Hanover Research analyzes research priorities across higher education, unpacking the most pressing institutional challenges, common solutions, and how new developments will affect the industry over the next year.

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Facing greater market saturation and heightened scrutiny from state and federal governments, higher education institutions now pursue competitive advantages by specializing their program portfolios and thinking more critically about their longevity. Over the past year, Hanover has watched this trend play out in the over 1,000 research reports commissioned by our 300+ higher education clients. When looking at these projects across institution types (i.e. four-year institutions, community colleges, business schools, and law schools) and departments (e.g. marketing, academic affairs, and finance/operations departments), each group is responding to elements that could be highly disruptive. Certain developments in program specialization, generational shifts, and Big Data analytics exist on the horizon that higher education leaders and institutions should continue to monitor. These changes will further complicate the industry and require progressively more diverse institutional program portfolios.
SECTION I: INDUSTRY IN REVIEW

KEY FINDINGS

The research requests from Hanover’s higher education clients suggest the following key findings:

1. **Academic Program Management dominates higher education research landscape**: More than one half of Hanover’s higher education research projects over the last year addressed Academic Program Management and the ways in which institutions can create and maintain a robust academic program portfolio.

2. **Institutions are most interested in researching New Program Development**: Within Academic Program Management, the “New Program Development” subtopic constitutes 82 percent of research projects, revealing an industry-wide push to launch topical and viable degree programs. Sample reports include:
   - “Market Scan of Pharmaceutical Engineering and Sciences Graduate Programs”
   - “Paramedic Program Demand Study”
   - “Paralegal Program Market Analysis”
   - “Market Analysis of Undergraduate Graphic Design Programs”

3. **New Program Development research leads to follow-up inquiries supporting program longevity**: The most common follow-up projects for New Program Development research include peer program benchmarking and employer needs assessments.

4. **Law and business schools are also interested in developing new programs**: Over 50 percent of Hanover’s research projects for business schools and nearly 40 percent for law schools centered on New Program Development, as more and more graduate schools create non-traditional and specialized degree programs.

5. **Law schools are bolstering their student recruitment and marketing strategies**: The percentage of law school projects focused on Recruitment and Marketing Strategy (37%) is more than twice that for any other institution type, suggesting that these institutions are particularly sensitive to marketing and recruitment challenges today.

6. **Community Colleges continue to tackle student retention issues**: Community colleges focused more on Student Success and Retention than any other institution type, underscoring student attrition as a continued issue area for these organizations.

7. **Different institutional leader types and departments have increasingly aligned priorities**: From heads of academic affairs to chief financial officers and marketing directors, research priorities among higher education institutional leaders are highly correlated, with Academic Program Management topping most departments’ lists.

8. **Institutions use mixed methodological approaches to answer research questions**: Approximately two in five new program development projects across the year involved more than one of Hanover’s core research capabilities (i.e. primary, secondary, and data analysis research), underscoring the complexity with which higher education challenges must be analyzed.
OVERALL RESEARCH PRIORITIES

The 1,000+ research project requests Hanover fielded from deans, CFOs, and provosts reveal the top research priorities for higher education institutions.

RESEARCH PROJECTS BY PRIORITY AREA*

<table>
<thead>
<tr>
<th>Priority Area</th>
<th>Percent of Total Higher Education Research Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Program Management</td>
<td>51%</td>
</tr>
<tr>
<td>Recruiting and Marketing Strategy</td>
<td>16%</td>
</tr>
<tr>
<td>Revenue and Operations</td>
<td>15%</td>
</tr>
<tr>
<td>Student Success and Retention</td>
<td>13%</td>
</tr>
<tr>
<td>Community and Alumni Engagement</td>
<td>5%</td>
</tr>
<tr>
<td>Programs for Special Populations</td>
<td>4%</td>
</tr>
<tr>
<td>Program Review</td>
<td>4%</td>
</tr>
<tr>
<td>Alternative Formats</td>
<td>9%</td>
</tr>
<tr>
<td>Curriculum (General)</td>
<td>5%</td>
</tr>
<tr>
<td>New Program Development</td>
<td>82%</td>
</tr>
</tbody>
</table>

*n~1,000
*Some projects addressed several priority areas simultaneously
Among different types of institutions making research project requests, similar priorities persist, but key differences shed light on unique pockets within the higher education market.

**RESEARCH PROJECTS BY INSTITUTION TYPE***

*Some projects addressed several priority areas simultaneously*
The types of research projects requested by different higher education departments reveal the wide variety of research priorities that exists within an institution.

**DEPARTMENTAL RESEARCH PRIORITIES**

**RESEARCH PROJECTS BY DEPARTMENT**

**TOP THREE MOST REQUESTED PRIORITIES**

**INSTITUTIONAL RESEARCH**
1. Academic Program Management: 52%
2. Student Success and Retention: 17%
3. Revenue and Operations: 17%

**FINANCE AND OPERATIONS**
1. Academic Program Management: 47%
2. Revenue and Operations: 25%
3. Recruitment and Marketing Strategy: 13%

**ACADEMIC AFFAIRS**
1. Academic Program Management: 59%
2. Student Success and Retention: 14%
3. Revenue and Operations: 13%

**OFFICE OF THE PRESIDENT**
1. Academic Program Management: 42%
2. Recruitment and Marketing Strategy: 21%
3. Student Success and Retention: 16%

**MARKETING**
1. Academic Program Management: 42%
2. Recruitment and Marketing Strategy: 20%
3. Revenue and Operations: 14%

**ENROLLMENT MANAGEMENT**
1. Academic Program Management: 40%
2. Recruitment and Marketing Strategy: 33%
3. Student Success and Retention: 13%
To address the wide variety of research project requests, Hanover taps into its repertoire of methodologies that span advanced quantitative, secondary, and primary research approaches.

RESEARCH PROJECTS BY METHODOLOGY*

PERCENT OF TOTAL HIGHER EDUCATION RESEARCH PROJECTS

- **Primary Research**: 44%
  - Benchmarking
  - Survey design and analysis
  - Competitive intelligence
  - In-depth interviews
  - Comparative analysis
  - Qualitative data coding

- **Secondary Research**: 47%
  - Literature review
  - Best practices
  - Environmental scan
  - Market evaluation
  - Trend analysis

- **Data Analysis**: 25%
  - Data segmentation
  - Conjoint analysis
  - Data mining
  - Linear regression
  - Trend forecasting

n=1,000
*Some projects employed several methodologies simultaneously
University of Georgia commissioned a variety of program viability assessments from Hanover, leading to 15 new online programs and a subsequent rise to #3 and #5 in the U.S. News & World Report rankings of online programs.

“Hanover’s market research has been a critical component of our programs’ success. With Hanover, we’ve been able to set up quality assurance practices that allow us to gauge the viability and potential success of prospective new programs. We attribute our recent success in the rankings to this smart growth strategy.”

- Nancy Byron, Marketing Manager
  The University of Georgia Office of Online Learning

Wake Forest University School of Law launched a Master of Studies in Law program following a market assessment conducted by Hanover. Since its launch, degree completions for this program have increased by 44 percent, underscoring the program's viability initially identified by Hanover.

Saint Leo University requested numerous program viability studies from Hanover, which led to the development of 13 new academic offerings and supported a 3% total enrollment increase.

Grace College, a private, four-year institution wanted to provide more flexible and affordable degree options to increase enrollment. Hanover conducted a multi-phase analysis that led the college to implement policies that resulted in a 5.4% increase in enrollment.

Hartnell College asked Hanover to design and conduct two surveys to validate the effectiveness of the institution's ESL writing placement exam, soliciting feedback from both test takers and faculty.
SECTION II: TRENDS ON THE HORIZON

FORECAST

Hanover identified institutional leaders’ key priorities by examining past research projects in aggregate. In the following section, Hanover extrapolates from those findings to predict future changes in the higher education industry across these key priority areas.

1. ACADEMIC PROGRAM MANAGEMENT:
   Graduate schools break from traditional programming to keep competitive.

2. RECRUITMENT AND MARKETING STRATEGY:
   Marketing departments adapt to a Millennial audience.

3. REVENUE AND OPERATIONS:
   2016 election sparks increased focus on cost-cutting strategies.

4. STUDENT SUCCESS AND RETENTION:
   Student advising gets intrusive with predictive analytics and holistic services.

5. COMMUNITY AND ALUMNI ENGAGEMENT:
   Tactics advance to keep Millennial alumni more engaged, and for longer.
U.S. business and law schools will continue launching more specialized master’s degree programs to bolster enrollments, cater to an increasingly diverse prospective student market, and remain competitive.

These higher education institutions, previously known only for their MBA and JD offerings, will create shorter, more specific, and often more flexible degrees tackling niche topics such as supply chain management and U.S. law for foreign lawyers.
Over the last year, the following trends revealed this disruptive programmatic movement in graduate education:

- **Growth in MBA and JD degree completions has slowed, while demand for specialized counterpart degrees is expanding:** From 2009 to 2013, U.S. enrollments in specialized non-JD degrees at law schools grew by 21 percent, while enrollments in traditional JD programs fell by almost 3 percent.

- **Program demand studies are growing specific:** Over 50 percent of Hanover’s research projects for business schools and nearly 40 percent for law schools centered on Academic Program Management and new program development. Sample viability studies included:
  - "Master’s in Business Analytics"
  - "Master’s in Nonprofit Administration"
  - "Master’s in Taxation"
  - "MSL for Foreign Non-Lawyers,"
  - "Healthcare and Corporate Compliance"
  - "Paralegal Program Market Analysis"

- **Prospective student profiles are skewing younger and less experienced:** Individuals who apply to specialized master’s degrees at law and business schools are overwhelmingly younger and less experienced (i.e. 25 years old or younger) than those matriculating in MBA and JD programs.

**CATALYSTS**

The following levers will continue to drive business, law, and other graduate schools to create more unique, non-traditional graduate degree programs:

- **Student aversion to financial burdens and opportunity costs:** Students seek more affordable alternatives to high-cost MBA and JD programs. Students are also less willing to put careers on hold for extended periods of time.

- **Heightened employer demands:** Employers are less willing to train new staff and seek graduates fully-equipped with highly-specific skillsets; in turn, students will look to higher education institutions to get these needed skills.
Outlook

Millennials are now the primary market for most higher education institutions. This generation brings with it new student characteristics and priorities that are forcing marketing departments to rethink the ways in which they engage and attract prospective students. As the market grows increasingly competitive, higher education institutions will need to borrow tactics from the private sector and accommodate the “new rules” of the Millennial generation. These tactics include launching increasingly targeted campaigns, building brands centered on “authenticity,” and addressing financial aspects of the college experience more directly.
Several trends suggest that institutions are already changing their marketing and branding efforts to more effectively attract Millennial prospects:

- **Marketing departments focus on finances**: According to Northeastern University’s National Survey of U.S. Youth, teens ages 16 – 19 care more about being able to afford college than any other issue listed. Recognizing the interrelated nature of financial aid and marketing, Hanover’s clients requested numerous “sticker price elasticity” analyses to understand how price impacts decision-making processes and, in turn, to inform future marketing campaigns.

- **Universities shift from broadcast to “narrowcast” tactics**: Millennials mark the first generation to have grown up with sophisticated digital marketing, limiting their tolerance for mass marketing tactics. At the same time, 68 percent of students now use social media to research colleges, and advancements in digital technology allow marketers to better segment communication, facilitating micro-targeted marketing campaigns.

- **Authenticity and social responsibility are now paramount**: In the private sector, Millennials are 70% more likely to engage with brands that discuss social causes. A recent uptick in Hanover’s higher education clients completing mission-related brand perception surveys underscores this trend. Like companies, institutions are prioritizing honesty, exposure, and values when attracting Millennials.

### EVIDENCE

#### NATIONAL SURVEY OF U.S. YOUTH

*How concerned are you about each of the following...*

<table>
<thead>
<tr>
<th>Issue</th>
<th>Concerned Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>College affordability</td>
<td>67%</td>
</tr>
<tr>
<td>Climate change</td>
<td>45%</td>
</tr>
<tr>
<td>Control of big corporations and banks</td>
<td>15%</td>
</tr>
<tr>
<td>Social stratification</td>
<td>14%</td>
</tr>
</tbody>
</table>

*Source: Northeastern University*

### CATALYSTS

The following catalysts will push institutional marketing to adapt even more quickly and think more creatively about how to best attract younger audiences:

- **New digital channels will continue sparking change**: 92 percent of teenagers go online daily from their mobile devices. At the same time, new mobile applications such as Snapchat and Instagram are eclipsing now “traditional” platforms such as Facebook. Marketing departments will need to adjust accordingly, and quickly.

- **Generation Z on the rise**: The Millennial generation now comprises 83 million people, but its successor, Generation Z, stands at 82 million and counting. Because these new prospective students grew up in an entirely digital era, marketing departments can expect a continued demand for digital engagement over the next ten years.
Revenue and Operations

2016 ELECTION SPARKS INCREASED FOCUS ON COST-CUTTING STRATEGIES

OUTLOOK

As elected officials scrutinize how higher education institutions spend money, administrators will face increased pressure from external stakeholders to devise and execute cost-cutting strategies. Under this heightened attention, more institutions will analyze how resources are allocated and seek ways to grow leaner and more efficient.
Over the last year, these trends suggest that higher education institutions are already working to confront tough questions about college affordability:

- **Hanover clients request high volume of resource optimization projects:** Nearly one in five projects completed for both public and private institutions centered on revenue and operations optimization. These projects ranged from third-party vendor reviews to peer salary benchmarking, and all aimed to help colleges and universities cut costs:
  - “Auxiliary Business Services Vendor Review”
  - “Benchmarking Alternatives to Tenure”
  - “Custodial Staff Salary Benchmarking”
  - “Faculty Staffing Practices in the United Kingdom”
  - “Prioritization and Resource Allocation in Higher Education”

- **Heightened scrutiny over perceived “administrative bloat”:** Critics, armed with data from the American Association of University Professors, continue to cite disproportionate salary increases for top college administrators as a reason to target institutional spending practices. Politicians discussing higher education may play up these critiques in an effort to exhibit tough stances on college affordability.

**Catalysts**

Over the next year, elected officials and their constituents will pose numerous questions to public and private higher education institutions, sparking a need for resource optimization research. Boards, taxpayers, and students alike will follow suit, demanding quantified justifications for resource allocations.
Student Success and Retention

STUDENT ADVISING GETS INTRUSIVE

OUTLOOK

Non-academic, “intrusive” advising – individualized interventions for students at risk of not graduating – represents the latest tool for institutions to combat student attrition. These hyper-personal programs are distinct from traditional academic advising in their ability to address holistically a student’s college experience and alleviate retention pain points. With increased access to granular student data, more and more colleges and universities are better targeting at-risk students and prescribing tailored resources accordingly.
Over the last year, the following trends suggest that higher education institutions are introducing more intrusive, non-academic advising practices:

- **Hanover clients request high volume of student retention and predictive analytics projects:** Nearly 15 percent of Hanover’s higher education research projects directly addressed methods for combating student attrition, often through predictive analytics. This suggests a prioritization of retention strategies and an understanding of how predictive analytics can help.

- **Community colleges heavily focus on retention strategies:** Hanover data indicate that community colleges are more focused on improving student retention than any other higher education institution type (approximately ten percentage points more than four-year institutions).

- **Private coaching companies are on the rise:** A growing number of colleges now hire private coaching companies that provide third-party, personalized support directly to students to improve retention and completion rates. For example, InsideTrack, a private company that provides student advising and coaching via phone, now coaches more than 20,000 students a month through contracts with four-year brick-and-mortar institutions, professional and online programs, and for-profit and community colleges.

**CATALYSTS**

With student attrition, institutional reputation, and state/federal funding already on the line, the following trends will push colleges and universities to invest heavily in advanced retention strategies:

- **Retention rates continue to impact college rankings:** A majority of the top college rankings publications, including U.S. News & World Report, factor in institutional retention rates when assigning placements. As these rankings continue to dominate how prospective students make college decisions, student retention will remain a top priority for recruitment purposes.

- **“Traditional” four-year, full-time college students no longer the majority:** Today, 38 percent of students enrolled in higher education are over the age of 25, and 25 percent are over the age of 30. These “non-traditional” students often face greater obstacles to completing degree programs, prompting institutions to think creatively about advising support.

- **Advancements in student data and predictive analytics:** As predictive analytics in higher education improve and leverage increasingly detailed student data points, institutions will enjoy better opportunities to identify and assist students early on in their education.
Community Engagement Forecast

TACTICS ADVANCE TO KEEP MILLENNIAL ALUMNI MORE ENGAGED, AND FOR LONGER

OUTLOOK

To keep Millennials more engaged for longer periods of time, institutional alumni relations departments and associations are moving from discrete functions, such as planning homecoming and reunions, toward more holistic approaches to fundraising, prospective student recruitment, and student life enhancement. Alumni relations must now strategically demonstrate an institution’s value proposition and create meaningful relationships in order to sustain giving over an alumni’s lifetime.
New motivations for giving emerge: Without a sense of “obligation” to give back financially, Millennial alumni are more motivated by department-specific programming, national rankings, and student support structures when making donation decisions. In turn, alumni relations departments are working across their institutions to bolster these catalysts for giving.

Programming targets alumni “lifecycle:” Recent survey data indicate that alumni relations departments design strategies around the “lifecycle” of alumni rather than around annual campaign drives. This shift suggests that departments are focusing on the longevity of potential giving.

Departmental lines blur to provide comprehensive strategy: No longer confined to siloes, alumni relations departments across Hanover’s client base now collaborate with other internal stakeholders. They request research outside of their more traditional functions, highlighting a push to devise the comprehensive strategies needed to keep Millennials engaged. Sample projects included:

- “Best Practices for Alumni Career Counseling”
- “Impact of Student Programming on Alumni Outcomes”
- “Leveraging Alumni Stewards in Admissions Process”
- “Communicating Alumni Return on Investment”

Waning state and federal funding raises stakes: Institutions will lean on their alumni relations departments even more as state and federal funding declines and tuition and donor dependency rises.

Big Data enables targeted digital campaigns: As with recruitment and marketing strategy, Big Data analytics and advanced segmentation will facilitate more personalized outreach campaigns necessary for piquing Millennial alumni interest over a lifetime.
WHAT IS NON-ACADEMIC “INTRUSIVE” ADVISING?

Non-academic “intrusive” advising is a new student retention tactic that employs student demographic and achievement data to identify and comprehensively address barriers to student success and degree completion. It extends beyond traditional academic advising to alleviate peripheral success obstacles such as social adjustment challenges, finances, and transportation.

GOALS OF “INTRUSIVE” ADVISING

1. Identify and engage students most at risk of dropping out.
2. Provide comprehensive resources tailored to a student’s unique challenges.
3. Deliver high-quality services over time to promote gains in institution-wide retention rates.

HOW DOES IT WORK?

**STEP 1: Population Targeting**

No two student bodies are the same, but research indicates that, in general, the following student groups are most likely to benefit from “intrusive” advising services:

- Accelerated degree and honors students
- Commuter students
- International and out-of-state students
- Pell Grant recipients
- Student athletes
- Students on academic probation for the first time

**STEP 2: Key Resource Provisions**

“Intrusive” advising departments are only as good as the services they provide. Research suggests that the following “intrusive” advising practices are most effective for reducing attrition:

- **Tutoring:** Facilitate the student’s learning in particular subject areas.
- **Motivation:** Provide the student with sufficient, ongoing support and encouragement to persist despite complex life circumstances.
- **Evaluation:** Assess the student’s initial strengths and weaknesses, and evaluate the student’s academic achievements.
- **Facilitation:** Acting like an institutional “concierge,” direct student questions and resource needs elsewhere when necessary.

**STEP 3: Continuous Monitoring**

“Intrusive” advising programs fail to reach their true return on investment without ongoing quality assurance practices. The following are proven to support “intrusive” advising program longevity:

- **Build Buy-In:** Incentivize students’ use of coaching services through clear consequences and rewards.
- **Track Quality:** Monitor program effectiveness using surveys.
- **Gather Feedback:** Provide outlets for advisors to propose new solutions.
- **Be Consistent:** Maintain a consistent program structure and suite of services.
- **Involve Internal Stakeholders:** Closely collaborate with other departments to ensure internal buy-in.
- **Measure Success:** Track program’s impact on student retention rates over time.

HOW TO TAKE NON-ACADEMIC “INTRUSIVE” ADVISING FURTHER

**Deploy Predictive Analytics:**
Colleges and universities can further ensure they are targeting the most at-risk student populations at their institutions through predictive analytics studies that correlate student demographic data with attrition trends.

**Stack Up To Peers:**
Peer benchmarking analyses help institutions track what colleagues and aspirants are doing well to retain students.

**Quantify Impact:**
Comprehensive, data-based program evaluations measure the actual effectiveness of “intrusive” advising services and provide tangible guidelines for continuous improvement.

For more information on non-academic “intrusive” advising programs, email answers@hanoverresearch.com
SOURCE LIST

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SOURCE LIST

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- “Roles of Mentors,” Center for Mentoring and Learning, State University of New York Empire State College. http://cml.esc.edu/mentoring/roles-of-mentors
- “Student Success Coach,” The University of Iowa. http://housing.uiowa.edu/student-success-coach
ABOUT HANOVER RESEARCH

Hanover provides high-quality, custom research and analytics through a cost effective model that helps clients make informed decisions, identify and seize opportunities, and heighten their effectiveness.

HANOVER’S CORE CAPABILITIES

- **PRIMARY RESEARCH**
  - Survey design, administration, and analysis; qualitative data coding; in-depth interviews; online focus groups; benchmarking.

- **SECONDARY RESEARCH**
  - Market segmentation and evaluation; labor and demographic trends and forecasts; vendor and product reviews; best practices reports.

- **DATA ANALYSIS**
  - Data segmentation and mining; descriptive and predictive analytics; data forecasting and modeling; regression, cluster, conjoint, and TURF analyses.

- **GRANT DEVELOPMENT**
  - Grant strategy development; proposal production and consultation; grant capacity building.

HANOVER’S MODEL DIFFERENTIATORS

- **EXPERT**
  - Nearly 200 analysts with advanced research knowledge

- **CUSTOM**
  - Every report tailored to meet a client’s unique needs

- **HIGH-VALUE**
  - Annual, fixed-fee business model

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