

**Ministry of Education  
Republic of Azerbaijan**

**Implementation of marketing strategies in  
higher education of Azerbaijan**

**Azerbaijan State University of  
Economics**

**Sabina M. Mammadova**



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## **Abstract**

The materials developed in the process of research: features of formation and analysis of the state of the market of educational services, developed methods and proposals for improving the marketing of educational services - will increase the effectiveness of practical marketing activities in higher education. The analytical reviews, conclusions and results contained in the work can be used by higher education institutions to improve their own marketing activities. This work can be used by educational institutions when teaching students the marketing of educational services.

In this research, the analysis of the market of educational services, the main directions of marketing activities in the university, and developed proposals to improve and more effectively build marketing activities in the university.

In our opinion, the most important tasks that marketing research in the field of education are called upon to address are:

- providing the university administration with the necessary marketing information in the interests of developing the strategy and tactics of developing the market behavior of the university, analyzing and evaluating the current and prospective market situation;

- Participation in the development of the strategy and tactics of the market behavior of the university through the independent formation of a commodity, price, advertising, information marketing strategy, consulting assistance to the leadership of the university and its structures;

- study and forecast the evolution of the market, allowing to determine the nature and level of market demand for specialists with higher education;

- development of recommendations on concluding university contracts with legal entities and individuals with a view to training and retraining specialists;

- providing information and advertising support for the work of the selection committee. Creation of appropriate Internet communications. Organization of a reception campaign in social networks. In modern conditions, the media activity of the staff and the student community is high;

- assisting young people in finding jobs by providing them with information on available needs and vacancies;

- study of the market, structure and dynamics of demand for scientific products and educational services of the university;

- development of current, medium-term and long-term marketing plans and forecasting the volumes of sales for each type of product (specialists, research and scientific and technical products, intellectual products, services, the product of labor from non-core activities, etc.);

- the organization of advertising of scientific and technical and research activities of the university with the purpose of concluding contracts and selling finished research products, scientific and technical and developmental developments;

- the formation of a stable public interest in the activities of the university, increasing its prestige;

- recommendation on the establishment of the final price of educational services. Analysis of the criteria and quality factors of the students' education, the strengths and weaknesses of the set of educational services.

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# 1. INTRODUCTION

**Actuality of the study.** In modern conditions, the country's socio-economic situation directly depends on the contribution it makes to the development of universal civilization, to science, culture, and education. A special place in this process is given to higher education, which is regarded as one of the main, leading factors of the social, economic and cultural processes of society.

Currently, higher education faces challenges and difficulties in areas such as funding, creating fair conditions for access to curricula and training itself, promoting professional development, targeting training for specific skills, improving the quality of teaching, research and services, providing adequacy of programs, employment opportunities for graduates. At the same time, new horizons open up to higher education associated with technologies that contribute to the creation of new knowledge, their management, and their dissemination. Higher education, whose history is several centuries old, convincingly demonstrated its vitality and its ability to change, to building, transforming and progressing in society. In this regard, before higher education there are grandiose tasks that require its most radical transformation and renewal.

In the last decade, the Azerbaijan system of higher education functioned in the context of adaptation to emerging market relations. A deep structural reorganization of the education system was carried out, the main results of which were the diversification of the types of educational institutions, educational programs, the formation and development of the non-state sector in the education system, and the growth of paid educational services. At the same time, organizational and economic mechanisms for managing processes in higher educational institutions changed. In modern conditions for the successful operation

of universities in the market of educational services, a necessary condition is the use of a marketing approach in the management of the life of universities.

In accordance with the government's policy of modernization of education, including higher education, it is necessary to look for ways to improve the efficiency of managing the activities of higher education institutions, which is possible provided that the marketing activity is constantly improved and new marketing methods and methods are updated to meet modern environmental conditions.

Thus, the relevance of the topic of this dissertation research is determined by the key role of education, which it plays in solving social and economic problems of our society as a whole, as well as the necessity of scientific justification of the marketing approach, the use of its tools and methods to develop and improve the management of higher education institutions at market of educational services.

**Purpose and objectives of the study.** The purpose of the dissertation research is the development of methodical and practical recommendations on the application of principles and methods of marketing in the management of higher education institutions.

This objective of the study has determined and requires the solution of the following tasks:

1. Determine the content of marketing activities in the university.
2. To assess the current state of the market of educational services of higher education, to reveal its characteristic features and features.
3. To develop a classification of educational services of the higher school, corresponding to modern conditions of functioning of the market of educational services.
4. To carry out the segmentation of the market of educational services, carry out research on the formation of price, product policy,

marketing strategy in the university and develop proposals for the application and improvement of marketing techniques and methods in university management.

5. Develop methods and recommendations that contribute to increasing the effectiveness of marketing activities in the university and conduct their approbation in the university.

**Object of study.** The object of research is the activity of higher educational institutions (on example UNEC) in providing educational services in modern market conditions.

**Subject of study.** The subject of this study is the theory and practice of marketing educational services of higher education, as well as the totality of organizational and economic relations in this area.

## **1.1. LITERATURE REVIEW**

Distribution of marketing provisions and its application in the sphere of higher education was carried out by many scientists, such as R.B. Freeman, V.R. Chanklin, A.P. Pankruhin, K.A. Saginov, U.G. Zinnurov, V.P. Shchetinin, S.A. Mamontov, etc. In the works of these researchers, the issues of marketing educational services, its theoretical and practical aspects are considered.

However, in spite of the already accumulated experience of theoretical and practical developments in the field of education, a number of substantive issues on the formation of the university's product policy, the evaluation of the quality of educational services, the assessment of the university's competitiveness in the market of educational services and other issues related to the use of marketing tools in the management of higher educational institutions. To date, universities really felt the need for effective marketing techniques and methods that are in line with the current conditions for the development



of the educational services market, which enable them to form their own strategy and secure a competitive position with further positive development.

Changes in the economic life of Azerbaijan affect all areas of human life. This applies to education, in particular, and higher education. In modern conditions, when the demand for higher education services is growing every year, the number of higher education institutions that represent such services is increasing, and the competition between them is also exacerbated. In these conditions, universities need to look for ways to improve competitiveness, solve problems of survival and development.

Marketing - one of the most common concepts directly associated with the market economy. The application of marketing in the field of higher education will help to improve the quality and expand the range of educational services, will allow satisfying customers' demands for such services in a variety of ways, and, as a result, promote the rise of education in society to a higher level.

Marketing in higher education should be understood as a special type of activity aimed at meeting the needs and demands of the population in the educational services of higher education.

The development of marketing in this sphere is especially important, since intellectual potential becomes the decisive factor in multiplying the country's national wealth. The toolkit of marketing in today's activity of universities is an effective means of managing their activities.

In order to understand the essence of marketing and the need for its use in the activities of universities, we will analyze a set of requirements, factors and elements that form marketing in higher education. These include the subject of marketing, its subjects and their

functions, the scope and objects of marketing of educational services of higher education, its target orientation and problematic content.

"The subject of marketing is philosophy, strategy and tactics of civilized thinking and actions, actual behavior and mutual relations of market subjects". The subject of marketing of educational services of higher education is the philosophy professed by higher education institutions, their strategy and tactics, their actions and behavior in the market of educational services.

The subjects of marketing in higher education are not only educational institutions that produce and provide educational services, but also consumers (individuals, enterprises and organizations), a wide range of intermediaries (including employment services, registration, licensing and accreditation of educational institutions, etc.) , as well as public institutions and structures involved in the promotion of educational services in the market.

A special role is played by the personality of the student, the listener, who is the end user, who differs from other consumers in using the educational services of higher education to use educational potential, not only to create wealth and earn money for life, but also to meet his cognitive needs. It is this person who makes a concrete choice of his future specialization, the place and form of training, the sources of his funding, the choice of the future job and the conditions for the realization of the acquired potential. Personality of the learner (including potential) should be in the constant focus of all marketing efforts.

Among consumers of educational services of higher education, firms, enterprises, institutions and organizations, including government bodies, are singled out. They form a more or less organized demand for them and put it on the market. Organizations of consumers inform educational institutions about the demand, establish special requirements

for the quality of educational services and their future employees, take part in the evaluation of the quality of educational services, determine the effective conditions for the future work of graduates, and perform full or partial reimbursement of costs, payment or other forms of compensation for services rendered.

Educational institutions, as subjects of marketing, are the most active participants in this process. The marketing function in the university includes: [19]

- The formation of a proposal;
- Production (rendering) and promotion in the market of educational services and products on the market;
- Formation of demand and promotion of sales of educational services;
- Implementation of pricing policy for paid services;
- Organization and conduct of marketing research;
- Forecasting, revealing of perspective educational services and necessity of updating;
- Definition of volume, quality, assortment and service of educational services;
- Analysis and implementation of the competitiveness of the educational institution;
- Development of a strategy for marketing activities in the university and the organization of its implementation.

Intermediary structures as subjects of marketing of educational services (employment services and labor exchanges, educational backgrounds, associations of educational institutions and enterprises, specialized educational centers, mass media, etc.) promote effective promotion of educational services in the market and can perform such functions as: informing ; consulting; realization of advertising activity,

legal support; formation of sales channels; the organization of conclusion and assistance in the implementation of transactions; participation in accreditation; provision of resource support for education.

## **2. THEORETICAL ANALYSIS**

### **2.1. THEORETICAL BASES AND FORMATION OF THE MARKET OF EDUCATIONAL SERVICES OF THE HIGHER SCHOOL**

#### **2.1.1. The essence of marketing in higher education**

Unlike the marketing of goods and services, the role of the state and its governing bodies in the marketing of educational services is very significant. The marketing functions of the state, traditional for the market, are the legal protection of the subjects of marketing (primarily consumers) from monopolism, from dishonesty in business, advertising, ensuring the quality of goods and services, maintaining statistics, promoting large-scale market research, etc. In addition, the state is called upon to perform quite specific functions. This is the creation, support and strengthening of a favorable opinion ("public relations"), a positive image of social educational institutions, including both among the population and among employers.

These are duties of the guarantor of humanistic education, the unity of the federal cultural and educational space in the conditions of a multinational country, the general availability and adequacy of education, its freedom and pluralism, the democratism of management and the autonomy of educational institutions. It is financing of education and providing guarantees for long-term investments of other entities in this sphere. This application of tax incentives and other forms of market regulation for the development of priority specialties, forms and methods of training specialists, education in general.

This is licensing and certification of educational institutions and programs on the range and quality of educational services. The

competence of federal government bodies also includes information support for educational institutions. These bodies should also organize the training and retraining of pedagogical and managerial personnel for the education system, including marketing specialists in this field, that is, form a contingent of education marketers.

The object of marketing in the sphere of higher education can be designated by the collective term "educational services and products". Along with educational services, the location and size of educational institutions, their public prestige, scientific potential, knowledge of training profiles and pedagogical ideas, as well as material goods necessary in the education process or being its products, and a wide range of related services.

In the field of education, marketing cannot be considered only as an instrument for obtaining the highest profits. In such areas as education, science, culture, art, marketing is both commercial and non-commercial. Educational marketing is aimed both at the creation and successful promotion and implementation of specific "goods and services", and at creating a favorable and broad social effect. Raising the level of education of members of society not only creates direct opportunities for increasing the production of material goods, but also contributes to the reduction of negative social phenomena. An effective educational service contributes to the further formation and development of demand for such services.

For an educational institution, marketing orientation means the following: [22]

- only those educational services that are used and will be in demand in the market are produced;
- the range of educational services is quite wide and is intensively updated taking into account the requirements of the society;

- prices for educational services are formed under the influence of supply and demand, taking into account competition. At the same time, the core component of the price policy is not the sale price of educational services in itself, but the ratio between the values of the predicted effect and the required additional costs of consumers for use, consumption of educational services, including the processes of their development;

- communication activities are conducted actively, aimed at specific target groups of consumers of educational services, on possible intermediaries;

- in the leadership of the educational institution, strategic decisions are prepared and accepted by people competent in the context of educational services, in matters of a market economy;

- in the organizational structure, units (department, service, marketing group) are formed, responsible for the market successes and image of the institution and having the authority to monitor and effectively ensure the implementation of its recommendations by the functional and other departments of the institution.

The fundamental principle of marketing in the field of higher education is that consumers' demands are at the heart of the matter. In this case, we are not talking about some average consumer, but about specific target groups of consumers with their special needs and opportunities inherent in them.

Marketing of educational services in higher education uses the information and methods of such sciences as:

- statistics - to assess the capacity of the market and its segments, the magnitude and trends of changes in supply and demand, etc .;

- macro and microeconomic analysis - to assess the state and prospects of market development, the capabilities of competitors, the university's own capabilities;

- Sociology - to identify and analyze the positions of specific consumer groups and social groups on issues of interest;

- psychology and psychophysiology - for the same purposes, as well as for approbation and increasing the effectiveness of advertising and other methods and methods of forming demand;

- Mathematics - to serve the processes of achieving goals;

- theory and practice of management - for the implementation of planning and forecasting, control, regulation, promotion of marketing activities and activities of the educational institution, as well as the behavior of interacting market participants.

To manage marketing activities, the university management can choose a certain marketing concept. Marketer scientists identify the following stages in the formation and evolution of marketing concepts. [10] The first stage of the evolution of marketing is usually designated by borders from the beginning of the XX century to the middle of the 30s. At this time, two concepts have consistently appeared: improving production and improving the product. Each university chooses the most acceptable from its point of view the concept of marketing, corresponding to certain conditions of its functioning.

Thus, marketing in the field of higher education is diverse and unique at the same time. Now, the question is no longer whether marketing in higher education is necessary. Today we are talking about how to organize effective marketing of educational services. Marketing activity in the university, its formation and development is conditioned by the new needs of the reformed Azerbaijan society.



## **2.1.2. Characteristics and features of the market of educational services**

A highly organized market offers the availability not only of the goods market, but also of the services market, including the market of educational services. In such branches as higher education, along with the characteristics of the market has its own specifics.

Educational services include the main characteristics of the services that F. Kotler singles out. [3] Characteristic as intangibility in relation to the educational service is manifested in the impossibility of seeing and hearing the full amount of knowledge and skills transferred in the course of its provision until its final acquisition.

The inseparability of the educational service from its source is found in the fact that it is with the direct participation of either a scientific and pedagogical worker or some technical means for a given program, including an information source (textbook, teaching aids, etc.). The inconsistency of the educational service is conditioned by the level of the scientific and educational potential of the university staff.

Specificity of educational services is connected, first, with the very nature of educational services, secondly - with the known "rules of the game", which are established by the state for the successful functioning of higher education institutions in the conditions of market relations, and thirdly, with a real financial and economic situation this or that state in a specific period of market transformation.

Feature of educational services is that they cannot be purchased on a natural basis. Firstly, because for their implementation, professional cadres, of different profiles, are needed, a special infrastructure of the university is needed: laboratories, equipment, stands, methodological aids. Secondly, the peculiarity of this type of service lies in the fact that

their consumption is associated with the need for public recognition. Thus, the production of education consists of technical qualifications (actual knowledge and skills necessary to carry out work) and formal qualifications (certificates, diplomas, degrees, titles required for a career). And the role of formal educational qualifications is constantly growing.

The service of higher education is specific, as a result of the special nature of a specific work - the work of instructors-researchers. This service meets a special kind of needs - spiritual. The service of higher education is a special kind of activity, conditioned by the spiritual needs of people, activities that do not take tangible results, but aimed at providing a useful effect in the form of obtaining a certain set of knowledge for working in the field of intellectual work.

"Educational service is one or another volume of educational or scientific information transferred to a subject in the form of a sum of knowledge of general educational and special character, as well as practical skills for subsequent application". [8] From this definition it follows that the subject as a consumer gains access to the public good, but only in the form of a pure public good.

From the point of view of "external factors" in the consumption of educational services, the university receives a reward with effects for the individual in the form of an increase in "personal capital" and, as a result, an increase in its income, and benefits to society as a whole in the form of raising the level of qualification, culture, activity of the whole population. Educational service is a public good, that is, it determines not only and not so much the welfare of the consumer, as the sustainable development and social stability of society.

Speaking about educational services as a public good, it can be noted that, on the one hand, their consumption is carried out collectively.

But at the same time, not everyone is getting access to the consumption of services financed by the state, and, therefore, the principle of "impossibility of exclusion from consumption" is not being implemented. And since the principle of exclusion is applicable, there is a market incentive for the production of such goods. Thus, educational services have features of both public and private, and can be classified as a quasi-public service type. It follows that the state needs to ensure an optimal mix of public and private education sectors.

Individual consumers, especially in Azerbaijan, tend to systematically underestimate their need for education (as well as health care, culture, etc.) in contrast to material goods. However, now more and more people understand that it is education that allows them to increase their value in the labor market and increase their intellectual potential, which in turn increases the intellectual capital of society as a whole.

In the emerging market relations in the sphere of education, two main regulators have been defined: the state and the market itself.

The role of the state in regulating the educational sphere for today is reduced to performing the following management functions:

- Legislative establishment of "rules of the game" both for authorities and for universities themselves in the production of services and products;
- Legislative regulation of the consumption of educational services;
- Control over the activities of high educational institutions through accreditation and attestation;
- Direct and indirect funding of universities in accordance with the legally established standards;
- State strategic planning;

- Development of unified requirements to the level of education in the form of state standards, etc.

For the market in the educational sphere, the following features are characteristic:

- The availability of a sufficient number of universities, other educational institutions and some organizations that produce the same services and products, as well as consumers interested in their acquisition and use (this allows for mutual choice and competition among market participants);

- The same accessibility of all market entities to the necessary resources;

- The production of services and products in an insufficiently known market, characterized by the fact that universities do not always know their customer exactly, his location, number, consumer preferences, etc.;

- The independence of universities in the implementation of their activities, including the ability to choose the direction of training specialists, conclude contracts, accept and execute orders, accept and dismiss workers, etc.

The situation in the education market is largely determined by the labor market, the results of the functioning of this market are checked and reassessed by the labor market. The education market has its own peculiarities, its own patterns of movement, there is a possibility of a gap between the demands of the labor market and the educational market. First, in the interaction of the two markets, the effect of temporary welfare is due to the duration of higher education. The labor market makes demands today, and the education market can provide them after a certain period, and more time is needed to adapt the specialist to a practical environment. Secondly, the labor market is most often dynamic

in structure. The education market is less agile, it can linger with a change in structure. [4]

Unlike other types of services, higher educational establishments do not set as their goal the mass character in the provision of educational services. The number of universities is limited, although it tends to grow. The number of buyers of educational services should grow for many reasons. The increase in the value of higher education products for the whole of society should be expressed in the demand for labor on the part of employers, in the education system - in the demand for persons who must be educated. Of great importance in this market is the demand structure - there are more prestigious, highly paid types of professions, and on the contrary, less prestigious and less profitable occupations.

Other factors that affect the demand for educational services include technology. Improving technology usually leads to increased supply. Technological breakthroughs in the sphere of production lead to the emergence of new specialties, and to an increase in the demand for new types of labor. The education market usually responds to this phenomenon with a corresponding increase in the supply of study places.

Thus, the peculiarities of the operation of market mechanisms on the market of educational services of a higher school make it possible to draw the following conclusions. First, the possibility of using the work of the mechanisms of prices, demand, supply in the educational market proves the existence of a base for rendering and acquiring educational services of a higher school on a market basis. Secondly, when using the action of price and non-price factors, the limited nature of their influence is revealed, which indicates the services of higher education as a mixed blessing.

### **2.1.3. Formation of the market of educational services in Azerbaijan**

In accordance with the concept of the development of the Republic of Azerbaijan, the institutional basis, infrastructure and human resources of the education system must be developed in order to provide the person with comprehensive knowledge and skills. The development of education paves the way for improving the welfare of the population in the country, including devices at a higher level of the individual's life. Education provides people with the opportunity to quickly master technology, take a worthy place in the labor market and engage in the process of continuing education, choose a healthy lifestyle, the right attitude towards the environment.

The role of education in modernizing social and economic life is not limited only to the transformation of knowledge and skills acquired by students into an economic factor. The knowledge and skills obtained in the process of education, as well as moral and ethical norms and values create the necessary conditions for every educated person to become a worthy member of society, through knowledge and ethical behavior, turn him into a colleague who can become an example, an exemplary family member and citizen.

"The State Strategy for the Development of Education in the Republic of Azerbaijan" provides for large-scale measures in five strategic directions for the creation of an education system in the Republic of Azerbaijan that occupies a leading position among the countries of the world, with competent teachers and managers of education, infrastructure based on advanced technologies.

The first strategic direction is to create a content of education with a personal focus, based on competence, and covers such important goals

as the development of curricula in all levels of education, including pre-school, general, primary vocational, secondary and higher education.

The second strategic direction provides for the modernization of human resources in the field of education. This area serves as the formation of a competent teacher, using innovative teaching methods that ensure efficient learning of the content of education, and includes improving the professionalism of teachers, building a new system for assessing the achievements of students, creating inclusive teaching methods to identify and develop the talent of learners, as well as those who need special care.

The third strategic direction is to create transparent and effective management mechanisms responsible for the results in education. This area covers such goals as the modernization of regulation and management in the education system based on international best practices, the creation of a transparent model of results-based management, new information and reporting systems for quality assurance and education management in educational institutions.

The fourth strategic direction envisages the creation of an education infrastructure that meets modern requirements and ensures continuing education. This direction covers such measures as the creation of infrastructure in educational institutions, the appropriate methodology of education based on information and communication technologies, the rationalization of the network of educational institutions, distance education, education and development for talented children and children in need of special care, the education of the elderly, the organization regional universal centers providing advisory services on vocational and educational issues, vocational training centers and complexes with modern software, the creation of campuses.

The fifth strategic direction is the construction in the Republic of Azerbaijan of a model for financing an economically sustainable education system that meets the standards of the world's leading education systems. This direction, among other things, provides for the improvement of the mechanism for financing education using various sources, the transition of educational institutions for per capita financing, support for the provision of paid education services, and the creation of the Education Development Fund.

In the years of market transformations, the state paid insufficient attention to the sphere of education and its development. A new stage of reforming the education system is now beginning. These transformations will affect the higher school. The active participation of workers in the sphere of education in this activity, the search for new, most effective forms of vital activity of higher educational institutions, is important and urgent. Today every scientist, researcher can contribute to the reform of the university system.

## **2.2. METHODOLOGY OF DEVELOPMENT OF A SET OF MARKETING ACTIVITIES IN THE UNIVERSITY**

### **2.2.1. Methodology**

The theoretical and methodological basis of the thesis was the works of scientists on the general principles of marketing (Romanov A.N., Maximitsov M.M., Vasiliev G.A., Sinyayeva I.M., Kotler F., Toffler B., etc.), concerning theory and practice in the field of marketing of educational services (Pankrukhina A.P., Zinnurova U.G., Mamontova S.A., etc.), on economics and management organization in the sphere of



higher education (Poteeva M.I., Pishchulina N.P., Ananicheva V.M., etc.), on studying the experience of foreign countries in the field of higher education (Galagana A.I., Tartarashvili T.A., Gode M., Friedman M. et al.).

Various sources of information were used in the process of the dissertation research: regulatory and legal documentation, statistical materials, popular science journals and publications of general economic orientation and marketing specialization, profile publications on higher education issues, as well as publications of the Ministry of Education and Science of the Azerbaijan.

The work used theoretical and empirical methods: methods of comparative economic analysis, a system approach, methods of analogies, marketing research methods, methods of expert assessments, economic and statistical methods of collecting and processing information, etc.

### **2.2.2. The main directions of marketing research in the university**

Marketing research in the university is the collection, processing and analysis of data in order to reduce the uncertainty associated with the adoption of marketing decisions. The market, consumers, competitors, prices, own possibilities are exposed to researches. Information support consists of desk and external studies, as well as from various sources of information. The specific result of marketing research in the university is the development and recommendations that are used in selecting and

implementing the strategy and tactics of marketing activities of the university.

The study of the market is the most common trend in marketing research. It is conducted in order to obtain data on market conditions for determining the activities of the university. Without such data, it is impossible to make important decisions related to the choice of the market, forecasting and planning of market activities. The objects of market research are trends and processes of market development, including an analysis of changes in economic, legislative and other factors. The structure of the market, its geography and capacity, the dynamics of development, the state of competition, the current conjuncture, opportunities and risks are explored. The main results of the market research are forecasts of its development, assessment of market trends, identification of key success factors. The most effective ways of conducting a competitive policy are determined, undeveloped niches are identified, segmentation is carried out.

The study of consumers makes it possible to identify and study the entire set of incentives that guide consumers in choosing an educational institution (fame, specialization, location, prices for educational services, programs, additional services, etc.). The objects are consumers (students, applicants), their families, organizations. The subject of research is the motivation of consumer behavior in the market of educational services and determining factors. In addition, processes are analyzed to meet the needs of consumers, i.e. processes of providing educational services. The development here is the typology of consumers, the modeling of their behavior, the forecast of expected demand. The purpose of such a study is segmentation of consumers, selection of target segments.

The study of competitors is to obtain the necessary data to provide an advantage in the market, as well as to find opportunities for

cooperation and cooperation with possible competitors. To this end, their strengths and weaknesses are analyzed, their share of the market and consumer reaction to their marketing tools (price changes, advertising, new educational services) are studied. Along with this, we study the material, financial, labor potential of competitors, the organization of activity management. The results of such studies are the choice of ways and opportunities to achieve the most advantageous position in the market, the definition of active and passive strategies in providing benefits through various factors.

The study of educational services is aimed at determining compliance with their state standards in the field of higher education, the needs and requirements of consumers, as well as an analysis of their competitiveness. Studies of educational services provide information on what the consumer wants, what parameters of the service (price, special program, flexible schedule, quality, practice, good conditions, modern teaching aids, additional services, etc.) are necessary or irrelevant. Along with this, you can get data to formulate the most successful arguments of the advertising company. The objects of research are the properties of the educational services of the university and the educational services of competitors, the reaction of consumers to new services and their prospective requirements, the list of educational services, their compliance with state standards. The results of the research enable the university to develop its own assortment in accordance with the requirements of consumers, to increase its competitiveness, to determine the directions of activity depending on the various stages of the life cycle of educational services, to offer new types of services, to develop its corporate style.

The price research is aimed at determining the level and correlation of prices for educational services, the amount of funding for

universities. The objects of research are the costs of the university, the demand and definition of price elasticity, the prices of competitors, the ratio of price and quality to the services provided, methods for determining the size of funding and setting prices for educational services. As a result, the most effective ratio of costs, prices and quality are selected, and the university's own pricing policy is developed. [13] The study of marketing communications in higher education is also one of the most important areas of marketing research in the university. Its purpose is to reveal how, when and by what means it is better to stimulate sales, to increase the authority of the university, to create a certain image, to successfully carry out promotional activities. As the objects in this case, the effectiveness of advertising, the attitude of the public, contacts with consumers, founders, partners. The results of the research allow developing the so-called public relations policy, creating a favorable attitude towards the university, forming an image, identifying methods for generating demand for the educational services of the university, and increasing the effectiveness of communication links, including advertising.

The study of the internal environment of the university aims to determine the real level of its competitiveness as a result of the comparison of the relevant factors of the external and internal environment. It is here that we need to get an answer to the questions about what needs to be done to ensure that the activity of the university is fully adapted to the dynamically developing external environment.

Marketing research in universities is the starting point for the formation of an optimal strategy and tactics of actions, taking into account the real and possible in the long term, on the one hand, a set of conditions and market factors, and on the other hand, the capacity, potential and claims of the university. All this is done to reduce the level

of uncertainty of information and to optimize the strategy and tactics of the university's behavior in the market.

The process of marketing research includes the following generally accepted stages:

1. identify problems and formulate research objectives. Are allocated: the search purposes, helping to reveal and specify a problem, to develop a hypothesis or variants of the decision of a problem; Descriptive goals that involve understanding and assessing the situation, individual marketing factors and their complex; experimental goals, providing for testing hypotheses, proposed solutions for solving problems;

2. selection of sources of information among which: secondary data (already existing information) and primary data (information specially collected for this purpose for the first time). To start collecting marketing information follows from secondary data, and only if this data is not enough, then go to the collection of primary information.

3. development of a research plan;

4. Collection of information from previously identified sources (including newspapers, magazines, statistics, specialized publications, interviews, surveys, questionnaires, etc.).

5. implementation of the research plan;

6. analysis of collected information; those. extracting the most important information, determining results, identifying trends and trends, using various methods of statistical and mathematical information processing;

7. Presentation of the results in the form of analytical tables, reviews, graphs, forecasts, models necessary for making marketing decisions.

### **2.2.3. Commodity policy in the field of higher education**

Commodity policy of the university is a marketing activity aimed at formation of competitive advantages of the university, connected with scientifically grounded planning and implementation of a set of measures to offer such educational services (OS) that satisfy the educational need of a person.

Commodity policy of the university should be primarily aimed at fulfilling the task of quantity and quality of the services provided. For many educational institutions there is a dilemma: to focus on the concept of broad training of specialists or to produce highly specialized personnel. At present, the main concept is recognized that absorbed the positive aspects of both the first and the second concept.

When carrying out its policy in the field of providing educational services, the university has to solve the problem of rational nomenclature of educational services, i.e. list of specialties. When solving this problem, first of all, the factors of demand for a specific specialty and the ability of the university to train specialists in this specialty are taken into account.

When developing the product policy of the university, the important role is played by the name of the educational service, which reflects the content of the acquired profession. The name, besides cognitive, also carries an advertising function that shapes the demand for educational services. When this name of the specialty or training area is linked to the name of the particular institution offering this service, then the effectiveness of this function is strengthened. Here the factor of

prestige of a specialty and the concrete high school which carries out preparation in the given direction plays an important role.

One of the important elements of the university's product policy is the life cycle of the educational service. "Life cycle of goods - time of existence of goods on the market". [21] The life cycle of any product is a sequence of life phases of the product on the market: introduction to the market, growth (market development), maturity and saturation, decline. Any educational service also undergoes the marked stages of the life cycle in its development.

One of the important elements of the commodity policy of universities is the provision of various types of services. Under the service of educational services is understood a set of related services that make the educational service more attractive and provide its consumer with a high degree of quality of the acquired knowledge and skills in the specialty. Service services for the education process can be divided into the following groups:

- service (in the form of various courses) in preparation for the entrance examinations that are provided before admission to the university;

- service to maintain a high level of the process of training, health and life of students (library, medical care, sports and cultural events, etc.). These services are in the process of training;

- service of the university for the provision of educational programs for professional development, advisory services, including on a subscription basis. These services are provided after graduation at a university in this specialty.

A good service will only expand the demand for an educational service. Consequently, the demand for educational services is directly related to the demand for its service.

## **2.2.4. Pricing policy in the field of higher education**

One of the most important areas of marketing activities in higher education is the development of an effective scientific and economically sound pricing policy. Pricing policy in a higher educational institution is limited to determining the sources and amount of funding. According to funding sources, Azerbaijan universities can be divided into the following types:

- Budget, which is fully funded from the state budget (where there is no paid education);
- Private higher education institutions (where there is no budget financing);
- Higher education institutions of mixed type are state higher educational institutions, which are forced to introduce various kinds of paid services.

The main task in developing a pricing policy for free educational services is to provide the necessary amount of funding necessary to provide educational services in the right quantity and quality. [25]

Currently, the main sources of funding for universities in Azerbaijan are:

- the state budget;
- preferential state educational loan;
- government investment financial liabilities - as an experiment in selected universities;
- private companies;
- families of students.

Also, the sources of funding for higher education may be gifts and donations. In addition, there are many other institutions, public and private, that can finance universities, for example, foundations, public



organizations, international organizations. It should be noted that in addition to direct financing of higher education institutions in the form of tuition fees for contracts, families, companies and other institutions act as sources of their financing and through tax payments to the state.

According to many economists, education specialists, public funding is vital to maintaining the principle of fairness in access to higher education and the effectiveness of the latter. Therefore, even in highly developed countries, the state finances not only most of the capital and current expenditures of state universities, but also a certain part of the costs of private universities in the form of subsidies. The state's spending on financing higher education is ultimately justified, since the earnings of university graduates are higher than those of people without higher education, and if there is an effective system of taxation, they pay higher taxes, which means that the revenues to the state's income cover the current state spending on higher education.

Speaking about paid educational services, the pricing policy of the university is reduced to determining the amount of tuition fees and further choosing the price strategy. The amount of tuition fees should cover all costs - direct and indirect, and in addition to generate the profit necessary for the normal functioning and development of this institution. In addition, we should not forget that price is a powerful tool for competition, which is now quite sharply exacerbated in the Azerbaijan market of educational services.

In the framework of this scientific research, the author conducted a selective study of prices in state and non-state universities in Baku. The study was conducted by the method of selective observation in 10 state and 10 non-state universities. The purpose of this study was to determine the average level of the cost of paid educational services in the Baku region.

Analyzing the data of the conducted sample observation, it can be concluded that the cost of educational services is high enough if we take into account the average level of incomes of the population. And the cost of training in economic and legal specialties is much higher than the cost of training in technical specialties. This is due to a higher demand for these specialties.

Since the price of training is one of the key factors in making a decision on the part of consumers, the university staff together with the author of the study conducted a thorough study of the preferences and income level of potential consumers. And only with all these factors in mind, the line of conduct of the university was chosen with respect to prices, that is, price policy. Taking into account the results of the conducted research, a strategy was chosen to preserve and consolidate its market share by establishing competitive prices, allocating its niche and providing high quality of the provided educational services.

### **2.2.5. Development of marketing strategy in the university**

Marketing strategy is a set of principles and basic decisions, selection of priority goals and directions of actions. "The marketing strategy as a general comprehensive plan for achieving the goal includes the forms, methods and methods of assessing the market participation of the company". [10]

To form a marketing strategy in a university, the German marketer G.G. Lettau is a constructive multi-step approach that was adapted by the Russian scientist in the field of marketing A.P. Pankrukhin for the needs of the educational institution and supplemented by the us.

To assess the effectiveness of the various options of selected strategies, the best method is to use expert scoring, since it is impossible to find a single natural measure for such diverse problems, combined into a mix of marketing mixes. The subject of evaluation is a group of expert experts. The composition of the group of experts should include the staff of this educational institution, as well as specialists from higher education and independent experts-marketers.

As the main reason for selecting the optimal variant of the strategy, it is advisable to use comparative assessments of the effectiveness of available alternative decision chains. Traditionally, the term "efficiency" refers to the relationship between the magnitude of the effect and the cost of obtaining it. In this case, for each alternative (the "chain"), experts will need to evaluate and correlate two examples: performance (this is the predicted value approximating the goals) and the costs (the amount of effort needed to implement the strategy) required to implement the strategy. This means that the expert evaluation of alternative strategies is carried out in two interacting "code spaces": the results and efforts, goals and costs of the firm's resources.

Thus, the composition of the goals of the educational institution and the corresponding characteristics of its capabilities are formed. Depending on what characteristics dominate the strategy, specific goals are determined (weighting factors), and experts assign to them a framework of significance. Similarly to the capabilities of the organization, taking into account the state of the environment, the ranks of the complexity of using the institution's capabilities are assigned. The ranks determined by experts in the form of coefficients are recorded in two special tables, one of which contains predictive estimates of the results of implementation of various variants of the strategy, and the other - predictive estimates of the amount of effort required.

As part of the main goals of the university were elected:

1. Increase in the level of popularity of the university and its educational services in certain circles (segments), especially among "business people".

2. Continual improvement of the quality of the services provided, meeting the requirements of customers.

3. Securing and maintaining your niche and market share.

4. Formation of new connections.

5. Creation of new trade unions.

In order to achieve the set goals, two alternative marketing strategy variants were put forward, for which it will be necessary to take into account the following characteristics, the capabilities of the university, including the features of the surrounding marketing environment for the implementation of these opportunities:

1. Financial opportunities.

2. Available links.

3. Competition in the market.

4. Availability of specialists.

5. Methodological support. [24]

To assess and compare the two options for the strategy, a team of experts was formed, consisting of the Institute staff, representatives of the Chamber of Commerce and Industry, independent marketing specialists. For the analysis, he was provided with the necessary information. Forecast estimates of the results and the magnitude of the effort required for their implementation, as determined by the experts, are presented in Tables 1 and 2.

**Table 1**

**Forecast estimates of the results of implementation of the two variants of the strategy**

Objectives of the organization	Coefficient of weight-bridge	Alternative I		Alternative II	
		Average expert evaluation	Refined, evaluation	Average expert evaluation	Refined, evaluation
1. Increase of the university's fame in certain, circles	8	8	64	7	56
2. Increase in the quality of educational services	10	9	90	8	80
3. Fastening and preservation, niches and market shares	9	8	72	7	63
4. Formation of new links	8	9	72	7	56
5. Creation of new professional associations	7	7	49	5	35
<b>Total result:</b>	<b>42</b>	<b>41</b>	<b>347</b>		<b>299</b>

**Table 2**

**Forecast estimates of the magnitude of efforts to implement policy options**

Objectives of the organization	Coefficient of weight-bridge	Alternative I		Alternative II	
		Average expert evaluation	Refined, evaluation	Average expert evaluation	Refined, evaluation
1. Financial efforts	9	8	81	7	63
2. Available links	9	8	72	6	54
3. Competition in the market of educational services	10	8	80	6	60
4. Availability of specialists	9	6	54	9	81
5. Methodological support	8	7	56	8	64
<b>Total effort:</b>	<b>45</b>	<b>37</b>	<b>334</b>	<b>36</b>	<b>322</b>

The final coefficient of the integrated expert evaluation of the effectiveness of the compared alternatives: for the first alternative  $C = 347: 334 = 1,039$ ; for the second alternative,  $C = 322 = 0.928$ .

Although the first alternative requires more costs and effort, the predicted results are much higher than the results for the second alternative. The effectiveness of the first alternative is confirmed for all purposes. Experts equally appreciated its effectiveness for each of the purposes. Naturally, in general, the first version of the strategy was more effective and at the same time more aggressive. Ranks of opportunities and environmental conditions show that the greatest difficulties are on the part of competitors. Therefore, the organization should rely on the quality of its services and form a positive image in the market.

The final result of the strategic choice is a detailed description, detailing the found, created optimal strategy for a particular service and / or market. In a generalized form, the description of the developed marketing strategy on the basis of the conducted research is presented in Table 3.

**Table 3**

**Formation of marketing strategy in the university**

<b>1. Type of service</b>	<b>Educational services</b>						
<b>2. Quality of Service</b>	Certificate of state accreditation		Certificate of Attestation		A level that meets the specific requirements of the customer (trainee).		
<b>3. Latitude of services</b>	Basic education		Wide-profile (general professional) education		Narrowly specialized		Targeted training in specific areas
<b>4. The depth of education</b>	Secondary special education		Higher education	Further training		Postgraduate education	
<b>5. The volume of services provided</b>	6-8 hours	20-40 hours	60-100 hours	2-6 month	1-2 years	3-4 years	5-6 years
<b>6. Variety of assortment</b>	12 specialties						
<b>7. Additional services</b>	Methodical. information's security	Excursion cultural service	Expert-consult. service	Scientific research and development	Engineering services		

<b>8. Terms of service provision</b>	During the entire period of study	During adaptation at work	On the conditions of subscription service		
<b>9. Priorities in relation to the learner's personality</b>	Professional orientation			Level of educational training: according to documents, interview results, testing	
<b>10. Readiness to start providing services</b>	As the contract is concluded		Under conditions of subscription service		
<b>11. Place of rendering services</b>	Educational institution	Territory of the customer		At home	
<b>12. Prices for services</b>	Lower than the average market				
<b>13. Terms of % of the form of payment</b>	Pre-payment in full	Advance payment of stages	Phased (floating)	Payment on a reimbursable basis	
<b>14. Discounts from the price</b>	Discounts for order quantity	Discounts for constancy	Discounts including profit sharing	Extra charges for individual programs	Extra charges for intensification and urgency
<b>15. Advertising advertisers</b>	Educational institutions		Management of enterprises, firms		
<b>16. Media and advertising media</b>	Directories	Phone, fax		Internet	
<b>17. Intermediaries</b>	Personnel departments of the enterprise	Employees of the university	Former graduates	Employees of other educational institutions	Individual
<b>18. Organization of sales</b>	Direct contact with the customer (enterprise)		Direct contact with the enrollee		Through postal and other communication channels
<b>19. Incentive sales</b>	Periodic remuneration	Sales volume bonus		Sales volume bonus	

At the stage of implementing the marketing strategy of the university should continue marketing research. That is, the marketing audit of the university must be done constantly to obtain feedback from the market, since the OS market, like most other markets, is very volatile and very unstable. In addition, at the implementation stage it may turn out that the marketing strategy of the university or even its mission requires correction (due to the reaction of competitors to our actions, changes in the labor market requirements for specialists, changes in state educational policy, etc.). Thus, the development of a marketing strategy is an ongoing process, a work that must be done systematically.

### **3. THE WAYS OF IMPROVING GOVERNANCE IN HIGHER EDUCATION OF AZERBAIJAN**

#### **3.1. The main directions of the state policy on improving the management of higher education in Azerbaijan.**

In Azerbaijan today, the education system is experiencing another stage of development. More than 15 years in the country there were discussions about ways of renewal of education. They have always been large-scale in nature. As a result, Azerbaijan adopted conceptual documents that determine the main directions for the development of Azerbaijan education.

Increasing the quality of professional, including higher education, is one of the most important directions of state policy in Azerbaijan. In this regard, it is advisable to take the following measures, directly related to the increase and recognition of the quality of Azerbaijan education.

It is necessary to revise the state standard, reorienting it to a qualitative approach to higher education. The main attention should be focused on the result of training, skills and skills that are in demand in the labor market. Revision of standards should ultimately lower the degree of state control over the higher education system, without encroaching on the constitutional duty of the state - to stand on protecting the integrity of the "educational space".[14]

As a promising tool for public policy on the financing of higher education, scientists and researchers propose the creation of a system of granting Azerbaijan citizens free of charge grants from the federal



budget. Granting of subsidies to students should be carried out on an individual basis, depending on the following factors: income level, personal qualities, residence; and also depending on the training program, reflecting the needs of the market. Such an approach would allow the government to provide targeted assistance, while at the same time requiring paying students to cover at least part of the costs of their education.

As before, the problem still remains insufficiently solved, related to the stimulation of the work of the teaching and research work. Recently, the government has taken steps to increase the salaries of teachers and increase the allowances for the degree. However, this is not enough to raise the lost prestige of the work of academic teachers. And if the state is not yet able to solve this problem, it means that the universities themselves and their leadership should solve this problem at the expense of extra-budgetary funds. It is necessary to develop and implement such wage systems that would encourage teachers to increase the efficiency of their work in their institution and not force them to seek additional side-earnings on the side. A clear policy on higher education teachers is needed in order to update and improve their qualifications, while encouraging the continuous introduction of innovative elements in the curriculum, methods of teaching and learning.

If we look that how many universities are there in Azerbaijan, we meet following result:

**Table 4**

Indicator	2014	2015	2016	2017
Number of higher education institutions (units)	53	54	51	51
Number of students in higher	158212	161234	163779	167677

education institutions				
Number of students admitted to higher educational institutions (persons)	35801	33645	36126	38546
Number of graduates of higher educational institutions (persons)	32826	33705	36951	37506

The state should be responsible for financing higher education as an essential public sphere, and also society's support is needed. However, higher education institutions should seek additional sources of financing and implementing income-generating activities, improve administrative practices on the basis of progressive methods, and also use their resources more rationally and efficiently. Governance and financing in higher education requires the development of appropriate policy planning and analysis capabilities and strategies based on partnerships established between HEIs and the state and national planning and coordination bodies in order to ensure the orderly management and testing of resources, taking into account the criterion of "cost-effectiveness". [5]

Recently, the state has been intensively searching for ways to increase the efficiency of spending funds allocated to higher education.

Those responsible for decision-making at the level of the state and institutions should pay the closest attention to students and their needs, considering them as the main partners and responsible participants in the process of renewal of higher education. Higher educational institutions should provide such education for students, which educates them in well-informed and deeply motivated citizens, capable of critical thinking, analyzing public issues, finding solutions to the problems

facing society, and also ready to take on social responsibility. Higher educational institutions should move to the practice of perspective management that meets the needs of the environment in which they operate.

### **3.2. Implementation marketing strategies in UNEC - Azerbaijan State University of Economics**

The main consumer entities creating demand for higher education institutions are the state as the main and main customer for basic educational services; graduates of secondary schools; graduates of secondary special schools; specialists who already have higher professional education of a different profile; commercial and non-profit organizations and public authorities that purchase educational services for their employees.

The structure of the market for higher education services from the supply side can be characterized at present as a whole formed. Leading role continues to occupy state universities, which managed to maintain their positions both in scale and quality of the products offered. Their traditional sectoral specialization has also survived. Despite the fact that many universities have opened new market opportunistic specialties, the spheres of application of their graduates' knowledge have remained quite differentiated. In other words, in the majority of basic specialties in the market, competition between traditional industry leaders is either absent or indirect. However, for individual specialties, direct confrontations leading to a redistribution of the market are possible. The feature of educational services of this category of universities is traditionally a high level of quality in a specific, basic sense. However, in an expanded

sense, the large scale of admission and training of students reduces attention to individual needs.

The next category of market participants is non-state commercial universities, established in the 1950's on the basis or with the participation of state universities and gradually acquired independence, as well as branches of state universities. They offer only paid services in market-related specialties and have a fairly flexible pricing mechanism. All of them have the necessary formal status (licenses, accreditations, etc.), and some have formed a good teaching and methodological and material base and their own teaching staff, both with the participation of the parent company and independently. These universities are able to quickly respond to the situation and are the first to introduce promising specialties that are not represented on the market but are not able to hold leadership for a long time. Sensitivity to the conjuncture forces them to reduce the bar of selection of entrants and to soften the requirements during the period of training. As a result, their rating among consumers and employers is far behind the rating of state universities. All these circumstances orient such higher education institutions to a certain segment of consumers - applicants who cannot claim the budgetary places of state universities in terms of their level of knowledge, and in terms of income, pay for their studies in them on a contractual basis. The main tool of competition here is the price strategy of "following the leader." At the same time, small institutions of higher education with a transparent organizational structure and moderate scale of activities manage to be more attentive to the individual abilities and needs of students, to form a partnership "teacher-student", to create a friendly atmosphere with elements of educational influence and control.

The third type of market participants is independent private commercial universities that have emerged independently on the wave of

market development. For the most part, their appearance was speculative, did not have sufficient material and educational-methodological base. The main instrument of competition is price dumping with a minimum satisfactory quality. In this case, it means the issuance of a state-recognized diploma and a postponement of military service. Their existence on the market is short enough, and survival is possible only with mergers or acquisitions.

In general, the nature of competition, which develops in the market of educational services of the Baku, tends to the type of monopolistic competition both in terms of quality and price structure of the offer.

In our opinion, the main trend in the development of competition in the medium term will be the further strengthening of the positions of state universities with the expansion of the offered specialties in the first higher education and new forms of pre-university and post-graduate professional education. At the same time, differentiation and individualization of consumer preferences, increasing requirements for additional parameters of educational services leads to the formation of small, clearly localized segments, where smaller commercial universities may be more effective.

Financial support for educational policy does not yet correspond to real needs and goals. However, the services provided by state universities for the admission of applicants on the basis of self-financing, as well as the expansion of other market opportunities, have largely helped to alleviate the problem. However, the inadequacy of state financing of non-conjunctive specialties leads to the loss of material, technical, scientific and educational-methodical potential of important social or scientific aspects, which in the long term will result in a loss of state status and market positions.

## **UNEC TODAY**

**Number of faculties:** 9

**Number of specialties:** 21

**Number of students:** more than 18.000 including more than 850 students from 12 countries of the world studying bachelor and master degrees

**Number of Teachers:** more than 1.000 including 80 professors and 314 assistant professors

**History.** Azerbaijan State University of Economics (further UNEC) established in 1930 is one of the most improved and still improving institutions in higher education market of Azerbaijan. Firstly, UNEC was a faculty within the Azerbaijan State University. Today's Azerbaijan State Economic University was founded in the result of separation of the Azerbaijan State University into an individual institutes and establishment of the Azerbaijan Trade Cooperation Institute based on its Economy section. Since 1930 being under pressure of the different authorities, the university had faced to many challenges on its way. It had several times been merged, eliminated, separated again till the reformation to ASEU in 2000. In a long period of time education dimension and attention paid to them in this university were in an extremely low levels. In the perception of people, ASEU was a nest of corruption. Yet Azerbaijan developing with a big pace, the attention paid by the government to education, the emergence of more competitive private education institutions, and requirements of the education and labor markets complicated under the impact of these factors made the authority to think about grandiose changes.

**The strategy of improvement of education.** In 2001 UNEC management run the project of Special Talents' Groups within its International Economic Relations faculty. The main objective of the

project was implementation of advanced education programs of American and European universities in UNEC using intensive use of modern information and telecommunication technologies. Thus, completely new conditions and opportunities have been created for the preparation of highly experienced economists. The teaching staff at the ECD consisted of academics, doctors, science candidates, managers, and corporation leaders. All of them had graduated from well-known American and European universities, or from the courses there and received special certificates in certain areas.

By this successfully made decision education in UNEC have been conducted in Azerbaijani, Russian, Turkish and English languages.

UNEC working on education opportunities offered in 2014-2015 years launched three different educational programs that would affect positively not only reputation of the university but also made a valuable impact to the education level and opportunities of the whole country.

These projects were followings:

University of London/London School of Economics' (LSE) Undergraduate Program - Trainings of the LSE Undergraduate Program have been launched at Azerbaijan State University of Economics (UNEC). The University of London would directly implement curriculum development, quality parameters of education quality and the management of the educational process. The subjects and disciplines would be taught in accordance with the current curriculum of LSE. Results of final exams would be sent to LSE to be assessed. The successful graduates of the program would receive the Undergraduate Degree of London School of Economics and the diplomas would be awarded during the Graduation Day in London.

SABAH Groups - It is a chain of groups, consisting of Educated (savadlı az.), Talented (bacarıqlı az.) and Ready (hazır az.) students from

different higher education institutions under the Ministry of Education. The main objective of the project is to create the necessary environment for continuous, long-term, comprehensive and comprehensive quality change in the field of higher education, support to individual and professional development of Azerbaijani youth, cooperation projects with world leading universities, expanding research, practice and student exchanges, and training of Educated, Skilled and Ready Professionals in accordance with the labor market requirements.

International School of Economics - By the Order of the University of Economics rector, the English language Education Centre (ELEC) was established at the University. The Centre provides the education in specialties like World Economy, Finance and Accounting in Bachelor and Master Degrees. The teachers of the Centre are the graduates of the leading universities of the USA, Germany, England, France, Sweden and other countries and have wide range of practical skills.

These programs were tools for the realization of education's quality improvement strategy of UNEC. In the result of the successfully implemented strategy, UNEC has become one of the competitive, sustainable and well-positioned participants in the market.

**International relations.** International relations of the Azerbaijan State Economic University (UNEC) besides participation in international education programs and the partnership with relevant international organizations covers as well the attraction of foreign students and dual diploma programs in frames of bilateral cooperation with universities of foreign countries. Dual diploma program agreements have been launched with the prestigious universities of the World as followings:



**Bachelor's Degree:**

- University of Montpellier of France
- Russian University of Economy
- Uludagh University
- International School of Economics
- ICD Business School in Paris
- University of Istanbul

**Master's Degree:**

- University of Mykolas Romeris
- University of Business and International Studies of Switzerland
- University of Coventry of UK

**Pricing and scholarship policy.** Education in UNEC is on paid basis. In comparison with other market participants price of education in UNEC is in the averages of the price range of the education market. One of the strong sides of its pricing policy is that education prices for a student during the whole period are fixed based on the entrance year's prices. Since UNEC is a State University, it provides the opportunity for education on the state-funded basis. Privilege of education on state-funded basis is given to students with higher entrance scores and to students in special conditions. Students who got the privilege due to high entrance score gain also scholarship from the state. Then in the results of GPI scores list of state scholarship winners changes. In addition to scholarship by the state, university provides its TOP15 students with additional scholarship. The Education Ministry of Azerbaijan also grants SABAH Groups students. In the result of scholarship program, many

students had been supported and as many of them had been stimulated for competition with other students.

**Promotion Strategy.** Promotion strategy of UNEC has a wide range and spread. The university promotes itself simultaneously with its different activities for students. There are different student organizations with various intellectual activities. These organizations represent the university in local and foreign educational and social forums, competitions and events. High performance shown by them is being the strongest promotion for the UNEC. Besides students' organizations there are other social activity opportunities have also been launched, such as TED x UNEC, UNEC radio, different Start Up competitions and etc. An important element of the expanded perception of the quality of educational services is the resumption and development of activities conducive to the search for vacancies and the employment of graduates in accordance with their qualifications. UNEC also has its Career Center program launched in order to demonstrate in the labor market its new graduated high qualified specialists.

The study of the internal and external environment of the functioning of the UNEC allows us to apply the SWOT-analysis scheme to justify the marketing strategy.

Below are the main conclusions of the analysis.

1. The strengths of UNEC are:

a) the formal status of a state classical university with a long history of existence and a positive informal reputation that has been preserved in modern conditions; this direction requires the highest attention, since a high rating is more a consequence of a high formal status, rather than a reason for a high market share;

b) created in the 90-ies a sufficiently effective system of self-financing, which made it possible to compensate for the budget deficit

and maintain and develop the material base of the educational process;  
threat - distortions in providing rating and non-rating specialties;

c) the active use of extra budgetary opportunities to upgrade the qualifications of the faculty, including often abroad, significantly upgraded the level of knowledge in socio-economic disciplines in comparison with other universities in the region; threat - enticement of cadres by competitors;

d) implementation of differentiated salary system; educators are more motivated to improve themselves and their knowledge to be able to meet requirements for teaching qualified professionals

e) the external authority and influence of top management, which ensure the solution of many tactical and strategic tasks in the most favored nation mode by local and federal authorities, national and international scientific and educational institutions and organizations; At the same time, this factor also carries the threat of a decrease in internal efficiency "behind the back of a strong leader."

f) Provision of the double diploma obtaining possibility, both for Bachelor and Master degrees.

## 2. Weaknesses of UNEC are:

a) acute deficiency of the auditor fund with the growth of the scale of activity; The essence of the problem is the loss of the quality of the educational process and the decline in competitiveness in the future. The question of the expediency of unregulated extensive growth of the contingent requires analysis;

b) mass approach to entrants; a low level of accounting for individual characteristics and preferences; consequence is a possible decrease in competitiveness in the long term;

c) the preparation of qualified young cadres takes a long time and is carried out from budget sources. Until the moment when their earnings become acceptable, the most promising of them go to alternative employment. The solution of the problem is necessary to maintain competitiveness and sustainability in the medium and long-term;

### 3. Opportunities of UNEC are:

a) the growing interest in fundamental social and humanitarian education related to employment in the production of intellectual products; in this direction, UNEC remains an absolute regional leader and has every opportunity to strengthen its monopoly positions in a competitive environment;

b) state support and loyalty of state structures; the notion of a "state institution of higher learning" in Azerbaijan will have the value of a high brand name for several decades, and maintaining budgetary financing is the most important opportunity to ensure long-term market stability.

C) further development of international relations and an increase in the number of partner universities; new international educational programs in frames of partnership with foreign universities.

D) to increase the university's rating in the world space.

### 4. Threats of UNEC are:

a) increasing competition in individual segments, demand differentiation is an objective process where interested external organizations can be more effective on specific segments; for example, the effective operation of small commercial universities in segments with a relatively low level of knowledge or lower solvency may not pose a

direct threat, but allows competitors to accumulate market power in the long run;

b) the outflow of qualified teaching staff, including because of additional employment; the formal status of a university lecturer is high, but not primary in the system of motivation, so a low, based on a conservative system of degrees and titles, wages leads to an imbalance of interests and the use of intellectual capital in competing structures.

The general goal of functioning of the UNEC as a state institution on the market of educational services is the formation of an effective sustainable mechanism for the continuous development of the quality of higher professional training of young professionals, taking into account the interests of the state and social groups. The main principles of UNEC activity are:

- priority of state and public interests;
- unconditional assistance in implementing and improving the state educational policy;
- Effective communication with all consumer segments of the educational services market and a mutually beneficial partnership with all stakeholders, government agencies, public and commercial organizations;
- orientation to international quality standards of higher education in all areas and the movement towards national and international recognition of the UNEC diploma;
- promotion of the development of research activities as a necessary basis for improving the quality of educational services, as well as independent direction in the market of intellectual products;
- constant updating of the organizational structure of university management and increasing the efficiency of internal processes;

- horizontal and vertical diversification of proposed directions, forms, methods and conditions for obtaining higher education; providing opportunities for continuing professional education at all stages of the specialist's life cycle;

- reasonable use of additional financial sources for the development of the university's material, scientific, educational and methodological base;

- attention to the problems of educational work in the student environment;

- Strict struggle against manifestations of immoral, unethical or criminal behavior in the university environment.

The main goal of the marketing activity of the UNEC in the market of educational services is to achieve a stable long-term balance between the needs and interests of all consumer groups, the state and society as a whole through the formation of an integrated system of continuous professional education corresponding to the highest national and international standards.

The target consumer groups for the university are all individual and collective consumers who are interested in obtaining higher and additional professional education based on fundamental scientific knowledge. The sectors of education, science, culture, politics, journalism, management of business processes, state and municipal management, social management, psychology, information technology, nature management, etc., are the branch segments that the university primarily focuses on.

The basic product of the university's activity remains the training of specialists in higher education. In recent years, the university has constantly expanded the range of the basic product, opening new specialties. However, further, unreasonable increase in the number of

specialties may prove ineffective, especially in terms of strengthening competitive confrontation between faculties.

To ensure a clear distinctive image of UNEC in the regional market, the strategy of diversifying the range of educational services should be focused on training specialists for the fields of activity related to the production of intellectual products, rather than material processes. In order to adapt to the international standards of higher education, it is necessary to develop a two-level system of higher education on the basis of bachelor and master's programs.

An important element of the expanded perception of the quality of educational services is the resumption and development of activities conducive to the search for vacancies and the employment of graduates in accordance with their qualifications.

In order to provide long-term fundamental conditions for the quality of educational services, increase their content and relevance, the university considers it expedient to market the products of scientific research and development activities.

The main principle of the quality strategy for all types of educational services is the desire for dominant regional leadership in the specialization sectors with gradual entry to the competitive level of the leading national classical universities.

In the period until 2020, marketing activities should become the most important functional component of the university's functioning system, along with the educational process, scientific research, personnel and material and financial support.

The following functional areas should be assigned to the competence of the marketing subsystem of the university: market research of all forms and types, study and understanding of the behavior of consumers of educational services; development and constant

updating of strategic and tactical marketing plans; development and planning of new types of educational services; development of a common policy of pricing for paid services, coordination of pricing of structural divisions of the university; organization and planning of marketing policy in the field of educational services and intellectual products; organization, planning and coordination of activities to promote a favorable image of the results of the University; ensuring social ethics and social responsibility of the work of all structural units and the university as a whole.

In the organizational structure of the university, it is necessary to create a permanent marketing service, subordinated directly to the rector, in the competence of which all the above functions should be assigned.

### **3.3. Methodics of the assessment of the university's competitiveness**

In a market economy, educational institutions operate in a competitive environment. Competition is a mechanism of competition, struggle of market structures for the right to find their buyer and for the opportunity to sell their goods (service) on the most favorable terms. Competition is called rivalry in any field between individuals who are interested in achieving the same goal. "The presence of a competitive environment is an extremely important factor in the normal development of market relations".

Competition in the market of educational services is a rivalry between educational institutions for attracting desired clients to their university. In the market, competitive struggle is developing between



universities offering similar educational services. Each university strives to provide educational services better than the competitor, to provide additional conditions and benefits. The competitive struggle between higher education institutions is a combination of actions aimed at achieving a competitive advantage and winning strong positions in the market of educational services. The competitiveness of a university is its ability to be allocated among other higher education institutions due to the best socio-economic indicators, such as quality, price, forms and methods of teaching, conditions, location, prestige, advertising, etc. Assessment of the competitiveness of an educational institution is usually conducted in a complex including analysis of weaknesses and strengths. Opening any university, specialty, new educational services, as well as choosing a marketing strategy, require careful study and analysis of the competitive environment.

Each factor is assigned either an actual absolute or a relative value. If the parameters do not have a physical measure or for other reasons (for example, to preserve a trade secret), in this case evaluation methods are used for their evaluation in points.

In order to assess the competitiveness of the universities, a variety of criteria were used through the SPSS program. We will record the results of the queries in the following tables.

**Table 5**

<b>Gender:</b>		<b>Age:</b>				
Male	Female	16-20	21-25	26-30	31-35	36 and up
Count	Count	Count	Count	Count	Count	Count
107	106	64	109	24	14	2

As the table shows, 213 people participated in the survey, of which 107 were men and 106 were women. At the same time, the majority of respondents are 21 to 25 years old.

**Table 6**

<b>Activity Field:</b>	<b>Count</b>	
Banking	162	
	Worker	25
	Unemployed	2
	Student / Worker	8
	Student / Unemployed	16
Beauty and self care	212	
	Student / Unemployed	1
Law	206	
	Worker	1
	Unemployed	1
	Student / Unemployed	5
Art	207	
	Student / Worker	4
	Student / Unemployed	2
IT	197	
	Worker	1
	Student / Worker	4
	Student / Unemployed	11
Finance	187	
	Worker	8
	Unemployed	1
	Student / Worker	3
	Student / Unemployed	14
Medicine	211	
	Student / Worker	1
	Student / Unemployed	1
Education	182	
	Worker	9
	Unemployed	1
	Student / Worker	8
	Student / Unemployed	13
Trade	196	
	Worker	7
	Student / Worker	9
	Student / Unemployed	1
Other	125	
	Worker	11
	Unemployed	4
	Student / Worker	31
	Student / Unemployed	42

As can be seen from the table, the survey was attended by people working in different fields of action. We see that the role of students in the fields of activity is specific.

**Table 7**

Education					
0	Bachelors	Doctorate	Master	Incomplete higher	Secondary
Count	Count	Count	Count	Count	Count
1	136	8	38	29	1

As can be seen from the table, the majority of respondents are bachelors.

It should be noted that a large number of people from various universities participated in the survey. The majority of respondents are students and alumni of the UNEC (97 students), BSU (31 students), ADNSU (15 students), and the other part - students from other universities in Azerbaijan. At the same time, the major part of respondents are students which specialty is economics (11 students), Finance (18 students), Marketing (16 students).

**Table 8**

How many points did you get into the Higher Education Institution that you are studying?														
251-350	351-450	451-550	551-607	607-617	617-650	650+	665	With Certificate, Group V	Bachelor or 278, Master 74	did not get points	Tick et exam	By state line	The maximum score in the master was 150. I collected 99 points.	I've never been tested
Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count

How many points did you get into the Higher Education Institution that you are studying?														
251-350	351-450	451-550	551-607	607-617	617-650	650+	665	With Certificate, Group V	Bachelor or 278, Master 74	did not get points	Tick et exam	By state line	The maximum score in the master was 150. I collected 99 points.	I've never been tested
Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count	Count
16	37	69	64	1	1	9	1	1	1	1	1	1	1	1

As can be seen from the table, the majority is 450-650 points.

**Table 9**

What is playing role in choosing a higher education institution?	
Point	1
Being under the state	5
Second university what I want to be in line with my wishes	1
to be in line with my wishes, Being under the state	31
to be in line with my wishes, Being the only institution providing education in direction of my choice	1
to be in line with my wishes, It suits the point I collect	6
to be in line with my wishes, It suits the point I collect, Being under the state	6
to be in line with my wishes, It suits the point I collect, My parents' advice	12
to be in line with my wishes, It suits the point I collect, My parents' advice, Being under the state	6
to be in line with my wishes, It suits the point I collect, Compatible / proximity to spouse choice	2
to be in line with my wishes, It suits the point I collect, Compatible / proximity to spouse choice, Being under the state	1
to be in line with my wishes, My parents' advice	2
to be in line with my wishes, My parents' advice, Being under the state	4
to be in line with my wishes, Compatible / proximity to spouse choice, Being under the state	1
to be in line with my wishes, Higher education opportunities	4
to be in line with my wishes, Higher education opportunities, Being under the state	3

to be in line with my wishes, Higher education opportunities, Being the only institution providing education in direction of my choice	2
to be in line with my wishes, Higher education opportunities, It suits the point I collect	2
to be in line with my wishes, Higher education opportunities, It suits the point I collect, Being under the state	7
to be in line with my wishes, Higher education opportunities, It suits the point I collect, Being the only institution providing education in direction of my choice	1
to be in line with my wishes, Higher education opportunities, It suits the point I collect, My parents' advice, Being under the state	1
Higher education opportunities, Compatible / proximity to spouse choice	1

As can be seen from the table, most of the students chose the university because it compatible with their wishes, with the point they collect and it is being under the state.

*Table 10*

<b>Your degree of consent from the Higher Education Institution you choose:</b>				
Dissatisfied	Neutral	Satisfied	Completely dissatisfied	Completely satisfied
Count	Count	Count	Count	Count
29	59	88	11	26

As can be seen from the table, most are satisfied with the education of the university (88 students).

*Table 11*

	<b>What would you like to develop in a higher education institution that you studying?</b>	<b>Count</b>
	None, all the indicators at the higher education institution were at a high level / level.	16
	Corruption rate	4
	Corruption rate, Support students to continue their education at the next level, In general, approach to the whole educational process	1
	Corruption rate, In general, approach to the whole educational process	1
	Increasing laboratory capabilities	1
	Support students to continue their education at the next level	11
	The level of knowledge of the teaching staff	19

The level of knowledge of the teaching staff, None, all the indicators at the higher education institution were at a high level / level	1
The level of knowledge of the teaching staff, Corruption rate	2
The level of knowledge of the teaching staff, Corruption rate, In general, approach to the whole educational process	1
The level of knowledge of the teaching staff, Support students to continue their education at the next level	5
The level of knowledge of the teaching staff, In general, approach to the whole educational process	1
The level of knowledge of the teaching staff, In general, approach to the whole educational process, material-technical base (laboratories)	1
The level of knowledge of the teaching staff, Territory / Stables / Rooms and equipment	1
The level of knowledge of the teaching staff, Territory / Stables / Rooms and equipment, Corruption rate	1
Teaching methods of education	35
Teaching methods of education, Corruption rate	1
Teaching methods of education, Corruption rate, Make changes to the rules of the examination	1
Teaching methods of education, Corruption rate, Support students to continue their education at the next level, In general, approach to the whole educational process	1
Teaching methods of education, Corruption rate, In general, approach to the whole educational process	3
Teaching methods of education, Corruption rate, In general, approach to the whole educational process, Employment of young cadres	1
Teaching methods of education, Corruption rate, In general, approach to the whole educational process, Answer to the last question: I would not choose ADNSU. I do not know UNEC yet	1
Teaching methods of education, Support students to continue their education at the next level	6
Teaching methods of education, Support students to continue their education at the next level, In general, approach to the whole educational process	1
Teaching methods of education, The level of knowledge of the teaching staff	16
Teaching methods of education, The level of knowledge of the teaching staff, Corruption rate	1
Teaching methods of education, The level of knowledge of the	3

teaching staff, Corruption rate, Support students to continue their education at the next level, In general, approach to the whole educational process	
Teaching methods of education, The level of knowledge of the teaching staff, Corruption rate, In general, approach to the whole educational process	3
Teaching methods of education, The level of knowledge of the teaching staff, motivation of teachers to teach lesson, provision individual approach	1
Teaching methods of education, The level of knowledge of the teaching staff, Support students to continue their education at the next level	3
Teaching methods of education, The level of knowledge of the teaching staff, Support students to continue their education at the next level, Non-contemporary managerial staff	1
Teaching methods of education, The level of knowledge of the teaching staff, Support students to continue their education at the next level, In general, approach to the whole educational process	3
Teaching methods of education, The level of knowledge of the teaching staff, In general, approach to the whole educational process	6
Teaching methods of education, The level of knowledge of the teaching staff, Territory / Stables / Rooms and equipment	3
Teaching methods of education, The level of knowledge of the teaching staff, Territory / Stables / Rooms and equipment, Corruption rate, Support students to continue their education at the next level In general, approach to the whole educational process	2
Teaching methods of education, The level of knowledge of the teaching staff, Territory / Stables / Rooms and equipment, Support students to continue their education at the next level, In general, approach to the whole educational process	7
Teaching methods of education, The level of knowledge of the teaching staff, Territory / Stables / Rooms and equipment, Support students to continue their education at the next level, In general, approach to the whole educational process, None, all the indicators at the higher education institution were at a high level / level	1
Teaching methods of education, The level of knowledge of the teaching staff, Territory / Stables / Rooms and equipment, In general, approach to the whole educational process	5
Teaching methods of education, In general, approach to the	4

whole educational process	
Teaching methods of education, Territory / Stables / Rooms and equipment	4
Teaching methods of education, Territory / Stables / Rooms and equipment, Corruption rate, Support students to continue their education at the next level, In general, approach to the whole educational process	1
Teaching methods of education, Territory / Stables / Rooms and equipment, Corruption rate, In general, approach to the whole educational process	1
Teaching methods of education, Territory / Stables / Rooms and equipment, Support students to continue their education at the next level, In general, approach to the whole educational process	1
Teaching methods of education, Territory / Stables / Rooms and equipment, In general, approach to the whole educational process	1
In general, approach to the whole educational process	17
Territory / Stables / Rooms and equipment	10
Territory / Stables / Rooms and equipment, Support students to continue their education at the next level, None, all the indicators at the higher education institution were at a high level / level	1
Territory / Stables / Rooms and equipment, In general, approach to the whole educational process	2

If we pay attention to the table reflecting the last questionnaire, we see that in the modern era, most young people want a change in training methods. The reason for this is that at some universities, traditions of the Soviet period are preserved. It does not take advantage of the Law on Education. However, the law on education requires integration and interactivity.



## CONCLUSION

The results of the work are as follows:

- the state of the modern market of educational services is evaluated and classification of educational services is proposed with the purpose of their systematization and analysis on the following grounds: depending on the source of financing; their specialization; by terms of training; on the level of training; on the form of education and the level of education;

- the use of the marketing approach to assess the quality of educational services based on the requirements of employers and based on the calculation of variation indicators is justified, the use of which makes it possible to provide a reasoned assessment of the quality of educational services of the university and increase the demand for its graduates by employers;

- recommendations on the application of the concepts of social and ethical marketing, strategic marketing, individual marketing for different types of higher education institutions, depending on their size and form of ownership, to improve the efficiency of university management;

- developed a methodology for assessing the competitiveness of the university in the market of educational services, which allows to determine the position of the university with respect to competitors and to develop measures to strengthen its competitive positions, which is based on the calculation of single indicators of competitiveness and an integrated competitiveness factor that takes into account the factors of competitiveness and their significance.

The results of the thesis are consistent with the goals and objectives of the work. As a result of this work, we can generalize the results obtained and draw the following conclusions.

1. Marketing of educational services of the higher school is based on the basic provisions of the theory of marketing, uses the marketing toolkit in its life activity, and at the same time it has a certain specificity, conditioned by the sphere of higher education. In this area, marketing is both commercial and non-commercial.

2. New market conditions for the formation of the market for educational services and the functioning of higher education institutions require the development of new organized economic mechanisms for the management of universities. As the most effective is the marketing concept of management. In modern conditions, it is this concept that should take the dominant position in the management of higher education institutions.

3. It has been revealed that for the market of educational services of higher education there are inherent features as well as certain features conditioned by the field of education itself.

4. It was revealed that the market for educational services in Azerbaijan developed more complex and not so rapidly as the commodity market. In the early years of market transformations, the state paid insufficient attention to the sphere of education and its development. However, interest in the market and the need for higher education did not weaken. On the contrary, the number of higher education institutions has not decreased over the years of market reforms, but has increased.

5. For the systematization and analysis of educational services, the author was asked to classify them according to various criteria: depending on the source of funding; depending on the specialization;

depending on the time frame; in the form of training; by level of education.

6. Among the main areas of marketing activities in universities are marketing research. Marketing research is the starting point for the formation of the optimal strategy and tactics of the university. In this paper, the process of marketing research is described. The author developed a method of segmentation of consumers of educational services of a particular university, which was implemented at the Institute of Business Economics. The process and results of segmentation are described in the paper.

7. Special attention in this dissertation research was given to the improvement of marketing activities in the formation of commodity and price policy. In particular, it was suggested to conduct analysis and form a commodity policy taking into account the life cycle of educational services. At each stage of the life cycle of the educational service, it is necessary to use the marketing strategy corresponding to this stage.

8. The paper concluded that it is necessary to continuously improve marketing activities in universities, to search for new marketing tools in university management. Particular attention was paid to the selection of the marketing concept.

9. An important factor in improving the quality of the work of universities in the market is to strengthen their competitiveness. We proposed and tested the methodology for assessing the competitiveness of the university. This methodology is based on a comparative analysis of the competitiveness factors of the university and the calculation of competitiveness indicators: individual parametric indicators of competitiveness, the complex competitiveness coefficient of the university, as well as the competitiveness index by economic parameters.

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