Angelika Nagy

Communication and Marketing of Adult Education Organizations

Angelika Nagy

COMMUNICATION AND MARKETING OF ADULT EDUCATION ORGANIZATIONS

SZTE JGYPK
Szeged, 2013

Project Title:
Establishing a Vocational and Adult Education Knowledge Base and Consulting Centre in the Southern Great Plain Region

Project ID:
TÁMOP-2.2.4-11/1-2012-0004

Beneficiary:
University of Szeged

Project period:
01.07.2012–31.12.2013.

E-mail: projekt@jgypk.u-szeged.hu
Web: www.jgypk.u-szeged.hu/dtf

Translator:
Zsuzsanna Gál

Lector:
Dr. Éva Málovics

Cover design:
Lajos Forró

ISBN 978-963-9927-84-1

NEW SZÉCHENYI PLAN

CONTENTS

1. COMMUNICATION OF ADULT EDUCATION ORGANIZATIONS

1.1. Communication of Organizations: Public Relations

The organization can influence their effectiveness not only with their activities (products sold by the companies or services offered by organizations) and the marketing tools (4P and 7P: product, price, place, promotion, physical evidence, people, process) but also with the relationships established with their direct or indirect environment. The already founded relationship can be developed consciously. The relationship between the organization and its environs can be positive or negative.

In case of a positive relationship, the closer or wider environment recognizes the achievement of the organization, purchases its products, uses its services, supports it in reaching its organizational goals, tolerates its problems, that is, trust emerges between the organization and its environment. We talk about a negative relationship when the environment does not recognize the achievements of the organization, does not purchase its products, does not use its services and it is not tolerant with its problems, that is, there is no trust in the the organization. The positive and negative relationship signals only relative quality since the relational system changes quickly.

The relationship between the organization and its environment can be manifold. Here, we can mean the network with customers, potential customers and other organizations that gets established during the work done by the organizational members. Consequently, almost all members of the company/organization (janitors, secretaries, customer service agents, managers) contribute to the relationship shaped by the organizational communication.

The organizational communication is mainly done in written form via regulated channels, which in a traditional bureaucratic organization means leader to leader, leader to subordinates, leader to the external world and employee to the external world types of communication. Communication can be characterized by formality, whereas informal communication plays a minimal role.

Nowadays, behaviour is becoming an identity shaping factor in the eyes of the environment and public opinion: all the communication channels of the organization as a whole are described by the **organizational communication** (corporate communication) as a collective concept. "The corporate communication consequently is the behaviour of an organization in the referential framework of the environment, the sum of its planned and spontaneous activities." (NYÁRÁDY – SZELES I, 2005. 17.)

Making the company's activities known for the wider public increases the corporate fame, establishing a positive image or enhancing the formerly established positive image in its economic and social environment. Additionally, the manifestations of the corporate attitude concerning social problems, for example, efforts made for the mitigation of environmental pollution, or arts supporting activities, sponsoring events, participation in public affairs, supporting science, etc. play also an important role. The channels and tools of PR correspond with those that are applied in advertising, but press relations have a highlighted role.

1.2. The Concept, Aim and Task of PR

We call the activity that operates the communication between the organization and its environment Public Relations (PR). **The PR** actually **is an information activity of the company coordinated by the corporate management, embracing all subareas, whose aim is to raise interest in its products, then to maintain and foster the acquired trust.**

Its direct aim is not the promotion of sales but shaping, enhancing and maintaining the corporate image as well as establishing the distinguished and characteristic corporate identity.

The fundamental aim of PR is to build up and promote the reputation of the organization. In order to reach this, the company sets the following objectives: understanding, trust, support, cooperation ability and consensus (Szeles, 1999. 16.; Fazekas – Harsányi, 2000. 247.)

Possible PR objectives in case of an adult education institution

PR aims	How can they be achieved?	Example
Trust, building trust	There should not be any discrepancy between the message perceived by the consumer and the one communicated by the organization.	**consumers:** the knowledge of all important information: communicating correct information on the content, venue, dates, instructors, subjects, offered qualification of the given training, etc. **employees:** identification with the corporate goals, increasing their satisfaction: recognition, rewarding of the trainers and education organizers' work (Teacher of the Year, The Best Lecture of the Year Prizes, etc.) promotion, Christmas party, semester final party, etc.
Social responsibility	Ability to manage social and environmental problems with the participants' mutual satisfaction.	**consumers:** free of charge training or paying in instalments option, electronic availability of the training material, organized transport for participants, career orientation counselling **employees:** fringe benefits, financing study trips, provision of educational aids, energy saving visual aids (projector, laptop) and cabinets, use of recycling paper during office work

PR aims	How can they be achieved?	Example
Sales promotion	The organization's communication style can help to trigger consumer demands.	**consumers:** the manner of the teacher and course organizer basically determines the student's choice of the training institution, provided thatthe student experiences appropriate communication style at a specific institution, he will certainly recommend the organization to his acquaintances; reaching out to potential consumers, raising awareness by the help of mass communication means (text, language and style of advertisements) **employees:** the communication style among employees may influence the milieu of the workplace, if the employee feels good at his work place, he will certainly recommend the courses of his own institution also for his friends (mouth advertising)
Shaping the prestige and reputation	establishing and maintaining good reputation clarifying mis-understandings, attracting and retaining employees.	**consumers:** well prepared instructors, good exam results, graduates can easily find a job, connection with the actors of the labour market, fast conflict solving between the training institution and participants for both parties' satisfaction, etc. **employees:** settling workplace conflicts (between the employees themselves and the supervisor and employees), recognizing good professionals, uniform requirement system for all

[1] The PR messages do not primarily serve marketing goals but indirectly support the sales activities of the organization.

PR aims	How can they be achieved?	Example
Crisis communication	Fast and effective reaction to negative events concerning the organization's operation.	**consumers:** because of the decreased normative supports (or the organization's reduced incomes) the training cannot be entirely provided free of charge, participants have to pay a proportion of the costs, instead of giving out free course books, the training organization makes the training material available via the Internet **employees:** as a consequence of the increased number of training programmes due to legislation change, the number of lesson hours of teachers increases considerably, but the salaries cannot be raised because of the decrease of the normative subsidy – that is more work for the same money: with proper communication, the employees understand the new situation, adapt to it and they do not enter strikes, at least for a certain time.

Table 1.: PR objectives in case of an adult education institution
Source: own edition

The problem-free cooperation with the environment is becoming more and more a basic requirement for the wider public. For this reason, the facility of PR is also becoming more and more important nowadays not only in the life of business enterprises (e.g. corporations) but in that of social (trade union), political (parties), state administration (ministries, education institutions) organizations as well. More information concerning the evolution of the concept of PR can be found in NYÁRÁDY – SZELES I, 2005. 83–113.

The primary aim of PR is to improve understanding, to establish an identity, to promote the sense of belonging to a community, to provide better information, to support the marketing activity, to improve the way of thinking and to shape the public opinion. (NYÁRÁDY – SZELES I, 2005. 114–115.)

What can be achieved by the help of PR?

– It can shape consumer attitude in the long run (the need to attend courses, in-service trainings should become a motivational factor far beyond the acquisition of the first qualification).
– Wider groups of the population may become aware of and interested in a particular theme(life long learning).
– An organization from the state of unknown may get closer to the public (e.g. in a topical professional issue – reforming the National Registry of Qualifications and VET –, the training institution acts as an expert).
– The organization may establish a positive image of itself.
– It can display complicated correlations or themes in a simplified form (e.g. financing adult education, adult education act).
– With its permanence, we can reach understanding even in situations which would bring about negative consequences (operational disturbances of an adult education institution, liquidity problems). (Nyárády – Szeles I, 2005. 115.)

Nevertheless PR is not suitable

– to promote sales of services at the points of sale (selling a course in the customer service office);
– to compensate for the consequences of bad or mistaken managerial decisions (conflicts due to the executive's inappropriate communication of an adult education institution);
– to make up for quality or other deficiencies (not suitably equipped rooms, training sites). (Nyárády – Szeles I, 2005. 116.)

The content of PR is summed up by the acronym PENCILS

– **P**ublications: company's newsletter, annual report, leaflets for customers;
– **E**vents: sponsoring sports, arts or commercial events;
– **N**ews: favourable stories about the company, its personnel and products;

– **C**ommunity involvement: charity for the community;
– **I**dentity: identification marks such as stationery, business cards, corporate emblems;
– **L**obbying: facilitating appropriate legislation, preventing unfavourable laws;
– **S**ocial responsibility: presenting and promoting a good image of the company/organization in the society.

The PR activity is often identified with journalism or advertising. The basis for mistakenly identifyingit with journalism is that a considerable chunk of the professional tasks of PR is to distribute information and news concerning the company by media channels. The table below illustrates well the fundamental differences between public relations and journalism.

Public Relations	**Journalism**
Thinks in news value.	Thinks in news, sensations.
Organizes comprehensive communication (interviews, commercials, internal information system).	Organizes exclusively own media publicity (only broadcasting).
Is driven by reputation, image.	Is driven by the number of copies of its own medium.
Has a corporate identity (company/organization reputation).	Has a personal motivation (own image and publicity).
Team-product orientation (communication mix and a creative team).	Individual product orientation (the author is a journalist).
Characterized by objectivity (company facts) the personality is withdrawn.	Individuality is permitted and subjectivity is frequent in the interpretation of facts.
It is a new profession, its social prestige is low, the activity is not done publicly.	It is an old profession, its social prestige is high, its activity is done publicly.

Table 2.: PR vs. Journalism
Source: SZELES, 1999. 19–20.; NYÁRÁDY – SZELES I., 2005. 131–132.

There are occupational historic reasons for identifying PR with the advertising profession. The two occupational fields used to belong to the concept of marketing communication in the practical processes. (KOTLER, 2002. 656–657 – COMMUNICATION MIX/PROMOTION MIX; FAZEKAS –HARSÁNYI, 2000. 163–167., 247–266.)

The table below provides a summary of the differences of public relations and advertising

Public Relations	Advertising
Aim: fame, reputation, public recognition, understanding, trust, support, cooperation ability and consensus.	Aim: selling the product, marketing.
Indirect influence.	Direct influence.
A tool of market STRATEGY.	A tool of market TACTICS.
Bilateral relationship (regular feedback).	Basically one-sided relationship (occasional feedback).
Comprehensive information.	Partial information.
Meant for all stakeholders.	Meant for potential customers.
Part of management activities.	Part of sales activities.
Organizationally is part of the management (direct executive level).	Organizationally under the Sales Director.
It is characterized by representing both the organizational and public interest.	It is characterized by profit orientation.

Table 3.: PR vs. Advertising
Source: SZELES, 1999. 22.; NYÁRÁDY – SZELES I., 2005. 129.

Now, we are examining the differences of the two occupational fields through the example of a particular adult education institution.

What does a commercial suggest for consumers? 'This is a good training institution, come here to study.'

What does PR say?

– **To the consumers:** 'This is a good training institution keeping quality and students' interest in the fore. It is worth learning here because you can acquire transferable knowledge and skills in the labour market.'
– **To the banks:** 'This is a trustworthy organization, it is worth being provided with financial services (loan, account) with good conditions.'
– **To the environmentalists:** 'This is a green training institution since it uses solar energy for lighting, heating and recycled paper, provides electronic learning material for students, and collects waste selectively.'
– **To the trade unions:** 'The institution is a good employer, recognizes its employees, considers them to be family members but not machines.'
– **To the state:** 'The organization is a good taxpayer and employer. This must be taken into consideration in allocating subsidy for constructions and investments.'
– **To the business partners:** 'The organization is a reliable partner, orders in time, pays in due time, cooperation with it means low risk.'
– **To the municipality:** 'The organization is committed to the community in which it operates, contributes to its developments.'
– **To everybody in general:** 'The organization is OK.' (Véghné, 2012. 139.)

1.3. Image – Corporate Identity

1.3.1. Image

In the external world, a specific image gets established about the profile, services (products) and behaviour of the company. This image influences the consumer in his buying decision, therefore, the organization must pay special attention to shaping this external image and its communication. At the same time, because of the strong market competition (also in the adult education market), it is important for the companies to identify and distinguish themselves from their competitors.

The **corporate image** is the totality of those impressions and opinions that

– the company wishes to create about itself;

– are formed about the company in its micro and macro environment;

– people think, feel, believe and perceive about the organization, its services and brands. (FAZEKAS – HARSÁNYI, 2000. 47.; NYÁRÁDY – SZELES I, 2005. 241.)

Based on the concept, the source of the image is the words, deeds and physical presence of the company. The image consists of objective and subjective elements. For instance, in the evaluation of a language course, objective elements such as the chosen language, its complexity, learnability and usability play an important role. Yet, the judgement of several English language courses of the same level (e.g. beginner) is different though the output requirements are the same. The image formed about the language school offering the course subjectively influences the consumers in their decision.

1.3.2. Corporate Identity

The perception of a corporation, its corporate identity, character in the internal and external public opinion are shaped by the concerted application of the primary and secondary communication facilities and each and every action of the company. By the notion of corporate identity (CI), we mean the self-image and behaviour that the company presents outward and inward, the planned, constantly and consciously applied components of its communication and actions. (FAZEKAS – HARSÁNYI, 2000. 49.; VÉGHNÉ, 2012. 231.)

Between the image the organization establishes about itself and the one perceived by its environment may differ in reality. The corporate identity of a company or an organization is also influenced by all the employees through their actions and communication (conducting work, speech style, clothing), therefore, the organization has to pay attention not only to the harmony of the image elements but it has to harmonize the employees' deeds with the elements of the corporate identity as well.This can only be achieved if the company makes efforts to ensure the necessary conditions.

The importance of corporate identity is manifested in the following

- **It identifies and distinguishes:** The consumer can identify the products or services on the market, at the same time, he/she can differentiate them from the competitors' products and services, and does not confuse them.
- **It qualifies:** The quality of the identity-shaping elements suggests the quality of the products or services of the organization.
- **It creates trust:** The positive image obtains the consumers' recognition.
- **It is economic:** The corporate identity represents intangible values. (Fazekas – Harsányi, 2000. 50–51.; Véghné, 2012. 230.)

The corporate identity has a highlighted importance in the following cases

- if a company or organisation's product can easily be substituted;
- if it is difficult to evaluate the features of a product, the results of the organization;
- buying the product or the service has big risk;
- if the product or service develops dynamically. (Fazekas – Harsányi, 2000. 51.)

We can categorize the elements of corporate identity into two groups, distinguishing formal and content elements. In the unity of content and form, the content enjoys primacy. We classify those factors among the content elements of CI by which the company consciously determines its relationship with its environment. This indeed is the 'personality' or 'character' of the organization, which is a complex category and includes the following:

- the type of the organization (partnership, Ltd., holding, sole proprietorship, association, foundation, central budgetary institution, etc.);
- the profile of its basic activity (basic material manufacturing, culture, sports, agriculture, transport, tourism, health care, education, etc.);

– its market position (market leader, market follower, market share as compared to the competitors);
– the aims of the organization;
– and its organizational structure.

As a conclusion, we can state that the **corporate identity components** include 'all those corporate activities and features that qualify the company and give an individual (possibly unique) character to it.' (NYÁRÁDY – SZELES I, 2005. 277.)

Some content elements have direct influence on the company/organization's identity. The basic activity, profile and services can be listed in this group. These factors are obvious for all those people, consumers and partners who get in contact with the organization.

There are also factors directly affecting the company/organization's identity concerning the content elements.

The following things belong to the indirect identity elements

– the organizational structure,
– the corporate culture,
– the corporate philosophy,
– the corporate mission and vision,
– the corporate strategy,
– the corporate self-identity (self-image),
– the corporate style.

By the **formal components of the corporate identity**, we mean the visually identifiable factors that physically distinguish the organization from the others, providing it with an individual character, appearance and spectacle.

The factors of visual identity can be the following

– the company motto (Such a text that hints (or does not hint) at the company. It is brief and can be remembered easily.);
– the company logo (Such a graphic image that suggests its user. It can be displayed separately or as part of a motto. It is the distinguishing mark, trademark of a product or a company.);

– the colour set of the company;
– the font type, typographical system of the company;
– graphic set of motifs;
– the formal display of the product (packaging);
– the formal display of the slogan;
– music identifiers;
– visual stylistic features of communication (photo, film);
– other identifiers (exhibition installations, the buildings' architectural view, etc.).

The elements of the visual system are not equal, the emblem, logo set and colour display have the most important role since they appear most often on the packaging of products, business cards, letter papers, advertisements, web pages, gifts, etc. (NYÁRÁDY – SZELES I, 2005. 265–299.; FAZEKAS –HARSÁNYI, 2000. 52–54.)

The image and corporate identity are similar concepts but do not have the same meaning. The relationship between the two notions can most simply be illustrated by the case of a stamp and its print. The corporate identity is the image (stamp) the company communicates about itself to its environment, the image/reputation is the print (picture) that gets established in its environment.

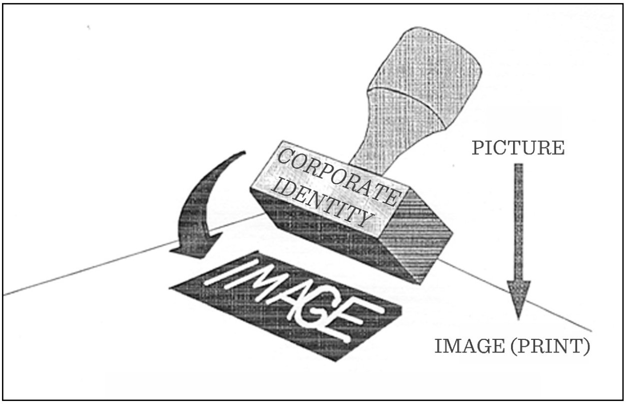


Figure 1: The relationship between the image and corporate identity
Source: NYÁRÁDY – SZELES I., 2005. 264.

1.4. Areas of Public Relations

1.4.1. Internal PR

The organizations and organizational units have recognized the importance of the internal PR, however, they interpret the essence of the concept in different ways. In human resources management, the communication with the employees is an organization pedagogical or motivational tool, from the aspect of PR, it is the device of establishing an image, from the marketing's point of view, it is a tool aiding the promotional endeavours of sales. If we look at it from the aspect of human policy, then the internal PR is a human resources management scheme, from the public relations' point of view, then it can be considered an identity building activity, whereas, from the aspect of organizational culture, it is a value mediating and stabilizing tool. In the practice of the PR profession, it means the credibility and reputation of the communicating organization. (NYÁRÁDY – SZELES II., 2005. 11.)

On the one hand, the internal communication is important in the view of organizing labour, on the other hand, it fashions the corporate culture. The employees' performance is basically influenced by two factors: the workplace atmosphere and the employees' relationship with each other. The motivational system (career and promotion opportunities, acknowledgement, recognition, rewarding) worked out for the workers (employees) is strongly connected to the above mentioned two factors. The effectively functioning internal communication channels appropriate amount of information to the management, by which decision making becomes easier, and owing to the well-informed employees, the work process gets smoother, employees feel good at their workplaces, have a sense of being acknowledged hence become loyal, and spread the good reputation of their workplace. The internal PR embraces passing information to the company's personnel, the network of employees' relations, the relationship of the management and subordinates as well as offering opportunities for interest representation and mediation. The goals, strategy and publicizing the plans directly influence the effectiveness of sales.

The target groups of the internal communication are the labourers and their family members, owners and consultants. The function of the internal PR is the permanent information transfer about three strategic issues:

1. Where is the company presently and where does it wish to get in the future?
2. What should be done (within one month, a quarter of a year, half a year, one year)?
3. How and what can the workers individually contribute to the achievement of the targets?

The aim is to make employees believe that they are also important part of the organization, feel that they and their work are acknowledged. ’PR begins at home’ is the motto of the internal PR, that is, this activity must be started ’in-house’. The motto formulates very briefly the essence of the internal PR, let’s elaborate more on its real meaning:

– The lack of communication causes isolation.
– Only well-informed employees understand the targets, their own situation and tasks.
– Employees are motivated by personal contacts and individually tailored attention.
– Good communication offers answers to the whys. Employees may get puzzled if they receive mere information.
– The shorter and more direct the information is, the more effective it is.
– The regular written information is indispensible, but it does not substitute personal contact. (NYÁRÁDY – SZELES II, 2005. 11.)

Target groups and levels of the internal PR:

– **Communication between fellow workers and units** minimizes the negative effects of informal information (gossips in the hall), and highlights the problems attributable to misunderstandings, lack of information and differences of views.

- The aim of **communication between managers and subordinates** is to establish and maintain mutually favourable relationships between the management and employees
- The task of **communication between managers** is to create an effective organizational management and to facilitate problem solving.
- The task of **communication between proprietorsand executives** is toimprove the performance of the organization, and to make the reception of the organizational strategy and the requirements of the proprietors explicit.
- The task of **communication between executives and interest representation groups** is to point out and eliminate the conflicts of interests, to promote interest reconciliation. (Végné, 2012. 143; Fazekas – Harsányi, 2000. 250-251.)

The below lists summarizes the tasks of the internal PR:

- establishing the sense of belonging to the organization, shaping the internal public opinion of the organization;
- supporting the management's decisions by facilitating communication;
- supporting the management's preparation for decision making with information;
- managing, developing and analyzing the relationships between the organization and its environment;
- initiating, preparing, implementing and assessing professional programmes;
- informing the members/employees of the organization about the aims, results, future tasks and problems of the organization;
- improving the external organizational image through the members of the organization;
- conscious development and maintenance of the corporate identity;
- managing and making genuine the communication behaviour of the organization. (Nyárády – Szeles II, 2005. 25.)

Tools of the internal PR

Verbal tools	Written tools	Other tools
meetings	corporate releases	idea box
consultations	internal newspapers	training and further training
conferences	notice board	welcoming new entrants
giving out instructions	corporate image manual	helping employees returning from maternity/paternity leave
corporate events	intranet	farewell for retiring staff
get togethers, celebrations	newsletter	occasional gifts for employees
		financialextra benefits
		holiday contribution
		regular medical check
		life and accident insurance
		company crèche and kindergarten

Table 4.: Tools of the internal PR
Source: based on VÉGNÉ, 2012. 141.

1.4.2. External PR (Marketing-PR)

The external PR is a two-way communication relationship established between the company and its wider economic and social environment. The special co-operation of PR and marketing is about not getting and gathering information but issuing information with the aim for the company to influence the content and quality of its relationships by the help of the published information. According to Philip Kotler, the marketing-PR is a sales-centred exchange of information, such a part of the entire communication policy of the organization that establishes the environment of trust of the marketing activity. (KOTLER, 2002. 731–732.)

The relationship between marketing and PR has been the subject of professional debates for a long time. The disagreement can be traced back to the history of PR since in the beginning, the PR activity was an element of marketing communication. (The marketing communication is the fourth element of the marketing-mix, about which I am going to write in Chapter 2.1.) By the development of PR, the two professions (marketing and PR) diverged, and nowadays, there are substantial differences considering also their role in the organization. (For more information on the evolution of the PR profession, see NYÁRÁDY – SZELES I, 2005. 83–106.)The two activities must be compared as management specialties which play equal organisational functions. At the same time, I find it important to point out that PR in the management fulfils a communication function, whereas, marketing supports the commercial activities. 'Hence the **marketing-PR** activity is a special field of the corporate public relations activities, which supports the company's marketing efforts with communication. In this respect, the two specialized fields co-operate in achieving the common corporate and market goals.' (NYÁRÁDY – SZELES II, 2005. 69.)

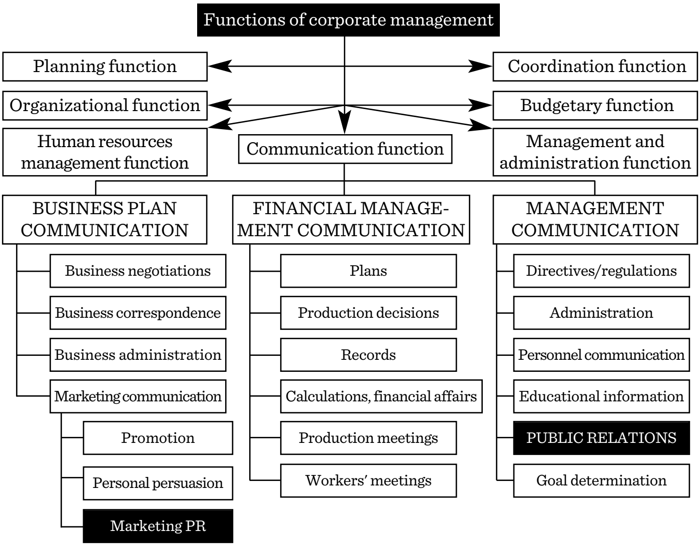


Figure 2.: The two-tier character of PR in the organization
Source: NYÁRÁDY – SZELES II., 2005. 73.

Managing the marketing-PR activity belongs to the marketing manager's scope of responsibility, it is a professional activity embracing the entire organization supervised by the PR director at the level of management. The two-tier character of PR in the organization is illustrated by the figure below.

The target groups of external PR are

– media relations (journalists, editorial offices);
– financial relations (investors, shareholders, financial organizations);
– social relations (civil and minority organizations, governmental and municipal organizations);
– sectorial relations (competitors);
– professional relations (professional bodies);
– consumer and customerrelations (consumers).

Tools of the external PR

Individual communication tools	Group communication tools	Mass communication tools
lecture	event-like information	television
forum	conference, symposium	radio
letters	exhibition	press
notes	celebrations, anniversaries	fairs, exhibitions
discussion	special written requirements (printed forms)	Internet
personal meeting	closed door information	
	annual reports	
	corporate newsletters	
	press conference, press releases, statements	
	audiovisual and multimedia materials (films, slides, CDs)	
	sports and cultural sponsorship	

Table 5.: Tools of the external PR
Source: based on Végné, 2012. 143.; Kotler, 2002. 734.

Areas of the external PR in case of adult education organizations

Types of relationships	Target group	Example
Media relations	journalists, editorial offices	'Adult Education Journal', felnottkepzesinfo.hu, nive.hu, afsz.hu
Financial relations	investors, shareholders, financial organizations	commercial banks
Social relations	civil and minority organizations, governmental and municipal organizations	National Labour Office, Adult Education Accreditation Body, Ministry for National Economy
Sectorial relations	competitor	adult education organizations, institutions offering school-based vocational training, TISZKs (Regional Integrated VET Centres), Türr István Research and Training Centre, Labour Office, job centres
Professional relations	professional organizations	Association of Adult Education Institutions, National Association of Accredited Adult Education Experts, National Association of Accredited Adult Education Institutions
Consumer and customer relations	consumers	employers, individuals, adults

Table 6.: Areas of the external PR in case of adult education organizations
Source: based on Végné, 2012. 143.

1.4.2.1. Media Relations

Among the target groups of the external PR, the media relations have extraordinary importance. The media is essential for the organization because it is the most effective link between the organization and its environment, that is, its partners. The organization that neglects the media makes a fatal mistake since by dismissing the media, it neglects its partners as well. Without the support and trust of its audience, the organization cannot be maintained. The organization's messages conveyed to its environment will only be creditable if it maintains positive relationship with the media in the long run. The foundation of good media relations is a bilateral communication. On the one hand, the organization provides the media with information, satisfying its needs for information, on the other hand, the media publicizes the information, adjusting them to its needs. For the appropriate and trustworthy flow of information, mutual trust and acceptance are indispensible.

The communication process gets slightly modified in case of PR. If we look at the classical (Jacobson) communication model, a speech intention is formed in the sender of the message upon a stimulus. In order for him to be able to transfer his thoughts, he uses a code system by the help of which, he can express his thoughts (coding), thus transforming the information into a message which he sends via a channel to the receiver, who interprets (decodes) it. In a typical communication situation, there is no obstacle in the exchange of the message, because participants are in direct contact with each other, they see and hear each other, and when receive the message, they are able to respond to it instantly.

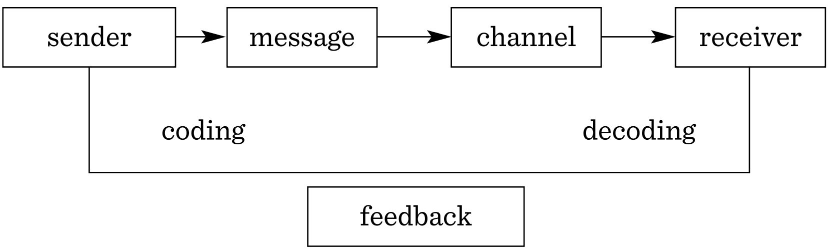


Figure 3.: Jakobson's communication model
Source: own edition

However, in case of organizational communication, there is no chance for the PR professional in most of the cases, to get into personal contact with each individual in his environment, therefore, he chooses the media as a mediating tool. At the same time, the fact that the operation of the mass media and their effect mechanism differs from the classical communication process should not be forgotten either. The media as a mediating agent is like a 'black box'. The information transferred to the media gets modified by gatekeepers and regulators (see more about the concentric cycles model of the mass media in Róka, 2005. 22–23.). The prewritten press material gets shortened or cut in the editorial office (black box) hence the content gets altered as compared to the original text. Parallel to the content modification, we should not forget about the strengthening role of the media either. The media is a closed system, the organization cannot influence the operation of this system, and cannot control what information and how should be published. The media decide on he issued information, whether and what and how and how many times theypublish something if at all, etc. It also often happens that the media do not simply publish information that is important for the organizations, or they supplement or reword it, or they may place it in a context in which the information triggers an opposite effect in the recipients.

Prominent Hungarian PR professionals emphasize the high risk of this phenomenon. They call our attention to that 'the press work makes up only (maximum) 50% of the information outreach to the target groups, environment and audience, since reaching the press professionals does not automatically mean reaching the target groups as well, it is merely bears the opportunity for persuading an important opinion shaping group and influencing the target groups.' (Nyárády – Szeles II, 2005. 105.)

There are several reasons ofineffectiveness of the organization against the media:

- **adversary relationship:** the organization may feel that the media picks at the organization;
- **ineffective communication:** the head of the company is a good executive but he communicates with the press badly;

– **insufficient information gathering:** the appearance of the organization in the media mostly occasional, that is, it only asks for help in case of problems.

Nevertheless, the quality of media relations does not exclusively depend on the executives' behaviour since communication professionals may also make mistakes:

– putting pressure on the editor, for example, with advertising opportunities;
– constant enquiries by the editor considering publication date;
– placing own interest to the fore in publicity;
– asking the editor for favour: checking the sent material, request for sending a copy of the proofread text;
– misleading the editor or withholding data;
– sending exclusive materials to the rival medium;
– misleading the editor: e.g. promise for a front page publication;
– insignificant talks with the editor (abusing its time and patience);
– neglecting follow up on events and promises. (NYÁRÁDY – SZELES II, 2005. 103–107.)

The operation of the media market is determined by the actors' interests and relational system. The media are special actors of the market economy since they conduct intense activities both on the demand and supply side. On the supply side, the media produce news, papers, public platforms, programmes, on the demand side, they buy basic material (paper, print services, frequency, electricity, technical device).

To the successful work, a PR professional must know the actors of media relations as well as their interests. (See Table 7.)

The table illustrates very well the different attitudes of the groups involved in the relationship. Consequently, it is a matter of fact that conflict may arise, which must be mitigated or solved by a PR professional. It is important for the organization to maintain good media relations which we consider good if the media associates are cooperating and the organization receives appropriate publicity.

Attitude of the management	Attitude of the journalists	Attitude of the editor	Attitude of the viewer/ listener/reader
’The media should be happy for broadcasting about us.’	’Respect publicity in me.’	’I am not interested in self-promotion.’	’Do not manipulate me.’
’As advertisers we give an awful lot of money to the media, hence we can justifiably expect them to have coverage on us.’	’Do not disturb me.’	’Do not consider me as your spokesman.’	’I am fed up with the autotelic broadcasts and quasi information.’
’All journalists are corrupt and uneducated.’	’Do not mislead me.’	’Do not blackmail me with the budget of advertising.’	’I am fed up with commercials.’
’Journalists misuse their publicity and power.’	’Help my work with information.’	’Do not mislead me.’	’I would like to be informed and find my way in the events of the world.’
’The media should publish what we say: we know what is important for and about us.’	’I like being spoiled.’	’Do not disturb.’	’The media should serve me but not themselves, politics or the companies.’
’Every fool can speak and give an interview.’		’Give me lots of information, and let me decide how I use them.’	’The journalist is opportunistic, scared and corrupt.’

Table 7.: Actors and their interests of media relations
Source: based on Nyárády – Szeles II., 2005. 109–110.

What are the aspects of good media relations?

- **Keeping the communication channels open:** Transmitting information freely serves the long term interests of the organization.
- **Extending the journalists' knowledge:** The journalist is not the expert of our organization, therefore, we must supply him with information constantly in order for him to see the activities of the organization.
- **Making the reporter or editor's work easier:** The organization should avoid presenting complicated matters since the media work concerning the organization should be made comprehensible.
- **No exceptions should be allowed:** The organization must be equally willing with each and every journalist.
- **The media must not be abused or blackmailed:** The PR activity should not be linked with the allocation of the advertising money.
- **Bad news has to be managed:** Negative information concerning the organization need to be paid particular attention to (bankruptcy, wrong decisions, causing damages). Bad news may be made understandable by providing sufficient quantity and quality information and exploring background connections.
- **Be careful with correcting mistakes:** The correctional opportunity ensured by law is a 'double-edged weapon'. On the one hand, the mistake receives even greater attention by the correction, which is not always favourable for the organization, on the other hand, the media may publish the correction in a manner so that not to be favourable for the organization.
- **The releases must be fought for:** The organization should not rely merely onchances, everything must be done in order for the information to receive publicity.

The appropriate organizational structure is an indispensible precondition of well-working media relations, in which the PR professional directly receives first-hand information on the managerial decisions and needs, and when his work is not made difficult by interests and endeavours emerging at various organizational levels.

Effective media relations require well trained and prepared professionals who know the operation of the media very well and knowledgeable and skilful in communication. The most informed employee should be in charge of media relations, who constantly follow up the changes of his environment and alterations of the publicity. Developing media relations is a mandatory task provided that the organization wishes to maintain its viability. The fundamental principles of the media activity can be described by four axioms and four realities.

The four axioms:

1. People tend to believe story they first hear.
2. People tend to make judgements on the basis of external features rather than on the realities.
3. The famous 'Gresham's Law': the bad supersedes the good.
4. 'Chance favours the prepared mind'. (PASTEUR)

Four reality:

1. News is prevalent everywhere.
2. The audience's appetite for information is unfathomable.
3. The 'news machine' is designed to offer instant satisfaction.
4. 'Staccato signals of constant information': one piece of news is not news, hence information service must be continuous. (NYÁRÁDY – SZELES II, 2005. 111–123.)

The Table 8. gives a summary on the diverse methods and tools of media relations.

Methods of media relations

Meetings with media workers offer direct opportunity for relationship building. **Media meetings** can be the following: press breakfast, lunch, dinner, press background talks, press releases and press conference. The aim of such events is to foster information relationships and develop them. The choice of form depends on the period of the day, the information meant for publishing and the work schedule of the media. The press conference, because of its mass character and formality, differs from the other forms that are rather characterized by informality and confidentiality.

Methods	Tools
press release, press conference	media monitoring
press consultations: press breakfast, press lunch, press dinner	news release
press visit	video news release
press study tour	press kit
interview	photo caption
press background talks	"B-roll" clip
story generation	media list
system of media topic owners (press club)	biographies
press centre, press office	fact sheet
	media advisory
	backgrounder
	Q+A
	by-liner
	case history, study
	round-uparticle
	memorandum
	standby statement
	position paper

Table 8.: Methods and tools of media relations
Source: based on NYÁRÁDY – SZELES II., 2005. 123–124.

Choosing the morning timeis advisable if the organization would like to share something with the journalists before the deadline of the day. The appointment around midday can only offer information help for the evening papers or for the evening news on TV in terms of deadline. The evening time is exclusively relevant from the aspect of next day's or later publicity. The organization may organize a press conference for an evening date as well if it wants to have a talk with media workers and journalists for a longer time. The press background talk can be organized in any period of the day, however, it is more advisable to choose the afternoon or evening times since in those times the organization can more surely count on the journalists' participation. In case of press background talks, the aim is not to provide the wider public with information, but informing those media that are relevant for the organization about the changes and events having occurred in the life of the organization. For this reason, maximum 7-10 guests should be invited. The press conference is a very useful form of relationship building. There can be three reasons for organizing a press conference:

1. if the news requires illustration as well;
2. if the topic may be interesting for the wider public, and journalists' questions can be expected;
3. if the organization wishes to offer such important background information that would raise the interest of the wider public.

Organizing press visits in case of international fairs and exhibitions is also an accepted practice. After the official opening of the event but before the arrival of guests, the organizers of the fair take the media representatives around in the grounds of the fair in order to give an overall picture concerning the scale, participants and success.

The topic owner system or press club is a long term co-operation between an organization and a group of journalists where the relative permanence of people and regular meetings and the regular exchange of information have an important role.

The journalist's study tour is an often used PR method in the practice ofinternational corporations, it is such a relationship building form that means the journalists, editors, columnists' trip to the site ('if the mountain does not go to Mohamed, then Mohamed goes to the mountain'). Journalists rather prefer personal visits linked to on-site presentations in case of introducing new technologies and presenting technological advancements and innovations. The essence of story generating is that it can process any topical news of the organization in various approaches, thus the audience can hardly notice that whether it receives, read news or facts about the same organization in a women's magazine, daily paper or a business journal.

If the organization would like to issue information about itself, an interview can be an appropriate form. It is essential for the interviewee to be well-informed and knowledgeable, possibly the highest rank person who is skilled and a good communicator. More information can be read about the methods and tools of media relations in Nyárády – Szeles II, 2005. 124–179., and about project communication of vocational and adult education institutions in Gulyás – Keczer, 2012. 96–97.

2. MARKETING OF ADULT EDUCATIONS INSTITUTIONS

2.1. Classic marketing

The term marketing stems from the verb 'to market', placing a product on the market, it had first appeared in 1905 in the United States of America. There is no absolute agreement among professionals on the concept of marketing. The concept can be defined in three meanings:

In its narrow meaning, marketing is such a corporate activity that, in order to satisfy consumer needs, does the following:

- analyzes the market (market research);
- determines the product for sale (product policy);
- presents the product for the consumers (communicates with the target groups, conducts promotional activities);
- establishes the prices (pricing policy);
- andinfluences consumers (sales promotion).

In its broader meaning, marketing is a customer-oriented corporate philosophy and approach.

In its extended meaning, marketing is the exchange of goods bearing any value. Philip Kotler, based on the narrow, broad and extended meaning of marketing, gives the following definition: "The marketing is such a social and management procedure by the help of which, individuals and groups create and exchange products and values, meanwhile they satisfy their needs and demands." (KOTLER, 2002. 39.)

The marketing definition of the American Marketing Association extended Kotler's definition with the management tasks: "The marketing (management) is the process of planning and implementation during which production, pricing, promotion and distribution of ideas, goods and services take place in order to implement individual and organizational goals through their exchanges." (KOTLER, 2002. 47.)

The corporations or organizations can establish marketing activities along five concepts (KOTLER, 2002. 49–62.):

1. The **concept of production** is one of the oldest concepts of the business sector, according to which consumers give preference to products that are cheap and easily available. The production-oriented companies places the main emphasis on high productivity and broad distribution.
2. According to the **concept of product**, consumers look for products of excellent quality and performance. The product-oriented organization places the main emphasis on developing and producing good quality products. It constantly makes efforts to improve its products.
3. According to the **concept of sale**, consumers cannot decide or only with difficulties, therefore, if they are left alone, they do not buy enough from the company's products. The sale-oriented company has to persuasively help consumers in choosing the products that are most favourable for them. It is a big danger of this concept that the organizations want to sell what they produce instead of producing what they are able to sell.
4. According to the **marketing concept**, the key of achieving the organizational goals is to determine the needs and demands of the target markets and to satisfy them more efficiently than the competitors can do.

The marketing concept lies on four pillars:

a. **market orientation:** the corporation must get to know the market demands well, must choose the target group and work out a individually-tailored marketing programme;

b. **customer orientation:** the corporation has to think with the mind of the (potential) customer, and has to determine the demands from the customer's point of view;
c. **integrated marketing:** is the cooperation of all units of the company in order to serve customers. The integrated marketing can be realized at two levels: On the one hand, the various marketing functions (e.g. product policy, price policy, channel policy and communication) must work together, on the other hand, the marketing functions must be harmonized with other units of the company (acquisition, development, production, sale, human resources, etc.);
d. **profitability:** the marketing concept helps the company reach its utmost goals. The main goal of the business enterprises is to generate profit, whereas, the not-for-profit or community organizations, besides limited resources, aim to provide maximum service performance in order to satisfy their consumers' needs.

5. According to the **society-oriented marketing concept**, the task of the organization is to determine the needs and demands of the target markets and to satisfy them more effectively than the competitors in such a manner that to maintain or improve the well-being of the consumer as well as the society. Companies incorporate social and ethical considerations into their marketing practice, maintaining the delicate balance between the company's hunger for profit and satisfying consumer needs and public interest.

Marketing had first appeared in the business enterprises' thinking. In the beginning, we could see it in case of companies producing prepacked consumer goods, consumer durables and products meant for industrial use. From the mid-1980s, it has been raising the interest of services demanding high professional skills (e.g.lawyers, accountants, doctors, architects). In the 1990s, in the constantly increasing market competition, the organizations of the nonprofit sector also discovered the opportunities hiding in the marketing activities (e.g. higher education institutions, adult education organizations, hospitals, churches and groups of performing artists). The organizations look for solutions for raising the financial funds needed for their maintenance and for the adjustment to the changing consumer needs by the help of marketing tools.

Marketing tools in classic marketing

It is the task of the corporate management to know its market environment and, in the ownership of such information, also the entire market, to determine the company's situation. In order to be able to draw up a situation assessment, the organization must answer three questions:

1. Where does the organisation stand for the time being?
2. Where does it wish to get?
3. How can the company utilize its own resources in order to reach the desired target?

For answering the first question, an analysis of the internal and external environment of the organization is needed. The organization has to evaluate its partners in its close environment and those factors that can influence it independently of the organization. The analysis of the environment can be summarized in the SWOT analysis. In order to respond to the second question, those markets and market sections have to be determined on which the organization is present currently, or intends to penetrate at a later stage. To reach the set targets, appropriate methods and tools, the so called marketing tools have to be applied. The third question highlights the importance of thinking with the customer's mind. The organization develops a product or service adjusted to the consumer demands, hence it establishes the price in the view of meeting the target groups expectations, it organizes sales, and it helps the publicity of its product or service and their marketing with the appropriate promotional activities.

Analyzing the market – SWOT analysis

In order to implement the corporate or organizational objectives, it is important for the company to know and constantly follow up the changes of the environment. The pace of expansion, own financial situation, the competitors' actions, strategies, the emerging new competitors, innovative solutions, laws and regulation concerning the sector must be monitored. The listed elements influence the company's market opportunities and marketing. The company monitors processes and changes taking place in its macro environment (demographical, economic, technological, political, legal and socio-cultural effects) and micro environment (consumers, rivals, suppliers and transporters, mediators). One of the aims of circumstantial analysis is to map new market opportunities, threats, strengths and weaknesses. The **SWOT analysis** as a method is associated with the American Harvard Business School. The acronym is made up of the English initials of the words: **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats. In the Hungarian professional literature the acronym is **GYELV** respectively. What does opportunity mean from the marketing's point of view? "The **marketing opportunities** mean such an area of customer demands in which the company can operate profitably." (KOTLER, 2002. 118.) The key of the company's success is its business power. It is essential that the company or organization's business power should meet the requirements of the target market, however, this in itself is not sufficient enough to reach success, rivals must be surpassed. The changes happening in the external environment do not only offer opportunities but in certain cases they can mean threat, too. "The **environmental threat** is such a challenge that is set by an unfavourable circumstantial tendency or development which may lead to the fall of sales revenue or profit in case of the absence of defending marketing action." (KOTLER, 2002. 119.) Threats are worth categorizing according to their seriousness and probability of occurrence. More information on further methods of environmental analysis can be found in KECZER'S (2013) chapter on planning.

After the company determines the opportunities and threats, a profile gets established concerning the general force of the business sector's attraction, which can be four types:

1. **ideal business:** rich in opportunities, its threat level is low;
2. **uncertain business:** has an abundance of both great opportunities and great threats;

3. **matured business:** has low level opportunities as well as threats;
4. **troubled business:** opportunities are little, but threats are big. (Kotler, 2002. 119.)

In the course of analyzing the external environment, the company looks at opportunities and threats. However, knowing the external environment is not sufficient enough, the internal circumstances must be assessed as well, that is why strengths and weaknesses are analyzed, too. In case of strengths, the company's best qualities must be focused on, those features have to be highlighted in which the company is better than its rivals. In case of weaknesses, the causes of lack of success must be investigated, and all those factors that can still be improved. However, it is important to see that not all weaknesses should be improved and not all strengths should be trusted in. It is a key issue from the aspect of the company's decision that whether it is able to limit itself to those opportunities to which it has enough strengths, and among the better opportunities to focus only on those with which it is able to gain advantages against to its rivals. Table 9 offers help for the organization to assess its strengths and weaknesses.

Marketing memorandum									
Check list for strength/weakness analysis									
Performance							Importance		
		Main strength	Smallerstrength	Neutral state	Smaller weakness	Main weakness	Great	Medium	Small
MARKETING									
1.	Corporate authority								
2.	Market share								
3.	Product quality								

Marketing memorandum									
Check list for strength/weakness analysis									
Performance							Importance		
		Main strength	Smallerstrength	Neutral state	Smaller weakness	Main weakness	Great	Medium	Small
MARKETING									
4.	Service quality								
5.	Cost-effectiveness								
6.	Distribution effectiveness								
7.	Promotion effectiveness								
8.	Sales people effectiveness								
9.	Innovation effectiveness								
10.	Geographical scope								
FINANCIAL MATTERS									
11.	Cost and availability of capital								
12.	Cash flow								
13.	Financial stability								
PRODUCTION									
14.	Premises								
15.	Serial size								
16.	Capacity								
17.	Skilful and committed work force								
18.	Ability for timely production								
19.	Technical and manufacturing expertise								

Marketing memorandum									
Check list for strength/weakness analysis									
Performance							Importance		
		Main strength	Smallerstrength	Neutral state	Smaller weakness	Main weakness	Great	Medium	Small
ORGANIZATION									
20.	Open and interested, future-oriented management								
21.	Committed employees								
22.	Venturesome spirit								
23.	Flexible/ready to quickly react								

Table 9.: Strength–weakness analysis
Source: Kotler, 2002. 121

Analysis of the corporate marketing environment

It is important for the organizations to recognize what kinds of threats or opportunities their environment hides since this way they can adapt to the constantly changing conditions. Lots of opportunities can be identified by monitoring trends. 'The **trend** is a constant tendency or succession of events of certain strength and duration.' (Kotler, 2002. 185.) Trend is, for instance, the employment of women owing to which countless services have been created (e.g. nursery, day-care, baby sitting, school meal, afternoon school, summer camps, etc.), and lots of new products (e.g. convenience foods, foods that can be prepared in a micro wave oven, soups in sack, clothing and all sorts of accessories to wear in the office, etc.) have appeared on the market.

The actors of the economy are getting more and more dependent on global factors. The company or organization is in direct contact

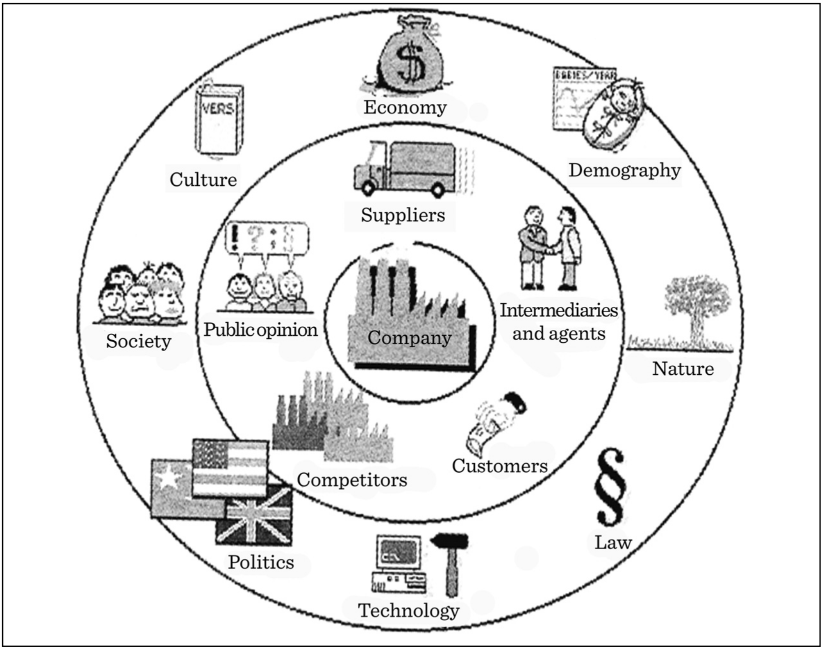
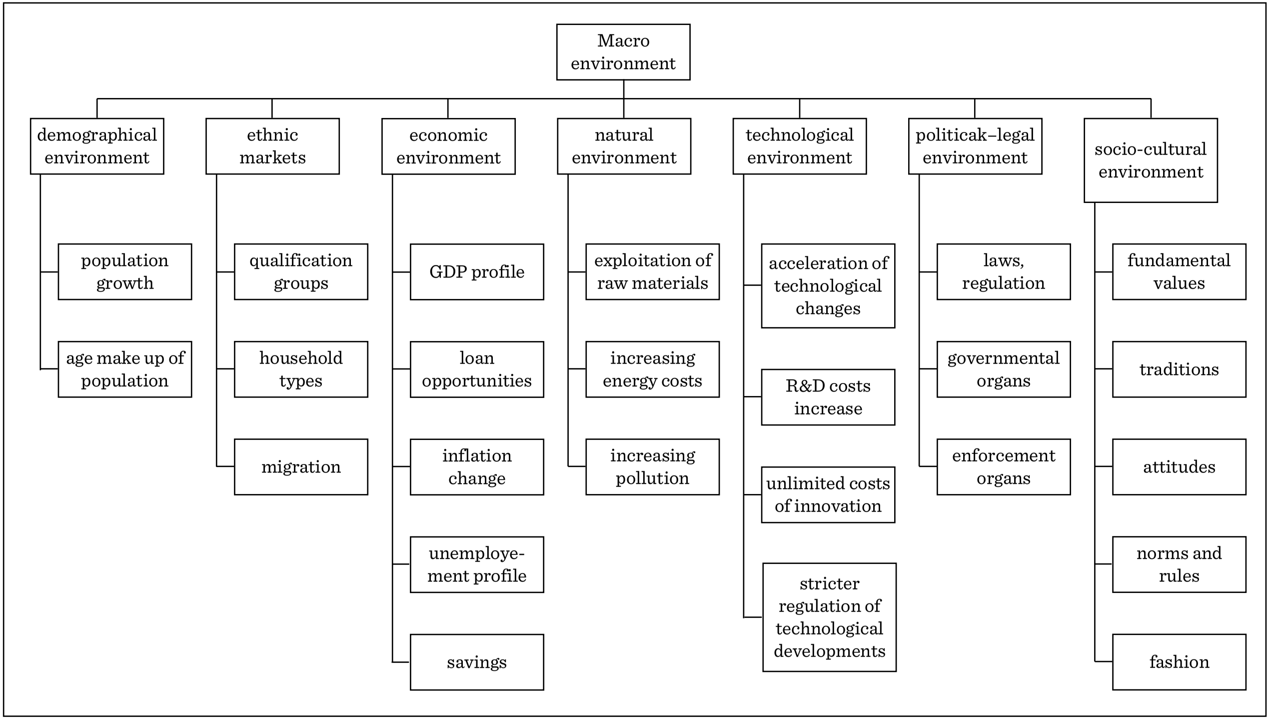


Figure 4.: The marketing environment of the company
Source: Kiss, 2005. 22.

with those broader social forces that affect the company's operation, however, it cannot influence them. The key to the solution of the situation is: what we cannot influence, we should adjust to. In a constantly changing environment, we have to take six influential factors into consideration: demographic, economic, natural, technological, political and legal, socio-cultural variables. These factors are, indeed, in a close interrelationship: e.g. due to the fall of the number of birth, later on the number of pupils will drop as well, which leads to under exploitation of the school buildings since the school lighting and heating costs are just the same in case of small classes as in classes with the maximum number of pupils (currently 26). If the legal and political regulation sets the number of students per class as a condition of the school's operation, then because of the low number and non-economic operation, the school may get



5. számú ábra: A vállalat makrokörnyezete

Forrás: Kotler, 2002. alapján saját szerkesztés closed down. If the school is closed down in a small community, this can cause outward migration. More information concerning the six main influential factors can be found in Kotler, 2002. 186–205. Provided that a vocational and adult training organization intends to enter the international market, further aspects have to be taken into consideration. More about this can be read in Keczer, 2009. 297–323.

The narrower environment of the company or organization is called micro environment (See Figure 6.). The close environment of the company fundamentally determines the company's market presence, since it is in direct contact with the market actors (other companies, suppliers, intermediaries, customers, rivals, public opinion).

The figure below provides an illustration on the groups of actors in the company's micro environment.

Marketing tools are actually those activities with which the company influences consumers. The marketing tools can be combined in various ways in the view of set goals. Kotler considers them one of the most important concepts of marketing theory, and define them as the following: 'The **marketing mix** is the totality of those marketing tools that the company applies in order to achieve its goals on the target market.' (Kotler, 2002. 131.) The most well-known marketing mix is associated with McCarthy's name, and based on the English initials, we call it the 4Ps: **p**roduct, **p**rice, **p**lace, **p**romotion.

The **product** is the most essential element of the marketing mix. The essence of product policy is to determine the range and features of products and services that are able to satisfy consumer needs. It also includes the determination of the structure of the product range (service offer) and the business policy regarding the quality, design, characteristics, brand and packaging of the product. In case of products, the elements of product policy are the following: product range, quality, form, features, brand name, packaging, size, services, guarantee, repayments. There are questions the company have to answer: What kind of products and services does the market expect? What kind of new products and services should be developed? Which product's manufacturing should be terminated? (See more about product policy in Kotler, 2002. Chapters 15–16. 475–539.)

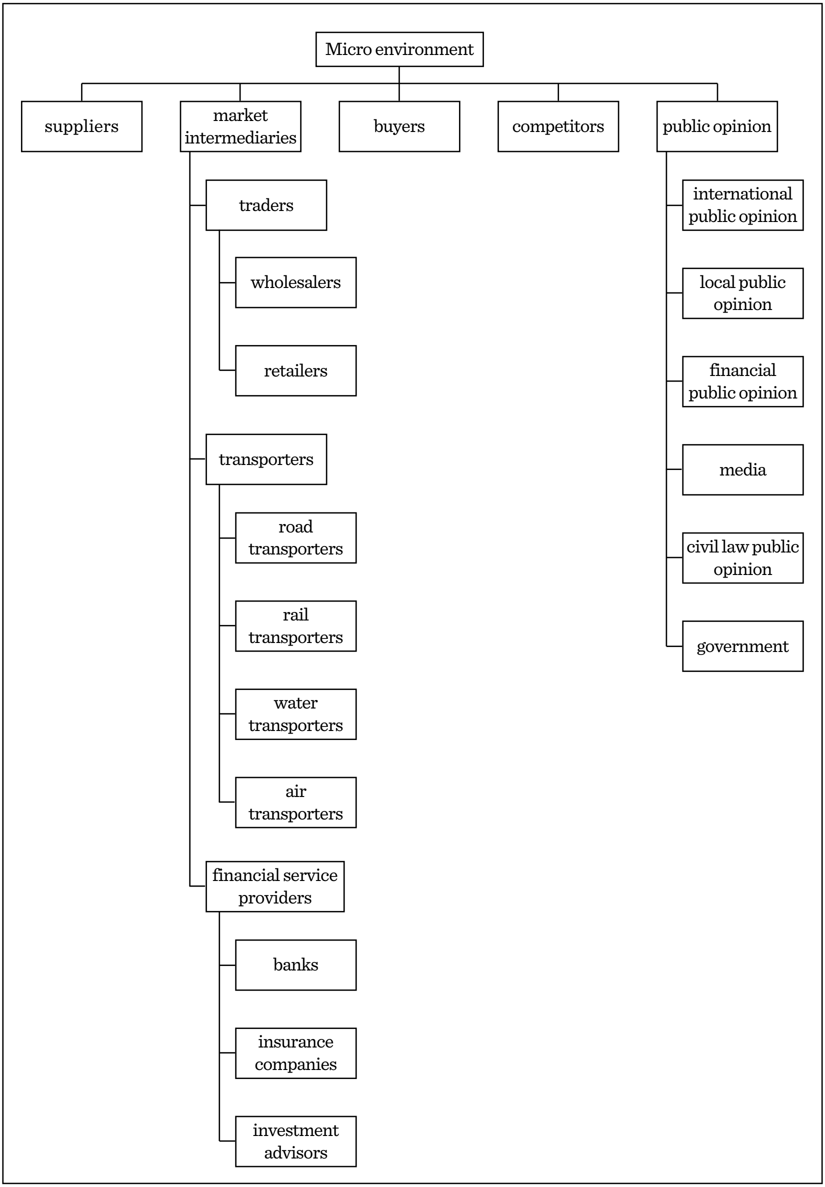


Figure 6.: The micro environment of the company
Source: based on KOTLER, 2002. own edition

The second important element of the marketing mix is **price**. It means the amount of money the customer is willing to pay for the products. As part of price policy, the organization assesses and analyzes the size of demand, estimates the costs, analyzes rivals' pricing. After the assessment, the company (organization) can set its own prices by the help of three pricing methods: cost-based pricing, demand-based pricing and competition-based pricing. The questions to be answered by the organisation are the following: How should we price each of our products and services? Can our sellers deviate from the prices recommended by us? When and to what extent can they deviate from the price recommended by the manufacturer? How should we respond to the rivals' price modifications? (See more about price policy in KOTLER, 2002. CHAPTER 17. 540–576.)

The **place of sale** is also an essential tool. The company plans the route via which it transfers the product from the manufacturer to the consumer. The length and width of the marketing channel and the cooperation between its actors are also important aspects of marketing. The questions to be answered by the company are the following: How should it deliver the product from the location of its production to the location of its use? How can the distribution of the product be optimized? (See more about the sales policy in KOTLER, 2002. CHAPTERS 18–19. 577-654.)

The fourth element of the marketing mix is **promotion**, which contains those activities that the company uses for publicizing and helping the sales of its products. The four elements of communication are called the **communication mix** whose components are the following:

1. **advertising:** is a non-personal influence affecting a wide target group paid for by a specific organization or person;
2. **personal sale:** is a personal contact with the potential customer when a sales offer or deal takes place;
3. **sales promotion:** is the application of such methods in sales that motivate the consumers for further buying;
4. **public relations (PR):** is a corporate behaviour in order to establish a favourable image of the company.

The organization must know the answers to the following questions: What kind of message, with what kind of promotional tools and when should the company deliver to consumers? How can the effectiveness of the promotional activity be measured? (See more about the communication policy in Kotler, 2002. Chapters 20–22. 655–777.)

The actual marketing tasks for the company are fundamentally determined by the demand for the product or service. Table 10. shows those marketing tasks that can be associated with each demand situation.

Demand situation	Characteristics	Marketing tasks
Negative demand	Most of the market refuses the product the market is willing to pay in order to avoid the product (e.g.: immunization, dental services; employment of multiple disadvantaged workers).	Analysing the reasons of refusal analysing the changeability of the beliefs and attitudes characterizing the market (e.g.: redesigning the product or service package, lower price, strengthening trust).
No demand	The target group receives the product with indifference (e.g.: the farmer is not interested in the new cultivation method, the unemployed are not interested in language courses).	Linking the product advantages and the individual's natural needs and interests.
Latent demand	Such intense needs that cannot be satisfied with products available on the market (e.g.: cigarette lacking harmful effect on health, safer residential environment, energy saving car).	Assessing the potential market, developing an appropriate product meeting its demands.
Decreasing	The decrease of demand for the product is linked to the product life cycle (e.g.: churches: decrease of believers, schools: drop in number of pupils).	Analysing the causes of decrease it has to be investigated whether the demand can be revived (new target markets, changing the product properties, more effective communication), by relaunching the product in a creative and fresh manner may reverse the drop of demand).

Demand situation	Characteristics	Marketing tasks
Irregular demand	Demand changes seasonally, daily or hourly (exploitation of the capacity, overburdening) (e.g.: public transport (few vehicles in rush hours, unused capacity of the fleet in regular times), visits to museum on weekdays and at weekends, training for farmers: in the season – less demand, out of season (no agricultural activities are needed) – excess demand).	Reconciling marketing: Flexible pricing, promotion for changing demand in terms of time.
Total demand	Satisfaction with the rate of business activity (interest in marketable trainings: shop assistant, joiner, locksmith, etc.	Maintaining the level of demand besides competitors and changing consumer's preferences: quality improvement, satisfaction measuring.
Excessive demand	Demand for the organization's product is bigger than what they are able to manage (e.g.: traffic is busier and less safe, excess application for financial and marketing courses).	Demarketing: Is a solution to reduce demand temporarily or long term but not to terminate it (e.g.: limiting demand, raising prices, decreasing promotion or services). Selectivedemarketing: It decreases demand where profit is less, or there is less need for the services.
Non-desirable demand	Preventing the consumption of harmful products (e.g.: cigarette, alcoholicbeverages, hard drugs, small arms, stopping selling harmful films).	Reducing the buying intention of people wanting to buy harmful products. Tool: Communication raising worries, price raises, making availability of the product difficult.

Table 10.: Demand conditions

Source: based on KOTLER, 2002. 48. own edition

2.2. Characteristics of Services

The service organizations are not able to apply classic marketing activities entirely since the characteristics of the service sector, the features and profile of services and their marketing consequences should be taken into consideration.

2.2.1. Characteristics of the service sector and its place in the national economy

The weight of the service sector in the macroeconomic structure has considerably increased in the last thirty years. The share of the service sector expressed in the % ratio of the GDP between 1980 and 2005 is illustrated by the following table:

Country	1980	1993[2]	2005
France	60.0	68.7	77.0
Spain[2]	52.5	62.2	67.4
Hungary	37.1	60.0	65.6

Table 11.: The share of the service sector
Source: based on Szalavetz, 2008., Ványai – Viszt, 1995. own edition

The professional literature attributes the increase of the weight of the service sector within the national economy to several reasons. (Dinya –Farkas – Hetesi – Veres, 2004; Kenesei – Kolos, 2007; Veres, 2009) The reasons have had their effects parallel to each other, therefore, their discussion takes place in the order of their importance:

1. changing world,
2. changes in the life style,
3. changing technology,
4. demographical changes,
5. income polarization.

[2] Spain 1992

Now, let's have a look at the reasons and start with the **transformed and constantly changing world**. We, the people of the 21st century face the situationeveryday when we encounter lots of new information (should we search for them consciously or get them spontaneously), which have to be processed in order for us to know what is happening around us. We can only find our ways in such a complex world if we become 'polyhistors', or turn to experts of certain fields and ask for the advisors' opinion. To meet such demands, newer and newer services are emerging, for example, tax advisory, couple counselling, legal counselling, labour market counselling. The **changes in the way of living** in the welfare societies are closely linked to the technological development and its consequences. Owing to the greater productivity, increasing discretionary income has become available for both the economic actors and households. As a consequence of this, new demands for services have appeared, e.g. mowing the lawn, landscaping, carpet cleaning, car wash, etc. Owing to the effects of technological development, the pace of life has accelerated, the length of work processes has shortened because of the application of modern technology (without aiming at wholeness, just think of the household machines and devices that have become indispensible aids of housewives and considerably have speeded doing household chores up: washing machine, microwave oven, vacuum cleaner, dish washer, kitchen robots, etc.). Parallel to this, our timeframe affordable for free time activities (e.g. adult education, further training, self education, travel agent services, culture) has considerably increased. Besides modern technology, the acceleration of the pace of our life and the change of our life style has also been influenced by the women's appearance at the labour market. This has brought about new demands for such new services that formerly were part of women's household labour, e.g. hiring cleaning woman/daily maid (who washes up, cooks, cleans or perhaps do the shopping), nursery care, baby sitting, school lunch and meals provision.

The **technological development** have primarily manifested itself in the advancement of information technology and telecommunication. As a result of this trend, providing individually-tailored, high standard services has become possible, enabling the task delivery to be faster and more efficient. By the expansion of the Internet, information service provision, sales, marketing, advertising and communication have considerably been transformed: convenient banking from home, telephone selling and buying, meal ordering, Internet shopping, home delivery services, and lots of other advantages and conveniences can be mentioned. Any advancement can have negative consequences as well, thus the same refers to telecommunication, too: we can happen to wait long minutes on hold by the automated phone until we get into contact with the service agent.The appliances, devices and products aiding the individuals' and organizations' work are becoming more and more complex due to their multifunctional character, the result of which is the increased demand for high skilled professionals. While in the 1980s and 1990s, car owners were able to change the lights in their own cars, today this operation requires skilled workers.

Among the **demographic effects**, the tendency of an aging population must be highlighted, which is bringing about the emergence of a new service market due to new needs. Simultaneously with the demographic changes, consumer needs are also changing. Without completeness let's have some examples here: the fall of the number of marriages and children, the prolongation of the first child, the 'mummy's pension' phenomenon (children tend to leave their family nest at a later age), increase of people living alone and the number of single parent families. Because of the above mentioned changes, companies and organizations have had to establish new product or service packages with which they have been able to adjust to the needs of smaller households. Attributable to the economic and social changes (e.g. women's appearance at the labour market, need for more income for subsistence, life long learning, constant self-education, inclusion of fathers into child raising from the birth of the child), the traditional family roles and customs have also altered. Some examples well illustrate this: shopping now is a family programme, therefore, baby sitting and care services are offered in the shopping malls; because of the scarce capacity of nurseries, the mother returning to work needs a baby sitting service, or it is becoming more and more popular among the different target groups to use meal delivery services either to home or the workplace. Besides the accelerated pace of life, people try to spend more time on health maintenance, due to which life expectancy is increasing. In our aging society, greater and greater needs are emerging for wide range of health services, elderly homes (e.g.annuity/pension schemes, wellness services, thermal spa tourism).

Following the change of regime, the make up of the society has changed, the tripartite division (lower, middle and upper class) has ceased, which has accelerated the **income polarization** as well. Adjusting to the situation, service providers are offering targeted services for the very wealthy and the disadvantaged (in the financial market, for example, investment versus debt relief loans). At the same time, with the growth of welfare and the fast technological advancement, the former stratified services nowadays are purchased by masses (e.g. mobile phone, Internet).

2.2.2. The characteristics of services (HIPI-principle)

We can only deal with the characteristics of services properly if we know what marketing means in the view of the concept of service provision. Concerning marketing, we make a difference between a physical product and a service product (service deal). Using an everyday wording, the service is what we can give, yet we cannot drop on our foot. In establishing a definition, ZOLTÁNVERES starts from the statement that 'from the aspect of service marketing, **service** is a sort of non-physical problem solving'. (VERES, 2009. 33.) Formulating it differently,service basically is such an intangible (non-physical) performance, series of actions, process that, in most of the cases, does not cause any change in the proprietorship.

From the point of view of marketing, the essential question is that in what sense services differ from physical products. The answer to this question is given by the HIPI principle that includes the marketing specifics of the services:

– **H**eterogeneity,

– **I**ntangibility,

– **P**erishability,

– **I**nseparability.

2.2.2.1. Heterogeneity

The service performance and service experienced by the customer is **varying in space and time attributable to its specific character**. The problem can be tempered, however, it cannot be avoided completely because of the presence of human factor. Services are offered by individuals whose work performance shows differences depending on time (e.g. a man right after starting work is at the peak of his work performance besides optimal conditions, however, by passing time, approaching to the end of work, his performance is constantly decreasing due to the drop of his attention level and increase of fatigue. The service providing staff's different abilities also contribute to heterogeneity. At the same time, we should not forget about the fact that services are used by individuals whose needs, expectations differ (the applied education method, e.g. project work, is suitable for one student, engages his attention and enjoys it, whereas another one cannot see his task in the work process, or is not able to work together with other team members, hence he will not be satisfied with the instruction). Even in an ideal service process, evaluating the service by the service users appears as a high risk. There are always participants in adult education groups who already know or believe to know the content and with their speculative questions interrupt the lecture, and so doing disturb the instructor and other students. Participants' opinions differ greatly considering the quality of the training. The higher the personal part of the service is in contrast with the physical factors, the bigger the risk of heterogeneity will be. (VERES, 2009. 46–47.)

2.2.2.2. Intangibility

On the contrary to physical products, we cannot gain sensory information about services: we cannot grab or touch, taste them, they do not smell and we cannot see them either. Services can be ranked in the range of experiential goods (products), which means that users have to gain experience about the service. (The user can only form an opinion on the usefulness ofthe course offered by an adult education institution, if he himself take part in the training.) More marketing problems can be traced back to the non-physical nature of services. The potential customer in the first phase of the buying process gathers information. We differentiate two levels of information gathering: 1. enhanced attention when a potential customer becomes more sensitive to the information relevant to him; 2. active information gathering when consciouslyseeks data, information in brochures, newspapers, on the Internet or asks his friends and acquaintances. In the information gathering phase, the potential customer finds it important to get to know at least partially the product, e.g. to taste the food, to see the neighbour's new TV, to have a test drive with his friend's car, to smell aperfume or a rinsing liquid without buying it. In case of physical products, the customer may test the product before buying it, but in case of services, the service provider is not able to give a product sample since for establishing a partial relationship between the product and the customer is not possible, at least once the user should experience the service (the participation in an open class of an English course will not provide the same experience as if someone were an active participant of the course or the lesson). (VERES, 2009. 47.)

2.2.2.3. Perishability

Perishability of services raises two problems. One is that the service not comsumed today means loss in the revenue (lost income), that is, it cannot be compensated for from the service provider's point of view. From the aspect of the customer, perishability means a lost offer. If because of workplace duties, you are not able to take part in the third lesson of the language course, you cannot put the lesson into a storage, and when you have time, you cannot just take it off the shelf of the storehouse and take part in the lesson. The other problem associated with perishability is related to storing: the end product of the service cannot be deposited in the warehouse. This is only an apparent advantage since there is no need for storing, stock keeping, there is no shipping duty or logistic cost. Why is it only an apparent advantage? Before answering this question, let's think over what the essence of stock keeping is. Companies keep stocks in order to be able to flexibly adjust to the unexpected fluctuation of demand. In case of services, service providers and companies' capacities are rigid, and they are not able to flexibly adapt themselves to the changing demands in a short time. If two English teachers work in the employment of the adult education organization, but among the language learners, there are needs for learning English and Russian, the Russian course cannot be launched because in the moment of the emerging need, there is no available instructor. This can be considered to be lost demand. If during a long period, only few people register for the English course, the weekly lesson hour capacity of the English teacher is underused. At the time of a demand peak (e.g. there is demand for English and Russian language courses, but there are only English teachers), if the service provider is not able to satisfy needs, the risk that the potential consumer will look for another service provider is very big. (Veres, 2009. 47.)

2.2.2.4. Inseparability

Providing and using the service is inseparable from each other in space and time, that is the production (producing the service = delivering an English lesson) or consumption (using the service = attending the English class) of the service take place at the same time. Since both the frontline personnel and the user of the service actively take part in the service process, the English teacher is only able to offer a lesson provided thatstudents are present, students are only able to learn English provided that the English teacher delivers the lesson. (Veres, 2009. 47.)

2.2.2.5. The marketing consequences of service characteristics

1. It is the consequence of the service heterogeneity, that is, the changeability of performance, that even besides very strict quality assurance, the balance of the service quality is very fragile. In case of services, interpreting quality means a difficulty itself. The service

quality can be interpreted as the experiential quality of the non-physical elements. At those services where the role of the human factor is significant, ensuring evenness of the quality cannot be done easily since human labour cannot be standardized and automated just like that of the robots. The automation of service technology may mean a solution to changeability.

2. Most marketing problems are caused by the non-physical character of services. While in case of products, samples can be offered, in case of services, this option does not work. During the phase of buying, the potential customer gathers information. Except routine like or risk free shopping, the customer finds it important to get to know the product at least partially. He aims to get into some kinds of physical contact with the product (test driving, trying electric products, tasting food, scent flagrance sample, etc.). In case of products, he can get this information directly through his senses without having the obligation of buying the product. However, the customer can get direct sensory information on the services if the potential user tries it, but in order to do so, he has to buy it, and at least once, he has to experience the service. Knowing the result of the service is not sufficient enough itself (e.g. the customer chooses what kind of hair he would like to have, but what the guarantee is for that his hair is suitable for that particular hair style).

   The lack of the product sample can explain the importance of mouth marketing in the phase of information gathering. The phenomenon can be a double edged weapon since it can be an excellently working instrument of influence, however, in case of customer-centred services, it can be risky, too. The mouth promotion can have a decisive importance in making the first choice, the customer does not give up the well-tested service (e.g. hairdresser, dentist, language teacher, financial advisor).

3. The non-storable feature means only an apparent advantage, because the service provider does not have to plan budget for storing, stocking and transporting. However, we should not forget about the fact that keeping product stocks helps the flexible

adjustment to unexpected fluctuation of demand. By establishing an appropriate stock, companies can adapt to the evenness of demand. In case of service providers, this option does not work because the physical capacities of the organizations are quite inflexible. It is the consequence of the rigid capacity that in case of fall of demand, it is underused, meanwhile, in case of peak demand, the needs cannot be met by the limited capacity. Regarding the latter case, there is a chance that the customer turns to another service provider.

4. The issue due to inseparability will become understandable if we think over the manufacturing process of physical products. In the course of the production of physical products, production and consumption are separated both in space and time, therefore, it is possible to incorporate quality assurance in it. The aim of this function is that the manufacturer is able to detect those end products that do not meet the quality standards set up by the manufacturer before stock building. In this process, the manufacturer can select the products of inappropriate quality prior to the moment the customer would buy it. This traditional quality assurance is not available for service providers. The provider and the user of a service can check the quality together only during delivery without the chance for repeating it. (Improving the service is not identical with the option of changing the product: we are not able to redo the badly cut hair until it grows to the necessary length again.) (Veres, 2009. 48–53.)

The special risks perceived by both the sellers and buyers are the consequences of these four special features. The perceived risk is especially high at the time of first purchase: for the consumer, because of the lack of a product sample, for the seller, because of the aim of reaching customer satisfaction. In service provision, such kind of product is sold that solves the potential consumer's problem in such a way that the essence of the service is not physical, therefore, informing the customer on the product advantages is especially important. The customer must be informed on what he will buy and what advantages the deal will bring for him.

Uncertainties	Service provider	Customer
Financial	Does the buyer pay?	Is the service worth its price?
Functional	Does the content of the service satisfy the expectations of the buyer?	Does the service content meet the promise?
Physical	Can the security risks be mitigated? (e.g. anaesthe-siaduring operation)	Is the service safe?
Social	Negative reputation of a service or service provider in certain social groups (e.g. lottery and gambling industry).	Opinion of the reference groups.
Psychological	Personal conflict (e.g. aversion) establishes itself against the user.	Personal conflict (e.g. aversion) establishes itself against the service providing staff.
Life style based	Discrepancy between the life style of the service concept and of certain segments (e.g. the conservative cinema goer and the multiplex culture).	Discrepancy between the service and the life style of the user of the service.
Time related	Limited capacity, time management problems (e.g. finding an appointment).	Waiting, capacity misuse, prolongation of unpleasant processes (e.g. in case of health care services).
Environmental	Discrepancy, for instance, between the environmentally damaging technology and the user's environmental awareness (like unnecessary packaging in a fast food restaurant).	Unfavourable environmental conditions (e.g. bad weather at a seaside resort).

Table 12.: Bilateral risks in services
Source: Veres, 2009. 57.

2.3. Customer centredness at service providers

The baseline of marketing-centred approach is the survey and analysis of market needs. In the knowledge of the measured needs and demands the organization can establish its service range. However, knowing demands is not sufficient enough, the company should be able to think with the consumers' mind as well, to which the knowledge of the consumers' behaviour is also indispensible. In order to understand how customers behave, we must know the process of buying in case of services, the tools suitable for mitigating the two-sided risks and the system of measuring satisfaction as well.

2.3.1. Consumer behaviour in case of services

In the course of using services, the consumer goes through a specific process. The process will be simple or complicated, depending on how important the purchasingdecision, that is, purchasing the service is for the user. The consumer behaviour is the same in case of buying both products and services. (See more about consumer behaviour in KOTLER, 200. 185.) The decision process has three stages. The first stage is the period prior to buying, the second one is the act of buying and the third one is after buying. The process is illustrated by Figure 7. below:

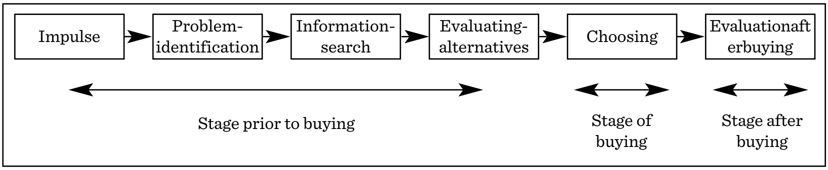


Figure 7.: The buying decision process
Source: based onKOTLER, 2002. own edition

The stage before buying is composed of four smaller units. These units or phases prepare actually the buying of the service in the consumer. The starting point in the decision making process is the **impulse** in all cases. Potential consumers are simultaneously affected by numerous impulses: commercial (an appealing advert, flyer, poster, commercial on a language course), social (reports from friends, family members, acquaintances on a short course, adult education institution) and physical (basic needs, e.g. hunger and thirst). After noticing and interpreting the impulse comes the **problem identification**, which is basically recognizing the sense oflacking something and the intention to eliminate this. If the consumer recognizes the fact that he is not able to find a job without language skills but is motivated in the job search, he will interpret language skills as something he lacks. This will motivate him to gather information on where and what kind of language learning opportunities are available for him. Consequently, he gets into the phase of **searching for information**, when he gathers all information necessary for his decision. There are two ways of search: we can talk about internal (based on former experience) and external search (he asks about friends' and/or experts' opinion, reads catalogues and information brochures.)

Evaluating the available **alternatives** helps the information gathering and systematizing. The customer pays attention only to those information that fit his needs. (S/he will skip the language courses offered by the university language department if he is not a university student; offers for intermediate or offers for language courses preparing for advanced level language exam will not be important for him either, if he has to start from the beginner's level.) Or a women will be susceptible to information that are important and relevant for her, for example, to alanguage course organized or supported by the Labour Office and held between 8 am and 4 pm, from beginner's level since this way the children's supervision can be solved. The customer evaluates the collected information and opportunities according to the aspects set by himself, and chooses those 3-4 offers that are most favourable for him.

The stage before buying determines the entire buying process. If it is a routine like buying, making choice is quick (e.g. a student was satisfied with the beginner's course, started liking the chosen language and would like to continue learning it, then he will enrol to the same language school where he was able to learn the basics.

In case of a rather complex service or when the customer first uses it, then gathering information is more extensive: e.g. choosing the first language school, change of school, change of the instructor or job change, etc.

Before discussing the stage of buying, let's look at what kind of characteristics the buying of services have in the first phase of buying. In Chapter 2.2.2.2., I elaborated on that the one of the basic features of services is their intangibility, because of which on both the seller's and buyer's side **risk perception** develops. Only after using the service can it be judged whether the language instructor's method or the pace of advancement of the group will be suitable for the student. In case of products, customers have the chance to test and try the object of their purchase (e.g. in case of buying acar, the buyer goes to the salon several times,does not only look at the car from outside and inside but he sits in it, takes it for a test ride; in a furniture shop, he sits on a chair; in a sports shop, he tries the exercise bike; in an electric devices shop, sellers can switch the TV on to attract people's attention to the beautiful picture).Risk perception develops in the potential consumer, because he recognizes that his actions can have negative consequences as well, or he may suffer loss. The more serious he considers the consequences of loss, the higher level risk he perceives in the buying process. We differentiate several types of the perceived risk. (KENESEI – KOLOS, 2007. 95.)

The Table 13. below shows the various risk types **from the consumer's point of view.**

In the stage prior to buying, customers aim to reduce the perceived risk. The most often applied risk mitigating tools are:

- information gathering from personal information sources (acquaintances, friends, family members);
- information gathering from advertisements;
- the company's reputation;
- search for guarantee;
- the employee's opinion;
- looking for tangible physical elements;
- looking for and comparing Internet sources.

Risk type	Questions
Funkcional	After accomplishing the training, will I be able to attain those abilities and skills that enable me to get better jobs? Will they accept my credit card where I wish to use it? Will they manage to remove the stain from my jacket at the cleaner's?
Financial	How much extra cost will the buying of the educational material, course book mean for me? Will I suffer any loss if I choose the investment recommended by my broker? Will I have unexpected expenditures if I go on holiday? Will fixing my car cost more than what I expect?
Psychological	Will I be treated as a child at the consultations? Will they take it into consideration that I am and adult, and learning is not the primary activity in my life? It is since ages I have not studied anything, will I be able 'to sit back to the school bench'? Can I be sure that the plane will not crash? Will I feel daft in the presence of the counsellor? Will I lose control upon getting the doctor's diagnosis?
Social	What will my acquaintances say about that I chose a less known language school? What will my family think of that I have less time for them because of the studies? What will my friends think of me, if I stay in such a cheap motel? Will my relatives like the restaurant I chose for the family reunion?
Physical	How much will I get tired, will I be able to take the extra time needed for learning? Will I suffer an accident if I choose this ski slope? Will the parcel content get damaged during delivery? Will I get sick if I travel by ship?
Time	Will I have to wait until an employee in the Employment Centre can deal with my case? How long will a year of learning really last? Will I be able to cope with it, or will I get bored by it? Will the service quick enough not to be late for the meeting?
Sensory	Will I see the board well? Will I see the car parking or the sea side from my room? Will my bed be comfortable? Will my room smell of cigarette smoke, or will my neighbours be noisy?

Table 13.: Risk types from the consumer's point of view
Source: based on Kenesei – Kolos, 2007. 95–96.

Among the above listed risk mitigating tools, customers most prefer the personal information sources (opinion and experiences of family members, friends, acquaintances). The acquaintances' recommendations is one of the most important communication channels. The reason of this can be found in the big persuasive force of the personal information source. Consumers usually buy personal (hairdresser, language teacher) and special (accountant, lawyer, financial advisor) services upon recommendations. The professional literature calls this phenomenon word of mouth marketing. (Kenesei – Kolos, 2007. 96–98.)

Brand loyalty is a well-tested risk reduction tool. In case of products, customers often search for changeability, therefore, brand switch (foods, soft drinks, shoes, clothing, etc.). In case of services, if the consumer is satisfied with the service, he will not replace the service provider (e.g. dentist, hairdresser, manicurist, shoemaker, language teacher, etc.). Several kinds of costs may arise in brand switch in case of services, for instance, emotional and cognitive costs associated with the search, transaction, learning and concessions. (Kenesei – Kolos, 2007. 97.)

Let's go further to the stage of buying. In the moment of purchase, simultaneously more factors can affect the customer: the location, onlookers at the location, customers, time, emotions, relationship between the customer and seller, and the physical environment. The encounter with the service is the 'moment of truth', which often means one contact, but it can happen that it is a series of encounters and several employees take part in it. Why is it called the moment of truth? Organizations allocate lots of time and energy for establishing and fostering customer relations. In the moment when the prospective customer encounters the service provider, its existence will be at stake if it does not pay sufficient attention to a particular situation. The user of the service will make judgement on the quality of the service based on that given moment. (Kenesei – Kolos, 2007. 100–108.)

Now, let's have a look at an actual case: in the Employment Centre, they offer a job of a financial intermediary to a job seeker. Since he does not have the necessary qualification, the centre covers the costs of the short course. The job seeker arrives at the venue of the course with uncertain feelings, with lots of questions in his head where he meets confident, smiling and apparently well-off people at the registration. His uncertainty gets even more intense, and he starts asking questions: 'Is this the right place for me?', 'Am I suitable for this task?' The venue of the course is in a newly built education centre, the room is equipped with state-of-the-art educational aids (a digital whiteboard, projector), comfortable chairs, tables, the room is well-lit and has a pleasant temperature. Each participant is given a pre-compiled education package. People come to the training from the region with different qualifications. There are self-confident, self-important, modest, shattered, smart, arguer, intelligent, uncommunicative, talkative, open and reserved ones among them. The training institution paid great attention to the preparation, carefully put together the training programme, provided the participants with educational hand outs, ensured provision, well prepared instructors delivered the lessons, and ensured high standard work with proper technical devices and aids. Participants react to the assignments in different ways during the training, the different personalities start showing themselves: there are cooperating, fault-finding, impatient, interesting, asking a lot, slow to react as well as urging ones ... The participants' reactions and behaviours strongly influence the milieu and effectiveness of the training. If the service provider is not prepared for managing problems, then participants will not use the service or look for another service provider.

Through this example, we have reached the stage after buying, which is basically related to the evaluation of quality of the service. In this phase, it reveals whether the customer is satisfied or not with the service. The basis of the customers' evaluation is the comparison of their own expectations and experiences. Provided that experiences reach or even surpass the expectations, then users of the service will be satisfied. Therefore, it is important that perceptions and expectations are consciously influenced. At the same time, the fact that the evaluation is subjective should not be forgotten either, the consumer does not consider the actual performance but the one he perceives.

2.3.2. Loyalty

The basis of loyalty is consumer satisfaction and quality of the service. These two concepts have a key importance from the marketing's point of view: if the organization provides low quality service, it will lag behind and get into a competition disadvantage. If the consumer does not feel the quality of the service satisfying, he will look for another service provider. What do we mean by customer satisfaction? 'The customer satisfaction expresses to what extent the service can satisfy customer expectations. If the service surpasses them, the customer will be satisfied, otherwise, dissatisfied.' (Kenesei – Kolos, 2007. 128.) The satisfied customer has a positive effect on the organization: he contributes to keeping the competitive advantage, he is less susceptible to the competitors' offer, and buys more often and spread the good image of the service provider. Service quality is strongly linked to customer satisfaction. The quality is determined by the user's individual experiences and expectations. In the view of the consumer, quality consists of two factors: the technical and functional qualities. Technical quality refers to what the customer receives from the service provider (a language course participant can be given the course book). In judging quality, the manner how the service is provided plays also an important role, what the teacher's style is like, or what kind of educational methods he uses, or what the customer service agent's manner at the employment agency is like. This latter one belongs to the concept of functional quality. Guarantee has a great importance in case of services just like in case of products. If the organization gives a guarantee for the service provided by it, that is then proves the service provider's reliability, and for the customer, this reduces the perceived risk.

We differentiate several kinds of the guarantee:

- **implicit guarantee:** hidden guarantee, it does not exist in a written form and is based on the trust established between the user and service provider;
- **unconditional guarantee:** it guarantees comprehensive customer satisfaction besides the promise of repayment or charge free problem solving;

– **result guarantee:** is a guarantee undertaking linked to the service process or to its elements or its stages. (KENESEI – KOLOS, 2007. 128–152.)

The fact that it is essentially cheaper to keep customers than to attract new ones is considered to be a common place. For illustrating the importance of loyalty, let's have a look at an example. Let's take two adult education institutions at which the number of customers increases by 10% annually. They reach the increase by covering new segments or extending their services. The institution A loses 5% of its customers in a year, that is, its loyalty ratio is 95%. The institution B loses 10% of its customers in a year. What will happen after 15 years' time?

year	**'A' organization**		**'B' organization**	
	10% increase	95% loyalty ratio	10% increase	90% loyalty ratio
0.	**100**	100	**100**	100
1.	110	104,5	110	99
2.	114,95	109,2	108,9	98,01
3.	120,12	114,11	107,81	97,03
4.	125,52	119,24	106,73	96,06
5.	131,16	124,6	105,67	95,1
6.	137,06	130,21	104,61	94,15
7.	143,23	136,07	103,56	93,2
8.	149,68	142,2	102,52	92,27
9.	156,42	148,6	101,5	91,35
10.	163,46	155,29	100,49	90,44
11.	170,82	162,28	99,48	89,53
12.	178,51	169,59	98,48	88,63
13.	186,55	177,22	97,49	87,74
14.	194,94	185,19	96,51	86,86
15.	203,71	**193,52**	95,55	**85,99**

Table 14.: The loyalty
Source: own edition

The institution A is characterized by 10% increase and 95% loyalty, whereas, institution B by 10% increase but 90% loyalty. The data in the table show well that institution A showed 93.52% increase, meanwhile, institution B suffered a 14% customer loss during 15 years. Based on the comparison of the two institutions, it inevitably shows that institution A doubled the number of its customers as compared to that of institution B. Looking at the data, it becomes understandable why the organizations make such considerable efforts to increase their customers' satisfaction.

The loyalty programmes most often used by the organizations (companies) are: frequency marketing, relationship marketing, customer care and prevention of drop outs. The aim of frequency marketing is to make the existing customers buy more often (e.g. frequent buyer programmes). The essence of customer care is the maintenance of the relationship with customers after buying (individually-tailored marketing). In order to prevent drop outs, investigating the reasons of turning away is important. In the knowledge of the results, the organization can develop its service range, adjusting them to the actual customer needs. (Kenesei – Kolos, 2007. 155–174.)

2.3.3. Complaint management

Not only the satisfied customer is important for the organization. Dissatisfied customers must also be dealt with. If the customer is dissatisfied with the service, a complaint situation emerges. From the aspect of both the company and customer, the mode how an organization handles complaints has a great importance. In case of services, problems may occur in spite of all efforts ofthe organizations or service providers. During complaint management, the fact that a dissatisfied client can become a loyal client should be kept in mind, provided that complaints are dealt with properly by the organization.

The below figure shows the alternatives of actions a dissatisfied customer may take:

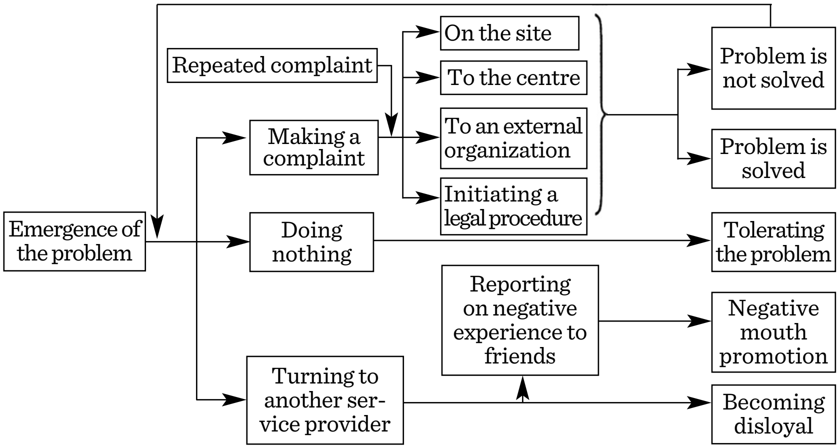


Figure 8.: The scope of action of a dissatisfied customer
Source: KENESEI – KOLOS, 2007. 178.

The organization may get customer feedback from several sources: frontline, the frontline of an intermediary, local management, top management, complaint not identified by the staff, surveys, evaluation sheet displayed on site, trial shopping.

In complaint management, the below principles must be kept in mind:

- **the principle of prevention:** the organization must do everything in order to avoid the emergence of any complaint situation;
- **the principle of perception:** if the complaint situation manifests, the service provider must recognize the mistake, and it is not advisable to find justification for why the customer is not right at any price;
- **principle of preparedness:** the service provider must be previously prepared for the management of complaints and must establish formal procedures;
- **the principle of competence:** in complaint handling, staff having decision rights must be employed because deciding on the offered compensation often belongs to the scope of managerial authority;
- **the principle of compensation:** fast problem-solving is important because the customer will not be satisfied despite suitable compensation if the process of complaint management is too long. (KENESEI – KOLOS, 2007. 177–188.)

2.4. The model of service delivery

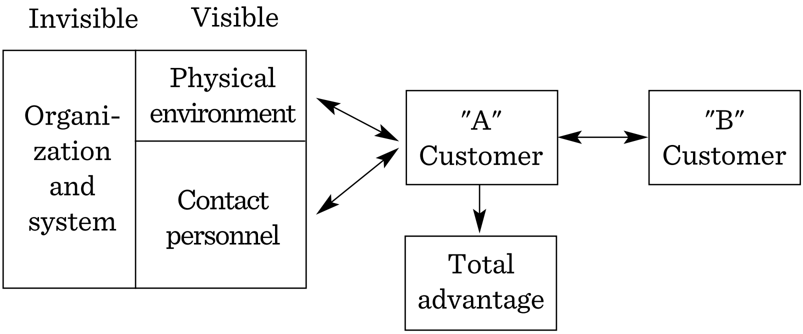


Figure 9: The model of service delivery
Source: Kenesei – Kolos, 2007. 19.

The model of service marketing in Figure 9. shows the process of service delivery in the view of the customer. The model consists of four elements: **visible** (physical environment and the contact personnel, the frontline or front office) and the **invisible** (organization and system, back office), **service environment, the user** (customer A) and **other users** (customer B). The model well illustrates that advantages originating from a particular service are determined by not only the contact personnel and the service itself, but the physical environment and background organization (back office) being in the visible space as well as by other users staying at the location. The important parameter of the service is the totality of the advantages. Since the customer pays out money for the service, he has the right to set expectations for the service provider. It is important to know for the service provider what this advantage actually means for the customer. While for some people a modestly and simply furbished room (bed, table, chair and TV) is satisfying, others require comfortable furniture, TV, wifi, fridge, micro wave oven, and expect that the price of the room should include breakfast as well. If the service provider is able to put together its service offer appropriately, then it will be able to satisfy the customers' needs entirely and will have content customers. The model considers the customer to be an important part of the service, therefore, it wishes to solve the problem of service marketing in the view of this. The customer may be a passive or active participant of the service process, that is, he himself fashions and shapes the service experience. Attributable to their intangibility, services do not offer advantages due to proprietorship (as in case of physical products), but the benefit coming from experience. For this reason, buying services can be considered to be a kind of experience with which the consumer will be satisfied or dissatisfied. A participant of a language course who listens during the lesson and prepares for each class is most likely to perform better at the final exam, assessment test or the language exam than the one who does not do this.

The **frontline** is the area of a service company where the service provider and the user get into contact with each other. The frontline has two components: the personnel who are in direct contact with the users and the physical elements of the frontline (that is the visible physical environment – see more about this in Chapter 2.5.5.). The **contact personnel** or groups of employees show a very diverse picture, considering the whole service sector. Bank clerks, financial consultants, employment agency agents, security guards, porters, conductors, ticket inspectors, telephone administrators, doctors, surgeon's assistants, nurses, etc. can belong to here. The customer meets the staff in person, and he judges the quality of the service based on the interaction, therefore, selecting, training and motivating employees have a key importance in service marketing.

When the customer enters the service provider's office the interior revealing itself influences his expectations and quality judgment. Since the service itself is intangible, the customer tries to set a quality scale based on the visible physical environment. The visible physical environment is also important because the customer can sort of tune onto the service based on this. In a dentist's waiting room, a pleasant, quiet music, colourful magazines, a comfortable armchair or settee takeaway the tension of waiting, have a very good effect on the patient.

The frontline and back office are in permanent contact with each other, practically, the backline serves the frontline. The **back**

office, indeed, embraces the background institutions of the service company (background staff and the associated system of tools). Those operations that are indispensible for the performance of services take place here, but there is no need for the user's presence (storage rooms, office of educational affairs), or impossible (cockpit of a plane, instructor's meeting), or it is not reasonable (doctor's consultation, grading staff meeting at schools). The employees' preparedness and communication skills of an employment agency are in vain if the information system breaks down, and they are not able to enter the network, consequently, not able to serve the customer and supply him with appropriate information. The service experience is also influenced by what the **other users** present at the location of the service do. This gains especially great importance if the consumer uses a kind of community service (e.g. a language course, job hunting, restaurant dining, fast food dining, hairdresser, medical services, etc) since this can even influence the final satisfaction, too. For instance, a patient pacing up and down in a dental clinic, expressing his tenseness and addressing the other patients in an inappropriate manner, or in a language training, a student who regularly fails to prepare may slow down the others' pace of advancement, etc.

The model of service delivery highlights that performance is affected by numerous factors that do not count as assets for the service provider. By changing any factor, we can even produce a new service as well. The elements of the model are in close relationship and mutually interrelated with each other, therefore, it is not sufficient enough for the service provider to focus only on one of them, because these factors together determine the final advantages, that is, the service experience of the customer. The high-tech equipment is in vain in the classrooms of the adult institution, if the instructor does not use it, but instead he gives out such hand outs and education materials that are copied by the office technology of the 1970s. The model may help service providers think over that how the single elements contribute to the establishment of the customer's total benefit. (Veres, 2009. 43–46.; Kenesei – Kolos, 2007. 19–23.)

2.5. Marketing mix of services

2.5.1. The product

On the market of services, the product offered for sale is the service, which can be interpreted as a non-physical problem-solving: the liability of an insurance company for compensation of damages, a resitting opportunity for an exam in adult education, providing a tutor or mentor. The basic issue of product policy is that the supply is not tangible due to the non-physical nature of services, therefore, for the potential user, it is a complicated task to precisely identify the range of supply. In case of a service provider, the product range can be divided into three groups: basic, supplementary and derived basic service.

Illustration of the structure of the overall service in case of a petrol station:

Type of service	Open service
Basic service	selling petrol and gasoline
Supplementary service	windscreen cleaning
	air pressure check
	drinking water
	store
	WC
	telephone
Derived basic service	car wash
	oil change
	car fast-fixing
	selling car spare parts
	tyre repair

Table 15.: Structure of the overall service in case of a petrol statio
Source: VERES, 2009. 65.

The **basic service** is meant to satisfy the customer's main need, that is, to satisfy that need for which the customer contacted the service provider. **Supplementary services** are service elements connected to the basic service with less importance, which can be indispensible parts of the entire service, or enhance the service offer package. In classifying services, those supplementary service elements that appear as basic service at other service providers or market players (e.g. in the restaurant operated in the hotel not only hotel guests can have meals). We call these **derived basic services**.

Now, let's look at the structure of the overall service in case of adult education institutions:

Type of service	Open service
Basic service	OKJ (National Register of Qualifications) short course
	general training
	language course
	non-OKJ specialized training
Supplementary service	adult education services: job hunting techniques, assessment of former knowledge and recognition, mentoring, tutoring, training consultation, mental hygienic counselling, training need assessment
	baby sitting (for participants' children)
	discount by instalments
	photocopying opportunities
	issuing a Europasscertificate
Derived basic service	buffet
	examination
	course book supply
	library use

Table 16.: Structure of the overall service in case of adult education institutions
Source: own edition

On the market of physical goods, the innovative behaviour gives such a competitive advantage to the company that is difficult to surpass. In case of services, a non-physical technological process cannot be patented, consequently, innovation does not mean long lasting competitive advantage. In this sector, the imitative propensities are strong, the good ideas are easily transferred and copied. The service provider should be aware of that the competitive advantage can easily disappear, therefore, there is a need for constant renewal, consumers must be bombarded with new ideas. (VERES, 2009. 64–66.)

2.5.2. The price

The perception of the market value of services is uncertain because the service itself cannot easily be specified by exact parameters. Owing to the experiential character of services, users cannot compare or only with difficulties the service providers' offer (there are no two identical net plans, there are no two identical Greek holidays). The correlation between the service content and its price is quite loose, consequently, the price policy scope of action of service providers is relatively big. German studies have proved that the prices of tourism services of the same content and quality may show 50% deviation as compared to the average price. Service providers rather use the cost-based pricing method on the contrary to competition or demand-oriented pricing. Nevertheless, the applied pricing method does not explain fully the experienced price differences. The explanation of the phenomenon lies in the price - quality relationship. Prior to purchase, potential customers are prone to overposition the role of price: before purchasing the service, the price becomes the tangible measurement of quality because of its non-physical nature, that is, in the consumers' head, high price is associated with good quality services. At the same time, it may trigger dissatisfaction among customers if the relationship between the price and perceived performance is disproportionate.

In case of services, the price differentiation must be highlighted among the traditional price policy solutions (e.g. seasonal prices) as well as offering price discounts (e.g. free trial of a service). Offering a payment guarantee is also a frequently applied tool, which promises partial or full repayment (e.g. ’if you are not satisfied with the service, we will reimburse the price of service within 14 days’). The payment guarantee is a well-tested method of persuading the uncertain and hesitant customers. (Veres, 2009. 66–71.)

2.5.3. The place

Owing to the non-storable character of services, the channel policy apparently cannot be defined. But the distribution of the physical elements belonging to the performance of services does exist just like in case of any physical product. On the service market, besides the distribution of the physical elements belonging to the performance of services, the subject of the channel policy is made up of the relationship network of the actors of the channel. The service itself is not marketable, because in case of purchasing the service, no change takes place in ownership, that is, by buying the service, the customer does not get any proprietary rights: for instance, by paying for an OKJ short course, the training institution offering the course will not become the property of the customer.However, the promise of the service can be distributed via intermediaries. What do we mean by the promise of a service? The potential customer receives a promise (that is, he gains right) that in a later time, he will be able to use the service (e.g.concert, flight, hotel service). The promise of a service can be transferred via direct or indirect distribution. We talk about indirect distribution, for example, in case of those tourist offices that have the right to selling the seats of certain airlines. The franchise system is an example for the direct distribution: fast food chains, hotel chains, petrol station chains. Also in case of services, proper distribution, that is the easy availability of services, has a key importance. The distance of the point of sale determines the customer’s choice in 50%. (Veres, 2009. 71–73.)

2.5.4. The promotions

The fundamental problem of marketing communication is that the service **cannot be displayed**. Is the following service promotion good or not? In a service garage, mechanics neatly dressed in an overall are fixing things in a car. For the viewers, this commercial does not mean anything since they already know the essence of the service (i.e. repair work is done in the garage). In a good service promotion, those distinguishing attributes of a particular service have to be highlighted and stressed that can be experienced by using the service (service=experiential product!). That is, in case of services, the effective promotion is the so called image or appeal promotion, which persuades the customer about the advantages of the service. The below table provides a summary of the 'recipe' of effective service promotion.

Non-physical features	Promotion strategy	Description
No physical extension	Physical display	Present the unique, elements of the service sending messages of its high standards.
General	Introducing the system	Evidenced the capacity of the system with facts and data.
	Introducing performance	Refer to the former favourable performance results.
	Service episode	Present an intense service story that portrays an important service element.
Abstract	Service using episode	Find and portray such satisfied customers that recall special episodes.
Non specifiable	Presenting performance	Refer to independent sources in judging performance.
	Presenting service use	Portray service users benefitting from the goodness of the service.
Intangible	Service process episode	Describe the service process step by step in a graphic manner.
	Case study	Present a case from the close past, which gives information on what the company did for customers.

Table 17.: Promotion strategies of services
Source: VERES, 2009. 74.

In designing communication tools, it is advisable to take the receiver of the message (internal or external) into consideration, and the nature of the message carrier (mass communication or interpersonal communication). Participants of the service process (for example, the customer being at the location, back office staff and the frontline staff) belong to the target group of internal communication, whereas, those individuals and groups whose influencing and informing is very important for the service provider belong to that of external communication. Table 18. sums up the service providers' communication tools.

	Mass communication	Interpersonal
Internal communication	point of sale advertising	frontline staff
	emblem, logo	sales staff
	user's guide	service users
		internal marketing
External communication	orientation notices	agent's network
	information signs	PR
	advertising	mouth advertising
	direct marketing	
	internet	

Table 18.: Promotion strategies of services
Source: VERES, 2009. 74.

The basic rules of creative service promotion:

- Use symbols that are also clear for the target audience in order to make the main advantages understood (e.g. sunshine in tourism).
- Instead of introducing the complexity of service, present only one element suggesting the totality of the service (e.g. the Swissair's advertising depicts a designed rust-proof spoon and in a short accompanying text they inform passengers that they have changed the plastic cutlery to rust-proof metal ones).

– Get the message as close as possible to the service users (e.g. use electronic information networks).
– The promise should be stronglydifferentiating (e.g. a German garage deals with servicing car exhausters, breaks and shock absorbers, and their motto sounds like this: ”We only do three things but well.”).
– Your message should be humorous (e.g. Budapest Bank: Emese-craze).

Instead of conventional promotion activities, or as a supplement to them, service providers can use the diverse tools of **sales promotion** as well. Sales promotion increases effectively the revenue of especially the small service providers (e.g. the waiter gives three dices along with the bill in an Irish pub, and provided that the guest scores three times six, he will not have to pay for his consumption on that day, or a language school gives 20% discount for those who have already accomplished a language course at their school. Direct marketing is becoming more and more popular, which can be explained by the fact that it is especially suitable to present the advantages of services. The forms of DM:
– **direct promotion:** by means of post or agent,
– **personal sale:** telephone marketing,
– **direct response** promotion: coupon promotion. (VERES, 2009. 73–78.)

2.5.5. The physical evidence

In case of services, noticing quality is made difficult by intangibility. The physical elements found in the frontline, just because of their tangibility, make it easier for customers to judge quality. By physical elements, we mean the physically visible environment of the service (servicescape) together with the supplementing objects. (VERES, 2009. 80.)

We divide physical elements into two groups: external and internal physical elements. The external physical elements do not closely belong to the frontline, however, customers see these first hence they have a great importance. (VERES, 2009. 80–81.)

Servicescape	Other tangible factors
External environmental elements	business cards
external design	corporate papers, letters
orientation signs	invoices, receipt
car parking	reports
landscaping	employees' clothing
direct environment	corporate uniforms
Internal environmental elements	brochures
interior arrangement	
furbishing	
orientation signs	
spatial arrangements	
air quality and temperature	

Table 19.: Physical elements of services
Source: VERES, 2009. 81.

Below in Table 20., I am providing a summary about the various manifestations of physical elements at adult education organizations.

Servicescape	Other tangible factors
External environmental elements	business cards
the exterior of the building	company papers: letters, compulsory documents, contracts
orientation signs	training programme, certificates
car parking–bicycle parking	invoices, receipts
landscaping: benches, trees–shrubs, plants and flowers	adult education contract
smoking designated areas	reports, exam documentation

Servicescape	Other tangible factors
Internal environmental elements	training diary
corridor, hall, furniture and tiling, lights, temperature in community rooms	brochures
furniture and tiling, lights, temperature in the office of educational affairs	educational materials, aids, course books
furbishing of classrooms: chairs, tables, boards, computers–projector, TV, speakers and other visual aids	employees' clothing, uniform (scarf, cloak, T-shirt)
interior furbishing, decoration of the building	website
orientation signs	
layout of the building (light conditions)	
air quality and temperature	

Table 20.: Physical elements of services at adult education institutions
Source: Veres, 2009. 81.

2.5.6. The people

By regulating the behaviour and communication of employees taking part in service provision, users' satisfaction can be improved. This regulation consists of three task areas:

1. **Internal marketing** places the emphasis on the improvement of the relationship and activities between the back office and front-line personnel. The internal marketing indeed is a marketing activity targeting at the organization's employees, which has a double aim. On the one hand, it has a quality improvement effect (influences the work of the frontline personnel), on the other hand, it helps the staff's identification with the marketing goals.
2. The **frontline management** focuses on the frontline staff. It regulates the contact persons' behaviour by personnel standards.

Its fundamental principle is that the frontline personnel is an image shaping factor since in the course of using the service, the customer gets in personal contact with the employee of the service provider. The employee's behaviour (manner, communication) is an important piece of information for the user of the service, it is a direct message about the service provider's value system.

3. The **active customer policy** plans and constantly monitors the service user's activity, by this the (prospective) customer's sense of insecurity decreases. (VERES, 2009. 78–80.)

2.5.7. The process

As an element of marketing tools, by the service process, we mean 'the planning and management of those processes that may influence the judgement of the service quality hence users' satisfaction.' (VERES, 2009. 81.)

Among the service processes, because of their importance, two processes must be highlighted. The emergence of a complaint situation may considerably disturb the work schedule of the frontline, therefore, the problem must be dealt with, for which the complaint situation management is a suitable tool. (VERES, 2009. 334–353.) Waiting is the other process that deserves extraordinary attention. It is the duty of the frontline management to develop a client friendly waiting system.(VERES, 2009. 81–83.)

3. BIBLIOGRAPHY

Dr. Dinya László – Dr. Farkas Ferenc – Hetesi Erzsébet – Veres Zoltán: Nonbusiness marketing és menedzsment. KJK Kerszöv, Budapest, 2004. ISBN 963 224 787 6

Fazekas Ildikó – Harsányi Dávid: Marketingkommunikáció. Szókratész Külgazdasági Akadémia, 2000. ISBN 963 7163 53 0

Gulyás László – Keczer Gabriella: Projketmenedzsment 1.0. Egyesület Közép-Európa Kutatására, Szeged, 2012. ISBN 978-963-08-4004-0

Keczer Gabriella: Megjelenés a nemzetközi piacon. In: Gál–Gulyás (szerk.): Élelmiszeripari kis- és középvállalkozások fejlesztése. SZTE MK, Szeged, 2009. ISBN 978-963-482-936-2

Keczer Gabriella: Üzleti ismeretek szak- és felnőttképzőknek I. SZTE JGYPK, Szeged, 2013. Kézirat

Kiss Mariann: Alapmarketing. Aula Kiadó, Budapest, 2005. ISBN 963 9585 71 8

Kotler, Philip : Marketing Menedzsment. KJK Kerszöv, Budapest, 2002. ISBN 963 224 661 6

Nyárády Gáborné – Szeles Péter: Public Relations I–II. Perfekt Kiadó, 2005. ISBN 963 394 606 9

Róka Jolán: Kommunikációtan. Fejezetek a kommunikáció elméletéből és gyakorlatából. Századvég Kiadó, 2005. ISBN 963 05 9211 30 3

Szalavetz Andrea: A szolgáltatási szektor és a gazdasági fejlődés. In: Közgazdasági Szemle LV. évf., 2008. június, 503–521.

Szeles Péter: Public Relations a gyakorlatban. Geomédia Szakkönyvek, Budapest, 1999. ISBN 963 791 1062 X

Ványai Judit – Viszt Erzsébet: A szolgáltatások növekvő szerepe. In: Közgazdasági Szemle XLII. évf. 1995. július–augusztus, 776–787.

Véghné Faddi Andrea: Marketing 12. osztály. Marketingkommunikáció. Műszaki Kiadó, 2012. ISBN 978 963 1660074

Veres Zoltán: A szolgáltatásmarketing alapkönyve. Akadémiai Kiadó, 2009. ISBN 978 963 05 8670 2

Responsible publisher:
Ferenc Szabó
Printing office:
Generál Nyomda Kft.
H-6728 Szeged, Kollégium street 11/H
Fax: +36-62/445-003
E-mail: info@generalnyomda.hu
Leader of the printing office:
Ágnes Hunya manager
Published in 200 copies