Meraj, Mohammad Ali ORCID: https://orcid.org/0000-0003-0269-1717, Fernandes, Cedwyn and Ross, Kieran J. (2016) Applying marketing mix constructs in higher education: the case of an MBA programme in the UAE. International Journal of Business and Globalisation, 16 (2). pp. 149-170. ISSN 1753-3627

Final accepted version (with author's formatting)

This version is available at: http://eprints.mdx.ac.uk/26824/

Copyright:

Middlesex University Research Repository makes the University's research available electronically.

Copyright and moral rights to this work are retained by the author and/or other copyright owners unless otherwise stated. The work is supplied on the understanding that any use for commercial gain is strictly forbidden. A copy may be downloaded for personal, non-commercial, research or study without prior permission and without charge.

Works, including theses and research projects, may not be reproduced in any format or medium, or extensive quotations taken from them, or their content changed in any way, without first obtaining permission in writing from the copyright holder(s). They may not be sold or exploited commercially in any format or medium without the prior written permission of the copyright holder(s).

Full bibliographic details must be given when referring to, or quoting from full items including the author’s name, the title of the work, publication details where relevant (place, publisher, date), pagination, and for theses or dissertations the awarding institution, the degree type awarded, and the date of the award.

If you believe that any material held in the repository infringes copyright law, please contact the Repository Team at Middlesex University via the following email address:

eprints@mdx.ac.uk

The item will be removed from the repository while any claim is being investigated.

See also repository copyright: re-use policy: http://eprints.mdx.ac.uk/policies.html#copy
Applying Marketing Mix constructs in Higher Education: 
the case of an MBA programme in the UAE¹

Mohammad A. Meraj*  
Middlesex University Dubai  
PO Box 500697  
Dubai, UAE  
M.Meraj@mdx.ac  
*Corresponding author

Cedwyn J. Fernandes  
Middlesex University Dubai  
PO Box 500697  
Dubai, UAE  
C.Fernandes@mdx.ac

Kieran J. Ross  
Middlesex University Dubai  
PO Box 500697  
Dubai, UAE  
K.Ross@mdx.ac

Keywords: marketing mix, higher education, MBA programmes, marketing communications, branch campus, United Arab Emirates

Biographical notes:

Mohammad Meraj is currently the Quality Manager at Middlesex University Dubai and is responsible for monitoring academic quality of programmes and analysing student feedback. He also teaches various courses on the MBA programme.

Dr Cedwyn Fernandes is Associate Professor in Economics and International Business and has worked in the research areas of economics, management, education and supply chain. He is currently acting as Director of Middlesex University Dubai.

¹ United Arab Emirates

This is the authors’ pre-proof version of our paper and is for personal use only. All references should be made to the definitive version published in the International Journal of Business and Globalisation, Vol 16 Issue: 2, pp.149-170. DOI (Permanent URL): https://doi.org/10.1504/IJBG.2016.074488
Kieran Ross is a lecturer in Management at Middlesex University Dubai and is currently the Campus Coordinator for undergraduate Business School programmes. Kieran teaches organisation behaviour and has an educational background in total quality management.

Abstract

This exploratory study identifies significant choice factors for prospective students when selecting a Master of Business Administration (MBA) programme\(^2\) in the increasingly competitive higher education sector in the United Arab Emirates\(^3\) (UAE). Implications for Higher Education Institutions (HEIs) when they develop marketing communication strategies are addressed. Study participants included current MBA students, MBA graduates who have completed their degree at a British University’s campus in the UAE and prospective students who chose not to enrol on that MBA programme\(^4\).

Constructs were tested for reliability using the Cronbach Alpha test. The relative importance of specific choice factors were assessed via analysis of the means of the constructs. The difference between the most important (People) and least important (Promotion) factors were as much as 34%. Differences between three groups of study participants were analysed based on the results of Scheffé's post-hoc test. Marketing implications for HEIs include: improving the quality of the factors identified and communicating the quality of these factors; especially intangible ones, to potential MBA candidates more effectively.

\(^2\) This MBA was offered at a branch campus of a British university; delivered as a taught programme with several weekly lectures scheduled during weekdays in the evenings after normal working hours.

\(^3\) The UAE is a Constitutional Federation of seven Emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Quwain, Ras Al Khaimah and Fujairah.

\(^4\) These were prospective students who applied to seek admission to the MBA programme, received an Offer of Acceptance from the university but decided to not enrol after all.
Introduction

Over the last three decades or so, governments, particularly in the USA (Dill, 2003); UK (Taylor, 2003); Canada (Young, 2002); Japan (Arimoto, 1997); South Africa (Ivy, 2008) and Australia (Baldwin and James, 2000); have started to deregulate (or ‘open-up’) their higher education (HE) environments, whilst simultaneously endeavouring to enhance academic standards. There appears to be growing acceptance of a “user-pay” model to reduce the burden of public funding for Higher Education Institutions (HEIs) and self-regulation; via market forces, whereby informed consumers make rational choices (Baldwin and James, 2000). As a result of such policies, it has been argued that HEIs (particularly universities) are competing in a global (internationalised) marketplace, which has led to the ‘marketization of Higher Education (HE)’ (Hemsley-Brown and Oplatka, 2006). Given this changing competitive landscape, many HEIs are adapting marketing theories and concepts, traditionally effective for ‘products’ in the business arena, to the HE context by applying ‘service’ marketing techniques (including transactional and relationship approaches - see Mazzarol and Soutar, 1999) to increase market share and to enhance competitive advantage.

The United Arab Emirates (UAE) HE context has demonstrated a similar trend to that described above. Competition in the higher education sector has intensified within the UAE as it seeks to achieve its vision as a transnational hub for higher education (Wilkins, 2010). HEIs within the UAE must overcome increasingly complex challenges with regard to developing effective competitive strategies to survive and prosper.

In the UAE, an MBA degree is much sought after and the number of Business Schools offering this graduate degree has increased markedly since the mid-1990’s resulting in a wide range of programmes for prospective students to choose from. This has led to excess capacity in the market thereby making it extremely competitive. The MBA is seen as a ‘flagship’ programme in many Business Schools in the UAE, making it a priority for student recruitment. In more established HE systems, institutional or programme rankings or ‘league’ tables provide a convenient ‘barometer’ and hence play an important role in student choice (Ivy, 2008; Clarke, 2007). The UAE does not have any formal institutional or programme ranking or ‘league’ tables (as exists in other more established HE systems) – making it more difficult for prospective students define rational basis for selecting between programmes. It is in this context we chose to explore consumer behaviour of students when choosing whether or not to study an MBA
programme within the UAE. Research within the UAE HE context, regarding services marketing and consumer behaviour is quite limited and it is this area that the current research seeks to redress. We focus on the supply side of (services) marketing strategy by endeavouring to align these student choice factors (where possible) with marketing tools based on the Traditional (4P’s) Marketing Mix (McCarthy, 1960) and extending this to the Services (7P’s) Marketing Mix proposed by Booms & Bitner (1981) and further developed by Ivy & Naude (2004), Ivy (2008) and Stack (2009). It is anticipated that this information will provide a basis on which to develop more effective marketing strategies particularly with regard to communications and positioning and therefore enhance the ability of HEIs to attract MBA students and ultimately provide customer value – which is seen as important to developing and sustaining competitive advantage (Smith and Colgate, 2007).

The following research objectives have been identified:

(1) Reviewing relevant literature in strategic marketing to identify how strategic marketing principles are becoming increasingly relevant in higher education

(2) Verify which factors and the extent to which these factors influence the decision-making process when choosing an MBA programme at one British university’s branch campus in the UAE.

(3) Address the paucity of studies in this area that consider variances in the opinion of current students on an MBA programme, its alumni and those prospective students who decided not to enrol.

(4) Utilise these findings to postulate possible marketing communication strategies that are likely to prove most effective, when recruiting students, across this segment.

Literature Review

The Marketization of HE

Mazzarol, Soutar and Thein (2001) detail the paradigm shift in education from being a ‘public good’ to a commercial activity which is evaluated ‘not on educational quality or teaching outcomes but on business criteria’ (Mazzarol et al, 2001, p. 41, citing Veblen, 1957). By the 1980’s ‘education was…simply another service industry that operated within competitive markets and required marketing strategies to ensure its success in attracting students’ Mazzarol
et al 2001, p.41, citing Huber 1992). Evidence of such thinking still persists and was highlighted in 2005 by Sir Howard Newby, Chief Executive of the Higher Education Funding Council for England (HEFCE) who explained that ‘a more business-orientated approach to higher education students is needed and that they should be treated as customers and that universities should be “much more client facing and focused”’ (Ng and Forbes, 2009 p.44 citing Newby, 2005).

This paradigm shift, combined with government deregulation and ‘opening-up’ of HE environments has led to increased competition and the marketization of HE. In such a context service marketing models, which apply core marketing principles, such as: the marketing mix, segmentation, positioning and marketing research, have become important (Cubillo et al., 2006; Maringe and Foskett, 2002).

The need for HE institutions to embrace and adopt marketing strategies has become increasingly accepted and important for survival. Concerns, however, have existed regarding the moral and ethical issues surrounding the ‘marketization’ of HE and whether such an approach leads to the ‘corporatization of higher education and the commoditization of knowledge’ (Chen 2008).

UAE Higher Education Environment

The higher education sector within the UAE has developed rapidly since the mid 1990’s as a result of the UAE federal and Emirate-level governments’ policies to allow and attract (via economic free zone incentives in Dubai) private and international institutions to establish operations within the country. Such an environment provides challenges for key market participants including regulators, providers, potential students and employers.

Regulation of the UAE HE sector is complex. At the federal level, the Ministry of Higher Education and Scientific Research (MOHESR) has established the Commission for Academic Accreditation (CAA) to regulate HEIs. HEIs (operating outside education free-zones in Dubai) are required to apply to the CAA for institutional licensure and individual programme accreditation before offering academic programmes of study. Currently 75 private HEIs are licensed by the CAA and provision for 858 academic programmes have been approved (CAA, 2015). There are three federal institutions; Zayed University, UAE University and the Higher Colleges of Technology that also operate under the auspices of the CAA. In the Emirate of
Dubai, there are 57 HEIs offering academic programmes. There are 35 HEIs operating within academic ‘free zones’ such as Knowledge Village, Dubai International Academic City (DIAC) and Dubai International Financial Centre. These 35 HEIs are regulated by the Emirate of Dubai’s Knowledge and Human Development Authority (KHDA) (KHDA, 2014). These HEIs academic programmes are validated by the University Quality Assurance International Board (UQAIB). It is also important to that these 35 HEIs, operating in the free-zones within Dubai, may also choose to be accredited under the CAA as well.

In regard to Master of Business Administration (MBA) programme provision, competition is intense. Although specific MBA student statistics are not freely available; the following summary provides a snapshot of the programme offerings within the UAE. At the federal institutions 3 programmes are offered. The CAA (CAA, 2015) website lists 29 HEIs providing 81 MBA programmes. There are a further 14 HEIs providing 39 operating within the auspices of the KHDA ‘free zones’ in Dubai. (KHDA, 2014).

HEI providers come from a range of countries including; USA, France, UK, Australia, India, Pakistan, Iran and the UAE and some of these include globally ranked MBA programmes including London Business School, INSEAD, Cass Business School and Manchester Business School.

Competition amongst HEIs for local Emirati students is challenging given the fact that they can study for free at the UAE federal institutions whereas other institutions are fee-charging institutions. Many providers of MBA programmes therefore are left to attract the expatriates living and working in the UAE; many of whom may be from the HEI’s country of origin.

An interesting dynamic within the UAE is the extent to which the country has relied on expatriate labour to realise its leader’s vision for dynamic and rapid growth as an emerging nation and as an economic and knowledge hub of the Middle East. Employers have therefore traditionally ‘imported’ qualified and experienced talent to fulfil their labour needs; especially in regard to the skilled professions. As a result (outside of the government sector) there is not an established culture of sponsoring employees to undertake graduate education. HEIs, and to some extent potential MBA graduates, may face challenges in building their careers. However, importing foreign labour is expensive and as the cost of living increases private employers may seek to hire ‘domestically’ qualified talent.
It is evident from the statistics noted above, the HE environment, particularly with regard to the provision of MBA programmes is rather unique (given its reliance on expatriate labour) and highly competitive. Therefore information with respect to student choice factors would be beneficial as such information is likely to be very important in developing appropriate strategic marketing plans to enhance competitiveness and sustainability going forward.

*Strategic Marketing for Services*

Given the trend towards the marketization of education it has been suggested that HEIs should adopt a strategic approach to marketing (Kotler & Fox, 1985; Ho & Hung, 2008; Ng & Forbes, 2009). This should enable firms to compete more effectively (Newman & Jahdi, 2009) primarily through positioning (Harrison-Walker, 2009) and differentiating their offerings; by providing superior value in the minds of their potential target markets (Ivy, 2008; Ng & Forbes, 2009). In developing such strategies marketers are therefore required to pay attention to the demand side of marketing, which seeks to better understand consumer behaviour. This involves correctly identifying the perceptions and decision making behaviour (i.e. student choice factors) that potential consumers adopt when comparing, evaluating and selecting an MBA programme in the UAE. This information, in respect of student choice factors, can then be used to inform the supply side of strategic marketing; whereby specific marketing tools are developed which seek to communicate a superior value proposition (via the marketing mix) and meet the needs of their target market.

In the traditional marketing context, it has been argued that ‘value’ is created through the exchange between buyer and seller such that each party ‘gives up something of value in return for something of greater value’ (Kalafatis & Ledden, 2013). It has therefore been postulated that value creation is the central tenet of marketing (Grönroos, 2006; Kalafatis & Ledden, 2013) and is the basis on which a service marketing strategic approach can be developed. In service oriented industries, a service dominant logic (SDL) approach should be adopted where ‘value is co-created’ via the interactions between the service provider and the consumer (Vargo & Lusch, 2008; Grönroos, 2008). In the HE context, SDL is highly relevant, in that the ‘value’ that students obtain from education is co-created through the learning experience (Woodall et al., 2014). Ng and Forbes (2009) explain that the co-created learning experience derives from the interaction between the HEI (via its resources, systems, faculty and employees) and the
students who (i) utilise their productive resources: intellect, language and communication skills and (ii) contribute to quality, satisfaction and value via the level of effort they expend. As such the responsibility for value creation is a shared responsibility. Accordingly, HEIs should proactively drive and positively influence the co-creation of the learning experience, particularly in relation to the quality of the student learning experience.

In recognition that students contribute to the overall quality of the learning experience; a significant body of research has focused on identifying the predictors of service quality and the need to reduce any ‘gaps’ between the students experience and their expectations in regard to service quality. It is generally agreed that confirming service quality is a both difficult to define and measure. As a result, various measurement instruments have been developed towards this end for example: SERVQUAL by Parasuraman, Zeithaml & Berry (1991) and SERVPERF by Cronin & Taylor (1992). Clemes, Ozanne & Tram (2001) conducted research at a New Zealand University and identified that service quality perceptions included technical elements (quality of education and campus facilities and environment) and functional elements (course process). They also noted that demographic factors including age, course of study and ethnicity impacted student perceptions of service quality. Shekarchizadeh, Rasli & Hon-Tat (2011) identified five dimensions of quality, in regard to postgraduate students, that needed to be improved across selected Universities in Malaysia. These five dimensions included; professionalism, reliability, hospitality, tangibles and commitment. It is noted that most of the research on service quality is conducted in regards to the perceptions of current students; however it is reasonable to assume that such indicators/identifiers of quality would be relevant and could be communicated more effectively to potential students to inform their decision making process.

As HE is an intangible service where value can be co-created (via the learning experience), it becomes difficult for potential students to assess, evaluate and compare the programme offerings across institutions. The perceived risks involved in the decision making process when selecting an HEI and a programme of study, are high because the specific outcomes are not known; thus it is very difficult to accurately assess whether expectations will be met. Thus HEIs are advised to adopt suitable communication (Bonnema & Van der Waldt, 2008) and relationship marketing practices which address prospective students’ ‘information needs, quality issues and student experience’ (Moogan 2011, p.572). Stone & Grønhaug (1993) postulated that brand management practices may reduce perceived risk in regard to six key factors functional risk, physical risk, financial risk, social risk, psychological risk, and time risk.
Student perspectives in these regards can negatively or positively influence the brand image and reputation of a HEI via the resultant word of mouth recommendations and are thus important to monitor and effectively manage.

**Student choice factors – demand side**

The identification of relevant student choice factors that influence the decision to pursue an MBA programme of study has its basis in the theory of consumer behaviour. Consumer behaviour has been defined as “behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs” (Schiffman, Kanuk & Hansen 2008, p.4). Lubbe (2013, p86-87) explains that “consumer behaviour studies analyse the behaviour behind purchases to find potential market opportunities and to determine the appropriate marketing-mix, which therefore enables development of practical and effective marketing strategies”.

There has been considerable research undertaken to understand the consumer buying decision making process. Numerous models have been developed which explain the decision making process across various stages. These stages may include some or all of the following; the identification of a problem, need recognition, information search, evaluation of alternatives, selecting and making the purchase decision, and evaluating the purchase decision (Kotler & Keller, 2012, p188-196). Various decision-making models explaining consumer behaviour, with respect to college choice, have been developed that adopt and/or combine econometric choice models (cost/benefit framework), sociological/attainment choice models (integration between background and behavioural variables) and information processing choice models (potential students gather and process information). For a comprehensive overview of these theoretical models, research by Stack (2009) and Lubbe (2013) can be referred to. For the purposes of parsimony and with our current research objectives in mind, the purpose of the review that follows is to identify relevant choice factors for MBA programmes that have been noted in the literature to date; rather than to critically assess the merits of the various consumer behavioural models adopted.

A review of the literature has identified the following influential research findings in regard to identifying student choice factors for MBA programmes. Nicholls et al., (1995) asserted that HEIs needed to adopt a more sophisticated approach to marketing which tailors offerings to actual market (student and organisations and prospective employers) needs
particularly for MBA programmes. They proposed relevant choice factors according to the extended 6 P’s of the marketing mix; Product (i.e. course subjects), Price (i.e. fees and scholarships), Promotion (advertising and public relations), Place (i.e. delivery methods and location), People (i.e. faculty and service provided) and Process (i.e. logistics of service delivery).

Ivy & Naude (2004) and Ivy (2008) sought to identify the underlying success factors for student recruitment to MBA programmes and develop a new marketing mix for higher education. This research was conducted within the South African context. Based on the research findings a new 7P’s for MBA Marketing Mix was developed. This Model identifies specific marketing tools which can be developed to ‘target’ the relevant student choice factors for selecting an MBA programme. They highlighted that specific marketing mix elements were more important than others in the MBA selection process. In descending order of importance, their findings noted the following; Programme (range of electives and majors available), Prominence (staff reputation and published local reviews of Business Schools), Price (tuition fees and flexibility of payments), Prospectus (content and receipt of prospectus by direct mail), People (face to face tuition where I live, personal contact with MBA graduates and open days), Promotions (press advertising, publicity, electronic media communications) and Premiums (accommodation, international exchange opportunities, computer laboratories, cultural diversity and size of MBA class). Ivy & Naude (2004) noted that Promotions and Premiums were not ‘particularly important’ to students decision making when selecting an MBA programme.

Dailey et al. (2006) focused on identifying the needs that motivate consumers to pursue an MBA degree. Their research identified 26 needs which were subsequently categorised in accordance with Maslow’s Hierarchy of Needs. This enabled the researchers to propose specific marketing approaches, in accordance with the traditional marketing mix, to better address potential students’ needs in respect of three themes (socialisation, career options and social status elevation). They identified that the most prominent needs for pursuing an MBA degree included; career advancement, financial security, job security and social status/prestige. They highlighted that the needs categorized as ‘respect from others’ was more important than the needs categorised as ‘knowledge’ related. The results of these findings are potentially important for segmentation and targeting purposes.

Stack (2009), conducted research within the American HE context to better understand student choice factors for MBA recruitment and enrolment management. Results of factor
analysis identified and mapped 31 items to relevant marketing constructs (i.e. Marketing Mix P’s) and designated each item as a designated Individual Student factor (ISF) or University Organisational Factor (UOF). The findings were significantly different to that developed by the Ivy & Naude (2004) noted above. Stack’s (2009) model identified 6 P’s: personal (with sub-groupings of academic perceptions, performance and external prompting), price (tuition, financial aid, flexible tuition), promotion (direct interaction), product (with sub-groupings of programme attributes, programme quality and programme duration), people (faculty credentials, reputation and diversity and student diversity) and place (course timings, online course offerings and commuting distance). Of these P-constructs only personal was designated as ISF with all other constructs being designated as UOF. At item level, the most important factors regarding student choice were (i) the ability to balance work and school (which related to the personal construct) and (ii) to meet in person with admissions (which related to the promotion construct).

For the model constructs, Stack (2009) noted that in descending order of most important to least important; relevant marketing constructs identified were programme quality (product sub-group), personal performance (personal sub-group), place, programme duration (product sub-group), promotion (direct intervention), people, price, programme attributes (product sub-group), personal academic perceptions (personal sub-group) and external prompting (personal sub-group).

Helmig et al., (2010) identified student choice factors when entering Executive MBA programmes in European Business Schools and specifically the extent to which accreditation was important in these decisions. The authors noted that the following factors were important (in descending order) when selecting Executive MBA programmes; programme content, programme mode, image of programme/institution, location, length, cost, admission criteria, institution/programme accreditation and work experience. The researchers highlighted the perceived lack of importance of accreditation. However they did note that accreditation is correlated to the image of the institution and as such is expected to gain in importance in the future; particularly as knowledge of accreditation is enhanced amongst potential candidates through marketing initiatives focusing on communication and branding.

Blackburn (2011) identified five themes incorporating various student choice factors that influenced 76 students to enrol in an MBA programme at an Australian university. These themes included; reputation (i.e. University and to a lesser extent the Business School), quality (course content, networking possibilities, class size, teaching quality and understanding), syllabus (course content and timetabling, choice of subjects, duration of programme, flexibility of
the course), *facilities* (campus, availability of public transport & car parking and other resources available) and *career* (job opportunities and security, higher salary and improved lifestyle). These findings were limited by the size of the sample.

Subramaniam, Yusoff & Arumugam (2014) sought to determine the reasons why students at a University in Malaysia chose a specific MBA programme amongst a range of programme offerings. Findings highlighted the following; (i) reasons for studying an MBA degree included; personal growth and development, better job (promotion) opportunities and course mode. (ii) reasons for studying a conventional MBA (rather than an Executive MBA) included; specialization, duration, research component and class timings and (iii) reasons for studying an Executive MBA were; fast track programme, elective options, coursework only, option of classes in the workplace, evening classes (not weekends) and reasonable fees.

It is also prudent to briefly highlight the findings from the Admissions & Application Trends, Research, Global, 2014, mba.com Prospective Students Survey, Survey Report (Schoenfeld, 2014). This Report captures information on more than 12,000 students’ intentions and reasons for choosing a study destination and criteria for school selection. The former factors included; the reputation of the educational system, the attractiveness of the location, improved chances of an international career, the potential to develop a network of peers and the affordability of education. In regard to selecting an MBA Business School (programme) key criteria include; quality/reputation of the school, career prospects (job offers), programme aspects (type), financial aspects (tuition and fees), curriculum (content) and class profile (work experience).

The above literature review provided the basis for the development of our survey instrument which is noted in the Methodology section below.

*Services Marketing – Supply Side*

For quite some time now, a widely accepted concept that has helped marketers to organise, plan and formulate their corporate marketing strategies to achieve their specific marketing objectives, is the marketing mix (Shapiro, 1985). Bitner (1991, p.24) defined the marketing mix as ‘any and all elements that may potentially satisfy the consumer and over which the firm has some level of control’. Historically, the marketing mix has been conceptualised as comprising four variables known as the 4P’s; product, price, place and
promotion (McCarthy, 1960). It is appropriate to briefly elucidate how these marketing constructs are relevant in respect to MBA provision.

**Product:** Marketing of the product is traditionally the core feature of the marketing mix; as this is what is being sold to the consumer to satisfy their needs. It consists of tangible features and other benefits (Ivy, 2008). In education, two product perspectives are feasible; firstly that students are customers who pay for a product and education is what they receive and secondly; students (graduates) are the product and employers are the customers. The challenge for HEIs and marketers is to find a balance between these two perspectives. Firstly, HEIs need to ‘reduce perception gaps’ (Enache, 2011) amongst key market participants namely students, HEIs, regulators and employers. Secondly, HEIs, particularly fee-charging institutions within the UAE, are likely to emphasise the ‘students as customers’ perspective; given that this is where their income is generated from and thus seek to provide products (academic programmes) that will provide value for consumers. In terms of relevant product features, which from the consumer’s perspective, facilitate comparisons (searchable attributes) between MBA programmes may include; curriculum, duration, accreditation, faculty qualifications, mode of delivery, part-time/full time provision (Ivy, 2008; Webb, 1993).

**Price:** Price strategy is influenced by the cost of provision, market demand and competitors pricing. The price of provision is reflective of the quality of the offering and therefore has brand image and reputational consequences. The higher the price of provision the higher the expectation of superior quality which in HE may be reflective of the curriculum content, admission standards, faculty qualifications (Webb and Allen, 1994) and/or uniqueness of the programme. Pricing has obvious effects on the type of consumer (potential student) the HEI is targeting.

**Place:** Place considerations are influenced by the product perspective adopted. If education is seen as the ‘product’ that students purchase, then HEIs must determine the most effective way to deliver that to students. Traditionally, in education, the focus has been on the location of the campuses, residence accommodation and other facilities. In contemporary education environments with the advancement of digital and other technologies various options for the delivery of knowledge exist including; wholly online delivery through virtual learning environments (VLEs), pod-casts, course management systems.

**Promotion:** Effective promotional strategies entail identifying relevant channels (advertising, sales promotions, publications, public relations, digital media etc.) by which to communicate effectively with potential students and providing them with the necessary information to make an
informed decision. Promotional strategies should reinforce the HEI brand image and reputation being portrayed. Newspaper, magazine and radio advertisements, reference guides and information (brochures/catalogue/website), faculty advising, family advice, campus tours (Webb and Allen, 1994) are often utilised by HEIs, particularly in the UAE.

Although the traditional marketing mix (4P’s) has proved useful in the marketing of goods, it was postulated by Booms and Bittner (1981) that there was need to refine the marketing mix to account for the challenges involved in services marketing.

*Services Marketing Mix*

The idea that marketers need to develop strategies specifically for marketing services (such as education) is not a new one, and is based on three well-studied assumptions; firstly, the way in which services are characterised, namely; *intangibility* (Bateson, 1979), *inseparability* of production and consumption (Regan, 1963), *heterogeneity* (variability /non-standardisation) (Rathmell, 1966) and *perishability* (Bessom and Jackson, 1975). Secondly, as a result of these service characteristics service marketers must resolve problems not faced by goods/products marketers. Thirdly, such problems require service marketing solutions (strategies) as goods marketing strategies are ‘often insufficient’ (Zeithaml, Parasuraman and Berry, 1985, p.33).

Potential consumers of services face challenges when making their purchase decisions as ‘services are not directly perceptible, are frequently experiential and phenomenological (Vargo and Lusch 2008), and typically are unpredictable in their outcomes for the buyer’ (Murray, 1991, p.11). Thus, they can be perceived as riskier than goods (Murray and Schlachter, 1990) and therefore heighten pre-purchase uncertainty as evaluation of services may occur primarily after purchase and consumption (Young, 1981).

Over two decades ago, Booms and Bittner proposed that the 4P’s should be extended to 7P’s for services, given the characteristics of services detailed above, to help overcome the unique problems service managers face with ‘quality control and for dealing with customer interaction in the service delivery process (Bitner, 1991, p.24). The addition of the following 3P’s completes the 7P’s of the service marketing mix; physical evidence, participants (people) and process.
**Physical Evidence:** Given that the product of education is intangible, consumers (potential students) will look for physical evidence to help build their impressions as to the quality of the service offering. Physical evidence includes the tangible components such as the buildings, facilities, hardware and teaching materials (Ivy, 2008).

**People:** The educational service is strongly influenced by the personal interactions that consumers (potential students) have with faculty and administrative staff. The service characteristics of *inseparability* and *heterogeneity* are important to the extent that their perceptions of the quality of the interactions potential students have in respect to the information, advice, support and assistance they receive from university staff; especially at the graduate level. (Cubilio et al, 2006). Therefore selecting the right people is an important element in the service marketing mix as it can influence other variables such as the HEI’s public image, brand and reputation.

**Processes:** Processes are in place to ensure effective delivery of a service and to minimise variation in service standards that consumers may experience. In the HE context, during the choice or purchase stages, admission and enrolment policies are critical as they transform a potential consumer in to a student (Enache, 2011). Students then continue to experience numerous university processes throughout their degree programme including; course registration, attendance, assessment of learning, academic support, career and extra-curricular support, etc. all of which impact key HEI performance measures (satisfaction, retention, graduation).

Therefore in contextualising service marketing from an HE perspective, information on student choice factors is useful to enable development of more effective service marketing strategies. This could be achieved by utilising the services marketing mix (7P's). As we have noted above, research conducted by Ivy & Naude (2004) and Stack (2009) has led to the development of ‘new’ Marketing Mix Models which identified new service marketing constructs within the HE context to enable more effective marketing strategies to be developed when targeting potential MBA students in the South African and American context respectively. Understanding and identification of such items within the UAE context will also provide valuable information in the development of a suitable marketing mix to attract potential students and therefore enhance and sustain competitiveness.

**Methodology**
Data for this single cross-sectional study was collected via an electronic self-completion questionnaire sent to three groups of students at a British University’s branch campus that is based in Dubai, UAE. The first group consisted of students who were currently enrolled on its MBA programme. The second group consisted of students who had completed their MBA (alumni) in the preceding academic year. The third group consisted of participants who had made an application, secured admission to that MBA programme but chose not to enrol. The survey was voluntary and there were no incentives provided for participation. Convenient sampling method was used and 338 emails were sent inviting participants to fill in the electronic questionnaire. Convenience sampling has been justified in similar research projects (Subramaniam, Yusoff & Arumugam 2014; Richardson & Stacey, 1993; Nguyen & LeBlanc, 2001). The response rate was 162 from the 338 emails sent, of which 31 were unusable due to incomplete data. The sample consisted of 59 students who were currently enrolled in an MBA, 50 who had completed their MBA and 22 who had considered joining an MBA programme but chose not to enrol. The sample consisted included a mix of nationalities that reflected the ethnic mix of UAE’s population. The total sample of 131 responses consisted of 61% males. 58% of the sample were in the age group 25-34 years.

**Measurement of Variables**

There were twenty six statements covering the main elements of the traditional 7Ps of services marketing (see Diagram 1). These statements were derived from studies described previously under review of literature (Blackburn, 2011; Briggs & Wilson, 2007; Chen, 2007; Mazzarol & Soutar, 2002; Kallio, 1995; Helmig et al, 2010; Ho & Hung, 2008; Ivy, 2008; Ivy & Naude, 2004; Joseph & Joseph, 2000; Richardson & Stacey, 1993). Student attitudes were measured using a 7-point importance scale. A standard range of demographic factors (age, gender, employment status, previous academic qualifications) were also measured.
Instruments and Reliability

Product

Product was measured by a 9 item scale (α = .77) consisting of the following statements representing the characteristics of an MBA programme

1. The reputation and international recognition/ranking of the University
2. The programme structure including the specializations offered and range of core and elective courses
3. Admission requirements including English Language and work experience requirements
4. Diversity and number of other students and alumni on the MBA
5. The opportunity to go on international field-trips, internships and industry visits
6. Country of origin of the university and programme
7. Flexibility in mode of delivery including face-to-face or online, distance learning
8. Accreditation by UAE’s Ministry of Higher Education and Scientific Research
9. Recognition by Government of the local Emirate (e.g. Dubai Government KHDA approved programmes

Place

Online education in the UAE or distance learning was not recognised by UAE accreditation bodies at the time of conducting the study. For working professionals accessibility and convenience of the physical location of the MBA provider would be an important consideration. This was measured in our study by the following statement;
1. The prominent, central and accessible location of the University and the availability of transportation and parking facilities.

Single-item indicators have often been questioned in terms of efficacy (e.g. Keiningham et al., 2007) and yet some researchers (e.g. Bergkvist & Rossiter, 2007) argue that these can be considered as valid as long as the attribute is well defined.

**Price**

Price was measured by a three item scale (α = .68) and analyses the extent to which the costs associated with undertaking an MBA programme are important in choosing an MBA programme.

1. The cost (tuition fees) of the programme
2. Availability of academic scholarships
3. Availability of payment plans and instalment payment options

**Promotions**

Promotion consisted of a three item scale (α = .78) which was used to estimate the importance of promotional activities that influence an MBA candidate’s choice. The scale consisted of the following statements;

1. Pre-enrolment events such as Open Evenings, Education Fairs, Campus tours, etcetera
2. Quality of information sources including printed marketing materials, brochures, handbooks and the website
3. Effective marketing campaigns such advertising, PR, online marketing and email campaigns

**People**

People was measured by a three item scale (α=.73) consisting of the following statements;

1. The quality of interaction with academic staff
2. The qualifications and research reputation of the academic staff teaching on the programme
3. The friendliness and advising skills of admissions, marketing and other support staff members

**Physical Evidence**
The physical evidence scale consisted of a three items (α=.81) and was concerned with the physical facilities of the MBA providing institution. The items consisted of the following:

1. The quality of university learning facilities such as classrooms, computer labs, Library, etcetera
2. The quality of social and recreational facilities such as the Student Lounge, Games Rooms, coffee shops, etcetera
3. The 'look' of university campus including its location, building exterior design, etcetera

Processes

The process scale consisted of a three item scale (α=.65) and focused on the process and procedures at the MBA providing institution. The scale consisted of the following statements;

1. Clear, easily accessible and well-explained rules and regulations
2. The ease and speed of the registration and enrolment processes
3. Procedures for career advising, networking and 'job placements' with employers

Results and Discussion

The values for Cronbach alphas (α values) for the constructs are above the recommended range of 0.70 (DeVellis, 2003) except for Price (α=0.67) and Processes (α=0.65) which were acceptable as the mean intercorrelation for the items in each of these constructs was between 0.2 and 0.4 (Briggs & Cheek, 1986).

Mean scores and standard deviation of each of the variables and their Cronbach α values are given in Figure 1:

**Figure 1**

**Descriptive Statistics for Variables**

<table>
<thead>
<tr>
<th></th>
<th>Items</th>
<th>A</th>
<th>Means</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>9</td>
<td>.77</td>
<td>5.42</td>
<td>0.88</td>
</tr>
<tr>
<td>Place</td>
<td>1</td>
<td></td>
<td>5.09</td>
<td>1.60</td>
</tr>
<tr>
<td>Price</td>
<td>4</td>
<td>.67</td>
<td>5.12</td>
<td>1.26</td>
</tr>
</tbody>
</table>
In analysing the relative importance of the marketing mix, the mean scores of each scale were taken into consideration: see Figure 2. Note that a higher mean would indicate that the factors included in the scale were relatively more important. The factor that mattered the most was People which received an average score of 6.11 out of a maximum 7 and has a 34% higher mean than the Promotion scale.

Figure 2

There were no significant differences in the scores of the scales between male and female respondents or the score ranges for age of participants in the study.

To compare the factors important to each of three groups of participants: MBA alumni (Group A), current MBA students (Group B), and those who secured admission but decided not
to join the programme (Group C), a series of one-way analysis of variance (ANOVA) tests were carried out. Scheffe’s post-hoc test was further conducted to examine any differences among groups. Figure 3 shows items in our scale where there were significant differences between these groups.

**Figure 3**

<table>
<thead>
<tr>
<th>Item</th>
<th>Group A: Mean</th>
<th>Group B: Mean</th>
<th>Group C: Mean</th>
<th>F Value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexibility in mode of delivery (Product)</td>
<td>4.54</td>
<td>5.34</td>
<td>4.50</td>
<td>3.57</td>
<td>.031</td>
</tr>
<tr>
<td>Prominent, central accessible location of university and the availability of transportation and parking facilities. (Place)</td>
<td>5.50&lt;sup&gt;a&lt;/sup&gt;</td>
<td>4.76&lt;sup&gt;b&lt;/sup&gt;</td>
<td>4.72&lt;sup&gt;b&lt;/sup&gt;</td>
<td>3.803</td>
<td>.025</td>
</tr>
<tr>
<td>Availability of academic scholarships at the university (Price)</td>
<td>4.22&lt;sup&gt;a&lt;/sup&gt;</td>
<td>4.12&lt;sup&gt;a&lt;/sup&gt;</td>
<td>5.54&lt;sup&gt;b&lt;/sup&gt;</td>
<td>5.68</td>
<td>.004</td>
</tr>
</tbody>
</table>

<sup>a,b</sup> indicate significantly different groups at 0.05 level.

As expected, current students on the MBA programme (Group B), perhaps in the midst of managing class schedules and other aspects of their lives and careers (for example: work timings or business commitments), rated ‘flexibility in mode of delivery’ far more important (mean=5.34) than students who had not commenced studying (mean=4.50) or had completed them i.e. alumni (mean=4.54). Other studies conducted with current students (Ivy and Naude, 2004; Moogan; 2011), have also reported this factor as relatively more important. Similarly it was expected that ‘availability of scholarships’ was considered more important (mean=5.54) by those students who did not join the programme (Group C) – personal financial circumstances are perhaps reflected in their decision to not enrol in the absence of scholarships. The results for ‘central location and accessibility and parking facilities’ are interesting; Group A respondents report this to be significantly more important (mean=5.50) that the other groups. At the time of conducting the survey, several improvements to the infrastructure and parking facilities around the campus were implemented by local municipal and regulatory authorities (for example, opening of Dubai Tram and free parking in the evenings) which benefited largely current students (Group B). Prior to these changes, accessibility and parking were a challenge. Group C respondents (who chose not to study) would have limited experience of this factor. It must be emphasised that the importance ratings for all three groups were still positive.
Conclusions and Implications

This study demonstrates the need for HEIs to take a balanced and holistic approach to development and marketing of MBA programmes. Firstly it reaffirms findings of the same group of researchers with regards to the importance of ‘people’ within the HEI context, this time specifically for MBA programmes. An earlier study (Fernandes C., Ross K., and Meraj M.; 2013) demonstrated that HEIs within the UAE ought to recruit and develop high quality academic faculty; given that teaching quality had the most significant impact on student satisfaction and loyalty.

Developing the above-mentioned notion further, within the context of this study, institutions face further challenges in regard to communicating externally, the quality of its academic staff. For example, how do HEIs, ‘market’ the quality of student interaction with highly-qualified faculty members; and, how should they ‘re-frame’ possible perceptions of ‘ivory tower intellectuals’ as being accessible, intriguing and relevant to practitioners? Here institutions could create more visibility for their academic faculty within industry by creating outreach opportunities through public relations, academic-industry partnerships, encouraging ‘applied or practice-based’ research projects, open public lectures, community-based project work, industry networking events, and involving faculty members intensively within student recruitment processes. Those institutions that allow practitioners – who may concurrently be potential MBA students – and other influential stakeholders (such as managers in-charge of learning and development with employers), access to academic faculty through a variety of touch-points, could find that there is an improvement in image perception that leads to favourable selection decisions for MBA programmes.

It is feasible that these interactions, when positive, can facilitate improvements within other areas of the marketing mix, such as; product development (by keeping academic faculty abreast of the changing business context), distribution methods (for example, through development of in-house programmes delivered on-site for large employers) and pricing mechanisms (through ‘co-payment’ tuition schemes and MBA scholarships that are funded jointly by employers, industry associations and HEIs, for example).

Other administrative staff members within HEIs, especially those who have direct interaction with potential MBA candidates – such as marketing and admissions teams – could develop a ‘customer-service’ orientation that leads to attracting more desirable and qualified candidates. A further consideration for managers in HEIs is to develop integrative work-systems
that allows collaboration between people classically divided along ‘academic’ or ‘administrative’ functions within these institutions and to alleviate the tensions inherent to this collaboration (see Whitchurch, C. 2006; 2008).

Fuelled by longstanding and growing criticism of business schools, specifically of MBA programmes, (Bennis, W., & O’Toole, J., 2005; Mintzberg, H., & Gosling, J. H., 2002), many HEIs have initiated wide-ranging, changes including: upgrading curricula (to include ethics, innovation, entrepreneurship, quantitative analysis, information technology, social media, sustainability issues); enhancing experiential learning; hiring tenured faculty; improving external rankings; adding professional accreditation; creating MOOCS (massive open online courses); incorporating internships/practical training; providing cross-cultural training/experiences; and enhancing staff/student diversity. For these improvements to be properly reflected in terms of change in market perception, issues associated with communicating the salient features and benefits of an MBA programme need particular attention as demonstrated by our results. This communication can be hindered by pre-purchase uncertainty; so HEIs could rely on social influence as a strategic marketing tool in an attempt to leverage the personal and professional networks of alumni and current MBA students. These current and past customers (provided that they are satisfied with their own experiences) can be encouraged to promote MBA programmes through referral schemes. Other services marketing contexts have shown that referral programmes can help companies to selectively acquire more valuable prospects in a cost effective manner (Schmitt, P., Skiera, B., & Van den Bulte, C. 2011). Here too challenges are present, especially when HEIs consider the dynamics of rewarding past or current students in an attempt to bring in new ones.

A final implication for managerial consideration arising from our study, pertains to decisions for pricing and promotions. Our results show that while still significant, these two constructs appear to have relatively lesser importance in the decision-making process for MBA candidates. This could indicate that the cost (price) versus benefits trade-offs, being difficult to evaluate in any case, are perceived to be of lesser significance. In other words, the target market may want to perceive that their decision is driven not purely by commercial cost-benefit analyses but includes other considerations including social or emotional factors. HEI managers in the UAE who are under pressure to deliver enrolment targets and bottom-line revenue figures, may conclude that aggressive advertising and discounts (often creatively packaged as ‘financial-aid’ schemes) may not necessarily be relevant or effective, or worse still; be damaging to the overall image and positioning of an MBA programme. Pricing and promotional strategies
for MBA programmes need to be appropriate for the target segments; that are competitive and yet adopt a soft-selling approach rather than an aggressive hard sell.

**Limitations and Suggestions for Further Study**

This is an exploratory study focussed on one institution; future research could examine a larger sample of respondents from a wide range of HEIs offering an MBA programme in the UAE. Other directions for research could focus specifically on factors important to ‘international students’ choosing to come to the UAE for graduate studies, given the intention of local authorities to boost the country’s status as a regional hub for transnational education. Other elements of consumer behaviour could be considered: personal motivation, socio-cultural influences, information search patterns and so on, to develop a holistic view of the student decision-making process.
References


Bateson, J. E. (1979). *Why we need services marketing*. Division of Research, Graduate School of Business Administration, Harvard University.


Commission for Academic Accreditation (CAA)(2015), 'Active (Accredited) Programmes', Available at [https://www.caa.ae/caa/DesktopModules/InstPrograms.aspx](https://www.caa.ae/caa/DesktopModules/InstPrograms.aspx)


