5 Formulating strategies for success

'A generation gap is opening between a new breed of ambitious young career-minded academics who embrace a performance-management culture and their older peers who cling to traditional notions of autonomy, collegiality and scholarship.' This is a key message of this week's annual conference of the Society for Research into Higher Education in Brighton, where academics were due to discuss a series of research papers charting dramatic changes to academics' jobs and professional identity.

(Tysome 2006)

The marketing literature is replete with normative and positive theoretical and empirical research-based papers and articles dealing with various aspects and elements inherent in the processes of marketing strategy formulation and implementation. And marketing of higher education is costing a great deal. It is estimated that over 5 per cent of traditional universities' and over 20 per cent of with-profit institutions' revenues are spent on marketing. Marketing strategy is not a stand-alone endeavour. As has been shown, marketing strategy is an integral component of functional area strategies of the firm, e.g. marketing, finance, and human resources, designed and implemented in unison with other strategies of the firm, i.e. corporate, growth, competitive, global, and e-business strategies.

These strategies are translated into competition to win battles in marketplaces. Firms that achieve sustainable competitive advantage capitalize on other weapons in the strategy arsenal, including strategic synergy between marketing and other functional area and organizational strategies. We do not take this rather rough, crude approach.

Marketing in higher education is still a relatively underdeveloped concept. Its acknowledged significance in the face of new challenges has not yet become fully embedded within the strategic operations and vision of many higher education institutions, especially those of the less developed world (Maringe and Foskett 2002). The belief that marketing is about

advertising and promotion remains dominant at key levels of university administration. Its role as a model for developing the products and services wanted and needed by university customers remains largely unrecognized in many higher education institutions. On the back of this pervasive, narrow view, higher education marketing is further threatened by failure to locate its core value of developing the curriculum in the broadest sense of education, preferring rather to be associated with either research or teaching. In addition, the failure to harness the idea of marketing and continued misuse of borrowed wisdom from the business sector poses yet another serious threat to its viability in the peculiar higher education environments of the world's universities. Inevitably, attitudes towards higher education marketing have remained negative, especially among academics. As long as higher education does not interrogate these issues, the prospects for success remain bleak.

Strategic educational marketing as a network of relationships

The economic transactional market model of education is not without its critics – see Lauder and Lauder (1999) and McMurty (1991) for an energetic and contentious argument based on contradictions. For example, 'It follows that to understand the one in terms of the principles of the other, as has increasingly occurred in the application of the market to public educational process, is absurd' (McMurty 1991: 216). It is based on poorly established principles of utilitarianism which dialectically metamorphose liberal educational values into those of the business and the market. This creates the impression that the market can explain the behaviour of learners, even though its successes with other types of consumers are not compelling. Indeed, Barrett warns us of the consequences of applying market technology for it creates 'the Cave of Escapism where the people are amidst shadows, illusions, fantasy, fakery, puffery and nullity, which they know is not reality, and which for that reason, they like; they are knowingly displaced from reality' (2000: 333).

Although not as anxious as Barrett, for our argument accepts the need to blend economic and human capital, we feel that the determinism conveyed by the market could deny free will and would have considerable implications for education's role in the realizations of individuals' well-being as responsible citizens. Moreover, the funding incentives are for institutions to chase income in competition, rather than in collaboration, with diverse suppliers of educational experiences and services. A dependence on satisfying economic worth is encouraged by government through funding mechanisms and is a feature of transactions, not relationships (see Tomer 1998: 215).

The Hayekian amorality of the transactional market makes its role questionable when applied to educational issues. The market generally assumes at least partially informed consumers to establish a notion of fairness. Where this condition is not met, because of structural influences or the competence of those involved, the market does little to rectify this and even runs the risk of exploiting rather than emancipating its customers. Meek points out that 'the privatization of the public sector relegates issues of equity and access to low priority' (2000: 27).

Such an environment assumes a learner to be an active and intentional individual whose role is as learner of educational experiences, not buyer of qualifications. This has implications for the form of market orientation that is best suited to education – transactional or relationship. Li and Nicholls (2000) offer criteria for appropriateness of the orientation based on two propositions of involvement and market efficiencies. Given that education is more than creating human capital, involving the development of critical reasoning and awareness, they suggest that relationship marketing is the more connected approach.

Educational institutions, relationship marketing suggests, bear a shared responsibility with their learners for the choices and transitions they make on behalf of their personal group identity. They form a network where institutional capabilities and resources are allocated with the purpose of performing better for the widest constitution of learners. This differs from any neo-liberal definitions of marketing in that learners' interests are satisfied even to the disadvantage, in the financial sense, of the institution in the interest of developing a notion of being that does not commoditize the essence of humanity.

The humanistic/systematic approach maintains that this shift should be considered for its implications for human experience and human character. The system, its products, and its practices should all work to advance the interests of human experience and human capital based on mutual trust. The responsibility for the initiation of the conversation is borne jointly by the student and the teacher, for both are in the process of inquiry and deliberation. The application of this alternative humanistic view has been hinted at in the marketing literature by, among others, Hirschman (1986), Kotler (1987) and in the educational context Liu (1998). In general, this view maintains that the consumer can be active in the marketing engagement, seeking more than consumption within the community of learners. This is clearly problematic in certain market transactions. The view also has the advantage of not assuming the customers are autonomous individuals when in reality they are agents of the community or peer group by which they define themselves (Bagozzi 2000; Holt 1997; and also see Muniz and O'Gunn's (2001) proposals on brand communities).

The dynamic of the field of higher education

The complexity of education product

In a general sense, higher education produces a complex notion of product (see Drummond 2004), blending education and developmental experiences for its students with a certain educational preparation for the larger society. In a specific sense, the producer is ambiguous. Students are simultaneously consumers of the education experience, both as intentional and contextual learners (Foxall 1998), a resource for the development of others and producers of their own learning. To understand consumption as an attribute of being, one needs an understanding of the collective notion of self, not just as the physical barriers of the individual. This notion of 'I' as 'we' has its philosophical heritage in the work of the existentialists, for example, Buber (1966), Heidegger (1962) and Sartre (1990). This shift has an important implication for encouraging learners disaffected by the experience and aspirant hype of education and its marketing, especially the marketing of the award degree with its heritage of educational experiences and the purpose attributed to it of gaining a job. If the two become divorced, these might both be better provided outside the university.

Furthermore, the assumption of an informed decision-maker is wrong. Maguire et al. (1999) highlight the difficulty this creates for the application of proactive marketing. The choice of further education institutions is often driven by spurious influences beyond their control which weaken the impact of their marketing initiatives.

The complicated social role of education institutions

The independence of faculties and the complex nature of their work make it difficult to add value through changes in practices, and often require significant investment of resources. This is evident in the distance learning, part-time participation and outreach programmes. Also, the internal structure of many institutions means it takes a long time for their core products to reflect the evolving structure of the industries they support. This is because they do not see themselves in the system, but rather in a parallel market. When the mission of the institution is out of line with its behaviour, something has to change if it is to become effective. We live in an educational environment of anti-intellectualism and suspicion of the motives of theorists questioning pragmatic competence and directing hostility towards established ideas. This is evident in the attitudes of our student customers and of the increasingly influential employers and their organizations. The tenet of superior financial performance as a primary goal of the

organization within a market leads to consequences that can be detrimental to the individual and the nation. Any shift to learner-based funding has the potential to enhance the call for a system approach, but for this to work the funding must come unencumbered by economic imperatives.

The importance of financial performance in a diverse education system

The institution must shape a market offering that attracts investment and which comes from learner choice – tuition fees and funding council grants, research, donors and other sources. These funding sources are the institutions' key 'consumers'. They provide investment to the extent that they believe the institution is providing a product that suits their needs. To fail to recognize this creates competitive disadvantage and so risks the institution's future or, set against a background of increased performance designed to obscure real diversity, at least relegates it below the desire of the state to rank everything. This ranking of outcomes is intended to hold everyone accountable to the same standards. As Blake et al. have pointed out, 'This in turn entails the devaluing, and perhaps the eradication of what cannot be ranked' (1998: 2). Performance is demanded in some areas, but then criticized as indicating lower standards in others. The simplicity of managerial accountability has a powerful attraction worldwide, compared with the complexity of the educational project (Pounder 2000).

Competition and accountability

The assumed benefit of competition created by market forces is that these forces achieve functional diversity and programme choice. However, this has not tended to be the experience of higher education markets. Meek (2000) analyses the relationship between marketization of higher education and diversity and finds it easier to link marketization with an entrepreneurial university model (2000: 28). He points to the OECD's *Redefining Tertiary Education* report, claiming that this leans towards market control within the context of a broader framework. This leaves institutions with the task of diversifying for the benefit of a body of students which is no longer a homogenous post-school cohort. Of course, this is more difficult to achieve when institutions, driven by market forces, give higher priority to maintaining their short-term income than their long-term reputation (Williams 1997: 287). The forces of globalization also continue to influence the management of educational institutions, not least in the adoption of convergent management practices (Bottery 1999). Although encouraging best practice, they

reduce the scope that national structures have for redressing the injustices they can create (see Kenway et al. 1993). Educational institutions have tended to seek approval and general support from larger communities by bringing culturalization or integration approaches. In particular, here we are thinking of the Bologna Declaration (2000).

Planning a measure of accountability is harder to justify than on the grounds of finance, but helps evaluate whether money spent on education creates a coherent, learner-focused system. Student experience, recruitment and economic success are easily measured without the need to invoke qualifications. The stakeholders to the higher education experience are able to determine what they need from the system and how the system ought to respond to them. Difficulties encountered by the institution in creating a credit transfer structure, for instance, are not implicit educational issues but institution protection practices encouraged by a market mentality. These create problems of credibility and veracity for the institution and also for marketing.

The CORD model for a university marketing strategy

The marketing strategy model we propose is built on the core values discussed above. The model manifests the premises of temporality, trust and self-confidence in four distinct principles that are translated into a range of separate but related activities. All are aimed at harnessing marketing and ensuring that it becomes part of the strategic planning process of universities.

Research undertaken by Maringe (2005a: 564–78) suggests that current university marketing lacks an appropriate contextualization; is poorly organized and co-ordinated; is largely responsive and not strategic; and its application lacks formal operational guidelines. The CORD model, standing for Contextualization, Organization and co-ordination, Research and Development, provides a framework for raising the profile, sharpening the strategic focus and for developing a home-grown educational marketing philosophy (see Figure 5.1).

Contextualization

Models cannot be universally applied and thus need to show sensitivity to context. Contextualizing marketing development helps to engender the feeling of a home-grown initiative while allowing users to develop a deeper
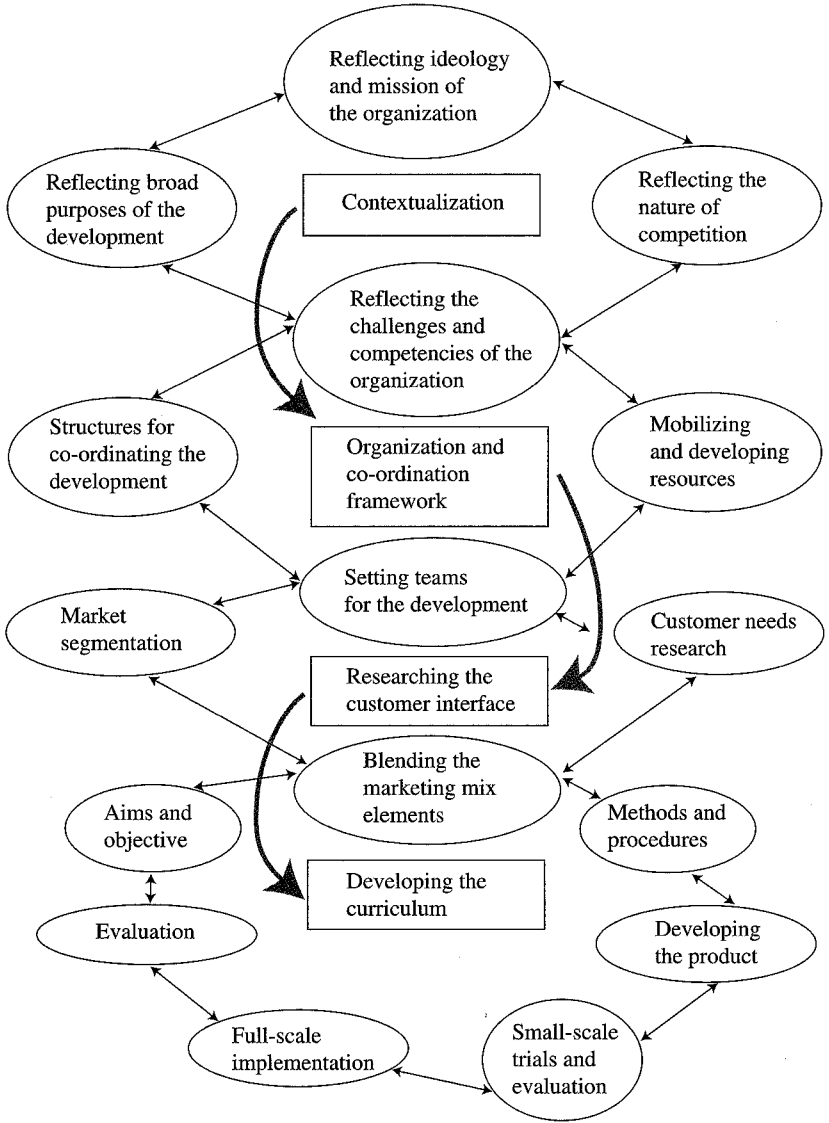
Figure 5.1 The CORD model of merketing strategy
Source: Maringe (2005a).

understanding and appreciation of the relevance of any proposed solutions. Four broad aspects have a direct relevance to this contextualization issue:

1   Reflecting the broad purposes of development

2   Reflecting the ideology and mission of the organization
3   Reflecting the challenges and competences of the organization
4   Reflecting the nature of competition

Reflecting the broad purposes of the development

Key questions that can be addressed here are:

- What is inadequate about the current situation?
- Why do we need to change?
- Why have we not changed before?
- Why should we be changing now?

Reflecting the ideology and mission of the organization

Walton's (2005) study of mission statements of top US and UK universities compared to corporate universities found that the creation of knowledge followed self-confirming statements of the nature of university. Although both corporate and traditional universities had a commitment to knowledge creation, the context of the meaning of knowledge was different and related to its utility. In the traditional universities, knowledge is concerned with adding to the stock of wisdom and entailed profound understanding, whereas in the corporate universities, knowledge is associated with knowledge transfer, training or more generally as an internal capability to serve a corporate objective. Walton does, however, wonder if there is a 'deliberate strategy by university decision makers to downplay, even to deny, the instrumental feature of their activities to the external world?' (2005: 18).

    Walton's study does suggest that even in the top universities there is a notion of practicality in their engagement with students and other stake-holders. A review of mission statements of the top five universities (identified by having Nobel laureates on their staff over the past 30 years) suggests that there is a tension in the prioritization of the practical outcomes of education and the genuine desire to develop true wisdom. For instance, Cambridge University seeks to create a 'questioning spirit'; Harvard's education experience is intended to 'explore, to create, to challenge, and to lead'; at Princeton, the commitment is to research and to undergraduate teaching; and at Massachusetts Institute of Technology, the focus is on the development of 'the ability and passion to work wisely, creatively and effectively'. These missions mainly manifest themselves in enabling students to contribute directly to the economy of society, basically in finding jobs. For many, but not all, the presence of practicality within their mission is devoid of

virtue; it is utilitarian in origin and lacks a relationship with others in the world. It is prudent and self-interested.

This notion of practicality permits developers a deeper and clearer sense of the institutional mission under the prevailing circumstances, thus providing opportunities for feedback to the overall institutional processes. It also increases a sense of belonging to the organization through a belief that they are contributing to its overall goals, thus bringing a sense of ownership to the developed curriculum. Key questions to guide reflection here could be:

- What is the institutional mission?
- In what ways does the envisaged development contribute to this mission?
- Does the current mission adequately reflect prevailing circumstances?

Reflecting the challenges and competences of the organization

The core business of any university and hence its greatest challenge is the development of its curriculum in the widest possible sense. All other challenges such as funding, resources and staffing emanate from this central mission of the university. Viewed this way, universities can align their marketing to reflect the core purpose that is the curriculum. Key questions to guide reflection at this level could be:

- What are the organizational strengths and weaknesses?
- What are the opportunities internally and externally that can be harnessed to enhance chances of success in the new development?
- How does the envisaged development address organizational needs?
- How does this development contribute to the core business of the university?

Reflecting the nature of competition

Marketing implies survival in a competitive environment and establishing the organization beyond the shadows of rival institutions. Key questions to aid reflection here include:

- Who has done what we intend doing?
- How successful have they been?
- What is the nature of demand for our development?

- How shall we differ from the competition?
- In what ways will our development be distinctive?

Organization and co-ordination framework

In order to strengthen the frail organizational framework for marketing that exists in many universities and to give the marketing function a more conspicuous presence than it currently possesses, three key aspects need addressing.

Structures for co-ordination and development

Most of the marketing activities of universities currently take place in disparate parts of the traditional departments. Without proper form and a discernible structure of their own, there is little hope that universities can pull them into a proper orientation. The creation of structures demands the definition of functions and roles, something which research has shown to be absent in many universities.

In addition, because research has also determined that current marketers work in isolation as experts in their various fields, it is proposed that the marketing effort be driven by teams. This would bring synergy and cross-fertilization of ideas to the higher education environment where interdisciplinary working is on the ascendancy due to the blurring of boundaries between subjects and disciplines. It is hoped that this will also encourage universities to address the current malpractice of delegating marketing responsibility to people without requisite marketing qualifications or expertise.

The development of structures also requires a marshalling of resources at the same time to support the marketing roles. The reliance on informal mechanisms for data gathering and obtaining marketing intelligence seen in universities is partly the result of inadequate resources in the marketing area. Parasuraman has indicated the need for proper marketing information systems which he defined as: 'Interacting structures of people, equipment and procedures designed to gather, sort, analyse, evaluate and distribute pertinent, timely and accurate information to decision makers' (1991: 144).

Researching the customer interface

If the core business of the university is the development of its curriculum, delivering an appropriate and relevant curriculum is the key to achieving

customer satisfaction in the university sector. Researching the customer interface raises three fundamental questions. Who are the customers? Which customers are we going to serve, and why? How best can we meet the needs of these customers? These questions address three crucial issues of marketing research:

1 market segmentation;
2 customer needs research;
3 developing the curriculum.

Market segmentation

Segmentation is an activity that allows the accurate identification of needs in a selected group of the customer base. Degree courses in many universities are often developed on the basis of perceived rather than real needs. For example, at one university a BSc (Ed) is offered as a concurrent science and professional programme (BUSE 2006). More than 90 per cent of sixth form pupils interviewed in a Zimbabwean study indicated that they would prefer a programme which offered them choice between pursuing a professional or an academic route. Because the university had already decided and developed a concurrent programme, which reflects the product orientation of many university institutions, students were frequently told to accept what they were being provided or to look elsewhere. Application of market segmentation principles allows universities to more accurately identify the benefits that customers are really looking for so that needs can be more sensitively served.

Customer needs research

Customer needs research closes three gaps that normally exist between curriculum developers and their customers. The first is the gap between real and perceived needs. As experts we often assume that we understand the marketplace sufficiently and that we can design and develop curricula on that basis. Most universities studied work on perceived rather than real needs in the development of curricula. Consequently, a range of problems was noted, including inadequate enrolment in certain subject areas, students switching courses midstream, demonstrating against university administration and expressing a lack of satisfaction with current provision, and poor performance in some curriculum areas. The likelihood of acceptance and therefore institutionalization of programmes is increased when curricula are developed on the basis of real rather than perceived needs.

A second gap exists between the given and the received curriculum. Without a concerted effort to determine how the customers perceive the curriculum provision, there is always a danger that developers evaluate their efforts on the basis of what they believe the curriculum to be, and not what it is to the learners.

A third gap is what could be termed the quality gap. Often universities use internal mechanisms for evaluating the quality of provision. This Includes various committees. Gerson (1993: 14) has, however, argued that 'the only view of quality that counts is that of the customer'. These gaps can only be meaningfully closed if the university invests resources and time into researching the customer interface. This also helps universities move from the pervasive inward-looking culture to a more responsive, sensitive and outward-looking perspective.

Developing the curriculum

The model proposed here is an adaptation of the Tyler Rationale (Tyler 1949) upon which most current curriculum development models are based. Tyler Identifies four stages including identification of objectives; deciding on methods and procedures; implementing the curriculum; and evaluating it. The proposed model, by contrast, has two steps of small-scale trials and full-scale implementation before formal evaluation.

However, we retain the notion of market for strategic exploration for we live in a market economy and to ignore this would be foolish. In Part II we do not follow on with a discussion of the marketing mix, but develop our own version of what we call pro-educating. It is a concept which we believe has possibilities for a different way of delivering higher education's strategic goals of sustainability and contribution to society.