Customer Relationship Management Model in Higher Education: A Case of Malaysia

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Abstract
Customer relationship management (CRM) is becoming imperative strategic for organization in every sector of business. Educational institutions are also realizing how important their operation and interaction is, with their customers who includes students, alumni, donors, faculty members, and staff members. Therefore, in universities satisfying of alumni members is essential through improving long term relationship with them. Alumni liaison unit (ALU) was established to help university as center of service to alumni members for satisfying their needs; however without an appropriate CRM strategy it will not be attainable. Basically, this emphasis that there should be a suitable model for guiding this unit to realize one to one relationship with each key alumni member to customize their services toward them. Therefore, in the current paper a new model of CRM strategy was developed. Interview and questionnaire conducted with university technology Malaysia (UTM) ALU and its alumnus. The findings indicate that the current relationship between the alumni organization and UTM alumni is just for a short time, due to the reasons from the alumni members that most of them cannot be satisfied with the ALU after a short period of time. The questionnaire was as novelty to be conducted in this study which presented us clearly the suggestions result from the alumni members for some certain factors that cause to improve their needs which will enhance and maintain the relationship between the alumni organization and the UTM alumni.

Keywords: CRM, Alumni Liaison Unit (ALU), University Technology Malaysia (UTM), Information Communication Technology (ICT).

1. Introduction
Customer Relationship Management (CRM) is becoming imperative strategic for organization in every sector of business [1-4, 6-14]. Educational institutions are also realizing how important their operation and interaction is, with their customers who includes students, alumni, donors, faculty members, and staff members [1, 10]. Higher education customers are requesting more attention service which is Information Communication Technology (ICT). One of the most popular strategy that has been accepted and confirmed by the researchers and many organizations is CRM.

In university such University Technology Malaysia (UTM), satisfying of alumni members is essential through improving long term relationship with them and also one of the university targeted is to continue the communication with them. Therefore Alumni Liaison Unit (ALU) was established to help university as center of service to alumni members for satisfying their needs; however without an appropriate CRM strategy it will not be attainable. Basically, the emphasis is that there should be a suitable model for guiding

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this unit to realize one to one relationship with each key alumni member to customize their services toward them. Thus researcher believes that this new strategy CRM model can strategically organize the processes of establish, manage and improve relationship between university and members of alumni.

This paper provides the CRM process model which later was enhanced and adapted in selected case study. Also components and each of the model’s elements have been explained. This involves literature review based on CRM models to choose the most suitable one. Then, research method used by researcher in this study determined out and justified. In the end of this paper, author presented the findings derived from the data collection and analysis which conducted across Alumni organization and UTM Alumni to enhancing the new CRM strategy model for organization to assist in improving relationship with the alumni members.

Customer Relationship Management

Deck [3] defined CRM as an approach to customer service (customer service approach) that concentrates on customer needs and behavior for sustaining the customer and the organization. CRM approach is attempting to make, build, and develop the friendly relationship between the organizations and customers. The purpose is to make customer activity and delivers specific tools for acquire the requirement of customer information, maintain and strengthen ties between the customers to succeed customer satisfaction. Therefore using and sharing more information develops efficiency, and effectiveness to encourage the adoption of customer prioritization (customer-centric) in the process of generating customer satisfaction in the long term welfare of the management-oriented of good customer relation [14].

2. Case Study Methodology

The main objective of this research is to develop a CRM model for improving the relationship between the ALU and UTM Alumni. This model was developed based on the research questions which are related to the research objectives, as the objectives is to identity the alumni’s segmentation and elements of UTM alumni satisfaction that are related to CRM. This study conducted two research approaches; the first one is qualitative method on the basis of analysis of the empirical data gathered from structured personal interview across the Alumni organization. The second research method is quantitative method on the basis of analysis of the statistical data gathered from the distributed questionnaire to UTM alumni. In fact, both research approaches were accompanied with intense support of literature reviews which has lead to the creation of new CRM strategy model.

Interview

In this study, personal interview conducted because it will allow for more in-depth probing on various issues and are the most productive, accurate, comprehensive, controlled and versatile types of communication. This study has extracted structured interview which combined by series of standard questions. The interview analyzed the efforts of ALU towards their relationship with alumni members which assisted researcher in improving the CRM model. The researcher had interviewed the Associate Professor Dr. Othman bin Ibrahim who was the director of the ALU and the Assistance registrar Mr Ishak bin Ahmad. Interview questions were asked based on the objectives as it relates to the selected CRM model and its elements.

Questionnaire

Questionnaire contained series of questions which delivered to number of respondents. In this study, 100 questionnaires have been distributed to UTM alumni. 60 of the questionnaires were returned to the researcher while other is still pending to be returned. The aim of these questionnaires is to understand their perception and potential needs towards Alumni Liaison Unit, to find the Current and prospective relationship between alumni and UTM, and find satisfaction of the service (include ALU information on the website, ALU medium of communication and ALU interaction with alumni members) that is provided by UTM to alumni.
CRM Strategy Model

An examination of the extant literature on CRM highlights the appropriate strategy of Customer Relationship Management involve several sub processes. Many industries particularly in educational institution are neglecting that they do not adapt, enhance and implement such CRM strategy model to satisfy and retain their customers through long term relationship. In this study, model was developed by using the aforementioned research approach involving both the top management and assistant registrar in organization and their alumni members, with insight from the literature to identify the key strategy areas. This initial model, and the development of further versions of it, was informed and further refined through the research approach as discussed before. In continue the data analysis of the finding, which is based on the data collected from the interview and questionnaire, is provided thereafter new CRM strategy model with its elements depicted and expounded.

CRM Strategy in Alumni Liaison Unit

Interview questions were asked based on the objectives as it relates to the selected CRM model which includes: identification, differentiation, customization, interaction. These four parts of the model described the CRM strategy needed for ALU.

Alumni Liaison Unit Organizational Background

The alumni organization was established in order to continuous and maintains the relationship that exists between university and alumni. This made the members to continuous to hold the good image and maintain the reputation of the university in the society and the worlds in general.

Alumni Liaison Unit Mission and Vision

ALU manages and maintains thousands of alumni information in the database. The ALU has the vision of establishing, promoting and strengthening the interaction between alumni and the university to help in achieving missions, proving network relationship that establishes a relationship between alumni and the university.

Alumni Liaison Unit Services

The goal for every UTM Alumni is to find a good job that can sustain daily life needs. With this reason the Alumni Liaison Unit should create a job opportunity for every alumni member to maintain his/her daily life activities. Doing this will add Alumni Liaison Unit value in the eyes of its members and the other students coming to join the organization. Another service is the maintenances of the database that consist of much information of the register members. The service keeps the record of all the members that register as alumni member. The fact is that Alumni Liaison Unit has no good system to maintain its information regarding to its members but it just keeps the record of each alumni member.

Alumni Medium of Communication

As well know that communication is one of the most important factors that keep the relationship between every organization with its customers. Based on the finding the researcher found that Alumni Liaison Unit has some certain communication medium in order to keep in touch with its members and potential members as well which are as following:

- Website
- Email
- Yahoo group
- Call center
- Post
3. Summary for the Interview Finding

The interview finding analyzed the current situation of ALU. By finding out the kind of relationship that ALU has with alumni members which include the kind of services they provides to the alumni member, and how they delivers this services, such as communication touch point. The interview also analyzed the kind of information they should provide to alumni members. Based on the interview result the researcher found that ALU has no CRM strategy for managing the relationship between themselves and their members. Therefore, by knowing this fact that Alumni Liaison Unit does not have the strategy towards segmentation of UTM alumni which relevant to the first question of this study which directly related to the first objective and also identifying types of services that organization is providing to UTM alumni which relevant to the second question which directly related to second objective. As a result researcher can make a conclusion that relationship between alumni organisation and UTM alumni is still weak and customer relationship need to be managed and improved by applying the strategy of CRM.

**ALU CRM Strategy Based On Alumni Perception**

Questionnaire were set to find out the kind of current and prospective relationship between ALU and its members, alumni’s segmentation to improve alumni’s needs and elements of UTM alumni satisfaction related to CRM.

**Information in UTM Alumni Liaison Unit Website**

Based on the result of the questionnaire from the respondents (see Figure 1) most of the percentages (80%) of alumni members do agree that the information giving to them by the ALU is not relevant to their needs, while the rest (20%) agree at all level with the kind of information. By observing the result of this questionnaire the researcher can concludes that ALU should add more effort on CRM strategy towards the information giving to their members.

![Figure 1: Perception on Alumni Liaison Unit Information](image)

**Alumni Liaison Unit Medium of Communication**

According to the respondents in Figure 2, (63.33%) agree that the medium of communication used by the Alumni is not suitable to them due to the reason that the satisfaction towards their requirements is very low and the rest of the (36.67%) said it is appropriate and enough to them. Based on the result the researcher can make a conclusion that Alumni Liaison Unit should also give certain attention to the medium they used in communicating with alumni members for better relationship.
Alumni Liaison Unit Interaction with its Members

Figure 3 shows the result from the respondents that most of the respondents (73.33%) do not satisfy with the Alumni Liaison Unit’s interaction due to the lack of customization of service towards its members while the other percent (26.67%) agree and satisfy with the interaction from Alumni Liaison Unit to them. Using this result the researcher can conclude that the interaction between the Alumni Liaison Unit and its members is not that good to be considered as a strategic interaction. Due to this reason Alumni Liaison Unit need to use CRM strategy to interact with the UTM Alumni effectively.

Need for Identification

Based on the result showed in (see Figure 4), the researcher found that majority of alumni members (40%) agree to suggest for Alumni Liaison Unit to identify the alumni’s information for treating them better. The (21.67%) of respondents prefer to state neutral while the (15%), are strongly disagree. The (13.33%) of respondents are strongly agree, while the rest (10%) which are the minority disagree for Alumni Liaison Unit to identify the alumni’s information. By looking at the result the researcher can conclude that there is a need
for the Alumni Liaison Unit to use CRM strategy for better identifying and understanding alumni members in order to sustain the organization with sufficient members needed.

![Figure 4: Need for Identification](image)

**Need For Alumni Differentiation**

Result from (Figure 5) showed that (30%) of the alumni members suggest that Alumni Liaison Unit should separate the value between the alumni members to better interact with them, such as in terms of membership duration, low and high customer requirement. (28.33%) of the respondents agree and (21.67%) prefer to state neutral. In the other side (13.33%) disagree and the minority (6.67) are strongly disagree to suggest the Alumni Liaison Unit to segregate the value between the alumni members. The conclusion of the researcher based on the result is that Alumni Liaison Unit should use CRM strategy to segregate their members which renders to improve the effective interaction based on better understanding of alumni’s requirements.

![Figure 5: Need for Differentiation](image)
Need for Customization towards Service based on Alumni’s Value

Figure 6 shows that the majority of respondents (43.33%) suggest that Alumni organization should deliver their services based on alumni’s value which will be based on the differentiation of different level of alumni members. (21.67%) of the respondents prefer to state neutral and (15%) strongly agree. On the other side disagree and strongly disagree were the same rate of (10%) to suggest for customization towards service. This can be concluded by the researcher that the majority has agreed for the customization based on value. Therefore Alumni Liaison Unit should give a consideration on this issue of customization of their service that they give to alumni members.

![Figure 6: Need for Customization towards Service](image)

Need for Interaction based on Alumni’s Value

From the result showed in Figure 7, (35%) of the alumni members, they prefer to state of neutral because they seldom interacted with Alumni Liaison Unit. (28.33%) say agree to need for interact based on alumni’s value and (16.67%) are strongly agree. On the other side only (11.67%) are disagree and (8.33%) strongly disagree to the suggestion. With the suggestion of majority of alumni members, Alumni Liaison Unit should use CRM strategy for interacting with them with respect to their values level toward the Alumni organization. Conclusion from the researcher based on the result presented that Alumni Liaison Unit should use CRM strategy for special interaction with their members in respect to their levels of alumni value toward the Alumni organization.

![Figure 7: Need for Interaction](image)
4. Summary of the Questionnaire Finding

Subsequently and based on the result from the questionnaire, it found that the current relationship between the Alumni organization and UTM Alumni is just for a short time, due to the reasons from the alumni members that most of them cannot be satisfied with the Alumni Liaison Unit after a short period of time. The questionnaire also presented us clearly the suggestions result from the alumni members for some certain factors that cause to improve their needs which will enhance and maintain the relationship between the Alumni organization with the UTM Alumni. Here the researcher can conclude that Alumni organization should implement a CRM strategy that guards and helps in Identifying, differentiating, customizing and interacting with their alumni members in a better mean in order to maintain and improve the good relationship with them.

Model Design

The development of the Customer Relationship Model or also known as IDIC model involves the integration of major components of CRM. These components have been analyzed and determined out by the researcher during the literature review and analysis phase of the research and finally the new CRM strategy model is generated based on the CRM lifecycle as illustrated in previous sections and adapted from Siddiqi [13]. As it can be seen in Figure 8, the new CRM strategy model which was in the combination of four phases is then enhanced with more steps and detail steps for each phase.

![Figure 8: Research Framework](image)

**Phase 1- Identify**

Identifying the customer is the first phase in the new CRM strategy model. This phase describes how Alumni Liaison Unit can identify their UTM Alumni by using differentiate mean of communication to get the information needs from their members, Information such as: name, gender, age, preferences, address, academic abilities, geographical location, qualification and registration information must be collected across the Alumni organization, at all points of contact. The more information gathered on each member, the more
can be read into their habits and preferences, which leads the Alumni Liaison Unit to understand more about UTM Alumni.

**Phase 2- Differentiate**

The differentiation phase is to differentiate among different types of customers with respect to their value and requirements. The researcher divides it into two parts which are based on differentiation by customer value and differentiation by customer requirements. The alumni members represent different levels of value to the Alumni Liaison Unit and their requirements are radically not the same from the Alumni organization.

**Phase 3- Customize**

Customizing and communicating to ensure that the expectations of customers are met. Indeed, the Alumni Liaison Unit should adapt some aspect of its behavior toward UTM Alumni, based on that individual’s requirements and values. To involve alumni in a relationship, the organization needs to adapt its behavior to satisfy the alumni’s expressed needs. Once the interactions and reactions of each member have been analyzed, a full one-to-one service can be offered to alumni based on their values and requirements to the organization, personality and background.

**Phase 4- Interact**

This is the phase where the benefits of CRM boost in. Having categorized the alumni to their respective value and requirements, the Alumni Liaison Unit will be in good position to treat them differently. Valuable alumni for example can be given more benefits, such as better offers to encourage them to stay faithful, since their loyalty is more important to the Alumni organization, while other will be treated according to their value to the organization.

5. **Research Limitations and Future Research Opportunity**

The limitation of this study was the lack of time to extend the scope and apply CRM as effective strategy throughout the whole university to keep its current students, because it is more effective for schools to keep current students enrolled in programs and retain them as alumni. As a result, university can apply CRM as a useful technique to increase satisfaction and build loyalty to their current students who as purchaser register for courses, apply for graduation, and make donation as alumni. The longer these ongoing transactions are satisfactory to both partied, the longer the relationship will endure, to the benefit of every one. Therefore it renders to retain current students who at the end will be as alumni. Application of CRM in the area of higher education can be applied for whole university as a tool for educational marketing activities since it blazes a trail that has not been investigated by many researchers and the scope is very new and untouched. Therefore a wide area exists to be explored for interested researchers which have tendency in topic of "application of CRM in educational marketing of universities. Based on the constraints and challenges the researcher encountered when carrying out this thesis, the researcher seeks to recommend that the faculty or institution through the Research and Development unit of the institution to liaise with various companies located within the city where the institution is situated. So that will be easy for UTM Alumni mainly the international alumni to get across the organizations because there already exit a path or form of university-company collaboration. With this path and agreement in place, UTM Alumni can get easy access to organizations.

**References**


