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Theoretical Basis of Relationship Marketing of Ukrainian Higher Education Institutions

Abstract

The main purpose of the article is to provide a thorough theoretical consideration of the concept of relationship marketing management of higher education institutions in modern conditions. The authors aim to define the theoretical foundations of this concept by analysing different approaches to its definition by different scholars, and to highlight the prerequisites for the formation of the concept of relationship marketing management in higher education institutions. In the article the authors consider in detail the nature and theoretical foundations of relationship marketing in Ukrainian universities. The paper highlights the prerequisites for the formation of the concept of relationship marketing management in Ukrainian higher education institutions. Particular attention is paid to the context of relationship marketing management in the context of the crisis in Ukraine due to the COVID-19 pandemic and the military conflict. The publication explores how these challenges affect the implementation of the relationship marketing management concept and considers key management strategies in this context. The article pays special attention to the study of the impact of digital transformations on the management of relationship marketing in Ukrainian universities. The authors analyse how the introduction of digital technologies creates new opportunities and challenges for relationship marketing management in higher education, especially in times of crisis. Based on this analysis, the authors propose an improved definition of the term "relationship marketing management of a higher education institution". They see it as a continuous process aimed at creating and sustaining value for all participants in this interaction. This improved definition takes into account the strategic orientation of relationship marketing management, which recognises the important role of universities in society. Furthermore, the article discusses the key actions required for the successful implementation of relationship marketing management in universities. The research proposes a classification of participants in the interaction of universities in the process of managing relationship marketing, distinguishing the categories of responsible actors, business partners, observers and regulators. This classification helps structure the university's interaction with various stakeholders and define their role in the context of relationship marketing management.

Keywords

higher education,
marketing management,
relationship marketing,
stakeholders

JEL: A2, M31, I230, I250

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1 Introduction

Despite a series of political, economic and social crises, higher education remains one of the main levers of civilisational progress, economic growth and European integration of Ukraine. The higher

education sector of Ukraine has accumulated a number of systemic and global problems: inefficient management and financing, excessive commercialisation of educational services (Pashkov, 2021). During the period of full-scale invasion of the Russian Federation, the existing problems



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were aggravated by the significant destruction of educational infrastructure, migration phenomena, inequality of access to educational services and a decrease in their quality, etc. Such conditions call for systemic reforms of the higher education system aimed at building a system of quality, competitive and affordable education that meets the needs of students and the labour market, the requirements of sustainable innovative development of society and communities, the needs of the modern economy, European dimensions and standards. As quality education is most at risk in times of conflict and crisis, the new global education agenda, Education 2030, places a strong emphasis on this reality and calls on countries to implement policies and strategies to ensure the right to quality education regardless of circumstances (UNESCO, 2016). It should be noted that the consideration of crisis phenomena in the educational process changes over time and depending on the events that lead to them. Educational crises and responses to them can arise for various individual and systemic reasons (Berbyuk Lindström et al., 2023). In the context of war, the management of a higher education institution and the processes of managing its marketing relationships take place in an atypical crisis, when a new long-term crisis caused by other extreme conditions arises at the stage of adaptation to the external environment. At the same time, the current reform of the Ministry of Education and Science of Ukraine aims to make Ukrainian higher education more accessible and equitable, and the government intends to motivate students currently studying abroad to return to Ukraine, with plans to improve the quality of education in Ukrainian higher education institutions and create conditions for graduate employment.

Thus, in the context of crisis and transformation, higher education institutions, like any other service organisation, are forced to respond quickly to dynamic changes in their interaction with stakeholders (students, staff and faculty, industry clusters, administrators, government, etc.), which in the digital economy transcend geographical boundaries. There are significant changes in the means of communication, market disposition and behaviour of participants in marketing relationships (Hoekstra & Leeftang, 2020). The current scientific literature discusses new marketing efforts of organisations and includes in-depth consideration of the problems of relationship marketing management in higher education, but uneven changes in the organisation and implementation of the educational process in the global dimension require adaptation of theoretical concepts, clarification of certain definitions and development of a theoretical framework specifically for Ukrainian realities in the field of relationship marketing management in higher education institutions (HEI).

2 Prerequisites for the Formation of the Concept of Relationship Marketing Management in a HEI

Each of the marketing concepts focuses on a particular aspect, for example, the main task of relationship marketing is to create and develop long-term profitable relationships with consumers. As an independent direction, the concept of relationship marketing originated in the 1980s, when the key question was raised about the cost of acquiring a new customer versus retaining an old one, but by the mid-1990s the marketing-mix approach to the relationship concept was considered too limited (Grönroos, 1990, 2000). Many researchers agree that Scandinavian companies pay much more attention to relationship marketing than in other European countries or the US, and that there is a paradigm shift away from traditional transactional marketing. The rapid expansion of the service sector, characterised by a sharp decline in the role of production, shifts the emphasis to marketing interactions, and the marketing mix approach is no longer sufficient to meet the requirements of the marketing concept (Gummesson, 1995, 2000). Representatives of the North American school (Morgan & Hunt, 1994) were the first to study the theory of trust and reciprocity in marketing interaction in detail and comprehensively, and to point out that trust and reciprocity are the basis for developing effective, mutually beneficial relationships in marketing. The term relationship marketing is extended by introducing the idea of exchange relationships as opposed to an exchange transaction, based on the ideas of economic and behavioural theories and political economy. However, the common idea is the need to focus attention on interaction as a factor contributing to the development of market relationships. In this concept, exchange participants are not only guided by rational economic goals, but also "engage in relational market behaviour through personal, social and institutional influences". Some authors (Sheth & Parvatiyar, 1995) believe that in order to improve a company's marketing activities, it is necessary to apply "internal marketing" by involving all employees in the development of customer relationships. Gummesson (1994) recognises that relationship marketing primarily values customers and emphasises the mutual exchange and fulfilment of promises for the benefit of the parties involved. It is this definition that allows to identify, among the stakeholders of a higher education institution, those who should benefit from the relationship. This study focuses on discussing the need for an integrated relationship marketing management system in higher education, based on the principles of mutual exchange and fulfilment of promises, and therefore the definition of relationship subjects.

At the same time, Zineldin (1995) argues that institutions are now prioritising the assessment of stakeholder relationships and focusing on relationship marketing strategies to add value to their products. At the same time, it is argued that all relationships depend on the development of emotional connections between the parties, and four key dimensions of relationship marketing are identified: connection, empathy, reciprocity, trust and tangibility (Chris & Graham, 2007). Patrick E. et al., (2007) also emphasise the ethical component of relationship marketing. The virtue ethics approach is conceptual as it provides insights into relationship marketing management from both an American and European perspective. The proposed ethical relationship marketing has three stages (establishing, maintaining and strengthening), combined with certain virtues (trust, loyalty and diligence), which can be taken into account in the formation of the theoretical concept of relationship marketing management of a higher education institution at this stage. It should be noted that most studies still focus only on the relationship with the consumer, while the field of relationship marketing management of HEI almost does not focus on the retention of the consumer and building his loyalty, or at least measuring this loyalty using completely different indicators.

3 Subjects of HEI Relationship Marketing and Peculiarities of Their Interaction

The diversity of scientific schools has led to the emergence of multiple interpretations of relationship marketing, but in order to form the conceptual basis of a separate field in higher education management, it is important to understand what kind of relationships are the subject of research and management. In recent years, theoretical aspects of relationship marketing management have been developed, including in higher education, reflecting the interdependence between the subjects of the educational process, society and the economy in a global dimension (Jongbloed et al., 2008). Helgesen (2008) defines relationship marketing in higher education as a set of activities aimed at attracting, motivating and enhancing relationships with stakeholders. According to Khashab et al., (2020), universities and institutions aim to achieve this by planning, identifying, prioritising and engaging stakeholders through continuous interaction.

In addition to the classic marketing issues of interaction with consumers, who in the case of an educational institution can be considered students, Pedro & Andraz (2021), using data from a Portuguese public university, show in their research that the effectiveness and timing of support services, as well as relationships with teachers, are

determinants of alumni recommendations, while a good opinion of the quality of education, satisfaction with the abilities of teachers, relationships with them and with non-academic staff increase alumni participation. According to Bhatnagar et al. (2020), higher education institutions develop their social groups through stakeholders who are involved and contribute to the achievement of desired outcomes. In the study by Benneworth and Jongbloed (2010), administration, staff, faculty, students, stakeholders and community members are identified as key stakeholders in higher education to manage interactions. Jain, Mogaji, et al. (2022) consider the following stakeholders in the higher education institution's engagement process: students, faculty, administration, and industry professionals.

The number of authors who propose as the object of study of the interaction of the university with the external environment the realisation by the HEI of its third mission. The third mission of the HEI is defined as a contribution to communities and territories (Compagnucci & Spigarelli, 2020). In today's environment, the HEI is committed to fulfilling this mission not only by focusing on its academics, students and alumni, but also by viewing its target audience more broadly, as society at large, and therefore supporting initiatives that have a broader social value (Dyvnych, 2023).

4 The Impact of Digital Transformations on the Process of Marketing Relationship Management in Ukrainian HEIs

One of the priorities of the modernisation of the education sector is the reorganisation of the system of governance, financing and management of education through the financial autonomy of higher education institutions, adherence to the principle of responsibility of educational institutions for the results of educational and management activities. The pandemic has largely paved the way for the introduction of new technologies in Ukrainian higher education institutions, such as the development and introduction of new digital educational methods (Gareeva & Chursanova, 2021; Polianovskyi et al., 2021), which has contributed to the development of professional digital skills of participants in the educational process (Makhachashvili & Semenist, 2021). Although most universities began to introduce elements of distance learning, there was still resistance from old-school professors. There is a misconception about the system of organising this form of education: the management tries to preserve the old system of education and balance between innovations. Thus, in addition to the constant challenges from society, competitors and

qualification requirements, people are constantly influenced by various external factors. COVID-19 has become another driver of change that can accelerate the radical transformation of higher education (Molchanova et al., 2020). As in other countries, the transition to online education in times of crisis is associated with certain challenges, such as technological problems arising from the lack of appropriate technologies in higher education institutions (Matviichuk et al., 2021), emotional and psychological pressure (Prokopenko and Berezhna, 2020), insufficient methodological support for digital interactions (Klochko et al., 2021; Knysch and Dudziak, 2020), lack of access to digital resources (Molchanova et al., 2020), insufficient funds for the purchase of equipment and, as a result, a decrease in the quality of relationships in the digital environment.

Since 2021, the government has been consistently implementing the key tasks approved in the Concept of Digital Transformation of Education and Science of Ukraine. One of the components of this reform is to reduce the number of institutions by merging them. As a result, Ukrainian HEIs have been forced to reassess their priorities and values in their interactions with stakeholders, introduce new digital marketing communication tools and, in some cases, revise the components of their brand identity.

5 Improvement of the Theoretical Foundations of Relationship Marketing Management of HEIs

Although the concept of relationship marketing management is actively studied by various scholars from different fields of knowledge, it remains relatively unexplored in the context of higher education.

The global marketing classic F. Kotler (2016) defines relationship marketing as "building long-term and mutually beneficial relationships with the company's key market partners (consumers, suppliers, distributors, agents) to form their long-term advantages and sustainable relationships". At the same time, it is discussed as an umbrella term that encompasses different ideas of relationships – a certain intangible asset that arises from long-term and sustainable interactions and is a source of additional competitive advantage; that it is based on network structures, including processes of interaction between different business entities, and creates intangible assets (relationships) that increase the competitiveness of the institution. After a theoretical generalisation of approaches to defining the term relationship marketing management and consideration of its components, the authors believe that relationship marketing management of a higher education institution

should be considered as a continuous process, the main purpose of which is to create and maintain value for all participants in this interaction. At the same time, relationship marketing management in higher education reflects a strategic orientation that recognises the integral role that universities play in society. By actively engaging with diverse stakeholders and fostering meaningful relationships, educational institutions can create an environment that not only provides quality education, but also contributes significantly to cultural enrichment, community development and positive global impact. The above theoretical generalisations about the development and conditions of implementation of the concept of marketing management of relationships of a higher education institution allowed the authors to identify the key actions on the basis of which it is advisable to implement this concept (Figure 1).

In the process of improving the theoretical foundations of relationship marketing management of HEIs, the authors define its overarching goal as moving beyond traditional educational paradigms and actively engaging stakeholders in ways that foster trust, loyalty and collaboration, thereby contributing to the institution's positive impact on society. Effective relationship marketing management requires an understanding of the unique needs and expectations of each stakeholder group and the development of individual strategies to engage and build positive relationships with them. It is therefore appropriate to identify the specific subjects of this interaction, namely the stakeholders in the management of marketing relations of a higher education institution. Figure 2 shows a list of stakeholders involved in the management of marketing relations of a higher education institution, divided into groups according to the nature of their interaction with a higher education institution.

The effectiveness of marketing relationship management in higher education institutions is influenced by a variety of factors that include communication, trust, cultural sensitivity and resource allocation. The reputation of the institution is determined by "responsible entities", defined as a type of internal interaction, and leadership styles and governance structures play a crucial role. Adapting to change and remaining flexible in approach, using technology for data management, and ensuring the quality and relevance of academic programmes are key contributors. Community engagement, responsiveness to economic and regulatory changes and the competitive landscape are also key. The institution's commitment to social responsibility, effective feedback mechanisms and alignment with stakeholder values further enhance relationship management.



FIGURE 1 Key actions for managing the relationship marketing of higher education institutions

Source: compiled by the authors

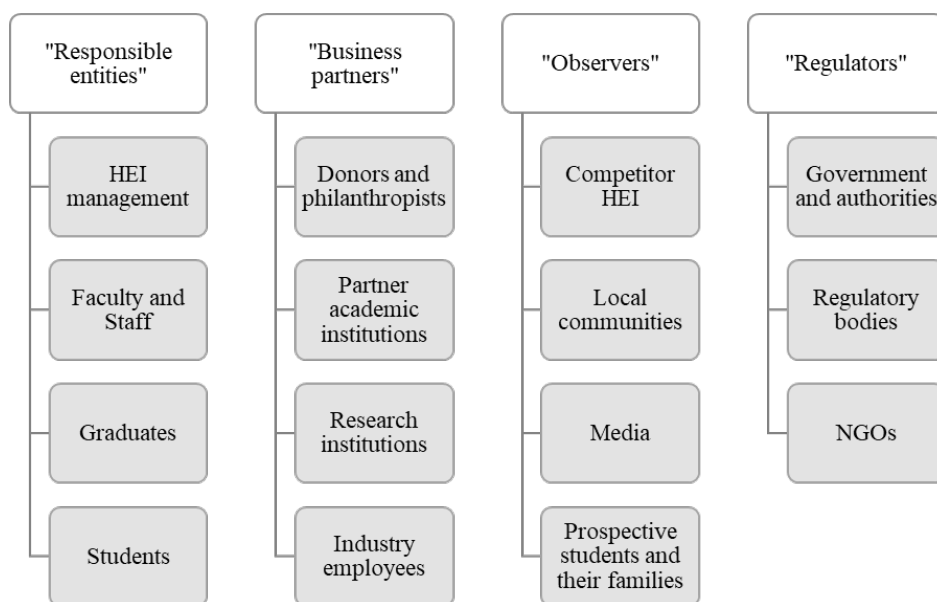


FIGURE 2 Stakeholders involved in the management of marketing relations of HEIs

Source: compiled by the authors on the basis of (Jain, Varsha et al., 2022)

6 Conclusions

In essence, the article not only explores the theoretical aspects of relationship marketing in Ukrainian higher education, but also contributes to the understanding of how the management of this concept can effectively respond to global challenges. Strategically navigating these principles is essential to building long-lasting and positive relationships with stakeholders in a dynamic higher education

environment. Successful relationship marketing management in HEIs involves navigating and responding to these and other factors, taking into account the dynamic nature of the Ukrainian higher education landscape and the changing needs and expectations of stakeholders. *Prospects for further research* are the development of a conceptual model for managing marketing relations of a higher education institution and the development of methodological approaches to evaluating its effectiveness.

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