Best Practices in Marketing Executive Education

UNICON
Executive Education Consortium

Research Study

Pat Cataldo
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EXECUTIVE SUMMARY

The marketing of executive education is evolving to meet ever-changing needs. Just as corporations have had to modify their marketing mix and message to meet demographic, economic, and technological developments, so too have university open enrollment and custom program businesses had to modify their marketing approach. Keeping pace with the continual need for client identification, contact, and communication has been met with a sense of marketing urgency and openness to new ideas, new platforms, and new tools. Gone are the days when a brochure and an application in the mail would generate sufficient interest and enrollments to sustain the business.

In today’s volatile global economy, the need for leadership at organizations around the world has never been greater. Executives are challenged by more management data, more real-time communication, more distributed organizations, and more global opportunity. As a result, there is a need for better information synthesis, analysis, and leadership decision-making both domestically and internationally. There is increasing recognition that, today, lifelong learning is no longer a competitive elective but, rather, a business necessity.

Colleges and universities are providing new open enrollment and customized programs for senior leaders to address these needs. However, it is the job of the marketing group to develop promotional strategies and implementation plans to ensure the broadest message reach to—and responsiveness by—new and existing clients. As a result, the marketing approach has become even more dynamic and reactive in an effort to meet the needs of a broadened client base in an unprecedented economy. Recognizing these changes and the effects they are having on both schools and clients, UNICON commissioned a research study\(^1\) on marketing executive education.

SCOPE AND RESEARCH METHODS

Since executive education marketing is a very broad subject, the research targeted three specific areas:

- Open enrollment marketing
- Custom program marketing
- Brand awareness marketing

A variety of research methods were used for this study. A primary survey was sent to UNICON member schools regarding their current practices for open enrollment, custom programs, and brand awareness. A secondary survey was sent to respondents once their completed primary survey was received. A literature search was conducted on marketing executive education. Telephone and face-to-face interviews provided additional insight and information. Public relations releases were tracked for executive education from June 1,

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\(^1\) This report was sponsored by the UNICON Research Committee and conducted by Pat Cataldo, formerly managing director at UNC. Pat is a past chair and emeritus board member of UNICON. The author can be reached at patcataldojr@gmail.com or 919 259-8470.
2012 to November 1, 2012. The web site of each school was visited and reviewed. Finally, selected companies were contacted and asked to provide feedback on the most effective marketing strategies from executive education providers.

UNICON Member Survey

An invitation to participate in the marketing executive education survey was sent to all UNICON primary representatives. A total of 47 responses were received. The completed surveys provided information that represented a wide range of school locations, program sizes, and revenue distribution. Respondents were geographically dispersed and almost equally divided by size of operation from up to $3M to over $30M. Seventy percent of respondents listed custom as their primary business segment. Twenty-four percent of respondents listed open enrollment as their primary business segment. Six percent of respondents listed consortia or other as their primary business segment. In the executive education organization, 55% of respondents have a combined marketing and sales unit while 45% have separate marketing and sales units.

Summary of the Findings

Key findings emerging from the study:

- Marketing strategies are evolving from traditional methods to more social media
- Web sites are the most effective marketing channel for open, custom, and brand awareness
- A majority of the schools spend 5% or less of revenue on their marketing efforts
- Marketing spend is not consistently allocated to the most effective channels

Marketing Strategy

The marketing strategy used by 85% of the respondents for open is a combination of a push (personal selling activity) and a pull (advertising, sales promotion and publicity) to attract potential clients. For the custom business, 57% of respondents use a push strategy of personal selling to prospects and clients. 89% of the schools changed their marketing strategy last year to include more digital marketing and less print/direct mail, more social media, and a more targeted focus in either a regional or global direction.

Marketing Channels

The most effective marketing channel for open, custom, and brand awareness was web sites. Fifty-five percent of the schools make major web site changes less than once per year. Twenty percent of the schools make major web site changes once per year. Twenty six percent of the schools make web site changes more than once per year. Eighteen schools reported either completing a major web redesign or being in the process of a major web redesign in the past year.
**MARKETING – GENERAL**

The four areas most commonly cited in best practices were: building client relationships, regularly publishing faculty research, conducting client and prospect focused marketing events with top speakers, and investing in direct selling resources.

**MARKETING SPEND**

Ten schools spend 100% and 24 schools spend 90% or more of their marketing dollars to promote programs domestically (in country). Sixteen schools spend 15% of their marketing dollars to promote programs internationally (outside country).

Marketing spend, as a percentage of annual executive education revenue, shows nearly half of the schools spending from $100K to well over $4.8M dollars per year.

![Marketing Expenditures](image)

Respondents cited web sites as their most effective marketing channels, but the largest percentage of marketing expenditures is still allocated to traditional methods.

**FOLLOW-UP SURVEY**

When respondents returned their completed surveys, they were immediately sent a second survey. Seventy-nine percent of the schools responded to five additional questions. These were designed to gather more information on biggest challenges, RFP and RFQ evaluation criteria, client perceptions, and ROI measurement, as well as any additional information schools wished to provide.
CONCLUSION

Recommendations are made at the conclusion of this report to enable marketing groups to assess their activities against the data presented for open, custom, and brand awareness.

MARKETING SURVEY

The survey included four baseline questions: Location, size of operation, revenue distribution, and marketing structure.

The location of the schools was geographically distributed: 53% from the US/Canada, 23% from Europe, 13% from Asia/Oceania, and 11% from Latin America.

Locations

- US/Canada: 25
- Europe: 11
- Latin America: 6
- Asia/Oceania: 5

The Gross Annual Revenue reported for the period of July 1, 2011 to June 30, 2012 was almost evenly distributed across six revenue ranges: 19% reported revenues up to $3M, 17% reported revenues over $3M up to $7M, 15% reported revenues over $7M up to $12M, 17% reported revenues over $12M up to $20M, 15% reported revenues over $20M up to $30M, and 17% reported revenues over $30M.

Executive Education Revenue
July 1, 2011 to June 30, 2012

- Up to $3M: 8
- $3M to $7M: 9
- $7M to $12M: 7
- $12M to $20M: 8
- $20M to $30M: 8
- Over $30M: 7
For a school’s primary business, 70% of respondents listed the custom business segment, 24% listed the open business segment, and 6% listed consortia or other.

Organizationally, 55% of the schools have their efforts in marketing and sales combined into one operating unit (for efficiency) while 45% of the schools have separate marketing and sales units (for dedicated focus).

One of the objectives of the study was to get inputs from a broad range of domestic and international schools. The purpose was to provide a more representative membership sample by location and size of organization - small, medium, and large operations. The target was to obtain responses from up to 20 schools. Surveys were received from over twice the target number of schools which provided a significant data base of information.

MARKETING STRATEGY

MARKETING STRATEGIES FOR OPEN, CUSTOM, AND BRAND AWARENESS

A number of survey questions focused on providing a better understanding of the various strategies employed by schools to promote their open, custom, and overall brand.

The marketing strategy used by 85% of respondents for the open enrollment business is a combination of push (by means of a personal selling activity) and pull (by means of advertising, sales promotion and publicity) efforts to attract potential clients.

The marketing strategy used by 57% of respondents for the custom program business is a push strategy of personal selling to clients. Additionally, 32% use a combined strategy of push and pull marketing.

INPUTS USED TO DETERMINE A MARKETING STRATEGY FOR OPEN, CUSTOM, AND BRAND AWARENESS

Various inputs were used in determining and creating marketing strategies to promote the open and custom businesses along with brand awareness.

In the open enrollment business, respondents continually noted their efforts in reaching out to past program participants as a means of getting referrals and content input. Schools have found that for open, unless attendees are enrolled in a certificate program, companies repeat but past participants usually do not repeat—although they provide very good sources for referrals.
Respondents also noted a strong focus on getting inputs from the target audience in setting an open enrollment strategy. While this is a beneficial approach for programs directed at specific functional areas and titles (i.e. finance, manufacturing, HR, etc.), it is less beneficial for broader general management and leadership programs.

Other inputs with multiple responses for determining the right marketing strategy for open enrollment programs were: review of the products, competitive research, past program evaluations, alumni feedback, faculty research and suggestions, past campaign performance, budget, and revenue goals.

For inputs in determining a strategy for marketing custom programs, most respondents rely on their relationship and feedback from current clients. However, when it comes to identifying new targets of opportunity for custom business, most mentioned the targeting of specific audiences at the most senior levels in the organization (i.e. CEOs, senior officers, senior HR executives, etc.). Most schools target medium to large sized companies (F 500 in the US) for custom programs where there is an opportunity for multiple offerings and the possibility of building a long-term, sustained relationship.

Various market research studies looking at industry data (list of top companies in targeted industry segments) were noted as beneficial when determining on whom and where to focus. A backdrop to this was looking at the school’s faculty research and expertise areas (prior work experience or consulting) to determine future targets of opportunity.

When asked to describe the inputs to determine an executive education brand awareness strategy, a number of respondents mentioned that they look for outlets and partnerships that give them the broadest reach to the target market. One respondent, however, segments its branding by looking for managers and executives between the ages of 25 and 54 for open and between the ages of 44 and 65 for custom programs. While a number of respondents suggested that they would like to do more in brand awareness, most of the brand work is done either by the business school or at the university level. Attaining and maintaining a close university marketing alignment to ensure that executive education is appropriately positioned and included was seen as a key factor in maximizing brand awareness.
TARGET AUDIENCES FOR OPEN, CUSTOM, AND BRAND AWARENESS

Target audiences for open, custom, and brand awareness were:

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<thead>
<tr>
<th></th>
<th>Open Enrollment</th>
<th>Custom Programs</th>
<th>Brand Awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past participants</td>
<td>19%</td>
<td>19%</td>
<td>23%</td>
</tr>
<tr>
<td>Key HR contacts</td>
<td>16%</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>Alumni</td>
<td>15%</td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>Prospect list by title</td>
<td>12%</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>Prospect list by co.</td>
<td>11%</td>
<td>13%</td>
<td>9%</td>
</tr>
<tr>
<td>Key Company contacts</td>
<td>10%</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Key executive contacts</td>
<td>10%</td>
<td>6%</td>
<td>7%</td>
</tr>
</tbody>
</table>

(Percentages show the most mentions supplied by respondents for each audience)

For open enrollment, the highest percentage of response for the target audience was past program participants. These individuals represent solid advertisements for a school’s program. Continual communications with them helps ensure a ready referral list for others in their organization. Key HR contacts were noted as key influencers in the open enrollment process. They identify, research, recommend, and many times select schools for the approved vendor list. Finally, alumni were identified as a good target audience from two perspectives: as potential attendees and as providers of referrals and sales support for prospects considering an executive education experience.

For custom programs, the most often mentioned target audience was key HR contacts who, in many companies, provide the oversight, insight, and management of the company’s leadership development process. This was followed by key executive contacts at senior management levels who often are the direct sponsors of programs that contribute to succession planning initiatives to grow future leaders. Finally, well-positioned senior level executive alumni were identified as potential sources of direct business leads or introductions to peers who may have a development need.

Respondents replied that HR contacts are a target audience for brand awareness followed by key executive contacts. These two populations are important in the initiation of program opportunities as well as in contract decisions. Finally, alumni are targeted to ensure that they become aware of a school’s outreach activity. Well informed business alumni help extend the executive education brand and that of the business school.
Changes in Marketing Strategy

When asked whether a school’s marketing strategy had changed over the past year, 89% of respondents said, “Yes.” Only 5 schools reported no change to their strategy. When asked the reason(s) for the change, respondents offered the following:

1) Changing the marketing mix – more digital marketing and less print/direct mail
2) Additional client development personnel for more personal selling
3) More executives making their own education selection rather than using HR
4) Switching from more traditional marketing approaches to the use of social media
5) Moving to a more targeted focus in either a more regional or global direction

Following the changes in marketing strategy, schools were asked what marketing areas they will be addressing in the year(s) ahead. The most common response was the use of more social media and digital marketing in the channel mix. Along with this was the need to continually address web site revisions to ensure they are up-to-date, provide prospects and clients with easy navigation, and offer an updated look and feel. A number of schools also mentioned the expansion of their direct selling efforts in both open and custom. Finally, market expansion was noted, with a number of schools expanding their reach, to identify and pursue more international business.

Marketing Channels

Across all program types—open, custom and brand awareness—a school’s web site was identified as the most effective executive education marketing channel. Given the widespread use of the Internet and a prospective client’s ability to access data, a school’s web site represented a most critical and important marketing component.

While publications are still used in the marketing of the open business, many schools are decreasing the money spent on them and making information more available via digital media. Emails and email blasts are still being used very effectively to communicate with both prospects and clients to attract open enrollments.

In the custom space, outbound telephone marketing activity is being used to contact prospects and clients as a regular means of communication to create or enhance business relationships. It is also being used to prospect for new areas of opportunity and to set up
face-to-face appointments. Print and media advertising expenditures are still heavily used by many schools for custom to help create a quality image with future prospects.

**Most Effective Marketing Channels for Open**

*What channels do you find to be the most effective in marketing open enrollment?*

- Web site
- Publications
- Email marketing

**Most Effective Marketing Channels for Custom**

*What channels do you find to be the most effective in marketing custom programs?*

- Web site
- Print and media advertising
- Outbound telephone marketing

**Most Effective Marketing Channels for Brand Awareness**

*What channels do you find to be the most effective to build your “exec. ed.” brand?*

- Web site
- Print and media advertising
- Combination of publications, internal and external marketing events
MARKETING - GENERAL

BEST PRACTICES IN EXECUTIVE EDUCATION MARKETING

The four most commonly cited best practices were: building client relationships, publishing faculty research, conducting client and prospect focused marketing events with top speakers, and investing in direct selling resources.

The primary mention was in relationship building with prospects and clients. Many schools noted that they build strong, lasting relationships extremely well. A number of respondents reported, in more specific terms, that they feel they have created a differentiated marketing advantage. These efforts, however, come with additional costs and effort. A best practice that was singled out by a number of respondents was their ability to package and publish up-to-date information on faculty research or timely topics. One successful effort entitled ideas@work draws upon real-world, applicable experiences from faculty and staff to create white papers. Over a two-year period of time, 21 white papers have been authored and delivered to prospects and clients. As a further marketing enhancement, the white papers have been organized and produced in a series of three volumes. These volumes, with a collection of selected white papers, have been distributed to potential client and targeted executives with very good results.

Other schools effectively use newsletters, faculty papers, articles, or videos distributed in either soft or hard copy formats. These marketing efforts help position their program, along with its authors, as thought-leaders in executive development.

Internal events, in the form of free seminars with top faculty as featured speakers, draw in people considering executive education or client decision-makers who want to remain in contact with the school. While these require prior planning and funding, many agreed that the benefits of getting potential users and past participants in front of their best faculty and key client development staff outweighed the costs.

Many schools are increasing and enhancing their direct selling efforts to provide a more personal approach in prospecting for new open or custom business. While the open marketing channel relies more on a pull strategy, many times a direct sales contact is required to provide further program explanation, to encourage multiple enrollments, and to provide a live contact point for future communications. The custom model depends heavily and directly on client development, where dedicated sales staff or program directors are in place to prospect for new or enhanced business. While schools have traditionally responded to inquiries and referrals as a means of growing the portfolio, many have increased their direct sales focus. This was highlighted as a best practice as a
result of the business attained through these efforts. In moving to a more rigorous professional selling process, one respondent divided their open marketing and measurement process into three stages: lead generation (from awareness to inquiry), lead cultivation (from inquiry to engagement) and lead conversation (from inquiry to application).

Another best practice is the direct engagement of company decision-makers on advisory boards that provide input to content ideas for new or revised offerings. This also includes the use of distinguished alumni or alumni who serve as members of business school boards. Many executive education programs have been creative in using these university board resources to help promote their business.

An additional best practice engagement activity is the use of surveys to company executives or letter invitations for speaking engagements. Carefully crafted, short surveys serve as an effective method of engaging clients and keeping them involved. Letter campaigns targeted at key executives, whether clients or not, have been effective in developing contacts. Letters that are individually addressed, personally signed, and request a call to action, require more personal effort but get a much better response rate.

Finally, one school noted that they are increasing their involvement in community activities. They involve staff in local events that have broad business appeal and where executive education professionals can be positioned for potential leadership positions. These opportunities have to be carefully targeted and evaluated, but successful participation can lead to speaking engagements, potential open registrations, and even custom leads.

While no school has yet identified social media or the use of more digital marketing as a best practice, many are now actively engaged in or considering efforts in these areas. Given the level of interest, investment, experimentation, and enhancements being pursued, it is possible that a best practice activity in social media will be listed in the future.

MAJOR CHANGES TO WEB SITES

Web sites were the most frequently mentioned channel in open, custom, and brand awareness. When asked how often major changes are made, 55% stated that significant changes are made less than once per year, 20% stated that significant changes are made once per year, and 26% stated that significant changes are made more than once per year.
When asked to comment on the major changes that occurred with web sites last year, 18 schools responded that they are either in the process of a complete redesign or had completed one during the past year. This is consistent with the importance of the web being a critical marketing channel in providing prospects and visitors with compelling information to encourage them to contact the school directly. Those who did not report a complete redesign or restructure noted that they had made changes to navigation, revisions to their look and feel, updates to content, provisions for more drop downs, or enhancements to program finders. A number of schools noted inroads in adding more social media feeds, as well as video testimonials or faculty program explanations to their sites. There were also schools that changed their sites to accommodate the move to online offerings and an e-commerce engine. While this is a relatively new development for executive education, there are more schools adding online program offerings.

Staffing for executive education marketing

The number of FTE employees involved in executive education marketing is relatively small and selective. 47% of schools have 1 to 3 employees, 28% of schools have 4 to 6 employees, 2% of schools have 7 to 9 employees, and 23% of schools have 10 or more employees.

One might assume that the higher a school’s executive education revenue, the more staff it has supporting the marketing function; however, this is not always the case. The total number of marketing staff versus revenue might imply a greater level of productivity or might suggest either an over- or under-staffing of the function. Organizational structures within the executive education function vary. An additional cut of the data provides an opportunity to evaluate marketing staffing and support across the size of the business.
Outsourcing of Marketing Activities

Over 86% of respondents outsource a portion of their marketing activities. This is primarily in the area of ad agency activities:

1) Print and radio advertising creation
2) Media buying analysis and placement
3) Collateral material design, development, and printing
4) Mailing services for print and large email distribution campaigns
5) Web site design and development
6) Search engine marketing (SEM) and search engine optimization (SEO)
7) Web measurement and analytics
8) Telemarketing activities

When an ad agency was not mentioned, the use of independent marketing consultants for copywriting, brochure design, graphics, and message creation was noted. Depending on the need, situation, size of the operation, and sophistication of the activity, using independents was mentioned as being both cost effective and responsive.

Marketing before, during, and after open programs

In marketing open programs, schools use a blend of marketing activities to attract, qualify, encourage, and register applicants. This includes a variety of marketing channels used by

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<th>Marketing Employees (FTE)</th>
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<tr>
<td>GROSS ANNUAL REVENUE ($US)</td>
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all schools surveyed (i.e. direct mail, print and media advertising, web site information, internal or external conferences, email, etc.)

The marketing during the program, however, is differentiated. Many noted a formal process for participant marketing engagement during the program. In many cases, this is more than just the traditional meeting and dining with attendees. It extends to formally providing time to inform clients about the communications channels available to them, cross selling of future programs, and encouraging the use social media (LinkedIn groups, Facebook, Twitter, YouTube, etc.). In addition, for on-campus programs, this is an appropriate marketing time to invite attendees and faculty to provide testimonial videos.

Every respondent noted a level of follow-up activity with clients. While done in a number of forms, the most prevalent is email activity to stay connected, request referrals, invite subscription to services (i.e. newsletters), or to announce alumni events.

There were a number of schools that mentioned the direct mailing of a “Thank You” letter or an email “Thank You.” Whether in corporate business or a university setting, sending a letter of thanks or a personally written note is always appreciated. While no information was provided on the effectiveness of this communication, this post-program marketing process is one that may benefit from more review as it relates to open enrollment sponsors.

MARKETING SPEND

MARKETING AS A PERCENTAGE OF ANNUAL EXECUTIVE EDUCATION REVENUE

When asked in the survey, “What % of annual executive education revenue is spent on marketing?” replies were as follows:

- 51% spend less than 5% of total revenue
- 26% spend between 5% and 8% of total revenue
- 21% spend between 9% and 12% of total revenue
- 0% spend between 13% and 16% of total revenue
- 2% spend more than 16% of total revenue
MARKETING DOLLARS SPENT FOR DOMESTIC AND INTERNATIONAL PROMOTION

Ten schools spend 100% of their marketing dollars domestically, and an additional fourteen schools spend 90% or more domestically. Combined, more than half of the schools focus the majority of their spending to service their local country or regional market.

Sixteen schools invest more than 15% of their marketing dollars internationally to attract business from other countries. This included U.S. schools looking to attract international participants, as well as schools from Canada, Latin America, Asia, and Europe looking to attract business from outside their respective countries. There are a total of 30 schools that split their marketing expenditures between domestic and international activities. This ranged from a low of 2% to a high of 95% in international marketing spending.

DOLLARS SPENT ON MARKETING CHANNELS TO PROMOTE OPEN, CUSTOM, AND BRAND AWARENESS

The following tables show survey responses on marketing dollars spent on channels:
The largest percentage of money spent for open enrollment marketing is in the following areas:

31%  Print and Media Advertising  
13%  Email Marketing  
12%  Web site  
11%  Publications  
11%  Direct Mail  
7%  Other: Membership Dues, etc.  
6%  Social Marketing  
5%  External Conference Marketing  
2%  Internal Conference Marketing  
2%  Outbound Telephone Marketing  
100% Total (Number of responses are expressed as a percentage of all school responses)

The largest percentage of money spent for custom marketing is in the following areas:

21%  Publications  
17%  External Conference Marketing  
14%  Web site  
13%  Other: Membership Dues, etc.  
9%  Internal Conference Marketing  
8%  Outbound Telephone Marketing  
8%  Print and Media Advertising  
4%  Direct Mail Marketing  
4%  Email Marketing  
2%  Social Marketing  
100% Total (Number of responses are expressed as a percentage of all school responses)

The largest percentage of money spent for brand awareness marketing is in the following areas:

28%  Email Marketing  
17%  Internal Conference Marketing (events)  
13%  Print and Media Advertising  
12%  External Conference Marketing (i.e. ASTD, CLO, etc.)  
9%  Other: Marketing collateral, etc.  
6%  Social Marketing (Facebook, Twitter, YouTube, etc.)  
5%  Direct Mail Marketing  
4%  Publications (catalogues, flyers, newsletters, PR, etc.)  
4%  Web site (development)  
2%  Outbound Telephone Marketing  
100% Total (Number of responses are expressed as a percentage of all school responses)
FOLLOW-UP SURVEY

When the schools returned their completed surveys, they were immediately sent a second survey. Seventy-nine percent of the schools responded to five additional questions. These were designed to gather more information on biggest challenges, RFP and RFQ evaluation criteria, client perceptions, ROI measurement, as well as any additional information that schools wished to provide.

BIGGEST MARKETING CHALLENGES

When asked to describe the biggest marketing challenge that had to be overcome over the past fiscal year, a number of themes emerged:

1) A number of schools commented on lead generation for the open enrollment business. In challenging economic conditions, the open enrollment business, as a discretionary expense for most organizations, is one that can be deferred or eliminated. It is normally one of the first expenses cut when going into recessionary times and one of the last expenditures to be returned when coming out. Some schools feel that current marketing actions are not enough to reach open targets. This situation is best described in the words of one respondent who stated, "Lead generation is an ongoing challenge and priority. Over the past year, we have seen a decrease in conversion rates from our marketing efforts."

2) Marketing channels are changing as more advanced technology puts prospects and clients in closer touch with the education information they want and need. Not surprisingly, the integration of social media into the marketing mix was frequently mentioned. While this will continue to evolve and change the way executive
education business is promoted, many are already using new tools to reach and interact with clients and prospects. The inclusion of social media into the marketing mix presents a real change—one that moves away from traditional print and mailing campaigns and into efforts where investment and results are still being tested. One respondent summarized the situation in this way: “The biggest challenge we tackled this past year is social media. From a learning and development perspective, we need to practice what we preach. For that reason, we created a social media training day and workshop for our entire EE team where social media myths are addressed and solid, applicable information provided. As we move forward with this as one of our main advertising channels, we need to ensure that the team is comfortable championing and working with new approaches that will be launched.”

3) Another major challenge is dealing with new open enrollment product introductions while continuing to support the mainstream business. Maintaining, refreshing, and producing new product promotional offerings are a continual challenge for the marketing staff. Comments about new products were made in conjunction with budgets and budget allocation. Many expressed having to “do more with less” when faced with already small or further reduced budgets.

4) Finally, respondents noted changes in organizational structure, increased competition in their space, and lowered morale as a result of salary freezes at some universities. Also, there are challenges working within the school’s marketing structure when executive education promotional requirements were uniquely different from those of the business school or university.

Responding to Request for Proposal (RFP) or Request for Quote (RFQ)

A question was posed regarding the evaluation criteria for determining whether a school would respond to either RFPs or RFQs. The responses detailed specific information that executive education programs consider before deciding to invest the time and energy required to submit a formal response.
The following is a composite list of criteria that schools consider for RFPs and RFQs:

1) Expertise – Do we have the content expertise to respond?
2) Prior success and references – Have we won similar proposals, and do we have reference accounts that we can call upon if needed for testimonials?
3) Capabilities – Do we have available faculty to deliver what is being requested?
4) Organization –
   a. Is this a client that fits with our target segmentation?
   b. Have they done executive education programs previously?
   c. What is their business ranking and reputation?
   d. Do they have the budget to support executive education programs?
   e. Do they have a sufficient population for multiple offerings?
   f. Is there executive support at the C-suite or senior level for this program?
   g. Will this be a short term or long term relationship?
5) Location – Where are the programs being requested? Will they be on campus or at an off-site facility? In what geographic region(s) will the program(s) be held?
6) Faculty – Do we have faculty interest in this project and in the organization?
7) Clear goals and expectations – Does the proposal provide detailed requirements?
8) Contact – Is there an individual at the organization available for a conversation to provide further background, clarification, or to answer questions prior to the decision to bid?
9) Source – Is the RFP or RFQ issued by the purchasing group? Is this a price-only proposal?
10) Fit – Would this business be a good fit for the school and for the potential client?

School perception on “differentiation” in marketing to clients

Regarding client perceptions and expectations, schools were asked to identify, from the perspective of their clients, those things that they “do best” in marketing their products and services.

There were a wide variety of answers. Respondents cited their ability to build a strong relationship with the client, to deliver a solid value proposition, to do what they say, to provide academic excellence, and to provide timely, relevant products.

One school stated that they are better listeners, more flexible in their approach, and more responsive to requests. Another school explained that they do a customer survey to determine how well they are interacting with customers and what, additionally, they might do to continue to service their development needs. Finally, some schools have the head of executive education call the custom client directly, either annually or semi-annually, to get direct feedback on the programs provided, performance of the program staff handling the account, and any suggestions on further improvements or opportunities. This call not only improves customer service, but also offers a prospecting activity. It creates a forum to provide updates on executive education as well as other activities at the business school. This activity takes additional time and effort, but the results can be both positive and lucrative.
The same question regarding client perceptions and expectations was asked of executive education clients. The companies contacted included American Express, Office Depot, H. J. Heinz, CR Bard, PNC, Ashland, TE Connectivity, Comcast, Aerotek, and Sunoco. Selected comments received related to both the methods and means of personal communication.

**MARKETING EFFECTIVENESS FOR OPEN, CUSTOM, AND BRAND AWARENESS**

Selecting the right marketing channels and mix always requires considerable thought. Evaluating the effectiveness of the campaign against the leads it produces and the bottom-line results is an even more difficult process. To that end, schools were asked how they evaluate the effectiveness of money spent on open, custom, and brand awareness.

Measurement and ROI are primarily focused on the open enrollment business. While there were limited comments on custom (event attendance, proposal wins, and pre-determined targets like number of new accounts), there were even fewer comments on brand. In most cases, the measurement of brand marketing effectiveness was noted as being tied to the business school or university brand and not looked at independently.

Open enrollment inquiries, leads, and conversions are measured in numerous ways. The most thorough and effective measures come from schools with established, pre-determined targets of response rates, clicks, calls, contacts, proposals, visits, and enrollments. One school reported a formal process of producing a monthly lead generation analysis report that lists responses to marketing campaigns. Another school uses a financial ledger process where it captures all marketing expenses directly associated with an OE program. Along with enrollments and revenue, a cost per enrollment to determine effectiveness against marketing spend is calculated. A number of schools have increased the use of analytics associated with the web and social media. However, the most hard line measure mentioned for open enrollment effectiveness was registrations in programs and meeting budgeted
goals. In contrast, there were also a number of responses that said they do not effectively measure the results of their marketing expenditures.

**ADDITIONAL MARKETING INFORMATION REQUESTED**

The final question asked was, “If there were one piece of information you would like to know about what others are doing in marketing executive education, what would it be?”

There were three themes that emerged from the responses received: open lead generation (what is working and what is not), social media use and effectiveness, and direct sales questions regarding measurement and success.

From the number of comments related lead generation and enrollments, it is clear that some schools are still finding it a challenge to fill programs in the current economy. Social media was mentioned many times, but less in the context of what people are doing and more in the context of investment effectiveness. Schools are looking for more information on social media successes and what, if any, additional enrollments are being driven by efforts on Facebook, YouTube, Twitter, LinkedIn, etc. Many schools have already invested in adding these to the marketing mix, along with search engine optimization and analytics. However, many of these efforts are still new and emerging. Continual measurement will determine the overall effectiveness of social media.

A number of respondents wanted to know more about sales effectiveness, sales structures, methods of sales compensation and reward, and sales investment. Specifically, there was a request for information on investment in dedicated open sales resources and any related successes that have been achieved.

Finally, there were other pieces of information that some thought would be helpful to know: conversation rates per channel, marketing structures, effectiveness of testimonials and faculty videos, and various processes for new product development.
DIFFERENT CUTS OF THE DATA

OPEN ENROLLMENT

Of the 24% of schools that listed open as their primary revenue source, 5 are located in the US/Canada, 3 are located in Europe, 2 are located in Asia/Oceania, and 1 is located in Latin America. The revenue was segmented with one being up to $3M, 3 from $7 to $12M, 2 from $12 to $20M, 2 from $20 to $30M, and 3 at $30M or more. While the majority of the revenue from these schools was derived from open, the custom business averaged 31%, ranging from a high of 50% to a low of 17%.

Seventy-three percent of the schools reported separate marketing and sales units.

With regard to the marketing dollars spent in open, 55% of the schools spend the largest percentage in print and media advertising, 18% of the schools spend the largest percentage in emails, 18% of the schools spend the largest percentage in publications, and one respondent indicated that they split the largest part of their spending between direct mail and emails. The remaining schools were spread across other categories.

Further cutting of the data by size of organization shows that the largest percent of marketing dollar expenditures are spent in the following areas by all schools reporting:

<table>
<thead>
<tr>
<th>Open - Where Schools by Revenue Size Spend the Most Marketing Dollars</th>
<th>&lt;$3M</th>
<th>$3-$7M</th>
<th>$7-$12M</th>
<th>$12-$20M</th>
<th>$20-$30M</th>
<th>$30M</th>
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<tr>
<td>Direct mail</td>
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<td>-</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Print and Media Advertising</td>
<td>1</td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
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<tr>
<td>Internal conferences</td>
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<tr>
<td>External conferences</td>
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<td>-</td>
</tr>
<tr>
<td>Publications</td>
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<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Emails</td>
<td>3</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>-</td>
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<tr>
<td>Social marketing</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outbound telephone marketing</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other: Paid search and banner ads</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

CUSTOM PROGRAMS

Of the 70% of schools that listed custom programs as their primary revenue source, 18 are located in the US/Canada, 8 are located in Europe, 4 are located in Asia/Oceania, and 3 are located in Latin America. The revenue was segmented with 7 being up to $3M, 7 from $3M to $7M, 4 from $7 to $12M, 6 from $12 to $20M, 5 from $20 to $30M, and 4 at $30M or more. While the majority of the revenue from these schools was derived from custom, the open business averaged 25%, ranging from a high of 45% to a low of 0%.
Sixty-four percent of the schools reported having combined marketing and sales operations, while thirty-six percent reported having them separated in two distinct units.

With regard to the marketing dollars spent in custom, 41% of the schools spend the largest percentage on print and media advertising. There were four other categories where 16% of the schools spend their largest percentage: web site, email, social media, and outbound telemarketing activity. The remaining schools were split across other areas.

When considering the organization of marketing and sales units across the size of all schools from up to $3M to $20M, the preference is for a combined marketing and sales unit. If revenue is $20M or more, the preference is to divide marketing and sales into separate units. Combined units offer more efficiency whereas separate units allow for a more dedicated focus of skills and resources.

**WEB SITES**

Since web sites were indicated as being the most effective channel for open, custom, and brand, a further analysis of each respondent’s site was conducted.

There are a number of ways to look at and evaluate web sites. The following example divides web site assessment into five areas. It serves only as a guide to determining if a web site: is easy to find and access, creates immediate interest, has value added content, provides straightforward navigation, and has an appealing look and feel. The sites of schools that responded to the survey were evaluated on the basis of only one of the five criteria listed – Aesthetics (description below).

<table>
<thead>
<tr>
<th>Evaluating Web Sites (1 = Lowest and 5 = Highest rating)</th>
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</thead>
<tbody>
<tr>
<td>1) Accessibility</td>
</tr>
<tr>
<td>2) Content</td>
</tr>
<tr>
<td>3) First Impressions</td>
</tr>
<tr>
<td>4) Ease of Navigation</td>
</tr>
<tr>
<td>5) Aesthetics</td>
</tr>
<tr>
<td>1  2  3  4  5</td>
</tr>
</tbody>
</table>

**Aesthetics (visual appeal)** – **colors, contrasts**, use of white space, a layout that is easy to read, a look that is “Fresh and New”, use of photographs and graphics, rolling images, etc.

While all schools visited had very good examples of creating a favorable impression for visitors, there were a number of sites that had especially appealing aesthetics.
SUMMARY

OPEN ENROLLMENT BUSINESS

The survey data and other information researched suggests that schools are continuing to evaluate effective ways to manage their marketing channels to increase leads and conversions to enrollments while also managing expenditures.

The information provided allows a school’s marketing group to evaluate themselves relative to others on a number of dimensions: size, structure, spend, channel mix, target audience, best practices, and follow-up. An ongoing challenge is the shifting of expenditures away from traditional approaches and toward more social media. Web sites in open were rated as the most effective channel. As such, web sites need to be continually reviewed, refreshed, and enhanced to ensure they create visitor appeal and provide information clients are seeking for evaluation or decision-making.
The following recommendations are offered as a means of evaluating marketing for open programs.

- Compare the survey data on staffing, spend, current channel mix, etc., against the data you submitted. Look at both summary feedback as well as data cut by the open business.

- Consider dedicated sales resources to cultivate open enrollment clients or repeat business. A sample proposal to justify hiring client developers is included in Addendum 1.

- Re-evaluate marketing measurements. Are they providing consistent, timely, useful data and analysis to determine what is and is not working?

**CUSTOM BUSINESS**

Survey data indicated that 70% of respondents listed custom programs as their primary business segment. While the web site and print and media advertising were listed as the most effective marketing channels, the outbound telephone marketing activity, listed as the next choice, puts client development and program directors in personal touch with prospects and clients. This sales activity helps build relationships and was listed as a “best-in-class” area by many schools.

The following recommendations are offered as a means of evaluating marketing for custom programs.

- Compare the survey data on staffing, spend, current channel mix, etc., against the data you submitted. Look at summary feedback as well as data cut by the custom business.

- Re-evaluate follow-up activity with custom clients and discuss what else might be of help and benefit to them.

- Enhance yearly client reviews with a structured, annual follow-up call by the head of the executive education organization or senior member of the management team.

**BRAND AWARENESS**

The survey data on brand awareness showed that other than regular marketing channel activity, most schools rely on their business school or university to do the major brand building activity. Executive education marketing plays a key role in this process by interfacing with other marketing professionals across the university. Executive education reaches top executives in top organizations to educate their leaders and managers. There are numerous ways the information about the people, process, and performance of these programs can be leveraged for executive education, the business school, and the university.

The following recommendations are offered as a means of evaluating marketing for brand awareness.
Assess the number and frequency of executive education mentions received when the business school Dean or other senior leaders in the university business give talks or presentations. If it is not what is desired, consider a plan of action for improvement.

Determine whether more use of social media can increase brand awareness. Consider investigating the "10 Keys to Social Media Success" free webinar offered by Social Media Marketing University. The web site is: http://socialmediamarketinguniversity.com/.

Consider using more public relations efforts to enhance brand recognition. After monitoring executive education press releases and articles over a three-month period, it appears that more schools could benefit from the effectiveness of this channel in promoting their name.

LIST OF SCHOOLS

The following UNICON member schools participated in the marketing research study.

<table>
<thead>
<tr>
<th>Ashridge</th>
<th>Babson</th>
<th>CEIBS</th>
<th>Columbia</th>
<th>Cranfield</th>
<th>Dartmouth - Tuck</th>
<th>ESADE</th>
<th>FDC</th>
<th>Harvard</th>
<th>HKUST</th>
<th>IE</th>
<th>IESE</th>
<th>IMD</th>
<th>Insead</th>
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<tr>
<td>ISB</td>
<td>ITAM</td>
<td>Manchester Business School</td>
<td>Michigan State</td>
<td>MIT</td>
<td>National University of Singapore</td>
<td>Northeastern</td>
<td>Ohio State - Fisher</td>
<td>Penn State</td>
<td>Pontifical Universidad Catolica de Chile</td>
<td>Simmons</td>
<td>Skolkovo</td>
<td>Smith</td>
<td>SMU - Cox</td>
<td>Thunderbird</td>
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REFERENCES


Social Media Marketing University. (September, 2012). “10 Keys to Social Media Success: Social Media for Results.” Retrieved from GoToWebinar.Notifications@citrixonline.com.

USA TODAY, 2012. “College will never be the same.” September 12, 1-2.

ADDENDUM 1

MAXIMIZING THE EFFICIENCY OF OPEN ENROLLMENT MARKETING – SALES INVESTMENT PROPOSAL

One of the challenges of adding staff is justifying the payback on the investment in terms of additional revenue and profit. Consider the following scenario for the open business:

1) Look at the open enrollment programs run over the past 12 months.
   a. Example: Total Programs Run over 12 month period: 21 open enrollment programs. This will be a mix of programs with different lengths and tuitions.

2) Add the number of attendees for each program and calculate total attendees.
   a. Example: Total Registrations for 21 open programs: 342 attendees or an average class size of 342 divided by 21 of 16.3 participants per class

3) Determine the capacity of the classroom for each program (or what number of participants can be successfully accommodated given the content) and multiply that number by the number of programs run.
   a. Example: Classroom capacity is 30 per program x 21 programs = 630

4) Subtract the actual attendees from the total capacity that can be accommodated.
   a. Example: 630 capacity minus 342 = 288 of unfilled seats

5) Take the tuition rate for each program, add them together for a total and divide the number by 21 programs delivered to calculate the average tuition per program.
   a. Example: Total tuition $116,529/21 programs= Average tuition of $5,549

6) Calculate the total revenue at full capacity and the total actual revenue.
   a. Example: 630 participants x $5,549 average tuition = $3,495,870
      342 participants x $5,549 average tuition = $1,897,758

7) Subtract the total capacity revenue from actual revenue for unrealized revenue.
   a. Example: $3,495,870 - $1,897,758 = $1,598,112 for 288 unfilled seats

8) Next take the cost of adding a dedicated, open enrollment sales specialist (salary, fringe, phone, materials, etc.)
   a. Example: Cost per new sales hire estimated at $89,000

9) It is unlikely that by adding a dedicated sales resource, all available seats would then be sold. So to be more realistic and conservative, consider a number of scenarios by selling half of the unfilled seats, 144 multiply half the number of available seats to be sold by the average revenue per seat.
   a. Example: Cost of new sales hire (salary, fringe, etc.) = $89,000 Expense
      Sell 50% of unfilled seats: 144 seats x $5,549 = $799,056 Revenue
      Sell 25% of unfilled seats: 72 seats x $5,549 = $399,528 Revenue
      Sell 10% of unfilled seats: 29 seats x $5,549 = $160,921 Revenue
      Breakeven to cover sales hire cost: 16 seat x $5,549 = $88,784 Revenue

10) Depending on the number of unfilled seats, the financials should show that adding a direct sales person represents a compelling investment proposal with relatively low risk against the upside potential revenue and profit return.