



**Financially Sustainable Schools
Leadership Series: No. 19
August 2009**

Strategic Marketing Planning

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This NAIS financially sustainable schools advisory has two primary goals. Firstly, it seeks to detoxify and demystify the topic of nonprofit strategic marketing planning so that independent school boards, school leadership, and staff can pursue these activities without unnecessary fear or concern. Secondly, it provides boards and heads a framework—within the context of their strategic planning and visioning—for their pursuit of strategic marketing activities.

“By strategic marketing planning, we mean planning of the overall direction of the institution to respond to its markets and opportunities...”

- Philip Kotler,
*Strategic Marketing for
Educational Institutions.*

The first section explains the strategic marketing planning approach. The second looks closely at the three systems that make up this approach. The third section compares roles in adopting a strategic marketing approach: the roles of strategic planning with strategic marketing and the roles of board and staff. The final section suggests next steps and offers tools and resources. Although the school examples pertain to enrollment, the marketing concept is equally applicable in the arena of advancement.

The desired outcome is for boards, heads, and their leadership teams to see strategic marketing planning not as something to be avoided or ignored, but as a significant and exciting opportunity to build the school’s capacity to serve its markets and increase its likelihood for mid- and long-term health. Now is the time to develop a new philosophy and approach to marketing that will lead your school to achieve the sustainable future it both desires and deserves.

I. What Can Strategic Marketing Do for You?

When we think about *marketing*, what often comes to mind are for-profit corporations hawking their wares to beef up their bottom lines. Images conjured by the word ‘*marketing*’ usually involve slick advertising campaigns, cold sales transactions, and cheap promotional giveaways. It’s no wonder the academy eschews ‘*marketing*.’

Though commonly accepted as truth, these notions are misguided and are in fact a world apart from the essence of marketing. What's worse, their widespread adoption has prevented schools from leveraging the benefits of strategic marketing as a management tool for future planning. Strategic marketing planning for nonprofit enterprises is a very different matter than what it is understood to be.

This advisory will help clear-up this misunderstanding by presenting three systems that an independent school might create to establish a strategic marketing approach. At its core, this approach focuses on aligning school marketing efforts with mission and strategic vision. The board and staff marketing effort should be nurtured with several ends in mind:

- Pursuing the school's mission, vision, and goals as effectively as possible;
- Ensuring the school's stability and sustainability by building systems that obtain and analyze marketing information, set marketing strategy, and implement and adjust the strategic marketing plan; and
- Adopting a new campus-wide marketing philosophy that places the people served and the goals of the institution at the center of the marketing effort.

While in the past a school may have had little or no desire to implement strategic marketing planning, recent local and global socio-economic changes have caused the rethinking of this position. Challenges to financial stability, sustainability, enrollment, and perceived value threaten to erode consumer confidence in the future of the institution, the environment that shapes it, and the leadership that lets it happen.

Given its poor image, it's not surprising that marketing planning has not been a top priority for school leaders. Without its help today, however, schools place their futures at serious risk for debilitating crises, perhaps even institutional demise. Boards and heads that ignore the opportunity to leverage the practice and benefits of strategic marketing planning do so at the peril of the institutions entrusted to their care.

To become a financially sustainable school in today's nonprofit business environment, leadership must make the campus strategic marketing approach work. To do so, the board, the head and the leadership team must be willing and able to let go of a predisposition against all things *marketing*. Most importantly, they must insist that the entire school learns and adopts best practices in nonprofit management, a central focus of which is the practice of strategic marketing planning.

Making the Case for Strategic Marketing Planning

Making this shift is a lot to ask of many school leaders. Accurate information is needed to help reshape incorrect perceptions. So let's set the record straight by clearing-up two widely believed myths.

Myth #1: Marketing = Sales Promotion

While advertising, publicity, and sales commonly masquerade as marketing, they do not define marketing. They are, however, some of the tools of the ‘promotion’ component of the marketing mix. Hence, the misperception. And, as in the case of the word Formica® in the 1950s, which became synonymous with any and every form of laminate countertop (rather than the particular brand that it was), all things having to do with *promotion* have come to be known as the defining elements of the discipline of ‘marketing.’ This understanding is inaccurate and requires adjustment.

The truth is that while these communications tools are a part of any school’s overall messaging efforts, you will not find them at the heart of a wise school’s marketing planning. That place belongs to the people the school serves or wants to serve. And, this leads us to the second and most deadly myth.

Myth #2: Marketing = Selling Out

Some have heard that marketing demands that the institution meet the needs, wants, and expectations of the Consumer. They worry that in making the Consumer king, the “educational experience” will be dethroned. This is a misconception and not at all how strategic marketing works. While it is true that at the core of the marketing system is the principle of exchange—which centers on understanding the needs, wants, and expectations of consumer markets—the principle requires two parties to execute.

Here’s how it really works.

A school practicing strategic marketing will look at its offerings from the perspective of the perceptions, needs, wants, and expectations of its target market segments (these may be a combination of existing and new) *alongside* institutional mission, vision, and goals. Then, based on this strategic information, it will decide if it is – *or is not* – in the long-term best interests of the school to meet the needs and expectations of these particular market segments.

If it is, the school might develop strategies to maintain or increase its market share with existing markets. It might target some new market segments whose needs are aligned with school mission, values, and vision. It might develop new programs and services to meet current families’ needs and expectations. It might diversify and develop new offerings for new markets. Or it might decide that it will not (or cannot) improve or otherwise change its existing offerings to meet market demands. It might decide against adding new offerings in order to meet a particular existing or new consumer group’s needs because to do so would not serve institutional goals, be off-mission, inconsistent with values and vision, or simply beyond budget. In a strategic marketing environment, these pivotal decisions are always driven by information.

The strategic marketing mindset places a high value on knowing and understanding the preferences of those whom the school mission and vision can best serve and then making that strategic information central to institutional decision-making. Yet even though it is market-centric, properly practiced strategic marketing does not compromise institutional integrity or encourage ‘rampant consumerism.’ When decisions are made in the arena of solid research there

is no backdrop for the dreaded ‘*consumers gone wild*’ scenario. The final decision about whom to serve with which programs and services at which level of quality remains squarely with school leadership. Marketing simply seeks the right number and quality of ‘matches’ between the school and the markets it serves to sustain its financial future.

Making the Paradigm Shift

The concept of ‘match’ is not new for independent schools, where diligent admission and college placement offices relentlessly pursue the very same ideal. As we know, in a well-matched relationship, both parties believe themselves to be the happy recipient of a benefit from the other party. To receive this benefit, each is willing to exchange something of value. In marketing terms, this is called the *principle of exchange*, and it is the heart of strategic marketing. Fundamentally, strategic marketing focuses on creating, managing, and sustaining successful matches, or exchanges, between the school and those it serves or might serve. Accepting and applying the principle of exchange is the essence of all modern marketing activities. In many independent schools, movement in this direction will require a paradigm shift. Yet, before a school can take advantage of any of the best practices, tools, and strategies associated with marketing, leadership must move the institution to an enlightened understanding and acceptance of marketing planning.

One approach to gain momentum in this direction is to develop a written school philosophy of strategic marketing. This new philosophy would establish as the ideal an outside-in approach to marketing that begins with a clear and thorough understanding of those whom the institution wants to serve. This core concept is commonly associated with late 20th century marketing and would replace an outdated inside-out approach where the starting point of marketing activities is the institution and what it wants to offer (remember Ford Motor Car? ...“They can have any color car as long as it’s black...”).

The marketing paradigm shift that must be made is from a product mindset (where the educational offering is by itself key) or a communications mindset (where the message prevails) to a relationship or exchange mindset (where achieving institutional goals by meeting the needs and expectations of target consumer groups is core). By adopting a contemporary outside-in philosophy, the school will be able to develop proficiency in three critical marketing activities:

- Identifying, segmenting, and targeting those with whom the school desires an exchange;
- Managing the desired exchanges to satisfactorily meet both market needs and institutional goals; and
- Maintaining a sufficient number of successful exchanges or matches between school mission and markets to sustain the life of the school.

What Can Strategic Marketing Planning Do for You?

Your school’s ongoing viability is enhanced or compromised by two factors: its ability to deliver mission (the daily ongoing work) and its ability to achieve vision (the stretch goal for growth). At the most basic level, strategic marketing planning is sound risk management practice. It is

critical to ensuring the future viability of the school to make certain that there are sufficient markets to serve with the programs and services the school offers.

Whatever your school's current needs, wants, and expectations—short-term stability, long-term sustainability, or both—you will need an approach to match mission and vision with markets and opportunities. Keeping in mind that the desired benefit for the school from marketing is meeting institutional goals, strategic marketing planning is an essential management tool for identifying, creating, and managing these desired exchanges.

Three Systems of Strategic Marketing Planning

There are three marketing systems that might compose your campus strategic marketing planning approach. (You can find them in more detail in the seminal text *Strategic Marketing for Nonprofit Organizations* (Andreasen and Kotler, 2003)¹ and a lesser known book *Strategic Marketing for Educational Institutions*. (Kotler and Fox, 1985).² These systems are commonly understood and applied by strategic marketing practitioners in nonprofit enterprises. They have been around for decades, yet are woefully underutilized by independent schools. Today they are systems that any school serious about its future sustainability can no longer ignore.

The three systems are:

- Marketing Information & Analysis System (the result is a marketing opportunity set based on institutional goals);
- Marketing Planning System (the result is marketing strategy and the requisite plan); and
- Marketing Control System (the result is implementation, results, and maintained relevancy of the marketing plan).

¹ Alan Andreasen and Philip Kotler, *Strategic Marketing for Nonprofit Organizations, Sixth Edition*. Prentice Hall, 2003.

² Philip Kotler, and Karen Fox, *Strategic Marketing for Educational Institutions*. Prentice Hall, 1985.

A Strategic Marketing Readiness Checklist

- A strategic plan is in place with vision and goals that establish the school's desired direction and target outcomes.
- The board has a clear understanding of its role in marketing planning and does not confuse developing, collaborating on, and approving strategy with tactical implementation.
- The board has funded a strategic marketing approach, including a marketing position, market research, and marketing plan implementation.
- The school has developed a proper philosophy of strategic marketing that puts the perceptions, needs, wants, expectations, and satisfactions of those served at the center of the school's marketing activities.
- The head of school has adopted a strategic marketing mindset and is committed to moving the school toward a culture that embraces the principle of exchange and understands its connection to the school's financially sustainable future.
- The administrative leadership team has adopted a strategic marketing mindset and is committed to influencing colleagues to get onboard.

II. The Campus Marketing System: A Strategic Approach to Marketing Planning

Here is how marketing's three systems work together to form the Campus Strategic Marketing System: the Marketing Information & Analysis System delivers *opportunities*; the Marketing Planning System delivers *strategies*; and the Marketing Control System delivers *results*.

The Marketing Information & Analysis System

The School's Marketing Need

Big decisions are looming on the horizon. What's the right school size and population? The right mix of educational programs and services? The best way to address issues of tuition and financial aid? How to better communicate and position brand? Each of these decisions has heavy risk factors and weighty resource requirements. You want and expect strategic information to make informed choices. You need a reliable and disciplined approach to identifying and making sense of the risk and opportunity factors at work in your complicated environments.

“Opportunity analysis can be potentially more important than threat analysis. By managing threats successfully, an institution can stay intact but does not grow. By managing opportunities successfully the school can make great strides forward.” – Philip Kotler (*Strategic Marketing for Educational Institutions*)

What the Marketing Information & Analysis System Delivers

The Marketing Information & Analysis System provides the information and analysis on internal and external operating environments necessary to make strategic choices. A school's research plan will vary according to what it needs to know and how much time, effort, and money it can allocate to getting the information it wants. However, it will most often combine primary and secondary sources for gathering and analyzing information in both internal and external environments. Internal strengths and weaknesses can be assessed in several ways. Especially effective are internal record examination, internal surveys, marketing audits, focus groups, and one-on-one interviews. External opportunities and threats will be gleaned from a thorough environmental scan of STEEP factors (Social, Technological, Environmental, Economic and Political) that represent conditions, trends, or issues in the external environment over which you have no control. These can be augmented by image audits, peer reviews, and competitive analyses. Several research tools can be used both internally and externally. The final result of gathering and analyzing market intelligence is a portfolio of marketing opportunities. This will be the range of possibilities for the school based on how external opportunities and threats will impact school resources and indicating ways in which the school might change, adapt, or otherwise improve its performance with markets and offerings in order to remain relevant and viable. The opportunities will be further analyzed when setting strategy based on their potential impact on the mission, vision and goals of the school. Since the most basic decision within the control of an educational enterprise is what programs and services it will offer to what markets, the strategic information mined and analyzed by the Marketing Information & Analysis System is critically important.

Key Marketing Information & Analysis Questions

- What are our school's mission, vision, and goals based on our current strategic plan? How well are we progressing?
- What strategic issues did we set about to resolve in this strategic plan? What, if anything, has changed?
- What were the underlying assumptions of the plan? Are they still on target?
- What are the major trends in the environment? What are the implications of these trends for us?
- Which of these implications represent our most significant threats and opportunities? (Note: The most significant opportunities are those through which the institution has the most likelihood of gaining a superior competitive advantage. The most severe threats will be those that have the highest potential impact and are most likely to occur.)
- What are our distinctive competencies? (Those one or two things that: 1) we excel at, 2) have excelled at for a while, 3) can continue to excel at, 4) are valued by our markets, and 5) others would find hard to imitate.)
- With a focus on people, money, facilities, distinctive competencies, and reputation, what major resources do we have (strengths) and what do we lack (weaknesses)?
- Based on our resources and the issues and trends in the external environment, what threats and opportunities are most significant for us?

- Which markets we do presently serve? How are they segmented? What are the perceptions, needs, wants, and expectations of each segment? How satisfied is each? How do we know?
- What is the profile of our existing students? (including such information as age, gender, place of residence, prior school attended, academic background, test scores, academic performance at the school, etc.)
- What is our present product/service strategy? Is it clear? Is it working? How do we know? What programs and services do we offer? Are there offerings that are not performing? New offerings that require special strategies? Outdated offerings that should be discontinued?
- What is our present pricing strategy? Is it clear? Is it working? How do we know?
- What is our current distribution or 'place' strategy (where and through what means we deliver our educational offerings)? Is it clear? Is it working? How do we know?
- What is our present promotion strategy? Is it clear? Is it working? How do we know? Is it integrated throughout all our internal and external communications and serving us well in positioning our brand in our markets? Do we regularly audit our marketing communications to determine strengths and weaknesses and plan for improvement?
- What is our present brand strategy? Is it working? How do we know?
- What is our positioning strategy? Is it clear? Is it working? How do we know?
- What is our present position relative to the brands and positions of our competition?
- What is our current marketing expenditure level? Is it being fully utilized? Is it enough?

The Marketing Planning System

What You Need

You have a list of marketing opportunities in one hand and your strategic plan in the other. How will you use marketing opportunities to reach school goals? You need strategies and a plan. Strategies develop from and reflect your external environmental analysis, internal resource analysis, and institutional goals.

What the Marketing Planning System Delivers

The Marketing Planning System provides ways to think through and analyze the school's marketing opportunities based on sound marketing principles and practice. The result is *marketing strategy*, which defines how the school plans to respond to its markets and opportunities. Strategy will shape the school's mix of offerings and establish its position relative to other educational institutions in the minds of its target markets, and it will ultimately determine how they respond. Strategy includes decisions about current programs and services; current markets; future programs and market opportunities; positioning the institution; and addressing competition. Strategy can be communicated in a full-blown strategic marketing plan, with quantifiable objectives, timelines, and costs. Or it can simply be outlined in a strategy document that contains statements of directional approach without the details of how that approach will be executed. For the board, a high-level strategy document is most appropriate. At the school management level, a detailed marketing plan is more practical.

Need-to-know marketing concepts essential to strategy-making

Core marketing strategy has three elements:

- Markets;
- Institutional position; and
- Marketing mix.

These focal points mean that your key strategy-making decisions will be about selecting the most promising markets, positioning the school's brand in the minds of those target markets, and calibrating the marketing mix so that your offerings meet needs, are accessible, and become known.

Choice of Market Segments: Target Marketing

Since every school exists in the macro environment of a community in some part of the world (real or virtual), each has a broad range of possible consumers, known as *publics*, which may or may not know of its offerings, activities, or reputation. Within these publics, there exist *markets* with whom the school desires to have an exchange. Since at any given time, not every market is viable for pursuit, it's helpful to break down each market into *segments* of subgroups that share common characteristics. And because it's a rare school that can or should pursue every viable market segment simultaneously, the school *targets* those with which it is most likely to be successful, given its resources. These become the school's *target market segments* and the focus of its strategy.

In the case of enrollment marketing, it is critical to understand that the school has primary and secondary markets with which it exchanges benefits. In their book *Strategic Marketing for Education Institutions*, Kotler and Fox propose

A primary market is the one from which the institution receives a large number of applications over time. A secondary market is one from which the school has received a steady flow of applications over a period of 3-5 years, but from which few of the admitted students have enrolled. The secondary market is substantially higher than the primary market, but the yield rate is lower.³

A school implementing a target marketing approach will first identify its primary and secondary target markets and develop strategies to pursue the segments within them. When taken as a whole, these primary and secondary markets may be difficult to assess. But when defined by specific traits they share, their measurability and reachability, they form market segments and are more easily studied and understood.

Helpful ways to segment primary and secondary markets are by geographical origin, referral source, feeder school, or a shared demographic or lifestyle characteristic. The school with a proper strategic marketing philosophy will set out to find out everything it can about the perceptions, needs, wants, expectations, and satisfactions of the segments that make up its

³ p327-328.

primary and secondary markets and then set strategy to reach them. If one of the school’s marketing goals is stabilizing or growing enrollment, the school needs a growth strategy to determine where to build, where to retrench, or where to change. In a school marketing system where opportunities and risks are plentiful, each strategy for growth must be carefully evaluated. Is the most efficient way to grow to create a new service for existing families? Or is it to take current services into new neighborhoods or demographic markets? Which strategy is best suited when seeking to increase student diversity?

A useful framework for assessing these options is a two-by-two matrix known as the Ansoff Product/Market Grid.⁴ Developed in 1957 by Igor Ansoff, it is still an immensely useful tool to analyze and develop strategic options. The matrix provides four strategic choices for growth along two dimensions: markets and products (for schools, these are its offerings). By applying the Product/Market Grid analysis, the marketing strategist generates a portfolio of options.

	Present Products/Services	New Products/Services
Present Markets	Strategy: Market Penetration	Strategy: Product Development
New Markets	Strategy: Market Development	Strategy: Diversification

The four main growth strategies work in these ways:

- Market penetration* seeks growth (or stabilization) within existing markets for existing offerings.
- Market development* targets growth by attracting new markets that benefit from existing offerings.
- Product development* looks to grow by improving existing offerings for present markets.
- Finally, *diversification* is total innovation that takes new offerings to new markets.

Schools should consider opportunities in this order, beginning with market penetration. The highest risk strategy choice would be in the fourth quadrant. There are tactics associated with each growth strategy.

Some of the key tactics of market penetration are:

- Increasing the unit of purchase (ex: retention; cross-selling non-academic or other programs such as summer camp to current families);
- Offering price incentives for increased use (ex: sibling discounts);
- Increasing efforts to attract competitors' customers (ex: neighborhood receptions in current parent or alumni homes);
- Stepping up promotion such as publicity, advertising, special offers, and special events;

⁴Igor H. Ansoff, *Corporate Strategy*, McGraw Hill, 1965.

- Improving brand differentiation by understanding your unique selling point and communicating it;
- Increasing efforts to attract non-users among current market segments;
- Increasing service trial through offering samples and incentives (ex: class visits, workshops, institutes, summer term); and
- Pricing up or down.

Key tactics involved in market development include:

- Opening additional educational locations through expansion (ex: establishing a presence in a target neighborhood through a special program);
- Attracting other market segments by developing different versions of the same offerings that appeal to these segments (ex: adding a grade or division);
- Entering other channels of distribution (ex: partnering with other educational providers);
- Advertising in other media (ex: media targeted to lifestyle segments); and
- Building new relationships (ex: community, religious, educational, or business partnerships).

Key tactics of product development include:

- Developing new product/service features by attempting to adapt, modify, magnify, minimize, substitute, rearrange, reverse or combine⁵ existing features (ex: existing courses offered online);
- Creating different versions of the same product/service (ex: different educational services offered online, such as college placement software, and other student support and advising services); and
- Developing additional models and/or sizes.

Key Marketing Strategy Questions

- How should we respond to our primary market segments' perceptions, needs, wants, and expectations? Should we build, maintain, or retrench? What tactics should we use? If we build or maintain, what can we do to better meet market demands in ways that are consistent with institutional mission, vision, and goals?
- How should we respond to our secondary market segments? Should we build, maintain, or retrench? What tactics should we use? What can we do to better meet their needs in ways that are consistent with institutional mission, vision, and goals?
- How should we respond to our primary markets' perceptions, needs, wants, and expectations? Should we build, maintain, or retrench? What tactics should we use? If we build or maintain, what can we do to better meet market demands in ways that are consistent with institutional mission, vision, and goals?

⁵ This method of generating new ideas was developed by Alex F. Osborn, *Applied Imagination, Third Edition*. New York: Charles Scribner's Sons, 1963, pp286-87.

- How should we respond to our secondary markets? Should we build, maintain, or retrench? What tactics should we use? What can we do to better meet their needs in ways that are consistent with institutional mission, vision, and goals?
- What should we do about new market segment opportunities? Do any hold exceptional promise for our existing programs and services? What do we know about their current perceptions, needs, wants, and expectations that qualifies them as a target market segment? Do we think these will be different in the future when we are implementing our strategy?
- Should we develop new offerings for our current market segments? What needs, wants, or expectations can be met by such proposed new offerings? Do we think these will be different in the future when we are implementing our strategy?
- Should we develop a new offering or offerings to meet the need of a new market or markets? What needs or wants would we serve? Do we think these will be different in the future when we are implementing our strategy?

Positioning

What students and families think about the school is its position. This position determines whether students will respond to the school's marketing efforts, look at its website, or attend its open houses. If your school is not successfully positioned in their minds, they will never be in your classrooms. There are two aspects of positioning, building your brand and then differentiating it.

Your school's brand is its promise of benefit to those with whom it wants a relationship. This is not to be confused with *features* (such as small class size or global curriculum). Brand expresses how these features become benefits to the consumer (increased personal achievement and strong preparation for responsible global citizenship). Branding is a challenging task.

Three questions of branding are suggested by Kurt Aschermann in an article that appeared in *The Chronicle of Philanthropy*:⁶

- What makes the organization unique?
- Why does it exist?
- Why should someone support it?

The tasks of brand are building brand awareness and mindshare (are you among the top three names that come to mind in your market category?), and cultivating brand loyalty. Brand awareness is built through a coordinated marketing communications effort that includes everything from graphic identity to ad campaigns to public appearances. Consistency, cohesiveness, and clarity are key. Emotional appeal doesn't hurt either. In the social service sector, to which education belongs, passionate appeal to the heart is a known influencer of positive action.

⁶ Kurt Aschermann. On the Value of Nonprofit Branding, *The Chronicle of Philanthropy*, July 26, 2001.
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If brand awareness is built, brand loyalty is earned. The richness of this dividend depends on the school's relentless delivery of its promise of benefit, whatever it is. So, whereas brand awareness and mindshare may get students in the door, brand loyalty retains them year-to-year.

Once you have identified your brand, the task is to communicate why it's different. To be successful in a crowded marketplace, your brand must distinguish itself from a sea of competitors vying for your target consumer. *Differentiation* is a key strategy for competitively positioning your school in ways that prospective students and families find meaningful.

In his book, *Competitive Strategy*,⁷ Michael Porter proposes three core strategies that organizations can adopt: differentiation, cost leadership, and focus (or niche). Differentiation, Porter asserts, can be based on real differences in your offering (product differentiation), differences in how or where your offering is made accessible to target groups (place differentiation), or differences in how your institution and its offerings are perceived (image differentiation). Of the three core strategies listed by Porter, the two we most often see schools attempting to adopt are differentiation or niche strategies.

In thinking about your plan to differentiate through brand and position, consider this excerpt from a 2006 report from the *TEENTalk Study*, conducted by Stamats, Inc. (www.stamats.com), a firm specializing in college and university marketing:

'How do college-bound teens use their brand experiences to choose a college or university? What kinds of promises are important to them?

Teens are considering college brands beginning when they are sophomores in high school. They make an initial list of eight to 10 schools based on academic major, and if it's a 'cool' school. "You need to make this initial list. It's rare to make the final cut if you don't."

When students begin to think about college, they think programs first, then brand. Local schools or good area schools tend to make the initial list as well. As they go through the decision process they narrow this list to a top three to five schools. Factors that become important to students as they become high school juniors and seniors are outcomes, job and graduate school placement rates, location, and cost. But, remember that the same branding rules apply to higher education—if you have a strong brand, students are more likely to pay a premium to go to your school.

These schools have created such a name that students will make sacrifices to attend. The key in creating this aura is the ability to manage your brand. To properly manage your brand you must have a consistency in your

⁷ Michael E. Porter, *Competitive Strategy: Techniques for Analyzing Industries and Competitors* (New York: The Free Press, 1980).
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promotional efforts. This consistency must be with your visual message and your editorial message. Prospects will use all mediums and view you in light of these materials. Using all these tools *and* maintaining consistency are the critical elements in romancing the brand.

Traditionally when schools think branding, they think look, logo, and letterhead. For brands to be really effective in the years ahead, schools will have to change their way of thinking about branding and transition away from the "graphic" dimension of branding. They must understand the strategic significance of branding, i.e., the making of a promise.’⁸

Key Marketing Strategy Questions

- Is the brand we have the brand we want? If yes, what tactics will improve brand awareness, mindshare, and loyalty? If no, must we re-brand?
- Is the position we have the position we want? If yes, what tactics will sustain this position among target audiences? If no, must we re-position? What assets are strongest and could differentiate our school’s brand in the minds of consumers? Its financial or facility assets, social capital, product or service benefits, or human assets such as student base, faculty quality, alumni, and other donors?
- Are our brand and its position aligned with reality? If no, is there a reality problem, a perception problem, or are both out of alignment? What does an image study reveal about the strengths and weaknesses of our school that can be used to distinguish it from competitors in the minds of our target markets?
- Who will be the campus ‘brand steward’ to get everyone to agree on one brand strategy, implement it in their various domains, protect and enhance it across divisions and departments, and monitor its ongoing alignment?

The Marketing Mix

The Marketing Mix, the third core strategic area in the Marketing Planning System, is defined by four key elements, commonly known as ‘the four P’s.’ *Product, Price, Place, and Promotion.*⁹ Decisions in calibrating the marketing mix include:

- Product decisions that focus on programs, services, features, options, and quality. Will you build, maintain, or retrench?
- Price decisions that center on tuition, discounts, scholarships, financial aid, payment periods, and credit terms. Will you maintain, increase, decrease, or extend?
- Place decisions about channels, locations, schedules, and atmosphere. Will you maintain, add new, change, improve, merge, partner with, or go virtual?
- Promotion decisions involve internal and external communications including advertising, publicity, public relations, interactive/direct marketing, event marketing, alliance

⁸ Stamats, Inc. *TeenTALK* (Cedar Rapids, IA: Stamats, Inc, 2006). Excerpt reprinted with permission of the copyright holder..

⁹ E. Jerome McCarthy, *Basic Marketing: A Managerial Approach* (Homewood, IL: Richard D. Irwin, 1960).

marketing, merchandising, and personal contact. Will you ramp-up, scale down, change, challenge, or chance? Will you invest, divest, or hold? Go global, Tweet, blog, e-mail, or snail mail?

Taken together, marketing mix choices represent the ‘bundle of benefits’ that comprise your offering. These choices help the school develop good programs, price them attractively, make them readily available, and then tell others about them in ways that attract target audiences.

Key Marketing Strategy Questions

Based on institutional goals, our target market segments and our school’s competitive position, what if anything should we change in our marketing mix?

- Is our product/service mix strategy sustainable among our target markets?
- What should be our pricing strategy?
- What should be our distribution strategy?
- What should be our promotion strategy? What if anything should be upgraded, discontinued, or otherwise changed to improve our results based on the opportunities we choose to pursue? How should this strategy change to reach new markets? More of our existing markets?
- Will existing programs and services meet the needs and wants of existing and any new target market segments, or must we develop new offerings?

The Strategic Marketing Plan pulls together all the strategies for target markets, positioning, and the marketing mix into a single document that can take many forms. For an example, see the last section of this advisory. But many other choices exist. The important point is to get it in writing!

The Marketing Control System

Marketing strategies and objectives are now aligned with school mission, vision, and goals in a written Strategic Marketing Plan. It’s time to transition to implementation.

The School’s Marketing Need

An implementation strategy is needed in order to get traction on your strategic marketing plan.

The Marketing Control System Delivers

The Marketing Control System provides a framework for plan execution, reporting, and evaluation.

Key steps in transitioning to implementation include:

- Make certain the organization supports the marketing effort by designating a marketing position on the administrative leadership team to manage the marketing systems, especially the control system.
- Prioritize the marketing projects within the marketing plan.

- Implement prioritized projects.
- Establish the monitoring system, using reporting templates and technologies.
- Predetermine your evaluation approach, including whether you will use success indicators and performance measures.
- Establish a communications strategy to report results. Who receives marketing information, how, when, and from whom?
- Establish a structure (who?), a process (how?) and a time (at least annually) to reflect and refresh the plan.

Key Marketing Control Questions

- What have we done with our opportunities? Which will we watch, pursue, or ignore? How will we know if this approach is working?
- What have we done with our threats? Which will we watch, plan to overcome, or ignore? How will we know if this approach is working?
- What are this year's marketing objectives?
- Who is responsible for their outcomes?
- How will we monitor and track progress?
- When do we want reports and what should they contain?
- Are we on track? How do we know?
- Is our way of getting strategic information into the system working?
- Is what we thought would be true about the future actually unfolding?
- Must we recalibrate our plan based on changing conditions?
- Have we made progress on adopting a proper strategic marketing philosophy and mindset?
- In what real ways has strategic marketing positively impacted our school's mission, vision, and goals?
- In what ways can we improve or upgrade our marketing systems? In order to do so, what do we have and what do we need?

III. Roles and Responsibilities

Strategic Marketing and Planning

How Strategic Marketing Fits into the Strategic Planning Process

Rightly executed, every plan and planning process falls under the umbrella of the institutional strategic plan. Likewise, strategic marketing planning should be used as a management tool to advance the strategic plan toward the school's vision of success.

The institutional strategic plan answers several core organizational questions. The school's marketing plan answers strategic marketing questions. Here's how the two mesh.

Institutional Strategic Plan	
<i>What do we stand for?</i>	Core Values
<i>What is our purpose?</i>	Mission
<i>What imperatives must we address over the next 3-5 years?</i>	Strategic Issues
<i>What do we think will be true about the future with regard to these issues?</i>	Underlying Assumptions
<i>If we resolve these issues, what does success look like for us?</i>	Vision
<i>What must we achieve to reach our vision?</i>	Goals
<i>How will we achieve our goals?</i>	Strategies
<i>What specific projects, programs, and activities will operationalize our strategies?</i>	Initiatives
<i>How will we know we have been successful?</i>	Performance Measures

Strategic Marketing Planning	
<i>What do we want to achieve?</i>	School Mission and Strategic Plan Vision and Goals
<i>What is happening now? Why is it happening?</i>	Marketing Information and Analysis System
<i>What should we do about it?</i>	Marketing Planning System with core strategies in areas of target markets, institutional positioning, and the marketing mix
<i>How are we doing?</i>	Marketing Control System

Board, Head, and Leadership Team: Partners in Strategic Marketing

Board Responsibilities in Strategic Marketing

The goal of the board in marketing is to improve the practice of marketing management in the school. Nonprofit management guru Philip Kotler suggests the institution develop three approaches to accomplish this goal: “a proper philosophy of marketing, a systematic approach to solving marketing problems, and an awareness and ability to use the very latest concepts and techniques from the private sector.”

The board plays a critical role in each of these. First and foremost, the board can and must influence the institution to begin the paradigm shift to ‘a proper philosophy of marketing.’ It can do this by commissioning the development of a plan by top administrative leadership. By endorsing the establishment of the three systems described in this advisory, the board not only ensures the school is equipped to solve marketing problems, but it also encourages the use of the latest concepts and best practices in marketing management. Together these actions set the school on a rigorous and disciplined journey of discovery and decision-making that will benefit the institution in both the near and long-term.

The marketing systems themselves require varying board involvement. The Marketing Information and Analysis System is typically driven by senior administration with or without outside help. The board should weigh in on the generative questions it would like addressed, although it will not typically be involved in the data gathering or analysis.

With the overall institutional direction set through the strategic plan, the traditional approach from the boardroom has been hands-off in many of the areas of marketing strategy formation. That said, school boards normally set pricing strategy, are involved in decisions on ‘place’ when it comes to major physical plant changes, and will define broad markets through mission. Today with pressing needs for innovation and invention, we see boards stepping more and more into the strategy circle. For this to be productive, however, the watchword should be collaboration, not unilateralism.

Also, care should be taken to avoid getting involved in tactical planning and plan execution. The board should steer clear of tactical implementation decisions in the area of ‘Products.’ Deciding on the addition or deletion of specific courses or extra-curricular activities is not the proper use of board capacity. Similarly, the board should stay away from tactical decisions in the area of ‘Promotion,’ such as placement of ad campaigns, viewbook decisions, and admission open house planning. Most decisions of ‘Place,’ or how offerings are distributed, largely belong in the area of school management, as well. Discussing where classes will be given, how marketing atmospherics might warm-up the admission office or what color to paint the bleachers in the new gym are not strategic board decisions.

Some of the important actions a wise board appropriately engaged in strategic marketing planning for the school will do include:

- Setting a sustainable overall direction for the institution based on mission, markets, resources, and opportunities;
- Setting the expectation that the school will develop a distinctive marketing philosophy that embraces best practices of strategic marketing planning for nonprofit organizations and executes a student-centered marketing concept;
- Setting the expectation that the head will appoint a specialist to establish marketing systems for information gathering and analysis, planning and strategy-making, and implementation and control;
- Insisting on strategic information to inform decision-making about future direction;
- Determining whom the institution serves;
- Establishing benchmarks that ensure the quality of the school's portfolio of offerings;
- Setting pricing and determining accessibility through financial aid;
- Funding the marketing position and plan;
- Collaborating with the head of school and top administrators on setting marketing goals and strategy and developing the institutional positioning strategy;
- Setting enrollment goals, including objectives such as the school's optimal level of student enrollment, the level the school can realistically expect to draw, and the level of student quality it wants;
- Overseeing marketing strategy;
- Requiring an accurate and continuous picture of the school's application and enrollment situation; and
- Developing two to three alternative enrollment scenarios using the most objective and hard-hitting data available.

Key Generative Board Questions

- What is our business?
- What should be our business?
- Who is the consumer? Who should be the consumer?
- What is our value to the consumer?
- What is our pricing strategy? Is it working? Is it sustainable?
- What will be our business if we continue with our current strategy? Is it sustainable?
- What are our core competencies? Are they right for today? Are they right for the future? How do we know?
- On what basis do we compete? Is this sustainable?
- What might it look like to totally reinvent ourselves to serve new or emerging market needs?
- If there is a part of the marketing mix that cannot be changed to meet consumer needs and wants, what other elements of the marketing mix can be responsive to consumer needs and wants?

Staff responsibilities in marketing

- As the head is chief fundraiser and lead vision bearer, the head of school is chief strategist when it comes to positioning the school through mission, vision, and brand.
- Staff defines and executes research projects, and identifies resulting marketing opportunities.
- With collaboration and board approval, senior administration sets strategy.
- Senior administration develops and implements a strategic marketing plan.
- Staff engages others in taking responsibility for specific markets and/or geographic areas.
- Admission office sets promotion goals and prepares application and enrollment trends and projection reports. School leadership scrutinizes with regularity all relevant admission data to know in advance of a soft market what has been done with what effect.
- Senior administration reviews resource commitments along with financial, demographic, and other relevant marketing data to identify needs and gaps.

10 Best Practices of Strategic Marketing Checklist

Working together, boards and top leadership of independent schools most likely to succeed in the practice of strategic marketing planning will:

1. *Demonstrate collaboration* between board and senior administration in the shaping and testing of strategy.
2. *Adopt a campus-wide marketing mindset* that is consumer-centered.
3. *Create and fund an organizational structure* that supports the strategic marketing effort.
4. *Rely heavily on research* and relentlessly review it regularly and rigorously.
5. *Use a marketing portfolio approach* based on research to create roster of opportunities and alternatives that include where to grow, where to stand pat, where to retrench, and where and what to innovate.
6. *Focus first on targeting opportunities* that can be supported through school resources, would have the most impact, and are most likely to succeed.
7. *Establish a core marketing strategy* that consists of three main elements defining how the school will tackle its market challenges in order to meet its institutional goals. This is expressed in a written strategic marketing plan including strategies for:
 - **Markets:** segmenting, targeting and prioritizing the most promising according to those with whom the school is most likely to enjoy superior competitive advantage.
 - **Position:** using a differentiation strategy to uniquely position the school based on how its brand promise fulfills the needs of the school's target markets as compared to the brand promises of competitive offerings.
 - **Marketing mix:** coordinating a bundle of benefits consisting of product offering, price, place, and promotion, and aimed at attracting and retaining those whom the school wants serve.

8. *Give bottom-line importance to creating relationships* that have long-term positive impact.
9. *Adopt practices of recalibration and adjustment* to keep the marketing plan relevant and on target.
10. *Steward the brand*, protecting it and building it by delivering on its promise of benefit.

IV. Next Steps, Tools, and Resources

Next Steps

Attempts to change the school to a market-oriented organization with working marketing systems of Analysis, Planning, and Control require the following steps:

1. Obtain board, head, and leadership team support and develop a marketing philosophy.
2. Create an effective organizational design that can execute the philosophy based on:
 - Structure (person or department) to build and manage the marketing systems;
 - Authority (best as a member of top administration); and
 - Funding (each marketing system has hard and soft costs attached).
3. Internal marketing training to get faculty and staff onboard with strategic marketing.
4. Improve employee hiring practices to identify and select new staff aligned with the school's marketing philosophy and needs.
5. Reward marketing-oriented employees.
6. Create or upgrade your three marketing systems: Analysis, Planning, Control.

Tools To Get You Started

Strategic Marketing Planning Inventory

- The school has a strategic plan with a long-term vision.
- The school has clear short- and long-term goals.
- The school has a clear product/service strategy.
- The school has a clear pricing strategy.
- The school has a clear distribution strategy.
- The school has a clear positioning strategy that creates value in the minds of its target audiences.
- The school has a clear promotion strategy.
- The school has a written strategic marketing plan.

Strategic Marketing Plan Sample Format

<u>An executive summary</u>	Includes the key findings and strategic recommendations; presents an overview of the marketplace and the effect the strategic marketing plan might have on it; identifies resource requirements; identifies key marketers; establishes how the plan will be measured.
<u>A situational analysis</u>	The statement of fact about the health of the school and the most important marketing challenges and opportunities facing it.
<u>A statement of goals</u>	It is most practical to limit the Strategic Marketing Plan to four to six high priority, overarching marketing goals that are in harmony with the mission and vision of the school. Goals provide strategic direction to marketing efforts.
<u>A statement of strategy</u>	Strategies related to market segments, positioning, and marketing mix decisions that describe how the school will use marketing management systems to achieve institutional goals. Here will be a description of <i>market segments</i> , why they were selected and details of the exchange; <i>positioning strategy</i> for the institutional to attract and retain its target markets in light of competitive factors; and <i>marketing mix strategy</i> , including details on product/service mix, pricing, place, and promotion.
<u>Work plans</u>	Implementation is accomplished through work plans containing outcome-based objectives and activities for each strategy. Each objective is assigned an individual or group responsible and accountable for its completion.
<u>Evaluation framework</u>	Monitoring and evaluation techniques include progress reports, timelines, and outcome measures, and budgets. Regular reports should be made to the head of school based on results in these areas. By accomplishing objectives in a hierarchy, goals become self-fulfilling.

Applying the Marketing Model to Enrollment Management

Enrollment

1. Identify problems in attracting and enrolling students.
2. Define goals and objectives.
3. Conduct market research.
4. Determine the marketing strategy including selecting target markets, setting the marketing mix, and setting the marketing budget.
5. Plan and implement an action plan.
6. Evaluate results.
7. Improve retention.

Retention

1. Set up a Retention Work Group.
2. Assess the retention situation and set goals and objectives.
3. Determine why students leave.
4. Encourage an attitude of service to students.
5. Focus on facilitating the student's transition to the institution.
6. Provide adequate counseling, advising and support services to students at risk for leaving.
7. Create a responsive environment where students know adults care deeply about their success.
8. Nurture each student's sense of belonging by connecting new students to affinity or interest groups early.
9. Develop ways for the student to contribute to the common good and make a positive impact on the school.

Key Strategies for Branding a School

1. Make brand a strategic priority. Brands create value. The importance of brand needs to be acknowledged and resources allocated to the task of branding or re-branding if needed.
2. Operationalize the school's brand by identifying, prioritizing and optimizing its high-impact brand touch points. This involves identifying where and how value is built and added at major touch points in the pre-admission, admission, educational experience and post-educational experience; prioritizing them in impact and importance; and then continually measuring and improving the student's experience. Ask students "Are we important to you? How?" Ask families the same questions.
3. Develop a brand adoption plan to help board, faculty, staff and administration embrace and embody the school brand. Educate, communicate with, and train faculty, staff and administration to become brand stewards.
4. Measure the success of branding efforts.

Key Strategies for Positioning a School

1. Develop an 'outcome identity' that goes beyond classroom success. Many schools can benefit from more efforts to promote themselves as a continuum of learning opportunities. In drawing the upper school market, in particular, it is especially critical that schools develop an 'outcome identity' that goes beyond classroom success. All marketing media – print, electronic and atmospheric – should strongly emphasize student outcomes.
2. Focus on the experience as well as the product. Many schools can benefit from promoting brand images focused on the experience of the student. There are significant groups of prospects who may not be aware of the scope of services and students served by your school's mission. A key strategy in positioning any school is to focus on individual market segments (geographically, demographically, psychographically) and emphasize issues known to appeal to parents and students in these segments. When repositioning,

determine what elements in the current brand position need to change to reflect the perceptions and expectations and what key themes will support and enhance the new position.

3. Position using core values. To position itself differently through branding, a school should use its core values to fully understand and articulate a uniqueness that is easily identifiable and that makes it stand out among its competitors. To survive in a competitive environment, a school must possess a uniqueness that can be creatively packaged and marketed before presenting it to the world.
4. Build brand identity. Use key tactics of marketing communications to build brand identity:
 - a. Develop message consistency, clarity, and repetition
 - b. Use targeted media with matching demographics to reach market segments
 - c. Communicate a strong visual identity
 - d. Integrate print, electronic and relationship marketing programs and materials
5. Assess employee attitudes about new direction in branding. As the school's best ambassadors of brand, faculty, staff and administration need to be part of any resolve to branding and position the school. A plan to get this key group onboard is a top priority.

Key Tactical Activities for Staff to Increase Brand Awareness

Staff can increase brand awareness through an integrated marketing system of print, electronic, event-based advertising, publicity and promotion segmented by market.

A. Target advertising

- Use a targeted advertising and communications strategy to reach market segments whose media habits and preferences are known to you
- Buy space in major publications of influence for institutional repositioning
- Buy space in trade journals whose demographics match primary and secondary markets
- Size and frequency count when buying advertising space; save your money if you can't afford to dominate the page and pay more for position
- Use re-branding and positioning strategies
- Remember to ask for a response or an action
- Use campaigns built on emotional appeal – 'put a face on it' through:
 - Student stories
 - Student spokespersons
 - Student outcomes

B. Step-up promotion and personal contact

- Research and establish key strategic alliances with businesses, higher education, and feeder schools
- Increase visibility through service in the community and participation in events

- Develop creative and bold strategic alliances and cooperative marketing programs
- Concentrate on increasing campus visits among key target markets while maintaining yield
- Encourage visits from alumni and alumni families
- Blog
- Use e-mail as an opportunity to grow relationships
- Consider joining social networking sites
- Establish a search engine strategy and increase web presence

C. Increase publicity

- Become the expert by writing a column or submitting articles for publication in consumer and trade press
- Become the local ‘go to’ contact for education writers
- Develop a publicity plan
- Develop a photo strategy
- Schedule public service announcements
- Create placement opportunities by building relationships with local education writers/editors
- Seek article placement in trade journals read by target market segments
- Give interviews and speeches at events and through media channels

The Marketing Risk Situation

At any given moment, organizations are vulnerable to a number of marketing risk situations. Here are five most schools face as well as possible approaches for remediation (the marketing objectives, strategies and tactics are based on generic concepts put forward in Philip Kotler’s *Marketing Management*¹⁰).

1. *Situation:* Decline in Enrollment
Marketing Objective: Stop the decline
Key Strategy: remarketing through revitalization/recycling; pinpoint and address the “fix-the-ship” issues
2. *Situation:* Inadequate Growth in (or Retention of) Market Share
Marketing Objective: Increase advancement and admission outcomes through increasing the market
Key Tactic: Open additional geographic markets through expansion; reach additional demographic markets
3. *Situation:* Static Enrollment
Marketing Objective: Increase market share, enrollments or revenue
Key Strategy: market penetration; seeks increased response to present products/services in present markets through a more aggressive marketing effort
Key tactics: improve retention rate; improve application; cross-sell other products such as summer camp to current and families and alumni; offer incentives for increased use

¹⁰ Philip Kotler, *Marketing Management, Third Edition. Prentice-Hall, 1976.*

(sibling discounts); step up promotion; differentiate your school more; try to attract non-users by increasing product trial through offering incentives and samples (more open houses, community opportunities to use facilities, etc).

4. *Situation*: Maintenance (Status Quo)

Marketing Objective: Avoid complacency

Key Strategy: Establish a marketing system that gathers competitive and external environment intelligence regularly and responds to it with product/service improvements or changes accompanied by targeted marketing programs.

5. *Situation*: New Product Introduction

Marketing Objective: Successful launch

Key Strategy: New product development; take new product into current markets first, then open new markets

Key tactic: Create and manage a referral system with current and past families and alumni

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Additional Resources from NAIS

- [Marketing Independent Schools in the 21st Century](#) (book)
- [The Importance of a Value Proposition](#) (article)
- [Managing Value: The Marketing Perspective on Affordability and Demand](#) (article)
- [Being Strategic in Times of Crisis Part I](#) (podcast)
- [Being Strategic in Times of Crisis Part II](#) (podcast)
- [Building Your Dream Board Team](#) (podcast)
- [Bassett on: Strategic Questions for Boards \(Vol. 1\)](#) (podcast)
- For more information about financially sustainable schools resources, please visit www.nais.org/go/finance.
- [Join](#) the FSS listserv

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