

The Importance of Customer Relationship Management (CRM) in Retaining Students in Private Universities in Malaysia

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Abstract

Customer Relationship Management (CRM) has grabbed the attention of both practice and research in the past decade, developing into an area of major significance in sustaining the relationship between customer and the organization in fulfilling customer's expectations in the form of satisfaction. As the world becoming more competitive, the success of any type of business lies on their ability to distinguish themselves from their competitors, and also to build and strengthen the relationships with existing customers as well as potential customers. In education sector, it has been observed that there are large number of students being attracted to private higher learning institutions in Malaysia from many different countries around the world. Most of the private universities of Malaysia offer dual degree programs, mostly with partnerships with UK, USA, or Australia universities. The aim of this paper is to find out on how and why is the Customer Relationship Management important in retaining students in private higher learning institutions. This paper will present the aspects of customer relationship management that private universities have to focus on while maintaining the satisfactory level between management and students. This study will outline and present a proposed CRM framework for successful implementation of CRM in private universities based on the integration of CRM implementation phases, CRM model and CRM success factors. The paper will assess the feasibility and usefulness of the CRM model in retaining students in private universities through survey questionnaires.

Keywords: Customer Relationship Management (CRM), private higher learning institution, student retention, satisfactory, customer loyalty

Background of study

It is an undeniable fact that Malaysia is becoming an educational hub for tertiary education. Subsequently, Malaysia is ranked 11th worldwide by United Nations Educational, Scientific and Cultural Organization (UNESCO) for its attractiveness to students

(Degrees Ahead International Education). Most of the Malaysian private higher learning institution pioneered in the provision of trans-national Bachelor's degree programmes in this region, collaborating with reputable universities from countries such as United Kingdom, United State of America, Australia and New Zealand. These unique collaborative Bachelor's degree programmes include 'advance standing' arrangement, American degree credit transfer programme, '2+1' twinning degree and 3+0 franchised degree programme. However, the key question to be noticed here is how they sustain the *customer-organization* relationship in retaining students in higher learning institutions as well as to maintain the satisfactory level of private universities students. In today's private higher learning institutions in Malaysia, good governance is determined by students' *satisfaction* (Ali M. Al-Khouri, 2012).

Satisfaction is a term frequently used in private higher learning institution, referring to the measurement of how a product and/or a service supplied by an organization meets or surpasses customers expectations (ibid). As Grant and Anderson mentioned, from the "student-as-customer" perspective, an educational Customer Relationship Management would provide interaction with all the traditional student touch points, such as admissions, registration, financial aid, etc. (Grant and Anderson, 2002). While there are numerous definitions and perspectives on CRM, at the core each perspective addresses CRM's role in maintaining competitiveness, relationship building and maintenance, market orientation, and tactical of executing CRM initiatives. Even though the core of CRM model is the same for every sector, either private or government, the function within such system differs from one sector to another sector based on those elements and factors influencing the model to function.

Grant and Anderson (2002) identified customers of higher education institutions to be students, alumni and faculty members (Grant & Anderson, 2002). These student-as-customer concept, customer-organization relationship and sustaining the customer's satisfactory level in a management will, indirectly or directly influence the CRM models and their function for private higher education institutions in Malaysia. There have been many researches done with similar topics, discussing the Customer Relationship Management in educational sectors. In 2006, Elaine D. Seeman and Margaret O'Hara from the East Carolina University, Winterville, North Carolina USA carried out a research with a topic of "Customer Relationship Management in Higher Education; Using information systems to improve the student-school relationship", stressing the importance of technological tools in sustaining customer-organizational relationship. Furthermore, very similar research has been done by Liz Thomas, Jocey Quinn, Kim Slack and Lorraine Casey, students from the Staffordshire University with topic of "Student Services: Effective Approaches to Retaining Students in Higher Education".

Moreover, numbers of researches have been done regarding the importance and the influence of Customer Relationship Management in many business sectors, including

Banking industry, Airline Industry, Real Estate sector, and many others. However, in this study, this paper would extend these past researches to a wider perspective by looking at the aspect of how CRM model function to retain the students of private universities in Malaysia, how it sustain the satisfactory level, the reasons of choosing one university to another and the factors influencing the CRM model that every private universities in Malaysia has to focus on.

Review of past research work and identification of gaps

In Elaine D. Seeman and Margaret O'Hara's work, the use and importance of Customer Relationship Management in postgraduate schools, colleges and universities have been discussed. In addition, the research has been conducted in higher educational sectors in USA. Work that had been done by Liz Thomas, Jocey Quinn, Kim Slack and Lorraine Casey discussed on student services as an effective approach to retain students in Higher Educational Institutions. Both of the above-mentioned works have many aspects in common; however, there are significant gaps between them. First and foremost, the research that has been done by Elaine D. S. and Margaret O'Hara includes information that was collected from community living in USA, and similarly, works of Liz Thomas, Jocey Quinn, Kim Slack and Lorraine Casey include information collected from the UK community. Secondly, the work that was done by the USA students focused generally on Customer Relationship Management in higher education, specifically in colleges in the USA.

Also, the UK students in their research discussed about some issues faced by students, specifically in student services, which lead them to leave the college, and how could that be improved in order to retain existing and potential students. However, this research is done to identify the importance of Customer Relationship Management in student retaining in private universities in Malaysia. In addition, this research will discuss issues face by students not only in student services department, but also in many other departments within the university that may have left them unsatisfied.

Research problems/questions

It has been observed that due to the poor Customer Relationship Management, some private universities of Malaysia are unable to develop good relationships with many of their students; hence, resulting in inability of retaining them in the university. Most of these private universities in Malaysia concentrate on advertising their business. However, very few consider the importance of Customer Relationship Management in retaining the existing students. Customer retention is very crucial for any private university in Malaysia as the cost of acquiring a new customer is far greater than the cost of maintaining a relationship with a current customer (Ro King, 2005).

In this research, various questions will be discussed, and suggestions and recommen-

dations will be offered. The research questions are:

- Is there a significant relationship between the importance of customer relationship management and student retention in private universities of Malaysia?
- Is there a significant relationship between the importance of customer relationship management and student satisfactory level?
- What are the reasons of students shifting to another university?
- What are the aspects of customer relationship management that university has to focus on?

Aims and objectives

This research will identify how and why Customer Relationship Management is important in retaining students in private universities in Malaysia, and provide recommendations to it. Furthermore, research will find out the challenges that students face in private universities, that some even resulting in students withdrawing from the university.

Specific objectives of this research are:

- To find out the significant relationship between the importance of customer relationship management and student retention in private universities in Malaysia.
- To find out the significant relationship between the importance of customer relationship management and student satisfactory level.
- To find out the reasons of students shifting to another university.
- To find out the aspects of customer relationship management that university has to focus on.

Justification for research

This research will identify reasons why students withdrawing from the university before they complete their studies, and the importance of customer relationship management for private universities in Malaysia in retaining the students. This research will study on student's perception and satisfactory level on the Customer Relationship Management of the universities.

Methodology

This research will be done using mixed methods, which includes quantitative and qualitative methods. Quantitative method includes questionnaires prepared for the research in order to identify and analyze the statistics of respondent feedbacks, which will help to make the research accurate. Questionnaires will be distributed to students from

four private universities in Malaysia. Qualitative method includes open-ended questions where only few chosen students will be individually asked to answer. Approximately five (5) students will be participated in answering the open-ended questions and one hundred (100) will be distributed.

Domain Research

Buttle, Hart and Johnson mentioned that a loyal customer will always come back to do a repeat purchase, tell others a positive word of mouth, hence the company would increase its profit (Buttle, 1996; Hart and Johnson, 1999). Oliver defined loyalty as “a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future” (Oliver, 1999). Loyalty is often referred in the form of satisfaction. Sustaining the satisfactory level of students guarantees the customer-organizational relationship loyalty that eventually brings a positive impact to an organization through the positive word-of-mouth.

Project done by other researchers: Robert Ackerman and John Schibrowsky

Research that was done by students of University of Nevada, is very similar to this research topic, as the topic is “a business marketing strategy applied to student retention: a higher education initiative”. In their research, Robert A and John S mainly discussed on relationship marketing and how it could help student retention in colleges and universities. Improving student retention is a rewarding objective, which consists of many individual, social and economic reasons (Schuh 2005, Tinto 1993). In their project, researchers prove the benefits on implementing an effective student relationship can increase retention rates in colleges and universities.

Theory's and models

Vincent Tinto has implemented a Student Integration Model in 1993 which identified three major sources of student drop out, which are difficulties in academic matters, the inability of individuals to resolve their educational and occupational goals, and unable to involve in the intellectual and social life of the institutions.

Tinto's model states that there have to be formal and informal student integrations with academic systems and social systems of the college/university in order for the institution to persist them (Etorpy, 2009). Tinto and Berkner stated that only less than half of the student populations who enter the college/university are able to complete a bachelor's degree within six years, and the rest failed (Museus & Quaye, 2009, p. 67). Tinto also mentioned that a student is more likely to persist for graduation, only after successfully completing his/her first year in college (Tinto, 2008).

Student's engagement in various activities has positive relations to persistence, and is

the most significant predictor of persistence (Harper & Quaye, 2007). Tinto's research identified that the early departs of undergraduate students from their university is because of the feeling of being disconnected from peers, faculty and other staff (Harper & Quaye, 2007). Seidman (2005) mentioned that "retention is the ability of an institution to retain student from admission through graduation" (Seidman, 2005). Gupton (2009) noted that the low retention contributions and high drop-out rates among lower income students are mostly because of lack of financial resources (Gupton, 2009). In addition, many students of different nationalities know less about the different curricula of the other country, and they become frequently isolated as they have less contact with same race/ethnic faculty (Quaye, 2009).

Although the reputation of the university is a major influence for a student in choosing it, other university performance indicators that potential students might consider would be the exam pass rate, communication skill, satisfaction of the alumni with the experience in the institution, and the employability rate of their graduates (Cleary, 2001). Berry (1983) said that attracting, maintaining and enhancing customer relationships is the definition of relationship marketing (Berry, 1983). Focus of relationship marketing is to build ties with existing customers and strengthen that tie with aim of retaining them (Jain, 2005; Peltier, Schibrowky and Westfall, 2000). Also, it is easier, more profitable and less costly to retain existing customers than attracting new. The principle of relationship marketing has been implemented by many types of organizations including banking, healthcare, life insurance, and even by non-profit organization (Barlow, 2000; Gruen, Summers and Acito, 2000). Being applied to higher education institutions, the relationship marketing helps to improve the understandings of each student and to increase the retention rates.

Leigh and Marshall (2001) estimated that it costs five to seven times more to acquire new customer than to retain those who are already in business with the company. This applies also for colleges and universities. Furthermore, studies show that the longer customer is retained, the more profitable they become (Reichheld, 1993, 1996). If the customer is retained by an organization longer, he or she will purchase more and become less price sensitive. In addition, if the customer is retained, they become more familiar with the procedures and policies of the organization, the time and resources needed to brief and serve them will reduce. The same goes to colleges and universities; if the student remains enrolled for a long term, he or she learns most of the procedures and policies during the stay, and it will require less time, resources and effort of the university to serve them rather than the new students. During the service period, if the customer needs, wishes and expectations are met, they [customers] will be satisfied, allowing to re-purchase and customer loyalty (Anton, 1996). Customer-centered practices like evaluating and analyzing individual customer's needs and values is the most important thing to do when the number of satisfied customers is reduced. By handling different students in different manners,

institutions can achieve customer loyalty (Tahran, 2004). Uninterrupted and long retention of the relationship by giving/providing services that achieve and even exceed customer needs and expectations is the meaning of customer loyalty (Acuner, 2001).

If a company intends to build lasting relationships with customers, and add value for them, they have to understand who their customers are and give them what they want and what is important to them (Kuh, 2005). Customer relationship management is “a customer-focused business strategy that aims to increase customer satisfaction and customer loyalty by offering a more responsive and customized service to each customer” (Croteau and Li, 2003). Kotler and Fox (1995) in their book stated that “the best organization in the world will be ineffective if the focus on ‘customers’ is lost. First and foremost is the treatment of individual student, alumni, parents, friends, and each other (internal customers). Every contact counts!” (Kotler and Fox, 1995). “Customer retention is the result of the more or less pronounced dependence of customer with regard to the provider” (Plinke and Sollner, 2000, p. 57)

Customer Relationship Management (CRM)

There are many different CRM models which have been developed. One of the famous ones is the IDIC (Identify, Differentiate, Interact and Customize) model, which was introduced by the consultancy firm Peppers and Rogers. According to the model, if companies want to build closer personal relationships with their customers, companies have to take four different actions: Identify, Differentiate, Interact and Customize (IDIC). Company has to *identify* who are their customers and develop an understanding relation in order to have a closer relationship with the customers. In addition, firm has to *differentiate* between the most valuable customers and which one may become valuable for the future. *Interacting* with customers helps to understand the expectations of customers and their relationship between other brand companies. Also, *customizing* the way of communicating and offers of the company ensures that customer expectations are met. Economic reasons are the main objectives of a firm to build relationship with a customer (Butler, 2009). Company can succeed this main objective in a better way by identifying, acquiring, satisfying and, most importantly, retaining profitable customers. Those are the most important aims of CRM strategies.

The goal and benefit of CRM in many organizations is to retain their existing customers and recruit new customers which are profitable and can play important role for other strategic purposes (Butler, 2009). Rowley (2003) suggested the use of strategies for customer loyalty and commitment, such as relationship management for retaining students in higher education. Rowley (2003) applied those five stages for the relationships between institution and student: 1) choosing a partner, which is also known as introduction part in the relationships of student and higher education; 2) structuring the relationship, which is

also known as experimenting stage; 3) devoting time to developing the relationships, is the stage of identification; 4) maintaining communication; and 5) parting on good term (Rowley, 2003). In stage one (1), student collects information about a particular university/college through open days and marketing communication, and identify if the offers of the institution meet their necessities (Rowley, 2003). Stage two (2) is the experimentation process, and it happens only after a student successfully completes the first stage. In this stage, student get to know the institution closer, by building relationships with tutors, supporting staff and other staff from the college/university (Rowley, 2003). In stage three (3), student challenges and responses to the expectations and values of the higher education institution. This stage can be considered failed if student cannot meet the standards and requirements of the institution because of time-lacking or other circumstances (Rowley, 2003). The fourth (4th) stage is the *continuous building of the relationships* after all the three chapters were successful. Rowley also believes that this stage usually comes on the second or third year of students' studies, after they have settled with the community and their studies. In this stage, usually students have many good close relationships with the academic and administrative staff of the institution, and other students as well (Rowley, 2003).

Final stage of the Rowley's analysis is known as dissolution. It is important for the institution to make sure that the student will leave/graduate with good memories, as they may stimulate valuable word-of-mouth advices to others (Rowley, 2003).

Research design

This research is done by using mixed methods, including both quantitative and qualitative methods. Questionnaires will be distributed to both local and international students. In addition, open-ended questions interview will be distributed to specific students of cases of interest to make the research more accurate and intense. Research is conducted only in Malaysia, in four private universities around Kuala-Lumpur and Penang. The data from their responses will be analyzed and measured. Questionnaire is distributed in early January 2014 and will be collected within two weeks.

Measures

There are three main Customer Relationship Management factors of which importance and satisfactory levels will be tested. The three factors are: student services, academic services, and facilities of the university. Measurements of the importance of the factor and student's satisfactory scale will be assessed using 5-point Likert scale.

Dependent variables

In this research topic, the dependent variable is *student retention*. Quality of customer relationship management of institutions with students plays crucial role for their [stu-

dent] loyalty and hence the retention.

“Customer retention obviously has profound implications for all businesses: Finding a new customer cost’s from three to seven times more than keeping and existing one, and for many large companies, up to 95% of profits come from long-term customers.”—Price Waterhouse Coopers.

Independent variable

The independent variable in this research is the *Importance of Customer Relationship Management*. As the student retention is determined by the quality of the customer relationship management of the institution with students, the customer relationship is the key factor to control/diagnose the dependent variable. *Peter Drucker* quoted, “Quality in a service or product is not what you put into it. It is what the client or customer gets out of it.” After the data is collected, SPSS (Statistical Package for the Social Sciences) software analyzer is used to analyze the descriptive statistics.

Sampling methods and conditions

Sampling is conducted by distributing questionnaires to students of four private universities in Malaysia. Also, open-ended interview questions will be distributed to the specific students of these universities. Specific student were those who have faced problems that are of the research interest. The gender, age and other factors and differences of the respondents will not affect the quality/accuracy of the research. Since the research was conducted using mixed methods, it will be done using probability and non-probability methods of sampling. Quantitative method of the research will be done using simple random sampling, which is one of the few types of probability sampling. Simple random sampling is chosen to distribute questionnaires, as each element in the population has an equal probability of selection.

Qualitative method of the research is done only using non-probability methods. Only judgmental sampling, or also known as purposive sampling method will be used. Interviews will be conducted using purposive method of sampling because the numbers of interviews are very limited to about ten interviews to be conducted. Individuals will be chosen as an interviewee, who has encountered/experienced the problem that is of the research interest. There are few types of purposive sampling method. Those that have been proposed by Patton (1990) are: (1) *extreme or deviant case sampling*; (2) *intensity sampling*, (3) *maximum variation sampling*; (4) *homogeneous samples*, and many others (Patton, 1990). Only *Intensity sampling* strategy of purposive sampling method will be used for conducting the qualitative part of the research (Patton, 1990). Intensity sampling involves

information-rich cases that evident the circumstances of interest intensively. This will help to seek rich examples of the phenomenon of interest (Patton, 1990).

Instrument

A set of questionnaire, which is inclusive of 46 questions, will be used as the instrument of this research. The questionnaire for this research was not newly developed. Instead, it was adapted and modified/developed from researches of students from IKIP College and University Tenaga Nasional with topic of “Establishing a Student Satisfactory Index-Malaysian Case Study”. The instrument consists of 4 parts. Part A will be the demographic part, where details of the respondents, including their demographic information, are asked. Part B is about students’ perception on the Importance of Customer Relationship Management, including various aspects of university services. Part C is about students’ satisfactory level.

Difference between part B and part C of the questionnaire is that in part B, the questions are directed to the individual student’s perception on the rate of importance of the university services. In part C, the same questions (as in part B) are directed to find out the student’s satisfactory level on the university services. Part A, B and C will be analyzed using SPSS version 20. In Part A, there are six questions in the form of multiple choice questions. However, both part B and part C consist of 20 questions each; in total of 40 questions and all in the form of a Likert scale point. Part B of the instrument is intended to collect the opinion of the respondents on the Importance of Customer Relationship Management in the universities. As the ‘Customer Relationship Management’ includes different aspects of the services provided by individual university, part B is divided into 3 parts. The First part, from B1 to B5, is about the Importance of Customer Relationship Management during the first time registration in the university. The Second part, from B6 to B10, is regarding the Importance of Customer Relationship Management in the Academic perception. Some examples of Academic related questions are: lecturer’s presentation skills, lecturer’s availability and willingness to teach. The Third part of the questionnaire includes ten questions about the university’s facilities.

In Part C, questions are with the scale from *very dissatisfied*, *dissatisfied*, *neither satisfied nor dissatisfied*, *satisfied* and *very satisfied*. Questions are categorized into the first time registration experience; academic; and facilities. Part C is intended to understand the satisfactory level of the respondent towards the same elements that are asked in part B. The last part of the questionnaire includes open-ended questions, consisting of five questions.

Pilot Test

The questionnaire will be tested using a pilot test prior to the final version’s being generated in order to test its reliability. A convenience sample of 40 individuals are identi-

fied and selected from the major research involving universities, which met the criterion required for the sample frame of the actual research. This convenient sample of participants was selected to generate a sufficient amount of feedback in an effort to strengthen the survey's validity. The qualitative data collected from the pilot study provided significant feedback to help validate, refine, and enhance the survey (Part D). The comments and feedback questionnaire was useful in strengthening the validity of the instrument. Feedback from the pilot test will be recorded and the survey questions will be revised accordingly.

Findings

The information and data are gathered and analyzed through *Statistical Package for Social Science* (SPSS) version 20. Students from four different private universities were involved in this research. Names of the universities are subject of confidentiality, as the publication of their names is against individual university's policy. This is an effort of every university for protecting its good name. Out of one hundred distributed questionnaires, only sixty were collected, making it 60% of the whole response rate of willingness to participate in the research. The significance level of $p = 0.05$ was set to test the hypothesis for the analysis.

Analysis of Demography

Part A of the questionnaire is aimed to control the characteristics of the respondents. Descriptive statistics in the form of frequency and percentage were used to describe the sample profile that includes gender, age, year of study, if they have shifted from different university and its reason.

Gender

This study involved a total of sixty (60) students, of which 28 were female students and 32 were male students from four different universities within Malaysia. Random sampling method was used for the participation of all the respondents. Male students consisted of 53.3 percent of the total percentage, while 46.7 percent were female.

Table 1 Demography Analysis: Gender

Information of Demography		Number (<i>n</i>)	Percentage (%)
Gender	Male	32	53.3%
	Female	28	46.7%
Total		60	100%

Age**Table 2 Demography Analysis: Age**

Age	Number (<i>n</i>)	Percentage (%)
18-22 years old	40	66.7%
23-27 years old	18	30%
28 years old and above	2	3.3%
Total	60	100

The table above shows the total number of respondents in the range of age. The majority of respondents were from the age group of 18 to 22 years. This majority group consisted as many as 40 people. The reason for this is because most of the respondents were first year students in their respective universities. A total of 18 respondents were in the age group of 23 to 27 years old, where the majority of them were from level two (year two). However, there were only 2 students from the age group of 28 and above, both making it category of level three and above students. The majority group of respondents from four different private universities made it 66.7% of the overall respondents. The 23 years old to 27 years old category of students were the second major group, which consisted of 30% of all. The 28 years old and above category is only 3.3% of all the respondents who have participated in the research. Respondents involved in this study were randomly selected from four different universities. There were only 18 local (Malaysian) students, which made up only to 30% of the total respondents. The other 42 students were from various countries, making it 70% of all the respondents.

Table 3 Demography Analysis: International or Local

Nationality	Number (<i>n</i>)	Percentage (%)
Local Students	18	30
International Students	42	70
Total	60	100%

Table 4 Demography analysis: Year of study

Period of Study	Number (<i>n</i>)	Percentage (%)
Less than 1 year	29	48.3%
1-2 years	22	36.7%
3 years and above	9	15%
Total	60	100%

48.3%, or 29 out of 60 students to be specific, were from the group of study period of less than one (1) year at the university enrolled. Group of one to two years of the period of study was the second major group, which consisted of 22 students, at 36.7% of the total percentage. Only nine, or 15%, of sixty respondents were studying at the enrolled uni-

versity for 3 years and above.

Shift from other University

When they were asked if they have shifted from another university to the current university, 23 of the 60 students said “Yes”, and the rest of 37 said “No”. Only 38.3 percent of respondents have actually shifted from other universities to the current, whereas 61.7 percent have been staying with the university that they have first enrolled and currently studying.

Figure 4.4 Percentage of respondents by year of study

		Number (n)	Percentage (%)
Shift	Yes	23	38.3
	No	37	61.7
Total		60	100%

Table 5 Demography Analysis: Reason to Shift

Reason to Shift	Number (n)	Percentage (%)
Have not shifted	37	61.7
Student Service Issues	13	21.7
Academic Issues	4	6.7
Poor Facilities of the University	6	10.0
Total	60	100%

According to the table shown above, a total of 37 respondents have not shifted from their universities. Majority of those shifted had similar reasons to shift, which is Student Service Issues, involving 13 students out of 23 of total number of students that shifted. Only 4 of the respondents changed from the previous to the current university because of academic issues. Lastly, 6 of the respondents said that they have shifted to the current university because of the poor facilities of the previous respective universities.

Analysis of Reliability

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.807	.809	40

Reliability point coefficient (Cronbach's Alpha) for the whole questionnaire is .807. The value of .807 is moderately high and acceptable to be used.

Analysis of Hypothesis

Hypothesis null 1 (Ho1):

The first hypothesis for the research is: *There is no significant relationship between the*

importance of Customer Relationship Management and the student retention in private universities of Malaysia.

Statistical Test: One Sample *t*-Test

Table 4.8 Result of One Sample *t*-Test

Independent Variable	Mean	Sig (2-tailed)	df	<i>t</i>	95% Confidence Interval of the Difference	
					Lower	Upper
Importance of Customer Relationship Management	86.97	.000	59	92.7	85.09	88.84

Significant level at alpha (α) = .005

Based on the result of One Sample *t*-Test analyzed using SPSS software analyzer for the Hypothesis null 1 (Ho1), the *p*-value mean score for the importance of customer relationship management, which was run on the 60 respondents, is 86.97 which is greater than the significance level of .005. The significant level for the one sample *t*-test is .000. The *t* value is 92.7.

As a result, the test in determining the relationship is significant between the importance of customer relationship management and the student retention in private universities of Malaysia. Therefore, Hypothesis null 1 (Ho1), which says '*There is no significant relationship between the Importance of Customer Relationship Management and the student retention in private universities of Malaysia*', is rejected. Thus, the Hypothesis Alternative 1 (Ha1), which is '*There is significant relationship between the importance of Customer Relationship Management and the student retention in private universities of Malaysia*', is to be accepted. This is because the one sample *t*-test proved that customer relationship management is an important element in retaining students in the private universities of Malaysia, as it [Customer Relationship Management] influences the retention rate.

Hypothesis null 2 (Ho2):

The second hypothesis for the research is: *There is no significant relationship between the satisfactory level of Customer Relationship Management and the student retention in private universities of Malaysia.*

Statistical Test: One Sample *t*-Test

Table 4.9 Result of One Sample *t*-Test

Independent Variable	Mean	Sig (2-tailed)	df	<i>t</i>	95% Confidence Interval of the Difference	
					Lower	Upper
Satisfactory level of Customer Relationship Management	61.37	.000	59	41.42	58.40	64.33

Significant level at alpha (α) = .005

According to the second One Sample *t*-Test, which was used to analyze the Hypothesis null 2 (Ho2), the *p*-value mean score for the Importance of Customer Relationship Manage-

ment is 61.37 and it, similar to Hypothesis null 1 (Ho1), was also run on 60 student-respondents. The mean score for Hypothesis null 2 (Ho2) is greater than the significance level at alpha (α) .005. The significance level for the One Sample *t*-test is .000. The *t* value is 41.42.

This means that the relationship between the satisfactory level of customer relationship management and the student retention in private universities of Malaysia is significant. Therefore, Hypothesis null 2 (Ho2), which states '*There is no significant relationship between the satisfactory level of Customer Relationship Management and the student retention in private universities of Malaysia*', is rejected. The Hypothesis Alternative 2 (Ha2), that is '*Therefore is significant relationship between the satisfactory level of Customer Relationship Management and the student retention in private universities of Malaysia*', consequently, is accepted. This test proves that satisfactory level of students towards the university is an important factor for students to either stay (retain) or change the university. The *p*-value for both, the importance and the satisfactory level of customer relationship management in retaining students in the universities, however, is different. Mean score for the importance of customer relationship management (Hypothesis null 1 (Ho1)) is 86.97, with positive *t*-value of 92.7. This indicates that most of the respondents agreed that the importance of customer relationship management is crucial for the universities in retaining the students. As for the satisfactory level, the mean score is 61.37 with the *t*-value of 41.42. The respondent score on the *satisfactory level of students' on customer relationship management* is relatively lower compared to the respondent score of *importance level of customer relationship management*.

Open Ended Questions

Interview question 1:

What are the challenges you faced in your previous university that made you decided to leave?

The First question in the open-ended interview asked about the challenges respondents have faced in the universities where they studied before. This question also intended to find out if the challenges are the reason of why respondent decided to leave the previous university and change to the current university. Interview question 1 aimed to answer research objective 3, which is "*To find out the reasons students shifted to another university*".

Respondent No 1:

**No transport
Unhelpful student services (Always say "Cannot")**

When it comes to means of transportation to college or university, more often than

ever public transportation would be the preferred method of traveling for students who do not own their own vehicles. According to Ministry of Transport Malaysia, taking public transportation system in the Klang Valley, most users will face various problems like inefficient services (high delay and cancellation rates), limited service network, lack of continuity of public transport modes as well as serious congestion issues (especially for LRT Kelana Jaya Line and KTM Komuter). These problems will make the use of public transport systems less rewarding and leads to more serious overcrowding issues (Official Website Ministry of Transport Malaysia).

As the first respondent commented that the challenges faced were the transportation issues, meaning the difficulty of travelling the distance from home to the campus. Unavailability of transport systems from one's home to the campus may give the student difficulties and frustrations that can result in their shifting from the university to a more conveniently located one (i.e. closer to home, availability of transportation means like public bus, campus bus, train, etc). Another point that the respondent wrote was the unhelpfulness of the student services, stating that they are mostly unable to solve their issues. Student service is one of most important aspects of Customer Relationship Management, as it involves helping students with solving their issues, providing support to the various inquires of students.

Respondent No 2:

**Unable to understand the teaching
Administration services**

The second respondent, however, has a different challenge being faced in the previous university. Those were: difficulties in understanding the teaching and administrative services. The most important issue is poor traditional classroom learning which has been a major concern in the teaching and learning activity. Understanding of teaching is a crucial factor in learning. Some lecturers are, even though being given the position as "Lecturer", the ability to teach may not always be satisfying. Every teacher has his/her own way of teaching which is mostly different from others. The main goal of any teacher is to deliver, simplify, and transform the knowledge to students in order to enable them to learn new subjects and topics. In addition to the first point, the second respondent also mentioned that there were administrative services issues. Student Administrative Services department is mainly responsible for giving all types of administrative services to undergraduate and postgraduate students. Some of these services include the help given from the point of registration, through the program and till the graduation of the individual students (Andrea Luquesi, 2013). The particular student stated that one of the two challenges faced was from the admin services of the previous university, which could not satisfy the student, hence resulting in poor service.

Respondent No 3:

Language barrier

Living in a country far from home, where everyone speaks a language you didn't grow up with, can be a challenge. For some international students, the English language can be a barrier that makes them feel lonely and excluded. As for the Malaysian private universities, the primary and compulsory language of teaching is English language. Students come from many countries, where for some, English is a foreign language and for some, it is a difficult language. The language barrier may include the level of the English language ability to understand and communicate. Some barriers may even occur when the accent of spoken English might be difficult to understand by others.

Respondent No 4:

No public transport

The fourth respondent has had a similar challenge to the first respondent, where transportation has become an issue that has made them decide to leave from that [previous] university. Not all the students have their own transportation, such as personal vehicles, as many of them also depend on public transports. The location of the university at this point becomes a crucial factor for students who are depending on bus, train, cabs, etc.

Respondent No 5:

Immigration issues; bad attitude of staff

Unlike the previous respondents, the fifth respondent has written that the challenges faced were regarding the immigration issues and the poor communication skills of staff. The individual university has the responsibility of issuing a year-long student passes (visa) for international students with multiple entry and exit abilities to and from the country (Malaysia). Some universities are known to be unable to issue passes on time, resulting in student's re-entry to the country, which is costly. Some even take a very long period of time, leaving the student without a passport, which made it impossible for him/her to travel across borders.

The second issue faced by the fifth respondent was the communication of the staff. Any student who goes to student services or any other in-campus department expects a good communication skill from the staff, as it is the key factor for making students satisfied since they have a clear understanding of what is required, and it also reduces the mistakes and misunderstandings among students and staff.

Respondent No 6:**Academic assignments**

The sixth respondent has stated that the challenge faced that resulted in shifting from the university to another was the academic assignment issues. For some students, the ability to understand may cause them to be unable to fully complete the assignment resulting in low grade or even failure of the assignments.

Respondent No 7:**Accommodation and transport**

For the seventh respondent, the problems faced are related to the facility of the university, in particular, the accommodation issues and the transportation issues. As it has been stated above, transportation is an issue for some students who do not own personal vehicles or these who are unable to get the campus or public transportation to travel from home to the university campus. Another sensitive issue may arise is from the accommodation services of the university. Majority of the students of many private universities use the university accommodation facilities, which are, usually, nearby the university campus. It is another way of any university to satisfy its students as the accommodation facility is considered a 'value-added' service for students.

Respondent No 8:**Learning material, assignments, exams, lecturer's consultation**

Learning materials, assignments, exams, lecturer's consultation availability — these all made the eighth respondent to choose to leave from the university to another. Learning materials include slides, books, references, journals, and labs. It is a key engine for students to enhance their learning progress. When learning materials are poor, student might face difficulties in their learning process, which might result in issues related to their progress of assignment. Learning materials are also the main source of studying for exams. Another challenge faced by the respondent was lecturer's consultations. Students have the right to make appointment during consultation hours of the intended teachers to meet them on their [lecturer's] free time for academic purposes. Unavailability of teacher's consultation hours may leave a student on frustration.

Respondent No 9:**Too far from home**

The ninth respondent has written that the reason of changing the university was

caused by the distance problems between the university and the student's hometown. Location issues may make some students to decide to move to a location which is nearer to hometown. This fact may also cause student a distress as moving to new location means getting used to a new place.

Respondent No 10:

Assignment and passing the exams. Discrimination

The last respondent has written that the issues faced were mainly regarding academics. The respondent has also mentioned that discrimination was faced during the period of study. Discrimination may perhaps be in different forms, such as discrimination of race, religion, nationality, gender and many other factors. It is an unfair and unequal treatment of students, which is very unprofessional by any type of the staff of the university. This question was designed to give some key points for reasons of students changing universities. As it has been mentioned before, this question helps to answer objective No 1 of the research, which is *“To find out the reasons students shifted to another university”*, and it is the third objective of this research. To sum up, the 10 respondents said that they have faced different issues that made them decided to leave the institution. Majority of the respondents said that the reason for their leave was the issues with the transportation. The reason for this problem may be caused by the inconvenient location of the respective university. Some universities have few campuses operating in different locations (provinces, cities, states). Having more than one campus may be costly for the university, but it helps some student with the transportation issues. Out of 10 students, 4 of them said that the (one of) reason(s) for their withdrawal was caused by the inconvenient location of the university, giving them issues with the transportation. Another most common issue faced was the problems related to the academic studies. These are: unable to understand the teaching, issues with academic assignments, exams, learning materials, and consultations of lecturers. This shows that the respective universities have failed in monitoring their academic staff, which has resulted in many types of issues related to the academic studies.

In addition, one student wrote that issue with the student services department was (one of) the reason(s) to leave the university. Another respondent said administration department has been (one of) the reason(s) of withdrawal while other respondent wrote that communication problem, or specifically the attitude of the staff was (one of) the reason(s) to leave. Some even have faced a very unprofessional manner of communication — discrimination. Accommodation was an issue for another respondent that had caused the withdrawal. Lastly, immigration problem had made one of the respondents to withdraw.

Interview question 2:***Why have you decided to shift to the current university?***

The second question in the research interview question is designed to know the reasons why the respondent has changed from previous university to the current. The challenges that students have faced in the previous universities may lead them to decide to leave from that respective university, but this question is intended to find out why the respondent have chosen the current university out of all the other universities in Malaysia. This question is important to understand the differences of the two universities; to know what makes the student shift from one university to another university; to know what features do the current chosen university outstands from the previous university where the respondent used to study. This interview question will also help to answer the research objective 3 and support the answers from the interview question 1 which is of the same research objective: "To find out the reasons students shifted to another university".

Respondent No 1:

**Friends influence
Better facilities and student service helpfulness**

The first respondent, who, for the previous question, wrote that transport and unhelpful student services were the reason to leave, have said that influence from friends, or in marketing terms, it is called as "word of mouth marketing", were the influence to choose this particular university where he/she is currently studying. Also, better facilities of the current university compared to the previous one are also the factors contributing to the decision of student to come to this university. As this respondent has faced an issue with the student services department, the current university offers a better and a helpful student services.

Respondent No 2:

Unable to continue the study. Better service and better understanding of teaching

The second respondent stated the reason to choose this university was better service and better quality of teaching. The issues faced by this respondent were the problems in understanding of teaching and problem with the administrative service department. As learning is the main objective of all the students, they tend to look for the institution with highly qualified and experienced teachers. Student can anytime change the university if the teaching skills of the teachers are not comprehensive. For it maybe too costly for most of the students change from one university to another the second respondent said that the teaching skill and the service at the administrative services department were the reasons

to leave from previous to the current university. This student chose this particular current university also because of the better service being provided.

Respondent No 3:

Influenced by friends

“Word-of-mouth marketing has always been important. Today, it is even more important because of the internet” — Joe P, Newt B. Respondent No 3 wrote that the reason to choose this current university was due to the influence that came from friends. Word-of-mouth marketing is one of the most powerful marketing tools that helps potential customer to understand more about the company based on friends/relatives experience in that company. The third respondent choosed to leave the university because of language barriers, and chose to continue at the current university by following the friends advice and support.

Respondent No 4:

Near hometown

When the fourth respondent was asked as to he/she why the respondent has chosen to shift to the current university, stated that it was because of the current university’s convenient location, which is nearer to hometown. The issue that made this respondent decided to shift to another university was the unavailability of public transports from home to the university campus. This means that the location of the university has been the drawback for the university to lose a student (customer). Many students look for a university, which is located nearby their hometown. This is to prevent the high cost of transportation and to save time. Most of the accommodation facilities of the private university in Malaysia are expensive to stay at, while some don’t even have their own hostel services.

Respondent No 5:

Same price, better reputation. More value for same price

The student that has shifted the university with issues related to immigration and the bad communication skills of staff wrote that the reason to choose the current university was because of the better reputation and good value for money. Reputation of the university is important to consider, as it helps in the future in employability of the candidate. Institutions, which are high ranked not only in the national ranking but also in the world ranking, have better advantages of attracting many students. In addition, if the university offers low prices, it becomes even more attractive for middle and low incomers.

Respondent No 6:**Friend's advice**

The sixth respondent, similar to the first and the third respondent, was influenced by friends to choose the current university after leaving from the previous one. The reason for this respondent to leave was because of the academic issues, issues with assignment in particular. The tool 'word-of-mouth marketing' had played a great role in bringing in many new students for some private universities of Malaysia. Friend's advice was the reason for the sixth respondent to pick this particular university where he/she is currently studying.

Respondent No 7:**Accommodation, same price**

The seventh respondent mentioned that the issues faced in the previous university was related to the accommodation and the transportation facilities of the university. Moreover, the reason of choosing the current university to continue his/her studies was because of the value added service, such as the hostel of the current university, which perhaps was better than the previous university's. Being attracted by the current university's accommodation services, the money being paid is the same, wrote the respondent.

Respondent No 8:**Family member. Very unsatisfied**

Family members are the biggest influence for some students, as they are the decision-makers and source of financial support for them. For the eighth respondent the reason to leave from the previous university was issues related to academic studies. What made this respondent to choose to shift to the current university was family influence. As the student and the family members of the student were unsatisfied with the previous university, they decided to change to another (current) university.

Respondent No 9:**Good reputation**

The ninth respondent wrote that the reason to choose the current university to continue his/her studies after leaving the previous university was because of the good reputation of the university. When asked to state the challenges of shifting from the previous university, the respondent said that the reason to shift was the location of the university, saying it was too far from home. Good reputation of the university plays a big role in any

student's perspective. The more reputable the university, the more promising is their career.

Respondent No 10:

To be able to pass the exams. Good teaching skills, hence can score high on exam and assignments.

Stress among students is very common nowadays. Reason for young people to have stress may be different; for some, it may be due to financial problems, family problems, understanding of classes' and many others. For the last respondent of the interview session, due to the issues of assignments, exams and discrimination he/she left the previous university coming to the current university was because of being able to pass the exams. The tenth respondent also wrote that due to the good teaching skills of the academic staff, understanding of the subjects and being able to score in exams and assignments became possible.

Interview question 3:

How important do you think customer relationship management is to the university in retaining their students?

The third question in the interview is aimed to find out the individual respondent's opinion on how important is the customer relationship management for universities in retaining their customers [students]. As students have experienced the poor customer relationship management of the previous universities and hence failing in retaining them, they will state their perception on how customer relationship management is important based on their experience. Out of all the ten respondents, 7 or 70% of them said that the customer relationship management is **very important** for university in retaining students. The rest 1 student said that customer relationship management is quite important for retaining students, while another said that the level of importance is moderate. Only one student, who is respondent No 3 said that the customer relationship management is not important for a university to retain more students, stating the reason under interview question No 4.

Interview question 4:

From question No. 3, please state your reason.

Question 4 is intended to support interview question 3. It asks respondents to state the reasons as to why do they think that customer relationship management is important to the university in retaining students. The difference between question 3 and question 4 is that in question 3, students are asked to state how important they think the customer relationship is for a university to retain students, but in question 4, they are asked to state

why they think that customer relationship management is important for a university in retaining students.

Respondent No 1:

Customer relationship is always important. In university student is the customer.

The first respondent wrote that the customer relationship is important all the time. Continuing by stating that student is the university's customer. As it has been mentioned several times in chapter 2, university is a service providing business, where its main service is to provide education to the students, who are its customer.

Respondent No 2:

Students are the customer for the university. Income.

The second respondent also stated that students are the customers for any university, hence, they are the main source of income for the business.

Respondent No 3:

Because we come for academic learning.

The third respondent, who has stated that the customer relationship management is not important, wrote that students come to learn, rather than being served as customer.

Respondent No 4:

Because University is gaining money from student as their customer.

The fourth respondent stated that university is, like any other business, earning income from customers who is the students.

Respondent No 5:

What student pay in one university but get bad service, he/she better shift to another university which is same price but better quality of service.

The fifth respondent said that if student is served badly, it is easy for him/her to transfer studies to another university where he/she can get better service. In such cases, university would be unable to retain a student.

Respondent No 6:

We want a good qualification after graduate.

The sixth respondent wrote that customer relationship management is important because of the qualification they [students] get is important for their career after graduation.

Respondent No 7:

Students are paying money to study.

The seventh respondent said that it is because students are the source of income. When university fails to retain a student, it loses a customer, hence the income.

Respondent No 8:

University should provide good service as we students pay money to get good education.

The eighth respondent stated that the university should provide a good quality of service, as students are paying for it.

Respondent No 9:

Because we come to study and we pay for it.

Similar to many previous respondents, the ninth respondent also said that customer relationship is important because student comes to university to study, and they pay for it. When a customer pays for a service, he/she expects a satisfying service in return.

Respondent No 10:

Source of income.

The last respondent also, similar to many other respondents, said that customer relationship management is important as the students are the source of income for a university.

Interview question 5:

In what areas of Customer relationship management do you think a university should be concerned more in order to retain students?

Question 5 is aimed to answer objective 4, which is: *"To find out the aspects of customer relationship management that university has to focus on"*. Students are asked to give opinions

in what areas/aspects do they think university should be concerned of in order to retain students in the university.

Respondent No 1:

Train the staff to be helpful and talk nicely.

The student did not answer this question due to confidential issue.

Respondent No 2:

Administration. Academic staff qualification.

The student did not answer this question due to confidential issue.

Respondent No 3:

Administration and teachers.

The student did not answer this question due to confidential issue.

Respondent No 4:

Hospitality of students.

The student did not answer this question due to confidential issue.

Respondent No 5:

Administrations, lecturer, the student services.

The student did not answer this question due to confidential issue.

Respondent No 6:

Student services, facilities, administration.

The student did not answer this question due to confidential issue.

Respondent No 7:

Accommodation, value added services

The student did not answer this question due to confidential issue.

Respondent No 8:

Facilities, qualification of academic staff

The student did not answer this question due to confidential issue.

Respondent No 9:

Qualification of their staff

The student did not answer this question due to confidential issue.

Respondent No 10:

Student services, administration, facilities

The student did not answer this question due to confidential issue.

In order to be able to answer the research objective No 4, respondent were asked to give their suggestions on what they think a university might improve on. Respondents said that a university has to be concerned on the *staff qualification, administration services, and student services*. Out of 5 questions from the open-ended interview questions, question 1 and questions 5 have answered the objectives of the research which are *To find out the reasons students shifted to another university* and *To find out the aspects of customer relationship management that university has to focus on*.

Discussion

The term Customer Relationship Management (CRM) was first introduced by Berry in the year 1983. Through out the years in 90's, the focus of CRM expanded to many areas such as standardizing customer treatment across channels and gathering more customer data at each customer point. Today most of the industries are concerning about how to identify excellent employee(s), retaining and maintaining them to achieve their organizational objectives and also capturing the customers, retaining and maintaining them to get the profitability. However, most of the research done have neglected the term CRM in educational institutions i.e universities. The term Customer Relationship Management (CRM) is widely practiced in the industries but seldom in education institutions (Mohammed, 2013). Challenges which are obviously existing in universities students' retention have been neglected and ignored as the importance of customer relationship management (CRM) hardly be incorporated with the educational institutions. Majority of the private universities in Malaysia provides various courses in different faculties. For example, some universities offer courses in faculty of engineering, faculty of science, social science,

faculty of business, faculty of medication, faculty of computer science, faculty of art, faculty of communication, faculty of law and many more. The courses and schools are being developed according to the current needs of the job market in the latest working environment today. Degree from bachelor, master or even up to the doctorate are offered by the universities to attract the students to enroll into the situations. Universities will provide the sources such as facilities, premises, academic staff and other related element in order to run the service. This is why the education institution can also be viewed as a business entity where service is provided and profit is earned via the students' fees that they gain. Students in this concept, therefore, can be categorized as customers. Hence, there is a need to know the importance of customer relationship management (CRM) practices by these universities. How students are attracted to the universities? How a university can identify the needs and wants of their students and how can a university recruit more students? Customer relationship management (CRM) today has become a common tools in the industry regardless of the characteristic of the industry. It is widely accepted and approved as a useful tool for the development of the business. According to Mohammed (2013), customer relationship management (CRM) starts with business strategy and focuses on customer needs and wants and further designs the products as per the needs of the customer. Further to the definition, Payne and Frow (2004) also stated that customer relationship management is about creating, developing and enhancing relationship with targeted and most valuable customer, i.e students in the context of universities. Maintaining good relationship which is also long term and helpful between the university and students is vital. The mutual beneficial relationship between the two parties should be maintained in ensuring not only stable incomes and profitable growth to the university, but most importantly, the outcomes of the whole business in cultivating and generating fresh graduates with employability skills.

Overall of the studies, it can be concluded that the main objective of customer relationship management (CRM) is to improve customer loyalty and to ensure profitability. The aim of finding out the importance of customer relationship management (CRM) and to identify the areas, which need to be focused on, will help the university to offer value-added services to its customers, i.e students, parents, employers. For universities, especially in private sector in Malaysia, maintaining good customer relationship is important. This is because, the capital and source in running the institution are mainly from the students' fees. Private universities in Malaysia do not have the privilege of getting subsidiary from the government. Student's fees will be the major source for the universities to keep the business going and to generate beneficial outcomes for all the stakeholders. Customer relationship management (CRM) is vital to the universities because capturing new customers i.e new students is relatively expensive than retaining the existing customers. What universities normally do in attracting new students in enrolling to the institution is by doing marketing aggressively. This is why in Malaysia, during the educational fair,

there will be a lot of private universities and colleges mushrooming in the booths set. The marketing strategies used is, mainly, by offering scholarship either full or partial scholarship promoting the universities facilities and benefits.

As in academic wise, it is hard for the marketer to describe to the new potential customers precisely about the real experience of the learning and teaching. The experience of learning from the lecturers is various and subjective. That is why universities will be focusing on the facilities, premises, and other beneficial products that they can offer to the new customers. Furthermore, degrees offered by the universities are homogeneous. In this study, first-time registration experience is included in the questionnaire to test the perception of students regarding the importance of customer relationship management (CRM) in retaining students in the private universities in Malaysia. When new students or potential customer approach the institution, it is vital for the institution to make sure the service provided is sufficient and able to reach the standard required by the new potential customer. According to the similar research run by Mohammed (2013) in Business-school, good relationship with customers can result in a good word of mouth (mouth-to-mouth marketing strategy); this can be achieved through successful exchanges and minimal bad word-of-mouth in the event of unsuccessful exchanges. Service quality cracks can often be prepared over where good relationship has existed. In order to attract new customer into the universities, power of words is huge and effective. New students or potential customer may not have enough knowledge regarding the universities, they will be depending hugely on the advice and recommendations from friends and also the academic advisors.

Recommendation

This research is conducted with the aim of a small effort to contribute to the development of customer relationship management (CRM) in retaining universities' students. Understanding the importance of customer relationship management (CRM) in retaining students in the private universities in Malaysia is vital. This study has proven that customer relationship management (CRM) can assist the universities in terms of building good relationships among the students, lecturers, the universities management and also the industries. Customer relationship management (CRM) also helps to identifying students and lecturers studying pattern and improving the delivery methods in the classroom. It also will increase students, lecturer, management and industry loyalty towards the universities. Understanding the importance of customer relationship management (CRM) will also help to attract students, lecturers and the outsiders i.e industries much faster. This will also reduce the advertising and marketing costs of the universities and improve quality education and higher placements in industries.

For education institution like universities and colleges, students are the customers. In order for the universities to retain the students and to have good relationship with its

students, the study will recommend the universities to understand the importance of customer relationship management and also to understand the students. Understanding the students here means to be able to know what is the needs and wants of the students. Understanding customer by identifying customers' needs in detail. Customers' needs can be grouped into two types. According to Mohammed (2013), implicit needs are features of a product or service whereas explicit needs related to benefits. Implicit needs cannot be seen by students whereas explicit needs can be seen. An example of implicit need is when a student seek admission in the universities, it is implicit that he or she will or will not be awarded a certificate i.e the bachelor degree, master or diploma. Students who are able to get into the industries to work and knowledge they kept after studying is the explicit needs in the universities context.

Majority of the students expect successful careers and employment in well-know companies in future. What students expect from the universities that they are studying includes quality services from the student service centre of the university and management, to be able to acquire practical and useful knowledge and skills in order to guarantee them a secured job in future after they graduate, to gain personal experiences and satisfaction during the undergraduates period. This is also why it is important for the universities to understand the important element of all these can affect the students' decision to shift universities. In addition, qualified and experienced faculty, convenient location, quality infrastructure, comfortable furniture, well equipped computer labs and library are also important. Private university in Malaysia is also recommended to identify factors which lead to the image building and maintain good reputation of the university. Developing a strong reputation outlook can help to attract more students and most importantly to retain the existing students. This objective can be achieved by offering placements in job market or industries. Students are concerned about the response of the university staff, their courtesy and communication skills, security or recklessness and customer satisfaction, quality achievement, quality maintenance and quality improvements are factors which become the base in building up the attractive image of the universities.

The study would like to recommend the private universities to provide a state-of-the-art library. The library in the university must be fully equipped with books of foreign and national authors, national and international, journals, magazines, video and audio-tapes, computer system with internet connection, copier machines, and business and general newspapers.

Recommendation for further study

A more comprehensive study can be carried out on more university students from different locations in Malaysia. This is to identify the importance of the customer relationship management (CRM) in the process of keeping students in the same universities to a

more in depth level. Besides looking at the three perspectives of customer relationship management in universities which are the experience of first time registration, academic and facilities and transportation, more factors can be studied in the concept of customer relationship management in universities. For example to look more in depth into the perspective of academic which involve the core “business activities” of the universities. There might be a loop hole which can be identify and improvise for a better development of Malaysia private universities. The proposed study also recommend that, in future, similar studies can be carried out not only in universities level, but also for the students of other ethnic groups and different nationality. This study is focused on a Private Higher Education Institutions in Malaysia, the same study can also be implemented in other public institutions of higher learning in the country. The research can also be run in identifying different types of students as the customer of the university. Generally students in the universities are grouped into two types, which are profitable students and unprofitable students. By understanding the different types of customer will help the universities to develop and differentiated strategies for both types of customers.

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マレーシアの私立大学におけるリテンション率に 対する顧客関係管理（CRM）の重要性

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要 旨

近年、顧客関係管理（CRM）は実践と研究面において注目を集め、顧客の満足度を高めるとともに、顧客一企業間の関係性を良好に保つため重要な手法へと発展してきている。社会がより競争的になるにつれて、いかなるビジネスも成功の鍵は、他社に差をつけ、既存顧客及び潜在顧客との関係づくりとその強化に係っているからだ。教育分野では、多くの外国人留学生がマレーシアの民営高等教育機関に魅力を感じている事が分かっている。同国のほとんどの私立大学では英国、米国、オーストラリア等の大学とパートナーシップを結び、ダブル・ディグリー・プログラムを導入している。本論文の狙いは、民営高等教育機関におけるリテンション率に、CRMがどのように、なぜ重要なのかについて知見を広めることである。また、私立大学が学生たちとの関係を保ちつつ、目を向けるべきCRMの特徴についても触れる。本論文はCRMの実施ステップ、CRMモデル、CRMの成功要因に基づき、私立大学において有効なCRMの枠組み案について提案する。また、アンケート調査を用いて、私立大学でのリテンション率に対するCRMの実行可能性と有効性を評価するものである。

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