CHAPTER-1  
INTRODUCTION

1.1 Introduction

Ever since the initiation of economic reform policies in the last decade of the twentieth century, LPG (Liberalization, Privatization, and Globalization) has become the mantra of progress for our country. Thriving on the increasing spread of consumerism and information technology, it is gaining immense currency in the intellectual and socio-cultural spheres. It is perhaps the perceived success of liberalization in the industrial sector that is compelling us to extend it to the entire economic realm. One of the key-issues being debated today is that of private initiative in the vital sector of our education policy.

After liberalization adopted in Indian developmental approach, there has been a sea change in the process of higher education. This needs application of marketing approach to the entire system. The marketing approach to higher education basically stress upon offering right educational services, to the right target groups, at right time and place, and at right price. The need to evolve as marketing approach to higher education system is necessitated due to changed perception of higher education in knowledge economy. The education market has acquired the center-stage. Today, education is considered to be the private good rather than the public good. Attempts are made to build and strengthen the relationship between education and economic performance. The university is becoming a profit-making enterprise. The withering of the state patronage in the wake of globalization process is compelling the university to adopt institutional technology strategy, in order to translate the mission and methods of the university into business and operational terms.

The system of higher education in the contemporary world has undergone significant changes. A major shift in public policy, especially
in developing countries like India, relates to its funding. Unlike, in the past, higher education is now being viewed as a private good which must be financed by those who are benefitted from it. There has also been a resultant increase in private institutions offering self-financing courses, especially in professional higher education. Gradually higher education has acquired the status of a marketable commodity to be traded within the country as well as across national boundaries. Thus “commodification” and “commercialization” of higher education has taken place, with the market forces of demand, supply and profitability determining its type, quality and the price to be paid for it. The need to market education has become an important consideration for its suppliers and aggressive strategies are being drawn up for its marketing to establish their hold on the market.

Service industries are varying widely in size. At one hand huge international corporations such as airlines, banking, telecommunication, insurance and hotels and on the other hand small business such as restaurant, laundries, beauty parlors and various other business organizations are providing their services. A major reason for the development of the field called service marketing management was realization that the services are extremely different from goods (Schneider and White, 2004). The institution at which you are studying is itself a complex service organization. In addition to educational services, there are some other services also provided in colleges and universities like libraries, cafeterias, counseling services, placement offices, a bookstore, photocopy services, telephone and internet connection and even banking. The service sector is going through almost revolutionary change, which dramatically affects the way in which we live and work. New services are continually being launched to satisfy our existing needs and to meet needs that we did not even know we had. For specialized fields like management, technology and educational colleges, where attractive market potential have increasingly caused more and more institutions to
be set up, competitive situation is slowly changing. Even the institutions facing heavy demand have been confronted with the problem to choose right kind of target customer. Of a far basic and far reaching nature is their concern with building and retaining organizational reputation for creating a ‘pull’ in the market. There is always a difference in the service quality provided in the educational institution and education colleges related to the equipment, physical facilities, employees, and well trained faculty, material (brochures or statements) etc. However, it is difficult to measure quality in comparison to goods as the specific standards cannot be determined due to involvement of human behavior. The basic assumption of the measurement was that to evaluate the service quality by comparing customer expectation with their perception.

Faced with global challenges the need of the hour is to strengthen our education system to make it competitive. With changing patterns of education delivery, course content, nature of learners and organizational structures quality aspects has become an inherent component of the educational process for its success. Higher education has increasingly competitive pressure in the last decade. Some colleges have been upgraded to be accredited universities while many universities established colleges to extend their graduate programs.

A higher education institution, like any other business institution, needs to satisfy its clients (students) in order to survive in the business. It has been shown in various researches (Swan and Oliver 1989, Taylor and Cronin 1994, Oliver 1997), that a customer with a positive attitude towards a business, engages in positive word-of-mouth communication which affects the bottom line of the business. The core service of any higher education institution i.e. teaching is an intangible dominant (McDougall and Snetsinger 1990). Intangibility means the lack of physical evidence for a service, forces a consumer to rely on sources of information such as word-of-mouth recommendations to arrive at
purchase decisions (Webster 1991). Specifically, a prospective student comes to know about a higher education institution and/or forms expectations about the quality of service he/she would receive from the institution, from others who have attended or attending the institution like peer-groups, parents, friends, relatives, etc. Other sources of information such as institutional advertisements and university guides will also have an impact on university choice, but it has been shown in various researches (Cook and Zallocco, 1983), that word-of-mouth recommendations from family, etc. constitute a major source of influence on students' institution choice.

In today's competitive academic environment where students have many options available to them, factors that enable educational institutions to attract and retain students should be seriously studied. Higher education institutions, which want to gain competitive edge in the future, may need to begin searching for effective and creative ways to attract, retain and foster stronger relationships with students. As a private organization, it has to depend on the interaction and mechanism of the market. As a result, competition to woo as many students as possible or so-called “potential customer” may become more and more intense.

1.2 Marketing: Concept and Definitions

Beckman et al, (1973) define marketing as: “the process in a society by which the demand structure for economic goods and services is anticipated or enlarged and satisfied through the conception, promotion, exchange and physical distribution of such goods and services”.

Wentz (1979) defines two kinds of marketing:-

(a) Commercial marketing: this is the use in pursuit of profit;

(b) Social marketing: this is the use of marketing for non-profit objectives”.
Schoell and Levy (1982) defined marketing as: “the process of managing effort in a dynamic environment in a socially responsible manner to facilitate its changed relationships which match an organization’s capabilities and resources with wants of selected market targets (present and potential customer)”. Levitt (1983) uses customers as the basis for defining selling and marketing. “Selling is finding customers for what you have; marketing is making sure you have what customers want”. The most important feature of the marketing concept in Levitt’s definition can be simply stated as customer-orientation. Therefore, the art of marketing can be described as the application of available marketing tools and techniques to meet consumer needs profitably. This entails the integration of various standards of marketing activity into a significant whole.

The American Marketing Association (1985) defined marketing as “the process of planning and executing the conception, promotion, pricing and distribution of ideas, goods and services to create exchanges that satisfy individual consumer and organizational objectives”.

Marketing in some countries is considered to be a new concept applicable to goods rather than services. Before 1950s there was little understanding or regard for marketing and, despite the rapid growth of western economy and the need for financial services during 1960s, banks were reluctant to change their methods of providing services to the public including all branches of marketing (Houston, 1986). Thus, organizations had to raise their ability to sell products up to a level that matched their ability (Ackoff, 1987).

Gulitinan and Schoell (1988) stated that “the marketing concept has emerged in the 1950s as a new philosophy of business management which advocates a business organisation”. The marketing concept exists to satisfy the wants of its targeted customers. The meaning of marketing is selling whatever is produced, what they focus on is moving the
inventory, not on what the customers might need, which means that production comes first in the production-oriented firms. The marketing concept seeks to make a satisfactory rate of return for the owner investment in the firm. Customer-orientation is assessed as the means to the end of achieving the organization’s aims (Anonymous, 1989). This means that, by providing what the targeted customers want and need, the organization will achieve its goals and aims.

Kohli and Jaworski (1990) define marketing orientation as “the organization wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments and organization wide responsiveness to it”. The Chartered Institution of Marketing (CIM, 1991) defines marketing as “the management process responsible for identifying, anticipating and satisfying customer’s requirements profitably”.

Kotler (1991) defines marketing as “a social and managerial process by which individuals and groups obtain what they want and need through creating, offering and exchanging products of value with others”. Both CIM and Kotler focus on the ‘profitable’ exchange with the supplier, but as a wider measure to show that both parties feel they have benefited from the exchange.

Kotler (1994) redefines marketing as “the process of planning and executing the conception, pricing, promotion and distributing of goods, services and ideas to create exchanges with target groups that satisfy customer and organizational objectives”.

Nowadays, the American Marketing Association (AMA) updated their marketing definition to put a stronger emphasis on customer relationships. Therefore, the new marketing definition revealed at the AMA’s Summer Educator’s Conference in August 2004 is “Marketing is an organizational function and a set of processes for creating, communicating and delivering to customers and for managing customer relationships in ways that benefit the organization and its stakeholders”.
Also, at the AMA’s Summer Educator’s Conference in August 2004, Cohen’s marketing definition as a marketing consultant and author was that “Marketing is to find out what your customers want and then give it to them”, while a general marketing definition is considered as the act or process of buying and selling in market.

The following definition of Marketing was approved by the American Marketing Association’s Board of directors in July 2013 as “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”.

1.3 Introducing Marketing in Higher Education

Education was the monopoly of Gurus in our society. Mahabharata and Ramayana eras are the examples of Guru-Shishya parampara. Students were sent to the ashram with the sole aim of learning only. The education system has seen dramatic changes over a period because of the changes in the structure of the society. Educational services during the last decade have been commercialized to a great extent after the government’s approval for its privatization.

Educational marketing is defined as “the analysis, planning, implementation and control of carefully formulated programmes which are designed to bring about voluntary exchanges of values with target markets to achieve institutional objectives”.

*Marketing for higher education is not the same as marketing for a McDonalds’ or Nike. Nike uses product marketing whereas education is essentially a service. The marketing concept originated with the four p’s (market mix), product, price, place, and promotion. The uniqueness of marketing for higher education requires additional components beyond the market mix. The additional components that must be added to the marketing mix to address service needs are packaging, partnership,*

1.3.1 Factor responsible for commercialization of education

- **Changing lifestyle:** Fast changing life styles are opening many avenues for different type of courses related to life style. There is shortage of trained professional in areas like fashion designing, merchandising, garment manufacturing etc. increase in leisure time, increase opportunity in travel and tourism, hospitality management.

- **Changing world:** We are living in economically, technically and commercially complex environment. The increased complexity of life (education product, charted accountancy, law), increased life expectancy (medical streams, physical education) and environmental concerns (ecology and resource concern) has created the need for specialists who can serve the consumers to manage their day to day problem.

- **Changing economies:** World has become liberalized, privatized and globalised which has created competitive environment. In this way a typical ‘education product’ is needed like import and export management, international marketing, e-commerce and web designing etc.

- **Changing technology:** Due to change in technology and government policies, many new products with short product life cycle are being introduced. These products are simple to operate but difficult to maintain. Range of these new products and their complexities requires trained manpower.
So, all the above said factors are responsible for the need of commercialisation & marketization of educational processes.

Although marketing is not a respectable pursuit for educationalists, it has emerged in higher education since the early 1970s for the following reasons or purposes:

1. Marketing management has been adopted from the commercial world as an essential element of a university’s overall strategic plan.
2. The major purpose is to improve educational provision and practice through marketing and other educational management process in accordance with the quality standards in higher education.
3. Marketing of academic programmes is needed as institutions are competing for students and limited resources (funding) under shrinking of student population.
4. Marketing in higher education is needed for attracting and retaining students, staff and the financial resources.
5. Marketing of an institution is needed to attract talents (students and staff) for producing high quality graduates and promoting institution’s image.
6. Marketing increases resources (e.g., tuition fees, donation and funding) by researching and approaching donor markets (e.g., individuals, education foundations, corporations and government).
7. Marketing expedites an exchange of needs/profits/knowledge among students, parents, staff, educational institutions, employers, government agencies, communities and other stakeholders in education.

Thus educational marketing is mainly concerned with customer satisfaction, searching new market segments, developing new services, finding new funding resources, and enhancing the institution’s image.

1.4 Meaning of Services

It is important that the service should be described as a service product or a product service. Continuous developments in the regulatory
framework in the service sectors will ensure that the effects of such changes will be felt for a considerable time to come, in order to meet the new demands from consumers and to deal with increased competition in the market place, for which financial sectors of public and private sectors are being forced to concentrate greater efforts towards marketing their products (Cowell, 1984).

Service marketing management is about servicing people. People may be as individuals, households, or employees in companies. Service usually deals with intangible things that cannot be held, touched and seen before using them. Services permeate every aspect of our life. A major reason for the development of the field called service marketing management was the realization that the service are extremely different from goods (Schneider and White, 2004). Services are also taking an increasing importance both domestically and internationally.

As a customer, when he or she experiences a service, one will decide whether he or she is satisfied or not. Satisfaction is based on the quality of the process of delivering the service and the actual outcome of the service delivery process (Gabbot et al., 2006).

The first step in becoming an exceptional service provider is to specifically define exceptional service. In the simple terms, services are deeds, process, and performances (Zeithaml, 1996; Hoffman, 1997; Kasper et al., 2006). Relying on the simple, broad definition of services, it quickly becomes apparent that services are produced not only by service businesses such as those just described but are also integral to the offering of many manufactured good producers. The primary differences between goods and service is the property of tangibility (Hoffman, 1997). According to Brennan et al., (1997), services can be classified by extent of customer contact, degree of customization, and the degree of labour intensity in the delivery of the service.

The definition of service in the Guidelines for Services published by the International Standards Organization (ISO, 1992) is:
“Supplier’s activities at the interface with a customer, and the results of all supplier’s activities to meet customer needs.”

Gronroos (1990) summarized some of the definitions given by different authors:

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<tr>
<th>Sr.No</th>
<th>Name/Year</th>
<th>Definition of Service</th>
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<tr>
<td>1.</td>
<td>American Marketing Association 1960</td>
<td>Activities, benefits, or satisfactions which are offered for sale, or provided in connection with the sale of goods</td>
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<td>2.</td>
<td>Regan, 1963</td>
<td>Services represent either intangibles yielding satisfaction directly (transportation, housing) or intangible yielding satisfaction jointly when purchased either with commodities or other services (credit, delivery).</td>
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<td>3.</td>
<td>Judd, 1964</td>
<td>Marketed services is a market transaction by enterprise or entrepreneur where the object of the market transaction is other than the transfer of ownership (or title if any) of a tangible commodity.</td>
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<tr>
<td>4.</td>
<td>Bessom, 1973</td>
<td>For the consumer, services are any activities offered for sale that provide valuable benefits satisfactions, activities that he cannot perform for himself or that he chooses not to perform for himself.</td>
</tr>
<tr>
<td>5.</td>
<td>Blois, 1974</td>
<td>A service is an activity offered for sale which yields benefits and satisfactions without leading to a physical change in the form of a good.</td>
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<tr>
<td>6.</td>
<td>Stanton, 1974</td>
<td>Services are separately identifiable, intangible activities which provide want satisfaction when marketed to consumers and/or industrial users and which are not necessarily tied to the sale of product or another service.</td>
</tr>
<tr>
<td>7.</td>
<td>Lehtinen, 1983</td>
<td>A service is an activity or series of activities which take place in interactions with a contact person or a physical machine and which provides consumer satisfaction.</td>
</tr>
<tr>
<td>8.</td>
<td>Andresen,</td>
<td>Services are intangible benefit, which is paid for</td>
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directly or indirectly, and which often includes a larger or smaller physical or technical component.

A service is any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may not be tied to a physical product.

The meeting of customer expectation in the course of selling and post-sales activity through providing a series of functions which match or better the competition in a way which provides an incremental profit for the supplier.

Services is something which can be bought and sold but which you cannot drop on your foot.

Gronroos (1990) had blended all the definitions given above and proposed the following definition:

“A service is an activity or series of activities of more or less intangible nature normally, but necessarily, take place in interaction between the customer and service employee and/or physical resources or goods and/or system of the service provider, which are provided as solutions to customer problem.

Some of the definitions also stress that the interactions between employees, who are the service providers, and customers are critical to determine customer satisfaction. These definitions are general to both product-manufacturing and service-oriented organizations, where service quality is associated with tangible and intangible products. Service-oriented organizations are those involved in basically service business operations, including financial services, health care, tourism and hospitality, insurance postal service and teaching and education services. However, the concept of service has change radically over the years, and assumed significant importance.
Furthermore, in the service sector, where production, delivery and consumption can occur simultaneously, the concept of quality refers to the matching between what customers expect and what they experience. Customers assess service quality by comparing what they want or expect and what they actually get or perceive (Berry et al., 1988). This is perceived quality, and mismatch between expected service and perceived one. Despite some differences among services and definitional problem, it may share some common characteristics. According to Schmenner, (1995) the characteristics of service are:

**a) Intangibility**

Service is often something one cannot touch or feel. It may be associated with something, physical, such as an airplane, a table chairs and so on. What people are actually buying, however involves something intangible. When a service is excellent, it is typically because of intangible nature of what has been provided and not the associated physical things.

**b) Inability to inventory**

By either circumstance or design, the consumption of a service is often simultaneous with its production. One typically cannot inventory a service. Because one cannot inventory services, capacity choice becomes critical. The size, the layout and the precise location of a service operation are tremendously important to its ability to make revenue. If the service’s capacity is not enough, it forgoes revenue it could have generated. If the service capacity is too great, it may have to cover capital expenses that is beyond its financial ability.

**c) Services’ production & consumption are often simultaneously**

Often services are created and delivered on the spot. That is, the intangibility of the service results from a service process accomplished precisely where the customer is located. There may also be a lot of customer interaction with service providers in the course of this production and consumption. The service process itself is often more on display in service operations than in manufacturing. Quality control
becomes more critical. One cannot be saved by a quality control check at the end of the line as one can in manufacturing. One has to create a quality service straightaway. Training employees and good employee relation are especially important to service quality.

d) Easy entry
A high proportion of service operations, although by no means all, require very little in the way of capital investment, multiple locations or proprietary technology. For many services, therefore, barriers to entry are low. Low barriers to entry in turn imply that service operations must be very sensitive potential as well as actual competitive action and reactions. Even more than in manufacturing, one cannot neglect the competition in services because, generally speaking, the competition can move very quickly and new players can enter an industry easily. In services, there is continuous jockeying for position and a constant need to think strategically about what is happening.

e) Outside influences
Service can be affected greatly by outside influences such as technological advancements, governmental regulations, and energy prices increases. These outside forces can change the services that offered, how they offered, the size and structure of the service-offering company/organisation.

1.5 Characteristics of Service
There are fundamental characteristics that distinguish services from products.
Inseparability means that production and full or partial consumption of services occurs simultaneously where production of a service is inseparable from delivery. The inseparability of consumption and production due to the simultaneous consumption that characteristics most services in a restaurant, for example, the meal is consumed concurrently with the service of providing the meal.

Inseparability is considered to be issues of supply and distribution, consumption, customer-producer interaction and capacity. This is contrasted with physical goods which are produced, stored, distributed through intermediaries before being bought and consumed. This illustrates the importance of the service provider, who is an essential part of the satisfaction gained by the consumer. The service must be...
provided not only in the right place, at the right time, but, also in the right way (Berry, 1995).

The inseparability between consumption and production gave rise to the idea of relationship marketing in services. In such conditions, managing buyer-seller interaction is controlled by effective marketing and can only be satisfied in a relationship with the customer.

The consumption of the service may take place in the presence of other consumers. Therefore, enjoyment of the service is dependant not only on the service provided, but also on other consumers. Therefore, service providers need to make adequate provision to avoid inter-customer conflict and to identify possible sources of irritation (e.g. smoke, noise, queue jumping). Many customers appeared to show a degree of product knowledge or expertise adjoining that of personal contact (Baron et al, 1996).

2) Intangibility

Pure services are intangible because they cannot be seen, touched, felt or otherwise sensed. Intangibility issues of evaluation are where consumers look for tangible cues to decrease uncertainty and are one of two key factors of a service that is generally much more difficult for the forthcoming customers to evaluate service in advance. This means that service is a deed performance or effort, not a tool, object or thing. A customer may find difficulty in evaluating a service before purchase. For some services, their intangible nature leads to difficulty in evolution after consumption. For instance, it is difficult to judge how pleasurable a holiday will be before taking it because the holiday cannot be shown to a customer before consumption (Berry, 1980).

Cowell (1984) suggests that the customer may have tangible evidence of the services purchased. This purchase is of course, something intangible. For example, the experience of a member of a company or a sports club who uses the facilities but does not own it; he has a membership card as tangible evidence of the service. The challenge for the service provider is
to use tangible clues to service quality. For example, a travel agency may show pictures of the holiday destination, exhibit testimonials from satisfied tourists and provide details of the type of entertainment available in a brochure.

3) **Heterogeneity (Variability)**

Heterogeneity is the potential for high variability in the performance of services where buyers prefer to know what level of quality they are going to receive when they order a purchase. Thus consistent quality often becomes a very critical basis for customer decisions and is more difficult to attain for services providers because they always involve a human component. As a result, it is more difficult to guarantee constant quality in terms of a service. According to Reichheld and Sasser (1990), “the production and delivery depend on the two parties involved where the needs and wants of the consumer is directly matched by different skills of the providers”.

Heterogeneity in service quality emphasizes the need for accurate selection, training and rewarding of staff in service firms (organizations) when dealing with customers; training confirms the standards expected of personnel. Evaluation systems should be developed by allowing customers to report on their experiences with staff. Therefore, great care needs to be taken regarding equipment efficiency and dependability (Jobber, 2007).

4) **Perishability**

Perishability means issues of demand and supply. Demand includes differential pricing, cultivating non-peak demand, matching service and reservation system. The supply side includes part-time employees, part-time efficiency routines, increased consumer contribution, shared services and facilities for future expansion. Multiskilling means that employees may be trained in many tasks; for example supermarket staff
can be trained to work on the checkout at peak periods and to fill shelves (Johnson, 1995).

Perishability leads to a difficulty in balancing supply and demand, which is why many service providers find it too costly to offer a level of service that cannot be produced and stored or saved to meet future demand and can match its peak. Therefore, it is important to match supply and demand to services. A key marketing strategy is to provide motivation for weekend use if a hotel has weekday occupancy but is almost empty at weekends. This might involve linking hotel use, or offering weekend discounts with vacation activities such as fishing, golf or hiking (Jobber, 2007).

5) Lack of Ownership
Lack of ownership means that the use of a facility does not mean customer ownership of it, since a customer uses a service and does not possess it. Kotler (1994) describes product services as “The offer which consists of a tangible good is combined by one or more service to enhance its consumer appeal”.

1.6 Education as service
Before going deep in the concept of service marketing it is better to understand the concept of education as service. By the modified AMA definition “Services are those separately identifiable, essentially intangible activities, which provide want satisfaction and are not necessarily tied to the product or another service. Providing the service may or may not use tangible goods. However, when such use is required, there is no ownership transfer of these tangible goods in a service buying transaction.” Education as a service, then, can be said to be fulfilling the need for learning, acquiring knowledge-providing an intangible benefits (increment in knowledge, aptitude, professional expertise, skills) produced with the set of tangible (infrastructure) and intangible (faculty expertise and learning) means, where the buyer of the services does not
get any ownership. He may have tangible physical evidence to show for the service exchange transaction but the actual benefit accrued is purely intangible in nature.

The market offering of service industries is characterized by three primary attributes which are tangible nature of the core offering product and service, the simultaneous nature of service production and service consumption and the customer’s participation in production and delivery of the service. While the core offering may be intangible, it is often manifested by tangible evidence such as written policies, documents, diplomas and transcripts. The simultaneous production and consumption is a central characteristic of education where, for example the lecture is “produced” by the professor as it is simultaneously “consumed” by the student (Delene and Bunda, 1991).

The core market offerings product and service of education consist of degrees and course of study at different prices and location from variety of institutions.

1.7 Characteristics of Education as service

There are some common characteristics of education services which are shared by all the services. They are:

- **Intangibility**

  Education, like most ‘pure’ services, is an intangible dominant service- impossible to touch, see or feel. It may be associated with something physical, such as infrastructure, teachers, certificates, degrees and so on. What people are actually buying, however something intangible i.e. knowledge. When a service is excellent, it is typically because of tangible nature of what has been provided and not the associated physical thing.
• Inability to inventory

The consumption of service is often simultaneous with its production. In the teaching Institution there is lecture delivered by the teacher and the same time grab by the students simultaneously (Exceptions are found among those service performances where that can be recorded for later use in printed or electronic form). Open and distance learning system which makes use of technology – The use of audio video inputs and preparation of course material to be sent to the students. But in a normal & traditional classroom, generally the lecture given by the teacher can’t be retained (preserved) by the students in its original form as like any physical product item.

• Inseparability

It is impossible to separate a service from the person or the provider. In the case of education the transfer of knowledge from the provider to the learner is inseparable. There may also be a lot of customer interaction with service providers in the course of the production and consumption. The service process itself is often more display in service operation than in manufacturing. Quality control is more critical. Training employees and good employee relations are especially important to service quality.

• Heterogeneity

The presence of employees and customer in the operational system make it difficult to standardize and control quality in both input and output. Even though standardization of courses according to some prescribed norms may be attained, it is difficult to standardize individual performances.
• **No transfer of ownership**

Customer usually get value from services without obtaining ownership of any tangible elements (exception include food service and installation of spare parts). There is no transfer of ownership of tangible and intangibles, only payment of fees is just a consideration for access to knowledge and for the use of facilities for a given tenure.

• **Outside influence**

Service can be affected greatly by outside influences such as technological advancements, government regulations, and energy prices increases. These outside forces can change the services that offered, how they offered, the size and structure of an institution.

**1.8 Marketing Mix**

One of the most basic concepts in marketing is the marketing mix, defined as the elements an organization controls that can be used to satisfy or communicate with customers. The traditional marketing mix is composed of the four Ps: Product, Price, Place and Promotion. These elements appear as core decision variables in any marketing plan. The notion of a mix implies that all the variables are interrelated and depend on each other to some extent. In addition to the traditional four P’s, the services marketing mix includes People, Process and Physical Evidence.

**Services Marketing Paradigm**

The service marketing mix is introduced as an extension of the 4Ps framework. The essential elements of product, place, price and promotion remain but three additional variables- people, physical evidence and process- are included to produce a 7Ps mix (Booms and Bitner, 1981). The need for the extension is due to the high degree of direct contact between the customer and the company, the simultaneity of consumption and production assembly process and the high visible nature of the service. It is possible to discuss people, physical evidence
and process within the original 4Ps framework (for example, process could be considered part of the product offering). The extension allows a more thorough analysis of the marketing features necessary for successful services marketing by which each element of the marketing was examined.

Borden (1964) first introduced the marketing mix in a paper when he listed 12 elements which a firm can control in the marketing areas. These elements are product, pricing, planning, branding, personal selling, promotion, packaging, advertising, channels of distribution, display, servicing, physical handling and fact finding and analysis.

Later McCarthy (1964) grouped Borden’s twelve factors together into the 4Ps and this now appears in most marketing books as the key areas for marketing action. Some authors have suggested the addition of three other Ps (people, process and physical evidence). Booms and Bitner (1981) stated: “The essential elements of product, place, price and promotion remain, but three additional variables i.e. people, process and physical evidence, are included in producing a 7Ps mix”. For most of the last fifty years, the concept of the marketing mix and the four Ps of marketing has been the acceptable marketing paradigm (Gronroos, 1994).

It is the combination and coordination of the elements in the marketing mix that enables the organisations to meet customers’ needs and provides customer value. A traditional marketing mix consists of the following elements: product, price, place (distribution) and promotion. However, due to the intangible, inseparable, heterogeneous and perishable nature of business of services, the traditional marketing mix was extended to include process, people and physical evidence (Goldsmith, 1999). Marketing mix refers to the set of choices that an organization makes influence customers’ responses towards its goods or services (Trustrum et al., 2007).
1.9 Service Marketing Mix of Higher Education Services

Marketing strategy in higher education has been growing in importance for a number of years. In not just a phenomena of private institution but all universities and colleges are concerned not only with attracting students but also in securing income from other sources, such as endowments, commercial consultancy, research and many other activities. Even all universities funding are government funded the competition for students and other activities has lead to significant effort being given to marketing (Trustrum et al., 2007). Furthermore, education has its core as deliverable a relationship between lecturer and student. It is usually face to face and sometimes didactic and occurs over extended period. For this reason, building relationship is not new in higher education however, the higher education need to be more explicit in developing their relationship marketing strategies. The development of long-term relationship is essential for most services, between customers and service providers and business partners as a network.

Higher education institutions mainly provide intangible service products, the extended marketing mix, better known as the service marketing mix. Higher education institutions need a well-developed comprehensive marketing strategy that is carefully communicated throughout the institution and the services marketing mix will help higher education institutions to shape their service offerings according to the needs of their customers. Grove & Kraft (2006) showed that in the marketing of education, the marketing mix is the single most important determinant of marketing success. In the light of the fact that marketing can influence the consumer’s behavior and the services marketing mix can assist higher education institutions in developing a holistic and well thought-through service offering, the seven services marketing mix elements are service product, price, place, promotion, people, process and physical evidence; the details of which is given below:
### Table 1.2

#### 7 Ps of Educational Services Marketing Mix

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<th><strong>PRODUCT</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The product/services that the institutions are selling.</td>
</tr>
<tr>
<td></td>
<td>• Curriculum</td>
</tr>
<tr>
<td></td>
<td>• Quality teachers</td>
</tr>
<tr>
<td></td>
<td>• Spiritual values</td>
</tr>
<tr>
<td></td>
<td>• Good students</td>
</tr>
<tr>
<td></td>
<td>• Safe environment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th><strong>PRICE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>This is the issue most affecting our enrollments.</td>
</tr>
<tr>
<td></td>
<td>• Target market vs price point</td>
</tr>
<tr>
<td></td>
<td>• Quality vs price</td>
</tr>
<tr>
<td></td>
<td>• Value vs price</td>
</tr>
<tr>
<td></td>
<td>• Facilities vs price</td>
</tr>
<tr>
<td></td>
<td>• Discounts – budget driven scholarships</td>
</tr>
<tr>
<td>3. <strong>PLACE</strong></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td></td>
</tr>
</tbody>
</table>
| The channel by which a product or service is sold.
| - Location: Urban- Rural
| - On the road
| - Easy Accessiblility
| - Transportation facilities by college/ institutions
| - Public Transport |

<table>
<thead>
<tr>
<th>4. <strong>PROMOTION</strong></th>
</tr>
</thead>
</table>
| Advertising, promoting the school/College or institution; publicity etc. through
| - websites,
| - e-mails,
| - newspapers
| - television,
| - Internet
| - Word-of-mouth
| - Overt and natural promotion
| “A good product sells itself” |

<table>
<thead>
<tr>
<th>5. <strong>PEOPLE</strong></th>
</tr>
</thead>
</table>
| The persons involved directly/ indirectly in education services.
| - Administrative authority Board
| - Principal
| - Teachers
| - Students
| - Employers
| - Society |

<table>
<thead>
<tr>
<th>6. <strong>PROCESS</strong></th>
</tr>
</thead>
</table>
| Procedures/ Methodologies adopted by the institutions.
| - Teaching Methods
| - Learning Opportunities
| - Practice Sessions
| - Evaluation processes |

<table>
<thead>
<tr>
<th>7. <strong>PHYSICAL EVIDENCE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlike a product, a service cannot be experienced before it is delivered.</td>
</tr>
</tbody>
</table>
So, physical evidence of educational services can be experienced by following components:

- Physical infrastructure: Institution’s Building, Classrooms, Playgrounds
- Library facilities
- Lab facilities
- Teaching/Learning materials
- Audio/Visual aids etc.
- Provide case studies, testimonies, samples

1) **PRODUCT (SERVICE PRODUCT)**

Product is the bundle of utilities—either a good or a service. In education basic service package-describes the bundle of services that are needed to fulfill the needs of the target market. For decision making purposes, it is essential to recognize this basic package as consisting of three elements. These are:

- The core service
- The facilitating service
- The supporting service

The core service is reason for being in the market an education institution exists because it equips people with skills and abilities through providing education services. Faculty expertise and the accumulated experience at the institution represent the core resource for supplying the benefits. However, in order to make possible for students to avail of these services, class schedules, counseling service etc. to enable to make relevant specialization choices and library facilities are required so that the students derive benefits of the core service. These
services are called the facilitating services. If the facilitating services are not adequately provided, the core benefit cannot be consumed.

The supporting service enhances the value of the core product and not facilitating the use of core product as in facilitating services. An efficient placement cell, high quality faculties, good network of exchange relationship do not facilitate but add utility derived from the total offer.

The most basic decision that higher education institutions have to make is what programmes and services they will offer to their students, alumni and donors. An institution’s service product strategy determines its identity, position and how customers will respond to the institution. The item or service being marketed, through its features, quality, benefits and quantities. It includes degrees awarded and their syllabi, paper exemptions, brand name of their degrees and its history, placement facility, lateral entries, grading given by NAAC, recognition by UGC, AICTE, MCI, NBA OR HRD, demand and supply conditions of the degrees offered etc.

2) PRICE

Price is the amount of money that the buyer exchanges for a service product provided by the seller. Prices can be seen as the amount that a customer (students, parents or employers) must pay to be educated. The price of higher education institutions are influenced by the subsidy from government as well as donations and the cost of presenting the course, prices of competition and inflation. Students and their parents are not just interested in the institution’s list price (official tuition and fees printed in a catalogue), but also the effective price. According to Kotler and Fox (1995), the effective price is the amount the customer will actually pay for all the educational benefits and value received. Tuition fees represent only a fraction of the total cost of attending a higher education institution and living cost and other education related expenses must also be considered by students.
Price is part of the marketing mix and should be considered as an element of the institution’s strategy planning. When setting price, decision-makers should understand how students perceive price and the importance of price in selection of institutions. According to Cosser and Du Toit (2002), price is an important factor considered in choosing a higher education institutions i.e. know the cost of producing the service, know the price of competitors, identify pricing factors that are relevant to pricing decisions, and decide on a pricing strategy that will attract enough students. It includes admission and term fees structure, fee concessions and exemptions, college affiliation fee, exam fees, etc.

3) **PLACE**

The location where the product or service is available to the customer, including distribution channels. Kotler and Fox (1995) divide a higher education institution’s delivery system into three dimensions. The first dimension is the location of the institution that includes the accessibility, atmosphere and facilities; secondly, scheduling of service delivery that will appeal to students; and lastly, the mode of delivery, which include the technology and instructional forms to be used in the service delivery. Institutions should also give attention to the physical facilities, including the quality of the design, signage and functionality and feel of the service spaces. The physical buildings and surroundings convey a message to visitors, students and employees about the institutions.

In most cases, educational services represent the single location and direct distribution process with no intermediary between the producers and the consumers of the service. The learning process is usually accomplished by the user of the service going to the service provider. However, there are various private counseling service organizations that charges amount both from the students-to enroll them in an institution and from the private institutions-for which they
provided students to take admission and fulfilling their seats requirement.

4) PROMOTION
It includes media propagation (advertising, promoting the school/college or institution’s publicity through Newspapers, Radio, Television, Internet, Websites, E-mails, Brochures, Hoardings, Word-of-mouth publicity) and Market communication is achieved by personal selling, advertising, direct marketing, job fairs, public relations, sales promotion and sponsorship.

5) PEOPLE
People refer to all human actors who play a role in the delivery of a service and provide cues to customers regarding the nature of the service. The people component of the higher educational marketing mix refers to the employees in the university or college. It is often felt that employees can be excellent marketing tools that cost the university or college nothing extra (Brooks et al).

This P includes professors, students themselves and non-teaching staff for which the universities have to plan and implement the number of teaching and non-teaching staff, their qualifications, recruitment and selection procedure, their training and rewards and conducting research on needs and wants of students and professors, educating the students about their role and responsibility and communicating the cultural values with the students, number of students, their background and interest and aptitude for the course in which he is studying.

In the education sector special counseling department is there to answer all the queries of the customer regarding admission, evaluation, student enquiries, student welfare offices, office staff, hostel wardens and judge the willingness and attitude of response. Arrangement are made in such a manner that customer can interact with faculties, administration & management and other staff-members of the institution.
6) PROCESS
This P includes type of the service-standardized or customized, number of steps involved in the service process—simple or complex, and the level of involvement by student, professor, and non-teaching staff in the service delivery. This is the operational system by which marketing is managed within the organization.

In the education system, the excellent basic education package, destroy by the way students are handled or students interaction is managed. The components that go along the basic service offer is the accessibility of the service-faculty, office, classroom, study material, interaction under the service organization-interaction with admission, evaluation, hostel wardens student welfare office, among students, among sub system, consumer participation (students’ willingness to share information), awareness of time and flexibility dimension, knowledgeable to identify their needs.

7) PHYSICAL EVIDENCE
This P includes design, aesthetics, functionality and ambient conditions of the classrooms and buildings, equipment in the labs, library facilities, dress code of students and professors, and non-teaching staff, annual reports and calenders or diaries or college magazines of the university, visiting cards of the staff, computer labs, gym, hospitals, banks, post offices, co-operative stores etc. The actual or physical evidence which confirms that customers have received service appropriate to their needs. In most cases, educational services represent the single location and direct distribution process with no intermediary between the producers and the consumers of the service. The learning process is usually accomplished by the user of the service going to the service provider.

However, there are various private counseling service organizations that charges amount both from the students to enroll them in an
institution and from the private institutions for which they provided students to take admission and fulfilling their seats requirement.

1.10 Quality
Higher Education (HE) is one the important service sector in modern business. The HE sector is continuously in a state of change and is being driven by the public, government and economic imperatives. The growing challenge faced by this sector is the increase in student-staff ratio that indicates rising demand for the service, and the government plan to reduce dependency on public funds. Therefore, the Higher Education sector has no option other than to work towards more effectiveness and efficiency through quality.

1.10.1 Definitions of Quality
In British Standard 4778, quality management in HE was taken as the totality of features and characteristics of product services (learning process) that bear on its ability to satisfy stated or implied stakeholder expectations. ‘ISO 9000’ defined quality as a degree to which a set of inherent characteristic which can fulfils the requirements.

The understanding of quality is important in order to make any improvement. The inability to define quality as it relates to all functions within a company functions within a company has resulted in unsuccessful implementation of quality improvement programs (Stamatis, 1996).

1.10.2 Quality Dimensions
According to Gronroos, (1990) quality dimensions can be classified into three groups which are technical quality, functional quality and corporate quality. Technical quality is that which can be measured objectively regardless of its customers’ opinion. Functional quality is related to the interaction between the provider and the recipient of the service and often perceived in a subjective manner. Sometimes, the
interaction between customers themselves becomes important. Lastly, corporate image dimension relates to overall picture of an organization perceived by the customers. It is the results of a combination of technical and functional quality dimensions as well as factors like the price of the product or service and the reputation of the company.

Quality attributes for higher education cannot be seen, felt or touched in advance which implies production and consumption of the services are inseparable because personal contact plays an important role and quality varies markedly in different circumstances (Wever 2002). While the quality dimensions of a product may seem different from service like higher education, they are still appropriate in providing ideas for generalization.

1.11 Service Quality
A definition of quality revolves around the idea that quality has to be judged on the assessment of the user or consumer of the service. The construct of quality as conceptualized in the services literature is based on the perceived quality. Perceived quality is defined as the consumer’s judgment about an entity’s overall experience or superiority (Zeithaml, 1987; Zammuto et al. 1996). Similarly, Parasuraman, Zeithaml and Berry (1990) also concluded that consumer perceptions of service quality result from comparing expectations prior to receiving the service, and their actual experience of the service. Perceived quality is also seen as a form of attitude, related to, but not the same as satisfaction, and resulting from a comparison of expectations with perceptions of performance (Rowley, 1996). Therefore, perceived service quality could be the product of the evaluations of a number of service encounters and in this case, of a student, these could range from encounters with office staff, to encounters with tutors, lecturers, the head of departments, etc (Hill, 1995). As a result, if an organization regularly provides service at a level that exceeds customer expectations, the service will be evaluated as
high quality. In contrast, if an organization fails to meet customer expectations, the service will be judge as poor quality (Zammuto et al., 1996).

Today’s companies are constantly trying to improve performance excellent service quality to customers. They set a standard of service to be given to customers, deliver the service and evaluate the performance of the service.

1.11.1 Definitions of Service Quality
The concept and principals of service quality measurement were greatly advanced as a result of the work of Parasuraman et al., (1985). They have identified three underlying themes in service quality:
a) Service quality is more difficult for the consumer to evaluate than goods quality.
b) Service quality perceptions result from a comparison of consumer expectations with perceptions of actual service performance.
c) Quality evaluation are not made solely on the outcome of service; they also involve evaluations of the process of service delivery.

There are a number of definitions as to what is meant by service quality. One commonly used definition of service quality as the extent to which a service meets customer’s needs or expectations (Oakland, 1994). Hoffman and Bateson (1997) defined that service quality is an attitude formed by a long-term, overall evaluation of a performance. Service quality can thus be defined as the differences between customer expectation of service and perceived service. If the expectations are greater than performance, the perceived quality is less than satisfactory and hence customer dissatisfaction occur (Parasuraman et al., 1985). Service quality is the delivery of excellent or superior service relative to customer or superior relative to customer expectations (Zeithaml and Bitner, 1996).

Concludingly, service quality can be defined as the difference between customer’s expectation for service performance to the service
encounter and their perceptions of service perceived. If the perceptions are larger than performance, customer satisfactions occur.

### 1.11.2 Service Quality Determinants

Service quality is not like goods, which can be measured objectively by such indicators as durability and number of defects. Measurement of service quality is an abstract to construct because of three features unique to service which are intangibility, heterogeneity and inseparability of production and consumption.

Research by Parasuraman *et al.*, (1988) has shown that regardless of the types of service, customers use basically similar criteria in evaluating service quality. The criteria fall into ten categories which are as follows:

i) **Reliability**, which involves consistency of performance and dependability.

ii) **Responsiveness**, concern the willingness or readiness of employee to provide service. It involve timeliness of service.

iii) **Competence**, means possession of the required skills and knowledge to perform the service.

iv) **Access**, involves approachability and ease of contact.

v) **Courtesy**, involves politeness, respect, consideration and friendliness of concerned personnel.

vi) **Communication** means keeping customers informed in language they can understand and listening them.

vii) **Credibility**, involves trustworthiness, believability and honesty. It involves having the customer’s best interests at heart.

viii) **Security** is the freedom from danger, risk or doubt.

ix) **Understanding/knowing the customer**, involves making the effort to understand the customer’s needs.
1.12 SERVQUAL

The SERVQUAL is a useful tool in which the process measures customer expectations for service delivery against customer perceptions of services actually being delivered. The instrument devised by Parasuraman et al., (1988) forms the cornerstone on which other works have been built. It is a technique that can be used in performing gap analysis of an organization’s service quality against customer quality needs. SERVQUAL is an empirically derived method that may be used by a services organization to improve service quality. The method involves the development of an understanding of the perceived service needs of target customers. These measured perception of service quality for an organization in question, are then compared against an organization that is “excellent”. The resulting gap analysis may then be used as a driver for service quality improvement. The parts consist of parallel statements. Each statement focuses on an aspect of one of the dimensions of service quality and has a response scale ranging from one to seven. The scale is used by a customer to indicate the extent or degree he or she agree or disagree with the statement.

SERVQUAL is a diagnostic tool that uncovers a firm’s weaknesses and strengths in the area of service quality. The SERVQUAL instrument is based on five service quality dimensions that were obtained through extensive focus group of customers. SERVQUAL takes into account the perception of customers of the relative importance of service attributes. This allows an organization to prioritize and use its resources to improve the most critical service attributes. SERVQUAL was consisted of five service quality dimensions. These are as follows:

i) **Tangibles**

Appearance of physical facilities, equipment, personnel, and communication materials. The condition of the physical surrounding is
tangible evidence of the care and attention that is exhibited by the service provider.

**ii) Reliability**

Ability to perform the promised service dependably and accurately. Reliable service performance is a customer expectation and means that the service accomplished every time on time, in same manner and without error.

**iii) Responsiveness**

Willingness to help customers ad provide prompt service. Keeping customers waiting, particularly for no apparent reason, create unnecessary negative perception of quality. If a service failure occur, the ability to recover quickly and with professionalism can create very positive perceptions of quality.

**iv) Assurance**

Knowledge and courtesy of employees and their ability to convey trust and confidence. The assurance dimension includes the following features which are competence to perform the service, politeness and respect for the customer, effective communication with the customer and general attitude that the server has customer’s best interest at heart.

**v) Empathy**

The firm provides care and individualized attention to its customers. Empathy includes the features which are approachability, sensitivity and the effort to understand the customer’s needs.

Customers use these five dimensions to form their judgments of service quality, which is based on a comparison between expected and perceived service.

The SERVQUAL instrument consist of two sections which are 22 items section that records customer expectations of excellent firm in the specific service industry, and a second 22 items section that measures customer perceptions of a particular company in that service industry. Results from two sections are then compared to arrive “gap scores” for
each of the five dimensions. The larger gap, the farther customer perceptions are from expectations and the lower the service quality evaluation. In contrast, the smaller the gap, the higher the service quality evaluation. SERVQUAL Model is shown in following figure:

Word of Mouth  |  Personal Need  |  Past Experience

| Expected Service  |
|---|---|---|
| GAP 5  
Perceived Service |

Student

Institution

Service Delivery  |  External Communication to students
(teacher, Staff, Building)  

| GAP 4  
Translation of Perceived service Quality To specification |

| GAP 3  
Institution’s perception About students’ Expectations |

| GAP 2  |

Figure-1.3

SERVQUAL MODEL
1.13 Gaps in Service Quality

Measuring gap between expected service and perceived service is routine customer feedback process that is practiced by leading service companies (Fitzsimmons, 2004). Customer satisfaction is dependent on minimizing the four gaps that are associated with delivery of the service. The market research gap is the discrepancy between customer expectations and management perception of these expectations.

GAP 1 The management perception gap

Gap arises from management’s lack of full understanding about how customers formulate their expectations based on a number of sources: advertising, past experience with the firm and its competitors, personal needs, and communication between management and its contact employees, and reducing the number of levels of management that distance the customer. The design gap results from management inability to formulate target levels of service quality to meet perceptions of customer expectation and translate these into workable specifications. The main causes of this Gap are given as follows:

Management’s failure to correctly identify client expectations due to

- Inaccurate information from market research and demand analysis
- Inaccurately interpreted information about expectations
- Bad chain of communication from downward to upward

Gap-1 can be bridged up through open formal and informal channels of communication from the clients to the top, passing through the people in contact with the public, better market surveys on service quality and applies them with greater frequency, and reduce hierarchy levels.

GAP 2 The quality specification gap

This Gap may result from a lack of management commitment to service quality or a perception of the infeasibility of meeting customer’s expectations; however, setting goals and standardizing service delivery
task can close the gap. The conformance gap occurs because actual delivery of the service does not meet the specifications set by management. The main causes behind this gap formation are as follows:

- Limited resources
- Lack of operational tools to bring the client’s voice to service specifications
- Management’s indifference
- Rapid change in market conditions
- Planning mistakes or insufficient planning procedure

By adopting following corrective measures above given gaps can be bridged i.e. Management’s commitment; Make resources available and use tools to bring the voice of the client to specifications (for example, QFD – Quality Function Deployment)

**GAP 3 The service delivery gap**

Gap 3 can arise for a number of reasons, including lack of teamwork, poor employee selection, inadequate training, and inappropriate job design. Customer expectations of the service are formed by media advertising and the other communication from the firm. Following may be the causes behind this kind of gap:

- Lack of knowledge about specifications
- Lack of ability to carry out the specified services that are too complicated or too rigid
- Lack of commitment by collaborators
- Lack of insufficient internal marketing

If the service providing institution would take the following steps, these gaps can be covered e.g. Make specifications known, ensure the necessary profile of the collaborator at recruiting or complete it with training and assess collaborator performance through greater and better supervision or improvements in team work and in the organizational climate.
**GAP 4 The market communication gap**

Gap 4 is the discrepancy between service delivery and external communications in the form of exaggerated promises and lack of information provided to contact personnel which brings the gaps in service quality. And some other reasons behind this gap are:

- Lack of communication and the client does not know what to expect or more is promoted than actually delivered.
- The organization failing to perform according to specifications whereas market communication follows these specifications.
- An inherent propensity to exaggerate and thus, promise too much.

For bridging this gap, it is very necessary for any service organization to improve the communication between the diverse sectors of the company and between it and the target public for the communications or hold communication to what is actually delivered.

**GAP 5 The perceived service quality gap**

GAP 5 is the difference between what the client expects and what the company actually delivers. It can also be explained as experienced or perceived service is not consistent with expected service. Actually, this gap may be the result of a gap or a series of gaps from 1 to 4. And ultimately this gap would results from:

- Negatively confirmed quality and a quality problem
- Bad word of mouth
- A negative on corporate and local image
- Lost business

Measuring gap between expected service and perceived service is routine customer feedback process that is practiced by leading service companies (Fitzsimmons, 2004). Customer satisfaction is dependent on minimizing the four gaps that are associated with delivery of the service. Service Quality Gap Model (Zeithaml et al. 2006) is as follows:
1.14 Customer Expectation

Marketing perspective *what potential buyer thinks or feels about product* i.e. the needs, wants, and preconceived ideas of a customer about a product or service. Customer expectation will be influenced by his or her perception of the product or service and can be created by previous experience, advertising, hearsay, awareness of competitors, and brand image. The level of customer service is also a factor, and a customer might expect to encounter efficiency, helpfulness, reliability, confidence in the staff, and a personal interest in his or her patronage.

Knowing what customer expect is first and possibly most critical step in delivering quality service. Customer expectations are beliefs about service delivery that serve as understanding or reference points against which performance is judged. Because customers compare their perceptions of performance with these reference points when evaluating
service quality, though knowledge about customer expectation is critical to service marketers (Zeithaml et al., 2006).

In a simple meaning, customer expectation is a reference point against which service delivery is compared.

1.15 Customer Perception

It is the process of registering sensory stimuli as meaningful experience. The differences between sensation and perception have varied according to how the terms are defined. A common distinction is that sensations are simple sensory experiences, while percepts are complex constructions of simple elements joined through association. Another meaning is that perception is more subject to the influence of learning. Though hearing, smell, touch, and taste perceptions have all been explored, vision has received the most attention. Structuralist researchers such as Edward focused on the constituent elements of visual perceptions, whereas Gestalt psychology has stressed the need to examine organized wholes, believing humans are disposed to identifying patterns. Visual objects tend to appear stable despite continually changing stimulus features (such as ambient light, perspective, ground vs. figure arrangement), which enables an observer to match a perceived object with the object as it is understood to exist. Perceptions may be influenced by expectations, needs, unconscious ideas, values, and conflicts.

Perception emerged after customer experienced the service. Perception is always considered relative to expectation. Expectations are very dynamic so, evaluation may also shifts over time from person to person. Customer’s perception equal to how customers perceive the service. Zeithaml et al., (2006) stated that customers perceive services in terms of quality of the service and how they satisfied with their experiences.
1.16 Customer Satisfaction

Although a variety of alternative definitions exists, the most popular definition of customer satisfaction is that the comparison of customer expectations to perceptions regarding the actual service encounters (Hoffman and Bateson, 1997). Comparing customer expectations with their perceptions is based on what marketers refer to as the expectancy disconfirmation model. It means that if customer perceptions meet expectations, the expectations are said to be confirmed and customer is satisfied. Satisfaction is the customer’s fulfillment response. It is the judgment that a product or service feature, or the product and service itself provides a pleasurable level of consumption related fulfillment (Zeithaml et al., 2006).

1.17 Satisfaction and Service Quality

Practitioners and writers tend to use the terms satisfaction and quality interchangeably. Satisfaction generally viewed as a broad concept, while service quality focuses specially on dimensions of service. Service quality is focused on evaluation that respects the customer’s perception of tangible, reliability, responsiveness, assurance and empathy. Satisfaction is more illusive. It is influenced by perception of service quality, product quality and price as well as situational factors and personal factors (Zeithaml et al., 2006).

Relationship between service quality and satisfaction (Zeithaml et al. 2006) is shown through a figure given below:
According to Losardo and Rossi, (1993) there are several pointers to keep in mind when developing and applying the SERVQUAL instrument. These are:

i) Expectation should be generic for the service. This means that all the expectation statements in the questionnaire should deal with the service in general, not the service offered by a particular provider.

ii) Perceptions should be specific for the service provider. This means the statement covering perceived performance should use the name of the service organization that is being evaluated.

iii) Only one service aspect should be covered by a statement. If more than one aspect is covered, the customer’s attempts to respond may be frustrated.
iv) Expectation and perception statement should have parallel wording. This allows the customer to compare apples to apples, not oranges.

v) Statements should describe unambiguous behaviours. This means that statements should be precise as possible and should not include vague terms. It is especially important to use words that describe or define the dimension, rather than dimension itself. This helps to ensure that customers are interpreting the statements in uniform way.

vi) Statements should focus on positive aspect of service. By this, we mean that the statements pairs should emphasize the desired service in positive terms. If this is not done, computing gap scores become complex.

**1.18 Service Quality in Higher Education**

Education is a service industry. It needs to adopt the techniques in measuring the quality of its services and the satisfaction of its customers. Service quality also has become a predominant part of advanced organization’s strategic plan. Increasing attention paid to service quality has resulted more progress and profit in organizations. Higher education possesses all the characteristics of service industry, i.e. intangible, heterogeneous, inseparability, variability, perishable, and the customer (student) participates in the process. However, quality measurement in higher education continues to be a vexing and difficult issue. Most evaluation of higher education have primarily used tangible criteria.

It is significant to acknowledge that education institutions are in a ‘service market’. In order to compete effectively in the marketplace, an educational institution needs to differentiate itself from its competitors. The marketing programs are widely in higher education and as Kotler and Fox (1985) have indicated that educators have raised a number of approaches regarding using marketing in education. Inevitably, the student’s contributions toward the cost of their undergraduate education
are an important source of funding for schools in order to sustain the whole and present system. Many marketing campaigns have been launched to retain and recruit students. In the marketing literature, fee-paying education is likely to become one of the fastest growth industries in the world (Ellis, 1996; La Monica, 1996). Like many other commercial organizations, if an education provider is to stand out in the mind of the consumer and obtain a sustainable competitive advantage, higher education must be concerned not only with return on investment, market share but also with understanding the customer satisfaction and perceptions of services quality offered and received. Athiyaman (1997) and Bourner (1998) published works on the importance of service quality for higher education, concentrating on the quality of course and teaching and effective service delivery. Berry and Parasuraman (1992) argue that the strategic success of a service organization depends on the ability of service providers to enhance their quality by consistently meeting or exceeding expectations. Many authors (e.g. Spreng and Mackoy 1996; Deruyter et al, 1997) indicate that service quality links directly to customer satisfaction. From understanding the service quality, it can generally reflect the student’s satisfaction level. Student satisfaction not only influences the retention rate of student (i.e. whether students stay at the university on which they have enrolled) but also word of mouth which impacts upon the student recruitment process. Therefore, understanding student satisfaction is vital. Parasuraman et al, 1994 uses the SERVQUAL service quality gap model in their study to measure graduate students’ perceptions of service quality and satisfaction. Qualitative research is undertaken before the SERVQUAL questionnaire was administered to investigate expectations on full time MSc courses at Cranfield University. The research requires that students compare their expectations with their experiences. The research objectives include:
1. What expectations do students have before arriving at an Institution?
2. Why do students have those expectations?
3. Do student’s perceptions match their expectations?

Below are given the different service quality dimensions:

**Table-1.3**

**Service Quality Dimensions and Higher Education**

*(Owlia and Aspinwall, 1996)*

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Definition in Higher Education</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reliability</strong></td>
<td>The degree to which education is correct, accurate and up to date How well an institution keeps its promises The degree of consistency in teaching</td>
</tr>
<tr>
<td><strong>Responsiveness</strong></td>
<td>Willingness and readiness of (academic) staff to help students</td>
</tr>
<tr>
<td><strong>Understanding Customers</strong></td>
<td>Understanding students and their needs</td>
</tr>
<tr>
<td><strong>Access</strong></td>
<td>The extent to which staff are available for guidance and advice</td>
</tr>
<tr>
<td><strong>Competence</strong></td>
<td>The theoretical and practical knowledge of staff as well as other presentation skills</td>
</tr>
<tr>
<td><strong>Courtesy</strong></td>
<td>Emotive and positive attitude towards students</td>
</tr>
<tr>
<td><strong>Communication</strong></td>
<td>How well lecturers and students communicate in the classroom</td>
</tr>
<tr>
<td><strong>Credibility</strong></td>
<td>The degree of trustworthiness of the institution</td>
</tr>
<tr>
<td><strong>Security</strong></td>
<td>Confidentially of information</td>
</tr>
<tr>
<td><strong>Tangibles</strong></td>
<td>State, sufficiency and availability of equipment and facilities</td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td>Primary knowledge/skills required for students</td>
</tr>
<tr>
<td><strong>Completeness</strong></td>
<td>Supplementary knowledge and skills, use of computer</td>
</tr>
<tr>
<td><strong>Flexibility</strong></td>
<td>The degree to which knowledge/skills learned are applicable to other fields</td>
</tr>
<tr>
<td><strong>Redress</strong></td>
<td>How well an institution handles customers’ complaints and solves problems</td>
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</table>
It is interesting to identify here about the applicability of SERVQUAL to education sector, meaning that there is a suitability of applying it in higher education. Numerous studies have adapted this measurement in HEI, such as SQ in business schools (Rigotti and Pitt, 1992) and higher educational institutions (Cuthbert, 1996; Soutar and McNeil, 1996; Saaditul, Samsinar and Wong, 2000). In the study by Cuthbert (1996) it has been found that among the dimension in SQ, the score for tangibility (3.34) is the highest, followed by assurance (3.21), reliable (3.11), responsive (3.04) and empathy (2.58). However he added that this does not represent tangibility as a major contributor towards satisfaction of the students as he believes it is the service encounter which is the determinant factor. O’Neill and Palmer (2004) also hold the exact same idea that, although tangibility is ranked as the best in term of overall performance score, but it has been ranked as the least important by the students compared to process and empathy. Study by Perisau and McDaniel (1997) is best described as, assurance and reliability has been identified as the most important suggesting that students are mostly concern with the knowledge, courtesy and ability to inspire trust and confidence which is part of the assurance dimension. Nevertheless, there are studies that have a different opinion on the importance of tangibility dimension in service quality. Smith and Ennew (2001) outlined an interesting aspect in his research toward the SQ in higher education. He highlighted that there is difficult aspect in the choice of satisfaction perception of customer between the affective indignation and the technical functionality. For example, the particular facility consumed by the students could be judged according to how reliable they are (technical functionality) or according to their ages, appearances, courtesy and empathy (affective). The perfect reliable facility, which is not up to date, but are capable of carrying out the task, may still be negatively rated if the users expect the university to provide up to date facility. He also showed that there were specific supportive items known as
peripheral aspect and the university facilities, which students consume such as cafeterias and residential accommodation that will directly and indirectly have a significant impact on the evaluation of the university. Based on the study by Umbach and Porter (2002), it also appears that the size or a number of faculties within a department in HEI is important in explaining student satisfaction.

LeBlanc and Nguyen (1997) for example stressed on the reputation as a factor, which is tied closely to management’s capacity to foster an organizational climate directed at serving the needs of its customers and to the image of the HEI. It is also process-related in a sense that, it involves an ability to inspire trust and confidence and provide personal attention to students in a professional and caring manner. In term of importance, the study has shown that perceived value is derived mainly from price/quality, a factor that is closely tied to the business school’s capacity to offer sufficient services to students and convince them that they are receiving quality services in exchange for what they give by means of their tuition fees. While Ford, Joseph and Joseph (1999) go a little bit more specific on the services in their study about service quality by comparing the importance score of service quality in higher education for the New Zealand student sample and the United States sample. They found that for the New Zealand sample, academic reputation has been ranked as the first followed by career opportunities, programme issues, cost/time, physical aspects, location and others while for the USA sample, it was found that the first rank is academic reputation, cost/time, programme issues, others, physical aspects and choice influences. Earlier researches on service quality in higher education also often emphasized academic more than administration, concentrating on effective course delivery mechanisms and the quality of courses and teaching (Atheyaman, 1997; Cheng and Tam, 1997; Soutar and McNeil, 1996; Griemel-Fuhrmann and Geyer, 2003). However there is also an attempt to look upon the administrative side of higher institution like the
study by Kamal and Ramzi (2002), which attempt to measure student perception of registration and academic advising across different faculties and other administrative services to assure positive quality service that compliments the academic.

Service Quality is commonly noted as a critical prerequisite for establishing and sustaining satisfying relationship with valued customers. In this way, the association between service quality and customer satisfaction has emerged as a topic of significant and strategic concern (Cronin and Taylor, 1992). In general, perceived service quality is an antecedent to satisfaction (Spreng and Mckoy, 1996). Thus, a proper understanding of the antecedents and determinants of customer satisfaction can be seen as to have an extraordinarily high monetary value for service organization in a competitive environment (Lassar, Manolis and Winsor, 2000).

1.19 Students’ Satisfaction

Students are the customers for higher education institutions. Student satisfaction need to be identified as a significant contributor to persistence and retention. In competitive market environment, dissatisfied student are likely to drop-out or transfer (Kerlin, 2000). According to Morley (2003) higher education is becoming more like the hospitality industry. In quality context, student services can be more linked to the market exchange relation, rather than humanitarian commitment. In the market culture, all student services can be read as manipulative. For the higher education industries, one of the factors that contribute the students’ satisfaction is a good quality services.

Kotler and Clarke (1987) define satisfaction as a state felt by a person who has experience performance or an outcome that fulfill his or her expectation. Satisfaction is a function of relative level of expectations and perceives performance. The expectation may go as far as before the students even enter the higher education, suggesting that it is important
to the researchers to determine first what the students expect before entering the university (Palacio, Meneses and Perez, 2002). In contrary, Carey, Cambiano and De Vore (2002), believe that satisfaction actually covers issues of students’ perception and experiences during the college years. While most student satisfaction study focus on the perspective of customer, researchers is facing a problem of creating a standard definition for student satisfaction thus providing a need of customer satisfaction theory to be selected and modified so that it can explain the meaning of student satisfaction (Hom, 2002). Even though it is risky to view students as customer, but given the current atmosphere of higher education marketplace, there is a new moral prerogative that student have become “customer” and therefore can, as fee payers, reasonably demand that their views be heard and acted upon (William, 2002).

Generally, students have three main criteria that need to be satisfied with services. These has been labeled as Requisite encounters which essentially enable students to fulfill their study obligations; Acceptable encounters which students acknowledge as being desirable but not essential during their course of study and Functional, an encounter of a practical or utilitarian nature (Oldfield and Baron, 2000). According to Lassar, Manolis and Winsor (2000), two most prevalent and widely accepted perspectives on service quality include the SERVQUAL model and the Technical/Functional Quality framework. Gronroos (1984) held that service quality is made up of three dimensions "the technical quality of the outcome", "the functional quality of the encounter" and “the company corporate image”. He argued that in examining the determinants of quality, it is necessary to differentiate between quality associated with the process of service delivery and quality associated with the outcome of service, judged by the consumer after the service is performed. Parasuraman, Zeithaml and Berry (1985) however listed ten determinants of service quality that can be generalized to any type of service. The ten dimensions include tangibility, reliability,
responsiveness, competence, access, courtesy, communication, credibility, security and understanding. In addition, these ten dimensions were then regrouped in the well-known five dimensions in the SERVQUAL model (Parasuraman et al., 1990) which include assurance, empathy, reliability, responsiveness and tangibility. Previous research also done by Mahiah., S. et al. (2006) also confirmed Parasuraman, Zeithaml and Berry (1985) and they suggest that increasing of sophistication of reliability, empathy, tangibility, responsiveness and assurance can increase customer satisfaction towards services rendered by Human Resource department.

Pressures for improving the quality of the educational experience and directive for assessment drive educational leaders to demonstrate that they are effectively providing services. One of the prevalent measures of effectiveness is student satisfaction. Student development standards such as social and academic integration and involvement have been supported as models that integrate perspectives on the needs of students and the ability of the institution to meet those needs and therefore retain students. These standards essentially rely on student satisfaction in strengthening integration, involvement and retention.

Literature on the higher education sector that focuses on customer satisfaction and service quality is limited compared to the literature generated by business and industries service sectors. In an era of high competition in higher education and emphasis on customer satisfaction, the business marketing sectors may offer education sectors some concept and models for understanding and improving customer (student) satisfactions.

SERVQUAL approach offers potential to higher education as it seeks to evaluate the effectiveness of its service quality. It has been used and debated in the literature, but the use to evaluate service quality within higher education is limited. The use of SERVQUAL in higher education setting not only assists community of higher education to assess student
satisfactions within the service quality, but also contribute to the literature on service quality in higher education.

1.20 Significance / Justification of the Study:
In the present era, it is not natural resources or natural wealth which distinguishes an affluent society from a backward one—it is the accumulation and development of the knowledge resource. Education was never as important a utility as it is today. People, however, differ in the benefits they seek from the educational services offered to them. It is important then, in order to be able to satisfy these needs and wants effectively, that a marketing orientation be applied to the conceptualization, design and delivery of the educational service. This is even more imperative in a developing country like India where resources are scarce and a better match between needs and service provided is to be attained. Education planners in order to plan the service offer well and deliver it effectively need to understand the behavior of the target population and the criteria they use to exercise choice. The key to better delivery of the education service is not that it is performed by people but that it is performed for people. People therefore, represent the starting point for analysis to precede conceptualizing the service offer and developing it into a marketable service package. The education service offered by the institution must reflect the organization’s response to the identified needs and wants of the target segment in a given socio-economic context.

The subject of service quality in higher education has become popular in the literature. As students were considered to be the “primary customers” of a University (Hill, 1995), being the direct recipients of the service provided, student perceived service quality has turned out to be an extremely important issue for universities and their management.

Studies related to service quality in the education are much focused on educational institutions factors impacting student’s
satisfaction and behavioral responses such as student’s loyalty, and intention to recommend (Joseph, Yakhou, and Stone, 2005). Factors such as academic teaching/academic staff quality, physical aspects of education environment, curriculum/program (Athiyaman, 1997; Joseph and Joseph, 1997; Joseph and Joseph, 2000; Athiyaman, 2000; Oldfield and Baron, 2000; Nguyen and LeBlanc, 2000; Mazzarol and Soutal, 2002; Joseph, Yakhou, and Stone, 2005), and administrative staff supports (Joseph and Joseph, 1997; Joseph and Joseph, 2000; Nguyen and LeBlanc, 2000; Oldfield and Baron, 2000) are regularly studied issues. Reputation of the institution (Joseph and Joseph, 1997; Joseph and Joseph, 2000; LeBlanc and Nguyen, 1997; Mazzarol and Soutal, 2002), and learning outcomes (Athiyaman, 1997; Joseph and Joseph, 1997; Joseph and Joseph, 2000; Athiyaman, 2000) are also among services requirements that students evaluates.

Service quality literature suggests the importance for educational institutions to monitor the quality of the services they provide in order to commit themselves to continuous improvements. However, there is a considerable debate about the best way to define service quality in Higher Education (Becket & Brookes, 2006). It is pointed out that the “education quality is a rather vague and controversial concept” (Cheng & Tam, 1997). Nevertheless, it is well recognized that “universities are increasingly finding themselves in an environment that is conductive to understanding the role and importance of service quality” (Shank et al., 1995).

A very few researches have been conducted in Indian educational services sector from marketing point of view. Because of an increase in consumers’ (target segment of students) sensitivity, the intensification of competition in the higher education industry professional service quality has emerged as a subject in need of investigation. The study will test the
expectations of students and the gaps between student’s expectations and perceptions of service delivered.

Secondly, Investigator has chosen this topic because of her interest in the field of Commerce and specialization in Marketing field. All this encouraged the investigator to go for the present venture.

1.2.1 Statement of the Problem:

“Service Quality Perspectives in Marketing Mix Elements of Educational Services: A case study of Self-financing Professional Colleges.”

1.2.2 Operational Definitions of the key terms used:

i) Service Quality:

Zeithaml & Bitner (2003) states that “Service Quality is a focused evaluation that reflects the customer’s perception of specific dimension of service: Reliability, Responsiveness, assurance, Empathy, tangible, satisfaction on other hand is more inclusive. It is influenced by perception of service quality, product quality and price as well as situational factors and personal factors.”

O’Neil and Palmer (2004) define service quality as the difference between what a student expects to receive and his/her perceptions of actual delivery.

In the present context Service Quality means the relationship between Expected quality, Perceived quality and Satisfaction.

a) Expected quality is defined as marketing perspective ‘what potential buyer thinks or feels about product’ i.e. the needs, wants, and preconceived ideas of a customer about a product or service. Customer expectations are beliefs about service delivery that serve as understanding or reference points against which performance is judged.

In the present study Expected quality means the students’ expectations from educational service quality are studied.
b) **Perceived quality** is defined as the consumer’s judgment about an entity’s overall experience or superiority *(Zeithaml, 1987; Zammuto et al. 1996)*. Similarly, *Parasuraman, Zeithaml and Berry (1990)* also concluded that consumer perceptions of service quality result from comparing expectations prior to receiving the service, and their actual experience of the service.

In the present study, perceived service quality means the evaluation of a number of service encounters and in this case, these could range from student’s encounter with office staff, tutors, lecturers, the head of departments, etc. Students’ perceived quality is measured on following components:

a) Tangibility  
b) Reliability  
c) Responsiveness  
d) Assurance  
e) Empathy  

In this study tangibles are appearance of physical facilities, equipments, personnel and communication material, reliability means ability to perform the promised service dependably and accurately, responsiveness is willingness to help students and provide prompt service. Assurance means knowledge and accuracy of employees and their ability to convey trust and confidence. Caring individualized attention here refers to empathy.

**Satisfaction** is defined as a state felt by a person who has experience performance or an outcome that fulfill his or her expectation. *(Kotler and Clarke (1987)).*

In the present study, satisfaction of the students is measured on the basis of the gaps between their perceptions & expectations and there is also a special section in the ‘SERVQUAL Scale’ for this purpose (Statements based on students’ satisfaction from their institution).
iii) **Marketing Mix Elements:**

The Marketing Mix is one of the most widely accepted concepts in the discipline of marketing (Brown, 1991). The Marketing Mix or the marketing strategy is the combination of stages or elements necessary to the planning and execution of the total marketing operation (Yadin & Jefkin, 2000). The traditional marketing mix is composed of the four Ps: Product, Price, Place and Promotion. These elements appear as core decision variables in any marketing plan. The notion of a mix implies that all of the variables are interrelated and dependent on each other to some extent.

In the present study, marketing mix includes seven Ps (above four Ps along with more 3Ps i.e. People, Physical evidence and Process) of education service marketing mix.

iv) **Self-Financing:** A self-financing course of educational provision is one for which, either immediately or after a short initial period, the income from the fees paid by (or on behalf of) the students plus any other income or funding from sources other than the Funding Council covers, or is intended to cover, all the ongoing costs of provision, including an appropriate share of the institution’s overheads, such as central administration, buildings, heating, etc.

iv) **Professional Colleges:** “Professional Institution” means a College or an Institution by whatever name called, imparting professional education approved or recognized by the competent statutory body and affiliated to a university and includes a constituent unit of a deemed to be university imparting professional education.
1.23 Objectives of the Study:

1. To identify the key elements (7Ps) of marketing mix in educational service sector.
2. To identify the gaps between the perceptions scores of the students of Education colleges & Management institutions about the Marketing Mix elements of education services.
3. To study the significant difference between the perceptions of students of Education colleges & Management institutions about the 7Ps and total Marketing Mix components.
4. To identify the gaps between expected services and perceptions about actually received service quality in educational services.
5. To study the significant difference between the Expectations & Perceptions of the students about the service quality components provided by their institution.
6. To identify the gaps between the Gap-scores of the students of Education colleges & Management institutions about the service quality components provided by their institution.
7. To study the significant difference between the Gap-scores of the students of Education colleges & Management institutions about the service quality components provided by their institution.
8. To study the significant difference between the overall satisfaction scores of the students of Education colleges & Management institutions about the service quality provided by their institution.
9. To identify the significant relationship between the perceptions of students about educational service quality and overall satisfaction.
10. To identify the significant relationship between the Gap scores (Perceptions- expectations) and overall satisfaction from their educational service quality.
11. To draw out the suggestive measures for marketing implications and marketing strategies in educational services sector.
1.24 Delimitations of the Study:

1. The study was delimited to only self-financing professional colleges.

2. The study included only 10 professional colleges (5 Colleges of education & 5 Management Institutions) located in Haryana.

3. The study was delimited to ‘Gap-5’ (Difference between Expected & Perceived Service Quality of students) only.