

Valeriya G. Shcherbak¹, Svitlana M. Marchenko²
**FORMATION AND DEVELOPMENT OF BRAND EQUITY
OF HIGHER EDUCATION INSTITUTION**

The article presents a methodical approach to assessing the level of development and use of brand equity of HEI, which reflects the relationships and interdependence between the major shares of structural and institutional capital and the possibility of their clear positioning at the educational market.

Keywords: brand; brand equity; higher education institution (HEI); organizational capital.

Валерія Г. Щербак, Світлана М. Марченко
ФОРМУВАННЯ ТА РОЗВИТОК БРЕНД-КАПІТАЛУ
ВИЩОГО НАВЧАЛЬНОГО ЗАКЛАДУ

У статті представлено методичні підходи до оцінювання рівня розвитку і використання бренд-капіталу ВНЗ, що відображає відносини і взаємозалежність основних пропорцій структурного та інституційного капіталу і можливість їх чіткого позиціонування на ринку освітніх послуг.

Ключові слова: бренд; брендовий капітал; вищий навчальний заклад (ВНЗ); організаційний капітал.

Рис. 4. Літ. 20.

Валерия Г. Щербак, Светлана Н. Марченко
ФОРМИРОВАНИЕ И РАЗВИТИЕ БРЕНД-КАПИТАЛА
ВЫСШЕГО УЧЕБНОГО ЗАВЕДЕНИЯ

В статье представлены методические подходы к оценке уровня развития и использования бренд-капитала вузов, отражающие отношения и взаимозависимость основных пропорций структурного и институционального капитала и возможность их четкого позиционирования на рынке образовательных услуг.

Ключевые слова: бренд; брендовый капитал; высшее учебное заведение (ВУЗ); организационный капитал.

Problem statement. Development of the market economy and increasing competition in higher education sector makes it necessary to increase the competitive position of Ukrainian universities. In the last quarter of the previous century foreign universities actively joined global competition in higher and professional education (MBA programs in particular). In Ukraine, this trend began to emerge only in the early 2000s.

With the introduction of market functioning mechanisms higher education institutions started to acquire the features of private economic entities, and competition increased not only due to the complication of demographic conditions, namely birth rates reduction, but also due to the need to fight for leadership at the market of quality education services.

Economic aspect of brand formation and effective use of branding have been paid great attention by both foreign and domestic authors, theorists and practitioners including: D. Aaker (2007), S. Ilyashenko (2011), J. Kapferer (2007), J. Karabel (2006), K. Keller (2005), O. Tretiak (2011) et al. and many others.

¹ Kyiv National University of Technology and Design, Ukraine.

² Interregional Academy of Personnel Management, Kyiv, Ukraine.

The problem of assessing the quality of education services in Ukraine and abroad has been considered by such scholars as I. Bakhov (2015), O. Dmytrenko (2012), M. Gibson and A. Afonin (2004), I. Gryshchenko (2012), I. Gryshchenko and N. Krachmalowa (2013). However, the issue of evaluating brand equity of universities and its further development has not been sufficiently covered in research papers.

The aim of the article is to define the concept and the structure of brand equity of a university and to offer the most effective branding methods for universities.

Key research findings. One of the key indicators of education services quality are different sorts of university rankings as a measure of competition level of higher education institutions (HEIs), where the rank of a particular university speaks for the elitism degree of a university and its prestige. For example, US and other foreign elite universities ratings are determined annually and published in the most prestigious newspapers and magazines, like "The Time", "U.S. News&World Report", "The New York Times", "Newsweek", "The Economist" etc.

Comprehensive evaluation of university rankings usually involves recognized experts, where institution assets act as the key criteria for capitalization rate. Some economists and sociologists believe this can be a generalized criterion of the University elite status, as significant funds enable to buy nearly all other status attributes: build spacious premises, restore old buildings, buy new equipment for laboratories, build stadiums, swimming pools, gyms, and most importantly – invite best professors. Harvard University is the absolute champion by the amount of assets, its capitalization is estimated at 25.9 bln USD (Karabel, 2013).

There are other evaluation criteria of the elite status of foreign universities and their rating constituents: the number of Nobel laureates from a particular university; the number of members of the National Academy of Sciences; the quality of teaching staff, including the number of foreign professors with a worldwide reputation and doctors; citation index; university reputation; evaluation level in the academic community and among employers; the latest methodological developments and programs ensuring the elite status; innovative teaching systems, the so-called "elite pedagogy"; selection criteria, such as meritocratic principles of admission to a university; independent examination of admission; library size – the number of storage units and quality of service; number of famous graduates; demand for university graduates; sports successes (Best Colleges, 2014).

While US universities ranking is mainly based on the level of its capitalization, the "Webometrics" rating of the research team "Cybermetrics Lab", the CSIC subdivision of the Ministry of Education of Spain is defined by the level of online visibility of a university. Since 2004, twice a year they issue a ranking based on the online presence of universities all over the world.

As of today the performances of about 13,000 universities are being analyzed of 18,000 those included in the World Higher Education database – WHED (Tretiak, 2011). Another most influential university ranking – of the Thompson Reuters Agency and the sociological company "Ipsos" is based on the surveys of more than 13,000 scientists, based on 13 criteria, including the level of education, the volume of research, citation index, innovation and implementation of developments in the industry, the level of students exchange (Tretiak, 2011).

According to the ranking "Top 100 global reputations" (World Reputation Rankings) compiled by British newspaper "The Times" in 2014 none of the CIS universities, including Ukrainian, was included in the list (Webometrics Ranking of World Universities Jan, 2015).

Undoubtedly, rating is an important marketing tool with all resulting consequences. High positions in rankings allow universities obtain faster and easier various grants and conclude contracts, increase popularity among university entrants, and consequently revenues. Thus, any rating practically defines the market value of a university.

Regarding the national ratings it should be noted that on May 30, 2015 the Centre for International Projects "Yevrosvita" ("Euroeducation" literature) in partnership with the international team of experts presented the 8th Academic Rating of Ukrainian universities "Top 200 Ukraine".

In the applied methodology of rating calculation universities' activities are assessed using the aggregate index which is formed on the basis of indicators of direct measurements (80%), expert assessment of graduates quality by employers and academic community (15%), and using international scientific citation indexing service (5%). The integral index is represented by three components: quality of scientific and pedagogical potential, education quality, international recognition (Times Higher Education, 2014). For example, according to the results of this assessment Kyiv National University of Technologies and Design (KNUTD) ranks 23rd (was 26th in 2012, 25th in 2013, and 24th in 2014).

Furthermore, in 2015 the online portal "Osvita.ua" compiled a consolidated rating of Ukrainian universities, which is now the most authoritative national and international university rankings among experts and media in Ukraine. It is based on "Top 200 Ukraine", "Scopus" and "Webometrics", each of which using different criteria for evaluating higher education institutions. According to the results of this evaluation KNUTD got the following ranks: 23rd position by the version of "Top 200 Ukraine", 33rd position by Scopus, 49th position by Webometrics, and the 23rd position in the overall ranking with the total score of 105 (Karabel, 2006). These data indicate that KNUTD is developing dynamically in compliance with rapidly changing requirements of time.

For maintaining and strengthening this trend it becomes urgent to ground the use of the branding concept, that is, formation of brand equity. Under the present conditions the notion "brand" entered the educational market coming from the sphere of commercial goods and services.

Due to dramatically increasing number of higher educational institutions, they become more and more similar to each other, and there is a need to stand out against the background and attract the attention of applicants, who are tempted by the wide choice (Times Higher Education, 2014).

A strong brand, comprising the education service as well as a specific set of associations and features perceived by consumers, allows the university deal both with domestic competitors at Ukrainian market and with foreign players, which is extremely important under the globalization of educational space.

The concept of brand equity is often used in international practice. This concept is very wide and comprises assets and liabilities related to trademark and to its name; it is a symbol that increases or decreases the value of a product or a service for the firm and its clients (Webometrics Ranking of World Universities Jan, 2015).

The concept of branding has proved itself as one of the most promising ideas that contribute to integration of marketing communications tools into a single system. National universities started turning more actively in its activities to the concept of branding in the view of strengthening the image of a university. However, the use of branding ideas in practice raises many new unresolved issues related to the development of branding methodology, improving the quality parameters of brand equity and increasing its social and ethical potential. Combination of marketing methodological tools, used by most universities, is characterized by the lack of a holistic concept of branding and insufficient research of commercial and social components of brand (Eliseeva, 2011).

Basic competence of universities in today's market conditions is not the factor determining consumer choice. The decisive factor is how the basic competence is implemented. Minor competencies are not directly related to the basic competence, university brand ensures them as a set of additional benefits for consumers of educational services (Consolidated rating of Kiev universities, 2015).

Thus, the key competences that support the educational process represent an important source of differentiation and, as seen in Figure 1, are associated with the introduction of information technologies in teaching and the appropriate image of a university at educational market. In line with the current structure of basic competencies of universities, they offer a multi-level model of forming the university brand, which includes the following levels: level 1 – implementation of basic competence of university; level 2 – implementation of necessary key competences universities; level 3 – implementation of minor competences of university; 4th level – formation of university brand (Figure 1). The fourth step is the actual process of branding itself: forming favorable reputation of a university among employers and potential customers (university entrants), high market value of university diploma and, all in all, the university image.

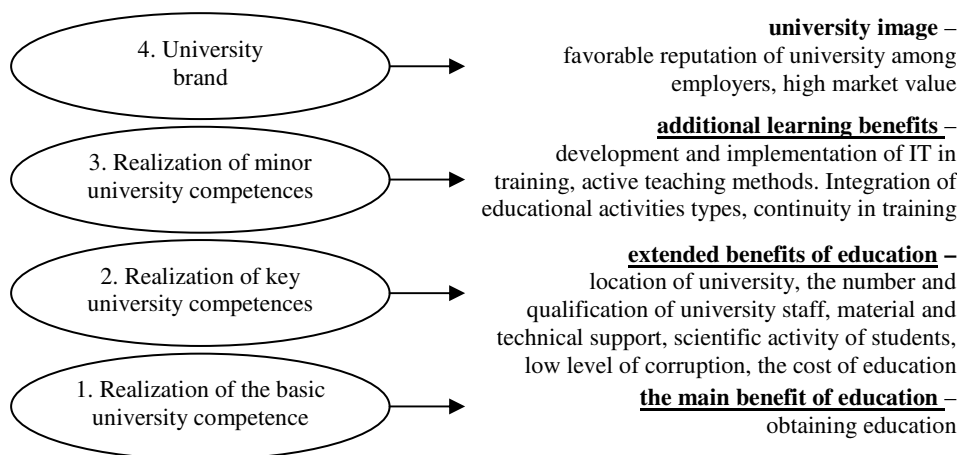


Figure 1. **Multilevel model of forming a university brand, authors'**

It should be noted that there is some difference between the concepts of "brand" and "brand equity": the latter being wider, that is the brand itself serves as the core of brand equity, reflecting to a greater extent its emotional essence in consumer percep-

tion, while brand equity practically reflects the result of its realization at a market, supported by appropriate logistical and intellectual base. Therefore, we propose the following definition of "brand equity of the university" (BEU) as a set of intangible and virtual assets in the form of goodwill that creates exclusive competence of a university in a particular field of education and research, image and reputation of higher education institution and reinforces its organizational capabilities. Unlike the existing approaches, the structure of BEU for the first time outlines social potential factors, recognized assets of individual human potential (patents, copyright licenses, know-how) and company's intangible assets (trademarks, trade secrets).

In the proposed approach brand equity of a university can be determined based on the degree of using organizational capacity. In fact, it combines systematized and formalized university competence plus systems that enhance the effectiveness of creative and organizational capabilities aimed at providing educational services of high quality and cost (Figure 2). In Figure 2, we can see that the first model reflects the formation of university brand equity of 4 defined components, and the second is the result of its realization for potential consumers in the external environment (employers, scientific and public community). That is, the second model displays a comprehensive assessment of competitiveness of brands of most popular universities with employers. Assessment of brand realization was carried out using the Delphi technique. The criteria were of equal importance in a particular rating for determining competitiveness in the emerging information society, and the scores were data on the university in the corresponding rating by experts from the educational sector and labor market.

According to the suggested approach we shall study the formation process of brand equity on the example of KNUTD in the historical perspective and the degree of its realization at this stage.

In our view most clearly the historical process of brand equity formation of the university is reflected by its component, namely organizational potential, which includes potential innovations in education, protected commercial rights, intellectual property and other intangible assets and values that provide the ability for renovation; the potential of processes that can be represented in educational services (educational technologies), brand loyalty – the demand for graduates among employers and career development of graduates in the course of which the cost of educational services is formed (Figure 3).

Analysis of the brand capital potential development by individual components for KNUTD showed that during the historical period of its existence (1930–2015) there is a constant tendency for growing, observed until 1992 due to internal intensification of social factors, development and realization of integrated programs on enhancing training process, implementing complex measures for transition from unprofitable state to competitiveness.

According to Figure 3 the greatest impetus for the development of KNUTD appeared in 1992 when Kyiv Technological Institute of Light Industry was accredited by the fourth (higher) level of special training and was renamed as the State Academy of Light Industry of Ukraine (SALIU) and then in 2001 renamed again as Kyiv National University of Technologies and Design (KNUTD), thus getting national and international recognition it results and contribution to the development of national education and science. For determination of the degree of brand capital rea-

lization by KNUTD a comprehensive approach is offered to the evaluation of its value. On the basis of the proposed methodological approach, maps of university brand positioning were developed by the following parameters: size and realization level of university brand capital (Figure 2).

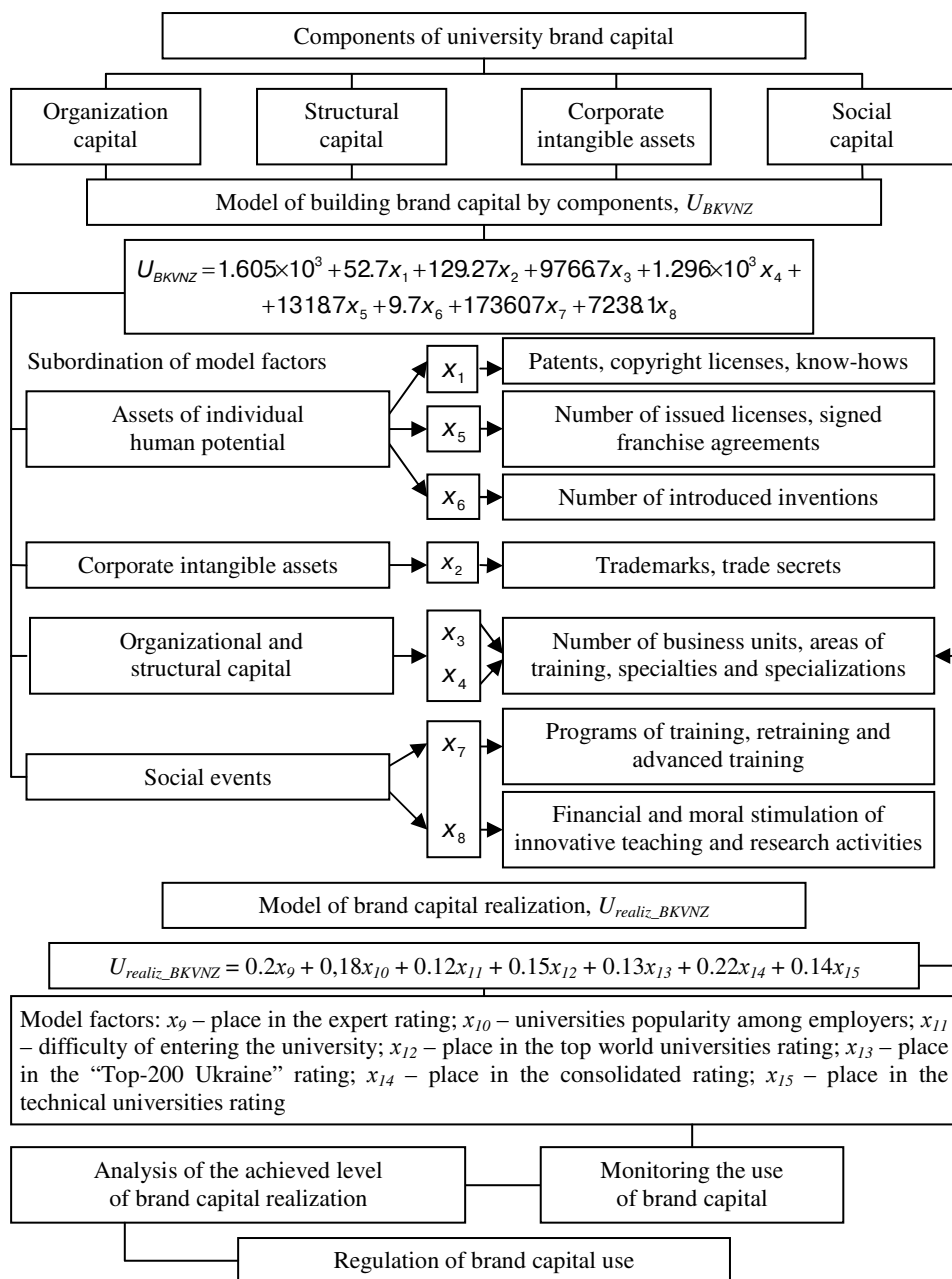


Figure 2. Model of university brand capital evaluation and the degree of its realization, authors'

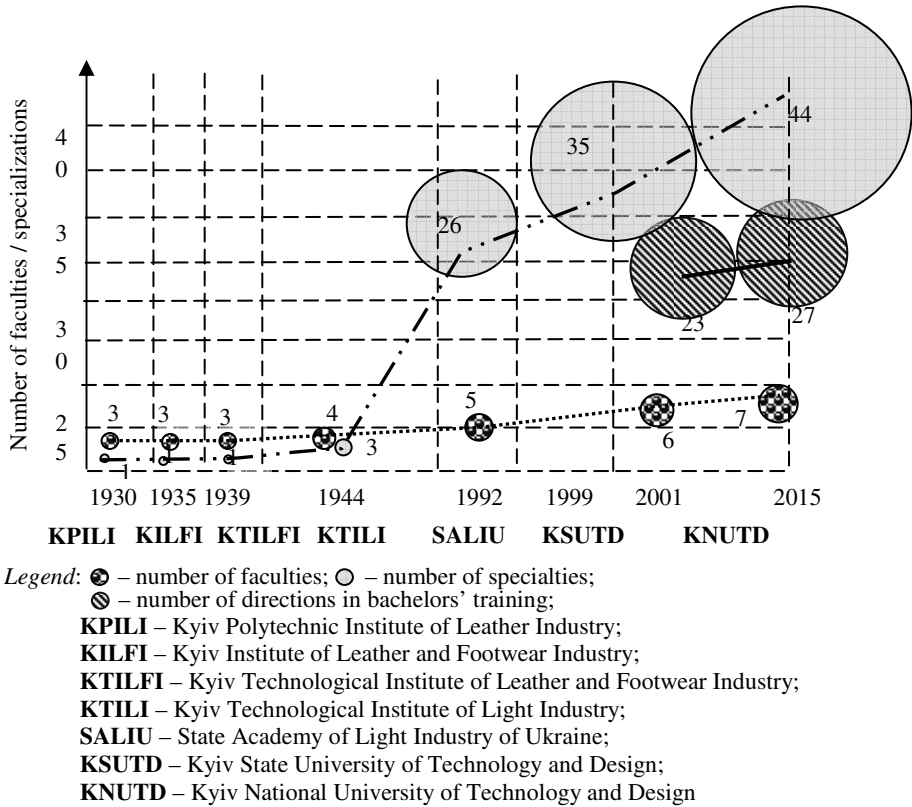


Figure 3. Gnoseological analysis of KNUTD development, original development

Calculations results of the 68 top Kyiv universities in the consolidated rating of Ukrainian universities (Webometrics Ranking of World Universities Jan, 2015) are shown in Figure 4.

Good image at the labor and education markets will increase the success of graduates as well as the training cost to increase investments into the development and implementation of new information technologies for education process. Thus, we can formulate the effective product offer of KNUTD brand: innovative university, which introduces advanced information technologies of training, has high reputation among employers and ensures graduates' success at the labor market (Consolidated rating of Kiev universities, 2015).

For creating favorable attitude to the university and good brand image of KNUTD we should use all possible means for marketing communications including appropriate public relations events considering the specificity of target audiences, events should be aimed at forming the desired response of target audiences, namely, favorable attitude to university brand and advantage for working, studying or cooperating with KNUTD as compared to other universities.

Conclusion. To finalize, brand positioning actions for KNUTD should be offered. For students: articles about KNUTD published in popular magazines; career guidance workshops, training sessions and interactive workshops for 9- to 11-class

students, involving them in scientific and technical activities and motivating them to join the corresponding faculties and institutions; acquaint students with technical professions, and form their conscious choice of future professions, enhance students' interest in professions that are in demand in the economy (Gryshenko and Krachmalowa, 2013).

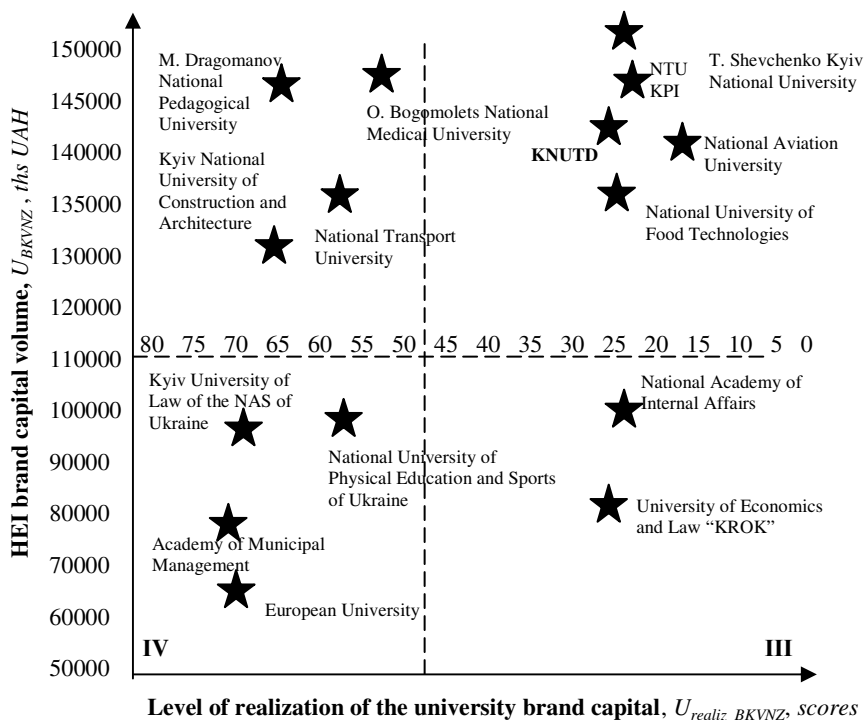


Figure 4. Map of brand positioning of the selected Kyiv universities at the education market, authors'

First-year students should be offered active use of case method (situational analysis) as a training technique that provides the description of real economic, social and business situations, thus contributing to developing the cognitive independence of future bachelors.

For senior students it is advisable to arrange job fairs and career days with large companies' participation, send jobs vacancies at students' e-mails and placing job listings on the Employment Center boards (Gryshenko, 2014).

For partners, KNUTD brand promotion events should include participation in national and international conferences and seminars with leading experts from foreign partner universities on the subject of e-learning technologies in universities; organization and participation in exhibitions of e-learning technologies; participation in the programs and projects of the European Staff Training Foundation, UNESCO etc.

References:

Лакер Д.А. Создание сильных брендов. – 2 изд. – М.: Гребенников, 2007. – 440 с.

- Гібсон М., Афонін А.* Бізнес і вища освіта: досвід взаємодії у Великобританії // Университетское управление.— 2004.— №4.— С. 53–66.
- Дмитренко О.М.* Освітні послуги вищого навчального закладу і їх ресурсне забезпечення // Вісник НТУ «ХПІ».— Серія: Актуальні проблеми управління та фінансово-господарської діяльності підприємства.— 2012.— №56.— С. 48–57.
- Слісєєва О.К.* Оцінка розвитку економічних систем на основі індикативних та когнітивних методів // Научный вестник ДГМА.— 2011.— №2.— С. 257–264.
- Ілляшенко С.М.* Інтелектуальний капітал ВНЗ як запорука його інноваційного розвитку: сутність, структура, підходи до оцінки // Маркетинг і менеджмент інновацій.— 2011.— №1.— С. 145–154.
- Канферер Ж.Н.* Бренд навсегда: создание, развитие, поддержка ценности бренда. — М.: Вершина, 2007. — 448 с.
- Келлер К.Л.* Стратегический бренд-менеджмент: создание, оценка и управление марочным капиталом. — М.: Вильямс, 2005. — 704 с.
- Консолидированный рейтинг ВНЗов Украины 2015 // gu.osvita.ua.
- Консолидированный рейтинг столичных ВНЗов Украины 2015 «Топ Киев 2015» // // gu.osvita.ua.
- Рейтинг вищих навчальних закладів України 2015 // zol-2.schools.lviv.ua.
- Родіонов О.В.* Методичні основи управління якістю освітніх послуг ВНЗ на основі міжнародних стандартів // Управління підприємствами в туристичній сфері.— 2011.— №2.— С. 81–83.
- Третьяк О.А.* Бренд-капитал: содержание, денежная оценка и управление // Бренд-менеджмент.— 2011.— №2.— С. 47–51.
- Bakhov, I.S.* (2015). Historical dimension to the formation of multicultural education of Canada 2015. *Pedagogika (Lithuania)*, Vol. 1 (113).
- Best Colleges 2014: Top 10 National Universities – Sept. 9, 2013 // // www.usnews.com.
- Griszczenko, I., Krachmalowa, N.* (2013). Rola komunikacji w funkcjonowaniu wyższych uczelni. In: *Interdyscyplinarosc pedagogiki i jej subdyscypliny* (pp. 764–771). Pod redakcja Zofii Szaroty i Franciszka Szloska. Wydawnictwo Naukowe Instytutu Technologii Eksploatacji – PIB.
- Gryshchenko, I.* (2012). The Economic Nature of Education Production. *Economics & Sociology*, 5(2): 50–57.
- Karabel, J.* (2006). The Best Education Money Can Buy // www.washingtonpost.com.
Times Higher Education // Thomson Reuters World University // t2.washington.edu.
Times Higher Education 2014 World Reputation Rankings // www.scoop.co.nz.
Webometrics Ranking of World Universities, January 2015 // www.webometrics.info.

Стаття надійшла до редакції 24.11.2015.