
Marketing Distance Learning Programs and Courses: A Relationship Marketing Strategy

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Abstract

Relationship marketing has emerged as a dominant paradigm with consequences for marketing and management of a relationship-type marketing strategy. A number of researchers have advocated a move towards relationship marketing in the corporate world but application of relationship marketing strategies towards educational services has received little attention. This paper is an attempt to address the gap. The relevance of relationship marketing paradigm to student recruitment and retention in distance learning programs is described. Theory of student retention and the relationship marketing paradigm reinforce similar strategies to promote student retention and are complimentary to each other. A comparison of the roles and responsibilities of the marketing and non-marketing staff in implementing the relationship marketing strategy is discussed. Also included is a brief discussion of Service Center, an online application developed by the academic outreach staff of University of Illinois at Urbana-Champaign, and the service management strategies by departments of three online graduate degree programs to build long-term relationship with the student and other collaborating partners.

Changing Landscape of Higher Education

Higher education in general and distance education in particular are going through a number of changes as a result of advancements in computer technology and changes in the student profile. Internet has created a new level of competition with the entry of for-profit dot.com companies who pose a credible challenge to the traditional educational institutions especially in the online programs. At the same time, enrollment in higher education is expected to grow at 16% over the next decade (Jones, 2003) with an increasing enrollment in online programs (Allen & Seaman, 2004). Educational institutions are responding to the changes by offering online versions of a number of traditional campus-based programs and in some cases creating a virtual campus (Howell et al, 2003). Institutions are also collaborating to offer joint degree programs. For example: Cornell Hotel School, eCornell and The Culinary Institute of America have combined to produce a series of self-guided interactive online courses using multimedia technology and are targeted for restaurant professionals to develop managerial skills. New School University and Open University in Britain are jointly offering courses leading to a Certificate in Management.

There is a shift in the composition of student population with a growing proportion of non-traditional students enrolling in both the campus and distance learning programs. Unlike the traditional students whose primary goal is to graduate with a degree, many non-traditional students may already have a degree and may be interested in transfer credits or acquiring skills.

Non-traditional students also enroll at multiple institutions, sometimes simultaneously, (Johnstone, Ewell, & Paulson, 2002) , temporarily stop-out, or have had multiple transfers between institutions. Internet has provided students access to tremendous amount of information. With a simple click of a button they a re able to shop for courses and programs that best accommodate their schedules and learning styles.

Transactional Marketing

A number of institutions are reacting to the changing market conditions by implementing mass marketing strategies to maintain and increase their market share of student recruitment and enrollments. Internet as a low cost mass marketing medium has overtaken print, TV, and radio as a medium of choice for many products because of the large volume of online users and the low cost of reaching out to them . There is a wide variety of internet ads classified as pull and push advertisements. They include email, banners, buttons, pop-up displays, keyword hotlinks, keyword search (example Google AdWords), and chat room ads (see Figures 1, 2 and 3).

Figure 1. Buttons



Figure 2. Banner



Figure 3. Google Keyword Search “Distance Learning” displays Sponsored Links





Online advertisements by traditional and dot.com institutions is an indication of the new trend in mass marketing of education. These strategies are based on traditional transactional marketing approach where each transaction is treated as an isolated event. There is a minimal ongoing relationship or communication between the student and the institution. Marketing is more than advertisements and promotion activities. It must also be concerned with student retention strategies. Student recruitment is the first step in a long series of marketing processes and does not begin and end with recruitment. A variety of services critical to student but not treated as part of the transactional marketing strategy include orientation, student advising, real-time information about courses, online registrations, student accounts, help-desk, complaint handling, and feedback in a friendly, trustworthy and timely manner. Recruitment strategies with an emphasis on mass marketing go contrary to the need for a focus on services, building and maintaining a long-term relationship with the students. Strategies based on transactional marketing result in low student retention rate and as such are not a good economic model (Noel-Levitz, 2004). Students are daily inundated with a flood of advertisements by mass marketers competing for their attention. They are fighting back by installing e-mail filters, pop-up blocker, options to block ads and banners by URL, and patches to block the loopholes in active-x plug-ins to avoid unwanted advertisements. Mass marketing is hence less effective (Grönroos, 2000) and very inefficient.

Education is a Service

Education is a service and students are the prime focus of the institution. Marketing literature has identified intangibility, perishability, inseparability, and heterogeneity as the four characteristics of services. Education services constitute core and supporting services. Teaching and learning that occur in the class are examples of core service because it is critical to a successful learning experience. A number of supporting services include real-time information about courses, student advising, online registrations, orientation, student accounts, help-desk, complaint handling, and feedback in a friendly, trustworthy and timely manner. Students regularly come into contact with the staff associated with these services during their stay at the institution. These services create added value to the student and determine the quality of students' learning experience.

Relationship Marketing

Relationship marketing refers to all activities directed to establishing, developing, and maintaining successful long-term relationships (Berry, 1995; Morgan & Hunt, 1994) with the students and other stakeholders. The emphasis is on relationships based on mutual trust and commitment. Building and managing relationships are the underlying facets. It is about transforming students into loyal alumni. According to Grönroos (2000), relationship marketing is not a set of tools nor is it direct marketing or loyalty programs. It is a *marketing attitude of mind* throughout the institution when students feel that the staff is interested in addressing their

concerns spontaneously in a friendly and professional manner (Grönroos, 2000). Relationship marketing offers an alternative strategy to build competitive advantage based on collaborative involvement with the students and other departments (Sheth and Parvatiyar, 2000). There are three levels of relationship marketing (Berry & Parasuraman, 1991). At level one, price incentives are used to promote enrollments. Social bonding is used in level two to develop trust in the relationship and loyalty to the brand. At level three, the focus is on building structural relationship through customized programs to meet the needs of the student and the student employer. Level one and two programs can be replicated by the competition as such are not appropriate for developing competitive advantage. Level three programs are not easily replicable and are the basis of competitive advantage to the institution especially in educational services.

Even though there are similarities between marketing of products and services, yet because of the special characteristics of educational services it is not recommended to blindly apply marketing strategies developed for manufacturing products. Marketing of educational services is about interactions between the institution and the students that form the basis of a process of relationship building. Management of educational services is the management of this relationship processes. It is more complex than managing products because products can be standardized whereas it is difficult to standardize services due to a large number of staff involved with a host of services. Conceptually the complete chain of activities is coordinated and managed as one large process. The goal is to create a non-imitable bundle of services to the student.

Theory of Student Retention and Relationship Marketing Paradigm

Numerous internal and external factors, and interactions between these factors, have been identified as contributing to student attrition. Leading models of student attrition, such as Tinto's *Student Integration Model* and Bean's *Student Attrition Model*, are therefore limited in their ability to provide a comprehensive framework to analyze the student retention phenomena. A holistic approach to student attrition (Shaik, 2003) attributes student dropout to overall impressions and experiences of the students during their stay at the institution. Processes at different levels in the organizational hierarchy, including recruitment and admissions, orientation, advising, help-desk, and the teaching and the learning environment have a significant influence on student retention. Both the theory of student retention and the relationship marketing paradigms complement each other with focus on services to develop long-term relationships and a balanced emphasis on enrollment and retention strategies.

Full-time and Part-time Marketers

The traditional marketing process is the responsibility of *full-time marketing* staff. Staff members associated with interactive marketing processes are considered as *part time marketers* (Gummesson, 1999). Marketing, in the traditional sense, conjures images of the harassing, nasty, and pushy telemarketers. It reminds of the late night infomercials with unsubstantiated claims. Part-time marketers therefore have misperceptions about marketing and statements such as these are not uncommon:

- Why do I need to be a marketer?
- My job is to enroll students to courses.
- Student orientation has nothing to do with marketing.
- Student advising and marketing are two very different tasks.

- I am hired to teach students.
- I am not qualified to perform marketing tasks.
- This is not a call center and I am not a telemarketer.

The roles and responsibilities of marketing and non-marketing staff are different in relationship marketing. The part-time marketers have a dual role. Their primary role is as domain specialist and secondary role as part-time marketers. In their secondary role, part-time marketers offer services with a marketing attitude such that the student wants to be engaged in a long-term relationship with the institution. The service interactions are considered as “*moments of truth*”.

Implementing Relationship Marketing

Implementation of relationship marketing services needs to be address from full-time and part-time marketers' perspectives. There are a multitude of student interfaces that the institution has to manage. The full-time marketing staff responsible for recruitment and enrollment of students will be the first contact with the student. The student next comes into contact with the part-time marketing staff through a variety of channels: online web sites, campus departmental units, functional staff from registration, orientation, advising, student accounts, information technology, instructors, help-desk. The first task relates to the full-time marketing staff and the issues of student interface, and the nature of recruitment and enrollment initiatives. A more challenging issue relates to the complexities of establishing an effective internal interface among all the part-time marketers and the associated processes so that the fundamental requirements of service marketing can be established. Developing effective interaction within the marketing staff and between various functional departments in the institution becomes a high priority issue. This is critical to the successful implementation of a relational marketing initiative. Effective service management also requires an enterprise information system to share relevant, consistent, and meaningful student profiles with all student interfaces. *Service Center* developed by the staff of Academic Outreach, University of Illinois is an attempt to analyze and service the needs of students and provide a comprehensive, coordinated approach to meeting those needs over time. The focus is on developing and enhancing interactions and one-to-one relationships with the students. The goal is to facilitate long-term student retention and growth strategies by a process of integration with *UI-integrate*, the University of Illinois enterprise resource planning system, through the *Enterprise Data Warehouse* (EDW). Critical to implementing the Service Center is the ability to provide an integrated profile of the student to various student interfaces while maintaining the confidentiality and integrity of student data. Data is collected from a number of student interfaces and contact points and combined with the data from EDW. Service Center personalizes the relationship with the students by providing vital information at every point in the interface with the student. Information to staff and student at every interface or contact point is restricted to maintain confidentiality of student data. Real-time reports are generated based on student interactions and data from EDW. Implementation tools include online registration, communication center, financial reports, enrollment management reports, student feedback, help-desk, online tutorials. Service Center has been tested and implemented in august 2004 and has received encouraging reviews from the staff and students.

Graduate School of Library and Information Science (2005) Online Education LEEP, Human Resource Education (2005) HRE Online, and Curriculum Technology and Education Reform (2005) CTER, have successful quality online master's degree programs with a focus on building long-term relationships. HRE Online and Online Education LEEP have students enrolled from US and other nations whereas CTER students are mostly from Illinois and surrounding regions.

These programs are micro-managed by respective departments and offer a host of services customized to the needs of the students by partnering with the Division of Academic Outreach, and other campus units. The department staff are actively involved with a range of student services including program promotions, recruitment, admission, course registration, orientation, advising, customized learning management system, help-desk etc in their role as student advocate. They also have a track record of transforming students into loyal alumni.

Conclusion

Higher education in general and distance education in undergoing a number of changes as a result of advancements in computer technology, growing competition from dot.com companies, and changes in the student profile. Students are demanding quality services and are less willing to make compromises in the quality of educational services. To survive in this competitive environment, educational institutions need to consider implementing relationship marketing strategies to promote student retention, encourage recruitment and enrollment of new students, and build long-term relationships with students. Corporations are moving away from mass marketing to relationship building strategies and education institutions can benefit from this experience. Having internationally renowned faculty teaching courses is not sufficient for gaining competitive advantage. Quality teaching has to be supplemented by quality supporting services by staff with a marketing attitude to maintain long-term relationship with the students. Education as a service with multiplicity of student interactions is ideally positioned to take advantage of relationship marketing to provide consistent and personal services to the students over time and across multiple touch points. Relationship marketing offers an efficient way of keeping track of students' expectations and offering services to students that are meaningful and relevant. Such a strategy will have a balanced focus on student recruitment and retention initiatives. Implementation of relationship marketing requires a dedicated staff with a service attitude of mind, a good physical or virtual environment, and well managed service processes.

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