

White paper – trail blazing or a damp squib?

After all the pre-publicity and delays, finally the White Paper was published in June. And a few weeks later, OFFA accepted all our Access Agreements. Was it worth the wait and, more to the point, what is the verdict on the White Paper?

As is the practice in today's political world, much of the White Paper is a repeat of what we already knew – for example, the Key Information Set consultation was announced in 2011 and work on the pilot set ended in the spring of this year – or had been leaked in advance to the media. We knew also much of the detail on fees although, to be fair, the liberation of AAB candidates from quotas and reallocating some funded places to those institutions with fees of less than £7,500 only emerged shortly before publication.

Much has been said about the impact of the rise in fees, which I will not repeat, but how are the differences in price between institutions going to play? I have contended for many years there is no such thing as a national market for home undergraduates. As long ago as 2005, UUK published a volume of statistics showing three out of four home undergraduates study in either the region in which they live or in an adjoining region. Put it another way, few students travel from the south of England to the north, or vice versa. Research also shows the average distance travelled to study has shortened year-on-year.

And the price differential is so small, will it really change behaviours? If you are buying a car, will you automatically buy the car priced at £8,000 rather than the one at £9,000 simply because it's cheaper? Of course not! You'll consider all the other factors, including how much it costs to run, its performance, and the brand and reputation of the manufacturer.

Translate that into higher education. Why are we so besotted with price? What about cost? For example, a course costs £8,000 there and £9,000 here. But it costs £1,000 more to get there – which equates to less than £7 per day assuming a 30 week year – so the financial argument begins to look rather weak, and falls flat if the fees differential is, say, just £500. Yes, you may protect your own market, but there is no financial incentive for students to move to you, other than where institutions are in close proximity. Whilst Leeds Met's failure with its £2,000 fee is evidence price discounting doesn't work, in the congested London market place – just how many HEIs are there within the M25? – I suspect price will have some impact. But not much. It'll be about performance, brand and reputation too, which brings me to the Key Information Set (KIS).

No-one can argue about providing accurate, up-to-date information an audience seeks, in a timely and accessible manner, via the channels they want to receive it through. That's what marketing is all about. But will KIS deliver? Much of what is now needed is published already – for example, I have yet to find the university website which does not include at least half of the KIS.

And on another note, why is the higher education market supposed to act differently to others? Where is the requirement on the basic services, for example gas, electricity and the phone companies, to publish accessible and easily comparable information?

Personally, my biggest fear is the damage to widening participation (WP). I have spent all my working life as an advocate of higher education and, in particular, the undoubted benefits which should be accessible to all. Scrapping Aimhigher was bad enough – a Government action at complete

variance to its supposed concern for social mobility – but the near threefold increase in fees is almost certain to impact on some of those less well off. Particularly those whose attitude to debt can differ to that of the better off, and on the participation of some ethnic groups for whom any debt is unacceptable culturally.

Some would say the higher education market has always been full of hypocrisy. For whilst benchmarks have ensured WP is a live issue in the home/EU market, the international market is solely about those able to pay. Where are the WP bursaries for international students?

As for OFFA, well, was anyone really tested by OFFA? Yes, it was reported about half of England's universities had to do some further work, but from what I'm hearing, it was more like your school homework being sent back to add a few more sentences or to sort out the detail of your calculations, than anything more drastic. Remember, of course, the political reality was OFFA could not meekly accept all the agreements as drafted as it had the Government breathing down its neck. But nor did it have the resources, despite some secondments from HEFCE, to do much more.

So, finally, what are my predictions for 2012? First, the changes will impact on different institutions in different ways -- which for marketers means we are going to have to understand our institution's own markets even better. As I've said above, there is no such thing as a homogenous national market, so the impacts cannot be homogenous either.

And secondly, whilst there will be some overall decrease in demand, it will not be the end of the world as some predict, although a small number of institutions will struggle. In only a handful of institutions will this be truly change-making, with the possibly of drastic action, such as merger, having to be contemplated.

Intriguingly, a PA Consulting Group survey of vice-chancellors published in July said 55 per cent of those surveyed foresaw "a number of institutional failures and bankruptcies" and a similar proportion expect significant rationalisation of institutions through mergers and acquisitions. Yet only two of the 65 respondents admitted to fears that their institution would be casualties of these events.

Time will tell, of course. My predications are above. What are yours?