

# **Effectiveness of Customer Experience Management Strategies of Higher Educational Institution in Relation to Customer Loyalty**

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## **Abstract**

The major concern of every higher education institution is to meet the needs and expectations of their customers to achieve sustainable competitive advantage. Thus customer experience management is one of the strategies to optimize interactions from customers' perspective which as a result will foster customer loyalty.

The study is anchored on the fact that customer experience management strategies directly or indirectly affect the image and marketability of higher educational institutions as seen by the external customers. The effectiveness of strategy is determined by the experience clues that are categorized into functional, mechanic and humanic clues of being a service-based organization. The functional clues are the competence in services offered such as quality of instruction and curriculum. Moreover functional clues also includes having fast service operations among the different units that students deal with. The mechanic clues is the service environment of the school such as facilities or physical services that provide a safe environment. Lastly the humanic clues are about the courtesy extended and the good human relations of employees with the students.

The customers' loyalty is being measured through the level of satisfaction and likelihood of the students to give full trust and reliance, as well as in the way they recommend the higher educational institution (HEI) to other prospective clientele. The commitment of the higher educational institution is the pursuance of continuous improvement of educational service. Marketing edge and level of acceptable excellence are indications of quality improvement.

**Keywords:** Customer experience management, Humanic clues, Mechanic clues, Functional clues, Customer loyalty

Managing customer experience is one of the most important challenges that higher educational institutions face in today's competitive environment. It starts from the fact that the major concern of every higher education institution is to meet the needs and expectations of their customers to achieve sustainable competitive advantage. A customer is anyone to whom a product or service is provided and offered. In an educational institution, the primary customer is the student who is both an internal and an external customer. While the student is enrolled he is an internal customer who participates in the learning process. The parents are also internal customers. All employees are internal customers of one another wherein each is a supplier and a customer to someone else. The

student becomes an external customer when he is no longer enrolled or part of the system. The external customers include the business, industry and society.

The customer experience management strategy has direct and indirect relationship with customer loyalty through service quality and customer satisfaction. It is one of the strategies to optimize interactions from customers' perspectives which, as a result, will foster customer loyalty. The satisfaction of students is determined by their overall experiences as a customer of a particular higher educational institution. Student satisfaction is also the key determinant of customer or student loyalty which encourages positive word-of-mouth about the institution. The higher educational institutions must be able to manage every aspect of the students' interaction specially those that involve people as they deliver their services to others. The customer or students' loyalty is an expression of their brand preference and describes their behavior of repeat patronage. Goodman (2009) emphasized that the strategic customer experience management will lean towards gaining customer loyalty. There should be an amazing customer experience to create customer loyalty which is the main concern of the newest trend or approach in business which is so called customer experience management.

Customer experience management is a coordinated effort to accomplish specific goals by improving the quality and consistency of customer interactions (Paula and Negricea 2008). According to Krishman (2009) customer experience management emphasizes the duration of relationship and treatment of the customer as a journey, placing a greater emphasis on every interaction that leads to experience of the delivery of promised relationships. Moreover Palmer (2010) defined customer experience management as a model which integrates interpersonal relationships, service and brands. In a study conducted by Abhari, he defined customer experience management as a program to enable large and complex organizations to deliver a financially, optimal customer experience, resulting in increased customer loyalty and hence superior growth and financial performance. The focus of customer experience management is understanding the right service experience as well as providing excellent customer experience. Such customer experience can be derived from an interaction between the firm and how the customers feel, learn and gain during the interaction. It is really important to know your customers's needs and wants and what they expect from your products or service that you will offer.

Customer experience management is focused on the customer to have a better service and ultimately a higher number of loyal customers spreading word of mouth advertising to potential customers. According to Nwokah (2013) customer experience management strategy is a systematic analysis of the factors with customers experience and the organization itself to provide the basis of rethinking the current management practices in providing positive customer experience. It is concerned primarily as to what the customer desires during all the touch points between customer and firms.

The effectiveness of customer experience management strategy is determined by the experience clues that are categorized into functional, mechanic and humanic clues of being a service-based organization. Such clues play specific roles in creating the customers' service experience which have been influenced by the customers thoughts,

feelings and behavior. Functional clues primarily influence customers’s cognitive or calculative perceptions of service quality while the mechanic and humanic clues primarily influence emotional or affective perceptions (Wall and Envick 2008). According to Berry et. al (2007) functional clues are concerned with the technical quality of the service offering specifically the reliability and competence of the actual service. Mechanic clues relates to physical or intangible service which makes the customer feel comfortable such as the ambiance, facility arrangement and others. Humanic clues relates to the service provider’s behavior, appearance and the manner the service is being delivered such as the tone of voice use and choice of words.

This study is moored on the fact that customer experience management strategies directly or indirectly affect the image and marketability of higher educational institution as seen by the customers. Moreover, the focus of this study is based on customer experience strategies which advocate customers’ loyalty. It aims to know the factors that made the customers avail of the services, customer satisfaction and likelihood to become loyal customers.

Table 1 Experience Clues in a Higher Educational Institution

Functional Clues	Mechanic Clues	Humanic Clues
Instruction	Classroom atmosphere	Courteousness
Curriculum	Class size	Friendly employees
Services Rendered by the Different Units	Cleanliness and maintenance of facilities	Smile, greet and thank you
	Facility layout	Approachability
	Accessible location	Personal appearance
	Visible signages	Response time of employees
	Informative website	

The customer experience management strategies are anchored on the experience clues. In a higher educational institution, these three experience clues play specific roles in creating the customer’s service experience. The functional clues are the competence in services offered such as quality of instruction and curriculum. The quality of instruction is evident in the teaching-learning methodologies or strategies such as lectures, cooperative learning, oral presentation, discussion groups, on-the-job training or practicum. It is more focused on outcomes based education and student centered activities. Opportunities are given to students to apply the theories and concepts learned in various courses. For instance in the entrepreneurship area or program the students develop new products, justify the marketability and feasibility of such products through actual selling. The curriculum of various courses is regularly reviewed or assessed by the

different stakeholders like the alumni, faculty, students and industry practitioners to align with the industry requirements. It reflects the expected learning outcomes and the means to achieve them. The evaluation of student performance is done through a variety of assessment tools such as written or oral examinations, research projects, feasibility studies, analysis and reflection papers.

The functional clues also include the fast, accurate and efficient performance of pertinent tasks as well as prompt delivery of service from a particular unit where the students deal with. These are the services rendered by the registrar's office, finance office, student health care, library, bookstore and knowledge center.

The second experience clues is the mechanic clues which is about the service environment of the school such as facilities or physical services that provide a safe environment. The teaching learning environment such as classroom atmosphere must be conducive to learning. The class sizes in classrooms and laboratories must be appropriate to the number of students. The cleanliness of facilities such as comfort rooms, consultation rooms, gymnasium, school grounds and canteen must be properly maintained. Informative signages such as entrance, exit, location of buildings and offices are properly displayed and readable. The facility layout of the different units is well arranged and spacious. Accessibility and informative website of the higher educational institution is also considered as a mechanic clues.

Lastly is the humanic clues which are about the courtesy extended and the good human relations of employees with the students. The SGT (smile, greet and thank you) manner is being done. This shows the courteous, friendly, humble, approachable response of the employees to the customers.

The effectiveness of customer experience management strategies are of paramount importance in creating customer satisfaction and customer loyalty in a higher educational institution. Adherence to these strategies are the key success factors towards a sustainable competitive marketing edge of the learning or higher educational institution.

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