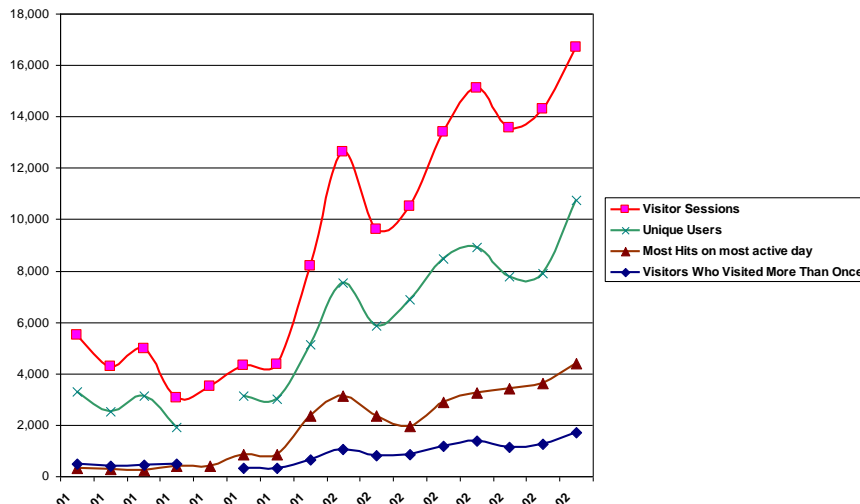




Exploiting Opportunities in a Bigger Marketplace

Dr. Jack M. Wilson, CEO
UMassOnline.net

5 May 2003



Fiscal Year 2003
Enrollment: 11,239
Revenue: \$12.7 million



Traditional Marketing and eLearning

- Traditional marketing : the all-important 4 “P’s”
 - Product,
 - Pricing,
 - Place (placement or distribution)
 - Promotion.
- Elements of the “marketing mix.”
 - To the outsider, promotion tends to dominate the marketing agenda, but the real trick is to use these four elements to create a marketing program that enables the exchange with consumers in the marketplace.
- The underlying rules of marketing do not change on the Internet, but the way the marketing mix can be deployed changes radically.



Strategic Marketing Issues

- Developing and executing a strategic marketing program that supports national and international expansion
 - eLearning - early stage of gaining widespread market acceptance.
 - Market education still needed.
 - Lots of noise in the market. Many competitors. Benefit of the doubt goes to well-know, branded institutions



How to promote?

- Almost too many promotion options.
 - Focus on leveraging distance learning communities and brand name education market influencers (ex: Petersons, the late Fathom, BBC Learning, Monster, etc.)
 - At the same time, try anything. Despite big players, market hasn't consolidated. There are many portals and many different business models
 - MEASURE RESULTS!
- Paid promotional opportunities need to be validated by unpaid (endorsements, awards, press, etc.)



Matching Market Needs

- You've found a market need. Can you meet it?
 - Does it match your core competencies?
 - Whole product takes more than content expertise.
 - You need either in-house or outsourced expertise in production, delivery, marketing, and support
 - Is it a good cultural fit?
 - Does it support or hijack your brand?
 - Does it require the faculty to change how they do things...moving a graveyard



Can You Deliver?

- Do you control production?
 - How does one get the materials developed?
- Will governance boards or faculty reduce your ability to deliver product?
- What approvals are required.
 - New courses are tougher than online versions of existing courses.
 - Departmental, College, and University support
 - Faculty available to teach



Can you sell it?

- Do you offer a superior product with a comparable price
- Will it scale?
- Least successful: *new* products to *new* clients
- Alternatives:
 - Offer *new* products to *existing* clients....
 - Would your existing audience buy it?
 - Or offer *existing* products to *new* audiences...
- Does your target market know you?



The hard way

- You have an area of expertise you'd like to take to market. Is there a market need?
 - Examine your motives. Larger markets won't save failing products. i.e. Moving “esoteric sub-specialty” courses online to counter declining face-to-face enrollments. Why are they declining in the first place?
 - Will people see value?
 - Focus attention on what kinds of education people need, want, and are willing to pay for.
 - Brand is important but not the whole thing.
 - Brand is not the same as distinction



Product positioning & branding

- Position: Where customers place your company or product relative to competition
- Brand: Emotional response to product or company
- E-Learning: Lots of noise in the market.
 - Many competitors from degree mills to well known institutions
 - Benefit of the doubt goes to well-known, branded institutions
 - People will pay for solid credentials
- Creating a brand:
 - Brand is easier to create when one unit controls messages. Difficult to do in a multi-campus setting
 - Co-branding leverages unique strengths in a system
 - Necessary elements:
 - Differentiation from competition
 - Proof of market acceptance
 - Recognized industry (thought) leadership



Tracking marketing success

- The Web makes it easier than ever to
 - Evaluate the ROI from marketing dollars
 - online referrals (media sources, geography)
 - off-line referrals (print, radio, etc.)
 - route inquiries
 - build rapport with customers thru opt-in communications
 - enable prospect self-help
 - get granular and run in lights-out mode
 - But, the old customer service rules still apply
 - Create opportunities by finding ways you aren't meeting your market's needs



How do you know you've won?

- Be specific in defining success so you know when you've won. Measure everything.
 - Inquiries & enrollments
 - Cost of lead/enrollment
 - Return on investment for each expenditure
 - Brand recognition
 - Satisfaction
 - Anything that is important (spontaneous media coverage)
- CEO: Enrollments, Revenues, Growth



Questions

- What are the advantages and disadvantages of various financial models?
- Are joint ventures between universities and for-profits viable (Pensare, Caliber, NYUOnline, U21 Global, etc)
- Can one borrow brand equity from one institution to another: (Cardean, Pensare)
- Can one transfer brand equity from a different business to eLearning (Harcourt)
- Given that content is a commodity, how much to invest in content?



Content and the Value Chain

- Given what MIT has done (OCW), how can UMassOnline compete? – Boston Globe reporter

What MIT provides

- Course materials

No access

- Reputation
- Courses
- Faculty
- Credentials
- Students
- Alums
- Library
- Facilities



Content?

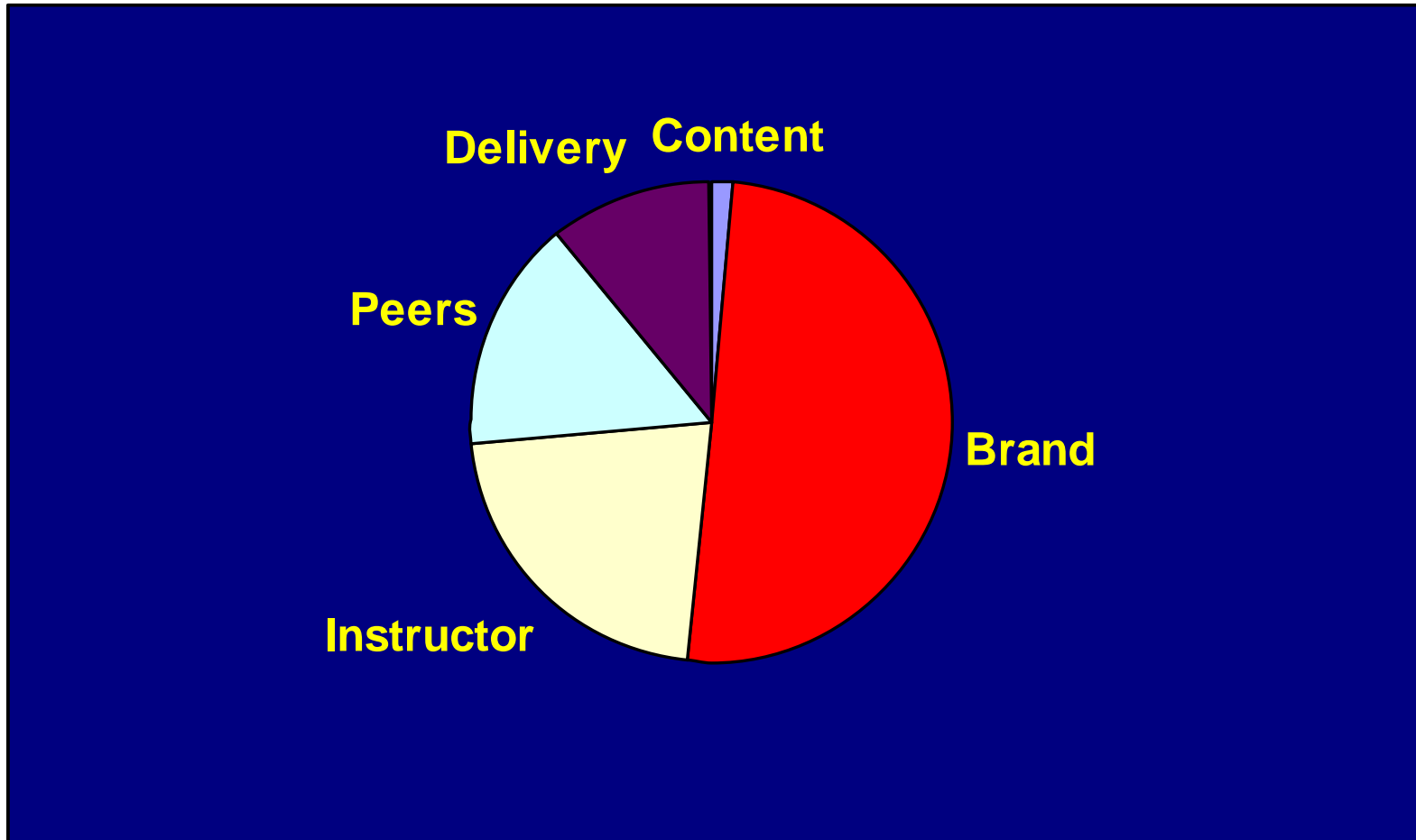
- The smallest part of the value chain.
- Introduction to eBusiness
 - 75-125 students (business execs)
 - \$ 3000 per student (indicator of value?)
 - A book might be \$50 (content)
 - Web site is open and free
 - Revenue: \$225,000 - \$375,000
 - One faculty, one full time TA
- Content is king?





The Value Chain

Brand ~ Reputation (not just prestige)





UMassOnline

- UMassOnline will end the fiscal year 2003 with
 - over \$12 million in revenues
 - 11,139 enrollments from “new” students
 - an annual growth of nearly 50%
 - 38 (and growing) degree and certificate programs
 - Serving the educational needs of students in Massachusetts, New England, and the U.S.
 - Over 500% growth in inquiries through portal
 - 55% of inquiries from outside Massachusetts.
 - 8% of inquiries from outside the U.S.



Marketing Objectives

- Objectives:
 - Create a unified brand giving the University's aggregated online programs greater market presence than they could achieve on their own
 - Position the University as a high-quality national player in online higher education
 - Increase site traffic and program/course enrollments
- Target audience
 - Men and women
 - Ages 25-45
 - With at least one year of college education
 - Comfortable using a computer, the internet and email
- Our advantage: We have been here for nearly 150 years and we will be here for another 150 years!



Campus Collaboration

- CE marketing professionals meet regularly with UMOL to:
 - Provide feedback
 - Coordinate advertising and marketing programs
 - Establish processes for lead/inquiry responses
- Same-discipline programs are promoted in multi-campus ads targeted for specific vertical markets.
 - Education degrees in Newsweek's (8/12/02) education issue
 - Business degrees in MBA issues of Newsweek (10/7/02), Business Week (10/21/02) and American Way (9/15/02)
 - Criminal Justice Degrees in Law Enforcement Publications
- Campuses participate in promotional events with UMOL



Advertising Programs

- Budget: \$400,000+
- National and regional advertising, as well as targeted local advertising:
 - Online
 - Petersons.com, BBC Learning, MonsterLearning.com, AOL, Boston.com & BostonWorks.com, NYT.com, executive education portals of Financial Times, WSJ, BusinessWeek, the late Fathom.
 - National Publications
 - Newsweek, Business Week, US News & World Report, New York Times
 - Boston Globe and local papers
 - Radio: WBZ, WBUR, WINS (NY), WAMC (NY)
 - MBTA commuter rail car cards



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- 2: Advanced Search (more options)
- 3: Course Directory (search by subject)

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APRIL 15, 2003

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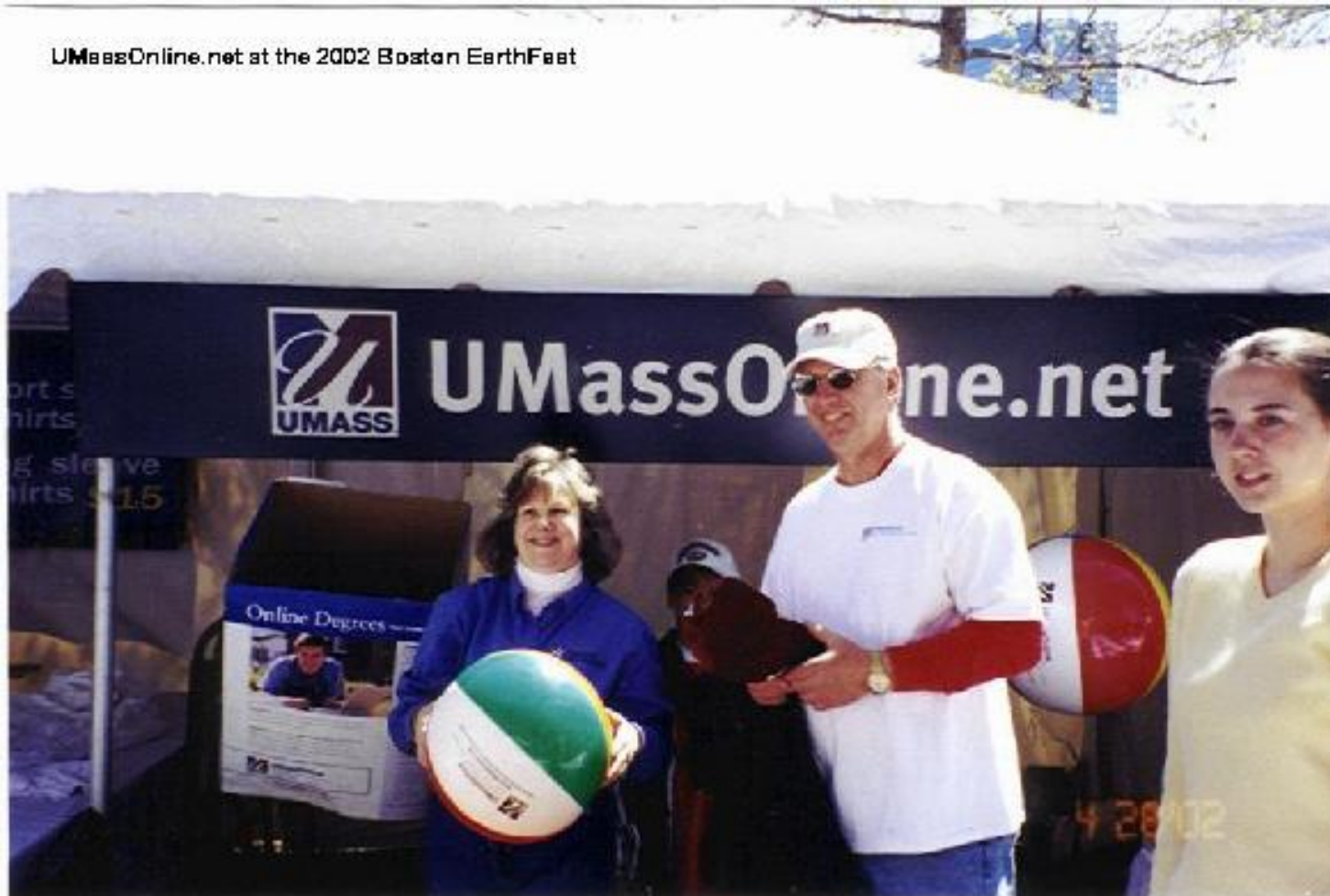
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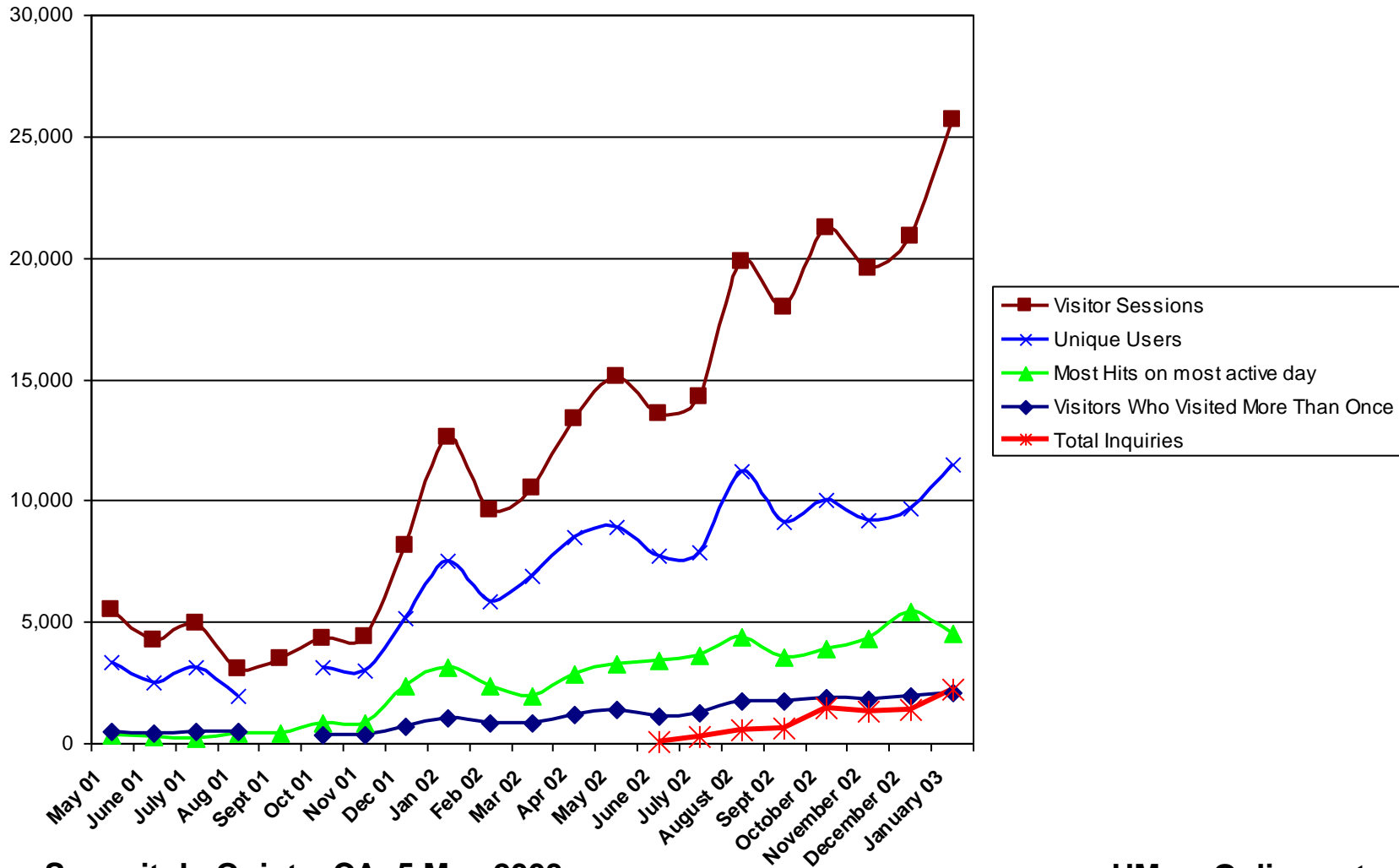


UMassOnline Traffic Results

- Number of portal visitors increased:
 - **550%** from August '01 to August '02
 - **104%** from January '02 to January '03
- Averaging 830 visits per day



Portal Traffic





Routing Leads Back to Campuses

- 10% of all portal visitors **identify themselves** and request information via web form (other inquires are anonymous)
- Form instantly sends inquiries to designated campus or program administrators/advisors
- UMOL uses data for:
 - Proactive outreach to prospects
 - Evaluating recruitment success outside MA and NE
 - Identifying new market needs

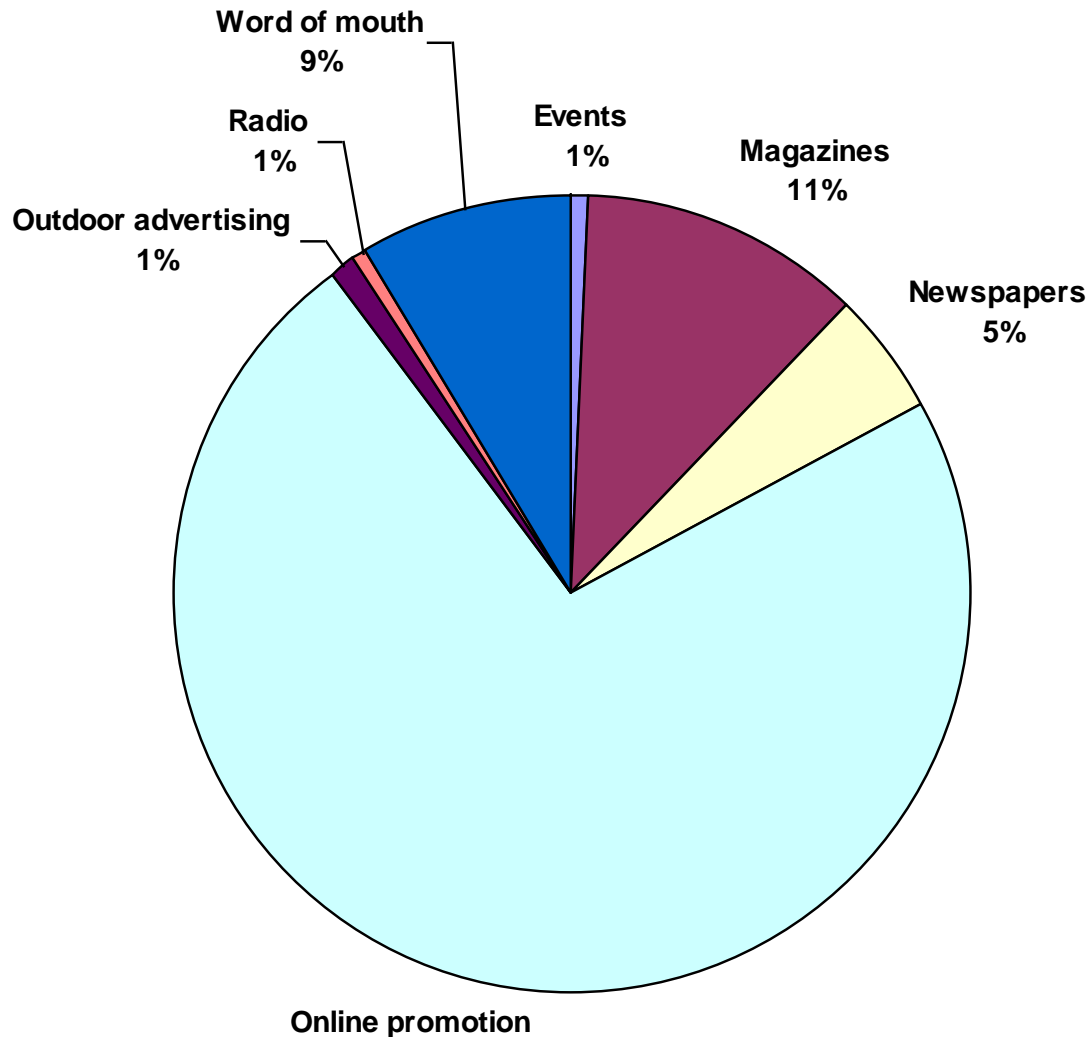


Routing Leads Back to Campuses

- Since June 2002, the portal has sent (as of 3/18/03):
 - 5655 leads to Lowell
 - 2988 leads to Amherst
 - 1333 leads to Boston
 - 203 leads to Dartmouth
 - 90 leads to the MBA program at the I495 Center
- These leads from our “Request Info” form represent approximately 10% of the total users on the site.
 - The other 90% are anonymous who either pass directly to the campus web sites or leave the portal
- There is international and national impact
 - Approx. 50% are from outside MA
 - Approx. 8% are from outside the US

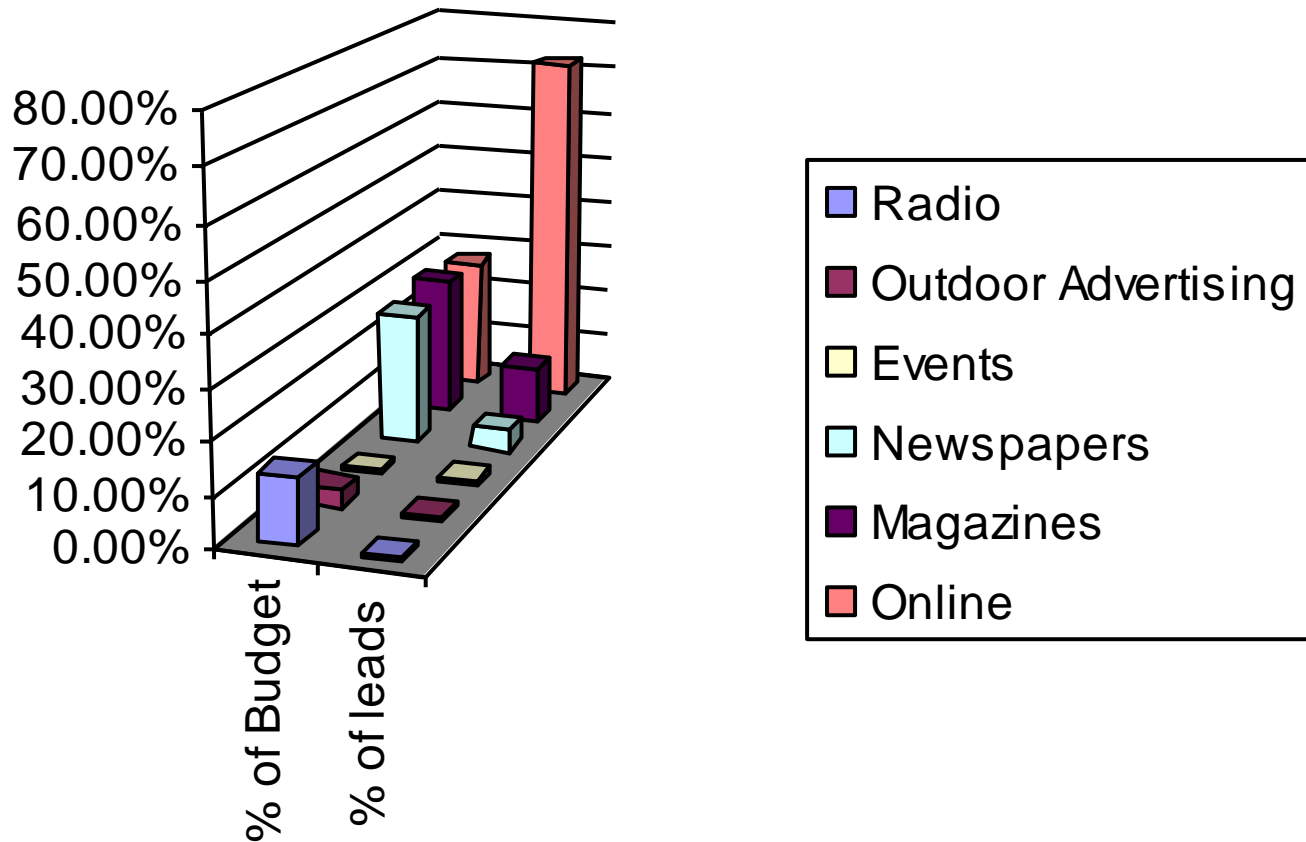


Inquiries by Source



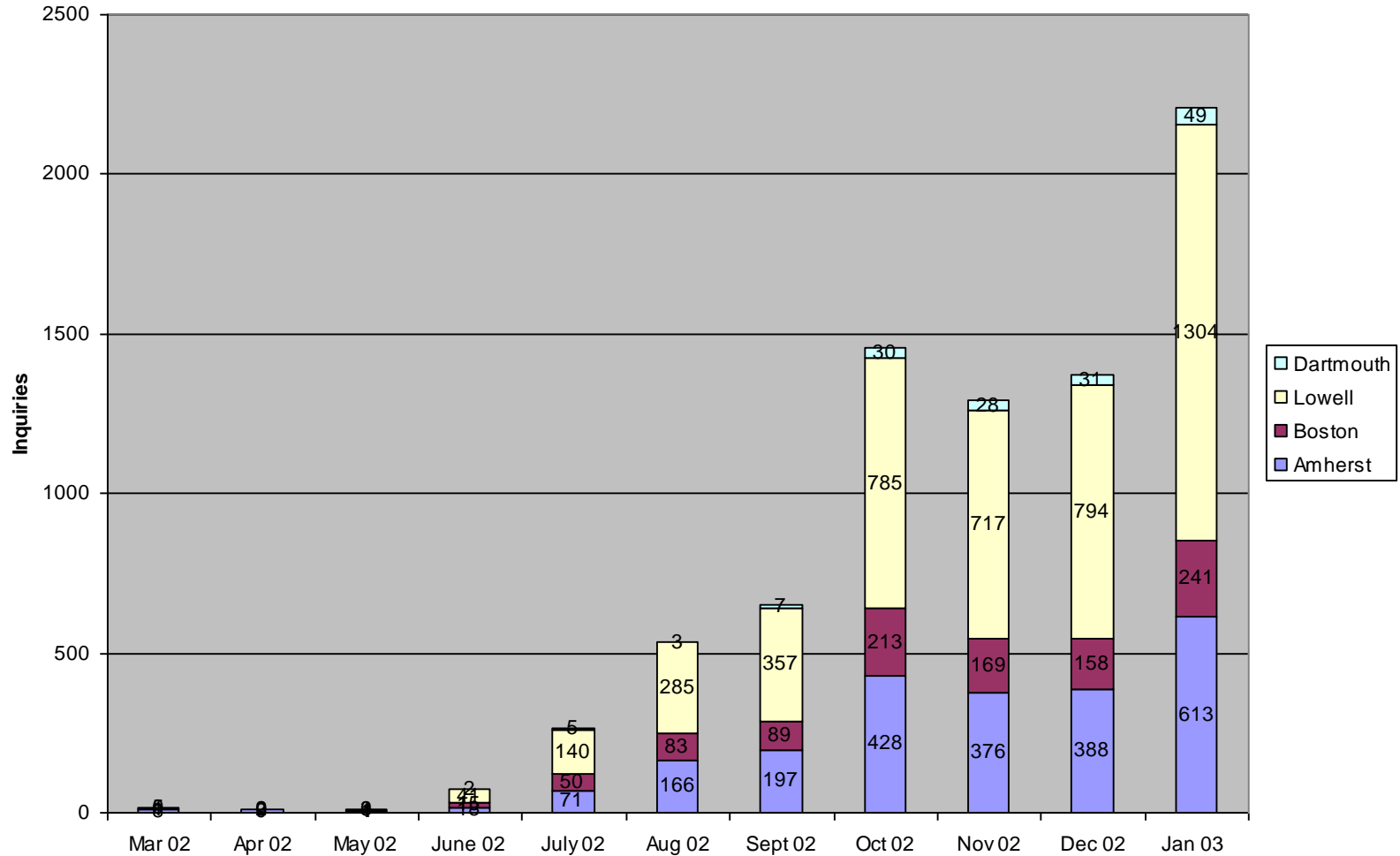


% of Budget and Leads



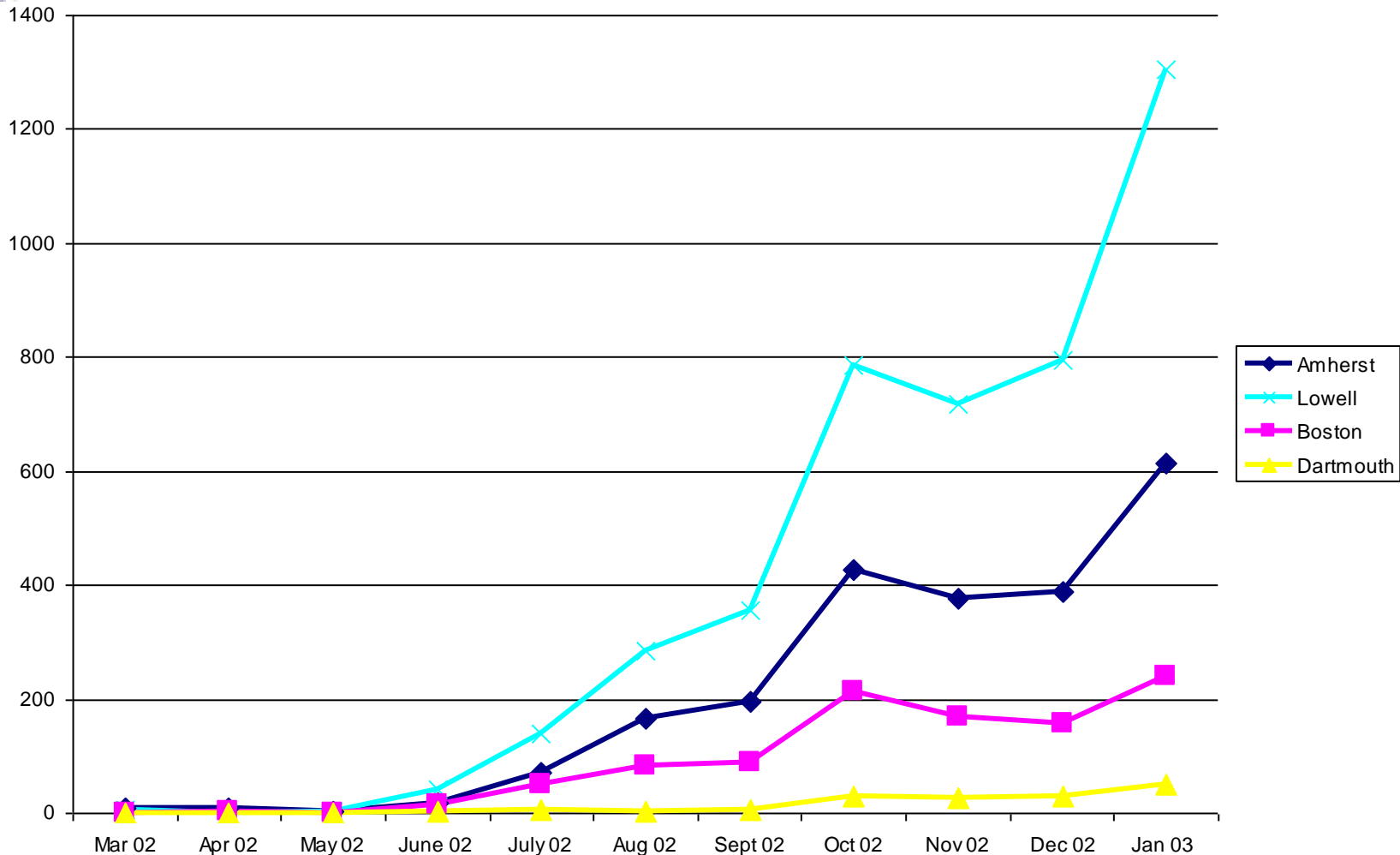


Inquiries by Month



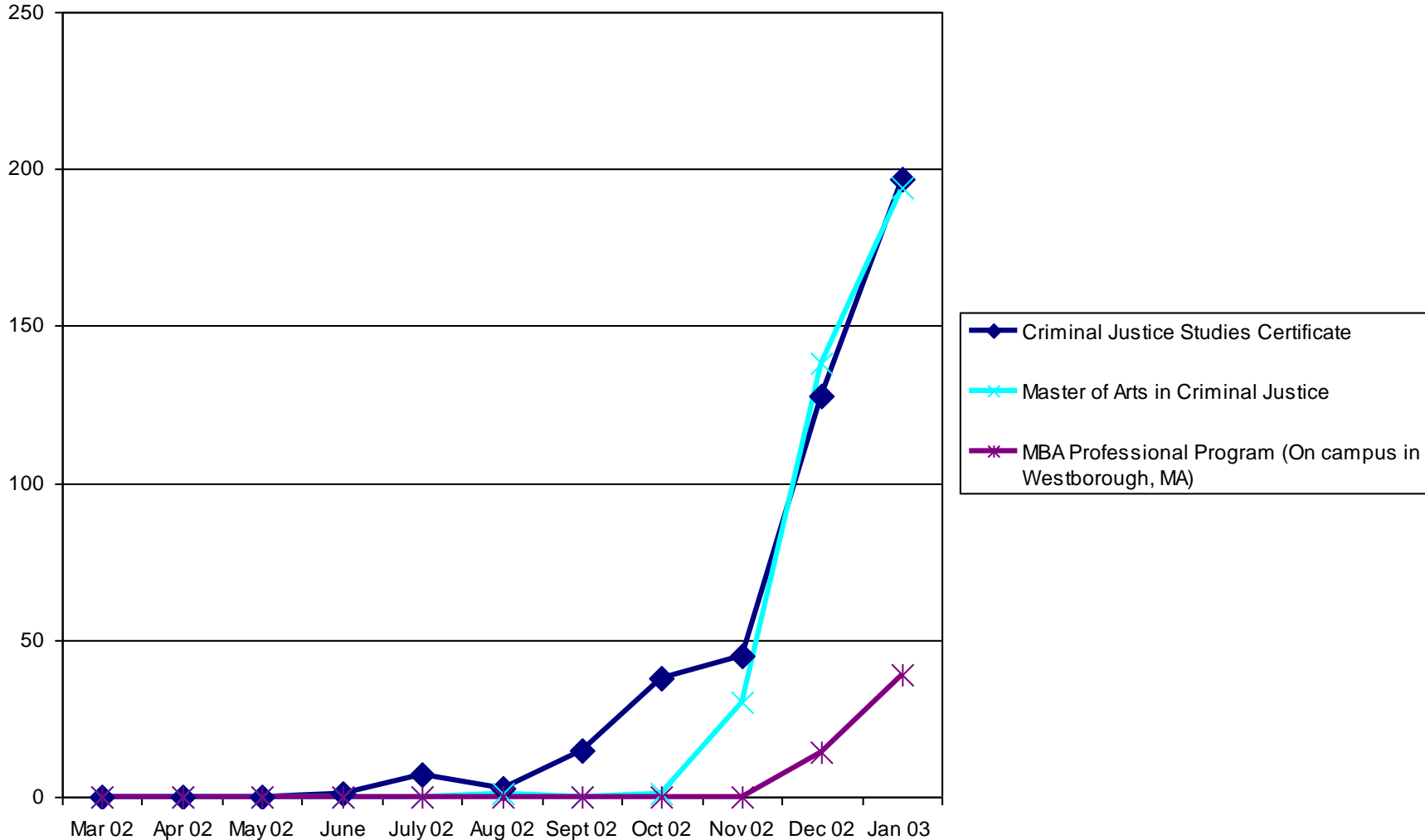


Inquiries by Campus





Inquiries: New Programs





Most Requested Programs*

- Bachelor of Science in Information Technology (combined with BS in IT with Business Minor) (UMass Lowell)
 - 1490 inquiries
- Bachelor of Liberal Arts (UMass Lowell)
 - 1210 inquiries
- MBA Professional Program (UMass Amherst)
 - 870 inquiries

*between June 21, 2002 and March 18, 2003



Top Ten- Inquiries by State

Results: State	Inquiries	Percent of total
Massachusetts	780	29%
California	194	7%
New York	193	7%
Texas	132	5%
Florida	118	4%
New Jersey	100	4%
Pennsylvania	86	3%
Georgia	85	3%
Virginia	73	3%
Connecticut	64	2%



What's Next?

- Analyze lead to enrollment ratio:
 - To determine effective advertising and marketing investments
 - To improve processes



Thank you!



Jack M. Wilson, CEO

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