Chapter 12

CRM for Academic Institution and Universities

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ABSTRACT

“Keep your customers happy and satisfied to create value in the long run for the firm.” The statement is the motto of all business organisations to become a successful enterprise. Customer relationship management is mainly used to identify the buying habits of the customers, analyse trends and patterns, and market the product to the targeted customers. Academic institutions and universities are considered as a service industry, so the scope and role of CRM would be drastically different compared to manufacturing industries. In the Indian context, the main customers of the institutions or universities are parents of the students who spend significant amount on their children’s education. The companies that recruit graduate students are also considered as the customer for academic institutions and universities. The chapter discusses the fundamentals of CRM, its uses and application in academic environment, and technology supporting CRM. The major emphasis of the chapter is on how to automate communication among the students, parents, and faculties. The chapter also focuses on streamlining and providing the details of the performance of students for the campus interview and final placements to the companies. The chapter also throws light on the role of technology in CRM implementation in academic institutions and universities. Advantages offered by CRM in academic environment are also discussed. The chapter provides guidelines for successful implementations of CRM in academic environment. To narrow down the scope of the study, it is confined to CRM for academic institutions universities offering higher education (graduate/post graduate courses) in Indian environment.

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INTRODUCTION

The target audience of the chapter are software companies which implement CRM module in ERP package. The chapter is also useful to management and trustees of universities and institutions for deciding to implement CRM in their education setup as well as for faculties, and staff of the institutions using CRM. The companies who recruit fresh college graduates are also indirect beneficiary.

In the month of Oct, 2011, while searching through an e-database of reputable journals at Indian Institute of Management, Ahmedabad (IIM –A), I looked at more than 600 articles, research papers, and edited chapters on Customer Relationship Management (CRM). More than 400 articles out of those 600 have been published in the last decade. Though the term CRM is not a new concept, it seems that people started researching on it rather recently. The origin of CRM lies in the relationship marketing (Berry, 1983) during the period of late 1980s and early 1990s. CRM is defined as an approach enabling organisation to identify, attract and retain the most profitable customer by building relationship with them (Hobby, 1999). In order to enhance this relationship, an application of IT integrated with ERP suit is commonly used, which is known as CRM (Hugh Wilson, Feb, 2010).

CRM is the combination of people, process and technology (Chen, 2003). CRM is for the people (Customers), CRM improves and reengineering the process and IT is the technology which enables CRM benefits to the company and to the customers. CRM is also defined as a philosophy and a business strategy supported by a system and technology designed to improve human interaction in a business environment with goal to improve customer value (Greenberg, 2010). The enterprise which focuses on customer values will have better chances of survival in the long run (Roger M, Feb, 2010). The better customer relationship will lead to better profitability for the firm (Winer, 2001). Many companies are moving from product centric culture to a customer centric culture, so that they can sense and meet customer demands for changes in features of the product and services, distribution channels and pricing structure (Wang Mei-Ling, Nov, 2010).

Earlier it was belief that CRM is only for manufacturing organisations, but CRM is also applicable for service industry. CRM is extensively used for all kinds of industries ranging from manufacturing to information (Sawhney, 2004). The use of CRM for academic institutions and academic is something relatively new concept. While searching electronic database at IIM-A in the month of Oct, 2011, I came across 3 articles which are extensively dealing with CRM in academic.

CRM Perspective for Academics

CRM perspective for academic would be different from manufacturing industry and service industry. Education industry doesn’t have any tangible product like manufacturing industry. At the same time, it doesn’t state any pre decided stated return on the service provided. Students when joining institution or university, they are like raw material. As a process the knowledge is imparted on them and as an output, they are ready to be consumed by the corporate or might opt for higher studies.

CRM has been part of curriculum for management and computer science student. The effects of CRM in the curriculum have been acknowledged by many researchers (Hennig-Thurau, 2011). But very few researchers have thrown light on use of CRM in higher education.

Education institutions and universities are undergoing through radical changes in how they operate and interact with their student, parents, alumni, donors, faculty members and staff members (Lavanya, Mar. 2011). The concept of CRM is applicable in higher education because the services offered by education institution are comparable to the term services used within economic context (Wang Mei-Ling, Nov, 2010). Education institutions have intensive and continued relationship
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