

## The rise of private providers: Marketing challenges for public sector institutions

The number of private providers within the global higher education market place has grown steadily over the last decade and will continue to rise. As for-profit organisations increasingly become part of the higher education landscape, and issues such as standards, regulation and student experience are debated, the potential impact on institutional marketing must also be addressed.

While for-profit and publicly funded institutions may be very different in many ways, most publicly funded institutions will have partnerships at some level with commercial organisations. However, the increasing involvement of for-profits in the higher education teaching and learning market place will challenge the established ways of marketing for many institutions: for-profits will compete differently, will have differently composed brand propositions and will set a new marketing agenda. A number of key observations emerge:

### 1. TIMING

Where study time is limited for students, for-profits can offer time-efficient programmes that can be completed within periods that are dramatically different, in some cases, from those available at publicly funded institutions: programme start dates may be more flexible or frequent, too. This will, of course, deliver a different teaching and learning experience, but will provide a welcome opportunity for many students that may not be able to commit to a longer term form of higher education.

To meet the marketing challenge, some publicly funded institutions will need to work harder to articulate the differences between this new approach and a more traditional offer.

### 2. PLANNING HORIZONS AND AGILITY

Many publicly funded institutions still struggle with complex new product development and programme ratification processes. This can limit their ability to implement rapid change in the portfolio or service offer and so extend planning horizons. As a result, it can be difficult to keep pace with market change or shifting stakeholder needs.

While for-profits have similar challenges, they may also have some significant advantages:

- Their relative administrative agility can enable them to implement change relatively rapidly.
- In some cases, a pragmatic corporate priority on market scoping and market intelligence will enable them to react to market changes expeditiously and also ensure the accurate forecasting of potential shifts in target markets.

Increasingly, publicly funded institutions will need to demonstrate a measurable ability to keep pace with market change and to maintain relevance to the knowledge economy in key portfolio areas.

### 3. STUDENT EXPERIENCE

In the UK, the inevitable difference in student experience offered by for-profits and publicly funded institutions is the subject of much debate. As any marketer knows, accurate communication about the institutional experience on offer is critical to the development of a stakeholder's trust in an institution's brand promise. Of course, the student experience may be different in many ways and many for-profits market this difference extremely effectively. The challenge is for publicly funded institutions to address this new dynamic within their marketing strategy: new factors of comparison regarding student experience will enable students to measure and appraise one institutional offer against another, in new ways. Publicly funded institutions will need to be aware of how these new comparators will, increasingly, influence students' expectations of the experience on offer. This is an inevitable shift, especially with the added impetus of tuition fees, which will ensure that students and their advisors are ever more aware of the return on investment they might expect to receive from a chosen place of study.

## 4. QUALITY OF INFRASTRUCTURE

Infrastructure can be a decisive factor for anyone engaging with higher education institutions. Results from the numerous stakeholder perception surveys I have conducted for institutions across the sector demonstrate that even a high profile brand proposition or portfolio offer can be undermined by the limitations of poor infrastructure, with teaching facilities, buildings, library access, digital services and transport through to catering becoming a tipping point for disenfranchisement among staff, students or opinion formers.

For some of the for-profit institutions operating in the UK, purpose built teaching and learning facilities and the latest support infrastructure can be at the centre of their tangible proposition: a powerful marketing advantage in times of budget cuts and economic gloom within the public sector.

## 5. ADDED VALUE SERVICES

The development of added value services, such as tailored career support and work placements for specific graduate disciplines, is core to any institution's ability to differentiate its offer. For many for-profits, a clear focus on specific portfolio areas, plus, in some cases, the involvement of practitioners as teachers, provides sought after advantages with measurable benefits for students.<sup>1</sup>

Publicly funded institutions will need to be sure they market their added value services effectively, but must also work hard to keep pace with the added value initiatives that for-profits have introduced.

## 6. BRAND PROPOSITION AND DIFFERENTIATION

All these factors will affect an institution's brand proposition and will exacerbate the critical need to differentiate the institutional offer effectively:

- New points of comparison will be introduced for stakeholders to assess.
- This will encourage them to challenge the previously accepted norm.
- They will ask new questions of publicly funded institutions; institutions need to be prepared for this to happen.

- Market place relevance and an institution's ability to keep pace with market change and stakeholder needs will be under greater scrutiny.
- While business sustainability is an overt *modus operandi* for for-profits, for publicly funded institutions, it is becoming an increasing public concern, and especially so, when a stakeholder's sense of investment increases year on year.

## MORE CHOICE EQUALS A GREATER MARKETING CHALLENGE

The offers of for-profit and publicly funded institutions may be different, but this does not make one right or one wrong; one attractive or one less so: it provides more choice. Choice will, inevitably, always act as a stimulus to the market place and a challenge to marketing strategy.

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<sup>1</sup> For a US perspective, see Matthew Greenfield: Are For-Profit Colleges Evil? The Huffington Post, 15.09.10.  
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