# Students as customers?

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*The idea that students might be treated as customers triggers academics' antipathy, which in turn can lead to managerial irritation and political frustration. There are different discourses which barely overlap as their protagonists speak past one another. This article argues that these differences can be reconciled by re-conceiving the relationship between the university and the student. The article reviews the literature on marketing in higher education and the student as customer. It analyses the problems inherent in thinking of students as customers, suggests a multidimensional approach to understanding student roles, and considers what part markets can play in governing and managing higher education systems.*

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Mass higher education in England has an identity crisis. The old ways of understanding the higher education experience and the relationship between student and university no longer apply (Ramsden, 2008). Although institutional and academic snobbery persists, higher education no longer acts as a fine-grained economic and social filter, with its very English mix of part privileged access, part meritocracy. And although fees and costs are higher, the fee remission, bursaries and scholarships available to poorer students mean that the taxation that supports most higher education spending is now rather less regressive than it was. But new ways of thinking about how public management should work and how public services should be 'modernised' command little support among many academics and support staff. Indeed they inspire passionate opposition in many people who are the key to changing higher education's attitudes and behaviour. The clash of these ideas is most obvious in arguments about the student as customer.

The introduction of £3000 fees for full-time undergraduates in England in 2006 gave fresh impetus to the debate about whether we should treat students as customers. Students who pay significant fees can be expected to have different expectations and attitudes towards

their higher education experience – more conscious of their rights and expected service standards, less tolerant of shortcomings, more demanding, more litigious. The introduction of the National Student Survey reinforces the idea that students are buyers in a higher education market. The creation of the Office of the Independent Adjudicator adds a regulator with a remit to strengthen the student voice. In this changing environment, a university or any other provider that does not treat students as customers jeopardises its relationship with students. But the higher education experience depends on students' being treated as much more than, and different from, customers. A university that treats students only as customers jeopardizes its quality, standards, and reputation. How can a university tread the fine line between market forces and educational imperatives? How can government get best value from the higher education sector? And how should students behave? We need new ways to think about the higher education process and especially the university-student relationship, not least because, as Watson (2010) argues in an earlier issue of *Higher Education Review*, our nostalgically idealised views about students are not now and probably never have been a reliable basis for our practice. We can find new ways of thinking about students by exploring what is right and what is wrong with thinking about marketing in higher education, and in particular about students as customers.

**Marketing in higher education**

Thinking of students as customers is a natural consequence of taking marketing in higher education seriously. Although higher education in Britain is often slow to pick up on new ways of thinking about organisations and management, this is not true of marketing. There was already an active network of marketing staff in the 1970s polytechnics, and the first systematic management training in marketing for UK post-secondary education began at what was then the Further Education Staff College in the early 1980s (Cuthbert, 1980). Reinforced by an influential Audit Inspectorate (1981) report, the marketing perspective rapidly took hold in practice, especially in further (non-higher) education colleges, where by the mid-1980s it was the norm for a vice-principal to include marketing explicitly among his or her responsibilities. The idea was slower to take off in the pre-1992 universities. But national reports in the late 1980s urging changes in higher education management practice (Jarratt Report, 1985; National Advisory Body, 1987) promoted marketing thinking as part of those changes. Marketing thinking was the norm in post-1992 universities by

the mid-1990s, but still sufficiently rare in pre-1992 universities that the Chief Executive of the Higher Education Funding Council for England (HEFCE), Sir Howard Newby, made the need for better marketing thinking the key point of his address to the assembled vice-chancellors at the 2004 HEFCE Annual Conference (Newby, 2004).

Later academic commentators have for the most part been wrong about the origins of marketing thinking in UK HE, either describing marketisation as a byproduct of managerialism in the public services (Sharrock, 2000), or believing the rise of marketing to be a consequence of the 'total quality management' movement (Jauch 1997, Eagle and Brennan, 2007), which only took significant hold in higher education in the 1990s. On the contrary, marketing thinking was being debated by academics and taken up in practice by managers and public policymakers from the early 1980s, as a means of making higher education better both in terms of its quality and also in terms of responsiveness, flexibility and efficiency (Cuthbert, 1987). Marketing was therefore inevitably part of the broader debate first about Thatcherite changes to public services, then managerialism and the new public management (Dunleavy and Hood, 1994), and later the 'modernisation' agenda of New Labour from 1997 (Newman, 2000). This association has helped to polarise views about marketing in higher education. At one extreme, marketing and the idea of students as customers are held to be self-evidently desirable and no more than common sense. At the opposite extreme, thinking of the student as a customer is seen as promoting the antithesis of a proper higher education.

This polarisation is unproductive as a 'debate', and unhelpful in terms of helping to improve higher education. Like any polarisation, it reinforces prejudices on all sides. The stereotype of academics as defenders of an out-of-date and unaffordable status quo, resistant to change and modernization, clashes head-on with the stereotype of politicians and policymakers as Whitehall-knows-best educational philistines. We can escape such rigid thinking by reframing the debate about student as customer, to focus not on the student but on the out-of-date ideas about 'customer' which are held on all sides.

**The problems with 'student as customer'**

Some students – postgraduates, part-time and international students – have always paid course fees. But for those students any customer mentality has been muted, and has caused little comment. It is the introduction of higher fees for full-time undergraduates which has changed institutional and academic cultures. It is deliberate Government

policy, as part of public service modernisation, to increase the responsiveness of universities to the disciplines of the market 'to help student choice drive up quality' (*The Future of Higher Education*, 2003: 7). Inevitably students paying significant fees, whether deferred or not, begin to think of themselves as customers. The annual UNITE survey of student opinion has, since the introduction of £3000 fees, begun to ask students explicitly to rate the 'customer service' which their university provides, and students have been perfectly willing to answer this question. Although about two-thirds of students are satisfied or very satisfied with customer service, this is one of the lowest-rated aspects of the overall service provided (UNITE, 2007).

At the same time many academic staff have expressed increasing dissatisfaction with the market/customer perspective (Lomas, 2007). Academics in the USA, in Australia and in the UK, all facing similar market pressures from fee-paying students, have argued that to think of the student as a customer damages quality and academic standards, and degrades student learning (Molesworth *et al*, 2009) and other important aspects of the higher education experience: '… rather than empowering students, consumerism may, perversely, threaten innovation and academic standards and further entrench academic privilege.' (Naidoo and Jamieson, 2005: 279). Even marketing theorists argue that, although a marketing/student-as-customer perspective might be useful in principle, the ideas are not being used appropriately. And there are broader critics who see marketisation and customerisation as part of a social and political process which they believe is anti-educational. (In this context I am using the terms 'customer' and 'consumer' interchangeably, although differentiation may be desirable for some purposes (Jones and Needham, 2008).) Let us examine each of these arguments in turn.

*The degradation of quality and standards*

> 'Like car and refrigerator customers, student-customers shop for the courses with the least work and highest grades.' (Carlson and Fleisher, 2002: 1106)

It is said that to see the student as a customer is to commodify knowledge and learning in ways which degrade the learning process. 'Marketisation' commodifies the teacher and the university service in ways which distance the student from learning, from the teacher and from the university. Marketised higher education is in danger of failing to prepare citizens to play a meaningful role in society.

Former Harvard President Derek Bok has argued that the market mechanism is deeply flawed because students cannot be sufficiently well-informed about universities and their own learning to make enlightened choices. The market then rewards superficiality in teaching rather than depth of learning, and institutional reputation rather than high academic standards (Bok, 2003: 161-62).

Market forces put pressure on institutions which some would prefer to ignore, believing that student consumerism and academic standards are diametrically opposed. Clayson and Haley (2005) categorise universities facing market pressures from student customers as: 'The Desperates' – who must consider anything to attract and retain students; 'The Large Unsure Middle' – who try to balance customer pressure against their educational and academic convictions; and 'The Smugs' – elite institutions or others able to ignore student customer pressure. There is some evidence that US HE is becoming more like a commodity in the economic sense (Doti, 2004) – a product for which everyone pays the same price. Paradoxically this, albeit with a low or zero price, is probably what most who rail against 'commodification' would prefer.

Market forces also put pressure on staff. American students tend to give better ratings in opinion surveys to staff who grade them generously (Clayson and Haley, 2005). Many students agree with the statement that 'If I'm paying, I deserve a degree', such 'customer' orientations being highest among business, arts and science students (Obermiller *et al* 2005; Delucchi and Korgen, 2002). It may not be surprising that academic staff generally feel constrained to treat students as customers more than they would wish (Obermiller *et al*, 2005), but students also show such differences, perhaps because students most want a customer orientation on 'peripheral' things like respect, courtesy, availability, and relevance, rather than on the content and substance of teaching, learning and assessment. Such pressures lead to a dispiriting conclusion: '…education has its own Gresham's Law: as marketing drives up the price of higher education, it tends to drive down its quality' (Schurenberg, 1989:148).

A similar argument is made by writers on academic quality and/or the (mis)application of total quality management (TQM) approaches to higher education. They argue that what counts as 'quality' varies with the stakeholder, and universities must therefore focus on meeting the long term needs of all their stakeholders rather than focusing mainly or exclusively on the short-term needs of students (Eagle and Brennan, 2007).

The common theme of these various critiques is that to see the

student as a customer degrades the quality of learning and the higher education experience, because it unduly narrows the educational process and the concerns and purposes of higher education. It is argued that universities should fulfil their responsibilities to a broader set of customers or stakeholders, including society as a whole.

*The misuse of marketing*

This is not necessarily an argument against the marketing perspective *per se*, but an argument against its misuse. It recalls the classic distinction in marketing between four different managerial orientations – product, selling, marketing, and societal marketing (Kotler, 2000). The product concept is an attitude which says: 'This is a good course at a reasonable cost. People will want to do it.' The selling concept says: 'This is a good course. If we make sure that enough people hear about it, and we work hard enough to persuade them, we will recruit enough students.' The marketing concept puts the student/customer at the centre of the business: the role of the university is to be clear about who its students are, investigate their wants and needs, and design courses to meet them. Finally the societal marketing concept adds long-run consumer and public welfare, what we might now call corporate social responsibility, to the short-term goal of student/customer satisfaction.

It might then be argued that 'societal marketing' is the ideal for higher education, a model which implies that students should be seen as partners in achieving the university's goals for all stakeholders. However the concept of societal marketing has been criticized for concealing rather than making explicit its moral foundations (Crane and Desmond, 2002), just as 'corporate social responsibility' has been (Banerjee, 2007). While it might be appropriate to see the student as a customer in some restricted sense, universities have other 'customers' or stakeholders and a more broadly balanced view is necessary to avoid undesirable educational and social consequences.

Taking a narrow view of the student as customer ultimately reflects an inadequate understanding of the marketing perspective itself. Watson (2006), exploring 'the truth about the student market', draws several lessons for policy. The first, that students 'won't do what their elders and betters think they should', shows, for example, student resistance to unpopular or 'difficult' subjects and narrowly vocational courses, despite Government exhortations about the national interest, reflected variously in policy initiatives and incentives and penalties for institutions. It exemplifies the conflicts between stakeholders, and between individual, institutional and societal purposes, which

universities must somehow reconcile. Most of Watson's other 'lessons' implicitly make the same point, that policymakers and universities are not thinking about 'the customer' in a broad enough way. For example, 'lesson two' is that it is rarely recognised that the health and social care industry is higher education's major stakeholder, accounting for some 20 per cent of total sector activity and income. And in finally arguing that we need a world class higher education sector, rather than a few world class institutions, Watson makes the point that an inadequate marketing perspective, focused on the individual student as customer and the self-serving individual university as the key entity, will have damaging consequences for the overall health of the sector.

If Government relies on markets to co-ordinate higher education, it inevitably shifts the focus of attention from governmental regulation at the societal level to mutual adjustment at the level of institutions and individuals, with consequences which are hard to predict. An effective market depends on 'four freedoms' for providers: of entry; to specify the product; to use available resources; and to determine prices. And there are four freedoms for consumers: to choose provider; to choose product; adequate information on prices and quality; and direct and cost-covering prices paid (Jongbloed, 2003, 2004). Rarely are all eight conditions met, so that we have at best a 'quasi-market' – a term first formulated to describe the situation where Government acts as a purchaser in an attempt to apply market discipline to the service providers (Le Grand and Bartlett, 1993).

In any case markets are efficient only under certain circumstances, specifically those where prices and product information can be relied on to regulate transactions without creating unacceptably high transaction costs. Where this is not true other organisational forms will be more efficient – bureaucracies, where legitimate authority predominates, or 'clans' with strong cultures, where shared values are needed to minimise transaction costs (Ouchi, 1980; Cuthbert, 1987). To see students as customers in circumstances where markets are inefficient is to impose unacceptably high transaction costs on institutions and on the sector as a whole (for example, in verifying student eligibility for fee discounts or scholarships, in debt recovery or write-off, in avoiding or defending litigation by students, and so on).

*Marketing as part of a broader socio-political process*

There is a venerable tradition of commentary decrying the effects of customerisation, market orientation or vulgar commercialism on higher education. Almost a century ago Thorstein Veblen (1957, but first

published in 1918) argued that: 'In one shape or another this problem of adjustment, reconciliation or compromise between the needs of the higher learning and the demands of business enterprise is forever present in the deliberations of the university directorate.' It has more recently been argued that there has been a fundamental shift in higher education in response to globalisation and the intensification of concern for 'business principles'. This has been characterised by Slaughter and her colleagues (Slaughter and Leslie, 1997; Slaughter and Rhoades, 2004) as the rise in response to globalisation of what they termed *academic capitalism*: 'any institutional and professional market or marketlike efforts to secure external moneys'.

This understandable reaction to a decline in levels of state funding had by the mid-1990s had wide impact on the behaviour and orientation of academic staff and institutions, associated in particular with the commodification of knowledge. The rise of academic capitalism introduced new risks for the higher education enterprise, not only those risks associated with competitive failure in the market, but also the risk of an unstoppable move away from a broad long-term view of service to students and society. Universities which succeed in developing new income streams are likely to see a consequential reduction in government support, whereas universities which 'fail' under academic capitalism might be seen as failing to support economic development and also suffer reduction in government support. And in any case universities and staff with an academic capitalist orientation may take an unduly narrow view of students' academic needs, by focusing on (short-term) economic and employment-related concerns. One way of insuring against such risks was for institutions, perhaps with state support or enforcement, to encourage relatively unconstrained internal markets using financial incentives within institutions, of the sort that would be enabled by unhypothecated government block grants.

However, the continuing rise of academic capitalism has depended on embedded public subsidies in the new income streams for research, development and teaching. This means a changing emphasis in the teaching function, away from serving student customers and towards extracting more resources from them – an argument with obvious resonance for the UK system following the introduction of higher fees for full-time undergraduates.

The triumph of the market could have dire educational and therefore social and political consequences:

> '… with today's new emphasis on marketable products, measurable outcomes, and business skills, many institutions of higher education

> are unlikely to expose students to visions of justice and equality that challenge the ethics of the market system …. Without the political imagination and broad-based critical thinking that liberal education nurtures, there is little hope that liberal politics can survive. And yet it is precisely now as we enter the 21st century, when market values have encroached on every area of social life, that we most need a robust politics to serve as a counterpoint to commercialization' (Roosevelt, 2006).

*Critiques of marketing and 'the student as customer': overview*

It seems that critics of the idea of student as customer too rarely use the 'marketing concept' rather than the product concept or the selling concept. If universities researched and responded more fully to the demands of their students then perhaps the idea of the student as customer might have more positive effects. But even then there remains the problem that students and other higher education clients often do not know exactly what they want, and even if they do, their demands might not fit their needs. And even if universities met student need *and* demand, they would still fall short of their wider responsibilities to a range of other stakeholders.

For this reason societal marketing could be held out as the preferred orientation for higher education. Businesslike universities should perhaps aim to live up to the marketing concept, linking it with a well-developed sense of corporate social responsibility. But even this would not satisfy many critics in higher education who would still find the marketing mindset fundamentally at odds with their values and intrinsic motivation. An alternative approach is to accept that only some of the conditions for full market operation can be satisfied, but to argue that introducing such quasi-markets would nevertheless bring about overall improvement. However this view too has been treated with scepticism when applied to higher education.

So can we find any value in the idea of the student as customer? I believe we can, but we need firstly to recognize its limited applicability in higher education, at least in the terms used so far, and secondly to reframe the whole idea of marketing and the 'customer'.

## The student as more than a customer

The complex relationship between the student and the university cannot be reduced to one dimension. If the market perspective is too dominant, commodification, contracts and litigation will not be far behind, with damaging consequences for transaction costs, student learning and staff

motivation. If an academic learning perspective is too dominant, universities may never learn how to differentiate their offering to meet the wider needs of their students and achieve short-term student satisfaction alongside long-term human and societal development.

*Misconceptions of what a customer is*

Many people in higher education have a distorted view of how private sector organisations behave towards their customers, and it is dangerous to generalise inappropriately from experience as customers in other settings.

For example, a supermarket might appear to be a pleasant environment in which staff are trained to be helpful, attend to your every need, and accept that the customer is always right. But supermarket shopping is a short term and narrow experience. The way supermarkets engage with their customers is constrained within a small set of behaviours over a short period in a highly controlled environment.

How would Tesco or Sainsbury's change if they had to contend with the range of student behaviour seen in every university every day? A group at the entrance would be queuing to apply for price reductions because of their personal circumstances. People who had just bought something would be lodging formal appeals against the price they had just paid. And very large numbers of people would fill in a form or telephone to place a large order, have the goods put aside for them, but then just go to a different store without the store having any redress, even though it may have to throw away the goods they ordered.

The rights students expect to exercise have much wider scope than supermarket customers would ever contemplate. But customers have obligations as well as rights, and the mix of rights and obligations is defined by the nature of the business, and the way a particular organisation chooses to operate in the business. In Aldi or LidL people with credit cards will not be accepted as customers. In Sainsbury's people with credit cards are not only welcomed, they are asked if they would like to buy insurance and whether they would like to open an account with the store's bank. Not all supermarkets are the same, and not all supermarket customers have the same rights and obligations. Equally, not all colleges and universities are the same, and not all higher education students have the same rights and obligations. Universities need not and do not all adopt the same definition of their business and the same position towards their 'customers'. Open University students, for example, are unlikely to complain about the lack of sports facilities provided by the University.

Nor does any one university have to maintain the same position towards its customers over time, and the same view of students' rights and obligations. Thirty years ago in supermarkets there were people standing behind counters waiting to serve you. Now shoppers collect everything themselves, are encouraged to check the goods out themselves, and this is called, without a hint of irony, customer service. Thirty years ago universities and polytechnics had many staff who knew students as individuals and would probably have said they were *in loco parentis*. Now universities have student-centred learning in a mass higher education context, and must ensure that this too can be seen as 'customer service'.

There is a spectrum of providers at any time. Students, like supermarket customers, can shop by mail order, or over the Internet, and may increasingly choose to do so in very large numbers, even though it changes their obligations as well as rights. Universities, like supermarkets, have found it difficult but essential to adapt to those changes in demand.

The mix of rights and obligations depends on the nature of the business and on how the organisation positions itself to compete. Making those rights and obligations more explicit may help to confine the student's exercise of rights as a 'customer' to those services where the perspective is helpful, which is reason in principle to welcome the growth of interest in 'student charters'. But the experience in practice of charters is mixed, since some charters may be or appear to be bland generalities rather than clear statements of rights and obligations for both parties.

*The several roles of the student*

A charter worth having should explicitly recognise the nature of the university and the range of services it provides, which will make clear that the student has not one but multiple roles and relationships. Even though the metaphor of 'customer' may be quite useful and flexible, it is only useful in some parts of a university's operation. Different parts of every institution have to treat students differently, which means we must call on some other concepts of the student role, as well as customer. Higher education is a long timescale, broad-based, complex process of changing people's lives and how they think. It follows that we need a more complex model of the student role than the one that suits a narrow-focus, short-cycle trip to the supermarket.

Students, then, should be seen not only as customers, but in other important ways: as learners, as members or citizens of the university

community, as clients for a range of professional services, and as people who spend a large part of their time in the university and therefore look for a range of additional leisure activities and services.

*Students as learners*

Obviously, students are learners. The ringing phrases in the Robbins Report (1963) 40 years ago about the goals of higher education still command support as an ideal: 'the cultivation of the general powers of the mind.... the pursuit of knowledge for its own sake'. But since then higher education has been massified and, perhaps, commodified. Consistent with the commodification and marketisation thesis, it is undeniable that some or many students are, for some or most of their time, focused on acquiring the best grades they can for the least expenditure of time and money. For them this is a perfectly rational response to the challenges they face, juggling full-time study with part-time work, or vice versa.

That does not mean that universities should stop trying to encourage learning in the Robbins sense, but it does mean that to help students learn we should start from where they are, not from where we would like them to be. We also have to start from where the higher education sector is, not where we would like it to be.

In financial terms, few staff in English higher education favour the higher fees students now pay, but even fewer have an alternative proposal which is politically viable and educationally sustainable. The consequence is an inevitable strengthening of the 'customer' mentality among students, and the need to confront that mentality when it is at odds with effective learning. Customers may always be right, but learners need to get things wrong.

In educational terms, we have invented the curriculum and organisational structures we need for mass higher education, but for many staff (and for key influencers such as journalists and students' parents) attitudes and feelings have not kept pace with the structures. For example, assessment in a modular scheme must be rigorously standardised, which means that final examination boards have lost much of the discretion they used to enjoy (in every sense) in making judgements about individual students. The change is sensible, because a mass modular scheme fragments the assessment process, and constructs a different view of the whole student performance on the basis of credit achieved incrementally against objective criteria. Academics still lament the passing of the old ways, but we must instead rethink the role of student as learner in this system. To maintain the old systems of student

and learning support as the level of funding per student declines will simply short-change the students and exploit the staff.

Although higher undergraduate fees might seem to offer the chance to slow down or even reverse this process of change in teaching and learning approaches, the inexorable rise in staff costs and student expectations of university infrastructure mean that for the most part the status quo and the rose-tinted past are not an option. Universities need to be clear about how learning works, for the university and the student, and how to support student learning at the price which students, Government and other sponsors are willing to pay, not at any price.

*Students as members or citizens*

Students are, in a real sense, members of the university, or perhaps 'citizens' in a kind of academic democracy. The traditional view of the academic collegium casts students as academic apprentices: echoing this view, some students' unions are still called the guild of students. An alternative view is to see students as constituents in a kind of academic republic, in either case with limited rights, but rights nevertheless to membership of the key policy bodies and participation in university governance.

Those who work with and are members of governors and courts, academic boards and senates, faculty boards and course committees, must treat students as citizens or members of the university, with corresponding rights and obligations.

But membership itself may have different meanings for different people, and in different contexts. The essence of membership is that you can join voluntarily, and you can choose to leave. Consider, then, the issue of student retention from the perspective of membership in clubs. Some universities are like golf clubs. They attract members by providing exclusive facilities and social prestige, and they impose high entry qualifications and checks. They retain members because members want to retain their privileges. Other universities are more like football clubs. They have a loyal local following. Even though the supporters know that their club may never be in the Premier League, the club retains its members because they love the game and they feel an identity, loyalty and pride that is bound up with their club being part of the local community. Or perhaps universities are more like health clubs (Jenkins, 2007). A range of facilities is provided but good health/education is not guaranteed. The customer/student has an obligation to take advantage of the facilities provided and use them properly, if (s)he wishes to derive the benefit ultimately sought.

Members of an organisation have only three options – exit, voice and loyalty (Hirschman, 1970). If a university does not want its members to exit, it must let them voice their concerns, and try to build their loyalty to the institution, or to a part of it.

*Students as clients*

For some university services, students present as clients. They have a particular need for a focused but complex professional service which the university has chosen to provide, such as counselling. In the professional-client relationship there are rights and obligations regulated by a professional code with particular obligations such as maintaining confidentiality. The difficulty this may pose for universities is how the professional code fits within the institutional context. One key question is how to ration professional services. Access to services may be rationed by fee, as with lawyers, or accountants in private practice, by case load, as with social workers and probation officers, or by need and waiting list, as with doctors.

There is enormous scope here for crossed transactions. Counsellors, for example, may think they should respond to need, while the university thinks they should only deal with people referred by departments or other staff, and students think they should have a right to immediate support at any time. Any such differences need to be resolved in a relatively sophisticated articulation of student rights and obligations. They will not be helped by thinking of the student as some kind of 'customer'.

*Students as customers*

However the idea of the student as customer will be very appropriate in another set of university services. In principle, students can and almost certainly should be treated as customers in any area where a market-regulated commercially provided service can easily be substituted. This will include services such as student residential accommodation, catering and bar services, and perhaps sport and recreation services.

Again, universities will vary according to their market positioning or the idea that the university has of its business. A university in an attractive location with mainly 18-21 year old students, most of whom live in university accommodation, might run its student residences during term-time in an almost paternalistic way, but at the end of term switch to a completely commercial approach to maximize revenue from holiday lettings. A university with many mature students, and many local students who live at their permanent home while studying, will

have a very different approach to managing the same service. And for some FE colleges providing HE programmes the question of student residential accommodation may never arise, and the colleges may never think of offering this as part of their service to students.

*Students as people*

Students who spend a lot of time or commit a lot of their energies to the university will often expect the university to provide a range of social, leisure and extra curricular activities. Students may organise things for themselves, through the students' union, or the university may wish to provide these services itself. The importance, range and take-up of such activities will vary between and within universities according to student expectations and the university's idea of itself.

*Overview of student roles*

Summarising, we can develop a model of student roles and how different services in the university map onto them, as shown in Figure 1.

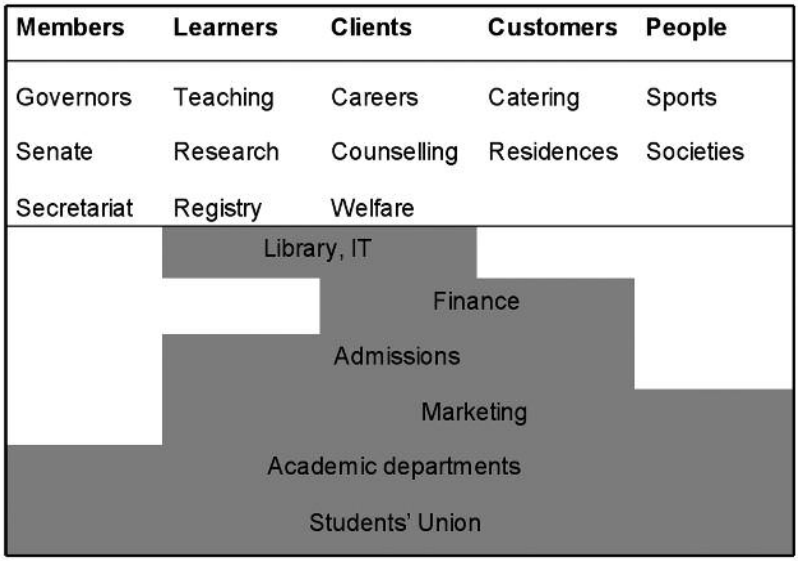


*Figure 1: Student roles and service orientations in the university*

Even this oversimplifies the relationship, for example by not taking into account students' growing contribution as university employees (Halbesleben *et al*, 2003).

For many universities perhaps the biggest changes have been faced by faculties and academic departments which have found, or are beginning to find, that they have a rapidly narrowing focus as some of the broader aspects of supporting students are taken up by other, central, services. For example, the University of the West of England some years ago rebuilt its student advice system to provide an integrated service delivered by specialist student advisers (non-academic staff) that is a first port of call for all enquiries, referring them if necessary to specialists in academic guidance, financial and welfare advice, careers, counselling and many more services. It brought to an end traditional personal tutoring delivered by academics. The second wave of this change is the development of a university portal which will mediate many more transactions and handle frequently-asked questions through a screen.

**The role of the market in governing and managing higher education systems**

The analysis so far has identified considerable risks in full-blown market perspectives, and at best a limited positive role for treating students as customers in higher education. For some commentators it is an either-or choice, but others see a middle way, or at least a way of reconciling the inevitability of a market perspective with its alternatives in managing or governing higher education as a whole. In effect this means adopting some kind of quasi-market perspective. In its original formulation a quasi-market is one in which government acts as the purchaser of services on behalf of defined groups of consumers, but we might stretch the idea of quasi-markets to mean any approach which either uses some but not all aspects of markets as a vehicle for changing higher education, or uses a full-blown market approach but only for some aspects of the higher education system. Advocates of this approach identify three key policy 'vectors': the promotion of competition; privatisation; and promotion of the economic autonomy of HE institutions (Teixeira *et al*, 2004).

This approach has several difficulties but also offers some new possibilities. Students may be 'immature consumers' (Dill and Soo, 2004), but this might be partially rectified if government is able effectively to act as purchaser and/or regulator. Information, the crucial requirement for an efficient market, may be lacking in several important ways. Not only is there information asymmetry (with institutions having more information than students), but universities themselves may also lack good information, especially about quality. In the absence of reliable information about quality, prestige or reputation becomes a proxy for quality, but reputation can be strongly influenced by factors other than

academic standards and teaching quality. This kind of market failure fuels an 'academic arms race' as universities build reputation by spending on research, facilities, sports or whatever, and tuition fees rise (Ehrenberg 2002). The remedy lies to some extent in better consumer information about quality, but a mixed approach, relying on self-regulation and better market information, is the best way to protect standards:

> 'Given the complexity and dynamism of academic knowledge, we believe professional self-regulation is still likely the most effective safeguard for assuring academic standards in competitive academic markets. But, given the rapidly increasing social costs of higher education and its growing influence on the life chances of our citizens, we seriously question whether reliance primarily on 'trust' in the academic profession (Trow, 1996) is a feasible option for assuring the efficiency of the system. In our view there needs to be more valid and reliable consumer information on academic quality available as well as public evidence that universities take self-regulation of academic standards seriously and that existing professional processes designed to assure academic quality in fact promote student learning' (Dill and Soo, 2004).

There are other devices which might reinforce this mixed approach. One is 'performance-based steering' in which governments '… allocate a small amount of funding based on the subjective evaluation of key elements of performance – and make the evaluations public.' (Massy, 2004) This is preferable because universities, with their wide range of goals and stakeholders, need to protect their autonomy so that they can balance long-term social responsibility with private market forces. Simply seeing the student as the customer is inefficient for universities, for society, and ultimately for students too.

In similar vein Brown (2006) says that we must accept that marketisation is irreversible, and therefore develop ways to decide what the public interest is, and how to pursue it. This calls for targeted interventions within an enhanced regulatory framework, in which Brown sees a role for both a regulator (OfHE) and a Higher Education Development Agency which would be charged with promoting diversity and access.

Can we say that this mixed-perspective approach is the answer for policymakers? Not yet, because it is clear that for higher education there are serious tensions and conflicts between market and regulatory perspectives. This is particularly true when the broader responsibilities and goals of higher education are considered. While on the one hand

Government properly seeks to promote wider participation in higher education as a means of promoting social inclusion, on the other hand Government encourages a student-as-customer mentality as a means of making higher education more efficient and responsive to market demands. But markets lead in higher education to an obsession with league tables, a positional academic arms race, and a tendency for 'merit-based financial aid to displace need-based financial aid' (Watson, 2006; citing Frank, 1999), which appears to run directly counter to social inclusion. Furthermore, the higher education 'market' largely ignores any international social, moral or economic development responsibilities. It seems that we should keep searching for a better way for universities and governments to think about the responsibilities of higher education and the relationships between universities and students.

**Student as customer: the future?**

One place to look for that better way is within marketing itself. But this needs to go beyond the societal marketing perspective, even though that helpfully forces recognition of wider and longer-term responsibilities for higher education. Certainly we must both recognize the wide range of stakeholders in higher education and acknowledge the variety of roles and modes of engagement of the student. But to bring those many strands together we need a more dynamic and fluid way of thinking about the issues and how to join them up.

Recent developments in marketing theory offer one possibility. Firat and Dholakia (2006) argue that broader social change is bringing about four fundamental transitions in marketing practice:

> from being a distinct activity to becoming an 'embedded cultural practice'
> from being managed to becoming a collaborative activity
> from being centralized to being a diffused activity
> from being ordered to becoming complex

Marketing, on this account, is not withering away, it is becoming a universal part of human behaviour. In future, '…marketing as we know it today would no longer exist. … Yet, embedded marketing – the process whereby *human (post-consumer) communities imagine, construct, and experience meaningful and substantive modes of life* – would burgeon and thrive. …embedded marketing …. is the performative construction of life meanings' (Firat and Dholakia, 2006: 152, authors' emphasis).

This may sound like another piece of overblown postmodernism, but it is not far removed from the way in which many advocates describe

higher education: '… in universities and the wider public sector, where users may not be the only beneficiaries, transactions are not just acts of consumer choice. They are enactments of social purpose' (Sharrock, 2000: 152). And we might readily agree that: 'Marketing orientation now infuses the discourse of politics, the way people relate to their employers and colleagues; indeed, the very modes in which people think about themselves … Modern marketing constitutes a cultural cornerstone of contemporary existence' (Firat and Dholakia, 2006 p124).

Accepting this view problematises the nature of organisation and business (a necessary step – Starbuck, 2007). It is no longer safe to regard organizations as being in the business of identifying customers, finding out their needs, and meeting them. Customers become part of the business, co-producers of the product or service which they seek, by drawing on the resources which the organization draws together. This idea has immediate relevance and resonance for higher education. Some of the critics of the 'student as customer' argue instead for an idea of the student as partner or as co-producer of knowledge and learning (Kotze and Plessis 2003, cited by Redding 2005). This idea has been taken up, for example, in the Reinvention Centre developed by Warwick University and Oxford Brookes University, a HEFCE-funded Centre of Excellence in Teaching and Learning (see www.warwick.ac.uk/go/reinvention).

For as long as marketing is still a separate, centralised, managed, ordered activity, seeing the student as a customer commodifies knowledge and learning, and commodifies the teacher and the university service, in ways which distance the student from learning, from the teacher and from the university. But if marketing is becoming culturally embedded, collaborative, diffuse and complex, perhaps we should focus instead on the relationships between university, teacher and student and invent a 'joint production model' for learning with students as joint producers, partners, or co-contributors to the learning process. We should at the very least modify the way we see students to admit the possibility of this joint production perspective, and this role for students in the higher education process.

**Summary and conclusions**

Marketing has been around for a long time in higher education, and it has something to offer as a perspective on how universities should be governed and managed. It has attracted disproportionate criticism partly because the idea of the student as customer has many negative connotations, and is widely misunderstood by staff, university managers, and policymakers. The idea of the student as customer can

lead, and many would say that in practice it has led, to a damaging commodification of learning, knowledge and the service that the university provides. Commodification and the rise of academic capitalism encourages a utilitarian instrumentalism that distances the student from the deep learning and personal growth that most people believe is the most valuable part of the university experience for students, and is also the best way for universities to meet their broader social responsibilities. A broad liberal education is the central bulwark of citizenship, but marketing might be the death of liberal education: 'To aim at utility everywhere is utterly unbecoming to high-minded and liberal spirits' (Aristotle, cited by Roosevelt, 2006)

We can limit these risks if we construe the role of the student in a more sophisticated way. We need to see that the student may only be a true customer for a limited and peripheral part of the university's offering. For the most part it will be more productive to see the student in other roles, as member, client, person, and most of all as learner. But we can extend the idea of student as learner by bringing together modern marketing thinking with modern scholarship of teaching and learning, to see the student as a co-producer of learning and knowledge with other students, staff and perhaps others outside the university.

Construing the student as co-producer not only changes expectations about the most effective modes of teaching and facilitating learning, it also challenges taken-for-granted assumptions about knowledge, academic standards and quality assurance. It becomes less valid to rely on a traditional view of the university as the basis for quality assurance systems for teaching and the source of new knowledge through research. The student as co-producer has a new set of rights – to participate differently in course design, development and delivery to make it more personalised and learner-centred – but also a new set of obligations – to show respect in a different way for the authority and the provisionality of knowledge, the pursuit of truth, the nature of the learning process and the tests to which learners and learning should be subjected. For example, for the student as customer, plagiarism is a regrettable consequence of taking commodification a little too far, against which there should be market regulation and graduated sanctions. For the student as co-producer, as for any member of the academic staff, plagiarism betrays the fundamental values of the academy and its pursuit of truth, for which the penalty should be very severe.

In modern mass higher education, universities and students are not what they were. But neither are customers, and neither is marketing itself. It will not be helpful to think of students as customers in a higher

education market unless we understand that the new higher education market is embedded in new modes of social interaction which make marketing collaborative, diffused and complex – more a way of being than a way of doing. Students today, as higher education's customers, have a right to contribute to the production of their learning. But equally they have a duty to recognise that in that joint production they are enacting social purposes which go beyond their own needs and demands.

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