

# Chapter 71

## Evaluating Customer Relationship Management in the Context of Higher Education

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### ABSTRACT

*The current economic climate has its effect on the higher education sector as less money is provided by governments and increasing number of students with higher demands and expectations intensify competition among universities. Customer relationship management (CRM) has become a key instrument in attracting paying students as retaining a long-lasting relationship provides financial and other benefits. This paper presents a structured literature review to analyze requirements for a student relationship management system (SRMS) as discussed in literature and analyzes the findings with results gained through an online survey which was conducted with students and alumni from four Ivy League universities. The results of this preliminary study show that universities need to focus on perceived service quality, satisfaction and trust of their students to enhance student and alumni retention. Preferred communication channels vary by communication partner and topic. In regard to student-university communication, university administrations need to improve their relationship and communication habits as student satisfaction with administrative services is lowest in comparison to lecturers and mentors. Current SRMS revealed gaps for student life support, class selection and financial aid.*

### INTRODUCTION

Since the 1950s a trend of constant expansion in the higher education sector can be observed which causes a continuous growth in the number

of students (Meyer & Schofer, 2007). Due to the current economic climate governmental budgets get tighter and revise the sourcing of universities (Lechtchinskaia et al., 2011). This change plays an important role in reshaping their organizational culture, especially in reference to providing student services.

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The higher education sector is characterized by a low level of standardization (Meyer & Schofer, 2007), in particular across national boundaries, although the academic communities are global in nature, sharing norms and beliefs beyond national affiliation (Musselin, 2007). While academics identify themselves more with a discipline than with an institution (Pollock & Cornford, 2004), students regard their university as a “short-lived prelude to something greater” (Musselin, 2007). Acquisition of students and student and alumni retention are central topics for universities and therefore must be reflected in their CRM approach (Sprenger et al., 2010). Today’s students are an increasingly diverse and socially segmented population (Hemsley-Brown & Oplatka, 2006) who regard themselves as individuals with rights and distinct demands that need to be addressed accordingly. As a consequence, universities are being reshaped into customer-oriented organizations (Frank & Meyer, 2007).

Universities provide educational service which is difficult to formalize as the understanding of quality in teaching is ambiguous in nature and provides little causal explanation between the process and its outcome (Musselin, 2007). Due to today’s competition universities require processes and tools to establish and enhance a “good” relationship with their students (Hilbert et al., 2007; Hon & Brunner, 2002). Major targets are to reduce student failure (Daradourmis et al., 2010), enhance student loyalty and alumni retention, and in consequence, improve fundraising efficiency. As increasingly customer-centric organizations with a diverse customer base, universities strive to offer more individualized service based on their students’ preferences (Daradourmis et al., 2010). The adoption of packaged IT solutions creates a challenge as those are shaped for the demands of commercial industries. Therefore, customer relationship management (CRM) concepts must be analyzed to identify differences and gaps to be adapted to the specific needs of the higher education sector and to be translated into student relation-

ship management system (SRMS) requirements. In particular, front-end systems that support the relationship between the university, students, and alumni require thorough analysis in the context of SRMS architecture. As a consequence, a requirement analysis of students’ communication needs in the university context needs to be conducted.

In this paper, a structured literature review and a quantitative study explore the influencing factors for relationship quality of students with their university and the required functionalities of SRMS that support a positive relationship between universities and their students and alumni. This main research objective leads to the following subordinated questions:

**RQ1:** Which factors influence students’ relationship quality with their university?

**RQ2:** What are students’ communication needs?

**RQ3:** How do students want to use technology to meet their communication needs?

In order to gather valuable results, four Ivy League universities were chosen for this survey, based on the total number of enrolled students. Due to a deeply rooted positive image and an internationally diverse student base, these universities are expected to have a sound basis for a relationship with their students and alumni. Based on the restricted admissions regulations, the student base is expected to be homogenous according to academic values. This has a positive effect on the comparability of survey results as the levels of relationship quality between students and university is expected to be relatively high. The students’ access to information technology is also expected to be comparable.

This paper presents a preliminary study which is structured as follows: First, the research design and quantitative data collection are presented. Then, the next section summarizes the findings of the literature review introducing the concepts of relationship quality and student relationship management. The results of the survey are presented

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