Implementing CRM in Higher Education
A Case Study of Université des Mascareignes (Ex-SDIM)

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Abstract

Higher Education is globalizing and internationalizing and Mauritius seeks to become a regional hub for education. This research paper seeks to understand and evaluate the potential of implementing a Customer Relationship Management (CRM) framework in higher education in Mauritius with special reference to the Université des Mascareignes (Ex-UDM). The Université des Mascareignes is one of the four public universities in Mauritius. CRM has grown in importance in the non-commercial field, as marketers have realized that, its principles can be applied for customer retention. The research paper will be highly useful as universities have not yet embarked on a full-fledged structured approach to build relationships with students. The main elements identified by the study could be used to bolster relationships and increase customer loyalty. Mauritius seeks to become a knowledge hub and consequently developing effective relationships is of paramount importance. The case of Université des Mascareignes is chosen as it is the first bilingual university in Mauritius.

Keywords: CRM - Higher Education - Customer retention

I. Introduction

Customer Relationship Management (CRM) is a leading new concept to business which has already become established in the literature (Szeinbach, 1997). CRM refers to all business activities directed towards initiating, establishing and developing successful long term relational exchanges (Reinatz and Kumar, 2003). Customer relationship management is a term for the methodologies, technologies and e-commerce capabilities used by firms to manage customer relationships (Rajagopal, Sanchez and Romulo Sanchez, 2005). A restricted view of customer relationship management would be database marketing focusing on how promotional marketing is linked to database management tools. It is important that a company adopts a customer centric model to be successful. To survive in the global market, focusing on the customer is becoming a key factor. CRM is an enterprise wide initiative that belongs to all areas of the organization (Singh D. Agarwal, D. 2003). It reflects the comprehensive strategy and process of acquiring,

retaining, and partnering with selective customers to create superior value for the company and the customer. It does not aim to build closer relationship with all customers, but it recommends that organizations take initiative to identify the most valuable customers by looking for their life time value. Customer Relationship Management (CRM) is about creating, building and enhancing relationships with a view to develop profitable relationships (Gronroos, 2000). The aim is not to focus on the exchange but rather on the development of a fruitful relationship.

CRM has traditionally been applied in commercial fields. This study will shed light on how CRM has grown in importance and can be applied in the field of higher education. However, with the globalization of tertiary education (TEC, 2013); the universities will need to increase student satisfaction and loyalty. The study also becomes significant as some universities have faced problems due to lack of recognition or still due to poor quality of services. The research paper seeks to analyse the impact of introducing customer

relationship management at the Université des Mascareignes. Université des Mascareignes is a Mauritian public university which provides courses in collaboration with Université des Limoges (France). The university is formed by merging Ex-Swami Dayanand Institute of Management and Institut Superieur de Technologie which has existed since the past 18 years (UDM, 2013). UDM offers courses in Management, Information Technology and Sustainable Development. Thousands of students have graduated through the university. UDM seeks to establish a customer-centric approach of teaching and learning at the tertiary level and hence the importance of introducing a customer relationship management framework.

II. Literature Review

Higher education has always been more internationally open to globalization (Marginson and Wende, 2006). Scott (2000) has addressed globalization as the most important challenge faced by universities in their history which has brought a fundamental shift in the organizational character of modern universities. This shift has been metaphorically addressed by Carlson (1975) as a transition from "domesticated environment" before 1990s to a "wild environment" after this time (cited in Preedy, Glatter & Wise, 2003). The elements of globalization in higher education are widespread and multifaceted: it has been estimated that more than 1.6 million students study outside of their home countries, with more than 5,47,000 studying in the USA (Pimpa, 2003). The issues and implications of the global marketisation of higher education and privatization (Arimoto, 1997; Kwong 2000) have been discussed in the context of a number of key concerns; problems of increasing competition between institutions, nationally and internationally (Conway et al. 1994; Kemp and Madden, 1998; Allen and Shen, 1999, funding issues (Brookes, 2003), and widening participation or social segmentation (Ball et al.,

2002; Reay et al., 2002; Brookes, 2003; Farr, 2003). Besides the growing trends of globalization, *informationization* – the development and expansion of information technology (Okuno-Fujiwara & Nakaizumi, 2001) has created a highly competitive and global environment for universities. A consequence of this phenomenon is the increasing amount of free and on-the spot information about programs description, college amenities and schools' ranking available to potential students which have made them choosy about their studies (King, 2008). Hence, as the result of the increasing globalization and informationization and some other factors including population demographics, work force requirements and new methods of delivering education (King, 2008), it is of little surprise if universities' managers and policy makers have started to think of a strategic planning in order to develop and maintain a smart balance between the institutions' capabilities and objectives and its changing external environment (Kotler and Fox, 1995; Nicolescu, 2009). As part of this strategic planning, marketing policy of a university can be considered as an important conveyor of the university's missions to the society by attracting talented and qualified students from all around the world. Yeni and Herington (2009) believe that marketing plans and market-oriented perspective in a university are positively correlated and a market-oriented mode cannot be achieved by merely adding a marketing position or office in a university. According to Preedy, Glatter and Wise (2003) the concept of marketing for most educationists is an imported, even an alien concept and there is a wide range of interpretation of marketing among education experts. Most educational institutions, as Kotler and Fox (1995) stated, have specific offices regarding marketing activities such as admissions, alumni or international offices and they even may employ some advertising and public relations efforts. However, while it is true that they are doing some

marketing activities, it does not mean that they are necessarily market-oriented (Kotler & Fox, 1995). Generally, a market-oriented or a customer-oriented organization is an organization in which all operations are *customer-centric* and the emphasis is on satisfying customers' needs and requirements (Preedy, Glatter & Wise, 2003). In the area of higher education, according to Kotler and Fox (1995), market-orientation implies that all employees understand that providing high quality programs and services are all means of satisfying target markets. "Without satisfied target markets [students], universities would soon find themselves adrift and would sink into oblivion" (Kotler & Fox, 1995, p. 9). According to Pausits and Pellert (2007), "relationships take on the character of companions for life", given that life-long learning approach in the current world has made students to not only study at universities once, but also to have recourse to these institutions again and again over time. To underline the importance of relationship in higher education, Pausits (2007) has also stated that higher education institutions should no longer hold the attitude of being "ivory towers" and have to transform into "relationship-based organizations."

III. CRM and Higher Education

The emergence of CRM applications in colleges and universities refers back to mid 1980s and the late 1990s when educational institutions started to restructure and reengineer their operating processes to reduce costs while raising efficiency (Grant & Anderson, 2002). The efforts made such universities turn to the use of enterprise resource planning (ERP) applications in automating business processes in areas including finance, enrollment and human resources. However, since ERP could only serve internal customers' needs (faculty staff members), there was a need for satisfying external customers' demands (students) (Daradoumis et al., 2010). This need, therefore led to the introduction of CRM in higher education.

CRM in higher education mainly focuses on automation and improvement of institutional processes associated with managing student relationships in areas such as recruitment, marketing, communication management and service and support (Grant & Anderson, 2002, p. 24). According to Buttle (2009), nowadays, universities employ CRM to manage relationships with their students and alumni. He supports his idea by giving an example that, if a student enjoys his or her experiences at a university, he or she might recommend it to his/her personal networks afterwards. Literature indicates that the higher education market is now well established as a global phenomenon, especially in the English speaking nations (Binsardi & Ekwulugo, 2003). Research into higher education choice or consumer behavior, although not extensive, has principally been stimulated by the individual institution's need to anticipate the long term implications of choice and to understand the key factors involved in student choice (Farr, 2003, Foskett and Hemsley Brown, 2001).

In universities, the debate on the application of marketing principles continued in the 1990s (Sharrock, 2000; Hemsley-Brown and Oplatka, 2006). They considered that these principles contradicted educational values, especially since the student is considered as a customer of the institution (e.g Barrett, 1996; Franz, 1998). As Hemsley Brown and Oplatka (2004) point out, when literature originated in the 80s, it was fundamentally theory and norms oriented, based on the application of models initially conceived for business, especially those from marketing communication, to the promotion of educational institutions. Later, the debate was about whether the students fitted into the "customer" label or whether it was about "products" that educational institutions "offered" to the labour market (Conway et al, 1994; Emery et al, 2001). This lack of theoretical modeling forms the basis of the research paper which seeks to develop a

simple but structured approach to deal with students to develop long term relationship with them. The aim is to have an effective 'Student Lifecycle' that will help universities in being effective and efficient. Customer knowledge is a critical asset, and gathering, managing, and sharing it can be a valuable competitive activity for organizations (Khodakarami, 2014). Agatha (2014) explains that there are two types of customers - internal and external. In the educational process, dialogues and debates are always happening between "what was given to the students" with "what student as customers want". Many universities are spending huge amount of money in implementing CRM software so as to increase customer satisfaction.

IV. Research Questions

This research paper seeks to understand and analyze the following research questions:

1. Does CRM help to improve student satisfaction and customer loyalty in higher education?

2. What could be the CRM failures that impede the proper implementation of a CRM framework?

3. What are the strengths of implementing CRM in a public university?

4. What are the main elements that should form part of an effective CRM framework?

V. Research Methodology

The main aim of the research is to evaluate the impact of CRM on the student satisfaction and customer loyalty. The ontological perspective is a positivist approach based on the assumption that the students can evaluate the benefits and problems of the CRM framework. A questionnaire was administered with 105 students to measure their perception about the impact of CRM on customer loyalty. The questionnaire was pre-tested and the main variables that would be measured are the benefits, the weaknesses, the relationship between relationship building and customer loyalty. A stratified random sampling technique was used as it is more representative. Mauritius being a small island; students come from different cultures and regions which have their own cultural influences on the perception. In addition, students were also selected on the gender proportionality of the student population to provide an objective analysis of the perceptions. The epistemological perspective is that the survey technique can be used to identify the current CRM failures, establish the relationship between relationship building and customer satisfaction based on a positivist approach. The case of Université des Mascareignes is chosen as it is the first bilingual university in Mauritius.

VI. Research Findings

VI (A). Weaknesses of the Current CRM Framework

The study found that 71% of the students were satisfied with the current trainee support provided at the university. Figure 1 clearly shows that the major failure in the student relationship system was the absence of an effective student complaint system and there were no formal complaint system at the Université des Mascareignes. The second major deviation was the lack of proper course information from the moment the students enter the university. This finding supports the view of bloom, that the major problem in tertiary education is the bewilderment due to a wide choice and lack of official guidance (Bloom, 1987). In addition, it reflects the major shortcomings of academic institutions, which focus mainly on course delivery.

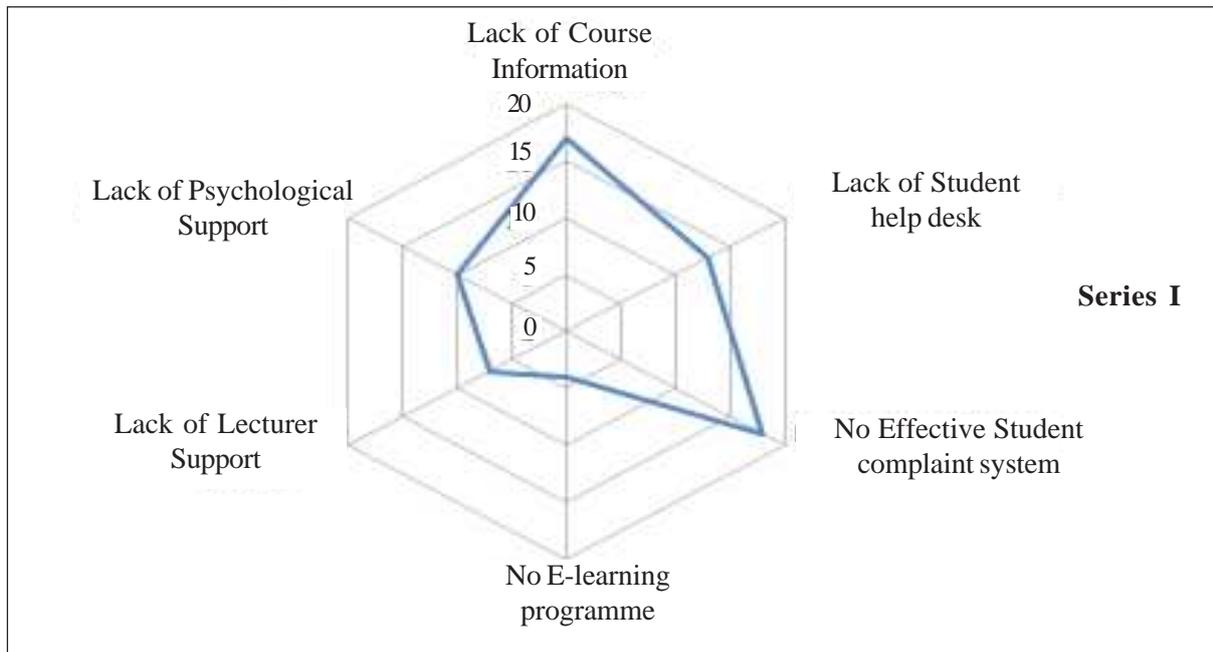**Figure 1: Weaknesses of the Current CRM Framework**


Table 1: Analysing CRM Variables

Dimensions	N	Mean	Std Deviation	Std Error
Impact on Trainee	73	3.36	1.418	.166
Academic Performance	73	3.41	1.373	0.161
Image of training institution	73	3.53	1.375	.161

Table 1 reveals that CRM had a much greater impact on the image of the institution rather than on trainee satisfaction itself. Students also believed that CRM has leverage on academic performance. However, there was a much greater spread on the impact of trainee satisfaction indicating that students were not able to clearly identify the impact it may have on their satisfaction directly.

VI (B). Correlation between CRM and Customer Loyalty

There is high positive correlation (0.69) between trainee support and overall customer loyalty (p value 0.49). Thus, the null hypothesis that there is no relationship between CRM and customer loyalty in an academic institution is rejected. It is found that that there is a positive correlation between CRM and higher education. The literature reviewed also shows instances that higher education institutions are increasingly resorting to marketing strategies and CRM to be competitive, especially, with the advent of globalization and internationalization of education. Figure 2 shows that the present website of the university is not been appreciated by the students. The role of on-line support and E-CRM has been

VI (C). On-Line Support to Students

Figure 2: On-Line Support to Students
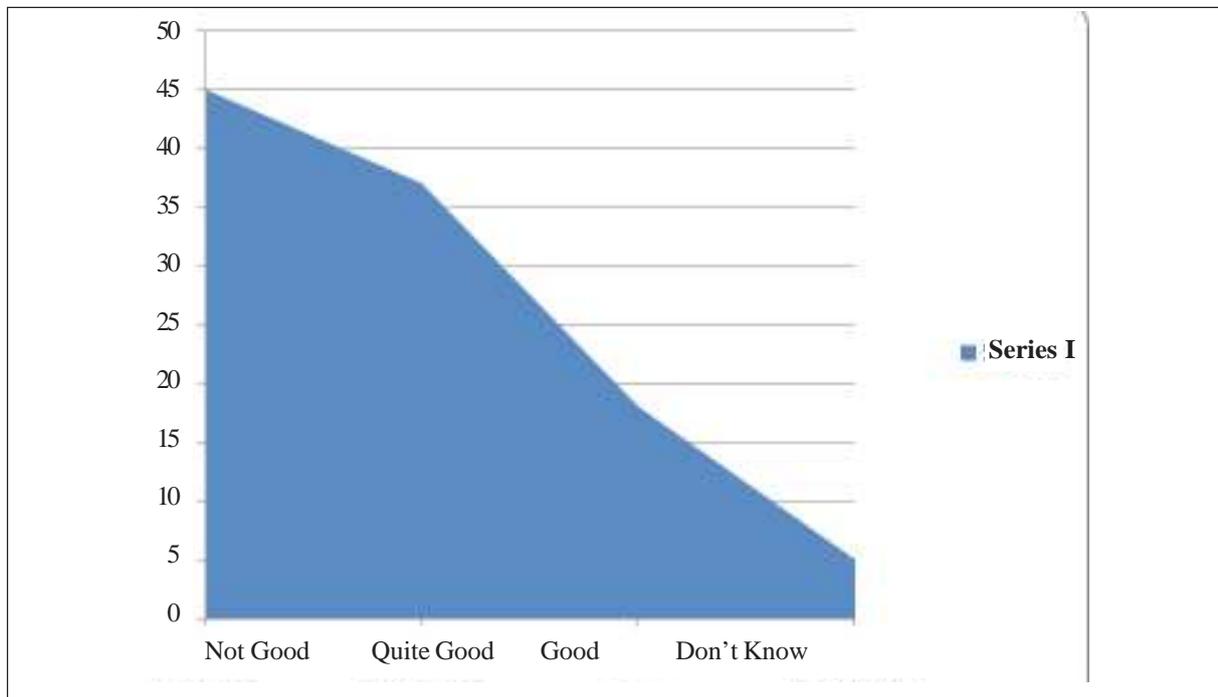
elaborated in many CRM studies. A study by ActivMedia (2003) found that websites focused solely on quality, price, convenience and product availability and is missing in terms of customer loyalty. Overall, the web has become an excellent selling vehicle; however institutions should pay attention to high leverage on-line opportunities where customers are not yet well served by established websites.

VI(D).Suggestions to Improve Communi cation in Universities

Figure 3 shows that students believe in suggestion schemes to improve communication in universities. They also want to have more on-line support. The appointment of a communication officer does not elicit much interest on the part of students.

Figure 4 depicts the major problems of implementing CRM. The study found that the lack of understanding about the concept of CRM is

the most significant problem. The second major problem outlined is the need for additional staff, as CRM cannot be improved without effective people support. This finding also stress the need for staff training in the techniques of relationship building so as improve customer loyalty.

VI (E). Development of a CRM Scorecard Based on Rating

Ten criteria were provided to students, and they were asked to rank on a Likert scale from 1 to 5. These criteria were evaluated based on a manual grading evaluation. The ratings show the following factors to be of utmost importance for CRM in higher education.

Table 2 shows that students consider communication, effective website, feedback system, report on assessments and ICT as the most important variables that affect student satisfaction and loyalty. These may be termed as the critical success factors for CRM in higher education.

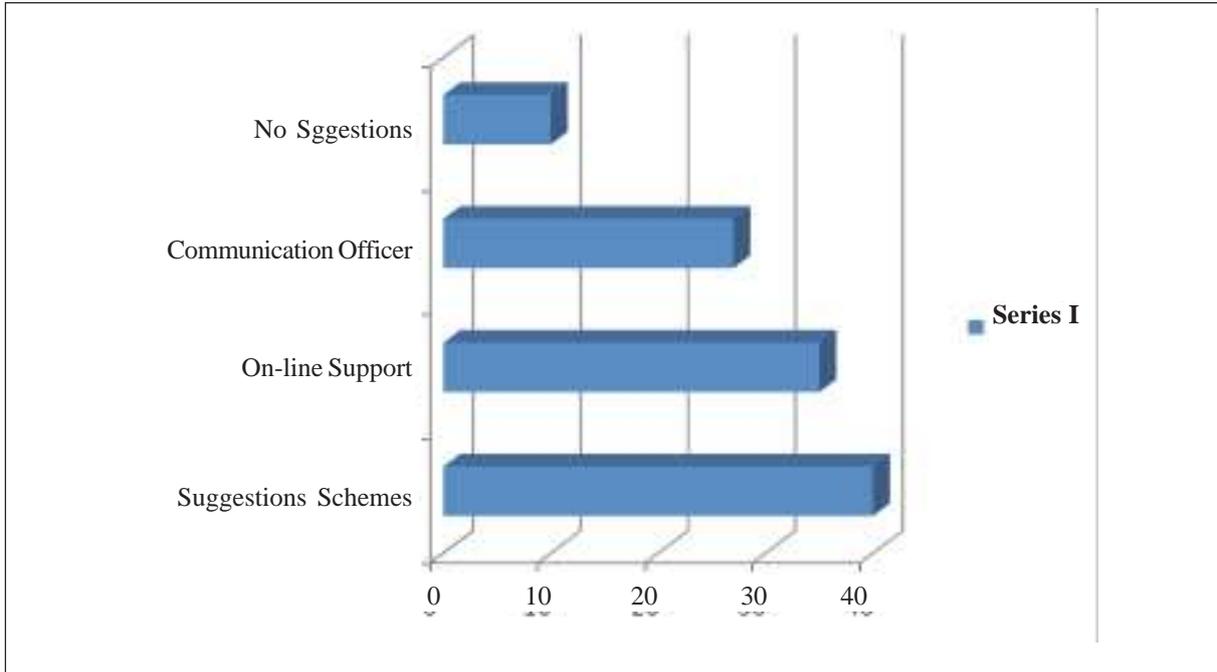**Figure 3: Suggestions for Improving Communication in Universities**

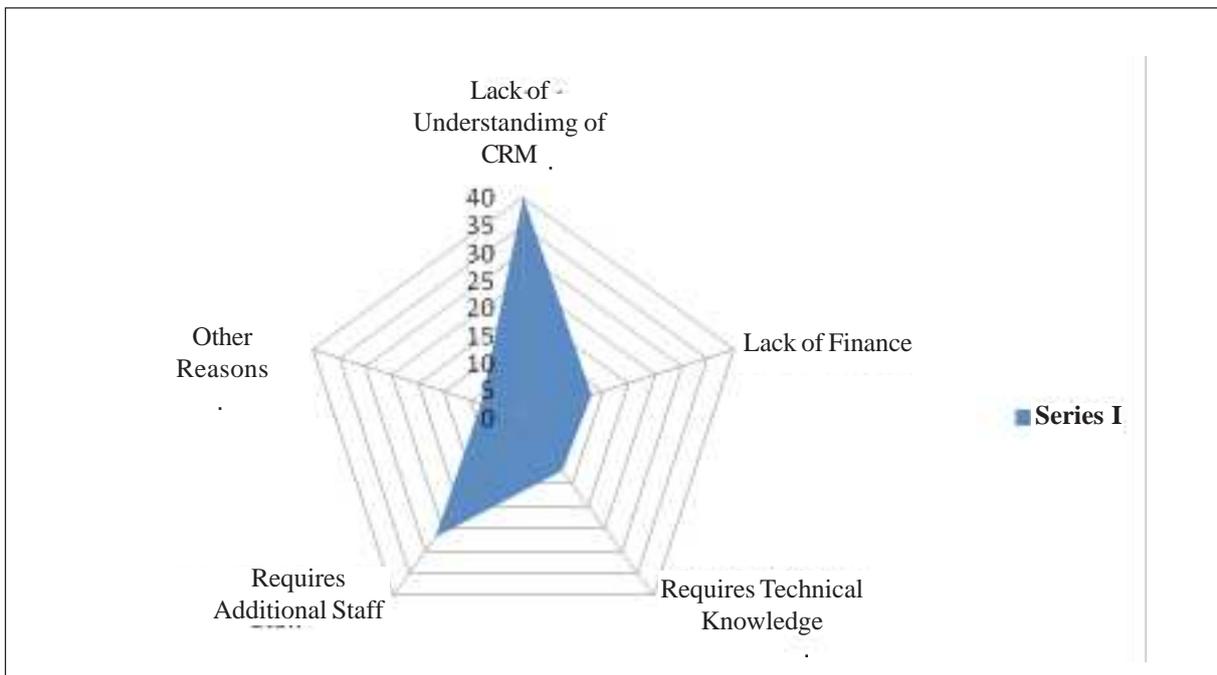**Figure 4: Main Problems in Implementing CRM**

Table 2: CRM Scorecard

Criteria	Rank
Communication with Trainees	1st
Website of University	2nd
Feedback System	3rd
Progress Report on Student Assessment	4th
ICT as Support Tool	5th
Psychological Support	6th
Pedagogical Tools	7th
Effective Curriculum	8th
Administrative Support	9th
Alumni	10th

VII. Findings and Conclusion

This research paper seeks to understand how CRM can influence customer loyalty in highereducation. It also analyses the potential causes of relationship failures and provides suggestions to improve relationship building. The study proved that there is a positive relationship between customer relationship management and customer loyalty. The paper outlines the need for a written student complaint system at Université des Mascareignes. The main intent will be to manage student complaints effectively and efficiently and to improve the current practices at the institute. An effective student information system should also be developed. A CRM software may be purchased for improving student intelligence. The Student Information System (SIS) can be helpful to improve student services, such as admissions, financial aid, registration, transcripts, scheduling, enrolment and courses. The present website of UDM does not respond to the needs of the students. There is need for more interactivity and more updated information. The setting up of a career guidance unit may also be very useful for the students. Even though the study has certain limitations and the findings of the effect of CRM cannot be generalized for other tertiary institutions, certain principles might prove to be universal. There is also a need for a qualitative analysis on the impact of CRM in higher education which might form part of a future research paper.

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