

Own and Transform Your Online Success

Using Market Data in Program Selection and Prioritization

Best Practices Guide





How to Use Market Data in Program Selection and Prioritization

Introduction

Landscape, Road Map, and Mirror

Institutions seeking to expand their online program portfolio (or any other program portfolio) need to fully understand each of three areas of focus:

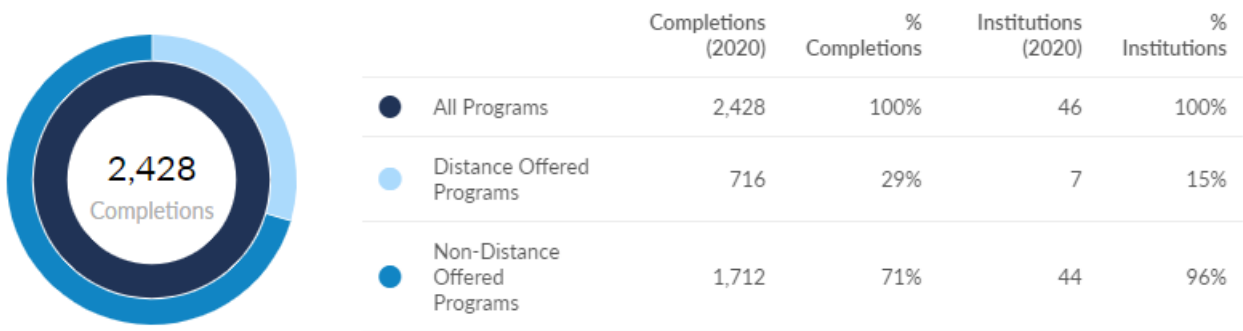
- 1) **LANDSCAPE:** Institutions must understand the landscape—all of the supply and demand factors—that each program they are considering will confront.
- 2) **ROAD MAP:** In an era of unprecedented expansion of online programs (and graduate programs as well) driven by institutions seeking to “diversify” their offerings, it is essential for them to be able to differentiate their programs from those that they will be taking on as competitors.
- 3) **MIRROR:** Institutions also need a mirror to ensure that they fully understand how what they are doing (or planning to do) will be received by the people they are seeking to serve.

These three components underpin RNL’s approach to using market data in program selection and prioritization. In this guide we review each of the three areas of focus and comment on the most important ways in which data can effectively inform your decision making, planning, and strategy.

Landscape: Do you know how easy or difficult the terrain will be?

Getting Started: Where do you begin (particularly if you have limited resources for research)? Although there is no investment quite as important as ensuring that new programs have market demand (and can therefore enroll sufficient numbers of students), it is also a reality that resources are tight and institutions need to find the most affordable way to underpin their decisions with market data. So how can institutions do this affordably?

- 1) **Use publicly available data:** While conducting primary market research has been considered the “gold standard” of assessing market demand for decades, many institutions have neither the resources nor the time typically required for this approach. Publicly available data—if used objectively and efficiently—can provide most of the elements you need to see the landscape ahead.
 - a. **IPEDS data** on degree production provide the best widely available data to help institutions understand the programs in which students are enrolling (and completing) most frequently, how many competing programs are operating in a particular region, the balance between classroom-only programs and those that are available online, and much more.



Source: Lightcast™ Analyst. 2022. Retrieval of IPEDS data September 2022.

Note on the delay in availability of data: Should you be concerned about the lag in the release of IPEDS data? Student demand is considered a “lagging indicator” of demand because the programs of greatest interest to students—particularly in career-focused subjects—lag as many as five years behind the emerging needs of employers. For example: while Data/Business Analytics is one of the fastest growing program areas, total enrollment is dwarfed by enrollment in Criminal Justice programs for which the employment market has long been saturated.

Note on degree production versus enrollment data: While many institutions wish that IPEDS degree-specific data were available by enrollment rather than degree production, it is likely that data capturing those who complete rather than just enroll in a given program is a more accurate snapshot of demand.

- b. **Employment data** as represented by statistics from the U.S. Labor Department’s Bureau of Labor Statistics and other state level data are “leading indicators” of demand. They provide critical long-term insights into the programs that will become an institution’s surging programs five years into the future. By using the “CIP/SOC Crosswalk” jointly developed by the federal departments of education and labor, you can connect program classifications (CIPs) with occupational classifications (SOCs) at the degree level to understand the relationship between a degree and the related occupational market.

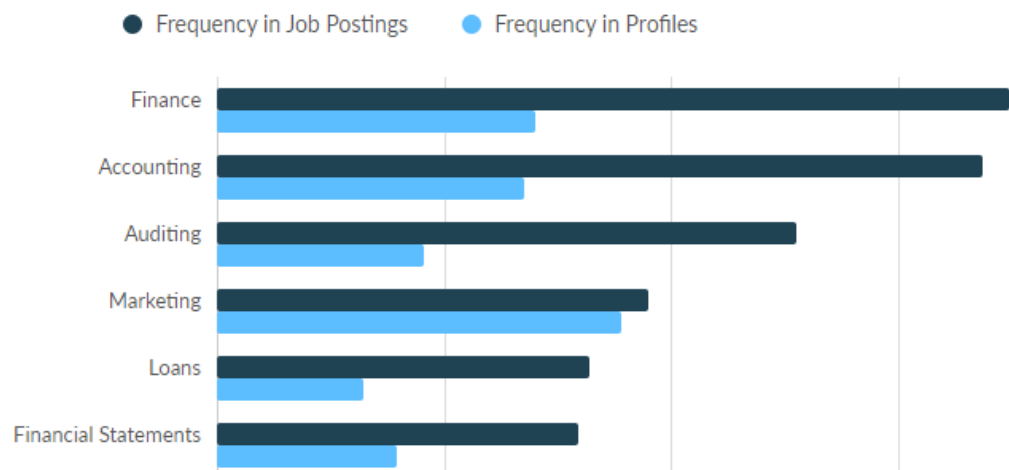


Source: Lightcast™ Analyst. 2022. Accessed September 2022.

Note on the data to help focus analysis: Review not only numbers of jobs but also estimated annual openings at the level of your program (a far better indicator of demand for your graduates) and the projected growth five to 10 years forward. Also consider median salary data given the increased importance that today’s students are placing on not only employment, but lucrative employment needed to pay off their student debt.

- c. **Job postings data** increases your understanding of the specific needs of employers who are most likely to employ your students upon graduation. As more and more students actively consider the “ROI” of their investment through the lens of how the program will prepare them to get a good (well-paying) job after graduation, it has never been more important to ensure that the skills employers need are woven into your new programs. Job postings provide the most up-to-date insights into these issues and so much more.

Top Specialized Skills



Source: Lightcast™ Analyst. 2022. Accessed September 2022.

- 2) **Compare multiple programs:** The most effective use of these data is when an analysis compares the relative strength of multiple programs, rather than just reviewing data on a single program and having nothing else on which to assess strength or weakness.

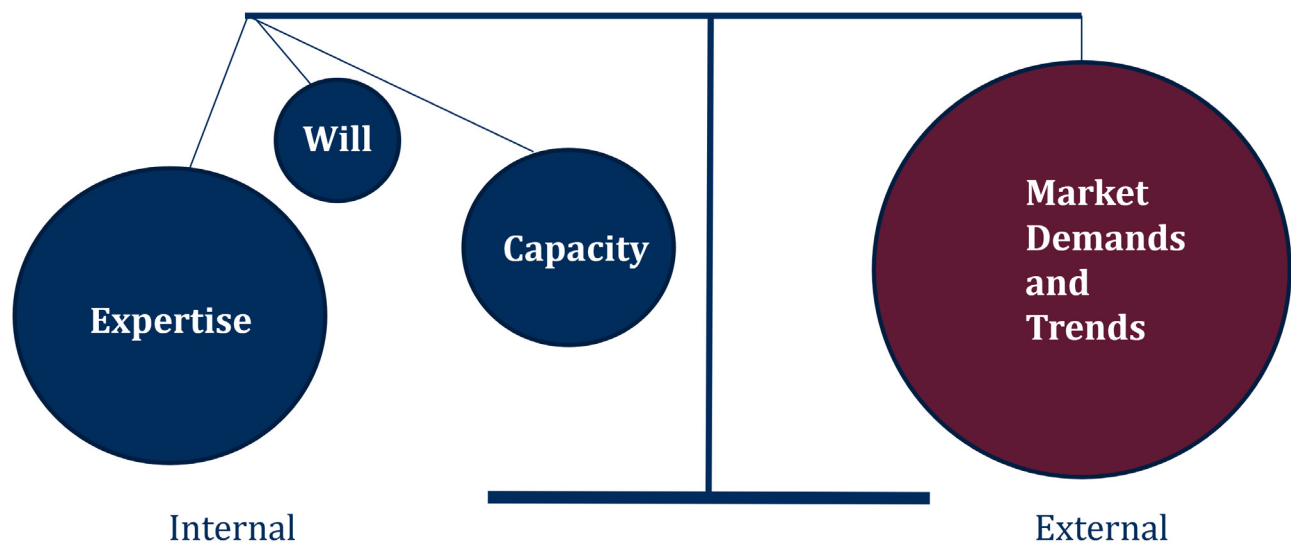
An example: A profile is prepared for a proposed online master's degree in Social Work. The data indicate 567 graduates across 12 programs and growth of 15 percent over the last five years. Looks pretty good. However, what if you were separately considering a master's in Public Health program for which your region had 420 graduates among only 6 programs and saw 25 percent growth?

Creating an annual process in which program concepts are submitted by interested parties and then evaluated side-by-side will engender a sense of fairness, objectivity, and a better sense of where scarce resources should be allocated. It also provides an opportunity for everyone on your campus to get involved.

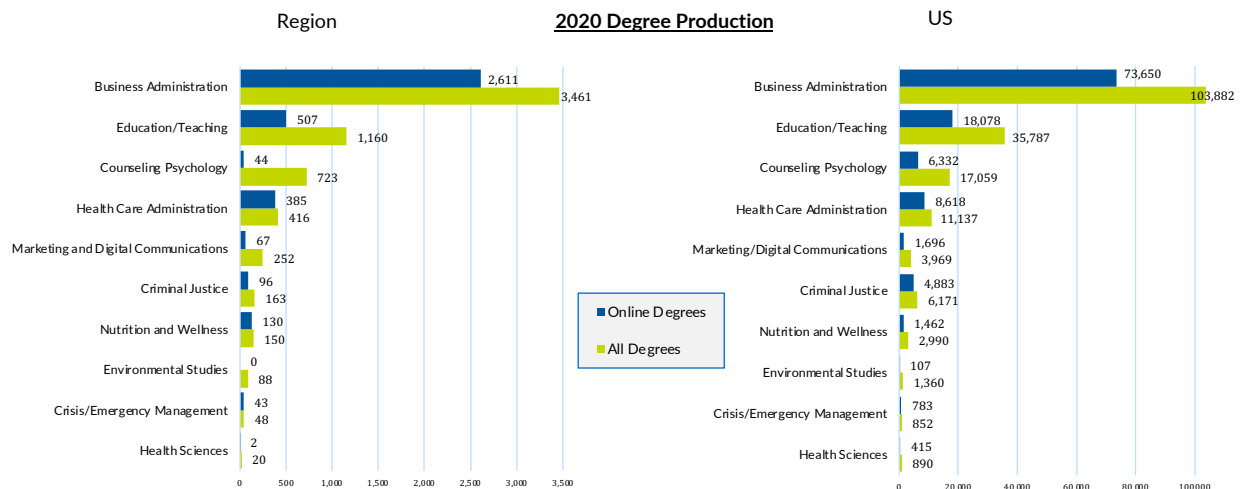
How do you select from all of your nominated programs? There are two equally important aspects of selecting your set of new programs. As important as market demand is, institutions should never consider programs in which they have no expertise, capacity, or will. In short, while it would be possible for an institution with no previous background in health care programs to build a nursing program, the time that it would take to develop the internal expertise to do so, and the time to get the community to understand that you are expert in such a program area, are too long for most institutional needs today.

Selecting Programs

A fine balance



- 3) **Compare regional data with national trends:** Once you have determined the programs of highest interest, analyze the findings in your home region alongside national trends. This will help you quickly understand unique strengths or challenges in the region in which you operate. In some cases you will see that the level of demand for a program area just isn't there, in others you will see that your region is surging. In some cases you will see that your region is well behind in availability and in other cases you will see that you have an over-supply.



Source: Lightcast™ Analyst. 2022. Retrieval of IPEDS data August 2022.

- 4) **Evaluate data on the relative strength of online versus classroom delivery:** All net year-over-year (YoY) enrollment growth since at least 2012 has been among students enrolling in either all online courses or some online courses—and there has been no net YoY growth among students enrolled only classroom courses. This turns past decision making on its head for most institutions: a growth strategy now necessitates that programs should have to provide a rationale for why they should be classroom programs rather than why they should be online.

TABLE 2: UNDERGRADUATE YEAR-OVER-YEAR FALL ENROLLMENT CHANGE BY FORMAT

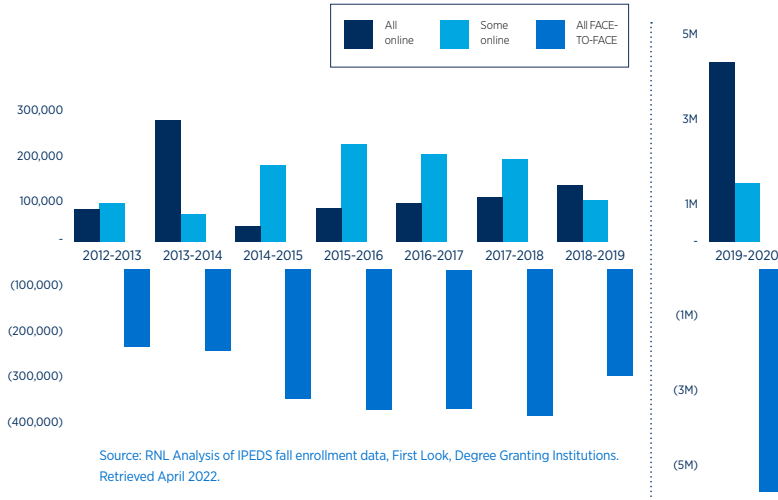
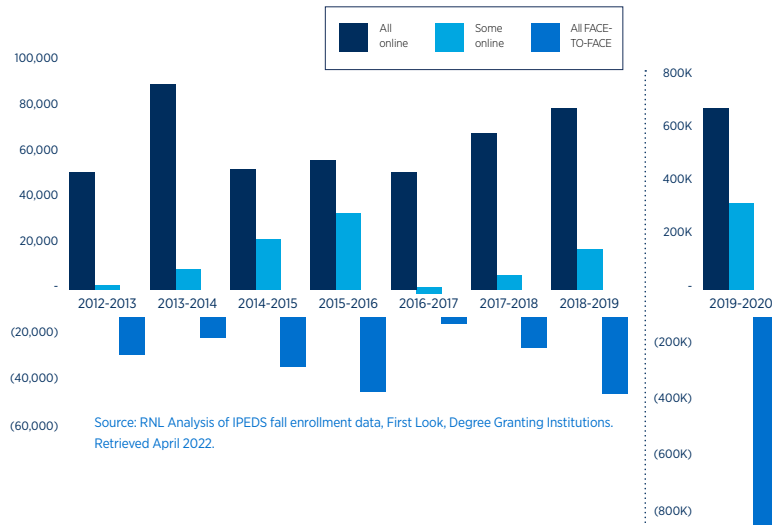


TABLE 5: GRADUATE - YEAR-OVER-YEAR FALL ENROLLMENT CHANGE BY FORMAT



Source: IPEDS, National Center for Education Statistics, Retrieved May 2022.

There are three important IPEDS data points that will help you understand the relative strength of demand for online versus classroom-only delivery. These are:

- The proportion of all degrees produced in a region by online-available programs and classroom-only programs.
- The relative growth over a five-year window of online-available and classroom programs—and the degree to which online programs are mitigating losses in classroom-only programs (or vice versa).
- The dominance—or lack thereof—of online-available and classroom-only programs in each subject under investigation.

Combining the findings of these three aspects will help institutions make the soundest decisions related to program format.



Road Map: Do you know how to navigate the landscape or terrain?

The quantitative-driven landscape helps institutions screen programs and determine those with the strongest and weakest demand and supply indicators, but it does not provide the road map institutions need today to differentiate their programs. Differentiation has become critical as more institutions than ever before are adding online (and graduate) programs in order to offset losses elsewhere. While competitor studies in the past often focused on a deeper dive into the types of data already screened in the landscape, it is increasingly important for institutions to have significantly more qualitative information about how specific competitor programs are configured and positioned in the market.

Getting Started: Where to begin? Few institutions should consider more than three new program launches at one time. Use your Landscape analysis to move some programs to the back burner (but not off the stove) and keep those with the strongest match between market demand and institutional strength on the front burner. Once you have done that, consider the following:

- 1) **Select specific competitor programs for research and profiling:** After selecting the programs of highest interest, use a combination of the data included in your landscape and the expertise of your internal stakeholders to identify specific programs that are most likely to be your core competitors. In some cases this will be the largest programs in your region, but in others they may be smaller programs of similar size and scope to your institution. However defined, at all times keep your eye on the end point—fully understanding how to differentiate your program from them.
- 2) **Think carefully about how to differentiate:** After selecting your focus programs, but before you start your research, think through the most effective ways to differentiate in a crowded higher education market. Many institutions decide that their primary differentiator will be a program name that is unique, more detailed, and longer than usual. This is designed to ensure that students—from their very first encounter—understand the unique approach or focus of that program.

This is almost always a mistake. While many students will be looking for details and a unique focus, they start with a search for “social work” or “business administration” or “film studies.” While you can use sophisticated search engine optimization and keywords to get people to your uniquely named program, you miss all the organic search (which is free) that drives so many students.

Rather than the unique—and often convoluted—name, consider the following routes to differentiation:

- a. How you describe it—link the program to future career outcomes. Use an engaging active voice in talking about how the program will help the student succeed rather than what the institution will require of the student OR how the student will benefit by having been a student at this institution.

- b. How you structure it—be as flexible as you can be and you will beat three out of five programs.
 - c. Offer as many options as possible—upwards of 80 percent of business students and similar proportions of students planning on enrolling in other programs indicate that they want to do a concentration.
 - i. Prospective graduate students in an RNL 2021 study indicated that no other program feature was more important than the “match between my interests and the program content.”
 - ii. Nothing can meet this expectation more than concentrations, electives, optional internships, alternative culminating experiences, etc.
 - d. Be competitive on cost—this can’t always mean that you are as inexpensive as your competitors, but if not, you can lay out all the benefits (and it has to be more than the prestige of the program) that make the additional cost worth the price. Remember, only about one-third of graduate students (according to a 2021 RNL study) choose the least expensive program they considered.
 - e. Focus on career preparation—in competitor analyses conducted nearly every month since the pandemic began, RNL has found that more than 70 percent of graduate (and online) programs include either minimal or no information about related careers or the outcomes of graduates. This is essential today as increasing numbers of students focus on the ROI of their studies.
 - i. Career outcomes doesn’t have to be as complicated as you may think. Profiles of recent graduates can satisfy prospective student needs until you can gather longitudinal data after several graduating classes.
 - ii. There are also services available today that will use LinkedIn and similar sites to comb through profiles to find out where your graduates have ended up and what they are doing.
- 3) **Build a template:** Each of these points of differentiation provide the basis for a collection template that will result in a detailed profile for each competitor program in each of the subject areas that have been chosen to move forward. These profiles can then be referenced at each stage of the planning process for both the development of your program and positioning each program in your regional higher education market.
- 4) **Analyze your findings:** In the final step of creating your road map, use the program plans and other documents that have been developed for each of your proposed programs to complete as much of your data/information collection template as you can. These completed forms can then be used as the basis for “how competitors compare with [our program].” By completing the template for your own planned programs, this analysis can be done relatively easily and you can very clearly identify many of your areas of differentiation.

A note on detailed program plans: At many of the most sophisticated institutions with which RNL has worked on this type of research, the new program nomination process includes not only the submission of the name of a program of interest, but considerable detail on how the program will be delivered, what topics/subjects will be included, estimated expenses, estimated enrollment, and more. Asking interested academic stakeholders to produce this level of detail (all of which are within their areas of expertise) may be a better use of their time and to ask them to produce their own “market analysis” to demonstrate demand (a process that is not in most academics’ areas of expertise).

Many institutions are not at the point of having any detailed information about how they plan to offer and position their new programs. If this is the case, the analysis can focus on how the competitors compare with each other. Use your own understanding of best practices in online education to pick out the features and practices of each competitor program.





Mirror: When you look at your institution, are you sure your programs are aligned with student expectations?

Having a clear understanding of the higher education landscape that each new program will confront and a road map to guide how to differentiate each program in a competitive market allows institution to make strategic decisions that are informed and underpinned by data. You will make stronger program selections and then mount those programs more effectively.

What is missing? These two steps do not provide institutions with an understanding of what prospective students think of them as a provider in general or of Program A, Program B, or Program C. Only through primary market research can you gain a comprehensive understanding of the expectations, preferences, decision making priorities, and attitudes about your institution among students you hope will enroll in your programs.

Primary market research is the mirror with which you can assess how you look to your potential “audience.” It is also the best way to ensure that after all the expense and time associated with mounting new programs—or converting and tweaking existing programs—that the maximum number of students who express interest in them (by inquiring or applying) convert to enrolled students.

Getting Started: There are a number of ways to focus primary market research, but the most affordable and effective in maximizing the number of prospects who enroll is an audience analysis conducted among two critical components of your audience: those who approached but did not enroll and those that did, in fact, enroll.

Note on Life gets in the way: The long-held notion—often confirmed in short surveys of non-enrolling students—that adult, graduate, and/or online students don’t enroll because “life got in the way” and therefore there is nothing that institutional leaders can do is a canard. In many cases, had policies and practices been different, many of those students could have dealt with their “life issue” AND enrolled.

So how do institutions consider policies and practices that would result in converting more prospects into enrolled students without alienating those who do enroll? What follows is a basic outline of the steps needing to be taken:

- 1) **Survey both non-enrolling prospects and enrolled students:** This will allow you to compare and contrast these two important parts of your audience.
- 2) **Prepare an electronic survey and be prepared to offer a small incentive:** With the number of surveys and polls landing in everyone’s inbox, there is a general survey fatigue. Combat this with a small incentive—a Starbucks card, an Amazon card (both easy to order and send online). Don’t think you have the budget? Consider the additional revenue of attracting just a few extra students.

- 3) **Draft a survey that goes well beyond “Why did you not enroll? Why did you enroll?”:** While these two questions are the pivotal questions for these two segments of your audience, you need to understand if their motivations differed, if their expectations differed, if their preferences differed, if their decision making priorities differed. Only then should you ask the pivotal question. Don’t forget to have them comment on their answer. You may be surprised with the underpinning reasons behind their choice.

A note on “cost of tuition” questions: Your survey questions focused on understanding why prospects didn’t enroll needs to include a choice focused on cost. Many respondents will choose it, but be sure to ask (require) a comment on their decision making. Why? Because you will find that in many cases it wasn’t only the cost, but rather that other factors in their life made the cost not attractive enough to enroll.

- 4) **Analyze the data side-by-side:** This will allow you to clearly see where these two parts of your audience converge and diverge. By doing so, you are likely to see that policy and practice changes that could result in more non-enrolling students converting, while not alienating the portion of your audience that does enroll.

Summary

Institutions that have a firm understanding of the landscape in front of them, a road map to guide their program development, and a mirror to be sure that what they are doing is attractive to their audience are in the best position to be successful in expanding their online footprint and ensuring that their new online programs materially contribute to enrollment growth. While these steps are relatively complex and time consuming, they are also relatively inexpensive and can be done by campus stakeholders with a research background.

Uncover your greatest opportunities for program growth

RNL’s **Program Prioritization and Positioning** studies follow the model described here and have been developed with an emphasis on providing an affordable option that can be completed on a relatively compressed timeline (about 3-4 months).

If you’d like to talk with an RNL expert about your needs, please **contact us** today.

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Phone: 800.876. 1117