

DIMENSIONS OF THE ROMANIAN PRIVATE HIGHER EDUCATION INSTITUTIONS MARKET

Laurențiu STOENICĂ¹ WSR: AAH-2600-2019

Andrei BUIGA² WSR: AAH-2596-2019

Abstract: *The study presents the dynamics of the higher education market in Romania, a market in which the private higher education institutions are positioned so as to attract and maintain the consumer public of the offered educational services. The dynamics of the Romanian economy of the last decades as well as the technological development have stimulated the educational market and determined the orientation of the higher education institutions towards the educational needs of the public. The permanent confrontation with the demands of the educational market, of the consumers, requires the higher education institutions to analyze the market, research and identify its evolution, anticipate the trends for the future periods, so that the decisions are made. The market structure, its dimensions, evolutions over time, generate the overall picture of the market of private higher education institutions, the general framework to which they relate in relation to the environment in which they evolve. The dimensions of the phenomena manifested on the education market restore the capacity of the market, their knowledge being necessary in the elaboration of market strategies of the private higher education institutions.*

Keywords: market, private higher institutions, marketing,

JEL Code: I21, I23, M31

Introduction

The study presents a current analysis of the higher education market as a whole and its consumers, identifying particularities of the segment represented by the private higher education institutions, as well as their dimensions, evolution and positioning.

The Marketing Dictionary (Mâlcome et al., 1979) shows that the market is an economic category of the production in which all the economic relations that appear in the sale-purchase process find their expression, it represents the economic sphere in which the production appears as an offer and the social needs of consumption in the form of demand, understanding through the concept of market the scope of confrontation at a given moment of supply and demand for a certain good or service. The Explanatory Dictionary of the Romanian Language (2009) defines the market as a specially arranged place where there is retail trade, especially with agri-food products, or, in an economic approach, the market represents all the relations generated by the sale-purchase acts.

Marketing is defined as a set of activities of research, promotion, distribution, in order to make available to the consumers services adapted to their needs better than those offered by the competitors, at more convenient prices, activities carried out in conditions of profitability, being at the center of consumer concerns, both current and potential (Gherasim and Gherasim, 2009).

The market is a set of opportunities but also of constraints, restrictions, the dimensions of the activities of the institutions being influenced by the way of integration in the market relations, by confronting with its requirements (Florescu et al., 1992), the economic phenomena that give

¹ Lecturer PhD., ARTIFEX University of Bucharest, laurentiustoenica@yahoo.com, 0739950571

² Associate Professor PhD., ARTIFEX University of Bucharest

them the outline are commensurable, examined in connection with the space and time in which they take place (Florescu and Patriche, 1973).

Characterized as a complex system (Enache, 2012), the educational services market comprises both public and private institutions, which are becoming increasingly visible, which makes it necessary to rethink the marketing perspective of educational services in the public sector (Răboanțu and Bălăcescu, 2013), the impact of demographic, social, political factors leading to changes in the consumers' attitude, in the structure and evolution of the market (Enache, 2012).

Building and maintaining the image and prestige, attracting resources to a level that allows the development of both the products and services offered, but also of the personnel and infrastructure available to them, attracting and satisfying the requirements and needs of the consumers, are problems faced by the private higher education institutions.

The market orientation of private higher education institutions implies the development of an organizational culture in which all staff is dedicated to clients and adapt in a timely manner to meet their changing needs, combining dedicated culture to provide higher value to the consumers of the educational services offered through the study of the market, market competition and cross-functional coordination, all of which actually meaning the implementation of the marketing concept (Webster et al., 2010).

Literature review

The market is defined as a category of the exchange economy, which, according to the general economic theory, designates a system of sales-purchase relations between the contracting parties - the suppliers of goods and services and their consumers, united on the one hand by interdependence relations, and on the other hand being in opposition relations, each pursuing their own interests (Florescu et al., 2003).

The authors develop the definition by highlighting the market concept as a main component of the external environment to which it refers and within which the institutions evolve, its quantitative, qualitative, structural and spatial dimensions, measurable by different modalities and instruments, show the extent and conditions in which activities are carried out (Florescu et al., 2003).

The market research considers the reception of the signals transmitted by the market in a systematic way, perceived as deviations from its normal course, external forms of manifestation of phenomena, examined in connection with the space and the time in which they take place, the marketing activities referring to market dimensions. The dynamic analysis of the market shows that its evolution accumulates quantitative and qualitative changes (Florescu and Patriche, 1973).

From the point of view of a marketing approach, the market is constantly evolving, generated by the action of technological, demographic, social-political, cultural, institutional factors, acquiring qualitative and quantitative dimensions (Ștefănescu, 1995).

According to Grigoruț et al. (2011), the market of educational services represents that consistent and coherent set of educational components that are constituted in a national system or network, offering the members of the society the resolution and/or the satisfaction of needs, interests, desires, individual or collective level searches. The market of the company expresses the relations that are formed between the own offer, made up of one or more products (services) and the demand for them (Balaure et al., 2002).

Bulat (2010) considers that gaining a competitive advantage on the market of educational services is determined by the positioning of higher education institutions so as to offer higher value to consumers, by promoting educational programs that meet the demands of the public and employers, by practicing lower prices, or additional services that justify a high price.

The market structure derives from the heterogeneity of the products and services as well as from the diversified needs and requirements of the consumers, and the analysis of the market structure is done through the segmentation activity that allows to establish a degree of homogeneity

of the consumers, the analysis of the available resources and the marketing efforts to serve each segment, and finally, adopting the decision on the target segments that will react to the proposed offer (Filip, 2010).

The definition of the educational market in which private higher education institutions operate in Romania has as a starting point the market relations, the dimensions of the promoted educational offer and the existing demand for higher education. An analysis of the market of higher education services and its consumers, requires the identification of its particularities, as well as the dimensions, evolution and positioning of the private higher education institutions.

Market capacity is defined according to Ștefănescu (1995) by the total demand for a product or service, the market need for that product.

Dimension of the market of the higher education institutions, the effective capacity of the higher education market consists of the volume of the enrollments for one or more study programs, respectively number of students registered in a certain period of time, the beginning of the academic year. Its measurement is performed with the following indicators: the volume of the request; the volume of the offer; the volume of entries for the admission contest; the number of students enrolled (Grigoruț et al., 2011).

The potential capacity of the market represents the maximum volume of registrations by specialization / study programs and by faculties during the admission period. This is strictly dependent on the number of relative non-consumers, those who currently do not express the option for one of the higher education institutions for different reasons, but who can become effective consumers of the university study programs. Specific indicators: the absorption potential of the education market; the number and structure of the relative non-consumers (at local, regional and national level) (Grigoruț et al., 2011).

The market share is defined by Grigoruț et al. (2011) as the relative size of the market capacity, the part held by the higher education institution on the national market of university education. The weight of the market share depends on: the human potential of the organization; its material and financial potential; the intensity of the competition that is manifested in the market, all these factors having a relative weight in terms of the power of influence on the growth, maintenance or decrease of the market share of the higher education institution.

Regarding the market area, Grigoruț et al. (2011) present the concept as the spatial dimension, which aims at locating in the territory of the actions of the educational institution (promoting the study / specialization programs and the faculties within the university, etc.), the exact knowledge of the advantages over offering them one area or another is important for launching the promotional mix. Market potential as well as market share are important indicators for private higher education institutions, on the basis of which they can develop strategies and forecasts.

According to Drăgan and Demetrescu (1996) the market potential measures the market's ability to absorb a product in a given period of time, a concept dependent on economic, technological, social, cultural factors, in the case of the educational market there are also demographic factors.

The dimensions of higher education in Romania are modeled on the basis of the Bologna Declaration, the common objectives established since 1999 considering the formation of the European space of higher education, heterogeneous environment due to cultural and legislative differences between states as well as within the same state, as well as due to the different profile of the higher education institutions and the way of responding to the influencing factors (Băcilă, 2013).

Main findings of the research

The study has proposed that, based on secondary data, to provide results corresponding to the evaluation of the status of the system of private higher education institutions at the level of one

academic year, 2018/2019. So, at the level of the academic year 2018/2019, the national system of higher education comprised 92 institutions of higher education, within which 545 faculties worked. Private higher education represented 40% of the higher education institutions and 25.5% of the total faculties.

For the period between 1990 and 2018 the average annual rate of evolution of higher education institutions in Romania was 2.35%, which means that in the period 1990-2018 the total number of higher education institutions had increased on average by 2%. The segment of public higher education institutions recorded an average annual rate of evolution of 0.49%, while, in the same period, the segment of private higher education institutions recorded an average annual rate of evolution of 0.09%.

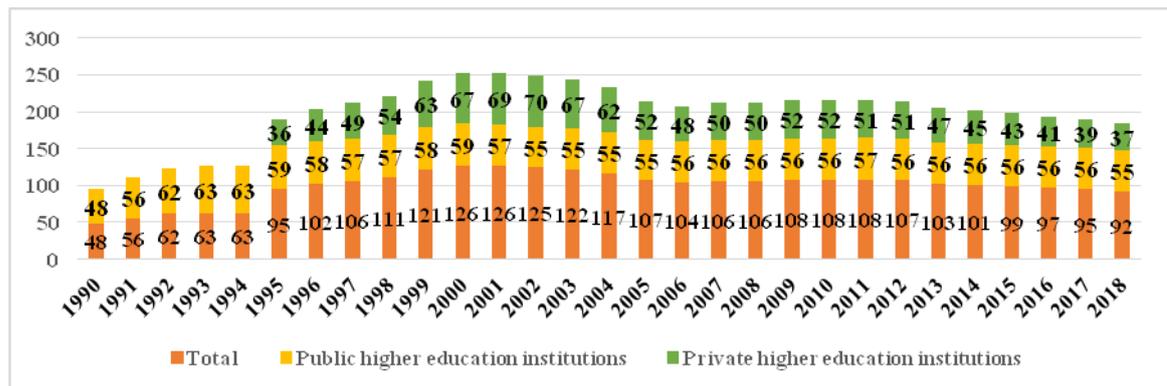


Figure 1. Evolution of the private higher education institutions from 1990 to 2018

Source: National Institute of Statistics

It is obvious that the evolution of higher education institutions has experienced a growth period, from 1990 to 2001, followed by a decrease and then constant evolutions. For private higher education institutions between 1995 and 2003, the average annual rate of evolution of higher education institutions in Romania was 9.97%, which means that the number of private higher education institutions increased on average by 10%, and between 2003 and 2018 the average annual rate of evolution of higher education institutions in Romania was -3.87%, which means that starting with the academic year 2003/2004 the number of private higher education institutions decreased on average by 4%. In the academic year 2018/2019 were operating only 37 units of education, representing 40.22% of the total of higher education institutions in Romania.

Most higher education institutions are based in the main university centers across the country. In the academic year 2018/2019, 32 universities with 158 faculties, from which 95 public and 63 were private ones were operating in Bucharest, 9 universities with 49 faculties in Cluj-Napoca, 7 universities with 43 faculties in Iasi, and 6 universities with 38 faculties in Timisoara.

The territorial distribution of the network of private universities follows the same distribution as that of the public sector, concentrating in the same university centers with the public higher education institutions. Thus, in the municipality of Bucharest in the academic year 2018/2019, 15 particular universities were operating, in Iasi and 2 universities, in Cluj-Napoca 3 universities and in Timisoara 2 private universities.

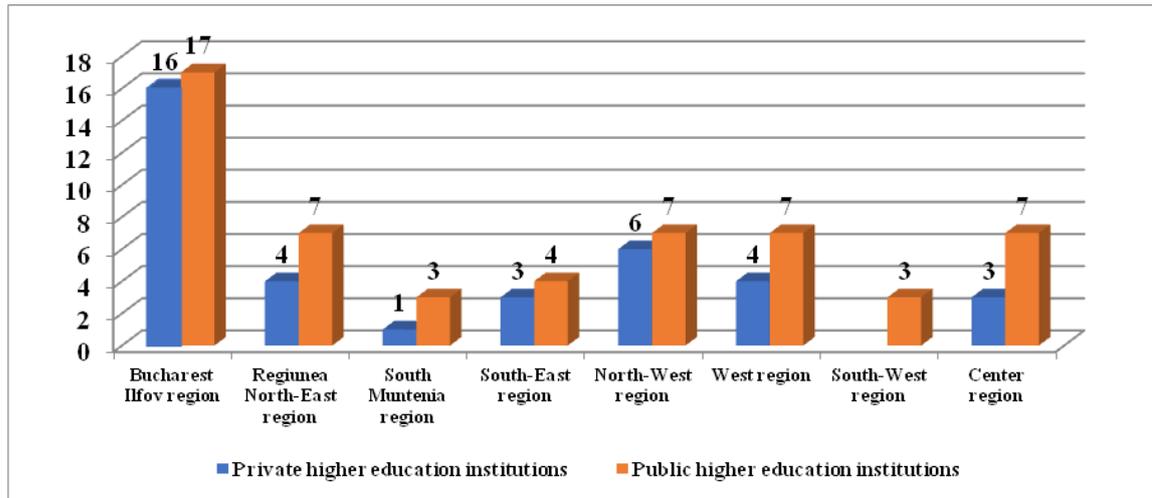


Figure 2. Distrubution of higher education institutions based on development regions, academic year 2018/2019

Source: National Institute of Statistics

It is noted that the highest proportion of private higher education institutions and students enrolled in these institutions is registered in Bucharest, which comprises over a quarter (28.5%) of the faculties and almost a third (31.4%) among students.

The share of private higher education institutions registered a continuous increase during the period 1995 - 2003, from 37.89% to 54.92% of the total of higher education institutions from Romania, following that between 2004 and 2018 the share of private higher education institutions will decrease steadily to 40%.

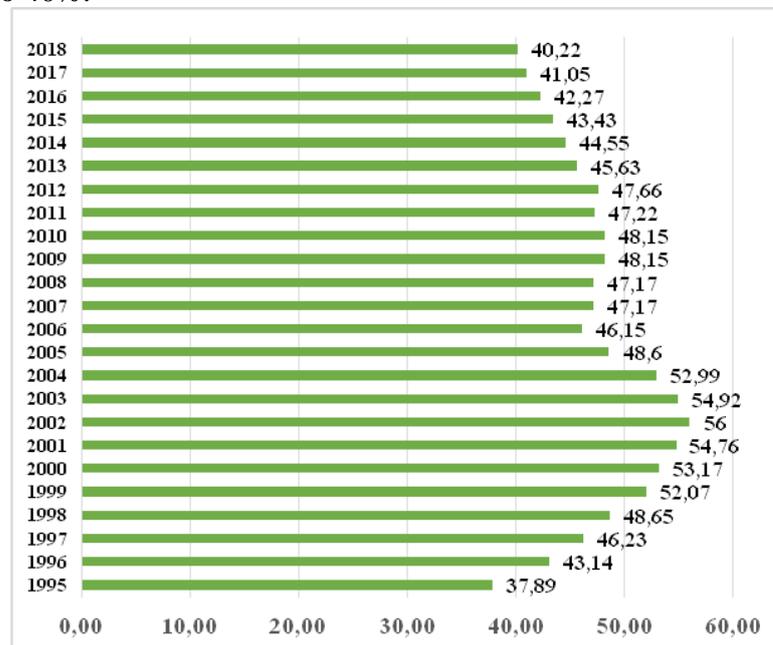


Figure 3. Share of private higher education institutions in the 1990 – 2018 period

Source: National Institute of Statistics

Implementation of a rigorous system for evaluating the quality of the activities of higher education institutions has led to a decrease in the number of private institutions.

The decrease in the number of universities and private faculties determined a downward trend of the total number of universities and faculties in Romania, the market of higher education institutions becoming more and more competitive.

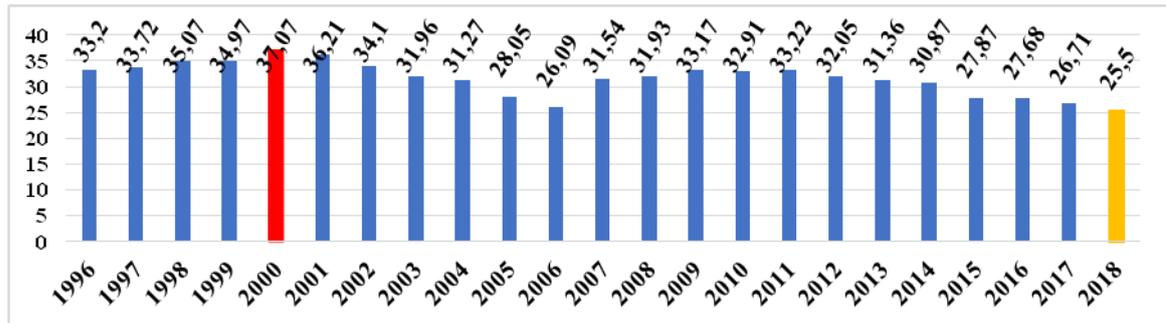


Figure 4. Share of private higher education institutions in the 1996 – 2018 period
 Source: National Institute of Statistics

At the level of the academic year 2018/2019 the structure of the higher education market shows that the public sector is the majority compared to the private sector, the private higher education institutions having a share of 40.22% of the total existing institutions on the market.

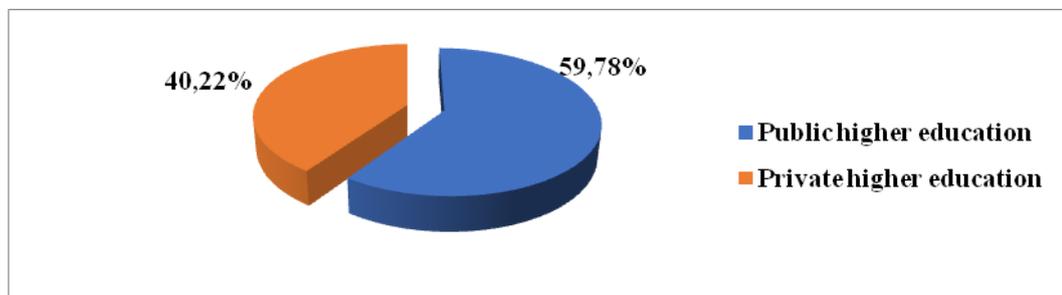


Figure 5. Educational market structure in the academic year 2018/2019
 Source: National Institute of Statistics

At the level of private higher education, there was a decrease in the number of students in the bachelor's degree, thus, if in the 2008/2009 academic year the share of students in the private education attending the undergraduate studies, of the total students was 46.1%, in the academic year 2011/2012 decreased to 26%, in 2018/2019 reaching 13.4%.

Between 2008 and 2018, fewer enrollments were registered in the private higher education system, at the bachelor's level the number of students enrolled decreasing by almost 360 thousand, from 410859 (in 2008) to 54179 (in 2018).

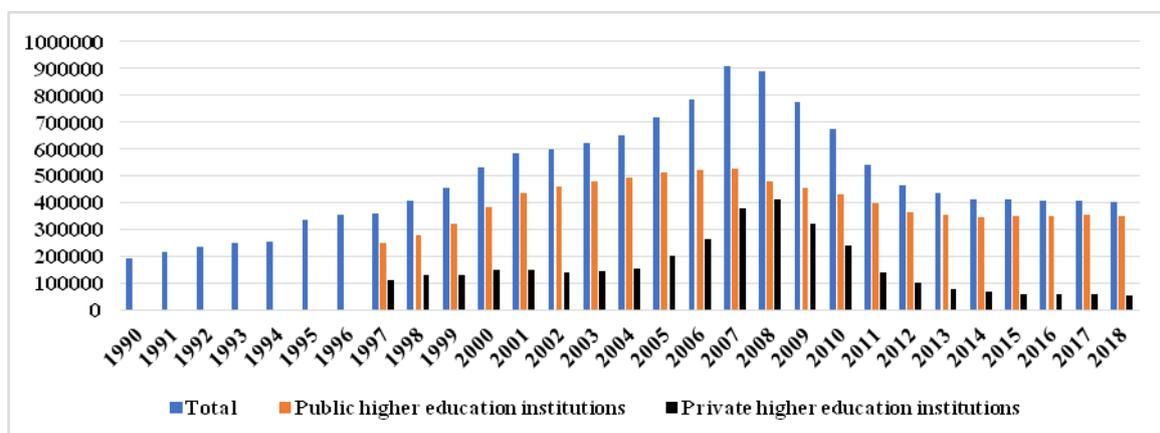


Figure 6. Evolution of enrolled students in bachelor's degrees per total and per property forms in the 1990 – 2018 period
 Source: National Institute of Statistics

The market share of private higher education in Romania has evolved significantly since 1990. Determined at the beginning having the reference to the number of students and related to the value of this indicator at the level of the national higher education system, the market share of private higher education in the academic year 1997-1998 was 30.7%. At the time of graduation of the first promotion since the implementation of the Bologna Process, in the academic year 2008-2009, the market share of private higher education, in this case established by relating the number of students in private higher education to the total number of students in the national higher education system, registered a much higher value (46.1%) due to the increase of the number of students enrolled (410859 in private higher education) compared to the total number of students in Romania, which is expanding (480239 at national level).

Data provided by the National Institute of Statistics show that the rate of enrollment in education of young people between the ages of 19 and 23 has increased from 10.6% in the academic year 1990-1991 to a maximum of 85.2% in the year 2010-2011 academic year, in the following period the tendency is decreasing, even though fluctuations are registered from year to year, reaching 67.6% in the academic year 2017-2018.

In the academic year 2018/2019, 533.8 thousand persons were registered in the higher education institutions in Romania, with 5.1 thousand less than in the academic year 2017/2018, 87.67% in the public higher education institutions and 12.33% in private higher education institutions.

After a period of slight increases, constant evolutions from year to year, followed by accentuated increases between 2004 and 2008, the value of the ratio between the number of students and that of the teachers in the private higher education institutions decreased, from the maximum 84.12 students/teacher in the academic year 2008-2009, reaching 21.15 students/teacher in the academic year 2018/2019.

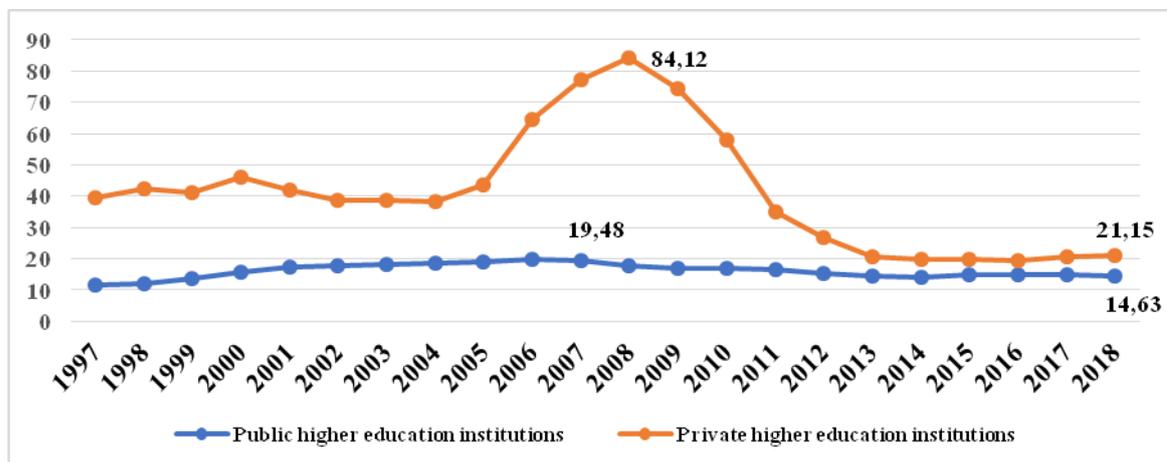


Figure 7. Evolution of the students/teachers ration at bachelor's level from 1997 to 2018
 Source: National Institute of Statistics

In the private higher education, the evolution was different from the public education, registering the sharp decrease from an average of 84 students/teacher in the academic year 2008/2009, to values of about 20 students/teacher in the last years, the evolution indicator showing the increase of the quality of the educational process in these institutions.

Analyzing aspects regarding the presence of higher education institutions in Romania in the international rankings, Webometrics Ranking of World Universities 2019 includes in the first 1000 positions, Babeş-Bolyai University (position 881) and the University of Bucharest (position 1039).

According to the Webometrics Ranking of World Universities, private higher education institutions are positioning themselves on the market of higher education in Romania starting with the 23rd position in the ranking, respectively the 3393 position in the world.

Conclusions

The unfavorable demographic context, the decreasing evolution of the graduation rate of the baccalaureate examination, the competition of the public higher education institutions, are some important aspects that require the particular higher education institutions to carry out the educational process at an increased qualitative level, an acceptable level of the quality of the special positions public ones, the perceptions of the consumer public for the educational products and services offered by registering impairments.

The implementation and operationalization of marketing in the private higher education institutions ensures efficient ways of influencing the consumers of educational services, through actions to promote the educational products and services, stimulating the demand for them.

The trends manifested by the indicators presented in the study, the particularities of the private higher education, determine the specificity of this segment of the educational market. The alternation of periods of consumer surplus, students enrolled, with some deficits, gives the complexity and dynamics of the educational market.

Confronting the demands of the education market, with the needs, desires and expectations of consumers, requires the higher education institutions to constantly analyze the market, research and identify its developments, anticipate trends for future periods, so that decisions can ensure a positioning so as to attract and maintain the consumer public of the educational products and offered services.

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