

# Customer **Experience** Management: Competing Successfully in Higher Education

Prepared by ARAMARK Education • November 2005

## Synopsis:

Recent trends and pressures in higher education are causing colleges and universities to adopt a more business-oriented approach to managing their campuses. Concurrently, education is becoming more “experiential” in nature. Current advancements in business-to-business operating approaches focus on not only creating, but enhancing the customer’s experience. The application of this methodology in the hospitality industry holds lessons for higher education. For higher education, understanding, managing, and measuring the student experience is an advantageous approach for competing successfully.

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## About ARAMARK

ARAMARK Corporation is a world leader in providing award-winning food and facilities management services to health care institutions, universities and school districts, stadiums and arenas, and corporations, as well as providing uniform and career apparel. ARAMARK was ranked number one in its industry in the 2005 FORTUNE 500 survey and was also named one of "America's Most Admired Companies" by FORTUNE magazine in 2005, consistently ranking since 1998 as one of the top three most admired companies in its industry as evaluated by peers. Headquartered in Philadelphia, ARAMARK has approximately 240,000 employees serving clients in 20 countries.

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## **Table of Contents**

Higher Education Customers	<b>1</b>
What Higher Education Customers Want	<b>2</b>
Customer Experience Management	<b>4</b>
Lessons for Higher Education from Other Industries	<b>7</b>
What Higher Education Can Do to Improve the Experience of Its Customers	<b>10</b>

# Higher Education Customers

Higher Education may constitute the ultimate example of a service economy. The physical manifestation of its “product” is a diploma. The rest of the product is experiential—the result of idea exchange, critical thought, social interaction, and personal maturation. Yet, higher education rarely thinks of the beneficiaries of its service as “customers.” If indeed customers are acknowledged, they may be limited only to students; however, anyone who benefits from the environment and experience created by a college or university should be considered a customer. Thus, appropriately defined, this group of customers comprises the following:

**Students**—the most obvious constituents for whom the campus is their home-away-from home. The experience they enjoy is influenced 24 hours a day, 7 days a week by campus activities, events, and people.

**Faculty and Staff**—who work in the environment created by the institution. They partake of many of the same amenities as students, such as dining, bookstore, athletic and cultural events, and even classes. They benefit also from internal service departments, such as payroll, benefits, and human resources. Faculty and staff are unique in that they represent both customers and service providers.

**Alumni**—who may return for athletic contests, reunions and nostalgia events, or even educational classes. This group is also a vital source of revenue.

**Community**—which partakes in athletic and cultural events on your campus. The local community supports your institution and benefits from the local economy generated by your campus and from the community service efforts of your institution. Equally important, the community also contains your immediate employee pool.

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# What Higher Education Customers Want

What do the “customers” in Higher Education” want? There is a shift in the expectations of today’s college student from those of the past. No longer is “learning” simply enough. Aspiring high school graduates are often thought of wanting “an education.” However, as education has become more experiential, so have the expectations of those attending college. Today’s education customer wants a positively memorable experience!

Are customers really referring to the experience associated with becoming educated? For students, this includes leaving home, living on their own, assuming personal responsibility, staying up late, socializing, attending parties, and meeting new people as well as traditional learning. Similarly, faculty seek an environment that promotes critical thinking, camaraderie, academic freedom, and tenure. Staff seek a fair and an equitable work place with career advancement opportunity. Parents seek value for their tuition dollars. Alumni want

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a sense of nostalgia and institutional pride. The community at-large seeks an employer, a revenue source for local businesses, a community partner, and civic pride. All seek recognition and appreciation for their efforts. When properly delivered, they reward it with institutional loyalty.

“Customers” (students, faculty, staff, alumni, parents, visitors) are the new “assets” of colleges and universities. Preserving and developing these assets means not only meeting their needs, but exceeding their

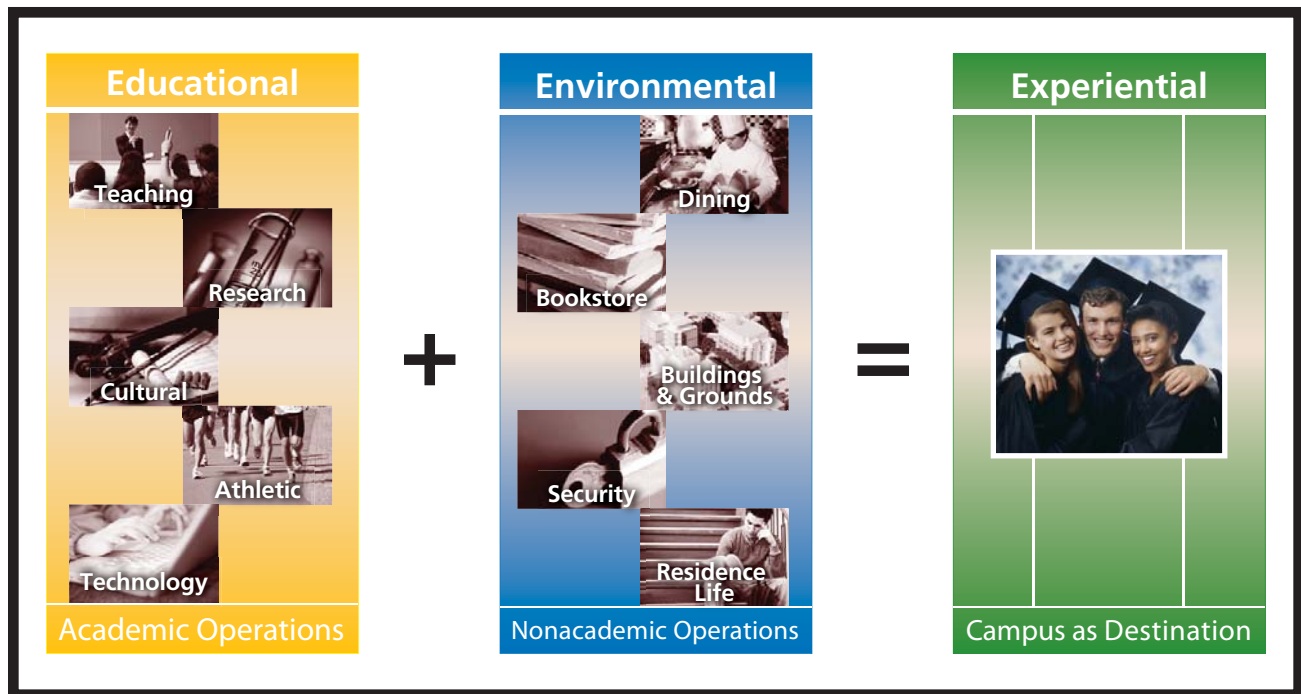
expectations. Stewardship of these assets entails not only creating the ideal campus environment but also managing the customer’s experience.

This experience can be formulaically viewed as the sum compilation of both academic and nonacademic activity (Exhibit I). The academic side remains the primary reason for attending college and is central to a student’s education as well as institutional program. However, the nonacademic

operations, historically thought of as “support”, is an equally crucial component in the creation of the learning and living environment. Together, these functions define the customer’s experience. The

challenge for Higher Education, as for other industries, is to harness these functions and define, create, and manage the experience of its customers.

Exhibit I



# Customer Experience Management

An operating philosophy that treats the customer as an asset is permeating the business world. This is quite different from the perspective of assets as something an entity owns rather than competes for. However, the need to compete successfully alters the competitive landscape, forcing businesses (and IHE's) to view their assets as the customers that keep them in business.

The operational manifestation of this philosophy is known as Customer Experience Management. Broadly defined, Customer

Experience Management (CEM) is the process of managing the events and personal interactions that make up a customer's experience. By looking outside of itself, an institution or organization gains valuable insight into the customer's perspective. This process determines customers' experience by managing "touchpoints"—interactions with all who come in contact with a customer. Customer

Experience Management is the process that successfully builds brand loyalty and repeat business.

The need to create and manage the learning experience is not new to higher education. Indeed, the industry has already made many strides in improving the student's **academic** experience. Faculty recognize the effectiveness of "experiential" learning. Students desire such learning and are even entertained by it. Learning has become now more sensory: it is visual as well as tactile; it is interactive.

The traditional classroom lecture is being replaced with hands-on learning, field study, outside speakers, technology, and other interactive means to convey concepts and engage students.

Equally important is the **nonacademic** environment that allows learning, teaching, living, and socializing to flourish. Time spent outside the classroom is equally

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critical in ensuring a college or university's competitive success. Thus, it is not surprising that greater attention is now being focused on the nonacademic side of the experiential equation. **For it is in this arena that an institution's competitive position can most rapidly be transformed and strengthened.** Note some of the efforts to date;

**Student Housing Preferences**—Residential halls now have suites with private rooms and private bathrooms. Privatized housing boasts swimming pools and volleyball courts, weight rooms, social spaces, computer labs, and coffee bars. Theme-based residential halls allow students to live with others who share a common interest.

**Appearance**—Campus appearance was the second most commonly cited reason by the entering fall 2003 Freshmen class on why they selected their respective institution<sup>1</sup>. A well-maintained campus, one with inviting greens, clean spaces, secure structures, bright lighting, paved paths, and clear signage represents a tremendous asset with a potentially high return on investment in the form of enrollment growth, higher retention, and increased alumni giving.

**Technology**—The Internet has made every campus accessible to every potential student. Such access is necessary in the recruiting of future students as it is in the education of current ones. Wireless systems remove the traditional walls of learning and create a virtual environment where

learning can occur not just outside the classroom, but at the student's convenience.

**Fitness and Athletics**—Athletic and wellness facilities are as much a social hub as they are gymnasium. With such amenities as climbing walls, pools, Jacuzzis, aerobics classes, spa services, and health food, these facilities mirror those found at professionally-managed membership-only health clubs.

**Dining**—Cooking stations that custom-prepare dishes before one's eyes allow a diner to experience the cooking process. Individual portions are customized to one's taste. Increased choices reflect the international palate of today's eaters. Popular, brand-name franchises bring previously off-campus eateries on-campus. Coffee houses are popular student social spaces. Convenience stores and prepared foods entice customers on the go.

**Entertainment**—Outside speakers, cultural events, theatre, and sporting events are just a few of the ways that education entertains. They entice outsiders to campus and require an institution to present a welcoming, vibrant, safe, and attractive environment. Such activities are a simple, outward display of an institution's desire and responsibility to be a good community citizen.

However, despite the improvements in these areas, most campuses still lack a service culture that complements the sizeable investment in physical amenities.

Physical improvements may not be sufficient to maintain differentiation and competitive position. The “build it and they will come” philosophy is easily imitated. Physical amenities and services, at best, represent a short-term competitive edge. At worst, they represent a never-ending financial burden as institutions continually seek to outdistance their competition.

Yet, with the addition of a clearly articulated and delivered unique experience, an institution can greatly strengthen its competitive position and maximize its return on invested amenities.

For colleges and universities, CEM is about creating and maintaining such differentiation.

Customer experience management involves influencing and managing the perception, emotions, and knowledge of your customer—in short, their overall experience. This process transforms an organization’s culture to proactively create an environment and deliver a positive experience unique to your institution. Successfully implemented, CEM creates customer loyalty and builds institutional pride.

# Lessons for Higher Education from Other Industries

Customer Experience Management has been embraced by many other service industries. Healthcare is witnessing a paradigm shift thanks to the recently published “If Disney Ran Your Hospital: 9 ½ Things You Would Do Differently,” which emphasizes the key to a hospital’s success as being the experience one has while in a hospital rather than the actual medical procedures.

Starbucks stores are social lounges with access to wireless Internet. Buy a cup of coffee and stay awhile. The airline industry has long served as a model for Customer Experience Management. Singing flight attendants on Southwest Airlines, the turnaround of

Continental, and the growth of JetBlue are all testaments to the power of CEM. The best examples reside in industries and companies that closely manage all customer “touchpoints” with processes that ensure placing the customer first.

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One industry that has direct prescriptive application for higher education is Hospitality.

Hospitality. Hotels have significantly modified their operation to cater to the customer’s behavior and desires. Think about your last visit to an upscale hotel. You are greeted by a doorman. You learn about the hotel’s amenities at registration and are then escorted to your room. Your bed may be turned down at night. In the morning, you are warmly greeted by the housekeeping staff in the hall, the wait staff as you dine, and the doorman as you exit.

The next time you check out of a hotel, notice if the desk attendant inquires as to the quality of stay. The question is not simply about your night’s sleep—the traditional intent or “core function” of renting a hotel room. Rather, the inquiry surrounds the quality of your overall experience. And that experience is created by all hospitality functions working in unison. From check-in to housekeeping to room service to wake-up to express check-out, together all functions share the common goal of satisfying their customer’s

needs. No distinction is made between “core” and “non-core.” They manage their customer’s experience by ensuring that all areas of operations are united for a common goal.

Similarly, notice how Higher Education has become more “hospitality” oriented. Be it conference and lodging centers, destination dining venues, high-speed Internet access, or suite-style living spaces, today’s campus environment mirrors that of hospitality.

Exhibit II

	<b>Hospitality</b>	<b>Higher Education</b>
<b>Executive Education</b>	Site for conferences and professional development	Growth in Executive Education Programs and related facilities
<b>Dining</b>	Restaurant(s) associated with hotels. Room service. Banquet and catering.	Destination dining venues, coffee houses, and catering.
<b>After Hours</b>	Cocktail lounge, night club, hotel bar.	Campus centers with sports bars and night clubs.
<b>Fitness</b>	Gym and/or pool. Spa services and facilities	Wellness centers and fitness programs. Climbing walls. Pools, Spa services
<b>Technology</b>	Access to high-speed Internet for late-night business & e-mail.	Access to high-speed Internet for late-night homework & e-mail.
<b>Room Amenities</b>	Mini-bar refrigerator, microwave, television, hot pot, shampoo.	Mini refrigerator, microwave, television, hot pot. Convenience stores.
<b>Entertainment</b>	In-room movies, video games, stereo system.	DVD players, video games, i-Pod. Game rooms.

Herein lies the lesson for higher education. The hospitality industry understands its consumer. This industry recognizes that serving the consumer is a complex process, involving customer “touchpoints” and a host of operations all working together. Successful organizations understand and script the customer’s experience at each touchpoint. At the end of the day, the sum components of these interactions and the integrated operation create an appealing consumer experience. Hotels are no longer simply a place to lay your head. And a campus is no longer simply a place to obtain a diploma.

Now imagine the higher education corollary to the hospitality industry. Before stepping on a campus a prospective

student receives specific, relevant information via mail and web. Upon arrival, she is “welcomed” by clear directional signage. She is warmly greeted at Admissions. The elements of her visit are clearly explained. Her unique interests are solicited and integrated immediately into her visit. Her tour, by an engaging student, includes common stops, as well as those most relevant to her interests. Throughout her visit, she meets engaging faculty, staff, and other students. All offer their availability during and after her visit. She leaves believing she has been actively recruited, and appreciated, and with the knowledge that she will be a valued and contributing person to the campus. There is no better place for her.

# What Higher Education Can Do to Improve the Experience of Its Customers

How should your institution create its own customer experience—one that successfully increases enrollment, minimizes transfers, attracts desired faculty and students, increases giving, and positions your institution to compete? Creating and managing the customer's experience can impact each of these areas as well as support the achievement of your unique vision and goals. Several actions can support an institution's desire to initiate Customer Experience Management.

## Inventory

**Determine the touchpoints that affect your customer's experience.**

Every touchpoint is an opportunity to leave a lasting impression. Anyone who comes in contact with a customer creates an experience, either positive or negative. Understanding all the touchpoints is the first step to managing the customer's experience. For prospective students, this may include a web site, inquiries, tours,

wayfinding, access to faculty and the application process; for current students, interaction with service staff, such as

bookstore, custodial, and food service. Included also are obtaining lodging, registering for classes, purchasing books, paying bills, and academic and career guidance. Collectively, these touchpoints, and how they occur, constitute the customer's experience. Once the touchpoints for each customer are

understood, improving the experience can begin.

## Input

**Assess your current service delivery effectiveness.**

Quite simply, this means seeking user input. Survey all constituents of your campus about their satisfaction with campus services. Students, faculty and staff all have a perception of campus operation. Map the touchpoints of a prospective student during a campus visit; of freshmen

Creating and managing the customer's experience will impact the achievement of your unique vision and goals.

during orientation; of returning students during registration; of new and tenured faculty; of alumni at reunion. Solicit feedback from each of these groups. They will tell you what works well and what causes frustration. Determining areas of success and improvement will help in focusing on efforts to improve customer experience.

## **Improve**

### **Enrich the experience.**

Evaluate the feedback and address areas of complaint. Eliminating the points of frustration will go a long way toward improving the overall customer experience. Examples of opportunity can be found in a various areas. Create a customer service center for the receipt and communication of service requests. Ensure that feedback mechanisms exist for customer comment. During registration, expand the hours of the registrar or promote web registration. Establish standards for tour guide behavior. Invest in the appearance of your grounds and facilities. Cater to choice and convenience in dining practices. Recognize the retail mindset of campus users. Promote faculty accessibility and career guidance. Sponsor a Customer Appreciation Day. These are just a few examples of what can be done. Yet, all are critical for changing an institution's culture and instilling a customer service ethic. The result is that an institution can dramatically change the way its students, faculty, staff, alumni, and even the community-at-large perceive its operation.

## **Integrate**

### **Integrate academic and nonacademic functions for a unified operation.**

Customers are everyone's job! Both academic and nonacademic functions represent customer "touchpoints". Unifying campus operation for a common cause is an essential component of the customer's experience. Every campus function involves personal interaction and an opportunity to serve the customer. Make no distinction between "core" and "non-core" services. Each serves the same customer and represents a "touchpoint". Once these touchpoints are integrated, their management can be greatly simplified. Managing the customer's experience can occur in a holistic fashion, one that is consistent with the institution's overall desires and vision.

## **Ingrain**

### **Implement customer service and leadership training.**

Cultural alignment is perhaps the greatest challenge for an institution in implementing CEM. All members of the institution must understand that they are service providers and are viewed as such by those with whom they interact on a daily basis. Adopting a customer service ethic and associated training is essential. The service may be something as simple as establishing phone etiquette in the admissions office or ensuring that faculty maintain convenient and regular office hours for students with questions. Provide service staff with training in desired

customer service, interpersonal behavior, and commitment to excellence. Establish recognition programs for outstanding customer service. Sponsor an Employee Appreciation Day. These are simple ways to reward and encourage positive behavior.

## Inform and Influence

### Communicate the experience and develop the brand.

What makes your institution unique? Why should a prospective student choose your institution over another? Going to college is not just about the education; it is about the total experience. Determine your unique experience and communicate it. Emphasize your unique brand.

## Innovate

### Stay ahead of the competition.

Don't rest on your laurels. Once you have established your brand, continually strengthen it. Measure the results of your efforts. Are you seeing improvement? Are your customers seeing improvement? Quantify the impact of your efforts—both anecdotally and, where possible, empirically. Enrollment trends, admissions applications, student and staff attrition rates, satisfaction surveys and even alumni giving may all be indicators of success. Solicit feedback from students, faculty, staff, and prospects. Create high performance teams to evaluate this feedback and continuously evolve. Don't forget to monitor the actions of your peers. Continually improve and reinvent your experience.

Exhibit III

### Creating Your Unique Customer Experience

<b>Inventory</b>	Determine the touchpoints that affect your customer's experience.
<b>Input</b>	Assess your current service delivery's effectiveness.
<b>Improve</b>	Enrich the experience.
<b>Integrate</b>	Integrate academic and non-academic functions for a unified experience.
<b>Ingrain</b>	Implement customer service and leadership training.
<b>Inform &amp; Influence</b>	Communicate the experience and develop the brand.
<b>Innovate</b>	Stay ahead of the competition.

## Conclusion

Can higher education learn from other industries, such as hospitality, and create its unique customer experience? Yes. Does this fly in the face of conventional thinking about why one should attend college? Perhaps. But it doesn't indicate that a solid academic education cannot be delivered or received within the confines of an environment more utopian and customer-centric than previously envisioned. The current competitive climate of higher education is unavoidable. The ability of institutions to create and manage their unique experiences will significantly allow them to differentiate their brand and compete in today's increasingly competitive market.

### Notes

1. "The American Freshman: National Norms for Fall 2003", American Council on Education and University of California at Los Angeles, Higher Education Research Institute. As reported in The Chronicle of Higher Education Almanac Issue, August 27, 2004.

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