

Student Churn in Small and Medium-Sized Vocational Training Institutions: Root Cause Analysis and CRM-Based Optimization Strategies

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ABSTRACT

The labor market has become more competitive and vocational skills training is an important way for workers and students to improve their chances of getting a job. As the market demand develops, more and more small and medium-sized vocational training institutions have emerged in China. However, most of these organizations have limited resources to operate and face intense homogeneous competition. Institutions over invest on student recruitment and promotional activities and neglect post enrollment customer relationship management. This kind of imbalance in operational priority often leads to mid-course refund applications, low student renewal rates and poor word-of-mouth dissemination.

Customer relationship management enables training organizations to standardize service workflows, find out potential dropout risks and maintain stable student loyalty. Based on the real-world experience from the industry, the study identifies the common shortcomings in the provision of services in vocational training institutions, investigates the factors that contribute to student dropout and proposes low-cost, practical optimization measures that are suitable for resource-constrained training entities. The findings provide useful reference for similar vocational training institutions to minimize student loss and improve overall operational sustainability.

KEYWORDS: Customer Relationship Management; Vocational Training Institutions; Student Churn; User Retention

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I. INTRODUCTION

The growing market demand in China is giving rise to a large number of small and medium-sized vocational training institutions. But most of these organizations are in high homogeneous competition and have limited resources to work. Institutions over invest in student recruitment and promotional activities and neglect post enrollment customer relationship management. This kind of imbalances in the priority of operations often leads to refund requests in mid course, low retention rates amongst students and bad word of mouth publicity.

Customer relationship management can be used by training organizations to standardize service workflows, identify potential dropout risks and ensure stable student loyalty. The study identifies common problems in service delivery in vocational training institutions, explores the reasons for student dropout and provides low-cost practical optimization measures based on real industrial experience that can be adopted by resource constrained training providers.

The findings offer a reference for similar vocational training institutions to reduce student losses and improve overall operational sustainability. The essential function of optimizing customer relationship management in controlling student churn and enhancing operational stability for small and medium-sized training institutions is identified[6].

Most of the existing vocational training research focuses on the evaluation of teaching quality, curriculum design and market expansion strategies[2]. There is little systematic discussion regarding student churn issues from the perspective of customer management, especially for small and medium-sized training organizations with limited resources.

Existing analyzes are largely descriptive, lacking targeted solutions that can be tailored to the practical

operational limitations of grassroots training institutions[8].To bridge this research gap, this study summarizes the common operational problems at the vocational training institutions, investigates the root causes for student attrition andproposes feasible optimization strategies.

This study analyzes the problem of student churn in vocational training institutions from the perspectives of public industry data and practical operational phenomena.It is based on observation, rather than empirical verification through questionnaire or interview.[3] The research is limited to market-oriented commercial vocational training institutions and does not include public vocational schools or academic educational institutions.

II. CURRENT CRM STATUS AND CHARACTERISTICS OF STUDENT CHURN

2.1 Post-enrolment customer services are running behind:

Most of the human resources were put to the pre-sales consultation and student conversion by the majority of the small and medium training institutions. The staff is active in handling queries from users, determining learning needs and recommending course packages before payment of tuition. But the quality of service after enrollment is much worse.

In the entire learning cycle, systematic monitoring of learning progress, regular academic guidance and timely resolution of problems are often insufficient [5].

Customer relationship management is considered a sales tool by many organizations, with a focus on renewal. Courses have an expiration date, and only at this point do staff actively contact students, but there is no continuous learning supervision and emotional communication during regular study periods. The obvious gap between pre-sales service and after-sales support creates a negative user experience, giving the impression that institutional services end immediately after payment. This lack of service is the direct cause of learning mid term abandonment and student loss after the course[9].

2.2. Inadequacy of management of segments of scientific youth:

In most grassroots training institutions, there are no standard mechanisms for classification of students [7]. The service arrangements are the same for high performing active learners, ordinary participants, low participation students and high value potential users. Institutions rarely manage differently based on student attendance, learning initiative, ability to consume and churn risk level.

High-quality students with stable attendance and strong learning motivation do not receive corresponding special support and preferential treatment, increasing the possibility of voluntary dropout. However, at-risk students with declining attendance, low classroom engagement and negative learning attitudes often fail to receive timely attention and intervention[4]. Undifferentiated, extensive management does not serve the diverse educational needs of students and ultimately reduces the overall effectiveness of student retention.

2.3 No feedback channels and incomplete closed loop of the service:

Student satisfaction has a great impact on learning continuity and willingness to renew [9]. However, many training institutions lack stable and diversified feedback channels. When students encounter problems such as inconsistent course difficulty, unreasonable teaching schedule, and unsatisfactory teaching effect, there are usually no formal and convenient complaint channels.

Many reasonable demands cannot be effectively responded to even if students actively give feedback on problems to frontline teachers or sales staff. There is no full cycle workflow for gathering feedback, problem resolution, result verification and satisfaction confirmation. accumulated unresolved service problems continually undermine student trust and cause active dropout or learning withdrawal eventually [6].

2.4 Fragmented student service chains in the full cycle:

Student service life cycle management includes pre-enrolment consultation, supervision of classroom teaching, post-course consolidation of learning and long-term maintenance of alumni[8]. However, most of the small and medium-sized training institutes are engaged in classroom teaching services only. Once the course is finished, institutional contact with students ceases, essentially. There is no continuous tracking of learning outcomes, no timely information sharing on skill updates in industry, no regular alumni interaction activities.

Disrupted full lifecycle service connections marginalize institutions from graduate students. Organizations lose out on potential sales of course upgrades and student referrals. Weak long-term relationships with users hinder the brand accumulation and make the acquisition and retention of students more difficult[10].

III. ROOT CAUSES OF STUDENT CHURN FROM THE CRM PERSPECTIVE

3.1. Outdated management ideas and imperfect construction of CRM:

Most of the institutional managers attached importance to quality of classroom teaching, but lack systematic understanding of the customer relation management[6]. Many operators think that we can only retain students through reliance on qualified teaching quality, ignoring the role of service experience, emotional connection and fine operation management in building user loyalty.

There are few training institutions with separate customer service positions. Student relationship maintenance tasks are usually carried out by teachers or sales staff on a part-time basis. In the absence of standard operating procedures, fixed follow-up cycles and clear division of jobs, the daily work of user management will be chaotic and arbitrary. Most small training institutions are caught in extensive operation modes due to outdated management concepts and imperfect institutional systems that are not adaptable to the increasingly refined market competition[8].

3.2 Non-standardised procedures of service:

Staff attrition puts continuity of service at risk: Employee turnover is a common and outstanding problem in the vocational training industry[5]. Small institutions often have few employees and no obvious written policies about student records or the transfer of services.

Usually, records of students' learning, communication histories and personalized demand information are not stored in the database on the institutional level, but on individual devices of employees.

Handovers of services often are incomplete when staff working with specific groups of students leave their post. The newly assigned staff cannot access the complete historical student data, making it difficult to provide targeted follow-up service and precise learning guidance. Inconsistent service experiences are an immediate detractor of student satisfaction and trust, a key driver of student attrition.

3.3 No early warning systems for churn and late risk intervention:

[4] Students don't typically leave school without saying something. Students may exhibit identifiable risk characteristics before they formally apply to withdraw from a course. These include reduced attendance, frequent absence, low classroom participation and repeated consultation about refund policies. However, most of the training institutions have not established systematic early warning mechanisms, no clear standards of risk identification, and no active intervention.

In the majority of cases, the management of institutions learns about the problem only after students submit official dropout applications. At this point, negative attitudes to learning and dissatisfaction with the service have already formed, and the willingness of the student to continue learning has been significantly reduced, leaving little room for effective remedy.

This explains the very high churn rate of many small vocational training institutions [2].

3.4 Excessive focus on commercial transactions and low emotional belonging:

Most training institutions over-emphasize course sales and renewal conversion in user interaction due to the short-term sales performance objectives, ignoring students' emotional needs and sense of belonging[9]. The relation between institutions and students is still only transactional, without stable emotional connection and identity recognition.

Due to the high homogeneity of the products of vocational training on the market, user loyalty solely based on transactional relationships is extremely fragile[10]. If a rival institution comes up with preferential policies, flexible course setups or more attentive services, students who lack emotional ties to the original institution are likely to switch service providers and this leads to an active loss of students[1].

IV. OPTIMIZATION STRATEGIES FOR STUDENT CHURN PREVENTION BASED ON CRM

4.1 Full-cycle CRM concepts and optimize end-to-end service systems: Small and medium-sized training organizations should give up the traditional sales-oriented operational thinking mode and establish full lifecycle user management awareness[6]. Fine-tuned personalized services should encompass the full process of pre-enrollment counseling, in-course learning supervision, post-course review guidance, and long-term graduate maintenance. Institutions must identify learning demands of students accurately and act fully to user concerns before the start of the course. Dynamic monitoring of the learning process in the learning period allows to detect academic difficulties and service defects in a timely manner. Institutions should evaluate the learning outcomes and recommend further study on completion of the course. Long-term interaction helps to maintain stable user connections by sharing and updating industry information and employment resources. Standardized full-process services can effectively improve user experience, reduce voluntary student churn, and

turn one-time transaction relationships into long-term value-based user management[10].

4.2 Create effective tiered student management systems: Small training institutions don't need to build complex intelligent management systems[7]. With limited human and financial resources, Alternatively, they could create simple and practical tiered management mechanisms. Students can be divided into stable highquality groups, ordinary learning groups and high-risk dropout groups according to the student's attendance

status, learning initiative, consumption level and churn risk degree, with differentiated service strategies for different types. For stable high-quality students, the institutions can offer priority course selection, one-on-one academic guidance and exclusive welfare support to solidify core user groups. The regular learning follow-up and standard service maintenance can help to sustain the learning motivation for ordinary students. For students with high risk and declining learning status, the staff should actively communicate, give emotional support andmake appropriate adjustments to learning arrangements. Timely intervention for risk results in substantially better overall student retention performance[4].

4.3 Establish closed loop processes for managing student feedback:

Institutions should establish diversified and normalized channels for student feedback[9]. Regular post-stage questionnaires, one to one random interviews and online opinion collection can effectively collect student evaluations on course content, teaching quality, scheduling rationality and supporting services. All feedback information shall be recorded in detail, with clear responsible person and processing time limit. Post problem rectification, secondary result verification and student satisfaction evaluation are the measures to ensure a complete closed loop service workflow.

Standardized mechanisms for processing feedback ensure timely response to student demands and effective rectification of different service defects.Continued accumulation of positive service experiences increases students' confidence in the institution and thus reduces student attrition caused by unsatisfactory service experiences.

4.4. To enhance emotional involvement and community feeling among students:

Training institutions should abandon the single sales-oriented mode of operation, and pay more attention to the emotional communication with students, so as to build a positive and interactive learning community [1].

Institutions can create online communication groups for sharing knowledge on vocational skills, industry certification policies, and tips for practical learning.Schedule regular learning check-ins, and academic discussions. These activities create a positive learning environment. Frequent Q&A sessions and learning sharing activities enhance student engagement and overall classroom participation [8].

We maintain ongoing friendly relationships with institutional users by continuously working with graduate students on career advice and by providing tools to improve their skills. Reducing too many sales promotions and encouraging service-oriented emotional interactions can significantly improve students' sense of identity and belonging.

These practical tactics reduce student dropout tendency and increase student tendency to re-register in courses proactively and to recommend the courses to others naturally.

IV. CONCLUSION

As market competition continues to intensify, professional customer relationship management capability has become a core competitive advantage for small and medium-sized vocational training institutions. It helps institutions break operational bottlenecks, stabilize student resources and boost broader market competitiveness[2]. At present, most grassroots training institutions suffer from common problems such as backward management concepts, non-standard service workflows, imperfect tiered student management, missing risk early warning mechanisms and insufficient emotional user interaction. These flaws lead to persistent high student churn rates. These shortcomings result in high student turnover rates and limit sustainable institutional development.

The small and medium-sized training institutions, unlike the large educational groups, should adopt low-cost, practical and operable optimization strategies in accordance with the actual conditions[6]. By establishing full-cycle CRM awareness, tiered student management systems, improving feedback closed-loop mechanisms, and strengthening community-based emotional operation, institutions can effectively upgrade customer management capabilities and achieve student churn control. The optimization of user management can improve the student service experience, enhance the institutional reputation, alleviate the dual pressure of difficult student recruitment and low retention, and promote stable long-term development. This exploratory research provided preliminary references for future empirical studies for student retention in vocational training

industries[3]. To summarize, reducing student churn requires not only partial optimization of service processes, but also fundamental re-orientation of institutional operational priorities and appropriate attention to the experience of in-service students[5].

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