



A CONCEPT OF STUDENT RELATIONSHIP MANAGEMENT IN HIGHER EDUCATION

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Introduction

The paper will present a novel marketing concept of relationship management in higher education and a justification of its application based on the specific character of educational services. The definitions of relationship and relationship management in higher education will be given. The paper will highlight key relationships that should be built by an educational institution with special emphasis placed on students as the most important clients of a school.

The paper will proceed to elaborate on the concept of loyalty as the aim of building sustainable relationships with students and its specificity due to the special nature of an educational environment. A student relationship management model will be proposed and discussed as comprising three basic stages of the educational services provision: pre-sales, sales and after-sales stages. The presented model may serve as a basis for further theoretical research or may be applied in practice as it is.

A concept of student relationship management by higher education institutions

The change which is taking place in the higher education environment, in Poland and globally, forces higher education institutions to search for a new *modus operandi*. Management is one of the areas requiring a new approach. This is not easy however as universities, deeply rooted in the traditional mission they have pursued for centuries, are reluctant to adopt a more commercial approach. A university model reconciling Humboldt's ideals with modern management methods is yet to be developed.

In attempting to construct marketing tools that would meet the above challenge, the author suggests that higher education institutions apply a new relationship management concept in relation to actors in their environment

The proposed concept draws on relationship marketing, which in turn originated from services marketing. The 80s and 90s of the last century saw a need for different activities and marketing tools to fit the purposes of service providing organizations. It was understood that services are characterized by attributes different than those typical of tangible products and hence different marketing strategies need to be applied to sell services. Of particular importance in appreciating this idea was the contribution

of the Nordic School of Services Marketing and researchers associated with it.¹ Studies involving services providing companies focusing in particular on services interactions, gave rise to relationship marketing.

One of the most often quoted definitions of relationship marketing is the one proposed by Ch. Gronroos who sees relationship marketing as activities whose object is "to identify, establish, maintain and develop, or sever, if necessary, the relations with clients and other players in a way that helps all parties achieve their goals".² In the literature on the subject it is often emphasized that the goal of marketing activities is establishing sustainable relationships which benefit all participants. It is significant that relationship participants co-create the relationship. This approach encourages mutual understanding and cooperation. This is particularly meaningful for education services where end result depends on engagement and cooperation of both the teacher and student. So the quality of education services depends on its being created by both sides. Collaboration, mutual involvement and trust are absolutely crucial.

Apart from the one detailed above, there are also other traits of educational services compatible with relationship marketing, making it applicable in higher education (Tab.1). One of these is the long time of providing an educational service, which may be used by the school to build a long-term relationship. An education service typically lasts several years over the course of which a university has a chance to undertake appropriate activities to earn students' loyalty. Importantly, universities must make an effort not only to win over new clients but also to earn their true loyalty. Many experts on relationship marketing stress the importance of loyalty in the competitive marketplace and the fact that relationship building is a time consuming process.

Table 1. Common traits of relationship marketing and education services offered by universities.

Looking for mutual benefits (both sides achieve their goals)
Co-creating value (both sides actively participate in creating value)
Durability; relationship building is a time-consuming process
Activities are undertaken not only to win clients but to win their loyalty too
Relationships are built of interactions which compose a service

Source: author's own research.

The long time of providing an educational service and building the relationship necessitates managing individual interactions, or touch points between the client and service provider (other names used in the literature include moments of truth or acts). A university will have plenty of such interactions including each contact between the student and the school, so not only teaching classes but also all events outside the learning process connected for example with the administration and organization of studies.

¹ See e.g. Ch. Gronroos., *A Service Quality Model and its Marketing Implications*, *European Journal of Marketing* 18, 4,1984.
² Ch. Gronroos, *From marketing mix to relationship marketing: towards a paradigm Shift In marketing*, *Management decision*, 1994 vol. 32, no. 2, p. 4-20.

The many features listed above that education services and relationship marketing have in common point to the possibility of utilising relationship marketing for the purposes of higher education.

In literature³, relationship marketing is sometimes defined as “a continuous and long-term process of creating a relationship between a higher education school and its partners (students, companies, authorities, sponsors etc.) by jointly creating value in such a way that the goals of all parties are achieved”⁴.

According to this definition, a higher education school should be interested in building relationships with a range of stakeholders including university staff, graduates, local community, local and regional authorities, business environment, government, founding boards, research councils, entrepreneurs, donors etc. There is no doubt however that the most important university stakeholders are students.

An interest in student relationship management is only beginning to increase, in Poland and globally. In Western European literature there are some studies in the area of economics of education concerning the problem of student retention⁵. Marketing literature offers only a handful of models of building long-term student relationships⁶.

Models of students loyalty

Two of these models which deal with students' loyalty are worthy of special attention. The first, proposed by T. Hennig-Thurau, M.F. Langer and U. Hansen (Fig. 1), presents student loyalty as being shaped mainly by three elements: quality of service offered, emotional engagement and trust in a university.⁷ The authors also showed that students' emotional engagement correlates positively with their engagement in work and family life as well as a degree of integration with the academic environment.

3 See e.g. B.A.M. Al-Alak, *The Impact of Marketing Actions on Relationship Quality in the Higher Education Sector in Jordan*, *Journal of Marketing for Higher Education* vol. 16(2) 2006; A. Pausits, *Strategic Relationship Management at Higher Education Institutions in: A. Pausits, A. Pellert, (ed.) Higher Education Management and Development in Central, Southern and Eastern Europe*, Waxmann 2007.

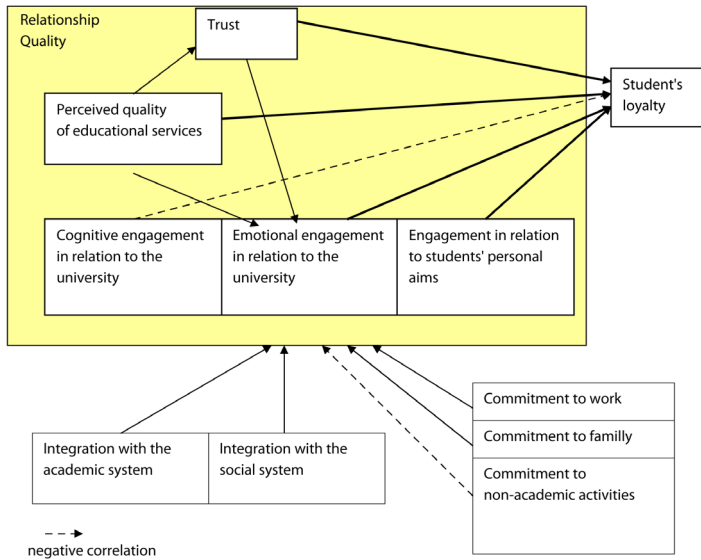
4 A. Drapińska, *Zarządzanie relacjami na rynku usług edukacyjnych szkół wyższych*, Wyd. Naukowe PWN Warszawa 2011, p. 149.

5 See e.g. V. Tinto, *Dropout From Higher Education: A Theoretical Synthesis Of Recent Research*, *Review of Educational Research* (winter) 45, 1975, 89-125.

6 e.g. *The factors determining students' "utility" in future model* - D.B. Arnett, C.M. Wittmann, B.J. Wilson III, *Encouraging Future Helping Behaviours: The Role of Student-Faculty Relationships in Higher Education Marketing*, *Journal of Marketing for Higher Education* vol. 13(1/2) 2003, p 145; *The elements determining student retention model* - C.B. Schertzer, S.M.B., Schertzer, *Student Satisfaction and Retention: A conceptual model*, *Journal of Marketing for Higher Education*, vol 14(1) 2004, p 82; *The quality of the university/student relationship model* - B.A.M. Al-Alak, *The Impact of Marketing Actions on Relationship Quality in the Higher Education Sector in Jordan*, *Journal of Marketing for Higher Education* vol 16(2) 2006, p 9.

7 T.Hennig-Thurau, M.F.Langer, U.Hansen, *Modelling and managing student loyalty. An approach based on the concept of relationship quality*, *Journal of Service Research*, vol.3, no.4, May 2001, p. 333.

Picture 1. The relationship quality-based student loyalty (RQSL) model.

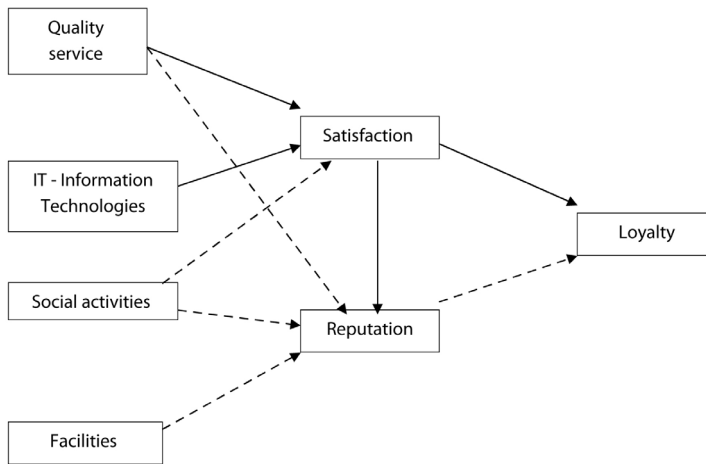


Source: Hennig-Thurau T., Langer M.F., Hansen U., *Modelling and managing student loyalty. An approach based on the concept of relationship quality*, *Journal of Service Research*, vol.3, no.4, May 2001, p. 336.

The second concept is “the model of interdependencies between particular elements in relationships between students and a university” proposed by O. Helgesena (Fig.2).

According to this author, the most important elements affecting student loyalty are satisfaction and a university’s reputation. Satisfaction is determined by quality of services, information technologies used and, indirectly, by a university’s social policies. Student satisfaction in its turn significantly impacts a university’s reputation and as such functions as the key factor determining both student loyalty and a university’s image.

Picture 2. Model of interdependencies between particular elements in the student-university relationship.



solid arrows indicate the strongest correlation

Source: Helgesen O., *Marketing for Higher Education: A Relationship Marketing Approach*, *Journal of Marketing for Higher Education* vol. 18 (1) 2008, p. 65.

Concept of relationship management with students

As can be seen from the above models there are different approaches to building and managing successful long-term student relationships. The presented models focus on selected elements affecting client loyalty among which satisfaction, quality, engagement and reputation are considered to be of key importance.

Research conducted by the author of this paper led to formulating a new comprehensive concept including all elements responsible for successful relationship management.⁸

The proposed model takes account of all elements indispensable for building sustainable student relationships as well as reveals interdependencies between these elements (Fig. 3) and the feedback effect, ignored in relationship building models based on selected elements.

The relationship building elements were identified based on literature on relationship marketing, services marketing (including marketing of professional services), and economics of education. In selecting these elements special attention was paid to the specific character of services offered by higher education institutions. The model was verified empirically in Poland.

⁸ See A. Drapińska, *Zarządzanie relacjami na rynku usług edukacyjnych szkół wyższych*, Wydawnictwo Naukowe PWN, Warszawa 2011, p. 159.

One of the most important steps in developing the model was identifying and defining the purpose of marketing activities as student loyalty. Students demonstrate their loyalty to the university by their behaviour and positive attitude. In terms of behaviour, student loyalty is expressed by low dropout levels, higher likelihood of undertaking postgraduate studies (repeated purchase), recommending the university to others, offering support to the university and engaging in its life after graduation. A loyal student is a person with a positive attitude to the university feeling such emotions as pride or affection for his alma mater.

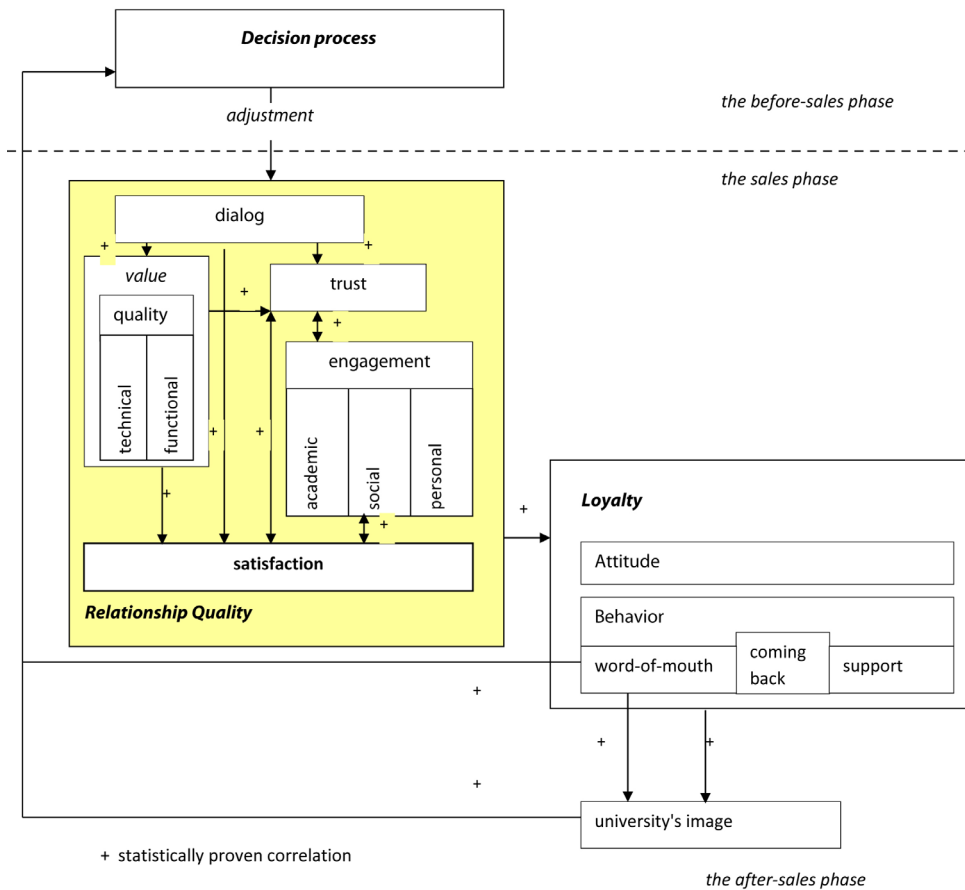
The process of building student relationship by a university was divided into three phases: pre-sales, sales and after-sales stage. The pre-sales stage begins with taking decisions on future studies by prospective students and lasts until students get enrolled in a university. Of key importance is the sales phase, which also lasts the longest, from the moment of students' enrolment until their graduation. The post-sales phase occurs after graduation. This threefold division serves to stress that a university ought to start building a relationship with students already when they make decisions regarding future studies and that different marketing tools need to be used at each of the three stages of relationship building.

The main goal of relationship management in the pre-sales phase is to attract a desired number of candidates from the target segment such as candidates with best results at high school (e.g. winners of subject competitions). Winning the appropriate quantity and "quality" of candidates will allow the school to build prestige and succeed at the sales phase of relationship building. At this stage, a university ought to focus its activity on helping candidates make right decisions. This should be achieved first of all by providing truthful, accurate, clear and intelligible information on issues such as pre-requisites and qualifications needed to work in a given profession, possible professions available in the employment market, work prospects in the context of a given field of study and, finally, the university itself (academic staff, courses, methods of teaching, additional offerings). A university should be pro-active in offering candidates help in choosing studies. This means meeting prospective students' expectations and trying to reduce risks and anxieties related to making a decision.

Attracting students who are better suited to a given profile of studies will automatically contribute to lowering drop-out levels and raising the quality of education service, which largely depends on students' hard work and commitment. This will also have a bearing on students' satisfaction and will consequently raise their loyalty.

The main part in the proposed model is the sales phase concurrent with the duration of studies. From the point of view of students in subsequent years of studies and, consequently, relationship management, this phase is not homogenous. A freshman first needs to go through a stage of socialising. The university's task in this period is minimizing the sense of alienation and disorientation of new students as well as facilitating student interactions and offering help in preparing students for further education. This will help to generate positive emotions and is likely to elevate satisfaction levels.

Picture 3. Student relationship management model.



Source: A. Drapińska, Zarządzanie relacjami na rynku usług edukacyjnych szkół wyższych, Wydawnictwo Naukowe PWN, Warszawa 2011, p. 271.

The next substage in the sales phase is strengthening and improving relationship quality. Core activities at this stage aim at raising student satisfaction levels by co-creating value. A university needs to collect information on benefits and costs as the key value components for students and undertake actions aimed at improving value for students. An important value enhancing element is the quality of education service. It needs to be noted that quality in the context of education services should be perceived both in the technical and the functional aspect⁹. Functional quality is easier for the student to evaluate, which he does through the prism of the teaching methods used, teachers' ability to generate interest in the subject,

⁹ See Ch. Gronroos, A service quality model and its marketing implications, *European Journal of Marketing*, 18,4, 1984.

the way practical problems are solved and teachers' personal traits such as kindness or approachability, etc. Technical quality on the other hand can often be assessed by students only after they have finished studies when their preparation to function in the employment market is verified in practice.

In creating quality, it makes sense to adopt a holistic approach to the offering directed to students. Many marketers underline that beside teaching, student satisfaction and loyalty are also correlated with other elements of the educational offering (accompanying events, student organizations, integration events, organization and administration of studies, etc.)¹⁰ These elements often determine a degree to which students integrate with a university and its environment and become involved in the university's life, the factors that impact the drop-out levels.

An important element which facilitates co-creating value and improving the relationship at the sales phase is dialog. Dialog means a two-way communication process between a university and students involving three components: informing, listening and managing expectations. Students ought to receive on a regular basis up-to-date information necessary to function at university. Students should have an easy and quick access to this type of information. Of importance is also listening to students and their opinions, understanding their wants and needs and involving them in a decision making process. Dialog also concerns expectations management including elements of educating, explaining, clarifying and finding trade-offs between students' expectations and a university's strategy. Effective expectation management through harmonizing students' expectations with the university's strategy and the educational offering contributes to achieving high levels of student satisfaction.

As mentioned above, a degree to which students are integrated into a university's environment and involved in its life also significantly affects the quality of the student-university relationship. In fact, many theorists mention this element as one of the factors determining low drop-out levels¹¹. Especially students who are emotionally bonded with the university are less willing to leave the university. Unfortunately, student involvement is quite difficult to achieve as most students are not interested in active participation in the school's life. This being the case, active encouragement of students and organizing a variety of events and projects to attract their interest is a real challenge for a university. A school may find it helpful to pick out opinion leaders, who are capable of infecting others with their enthusiasm and energy.

Another factor of fundamental significance in relationship building is students' trust in the university and its representatives. Trust is vital particularly in the case of services associated with a certain degree of risk such as educational services.

The long-lasting process, difficulty in evaluating service quality and uncertainty regarding the end result (preparation for entering the employment market) all combine to make trust so important. Building trust should first and foremost concentrate on mutual understanding, keeping promises, honesty, competence and support.

¹⁰ J. H. Mc Alexander, H.F. Koenig, J.W. Schouten, *Building a University Brand Community: The Long-Term Impact of Shared Experiences*, *Journal of Marketing for Higher Education* vol. 14 (2) 2004.

¹¹ T. Hennig-Thurau, M. F. Langer, U. Hansen, *op. cit.*, p. 333.

Opinions of students about services they are offered and the experience of academic life create word-of-mouth communications which affect a university's image and, consequently, candidates' choices about future studies.

The last stage of the sales phase of relationship building is graduation. The time of finishing education, receiving a diploma, going through all final procedures and partying with academic life should bring fond memories. These memories, like the whole experience of studying, influence decisions to continue or sever the relationship with the university.

Some sample activities that may be undertaken in particular phases of relationship building are listed in the table below.

Table 2. Marketing elements and activities needed to manage student relationships.

Elements of relationship management	Activities	Sample tools	Effects
<i>Pre-sales phase – managing relationships with candidates</i>			
Offering help in making decisions about future studies (overcoming fears and anxiety, reducing risks)	<ul style="list-style-type: none"> - Providing information on the necessary abilities, knowledge and skills; - Work aptitude tests; - Providing information on the programme of studies, methods of teachings and qualifications obtained; - Providing information on current trends in the employment market in the context of qualifications obtained; - Helping candidates to find out more about the university through contacts with teachers, students and alumni; - Effective candidate interactions management; - Pro-active approach to candidates instead of relying on candidates' initiative in seeking information about the university (e.g. by 	<ul style="list-style-type: none"> - employment market analyses, - an appropriate website, - special information points and trained personnel, - open-door events, - organizing meetings with students and teachers, - alumni reunions, (also virtual, e.g. films), - student data analysis and segmentation, - presenting the educational offering to potential candidates, - attempting to generate interest in the university's offer. 	Winning candidates from the target segment (e.g. better quality candidates) A more effective candidate selection Students fit the university profile better, which affects satisfaction and loyalty levels.

	segmentation and choosing target segments).		
Expectations management	<ul style="list-style-type: none"> – Providing reliable information, explaining and clarifying; – Building awareness of the educational process, presenting the educational offering, creating needs and expectations – offering help in formulating expectations. 		Avoiding inaccurate expectations and, consequently, preventing disappointment and dissatisfaction Better oriented students, knowing what to expect.
Raising awareness and building positive image - prestige	- Deploying PR activities (e.g. publicizing important events and scientific achievements).		The university's prestige as one of the most important considerations for both prospective and existing students. Raising candidates' awareness (e.g. of a department, faculty, specialization).
Sales phase – student relationship management			
<i>Building</i>			
Identification	Research aimed at identifying basic characteristics of the enrolled students (e.g. background, choice determinants, motivation, knowledge and skills, expectations, needs – also those related to personal interests, capabilities to get involved in the academic life, targeting potential leaders).	<ul style="list-style-type: none"> - regular surveys and analysis of results, - data bases, developing and implementing an educational strategy, - theme meetings with trained staff members, - well-prepared function of the year tutor. 	Collecting information about students to create a basis for further activities. Identifying potential leaders.

Socializing	<ul style="list-style-type: none"> - Educating (informing, explaining - introducing students to the rules of academic life, getting about the campus, the role of particular units etc); - Providing necessary support (e.g. remedial classes), also in the areas unrelated to education. 		<p>Minimizing students' alienation and disorientation. Preparing students for further activities and the educational offering.</p>
Expectations management	<ul style="list-style-type: none"> - Presenting offers, creating needs and expectations; - Educating (e.g. raising awareness of the university's values, standards and expectations). 		<p>Higher likelihood of student satisfaction.</p>
<i>Strengthening/improving</i>			
Dialog	<ul style="list-style-type: none"> - Continuous and systematic dialog taking consideration of three elements: Informing; Listening; Managing expectations – managing expectations through educating (explaining, clarifying). 	<ul style="list-style-type: none"> - creating an appropriate, consistent data transmission system, - on-going collection of student opinions on issues such as quality evaluation and satisfaction, organization of studies, needs and expectations, expected benefits and perceived costs. 	<p>Satysfakcja. Co-creating value. Avoiding conflict. Finding good solutions to problems. Satisfaction.</p>
Co-creating value	<p>Increasing expected benefits and reducing perceived costs.</p>	<ul style="list-style-type: none"> - investigations regarding expected benefits and perceived costs and implementing changes. 	<p>Increasing value for students. Loyalty. Positive word-of-mouth.</p>

Service quality	<p>Continuous raising of the quality of services offered and tailoring services to better respond to market demands</p> <ul style="list-style-type: none"> - managing interactions; - preparing students for future work - responding to problems swiftly (claims management) <p><u>Technical quality</u> – staff scientific development, teaching aids and facilities;</p> <p><u>Functional quality</u> - training opportunities for teaching and administrative staff.</p>	<ul style="list-style-type: none"> - upholding contacts and cooperation with employers, coordinating education with the labour market requirements, - organizing student placements at companies, - providing growth opportunities for teaching staff, including in the area of business practices, - swift response to conflict situations by specially trained employees, - training opportunities for administrative staff. 	<p>High quality of services. Trust. Satisfaction. Loyalty. Positive word-of-mouth.</p>
Engagement	<ul style="list-style-type: none"> - being open to student initiatives; - Creating atmosphere conducive to student creativity; - Engaging students in the academic life. 	<ul style="list-style-type: none"> - facilitating regular contacts with university staff working on new projects and events – organizing attractive events, student integration, - active support of student organizations and their initiatives; - identifying student leaders capable of influencing attitudes and commitment of other people. 	<p>Higher engagement of students in the academic life. Satisfaction. Loyalty. Trust. Positive word-of-mouth.</p>
Trust	<ul style="list-style-type: none"> - delivering on promises made by the university; - openness, honesty, and approachability of staff; - Reducing uncertainty levels (regarding e.g. the right choice of studies, quality, situation in the labour market). 	<ul style="list-style-type: none"> - staff training, - organizing interactions with staff beyond the curriculum (informal meetings); - facilitating regular contacts (including with the university authorities). 	<p>Satisfaction. Loyalty. Positive word-of-mouth.</p>
Image - prestige	<ul style="list-style-type: none"> - public relations tools. 		<p>Positive image.</p>

<i>Concluding</i>			
Ending the relationship on a positive note	<ul style="list-style-type: none"> - bringing all matters connected with finishing studies to positive conclusion (writing a diploma paper, receiving a diploma, going about end procedures, saying good-bye); - inviting students to continue the relationship. 	<ul style="list-style-type: none"> - staff training, - user-friendly and easy-to follow procedures. 	Possibility to continue the relationship. Positive word-of-mouth.
<i>After-sales phase – alumni relationship management</i>			
Continuing the relationship	<ul style="list-style-type: none"> - offering support in entering the employment marketplace, - keeping in touch with alumni - undertaking initiatives related to keeping the relationship alive 	<ul style="list-style-type: none"> - maintaining relations with employers, - individual and group reunions, - inviting alumni to cooperate with the university, extending concrete offers, - tracking and analysing alumni careers, - PR tools 	Continuing the relationship; <ul style="list-style-type: none"> - students deciding to start postgraduate studies, training opportunities; - positive word-of-mouth; - cooperation (e.g. through involving employers in the learning process, internships, work placements with companies, scientific and research cooperation); - financial support from alumni.

Source: A. Drapińska, *Zarządzanie relacjami na rynku usług edukacyjnych szkół wyższych*, Wydawnictwo Naukowe PWN, Warszawa 2011, p. 280.

Many marketers point to the fact that the emotional bond with the university built during studies and the experience of studying in general create a platform for continuing the relationship with alumni. Loyal students are markedly more willing to maintain the relationship and contacts with the university. Various forms of cooperation between the university and its alumni are possible in the after-sales phase, bringing a range of tangible benefits both in the scientific and educational dimension. The alumni support may be precious in building both service quality and a university's image.

Conclusion

Student loyalty is an important goal of marketing activities undertaken by higher education institutions. It may become a basis for winning competitive advantage, strengthen the school's position and build its image.

Earning students' loyalty is not an easy task and requires deploying a range of marketing activities different from those applied by commercial service providers.

This paper proposes a novel marketing approach aimed at building long-term successful student relationship and loyalty. The marketing concept discussed underlines the importance of taking activities which are tailored to a given relationship phase. Relationship building should start already when candidates make choices about future studies.

Offering help in this decision making process and searching for candidates that best suit the university's profile will facilitate further relationship building activities.

The sales phase is the most important and the longest phase of relationship building, lasting throughout entire studies. It requires undertaking a range of activities resulting in increased client satisfaction and, consequently, stronger loyalty.

The proposed concept emphasizes the role of value for client, dialog, trust and engagement which combine to increase student loyalty.

It also points to a number of benefits a university may derive from maintaining positive student relationships and alumni loyalty.

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