Strategic marketing in a changing environment – are the new UK universities in danger of being “stuck in the middle”?  

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Introduction

If, as is arguably the case in the UK, we are witnessing a move towards a society in which the wealth is more unequally distributed, we might expect new forms of élite to emerge in the universities as in other spheres of working life (Rowland, 1996, p. 18).

For the 42 former polytechnics which joined the ranks of the traditional universities in 1992, the future looks increasingly uncertain. Like many of the UK’s other non-profit organisations, they are to be exposed to the conditions of the market at a time when full-time numbers are capped and real funding has declined. Coupled with this, the recent results from the 1996 Research Assessment Exercise show that, with only a very few exceptions, the old universities (i.e. those that were called universities prior to the 1992 legislation) outperformed the new universities (i.e. universities post-1992) in terms of the standard and quantity of their academic output. As such, given that research ratings are to be attached to a formula for government funding, a two-tier system could once again appear.

The nature of the present environment contrasts sharply with that of the late 1980s or early 1990s when the polytechnics benefited from the previous Government’s drive to increase the number of people entering higher education. Additionally, the new legislation which enabled former polytechnics to convert to university status was taken up universally and reflected the fact that for many years the absolute distinction of universities being research active, as opposed to the polytechnics, was outmoded. Furthermore, since many of the more popular polytechnic courses such as law and journalism were asking for A-level grades above or equivalent to the average university course, it seemed unjust that the stereotype of the academically inferior polytechnic student should persist.

However, with the sudden capping of student numbers and a real decline in public funding (28 per cent in the last six years) the positive start to the former polytechnics’ new status has been somewhat overshadowed. Additionally, there have been other negative environmental trends working against the new universities in the case of media reporting which has followed the status change. For example, many newspapers have reported on employers’ practice regarding undergraduate recruitment and the traditional “milk round” system – where there seems to be some evidence that a number of potential employers are attempting to simplify the interview process by concentrating on the old universities (for example, see The Independent, 1995a). A second and perhaps more alarming trend relates to the cynicism and scepticism which is dominating every aspect of education in the 1990s. For example, in 1995 The Sunday Times ran a feature which promulgated the view that the new universities were so desperate for student numbers that they were creating worthless qualifications (The Sunday Times, 1995a). This was followed thereafter by an article which reported that applications were down in the former polytechnics as students were beginning to question their worth (The Sunday Times, 1995b).

However, if sensational journalism is helping to promote the idea of a “great divide” between the UK’s universities, there are the effects from the introduction of £1,000 annual course fees to be considered. If such a change occurs, it may well bring into being a very different undergraduate market; the most likely effect being greater discernment and expectations on the part of its “customers” given the greater costs involved. Henceforth, students may well be looking for greater “guarantees” of the value of the courses they are studying, i.e. in terms of their potential employability. Of concern, for the former polytechnics and other institutions with lesser developed research profiles, is the role that research ratings might take in terms of students’ perceptions of these guarantees. In other words, just as the consumer is guaranteed a certain level of quality by opting for McVities over a non-branded good, research ratings could in effect become proxy measures of the courses’ overall worth; in which case, one can envisage a new era of thriving research universities made wealthier by the effects of research grants and a high influx of students incurring the cost of attending university because of the expected pay-offs. Likewise, those students for whom the costs of a
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Survey stage
The second phase of the research consisted of a survey of upper-sixth-formers from a convenience sample of schools and sixth-form colleges within the north-west region. The sample of schools selected represented a cross-section of secondary-educational institutions, i.e. private schools, state schools/colleges and grammar schools.

In the light of the findings of the focus group discussions, a semi-structured questionnaire was devised in order to investigate the two principal research issues, i.e. whether sixth-formers were supportive of the 1992 legislation and what differences they perceived as existing between the new and old universities.

Results
Focus group results
The focus group results were as follows:

• Cynicism not found regarding the value and worth of participating in higher education study.
• Sixth-formers were in favour of the unified system because it was seen as being a fairer system and increased choice – however, old universities were the preferred choice and were still seen as being “better”.
• Even at this early stage, some confusion already present as to whether some institutions were new or old universities.
• In terms of choosing between institutions, students admitted that they often had little and incomplete knowledge, which is consistent with the findings of a previous study (Talbot and Brown, 1994).
• Research was not identified as being a key difference between the old and new universities. When prompted, sixth-formers admitted that they wouldn’t really be able to make an evaluation of this.

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In total, 255 usable questionnaires were returned and analysed using SPSS.

Higher education applications
Not all the respondents were planning to continue with their education. However, the majority were and they were asked which institutions they had applied to. The results appear in Table I from which it can be seen that, as with the focus group sample, almost four-fifths of the sample had included at least one of the old universities. However, in the case of new universities, the figure was only marginally smaller.

By looking at the mode and arithmetic means, it would seem that the old universities are the more popular and, like the focus group sample, potential students reduce the degree of risk in their application behaviour by opting for one former polytechnic. This interpretation is confirmed if one looks at the respondents' most preferred institution, i.e. the institution type which was applied to more than the others. For example, by looking at Table II, it can be seen that almost two-thirds of the sample preferred the old universities to all others.

Support for the new universities
Table III shows the degree of support which was expressed by the sample regarding the former polytechnics' name change. It can be seen from the results that almost half of the respondents were supportive, with only just under 13 per cent being unsupportive to some degree. Over a third of the sample claimed to have no opinion either way.

Table IV describes the results from analysing the sample into three groups on the basis of their academic performance at GCSE level. It can be seen that academic ability seems to have a bearing on whether or not potential students are supportive of the change. For example, although the average sixth-former (using the arithmetic mean) tended to be mildly in favour of the change, the least supportive group were those with the best academic performance in their GCSEs. Perhaps surprisingly, the group with the fewest GCSE points, although more favourable than the “high” group, were not as favourable as the middle group. This finding, therefore, refutes the idea that those students who have most to gain from the name change are academically weaker. Moreover, it would seem to suggest that perhaps the most fervent supporters (bearing in mind that very few in the sample actually claimed to be against it but they were still opting for the old universities) are those potential students who have applied to the old universities but might get grades which will force them into the former polytechnic sector. Perhaps psychologically they are more motivated to support a uniform system.

Reasons for support
Having been asked to indicate their degree of support for the status change, the sample were asked, using an open-ended question, why they had responded in a particular way. These comments were then analysed for their content and grouped into specific themes. In total, 355 comments were recorded and grouped into one of 31 categories. For reasons of simplification and brevity the most frequently occurring points (in this case the
point was made by at least five of the respondents) are set out in Table V.

Looking at Table V, it can be seen that as with the focus group, those expressing support for the change were primarily motivated by the concept of “fair play” or a “level playing field”. Such a view tended to be expressed through an absolute belief that there are no differences (see comments C, E and H). For example, as one respondent remarked:

In my mind there are very few/no differences between the old and the new universities and it is about time people gave the new ones the credit they deserve.

Or more frequently it was expressed as a form of idealism (see comments A, B and F).

For example, to quote one sixth-former:

They offer the same courses, therefore they deserve the same status. Its students will be more confident and not looked down on as “drop-outs”.

Other comments which were positive but occurred infrequently related to points such as the ease of application now that one system is in place and the interesting and varied courses being offered by the new universities.

In terms of the respondents who were against the name change, the most frequently quoted objection related to the fact that people were still referring to them as ex-polytechnics. A smaller number felt that it just made the application process easier and some were obviously not in favour because they felt that the old universities were so called because they were superior. As one candidate stated:

The traditional universities are places of genuine intellectual fervour whereas the “new universities” opine to (or give the pretence of being) what they are not. Rather than educate, they deceive the ignorant and upset the wise.

Perceived differences regarding the old and new universities

The final section of the questionnaire asked, in the form of an open-ended question, what differences the sixth-formers felt existed between the old and new universities. The comments were then analysed for their content and put into one of 29 categories. The results appear in Table VI, from which it can be seen that perceptions of the differences related to: employment prospects; facilities/ accommodation; courses; academic standards; prestige/status; staff; students and courses offered.

Perhaps not unsurprisingly, the most frequently cited difference related to the belief that the new universities are easier to get into than the old (see comment a). It was also felt that the old universities were superior in terms of their reputation, prestige and staff (see comments c, h and z). However, on a positive note, the second and third most frequently cited difference related to the perception that the new universities offer more practical/vocational and diverse courses (see comments j and l). Likewise, many of the respondents pointed to other differences such as the new universities having staff and students who are more approachable/friendly (see comments u and y).

Some of the respondents still perceived that there are not any objective differences between the two. Regarding research, only one of the respondents commented on this difference.

Conclusions

From the results of the survey it can be seen that sixth-formers, with a few exceptions, are supportive of the name change but they are still, wherever possible, trying to get into the old universities. Reasons as to why sixth-formers are supportive of the name change focused essentially on the desirability of a “level playing field” — perhaps inevitable in an era of “equal opportunities”. Likewise, it was generally recognised that there has been a degree of overlap between the two institutions for a long time and the subordinate status of a polytechnic education was outmoded.

In terms of perceptions as to the differences which exist between the old and new
From the research it is clear that there is still a long way to go before the former polytechnics are perceived as being equal to, and as desirable as, the old universities. Perhaps as a result of environmental change, therefore, the new universities may well find themselves “stuck in the middle”.

However, as markets become more fragmented, the very notion that organisations must have either a cost or differentiation focus in order to compete has been brought into question. As the authors Cronshaw et al. (1994) have argued with their case of British supermarkets, organisations can still be highly successful by adopting a “middle of the road” approach regarding prices and benefits. As such, adopting this positioning approach to the market might prove to be effective for the new universities.

Whatever strategic direction is adopted, it is clear from the competitive situation within higher education markets that British universities will probably have to undertake a more considered and professional stance regarding their marketing approach. In the USA, for example, colleges and universities have had some 20 years or so considering issues such as how to devise packages of suitably priced benefits so that they represent superior value (for example, see Smith and Cavusgil, 1984). Perhaps the time is right, therefore, for the new universities to take a similar course.

Clearly, for historical reasons, an important part of the old universities’ image and core offering is represented by their research activities. However, attempting a direct imitation of this practice might arguably be a retrograde step in light of the findings of this survey. For example, although the sixth-formers generally had no doubts with regards to the higher prestige and status which is accorded to the old universities, with the exception of one respondent, none of the respondents identified research as being a factor which divided the two.

One might take the point, however, that although the respondents were not cognisant of the research differences, they may have played an important role in establishing reputations and, hence, the desirability of certain courses/institutions. As such, research output could be integral to the quality and value of future courses.

In the case of the USA, some institutions have challenged this assumption and have actually chosen to move away from the so-called “scholastic model”, with its emphasis on research output, to the “practitioner model”. With a practitioner focus, the emphasis is on teaching quality and it is argued that much of the reason for its success lies with greater employment benefits which its graduates enjoy (see Fombrun, 1996).
In the case of the former polytechnics, perhaps such a view has always been held, and from the research it can be seen that many of the respondents perceived that courses from the new universities are more practically-based. The question for the new universities therefore lies with the degree to which they put resources into research activities. This might be especially pertinent given the fact that an analysis of department heads within the universities indicated that the emphasis on research output and the RAE was having a detrimental effect on teaching (McNay, 1996). The Dearing Report is also arguing for a system which rewards those universities which follow a teaching-only policy and punishes those which do not achieve their RAE targets.

Perhaps one solution for the new universities, therefore, would be to adopt the framework of the Carnegie Foundation in the USA in order to address the research issue. It suggests that the full range of academic work needs to include four separate but interrelated types of scholarship: discovering new knowledge through research; educating students; making interdisciplinary connections; and putting discoveries into practice (Boyer, E. Carnegie Foundation, 1990). In all cases, the former polytechnics could seek to impose a "vocational" perspective for the above, i.e. through an emphasis on applied research/ consultancy/student placements.

Likewise, if the new universities lose out in ratings and funds because of a poorer research profile they could choose to engage with the problem head-on by actually emphasising the differences within their communication – as, although good research is believed to correlate with good teaching, the link has been hard to prove (Smith and Brown, 1995). As this research has demonstrated, potential students do not seem to be aware of the research issue or understand what it is. However, making a commitment to graduate employability either through relevant and high quality teaching or by providing additional services to help with job search, CV writing etc., is likely to be readily understood.

Finally, if some institutions are still worried about appearing to have no distinctive selling points, they could adopt the approach of some schools which is to emphasise "value added" rather than the end point.

Future research
Even though this study demonstrated that potential students did not seem to be aware of the research issue (although it is difficult to generalise based on this sample), in future it is likely that this will change as research league tables emerge. In fact, within our own undergraduate selection process we are witnessing for the first time questions regarding how we perform on the RAE. A follow-up study would therefore be useful to look at whether consumer attitudes and knowledge are changing. Furthermore, one characteristic of this research was that it asked students to recall their perceived differences between the old and new universities. Perhaps by offering suggestions as to how they might differ (including a research category) and asking sixth-formers to indicate those which apply might reveal a more research aware consumer.

References
Thel Independent (1995), "Firms shun new universities", The Independent, 3 September.