A conceptual framework for classifying and understanding Relationship Marketing within Schools

Abstract

Purpose – The purpose of this paper is to develop a conceptual framework that provides insight and aids understanding of the complex array of relationships schools have with individuals, organisations and other entities.

Design/methodology/approach – The conceptual framework is drawn from the Relationship Marketing literature and applied to a school context in the UK. In doing so, it provides a simplified representation of the environment in which schools operate and a valuable classification structure for the many different relationships a school has. This framework will be of benefit to both academics and practitioners.

Findings – The authors find that the relationships schools have can be classified within the conceptual framework. The framework aids understanding of the different relationships and provides insights into how these relationships can be developed and where value can be added. Application of the framework also highlights the complex nature of the relationships schools can have with others and the need to manage those relationships well.

Research implications – The framework developed in this paper is conceptual and needs to be tested empirically.

Originality/value – This paper responds to the call from Oplatka et al. (2004) to provide further research into the area of Relationship Marketing in the context of schools. It adds value by drawing together various aspects of Relationship Marketing, providing an analysis of their relevance to educational services marketing and identifying and applying a conceptual framework which classifies the relationships schools have with others. This paper provides important insights for those within schools who are responsible for the management of relationships with their organization and for others seeking to foster greater engagement with schools.

Keywords: schools, educational sector, Relationship Marketing, creating value.

Paper type: Conceptual paper

Introduction

Over the past twenty five years, successive Governments have introduced a number of changes to the school education system in the UK. For England and Wales, the changes began in 1988 with the Education Reform Act and have continued more recently with the Academies Act in 2010. As a result, schools can now become Academies, thereby gaining more freedom over their own curriculum and admissions. In addition, new competition has been made possible by the introduction of free schools that can be created by private organisations and groups of parents and teachers. Such developments have significantly changed the landscape in which schools operate, bringing marketization and privatisation to the school sector (Whitty and Power, 2000).

Although there were initially debates on the appropriateness of marketing for educational institutions, such as schools (Harvey and Busher, 1996), schools were suggested to adopt marketing concepts and practices in order to continue to attract students in this new competitive market (Foskett, 1998; Levin, 2001; Oplatka, 2002). Marketing activity within schools is however relatively new when compared to sectors such as goods and other service industries. As marketing in schools has not yet become fully mature, many gaps identified by Oplatka et al. (2004) in their synthesis of research on educational marketing practice can still be considered to apply today. While subsequent research has helped to close some of the gaps identified, more research and guidance for marketing by schools is still required. Relationship Marketing (RM) is one example where further work is still required, and Oplatka et al. (2004: 393) concluded that:

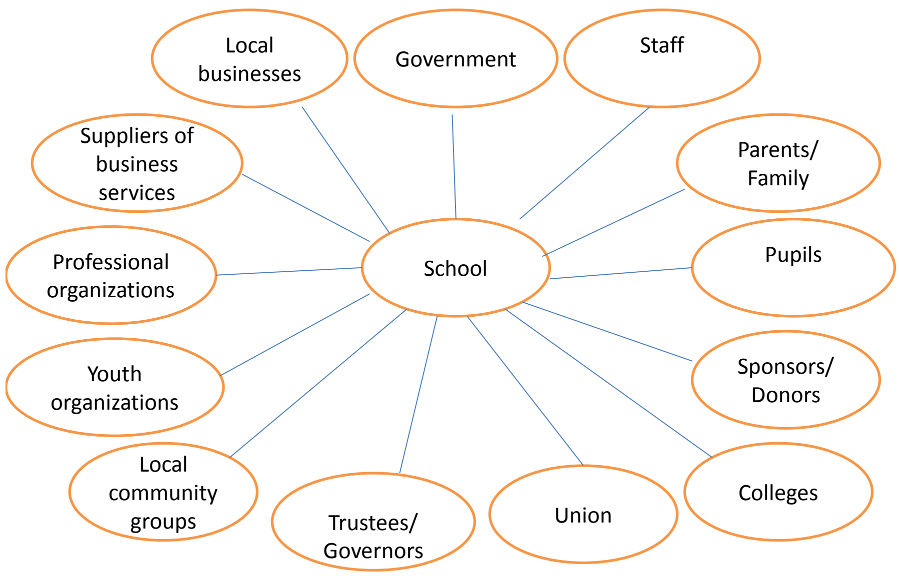
> "Although forms of RM have already been observed in schools (Bell, 1999; Oplatka et al., 2002), a much more in-depth research of RM is needed in order to understand this approach to marketing in the context of schooling. Subsequent research should begin to inquire into the encounters of parents and children with staff, the issue of loyalty to the school, the specific breakthrough strategies for retaining children, the nature of the exchange process in RM, classifications of marketing relationships, strategies of RM, how schools establish trust among parents, and antecedents of RM in schools."

Despite this call for more in-depth research on RM in the context of schooling, most recent work on RM in the education sector has focused on colleges and/or universities (see for example Vauterin et al., 2011) and in particular universities in an international context (see for example Heffernan and Poole, 2005). RM in the context of schools has so far received little attentions. In addition, although some researchers have inquired into RM in the education sector (see for example Helgesen, 2008), the majority have focused on the relationships between educational institutions with their students rather than looking into the complex relationships schools have with individuals, organisations and other entities as external stakeholders. Our understanding of RM in the context of a school continues to be incomplete, especially in managing the relationships with different types of business customers. In particular, we have yet to identify a classification framework (as identified by Oplatka et al., 2004) to help us understand the portfolio of different relationships schools have. Yet it is only by understanding the range and type of relationships that schools have can we then begin to understand how to manage and develop them effectively. We believe that managing external relationships better than competition can help schools differentiate their education services, as product/service and price alone are less important differentiators for organisations nowadays, while core differentiators organisations can gain through better relationships with business-to-business (B2B) customers include better service support, increased personal interaction, superior provider's know-how, and better service quality (Ulaga and Eggert, 2006), which all help creating values for business customers apart from relying on the existing education services schools currently offer.

This paper seeks to answer the call by Oplakta et al. (2004) to add to our understanding of RM in schools and specifically to provide a classification framework of the relationships schools have. The approach taken is essentially conceptual in that a framework is developed from the RM literature and applied theoretically to schools. The context is the UK education system and specifically state schools in England and Wales. This paper therefore contributes not only conceptually to the general understanding of relationship management within schools, but also seeks to provide a classification framework to provide structure and help schools understand and manage the relationships they have.

Schools do have a wide and complex variety of relationships. Such relationships are not confined to their customers, i.e. the student, but also include relationships with other stakeholders (Grönroos, 1994), for example, suppliers of business services, local community groups and sponsors/donors. The total number and type of relationships schools have will vary by school, by context and over time. Figure 1 below identifies the main relationships that exist for a school.

Figure 1 Examples of the different relationships schools have with others



These relationships are both with consumers, i.e. those that exist between a school and an individual (e.g. a pupil or parent), and are traditionally referred to as business-to-consumer (B2C) relationships; or with a business or organisation, i.e. those that exist between two organisations (e.g. a school and a local business or Government), these are typically called business-to-business (B2B) relationships. Having identified the relationships a school may have provides an appreciation of the complexity of the situation, but does little to help schools to manage those relationships. In order to do this, schools require a classification framework that can provide insight and aid our understanding of the relationships schools have with individuals, organisations and other entities. Schools can then identify priorities, address the needs of those relationships and where possible seek to create values for B2B customers.

Before discussing the complex array of relationships schools have in details, we will look into previous studies done in the field of RM in the education sector, following by focusing on the school context.

Literature Review

In this section, the key themes of RM and creating value through RM will be introduced before moving on to consider both in the specific school context.

Relationship Marketing

RM is a well established concept in the marketing literature. It is believed that managing external relationships well can provide an organisation with a competitive advantage (Berry, 1995; Morgan and Hunt, 1999; Srivastava et al., 2001).

It is now almost three decades since Berry (1983:25) first used the term and defined RM as 'attracting, maintaining and enhancing customer relationships'. Berry's definition provided the foundation upon which most subsequent definitions were built. For example, Christopher et al. (1991: 4) defined the function of RM as 'getting and keeping customers' while Morgan and Hunt (1994) added the importance of trust, cooperation and shared values in maintaining a successful relationship. Today there is no one universally agreed definition of RM in either the B2C or B2B context, however one that is widely accepted is provided by Grönroos who suggested:

> "Relationship Marketing is to identify and establish, maintain and enhance and when necessary also to terminate relationships with customers and other stakeholders, at a profit, so that the objectives of all parties are met, and that this is done by a mutual exchange and fulfilment of promises (Grönroos, 1994:9)

This broad definition has been selected as the basis for this paper, as it defines the relationship as being with 'customers and other stakeholders' thereby accommodating the wide range of relationships schools can have with customers as consumers (B2C) or businesses (B2B) as well as stakeholders who may for example be suppliers or partners. It also recognizes the need for 'profit' is explicitly included in this definition. Although schools are categorized as a 'non-for-profit' organization, they are increasingly looking to additional revenue streams that can provide a surplus and fund core activities, so the need for profit, or a 'surplus', should be recognized.

RM focuses on a mutual exchange and fulfilment of promises between the stakeholders and an organisation (Harker, 1999; Grönroos, 1994). RM is therefore not about gaining new customers, but about developing loyalty from those that an organization has previously expensively gained. Organisations need to see a relationship from the "customers' perspective" and understand what they seek in a relationship (Palmer, 1994:573). Therefore, organisations adopting RM should focus on the process *after* the moment of exchange through maintaining and retaining customers, in order to create mutual benefits to all parties through the long-term relationship (Gummesson, 1994; Harker and Egan, 2006; Grönroos, 2011). As value creation is a key concept in B2B RM (see for example Morgan and Hunt, 1994; Ulaga, 2003), value creation will be discussed next.

<u>Value creation</u>

Value creation is a basic constituent of RM (Morgan and Hunt, 1994; Walter et al., 2001; Gummesson, 2004) and the ability to provide superior value to business customers is a prerequisite for organizations when trying to establish and maintain long-term relationships (Ravald and Grönroos, 1996; Ulaga, 2003).

In order to understand value creation, it is important to define the term 'value' first. Zeithaml (1988: 14) defined customer-perceived value as "the consumer's overall assessment of the utility of a product based on a perception of what is received and what is given". Value-adding or value-creating strategies focus on adding value to the core product or service a supplier provides, such as an additional product feature or a supporting service (Ravald and Grönroos, 1996). Only when organisations are customer-centric do they know how to create value for their customers, and if a relationship does not create value for the organisation's business customers, the relationship between both parties will not last. Hence, it is argued that the nature of value creation is demonstrated through "reciprocal service provision" and is a "networked, interdependent, and co-creative" process between the suppliers and customers" (Vargo, 2009:377).

The concept of value creation is widely discussed in B2B markets (Anderson and Narus, 1995; Parasuraman, 1997; Walter and Ritter, 2003) and is considered fundamental due to the predominant role that functionality or performance plays in business markets (Anderson and Narus, 1999:5). The value creation between firms is developed through associating and interaction with other parties, because suppliers need to offer value to the customer but also gain benefits from the customer at the same time (Walter and Ritter, 2003). Businesses anticipate economic benefits from their relationships, either immediately from the relationship or from the impact of the relationship on future business or on other connected relationships (Walter and Ritter, 2003; Hakansson and Johanson, 1993; Anderson et al., 1994; Walter et al., 2001). Although schools are 'non-for-profit' organizations, additional revenue streams that provide a surplus are still needed.

More specifically, when applying the value creation concept in the school context, schools should aim at being "value facilitators" to assist their business customers, who are "value creators", to perform better by satisfying the needs of their customers further (Grönroos, 2008). For example, one party of the B2B relationship a school has is with the government. A school can be a better "value facilitator" to the government it partners with by advising the government to provide any non-existing or additional education service features that would benefit the general publics whom the government tries to serve as a whole. To be able to provide timely and sensible advice to government or any other stakeholders, schools must have a close "networked" relationship with not only B2B but also B2C customers, such as students and parents, in order to identify and respond to their needs. Therefore, we argue schools must understand the types of relationships they have before managing them, following by meeting the unmet needs through working with other B2B customers and/or providing additional service features.

In the value creation through B2B RM, trust and commitment are often discussed in the literature (i.e. Morgan and Hunt, 1994; Walter and Ritter, 2003; Gounaris, 2005). For example, Gounaris (2005) looked into relationships between trust and commitment, suggesting that trust and commitment are the two important elements that cause corporate clients to uphold a relationship with their supplier, while trust precedes the development of commitment. Commitment is the desire for continuity manifested by the willingness to invest resources into a relationship (Gounaris, 2005), and it is not only an essential ingredient for successful long-term customer relationships (Morgan and Hunt, 1994), but also drives the value creation process in business relationships (Walter and Ritter, 2003). Essentially, commitment is not only an antecedent of customer satisfaction (Selnes, 1998), but also a consequence following by customer satisfaction (Kelley and Davis, 1994). Hence, in managing B2B relationships, schools need to see from the perspectives of their business customers in order to increase trust and commitment in the relationships, while the management of schools should acknowledge that commitment-building is based on continuously satisfying customers, which is a long-term goal and might not have instant results.

Relationship Marketing and Value Creating in Schools

Although RM concepts have been discussed in a school context (Oplatka and Hemsley-Brown, 2004; Foskett, 1999), the majority have examined RM in a Further Education (FE) (Klassen, 2002; Trim, 2003) or Higher Education (HE) setting (Hemsley-Brown and Oplatka, 2006; Binsardi and Ekwulugo, 2003; Arnett et al., 2003; Rowley, 2003; Mazzarol, 1998). In addition, the majority have focused on the benefits flowing from RM practices, processes and strategies instead of applying RM in education sector. Relevant studies of RM done in the education sector will be discussed next, following by a section focusing on applying concepts to the school sector particularly.

Some studies have applied RM in a B2C context and explained benefits of applying RM (Arnett et al., 2003; Helgesen, 2008). For example, in a HE context, Arnett et al. (2003) discovered that the benefits of RM practices include maintaining university prestige and enhancing university identity. They suggested universities to build long-term relationships with their students by increasing student involvement in university activities during the time of study through sports or student union associations. Moreover, they confirmed the outcomes of such long-term relationships between universities and students encouraged graduates to promote the university to others via word-of-mouth and increases the possibilities of donation.

Except enhancing the prestige and identify of an educational institution, another benefit of B2C RM is on student retention. In a HE context, Helgesen (2008) suggested universities to adopt an RM approach to improve student retention by creating value for students. The value-creation process should be an ongoing process over the students' lifetime, while surveys with students were the suggested tools to analyze and identify approaches needed to deliver values and increase loyalty for students (Helgesen, 2008). It is argued that when the management of universities understand students' needs, following by allocating resources to activities that are important to students, it increased the values of HE services offered to students. Differently, Rowley (2003) went beyond to discuss the benefits of B2C RM by proposing a Relationship Life Cycle framework to HE and FE in relationship management (Rowley, 2003: 251), which improved student retention and enhanced student loyalty and commitment. However, the findings of Helgesen (2008) and Rowley (2003) were limited to the B2C context. As this paper focuses on the B2B aspect of RM instead of B2C, the studies on B2B RM will be discussed next.

Similar to the B2C RM studies that were identified in the previous section, studies in the field of B2B of RM have also focused on benefits of adopting B2B RM, instead of approaches for educational institutions to apply RM in a B2B context. Literature suggested the benefits of adopting B2B RM in the education sector include better meeting customer expectations, attracting more customers (Trim, 2003), increasing customer satisfaction, facilitating positive word-of-mouth communication (Oplatka et al., 2002), enhancing service features, strengthening customer loyalty (Mazzarol, 1998), building trust and commitment (Heffernan and Poole, 2005), and linking mission more firmly to the marketing situations (Foskett, 1999). Differently, the only two studies that applied B2B RM concepts in the education sector suggested relationship-building approaches like using websites of educational institutions (Klassen, 2002) or building brand communities (McAlexander et al., 2004). We will discuss those B2B RM concepts next.

Included educational institutions in HE, FE and business colleges, one of the earliest studies that referred to RM was Mazzarol (1998) who investigated critical success factors for international education marketing. He pointed out the importance of relationship-building in educational marketing, arguing that education services should develop a lengthy and formal relationship with clients, which strengthens customer loyalty and enhances service features (Mazzarol, 1998:164). Similarly, Trim (2003) studied the strategic marketing approaches by applying RM concepts in establishing partnership arrangements in FE and HE, proposing a "relational" approach. He found the RM approach helped senior academic and administrators to meet the objectives set by senior management, assist the educational institutions to better audit, evaluate and manage partnership arrangements, provide education to a boarder audience, and meet customer expectations better. More precisely, the partnership relationship of educational institutions acted as a catalyst for developing new services, leading to increasing opportunities in income generation (Trim, 2003).

The study of Mazzarol (1998) and Trim (2003) used FE and Higher Education as examples, while RM was much less discussed in school marketing. Some exceptions were the work of Foskett (1999) and Oplatka et al. (2002). Foskett (1999) first discussed the importance of managing external relations for both schools and colleges, suggesting the marketing strategy of an educational institution should link to managing its external relations and be driven by its interactions with the external environments. He argued that the management of external relations would help educational institutions linking their missions more firmly to their marketing situations (Foskett, 1999:47). More from the Internal Marketing perspective of RM, Oplatka et al. (2002) looked into teachers' perspectives in marketing schools and found that teachers supported building and managing good relationships with their pupils. Teachers supported a relationship-based marketing approach rather than just emphasizing on "selling" the educational services, as they felt the former approach would increase student satisfaction, leading to positive word-of-mouth communication in the community (2002: 185). Leaders of schools were encouraged to involve both academics and non-academics staff in their RM approach, in order to create value for the education services and survive in the competitive market (Oplatka et al., 2002).

Furthermore, the benefits of applying RM were also applicable in an international context of the education sector. Binsardi and Ekwulugo (2003) investigated international students' perceptions on the UK universities, recommending UK universities to adopt a "network" approach by developing and maintaining a strong relationship with various stakeholders and customers in order to succeed in the competitive international education market (2003:319). Moreover, Heffernan and Poole (2005) looked at the international education partnerships by using examples of Australian universities, stressing the importance of developing effective communication structures and frameworks, building mutual trust, and encouragement and demonstration of commitment between partners (2005: 237). The key success factors for international education partnerships included effective communication, trust and commitment between both parties (Heffernan and Poole, 2005), which were consistent to the RM literature done in the non-for-profit sectors.

Going beyond discussing the benefits of B2B RM, Klassen (2002) and McAlexander et al. (2004) proposed possible B2B RM approaches for educational institutions. Klassen (2002) applied RM on the website analysis, suggesting HE and FE institutions to use their websites for relationship-building, as only few institutions had been using their websites effectively to strengthen relationships with external stakeholders including students. In addition, McAlexander et al. (2004) applied RM in HE by suggesting universities to build a brand community that include all their stakeholders and pursue policies and programs to strengthen the relationships that define the community. They found the establishing of a brand community was particularly effective for improving student experiences, enhancing alumni loyalty and intentions to support the university. After discussing the literature from the B2C and B2B RM, the next section will focus on the value creation in schools.

<u>Value Creation in Schools</u>

As discussed earlier, previous studies in the education sector have focused on B2C RM instead of B2B, and the concept of value added from B2B relationship has been neglected. Although some studies have examined customer perceived values in education sector (LeBlanc and Nguyen, 1999; Ledden et al., 2007), no existing studies have applied concepts of B2B RM in schools, aiming at creating values for external B2B stakeholders. Studying consumers' perceived values in education sector, Ledden et al. (2007) looked at the relationship between personal values and perceived value of HE, suggesting value was a significant determinant of customer satisfaction. Similarly, LeBlanc and Nguyen (1999) examined perceived service value among business school students, explaining the factors affecting students' perceived values on HE service, such as relationship between price and quality or knowledge acquired. However, they did not discuss value creation from a B2B RM perspective.

Due to the lack of study, our understanding of B2B RM in a school context continues to be incomplete. Therefore, in the following section, a classification framework will be identified to provide structure and aid our understanding of the different relationships schools have, which assist schools to understand the types of relationships, following by enhancing the relationships with stakeholders through creating values for them.

A Conceptual Framework for Classifying School Relationships

As identified earlier, schools have relationships with a wide and varied range of individuals and organisations (Figure 1). In order to manage these relationships effectively, it can be helpful to classify and group together those relationships that share similar characteristics. This not only allows the importance of the different groups at any one time and in different contexts to be established but also positions and provides a better understanding of the nature of each individual relationship. The appropriate resource can then be allocated to developing relationship by identifying their needs and creating value.

Trim (2003) identified four groups of stakeholder relationships in the context of FE and HE: internal customers (e.g. academic staff, support staff, administrators); external B2C customers (e.g. students and governors); external B2B customers (e.g. local authority personnel, central government staff, government agency staff, chamber of commerce personnel, bankers, accountants, auditors, and sponsors); and other wider publics (e.g. students' parents, siblings, shopkeepers, local business personnel and community groups). Trim's study was one of the few to attempt to identify and classify the different relationships within an educational context, however, the groupings based on B2B and B2C relationship classification provided limited insight, as it did not go beyond the nature of the relationships to explain how best to manage them.

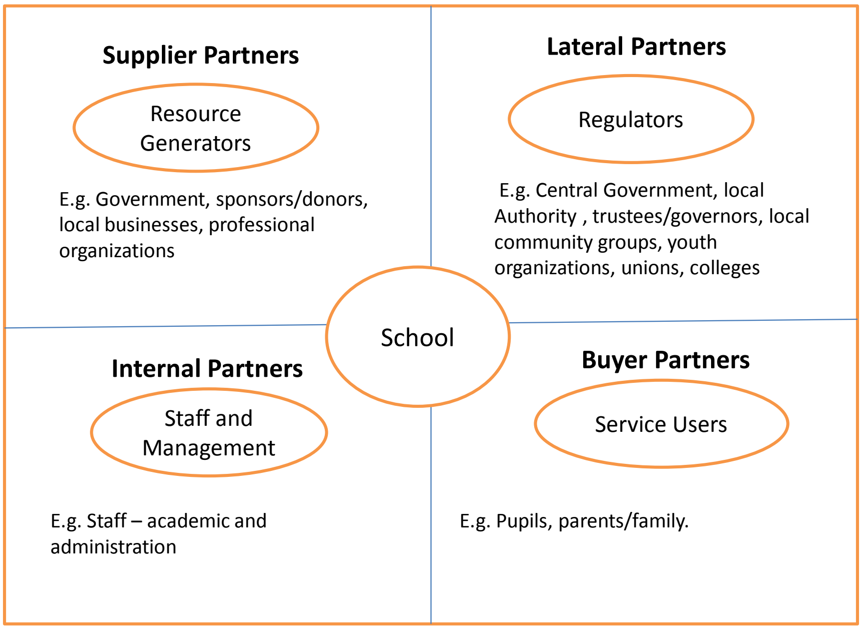
If we look to the wider RM literature for guidance, several authors can be found who have sought to provide frameworks in which to define and classify the different types of relationships organizations have. For example, Christopher et al. (1991) identified 'six markets' that organizations should use to direct their marketing activity and formulate marketing plans, namely: customer, referral (i.e. customers recommending the organisation to others), supplier, employee recruitment (i.e. potential/future employees), influencer (e.g. finance markets, regulatory markets and the government) and internal market (i.e. employees). Morgan and Hunt (1994) identified four groups, or partnerships, for relational exchanges: buyer, supplier, internal and lateral partnerships (i.e. competitors and government). Within the not-for-profit sector, Gwin (1990) identified five constituent groups – resource generators, service users, regulators, managers and staff members.

Clearly there is overlap in these classifications and indeed Conway and others combined the groupings of Gwin (1990) with those of Morgan and Hunt (1994) in their studies of two not-for-profit sectors, the NHS (Conway and Willcocks, 2000) and subsidized theatres (Conway and Whitelock, 2004). They identified four categories: buyer/service users; suppliers/resource generators; internal/staff and managers (grouped together); and lateral partnerships/regulators.

In 1990, Gwin suggested that relationships in the for-profit sector were well developed and formalised, whereas those in the not-for-profit sector are not so easily defined or so formal. Accordingly he developed separate frameworks for each. However, Gwin's division between the not-for-profit and for-profit sectors are not so clear cut in terms of schools. Schools share some of the characteristics of Gwin's for-profit organisations in that they also have unions and employees (the latter being in contrast to voluntary 'staff') and the role of the community/public is also important in influencing and determining the activities of schools. Indeed, local community and neighbourhood were identified as important stakeholders in the work of Simm and Chapleo (2010) in the HE sector and Trim (2003) in the HE and FE sectors. Both unions and the community/public can however be accommodated within Conway's conceptual framework. Unions and the community/public would naturally fall within lateral partnerships/regulators as both can, for example, constrain what the school can and cannot do. Employees can be included within the Internal/Staff category in this context.

Taking the key relationships schools have, as identified in Figure 1, these can be placed into one of the four quadrants in the framework : supplier/resource generators; lateral partnerships/regulators; internal/staff and management; and buyer/service users, as depicted in Figure 2 below.

Figure 2 – A relationship marketing approach in schools



Buyer Partners – these are the ultimate buyers and in most contexts would be categorised as the customer. In the context of schools, the consumer is different as although they ‘consume’ the service they do not directly ‘pay’ for that service as state schools are funded indirectly by tax payers. In this classification framework, ‘non-revenue generating service users’ (Gwin, 1990) is therefore a more appropriate descriptor. Service users can be the student, the parent(s) of the student – who typically choose the school that they wish the student to attend, and the wider family of the student who can influence the school choice decision.

Some of the parents and family of the student may also fall into the ‘revenue-generating service user’ category (Gwin, 1990). Revenue generating users would return a part or all of the costs of providing the service back to the school. Examples would include parents who pay for additional services provided by the school, such as educational field trips. Such additional services provide the schools with an opportunity to add value to the service they provide. Field trips, for example, can bring the curriculum to life, providing deeper subject learning and increasing the self-confidence of the student (HSE, 2011).

Internal Partners are the staff (both teaching and administrative) as well as the manager(s) or principal. Trim (2003) identified this group as the ‘internal customer’ and indeed development of this relationship would typically fall within the remits of internal marketing. There does however exist some debate as to whether management of internal partners, via internal marketing, is a marketing or human resource function as internal marketing is typically described as a set of marketing activities, e.g. internal communication as well as activities more often associated with the human resources function, e.g. employee training and employee empowerment (Ahmed and Rafiq, 2000). Scant research has been conducted on internal marketing in an education context (Oplatka et al., 2004). One notable exception, albeit in the university context, is the work of Ku¨ster and Avile´s-Valenzuela (2010) who suggest that knowledge of RM and internal customers should be promoted within universities so that each level in the employee hierarchy see the other levels as their own customers.

In addition, their work suggested that value may be added in the relationship with employees by, for example, the delegation of decision making, i.e. employee empowerment.

Supplier Partners are the direct or indirect resource generators, providing funding or goods and services. In the context of UK schools, the Government (either central or local authority) is the primary source of financial funding. For example, Academies are funded directly from central government and operate largely without receiving local authority support services (Mansall, 2011), whereas state funded schools are funded by the local (government) authority.

Additional funding is also available via grants, from a variety of large and small organisations. Some of the main grant bodies schools may have relationships with are those providing lottery funding, European funding, single regeneration funding, trust funds, private company and charity grants. Some grants will be provided ‘in kind’ rather than financial funding, for example in the form of land, buildings or equipment. Other typically smaller, but no less important, contributions come from sponsors (e.g. local and national) businesses and other donors, e.g. student alumni. This quadrant therefore contains a wide range of entities, with potentially different needs and wants from the relationship. Schools need to break this group down further in order to fully understand, manage and potentially add value to each relationship. For example, alumni donors have been found to be more likely to respond to a fund-raising campaign where contact is made through different channels including newsletters sponsored alumni gatherings, and invitations to alumni to interact with current students (Tsao and Coll, 2005). All three channels provide an opportunity for schools to also build and add value to the relationships they have with alumni.

Lateral Partners are regulators who can constrain or define what the school can do. The Government and their associated bodies are the main regulators. Examples of the associated bodies include, Ofstead (the Office for Standards in Education), Children’s Services and Skills and Ofqual (the Office of Qualifications and Examinations Regulation). Schools also have trustees and governors. UK governing bodies are accountable for the use of public funds; the quality of education provided; and the wider contribution to the community (Directgov, 2011)

As identified earlier, unlike many other not-for-profit organizations, school employees can be union members. In England and Wales, the largest teachers union is the National Union of Teachers (NUT), who act as a regulator in terms of their campaign to, for example, implement a standard performance management model for all teachers (NUT, 2011).

Although the relationships falling within this sector are all considered lateral, there are clearly differences in the nature of the relationships. For example, some of the entities can exert direct control, while others are indirect. Constraints imposed by the Government are direct relative to those, for example, from local community groups and youth organizations who can put pressure on the school to act or behave in a certain way but have little direct control. This does not necessarily mean that these relationships are any the less important, but they need to be recognised as different.

Discussion

The conceptual framework presented in Figure 2 provides a classification of the complex array of different relationships schools have. By placing the relationships into one of four quadrants, this enables schools to better understand the different relationships they have with Buyers, Suppliers, Internal and Lateral Partners. It also allows schools to manage their relationships more effectively at both a strategic and tactical level as the groupings that are most relevant to their current and future plans can be quickly identified depending where the priority lies. For example, if additional funding is required, then the school needs to focus on the Supplier Partners quadrant and identify those entities that can provide additional support to the school. Schools have a limited amount of resources to develop and manage their relationships and therefore need to prioritise the relationships they have.

In order to add value to the relationship, schools need to understand the nature of the different relationships. Gwin (1990) suggested that there will be general agreement across all four quadrants about the global interests of the organisation, but that each group has its own specific needs and goals. Gwin goes on to suggest that organisations should undertake research to understand the needs of each quadrant and to compare this with their ‘common wisdom’ to see if they have a true and accurate picture of the needs of their partners. Schools will have a good understanding of those entities with whom they are in regular contact, however, for others the picture may not be so clear or accurate.

While each quadrant has its own specific needs, the needs of the individual entities making up that quadrant could are likely to differ. For example, all those within the Lateral Partners quadrant are concerned with regulation, however their objectives or reasons for being concerned with regulation will differ, not least of all as some of the relationships are essentially mandatory (e.g. local government) and for others engagement could be optional (e.g. community groups) . Where needs differ, the expectations and perceptions of what is received and what is given, i.e. the mutual exchange, will also differ. It is important for schools to understand what each Partners want from the relationship now and in the future and this can be achieved through on-going dialogue.

The Partners also differ in the type of relationship they have with the school, some have a B2B relationship and others a B2C relationship. Although the Internal Partners and Buyer Partners are all B2C and the Lateral Partners are all B2B, relationships in the Supplier Partners are mainly B2B with some B2C. Where the type of relationship differs from B2B and B2C, a different marketing approach is likely to be required for the consumers compared to the businesses. This difference raises the question of whether management of the different relationships that schools have should be based on the quadrants, the type of relationship, or a mix?

Finally, a relationship with any one entity does not always neatly fit within one of the quadrants and may fall into one or more quadrant. For example, Local Government falls into the Supplier and Lateral Partner categories. Relationships falling within several quadrants are potentially a priority relationship and require careful management, although importance will vary by context and over time. These issues have implications for how schools manage their relationships and how value can be created and added.

Conclusion

This paper responded to the call from Oplatka et al. (2004) to provide a classification of the marketing relationships schools have. It has utilised a conceptual framework developed from the RM literature and applied it theoretically to the school context. Application of the framework has provided useful insights and aided our understanding of the nature and type of relationships schools have with individuals, organisations and other entities. It has however also highlighted the complex nature of the relationships schools have and the challenges schools face in managing and developing those relationships. Added to this complexity is the changing nature of the relationships themselves which will vary by school, context and over time. As this paper is conceptual, empirical research is thus needed to assess the validity of the framework in a practical context.

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