

Trends for 2015

Eight Opportunities for Private Higher Education to Gain Market Share

Annually, The Lawlor Group combines our proprietary research with findings from outside studies to predict which trends in the higher education marketplace will have a significant impact on student recruitment and enrollment efforts at independent colleges and universities during the coming year. The past several years have been marked by economic, demographic, and technological disruption, placing many senior administrators in a reactive position as they respond to marketplace trends. *We strongly believe, however, that 2015 brings a time for more proactive, innovative leadership.* So this year, we present our trends in the form of what we expect to see from institutions that are being “edupreneurial” in signaling their relevance, distinction, and value.

LAWLOR

INTELLIGENT MARKETING
SOLUTIONS FOR EDUCATION

TREND ONE

Line 'Em Up

TREND TWO

Demonstrate and Translate

TREND THREE

Reduce the Burden

TREND FOUR

Guide the Way

TREND FIVE

Dare to Differentiate

TREND SIX

Persuade with Precision

TREND SEVEN

Be All Over the Map

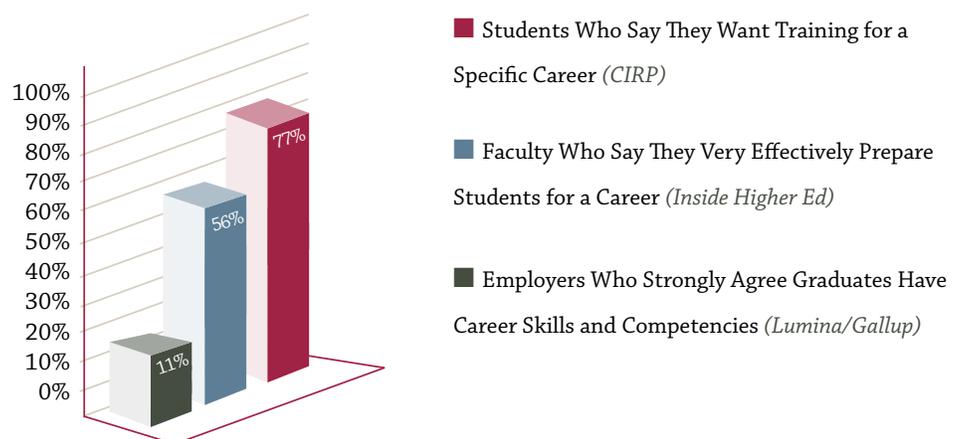
TREND EIGHT

Do It in SoLoMo

1. LINE 'EM UP

Students say they want to leave college with the skills and abilities that make them employable. Faculty say they teach those very skills and abilities. Employers say new college graduates are woefully underprepared for the workplace. Clearly, something's not going as intended.

Views About College Outcomes



Sources: CIRP, Inside Higher Ed, Lumina/Gallup

- 86% of first-year students said a very important reason they decided to attend college was “to be able to get a better job” (CIRP).
- 73% of hiring managers felt that colleges are only “somewhat preparing” students for the working world (Millennial Branding).

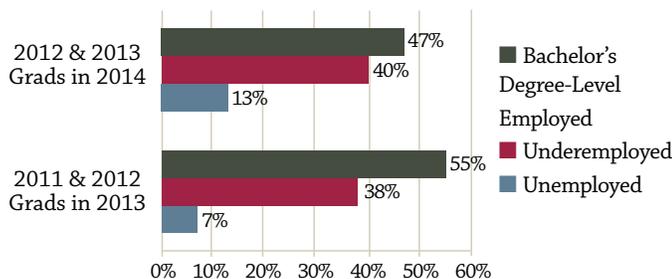
Opportunity: Align learning objectives with workforce needs.

Evidently there's a mismatch between what faculty and employers mean by career-oriented learning goals. But in order for a college to provide a compelling value proposition, the outcomes of the experience must line up with the expectations of the marketplace. So institutions are exploring modularized course content, competency-based learning, and other ways to verifiably deliver specific market-driven educational outcomes.

2. DEMONSTRATE AND TRANSLATE

Economic conditions and media coverage have reshaped public opinion about the value of a college degree. Prospective students and their families now pay closer attention to their potential return on investment and demand evidence of successful results among a college's recent graduates.

Employment Status of Recent College Graduates



Source: Accenture

- 87% of first-year students believe they will graduate within four years (CIRP), even though the national rate for doing that is only 39% (NCES).
- Among the long-term unemployed in 2014, the chance that they hold a bachelor's degree is nearly twice what it was in 2007 (Congressional Budget Office).

Opportunity: Track outcomes and showcase them.

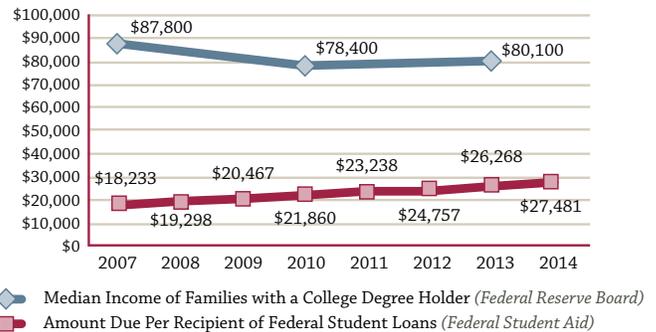
Measurement is a must for colleges when it comes to proving the cost-benefit of their value proposition, so they can demonstrate their students are learning what's intended, graduating on time, and achieving their immediate post-graduation goals. Yet institutions should also help their graduates better translate (in terms that the marketplace understands) exactly how their academic experiences directly develop desired skills and abilities—especially when it comes to liberal arts majors.

3. REDUCE THE BURDEN

Economic conditions have strained both the ability and the willingness of families to pay

for college. Most have them have experienced declining income in real terms—and many have experienced downward social mobility—giving them an aversion to high levels of student loan debt.

Financial Trends Over Time



Sources: Federal Reserve Board, Federal Student Aid

- The proportion of adults ages 18 to 29 who self-identify as being in the lower or lower-middle class has almost doubled since 2008, and has increased 8 percentage points among college graduates of all ages (Pew Research).
- 51% of student loan borrowers who are supposed to be current on their payments are not (Federal Student Aid).
- Among households headed by a college-educated adult under age 40, those without any student debt obligations have about seven times the typical net worth of those who do have student debt (Pew Research).

Opportunity: Creatively improve affordability.

Institutions are exploring locked-in tuition rates for all four years, degree programs that can be completed in three years, four-year graduation guarantees, guaranteed job programs, dual bachelor's/master's degree programs, and more to help families manage the cost of college. And given that Sallie Mae finds 44% of families have eliminated an institution based on cost before even applying to it (so presumably, due to its sticker price), tuition "resets" can improve consideration along with financially benefiting some.

4. GUIDE THE WAY

When families calculate a college's value, they factor in its cost and its outcomes, but also its quality. While name-brand prestige and a widespread academic reputation serve as signifiers of quality, it often falls more under the institution's control to offer personal attention as a proxy.

College Graduates Who “Strongly Agree”

I had at least one professor who made me excited about learning.

63%

My professors cared about me as a person.

27%

22%

I had a mentor who encouraged me to pursue my goals and dreams.

The 14% who had all three were twice as likely to be engaged at work and thriving in their well-being.

Source: Gallup-Purdue Index

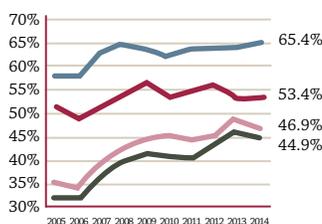
- 52% of seniors rated their interactions with academic advisors as “high quality,” but 32% of first-year students only met with an advisor once or not at all during the academic year (*National Survey of Student Engagement*).
- Students who were academically coached had a 9% to 12% increase in retention and graduation rates 4 percentage points higher than students who were not academically coached (*Educational Evaluation and Policy Analysis*).

Opportunity: Enhance academic and career planning support.

Providing personal attention, listening and caring, and displaying a high level of responsiveness are the hallmarks of private institutions, especially those that are small-sized. These attributes reinforce value (and can improve yield), but families have come to expect them and will note their absence. So institutions are exploring ways to better guide their students’ success, such as by incorporating career mentorship or by utilizing data analytics to identify support opportunities.

5. DARE TO DIFFERENTIATE

Students and families will view a college as too expensive yet nevertheless keep considering it, provided it has a strong academic program in the student’s area of interest, has a prestigious academic reputation overall, or is a place where they could fit in and feel comfortable.



“Very Important” Selection Reasons

- This college has a very good academic reputation
- This college's graduates get good jobs
- I was offered financial assistance
- The cost of attending this college

Source: CIRP

- 82% of college-bound students said “figuring out the best option or fit” was a challenge during their college search process (*Innovation Imperative*).

- The top-rated driver for deciding where to enroll for high school juniors and seniors is “core academics” at a college (*Eduventures*).
- Just under half of college-bound high school seniors seek “academic program listings” on an institution’s website, which ranked the highest of any content (*Noel-Levitz*).

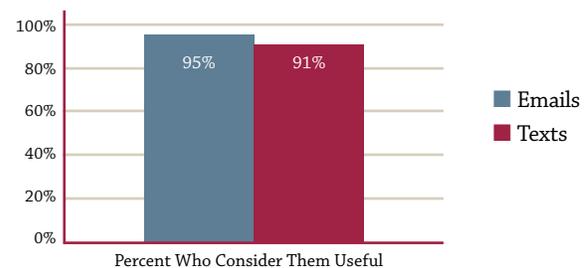
Opportunity: Focus on distinctive programs and offerings.

To stand out in the marketplace, an institution must publicize that which converges in the sweet spot of being (a) something that is a genuine strength of the institution, (b) something that is relevant to and desired by students, and (c) something that clearly distinguishes it from its competitor institutions. When an institution can identify its distinctive niche, it can then go about targeting specific audiences that have a propensity toward appreciating its specialty.

6. PERSUADE WITH PRECISION

With both the ways and the means of finding out about colleges expanding so greatly, “stealth” students who are interested in an institution can fly under its radar more easily. Yet once they make themselves known, they expect personalized and relevant communications.

Consumers Who Opted In to Brand Messaging



Source: Salesforce

- Emails with personalized subject lines have 26% higher unique open rates than non-personalized emails, and personalized emails generate six times higher transaction rates than non-personalized emails (*Experian*).
- 53% of high school seniors consider email from a college to be an influential college search resource, second only to the college’s website (*Noel-Levitz*).

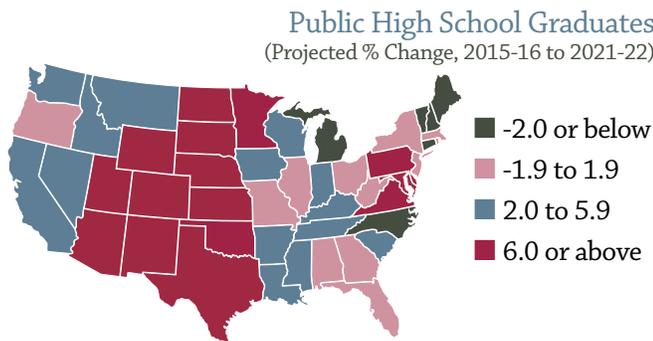
Opportunity: Segment and target audiences with variable content.

Tracking tools and data analytics are making it easier to capture information and make it actionable. Enhanced targeting capabilities enable institutions to send messages that are highly relevant to an individual prospective student—even those who haven’t explicitly made their interest known to

the college. So institutions are exploring such practices as analyzing behavioral data to create predictive models and sending more sophisticated triggered emails.

7. BE ALL OVER THE MAP

Most students choose to attend a college that is located within 100 miles of their home. While the number of public high school graduates is expected to increase slightly during the next seven years, the figures vary greatly by region, and declines will occur in 11 states.



Source: NCES

- Among children reaching college age over the next 14 years, the number of those who are white will drop 15%, those who are black will drop 9%, and those who are Asian will drop 5%, while those who are Hispanic will increase 14% (*Chronicle*).
- The median distance from home that Hispanic college students travel for college is about half that of white college students (NCES).
- 47% of students from rural areas chose to attend a two-year institution, compared to only 38% of students living in a metro area (*American Educational Research Association*).

Opportunity: Geotarget audiences in promising markets.

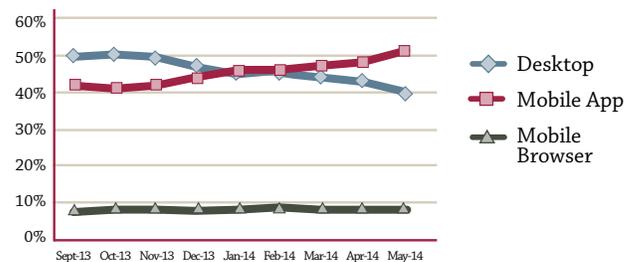
A convergence of population, ethnicity, and socioeconomic trends is straining “backyard recruitment” at many institutions, but at the same time technology tools are enabling them to more easily and economically target students outside of their primary geographic market. So institutions are exploring ways

to spread across the map virtually if not in person, for instance utilizing predictive modeling, lead generation vendors, and online retargeting.

8. DO IT IN SoLoMo

Widespread use of anytime/anywhere technology has raised the marketplace’s expectations for the delivery of accurate, relevant, and timely information across a variety of channels, especially as people integrate their use of mobile devices, social destinations, and location-based apps.

How Americans Access the Internet



Source: comScore

- 91% of consumers say access to content any way they want it is important (*Salesforce*).
- Two-thirds of high school students say social media conversations influence their decision of which college to attend (*Zinch*).
- More than half of college-bound seniors considered a college’s social media content to be a reliable source for information (*Noel-Levitz*).

Opportunity: Be present in the “social-local-mobile” realm.

Prospective students are using collaborative, location-based, and on-the-go technologies to research colleges. Since this pushes institutions to deliver content where and how the audience wants it, colleges are exploring ways to make such engagement with students cost effective. And since audiences seek authenticity, institutions are collaborating with their alumni to leverage familiarity and favorability as they communicate with influencers of college-bound students.

Focusing on the *art and science* of marketing

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