Mapping the training market

Segmenting the market for individuals
ACKNOWLEDGMENTS

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Linda Barker
Senior Project Officer
# TABLE OF CONTENTS

ACKNOWLEDGEMENTS ................................................................................................. i  
LIST OF EXHIBITS ........................................................................................................ iv  
LIST OF FIGURES .......................................................................................................... iv  
LIST OF TABLES ........................................................................................................... iv  
GLOSSARY ....................................................................................................................... v  
ABBREVIATIONS ........................................................................................................... vi  
EXECUTIVE SUMMARY ................................................................................................. vii  
INTRODUCTION ............................................................................................................. 1  

**CHAPTER ONE** Marketing and Segmentation in VET .................................................. 3  
1.1. The Data Collection Process .................................................................................. 3  
1.2 Summary of State Positions .................................................................................. 4  
1.3 Commonalities Across States ............................................................................... 9  

**CHAPTER TWO** A Commentary on Marketing and Market Segmentation in the VET Sector ...................................................................................................... 13  
2.1 A Simplified View of the VET Sector ..................................................................... 13  
2.2 Marketing Defined .................................................................................................. 14  
2.3 A VET Sector Marketing Structure ...................................................................... 16  
2.4 The Three Basic Principles of Marketing ............................................................... 19  
2.4.1 The Principle of Differential Advantage: The Company Versus the Competition .................................................................................................................. 20  
2.4.2 The Principle of Customer Value: The Marketing Mix ...................................... 22  
2.4.3 The Principle of Selectivity and Concentration: Market Segmentation and Target Marketing ................................................................. 26  
2.5 Positioning the VET Sector ................................................................................... 30  
2.6 Conclusions About Current VET Practice ............................................................. 30  

**CHAPTER THREE** Market Segmentation and State Training Agencies ....................... 33  
3.1 A Rationale for Using Marketing Methodologies .................................................. 33  
3.2 Current Methodologies for Determining Target Groups ...................................... 34  
3.3 Market Segmentation and Labour Market Models .............................................. 37  
3.4 TAFE NSW Segmentation Methodology ................................................................ 37  
3.5 Lifestyle and Psychographic Segmentation ............................................................ 40
GLOSSARY

CLIENT A voluntary student of the sector who purchases or uses the courses and services funded by a State Training Agency. This project does not deal with the clients of fee-for-service courses, Labour Market Programs or Adult Community Education, though many issues discussed in the report are relevant to these clients as well.

MARKET Most commonly refers to the aggregation of all current and potential users for a product or service. For the purposes of this project it refers to all current and potential individual clients.

MARKETING The philosophy, principles and practices which assist interactions between producers and purchasers and enable the exchange of goods and services. Specifically, it is 'the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational objectives' (AMA, 1985, p.1) It is a way of doing business.

MARKET SEGMENTATION The separation of an identified market into groups whose members are similar to one another in one or more characteristics and different from members of other segments. The identification of market segments is usually based on geographic, demographic, social or behavioural variables.

PROMOTION A part of the broad marketing process which is generally designed to raise an audience's awareness of a product and/or provide information.

PRODUCT For the purposes of this report, VET sector products are job-related courses. These courses can be analysed according to their actual, core and augmented attributes. The actual product is what the consumer buys or receives, e.g. the certificate or diploma. The core product refers to the goal that motivated the customer to purchase or use the product, e.g. attain a qualification to help get a job. The augmented product includes features which make the product more attractive to the customer and assist its consumption, for example, availability of child care facilities, convenient location and/or job placement services.

TARGETED MARKETING Identification of a specific market segment and development of a marketing program and/or product to satisfy that segment's needs/wants.
### ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
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<tr>
<td>ACE</td>
<td>Adult Community Education</td>
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<tr>
<td>ACT</td>
<td>Australian Capital Territory</td>
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<tr>
<td>ANTA</td>
<td>Australian National Training Authority</td>
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<tr>
<td>ATSI</td>
<td>Aboriginal and Torres Strait Islander</td>
</tr>
<tr>
<td>AVETMISS</td>
<td>Australian Vocational Education and Training Management Information Statistical Standard</td>
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<td>DETAFE</td>
<td>Department for Employment, Training and Further Education</td>
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<td>DTEC</td>
<td>Department of Training and Education Co-ordination</td>
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<td>DVET</td>
<td>Department of Vocational Education and Training</td>
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<tr>
<td>NESB</td>
<td>Non-English-speaking background</td>
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<td>NSW</td>
<td>New South Wales</td>
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<td>NT</td>
<td>Northern Territory</td>
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<td>NTETA</td>
<td>Northern Territory Education and Training Authority</td>
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<td>OTFE</td>
<td>Office of Training and Further Education</td>
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<td>QLD</td>
<td>Queensland</td>
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<td>SA</td>
<td>South Australia</td>
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<td>TAFE</td>
<td>Technical and Further Education</td>
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<td>TAS</td>
<td>Tasmania</td>
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<td>TEQ</td>
<td>Training and Employment Queensland</td>
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<td>VET</td>
<td>Vocational Education and Training</td>
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<td>VETEC</td>
<td>Vocational Education Training and Employment Commission</td>
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<td>VIC</td>
<td>Victoria</td>
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<td>WA</td>
<td>Western Australia</td>
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<td>WADT</td>
<td>Western Australian Department of Training</td>
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EXECUTIVE SUMMARY

The focus of this project is the individual client in the vocational education and training market. It is informed by marketing principles, practices and philosophy. It is guided by the view that the ability of the sector to understand and attract individual clients is affected by its capacity to adequately define market segments and to develop appropriate marketing strategies for them.

The project explores marketing and market segmentation at the State/Territory level for the VET sector in Australia and identifies models for achieving meaningful market segmentation. The project comprised two stages: the investigation of two approaches to market segmentation using Western Australia as a case study, and the documentation of marketing and market segmentation approaches currently used by State Training Agencies. The project has been funded by the Australian National Training Authority and managed by the Western Australian Department of Training. A National Steering Committee comprising representation from four states has overseen and guided the project management team.

Summary of State Positions

The process for collecting information for this project involved each State and Territory responding to a written survey of current marketing practices, as well as the presentation of a state position paper at a national workshop. These documents, together with information exchanged at the national workshop, provided the basis for analysis of State positions in this report.

Examination of the information indicated that each State has its own unique structure, which in turn affects its strategic marketing and market segmentation activities. Nevertheless, there were some structural features which were common to all States:

1) separation of public sector training delivery and broader VET management functions;
2) devolution of delivery and operational decision-making to TAFE colleges/institutes, in varying degrees; and
3) a continued close working relationship between the State Training Agency and the publicly-funded TAFE system, in spite of the above.

In terms of marketing and market segmentation, the following are some of the generalisations which can be made about the States' positions in January, 1996:

• All states are committed to developing a client-focused training system.
• Industry is the primary VET client, but individuals are important too.
• Strategic planning functions are dispersed throughout departments and draw on information from a wide range of sources.
• Priorities and broad participation targets are established centrally by State Training Agencies, usually as part of the State Training Profile.
• Market segmentation tends to be based on traditional client target groups or on course types (e.g. full-time/part-time, mainstream/fee-for-service).
• While Agencies promote TAFE generally, individual providers promote specific courses and campuses.
• There has been limited evaluation of individual client satisfaction or outcomes.
• There has been limited market research about existing or potential individual clients.
• There has been little or no distinction in marketing mediums for different individual client target groups.

Details of these generalisations and the summaries of each State’s activities are in Chapter One.

A Marketing Model for Vocational Education and Training

As part of a national workshop held in January 1996, Dr Rob Donovan, Associate Professor at the Graduate School of Management, University of Western Australia, was invited to provide expert commentary and analysis of VET marketing practices with a focus on individual clients. Dr Donovan’s comments are reported in Chapter Two.

Donovan provides definitions of marketing practice, principles and philosophy, and contrasts the VET marketing structure with a commercial marketing model. He identifies individual clients of VET as ‘value added’ intermediaries; they are ‘buyers’ and ‘re-sellers’ of job-related skills. The model validates the view of industry as the end-client, but acknowledges the significant and fundamental role of the individual client within the training market.

In response to the question, ‘What business are we in?’, Donovan draws the conclusion that the VET sector is in the jobs business. That is, while the actual product provided is job-related training, the core product, the underlying benefit sought by the consumer, is a job. Some of the conclusions drawn from Donovan’s analysis are:
• Individual clients are fundamental to the training market.
• A key marketing task for the State Training Agency is the clarification of its marketing role with respect to TAFE providers and the broader concept of VET.
• While marketing management functions are in fact carried out by State Training Agencies, the marketing framework is not formally recognised.
• Marketing role delineation between the Agency and TAFE providers is necessary in a devolved VET system.
• If the sector is in the jobs business, then reconsideration of VET competitors is needed.
• Implementation of appropriate market segmentation techniques will assist States to identify and attract potential individual clients.

Market Segmentation and State Training Agencies

Market segmentation is the process of separating a market, that is all current and potential clients, into groups with similar characteristics. The segmentation can be based on geographic, demographic, social or behavioural variables and is useful for marketing management and marketing campaigns. A number of methodologies are presented including the ‘market logics’ typology used in New South Wales (see Chapter Three). The value of market segmentation for State Training Agencies is its potential for assisting Agencies to make more cost effective and efficient training purchases, based on a better understanding of existing and potential individual clients.
Reported in Chapter Four are the findings of the two approaches to market segmentation undertaken as part of the project. One approach used AVETMISS data to segment the market by age cohorts and gender. The benefits of this segmentation are the finer distinctions which can be made about the performance of particular client segments resulting in a potential for improved targeting. This could be particularly useful for allocation of resources directed to the ANTA target groups, mature aged students and school leavers.

The second approach to market segmentation used psychographics as the basis for segmentation and was conducted by Roy Morgan Research. Segmentation using demographics and course data answers questions about who buys what, when and where. Psychographics, or life-style segmentation, can help to understand why. It involves the use of psychological, sociological and anthropological factors to determine how particular market segments behave and their reasons for that behaviour. State Training Agencies might use life-style segmentation to:

- better define the target market;
- create a new view of the existing market;
- position the (actual) product, that is vocational education and training;
- better communicate product attributes; and
- develop broader strategies which incorporate an understanding of the life-styles of the target market.

**Marketing Opportunities and Challenges for State Training Agencies**

The focus of the report can be encapsulated in two points. They are:

- Individual clients are fundamental to the training market; therefore attracting and sustaining their participation is an important marketing goal.
- A key task of the State Training Agency is to clarify its marketing role and functions, particularly in relation to training providers.

It has been suggested that 'marketing' should be left to providers, that it is not part of the system management function of State Training Agencies. This report argues otherwise. The role of the State Training Agency is to compile the information about training needs gathered from many sources to create the 'big picture' from which distribution of resources must be determined. In the same way that Agencies undertake their own research about industry and labour market needs to complement information provided by Industry Training Advisory Boards and Industry Training Councils, it is appropriate and necessary for Agencies to undertake market research about individual clients in order to develop an understanding of the whole individual client market. One of the most complex responsibilities of Agencies is the necessity to balance the training needs of all their clients. It is the prioritising function of the State Training Agency which forms the basis for marketing management of the system; and, although it is not recognised as such, this is where target marketing begins.

To date, discussion about clients in the training market has focused on the end-user—industry. This report presents a different perspective of the evolving national training system, with the intention of turning the spotlight on individual clients and their part in the training system. The project is a starting point for further deliberation, consideration and research.
INTRODUCTION

Within the context of a training market, it is widely accepted that the purpose of vocational education and training is the acquisition of skills to meet the requirements of industry, and that an enterprise is the 'end user' of the skills gained. But as Ryan (1995) aptly observes,

To move from this truism to the assertion that an undefined entity referred to as industry, or even some specific enterprise, is the 'customer' in the training market is a considerable leap in logic... (p. 45).

Ryan further remarks that of all the issues associated with the concept of a training market, the individual client has been virtually ignored, and that this is in spite of the importance placed on a client-focused system.

This project addresses the dearth of discussion about individual clients. It is guided by the view that the ability of the VET sector to understand and attract individual clients is affected by its capacity to adequately define market segments and to develop appropriate marketing strategies for them. To this end, several models for achieving meaningful segmentation have been identified. The project also considers the role and function of State Training Agencies with regard to marketing and market segmentation. Underpinning this are assumptions about the training market and the 'fit' for individual clients within it.

The project is titled Mapping the Training Market, and has been funded by the Australian National Training Authority and managed by the Western Australian Department of Training. A National Steering Committee comprising representation from four states, has overseen and provided guidance to the project management team (Committee members are listed in Appendix One). The individual client in VET is the focus of this project. The report sub-title, Segmenting the Market for Individuals, reflects this emphasis.

Project Scope and Conceptual Framework

This project explores marketing and market segmentation at the State/Territory level for the VET sector in Australia. As such, marketing is used in its broadest sense and embraces a range of marketing practices and principles including marketing management, strategic marketing and marketing philosophy, all of which are discussed in Chapter Two. Market segmentation is the process of separating a market (all current and potential clients) into groups with similar characteristics. The segmentation can be based on geographic, demographic, social or behavioural variables. Once identified, a marketing strategy can be developed to meet the needs of particular market segments. In a commercial sense, the purpose of market segmentation is to improve the match between products and clients, and therefore increase sales. In the case of the VET sector, the simple goal of market segmentation is to improve overall participation in job-related training, and particularly the participation of under-represented segments of the community. It is with this goal in mind, that the project explores the current practices and potential capabilities of marketing and market segmentation by State Training Agencies.
Project Methodology

This project comprised two stages. The first stage involved the investigation of two approaches to market segmentation using Western Australia as a case study. One approach used analysis of VET demographic and course data available in AVETMISS and was undertaken by the Senior Project Officer, with the assistance of Data Analysis Australia, who provided tables and graphics. The second approach to market segmentation used psychographics (values and psychological characteristics) as the basis for analysis, and was undertaken by Roy Morgan Research. Findings of both methodologies are detailed in Chapter Four.

The second stage of the project involved the documentation of market segmentation approaches currently used by State Training Agencies in Australia. The methods used for collecting this information combined a written survey and the hosting of a national workshop. The workshop format provided an interactive national forum for the exchange of current information about market segmentation practices in VET. It was attended by members of the National Steering Committee and representatives of State Training Agencies with expertise in marketing or strategic policy development, each of whom delivered a state position paper. An independent marketing specialist, Dr Rob Donovan, Associate Professor at the Graduate School of Management, University of Western Australia, was invited to give expert commentary and analysis during the workshop, and to submit a post-workshop paper. Dr Donovan's analysis is presented in Chapter Two.

Report Structure

This report comprises five chapters:

Chapter One summarises information provided by State Training Agencies with regard to marketing and market segmentation.

Chapter Two comprises comments and analysis of VET sector marketing provided by Dr Rob Donovan.

Chapter Three examines methods and purposes of segmentation methodologies currently used by Agencies and discusses the relevance of market segmentation to the State Training Profile development process and other management functions.

Chapter Four comprises the summary findings of the two different segmentation methods undertaken as part of this project.

Chapter Five discusses a number of key issues which impact on the capacity of State Training Agencies to effectively market VET to potential individual clients.

Exhibits are presented throughout the report. They have been designed to augment the main text and provide further details about a particular subject or illustrate specific marketing principles.

About the Glossary

Discussion about the training market is diverse and conceptually varied. The terminology is elusive at times, with words such as 'market' taking on any one of a variety of meanings - a buyers' market, a providers' market, a funding market. For this reason, a glossary of terms and their meaning in relation to this project has been developed to facilitate a common understanding. In this report, the VET 'market' means all current and potential voluntary clients of publicly-funded vocational education and training.
CHAPTER ONE
Marketing and Market Segmentation in VET

1.1 The Data-Collection Process

An essential aspect of this project was the documentation of market segmentation methods currently used by Australian States and Territories. The collection of this information involved each State/Territory responding to a written survey, as well as preparing a state position paper for presentation at a national workshop. The workshop format provided an interactive forum for the exchange of current information. It was attended by members of the National Steering Committee and representatives of State Training Agencies each of whom has expertise in marketing or strategic policy development. As well as the papers presented by state representatives, the workshop program included presentations by other invited guests relevant to the discussion. (The workshop program and a list of workshop participants are in Appendix Two).

The information requested from States in the written survey was pertinent to how their organisational structures accommodate marketing. The survey asked for names of sections of the organisation responsible for:

- deciding which clients to target;
- undertaking the targeted marketing campaign for courses/services;
- providing public relations with the community;
- determining fees and charges for courses;
- analysing data to determine the types of courses to be offered; and
- modifying delivery and content of courses to attract particular market segments.

States were also asked what types of data are used to determine courses and potential clients, and whether or not their organisation has a dedicated marketing section. The details of information requested are in Appendix Three.

Guidelines were provided for the State Position Papers (also at Appendix Three). Each State was asked to consider the differences and similarities of the marketing roles of the State Training Agency and that of TAFE providers, and to discuss National and State policies which have had an impact on their marketing activities, as well as any policies developed specifically to address VET marketing issues. A copy of each State's position paper is in Appendix Four.
1.2 Summary of State Positions

The Evolving VET System

Until relatively recently, TAFE was synonymous with vocational education and training. Relevant State departments were both operational and strategic in nature; TAFE colleges/institutions were the delivery arms of the system and departmental Head Offices maintained overall system control. With the establishment of a national training system, a much broader concept of VET has replaced that of TAFE. The publicly funded TAFE system, while still the largest provider of training, is no longer the only recognised training provider. Head Offices no longer deal exclusively with TAFE. Now they are State Training Agencies and promoters of an open training market. They are concerned with other VET providers too. A fundamental theme of the evolving VET environment is the change from a supply-driven, product/process-oriented system to a demand-driven, client-oriented system.

This project asked Agencies how the functions of marketing and market segmentation are positioned within the evolving VET system. The summary information provided here about each State is based on the written responses to information requested, and on the position papers and information exchanged at the National Workshop.

Reflecting the changes in the sector, all States/Territories have over the last few years put in place organisational structures which separate the delivery of public-funded training (TAFE) from the management of VET (State Training Agency). While each State has its own unique structure, which in turn affects its strategic marketing and market segmentation activities, there are commonalities across States. These include:

1) separation of public sector training delivery and broader VET management functions;
2) devolution of delivery and operational decision-making to TAFE colleges/institutes, in varying degrees; and
3) a continued close-working relationship between the State Training Agency and the publicly-funded TAFE system, in spite of the above.

These common structural features are underpinned by a commitment to move from a supply-driven, historically-funded, monopolistic training system, to a demand-driven, responsive and competitive system.

Australian Capital Territory

The State Training Agency is the Vocational Education and Training Authority whose principle planning effort is the development of the State Training Profile. The Profile is used to determine training priorities and client target groups; current priorities are ATSI people and small business. A wide range of data is used to develop the profile: ABS demographic and financial statistics, AVETMISS client data, TAFE and private provider data and information from Industry Training Advisory Bodies. The Authority employs an officer who undertakes publicity and promotional activities such as management of the Training Excellence Awards, function and event management, speech writing and media publicity.
With a fairly homogeneous population of 300,000 people in a concentrated geographic area, one major TAFE campus, and a limited industry base, this small system uses informal, personal networking, as well as formal promotional activities, to increase community and industry awareness of the benefits of training. The current networking effort focuses on employers and providers, and while there has been no formal research, anecdotal evidence indicates that the Authority has been successful in improving the image of TAFE and VET within the Territory. At the provider level, the Canberra Institute of Technology (CIT) has a marketing section which promotes its own courses and services, as do private providers in the ACT.

**New South Wales**

*(The department responsible for training in NSW has recently undergone restructuring. Information provided for this project was current at January, 1996).*

The Department of Training and Education Co-ordination (DTEC), is the State Training Agency in NSW and is responsible for policy, planning and resource allocation in the sector, as well as development of the State Training Profile. The profiling process draws on statistical analysis, use of economic indicators, equity plans and wide ranging consultations in order to identify broad priorities for industry and target groups. Its primary marketing role is to raise awareness about the changes in the VET system. To assist with this task, the State Training Agency has developed TRAIN (Australian Training Information Network), an electronic information service which is available free via facsimile or the Internet (see Exhibit 1).

NSW has a peak TAFE body, formerly the NSW TAFE Commission, which manages TAFE institutes as a ‘system’. Part of its role is providing centralised corporate marketing services, in cooperation with Institute Marketing Managers, and includes the development of policies and guidelines for pricing, corporate identity and advertising. A TAFE brand has been developed and a number of small scale market research projects have been conducted. For the past three years, the Corporate Marketing Group has used a segmentation typology based on the work of the business strategists, Gattorna Chorn. This typology switches the emphasis from the product to the client by segmenting the market on the basis of ‘buyer logic’. (The typology is discussed in more detail in Chapter Three).

**Northern Territory**

The Northern Territory Education and Training Authority (NTETA) undertakes funding, policy and regulatory functions associated with the State's VET sector. It is a small department serving a sparse population dispersed over a large geographic area. Twenty percent of the population are Aboriginal, mainly living in remote communities. The development of the State Training Profile is the key strategy for identifying the market needs. The profiling process takes a needs analysis approach and training priorities are primarily driven by government and industry, though community service obligations are also considered. The profiling process draws on a range of data sources and information provided by four advisory councils and the Industry Training Advisory Boards. A user choice concept currently being piloted in remote Aboriginal Communities is also a potential source of useful planning information.
Exhibit 1:

**TRAIN – The Australian Training Information Network**

**What is TRAIN?**

*TRAIN* – The Australian Training Information Network is the vocational education and training sector’s latest, fastest and most powerful information tool.

It provides a summary of services and other pertinent information from many government and private agencies Australia-wide. This new service gives access to hundreds of vocational education and training topics in a standardised, easy to read two-page format.

While *TRAIN* does not intend to answer every question about the training reform, it is a starting point. Most importantly, it can provide reference points for more detailed information when needed, such as course or provider information.

*TRAIN* was initially established in NSW and contains information from that state, as well as information from national organisations. All states are currently developing their own information to be added to *TRAIN*.

**How TRAIN Works**

*TRAIN* is an electronically-based service which can be accessed in a number of ways:

**TRAIN Fax to Fax**

For fax machines with handset
1. Simply press ‘manual’ button
2. Dial 1902 261 031
3. Follow spoken instructions

For fax machines without a handset, refer to the fax operating manual to use manual mode.

Further assistance is available through recorded information by ringing 1902 261 040, or through the HELP LINE on (02) 212 4222.

**TRAIN on the World Wide Web/Internet Network**

Home page can be found at:
http://www.opennet.net.au/partners/bvet/train

**TRAIN on CD ROM**

*TRAIN* is also available on CD ROM – a valuable library resource. Subscription information is available from the *TRAIN* administration on (02) 252 3237 or at the address below. The information will be updated regularly as part of the subscription agreement.

*TRAIN* is administered nationally by the
NSW BOARD OF VOCATIONAL EDUCATION AND TRAINING
Level 24, MSB Tower,
207 Kent Street, Sydney 2000
(PO Box 5 Millers Point 2000)
Phone: (02) 252 3237  Fax: (02) 252 4301
Email: train@opennet.net.au
The Authority's marketing efforts to date have concentrated on raising awareness of its role in the changing VET system. Central promotional activities (e.g. Annual Training Awards) are undertaken by the publicity unit of the Department of Education by agreement with the Authority. The opportunity for expanding information provision through TRAIN is being explored (see Exhibit 1). At the provider level, marketing campaigns are localised and generally segmented by geographic location or specific course target groups.

**Queensland**

The Vocational Education Training and Employment Commission (VETEC) is responsible for determining training policy, allocating government training funds and for monitoring the State's VET system. The role of VETEC is supported by its operational arm, Training and Employment Queensland (TEQ). The State Training Profile is used as both a strategic and a resource allocation tool. The profiling process is informed by departmental and provider statistics, labour market data and industry advice (via the Industry Training Advisory Boards), as well as research and regional consultations undertaken by the Commission.

The Public Relations Unit sits within TEQ and is responsible for promoting the benefits of VET and Commission activities. The key promotional activity is the Queensland Training Awards which are conducted on a regional basis. There is also targeting of major stakeholders, employers and key growth industries, via direct mailing of bi-monthly newsletters, about the benefits of training. System-wide, there is a strong employer focus and active promotion of an open training market.

Each of the sixteen TAFE Institutes have active marketing units which are responsible for promoting both the TAFE Queensland corporate brand and their own institute brand. Corporate Marketing Services within TAFE, Queensland, produces the TAFE Handbook on behalf of institutes, monitors strategic marketing initiatives, and promotes the TAFE Queensland statewide network. Targeted marketing of individual clients occurs at the provider level, and is not undertaken by VETEC/TEC.

**South Australia**

The Minister is the State Training Agency and is advised by the Vocational Education, Employment and Training Board. The Department for Employment, Training and Further Education (DETAFE) undertakes development of general policies, procedures and priorities on behalf of the State Training Agency and is responsible for establishing broad priorities and target groups via the State Training Profile.

The DETAFE Marketing Branch undertakes generic and campaign promotions, provides key event management and coordinates the TAFE Marketing Network. Generic activities involve promotion of the TAFE brand and delivery of central information services, while campaign promotions are often undertaken in conjunction with providers. Both ABS and AVETMISS data are used to analyse existing and potential VET clients.
Marketing is a major DETAFE priority in 1996, as is the undertaking of more detailed research about factors influencing clients' course selection, effectiveness of marketing methodologies and mediums, and best practice in generic target marketing.

Tasmania

The State Training Agency in Tasmania is the Department of Vocational Education and Training (DVET). The department, through its Planning and Training Operations divisions, manages the VET system. The Planning Division is responsible for the development of the State Training Profile and draws on a range of industry and provider data. The small numbers of public and private providers and limited numbers of potential students have allowed a cooperative approach to the competitive training market. The goal is to provide individuals with quality training choices.

The Marketing and Communications Branch (within the Training Operations Division) is responsible for marketing the VET sector, including TAFE providers. DVET publishes a course directory which includes courses offered by all registered providers, including TAFE institutes. The marketing coordinators at the four TAFE institutes have formed a marketing network which commissions research and undertakes marketing activities jointly.

The Research Branch (within the Planning Division) undertakes research on behalf of TAFE providers. The subjects of research have included issues for mature age students; barriers to enrolling in TAFE; and perceptions of TAFE by school leavers.

Victoria

The State Training Agency is the Office of Training and Further Education (OTFE) which determines a broad strategic policy framework for the operation of the VET system within the state. The five major strategic focuses are managing the changes occurring in the system from TAFE to VET; from supply to demand; from activity to outcome; from quantity to quality; from control to devolution. Currently, Victoria is the only state with a legislatively devolved VET provider system. OTFE is responsible for development of the State Training Profile and produces the annual Industry Training Priorities document for training providers. This document comprises analysis of economic, demographic and labour market factors likely to influence the year in question, as well as industry and further education priorities for funding of VET.

OTFE has a dedicated marketing branch with responsibility for domestic and international markets. Its role is promoting the TAFE brand as well as providing centralised information services for clients and marketing support to providers. The OTFE Marketing and International Operations Branch is in the process of developing a marketing strategy which seeks to define the role of a state VET marketing function within a devolved system. The Branch also promotes best practice in marketing at the local provider level and has commissioned consultants to develop a practical manual on market research methodology. This research has identified a range of marketing needs for both public and private providers. There has also been research which investigated industry responses to the changes in the sector and perceptions of training. This research indicated that the individual employee played a critical role in determining outcomes.
Western Australia

As the State Training Agency, the role of the Western Australian Department of Training is the cost-effective management of the State's vocational education and training system. The department's strategic directions are achieved through the implementation of competitive tendering processes and a quality assurance framework. It is responsible for the development of the State Training Profile which contains information from a range of sources, including: analytical models and statistical data about the labour market and industry requirements, College trend information which contains data about individual client needs, advice from Industry Training Councils, regional training needs and the department's own Strategic Plan. Consultations with disadvantaged groups are undertaken to determine specific community needs. The Quality and Review Division has undertaken state-based employer and student satisfaction surveys which contribute to the planning and quality assurance processes.

The Community Relations Unit develops appropriate promotional material to attract clients to TAFE courses. Recent target groups were school leavers (full-time courses) and people in the workplace (part-time courses). The Unit produces course directories and undertakes state-wide advertising campaigns on behalf of TAFE and the four publicly-funded independent colleges. Legislation is currently being developed to enable TAFE colleges in Western Australia to operate autonomously. Western Australia is the only state to have developed a VET logo for departmental publications, which indicates the central and broader role of the department across the whole sector (see Exhibit 5).

1.3 Commonalities Across States

In terms of marketing and market segmentation, the following generalisations can be made about the States' current positions:

- **All states are committed to developing a client-focused training system**
  The commitment of Agencies to the concept of a 'client/customer focused approach to training was mentioned in each of the states' position papers.

- **Industry is a VET client, but individuals are important too**
  All Agencies identified industry as a key client and the 'end-user' of training, but also included community and individuals (students) as important clients. Other important clients cited in position papers were government, employers/enterprises, and training providers.
- **Strategic planning functions are dispersed throughout departments**
  Agencies determine priorities and policy direction usually as the result of a combined research and planning effort of a number of branches, units or divisions. The information considered during the planning process comes from a range of sources and includes labour market analysis, economic and demographic trends and forecasts, industry information (e.g. Industry Training Plans), community consultations, and TAFE provider information about students and courses (e.g. college profiles). The State Training Profile represents the principal planning effort in most states.

- **Priorities and broad participation targets are established centrally**
  Agencies document broad participation targets and priorities in policy statements, strategic plans and the State Training Profile. The selection of target groups is based on government and ANTA priorities, labour market and industry demands and community service obligations.

- **Market segmentation tends to be based on traditional client target groups or course types**
  School leavers and 'disadvantaged' groups (women, ATSI, NESB, people with disabilities etc.) are the most commonly targeted segments. Some States identified members of particular industry types or business sectors (e.g. information technology, automotive industry, small business) as market segments. The other widely used bases for market segmentation are by course type (e.g. full-time/part-time, mainstream/fee-for-service) and geographic region. A different approach has been taken in NSW which uses a typology based on 'market logics' or buying behaviours as the basis for segmenting the market. (Details of the NSW segmentation methodology are provided in Chapter Three).

- **Marketing activities are mainly promotional in nature, and TAFE focused**
  Agencies mainly provide generic promotion of TAFE and the TAFE 'brand'. Most Agencies have a specific unit or branch responsible for promoting/publicising/marketing TAFE and the Agency. The exceptions are Queensland and New South Wales, both of which have separate departments which are responsible for promoting TAFE. The promotional activities undertaken usually include event management, award presentations and the production of generic advertising and such materials as brochures or course directories on behalf of and in cooperation with TAFE colleges or institutes. Some Agencies provide a coordinating role for marketing activities conducted by TAFE college or institutes.

  To date, there has been limited promotion of the concept of VET to individual clients, though Queensland has targeted employers in 'benefits of VET' awareness-raising campaigns, both Victoria and Tasmania have included registered private providers in their 1996 course directories, and Western Australia has developed a VET logo which appears on departmental publications. The establishment by NSW, of an electronic information service, TRAIN, is considered an important initiative in marketing VET nationally (see Exhibit 1).
• **While Agencies promote TAFE generally, individual providers promote specific courses and campuses**

In contrast to the central marketing and information functions provided by the Agencies, which is generic and includes all TAFE providers, the primary marketing task for individual TAFE providers is to attract sufficient clients to fill places in particular courses. Consequently, marketing activities at the provider level are focused on and relate to specific training courses. Providers also market their own colleges or institutes to differentiate themselves amongst their competitors, including other TAFE colleges and institutes.

• **Limited evaluation of individual client satisfaction or outcomes**

Other than participation in the National Graduate Outcomes (1995) and Student Satisfaction surveys, Agencies did not report having undertaken research to evaluate training outcomes for individual clients. National and state findings were considered useful, but small sample sizes made analysis of disaggregated data less meaningful (e.g. data analysed at course level or by client groups). Western Australia is an exception to this, having undertaken its own Student Satisfaction Survey in late 1995, in cooperation with TAFE providers. It was noted that module completion data is now collected nationally as part of the AVETMISS student and course information.

• **Limited market research about existing or potential individual clients**

Agencies did not report having undertaken market research specifically about potential or existing clients. Tasmania was the exception, having undertaken three research projects on behalf of TAFE college marketing coordinators. The research targeted mature age students, school leavers and 'enquirers-who-did-not-enrol.' Nevertheless, there are significant amounts of research available regarding disadvantaged groups. Agencies also reported using demographic and provider-based student data as part of their planning function. Some States also cited the national research, *The Changing Face of TAFE* (KPMG Management Consulting 1993), which explores perceptions of TAFE, particularly those of school leavers, existing students and their influencers.

• **Limited distinction in marketing mediums for different individual client target groups**

In most cases, the types of marketing mediums and methods of information dissemination used by Agencies did not vary greatly between target groups, that is similar mediums and messages were used for school leavers, women, ATSI and others. One exception is the NSW TAFE Commission publication, *The Right Choice*, which specifically targeted school students in Years 10-12 (see Exhibit 2). Most marketing campaigns consisted of a range of mediums including static displays at expos or shopping centres, newspaper advertising, radio, television and face-to-face presentations. NSW has developed *TRAIN*, which is an electronic information service accessible via facsimile and the Internet.
An important aspect of target marketing is determining an appropriate message and communication style to reach and motivate the selected target market. The photograph pictured below formed the basis of a generic TAFE marketing campaign in New South Wales in 1996. The avant-garde campaign was targeted at people aged between 19 and 25 years. The campaign was highly visual and included television advertisements, as well as print media. The images imply that TAFE is innovative and sensitive to client lifestyles. Anecdotal evidence indicated that the campaign was very successful with the intended target audience.

A very different publication, entitled The Right Choice, was used to target school leavers. The Right Choice, which was distributed through NSW high schools, was more conservative and instructional in style and featured the comments and reflections of current TAFE students about their courses.

Similarly, the Canberra Institute of Technology used different language styles and media placement to reach their various target audiences. Based on advice provided by a marketing consultant, messages for young people were short and to the point and circulated via schools, music shops, nightclubs, entertainment venues and universities. Messages targeting public servants used bureaucratic language and emphasised flexible delivery modes and opportunities to upgrade skills, whether for promotion or for leaving the public service.
CHAPTER TWO
A Commentary on Marketing and Market Segmentation in the VET Sector
by Dr Rob Donovan

The last chapter provided a general overview of current practice by State Training Agencies with regard to their marketing and market segmentation practices. As part of a national workshop held in January 1996, an independent marketing specialist, Dr Rob Donovan, Associate Professor at the Graduate School of Management, University of Western Australia, was invited to provide expert commentary and analysis of these marketing practices. Dr Donovan's observations are presented here.

The comments provided here firstly present an overall, but necessarily simplified view of the VET sector in order to show where the principles and practices of marketing are most applicable. A more detailed overview of the major marketing principles is then presented, including a discussion of market segmentation. The point is made that there are a number of levels or bases for segmentation depending on the purpose of segmenting, and that most attempts at marketing segmentation are a combination of segmentation for marketing management purposes and segmentation for marketing campaigns. A recognition of this distinction should clarify the practice of marketing segmentation in the VET sector.

2.1 A Simplified View of the VET Sector

Assuming that the primary legislative charter of the VET sector is to meet the skilled workforce needs of industry, Figure 2.1 provides a simplified view of the VET sector in terms of the major stakeholders. The circular configuration in Figure 2.1 demonstrates that the State Training Agencies link industry to the VET providers via industry councils or other peak bodies, and that the providers are linked to industry via the workforce participation in VET courses. The circular configuration shows that the information flows to determine industry skills requirements which are transformed by the State Training Agencies and the providers into specific products that deliver these skills to industry.

The VET sector per se, for the purposes of this analysis, is made up of State and Commonwealth planning and funding authorities, and course providers.

Figure 2.1 A Simplified View of the VET Sector

Source: Donovan 1996
Industry, mainly through industry councils and peak bodies, provides input to the VET planning authorities. Industry is the sector's end-client. Government is a funder and a client of the sector. However, it is acknowledged that industries that provide and fund their own training, also are part of the sector, as are private institutions who offer non-accredited courses. Courses offered for recreational or personal development, for the purpose of this discussion, are not considered vocational education and training, although it could be argued that some such courses may lead to employment, for example, computing or craft work courses.

Again in a simplified sense, it can be said that the VET sector operates, or attempts to operate in the following way:

Step 1: Using information on estimated workforce requirements from industry councils, student enrolment statistics and advice from providers, and cognisant of government economic and social policy, Agencies determine workforce skills requirements. These requirements are fairly broadly determined in terms of industry/occupational categories and numbers and prescribe which courses providers are requested to offer.

Step 2: The Agencies 'purchase' these courses and student numbers from VET providers. In most States, the majority of courses are purchased from the TAFE institutions; but increasingly, private institutions are being invited to tender, either in open competition with the TAFE institutions, or for a certain set of courses tendered only to the private institutions.

Step 3: The Agencies and providers then attempt to attract sufficient students to enrol in, and complete, these courses so as to meet industry’s workforce needs and government policy. Some of these students will be obtained by direct representation to individual employers, but most voluntary students must be attracted to the courses. A further point is rather than merely filling the courses, the enrolling students should have the goal of entering or continuing in those particular industries and occupations identified in Step 1.

Notwithstanding that a client orientation should permeate all aspects of the sector, the major role of marketing is to attract a sufficient number of appropriate students to enrol in and complete such courses so as to meet workforce requirements.

It should be noted that marketing efforts do not finish with the student’s enrolment; they must continue until completion, and preferably, for those not in the workforce or in a non-skilled job, up to placement in the workforce.

The major questions to answer are in relation to the marketing responsibilities of the Agencies vis-à-vis the providing institutions vis-à-vis industry bodies, and perhaps even individual employers.

2.2 Marketing Defined

The word ‘market’ has several – but related – meanings, and variations across disciplines. This may be confusing in introducing the discipline of marketing to the VET sector where the economics discipline terminology has dominated (e.g. the ‘labour market’).
In common language, a ‘market’ traditionally was the place where producers gathered to exchange their products with purchasers, in other words, the marketplace. Purchasers could be either other producers, resellers or consumers. The exchange could be by barter or by transaction of money. The discipline of marketing is very much based on this concept, with virtually all definitions of marketing referring to the management by sellers of this basic exchange process. A ‘market’ is most commonly referred to as the aggregation of all current and potential users for a product or service.

While early definitions of marketing emphasised commercial transactions and organisational profit goals, the application of marketing principles and practices by non-profit organisations and government departments of all sorts, has led to the American Marketing Association widening its 1960 definition of marketing, ‘the performance of business activities that direct the flow of goods and services from producer to consumer’ (American Marketing Association 1960, p.15), to include all sorts of exchanges, including ideas, in 1985.

Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational objectives (American Marketing Association 1985, p. 1).

Marketing can be viewed in a number of ways:

- **Marketing as a discipline** is a body of knowledge informing marketing management and strategic planning. It draws on concepts from several of the behavioural sciences, such as economics, psychology, sociology, anthropology, operations research, mathematics and communication. It includes several sub-disciplines such as advertising and sales promotion, consumer behaviour and market research. This body of knowledge, its conceptual frameworks and analytic and research tools, are then applied differentially in specific areas such as industrial or business-to-business marketing, ‘fast-moving-consumer-goods’ marketing, international or cross-cultural marketing, export marketing, and, most recently, social marketing (Donovan and Owen 1994).

- **Marketing is a ‘philosophy’** or attitudinal approach to doing business. In fact, what all successful marketers have in common is not their education in the discipline of marketing, but a genuine concern for their customers. The philosophy of what is called ‘a marketing orientation’ as distinct from selling or product orientations is that customer needs drive the business and that organisational goals (i.e. profits in the commercial sector) are met via customer satisfaction. In a real sense then, adoption of a marketing approach implies adoption of a consumer orientation. This orientation is demonstrated not just in product development to meet consumers’ underlying needs, but also in pricing, packaging and distribution decisions in accordance with consumer habits, aspirations and expectations. It is this aspect of marketing that is most difficult for commercial organisations to diffuse throughout the whole organisation; it is probably doubly difficult for public sector organisations.
Marketing Management is the function of developing and delivering products and services to customers. It involves such things as assessing customers' needs, and then developing, pricing, packaging, distributing and promoting products and services to meet these needs better than competing products and services for a sufficient number of customers for the organisation to make a profit.

Strategic Marketing is the longer-term planning function of marketing management. It involves assessing environmental trends, analysing competitors' current and anticipated actions, and setting goals and operational objectives for the marketing function that are consistent with, and contribute to, achieving the organisation's overall corporate goals.

Adopting Marketing Practices and Principles

Marketing can be partitioned into practices and principles. The adoption of marketing practices by the government sector has expanded rapidly in the past two decades. However, the government sector's adoption of the principles and philosophy of marketing has lagged far behind. While many government organisations have carried out advertising campaigns, market research of various sorts, incentive programs and so on, they have not fully adopted a consumer orientation, for example readability levels of brochures; office hours; or waiting times. While marketing managers can be appointed and customer services departments can be created, changing the culture of an organisation from a product orientation to a consumer orientation is very difficult. Nevertheless it is essential as Piercy (1991) notes, the most important marketing tasks are not necessarily carried out by a specialist marketing department or person, but by those interacting directly with the customers.

2.3 A VET Sector Marketing Structure

In the consumer goods sector, the products produced by the manufacturer are based on identification of the needs of consumers (buyers) and generally sold unchanged by retailers to consumers. That is, in the commercial sector, intermediaries primarily facilitate delivery to the end consumers. Intermediaries do not consume the products themselves, but simply provide physical storage and channelling of the products. However, retailers do have needs that the producer must meet, such as packaging that facilitates stacking and display, timely delivery, and delivery in good condition. This simple model is shown in Figure 2.2. Information flow for product development or modification, packaging, or pricing goes from the consumer to the manufacturer.
The VET sector marketing structure shown in Figure 2.3 differs in several important ways from the simple commercial structure:

- there are two levels of consumption: providers produce and deliver courses to voluntary students, who, in turn deliver these skills to industry via employment;
- providers are both manufacturers and retailers;
- there are several clients: Agencies' clients are government and industry; providers' clients are Agencies, individual employers and voluntary students;
- voluntary students are both buyers and resellers: they purchase products (courses) that provide them with skills, and then on-sell these skills to employers, that is they are 'value-added' intermediaries;
- the content of providers' products are not based on their direct customers' needs, but on their indirect clients' needs; nor do providers have total control of pricing. However, they do have control over product delivery and other elements where they can demonstrate a marketing philosophy and apply marketing principles and practices.

The 'end user' in the commercial sector is the consumer. In the VET sector, the end user, by definition, is the employer. Delivering courses direct to individual employers can be considered a model where the manufacturer bypasses the retailer/reseller and deals directly with the end user i.e. 'factory direct' (Figure 2.3).
The position of the intermediaries in the VET and commercial sectors is quite different. In the commercial sector, the manufacturer’s product remains unchanged by the retailer. The voluntary student sector more closely resembles that of a ‘value-added’ intermediary in the industrial goods sector. These student intermediaries not only have a vastly more complex set of needs than do commercial retailers, but in the commercial sector, both manufacturers and retailers have a far more congruent view of the end-users’ needs and levels of demand (i.e. estimated sales), and very clear views of their respective roles in the marketing process.

The VET sector is further complicated by the funder (government) – purchaser (State Training Agency) – provider model, and by the government as an additional client. What needs to be determined is the relative role of the State Training Agency and the provider in promoting courses and ensuring that the courses are appropriately subscribed. There also may be a role for industry to promote those occupations for which there is insufficient demand.

The view of students as resellers emphasises the essential nature, or goal, of VET as distinct from ‘community education’. VET courses are purchased with an external motivation in mind, a means to some pragmatic end. On the other hand, community education courses are purchased, supposedly, for the actual experience or enjoyment of the course per se.
This is further reinforced in that community education courses are not examined while accredited vocational training is examined and recognised by certification. Of course, from the market's point of view, that is all current and potential individual clients, this distinction between courses may not be apparent. For example, the Western Australian TAFE Adult Community Education courses advertised in newspapers include such areas as Business and Finance, Computing and Electronics, Metalcrafts and Metalwork and Office and Secretarial skills.

2.4 The Three Basic Principles of Marketing

There are three basic marketing principles which will be discussed to assist in determining the role of marketing in the VET sector. These principles are:

1. The principle of differential advantage: an analysis of the marketer's resources versus those of the competition.
2. The principle of customer value: the notion that all elements of what is called the marketing mix (i.e. the product itself and its price, promotion and distribution) contribute to the perceived value of a product.
3. The principle of selectivity and concentration: the notion that an organisation should identify, select and concentrate on one or more segments of the market in which it has a differential advantage in delivering customer value.

The intersection of the three principles is shown in Figure 2.4. The intersection between two of these dimensions is illustrated in Figure 2.5.

Figure 2.4 Three Basic Marketing Principles

![Diagram showing the intersection of differential advantage, customer value, and selectivity and concentration]

Source: Donovan 1996

Figure 2.5 Interface between Customer Value and Selectivity and Concentration

<table>
<thead>
<tr>
<th>MARKET MIX</th>
<th>SEGMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>(a)</td>
</tr>
<tr>
<td>Place</td>
<td>(b)</td>
</tr>
<tr>
<td>Promotion</td>
<td>(c)</td>
</tr>
<tr>
<td>Price</td>
<td>(d)</td>
</tr>
</tbody>
</table>

Source: Donovan 1996
These three principles, coupled with a commitment to primary and secondary research, an awareness and monitoring of the environment (economic; political; technological; socio-cultural etc), and a strategic-planning time dimension, constitute a marketing framework. In particular, a commitment to research is a necessary prerequisite to a marketing orientation.

2.4.1 Principle of Differential Advantage: The Company Versus the Competition

This principle requires the organisation to assess its strengths and weaknesses, both in an absolute sense and relative to the competition, in terms of meeting the needs of various segments. The aim is to identify for which market segment(s) the organisation can produce and deliver products or services more cost-effectively or in some other way better than the competition. In the case of VET then, the question arises as to who or what is the competition? To answer the above, we must first answer the question, ‘What business are we in?’

What business are we in?

VET is in the business of ...

One perspective ...

(a) Providing the community, and, more specifically, industry with an appropriately skilled workforce specified with respect to numbers and occupation or industry type.

A wider perspective ...

(b) Increasing the overall skills level in the population such that Australian industry can more effectively compete in international markets and hence deliver the desired standard of living benefits to the whole community.

An individual perspective ...

(c) Providing individuals with the skills, qualifications and/or knowledge to perform specific tasks within various industries, and hence to enable their participation (employment) within various industry sectors.

And a last perspective ...

(d) Providing access to skills training to members of disadvantaged groups – and hence to enable their participation in the workforce.

A consideration of the above leads to the conclusion that the VET sector is in the jobs business, and, more specifically, in the skilled jobs business. All of the above appear in various forms in the States’ and Territories’ position papers, often in terms of defining their clients or their various markets.

Industry, government and the community require appropriately skilled workers in a timely supply for optimal productivity, efficiency and international competitiveness. That is, individual employers require the VET sector to produce, at the appropriate time and in appropriate numbers, workers able to handle tasks effectively. In a sense, VET is given ‘quotas’ to fill within particular areas within particular time frames.
The Task of the State Training Agency

The Agencies' tasks then are:
1. Assess the skills needs of industry;
2. Develop ‘physical’ products (i.e. courses) that provide these skills; and
3. Attract sufficient numbers of individuals to these courses so as to 'fill the quotas'.

Tasks 1 and 2 involve marketing to industry; tasks 2 and 3 involve marketing to individual employers and to individuals (see Figure 2.6).

Figure 2.6 State Training Agency Tasks and Type of Marketing

<table>
<thead>
<tr>
<th>TASK</th>
<th>TYPE OF MARKETING</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Assess industry needs</td>
<td>Classical marketing orientation re industry (and Govt.)</td>
</tr>
<tr>
<td>2. Develop products</td>
<td>Classical marketing orientation re product content (Industry needs). Customer orientation re course delivery (Student needs).</td>
</tr>
<tr>
<td>3. Attract students</td>
<td>Customer orientation in terms of promotion, pricing and location (Student needs).</td>
</tr>
</tbody>
</table>

Source: Donovan 1996

For tasks 1, Assessing Skills Needs, and 2, Developing Product Content, marketing is 'compulsory'. It involves an assessment of industry's labour force needs and hence follows the classical definition of the marketing concept of developing products based on customers' needs. The basic physical products (e.g. hospitality courses; apprenticeship programs; skills certificates) are determined by industry and wider community needs, not the needs of individual consumers. The major assumption in terms of VET courses is that individuals' needs (to have a skilled job) are matched by industry needs (to have a skilled worker) – the macro level. Some mismatch between industry's determined needs and individuals' needs might occur where industry occupation requirements are far ahead of individuals' awareness and understanding of new or changing occupations – the meso-level, or where socio-cultural attitudes to various occupations are changing. There may be a need in some cases for promotion of occupations to precede or accompany promotion of specific courses. There is probably more potential of mismatch at the actual course level in terms of accessibility (the micro level).

For task 3, Attracting Students, marketing in this area represents an opportunity to go beyond just a selling orientation. It does not include an opportunity to develop product content based on individuals' perceived needs, but rather the opportunity for a customer orientation in the pricing, promotion, distribution and product augmentation decisions by making the existence of the courses well known and accessible, achievable and attractive in terms of perceived benefits.

Who is the Competition?

If the VET sector is in the jobs business, competition exists in a number of forms:
- The sector competes with attitudes towards 'work' and the role of work versus other life choices. For example, some individuals prefer to receive unemployment benefits rather than work; some individuals prefer unskilled work, perhaps because of lower responsibilities; some individuals are content to remain at a particular skill level even though they could advance further or contribute more with an advanced skill, because non-work interests come first.
The sector competes with the tertiary sector for those people who achieve sufficient, but not substantial, tertiary admission scores, and who see better income and social status opportunities via a university degree rather than a VET sector qualification.

The sector also must compete with occupations and courses that might be popular with students, but do not meet industry and government workforce requirements.

The sector courses compete with all other promoted activities for the individual's available time: leisure and recreational pursuits; media and entertainment industries; and non-VET courses offered for personal development or recreation.

Analysing the competition generates a number of points for consideration when planning marketing campaigns:

- What are the benefits provided by alternatives? How can these be countered?
- What are the barriers to participation?
- What awareness/ignorance, beliefs/misperceptions, attitudes towards VET and the various providers (especially TAFE) exist that facilitate/inhibit participation?
- How are the competitors promoting themselves? Are they effective? Can we emulate their successes?

2.4.2 The Principle of Customer Value: The Marketing Mix

There are two related points to note here.

It is the whole marketing mix, not just the product itself, that provides customer value. That is, the marketer not only offers an actual product, but provides a ‘bundle of benefits’ comprising elements of the whole marketing mix. For example, the product may be offered in a range of ways; various sizes, packaging types; with a different range of features; various payment terms may be available (e.g. credit card, monthly terms, discounts for cash); distribution may be to many locations or few; ease of access may vary (e.g. parking, opening hours; telephone ordering); there may be differing brands or corporate image (e.g. prestige, bargain hunter, achiever); and, it may be offered with attractive incentives (e.g. ‘freebies’ or sweepstakes).

In the VET sector, accessibility (e.g. location, times), affordability, ease of enrolment and payment, and classroom delivery features (e.g. lecture style and quality) would be major components of customer value. These constitute the major areas of opportunity for ensuring sufficient numbers of appropriate students are attracted to the sector's courses, and then continue to complete these courses.

A major current deficiency appears to be the minimal follow-up of students who do not complete courses. ‘Drop-outs’ represent a waste of resources. Follow-up of non-completers may reveal that the promotional messages were inappropriate (e.g. expectations not fulfilled), or that course delivery was perceived to be sub-standard or inappropriate, or that the student found a job.
An understanding of the customer’s motivation for buying a product is essential. While the above emphasises that all elements of the marketing mix are more or less important (and hence suggests where there might be barriers to purchase or repeat purchase), the second point focuses more on the product component and customer needs — that is, motivations for purchase. There are two classic expressions which illustrate this point:

‘The customer bought a 1/2” drill; what they really wanted was a 1/2” hole’. (Theodore Levitt, Harvard Business School Professor).

‘In the factory I make cosmetics; in the (drug) store I sell hope’. (Charles Revson of Revlon Cosmetics).

The point is that people buy products, not so much for the product per se, but for what the product can do for them: ‘What you buy is toothpaste; what you want is fewer dental bills’. Products are a means of achieving benefits that meet consumers’ underlying needs. In most cases, there are different groups of people (segments) who buy different products, or different brands of the same product, to achieve different ends:

- What you buy is Dental Floss; what you want is healthy gums.
- What you buy is Fluorigard toothpaste; what you want is fewer cavities.
- What you buy is Macleans toothpaste; what you want is whiter teeth.

In some cases, the same product is bought for different purposes:
- What you buy is a course in computing; what you want is to change jobs.
- What you buy is a course in computing; what you want is to get a job.

In other cases, different products are bought for the same purposes:
- What you buy is a course in computing; what you want is to change jobs.
- What you buy is a course in metalwork; what you want is to change jobs.

By focusing on motives or benefits, different socio-demographic groups can be reached via the same messages, and different groups of products can be aligned under the same messages.

The previous two points lead to the question: just what is it that an organisation is offering? What is a product?

What is a Product?

Kotler and Armstrong (1993) distinguish three aspects of what constitutes a ‘product’: the actual product — what the customer actually buys; the core product — why the customer wants the product; and the augmented product — additional incentives to buy.

- The actual, physical product is what the customer buys (i.e. knowledge, skills, certificate/diploma).

The VET sector’s actual product for government, industry and employers is an appropriately skilled worker (or workforce).

For students, the actual product is the course content and the certificate of competence.

- The core product is the end goal or underlying benefit(s) sought from the product (why the customer wants the product).
For industry, the core product is related eventually to profitability via such factors as competitive advantage, productivity and wider opportunities.

For government, the core product is the achievement of economic and social policy, which is related to ideological goals as well as to party campaign contributions from a satisfied industry sector, and to votes via the general standard of living enjoyed by the community and the satisfaction of various constituencies.

For students, the core product is the achievement of employment goals (e.g. to get, hold or change a job), and, eventually, to lifestyle goals (e.g. social status, material possessions, security). This is discussed in more detail below.

• The augmented product includes additional features that facilitate purchase, consumption or achievement of end goals. In some product categories where there is little to distinguish the actual and core products, competitive advantages are sought on augmented product features (e.g. some segments of the copier and computer industries).

For industry, this could include components of the courses that are not directly related to the specific skills component. This might include components related to computer literacy, wider technical knowledge or industrial law that facilitate other aspects of workforce management and management in general.

For government, this could include provision of special features that facilitate access by disadvantaged groups (e.g. culturally appropriate materials or special physical facilities).

For students, this could include child care facilities, a placement service, alumni or networking. Some of the universities' more recent activities provide good examples of competition via augmented product features, as do those of private providers (see Exhibit 3).

The Core Product for Students

The proposition above is that the VET sector's core product from an individual's perspective, relates to jobs. This proposition is supported by the consumer research presented at the workshop (e.g. NSW) and in the various States' and Territories' background papers. That is, when asked why they enrolled in VET sector courses, the following sorts of job-related reasons were given by individuals as end goals:

To get a job — any job!
To get a different job.
To get a better (paid) job.
To get a better (more challenging) job.
To get a more satisfying job.
To get a 'transferable' job/skill (i.e. employable across geography or industry).
To keep a job.
To do a job better.
To gain a prerequisite for another course or wanted job.
Exhibit 3:

Understanding and Marketing the ‘Whole’ Product

A product has three attributes: the actual product, the core product and the augmented product. It has been suggested that the core product in VET is JOBS. Many generic TAFE promotions show an acceptance of this as illustrated in the slogans cited below.

‘TAFE Is Working’ (Tasmania)  
‘TAFE- A smart career option’ (Victoria)  
‘TAFE Graduates Get Jobs’ (Western Australia)  
‘TRAINING THAT WORKS’ (New South Wales)

The two advertisements pictured not only identify that the core product is jobs, but also use product augmentation by offering additional services and benefits to clients, for example, job placement services which ensure the job is attained.

‘... the key is to deliver the promise that is being made in the promotional material. If the organisation does not deliver, then I would suggest that they will not survive in today’s market place.’

Michael Clugston, General Manager, Computer Power Training Institute in Melbourne
Many students in these research studies gave personal or recreational reasons for enrolling. This suggests that more effective targeting should be used to attract appropriate students, unless a wider perspective of the sector’s role (or ‘business’) is accepted with respect to creating a more skilled population—regardless of immediate use of these skills as desired by industry.

**The Value of a Job**

Having a job is one of the core values of Australian culture. ‘Having a job’ is seen as a necessary prerequisite to providing for one’s family and for gaining material possessions. Different sorts of jobs provide different levels of remuneration, different levels of personal challenge or effort, different personal rewards, and different levels of social status.

‘Having a job’ means ...
- An identity, a place in the social universe, a sense of self
- Security
- Challenge
- The facilitation of lifestyle choices
- Enjoyment
- Social interaction, a sense of belonging
- ...

The means to achieving these job goals is the acquisition of skills, which we can think of as enhancing, but not guaranteeing, the individual’s job prospects, that is not just getting a job, but getting the desired job. Having a skill, and the tangible evidence provided by a certificate or diploma, can provide associated benefits of self-esteem; lateral mobility across industries, organisations or geography; upward career mobility; and a sense of security.

It is these underlying reasons for enrolling in VET courses, and the benefits gained from achieving these job goals, that can provide the motivational message content for campaigns aimed at ensuring a sufficient number of appropriate students are attracted to enrol in VET courses.

**2.4.3 The Principle of Selectivity and Concentration: Market Segmentation and Target Marketing**

This principle states that, subject to resources and competitive activity, organisations should select and concentrate on those market segments where they can have a differential advantage: that is, where they can provide products that meet a segment’s needs in some way better than their competitors. This is target (or targeted) marketing.

The segmentation process, both for consumer and business-to-business marketing, involves three phases:
1. Dividing the total market into segments and developing profiles of those segments.
2. Evaluating each segment and selecting one or more segments to target.
3. Developing a marketing mix for each selected segment.

One of the major issues is the selection of the primary basis of segmentation in phase one, and the relevant profiling variables. These bases are generally well known (i.e. demographic, psychographic, geographic, purchasing or consumption behaviour or benefits sought). The overall guiding principle is that the segmentation must be actionable and must increase the efficiency.
of marketing resources. Commonly, segmentation takes place in two broad phases: segmentation to facilitate marketing management, and segmentation to facilitate marketing campaigns.

The bases for management segmentation are often geographic, demographic, or, for business-to-business marketing, industry type and size. The bases for campaign segmentation – which is then undertaken within each of the segments determined by management segmentation – are either benefits, psychographics or consumption behaviour (e.g. amount or situations).

Benefits (or needs/motives) segmentation is recommended as the primary basis for segmentation at the campaign level, whether for consumer goods (Haley 1984) or for industrial goods (Berrigan and Finkbeiner 1992).

Various benefit or benefit cluster segments can then be profiled with respect to such factors as demographics, consumption or psychographics. This methodology is consistent with what Rossiter (1989) has called ‘forward’ segmentation and with Sheth and Frazier's (1982) model for complex attitude change.

The Purpose of Marketing Campaign Segmentation

If different segments of consumers respond differentially to marketing interventions, then segmenting consumers improves the efficiency of resource allocation and optimises customer satisfaction. Consumer segments can differ in three ways – the three Rs:

- **Requirements.** Different groups of customers may have different requirements or needs. This may apply to the actual products or to the delivery or packaging of products (i.e. the augmented product).

- **Response.** Different groups, regardless of whether or not their basic requirements differ, may respond differently to different message styles (i.e. language, style, tone).

- **Reach.** Different customers can be reached via different media or other channels, regardless of, or in combination with their different requirements.

These three ‘Rs’ correspond with the three requirements for efficiently targeting consumers (see Figure 2.7):

1. A need to locate consumers (i.e. reach them with our messages). People can be located by a knowledge of their demographics, including work site and residential information, or their media/entertainment/leisure habits.

2. A need to communicate with them when they are reached (i.e. talk in an appropriate language and style and tone). To facilitate communication with people, an understanding of their idiomatic language, fashion/dress styles, icons, general attitudes, role models, lifestyles and values is important.

3. A need to motivate them with the content of the messages (i.e. show how the product can meet one or more of their requirements or relevant needs).
**Figure 2.7 Rationale for Segmentation**

<table>
<thead>
<tr>
<th>HOW SEGMENTS DIFFER</th>
<th>MARKETER’S TASK</th>
</tr>
</thead>
<tbody>
<tr>
<td>REACH</td>
<td>LOCATE</td>
</tr>
<tr>
<td>RESPONSE</td>
<td>COMMUNICATE</td>
</tr>
<tr>
<td>REQUIREMENTS</td>
<td>MOTIVATE</td>
</tr>
</tbody>
</table>

Source: Donovan 1996

Focusing on consumer needs (or benefit segments) is the fundamental segmentation basis because it determines product development on the one hand and the primary promotional message content on the other. Segmentation should begin here and then look at the other segmentation bases for profiling the segment and for determining marketing mix decisions.

Overall, markets are segmented to determine whether:

- different sub-groups have different motivating needs or sought benefits; if the answer is 'yes', then this would require different products, or different motivational messages in promotional communications for the same product;

- different groups respond differentially to various message executional elements; if 'yes', this would require production of materials differing in language, visuals, models, icons, or message executions 'neutral' to these variables; and

- different media channels are required to reach different sub-groups; the demographics and lifestyle interests of the major needs or benefits segments is likely to be a significant area of segmentation (e.g. age and gender differences in magazine readership).

**Campaign Segmentation: Motives/Needs/Benefits Sought**

The basic rationale of determining why users are using a particular product and then promoting these benefits to non-users, is that if users are using VET courses to achieve X, Y, Z ..., then showing non-users how VET courses can achieve X, Y, Z ..., for them, could attract usage. This implies that X, Y, Z ... are relevant to the targeted non-users. This can be ascertained by research asking non-users whether they ever considered X, Y, Z ..., and if so, what they did/or didn't do about achieving these objectives. Where negative attitudes or ignorance inhibit VET course enrolments, communication campaigns may still focus on primary motives, but include content aimed at changing the negatives.

For those who have never considered X, Y, Z ..., research can be undertaken to assess under what circumstances they might be motivated to achieve these benefits, and to determine attitudes to VET courses in terms of meeting these objectives. After eliminating 'hard to impact' and 'hard to reach' groups, campaigns can be aimed at stimulating consideration of those motives and of the VET sector as providing the means to achieve these goals.
Needs-based segmentation approaches follow logically ...

*Want a better job? Dissatisfied with your career prospects?*

... then demographics and lifestyle variables are considered for message executional elements (such as, images, colour, style, etc to be used) and media placement (that is, TV, radio, press, etc).

Attitudinal segmentation campaigns also follow logically ...

*If you thought TAFE was only for trades skills, have a look at these figures!*

*Employers don’t respect TAFE qualifications, right? Wrong!*

... then message executional elements and media selection are considered as above.

**Needs-Based Segmentation: Primary Needs/Benefits Sought**

VET actual products are the specific courses offered by TAFE and other providers. These can be classified into various industry and occupational categories, but can be viewed in the following way to assist in targeting:

- Obtain a first skill
- Maintain a skill (update)
- Obtain a higher level of skill (upgrade)
- Obtain a new skill (retrain)
- Obtain a related set of skills (multi-skilling)
- Obtain a prerequisite 'skill' for further education

This needs-based segmentation is based on the primary goal of the individual consumer (and on the needs of organisations). There is, of course, some overlap with products, since the same product can serve to achieve different goals for different individuals. The underlying goals for individuals for all of these skills objectives relate to jobs.

Focusing on these categories of skill objectives leads logically to consideration of various target groups:

**Obtain a first skill:** school leavers; unskilled persons in the workforce, formerly in or returning to the workforce; unemployed; socio-demographics with low skill prevalence – need to get a job.

**Upgrade or update a skill:** all occupations requiring certification; industries or occupations with changing technology or methods; individuals with high achievement motivation; under-employed – need to keep one’s job.

**Obtain a new skill (retrain, multi-skill):** all occupations with a declining demand or shift in skills demand; redundant workers; individuals seeking skills for career advancement, challenge, increased pay; under-employed; under-challenged; dissatisfied – need to get, keep, change or do better job.

A needs or benefits-based segmentation provides an umbrella positioning for all sorts of specific courses, and provides a direct message link via headlines, slogans and key visuals to attract the attention of the different target groups: ‘Is your current job boring you to tears?’ The same applies to communicating with individual employers with respect to their needs: ‘Is a lack of skills undermining your competitiveness?’
2.5 Positioning the Vet Sector

A persistent theme at the workshop related to the promotion of VET per se. Positioning is defined as creating in the consumer's mind the following:

X is the brand or type of ... (product category) that provides Y consumers (the target audience) with Z benefits (meets Z needs).

For example:

VET is the type of post-school non-university education and training that provides people in, or wanting to enter, the workforce, with skills that enable them to fulfil their occupational aspirations.

The question arises as to whether and how 'VET' per se can be promoted and by whom. At the moment, the sum total of sector promotions defines it in the consumer's mind. However, given the variations between individual providers' marketing communications (that is, brands, logos, style), the positioning of VET in the consumer's mind is likely to be fragmented rather than an integrated whole.

There is a need to provide some common theme, perhaps under the TAFE banner, or perhaps under a common name for institutions providing VET courses ('colleges'). This would distinguish them in one word from schools, universities, and pre-university institutions. Promotional themes relating to job needs could serve to provide a unified positioning for the VET sector.

2.6 Conclusions About Current VET Practice

The following conclusions have been drawn from the information provided by States and the analysis provided by Dr Donovan. They form the basis for further discussion examining the major issues impacting on the capacity of State Training Agencies to understand and attract potential individual clients to VET.

- **Individual clients are fundamental to the training market**

In the above analysis, Donovan contrasts a VET sector marketing structure with a commercial marketing model (Figure 2.3) and illustrates the complexities and the essence of the training system. In Donovan's VET sector model, individual clients are 'value added' intermediaries which can be viewed both as 'buyers' and 'resellers'. They are individual customers of training who on-sell their skills to employers. This model validates the view of industry as the end-client, but acknowledges the significant and fundamental role of the individual client within the training market.

- **Clarification of State Training Agency marketing role is the key task**

Donovan states that '... the major role of marketing in the VET sector is to attract a sufficient number of appropriate students to enrol in and complete such courses so as to meet workforce requirements.' He concludes that the important marketing questions to be answered by States are those regarding '... the marketing responsibilities of the Agencies vis-à-vis the providing institutions vis-à-vis industry bodies ...'. In other words, the key task for Agencies is to first clarify, (then to perform) their marketing role in the evolving VET system.
The marketing framework is not recognised in VET

Donovan defines marketing as a discipline and a philosophy, and distinguishes between marketing practices and marketing principles. He observes that the adoption of marketing practices in the public sector has been more wide-spread than the adoption of marketing principles and philosophy.

It is clear from the information provided by States that Agencies carry-out strategic planning and other marketing management functions. For example, Agencies assess the economic environment and customers' needs, and determine products to be delivered via development of a State Training Profile. They decide 'pricing' through establishment of fee structures and they promote generic products on behalf of providers. Often these management processes occur in isolation from one another, and, other than promotional activities, are not recognised or labelled as 'marketing' functions.

Marketing role delineation is necessary in a devolved VET system

Donovan stresses the importance of the whole marketing mix (that is all aspects of product development and delivery) which provides customer value. In the VET sector, Agencies and providers share responsibilities for ensuring 'customer value' is achieved. Agencies are responsible for funding particular courses (selected on the basis of industry advice and other relevant information) and for establishing fees to be charged for funded courses. Providers are responsible for delivery (and all that implies – time, location, delivery style, quality) and ensuring that funded places are filled. In order for the shared responsibility to be effective, marketing roles must be clearly delineated. Which aspects of the marketing mix can be effectively undertaken by Agencies centrally, and which aspects need to be devolved to providers at a local level?

Donovan states that maintaining a 'marketing orientation', that is a commitment to customer satisfaction, is probably the most difficult aspect of marketing as it requires the philosophy to be diffused throughout the whole organisation and every facet of its operations (for example, from user-friendliness of the admissions processes to the quality of the training provided). In the VET sector, Agencies have given a commitment to developing a customer-focus. This commitment has been made within a structure where responsibility for the management and delivery of training are shared between Agencies and providers. The partnership is not unworkable, but roles and boundaries of accountability require clear definition. Appreciation of this issue and the issue of product ownership will assist with determining marketing role delineation in the VET sector.
• **Reconsideration of VET competitors needed**

TAFE providers in devolved systems in some states are applying the principle of differential advantage in their marketing campaigns to distinguish themselves from their competitors, that is private and other TAFE providers. In contrast, the establishment of differential advantage is not as clear for Agencies. VET is diverse; it has been defined as everything between school and university, both of which are encroaching on VET ‘territory’. For this project, the definition has been narrowed to mean job-related training, but even this definition comprises a hugely disparate collection of courses and providers.

Donovan asks ‘What business are we in?’ and suggests that if VET is about the acquisition of skills for employment, then VET is in the skilled jobs business. Given this, schools and the tertiary sector are not the only competition for VET; VET must also compete with attitudes to work (for example, preferences by some for ‘unskilled’ work or for no work) and all other activities for a given individual’s available time (leisure, recreation and personal/family commitments). It is essential that Agencies and providers consider all competitors when developing marketing strategies for various client segments.

• **Appropriate market segmentation will assist States to attract potential clients**

The principle of selectivity and concentration (target marketing) is the basis of market segmentation and offers organisations the capacity to improve the efficiency of resource allocation and to optimise customer satisfaction. Donovan observes that States are not currently using market segmentation in this way, but instead tend to favour mass market strategies.

Generally speaking, the current practice in Agencies is to identify, as part of the strategic planning process, individual client segments requiring special attention. These targeted segments (for example, school leavers and disadvantaged groups) tend to be selected based on historical precedence and traditional understandings of the potential VET client base, rather than on segmentation methodology or current market research. While this type of segmentation may inform the planning process, it does not assist with attracting potential clients per se. In the context of a customer-oriented training system, it is fitting that Agencies and providers re-think their methods for determining and attracting potential individual clients.

• **Which Segmentation Method?**

Donovan states that there are many variables upon which to segment a market. ‘The overall guiding principle is that the segmentation must be actionable and must increase the efficient use of marketing resources.’

He recommends focusing on consumer needs (or benefit segments) as the preferred basis for segmenting the VET market, and suggests ways in which focusing on jobs will assist with developing effective marketing campaigns. In the following chapter, methods of market segmentation and their purposes are discussed with regard to their potential usefulness for State Training Agencies.
CHAPTER THREE
Market Segmentation and
State Training Agencies

This project distinguishes between the marketing roles of State Training Agencies, as managers of the VET system, and that of providers, particularly public providers, as training deliverers. Previous studies have dealt with the importance of marketing and market segmentation at the provider level (Chant Link & Associates (1995), TAFE Marketing Toolkit (1994), Klar (1994)). This chapter describes current practices and explores the potential for market segmentation methods to contribute to State Training Agencies' central management functions, for example the development of strategic planning tools, training resource allocation and system monitoring. Also considered is the capacity for market segmentation to contribute to campaign marketing at the central level, for example with the promotion of the 'TAFE' or 'VET' brand.

3.1 A Rationale for Using Marketing Methodologies

In the strict sense of the term, market segmentation is not practised by State Training Agencies. New South Wales has used, at a TAFE-system level, a segmentation methodology based on 'buyer logics' for business and individual clients. The NSW segmentation model is discussed in more detail later in this chapter. It is worth noting, however, that the NSW market segmentation was undertaken quite apart from the planning processes of the NSW State Training Agency. It was not part of the broad targeting processes which are considered the responsibility of Agencies and which contribute to determining training priorities.

The current 'broad targeting' approach is characterised by a top-down, process/system orientation which is influenced by requirements to meet agreed national reporting and planning arrangements. The objective of these reporting arrangements is to monitor system performance and promote system quality. On the other hand, market segmentation is a bottom-up, client-focused approach motivated by the desire to gain a better understanding of existing clients' needs, wants, and consumer behaviours in order to meet client demand and thereby attract more clients. Its objective is to ensure that organisational goals are met via customer satisfaction. The two approaches represent a subtle paradigm shift, the former being a 'supply' focus and the latter a 'demand' focus. The two approaches are not mutually exclusive, and each serves a different and important purpose.

In the true marketing sense, the purpose of segmentation is to fine-tune the match between products and clients, and to inform strategies to attract potential clients. It is the process by which 'niche' markets are identified and capitalised upon. State Training Agencies indicated that they saw their role as setting target client groups in broad terms, allowing providers to undertake the fine-tuning process. However, this report asserts that Agencies, as managers of the training system, have a responsibility to be as informed as possible about individual clients' needs, wants and training consumption behaviours. While Agencies may not require as localised an understanding as that required by providers, there is value in refining product/client match beyond the current broad targeting approach if the result is more cost-effective allocation of training funds.
The ‘User Buys’ Model

The Allen Consultancy Group (ACG, 1994) maintains that the ideal market situation is one where the purchasing decision is given to the ‘ultimate consumer’, which is a key rationale for the implementation of the ‘User Buys’ concept. ACG also acknowledge that, assuming ‘User Buys’ arrangements are eventually fully implemented for enterprises, there will continue to be situations where empowerment of ‘ultimate consumers’ is difficult, for example, for school leavers and people not currently in the workforce (1994, p.84). In other words, during the transition to a demand driven training market, and in some cases even after its full implementation, State Training Agencies will continue to purchase training on behalf of individual clients.

Value Chain Model

A value chain analysis of the training market presented at the project’s national workshop identified ‘meeting customer demand’ as the output to be delivered by State Training Agencies and ‘maximising return on investment’ as the outcome of meeting customer demand. (See Appendix Five). In Matheson’s value chain for the VET system, providers are ‘intermediaries’ between governments and individual students; they deliver successful completion of client-demanded training which is purchased by Agencies. Implicit in this model is the State Training Agency’s responsibility and accountability to individual students to ‘contract providers to deliver the right training in a cost-effective manner.

Marketing Model

Industry and enterprises have been identified by all states as the primary client of the vocational education and training sector. Donovan’s model of the VET market (Figure 2.3, Chapter Two) labels individual clients as the ‘value-added intermediaries’ who ‘buy and on-sell’ their skills to enterprises. As such, individual clients are fundamental to achieving the desired outcome of the VET system. While a number of mechanisms have been developed to provide input from industry and enterprises about their training needs, there has been less emphasis placed on incorporating the training needs of individual clients. The importance of seeking and interpreting client needs and wants and factoring them into the strategic planning and prioritising process appears to be a necessary ingredient to making informed training purchases.

Based on any of the above models, a case can be made for rethinking the significance of individuals in the training market. This project suggests that Agencies will make smarter purchasing decisions, that is more cost effective and efficient training purchases, if they have a better understanding of existing and potential clients.

3.2 Current Methodologies for Determining Target Groups

Although State Training Agencies do not practice market segmentation of individual clients as part of their management function, all States reported using various sources of information about clients and client participation as part of their planning and monitoring roles. Information sources used include:
Mapping the Training Market: Segmenting the Market for Individuals

- ABS population, employment and economic statistics;
- Provider data about students and course participation;
- AVETMISS or NCVER national client and participation data;
- Data supplied by Industry Training Councils about trainees/employees in particular occupations and industries; and
- Data gathered as part of consultations or surveys (e.g. consultations with special needs groups and satisfaction surveys).

As can be seen in Table 3.1 and Exhibit 4, the data sources already used contain a number of variables commonly employed for market segmentation. The majority of the data used by Agencies is demographic, though participation data describes behaviours such as products used and usage patterns. Information about desired benefits, and perceptions and attitudes about training products are provided through consultations and satisfaction surveys.

One of the segmentation methods explored as part of this project was based on AVETMISS data. The study profiled individual clients using age cohorts and gender as the primary variables for segmentation, producing seven major segments and 21 sub-segments. Each of these segments were then described in terms of other demographic variables, including Aboriginality, language spoken at home, prior educational experience and employment status, as well as participation patterns. The project also used ABS demographic and geographic data based on the 1991 Census to make comparisons between TAFE populations and the wider community. Summary findings are reported in the next chapter.

Table 3.1 Variables Commonly Used for Market Segmentation

<table>
<thead>
<tr>
<th>Category</th>
<th>Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic</td>
<td>Age, Gender, Employment status, Occupation, Income, Ethnic group, Level of educational experience, Stage in life (e.g. school leaver, retiree)</td>
</tr>
<tr>
<td>Geographic</td>
<td>Region (e.g. metropolitan, rural, remote), Locality (e.g. postcode, suburb)</td>
</tr>
<tr>
<td>Psychographic</td>
<td>Self-concept, personality, Lifestyle, Learning style</td>
</tr>
<tr>
<td>Behavioural</td>
<td>Products purchased and usage patterns, Benefits desired, Perceptions of and attitudes about products</td>
</tr>
</tbody>
</table>

Source: Adapted from Solomon 1992, p. 8

Use of such a segmentation methodology allows for much finer distinctions to be made about the performance of particular target groups with a potential for better targeting of training for ANTA targeted groups, mature aged students and school leavers.
The Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) offers a nationally consistent standard for the collection and analysis of vocational education and training information throughout Australia.

AVETMISS is designed to apply to all vocational education and training programs delivered by all training organisations except those programs which fall within the higher education and schools statistics collections. It therefore applies to those programs delivered by adult and community education, adult migrant education service, apprenticeships and traineeships, state TAFE systems and private providers of vocational education.

AVETMISS has been approved by Commonwealth and State Ministers and has been progressively implemented throughout vocational education and training during 1994, 1995 and 1996.

AVETMISS has been developed through the National Management Information and Statistics System (NATMISS) project. The project is guided by a nationally representative working party which reports to the Australian Committee on Vocational Education and Training Statistics (ACVETS).

The approved Standard encompasses the national reporting requirements of information related to students, curriculum and training organisations - the business of vocational education and training. The standard will be expanded to include information related to finance, physical resources and staffing - the resources of vocational education and training.

Potential Application to Marketing
- Knowledge of existing client base
- Knowledge of client preferences
- Consolidation of the existing client base
- Expansion of the existing client base

Client Demographics
- Gender
- Age
- Employment Status
- Ethnicity (ATSI/Country of Birth)
- School Qualification and Year Left School
- Previous Educational Qualifications
- Language (Language Spoken at Home/English Assistance Required)
- Disabilities
- Residence by Postcode

Curriculum
- Content (Field of Study/Discipline Group)
- Vocational Target by occupation type (ASCO)
- Qualification types and levels (Australian Standards Framework, Stream of Study, New Entry Level Training System)
- National accreditation

Other
- Providers type (TAFE, private, adult community education)
- Provider Location
- Delivery and Outcomes
  - Funding Source
  - Delivery Level (Student Contact Hours)
  - Recognition of Prior Learning Outcomes
  - Credit Transfer
  - Pass Rates

AVETMISS is a potentially rich source of marketing information.
Geo-demographics

Geo-demographics, the geographic representation of demographic data or ‘mapping’, has yet to be exploited to its full potential by State Training Agencies. Geographic representation can be used to better illustrate demographic patterns in relation to geographical reference points such as postcode areas. It also has the potential to be used in conjunction with ABS Socio-Economic Indexes for Areas which are life-style groupings of Australian communities. The groupings are based on five indexes which provide information about a range of socioeconomic factors pertinent to the determination of ‘advantaged’ and ‘disadvantaged’ groups. This information could assist the planning process at the agency level, and support decision-making about resource allocation for special groups. At the provider level, geographically-based client information could improve targeted campaign marketing.

3.3 Market Segmentation and Labour Market Models

One of the most valuable aspects of segmentation methodology for Agencies may be the capacity to use it in combination with methods already developed for determining industry needs such as the Victorian Labour Market Training Needs Model (Allen Consultancy Group 1994, p. 235) and the Western Australian Training Needs Model (Appendix Six). These models are designed to forecast the numbers and types of skilled workers required and therefore, determine the types and amount of training that need to be delivered and purchased by Agencies. They are seen as useful tools for managing industry-driven ‘shifts’ in the supply-side of training.

Using market segmentation methodologies, there may be a capacity to match potential clients with industry required training, that is to incorporate client needs, wants and behaviours into the existing models. A possible approach is to develop segment profiles of clients training in declining or no-growth industries, as well as those training in growth industries, with a view to identifying their demographic and participation characteristics. These profiles could be compared to profiles of potential clients and analysed in conjunction with information about anticipated changes in the wider population such as increases or decreases in the numbers of school leavers or increases in rates of overseas immigration. Market segmentation would assist with the management of the shifts in client participation required to meet the shifts in industry required training. The potential for combining labour market analytical models and marketing segmentation techniques merits further investigation.

3.4 TAFE NSW Segmentation Methodology

In NSW, TAFE providers are managed as a ‘system’. The system management role includes providing centralised corporate marketing services and establishing marketing strategy and policy in consultation with college/institute marketing managers. This occurs alongside, but apart from, the planning processes which contribute to the State Training Profile which are the responsibility of the Department of Training and Education Co-ordination (DTEC). This means that the marketing role undertaken at the system level in NSW is positioned between that of the Agency and providers.
Historically, NSW TAFE marketing managers used product-based marketing strategies which divided the market by product delivery mode or product funding, for example, full-time or part-time courses, fee-for-service or mainstream courses. For the past three years the Corporate Marketing Group has fostered the use of a segmentation typology based on the work of the business strategists, Gattorna Chorn. This typology shifts the emphasis from the product to the client by segmenting the market on the basis of 'buyer logic', that is taking into account customers' considerations for 'buying' courses. The following information is summarised from the national workshop presentation by Mr Robin Shreeve, of the NSW TAFE Commission.

A Market Logistics Typology

The market logistics typology of Gattorna Chorn is based on the work of Jung (personality types), Adizes (management styles) and Chorn (organisational cultures) and divides markets according to characteristics identified by buyer behaviours. Research undertaken by Gattorna Chorn reveals that various elements of market characteristics tend to cluster together, and that most markets can be described as a combination of the four key logic orientations: Product, Administration, Integration and Development. In addition, one of the four types usually dominates the other three, thus producing the dominant logic of the market segment. Further segmentation can be made by considering a secondary or tertiary logic if required. Table 3.2 lists the four market logics and their characteristics.

Table 3.2 Gattorna Chorn Market Logics

<table>
<thead>
<tr>
<th>Market Logic</th>
<th>Characteristics</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product</strong></td>
<td>Results orientated</td>
<td>Some small businesses</td>
</tr>
<tr>
<td><strong>Orientation</strong></td>
<td>Price sensitive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not loyal to suppliers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suppliers need to respond quickly</td>
<td></td>
</tr>
<tr>
<td><strong>Administration</strong></td>
<td>Control/bureaucratic orientation</td>
<td>Some large businesses</td>
</tr>
<tr>
<td><strong>Orientation</strong></td>
<td>Price sensitive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Value stability and structure</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suppliers have to provide reliable predictable services</td>
<td></td>
</tr>
<tr>
<td><strong>Integration</strong></td>
<td>Long term relationship</td>
<td>Some government departments</td>
</tr>
<tr>
<td><strong>Orientation</strong></td>
<td>Joint venture mentality</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stress consensus</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suppliers have to be patient and seek long term relationships</td>
<td></td>
</tr>
<tr>
<td><strong>Development</strong></td>
<td>Innovators who value novelty</td>
<td>Computer industry</td>
</tr>
<tr>
<td><strong>Orientation</strong></td>
<td>Not price sensitive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Entrepreneurial</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suppliers have to provide constantly novel and innovative services</td>
<td></td>
</tr>
</tbody>
</table>

Source: Shreeve, 1996

Market segments are determined by using a four-step process; the steps are analysed for each identified client group. The four steps are:

**Step 1** Determine who is the:
- Client
- Influencer
- End User
Step 2 From the client’s perspective answer the following:
- What is being purchased?
- Buying process? (How)
- Benefits being sought? (Why)
- What is the business ‘culture’?

Step 3 If the influencers and end-users are important to the decision-making process, ask:
- In what way do they influence the decision?
- What is the impact?

Step 4 Determine who pays.

The results are analysed and a dominant and secondary market logic is noted. Client groups with similar market logics are grouped into segments. Identified characteristics will assist with determining suitable segment ‘descriptors’ (e.g. Aspirants, Hard-bargainers).

TAFE NSW’s customers have been classified by their dominant and secondary market logics into five key segments. These segments are:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Market Logics</th>
<th>Typical groups within Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aspirants</td>
<td>Production/development</td>
<td>School leavers, groups with special needs</td>
</tr>
<tr>
<td>Career Builders</td>
<td>Administration/production</td>
<td>Employed adults</td>
</tr>
<tr>
<td>Value Seekers</td>
<td>Administration/Integration</td>
<td>Large businesses</td>
</tr>
<tr>
<td>Hard Bargainers</td>
<td>Production/Administration</td>
<td>Government departments</td>
</tr>
<tr>
<td>Responders</td>
<td>Production/development</td>
<td>Small business</td>
</tr>
</tbody>
</table>

This segmentation methodology has influenced marketing strategy by capitalising on the differences in ‘buying logics’. Below are examples of key messages and marketing considerations for two segments.

**Aspirant Segment (school leavers and groups with special needs)**

- **Market Logic**: Production/Development
- **Communication medium**: Face to face with back-up print materials.
- **Communication style**: Highly visual, novel, customised to client groups with devices such as flow charts.
- **Key messages**: TAFE enhances my career and lifestyle objectives. TAFE is different to other providers. TAFE gives me what I want and is flexible.
- **Customer Service**: Creative response to your individual needs.

**Hard Bargainer Segment (Government departments buying training)**

- **Market Logic**: Production/Administration
- **Communication medium**: Direct (telephone, fax, face to face, direct mail)
- **Communication style**: Brief, to the point, business like, factual and formal.
- **Key messages**: TAFE provides safe solutions to your (education and training) problems. TAFE gives creative response with value for money solutions.
The ‘market logistics’-segmentation has assisted TAFE NSW to focus on customer needs and customer aspirations, rather than the traditional marketing focus of product demarcation. Marketing messages do not only provide information about courses, instead they address the factors considered by clients when making training purchase decisions.

This particular segmentation methodology lends itself more to assisting providers with development of marketing campaigns once target groups have been identified by State Training Agencies. The benefits of this type of segmentation at the Agency level are in respect to promoting the generic TAFE or VET brand to a range of market segments.

3.5 Lifestyle and Psychographic Segmentation

Segmentation using demographics and course data facilitates an understanding of who buys what training products, and when and where. Psychographics can contribute to an understanding of why. Psychographics has been described as ‘breathing life’ into demographics. It involves the use of psychological, sociological and anthropological factors to determine how particular market segments behave and their reasons for that behaviour. The term psychographics is used interchangeably with life-style segmentation. The dimensions used to assess life-styles are listed in Table 3.3.

Table 3.3 Life-style Dimensions

<table>
<thead>
<tr>
<th>Activities</th>
<th>Interests</th>
<th>Opinions</th>
<th>Demographics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work</td>
<td>Family</td>
<td>Themselves</td>
<td>Age</td>
</tr>
<tr>
<td>Hobbies</td>
<td>Home</td>
<td>Social issues</td>
<td>Education</td>
</tr>
<tr>
<td>Social events</td>
<td>Job</td>
<td>Politics</td>
<td>Income</td>
</tr>
<tr>
<td>Vacation</td>
<td>Community</td>
<td>Business</td>
<td>Occupation</td>
</tr>
<tr>
<td>Entertainment</td>
<td>Recreation</td>
<td>Economics</td>
<td>Family size</td>
</tr>
<tr>
<td>Club membership</td>
<td>Fashion</td>
<td>Education</td>
<td>Dwelling</td>
</tr>
<tr>
<td>Community</td>
<td>Food</td>
<td>Products</td>
<td>Geography</td>
</tr>
<tr>
<td>Shopping</td>
<td>Media</td>
<td>Future</td>
<td>City size</td>
</tr>
<tr>
<td>Sports</td>
<td>Achievements</td>
<td>Culture</td>
<td>Stage in life cycle</td>
</tr>
</tbody>
</table>

Source: Solomon 1992, p.499

There are a number of ways in which lifestyle or psychographic segmentation is used by marketers. State Training Agencies might use life-style segmentation to:

- **define the target market** better than possible when only using demographic or participation data.
- **create a new view of the market**. Stereotypes of ‘typical’ customers may not match actual customer characteristics. For example, what characteristics are assumed about the typical ‘school leaver’ or ‘Aboriginal’ or ‘sole-parent’ or ‘male student’? Agencies often hold assumptions about groups who are disadvantaged in the system based on an historical understanding of client needs. New ways of looking at the market could reveal new information about target segments and new marketing approaches.
- **position the product** by emphasising features which will appeal to people in a particular segment. For example, people who enjoy the company of others and value socialising may not respond well to campaigns promoting flexible delivery modes such as individual computer-based learning, but may find independent study combined with ‘study groups’ appealing.
better communicate product attributes when developing marketing campaigns. Psycho-graphic information can give marketing staff responsible for creating advertising campaigns better insight into communicating with potential clients more effectively.

- **develop overall strategies** by understanding how VET fits, or does not fit, into the overall lifestyle of a particular client segment. This information can assist with the development and promotion of services, courses and delivery modes which are more consistent with target segments' desired training environment.

- **market social and political issues**, such as training reform and 'life-long learning' by determining commonalities among people who do or do not participate in training.

Life-style values were used as the basis of a market segmentation study undertaken as part of this project. The summary findings of the study undertaken by Roy Morgan Research are reported in the following chapter.

**A Concluding Remark About Segmentation**

This project does not endorse any one type of market segmentation. It does, however, encourage the use of a market segmentation approach for determining and planning for the training requirements of individual clients. That is, the project endorses the use of a client-focused methodology rather than a system-focused methodology, for management marketing purposes.
CHAPTER FOUR
Summary Findings of Two Segmentation Studies

Chapter Four provides a synopsis of two segmentation studies undertaken as part of the project. The purpose of the studies was to explore and contrast the usefulness of different methodologies for segmenting the VET market, and thereby improve the capacity to identify and attract potential clients. The first study, an analysis of AVETMISS data, is based on demographic segmentation. It is most pertinent to assisting with the marketing management function as discussed by Donovan earlier in the report.

The second study, undertaken by market research consultant, Roy Morgan Research, uses lifestyle values and psychographics as the basis for segmentation. As indicated in earlier chapters, the greatest value of lifestyle segmentation is for campaign purposes, such as selecting the most appropriate message and style of communication and the best mediums for reaching members of particular segments. This methodology could assist Agencies when promoting the generic benefits of training and life-long learning, as well as when promoting the TAFE or VET brands. The information would also be very useful to providers.

Each segmentation study synopsis provides a description of the methodology used and a summary of key findings. More detailed information, including copies of the full reports, is available from the Mapping the Training Market Project Manager, Western Australian Department of Training.

4.1 An Age-Cohort Demographic Segmentation Using AVETMISS.

About the Data

This study explores the usefulness of AVETMISS data for the purpose of market segmentation. AVETMISS data is the current data standard for the VET sector in Australia (see Exhibit 4). In 1994, the first analysis of AVETMISS-compliant data was undertaken and published as Selected VET Statistics 1994 (ACVETS, 1995). All States have made a commitment to enhance and extend AVETMISS; it is data with a future, and for this reason, has been selected as the data source for this study.

The AVETMISS-compliant data used was based on 1995 semester one information provided by TAFE and independent colleges in Western Australia. The data had some limitations due to the exclusion of information from one college and from private providers who are offering publicly-funded courses as a result of the competitive training process. Although the findings for this study are applicable specifically to Western Australia, the methodology is replicable in all states. A complete report containing data descriptions and tables is available from the project manager, Western Australian Department of Training.
4.1.1 Methodology

The seven segments used for this study were defined by age-cohorts (see Table 4.1). Each age cohort was analysed separately by gender and aggregated for all persons; twenty-one sub-segments were analysed in total. Each of these were analysed for demographic and participation characteristics.

Table 4.1 Age Cohorts and Descriptors for Client Segments

<table>
<thead>
<tr>
<th>Segment Name</th>
<th>Age Cohort</th>
<th>% All Enrolments</th>
<th>% Est. WA Pop. in Age Cohort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teeners</td>
<td>15 - 19 years</td>
<td>11.7</td>
<td>13.6</td>
</tr>
<tr>
<td>Early Twenties</td>
<td>20 - 24 years</td>
<td>21.7</td>
<td>12.5</td>
</tr>
<tr>
<td>Late Twenties</td>
<td>25 - 29 years</td>
<td>12.9</td>
<td>7.9</td>
</tr>
<tr>
<td>Thirty Somethings</td>
<td>30 - 39 years</td>
<td>22.2</td>
<td>6.4</td>
</tr>
<tr>
<td>Mid-Lifers</td>
<td>40 - 49 years</td>
<td>16.5</td>
<td>5.3</td>
</tr>
<tr>
<td>Late-Lifers</td>
<td>50 - 65 years</td>
<td>9.2</td>
<td>3.3</td>
</tr>
<tr>
<td>Seniors</td>
<td>Over 65 years</td>
<td>1.9</td>
<td>.9</td>
</tr>
<tr>
<td>Age not stated</td>
<td></td>
<td>4.0</td>
<td>na</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>49</td>
</tr>
</tbody>
</table>

Source: WA Department of Training 1996

ABS 1991 Census data was used to produce geographic representations of TAFE participation for each age-cohort. Each of the segments were ‘mapped’ according to postcodes for the Perth metropolitan area which represents approximately 75% of the State’s TAFE enrolments. These maps were compared to maps containing the distribution of the same age-cohorts in the whole population in order to ascertain areas where under-representation may be occurring, and therefore indicate possible target locations.

The study methodology sought to answer a series of questions which are outlined below.

**Question Asked**  
Who are VET clients and what are they ‘buying’?  
Which are the ‘best selling’ courses and who is buying them?  
Which are the ‘industry growth’ courses and who is buying them?  
Which are the ‘greatest client demand’ courses?  
Which client groups ought to be targeted?  
Who are potential clients?  
Where are potential clients located?

**Procedure Used to Answer**  
Examine current enrolments and demographics for each segment.  
Examine ‘Top 10’ course enrolments.  
Examine enrolments for industry growth courses (based on industry advice provided in the State Training Profile).  
Based on applications for courses and provider advice.  
Use policy and strategic information which incorporates community and industry needs to determine desired client profile.  
Compare to existing client profile and community demographics.  
Determine market segments for targeting.  
Using geographic representations of data, determine areas where potential clients are located.
Determining Desired Client Profile

The guidelines for determining the desired client profile for this study were found in policy statements and strategic directions developed by the Western Australian Department of Training. The department's mission statement is to 'create education, training and employment opportunities that enable all Western Australians to contribute to the social and economic development and well being of the community' [italics added]. This was interpreted as meaning that participation rates for various segments of the TAFE population should at least reflect their representation in the population as a whole. With respect to access and participation, the department's Strategic Plan 1996 – 1998 further identified the following targets for the the next triennium:

- 'An increase in participation for individuals and groups with specific needs'; and
- '... access to part-time study for members of the existing workforce, particularly at entry level'.

Based on this information, the study determined that the department planned to concentrate on improving access for individual clients with special needs, for example the target groups identified by ANTA, and clients who are already employed but who have no prior educational qualification in their area of employment.

4.1.2 Key Findings

- Nearly half (49%) of all Western Australians aged between 15 and 65 years were enrolled in TAFE vocational and non-vocational studies in Semester One 1995.

- Overall, there were more women than men enrolled. Males outnumbered females by 18% in the Teens segment, but by the Late Twenties women outnumbered men.

- Two thirds of women and three quarters of men were pursuing vocational courses equivalent to or higher than Trade Certificate level.

- One third (34%) of clients are already employed, and therefore are likely to be training to get a better job, or a promotion, to get a different job, to keep their job, or for personal enrichment.

- The vast majority of clients study in teacher-directed, scheduled local classes, in other words in traditional classroom environments. It is not possible to determine from the data whether this is a reflection of course availability or client preference.

- Men are more likely than women to undertake external courses. This is the pattern for all age-cohorts.

- More women than men were enrolled in industry-specific tendered courses.

- Few clients aged under 25 years were enrolled in fee-for-service courses. Men are more likely than women to enrol in fee-for-service training, particularly men aged between 25 and 29 years.

- Teeners and Early Twenties have the highest response rate to demographic data collection.
• Four of the ten ‘top-selling’ courses were in the Business and Management study area. The number one course was Certificate of Business Office Skills, a one year course. The majority of those enrolled in the course were women aged 20-25 years.

• Courses identified both by client-demand and industry-demand were the Associate Diploma of Applied Science (Laboratory Techniques), in which male enrolments predominate; and the Associate Diploma of Social Science (Welfare), in which female enrolments predominate.

Response Rate to Questions on Enrolment Forms

The response rate to questions about ethnicity, disability, employment and prior education declines with age. The usefulness and importance of the data needs to be made apparent to those people responsible for processing enrolment forms. Consideration of incentives for improving data collection processes at the provider level may be warranted.

Review marketing approach to female Teeners

Representation is skewed toward males for this age cohort; there are a number of contributing factors. A review of the types of marketing approaches being used for this age cohort is suggested, with a view to improving the participation of females.

Over emphasis on ‘school leavers’ in marketing campaigns

The Teener age cohort represents one eighth of the TAFE population, and not all of these are ‘school leavers’. In addition, a surprising number of Teeners appear to already be in the workforce (45%) albeit this is most likely reflecting apprenticeships or part-time work. Reconsideration of the amount of marketing aimed at this age group, as well as the types of products (for example, part-time as well as full-time study) may be warranted.

4.1.3 An Overview of Segment Characteristics

Teeners

Demographic Characteristics
• comprises a five year age cohort and represents around 12% of all enrolments
• represents approximately one in seven of estimated WA population for same age group (highest market penetration of all segments)
• provides highest response rate for demographic data of all segments (68% response rate)
• six out of ten are male
• the majority are working
  – females are slightly more likely to be employed than males
  – one quarter of females are employed part-time
  – males are more likely to be working full-time, probably attributable to the high proportion of male apprentices (nearly one in five)
• one in eight have attempted or completed prior, post-school education or training (slightly more than age cohort in WA population)
• four in one hundred are likely to be Aboriginal or Torres Strait Islander students (same as age cohort in WA population)
six in one hundred are likely to speak a language other than English at home (about half the proportion in WA population for age cohort)
one in one hundred are likely to have a disability

Participation Characteristics
- nearly a quarter of Teeners are studying modules in the Business and Administration field (four in ten females and one in ten males)
- most male Teeners (four in ten) are studying modules in the Engineering and Surveying field of study (the traditional area for trades)
- one in five females are studying in the Services, Hospitality, Transport study fields
- eight out of ten Teeners are undertaking vocational courses at Trade Certificate level or higher (this is true for males and females)

Early Twenties (ETs)

Demographic Characteristics
- comprises a five year age cohort and represents 22% of all enrolments
- represents 12.5% of estimated WA population for same age group
- provides reasonable response rate for demographic data (65%) except identification as Aboriginal or Torres Strait Islander (46%)
- males outnumber females, but not as significantly as for Teeners (8% more males compared with 18% more males for Teeners)
- the majority are employed (one in two males, four in ten females)
  - are more likely to work full-time than part-time
  - females are more likely to be seeking employment than males
- more than a third have attempted, or completed, prior post-school education or training
- two in one hundred are ATSI students (less than proportion for same age cohort in WA population, half the proportion for Teeners)
- one in ten speak a language other than English in the home (less than proportion for same age cohort in WA population)
- one in one hundred has a disability

Participation Characteristics
- the highest overall participation is in the Business and Administration study field (as for Teeners, though the proportion of male students is higher for ETs)
- the highest participation for males is in the Engineering and Surveying field of study
- the highest participation for females is in Business and Administration (three in ten), followed by Health and Community Services (one in five)
- one in ten males are studying in the Arts, Humanities and Social Sciences field, compared to one in six females

Late Twenties (LTs)

Demographic Characteristics
- comprises a five year age cohort and represents 13% of all enrolments
- response rates to demographic data were about 56%, except identification as ATSI students (which had a 36% response rate)
- females outnumber males by 6%, a reversal in participation pattern when compared to ETs
- significant numbers are employed (47% males, 36% females)
  - more likely to work full-time than part-time
• about a third have attempted or completed prior post-school education or training (31% females, 38% males)
• three in one hundred are ATSI students
• one in eight speak a language other than English in the home
• one in one hundred has a disability

**Participation Characteristics**
• there is double the proportion of enrolments in entry and bridging-type courses when compared to younger age segments
• there is half the participation rate in Services, Hospitality and Transport field of study when compared to Teeners and ETs
• 65% of females are undertaking vocational courses at Trade Certificate level or higher, compared with 78% of males
• proportionally more females enrolled in non-vocational modules, e.g. Recreation, Leisure and Personal Enrichment, than males (10% of females compared with 4% of males).

**Thirty Somethings**

**Demographic Characteristics**
• comprises a ten year age cohort and represents 22% of enrolments
• response rates to demographic data were about 50%, except identification as ATSI students (which had a 36% response rate)
• females outnumber males by 11%
• participation rates of ATSI students (3%), NESB students (11.6%) and disabled students (1.3%) are nearly the same as for Late Twenties
• four in ten males and three in ten females are working
• females are more likely than males to be Not in the Labour Force (8% females compared to 3% males)
• approximately a third of Thirty Somethings have attempted or completed post-school education or training courses

**Participation Characteristics**
• the highest participation for males is in Business and Administration (18.6%) rather than Engineering and Surveying (18.2%)
• there is a continuing decline in the numbers and proportion of males enrolling in the Engineering and Surveying field of study compared to previous age cohorts
• three in ten females are enrolled in Business and Administration
• females outnumber males in the Science field of study

**Mid-Lifers**

**Demographic Characteristics**
• comprises a ten year age cohort and represents 16.5% of enrolments
• response rates to demographic data were just under 50%, except identification as ATSI students (which had a 32% response rate)
• six in ten are women
• participation rates are declining (compared to younger age segments) for students who are ATSI (down 1% to 1.8%), from NESB (down 1% to 10.6%), and increasing slightly for students with a disability (up 0.2% to 1.5%)
• a significant proportion are working, half of males and a third of females
• about one in ten working Mid-Lifers are employed part-time
Participation Characteristics

- approximately one in six female and one in eight male Mid-lifers are undertaking entry and bridging-type courses
- females outnumber males enrolled in the Science field of study (55% of enrolments in this field) although proportionally a greater percentage of men than women enrol in the Sciences field:
  - one in six males
  - one in ten females
- the Business and Administration field of study has the most enrolments for both males (22.65%) and females (29.1%)
- significant proportions of females are also enrolled in Health, Community Services (14%), Arts, Humanities and Social Sciences (13%), and Sciences (11%)
- one in ten male Mid-Lifers are enrolled in the Sciences field of study

Late-Lifers

Demographic Characteristics

- comprises a fifteen year age cohort and represents 9.2% of enrolments
- response rates to demographic data averaged 48%, excepting a 32% response rate for identification as ATSI students and 40% for employment status
- six in ten are female
- participation rates for ATSI students are unchanged, NESB student participation has dropped one percent to 9% and participation by people with a disability has increased to 2%
- three in ten males and one in five females are working
- the majority of working males are employed full-time, compared with half the females
  - males are more likely than females to be unemployed (9% males compared to 7% females)
  - females are more likely than males to be Not in the Labour Force (9% females compared to 5% males)
- approximately one quarter have attempted, or completed, post-school education or training courses

Participation Characteristics

- one in five females is enrolled in entry and bridging courses, more than are enrolled in any other field of study including Business and Administration (18.2%)
- just over 15% of males are enrolled in entry and bridging courses, while 22% are enrolled in the Business and Administration field of study

Seniors

Demographic Characteristics

- comprises all clients over the age of 65 years and represents 1.9% of enrolments
- response rates to demographic data were the lowest of all age segments averaging below 25%
- six in ten Seniors are female
- participation rates for ATSI students have dropped another 1% from Late-Lifers to 8%, NESB student participation has increased to 10% and participation by people with a disability has dropped to 1.3%
- three in ten males and one in five females are working
• majority of working males are employed full-time, compared with half the females (as for Late-Lifers)
• approximately one in eight have attempted, or completed, post-school education or training courses

**Participation Characteristics**

- one in three is enrolled in entry and bridging courses
- a third of the females is enrolled in the Arts, Humanities and Social Science field of study
- males are more evenly dispersed across a number of fields of study with the Arts, Humanities and Social Science, and Science fields being most popular (20% and 19% of enrolments respectively)
- four in ten Engineering and Surveying enrolments are females, the largest proportion of females in this field of study for any age cohort

### 4.2 Lifestyle Segmentation of the VET Market

*The following summary was provided by Ms Kim Hatton, Research Director with Roy Morgan Research. The Value Segments and meta-level models presented are indicative only. They demonstrate different ways to view and interpret behaviour of clients of vocational education and training.*

The core tasks of this study were to:

- develop a method of segmenting the vocational education and training (VET) market in a way which would place emphasis on identification of potential clients; and
- explore in greater depth some of the segments to ascertain present barriers to participation.

Whilst it is true that the VET market can be segmented using numerous methods, the key task of this study was to explore a new way of segmenting the potential market. Consequently, the segmentation model used needed to explain the differences between the way various segments currently think about VET and their receptiveness to participation.

For the purposes of this study, vocational education and training was defined fairly broadly as 'being any job-related training which the respondent considered they had undertaken. Added to this were courses which the respondent considered to be general courses, but from which they had directly derived income.

#### 4.2.1 Methodology

The methodology used comprised both quantitative and qualitative components. The quantitative component involved conducting Computer Aided Telephone Interviewing (CATI) of 1,000 residents in Perth who were over 16 years of age, not planning to permanently cease employment within the next two years, and not currently at university. The sample was randomly selected from the Perth White Pages on disk.

The questionnaire used in the interviews contained wide ranging questions relating to VET including:

- the type of VET undertaken, e.g. full-time or part-time, day or evening, area of study, TAFE/private/employer provided, qualifications achieved;
- intention to undertake VET in the future;
job skills formation, e.g. improvement in job skills levels during career; how that improvement was achieved; satisfaction with current skills level; methods to use to increase skills level; and personal information such as: highest level of education achieved and age achieved; highest level of education of parents; ethnicity and parents’ ethnicity; age, gender, income, occupation, industry, marital status, household structure; and values and goals in life.

The qualitative component, comprising two focus groups and 48 in-depth interviews, was undertaken after completion of the quantitative telephone survey. The selection process was based on the meta-level model discussed later in this chapter. The two focus groups comprised:

- **Group 1** - low self esteem or low self confidence
  - 10 participants
- **Group 2** - high self esteem or high self confidence
  - 7 participants

Group participants and interviewees were recruited from the quantitative study on the basis of their responses to the series of Values questions. Further qualifying questions were asked of interviewees in terms of previous experience with study, approach to task and performance appraisals.

The sample of 48 interviewees used for in-depth interviews comprised:
- six in ‘low self esteem and equal self confidence’ group
- eight in ‘low self esteem and higher self confidence’ group
- seven in ‘average self esteem and higher self confidence’ group
- seven in ‘average self esteem and lower self confidence’ group
- six in ‘average self esteem and average self confidence’ group
- seven in ‘high self esteem and equal self confidence’ group; and
- seven in ‘high self esteem and lower self confidence’ group.

### 4.2.2 Key Findings

*Characteristics of each Roy Morgan Value Segments© are summarised in section 4.2.3.*

- The greatest distinguishing factor as to whether respondents intended to participate in VET in the future, was having a positive experience with VET in the past. This appeared to remove any fear and uncertainty and more firmly establishing the outcome as being worth overcoming barriers to participation.
- Discriminant Analysis and Logistic Regression indicated that the Roy Morgan Value Segments©, and the inter-relationship between these segments, explained the greatest amount of variance in current attitudes to VET, strength of future intention, the style of VET preferred and the role VET has played in their lives.
Analysis using the Roy Morgan Value Segments© indicated that the Young Optimism© segment expressed the strongest intention of undertaking some form of VET in the future. Their interest, however, lay more in training from private colleges or training institutions, employer-based training or university which they perceived to be job-related training, rather than TAFE.

The Value Segments© indicating the strongest stated intention to undertake TAFE based VET courses were A Fairer Deal©, Look At Me© and, to a lesser extent, Something Better© and Conventional Family Life©. The Fairer Deal© segment members, however, were more likely not to fulfil this intention unless they were paid to attend the course either by the government or their employer. Similarly, the Look At Me© segment members were less likely to fulfil their intention if they could find a job without undertaking a TAFE course.

The Socially Aware© segment members were the most likely to undertake employer-based VET. However, they exhibited lower than average intention to do any form of study other than university, which they considered to provide job-related training relevant to their careers.

Analysis of the quantitative data, particularly the inter-relationships within the Roy Morgan Value Segments© model and the Kahle Values Scale suggested that self confidence, self esteem/worth and individualism were key factors influencing reactions to the proposition of doing VET. Qualitative exploration of these issues in the Focus Groups and In Depth Interviews suggested that the gap between self esteem/worth and self confidence was more of an influence on attitudes than the level of these dimensions. Individualism appeared to exert more of an influence on the styles of VET considered.

Marketing Advice

As previous experience is an influencing factor in future participation in VET:
- past students form a key recruitment base;
- positive experiences with VET will in themselves create future, exponential growth in the market; and
- students introduced into TAFE through government programs have value as future, self-directed students.

The higher past incidence of attending TAFE amongst the Visible Achievement© segment and higher future intention amongst the Something Better© segment suggests that a driving factor in self-directed TAFE attendance is the desire for visible success and more immediate, tangible results.

There is an indication that TAFE and private course attendance could be increased amongst the Visible Achievement©, Socially Aware© and Something Better© segments by allowing people to undertake individual units in courses rather than the whole course.

'Trade-offs' between VET and family time are an important barrier to participation. Shorter and more flexible courses should be considered and self-paced learning is another option for encouraging more people into training.
Child-care facilities within TAFE and private colleges, or some child-care arrangement, could be considered to remove some of the participation barriers for A Fairer Deal© single mothers and Conventional Family Life© women and divorcees.

The high proportion of the Visible Achievement© segment who have undertaken VET courses over their career can be used as a basis for appealing to the Something Better© segment. For example, people who have 'made it' are more likely to have done TAFE.

The fear of being assessed and judged within a course is a barrier to participation. Sometimes it is overcome if the need for training is sufficiently great, however, it still creates tension and anxiety. The method of assessment and the reporting of that assessment should be examined. It is also possible that people assume a great deal about performance assessment in training. The way in which it is undertaken should be more clearly communicated.

If the greatest probability of undertaking VET exists where self confidence is slightly below self esteem, programs within schools, the workplace and the community aimed at increasing levels of self esteem would have a positive outcome for VET participation.

If VET programs or courses increase self confidence and do not deal with self esteem, the outcome can be arrogance and the perception that further training is not required. Therefore, life-skills training within courses may be important, including the translation of confidence in skills into a positive self image. The development of an image or perception of VET as being 'something to be proud of' is important in achieving this.

4.2.3 An Overview of Values Segment Characteristics

This section describes the Roy Morgan Value Segments©, their approach, attitude and past experience with VET, and their media habits. Information on VET participation was drawn from the quantitative telephone survey. Information on the general behaviour of members of the Roy Morgan Value Segments©, their level of education and media habits are drawn from the Roy Morgan Research Consumer Opinion Trends Survey (January - December 1995) and numerous qualitative and quantitative studies specifically undertaken for the on-going enhancement of the model.

**Conventional Family Life©**

(10.3% of Australian population 14 years and older)

Conventional Family Life© refers to the pattern of responses offered by respondents who represent the core of 'middle Australia', with values centred around the significant events in their personal and family lives. It tends to relate to people seeking greater financial security, struggling to improve their basic living standards and give their families better opportunities than they had in their own childhood.
VET Participation

The *Conventional Family Life©* segment members are significantly more likely to have ceased formal education at or before achieving TEE or equivalent. They are also more likely to have undertaken some form of VET course early in their career (with a stronger bias towards private colleges than TAFE). Since then, most have not undertaken any further VET, instead, they tend to learn 'on the job'.

This segment is associated with people who look on their work as a method of gaining sufficient money to support their family. They are generally not career motivated, hence their major focus is on keeping their job and doing whatever is required to achieve this. Sometimes this requires undertaking VET, which they will do reluctantly, preferring a part-time TAFE course. Their main objection to doing VET is that it impinges on their family life and the time they can spend with their children, which is their main reason for working.

*Conventional Family Life©* women are less likely to consider undertaking any form of VET outside of their work hours due to family commitments. These women often do not feel that they could or should allow their children to 'suffer' in order that they increase their job skills. For this segment, a woman's job is usually secondary to that of her husband's.

Whilst divorce rates are lower amongst this segment, some of the *Conventional Family Life©* women find themselves in positions of needing to return to the workforce after divorce. As many have married early in their careers, often without any formal training, they either have to find an unskilled/semi-skilled position or re-train.

Communications and Media

Segment members are characterised as warm, friendly and caring and trust is important to them, as is how they 'feel' about a product, company or institution. As a consequence, many of the advertisements targeted to this segment feature highly emotive visuals and jingles, particularly relating to children – who are the central focus of their life, whether they have them yet or not. Other characteristics of this group include being:

- light readers of newspapers in general. An interest in the local community, however, leads to higher than average readership of suburban newspapers.
- light readers of magazines in total, however their interest in the home and family results in higher than average readership of homemakers magazines; parenting magazines and major women’s magazines.
- average television viewers. They enjoy the vicarious excitement of *The Price is Right*, and the light drama of how other families cope in ‘soaps’ such as *Days of Our Lives* and *Home and Away*. ER is another popular *Conventional Family Life©* program.
Traditional Family Life©
(18.7% of the Australian population 14 years and older)

Traditional Family Life© refers to a pattern of responses associated with the older counterparts of the Conventional Family Life© segment. The Traditional Family Life© segment is motivated by similar values in terms of security, reliability and providing better opportunities for their family. However, they are now, within Australia, generally ‘empty-nesters’ or extended families.

With their children grown their focus is on re-building their relationship with one another, finding time to do all the things they could not do while their children were growing up. With such a strong focus on the family, however, they still spend a great deal of time with their children and grandchildren.

VET Participation

Having more time on their hands, but still desiring intellectual stimulation and learning, Traditional Family Life© members are more inclined than average to undertake general TAFE courses. In a number of cases, they report that these courses have lead to a small source of income (selling the things they made). However, that is not the motivation for doing the course.

In the past, most Traditional Family Life© members finished school (often leaving before the TEE or equivalent) and went straight into a job. Few have done any form of VET course, and most who have, have done this early in their working life as a means of getting a job. Since then, a small proportion have undertaken some form of employer training to supplement their work skills. However, on the whole, they are part of the ‘learn on the job’ group.

Some Traditional Family Life© respondents reported having been retrenched or taking forced early retirement. Faced with this, some choose to re-train, however, most choose to seek a new job in the same industry, use their payout to establish a small business (often with their children), or retire.

Communications and Media

Traditional Family Life© members are characterised as being:
• heavy readers of the daily newspaper
• light readers of magazines. However they do read gardening magazines and older, more conservative magazines. Newspaper inserts of TV magazines are also popular due to higher than average television viewing habits.
• television viewing habits suggest an interest in solving problems or puzzles and keeping mentally agile. They tend to watch game shows, detective mysteries, and documentaries.
Look at Me®
(12.8% of Australian population 14 years and older)

The Look At Me® segment refers to a pattern of responses associated with rebellion from the family or household. Members of this segment are looking for fun and freedom away from the family, being a part of ‘their generation’, the ‘in-crowd’ of their peers. Whilst this pattern of responses is more often found amongst teenagers, trying to ‘stand out’ to seek recognition by the family for being ‘grown up’, it can occur at any time in a person’s life.

Being very active socially, they prefer a party to staying at home. They like to be seen as ‘outrageous’ and taking part in ‘cool’ or ‘hip’ activities. They tend not to become involved in social or political issues. Sport, leisure and fun are too important to be interfered with by longer term commitments.

The Look At Me® pattern of responses tends to be associated with hedonism, only ‘living for today’ and often seeing themselves as invincible. Not considering the consequences of their actions is a common feature in this segment.

Money is very important to segment members, but not if it requires financial planning or thought for tomorrow. Money is essentially a means to an end, something needed for enjoyment.

VET Participation

Look At Me® members are largely inexperienced in the workforce and form a significant proportion of the new school-leaver, TAFE and private college VET market. In total almost 40% intended to do some form of formalised VET course in the next few years (or after school). There is a leaning towards TAFE amongst the males, and private colleges amongst the females.

Almost without exception, Look At Me® members’ reason for considering TAFE was to obtain the skills or, perhaps more appropriately, the qualifications to get a job, and their attitude towards VET is very short term. Therefore, if they can get a job without it, then there is no point in training. They invariably expressed a frustration with needing to go down this route in order to get a job and would much prefer not to. However, they recognise that they need money to live and enjoy themselves and therefore need a job.

Communications and Media

Look At Me® members are characterised as:
• believing music is an important form of expression, and a key mechanism for rebellion against the family.
• being heavy viewers of music-based television programs including Rage and Video Hits, and readers of magazines such as Smash Hits, Juice, and Rolling Stone. They are also more likely to listen to Top 40 radio stations
• being attracted by media which reflects their peer group and generation, particularly programs such as Heartbreak High and Neighbours, and magazines such as Girlfriend, Dolly or Cleo
• including males who tend to reflect their peer interests in cars and bikes with Hot Metal, Fast Fours & Rotaries and Live to Ride; and their interest in women with Playboy and Penthouse.
Young Optimism©
(7.6% of Australian population 14 years and older)

Young Optimism© refers to a pattern of responses associated with optimism and seeking to improve prospects in life to gain a respected place in society.

More likely to be found amongst young people, the Young Optimism© segment are into image and style (not fads and fashion). Members are conscious of the image they project and want to make the right one. Long term thinkers, they are busy planning careers, attending university and thinking about the future. It tends to be associated with people who want to experience all life has to offer: travel, a career, friends, family – and they are still idealistic enough to believe they can have it all.

This segment are innovative and interested in technology. They can be young technocrats, ‘surfing the Internet’ and developing an international perspective on the world – eating international food, watching the ABC and SBS and dreaming of going to work in New York or London for a few years to further their career prospects.

VET Participation

With almost 80% of this segment either currently at university, having completed a degree or partially undertaken one, a university education is what they consider to be VET. With high career aspirations, most orientate towards professional positions and do not feel that a TAFE course is appropriate within that context. They strongly hold the perception that there are no relevant VET courses available at this point in their career, but intend to undertake private VET at some time. Generally, they mentioned specialist courses available through professional associations and specialised trainers rather than standard courses.

Some had acquired their initial skills through TAFE or a private college, however, this was more a reflection of their strong desire for education and was not comparable to their bias towards university.

Segment members have a long term attitude towards their career, and whilst focusing on the outcome of any training (e.g. a better career or a promotion) they are prepared to put the effort into achieving this outcome. Therefore, they are less concerned about the time that it takes, and are prepared to consider part-time courses. They are outcome focused and, whilst the outcome may take some time to achieve, they want to enjoy the process of learning. University offers this to them. Not only is it intellectually stimulating but it also offers an enjoyable, exciting university life. TAFE and private colleges, on the other hand, are more aligned to school and are seen as less enjoyable as an education process.

To the Young Optimism© segment, TAFE is largely a compromise if entrance to university is unavailable.

Communications and Media

The Young Optimism© segment members are characterised by being:
- heavier readers of newspapers, particularly the major daily newspapers and national newspapers. There is a leaning towards the national and world news sections due to their interest in learning more and having a broader perspective.
- heavy readers of magazines, covering a wide range of titles including Elle, Vogue, HQ, The Independent Monthly, PC Week and New Scientist.
- less attracted to commercial television but attracted to the slightly 'off beat', eclectic and witty, watching programs such as Denton, Northern Exposure, Sienfeld, and Mad About You.
- light commercial radio listeners, and are more likely to listen to Triple J because of their broader musical focus.

**Something Better©**

(8.6% of Australian population 14 years and older)

*Something Better©* refers to the pattern of responses associated with people wanting a bigger, better deal out of their life. They tend to be competitive, individualist and ambitious people who are seeking more out of their life. They want more than they've got, more than their parents had and more than others have – and they want it all now!

The key issue with people in this segment is that everything is a comparative. They can only be or have something better when it is compared to something or someone else. As a consequence, they tend to be concerned about what other people are doing or thinking.

Sometimes considered egotistical, they are very focused on getting what they want out of life. They are conscious of social status and mixing with the right people – networking is the name of the game.

**VET Participation**

Having a lower overall level of education, the members of the *Something Better©* segment are more likely to have 'worked their way up the ranks', with many coming out of TAFE courses and apprenticeships. They are far more orientated towards government-based training institutions, largely because of cost. This leaning is driven by two factors. Firstly, they are financially 'tight', as all their available funds go into maintaining their lifestyle, and secondly, they are more likely to believe in 'something for nothing,' or at least at low cost.

This segment is marginally above average in intention to undertake TAFE VET courses in the future. However, members are more likely to believe they have 'done their time' in formal education. Instead they preferred some form of self-learning where they are not being compared to others (except by themselves).

Their satisfaction with their current skills level is below average and they have a strong desire to improve this and therefore improve their careers. However, they see the mechanism for achieving this to be reading, networking and computing. They are very much into 'quick fix' courses and if they are to undertake a VET course in the future, would prefer one or two day courses. This preference is largely driven by their desire for immediate gratification and having a strong outcome focus. They do not see the need to undergo a protracted process in order to achieve their goals. This makes 'crash courses' more appealing to the *Something Better©* group. It also means that they would prefer to undertake individual units from established courses rather than the entire course.
Communications and Media

The Something Better© segment members are characterised as being:
- light readers of newspapers and magazines, seeking their information quickly, more easily, and only what they need. The magazines they read tend to provide information on how to be better at something (Practical Parenting, Mother and Baby), what is the best product/deal available (Live to Ride, Deals on Wheels, Two Wheels), or what other people are doing (Interiors).
- medium to heavy television viewers, enjoying the brasher American-style comedies and sit-coms; information programs on improving their life; and programs which offer the opportunity to see the amusing failings and gullibility of others.

Real Conservatism©
(4.4% of Australian population 14 years and older)

Real Conservatism© refers to a pattern of responses offered by respondents who are cautious about new things and ideas. Generally part of the 'establishment', a central concern for this segment is maintaining a disciplined, predictable and safe society. They hold very conservative social, moral and ethical values and generally feel that things are not as good as they used to be.

Growing up in the 'old school' they very much believe 'it's not what you know but whom you know'. The 'old school tie' is important with this segment, providing a sense of tradition and reflecting the long term, binding nature of their relationships. Marriage is for life, you work your way up in your job from office clerk to CEO, and you show loyalty to your friends, family and employer.

VET Participation

Real Conservatism© group members are one of the lower users of any VET courses or training, believing that it is the employer's responsibility to train their employees, largely 'on-the-job'. This segment attracts a higher than average proportion of occupations where 'on the job' training is the norm, such as the armed forces, church and farmers. Other people strongly displaying Real Conservatism© traits tend to have worked their way up the ranks in a company, often relying on family contacts, hard work and upholding the company rules to get themselves to a reasonable position.

Many of this segment are sceptical about training, feeling that the old ways of doing things are better. They are less likely to seek new skills or ways of doing things.

Communications and Media

The Real Conservatism© segment members are characterised as being:
- slightly heavier readers of newspapers, particularly Sunday and suburban papers due to their greater interest in their own local community.
- medium to light magazine readers, concentrating on older, established and more conservative magazines.
- average commercial television viewers. They are inclined to watch business and investment programs, current affairs programs and lifestyle programs with a more conservative approach such as Healthy, Wealthy and Wise.
A Fairer Deal©
(6.5% of Australian population 14 years and older)

A Fairer Deal© refers to the pattern of responses offered by respondents who are the most likely to feel they get a raw deal out of life. Pessimistic, cynical and often struggling financially, they think everyone gets all the fun and they miss out. This can relate to a belief that life has treated them unfairly. Anger, disillusionment and hostility can build until it manifests in violence or self-destructive behaviour.

Within this segment there is an emphasis on physical things and things they can do with their hands, perhaps as this is all they really feel that they can control. What they earn at work for a fair day's work is more important than the work they do. In the workplace they generally expect managers to make decisions, take responsibility and tell them what to do.

VET Participation

The majority of the A Fairer Deal© segment have no formal education beyond secondary school or equivalent (92.3%), with many having left in Year 10. They are frequently unemployed (19.5% currently looking for employment vs 5.8% for population 14+) and a large proportion of the long-term unemployed fall into this segment. They comprise one of the largest groups of people being directed by the CES and other government bodies to undertake TAFE courses.

A Fairer Deal© respondents are less satisfied than average with their current level of skills. They are more likely than most to say that they plan to undertake a TAFE course in the future, however, almost a third felt that financial constraints may prohibit this. Their likelihood of undertaking a TAFE course was higher if they received financial support from the Government or their employer paid for their attendance and so finances, and looking after children, have stood in their way in the past, and are likely to continue to do so.

Underlying the comments from this segment was a strong sense of insecurity that they would not succeed – 'I wouldn't fit in', 'It's all a rort', 'It's designed for people who want to study', 'It's too much like school and I didn't do well in school' etc.

Their focus on doing things with their hands and their perception that TAFE is for skilled and semi-skilled jobs should create some form of affinity and this is expressed in the desire to do a TAFE course. However, they are not really concerned about what they do, only that they have some money. They are more inclined to take any job that comes along or stay on the dole as the financial and child-care problems associated with study appear insurmountable.

Communications and Media

A Fairer Deal© segment members are characterised as being:
- heavy consumers of radio and television, but their newspaper and magazine readership is light.
escaping from a world which is out of control through television. Hence, they tend to be attracted to programs such as: Heartbreak High as it is more gritty, and realistic; Ricki Lake, where people get the chance to criticise and ridicule other people's problems; and Neighbours, Family Matters, Beverley Hills 90210 and Baywatch for escapism. Their taste in humour tends to be brash, often sexist and laughing at the inadequacies of others such as Married with Children.

- magazines readers who tend to reflect their need to escape from their current lives and their interest in things which are physical and 'hot'. They read bike and car magazines such as Live to Ride, Fast Fours & Rotaries, Street Machine and Australian Motorcycle News, pornography and soft porn magazines such as Playboy, Penthouse and Australian Women's Forum; and television magazines such as TV Soap and Daytime TV.

**Socially Aware©**
(10.7% of Australian population 14 years and older)

Socially Aware© refers to a pattern of responses offered by people who are community minded and socially active. As 'information vacuum cleaners', members of this segment are always searching for something different and new things to learn. They believe strongly in the concept of 'learning a living' rather than 'earning a living', always seeking new opportunities for training, education and knowledge.

Members of this segment are thinkers, sometimes spending so much time thinking about the issues that they never actually get things done. This, coupled with a strong sense of social responsibility and an attraction to convincing others of their opinions, results in a great many being involved in pressure groups and working as public servants, politicians and researchers.

Whilst this pattern of responses can lead to someone being passionate in their opinions, they can equally be changeable. Their attraction to things which are new and innovative usually means that they are the first to take up on new products and services, often just for the excitement of having a new toy, regardless of the cost.

**VET Participation**

The strong orientation towards information and learning within the Socially Aware© segment results in a tendency for a university education (75.4% having some university education) as their main form of vocational training. Less than one fifth of those who have some university experience have also undertaken a VET course of any kind at TAFE or a private college. Aside from university, this segment tends to favour employer training, usually with a private training consultant.

The Socially Aware© segment display a stronger than average interest in general courses, particularly at TAFE. These courses are rarely perceived to make any contribution to their work skills, rather they are being undertaken as part of their overall joy in learning new things.
Overall, their intention to undertake VET in the future is very high, however, in the main this is employer training or short private courses. Intentions to attend TAFE courses are the lowest of any segment. This is generally because they believe that TAFE conducts no relevant courses or that the TAFE standard of education is too low.

Their intention in undertaking private courses is more to increase skills in their existing job area, and would be a part-time, short course, usually during work hours. Many commented that elements of TAFE courses (units) held some attraction but the course as a whole was not relevant. The main factors which could restrict their ability to undertake as much further training as they would like are simply time/work pressure and the cumulative cost of courses.

Communications and Media

The Socially Aware© segment members are characterised by:
- a thirst for knowledge and information and a global focus, leading to being heavy consumers of newspapers, particularly national newspaper and major metropolitan dailies.
- an interest in magazines, reflecting their desire for new information which is not presented in mainstream media and technology. They are more likely to be readers of The Independent Monthly, New Scientist, Pacific Computer Weekly and Business Asia. Their heavy readership of national newspapers also makes them more likely to read The Australian Magazine and the Financial Review magazine as well as Good Weekend. They are also frequent fliers, reading Qantas Club, The Australian Way and other airline magazines.
- light consumption of commercial television, preferring the ABC and SBS, which offer a more globally focused and more cerebral approach. They tend to be attracted to programs which give an alternative perspective and more information on issues, such as Foreign Correspondent and Four Corners. Their taste in comedy tends to be more witty or satiric, generally preferring English comedy.

Visible Achievement©
(16.0% of Australian population 14 years and older)

Visible Achievement© refers to a pattern of responses offered by respondents who are visible success stories. They have 'made it' in whatever field they are involved in and are confident in their own abilities and position.

Despite being successful they retain traditional values about home, work and society. The family is very important to this segment and they place great emphasis on providing their families with a high quality environment. They work for financial reward and job stimulation.

Being highly individualistic, they do not need to prove themselves to anyone nor impress anyone. They are very practical and realistic, looking at the most efficient and effective way of doing things. Getting things done is a key feature of this segment.
MAPPING THE TRAINING MARKET: SEGMENTING THE MARKET FOR INDIVIDUALS

VET Participation

Whilst higher than average in terms of university experience (33.0% vs 22.7% population 14+), the Visible Achievement© segment is more associated with people who have worked their way up through the organisation to senior management or work for themselves as very successful tradespeople. Hence, they are more likely than average to have undertaken a job-related TAFE course than attended university. Over the course of their career, they have relied heavily on TAFE courses for their education, being more likely than most segments to have undertaken multiple courses.

The practical orientation of this segment appears to give them more of a future leaning to TAFE than private courses. However, at this point in their career they do not feel that TAFE (or any other training avenues) offer relevant courses or skills.

Being very family oriented, the Visible Achievement© segment generally do not want to take time out of their limited family time to study, particularly when they have already achieved considerable success in their career and are comfortable in that success.

Communications and Media

The members of the Visible Achievement© segment are characterised as being:

- heavy readers of newspapers, particularly national newspapers.
- heavier than average readers of magazines, particularly business and finance related magazines. Due to their frequent flying they are readers of Qantas Club, Australian Way and Panorama.
- only light viewers of commercial television, as they consider work and family time as being more important. Aside from television programs reflecting their magazine reading habits such as Business Sunday and Money, they are more likely to watch ABC programs such as News, 4 Corners and GP.
- light commercial radio listeners, tending towards stations playing 'Gold' and 'NewsTalk'.

Basic Needs©
(4.4% of Australian population 14 years and older)

Basic Needs© refers to a pattern of responses offered by respondents who are focused on 'getting by' on a day to day basis. They are often in their 'twilight years', retired, pensioners and people on social security or sickness benefits.

To many it appears as if they have given up on life, however this segment is generally happy and contented with what they have. They are not looking for more and enjoy watching the world go by and feeling a part of it as it does. They have that sense of wisdom and happiness which comes with grey hair.

VET Participation

With 97.5% of members of the Basic Needs© segment not currently employed, and most being either retired (76.8%) or unable to work (17.1%), VET is of little relevance to them. Hence, they are not sampled in the study.
Communications and Media

Members of the Basic Needs© segment are characterised as being:
- heavy consumers of free media, suburban newspapers, television, and radio.
- viewers of longer running and more conservative television programs, including Family Feud, Wheel of Fortune, Murder She Wrote and the soap operas, Days of our Lives and The Young and the Restless.
- radio listeners whose tastes tend to revolve around Racing Radio and NewsTalk.

4.2.4 Results of the Meta-Level Model

Through an examination of the inter-relationships between the Roy Morgan Value Segments© and other values questions used in the survey instrument, it became evident that beyond the segmentation model (or macro model) exists a series of dynamics at the meta level which appear to influence whether people are receptive to the concept of VET and the type of VET they will consider. Three key variables were identified which influence preparedness to consider further VET and the style of VET that is preferred. These dimensions are:

Self Confidence: This is applied in two ways. Firstly, confidence in job-related skills and secondly, confidence in interviewees' ability to handle training situations. This was assessed using their responses to the telephone questionnaire concerning:
- satisfaction with current skills levels;
- perceived need to increase skills level;
- the role of uncertainty about an ability to do their job in driving them to consider VET; and
- concerns regarding job security.

Based on answers to questions during recruitment and at the commencement of qualitative interviews, interviewees were assessed for:
- feelings of stress in performance appraisals;
- preparedness to take risks in a work environment; and
- previous study/training history.

Self Esteem: This was defined as people’s sense of self worth or the value they place on themselves. It is a far more internal, deeply rooted sense of themselves than self confidence. This was assessed using interviewees' responses to the telephone questionnaire concerning:
- importance placed of values such as sense of accomplishment, self respect and self fulfilment;
- the presence of goals in their life beyond survival and fun;
- the role and pattern of fears and concerns about VET; and
- the nature of barriers to VET.

Based on questions during recruitment and at the commencement of qualitative interviews, interviewees were assessed for:
- a sense of being in control of their life and destiny;
- the belief that they deserve success in whatever they want to achieve; and
- their ability to cope with judgement and criticism and the effect this has on them.
Individualism: This was defined as the degree to which interviewees saw themselves as individuals vs being part of a group. This was assessed from the quantitative data as one of the Value Segment© dimensions.

The initial extent of the gap between self-esteem and self-confidence was assessed through a scale developed from responses in the areas detailed above. This was re-assessed and adjusted during the qualitative interviewing where it became evident that there was some deviation between the objective and the subjective measure.

If this study were to be replicated, it is recommended that a more robust model of self-confidence and self-esteem be used, which is capable of objectively assessing these dimensions and the gaps between them. At the commencement of this study it was not foreseen that these dimensions would play a role, or indeed that a meta-level model would arise. Hence, a rigorous measure of these dimensions was not included in the questionnaire.

**Findings**

Through an analysis of the quantitative data and a series of two focus groups, it is hypothesised that the gap between self-confidence and self-esteem is one of the key driving forces in whether people will consider VET, and that individualism influences the style of VET they prefer.

The conclusions drawn were:

Where self-confidence was greater than self-esteem by a significant amount (i.e., where a person's sense of their own ability to do a task is greater than their own sense of self-worth).

Amongst these people, VET is usually considered redundant. People exhibiting these characteristics tended to feel that they did not require training to improve their skills and did not have any fundamental self-esteem drive to improve themselves. These people appeared to find excuses not to undertake VET, usually revolving around how busy they were.

It appeared that forcing them into group training situations created a considerable amount of anxiety. The risk of comparison with others in the course appeared to tap into their lower self-esteem and raise doubt in their mind as to their real level of skills and ability to cope.

Often they avoided group training or courses, making claims that they were too good for the course, or the work they were doing was too important to stop in order to undertake the training. Where they had to undertake a course, many reported that the course was ‘very basic’, ‘didn’t teach them anything they didn’t already know’ and often complained that the person teaching was not very good – creating scenarios to cloud or cover up any possible failure on their part.
Where self confidence and self esteem were roughly equal

Amongst these people, the level of their self esteem and self confidence (rather than the gap) played a significant role. Where both were high there was a sense that they could not significantly improve their specific job related skills through training. However, they still sought ways of improving themselves and their careers. They started to look to general courses and life-skills' training as methods of improvement. They also looked to training courses (usually private) which dealt with new ways of doing their jobs, keeping up to date and broadening their skills.

Where both self confidence and self esteem were low, there was a sense of hopelessness and futility. Whilst there was often an articulated desire to do VET (driven by a need to improve skills), there were always barriers which seemed insurmountable to the person – money, children, or not having the pre-requisites. However, when these barriers were explored, most were driven by fear and assumptions of failure rather than the actual reasons put forward.

A small sub-group of these people could be defined as habitual students, never really feeling as if they are good enough. They seemed to continually attend courses or study in an attempt to convince themselves they were capable of doing their job. However, their low self esteem appeared to reinforce the idea that no matter how well they went, they were still not good enough. Fear of failure, fear of exposure, and possibly fear of success drove them.

Where self confidence was lower than self esteem by a small amount

Where self confidence was marginally lower than self esteem but both were still reasonably high, there was a positive approach to VET. These people saw VET as a method of building their skills and were not threatened by any real fear of failure beyond the normal.

Sometimes life circumstances got in the way of their training (children, money, time, etc). However, they either found a way of getting around these or else they remained open to the idea of training when an opportunity presented itself and circumstances improved.

Where self confidence was lower than self esteem by a significant amount

These people had a strong sense of their own self worth, however had little confidence in their specific abilities either in relation to their job or training. They doubted their abilities in specific areas but not in themselves as a person. Often this situation was created when people were new to positions or industries.

These people tended to be driven into training or learning situations in an attempt to improve their skills. Generally this was only a temporary state until they developed confidence in their ability to do the job.
Individualism

The dimension of individualism appeared to be one which interacted with self confidence and self esteem to influence styles of vet preferred (or feared).

People who were strongly individualistic appeared to prefer training situations where they had a greater degree of control over their own learning and where there was more focus on the individual.

Individualist people who lacked self esteem tended to exhibit stronger resistance to class-based courses, feeling vulnerable rather than protected by being part of a group. They felt that they ‘stood out’, seeing themselves as being on their own and being compared to others. They made comments about disliking being judged or marked in relation to others in the group, feeling that individual circumstances and personal styles should be taken into account – ‘each person should be assessed on their own merit’.

Those who were more collectivist (lower individualism), generally preferred group or class-based training, where they could rely on the support of others in the class to assist and support them. This group felt protected and more anonymous within a class or group based course. Even if they suffered from lower self esteem or confidence they felt that the group or class would support them. They were more likely to dislike small group or individual training situations because they felt powerless and sometimes as if they were at the whim of the trainer who might not like them.

Endnote

'Value Segments© have been developed in conjunction with Colin Benjamin of the Horizons Network
CHAPTER FIVE
Marketing Opportunities and Challenges for State Training Agencies

This project has documented States' current marketing functions and practices and formed some conclusions about them. These have been summarised in section 2.6 of Chapter Two. There are two points made there which encapsulate the focus of this report. The first is: Individual clients are fundamental to the training market. In the VET marketing structure, if 'industry' is the 'end-client', then individual clients are 'value-added intermediaries' and as such, they are integral to the effective operation of the vocational education and training system. Therefore, attracting and sustaining their participation is an important marketing goal.

The second point relates to a key task of the State Training Agency which is to clarify its marketing role as manager of the system, and particularly in relation to training providers. Acceptance of the above assertion presents Agencies with a number of opportunities and challenges.

5.1 Balancing Client Needs

One of the most complex responsibilities of Agencies is the necessity to balance the training needs of all their clients: industry/enterprises/employers, individuals and the wider community, as well as the needs of stakeholders, such as governments and providers. The prioritisation of needs of various clients and stakeholders is underpinned by the endorsed training goals of State and Federal governments. In other words, the role of the Agency is to interpret and implement through resource allocation, the social, economic and political objectives which have been set-down in policy. The prioritising function is encompassed in the strategic management role of the Agency. Though it is not recognised as such, it is also the basis for marketing management of the system, because this is where target marketing begins.

5.1.1 Individual Clients

With respect to individual clients, this project has suggested that there is potential for marketing management and market segmentation techniques to complement the existing prioritising processes. Currently, an important source of information about individual clients comes from TAFE providers through their own college profiling activities. This information is valuable, but like data provided by Industry Training Advisory Boards (ITABs) or Industry Training Councils (ITCs), it represents a particular perspective of the client market, a perspective in which the provider has a vested interest.

The role of the State Training Agency is to compile the information supplied by individual providers and create the 'big picture' from which distribution of resources must be determined. In the same way that Agencies undertake their own research about industry and labour market needs to complement information provided by ITABs and ITCs, it is appropriate and necessary for Agencies to undertake market research about individual clients in order to develop an understanding of the whole individual client market. A number of segmentation methods have been suggested in Chapter Three to assist with this process.
5.1.2 Access and Participation for Clients with Special Needs

According to the information collected for this project, the most commonly identified individual client target groups were Aboriginal and Torres Strait Islander people, non-English speaking people, people with disabilities, geographically isolated people and women. These groups have long been known to be disadvantaged in the training system, and have been recognised at a national level as the ANTA target groups. Mechanisms by which access and participation targets for these groups are assessed have been identified and discussed by Lundberg and Cleary (1995), and Davies and Mercades (1994). The mechanisms include the Negotiated Targets Strategy in Victoria, as well as the access and participation or social policy clauses included in contracts and agreements between Agencies and providers in other States.

As part of the national reporting system, each State and Territory is expected to develop detailed profiles of the target groups and to assess system performance in relation to improvements in these individuals' access and participation outcomes. The implementation of the AVETMISS data collection will provide better performance measurement in the future. This project suggests that by segmenting designated target groups into smaller segments and using a mix of segmentation variables (e.g. stage of life, benefits sought, life-styles) it is possible to more accurately define target groups' training needs and aspirations. This will contribute to development of more relevant strategies (that is strategies which result in outcomes sought by individual members of each target group), and the identification of more specific performance indicators. Such an approach would enhance current efforts to improve access, participation and successful completion for these groups of individuals.

5.2 The Product

Although Donovan puts forward a convincing argument for jobs as the core product of vocational education and training, there is ample evidence that for many individuals sector participation is a 'pathway' to further study, either further study in VET or in university. This project has defined VET rather narrowly as job-related training, but even this definition is open to interpretation. Does it include pre-job-related training? Does it include generic literacy and numeracy education which is necessary to participate in job-related training? Taking into account the client's purpose and perceived outcomes of training will assist with determining a clearer definition of the actual and the core product(s) for the sector. Answering the questions, 'What business are we in?' and 'What is the product?' will become more important as Agencies begin to refine their resource allocation processes in order to determine which aspects of training are the responsibility of governments and which are the responsibilities of industry and individuals.

5.3 Role Delineation and The Marketing Mix

Two issues which arise from consideration of the role delineation between Agencies and providers are management of the 'marketing mix' and client responsiveness.
In this sector, the development of the marketing mix, that is the product itself, its price, promotion and distribution, is shared between Agencies and providers. For publicly funded courses, both have responsibilities with regard to:

- **product** - based on priorities established by Agencies then by negotiation between Agencies and providers;
- **price** - determined centrally by ministerial or departmental directives and policies;
- **place** - determined by Agencies at a regional level and by providers at the local level;
- **promotion** - generic product and brand promotion undertaken centrally by Agencies and specific products undertaken locally by providers; and
- **quality control** - determined by negotiation between Agencies and providers usually as part of performance agreements/contracts.

In the current circumstances, neither Agencies nor providers have complete ‘ownership’ of the product. Participants at the project’s national workshop noted that it is poor marketing practice to promote a product which cannot be delivered, and even worse marketing practice to promote a product over which there is no control. Centralised promotions and information services can create a credibility gap in the public’s perception of VET/TAFE if the information is incorrect or out-dated. From a client perspective inaccurate promotional information will at best confuse and at worst result in non-participation. The integrity and currency of information is an important marketing consideration for administrators of centralised services, such as TRAIN and single-call telephone information services.

As Agencies continue to devolve responsibility for delivery to providers, it is important that decisions about the whole marketing mix are clarified. Which promotional and marketing activities are best performed at a centralised level by Agencies, which are best performed by providers and which are best undertaken jointly? There is also the question of efficiencies of scale with regard to market research and promotional effort. Will providers receive additional resources to undertake necessary marketing and promotions? Will TAFE providers continue to be treated differently from private providers with regard to their marketing responsibilities? Should marketing strategies be included in the negotiated funding agreements between Agencies and providers in the same way that other delivery considerations are taken into account for resource allocation purposes?

### 5.3.1 Responsiveness to Clients

Implicit in the operation of a customer-focused system is the necessity of measuring customer satisfaction and informing clients, as well as other stakeholders, of the outcomes which can be expected from a given course of training. The Allen Consultancy Group (ACG) calls this ‘responsiveness to clients’, and cites Fox Valley, a publicly-funded VET institution in Wisconsin, USA, as an example of best practice (1994, pp. 204-205). Interestingly, each of the best practice examples given equate to either a marketing management practice or a product development and augmentation consideration, in other words, they are best marketing practices, too (see Table 5.1).
Table 5.1 Fox Valley Technical College
Best Practice in Client Responsiveness

<table>
<thead>
<tr>
<th>Best Practice Example</th>
<th>Relevant Aspect of Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis of course cancellations arising from lack of demand</td>
<td>Marketing management</td>
</tr>
<tr>
<td>Tracking the job placement rate of graduates and using this as the best indicator of</td>
<td>Marketing management</td>
</tr>
<tr>
<td>labour market trends impacting on planning and the best way of remaining demand</td>
<td></td>
</tr>
<tr>
<td>responsive</td>
<td></td>
</tr>
<tr>
<td>Guaranteeing free additional instruction if a graduate was not placed in a job related</td>
<td>Product augmentation</td>
</tr>
<tr>
<td>to their studies within six months of completion</td>
<td></td>
</tr>
<tr>
<td>Providing extensive self-paced and individualised programs</td>
<td>Product augmentation</td>
</tr>
<tr>
<td>Counselling and remedial programs, which decreased the drop-out rate by 22 percent</td>
<td>Target marketing</td>
</tr>
<tr>
<td>Developing and applying Excellence Indicators across all program areas regularly, as</td>
<td>Marketing management</td>
</tr>
<tr>
<td>a basis of improvement and for revising curriculum and delivery</td>
<td></td>
</tr>
</tbody>
</table>

Source: Allen Consulting Group 1994, p. 205

'Responsiveness' is one of four main themes in the National Strategy for VET, which has been agreed to by all States for the triennium 1994 – 1997. According to ACG, being responsive means providing potential clients with the information required to make informed choices as consumers of VET. But, being client-responsive means more than publicising job-related outcomes. It also means responding to the negative feedback received from clients, in other words, fixing the problems and improving the product/service. Providers who demonstrate this kind of responsiveness are truly client-focused. Fostering genuine responsiveness to clients is an important part of the quality assurance role performed by Agencies. Consideration of ways in which responsive providers might be rewarded for their efforts will encourage best practice.

5.3.2 Evaluating Customer Satisfaction

The ways in which the system measures effectiveness will affect outcomes for both students and providers. Currently measurement focuses on teaching effort, that is the number of student contact hours delivered, rather than the number of clients who obtain a satisfactory outcome. This situation contributes to the importance placed on school leavers who tend to be full-time students and therefore represent a significant number of student contact hours. However, school leavers represented less than twenty percent of enrolments Australia-wide in 1994 (ACVETS 1995, Selected VET Statistics).

There is scope for investigation of additional ways by which training effectiveness might be measured to give more emphasis to the training outcomes for individual students. The move to module completion as a determinant of effectiveness is one method, though measuring module and course completions implies that the core product is a 'qualification' and not a 'job'. If, in the eyes of the client, the core product is 'getting a job', and the client finds training-related employment without having completed the course, is this not a satisfactory outcome for the client and the system?
Module and course completion information might be enhanced by qualitative data collected through surveys of graduate outcomes, such as the survey undertaken by ABS, Graduate Outcomes Technical and Further Education, Australia (1995), and studies such as the pilot exit study undertaken by Dawes for ACVETS (1994) which attempted to follow-up clients who did not complete courses. To be meaningful, the surveys need to use larger State samples to allow them to be disaggregated to the provider level. The incorporation of ongoing market research and evaluation would also contribute to the measurement of client satisfaction.

However, as Sweet (1994) observes, deliberately seeking information about what happens to students during and after training will not in itself make providers (or the system) more client-responsive. Unless resource allocation decisions are in some way connected to students' outcomes and satisfaction with products and services provided, then many providers are not likely to take a client-responsive approach as seriously as they might.

5.4 The VET or TAFE Brand

Nearly all States indicated that an important marketing task for the State Training Agency is the promotion of the TAFE and/or the VET 'brand'. A 'brand' implies a single recognisable image, logo, name or phrase attached to a particular product or organisation which immediately and easily distinguishes it from other similar products or organisations.

The National Promotion of TAFE Strategy aimed to strengthen the image of TAFE. Amongst the many initiatives suggested was the establishment of policy guidelines to achieve national consistency for many aspects of the marketing mix, including advertising, customer service and signage. While achieving national consistency is unlikely, the TAFE brand name has become well-recognised amongst the general public as a provider of job-related training (See Exhibit 5). It is unclear how a national image for TAFE will operate in a competitive training provider market where increasingly providers are applying differential advantage principles to distinguish themselves amongst competitors.

The promotion and positioning of the broader concept of vocational education and training, which distinguishes it from other post-compulsory education sectors, presents a new challenge to ANTA and the State Training Agencies. Donovan suggests that the sum total of the sector's promotions defines it in the consumer's mind. He concludes that variations between the enormous range of brand marketing by TAFE and private providers presents consumers with a fragmented image of the sector rather than an integrated concept of VET. Recent market research conducted for ANTA indicated that while public understanding of the value of VET is improving, there is still a need to clarify the components and benefits of VET for industry, potential clients and the wider community.
Exhibit 5:
The TAFE and VET Brands

The promotion of a generic TAFE brand and/or the broader concept of VET has been identified by States as a marketing function of State Training Agencies.

The TAFE Brand

In 1992, the National Promotion of TAFE project was initiated by TAFE Chief Executives to improve Australian TAFE’s standing amongst its clients. One outcome of the project was the National Promotion Strategy for TAFE which aimed to enhance both the understanding and standing of TAFE’s services and performance, and to position it as a first choice in post-compulsory education.

Pictured here are the logos for each State which are used for promoting TAFE providers. In most States, Agencies provide generic promotion of the TAFE brand which positions TAFE as a well-recognised provider of job-related training. It is unclear what directions a National Strategy for TAFE will take in an open training environment where providers are exercising increased autonomy and State Training Agencies are promoting vocational education and training as a broad concept which embraces all providers, including private and industry-based providers.

The VET Brand

The promotion and positioning of vocational education and training which distinguishes it from other post-compulsory education sectors, presents a challenge to ANTA and the State Training Agencies. To address this, a large-scale national plan for the development of ‘communication measures’ to promote the national VET system has been initiated by the ANTA Board. Project elements include the development of campaign branding materials and the testing of key messages.

Western Australia has a Vocational Education and Training logo which is used for departmental publications. The logo reflects the broad role of the department in promoting generic vocational education and training.
In a concerted effort to improve this situation, a large-scale national project for the development of 'communication measures' to promote the national vocational education and training system has been initiated by the ANTA Board. The project focuses on strategies which will increase awareness of the sector; increase knowledge of the elements of training reform and increase participation in VET at all levels (enterprises, group training companies and training providers). Project elements include: development of campaign branding materials; testing key messages; development of information kits for secondary students, small business, and private providers; promotion of the Australian Training Awards; and engaging industry in the promotion of VET.

There may be merit in State Training Agencies linking the TAFE or VET brand with performance criteria and quality assurance standards. The TAFE/VET logo could become recognised as a quality-approved symbol usable only by providers who meet agreed Agency performance standards which, of course, would include client-responsiveness and high individual client satisfaction ratings.
CONCLUDING REMARKS

All States and Territories have demonstrated a commitment and willingness to cultivate a client-focused, demand-driven training system. This is evidenced by the changing structures of training departments, where system management functions have been separated from system delivery functions, and by the devolution of TAFE providers. Procedures are in place to facilitate the development of an open training market. A variety of competitive tendering processes have been established, for example, and a range of 'User Buys' and 'User Choice' pilots have been initiated. A notable effort has been made to involve industry (as the 'ultimate' consumer) in the determination of training requirements; a significant number of advisory bodies and mechanisms have been established to support this.

Given the amount of energy and resources directed to developing the training provider market and to eliciting industry participation, individual clients have, in comparison, been somewhat overlooked. It is clear that governments are intent on ensuring that VET is accessible to all members of the community. Through participation in job-related training, individuals can improve their capacity to contribute to the social and economic development of the wider community, as well as improve their own employment prospects and quality of life. It is perhaps the right time to channel some of the system's energy and resources to developing a better understanding of this essential component, the individual client.

This project is not a comprehensive treatment of the complex issues involved in the perfecting of 'an efficient, effective, responsive and integrated training market'. It has attempted to present a new perspective, a different but complementary view of the evolving system, with the intention of turning the spotlight on individual clients and their place in the training system. The project is a starting point for further deliberation, consideration and research.
POSSIBILITIES FOR FUTURE RESEARCH

The following are possible directions for future research:

- This project has provided a snapshot of current practice. Continued documentation and tracking of the evolving marketing roles of Agencies and providers, particularly TAFE providers would be illuminating. What clarification of role delineation is occurring in practice and in policy?

- This project has primarily focused on the relationship between TAFE providers and State Training Agencies and yet, Agencies are concerned with the management of the whole VET sector. What is the marketing role of Agencies in relation to private providers and to Adult Community Education?

- This project suggested that there is a potential for market segmentation techniques to be used in conjunction with labour market models to determine training need. Development of new models which determine the potential shifts in the client participation profile as well as the required shifts in supply may prove useful in determining which potential clients to target.

- Further investigation is warranted into the role of industry in the marketing of new or changing occupations for which an anticipated industry demand has been identified, but of which the wider community and potential clients of vocational education and training are as yet unaware. What are the jobs of the future? Who needs to know?

- States would benefit from research which further explores or validates the usefulness of various segmentation methodologies for management and marketing purposes at the State Training Agency level, for example, life-style or benefit-sought market research.

- It would be useful to investigate potential measures of training effectiveness which include client satisfaction and client outcomes to be used in conjunction with module completion data.

- What marketing management and marketing campaign techniques are being used to promote the new apprenticeship and traineeship scheme to individuals?
BIBLIOGRAPHY/REFERENCES


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Western Australian Department of Training. 1994, TAFE Marketing Toolkit, National Positioning Statement for TAFE, National Promotion of TAFE/Western Australian Department of Training, Perth.

Mapping the Training Market Project
National Steering Committee Members

<table>
<thead>
<tr>
<th>Member</th>
<th>Position</th>
<th>Department</th>
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<tbody>
<tr>
<td>Ms Fran Colley</td>
<td>Manager, Training</td>
<td>Department for Employment, Training and Further Education, South Australia</td>
</tr>
<tr>
<td>Ms Sheryl Fewster</td>
<td>Manager, Community Relations</td>
<td>Western Australian Department of Training</td>
</tr>
<tr>
<td>Ms Wendy Murray (Chair)</td>
<td>Manager, Strategic Initiatives</td>
<td>Western Australian Department of Training</td>
</tr>
<tr>
<td>Dr Peter Smith</td>
<td>Director</td>
<td>Karratha College, Western Australia</td>
</tr>
<tr>
<td>Mr Robin Shreeve</td>
<td>General Manager, Marketing</td>
<td>New South Wales TAFE Commission</td>
</tr>
<tr>
<td>Ms Fran Thorn</td>
<td>General Manager, Strategic Planning &amp; Research</td>
<td>Office of Training and Further Education, Victoria</td>
</tr>
</tbody>
</table>
Workshop Participants For National Market Segmentation Workshop
24-25 January 1996, Fremantle, WA

State Representatives

ACT  Mr Lionel Ward  Director, Planning and Development  Vocational Education Authority

NSW  Mr Robin Shreeve  Member, Implementation Team  Department of Training and Education Coordination

Rowena de Montfort  A/Director, VET Policy & Research  Department of Training and Education Coordination

NT  Ms Sharon Clark  Manager, Corporate Services  Northern Territory Employment and Training Authority

QLD  Ms Julie Dare  Executive Officer, Public Relations Unit  Division of Vocational Education, Training and Employment

SA  Mr Denis Seidel  Director, Corporate Information Services  Department for Employment, Training and Further Education

VIC  Mr Brad Hanson  Segment Coordinator, Marketing  Office of Training and Further Education

TAS  Mr Jim Barrass  General Manager, Training Operations  Department of Industrial Relations, Vocational Education and Training

WA  Ms Sheryl Fewster  Manager, Community Relations  Western Australian Department of Training

National Steering Committee

Ms Fran Colley  Manager, Training Contracts Management Branch  Department for Employment, Training and Further Education, South Australia

Ms Sheryl Fewster  Manager, Community Relations  Western Australian Department of Training

Ms Wendy Murray (Chair)  Manager, Strategic Initiatives  Western Australian Department of Training

Dr Peter Smith  Director  Karratha College, Western Australia

Mr Robin Shreeve  General Manager, Marketing  NSW TAFE Commission

Ms Fran Thorn  General Manager, Strategic Planning & Research  Office of Training and Further Education, Victoria

Invited Guests

Ms Dani Parker  Project Officer, Corporate and Public Affairs  ANTA

Mr Rob Donovan  Assoc. Prof of Marketing, Graduate School of Business  University of Western Australia

Ms Kim Hatton  Project Director  Roy Morgan Research

Ms Anne Matheson  Liaison Officer, Industry Training Liaison Unit  Western Australian Department of Training

Mr Wojciech Koprowicz  Data Administrator  Western Australian Department of Training

Mr Kevin Coombes  A/Manager, Performance Monitoring  Western Australian Department of Training

Mr Colin Clark  Analyst, Industry Analysis & Advice  Western Australian Department of Training

Mr Rick Cummings  Principal Strategic Planner  Western Australian Department of Training

Dr Margaret Crowley  R/Exec Dir, Strategic Services  Western Australian Department of Training

Project Management Team

Ms Linda Barker  Senior Project Officer  Western Australian Department of Training

Ms Helen Smart  Project Officer  Western Australian Department of Training

Ms Janine Hanlon  Administration Officer  Western Australian Department of Training
### National Workshop, January 1996, Fremantle, Western Australia

**WORKSHOP PROGRAM – DAY 1 (WEDNESDAY 24 JANUARY 1996)**

<table>
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<th>Item</th>
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<tr>
<td>8.15</td>
<td>Workshop Welcome and Introductions</td>
<td>Wendy Murray (Mgr, Strategic Initiatives, WADT)</td>
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<tr>
<td>8.30</td>
<td>Opening Remarks</td>
<td>Margaret Crowley (R/Exec Dir, WADT)</td>
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<tr>
<td>8.45</td>
<td>Purpose and Context of Workshop</td>
<td>Wendy Murray - Workshop Chair</td>
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<tr>
<td>9.00</td>
<td>State/Territory Presentations &amp; Discussion</td>
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<td></td>
<td><strong>Australian Capital Territory</strong></td>
<td>Lionel Ward (Dir, Planning &amp; Development, VETA)</td>
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<td><strong>Queensland</strong></td>
<td>Julie Dare (Mgr, Public Relations Unit, DEVETIR)</td>
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<td><strong>New South Wales</strong></td>
<td>Robin Shreeve (General Mgr, Marketing, NSW TAFE)</td>
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<tr>
<td></td>
<td>(co-presentation)</td>
<td>Rowena deMontford (A/ Dir, VET, Policy &amp; Research, DTEC)</td>
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<td></td>
<td><strong>Northern Territory</strong></td>
<td>Sharon Clark (Mgr, Corporate Services NTETA)</td>
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<td>10.40</td>
<td>Morning Tea</td>
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<tr>
<td>11.00</td>
<td>State/Territory Presentations &amp; Discussion</td>
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<tr>
<td></td>
<td><strong>South Australia</strong></td>
<td>Denis Seidel (Dir, Corporate Information Services, DETAFE)</td>
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<td><strong>Tasmania</strong></td>
<td>Jim Barrass (General Mgr, Training Operations DVET)</td>
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<tr>
<td></td>
<td><strong>Victoria</strong></td>
<td>Brad Hanson (Segment Co-ordinator, Marketing, OTFE)</td>
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<td><strong>Western Australia</strong></td>
<td>Sheryl Fewster (Mgr, Community Relations, WADT)</td>
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<tr>
<td>12.45</td>
<td>Lunch</td>
<td>Rob Donovan (Ass Prof, Graduate School of Management, UWA)</td>
</tr>
<tr>
<td>2.00</td>
<td>Analysis of VET Marketing</td>
<td>Kim Hatton (Roy Morgan Research)</td>
</tr>
<tr>
<td>2:45</td>
<td>Work in Progress Report: ‘WA Market Segmentation Research’</td>
<td>Wojciech K pirowicz (Data Administrator, WADT)</td>
</tr>
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<td>3:15</td>
<td>Discussion with Panel Members: ‘Data for VET Market Segmentation’</td>
<td>Kevin Coombes (A/Mgr, Performance Monitoring, WADT)</td>
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<td>Chaired by Dr Peter Smith (Dir., Karratha College, Western Australia)</td>
<td>Colin Clark (Analyst, Industry Analysis &amp; Advice, WADT)</td>
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<td>Kim Hatton (Roy Morgan Research)</td>
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<td>4.20</td>
<td>Plenary Session – participant feedback</td>
<td>Rick Cummings (Principal Strategic Planner, WADT)</td>
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WORKSHOP PROGRAM - DAY 2 (THURSDAY 25 JANUARY 1996)

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<tr>
<td>8.15</td>
<td>Marketing Segmentation Methodology</td>
<td>Robin Shreeve</td>
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<td>8.50</td>
<td>Defining Marketing Roles in A Devolved System</td>
<td>Brad Hanson</td>
</tr>
<tr>
<td>9.20</td>
<td>A Market Map for WA: An Analytical Framework</td>
<td>Anne Matheson (Liaison Officer IETC Unit, WADT)</td>
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<td>9.50</td>
<td>Introduction to Small Group Work Issues &amp; Format</td>
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<tr>
<td>10.00</td>
<td>Group Work (refreshments to be accessed as needed)</td>
<td>Participants</td>
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<tr>
<td>10.50</td>
<td>Group Work Feedback</td>
<td>Participants</td>
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<td>11.15</td>
<td>Clarification of issues needing further development and/or research,</td>
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<tr>
<td>11.45</td>
<td>Perspectives on VET Marketing – The Way Ahead</td>
<td>Rob Donovan</td>
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<tr>
<td>12:40</td>
<td>Thankyous and close of Workshop</td>
<td>Wendy Murray</td>
</tr>
<tr>
<td>1:00</td>
<td>Lunch and Drinks</td>
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INFORMATION REQUESTED FROM STATES FOR THE NATIONAL WORKSHOP – 24 & 25 JANUARY, 1996

PART A: INFORMATION COLLECTION

1. Position Within the State Training Authority

The next three items explore the way your organisational structure accommodates VET sector marketing.

1.1 Does your STA have a dedicated marketing division (ie one or more persons whose essential role is marketing VET)? Please provide the name of the section and an organisational structure illustrating its position within the organisation.

1.2 Please name and give a brief description of the sections of your organisation that are key players in marketing issues. In other words, which sections of your organisation are responsible for the following functions:
   1.2.1 Deciding which VET customers should be targeted with a promotion campaign
   1.2.2 Undertaking targeted marketing campaigns for courses/services
   1.2.3 Providing public relations with the community
   1.2.4 Determining fees and charges for courses
   1.2.5 Analysing VET related data to determine the types of courses to be offered
   1.2.6 Modifying delivery and content of courses to attract particular market segments

1.3 Please provide an organisational chart which shows the relationship between these sections of your organisation.

2. Data Sources Used to Define the VET Market

2.1 Have you used Australian Bureau of Statistics data for analysing existing and potential VET clients? If so, please describe the data and assess its usefulness.

2.2 Have you used AVETMISS data for analysing existing and potential VET clients? If so, please describe the data and assess its usefulness.

2.3 Have you used TAFE College/Institute data (not AVETMISS) for analysing existing and potential VET clients? If so, please describe the data and assess its usefulness.

2.4 Have you used Private Provider data for analysing existing and potential VET clients? If so, please describe the data and assess its usefulness.

2.5 Has your organisation employed marketing agencies to provide you with data about potential VET clients? If so, please describe what was required of the marketing agency and the result of their activity.

2.6 What other information sources do you use for analysing existing and potential VET clients? Please describe the information and assess its usefulness.

3. Market Segmentation Activities

3.1 Which particular market segments (ie school leavers, women returning to work etc):
   a) have been targeted in the past;
   b) are currently being targeted; and
   c) are likely to be targeted in the future?

3.2 What sort of marketing mediums are used to disseminate information to the market segments named in item 3.1? Please indicate all types of marketing medium used, and specify the market segment targeted.

3.3 Please describe your organisations current market segmentation activities by completing the following questions:
   3.3.1 What evaluation techniques does your organisation use to measure the success of specific marketing activities? Give examples if available.
   3.3.2 Does your organisation modify courses (ie delivery and/or course content) to attract targeted market segments? Give examples if available.
PART B: GUIDELINES FOR WORKSHOP PAPER

Role Delineation Within State Training Authorities

Please describe the marketing roles (functions and responsibilities) undertaken by your State Training Authority in relation to VET course providers (TAFE Colleges/Institutes, Private and Community providers).

Please consider the following questions:
- How is your State Training Authority's marketing role different from that of the TAFE Colleges/Institutes, Private and Community providers?
- How is your State Training Authority's marketing role similar to that of the TAFE Colleges/Institutes and Private and Community providers?
- What is the unique marketing role of TAFE Colleges/Institutes and Private and Community providers?

Priorities and Issues

Please describe the importance of market segmentation within your organisation's strategic planning. How does it 'fit' with your organisation's strategic directions?

Please consider the following questions:
- What National and State policies have the greatest impact on your organisation's marketing activities? Please explain how these policies 'drive' marketing strategies in your State/Territory.
- Has your organisation developed policies to address specific VET marketing issues? If so, please describe and provide examples of the implementation of those policies.
- Has your organisation conducted, or will it be conducting research to address particular VET marketing issues? If so, please describe the research project.
- Please describe the types of data and general information you believe would be useful to strategic marketing decisions, but which is currently unavailable.
VETA has a general promotion and marketing strategy which is limited by the scarcity of resources, both human and financial. It focuses on the promotion of training opportunities to employers and on the benefits of structured training.

Additionally, VETA is acutely aware of the importance of good client relationships, with staff taking up opportunities to address meetings and forums on VET to increase the awareness of developments in the sector in industry and in the community. Well over half of its total staff of 30 would at various times be involved in promotions and/or marketing activities, with particular importance being placed on its relations with the local ITAB network.

VETA sees its marketing efforts as being to inform clients and potential clients of the VET system as a whole and of the benefits of training. The Canberra Institute of Technology (TAFE) supports an extensive marketing section which promotes its courses and services. Similarly, private providers are responsible for promoting their own services.

As the State Training Agency, VETA promotes an open training market where buyers are free to select the product which best suits their needs. VETA also works with public and private providers to assess market demand and assist with resource planning in line with the State Training Profile and local and national priorities.

A major constraint in developing and implementing a more detailed and comprehensive marketing strategy is lack of resources. While there is a small marketing and promotions budget ($40,000) to cover training awards, processes and celebrations, trainee and apprentice graduation ceremonies, career displays and publications, there is little scope at this stage for anything more.

The development of the Training Profile represents VETA’s principal planning effort in matching ACT training needs with training provision. Training priorities are established following input from ITABs, community groups and training providers and taking into account demographic, economic and labour market factors. This is consistent with ANTA requirements, and is the major determinant of VETA marketing and promotions activity.

The ACT also presents a situation which contrasts somewhat with the other States and Territories. It is a city state with a total population of approximately 300,000 people in a concentrated geographic area. It has a very narrow industry base centred around the administrative and service industries and the building industry, and which includes almost no heavy or manufacturing industries.

1. Position and Role Delineation of Marketing

1.1 The duties of one person within VETA include the responsibility of management and implementation of both marketing and promotion activities. These include all facets of the Training Excellence Awards & presentation function, trainee and apprentice graduation functions, speech writing, media and publicity, publication development, careers and other displays, and other general promotional activities. This officer is at management level and has input into VETA management processes.

1.2 The VETA organisation includes only two sections – the Planning and Development Section and the Industry Liaison and Quality Assurance Section.

- The Planning and Development Section is responsible for the ACT Training Profile, the management of various programs including the Pre-vocational Places Program and the User Choice Program, AVETMISS and liaison with the ACE sector and promotional activities
- the Industry Liaison and Quality Assurance Section is responsible for the administration of training agreements and the AVTS, liaison with industry and accreditation and registration.

Both sections have key roles in marketing, with the Planning and Development Section having the overall responsibility and Industry Liaison & Quality Assurance having an important role in direct implementation with clients.

1.3 1.3.1 & 1.3.2 Both Sections.
1.3.3 Planning and Development, but all staff involved
1.3.4 Fees and charges for courses are the responsibility of training providers.
1.3.5 This function lies with the Planning and Development Section
1.3.6 This function lies with Industry Liaison and Quality Assurance Section and public and private providers
As discussed, ACT VETA is a small organisation which works closely with industry, the community, employers and training providers in the development of its Training Profile which determines the focus of VET sector activities, and therefore the marketing position and promotional activities.

2. **Data Sources Used to Define the VET Market**

2.1 ABS demographic and financial statistics are used to set the training profile in an ACT and national context. Such information is useful as it represents a nationally accepted standard for comparison.

2.2 AVETMISS data is integral to profile development because it permits comparison between sectors and between states and territories. AVETMISS has been developed to provide information about clients which is useful for planning purposes, and as such its use is obligatory.

2.3 & 2.4 Analyses of TAFE (CIT) and private provider data about student clients is an essential aspect of profile development

2.5 Unknown

3. **Overview of Market Segmentation Activities**

3.1 School leavers, women, aboriginal people, people from a non English speaking background have been targeted in the past, are currently being targeted and will continue being targeted in the future.

Additionally, employers in both the public and private sectors are being targeted in an attempt to increase the numbers of traineeships and apprenticeships available. Small businesses have been a particular area of concentration this year as have arts, recreation and entertainment, automotive, textile, footwear, clothing and furnishing.

3.2 Marketing mediums used are usually coordinated in a marketing package appropriate for the particular target.

**Some examples**

- **Small Business** – Special events (breakfast associated with Canberra Business Week), seminar on Small Business Traineeships, associated printed material (brochures, information folders); electronic media interviews; newspaper supplement; news article in business section of newspaper and free press. Involvement with the Chamber of Commerce and service clubs.

- **Automotive** – Official launch by Minister of new automotive traineeships; contact with potential employers; information drop to schools; newspaper supplement; radio interviews.

- **School leavers** – stands/displays at annual careers market; display at hospitality career market; advisers assisting on school leaver information hotline; school visits; brochures on traineeship/apprenticeships; information in newspaper supplements targeted at school leavers; printed information distributed to school and college careers advisers; information counter at VETA.

- **General promotional events** – Awards and national awards processes – videos, newspaper articles, electronic media coverage, mailout to 2000 employers, involvement of ITABs, training providers, industry; sponsor involvement etc.

The range of marketing and promotional activities the VETA undertakes is extensive, involving staff from both sections and at many levels. The ACT's relatively intimate environment demands that the organisation be aware of its client relations and marketing issues in all its actions, despite its low marketing budget and employment of just one specialised marketing staff member.
NSW Board of Vocational Education and Training

Marketing Issues and Market Segmentation Methodologies

Background

The NSW Department of Training and Education Coordination (DTEC) is currently restructuring. Under new arrangements the Office of the Board of Vocational Education and Training is being integrated within the Department along with the major policy, planning and resource allocation functions of TAFE NSW. DTEC will now become the State Training Agency. Its Policy and Executive Services having an explicit equity function across the school, VET and higher education policy areas. Its Planning, Resources, Research and Industry Liaison division, will have research and liaison functions amongst others. The general media, liaison and marketing functions of DTEC will be located in the Executive Services area.

The emphasis on market segmentation in NSW at the State Training Agency level has been considered using an “economic model,” where the demand side is the requirement of employers for skills and the supply side of the equation is skilled workers. Emphasis has been placed therefore on the demand for skills by employers by both industry and occupation - i.e. to generate an industry driven training market to ensure relevant outcomes of training activity. Aside from this, within the client market, (a perspective taken by training providers where they are the supply side of the equation and clients are the demand side), training providers undertake the detailed market research or market segmentation.

Position and Role Delineation of Marketing

The State Training Agency, BVET, within its profiling process, and in determining its equity strategies, has undertaken the broad level planning and market segmentation activities. The VET providers, both public and private undertake the detailed marketing processes to address the needs of both industry and individuals, at a local level.

The profiling process undertaken by BVET has been a consultative one in NSW. In 1995 a working group was established to provide data and advice; identify and develop priorities for industry and target groups; and advise on key shifts in activity. Also workshops were held, regional forums were conducted and key stakeholders were surveyed. These processes identified among other things, priorities, needs and strategies for target groups. Objective statistical analysis, use of economic indicators and forecasts of activity, coupled with wide ranging consultations produce broad objectives from which priorities are drawn. It is felt that too specific groups being targeted at this level is inappropriate, being too inflexible and leading to overly prescriptive demands on the sector.

Fed into the profiling process to broadly identify “target groups” with special needs requiring specific treatment, is the Equity Plan of Action for the VET Sector. This was produced by the Equity Sub-Committee of BVET, made up of representatives from industry, ITABs, the Ministry for the Status and Advancement of Women, the Aboriginal community, the Disabilities Council of NSW, the Ethnic Affairs Commission, the Ministry for Education and Youth Affairs and the NSW TAFE Commission. The plan identifies outcomes to be achieved, and includes things such as: “All DTEC funded training to address the needs of target groups”; “increased access to vocational education and training for those with dependent care”; and “strategy development to address the training needs of indigenous people”.

One very important initiative of the STA in the marketing field, was to establish TRAIN. TRAIN is the Australian Training Information Network which provided a summary of the services and other pertinent information from many government and private agencies Australia-wide. It gives access to any one with a fax or on internet on hundreds of VET topics. This is a unique central agency role to simplify “the maze of information on vocational education and training”.

Training providers on the other hand perform specific marketing activities to identify the needs of specific groups of clients. This applies to both public providers such as TAFE and AMES and private providers that are publicly funded.

TAFE NSW has 4 equity units, the Multicultural Education Unit, Women’s Education and Training Coordination Unit and Aboriginal Development Division, and the Disabilities Unit addressing the needs of target groups, providing policy advice and coordinating monitoring implementation of strategies to improve access to vocational training of these groups. They use Community Consultative committees to advise on the needs of equity target groups and the effectiveness of programs and services provided.
A large corporate marketing unit has been responsible for corporate marketing policy, strategy and campaigns, in consultation with Institute Marketing Managers. The Corporate Marketing Group, in consultation with the Institutes and equity units inter alia, are therefore responsible for determining marketing objectives, segments, targets and strategies.

Guidelines for private providers tendering for public funds in both the Pilot Private Provider Program (P PPP) (1994) and its successor the Contracted Training Provision Programs (CTP) (1995 & 1996) have addressed the need to look at equity needs. The aims of the PPPP program were to purchase additional quality VET placements addressing current or future skill shortages as identified in the 1994 State Training Profile and encourage diversity in delivery. The PPPP used as one of its criteria for assessing applications "the accessibility of the course/training proposed, including access for groups with special needs" and the application was to contain a "description of the steps undertaken to ensure equity of access to groups with special needs".

The 1994 Pilot Private Provider Program is an interesting case in point. It was evaluated late 1995, with the findings that "The program achieved good representation in these mainstream training courses by persons from disadvantaged groups and those resident in non-metropolitan areas."

Some participant characteristic/statistics:

<table>
<thead>
<tr>
<th>52% female</th>
<th>23% NESB</th>
<th>4% ATSI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2% disabled persons</td>
<td>45% outside the SMA</td>
<td></td>
</tr>
</tbody>
</table>

Unlike labour market programs, PPPP courses were not required to be tailored to the specific needs of particular disadvantaged groups, however, the extent of participation by these groups in the program, has demonstrated that the selection criteria contained in the guidelines was successful in meeting access and equity goals.

In fact marketing practices within these private providers, and the selection process employed by the Vocational Training Services within the then Department of Industrial Relations, Employment, Training and Further Education; proved an effective mechanism to address the needs of particular market segments. Some of the applications had very specific target groups, others very general, as can be seen below:

<table>
<thead>
<tr>
<th>TARGET:</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police recruits from NESB, who may be selected to undergo further training at the Police Academy upon successful completion.</td>
<td>Aim was to prepare participants from a NESB for Police recruitment program through providing an understanding of Australian culture and language.</td>
</tr>
<tr>
<td>Entry level; encourage Aboriginal; Women; Disabled &amp; Youth.</td>
<td>Aim to provide accredited trained employees to the local workforce. Courses offered in 4 non metro and 2 metro centres in hospitality training.</td>
</tr>
<tr>
<td>Unemployed Aborigines (98% unemployment for Aborigines in area).</td>
<td>Aim to qualify students for employment in new Nursing home/hostel and to work with Aboriginal aged. Nb. only women approved.</td>
</tr>
<tr>
<td>People over 40 who are unemployed and do not qualify for the New Enterprise Incentive Scheme.</td>
<td>Aim to provide entry level vocational skills required to perform duties of assistant in nursing – aged care.</td>
</tr>
<tr>
<td>Unemployed, single parents, career changers, NESB, home carers who want qualified and paid jobs.</td>
<td></td>
</tr>
</tbody>
</table>

**Overview of Market Segmentation Activities**

To summarise the State Training Authority does the broad level targeting and priority setting within its equity plans and state training profile processes. It is the training providers who undertake the detailed market segmentation processes, to determine the relevant and localised needs. This approach has worked well to date.

Information on the TAFE NSW activity is contained in the information sheet and attachment.

BVET has undertaken evaluation surveys of former students of its training market initiative the Pilot Private Provider Program. This was undertaken through a mail questionnaire survey of all Program participants. The type of information required included employment status change, further training experiences. Information on the participants and characteristics was also gathered from enrolment documentation.
Priorities and Issues

Market segmentation of individuals according to particular characteristics is important at a local level. It is important that it remains at this level to be responsive to the local environment and employers' needs, and to remain flexible to enable timely responsiveness to these needs. It is important that only broad segmentation is used and broad priorities set centrally, or the whole system will become centrally and bureaucratically driven, inflexible and inappropriate to local needs. Any central involvement in market segmentation at the specific level, needs to be advisory, assisting locally determined projects, i.e. providing facilitation and expertise to training providers, ITABs, and community groups.

It is important to note that imbalances in the training market are largely structural in nature, and that a balance needs to be achieved between the system being industry driven and meeting the needs of specific target groups. The latter, if taking priority in establishing activity, puts in danger the provision of relevant training with high employment and further education outcomes. This balancing act needs to take place at the local level with guidance from the State and National levels. This needs to incorporate all the other facets of the training reform agenda including standards, transportability and the like.
Role Delineation of Marketing for Training Authorities and Providers

1.1 NT Employment & Training Authority’s (NTETA) Marketing Role

The decision to separate the VET system’s funding, policy and regulatory functions from training delivery in the Northern Territory established an equitable relationship with all training providers, whether public or private. While a formal marketing strategy for NTETA does not exist at present, a draft promotional plan has been developed.

If marketing is defined from a needs based perspective it is important to clarify the functional roles and positions in a client context. Consequently, NTETA’s position and role delineation of marketing is described through an analysis of the client target groups as follows:

Primary Target Group
Industry, community and government;

Secondary Target Group
Training providers & other training market players;

Tertiary Target Group
Potential & current trainees/VET students.

Primary Target Group
Industry, community and government

NTETA has a responsibility, at a system level, to promote and facilitate the delivery of training programs which are consistent with industry and community needs and the stated goals of government. These are articulated through ITAB training plans and from the advisory councils of the Authority as well as government commitments embodied in election platform statements and the policies of other public sector entities e.g. ANTA.

The collective results of these are presented in the Training Profile document. The profile development and management process is the key NTETA strategy for identifying the market needs. Through this, unmet demand as identified by the major training providers is also assessed. There have also been gaps in coverage by ITABs as not all industries are represented by the existing ITAB structure.

In being responsive to the diverse needs of a small but complex training system, the Authority needs to promote its vision and to clearly articulate its role to all players in the system in order to provide information equitably to all of its key stakeholders. This is necessary to minimise the perception, and any reality, of competitive advantage for those who may have had better access through historical associations with key personnel and to clarify the Authority’s position and functions as a central player in the training market.

Thus, in order to meet its broader corporate objectives for this Primary Target Group, the marketing focus is on industry and community education to increase awareness of the Authority’s role and the expansion of its organisational format from an advisory structure which consisted of the board & its four advisory councils, to a public entity with operational responsibility for funding, policy and regulatory functions in the VET sector. Such steps have not been taken in the past, but a recent commitment in the context of NTETA’s strategic framework implementation, should see significant improvements in the promotional activities of the Authority.

To enhance the flow of market information to NTETA, fostering awareness, or at least providing access to information, by industry (including peak employer and employee bodies) and key community groups, about the many changes which arise from the implementation of national reform is necessary.

Secondary Target Group
Training providers & other training market players

The emphasis in NTETA’s role has been on awareness of the system’s regulatory requirements for accreditation and registration to assure the quality outcomes of consistency and reliability of accredited training within the NT in accordance with nationally recognised standards. Consequently, communication with this group has been through regular newsletters in relation to policy or procedural changes and through a range of in-house brochures.

There is also a need to continue, with this group, to implement the objectives of the TAFE National Promotion Strategy and other national policies and projects e.g. AVTS, NFROT from a system perspective of which an important focus includes enhancing the image of TAFE.
Tertiary Target Group
Potential & current trainees /VET students
The marketing approach to potential and current trainees/VET students has not been coordinated at the system level in the NT VET Sector. Some issues have emerged with the division of responsibility for this group between Commonwealth (DEET) and Territory Governments. Nevertheless, some marketing activities have occurred on a regular basis, in the past and the enhancement of the status of VET is a clear objective for the Authority to increase participation rates in the NT VET sector.

Events which have served to promote the image of the VET Sector to this group have been: the Annual Training Awards, NT Government Scholarships and various good news' stories which are part of the publicity for events such as Education Week and Careers Expo.

In developing a strategy to meet specific performance targets, the Authority will need to promote the access mechanisms to the VET system and the comparative and tangible benefits to be gained from VET as opposed to other options available. This will be a challenge as the NT University, which provides both VET and Higher Education, does not usually reach its Higher Education quotas, as is the case in other States and Territories.

In summary, the marketing role of the Authority is client-focused at a strategic, conceptual and system level, to assure the quality of the training dollar in the NT publicly funded training system. From a promotional context this translates into reliability, consistency and value for money in terms of the public perceptions and realities of the training services purchased by the Authority.

1.2 Providers’ Marketing Role
Similarly, providers also need to distinguish between their client groups e.g., the Authority, who buys the training service; employers and community groups which engage staff on the premise of the value added component provided by the training; and the trainees/VET students who are the direct recipients of the training services. Their marketing strategies would need to be cognisant of the respective needs of each group.

The most visible marketing outputs of providers include the promotional activities for specific courses which are targeted at potential trainees/VET students. The provider’s marketing role is different from the Authority as it relates to the specific marketing of a particular training product, or group of products. Differentiation between training products has particular relevance in the development of providers’ commercial activities.

As the system’s competitive tendering opportunities develop where NTETA buys a profile of training on behalf of industry and the community, the providers role is to pursue revenue generation from various sources which may also include Commonwealth and entrepreneurial avenues.

1.3 Similarities with Providers
Both the Authority and providers have common interests in several issues. Quality assurance is vital to reliability, consistency and the corporate image type perceptions of VET outputs. They also share a strategic perspective on marketing, but at different levels.

The Authority and the providers’ collective interests are served if marketing and promotional information are consistent in the messages that they send. In the small NT system with its distinctive demographic characteristics, effective coordination would help to achieve some economies and maximise the effectiveness of activities to ensure that conflicting or disjointed messages are avoided. To achieve this there needs to be appropriate strategies and media which are customised for particular locations based on the respective geographic, demographic and ethnicity profile in order to maximise responses.

1.4 Unique Marketing Roles of Providers
Providers’ unique marketing roles include conveying the providers’ articulated training vision, or mission statement so that current and potential clients are aware of areas of specialisation (or excellence) which assists the provider to develop a particular niche position.

The development and promotion of the support services that add value to the training which differentiate between products’ is unique to the role undertaken by providers. The promotion of specific courses and the range or group of training services available from the provider via handbooks, brochures, newspaper advertisements would only feature in providers marketing roles. Although the promotional activities of the providers are product’ focused, they would also need to ensure, from a strategic marketing perspective, that in the delivery of training services the systemic requirements of both the Authority and the trainees were satisfied. This goes to the issue of the providers’ client satisfaction objective.
The client group to generate repetitive and ongoing demand for services, are industry and the community, who although secondary from a provider's servicing perspective, will become key influencers in deciding the choice of provider if user choice models gain prominence in training delivery. Consequently, this is another feature unique to providers' marketing roles.

**Overview of Market Segmentation Activities**

### 2.1 NT VET Sector's Market Segmentation Activities – System

Current system level market segmentation occurs largely through the ITAB and training profile process. At provider level, public providers have been segmented by geographic location in the first instance and then by virtue of the historical roles of particular institutions e.g., NT Rural College services the NT rural industry and Batchelor College services the majority of remote Aboriginal communities through its health and general studies programs.

### 2.2 NT VET Sector's Market Segmentation Activities – Providers

NT Rural College surveys participants on arrival but data collection and analysis of the success of the respective promotion techniques has not been refined to facilitate a strategic evaluation, however some useful input has been provided from the Rural ITAB through industry surveys.

Special targeting of under-represented areas e.g., women has occurred as the result of Trades Women On The Move and Prep Courses for Women In Trade, but these have been as isolated programs and not as a market segmentation approach for the NT VET sector.

NTU Faculty of Aboriginal & Torres Strait Islander Studies have utilised several promotional approaches in targeting their client group and they are currently evaluating these through an in-house marketing committee.

**Priorities and Issues**

Refinement of the promotional plan towards the development of a formal market segmentation approach beyond the profile process has not been a priority for the Authority however there are several other market segmentation priorities and issues.

### 3.1 Priorities

Priorities in the NT will be discussed in the context of the three client target groupings described earlier.

**Primary Target Group**

**Strategic commitment**

To further develop an appropriate marketing response to the needs of this group, the Authority will adopt a broader role focusing on the NT VET system and the coordination of systemic issues and approaches beyond the profile process. Although no formal policy currently exists to address specific VET marketing issues a preliminary strategic planning meeting established a commitment to address the issues of both internal and external, communication, promotion and dissemination of information on VET issues in the NT system.

**Secondary Target Group**

**Closer links with schools and higher education**

Increased enrolments and completion rates have been a priority for providers and the Authority in ensuring that profile targets are met. Closer communication links with schools and Higher Education should improve inter-sectoral and public relations to increase awareness of the options available through the VET system and assist providers to attract and retain students. In the small NT system there is a need to capitalise on these boundary issues such as the integration of programs in NTU which has facilitated articulation between the VET and Higher Education sectors.

**Tertiary Target Group**

**TRAIN**

Recent involvement with TRAIN presents an opportunity for broader marketing scope and the potential benefits of this will be explored as staff become more conversant with the features and facilities of this innovation. Access to information about the Authority and its programs will be improved by more extensive use and availability of information on TRAIN for trainees, as well as providers, which should assist the Authority in disseminating information to these groups.
Communication throughout the VET sector, particularly between the Authority and providers is necessary to maximise the impact on trainees and potential trainees. To ensure that consistent and coordinated information is provided through the system will be a priority for future promotions which target trainees and potential trainees.

3.2 Issues

**Price**
The cost of training delivery in the NT is a major issue for the Authority, however the implementation of a pricing model over the next few years may introduce efficiencies which should result in comparatively better value for training services in the NT. Competition in the NT training market is an issue that needs to be considered in both an economic and social context as history and reality may impose some limitations on the system which will be challenging for the Authority as it pursues the implementation of systemic reforms.

**Cost shifting by industry**
It is important that in our efforts to boost competition for the training dollar in the public sector, we do not shift costs that are currently borne by industry and the community. Such a shift would be counter to the spirit and policy directions of the national reforms. This is a potential danger in a small system where some skill shortages are difficult to predict and plan for adequately in the profile process.

**Community needs and government obligations**
The extent to which the Authority, on behalf of government, meets the community obligations which are articulated in election commitment statements and then form the basis of public policy objectives adds to the cost of training. Major concerns have been identified with the identification of community needs. Balancing community versus industry priorities has been a source of ongoing debate because as with any resourcing issue, wants exceed needs and the limited public resources need to address both industry and community sector

**Product**
Defining the product, or developing the distinction between TAFE and VET has been an issue which has required clarification for both public and private providers. The tangible, marketable product is the TAFE training whilst VET is a broader suite of products which allow government to develop sectoral policy approaches to in much the same way as university is distinct from Higher Education. The product boundaries may be described as those which belong in the training and skills business, which is distinct from the jobs' business. Not all VET students are pursuing employment related training, and to build up an expectation that we are in the jobs' business would create unreasonable expectation gaps and undermine the credibility of the training and skill development products'. The potential damage from such an expectation gap would not enhance the image of TAFE nor the VET sector generally.

**Place**
Location, or logistical issues have been an issue in relation to the access and equity to training service delivery. The geographic and demographic features of the NT are not conducive to economies of scale which in turn impacts on the distribution of training services. The recent commencement of the user choice pilot by the Training Network NT will enhance access for regional and remote communities.

**Promotion**
Involvement with the National TAFE Promotion Strategy led to the development, in 1995, of a Marketing' Plan which was drafted and presented to the Authority's Board. An approach of this nature to past promotional activities has occurred on an ad hoc basis and as outlined in the strategic commitment, future promotional activities will need to be coordinated with the planned corporate operational activity.

3.3 Research

Recent research projects conducted were part of national projects and included "Changing the face of TAFE" for which data was collected at Taminmin High School and NT University. Data has also been collected for the 1995 Employer Survey and the 1995 National Employers Satisfaction Survey for TAFE.

Some providers in the NT VET sector have used marketing consultants to assist with the research and development of marketing strategies for particular target groups. The NT University Faculty of Aboriginal and Torres Strait Islander Studies has engaged a consultant to analyse their market segment and to develop effective strategies to attract more students from their target group.
As a user choice pilot the Training Network's needs are not articulated into the current profile process. Further research into the impact of this on the VET system and the profile outcomes would be beneficial for future planning in the NT training market which has a relatively high remote and regional servicing component.

Conclusion

The position and future of a marketing approach for vocational education and training in the Northern Territory presents a major challenge to NTETA as we embark on the development towards a more competitive training market whilst retaining access and equity to training which is consistent with the community service obligations of government in the NT.
Queensland's State Training Authority, the Vocational Education, Training and Employment Commission (VETEC) is the principal source of advice to the Queensland Government on vocational education, training and employment matters and the distribution of government training funds to TAFE, private providers, industry and enterprises.

VETEC also accredits training courses, registers providers and recognises work skills. VETEC's role and functions are supported by its operational arm, Training and Employment Queensland.

VETEC's goals are to:
- Establish industry and community directions for ownership of and involvement in the vocational education, training and employment system
- Establish a planning, monitoring and review system which directs the allocation of resources to meet the needs of industry and individuals in an efficient and timely way;
- Diversify and increase quality vocational education, training and employment opportunities;
- Promote and develop a competitive training market
- Improve access to vocational education, training and employment, particularly for under-represented groups;
- Improve the response of vocational education and training to the employment needs of the community and provide advice to Government on employment matters.

The Queensland Training Market

The Queensland Vocational Education, Training and Employment market consists of 16 TAFE Institutes, approx. 500 registered private providers (including commercial colleges and enterprises and 22 group training schemes). In addition some 14,000 employers currently engage apprentices and trainees.

These figures indicate Queensland's move to an increasingly open market. In 1993/94, there were only 185 non-TAFE providers registered to deliver 156 accredited and/or recognised courses.

In 1994/95 there were 358 accredited courses and 200 short courses and training programs developed and operated by providers other than TAFE.

VETEC/TEQ recognises public and private providers, employers who actively deliver recognised training to employees, employers engaging apprentices/trainees, group training companies and those in training - on or off the job - as critical partners in the training market, i.e. that the training market is much more dynamic than the relationship between training colleges and enterprises or individuals.

It recognises the vital role of vocational education and training in producing a skilled labour force and achieving economic development.

Reform of the Structured Training System

Recognition of the role of vocational education and training in developing a labour force to meet industry needs and achieving economic development led to Queensland's review of the administration of the apprenticeship and traineeship system - the Tregillis Report in 1993.

The report introduced major reforms to the structured training system to make it more accessible, efficient and therefore easier to use by employers and apprentices through, for example, improved information technology to provide services at the local level,
- a new training agreement (replacing five separate forms)
- shifting to employers responsibility for assessing their capacity to train.
- fostering a user choice approach to off-the-job training by shifting the responsibility for college enrolments to employers and apprentices. A further benefit was to place colleges into active competition to market their services to employers and apprentices.
- underpinning the above with a quality review system, including an audit system and client service standards.

The Tregillis reforms placed Queensland in a position to respond to the change and expansion in vocational education and training introduced by the Commonwealth Government's White Paper, Working Nation.

It is interesting to note that since NETTFORCE began operating in QLD in mid 1994 traineeships have increased from 2479 to 5408, which is a 118% increase. The methodology used by Nettforce to develop and market its products could be further explored in mapping the national training market.
State Training Profile

The State Training Profile is used in the Queensland VET system as both a strategic and a resource allocation tool. The Profile measures demand for specific training and seeks to identify the direction the system’s stakeholders want to take the system. Most significantly, industry has called for an increase in employment based training and this has been matched with resources to develop new products and deliver more employment based training.

The State Training Profile is a critical element of the development of the training market in Queensland. In addition to the industry training plans developed by ITABs, extensive consultations are undertaken across the State with 12 regional centres being visited in preparation of the 1997 Profile. In addition, direct consultation is undertaken with industry, public and private training providers and social justice groups to assess training need across the State. It is on this basis that resources can be allocated and products and services of the VET system marketed.

Review of Accreditation and Registration Processes

Major reforms as a result of Queensland’s response to the Rumsey Report and the implementation of National Framework for Recognition of Training (NFROT) in 1993 removed barriers (including cost and a lengthy centralised process) previously experienced by Queensland’s training providers in gaining recognition of training products and services.

These reforms were developed following extensive consultation with training providers around the State. They simplify processes to enable greater incentives for training providers to take part in the development of Queensland’s open and competitive training market.

A quality review process, outlined in The Recognition of Training – Best Practice Guidelines, was implemented with training providers to underpin the quality of products and to ensure that national standards are maintained and enhanced through continuous improvement.

Client-service standards, including a 10-day turn-around time on registration of applications, enabled Queensland to become the first state to enter into a client-service agreement with NETTFORCE.

Development of a Competitive Training Market

The Queensland Government has had something of a tradition of encouraging competition in the training market.

The off-the-job training component of traineeships has been funded through competitive means in Queensland since 1986, i.e. employers and trainees had a choice as to which training provider would deliver the off-the-job component of their training. This freedom, coupled with the fact that both public and private providers are able to deliver traineeship training has served to create a healthy level of competition in the training market.

Queensland has been working to further develop its training market through increased competition between TAFE and private training providers for the Government training dollar.

In 1993, the Competitive Funding program was introduced with a $2 million budget to develop a diverse and competitive training market where public and private training providers compete for Government funds to deliver vocational education and training.

Funds available under the program in 1995/96 have increased dramatically – to $21.5 million.

Competitive funding processes are currently being delivered under the program through four separate projects:

1. The Competitive Funding of Providers Initiative which offers training providers the opportunity to tender for government funds to deliver vocational programs or short courses in areas of training need identified by industry.

2. The Preferred Supplier Arrangement which aims to establish long term contracts with training providers to deliver training in market segments where there is little or no training effort or encourage long term commitment by provider to deliver training in specialised disciplines and/or geographical locations where training may not currently exist.
3. The Client Purchase Arrangement which provides financial assistance to employers to encourage them to purchase training which meets their workplace training needs.

4. The Food Processing Industry Project which is making financial assistance available to food processing enterprises who have negotiated training from the National Certificate in Food Processing.

Additionally, Queensland is currently piloting an ANTA “user-choice” project to enable employers and apprentices to make their own choice in provider. This pilot is providing funds direct to training providers nominated by apprentices and trainees to deliver their off-the-job training started this year.

State-initiated developments outlined above were designed to accommodate reforms at the national level being introduced as part of the National Training Reform Agenda and the Australian Vocational Training System and have been consistent with national initiatives implemented through the Policy and Implementation Strategy for a Competitive Funding Market.

**VETEC/TEQ’s Role in Marketing**

As outlined above, Queensland has made continuous moves from a vocational education and training system monopolised by TAFE to an open market which is:

- driven by the demands of clients, particularly industry
- increasingly competitive
- orientated towards achievement of outcomes in industries of national and State priority
- focused on quality and efficiencies through best practices
- addressing skill shortages

Essentially, VETEC’s marketing responsibilities and role are system-wide, and within its State Training Profile process and equity strategies, has undertaken market analysis activities at the broad level.

**Strategic Planning**

VETEC/TEQ requires all Industry Training Advisory Bodies (ITABS) to research and submit an industry training plan, which outlines industry-specific needs. It also has implemented a research and regional consultation process in the development of its State Training Profile to enable industry (through the Industry Training Advisory Bodies), employers and community organisations to identify local needs and aspirations.

**Product Development**

As the State Training Authority, VETEC also has a role in developing new training “products” in response to expressed industry needs.

Employers clearly growing preference for more employment-based training opportunities has been identified through the ITAB annual training plans.

For example, VETEC last year endorsed the nation’s first employment-based diploma as a means to address major changes in the marketplace – the growing desire by employers to train their own workers – at the workplace and at a time to suit their specific needs.

It is working with industry and training providers to develop more advanced work-based training “products” – higher level traineeships in the metal industry and advanced traineeships in non-trade areas in office administration and hospitality, for example.

These developments in the Queensland training marketplace highlight two critical elements – access to public training funds and regulations governing accreditation – both of which will be the subject of further research by VETEC.

**Promotions/Public Relations**

VETEC plays a significant role in promoting the “benefits” of vocational education and training to employers and users – potential, and current.

Commission members consult with and make personal presentations to industry and employer representatives to maintain a relationship which ensures “customer” needs are being met.
Public relations and promotional activities have an educative/awareness raising focus - i.e. fostering cultural change in, for example:

- Exploring means to expand the training market
- Increasing industry/employers/community involvement and ownership of the system
- Promoting the benefits of vocational education and training

Promotional opportunities (through media, advertising direct mail and personal presentations) focus on a range of services TEQ "delivers" to stakeholders, including employers, training providers, users and potential users of the system, including:

**Employers**
- funding for industry training
- Apprenticeship/traineeships
- State Training Profile consultation process
- TEQ employment and youth employment services

**TAFE and Private Providers**
- tendering system for funding, including SET grants
- registration and accreditation services
- State Training Profile consultation process

**Users**
- case management
- recognition of prior work and skills
- apprenticeship/traineeship qualification
- recognition

TEQ's key roles in promotion and public relations are best summarised as:

1. Promotion of its employment and training services
2. Developing "benefits" campaigns to increase employer awareness of, commitment to training
3. Direct mail, personal representations and advertising activities to increase industry involvement in training planning
4. Effectively packaging incentives for adoption of a "training culture"
5. Developing "benefits" campaigns to increase participation in vocational education and training programs.

For example, in 1996 a major promotional campaign - in conjunction with the Education Department, will target schools, students and parents to "sell" the benefits of the convergence of vocational education and general education in the senior school secondary curriculum.

The QLD Training Awards are recognised as a major promotional tool in stimulating interest and participation in the training market. Previously organised by TAFE, the awards are now being organised by Training & Employment Queensland in recognition of Queensland's broad definition of the training market.

Other key TEQ promotional and public relations activities aimed at increasing commitment to and participation in training include publication of a bi-monthly newsletter, distributed to all stakeholder groups, highlighting "success stories" across a range of training areas.

It is important to recognise that the state training authority and providers share communication objectives to raise the image, profile and public perceptions about the viability of vocational education and training as a career path option.

**Market Segmentation Activities**

Research Analysis Planning: Vocational Education and Training in Queensland" was a research report undertaken in 1993 to analyse the VETEC market and develop a marketing strategy.

The report identified four broad categories of stakeholders:

- Employers (business with traditional, formal linkages to the VET system, i.e. trades related or serviced by ITABS – large businesses with no linkages, small business).
- Users and Potential Users (current employees, mature age students, secondary school students)
- Influencers (parents, guidance counsellors, the media)
- Providers (TAFE, private providers, enterprise, community)

VETEC's current major marketing thrust is geared towards employers. However, current data collection methodology limits further segmentation activities.
Differences to TAFE Institutes/Private Providers Marketing Roles

Individual VET providers undertake the most product or service specific marketing and promotional activities. Within the framework developed through the State Training Profile's strategic planning, TAFE and private providers have a high degree of independence in their marketing roles.

The combined effects of Queensland's new processes for accreditation and registration together with the Competitive Funding Program has given public and private training providers the opportunity to develop their approach to market research and other essential skills in a competitive and commercialised training market, including product development, packaging, costing and promotion.

While VETEC/TEQ's "product" for end-users and potential users of the vocational education and training system (students, job-seekers and employees) is "opportunities for skills and jobs", it does not deliver specific courses as do TAFE and private providers. Nor are its activities primarily aimed at generating income.

Issues Arising

The increasingly dynamic nature of Queensland's training market underscores a requirement for a greater depth of knowledge and awareness of current and emerging labour needs of enterprises and industry in today's complex training market.

It highlights the need for a systematic approach in the strategic phase of marketing, i.e. identifying labour market needs and improved market research to gauge needs of industry and enterprises beyond "the great unwashed" – i.e those which do not have a commitment to training through involvement in ITAB's. Market segmentation research activities have not been undertaken to develop information tailored to individual market needs.

VETEC/TEQ's has not had an integrated or systematic approach to key elements of its marketing function -i.e. strategic planning, development, packaging and promotion.

Activities have been compartmentalised within different parts of the organisation – often without budget considerations for market research, public relations or promotional activities. As a result marketing activities have tended to occur on an ad-hoc basis.

Some Essential Missing Ingredients for Improvement

General information and data currently which is currently unavailable but important for development of the training market:

- Cost benefits of training for industry productivity, profits (under development through a Victorian project)
- Regional level data from ABS (older census data is often relied upon)
- Data on industries and employers who use, have never used or now who no longer use the VETE system
- System-wide graduate(other than TAFE) destination data
Please note there are ongoing structural changes within SA which will shortly impact on the validity presented below.

**Functions and Responsibilities**

- The State Training Authority in SA is the Minister.
- The VEET Board, which along with the Chief Executive advises the Minister, at present does not market services available.
- DETAFE provides general policies, procedures and priorities.
- The DETAFE Marketing Branch provides generic and campaign promotion and advertising, key event management, coordination of the state TAFE Marketing network and has direct daily links with the Ministers' Office.
- TAFE Institutes market regionally/statewide as necessary.
- Private Providers market independently.
- Where there are cooperative ventures joint and sponsored marketing occurs with Private Providers as well as an industry or enterprises.

Marketing is a major DETAFE priority for 1996.

**A Simple Organisational Structure for Marketing**
**DETAFe Market Segmentation**

Each year a general Departmental Marketing strategy is cooperatively developed.

In 1996 two major generic promotion campaigns will occur targeted to Semester enrolment and known client decision making times.

Targeted marketing is to occur in:
- Info Technology
- Electronics
- Multimedia
- Youth
- Disability
- Decision Makers

Evaluation is based on the target group and includes analysis of enquiries, location, enrolments, and can be by selected sub groups using APT methodologies.

DETAFe also promotes to its own staff via Newsletters etc.

**Priorities and Issues**

Market segments selected are based on government priorities, labour market demands and social justice needs.

The major drivers in 1996 include:
- overall market and market share;
- program priorities (business, rural, engineering, community services);
- social justice priorities (women, disability, isolated); and
- staff priorities (Info Tech, cultural, NTRA items, management and client satisfaction).

The Department has a 3 year rolling Strategic Plan and an Annual Marketing Plan. Within the plans there are detailed strategies for each target.

Research is spasmodic and basic on agreed campaigns; general information is kept centrally and by each Institute. Detailed research is a 1996 priority. Types of data unavailable include:
- effectiveness of methodologies and mediums;
- best practice at generic and target marketing; and
- factors which influence client selections of courses and providers and decision makers.
Marketing activities in Tasmania are undertaken at three levels.

- TAFE institutes are responsible for marketing their own activities, both state-funded and fee-for-service. This includes use of the local media and other local activities such as visits to schools and presentations to community groups.
- Some promotional work is undertaken by the central office marketing group who prepare brochures etc for institutes.
- The central office of the Department of Industrial Relations, Vocational Education and Training has the responsibility for marketing TAFE generally in Tasmania and for undertaking major research activities.

**Position and Role Delineation of Marketing**

Marketing of VET sector activities other than TAFE has not been developed to any real extent in Tasmania.

**Overview of Market Segmentation Activities**

These are described in the research undertaken below.

**Priorities and Issues**

Research has been undertaken into a number of issues related to TAFE, namely:

1. Issues related to mature age students;
2. Issues related to barriers to enrolling in TAFE; and
3. Issues related to school leavers undertaking training at TAFE.

**Issues Related to Mature Age Students**

A research report titled *Mature Age Students Survey* has been produced, covering issues related to mature age students. For the purpose of the research, mature age students were taken to be all those 25 years or older. The report gathered demographic information about the students such as gender and highest qualification obtained before attending TAFE. A wide range of issues were covered relating to participation in a TAFE course, including, reasons for undertaking the course; difficulties related to undertaking the course; and an evaluation of various aspects of studying at TAFE. All data is reported on an institute by institute basis as well as for Tasmania combined.

**Issues Related to Barriers to Enrolling in TAFE**

Research reports titled *Enquirers-not-enrolled Survey* and *Enquirers-not-enrolled Survey Stage II (follow-up telephone survey)* covered issues related to why potential students do not enrol. The first report covers a postal survey of people who inquired about TAFE courses but did not subsequently enrol. The second report covers telephone interviews with some of the respondents to the postal survey. The telephone interviews allowed issues that emerged from the survey to be researched in greater depth:

The survey covered issues such as reasons for not enrolling; whether the person enrolled elsewhere; how well enquiries were handled by TAFE staff; and how the enquiry was made (e.g. in person, by phone).

Data is given by institute and for Tasmania combined. One institute, Drysdale, did not participate in the research.

**Issues Related to School Leavers Undertaking Training at TAFE**

The results of surveys of 1160 year 10 to 12 students and 400 of their teachers is covered in the *Year 10 to 12 Student and Teacher Surveys* report.

The student survey covered knowledge and perceptions of TAFE, university and private providers. Apprenticeships and traineeships were covered separately from TAFE. However in some reporting of results, they are aggregated with TAFE data. The survey also covers the future intentions of students when they leave school and cover their intentions if they are not able to gain entry to the course of their choice (in TAFE and University). There is also some coverage on the results of advertising.

The teacher survey covers similar grounds relating to knowledge, and attitude toward TAFE, University and private providers. There is also some coverage on the results of advertising.

A section of the report covers a comparison with certain aspects of the student and teacher surveys.

**Availability of Reports**

All the research reports are available from the DIRVET departmental library through the inter-library loan service. In addition all reports are available through the national VET clearinghouse network.
Office of Training And Further Education, Victoria

The purpose of this paper is to present Victoria's current position concerning marketing issues for the National Workshop for the project: Mapping the Training Market: Identification of Potential VET Clients.

Background

The Victorian State Training system consists of 28 TAFE Institutes, over 450 registered private VET providers and approximately 580 community providers, all of whom operate with a high degree of autonomy. This autonomy includes marketing activities. Each provider in the Victorian system is responsible for their own marketing activities including development of their own product identity, advertising and other promotional activities.

The devolved nature of the Victorian system, combined with a number of nation-wide initiatives driven by the Australian National Training Authority (ANTA) and the Commonwealth Department of Employment, Education and Training (DEET), mean that marketing activities within the VET sector occur at three levels - national, state, and individual provider.

OTFE’s Role in Marketing

Within Victoria the elements which constitute marketing are distributed between the Office of Training and Further Education (OTFE) at the State level and individual providers (the bodies responsible for product and service delivery).

Within OTFE the structural arrangements, and the very broad view taken of marketing, has the effect of ensuring that all Divisions participate in the marketing function to some extent. The role of OTFE is mainly expressed in the functions distributed across the Office, rather than solely in the Marketing and International Operations Branch. These functions are set out in the Table in Section 1.2 of the Attachment to this paper.

OTFE’s most important role in marketing is to identify trends and determine broad strategic policy frameworks within which the elements of VET can operate within the State. OTFE and the State Training Board of Victoria have identified five major themes requiring a strategic focus in the Victorian VET system. These themes, which have significant implications for marketing, are:

From TAFE to VET:
- the maturing of the vocational education and training system to one made up of not just TAFE colleges, but a diverse range of providers which combine competitiveness with co-operative action in meeting the demands of their clients.

From Supply to Demand:
- emphasis on the needs of our clients and the greater orientation of the State Training System to a more client focussed culture, rather than a predominant past concern of providers determining market supply.

From Activity to Outcome:
- focus on performance, both in terms of efficiency and effectiveness. Best practice will be the goal for all and will largely direct where resources flow within the system.

From Quantity to Quality:
- our products and process, in particular curriculum, the skills of our teaching staff and accreditation and regulation are critical to the ongoing relevance of the system. Continual improvement of these is integral to the system’s success.

From Control to a Devolved System
- the strength of our system rests on responsiveness of providers to their clients. The relationship between individual providers and enterprises and students will be a central focus of the system. This can best be achieved through independent and accountable providers. The management relations of the system must facilitate this.
Marketing Role of Individual Providers

Marketing and promotional activities undertaken by individual VET providers constitute the third and most product- and/or service-specific level of marketing within the sector. Under the devolved nature of the Victorian State training System, providers enjoy a high degree of independence in managing their own marketing approaches and conducting their own promotional activities. The nature of strategies and activities varies widely, given the diversity among the providers comprising the system. The largest providers manage budgets which afford them the scope to conduct high profile television advertising campaigns; while, for some small providers, the promotional budget may only fund relatively small quantities of printed materials.

Promotional activities of individual providers are primarily print-based, consisting of brochures and press advertisements. The opportunity to use television promotion is limited to regional providers (on account of their relative importance in the community) and to two of the largest metropolitan TAFE Institutes. Increased corporate promotion through sponsorship of sporting teams, speaking engagements and networking activities for local industry has also occurred. Pending the full implementation of the TRAIN information system, a number of providers have proceeded with placement of their own Home Pages on the Internet.

Provider Marketing Needs

Recent research conducted in Victoria, in relation to education and training providers' marketing needs, has demonstrated that many providers (both public and private) have the following views about their marketing needs:

- **they want to better understand the needs of their current market/students** – VET institutions felt they had been supply-driven traditionally, and now they felt a need to develop a full understanding of the characteristics of demand.

- **they want a better understanding of their local markets** – this need related to ensuring that promotional material carried the optimal message and was targeted in the best possible way.

- **understanding and responding to the needs of business enterprises is a major concern** – researching what the local business enterprises require in terms of course content and delivery was seen as important; many providers, particularly private providers, felt they did this informally.

- **responding to preferred delivery modes for current and potential students is of concern** – this included looking at the opportunities for new methods of delivery such as study at home, open access sites both at colleges and workplaces.

- **local image and perception research is seen as important** – respondents felt that, although much of this research had been done, it was not focussed enough to be of use in positioning their institution.

- **outcomes and satisfaction research was seen as a priority** – private providers appeared to have been involved in this type of research for longer but in a more informal way than TAFE colleges.

- **future market opportunities (often niche markets) were regarded as vital intelligence** – this area of research was seen as absolutely essential, but the hardest to get right.

- **Pricing studies and competitor research were though important by some providers, particularly private providers** – currently pricing is seen predominantly in terms of price cutting by TAFE colleges.

Industry Needs

Providers’ marketing needs relate significantly to market intelligence concerning the perceived needs of industry. Recent research, conceived and managed by OTFE as part of the ANTA devolved funds program, has through a series of case studies highlighted some of the needs identified by enterprises in relation to training. As such, these Industry Training Studies are potentially useful for those planning VET marketing approaches.

Briefly, some of the conclusions reached from these case studies were:

- **that training was widely accepted as part of the solution for the enterprise to deal with an increasingly competitive environment, but that training decisions were almost always taken by operational managers.**

- **that there were as many outcomes of training as there were individual enterprises studied.**

- **that the search for quality was a universal driver of training investment.**

- **that much of the training required was of a generic nature, and usually related to improvements in behavioural skills in the workforce rather than strict technical skills.**
that the individual played a critical role in determining training outcomes, particularly at the managerial and professional levels.

that the National Training Reform Agenda was not well understood by most people in enterprises, even where there existed a strong culture of support for training.

that effective Industry Training Advisory Boards (ITABs) can have a significant impact on the provision of enterprise training and presumably on focussing demand.

**Market Segmentation**

Victorian TAFE Colleges sometimes appear to treat the training market differently according to these segments:

- recurrent funds programs
- programs attracting fee-for-service funds
- labour market training programs funded predominantly by the Commonwealth
- strategies and activities directed to attracting international students.

**One Victorian Approach**

A major step each year in focussing the attention of Victorian providers on what are seen as the target priorities for recurrently-funded VET is represented by a publication entitled *Industry Training Priorities: Victorian State Training System*. This publication comprises:

- an analysis of the economic, demographic and labour market factors which are seen as influencing the year in question
- industry and further education priorities for funding of education and training, based on Industry Training Plans and the Adult, Community and Further Education (ACFE) planning processes; this section contains industry by industry guidance about priority areas of training.

It is through these mechanisms and the negotiations with providers that take place that the inputs of Industry Training Boards influence the provision of training and the adjustment of market segments.

In recent years the OTFE has made available some funds to purchase targeted places from the private VET sector. In 1996 moves to a more open training market will see Private Providers and TAFE Institutes competing for a segment of public funds for the first time.

**Issues**

OTFE endeavours to take a very broad view of marketing; decisions about policy and marketing are often interchangeable and certainly cannot be taken without consideration for the wider implications and “spinoff” benefits or problems which may result.

At the provider level there is evidence that few institutions relate market research to policy, planning and evaluation. The majority of providers tend to see marketing as synonymous with promotion and public relations. There is a need to encourage change to this approach. One way in which this is being done in Victoria is through the commissioning of a practical manual on Market Research Methodologies for VET Institutions, which will shortly be published.

OTFE sees the following as key drivers of change which will influence marketing policy over the next few years:

- the continuing move to tailoring training more to individual employer and student needs
- the continuing demand from government for cost efficiency
- the demographically-driven reduction in the number of school leavers
- the development of EdNA and other communications technologies and their application in VET
- the continuing move to the training of “operative” level employees in enterprises
- increased desire by enterprises to link training more closely to their business strategy
- increased demand for VET in secondary schools
- moves by more enterprises to recognise the prime importance of knowledge in their workers, and the need for a multi-skilled, flexible and team-based workforce, and for continuous learning.
Implications

The result of these changes that are forecast or already happening is a marketing environment of much greater complexity. The following are some of the implications OTFE sees as arising from these changes:

- The inclination of enterprises to recognise the prime importance of knowledge in their workers and the need for multi-skilled, flexible and team-based approaches, and to see training as part of the solution in dealing with competition, has profound implications for VET providers' marketing stances. It appears that the industry market wants more training delivered in the workplace and customised to the specific enterprise needs and delivery constraints.

- The perceived need for improvement in generic behavioural skills in the workforce may conflict with those aspects and applications of CBT which emphasise short term technical skills and competencies. Marketing strategies and training product development may be affected, if these observations are supported as a result of further research.

- The trend towards market values via the encouragement of commercial activities by public providers, the provision of public funding on a competitive basis to private providers for accredited programs, and the application of the Competition Code, has major implications for marketing policy in public and private VET institutions.

- The reduction in the number of people of school leaving age has implications for VET marketing. In addition, the growth of provision of VET in schools will require attention to ensure that over provision does not occur and that the right mix develops in terms of which sector provides which type of education and training.

- The availability of new communications technologies, and the pace at which they become available, present major challenges to marketing experts, planners, educators, and providers alike. The new technologies are likely to attract new entrepreneurial providers into the market in competition with more traditional VET service models.

- The new technologies, trends in the market towards responsiveness to individual client needs, funding constraints, changes in the age composition and location of VET participation, and the inherent capital inefficiency of past training delivery strategies, means that increasing, closer attention to resource allocation across VET is necessary, including the rationalisation of administration of public training provision, and the rationalisation of current capital stock in favour of alternative models. Training providers will become less closely identified with particular physical facilities as they move to a range of more efficient and effective, alternative delivery strategies. Market research concerning all these issues will play a significant part in determining product offerings and delivery options.
Background

This paper is provided in response to a request from the “Mapping the Training Market” National Project Management Team for information on the following marketing areas:

- Position and Role Delineation of Marketing
- Overview of Market Segmentation Activities
- Marketing Priorities and Issues.

The Western Australian Department of Training is the State Training Agency under the Australian National Training Authority Act. It currently operates under the Education Act and administers the State Employment Skills and Development Authority Act and provides support to the State Training Board, the Skills Standards and Accreditation Board and the Industry Training Councils. New State Government legislation will, however, provide the framework for a single vocational education and training Act. This Act is designed to support a network of autonomous TAFE Colleges and will assist the Department to broaden its focus to include all VET providers, private and public.

These legislative changes reflect a change in the Department’s primary function, from providing publicly funded vocational education and training and labour market programs in Western Australia, to strategically managing the States investments and interests in VET.

The Department is also responsible for the Industrial Training Act, which governs the administration of apprenticeships, traineeships and group training schemes.

Area 1: Position and Role Delineation of Marketing

The Western Australian Department of Training and publicly funded TAFE Colleges have very different marketing roles within the VET system, although they have a strong inter-relationship with one another. The former tends to have a macro focus and the later a micro.

Operational Focus

These differences in roles reflect the Department’s function as the major purchaser of vocational education and training in the State, and a Colleges function as a provider of a particular range of VET courses. An example, which illustrates the different market positions of the Department and Colleges, is the VET competitive tendering processes. The Department, as the funder of training, is seeking to improve the cost-effectiveness of quality training provision through the implementing of a purchasing model. Under this model, training and services from public and private training providers are purchased through competitive tendering processes. Colleges, as training providers, are required to be proactive and compete with other providers for the tendered funding. As this initiative gains momentum a larger proportion of VET training is likely to made available through competitive tendering processes.

Delivery Responsibilities

The Department has a clear responsibility to ensure that quality training is provided: in a cost-effective way, according to pre-determined accreditation standards, targeted to the needs of industry, and addresses the Government’s community obligations. Training providers are then funded through agreements, which reflect the criteria. Colleges, by way of contrast, are predominantly funded through the Department and, as such, seek to meet the Department’s performance outcomes as stipulated through funding agreements. They also have a professional commitment to the provision of quality vocational education and training which meets the needs of industry and students.

Quality Products and Services.

An important role for the Department is ensuring that the vocational education and training system in Western Australia is characterised by the highest level of quality across all activities. The Quality and Review Division develops and maintains a quality assurance framework aimed at ensuring optimum standards and best practices in the State Vocational Education and training system. The key elements of the quality system include quality standards, self-assessment by organisations, external validation, external assessment, quality endorsement (to award status of Quality Endorsed Training Organisations), and quality improvement. The framework ensures that the VET sector provides quality products and services. It is also designed to encourage the achievement of quality standards that emphasise continuing improvement as the means for achieving excellence in training, to meet changing customer, industry and Government needs and expectations.
It embraces public and private VET providers. The Division also initiates the development of quality assurance strategies and procedures for all aspects of the training system and to ensure that programs and services are evaluated and reviewed in accordance with agreed objectives and standards.

Identifying and Assessing Customer Needs and Wants
The Department utilises College based information regarding the perceived needs and wants of students and local enterprise, to assist in determining resource allocation. This information is documented in the College Training Profiles. The Department also seeks advice from Industry Training Councils, regarding the training needs of industry. This advice is formally documented in Industry Training Plans. The State Training Agency utilises both the College Training Profiles and Industry Training Plans to prepare a State Training Profile. The Department does not have an assessment process which analyses the needs and wants of individual students. Information regarding demand for courses can, however, be derived from application and enrolment statistical data gained through the admissions process. Student and Industry Satisfaction Surveys operated annually at the State and National level provide information on customer satisfaction with VET outcomes. Customer information is used to design quality products and services through the quality system framework. The framework ensures that information about client needs and expectations and the extent to which a training organisation is organisation is meeting these needs and expectations is the central guide to the organisation's performance.

Promoting Products and Services
The Department is responsible for the broad promotion of VET products and services. It operates under a customer service program which covers the implementation of such services as the Recognition of Prior Learning (RPL), training needs assessment, credit transfers, research development and the provision of information on specific functions. In promoting courses it primarily focuses on advertising the TAFE "brand". The Department does not currently promote private providers and would need to investigate the implications of this issue before undertaking such a move. Market segmentation activities in recent years have centred on the targeting of the TAFE "brand" to a range of student-user segments. Targeted segments included school leavers, mature age students, access and equity groups, adult literacy, isolated persons and business. TAFE Colleges are currently responsible for promoting individual course products and the Western Australian Department of Training is responsible for compiling and promoting the annual TAFE Handbooks, both for full-time and part-time courses. Handbooks are intended as reference tools to assist students to enrol.

Linking the State Training Authority with TAFE Colleges
The Western Australian Department of Training has initiated closer links with TAFE College marketing teams through the development of an informal working group, hosted by the Manager of the Department's Community Relations Branch. This group is in its infancy and aims to assist networking between members and the promotion of the VET product. College members tend to have roles within their individual organisations that focus on advertising courses and developing relationships with local targeted customers.

Area 2: Overview of Market Segmentation Activities

Identification of Market Segments
The Western Australian Department of Training has not undertaken research which is specifically related to customer market segmentation. (Also see the previous section "Operational Focus"). It does, however, maintain a continual industry and community focus in the development of its strategic and operational plans. It is working towards a greater integration of its management functions so that planning and operational activities are more closely tied to long term vocational education and training goals. In particular, the Department's 1996-1998 Strategic Plan has highlighted as a key objective, the development and improvement of strategic management processes within the Department to meet customer needs as a key objective.

Specific Market Segmentation Activities
The Western Australian Department of Training funds VET courses through a broad assessment of industry and community needs. This assessment comprises information from the Industry Training Plans and College Profiles, the State Training Profile and the Department's Strategic Plan. The information is used to develop Delivery Agreements between the Department and colleges, and Tender Criteria which are administered through the Department's competitive tendering process.
The Department encourages VET participation through the promotion of VET opportunities to the community in general and some well established VET users, such as school leavers and employees in the workplace. Some examples of the promotion mediums used include TV, direct mail and open days. Also see the previous section "Identifying and Assessing Customer Needs and Wants".

**Area 3: Marketing Priorities and Issues**

**Industry and Community Priorities**

The Western Australian Department of Training addresses vocational education and training needs of industry and the community and set priorities in response to these sections. The systems for identifying industry priorities and issues are well established through Industry Training Plans, the State Training Profile and the activities of the State Training Board. Issues emerging from labour market data analysis and skills shortages are priorities being addressed through the State Training Board.

The linkages between non-career oriented VET participants and long term employment outcomes have been the subject of State and National research and policy development for the Adult and Community Education sector. Priorities are being established within the State for this emerging sector.

Industry and the community priorities share the common issue of the impact of student motivation on their VET participation. An overarching premise of the VET sector is that customers of VET, defined as industry and students, share the common goal of participating in VET in order to improve work skills. This premise supports policy development at the State and National levels and is recognised as the motivating factor of large numbers of VET participants.

The motivation of potential VET clients, those groups who do not participate in the VET system, is not clearly understood. There is the potential to improve the Department's understanding of its customers if more emphasis is placed on identifying the VET expectations and values of student-users, which are not currently participating in VET. In initiating the National Project, "Mapping the Training Market", the Department anticipates research in the following VET marketing issues: what are the barriers to participation; what are the values held by participants and non-participants which impact on their uptake of education and training, and what market segmentation approaches are most useful for analysing different customer groupings.

**The Impact of Competition Policy**

The Western Australian Department of Training is using competitive tendering processes as an approach to developing a more diverse and competitive training market. This approach calls for tenders for courses that, in 1996, fell into three broad categories:

- **Pre-vocational courses** – the criteria for submissions is based on their ability to meet Commonwealth program guidelines.
- **Industry specific courses** – the types of courses required is determined through the State Training Profile consultation process, which involves input from a wide range of stakeholders, including Colleges, Industry and Enterprises.
- **Enterprise Specific Program** – this category is new in 1996 and focuses on employer/enterprise specific courses which provide additional training for employees.

To assist with the development of competitive tendering processes the Department has released a policy paper which outlines six guiding principles:

1. Competition in the training market should lead to higher quality vocational education and training and gains in efficiency and effectiveness while maintaining the public interest.
2. The development of policies and processes within the training market will be consistent with the goals and operation of the State Government's policy on competitive tendering and contracting.
3. Development of the training market should reflect the State's strategic priorities.
4. Clients should have choice.
5. Change should proceed with an understanding of the impacts.
6. The processes used in developing the training market will enable fair competition between providers, while serving the public interest.
The amount funded through Western Australia's competitive tendering processes has grown from $2.8 million in 1994, when processes commenced, to a planned $15.0 million for 1997. The three years in which the process has operated has seen a steady increase in the number of tender submissions received and a broadening of the type of training provided.

As the competitive tendering process develops there is an opportunity for key marketing issues, such as understanding customer differences and providing a quality product, to be incorporated into policies and implementation strategies. This approach to resource allocation recognises the importance of course quality, the need for performance information through assessment processes and data collection systems, and the influential role of all stakeholders.

**Improved Participation Rates**

Access and participation outcomes for individuals, communities and industry groups with special needs continues to be an important marketing issue for the Western Australian Department of training. Some strategies initiated to address access and participation include:

- the location of equity bureaus and units to maximise their ability to meet customer service
- needs and coordinated policy advice;
- incorporation of geographical regions as a basis for identifying special needs;
- development and implementation of a Western Australian adult community education policy;
- further development of strategies to increase access and participation in the vocational education and training sector,
- identification and direct resourcing to those industry sectors and occupational groups which have low qualifications profiles and are of strategic importance to Western Australia; and
- recognition of key community service obligations for providers of vocational education and training and incorporation in all agreements for purchasing training.

Possible areas for additional market research include:

- the provision of consistent data which analyses the different motivations for customer participation and their VET values and expectations;
- the best approach to providing market support to all publicly funded VET providers, considering the differences and similarities between private and non-private providers; and
- improving the understanding of the VET market through the analysis of commercial and public sector marketing theories.
Segmentation of the Training Providers Market: A Planning Framework

An extract from an unpublished paper presented at the Mapping the Training Market National Workshop by Ms Anne Matheson

Nature of the Market

The term 'market place' is a marketing term which refers to the sequence or chain of organisations or players in the delivery of a product from the Supplier to the Final Customer. A Value Chain Analysis examines the attributes or outputs and the benefits or outcomes of the provision of a product within the market place. The Value Chain Analysis considers the Supplier, the Business, the Intermediary, the Buyer and at the end the Final Customer and describes the movement of goods and services down the chain through a series of defined stages.

In relation to the 'business' of training the market place can be seen to encompass the generic headings in Figure 1. Each of the parties in the chain are seeking a particular output and outcome. The systems and structures developed at each stage aim to deliver the desired outputs and outcomes.

FIGURE 1

<table>
<thead>
<tr>
<th>Supplier</th>
<th>→ Federal Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>→ State Government</td>
</tr>
<tr>
<td>Intermediary</td>
<td>→ Training Providers</td>
</tr>
<tr>
<td>Buyer</td>
<td>→ Students</td>
</tr>
<tr>
<td>Final Customer</td>
<td>→ Enterprise</td>
</tr>
</tbody>
</table>

Source: Matheson 1996

FIGURE 2

<table>
<thead>
<tr>
<th>Supplier</th>
<th>→ Federal Government</th>
<th>OUTPUT</th>
<th>OUTCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Increase Skill Base</td>
<td>Global Competitiveness</td>
</tr>
<tr>
<td>Business</td>
<td>→ State Government</td>
<td>Meet Customer Demand</td>
<td>Maximise Return on Investment</td>
</tr>
<tr>
<td>Intermediary</td>
<td>→ Training Providers</td>
<td>Successful Completion</td>
<td>Competent Workforce</td>
</tr>
<tr>
<td>Buyer</td>
<td>→ Students</td>
<td>New Skills</td>
<td>Employment</td>
</tr>
<tr>
<td>Final Customer</td>
<td>→ Enterprise</td>
<td>Skilled People</td>
<td>Productivity</td>
</tr>
</tbody>
</table>

Source: Matheson 1996
Examining this model as an overall system we understand that there are internal systems and structures that are designed to create the specific outputs and outcomes. The direct link between each of the parties carries a number of ‘contractual’ (formal and informal) arrangements; for example the Performance and Funding Agreements between the State Training Agencies and the TAFE Colleges. These immediate contractual arrangements are focussed on the outputs of the system i.e. Successful Completions, but are not able to account for the outcome at that point. This immediate relationship is termed the link of ‘accountability’ and is considered to be the ‘liability to ensure the specific targets/actions/goals are met’ in relation to a particular position in the Value Chain. For accountability to be valid the individual or organisation must have the authority to control all of the inputs and processes to create the specific output for which they are ‘accountable’.

The other major relationship within the system is that of ‘responsibility’ and refers to the relationship between the parties one link removed. For example, there is a relationship of responsibility between the WADT and the Buyer/Student to ensure that the training delivery system (through the provider) is capable of delivering the Buyer/Students desired output i.e., new skills. In this context, responsibility refers to the ‘ability to be able to respond appropriately’ and usually relates to the non-specified, but generally expected standards and modes of behaviour arising from the specific culture (eg. safe work practices, teamwork, etc). It often relates to the outcomes of a process where the areas of responsibility provide the benefit and added value.

The Values Chain Analysis (Figure 3) allows each organisation in the chain to delineate its objectives and to focus on those areas for which it is both accountable and responsible. It also assists in determining what measures must be put in place to monitor both the outputs and the outcomes of the system.

**FIGURE 3**

<table>
<thead>
<tr>
<th>OUTCOMES</th>
<th>Maximise Return on Total Investment</th>
<th>Competent Workforce</th>
<th>Employment</th>
<th>Productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Competitiveness</td>
<td>Successful Completion</td>
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<td>Increased Skill Base</td>
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<th>ACCOUNTABILITY</th>
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<tr>
<td>Federal Government (Supplier)</td>
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<th>RESPONSIBILITY</th>
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<td>AVITS NTRA.</td>
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VALUES CHAIN

*Source: Matheson 1996*
Western Australian Training Needs Model

Paper presented at National Workshop, January 1996 by Colin Clark, Analyst, Western Australian Department of Training

Model Methodology

In developing a model of training need across different industry sectors, the following variables have been considered:

- **Forecast employment growth** – an industry that is expected to experience high employment growth can, all other things being equal, also be expected to require more training to ensure a supply of extra workers is available.

- **Turnover rates** – in any occupation there is a gradual wastage of skilled labour due to workers leaving. These workers may either leave the workforce all together (for reasons ranging from retirement to leaving to care for children to immigration) or change to a different occupation (for example by moving into management or into a different job). Replacements for these workers must be trained. If the turnover rate is high then more training will be required than if it is low.

- **Proportion of workers requiring training** – not all workers in an occupation or industry will have or require formal training. The proportion that do will vary across areas. In some, for example where there are strict licensing requirements, the proportion of workers requiring formal training will be 100% or close to it. In others the proportion will be much lower.

- **Length of training required** – training for different occupations is, and should be, of differing length and intensity. The length of a training program required to adequately equip a new worker will reflect the skill requirements of the destination occupation.

- **Need for retraining** – as well as entry level training, publicly funded vocational education and training contributes to the acquisition of new skills for the existing workforce. There are two dimensions to this form of training, the proportion of the workforce that undertakes retraining, upskilling or similar activities and the amount of training required. The need for retraining can vary amongst occupations and industries. For example para-professionals undertake considerably more post-entry level training than labourers.

The methodology used in the model can be summarised briefly as follows. The model is based on a set of approximately 50 groups. These groups are defined in terms of occupations that share similar skills and/or training.

For each of these groups an estimate of the number of new workers likely to be required is made. This estimate is based on expected employment growth and the turnover rate for occupations in that group. The number of new workers is then modified by the proportion of new workers that require training and the relative length of training required, giving an estimate of training delivery (in training hours) required to ensure that an adequate supply of fully trained new workers are available.

An estimate is also made of the amount of retraining or post-entry level training required for existing workers. This is based on the proportion of workers requiring such training and the average length of training undertaken. Combined with the training requirement for new workers this gives an estimate of overall training delivery required for that group.

The comparison of the actual training delivery with the model's prediction of required training delivery serves as an indicator of areas where increases or reductions in training delivery are required.
Mapping the Training Market Project

Sitting (from left to right): Sheryl Fewster, Julie Dare, Jim Barrass, Sharon Clark, Danni Parker, Rowena de Montfort

Standing (from left to right): Helen Smart, Kim Hatton, Linda Barker, Robin Shreeve, Brad Hanson, Lionel Ward, Peter Smith, Denis Seidel, Wendy Murray

Workshop participants not pictured: Fran Colley, Fran Thorn, and Rob Donovan