MANAGING CUSTOMER EXPERIENCE IN EDUCATION: A CASE STUDY BINUS UNIVERSITY

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ABSTRACT

The tight business competition today has awakened company’s awareness that managing and serving customers at maximum is the most profitable strategic to pursue. Educational service company is the unique one compared to those service companies in general because of its particular customers, students, have a high dependencies toward their institution, should they as customers feel a certain disappointment or dissatisfaction, what happens is they cannot easily switch their position to other competitors, instead they usually withhold and accumulate their complaints only for themselves. In effects, the customers mentioned would not recommend to their close companions to continue their study at their current institution. This, actually is far from profitable due to the fact that the most effective promotion is through “the word of mouth”. One way to serve customers is by managing their experience when they are related to the company (touchpoint). Customer Experience Management (CEM) has framework that consists of 5 (five) steps. The right and proper application of CEM will certainly increase the customers’ loyalty.

Keywords: Customer Experience, Customer Experience Management (CEM), CEM’s Framework, Education

Antecedent

During today’s creative economy era, business competition among companies are definitely tight. All companies are totally aware that those who can serve its own customers well who can survive. This tight competition is not applied for service company only, but also for the education provider institution. Although included as service company, the educational provider institution (such as schools, university, etc.), they cannot be equally positioned like the other kinds. It becomes the fact considering the customers involved are bound to a significantly long period of time and a high cost to spend, and they cannot easily move to other similar competitors. It is indeed different if we compare such one with companies like hotel or hospital, where should dissatisfaction arise in part of their customers, they (the customers) can quickly switch themselves to other hotels or hospitals if they get dissatisfaction. Such attachment among customers and institutions (should dissatisfaction arise during their study period and finally accumulated) can drive them to develop a certain “animosity” which later can withhold them to recommend their relatives or colleagues to enter such institution. We fully acknowledge that the most powerful promotion for education institution is through “the word of mouth”, therefore serving and improving customers’ loyalty is the most important thing for educational institution. The purpose of this case study writing is to examine what really happens in the field using the available academic theory and finally to share experiences in managing customers especially in the educational field.

Bibliography

Experience Economy

The trend that exists for this kind of service sector varied from (1) Improving the global competition (2) Improving productivity and competitiveness (3) Improving Technology utilization and automatisation, where more than 80% of technology investment is used for service industry, (4) Quality emphasis on a wider service, and (5) Moving to Experience Economy. There are also distinctions for each business that changes from year to year (Shaw & Ivens, 2002), and such change can be seen on Figure 1 below.

Figure 1 Business Differentiator [5]
In the eighties (80’s), business were deeply focused on “quality” measurement, then in the nineties (90’s), the focus was moved to “brand” measurement. And at the beginning of 2000, the business focus becomes the “experience” one. With change in focus, we can see clearly that companies are very aware with customers’ “experience” with their service. The following table explains the characteristics of the new “Experience Economy”.

<table>
<thead>
<tr>
<th>Economic Offering</th>
<th>Commodities</th>
<th>Goods</th>
<th>Services</th>
<th>Experiences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>Agrarian</td>
<td>Industrial</td>
<td>Service</td>
<td>Experience</td>
</tr>
<tr>
<td>Economic function</td>
<td>Extract</td>
<td>Make</td>
<td>Deliver</td>
<td>Stage</td>
</tr>
<tr>
<td>Nature of offering</td>
<td>Fungible</td>
<td>Tangible</td>
<td>Intangible</td>
<td>Memorable</td>
</tr>
<tr>
<td>Key attribute</td>
<td>Natural</td>
<td>Standardized</td>
<td>Customized</td>
<td>Personal</td>
</tr>
<tr>
<td>Method of supply</td>
<td>Stored in bulk</td>
<td>Invented after production</td>
<td>Delivered on demand</td>
<td>Revealed over time</td>
</tr>
<tr>
<td>Seller</td>
<td>Trader</td>
<td>Manufacturer</td>
<td>Provider</td>
<td>Stager</td>
</tr>
<tr>
<td>Buyer</td>
<td>Market</td>
<td>User</td>
<td>Client</td>
<td>Guest</td>
</tr>
<tr>
<td>Factors of demand</td>
<td>Characteristics</td>
<td>Features</td>
<td>Benefits</td>
<td>Sensation</td>
</tr>
</tbody>
</table>

At their book, Pine & Gilmore, describe about service as theater. Why? Because at the theater, “experience” will determine the customers’ satisfaction toward the service itself. At such context, we can see “experience” is a process, and customers’ satisfaction is a “result”. It is clearly seen in the progression of “economic value”, as described in the following figure.

![Figure 2 Progression of Economic Value](image)

We can learn from what Starbucks Coffee has done to win their business thorough their customer experience management, yes, it is indeed an extraordinary strategic. We can notice on how a cheaply price of coffee beans can multiply to a six-hundred times price at the hand of Starbucks such as shown at the following figure.
The value example of Starbucks Coffee is their specialization on great beans & great roasting, great ambience, convenient location, and wonderful services.

**Customer Experience Management**

Experience is a bridge to customer loyalty. Loyalty cannot be possessed instantly but have to be gained through a systematic way. Loyalty must be designed and created. According to Griffin, a useful ladder of customer relationships are from suspect to advocate (Smith & Wheeler, 2002). Such statement is explained by the following figure.

Customer Experience is a blend of a company’s physical performance and the emotions evoked, intuitively measured against customer expectation across all moments of contact (Shaw & Ivens, 2002). Example for physical and emotional expectations for the case of restaurant is shown at Table 2.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Physical Expectations</th>
<th>Emotional Expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call restaurant for reservation</td>
<td>The phone is answered quickly and politely and also expressed willingness to help</td>
<td>You hope that you will be respected and they call you by name, so that you feel as important person. They are able to provide the appropriate table for you.</td>
</tr>
<tr>
<td>The way go to restaurant</td>
<td>Easy to find/search</td>
<td>Pleasant experience throughout the trip</td>
</tr>
<tr>
<td>Parking</td>
<td>Easy parking, available and not far from the restaurant</td>
<td>You feel safe both for you and your car</td>
</tr>
<tr>
<td>Entrance to the restaurant</td>
<td>Get welcome greet, appropriate/accurate and efficient ordering process</td>
<td>The staff were smile when they welcoming you, call you by name, warm, courteous and friendly</td>
</tr>
<tr>
<td>Sitting at the table as ordered</td>
<td>Not in front of the entrance point, the waiter offered assistance responsively</td>
<td>Deliver comfortable, attractive and fun environment</td>
</tr>
<tr>
<td>Given list of menu</td>
<td>List of menu is interesting and complete includes the price, also offering special menu</td>
<td>The waiter can explain the favorite menu and able to answer your question relates the menu properly</td>
</tr>
<tr>
<td>--------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>When food is offered</td>
<td>The food is suitable with what we order, and arouse appetite</td>
<td>The waiter bring the food with smiley face and please us to eat</td>
</tr>
<tr>
<td>Eating Food</td>
<td>Offered food in appropriate temperature level, and its presentation is suitable with the image on the menu</td>
<td>The taste is delicious and deliver specific sensation</td>
</tr>
<tr>
<td>Request for the bill and do payment</td>
<td>The process is not too long, the Restaurant can accept flexible payment both in cash or credit</td>
<td>The waiter keep to smile and immediately give the bill. You feel that the amount that you paid has the fair value with what you have enjoyed for the food</td>
</tr>
<tr>
<td>Leave Restaurant and back to parking area</td>
<td>They say thank you for your coming, the car still the same condition as you leave</td>
<td>You feel they are very sincere and glad you have come. You feel safe.</td>
</tr>
</tbody>
</table>

In his book, Schmitt describes about three misguided approaches in handling customers, they are: (1) Marketing Concept, (2) Customer Satisfaction, and (3) Customer Relationship Management (CRM). In the nineties (90's), Philip Kotler popularized what so called as Marketing Concept, which mainly drive companies to focus on Customer Oriented and Market Driven. In reality, this marketing concept did not fully serve the Customer Oriented part. It instead was more focused on features and benefits of their products, customers were viewd as the rational decision maker, unclear diferentiation concept, marketing implementation through 4P (Product, Price, Promotion, Place) while eliminating the “C” Element, which stands for Customer. The marketing concept offers a concept and method which was focused on product itself, therefore if we fully stick to this concept, we would encounter difficulties to understand customers entirely. Customer Satisfaction (CS) is a performance comparison VS. Product terminology. CS framework doesn't consider experience dimension that is important for customers. Paradigm formed in CS was explained as satisfaction is equal to loyalty. Satisfaction is a concept that is oriented to results, while Experience is more oriented to process. If experience is well managed, then the concept says that satisfaction will come up automatically. Customer Relationship Management (CRM) is more focused on transaction rather than building relationship itself. CRM is focused more on gathering information needed to recognize customers’ buying behaviour, and touched very little on analyzing relationship emotionally with the customers. Building relations needs integration from each touch-point with customers, while it doen’t appear in CRM generally. Therefore, new approach is needed in handling customers, that is Customer Experience Management (CEM). CEM is related to customers in every touch point to integrate various elements of customers' experience, CEM gives added value to customers to generate a "WOW" experience for them, and CEM also does internal approach to the employees besides external approach to customers. Eventually, we can conclude that CEM is an approach that is focused on customers (instead of marketing concept), also CEM is a process-oriented, instead of outcome-oriented, in farther, CEM outpaces CERM in term of building a deep relationship with customers.

![Figure 5 Customer Experience Management][1]

Why CEM? CEM is focused on everything that gives added value to customers while they are making decisions, buying / doing transaction and using a certain products, CEM will help companies to create products (goods / service) which consistently give delights toward customers and finally profits for companies, CEM gives a thorough view on how a company and its products stay relevant with the customers' living, CEM is related to customers in every touch point to integrate various elements of customers’ experience, CEM gives added value to customers to generate a "WOW" experience for them, and CEM also does internal approach to the employees besides external approach to customers. Eventually, we can conclude that CEM is an approach that is focused on customers (instead of marketing concept), also CEM is a process-oriented, instead of outcome-oriented, in farther, CEM outpaces CERM in term of building a deep relationship with customers.
CEM Framework comprises several steps, such as: (Step 1.) Analyzing the experiential world of the customer, (Step 2.) Building the Experiential Platform, (Step 3.) Designing the Brand Experience, (Step 4.) Structuring the Customer Interface, and (Step 5.) Engaging in Continuous Innovation. Application area for CEM can be seen on the figure below.

![Figure 6 CEM Application Area [4]](image)

**Step 1 Analyzing the experiential world of the customer**

This step consists of 4 steps: (1) Identify the target customer, (2) Divide the experiential world into four layers (experience of the product or brand, product category experience, usage or consumption situation, sociocultural context (for B2C) or the business context (for B2B)), (3) Track the experience along touchpoints, and (4) Survey the competitive landscape. Phases for the third step is shown at the following figure.

![Figure 7 Track the Experience along Touchpoints [1]](image)

Today, competition is not only about a fix price, but also experience. We need to understand what experiences offered by competitors to customers, therefore we need to do experiential benchmarking toward direct competitors, new entrants, and players outside you industry.
Step 2 Building the Experiential Platform

There are 3 steps to follow: (1) Choose experiential positioning (WHAT), (2) Specify experiential value promise/XVP (WHY), and (3) Create overall implementation theme (HOW). A brand or product is not positioned based on its features or benefits only, but also based on experience which is imagined or estimated for what to get from customers from using a certain brand or products, which is usually formed as pictures or reflections come from customers’ mind. Experiential positioning must be formed enough to enable company recognize immediately what to do in further. In the other hand, experiential positioning must be able to arouse interest, to make company do an innovative implementation. Companies must renew their experiential positioning based on changes in the world of customers. Experiential positioning must be integrated to the who;e company and communicated to the customers, and this step can be started by giving statement to the public in general that [our] company is committed to offer a special experience to the customers in every touchpoint. XVP identifies a certain value in specific about what is promised by company to the customers through brands / products, when the customers touch / interact with the brand or products, rationally / physically (e.g to perform & protect), as well as irrationally / emotionally (e.g lifestyle & fashion), in order to answer a number of customers’ expectation. In determining XPV, it is very helpful if we think within the terminology of experience types, which comprise:

1. Sensory experiences (SENSE): Customer Value is created through sight, sound, touch, taste and smell
2. Affective experiences (FEEL): Inner feeling dan emotion, customer value created from positive moods linked to a brand to strong emotions of joy and pride
3. Cognitive experiences (THINK): Create value for customer by engaging them creatively
4. Physical experiences (ACT): Creating value for customers by showing them alternative lifestyle or alternative ways of doing business
5. Social-identity experiences (RELATE): Creating value for the customer by providing a social identity and sense of belonging

Overall Implementation Theme concludes the entire platform which later will be used by company in doing CEM implementation steps, such as: Brand Experience, Customer Interface, dan Continuous Innovation

Step 3 Designing the brand experience

There are several types of experiences that can be designed, including:

- Product experience: The physical or tangible aspects of the brand that customers interact with.
- Look and Feel: The aesthetic and design elements of the brand.
- Communications: The messages and stories that convey the brand’s identity.

Figure 8 Building The Experiential Platform [1]

Figure 9 Designing The Brand Experience [1]
Brand experience is formed based on platform experience which has been created previously. Brand experience covers static element which is found by customers, such as: its own product, logo and symbols, brochures, packaging and advertisement / commercial. Brand experience is not dynamic in nature, and is not formed during interaction with customers (customer interface). In certain situation, for example, when a customer visit a store, they will be encountered with brand experience (interior design, decoration, brochure, etc.) as well as dynamic element which is part of customer interface (e.g. interaction with sales officer / staff). Brand experience will be encountered by customers when they have direct interaction with their own products, how it “looks” and how it “feels” (e.g. ni the botol can, boxes, container, or other packagings) as well as from commercial communication (e.g. brochures, TV ads and newspaper / magazine, Websites, etc). The 3 (three) aspects of brand experience is Product Experience, Look and Feel, Experiential Communications.

**Step 4 Structuring the customer interface**

Customer interface is generally classified into 3 (three) groups; Face-to-face (salesman, account officer, service center, etc), Personal-but-Distance (phone, fax, letter, etc), and Electronic (website, email, sms, ATM, etc). Good interface design consists of 3 things; Essence & flexibility, Style & substance, and Time. The well-suited interface is a combination of essence and flexibility. To make Customer Interface Structure need to determine essence (e.g. standard procedure, interaction, exchange, etc.) How should a customer be greeted? What should happen during interaction? In the other hand, Flexibility is also important. Flexibility will make customers consider staff or officer humanly instead like a robot. And flexibility is needed to make interface stay fresh and keep up-to-date. The good interface is a blend of style dan substance. Style within this context is pointing to attitude and behaviour which is reflected at the essence dan flexibility inside the interface itself. Substance refers to tangible / seen things that accompany it. Time / the using of time is an important aspect at the customer interface. How can company make interaction with customers as an enjoyable moment? How long should interaction with customer happen? When should we contact our customers? How long have some people been our customers? The blending of these 3 (three) considerations can be well suited toward the success of customer interface management. The other things that can support the goal is a proper employees' placement & training and technology usage. Structuring the Customer Interface will be applied into service standard which is based on customer experience, complaints handling procedure / standard, service training & guidance, authority & empowerment, customer’s database and application software, communication channels, call center/contact center, infrastructure.

**Step 5 Engaging in continuous innovation**

Innovation can be categorized to be breakthrough product (new products which can give thorough impact to the customer's experience, such as: microwave, vacuum cleaner, AC, elevator, escalator, air plane, computer, etc.), small innovations (repair and improvement toward products and customer interface that give effects toward customers' experience improvement, such as: new taste, product development, new brand, new service, etc.) and marketing innovation (company's creativity in launching new product, special events, advertisement, and promotion as well as other activities for customers). There are 2 (two) kinds of innovations, they are: radical innovations and incremental innovations. Things that included as radical innovations are: major innovation (new service for undefined market, generally influenced by IT, e.g. online auction (e-Bay), e-banking, etc), start up business (new service at the market which has been started by various internet service, such as: travel planning, catalogue shopping, e.g. Argos, etc.), new service for the market presently served (the offer of such new service, though the similar ones have been likely offered by the other companies, e.g. Bank branches, and other types of retail). In the meanwhile, things that included into incremental innovations are: service line extensions (adding /extending from existing service line, such as: new menu at McDonalds, nw route at Garuda Indonesia Airlines, service improvements (additional of new features of presently running service, such as: self service ticket, self-service queue ticket, e-ticket (e.g. Virgin), etc.), style changes (the changing of service interface which is visibly giving impact toward perception, emotion, and customers' behaviour by not changing the basic service itself, otherwise give new make-up to its interface, such as Pertamina & Ancol. How can innovation give contribution toward customer experience? Innovation improves the relationship value between customers' business and companies. Innovation enhances the customers’ life and business by giving new solution and experience, Innovation will stay relevant with customers (up-to-date), and Innovation will stay becoming differentiation and competitive strength among competitors. The relation between Customer Experience and Innovation Strategy should make innovation stay connected and refer to the experiential platform, Innovation should not be narrow in its coverage because it could limit company infinding new opportunities, Innovation should always refer to the internal decision (company’s management) as well as external (customers), and types of innovation is determined by major breakthrough, small innovation or even marketing innovation. Innovation should be based on the Customers’ and Employees’ voice and
certainly the business process. The figure of a more detailed relations of CEM Framework is shown at the following figure.

![Figure 10 Relations between CEM Framework](image)

**10 Best Practices to Make The Successful CEM [2]**

1. Successful deployment requires the active and continuing involvement of leadership
2. Ensuring cross-functional ownership is vital
3. Focusing on the most strategically important customers
4. Finding out what these customers truly value
5. Being clear about what we stand for
6. Delivering the promise at every touch point
7. Providing branded training to ensure that employees understand the brand story
8. Designing CEM before installing CRM systems
9. Measuring the customer experience
10. Aligning the organization with the customer experience

**Result Solution**

BINUS University is a private university which has 5 faculties with 21 study programs for level Undergraduate (S1) and Graduate (S2). BINUS University is known as the pioneer in the Information Technology field. Besides university, BINUS has an international school (from level of Kindergarten to High School) as well as Training Center (non-formal education) which is spread in various cities around Indonesia. The CEM application Framework in BINUS University can be described as the following:

**Step 1 Analyzing the experiential world of the customer**

Things that influence customers in education is determining which major, tuition fee, students handling, lecturers ability, facility and infrastructure, alumni job market facility, and university reputation. The pre-analitical is the comfortable campus building (including parking spaces and admition room), ease of access to find information and its accuracy, ease of getting the financing solution. Meanwhile, for the analitical itself is the comfortable classroom, lecturer or docents who can give lecturing or lesson appropriately, the course or teaching contents which are available completely at the various media. Types of course material that can be implemented with the real need of the job field (case study, movie watching, PBL, etc.), a quick and proper problem solving by students, the Exam score which is released with fast and accurate term, easy registration for every new semester, up-to-date and complete facility (hardware, internet and laboratory). And finally for the post-analitical is the students graduation on-time, all graduates get job in the first year of their graduation (including becoming entrepreneurs), and the graduates high ability in the job field (ready-to-use).

**Step 2 Building the experiential platform**

Experiential positioning of BINUS University is “Be What You Want To Be With BINUS University” and its experiential value promise is “World Class University” (graduating on-time, having match skill with the industrial world / ready-to-use, smart and good BINUSIAN, we apply international standards in our processes). While its implementation theme is “Your Global Career Begins Here”.

**Step 3 Designing the brand experience**

Product experience which BINUS does is doing a Multi Channel Learning (face-to-face, e-Learning, and self-study), including Mobile Learning, course material of Character Building and Entrepreneurship, enriching the
learning material with real case study, in-field study, problem-based learning, doing teaching with fun ways for students (such as movie watching for certain courses, which is concluded with analysing from the teaching staff), students can do counseling academic advisor and psychologist as well as giving softskill training and entrepreneurship freely to the students.

The Look and feel which is offered, varied from comfortable building with mall facilities (lift, escalator, all air-conditioned rooms, information kiosks, bank, stores, restaurants and cafe, WiFi facility, ATM), complete and sophisticated classrooms (with AC, LCD, high-end computer facilities, and internet access), comfortable counseling room (with AC, sofa, full music, equipped with audio & video equipments, up-to-date test tools), laboratory lab, and sophisticated, up-to-date and modern studio, comfortable students' service center (with AC, having queue system, and ready-to-serve officers or staff), comfortable lecturers or docents rooms (with AC, sophisticated computer facilities, and internet access and ready-to-serve officers or staff), comfortable students' organization room (with AC, meeting & discussion rooms, complete computer facilities with internet access), modern Library room which is comfortable & fully equipped, comfortable dormitory buildings, secure and modern, equipped with development programs for its tenants.

Experiential communication is built through students testimonial in the website and company profile, giving talk show in the radio and television, posting advertisement on the external signage, newspaper, magazines, delivering presentation to the high schools, holding Open House, participating in the exhibitions, becoming participants at sponsorship and seminar speaker or at national or international level workshop, holding national or international level competition, initiating cooperation with several major companies.

**Step 4 Structuring the customer interface**

Customer interface activity is focused into the face-to-face and electronic. The most prioritized electronic interface is in form of websites, Email and SMS. Website which is created must be user friendly, easy and fast to access, having good navigation (oriented to the stakeholder), having complete and up-to-date information, functions as e-learning media, and can bridge the customers (students) to the industrial field as the media of job market.

**Step 5 Engaging in continuous innovation**

Innovation which is done is more focused on service improvements, such as direct service improvement toward stakeholders (prospective students, existing students, alumni, lecturers / docents, assistants, parents, employees, industrial and government parties), completing features at BINUS Maya, changing the new student orientation week as well as the lecturing or study system.

**Conclusion**

The above examination is made based on observation and experience, and the results show that the application of appropriate Customer Experience Management will give profits to the companies in order to generate loyal customers. And the application of CEM in the educational week will definitely help university to win the competition. The existing framework can be passed on to the future by digging the more detailed information. This case study should be continued with the more extensive research for each of its framework outline.

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