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**POSSIBILITIES AND LIMITATIONS  
OF USING THE CUSTOMER EXPERIENCE  
MANAGEMENT CONCEPT BY UNIVERSITIES**



## POSSIBILITIES AND LIMITATIONS OF USING THE CUSTOMER EXPERIENCE MANAGEMENT CONCEPT BY UNIVERSITIES

**Professor Zygmunt Waśkowski**

Poznań University of Economics, Poland

[z.waskowski@ue.poznan.pl](mailto:z.waskowski@ue.poznan.pl)

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### Summary

Managing an institution of higher education requires the use of methods that are appropriate to the changing market environment. One of the relatively new management concepts, which may find its application in the educational environment is the concept of customer experience management (Customer Experience Management). This article attempts to examine the possibility of its use in higher education, taking into account the related opportunities and barriers.

**Keywords:** customer experience management, experiences marketing, universities, generation Y.

## Introduction

In the period of demographic decline, universities are forced to compete with each other for the favour of candidates, and make use of various solutions that allow them to convince prospective students to come to them. One of the relatively new methods of managing relationships with buyers, which could also be used in higher education is called the customer experience management concept. It assumes that the value offered to buyers arises primarily in the emotional sphere, in which they seek sensations of importance to them, experiencing something fascinating, which leaves deep and long-lasting, positive memories.

The aim of this article is to identify the opportunities and limitations of the implementation of the concept of customer experience management in universities. So formulated assumptions were carried out by means of literature studies and own research, based on a content analysis of messages addressed to students and candidates through university websites.

## Customer experience management concept

Customer experience management (Palmer, 2010), which in marketing literature is also called *marketing of experiences* (Schmitt, 2010), and in economic can be referred to as the *economy of experiences* (Pine, Gilmore, 1998), is a relatively new concept which assumes building relations between the enterprise and its customers based above all on the emotions evoked by important experiences acquired in the process of co-creation and consumption . It is assumed that the experiences-based economy as a new market trend is the result of changes taking place within it. The most important include:

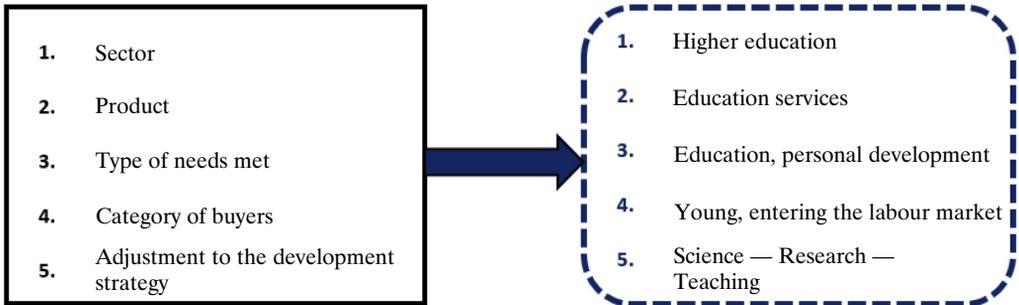
- a. Excessive and conspicuous consumption resulting in growing expectations of buyers regarding the form of buying products, places where they are offered, purchasing and consuming;

- b. The growing phenomenon of *commoditisation*, i.e. increasing, but still comparable level of quality of the products and services offered, resulting in consumers not being able to notice significant differences between such products in the purchasing process.
- c. Commoditisation leads to growing expectations of buyers seeking new values in the spiritual or emotional sphere, hitherto left unexplored or insufficiently penetrated by enterprises;
- d. In response to the inability to compete effectively on technology, price or availability of products we see progressive customization or personalization of products or services in accordance with the wishes of individual buyers. Previously, this phenomenon was known as one-to-one marketing, now with the rapid advances in technology it has become even more widespread.
- e. The marginalization of one-way mass communication of enterprises in favour of the development of two-way marketing communications, allowing buyers to directly express their needs and desires, and businesses to customize messages;
- f. The rapidly increasing volume of readily available information, the progressive need to communicate quickly, to express one's opinions and views especially using social media, sharing information, in extreme cases, taking the form of consumer exhibitionism.

A comprehensive analysis of the problems of building relations on the emotional plane leads to the conclusion that the possibilities and scope of the concept of customer experience management are not homogeneous, and its effective use depends on many factors. They are universal in nature, but must be viewed in the context of the market sector in which the organization concerned operates (Picture 1).

One of the most important determinants of the prevalence and also the effectiveness of the above-mentioned concept is the market sector or industry in which the firm operates. The greatest experience management capabilities are offered by the services sector, as in most cases there is direct contact between the service provider and the recipient (Boguszewicz-Kreft, 2013). A similar situation is encountered in the retail sector. On the other hand, in the case of investment products the opportunities to build relationships with customers on the basis of emotional experience are much smaller.

Picture 1. Determinants of the effectiveness of application of the customer experience management concept by universities



Source: own studies.

The product (element of the marketing mix) which is the subject of market exchange and the related purchasing process, is also not without importance. Routine shopping associated with such products as goods of daily use does not excite evoke emotional states such as those created by as shopping for products requiring more thought, risky, done on the basis of a greater number of decision-making criteria.

Another determinant is the market segment or differently put, the category of customers, which the company is trying to reach. Greater susceptibility to the building of experiences and the search for emotional experiences is shown by younger people, especially representing generation Y or Z, extroverts, curious about new challenges, or those who are more wealthy, whose requirements are relatively higher than those of the less affluent buyers.

Finally, it should also be mention that only skilful implementation of the concept of customer experience management in the customer marketing strategy can ensure the success of its application. Only systemic and long-term solutions, where the sphere of emotions is guiding plane for building and strengthening the relationship between the buyers and the company (or brand) can bring the expected results.

## Generation Y as the target group of universities

People studying at the university level are primarily the representatives of the so-called generation Y. For this reason, colleges and universities in their strategies of action should take into account the characteristics of this generation, in order to adjust their educational offer to the needs and expectations of students — purchasers of educational services. It is therefore worth taking a closer look at how the representatives of generation Y are described in the literature of the subject.

There is no consensus as to which Interval defines the above-mentioned generation. For example, American researchers assume that generation Y consists of people born in the years 1980–1996, also called Millennials. Millennials are one of the most attractive target groups. According to other researchers, generation Y consists of people born since the early eighties, through to the early 2000s (Hove, Strauss, 2000). According to *Business Dictionary* the Millennium generation period was limited to the 1980s and the early 1990s. For example, in the sphere of occupational life generation Y is attributed in the literature with a number of characteristics that are typical for this social group. They include: a distance towards authority arising from the business hierarchy, less loyalty to the organization and the rules formulated by it, and more to the network of co-workers, a strong need to receive immediate feedback (Fazlagić, 2008). Stressed is also the important role of intrinsic motivation, preferred informal interpersonal communication and avoiding excessive bureaucracy. In addition, representatives of this generation more than the previous one are attributed with a greater flexibility and openness to change, willingness to learn, and an aversion to long-term commitments. Representatives of generation Y are attributed with the need for awareness of the sense of the tasks performed and an increased sensitivity to social and environmental consequences of decisions (Hewlett, Sherbin, Sumberg, 2009). Representatives of this generation more than others seek to maintain a balance between work and other spheres of life, caring for their relationships with family and loved ones, as well as effectively able to devote themselves to the pursuit of their own passions. At the same time they tend to be less patient while waiting for their rightful reward,

demanding that the contribution they make to the implementation of a specific task will be noticed and appreciated by superiors (Myers, Sadaghiani, 2010). On the other hand, as buyers, representatives of generation Y are smart and very well informed in their market conduct, eagerly looking for opportunities (e.g. during sales), accustomed to using computers from an early age and therefore regularly using electronic media, using the Internet in the purchase decision-making process and in carrying out business transactions, unstable and expecting quick changes, aware of the trends in fashion (Gołąb-Andrzejak, 2014). Summarising the characteristics of generation Y we can put together two groups of their typical traits or behaviours (Table 1).

Table 1. Characteristics of generation Y

Strong points	Weak points
Knowledge of new technologies Task-oriented approach to work Independence and ambition Emphasis on personal development Orientation towards changes and innovation High self-esteem Precise definition of expectations Commitment to work, but only if it is interesting and gives satisfaction Company's reputation and good work atmosphere are important Looking after the work-private life balance ITC skills Ability to seek and find information Ability to establish global relations Ability to function in a multi-cultural environment Orientation towards team work Functioning in different communities Easy and frequent communication among peers Multi-tasking ability	Reluctance to submit to rules Demanding attitude towards the employer Need for constant feedback and stimulation Difficulties in direct contacts (preferred on-line communication) Risk-taking propensity Problems with receiving criticism Reduced loyalty towards the employer Own comfort and convenience instead of making sacrifices for the employer No consistency, obduracy, self-discipline Low ability to take independent decisions Unrealistic expectations Lack of patience Low work ethics Weak interpersonal skills, especially in teams with age differences Problems with resolving everyday conflicts

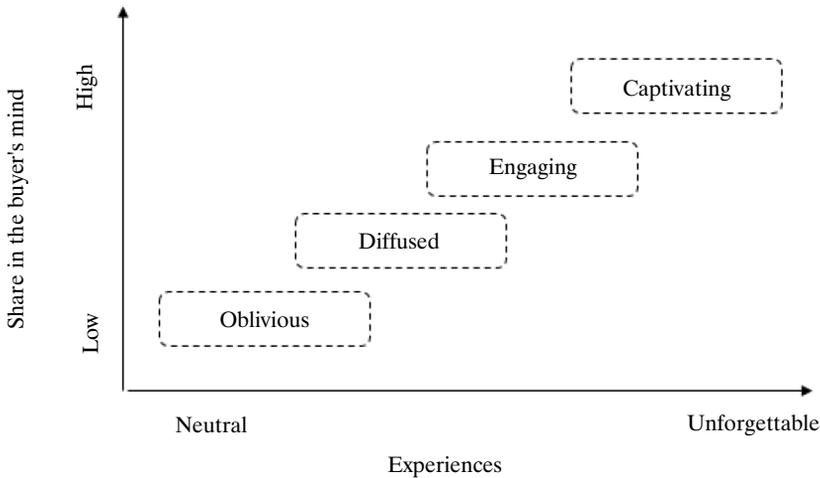
Source: Baran, M., Kłos, M. (2014). Pokolenie Y — prawdy i mity w kontekście zarządzania pokoleniami. *Marketing i Rynek*, 5.

## **Preconditions for the application of the customer experience management concept by universities**

In recent decades the Higher education sector not only in Poland but all over the world has undergone significant changes. The discussion continues about what is the most appropriate university model in the twenty-first century, the Humbolt one or the liberal one based on American solutions. Regardless of which model schools are going to implement each of them needs a strategy, which should be adapted to the current environment in which they operate. Therefore, to survive and thrive in a competitive environment, it is necessary to implement such management concepts that better than other meet the needs of buyers, who in this case are primarily students. It is therefore necessary to consider whether and to what extent it is possible for universities to apply the customer experience management concept analysed in this paper. Due to the fact that current students come from generation Y, which as described earlier in this article represents a hedonistic lifestyle, is inclined to feel sensations and emotions, and is open to the world around, this concept seems to be worth considering. In the course of several years of study, students using the educational offer go through different types of experiences that evoke stronger or weaker sensations. C. Shaw divides the experiences of buyers into four categories (Pict. 2).

- a. Oblivious experiences — in the case of the university this includes any and all activities which basically do not cause any great excitement among students. An example of this may be dozens of boring, theory-heavy lectures, which students leave with nothing else apart from their notes.
- b. Diffused experiences — the level of student involvement in the process of consuming educational offer is low, and its effects short-term. One may hope for this type of effect, for instance, by proposing that Management students solve case studies based on actually operating companies.

Picture 2. Levels of experiences according to the share in the buyer's mind



Source: Shaw, C. (2005). *Revolutionize Your Customer Experience*. New York: Palgrave Macmillan.

- c. Engaging experiences — this type of experiences engage students who eagerly perform the tasks assigned to them that require a lot of independence and creativity, implement collaborative projects, meet with invited guests — representatives of the media, business and art, take advantage of the cultural offerings of universities, etc. In this case there is a high level of engagement which gives the chance of that experience being remembered by students for a long time.
- d. Captivating experiences — mean that the minds and hearts of students are completely absorbed in participating in the educational process. It is the ideal state from the perspective of the assumptions of the customer experience management concept, which universities using it should aim for. It is certainly difficult to maintain this state throughout 5 years of study. It is much easier to achieve when offering services consumed in a short time. But it is possible to make sure that the study period includes a sequence of even tens of different types of initiatives involving students, who as co-creators, or prosumers experience captivating fascinations and emotions.

From the marketing point of view, it is important not only to present an attractive, captivating offer to students already enrolled, but also to convincingly encourage candidates to come to that particular. For this reason, it is also necessary to think about how to interact through experiences with high school graduates during promotional campaigns and during the recruitment process. Channels and marketing communication tools used by universities are basically the same. These include primarily the university's website, Social Media, personal presentations in high schools, open doors events, leaflets, radio or press advertising, billboards. Much more opportunities to stand out from the competition is offered by the content and form of messages sent out. Given the assumptions of the customer experience management concept and the core values of generation Y, even more emphasis should be placed on stimulating the imagination of the candidates, offering them not only a chance for a career and a well-paid job, but most of all opportunities to develop their personality, a chance to express themselves, education combined with fun and entertainment, learning about the world through the personal involvement in the reality surrounding young people.

Studies are no longer a value in itself for young people. Now they seek to experience something new, exciting, while also profiting from growth in the form of knowledge and skills useful in their future careers.

### **Customer experience management concept at universities**

For the purpose of researching the subject of the article the author has analyzed the websites of several Polish universities (8 public and 8 non-public schools). The aim of the analysis was to identify to what extent and in what form, this helpful communication tool can be used by universities to take actions that bear the hallmarks of experiences marketing. Such studies face a number of limitations and only partly allow one to answer the question of whether the concept of customer experience management is used in higher education, but combined with

in-depth studies of the literature and many years of professional experience of the author, can provide the basis for formulating certain conclusions and be a contribution to further exploration.

Based on the evaluation of the content of the websites of the surveyed universities (the content posted only the tabs for students or candidates was analysed) it was established that the messages contained therein only sporadically bear the markings of experience marketing. In the vast majority of cases content was built on rational grounds, referring to "hard" arguments, such as career, well-paid work, paid internships and practice, a solid education. Taking into account the type of college one finds that in the communication with students or candidates solutions involving emotions are used more frequently by private schools. This is evident primarily from the number of promotional videos placed on the websites that contain a message stimulating the viewer's imagination, encourages involvement, giving hope of experiencing something non-standard, exciting.

The literature studies carried out and empirical data gathered allows the author to formulate a few reflections on the possibilities of using the concept of customer experience management by universities. The observed, sporadic practice in this area may result from several factors, such as:

- a. perceiving universities as "serious" institutions, engaged in seeking the truth, where there is no place for sensations and emotions,
- b. perceiving the customer experience management concept as being appropriate for other sectors, e.g. the leisure industry, retail trade,
- c. legal regulations determining the processes of services provision and the services themselves,
- d. a relatively new management concept — no benchmarks,
- e. distancing of faculty and administration employees from students,
- f. lack of understanding that contemporary students are a "digital community" seeking experiences in the virtual world.

These and probably other factors mean that the concept analysed here is not yet highly popularity in the higher education sector in Poland. It is difficult to say whether this is just a matter of time and in

the future it will become more widespread, or whether universities will prefer other methods of competition struggle.

There is no doubt that the use of experiences and emotions in the process of communicating and offering educational services is supported by a number of arguments. These arguments include:

- a. target group — oriented towards experience and positive sensations,
- b. educational service — intangible character of the product,
- c. direct contact between service providers and customers,
- d. direct and regular interactions between customers,
- e. presumption — co-creation of the value of educational services,
- f. extensive possibilities to select various forms of the knowledge passed on to students and the skills taught.

Examples of experience marketing identified during the survey of the contents of websites of universities attest to the fact that it is possible to use such forms of influence. To make it a more common practice it is first necessary to change the perception of the role played by modern universities in the opinion of those responsible for the long-term development (redefinition of identity) and recognition that every organization, regardless of industry must adapt to the changing environment in which it functions.

## Summary

Building a competitive advantage in the market today is one of the essential tasks of each university. Operating in uncertain conditions, demographic decline, frequent legislative changes and facing new challenges created by generations of students, it is necessary to look for new ways of managing institutions providing educational services more suited to the existing realities.

The concept of customer experience management can be such a solution, which primarily meets the expectations and needs of young people, guided in their lives by values such as entertainment, challenges, learning by experience, wishing to acquire knowledge the other ways and under different conditions. Recognition of this fact and skilful implementation of the concept discussed in the article can, in the case of universities, become an element of sustainable competitive advantage and strengthening their market position among other institutions.

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**Professor Zygmunt Wańkowski, Ph.D., Poznań University of Economics, Poland** — (Department of Marketing Strategies). Author of about 100 publications on the subjects of relationship marketing, strategic marketing, management and marketing in sports. The initiator and coordinator of many research projects devoted to relationship management on the B2B market, building competitive advantage of companies, marketing orientation in sports organizations, marketing management of sports products. Co-founder and member of the Management of Polskie Naukowe Towarzystwo Marketingu (Polish Scientific Association of Marketing).



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al. Krakowska 110/114  
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