

## Strategic Analysis for the better Marketing of MBA Institutes of the Maharashtra State of India: A Case Study

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**Abstract.** Strategic analysis of marketing of MBA institutions of Maharashtra state of India has not been investigated to a great extent yet. The Maharashtra common entrance test-CET (MH-CET) 2012 results for MBA/MMS courses have been declared; around 79,000 students will fight for 34,000 seats across 400 MBA colleges in the Maharashtra state of India. Reports reveal that about 82,000 had appeared for the exam held on 11 March 2012 out of which around 79,000 have managed to clear this examination. Statistics shows that some of the MBA colleges in the state have been closed down (DTE office Mumbai, India) due to around 2,000 vacant seats last year. In 2010 session, around 5000 seats remained vacant all over the state (DTE office Mumbai, India). To address this issue, this paper presents the strategic analysis & the investigation report of the strategy development for the better marketing of the MBA institute's from Maharashtra state of India. The theoretical background draws on two theories of strategy and competitive advantage, namely, industrial organization (IO) and resource-based view (RBV). These are used to guide interviews that explore the elements of external industry structure, internal resources and capabilities, and institutional performance. Factors of competitive advantage and the indicators of institutional performance are identified in this study & then it's verified and further used to develop the understanding relating to the strategic marketing of MBA institutions of Maharashtra state of India.

**Keywords:** Marketing Strategy, Qualitative Research, Competitive Strategy, DTE, AICTE, RO, RBV.

### 1. Introduction

MBA institutes in the Maharashtra state of India currently facing an increased number of participants in the market on the supply side, and increased level of requirements at the demand side (as reflected by the statistics reported by DTE office Mumbai, India-Table-1 ). Therefore, an appropriate marketing strategy is required to pay attention to this fact. We need to apply conquest marketing to secure a sufficient level of interest and enrollment of students on one hand, and retention the market in order to create the satisfaction and loyalty of the already enrolled students on the other hand. The key role in formulating and designing the marketing strategy of these educational institutes are assigned to the quality of the educational process, the quality as perceived by the students, and the level of satisfaction derived from the same. Since one specific feature of the service process, including the education services too is the heterogeneity of the services and is difficult for the standardization of the service process; the measured quality of services in fact represents the quality as perceived by the clients. From this it follows that the precondition of a successfully created marketing strategy is the choice of an adequate quality measuring model in this education process (service provision process). Thus as stated in above abstract in concerned with statistics provided by DTE office Mumbai, India the competition amongst MBA institutes in the Maharashtra state of India is largely due to an oversupply of student places and slowing demand from suitably qualified students. As a result, we are seeking to rethink their strategic positions. Theories and practices in business strategy development, as used in the for-profit business domain, provide a basis for innovative approaches, to strategy development, however they do not address the comprehensive planning needs for this. The most accepted approaches to strategy development are industrial organization (IO) and the resource-based view (RBV). Lynch and Baines

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(2004) have shown that it is appropriate to use RBV to guide strategy development for higher education. They argued that the RBV approach can be applied to the national system of UK higher education and given the international nature of higher education suggesting that further research is justified. This paper reports on the work that addresses the aspects of this issue in the higher education sector, a special case study of MBA institutes, of the Maharashtra state of India. The intention is to suggest the adoption of relatively advance theory and practice relating to marketing strategy development for MBA institutes of the Maharashtra state of India, which is in a dynamic state with regard to its profile and growth.

Table 1: State wise details of application applied for closing B-School, Increased in B School (year wise)

Sr. No.	State	B-School	Application for closing B-School	Year	No of School Increased	City	No of B-School
1.	Andhra Pradesh	945	36	2005-2006	1,888	Pune	144
2.	Rajasthan	134	25	2006-2007	2,037	Nagpur	47
3.	Uttar Pradesh	459	18	2007-2008	2,062	Mumbai	24
4.	Maharashtra	419	14	2008-2009	2,734	Thane	22
				2009-2010	3,482	Nashik	22
				2010-2011	3,858		

**Note:** - B-School in Maharashtra- 134 private Institutes have applied to close down their B-School for academic year 2012-2013, out of which 14 are from Maharashtra. Last Year 40 applications to close down their school out of which 15 were permitted.

## 2. Background theory

IO theory developed as a result of strategic marketing scholars continuing to emphasize the significant influence of sector structure on a firm's performance is designed to assist in analyzing the relative effect of each of the five industry-level competitive forces. All five competitive forces together contribute to the intensity of industry competition and profitability. More specifically, the stronger the force or forces affecting industry competition and profitability; the more important they are in strategy formulation. The RBV seeks to identify the important 'bundles of resources' as these are the source of the firm's competitive advantage. It was Grant who further defined these as resources and capabilities of the firm. Amit and Schoemaker noted that resources are a bundle of assets. Capabilities, however, refer to the ability to exploit and combine existing resources. While there are differences between IO and RBV theories there is also support for combining these two approaches to achieve a complementary approach to strategy development. [1]

The aim of this research in terms of a special case study of MBA institutes, of the Maharashtra state of India at this stage is to identify the elements and indicators of competitive advantage as they apply specifically to MBA institutes in the Maharashtra state of India & Higher & Technical Education (DTE) in this state which are now faced with the pressures of student loss as well as with competition from many domestic (and international) institutes. This case study uses two of the principal theories of strategy and competitive advantage, namely IO theory, and RBV theory, in exploring elements of external industry structure, internal resources and capabilities, and institutional performance. Investigating these strategic development constructs, within the confines of the MBA institutes (from Higher & Technical Education sector, of Maharashtra state, India), represents an important next stage for the development of strategic management and marketing strategy of these institutes. This paper reports on the first stage of the case study on the topic of strategy for better marketing of MBA institutes of the Maharashtra state of India (from higher & technical education sector, called AICTE & supervised by the state level authorities namely Directorate of Technical Education Mumbai, India) that is the particular group of institutes that are approved by the AICTE, India.

## 3. Methodology

The factors of competitive advantage and the indicators of institutional performance were explored via telephonic interviews (which are a type of sampling contact method in Marketing Research) with a sample of decision-makers and professionals from the state. These interviews were focused on three major domains: external industry structure, internal resources and capabilities, and institutional performance. Qualitative research was used to explore these elements and identify additional variables or dimensions associated with

the competitive advantage of MBA institutes of the Maharashtra state of India for getting the inputs to be used for the better marketing strategy. Cavana, Delahaye, and Sekaran, state that there are three qualitative research methods commonly used in business research: interviewing, focus groups, and observation. Personal telephonic interviews were selected for the use in this case study for the value they provide in gathering information. Participants were from two separate sources, educational experts from MBA institutes of the Maharashtra state of India and decision makers from DTE office, Mumbai, India. The researcher's personal connections were initially used to locate potential informants. This resulted in some people being selected for the personal telephonic interviews, and a final sample size of 20 participants. Random Sampling Technique from the research methodology was used for this. [2, 3 & 4]

The above stated interviews were conducted with a prepared guide, which included a list of topic headings and key questions in three categories: 1) External industry structure: questions to identify the external industry factors that affect how MBA institutes in the Maharashtra state of India operates and performs in achieving competitive advantage. 2) Internal resources and capabilities: questions to determine the organizational resources and capabilities that provide MBA institutes of the Maharashtra state of India with a foundation for achieving competitive advantage. 3) Institutional performance: questions on a range of performance indicators for evaluating the competitive advantage of MBA institutes in the Maharashtra state of India. [9, 11 & 12]

## 4. Findings

The discussions through these interviews provided the researcher the comprehensive details of the elements and indicators that influence competitive advantage. The decided thematic findings rather than report on the findings with verbatim quotes are reported upon here. The thematic results are presented under the three main categories & these three categories are External industry structure, internal resources and capabilities, and Institutional performance. For each of these categories themes and a number of sub-themes were identified.[8, 9 10]

### 4.1. External Industry Structure

With reference to the effects of external industry structure, the following five themes were identified as the strongest areas of concern: The intensity of competitive rivalry, the threats of entrants, the threats of substitutes, the bargaining power of suppliers and The bargaining power of buyers. These themes align with Porter's five-force model. For each theme, a number of sub-themes were identified. An overview of the themes and sub-themes is presented in Table 2.[5, 6 & 7]

Table 2: External industry structure: themes and sub-themes emerging from interview

Themes	Sub-themes
Competitive rivalry	The increase in the number of <b>MBA institutes in the Maharashtra state of India</b> , the decrease in the number of aspiring MBA students, the high intensity of competition between institutions
Threat of substitutes	Threat from domestic academic universities/institutes, threat from foreign institutions of management education, threats from International Business Schools, threat from private business enterprises
Threat of entrants	The regulations and policies of the state government on the operation of MBA institutes in the Maharashtra state of India, the minimum infrastructure required for establishing a new educational institution
Bargaining power of buyers	The power of students, the power of parents, the power of employers
Bargaining power of suppliers	The power of the State Ministry of Higher & Technical Education, The power of MBA institutes in the Maharashtra state of India, the power of faculties

### 4.2. Internal Resources and Capabilities

In terms of internal resources and capabilities, the comments received from the respondents were classified into the following themes that link to the six dimensions of internal resources and capabilities; organizational resources, marketing, human resources, physical resources, financial resources and products R & D. For each theme, a number of sub-themes were identified, as shown in Table 3.

Table 3: Internal resources and capabilities: themes and sub-themes emerging from interview

Themes	Sub-themes
Organizational resources	Organizational structure, organizational efficiency, integration of administrative resources
Marketing	Media promotion, scholarship and financial aids offered by state & central govt., participation in extracurricular activities, strategic alliances with other MBA institutes and partnerships with other MBA institutes
Human resources	Faculty qualifications, teamwork building, leadership, personnel staffing, job loyalty
Physical resources	Campus location, campus facilities, teaching & research infrastructure
Financial resources	Sufficient financial capital, financial planning budgeting, financial implementation, financial controlling,
Products R&D	Curriculum design, curriculum quality, Collaboration with private business enterprises, participation in govt. funded research projects, integration of academic and research resources

### 4.3. Institutional Performance

The set of interviews indicated that institutional performance is interrelated to the competitive advantage of MBA institutes in the Maharashtra state of India, and can be evaluated on three levels: student, staff and institution. According to the interviews, the origin of the competitive advantage within the context of a certain MBA institutes may lie in its effective and efficient use of both tangible and intangible resources as needed to support teaching and learning processes.

Table 3: Institutional performance indicators: themes and sub-themes emerging from interview

Themes	Sub-themes
Student performance	Placement rate, percentage of graduates pursuing further studies, result of the institute & its standing in the concerned university, professional knowledge and capabilities of graduates, skill & personality of the student
Staff performance	Staff performance in teaching, staff performance in academic research, staff performance in applied research, practical experience and skills of teaching staff, participation of staff in short term & long term courses, upgrading & enhancing the qualification of staff & team building amongst them.
Institution-level performance	Institutional culture, students/ alumni evaluations, institutional distinctiveness, community service, holistic education development, professional curriculum development, institutional reputation, maintenance of institute campus & its security, industry academia collaboration, magazine ranking, industry's evaluation on the quality of pass out students & their acceptance in the industries, conducting extra curricular activities, conducting seminars, conferences, guest lectures & workshops, HR meet, publishing research journal

## 5. Conclusion

This case study explore the factors determining the competitive advantage of MBA institutes, the types of strategy undertaken by these institutes, as well as the indicators measuring their overall performance. These factors of competitive advantage and the indicators of institutional performance have similarities between other published findings. The external factors in this MBA institutes sector of AICTE align with the indicators that have been established by Porter (1980, 1985). The elements of internal capabilities and resources identified in this study provide a greater coverage than previous investigations (see, for example, Lynch and Baines, 2004). From this study, it can be concluded that the competitive strategy that will produce the best results is dependent on the match between the state of the environment of the MBA institutes facing their existing resources and capabilities. As this study was conducted from a supply-side perspective, these results have implications for government policy makers attempting to oversee the quality of MBA institutes in the Maharashtra state of India and for the concerned senior decision makers aiming to achieve a competitive advantage and long-term sustainability. The major implications of these findings can be applied

to strengthen the competitive advantage of MBA institutes in Maharashtra state of India. Further investigation is required to verify a series of actions that could be taken, including establishing market-exit mechanisms, advocating strategic alliances and partnerships between institutions, co-operating with foreign institutions of higher education, advocating industry-academia collaborations, and ensuring curriculum design in compliance with industry requirements. While this study was undertaken within the context of Maharashtra, and therefore has its limitations to that context, the findings provide insights as to how strategy can be developed using a two dimensional approach. These findings concerning competitive advantage for the MBA institutes in the Maharashtra state of India, presents opportunities for practitioners and scholars of strategic marketing particularly educational institutes, to undertake further research in relation to advance theory and practice. An important advancement would be to undertake scale development and/or modification of existing scales to quantitatively assess these indicators in a specific educational sector. Hence the authors conclude that the strategic analysis presented in this paper is note worthy for better marketing of MBA institutes of Maharashtra state of India.

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