

## **Where Have All of the Students Gone? Examining Student Retention at a Small Liberal Arts College**

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*As colleges and universities continue to face increasing competition and higher student acquisition costs, it has become imperative that these organizations focus on retaining students and closely monitor their retention rates. This paper reports on one college's use of the marketing research model to address a lower than expected retention rate. A classic marketing research model is utilized to generate information. This survey revealed that there are many controllable issues that schools can change to increase retention. However, there are also some factors over which a school may have little control, or would require a long term strategy to address.*

### **APPLICATION OF THE TRADITIONAL MARKETING RESEARCH MODEL TO A MANAGEMENT PROBLEM**

#### **Initial Problem Identification**

The subject for this analysis is a small Midwestern university with current enrollment of approximately 3,200 full time undergraduate students. The school also has a nontraditional program that caters to working adults, mostly in the business administration program. Part of the responsibilities of senior level management in any organization is environmental scanning of the industry and competitive trends. This includes areas such as average customer retention, market share among other important factors relevant to an organization and industry. University retention rates in the United States are easily obtained through public sources such as U.S News and other reputable outlets. As part of *environmental screening* there seemed to be increasing evidence that many comparable universities had higher retention rates than the current university. A research study was undertaken to address the problem and provide some insights.

#### **DATA COLLECTION**

##### **Secondary Research**

Secondary research was performed to benchmark important statistics for the school and competitors. Research revealed that the school had a higher acceptance rate but a lower retention rate than key competitors and the industry norm for that type of university. Research also revealed external circumstances that may influence retention, such as student economic circumstances. Research also

determined that internally, the level of student services committed to student retention also could impact retention rates.

### **Primary Research**

Key informants in the institution were contacted and interviewed to obtain insightful information on factors that influence retention. Primary research also included focus groups with students as well as a questionnaire administered to many more students. The students performing the research ran into the usual problems with data collection and discover that is harder to secure data that they think. Some problems run into were contacting/getting a hold of senior staff. Finding willing students for focus groups presented a challenge as well as distributing a questionnaire.

### **Data Analysis**

Using findings from multiple secondary data sources, it was noted that indeed the school was lower than comparable schools and sometimes competitors when it came to retention rates. Some reasons were suggested that included the socioeconomic status of students, high/increasing tuition rates, general economy, etc. The primary data revealed that individual circumstances, played a part in some areas. Sometimes the student changed their interest to an area that was not available at the institution. Lack of engagement with the institution was also another factor. Sometimes poor academic performance was a factor.

### **Some Recommended Solutions**

If socioeconomic status is a factor, this could lead to an internal examination of the economic status of students recruited and perhaps a change in recruitment strategy as a strategic solution. Regarding student engagement, several factors could be addressed. Providing more activities on campus, funding student academic trips, etc, would help increase student engagement. Early detection of poor academic performance, and providing support services, would be helpful to keep students from 'flunking out or put on academic suspension. Internally this would mead dedicated staff for student support.

### **Implementation and Summary**

Although some external circumstances appear to be beyond the control of the institution, some may require longer term strategies such as targeting different geographic areas or developing majors that are appealing to a different student market. Some recommendations would require internal resources to be committed to providing student academic support as well as activities/opportunities to provide more student engagement.

### **Teaching Notes**

The case can be used as a template for a project for a marketing research course or as a case in an upper management course.

#### Emphasis on

1. Problem identification (management and marketing)
2. Data collection (marketing more so)
3. Methodology of data, collection (marketing)  
Primary data, secondary, questionnaire design & distribution, etc (marketing)
4. Data analysis (marketing and management)
5. Benchmarking (management)
6. Environmental scanning (management)
7. Implementation of recommendations (management)