

## **EDUCATIONAL SERVICE MARKET AND THE PROSPECTS FOR THE DEVELOPMENT OF KNOWLEDGE IN GEORGIA**

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### **Abstract**

The rapid pace of globalization found its reflection in education sphere. Topic studies are in great progress in terms of education development and integration of knowledge. However, no serious researches are done. The same situation is evident in Georgia as well. Analysis in certain aspects of the educational service is made by Unified National Examination Center of the Ministry of Education and Science. But the work carried out by the center in this direction has more in formative nature than a complex scientific research. The paper analyzes the educational field, the most important aspects of marketing; on the base of problem analyzing and the cause-effective evaluation the author offers educational market service survey University model and sets the ways for knowledge development.

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**Keywords:** Labor market, Marketing research, Price policy

### **The problem**

The rapid pace of globalization found its reflection in education sphere. Researches in terms of education, development and integration of knowledge are in progress nowadays. Abovementioned topic is under the attention of the post-soviet scientific societies as well. However, it should be noted that important study of the subject has not yet been carried out in post-Soviet countries. The same situation is evident in Georgia as well. Analysis in certain aspects of the educational service market is made by unified National Examination Center of the Ministry of Education and Science. But the work carried out by the center in this direction has more informative nature and is not considered as a product of complex scientific research.

For example: the program PIRLS- 2006 and PIRLS-2011 was to determine what and how the 9-10 year-old children read in Georgia? What factors contribute to the development of reading skills in our country and how much ahead or behind we are in this term of research than other participating countries? The research objective is to find out how successfully a student could overcome the high school curriculum.

Next, an international educational research program is represented by TIMSS program. TIMSS is international survey of teaching and learning of mathematics and science the aim of which is to promote mathematics and science classes. The study of these subjects provides the formation of logical thinking, analysis and reasoning skills, which is a basis of implementation of a successful teaching and learning process not only in schools, but in high schools.

The quality of education is very important in terms of education development which is greatly dependent on the level of teacher's education. The research under TEDS-M's name, made by the national examination center of the Ministry of Sciences and Education of Georgia, includes abovementioned survey.

Finally, the program PISA, which examines what factors influence student's achievement. PISA allows, for a certain period of time, to conduct monitoring and evaluation of the changes taking place in the educational system.

Separate high schools (Universities) in Georgia conduct analysis of the educational service market. But they are conducted only within the framework of interests of specific institutions and therefore is not a mass character.

Thus, to ensure the integration of educational sector of the country in the world educational environment, our goal is to carry out complex research of educational service market and find the perspectives for problem knowledge development.

## **Research**

During the last decade in the educational environment there is a strong competition between both public and private universities. At first glance, as if all accredited universities found their space and somehow taken their places in the educational services market. However, due to the strategic vision, it's only the beginning and, to establish the name of a competitor in the market, each must strive due to their own resources. At the same time viable will become the one, which will have a very good long-term strategy and could develop and successfully implement its management. This last, due to modern requirements need modern marketing management of a high level. That is why there is a need for education marketing, and moreover the necessity of it.

In the field of education, marketing approach is related to many problems from which the primary is funding issue. Traditionally, even in developed countries, education was and remains primarily the object of attention and support. It is financed by the state and local administration bodies. With the development of knowledge economy, a bounce development of educational services market is noticed, where supply exceeds demand in most cases. This was confirmed once again in 2012, by the national test results. But the purpose of marketing management is that results should not be single signals in corporate (universities) management and should not appear as past reminders. They need exact analysis, cause-effects study of events and on the bases of conclusions implementation and realization of development plans.

The participants of real marketing relationships represent not only educational institutions, but also the users (individuals, organizations, institutions), brokers a wide circle (employment services, labor market, registration bodies, educational institutions, licensing and accreditation, etc.) as well as public institutions that participate in the market for educational service promotion.

Students, their personal sides play a huge role among educational service marketing subjects. They are not just simple carriers of educational services, but they represent the only final consumer. For proper regulation of educational service the functions of user organizations include: information delivery for intermediaries, educational institutions and the individual person about request; special requirements on the quality of educational services; their participation in quality assessment of educational service; full or partial reimbursement of the costs of services provided, which despite salary compensation may be implemented by other forms of compensation. In Georgian reality, this cannot be provided on appropriate level. This indication is based on incorrect and late providence of information for consumers and mediators by the side of Universities; The electronic pages of universities in the wrong administration (incomplete information, non-renewable pages, etc..). A survey conducted in 2007-2011 revealed that from 13 leading Universities only 5% timely conducted renewal of electronic pages, while in the rest ones one could find incomplete information, that makes it difficult for consumers to make right choice. This fact is also undesirable in

terms of marketing. On the basis of incorrect information it is hard to do a proper analysis and recommendations.

Territory marketing is an important object of education marketing. For customers (students) it is important to know where the educational institution is located. How much safer and easier is to travel to university. And, if it is connected to additional costs, how does the part of budget expenditure of students or employee increase? During carrying out joint programs living conditions are very actual not only for students. Despite strong material-technical base, most universities in Georgia(except state universities) do not have a dormitory that complicates the implementation of joint training and exchange programs, increase university costs, which ultimately affects the pricing policy.

The subject of territory of Educational institution becomes less problematic if a university professor- a teacher has a good Renome (experience), and scientists in this or that field provide the university with new, innovative products (research programs, inventions, patents, and various kinds of educational products), which in turn forms the basis for the creation of the brand and its development. Market expansion policy and brand maintaining is the most time-consuming and problematic for education marketing. This is a topic which in complex includes the operating of the following topics:

- \_ to create a stable competitive advantage;
- \_ quality of teaching and training –materials of methodology in accordance with modern requirements;
- \_ differentiate user requirements – pricing policy problems;
- \_ differentiation according to regions and educational product;
- \_ providing consistent quality and competitive price;

According to these criteria, the study shows that the majority of universities do not have a comprehensive approach toward education marketing. The determinant of the competitiveness for universities is their legal status and “competitive price” established by the state.

Due to marketing approach this is a non-profitable policy, because the long-term needs of state universities will not be able to provide relevant input.

The number of students increase due to relevant prices, for whom material-technical base is no longer available; the whole attention is directed to this problem, but the second, more important- human resources- remain without attention. As the entire resource is directed to provide technical base there remain insufficient number of personnel conducting the training process Professors’- Teachers’ salaries don’t increase, moreover, because of huge flow we get multi-number groups but salaries of Professors’-Teachers’ still remain the same. In fact, it decreases- if in 30 member group a lecturer takes 20 GEL an hour, his salary does not change in case of 50 and 100 member group, where the number of students are-2 and 3-times more. This is directly related to the quality of teaching, which is the long-term causes its deterioration. In this case, deterioration of University professors’ and teachers’ Renome (experience) may begin. Finally, it is followed by the actual loss of brand. Based on survey results (6 state University students were interviewed) 65% of students- noted that the state fee is the factor, why they have chosen the study at this type of universities, for 21% -university status remains a priority, while 14%- could not give the exact answer to the question.

We have quite different picture in case of private universities. Here goes price competition and loses the one which does not care for university and does not implement innovative products throughout university. Universities, which provide a high level of brand management high price is no worry. Simply these two features should be consistent.

Unfortunately, there is still the reality of the private universities, which have low prices to try to withstand the competition and the quality of low override rate. By survey the number of such universities in education service market in Georgia still reaches 35%.

Finally, we will discuss another important issue concerning distributes deals. There can be identified three main tasks for marketing:

1. Selling policy-optimization;
2. Communication policy problems;
3. Marketing research problems

The first two, are more or less carried out at universities, although there are some deficiencies and as for the third one, it should be noted that the kind of deep researches are not carried out in 95 per cent universities.

Most universities are satisfied with the first year students' interview and as for the graduates the interview is the superficial and formal in nature.

Labor market research and studies in this direction and results of the educational process is very important and essential for university competitiveness.

It never occurred in educational sphere to make nationwide integrated research for defining demands according to specialties. Based on some firsthand information, we tried to study present day situation in this direction and do retrospective analysis.

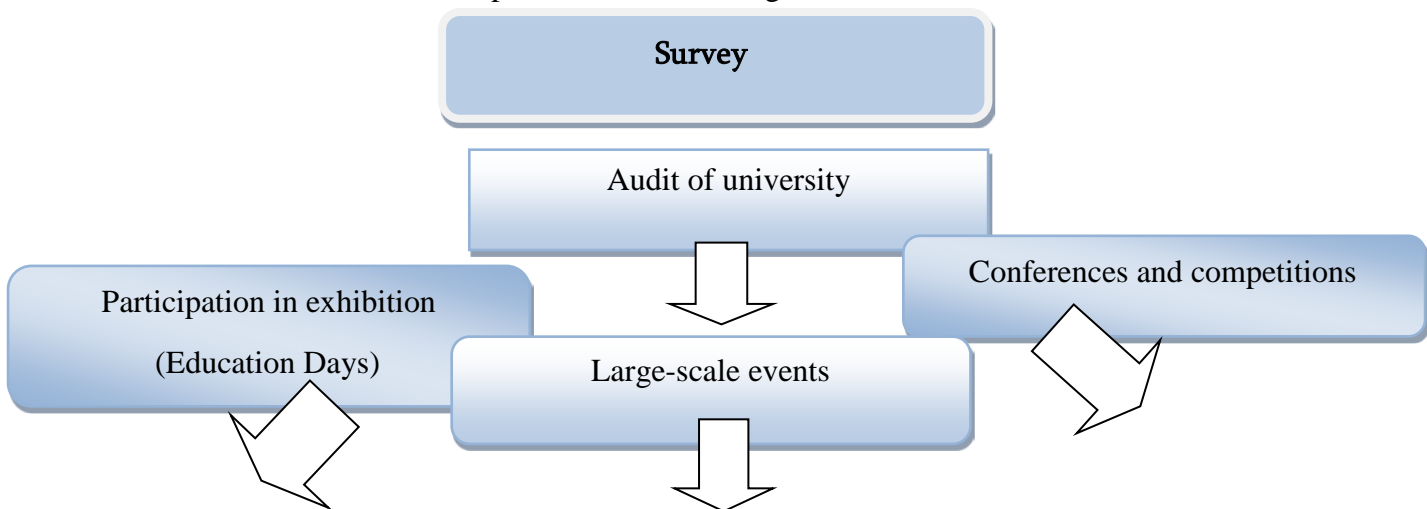
In the labor market from existing vacancies 58-62% of the demand falls on such trends of business administration as: Finance Manager, Operation Manager, Marketing Manager, Project Manager (including international projects), Sales Manager, Consultant Manager, the office manager, personal banker, accountant, assistant Director, and others.

According to the analysis in the labor market done by The Danish Refugee Council in 2012, it is clear that in recent years there is a great demand for qualified personnel in industry and agriculture. Employers' survey identified key indicators of competitiveness, among which the first three places are for the production of high professionalism of the staff (23%);knowledge of Competitive production (21%), and the effective management of employees (12%).This indicates that at present demand for professionals, skilled specialists in business administration grows more and more. The same research indicates that in industry and agriculture there is demand for profession-oriented, practical skills staff. Similar arguments and conclusions are made in employment project as well as in regional labor market research.

### Conclusion

The paper carried a small study which showed timeliness and urgency of education marketing for the competitiveness of universities.

The abovementioned is represented as following:



Picture 1. University model of service marketing

On the basis of university audit an effective distribution of marketing expenses and university income is possible. Implementation of large-scale activities is an important element of university image and reputation. Participation in variety of exhibitions, different activities and competitions organized by the university, promotes the expansion of the brand. As for the pricing policy, there are several available options which may be considered by the University. These are: informational, consultative services, leasing, renting; organizing various training and preparatory courses for enrolling the university, implementation of short-term educational programs and others.

For graduates employment it is possible to develop the program “maximum” and “minimum”. The first one involves establishing and maintaining feedback with potential employers which provides employment for graduates and improves the university image. The program “maximum” provides employers with a means to develop “maximum”.

Although the international researches done by the Ministry of Science and Education of the national examinations are focused on determination the level of school students learning and teaching and in this aspect sort out the problem, we think it will be good if the results of the research will be analyzed and used in certain higher institutions in order to process future educational programs and methodology. The research information will also help universities (chiefly, the newly established and small universities) have a look at the subjects rating scores and in advance determine the answers on the main questions of education marketing: Who to teach? Why to teach? Whom to teach? Where and how to teach? Which ultimately determines their competitive position in the educational market?

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