# Brand Perceptions in Higher Education

Google/Ipsos OTX
U.S.
Oct 2011

# Agenda

**1** **Background & Methodology**

**2** Brand Perceptions in Higher Education

**3** Summary

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# Background & Methodology: Brand Perceptions

| Objective | To understand public perceptions of higher education schools and measure impact of online advertising on for-profit schools |
|---|---|
| Methodology | Designed and conducted by ipsos OTX<br>Perceptions measured via online survey, then used test & control groups to analyze impact of online advertising (search, display, video) |
| Timing | September 2011 |
| Sample | Total = 2,400, US residents, not employed in sensitive industries<br>• Prospective students (n=2000)<br>  • Age 18-54<br>  • non-current students interested in attending school in next 12 months<br>• HR decision makers (n=400)<br>  • Age 25-65<br>  • employed professionals with decision making responsibilities for hiring employees |

# Background & Methodology: Advertising Impact

**Objective**
To understand the impact of Search, Video, and Display advertising on key branding metrics (awareness, consideration, perceptions

**Methodology**
**Search**: respondents were asked to search for: colleges and universities
**Video & Display**: respondents were exposed to an ad on a mock CNN website

Each respondent randomly assigned to one of 8 cells:
1) Search Control
2) Search Test School 1
3) Search Test School 2
4) Video / Display Control
5) Display Test School 1
6) Display Test School 2
7) Video Test School 1
8) Video Test School 2

SERPs as realistic as possible; included natural competitive search results.
Cells for Test Schools were combined to provide analysis on media type so impact of Search, Video, and Display are reflective of both schools' advertising (similar messaging)

**Timing**
September 2011

**Sample**
2,000 prospective students (250 per cell)  and 400 HR Decision Makers (50 per cell).
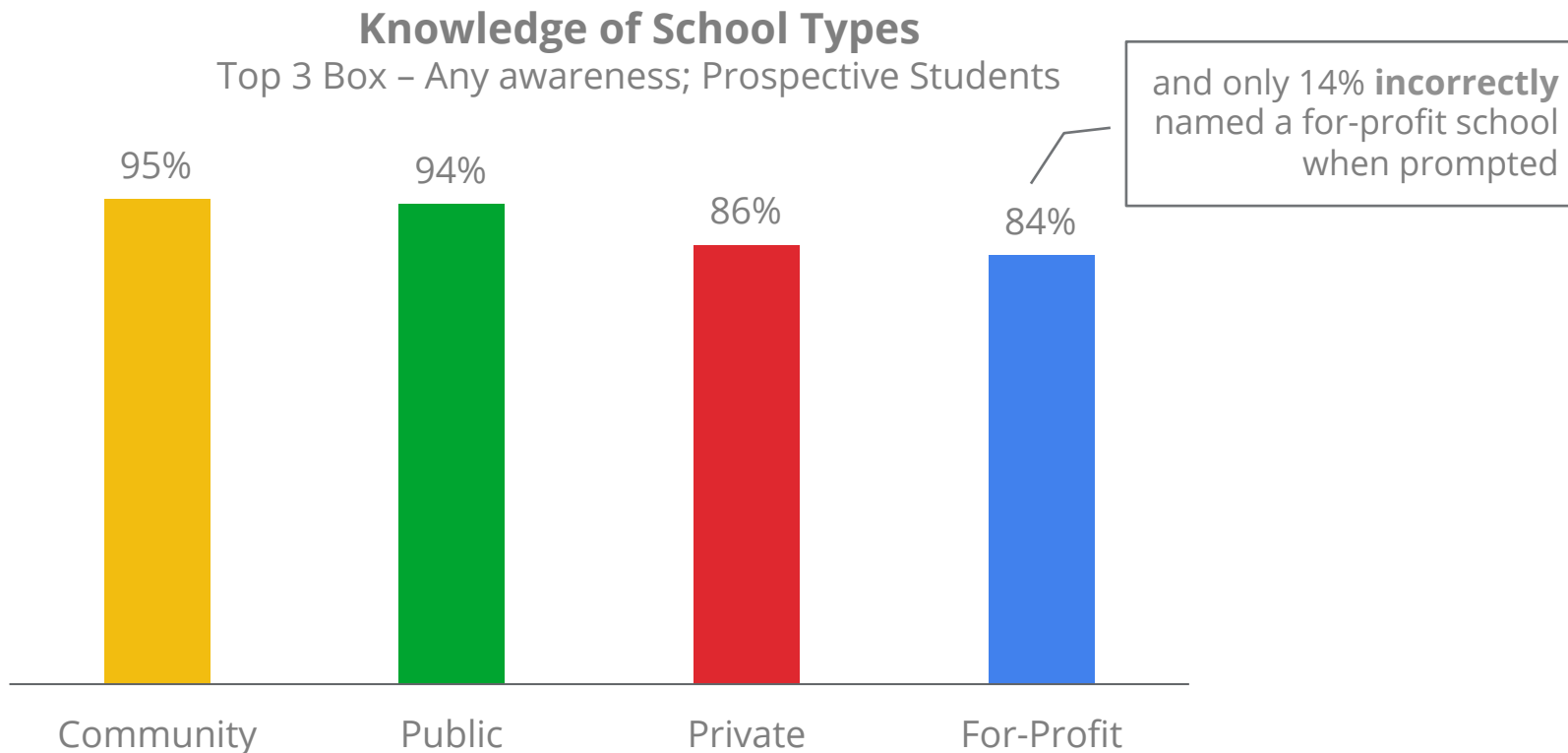
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# Executive Summary

- Clear negativity prevails toward for-profit colleges

- Despite challenges, there is perceived upside

- Some noteworthy misconceptions exist about for-profits

- Media attention on the industry not the driver

- The hiring manager: a crucial obstacle to overcome

- Perceptions *can* be influenced through digital

The Challenge for For-Profit Schools

# For-Profits Garner Lowest Overall Opinions

**Overall Opinion**
Top 2 Box (very positive, somewhat positive)
Prospective Students

| Type | Percentage |
|------|-----------|
| Public | 75% |
| Community | 68% |
| Private | 64% |
| For-Profit | 50% |

0%  10%  20%  30%  40%  50%  60%  70%  80%
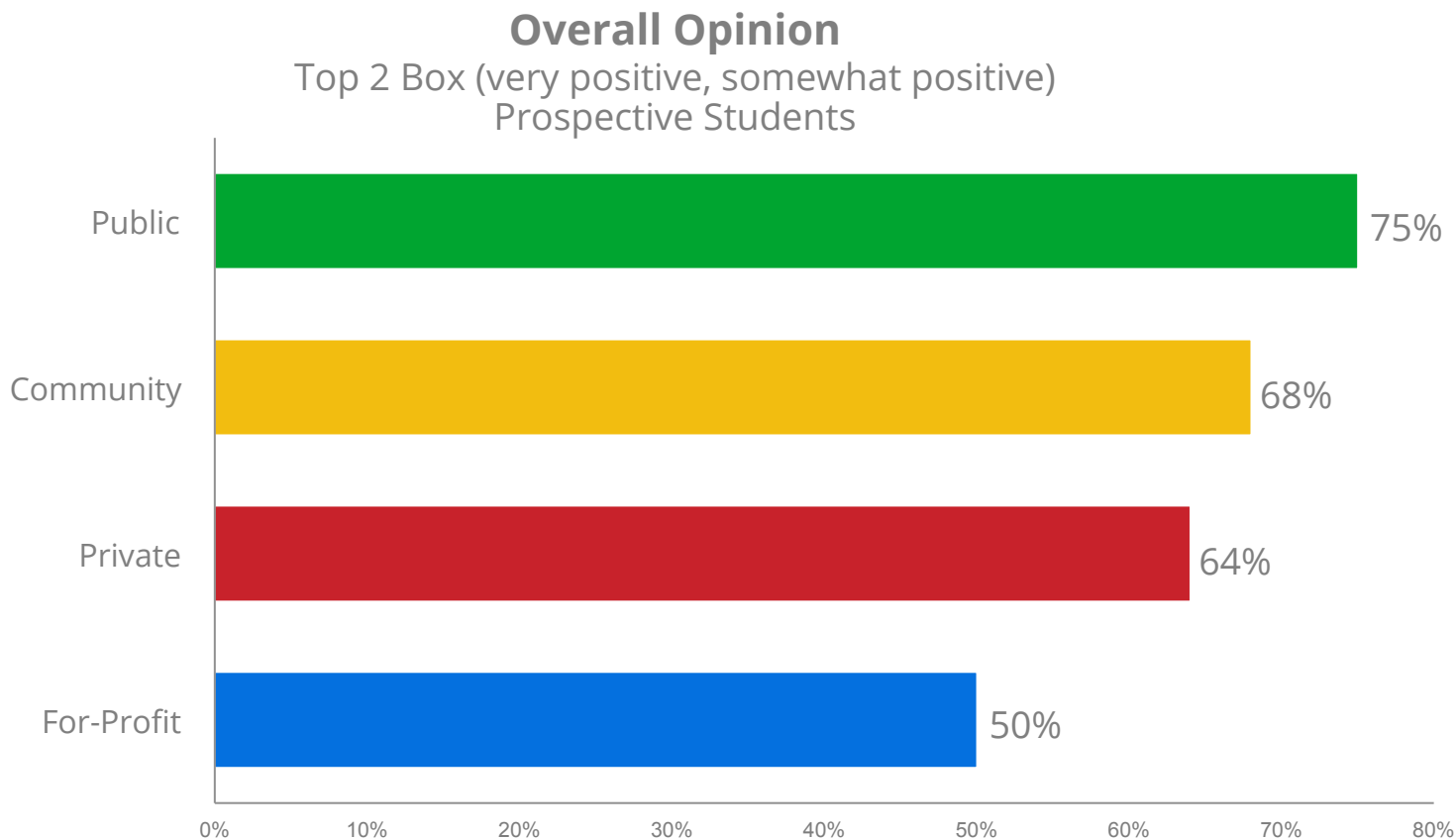
Base: Prospective Students  Aware of Each Type of School (n=1679 to n=1893)
Q4: In general, what is your underlined overall opinion about each of the following types of schools? If you don't have any personal experience with a particular type of school, please base your opinion on anything you might have heard or seen about it.

# For-Profits Rank Lowest on Many Positive Traits

**Personality Traits Associated with Each Type of School**
Prospective Students

| | Private | Public | Community | For-Profit |
|---|---|---|---|---|
| Base: Aware of each type of school | 1715 | 1877 | 1893 | 1679 |
| Successful | 1 | 2 | 3 | 4 |
| Credible | 2 | 1 | 3 | 4 |
| Supportive | 3 | 2 | 1 | 4 |
| Intelligent | 1 | 2 | 3 | 4 |
| Serious | 1 | 2 | 3 | 4 |
| Provides high quality education | 1 | 2 | 3 | 4 |
| Respectable | 2 | 1 | 3 | 4 |
| Reputable | 2 | 1 | 3 | 4 |
| Trustworthy | 2 | 1 | 3 | 4 |
| Honest | 3 | 1 | 2 | 4 |

Q8: Which of the following traits would you associate with each type of school? For each school, please select any traits that apply to each type of school. You can select one or more traits for each type of school or "none of these apply" if no traits apply to a particular type of school.

# Opinions Can Have Impact on Enrollment

**1st and 2nd Choice of School Type to Attend**
Prospective Students

Second choice

First choice

Public  Community  Private  For-Profit
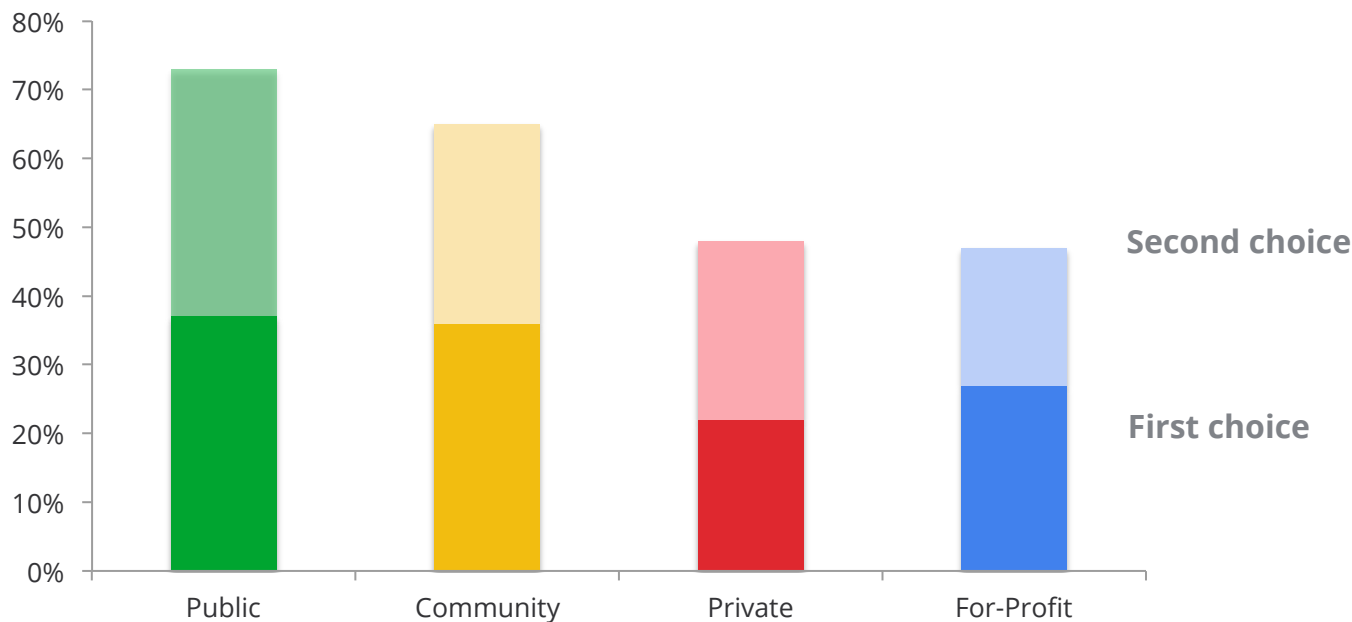
Base: Prospective Students who are aware of each school type AND would consider it (n=1368 to n=1710)
Q6: When it comes to choosing between different types of schools to attend in the next year, what is your preference?
Please rank each type of school in terms of your preference by indicating your selected choice for each school.

Google

Despite challenges, there's an upside

# For-Profits Stand Out for Some Unique Traits

**Traits on which For-Profits Outrank All Other School Types**
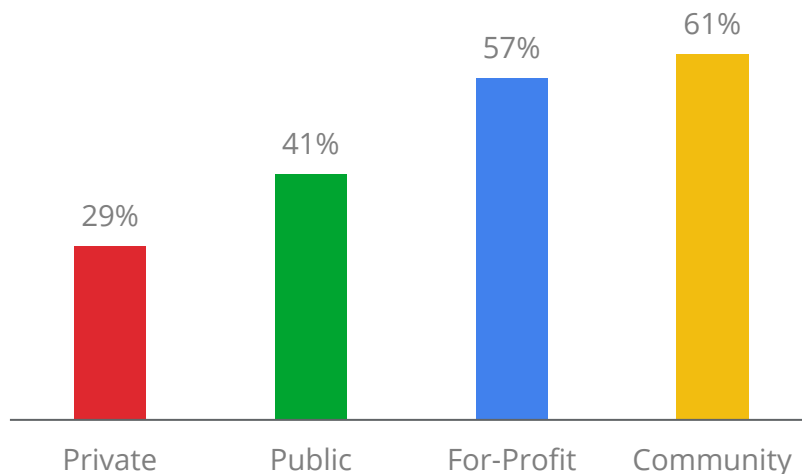Prospective Students

## innovative

## unique

## modern

Base: Aware of each type of school

Q8: Which of the following traits would you associate with each type of school? For each school, please select any traits that apply to each type of school. You can select one or more traits for each type of school or "none of these apply" if no traits apply to a particular type of school.

# Program Flexibility of For-Profits is Recognized

**Perceived Program Flexibility**
Prospective Students

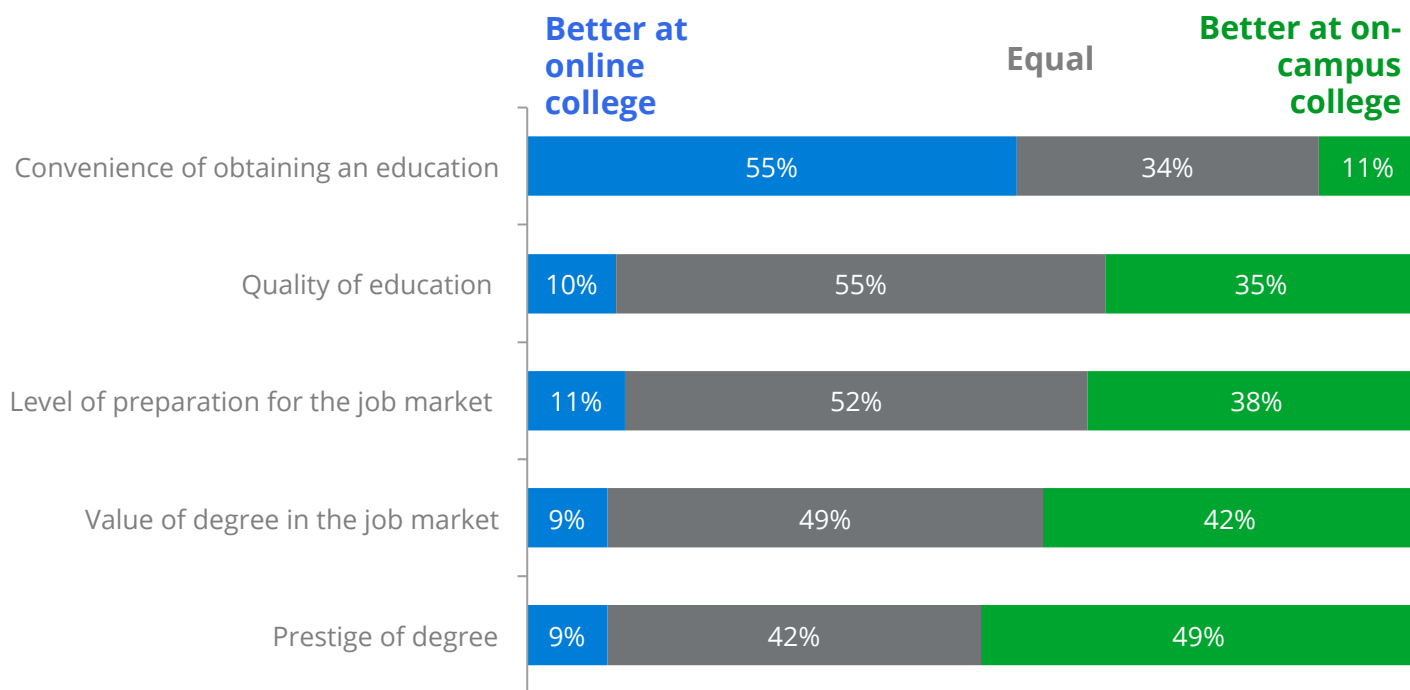29% Private
41% Public
57% For-Profit
61% Community

Base: Aware of each type of school
Q9: For each of the following types of schools below, please indicate which statements apply to each school. If you don't have firsthand experience with a type of school, please base your answers on any impressions you have or anything you may have seen or heard.

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# Misconceptions about For-Profits

# Legitimacy of For-Profits Doubted by Students

# 60%

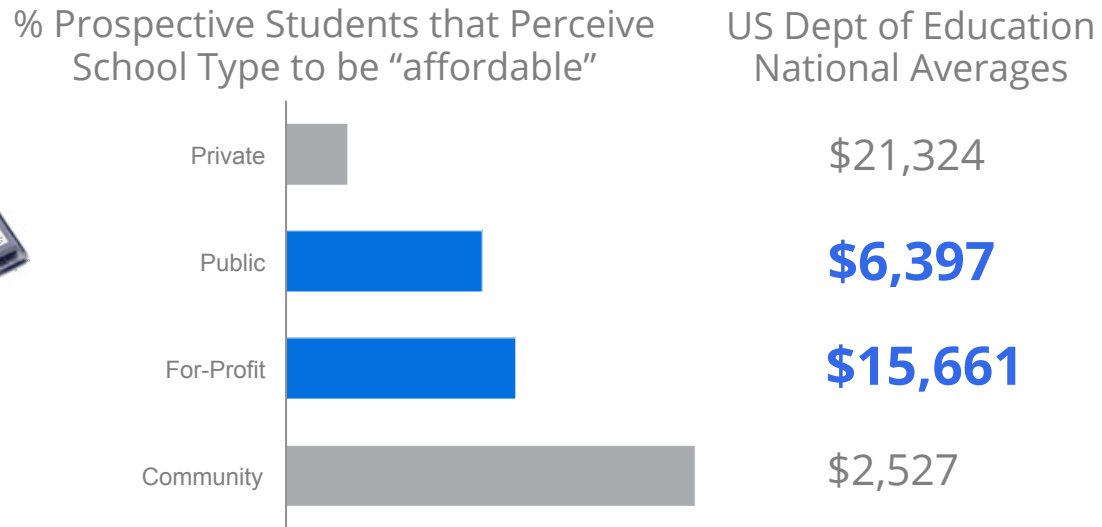of prospective students do not associate for-profits with having accreditation.

*(vs. all other school types where majority of students do perceive accreditation.)*

Q9: For each of the following types of schools below, please indicate which statements apply to each school. If you don't have firsthand experience with a type of school, please base your answers on any impressions you have or anything you may have seen or heard.

# Many Students Don't Understand True Costs

## Affordability perceptions more in line with that of public colleges

### Perceived Affordability vs. Actual Tuition Costs

**% Prospective Students that Perceive School Type to be "affordable"**

**US Dept of Education National Averages**

| School Type | National Average |
|---|---|
| Private | $21,324 |
| Public | **$6,397** |
| For-Profit | **$15,661** |
| Community | $2,527 |

Base: Aware of each type of school

Q9: For each of the following types of schools below, please indicate which statements apply to each school. If you don't have firsthand experience with a type of school, please base your answers on any impressions you have or anything you may have seen or heard.

# ...Leading to Implications for Perceived Value

## % Perceive School Type as "a Good Value for the Education"
### Prospective Students

| Community | Public | For-Profit | Private |
|-----------|--------|------------|---------|
| 63% | 49% | 38% | 26% |

Base: Aware of each type of school
Q9: For each of the following types of schools below, please indicate which statements apply to each school. If you don't have firsthand experience with a type of school, please base your answers on any impressions you have or anything you may have seen or heard.

# Public & Community Colleges Rank Highest on Traits Where For-Profits Excel

**Highest Ranked School Type by Trait**
% of Prospective Students

| **diverse** | **practical** | **prepares for real-world job market** |
|---|---|---|
|  | $$x = \frac{-b \pm \sqrt{b^2 - 4ac}}{2a}$$ |  |
| #1: public colleges | #1: community colleges | #1: public colleges |

Q8: Which of the following traits would you associate with each type of school? For each school, please select any traits that apply to each type of school. You can select one or more traits for each type of school or "none of these apply" if no traits apply to a particular type of school.

Google

Media attention not to blame

# Media Scrutiny Not Driving Negative Perceptions

## 9 in 10 students don't recall any negative press about the industry

**Awareness of Media Coverage on For-Profit Schools**
Prospective Students



Yes- Positive — 26%
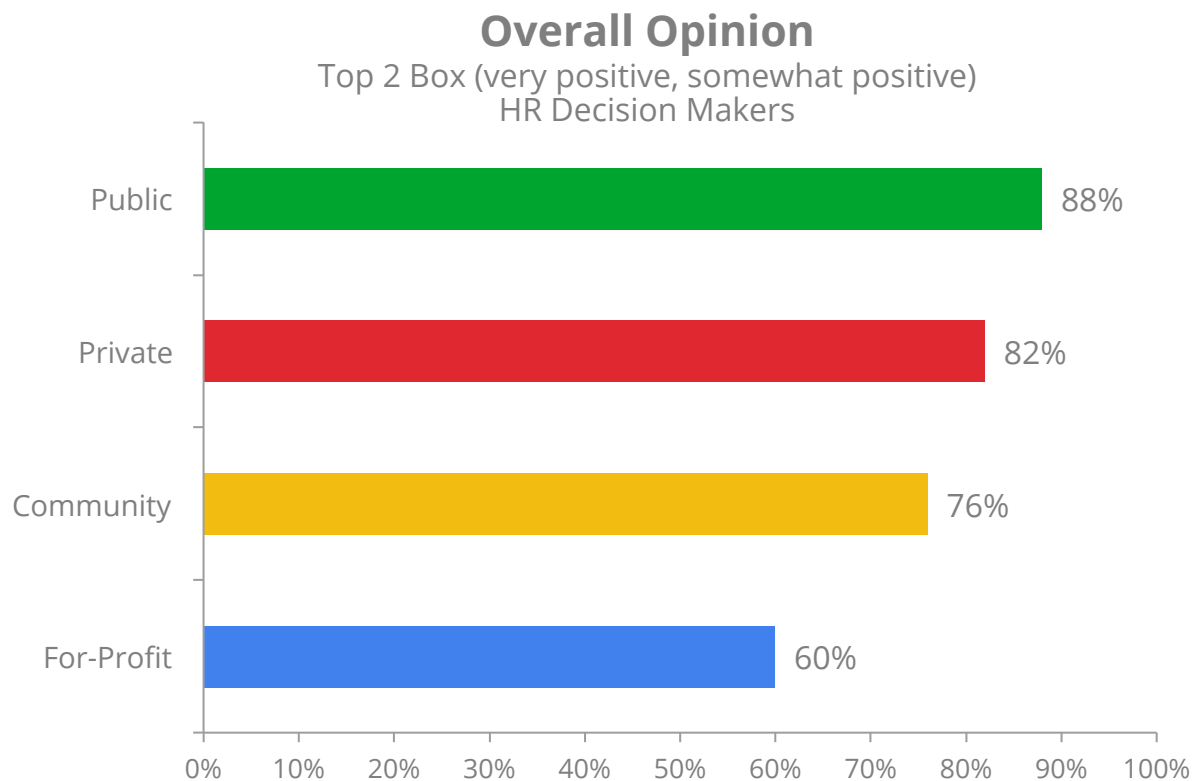Yes-Neutral — 24%
Yes-Negative — 8%
No — 42%
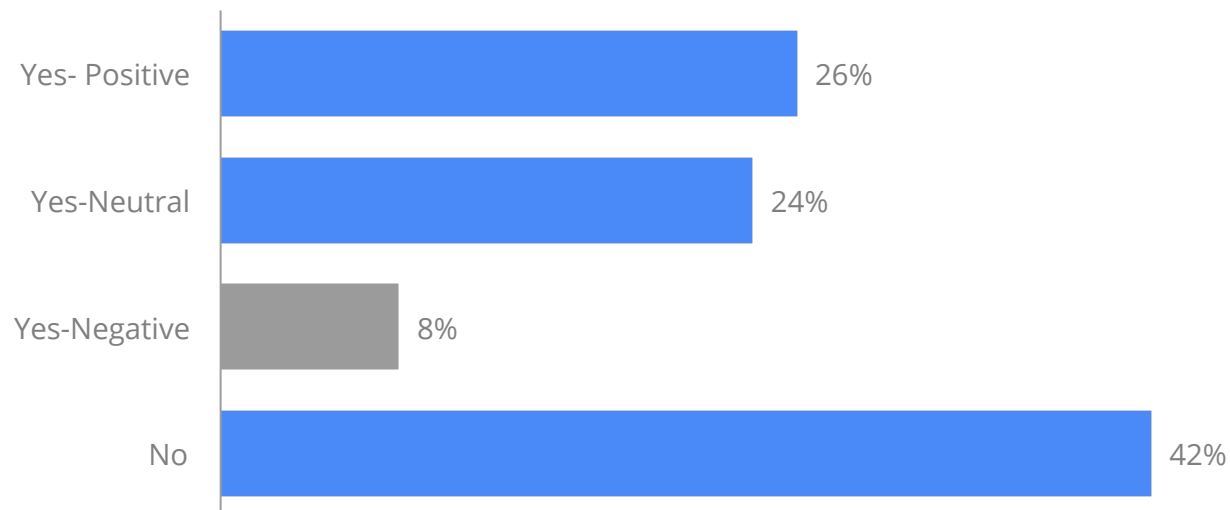
Base: Total
NEWS1: Excluding advertising, have you heard any news or media coverage about Proprietary / For-Profit schools (e.g., online colleges, career colleges, vocational schools, trade schools)?

# The Hiring Manager –
# A crucial obstacle to overcome

# Hiring Managers Have Similar Overall Opinions

**Overall Opinion**
Top 2 Box (very positive, somewhat positive)
HR Decision Makers

| School Type | Percentage |
|-------------|------------|
| Public | 88% |
| Private | 82% |
| Community | 76% |
| For-Profit | 60% |

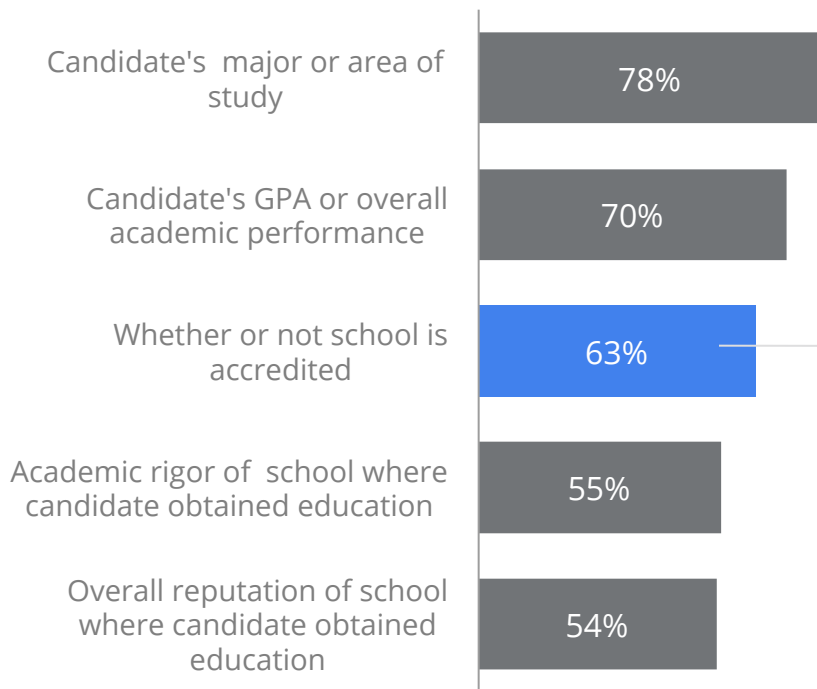Base: Aware of each school type (n=354 to n=389)
Q4: In general, what is your overall opinion about each of the following types of schools? If you don't have any personal experience with a particular type of school, please base your opinion on anything you might have heard or seen about it.

# Accreditation Problematic with Hiring Managers

**Most Important Factors in a Job Candidate**

HR Decision Makers

| Factor | Percentage |
|--------|-----------|
| Candidate's major or area of study | 78% |
| Candidate's GPA or overall academic performance | 70% |
| Whether or not school is accredited | 63% |
| Academic rigor of school where candidate obtained education | 55% |
| Overall reputation of school where candidate obtained education | 54% |

Yet, **66**% do not associate for-profits with having accreditation

*(vs. all other school types for which majority do perceive accreditation.)*

Base: Total (n=400)
Q10: When evaluating a recently graduated candidate for hire, how important are each of the following items in your assessment of the candidate's educational background?

Base: Aware of each type of school
Q9: For each of the following types of schools below, please indicate which statements apply to each school. If you don't have firsthand experience with a type of school, please base your answers on any impressions you have or anything you may have seen or heard.

Candidates From All Other Schools Preferred

1st and 2nd Choice of School Type to Hire From
HR Decision Makers

second choice

first choice

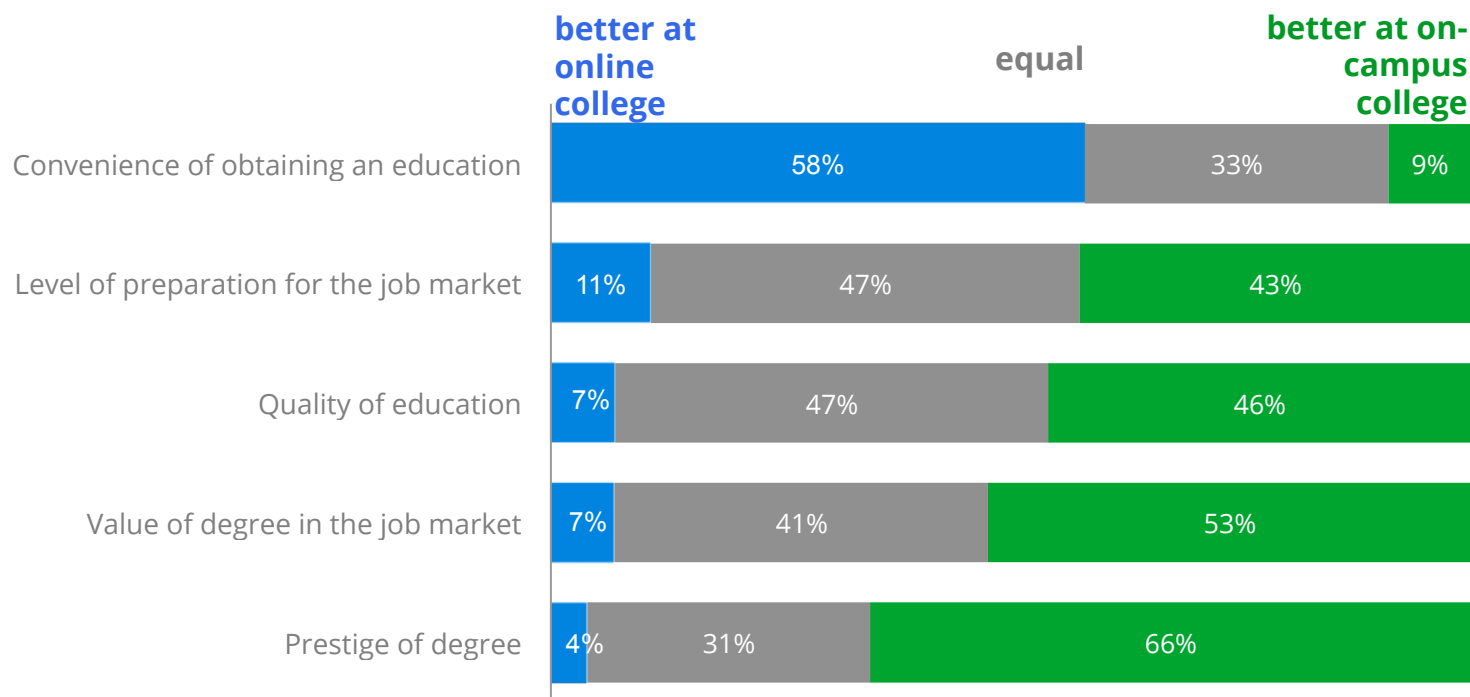Public    Private    Community    For-Profit
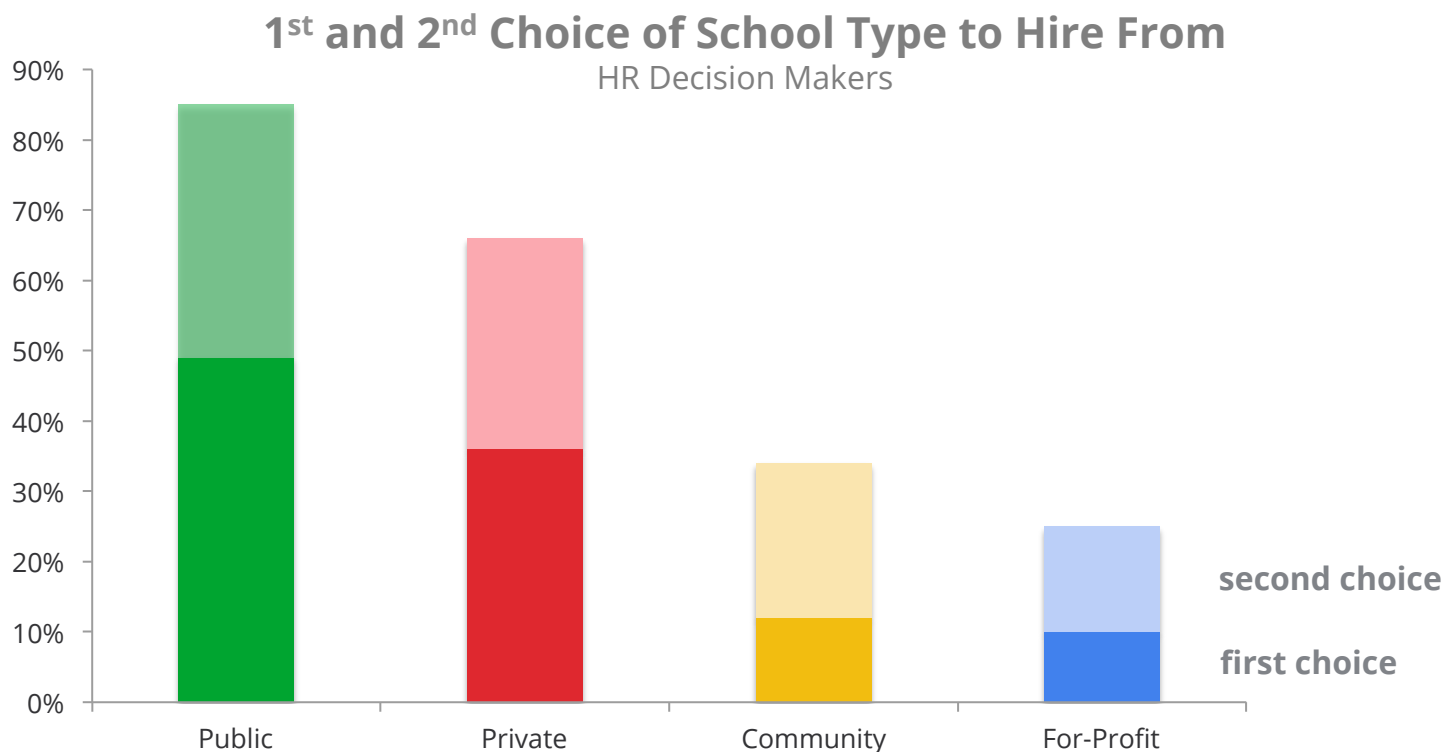
Base: HR Decision Makers who are aware of each school type AND would consider it (n=344 to n=381)
Q7: When it comes to hiring prospective candidates who are recent graduates, what type of educational background do you prefer?
Please rank each type of school in terms of your preference by indicating your selected choice for each school.

# Value & Prestige of Online Programs in Question

## Comparison of Online Colleges to Campus Colleges
### HR Decision Makers

| | **better at online college** | **equal** | **better at on-campus college** |
|---|---|---|---|
| Convenience of obtaining an education | 58% | 33% | 9% |
| Level of preparation for the job market | 11% | 47% | 43% |
| Quality of education | 7% | 47% | 46% |
| Value of degree in the job market | 7% | 41% | 53% |
| Prestige of degree | 4% | 31% | 66% |

Q11: Now, we would like to get your opinions about online colleges and universities in comparison to on-campus colleges and universities. For each of the items below, how do online colleges and universities compare to on-campus colleges and universities?

We can do something about it.

Google™

# Online Ads Can Greatly Improve Familiarity

## Non-existent awareness of for-profit school significantly lifted after ad exposure

**Lift in Unaided First Mention by Ad Format**
Prospective Students

■ Control  ■ Test

| Search | Display | Video |
|--------|---------|-------|
| 10% | 24% | 26% |
| 0% | 0% | 0% |
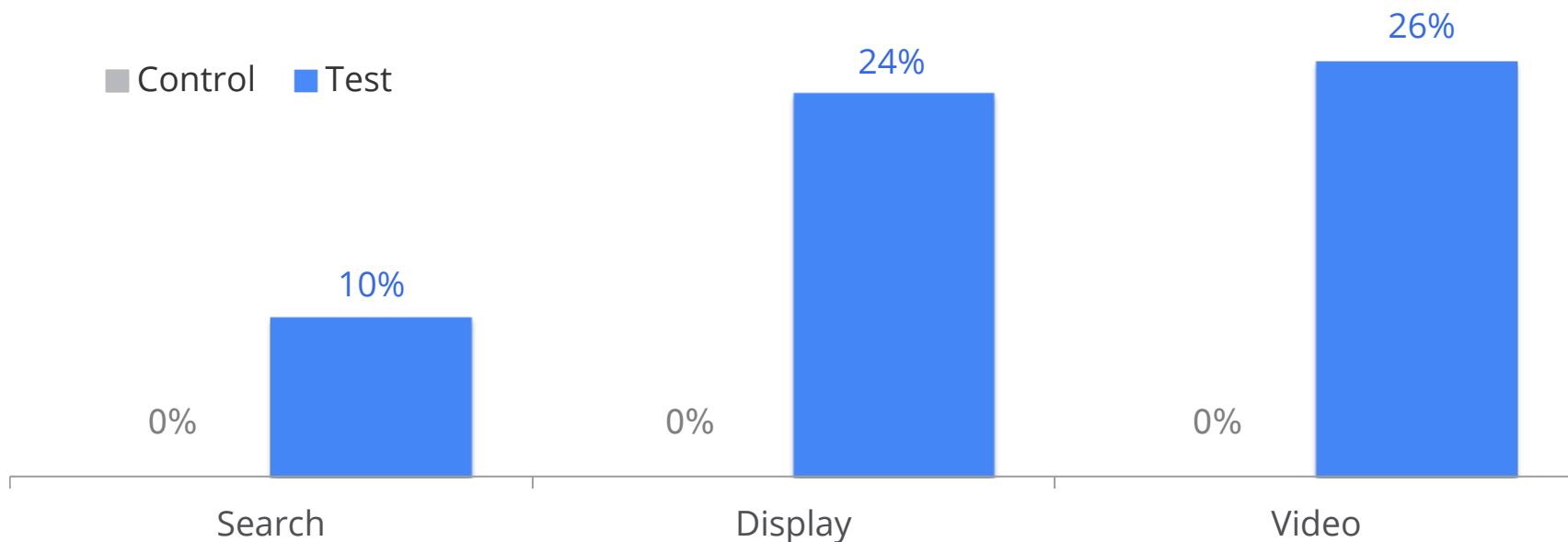
Base: Total Respondents; N=500 per cell
AD1: Thinking about specific colleges and universities, which one school comes to mind?  Please only write in the first school that comes to mind.

# Students' Negativity, Misconceptions Can be Corrected

All ad formats significantly lift perceptions of value, respectability, accreditation, & competitiveness after exposure

**Impact of Online Ad Formats on Perceptions**
Prospective Students
% change (difference divided by control)

| | **Search** | **Display** | **Video** |
|---|---|---|---|
| *Base:* | *500 / 500* | *500 / 500* | *500 / 500* |
| Provides a valuable degree | +63% | +37% | +98% |
| Is a school that employers respect | +73% | +51% | +102% |
| Has a reputable accreditation | +52% | +90% | +129% |
| Will provide a degree that is competitive in the job market | +60% | +72% | +135% |

Base: Total Respondents
AD7: Now, we'd like you to read a series of statements that may or may not describe each of these schools. As you read each one, please indicate which, if any, of the schools it applies to. Select as many as apply for each statement.

# Hiring Managers Can Be Influenced, Especially Through Video

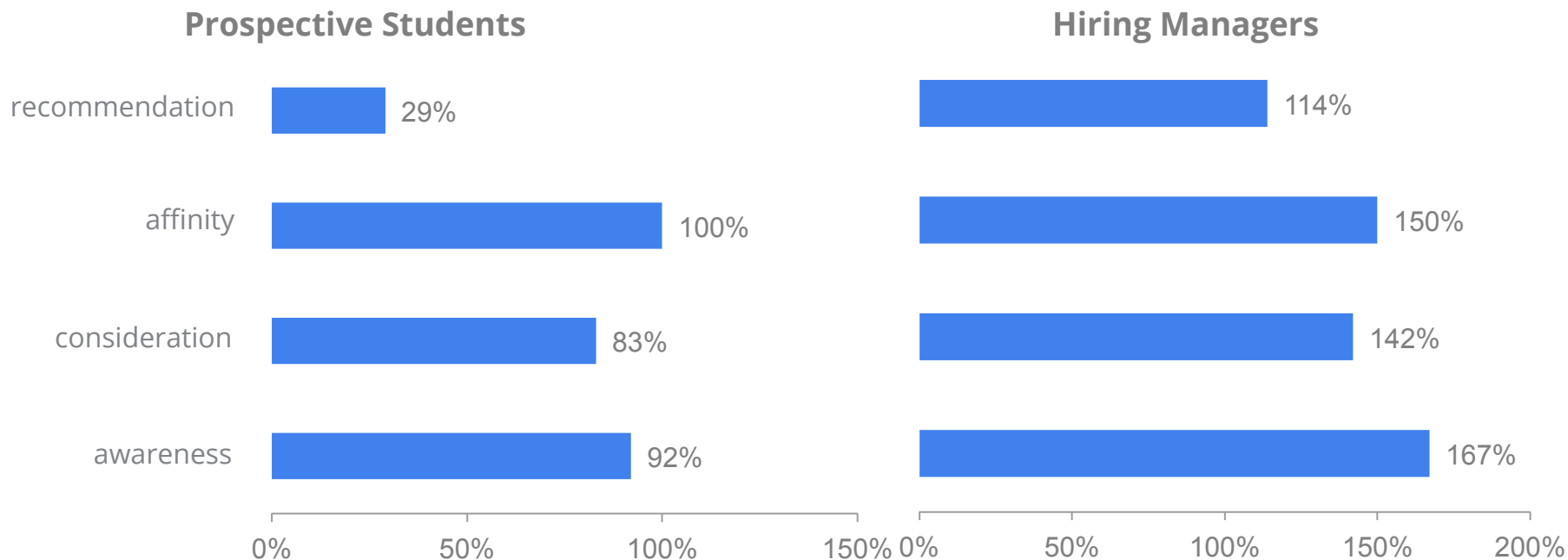## Impact of Online Ad Formats on Perceptions
### HR Decision Makers
% Change (difference divided by control)

| | Search | Display | Video |
|---|---|---|---|
| Base: | 100 / 100 | 100 / 100 | 100 / 100 |
| Has a reputable accreditation | +63% | +43% | **+100%** |
| Is a school I trust | +33% | +29% | **+171%** |
| Provides a high quality education | +38% | +114% | **+186%** |
| Will lead to career building jobs | 0% | +100% | **+329%** |
| Provides a valuable degree | +36% | +100% | **+350%** |
| Students with a degree from this school can land a job quickly after graduation | +17% | +200% | **+567%** |

AD7: Now, we'd like you to read a series of statements that may or may not describe each of these schools. As you read each one, please indicate which, if any, of the schools it applies to. Select as many as apply for each statement.

Overall, Video Ads Most Effective at Changing Perceptions

**Impact of Video Ad Exposure on Key Metrics**
% Change Over Control

**Prospective Students**

| | |
|---|---|
| recommendation | 29% |
| affinity | 100% |
| consideration | 83% |
| awareness | 92% |

**Hiring Managers**

| | |
|---|---|
| recommendation | 114% |
| affinity | 150% |
| consideration | 142% |
| awareness | 167% |

Summary: AD1 / AD2, AD3, AD4, AD6, NETRECO

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# Executive Summary

- **Clear negativity prevails toward for-profit colleges**
  - For-profits garner lowest overall opinions and are students' least-preferred choice to attend

- **Despite challenges, there is perceived upside**
  - For-profits outrank all on being innovative, modern, unique; online programs seen nearly equal to campus

- **Some noteworthy misconceptions exist about for-profits**
  - 60% don't perceive For-Profits as accredited; For-profits rank high on affordability, but low on perceived value

- **Media attention on the industry not the driver**
  - 9 in 10 prospective students recall no negative media coverage of for-profit schools

- **The hiring manager: a crucial obstacle to overcome**
  - For-profits garner lowest overall opinions amongst hiring managers
  - Accreditation a top factor in selecting candidates, yet 66% of don't perceive For-Profits as being accredited

- **Perceptions *can* be influenced through digital**
  - Positive shifts in perceptions of For Profits observed across several dimensions after exposure to all ad formats
  - Video ads resulted in largest increase in key metrics among both audiences