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## **Developing Effective Multidisciplinary, Niche-Market Education: A Study Of eBusiness Programs In The Asia-Pacific Region**

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### **Abstract**

*Universities have gradually moved toward a fee-for-service mode of operation over the last decade. Offering new academic programs which will attract increasing student numbers is ever more important to universities and this, in turn, requires a greater awareness of market needs and the positioning of educational offerings. A theory-based study of the literature on new service products led to the development of the New Educational Service Product Offerings (NESPO) model for universities offering such multidisciplinary, niche-focused degree programs, which forms the basis of the research project reported here. This paper begins by considering the literary foundations of the model. Using a multiple case study of eBusiness programs in the Asia-Pacific region over the period 2000-2003, it then analyses the findings of the cases, determining whether the universities surveyed were making use of the concepts of new service product development in developing their eBusiness educational programs. Finally, the paper considers whether (and to what extent) these findings are applicable more widely to a range of niche-market, multidisciplinary degree programs.*

### **1 Introduction**

Tertiary education has undergone a number of major changes over the past few decades, but one of the most noticeable has been the gradual move by many universities (particularly in the English-speaking world) toward a fee-for-service mode of operation. The United States can be considered the original leader in this area – tuition fees there

account for a significant share of university income<sup>1</sup>. More recently, however, several other countries have made even more significant moves in the direction of fee-based tertiary education. The Australian government, for example, first introduced the innovative Higher Education Contribution (HECS)<sup>2</sup> deferred-payment scheme in 1989 which, collected by the Universities themselves but in fact representing a significant proportion of the Government's contribution to those Universities' income<sup>3</sup>, was a revolutionary change in approach to government tertiary funding – and an approach which has since been given serious consideration by the British and German governments (Shumar 1997; Jarvis 2001; Adams 2002; Hüfner 2003).

This pattern of seeking to limit the rising cost of tertiary education can also be observed in many parts of the Asia-Pacific region. The government of the Hong Kong Special Administration Region (Hong Kong SAR) cut its university grants by 1% in 2003-04, with some reports suggesting a further large reduction of the tertiary education budget would occur in 2004 (Wenweipo 2003; Government of Hong Kong SAR 2003). Hong Kong's Secretary for Education and Manpower has also stated that higher education would bear the brunt of overall cuts in the education budget (South China Morning Post 2003). While the majority of European governments (with the notable exceptions of Britain and the Republic of Ireland) continue to provide free education at the tertiary level, governments in the much of the rest of the world are increasingly placing the responsibility for funding education on the shoulders of the universities themselves – and even mainland Europe is beginning to look at the possibilities of charging fees for at least some tertiary education programs (Altbach 1997; Universities UK 2001).

Universities, under increasing pressure to fund not merely major capital works but now even day-to-day running expenses, have endeavoured to enrol as many fee-paying students as possible, to cover costs and permit expansion and development (Göbbels-Dreyling 2003; Marginson & Considine 2000). This process is complicated by governments' growing awareness of the possibilities of educational self-funding (Maslen 2003). The overall effect of fee-for-service education for academic program development is increasing pressure on university administrations to offer niche-oriented, multidisciplinary programs which are as attractive as possible to prospective students, and which promise the best possible outcomes (generally interpreted by students as meaning the best future employment prospects) in a bid to increase enrolments. This has led to a switch from the traditional model of pedagogically-oriented new degree program development towards one which focuses on student numbers as its primary objective (Maslen 2003a).

Many of the original fee systems were aimed at students from offshore locations ('international' students), but these fee-for-service principles are now being extended into the domestic education market. As universities target local students, they find themselves increasingly forced to provide educational programs which meet the needs and desires of students focusing on vocationally-oriented degrees which will assist them to find new jobs, or will help them to gain promotion (DETYA 1998). Clearly, such programs are likely to be more market-oriented than those of the past, which were designed from a

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- 1 Tuition fees, even as early as the late 1990s, already accounted for approximately 41% of private and 18% of public universities' income (NCIHE 1997).
  - 2 HECS provides a loan to students, indexed to maintain its real value but otherwise interest-free, with deferred income contingent repayment (Williams 2000).
  - 3 "From 2005, universities will have flexibility in setting fees for Commonwealth-support places. They can cut fees. Except for teaching and nursing, they can increase fees to a maximum of 30% above HECS. It is up to the institution whether it wants to attract students, and up to the student as to whether the course offers value. Universities will be able to specialise in their areas of strength." (The Age, 14 May 2003, Budget2003 p.7).

purely pedagogic point of view; and must consequently have more than a single, academic focus.

In this paper we make use of the findings from a four-year study of tertiary eBusiness programs in the Asia-Pacific region, undertaken between 1999-2003 during the height of the dot.com boom and its subsequent crash, to identify key strategies for the development and marketing of industry-focused, multi-disciplinary tertiary programs designed to attract fee-paying students. It became increasingly obvious to us during the course of the research project that universities wishing to successfully target this market need to take a 'new service product' approach (Johnes & Storey 1998, p.185; 195) eBusiness<sup>4</sup> educational programs, with their multi-disciplinary nature, are particularly subject to market perception and thus provided an especially good example of this trend – but we believe that our findings are equally applicable to similar programs in areas as diverse as communication and new media at one end of the Humanities/Science spectrum, through to biotechnology or sustainable environmentalism at the other extreme.

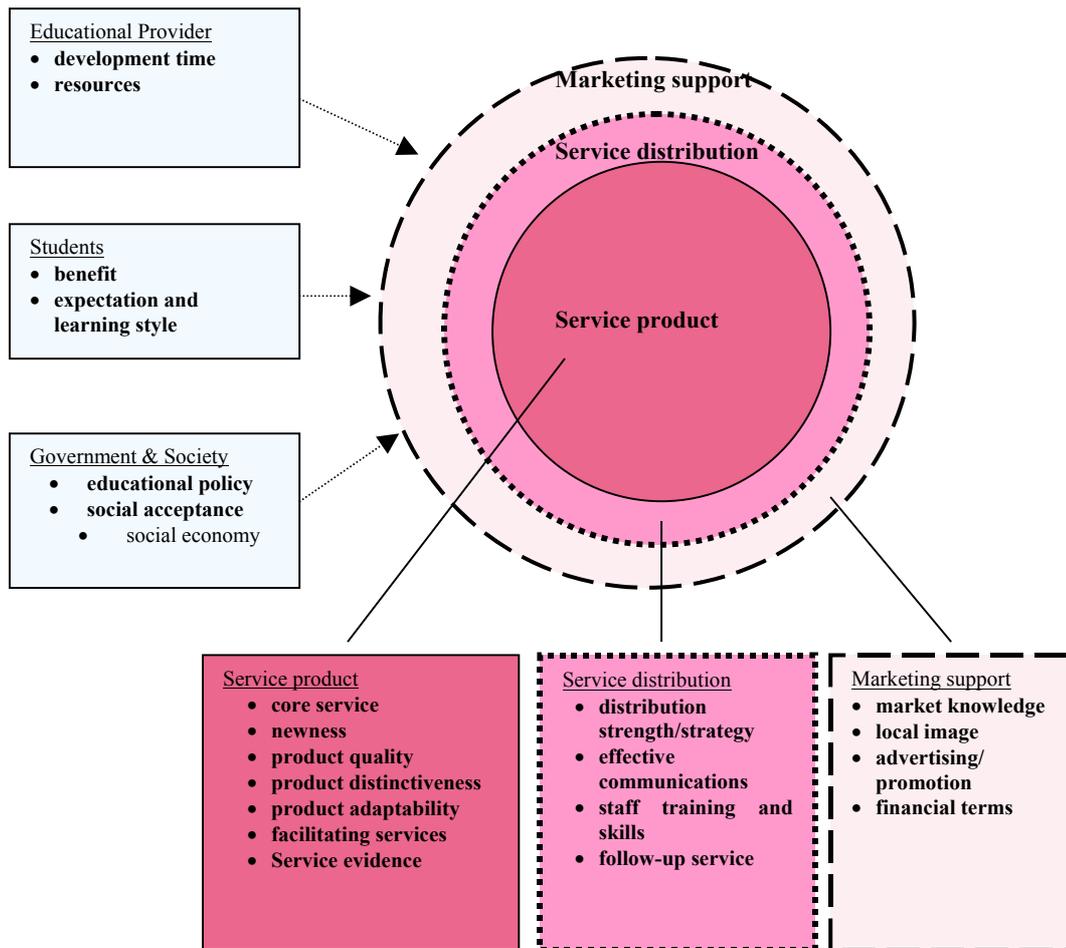
The paper begins with a discussion of the theoretical underpinning of this work – in particular, with the theory of new service products and its adaptation into the NESPO model of 'new educational service products'. We then briefly review the case study approach used to gather and analyse the empirical data on which our findings were based, and then summarise and discuss the findings of the interviews themselves, as they relate to the core of the NESPO model. Finally, we answer the question of whether (and how) universities in the Asia-Pacific region have been approaching the task of creating effective market-oriented niche degree programs and consider the extent to which our findings in the eBusiness arena are applicable across a wider range of educational service product offerings.

## **2 Theoretical Background**

In a longitudinal study of eBusiness degree programs in the AP region, we discovered a common phenomenon: universities were offering degree programs which were developed on an *ad hoc* basis and which lacked a systematic model in terms of either structure or motivation. Our face-to-face interviews with program developers in four Asia-Pacific countries confirmed that, although these programs were developed as quickly as possible to take advantage of the market attractiveness of eBusiness, the programs were not seen by their developers as service products and were not designed to take maximum advantage of the specific environment in which the universities found themselves.

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<sup>4</sup> The term eBusiness is used throughout this paper to represent both eBusiness and eCommerce, which we define as its transaction-based subset.



**Figure 1:** The New Educational Service Product Offering (NESPO) Model

The project started with a review of marketing theory – we were seeking models of new product development which could be applied to the creation of educational programs. Several researchers (see, for example, Grönroos 1990; Grönroos *et al.* 2000; Kotler & Fox 1995; Shostack 1982; or Storey & Easingwood 1998) have created models to clarify the structure of service products; and a broad distinction can be made between goods and core services (which define the type of business) and the supplementary services needed for that environment. ‘Service products’, ‘service offers’ or ‘service offerings’ are interchangeable terms, usually described as a package consisting of a core service plus additional, peripheral services or secondary-level services (Grönroos 1990; Gabbott and Hogg 1996; Storey and Easingwood 1998). This description of ‘service products’, ‘service offers’ or ‘service offerings’ is also valid in a university setting and we subsequently developed a model for offering new degree programs presented as service products.

The NESPO model, illustrated in Figure 1, is composed of three concentric circles *service product*, *service distribution* and *marketing support*. The innermost circle is the *service product* which contains the core service the educational provider(s) will offer. The middle circle is the *service distribution* where the major concern is the way in which the service is being distributed. The outer circle is *marketing support*. This paper does not provide space to discuss the model in great detail, but a comprehensive explanation and discussion of the derivation and use of NESPO can be found in Chan (2003, pp.98-137).

### **3 Research Methodology**

Yin (1994, p.129) claimed that case studies have a more diverse set of possible audiences than most other types of research. The analysis technique we employ with our cases in this study is the variable-oriented approach suggested by Miles & Huberman (1994, p.174) or, to put it another way, we have concentrated on the variables themselves and their relationships, rather than focusing on the quantitative measures of each individual case.

The theoretical issues of the project were related to the marketing theory of new service product offering on which our model is based and, to test our theory, nineteen cases were selected for this study between 2001 and 2003. Data were collected by means of university web sites, program brochures, and semi-structured interviews (either in person or via telephone). Interviewees included program developers, program coordinators and administrative staff members who were responsible for the eBusiness program(s). We selected four countries in the AP region, primarily because of their significant activity in the eBusiness arena. Table 1 shows the geographical distribution of the selected cases.

*Table 1: Case Study Locations And Numbers*

Region	Number of cases
Australia	10
New Zealand	2
Hong Kong	6
Singapore	1
Total	19

Questions asked of the interviewees in these nineteen case studies (universities) were designed to provide an answer to the research question:

*How have the universities surveyed made use of new service product concepts in creating multidisciplinary, market-focused, niche programs – particularly eBusiness programs?*

### **4 Research Findings**

In the following sections we discuss the findings of the nineteen universities studied, analysed according to the NESPO new educational service product model. Space limitations unfortunately prevent us from presenting all our findings from the case studies, and we therefore present here only those findings relating to the core, *service product* elements *newness, product distinctiveness, product adaptability* and *facilitating services* which are located within the innermost circle of the model.

At the interviewees' request, names of universities and interviewees are not disclosed – we have instead used a letter + number code to represent each university, where the letter identifies the country in which the university is located (e.g. A stands for universities in Australia, N for New Zealand, H for Hong Kong and S for Singapore) and the number indicates the order in which that university was interviewed.

## 4.1 Newness

*Newness* refers to both market and product newness. Table 2 shows the results of the programs' newness (i.e. whether the program was a completely new development, or an adaptation of existing courses into a new program) and identifies issues relating to whether the program developers were supported by their university's top management.

**Table 2: Interview Responses For The "Newness" Element**

Row heading, universities in

A : Australia,

H : Hong Kong,

N : New Zealand,

S : Singapore.

Column heading

E1: Some existing courses adapted from other programs

E2: Program was developed internally or through external resources

E3: Development time of programs before market launch (in months)

E4: Obtain support from top management for development of the program(s)

	E1	E2	E3	E4
A1	Only a limited number of courses. Most were new.	Developed internally with some external help.	12 to 18	Basically nothing.
A2	All courses new.	Developed by a group of internal staff members with external resources	6	Yes, support from the faculty in terms of funding to do market research.
A3	Use some existing courses.	Developed by a group of internal staff at faculty level.	24	No support in terms of reduced work load or financial incentives.
A4	Use some existing courses from other programs.	Just by internal staff.	6	Yes, some in general.
A5	Use a few existing courses and tailor them for the eBusiness program.	Internal staff in the faculty developed individual subject.	24	Not really.
A6	All new courses.	Internally.	18	No, no money or time released.
A7	Used most existing courses, only a few new courses were developed.	Internally.	7	Yes, the Dean supported the committee approvals process personally.
A8	Used some existing courses from other faculties.	Internally. A group of staff at school level.	6	No, nothing.
A9	Nearly all courses new.	Mainly external.	6	Not much.
A10	Nearly all courses new.	By external eLearning company which use world experts to develop the program.	6	N.A. Because the program development was outsourced.
N1	The first semester using entirely existing courses. In the second semester, some new courses added.	Developed by one to two internal staff members.	10.	No.
N2	Used most existing courses.	A team of five staff members.	1.5	No.
H1	Used existing courses initially, but changing 20%-40% of content per year per program.	Internally.	8	No.
H2	Depends on the instructors who delivered the program.	A group of internal staff.	10 to 12	Yes and no. Yes in terms of helping the approval of curriculum process but neither financial incentives nor time release for staff involved in the

	E1	E2	E3	E4
				program.
H3	2 new courses in bachelors degree and 4 new courses in masters degree.	Both by internal and outsourcing	12	Yes. reduced workload for those staff members who were developing the program.
H4	All new courses.	Totally internal.	12	Yes. Lighter teaching loads and extra pay to staff involved.
H5	Used existing courses as a basis and tailored to be appropriate for the internet environment.	By internal staff within two faculties.	24	Yes, Pro Vice Chancellor as a bridge within two faculties in order to develop two consistent streams.  Staff who developed program had reduced teaching load to some extent.
H6	Modified some existing courses and developed a number of new ones.	Internal staff member.	6	No, absolutely not.
S1	Modified exiting courses.	Internal staff	5	Only time release from teaching.

In the majority of cases, new eBusiness programs were offered after less than a year of development time. Case study results suggested that development time of a new program was not, in fact, dependent on the level of *newness* of the program and the market, but rather depended on the *demand from* the market. New programs could therefore be brought to market within a comparatively short time span, as long as there was sufficient demand.

Support from top management (at school, faculty or university level) could be helpful in the development of new educational *service products*. The results of the case studies indicated in Table 2, however, show that most program developers did not receive support from top management to develop their new program (for example, Universities A1, A3, A5, A6, A8, A9, N1, N2, H1 and H6). Those which did receive such support fell into three major categories:

- Top management (Dean or Vice Chancellor) helped to speed up the approval process of the new program (for example, Universities A7, H2 and H5)
- Top management offered some funding for market research (for example, University A2)
- The third form of support was indirect and involved time and workload release for those staff developing the programs (for example, Universities A2, A4, H3, H4 and S1).

The interview responses made it clear that the newness of an educational service product was not directly related either to the development time or to the presence of support from top management, but was almost entirely related to market demand.

## 4.2 Product Distinctiveness

Product distinctiveness is the uniqueness of the product and the relative advantages a product possesses over its competition. In earlier work (Chan & Swatman 2001), we analysed the eBusiness and IS/IT programs offered by Australian and New Zealand universities in 2000 and found a number of differences between these two types in terms

of packaging and positioning, despite the apparent similarity of many course and program titles and descriptions — particularly where programs were being offered online.

Clearly, product distinctiveness is a major concern when offering a new program, particularly in today’s competitive market environment. In order to examine this issue, we therefore asked several questions during the interviews related to educational product distinctiveness.

The first question was: “What characteristics do you use to distinguish the eBusiness program from other programs?” The responses are briefly listed below.

**Table 3: Interview Responses For The “Product Distinctiveness” Element**

Row heading, universities in  
A : Australia,  
H : Hong Kong,  
N : New Zealand,  
S : Singapore.

	<b>E5</b> Characteristics for distinguishing eBusiness programs from other programs
<b>A1</b>	Focus on more web page development.
<b>A2</b>	It was a whole-of-faculty degree for a start and it was unique. It was focused on the new economy.
<b>A3</b>	The eBusiness program was a joint degree with other programs, hence one third was the same as other program(s). However, there were two themes in eBusiness for students to choose from.
<b>A4</b>	To develop eBusiness systems rather than just studying eBusiness or eMarketing. Focus on technology applications for the business and understand what technologies are appropriate and how to make them work.
<b>A5</b>	All the subjects in the program were eBusiness-related, unlike universities [which] had included business subjects.
<b>A6</b>	It took a strategic business managerial emphasis. Neither is it a re-packaged offering of courses that have already been developed.
<b>A7</b>	It’s got these extra specialist eBusiness subjects.
<b>A8</b>	Two special units. Internet Forum which includes practical web development. The other is web commerce development in which there is some practical development as an assignment.
<b>A9</b>	IS programs are broad generalisations and have an intra-organisational focus. They have a focus within an organisation. eBusiness is an inter-organisational phenomenon and looks at trading between or across organisations.
<b>A10</b>	Marketing is just one application of eBusiness. eBusiness can cover the whole range of things, marketing is just one area.
<b>N1</b>	The eBusiness graduates will have a much more hands-on experience.
<b>N2</b>	Basically all the IS skills and knowledge need to be able to code HTML or XML. Students should know all sorts of things not necessarily that they are programmers but at least they can tell a programmer ‘build this for me’.
<b>H1</b>	This is a one-year program. Much more focused on IT than MBA.
<b>H2</b>	A comprehensive framework of how eBusiness technology would help the business environment and their business partners.
<b>H3</b>	MBA was a general degree with components of accounting, management etc. eBusiness had heavy load dedicated to eBusiness. About 50% of the program borrowed from MBA. These topics included strategy, innovation and marketing.
<b>H4</b>	Talk about eBusiness by nature and talk about doing business between things such as B2B, B2C etc.
<b>H5</b>	MBA was a broad program while EC was more specific.

	<b>E5</b> Characteristics for distinguishing eBusiness programs from other programs
<b>H6</b>	Understand business models and design the systems that make [them] convenient to clients.
<b>S1</b>	With eBusiness, we need to understand how to conduct business in a cheaper way in a faster way and in a more efficient way. These change the competencies. It requires a very interdisciplinary approach – see industry reacting to the whole thing, what kind of value proposition you get out of the whole thing.

It is clear from these responses that the program developers were all aware of the need to differentiate their offerings from IS or MBA programs (the latter was particularly important in Hong Kong). Interviewees spoke of the way in which eBusiness programs place more emphasis on developing and implementing strategies for eBusiness, assessing financial performance of existing eBusiness and identifying eBusiness opportunities for business – although the answers also make it clear that these developers had not thought through the strategic distinctions as carefully as one might have expected.

In order to examine whether the name itself would have any effect on the ‘distinctiveness’ of the product, we also asked: “What are your personal opinions about the terms “eCommerce”, “eBusiness”, “eMarketing” and “Internet / Online commerce?”

Respondents saw little difference between the terms eCommerce, eBusiness and eMarketing (University N2 believed they were merely “sexy” terms). Most interviewees agreed that eCommerce was a subset of eBusiness, focused on the processes relating to electronic transactions, whereas eBusiness related to doing business electronically in every possible way. The respondents believed, however, that the terms eCommerce and eBusiness are more general and broader than either eMarketing or Internet Commerce.

In order to understand the product distinctiveness in greater depth, we then asked a third question: “Is any part of the program particularly important?”

In University A10, the interviewee believed an eBusiness bachelors program should not stand alone:

‘eBusiness can take on a number of different emphases or foci and we took on a management application focus. And we were very strong on suggesting that the undergraduate students take on a double major, we did not market it as a single major in its own right.’

In University N1, the respondent felt that the eBusiness program should focus on technical issues:

‘I had a very strong desire to see an industry work experience component and I put that in, actually against the opposition of a number of other people, also because I come from an engineering or technical background, and I forced the inclusion of some computer science courses in that because I saw that a partial technical foundation was very important for the degree, and again I had to work fairly hard to get that idea through.’

In University H4, the response was that eBusiness programs should continue to add fresh materials to existing offerings:

‘The parts of the program that I think are particularly important are, first it all it’s fresh material, in that this area changes so rapidly, you have to have continuing streams of fresh material, the second thing is that it has have strong components of collaborative learning to make it successful.’

Each program had (some) unique characteristics and could be distinguished from other offerings, indicating that the creators of each program were at least aware of the need to provide alternative offerings.

### 4.3 Product Adaptability

*Product adaptability* is the degree to which the specifications of a product can be updated to meet the changing needs of customers. Table 4 below shows the responses relating to product adaptability.

**Table 4: Interview Responses For The “Product Adaptability” And “Facilitating Services” Elements**

Row heading, universities in

A : Australia,

H : Hong Kong,

N : New Zealand,

S : Singapore.

Column heading

E6: Universities offer different levels of programs

E7: Facilities and services provided to students

	<b>E6</b>	<b>E7</b>
<b>A1</b>	Bachelors and masters	Same as other programs.
<b>A2</b>	Masters but multiple exits to certificate and diploma	Special e-portal for this program which was maintained by technical staff who were employed specifically for this task.
<b>A3</b>	Bachelor and masters	The university provides support along the lines of IT infrastructure. A web development officer and an administrator were looking after the program.
<b>A4</b>	Bachelors and masters	Same as other programs.
<b>A5</b>	Grad. cert., grad. diploma, bachelors, masters and doctoral	Same as other programs.
<b>A6</b>	Grad. cert., grad. diploma, bachelors, masters	Treated like other students in other programs.
<b>A7</b>	Bachelors	The usual things, laboratories and computers access to the Internet, libraries and online database.
<b>A8</b>	Executive certificate, diploma, bachelors and masters	Facilities provided to the EC students are the same as students in Management Information Systems programs.
<b>A9</b>	Grad. cert., grad diploma, bachelors and masters	Same as other programs.
<b>A10</b>	Grad. cert., grad. diploma, bachelors and masters	Same as other programs.
<b>N1</b>	Grad diploma and bachelors	Lots of laboratory facilities.
<b>N2</b>	Grad diploma and bachelors	24 hours access labs and software such as visual basic and HTML programming software.
<b>H1</b>	Masters	Same as the other program.
<b>H2</b>	Masters	Special laboratories and a special server for the program. A Program manager was looking after the administrative

	E6	E7
		aspects of the program.
H3	Bachelors and masters	A special server for the programs for hands-on experience and on-line projects for students.
H4	Masters	Laboratory facilities which had enough computers to cope with every student in the program. Separate server for the program.
H5	Masters	Forum for eBusiness students in two faculties to hold discussion. Establish more phone line so that students could easily got access University's server through dial-up.
H6	Higher diploma, bachelors and masters	Same as the other programs.
S1	Masters	2 special eBusiness laboratories for students.

Column heading E6 in Table 6 shows that six of the ten Australian universities interviewed offered the full range of eBusiness programs (from graduate certificate to masters degrees, plus a bachelors degree). The two New Zealand universities we interviewed had bachelors degrees and graduate diplomas in eBusiness. By contrast, universities in Hong Kong and Singapore were more focused on eBusiness programs at the masters level.

Some of the Australian universities provided multiple exit points from their masters program – students could choose to graduate with a Graduate Certificate after completing four courses; with a Graduate Diploma after completing eight courses; and with a Masters degree after completing all 12-16 courses (these options were usually mutually exclusive). The flexibility offered by this approach is very attractive to part-time students, whose work life often makes it difficult or even impossible to complete a masters degree – as well as helping the offering university to differentiate itself in the market-place. Thus:

**the provision of multiple exit points from a masters degree program provides flexibility to students and hence can increase the product adaptability of the educational service product.**

It was noticeable, however, that this was really the only identifying structural factor in these programs – students were otherwise treated just like all other fee-paying graduate students.

#### 4.4 Facilitating Services

There are two types of services for students:

- *Facilitating services* are mandatory and, if they are not present, the *service product* collapses. In tertiary institutions, services such as student enrolment, student records management, library facilities, examinations and the provision and marking of assignments are *facilitating services*.
- By contrast, *supporting services* enhance the competitive power of a university's *service products* (although *facilitating services* in some circumstances could become *supporting services* in others). The *facilitating services* depend totally on

the *core service*. For example, a well-equipped gymnasium is a *facilitating service* for students who study sports-related programs, but is only a *supporting service* for students taking an eBusiness program.

One of the initial general observations to emerge from the case studies (Table 4, column E7) was that most universities were sharing *facilitating services* with other programs within their institution. There was only one truly exceptional case, University H2, which had its own systems (*facilitating services*) for student administration, enrolment and payment for the program. University A2 also developed an e-portal which was to be used for their eBusiness students alone. The portal – maintained by a specific, full-time, technical staff member – provided information on eBusiness student alumni, offered, in addition to the usual course-related material, an e-Biz discussion group, and provided news and details of program structure and staff involved in the eBusiness program.

In terms of *supporting services*, most of the universities involved in the interviews treated such services in essentially the same way as all other programs, but with enhancement of the computer laboratory facilities. These facilities included: allocated computer servers for eBusiness students to develop and host their web pages; special software packages for web page construction; and 24-hour access to the computer laboratory.

University H5 provided a different type of *supporting service* to its eBusiness students. In partnership with several bookshops, the University organised a small-scale book exhibition on the university campus at the beginning of each semester, specifically for eBusiness-related books. Students could therefore buy their textbooks directly from the university campus, saving travelling and searching time. University H2 included textbooks in the eBusiness program package and students did not need to buy the textbooks themselves.

Despite these special cases, the overall case study results suggested that:

<p><b>most eBusiness program developers did not emphasise nor even give any thought to providing facilitating services or supporting services to increase the competitive advantage of their respective eBusiness programs.</b></p>
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## 5 Conclusions And Research Contribution

Having discussed the issues relating to the core of the NESPO model in some detail, we return to the over-arching research question:

How have the universities surveyed made use of new service product concepts in creating multidisciplinary, market-focused, niche programs – particularly eBusiness programs?

It has been our contention that niche-market multidisciplinary academic programs are, in fact, service products; and that appropriate marketing techniques should be employed during their development and operation if the offering institution is to take full advantage of their comparatively limited market acceptability. This view is based primarily on the new service product literature discussed earlier in this paper – and extended by means of the development of the NESPO model which shows that this theory can be applied to educational service products in a very similar way to consumer products.

Our case study data made it clear that take-up of the programs studied was rapid and, in the short-run, the programs were very successful in building student numbers. The majority of the program developers were either not aware of, or placed comparatively little emphasis on, the “elements” of the NESPO model requiring attention when

developing their new service products. Rather, they focused almost exclusively on the guidelines laid down by their own university for developing all new academic programs, putting considerable effort into the structure of the program and into successfully pushing the applications through the various academic approval committees at their institution. Once approval had been granted, they generally rushed their product to market as quickly as possible, without an orchestrated marketing or promotion campaign.

The value-adding role of top management to the launch of the new program was seen by most as that of speeding up the approval process and, in certain circumstances, approving funds for market research. Reduction of staff workload or the allocation of a budget for new programs was, in the majority of cases, not carefully considered by top management, with the result that not all institutions had sufficient staff to teach the individual courses, or sufficient funds to support the additional expenses incurred by the launch of the program.

This approach led to many eBusiness programs (service products) ‘flooding’ the market during the four-year period of the study, but product distinctiveness and quality were difficult to ascertain with any degree of certainty.

The simplest and most succinct answer to the research question, therefore, is that a small number of the surveyed universities understood that they were competing in a very tough environment – and therefore put sufficient time and effort (and resources) into the preliminary work needed to ensure the success of their product. Those universities, for example, which engaged in preliminary market research, ensured that they had adequate financial and human capital resources, developed a unique program (rather than simply cobbling together a set of existing courses from other programs), and took advice from a combination of industry advisers, other universities’ experiences and their own students were well on the way to developing a successful educational service product. Unfortunately, none of the universities surveyed actually completed all of these initiatives (many, indeed, undertook few or none at all).

This paper has focused on a particular group of degrees offered in a specific part of the world during a very special time. We believe, however, that the major contribution of both the paper, and the broader research project on which it is based, is to arouse program developers’ awareness of the need to take a market-oriented perspective when designing and implementing the comparatively short-lived degree programs which are increasingly making up the bulk of today’s fee-based coursework masters degrees (and, to a lesser extent, bachelors degrees). The teams or individuals building such programs need to take a wider view of the goal(s) of their new service products – including the reason why any particular program is developed – before adopting some (or all) of the elements contained in the NESPO model.

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