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Positioning as a Strategy-Making Tool in Higher Education

Abstract. *Positioning may be considered as a complementary marketing tool that can assist managers in formulating growth strategies. The paper consists of several sections, dealing with: current diagnosis (meta-analysis) – broken down into competitive (direct), regional (intermediate) and localization (mixed) positioning – and prospective diagnosis including SWOT analysis, the BCG matrix, Porter's 5 Forces analysis, Pareto analysis, the Product Life Cycle analysis, and the Ansoff Matrix. The paper also outlines the application of positioning to the strategy making process in a higher education institution.*

Keywords: *positioning, development strategy, diagnosis, conceptualization*

Introduction

The use of information technology to accelerate the transformation of data into information reduces risk involved in decisions made by managers. The quality of information available to managers bears on a company's success as indicated by its earnings. "Any organization in which marketing is either absent or incidental is not a business and should never be run as if it were one" [Drucker 1954: 28]. Positioning [Kisielinicki, Turyna 2012: 27] consists in identifying the initial position, determining the target position, analyzing the opportunities and

threats, and ranking the businesses operating in a given sector or industry or in its environment. Analyzing one's position in a market entails determining the ways this position can be maintained over long term [Kącik 2011: 23].

This paper aims to describe several distinct forms of positioning used in marketing. Practical examples of its application are set in the context of developing strategic concepts by higher education institutions. The ideas presented in the paper can be employed in the teaching process as cases studies to support hypothesizing, formulating research problems and attempting strategic conceptualizations.

This discussion of positioning does not in any way pertain to the process whereby internet search engines position specific websites and, on entering certain codes and keywords, make it possible to find a business on the internet [Kobis 2008: 15].

1. What is positioning

Positioning brings the scientific method into building credible strategic concepts by deploying analytics to identify the position of a business within a sector or industry or in its environment [Krzyżanowski 1999: 159]. The analysis results in placing the object being investigated across a variety of rankings. It can be assumed that the position thus determined represents a certain indefinite value arising from the relationships between the business and its stakeholders. It is not a real entity but a conceptual category or an abstract that, albeit nonexistent, can be regarded as a thing. Positioning is about visualizing the effects of processes taking place in an organization. It traces the outcomes of actions geared to attaining desired targets and deriving tangible benefits from prior investments. All the time, from the moment the decision is made to start up a business, throughout the period services are delivered or goods manufactured, until the business is wound up, processes are underway that are reflected in its position vis-à-vis competitors. As the position changes over the years, it can be repeatedly examined, and the findings can be related to developments in the environment impacting on the financial condition of the business and used to leverage the knowledge, intuition and experience of decision makers.

The concept of business positioning is underpinned by philosophical ideas and could be construed in different terms, viz.:

- in ontological terms [Honderich (ed.), 1999: Vol. 2, 655], i.e. by addressing such issues as: what does exist and what does not, what is it that exists, and how does it exist what exists? As far as positioning is concerned, the questions to be answered are as follows: what does it communicate toward the environment, what role does it play in building a brand or reputation, how can it be used to measure

performance, and what effect does the position of a higher education institution have on raising specific forms of capital?

- in epistemological terms [Honderich (ed.), 1999: Vol. 1, 193], i.e. by looking at those properties that are relevant to the research being carried out. When it comes to positioning, questions will elicit feedback on how the position of a business affects its stakeholders' behaviors, how the position alters the way the stakeholders perceive the business in its environment, and how changes in the position influence the structure of its relationships.

- in axiological terms [Encyklopedia popularna 1998], where cognition is made possible owing to the use of subjective perceptions and a priori categories available in the human mind. It can be therefore considered sound to investigate phenomena in the surrounding reality and to analyze and synthesize the findings in an effort to obtain a prospective diagnosis that would point to alternative problem solutions or options for enhancing effectiveness.

Positioning can be seen as a philosophy of sorts, committed to analyzing marketing relations¹ from various perspectives. What informs the adoption of the most adequate positioning method is “the choice of the best source of information based on clear-cut selection criteria” [Georg, Kalińska-Kula 2014: 39].

2. Current diagnosis² (meta-analysis)

Current diagnosis is most often based on data sourced from balance sheets and other financial reports, official statistics, professional journals, government institutions, and constitutes a critical step in the process of segmentation [Mc Donald, Dunbar 2003: 60]. It is mostly composed of reports, maps, charts, graphs, tables, figures, and studies describing an institution's key areas of operation. There are three dimensions to positioning. The first one is called direct positioning and is centered on identifying the position of a business relative to its competitors. The second is referred to as indirect or intermediate and is focused on positioning a region's technical and social infrastructure. The third is termed as localization positioning, since it pulls together information for an overview of phenomena observable in a certain area. It should be noted that it is the business being examined that decides the location – whether it intends to operate within just a poviat [district], throughout a voivodeship [province], or countrywide. When used in

¹ The term “marketing relations” denotes those relations between the business and its stakeholders that arise as a result of sale or purchase transactions.

² Due to space limitations, this paper barely touches upon how positioning can be used by higher education institutions in defining a segmentation strategy.

conjunction, these three types of positioning provide insights that can largely help make the right decisions.

Throughout the following sections of the paper, indicators applicable to higher education institutions are employed to demonstrate different approaches to positioning and to hypothesizing on research problems identified. Further, data contained in the tables should be treated as illustrative with regard to the issues being discussed.

Direct positioning involves placing a given characteristic of higher education institution (Q) in its competitive environment through the use of dedicated measures and indicators represented on predefined scales. These can be, for example, bar graphs where a number of institutions are arranged by a single criterion, in ascending or descending order. The resultant ranking list shows the position of institution (Q) relative to other higher education institutions. Overall, an institution's position in the higher education sector will be the outcome of processes described by measures or indices reflecting its structure, the satisfaction of its customers, and its students' learning outcomes. For example, the following indicators could be utilized to roughly estimate the position of an institution in the higher education market:

- the number of Ph.D. degree holders per 100 students,
- the number of Associate Professors per 100 students,
- the number of administrative staff per 1000 students,
- the number of students per 1 square meter of usable floor area,
- the number of volumes available in the library per 1000 students,
- the number of successful Bachelor's thesis defenses per 1000 students,
- the number of successful Master's thesis defenses per 1000 students,
- the number of lecture hours in a year per one student,
- the number of class hours in a year per one student.

Any one of the indicators from the above list can be utilized to assess the current positions of higher education institutions in a given area. This type of positioning is of static nature, since it merely captures the situation that is found at a certain moment.

A higher education institution can also be positioned simultaneously by two criteria. Once each is placed on either axis of a coordinate system, they will mark an arbitrary point showing where institution (Q) is positioned. This point is indicative not so much of relationships between the indicators as of distances between institutions in different configurations. The term "competition" is understood to mean "a situation where participants are pursuing similar goals and, due to rivalry among them, are at the same time making efforts to prevent the rivals from achieving their goals" [Falencikowski 2013: 66].

Indirect positioning is associated with correspondence between higher education curricula and job market requirements. To be able to assess it, one needs

to, in the first place, examine the tangible and intangible resources available in the relevant region. Unless such an assessment is made, higher education institutions will not be able to train professionals that are demanded by local businesses. The position of a higher education institution should thus parallel the position of the region where it operates. If a synergistic effect is achieved by combining the position of institution (Q) with that of the region, it can be expected that the overall benefits will be maximized. An example of how positioning can be applied to the resources of a region is provided in Table 1.

Table 1. Fields of study vis-à-vis a region's competitive position

Region's place in ranking	Proposed study programs
– Very large percentage of the working population employed in agriculture	– Agricultural Management – Food Processing Industry Management – Organic Food Engineering – Greenhouse Engineering
– Large proportion of forested areas – High quality of waters – Very low population density	– Forestry – Tourism Management and Organization
– Low level of expenditure on environmental protection, as in Polish zloty per capita – Marginal waste disposal by landfilling, in % of total waste produced – Very poor sewage network coverage, as in kilometers per 100 square kilometers	– Project Management – Sustainable Development
– High rate of unemployment	– Set up departments educating for micro-business and enterprise
– High business failure rate	– Offer programs to support the development of new uses of the marketing mix to influence customers

Source: own.

Indirect positioning yields recommendations for attuning the development of higher education institutions with the region's inherent potential. It indicates where information is available on how educational processes cater to the needs of the local community. Table 1 samples the use of positioning in shaping the educational offerings in an area corresponding to a single unit of a country's administrative division.

Localization positioning involves the use of the localization coefficient (W_{lok}) that reflects “a comparison between two percentage values unique to a group of regions; importantly enough, such comparisons can be drawn between any two significant percentages. The researcher can therefore choose to investigate any variable that he or she deems relevant to the issue and to the region

being examined [Isard et al. 1965: 17]. The coefficient represents a measure of regional concentration in a given industry relative to a countrywide variable, such as e.g. population, area, employment rate in an industry, or income [Isard et al. 1965: 123]. (W_{lok}) denotes the value that a specific characteristic takes for a given higher education institution in relation to the value it takes throughout a given area. If the coefficient takes the value of “1”, it means that the institution exhibits a given characteristic to just the same extent as its environment does; for boosters³, values above “1” are considered desirable, while values below “1” are unsatisfactory. A number of individual localization coefficients can be aggregated into a synthetic localization coefficient. This process is broken down into the following steps:

Step I. Developing a structure of analytical localization coefficients (cf. Table 2).

Table 2. Sample formulas for localization coefficients

Analytical localization coefficient	Formula
A.loc.coeff.1	Number of students in university schools of business in powiat “X”
A.loc.coeff.2	Number of Ph.D. degree holders in university schools of business in powiat “X”
A.loc.coeff.3	Number of Associate Professors in university schools of business in powiat “X”
A.loc.coeff.4	Number of all employees in university schools of business in powiat “X”

Source: own.

Step II. Designing the structure of the synthetic localization coefficient (the arithmetic mean is used in the example), as illustrated in Table 3.

Table 3. Sample formula for the calculation of a synthetic localization coefficient

Synthetic localization coefficient	Formula for the calculation of the synthetic localization coefficient
S.loc.coeff	$\frac{(A.loc.coeff.1) + (A.loc.coeff.2) + (A.loc.coeff.3) + (A.loc.coeff.4)}{4}$

Source: own.

³ With inhibitor variables, it is the reverse.

Step III. Positioning of the synthetic localization coefficient for specific poviats [districts] in voivodeship [province] “X” (column 6), as shown in Table 4.

Table 4. Selected localization coefficients for higher education institutions based in specific poviats across voivodeship “X”

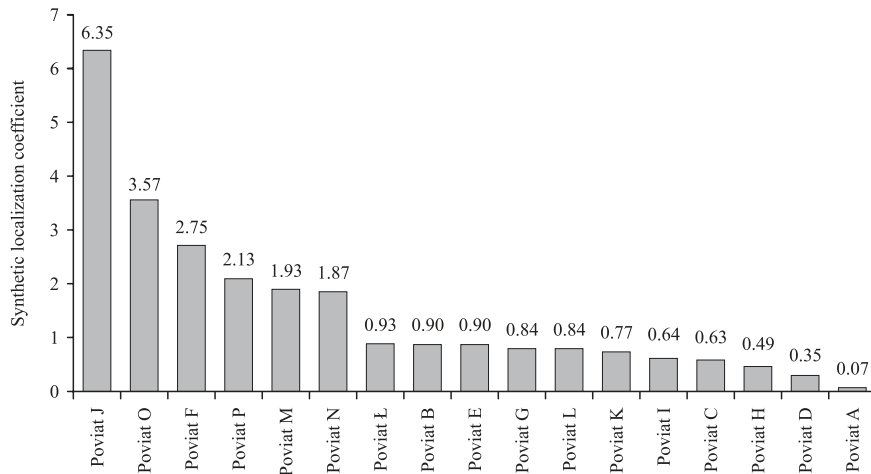
Specification	A.loc.coeff.1	A.loc.coeff.2	A.loc.coeff.3	A.loc.coeff.4	Synthetic localization coefficient
1	2	3	4	5	6
Poviat A	0.05	0.11	0.07	0.04	0.07
Poviat B	0.96	1.14	1.02	0.50	0.90
Poviat C	1.13	0.57	0.24	0.57	0.63
Poviat D	0.38	0.43	0.42	0.16	0.35
Poviat E	1.39	0.76	0.59	0.87	0.90
Poviat F	5.24	1.86	1.69	2.20	2.75
Poviat G	1.42	0.41	0.67	0.85	0.84
Poviat H	0.58	0.53	0.53	0.33	0.49
Poviat I	0.91	0.55	0.48	0.64	0.64
Poviat J	7.12	6.90	5.74	5.64	6.35
Poviat K	1.17	0.45	0.66	0.80	0.77
Poviat L	1.45	0.21	0.55	1.16	0.84
Poviat Ł	1.40	1.03	0.52	0.78	0.93
Poviat M	2.71	1.85	1.24	1.91	1.93
Poviat N	2.83	1.10	1.64	1.91	1.87
Poviat O	6.12	2.46	2.26	3.45	3.57
Poviat P	3.33	1.60	1.47	2.11	2.13

Source: own.

Step IV. The arrangement of the synthetic localization coefficients reflects the characteristics of educational institutions in specific poviats across voivodeship “X” in the context of the region’s development, as depicted in Chart 1.

Values found in columns 2, 3, 4, and 5 of Table 4 can be arranged likewise, thus producing a synthetic localization coefficient for a given category (localization positioning is primarily focused on comparing two percentage values relating to this same indicator; however, running a comprehensive analysis in

Chart 1. Ranking of localization coefficients for voivodeship “X”



Source: own.

line with the quoted definition entails comparisons between several different percentages).

3. Conceptualization of the positioning process

All the three types of positioning are based on quantitative data and result in rankings, making it possible to draw lots of comparisons. If a maximum value, minimum value, arithmetic mean, median, mode, norm, or a theoretical model, is adopted as the reference point and assigned the value of 100%, any relevant indicator of one's choice can be represented in relation to it, and a percentage distance can be established. The deviations identified can be further investigated in the context of prior decisions, since whatever disproportions are found, regardless of whether they are represented as absolute values or percentages, they are indicative of the quality of the relationships between the institution and its stakeholders. A conceptualization of the positioning process will address the steps that need to be taken in order to reach the desired target, or at least a satisfactory outcome. It is aimed at enhancing the accuracy of findings, so they can be, once properly arranged, used in developing strategic concepts. In the example provided, the positions that the institutions occupy in different rankings are the starting point for diagnosing the causes of both successes and failures. An insight into the region's position

informs the development of new study programs and facilitates cooperation with local businesses. The calculation of localization coefficients helps research the local market by applying several criteria. It is therefore easy to see that one of the most greatest benefits of marketing research is that it can facilitate the definition of the problem to be solved [Churchill 2002: 99]. As a result of conceptualization, a sequence of comparisons can be made and questions can be articulated to identify research problems:

- Which decisions have led the institution “X” to come first / last in the rankings?
- What is it that makes enrolment grow so rapidly / slowly?
- What are students’ motivations for taking out specific higher education programs?
- How to best exploit the region’s resources to improve the institution’s competitive position?
- What study programs can be offered in a given region?
- What measures were taken to gain a competitive advantage in the sector or in the environment?
- What changes should be made to the curricula in order to reduce the unemployment rate among higher education graduates?
- Should the same criteria continue to be applied in designing educational processes, or should new models and patterns be sought?
- How to adjust the curricula to the requirements of local economy?

Addressing the questions involves hypothesizing to delineate the search and provide a theoretical background for subsequent explanations [Pranulis 2007: 65].

Looking at an institution’s place in the rankings and the surrounding economic, social and political situation, we can hypothesize that there is no relationship between the course offerings and the demand for trained professionals:

The region’s economy is stagnant, hence the local businesses are uninterested in furthering links with higher education institutions and their alumni.

Under different assumptions, though, we can form an alternative hypothesis that sends us to what the researcher truly intends to inquire about, that is, any interdependencies that could be exploited toward improving the institution’s position:

The region’s economy is stagnant, hence the local businesses are interested in furthering links with higher education institutions and their alumni.

The hypotheses will be tested through specially designed qualitative analyses of sociological, phenomenological, hermeneutical and psychological character.

In summary, current diagnosis is preoccupied with determining the position of an object in its competitive environment and hypothesizing about it. Hypotheses can be based on distances between the actual and the reference values of relevant

indicators. They are then tested through a variety of analyses in order to discover the causes of existing problems. In attempting to discover these, one acquires knowledge that can help avoid making similar errors in the future. Information obtained through current diagnosis can be interpreted as symptoms of both favorable and adverse developments that have led the higher education institution to find itself in its current situation.

4. Prospective diagnosis

Prospective diagnosis is a study that seeks to “indicate major issues concerning growth prospects as well as opportunities and threats to continued prosperity” [Zarząd Województwa Kujawsko-Pomorskiego 1999: 6]. It should be objective in that it puts forth viable development concepts on which an institution’s strategy could be built. “Prospective diagnosis highlights those factors and processes that are at work now but will affect future outcomes. In assessing the current state, one can take a selective, a qualitative or a dynamic approach. The selective approach differentiates between issues considered pivotal to future growth and applies a different treatment to each. The qualitative approach expresses relativism toward facts and processes in terms of their social impact and the attitudes in the society stemming from the extent to which the population’s needs, expectation and aspirations are met. The dynamic approach takes account of the pace of changes and the volatility of the interrelationships found in the current state” [Wysocka, Koziński 2000: 53]. Prospective diagnosis is used in devising plans on how to improve the current position. When contemplating and selecting the best options among possible courses of action, judgments are made primarily on economic grounds. Prospective diagnosis is focused on accomplishing the targets or outcomes that have been envisioned and programmed. These targets or outcomes emerge from analyses performed in determining strategic positions:

- SWOT analysis affords clues on how to make the most of one’s strengths and take best advantage of the opportunities arising;
- the BCG matrix shows how to continue making profits on the manufacture of goods or the provision of services for a maximum length of time;
- Porter’s 5 Forces analysis gives recommendations on how to manage relationships with customers and suppliers in the context of competitors’ behaviors related to new products and substitute goods;
- Pareto analysis singles out the profitable customers;
- the Ansoff Matrix helps select the right market and the right product to conquer the market;

– the Product Life Cycle analysis supports the generation of development concepts.

Performing a prospective diagnosis involves the operationalization of targets. This research approach strives to lay down definitions and time frames for projects to be implemented. In the process, abstract notions concerning the object are translated into concrete indicators and variables. They are thus made empirically meaningful and hence verifiable via real processes where they can be measured and observed.

Prospective diagnosis can be designated as a process supporting the functions of planning, organization and control. Its outcomes are instrumental to resolving those issues in an entity's operations that are central to its sustainability and growth.

Conclusion

A business entity's position in its competitive environment "will determine the group that its services fall into. Product or service customization means, on the one hand, that customers' needs are better satisfied but, on the other, that the costs and the prices are higher and thus might not be affordable" [Boguszewicz-Kreft 2009: 26]. Positioning will set strategic goals associated with establishing, maintaining and severing relationships with stakeholders. For a higher education institution, these include former and existing students, business organizations, government administration and, last but not least, local communities that expect it to fulfill its mission of training professionals for specific industries. When tailored to labor market requirements, educational processes can effectively prevent unemployment among higher education graduates and support the region's sustainable development. University authorities will find easier to design relevant study programs once they have accurately identified their institution's market position as well as the characteristics of the region in which they operate.

It could be therefore summarized that the three types of positioning described in the paper, along with the methodology for current or prospective diagnosis, represent an attempt at inscribing these into the paradigm of marketing activities.

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Pozycjonowanie marketingowe instrumentem tworzenia strategii szkół wyższych

Streszczenie. Pozycjonowanie można uważać za dodatkowy instrument marketingowy, który umożliwia tworzenie strategii rozwoju. Artykuł został podzielony na części: diagnoza stanu (metaanaliza), składająca się z pozycjonowania konkurencyjnego (bezpośredniego), regionalnego (pośredniego) i lokalizacyjnego (mieszanego), oraz diagnoza prospektywna, w której wyróżniono analizę SWOT, BCG, 5 sił Portera, Pareto, cyklu życia produktu i Ansoffa. Został przedstawiony także sposób zastosowania pozycjonowania w procesie budowy strategii rozwoju szkoły wyższej.

Słowa kluczowe: pozycjonowanie, strategia rozwoju, diagnoza, conceptualizacja