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**Marketing Strategy for Continuing Education Center of
American University of Central Asia**

THESIS WORK
for the Master’s degree

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Introduction

Because of increased number of educational institutions, special courses, and schools, marketing has become an important and essential activity for many nonprofit institutions to attract more students. The marketing of higher education attracts more and more emphasis and attention. At a present time each University or School almost fights for every new potential student. To achieve high results at this battle, the Institutions should use new tools of marketing, recruitment and other methodological processes.

Continuing Education Programs has become an accepted form of education and has been gaining widespread popularity in recent years, especially in former USSR countries. Marketing concept has been gaining importance in Continuing Education sphere thorough the world, I can say. The Marketing strategies used by Western Continuing Education centers use tremendous resources and efforts, special divisions are opening for marketing the Continuing Education Program of the certain educational Institution. In more than 70 countries the Universities offer Continuing Education programs. Because of its flexibility, convenience, effectiveness and additional opportunity the popularity of continuing education, it is becoming so popular, profitable and vital. Having discovered this the potential competitors were inspired by this idea and started developing their own programs.

The need for effective professional development services and programs cannot be overstated. Professionals today face the challenge of staying current in their field, and competitive in the workplace. Constantly emerging new information and technology makes it imperative that employees have to continually update their expertise, both for themselves and for the performance of their organization.

The purpose of my work is to prepare and approve the detailed marketing strategy for the Continuing Education Center of American University of Central Asia, so it could take the leading place in the market share of mentioned field. In my work I will anticipate and respond to the diverse needs of business, organizations, agencies, and individuals by developing programs that reflect the expertise of AUCA while meeting the educational needs of lifelong learners; help the Continuing Education Center maintain and enhance its competitive position regionally, nationally and internationally as a leading institution for teaching, research and enterprise; improve the Center's image and reputation; achieve greater coherence and improve co-ordination.

The study analysis of current situation will take place to determine the problems and gaps Continuing Education Center has. Detailed research of services provided, target markets, current distributor network, competitors, environmental problems and opportunities of Continuing Education Center of AUCA will be conducted to achieve set aims and objectives.

The creation of the marketing strategy for Continuing Education Center of AUCA will be accompanied by the detailed theoretical study of the current theme and marketing tools for the educational sphere of activities. The qualitative research of the topic will assist me in defining the core values of risen problem and lead to carefully thought out conclusions and decisions, which further will be used as a practical manual for Continuing Education Center.

General Idea of Continuing Education

Concept and History of Continuing Education

Continuing education may refer to one of two types of education. The first is a type of post-secondary education in a general sense, often for its own sake rather than being designed for a particular degree or certification. The second type is education required in a licensed profession in order for the professional to maintain the license.

Continuing education generally

General continuing education is similar to adult education, at least in being intended for adult learners, especially those beyond traditional undergraduate college or university age. However, it is not normally considered to include basic instruction such as literacy, English language skills, or programs such as vocational training or GED preparation. Instead, as the term suggests, it is assumed that the student already has an education and is simply continuing it.

Frequently, in the United States, continuing education involves enrollment in college/university credit-granting courses, often by students enrolled part-time, and often offered through a division or school of continuing education of a college/university known sometimes as the university extension or extension school. Also frequently in the US, it can mean enrollment in non-credit-granting courses, often taken for personal, non-vocational enrichment (although many non-credit courses can also have a vocational function). Also, in the US, many such non-credit courses are offered by community colleges.

The University of Wisconsin, in 1904, was the first academic institution in the US to offer what today would be considered an identifiable continuing education program. In 1969, Empire State College, a unit of the State University of New York, was the first institution in the US to exclusively focus on providing higher education to adult learners.

Continuing education for professionals

Main article: Professional development

Licensing bodies in a number of fields have begun imposing continuing education requirements on people who hold licenses to practice a particular profession. The requirements are intended to encourage professionals to maintain their training and stay up-to-date on new developments. Depending on the field, some of these courses may be offered by regular colleges, but they are often

provided by organizations that cater to a specific profession. Conferences and seminars may also be designed to satisfy professional continuing education requirements.

Method and format of continuing education

The method of delivery of continuing education can include traditional types of classroom lectures and laboratories. However, much continuing education makes heavy use of distance learning, which not only includes independent study, but which can include videotaped/CD-ROM material, broadcast programming, and online/Internet delivery. In addition to independent study, the use of conference-type group study, which can include study networks (which can, in many instances, meet together online) as well as different types of seminars/workshops, can be used to facilitate learning. A combination of traditional, distance, and conference-type study, or two of these three types, may be used for a particular continuing education course

Continuing Education Center (CEC) of AUCA

The Continuing Education Center of American University of Central Asia is committed to provide quality education and training for individuals, assist business and industry in upgrading their workforce, and maintain an instructional environment that fosters continued personal and professional growth and development.

The center realizes that the twenty-first century presents various challenges triggered by rapidly developing technology and society. To meet these challenges, and to promote personal and professional growth of the community members, the CEC recognizes the necessity of providing relevant and comprehensive programs, both traditional and non-traditional.

The Continuing Education Center strives to provide the most appropriate training, in order that the students will be able to meet the challenges of our information and knowledge based society. The Center fosters opportunities for lifelong education. All students can maximize their opportunity for improvement, acquire new skills or upgrade existing ones, and, in general, become more productive members of the global community.

To fulfill this mission the Continuing Education Center was founded in June 2006. Located in Bishkek, the capital of Kyrgyzstan laying on the ancient and perspective Silk Road that links us with the Eastern and Western world. Located in this city, American University of Central Asia, the

premier university of Bishkek, provides many opportunities to play an important role in the global community. By taking advantage of these backgrounds, the Center can provide on-campus learning services for over 1,000 people annually, including employees of business and industry and inhabitants of the regional community. Since its foundation, the Center has provided adults in the community with lifelong education courses covering a wide range of subjects. The Continuing Education Center employs almost 40 full and part time faculty and staff and houses a computer training lab and instructional studio with audio-visual equipments. Additional facilities include conference room, a certain number of classrooms. With these modernized facilities, the Center provides a variety of continuing education and professional development programs.

The professional development programs offer workers in a variety of industries, especially business, an opportunity to receive the benefits of higher education programs and assist small enterprises to up-to-date their technology. It also gives many adults a new vocational education to meet the rapidly changing knowledge and skill base demanded in the industrial field. Many of these programs are part of the outreach efforts that are stated in the mission of the Continuing Education Center.

Programs in the Center includes:

1. Short-range open programs on raising the level of students' skills
2. Language programs
3. Corporate trainings and seminars in sphere of marketing, management, sales and human resources.

Purpose of the Marketing Strategy and Mission of CEC

The American University of Central Asia is one of Kyrgyzstan higher education's major success stories. The quality of its staff, teaching is outstanding. Combined with the advantages of the city itself, this gives the University extremely attractive to potential students. It also continues to attract distinguished academics from around the world, and to forge productive links with industry and with other leading universities in Europe and the United States. The University has many reasons to look forward with confidence. Having strengthened the position in market for undergraduate students, the University doesn't stop and move forward in achieving new goals and heights. At a present time it draws lots of efforts to improve the Master of Business Administration Program so to attract new post-graduate students and to make a good showing in this, comparably new tendency in our country, field. Since University's brilliance and ability to manage things right, the

administration also decided to launch Continuing Education Program by creating a Center that will implement program's mission. Despite quiet short period of time the Continuing Education Center gained wide popularity among business people and companies in Bishkek and started conquering the new market of continuing or adult education.

The new and perspective market gives birth to new entities that enter into the market and start a fight for each customer. Because of this and other factors the University and the Continuing Education Center in particular are operating in an increasingly competitive environment. Students' expectations as 'consumers' are higher than ever before, partly because they are shouldering more of the costs of their education; higher education institutions and Continuing Education centers in Kyrgyzstan start competing more aggressively for the best students and staff; funding agencies have introduced extensive and strict performance measures for universities; and other potential sources of finance have to be increasingly selective as competition intensifies.

Given this perspective, and its aspiration to be and to remain among the very best in the Kyrgyzstan and Central Asia, the University and the Center recognize that confidence must not degenerate into complacency. It does not assume that it is invulnerable or that its reputation will look after itself, and it knows that it cannot afford to ignore what other competitors are doing to challenge its position. The Center is conscious that like every major organization with serious competitors, it must work hard at understanding and satisfying its various markets, and at making sure it has a distinctive, coherent, attractive and credible message which is heard and understood by the right audiences – including the internal one.

Drafting Marketing Strategy I anticipate certain aims and objectives and possible actions to achieve set goals.

The aims of the Marketing Strategy are to:

- help the Continuing Education Center maintain and enhance its competitive position regionally and nationally as a leading institution for teaching adults and enterprise;
- strengthen the Center's external relationships;
- support the process of creating a positive working environment.

And the objectives transform the following ideas:

- strengthen the Center's distinctive identity;
- achieve greater coherence and improve co-ordination;

- raise the Center's profile;
- improve the Center's image and reputation;
- improve links between the Center and partners;
- widen participation;
- recruit and retain the best staff;
- raise money for investment in Center activities and developments;

Mission Statement of CEC of AUCA

Continuing Education Programs exemplifies AUCA commitment to educational leadership through quality, innovative outreach programs that serve the lifelong learning needs of the citizens of Kyrgyzstan and beyond. This leadership is accomplished through partnerships with on and off campus entities to extending the resources of AUCA and providing educational access to individuals and organizations throughout Central Asia.

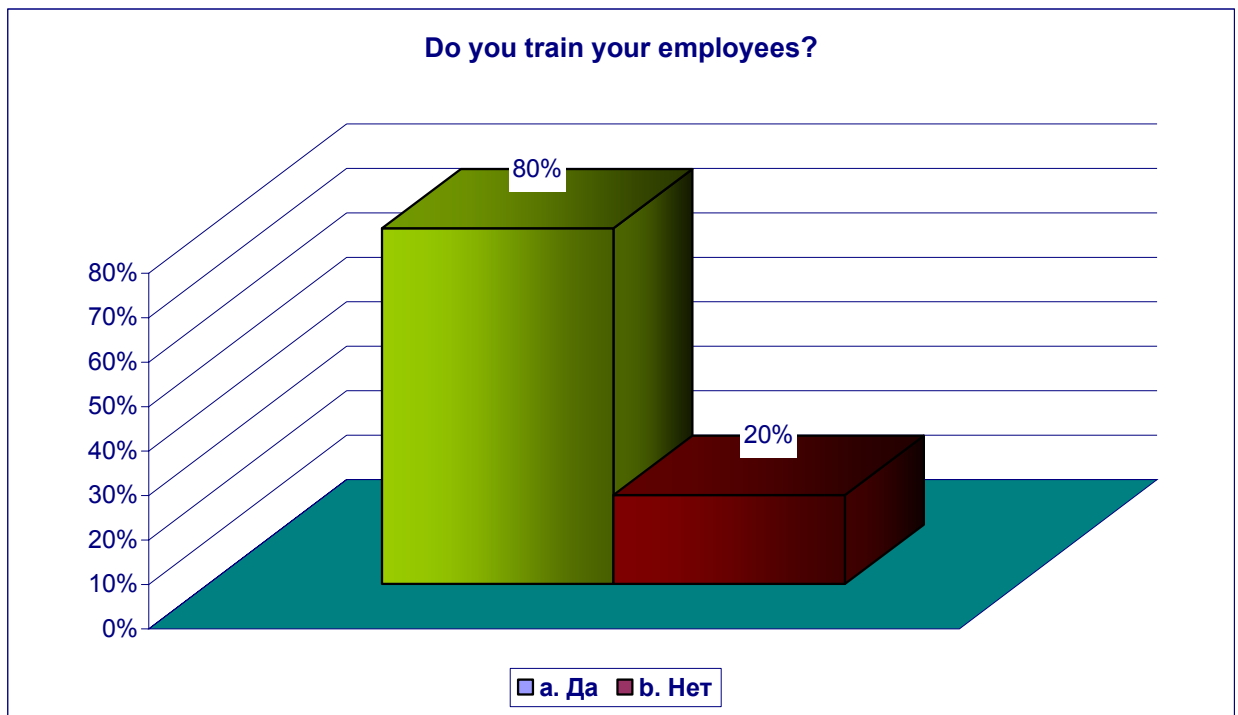
Situational Analysis

Since this is a quite new market for Kyrgyzstan and the Center exists for not a long time, it's difficult to define the exact target market, right price, and other aspects of the market of the services provided by the Center. So to better understand the market and define the mentioned factors a research has been conducted where almost 200 companies were surveyed. This research carried several goals, such as:

1. Identifying the need of Continuing Education
2. Describing the mentioned necessity
3. Determining the most applicable format of provided services
4. Effort to identify the price that will satisfy the potential customers

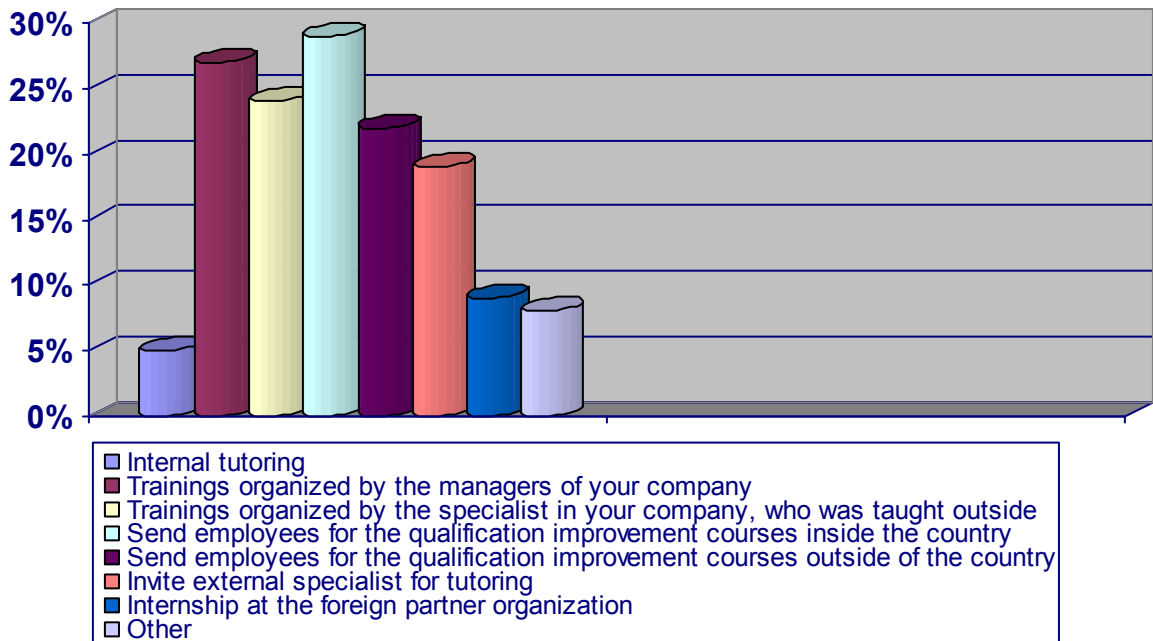
We asked respondents a question about whether they train their employees to improve their qualification or other skills. This question was set to identify the possible market.

From almost 200 companies 158 answered that they do have trainings for their personnel and only 40 pointed about absence of such policy in their companies. This question was strategically important, because it revealed the possible target market for the Center, though some it can't be claimed with deep persuasion.



So to get answer to the all methods of employee training in companies there was a question “What types of methods do you use to train your personnel?” This question was supposed to help the Center to define the most demandable methods of trainings used by the companies. Taking into account these results the center can achieve significant competitive advantage among its main competitors.

The most interesting answers were: *Trainings conducted by managers who were trained before. Send the staff to the course programs held within the Country. Invite specialist to conduct training for workers in the company.* The overall number of companies that gave these answers is 71% among all questioned and they already are the customers of educational services in our country.

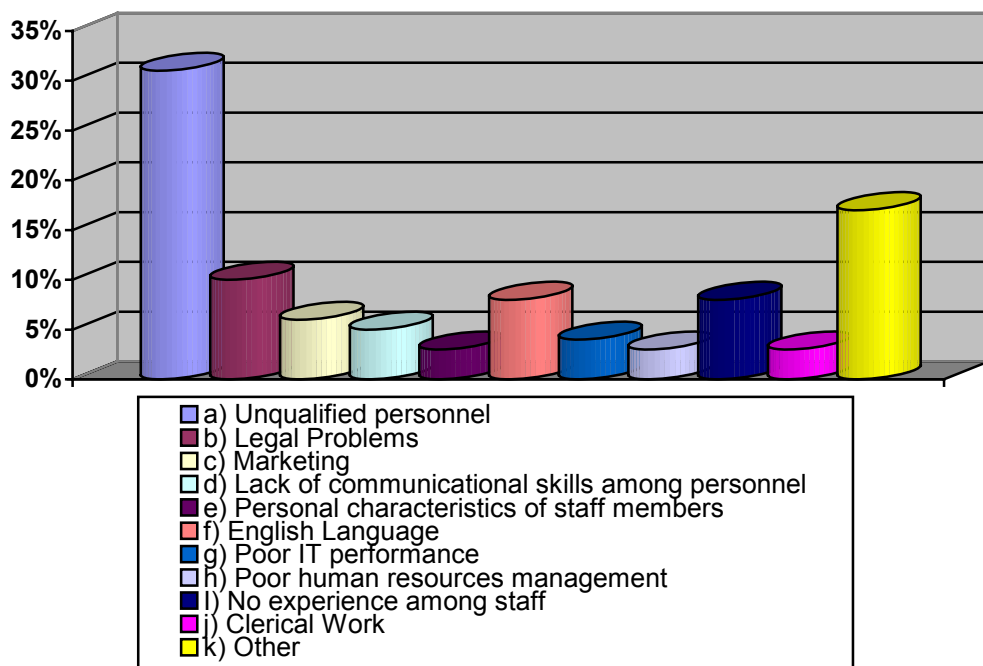


Product/Program/Course Analysis

Continuing Education Programs is a startup venture with portfolio of open- enrollment non-credit and corporate programs including short-term modular programs, seminars, and trainings that address the increasing demand on business education services and aimed at professional development a competitive workforce as well as at personal growth, career and cultural enrichment.

In research we tried to define their current needs so the Center could define which courses to teach.

3. Please describe the difficulties your company has faced?	Persons	
a) Unqualified personnel	36	31%
b) Legal Problems	12	10%
c) Marketing	7	6%
d) Lack of communicational skills among personnel	6	5%
e) Personal characteristics of staff members	3	3%
f) English Language	9	8%
g) Poor IT performance	5	4%
h) Poor human resources management	4	3%
l) No experience among staff	9	8%
j) Clerical Work	4	3%
k) Other	20	17%
	115	100%

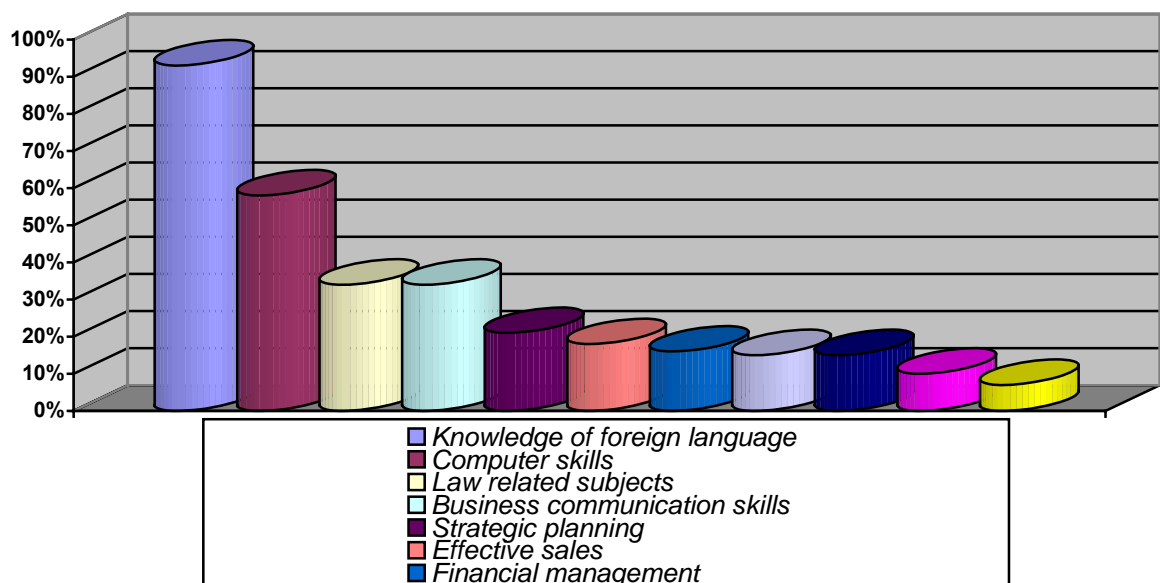


Unqualified staff comes out to be the main problem – 34% and it brings to the conclusion about the necessity of raising the level of collaborators’ skill or their retraining. During the inquiry it was noticed that staff does not meet the international standards, does not know the specificity of the work.

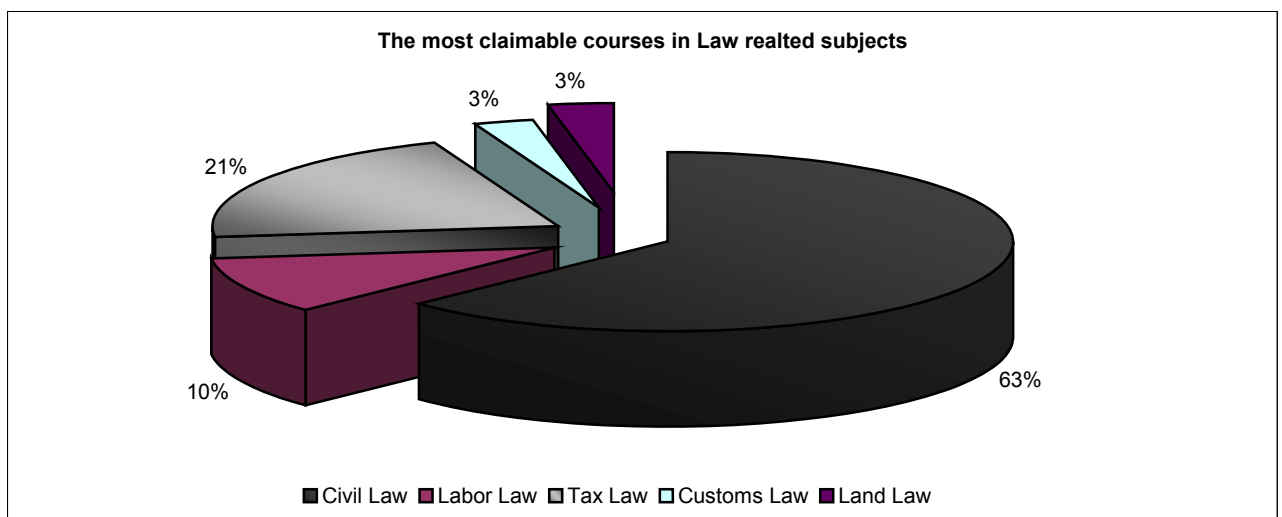
The variants go approximately with the same percentage ratio- juridical problems (7%), marketing (7%), the lack (absence) of communication skills of collaborators (7%), English (6%). These variants of answers allow me to make a conclusion of the necessity of conducting informative courses on above-listed disciplines that was done by the Center. In sum it turns out that 30, i.e. 30% of problems that are described by the representatives of the company potentially can be solved through training. If we will take into the consideration that this percent is concerned only to 49% of companies (that replied about facing problems), then it comes out to be that 14,7% of total number of companies face the problems that can be solved through training.

Based on the needs and difficulties, the research team tried to find out what possible courses can influence on improvement of company’s situation and make it more successful. The results showed the following.

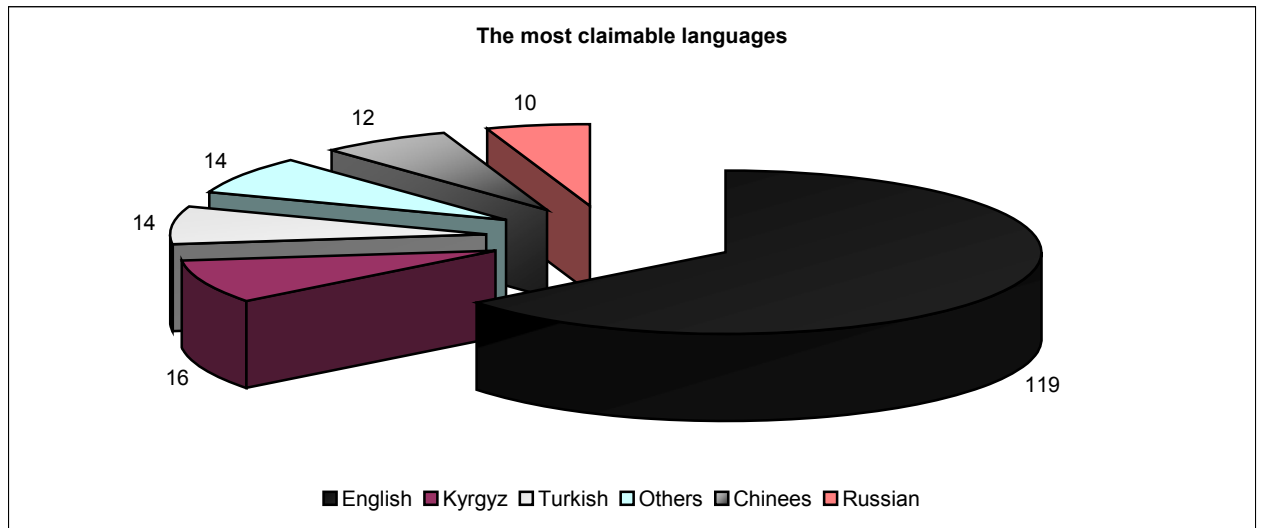
6. Which of the following skills, if possibly acquired by your employees in the nearest future will make your company more successful?	Number of Companies	%
Knowledge of foreign language	185	93%
Computer skills (knowledge of different programs and applications)	115	58%
Law related subjects	67	34%
Business communication skills	67	34%
Strategic planning	42	21%
Effective sales	35	18%
Financial management	31	16%
Teamwork	30	15%
Human resources management	29	15%
Other	20	10%
Tax management	14	7%



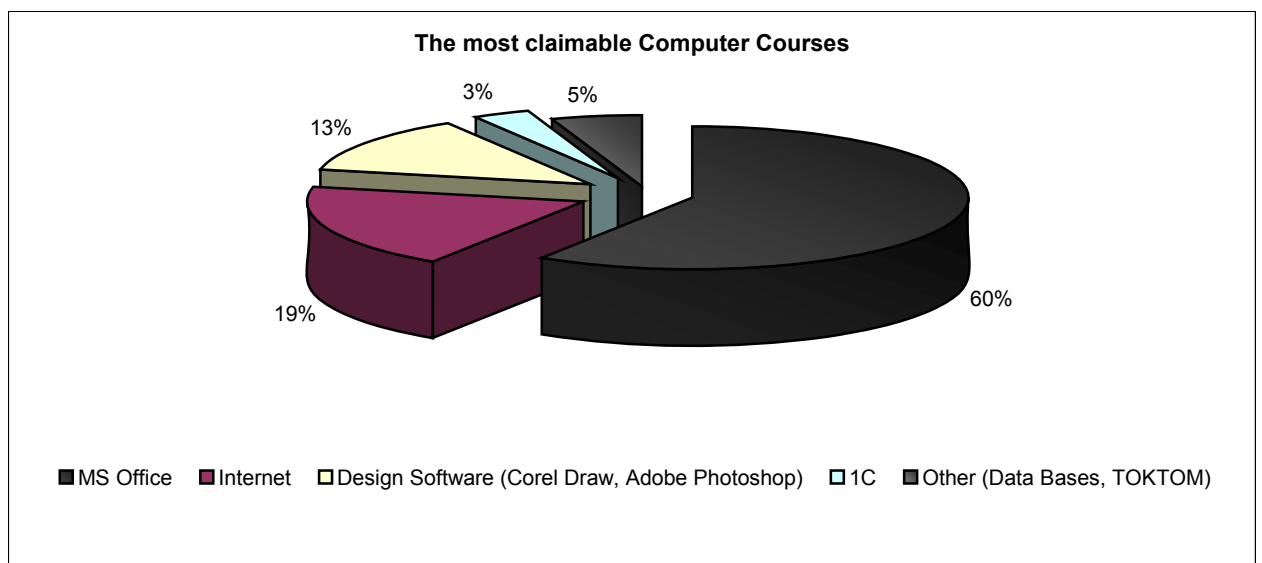
Having studied the preferences of the respondents we tried to get more concrete answers in interested areas. The results were the following:



The most interesting juridical sphere is civil law. Tax law took the second place by the significance; the interest to tax law is also confirmed by the detailed elaboration of the difficulties of the above-listed answers when many companies mentioned their problems because of the lack of knowledge in the taxation sphere.



The most important language is English, however it should be pointed out that many responders mentioned the need of English courses with orientation on economics and business. The second place takes Kyrgyz language, the third- Turkish. Into the variant “others” the languages were included, which were mentioned less than six times, among them German, Arabic, Korean, Uzbek, and some other ones.



The base computer applications as MS Office, Internet, Design applications aroused the biggest interest among the computer courses. At the same time the applications as MS Word, MS Excel,

Access were included into the category of MS Office. Concerning to Internet, the majority of the questioned ones were interested in organization of the search in the world web and ability of effective use of the basic recourses of Internet.

Comparing the preferences listed by the respondents and courses provided by the Center, I could conclude that the Center meets the needs of the customers in terms of demand. The products of study include courses in the fields of Information Technology, Business, Law, and Languages that are delivered on campus and off campus (on demand of customer) in evenings, weekend, and summer sessions. The curriculum is designed for real-world application and education draw on a broad range of innovative learning methods. All these reflect the current needs as we see the survey results.

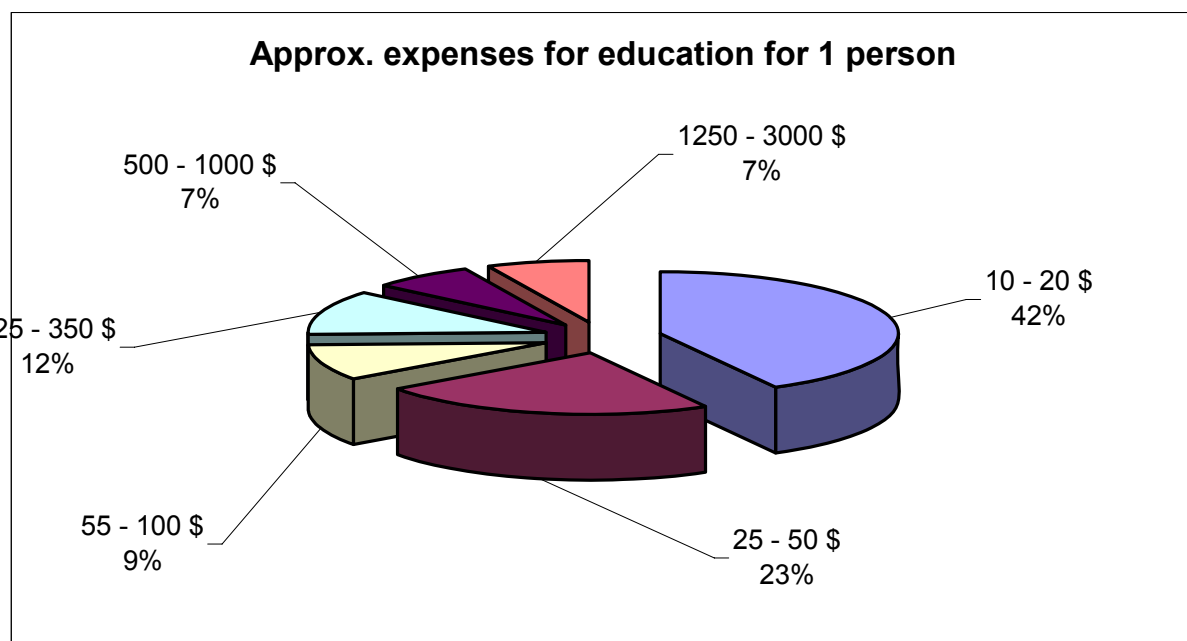
Professional Development Courses is public enrollment programs and focus on areas of contemporary business topics such as accounting, advertising, human resources, information technology, leadership, management, and marketing. A variety of other programs are presented to meet the needs of today's rapidly changing business environment.

Corporate Programs are tailored to the specific needs of individual organizations. The division works closely with its clients to plan and develop customized programs that achieve maximum results.

Language Courses respond to a diverse audience increasing need in learning languages for specific purposes, especially for business purposes. The Language Programs aim at increasing the language proficiency to a degree enabling efficient professional communication.

Enrichment Courses – Learn the Language, Live the Culture is an immersion program in culture and traditions of Kyrgyzstan with introductory language components including travel tour.

For better understanding of the price for the courses, the Center included the questions in the surveys where they tried to define the approximate expenses for education of their employees and readiness to pay for the courses conducted by the Center. A question about the approximate expenses for education showed that most companies ready to pay for the course from the price of 20 to 50 USD per person per course.



Before the beginning of the research the approximate prices of the courses were calculated with the consideration of approximate salaries and minimal profits. The responders were asked if they were ready to pay stated amount of money for the courses of appointed duration. At that 45% of responders did not answer to this question, giving a reason that the price does not depend on the duration of the course, but it depends on the quality and on the practical benefits that they can bring to the company.

Following results were received from the number of responders.

15. Are you ready to pay following amount for:	Person	B %
a) Short-term training (1-7 days) \$25 for a 1 day per person?		
• Yes	63	55%
• No	51	45%
b) Medium-term training (2-4 weeks) \$150 for a course per person?		
• Yes	50	45%
• No	61	55%
c) Long-term training (2 – 6 months) \$150 for a course per person?		
• Yes	46	41%
• No	66	59%
d) Long-term training (more than 6 months) \$150 for a course per person?		
• Yes	41	41%
• No	59	59%

Evidently, more than half think that \$25 for short-term courses is acceptable price. As the analysis of the competitors shows, the 11day courses in the Teachex, one of the direct competitors in the ancillary training sphere, cost 1200(~ \$30) soms. If we re-count it into 7 days, then it comes out to be 763 soms for the course (~ \$20). Hence \$20-25 for the short-term training is a quite acceptable and competitive price.

Somewhat more than 40% think that \$150 for the courses of longer term is a quite acceptable price. Taking into account that in the average course there are 15-20 people, 40% indicate that the necessary demand will be at the price of \$150. At the setting the price we have to take into consideration factors that affect the final price of the courses. These are the expenses on holding a course, the presence of similar courses in the market, the prices of the competitors and etc.

The price of the services/courses provided by the Continuing Education Center varies on the length, difficulty, and content of the course. Each course has its own price starting from 2500 till 18000 soms per course. The price is competitive and reflects the market's needs. Though, the questions in the questionnaire were composed a little bit incorrectly because they mislead respondents' perception. The system of discounts doesn't really exist, but the Center sometimes admits exceptions if huge group people from one company are applying for one course. That once happened with Asia Universal Bank, when the Center provided 5% discount for the course because of large number of participants. I think this issue still has to be studied well and possible beneficial decisions should be made.

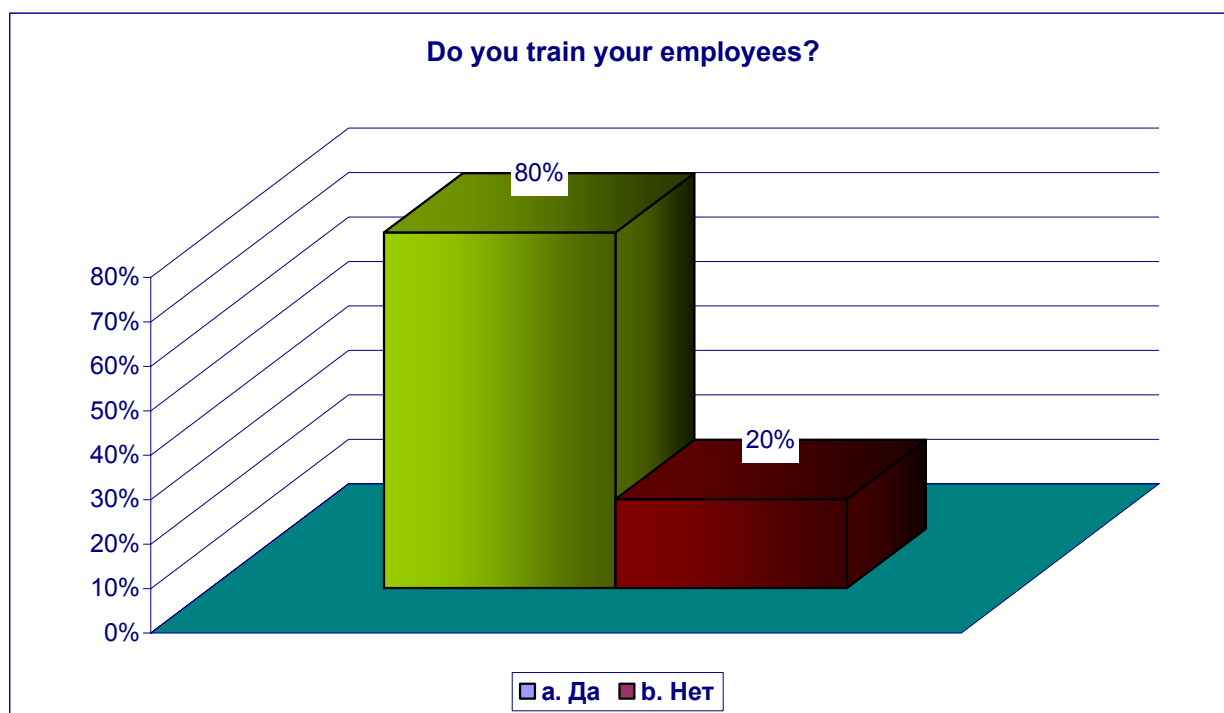
Most courses are taught within the Building of the American University of Central Asia. Excellent technical maintenance, nice classrooms and convenient location of the building give a good competitive and distributive advantage. Customers easily can find the way to the place where courses taught plus its location gives convenience to potential customers who drive by "marshrutka" or bus. At a present time the Continuing Education Project distribute its services only via the web site and its office. Potential Customers straightly contact the main office and get the information from the first hands, what makes the process easier and clearer to the clients. The other advantage of this system is cost reduction on distributors or middlemen, which, in 100% certainty, would get commission or service fee and these would influence on final decision of the course participant. Though, this system has its own advantages about which I'll talk in other section of the paper. Courses of Corporate Programs can be conducted on the wish of a client. The Center conducts these courses either in the University's building or clients' place. It's convenient for clients and rich advantage among the Center's main competitors, though some competitors have this option too.

The Center uses passive promotional strategy due to lack of budget. Minor advertising campaign was conducted at launch of the Center in local newspapers and television. Good Internet advertising was launched; a web site was created that includes exhaustive information about the Center, its products and instructors. At this situation the Center had to find a solution to promote its courses and attract more trainees. A series of free Master Classes were conducted on different themes, so the clients could see what the courses are about, learn the content of the courses and find out all

interested information. This strategy considered very effective and useful. Though, it is early to judge the effectiveness of this promotional campaign.

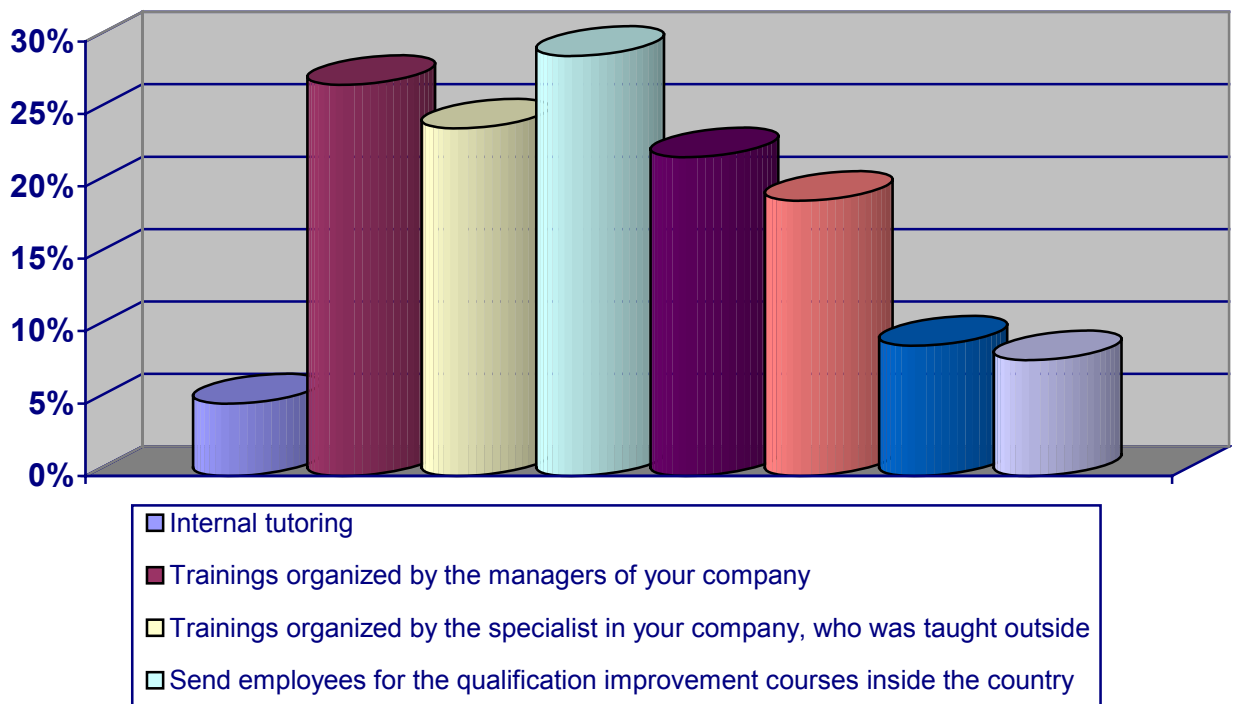
Target Market Analysis

In order to define whether we have a market for the services provided by the Center or in other words define the demand the strategically important question was asked among respondents about their training policy. Among 198 companies, 158 companies answered that they train employees and do it systematically, and only 40 companies pointed that there is no training systems in company.



In order to elucidate more fully all approaches of the personnel training that are already used in some companies this question was asked, "How do you train your personnel?"

Following variants are the most interesting for the goal of the research: "Trainings, that are organized by their own managers, who went through the training (preparation) outside of the company", "Sending to courses for raising the skill's in the country", "Inviting outward specialists for conducting trainings". The total number of companies that chose these variants make 71% of all responded ones. Now they are the consumers of informative services inside of the country.



Most customers of the Center are employed or directors of the Companies. All of them live in Bishkek and work here. Neither of sexes prevails while attending the courses. The income of the participants can be considered as average starting from \$200 per month and more. There is a tendency that most courses' participants are at the age from 24 to 40 who have higher education and some work experience. In brief, they are ordinary citizens of Bishkek.

According to results of research during the selection of the informative program at first companies pay attention to the reputation of the informative center, also to the name of the trainer. AUCA has a very good reputation among business circles, that allows providing competitive advantages. The most convenient variant of training the collaborators for the companies is after work time, in other words without a break of work .At the same time the short-time courses are the most demanded ones (up to 7 days) and the price of \$20-25 per person is quite competitive. Besides, companies are interested in medium-term courses (2-4 weeks) and a quite big part of companies (somewhat more than 40%) think, that \$150 for the course is considered as acceptable price. Long-term courses do not interest potential clients.

Competitive Analysis

Below is a list of all competitors the Center has. Since most of respondents pointed out on the brand name and the quality of the instructors, I can conclude that the Center has competitive advantage at these two aspects. The name, AUCA Continuing Education Center, influences on the decision of potential customer, especially when a customer hears that AUCA and the Center uses this

advantage as much as possible. Another advantage is the instructors who have wonderful experience, deep knowledge of the subject they teach and good reputation among their colleagues.

However, the Center should not underestimate other competitors because in this growing market the

1. TeachEx Academy	It is one of the leading institutions in business ancillary education sphere. TeachEx Academy is one of few educational establishments that has license for work in the retraining and raising the level of skills field. Besides, the use of qualitative new methods of training makes TeachEx Academy very unique educational institution that successfully solves a problem of ensuring by the specialists of high-level professionalism.	Kyrgyzstan, 720010, Bishkek Toktogula street, 211 tel.: 996 (612) 900820 fax: 996 (612) 900830 http://www.teachex.edu.kg
2. Kyrgyz-Japanese center of human development.	Business courses of the center are appealed to help Kyrgyz leaders of Kyrgyz business to work more effective in market economy. On our courses the participants gain knowledge and skills on business management in the competitive circumstances and to apply them to real situations. New examples of successful and unsuccessful business management in Japanese companies are taught.	Bishkek, Turusbekova - 109 KHY, 7 building, 2 floor Tel.:66 36 44; 66 57 05 http://www.krjc.kg/business.htm
3. Bishkek finance-economics Academy.	The license of the Ministry of public education and culture of Kyrgyz Republic АИИ № 584. Certificate of accreditation БФДА №018 by the State Department of employment.	720010, Kyrgyzstan, Bishkek, Molodaya Gvaldiya Avenue, 55 Tel.: (+996 312) 655585; (+996 312) 655584; Department of external relations (+996 312) 65 04 86 http://bafe.freenet.kg
4. Kyrgyz-Russian Slavic University.	AT KPCY there is a Center of retraining and raising the level of skills. The Center is established in 1998. Its main goal is to approach at most the education to real requirement of modern market.	Kyrgyzstan, 720000, Bishkek, Kievskaya Street, 44 Kyrgyz-Russian Slavic University Tel.:(996 312) 662567; Tel/fax:(996 312) 282776 http://www.krsu.edu.kg
5. Kyrgyz technological university.	At KTY there is a Business school – school that in the course of 5 years is organizing courses of raising the level of skills in business, economics, and informational technologies spheres.	720044 Kyrgyzstan, Bishkek, prospect Mir, 66. Admission office of Rector: 996-312-54-51-25 fax: 996-312-54-51-62 http://otkm.ktnet.kg/

market players can start developing and conquering the market share in this sphere.

Financial analysis

Confidential. Though it is early to have any analysis because the Center exists for less than a year.

Environmental problems and opportunities

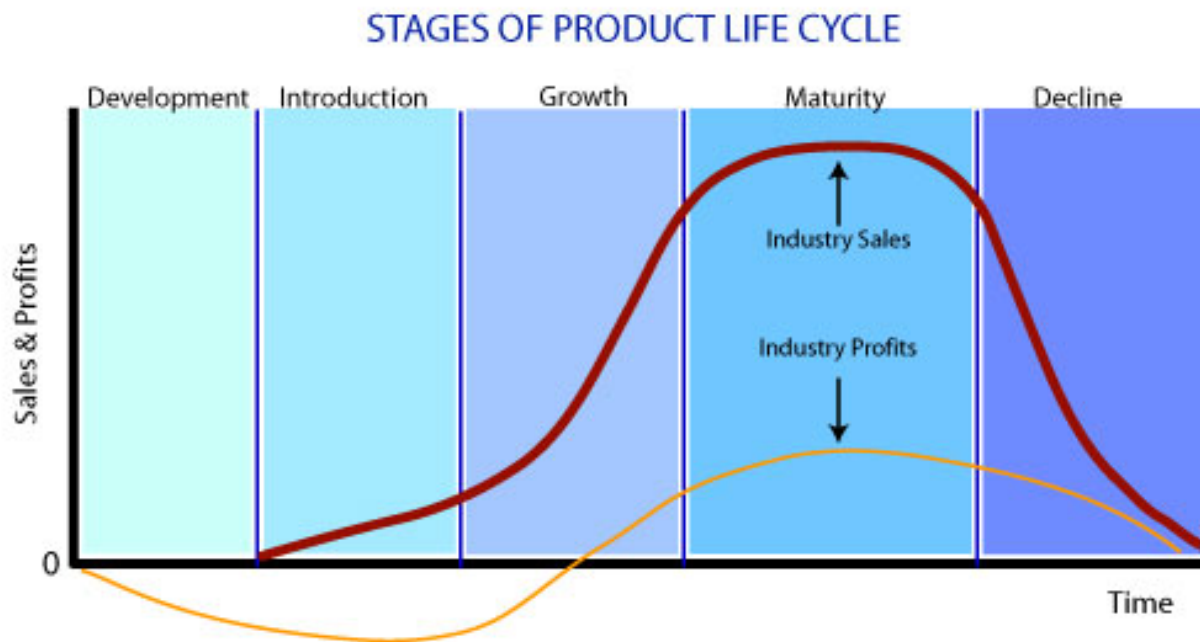
Analyzing the Center's activity, I think it is necessary to include external factors that may have impact on services provided by the Center. At a present time the political situation in the country can significantly influence on the trends of the market in different areas, in our situation we have direct relation to the political situation in the country because instability cause uncertainty among potential the Center's customers and they might hesitate investing money in education. Other factor is the location of the Center and the University; our locality doesn't let us conduct classes for reasonable excuses. And, certainly, I can mention about the policy of our government, in particular Ministry of Education that can enforce any rules and regulations that can affect on the activities of the Center, the whole industry.

But I should not neglect about positive impacts. The economical growth, technological development, cultural maturity can have influence on demand for the product. So we only have to hope and believe that this will happen.

Product Analysis Tools

In this section I want to point your attention at several tools to better understand where the Center stands now and what perspectives it has. In case of right direction the Center will be able to achieve wonderful results.

Let's first consider Product Life Cycle tool that will show us where we now and what we are supposed to anticipate.



Introduction Stage

This stage represents the launch of the new product form by one or more companies.

Early Introduction Stage

Characteristics:

- **Competition:** In many cases, when two or more companies are working to be first to market with a new product form, one company will be out ahead and for a period of time have the market to itself. However, this does not mean there is no competition. The company that launched the product still faces competition from existing products that customers previously purchased in order to satisfy their needs.
- **Target Market:** To establish interest in the market for a new product form marketers will initially target Innovators and to a larger extent Early Adopters.
- **Product:** From the target market's perspective, product options are limited since only one or a very small number of companies are selling products. Because of the uncertainty in whether the product will be accepted by a larger market and because of the expense involved in producing products in small volume (primarily due to low demand) there are very few product options available.
- **Prices:** In most cases marketers follow a pricing strategy called price skimming in which price is set at a level that is much higher than can be sustained once competitors enter. Price

skimming allows the company to recover development and initial marketing costs before the onslaught of competitors eventually lowers price.

- **Promotion:** For products considered to be a leap ahead of existing products, early marketers may have some difficulty explaining how the product satisfies customer's needs. This is particularly an issue with high-tech products. In this situation the marketer must engage in a promotional campaign that is designed to educate the market on the product form and not necessarily push a specific brand. Additional sales promotion may be used to encourage product trial. Also, the sales force may begin a strong push to acquire distributors.
- **Distribution:** Upon product launch marketers continue efforts to build their distributor network. As we saw in the Development stage, the focus of marketers is to find distributors committed to handling the product.
- **Profits:** Marketers often experience low profits and most likely a loss as the cost of acquiring customers (i.e., promotion) is high and marketers also need to pay back development expense.

Brand Strategy:

For the early entrants in the market the most important goal is to create awareness for the product form. If customers can see that the product form holds similar characteristics to existing products then the marketer's task is easier since their job becomes one of convincing customer that this new product form is better than what they are currently using.

However, if the product form is significantly different than existing products then the marketers' job may be far more difficult. Under these conditions the marketer must not only make customers aware of the new product but they must also educate customers as to what the product is, how it works and what benefits are derived from its use. For some products, such as technology products, conveying this message can prove difficult, as customers may not fully understand how the product works and, consequently, not see a need for the product. Whether customers understand the product or not, this stage requires promotional spending directed to addressing the need for customer education and building awareness. Also, education and awareness alone is not enough; customer must often be enticed to try a product through special promotional efforts (e.g., free trials).

Late Introduction Stage

Characteristics:

- **Competition:** By this stage any company that was alone in launching the new product form is alone no longer, as it is highly likely at least one competitor has entered the market.
- **Target Market:** Marketers are now engaged heavily in getting a high percentage of Early Adopters to accept the product.
- **Product:** With competitors entering the choices available to customers expand, though the difference between competitors' offerings is often not that significant.
- **Prices:** Product pricing remains high, though any new competitor entering at this stage may attempt to compete with the early entrants by offering a lower relative price.
- **Promotion:** The promotional message is still one designed to educate the market on the benefits of this new product form but with more competition there is a noticeable increase in the use of advertising that highlights a company's brand. Also, personal selling and sales promotion have increased especially targeting the channel of distribution as entrants attempt to secure distributors.
- **Distribution:** The number of distributors continues to increase with many now offering products from several market entrants (which at this point may still be only a few).
- **Profits:** Losses continue to mount due to high marketing cost and the need to recover development expense. Losses may be even higher than anticipated if the market adopts slower than forecast or if more companies enter than expected.

Brand Strategy:

Early entrants continue to create awareness and educate customers, but their promotional orientation may shift to a "buy-our-brand" approach if more companies enter the market. Thus, at this stage, marketers begin to position their products with the intention of separating themselves from the competition.

SWOT Analysis

Strength

- AUCA brand name
- Knowledgeable and credible instructors
- Up-to date adequate facilities and infrastructure
- Convenient location
- Established contacts with businesses
- Availability of Advisory Board
- Hardworking and resourceful director

- Availability of companies' database
- Diverse selection of programs at the startup

Weaknesses

- Division starts up from scratch, a lot of preparatory work should be done and much catch-up work to be done – this is affecting the timing of launching the programs
- Inexperience in the new area of education
- Dependence on outsourcing of instructors
- Possible high turnover of instructors
- Deficiency of appropriate facilities for training purposes
- Availability of classrooms mostly after 5:30
- Computer labs are modern but busy until late night, scheduling will be difficult to arrange
- Development of quality course materials problematical
- Shortage books in the library in business area
- Deficiency books at the library for some courses
- Management team – one individual

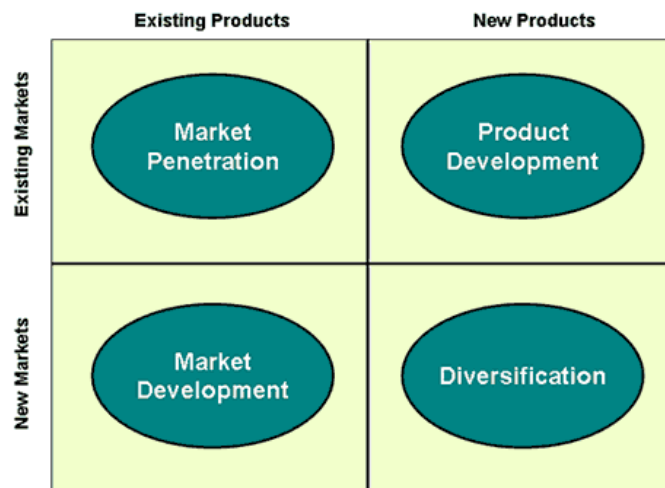
Opportunities

- Expand AUCA education market
- Increase market share
- Increase AUCA revenues
- Fill a gap in the market by providing high quality services
- Scope for innovation in existing market

Threats

- Competitors (like University of Central Asia, KIMEP with large financial backing)
- High numbers of smaller competitors like language courses and others
- Low pricing by competitors
- Companies spend modest amount of money on employees' trainings as many of them are small and medium businesses
- Window of opportunity may be limited

Marketing Strategy and Programs



Marketing Strategy, Financial Objectives and Marketing Objectives

The overall marketing strategy is targeted in market penetration of CEC products. Market penetration seeks to achieve four main objectives:

- Maintain or increase the market share of current products – this can be achieved by a combination of competitive pricing strategies, advertising, sales promotion and perhaps more resources dedicated to personal selling
- Secure dominance of growth markets
- Restructure a mature market by driving out competitors; this would require a much more aggressive promotional campaign, supported by a pricing strategy designed to make the market unattractive for competitors
- Increase usage by existing customers – for example by introducing loyalty schemes

A market penetration marketing strategy is very much about “business as usual”. The business is focusing on markets and products it knows well. It is likely to have good information on competitors and on customer needs. It is unlikely, therefore, that this strategy will require much investment in new market research. Reducing the expenses for market research the CEC can invest more sources to the promotional activities.

The Financial Objectives of CEC are defined as follows:

- annual growth of net sales 20-30%
- operating profit margin of 10-15%

The Marketing Objectives of the Marketing Plan are:

- Increase the market share in the target market by 5 percent point in next year;
- Increase product sales to the target market by 20 to 30 % in next year;
- Increase the number of customers by 30 % in next year;
- Increase brand awareness by 30% in coming and next year;
- Set up a network of dealers who will retail the products of CEC;
- Increase the website traffic of CEC;
- Implement “sample” concept for products so to attract more customers;
- Conduct customers’ satisfaction research;
- Start creating product development strategy for entering new markets and enhancing current situation in target market.

Tactical Marketing Programs

Target market issues.

Within the next year it is planned to achieve the increase in market share in the target market by 5 percent, the increase of product sales by 20-30% and increase the number of customers by 30%.

The growing interest of target customers in existing products gives real chances to accomplish set objectives. The clever promotional campaign should be conducted. Using ATL advertising and direct marketing the objectives can be achieved.

1. Outdoor advertising – billboards, posters.
 - The billboards should be placed near the Competitors and Educational Institutions.
 - The posters can be glued around the city emphasizing the places where potential customers can occur, companies, schools, universities and etc.
2. TV advertising for one month in Prime Time on the following TV channels:
 - NTS
 - NTV
3. Newspaper and magazine advertising:
 - Vechernyi Bishkek
 - MSN
 - Investment Today magazine

4. Internet Advertising

- AKIPress
- PR.kg
- 24.kg
- IBC.kg

5. Direct Marketing

- Visits to company representatives
- Presentations about the CEC in Companies
- Direct Mails

Such kind of aggressive marketing will build high level of brand awareness and increase the market share because the customers will be attracted by one of the main competitive advantage AUCA brand and high level of cognizance. Many of potential customers also will be attracted by the massive advertising campaign that says about the seriousness and strength.

The product positioning should also be taken into consideration. Current situation says about strong competitive advantage that is used by CEC, I am talking about the AUCA brand name, which is applicable in product positioning. The CEC always indicates the name of AUCA, since the University got high reputation and respect among customers, many potential customers rest upon the AUCA brand name and its accomplishments. These, as I mentioned above, give us good advantage among competitors who doesn't have such reputation.

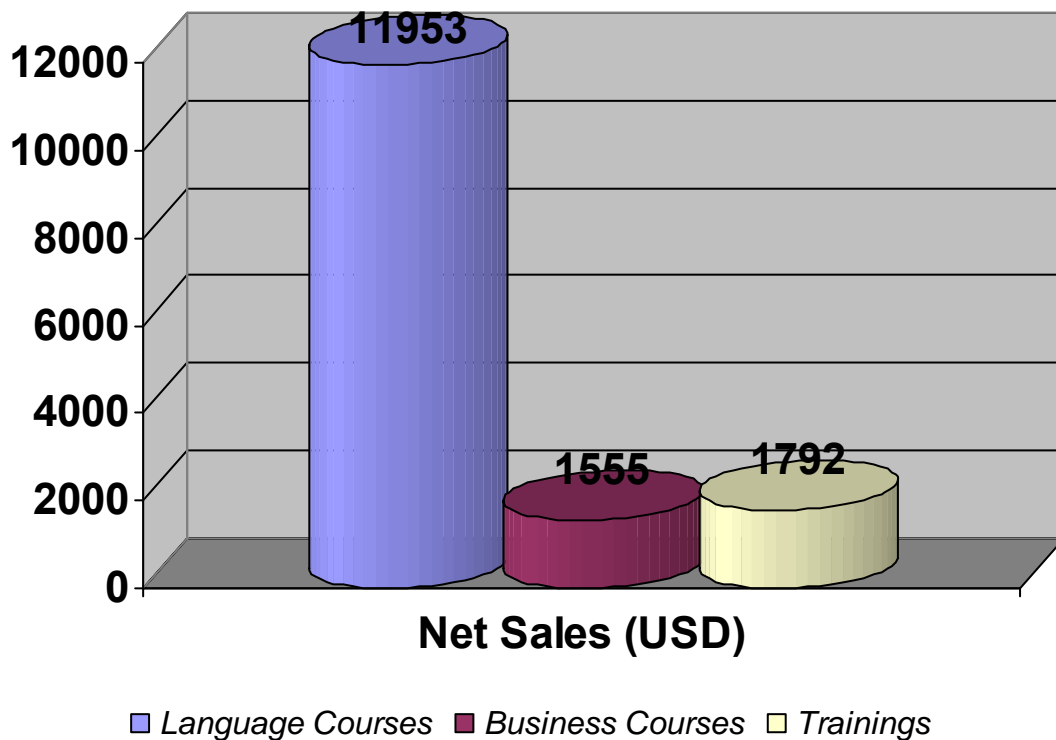
Using the current strategy of product positioning on emphasizing of AUCA name the CEC has to position its products as high quality and professional. Besides the AUCA name, it is needed to point out the faculty membership of the CEC and mark their success. In addition to that the CEC has to include the facilities, classrooms, new technology equipment that is used in studying process. Inscribing all these factors in marketing campaign the CEC will have a chance to position its products as high-class and reliable. By these means the Center will have a chance to achieve the trust and loyalty of customers what will beneficially influence on net sales and profits.

So the main objective in product positioning of the CEC is to present the products as the best in the market of Kyrgyzstan that includes all requirements of a client. This can be achieved by exhaustive description of the products with emphasize on faculty, facilities and image.

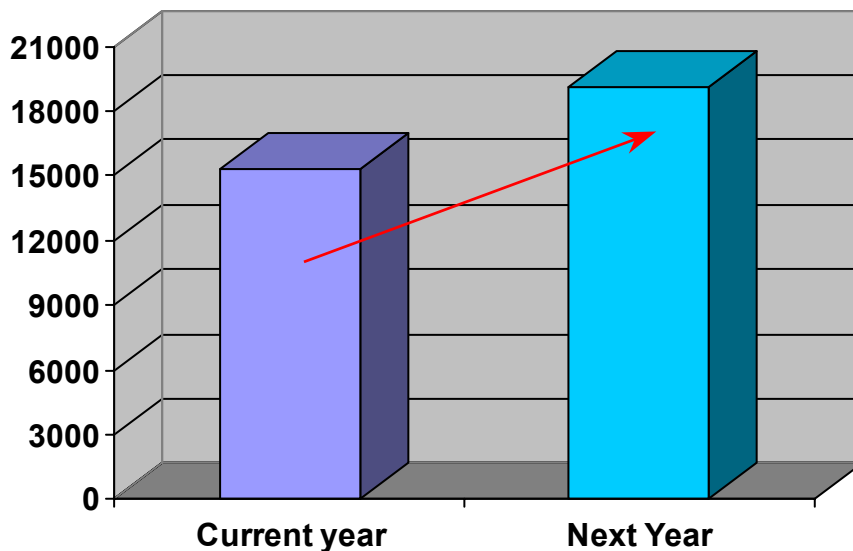
1. The image video should be shoot and broadcasted in the context of market penetration.

2. The web-site should have flash presentation and additional add-ons that transfer the idea of perfection
3. Booklets should be composed and distributed among target market
4. Good name and slogan should be created so to use it in further campaigns and cultivate the corporate belonging of the CEC customers.

Current sales of the CEC are following:



It is planned to increase the net sales of the Center by 25%. Increasing the market share and level of awareness the Center will increase the number of customers consequently the net sales will grow up. In addition to that promotional and advertising campaigns will have an impact on the sales of the CEC. It is anticipated that the launch of a distribution network will have its own impact on the sales due to the widening of customer support services.



Product issues

The products of the CEC are not much different from the competitors'. So to increase the net sales, attract more customers and keep existing one the CEC should modify its products. As we know every product has its core value that customer needs, but to be able to sell this product the company has to use features and peculiarities to improve the products and make it effective for selling.

To achieve the proposed objective certain actions should be implemented that will not be expensive for the Center but will attract customers' attention.

1. Improve the quality of each course presented by the CEC

Each course should have a well planned, well created presentation where the core benefit will be highlighted. The customer should be fully informed about the methods, topics, materials that are going to be introduced during the course. Also the possible outcomes can be forecasted so the customer know what he will be managed to do after passing the course. This presentation can be presented either at the beginning of the course or on presentations while doing private marketing visits.

2. Make informative booklets for each course of the CEC to describe the main points.

The CEC should enhance its products by exhaustive updated information about the course so the potential customer would know as much as possible about what he/she would be taught at particular course. This tactics will help customers better understand each course and decide what they want and what they get. In some cases such kind of methods influence much on the decision-making.

3. Enhance each course with supplementary kits to please the customers.

Additional kits should be collected to present them to all course participants. These kits should include any information needed for course visitors. These can be some additional information about the theme of the course, book on the certain topic and others. The instructor of the course should better know what could be included in these kits. In my opinion, this tactics will increase the image of the Center and raise interest of current clients to other courses.

4. Self-evaluation tests to determine the level of knowledge of each customer.

Self-evaluation tests can be a good tool to determine the needs of the customers. By these tests instructors will better understand what gaps course participants have, on what subject more time should be devoted and etc. Moreover, it is a good motivation for customers because they would see a progress of their studying and vivid results. In addition to the course self-evaluation, general tests can be conducted to define the weak sides of a customer. After these tests each customer will get recommendations about the possible course that can be taught to him/her to improve his knowledge.

5. Create a branding for each group of courses.

On a background of overall products positioning strategy, each group of courses should have its own brand tactics to distinguish each course in the market. It's more likely to be long-term strategy that is to be implemented by the Center. At a present time first steps can be started in achieving this goal. Own logo with motto can be created for each group of courses, own colors can be picked up and other branding elements. All these will differentiate the courses taught by the Center and transfer clear understanding about the products of the CEC.

Today the CEC award all participants with certificates and other documents certified by the Ministry of Education. Though, I think the design and the appearance of the certificate can be improved significantly. The certificate has to be fancy looking in special frame under the glass. The American style can be taken as an example. With 100% assurance the CEC doesn't have to forget about the core benefit of its products - the knowledge the customers get from the instructors of the Center. A constant skills improvement of instructors should take place to be competitive in quality of knowledge. The tendency and the results of the research show that the quality and content of the courses plays the main role in choosing the product.

Enhancing the products of the CEC it has more chances to get a bigger pie of market. We should admit that other factors also play role in our choice. So all offered enhancements could only increase the net sales or keep the current customers and make them more loyal to the Center.

Promotion Issues

The current promotional campaign of the CEC has only poor advertising on several web sites, direct mailing and sales promotion activity. In Advertising the Center posted module on newspapers several times when it start operating. The web site advertising is actively used and the web site is well administered. It has all information about the Center's activities and courses taught by the CEC. And the Center always conducts direct marketing calling the companies in Bishkek, sending letters with business proposals and visiting the companies' representatives.

In my plan I propose one aggressive promotional campaign that further will be supported by minor advertising campaigns, sales promotions and public relations techniques.

The main objectives of the promotional campaign in my plan is to build and shift general awareness, encourage product trial, general product image building, encourage repurchase and support other promotions.

Advertising

Outdoor advertising – billboards, posters.

- The billboards should be placed near the Competitors and Educational Institutions.

The billboards near the competitors and educational institutions will attract the attention of visitors who want to use this kind of services; it will shift awareness about the CEC and attract potential clients. The number of billboards can vary from three to five.

- The posters can be glued around the city near the places where potential customers can occur, companies, schools, universities and etc.

The posters is a cheap and broad type of outdoor advertising. The clever message and design have to be created. They can be posted several times in anytime period what makes this type of advertising long lasting and relatively cheap.

TV advertising in Prime Time on the following TV channels:

- NTS
- NTV

TV advertising is the most effective types of advertising. So it needs very sufficient money sources, the spent money justified by the impact of this kind of advertising. TV advertising is targeted to significantly shift brand awareness and support sales promotions, it also targeted on gaining new customers and attracting attention of potential ones. Spending once huge amount of money for TV advertising we can further support our position in the market by minor advertising campaigns and actions. I believe that the Center's potential customers are the viewers of listed TV channels and the ones who can transfer the message conveyed from the video to others what will have multiplying effect.

Newspaper and magazine advertising:

- Vechernyi Bishkek
- MSN
- Investment Today magazine

There are lots of newspapers and magazines in our republic and each has its own readers. But there are several newspapers that are read by broad range of readers and cover almost all audiences and target market of the CEC. By newspaper advertising we will be able to strengthen the awareness about the Center and convey the general info about products of the CEC. The advertising in Investment Today magazine targeted precisely on target market since its readers are the managers and workers of business companies, international organizations and other entities.

Internet Advertising

- AKIPress
- PR.kg
- 24.kg
- IBC.kg

Internet advertsing at nowadays gets more more popularity. All modern society of our coutry use internet to read the news, do the research and other activities. Internet Informative Agencies gained a huge popularity among its readers, most of them can be binded to the target market of the CEC because according to the servey conducted by these agencies most of readers are the managers of the companies, foreigners and students. Thank to the exhaustive web site of the CEC the potential customers will have a chance to study everything about the Center. This tactics will be a good step to shift the awareness and increase the number of customers.

Sales Promotion and Personal Selling

1. Direct Marketing
 - Visits to company representatives
 - Presentations about the CEC in Companies
 - Direct Mails
2. Master-classes
3. Samples – customer visits 2-3 days of courses pays for them and after decide whether to stay or leave the course.

Public Relations

1. Articles in Investment Today magazine
2. Articles in Вечерний Бишкек
3. Guest speaker in morning show of “5 Канал”

Distribution Issues

The distribution network can be created with the help of Kyrgyz Concept Company, CAT or other similar company.

The objective of it is to increase the number of customers and net sales. Setting the distribution network the Center has a chance to cover almost the most market area, facilitate the work of the office, increase the awareness level and position the product as highly demanded.

The agreement can be signed with the president of Kyrgyz Concept to decrease the distribution cost.

Such kind of companies has a branch that deals with various educational programs abroad, starting from language courses to MBA programs and others. Since they have such services to offer for clients, there must be customers who address to them for recommendations and advice. With the help of this partner we can widen the market and even attract the customers from abroad who might wish to study Russian or Kyrgyz language or even other courses taught by the CEC. This idea should be well examined and brought to the discussion with the potential partner.

Pricing Issues

According to the research made and the competitive analysis the price for courses in the Continuing Education Center reflects the preferences of potential customers and not differs much from the prices of the main competitors. Though I admit the fact that some courses, especially in business and

mangement field can be higher due to the uniqueness, professionalism and quality of the courses. And my overall suggestion about the price is to remain it as it is.

The unchanged price has objectives to increase market share and match competition. Keeping the price unchanged and implementing the promotional and sales promotional tactics the Center will increase its market share, number of customers and net sales.

Budgeting, Performance Analysis and Implementation

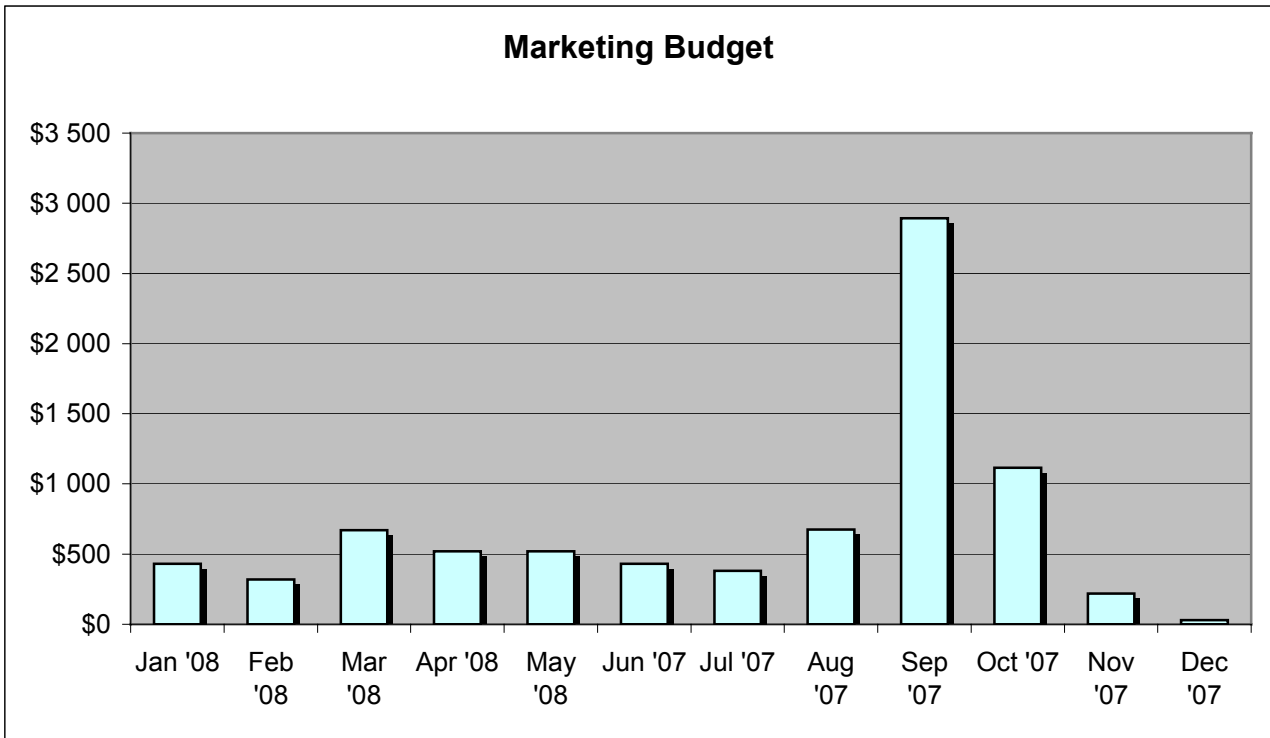
The Marketing Budget

The Marketing Budget Plan includes all expenses that are to occur while implementing the marketing plan. This budget is planned for one year starting from June 2007. Since the summer period is considered dead season for our type services the most part of marketing tactics were assigned to the fall period where I plan to achieve high results of awareness, high level of attraction and customer increase. The budget breakdowns all elements of promotional, public relations, marketing research and publications expenses. Some expenses are not included because they can be done for free by the students of AUCA. This will help the Center save some money.

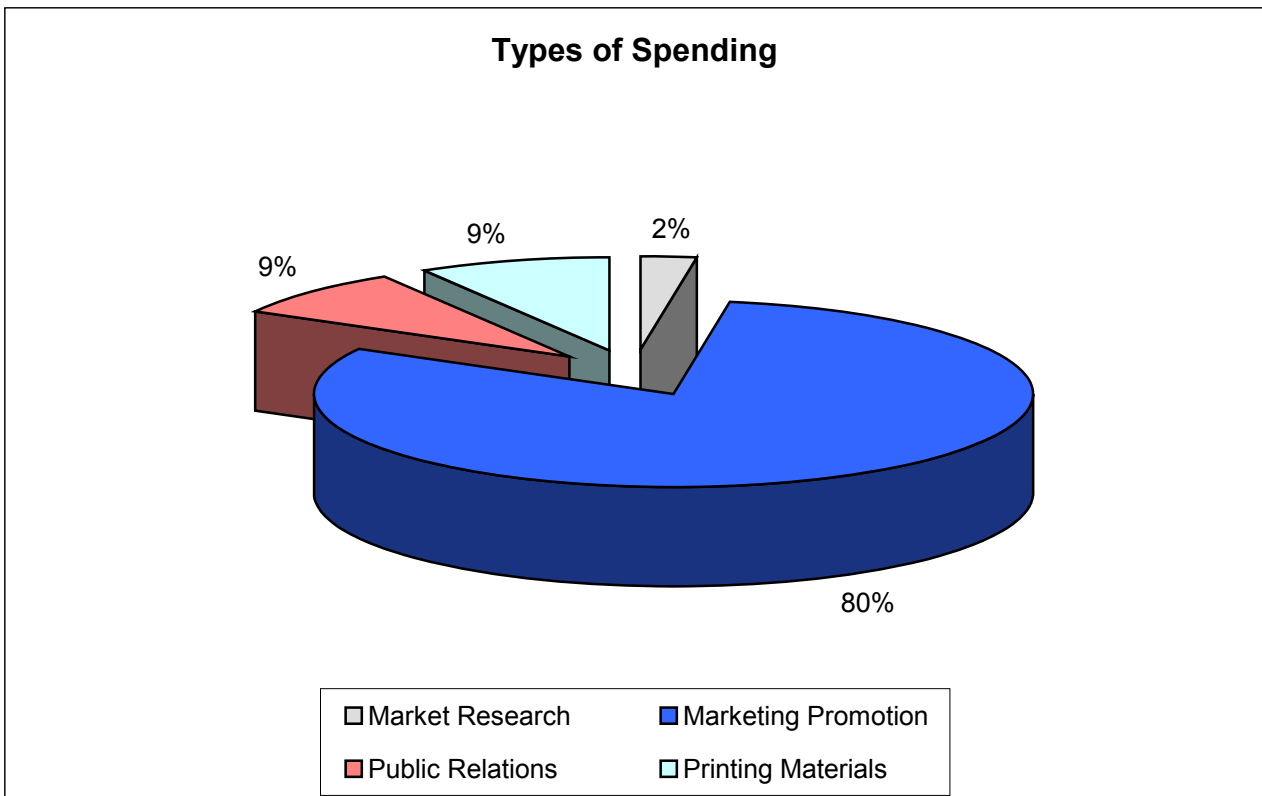
Marketing Budget Plan

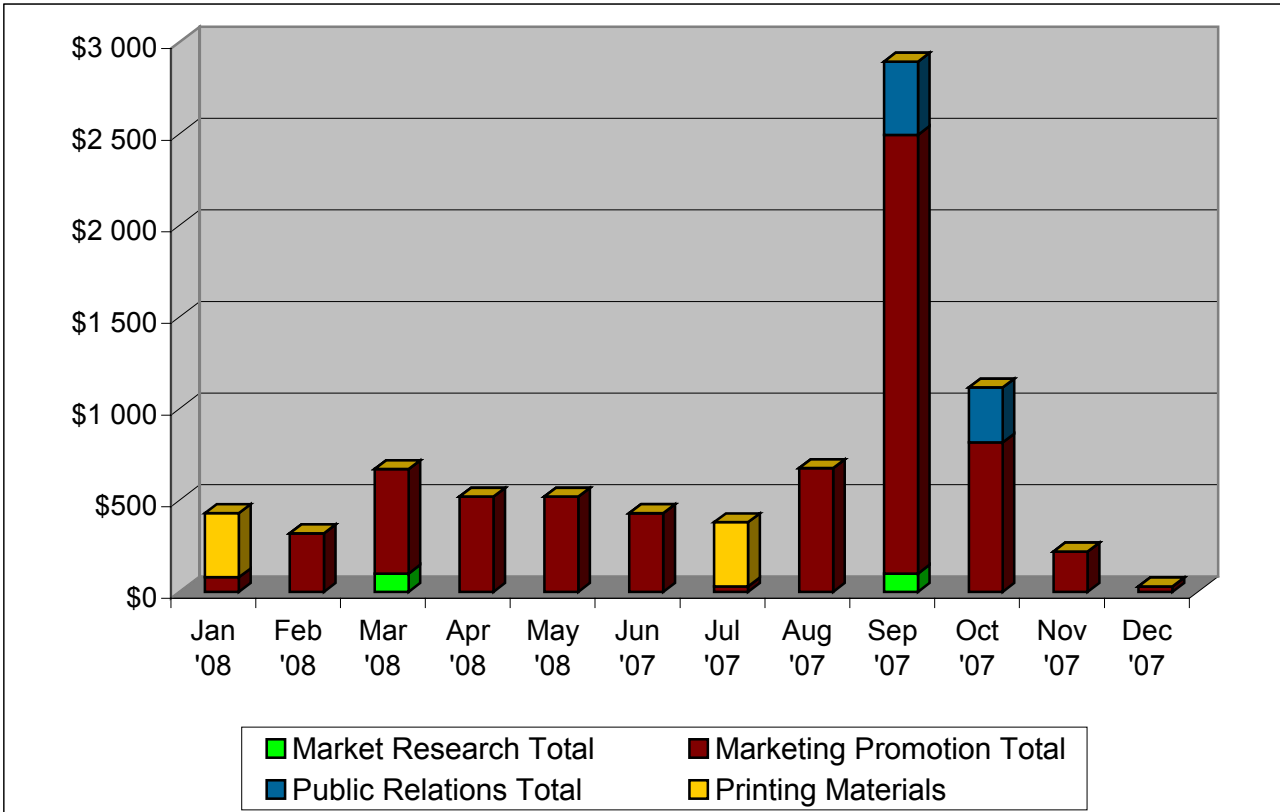
Year 2007 – 2008

	Jan '08	Feb '08	Mar '08	Apr '08	May '08	Jun '07	Jul '07	Aug '07	Sep '07	Oct '07	Nov '07	Dec '07	Total
Market Research													
Primary research									100				\$100
Secondary research			100										\$100
Market Research Total	\$0	\$0	\$100	\$0	\$0	\$0	\$0	\$0	\$100	\$0	\$0	\$0	\$200
Marketing Promotion													
Outdoor Advertising - Billboards			350		350			350		350			\$1 400
Outdoor Advertising - Posters		100				400			100		100		\$700
TV Advertising - HTC Channel									1 200				\$1 200
TV Advertising - HTB Channel									408				\$408
Newspaper - Вечерний Бишкек								120	240	120			\$480
Newspaper - MCH	50	50	50	50					150	50			\$400
Investment Today Magazine				300									\$300
Internet Advertising - AKIPress		90	90	90	90				90	90	90		\$630
Internet Advertising - 24.kg								125	125	125			\$375
Internet Advertising - PR.kg		50	50	50	50			50	50	50			\$350
Direct Marketing	30	30	30	30	30	30	30	30	30	30	30	30	\$360
Marketing Promotion Total	\$80	\$320	\$570	\$520	\$520	\$430	\$30	\$675	\$2 393	\$815	\$220	\$30	\$6 603
Public Relations													
Article in Вечерний Бишкек									400				\$400
Article in MCH										300			\$300
Public Relations Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$400	\$300	\$0	\$0	\$700
Printing Materials													
Booklets	350						350						\$700
Kits													0
CAR Total	\$350	\$0	\$0	\$0	\$0	\$0	\$350	\$0	\$0	\$0	\$0	\$0	\$700
Total Marketing Budget	\$430	\$320	\$670	\$520	\$520	\$430	\$380	\$675	\$2 893	\$1 115	\$220	\$30	\$8 203



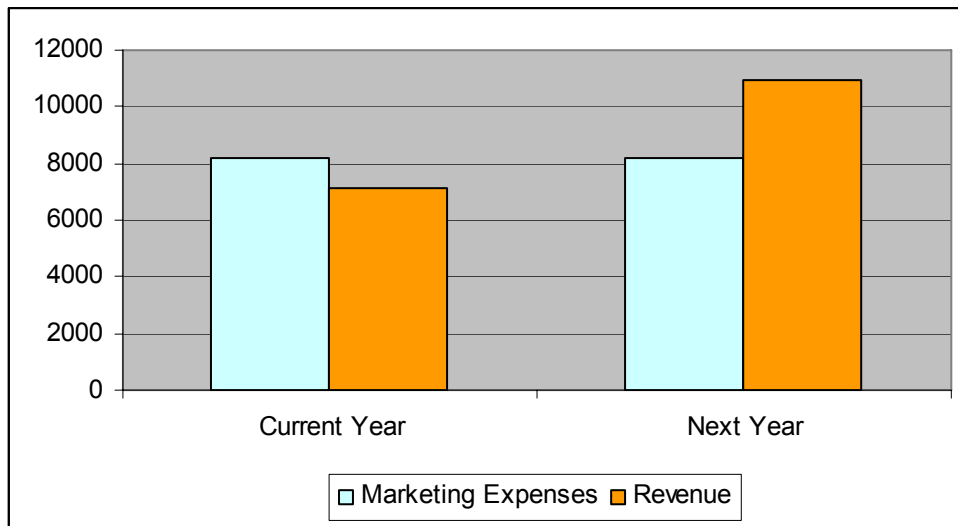
Most of spending goes to marketing promotion since this is the main tactics that is targeted in achieving our marketing objectives. Though it might not have high advertising-to-sales ratio I still believe that in long-term period this type of tactics will lead the CEC to the leading position in the market.





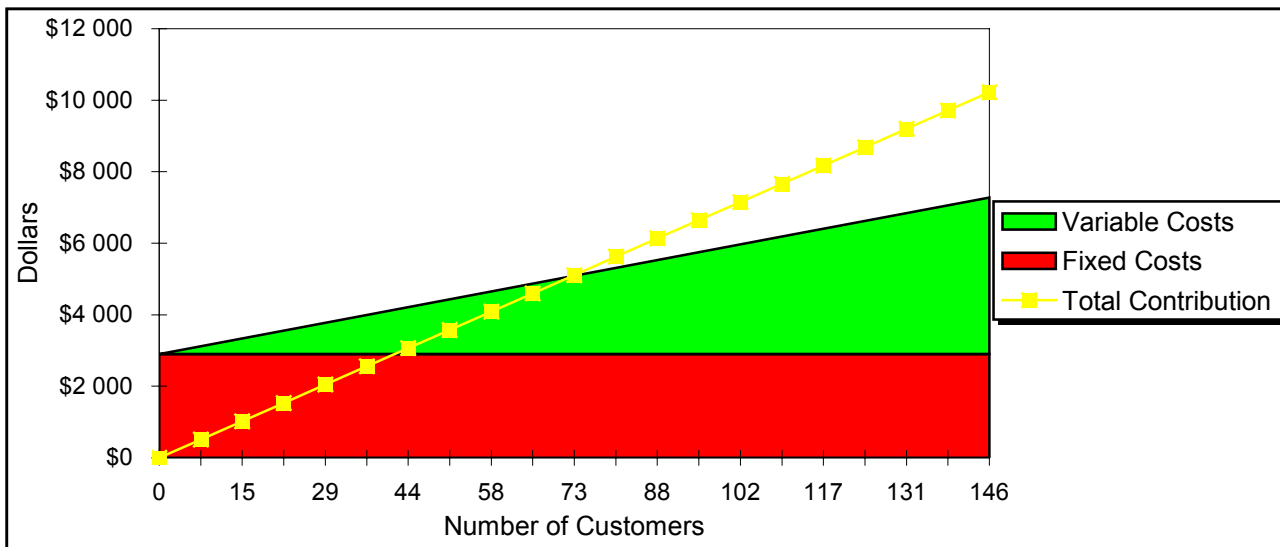
Performance Analysis

Assuming that the Center has only marketing expenses we can draw the following graph where marketing expenses vs. revenue are shown.



Meeting the objectives we set we will achieve our goals and start earning net income from the next year. Though all the costs have to be taken into consideration. To analyze the current marketing expenses together with other we can hold a break-even analysis where a clear picture will appear about the further development of the CEC.

Breakeven Analysis: Chart



Breakeven Analysis: Table

Number of Customers	Fixed Costs	Variable Costs	Total Contribution
0	\$2,900	\$0	\$0
7	\$2,900	\$219	\$511
15	\$2,900	\$438	\$1,022
22	\$2,900	\$657	\$1,533
29	\$2,900	\$876	\$2,044
37	\$2,900	\$1,095	\$2,555
44	\$2,900	\$1,314	\$3,066
51	\$2,900	\$1,533	\$3,577
58	\$2,900	\$1,752	\$4,088
66	\$2,900	\$1,971	\$4,599
73	\$2,900	\$2,190	\$5,110
80	\$2,900	\$2,409	\$5,621
88	\$2,900	\$2,628	\$6,132
95	\$2,900	\$2,847	\$6,643
102	\$2,900	\$3,066	\$7,154
110	\$2,900	\$3,285	\$7,665
117	\$2,900	\$3,504	\$8,176
124	\$2,900	\$3,723	\$8,687
131	\$2,900	\$3,942	\$9,198
139	\$2,900	\$4,161	\$9,709
146	\$2,900	\$4,380	\$10,220

So at the average number of 73 customers who presumably pay 70\$ per course we have the break-even point after which the net income will start growing. The period taken here is one month, so our goal is to keep the number of customers more than 73 per month, though I took the worst scenario to analyze the break-even point. The fixed expenses were overstated and the course prize

understated. But I still believe that even with these estimates the Center can overcome break-even point and start earning Net Income.

Conclusion

A good reputation, qualified instructors, new technologies and facilitates strengthen the core product of the Continuing Education Center – practical skills and professional knowledge in field of business, languages and communication. The competitive advantage of the Center gives real opportunities to enter the target market and win dominant market share, if clever and prudent plan is implemented.

The target market of the CEC has high perspectives for further growing. Targeted address to the target audience through sales promotion, direct mails, personal presentations and advertising campaigns will increase the overall number of customers and consequently the net sales of the Center. The aggressive, one time promotional campaign builds awareness of the CEC and attracts potential customers interest, further supportive minor advertising and sales promotional activities are supposed to raise interest and desire for the products of the Continuing Education Center. And the final stage lies ahead; the potential customer has to buy our services what refers to action. I believe this is quiet affordable strategy because the marketing plan covers all stages of “A – attraction I – interest D – desire A – action” tactics what brings us to tangible results in net sales increase, market growing and awareness level.

Implementing the current marketing plan, the Continuing Education Center will have a significant market share what will give a chance for further development of the Center’s products and entering new markets.

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