Student Relationship Management (SRM) in Higher Education: Addressing the Expectations of an Ever Evolving Demographic and Its Impact on Retention

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Abstract

How are today's students being retained in academic programs in institutions of higher education around the country? What are some of the demographic and psychographic shifts that have occurred in today's society that forces business education to not only look at to whom to market, but more specifically, how. What are the needs and demands of some of the fastest growing demographics? First and foremost, we must understand who are they; what they want; and how we can most effectively and efficiently give it to them.Students are seeking university education that may help them enter in the job markets and they are selecting universities and colleges which meet their own standards. The idea of economic self-sufficiency and commoditization of higher education have also depicted students as fee paying customers and universities and colleges are switching from teacher-centered to student-centered approaches for attracting and retaining students. At the start of the new millennium, enrollment managers now faced global competition from other universities for students. This increased competition convinced them that retaining current students was as critical to meeting enrollment goals as recruiting new students (Helgesen, 2008). Their thinking was influenced in part by marketing researchers in the for-profit community discovering that marketing to existing customers to secure their loyalty should be just as high a priority for businesses as marketing to new customers (Berry, 1995).

Section 1: Purpose of the Study

The purpose of this study is to examine the impact of Student Relationship Marketing on retention in higher education.Customer orientation has been underemphasized in colleges and universities compared to profit-orientated organizations.

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However, the increased turmoil in the higher education marketplace may force colleges and universities to utilize a more customer-oriented philosophy in delivering their services, and those who understand these principles will have a better chance of achieving their objectives more effectively (Kotler and Fox, 1995). Even though one might hesitate to call students "customers" because of the student-teacher relationship, this still does not change the fact that without students, there would be no need for colleges. Hence, the need to manage college enrollments from the point of initial student contact to the point of graduation has become increasingly important (Seymour, 1993). For example, students who complain and are responded to immediately, even if the response is not favorable, can actually become more loyal than students who appear to be satisfied without complaints (Kotler and Fox, 1995). Traditionally, businesses have concentrated their marketing efforts on attracting new customers to maximize profits. Over the last few decades however, service-oriented businesses have shifted away from this traditional marketing strategy toward a relationship marketing approach that focuses on developing long-term relationships with existing customers. This approach assumes that retaining satisfied customers will ultimately prove more cost-effective than continually spending marketing dollars on securing new customers (Barnes, Sines & Duckworth, 1994). Some higher education scholars have suggested a relationship-marketing approach to enrollment management might similarly cut student recruitment costs and increase student retention (Trustrum & Wee, 2007).

According to B.J. Shaver, (2012), the following table provides a glossary of terms (Table 1) used in the literature forms the lexicon utilized throughout his study. In order to illustrate comparisons, each term (and respective definition) from the service marketing literature is paired with its counterpart term from enrollment management literature.

Table 1: Glossary of Comparable Terms Used in the Service Marketing Literature and Enrollment Management Literature Service Marketing Terminology Enrollment Management Terminology

Term	Definition	Term	Definition
Customer experience	The period of time from when a customer first receives services from a provider to when he/she stops paying for services	Student experiences	The period of time from when a student matriculates to a university until he/she graduates from or transfers out of the university
Customer expectations	A desire the customer had for his/her service experience prior to the service transaction	Student expectation	A desire the student had for his/her university experience prior to matriculation
Customer changed expectation	A desire the customer had for his/her service experience prior to the service transaction that changed during his/her experience	Student changed expectation	A desire the student had for his/her university experience prior to matriculation that changed during his/her experience
Customer met expectation	The fulfillment of a desire the customer had for his/her service experience prior to the service transaction	Student met expectations	The fulfillment of a desire the student had for his/her university experience prior to matriculation
Customer satisfaction	The degree to which customers are happy with aspects of their service experience	Student satisfaction	The degree to which students are happy with aspects of their university experience
Customer retention	The customer's act of continuing to patronize a service provider	Student retention	The student's act of remaining enrolled at a university
Customer retention behavior	The customer's act of continuing to patronize a particular service provider or switching to another service provider	Student retention Behavior	The student's act of remaining enrolled or transferring out of a university
Customer life cycle	The period of time beginning when a customer first has contact with a service provider, continuing through his/her customer experience, and lasting as long as he/she remains in contact with the service provider	Student life cycle	The period of time beginning when a student first has contact with a university, continuing through his/her student experience, and lasting as long as he/she remains in contact with the university as an alumnus/alumna
Customer loyalty	A customer's acts of allegiance to a service provider, such as recommending its services to others	Student loyalty	A student's acts of allegiance to one's university, such as applying to graduate school at the university or donating time and/or money to the university
Customer loyalty behavior	A customer's act of encouraging or discouraging others to use his/her provider's services	Student loyalty behavior	A student's act of encouraging or discouraging others to apply to his/her university. Also, a student's act of choosing to apply or not apply to graduate school at his/her university, or choosing to donate or not donate money to the university

Section 2: The Study

Relationship-marketing theory places customer retention under the larger umbrella term of customer loyalty because repeatedly purchasing the services of a service provider is only one way for a customer to demonstrate loyalty. For example, a customer might also show their loyalty to the provider by recommending the service to others. Understanding the issues of university student from a relationship-marketing perspective similarly involves placing the student retention within the larger framework of student loyalty. A student can demonstrate loyalty by continuing to enroll in classes at the university. They can also show their loyalty by recommending the university to others. Studies of university student loyalty have shed light on the following questions:

- How does undergraduate students' satisfaction with their university experiences relate to their retention behavior?
- How does undergraduate students' satisfaction with their university experiences relate to their loyalty behavior?
- What are undergraduate students' expectations of their university experiences?
- How does the fulfillment of undergraduate students' expectations of their university experiences relate to their retention behavior?
- How does the fulfillment of undergraduate students' expectations of their university experiences relate to their loyalty behavior?

Earlier student retention studies in higher educational institutions have focused on academic ability as the predictor of retention. However, these studies reported that academic performance could only account for half of the variance in dropout rates (Pantages and Creedon, 1978).

Also, a growing body of research suggests that the social adjustment of students may be an important factor in predicting persistence (Gerdes and Mallinckrodt, 1994). These studied argue that integration into the social environment is a crucial element in commitment to a particular academic institution (Spady, 1970). Tinto (1993) formulated a student integration theory of persistence or retention based on the relationships between students and institutions. He argued that retention involves two commitments on the part of the student. The first commitment is the goal commitment to obtain a college degree.

The second is the decision to obtain that degree at a particular institution (institutional commitment). Overall, the combination of the student's goal and institutional commitments affected retention at a particular institution. Under this perspective, it is important to match the student's motivation and academic ability and the institution's ability to meet the student's expectations.

Attracting students, processing their applications, and guiding admitted students through the enrollment process are extremely important activities. However, treating students as partners is crucial to optimize students' experience from enrollment to graduation (Kotler and Fox 1995). In this process, a person-to-person relationship between students and universities/colleges is of extreme importance for better planning and implementation. Thus, we argue that faculty performance, advising staff performance and classes are three of the most important variables that influence students' college experience and overall satisfaction. It is also argued that satisfaction influences students' intentions to stay at or leave the institution. It is know that satisfaction level is determined by the difference between service performance as perceived by the customer and what the customer expects (Parasuraman et al., 1986). According to Voss and Voss, (2000), given the distinguishing features of the higher education institutions, the value should be based on the long-term interest of students and society and institutional goals and commitments. It is the quality of the experience and relationship that benefits both a higher education institution and its society. Thus, there is a symbiotic relation between the student, college or university, and society as a whole.

Section 3: Perceived Service Quality

In a study by Macothink Institute on the Impact of Service Quality on Students' Satisfaction in Higher Education Institutes of Punjab, the service quality in the educational sector particularly in the higher educational institutions is the fundamental aspect of educational excellence. According to (Aldridge and Rowley, 2001) when students perceive the institution's quality and standardized learning environment facilitated with intellectual faculty, appropriate facilities of learning and infrastructure; their interest in their organization will explicitly be retained. The students are motivated from the academic as well as the administrative efficiency of their institution. Spooreen, et. al (2007) posited a view that the organizational harmony, teachers' intellectual ability, professional develop, transparency in students' evaluation, feedback and training are the important features that mentally develop the students.

Soutar and McNeil (1996) noted both academic and administrative issues of an institution are extremely important in determining the performance of students' development of organizational image and quality assurance. Elliot and Shin (2002) found that the highly significant variables in the model that appear to directly impact overall customer satisfaction with university performance are:

- Excellence of instruction in major
- Able to get desired classes
- Knowledgeable advisor
- Knowledgeable faculty
- Overall quality of instruction
- Tuition paid is a worthwhile investment
- Approachable advisor
- Safe and secure campus
- Clear and reasonable requirement for major
- Availability of advisor
- Adequate computer labs
- Fair and unbiased faculty
- Access to information

The results of the Punjab study also showed that the cooperation, kindness of administrative staff and the responsiveness of the educational system play a vital role in retaining the students' interest as the administration should be responsible in providing all the essentials and necessities required by a progressive learning environment. The students seek the feelings of empathy, nobleness and kindness in their institute's administrative staff. Therefore, the administration should be careful in training the employees in order to come up to the expectations of the students. In addition to the learning environment, there are certain other essential facilities which are also important for the students i.e. the well managed cafeteria, parking facilities, play grounds and other arrangements of physical and mental health e.g. clubs, gymnasiums etc. Assuring all the facilities and quality of services with excellence and reliability, an institution can attract a lot of students by having its name in the leading educational institutions of learning.

Section 4: Academic Integration

Incongruence or incompatibility and isolation of the student can lead to dissatisfaction. The lack of social and academic integration is an important factor influencing attrition. Students who feel alienated by the institution, its faculty and staff, and other students are likely to leave the institution (Heverly, 1999). The final category takes into account the external obligations and finances that can affect a student's ability to complete their education (Tinto, 1993). Non-traditional students as well as traditional students face a greater number of external forces which can derail their educational goals. More students have to work, have families and attend school part-time than in previous generations of students. Even though many traditional students face these external issues, the hardest hit are the non-traditional adult students who become dissatisfied with the educational process and leave higher education altogether (Bean & Metzner, 1985; Grimes & Antworth, 1996; Kinnick & Ricks, 1993).

Section 5: Best Practices

Following up on the success of a nationally recognized first-year experience program, William Jewell College in Missouri has launched a new sophomore experience program aimed at extending the assisted period of adjustment to academic and social components of college life.

"We have a nationally recognized first year experience program, but what we heard from our students was that once they weren't first-year students anymore, they felt that they went from a situation in which they had lots of attention to a situation in which they didn't have that anymore but still wanted to remain connected to the college more intentionally", says Rick Winslow, the college's dean of student affairs. William Jewell's first year programed was named a "National Program" to look for in the (2006 edition) of the U.S. News and World Report of "America's Best Colleges". The first-year experience program was also one of the primary factors cited by Time magazine in naming William Jewel its liberal arts college of the year in 2001-02. Jewell's retention rates have risen from 72% to 86% since it instituted its orientation program in 1997.

Recognizing that faculty members who teach first-year students play a crucial role in their students' success, Illinois State University has developed its **Resources Guide**for faculty teaching first-year students, a brief , online document intended to:

- Raise awareness of the importance of the first-year experience
- Inform faculty of support services available on campus
- Gives faculty a holistic understanding of the first-year experience and the important role they play
- Enhance the importance and prestige of teaching first-year students

The guide, developed by members of the university council for first year experience includes:

- An overview of the university's participation in the foundation of excellence in the "First College Year Project"
- A timeline of first-year experience events and programs
- A first-year curriculum update
- Information about working with the millennial generation, including case studies
- Information about support services (arranged by topic)

Section 6: Meeting the special needs of Adult Students

Adult learners, long the stepchildren of colleges and Universities, have nearly become the norm, and they spendbillions of dollars each year on education. Have collegesand universities alienated this rich market pool?

J. Hadfield (2003)

According to J. Hadfield, (2003), there are only two circumstances under which we should consider an adult learner not retained. If a student transfers to another institution to complete the course of study begun at our institution, we have lost them. Death is the only other circumstance that should remove a student from our rolls permanently.

All other students we should consider retained, even it takes them fifteen years to reach an educational goal. This recognition of a difference in the meaning of retention is critical to the decisions we make about marketing strategies. Students who have previously attended but are not currently enrolled create our richest market pool. What then, is the solution to the problem of attracting and retaining adult learners? Although for many in academia, the word "customer" is almost an obscenity when referring to a student, customer satisfaction is the key to attracting and retaining adult students. "Customer" is exactly how adult learners think of themselves, and they hold our institutions of higher education accountable for providing paid-for results and educational experiences that make a difference in their lives. If you are asked, "Does your school deliver superior customer service?" can you answer unequivocally yes? If you cannot, you are missing the most effective way to differentiate your institution from competitors. If you can, you know the secret to attracting and retaining adult learners. You know how a school demonstrates customer service. Here are some tips:

We Serve Our Customers When We Make Our School Their School

Adult students may show up for evening and weekend classes and find darkened buildings whose only lighted area is the classroom for the course. The business, financial aid, academic advising, and other student support offices have been closed since five o'clock. Our behavior communicates the message that the older adults are not "real" students.

We Serve our Customers when We Ask Them what They Need to Learn

Many years ago, Malcolm Knowles, the "father" of adult education, described the adult learner as "self-directing". Unlike younger students, adults come to college with specific goals, expectations and learning objectives for the time, energy, and money they will invest.

We Serve our Customers when We Ask Them What They Do Not Need to Learn

Nontraditional students bring to our institutions learning from previous work and life experience and non-collegiate-sponsored professional education that must be validated. It is a foolish waste of time to require students to complete courses they could teach.

We Serve our Customers when We Deliver what They Need when They Need It

Excellence in customer service demands that we constantly scan the environment to identify changes in the job market, new and developing workplace skills, and emerging businesses and industries.

We Serve our Customers qhen we Put Great Teachers in the Classroom

People intrinsically are motivated to learn when they are given the right conditions and encouragement, and great teachers are the keys to learner motivation.

We Serve our Customers when we Deliver Meaningful Learning Experiences

Nontraditional students are problem-centered and life-centered in their orientation to learning. They are not beginning their adult life; they are in the middle of it or, sometimes near the end of it. This difference in time perspective produces a difference in the way they view learning.

We Serve our Customers When we Listen to Their Complaints, Questions, and Suggestions

No one likes to listen to a complaint, but every complaint is an opportunity to improve. Complaints give us advanced warning about problems and an opportunity to take preventive action. Resolving the complaints of students has a significant effect on retention.

We Serve Our Customers When We "Walk the Talk"

Our actions and deeds always support our verbal commitment to superior customer service. We keep our promises, correct our mistakes, are proactive in solving problems, and work to exceed the expectations of our customers.

We Serve Our Customers by Continuously Measuring Our Performance

constantly measure the effectiveness of the processes we have in place to deliver that service.

Section 7: International Students

According to R. Amash (2011), the education of international students has a long history in American higher education. Students from often times less developed countries come to the U.S. to acquire knowledge and skills that they can use to improve their home countries and to foster personal growth through cross-cultural learning and exchange. Some of the challenges are:

- Socialization and integration challenges
- Housing and living
- Financial challenges and employment
- English language competence

The relationship between student and institution must be a balance of performance, integration, adjustment, and the quality of service. Below is a summary of the needs and challenges of international students with some recommendations.

- Developing a "Buddy System" for new international students
- The development of strategies to improve communication between international students and American students
- Redesigning the orientation sessions
- Immigration assistance and services should be considered
- The establishment of a plan to help international students find employment opportunities on and off campus to gain work experience in their field and help them financially
- Financial assistance is needed for international students
- Promoting multi-cultural clubs and activities
- Providing the international students with lists of all the religious and cultural clubs, organizations and other institutions as a support system for the students

Section 8: Campus Facilities and Infrastructures

Robin Suttell (2007) noted that the American college campus was in a state of flux. Changing expectations of stakeholders, keeping pace with an ever-evolving technological world, and the competitive nature of admissions and recruitment departments are shaping the future direction of higher-education campuses and their facilities. Wendell Brown, an architect at Nashville, Tennessee-based Earl Swensson Associates, who presented his firm's higher-education study, Vision 2020: A Look into the Future of Higher Education (a series of roundtable discussions with leaders of Tennessee's higher-education community) at The Campus of the Future meeting. A Virginia-based Association of Higher Education Facilities Officers (APPA) executive noted: "The way we manage our facilities and the way we work with our stakeholders – parents, students, faculty and staff, the community at large – is really changing. Suttell further purports that today's college student (and those yet to enroll) want more than a small dorm room with a pair of bunk beds, three roommates, a shared restroom, and a campus-run cafeteria as their only dining option. They aren't toting electric typewriters and small black-and-white TVs to furnish their rooms. They have sophisticated notebook computers, surround-sound speakers, and plasma TVs. Most have had comfort at home and demand it of their campus environment as well.

New residence halls are like miniature apartments, featuring separate single-student sleeping areas that open up into common living areas.

Today's pool of students are good at comparison shopping – they'll see which college has the best technology, the best buildings, and the best on-campus eateries (those eateries need to reach beyond the campus-managed cafeteria). These students want brand names.Today's media-savvy students, faculty, and staff crave the best, fastest, most cutting-edge technology. According to APPA Immediate Past President Jack Colby, assistant vice chairman for facilities operations at North Carolina State University, Raleigh, NC, implementation of technology is a significant factor for the future of higher-education institutions in attracting students and faculty. "Technology is one of the driving forces, and is certainly one that people are struggling with the most," Colby says, noting that the rapidly expiring shelf life of modern technology presents logistical and financial challenges in terms of long-term capital-planning initiatives.

In May of 2006, APPA held its first "Thought Leaders Summit". The participants, senior institutional officers and facilities professionals, gathered to consider the future of higher education, with particular attention paid to the built environment. This group identified the top 10 facilities issues that the industry was facing. The list included:

1. Resource scarcity and affordability
2. Performance measurement and accountability
3. Sustainability
4. Energy and environmental resource management
5. Laboratory and classroom spaces of the future
6. Customer service
7. Information Technology
8. Facilities reinvestment and total cost of ownership
9. Workforce management and demographics
10. Safety, security, and business continuity

According to this group, the question is: How does your facility stack up? Is it on its way to becoming future ready? Are you already addressing these issues now or are they still a future challenge?

Conclusion

The use of relationship marketing in higher education will transform the way it does business. Relationship marketing techniques such as individualized attention and communication, and developing long-term relationships will change the way higher education thinks about its students. In the near future, the success of an institution of higher education will depend on treating different customers differently based on whether a particular individual is looking for a four-year socialization experience, personal enrichment and the satisfaction of curiosity, preparation for the current job he/she has or the next one he/she wants, or something else Rogers, D., & Peppers, M. (1993). Ackerman and Schibrowsky (2007) believe the future of higher education is in building long term relationships with students. In their article "A Business Marketing Strategy Applied to Student Retention: A Higher Education Initiative," they coin the term Student Relationship Management (SRM) for those programs designed to build relationships with students to increase retention.

They claim SRM is not just a retention tool, but and institutional philosophy based on a marketing concept which prompts university leaders to take a different view of the institution's interactions with students.

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