



# Value Judgements and Continuing Education

**Susan Geertshuis**

*University of Auckland, New Zealand*

**Otto Krickl**

*University of Graz, Austria*

This article examines the perceived value of continuing education courses and discusses how value is related to satisfaction, value for money judgements and willingness to pay for education. Data was collected through an online survey at four universities in two nations. A four-factor value structure was identified with the following dimensions: institutional image, career value, learning value, and social value. Differences between Austrian and New Zealand based respondents in the relative importance of the four dimensions were observed and the possible origins of these differences are explored. We propose a theoretically informed model that is consistent with our observations.

*Keywords:* learning; continuing education; perceived service value; community education; value for money; satisfaction; willingness to pay

## Introduction

Continuing education in the form of community courses, lectures, and/or professional development is offered by most universities to members of their regional and professional communities. The primary motivation has more commonly been to provide a public service rather than deliver programmes on a commercial basis (Winter, Wiseman, & Muirhead, 2006). Historically, all or some of the costs of these courses have been born by governments, professions, employers and/or by the universities themselves (Geertshuis, 2009). However, times are changing, resources are less readily available and students are having to shoulder a greater financial burden (Milam, 2005). This applies to degree programmes and is well documented; however, a similar, or even more radical, shift is being experienced in continuing education. In New Zealand, for example, all subsidies for non-credit continuing education programmes delivered by universities were withdrawn during 2011 and 2012 (Treasury, 2009, 2012). As a consequence, continuing education units are being pressurised to displace costs on to learners and to base provision on the market rather than on perception of need.

While, as educationalists, we may rail against the hegemony of neoliberalism, as pragmatic practitioners our stance is that we must do

what we can, where we are and with what we have. This paper, therefore, unashamedly takes approaches from the field of marketing and applies them largely in an unproblematized fashion to continuing education. Our rationale is simple; if we are to survive, we must persuade our learners to pay higher fees. If we can find out what learners value in our courses, perhaps we can make them more valuable. If courses are valuable, presumably learners will enrol in them, pay their (high) fees, be satisfied and become loyal and regular customers. However intuitively appealing (and optimistic) this line of reasoning is, a cursory examination of the literature makes it clear that the precise nature of these variables and any causal relationships between them are not only complex but relatively uncharted particularly when educational services are considered.

The paper begins with an introduction to the concept of perceived value and the constructs purported to relate to it, as well as to the willingness to pay higher fees or prices. We draw upon the marketing literature in general and upon the scant literature that relates to educational services. The high level aim of the present study is to provide insight into how the concepts of value and price can be applied by researchers and practitioners to inform and improve the provision and viability of continuing education. More specifically, we seek to identify the dimensions of perceived value and establish their generality. We then aim to investigate the relationships between perceived value, satisfaction, value for money and willingness to pay.

### Review of the Literature

The notion of value and value creation is pervasive within the marketing and business literature. Indeed, creating value is what businesses strive to do, but what is value? Efforts by scholars to both define and measure value constructs have not resulted in a clear and easily comprehensible set of guidelines for practitioners or theorists and the area remains contested (Boksberger & Melsen, 2011; Heinonen, 2004). Zeithaml (1988, p. 14) defines perceived service value as ‘the consumer’s overall assessment of the utility of a product /service based on perceptions of what is received and what is given.’ Thus the notion of exchange is central, perceived value can be seen as a trade-off between the benefits of using a service and the sacrifices made to gain the service. Based on this fundamental concept, Rust and Oliver (1994) indicated in their work on service value that perceived value should increase as prices decrease and quality increases.

Zeithaml’s (1988) perception of value as a single overall judgement culminating in a decision to purchase a service has been overtaken of late by the notion that consumers have a set of values, which collectively inform consumption decisions (Smith & Colgate, 2007). Trade-off models are criticised as being too simplistic for consumption and service experiences, because they ignore the multidimensionality of the construct of perceived

value (Holbrook, 1999; Sweeney & Soutar, 2001). Recent findings define customer value as a multidimensional construct that consists of several dimensions and interrelated attributes (Babin, Darden, & Griffin, 1994; Holbrook, 1994, 1999; Sheth, Newman, & Gross, 1991). Writers identify values that relate to service quality and to symbolic constructs such as status enhancement (Hirschman & Holbrook, 1982; Richins, 1997). Various attempts have been made to design multidimensional conceptual frameworks to assess the perceived value in several areas of interest (Holbrook, 1994, 1999; Smith & Colgate, 2007; Spiteri & Dion, 2004).

Sheth et al. (1991) defined five types of consumption values: functional value, social value, emotional value, epistemic value, and conditional value. Functional value represents the economic utility of a product or service. Social value concerns the utility derived from the association with certain groups that are deemed to play a decisive role in the evaluation of products and services (Park, Jawarski, & Macinnes, 1986; Park & Lessig, 1977). Emotional value captures the value placed on the services' ability to produce affective states, such as excitement, security, fear, and happiness. Epistemic value is the interest, curiosity or learning stimulated by the product or service. Finally, conditional value is derived from the specifics of the purchasing situation, which may influence perceived value. These concepts have been applied in a range of contexts and a measurement scale known as PERVAL was developed and validated positively (Gallaraza & Saura, 2006; Sweeney & Soutar, 2001). Of particular relevance for this paper has been LeBlanc and Nguyen (1999) and to a lesser extent Ledden and Kalafatis (2010), who took Sheth et al.'s (1991) model and adapted it for investigations of values placed on, and derived from, university business school education.

LeBlanc and Nguyen (1999) assessed the perceived service value of business degrees and identified 33 items that were related to value dimensions. They proposed a six-factor value structure of perceived service value as follows: 'functional value' relating to degree utility with regard to gain future employment, 'epistemic value' relating to the institution's capacity to offer educational services through guidance and knowledge provided by the faculty and 'image' relating to the reputation of the business school that is linked to the value of the students' diploma, 'emotional value,' defined as positive feelings students have towards their field of study, 'function value' relating to fair pricing and 'social value' that derives from group and social activities that add value to the learning experience.

### Development of Hypotheses

Using LeBlanc and Nguyen's (1999) work as a foundation, a suite of hypotheses was developed within the values framework in order to examine the perceptions and judgements of continuing education students. The

study is unique in applying the theoretical approaches drawn from marketing and business and represents an attempt to both deepen our understanding of the perceived value of educational services and better equip the practitioners for an emerging economic reality.

### **Multidimensionality of the Construct of Perceived Service Value**

Previous work clearly indicates that categories of value exist, although the number and nature of these values is contested (Holbrook, 1999; LeBlanc & Nguyen, 1999; Sheth et al., 1991). Whilst considerations of the dimensions of perceived service value and their measurability seem to be the topic of an on-going critical debate, the conceptual framework of the present paper is based on the findings of LeBlanc and Nguyen's (1999) adaptation of the Sheth et al.'s (1991) model of consumption values. This approach ensures traceability and meets the requirements of a clear value definition.

The importance of LeBlanc and Nguyen's findings results from the uniqueness of the study, which identified the factors that have an impact on students' evaluation of value during their educational experience. It represents the first examination in this vein and therefore builds an appropriate basis for further research. To establish that LeBlanc's and Nguyen's six-factor model can be adopted and generalised to continuing education students we propose that:

H1 *Categories of values will be identifiable.*

H2 *Categories identified will reflect the value dimensions reported by LeBlanc and Nguyen.*

### **Influence of a National Context**

To the knowledge of the authors there are no studies that examine the differences in the perception of perceived service value and price of education across institutions and nations. Several relationships have been established between values and contextual and demographic variables for other services areas (Creusen, 2010; Dittmar, Beattie, & Friese, 1995; Henry, 2002; Williams, 2002). A number of workers have sought to compare values across geographic or cultural boundaries (Zhang, Beatty, & Walsh, 2008). Given the need to understand global consumer markets, studies are needed that capture both individual and cultural elements, that is, we need to understand the customers/students in their entirety for who they are rather than where they may be. However, studies regarding the influence of multiple contextual and personal variables on value construct are scarce (Raajpoot, 2004). Ladhari, Pons, Bressolles, & Zins (2011), having compared respondents from two nations, emphasise the need to consider both micro (individual) and macro (national) influence on values. They report

on a common set of values and identify differences in the degree to which values are upheld. In our study, we also anticipate finding differences in the importance of commonly held values.

Whilst both of our study sites are advanced western nations, they differ in the degree to which the state subsidises education. Austria has an extensive education system, which supports students taking degrees and provides subsidised continuing education. Within New Zealand, learners who attend university either for degree programmes or for less formal continuing education contribute to the cost of their education. Ladhari et al. (2011) note that organizational and structural differences between nations also serve to shape expectations and perceptions. Work by Geertshuis (2009, 2011) has shown how important expectations and reference prices are in judgements of willingness to pay for continuing education. We would therefore expect that New Zealanders, accustomed to paying for courses, would be willing to pay more than Austrians, who are used to accessing continuing education at minimal personal cost.

We therefore propose that:

H3 *The value placed on value dimensions will vary with context.*

H4 *The New Zealand sample will be willing to pay more than the Austrian sample for the same courses.*

### **The Consequences of Value**

We assessed three outcome measures: satisfaction, value for money and willingness to pay, and expect positive relationships between perceived service value and outcomes. Our rationale is laid out below.

Most authors, who have investigated the relationship between customer value and satisfaction, see customer value as an antecedent of customer satisfaction. Numerous studies support this assumption (Cronin, Brady, & Hult, 2000; Eggert & Ulaga, 2002; Liu, Leach, & Bernhardt, 2005). In their work, authors such as Wang, Lo, Chi and Yang (2004), and Spiteri and Dion (2004) assume a direct relationship between individual value dimensions and satisfaction.

Value for money is a concept that may summarise perceived service value or quality and incorporate an element of price. Thus it captures the summative perceptions consumers have of the trade-off between value received and value lost in exchange for a given price or fee as a result of a transaction (McDougall & Levesque, 2000). As such, we would expect that perceived service value predicts 'value for money.'

Judgements of value and quality are considered to be antecedents of customers' behavioural intentions (McDougall & Levesque, 2000; Monroe & Dodds, 1988; Monroe & Krishnan, 1985). Willingness to pay (WTP) is

one such behavioural intention and is regarded as the amount of value, in monetary terms, a customer places on a service (Braidert, Hahsler, & Reutterer, 2006). Equity theory would directly predict that as value or quality increases, so would customers' tolerance of higher prices, which has been confirmed in the literature (Boulding, Kalra, Staelin, & Zeithaml, 1993; Zeithaml, Berry, & Parasuraman, 1996). The concept has been applied to investigate WTP for health insurance (Dror, Radermacher, & Koren, 2007), energy saving (Banfi, Farsi, Filippini, & Jakob, 2008) and renewable energy (Scarpa & Willis, 2010). It must be noted, however, that there are critics of the method who suggest that willingness to pay judgements made in the laboratory may not closely reflect the purchasing decisions made on the market (Sichtmann & Stingel, 2007; Spash, 2008).

A study by Frank and Enkawa (2009) analysed economic influences on perceived value and willingness to pay (WTP) and found, that customer satisfaction, as well as perceived value of services, were positively related to an increase in income. This was attributed to customers with higher income being able to adapt the range of products/services they purchased. In our study, all respondents, irrespective of income, received the same service so we do not predict a relationship between income and satisfaction or value for money; nevertheless, we did control for income in our analyses.

To establish the impact of perceived service value dimensions on the outcomes: satisfaction, value for money judgements and willingness to pay, we predict that:

H5 *Categories of values will determine satisfaction levels.*

H6 *Categories of value will determine value for money.*

H7 *Categories of value will determine willingness to pay.*

Satisfaction has been reported to be a weak predictor of consumer behaviour in other studies (Mittal & Kamakura, 2001). To examine and understand the impact of customer satisfaction on value for money and willingness to pay, it is again necessary to draw upon equity theory, which focuses on fairness in social exchange (Pritchard, 1969). Equity theory claims that parties to an exchange base their judgement of fair treatment on a comparison of outcomes and inputs (Bolton & Lemon, 1999). Cronin et al. (2000) found that value was impacted both directly through behavioural intentions and indirectly through satisfaction.

Homburg, Koschate and Hoyer (2005) found some evidence to suggest that customers are thought to be willing to pay more if they are satisfied with quality. Furthermore, it is believed that satisfied customers become repeat customers and purchase more (Cooil, Keiningham, Aksoy, & Hsu, 2007). However, despite the general belief that satisfied customers are willing to pay more, supporting evidence is less than overwhelming (Homburg et al., 2005).

Finally, Berwick and Weinstein (1985), examining willingness to pay for health care, and Carpio and Isengildina-Massa (2009), who looked at purchasers of farm produce, both report that income has a significant impact on WTP judgements even when quality is constant. Indeed, Shirowa et al. (2010) found household income to be the most consistent and greatest predictor of WTP for one quality adjusted life year across six nations.

With regard to the relationship between satisfaction and income and willingness to pay we predict:

H8 *Satisfied learners will rate overall value for money higher.*

H9 *Satisfied learners will be willing to pay more.*

H10 *Wealthier learners will be willing to pay more.*

## Methodology

The present study was conducted at four institutions: two in New Zealand (The University of Auckland and Waikato University) and two in Austria (Uni for Life Graz and University of Teacher Education Styria). Respondents had all enrolled in one or more continuing education courses in the previous 12 months. Courses ranged from short one-off workshops or seminars to diploma or certificate courses lasting over a year. For practical reasons, an online questionnaire was selected for data gathering. It consisted of demographic items, satisfaction, attitudes to quality and price, and items relating to customer perceived service value. To collect the data to examine the willingness to pay, participants indicated the fee they would pay to attend four sample courses. Courses were of similar length and were on the following topics: history, foreign language, presentation skills and photography, thus providing a mix of skills and interest based topics. A mean willingness to pay score was calculated for each respondent. All analyses were carried out using the Statistical Package for Social Sciences (SPSS) version 18.0.

## Sample

661 students completed the questionnaire, which represents a response rate from between 5 and 10 percent at each study location. Of the sample, 77% were female and 23% male students, 378 (57%) studied in New Zealand and completed the survey in English. 283 (43%) attended classes at one of the two locations in Austria and completed the survey in German. The sample was highly educated with almost 70% having a university degree; furthermore, a range of age and income groups were represented.

## Results

### Dimensions of Perceived Value

In order to determine the factor structure of perceived service value, an exploratory factor analysis, using principal component analysis as the method

of extraction, was conducted. A four factor solution with varimax rotation provided a satisfactory solution with clear interpretation. A final check on this factor solution showed that the four factors altogether explained 56.27% of the variance, that there were no items with communalities less than .2 and all factor loading was greater than .3. Any item loading on more than one factor was assigned to the factor on which it loaded most highly. Cronbach's alpha was measured for the identified dimensions and found to be acceptable.

The factors identified can be described as follows: career value, representing the utility of educational services to ensure and improve job performance, promotion prospects and payment; social value, concerning the social side of attending courses and interpersonal exchange in learning environments; personal learning value, capturing the subjective evaluation of an educational service offer to enable personal development as well as the ability to provide novelty and image value, covering variables that represent the students' inference from the institution's reputation to the value of the service. This clear identification of value dimensions, which was replicated for the combined data set and when each nation was considered separately leads to the confirmation of H1.

While we identified four core dimensions of value LeBlanc and Nguyen (1999) identified six, the values identified here map very closely to four of the values identified by Le Blanc and Nguyen (1999). Their functional value corresponds well with our career value. Their epistemic value corresponds with our learning value. Both studies identify image as a further dimension and they, like us, propose a social value. Unlike Le Blanc and Nguyen we did not identify price or emotion as separate values. Our results provide partial support for H2.

### **National Context**

Analysis revealed significant differences between the New Zealand and Austrian samples in the benefit they placed on career value ( $t = -2.31, p < .05$ ), social value ( $t = -5.7, p < .01$ ) and image value ( $t = 8.2, p < .001$ ), with the Austrian sample evaluating career and social value and the New Zealand sample placing greater emphasis on the image value. H3, which predicted differing relevance of individual value dimensions across nations, is supported.

*t*-tests were performed to compare means and identify demographic differences according to nation and a regression analysis was conducted to establish the extent to which apparent group differences in value perception could be attributed to demographic variables or national differences. The samples were significantly different on the frequency with which they attended courses either at current ( $t = -2.93, p < .001$ ) or other institutions



( $t = -3.98$ ,  $p < .001$ ), their age ( $t = 12.78$ ,  $p < .001$ ) and how many hours per week they worked ( $t = -10.23$ ,  $p < .001$ ), with the New Zealand sample attending fewer courses, being rather older and on average working fewer hours. One third of the New Zealand sample were over the age of 60 while less than 1% of the Austrian sample fell into this age group. Nearly 25% of the New Zealand sample were not employed and a further 12% worked for less than 15 hours a week (only 4% of the Austrian sample worked for less than 15 hours a week). The most striking difference ( $t = -11.03$ ,  $p < .001$ ) was in the responsibility for paying for courses, which lay largely with the individual in New Zealand, but mainly with the employer or the university in Austria ( $\chi^2 = 189$ ,  $p < .001$ ). As predicted (H4) there was also significant differences in the willingness to pay between the two national groups ( $t = 4.12$ ,  $p < .001$ ).

We can accept that there are differences in the values and willingness to pay between the two study sites (H3 and H4). However, our exploratory efforts to identify the causal links between demographic and contextual matters and values were unsuccessful. The differences in the perceptions of social value and image value between the two nations cannot be safely attributed to any specific demographic or contextual factor, as the two samples are so very different and so many aspects are confounded. We have cautiously accepted H4, which attributes differences in willingness to pay to differences in payment expectations. This effect was predicted, is proximal and is reported elsewhere in the literature. It is reasonable to accept that individuals who usually receive a service free of charge will be less willing to pay for it than will customers who are accustomed to paying substantial fees.

### **The relationship between Values and Outcomes**

Given the significant differences between the New Zealand and Austrian samples in their expectations regarding payment for educational services, all further analyses reported here were conducted only on the New Zealand sample. Our rationale was that it is inappropriate to ask people who do not pay for services about value for money or price. These questions would be hypothetical. Caution must therefore be taken before extrapolating from the results to a wider population. They are derived from and are likely to hold only for samples accustomed to paying for services.

A series of regression analyses were conducted with gender, age and income as control variables, career value, social value, learning value and image as predictors and, in turn, satisfaction, value for money and WTP as the dependent variables. (See Table 1 and 2 for correlations and regression analyses). The control variables were not predictive of the outcomes with one exception: income significantly predicted the willingness to pay ( $\beta =$

**Table 1** Correlation Matrix Showing Correlations between Values, Income and the Three Outcome Variables: Satisfaction, Value for Money and Willingness to Pay

Variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Value – Career	1							
Value – Social	.169**	1						
Value – Learning	.065	.173**	1					
Value – Image	.291**	.174**	.153**	1				
Satisfaction	.254**	.187**	.295**	.373**	1			
Household Income	-.095	-.087	.002	-.034	-.018	1		
Value for Money	.087	.127*	.279**	.314**	.577**	.089	1	
Willingness to Pay	.128	-.109	-.033	.049	.106	.262**	.125*	1

**Notes** Column headings are as follows: (1) Value – Career, (2) Value – Social, (3) Value – Learning, (4) Value – Image, (5) Satisfaction, (6) Household Income, (7) Value for Money, (9) Willingness to Pay. Sig.: \* $p < .05$ ; \*\* $p < .01$ .

.27,  $p < .01$ ), confirming hypothesis 10. The results confirmed H5 and H6 with value dimensions predicting both satisfaction and value for money. Three of the four values significantly and positively predicted satisfaction (career  $\beta = .21$ ,  $p < .01$ ; social  $\beta = .07$ ,  $p > .05$ ; learning  $\beta = .13$ ,  $p < .05$ ; image  $\beta = .22$ ,  $p < .01$ ) and collectively explained 18% of the variance ( $F = 16.65$ ,  $p < .01$ ). Similarly, three of the four values significantly and positively predicted value for money (career  $\beta = .10$ ,  $p > .05$ ; social  $\beta = .12$ ,  $p < .05$ ; learning  $\beta = .15$ ,  $p < .01$ ; image  $\beta = .21$ ,  $p < .01$ ) and collectively explained 14% of the variance ( $F = 11.85$ ,  $p < .01$ ).

None of the values predicted the willingness to pay, collectively they explained only 3% of the variance ( $F = 2.01$ ,  $p > .05$ ) and so H7 must be rejected.

Two further regressions were conducted in which satisfaction was included as a predictor rather than the outcome (see Table 3). Satisfaction was observed to be a strong predictor of value for money judgements ( $\beta = .58$ ,  $p < .01$ ), confirming H8. It should be noted that when satisfaction is included in the analysis, values cease to be a significant predictor of value for money. This, taken into account together with the results of the earlier regressions, indicates that satisfaction may be a mediating variable. That is, perceived service values act on value for money judgements through satisfaction.

Satisfaction with service appears to have no impact on the willingness to pay ( $\beta = .00$ ,  $p > .05$ ); therefore, Hypothesis 9 must be rejected.

To summarise, ten hypotheses were proposed and a number of analyses are reported that test and explore the hypotheses. Our results are summarised in Table 4 and show that while 2 hypotheses had to be rejected, the remainder were wholly or substantially confirmed.

**Table 2** Regressions of Values as Predictors of the Outcome Indicators: Satisfaction, Value for Money and Willingness to pay

(1)	(2)	(3)	(4)
<i>Step 1</i>			
Gender	-.03	-.1	.07
Age	.09	.04	.00
Income	.04	.08	.27**
<i>R</i> <sup>2</sup>	.01	.02	.08
<i>F</i>	1.07	1.58	8.38**
<i>Step 2</i>			
Career	.21**	.10	.10
Social	.07	.12*	-.09
Learning	.13*	.15**	-.06
Image	.22**	.21**	.08
Change <i>R</i> <sup>2</sup>	.18	.14	.03
Change <i>F</i>	16.65**	11.85**	2.01

**Notes** Column headings show Beta values as follows: (1) Predictor Value, (2) Satisfaction (New Zealand data only), (3) Value for Money (New Zealand data only), (4) Willingness to Pay. Sig.: \**p* < .05; \*\**p* < .01.

**Table 3** Regressions of Satisfaction Pred. Value for Money and Willingness to Pay

(1)	(2)	(3)
<i>Step 1</i>		
Gender	-.1	.07
Age	.04	.00
Income	.08	.27**
<i>R</i> <sup>2</sup>	.02	.08
<i>F</i>	1.58	8.38**
<i>Step 2</i>		
Career	-.03	.10
Social	.08	-.09
Learning	.07	-.06
Image	.09	.07
Satisfaction	.58**	-.00
Change <i>R</i> <sup>2</sup>	.27	.00
Change <i>F</i>	132.56**	.00

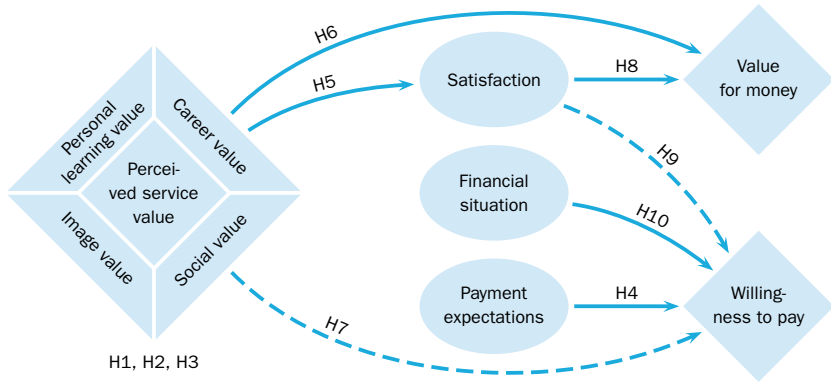
**Notes** Column headings show Beta values as follows: (1) Predictor Value, (2) Value for Money, (3) Willingness to Pay. Sig.: \**p* < .05; \*\**p* < .01.

**Table 4** Summary of Hypotheses and Results

H1	Categories of values will be identifiable	Accepted
H2	Categories identified will reflect the value dimensions reported by LeBlanc and Nguyen	Partially supported
H3	The value placed on value dimensions will vary with context	Accepted
H4	The New Zealand sample will be willing to pay more than the Austrian sample for the same courses.	Accepted
H5	Categories of values will determine satisfaction levels	Accepted
H6	Categories of value will determine value for money	Accepted
H7	Categories of value will determine willingness to pay	Rejected
H8	Satisfied learners will rate overall value for money higher	Accepted
H9	Satisfied learners will be willing to pay more	Rejected
H10	Wealthier learners will be willing to pay more	Accepted

## Discussion

The research presented set out to investigate the issues related to the nature of consumer perceived service value, specifically to identify the underlying multidimensional structure and to examine the demographic and contextual antecedents and the purported consequences: satisfaction, value for money and willingness to pay. We made ten predictions and these were



**Figure 1** Perceived Service Value and the Outcomes of Educational Services

mostly confirmed (See Table 4 for a summary). In Figure 1 we offer a model that captures our findings.

The work highlights the role of consumer perceived service value in the sector of continuing education. Given the considerable explanatory power and the four identified value dimensions career value, social value, personal learning value and image value, our work offers a theoretically grounded evidence base for institutions from which to analyse consumer perceived value in their field of activity.

The analyses identified national differences in the perception and judgement of values, with Austrian learners judging career value and the social aspects of learning and the New Zealand sample valuing the image and reputation of an institution more highly. However, given the striking differences in the demographic profile of the samples, this was more likely to be attributable to the demographic differences including life stage and to the educational context than to the underlying socio-cultural distinctions. Providers may need to be mindful of all perceived service values, but perhaps should strive to understand the priorities of the specific markets that they are operating in. Our results indicate that it is not safe to assume that all continuing education learners will prioritise values equally. If service values are understood then service and communications can be tailored to market segments.

Our results clearly showed a direct and significant relationship between value and satisfaction with service. Similarly, perceived service values positively predicted value for money judgements. This is all as expected and indicates that efforts to drive up service value should result in a more satisfied clientele whose value for money judgements are elevated. However, we did not find that perceived service value would translate into higher willingness to pay. Willingness to pay more was determined by factors other

than the learner's experience or perceived service value. Learners were willing to pay more when they expected to pay more and when they had the capacity to pay more. This implies that whatever providers do to enhance the quality and perceived service value, it may not result in students willing to pay higher fees. Tentatively we could suggest that in an effort to build revenue providers must target customers with disposable income. However, this may be unpalatable to many community education workers. We might also suggest that providers manage expectations so that students have realistic expectations regarding fees. Geertshuis (2011) has shown the power of reference pricing on willingness to pay but has not shown that willingness to pay in turn predicts purchasing behaviour. Additionally, on a note of caution, it should be pointed out that the New Zealand sample participants are mostly learning for pleasure or out of interest rather than for accreditation or professional development. We cannot say whether our findings hold for other groups of learners.

Having conducted our research from a commercial stance we may claim to have acquired something of an inside view of the commodification of continuing higher education. Before closing our discussion we would, therefore, like to consider our findings in the light of this wider debate. While the purported aims of higher education remain to provide a public good (Tilak, 2008), our data tend to support the conclusions of many that market forces run counter to ideals of, for example, access, critical discourse and meritocracy (Giroux, 2002). Our samples from New Zealand and Austria offered contrasting perspectives; while in Austria, continuing education remains largely funded as a public good, in New Zealand a more overtly market oriented approach has emerged. Possibly, as a consequence, the samples were markedly different as were the offered programmes. The New Zealand sample participants, motivated by interest rather than employment, were engaged largely in short courses and were older, with many being post retirement age. Although other workers argue that market forces may narrow educational provision until it becomes wholly focused on employment and on driving the economy (Kezar, 2004), in this case, it appears that education has been driven towards edutainment and, albeit highbrow, leisure industry.

Our results indicate that efforts to improve quality and service value may not entice people to pay more. In our New Zealand sample only people who have more appeared to be willing (or able) to pay more. Thus fee increases will work directly counter to universities' espoused ideals of a meritocratic society and equity of access. A continuing reduction in central support will lead to an increasingly elite student base, perhaps, as our data suggest, increasingly motivated by image and prestige and less by career and learning value. From a practitioner point of view this could create a vicious cycle

as serving the elite can be a justification for further reductions in central support, which in turn drives fee increases and results in further restriction of the student base and so on.

It appears that, in a financially constrained environment, practitioners cannot attract and maintain a diverse constituency of learners through incremental changes. The only way to maintain our ideals of outreach, access, equity and merit may be to innovate in far more radical ways (Christensen & Eyring, 2011). The University of Auckland, New Zealand, for example, is developing a pan university strategy for outreach that provides free or low cost access to its learning and research. Using electronic channels rather than small face to face continuing education classes, the university hopes to remain true to its aspirations to serve its communities well and yet work within the constraints imposed by Government.

### **Further Research**

In addition to replicating this study and further validating and improving the instrument in similar and dissimilar contexts there are a number of other avenues which merit investigation.

If perceived service values are to be used to inform service design then care must be taken in the wording and approach. The instrument used here asked respondents to report on the value they derived from past service. It was therefore a reflection of value derived, not value desired. It could be that particular values were not rated as valuable because that aspect of service was poor or it could be that the service was good but not of importance or value to the respondent. These difficulties remain unaddressed in most instruments, but may be concealing important nuances in perceived service value. If values are to be captured and used to guide service development, it is very important to know whether it is value as delivered or value as required that is being captured.

The failure to predict willingness to pay requires investigations using alternative methods. Observations of purchasing behaviours and experimental manipulations might be necessary.

If WTP judgements are to be captured then it may be better to conduct data collection close to the point of an actual purchase. Presumably then customers will have a greater awareness of their purchasing decision. In other studies by the authors, respondents were asked how important price was and this affected WTP sensitivities (Geertshuis, 2011). It may be that investigations that ask about the importance of price as well as willingness to pay will offer us greater insight.

### **Conclusions**

The results extend the theory on customer perceived value as a multidimensional construct, and give insights into the consequences of customer per-

ceived value within an educational context. In terms of practice, the results inform the strategic management of continuing education programmes. We found that increased service value leads to enhanced satisfaction and enhanced perceptions of value for money. However, any link between value and willingness to pay appears tenuous and payment expectations and financial situation were the strong predictors of willingness to pay in our data. Therefore, it would seem that customer orientated program design executed in combination with an appropriate marketing message and targeting may go some way to safeguard an institution in times of economic cutbacks and reduced subsidisation. Nevertheless, it needs further research to provide reliable recommendations that can be safely generalized.

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**Susan Geertshuis** is a Professor of Lifelong Learning at the University of Auckland, Business School. She teaches within the Graduate School of Management and researches decision making, learning and influence. Susan has occupied positions within universities in the UK and New Zealand. Prior to working at the Business School, Susan was a Director of the Centre for Continuing Education at the University of Auckland, Professor of Organisational Studies and Director of the Centre for Learning and Innovation in Organisations at the University of Northampton and Director of the Centre for Learning Research at the University of Wales Bangor. [s.geertshuis@auckland.ac.nz](mailto:s.geertshuis@auckland.ac.nz)

**Otto Krickl** is a Professor of Business Administration at the University of Graz, Institute of Organization and Economics of Institutions. Otto has more than 30-years of experience delivering courses and seminars in Austria, Germany and Switzerland. He teaches at the University of Graz and is a Scientific Director of three master's degree courses at the UNI for LIFE, Graz. In addition, he is a consultant in organization and human resource management for major companies and public sector bodies. *otto.krickl@uni-graz.at*



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