

4 'The student as customer' perspective

The emergence of marketing in higher education has been greeted with mixed responses. On the one hand, there are those who have embraced the idea wholeheartedly, seeing it not just as a key aspect for twenty-first-century higher education management, but also and even more importantly as an inevitable response to the overarching forces that have necessitated its role and place in higher education (Smith et al. 1995). Critics of marketing in education and higher education in particular have focused their arguments on the notion of what we could call an incompatibility theory, based on what they see as a clash of values between the world of business and the arena of education. The purpose of this chapter is to review the arguments and counter-arguments characterizing the emergence of the discourse and practice of marketing in higher education. In particular, the chapter examines the debates centred on the use of the customer label to identify students in higher education. To contextualize these debates we need to move backwards a little and first examine the forces that have driven the emergence of marketing in education and in higher education in particular.

What has driven the marketization of education?

Traditionally, education has been viewed as the means by which past and current wisdom is passed to future generations through instruction designed by teachers and for which students were to be eternally grateful. In that environment, the teacher possessed all the knowledge which students required to prepare them for life after school. Much has changed in our educational institutions, reflecting a significant shift from a highly inward-looking and teacher-centred educational landscape and provision to one that sees and acknowledges the role of students as partners and collaborators in the learning process. Despite these significant shifts, there remains a core of resistance that refuses to bring the world of business and its ideas into the educational arena.

The concept of marketing itself has a history, understood initially from a promotion and advertising perspective. Today, however, its meaning is more broad-based and about delivering value to those with whom the organization has a relationship. It is often the historical roots and understanding of marketing that shape the criticisms and arguments associated with its emergence in education.

Essentially, there are four overarching forces that have driven higher education to embrace the marketing idea (Smith et al. 1995) and these forces appear to have operated both in the higher education environments of developed and less developed countries (Maringe and Foskett 2002).

Massification of higher education

There have been three main waves that have characterized global educational expansion. The first was targeted at the elementary and primary levels. Fuelled by social justice, equality, equity and economic arguments and supported unequivocally by the World Bank and the International Monetary Fund (IMF) rhetoric, primary and elementary education became both universal and compulsory in many parts of the world. The growth at primary and elementary levels had to be reflected by corresponding expansion at secondary school levels. In many developed countries on both sides of the Atlantic, including the USA, the UK, Germany, France, Canada, Australia and Japan, the school-leaving age has been raised to 16, an age when most young people would have completed four or five years of secondary education. In some less developed countries, for example, Zimbabwe, South Africa and some South American nations, secondary schooling has largely been made accessible to all pupils. This in turn has led to the expansion of tertiary provision to cater for and absorb the rising demand from the secondary sector. Parallel developments, driven by philosophical repositioning of education as a lifelong process including the adoption of widening participation concepts, have also led to increased access to higher education across the world. The effects of **massification** of higher education on teaching, examination performance, physical facilities, institutional management, financing and student quality of life have thus become topical areas of research and debate in higher education across the world. How institutions, in this new environment, would continue to deliver value to students has thus become a core academic, management and administrative concern for contemporary higher education institutions.

Expansion and diversification

Related to massification are the concepts of expansion and diversification. As higher education provision became more broad-based, fuelled as it was by

social justice, economic and equality motives, institutions have responded through diversifying their provision. Essentially diversification entails development of different types of higher education provision. For example, following devolution in 1992 in England, former polytechnic institutions which hitherto had specialized in vocational training became incorporated as universities in their own right. Since then they have grown and strengthened their vocational mission and proudly stand alongside traditional pre-1992 universities, offering a distinctive higher education experience highly sought after by a large group of students in society.

Growth in higher education has been phenomenal in many parts of the world over the past few decades. In 1963, at the time of the Robbins Report in England, there were about 324,000 students in higher education. The figure rose to 1.2 million in the early 1990s following devolution. Currently, it is estimated that there are about 1.8 million students in higher education in England (UKCOSA 2004). Thus UK higher education has been transformed from elite to a mass system with multi-level access points to a multi-discipline higher education experience. Subjects that would never have been dreamt of comprising a higher education experience a few hundred years ago, such as fashion, sports, music, drama and dance, are increasingly gaining a market share and have become the mainstay programmes for some universities in the higher education sector. This illustrates, in part, the nature and extent of diversity.

Nor has this expansion and diversity passed by the less developed countries. Zimbabwe, for example, was served by one university for more than three decades since the inception of the University of Zimbabwe, which catered for about 2000 students. The country has currently 12 universities which have emerged in the past ten years serving approximately 60,000 students in a range of subjects and new disciplines that have previously not featured in the higher education landscape. What has happened across many countries is the erosion of the traditional university, with places for society's highly talented select few, to a provision that is more broad-based and open to a wider range of talents and creating diverse opportunities and experiences for thousands of young people.

Essentially expansion and diversity have spurred on competition between institutions in the higher education sectors, directly resulting in expanded choices for students and also indirectly, by means of the strategic responses of institutions to become more focused on students' needs rather than Institutional competences.

Growth of heterogeneity in higher education

Heterogeneity, the growth of diversity and difference, is a direct consequence of the above factors of manifestation and expansion in higher education. It is

manifested in many ways but chiefly in the nature and composition of student bodies on campuses across the world, the wider range of higher education courses or products and, more prominently, in the academic content and delivery mechanisms.

Some would argue, and rightly, that the dynamics of student populations on university campuses are the direct result and consequence of the globalization phenomenon (Altbach and McGill Peterson 1999). Globalization, defined variously by different authors, is a concept that has attracted much attention and is sometimes considered to be at the heart of many changes that are shaping contemporary higher education landscapes. Essentially, it is a term used to describe the shrinking or diminishing of national boundaries due to advances in technology and the increasing economic and social interdependence of nations, with stronger links established especially between and among regional nations such as the European Union. Globalization has seen the demise of political boundaries and the promotion of co-operation among once different countries, frequently necessitating the 'free' movement of people across nations for socio-economic advancement, technological and educational purposes. As a consequence, students' options for higher education are no longer constrained by national boundaries. Rapid developments in Internet-based distance-learning, branch campuses and offshore learning opportunities, among other technology-led educational innovations such as **e-learning** and **m-learning**, have expanded opportunities for students to study outside their countries of origin.

The growing heterogeneity in higher education has ushered in a new outward-looking environment which is taking higher education out of its traditional comfort zone of being a 'sought-after good for society' to one requiring institutions to become more explicit in their marketing intentions and strategies. This looking outside rather than inside requires new understandings of the multicultural diversity characterizing higher education institutions today. In addition, this more diverse group of students has so much to choose from that institutions are, more than ever before, seeking ways of winning the competition for recruitment, curriculum development, teaching, assessment and learning support. In the final analysis, those institutions that do not have a distinctiveness desired by students and which offer no practical solutions to the needs of diverse scholars will have to be content with a life in the shadows of competitors or indeed face closure in the long term.

The growth of competition in higher education

The growth of competition in higher education has been both a result of and a response to the above factors. Equally, it has been a product of deliberate

government policies in many countries, growing out of the sea change of global economies responding to the ideology of market forces (Altbach and McGill Peterson 1999). In Australia and New Zealand, countries among the forerunners in introducing marketing into higher education (Mazzarol et al. 2000), legislative pressure was placed on universities to embrace marketing as a key strategic aspect of institutional development. In England, the most celebrated attempt to bring full-blown internal markets in higher education was directed through the University Funding Council which encouraged universities to bid against each other for funded student places (Smith et al. 1995). Although this was directly and subtly rejected by universities, it nevertheless raised institutional consciousness about the 'inexorable growth of a competitive culture' (1995: 11) in higher education. The increase in university fees in the late 1980s in England, despite being primarily aimed at encouraging managed expansion, has led to a university system that is broadly market led.

More recently, the introduction of top-up fees and income contingent loans (ICL) has tightened the screws on the marketization of higher education in England. The result of all this is likely to be full-blown competition for students, research funding, resources and university teachers, and may result in an increasing tendency towards forming mergers between institutions in much the same way as happens in business especially during times of financial austerity.

In this highly marketized environment, the language of marketing has begun to have a stranglehold on the higher education environment. Given the centrality of the customer as the heart and soul of marketing, the question higher education has and continues to struggle with is whether we should view students as customers and academics as service providers. The debates have gone beyond the superficial levels relating to decisions about using labels from the business sector in higher education to more fundamental levels, reflecting a deep concern as to whether students in higher education should or could be equated to someone intending to make a purchase in a supermarket, for example. It is to this rather contentious issue that the chapter now turns.

Higher education: beyond the customer label and service provision

The debate around the use of the customer label for students in higher education is highly polarized. Coming as it does from the commercial sector, the word 'customer' is ordinarily used to describe someone who makes a purchase of goods or services from a provider. Students in higher education do not purchase education from the university in the same way. Although

students could pay money for their education at university, they do not have the same rights and privileges commercial customers enjoy in the ordinary purchase process. They can still fail the course without recourse to compensation after paying money to receive a university education. They cannot return defective goods even if they are not completely satisfied with the products or services offered by the university. Although graduates are awarded certificates of their degree (a product), the more fundamental product of their relationship with the university is intangible, residing in their minds and sometimes in the form of skills that have limited application to very specific fields of human endeavour.

However, going beyond this line of argument, it could be asserted that students are probably much more than customers in a simple and direct purchase relationship with the university. Litten (1991) and Mintzberg (1996) have argued that university students typically wear four distinct hats, each characterizing a significant relationship they have with their institution during their period of study. When they make enquiries about enrolment, seek advice and guidance about course and subject choices, and when they receive tutorial guidance from their tutors, they are probably wearing the 'client' hat. As clients they are mostly on the receiving end. However, when they become critical of indifferent teaching, inadequate facilities or poor or unresponsive administrative service (Sharrock 2000) – in short, when their learning needs are not being adequately addressed – they wear their 'customer' hat and act in ways which seek to have greater customer satisfaction delivered. As citizens of their campuses – wearing their 'citizen' hats – students have rights and responsibilities, conducting themselves in ways which strive to strike a balance between enjoying their freedoms while ensuring that everyone else enjoys theirs.

Higher education students typically involve themselves in adult forms of living and university environments are generally designed to allow this to flourish. The final hat a student wears is as a 'subject' with certain obligations. As subjects, students experience various sanctions such as late library fines, re-writes for sloppy work and re-sits of examinations if they have not achieved success at the first attempt. Other commentators recognize that this list is by no means exhaustive. For example, students could be 'novices' when they are acquiring the habits and nuances of the profession; they could be 'investors' when they establish small businesses as part of their training or as individual entrepreneurs. As Scott (1999) suggests, 'Insisting on a single definition, market oriented or not, doesn't automatically enhance their educational experience'. Of greater significance to teachers is the need to understand which hat students may be wearing at various stages and episodes of their higher education experience as a basis for creating and developing appropriate relationships with them.

The greatest fear academics have about the use of the 'customer' label for students in higher education is the underpinning business belief that 'the customer is always right'. This belief has become the basis for the broadly successful 'customer care' business in the commercial world and has resulted in notions which underline the centrality of the customer in decisions, especially about quality. Gerson (1993) has argued that among the different views of quality that people may hold about a product or service, the most important is the view of customer. But, as critics suggest, students are not passive consumers of educational knowledge and understanding. They are in fact active producers of these commodities, using their minds to interpret and analyse issues and thus placing their own mark, personality and thought processes on the construction and reconstruction of ideas and new understandings. Taking this argument further, unlike a shopping mall, there are gatekeepers of standards in universities who determine who qualifies to participate in higher education and ultimately who qualifies to be awarded a degree. One cannot study for a degree in medicine simply because one fancies doing it, as one might buy the latest fashion craze in shops if one has the means. Therefore universities and, indeed, the whole educational enterprise stand for something more fundamental than seems to be suggested by the commercial labels of 'customers' and 'service providers'. They regulate, control and enter into relationships with students which go beyond an ordinary commercial purchase contract.

However, because students are required to pay fees in return for their education, the purchase metaphor is becoming more deeply entrenched in the higher education sector. Wherever higher education student fees have been introduced, be it Australia, Canada, the USA or New Zealand, there has been a notable increase in litigation cases where universities are taken to court by failing students. They usually argue their cases on the basis of poor teaching that fell far below their expectations.

Equally, universities and academics are not just in the business of providing services. Education is more fundamental than meeting customer wants and needs. Education attempts to bring customer and provider expectations and desires more closely together in ways which seek to promote the subject/discipline of study while empowering the students to take their places in society both competently and effectively.

Having said this, it must be made clear the argument goes beyond mere acceptance of labels within the university sector. Our stance is that students are more than customers in the commercial sense, in the same way as academics are much more than simple service providers. However, our underlying belief is that we should not 'throw out the baby with the bath water' simply because we find the labels inadequately explain the more complex relationships between higher education students and their teachers.

Rather, we should seek to draw useful lessons from a practice that has obviously yielded tremendous benefits in the business and commercial sectors.

How higher education could benefit from a customer perspective

The three fundamental freedoms of the university – (1) to teach what they want; (2) to whom they want; and (3) in the way they want – have constituted the key weaponry in the armoury of higher education institutions. They have used them as benchmarks for measuring progress and indeed estimating the extent of acceptable change in the sector. Anything that poses a threat to these fundamental values has often been seen as undesirable, alien and intrusive. Society has now changed. No longer are universities seen as the most powerful organizations in society. The corporate world has taken over and has begun to exert an influence on other forms of organizations in a way never before imagined. Higher education now finds itself in a situation where it increasingly has as much to learn from the outside world and indeed relies heavily on others to maintain its viability. One of the new lessons universities are learning from the business and commercial world today is how to develop a customer perspective.

There are four fundamental principles that could meaningfully be adopted by higher education which come from the customer perspective. Fundamentally, a customer perspective in an educational setting is one 'in which the interests and needs of students are central to the organization' (Gray 1991: 27). We must add that, in placing the needs of students at the centre, higher education institutions need to keep in perspective the needs and interests of other groups such as employers, government, alumni, parents and funding agencies, among others. The reality is that the needs of multiple groups of people and organizations may often be in conflict. Maintaining the correct balance in order to keep all customers satisfied becomes one of the biggest challenges of organizations. For example, a university may seek to develop an area of research involving the use of stem cells from human embryos. The perceived benefits to society of this type of research are well documented, however, sections of society may be opposed on moral grounds.

Similarly, sections of society may be opposed to the funding of university programmes by organizations perceived to be promoting unhealthy lifestyles, such as tobacco companies, and this could negatively impact on the progress of research in that area. In the area of funding, government may be keen to widen participation and **provide** financial incentives to universities which recruit from communities **that do not have a**

tradition of higher education, including those with a history of social disadvantage. Universities may see this as an intrusion into their fundamental liberties of enrolling those students they consider most suited to, rather than those identified by government as needing, a higher education experience. Maintaining a balanced perspective of all these issues is probably one of the greatest management and leadership challenges facing universities today. A focus on the customer, challenging and contradictory as it may be, provides the platform for enhancing the corporate image and improving the service quality and performance of the organization.

Four broad principles provide a focus for developing a sound customer orientation in the university sector and these will be briefly outlined below.

1 They may not always be right, but understand where they are coming from

Students as customers are not always right. In fact, one of the main reasons they come to study is to discern what's right from what's wrong. A vice chancellor of a university in America was recently quoted suggesting that the purpose of a university education is not to prepare people for employment and jobs, but to help them find their moral compass. Implicit in this view is that education is about training people to know, understand and differentiate between what is right and what is wrong. Yes, students may not always be right, but equally they have rights and we need to have a firm grasp on a range of aspects about our customers. In higher education, such aspects about customers which we need to recognize are:

- Who these customers are, in terms of demography, geographical distribution and **psychographic** qualities. This is best achieved through segmentation research.
- What they like and dislike about the institution and its programmes. This will include changes they think need to be made, their needs and expectations both in the present and future.
- The knowledge and skills they expect to acquire through studying with the institution.
- The content. In very broad terms, what they expect to learn in the programme and how they expect to be taught (the learning/teaching and delivery modes).
- Their motives for studying with the institution.
- Their progression and post-qualification needs and expectations.

It is important to **remember** that universities cannot and should not pander to every student need and expectation, but should be aware of them all the same and **do something about** those with which they feel able to deal, in a

way which demonstrates institutional sensitivity and responsiveness to customer needs. This aspect of managing customer expectations is the second principle to which we now turn.

2 Students' expectations and perceptions of service quality need to be managed

The above provides a broad framework for understanding customer expectations of the service quality of the institution. The institution must therefore have in place mechanisms for obtaining and capturing the above data in a way that renders it easy to analyse and to report to key institutional constituents.

A key to increasing focus at this stage on keeping the student at the centre would be to involve current and potential students in interpreting the data and exploring its possible implications. The institutional perspective needs to be spelt out clearly and issues have to be identified as either non-negotiable or negotiable as a basis for the development of learning and teaching contracts between academics and students. Examples of non-negotiable issues in many universities include the criteria and means of assessment, while teaching and delivery modes often have more room for negotiation and compromise between students' expectations and institutional realities.

Another aspect of management is to realize that expectations and needs are not static and so need to be reviewed periodically. The institution needs to put in place mechanisms for gathering data on an on-going basis and making the necessary adjustments, when feasible, over designated periods of time.

Broadly, management of student expectations requires the following:

- resources in the form of data capture and analysis software;
- human capability to manage the process on an ongoing basis;
- involvement of students to explore jointly and realistically the implications of the data;
- a realistic trade-off of quality expectations which incorporates the views of both groups, in a way that does not compromise the programme, course standards or reputation of the institution;
- establishing a mechanism for keeping key student and staff constituencies, including other interested groups, informed about the outcomes of the surveys and research.

Marketing has traditionally been associated with deceiving and tricking people into purchasing organizational products and services for the sole

benefit of the organization. Traditionally, it has been viewed from a selling or promotion perspective and not as an organization-wide management philosophy (Foskett 1995). Within organizations, the selling and promotion perspective of marketing tends to have a greater visibility than the more fundamental philosophical perspective. This suggests that marketing is broadly viewed within organizations as an operational rather than as a strategic idea. As such, it tends to be associated with unethical business practice. Eminent writers in the business world such as Drucker (1954) have suggested that the customer is the 'be it all' of the organization: the start, the middle and the end of business. Thus, understanding the customer, their needs and wants, their perceptions and expectations of service and product quality and doing everything to match or exceed these expectations, is the true meaning of marketing; the entire business, as Drucker (1973) would say.

3 Student satisfaction should be at the heart of the educational delivery service

Students study at university for a variety of reasons, including a desire to gain qualifications, pursue a subject of their interest, prepare themselves for the world of work, and as preparation for academic and research careers in higher education, among others. They invest time, resources, effort and sometimes give up other life opportunities to pursue these goals. While most universities will deliver these expectations to the majority of students, there are those who fall by the wayside and fail to achieve their objectives. In addition, it is not just a question of delivering on the ultimate goals that is important for students. It is also about the means used to arrive at these goals. When students talk about their experience at university, rarely do they say 'I got the certificate I was looking for' or 'I got the job I wanted'. They talk either excitedly or indifferently about the total experience of having attended their study institution. Research (see Biggs 2003) suggests that university student satisfaction is more closely associated with issues of:

- teaching delivery and the enthusiasm of teachers;
- being exposed to a variety of teaching/learning styles;
- experiencing real-world examples and real-life situations as part of learning;
- enjoying their university learning and having fun at the same time;
- having the perception of being rigorously but fairly assessed ;
- the perception and experience of being valued and respected;
- a service delivery system which meets its contractual obligation, both efficiently and effectively;

- the utilization of assistive and appropriate technology.

Student satisfaction is basically the extent to which their expectations, in their raw or modified form, are either met or exceeded by the experience, product or service (Gerson 1993) provided by the university. It is therefore important for university staff to have a good understanding of these expectations, to actively design and create ways by which these expectations would be delivered and to determine the level of student satisfaction in these key areas as part of the course, programme or degree evaluation. A variety of techniques can be used to gather these types of data including questionnaires, interviews, tutorials, discussion groups, focus groups, telephone interviews, drop-in sessions, suggestion boxes, customer advisory fora, customer councils and student representation in university committee structures, among others. More importantly, however, it is vital to have a reporting strategy for the data gathered and analysed from these approaches. Departments should develop the habit of publishing a customer satisfaction index (CSI), a service quality measurement index (SQMI) or a service standards of performance index (SSPI) for their programmes, not just for members of staff, but also for students and other interested parties. Satisfied customers tell happy stories and become a part of the word of mouth (WOM) marketing network, the most powerful promotion tool for university recruitment and possibly also retention (Bennett 2005).

4 Research directions in the area of student as customer

Although a significant amount of research has been conducted on the notion of students as customers, there are many aspects we still do not quite know. These include:

- how attitudes among academics are changing in relation to the idea of student as customer;
- the nature of practice in universities relating to students as customers;
- whether there exists a relationship between type of university and its marketing orientation;
- institutional barriers and affordances to developing a university marketing orientation;
- meta-analysis and evaluation of national student satisfaction surveys;
- exploration of the nature, value and impact of student satisfaction approaches in universities.

Marketing and the transformative nature of university learning

Contemporary belief is that university education is a transformative process (see, for example, Freire 1970; Habermas 1984; Cranton 1994; Mezirow 1997; Ball 1999; Moore 2005). How then does a customer perspective contribute to this transformation? Broadly, university missions have tended to highlight three areas – teaching, research and service to society – and often brand themselves as centres of excellence for these aspects.

Transformative education is one which has the following characteristics:

- seeks to liberate and empower the learner (Freirean liberation ideology);
- cherishes the value of sustainability, ecological literacy and social change (Moore 2005);
- seeks to develop learners into change agents (Mezirow 1997);
- utilizes cooperative and collaborative learning (Cranton 1994).

The focus in transformative learning shifts from the subject to the student. A subject focus of learning is most efficiently achieved through transmissive approaches, where the learner can be visualized as an empty vessel into which knowledge can be poured and stored for retrieval when needed, especially for assessment purposes. A focus on the student, however, radically shifts the emphasis. Suddenly we need to know more about the learner; about the prior knowledge they may have before we begin trading new forms of understanding; about how best they are predisposed to learning; and what constitutes an efficient learning environment. We educate them not to be carbon copies of their teachers, but so that they go away capable of solving their own peculiar problems with ease and facility. As leaders of tomorrow, we want them to become masters of change in a world that is ever changing and we want them to contribute towards a sustainable planet, both for themselves and for the benefit of future generations. Clearly the marketing philosophy resonates with all these ideas and it is our argument that when academics have been drawn to marketing as a process by which we deliver value to those we relate to, then we can contribute more meaningfully and effectively towards the transformative purposes of higher education.

Transformative education and learning is contemporary because it deals with the *status quo*, seeking to establish a new order of things. It is a type of learning and education which is aimed at making students agents of change for the betterment of society. Fundamentally, it requires that we understand where we are now before we can consider where we need to be. We call this understanding the context. For educators, this context includes

and involves the students. Where they are may be signposted by their current levels of understanding. If we have to take them beyond this current level of understanding, known sometimes as their zones of proximal learning, then we need to decide what new knowledge is needed and the most appropriate way to reach that new level.

Summary

Yes, the labels 'customer' and 'service provider' may not currently sit well with the perceived values and ethos of higher education. Indeed, students are more than just customers and academics more than service providers. Yet higher education has much to learn from the customer perspective if it has to overcome its current challenges of enriching the student experience, developing more relevant and appropriate learning experiences, contributing towards the development of transformational educational experience in a rapidly transforming world and ultimately delivering value to the students. What's in a name, after all? The real benefit is in the ideas and, for us, developing an educating orientation for marketing is the way to go.

In what we have said, we want to confirm that 'closing the loop' based on feedback from students is not a fruitful approach for higher education. Such an approach considers university education as a closed system. This is counter to an open dialogue which encourages engagement and empathy for others' views. There is a responsibility upon the university to understand student needs and to be accountable for changing what is appropriate. However, this needs to reflect a culture of seeking betterment, not of bureaucratic completions and closure.

In the next chapter we address this issue of development and strategy for higher education institutions that want to retain a distinction among other resource-efficient organizations in the knowledge economy. We argue that such a distinction is essential to the provision of education if all those involved in the institution and for the society that sponsors the institution are to flourish. This is not just a polemic but an attempt to allow diversity in the potentially totalizing ideology of the market.

We seek to promote the virtue of education in ways that do not cause its disintegration into the commodities favoured by the market. We are not against such strategies, but see them as limiting for those institutions that want to stand out and offer education not only for its own sake, but to enrich society in ways other than the economic. These are the institutions whose mission it is to develop intrinsic as well as extrinsic value. We believe this is the university's role and have confidence that it is desired by most institutions. Moreover, we think those institutions that do not make it their

mission may lose any competitive advantage a higher educational institution can have in a society ever more dominated by the notion of personal rather than public good.