APPLYING GAP THEORY AND OTHER GOOD STUFF FROM SERVICES MARKETING LITERATURE TO THE ADMINISTRATION OF A BUSINESS SCHOOL

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ABSTRACT

This paper applies the services marketing concepts presented in the Zeithaml and Bitner Services Marketing book to the administration of a business school. The paper focuses on seven topics:

- The Tangibility Spectrum.
- Basic Characteristics of Services.
- The Expanded Marketing Mix.
- Gap Theory.
- Positioning the Offering.
- The Importance of Faculty.
- The "Servicescape" Concept.

INTRODUCTION

The publication of Zeithaml and Bitner's Services Marketing in 1996 has brought together in a highly accessible form much of what we know about the marketing of services. As a result, it is now easy to apply services marketing concepts to any service of interest. This paper shows how these concepts would apply to a business school.

The paper follows the Zeithaml book and page references are given throughout. The sections that the author considered to be especially relevant to a business school are touched upon.

THE TANGIBILITY SPECTRUM

Products and services may be ranked according to their tangibility (page 7). Salt is shown as being highly tangible, while teaching is shown to be least tangible. The point of this classification is that the concepts presented in the services marketing literature are especially significant to the services that are least tangible, such as teaching.

BASIC CHARACTERISTICS OF SERVICES

Services differ from products in four important ways: intangibility, heterogeneity, simultaneous production and consumption and perishability (18). All of these ways affect marketing strategy.

Services are intangible and teaching is among the least tangible services. Intangibility leads to two problems. It is difficult to describe teaching and it is difficult to evaluate its quality. Regarding the first difficulty, it is very important to be careful in describing teaching fully and accurately in order to avoid building up unrealistic expectations in the minds of students. Regarding the second difficulty (evaluation), schools have to anticipate that students will use a variety of sources of information in evaluating the quality of the teaching, including people (administrators, faculty, staff and other students), physical evidence (classrooms, lounges, labs, libraries) and processes (instructional and administrative).

Services are heterogeneous. Even within one institution, teaching is produced by different people, in different places, at different times, with different students. Therefore, the quality of the service delivered depends on the capabilities, demeanor and motivation of service providers (teachers), the adequacy of the physical surroundings and the interest and behavior of the students. The challenge of maintaining the quality of teaching in an institution requires measures that affect positively the behavior of many people in different places, in the absence of close supervision. Indirect methods, such as marketing to the service providers (teachers) need to be used.

Services are produced and consumed simultaneously. All service providers, administrators, teachers and staff are producers and simultaneously marketers of the educational service. At the same time, the behavior of students may affect the quality of the education received by all students. These factors lead to two conclusions. To achieve best results, all service providers should have a basic understanding of marketing and possess marketing skills. In addition, students must be selected and oriented and if need be trained, in ways that will enhance the learning experience of all students.

Services are perishable. Teaching cannot be stored. It cannot be returned or replaced. To achieve satisfactory financial results proper scheduling becomes an important issue. On the other hand, in order to en-
able students to get a good education, it may appear necessary, at times to schedule small classes. Conflicting goals may require creative problem-solving.

THE EXPANDED MARKETING MIX

For all services marketing, including teaching, three elements have to be added (26) to the usual four part marketing mix consisting of product, price, promotion and distribution. The following three elements also have to be considered in formulating marketing strategy because all of them play a role in student pre-purchase and post-purchase evaluation:

1. People: administrators, teachers and students.
2. Physical evidence: buildings, classrooms, computer labs, libraries, student lounges.

GAP THEORY

The first gap of concern to us is the customer gap (37) which is defined as the difference between customer expectations and perceived service delivery. In the instance of business education, two sets of customers that are important: students and employers.

Student expectations are formed by school-controlled factors such as pricing, advertising and other promises and external factors such as student needs and competitive offerings. Student needs include: to obtain a broad business background, a strong specialization in a business discipline, career advancement and to make personal connections.

Employers want students who possess a broad business background, a strong specialization in a business discipline and who communicate effectively orally and in writing, have excellent inter-personal skills, are good team workers, have a strong work ethic and are enthusiastic about their jobs.

The marketing objective of the school is to eliminate or greatly reduce the customer gap. It does this by addressing the four provider (school) gaps (38).

Gap 1. Not knowing what students and employers expect. Difficulties occur because students' expectations are not uniform and expectations of students differ from expectations of employers. While they are attending school, some students want easy courses and generous grading while others want to learn a lot and expect a lot of homework and high grading standards. As they approach completion of their studies, most students want offers of good jobs.

Another difficulty is that while many students are content with interesting lectures that prepare them well for exams, many employers want people who possess skills that are not developed through note taking and answering questions on examinations.

In order to close the first provider gap, the school needs to define reliably the wants of employers and of students, in the short run and at graduation time.

Gap 2. Not designing the curricula that meet students' and employers' expectations. A problem occurs if students' and employers' expectations differ. Another problem may occur if AACSB curriculum requirements differ substantially from employers' and students' expectations. A third problem may be faculty resistance to change. A fourth problem may come from a faculty teaching evaluation system that relies entirely, or almost entirely on end-of-term student evaluations because then teachers are driven to "teach-to-the-test," a practice that does little to develop the skills that employers need.

Gap 3. Not offering the planned courses or not teaching them properly. Need to limit actual course offerings to those that attract a certain minimum enrollment may reduce the number of courses offered. Also strong emphasis on research and publication limits the time that teachers have for developing new teaching materials that would lead to satisfaction of employer needs. This in turn, makes it difficult for students to satisfy their needs at the time that they apply for jobs or seek other forms of career advancement.

Gap 4. Not matching performance to promises. The school promises a good education which students interpret as being an education that leads to attractive job offers from good employers. In reality, students may not get any job offers because of the school's inability to resolve conflicts among the expectations of students, employers and the AACSB and because the school uses inappropriate faculty performance evaluations and rewards.

POSITIONING THE OFFERING

A school's position is the way it is perceived by students and employers, particularly in relation to other schools offering similar services (286). The service
position is what is in the customer’s mind whether or not it is the image planned or desired by the organization. The goal of the school should be to achieve and maintain a position that is different and better than that of competitors. Effective positioning requires that the difference and superiority be based on something that . . .

- Is important to students and employers,
- Differentiates the school significantly from competitors
- And that the school can deliver consistently.

Positioning may be based on one of the five dimensions of service quality (288) or one of the three elements of the service evidence (291). There is some overlap between the two categories.

On the Five Dimensions of Service Quality

1. **Reliability** is the ability to deliver important promised results, such as career advancement, consistently. Alumni testimonials and placement and career progress data would have to be offered to support this type of positioning. In addition, some form of guarantees might have to be offered.

2. **Responsiveness** is the willingness to help students. Substantial advisory and tutoring services would have to be offered to support such positioning.

3. **Assurance** positioning would have to be backed up by evidence of the knowledge and thoughtfulness of administrators, faculty and staff and their ability to inspire trust and confidence.

4. **Empathy** positioning would have to be supported by evidence that caring, individualized attention is given to students by administrators, faculty and staff.

5. **Tangibles** positioning would have to be supported by the appearance, usefulness and comfort of physical facilities and the quality and availability of computers, on-line services and library, etc.

On the Three Elements of Service Evidence

1. **People** positioning would claim (and offer credible evidence) that the schools' administrators, faculty and staff are superior to those of competing schools in their knowledge, availability, thoughtfulness, courtesy and ability to inspire trust and confidence. Even more important, would be the claim, supported by proof, that the school admits only very highly qualified students. A graduate business school might claim that all entering students have a 600+ GMAT score and two years of significant business experience.

2. **Physical Evidence** positioning would have to be supported by the factors listed above under “Tangibles:” the appearance, usefulness and comfort of physical facilities and the quality and availability of computers, on-line services and library, etc.

3. **Process** positioning would have to demonstrate the superiority of the curriculum and instructional methods used and support services provided.

THE IMPORTANCE OF FACULTY

In the marketing and delivery of services, the good performance of employees is essential to success (303). Which employees? All employees who come into contact with the students: administrators, faculty and staff. A relevant concept is that employee satisfaction is a prerequisite for achieving student satisfaction (304). Furthermore, employee satisfaction and student satisfaction are mutually reinforcing.

The following section focuses on **faculty** because it is the performance of this group that has the greatest effect on ultimate satisfaction of students. Administrators need to consider two factors if their aim to maximize student satisfaction: role ambiguity and conflict and the evaluation and reward system.

Role ambiguity and conflict occur when it is not clear to the employee which objectives to pursue and the objectives being considered are in conflict with each other. In business schools, faculty are confronted with two sets of teaching objectives:

1. **Students' short term objectives** of achieving good grades with moderate effort and anxiety. To satisfy these objectives, teachers present detailed (and sometimes interesting) lectures geared to the midterm and final exams. In elementary schools, this practice is derisively called "teaching to the test." In AACSB accredited business schools this is called excellent teaching and receives the highest evaluations, especially if the lectures are accompanied by multimedia computer-generated entertainment.

2. **Students' end-of-the-program objectives** of getting a good job or a promotion or a raise in pay. To satisfy these objectives, teachers have to impart
marketable and transferable skills, as well as career marketing skills in addition to covering the required content of their courses. This increases students' workload substantially and also provokes anxiety because many students discover that they are deficient in important skills and that these skills are difficult to learn. Some students are frustrated by this extra work and anxiety and vent their frustration by giving their teachers low scores on evaluations.

The problematical situation described above calls for clear definition of objectives and proper orientation of students so that they obtain a clear understanding of what they need in order to achieve their objectives.

The faculty evaluation and reward system has to recognize that students may have to work hard to achieve their objectives and that they may experience anxiety and frustration on the way and that faculty members should not be penalized for trying to prepare students for the challenges of the real world.

THE “SERVICESCAPE” CONCEPT

The “servicescape” is the totality of the physical environment of the learning experience. It includes all aspects of the classroom (size, shape, seating arrangement, ventilation, acoustics, lighting, blackboards, audio-visual equipment, availability of computers), library, computer labs, lounges. The nature of the servicescape affects the success of the education marketing effort in two important ways.

First, because education is intangible, students rely on tangible cues, or physical evidence, to evaluate the learning experience before its purchase and to assess their satisfaction during and after consumption (519). Consequently, the servicescape should provide students with positive cues regarding the quality of the education.

Secondly, as noted previously, education is a service that requires the presence of both service provider (faculty) and customer (student). Also, as noted previously, to achieve student satisfaction, it is necessary to obtain faculty satisfaction. The “servicescape” is the teacher’s working environment and represents the sum total of the physical tools available to the teacher. Therefore, satisfying the needs of the teacher must be a primary consideration in designing, constructing and maintaining the servicescape (521).

SUMMARY AND CONCLUSIONS

First, there is the basic assumption that the school wants to satisfy its students because the students are the people who select the school. To help students to satisfy their ultimate desire for good jobs, or other forms of career advancement, the business school must provide an education that satisfies employers' needs for productive workers. Students may lack a full understanding of employers' needs and the skills the students will need for long-term career advancement. It is an important part of the business school's job to enlighten students regarding these important issues and to provide the skill-training they need.

In accomplishing these tasks, the school has to define through proper research the exact needs of relevant employers and skills students need to land desirable jobs and to move up on corporate career ladders or to succeed in their own businesses.

Then the school has to inform the faculty about these research findings, to set appropriate objectives and motivators and to encourage the faculty to develop required curricula, courses and instructional materials.

The next step is to provide faculty training and to install evaluation and reward processes to assist and motivate the faculty.

In positioning, the school has a multitude of choices. However only two stand out as being worthy of serious consideration. If the school happens to be one of the top schools in the country, with high entrance requirements (SATs and/or GMATs) and high percentage of rejections of applicants, the positioning is in place and no changes should be made. If the school is one of the multitude that cannot afford to be highly selective, its positioning should focus on reliability: “We promise to give you the most effective education for life-long career progress.” To support this claim, the school must close all four provider gaps.

Because of the intangibility of teaching, the school must provide state-of-the art physical facilities and processes. It will also have to use appropriate training, evaluation and reward methods to assist and motivate the faculty in delivering on the promise of reliability.

REFERENCE