Launching SPA - A Case of Intrapreneurial Marketing
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ABSTRACT
This intrapreneurship case is based on the innovative and unconventional promotional techniques used for activating brand with a smaller budget. The case discusses how a loss-making SPA was turned around and made profitable. It presents a series of marketing activities i.e., (a) small-scaled market research; (b) new product development; (c) promotion using innovative and unconventional promotional techniques; (d) strategic partnerships offering mutually beneficial incentives; and (e) establishment of placement services since inception. During launching period Dr Siddiqui made some changes in administrative staff aligned with marketing activities, intensified promotional activities and used direct marketing as a major tool for relaunching SPA. These steps made SPA a success story. At the end the case focuses specifically on establishing a Mobile Admission Office (MAO) especially for SPA located in an urban area of the Punjab province. This promotional activity requires using a mobile bus for promoting the SPA throughout the province. As per market research data there is a huge target market in sub-urban and rural areas interested in migrating to bigger cities, working in the morning hours and studying in the evening or on weekends. The issue is how to reach the target market which is scattered in rural/remote areas. Through conventional print or electronic media approaching them is difficult and expensive. The target market requires a close personal interaction between admission officers and candidates which is possible through this MOA. Dr. Siddiqui also believed that MAO would serve as an excellent tool for brand activation which may offset the initial investment of MAO. Now the management has to decide what the benefits are and fall backs of establishing MAO?
1. Introduction

Dr. Kamran Siddiqui, sitting in his new office and thinking about new promotion proposal that he will submitting to his professional mentor and Rector, Dr Hasan Sohaib Murad. Dr. Siddiqui has just taken the charge of Director SPA (SPA). He is wondering the ways that he can make his innovative, non-conventional promotional activity a success story.

2. Background

Kamran Siddiqui joined UMT in January 2000 as a faculty member after a hostile takeover of his business in Dubai, UAE. At UMT, he is known as ‘initiator’ for various initiatives. For instance, in 2000 within three months of his joining UMT, he successfully developed and executed the Pakistan’s first Masters Degree program on E-Business. In 2001, he developed a case repository for School of Business and Economics and started using case methodology for teaching. During this period he also compiled a case book on Information Technology. In 2003, he organized Pakistan’s first seminar on “Data Warehousing” in collaboration with NCR Pakistan Ltd, in Lahore. In 2006, he developed the idea of establishing FM Radio station on campus which was appreciated by fellow colleagues and seniors and implemented at UMT. During his association with UMT, he developed more than 24 new courses in three different faculties/schools. During 2000 he served as Program Director MS E-Business and during 2001-2003 he served as Director EMBA.

He went to the UK for his PhD in 2003 as a UMT faculty member on study leave. He successfully completed his MA-Marketing from University of Bradford (2204) and PhD from Manchester Business School (2008). He returned to his homeland and joined UMT as faculty member. Within months he was appointed as Director - SPA, which was launched earlier but not yet successful. Dr. Murad had strong faith in Dr. Siddiqui, and he believed that Dr. Siddiqui would be able to re-launch SPA successfully. So, Dr. Siddiqui was strongly supported by Dr. Murad, who thought of Dr. Siddiqui as a potential and capable candidate for taking up this new venture and also sorting the grave issues faced by the evening program students.

Before this change SPA (SPA) was in losses and only a single certificate course on arts and craft was launched which could attract only a few school students in 9 months’ time. Under

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1 School of Professional Advancement is School of Professional Advancement (SPA) is a subsidiary of UMT catering to the life-long educational needs of participants and professionals.

2 The University of Management and Technology is a private-sector university located in Lahore, Pakistan.
the new arrangement Dr. Siddiqui was asked to launch market driven profitable programs and he was given an open hand to design and market the new programs. As part of the mandate SPA could not launch MBA or EMBA programs as they were considered as part of SBE.

3. Pre-Launch Steps

In order to ensure successful launch of SPA, Dr. Siddiqui took five major steps:

A. Market Research

The first thing he did was a small-budgeted, small scaled market research to find out potential customers and their preferences. Market research was out-sourced to one of the marketing research consultants based in Lahore. The specified consultant was the ex-country manager of the leading multinational marketing research companies operating in Pakistan and known for his close association with academia and academic institutions. His expertise in field research and tabulations were outstanding. As per the results of market research and opinions of other colleagues, Dr. Siddiqui figured out a potential gap in the market. Major findings of market research are appended below:

Firstly, there was some change in HEC rules for business education. Pre-requisite education has been raised from 14 years of education to 16 years for seeking admissions in MBA programs. Most people resisted this decision as they did not want to invest four more years, since they worked in the mornings. Some of public sector universities were still offering 16-year Master’s degree in business and getting good chunks of market.

Secondly, the market size of 14-year degree holders, eager to get professional education was estimated as five hundred thousand in and around Punjab areas. Three clusters were identified in this market segment. (a) The first cluster comprising female candidates those who wish to study Human Resources or other professional education to secure office job. They prefer to study in co-education and in the evening programs so that they can gain some confidence and afford their education while working in the morning. (b) Second cluster consists of male candidates who were on sales jobs and preferred studying in the evening or weekends preferably Marketing and Sales degrees so that they can get advanced in their careers. (c) The largest cluster lived in the remote areas but willing to relocate to Lahore for studies and work. They prefer study programs with overseas acceptability and demand. They also need hostel

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3 School of Business and Economics is the oldest school of University of Management & Technology, offers BBA, MBA, EMBA, MS & PhD degrees in business administration.

4 Higher Education Commission (HEC) is a federal government authority in Pakistan responsible for promoting and guiding higher education institutions and universities.
and transport facilities. Interestingly living in Lahore in bachelor’s accommodation was more expensive and less trendy than living in hostel of a university.

There are some interesting commonalities in all three clusters; (a) Most of the people perceived 18-year business degree as a research degree and were not interested in research career. (b) They were willing to pay higher tuition fee and living expenses for good quality business education, acceptable overseas. (c) They prefer to have vertical in-depth Master’s degree programs focused on one functional area i.e., Marketing, HRM, Finance, Banking etc. (d) They think MBA degree is too difficult and courses like Mathematics, Statistics, Economics, or decision making courses were considered absolutely unwanted. (e) Soft skills development courses were highly appreciated. (f) In most of the adjoining regions overseas Pakistanis were supporting their families. They want their children/sibling to complete their education quickly so they can be sponsored for entry level jobs/higher education overseas. They link with some personality grooming as part of degree program. Undoubtedly their children/siblings needed their say in making decisions regarding choice of universities.

B. New Product Development

Dr. Siddiqui’s vast experience helped him in designing a perfect curriculum structure for all SPA programs, which not only suited the needs of all clusters identified during market research but also satisfied the HEC requirements. He designed a curriculum structure that had easier subjects and less work load in first year of studies, so that the students would not leave in the first semester. This first year was common in all programs so that it gives economies of scale to SPA. He also had scheduled classes for seven days so whatever day and time suited the students they would register themselves in that. He believed that if students successfully cleared the first year they would be interested in completing their second year at SPA. He started designing programs like MSc Marketing Management, MSc Financial Management, and MSc HRM and so on. Classes from 6.00 to 9.00 PM, and pick/drop facility. He presented his programs to different statutory bodies of the universities and finally got them approved. In the beginning he faced resistance, but eventually after hours and hours persuasive sessions, he convinced the authorities that there was a great potential ahead.
C. Promotion

The first thing he opted for was the designing of the promotional material. He imprinted the colorful calendars with name and logo of SPA along with educational programs (MSc Marketing Management, MSc Financial Management, and MSc HRM). These table calendars were of 12 inches tall with the schedule for each programs and got them placed at the desk of bank tellers in different banks. These calendars were also placed on sales counters of restaurants and major retail outlets. This he did by using his social networking skills. These calendars were also distributed in the corporate sector near UMT and its adjoining area. Additionally promotional material like ball pens, diaries and table planners were also produced and distributed in abundance even before launching of the programs.

D. Strategic Partnerships

He developed an innovative strategic partnership idea. He branded it as Higher Education Cover Initiative (HECI). Under this scheme the partnering organizations would be able to nominate their employees and immediate family members to study at SPA.

This discount scheme requires MOU between the SPA and corporate sector. In return partnering organizations would facilitate the SPA graduates for their internships and job placements. Under HECI jobs were not guaranteed but the internships were guaranteed proportionate to the number of nominations of the prospective students by the partnering organizations. The discount varies with the number of nominations received from the respective strategic partner.

<table>
<thead>
<tr>
<th>No. of Nominations</th>
<th>Group Discount on Tuition fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>50%</td>
</tr>
<tr>
<td>4</td>
<td>40%</td>
</tr>
<tr>
<td>3</td>
<td>30%</td>
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<td>2</td>
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<td>1</td>
<td>10%</td>
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</tbody>
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Forty four MOUS were signed by the end of strategic partnership campaign. Dr. Siddiqui observed that those who had their immediate family members in multinational and local cooperate sector were more likely to get job in the same organization.
E. Placement Services Since Inception

Dr. Siddiqui, firmly believes that hallmark of top universities of the world is the quality of their placement services. He established a small cell within SPA to establish a strong liaison with recruiters, so that they can visit SPA throughout the year to inform, test and interview graduating students. The major objective of establishing placement services at SPA since its inception is to assist students in obtaining internships and project assignments with leading Multinational and/or local companies. Initiatives planned so far.

- **HR Forum** – A quarterly event inviting 5-6 HR managers to talk on HR issues. This will provide first hand information to students while selecting their major career options. It will also introduce students to their future recruiters.

- **Job Fair** – An annual event attracting 25 to 30 recruiters from Pakistan and abroad. As we see placement services working beyond geographical boundaries, these job fairs may attract international recruiters as well.

- **Job Postings** – International and local job opportunities especially for internships will be displayed on portal. Additionally collaborations with other international job portals would also facilitate students for their overseas placements.

- **Placement Directory (PD)** – A complete CV of every graduating student will be published and sent to 100s of HR Managers & CEOs of leading MNCs and local companies.

4. Launching SPA

Dr. Siddiqui presented all of his pre-launch initiatives to UMT’s senior management and heads of the departments in several meetings; he finally got the green signal for the launch. Although he faced resistance initially, but with the confidence of Dr Murad in his abilities and his initial carefully crafted pre-launch steps, he again convinced the authorities that SPA would be a big hit. After getting everything ready for launch he took three steps:

A. Re-organization of Administrative Staff

Within SPA he recruited two faculty members; whose working hours were set from 2:00 to 10:00 PM. One coordinator was recruited and support staff was also recruited. All staff including faculty members was also involved in marketing and sales support activities. Everyone at SPA was trained to provide a virtual tour of the university to all visitors or potential candidates. One faculty member was designated to address the queries of overseas
parents. All admission material was also provided at the end of virtual tour of the visitors or mailed them at their convenience even to the parents who lived overseas. This prompted them to take a quick decision in favor of SPA. Looking at the pre-launch steps UMT decided to move their hostels from one expensive plaza to a remote enclave of 200 bungalows. The benefit was passed to hostel residents in the form of 50% reduction in Hostel fee and other expenses. A university shuttle bus service was scheduled without charges to/from hostel.

B. Promotion

Print media was also one of the major tools he used in his marketing campaign. But he used it in an entirely unusual manner. The models in his print ads were unique in a sense that they were nobody but young and good looking male and female faculty members of UMT. The advertising campaign was fun. The ads were shot at the campus with the young, handsome and energetic models were handed over laptops which they displayed in fashionable attires. They used the young faculty members as the brand ambassadors of SPA. The ad campaign was designed for six weeks and covered both Jang\(^5\) and Dawn\(^6\).

C. Direct Marketing

As a seasoned marketer he knew the importance of direct marketing when one has to be quick in the competitive world. He hired two young, energetic salesmen. Both were good looking and energetic men with a potential to excel, recently qualified MBA from UMT. They were hired to get at-least six MOU\(^7\)’s with multinationals or good local companies per month. Dr. Siddiqui knew his targets and aims well. He trained them well and soon they began to meet their targets.

5. SPA – A Success Story

With unusual marketing strategies, Dr. Siddiqui succeeded in getting the desired results. The upcoming session was an accomplishment as it had hundred percent admissions in all the disciplines. Moreover, soon the SPA gained popularity in the corporate sector. The prospects of job placement and internships in multinational companies attracted many prospective customers. The right selection of the target market, unusual promotional campaigning and strategic partnerships were the strategies which proved to be very fruitful and gained high results. Although SPA achieved all of its targets within one year time, but by walking down

\(^{5}\) Jang is the most circulated Urdu daily of the Pakistan.

\(^{6}\) Dawn is the most circulated English daily of the Pakistan.

\(^{7}\) Memorandum of Understanding
the corridors in the evening Dr. Siddiqui could see so many unlit classrooms outside SPA’s designated classroom areas. Soon he developed a strong urge to fill all those unused classrooms with SPA programs. In order to accomplish his desires he thought about something very unusual to gear up the admissions in the forthcoming sessions. He knew he had a market out there.

6. Mobile Admission Office (MAO)

Dr. Siddiqui’s new passion involves launching of a mobile bus for seeking out new admissions in remote areas around the Lahore city. He is planning that each day Mobile Admission Office (MAO) will be covering 3 to 4 villages from 9:30 AM to 6:00 PM, targeting students in colleges, schools and tuition centers. In addition to distributing flyers amongst students, the MAO will be entertaining the queries of students in their decorated bus, equipped with modern technology. The prospective students will be able to take a virtual tour of the university, and will be served refreshments too.

As per budget estimates this will cost UMT Rs. 7.6 million. This includes driver’s cabin with glass; admission office with three laptop computers and other promotional material racks. Half of the MAO will have air-conditioned seating capacity for candidates waiting for their turn. It will require one driver and a cleaner to drive and maintain the bus while two/three admission officers will be onboard daily. They are required to take the bus from UMT premises at 6:00AM and lock it back at 9:00PM; take the new route on daily basis; drive 100-150 KM and perform brand activation activities during the day time.

As per rough estimates this MAO will cost a maximum of Rs. 400,000 per month to UMT.

- Lease rental (per month) Rs. 220,000
- Diesel / Petrol (5 day-a-week working) Rs. 40,000
- Salaries & Overtime (Driver/Cleaner) Rs. 20,000
- Salaries & Allowances (Admission Officers) Rs. 60,000
- Bus Maintenance/Road Tax Rs. 10,000
- Miscellaneous Expenses Rs. 10,000

As per the proposal MAO will be credited to the half of the admission fee generated by MAO (i.e., Rs. 10,000 per applicant). It is expected that MAO will handle 50 queries and 10 admissions per day. It means roughly MAO’s income would be Rs 20 – 30 million per month. Accounting wise it’s a simple profitable decision. But Dr. Siddiqui is more interested in the brand awareness it can create in remote areas and secondly this has more stakeholders to take on board i.e., Deans of eight other schools those who wish to or not to recruit students from remote areas.
7. TEACHING NOTE

A. Case Synopsis

This case is based on the innovative and unconventional promotional techniques used for activating brand with a smaller budget. It focuses specifically on establishing a Mobile Admission Office (MAO) for a new SBU of a prominent university located in an urban area. This promotional activity requires using a mobile bus for promoting the university. As per market research data there is a huge target market in sub-urban and rural areas interested in migrating to bigger cities, working in the morning hours and studying in the evening or on weekends. The issue is how to reach the target market which is scattered in rural/remote areas. Through conventional print or electronic media approaching them is difficult and expensive. The target market requires a close personal interaction between admission officers and candidates which is possible through this MAO. Dr. Siddiqui also believes that MAO would serve as an excellent tool for brand activation which may offset the heavy initial investment of MAO. Now the management has to decide what the benefits are and fall backs of establishing MAO?

B. Case Objectives

1. To illustrate the concepts of Entrepreneurship, Intrapreneurship and intrapreneurial marketing.

2. To illustrate application of marketing tactics to set-up a new organization.

3. To appraise the importance of unconventional marketing tactics.

4. To appraise marketing skills needed in launching a new setup.

C. Target Audience

This case was written for undergraduate students taking course(s) in any one of the subject area namely Entrepreneurship, Principles of Marketing, Marketing Management, and/or Services Marketing. However, it may be used for discussion in Brand Management, Integrated Marketing Communications courses as it highlights various concepts of marketing as well. It provides an excellent opportunity to students to see how managers can use the entrepreneurial spirit while turning around a sick unit.
D. Case Methodology

A case study is a common research methodology in social science and it may be descriptive or explanatory in nature. It is based on an in-depth investigation of a single individual, group, or event (Yin, 2009). All facts and figures have been taken from the official website of the university (umt.edu.pk) otherwise all other secondary sources are mentioned and appropriately acknowledged. Principally this case is a teaching case and written solely for class room discussion and academic purposes only. It doesn’t intent to illustrate either effective or ineffective handling of managerial situation. Materials or statistics provided cannot be used by third party as evidence. This strategy has been proved fruitful in describing fundamental concepts through case study design in many other cases (Anjam & Siddiqui, 2013; Fahim & Siddiqui, 2013; Husain & Siddiqui, 2013; Mangi & Siddiqui, 2013; Salman & Siddiqui, 2013; Siddiqui & Anjam 2013a; Siddiqui & Anjam 2013b; Siddiqui & Anjam 2013c; Siddiqui & Fahim 2013). More recently the marketing concepts in Pakistan have been illustrated through a single case study design in services sector (Siddiqui & Fahim 2014; Sibghatullah, Siddiqui & Siddiqui, 2016, Latif, Sibghatullah, & Siddiqui, 2016).

E. Suggested Class Plan – 75 minute

- Introductory remarks by the instructor (05 minutes)

Instructor may start the class with general definitions of Entrepreneurship & Intrapreneurship

Entrepreneurship is the process of starting a business, a start-up company or other organization.

Intrapreneurship is the act of behaving like an entrepreneur while working within a large organization as an employee.
Role Play Activity:


Dr Hasan Sohaib Murad, is a renowned educationist and entrepreneur. He excelled in every field he touched. He earned his Engineering degree from NED University of Engineering & Technology, Karachi, MBA from Washington State University, USA and PhD from University of Wales, UK. He is the Rector of University of Management and Technology and Chairman of ILM Colleges, Knowledge School Network. Additionally he is also the Chairman of MIZAB Engineering, First IBL Modaraba, Association for Academic Quality, (AFAQ), President of Association of Management Development Institutions in Pakistan (AMDIP), Member, Board of Governors of Institute of Policy Studies (IPS), Member, Tricastmedia (Pvt) Ltd and International Business Forum, Turkey.

One volunteer is needed to act as Dr Hasan Sohaib Murad, Rector UMT. He has decided the fate of MAO proposal being presented in the forthcoming Board meeting.

Three volunteers are needed to act as Board Members. They are required to take a position on either to accept or reject the proposal and advise the Rector accordingly.

One volunteer is needed to perform the role of Dr. Siddiqui. He will be presenting and arguing in favor of the MAO proposal.

- **Why do you think that initial launch of SPA was a failure? (05 minutes)**

This discussion facilitates the students to critically review different aspects covered in the case. An open discussion to this question shall ensure effective understanding of the scenario to the entire class.

- Unable to analyze the market/ segments and their latent needs
- Wrong selection of target Market
- No Marketing/Advertising Strategy

- **Critically evaluate the sequence of Pre-Launch and Launch steps? What else could have been done to achieve better results? (05 minutes)**
The students may discuss the pre-launch and launch stages mentioned in the case in details. All the parts such as market research, new product development and others can also be critically evaluated by the students.

[Hint: Instructors may ask students to bring more ideas that may be added to the launch and pre-launch stage.]

- **How Market Research findings were used in New Product Development? (05 minutes)**

Two major points noted in NPD are:

- Change in HEC Rules was taken as an opportunity
- Mapping the NPD on Marketing Research findings

Students are also encouraged to discuss:

- Potential customers
- Customer’s preferences
- Target market
- Changes in HEC requirements

- **How do you evaluate the HECI? Do you think offering discount may dilute the brand? (05 minutes)**

The students may give differing opinions regarding this question. Their answers must be backed by logic and reasoning.

**Good Points**

- This discount scheme requires MOU between the SPA and corporate sector.
- The partnering organizations would be able to nominate their employees and immediate family members to study at SPA.
- The discount varies with the number of nominations received from the respective strategic partner.
- In return partnering organizations would facilitate the SPA graduates for their internships and job placements.
- Under HECI jobs were not guaranteed but the internships were guaranteed proportionate to the number of nominations of the prospective students by the partnering organizations.
- Employees of multinational and local cooperate sector may support their own family members for job placements in the same organization.
- Strong liaison with corporate world
- More nominations are expected.
- Quick way to get the presence felt in corporate corridors.
Bad Points

- Discount rate may erode the profitability.
- Negative connotation or perception with word “discount”.
- May be considered as marketing gimmick.

- Do you think establishment of Placement Services at inception can be counted as a core brand value? (05 minutes)

[Hint: Instructor may ask students to develop the core brand values for SPA. The values were mentioned implicitly in the case. ]

The SPA was on three core values (A) Professional Curriculum (B) Professional Development and (C) Professional Placement.

- Do you think using young faculty members as brand ambassadors for SPA and asking them to act as model for print ads is a wise decision? (05 minutes)

The students may come up with different answers. Some may think of it as a bold step and others may take it other way round.

[Hint: Students must learn how entrepreneurs/ intrapreneurs take advantage of other employees and their unleashed potential while remains economical.]

- Do you think “Re-organization of administrative staff” during launch phase is an application of Internal Marketing concept?

Internal marketing is the task of hiring, training, and motivating able employees who want to serve customers well (Kotler, 2012).
Before launching any product/service in the market, the managers must market it to employees so that they can become the front line selling staff. It requires proper training to handle the queries as well.

[Hint: Yes! It was internal marketing activity]

- **Do you think desiring to fill all UMT classrooms in the evening is a realistic desire? (05 minutes)**

  No! It is not a realistic and achievable idea especially for shorter run.

[Hint: Students must learn the nature of entrepreneurs/ intrapreneurs. They normally set targets which are beyond the imagination of normal employees.]

- **How do you evaluate MAO proposal? (05 minutes)**

  Students may be divided on this question; some may consider it as a wise, realistic and achievable idea, others may not be able to rationalize this idea in their minds.

  Financially it may be a good investment as the breakeven lies with only two admissions per day and that is very easy to achieve. But the level of brand activation could be achieved by MAO may worth more than 4 – 5 million rupees per month.

  Brand activation is a natural step in the evolution of brands. When all the necessary brand strategies are implemented, companies just need to execute them across the organization and in the total offer towards the customer. The goal of Brand Activation is to establish the connection in such a way that the consumer responds to a product offering based on both emotional and rational response levels.
8. References


Sibghatullah, Siddiqui, & Siddiqui (2016). Repositioning Virtual University of Pakistan, Developing Country Studies 5 (6), 98-108


