

MARKETING STRATEGY FOR IMPROVING STUDENT RETENTION

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ABSTRACT

This research reviews the development and current status of models of student retention and proposes ways in which marketing strategies can be used to reduce the student dropout rate. Suggestions for incorporating marketing strategy variables in a model of retention are offered. A case study of a western university's efforts in employing marketing strategy variables and the results of these efforts are offered as an incentive for further development and testing of the model.

The model used as a basis for incorporation of intervention (marketing strategy) variables developed from two streams of research. In one, as students are integrated into and become more interdependent with both the academic and social elements of a college or university, the probability that a student will leave the university declines (Tinto 1975). In the second, attitudes toward dropout/persistence behavior form from beliefs which are a function of student experience with the school (Bean 1982). Addition of the effects of external variables, that is, factors external to the school environment further enhance this second

stream of research. A comprehensive test of an aggregated version of these two models indicates the attrition behavior and causes for it to be more complex than either model independently indicated. This further indicated a need for a more complex response, that is, use of a combination of marketing strategy variables.

Marketing strategy intervention requires use of the optimal combination of product, price, promotion, place, process, and people. Each impacts different construct in the existing model in different ways. A hypothesized pattern of impact on constructs is suggested in the full version of this paper. Examples of intervention responses include a situation in which financial pressure is cause for a student to be likely to drop out. In this case a pricing strategy (e.g., financial aid) would be employed. If difficulty with teachers or course material is causing the problem, academic advising (a form of "product," i.e., service) would be employed. Combinations of marketing strategy variables are most likely required.

A case study at a private university of the employment of marketing variables in intervention strategy provides exploratory research evidence. Results indicated an improvement in retention rates for MBA students from 84.8% during 1991-1995 to 92.4% from 1996-1997 and among undergraduates from an average of 74% for 1991-1993 to 78% for 1994-1996. For undergraduates the measure represents the percentage of students who had entered in the six years prior and were still enrolled or had graduated.

REFERENCES

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- Tinto, V. (1975), "Dropout from Higher Education: A Theoretical Synthesis of Recent Research," *Review of Educational Research*, Vol. 45, 89-125.