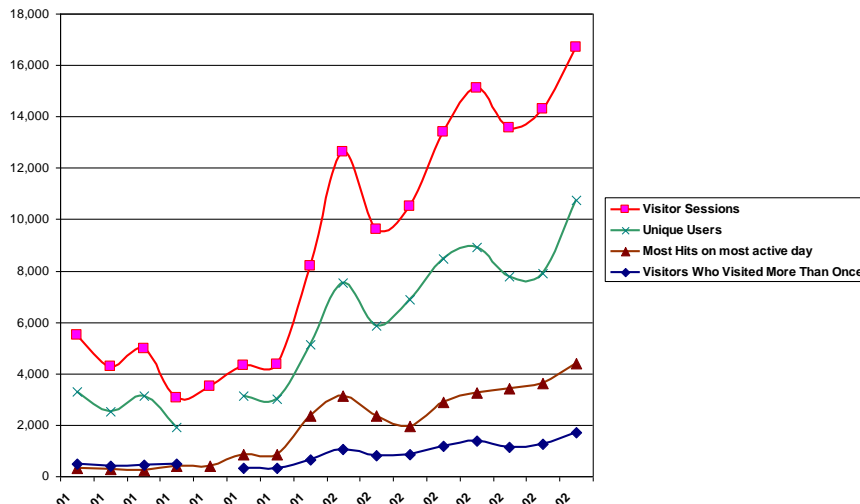UMASS

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

- Visitor Sessions
- Unique Users
- Most Hits on most active day
- Visitors Who Visited More Than Once

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 our 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)
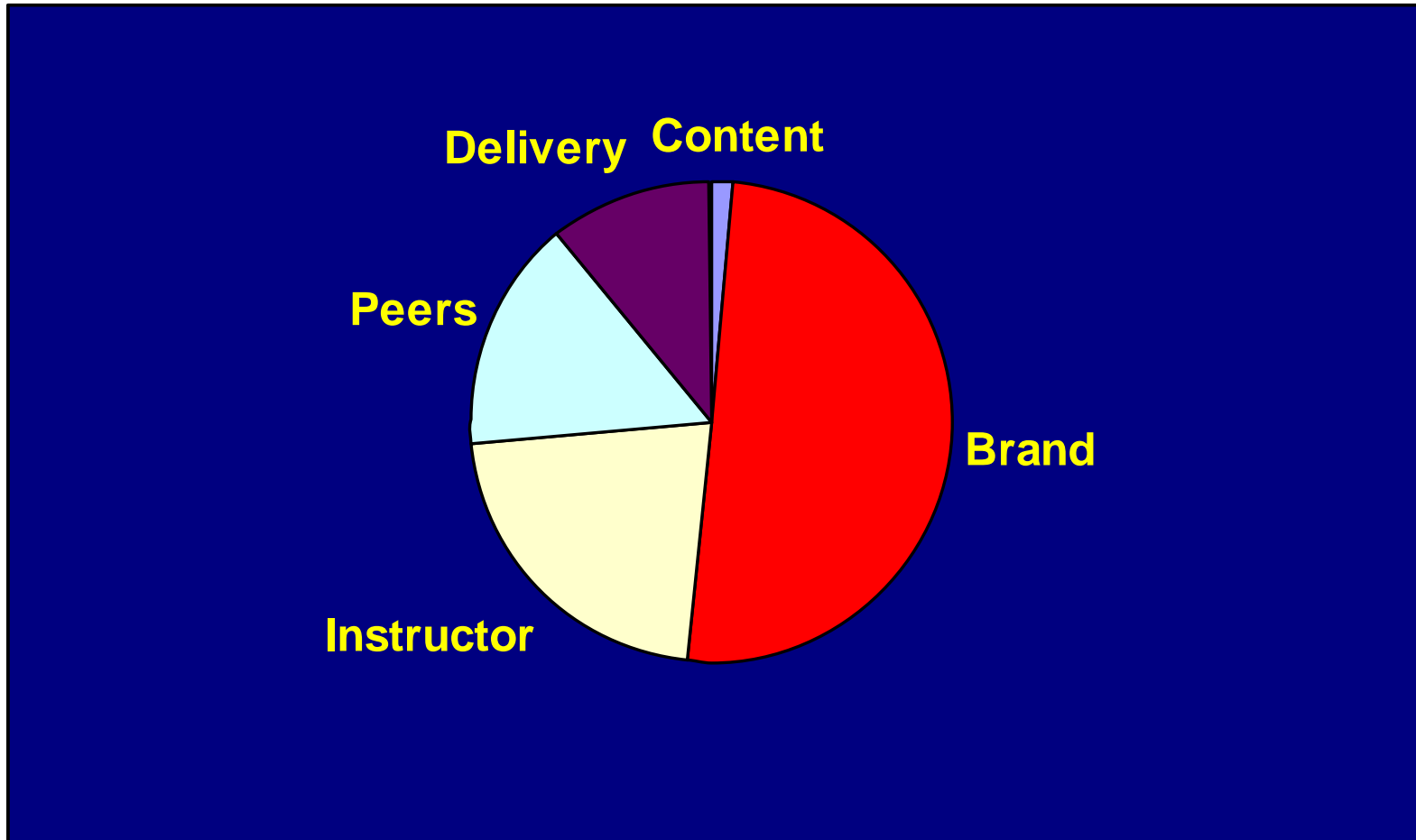
UMassOnline

- 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

U.S. News and World Report

Newsweek

Newsweek

EarthFest 2002 Boston

UMassOnline.net at the 2002 Boston EarthFest
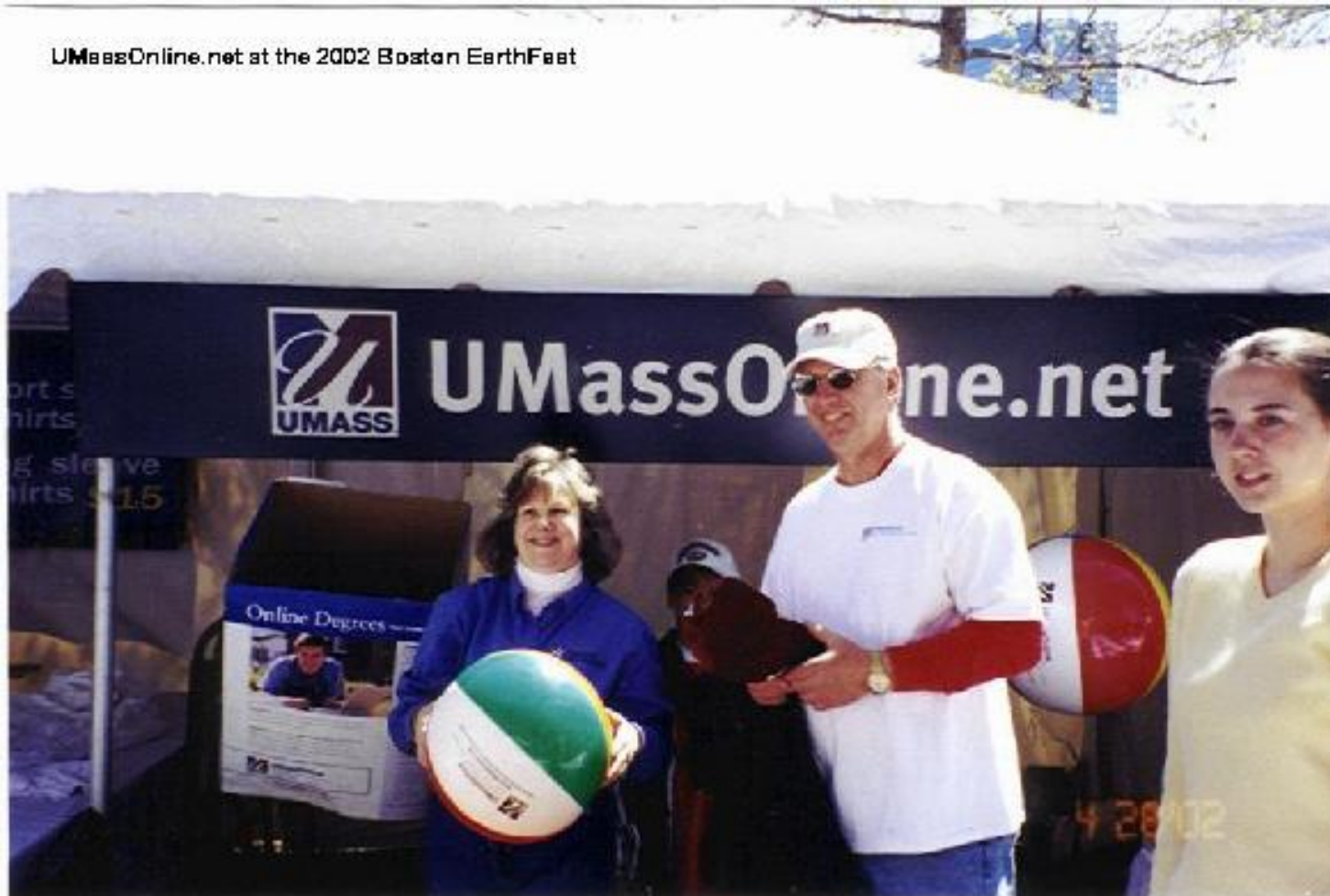
UMassOnline Traffic Results

- 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
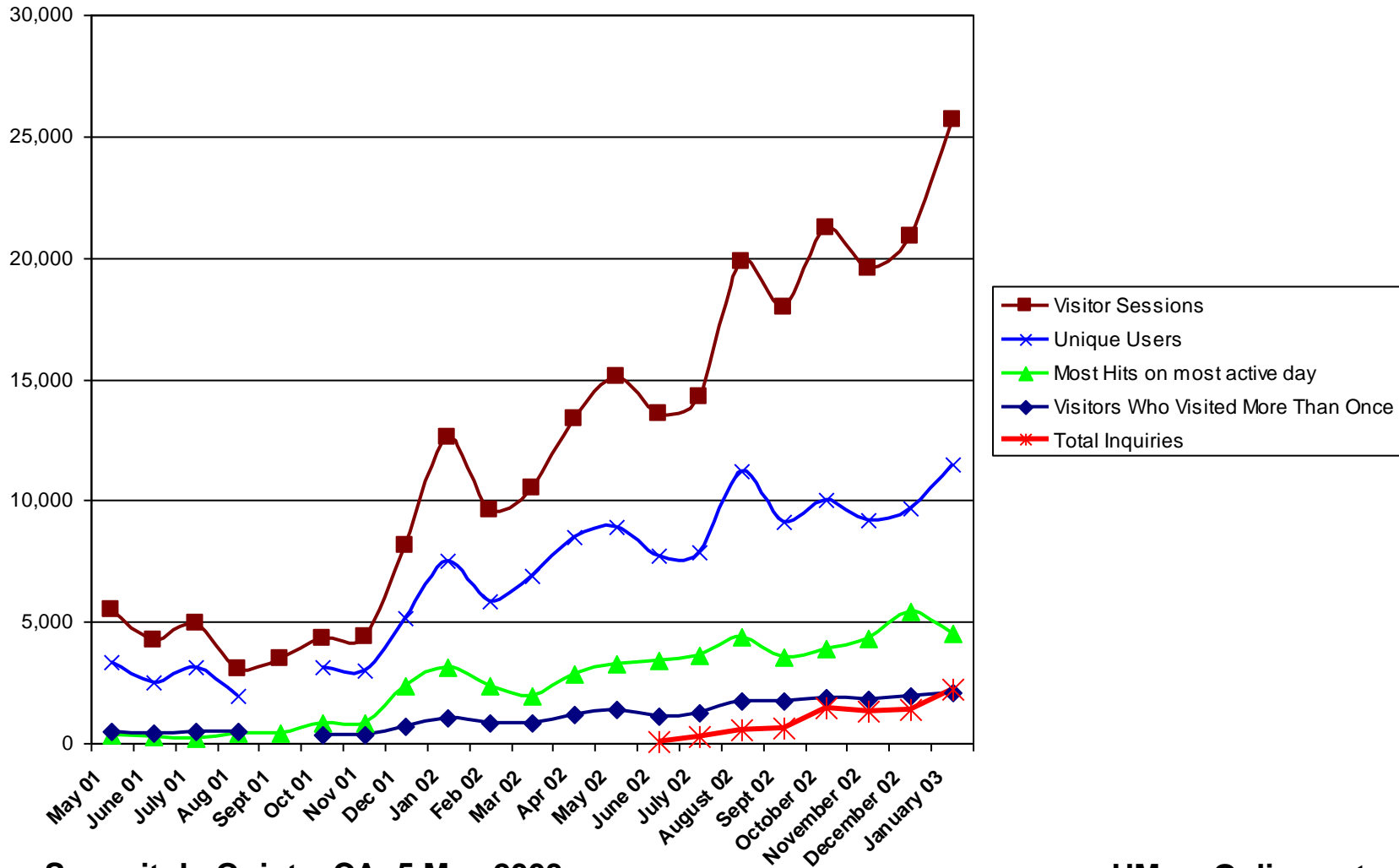
Routing Leads Back to Campuses

- 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

Iniquiries by Month

UMassOnline.net

Chart: Inquiries by Month (stacked bar chart, Inquiries vs. Month)

Legend: Dartmouth, Lowell, Boston, Amherst

Month	Amherst	Boston	Lowell	Dartmouth
Mar 02				
Apr 02				
May 02				
June 02	18	4	4	2
July 02	71	50	140	5
Aug 02	166	83	285	3
Sept 02	197	89	357	7
Oct 02	428	213	785	30
Nov 02	376	169	717	28
Dec 02	388	158	794	31
Jan 03	613	241	1304	49
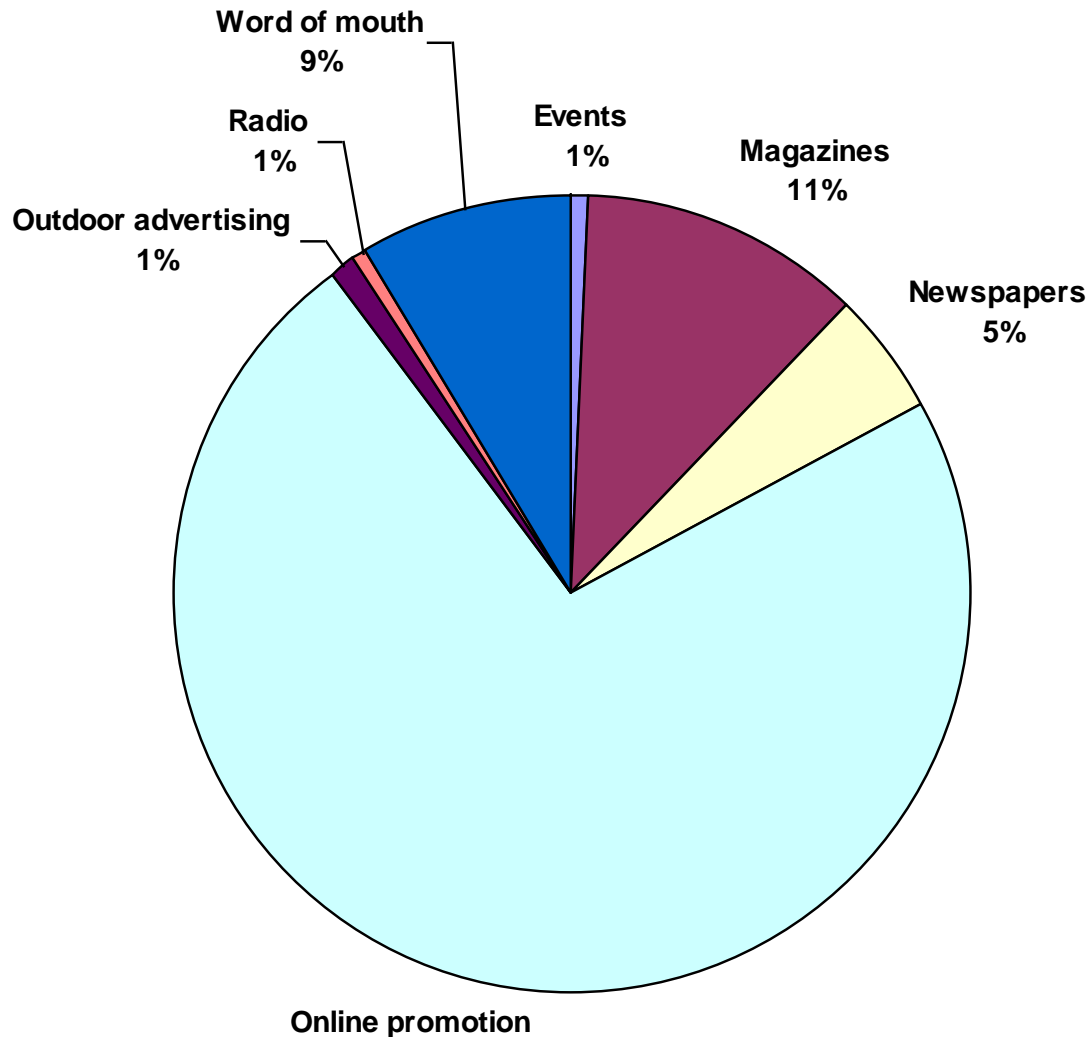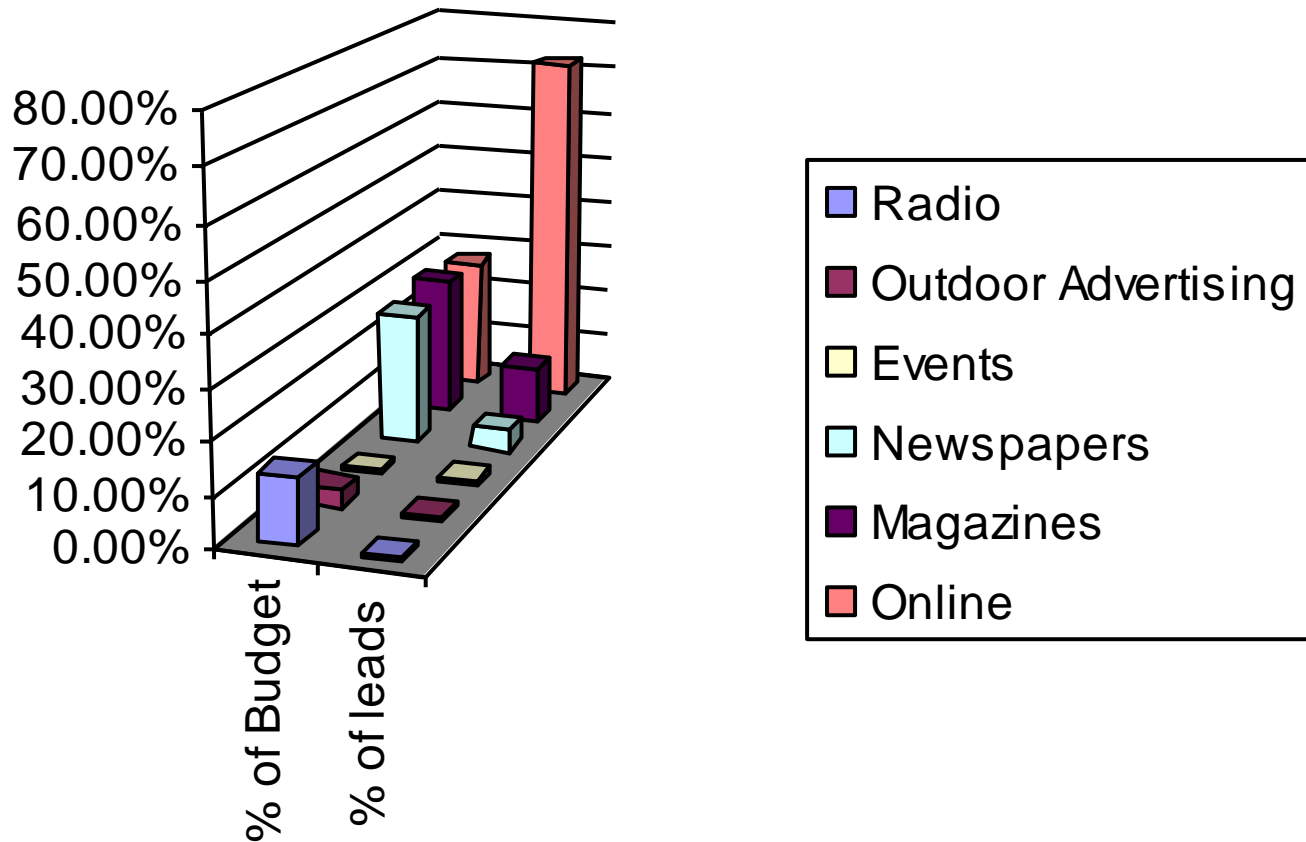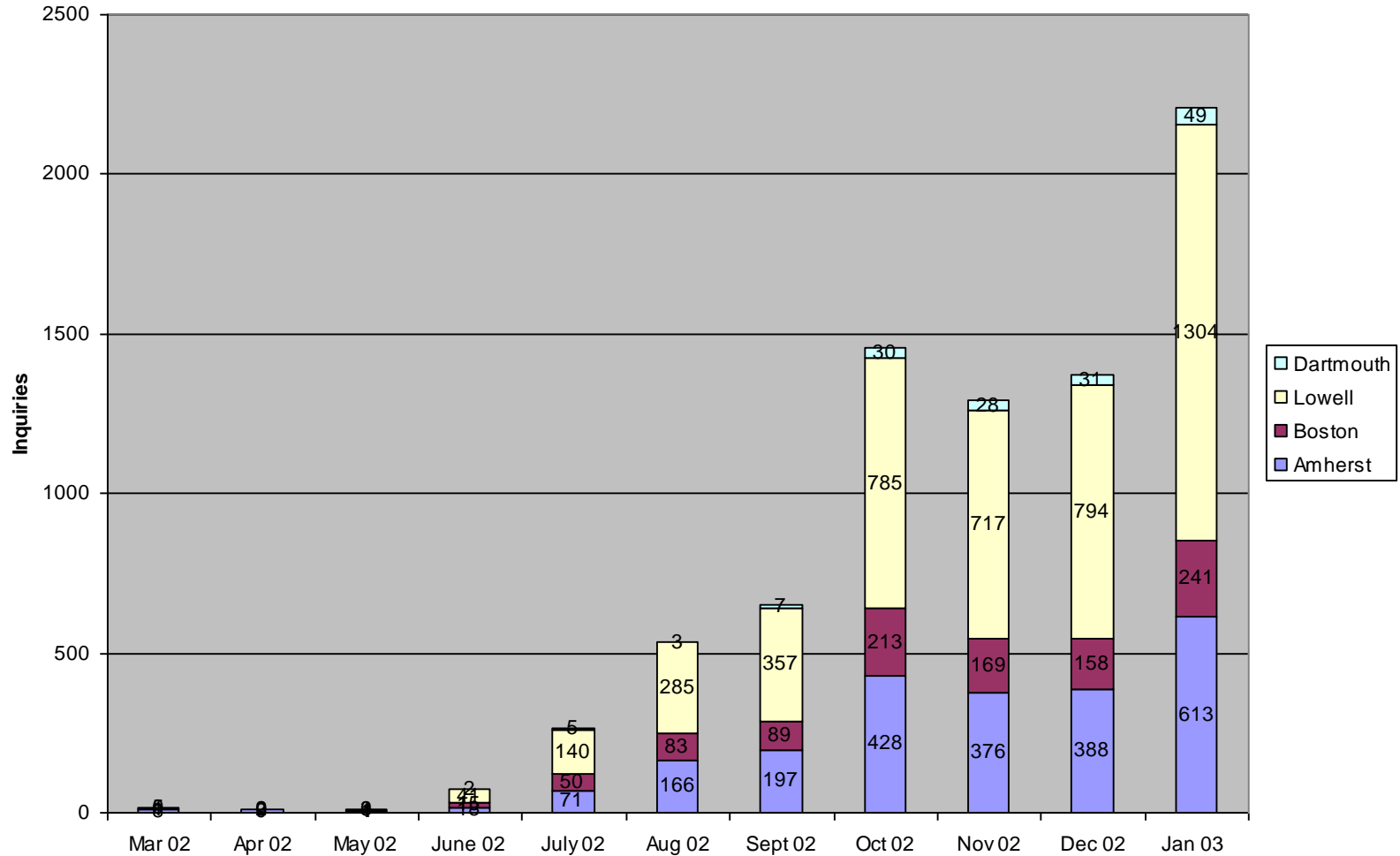
Inquiries by Campus

Inquiries: New Programs

Legend:
- Criminal Justice Studies Certificate
- Master of Arts in Criminal Justice
- MBA Professional Program (On campus in Westborough, MA)

X-axis: Mar 02, Apr 02, May 02, June 02, July 02, Aug 02, Sept 02, Oct 02, Nov 02, Dec 02, Jan 03

Y-axis: 0, 50, 100, 150, 200, 250
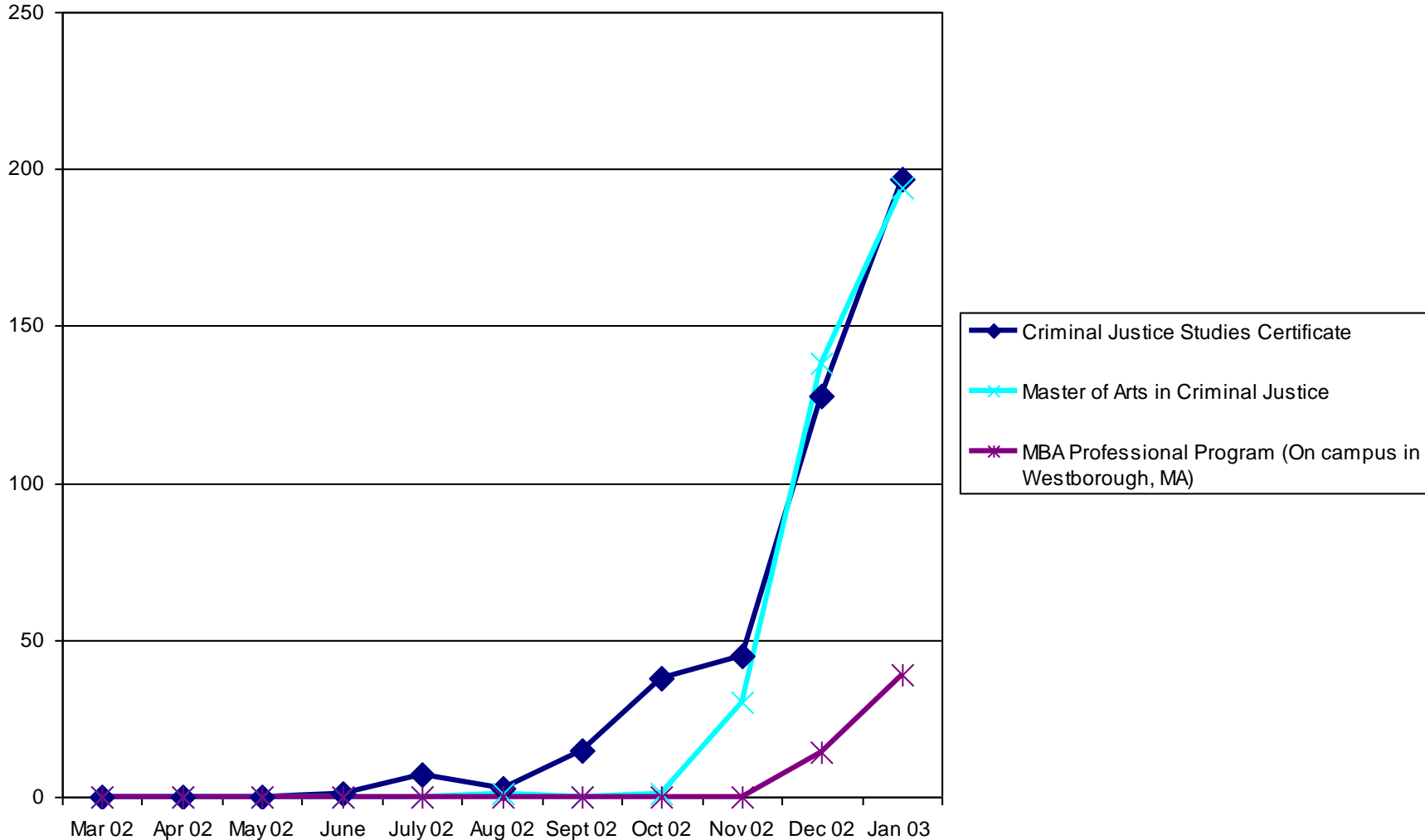
Most Requested Programs*

- 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

UMassOnline

www.UMassOnline.net

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