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An overview of the concept of marketing orientation in the higher education sector

Introduction

Many authors have described universities' functions, which can be summarized in the following: teaching, research, technology transfer and social responsibility (Luque-Martínez and Del Barrio-García, 2009). The way they are carried out will have an impact in universities' local and regional environments, where they play a role much more varied and complex than often assumed (Boucher et al., 2003, Gibbons, 2000, Goldstein and Renault, 2004, Kenney and Patton, 2006, Lawton Smith, 2003, Moore and Davis, 2004, Varga, 2001, Wolfe, 2005).

There are many exogenous factors affecting this impact, such as local or regional policies (Branscomb, 1997, Goldstein et al., 1995), the consequences of the knowledge, innovation and production economy focused on knowledge spillovers (Ansellin et al., 1997, Wong et al., 2007) along with increasingly higher expectations and demands from the society and the public organizations (Arbo and Benneworth, 2007, European Commission, 2003). However, higher education institutions (HEIs) will decide how to approach to its environment and the kind of relationship to set.

Theoretically, the HEIs' ultimate aim is to satisfy their stakeholders' needs; yet this challenge is approached differently depending on the university's culture and philosophy. Nowadays in a context of an increasingly competitive environment and a widespread lack of students and funds (Brookes, 2003), many universities are applying managerial and marketing strategies within a philosophy called "marketing orientation".

Nevertheless, this concept remains unclear and multiple questions arise about it: „What does marketing orientation mean in the context of higher education”, „Who are their customers”, „Is it possible for universities to be really marketing-oriented”, „How can they achieve it”, „What would be the consequences”. This chapter tries to answer these questions exploring the concept of marketing orientation in the HE sector and then analyzes it following the structure of the four interrelated sets of fundamental explananda of marketing science (Hunt, 1983), analyzing:

- the behavior of buyers directed at consummating exchanges
- the behavior of sellers directed at consummating exchanges
- the institutional framework directed at consummating and/or facilitating exchanges.
- the consequences on society of the behaviors of buyers, sellers and the institutional framework.

The research questions why, what, where, when and how are answered for all sets except for the third one, as each HEI has its own institutional framework.

1. Marketing orientation in the higher education sector

The last definition of marketing by the American Marketing Association (AMA, 2007) states that: “*marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large*”. It underlines the concept of marketing as a corporate activity affecting the whole company, instead of only a single department, and places the fact of managing value for all stakeholders as the core of the marketing notion.

Marketing is an established activity in the business sector and their benefits are evident; conversely, in the public and non-profits sectors its application is much more recent. Hutton recently proposed narrowing the marketing concept since it is normally misapplied to public institutions and may even be incompatible with its main purposes if applied as an imitation of the business sector, without taking into account the sector’s own characteristics (Hutton, 2001).

The concept of marketing orientation, as the philosophy that is focused and leads organizations to the successful application of the marketing concept as defined by the AMA, replaced the previous dominance of sales and production orientation. As well as the marketing practice, the application of marketing orientation in the public and non-profit sectors is still in the early stages and its meaning must be clarified and specified.

Traditionally, HEIs, like the rest of the public sector, has lacked from an established management culture; however, most of them apply managerial and marketing tasks daily, often unconsciously and without an accurate understanding of the processes involved (Kirp, 2003). Recently, the concept of marketing orientation, along

with other business concepts and techniques, are being transferred from other sectors (Gibbs and Knapp, 2002) and applied to a service that is “people-based” and emphasizes customers’ relationships.

This transformation is involved in a series of structural funding and management changes which have been embraced in the “new public service management” (Walsh, 1995), the “new public management” (Kirkpatrick et al., 1996) or the “new managerialism” (Deem and Brehony, 2005) approaches. They consist of using a series of business techniques which call for efficacy and efficiency in public management, measuring outputs in the public activity through a series of comparable indicators (López-Casasovas et al., 2003).

In 1985, Kotler and Fox in their book *Strategic Marketing for Educational Institutions* defined marketing in the educational context as “*the analysis, planning, implementation and control of carefully formulated programs designed to bring out voluntary exchanges of values with a target market to achieve organizational objectives. Marketing involves designing the institution’s offering to meet the target market’s needs and desires, and using effective pricing, communication and distribution to inform, motivate and service these markets*” (p. 6).

This definition states that marketing in HEIs consist of a series of complex processes, including the use of the marketing mix, aims to carry out voluntary value exchanges. In contrast to the marketing definition by the AMA, this one underlines the organizational objectives and specifies that value is offering through information, motivation and service supply. These processes are normally classified in four phases: gather market related information, rigorously analyze the information, share the information throughout the organization and encourage actions as responses heading for relevant stakeholders’ satisfaction.

Marketing orientation in HE is the philosophy that is focused and leads HEIs to the successful application of the marketing concept in education as defined by Kotler and Fox (1985). The recent changes in the HE sector concerning globalization, increasing social demands, lack of private and public funds, increasing number of competitors and decreasing number of students, have made marketing orientation a strategic tool to achieve competitive advantages in this international market. However, some problems arise around this concept.

The first problem is that the concept of marketing orientation is not clearly delimited. Theoretically, two approaches emerges: one is highly linked to the private sector, is more focused in the achievement of economic results through the satisfaction of necessities and considers the society as the external environment which allows the HEI to fulfill its ultimate objective. Other approach, closer to public and non-profits organizations, understands the organization in a more holistic context; customers are part of the organization and this is part of the society. They are all responsible of achieving a *balanced benefit*, evoking its social character (Ehrlich, 2000).

Generally, marketing orientation in public and non-profits organizations is expected to include a specifically societal orientation. Kotler and Fox (1985, 10) outlined

a variation from the marketing orientation philosophy within HEIs called the *societal marketing orientation* which “holds that the main task of the institution is to determine the needs, wants and interests of its consumers and to adapt the institution to deliver satisfactions that preserve or enhance the consumer’s and society’s well-being and long-term interests”.

Marketing orientation in HE is then related to excellence in stakeholders’ relationships, the increase of their perceived quality and the effective satisfaction of their interests. However, HEIs must be responsible of determining the desired level of value exchanges that they want with a target market and the way they should be carried out. Therefore, it is not simply about giving students what they want. They could demand some “unreasonable” changes that conflict the university’s functions or policies, then HEIs should keep some grade of authority and balance stakeholders’ needs with organizational and societal needs (Kotler and Fox, 1985).

It is important to dismiss the widespread idea that marketing orientation in HE is only the use of selling, advertising and sales promotion to create or maintain demand. It is however more related to effectively planning and managing the institution’s exchange relations with its diverse publics. Marketing orientation then goes beyond marketing activities as is connected to policy and economic areas (Avlonitis and Gounaris, 1999).

Even when HEIs have a clear concept of what is marketing orientation they will face a second difficulty related to the multiple requisites involved on its effective application. The first step consist of the development of a “marketing culture”, a set of shared values that support marketing activities and concerted effort by all people within the organization towards the same aim (Payne, 1988). Secondly, HEIs must define its various stakeholders groups considering their diversity and specifications.

A marketing oriented approach also requires the whole institution to think in terms of needs, focus on total customer satisfaction and create competitive advantages (Doyle and Lynch, 1976; Canning, 1988; Michael, 1990; Conway *et al*, 1994; Baldwin and James, 2000). Management must also be capable of changing several aspects of the organization to meet those requirements (Vázquez *et al*, 2002). This set of processes is time and money consuming and not many HEIs have the interest or the resources required to carry them out.

An efficient marketing oriented approach generates a series of benefits for HEIs and their communities, both economic and non-economic in terms of social development, ethic and social balance. Yet those requisites are as essential as difficult to carry out in an institution leaded mostly by academic and traditional values. Therefore, it can be concluded that although all HEIs apply to a certain extent marketing activities, due to the numerous difficulties and requirements, not all have a true marketing oriented approach.

2. The demand-side: who should be satisfied and how?

2.1. Who are the targets?

The mission statement and the institutional philosophy require first and foremost the knowledge of who the publics are (Michael, 1990). This is an easy task for the business sector, which mostly has bilateral exchange relations, but HEIs have multiple monetary and non-monetary exchange relations with multiple social groups with diverse and even conflicted interests.

The first debate revolves around the term used to designate those persons. Some authors use the term “clients”, which is considered almost a impertinence by more traditional or academicians’ authors, who apply terms like “constituents” “beneficiaries”, “publics” or “stakeholders”, far from the business terminology. The most common definition of publics involves those individuals, groups and organizations affected by in some way or affecting to some extent the activities of the institution but not even this unanimous (Mitchell et al., 1997).

The literature does not clarify the meaning of “client” in the university context. Various groups, such as students, families, teaching staff, non-academic staff, managers, the public administration, investors, benefactors, suppliers, sales people are considered, but each author has its own definition of university’s clients. The following table shows some examples which illustrate that debate.

Table 1. List of different considerations about customers of HEIs.

Author	Groups	Description
(Weaver, 1976)	Two	(a) the government, managers and academics (b) the students, their families, employers and society in general.
(Belohav, 1984)	Two	(a) Government (b) Business sector
(Robinson and Long, 1987)	Three	Primary: students Secondary: paymasters (i.e. public administration) Tertiary: validating bodies (i.e. graduates)
(Reavill, 1998)	One	Students
European Foundation for Quality Management, EFQM (1989)	Three	(a) students (b) faculty and administrative staff (c) other groups with direct interests
(Schauerman et al., 1994)	Four	Internal direct: students and teachers Internal indirect: administrative office, board of trustees External direct: community, employers External indirect: parents, taxpayers

Source: Own elaboration.

It seems that students are always considered the major stakeholder group, but the inconsistencies in their definition give rise to a set of interactions that obscu-

res the entire issue of marketing orientation. Some authors also give students the simultaneous role of “products” (Lovelock and Rothschild, 1980, Belohav, 1984) or “quasi-products” (Litten, 1980). Contrary, others believe that students cannot be considered products since they are not inanimate raw materials and they influence the education process (Conway et al., 1994).

Nonetheless, in practice such a broad definition of HEI’s clients complicates the marketing planning due to the difficulties and inefficiencies of considering all these aspects in the process. It is therefore important that planners bear in mind the varying perceptions of their university held by the different groups of stakeholders, even the great heterogeneity within each group. An appropriate degree of involvement must be determined for each group and distinguish between stakeholders’ wants and stakeholders’ needs (Siu and Wilson, 1988).

2.2. What is demanded and expected of a university?

Generally, customers are increasing their expectations and their exigencies of all companies, as they are more informed mainly due to information and communication technologies and they have also become more sophisticated. This also occurs regarding HEIs, which offer high-involvement and high-relevance services (Baldwin and James, 2000). A number of papers are focused on students as customers (Binarsardi and Ekwulugo, 2003, Umashankar, 2001) but little has been investigated about the perceptions and expectations of other stakeholders (Luque-Martínez and Del Barrio-García, 2009).

Really, publics’ demands can be of very diverse types, which range from new services or improvements of current services to the development of certain positive behaviors. Some demands will be consistent with the university mission and principles; however, others will contradict their standards. In that case, the HEI will decide the best way to deal with them. Most demands are in fact related to the supply of value-added services that and they can have different origins.

There are individual demands of concrete persons that are interested in certain aspects of the university, commonly demanding better quality and value for money services. Once these are aggregated, it is observed that each stakeholder group has some common interests and demands depending on their position, their power and the strength of their relationship. Finally, there is a social demand which is latent in the community and is mainly associated to the development of a socially responsible behavior that causes positive effects in the local and regional environments.

In aggregated terms, universities are expected to provide benchmarks for learning, innovation, creativity and culture as well as respond to social change, concerning to their own growth and diversification and also with reference to the creation, diffusion and promotion of scientific knowledge and ideas. They are also required to contribute to develop a world with balanced economic, social and environmental

development through their highly involvement in promoting a collective intelligence (Del Barrio-García and Luque-Martinez, 2009).

2.3. How to identify expectations and demands?

the process starts with a right interpretation of stakeholders’ expectations and demands in which they can make use of some marketing strategies and tools properly adapted to the sector specifications. One of the most important must be market segmentation using an appropriate criterion. Segment profiling is often utilized to match the strategic goals of the organization with the potential needs and wants of segments making use of the increasing power of technology in the area of customer databases (Kotler, 1996). This tool measures the potential of new market segments reducing the risk of particular strategic planning goals (Rindfleisch, 2003, Luque-Martínez and Del Barrio-García, 2006).

All stakeholders must be taken into account but balancing its importance (Hwang and Teo, 2001) and basing their decision mostly in social instead of economic reasons. This emerges as a difficult task in a sector with such a large amount of very diverse stakeholders presenting opposed interests. Moreover, HEIs must prioritize those needs and wants and balance their convenience to organizational values and mission, professional norms of the executive authority and the own interpretation of public good.

Table 2. The first set of marketing explanada — the stakeholders as the “buyers”

Who?	Individuals, groups of stakeholders and the society as a whole
Why?	To fulfill their expectations, obtain a higher value and be satisfied
Which?	They demand new services, improved services or positive behaviors
Where?	In the university or outside it.
When?	When they have a direct or an indirect relationship with the institution
How?	Demanding / using / evaluating the university services offered

Source: own elaboration

Literature shows the importance of carrying out an efficient multi-stakeholders management since successfully managing all stakeholders’ relationships can be seen as a basis of organization success (Balser and McClusky, 2005). Nevertheless, HEIs generally lack of professional management and marketing knowledge and do not give enough importance to strategic planning. The intrinsic complexity of these processes plus the frequent lacks of resources, interest and preparation make indispensable a more comprehensible notion of stakeholder as the base for the managerial behavior (Lin, 1997).

3. The supply-side: an obstacle course

3.1. Main problems

Universities are open institutions but they respond differently to demand depending on its geographical location, its managers' character, its academic body, the educational norms applicable, the character of the university, etc. However, HEIs have traditionally been slow to adapt to changes regarding their stakeholders' needs, and particularly their students' ones (Smith and Cavusgil, 1984) since, as a general rule, four main problems are said to emerge when a university attempts to implement a marketing oriented approach.

Firstly, HEIs are organizations whose members have highly developed critical faculties, are highly identified with the institution and its aims and usually show a high resistance to changes. Academics believe that HEIs must be ruled only by academic norms, which are considered opposite to the business rules, and they are especially reluctant to the concept of marketing. It involves a strong association with "selling their institution" and in the best cases, marketing is seen as merely tool for fundraising and admission (Doherty, 1994). Lately, resistance is decreasing although is still common for marketing to be simply equated to selling or promotions.

Secondly, in many universities managers and decision makers are also academics that in some cases have values incongruent with the managerial discourse (Winter, 2009). Additionally, they may have a partial or distorted view of the situation due to their lack of professional management and marketing knowledge. These usually defend academic norms, self-regulation, collegial practice (Brown and Humphreys, 2006) including the notion that university knows better than any other what is better for students.

Thirdly, higher education (HE) is a complex sector with a complex and changing environment at a global scale composed of a great variety of very implicated and demanding stakeholders with clashing interests in constant change. Unlike companies, HEIs do not consider changing locations as responses to changing market conditions. The only option is to analyze them and deal with them correctly, but their complexity requires high implication, big efforts, good knowledge and enough resources, factors absent in many HEIs.

Finally, some university services like administration, have proven more successful in the implementation of marketing than others like teaching or research (Edler, 2004). Although HEIs are corporate-like entities, its primary activity, teaching and learning, is not itself a business activity and then respond to pure academic reasons (Quinn et al., 2009). Research is half way between the other two areas. Some subjects, like technology, engineering or business are "closer to the market" and their lines of investigation are often influenced by social needs, resulting in applied research; however, others like humanities, carry out its research independently of the market (Owlia and Aspinwall, 1997).

3.2. How to increase the value offered?

as previously stated, universities must take into account the multiplicity and diversity of its beneficiaries and the whole organization in order to correctly identify their perceptions and demands. In some cases, secondary data can also be an interesting source of analysis. These tasks must be part of a strategic marketing planning, defined as a systematically planned response to meet and anticipate the stakeholders' needs better than the other universities within a competitive environment (Rindfleish, 2003; Luque-Martínez & Del Barrio-García, 2009).

Once HEIs have processed and disseminated the information, as any other business, HEIs make use of the marketing mix. They define which are the services provided and their characteristics, set appropriate and strategic prices for those services, outline the location, appearance and facilities of the place where the service is delivered and promote the use of the services offered using advertising, public relations or outreach materials (Thomas, 2002). However, it is done differently from the business sector, considering that those involved in HE "seek to develop educational relationships rather than transactional deals between traders" (Gibbs, 2001; 85).

Consequently, the university must develop a close long-term relationship with their stakeholders based on the concept of relationship marketing although more focused in social than in economics benefits (Arnett et al., 2003). It also requires a constant and fluent communication through different means, assuring a feedback for all actions and building trust. It has been empirically proved that students whose HEIs carries out better relationships, show more supportive attitudes towards the HEI (Klassen, 2002).

The benefits derived from occupying a distinctive position in the stakeholders' mind are indisputable. This is achieved through positioning, recognized as a core branding activity. Effective positioning is derived from an effective application of the marketing mix, whose activities should be coordinated in order to make a unified positioning statement (Lowrie and Owens, 2001). The tendency of trying to be all things to all people should be dismissed as effective positioning requires uniqueness, strength and prevalence. Only that way and projecting an image of perceived added-value, differentiation will be achieved (Mazzarol and Soutar, 1999).

Internal marketing directed towards academic and non-academic employees, although sometimes forgotten, is probably the most important one since in all service organizations is said that people are the service and good motivation means good organization. Employees become the HEI's most valuable intangible asset if they are participants of the university values, which will be projected to the other stakeholders, fulfilling their expectations towards the HEI (Whisman, 2009) and then increasing its perceived quality.

HEIs responses to individual publics' demands are highly varied. However, their responses to latent social demands are more homogeneous. As an example, HEIs usually respond to social demands concerning human capital offering higher quality

in education, distance/on-line education, careers service, etc. HEIs' responses to the need of knowledge generation and transfer, may take the forms of industrial liaison officers, research, industry and innovation centers and research networks, offices of technology transfers, offices of corporate relations, etc.

HEIs usually carry out students' and graduates' surveys in order to have a feedback about their opinions and perceptions and then try to satisfy them. (Luque-Martínez et al., 2008) However, studies state that although all HEIs are active in the various elements of the marketing mix, they do in an inconsistent and intuitive way affirming then that there is a general lack of coherent marketing practice. Although differences among HEIs are observable, generally not enough research and not enough resources are spent in order to achieve a true marketing orientation.

Table 3. The second set of marketing explananda — the University as the “seller”

Who?	All universities to a certain extent People in all areas of university but with different intensity
Why?	To satisfy stakeholders and achieve both organizational and social benefits
Which?	Create new services, improve the existing services, responsible behavior
Where?	Both inside and outside the university
When?	When the university is marketing oriented
How?	Gathering of market related information Sharing of such information within the organization Encouraging actions/responses directed towards stakeholders' satisfaction

Source: own elaboration.

4. Consequences of the marketing orientation approach

With no pretension of being exhaustive, this part highlights the main consequences of successful marketing oriented universities for the institutions and the society where they operate.

4.1. Stakeholders' responses

When the HEI fulfills social and individual needs, a chain of positive evaluations and perceptions deriving in favorable attitudes towards the university arise in stakeholders. In the long run, they will originate organizational economic and non-economic benefits. Since most empirical studies have used students as a sample and little is known about the remaining stakeholders' groups, this review will be focused on those. The following figure depicts the main theoretical relationships among the concepts.

The most immediate reaction of students is an increase in perceived quality, when their perceptions highly fulfill their expectations (Brennan and Shah, 2000)

and this leads to an increase in perceived value, defined as the overall evaluation made of the quality of the service based upon the perceptions of what is received and its cost in terms of money, effort, time, etc. (LeBlanc and Nguyen, 1999; Ledden et al., 2007; McClung and Werner, 2008).



Figure 1. Relationships among the main stakeholders' perceptions and attitudes.

Source: own elaboration.

A consequence of high perceived value is reported to be satisfaction, defined for students as the evaluation of the experience with the education service received (Elliot and Healy, 2001). The final consequence of the previous attitudes is students' loyalty, which contains an attitudinal component and a behavioral component, related to retention and repeat patronage (Marzo-Navarro et al., 2005). The term loyalty can be applied to students groups although its application to other groups with a more indirect relationship with the university can be questioned.

Apart from the cited consequences, a marketing-oriented university would position the university in a differentiate place in consumers' minds. This normally increases its image and if a positive image is sustained during a certain period of time, university would build a good reputation. This will place it in the rankings' top positions that, although methodologically questionable, are proved to have a high influence in students' decision making processes (Locke et al., 2008).

However, this is not an easy task since image and reputation can only be assessed by its stakeholders (Lee, 1999) and they are subject to constant change (Arpan et al., 2003). The organization is unlikely to project a consistent image for all of them; besides, each stakeholder group use a different criteria when assessing an organization, resulting in different images for each group (Brown and Mazzarol, 2009). These attitudes on students will lead to organizational benefits such as higher attraction of students and the attraction of public and private funds. There is where social consequences are originated.

4.2. Social consequences

A university is sometimes one of the largest organizations in a city or region and its multiplier effect can be greater than the industrial one due to the structure of the turnover, and the proportion of staff and students' expenditure that would probably remain within the community or region. Moreover, the HEI will be the one responsible of deciding the relative importance of their relationships and value exchanges with its local and regional environment.

Firstly, there are some consequences regarding human capital. From the training of apprentices on vocational courses through to the education of undergraduate and postgraduate students, to lifelong learning programs and the more specialized continuing professional development courses or unemployment courses, a key role of HEIs is to generate talent, fulfilling the need of providing skills to a high technology-based economy (Cooke, 2003).

Regarding human capital, HEIs can generate leaders capable of creating organizations that provide a major value to the society, leaders capable of inspiring higher benefits from people work and capable of developing organizations that are more effective at fulfilling their purposes. As a result, societies can achieve greater productivity and support human needs at a higher level. Successful HEIs should not only generate but retain the talent they have educated keeping it at the service of the local community and attract new talent to increase the quality of the regional labor market.

Secondly, knowledge is nowadays regarded as an essential factor of production in modern industrialized economies and university is one of the main institutions where knowledge is gathered, created and transferred to the outside world. The impact of knowledge is mainly measure through knowledge spillovers. There is a consensus about the evident benefits for companies, yet benefits for universities are in certain situations questionable and HEIs accused of "losing their academic soul" (Washburn, 2005).

Facilitating technology transfer has become an important aspect of the work of universities and can involve the introduction or expansion of university offices involved in licensing and patenting, seeking commercial applications for university research; small-business development providing technical or managerial assistance to entrepreneurs or small businesses; research and technology centers; incubators providing facilities that support new technology-based businesses; and investment or endowment offices utilizing the university's financial resources for equity in start-up businesses (Fraiman, 2002).

One successful and repeated action which promotes knowledge spillovers and positively impacts in the regional development is the industry-academic partnership. The existence of personal links and formal exchanges can lead to a real dialogue resulting in formal partnerships and collaborative efforts. A number of celebrated examples of HEI or departments, often led by entrepreneurial figures, have established successful collaborations with the industry (Moore and Davis, 2004).

These exchanges can be two-way, involving visiting professors or lecturers from industry teaching company schemes, jointly sponsored symposia, roundtables, joint research projects, faculty internships, periodical meetings, guest speakers, joint curriculum development and also student placements in industry (Sargeant et al., 1998). Some HEIs’ managers believe that the engagement with the world of practice help keeping their teaching relevant and current (Fraiman, 2002) while firms benefits from formal and informal technical support, expertise consultancy or training.

To sum up, the university’s generation and spread of knowledge through the different means will nurture current industry, increasing its production, innovation and competitiveness. In the long-run this fact will create synergies that will attract and nurture new high-tech industries and innovative firms to help the city or region generate economic expansion and sustain its competitiveness in the future (Goldstein and Renault, 2004)

Additionally, HEIs act as service providers, strategic partners, employers, purchasers, tenants, contractors, landowners, developers, neighbors and corporate citizens and their behavior directly affects large amounts of persons. In consequence, if they behave in a civic and responsible way (developing equal opportunities’ policies, sustainable strategies, friendly-environmental policies, etc.) they will be contributing to social welfare and helping in the generation of a virtuous circle, which will stimulate the creation of added value for both the university and the community.

Table 4. Behaviors of buyers and sellers with consequences on society

Why?	To contribute the improvement of social and economic conditions
Which?	Improvement of social indicators such as human capital or innovation Together with economic indicators such as employment or incomes
Where?	In the local and regional environments
When?	After the university successfully develop a marketing orientation approach
How?	Through knowledge spillovers and innovation networks Through generation, retention and attraction of talent Providing services to the community (i.e. expertise and support) Generate a virtuous circle of added value

Source: own elaboration.

Conclusions

Traditionally, HEIs tended to do not pay enough attention to the needs of its publics. Facing this new and more competitive context, academics are becoming aware of the importance of marketing university’s services to the public. Like other non-profits organizations, HEIs are in transition towards a marketing orientation, what entails a series of prerequisites difficult to implement. However, nor the concept is clear or the process easy.

Regarding the demand-side, HEIs must deal with a large number of increasingly demanding and sophisticated stakeholders' groups with conflicting interests. Moreover, the notion of who the customer really is remains unclear, with very diverse descriptions on the literature, what highly complicates the research process in order to identify and prioritize their needs and desires. That process is time and money-consuming and not many HEIs are able or interested in carrying it out rigorously.

HEIs' managers keep certain discretion of the way their relations with stakeholders are managed and balance their needs with those of the institution and the society. Unlike the business sector, marketing orientation in HEIs must be in a frame of social responsibility and go beyond the mere satisfaction of individual needs. Some problems emerged during its implementation: some related to the frequent academic resistance to marketing, others to the complexity of the environment or with the numerous internal requirements.

HEIs must create of a set of shared values, systems, management style, organizational structure and culture. Additionally, HEIs must design and align processes, communication, technology and people in support of customer value in a continuous cooperative effort between the HEI and its stakeholders. Although all HEIs apply some kinds of marketing activities these are frequently unconnected and inconsistent, then just a few HEIs can state that they are truly marketing-oriented.

The expected consequences of the successful application of this approach are both organizational and social. HEIs would obtain competitive advantages over its competitors building a strong reputation and satisfying stakeholders, among other benefits. The local and regional community would benefit in terms of higher quality of the labor force, higher number of more competitive firms, etc. A well-designed alignment of values within a marketing orientation can lead to a virtuous circle of added value, for a university, its stakeholders and the society as a whole.

Abstract

This chapter is focused on the concept of marketing orientation in universities through a literature review of the most relevant theoretical contributions, highlighting its definition, approaches and requisites. Marketing oriented universities are explored from both the demand side, presenting the debates on who the customers are, which are their real expectations and demands and how to identify them; and also from the supply side, presenting the main problems and the strategies to increase the value offered. Finally the chapter explains the main consequences that the successful application of marketing can provoke in stakeholders' responses in terms of reputation, value or satisfaction, among other indicators. Consequences for the local and regional environments are also described regarding human capital, knowledge transfers, community services, etc.

Keywords

Higher education institutions, marketing orientation, social contributions.

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