



# EDUVENTURES

**Learning Collaborative for Higher Education**

Online Higher Education Program

August 2006

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Catalog No.2OHECR0806

## Expanding Demand for Online Higher Education, Part 1 *Assessing Consumer Views & Experiences*

### **Objective**

The objective of this study is to better understand next-generation demand for online higher education, and to get a clearer sense of how large the market may become. “Online higher education” is used here to mean wholly online programs/courses, where attendance at a physical campus is rare or not required. On behalf of members of the Online Higher Education (OHE) program, OHE staff gathered a unique dataset, offering greater detail than ever before on consumer views and preferences, and permitting valuable insights into the development of online higher education in the United States.

Eduventures estimates that at the close of 2005, wholly online higher education accounted for only 7% of higher education students in the United States (c.1.2 million students). How big might this market become? Will online come to represent 15% of the market, and by when? Is 25% or higher realistic, and in what time frame?

Eduventures’ *Assessing Consumer Attitudes Toward Online Education* report (May 2005), found that a significant majority of consumers reported either uncertainty or negative views about online higher education. The report argued that what were termed *Believers* (i.e. consumers predisposed to the value proposition of online higher education) accounted for the vast majority of online enrollments to date, but cautioned that increased competition risked market saturation. To circumvent competition, universities and colleges must move beyond the increasingly cutthroat *Believer* segment, and begin to address the needs and values of the wider population. Building on the findings of Eduventures *Competing in Online Higher Education* report (February 2006), improved understanding of consumer views and motivations resulting from this new study, will help OHE members pinpoint robust positioning and differentiation strategies.

It is important to determine the accuracy and stability of these categories (Believer, Fence-Sitter, Skeptic), and the extent to which consumers are moving from one category to another, based on increased exposure to online delivery, or other factors. It is also critical to ascertain how different consumers build up a view of online higher education,

what such views are based on, and what channels might OHE members use to reach particular groups. Interest in online relative to key demographics (e.g., age, ethnicity, prior education), and less tested variables (e.g., location of the institution offering online provision, and institutional control) are important questions. How do consumers think about teaching and learning in higher education, and how is online delivery seen to fit into the equation?

Product and marketing enhancements targeted at consumers with more uncertain or skeptical views on online higher education may have significant payoffs with respect to existing online higher education consumers, and for any attempts to reach out to decidedly uncertain/skeptical international markets.

This is Part 1 of a two-part study. Part 1 deals with the core of the survey – consumer experience of and preferences for online higher education. Part 2 sets out additional detail on the sample (e.g., by key demographics, and credential/disciplinary interest).

## **Methodology**

OHE staff developed a project proposal and survey tool, refined by OHE members. The survey elicited 2,033 qualified consumer responses from across the country. Consumers were qualified in three ways:

- 1) *Age* - must be at least 16 years old
- 2) *Residence* - must reside in the United States
- 3) *Interest in postsecondary study* - must anticipate enrolling in a course, including non-credit courses, degree, certificate, or other program at a college/university within the next three years

Given widespread uncertainty about the future scale and characteristics of online higher education in the United States, the survey tried to avoid assumptions about the market. For example, despite the fact that to date the bulk of online learners at the higher education level have been working adults ages 25-54, the survey also solicited responses from younger and older consumers. To date, business, information technology, healthcare, and education programs have dominated online portfolios, but the survey sought to gauge openness to online delivery irrespective of discipline. To date, degree programs have constituted the bulk of online distance enrollments at the postsecondary level, but the survey also sought to ascertain interest in non-degree provision.

To what extent may the sample be said to be representative of the U.S. adult population? The key qualifier for the sample was interest in postsecondary education in the next three years. Given that there is no “national” data on this variable, it is not possible to formally determine whether the present sample is representative. In addition, it was not practical to precisely control the sample by key demographics such as age, gender, and ethnicity. Of

course, all manner of variables (e.g., prior education, income, marital status, as well as cross-referencing age, gender, and ethnicity) may influence the representativeness of a sample, but are difficult to control for relative to often unknown significance.

The sample was conceived to “represent” both the U.S. adult population to permit OHE members to consider market potential beyond norms to date. The sample draws from all adult age bands and all “standard” ethnic survey categories, and represents a wide variety of credential and disciplinary interest. The sample was also designed to afford focus on subsets of the population better disposed to online higher education, to permit more detailed scrutiny of the bulk of the addressable market. Thus the sample contains a disproportionate number of respondents in the 25-54 age bands. The sample includes current postsecondary students (29.9% of the sample). The only age group where a majority of respondents were current students was the 18-24 band. When sampling interest in postsecondary education in the next three years, overrepresentation of current postsecondary students is to be expected.

The sample does not represent the U.S. adult population in the strict sense, but rather constitutes a broad, national sample that affords significant insights into consumer experience and views on online higher education. For further details on the sample, please see Part 2 of this study.

To provide OHE members with hard number estimates of the total addressable market stratified by delivery mode, in a number of places both reports models to the U.S. adult population interested in postsecondary education in the next three years. Age was selected as the key variable – not least given strong associations with interest in postsecondary education and delivery mode preference. Gender and ethnicity did not exhibit strong associations with delivery mode preference, and thus specific modeling was not attempted. Of course, numerous variables might be used to gauge national representation. OHE members are invited to use the custom inquiry service to explore additional tests.

Although this report analyzes the vast majority of survey questions, and undertakes key cross-referencing, it does not attempt to cover every possible correlation. OHE members are encouraged to use the Custom Inquiry service to request specific data cuts that speak to their particular interests. Please note that the sample size permits only limited segmentation by geography.

Please note that the terms “postsecondary education” and “higher education” are used interchangeably in the report.

The survey gathered data on consumer interest in programs *and* courses, including non-credit. The report uses the term “program” as shorthand for this range.

## Key Findings

### Demand for Postsecondary Education

- **Interest in postsecondary education.** Out of a total surveyed population of 4,660, 44% indicated interest in postsecondary education in the next three years.
- **Addressable population.** Based on a 44% reported rate of interest, the modeled total addressable U.S. market for postsecondary education is around 103 million people.

**Key takeaway for OHE members:** Reported interest in postsecondary education suggests a potentially massive market opportunity. Of course, “interest” and enrollment are distinct. Based on enrollment trends, a 5:1 interest/enrollment ratio is projected. OHE members’ differentiation and marketing strategies will play a role in improving this ratio.

### Online Experience, Preference & Likelihood

- **Online experience.** Almost one-third of respondents cited experience of a wholly online or blended course, while around 6% reported experience of a wholly online program (e.g. degree or certificate). Fifty-five percent of the sample claimed no online postsecondary experience. When blended delivery was factored in, non-experience dropped to 48%.
- **Delivery mode preference.** There is an encouraging gap between current experience of wholly online programs (6%) and stated preference for this mode of delivery (19%). More generally, around 50% of consumers say they prefer a mode of delivery either dominated by online or at least balanced between online and on-campus.
- **Delivery mode & “likelihood.”** The survey distinguished between delivery mode preference and “real world” decision-making. For example, 19% of consumers expressed a preference for wholly online delivery, but 41% said, given other factors, that it was “likely” they would undertake a program/course wholly online in the next three years.

**Key takeaway for OHE members:** Extraordinary openness to forms of online delivery means consumers are receptive to messaging from OHE members. The fact that “likelihood” to take an online program exceeds “preference”, suggests other factors at work (e.g., convenience) that may permit tradeoffs against first choice. This tension between preference and likelihood is key to understanding effective messaging.

### Delivery Mode: Age, Credential & Discipline

- **Delivery mode preference & age.** The two youngest age bands expressed strong preference for campus-based study, and were most open to online when it constituted a minority component of a campus-based experience. For the 25-34 age group, campus-dominant options retain priority, alongside much stronger interest in online-dominant options. For the 35-44 and 45-54 age groups, campus-based study falls out of favor, dropping into last place; and online options vie for prominence. However, for the two oldest age groups, campus-dominant options experience a resurgence, particularly for the 65 and older category.
- **Delivery mode & discipline.** There was clear clustering of disciplinary interest in terms of general scale and delivery mode preference. Business, IT, education, and healthcare continue to offer the best combination of scale and online interest, but consumers interested in a wide range of other disciplines also exhibited openness to online delivery.
- **Delivery mode & credential.** By credential, prospective students interested in associate, bachelor’s and master’s degrees were most open to wholly online delivery. These consumers were also open to campus-based and blended delivery. Irrespective of credential of interest, most respondents were similarly open-minded.

**Key takeaway for OHE members:** The survey reveals consumer interest in online delivery by age, credential and discipline in line with market trends to date. Working adults, degrees and a small number of career-oriented, mass market disciplines remain strongly associated with interest in online delivery. Alongside this predictable configuration, niche/emerging markets among non-traditional age groups, credentials and disciplines are visible. The online higher education market of the future will prove a combination of enduring core and growing diversity. OHE members must determine where best to steer their development relative to this pattern.

## Marketing Channels

- **Information sources.** Respondents cited online advertising as the most prominent source of information about online programs, but pointed to various personal/neutral sources (e.g., family/friends, faculty/teachers, national rankings) as most influential sources when selecting a school short list.

**Key takeaway for OHE members:** OHE members must be careful to distinguish between most prominent and most influential marketing channels. Personal/neutral information sources hold far more weight with consumers, helping them cut through school marketing and increased choice. As the online space becomes more competitive, and schools' differentiation strategies remain relatively under-developed, school-led marketing that emphasizes substantive and distinct value relative to the competition, will win consumer attention. In the absence of substantive differentiation, marketing volume (favoring the largest providers) and niche programming will boast an advantage.

## Perceptions of Quality, Price & Geography

- **Perceptions of quality.** Perceptions of quality suggest a maturation of consumer views – a willingness to assess individual online and on-campus programs on their merits, rather than in terms of delivery mode pure and simple. However, there is also a sustained skeptical minority who continue to regard online delivery in monolithic terms, and as poor quality.
- **Perceptions of price.** Although 42% of the sample was willing to judge the quality of individual online programs/courses on their merits, only 27% were willing to reserve judgment on price. Almost half the sample said they would only be willing to pay less for an online program/course compared to an on-campus experience.
- **Online delivery & geography.** Sixty-three percent of respondents who were willing to consider a wholly online program preferred the online provider to have some physical presence (branch campus or main campus) at least within their state. Only 37% of respondents willing to consider wholly online delivery disregarded location as a factor.

**Key takeaway for OHE members:** These trends suggest significant limitations on online higher education in terms of pricing power and marketing reach; and arguably favor local brands over national players. Consumers are open to online delivery, but at the same time exhibit hesitation about value. Noticeable willingness to judge individual online programs on their merits did not translate into comparable willingness to judge price on a per-program basis. Similarly, the majority of consumers most open to online delivery reject the notion of a truly national market, and are more comfortable with combining online delivery and geographical proximity. The challenge for OHE members is to refine messaging that bolsters perceptions of quality; and for national players, to emphasize the breadth and depth of the wholly online, remote experience. Both tactics will support greater pricing power.

### **Online Value & Experience**

- **Conceptions of the online value and experience.** Alongside strong openness to forms of online delivery, consumers also revealed less positive or narrower conceptions of the nature and value of the online experience. Interest in online appears to be dominated by notions of convenience, and is seen to imply a quality/experience tradeoff.

**Key takeaway for OHE members:** OHE members face a tricky balancing act between playing to majority consumer value perceptions centered on convenience, versus emphasizing broader conceptions of online higher education (e.g. around pedagogy, technology). Breadth is essential to overcoming consumer hesitation and allowing individual schools to stand out in an increasingly crowded market. OHE members need to both accommodate and educate consumers.

## **Analysis**

The analysis is divided into the following sections:

- Experience, preference & likelihood
- Information sources
- Perceptions of quality
- Price, geography & institutional type
- Teaching, learning & the higher education experience
- Conclusion

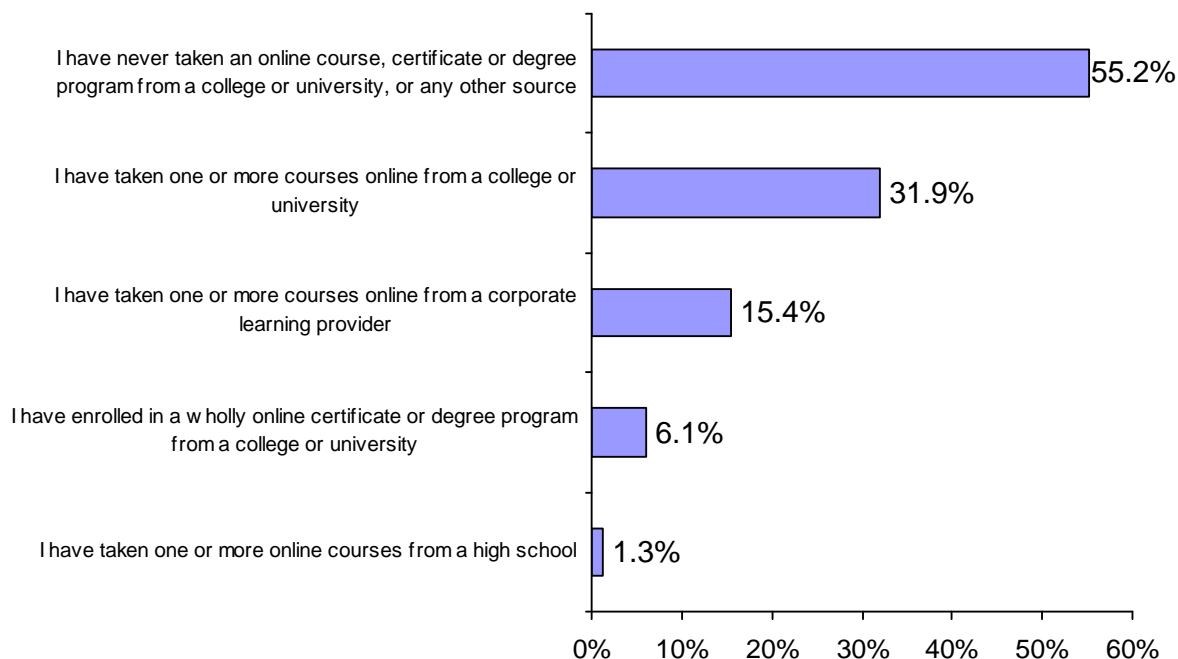
See Part 2 of this study for additional information about the sample.

**Online Higher Education: experience, preference & likelihood**

This section contrasts consumers’ experience of various forms of online delivery, with preference by delivery mode, and perceived likelihood that a consumer might pursue a particular delivery mode in the next three years. This data sought to test the extent to which experience drives preference, and the influence of factors other than preference on “real world” decision-making. Delivery mode preference is qualified by age, credential and discipline.

**Experience of online education.** Respondents were asked about their experience of online education.

**Figure 1. Experience of Online Education**



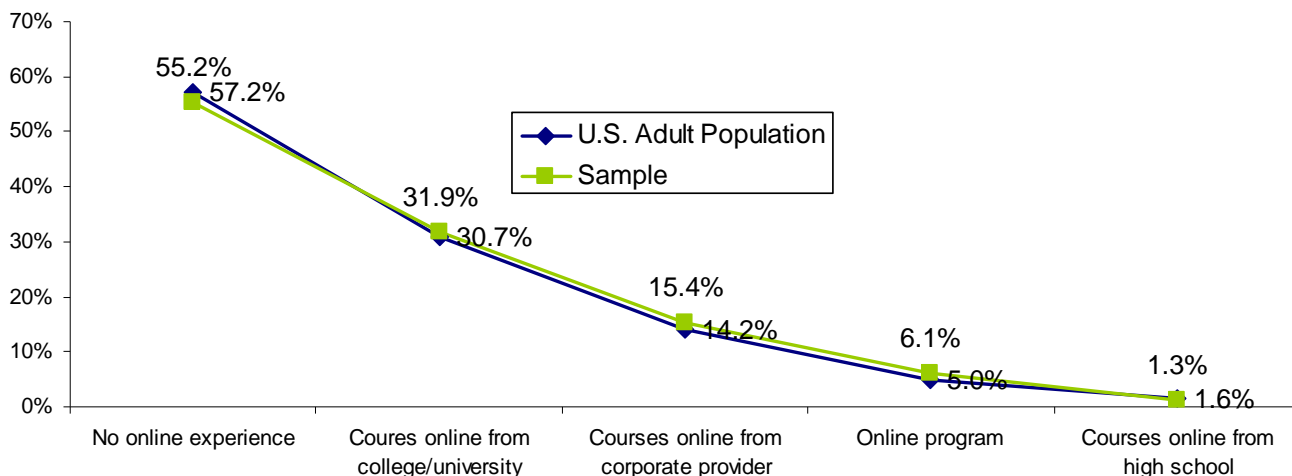
Respondents were able to select more than one option, hence totals exceed 100%. Zero experience with online education (whether from a college/university, corporate learning provider, or high school) remains the majority picture – but only just. Overall, 45% of respondents cited some prior experience with online education. For a discussion of how Figure 1 compares to the numbers reported in Eduventures’ May 2005 *Assessing Consumer Demand Toward Online Education*, see Appendix A.

Just over 50% of respondents in Figure 1 who indicated they had enrolled in a wholly online degree or certificate also indicated having taken one or more online courses. This

may position taking one or two online courses while studying on-campus as a powerful stimulus to take a whole program online.

Figure 2 exhibits a very tight correspondence between the sample and modeled U.S. adult population interested in postsecondary education in the next three years (despite differences by age band between the two populations). The correspondence is due to the modeled population containing greater numbers in the 18-24 age group (more likely than average to have some form of online experience), compensating for reduced proportions from the “working adult” age bands, and reduced online experience in the expanded 65-and-older category. See Part 2 of this study for further details on modeling to the national population.

**Figure 2. Modeling Experience by Delivery Mode to the U.S. Adult Population Interested in Postsecondary Education**



In terms of national estimates, modeling suggests that of U.S. adults interested in postsecondary education in the next three years, around 31.5 million (around 30.7%) have taken an online course from a college/university, while around 5.1 million (around 5%) have taken a wholly online program from a college/university. At first glance, the 31.5 million estimate seems high. Taking into account Figure 3 following, this estimate is discussed further below. For further details on modeling to the U.S. adult population, please see Part 2 of this study.

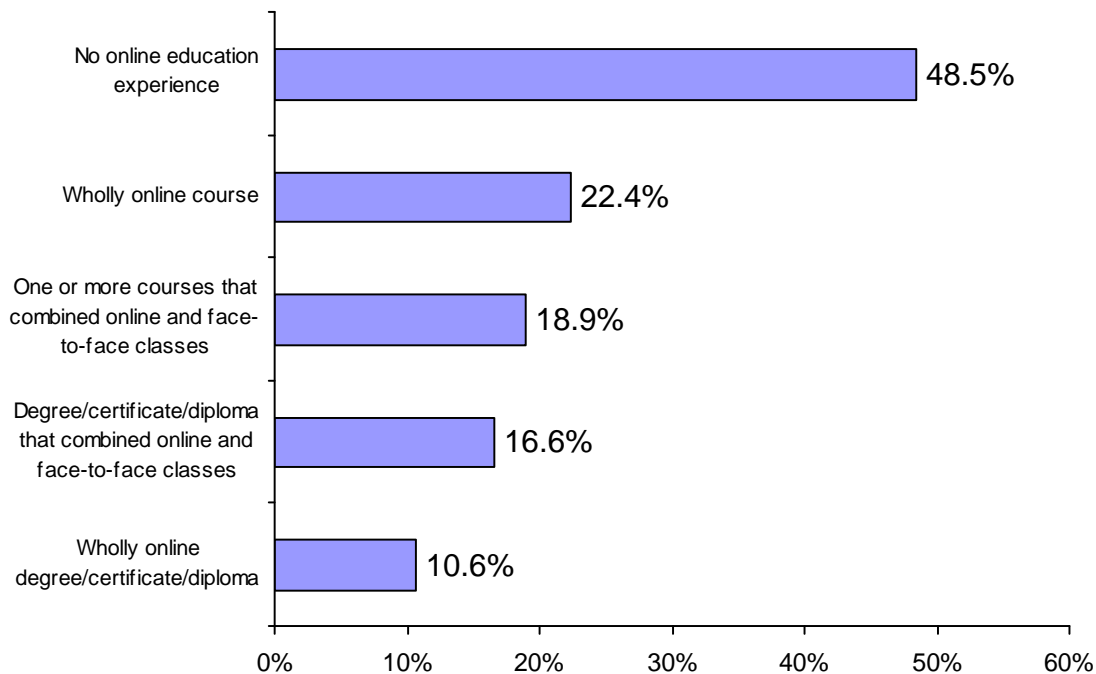
The figure of 5.1 million (cumulative over time) for wholly online program experience would appear broadly consistent with Eduventures’ estimate of 1.2 million students in a wholly online program at the close of 2005 (i.e., at a single point in time). Although complete data does not exist, a 4-5 million cumulative total up to mid-2006 would appear reasonable. The 5.1 million estimate does not account for the unknown number of U.S. adults *not* interested in postsecondary education who have taken an online program.

Assuming roughly 50% lower wholly online program incidence among U.S. adults *not* interested in postsecondary education in the next three years, one arrives at a tentative estimate of 7 million U.S. adults with experience of a wholly online postsecondary program (around 3% of U.S. adults).

It is not possible to precisely reconcile the 1.2 million (total postsecondary students enrolled on a wholly online program at close of 2005) and 7 million (total U.S. adults with experience of wholly online postsecondary program) estimates. Both numbers are derived from robust national samples, and are useful approximations of an otherwise unknown population. The forthcoming OHE collaborative report on online student numbers will review these data points further.

To gain additional clarity, the online education experience question was asked again, in slightly different form. This version sought to pin down wholly online versus blended experience, and revealed some shifts in emphasis.

**Figure 3. Experience of Online Delivery – Wholly Online v. Blended**



Clearer distinction between wholly and partly online education reduced the “online course” total from 32% in Figure 1 to only 22% in Figure 3. Around a third of cited “online course” experience in Figure 1 would appear to be less than wholly online. The blended course and program options reallocated a portion of the wholly online course percentage from Figure 1. Moreover, the “wholly online course” option in Figure 3 is a combination of postsecondary education and corporate learning. This suggests that more

than half of the 47% postsecondary/corporate online course total in Figure 1 is not wholly online.

These distinctions help explain and support the 31.5 million figure above. The 31.5 million figure is the estimate that around 31% of the U.S. adult population interested in postsecondary education in the next three years has taken an online course from a college/university. This figure encompasses both wholly and partly online courses. According to Figure 3, wholly online course incidence is around 22%. If corporate learning is excluded (based on Figure 1, an estimated third of the total), incidence falls to around 15%. This represents an estimated 15.5 million U.S. adults - 15% of the c.103 million U.S. adults interested in postsecondary education in the next three years. Although wholly online postsecondary course incidence for the U.S. population *not* interested in postsecondary education in the next three years is not available, 9% incidence in the U.S. adult population as a whole (around 21 million people) seems reasonable.

The best source of information on students taking wholly online courses is the Sloan Consortium. Sloan estimates a total of 2.3 million students enrolled on a wholly online postsecondary course in fall 2004. Assuming significant growth to date, cumulative enrollment over time and year-round enrollment, a total of at least 15 million seems defensible. At course level, year-round numbers are particularly important given that a distinct online course might run multiple times over a calendar year. As with estimates of wholly online program numbers, full reconciliation of different data points is not possible. Both the Sloan and present survey figures are best regarded as robust approximations of an otherwise unknowable population, and useful stimuli for further research.

Although the wholly online course total shrank, the wholly online program total grew – from 6.1% to 10.6%. This may be explained in terms of an aggregation of college/university and corporate-led provision. Overall, the zero experience total reduced to less than 50%. This was predictable, given the clearer inclusion of partly as well as wholly online delivery.

Figure 4 highlights the two key data points from the above discussion.

***Figure 4. Estimates of Postsecondary Wholly Online Program & Course Experience in the U.S. Adult Population (2006)***

<b>Online Experience</b>	<b>Number of U.S. Adults</b>	<b>% of U.S. Adults</b>
Courses	21 million	9%
Programs	7 million	3%

Figure 4 offers unique estimates of otherwise unknown populations. These estimates will help OHE members better conceive market experience of online delivery, and permit estimates to be tracked over time. N.B. The course and program totals overlap. As noted above, around 50% of consumers with experience of wholly online programs also reported experience of wholly online courses. This suggests a total program and course experience total of around 24 million (around 10% of the U.S. adult population). OHE staff welcome commentary from members to help refine these estimates.

**Preference by delivery mode.** Respondents were asked to indicate their first preference by delivery mode (Figure 5).

**Figure 5. First Preference by Delivery Mode**

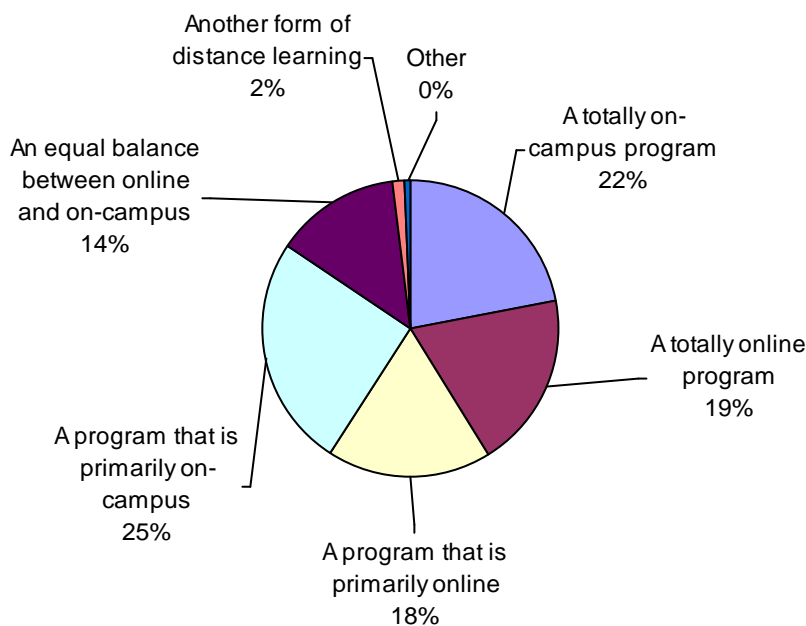


Figure 5 exhibits an encouraging gap between current experience of wholly online programs at colleges/universities (6%) and stated preference for this mode of delivery (19%). More generally, around 50% of consumers say they prefer a mode of delivery either dominated by online or at least balanced between online and on-campus. This suggests that demand for online delivery is not constrained by what are currently relatively low levels of online experience.

Figure 5 points to more qualified interest in online delivery, relative to the findings of the May 2005 *Assessing Consumer Demand for Online Education* study. This reported that 77% of prospective students “would consider enrolling in an online education program.” As discussed in Appendix A, the more broadly drawn sample of the present study, the explicit juxtaposition of wholly and partly online options, and the request for “first

choice” mode of delivery (rather than simply mode of delivery a respondent would “consider”) all go a long way to explaining the difference between the two figures.

Two other data points from the survey confirm widespread openness to wholly online delivery. Respondents were asked to agree or disagree with the statement “I would never consider a totally online degree/certificate/course.” A mere 15.5% of respondents agreed that they would never consider such an undertaking. In another instance, only 6.4% of respondents said there was “nothing that would persuade me to take an online degree/certificate/course.” This lower number suggests that a significant proportion of even the highly skeptical 15.5% above might be engaged by a more persuasive online value proposition. What might constitute “more persuasive” is discussed below.

How did delivery mode preference break down by age?

Figure 6. Delivery mode preference by age

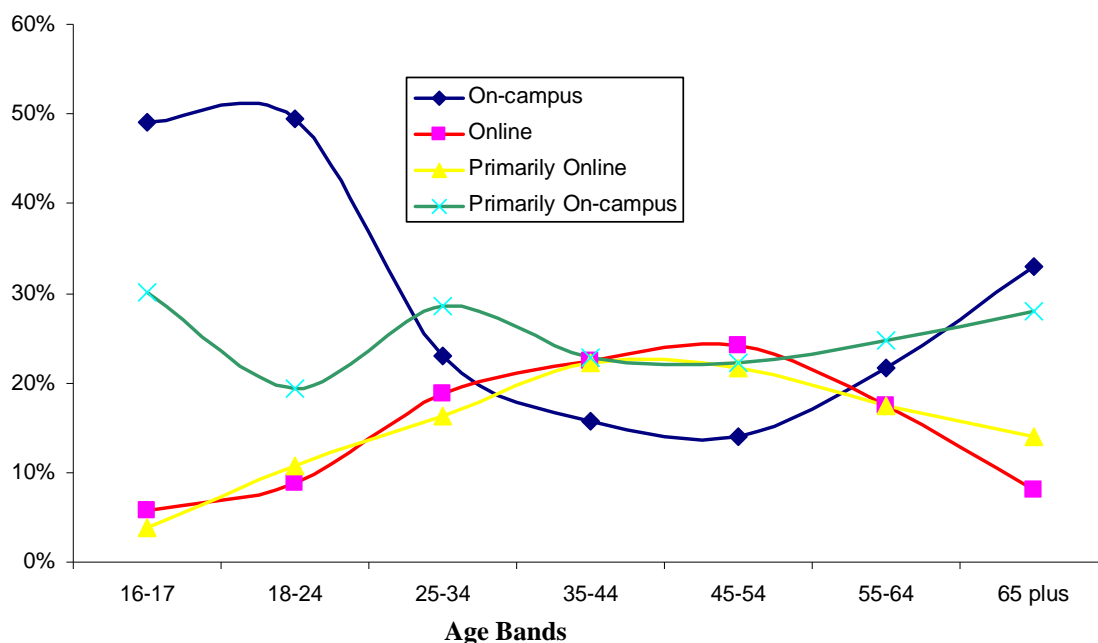


Figure 6 exhibits strong variation in delivery mode preference by age. The two youngest age bands expressed strong preference for campus-based study, and were most open to online when it constituted a minority component of a campus-based experience. For the 25-34 age group, campus-dominant options retain priority, alongside much stronger interest in online-dominant options. For the 35-44 and 45-54 age groups, campus-based study falls out of favor, dropping into last place; and online options vie for prominence. However, for the two oldest age groups, campus-dominant options experience a resurgence, particularly for the 65-and-older category.

Figure 6 emphasizes that the market for online higher education remains squarely centered on the working adult. Figure 6 also emphasizes, that even for this group, wholly online and blended options both garner significant attention, with none of three substantially online delivery modes posting a significant lead in terms of preferences. It would be a mistake to dismiss online interest among younger consumers. Preference for wholly online or primarily online provision accounted for almost 10% of the 16-17 age group and almost 20% of the 18-24 age group. In national terms, these are significant markets, and are likely to grow with time.

OHE staff then modeled delivery mode preference data to the U.S. adult population interested in postsecondary education in the next three years. Figure 7 estimates the addressable market by delivery mode first preference in terms of actual numbers in the relevant population.

*Figure 7. Estimated Addressable Market for Postsecondary Education in the Next Three Years, by Delivery Mode First Preference*

Age Band	Interest in Postsecondary Education in U.S. Adult population	On-Campus	Online	Primarily Online	Primarily On-Campus	On-Campus/Online Balance	Other Distance Learning
16-17	7,414,140	3,637,125	419,668	279,779	2,238,231	839,337	-
%	100%	49.1%	5.7%	3.8%	30.2%	11.3%	0%
18-24	19,321,467	9,566,940	1,688,284	2,063,458	3,751,741	2,063,458	187,587
%	100%	49.5%	8.7%	10.7%	19.4%	10.7%	1.0%
25-34	22,399,745	5,171,612	4,188,054	3,648,684	6,377,264	2,665,125	190,366
%	100%	23.1%	18.7%	16.3%	28.5%	11.9%	0.8%
35-44	20,089,009	3,154,772	4,496,457	4,460,195	4,568,980	2,973,463	326,356
%	100%	15.7%	22.4%	22.2%	22.7%	14.8%	1.6%
45-54	15,803,403	2,206,173	3,827,035	3,421,819	3,511,867	2,296,221	495,263
%	100%	14.0%	24.2%	21.7%	22.2%	14.5%	3.1%
55-64	9,228,084	2,001,271	1,612,135	1,612,135	2,279,226	1,667,726	55,591
%	100%	21.7%	17.5%	17.5%	24.7%	18.1%	0.6%
65 plus	8,351,356	2,755,947	668,108	1,169,190	2,338,380	1,002,163	334,054
%	100%	33.0%	8.0%	14.0%	28.0%	12.0%	4.0%
Totals	102,607,203	28,493,841	16,899,741	16,655,260	25,065,689	13,507,493	1,589,217
%	100%	27.8%	16.5%	16.2%	24.4%	13.2%	1.5%

Figure 7 represents the first known attempt (based on empirical data) to model delivery mode first preference to the U.S. adult population interested in postsecondary education in the next three years. Figure 7 exhibits the dominance, then decline, then final revival of preference for exclusively campus-based delivery by age band. There is muted online interest among the youngest age bands, with online swelling to much greater importance among working adults ages 35-54, then experiencing decline among the oldest age groups. Also visible is the shift from “on-campus” dominance in the 18-24 category,

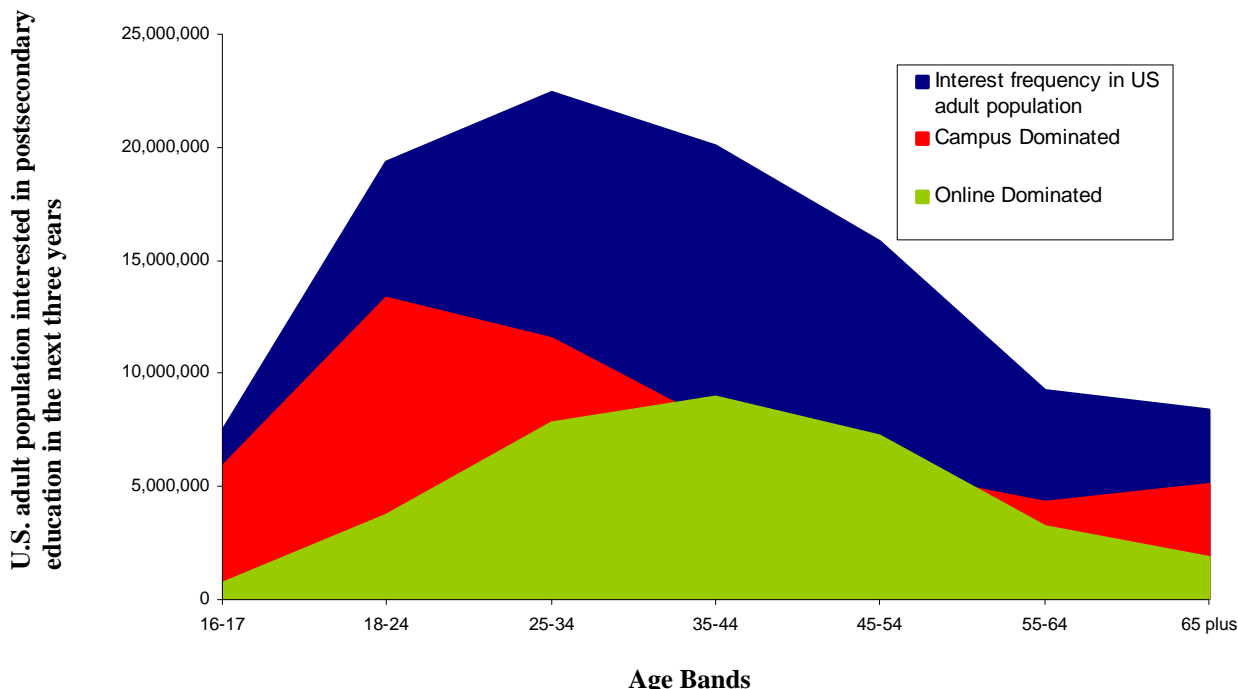
switching to “primarily on-campus” dominance in the 25-34 band, suggesting growing openness to forms of online delivery alongside strong positive associations with the physical campus.

Figure 7 estimates a potential market for wholly online higher education of almost 17 million U.S. adults over the next three years. If “primarily online” and online/on-campus balance are added, the potential market expands to some 47 million people. This reinforces the finding of widespread openness to forms of online delivery. As discussed above, it is important to remember that Figure 7 represents *interest* in postsecondary education in the next three years. Clearly, based on enrollment numbers, only a minority of this population actually will enroll, and delivery mode preferences may shift or be trumped by other factors.

Using a 5:1 interest/enrollment ratio (see Part 2 of this study for details), estimated demand among U.S. adults over the next three years for wholly online higher education is around 3.4 million. This is broadly in line with Eduventures’ estimate of 1.2 million wholly online students in U.S. postsecondary education at close of 2005. Given strong growth exhibited by online higher education in recent years, and evidence of widespread and growing openness to this mode of delivery, the interest/enrollment ratio might be expected to improve, and demand to span 4-5 million. Marketing and positioning of OHE members will influence what proportion of “interest” converts to enrollment.

To further highlight age differences, Figure 8 contrasts “campus-dominated” (i.e., “on-campus” and “primarily on-campus” delivery modes) with “online-dominated” (i.e., “online” and “primarily online” delivery modes) preferences.

**Figure 8. First Preference by Delivery Mode: Campus-dominated versus Online-dominated**



Online dominant modalities exhibit weak allegiance among the youngest age bands, and only attain prominence among 35- to 44-year-olds and 45- to 54-year-olds. As the population ages, the online dominant category then declines in the wake of renewed preference for campus-dominated options. Figure 8 excludes the online/on-campus balance option and preference for other forms of distance learning.

Aside from age, what other factors spiked interest in wholly online delivery? Numerous associations were tested. In isolation, gender, ethnicity, employment status, income, home Internet connection, and weekly hours online suggest no strong associations in terms of preferred delivery mode. In line with age patterns, preference for wholly campus-based delivery declined as level of prior education increased, but no correlative linear increase in specific online/blended alternatives was visible. Figure 17 highlights what appear to be particularly influential factors.

Figure 9. Preference for online delivery by various demographic factors

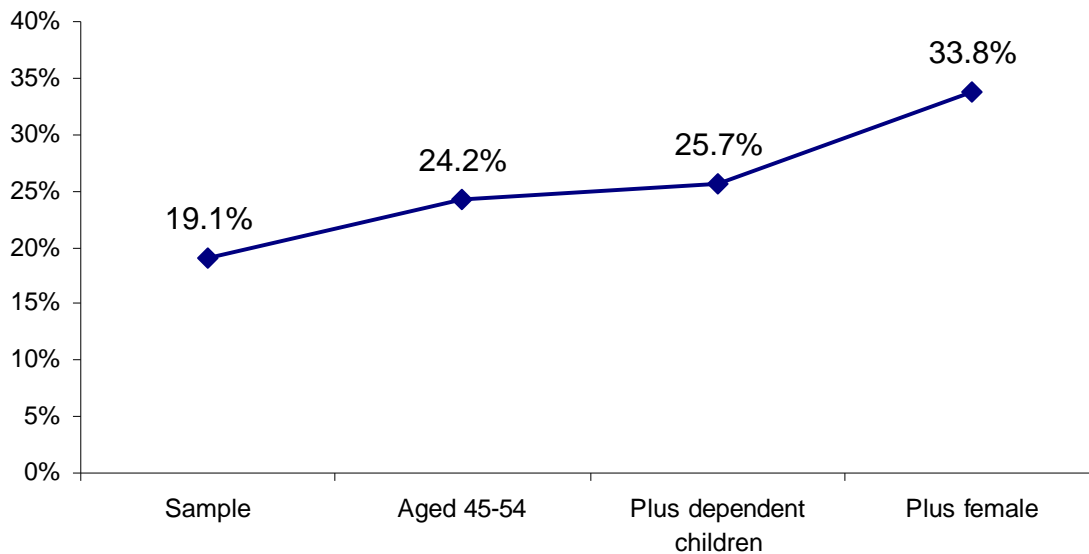


Figure 9 highlights one notable cumulative variable spike in preference for wholly online delivery. Relative to the total sample figure of around 19%, females aged 45-54 with dependent children registered more than 70% greater preference for wholly online delivery, at almost 34%. This appears to be the strongest cumulative variable spike visible in the sample. OHE members are encouraged to suggest other potentially fruitful analyses, using the custom inquiry service. Of course, accumulation beyond four or five variables typically results in very small sample sizes. In general, dependent children spiked preference for forms of online delivery, regardless of age or gender.

How did delivery mode preference break out by discipline (Figure 10)?

**Figure 10. Preference for Online Dominant Delivery by Disciplinary Interest**

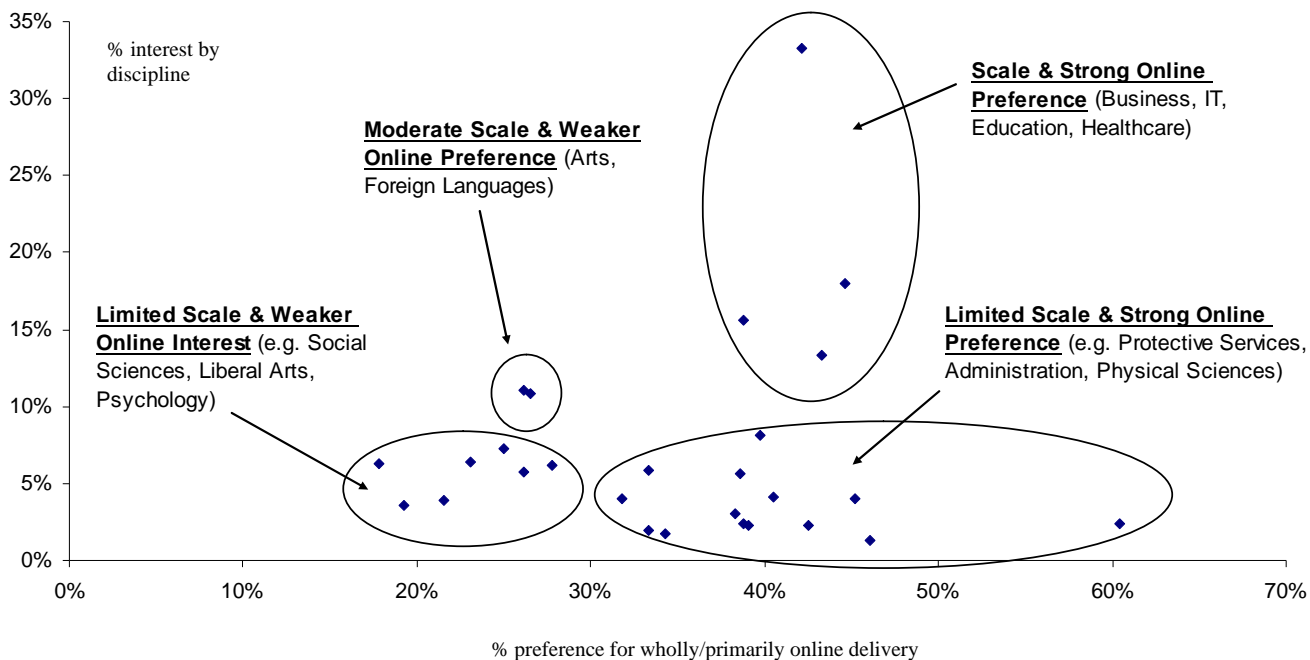


Figure 10 contrasts disciplinary interest in the sample with delivery mode preference (combining wholly and primarily online delivery). Figure 10 posits four disciplinary groupings.

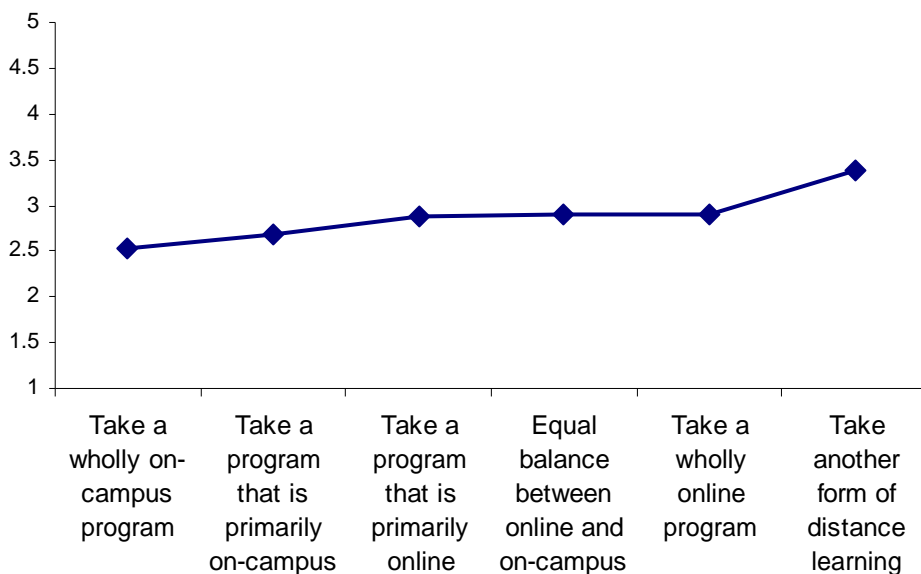
- 1) **Scale & Strong Online Preference:** This group consists of the four disciplinary areas most prominent in online higher education to date – business, IT, education, and healthcare.
- 2) **Limited Scale & Strong Online Preference:** This group features disciplinary areas that exhibit significant interest in online dominant delivery, but garnered relatively limited sample interest.
- 3) **Moderate Scale & Weaker Online Preference:** This group encompasses two of the more popular disciplinary areas (Arts & Design, Foreign Languages/Literatures), but where preference for online dominant delivery is modest.
- 4) **Limited Scale & Weaker Online Interest:** This group pulls together disciplinary areas that did not generate significant interest in their own right, nor in terms of online dominant delivery.

Figure 10 should be interpreted carefully. To obtain a more nuanced understanding of online dominant preference by discipline, it is necessary to cross-reference credential of interest and perhaps certain demographics (e.g., age). For example, the current scale of online provision in “Criminal Justice,” “Psychology,” and “Administration” might suggest that, for particular populations, these disciplines constitute more substantial online dominant markets than suggested by Figure 10. Equally, Figure 10 highlights stronger than expected online dominant interest in areas such as “Physical Sciences” and “Mathematics & Statistics.” Indeed, Figure 10 posits that in almost all listed disciplines, preference for online dominant delivery represents at least 20% of consumer interest.

OHE members are invited to draw on the Custom Inquiry service to make further comparisons. It should be noted that if multiple qualifiers are employed, sample size may not permit robust analysis.

**“Likelihood” & delivery mode.** Respondents were asked about the likelihood of undertaking a postsecondary program in the next three years by different delivery modes. This was an attempt to distinguish preference and “real world” choices. This question highlighted even narrower differences in relative interest by delivery mode. Figure 11 exhibits averages by delivery mode.

**Figure 11. Likelihood of taking a postsecondary program in the next three years – by delivery mode (1= Very Likely, 5= Very Unlikely)**



It is clear that preference and likelihood are not well-aligned. For example, although first preference for on-campus study accounted for 25% of the sample, the proportion of respondents who indicated that it was at least “likely” they would undertake a wholly on-

campus course/program in the next three years was almost 55%. For wholly online provision, the numbers jumped from 19% first preference to 41% “likely”.

One interpretation is that Figure 11 highlights widespread uncertainty. One can trace a slight weakening of likelihood as the online element increases in significance. This suggests that alongside a growing acceptance of online modalities, there is a lingering comfort with campus-based delivery. But overall, Figure 11 presents an essentially flat trend line with a mere 0.38 (9.5% of the 1-5 range) between the average scores for five of the six listed delivery modes. With averages close to three (which represented “Unsure” in the scale), irrespective of delivery mode, Figure 11 might be viewed less an endorsement of a particular mode of delivery and rather both uncertainty as to the inherent value of particular modes, and openness to consider a variety of modes.

Despite the essentially flat trend exhibited in Figure 11, it would be a mistake to assume that delivery mode “likelihood” averages did not mask a wide range of opinion. Figure 12 sets out the ranges for associate, bachelor’s, and master’s degrees.

**Figure 12. Likelihood of taking a postsecondary program in the next three years – by delivery mode and target credential (On-Campus, Online; Associate, Bachelor’s, Master’s)**

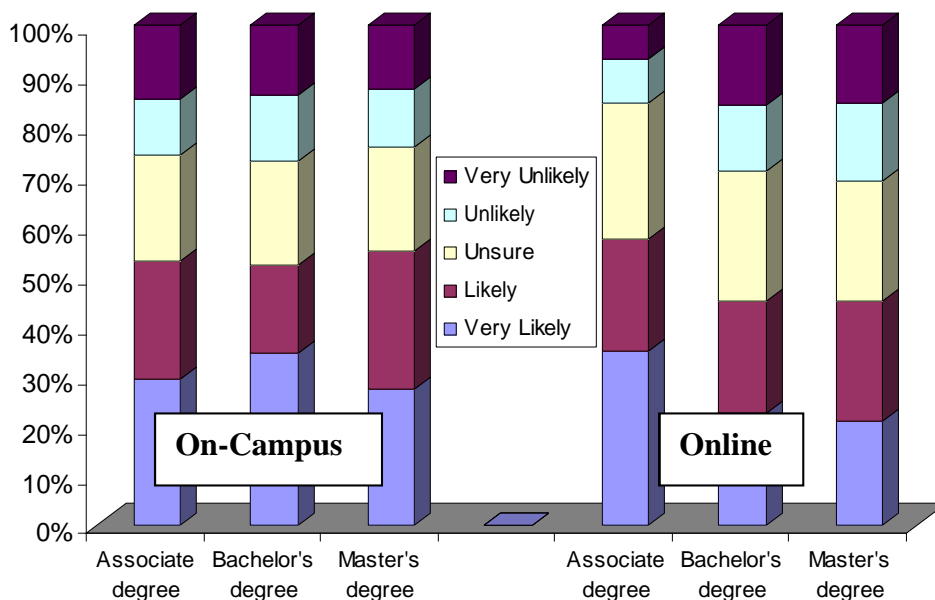


Figure 12 emphasizes strong differences of opinion at both ends of the scale, as well as majority growing convergence in the middle. A key point is that the range is broadly comparable across the on-campus and online categories, and that across interest in associate, bachelor’s and master’s degrees, openness to online (including “Unsure”) is 70% plus. Indeed, 33% of respondents expressed strong interest in a number of delivery modes (i.e., posted total score of 15 or less out of a possible 30- with “1” as “Very

Likely” and “5” as “Very Unlikely”), suggesting fundamental openness to different delivery modes.

It might be argued that this suggests that the online/on-campus distinction is increasingly unimportant to the prospective student. By “unimportant” is not meant lacking in value, but rather that as familiarity with online modalities grows (reinforced by the pervasiveness of online technologies in many other aspects of daily life), “online” becomes normal infrastructure, and not a strong differentiator in and of itself. On this view, “online” (whether a program is wholly or partly online) is akin to paper, books, or electricity, an essential but taken-for-granted element of the postsecondary experience.

This line of argument fits with the OHE report *Competing in Online Higher Education: positioning & differentiation strategies*, (February 2006), which argued that in a context where hundreds of schools now operate online, a value proposition centered on convenience (when all online providers are more or less equally convenient) is not sufficient. Simply “being online” is not longer a differentiator.

The fact that a program is online, by itself reveals very little about the particulars of that program relative to any other. As forms of online postsecondary study become “normal,” the prospective student may begin to ask, “What does online delivery enable this particular institution to do, relative to other institutions?” Just as prospective students are interested in the titles and quantities of books in the library, and the services afforded by electricity (and not the basic fact that an institution has books or electricity), so “online” increasingly may become commodified, and it will be what institutions “do” with online delivery that will count.

Were there substantive differences in receptivity to online by credential?

**Figure 13. Likelihood of taking a postsecondary program in the next three years — by delivery mode and target credential (1= Very Likely, 5= Very Unlikely)**

Target Credential	On-Campus	Online	Primarily Online	Primarily On-Campus	Balance	Other Distance Learning
Undergraduate certificate/diploma	2.12	2.93	2.91	2.57	2.80	3.07
Associate degree	2.58	2.30	2.63	2.66	2.75	3.11
Bachelor's degree	2.55	2.78	2.80	2.70	2.90	3.33
Individual for-credit undergraduate courses	2.39	2.87	2.85	2.59	2.93	3.23
Master's degree	2.55	2.81	2.78	2.58	2.84	3.41
Professional degree (e.g., MBA, MD, JD)	2.16	3.17	2.93	2.58	2.80	3.55
Doctoral degree	2.46	3.22	2.99	2.73	3.05	3.48
Graduate certificate/diploma	2.76	3.02	2.95	2.64	2.82	3.27
Individual for-credit graduate courses	2.83	2.86	2.74	2.58	2.87	3.22
A non-credit course or courses	2.64	3.16	3.18	3.01	3.18	3.51

Figure 13 reveals minimal differences by target credential. For seven out of 10 credentials, on-campus delivery emerged most popular, but always by a slim margin. Wholly online delivery was noticeably less popular among professional and doctoral degree aspirants. Only respondents primarily interested in an “Associate degree” ranked wholly online top (i.e., lowest average score).

This is an interesting finding, but may not be statistically significant. To date, bachelor’s and master’s degrees (targeted at the 25-44 “working adult” segment) have constituted the bulk of the online postsecondary market. By contrast, many providers have regarded the online associate degree market as less attractive (e.g., lower prices, less prepared students, higher attrition). Two other pieces of evidence suggest robustness of demand for online associate degrees. 1) Apollo Group’s strategic shift (via Axia College) to focus on this market (and apparent enrollment gains), and 2) the findings from a recent study by eLearners.com (an online education directory firm) that reported greater demand (based on searches on its site) than supply (based on online programs advertised on its site) for online associate degrees.

Given the small sample size (89 respondents who cited the associate degree as the credential of primary interest), and the narrow differences in delivery-mode preference by desired credential, it is premature to conclude that consumers interested in associate degrees are *more* likely than average to opt for wholly online provision. The standard error of the mean for respondents most interested in an associate degree and online delivery was 0.13, compared to 0.15 for respondents interested in an associate degree and campus-based study. Thus the reported difference may be statistically significant but is borderline.

The substantive takeaway from Figure 13 is (on average) delivery mode in and of itself is not a strong discriminator for prospective students. As above, terms such as “online” or “primarily on-campus” in fact convey very little about the value proposition of a particular school or program, and how it compares to other schools/programs.

By discipline of interest, the likelihood of taking wholly online provision broadly matched the patterns discussed in Figure 10 above.

The shift from “preference” to “likelihood” introduces greater uncertainty into modeling. Given this uncertainty, OHE staff have not used “likelihood to enroll in a wholly online program” to re-estimate potential market size for wholly online delivery in the U.S. adult population. A key takeaway for OHE members is that growing openness to forms of online delivery, and the influence in consumer decision-making of factors other than first preference (e.g. convenience), may boost potential market size still further.

**Online Higher Education: information sources**

How do consumers form their views about online higher education? Where do consumer get their information from, and how do they rate the value of different channels?

**Sources of information about online higher education.** Respondents where asked to indicate their sources of information about online higher education – against a pre-defined list.

*Figure 14. Sources of information about online higher education*

Source	Percent
Online advertisements	47.1%
Family/friends who have taken a course/program online	45.6%
Co-workers	31.6%
Online news Web sites/blogs	30.7%
E-mails from schools	29.8%
Newspapers/magazine articles	26.1%
Advertisements in newspaper/magazines	25.4%
Postcards/brochures from schools	24.3%
Advertising on radio/television	23.0%
Radio and television programs	17.1%
My employer	15.9%
Current or former teacher/faculty member	13.0%
None of the above – I hear very little about online education	5.0%
Other	2.8%
Key figures in my community	2.2%
Don't know/Not sure	2.2%

Figure 14 is consistent with online program marketing trends, insofar as it demonstrates much stronger awareness via online promotion relative to other platforms. “Online advertisements” ranked first, suggesting widespread (near majority) respondent exposure to search engine advertising, banner ads, pop-ups, etc., employed by many online providers. “Online news Web sites/blogs” ranked fourth, with “E-mail from schools” fifth. School Web sites were not included in this question (but see Figure 15 below). The focus was on forms of direct outreach by schools/media, rather than less direct, Web site-based marketing (e.g., use of search engine optimization to improve search rankings).

The importance of referrals is highlighted, with “Family/friends” and “Co-workers” ranking second and third. The fact that 45.6% of respondents have a friend or family member who has taken an online course/program is another strong indication of the steady growth of this experience in the population at large.

“Traditional” forms of advertising (newspapers, television, radio, postcards/brochures) were cited as a source of information by between 17.1% and 25.4% of respondents. Minimal differences were observed between advertising in offline mass media, and coverage of online higher education “news” in mass media, suggesting that the latter may be a more cost-effective way for schools to market (e.g., press releases, opinion pieces, etc.). Various influential individuals in respondents’ lives (e.g., employers, former teacher/faculty member, community figures) appeared relatively insignificant as sources of information. Contrast this with Figure 15 below.

The fact that only 2.2% of respondents did not cite any of the above as an information source concerning online higher education, and only 2.8% cited an “Other” source, points to the sources in Figure 14 as a strong list for OHE members to focus on. However, the fact that no single source was cited by a majority of respondents suggests that no one source is dominant, and today’s patchwork approach to marketing (utilizing a number of different channels) will continue to be the norm. On average, respondents cited 3.4 of the listed sources, with 19% citing six or more. When information sources for online provision are compared with the sources respondents use to arrive at a “short list” of postsecondary schools generally, some interesting differences emerge (see Figure 15 below).

**Information sources to determine school short list.** Consumers were asked to rate the importance of various information sources in determining a current or potential short list of schools – irrespective of delivery mode. This permitted a comparison between source prominence and perceived influence.

**Figure 15. Importance of various information sources in determining school short list (1= Very important; 5= Not important at all)**

Rank	Information source	Sample	Online preference
1	Colleges/universities in my local area	2.06	2.27
2	Colleges/universities recommended by a teacher/faculty member	2.41	2.62
3	National rankings (e.g., U.S. News & World Report)	2.45	2.64
4	School Web sites	2.50	2.49
5	My professional association’s list of preferred colleges/universities	2.51	2.55
6	Colleges/universities I’ve attended in the past	2.54	2.65
7	Printed school catalog/brochure	2.63	2.78
8	Print guides to colleges/universities	2.67	2.78
9	College/universities recommended by a leader in my community	2.77	2.88
10	My employer’s list of preferred colleges/universities	2.79	2.78
11	Colleges/universities my family or friends have attended in the past	2.80	2.90

12	Coverage of higher education issues and schools in the media	2.89	2.95
13	Online directories of colleges/universities	3.09	2.96
14	E-mails from schools	3.16	3.08
15	Search engines	3.29	3.14
16	Postcards	3.44	3.40
17	Online advertising	3.53	3.30
18	Television advertising	3.67	3.56
19	Radio advertising	3.67	3.56
20	Billboard advertising	3.68	3.58
21	Public transportation advertising	3.70	3.60

N.B. A small proportion of respondents checked “Don’t know” for one or more information sources – less than 5% for each source

Figure 15 emphasizes the influence of “personal” and perceived “neutral” information sources. Local schools, institutions attended in the past, plus recommendations by teachers/faculty, employers, and professional associations all ranked highly; as did national rankings and print guides to colleges/universities. Among school-led sources, more accessible and detailed media (e.g., school Web sites, printed catalog/brochure) did best. Such sources are also more amenable to consumer control and scrutiny at convenience. Semi-personal/comparative sources (e.g., e-mail and online directories) ranked next, but may suffer from perceived lack of personal connection (in the case of e-mail) and perceived lack of neutrality (in the case of online directories). Impersonal, non-detailed media (e.g., radio, television, and billboard advertising), making claims for particular providers, ranked bottom.

There are small but interesting differences between consumers with a preference for online study (third column of Figure 15), and the sample as a whole. Overall, the personal/neutral (highly ranked) and impersonal/school-led (less highly ranked) spectrum obtained across the two groups. Consumers with a preference for wholly online study, however, were generally less influenced (relative to the sample) by more personal/neutral sources. This may reflect relative lack of online experience in the population, compared to postsecondary experience generally, making online personal experience and recommendations less likely. The lack of widely acknowledged rankings of online programs may also be a factor. Employer/professional association opinion was ranked equally between the two groups. By contrast, mass media was credited with more influence (relative to the sample). This may be due to prevalence of online programs in mass market advertising in recent years. The fact that “Colleges/universities in my local area” ranked first for online-disposed consumers reinforces the importance of geography in online program selection (see below).

Taking the sample as whole, the data suggests that consumers turn to multiple sources to determine school short lists. The fact that most listed sources bunched around the mid-point (3= neutral in terms of importance) suggests that, particularly for school-led sources, impact is less than compelling.

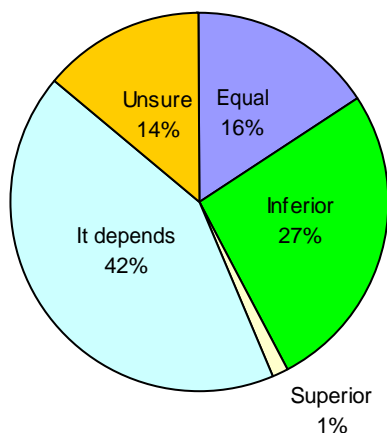
There are obvious differences between Figure 14 (concerning information sources about online higher education) and Figure 15 (concerning the relative importance of different sources to determine a school short list). For example, Figure 14 highlights the pervasiveness of online advertising by online schools (ranked first as a source of information, by volume), whereas Figure 15 ranks the importance of that channel to consumers 17th out of 21 choices. The key distinction is between from *where* consumers hear about online higher education, and which information sources consumers judge more *important* in making school selections. Marketing volume and perceived importance need not be well-aligned. Similarly, employers and faculty/teachers ranked poorly in terms of information sources by volume, but much higher in terms of quality. Such disparities are useful stimuli for OHE members to review their marketing mix.

**Online Higher Education: Perceptions of Quality**

Does widespread consumer openness to forms of online delivery mean that consumers regard online and on-campus higher education as of equal quality?

**Perceptions of quality.** Respondents were asked to rate the relative quality of online and on-campus programs.

*Figure 16. Perceptions of Quality: Online versus On-Campus*



This question was asked in Eduventures’ May 2005 *Assessing Consumer Attitudes Toward Online Education* report, but with one important difference. In May 2005, respondents were given four options: superior, equal, inferior and unsure. For the present study, an “It depends on the online or campus-based program” option was added. How did this impact responses?

*Figure 17. Perceptions of Quality: Online versus On-Campus (May 2005 and June 2006)*

Option	May 2005	June 2006
Equal	30.9%	15.8%
Inferior	28.8%	26.5%
Superior	2.8%	1.3%
It depends	N/A	42.4%
Unsure	37.5%	14.0%

The “It depends” option was introduced to gauge consumer willingness to treat individual online/on-campus programs on their own merits, rather than first and foremost in terms of delivery mode. It might be argued that the most rational answer to a question about the relative quality of online versus on-campus programs is “It depends.” In and of itself,

delivery mode is not a particularly illuminating quality variable. Inevitably, among both “online” and “on-campus” programs, significant variation in quality may be observed.

Respondents to the present survey did indeed gravitate to the “It depends” option, which accounted for 42.4% of opinion, and significantly reduced the “Equal” and “Unsure” proportions. This is a positive finding for OHE members. In line with other data points in this study, it suggests a maturation of consumer perceptions - a willingness to assess individual online and on-campus programs on their merits, rather than in terms of delivery mode pure and simple. This also supports the above finding of positive gaps between experience of, preference for, and likelihood of undertaking online delivery.

Another interesting finding from Figure 17 is that the proportion of consumers who judge online delivery “inferior” remained largely unchanged over the past 12 months (28.8% in May 2005 versus 26.5% in June 2006). This suggests a sustained skeptical minority who continue to regard online delivery in monolithic terms, and as poor quality. Given findings above, however, that a very large majority of respondents are at least open to considering online delivery, perception of inferior quality need not necessarily mean unwillingness to pursue. Factors other than relative quality (e.g., convenience) may exert a strong influence.

By age, the 16-17 year-old group was most uncertain (39.6%), and 18-24 year olds most skeptical (38.8% selected “inferior”). The “It depends” option was most common among the oldest age groups (48.8% for respondents ages 55-64, and 47% for the 65-plus age group). When modeled to the U.S. adult population (interested in postsecondary education in the next three years), the figures change only slightly, with small gains for uncertainty (16.2%) and skepticism (27.5%), and small falls for equality (14.4%) and “It depends” (40.4%).

How did perceptions of quality vary by prior experience of online delivery (Figure 18)?

**Figure 18. Perceptions of Quality Relative to Experience**

<b>Option</b>	<b>All</b>	<b>Taken Wholly Online Program</b>	<b>Taken Blended Program</b>	<b>Taken Wholly Online Course</b>	<b>Taken Blended Course</b>	<b>No Online Experience</b>
Equal	15.8%	47.3%	20.8%	18.8%	15.9%	8.4%
Inferior	26.5%	18.8%	33.3%	25.8%	29.0%	27.2%
Superior	1.3%	6.3%	1.0%	1.8%	0.9%	0.2%
It depends	42.4%	25.0%	37.5%	47.2%	41.6%	41.8%
Unsure	14.0%	2.7%	7.3%	6.3%	12.6%	22.3%

The good news for OHE members is that experience of a wholly online program improves average perception of the quality of online programs in general. Among this group of consumers, perceived equality between online and on-campus programs jumps almost 300% (compared to the sample as a whole), and represents nearly six times the proportion of respondents with no online experience who checked the “equal” option. Similarly, among consumers with experience of wholly online programs, the “superior” option grew in significance. Consumers with no experience of online delivery (whether wholly online or blended) were most uncertain about relative quality.

The less positive news is that despite experience with a wholly online program, 18.8% of consumers still regard online as inherently inferior to on-campus. This may reflect a poor experience at a particular school, or engagement with online delivery for convenience over and above perceived quality. Whatever the explanation, the result would appear to be that for around 20% of experienced consumers, experience to date has convinced them that it is best to regard all online provision as monolithic and of poor quality (or at least of inferior quality to on-campus provision).

Perhaps the most surprising finding from Figure 18 is that the highest proportion of respondents checking “Inferior” was made up of those who had taken a blended program (33.3% relative to 26.5% among respondents as a whole). The question asked about perceptions of wholly online programs, not blended programs. Thus respondents were (in general) not commenting from experience. One interpretation is that consumers who opt for blended programming do so in part out of skepticism as to the quality of wholly online provision. Blended provision may be a useful springboard to wholly online delivery, but this data suggests that the two may appeal to significantly distinct markets.

Consumers who stated that online delivery was inferior, or expressed uncertainty, were posed a detailed follow-up question designed to elucidate the particulars of their thinking (Figure 19).

*Figure 19. Key Rationales for Skepticism/Uncertainty about Quality of Online Delivery*

<b>Opinion</b>	<b>% Strongly Agree/Agree</b>	<b>% Unsure</b>
On-campus programs/courses will always be known for better interaction between faculty and students	80.9%	15.3%
Socializing and networking with other students is much more difficult online	71.0%	23.3%
Online education is more open to cheating and fraud	48.6%	38.9%
An online library is no substitute for a traditional library	47.6%	29.3%
Most online programs are too career-oriented, and less intellectually demanding than many campus-based programs	40.7%	50.2%

The subjects I want to study are not available in online programs/courses	34.9%	48.0%
Faculty teaching online programs tend to be less qualified	33.2%	53.8%
Online students are less likely to successfully complete a program/course	29.6%	55.4%
It is difficult to find online programs that are accredited	29.4%	60.8%
Universities/colleges only offer online programs to make money	29.3%	49.3%
It's very hard to tell the difference between online programs from different universities/colleges	25.0%	53.5%

Consumers posed these questions represent around 40% of the U.S. population interested in postsecondary education in the next three years. By definition, this segment constitutes the most difficult market to win over to the online value proposition, and may not form a realistic prospect in the medium term. Scrutiny of the detailed views of this population, however, may highlight areas where OHE members might do more to enhance the reality and/or perception of online higher education. Such enhancement may benefit the reputation and potential of online delivery in general, and appeal to engaged and skeptical consumers alike.

According to Figure 19, the matter of most concern to skeptical/uncertain consumers is the perception that online delivery *by definition* cannot sustain student/faculty interaction equivalent to that commonplace on campus, and that socializing/networking is more “difficult” online. Based on Figure 18 above, one can chart a predictable association between skepticism/uncertainty and lack of experience of online delivery. Thus, this concern about the interaction potential of online delivery is typically not informed by experience. Nonetheless, the fact that more than 90% of skeptical/uncertain consumers hold these views or are unsure, is a challenge to OHE members to do more to emphasize the social/discursive possibilities online. (See Figures 25 and 26 below for an alternative perspective on these findings).

More generally, these consumers expressed doubts across the higher education “value chain.” Large minorities of relevant consumers voiced concern about faculty quality, student pass rates, cheating/fraud, library facilities, intellectual demand, program range, accreditation, and school motivations. All speak to a perceived disconnection between online delivery and various physical norms and structures regarded by skeptical/uncertain consumers as fundamentally bound up with “quality.” The more positive finding is that, with the exception of the four matters most cited by relevant consumers, uncertainty outweighed skepticism. This points to willingness (even among this skeptical/uncertain population) to entertain additional evidence, and offers OHE members scope to influence a significant chunk of this constituency.

More than a third of skeptical/uncertain consumers think the subjects they want to study are not available online. To test the accuracy of these claims, these consumers' discipline preferences were scrutinized. There was evidence of greater interest in subjects less commonly offered wholly online. For example, relative to non-skeptical/uncertain consumers, skeptical/uncertain respondents were 40% more likely to express interest in "Biological & Biomedical Sciences" (7.3% interest versus 5.2%), and 39% more likely to express interest in "Social Sciences" (7.8% interest versus 5.6%). On the other hand, skeptical/uncertain consumer interest in "Business, Management & Marketing" (undoubtedly the most common disciplinary area online) was roughly equal to that of their better disposed counterparts (33.7% versus 35.6%). These data points suggest that program range as a barrier to online participation is part genuine lack of subject fit, and part lack of awareness. There was no significant difference between the average number of disciplinary areas of interest to skeptical/uncertain versus better disposed consumers. This suggests that desire to study across disciplines does not appear to be variable in openness to online study.

All respondents were asked to rate their agreement with five statements about influential others' (e.g. family/friends, employers) perceptions of online higher education.

Figure 20. Consumers' views on how influential "others" regard online higher education

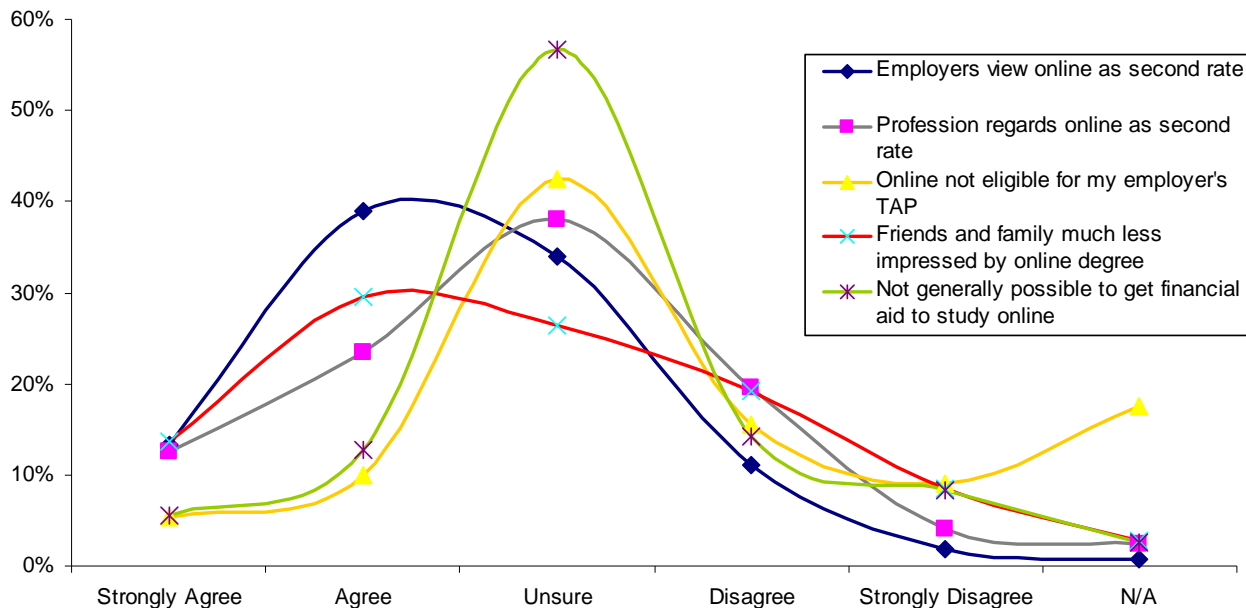


Figure 20 highlights widespread perception that influential "others" hold negative views concerning online higher education, and emphasizes that many consumers do not have adequate information to form an opinion. Around half the sample think employers view

online higher education as second rate, and around 40% report that friends/family would look critically on an online education. Even within professions (where one might assume a more informed perspective concerning the views of peers), uncertainty was the dominant response. Widespread uncertainty about eligibility for TAP (tuition assistance programs) and financial aid reinforce the conclusion that around 50% of the addressable market for postsecondary education remains unsure as to the legitimacy and financial accessibility of online delivery. Highlighting more positive accounts of employer views (e.g., data from a 2005 corporate and government survey – under Eduventures’ Continuing & Professional Education Learning Collaborative), and the availability of various forms of financial aid, constitute key areas for OHE members to emphasize in their expansionary marketing.

**Online Higher Education: price, geography & institutional type**

This section tests the impact of widespread consumer openness to online delivery on perceptions of price, geographical location of the institution, and institutional type (e.g. for-profit, non-profit). What “kinds” of online higher education are consumers open to?

**Delivery mode & price.** What was the association between delivery mode and price tolerance? Respondents were asked to report how much they would pay for an online versus an on-campus course or program.

Figure 21. Delivery Mode & Price Tolerance

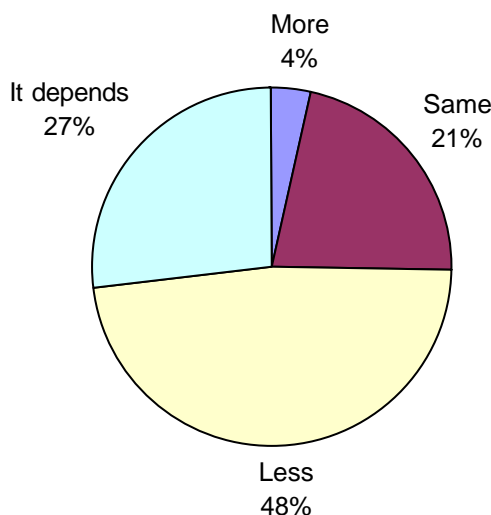


Figure 21 sounds a cautionary note for OHE members. While 42% of the sample were willing to judge the quality of individual online programs/courses on their merits, only 27% were willing to reserve judgment on price. Almost half the sample said they would only be willing to pay less for an online program/course compared to an on-campus experience. This suggests growing openness to accepting online provision as equal on academic quality grounds, but equally a perception of the online experience as in some sense “less” than on-campus (e.g., lack of face-to-face academic and social activity, physical library, etc. – in line with Figure 19 above).

Consumer price tolerance is out of step with provider pricing. Eduventures’ *Competing in Online Higher Education* report found most mixed-mode providers to generally charge the same price for online and on-campus programs, and noted the absence of explicit price competition between online and on-campus provision. Consumer hesitation on price may reflect a perception that online “must” be cheaper to deliver, and thus should be

priced accordingly. In general, older consumers were more willing to pay the same price for online and on-campus provision, or to reserve judgment.

In terms of delivery mode preference, consumers whose first preference is wholly online delivery were more open on price. A reduced proportion (31%) indicated willingness to only pay less than the price for an equivalent campus-based program (compared to 48% for the sample as a whole), while 38% wanted to pay the same (compared to 21%). Nine percent were willing to pay more (compared to 4%), while 22% were unsure (compared to 27%). Clearly, these figures are more positive for OHE members, but still caution that a significant minority of consumers (even among those predisposed to online delivery) associate online with inexpensive pricing.

**Online delivery & geography.** What role does geography play in consumers' selection of an online program? Does online delivery remove location from the equation, permitting prospective students to select the right program from a national or even international pool; or does physical proximity continue to play a role?

Figure 22. Online Higher Education & Geography

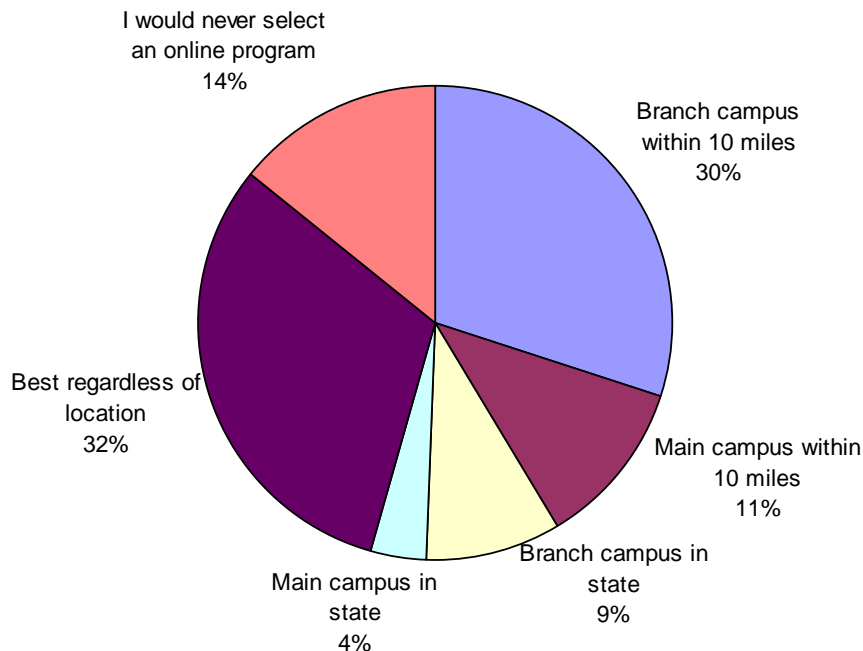


Figure 22 reinforces widespread openness to wholly online delivery, insofar as only 14% of the sample stated that under no circumstances would they select a wholly online program. It is also clear, however, that the location of the institution remains very important in consumer thinking – despite interest in a wholly online experience. Sixty-

three percent of respondents who were willing to consider a wholly online program preferred the online provider to have some physical presence (branch campus or main campus) at least within their state. This figure suggests significant limits on online higher education as a genuinely national market. Only 37% of respondents willing to consider wholly online delivery disregarded location as a factor. Indeed, 35% of willing consumers prefer a branch campus within ten miles of their home/workplace. The positive association of wholly online delivery and geographical location speaks to consumer comfort with the option of physically visiting an online provider, whether for academic, administrative, or social reasons. Older consumers were somewhat less concerned with location, relative to younger consumers.

When only consumers whose preference is wholly online delivery are considered, greater geographical flexibility is visible. In line with the sample as a whole, only around one third of this group would select an online provider regardless of location. However, while 30% of willing consumers overall prefer a branch campus within ten miles of their home/workplace, this figure dropped by half (to 15%) for consumers whose first preference is online delivery. This indicates reduced need for regular and immediate physical access to an online provider. However, the fact that 63% of this group prefers at least in-State branch campus access, means that for a majority of future online learners, geography is still very much part of the decision-making process.

***Institutional type.*** As the online higher education market has matured, institutions of all types have begun to offer online courses/programs. What is the association between consumer preference for wholly online delivery and preference by institutional type?

**Figure 23. Consumer preference by mode of delivery (wholly online) and institutional type**

Consumers who cited preference for wholly online delivery	Community College/two-year college	Small liberal arts college	Private university/four-year college	State university/public four-year college	Specialist institution	For-profit
First choice	17.9%	2.1%	6.9%	29.7%	3.6%	1.0%
Would definitely consider	27.4%	30.0%	40.8%	45.6%	31.0%	31.8%
Might consider	21.8%	35.6%	35.6%	18.2%	35.4%	41.8%
Total “would/might consider”	67.1%	67.7%	83.3%	93.5%	70.0%	74.6%
Would definitely NOT consider	32.8%	32.3%	16.7%	6.4%	30.0%	25.4%
Have attended	41.3%	12.1%	39.2%	60.3%	5.6%	4.4%

Figure 23 concerns consumers whose first preference is wholly online delivery. There is evidence of significant disparities between institutional type by prior attendance, first choice, and willingness to consider. Only “Community college/two-year college” and

“State university/public four-year college” garnered significant first-choice allegiance. In all cases, first preference was lower than prior attendance, suggesting that preference and previous experience are not always aligned. Total “would/might consider” was very positive across all institutional types, ranging from 67.1% to 93.5%. Almost 40% of relevant respondents were not able or willing to express a first choice of institution by type. Of course, institutional focus would preclude consideration by certain consumers. For example, someone interested in an online master’s degree, automatically would discount two-year colleges, and someone interested in an online business program might not focus on liberal arts colleges.

As one would expect, the three more “comprehensive” institutional types (“Private university/four-year college,” “State university/public four-year college,” and “For-profit”) attracted the most interest. Although the for-profit category ranked last out of the three (and a quarter of relevant respondents discounted this sector), the gap between prior attendance (4.4%) and “would/might consider” (74.6%) is impressive, and suggests majority willingness to hear for-profit higher education’s pitch. For-profit schools, however, may have a harder pitch to make, insofar as (unlike the private and state university categories), more than 50% of the “would/might consider” total fell under “might consider.”

In online higher education, for-profit providers hold much greater market share (compared to their share of postsecondary education in general). Eduventures’ estimate is that at the close of 2005, for-profits schools accounted for approximately 37% of wholly online postsecondary students in the United States (compared to approximately 6% of all postsecondary students). That only 1% of the sample who expressed first preference for wholly online delivery, then expressed first preference for a for-profit institution is further evidence that the online higher education market is becoming more competitive, not least due to large numbers of non-profit institutions deepening their commitment to this space. The good news for for-profit online schools is that the gap between consumer experience and willingness to consider is very significant, and that around three-quarters of online-disposed consumers would consider a for-profit school. The bad news is that in the online sphere, for-profit online providers would appear to enjoy weak brand loyalty, and must compete for almost all students in the increasingly cutthroat “would/might consider” territory.

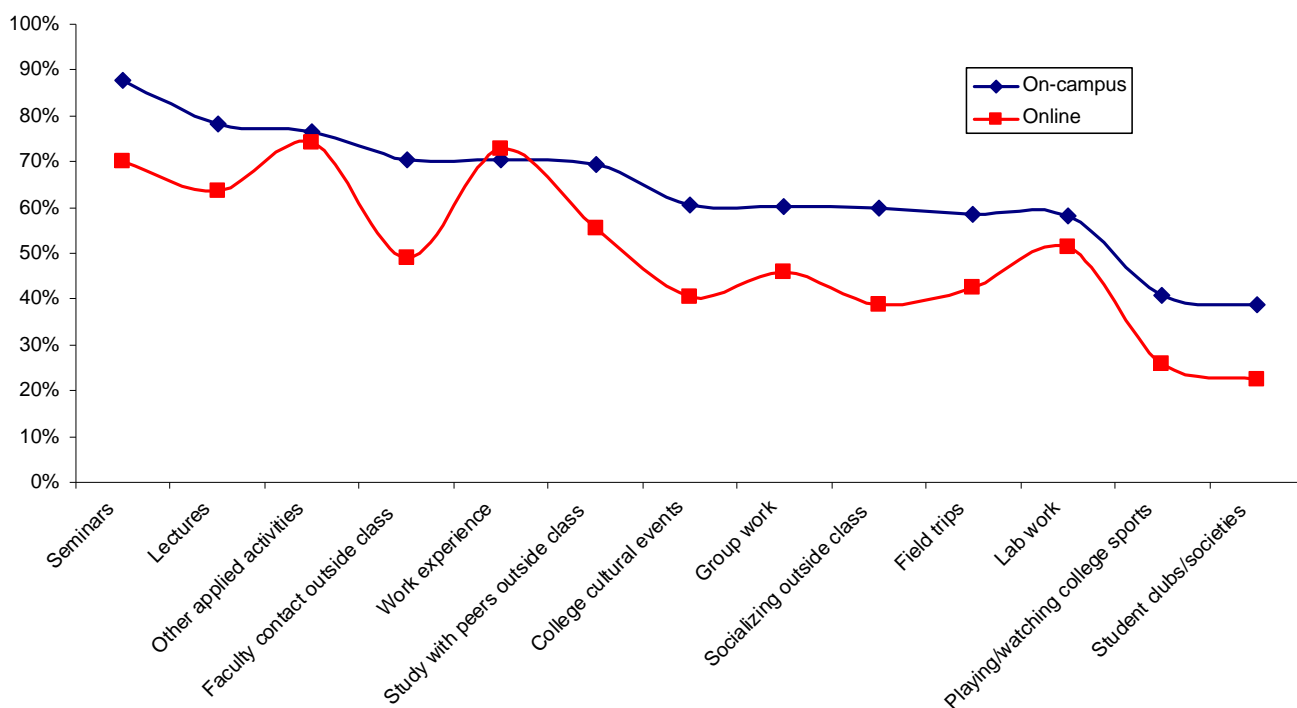
Overall, the data reveals widespread openness to different types of institution. On average, consumers report attendance at 1.6 institutional types, and are willing to consider 4.5 types. A strong message from Figure 23 may be that consumers are interested in finding the right course/program (with institutional type secondary). High levels of openness and uncertainty concerning institutional type also suggest scope for OHE members to influence consumers predisposed to online delivery, in terms of marketing volume and flair. Marketing volume will continue to favor the largest for-profit schools.

**Consumer views on teaching, learning, and the higher education experience**

In order to better understand consumer views concerning online higher education, the survey featured a number of questions designed to elucidate respondents’ underlying perceptions of value and experience associated with higher education generally. This intelligence will help OHE members to refine their online programming to reach a wider audience, and better serve existing students.

**“Enjoyment” of higher education activities.** Respondents were asked to rate their perceived enjoyment of various academic and other common student-related activities. The aim was to note any differences between consumers most interested in on-campus versus wholly online delivery.

**Figure 24. Percentage of respondents who said they would find a particular activity “Very enjoyable” or “Enjoyable” – by delivery mode preference**



A positive finding is that, irrespective of delivery mode, the majority of prospective students foresee a wide range of potential academic and other activities as part of their future higher education experience. Against all activities, very few respondents checked “not applicable.” Less positive is that prospects oriented toward wholly online delivery either predict that many activities will be less enjoyable than if undertaken on campus, or

are more likely to point to the inapplicability of a particular activity online, or to express uncertainty.

Figure 24 reveals consistent differences (typically 15%-20%) by delivery mode in terms of perceived enjoyment of common student activities. With only two exceptions (“Work experience” and “Other applied activities”), respondents whose first preference was wholly online study reported lower projected enjoyment relative to respondents whose first preference was for wholly on-campus study. While the question deliberately did not foreground delivery mode (to avoid assumptions about the applicability of different activities), the association between projected enjoyment and delivery mode preference is striking. The two activities (“Work experience” and “Other applied activities”) that imply offline engagement were the only instances where the “enjoyment” difference between online and on-campus prospects was negligible.

Despite a preference for wholly online study, the vast majority of relevant respondents did not select the “not applicable” option, even for what might be regarded as campus or face-to-face-only endeavors, such as field trips, lab work, and college sports. This may suggest assumptions about the sophistication of online programming. It may be that consumers view online delivery as sufficiently sophisticated to replicate a wide range of activities, or that any replication is second-rate – hence lower rates of projected enjoyment. There also may be evidence of openness to interaction with online peers outside the classroom (whether physically or virtually) and a desire for some level of integration with campus-based students and events (where an institution has a traditional campus). This data also may speak to consumer preference for a wholly online course/program from a local institution (see Figure 22 above). The co-location of online study and geographical proximity offers the potential for creative combinations of online convenience and physical resources.

Evidence that suggests consumers predisposed toward online delivery project lower levels of enjoyment across a range of study-related activities may highlight motivation to study online. These consumers may be driven first and foremost by convenience, and in exchange may tolerate a (projected) poorer or less enjoyable academic experience.

In response to a scheduling question featured in Part 2 of this study, consumers whose first preference is wholly online study exhibited strongest interest in accelerated delivery. Seventy-nine percent said accelerated study was “very important/important”, versus 61% for consumers whose first preference is campus-based study. In terms of self-pacing, 92% of online disposed consumers cited this as “very important/important,” compared to only 63% of campus disposed consumers. Both data points reinforce the centrality of “convenience” in conceptions of the value of online higher education.

The following surveys questions further tested this “convenience” hypothesis.

**How to make online higher education more attractive.** Two survey questions asked respondents, if they were to take an online program/course, what might make the experience more attractive? The results may be regarded as surprising.

*Figure 25. Factors that would make wholly online delivery more attractive*

<b>What would increase the attraction of online programs/courses?</b>	<b>Yes</b>
Allow me to take an online program/course at my own pace	49.1%
Price online programs significantly below equivalent campus-based programs	47.5%
Make it possible to complete my degree/certificate/course faster	46.3%
More interaction with faculty	44.9%
Ensure that online programs are taught by faculty with current work experience in their field	43.3%
Allow me to mix online study with face-to-face classes	41.9%
Ensure that online programs are taught by full-time faculty	41.3%
Offer evidence of the educational value of an online program	37.4%
Offer a free trial course	34.7%
Offer evidence of the career value/employer acceptance of an online program	34.6%
Ensure that online programs are taught by faculty with a strong research record in their field	33.3%
Offer programs in a wider range of disciplines	28.5%
Greater use of high-tech course materials (e.g., simulations, games)	24.2%
Offer the option of occasional visits to campus for classes/socializing	23.1%
Make the online experience as close to the campus experience as possible	22.1%
More study interaction with other students	18.4%
Offer more cross-disciplinary programs	17.9%
More social interaction with other students	9.2%
There is nothing that would persuade me to take an online degree/certificate/course	6.4%
Other	0.8%

This question was asked of all 2,033 respondents interested in postsecondary education in the next three years. The most striking finding is that no listed factor garnered majority support. In line with other data points, self-paced study (see Part 2 of this study) and pricing ranked as the most popular enhancements. Despite non-majority opinion, attention to acceleration, faculty interaction, use of full-time faculty, faculty work experience, and mixed mode delivery would play to significant segments of the market. Lingering doubt about educational/employer value also features quite strongly. Perhaps surprisingly, “greater use of high-tech course materials” did not command much support. This may suggest that the majority of consumers are at present comfortable with the relatively low-tech features of much contemporary online provision (or with “standard” IT in general). Fuller replication of the campus experience, cross-disciplinary programming, and study/social interaction with peers were all given short shrift.

A number of spikes emerged. For example, younger consumers (18-24) were much more likely to request greater social interaction with other online students – 24.3% compared to an average of 9.2%. Equally, the 18-24 age band was more interested in incorporation of

“high-tech” course materials – 32% versus an average of 24%. This may suggest increasing pressure on the technological sophistication of online provision, as this age band becomes the working adults of the future, and the biggest drawers on online delivery. In terms of price, consumers with a preference for wholly online delivery were most likely to request cheaper-than-campus pricing – 56.2% versus an average of 47.5%. Consumers with a preference for wholly online delivery were also more interested in acceleration – 60.5% versus an average of 46.3%. In addition, this group was most interested in “high-tech” course materials – 33.3% versus an average of 24.2%; and in disciplinary range (36.7% versus 28.5%). OHE members are encouraged to request exploration of potential other spikes.

Another question asked: If you were to take a wholly online degree/certificate/course, what kind of experience would be important? The results revealed similarly low levels of responsiveness to listed stimuli.

*Figure 26. If you were to take a wholly online program/course, what kind of experience would be important?*

Experience	Sample	Wholly Online preference	Online program experience	On-campus preference
I'd want to study mostly on my own, and not have too many group discussions or other group activities online with other students	46.7%	69.2%	65.7%	30.8%
I'd want lots of group discussions and other group activities online with other students	18.3%	15.4%	24.1%	15.1%
I'd like to be able to regularly see and hear the other online students “live” (e.g., using webcams)	15.3%	7.7%	9.3%	11.5%
I'd want to make friends with the other online students	11.8%	12.1%	13.0%	8.3%
I'd like another online student to be designated as my “buddy,” so we could help each other learn online	14.2%	15.9%	16.2%	7.2%
I'd want to know there was always an instructor I could talk to	53.4%	60.0%	56.5%	31.2%
If my computer went wrong, I'd want to know I could get help quickly	38.8%	42.6%	43.5%	23.4%

Despite prior respondent opinion that faculty/student interaction and peer socialization were problematic online (Figure 19), means by which faculty or student contact might be improved did not garner overwhelming support. This was particularly the case for peer interaction. Based on Figure 26, there is a clear consumer preference for asynchronous, non-interactive study. The notion of making friends with other online students, seeing students “live,” and being part of an online student “buddy” system did not go down well.

Notably, when consumers with experience of or preference for wholly online delivery were isolated, preference for asynchronous, non-interactive delivery *increased*. Consumers with a preference for on-campus delivery were particularly non-committal, but again lean towards non-interaction.

What are the key takeaways from Figures 25 and 26? Relative lack of experience with online delivery, and general consumer non-attention to teaching and learning processes, point to minimal awareness of the realities of online study and the spectrum of possible delivery forms and pedagogic activity. The implied message is that, for many consumers, if the higher education “experience” in the fullest sense (however defined) is important, then online is not up to the job. By contrast, the assumption is that on-campus delivery is the “natural” setting for a full higher education experience. Paradoxically, widespread consumer openness to different modalities suggests delivery is “not important”, but at the same time only campus-based study can afford a “full” experience. One may conclude that, in general, consumers are not making decisions about online delivery based on the nuances of current or potential functionality and experience. However, this is not so much because consumers are confident that online delivery can match campus options in these terms, and rather that the fundamental appeal of online delivery (whether wholly online or blended) remains convenience. This argument is commented on further in the conclusion of the report.

## Conclusion

This study was an attempt to better understand evolving consumer attitudes toward online higher education, not least to begin to gauge the size and shape of the U.S. online higher education market of the future. From the perspective of OHE members, the findings are both positive and complex. The overarching positive finding is evidence of widespread consumer openness to online delivery, alongside growing experience. Figure 27 pulls together various data points.

*Figure 27. Online higher education: experience, preference, and likelihood among consumers interested in postsecondary education in the next three years*

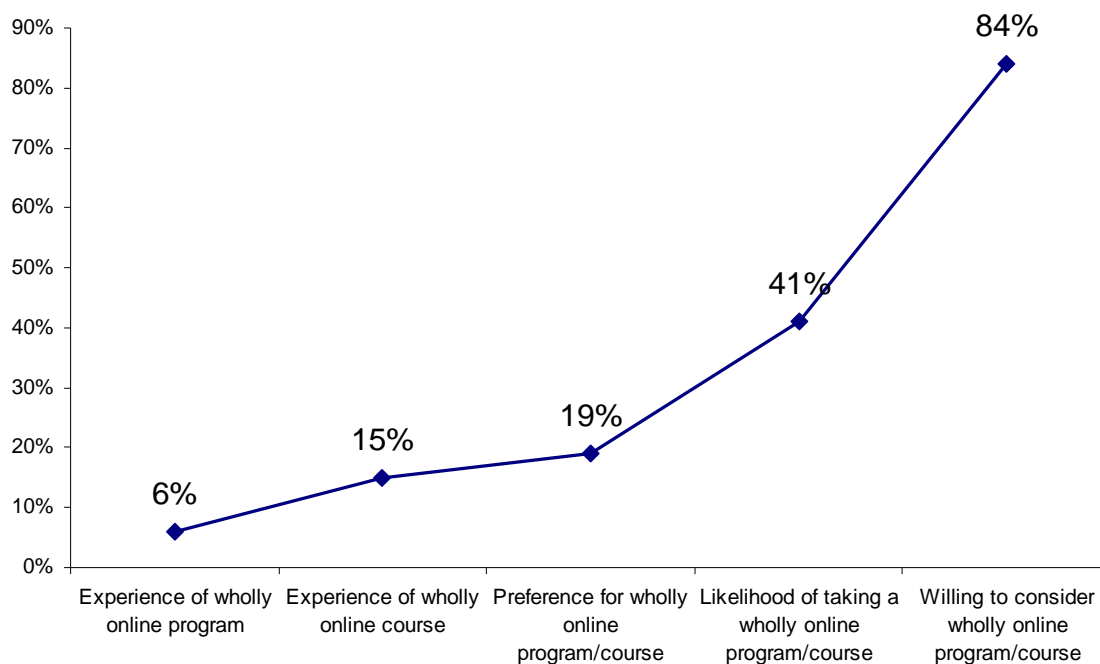


Figure 27 highlights encouraging gaps between experience and preference, and between preference and likelihood. Online higher education is not confined by current relatively low levels of experience, and rather has achieved sufficient prominence to prompt much larger numbers of consumers to consider what for most people remains a novel mode of delivery (particularly at the program level). Of course, the further one moves from experience, the more tentative the market becomes. Statements of preference, likelihood, and openness are the stuff of demand sizing, and must not be regarded as simplistic enrollment predictions.

Similarly, a 44% interest in postsecondary education in the next three years among U.S. adults posits a huge market opportunity – some 103 million people. When stratified by delivery mode, this represents almost 17 million individuals with a first preference for wholly online delivery. As noted above, “interest” in postsecondary education is not the same as enrollment, and on the basis of current postsecondary enrollment, a 5:1 ratio may obtain. This might suggest rough demand among U.S. adults over the next three years for wholly online higher education (dominated by programs) to be around 3.4 million. This is broadly in line with Eduventures’ estimate of 1.2 million wholly online students in U.S. postsecondary education at close of 2005. Given strong growth exhibited by online higher education in recent years, and evidence of widespread openness to this mode of delivery, the interest/enrollment ratio might be expected to improve, and demand to span 4-5 million.

**Figure 28. Estimates of Postsecondary Wholly Online Program & Course Experience in the U.S. Adult Population (2006), plus Wholly Online Program Demand 2006-2009**

<b>Wholly Online Experience/Demand</b>	<b>Number of U.S. Adults</b>	<b>% of U.S. Adults</b>
Courses (Experience)	21 million	9%
Programs (Experience)	7 million	3%
Programs (Demand)	4-5 million	2%

Figure 28 collates three unique data points generated by the survey- estimating wholly online course and program experience in the U.S. adult population to date, and projected demand for wholly online programs. These estimates will help OHE members size the market nationally and by individual schools; and permit demand to be tracked over time. Market sizing for online higher education is particularly dynamic given growing openness to forms of online delivery, and the influence in consumer decision-making of factors other than first preference (e.g. convenience).

By key demographics, the classic “working adult” population remains the bulk of the prospective online higher education market. Preference for online-dominated delivery formats is strongest in the 35-44 and 45-54 age groups. Substantive interest among younger and older populations, however, is visible and may be expected to grow over time. Out of the 10 credentials listed (including non-credit courses), consumers interested in associate, bachelor’s, and master’s degrees were most interested in wholly online delivery. This is in line with market trends to date. In fact, all listed credentials were associated with significant levels of interest in online-dominated formats, as were most listed disciplines. Where sampling permits, OHE members are encouraged to use the custom inquiry service to explore potential spikes of online interest, such as the age 45-54 female with dependent children spike noted above (Figure 9). A number of demographic factors in isolation (e.g., gender, income, home Internet connection) appeared to have no association with delivery-mode preference.

How much does the on-campus/online or online/blended distinction matter to most consumers? Widespread consumer openness to different delivery modes might be interpreted as an explicit or implicit view that delivery mode *in and of itself* is not the site of significant value. If other factors are in place (e.g., program focus, price, specialist accreditation, location), delivery mode is secondary (or at least is only one of a number of key factors).

As argued above, as familiarity with online modalities grows (reinforced by the pervasiveness of online technologies in many other aspects of daily life), “online” becomes normal infrastructure, and not a strong differentiator in and of itself. On this view, “online” (whether a program is wholly or partly online) is akin to paper, books, or electricity, an essential but taken-for-granted element of the postsecondary experience.

The fact that a program is online, by itself reveals very little about the particulars of that program relative to any other. As forms of online postsecondary study become “normal,” the prospective student may begin to ask “what does online enable this particular institution to do, relative to other institutions?” Just as prospective students are interested in the titles and quantities of books in the library, and the services afforded by electricity (and not the basic fact that an institution has books or electricity), basic online functionality may increasingly become commodified, and it will be what institutions “do” with online that will count.

An important question for OHE members is whether competitive advantage will stem from offering multiple delivery modes, in the hope of capturing a broader range of preferences, or focusing on one or two modalities in an attempt to maximize quality and appeal and alignment with institutional mission.

Alongside widespread openness to wholly online delivery, consumers also revealed various concerns and perspectives. These help explain how consumers think about the value of online delivery. Openness to or preference for wholly online co-existed with:

- concerns about quality
- the view that wholly online should be priced less expensively compared to on-campus provision
- a desire to combine wholly online study and physical proximity to the institution
- projected lesser enjoyment of a range of study-related activities (when stratified by delivery mode preference)
- preference for asynchronous, non-interactive study
- disproportionate interest in acceleration
- lack of consumer clarity about the particulars and possibilities of online pedagogy (and pedagogy in general)

All the evidence points to a consumer conception of online delivery dominated by convenience. Consumers appear both increasingly comfortable with the basic concept of online higher education, and convinced of online higher education's limitations. A value proposition centered on convenience is widely accepted (bolstered by online delivery in other spheres of life), but for many consumers is seen to imply a quality tradeoff. Thus, on this view, the core and dominant value of online delivery is convenience.

To the extent that to date online higher education has been marketed first and foremost in terms of convenience, and the majority of consumers still have no direct experience with online delivery, a consumer conception dominated by convenience is not surprising. In this sense, OHE members and other online providers have rationally pursued the line of least resistance. The problem is that in an increasingly competitive market, where demand and supply appear to be broadly in line, a value proposition centered on convenience offers providers very little scope for substantive differentiation.

As argued in the *Competing in Online Higher Education* report, analysis of the Web sites of leading online players points to convenience as an item of strong rhetorical positioning but weak differentiation. This is not to say that online schools are not convenient, but rather that all providers (contrary to various claims by individual schools) are more or less equally convenient, and "convenience" offers little innovation potential. Consumer interest in combining wholly online study and geographical proximity to the institution plays to institutions with physical campuses and strong local brand, but at the same time limits enrollment growth by geography and undermines the scale of the online national market. Without greater resort to substantive differentiation, established (often offline) brands and marketing volume will be key to market share.

In the United States, online higher education is at an interesting stage of development. Online higher education has proved a real, sizable, and growing market, and now commands widespread consumer interest. Because consumer interest far outweighs experience, however, and online and convenience are synonymous, it is arguable that both many schools and consumers currently are hampered by a somewhat "basic" conception of online delivery. Indeed, in responding to signals from one another, the convenience message remains dominant.

Increased competition and growing consumer experience will change the dynamic. In order to compete and realize often ambitious enrollment goals, online providers (particularly those competing in the national market, and in non-niche areas) will be forced to differentiate beyond convenience. The *Competing in Online Higher Education* study found emerging evidence of this. Factors such as program range, pedagogy, technology, performance indicators, access, and specialist accreditation will come into play. As differentiation gathers pace, schools will be motivated to educate consumers about the merits of particular approaches to, say, online pedagogy or the significance of a provider's online graduation rate. From experience, consumers will begin to appreciate

the spectrum of approaches and experiences under the “online” heading, and make more nuanced judgments about value, both en masse and in particular circumstances.

Key underarticulated assumptions are at work in the minds of consumers – about the “quality” and “nature” of on-campus and online higher education, and the relative value of the “convenience” necessary to fit higher education into busy lives versus various norms that (explicitly or implicitly) privilege the campus experience. The challenge for OHE members is to fashion an online experience that is certainly convenient but also stretches the model in ways that both convince prospects as to the “quality” potential online, and permit innovative schools to stand out.

Please review Part 2 of this report for an overview of other characteristics of the sample (e.g., credential and discipline interest), and key demographics.

OHE members are encouraged to draw on the custom inquiry, analyst discussion, custom research report, and Q&A services to both request custom cuts of this dataset and commission primary research that speaks to the conclusions of this report. Examples might include:

- ***Custom Inquiry***- An OHE member might request a data cut to explore associations between discipline interest and likelihood to undertake online delivery. Custom Inquiries are unlimited, and typically are executed within ten business days. Custom Inquiries are executed consecutively per member.
- ***Analyst Discussion***- An OHE member might request a call with OHE staff to review an aspect of the report, and/or its implications for the member. Analyst Discussions are unlimited.
- ***Custom Research Report***- An OHE member might commission OHE staff to examine the scope and particularities of an identified differentiation strategy. OHE members are entitled to commission up to three Custom Research Reports per membership year.
- ***Membership Q&A***- An OHE member might work with OHE staff to ask the membership about online pricing policy, or geographical spread of online student populations. Membership Q&As are unlimited.

## **Appendix A – Reconciling Eduventures’ Consumer Data on Online Education Experience**

The 45% online education experience total reported in Figure 1 of this report is significantly higher than that reported in Eduventures’ May 2005 *Assessing Consumer Attitudes Toward Online Education*, which reported that 30% of consumers had online education experience. Similarly, Figure 1 reported 32% of the sample had prior experience with an online course, compared to only 18% in the May 2005 survey. If one combines postsecondary and corporate online course experience, the May 2005 total was around 26%, compared to around 47% for the present survey. Aside from probable growth in consumer experience over the past year, the difference between the two figures may be explained in terms of sampling and definition.

Unlike the May 2005 survey, the present survey included current postsecondary and a small number of high school students - both more likely than average to experience online courses of some kind. In fact, current students in the sample reported experience with an online course at a college/university at 47% (compared to 26% for non-students), with the rate of wholly online degree/certificate experience at 12.7% (compared to 3.2% for non-students). Moreover, the negative option (zero experience) was expanded to college/university and “any other source.” This had the effect of exposing positive online experience outside colleges and universities.

Also, the May 2005 survey defined “online education” as “100% online distance education.” With respect to the present survey, this first question about online course experience *did not* define “online education.” Definition was delayed until the second question concerning online experience (see below). Once this second question distinguished between wholly and partly online courses, reported experience of the former declined significantly. Finally, the May 2005 survey counted only respondents who had taken a fully online course from a college/university *and had not* also taken a fully online degree/certificate. Again, this served to reduce incidence.

Sampling differences (particularly inclusion of current students), plus growth over experience over time, also may explain the reported 6.1% total for respondents indicating enrollment in a wholly online degree/certificate, compared to only 3.7% reported in the May 2005 survey.

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