Demarketing Services - Strategic Management, Tactical Response or Necessary Evil?
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Abstract
Most Student Services units in Australian higher education institutions have been forced to reconsider how they can continue to provide quality services which are valued by the organisational stakeholder as well as by clients when funding is being drastically reduced. It is clear that we will have to demonstrate relevance and alignment to institutional goals. It is also clear that students will be asking for different and often for more in the way of support services as other supports, both internal and external to the organisation, are reduced.

Student Services units have spent much time and energy marketing themselves to management, to clients and increasingly to new client groups. Perhaps it is time to consider demarketing certain of our services as a proactive strategy to survive and perform under pressure.

The concept of demarketing is a relatively new one in the field of marketing and the paper will explore what demarketing means, different ways to demarket for different outcomes and some practical examples of how demarketing principles can be applied to Student Services operations.

What does demarketing mean?
Demarketing was originally defined by Kotler and Levy (1971:75) as “...that aspect of marketing that deals with discouraging customers in general or a certain class of customers in particular on either a temporary or permanent basis...”

Why would a service provider want to demarket services?
Demarketing can offer a number of strategic benefits to either or both the service provider and the consumer. Consumers benefit when they are dissuaded from continued high use of a service (this may be an “ideas”service) or a product or a behaviour deemed harmful to them. Service or product providers benefit when they achieve a reduced demand for a product or service which is in short supply (for a number of intentional or unintentional reasons) with no immediate or simple opportunity for increased production or supply, coupled with the risk of consumer backlash if supply does not meet demand.

In some cases governments take an active role in demarketing efforts targeting commercial products or consumer behaviour because they wish to reduce subsequent demand for services they will need to provide (treatment or remedial) as a result of consumption or high consumption of these. In such instances the company (provider/producer) loses while the customer wins (albeit sometimes against their own judgment) and the government benefits in the longer term. In turn the companies may well engage in a form of demarketing and target particular segments rather than try to stimulate higher general consumption of the product eg cigarettes, alcohol etc.

In some cases the benefit is to the consumer as well as to the provider where access is maintained to reasonable quality of service in the face of high demand because the customer is redirected to access the service or product at non-peak demand times (Krentler, 1988) or in a different mode. Examples of this include airline travel, tourist services etc. In other situations the company make use demarketing action to phase out a product line for which continued parts or services are limited. Strategies used here may be to curtail or stop promotion, to alter the message sent about the desirability of the product, to promote other products aggressively, to increase the price of the item to be phased out (or paradoxically to discount the item in a bid to clear stocks) or to make it more “psychologically difficult” for the customer to access the product. Some of these techniques are subtle - others are not so subtle - and providers may employ a mix of demarketing tactics to achieve their aim.
How do service providers demarket services?

Kotler and Levy (1971) identified four kinds of demarketing.

The first they termed “general demarketing” which they described as an effort to shrink total demand for a service.

They saw “selective demarketing” as dissuading certain customers from maintaining interest in a product or service for a variety of reasons.

Some service providers practice “ostensible demarketing” with the aim of actually increasing demand for a product or service by making it appear as if the product was not in demand.

Finally they mentioned a fourth form of “incidental demarketing” as that which happens rather that that which is planned or desired - in cases, for example, where marketing to increase interest not only fails but has the reverse effect ie decreasing interest.

How is planned demarketing of services achieved?

Some approaches include one or a combination of the following:

- Cease promotion of service overall
- Cease overall promotion but maintain target promotion (eg to particular needs groups)
- Restrict access to defined client groups (eligibility entitlement)
- Increase cost to client (possibly from free to user pays)
- Introduce “cumulative quantity pricing” (Widrick, 1985) where initial services may be free or low cost but long term services come at a greater cost
- Increase cost to sponsor (eg where sponsor wants a service provided to client)
- Increase difficulty of access (eg location, timing, availability)
- Introduce staged access to services (eg client has to attend general session before being able to book in for individual interview)
- Increase “perception” difficulty (eg what the service is called, how it is perceived)
- Promote alternatives/substitutes aggressively (eg alternative modes of access, self help, peer support, referral)
- Promote preventative (primary) activities to offset expected demand for secondary services (Borowski, 1994)
- Partner with consumer group to redefine expectations (Golden and Suder, 1994)
- Change circumstances of need (eg change agency )

How might demarketing apply to student support services in higher education institutions?

To answer this overall question it is important to consider five areas of interest:

1. What is it that student support services offer and to whom?
2. What are the special features of service provision in our context that guide our planning and operations?
3. Why might we want or need to strategically demarket services now or in the future?
4. What are examples of demarketing currently practiced in student support services?
5. What might we want or need to consider doing?

What is it that student support services offer and to whom?

Most student support services in higher education institutions offer clients predominantly individual support services (ie one-on-one interviews) with secondary supports through group programs,
information product (eg handouts, guides, information materials) and referral services. Clients may be students, or staff as clients, or staff as stakeholder (eg for consultancy services). A major stakeholder is the institution (eg management) which is also the sponsor in that it pays (at least for the main part) for the support services which are delivered to clients. There may be other stakeholders such as employers for whom student support services provide services.

What “support” actually means is difficult to define. Some terms commonly used in our self descriptive reports say we provide or assist clients with safe haven, emotional outlet, skills development, personal growth, guidance, advice, advocacy etc etc.

What the institution would most commonly say it pays our salaries for is to reduce impediments to achieving academic and career outcomes of students (and possibly work and career outcomes for staff if they are seen as clients of direct service delivery).

What are the special features of service provision in our context that guide our planning and operations?

Pride & Ferrell (1995) describe the key features of client support services as:

**Intangibility** - difficult for client to evaluate, service provider is promoting a “promise” about the potential benefits to the client which may or may not be realised, difficult to promote in realistic terms, prices difficult to set and justify (eg use outside norms? competitive neutrality issues?) or, in relation to free services the issue is of opportunity cost (what else could be being achieved or produced if service was discontinued).

**Inseparability of production and consumption** - service providers are critical to delivery, client must participate in delivery, other clients affect service outcomes, client does not “take possession” (ie requires ongoing contact), services difficult to “distribute”.

**Perishability** - services cannot be “inventoried” or “stored”, very difficult to balance supply and demand, unused capacity is lost forever, demand is very time-sensitive.

**Heterogeneity** - service quality is difficult to control, difficult to standardise service delivery, individual providers (even within one service) vary enormously in terms of competence, responsiveness etc.

**Client based relationships** - success depends on satisfying and reattracting clients (or in the case of student support services, attracting new clients through recommendation from existing clients), the issue of repeat business (we want it but for how long), relationship marketing becomes critical, this also relates to relationships with the organisation-as-client.

**Customer contact** - service providers are critical to delivery (just how “critical” and in what form of contact will be tested in the new era of flexible delivery and access), training and motivating service providers must cover all aspects of client contact from front reception to in-depth counselling, high contact services are expensive and implications of reduced resources for such services.

The features of our kinds of services must also be viewed in light of what makes and keeps them “quality services”.

Pride and Ferrell (1995), suggested such services achieved and maintained quality through:

1. Understanding customer needs.
2. Establishing and upholding service quality specifications (eg policies, procedures, codes of practice).
3. Maximising employee performance (eg best practice recruitment and selection, emphasis on ongoing staff development, appraising performance etc)
4. Managing service expectations (e.g., ensuring sponsors, clients, stakeholders, and employees are clear about what it is we provide - this requires excellent internal and external communication about service capabilities, limitations, and mandate).

According to these authors, “service quality” is therefore manifested in physical aspects of the service, reliability (consistency and dependability in performing the service), responsiveness (willingness or readiness to provide services demanded), assurance (knowledge/competence of employees and ability to convey trust and confidence) and empathy (caring and individual attention provided).

Why might we want to strategically demarket services now or in the future?
Some reasons might be:

- desire of the unit to change direction and offer new services/products which may require shedding existing activities
- pressure on existing services due to increasing client numbers and no commensurate increase in resources
- pressures on existing services due to decreasing budgets (with or without increasing client numbers)
- need to spread existing services across more campuses/sites
- responsiveness to different client group needs
- directives from sponsors to change profile or emphasis in service provision

These factors (and others) might indicate the need for a support service unit to demarket currently provided services as part of its overall strategy to effectively manage the expectations of all stakeholders.

For student support units in higher education institutions, all this is happening in various forms and to various degrees, along with more competition from external providers, less options for community referrals, and less support available for students from academics and other university personnel.

_Demarketing NOW in student support services._

Kiandra and Taylor (1995:12) suggested that although the term demarketing appeared to be an oxymoron, it has become:

“...a legitimate alternative marketing strategy in the face of growing consumerism, environmentalism and health consciousness...”

Without having named it so, student support units have used “demarketing” for decades, and for different reasons. Mostly this has occurred in terms of “general” or “selective” demarketing (rather than the other two forms mentioned earlier). It is interesting to look at ways we have gone about our work in terms of a “demarketing” framework, although there will obviously be other reasons for these activities being offered, and in this form, as well.
<table>
<thead>
<tr>
<th><strong>Type of activity</strong></th>
<th><strong>Rationale</strong></th>
<th><strong>Type of demarketing</strong></th>
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</thead>
<tbody>
<tr>
<td>Preventative measures eg. HEP B vaccination programs, distributing condoms, needle exchanges</td>
<td>reduce need for remedial “treatment”</td>
<td>General demarketing</td>
</tr>
<tr>
<td>Group workshops to deal with common issue eg stress about exams</td>
<td>reduce need for individual sessions at peak demand time</td>
<td>General demarketing</td>
</tr>
<tr>
<td>Workshops on specific skill development eg essay writing, resume preparation, time management</td>
<td>as above and/or as preventative measure</td>
<td>General demarketing (although may have unintended effect of marketing individual service!)</td>
</tr>
<tr>
<td>Restricting access to some services to particular client group eg not servicing intending students or graduates, or staff</td>
<td>maintain quality service to priority clients</td>
<td>Selective demarketing</td>
</tr>
<tr>
<td>Providing resources eg handouts, web information, books for self help</td>
<td>reduce demand for individual interviews eg number of these of time duration</td>
<td>General demarketing</td>
</tr>
<tr>
<td>Referral services</td>
<td>as above</td>
<td>General demarketing</td>
</tr>
<tr>
<td>‘Gatekeeping’ arrangements eg where client can only access certain type of service if they have used first stage services (eg triage)</td>
<td>as above</td>
<td>General demarketing</td>
</tr>
<tr>
<td>Peer support/mentoring arrangements</td>
<td>as above</td>
<td>General demarketing</td>
</tr>
<tr>
<td>Publishing handouts etc only on web (not paper)</td>
<td>save paper (also flexible access/updating reasons)</td>
<td>General demarketing</td>
</tr>
</tbody>
</table>

Whilst the above apply to services to students, we also “demarket” (or at least try to manage) sponsor expectations about services we can’t, or don’t want to provide which we may be called on to provide by the institution or elements of it eg crisis services, reportable counselling, employee assistance services (or those which fall outside our resourcing), inappropriate “advocacy letters” etc.

Are these examples of strategic action, tactical response or necessary evil?

A **strategy** is something carefully conceived, planned and executed to achieve a desired outcome.

A **tactic** is a procedure adopted to react to particular circumstances.

A **necessary evil** is something done (by us or to us) because it had to be done.

A number of authors caution that, while demarketing programs can be successful, they must be carefully orchestrated, well conceived and based on a sound understanding of consumer attitudes and loyalties (Loudon and Bitta, 1993) and be the result of conscious decision making with good follow through (Seymour, 1983).

We are moving to a time in the provision student support services where we may have to think more strategically about demarketing services rather than reacting to circumstances tactically or being forced to demarket (in the extreme case some student support services face the prospect of total demarketing if particular services, eg counselling, are no longer funded at all).

**What might we want or need to consider doing?**

More than ever before student support services will want/need to be able to justify their existence to their sponsor. This means being clear about our mandate and the nature of the “support” being paid for. Once this is done other services provided, or services provided to non-priority groups, or services provided too expensively may have to be reviewed and possibly “demarketed”.

We must be clear also about whose needs we are meeting in terms of what services we provide and how we provide these. We (service providers) may prefer certain ways of doing things, but if they...
can be done as well another way, (eg information on the web versus information at interview) or by others (eg outsourcing or community development) and if our clients’ and sponsors’ needs are met then we should be considering developing and promoting our core services and demarketing others.

Some examples might be useful to consider.

<table>
<thead>
<tr>
<th>Service</th>
<th>Response</th>
<th>Demarketing Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student support services runs staff training session for HRM (HRM is trying to cut costs too and thinks external consultant too expensive!)</td>
<td>Student support services agrees to run sessions but a) charges for them b) offers to run them but only in specified times of year c) runs them but only if HRM arrange everything (venue, publicity etc) d) run first one but charge for subsequent ones</td>
<td>a) increasing cost b) increasing access difficulty c) increasing perception difficulty d) cumulative quantity pricing</td>
</tr>
<tr>
<td>Careers service offers individual help with resume preparation</td>
<td>Students must have a) attended resume writing session or drop-in session and taken handouts on resume preparation b) drafted a resume</td>
<td>a) increasing emphasis on alternatives which may decrease need for this type of service b) increased perception difficulty</td>
</tr>
<tr>
<td>Counselling service offering longer term support</td>
<td>a) brief therapy parameters observed during semester time, students can only be seen for additional sessions in vacation breaks b) alternative supports must be being actively used by student receiving longer term support</td>
<td>a) increasing access/perception difficulty b) promoting alternatives</td>
</tr>
<tr>
<td>Employers want access to promote themselves to final year students through on campus visits</td>
<td>a) provide this but with costs (or increased cost) b) provide this but only if employer sponsors your publications c) if wishing to decrease/discontinue employer visits to campus offer alternative of promotion through a publication to all final years</td>
<td>a) increasing costs b) increasing costs indirectly whilst promoting alternatives c) promoting alternatives</td>
</tr>
<tr>
<td>Institution wants on-call crisis support in event of incident/emergency on campus</td>
<td>a) provide this on condition that there is sessional pool of staff who have regular updates/training b) establish strong links/networks with EAP providers such that crisis support can be outsourced easily</td>
<td>a) increase costs b) promote alternatives</td>
</tr>
<tr>
<td>Potential students want access to individual careers counselling re course choice</td>
<td>a) arrange limited service as “callback” at specified times b) provide comprehensive referral options via web or handout material c) run group programs regularly d) provide the service requested at a cost e) provide service but only after (a) and/or (c)</td>
<td>a) increasing perception difficulty and promoting alternatives b) promoting alternatives c) promoting alternatives and preventative activities d) increase costs e) staged access to services</td>
</tr>
<tr>
<td>Academic staff seek individual interview re disabilities support relating to a student they are teaching</td>
<td>a) interview arranged after staff attend an information session (run regularly for staff) b) interview arranged after staff read comprehensive guidelines prepared by Disabilities Service (on web or in hard copy form)</td>
<td>a) staging and promoting alternatives c) as above</td>
</tr>
</tbody>
</table>

**Strategic demarketing**

Like any other strategic management, planning for demarketing of services and for effective expectation management is aided by analysis of targets and prevailing opportunities and constraints.
A useful model is offered by McCarthy et al (1994) and is similar to other models for strategic planning:

- Undertake a situation analysis - think about the strengths and weaknesses of the student support services unit in that context.
- Do an environmental analysis - consider what opportunities exist and what pressures or threats are facing the services.
- Set target outcomes and state very clearly why these are desirable for the client, for the sponsor and for the service (and possibly for staff in the service).
- Think about which of the approaches to demarketing might work best in the situation - should it be handled as a general demarketing exercise using the tactics outlined earlier or should it be more selective.
- Identify where the pressure points will be when the demarketing is implemented and think about ways to pre-empt these or lessen their impact.
- Devote sufficient resources to the demarketing exercise - if it is done well other resources will be freed up - if it is done poorly there will be more work in the short term to deal with the fall-out.
- Design an implementation plan - the key aspects of this will be the “5 C’s” of consultation, coordination, cooperation, communication, commitment.

**Conclusion**

This paper has posed a new perspective for looking at ways student support services manage client and stakeholder expectations by using a “demarketing” framework. The value of using such a model is that it invites student support services staff and managers to consider whether their response to prevailing pressures in higher education will be strategic, tactical or an outcome more defined as a necessary evil.

**References & bibliography**


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