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## Strategic Role of Customer Relationship Management (CRM) Policies in Enhancing Competitive Advantage in Private Universities in Kenya

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### Abstract

This study examined the strategic role of Customer Relationship Management (CRM) policies in improving institutional competitiveness. Private universities in Kenya face increasing competition, necessitating strategic tools to enhance their competitiveness. CRM policies were defined as structured guidelines and institutional practices designed to enhance stakeholder engagement, student satisfaction, service quality, and technological integration. Key policy constructs included customer experience, staff training, stakeholder engagement, diversity, equity and inclusion (DEI), and data protection. A cross-sectional descriptive design targeted 36 private universities, with data collected from 204 respondents across 17 institutions through questionnaires, interviews, and focus group discussions. Quantitative data were analysed using SPSS v30 and AMOS v29, employing Pearson correlation, multiple regression, hierarchical regression, and Structural Equation Modelling (SEM). Qualitative data were analysed thematically. Findings showed a strong, positive, and statistically significant relationship between CRM policies and competitiveness ( $r = .612$ ;  $\beta = .341$ ;  $p = .001$ ), with CRM policies explaining 57.7 per cent of the variance. Significant predictors included student satisfaction, stakeholder engagement, and data protection. However, staff training and stakeholder participation were not statistically significant, revealing gaps in internal engagement and communication. Qualitative results indicated policy fragmentation, low awareness, and limited DEI inclusivity. The study concludes that CRM policy effectiveness depends not only on technology but also on leadership, culture, and structural readiness. Recommendations include integrating CRM into strategic plans, strengthening staff capacity, and fostering inclusive, student-centred policy development to enhance service quality, loyalty, and institutional competitiveness.

**Key words:** Customer experience, Customer Relationship Management (CRM), Diversity, Equity and Inclusion (DEI), private universities, Stakeholder Engagement.



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## INTRODUCTION

Globally, inventory management is vital for CRM policies are guidelines, strategies and practices used by organisations to manage and analyse interactions with customers and stakeholders (Pereira & Oliveira, 2022). In private universities, CRM policies are aimed at creating a student-centred environment through people (staff, faculty and stakeholders), processes and technology optimisation. CRM policies are developed at the corporate level and incorporated into the university's strategic plan, service charter and student handbook (Andrade et al., 2021).

CRM policies enhance administrative functions, improve communication and increase retention rates (Nguyen & Wong, 2023). These policies include enhancing student experience by developing a customer-centric culture, inclusivity, employee training and development, relationship management and data privacy policy. CRM policies aim at improving students' enrolment, retention, satisfaction and loyalty. Mills and Raju (2022) emphasise that universities that develop and implement appropriate CRM policies manage relationships with students, staff, alumni and stakeholders effectively.

The major objective of this study was to examine the strategic role of Customer Relationship Management (CRM) policies in enhancing the competitiveness of private universities in Kenya.

### Specific Objectives:

- i. To assess the influence of CRM-driven customer experience policies in enhancing the competitiveness of private universities in Kenya.
- ii. To evaluate the role of CRM-related staff training policies in improving the competitiveness of private universities in Kenya.
- iii. To examine how CRM stakeholder engagement policies enhance the competitiveness of private universities in Kenya.
- iv. To analyse the influence of Diversity, Equity, and Inclusion (DEI) CRM policies on the competitiveness of private universities in Kenya.
- v. To investigate the effect of data privacy policy in CRM systems on enhancing the competitiveness of private universities in Kenya.

### Null Hypothesis (H<sub>0</sub>):

(H<sub>0</sub>): There is no statistically significant relationship between CRM policies and the competitiveness of private universities in Kenya.

## LITERATURE REVIEW

A customer experience policy focuses on creating and nurturing a customer-centric culture to enhance students' satisfaction and loyalty (Sullivan & Lee, 2022). University strategies, practices and operations are aligned to the customer experience policy to meet the needs of students and stakeholders. The policy is designed to enhance interactions, engagement and collaboration to increase satisfaction among students, alumni, faculty and other key stakeholders; by offering personalised communication, quality services and addressing students' concerns promptly.

Juma and Olweny (2022) note that universities that prioritise customer satisfaction through customer experience report higher student recruitment, engagement, and retention, upselling, and cross-selling, thus increasing student lifetime value. Customer experience policy drives positive student perception, active participation and improves graduation rates, thus fostering long-term loyalty (Harper, 2023). Hence, a well-designed and implemented customer experience policy improves students' satisfaction and the strategic market position of the university in a highly competitive education environment.

Staff training policy focuses on providing ongoing training to university administrators, staff and faculty to effectively utilise CRM systems, engage with students, and build strong relationships with all stakeholders (Akinyi, 2023). This policy is crucial for implementing CRM strategies effectively (Chen & Popovich, 2003). Pereira and Oliveira (2022) affirm that the adoption of CRM in organisations improves significantly when staff are trained on CRM practices, system functionalities and communication strategies. Muchiri and Mwaura (2021) further indicated that staff training led to better usage of the CRM tool and increased organisational commitment. Zhang and Li (2023) acknowledge that improving staff capabilities enhances students' satisfaction, which in turn drives higher enrolment and retention rates. It also

enables staff to offer proactive support, boosting graduation rates, long-term engagement with students and alumni, hence increasing customer lifetime value (Nguyen & Wong, 2023). Hence, staff and faculty provide high-quality service and position the institution as a leader in academic excellence.

CRM inclusion, equity, and diversity policy is essential for enhancing the competitiveness of universities. Using CRM systems, universities can expand their reach to diverse groups of students, particularly those from marginalised or underserved communities, through targeted outreach and personalised engagement. Chawla and Chawla (2020) note that for any CRM initiative to be successful, all affected stakeholders should be actively involved in its formulation and implementation. The importance of involving students when formulating student-centred CRM policies is emphasised. CRM systems ensure equitable access to resources such as scholarships, mentorship programs and support to students from various socioeconomic backgrounds. It also helps in monitoring academic progress, enabling universities to offer tailored support and interventions to at-risk students, reducing dropout rates. Stewart and Ferris (2021) emphasise that by embracing diversity within CRM policies, universities will cater for the unique needs of a heterogeneous student body, thus fostering an all-inclusive campus culture. Private universities in Kenya that prioritise CRM inclusion, equity, and diversity policy may improve recruitment, retention, CLV, satisfaction and overall reputation, hence giving them a competitive edge in the evolving higher education landscape.

The Relationship Management Policy aims at enabling universities to foster sustainable, mutually beneficial, long-term relationships with their key stakeholders (Hennig-Thurau et al., 2021). The key stakeholders include students, alumni, faculty, staff, prospective students, and external partners such as donors and industry leaders. The policy is designed to enable the universities to engage meaningfully with various groups according to their needs.

Effective relationship management fosters a sense of community and motivation. López (2022) observes that by engaging alumni on career progression, support and other initiatives, universities can increase CLV and long-term satisfaction. Mills and Raju (2022) further emphasise that strong relationship management promotes valuable contributions from alumni, partners and sponsors in terms of mentorship and donations. Thus, relationship management has a direct positive impact on increasing students' enrolment, retention, engagement and satisfaction throughout their whole academic journey. By adopting an appropriate relationship management policy, universities can cultivate a reputation for a community-oriented culture (Odhiambo, 2021). This can make it more appealing in a competitive educational environment.

The CRM data privacy policy outlines protocols, legal and regulatory standards of collecting, storing, processing and sharing of students' and stakeholders' personal data (Kihoro et al., 2021). The policy must comply with the Kenya Data Protection Act, 2019. The policy provides guidelines that are aligned with best global practices for data access, encryption and retention, reducing the risk of breaches and unauthorised access. The act mandates fair, lawful and transparent processing of personal data to safeguard sensitive information. Ochieng and Mwangi (2022) emphasise that the policy should be designed to build trust with students, alumni, faculty, staff and stakeholders. Data should be used for legitimate university purposes only. To enhance competitiveness, universities must adhere to the data privacy standards to create a secure and trusted environment for engagement, fostering long-term relationships, while mitigating legal and financial risks (Giani & Lins, 2021).

In Kenya, private universities can leverage the adoption of appropriate CRM policies to improve students' and stakeholders' satisfaction and engagement (Ochieng & Ngugi, 2023). When aligned with institutional goals and strategies, CRM policies can foster personalised communication, meaningful interactions, quality services and collaborations. This enhances student loyalty, retention and increases. These policies

contribute to the universities' competitiveness by enhancing students' and stakeholders' satisfaction. CRM policies focus on creating a customer-centric culture, improving customer experience, training staff and faculty on CRM practices, appropriate data management, system optimisation, integration and strategic relationship management. Private universities in Kenya can improve their competitiveness in the higher education market by leveraging CRM policies. This may result in long-term sustainable financial growth, increase enrolment and improve market share in relation to public universities.

### METHODOLOGY

This study adopted an epistemological research philosophy, as it focuses on how knowledge is acquired, understood, and validated. A mixed methods paradigm was employed, integrating positivism to guide quantitative analysis and interpretivism to explore qualitative insights, particularly the social dimensions of Customer Relationship Management (CRM) in higher education.

A cross-sectional descriptive research design was adopted. The study targeted two population levels: the organisational population, comprising all 36 private universities licensed by the Commission for University Education, and the respondent population, consisting of key institutional stakeholders. These included the Registrar, Dean of Students' Affairs, Marketing Manager, ICT Manager, three Deans of Schools, and five student leaders from each institution—totalling 12 respondents per university.

To select participating institutions, stratified random sampling was used, with universities categorised into four strata: faith-based, trustee-operated, international, and entrepreneur-owned. Random numbers were used to select institutions within each stratum. Purposive sampling was applied to select key administrators due to their operational knowledge, while convenience sampling was used for student leaders based on accessibility. A sample size of 204 respondents from 17 universities was determined using Cochran's formula at a 95 per cent confidence level and 5 per cent margin of error.

Data collection tools included structured questionnaires, interview guides, and focus group discussion (FGD) guides. Interviews were conducted with registrars and deans of students, while questionnaires were administered to deans of schools, ICT, and marketing managers. FGDs were held with five student leaders per institution.

Validity was ensured through expert review (content validity), factor analysis (construct validity), and pilot testing (face validity). Reliability was assessed using Cronbach's Alpha coefficient.

Quantitative data were analysed using SPSS version 30. Descriptive statistics (means, frequencies, standard deviations) were used to summarise data. Pearson correlation measured the strength and direction of relationships between CRM policy constructs and institutional competitiveness. Multiple regression examined the impact of each CRM policy construct while controlling for others.

The regression model used was:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Where:

- Y = Competitiveness of private universities
- X<sub>1</sub> = student's experience
- X<sub>2</sub> = Staff training
- X<sub>3</sub> = Stakeholders engagement
- X<sub>4</sub> = Diversity, Equity, and Inclusion
- X<sub>5</sub> = Data Privacy
- β<sub>0</sub> = Constant
- ε = Error term

To ensure the robustness of the regression model, a series of diagnostic tests was conducted. Normality of the data distribution was assessed using the Shapiro-Wilk test, alongside an evaluation of skewness and kurtosis statistics, confirming that the data followed a normal distribution pattern. Multicollinearity was examined using the Variance Inflation Factor (VIF) values, which confirmed that the predictor variables were not highly correlated and thus met the assumption of independence. To test for heteroscedasticity, the Breusch-Pagan test was employed, revealing that the variance of the residuals was constant across all

levels of the independent variables. Additionally, the Durbin-Watson statistic was used to check for autocorrelation, confirming that residuals were independent and not serially correlated. Model fit was evaluated using F-statistics and p-values, with significance levels interpreted at the 95 per cent confidence interval, validating the overall reliability and explanatory power of the regression model. Structural Equation Modelling (SEM) was used to examine the direct, indirect, and combined effects of CRM policies on competitiveness.

The study was grounded in CRM Theory, Relationship Marketing Theory (RMT), and the SERVQUAL model. CRM and RMT provided a framework for analysing CRM policy constructs, while SERVQUAL informed the measurement of competitiveness based on service quality dimensions: reliability, responsiveness, assurance, empathy, and tangibles. All ethical considerations were observed, including informed consent, confidentiality, and voluntary participation.

**RESULTS AND DISCUSSION**

Prior to analysis, the data were cleaned, prepared, and coded to identify missing or incomplete responses and detect outliers. This ensured the accuracy and consistency of the dataset for subsequent statistical procedures.

**Respondents' Demographic Profile**

The demographic profile of participants was critical in establishing the credibility and contextual relevance of the data collected. The study ensured a balanced representation across strategic, analytical, and operational roles within the institutions, covering senior management, functional departments, and student leadership.

A total of 204 respondents were targeted across three instruments—questionnaires, interviews, and focus group discussions (FGDs). Of these, 189 responses were received, yielding an overall response rate of 93 per cent. All interviewees and student FGDs (100%) participated, while the questionnaire achieved a return rate of 82.3 per cent. Table 1 summarises the response composition.

**Table 1: Response Rate and Composition**

<b>Instrument Category</b>	<b>Target Respondents / Sampled</b>	<b>Responses Received</b>	<b>Response Rate (%)</b>	<b>% Of Total Respondents (n = 189)</b>
Questionnaire (Total)	85	70	82.3	37.0
• Deans	51	41	80.4	21.7
• ICT Staff	17	14	82.3	7.4
• Marketing	17	15	88.4	7.9
Interviews	34 (17 Registrars + 17 Deans)	34	100	18.0
Focus Groups (Students)	17 groups × 5 = 85	85	100	45.0
<b>TOTAL</b>	<b>204</b>	<b>189</b>	<b>93.0</b>	<b>100.0</b>

**Reliability Analysis**

Cronbach's Alpha was used to assess the internal consistency of the CRM policy construct. The scale yielded an alpha coefficient of 0.832 across

seven items, indicating strong internal reliability. This exceeds the minimum acceptable threshold of  $\alpha \geq 0.70$  (Tan & Lee, 2021), validating the instrument's consistency for further analysis.

**Table 2: Reliability Analysis**

<b>Construct</b>	<b>Cronbach's Alpha</b>	<b>Construct</b>
CRM Policies	0.832	CRM Policies



**Factor Analysis**

Exploratory Factor Analysis (EFA) was conducted to establish construct validity of the CRM policy items. Sampling adequacy was confirmed by the Kaiser-Meyer-Olkin (KMO) measure of 0.813—well above the 0.50 threshold (Creswell & Creswell, 2023)—while Bartlett’s Test of Sphericity was significant ( $\chi^2 = 674.782$ ,  $df = 28$ ,  $p < 0.001$ ), confirming the presence of sufficient correlations among variables (Neuman, 2020).

Principal Component Analysis (PCA) with Varimax rotation identified five components with

eigenvalues  $>1.0$ , consistent with Kaiser’s criterion. Together, they explained 94.01 per cent of the total variance—well above the commonly accepted 60 per cent threshold in social sciences (Saunders et al., 2019; Patel & Davidson, 2022).

All factor loadings exceeded 0.50, supporting strong construct alignment. The components identified were: Customer Experience, Staff Training, Stakeholder Engagement, Diversity, Equity and Inclusion (DEI), and Data Privacy—demonstrating the multidimensionality of CRM policies.

**Table 3: Factor Analysis**

Component	Eigenvalue	% of variance	Cumulative %
Customer Experience	2.471	30.88	30.88
Staff Training	1.743	21.79	52.67
Stakeholder Engagement	1.322	16.53	69.20
DEI	1.042	13.03	82.23
Data Privacy	1.051	11.78	94.01

These findings confirm the reliability and validity of the CRM policy constructs, allowing for the generation of composite scores to be used in further inferential analyses, including regression and structural equation modelling (SEM).

**Descriptive Statistics for CRM Policies on University Competitiveness**

Seven statements reflecting five various CRM-related policy constructs were rated by 70 respondents on a five-point Likert scale.

**Table 4: Influence of CRM Policies on Private University Competitiveness (N=70)**

Construct	Statement	Mean	SD
Customer Experience	University prioritises student satisfaction	4.80	0.52
	Focus on building long-term student relationships	3.80	0.91
Stakeholder Engagement	CRM policy for stakeholder engagement exists	4.60	0.65
	Participation in policy development	2.80	1.32
Staff Training	Staff are regularly trained on CRM	2.40	1.23
DEI	Clear Diversity, Equity & Inclusion policies	4.10	0.89
Data Privacy	Data protection policies are well established	4.30	0.75

**Source: Researcher (2025)**

The summary presented above shows that prioritisation of student satisfaction and needs received the highest rating. Other positively rated policies include CRM policy on stakeholder communication, engagement and collaboration systems; data protection policy; DEI policies and building long-term student relationships. Conversely, staff training on CRM and participation in policy development received the

lowest ratings, suggesting weak implementation in these areas.

**Normality Test of Study Variables**

To ensure the appropriateness of parametric statistical procedures such as regression and correlation, normality tests using the Shapiro-Wilk test, Skewness and Kurtosis statistics were used to evaluate whether the distribution of the variables

approximated normality. According to Bryman and Bell (2022), values of skewness within  $\pm 2$  and kurtosis within  $\pm 7$  are considered acceptable for

the assumption of normality. A Shapiro-Wilk test p-value greater than 0.05 is considered within the recommended threshold (Neuman, 2020).

**Table 5: Shapiro-Wilk, Skewness and Kurtosis Normality Test Results (N = 70)**

Variable Category	Variable	Shapiro-Wilk (p)	Skewness	Kurtosis
CRM Policies	Customer Experience	0.031	-1.84	3.97
	Stakeholder Engagement	0.058	-1.21	2.78
	Staff Training	0.087	0.84	1.03
	Diversity, Equity & Inclusion	0.092	-0.37	0.26
	Data protection	0.081	-0.74	0.98

The results indicate that most constructs fall within the acceptable thresholds for normality. Student satisfaction exhibits p-values below 0.05 in the Shapiro-Wilk test, though their skewness and kurtosis values remain within recommended ranges. According to Neuman (2020) and Bryman and Bell (2022), these slight deviations do not significantly threaten the integrity of parametric analyses, particularly given that the sample size is less than 200. Furthermore, the central limit theorem supports the robustness of statistical tests, justifying the continued use of parametric

procedures in the study (Cooper & Schindler, 2020).

**Linearity Test**

To evaluate the assumption of linearity of the data, the study adopted the Analysis of Variance (ANOVA) method. Bryman & Bell (2022) corroborate that a p-value less than 0.05 suggests a linear model is appropriate for analysing the relationship between the dependent and independent variables.

**Table 6: ANOVA Test for Linearity**

Variables	Sum of Squares	df	Mean Square	F	Sig.
Private universities' competitiveness * CRM Policies					
- Linearity	42.21	1	42.21	54.88	0.000

The results show p-values are below the 0.05 threshold, indicating statistically significant linear relationships between private university competitiveness and CRM policies ( $F = 81.03$ ,  $p < 0.05$ ).

**Multicollinearity Test**

A multicollinearity test was conducted using the Variance Inflation Factor (VIF) and the Tolerance Test. The results are tabulated below.

**Table 7: Multicollinearity Diagnostics Table (N = 70)**

CRM Dimension	Predictor Variable	VIF	Tolerance
CRM Policies	Student satisfaction	2.04	0.490
	Stakeholder engagement systems	1.88	0.532
	Long-term student relationships	1.67	0.599
	Staff CRM training	1.23	0.813
	Policy participation	1.36	0.735
	DEI policy	1.44	0.694
	Data protection	1.71	0.585

The table shows all VIF values below the critical threshold of 5.0 (Cooper & Schindler, 2020), conventionally used to detect harmful multicollinearity. Tolerance values are all > 0.1, confirming sufficient independence among predictors (Robson & McCartan, 2021). These results confirm that no serious multicollinearity exists across the CRM policies indicators, and each contributes unique explanatory power to

competitiveness. Hence, the CRM policies constructs are statistically sound and safe for use in multiple linear regression analysis and Structural Equation Modelling (SEM).

**Heteroscedasticity**

The Breusch-Pagan test was conducted across all CRM policies to detect heteroscedasticity in residuals. The results are tabulated below.

**Table 8: Breusch-Pagan Test for Heteroscedasticity on CRM (N = 70)**

CRM Dimension / Variable	Test Statistic ( $\chi^2$ / LM)	df	p-value
CRM Policies	10.42 ( $\chi^2$ )	8	0.237

The table reveals that all p-values range between 0.237 and 0.347. They are above 0.05 critical threshold, indicating no violation of the homoscedasticity assumption in the model. Kothari and Tan (2022) confirm that variance in residuals is stable across the data points if the p-values are above 0.05. This validates the assumption of homoscedasticity, essential for ensuring reliable

standard errors and hypothesis testing in regression models.

**Autocorrelation Test**

The Durbin-Watson statistic was used to test the autocorrelation of CRM policy predictors in relation to private universities' competitiveness.

**Table 9: Autocorrelation for CRM Dimensions (N = 70)**

CRM Dimension	Durbin-Watson (DW)
CRM Policies	1.73

**Source: Researcher Data (2025)**

The table indicates there was no significant autocorrelation in the CRM variables. Durbin Watson statistics value was 1.73, which is within the acceptable range of 1.5 to 2.5 (Creswell & Creswell, 2023). This suggests the residuals are independent and the model is statistically sound and appropriate for inferential statistics.

**Pearson Correlation Analysis**

Pearson correlation analysis was used to evaluate the strength and direction of the linear relationship between CRM policies and the competitiveness of private universities in Kenya. The method was useful in identifying potential associations that were useful in regression analysis and SEM (Structural Equation Model). The results are tabulated below.

**Inferential Statistics**

Inferential statistics is a set of methods that allow researchers to draw conclusions and make predictions about a population based on data collected from a sample. It enables the researcher to make generalisations beyond the observed data (Cooper & Schindler, 2020; Taherdoost, 2021). Inferential statistics was conducted using techniques such as Pearson correlation, multiple regression analysis, ANOVA and hierarchical regression.

Table 10: Pearson Correlation Analysis

		FC
<b>Firm Competitiveness (FC)</b>	Pearson Correlation	1
	Sig. (2-tailed)	
	N	70
<b>CRM Policies (CRMP)</b>	Pearson Correlation	.612**
	Sig. (2-tailed)	.000
	N	70

Note: Correlation is significant at the 0.01 level (2-tailed).

Abbreviations:

FC = Firm Competitiveness

CRMP = CRM Policies

The table reveals strong, positive, and statistically significant correlations between CRM policies and the competitiveness of private universities ( $r = .612$ ). This finding supports CRM theory, which emphasises relationship management policy as a tool for improving institutional performance, satisfaction, and loyalty (Buttle, 2021; Mills & Raju, 2022).

The findings further align with Relationship Marketing Theory, which stresses long-term value creation through sustained interaction and engagement. Universities implementing service-oriented CRM policies using appropriate technology and fostering cross-functional

collaboration are better equipped to drive student satisfaction and retention, thereby gaining a competitive advantage (Hennig-Thurau et al., 2021). Andrade et al. (2021) underscore that CRM supports both student retention and satisfaction through consistent, value-adding engagement across the student lifecycle. Taken together, these findings reinforce the view that CRM is a strategic asset necessary for private universities aiming to thrive in today’s competitive higher education environment (Kihoro et al., 2021; Mills & Raju, 2022).

**Multiple Linear Regression: CRM Policies**

Multiple linear regression examined the strength of each CRM policy predictor on the competitiveness of private universities. It also aimed to assess whether the constructs are statistically significant.

Table 11: Analysis of Coefficient Estimates: CRM Policy Constructs on the Competitiveness of Private Universities (N = 70)

CRM Policy Construct	Predictor Variable	B (Unstandardised Coefficient)	Std. Error	Beta (Standardised Coefficient)	t-value	Sig. (p-value)
Constant	—	0.785	0.158	—	4.982	0.000
Customer Experience	Students’ Satisfaction	0.37	0.105	0.32	3.52	0.001
	Relationships Policy	0.21	0.089	0.20	2.35	0.022
Staff Training	Training Policy	0.09	0.052	0.07	1.74	0.087
Stakeholders Engagement	Stakeholders Engagement	0.28	0.094	0.25	2.98	0.004
	Participation Policy	0.06	0.036	0.05	1.68	0.098
DEI	DEI Policy	0.17	0.081	0.15	2.10	0.041
Data Privacy	Data Protection Policy	0.23	0.092	0.20	2.50	0.016

**A Dependent Variable:** Competitiveness of Private Universities

Model Summary:

$$CPU = 0.785 + 0.37SS + 0.28SE + 0.21RP + 0.09TP + 0.06PP + 0.17DEI + 0.23DP + 0.158$$

Where:

- CPU = Competitiveness of Private Universities
- SS = Students' Satisfaction Policy
- SE = Stakeholders Engagement System
- RP = Relationships policy
- TP = Training Policy
- PP = Participation Policy
- DEI = Diversity, Equity & Inclusion Policy

- DP = Data Protection Policy

Students' satisfaction, stakeholders' engagement policy, Data Protection policy and long-term relationship policy had an impact on institutional competitiveness and are statistically significant. Staff training and stakeholders' participation in policy formulation, though, had a weak impact on competitiveness and were not statistically significant. They had *p*-values greater than 0.05. This suggests these factors do not have a strong enough impact on competitiveness in the model.

**Table 12: Model Summary Output (N=70)**

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error	Sig. (ANOVA)
.76	.577	.529	.68	.000

Model fit statistics show R<sup>2</sup> = .577, indicating that 57.7 per cent of the variance in competitiveness is explained by CRM policies. CRM policy is statistically significant with a *p*-value of .000, which is less than 0.05 (*p* < .05) in a two-tailed test. These outcomes corroborate findings by Mills and Raju (2022), who demonstrated that adequate CRM policies and practices enhance students'

satisfaction, lifetime value and significantly boost institutional performance.

**Hierarchical Regression**

Hierarchical regression was used to confirm whether DEI and data protection policies add predictive value beyond core CRM policies.

**Table 13: Hierarchical Regression (N=70)**

Step	R <sup>2</sup>	ΔR <sup>2</sup>	Sig. F Change
1	.497	—	—
2	.577	.080	.013

**Source: Researcher data (2025)**

Step 1, which includes customer experience and stakeholder engagement policy, explains competitiveness by 49.7 per cent. Adding DEI policy and data protection in Step 2 increases the explained variance by 8 per cent, which is statistically significant. R<sup>2</sup> increases to .577 from .497. Increment of 8 per cent (ΔR<sup>2</sup> = .080, *p* = .013). This supports findings by Hossain (2020) highlighting how modern CRM policies like DEI

and data protection significantly enhance CRM outcomes. Thus, these two variables strengthen CRM's impact on competitiveness.

**Structural Path Coefficients**

The standardised path coefficients demonstrated significant positive relationships between CRM policies and institutional competitiveness.

**Table 14: Standardised SEM Path Coefficients (N = 70)**

Path	Unstandardised Estimate (β)	SE.	C.R. (t-value)	p-value
CRM Policies → Competitiveness	0.35	0.06	6.83	.000

\**p* < .05 (Statistically significant)



The SEM Path diagram illustrates the direct impact of CRM Policies on Institutional Competitiveness ( $\beta = .35$ ). The path is statistically significant ( $p < .05$ ). This emphasises the strategic importance of formalised CRM policy frameworks on enhancing competitiveness (Kihoro et al., 2021; Mills & Raju, 2022).

**Hypothesis Testing**

(H<sub>0</sub>) There is no statistically significant relationship between CRM policies and the competitiveness of private universities in Kenya.

**Table 15: Regression Analysis of CRM Policies on Competitiveness**

Predictor	B (Unstandardized Coefficients)	Std. Error	Beta (Standardised Coefficients)	t	Sig.
Constant ( $\beta_0$ )	0.018	-	-	-	-
CRM Policies	0.341	0.062	.412	5.503	.000

2-tailed test  $p < .005$

Regression analysis shows CRM policies had  $\beta = 0.341$ ;  $p$  value = .001;  $R^2 = 0.557$ ; Sig. (ANOVA) = .000; indicating model fitness. Standardised SEM Path confirm the results with  $\beta = 0.35$ ;  $p$  value = .000. Hence, a unit change in CRM policies will influence the competitiveness of private universities in Kenya by approximately 0.35 units. CRM policies also explain 57.7 per cent of the variation in competitiveness. P-value is less than 0.05, indicating CRM policies are a statistically significant predictor of competitiveness; hence, reject the null hypothesis.

**Thematic Analysis**

The analysis revealed that a significant majority of respondents (72.9%) reported their institutions possess adequate customer-centric CRM policies, indicating alignment with CRM best practices (Andrade et al., 2021). However, thematic data highlighted that these policies are often dispersed across various institutional documents, including handbooks and memos, leading to fragmentation and a lack of standardisation. This fragmentation undermines systematic CRM deployment and operational coherence, consistent with Ashraf and Iqbal's (2022) observations on policy integration challenges in higher education.

A registrar emphasised the need for ongoing capacity building: "Training policy exists, but staff don't know it. We need regular refresher training and onboarding," underscoring gaps in internal engagement and awareness (Ali & Memon, 2021; Akinyi, 2023; Choi & Lee, 2021). Stakeholder

participation, especially from students, was minimal and often limited to reactive involvement during crises, which aligns with Alalwan (2021) and Andy and Len (2021), who stress the importance of meaningful stakeholder engagement for CRM success.

Furthermore, while formal policies addressing Diversity, Equity, and Inclusion (DEI) and data protection were present, their scope and application were limited. For example, students with disabilities reported inadequate support, and religious minorities expressed dissatisfaction with worship facilities, as one student noted, "The university does not respect our worship hours; lecturers continue even when we are supposed to be worshipping." These findings reveal gaps in CRM policies' inclusivity and responsiveness.

In terms of CRM policy influence on technology adoption, 85.7 per cent of respondents agreed that well-formulated CRM policies provide strategic direction, facilitating the implementation of customer-centric systems (Buttle, 2021; Perkins & McDonald, 2020). Nonetheless, challenges such as budget constraints, leadership gaps, and insufficient training were cited as impediments to effective technology uptake (Ali & Memon, 2021; Choi & Lee, 2021).

**Summary of the findings**

The study revealed that CRM policies significantly influence the competitiveness of private universities in Kenya. Quantitative analyses



indicated strong positive and statistically significant relationships between CRM policy and competitiveness of private universities ( $M=3.83$ ,  $r = 0.612$ ,  $\beta = 0.341$ ,  $p = .001$ ). Hence, a unit increase in CRM policies while holding other factors constant will enhance competitiveness by 0.341 units. The regression model reveals that 57.7 per cent of the variation in competitiveness can be explained by CRM policies. Structural path coefficient confirmed the results ( $\beta = 0.35$ ,  $p = .000$ ), hence the null hypothesis was rejected;  $H_{01}$ : CRM policies do not statistically influence the competitiveness of private universities in Kenya.

Constructs such as enhancing student experience and satisfaction policy ( $M = 4.80$ ), stakeholder engagement ( $M = 4.60$ ), and data protection ( $M = 4.21$ ) were the strongest predictors of institutional competitiveness, with regression coefficients confirming student experience ( $\beta = .37$ ,  $p = .001$ ) and stakeholder engagement ( $\beta = .28$ ,  $p = .004$ ). Moreover, the inclusion of Diversity, Equity, and Inclusion (DEI) and data protection policies enhanced the explanatory power of the model by 8 per cent ( $\Delta R^2 = .08$ ), emphasising their growing strategic importance in higher education (Hossain, 2020). However, staff training and stakeholders' participation in policy formulation had low ratings and were not statistically significant ( $M = 2.8$ ,  $\beta = .009$ ,  $p = .087$ ) and ( $M = 2.4$ ,  $\beta = .006$ ,  $p = .0987$ ), respectively.

Qualitative findings corroborated these results, highlighting students as the "lifeblood of the institution," yet pointing to deficiencies in CRM training, policy awareness, and stakeholder participation in policy formulation. One registrar noted, "We have policies, yes, but they are rarely co-created with students or frontline staff," illustrating the gap between policy formulation and implementation. These corroborate Andrade et al. (2021) findings that CRM policies should create a student-centred environment. Chawla & Chawla (2020) emphasised the need to incorporate the CRM policies into the university's strategic plan, service charter and student handbook to create more awareness. These findings also align with Relationship Marketing Theory, which underscores the importance of trust and stakeholder involvement in sustaining long-term engagement

(Morgan & Hunt, 2020; Hennig-Thurau et al., 2021).

The observed shortcomings contradict SERVQUAL's responsiveness and assurance dimensions, which emphasise effective communication and reliability (Zeithaml et al., 2021). Prior research by Ali and Memon (2021) and Akinyi (2023) similarly underscores the necessity of inclusive policy design and institutional capacity building for effective CRM deployment. Therefore, while CRM policies are essential, their effectiveness depends on participatory development, clear communication, and alignment with stakeholder needs.

### CONCLUSION AND RECOMMENDATIONS

**Conclusion:** The research concludes that with appropriate policy support, capacity development and inclusivity, CRM systems can be leveraged to improve service delivery, streamline academic and administrative functions, and create a student-centric environment. These would strengthen long-term stakeholder relationships and student lifetime value by cross-selling and upselling the courses. The hybrid adoption of traditional (face-to-face communication) and digital communication platforms, including email, WhatsApp, ERP systems, and LMS tools, illustrates a progressive yet context-sensitive transformation in university communication and service culture. The choice of platforms, especially in-house CRM systems and Microsoft Dynamics 365, signals a strategic preference for scalable, cost-effective and integrative digital tools.

Effective CRM policy implementation is revealed to be a strategic imperative for competitiveness, especially when aligned with student satisfaction, relationship management, stakeholder engagement and data protection frameworks. Policies that integrate dimensions such as Diversity, Equity, and Inclusion (DEI) contribute not only to improving institutional trust but also performance efficiency. However, the study revealed substantial gaps, which included a lack of cohesion in CRM policies, inconsistent staff training and minimal stakeholder engagement in policy development. These misalignments hinder effective implementation and reduce the impact of CRM as

a strategic enabler of competitiveness. Chen and Popovich (2003) echoed that staff training and inclusivity are crucial for implementing CRM strategies effectively. Bridging these gaps requires inclusive policy design, standardised frameworks, structured training, and institutional accountability mechanisms, as noted by Pereira and Oliveira (2022), Ali and Memon (2021), and Akinyi (2023). This also resonates with CRM theory on optimisation of CRM through employee training; RMT emphasise trust and engagement, while SERQUAL on reliability (Buttle, 2021; Morgan & Hunt, 2020; Zeithaml et al., 2021).

**Recommendation:** The study recommended that the foundational step toward successful CRM implementation is to establish clear policies aligned with the institution's mission, goals, and strategic plan. These policies should be consolidated and cohesively coordinated throughout the institution. They must also be clearly communicated to staff, faculty, students, and all other stakeholders. Private universities in Kenya should institutionalise structured and inclusive CRM training. This training should be designed for administrative staff, faculty, and other personnel providing services within the university. The programs should align CRM functionalities

with the institution's mission and strategic priorities. These may include regular, well-planned workshops, as well as professional development and certification programs. Training should aim to promote CRM literacy, enabling staff to gain buy-in and translate technical capabilities into relational value and service excellence. According to Choi and Lee (2021), the success of a CRM initiative depends entirely on both its implementers and users. The study further recommends that private universities should prioritise participatory design strategies in evaluating the effectiveness of CRM policies, platforms and systems. It should engage students, staff and other stakeholders in system design, deployment, use and refinement. Students are the primary beneficiaries of CRM-driven services; thus, their input offers valuable insights for system adoption, usability and service personalisation. Feedback loops and participatory strategies, such as student-led focus groups and usability testing, should be done as standard components of CRM rollouts. Appropriate feedback mechanisms should be entrenched in CRM systems to enable continuous service quality improvements. Martin et al. (2024) acknowledge that developing a formal feedback loop CRM-specific policy can enhance system improvement, sustainability and data governance.

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