

Application of marketing strategy for the municipal education development

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Abstract. The paper aims to consider the concept of selection and development of the marketing mix targeting municipal education consumers and area marketing management. The main goal is to develop optimal marketing mix. The paper discusses the features which are inherent in urban marketing, strategic approach to the development of areas that can provide competitive market conditions in the territory in the long term and steady growth of living standards. The paper aims to investigate the existing methods in planning the implementation of a strategic approach for regional development. Goals and objectives of the strategic development of the area is customer-oriented approach to managing. Marketing approach in the territory development helps not only to concretize the types of strategies and methods of their choice, but also ensures the implementation of all the strategically important positions. The main advantage of using a marketing approach to the strategic management of municipal education is to strengthen balance and harmonize the interests of the municipality, economic entities, investors and the local community, as well as the creation of prerequisites for partnership of all participants of market relations and non-profit distribution of public goods.

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Introduction

The main idea of the marketing approach in any field is to focus on customer satisfaction. Strategic market orientation in target relation involves setting and achieving the following, very specific goals:

- Increase in the degree of satisfaction of needs,
- Increase of the share for each target market segment.

This approach does not contradict the goals and objectives of the strategic development of the territory, if you use a consumer-oriented approach to management.

The main part

The essence of marketing approach is to offer what the consumer (client) wants to buy, not what we prefer to produce. Of course, there is a feature aimed at creating consumer demand, but it must be reasonable and be a sensible extension of the marketing policy.

The main goal is to develop optimal marketing mix. Moreover, at this stage, we immediately encounter the features inherent in urban marketing. In the given study, the PEST and SWOT-analysis methods were applied as basic analytical

methods wherein the standard schemes have been adapted for the analysis of the municipal education, which has a number of significant differences from any, even the most ambitious enterprises. The main advantage of using a marketing approach to the strategic management of municipal education is to strengthen balance and harmonize the interests of the municipality, economic entities, investors and the local community, as well as the creation of prerequisites for partnership of all participants of market relations and non-profit distribution of public goods. Using Marketing allows realize the principles of modern trends and strategic management - globalism, innovation, integrity, economic activity and the widespread use of public relations (PR) more fully [1].

Analysis of territory market opportunities is the basis for development of the marketing mix and selection of strategic direction of the territory development.



Figure 1 - Analysis of market opportunities

Here is a detailed discussion of the submitted scheme for analyzing market opportunities of the territory.

Marketing approach to the study and analysis of market opportunities of the territory begins with the study of the internal and external environment, and then it is followed by an analysis of target market segments. However, if in relation to the enterprise internal and external factors, as well as consumers (market segments) are defined quite clearly, these concepts for the territory are much more complicated. The exact definition of the consumers for the municipal education is the first step in implementing a marketing approach to the formation and implementation of strategy [2].

The main strategic goal of development of the municipal education is to provide a decent standard of livelihood, maintaining and developing a competitive level of the territory in the external environment. Based on their stated strategic goals, we can determine that on the one hand, efforts to control municipal education will focus on the creation of certain factors within it; on the other hand, it is necessary to position the territory of the outside world. From this perspective, the municipality acts as a structure, which should satisfy the very different needs of different categories of consumers within the territory and outside it. Let us consider what kind of consumer groups and what kinds of needs can be identified on the basis of the marketing approach [3].

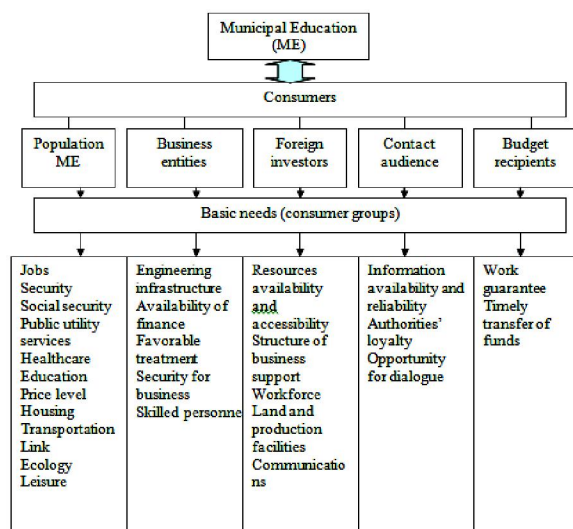


Fig. 2. Consumer groups and their needs in terms of marketing territories

According to figure 2, the marketing approach is designed to meet the very different categories of users and different needs. However, some of the needs are inherent to several categories of consumers. In addition, requirements of one

category of consumers can be satisfied at the expense of the other categories. For example, one of the most important tasks in any municipal education is to balance the labor market and the labor market. Population is interested in employment under certain conditions, operating companies and potential investors are interested in the work force. The role of the municipality is to ensure continuous monitoring of the labor market and labor in order to analyze and forecast the development prospects of this market and the timely development of preventive measures to stabilize [4].

Territorial marketing should be directed to work together with all segments of the market (ie, with all consumers), but to each category of consumers it is necessary to develop its own marketing strategy and marketing mix [5].

A.P.Pankruhin offers the following strategies' names: image marketing, appeal marketing, infrastructure marketing and personnel or the population marketing. Thus, all of these strategies anyway are aimed at attracting consumers in the municipality from the outside, in this connection a range of measures to ensure the achievement of these goals is considered:

- Developing and improving the image of the territory, its prestige, business and social competitiveness;
- Increased participation of the territory and its actors in the implementation of international, federal, regional programs;
- Attraction of the territory of the state and other external to the territory orders;
- Increase of the attractiveness of investments, realization on the territory external to its resources;
- Encouraging the purchase and use of own resources of the territory beyond it for its benefit and in its interests [6].

All these measures aim at "implementing territory" in the external environment. However, this approach cannot be considered comprehensive, as it disregards the internal environment of the territory as a collection of separate entities-customers [7].

Marketing management cannot be done effectively if there is no reasonable choice of the marketing concept or marketing mix is developed without orientation on the selected concept. Existing marketing concepts, including territorial, have their own characteristics and strategic direction. Concept choice depends on two key parameters: the competitive situation in the market and strategic goals.

Is it possible to choose a single concept of territory marketing for all categories of consumers and is there any point in it? How can we identify

strengths and weaknesses, and what are the main strategic objectives for a particular territory [8]?

All these questions lie at the basis of the choice of the marketing concept and, consequently, at the basis of selecting strategic direction of the territory.

Particularity of the purposes of municipal education and territory marketing focuses on improving the quality of life. Therefore, the concept of socio-ethical marketing can be considered as the base for the development of the territory as a whole. This concept meets the objectives of the municipal education, as it is based on a balance of three factors: the profits of firms, satisfying buying needs and satisfying the interests of society. With reference to the territory the concept of socio-ethical marketing must include not only the achievement of profitability of municipal education and satisfying the needs of different groups of consumers, but the provision of socio-political, economic and environmental well-being of the territory as a whole. It is the social component that makes this concept the most appropriate for use as a base for territory marketing.

Commenting on the selection of socio-ethical marketing as a base, it is not intended that the development of all areas will go under one scheme. The basic strategy in this concept will define the main goals, objectives and methods of marketing management. In addition, the development of the marketing mix will focus on each specific group of consumers [9].

Analysis of marketing activities of municipalities allows building a standard model (diagram - Figure 3).

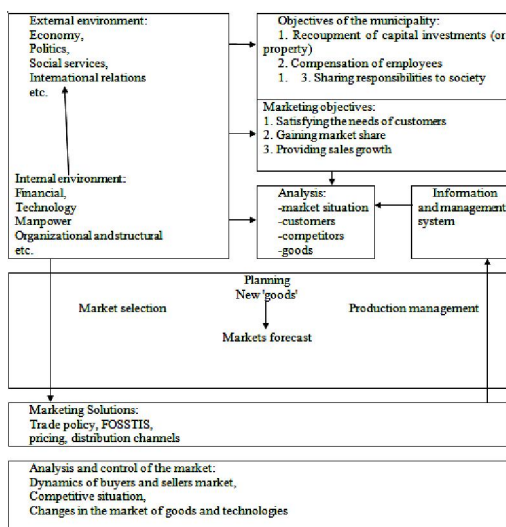


Fig. 3. Model of marketing activities of the municipality

This model reflects the approach to municipal marketing as an activity aimed at meeting the needs and demands of the population in certain types of products (goods or services) through the study of the structure of demand, the formation of the range of products and sales promotion in the municipality. This approach allows taking into account consumer demand and purchasing power of the population of the municipality, but it only applies to the consumption and sale of goods in the territory. This model can be used as a component in the direction of the development of a strategic complex plan for the territory development [10].

Process of territory marketing management can and should be implemented by authorities, together with specialists in the field of municipal (territorial) marketing [11].

Strategic objectives of socio-economic development of municipal education require debate and study in business circles and in the press. To be effective, goals should be ranked in order of importance for the territory. This is primarily due to the fact that the available resources are always limited, and some of the issues (socio-economic, environmental or other nature) sometimes can not be postponed. Thus, prioritization becomes one of the most important management tasks. The next task on the stage of goals nomination and development is their specification and the establishment of criteria indicators [12].

Selecting the mission and strategic goals is the first step to strategic integrated planning of municipal education development. Next, this process will be considered in detail from the perspective of the marketing approach.

Changes in the structure of the economy towards market economy, strengthening the role and responsibility of the municipal authorities for the development of territories as well as many years of experience in marketing business allow us to consider extending the application of marketing tools for the territories. Urban or territorial marketing today requires modification and adaptation of existing marketing strategies and techniques to the objectives of territorial marketing.

It is also necessary to determine the sequence of formation of the marketing strategy of municipal education. The authors noted that the existing marketing approach used by municipalities, requires serious analysis and reform, as it often does not provide a comprehensive solution of problems faced by municipal education. Rich experience of successful marketing in industry, commerce and other sectors of commercial activity should be analyzed and adapted for use in the marketing areas [13].

The principle of focusing on consumers of municipal education goods shall be assumed as fundamental. Nevertheless, in order to implement a comprehensive approach to the selection of the strategic directions of development we must begin with an overall assessment of parameters of social and economic, scientific, cultural, etc. territory level and evaluating its potential strengths and weaknesses.

Let us consider the standard marketing management scheme used by the firm:

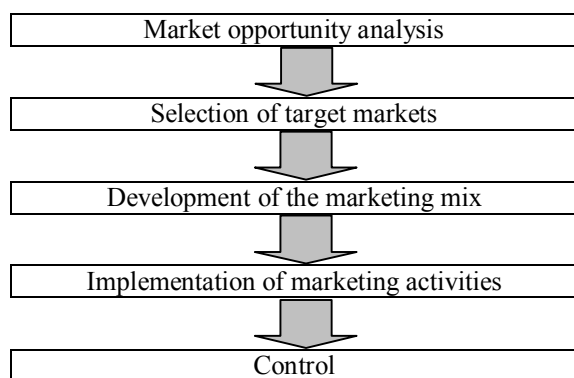


Fig. 4. Standard scheme of territory marketing management

Fundamentally, this management scheme can be used by territorial marketing after a certain adaptation. Let us consider each element of the management process separately.

The main element to analyze is a system of market research and marketing information. These systems are responsible for the completeness, accuracy and timeliness of data collection, processing and analysis of information that characterizes a particular market. In the territorial marketing analysis of the marketing environment is the most difficult element, as it has significant differences from the traditional concept of environment. In each case, the components of marketing areas may be different with respect to different categories of users. Another feature is that for municipal education the concept of internal and external (macro and micro) environment is quite arbitrary, since for various categories of consumers the same factor status can be assigned to both the internal and the external environment.

The step of selection of target markets in the process of marketing management requires adaptation to territorial marketing. Standard marketing approach to the selection of target markets by measuring the potential and actual market size, segmentation, selection of preferred segments and positioning products in selected segments requires a radical revision concerning the territory. Both in the external and in the internal market municipal management has the tasks of addressing the issue of

competitiveness and the quality of life areas. Positioning relative to territorial marketing, applies not only to issues of quality and benefits of a product, but its territory and its policy in general.

Development of the marketing mix is important. Standard marketing approach of "4Ps" - product, price, place, promotion, cannot be applied without substantial amendments. The main feature is that unlike companies producing products municipal education itself does not produce "products" that meet the needs of buyers and is not always their owner. The term "product" is defined in territorial marketing as everything that can meet the need or demand and is offered in order to attract attention, acquisition, use or consumption. This definition implies that goods can be not only the physical objects, but also services, ideas, information, organizations, locations, people, etc. This expanded notion of goods enables us to consider municipal education as a subject with certain goods that are in demand in various markets. When compared traditional products and services in marketing there are levels, classification and methods of adaptation of the goods to be distinguished, and in territorial marketing such approaches should be used, but in a more specific form. For example, investors may be interested in purchase or long term rent of municipal land for business development. In this case, the provision of affordable communications and good roads can be regarded as an adaptation of the goods, as these activities will increase the competitiveness of the goods - municipal land. Questions of distribution of goods and incentive methods need to be considered in relation to each product individually. It is necessary to note that municipal policies in various areas are also goods and require promotion.

Implementation of marketing activities is a logical continuation of the previous actions.

The control function is deliberately isolated from marketing activities as marketing role in territorial control is much more important than in manufacturing or trading. Control for territorial marketing, as well as strategic planning of territory development should be carried out first on the selected areas, and afterwards in general. Only the integrated assessment of socio-economic development of the area by the maximum number of indicators can confirm or deny the correctness of the chosen strategy in the region. This does not mean that a regional strategy is a dogma and cannot be subjected to changes in the period of its implementation. Optimal period of strategic planning, measured by 3-5 years, are large enough. During such periods, global socio-economic, political, scientific changes may occur both on a regional scale and at the global level. This means that a regional

strategy based on marketing approach requires constant monitoring and adaptation to environmental changes. The control function of marketing permeates the entire process of strategic planning of the territory: from the pre-control (associated with the assessment of the environment and establishing horizons of indicators for directions), then the constant current monitoring, and final control in the form of expanded integrated assessment of socio-economic development for the year.

Conclusions

However, the issue of management of the territory marketing cannot be divorced from the issue of municipal government as a whole. Therefore, it makes sense to move to an improved model of marketing activities of municipal education.

Development of the economy is currently in a stage of stabilization. Many socio-economic indicators have very large deviations from the average. Based on the above information, the transition to strategic planning development of the territory, taking into account the changes in the environment, is the most relevant and necessary to achieve the high competitiveness of the territory and ensure a decent standard of living.

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