Whitney U test showed that there was a statistically significant difference in the cost of the marketing plan per year between the different marketing operators. A Kruskal-Wallis H test showed that there was a statistically significant difference in the cost of the marketing plan per year between the different educational organizations, as for the correlation analysis, it was interesting to note that all the following variables were correlated at the p<.01 significance level by using Spearman’s rank-order coefficient. There was a positive correlation between the organization’s pre-tax profits after the completion of the project and the change in the organization’s earnings after the completion of the project, the new enrolments after the completion of the project and the change of the
organization’s pre-tax profits after the completion of the project, the average percentage change in the student's academic performance and the organization’s earnings after the completion of the project. For a $\chi^2$ test of association, a recommendation on sample size that was commonly used, was that no cell in the table should have an expected frequency of less than one, and that no more than 20% of the cells should have an expected frequency of less than five. Because the expected frequencies and the sample size were too small, then Fisher's exact test should be used (Bewick et al. 2004). A Fisher's test was calculated comparing the kind of the educational organization and the marketing operator. A significant interaction was found ( ).

Private tutorial schools, private secondary or high schools and study centers are more likely to prefer outworkers for their marketing plan than internal marketing teams. On the other hand, tutorial schools prefer internal marketing. The 125 questionnaire responses comprised: 75 secondary tutorial schools (60%), 23 foreign language centres (18.4%), 12 private tutorial schools (9.6%), 8 private secondary schools (6.4%) and 7 study centres (5.6%) (Chart 1). The absolute (relative) frequencies of the number of students are: 28 (22.4%) from 0 to 30 students, 29 (23.2%) from 30 to 60, 25 (20%) from 60 to 90, 20 (16%) from 90 to 120, 10 (8%) from 120 to 150 and 4 (3.2%) more than 300 students. The corresponding absolute (relative) frequencies of the number of scientific staff members employed are: 77 (61.6%) from 1 to 10 people, 28 (22.4%) from 10 to 20, 8 (6.4%) from 20 to 30, 7 (5.6%) from 30 to 40, 3 (2.4%) from 40 to 50 and 2 (1.6%) more than 50.

Chart 1
Educational organizations

In 88 (71.5%) organizations, the principals are qualified Mathematicians, Physicists, Chemists or Teachers of Language and Literature, in 6 (4.8%), they are qualified on Economics and Business Administration Departments, in 20 (16%), they hold a master’s degree, either in their field of expertise or in the pedagogy of their discipline. 6 (4.8%) principals hold a post-graduate degree in business administration and in the administration of an educational institution, while 3 of them (2.4%) are PhDs. Concerning the implementation of a marketing plan, 67 (53.6%) of those questioned do not produce a marketing plan, 15 (12%) prefer the diversification strategy, 15 (12%) the focus strategy, 9 (7.2%) the low-cost strategy and 19 (15.2%) opt for a mixed strategy (Chart 2).

Chart 2
Strategies

Moreover, the organizations that implement a marketing plan, 31 (51.7%) respondents made their own plan, while 29 (48.3%) outsourced their marketing campaigns. Defining the 4 Ps marketing mix, the Product factor was considered to be the most important: the services offered and the school curriculum in 41 (68.3%) organisations, followed by Price in 11 (18.3%) facilities, Promotion in 6 (10%) and Place in 2 (3.3%) (Chart 3). The timeframe of the project is 1 year for 38 (65.5%) organisations, 2 years for 13 (22.4%) and 3 years for 7 (12.1%). Referring to the funds invested in the design and implementation of the project, 15 (25.4%) institutions spend up to 1,000 euros, 18 (30.5%) from 1,000 to 2,000 euros, 14 (23.7%) from 2,000 to 3,000 euros, 5 (8.5%) from 3,000 to 4,000 euros, 3 (2.4%) from 4,000 to 5,000 euros and 4 (6.8%) up to 5,000 euros.

Chart 3
4p’s marketing mix

The first different results after the initial implementation of the marketing plan appeared within 1 to 3 months in 14 organizations (23.7%), 3 to 6 months in 15 organizations (25.4%), 6 to 9 months in 15 organizations (4%), 9 to 12 months in 13 organizations (22%) and up to one year in 2 organizations (3.4%). The following changes were observed: new enrolments increased by 5% in 13 organizations (23.2%), 10% in 18 organizations (32.1%), 15% in 10 organizations
(17.9%), 20% in 12 organizations (21.4%) and 25% in 3 organizations (5.4%). Additionally, an increase in profit before taxes was observed, as follows: a 5% increase in 9 organizations (16.1%), a 10% increase in 16 organizations (28.6%), a 15% increase in organizations 13 (23.2%), a 20% increase in 11 organizations (19.6%), a 25% increase in 5 organizations (8.9%) and a 30% increase in 2 organizations (3.6%).

Improvement in students' academic performance was also evident: an improvement of 5% was observed in 9 (16.1%) organisations, a 10% improvement in 16 (28.6%), a 15% improvement in 10 (17.9%) and a 20% improvement in 18 (20%) (Chart 4). The number of scientific staff members being employed in these organisations also increased. 26 (20%) organisations increased their scientific staff by 5%, 21 (36.8%) organisations by 10%, and 8 (14%) organisations by 15%.

3 CORRELATIONS AND RELATIONSHIPS

Correlation coefficients are used to assess the strength and direction of the linear relationships between pairs of variables. Because all the variables are not normally distributed, Spearman's correlation coefficient is used (Mukaka, 2012).

Correlational analyses were used to examine the relationship between the amount of money that is invested in the marketing plan per year and the number of students. Results indicated a positive relationship which was statistically significant ( ). This suggests that as more money is spent on the marketing plan, the students' number increases.

Based on the findings of the study, the number of scientific staff members employed relates to the cost of the marketing plan per year, ( ). This means that the more scientific staff members there are, the higher the cost of the marketing plan. Nonparametric tests can be used to determine if there are any statistically significant differences between two or more groups of an independent variable on a continuous or ordinal dependent variable. In the case of two independent groups, the Mann – Whitney U test is used, while in the case of more than two groups the Kruskal-Wallis H test is appropriate.

A Mann – Whitney U test showed that there was a statistically significant difference in the cost of the marketing plan per year between the different marketing operators, ( , Fisher's exact test). Primary outcome results indicated a significant interaction in the sections that the organisation's strategy is focused and the marketing strategy that is pursued ( , Fisher's exact test). Mixed strategies mainly focus on the services offered and the school curriculum, while low cost strategies focus on the tuition price and the operation cost.

A Fisher's test was calculated comparing the kind of the marketing plan per year between the different educational organizations, , with a mean rank score of 30.62 for foreign language schools, 28.42 for private tutorial schools, 9.83 for tutorial schools, 51.14 for private secondary or high schools and 43 for study centres. These findings indicate that private secondary or high schools pay more for their annual marketing plan.

As for the correlation analysis, it was interesting to note that all the following variables were correlated at the p<.01 significance level by using Spearman's rank-order coefficient. There was a positive correlation between:

- the percentage of the organisation's pre-tax profits after the completion of the project and the percentage change in the organisation's earnings after the completion of the project ( ).
- the percentage of new enrolments after the completion of the project and the percentage change of the organisation's pre-tax profits after the completion of the project ( ).
- the average percentage change in the student's academic performance and the percentage change in the organisation's earnings after the completion of the project ( ).
- students' academic performance and the percentage change in the organisation's earnings after the completion of the project ( ).

Note. p < .01. Numbers in parentheses indicate column percentages.

Table 1

<table>
<thead>
<tr>
<th>Educational organization</th>
<th>Marketing operator</th>
<th>Internal Dept.</th>
<th>Outworker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign language school</td>
<td></td>
<td>7 (11.7%)</td>
<td>7 (11.7%)</td>
</tr>
<tr>
<td>Private tutorial school</td>
<td>12 (20%)</td>
<td></td>
<td>13 (21.7%)</td>
</tr>
<tr>
<td>Tutorial school</td>
<td>9 (15%)</td>
<td>0 (0%)</td>
<td></td>
</tr>
<tr>
<td>Private secondary or high school</td>
<td>2 (3.3%)</td>
<td>5 (8.3%)</td>
<td></td>
</tr>
<tr>
<td>Study center</td>
<td>1 (1.7%)</td>
<td></td>
<td>4 (6.6%)</td>
</tr>
</tbody>
</table>

Results of Fisher’s Exact Test and Descriptive Statistics for Educational organisation by Marketing operator.
principals (4.8%) hold a post-graduate degree in Business Administration and 60% of the organisations are small or medium-sized companies. A total of 600 questionnaires were distributed, resulting in a usable sample of 125 responses, which constitutes a 20.8% response rate. Most private educational organisations are small or medium-sized companies. 60% of these organisations are not aware of what marketing is. This fact could suggest that the organisations that participated were secondary tutorial schools, private secondary or high schools and study centers more likely prefer outliers for their marketing plan while tutorial schools prefer internal marketing.

### Table 2

Results of Fisher’s Exact Test and Descriptive Statistics for factors of attention on the organisation’s strategy by strategy followed.

<table>
<thead>
<tr>
<th>Strategy followed</th>
<th>Differentiation</th>
<th>Focus</th>
<th>Low cost</th>
<th>Mixed</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services offered</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School curriculum</td>
<td>14 (22.7%)</td>
<td>9 (13.3%)</td>
<td>2 (3.4%)</td>
<td>16 (27.1%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>Tuition price</td>
<td>1 (1.7%)</td>
<td>2 (3.4%)</td>
<td>3 (4.8%)</td>
<td>2 (3.4%)</td>
<td>1 (1.7%)</td>
</tr>
<tr>
<td>Operation cost</td>
<td>0 (0%)</td>
<td>1 (1.7%)</td>
<td>1 (1.7%)</td>
<td>0 (0%)</td>
<td>1 (1.7%)</td>
</tr>
<tr>
<td>Location – school</td>
<td>0 (0%)</td>
<td>3 (5.1%)</td>
<td>1 (1.7%)</td>
<td>1 (1.7%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>Promotion – Advertisements</td>
<td>0 (0%)</td>
<td>2 (3.4%)</td>
<td>4 (6.7%)</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
</tr>
</tbody>
</table>
| Note. p < .01. Numbers in parentheses indicate column percentages.

### 4 CONCLUSIONS

A total set of 600 questionnaires were distributed, resulting in a usable sample of 125 responses, which constitutes a 20.8% response rate. Most private educational organisations are small or medium-sized companies. 60% of the organisations that participated were secondary tutorial schools. 81.6% of them consist of 120 students, while 61.6% have up to 10 employees. Responses showed that 53.6% of the organisations do not implement a marketing plan. The remaining 46.4% follow a mixed marketing strategy at a rate of 15.2%. Even though all educational institutions plan curricula and educational material, design their premises to be appropriate for courses, invest in equipment and advertising and set a pricing policy, they claim that they do not follow a marketing plan. This fact could suggest that these organisations are not aware of what marketing is exactly. Besides, only 4.8% of the principals holds an Economics or Business Administration degree and 6 principals (4.8%) hold a post-graduate degree in business administration and in the administration of an educational institution.

In general, our research confirmed our previous experience on the field, that most educational institutions with a small number of students, do not consult an expert to carry out a project just for saving money. On the other hand, those organisations which design a strategy, do not often refer to specialists, even they lack specialized skills and abilities on the field of business. Also, they implement short term and low-cost projects.

Defining the 4 PPs marketing mix, the product factor was the most important. The marketing strategy focuses mainly on the services offered and the school curriculum in 41 (68.3%) organisations. It should be noted here that this is deemed the most important consideration, hence the focus of attention on that rather than other factors and should not be taken to mean that it is the sole point of interest.

Most educational facilities design their own marketing strategy. 51.7% of the organisations that follow a marketing plan have an internal department responsible for promotion. The duration of the plan is 1 year for the majority (65.5%) of the organisations, which is representative of the economic uncertainty in Greece. The same conclusion is derived from the amounts that are spent on the design and implementation of the plan while 79.9% have a cost of up to 3,000 euros.

As noted in the international literature, for several years, an organization with a marketing plan that focuses on student-to-student interaction, parenting and structure-specific processes (Friesner AT, 2017) on quality of services (Narver JC, & Slater SF, 1990) is judged by many researchers as an effective mix to meet the needs of students and parents (Bell L., et al., 1999, Oplutka, L., 2002). Preparing and promoting an organization's mission and vision, branding, and careful public relations would help parents and students to choose a service (Gray L., 1991). The "package", curriculum, teaching, secretarial support, building infrastructure, technological equipment and other services should create an "irresistible" value proposition. The product or service differentiation (Hoyer WD & al., 2010), the development of new products or services of an organization, should not simply focus on "product characteristics" but include perceptions, feelings and expectations of the client, for example, to capture students' views, so-called "co-creation." Thus, the old concept of marketing a product or a service as a competitive advantage (the so-called unique selling proposition) has now been given to the emotional selling proposition (Bainbridge J., 2004) in which the organization can now not only have to produce a product or a service but also incorporate the feelings of the customer. This mixture has resulted to the provision of high value services, which is also its comparative advantage in the market. (Jaworski B. et al., 2000). Improving academic performance of students, preserving student potential (Brown, S.W., et al., 1994), the increase of new enrollments and its economic development are among the requirements of each private educational unit. Any organization that attaches the greatest value to the students will probably prevail (Piercy N.F., 2001).

The benefits of implementing a marketing plan, according to the results we derived from our data analysis, are very important for achieving the goals of an educational organization. For all the above, the elements of our research give a high possibility of a positive relationship; academic performance, increase of new enrollments and the increase in profits, with the implementation of the marketing plan. The first results of the marketing project appeared in the first 9 months from the start of its implementation. The most important of these were found among organisations that follow a marketing strategy. An increase of up to 10% in enrolments was observed in 55.4% of the organisations. Increases in profits before taxes were also observed: 5-20% increase in almost 95% of organisations. However, apart from the economic benefits, positive changes in the academic performance were also observed. An improvement of up to 20% in students' academic performance was found to be part of the 96.4% of the educational institutions that implement a marketing plan. The same improvement was also observed in the number of scientific staff members, which is regarded as a positive development considering the economic recession in Greece. A10% increase in scientific staff was observed in 82.5% of the institutions.

In general, our research confirmed our previous experience on the field, that most educational institutions with a small number of students, do not consult an expert to carry out a project just for saving money. On the other hand, those organisations which design a strategy, do not often refer to specialists, even they lack specialized skills and abilities on the field of business. Also, they implement short term and low-cost projects.

Defining the 4 PPs marketing mix, the product factor was the most important. The marketing strategy focuses mainly on the services offered and the school curriculum in 41 (68.3%) organisations. It should be noted here that this is deemed the most important consideration, hence the focus of attention on that rather than other factors and should not be taken to mean that it is the sole point of interest.

Most educational facilities design their own marketing strategy. 51.7% of the organisations that follow a marketing plan have an internal department responsible for promotion. The duration of the plan is 1 year for the majority (65.5%) of the organisations, which is representative of the economic uncertainty in Greece. The same conclusion is derived from the amounts that are spent on the design and implementation of the plan while 79.9% have a cost of up to 3,000 euros.
from this research, mixed strategies mainly focus on the services offered and the school curriculum, while low cost strategies focus on the tuition price and the operation cost. As the survey was conducted during summer vacations’ period for private schools, there was little involvement at these educational organizations. This may result to conclusions that would not be representative of those organizations. Additionally, due to our limited time availability, the sample of 125 organizations can be considered relatively small, despite the achievable in relation to the total population and consequently should not be representative. For this reason, we suggest that this study should be repeated for a longer period. It is also suggested that a research which investigates students’ and parents’ attitude towards active educational institutions in secondary education in Greece and the criteria on which they base decision to attend an organization.

REFERENCES