

STRATEGIC ISSUES REGARDING THE PRODUCT POLICY OF THE ROMANIAN MILITARY HIGHER EDUCATION INSTITUTIONS

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ABSTRACT: Educational services market competition requires military higher education institutions to adopt a marketing approach so that the dimension and containing of their educational offer to positively influence the demand for educational services.

Understanding consumer needs and expectations of educational services, lead to the development of educational programs and specializations able to satisfy market needs manifested.

The paper presents the analysis results on the range of educational services provided by the military higher education institutions from their strategic dimensions perspective, and positioning the military higher education institutions in Romanian higher education system.

Keywords: marketing, strategy, product policy, military, higher education, Romania

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Introduction

The Romanian educational system, like the entire economy of last decades, faces more and more the requirements of the market economy, being affected by competition, by the process of adapting and aligning to the European standards due to the integration, and especially by the necessity to satisfy the consumers' needs whose demands have increased under the new conditions. Educational institutions are forced to change their attitude and behavior towards the public and the market, and they are going through a difficult restructuring process which is sometimes discrepant due to the restrictions imposed by the specific activity, by the regulated nature of the sector-in the case of military higher education institutions (Olteanu, 2007).

The military higher education system, as a part of the Romanian education system comprises military higher education institutions that meet, in the areas of competence, educational and research activities.

According to the current legislation, in Romania, the higher education system is financed by the state budget according to the number of positions for undergraduate training put up for admission and approved for each higher education institution and for each program of study. Apart from the allowance provided by the state budget, higher education institutions can also receive money from other sources like continuous training activities, grants, donations, sponsorship (Ilie, 2013).

The military higher education system provides training and professional development of military and civilian specialists through university studies organized on three levels: bachelor studies, master studies, PhD studies and other forms of training. Military higher education is being conducted in The Land Force Academy „Nicolae Bălcescu”, in the Air Force Academy „Henri Coandă”, in The Naval Academy „Mircea cel Bătrân”, in The Military Technical Academy, National Defence University „Carol I” and in The Military Medical Institute. The result of the training process consists mainly of officers and civilian specialists with skills in the fields of

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organizational management, economic and financial management, public administration, engineering, medicine, while the issued diplomas are valid in both military and civil environment.

Literature review

Marketing defines the term of product as any material or immaterial achievement, intended to meet a consumer's need (Ciucan, 2005).

According to Kotler and Keller (2008) a product is defined as anything that can be offered on the market to satisfy a desire or a need of consumers, evolving into five levels of hierarchy, from a potential product to the core benefit of the product, namely, the fundamental need that consumers satisfy by consuming the product or service. As for the services, they are defined as any action or operation that a party can provide to some other party and that is essentially intangible and does not result in taking possession of a thing. According to some specialists, services are intangible, indivisible, variable and perishable products that require a higher degree of quality control, supplier credibility and adaptability. Unlike products, the intangible nature of services is caused by the fact that they cannot be seen, tasted, touched, heard or smelled, prior to being purchased. Regarding the inseparability of services, they are produced and consumed simultaneously; the client is present when he benefits from the service, the customer interaction with the service provider being characteristic to services marketing. According to Kotler, the variability characteristic of services is given by their dependence to their supplier, the place and time of the exchange while their perishable nature is caused by the impossibility to store them (Kotler and Keller, 2008).

According to Rao (2007), services can be defined as intangible activities carried out by people or machines, in order to create the perception of value among consumers.

Usually, services are defined taking into account their intangible nature and the moment when the supplier and the consumer interact, the latter being advantaged after the exchange (Grönroos, 1994; Lovelock and others, 2004).

Services marketing has an interdisciplinary nature due to its interference with management and to its relationship to other fields, and it is characterized by unity in diversity, that causes the specialization and development of new marketing areas as well as by a high degree of complexity (Olteanu, 2000).

The product policy is based on the goals established by the institution, but it should also reflect the general trends present on the evolution of the market offer. These trends, as we mentioned before, refer to phenomena like the renewal and diversification of products, the quantity, the quality of the offer (Ciucan, 2005).

As a component of the marketing mix, the product policy adapts the institution to the market demands. This way, the institution will attract more clients and will keep them for a longer period of time and it will also formulate the options concerning the size, structure and characteristics of the products they offer (Anghel, 2004).

In a different approach, the product policy is defined as all actions through which goals are established, strategies are chosen, measures that dictate the institutions' behavior on the market are planned and conducted effectively, in order to dimension, structure and develop the offered services (Olteanu, 2000).

The product strategy reflects the options concerning the dimension, structure and dynamics of the product range/services offered by the institution (Balaure, 2002).

In the field of education, the corresponding marketing-the educational marketing, considers the development and promotion of a product or service, according to the needs and expectations of the target audience, of the society and according to the goals established by the educational institutions, the products in this field having an the intangible nature (Grigorut and others, 2011).

In the services field, the product appears as a fusion between several specific components, partially developed in a global product characterized by complexity and diversity, and based on the

interaction of components and on its effect - the utility perceived by the consumer (Olteanu, 2000; Radulescu, 2008).

Professor Balaure (2002) states three criteria for expressing product strategies:

- Size and structure of the product range with alternatives regarding assortments diversification, stability and assortment selection of products;
- The quality of products with strategic options concerning their qualitative alignment to market requirements, qualitative differentiation to existing offers as well as quality stability as a characteristic of the goods offered;
- The degree of product innovation, the institution having the alternative to maintain the originality, to improve the products or to assimilate new products.

The educational field approaches the product, namely, the graduates of the educational institutions that accede to the job market taking into consideration the activities conducted by the institution during the training period, starting with defining the specialties and study programs and conducting the teaching activities aimed at acquiring knowledge and skills but also the efforts of consumers. Product strategies in the field of education are stated based on criteria concerning the size of services range (existing fields of education, graduates' employers as well as the candidates for the admission exam), the quality level and the degree of innovation (fields of study, curricula, courses, manuals), the particularities being given by the characteristics of the market where the educational institutions activate (Olteanu, 2000).

Military higher education institutions need policies and strategies that can help them build an educational offer as competitive as possible.

According to the Romanian national education law, education is a service of public interest based on values, creativity, cognitive and will capacities and action-based capacities, fundamental knowledge and skills, knowledge and abilities of direct usage, in the profession and in the society.

Military higher education institutions as well as the specialties/programs of study offered are subjected to the regulations concerning quality assurance, including those related to authorization and accreditation, under the same conditions as civil higher education institution.

The organizational structure, the educational offer which contains the fields of study, number of places available for admission, the criteria for the selection of candidates for the military higher education institutions are established by the Ministry of Defense, according to the specifics of each weapon, specialty, level and form of organization of education.

The concept of marketing requires a new behavior of the producer and provider of educational services, its activities being carried out only according to the consumer's requirements, which challenges him not only in terms of knowledge of the external environment, but also because he has to permanently adapt to the changes within it (Bulat, 2012).

Product strategies in education are the paths followed by educational institutions in order to achieve their goals, grouped according to the size of the product range, its quality and degree of novelty (Olteanu, 2003).

Methodological notes

To investigate the role of the size of the product range in positioning military higher education institutions within the Romanian higher education system and within the educational services market, it has been taken into account statistical data related to the educational offer of the military higher education system between 2004 and 2014 as well as data concerning the fields of study on the three levels of education.

Based on these data there have been evaluated the dynamics of both military and civilian higher education institutions from Romania, the dynamics of the number of students, the share of military higher education institutions and military students in all universities and total number of students from Romania, in order to identify a convenient sizing for the educational services offer provided by the military higher education institutions.

Main findings of the research

The educational services approach in terms of marketing requires the orientation of educational institutions towards satisfying customer needs through the expressed marketing strategies that allow identifying interested consumers and adapting the educational offer so as to make it more attractive to them. The purpose of higher education institutions is to determine the needs, desires and interests of education consumers and to adapt the curricula in order to maintain or improve the consumers' long-term satisfaction (Diaconu and Pandelica, 2011).

Quality education is an essential condition in the Romanian higher education system, thus ensuring the necessary framework to provide knowledge, skills, qualifications and attitudes that could support competitiveness and further development of the human resource (RQAAHE Report, 2011).

According to data provided by the National Statistics Institute and to the reports presented by the Romanian Agency for Quality Assurance in Higher Education, the higher education system from Romania has experienced a significant change after 1989, at which time there were only 48 higher education institutions, all public. Their number reached 63 in 1993 and then 126 in 2000.

Since the academic year 1995/1996, the Romanian higher education system also comprises private universities whose number has increased from 36 institutions in that year to 60 private institutions at the moment.

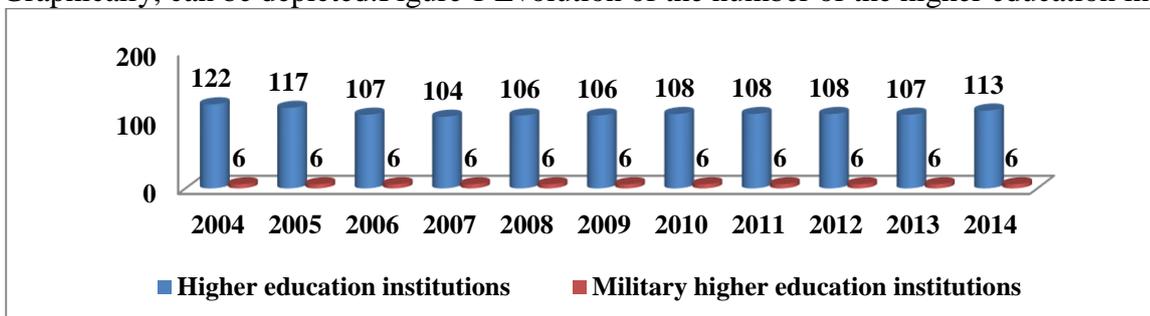
According to data posted on the official website of the Ministry of Education, the higher education system in Romania comprises 56 accredited state universities, 36 accredited private universities, 21 private universities accredited on a limited period and 5 private universities with temporary authorization that can only conduct studies at Masters level as well and post-graduate studies.

Table 1. Evolution of the number of the higher education institutions, between 2004-2014

Period	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Higher education institutions	122	117	107	104	106	106	108	108	108	107	113
Military higher education institutions	6	6	6	6	6	6	6	6	6	6	6
Military higher education institutions share	4.92%	5.13%	5.61%	5.77%	5.66%	5.66%	5.56%	5.56%	5.56%	5.61%	5.31%

(Source: National Statistics Institute)

Graphically, can be depicted: Figure 1 Evolution of the number of the higher education institutions



(Source: National Statistics Institute)

If the number of military higher education institutions has remained constant on the entire analyzed period, in the case of the university system as a whole, the dynamics of higher education institutions for the period 2004-2014 is shown in the table.

It appears that since 2006, the dynamics of higher education institutions has had positive values.

Table 2. Evolution of the dynamics of higher education institutions

Period	2014/ 2004	2014/ 2005	2014/ 2006	2014/ 2007	2014/ 2008	2014/ 2009	2014/ 2010	2014/ 2011	2014/ 2012	2014/ 2013
Dynamics of Romanian higher education institutions	-0,76%	-0,39%	0,68%	1,19%	1,07%	1,29%	1,14%	2,29%	1,52%	2,77%

(Source: Data processed using information provided by the National Statistics Institute)

In the *Functional Analysis of the higher education sector in Romania Report* (2011), the higher education system is presented as overly differentiated, especially at the undergraduate level, as compared to the needs and demand of educational services at this level. There are two major events that has influenced the demand for graduates in the labor market:

- Broader contexts in which graduates operate upon graduation, higher education institutions having the mission to provide them opportunities to understand complex and various aspects and domains;
- The rapid development of knowledge as well as applying it in the production of all goods and services and the quick evolution of technology generate situations that cause some methods and techniques taught in universities to be already outdated at the time the students reach the labor market, or very soon afterwards.

The report concludes that employers want a multilateral and flexible education, which gives employees the ability to quickly acquire new skills when needed, aspect which requires that universities, and therefore military higher education institutions have to adapt the educational offer in response to the requirements of labor market and consumers of educational services, potential candidates and students.

Table 3. Comparison between the total number of students and the number of military students

Period/Number of students	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Higher education institutions students	650335	716464	785506	907353	891098	775319	673001	539852	464592	433234
Military higher education institutions students	1220	1193	2785	4233	5252	6176	6525	6871	6584	6746
Share of military higher education institutions students	0.19%	0.17%	0.35%	0.47%	0.59%	0.80%	0.97%	1.27%	1.42%	1.56%

(Source : National Statistics Institute, Ministry of National Defence)

According to data provided by the National Statistics Institute, between 2004 and 2014 the number of students enrolled in higher education institutions in Romania had an upward trend until 2007, from 650335 students in 2004 to 907353 students in 2007. However, in the next period, the number of students began to decrease, reaching 433,234 students in 2013.

Moreover, the number of students enrolled in the academic year 2011/2012 at the undergraduate level is about 40% less than the number of students enrolled in the academic year 2007/2008, namely, 539852 students for undergraduate studies. In the same academic year there were enrolled 128669 students for master's studies and 23540 for PhD studies.

By processing the statistical data provided by the National Institute of Statistics for the period 2004/2013, it has been noticed that the dynamic evolution of the number of students in the Romanian higher education system registered an annual average of -4.41%, the number of students decreasing from 650335 to 433234.

In the military higher education institutions, the dynamic evolution of the number of students is trending upward, the average annual growth rate being 20.93%.

In order to establish the educational figures submitted for approval for bachelor, master and PhD studies, the following criteria are taken into account:

- estimated number of high school graduates with baccalaureate diploma in the current year and in previous promotions;
- increasing the quality of curricula and insertion of graduates in the labor market;
- increasing the competition in the process of selection of candidates in state higher education institutions;
- increasing the efficiency of educational services at university level;
- respecting the commitments taken under the Europe 2020 strategy concerning the tertiary education indicator;
- the educational offer of higher education institutions for Bachelor, Master and PhD studies;
- stimulating the involvement of the academic community in the exploration of social and economic demands for university qualifications, in the organization of student flows and study programs based on these requests, so as to considerably enhance the contribution of higher education in the process to accelerate or even direct changes in our society;
- the proposals submitted by the NGOs, diplomatic missions of Romania for Romanian citizens, of Romanian ethnic origin, with residence abroad and foreign citizens;
- results obtained by studying the insertion of young graduates(20 to 30 years) in the labor market at the request of the Ministry of National Education.

By decision of the Government there are approved the structure of both state and private higher education institutions, the specialties/study programs accredited or provisionally authorized, the form of education and teaching language, as well as the maximum number of students that can be educated.

According to some studies, in the 2010/2011 academic year, the universities from Romania were offering 2562 study programs for Bachelor studies (*Functional analysis of the higher education sector in Romania*). In comparison, military institutions of higher education included a total of 34 study programs in the educational offer for the same period, their share in the total study programs being 1.32%.

Some specialists in the field (Grigorut and others, 2011), define the concept of study program as being the amount of design, organization, management and effective implementation of education, learning and research in a certain field activities that lead to obtaining an academic qualification.

The educational offer of the military higher education institutions has targeted educational services consumers through educational programs at all academic levels: bachelor, master and PhD studies, between 2005-2014 with an upward trend and the following dimensions:

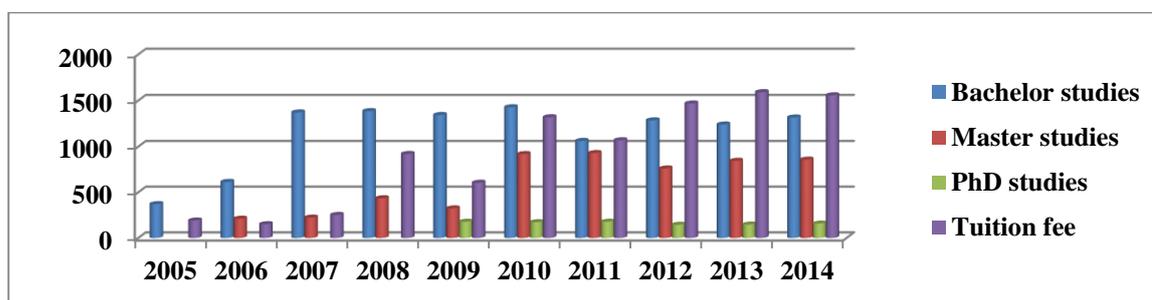
Table 4. The educational offer of the military higher education institutions, between 2005-2014

Period/Level of study/Numbers of places for admission	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total educational offer	370	823	1592	1818	1842	2516	2167	2188	2229	2329
Tuition fee	190	150	251	919	604	1318	1068	1467	1590	1556
Bachelor studies	370	613	1370	1384	1342	1426	1061	1284	1239	1315
Master studies		210	222	434	323	918	929	760	844	857
PhD studies					177	172	177	144	146	157

(Source: Ministry of National Defence)

Analyzing these data reveals that military higher education institutions have increased their educational offer, the number of places available for admission reaching the maximum value in the academic year 2008/2009 while the number of places available for admission at PhD studies has remained constant.

Figure 2. The educational offer of the military higher education institutions, between 2005-2014



(Source: Ministry of National Defence)

The dimensioning of military higher education offer was made according to the educational demand on the market, variations in time and the perishable nature of the offer in comparison to the anterior periods of time.

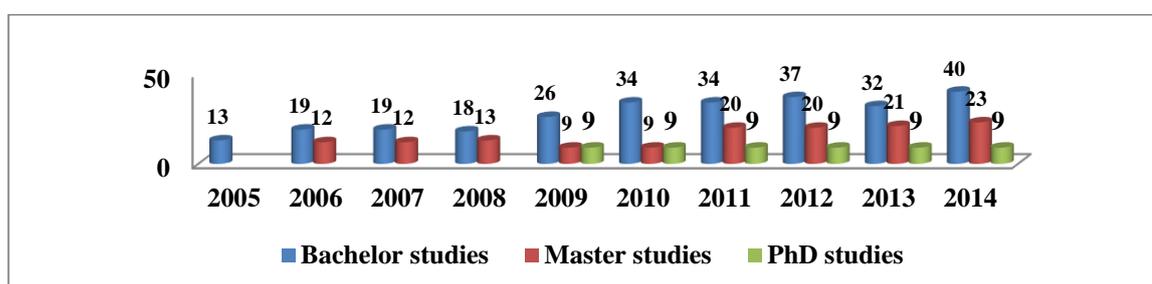
The military higher education institutions have included in their offer places for self-paid studies, these attending only the matters that are necessary for obtaining the Bachelor degree, without attending to the military courses.

As a response to the consumer's request interested in educational offer for self-paid studies of the military higher education, we can notice a good dimension regarding the number at the admission exam.

The presented information shows that the number of self-paid studies from military higher education increased from 190 for the 2005/2006 academic year, which represents 51.3% from the education offer in that academic year, and reaching up to 1556 for the 2014/2015 academic year, which represents 66.8% from the education offer, annual average rate of variation being 26.32%.

The study programs offered by the military higher education institutions are tailored to the needs and requirements of the military system and civilian beneficiaries. The evolution of the number of study programs/specialties on levels of study, presented graphically, has shown an increase at the bachelor's studies level from 13 study programs in 2005 to 40 programs of study in the academic year 2014/2015.

Figure 3. The evolution of the number of study programs, military higher education institutions



(Source: Ministry of National Defence)

The educational offer of the higher education system in Romania, between 2004 and 2014, reflected in the approved educational figures, has recorded small differences from one year to another, namely, an average annual growth rate of 0.52% for bachelor studies, 7.82% for master studies and 9.23% for PhD studies.

Table 5. Comparison between the educational offer of the national higher education system and the military higher education system

Level of study	Bachelor studies			Master studies			PhD studies		
	Number of places, military higher education institutions	Share of military higher education institutions	Total number of places at national level	Number of places, military higher education institutions	Share of military higher education institutions	Total number of places at national level	Number of places, military higher education institutions	Share of military higher education institutions	Total number of places at national level
2014/2015	1315	2.04%	64500	857	2.41%	35600	157	5.23%	3000
2013/2014	1239	1.99%	62400	844	2.37%	35600	146	4.87%	3000
2012/2013	1284	2.06%	62400	760	2.13%	35600	144	4.80%	3000
2011/2012	1061	1.69%	62850	929	2.61%	35600	177	5.06%	3500
2010/2011	1426	2.28%	62414	918	2.59%	35510	172	4.87%	3530
2009/2010	1342	2.14%	62600	323	0.92%	35000	177	5.06%	3500
2008/2009	1384	2.23%	62060	434	1.24%	34871			3000
2007/2008	1370	2.39%	57216	222	1.17%	18979			1685
2006/2007	613	0.99%	61900	210	1.45%	14500			1480
2005/2006	370	0.60%	61325	152	0.79%		19200		
2004/2005	222	0.36%	61220	54	0.32%		16766		

(Source: Ministry of National Defence, National Statistics Institute)

In the analyzed period, military higher education institutions have recorded a dynamics of 19.5% for the number of available places approved for bachelor studies and a dynamics of 31.8% in the case of master studies. At the beginning of the period, the educational offer was smaller, due to the overlap with the final year (year V of study) of the promotions that began studying prior to the implementation of Bologna requirements.

In the 2014/2015 academic year in the Romanian higher education system both state and private there have been approved 2711 study programs for bachelor studies, namely, 2213 study programs for state universities and 498 study programs for private universities as well as 2900 study programs for master studies divided as 2572 study programs for state universities and 328 study programs for private universities.

Military higher education institutions conduct in the academic year 2014/2015 39 study programs for bachelor studies with a share of 1.4% in the national higher education system as well as 28 study programs for master studies with a share of 0.96%

Conclusions

In Romania, the Law of National Education guarantees university autonomy, the higher education institutions having the right to establish and implement their own policies for developing the educational products offered within the general provisions of the law and, under the coordination of the ministry, it regulates the structure, functions, organization and operation of the national education system.

The national higher education system comprises 113 institutions, the accredited ones being evaluated and classified in: universities of advanced research and education (12), education and scientific research universities (22), education and artistic creation universities (8) and universities focused on education (48).

All military higher education institutions are positioned in the second category of universities in Romania, namely, universities of education and scientific research.

In the Romanian higher education system as a whole, military higher education institutions have a low share, namely, 5% of all higher education institutions.

The analysis of data provided by the National Statistics Institute has revealed a downward trend in the number of students in Romania, namely, the number of students enrolled in the first year of study in the academic year 2014/2015 is 48% lower than the one for the academic year 2007/2008. The probable cause for this decrease could be the lower number of pupils as well as the

low high school and baccalaureate graduation rate (in the 2009/2010 year the graduation rate was 63.4% while in 2013/2014 it descended to 46.3%).

In the military higher education system the total number of students increased 5.5 times from 2004 to 2014, from 1,220 students in 2004/2005 to 6746 students in 2014/2015.

In the analyzed period, the educational offer of the military higher education institution has increased from 370 positions in 2004 to 1315 positions in 2014, registering an average annual variation rate of 19.5%.

The development and implementation of study programs compatible with those of the universities in the Romanian higher education system, or with those of similar institutions in other countries has lead to an advantageous positioning of military higher education institutions on the educational services market and increases the satisfaction of their consumers. In order to accomplish the goals established, the military higher institutions must adopt a strategy that implies orientation towards the consumers namely, knowing, anticipating and satisfying of their needs through the offered products.

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