

**CUSTOMER RELATIONSHIP MANAGEMENT (CRM) IN HIGHER
EDUCATION: ASSESSING THE INCLINATION OF HIGHER EDUCATION
INSTITUTIONS IN ADAPTING CRM WITH SPECIAL REFERENCE TO
MANAGEMENT INSTITUTES**

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ABSTRACT

With global citizens and their vision imperatives there is an evolving breed of MBA students surveying the business landscape with a more discerning eye and demanding a new type of education, what students are asking for is interscholastic quality—not just interdisciplinary education—this, in turn, has given rise to a new technology-based tools for gathering and disseminating knowledge that has become a central element of today's education.

The advent of the knowledge economy, a factor of globalization and networking has posed new thrust on our education programs at national and international levels. Students, alumni, faculty and staff members have metamorphosed to customers, for an education institution and these liaisons are to be honored with a belief that “Every contact counts!”

With such a considerable paradigm shift in the higher education sector worldwide, institutions are constantly looking for ways to capitalize on technology and enhance the effectiveness of their customer relationships. Collectively referred to as ‘Constituent’, the entire students, alumni, donors, promoters, faculty members, and administration staff members network today to demand a more customer-oriented approach to optimize the educational experience.

To be able to carve a niche in this cluttered market place the institutions are resorting to developing competitive advantage by using mathematical science of predictive analytics to be able to better forecast student retention and enrollment and targeted campaigns to understand student behavior and the one-stop solution to all the woes of the higher education system is CRM: Customer Relationship Management.

This research paper aims to explore the reins of the paradigm shift in the education sector and gauge the awareness of the stakeholders for the new technology. The paper also explores the premise or readiness of users and their perception about the effectiveness of the various functions of the Customer Relationship Management software

KEYWORDS: *Customer Relationship Management (CRM), Higher Education, CRM Software, Awareness, Effectiveness, Management Institutes*

INTRODUCTION

Nations competitiveness has evolved to become a factor of the quality of knowledge generated with higher educational institutions and its availability to a wider economy

"Today, more than ever before in human history, the wealth of nations depends on the quality of higher education." K.Krishnakumar, Lecturer in Commerce, Periyar University

With global citizens and their vision imperatives there is an evolving breed of MBA students surveying the business landscape with a more discerning eye and demanding a new type of education what students are asking for is interscholastic quality—not just interdisciplinary education—this, in turn, has given rise to a new technology-based tools for gathering and disseminating knowledge that has become a central element of today's education.

“The best organization in the world will be ineffective if the focus on ‘customers’ is lost”... Kotler and Fox (1995), as aptly stated and truly implied in today’s scenario where customer-centricity is the key to liberate individual possibilities and unleash organizational capabilities.

The advent of the knowledge economy, a factor of globalization and networking has posed new thrusts on our education programs at national and international levels. Students, alumni, faculty and staff members have metamorphosed to customers, for an education institution and these liaisons are to be honored with a belief that “Every contact counts!”

What is Changing?

The world is changing speedily and with it is changing the student community. The demographics of the student community are evolving. We can say that there is a climb in student activism and consumerism in higher education. This has, in turn, given birth to a shift in demand pattern of the student community. The demand for higher education is for more vocational courses and rapid in terms of deliverables.

Changes @internet

Never before was information so readily available at the press of a button, the Internet has changed the way the world behaves, does business, and thinks, learn and get information. Today, academicians have the facility of faster and surer access to a much wider range of information through the Internet, not just to read but to print or save or forward to others as might suit their purpose

Changes in the Professorate

The academic profession has become more diverse with completely revamped demographics. The comparatively younger population is opting for teaching as a profession and these new genera of academicians have a strong bend towards technology adoption.

The professoriate no longer enjoys the power and prestige of the “golden age”.

Changes in Administration

University, management school or institute today are resorting to faster and efficient information dissemination for which on-line processes are adopted which reduces paperwork and increases administrative efficiency. Academics are also enriched by technology that connects faculty and students instantaneously through email.

Globalization

According to the results of a special survey '**Higher Education: Free degrees to fly**' (Economist, February 26th-March 4th, 2005, pp63-65), higher education is already a global business. The days when higher education was a matter of national policy and government regulation are gone. Higher Education provisioning is now globalized and, in many ways, a commercialized affair. Many universities are openly imploring entry of foreign students. To facilitate this process, they have even customized their courses to international requirements besides appointing agents abroad and publicizing the offers widely in the media.

With such a considerable paradigm shift in the higher education sector worldwide, institutions are constantly looking for ways to capitalize on technology and enhance the effectiveness of their customer relationships. Collectively referred to as 'Constituent', the entire students, alumni, donors, promoters, faculty members, and administration staff members network today demand a more customer-oriented approach to optimize the educational experience.

The key to ensuring organizational efficiency and success within the educational space lies in adopting a customer-centric approach that puts the customer first and continually feeds customer requirement. And there is a requirement to connect all the stakeholders of the education spectrum effectively.

Rationale of the Study

The liaison between the student and academic establishment has evolved to resemble a customer - provider dynamics and has developed into a true three hundred and sixty-degree approach to relationship management. The concept of students, alumni, faculty members, and staff members as "customers" will become a competitive imperative with a profound impact on how colleges and universities attract, retain, and serve customers of all types.

This paper explores the consequences of unification of technology and education. The paper also presents the estimate of preparedness of the beneficiaries for adaption of the Customer relationship management phenomenon in higher education management institutions

OBJECTIVE OF THE STUDY

- Understanding the changing parameters in Management Higher Education.
- Assessing the awareness level of usage of technology in higher education amid beneficiaries.
- Gauging the readiness for adapting technology as a tool.
- Understanding the perception of stakeholder on the effectiveness of usage of CRM.

Limitation of the Study

- The research was limited to a few regional colleges
- The research was limited to Faridabad region,
- The sample size is not all-inclusive hence the findings cannot be generalized

Sampling Design: Convenient sampling is used due to paucity of time and resources available for data collection. The sample size was restricted to 38 respondents.

Source of Data Collection

Primary data used, collected using the questionnaire as the instrument. The respondents were asked to fill the provided questionnaire, without any briefing about the concepts of CRM. This avoided biasness in responses.

Instrument of Data Collection

As mentioned above questionnaire was used as the instrument for primary data collection. The questionnaire is attached as an appendix to the document.

LITERATURE REVIEW

“Over-regulated and under-governed” best describes the largest sector in India, the Indian Education Sector (IES).

The private Higher Education Institutes rule the Indian High Education Sector, and have burgeoned it with the trend swerving towards professional courses with high payback potential (engineering, medical and MBA colleges) this trend has shaken the 4C’s IES rests on i.e. *Credibility* (management intent & ability), *Capital* (built to last), *Creativity* (to ‘manage’ the overregulated environment) and *Content* (to differentiate and build annuity), we need to quickly alter it.

A new genre of management education has to be developed so that students not only answer questions but learn to question answers, with this thought we would try to list down the various predicaments that the education sector is facing:

- Callous competition, the requirement of world-class education, and opening up of economy are a very persuasive dynamics that is tilting the equations in the education sector; resulting in un- predictive student behavior makes it further difficult to target them efficiently.
- Heterogeneity of the student population and poor student retention, coupled with pitiable student lifecycle management and enrolment leaving the institutes grappling with fewer funds.
- Another internal issue that are a nuisance for the educational institutes are silo functioning in the organizations and redundancy of repetitive administrative tasks.

So where lies the answer?

In this scenario, the need of the hour is that Higher-education institutions should successfully recruit, retain, inform and service students and alumni to be competitive in a market where the competition from other institutions is intense. To be able to carve a niche in this cluttered market place the institutions are resorting to developing a competitive advantage by using mathematical science of predictive analytics to be able to better forecast student retention and enrollment and targeted campaigns to understand student behavior. Here what the institutes need to do is the seamless integration of information at all sections so that the process of following students from prospect to alumni and supporting them all the way becomes unblemished.

Institutes are aiming to reduce cost by restructuring and reengineering their operating processes and become more efficient. Initiative toward this cause wishes to make the staff more efficient by reducing cyclical tasks by automation of

administrative activities. But with divisional boundaries, it is often very difficult to implement these initiatives and focus on the customers in a coordinated fashion so the institutions aspire to melt these boundaries to be able to do more with the same or with less. And the one-stop solution of all the woes of the higher education system is CRM: Customer Relationship Management.

What is CRM?

- CRM stands for Customer Relationship Management. CRM helps businesses use technology and human resources to gain insight into the behavior of customers and the value of those customers.
- CRM should be considered as an enterprise strategy aimed at maximizing the degree of satisfaction customers have with the provided service. CRM is both a business strategy and a set of discrete software tools and technologies, implemented with the goal of reducing costs, increasing revenue, identifying new opportunities and channels for expansion, and improving customer value, satisfaction, profitability, and retention.
- CRM for the organization: CRM in education sector focuses on automating and improving the institutional processes associated with managing customer relationships in the areas of recruitment, marketing, communication management, service, and support.
- CRM for the customer: A CRM business strategy allows customers for the education institutes to interact with them as a single entity that has a complete understanding of their unique status. In the case of a student, this might be seen through the interaction with and between the admissions, registration, financial aid, student accounts, and hostel offices.
- CRM for faculty or staff member: Benefits of CRM for this section of stakeholders is very high as the CRM business strategy would optimize their interaction with departments Administering benefits, payroll, staff training, information technology (IT), or facilities. And also give staff members a comprehensive view of the students.

Modules That Manage Different Touch Points of the Student Lifecycle

Enquiry – Help institute design marketing campaigns to attract new students and have a customized communication with prospective students, track all students enquires from start to close.

Enrollment – Maintain all academic data and student-related processes in one central access point

Engage - Engage students by providing them hands on-training on CRM to prepare them for the corporate world

Placement – Attract new corporations for campus placements on the basis of the past successful placements and students profile like education, specialization, summer training, etc., and run-vertical specific customized campaigns to attract corporations and increase visibility in the corporate world. Maintain e resume of students on websites with access control for corporates.

Alumni - Connect with Alumni, to promote alumni programs that can generate contributions and participations. Target the right alumni for the right opportunity and promote continuing education programs by identifying those who are likely to have high levels of interest in executive-level courses.

Interpretation & Analysis of Data

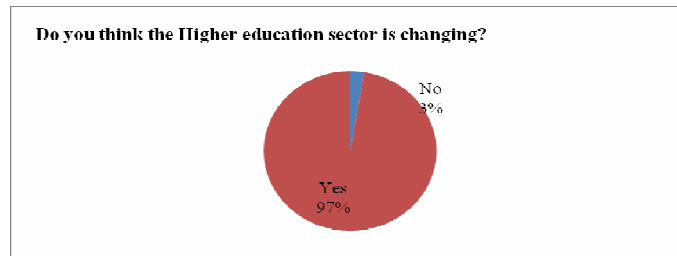


Figure 1: Understanding the changing parameters in Management Higher Education.

Interpretation

97% of the respondents believed that the higher education sector is evolving

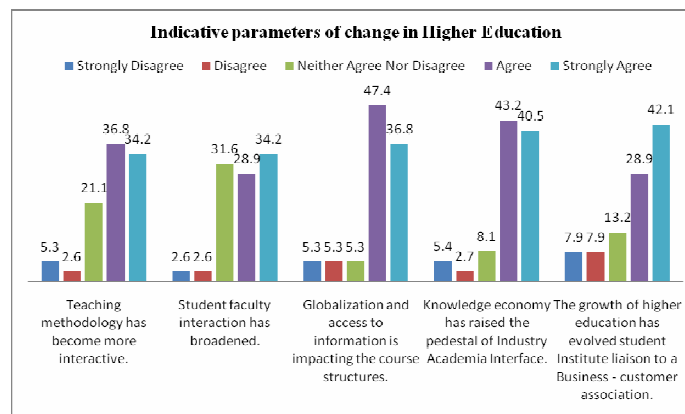


Figure 2: To Further Understand the Indicative Parameters of Change, Views of the Respondents on Five Different Aspects Were Recorded

Interpretation

- 71.1% of respondents agreed that teaching methodology has become more interactive.
- 63.2% respondent agreed that student-faculty interaction has broadened
- 84.2% of respondents believed that globalization and access to information is impacting the course structure
- 83.8% respondent believed that the knowledge economy has raised the pedestal of Industry academia interface
- 71.1% respondent believed that the growth of higher education has evolved student institute liaison to a business-customer association.

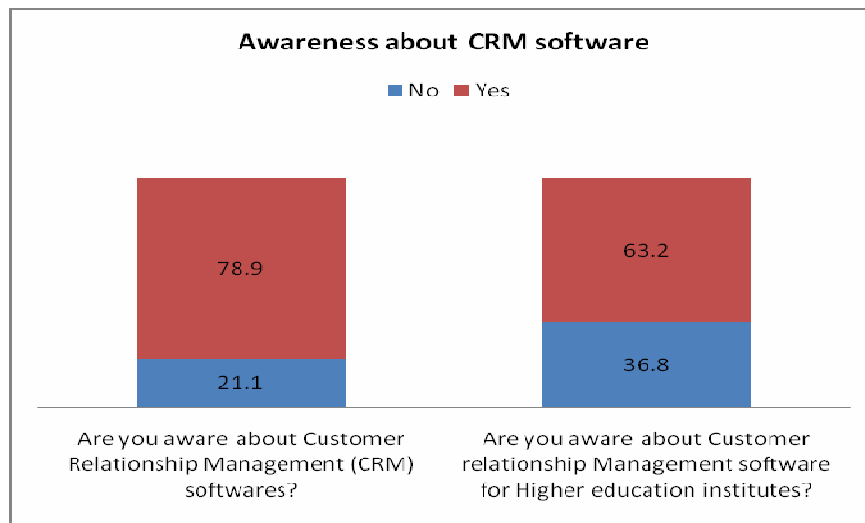


Figure 3: Assessing the Awareness Level of Usage of Technology in Higher Education Amid Beneficiaries

Interpretation

According to the response recorded the awareness percentage about CRM software is 78.9% of the total respondents, but only 63.2 % of them are aware of CRM software in higher education.

Based on the respondents’ awareness regarding various functions offered by CRM software for higher education institutes, a CRM awareness index was calculated using weighted averages. Based on this index, respondents’ level of awareness was categorized into four categories as follows:

Table 1: Percentage of Respondents by the Level of Awareness

Level of CRM Awareness	Number of Functions Aware About	% of Respondents
Poor	≤ 2 functions	18.9
Fair	3-4	8.1
Good	5-7	29.7
Excellent	8 or more	43.2

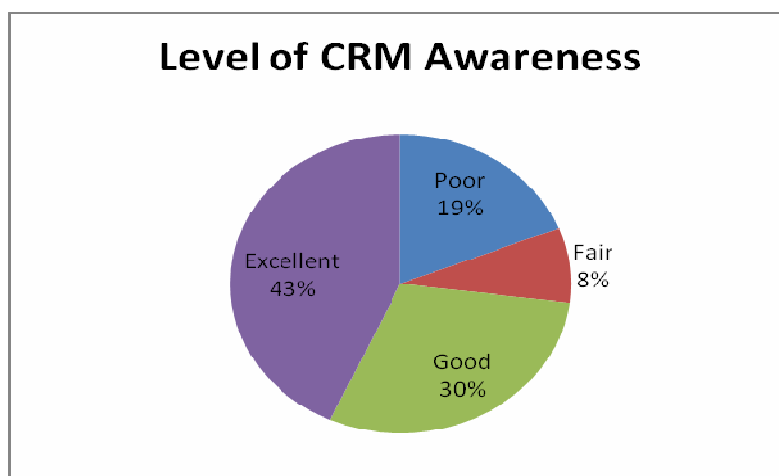


Figure 4: Percentage of Respondents by the Level of Awareness

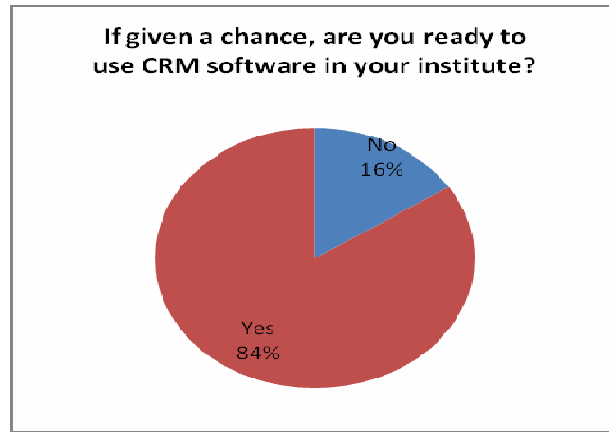


Figure 5: Gauging the Readiness for Adapting Technology as a Tool

Interpretation

If given a chance 84% of the respondents are ready to use CRM software

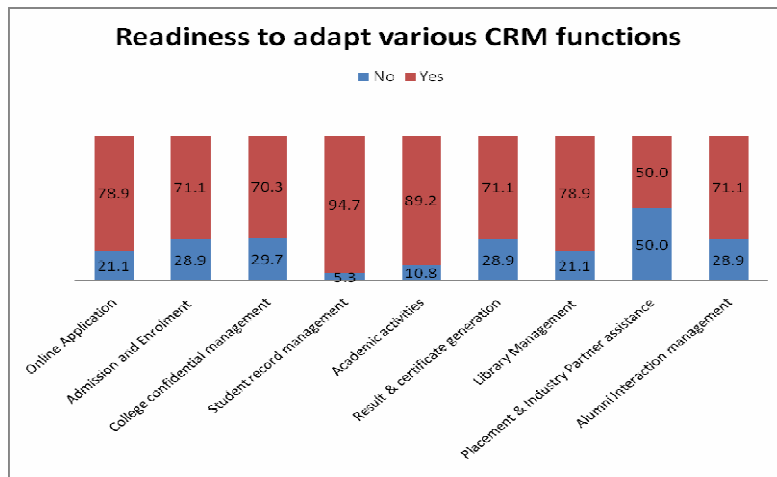


Figure 6: Readiness of the Respondents for Individual CRM Functions

Interpretation

94.7% of respondents were ready to adapt the student record management system followed by academic activities with 89.2% and adaptability percentage for online application and library management followed at 78.9% each.

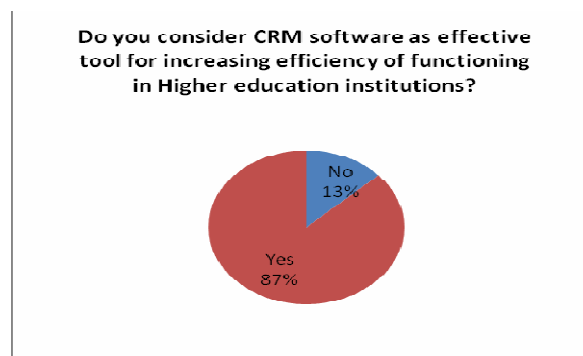


Figure 7: Gauging Understanding the Perception of Stakeholder on the Effectiveness of Usage of CRM

Interpretation: 87% of the respondents consider CRM software as an efficient tool for increasing effectiveness of functioning in higher education institutions.

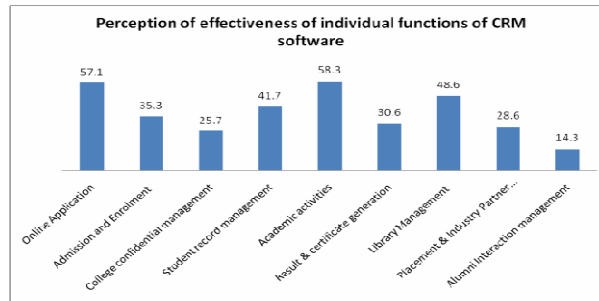


Figure 8: Percentage of Respondents Who Perceive the Individual Function of the CRM Software as Effective

Interpretation: The functions perceived to be most effective are academic activity at 58.3% followed by the online application at 57.1% whereas library management stood at 48.6%

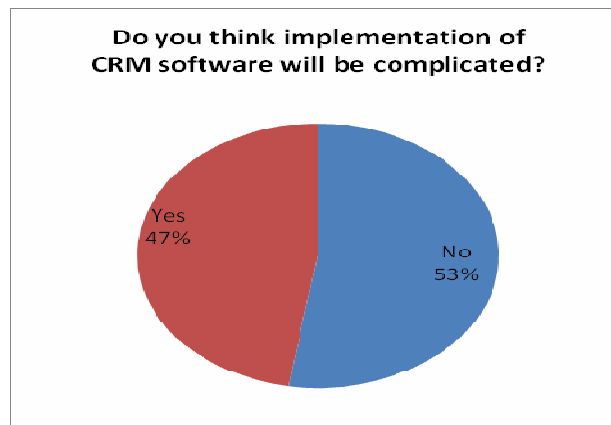


Figure 9: Perceived Challenges in the Implementation Process of CRM Software

Interpretation: 47% of respondents considered CRM implementation to be challenging

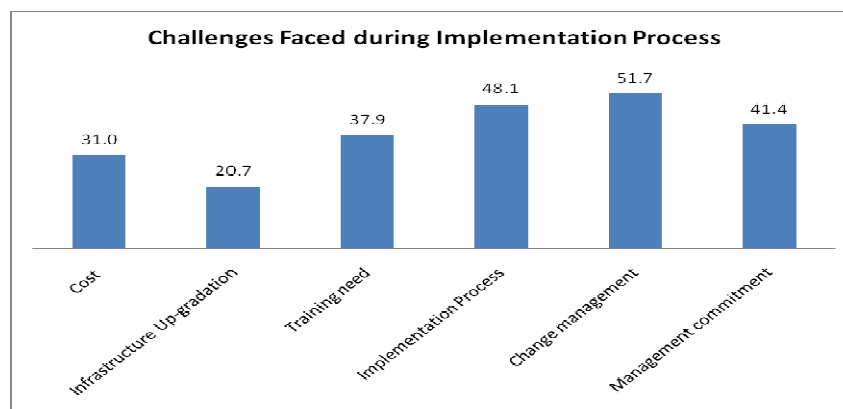


Figure 10: Challenges Faced During Implementation Process

Interpretation: As the following bar graph depicts 51.7% of the respondents considered Change management to be a most challenging issue, followed by implementation process (48.1% respondents) and on the third spot was management commitment with 41.1% response.

RECOMMENDATIONS

- Though awareness levels are high among the respondents at 79% for CRM software. Awareness about CRM for Higher education institutes at 63.2% has scope for improvement hence institutions should generate awareness about technology amongst their stakeholders.
- Readiness to use the software stands tall at 84% hence institutes may use this opportunity to introduce better systems to streamline their processes for competitive advantage.
- 87% of the respondents consider CRM software as an efficient tool for increasing effectiveness of functioning in higher education institutions where academic activities and online application management software were considered to be most useful, hence institutions may plan to implement such functions.
- 47% respondents considered CRM implementation to be a challenging process, where change management was voted to be the biggest challenge hence organizations while implementing CRM should give special emphasis to smooth transition from legacy systems to new technology.

CONCLUSIONS

The application of CRM methods and techniques in an education institution is essential and beneficial, as seen by the positive response from most but requires wide changes in both the organization's internal and external processes and even in its strategy.

The education center has to be able to define concrete and measurable objectives and all its internal and external processes.

CRM can be successfully implemented if the users are receptive and agree to the ideology of customer-centricity.

The education institutes have to run a general process of change management, to offer the teaching and support staff continuing professional development in such tools and their application.

In summary, the ability of educational institutions to fix mid and long term strategy; establish specific objectives whose progress should be monitored using identified and agreed on indicators; the definition of internal processes and their integration in a common model; the integration of information systems; the exploitation of all available information; integrated management of communication channels; the ability for creating student profiles are just some of the key competencies that must be acquired to successfully exploit a CRM model in its

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APPENDIX

Questionnaire

Customer Relationship Management (CRM) In Higher Education Institutions: Assessing the Inclination of Higher Education Institutions in Adapting CRM With Special Reference to Management Institutes

Name:

Designation:

Association:

Experience in years:

_____Industry

_____Academic

Table 1

Q. No	Question	Yes	No
Q1.	Do you think the Higher education sector is changing?		
Q2.	Are you aware about Customer Relationship Management (CRM) softwares?		
Q3.	Are you aware about Customer relationship Management software for Higher education institutes?		
Q4.	If given a chance, are you ready to use CRM software in your institute?		
Q5.	Do you consider CRM software as effective tool for increasing efficiency of functioning in Higher education institutions?		

Rate on the Scale of 1 to 5, 1 Being Strongly Agree and 5 Being Strongly Disagree

Table 2

Q. No	Question	1	2	3	4	5
Q6.	Teaching methodology has become more interactive.					
Q7.	Student faculty interaction has broadened.					
Q8.	Globalization and access to information is impacting the course structures.					
Q9.	Knowledge economy has raised the pedestal of Industry Academia Interface.					
Q10.	The growth of higher education has evolved student Institute liaison to a Business – customer association.					

Q11. Please Tick the Various CRM Software Functions you are Aware of

- Online Application System
- Admission and Enrolment management system (Online examination)
- College confidential management system (Student and Faculty document details)
- Student record management system (continues evaluation and leave records)
- Academic activities. (lectures, seminars, assignments, virtual classrooms, workshops)
- Result and certificate generation software.
- Library Management system Placement assistance and Industry Partner Management (Industry academia interface)
- Alumni Interaction management system.

Q12. Which of the Following Functions you would Like to Perform Using CRM Software?

- Online Application
- Admission and Enrolment management (Online examination)
- College confidential management (Student and Faculty document details)
- Student record management (continues evaluation and leave records)
- Academic activities. (lectures, seminars, assignments, virtual classrooms, workshops)
- Result and certificate generation
- Library Management system
- Placement assistance and Industry Partner Management (Industry academia interface)
- Alumni Interaction management

Q13. Arrange the Following Functions From 1 to 9, (1 Being Most Effective and 9 Being Least Effective) on the Basis of Their Usefulness for Higher Education Institutions

- Online Application System
- Admission and Enrolment management system (Online examination)College confidential management system (Student and Faculty document details)
- Student record management system (continues evaluation and leave records)
- Academic activities. (lectures, seminars, assignments, virtual classrooms, workshops)
- Result and certificate generation software.
- Library Management system

- Placement assistance and Industry Partner Management (Industry academia interface)
- Alumni Interaction management system.

Q14 Do You Think Implementation of CRM Software Will be Complicated?

Yes No

Q15. If yes, Rate the following Challenges on the Scale of 1 to 5, 1 being the Least Challenging and 5 being the Most Challenging

Table 3

Sr. No	Question	1	2	3	4	5
a	Cost of the Software					
b	Up-Gradation of Infrastructure					
c	Training Need					
d	Implementation Process					
e	Change Management					
f	Management Commitment					

