

## PROMOTING THE DEMAND FOR PRIVATE UNIVERSITIES IN NIGERIA: A SURVEY OF REPRESENTATIVE PRIVATE UNIVERSITIES

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### **Abstract**

*The problem focus of this study is two-fold: the rising need for university education and strategies for promoting demand for private universities in Nigeria. The study aimed at contributing to educational policies and manpower development in Nigeria, with special emphasis on strategies for promoting the administration and demand for private universities. The methodology is purely that of the survey design, requiring administration of research questionnaire and drawing inferences based on responses to the relevant research questions. The process involved a survey of selected representative private universities in the Western part of Nigeria as such universities appear more prevalent in this geographical area than other areas in Nigeria. A survey of literature on the promotion of private universities worldwide was also found necessary. With appropriate statistics and analytical tools, the study found as follows: first, the need for product, promotion, pricing and planning strategies for effective administration and promotion of private universities in Nigeria; second, the need to build public trust in the operation of private universities in Nigeria; third, the most important factor responsible for recent emphasis on the establishment of private universities in Nigeria is the efficacy of free market mechanism in the allocation of resources, as well as cultural change concerning pedagogy and the desire to apply modern teaching techniques; fourth is the existence of unique promotional problems requiring unique solutions in private universities in general; and, fifth, the fact that the problem of matching theory with practice in Nigeria arise from lip-service attention paid to programmes' needs assessment. Based on these findings, the study recommends as follows: a service/product strategy that stresses stakeholders' needs; a promotion strategy that involves persuasion and influence; and, a pricing strategy involving price limits and planned price variations.*

**Keywords:** Demand, Private universities, Promotion, Pedagogy, Chi-square, Marketing, Cultural change, Needs assessment.

### **Introduction**

The emergence of private universities in Nigeria has been long standing, but it was of recent that the federal government, through its education policies, began to appreciate its economic significance. This was made visible by the number of private universities and polytechnics being approved in recent times. Such approvals were in response to recent crisis associated with access to public higher education institutions.

Available statistics indicate that, between the years 1999 and 2005, only about 11 percent of total JAMB applicants were admitted to Nigerian universities on the average (Federal Ministry of Education, 2007). This discouraging education statistics is a cause for alarm, given the relative importance of education in economic development. Nigerians can therefore, appreciate the need for private universities.

The evolving issue has been centred on how the emerging private universities can be effectively developed and managed to meet the demand in Nigeria. This researcher is guided by the proposition that marketing will be an effective strategy in the development of the private higher education industry. We are also guided by the literal view that marketing is more than mere

institutional presentation and the generation of information. It is also the development and delivery of educational and auxiliary services for which there is a desire or need or both, at a price and under financial arrangements that permit the intended beneficiaries to take advantage of the services (Litten, 1980: 43).

It is a general theoretical belief that the attention given to the marketing of higher education had focused on the benefits that formal adoption of marketing principles and techniques could bring to individual institutions. The attention of this study will be focused on the role of marketing in the promotion and development of private universities in Nigeria as a whole, and not individual universities. This article is systematically organised as follows: Section 2 reviews the relevant literature; section 3 summarises the methodology. In section 4, we present the results and discussions; and, in section 5, the article concludes with recommendations for the way forward in promoting demand for private universities in Nigeria.

### **Review of The Relevant Literature**

The collapse of Communism in the Soviet Union and Eastern Europe had brought about a lot of changes on the world scene. Breslen (1999) notes that a remarkable development was the emergence of institutions of higher learning in the private sector. This privatization of higher education is a worldwide phenomenon. The trend could have far-reaching consequences not only for higher education, but also for the social and economic development of many countries. Referring to the growth in private universities in Asia, for example, Bray (1998:1) observes that one striking feature of the decade is the advance of the capitalist modes of production in almost all parts of Asia. In addition, this development were found apparent even in countries that have for long operated capitalist economies but have had government protected education system. The major manifestation of the change has been the advance of privatization in countries.

The World Bank (1994:5) underlines the significance of this trend by pointing out that private institutions are important elements of some of the strongest higher education systems to be found today. They can respond efficiently and effectively to changing demand, and increase educational opportunities with minimal educational cost.

Societies now regard higher education as more of a “private good” than public good, with limited immediate and positive externalities to justify public support. This has been one immediate justification for privatization of public tertiary institutions.

Observing the trend in marketing activities of the 1970s, Kotler (1979: 38) argues that, of all the classic business functions, marketing has been the last to arrive in the nonprofit scene. Historically, nonprofit organizations were only interested in accounting systems financial management, personnel administration, and formal planning. Because educational institutions operated in a sellers market, marketing was ignored.

It is of interest to note the basic reason for the recent worldwide interest in the promotion of demand for private universities. It appears the major reason is the migration to the free-market ideologies

Quddus and Rashid (2000: 487 – 516) observe that since 1990, new universities have emerged in the private sector in such countries as Bangladesh, Pakistan, Bulgaria, Hungary, Russia, Cyprus, and Bolivia. The same trend can be observed in Nigeria and other developing African countries. Sources indicate that as of December 2006, out of about 89 universities in the country, 32 were private universities (see Appendix 1).

Based on the timing of these trends, Quddus and Rashid (2000: 490) argue that even if there are disconnected events without a coherent plan or a well-defined agenda, they all are outgrowths of the social, economic and political milieu of our times. The pendulum of opinion among people and governments worldwide has swung away from the expectation that the state apparatus will deliver

goods and services. It has rather, shifted to a new faith in the efficacy of free market mechanisms to allocate resources most efficiently. In the last decades of the 20<sup>th</sup> century, the social and intellectual climate worldwide has significantly changed in favour of the private economy. Though many public companies have been privatized in many countries, including Nigeria, following recent political developments, to the best of our knowledge, know public university has yet been privatized.

The increasing interest in the promotion of the demand for private universities can be attributed to the following factors (Baskerville, 1998):

1. ***The Cultural Change Concerning Pedagogy.*** Many scholars are of the opinion that the contributing factor in the recent growth of interest in private universities is the general dissatisfaction with the pedagogical methods prevailing in public universities, and a desire to use modern teaching techniques.
2. ***Realisation of the Importance of Human Capital in Development.*** The most critical investment for a developing economy is training and educating the workforce. And, investing in higher education represents one of the best investments a nation can make toward long-term economic and social well being.
3. ***Growth in International Education.*** Another important factor is the increasing supply of educators from other countries that were trained in and familiar with institutions of higher learning.
4. ***Willingness and Ability of Private Entrepreneurs to Invest in Higher Education.*** One of the very significant factors in the growth of private higher education all over the world is the rising willingness and ability of entrepreneurs to support these institutions.
5. ***Expected contributions of university graduates to economic development.*** The most important reason for the establishment of private higher education in most economies is its expected contributions to economic development. According to Quddus and Rashid (2000), a good university produces graduates whose human capital is essential for the difficult process of nation-building.

Additionally, an important rationale for special attention to the promotion of demand for private universities focuses on the existence of a number of characteristics of services that have been consistently cited in the literature. These include: intangibility, inseparability of production and consumption, heterogeneity, and perishability (Lovelock, 1981; Berry, 1980; Bateson, 1977; Bateson, 1979; Carmen and Langeard, 1980; Upah, 1980: 61; Gronroos, 1978; Langeard et al, 1981; Kingsley, 1979). Appendix 2 summarises the problems arising from each of the above service characteristics. The appendix also indicates the marketing strategies suggested in the literature for overcoming these problems.

The Nigerian government recognizes the role of education in human capital development by asserting that the survival of Nigeria as a viable society depends on the innovativeness of educational institutions. The government believes that the role of education in the development of a society is very important, and as such, there is need to pay close attention to the sector. This is because the socio-political and economic developments of a nation are determined by the quality and level of educational attainment of the population. In view of the government transformation agenda and the realization of Vision 20:2020, the education sector must be strengthened to produce higher quality workforce (National Bureau of Statistics, 2010). A viable approach would be the promotion of private universities and the demand for their academic programmes. The federal government's efforts to encourage university education have been reflected in the increasing number of universities in the country since 2006 (see table 1 below).

**Table 1: Number of Universities in Nigeria, 2006 - 2010**

	2006	2007	2008	2009	2010
Total Number of Universities	89	95	95	104	104
Federal	27	27	27	27	27
State	30	30	34	36	36
Private	32	34	34	41	41

**Source:** Federal Ministry of Education

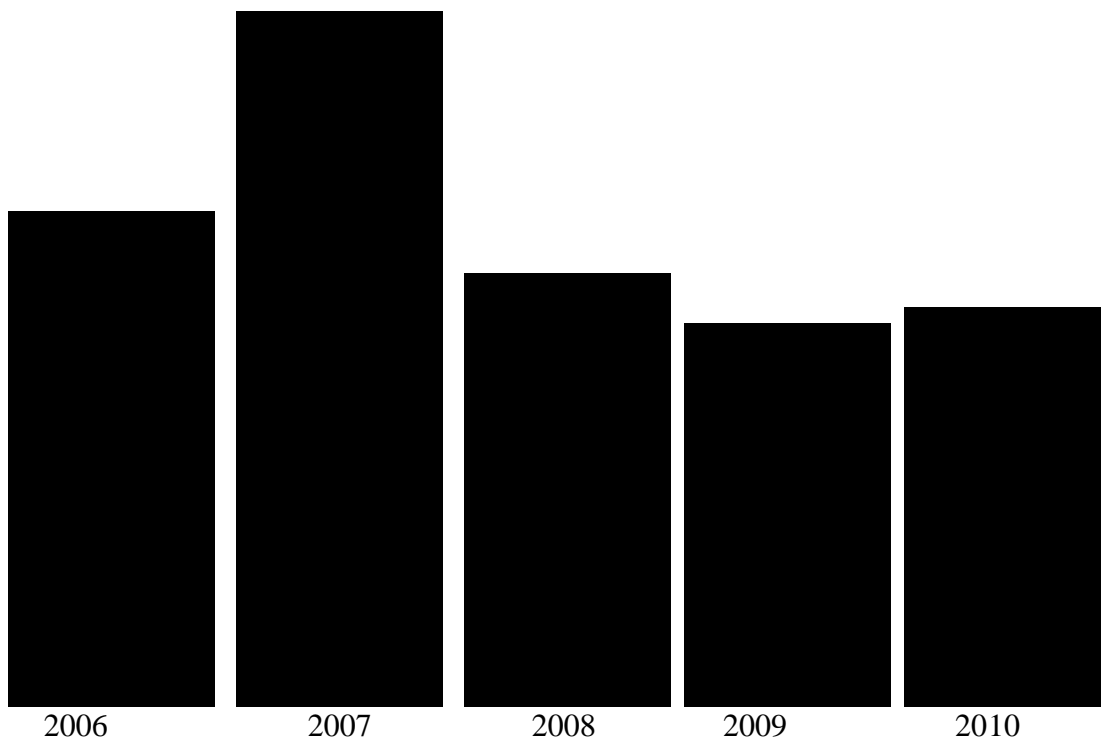
**Table 2: Student Enrolment in Nigerian Universities, 2006 - 2010**

	2006	2007	2008	2009	2010
All Universities	765,522	109,6059	661,493	577,029	605,068
Federal	464,025	610,072	433,950	340,524	339,364
State	277,043	448,618	187,279	191,565	218,861
Private	24,454	37,369	39,264	44,940	46,843

**Source:** Federal Ministry of Education/National University Commission

As can be observed from table 2, student enrolments in private universities showed an upward trend from 2006 to 2010. This was due to an increase in the number of private Universities commencing academic programmes during the period, as well as the preference of candidates for these institutions given the more stable and predictable academic calendar compared to public universities. Figure 1 summarises the trend in student enrolments in Nigerian universities between 2006 and 2010. The year 2007 witnessed a peak in university enrolments. Since then, it appears there have been some declines in the enrolment of students, except for the year 2010. Part of the observed decreases in student enrolments between 2006 and 2009 can be attributed to the then observed instability in the academic calendar of federal universities, due, perhaps, to continuous strikes in the university system. The upward trend observed in 2010 can be attributed to the emergence of private universities in Nigeria.

**Figure 1: Student Enrolment in Nigerian Universities, 2006 - 2010**



**Source:** Adapted from National Bureau of Statistics, Review of the Nigerian Economy, 2010.

**Methodology**

The research design involved a survey of selected respondents from four private universities in the Western part of Nigeria who were knowledgeable and able to provide relevant information on the promotion of demand for private universities. The design is guided by the following

basic research questions: what are the relevant strategies for promoting the demand for private universities in Nigeria?; what does it take to build public trust in the operation of private universities in Nigeria?; what are the factors responsible for the recent emphasis on establishment and approval of private universities in Nigeria?; what are the theoretical assumptions about the promotion of demand for private universities?

The design was also guided by the following testable hypothesis: “Observed problems of matching theory with practice in the Nigerian educational institutions arise from lip-service attention paid to programmes’ need assessment.”

Relevant data were from: (i) primary information through questionnaire responses; and, (ii) secondary information from published articles, books, and statistical bulletins.

The study population was determined by the available secondary data from the selected representative private universities in the western part of Nigeria. The sample size was determined statistically as 164 respondents. Selection of respondents was by simple random sampling through the use of the table of random samples. To ensure maximum response rate, a fixed response questionnaire were administered face-to-face to 164 employees of the representative private universities.

Relevant questionnaire instrument was designed to elicit responses requiring simple analytical procedures in the form of question-to-question analysis, as well as the application of non-parametric test-statistic.

### **Data Analysis, Results, and Discussions**

The analytical procedure applied simple statistical techniques, such as simple percentages and chi-square test-statistic, on responses to the research questions. The questionnaire responses are as presented in appendix 3.

The research results and discussions draw from responses to our research questions, as well as from secondary information in the literature.

In the first research question, we attempt to find out the relevant strategies for promoting the demand for private universities. Both the research literature and the survey information are of the view that the relevant strategies for promoting demand for private universities include, among others: (i) product strategy, which stresses stakeholders' needs; (ii) promotion strategy, involving persuasion and influence through personal selling and advertising; and, (iii) pricing strategy, which involves the task of setting initial price range for a given service, as well as planned price variations. A good pricing strategy must reflect the value of the need being satisfied and the purchasing power of the stakeholder.

The second research question was on what it takes to build public trust in the operation of private universities in Nigeria. As expected, our survey responses indicate that the best way to build public trust in the operation of private universities in Nigeria involves the following activities: maintenance of ethics, ensuring that tuition costs are affordable, and just-in-time service delivery.

In the third research question, we attempt to identify the factors responsible for recent emphasis on the establishment and approval of private universities in Nigeria. The literature notes that, apart from the efficacy of free market mechanism to allocate resources, the increasing interest in the establishment of private universities can be attributed to the following factors: (i) the cultural change concerning pedagogy, which alludes to the general dissatisfaction with the pedagogical methods prevailing in public universities in Nigeria; (ii) the desire to use modern teaching techniques; (iii) realisation of the importance of human capital in development; (iv) breaking the Socialist Monopoly in higher education. Growth in international education; (v) increasing supply of educators from other countries that were trained in and familiar with institutions of higher learning; and,

(vi) willingness and ability of private entrepreneurs to invest in private universities.

It is worthy of note that good private universities can strengthen the private sector in general and effectively produce and deliver high quality, advanced education, which the public universities have often failed to do.

The fourth research question was aimed at enumerating the theoretical assumptions about services marketing in general and, specifically, in private universities. Our findings indicate the following theoretical assumption: there exist unique marketing problems in the services of private universities, with unique solutions. These problems include, among others, (i) non-storability; (ii) inability to protect services through patent; (iii) difficulties in displaying or communicating the features of their services; (iv) difficulties in setting prices;

(v) non-involvement of stakeholders in curriculum development; (vi) difficulties in centralised mass production of services; (vii) difficulties in standardization and quality control; and, (viii) difficulties in inventorisation.

Another important finding is the validation of the hypothesis that the problem of matching theory with practice in Nigerian educational institutions arise from lip service attention paid to programme needs assessment. The result of our chi-square analysis indicate a statistical evidence that proves that the problem of matching theory with practice in Nigerian educational institutions are due to lip service attention paid to programme needs assessment.

### Conclusion and Recommendations

This study was guided by some basic research questions on: the relevant strategies for promoting the demand for private universities in Nigeria; what it takes to build trust in the operation of private universities in Nigeria; factors responsible for recent emphasis on the establishment of private universities in Nigeria; and, the theoretical assumptions about the promotion of demand for private universities in general. The study was also guided by the hypothetical belief that problems of matching theory with practice in the Nigerian educational institutions arise from lip-service attention paid to programmes' needs assessment. The analytical results indicate: the need for appropriate product, promotion, pricing, and planning strategies for effective administration and promotion of private universities in Nigeria; the need to build public trust in the operation of private universities in Nigeria; that the most important factor responsible for recent emphasis on the establishment of private universities in Nigeria is the efficacy of free market mechanism in resource allocation, as well as cultural change concerning pedagogy and the desire to apply modern teaching techniques; that there exists unique promotional problems in private universities in general; and, that the problem of matching theory with practice in Nigeria arise from lip-service attention paid to programmes' needs assessment.

To promote the demand for private universities in Nigeria, the study proposes three outstanding strategies: the first is an academic strategy that stresses both the stakeholders' needs and programmes' needs; second is a promotion strategy that involves persuasion and influence; and, third is a pricing strategy involving price limits and planned price variations.

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**Appendix.1: Evolution of Universities in Nigeria: 1948 to 2006**

Period	No. of Federal Universities	No. of State Universities	No. of Private Universities	TOTAL
1948	1	-	-	<b>1</b>
1950 – 59	-	-	-	-
1960 – 69	4	-	-	<b>4</b>
1970 – 79	8	1	-	<b>9</b>
1980 – 89	9	7	-	<b>16</b>
1990 - 1999	3	5	3	<b>11</b>
2000 - 2006	4	18	29	<b>48</b>
<b>TOTAL</b>	<b>29</b>	<b>28</b>	<b>32</b>	<b>89</b>

Source: Various Publication of the Federal Ministry of Education.

**Appendix 2: Unique Service Characteristics, Problems, and Marketing Strategies**

Service Characteristic	Marketing Problems	Marketing Strategy
<i>Intangibility</i>	1. Non-storable	1. Stress tangible cues

	2. Cannot protect services through patent 3. Cannot readily display or communicate services 4. Prices are difficult to set	2. Use personal sources more than nonpersonal sources 3. Stimulate word-of-mouth communications 4. Create strong organizational image 5. Use cost accounting to help set prices 6. Engage in post-purchase communications
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<b><i>Inseparability</i></b>	1. Consumer involved in production 2. Other consumers involved in production 3. Centralised mass production of services difficult	1. Emphasize selection and training of public contact personnel 2. Manage consumers 3. Use multisite locations
<b><i>Heterogeneity</i></b>	1. Standardisation and quality control difficult to achieve	1. Industrialize service 2. Customize service
<b><i>Perishability</i></b>	1. Services cannot be inventoried	1. Use strategies to cope with fluctuating demand 2. Make simultaneous adjustments in demand and capacity to achieve a closer match between the two.

<b>Question</b>	<b>Response</b>	<b>No. Responding</b>	<b>Percent</b>
1. Whether there exists general lack of awareness of academic programmes on offer at the institution of employment?	(a) YES	43	31.85
	(b) NO	92	68.15
	<b>TOTAL</b>	<b>135</b>	<b>100</b>
2. Whether the most significant problem in the	(a) YES	124	91.85
	(b) NO	11	8.15

management of higher education in Nigeria is that of matching theory with practice			
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Source : Zeithaml et al "Problems and Strategies in Services Marketing."

### Appendix 3: Summary of Responses to the Research Questionnaire

3. Whether respondent supports the proposition that the best approach to this problem is 'programmes' need assessment?	(a) YES	119	88.15
	(b) NO	16	11.85
4. The most significant contribution of private higher education worldwide:	(a) Human capital development	65	48.15
	(b) Creation of opportunities for university education	43	31.85
	(c) Quality education	16	11.85
	(d) Flow of ideas, technology, and people	11	8.15
5. Whether respondent supports the proposition that the best approach to this problem is 'programmes' need assessment?	(a) YES	119	88.15
	(b) NO	16	11.85
6. The most significant contribution of private higher education worldwide:	(a) Human capital development	65	48.15
	(b) Creation of opportunities for university education		

	(c) Quality education	43	31.85
	(d) Flow of ideas, technology, and people	16	11.85
		11	8.15
7. Whether respondent supports the proposition that the best approach to this problem is 'programmes' need assessment?	(a) YES	119	88.15
	(b) NO	16	11.85
8. The most significant contribution of private higher education worldwide:	(a) Human capital development		48.15
	(b) Creation of opportunities for university education	65	
	(c) Quality education	43	31.85
	(d) Flow of ideas, technology, and people	16	11.85
		11	8.15
	<b>TOTAL</b>	<b>135</b>	<b>100</b>
9. The most significant challenge of private higher institution	a) Excessive tuition debate		
	(b) Resource constraint	59	43.70
	(c) Potential for abuse	59	43.70
		17	12.60
	<b>TOTAL</b>	<b>135</b>	<b>100</b>
10. Best classification for an effective marketing strategy for private higher institutions:	(a) Product strategy	97	71.85
	(b) Distribution strategy	0	0.00
	(c) Pricing strategy		8.15
	(d) Promotion strategy	11	

		27	20.00
11. The most important role of marketing in the private higher education industry:	(a) Creation of awareness for academic programmes		48.15
	(b) Filling the admission gap in the public higher institutions	65	
	(c) Increasing the market share of private higher institutions in the education industry	16	11.85
	(d) Creation of strong institutional image		20.00
		27	20.00
12. Whether the best way to build public interest in the operation of private higher institution in Nigeria is maintenance of ethics, affordability of tuition costs, and just-in-time service delivery?	(a) YES	135	100.00
	(b) NO	0	0.00
13. The major reason for the demand for private higher institutions in Nigeria is the inability to absorb the demand for higher education:	(a) Agree	108	80
	(b) Disagree	27	20
14. Whether the respondent has adequate knowledge about the role of marketing in the	(a) YES	86	63.70
	(b) NO	49	36.30

establishment and operation of private higher institutions in Nigeria?			
15. Whether the problem of matching theory with practice in the Nigerian educational institutions arise from lip service attention to programmes' need assessment	(a) YES (b) NO	81 54	60.00 40.00
16. Media through which prospective students get information about private higher institutions:	(a) Newspaper reports (b) Radio/TV (c) Word of mouth (d) Personal Selling	65  16  38  16	48.15  11.85  28.15  11.85
	TOTAL	135	100
17. Whether the media used is adequate in marketing institution's academic programmes?	(a) YES (b) NO	76 59	56.30 43.70
	TOTAL	135	100
18. Whether the institutional marketing objectives are clear enough for the development of an effective marketing strategy?	(a) YES (b) NO	97 38	71.85 28.15
	TOTAL	135	100
19. Whether management of the institution recognize the importance of	(a) YES (b) NO	108 27	80 27

designing marketing strategie?			
	TOTAL	135	100
20. Whether the management has optimally allocated marketing resources to major elements of its marketing strategies?	(a) YES	43	31.85
	(b) NO	92	68.15
	TOTAL	135	100
21. Factors considered by the management in the formulation of marketing strategies	(a) Satisfaction of public needs and wants		28.15
	(b) Competition	38	
	(c) Quality assurance	38	28.15
		59	43.70
	TOTAL	135	100
22. Students perception towards the institution's academic programmes:	(a) Poor	0	0.00
	(b) Average	54	40.00
	(c) Above average	81	60.00
	<b>TOTAL</b>	<b>135</b>	<b>100</b>
23. Whether respondent agrees with the institution's tuition fees objectives, policies, and strategies:	(a) YES	108	80.00
	(b) NO	27	20.00
	<b>TOTAL</b>	<b>135</b>	<b>100</b>

Source: Field Survey, 2013