Customer Relationship Management Approach and Student Satisfaction in Higher Education Marketing

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**Abstract**

The primary objective of the article was to determine the relationship between customer relationship management and student satisfaction. The study explored the ways in which student satisfaction can be achieved with the use of customer relationship management. Both descriptive and inferential statistics were employed in this research. The following hypotheses were formulated in this study: Student Lifecycle management has a significant impact on the student’s willingness to recommend to others, Parent relationship management has a positive impact on the students’ willingness to recommend their universities to others. A multiple regression analysis was employed in the hypothesis testing. The research findings showed that student’s willingness to recommend to others increases when the student lifecycle in the university is well managed. It was also discovered that strong parent relationship management at the University enhances the student’s willingness to recommend their Universities to others. It is therefore recommended that Universities should adopt effective customer relationship management strategies to achieve student satisfaction.

**Keywords:** Customer relationship management, Student Satisfaction, Student Lifecycle Management, Parent Relationship Management.

**JEL Classification:** M1, M3.

**1. INTRODUCTION**

In today’s business world, customer relationship management is a valued product as it openly influences the bottom line. Given the besieged economy, classical higher institutions were selling with reduced revenues and looking for avenues to do extra with less. In order for colleges and universities to achieve this objective, they have to focus more on accomplishing or performing better than the expectations and desires of the customers, specifically the students. One could dispute that the sudden growth in student application for private institutions is a stimulating demand to classical colleges and Universities and a pointer that students prefer looking for education opportunities where their needs will be met.

The bulk of the prevailing research on customer management has not concentrated on methodologies for exhibiting the customer life cycle. Recently, Bolton (1998), “explores the relationships between customer retention, intentions and satisfaction.” The study concludes that deviations in...
customer satisfaction can lead to significant financial implications for the organization because lifetime revenues from an individual customer depend on the duration of his/her relationship, as well as the amount spent across billing cycles. Also, according to Seymour (1993), developing numerous pleased, satisfied customers, whether they are parents of students, industry employer, students, or alumni, should be a primary goal of higher institutions. Thus, concentrating on improving the customer satisfaction at colleges and universities is very crucial in developing customer worth. It is important to match the customer relationship management to meet the student expectations.

Student Lifecycle management in the education sub-sector, especially the federal or state owned universities in Nigeria have witnessed and are being plagued by the Academic Staff Union of University (ASUU) strike actions. The effect of these repeated closures of schools and academic programs on students’ learning effectiveness can better be imagined than described. Universities in Nigeria have thus suffered tremendous setbacks as a result of lecturers’ strike actions. “This has always subjected the students to pitiable conditions, disrupting academic programs, giving students’ undeserved extension in their study years, poor students’ concentration on academic programs and poor teacher-student relationships amongst others” (Edinyang, et al 2013). Consequently, students’ academic performance has comparatively become so low while various forms of examination malpractice are on the increase, because it eats into students’ time, which makes it difficult for students to be fully and properly ‘baked’ within the designated educational time frame. As a result, ‘products’ that are ill equipped in both character and learning are turned out to the society.

There is also a Psychological effect on the part of students who have to stay idle at home, lamenting their woes and causing irritation to parents (Adesulu 2012). The ASUU strike is one of the many reasons why many potential students prefer universities in neighboring African countries, including Ghana, Benin and also abroad not because of superiority of academic program offerings but because of the stability of their academic calendar. All these problems affect student life cycle in the university which in turn discourages student’s willingness to recommend their universities to others.

In many Universities in Nigeria, there is the presence of social vices such as bribery and corruption, sex scandal that make parents dissatisfied with the Nigerian education sector. Today, Nigerian schools are mere shadows of their past, in terms of academic standards. Quality has been sacrificed due to the insatiable desire by politicians, some educational bureaucrats, school administrators and teachers/instructors/lecturers/professors to find the easiest means to accumulate wealth. Cultism is a major issue in Nigerian Universities, Parents will not bring their children to a school where cultist activities are high. Student cults may have a pronounced negative effect on student satisfaction and future patronage in institutions of higher education. Yusuf (2006) noted that at least one hundred students in higher institutions in Nigeria were killed in cult related incident in the year 2006 alone. In many campuses in Nigeria, cultists have been noted for maiming, raping, kidnapping, exchange of gunfire, sadistic torture, murder and many others. Opaluwah (2000) stated that cult clashes led to poor academic performance, incarceration, rustication or expulsion of both innocent and guilty students and hospitalization of students thereby suspending learning for some period of time. Cultism is a major factor that dissatisfies parents.
with Nigerian universities. Once parents are not satisfied with the universities it discourages student repeat patronage intention.

Nigerian Universities are characterized by poor infrastructures which lead to poor customer relationship and student satisfaction. Today, Universities are not able to maintain their basic facilities, to the extent that the laboratories, libraries, accommodation facilities available for students, lecture theatres are no theatres and the lecture halls are in a very deplorable condition (Benin 2013). Specifically, the libraries can no longer subscribe to current books and periodicals. All these lead students to contemplate about the future security and existence of these universities; and their ability to provide quality education. Poor customer relationship management in Nigerian universities leads to student unrest and dissatisfaction.

The study attempts to examine the relationship between customer relationship management service and students’ satisfaction. Furthermore, the study is also examining critical models in customer relationship management that contribute most to the satisfaction of the students.

1.1 Objectives of the study

This study seeks to accomplish its major objectives of determining Customer relationship management practices and its impact on students’ satisfaction. The specific objectives are;

1. To determine if student life cycle management has an effect on students’ willingness to recommend their universities to others.
2. To examine if there is any relationship between student life cycle management and student repeat patronage intention.
3. To find out if parent relationship management affects students’ willingness to recommend their universities to others.
4. To examine if there is any relationship between parent relationship management and student repeat patronage intention.
5. To find out if customer relationship management affects student satisfaction.

2. LITERATURE REVIEW AND DEVELOPMENT OF HYPOTHESIS

Customer satisfaction is the core of every business philosophy and objective which focuses on the creation of worth for customers, forestalling and managing customers’ expectations, and signifying capacity and responsibility that will satisfy customers’ needs. (George, Emmanuel and Christiana, 2012). The provision of good quality services and the satisfaction of customers are critical points in the growth and development of every organization (Dominici and Guzzo, 2010). Berkowitz (2006) points out that the whole essence of business is customer satisfaction. Therefore delivery of high quality service is paramount to achieving sustainable organization performance.

The issue of student being considered as customers has attracted a lot of intellectual debate among scholars. A number of scholars have been able to adduce the reasons why students should be regarded as customers (Hwang & Teo, 2001, Kotler and Fox, 1985 Reavill, 1998; Robinson & Long, 1987).
2.1 Concept of customer relationship management

The term “Customer Relationship Management” (CRM) was first used in a general sense by management scholars such as Peter Drucker and Theodore Levitt in the 1960s (Venoos and Madadiyekta 2005). Customer Relationship Management includes individuals, processes and technology and it is seeking for the customers’ conception of an organization.

George, Emmanuel and Christiana, (2012), posited that Customer Relationship Management is a process of ascertaining customer needs; comprehending and inducing customer behavior, making use of quality communications strategies so as to obtain and maintain customers’ satisfaction. Apart from the fact that Customer Relationship Management entails handling customers and observing their behaviour, it also seeks to adjust customer's behavior, thereby leading to increase in the company’s revenue, because the company will decide the customers to choose and those leaving. The primary objective of Customer Relationship Management is to identify and render customized services to every customer. Customer relationship management empowers organizations to deliver exceptional actual customer service. Several researchers hold different definitions of Customer Relationship Management (CRM). Picton and Broderick (2005) viewed CRM as a cordial relationship that must exist between an institute and its consumers. It comprises a strategic and tactical management tasks aimed at achieving customer relationships, and positive communications in the long run. Berkowitz (2006) also defines customer relationship management (CRM) as the effort made by organizations to improve cost-effective and long-term connection with the consumer for the gain of both the organization and the customer.

In the views of Wali and Nkpurukwe (2008) customer relationship management can be appreciated from three perspectives, namely: information technology perspective, the customer life circle perspective and business strategy perspective. Wali and Nkpurukwe (2008) defined customer relationship management as the process of customer acquisition, customer retention, customer extension and the delivering of a sustainable competitive advantage. Peppard (2000) posits that CRM is aimed at creating an emotional connection with the customer; understanding customer needs; differentiate between customers via market segmentation and performance analysis of customer loyalty. Ozuru and Kalu (2009) defined Customer relationship management as the function of building trust, bond or connection between an organization and a customer with the aim of influencing a repeat purchase.

Ogbadu and Usman (2012) posited that customer relationship management deals with customer data management and the management of customer touch in order to maximize customer loyalty by building and maintaining profitable customer relationships and delivering superior customer value and satisfaction. CRM can also be seen as a business strategy which identifies profitable customers and prospective customers and devoting time and attention to expand such relationships with those customers (Kotler and Armstrong 2008).

2.2 Concept of satisfaction

Hansemark and Albinson (2004) defined satisfaction as an overall customer attitude towards a service provider, or the difference between customer expectation and customer perception concerning the satisfaction of some wants needs, desire or goals. Oliver (1981) “defined satisfaction as a totality of psychological state that arises in relation to his or her expectations”.

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Several Studies have posited that there are various elements that bear on the customer satisfaction and these include: friendliness, courteousness, knowledgeable and helpful customers; competitive pricing; service quality; good value; and quick service (Hokanson, 1995). (Changhong, 2008). Listening and capturing the voice of the customer is one of the important aspects that helps to determine and improve customer satisfaction. Organizations are able to know what they’re when expectations are joined with the customer’s prior emotional state as regard the consumption experience. (Kotler, 2000) defined satisfaction as an individual’s feeling of pleasure or displeasure resulting from matching a product perceived performance (The level of satisfaction may perhaps differ according to customers’ experiences and their immediate circumstances result) customers expect and/or require by listening to their customers. Customer satisfaction, eases the defection and it is positively connected with retention, purchase intention and loyalty (Cameroon, et al., 2010).

2.3 Concept of Customer Life Cycle Management

One major strategic difference between Customer Relationship Management and Customer Life Cycle Management is the element of time. Customer Relationship Management can be an act at one particular contact point with the customer while Customer Life cycle Management is a measurement over time. It was also observed from literature that Customer Life cycle Management is a static entity and is more based upon a single measurement (which incorporate multiple metrics) than a philosophy (Edward, 2002). Without practicing Customer Relationship Management whatsoever, a company can take various measurements of its customer lifecycles and find ways to improve, or manage them better. CLM is also non-departmental, in that it by definition incorporates all interactions with customer throughout that customer’s life. However, as a result of the application of business techniques in the management of higher education institutions in this modern time, student life cycle management has also attracted attention by different scholars. In other words, student life cycle management is the same thing as customer life cycle management. This position has attracted a lot of intellectual debates among scholars. Some viewed students as captive audience whose voice should not be heard while this paper supports the views of scholars that believe that students should be treated as customers and their interests should be recognized in the management of higher education institutions. (Hwang & Teo, 2001, Kotler & Fox, 1985, Reaville, 1998, Robinson & Long, 1987).

2.4 Relationship management theory

The term relationship management refers to the process of managing the relationships between an organization and its internal and external publics. Ledingham (2003) defined an organization-public relationship as “the state which exists between an organization and its key publics in which the actions of either can impact the economic, social, cultural or political well-being of the other” (p. 184). Moreover, the concept recognizes relationships as the core focus of public relations. A strategy engaged by an institute in which an endless level of arrangement is retained between the institute and its target market. Relationship management is between a business and other businesses (business relationship management) and between a business and its customers (customer relationship management).
Relationship management purposes to create a trust between the institute and its target market instead of transactional relationship. Customers who sense that an organization responds to their want and needs will continue to use the products and patronize the services that the organization offers. Furthermore, sustaining a level of communication with customers enables the organization to ascertain potential causes of pricy problems before they happen.

2.5 Stakeholder Theory

The stakeholder theory is a business theory that states the purpose of a business is to create as much value as is possible for the stakeholder. The theory addresses morals and values that should be exercised when managing the organization. Based on the conceptual, theoretical and empirical clarifications made above, the following hypothesis are therefore proposed and subjected to empirical validation as illustrated in the schematic model below.

Fig. 1 - Schematic model of the study. Source: authors’ own.
3. METHODOLOGY

A questionnaire survey was conducted in the month of February, 2014 to obtain the information required for this study. Two private universities were selected for the study. The first university is the most preferred private university while the second university is among the least preferred university within the country. The research horizon is limited to the final year students of Accounting departments in the two Universities (working population). The Accounting department is the most patronized department in the two Universities. In selecting the informants for this study, complete enumeration method was employed. In this kind of method, the entire working population also constitutes the sample size. The researcher selected the entire Seventy two (72) persons in the final year class of accounting as the sample size to represent the entire population of students in the first University and selected the entire forty (40) students in the final year class of accounting to represent the entire population of students in the second University. The self-administered questionnaire was in printed format. Of the 112 survey questionnaire administered, 109 were returned and properly filled for a final response rate of 97 percent.

The questionnaire is divided into six sections. Section A consists of questions on the bio-data of the respondents, while Sections B, C, D, E and F comprise of relevant research questions related to the key variables of the study being carried out as indicated in the appendix below. This would require the respondents to answer the questions using; Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree responses as appropriate. The key research variables were developed from extant literature and supported by empirical evidence. Multiple regression analysis was employed for the hypotheses testing. All the data analysis procedure was done using the SPSS computer package. The Cronbach's Alpha of the measurement scale for the study was found to be 0.870. It therefore states that the research instrument used for this study is reliable.

4. DATA ANALYSIS AND INTERPRETATION OF RESULTS

Testing of Hypotheses

Hypothesis 1 & 2

H1: Student life cycle management does not have a significant impact on students’ willingness to recommend to others.

H2: Student life cycle management has not helped in achieving student repeat patronage intention.
Tab. 1 - Regression effects of student life cycle management on students’ willingness to recommend their universities to others and student repeat patronage intention. Source: Field Survey, 2014.

<table>
<thead>
<tr>
<th></th>
<th>Willingness to recommend to others</th>
<th>The student repeats patronage intention</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unstd. coefficient</td>
<td>Std. coeff.</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>----------------</td>
<td>-------------</td>
</tr>
<tr>
<td><strong>Constants</strong></td>
<td>.604</td>
<td>.681</td>
</tr>
<tr>
<td><strong>Quality admission</strong></td>
<td>.291</td>
<td>.137</td>
</tr>
<tr>
<td><strong>Good induction</strong></td>
<td>.181</td>
<td>.121</td>
</tr>
<tr>
<td><strong>Effective communication</strong></td>
<td>.046</td>
<td>.094</td>
</tr>
<tr>
<td><strong>Effective graduate progress-monitoring</strong></td>
<td>.271</td>
<td>.077</td>
</tr>
<tr>
<td><strong>R</strong></td>
<td>.475</td>
<td></td>
</tr>
<tr>
<td><strong>R^2</strong></td>
<td>.225</td>
<td></td>
</tr>
<tr>
<td><strong>Adj. R^2</strong></td>
<td>.196</td>
<td></td>
</tr>
<tr>
<td><strong>F</strong></td>
<td>7.567</td>
<td></td>
</tr>
<tr>
<td><strong>Overall Sig.</strong></td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>

(*p < 0.01) **p < 0.05) ***p < 0.1)

The table 1 summarizes the relationship between student life cycle management on students’ willingness to recommend their universities to others and student repeat patronage intention. Two major dimensions: quality admission and effective graduate progress-monitoring significantly affect student willingness to recommend their universities to others at 0.01 and 0.05 levels of significance respectively. This reveals that quality admission has a main impact on students willingness to recommend their Universities to others (B = 0.29, p ≤ 0.005) while effective graduate progress-monitoring significantly affect students’ willingness to recommend their universities to others (B = 0.27, p ≥ 0.005). A student repeat patronage intention on the other hand has a collective significant impact on quality admission, good induction, effective communication and graduate progress-monitoring. It implies that students’ lifecycle management contribute significantly to students’ repeat patronage intention.
Hypothesis 3 & 4

H3: Parent relationship management does not have a positive impact on student’s willingness to recommend their universities to others.

H4: The presence of parent relationship management in an institution does not increase the level of student repeat patronage intention.

Tab. 2 - Regression effects of parent relationship management on students’ willingness to recommend their universities to others and student repeat patronage intention. Source: Field Survey, 2014.

<table>
<thead>
<tr>
<th></th>
<th>Willingness to recommend to others</th>
<th>The student repeats patronage intention</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unstd. coefficient</td>
<td>Std. coeff.</td>
</tr>
<tr>
<td>Constants</td>
<td>2.704 .250</td>
<td>10.813** .000</td>
</tr>
<tr>
<td>Regular meetings with parents</td>
<td>.019 .075</td>
<td>.030 .251</td>
</tr>
<tr>
<td>Prompt response to parents' complaints</td>
<td>.169 .101</td>
<td>.235 .667</td>
</tr>
<tr>
<td>Vital information to parents</td>
<td>.142 .090</td>
<td>.194 .1587</td>
</tr>
<tr>
<td>R</td>
<td>.415</td>
<td>.586</td>
</tr>
<tr>
<td>R²</td>
<td>.172</td>
<td>.343</td>
</tr>
<tr>
<td>Adj. R²</td>
<td>.149</td>
<td>.324</td>
</tr>
<tr>
<td>F</td>
<td>7.294</td>
<td>18.265</td>
</tr>
<tr>
<td>Overall Sig.</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

(*p < 0.01) ** p < 0.05) *** p < 0.1)

The table 2 summarizes the relationship between parent relationship management on students’ willingness to recommend their universities to others and student repeat patronage intention. Two major dimensions: quality admission and effective graduate progress-monitoring significantly affect student willingness to recommend their universities to others at 0.01 and 0.05 levels of significance respectively. This reveals that quality admission has a main impact on students willingness to recommend their Universities to others (B = 0.29, p ≤ 0.005) while effective
graduate progress-monitoring significantly affect students’ willingness to recommend their universities to others (B = 0.27, p ≥ 0.005). Student repeat patronage intention on the other hand has a collective significant impact on quality admission, good induction, effective communication and graduate progress-monitoring. It implies that students’ lifecycle management contribute significantly to students’ repeat patronage intention.

**Hypothesis 5**

H5: Customer relationship management has not helped in achieving student satisfaction.

Tab. 3 - Regression effects of customer relationship management on students’ satisfaction. Field Survey, 2014.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.360</td>
<td>.427</td>
<td>5.527</td>
</tr>
<tr>
<td></td>
<td>Slcm</td>
<td>.289</td>
<td>.122</td>
<td>.244</td>
</tr>
<tr>
<td></td>
<td>PRM</td>
<td>.150</td>
<td>.058</td>
<td>.264</td>
</tr>
<tr>
<td>R</td>
<td></td>
<td>.446</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td></td>
<td>.198</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj. R²</td>
<td></td>
<td>.183</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td></td>
<td>13.126</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall Sig.</td>
<td></td>
<td>.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The table 3 seeks to explain which of the variables is making a statistically significant unique contribution to the model looking at the sig column in the table; it reveals that Parent Relationship management contributes significantly to student satisfaction. This is because it made a unique and statistical significant contribution to the model.

**5. CONCLUSION / RECOMMENDATIONS**

Going by the result of this study, it is established that student’s willingness to recommend to others increases when the student life cycle in the university is well managed. It was also discovered that strong parent relationship management in the university leads students to positively recommend their universities to others. It was also observed that the presence of effective parent relationship management in the university increases the level of student repeat patronage intention. The study, therefore, recommends the following:

- Universities should adopt effective customer relationship management strategies to achieve student satisfaction.
- Universities should provide services at a level that exceeds customers’ expectations through effective student Lifecycle management, such as providing quality admission procedures and regularly communicating and carrying along students with regards to activities in the university.
• In addition, Universities should maintain a healthy relationship with the parents by organizing regular meetings with parents to discuss their concerns; this ensures that both the parents and students are satisfied.
• There is need for university management to maintain robust alumni base that will see to the effective monitoring of graduate progress in their different careers.

References


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Appendix

Key Research Variables (Questionnaire):

A = Biographical information of the respondents

B = STUDENT LIFE CYCLE MANAGEMENT
B1 = Quality admission procedures.
B2 = Proper induction of the Fresh Students (100 Level).
B3 = Regularly communication with the students as regards the activities of the University.
B4 = Monitoring the Progress of graduates from the University.

C = PARENT RELATIONSHIP MANAGEMENT
C1 = Regular meetings with parents to discuss their concerns.
C2 = Prompt response to parents who register their complaints
C3 = Provision of useful information to parents concerning their wards

D = RECOMMENDATION
D = I will positively advice intending students to attend my university.
D = I will strongly recommend my university to the outside context.
D = I will advice my friends and relatives to come to my university.

E = REPEAT PATRONAGE INTENTION
E1 = I will like to come back to the university for my further studies.
E2 = The University provides quality services that encourage me to patronize them again.
E3 = I will like to return to obtain a job offer in the university.

F = GENERAL SATISFACTION
F1 = I am happy with the quality of services provided by the university.
F2 = I am impressed with the learning environment of the university.
F3 = I am generally satisfied with the level of facilities provided by the university.