



**THE UTILIZATION OF THE CONCEPT
OF RELATIONSHIP MARKETING IN THE PROCESS
OF BUILDING THE TIES OF A UNIVERSITY
WITH EXTERNAL STAKEHOLDERS**



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DOI: 10.14611/minib.15.01.2015.03



Summary

Constantly changing social-economic conditions are forcing Polish universities to change the orientation of their approach from focusing solely on educating to building relations with external stakeholders, the associated transfer of knowledge and continuous adaptation of offer to the needs of the labour market. An important element of this reorientation is establishing cooperation with entities which may be interested in exchange of information, access to latest research results, or which express the willingness to share knowledge in the process of teaching students. Actual cooperation between the sphere of science and economic practice is becoming a priority and the main determinant implicating the development of each of the sides. Taking the above into consideration, it becomes reasonable for universities to apply the concept of relational marketing. The assumptions of relational marketing perfectly respond to the new challenges ahead of scientific units. A university, assuming the role on an integrator should build a network of relations with entities from its environment such as: employees, opinion-forming units, schools and other universities, research-scientific units, business incubators, entities from the so-called third sector of the economy, media. These relations have to be based on trust, openness, readiness for changes, as well as on transfer of knowledge and technology, assuming common, long-term benefits for each of the involved sides.

Keywords: relationship marketing, stakeholder, university, transfer of knowledge, marketing mix

Introduction

Since the beginning of the 1990's the concept of relational marketing has been one of the most often used organizational solutions in the area of marketing policy of companies. Researchers dealing with marketing use terms such as: relational marketing, relationship marketing, relation marketing, or partnership marketing to refer to this concept. The essence of every term is generally the same: the point is to build and maintain lasting, mutually beneficial conditions for cooperation with chosen stakeholders.

For some time public institutions and non-profit organizations have been paying much attention to relationship marketing, as it turns out that its assumptions and rules make it possible also for these entities to function more efficiently, that is, achieve the goals they were established for (Otto, 2001, p. 249–257). The article is conceptual in character and its purpose is to present the possibility of using the concept of relationship marketing worked out in business practice by universities.

Conditions for the development of the concept of relationship marketing at universities

The sphere of science and the scientific units representing it, including above all universities, has drawn the attention of various groups representing the social, business, as well as political environment. This is a result of deep changes taking place on the market of higher education associated with such phenomena as: insufficient funding for science and research, compared to western countries, problems with securing sources of financing other than the state, the need to internationalize research and science, advancing processes of integration and attempts to standardize the system of education (eg. Bologna system), higher expectations of students, new model of education which involves studying and working at the same time, poorly controlled process of emergence of non-public universities, demographic low. As it is possible to notice, the emerging difficulties to a large extent appear in the environment of scientific units, which means that they have no real influence on them.

Nevertheless, some of them are internal in character. This means that universities can have influence on them, prevent them, neutralize them, or

at least limit their impact. New situation, unprecedented on this scale, above all, economic situation that universities are facing, the fact that university administrations have no experiences in dealing with such challenges and the lack of prepared systemic solutions, which could be used, in a way makes it necessary to look for appropriate strategies among entities which have been coping with problems of this kind for years. A natural area of reference in which units are coping with access to limited resources and the necessity to continuously adapt to the changing environment is the sphere of business. This conclusion has caused the emergence of the need for the reorientation of the activity of universities, becoming subject to the previously unknown phenomenon of competition, the need to make universities' offer more flexible, to look for alternative sources of financing. A consequence of this is the search for organizational solutions that would take into consideration the above conditions and secure further development or at least maintaining the status quo. What addresses this need is the concept of relationship marketing well known in the sphere of business practice. According to the concept, an organization establishes and later deepens partner relationships with various groups of stakeholders in order to satisfy their needs and create the demanded value.

Groups of universities' shareholders

Entities from both the business to customer (B2C) and business to business (B2B), which can benefit from universities' efficient functioning (Sargeant, 2004, p. 32) can be stakeholders of universities. Thus, these are groups of influence with which universities should establish relationships in order to build own competitive advantage and boost position on the market. In order to make it happen, it is necessary to first identify all groups of stakeholders, with which universities want, or should build partner relationships. Learning their needs and expectations with regard to universities should constitute the basis for the formation of extended service offer and a plane for marketing communication.

The subjective environment of a university should be examined on three levels: internal environment, closer and further environment. Each of them is formed by different stakeholders, their expectations in some areas are the same, regardless of the level, but each of the group at the same time

voices its needs which determine the characteristics of relationships which should be established with them.

The internal environment of a university is formed by its scientific-didactic employees, as well as administrative staff. With regard to the internal environment of an organization, it is also possible to find the term internal market, which is formed directly and on a daily basis by people involved in the functioning of a given entity, representing common, or particular interests. What completes a market understood this way is the entirety of relations between them and processes contributing to the achievement of the goals of an organization and satisfying the needs of its representatives.

The closer environment is more developed in terms of the number and structure of stakeholders of a university. It is comparably easy to identify most of them, as they use, or intend to use the service offer of a university, voicing at the same time their expectations, or expressing their attitude towards a presented proposal. This group includes above all current students, participants of doctoral studies and participants of postgraduate studies. High school students and university graduates also play an important role. Universities in Poland started getting interested in this group only a short time ago. Another group is formed by the representatives of the sphere of business, that is, current and potential partners of a university, other scientific units with which a university cooperates, local media, financial institutions etc. Their readiness to establish relationship with a university is associated mainly with the expected benefits, which these units see in cooperation. These benefits may have an economic, but also social, or image-related, sometimes even altruistic dimension.

The further environment of a university is formed by entities which indirectly and most often occasionally establish contacts with the university, not necessarily in order to build lasting relations. Here it is possible to mention, among others, the ministry of science and higher education, local governments, national media, some bodies of government administration etc. These groups of stakeholders can be omitted by a university which intends to implement and develop the concept of relationship marketing, but it is also necessary to remember that relations with these entities can determine the ties with stakeholders from the closer environment.

Needs and expectations of a university's stakeholders

From the point of view of relations with stakeholders, it is important to not just identify their comparably homogenous groups, but also to identify the interests that link, or may link them to a university. The diversity of these interests means that in order to get to know them better, it is useful to categorize them. What seems to be a proper criterion of categorization are the expected benefits arising from the maintained relations and using the offer of a university. Such a view of the discussed subject area makes it possible to more precisely prepare and modify the strategy of marketing communication based on a set of marketing-mix instruments, depending on with whom or what relations are supposed to be built.

The first group of needs satisfied by individual purchasers includes the following: education, personal development, preparation for the development of professional career, sometimes social promotion, membership in a group of intellectuals etc.

The representatives of stakeholders coming from business circles will be interested in satisfying three complementary categories of needs. The first one is the willingness to achieve good sales results of products, which may be promoted on the scientific plane. The second simultaneously satisfied need is shaping the image of a company, or brand based on attributes such as: knowledge, science, expertise, elite. One of the most popular concepts of management in the recent years is the so-called Corporate Social Responsibility. It assumes that companies should get involved in socially important matters, even though they don't directly generate income. Science is an area of social life which in Poland has to cope with substantial underfinancing, that's why all forms of support from companies will show that they are socially responsible. Many companies, especially those with an international coverage, see chances for themselves in cooperation with scientific units, that's why within the framework of broadly applied CSR they support the initiatives of universities.

Representatives of local administration usually pay much attention to schools, but above all to schools on the lower levels of education, that's why universities should to a greater extent strive to shape relations. The benefit that politicians, or public servants working in local administration achieve is forming their own image of a person who understands the importance of

education and cares about the state of Polish education, that's why they are particularly eager to get involved in educational and scientific matters in periods preceding elections.

Local and national media are interested in receiving interesting information in order to publish them. This way they contribute to strengthen the image of a university which provides such information. Unfortunately, universities, apart from spectacular inventions, revolutionary research results, or receiving distinguished persons, have little to offer to the media, which are looking for sensational, rather than neutral content.

At the same time, non-profit organizations can establish relations with universities in order to mutually support themselves in the implementation of goals lying ahead of each of the partners. Such interest may come from schools, hospitals, police departments, foundations, associations etc. The exchange of experiences, debates and public discussions, solving social problems are excellent opportunities for establishing and developing partnership.

The process of shaping partner relations with stakeholders

Shaping relations with stakeholder is a complex process which requires ongoing corrections and modifications depending on the current position and image of a university in its environment (Storbacka, Lehtinen, 2001, p. 20–21). In the current times scientific units should adapt their structures and strategies to the requirements posed by new, changing composition of market powers. The organizational structure occurring in many scientific units which is close to clan culture, well-established relations between employees and the associated style of management don't favour introducing deep changes. Especially that every change is associated with the costs of its implementation, which may not be approved by a university (Porter, 2006, p. 347–351). For this reason a process approach to the analysed problem of reorientation becomes even necessary. In practice both the taken measures and the effects of these activities may vary; they depend on such attributes of the organization as: size and type of university, represented discipline of science, success in the area of scientific research, number of universities in the region, the number of companies, clearly defined goals, determination of a university's authorities, support from the environment of academic teachers. Regardless of this, every university planning to implement the

concept of partnership marketing has to have at its disposal the so-called strategic resources, which are: people, processes, information technology and knowledge (Gordon, 2001, p. 91). Below the process approach to the implementation of relationship marketing, in which the remaining resources are engaged, is presented. The process of reorientation of a university towards relationship marketing covers the following stages:

1. Taking the decision to change the orientation of a university towards relationship marketing. University authorities realize the need for changes and are ready to implement them. This is a starting point which initiates the implementation of relationship marketing. A good opportunity to make such a resolution may be the start of the term in office of new university authorities. Usually, it is a time of making new resolutions, a time of undertaking bold challenges and carrying out declarations made in the time preceding elections.
2. Outlining the vision of development of a university in the context of its relations with stakeholders. University authorities should define the university's target position in the coming few or a dozen years. Above all, it is necessary to identify the entities from the environment which a university would like to establish cooperation with. The cooperation of science with business, or more broadly defined business environment is a priority direction of development of Polish scientific units. University's vision is the first signal for its employees, as well as its external stakeholders highlighting the strategic areas of its activity in the coming years. For example, putting emphasis on the business character of an organization suggests that a university will be focusing on cooperation with companies and that teaching students will be subject to the expectations of future employees, as well as that priority will be given to applied scientific research.
3. Defining goals, possibly precise and measurable claims, which will point to the target position of a university at some point in the future. Clearly defined goals make it possible for those executing the plan to better allocate resources and focus efforts on what is expected and not just important. An example of a goal adopted by a university in course of implementation of the orientation of partnership marketing may be the establishment of a Business Council that would become an advisory and opinion-forming body for deanery, or rectorate.

4. Identification of the groups of stakeholders with which a university intends to build relations. Depending on the character of a university, previously outlined vision and adopted targets, stakeholders may be industrial companies, entities representing the financial sector, local administration units, high-schools etc.
5. Defining the rules for building relationships and the scope of necessary involvement of each of the sides. Without defining the rules and the benefits arising from them none of the entities will be interested in cooperation. Offering cooperation to stakeholders, it is necessary to define the expectations of a university, mutual involvement and terms of activity. If a university decides to create a network of partner classes in high schools, it should provide the directors of these schools with, among others, a supervisor from the university, proposed agreement on cooperation, programme of courses for high-school pupils, rules of verification of the knowledge gained by high school pupils etc.
6. Outlining the expected benefits for a university and for its stakeholders. In Poland universities traditionally don't maintain relations with their graduates, like universities in the West. Graduates themselves don't have such a need either. The role of university authorities is to work out such a form of relations and associated benefits that could encourage the graduates, sometimes working now as managers, politicians, employees of local administration to support their former alma mater.
7. Identification of tasks and operations which have to be carried out. All scientific-didactic employees of a university should be involved in the process of implementation of partnership marketing. Their basic duties associated with didactics, scientific research and own scientific development and that's why it is hard to convince them to make an additional effort. A solution which may partially reduce this unwillingness is the establishment of working teams consisting of a few people. Particular teams would deal with eg.: the development of contacts with business, development of networks of academic classes, or the development of applied research for a particular economic sector. Team work means smaller workload for each member of the team, but it is associated with the risk of dilution of responsibility. For this reason it is exceptionally important to clearly define the tasks of a team and the competences of its members.

8. Drawing up the schedule of activity, budget and appointing people responsible for the coordination of tasks. In order to avoid one-off and chaotic actions, it is necessary to prepare a schedule. For this purpose it is possible to use eg. Gantt's chart, on which we can mark the time of start and completion of particular tasks, people responsible for their execution, reserved financial assets. Due to the fact that it is hard to estimate the volume of spending on some tasks, it is advisable to make a budget reserve of about 10–15%.
9. Communicating the concept of relationship marketing to the employees and stakeholders of a university in order to gain support and acceptance for the introduced changes (ed. Mitrega, 2007, p. 73–75). In practice, this stage should start already earlier, as informing, convincing and gaining acceptance of the interested parties may take a few months. Thus, it is worth communicating the changes planned at a university as fast as possible, in order to avoid surprising employees and facing the associated opposition.
10. Working out systemic solutions, change of organizational structure, allocation of resources, adjustment of infrastructure. In case of some reforms, changes in university structure may be necessary (Burnett, 2002, p. 172–173). Establishing a department for cooperation with business practice, subordinate directly to the rector guarantees that the issue won't be subject to one-off actions, but a strategic direction of the university's development.
11. Monitoring the effects of activities, periodical changes and improvements. Every process should end up with periodical assessment of the achieved results and when needed, with introduction of changes if necessary.

Benefits and obstacles in the process of implementation of relationship marketing

Reorientation of a university towards relationship marketing is associated with a whole series of obstacles, which the authorities should be aware of. Their earlier identification makes it possible to better prepare the necessary changes and implement them encountering smaller resistance (Otto, 2001, p. 258–261). The totality of obstacles can be divided into

internal and external obstacles. Among those which depend on a scientific unit are obstacles of financial, conceptual and mental nature (Bogan, English, 2006, p. 319–321) (table 1).

Table 1. Internal barriers in the process of building relationships with stakeholders

Category of barrier	Barrier
Financial	Costs of implementing relationship marketing The risk of loss of potential income Lack of financial measurability of some effects of partnership Insufficient knowledge about the concept of relationship marketing Lack of experience in the area of required procedures
Conceptual	Difficulties in defining the proper proportions between activities focused on didactics and relationships in the environment of a university Lack of appropriate technological support (software, databases, CRM system) Fears of employees, mainly scientific-didactic employees and aversion to changes
Mental	Lack of understanding and acceptance for planned changes Being used to regarding a university as an independent entity exempt from social and economic phenomena.

Source: Own materials.

Among external obstacles, that is, obstacles independent of a university, it is also possible to name a few potential difficulties (Kotler, Lee, 2008, p. 242–244). One of them is the lack of interest of potential stakeholders in cooperation with a university. Many companies, especially international one, big local government bodies, or research units may not be interested in building a relationship due to the conviction that a university has nothing to offer to them. At the same time, smaller entities may be afraid that they won't be able to satisfy the expectations of a university. Another, potential obstacle is fear of becoming excessively dependant on a partner. Partnership requires trust, honesty in dialogue and thus means the necessity of revealing some organizational, or commercial secrets. A consequence of established relationships may also be the necessity to adapt some of own plans of activity to a university's expectations. This way, a stakeholder consenting to partnership in some cases creates around him high barriers of exit

from such a relationship, in case the relationship becomes inconvenient. Involvement in a relationship generates costs for both sides. A potential partner may be not interested in cooperation due to lack of financial assets and the necessity to allocate the task of maintaining contacts with a university to his employees. Even if such a relationship is already established, it can be broken up for the same reason at any moment.

Even though, the implementation of the concept of relationship marketing is associated with various obstacles, it is worth applying it. Every change is associated with the necessity of sacrifices, additional expenses and the risk of expected results. However, it also gives a university the chance to achieve competitive advantage and strengthen its position on the market. Change, implemented properly, can lead to a series of benefits, which will stabilize the market position of a university and will provide conditions for the university's further development. Opening to the environment, a university can absorb new resources of information, a resource which is necessary in many crucial processes taking place within it. If among stakeholders there are commercial entities, it is possible to count on additional financial support thanks to conducted research, preparing opinions for a fee, closed trainings, professional development courses etc. Close relations with the environment make it possible for universities to more efficiently use the owned resources, so that the results of their work could correspond more closely to the expectations of eg. employers. High flexibility, faster reaction to the needs of the market and changes taking place on the market is another benefit from the application of the rules of partnership marketing. An indirect benefit is the positive image of a modern scientific unit, stronger competitive position among other universities in the region, or country, as well as positive opinion among graduates, current students, or high school graduates.

Conclusions

Current situation of most universities in Poland forces them to look for new strategies for development (Korzuch, 2004, p. 207–217). Their basis, regardless of the taken decisions is adopting the "outside-inside" attitude, which means that universities will be more than before adapting to the conditions in the environment, establishing relationships with stakeholders.

As every novelty, also relationship marketing may raise certain doubts among employees and university authorities who ask the question: is it worth it? Can we do it? Do we have to do it right now? etc. The universities which have already implemented these simple solutions based on greater focus on the environment, broader view of the market, now have new attributes giving them a competitive advantage. The involvement of management, well thought-out procedures, properly chosen external stakeholders, meticulously selected set of tools from the whole spectrum of tools at the disposal of relationship marketing, skilful implementation of the rules of partnership, as well as determination in conduct and conviction that the taken decisions are right are the basic determinants of success.

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