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A Service Perspective on the Marketization of Undergraduate Education

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Higher education in the United States is rapidly moving toward a marketized model of service provision, one emphasizing marketing practices based upon relevance and student satisfaction. The results of the study reported herein suggest that such strategies may not ensure equal balance between service quality and the quality of education as a service. Specifically, a study is presented suggesting that grades (an indicant of learning) are neither endogenous (positively related to) nor exogenous (antecedent to) a typical service quality/customer satisfaction model vis-à-vis Introduction to Marketing courses. If student service quality perceptions, satisfaction judgments, and engagement practices are indeed unrelated to grades at the classroom level, then a question exists as to how well a focus on student satisfaction (and relevance) actually engender student involvement in the value co-creation process in education delivery. The following study suggests diligence in balancing the quality of the educational service versus service quality practices within the context of the marketization of education, and continued efforts by service marketers to better understand the unique service marketing characteristics of the educational product. The research and managerial implications of the reported study are presented and discussed.

Key words: marketization; higher education; student satisfaction; service quality; engagement; value co-creation

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1. Introduction

Much confusion exists today among university stakeholders as to the meaning of universities, and a plethora of concepts exists as to what is important in a university experience. Each competing concept is driven by different ideologies and motives (Ng and Forbes 2009). However, this has not prevented the US education system from rapidly becoming “marketized,” wherein universities are driven to act like firms in competitive marketplaces that seek effective competitive strategies (e.g., actively compete for students, faculty, university ratings, etc.; see Chia and Holt 2008, Grewal et al. 2008, Healy 2007, Ng and Forbes 2009). Anctil (2008) asserts that an intriguing challenge facing marketing educators today therefore involves how best to engage in pedagogical practices that balance these emerging organizational “marketized” goals with the academy’s traditional learning objectives. That is, the question arises as to the level of congruence between (1) traditional learning activities, (2) university stakeholder decision making in a marketized environment, and (3) marketing practices in the delivery of educational services consistent with marketized university organizational objectives (e.g., persistence until graduation, student satisfaction, positive word of mouth behaviors, and other university ranking criteria). Lowrie and Wilmott (2006) characterize this phenomenon as the hybridization of *relevance* (i.e., market demand) and *tradition* (i.e., liberal virtues). These labels are adopted herein.

However, the marketization of education is not without critics. Bartlett et al. (2002) associate marketized education with distinctly negative social consequences. Lowrie and Willmott (2006) argue that the hybridization of relevance and tradition makes traditional resistance to the encroachment of relevance into university education more difficult to justify, and perhaps impossible to sustain. An editorial in *Quality of Higher Education* in 2008 argues that the types of increasingly influential university rankings associated with marketized education provide a real threat to quality processes. Rotfield (2008) suggests that marketing practices in higher education could be cultivating less thinking among college students. Molesworth et al. (2009) assert that marketization has led to a consumer

culture wherein students seek to achieve degrees (i.e., credentials) rather than become learners. Ng and Forbes (2009) similarly assert that the marketization of education leads to student consumerism and disengagement; and argue that education is unique as a service, that the core of the university experience is a co-created learning experience, and that a true student orientation sees universities as seeking to meet both short-term marketized objectives as well as longer-term traditional learning outcomes. The gist of the extant criticism seems to focus on issues related to the integrity of the learning process, which we define in this context as *quality of service*. Alternatively, we characterize typical marketing practices associated with marketization as focusing on *service quality*.

Newman and Jahdi (2009) assert that the marketization of education requires consideration using the broader framework provided by a service marketing perspective. However, a problem exists in that while education is a service (Vargo 2009), there appears to be only sparse consideration of the marketization of higher education from a service marketing perspective to date (Helgesen 2008, McClung and Werner 2008, Ng and Forbes 2009, Mourad, Ennew, Kortam 2010). As stated by Richard Larson of MIT, "Education as a service industry is crying out for serious research." (2009, p. i) The current study helps address this gap in our knowledge in two important ways. First, the perspective adopted herein is a service marketing perspective of education as a service product. As discussed below, this perspective provides a new way to consider the value associated with education delivery and consumption (i.e., co-creation of value), builds upon alternative conceptualizations of the concepts of engagement and quality, and suggests a causal model of student satisfaction, quality of the education service, and student engagement. Second, an empirical study is reported that assesses the identified causal order. The results cast suspicion as to the strength of the association between relevance and learning within the context of hybridized education models. Consequently, caution is suggested to ensure a balance between relevance and tradition in the delivery of education (or, alternatively, between service quality and quality of service). The next section briefly describes how the marketization of education has evolved and the implications of adopting a service marketing perspective.

2. The Marketization of Education & Service Marketing

2.1 The Marketization of Education Has Political Foundations

What has driven the marketization of education? Helfenbein (2004) asserts that there is a widely-held belief that education in the United States is in "crisis," ultimately concluding that the current "crisis" in US public education is largely contrived to serve political ends.¹ In other words, educational policy based upon this contrived "crisis" serves to facilitate arguments of relevance over tradition. Lowrie and Wilmott (2006) identify the epistemological mechanism by which such political influences operate. Their argument (succinctly) is that: (1) the discourses of traditional higher education and market relevance are being transformed by promotional articulations that change the subject position and status of higher education; (2) traditional higher education legitimizes market relevance; (3) market relevance legitimizes traditional higher education; (4) power works vis-à-vis the promotion of curriculum (for commercially sponsored degrees); and (5) call for the use of novel analytical techniques in this area of inquiry such as Critical Discourse Analysis (see Liasidou 2008). These authors illustrate promotional materials articulated in such a way as to (1) raise fear in order to sell solutions, (2) promote inequality, and (3) hybridize traditional higher education with market relevance as a process of legitimizing change.

The purpose of the current research is not to attempt to arbitrate arguments of the relative merits of tradition versus relevance within the context of marketized higher education. Rather, we are comfortable with the conclusions of Lowrie and Wilmott (2006) that (1) relevance has always been an important aspect of higher education; however, (2) relevance is becoming increasingly vocal at the expense of tradition; and (3) tradition has been incorporated into relevance as a promotional and legitimizing mechanism. The persuasive arguments and marketing tactics underlying the marketization of education in the United States appear to be increasingly dominated by considerations related to relevance (i.e., more emphasis on specialization/training and a plurality of methods for developing traditional intellectual abilities is pursued through courses that are specific to ever-narrowing segments of commercial activity). Further, the weight of the evidence in the extant literature suggests that

¹ In brief, Helfenbein (2004) asserts that the marketization of education includes changes in funding structures, connections between schools and the work world, and perceptions of education as a commodity. He argues that there really is not a material crisis in public education, rather, that business has involved itself in the discussion as a primary definer and that the sense of crisis in public education was manufactured to serve political goals and to advance high-stakes testing and other aggressive educational policies.

the forces promoting the marketization of higher education can be expected to continue to grow for the foreseeable future. The current research calls for balance in the form of protection of the long-term value adding learning process (quality of service) within the progression of the marketization of education (service quality). This study supports this call by considering the marketization of education from a service marketing perspective.

2.2 Personalization in Pedagogy Encourages the Marketization of Education

One of the key trends that has contributed to the marketization of education has been an increased emphasis on personalization in pedagogy. Horne (2005) offers the following definition of the concept which is adopted for purposes of the current research:²

...personalisation is about putting citizens at the heart of public services. It is about raising standards by shaping provision around individual citizens and enabling them to have a say in the design and improvement of the organizations that serve them. In education this can be understood as personalised learning – the drive to tailor education to individual need, interest and aptitude so as to fulfill every young person's potential.

This definition appears consistent with Hartley's (2007) conclusion that the term personalization, as applied to education, has clear associations with contemporary marketing theory, particularly consumerism (also see Hartley 2009, Miriam and Clegg 2008).³ In fact, Hartley (2007) asserts that the term *consumer* has been insinuated into educational discourse since the school-choice legislation of the early 1980s. Consequently, the marketization of education has been placed at the very heart of the pedagogical process under the guise of *personalized learning*.

2.3 Linking Service Marketing Theory to the Marketization of Education

Personalized learning becomes the linchpin for reconciling the marketization of education with the service marketing perspective. Hartley (2007) notes that capitalism today focuses on the service economy, a high touch/relationship-oriented economy, customization, and the co-creation of value. The policy of personalization is informed by the concept of customization through co-configuration and co-customization (Victor and Boynton 1998). Specifically, the process of co-configuration in an age of co-customization involves the process of continued customization, but in the identity, experience, and relationship with the product and not the product or service itself. Thus, as businesses seek to design identities for sale in product innovation, the focus changes to relationship retention by offering new imaginings, new identifiers, and even new sensations and transformations. This has led to the regulation of education seeking to deliver "excellence" while at the same time resonating with the culture of consumerism and enjoyment. Related to education as a service product, this helps explain the movement away from a traditional emphasis on broad-based learning in education toward one focusing on relevance, engagement, and the quality of service *delivery* (as typically expressed through student satisfaction) within academic institutions.

2.4 Marketing Practices in Higher Education

Javalgi, Joseph, and LaRosa (2009) assert that knowledge-intensive services such as higher education must consider the needs of the market when developing marketing strategies based on consumer demand, consumption preferences, and design and delivery options. Unfortunately, Forbes and Ng (2009) suggest that academic institutions typically have a poor understanding of marketing practices, even as they increasingly attempt to implement tactics for encouraging admissions and student satisfaction (hence the focus on "relevance"). We assert that this circumstance exists because university marketers are typically engaging in practices based on a dated marketing perspective (a goods based perspective). Thus, university marketers often attempt to demonstrate the value added to a student's educational experience via arguments of greater university rankings (even though they are not typically associated with the quality of learning), higher student satisfaction, and greater returns on the student's investment through arguments related to employment post graduation. These practices are exacerbated by the short-term, utilitarian goal orientation of typical undergraduate students (Taylor et al. 2011) which shift the burden of adding value to the service provider and not the consumer.

² Hartley (2007) suggests that personalization within the context of education is a very elastic concept, one riven with imprecision (also see Pykett 2009).

³ Hartley (2009) goes even further with this assertion by arguing that the concept of *personalization* can refer to either a new mode of governance for public services, or (2) qualifies the noun "learning," as in "personalized learning." Hartley (2009) concludes that government efforts to retain the concept of personalization in pedagogical discourse adapts education even more toward a consumerist society and generates a nostalgic appeal to better times long ago.

The current service marketing perspective is more consistent with the service-dominant logic, or **S-D**, proposed by Vargo and Lusch (2004). The S-D logic focuses on intangible resources, the co-creation of value, and relationships that move beyond a typical good-based approach to marketing theory and practice. *Services* are defined as, "...the application of specialized competencies (knowledge and skills) through deeds, processes, and performances for the benefit of another entity or the entity itself" (Vargo and Lusch 2004, p. 2). Thus, marketing's service-centered dominant logic is customer-centric, consistent with the concept of personalization, and *implies that value is defined by and co-created with the customer rather than embedded in output* (i.e., is phenomenologically determined). That is, the customer becomes primarily an operant resource (as a co-producer) rather than an operand resource (as a target for marketing activities). Service, in this perspective, becomes the fundamental basis of exchange, operant resources are the fundamental source of competitive advantage, and the S-D has a systems perspective consistent with the emerging service science perspective that recognizes that value creation takes place both within and between systems at various levels of aggregation (Vargo and Lusch 2008). Consequently, the S-D perspective suggests a longer-term orientation in which stakeholders share responsibility for value creation. We assert below that approaching education delivery from the more recent S-D perspective affords university marketers the ability to compete in a marketized environment (focusing on service quality), while at the same time protecting the integrity of the quality of the educational service product.

2.5 Summary

This section first identifies how the marketization of higher education (with consequent arguments of relevance) are dominating the discourse on higher education in the United States. Second, the growth of an emphasis on personalization in pedagogy is identified as the linchpin to link service marketing theory and practices to the marketization of education. Third, the S-D is identified as a theoretical explanation of how a current service-driven consumer orientation will benefit the marketization of higher education through greater (co-)value creation. This conclusion suggests that marketing practices to date associated with the marketization of education have typically relied on a somewhat naïve interpretation of the (service) marketing function in that the emphasis appears to often focus on short term, tactical objectives such as higher university rankings, relevance, and student satisfaction rather than longer-term, strategic considerations associated with true value co-creation. We ultimately argue that the marketization of higher education will best benefit from commensurable value propositions consistent with the S-D perspective. Such value propositions will necessarily emphasize traditional learning models associated with higher education as a public good in addition to a well perceived service experience. The following model empirically assesses how well the relevance model associated with the marketization of higher education relates to achieved learning in support of this argument.

3. The Theoretical Model

Ng and Forbes (2009) conclude that it is clear that students' satisfaction in the consumption of the university experience is important. Thus, it is not surprising that it appears reasonable to assume that a consumer orientation should be an integral component of marketing education, and that adopting the traditional goods-oriented tactical marketing orientation toward higher education is justified. The current research provides an initial test of this logic. At its foundation, the "marketized" perspective influencing higher education ultimately relates to positively influencing stakeholders' attitudes, judgment and decision making (**J/DM**), and subsequent behaviors. Basic service marketing constructs generally considered important in models of J/DM within the context of relationship marketing include trust/commitment, involvement, satisfaction, and service quality, among others (Anvari and Amin 2010, Parvatiyar and Sheth 2000, Sharma 2007). Readers will note that this perspective reconciles well with more general marketing models such as the service profit chain (Heskett, Sasser, and Schlesinger 1997), relationship marketing (Sheth and Parvatiyar 2000), and customer equity (Rust et al. 2005) perspectives, in addition to the S-D framework advocated herein (Vargo 2009).

As an initial starting point, the following study builds upon this perspective by considering the inter-related influences of student engagement, course-specific quality perceptions, associated satisfaction judgments, and overall grade performance. The foundation for each of these outcomes begins with service quality perceptions. Service quality is constitutively associated with excellence (Oliver 1997), best operationalized by measures of performance at the attribute level of analysis (Cronin and Taylor 1992), with satisfaction judgments superordinate to service quality evaluations in J/DM models (Cronin and Taylor 1992, Oliver 1997). Helgesen (2008) presents a model of student loyalty within the context of relationship marketing reflecting these associations, the core of which suggests that:

service quality perceptions → satisfaction → loyalty (1)

3.1 The Quality Quandary

Ng and Forbes (2009) specifically argue for considering service quality perceptions based on a gap model in this context. The use of gap scores has remained popular in service marketing practice in spite of a variety of well known limitations consistent with congruence scores (see Ng and Forbes 2009 and Cheung 2009a for brief summaries). Gap scores such as those advocated by Ng and Forbes (2009) are popular and traditionally termed disconfirmation scores in the service marketing literature (Oliver 1997). Disconfirmation, or gap, measures are a form of *congruence* (agreement, fit, and similarity). However, Ng and Forbes (2009) assert that it remains unclear in this context whether performance or disconfirmation (the gap formed by performance relative to expectations) should theoretically be considered more meaningful as an operationalization of service quality perceptions in these theoretical models. The current research utilizes a newly proposed method by Cheung (2009a), the Latent Congruence Model (LCM), to help answer this question.⁴ One of the biggest obstacles in advancing disconfirmation research in service marketing satisfaction research has been the conundrum of how to operationalize disconfirmation/congruence. In particular, previous methods shared the problem that observed variables are measured with error. The LCM partials out measurement errors when estimating structural parameters. This leads to the first two hypotheses (H1 and H2 in Table 1).

Table 1 Study Research Hypotheses

Hypotheses	Empirically Supported?
H1: Student Satisfaction is positively related to Service Quality Performance evaluations.	Yes
H2: Student Satisfaction is positively related to Service Quality Disconfirmation evaluations.	No
H3: Student Engagement self perceptions are positively related to Student Satisfaction.	Yes
H4: Achieved Student Final Course Grades are positively associated with Student Engagement self perceptions.	No

Carle et al. (2009) further identify student engagement as a significant quality-related issue facing higher education. Specifically, the education literature has taken a different approach to conceptualizing and measuring the quality of the educational product. Largely in response to the marketization of education in the course of transforming itself into a mass industry, Bell (1983) argued that US universities had lost sight of the conditions that make for quality and excellence in education. This argument formed the foundation for the current focus on student engagement in US education (NSSE 2009). Carini et al. (2006) assert that a variety of approaches have been used to estimate collegiate quality; arguing that student engagement is generally considered to be among the better predictors of learning and personal development. Taylor et al. (2010) historically review efforts within the general education community to define quality of education leading to the similar conclusions that (1) student engagement is a useful predictor of higher education quality provision, and (2) student engagement likely operates by fully mediating the influence of university pedagogical efforts on achieved learning outcomes. These authors conclude that a measure of commensurability exists suggesting that student engagement generally refers to the time and energy students devote to educationally purposeful activities (see <http://nsse.iub.edu/>). Student engagement typically evaluates the overall institutional experience. So, education's approach to the issue of quality of education reflects the perspective that student engagement (trying) represents the best (operational) definition of high quality service provision at the level of the overall educational experience.

⁴ A reliance on the LCM within the context of satisfaction research is further supported by Cheung's (2009b) clarification that the LCM treats congruence as an independent construct consistent with Oliver's (1997) disconfirmation model. Importantly, the current research makes no attempt to articulate a generalizable set of quality-based attributes for education as a service product. In other words, the purpose of the study is not scale development. Rather, a set of class specific attributes consistent with the evaluative criteria typically seen in higher education and specific to the course presented underlying this study are employed. This allows for a consideration of the relative roles of service performance versus disconfirmation in the formation of satisfaction judgments.

The general business literature similarly defines engagement as a cognitive and affective commitment to an active relationship with the organizational brand (Mollen & Wilson 2010). However, service marketers conceptualize the construct much differently. Van Doorn et al. (2010) propose that customer engagement behaviors (CEB) capture how and why customers behave in numerous ways that are relevant to the firm and multiple stakeholders (i.e., it is more than purchase behavior). Van Doorn et al. (2010, p. 254) specifically define CEB as "... a customer's behavioral manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers." These authors conceptually visualize CEB as mediating/moderating the relationships between customer-, firm-, and context-based antecedents on organizational outcomes in terms of the customer, the firm, and others (see van Doorn et al. 2010 for a complete description of their conceptual model). This conceptualization of CEB purports to be consistent with the previously discussed S-D perspective. The current research minimizes this difference by using direct predictors of "engagement" within the current research.

In summary, the education and service marketing literatures both highlight the importance of quality in models of consumer J/DM. Second, both disciplines recognize the important role of engagement in such processes. Third, both disciplines conceptualize engagement as subordinate (i.e., predictive) to individuals' (as well as firm and societal) marketing consequences. Finally, both student and customer engagement constructs recognize that engagement is a consequence of a variety of exogenous influences beyond an individual service interaction. These conclusions help inform the research model investigated herein.

3.2 The Research Model

While related, it appears that both the education and service marketing literatures conceive of engagement and quality as unique constructs. The following study validates this perspective by empirically discriminating between the constructs. This raises the question as to where engagement fits into predictive models of consumer satisfaction with education. The literature reviews above appear to suggest that engagement mediates individuals' J/DM processes and organizational outcomes. Consequently, we would expect that reconciling this observation with equation [1] above would lead to the proposition of equation [2] and H1/H2:

$$\text{service quality perceptions} \rightarrow \text{satisfaction} \rightarrow \text{student engagement} \rightarrow \text{loyalty} \quad (2)$$

Carini et al. (2006) further demonstrate evidence of very modest (but statistically significant) correlations between student engagement and overall student grade point average (GPA). From a service marketing perspective, we would expect that students and the educational service delivery process should co-create a shared value proposition – in this case more learning (as reflected by better grades). So, instead of student loyalty, we hypothesize equation [3] and H4:

$$\text{service quality perceptions} \rightarrow \text{satisfaction} \rightarrow \text{student engagement} \rightarrow \text{course grade} \quad (3)$$

4. Methods

SPSS 16 and Mplus 6.0 were employed to conduct associated statistical analyses. Appendix A presents the measures ultimately used in analyses. The IRB-approved study was conducted at a medium-sized university in the Midwest portion of the United States. Students from seven sections of an Introduction to Marketing course (taught by three unique instructors) during the Fall 2009 semester were invited to participate in an online survey for extra course credit. A total of 217 students responded to the confidential survey. One of the sections was Internet only, with the remainder being blended courses. All sections used identical lecture content, exercises, class activities, homework assignments, and grading criteria. Overall course grades were evaluative in nature and were assigned to reflect relative learning in the course. All sections were managed through Blackboard. The sample used for this study is generally representative of the student body at large (since marketing services a plethora of majors throughout the university), across colleges, and essentially equally represented by gender.

5. Results

5.1 The Measurement Model Underlying Hypothesis Testing

Three multi-item scales are identified in the study's measurement model: student engagement, student service quality evaluations, and student satisfaction judgments. Overall achieved course grades were operationalized by a

single-item variable. Taylor and Ishida (2010) propose a framework for assessing measurement models using self-report consumer satisfaction judgments that is applied within the current research. The first step in their proposed framework involves assessing the reliability and validity of the measures using traditional Classical Test Theory. The scales used in hypothesis testing exhibit acceptable reliability and validity (see Appendix A). The second step involves assessing measurement invariance across potential subgroups. Gender appears to be the only potentially meaningful group distinction within the population of interest. Group analyses failed identification tests, precluding tests of measurement invariance. We note this in the limitations section.

The final step proposed by Taylor and Ishida (2010) involves assessing potential method bias via the Comprehensive CFA Marker technique (CCMT, Williams et al. 2010). CCMT uses marker variables to assess potential shared variance associated with self-reports as a measurement model. In the case of the current example, we chose the personal masculinity dimension of the Bem Sex Role Inventory as a marker variable. We chose this dimension based on Choi et al.'s (2009) study demonstrating no statistical differences between men and women on this factor. This also helps minimize the issue related to identification identified above vis-à-vis any possible gender-related measurement invariance.

Table 2 The CCMT Method

<i>Model</i>	<i>χ^2</i>	<i>df</i>	<i>Statistical Standard</i>
CFA	221.138	113	
Baseline Model	224.658	125	
Method-C Model	219.398	124	
	Difference $\Delta \chi^2=5.26$	$\Delta df=1$	Standard at p=.05 is 3.84
Method-U Model	207.253	113	
	Difference $\Delta \chi^2=12.145$	$\Delta df=11$	Standard at p=.05 is 19.68
Method-R Model	214.497	119	
	Difference $\Delta \chi^2=7.244$	$\Delta df=6$	Standard at p=.05 is 12.59

Table 2 presents the results associated with the various models identified within the CCMT. The first step in implementing the CCMT is to conduct a confirmatory factor analysis (CFA) including the marker variable and the substantive constructs. The purpose of this step is to identify the factor loadings and measurement error variance estimates for the marker variable indicators for use in subsequent models. The second model evaluated is the Baseline Model. The Baseline Model allows the substantive factors to be correlated with each other, but maintaining the marker variable as an orthogonal latent variable with its indicators and error variances fixed to those values identified from the CFA in the previous step. The use of these fixed values in the Baseline and all subsequent models within the CCMT is necessary to establish the meaning of the marker latent variable because in all subsequent models the marker latent variable are linked to the substantive indicators via secondary factor loadings. The third model evaluated is the Method-C model, which is similar to the Baseline Model except that it involves additional (equivalent) factor loadings from the method marker latent variable to each of the indicators of the substantive constructs in the model. A comparison of the Baseline and Method-C models tests for the presence of method variance associated with the marker variable. Method-U frees these constrained factor loadings to test this assumption. Finally, Method-R fixes observed factor correlations in Method-C or Method-U for substantive variables observed in the baseline model. Comparing these models provides a statistical test of the biasing effect of the marker variable on substantive relationships. The results reported in Table 2 suggest some marker variance is apparent, but not enough to affect substantive relationships.

Table 3 Reliability Decomposition

	Reliability
R_{Total}	0.929
$R_{Substantive}$	0.793
R_{Method}	0.146

The CCMT further suggests quantifying the amount of method variance associated with the measurement of the latent variables. The goal is to decompose a reliability measure into its substantive and method variance components. The results presented in Table 3 suggest that the marker variable appears to inflate reliability estimates of the substantive latent constructs by about 14%. However, this does not appear to influence the predictive results in a substantive manner.

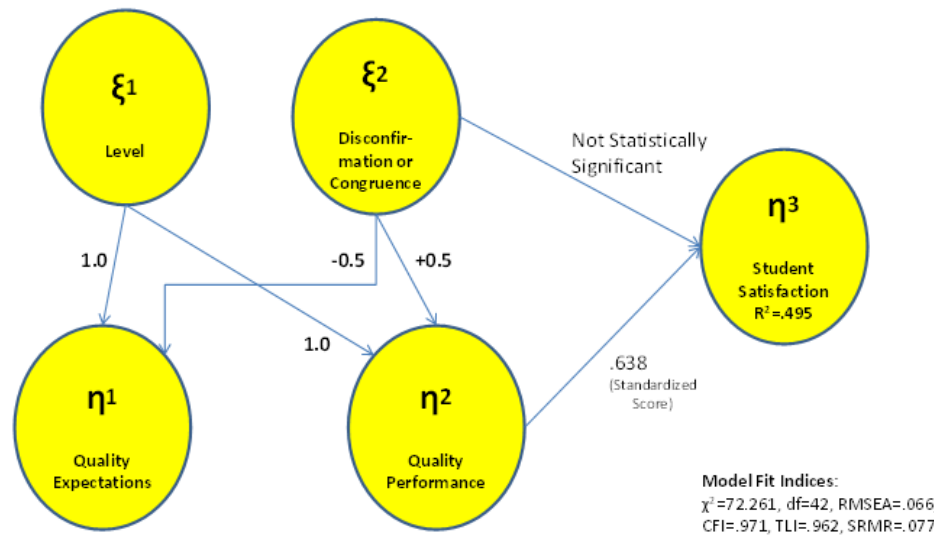
Table 4 Baseline and Method-C Factor Correlations with Method Variance Sensitivity Analysis

	Engagement	Quality	Satisfaction
Engagement	1		
	.525		
Quality	.524	1	
	.524		
	.432	.826	
Satisfaction	.432	.826	1
	.432	.826	

The order of cell entry correlations from top to bottom are original observed findings, Method-S ($p=.05$), and Method-S ($p=.01$).

The final suggestion advocated by Williams et al. (2010) concerns sensitivity analyses as a means to investigate the potential effects of sampling error on estimates of method variance due to marker variables (see Table 4). This process involves systematically selecting values of additional marker variable correlations which are higher than obtained estimates (i.e., Method-S). Specifically, the marker factor loading values are fixed at the upper end of the confidence intervals associated with $p=.05$ and $p=.01$. If the factor correlations are not different, then concerns about sampling error associated with the original estimates are lowered. The results in Table 4 support this conclusion in the current case.

Figure 1 Performance vs. Disconfirmation in Satisfaction Judgments



5.2 Service Quality and the Issue of Congruence

As stated previously, the appropriate conceptualization of service quality is critical to a complete understanding of customer satisfaction in this context (Cronin and Taylor 1992, Oliver 1997). Ng and Forbes (2009) assert that a gap-based conceptualization might best serve such a purpose in academic settings (also see Salvador-Ferrer 2010). The study herein is not concerned with generalizable service quality attribute identification in this context, rather, whether performance-based measures of performance (consistent with the results of Cronin and Taylor 1992) or gap

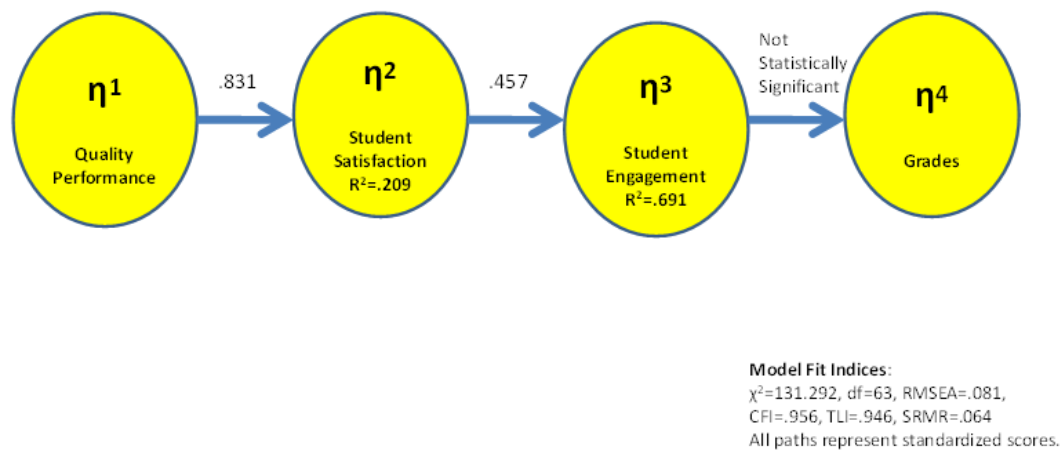
(disconfirmation or congruence) measures (consistent with Oliver 1997) best predict customer satisfaction in this context. The reported study empirically validates this question using a more rigorous, recently proposed method that accounts for measurement error (Cheung 2009) to assess H1 and H2.

Figure 1 presents the results of these analyses, and demonstrate findings consistent with those of Cronin and Taylor (1992). Specifically, only performance measures predict student satisfaction in this context. Thus, the results are interpreted as continued support for (1) arguments to operationalize service quality by performance-only measures in (education) service research, and (2) the veracity of a typical service-based satisfaction model within the context of higher educational services.

5.3 Model Hypothesis Testing

Figure 2 presents the results of hypothesis testing. As expected, the results demonstrate support for the influence of student course quality perceptions on their satisfaction with the class experience. In addition, student satisfaction is positively related to student engagement. However, student engagement is not found to be associated with learning as reflected by course grades. This result does not appear inconsistent with Carini et al.'s (2006) observation of only a weak correlation between student engagement and grades. In addition, consistent with observations across many industry settings, student satisfaction judgments appear to be superordinate to quality perceptions. Finally, post hoc analyses find that student satisfaction judgments also appear directly unrelated to grade performance. In fact, post hoc analyses failed to identify any direct relationships between model constructs and achieved grades as either an endogenous or exogenous variable.

Figure 2 Theoretical Model Test



5.4 Discussion of Results & Limitations

Overall, the results suggest some consistency of student consumer J/DM models in higher education with those found in other service settings, at least in terms of the relative influences of perceived quality and satisfaction judgments. In addition, student engagement (defined as trying above) appears to be positively related to student satisfaction judgments at the individual course level of analysis. However, the results also suggest that learning (measured herein as overall grade performance) appears unrelated to the process of student J/DM. Thus, there may be a substantial disconnect developing between what institutions of higher learning are trying to achieve (learning) in their value propositions and those attributes important to students' means-end evaluations of specific courses (relevance). This conclusion appears consistent with the recent study by Taylor et al. (2011) presenting means-end maps of US undergraduate students demonstrating that the bulk of their educational goals are related to (job) relevance and credentialing, and not learning per se. We suggest that this signals serious implications within the emerging S-D conceptualization.

Prior to discussing the implications of our results, we encourage readers to consider a few limitations of the reported study. First, we suggest caution in generalizing the reported results. While we are confident in the methods underlying the study, no single study in a single setting should form the basis for indisputable knowledge creation. Rather, we encourage other service marketers to replicate and extend the study reported herein in their own academic settings to help create stronger conclusions based on a preponderance of observed evidence. Second, the sample obtained herein failed to meet identification requirements for (gender) group analyses, thereby limiting the

ability to conduct measurement invariance analyses. We believe that this observation is likely sample specific, but encourage consideration of this issue in future service marketing studies in academic settings. Finally, the congruence studies were tested at a very general level. Perhaps a stronger test of H1 and H2 might occur by exactly matching expectation and performance attributes in the measurement model in considering the influence of the latent constructs. However, it remains unclear whether this is an achievable objective because the constitutive consistency between expected attribute structures related to performance and expectations in J/DM are unclear. Ng and Forbes (2009) argue that students' expectations should be twofold: those related to the deliverables by the institution and the deliverables by themselves. Students may alternatively evaluate performance more simply, making the structure and nature of congruence (disconfirmation) unclear. Clearly, much remains to be learned about congruence within service marketing contexts.

6. Managerial and Research Implications

6.1 Practitioner Implications

The marketization of higher education is a growing phenomenon that is encouraged by an era of dwindling external support as a public good, and subsequent increased competition among universities. The growing emphasis on marketing as a tool for universities to compete has led to more universities positioning on arguments related to *relevance* (i.e., market demand), often expressed as active competition for students, faculty, university ratings, etc. This emphasis on relevance has led university marketers to focus on using relevance and student satisfaction as argument foundations to try to influence prospective and current students' J/DM processes. Our study demonstrates that quality/satisfaction models typically underlying service models of consumer J/DM appear to generalize to higher education as a service setting. However, achieving student satisfaction does not appear to be associated with traditional academic learning objectives at the classroom level. Thus, the afore-mentioned concerns about the integrity of university learning processes in marketized models of higher education seem not to be unfounded. Most generally, we concur with Ng and Forbes' (2009) argument that a marketing orientation supported by service marketing theory and practices can help universities compete in the global arena, but only if the right principles are well applied. We suggest that the S-D perspective provides a framework for the identification of these principles. We offer the following specific recommendations to help guide the marketization of higher education to be more consistent with the emerging service marketing perspective.

Recommendation 1: Identify and adopt a common value proposition among all of the stakeholders of higher education. One of the key arguments of the S-D perspective is that value is defined by and co-created *with the customer* rather than embedded in output (i.e., is phenomenologically determined). We suggest that it remains unclear how value can be co-created in the absence of congruent value propositions among university stakeholders. Thus, the first objective of university marketers should be the identification and persuasion to adopt a consistent value proposition by all organizational stakeholders. We are not suggesting that achieving this objective will be easy. Ancil (2008) identifies a plethora of typical marketing challenges facing today's educational institutions, however, points out that higher education is not a business in the traditional sense. Rather, he calls for considering students as "collaborative partners" and cautions against the "student-as-a-customer" perspective, arguing that the former perspective reconciles well with today's common relationship marketing initiatives in higher education. This position also appears consistent with that of Hufner (2003) who considers the question of whether or not higher education is a public good, considering economic, legal, and normative-political perspectives. This author concludes that higher education is best described as a mixed good, one that is both public and private. Consequently, it seems difficult to disentangle the economic, and consequently political, implications for higher education organizational decision makers.

We suggest that marketing tactics associated with current strategies related to relevance and student satisfaction appear more consistent with a dated goods-based perspective of marketing wherein universities create value by *changing students* rather than *working with students* to reach common goals. This observation is highlighted by the results of Taylor et al. (2011) who demonstrate that students are primarily driven by issues related to relevance in their educational pursuits – not learning objectives. Thus, we suggest that the marketization of education is better served at this time by marketing tactics related to the identification and persuasion of acceptance of common (learning and experience) goals to underlie value perceptions and judgments than to increase admissions and higher external university rankings (not associated with the quality of the delivered education; Editorial 2008). Only upon a foundation of common goals can stakeholders achieve significant commensurability in desired value propositions associated with education as a service product.

This argument is consistent with the concept of identity salience. Applying the identity salience construct to relationship marketing, Arnett, German, and Hunt (2003) posit that the stronger a person's salience for a particular organizational identity, the more likely he will be to enact certain behaviors. According to these authors, identity salience plays an important role in nonprofit relationships when these two characteristics exist: (1) the exchange relationship involves individuals and (2) the exchange is based primarily on social exchange. They suggest that university administrators who are trying to encourage supportive behaviors from stakeholders should encourage these constituents to develop salient identities that are consistent with the organization and likely to affect their behavior. Similarly, our recommendation is for university administrators, faculty, and marketers to encourage the development of students' salient identities that are consistent with the organization's goal of creating value through learning. In nonprofit higher education marketing, students should be encouraged to develop an identity consistent with life-long learning and intellectual engagement. Such identification aligns with Schneider and Bowen's (2009) findings that a shared service climate across *all* subsystems within the organization is the key to managing the complexities of the human side of service delivery. Additionally, working with students to develop salient identities reinforces the inside-out approach of internal branding, one of the university's most valuable strategies (Judson et al. 2009, Whisman 2009). Identifying a common value proposition will benefit students in the long run while simultaneously raising the prestige of the university in terms of brand equity.

Recommendation 2: Identify a commensurable theoretical definition of the quality of provided service consistent with the value proposition identified in Recommendation 1. It is clear from the preceding literature review that a commensurable definition of the quality of education continues to elude social scientists. Harvey and Green (1993) observe that quality of higher education means different things to different people, and can be relative to some standard or an independent ideal. In fact, these authors identify five discrete, but interrelated, categories of different conceptualizations of the concept of quality, including (1) exception, (2) perfection, (3) fitness for purpose, (4) value for money, and (5) transformative. Parri (2006) expands on this list. Garvin (1984) identifies five approaches to defining quality in education, including the transcendental, product-oriented, customer-oriented, manufacturing-oriented, and value-for-money approaches. Van Kemenade et al. (2008) more recently describe the quality concept in education vis-à-vis four constituents: object, standard, subject, and values. They assert that recent changes in internal and external quality management in education are related to changes in values. This further supports our argument for greater emphasis on the interactions of the values of stakeholders and their value judgments in this context.

As a start, we suggest that the "quality" of public goods has (at least) two dimensions: a (delivered) experiential dimension (represented by service quality) and an inherent property of "goodness" independent of perceptions of that experience (represented by the quality of the received service). In other words, quality of education has its own *properties of goodness* independent of student perceptions -- poor education can be well delivered (even satisfying), and vice versa. Fundamental to advancing models of stakeholder J/DM within the context of higher education as a service product will be the development of a commensurable constitutive and operational definition of the education quality construct. The biggest threat we perceive from a continued emphasis on relevance and student satisfaction is the potential conflation of *quality of the education product* (a function of learning) and *service quality* (a function of delivery of the educational product). We argue for defining quality in this context in a manner that balances these two considerations. The recent findings of Arum and Roksa (2011) demonstrating how many students lack critical thinking skills upon graduation from undergraduate programs in the United States appears consistent with our arguments herein.

We further advocate differentiating the appropriate relative roles of service quality and the quality of provided education in models of stakeholder J/DM. A key challenge for service marketers will be to help develop ways of associating student satisfaction with student learning. Failure to develop such associations will continue to yield pressure to focus on those service delivery attributes that do satisfy students in the short term whether or not they are consistent with university learning objectives (e.g., grade inflation; see [ASHE Higher Education Report](#); 2005, Eiszler 2002, Germain and Scandura 2005). In addition, if increased student engagement is not positively associated with greater learning within classes, then questions arise as to the efficacy of an emphasis on student engagement. Perhaps these resources might be better directed into other areas more closely associated with learning as a student goal. For example, a university might develop an integrated marketing communication strategy directed toward changing students' goals to be more consistent with traditional university learning objectives.

Recommendation 3: Clarify the appropriate important attributes of higher education as a public good. There is also a need to develop valid operational measures of the quality of (education) service as defined in Recommendation 2. Hufner (2003) considers higher education as a public good from three perspectives: economic, legal, and normative-political. He suggests that higher education is most often considered a public good, and therefore a public responsibility, particularly within Westernized nations. He concludes that the marketization of

education can coexist with the notion of higher education as a public good if education is understood to be fundamentally a learning process that must be properly designed. We suggest that the service marketing perspective proposed herein provides a means to that end.

One way to do this would be to develop self-report perceptions of the appropriate attributes underlying both the (1) quality of the delivered education (quality of service), and (2) quality of the delivery of the service (i.e., service quality). We encourage service marketers to consider all stakeholder groups in the identification of these attributes; that is, the relative mix of what educational institutions *should* do, and what different stakeholder groups *want* institutions of higher learning to perform. However, the current emphasis on relevance and student satisfaction seems to more heavily weight what university stakeholder groups want universities to do. In other words, is there a normative obligation associated with being a custodian of societal assets associated with education as a public good? Arenas (2007) presents a historical epistemological analysis of the intellectual development of modern schooling, admitting that most such analyses to date have been positively associated with human capital theory and modernity in general, but identifies some negative unexpected outcomes.⁵ Lynn (2009) provides some empirical evidence to support a correlation between national differences in intelligence and economic/social well-being. However, the specific nature of intellectual development and its interaction with education as a public good still appears to be unclear. We encourage service marketers to embrace the challenge of solving this conundrum.

We further suggest that this lack of clarity presents an opportunity for education marketers to consider broadening the domain underlying the necessary value proposition associated with higher education. For example, Magolda (2006) argues that college educators share the common goal of guiding college students toward more mature ways of making informed judgments (i.e., critical thinking). However, she further identifies the problems associated with multiple conceptualizations of intellectual development. Academic institutions must decide how they will assess progress in terms of intellectual development. We propose that a broader perspective of the aims of academic institutions may help reconcile the ideology gap identified by Ng and Forbes (2009). They define this ideology gap as the difference between designing the service toward fulfilling students' expectations and designing the service toward what the institution believes the students *should* experience. How can this be accomplished? We suggest considering some new concepts in the discourse related to service marketing objectives associated with higher education. For example, one might be the idea of *synthesis*. Tow and Gilliam (2009) define this term as the act of solving problems by gathering and combining information from diverse sources. In essence, this is a greater reliance on interdisciplinary information gathering and use. The abundance of information from multiple sources encourages data summarization, which would be related to a greater focus on theoretical underpinnings. A second concept that might benefit the marketization of education would be a greater focus on *flourishing* as opposed to relevance. Howell (2009) argues that flourishing represents a combination of emotional, psychological, and social well being that emphasizes the presence of positive affect and life satisfaction. The emphasis is on positive self-evaluation, including satisfaction with one's achievements and viewing oneself as having a purpose in life and growing as an individual. Howell (2009) presents empirical evidence documenting the argument that well-being is systematically associated with indicators of successful academic self-regulation. Thus, academic institutions seeking (long-term) student flourishing, instead of (short term, job-related) relevance appears a good place to begin the development of a value proposition that can appeal to all university stakeholder groups and still protect the integrity of the learning process in the provision of higher education.

This perspective is consistent with a third concept, the growing popularity of the *human development paradigm* (also known as the *capability approach* {CA}; see Alkire 2005, Berges 2007, Nussbaum 2009; Robeyns 2005). In short, Alkire (2007) argues that the CA represents a more general approach to the problems of economics and development than standard economic approaches. Robeyns (2005) characterizes the CA as a broad normative framework for the evaluation and assessment of individual well-being and social arrangements, the design of policies, and proposals about social change. The fundamental strength of the CA is clarity about the objective of making accessible the necessary positive resources to increase life satisfaction, and the freedom to make those choices that matter to individuals. In other words, Robeyns (2005) contends the CA highlights the difference between means and ends, and between substantive freedoms (capabilities) and outcomes (achieved functionings). Berges (2007) similarly contends that the main tenet of CA is when assessing quality of life or asking what kinds of policies will be more conducive to human development, we should look not to resources or preference satisfaction, rather to what people are able to be and do. Service marketers are strongly encouraged to explore completely novel

⁵ Specifically, Arenas (2007) argues that the spread of formal schooling worldwide was based on the belief in progress and modernity – the idea that rationality, objectivity, the control of nature, and standardization led to the advancement in a positive direction of human societies. He ultimately advocates a critical characterization of modern schooling practices.

approaches to conceptualizing the marketization of education consistent with a confluence of the S-D and CA theories.

6.2 Research Opportunities

There are also many research opportunities associated with this issue. First, we believe that service marketers are perhaps best equipped to overcome the challenge to develop a commensurable and valid constitutive and operational definition of the quality of education construct. This should be a research priority for service marketers interested in this particular (and perhaps unique) service industry. Second, there is much to learn about the J/DM processes associated with education as a service product. For example, we wish to make clear that we do not suggest generalizing the finding herein that disconfirmation is unrelated to satisfaction judgments. This finding requires replication, and a consideration of confounding factors such as potential implicit and/or nonlinear relationships. Third, Vargo and Lusch (2008) propose that the service-dominant logic better accommodates social marketing, ethics, more general societal issues, and non-profit marketing. Consequently, they further suggest that the S-D logic could provide a foundation for not only education as a service product, but possibly the development of a new theory of society. We advocate the less ambitious goal of reconciling new service marketing theoretical development in the domain of education consistent with the tenets of the S-D framework. Reconconciling the S-D with the CA appears particularly promising in this regard. The maturity framework recently proposed by Taylor et al. (2011) appears a potentially viable candidate as a means to effect such changes.

Fourth, Merz et al. (2009) argues that the S-D brings with it a new understanding of brand value, defined in terms of perceived use value determined collectively by all stakeholders. That is, the traditional view of marketing is predicated upon a good-dominated perspective that suggest firms “produce” value and that consumers are exogenous to value creation. Thus, firms can only deliver value propositions that must be understood within the context of complex networks that are part of dynamic service ecosystem involving all organizational stakeholders. They suggest that this is consistent with emerging brand-related theory in marketing which similarly recognized that value in brands is co-created, process-oriented, and views all stakeholders as endogenous to the brand value-creation process. The most recent thinking is that brands are viewed as a continuous social process and that the focus on brand value creation is on the stakeholder (see Merz et al. 2009 for a historical overview underlying this conclusion). Merz et al. (2009) ultimately encourage a view of branding that encourages customers to voluntarily become involved in the brand creation process, rather than a focus on persuasion and influence.

Fifth, in the S-D view, relationships are also seen differently among stakeholders. Vargo (2009) characterizes relationships in the S-D as a characterization that captures the networked, interdependent, co-creative, nature of value creation through reciprocal service provision. Vargo (2009) specifically identifies education as an example of a service wherein value emerges and unfolds over time (as opposed to representing a discrete, production-consumption event). Specifically, (education-related) value unfolds over time as new knowledge is combined with existing knowledge in the context of the student’s life. That is, the unfolding, co-creational nature of value is relational in the sense that the extended activities of stakeholder parties interactively and independently combine, over time, to create value (consistent with the previously identified concept of flourishing). In this perspective, market offerings represent only a small part of the relationships that are involved in value creation. Thus, Vargo (2009) suggests considering service relationship exchanges in terms of “densities” instead of transactions and products; defined as a measure of the degree to which the necessary specialized knowledge and specialized assets are available to solve a particular problem. Accordingly, the density-creation process represents a series of service-for-service (inter)relationships that are not obscured by seeing a “product” in the form of a good or service at the end of value-creation. Such research opportunities should be seriously considered by marketers and other stakeholders of educational institutions.

Finally, Hartley (2007, 2008) makes clear that there is a measure of vagueness about the implications of personalization for the pedagogical relationship between teachers and pupils. Further research into more clearly defining the terms “personalization” and “personalized learning” seem in order. In addition, not everyone seems enamored by the concept of personalization underlying pedagogical practices. Hartley (2008) further asserts that the practical effects of personalization in education amounts to little more than new legitimacy rhetoric which leaves pedagogy and curriculum little changed. For example Fielding (2006, 2008) argues for a greater practical need for philosophical considerations related to the concept of personalization. Specifically, he asserts that the potential and promise of personalization are likely to remain unfulfilled, primarily because of a resolute refusal to take intellectual obligations sufficiently seriously. He eventually argues for person-centered learning communities as an alternative to the currently received view. These issues deserve further service marketing research consideration.

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Appendix A Measures Used in Study Analyses

Construct	Operationalization	Reliability	Validity
Engagement	Candidly, overall, how engaged were you in this course this semester? (6-Point)		
	<i>How engaged were you in this course, compared to other classes you took this semester?</i> (6-Point)	.765	.527
	I would say that my overall level of motivation in XXX this semester was ... (7-Point)		
	Attribute Expectations		
Service Quality	I would say that < what I expected (i.e., predicted) relative to each of the following course attributes <i>at the beginning of the semester</i> could best be described as (1=Intolerable to 8=Ideal)	.777	.542
	... the video clips inserted into the powerpoint lectures.		
	... the available partial notes to help study.		
	... the homework assignments.		
	Attribute Performance		
	I would say that what actually happened this semester relative to each of the following course attributes could best be described as (1=Intolerable to 8=Ideal)	.757	.510
	... the timeliness of reporting homework grades.		
	... the helpful hints on powerpoint lectures.		
	... the examinations.		
	Global Service Quality Perception		
	I would rate the <i>overall quality</i> of this course as ... (Very Poor to Excellent, 7 Points)		
	The Overall quality of this course was ... (Likert, 7-Point)	.922	.681
	Excellent.		
	Of high standard.		
	Impressive.		
	I feel satisfied that the results associated with my XXX course this semester are the best that can be achieved. (Likert, 7-Point)		
Satisfaction	I would say that I was satisfied with XXX this semester. (Likert, 7-Point)		
	I would say that I was ... with XXX this semester. (1=Very Dissatisfied to 7 = Very Satisfied)	.962	.767
	I would say that I found XXX to be ... (1 = Very Unfulfilling to 7 = very Fulfilling)		
	Which of the following choices best described the level of satisfaction you experienced with XXX this semester? (1 = Extremely Dissatisfied to 7 = Extremely Satisfied)		