

## Submissions Abstract Book - All Papers (All Submissions)

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Using Relationship Marketing strategies to recruit, retain and sustain long-term relationships with PG students

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**Research Domain:** Management, leadership, governance and quality (MLGQ)

**Abstract:** HEIs have traditionally adopted the transactional marketing approach to student recruitment. In an increasingly global competitive environment for PG students, the transactional marketing approach is seen as insufficient. This study seeks to determine whether the adoption of the relationship marketing perspective aids the recruitment and retention of PG students, and creating long-term relationships with PG students. Using a modified grounded theory approach, 33 interviews were conducted with PG Business students. The objective of these interviews were for students to describe their student experiences, and determine whether the application of RM approaches would assist in recruitment and retention, and enhance student satisfaction. The data were analysed inductively using thematic analysis. From the students' perspective, the HEIs reputation, long-term relationships commitment and trust, the quality of the learning experience and positive WOM were the most important factors supporting the adoption of the RM. The paper concludes with recommendations emerging from this study.

**Paper:** With the rapid growth in and the increasing importance of postgraduate students (PG) to the UK Higher Education (HE) sector, universities are faced with an increasingly competitive environment for such students. This study seeks to explore some new approaches to support the successful recruitment, retention and long-term relationship building strategies that HEIs can adopt. The HE marketing literature demonstrates that a traditional transactional marketing approach has been widely applied within the sector. The focus has been on the student decision-making process and key factors for institutional selection (Cubillo et al., 2006), this approach gave HEIs the marketing tactics necessary for student acquisition (Maringe, 2006). However, it has been argued that due to increasing market competition (Foskett and Maringe, 2010), HEIs need to shift their focus away from merely *acquiring* new students, to focusing on the *retention* of them instead (Tinto, 2007). In the services sector, the newer concept of relationship marketing (RM) is about adopting a distinctive orientation that focuses on keeping and improving current "customers" (Zeithaml et al., 1996). Improvements in retention rates can positively influence revenues (Reichheld, 1996). Satisfied and loyal customers will frequently help to attract new customers through positive word-of-mouth (WOM) endorsements (Sheth, 2002). These arguments are exceedingly pertinent to the management of HEIs, who need to find new ways to sustain their reputations and market positioning in the long-term. With increasing

global competition among HEIs, retaining enrolled students is equally as important as attracting and enrolling them (Elliott and Healy, 2001). Hennig-Thurau et al. (2002) state that the constructs of RM include: customer satisfaction; service quality; commitment and trust.

- **Customer satisfaction** is the customer's emotional or feeling reaction to perceived differences between performance appraisal and expectations (Zeithaml et al., 1996). Student satisfaction is linked to enhanced learning experiences (Elliott and Shin, 2002), which leads to loyalty and a long-lasting relationship between HEIs and students. This is particularly salient in the case of post-graduation activities of alumni (Bejou, 2005). Satisfied students and alumni help to market the HEI by sharing their positive learning experiences and by engaging in positive WOM communication, assist in attracting new students (Al-Alak, 2006; Voss, 2009). HEIs are now proactively using student satisfaction as a tool whereby they can differentiate themselves from one another (Li, 2014). Consequently, student satisfaction has become a fundamental source of competitive advantage in educational markets.
- **Service quality** is the customer's evaluation of the provider's service performance, based on their prior experience and impressions. As in the case of satisfaction, the importance of quality for long-term success is largely undoubted (Rust and Oliver 1994). Researchers have clearly shown links between service quality, loyalty and word-of-mouth communication behaviour (Zeithaml et al. 1996). Reputation management is considered to be vital in attracting and retaining students (Standifird, 2005). Helgesen (2008) found that service quality, facilities available, IT and social activities were positively related to both student satisfaction and HEI reputation.
- **Commitment** is described as "an enduring desire to maintain a valued relationship" (Moorman et al. 1992, p. 316). A customer's long-term orientation toward a relationship that is grounded in emotional bonds and a belief that remaining in the relationship will deliver greater benefits than by ending it (Geyskens et al. 1996).
- **Trust** between the customer and the provider is believed to exist if the customer believes that a service provider is reliable and has integrity (Morgan and Hunt 1994). Trust is seen to be a necessary component part to building long-term relationships (Bendapudi and Berry 1997).

This small-scale study adopted a modified grounded theory approach. 33 PG students were selected from a mix of Business programmes at a Birmingham based Business School, using a purposive sampling approach. The students were interviewed with the objective to describe their experiences and determine whether the application of RM approaches would assist in PG recruitment, retention and satisfaction. The qualitative data were analysed inductively using thematic analysis. Four factors emerged as the most important from the students' perspective: reputation; long-term relationships commitment and trust; the quality of the learning experience; and positive WOM.

- **Reputation:** A key factor in the choice of university and PG programme of study. Global rankings and accreditations of programmes by key bodies (e.g. AACSB, AMBA and EQUIS)

were important in attracting/recruiting them, as well as WOM recommendations.

- **Long-term relationships, trust and commitment:** Students all wished to maintain a long-term relationship with the university as alumni post completion, because they trusted, were emotionally committed to and felt part of the institution. Enhanced career prospects are possible through networking opportunities via the HEI, which are crucial to their future success.
- **Quality of the learning experience:** Students felt the learning experience was positive overall. They reported on the intensity of the PG programme workload and difficulties of maintaining a balance. However, the PG teaching, learning facilities provided and the social activities were good. Students felt part of a learning community. However, the provision of student support in some cases, such as for overseas students, was seen to be insufficient. An allied issue was the provision of work placements or internships, these are vital in helping students to achieve a career in their chosen field.
- **Positive WOM:** a key factor in helping students choose a university and/or programme. Many students referred to social media for recommendations from current/past PG students at HEIs. Recommendations from family members, peers and academic staff at other institutions were equally important.

Overall recommendations emerged from this study:

- Rankings and accreditations are vital for maintaining the HEIs reputation.
- WOM needs to be “managed”, the use of social media and student testimonials help.
- Student satisfaction attained by developing a learning community, providing appropriate student support and excellent facilities solely for PG students.
- Develop a strong alumni network to support WOM.

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