

## **Would marketing aspect be a part of quality system of academic institutions?**

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### **ABSTRACT**

Similar to most manufacture and service industries that use an input-output model and focus on the process and output measurements - as the central parts of their quality systems, academic institutions also focus their quality systems on teaching-learning activities, research, community service, management and infrastructure.

Due to the changing of academic environments such as shift of the competition from national to a global scope, technology wizardry, and many others, different aspects need to be included in the academic quality systems in order to survive in this global competition.

Despite the rarity of the marketing aspect to be included in the quality systems, this aspect needs to be considered as one of the key aspects for academic quality systems. The justification for the inclusion is because the marketing objective which is to fulfill consumers' needs and wants through products or services is in-line with the academic quality system objectives.

A number of arguments on the importance of marketing aspect in academic institution quality development are presented in this paper, and the applications of the various marketing aspects and techniques in quality standard development and practice are discussed. The discussion is focused on the marketing audit, and it is based on some observation of academic quality standards, the authors' experience in quality development in education, and library research.

Keywords: Quality standard development, multiple measurement and quality standard, marketing audit

### **1. Introduction**

Recent development of quality standard for academic institutions place process and output of academic institutions' services as their focus. The services are, among others, teaching-learning activities, research, and community service. The standard development also gives attention to management and infrastructure of academic institution as the support system for the services. The other is input quality of academic institution, that is students' quality and stakeholders' intention. The goal of quality standard setting is to serve external and internal stakeholders both in local and global setting. This is in line with the basic aims of quality standard system and quality accreditation which are to ensure academic institutions' accountability, continual improvement to their external and internal constituencies/stakeholders (Lubinescu et.al, 2001) and to harmonize the standard in global/international arenas (AUN-QA Manual for the implementation of guidelines, 2006).

Internationalization of academic institutions has been developed since 1980s (Chan and Dimmock, 2008). It was done first by American Universities, and new more models of internationalization have arisen such as globalist and translocalist models. This development has caused stiff competition among academic institutions. For example, in Indonesia, there are about 2,814 academic institutions (private and public) (Sailah, 2007) compete in national setting. The internationalization of some universities in Singapore, Australia, China and other countries has now increased the competition. The development of institutions' strategy and information technology wizardry have bolstered the internationalization. Some academic institutions aggressively open their campus in neighbouring countries closed to Indonesia and some do strategic alliances with some universities in Indonesia or neighbouring countries. Information technology wizardry is also a great advantage to academic institutions in their internationalization through the use of internet. Universities therefore gain many advantages in doing their services in different countries as they can provide service effectively and efficiently.

Global competition, global quality systems, economic downturn, the rise of technology, and raise of demand from external and internal stakeholders are proof of the fast changing of academic institutions' environment. An academic institution has to be always aware of them and keep monitoring these changes. Most quality system models have offered strategic measurement to help academic institution adapt with the changes. Still some problems are possible to arise when there is a lack of information in the strategic decision making. Environment of academic institutions, especially, information about customers (either students or companies) must be well probed to have better adaptation for better performance of the academic institutions

Marketing audit helps academic institutions become aware of the environment and assist the institutions monitoring the environment and influencing some external and internal stakeholders. Marketing audit assesses the environment of institutions and helps institutions craft their strategy in order to achieve better performance. This feature shows marketing audit is highly potential to become one aspect of the quality standard development.

This paper will present arguments on the importance of marketing aspect as a part of quality system in academic institutions. It will focus on discussion of marketing audit features. The discussion is based on some observation of academic quality standards, the authors' own experience in quality development in education, and library research.

## 2. Academic Quality

In a broader sense, academic quality is part of quality definition. This section will discuss quality definition in general, followed by academic quality system measurement models.

### 2.1. Definitions of Quality

The concept of quality has been contemplated throughout history and various definitions have been initiated and developed until the present time. Quality has been defined as excellence (Pirsig, 1974), value (Abbott, 1955; Feigenbaum, 1951), conformance to specifications (Gilmore, 1974; Levitt, 1972), and meeting and/or exceeding customers' expectations (Gronroos, 1983; Parasuraman, Zeithaml, and Berry, 1985). Table 1 shows the various definitions of quality.

Table 1. Definitions of Quality

Definition	Descriptions
Quality is excellence	It means the good, the highest form, the highest idea of all and it can be applied to multiple phenomena (Pirsig, cited in Reeves and Bednar, 1994).
Quality is value	Feigenbaum (1951) contended that the notion of value had to be included in any quality definition (cited in Reeves and Bednar, 1994): Quality does not have the popular meaning of "best" in any absolute sense. It means "best for certain customer conditions." These conditions are (a) the actual use and (b) the selling price of the product. Product quality cannot be thought of apart from product cost.
Quality is conformance to specifications	Juran incorporated the notions of both excellence and conformance into his quality definition (cited in Reeves and Bednar, 1994). Quality of conformance concerns how well the product conforms to specification.
Quality is meeting and/or exceeding customers' expectations	This definition grew out of the services marketing literatures (Lovelock, 1981; Normann, 1984; Shostack, 1977; Zeithaml, 1981), where researchers argued that a conformance to specifications definition of quality failed to address the unique characteristics of

	<p>services (cited in Reeves and Bednar, 1994). Feigenbaum (1983) stated that product and service quality could be defined as the total composite product and service characteristics of marketing, engineering, manufacturing, and maintenance through which the product and service in use would meet the expectations of the customer (cited in Reeves and Bednar, 1994).</p>
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The above descriptions show that quality is not a simple one-dimensional notion. There is quality of input, process quality, and quality of output. All these dimensions have to be considered when discussing and judging quality. A holistic view of quality is a must.

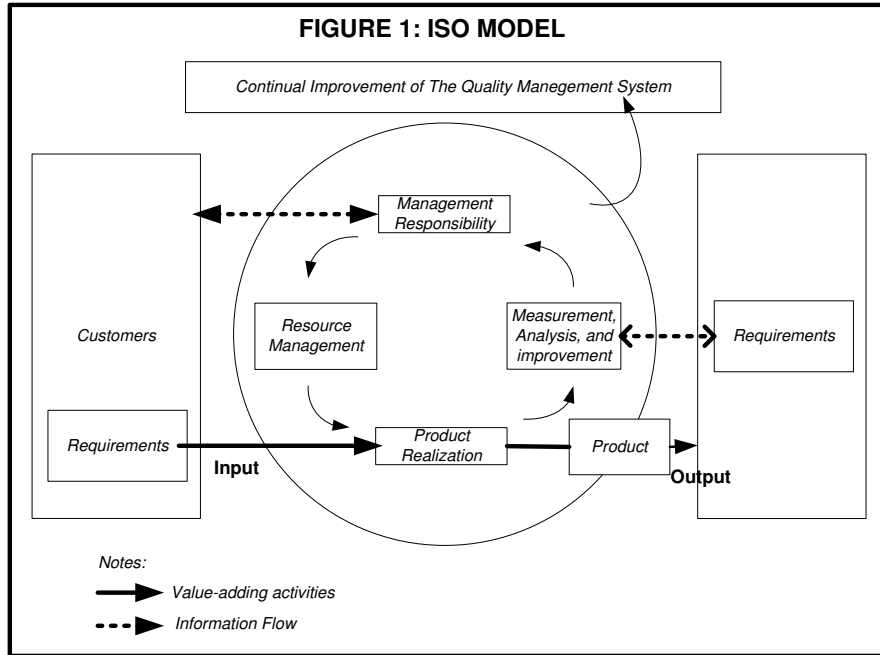
Various definitions of quality have also been applied in academic institutions' context. There are three approaches to address the question of quality in education context. They are the reputational approach, the resources approach, and the value-added approach (Nordvall and Braxton, 1996). **The reputational approach** defines quality in terms of a college's or university's rank in the pecking order of institutions. **The resources approach** is an attempt to specify and assess criteria to be the bases for institutional reputations. Under this approach, the higher the average test scores of entering first-year students are or the larger the library collection is, the higher the quality of the institution will be. **The value-added approach** defines quality in terms of the effects of college upon students' cognitive and affective development. Consequently, the greater the impact of a college has on its students in the desired direction, the higher the quality of the institution. Focus of the measurement is on the "value added" of the students from the time students begin their education until they complete it.

Those approaches are highly interdependent, an increase in value-added can bring an increase in reputation and additional resources to an institution. An increase in reputation can bring additional resources and value-added to an institution, and an increase in resources can also yield a greater reputation and value-added.

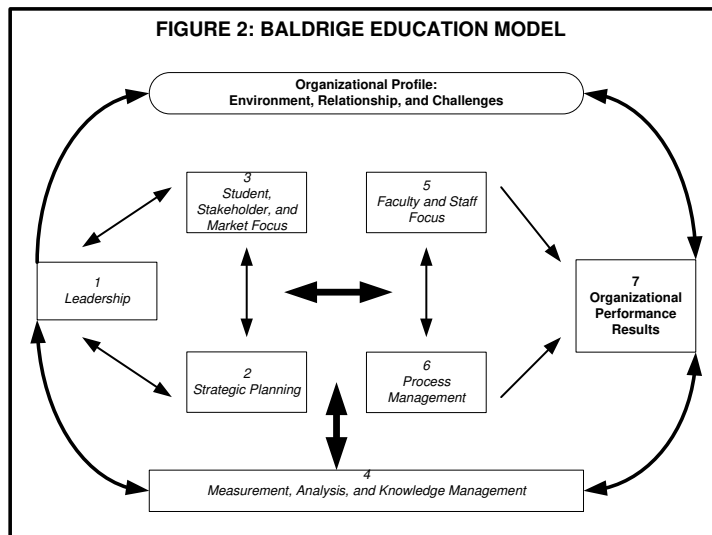
## 2.2. Quality System Measurement Models

Definitions of academic qualities are translated into some quality models. The outcomes are usually assessed to measure the comprehensiveness of the quality of academic institutions. International and regional standard models and institution-own models have continuously been developed to measure the outcomes. The discussion will focus on ISO 9001 (International Standard Organization), Malcolm Baldrige Education Criteria for Performance Excellence, ASEAN University Network (AUN) Model, and National Accreditation Criteria (BAN PT-Indonesia).

**ISO 9001:2008 quality system** focuses on process quality. Figure 1 shows components and process of the system. It consists of the following categories: management responsibility, resource management, product realization, and measurement, analysis and improvement.

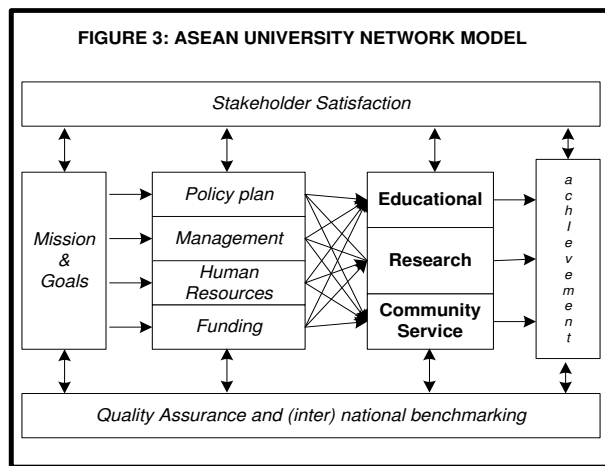


**Baldrige education model focuses** on input quality, process quality, and output of quality. Figure 2 shows the core values and concepts embodied in seven categories: (1) leadership, (2) strategic planning, (3) student, stakeholder, and market focus, (4) measurement, analysis, and knowledge management, (5) faculty and staff focus, (6) process management, and (7) organizational performance results.



**ASEAN University Network (AUN) model** is shown in Figure 3. It defines quality as achieving the formulated mission and goals, assuming that these reflect the requirements of the stakeholders (column 1). The second column shows how university plans to achieve the goals. The third column shows the core activities of a university while the last column relates to the achievements. The model reveals

that it also includes input quality, process quality, and output of quality. Although AUN model focuses more on process, output and supporting service.



*Indonesian national accreditation criteria (BAN PT-Indonesia)* divides its quality measurement into seven categories: (1) vision and mission, (2) management and leadership, (3) student and alumni, (4) human resource, (5) learning, research, community service, and relationship, (6) funding, (7) quality assurance system and information management. This model has input quality, process quality, and output of quality but its intention is more on process and output.

All the above models show concern about the core service of academic institutions (teaching, research, and community service) and infrastructures to support the core service. The models have already shown a sense of strategic view but they have paid little attention to the adaptation to environment. Of all the models, Balridge model is the most comprehensive one as it strongly consider the environment of academic institutions.

### 3. Multiple Measurement Issues and Academic Institutions Quality Standard

University as an academic institution is a complex non-profit oriented organization with a unique set of features. Sporn (1996) summarizes that a university in general has the following characteristics: (1) its goal is ambivalent with different standard of teaching, research and services, (2) people oriented institutions, including students with pre-expectations, professional, and companies as the customers, (3) having problems with standards for goal attainment, (4) profesors having strong autonomy and freedom, which causes problem in governing and managing the institutions, (5) being vulnerable to its environment such as government, economic, technology, and social aspects.

The complexities of academic institution affect the quality standard of education and its implementation. This condition makes performance measurement a critical part of the quality process, mostly in quality standard development and evaluation. Quality models discussed earlier have addressed some of the complexities in the measurement especially in the core services of academic isntitutions (teaching, research and community service), management and government of institution. However, some complexities have not yet been dealt with well. The models have not covered the following: the problem with vulnerability to enviroenment (e.g. government policies, economic downturn, technology shifts, social trend in education), global competition, and the satisfaction of companies which are the source of external funding.

The case of Indonesia provides an example of the complexities. The need of mass education that the government has stated (Indonesian Higher Education Long Term Strategy 2003 -2010) has caused a

problem to academic institutions. Though academic institutions are non-profit oriented, they strongly depend on financial aspect to survive. There is an increasing demand in fund rising through company services, students' fee, and any other resources available. Tools like strategic management, marketing and fund rising campaign need to be investigated (Arnold & Cappela, 1985; Tierny, 1988 in Sporn, 1996). The need of these aspects become more urgent and important for better and higher quality of an institution. As Feigenbaum (1951) stated that quality as value cannot be treated apart from its cost

Today, multiple performance measurement has become an issue in business sector. The objectives of multiple performance measurement development are to accommodate the needs of functional managers for measurement and to have comprehensive looks of company as a multi functions organization so it can perform effectively and efficiently (Chenhall and Langfield-Smith, 2007). Academic institutions, with their own complexities, should have the same urgency to develop multiple performance measurement in standard development and evaluation. The complexities demand the measurement on financial aspects, strategic management aspects, human resources aspects, operational aspects, and marketing aspects to monitor and to acquire better information for management of institutions or for departments to have better decisions. Marketing audit serves as one of the tools.

#### **4. Marketing Audit: Brief History and Characteristics**

Marketing audit, since the first time it was introduced in 1959, has developed some specific areas until today: definitions and essences, methods, measurements, and practices by scholars and practitioners. The objectives of all the development are (1) to make marketing audit broadly applicable to many areas of industry such as service sectors, insurance sectors, broadcasting and telecommunication sectors, retail sectors and other sectors, (2) to make the application of marketing audit more effective and efficient and (3) to make marketing audit more comprehensive. This section will present the history of marketing audit and its characteristics.

##### **4.1. Marketing Audit History**

Rothe, Harvey and Jackson (1997) summarize the history of marketing audit from 1950s until 1990s and they predicted and challenged the development of marketing audit for 21<sup>st</sup> century. In their study, Rothe et.al (1997) showed that the definition of marketing audit develops from time to time, from marketing operational to strategic marketing which is closer to strategic management process. In the area of methods and measurements, some progress done: the development of marketing audit components as basis for measurement, the needs of internal and external audit, the level of audit systems, the horizontal and vertical audit, the checklist system, the needs of personnel and management involvement in audit process. In their conclusion, Rothe et.al mention that marketing audit is an integral part of control and evaluation phase of the overall strategic process that needs strategic evaluation and control techniques. For more effective marketing audit in the future, significant attention must be directed into new audit requirements. This is highly necessary because of the emerging environmental aspects of 21<sup>st</sup> century.

##### **4.2. Marketing Audit Characteristics**

Only few literatures have discussed about marketing audit characteristics. Kotler et.al (1989), as one pioneer of marketing audit, mention marketing audit characteristics as comprehensive, independent, systematic and periodical.

The term comprehensive means audit process should be done in horizontal and vertical levels of organization. Marketing audit should cover institution's environmental factors scanning, objectives, strategies, organizations and systems scanning, rather than in-depth functional audit such as promotion audit, pricing audit and others. This characteristic can help academic institutions cope with the vulnerability to environment issues and to have better marketing performance which is connected to funding issues and customer/stakeholder's satisfaction.

As mentioned by Kotler et.al (1989), components of marketing audit are divided into six parts: marketing environment audit, marketing strategy audit, marketing organization audit, marketing systems audit, marketing productivity audit, and marketing function audit. Kotler later (2000) added ecological and public in the sub-lists of the marketing environment audit components. This shows that environment aspects, strategy, people and process are being measured and there is control through productivity audit. Application in academic institutions will need some adjustment because of the complexities of the academic characteristics previously mentioned.

Independency in audit process is needed to avoid lack of objectivity. A marketing audit can be done in six ways: self audit, audit from across, audit from above, company auditing office, company task force audit and outsiders. Self-audit is still objective as long as auditors are from a different department.

Marketing audit should also be systematic and employ a certain method from setting objectives and scope, data collection techniques, and reporting and giving feedback. Knowledge and experience of conducting audit are needed in these processes.

Furthermore, marketing audit should be done not just in the time of crisis. Periodic audit will help institutions identify some obstacles before they turn to problems. It also helps institution be always on alert to environmental changes.

## 5. Conclusion

Complexities of academic institutions and the need of mass education as the vision of government have challenged the idealistic vision of academic institutions as a non-profit institution. Academic institutions need fund raising and an awareness toward financial aspect. Escalating competition among academic institutions to get customers (students and companies) and the rapid change of academic institution's environment have made academic institutions pay more attention to the financial aspect. Thus, an academic institution has an urgency to investigate the marketing and strategic management tools. Marketing, as part of quality system, helps academic institution to have better performance in building relationship with customers/stakeholders to have better financial aspect.

Marketing audit, which has been long used as a tool to measure marketing performance, can help academic institutions to have better marketing performance and adapt to the environment. The marketing audit characteristics (comprehensive, independent, systematic and periodical) will help the institutions aware of any changes in the environment or inside the academic institution before they turn into a problem.

Adding marketing audit as a part of quality system and a part of standard measurement enables academic institutions to adapt better to its environment changes. This will help academic institutions have better performance not only in academic institution services, but also in meeting customer needs and wants.

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