

STRATEGIC PLANNING PROCESS  
AS APPLIED TO THE DEVELOPMENT OF  
A MARKETING DEPARTMENT

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**James J. Nance College of  
Business Administration**

## LITERATURE REVIEW

- Lill and Mayer (1975)

short-run solutions based on "production approach";  
curricula based on faculty and administrative interests...

- Hise (1975)

production orientation caused viable programs to  
deteriorate by diluting faculty concentrations and  
curricula...

- Nistal (1980); Englewood and Anderson (1978); Lill and Mayer  
(1975); Kotler (1979); Enis (1976)

proposed "marketing approach" which views the student  
as the product ...

- Englewood and Anderson (1978)

late 1970's, declining enrollments force institutions  
to implement short-run solutions, e.g. continuing  
education, weekend colleges...

- Kotler (1979); Vaugh, et al. (1978)

adoption of the marketing approach largely limited to  
the institutional level; to a lesser extent to the  
business college level...

- Reynolds and Rentz (1981)

to formalize decisions by using strategic planning...

- Schofield (1983)

case of La Roche College which has developed a  
strategic planning process...

- Cook (1983); Schleeede and Lepisto (1984)

department's "differential advantage" is crucial to  
the achievement of its objectives...

- Keane (1977); Abell (1977)  
marketing curriculum must be externally oriented...
- Brown and Walker (1978)  
the major reason why university marketing departments do not engage in marketing is because of the setting within which they operate...
- Onkvisit and Shaw (1979)  
educational product class, product form, and product brand...; the PLC concept applied to help formulate budgets and hiring policies...
- Thomas (1980); Allen and Castle (1981)  
the marketing department should resort to external sources of financing...
- Thomas (1980)  
each university must determine its own corporate strategic plan...
- Tinsley (1981)  
marketing curriculum based on perceived future trends in society...
- Wills (1981)  
a university marketing success; emphasis was placed on marketing research and by using direct mail promotion...
- Krampf and Heinlein (1981)  
the development of a solid information base derived from comprehensive marketing research was needed...
- Gaida (1981)  
proposed a positioning strategy - utilizing the dual factors of product and image...

- Allen and Castle (1981)

institutions of higher education can use strategic management techniques to improve their fund raising efforts...

- Dalili (1982)

recommended the use of market analysis...

- Divita and Dyer (1982)

emphasized that marketing educators must lend drive to make academic programs relevant to the business world...

- Topor (1983)

discussed the application of basic marketing techniques to achieve goals; how to plan marketing strategies...

- Cooper and Gackenback (1983)

found that 50% of the colleges in the Rocky Mountain region utilized a marketing approach to planning; of these: 56% formal, 44% informal or partial...

## OBJECTIVES

1. To assess the extent of strategic planning activities undertaken by university marketing departments
2. To report the results of an exploratory survey study
3. To present some recommendations for increasing enrollment and for enhancing the image of a university's marketing department.

## HYPOTHESES

- H<sub>1</sub> - University marketing departments do not seem to utilize a formal strategic planning process as applied to their future development.
- H<sub>2</sub> - The degree and extent of utilization of a strategic planning process to the development of a university's marketing department is closely associated with its size, resources available, and prestige.
- H<sub>3</sub> - University marketing departments usually strive to have a "differential advantage" which is crucial to the achievement of their developmental objectives.

## RESEARCH METHODOLOGY

- Stratified sample
- 33 universities - Western portion of the U.S.
  - . Arizona
  - . California
  - . Colorado
  - . Nevada
  - . New Mexico
  - . Oregon
  - . Texas
  - . Washington
- Telephone Survey

## METHODOLOGY OF ANALYSIS

### Chi-Square Analysis

- . to predict that certain types of response will be more frequent than others
- . to test the hypothesis that responses will differ in frequency
- . the  $\chi^2$  test was chosen because the hypothesis under test concerns a comparison of observed and expected frequencies in discrete categories.



### KEY ISSUES

- . Utilization of a strategic planning process
- . Strategic fit as related to environmental changes
- . Differential advantages and positioning strategies

## MAIN RESULTS

1. Only 27.3 % of the departments reported the practice of formal strategic planning.

(51.5 % - informal)

(21.1 % - no planning)

$\chi^2 = 5.09$ , d.f. = 2,  $p = 0.05$   
not significant

2. 57.6 % of the departments systematically take into consideration major environmental factors (e.g., technological changes, business community requirements, economic trends, etc) in their planning process.

(42.4 % - No or a qualified yes)

(qualified yes = non-systematically, reactive posture)

$\chi^2 = 10.36$ , d.f. = 2,  $p = 0.05$   
significant

3. 66.6 % reported as taking into consideration the impact of the results of the environmental analysis on the present and future needs of the students.

(33.3 % - No)

$\chi^2 = 3.67$ , d.f. = 1,  $p = 0.05$   
not significant

4. In general, marketing departments do not have a formal written statement of mission (66.7 %).

(33.3 % - Yes)

$\chi^2 = 0.3$ , d.f. = 1,  $p = 0.05$   
not significant

5. 94 % of the sample stated having main objectives.

(6 % - No clear objectives)

$\chi^2 = 3.67$ , d.f. = 1,  $p = 0.05$   
significant

6. The main objectives of a marketing department centered on the preparation of students, having important scholarly contributions, engaging in research, and building its reputation and visibility.

7. A formal assessment of strengths and weaknesses was said to be undertaken by only 30.3 % of the departments.

(54.5 % - Informally)

(15.2 % - Not done at all)

$\chi^2 = 7.82$ , d.f. = 2,  $p = 0.05$   
significant

8. 66.7 % of the departments said that they never or seldomly compare their offerings with that of other similar institutions.

(33.3 % - Often or very often)

$\chi^2 = 8.09$ , d.f. = 3,  $p = 0.05$   
significant

9. Their major "differential advantages" were:

36.4 % - Areas of specialization  
- Visibility through publication  
- Location

30.3 % - Faculty strength

(33.3 % - Could not report any differential advantage)

$\chi^2 = 3.67$ , d.f. = 1,  $p = 0.05$   
not significant

10. In the department's yearly plan, the two most important areas to be emphasized are faculty development (88 %) and teaching performance (82 %).

$\chi^2 = 14.30$ , d.f. = 3, p = 0.05  
significant

11. Although 63.7 % of the departments rely on internal financing such as university funds, there is a growing trend toward generating external funds such as corporate sponsorships (39 %) and donations (55 %).

$\chi^2 = 4.71$ , d.f. = 3, p = 0.05  
not significant

12. The majority of the departments did not show the utilization of a common promotional tool in achieving departmental objectives.

$\chi^2 = 1.48$ , d.f. = 1, p = 0.05  
not significant

The two major types of promotional strategic tools were brochures, attendance at meeting and conference presentations.

13. 97 % of the departments reported administering student evaluation of faculty.

$\chi^2 = 29.12$ , d.f. = 1, p = 0.05  
significant

Only 46 % conduct comparative grade analyses

$\chi^2 = .27$ , d.f. = 1, p = 0.05  
not significant

Only 21.2 % conduct surveys of graduating seniors to determine the level of overall satisfaction with their department's offerings.

$\chi^2 = 10.94$ , d.f. = 1, p = 0.05  
significant

14. 72.7 % characterized the style of leadership of their departments as participative.

(18.2 % - Consensus)

(9.1 % - Autocratic)

$\chi^2 = 23.45$ , d.f. = 2, p = 0.05  
significant

## IMPLICATIONS OF THE STUDY

- . Increase enrollment
- . Enhance the image of the marketing department
- . Increase faculty research and publications
- . Attract high-calibre faculty
- . Promote the marketing department in an effort to create the needed competitive edge in gaining a strong position among similar institutions
- . Increase funding through internal and external sources of financing
- . Production of more marketable students
- . Gain an effective strategic thinking approach
- . Faculty/Student/Curriculum enrichment

### SOME RECOMMENDATIONS

1. Utilization of a formal strategic planning framework
2. Environmental Analysis in order to study the impact on present and future needs of students should be undertaken on a continual basis
3. A formal written statement of mission should be utilized as a market-oriented, integrative, specific, and motivating strategic tool
4. Positioning strategies based on differential advantages should be implemented, using perceptual mapping procedures in relation to other marketing departments
5. Curriculum innovation and development
6. Funding strategies should be used in order to have the financial capabilities to support the strategic planning process
7. More creative promotional tools in order to increase visibility
8. Feedback and periodic monitoring systems are an essential tool within the strategic planning process
9. Participative style of leadership should be encouraged

## RESEARCH LIMITATIONS

- . The conceptual model is ambitious and perhaps cannot be operationalized
- . Research design: Would just descriptive statistics had been more insightful ?
- . Questions evaluated as contingency tables
- . Could associations be considerably more revealing than Chi-square Analysis ?
- . Questions were custom-designed - Need replication study
- . Sample frame : Is it reasonable to lump together a large prestigious department like (say) UCLA with a small, teaching-oriented university ? Do they compete in the same environment ? Varying degrees of strategic planning are required
- . Telephone survey - No visual cues (the model) and time constraints



### AREAS FOR FURTHER RESEARCH

- A more realistic attempt at modeling and operationalization and careful development of the implications for marketing departments
- Evaluation of the utilization of the strategic planning process by universities and colleges in relation to their size, academic orientation, and prestige
- Positioning strategies utilized and types of differential advantages
- Types of informational bases used for strategic planning purposes and environmental contingencies
- What educational purposes should the department seek to attain and what educational experiences can be provided