10 Reputation management

All organizations have a reputation which develops over a period of time. That reputation may be good or bad but, whatever it is, it plays a significant role in determining the entire business environment of the organization. The aim of this chapter is to explore the concept of organizational reputation, identify the various meanings attached to it and examine the extent to which those meanings can be applied to the higher education environment. Drawing on empirical evidence from the literature the chapter hopes to provide a broad framework for developing a reputation management strategy which is central to the success of higher education institutions.

The rainbow concept of reputation

The Financial Times ran an article on reputation management in March 2006 in which it was suggested that 'you only know what it is worth when it lies in tatters'. The implication is that organizations tend to think of their reputation in times of crisis and pay less attention to it when things are going smoothly. The ideas of reputation and reputation management are **rainbow concepts** because of the multiple shades of meanings attached to them. However, there appears to be a convergence of thought about good reputation and its importance to organizations. Fill (2006), for example, found that a good organizational reputation has a positive impact on business-to-business relations. In the context of higher education institutions, the importance of institutional relations at local, regional, national and international levels cannot be overstated. Most people will stop to listen when a Harvard professor proffers a view to the public about an important issue of national or international concern in a way that is distinctly different from that if the same view were suggested by someone from a less 'reputable' institution. The importance attached to public information and knowledge is thus closely associated with the originator of the message. In short, a reputable organization or person is judged as an authentic source of knowledge and the views espoused by such originators are often highly respected and well considered. As a concept, reputation has multiple meanings and interpretations and only a few of these will be dealt with here. Key perspectives on reputation include: the public relations perspective, the marketing communications perspective, the crisis/risk management perspective, and the corporate branding perspective. These are briefly dealt with in turn.

The public relations (PR) perspective

There is a belief among many in the field of management that the idea of reputation management is a direct outgrowth of the predecessor concept of public relations. Organizational chief executives, however, continue to see PR as mission critical (Campbell et al. 2006). Nevertheless, PR has its own reputation problems. It has sometimes been associated with organizational totalitarian propaganda (Hutton 1999) and as a field of spin and image (Moloney 2000). Although a variety of definitions of PR have been suggested, most appear to feel that it comprises those efforts used by management to identify and close the gap between how the organization is seen by its key publics and how it would like to be seen (Hayward 1998). PR has multiple roles including defending an organization from attack by competitors, publicizing its successes, building a long-term image and nurturing relationships with potential and current customers. However, many organizations use PR for crisis management and as a tool for handling complaints. In so doing, they reinforce the reactive rather than the creative purpose of PR and along with this, the idea that PR is about fire fighting. Indeed, it is often in times of crisis that organizations mobilize press conferences, begin to run staff workshops, groom senior executives for press and TV interviews and provide a sustained communication onslaught with their multiple publics. But closing the gap between perception and reality cannot be achieved on the spur of the moment. It is a process that requires ongoing investment of resources and effort and involves a deliberate strategy to create and nurture a relationship between the organization and those who seek and use its services. Thus although many of the processes or tools of public relations can be utilized for managing organizational reputation, the intended purposes are quite different.

The marketing communications perspective

While PR is about narrowing the gap between public perception and organizational reality, communication is considered to be a key strategy for transmitting intended organizational messages in a way which engages the public and secures its interest in and loyalty to the organization. Marketing communication uses multiple tools such as advertising, sales promotion, personal selling, PR and direct marketing in various combinations and degrees of intensity. There is a growing recognition in organizations of its evolution from an interventionist paradigm, which focused on redress, to a new, proactive communications ethos which seeks to build relationships between the organization and its several publics. This new 'audience-centred focus' (Fill 2006: 32) is aimed not so much at ameliorating current difficulties and challenges as encouraging a dialogue with stakeholders to influence the image and reputation of the organization.

The concept of corporate communications came into use in the latter part of the 1980s and has been associated with the need to translate corporate identity into corporate image (Ind 1992). Essentially the identity of an organization addresses three fundamental questions: who are we?; what business are we in?; and what do want to be? (Albert and Whetten 1985). Identity thus reflects the internal organizational vision underpinning the overall mission of the business. On the other hand, corporate image is externally determined, being the values and impressions held by stakeholders about an organization's identity. Corporate communication frameworks are designed to translate this internal vision into a public consciousness which helps to create positive relations across the stakeholder boundaries. A higher education institution which is viewed unfavourably by prospective students will need not only a radical re-examination of its product offering, but also an equally radical communication strategy to transform the existing negative identity into a favourable new image. To that extent, marketing communication performs a role similar to PR, aiming at bridging the gap between current perception and intended reality. In that context, it has influenced our conceptualization of the idea of reputation management.

The crisis/risk management perspective

At the start of this chapter we mentioned that many organizations do not worry about their reputation until it is in tatters. Before the emergence of a competitive higher education environment, institutions existed in a highly protected environment in which reputation was not a key element of their strategic management. Today, crisis management has become a key strategic element of many organizations. The need to have a set of procedures ready when a crisis visits an organization has become part of the long-term strategy of many organizations, including education. For example, there is a growing list of legal cases involving higher education staff and students across the world. Increasingly, students are concerned about value for money in learning and frequently have much to say about the nature and quality of instruction, resources and sometimes even assessment. Institutions need to have planned courses of action when such situations occur. There are a variety of ways to profile and analyse institutional crises. For example, Fill (2006) suggests that crises can be categorized as likely or unlikely to occur. Although revoking a university award may be a very unlikely event, some institutions have found it difficult to maintain the honorary status awarded to prominent people who are judged by the international community as unworthy on account of the way they lead their lives in current circumstances. Such universities have reported recently that there is no precedent to these revocations and hence no institutional experience in managing these damaging scenarios. Other ways of categorizing crises include whether they are internally or externally controllable, although not mutually exclusive. A whole campus could come under terrorist attack, for example; a rather unlikely crisis for many institutions, but one whose control is largely external.

Many institutions have established crisis teams which meet regularly to review crisis procedures and even to rehearse crisis situations much like fire drills, and to consider responses in situations that the institution may not have experienced before. Because crises by their nature are newsworthy, institutions need to have trained spokespeople who can deal with the media. The key elements of good crisis management include establishing good media relations, having external agencies in place, rehearsing hypothetical scenarios, dealing in truth and not evasion, and the need for an established crisis management team (Fill 2006). Maintaining an organization's reputation remains a key goal for institutions. Crisis management provides yet another useful perspective to build upon our understanding of reputation management.

The corporate branding perspective

The concept of branding is a recent development in higher education and is strongly associated with the notion of organizational reputation. Kotler (2005) has noted that the art of marketing is the art of brand building while Lawlor (2007) suggests that if an organization is not a brand, then it is simply a commodity and argues that most educational institutions are commodities in that they do not differentiate themselves sufficiently from the competition. They end up competing on price and making themselves vulnerable in the process. A recent attempt to brand German higher education (DAAD 2007) against the background of increasing global competition from the USA, other EU countries and especially the UK, noted that the German branding proposition had to focus on:

- quality of study programmes;

- good value for money and not cheap study programmes;
- reliability;
- personal success and individualism;
- modern, but not trendy.

A quick fix for attracting customers in retail and similar organizations is to compete on price. However, in higher education, a bargain price does not help to attract students on a global scale. On the contrary, cheaper programmes are often negatively associated with low quality (Little et al. 1997; Ivy 2002). Branding is thus more than adjusting attributes to influence decisions. It connotes the building of a lasting image about a product or service which consumers or customers will feel eternally proud to be associated with. Lawlor (2007: 3) suggests that:

> Institutions with strong brand identity carry a halo of positive assumptions that build trust and confidence in the institution and lead to positive outcomes ... such as students choosing to attend the institution; a reporter seeking a professor to quote in a new story; a legislator meeting with a campus representative or an alumnus deciding to make a major donation.

In business, when you increase the net worth of a company, you add value and thus build equity. According to Blythe (2006: 89), branding is: 'the culmination of a range of activities across the whole marketing mix, leading to a brand image which conveys a whole set of messages to the consumer'. The key is that branding involves the full range of marketing elements and is not a simple manipulation of one or two for short-term benefit. Ideally, the brand should have a positive impact on the consumer in terms of their self-image, the quality associated with the product or service, the cost (not the price), anticipated performance and differentiation from competing brands. The brand thus acts as a focus point of contact between the institution's efforts to create it, on the one hand, and the anticipated consumer benefits, on the other.

Once the benefits to the consumer have been established, branding brings several well-documented benefits to the organization in reverse. It protects the organization from competitors, creating 'a barrier to entry' which allows the organization flexibility of pricing policy. In a recent study sponsored by the Higher Education Academy on the impact of the new fees regime on students' attitudes to higher education, Foskett et al. (2006) found that prospective applicants were not overly concerned about price and would not trade a relatively high priced course offered in a prestigious university for a similar but low priced course offered by a less prestigious university. In addition, branding is a strong differentiating device. However, consumers do need to see the difference between an existing brand and those from competitors. Why, for example, would someone choose an MBA in one institution and not in another? Establishing why and how an institution's product differs from that of its competitors creates a sound basis for distinguishing organizational brands. Brands are also functional devices in that they help convey an image of its quality and expected performance to consumers. More significantly, brands act as risk reducers. In higher education, key risks associated with pursuing study at that level include opportunity cost and employment potential. An Oxbridge degree, for example, guarantees reduced risks due to opportunities for highly paid employment in prestigious organizations upon completion of studies.

There are four broad types of assets that are usually associated with an institution's brand and these can be used as tools for analysis and evaluation of organizational brands.

The first is referred to as the *brand awareness asset.* This refers to the strength of a brand's presence in the minds of consumers, measured in a variety of ways including brand recognition exercises, top of mind recall and dominant recall techniques. One of the long-term influences of the colonial educational experience has been that of leaving the indigenous population with a mental complex which places the education quality of the colonial master above that which became locally available in the postcolonial period. In Zimbabwe, for example, Maringe and Carter (2007) discovered that many prospective applicants to UK higher education associated all its provision with the Oxbridge brand. Thus the Oxbridge brand has a strong mental presence in the minds, not only of local populations within the UK, but across the globe and especially in former colonial countries.

The second asset is the *perceived product or service quality.* In higher education, university and subject rankings provide a useful proxy for quality, despite their many shortcomings (Altbach 2004). For example, Altbach has argued that rankings give privilege to the already privileged and tend to stress performance in some subjects over others. However, despite their shortcomings, many institutions continue to use their standing to prove their quality. Studies of the impact of rankings on institutions show that a common selling point for universities is their position on *The Guardian*'s Good University Guide or the Times Higher Education university rankings. Because of the lack of identity of many institutions, the labels pre- and post-1992 tend to ascribe certain qualities often understood by the public about the nature and quality of offerings within these institutions. However, as Lawlor (2007: 5) finds: 'Association by category may be somewhat effective in the short term, but ultimately, each institution needs its own identity to create differentiation in the minds of its audiences and therefore avoid being a commodity.'

The third element of brand identity is what is known as *brand loyalty.* In education, and indeed other product and service sectors, brand loyalty creates strong word-of-mouth marketing which helps to create a formidable recruitment base. Satisfied alumni will significantly influence how others perceive the institution. In some universities, leavers are required to provide a final testimonial indicating whether their original expectations have been met by their experience over the years. Some of the best testaments are then used as marketing tools in programme prospectuses. To help maintain loyalty, alumni are offered a variety of incentives including lifelong free subscriptions to the library and other university services, subsidized attendance at institution-led conferences and reduced fees for siblings' university education.

Brand association is the fourth asset of brand identity. A department or university may offer Rhodes scholarships, ESRC bursaries, Fullbright funding or similar eminent educational support, and may associate itself with key celebrity figures, as at St Andrews University in Scotland where Prince William studied. These associations can add value to the brand equity. Similarly, the value of symbols such as the Nike 'swoosh' and Coca-Cola bottles and labels provide a visible identity for organizations helping to build value and thus increase the brand equity. For example, the University of Southampton has used a dolphin as its institutional logo for a long time. The rationale behind this was that the dolphin is known worldwide as a clever, friendly and intelligent animal. Such values have become deeply ingrained into the psyche of students and staff and the hope is that wider society will associate the institution with similar values as well. However, recent scientific evidence from South Africa (Manger 2006) suggests that the dolphin is not as intelligent as previously thought. In fact, its intelligence has been estimated to be slightly better than that of a goldfish. This new finding may not yet have universal support, but what it effectively does is to cast doubts about the wisdom of using the dolphin as a symbol of the university. Because of the uncertainty surrounding this issue, the university may begin to be associated with similar uncertainty and this could devalue the brand equity in the long term.

Creating a strong brand identity is thus a key component through which the reputation of organizations can be managed. So what then is reputation management?

What is reputation management?

A number of studies in the field of educational choice and decision-making have shown that institutional reputation is one of the strongest influencers of people's decisions when it comes to study destinations and subject or course choices (see, for example, Foskett 1995; Ivy 2002; Maringe 2004). Reputation is thus a key aspect of organizational development which requires strategic approaches in building, maintaining, and developing it. Essentially reputation is: 'an individual's reflection of the historical and accumulated impacts of previous identity cues' (Fill 2006: 435).

The concept of reflection subsumes image. There are many authors who view image and reputation as interchangeable ideas (Ditcher 1985; Dutton et al. 1994; Alvesson 1998). We agree with those who see the concepts not as interchangeable, but as strongly related (see, for example, Fill 2006). We see corporate image as the view that different audiences have about an organization resulting from the cues presented by the organization. In short, corporate image is what stakeholders perceive the organization to be. Reputation, on the other hand, is a deeper set of enduring images which are more difficult to erase from the public consciousness and, unlike images, are not solely based on immediate representations. Thus, while images can be transient, reputation tends to be more embedded. For example, the University of Zimbabwe evolved from being an elite and segregatory institution with an almost all white student population in the colonial era to a democratic, mass-based, mixed race and open institution following political independence in 1980. This transition marked changes in the corporate image of the institution. However, the institution's reputation as a centre of academic excellence in the country, on the continent and across the globe has been an enduring theme in both historical epochs. There is something more enduring in the notion of corporate reputation that may be transient in the idea of corporate image.

Organizations want to be associated with a strong and positive reputation and this has become for many universities a fundamental strategic aspect. The University of Southampton, for example, captures this notion of corporate reputation thus:

> The University of Southampton has a strategic aim to be a highly-regarded international university with a strong global profile. To achieve this aim the University is committed to developing a strong international research and teaching culture.

'Brand University of Southampton' thus represents an international institution with a global outlook. Does the dolphin image help to transmit this identity and in what ways? Since the dolphin is the most enduring image of this university, does it need to be supported by a few words to capture the ideas of being international and global? Is 'global' a risky concept too, given the variety of challenges associated with it?

The public are faced with multiple choices in the marketplace and the chances of seeing similar institutional strategic visions on university websites are likely to be high. Customers often want to know what really distinguishes one institution from another and this is what the institution needs to understand, and to devise mechanisms for the public also to understand.

Developing and maintaining a strong and positive reputation is thus of strategic significance to the institution.

First, a brand distinguishes the institution from competitors in a very specific and unique way. Second, it provides a support platform in times of organizational turbulence. The likelihood of survival of a powerful brand from a damaged reputation is higher than that of a weak brand. 'Brand McDonald', for example, continues to flourish despite the numerous high profile complaints about irresponsible eating and obesity. Animal rights' activists have fought battles with Oxford University over animal experiments, yet these programmes continue unabated because Oxford is a global front runner in medical innovation and development. Third, it provides a measure of the corporate value and finally, especially in the commercial and retail sector, it has a net effect on the profitability of the organization (Greyser 1996).

In order to build this strong message about the institutional distinctiveness, Lawlor (2007) has recommended what he calls the FACTS method:

- Focus
- Ask
- Clarify
- Tell
- Show

Focus on quality and the customer. The organization survives solely for the purposes of serving its customers. Its vision and purpose should therefore first and foremost be focused outside, on its customers, highlighting how it will help them not only to solve their problems, but do so both efficiently and effectively. The university should not be seen just as another place to come and study, but as a place to have life-changing experiences. That emphasis is likely to hit the quality and customer focus button in a way which makes the institution and its offerings unique and distinctive. In addition, as management gurus have shown us, the only view of quality that counts is that of the customer (Gerson 1993). When internally determined criteria for quality do not match those of customers, a quality gap is created which destabilizes the very foundation upon which reputations are built.

Ask customers what they need and want. A key challenge many face, especially established universities, is that of transforming themselves from being inward-looking and expert-centred to being outward, responsive and customer-focused organizations. Staff in many universities find it very uncomfortable, if not distasteful, to think of their relationship with students as being founded on a customer basis. This is not without deep-seated reason. Students are not purchasing a commodity from the university in the same way a person shops for and buys a television from a retailer.

Indeed, the product students derive from the university can be both tangible and intangible and in many ways is the outcome of the students' effort as much as that of the teachers. In addition, students wear many hats while on campus. For example, when they seek to enrol with the institution and request all sorts of advice and guidance, they may be wearing the 'customer' hat; when they learn and receive tuition in campus classrooms and laboratories, they could be wearing their 'client' hats; and they wear their 'campus citizen' hats when they exercise their rights defending themselves against perceived injustices. Thus to plan for the entire student experience on the basis of the customer concept alone may completely disregard other important roles they play during their time on campus. However, regardless of the type of hat students may wear as customers, citizens or clients, planning for their experience across the range of these roles requires a good understanding of their needs and wants. This is not just about responding to their needs and wants; it is about anticipating these through a strategic needs identification and analysis process that underpins all curriculum, management and administrative planning and development within the institution. Reputation is what remains in the minds of these students after they have left the institution. The likelihood of this being positive is enhanced if the student experience – the entire corporate brand – is developed around the needs of those who are likely to want to utilize its services and products.

Clarify your image, identity and product benefits. Many university institutions suffer from an image and identity crisis resulting from a range of causes. Identities and images are 'volatile social constructions, that although seemingly objective, base their significance and existence largely on the interpretive capabilities and preferences of their audiences' (Christensen and Askegaard 2001: 2).

Organizational identity, as discussed earlier, goes much deeper than the visible symbols and cues used to represent the organization. It is, in fact, the sum total of the symbols and artefacts designed and managed in order to communicate the ideal perception of the organization to its public. A variety of marketing communications techniques and strategies can be deployed to communicate this desired identity. On the other hand, organizational image refers to the reception of these communication efforts by the public – the public perception of the organization (see Margulies 1977; Christensen and Askegaard 2001). Thus identity is internally developed and driven, while image is externally constructed and fed back to the organization.

Organizations can learn about their image by conducting external organizational analyses, the results of which can be used to evaluate, reconstruct and redevelop the corporate identity. A key obstacle in these processes is that many staff within university organizations are unable to say what their institution stands for. They do not know their identity (Roberts and Maringe 2005). The importance of having a clear understanding of an organization's identity is fundamental. Investing time and resources in developing this identity is a necessary first step and basis for developing a desirable corporate image and for managing the long-term reputation of the organization.

Customers will maintain an organizational loyalty and in the process develop an intrinsic capacity to recruit and self-recruit, provided the organization can demonstrate an ability to deliver the benefits customers want. For students, the key benefits of higher education tend to be the promise of employment, the life-enhancing nature of the higher education product and experience, the opportunity to learn in a multicultural environment in the increasingly international higher education context, and the promise of higher than normal lifetime earnings to those who achieve higher education qualifications. Universities that have a demonstrable reputation for delivering these promises tend to enjoy student and alumnus patronage.

Tell customers about your differences clearly, consistently and frequently. Why should a student who wants to study medicine choose to do it in a specific university and not any other? Why should a member of staff seeking a professorial chair apply to one university and not to any other? Customers want to know what distinguishes institutions from each other. A university with a clear sense of self-identity and a good understanding of the competitor environment is more likely to know how it differs from its rivals or collaborators in the marketplace. The message of difference, not similarity, is what customers want to hear and ultimately constitutes a strong basis upon which customers make decisions. Once this clarity about how the organization differs from its competitors is achieved, the next stage is to keep telling the public. This can be achieved through utilizing a variety of communication channels to maximize the diffusion of the message. The message can also become a permanent part of the official university symbols, artefacts, letterheads, corporate gifts and paraphernalia, compliments slips and answerphone recorded messages, among others.

Show added value. This can be achieved by designing appropriate and appealing symbols, developing catchy slogans and associations and communicating these frequently and consistently with the public. Such symbols and verbal cues help to give the organization a corporate personality which helps with the development and consolidation of its identity.

An analytic and process model for reputation management

The above review has enabled us to develop a model for analysing the processes of reputation management which universities could utilize in attempts to develop their corporate identities and images. The model we propose has three key elements representing an interlocking system of ideas and principles:

- the institutional context;
- the institutional reputation framework;
- the strategy and operational framework.

Institutional context

Examining the broad context of the institution provides a necessary starting point for developing an institutional reputation management strategy. Key elements of this context must include:

- the socio-political and educational context;
- the policy framework at regional, national and international levels;
- key competitor strengths and weaknesses;
- institutional strengths and weaknesses;
- institutional mission, vision, goals, aims and objectives;
- the intended institutional distinctiveness and institutional brand proposition.

Institutional reputation framework

It will be important to consider a broad framework for conceptualizing the institutional reputation management process. The variety of perspectives which have been used as lenses for examining the idea of reputation in this chapter should be utilized in combination as, used alone, none of them reveals a complete picture about reputation management. The framework will thus comprise the following key elements:

- brand and branding element;
- public relations element;
- crisis management element;
- marketing communications element.

Ideally, the reputation management team should comprise individuals with specific or overlapping expertise in the above areas and it will be important to identify clearly what aspects of each of these elements need to inform the overall strategy for reputation management.

Strategy and operational framework

Key elements of the operational framework should incorporate the following fundamental principles:

- teams drawn inclusively and with task orientation;
- focus on quality;
- focus on customers;
- developing institutional identity and distinctiveness;
- communicating frequently and consistently;
- demonstrating added value;
- ongoing evaluation.

Key obstacles to brand development and reputation management

Research has identified a range of aspects that make it difficult to build a successful brand which is the cornerstone for the organization's reputation (Aaker 1998). Some of these are external, while others could be internal to the organization.

External barriers

Temptation to compete on price

The higher education experience is a relatively price-insensitive commodity. In fact, the cheaper a higher education product is, the more closely it is associated with low quality and mediocrity. However, there is a wide variety of consumers showing an equally variable range of preferences for higher education products and experiences. In developing countries, for example, and in poorly performing economic environments, consumers tend to be very price conscious. Maringe (2004), for example, identified that pre-graduate trained teachers had a strong preference for distance education programmes offered by the Zimbabwe Open University as opposed to similar programmes offered in more conventional universities. Among the main reasons for this preference, a key consideration was the costs involved (see also Foskett and Helmsley-Brown 2001; Ivy 2002). However, given that price is an all-embracing concept involving direct costs, indirect costs and opportunity costs among others, it is very difficult to put a price tag on an educational product. Sooner or later, consumers read into any attempt to lower the costs of an educational programme as, at best, an act of deception and, at worst, an indication of low quality. Rather, one should aim to associate the organization with the Harrod's of this world. A low price market may be attractive in the short term, but competing on that basis tends to push institutions off the status ladders. Reputation is built on quality and not on price, and quality rarely comes cheap.

Despite the prohibitively high cost involved in undertaking a Harvard Business School MBA degree course, their lists are usually full for the next seven academic years. Foskett at al. (2006) found that, despite the newly introduced variable fees in UK higher education, prospective students were unlikely to choose universities based on the price charged. The annual Roper Organization survey on brand choice has shown that since 1986 the major reason for consumer brand choice has been their experience with a product. Price has never been the top reason (Lawlor 2007).

Lack of distinctiveness

The proliferation of competitors in the higher education sector means that providers have to show how different they are from the competition. Why should consumers prefer your product over others? In a case study of a university department seeking to develop its mission and distinctiveness, Maringe (2007) found that academics tend to exist in small pockets of distinctiveness or as individual experts within the department. Rarely do they see themselves as part of a broader picture of the department. This individuality compromises the group effort to become a unified entity on which the organizational mission can be founded and developed. Without a mission to spell distinctiveness for the department or organization it becomes extremely difficult to lay the foundations upon which the organizational reputation can be built and developed. Another reason is that, as shown in a number of studies (see, for example, Maringe 2006), many staff in university departments are blissfully ignorant of the key distinctiveness of their department or organization. As such, the very foundations upon which the reputation of the organization could be built remain shaky, at best, and non-existent, at worst. There are researchers who have suggested that successful departments are dependent not so much on a common espoused vision, but on the presence and impact of big hitters, movers and shakers within those departments who often have distinctly divergent research agendas and share little among themselves except a passion for success in that at which they are good. The problem with basing organizational success on this philosophy is that the reputation of the organization survives in the presence of the high profile individuals but vanishes as soon as they take their expertise elsewhere.

Fragmented markets

Related to the above is the issue of a fragmented higher education marketplace. Essentially, there are two broad higher education recruitment markets: the home and the overseas market. However, within these broad markets are multiple micro markets to which higher education institutions provide services. For example, in the home market there are distinct market segments such as those responding to specific subject and discipline studies, and demographic markets distinguished by characteristics such as gender and age especially. Adult learners, for example, demonstrate distinctly different decision-making processes and tend to prefer providers who specialize in part-time and other flexible modes of delivery (Roberts and Maringe 2005). Other examples are the geo-demographic markets which are based on issues such as travel distance and the location of the provider. There is evidence that many prospective higher education applicants seek places in institutions which are within 100 km radius (Tonks and Farr 1995; Farr 2002; Read et al. 2005). In a recent study on the diversification of recruitment markets for the UK Postgraduate Certificate in Education (PGCE) training, Maringe (2007) made some startling revelations. First, failure to recruit to quota in subjects such as mathematics and science was not related to a shortage of applicants in the market, but to a widespread failure by those in universities to realize that the recruitment market is highly diversified. This makes the continued reliance on traditional markets such as recent graduates for universities both inadequate and obsolete. Second, training schools continue to use a 'one size fits all' approach to attracting and recruiting PGCE students to their departments. This approach is based on the needs of recently graduated students and makes little or no appeal to the variety of potential applicants in industry, in research centres, in part-time research positions in universities, and among large groups of retrenched employees in technical organizations which close down periodically for a whole range of reasons.

Thus the problem of fragmented markets in higher education is a two-pronged issue. First, the existence of multiple markets places institutions in the dilemma of whether to provide a specialized and focused product, or a product that appeals to the broad mass of potential higher education applicants, hence developing distinctiveness becomes a major challenge for those choosing to market more broadly. As we have seen earlier, without a recognizable institutional distinctiveness, it is extremely difficult to develop a recognizable reputation with which higher education consumers want to associate. The second problem is a current failure in many higher education institutions to utilize effectively market segmentation techniques and strategies as a basis for understanding markets and subsequently develop products and services taking those needs into account.

Internal barriers

Among numerous internal barriers existing at individual institutional levels, three are the most prevalent in the UK higher education sector:

- *Underdeveloped branding strategies*: Branding has been shown in this chapter as being at the heart of the reputation and reputation management process. However, within many academic departments, excluding those with a management and marketing remit, there is a serious shortage of expertise with the appropriate background and experience to undertake and manage the branding and re-branding processes (Gray 1991; Foskett 1995; Smith et al. 1995; Ivy 2002; Maringe 2004). Many departments and institutions rely on external expertise to undertake these specialized processes yet, in the absence of a critical mass of internal knowledge and understanding, the prospects of developing a home-grown marketing orientation in higher education remain elusive.
- *Organizational resistance to innovation*: The forces driving educational institutions towards managerial and business models of operation are huge and currently appear irreversible. This inevitability is, however, often met with another obstacle in the form of organizational resistance to change. In particular, university academics feel most threatened by the sweeping changes which they claim are eroding and corrupting the very core of higher education. They allege these changes come about through processes that commodify education and strangle its underlying value as a liberating influence, reducing it to an instrumental product purchased in the same way as bread from a supermarket. Such arguments are, perhaps, as extreme as they may be misdirected, but constitute the basis upon which higher education marketization has been resisted by the internal academe.
- For many, marketing is about presentation while education is about substance. Grudgingly, therefore, higher education institutions are adopting the marketing orientation. In the UK and other developed nations, central or institutional and departmental/ faculty marketing offices are now a common feature. However, recent evidence shows that there remains a 'them and us' relationship between academics and those employed in marketing roles within universities. The integrated model in which marketing becomes embedded into the core business of academic departments does not have a substantial existence in many institutions (Maringe 2005a). Hence, concepts such as branding and reputation management continue to be frowned upon and are viewed with suspicion, if not contempt, by academics in university departments.

- *Pressure to become profitable*: The business model that has taken over higher education requires university departments to be seen as cost centres. They have to generate sufficient revenue, recruit profitably and become self-sustaining rather than remain as recipients and spenders of external funds. In the last few years we have witnessed closure of chemistry and physics departments in some universities largely because they had become financial liabilities to their host institutions. In addition, there is pressure on universities to recruit from overseas, especially outside the EU, in order to generate required financial resources. This has had the net effect of increasing overseas enrolment, sometimes at the expense of local recruitment. There is anecdotal evidence in some departments that upward of 95 per cent of postgraduate students are from overseas. HESA (2005–6) figures actually show that, on average, 65 per cent of all postgraduates in the UK are from overseas while about 80 per cent of all research students are from overseas. While this has increased and perhaps enhanced the international character of UK higher education, there is also anecdotal evidence from institutional surveys that sections of these international student bodies prefer to learn alongside UK home students than to learn among themselves. The reputation which UK higher education has enjoyed as a destination for a truly international educational experience is thus being brought to question through decisions driven by a desire to become profitable.

Summary

Institutional reputation is one of the main, if not the key influencer of consumer decisions in higher education. As a concept, it has multiple meanings arising from the varied contexts in which it has been derived. The PR perspective sees reputation and reputation management as a tool for maintaining peace and good relations with the outside world. As such, its role is largely that of responding to rather than anticipating problems and organizational challenges. Reputation management in this sense becomes an exercise in closing the gap between external perception and an intended internal reality. It thus assumes an instrumental rather than a strategic significance. The marketing communications perspective performs a role similar to that of PR in viewing the purpose of reputation management similarly as bridging the gap between external perceptions of the institutional identity and the intended internal identity. The crisis management perspective assumes that the university, like any other form of business or commercial enterprise, is a risk-taking activity.

Institutions are continuously faced with crises and need to adopt a strategic approach to crisis management. A key purpose of crisis management is to keep organizational reputation intact. Finally, the corporate branding perspective helps us to understand reputation and reputation management. Kotler (2005) has argued that the art of marketing is the art of branding. The key pillars of strong brands tend to be quality, value for money, reliability and guarantee of personal success and individualism. These are elements which are associated with highly reputable educational institutions and sectors. Creating a strong brand is thus a key component by which the reputation of organization can be managed. This management is based on four broad principles: (1) focusing on quality; (2) maintaining a keen customer focus; (3) continuously building and enhancing the organizational image; and (4) maintaining a consistent and persistent communication strategy aimed at informing and learning from the public.

Based on the above, an analytic and process model for managing reputation is proposed. The model has three key elements including: keeping close and understanding the institutional context; developing an institutional reputation framework which incorporates the key perspectives described in the first part of this chapter; and putting in place a series of operational arrangements for the implementation and evaluation of the organizational reputation. The chapter concluded by looking at external and internal barriers to reputation management.

Despite assertions to the contrary, issues of image and identity are becoming as important as the academic disciplines taught in university classrooms. Christensen and Cheney (1994) and Cheney and Christensen (1999) have argued that the quest for visibility and credibility in a cluttered and sometimes hostile environment has made the questions of identity, image and reputation salient issues for organizations. Consumers in higher education show a closer affinity to organizations they consider reputable. Managing this reputation no longer can be left to chance but needs to be incorporated into the strategic vision of the organization.