# Communicating with Students

## Improving Relationship Management to Attract and Retain Non-Traditional Learners

A Destiny Solutions Report

## EXECUTIVE SUMMARY

The higher education market has changed drastically in the last decade and, in order to succeed, colleges and universities must keep pace and adapt. Today's higher education students expect to receive a high level of service from their institution, before, during and after enrolling. However, faced with tightening budgets and quickly-escalating costs, institutions must provide this high-quality service in an efficient and streamlined way.

By leveraging relationship management capabilities, institutions are able to gain a 360-degree understanding of the student and use it to communicate with them effectively. Institutions that know their non-traditional students and can provide them with rapid and personalized service and communication stand to increase enrollments, improve retention and reimagine market potential.

**DESTINY SOLUTIONS**

## THE CHALLENGE TO DO MORE WITH LESS

*Today's students have high expectations for customer service at their institution; however, limited budgets can make it difficult for schools to comply*

It is much harder to describe the typical student today than it was 25 years ago.[3] While 16 percent of students can be considered 'traditional' — living on campus and going to school full time — this is no longer the norm.[4] As a result, when students interact with their schools, it is no longer possible to make assumptions about who they are or what they are looking for. This poses a significant chal¬lenge for higher education institutions because, with non-traditional students' high expectations for customer service, institutions require a means of understanding and communicating with each student as an individual. As such, simultaneously pressed to do more with less, staff must be able to offer high-quality service in an efficient and streamlined manner.

### Expectation for Customer Service

Non-traditional students view themselves as customers and have high expectations for the service they receive before, during and after enrollment. In fact, today's students have the same service expectations when selecting a higher education institution as they do when making any other major purchase.[5] However, when serving non-traditional students, customer service after enrollment is just as important, if not more so, than before enrollment.

> { A 10% increase in customer retention can double revenue }

Retention is a concern across all of higher education; however, it is more complex when looking at non-traditional students. Given the tendency for non-traditional students to seek out courses that fill immediate educational needs, stopping in and stopping out as their schedule permits, non-traditional students will continually return to school over time. This means an institution can have a lifelong relationship with the student — rather than a traditional two or four year, degree-length, relationship — and can significantly increase the lifetime value of the customer. Of course, this means the customer must be retained. A recent study demonstrated that by retaining an additional 10 percent of customers, companies (or institutions) stand to double their revenue.[6] However, given the diversity of today's student body, there is no 'one thing' that students are looking for, and institutions are thus challenged to create a scalable service strategy that accommodates each student in an individualized and personalized manner.[7]

### Requirement of Efficiency

It is critical for higher education institutions to provide individualized service to each current and prospective non-traditional student; however, it must be done in an efficient and cost-effective manner. Public universities are currently experiencing severe budgeting problems after the American Recovery and Reinvestment Act funds dried up in 2012.[8] Private universities have also experienced problems as their expenditures have increased more rapidly than their revenues. Along these lines, it is also worth noting that at both public and private institutions, expenditure on student services and institutional support have increased more rapidly than expenditure on instruction.[9]

One of the reasons for the increase can be seen when looking at the decline in administrative staff productivity at higher education institutions. Defined as the ratio of staff to students, administrative staff productivity declined by between 23 and 53 percent in the last two decades, depending on the type of institution.[10]

> { Administrative staff productivity has declined by up to 53% }

Currently, 82 percent of business officers at higher education institutions say centralizing or consolidating administrative functions is important in reducing operating expenses.[11] In order to reduce expenses while simultaneously meeting student demands for a high level of customer service, institutions must streamline processes and increase efficiency.

## HOW RELATIONSHIP MANAGEMENT CAN PROVIDE A SOLUTION

*Higher education institutions need advanced relationship management capabilities to efficiently provide their students with a high level of service*

Businesses have had relationship management strategies in place for a long time; however higher education institutions are only just starting to consider their potential.[14] It is important to note that relationship management is not just eMarketing; it entails communicating better with the student — not just more. However, managing large amounts of data for numerous students is very time consuming and difficult when done without the proper tools. Therefore, enhancing relationship management capabilities is the best way for colleges and universities to streamline and improve prospect and customer relations while also increasing efficiency amongst staff.

{ CRM processes can increase revenue by 42% }

Although relationship management is a fairly new concept to higher education, it is clear by looking at business benchmarks that by implementing these capabilities, institutions can gain:

- 42 percent increase in revenue
- 35 percent decrease in cost of sales
- 20 percent increase in customer satisfaction ratings[15]

## FOUR KEY RELATIONSHIP MANAGEMENT CAPABILITIES

*The following four elements present critical considerations for improving communication with students*

### Complete Tracking for 360-Degree Understanding of the Student

Institutions require an easily accessible profile complete with the student's interests, preferences and purchase intent as well as academic, financial and communication history. With immediate access to a complete picture of the non-traditional student, support staff can provide more valuable service and marketing staff can provide more meaningful communications strategies — both key factors in increasing revenues and student satisfaction. As a result of ensuring that each profile is both complete and accurate, institutions stand to increase revenue by 66 percent.[16]

### Integration with Campus Systems

In order to provide staff with easy access to complete student profiles, there should be tight connections and collaboration between relationship management capabilities and the student information system (SIS) or enterprise resource planning (ERP) system. ERP and SIS systems house critical academic and financial information. However, because of vastly different architectures, it has traditionally been difficult to exchange data between numerous systems, and staff are often left with labor-intensive re-keying or inefficient use of multiple systems and logins.[17]

{ By unifying data, lead conversion rates can increase by 12.5% }

Staff require an efficient means of attaining a 360-degree understanding of their students. In order to do this, the relationship management tools must be tightly integrated with the rest of the campus computing environment, or must be a platform or module within the enterprise system itself. Creating one unified set of data, either through integration or through the use of a single database, can create a 12.5 percent increase in lead conversion rate.[18]

### Data Mining and Reporting Capabilities

Data mining and reporting is becoming even more important as the student demographic becomes increasingly complex. It is nearly impossible in today's postsecondary environment to make

## DESTINY One

### A RELATIONSHIP MANAGEMENT SOLUTION

Destiny One™, the business software platform by Destiny Solutions, provides administrators with all of the tools needed to manage a non-traditional higher education division. Destiny One provides the most comprehensive understanding of an institution's relationship with students. It puts powerful tools in the hands of marketing and student support staff so they can provide students with the best possible experience in the most efficient way. In the end, this translates to long-term loyalty and increased revenues.

Built from the ground up to support the varied needs of non-cohort models of education, Destiny One manages and tracks all aspects of the student relationship from first inquiry, so academic and financial information is housed alongside communication history and declared preferences. Equipped with a full repository of student interactions with the school, Destiny One provides a suite of relationship management capabilities that allow institutions to increase staff efficiency and improve the student experience.

Destiny One provides capabilities including:

• Flexible student profile that includes communication, financial and academic history

• Campaigns synchronized with student profiles to allow staff to effectively target outreach

• Fully integrated into the campus computing environment, Destiny One unifies operations in order to provide a complete view of the student and their relationship with the whole school

• Data mining and reporting that allows administrators to leverage rich analytics to facilitate data driven marketing and communications strategies

• Automated workflows that accelerate inquiry response time and other key processes in order to improve staff efficiency

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assumptions about student interests or needs based on a 'traditional' student profile.[19] In order to appeal to the modern non-traditional student, institutions must gather data and use it to effectively segment current and prospective students so that all communications are relevant to their needs.[20] Data mining capabilities provide insight into every aspect of the student relationship and allow the school to meet student needs without wasting time or money on extraneous efforts. However, only 23 percent of higher education institutions have a strategic plan in place for business intelligence and analytics.[21]

A relationship management platform equipped with reporting capabilities stands to significantly increase staff efficiency by consolidating data into a format that staff can analyze and use as a basis for decision making.[22] The effectiveness of student segmentation becomes especially clear when looking at marketing efforts. For example, a targeted email, on average, drives 18 times more revenue than a widely-distributed email blast.[23] In addition to segmenting the student population to communicate more effectively with them, data mining capabilities also allow the institution to analyze the effectiveness of each marketing effort. By measuring each marketing endeavor, it becomes easy to see where resources should be allocated in order to maximize the return on investment, both in terms of time and in terms of money. By employing this strategy, the Stanford Center for Professional Development has been able to increase lead conversions by more than 250 percent.[24]

### Automated Workflows

An automated workflow functions by quickly notifying the right people at the right time about tasks they need to complete. This is critical, especially when it comes to student inquiries, because of the time it saves staff and the additional revenue it stands to provide. A recent study on inquiry management at

> { 27% of inquiries to a higher education institution are never answered }

higher education institutions found that, on average, only 26 percent of institutions respond to every inquiry they receive, and that only 73 percent of inquiries ever receive a response. While the median response time for answered inquiries was 108 minutes, 6 percent of institutions were able to answer within two minutes. This is critical because by being the first to answer the student's inquiry, the institution has a 238 percent higher conversion rate than the second responder.[25] By immediately alerting the right person to respond, staff can avoid confusion and respond rapidly to student inquiries every time.

Automated workflows can be used to improve a number of other internal relationship management-based processes. The goal is to automate the process based on best practice in order to ensure it is being done to the highest standards and in the most efficient way — thereby simultaneously improving the customer experience and reducing the administrative burden.[26]

## CONCLUSION

Today's non-traditional students are demanding high levels of customer service from their higher education institutions. As a result, market-leading schools are treating their students as consumers and striving to meet their needs in a cost effective manner. One of the best ways to meet these aims is to focus on relationship management, which allows the institution to gather and analyze data in order to market to and communicate with students in an effective and personalized manner. In today's competitive higher education landscape, institutions must take advantage of every opportunity to grow their business and improve their student service. Institutions that understand their non-traditional students and provide them with rapid and personalized service stand to increase enrollments, improve retention and reimagine market potential.

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### About Destiny Solutions

Destiny Solutions creates software for universities and colleges that helps them to successfully attract, manage and maintain their non-traditional students. Our software satisfies the specific needs of continuing education extensions, corporate training divisions, international programs, online schools and other units with distinctive requirements, while enforcing system-wide objectives across the institution. We unite best of breed capabilities with economies of scale so that each unit is empowered by a single solution.

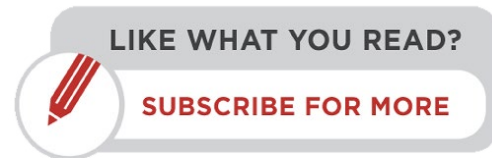# Want to communicate better with your students?

# We can help.

**Learn More**

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