Internet Learning

Volume 3
Issue 2 *Fall 2014*

Article 3

September 2014

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As colleges and universities explore how to approach online learning in a manner appropriate for their own specific objectives, they face an evolving environment shaped by a variety of demographic, technological, economic, and competitive factors that add opportunity, uncertainty, and complexity. This paper examines many of those factors and what institutions interested in developing and expanding their online learning can do and are doing to be successful, however they define success, in this environment. Analysis of the current online learning and higher education markets is provided as well as recommended questions that institutions should address when forming their online strategy.

Keywords: *online learning, business models in online learning, online market environment, higher education, engaging and effective, branding, differentiation, value, global, student support*

Introduction

The current online learning market is in a transformational period. Against the backdrop of increasing innovation in content design, delivery, and support has emerged a diverse array of traditional and non-traditional educational institutions and companies seeking to meet demand. These organizations are engaging in a higher education market defined by expanding acceptance of online learning and growing competition for credentialed and non-credentialed learning shaped in part by high-profile activities that have been long in the making such as Massive Open Online Courses known commonly as MOOCs (ALISON in 2007), Open Educational Resources (OERs) (MIT OpenCourseWare in 2001), and Competency-Based Education (CBE) (1970s).

For colleges and universities trying to navigate in this environment, the range of engagement in online learning is often defined by how an institution is positioned on the higher education landscape. It is also a function of what an institution considers the primary reasons for developing online courses and programs, some of which are learning-driven, some operations-driven, and some market-driven (see *Figure 1* below).

Learning-driven

- Providing educators with and training them on a variety of tools and approaches to present course material more effectively to enhance student learning.
- Using technology to enable faculty members to better meet the unique needs of individual learners.
- Creating real-time interventions where the student can quickly obtain necessary help and the instructor can readily track student progress more closely, which can benefit all students, particularly those requiring remediation.
- Implementing OERs into the classroom to both "flip" the classroom and to lower the cost of education to students.

- Developing communities of learning both within classes and institutions as well as among institutions.

Operations-driven

- Using online learning to increase institutional size without expanding the physical campus.
- Finding efficiencies in administrative expenses by using technology to automate many back office processes.
- Building online courses that can be offered repeatedly or at scale, thereby reducing costs.
- Cost-effectively providing student support services (such as advising, tutoring, career services) online in conjunction with online courses.

Market-driven

- Using online education to increase access to courses and programs to grow or supplement enrollments.
- Expanding the institutional brand to enhance awareness and prestige which may have enrollment, research, and fund-raising benefits.
- Addressing the needs of new non-traditional potential students – high school students, adult learners, corporations/associations/government employees, international students, alumni, and lifelong learners.

Noted scholar on disruptive innovation, Clayton Christensen, has stated that "fifteen years from now more than half of the universities will be in bankruptcy, including the state schools" (Schubarth, 2013) unless they adopt online education and technology to lower costs and tuition and fundamentally change their business models. While some people may consider that to be an

Figure 1. Examples of primary reasons for developing online courses and programs

overstatement and that the higher education model is resilient, the reality is that for many institutions, the change has already begun as more colleges and universities have adopted online education, increasingly with market considerations in the forefront.

The question for many institutions is whether a transition to online learning for market reasons is solely sufficient to keep them from becoming obsolete. If a preponderance of colleges and universities adopt online education, the basic economic supply-and-demand dynamics are not necessarily changed but they can be skewed towards institutions that distinguish themselves. A review of the online higher education landscape can prove to be a worthwhile guide as institutions seek to find their way successfully into online learning, no matter how they define success for themselves.

Online Higher Education Market Dynamics

The most recent survey report from the Babson Survey Research Group details a large, but slowing online higher education market. *Grade Change: Tracking*

Online Education in the United States (Allen & Seaman, 2014) reveals that online enrollments continue to comprise a larger share of currently stagnating higher education enrollments (see Table 1).

The height of both recent higher education growth and online growth came in the Fall 2009 as the impacts of the recession drove students, many of whom were adult students, into colleges and universities. Since then, declining growth has occurred due to the end of the baby boom echo generation and a very slow growth economy that has stretched family finances and made adult students, who have historically been primary participants in online programs, defer their educational pursuits.

According to the Western Interstate Commission for Higher Education (WICHE) in its 2012 report *Knocking at the College Door: Projections of High School Graduates* (Prescott & Bransberger, 2012), the funnel for higher education enrollments are projected to moderate before the next period of sustained growth begins in 2020. This is also the date that President Barack Obama has set as the goal for America to reclaim its position as the nation with the highest proportion of college graduates in the world. At the time that goal was set in 2011, the college attainment rate would have had to increase by approximately 50% nationwide (8 million students) by the end of the decade according to projections made by the U.S. Department of Education (U.S. Department of Education, 2011).

Increasingly, online education is being used to assist in reaching toward that goal. Despite a slowing growth rate, online learning continues to gain traction, reflecting a shift in perception about the quality of online education as well as a realization by many institutions, large and small, public and private, that online learning represents an opportunity to enhance the quality of education, meet the expectations of digital natives, lower the cost of education and stem the rising tide of student debt, while providing an avenue to expand access and increase revenues in a time of lowered government fiscal support. According to the Babson Survey Research Group, not only have more schools provided online offerings in the past decade, more have also started online degrees (Allen & Seaman, 2013) (see Table 2 below).

Moreover, despite perceptions that online education is primarily a for-profit institution endeavor, in reality non-profit colleges and universities offering online education far outnumber the for-profit providers (Table 3) (Allen & Seaman, 2014).

Online learning has been a natural fit for many non-profit institutions, especially those with a mission to expand educational access. Increasingly, as government financial support has waned, more non-profits are finding it necessary to expand their online initiatives as a revenue supplement and to address various pressures related to the following.

- **Their States** – Feeling the financial pinch, state legislatures are urging their higher education institutions to seek out more cost efficient ways of delivering education and to find ways to deal with capacity constraints especially for students seeking to transfer from community college to four-year institutions.
- **Their Boards** – College and university boards are increasing their interest in online learning as a path to address state legislatures demands, enhance academic quality and operational efficiency, demonstrate institutional innovation, and grow enrollments and market awareness/institutional prestige. The pace at which boards are pressuring college administrators to move forward with online initiatives can be a source of friction

Table 1. *Higher Education Online Enrollment as a Percentage of Total Higher Education Enrollment*

	Total Enrollment at Degree Granting IHEs	Total Enrollment Annual Growth Rate	Students Taking at Least One Online Course	Online Enrollment Annual Growth Rate	Online Enrollment as a Percent of Total Enrollment
Fall 2007	18,248,133	**2.8%**	3,938,111	**12.9%**	**21.6%**
Fall 2008	19,102,811	**4.7%**	4,606,353	**16.9%**	**24.1%**
Fall 2009	20,427,711	**6.9%**	5,579,022	**21.1%**	**27.3%**
Fall 2010	21,016,126	**2.9%**	6,142,280	**10.1%**	**29.2%**
Fall 2011	20,994,113	**-0.1%**	6,714,792	**9.3%**	**32.0%**
Fall 2012	21,253,086	**1.2%**	7,126,549	**6.1%**	**33.5%**

Notes:

- Green sections show peak levels
- Red block shows negative higher education enrollment growth, something that had not occurred since 1996
- Yellow block shows a rising online growth rate, however at a slowing rate

Table 2. *Percent of Institutions Providing Various Online Offerings*

	2002	2012
Online Courses and Full Programs	34.5%	62.4%
Online Courses Only	37.2%	24.2%
No Online Offerings	28.3%	13.4%

Table 3. *Online Offerings by Institutional Control in 2013*

	Have Online Offerings	No Online Offerings
Private For-Profit	532	304
Private Non-Profit	1,430	315
Public	1,731	20

at some campuses, perhaps most notably during the failed ouster of Teresa Sullivan as president of the University of Virginia in 2012.

- **Their Students** – The digital native generation, which lives, communicates, and learns in an age with advanced technology at its fingertips, and is increasingly exposed to online learning at the K-12 level and through services such as the Khan Academy, are coming to college expecting online options.
- **Their Strategic Interests** – Online education is increasingly viewed as a core attribute as evidenced by the 65.9% of chief academic leaders in the 2013 Babson online education survey saying online learning is critical to their long-term strategy; the second highest percentage during the past decade. Further, 74% of those academic leaders responded that learning outcomes in online education are the same or superior to those in face-to-face settings (down slightly from the previous year) (Allen & Seaman, 2014).

The way non-profits have approached online learning has depended on what they hoped to gain and the resources they had to work with. In particular, they have:

- **Done It on Their Own** – Institutions with the necessary human, financial, and technological resources and a clear sense of how online learning addresses their strategic needs can find it preferable to build their online capabilities with limited outside involvement.
- **Worked with Schools in Their System** – The University of Massachusetts Online, the University of Wisconsin Extension, and the State University of New York are examples of a system approach, where several schools contribute to the online options and can share similar technology and resources.
- **Partnered with a MOOC Provider** – As of July 2014, Coursera had 52 U.S.-based college and university partners and edX 17 U.S.-based collaborating schools. While the MOOC model continues to evolve with some initiatives looking more like "traditional" online offerings, the value in the exposure they provide to institutions trying to establish an online voice cannot be dismissed.
- **Worked with an Online Enabler** – An increasing number of schools use a third-party online enabler to help them launch and manage their online program. These firms come from a variety of industries including publishing (Pearson/Embanet and Wiley/Deltak), education software providers (Blackboard), for-profit higher education institutions (Kaplan – Colloquy), and pure online service plays (2U, Academic Partnerships, Bisk). In some cases the firms are not working with the entire institution, but instead a specific department. The Parthenon Group estimates that the enablers currently bring in an estimated $1 billion a year in tuition revenue, while the market is expected to double in four years, according to Global Silicon Valley (GSV) Asset Management (Howard, 2014).

Despite the rising number of non-profit schools entering the online market, according to higher education market research and consulting firm Eduventures, only a few schools dominate the market as 3% of higher education providers enroll 45% of the total online student headcount (Eduventures, 2014). Many of those providers are for-profit institutions, including four of the top five in market share, as evidenced by the following table of leading online providers (Table 4).

Table 4. *Leading Online Education Degree Providers*

	Fall 2014 Estimated Online Students
University of Phoenix	184,000
American Public University System	111,000
Liberty University	95,000
Ashford University	61,000
Grand Canyon University	53,000
Western Governors University	50,000
Walden University	50,000
Southern New Hampshire University	44,000
Kaplan University	40,000
Excelsior College	37,000

Notes:

- DeVry University may be on this list but they do not provide data that leads to a good estimate of online degree headcount.
- The student count is for students enrolled in online degree programs.
- Sources of data include SEC filings for publicly-traded companies, analyst reports of financial filings, university-supplied fact sheets, media reports, and APUS estimates.

It is important to note that four institutions on the list gained market share in the past year: Liberty, Grand Canyon, Southern New Hampshire, and Western Governors (WGU), and all of them except Grand Canyon are non-profits. They have all successfully leveraged a distinct strategy that emphasizes their strengths.

- Liberty has capitalized on its faith-based brand generated from the legacy of the late nationally recognized minister, televangelist, and political commentator Dr. Jerry Falwell, Sr., as well as its television programming to promote the institution.
- Grand Canyon also uses its faith-based roots along with strong regional marketing, an emphasis on building campus community for onsite and online students around athletics and the arts, a focus on regional high-growth industries, and a unique reinforcing strategy where they use their high-quality academics onsite foundation (minimum onsite admissions GPA requirement of 3.0 and average onsite student GPA of 3.5) to drive full-pay online enrollments, which in turn subsidize the tuition of the onsite students (tuition discounts over 50%) enabling Grand Canyon to compete for top onsite students.

- Southern New Hampshire leverages its status as a private non-profit university while promoting its low costs and its online competency-based College for America that is aimed at corporations and charges only $2,500 a year.
- WGU, the low-cost self-paced competency-based university, has grown by promoting its affordability and the connection of its curriculum to employer needs. It has expanded to five states, establishing itself as a legislature-recognized in-state online learning institution.

The growing strength of the non-profit institutions in the top ten list is indicative of a larger trend where the traditional online, mainly for-profit, powers are beginning to lose market share to non-profit institutions that are beginning to grow their operations at a larger scale and the increasing number of smaller institutions in the space that are collectively chipping away at the overall market share. This market erosion of the larger providers is exacerbated not only by other schools expanding their offerings, but also by the proliferation of non-traditional entrants such as organizations providing American Council of Education-approved courses like StraighterLine, OER providers, MOOC companies, coding bootcamps, and badge providers. The resulting over-supply is hitting at a time of stagnating higher education enrollments and slowing online growth, producing an online content supply and demand imbalance. While this has led to a wealth of options for students seeking educational content, it has also intensified the level of competition, especially among colleges and universities attempting to enhance enrollments. In such an environment, many institutions will need to differentiate themselves if they seek to gain students through online education.

Key Online Higher Education Market Differentiators

To be successful at scale in the competitive online higher education market will take leveraging market differentiators. Among them include the following:

- Brand Matters – The prospective online student is not a particularly savvy shopper. Eduventures has noted in several of its adult higher education consumer reports over the years that most online student prospects only consider 2-3 schools, setting the highest priority for schools local to them and those that have been recommended to them by a personal acquaintance (Eduventures, 2012).

  In an increasingly competitive market, better-respected institutions with large networks of students, faculty, and alumni, will gain the reputational advantage. Coupling branding with outstanding academic quality and student service, affordable pricing, industry-relevant curriculum, and a network of professional contacts will prove a very worthy value proposition in the market. This "branding premium" combined with competitive pricing can give a huge market advantage to an already established institution. For instance, according to Eduventures, 44% of all online degree enrollments originate in the same state as the provider. However, when those data are broken down by institution-type the percentage is much higher at 77% among public institutions because they have the locational branding advantages, in-state pricing, and they provide the student comfort in being able to travel to a campus if they need face-to-face communication (Eduventures, 2014).

In specific markets, the branding impact has already been established. For example, The American Public University System, through its American Military University (AMU) founded in 1991 as an institution focused on serving the military and related national security professionals, has become the leading higher education provider in the military market in terms of enrollments through tuition assistance. It has done this by building trust among the educational service officers at bases across the country and the servicemembers whom they serve through a combination of providing one of the lowest tuition and fees in higher education, engaging in face-to-face outreach led by retired military personnel, delivering support systems and creating policies aligned with military service requirements, and offering quality academic programs associated with military and related careers. The "branding premium" in the military has led AMU to have referral rates for new military students well above 50%.

- Engaging and Effective Online Learning that Leads to Successful Outcomes – According to Eduventures annual adult higher education consumer surveys, potential online students who regard online quality as equal to face-to-face (F2F) or "depends (on the course)" continues to rise from 58% in 2006 to 71% in 2013. However, while perceptions of online learning have improved, something is missing to get prospective adult students fully invested in online education. In fact, the Eduventures research reveals that blended solutions are the most preferred among prospective adult students. Only 11% of the 3,080 prospective adult students surveyed in 2013 cited "online" as their delivery mode of preference, while 36% either said "even balance" (between campus and online) or "majority online" (Eduventures, 2013).

  Moving forward, institutions that are able to provide the feel of a blended course in an online experience may find successful learning models that appeal to a wide-range of students. Elements of such models could include:

  - **Engagement** – Educational researchers have demonstrated that effective online learning requires student engagement with the instructor, the content, and each other (Dixson, 2010). As online learning evolves, both faculty initiatives and educational technology companies are trying to address this important learning element. For example, two University of Texas at Austin psychology professors have created a Synchronous Massive Online Class (SMOC) which is a live course for online students built around student participation, engaging course content, humorous video and graphically appealing presentations, interactive chat rooms, and the use of OERs to nicely align the online experience in a collaborative environment. Online enabler company, 2U, has developed a platform that includes a grid of "live tiles" that display real-time video feeds of the professor and students during class sessions enabling student/professor interaction, similar to that of a traditional face-to-face classroom.
  - **Adaptive** – Be it intuitive within the software to intervene as necessary in a self-paced course or as a warning signal for faculty intervention in a traditional online course, adaptive learning offers the promise of rapid onsite assistance and targeted learning based on learner knowledge in an online setting.

Along with various software providers, colleges and universities are taking the lead in the field. For instance, Carnegie Mellon University has been working on adaptive applications for several years through its Open Learning Initiative, and is currently developing MOOC technology capable of identifying student learning patterns and intervening when necessary.

- **Gaming** – The New Media Consortium in its *2014 Horizon Report for Higher Education*, identified games and gamification as one of the six important developments in educational technology for higher education over the next five years because the group-play interaction and problem-solving components can enhance learning and collaboration in an online environment (Johnson, Adams Becker, Estrada, & Freeman, 2014). According to market research firm Ambient Insight, higher education gaming only comprises 1% of the near $1.6 billion global game-based learning market, but revenues are expected to triple from 2012-2017 as more institutions build gaming into their online curriculum (Adkins, 2013). Purdue University, the University of Oregon, the University of Pennsylvania, and the University of Central Florida are among the growing number of institutions that have both been on the development and application side of game-based learning.
- **Badging** – Aligned with gamification is badging. Carnegie Mellon researchers are finding that integrating badges into courses motivates students to keep learning. Purdue University is one of a growing number of institutions using badging to promote completion and provide learners with carefully defined competencies that they can use to enhance their transcript and create a profile for current and future employers.
- **Mobile** – While the use of college mobile apps continue to rise, and learning management system (LMS) providers are expanding their mobile capabilities, a fully intuitive compatible mobile online learning experience that mimics the desktop experience would have great value in providing dispersed students a seamless learning environment. This is true not only in the United States, but particularly abroad, where mobile usage is high and the Content as a Service (CaaS) model delivered through telecom providers is widely used for education purposes.

- Deliver and Leverage the Value Proposition – Increasingly, colleges and universities, both in the U.S. and abroad are relied upon as prominent contributors to sustainable economic growth in part because they serve as centers of innovation and because they can produce a knowledgeable and skilled workforce. A consequence is that schools are under growing pressure and scrutiny to cultivate students, regardless of academic major, who can readily transition into the workforce.

This dialog has fed into a broader debate around the value of higher education. A quality education at an affordable price is not a good value unless it gets the student where he or she wants to go personally and professionally. In a time of increasing student debt and what has been for the past several years, a soft job market, this focus on value has intensified.

The data show that a higher education degree has economic value as employment and salary levels rise with greater amounts of education (Figure 2

below). However, as the labor market has struggled, the value of a college education has been questioned by graduates who cannot find a job or find a job in their desired field.

- As of June 2014, at 10.5%, the unemployment rate for individuals aged 20-24 was more than twice that of those aged 25-54 at 5% (U.S. Bureau of Labor Statistics, 2014a).
- In the *Voice of the Graduate* report prepared by McKinsey & Company and Chegg, Inc., 41% of respondents from *U.S. News & World Report* top 100 colleges and 48% from non-top 100 colleges could not get a job in their desired field (Dua, 2013).
- In a 2013 student loan survey conducted by Wells Fargo, when asked about the cost for a college education in relation to opportunities a degree provides, 31% of the 1,400 millennials surveyed said they would have been better off working instead of going to college and paying tuition (Wells Fargo, 2013).

While part of the reason for the education/employment divide is grounded in the post-recession economy, many employers in the U.S. also claim that higher education does not deliver graduates with the proficiencies they need. This belief has helped shape their declining view that higher education institutions are providing value, which is in contrast to the perspectives of college presidents who believe a college education has increased in value (Figure 3).

Academics and pundits can and *will* debate whether the value of a college education is found in personal enlightenment or career preparation. The reality is that it is not an either/or proposition. The programs with the greatest impact will provide both the professional proficiencies that employers say they want and the communication, writing, interpersonal, planning, leadership, and critical thinking qualities they need, thereby positioning graduates for success in whatever endeavor they seek.

In an increasingly competitive higher education market, particularly for online students, and where the rewards of a college education are questioned, institutions that are able to unlock value, articulate it clearly, and align it to their mission and their areas of programmatic strength and differentiation will create distinction to separate themselves from other institutions thereby improving their competitive position. Today, that increasingly requires a combination of the quality education, affordability, and branding aspects previously noted above along with either a focus on industry needs and/or a clear articulation of the ways the core values of a liberal arts education are central to addressing industry concerns.

- **Competency-Based Education** – CBE is not a new approach, having been applied for decades as a staple of corporate training. Its use in higher education has wavered over that time period but in the current market, where online education provides an opportunity to develop targeted competency-based programs, the approach has gathered momentum. Even the United States Department of Education has approved certain CBE programs for federal financial aid, marking a significant shift in unlocking funding from seat time.

Institutions such as Western Governors University and Excelsior College have built curriculum around competencies either in a self-directed manner or within

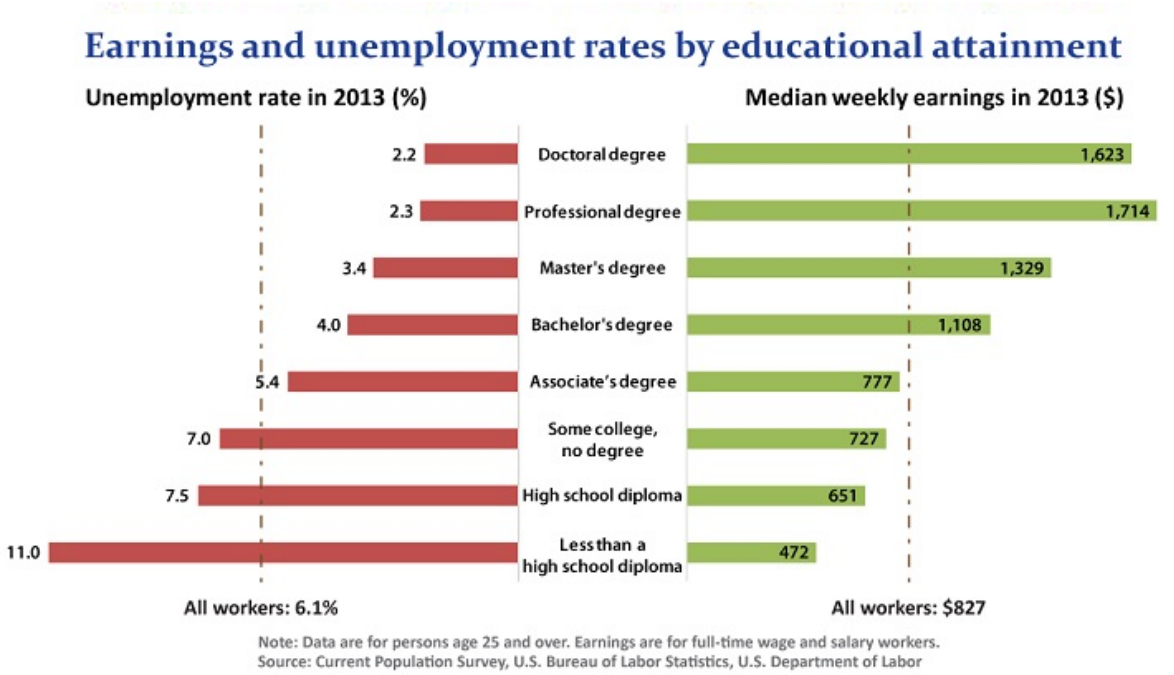

Figure 2. Earnings and unemployment rates by educational attainment

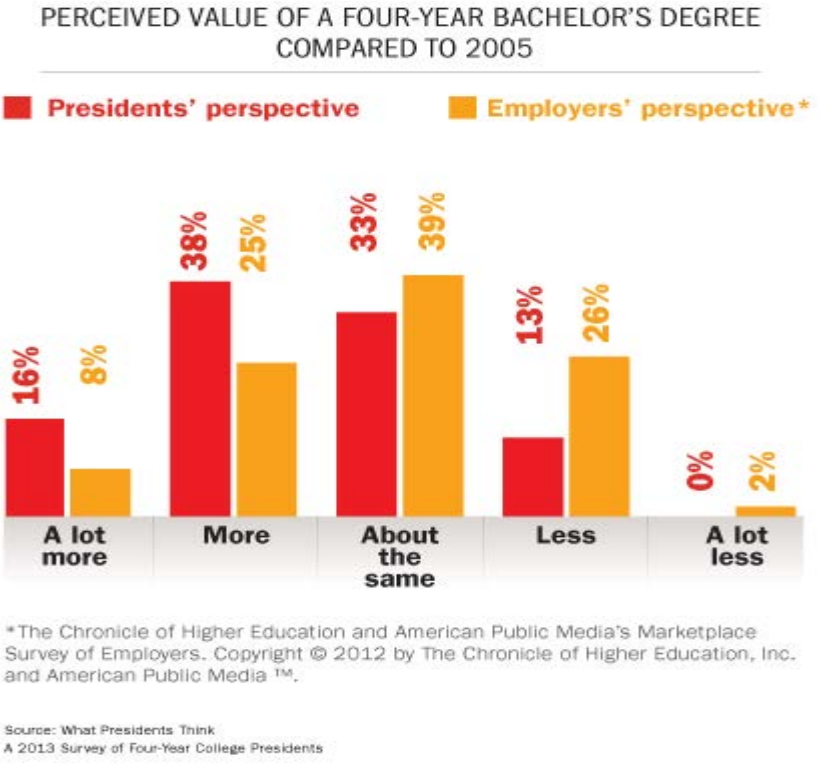

Figure 3. President and employer perspectives of the value of a bachelor's degree compared to 2005

the context of faculty-led courses. Southern New Hampshire University, with its College for America, targets companies with a low-cost CBE model to educate their workforce. The University of Wisconsin System has launched CBE to reach the education and employment goals established by its state legislature. The Lumina Foundation, through its Degree Qualifications Profile initiative, is working with dozens of institutions to enhance the alignment of competencies within their curriculum.

While one positive attribute of CBE is its alignment to targeted skills and a resulting student transcript that can be readily understandable to employers, it may be just as important as a way to keep college costs down. At $2,500 a year for all the courses one can take, the College for America program at Southern New Hampshire College represents an affordable model. The real cost advantage is that students have the opportunity to complete their degrees faster. While CBE is not a model for all students, because of the level of motivation and prior educational and professional experience required to maximize its benefits, it is likely to increasingly become a staple of many institutional offerings.

- **Modularized Learning** – Gradually, institutions are exploring partnerships with industry groups to align curriculum with their specifications. Through the use of stackable credentials, curriculum is developed that meets specific qualifications that can either be completed as a standalone certificate program or grouped together to meet an entire industry certification. Three of the more notable examples of this have been the partnership between the University of Phoenix and the National Association of Manufacturers, the North Carolina Community College System green-jobs pathway initiative, and the Texas Community College System alliance with the oil and gas industry.
- **Follow the Puck** – Hockey legend Wayne Gretzky has talked about advice his father had given him while learning the game: "Skate to where the puck is going to be, not where it has been." It is an insightful viewpoint that many innovators have embraced. As industries evolve, tracking high-demand fields and labor market trends and developing online programs around them can help an institution, especially a well-branded one, create a first-mover advantage. Likewise, identifying fields that have not seen as much online activity can also create an advantage in an increasingly crowded online market. Currently, fields such as Data/Analytics, cybersecurity, and Science, Technology, Engineering, and Mathematics (STEM) are among the areas where there exists innovation, but not yet a wide range of online offerings.
- Provide Opportunity and Articulate Success – Whether through onsite or online learning, the value proposition fails if the student does not attain his or her desired outcome, which for the majority of students is a career in their desired field. Similar to traditional students, online students require the same level of access to opportunities such as career centers, internships, and alumni networking. For an institution seeking regional or national online enrollment, this often requires expanding those services and industry contacts. It also requires the institution to develop the processes from onboarding through graduation that help clearly

articulate for students the path from degree selection to desired outcome. For-profit institutions, given their primarily adult and national student populations are particularly adept at both building those networks and helping students identify their pathways via competency dashboards and career guidance systems.

- Support Your Future Students – Colleges and universities are developing bridge programs and online high schools to generate a pipeline for new quality students (for example, the University of Texas at Austin). Additionally, some institutions with a significant amount of online content may find it appropriate to provide it as OERs or to lease it to community colleges or K-12 schools. Among the angles and considerations to providing content include:

  - Providing content to smaller colleges or community colleges that do not have many online courses may prove cost beneficial to those schools. Community colleges in particular may be a willing partner. The latest survey from the Instructional Technology Council of the American Association of Community Colleges revealed that 48% of the respondents reported that student demand for distance education courses exceeded the distance education offerings at their college in 2013 (Lokken & Mullins, 2014). In addition to supplementing the course catalog, community colleges could also be specifically interested in online content that they may not be equipped to provide, such as in STEM. Moreover, in a state system where transfer of credits among community colleges and four years schools is mandatory, providing online courses to in-state community colleges would ensure that the courses align with the four-year school degree enabling a seamless transfer for students and a potentially greater likelihood of success in completing their bachelor programs.
  - There might also be opportunities in the K-12 space for online content; however, there can be issues regarding connectivity. The February 2014 announcement by President Obama that seven private companies will give donations totaling $750 million to improve technology in schools, with the goal of connecting 99% of students to high speed internet is a positive development. However, according to the EducationSuperHighway Initiative, more than 70% of current schools are not hitting the minimum goal for Internet connectivity (Severns, 2014). Despite this, a report from Project Tomorrow noted that 83% of high schools offer online programs (Project Tomorrow, 2014). As high schools are the likely preferred market for college-generated content, there is the possibility for collaboration and content distribution.
  - Leasing content does come with its issues as there is meaningful competition from the publishers, although university content could carry credit. Some potential partners may also find that other MOOC and OER content sufficient for their needs, at least for the purposes of blended learning. There may be resistance among faculty about teaching outside content. Also, institutions and possibly accreditors may have concerns awarding credit for content that was not produced in-house.

- Use Online to Expand Your Reach Abroad – According to data retrieved from the United Nations Educational, Scientific and Cultural Organization Institute for Statistics (UIS) database, in 2012, there were over 174 million students outside the U.S. enrolled in tertiary education (which Americans commonly refer to as postsecondary education), compared to nearly 21 million enrolled in the United States. While the number of global enrollments appear substantial, in reality there is plenty of room for growth in higher education attainment internationally as the penetration rate of college-aged students (up to age 25) enrolled in tertiary education is only 32% globally, compared to the U.S. rate of 94% (UIS, 2014). Also, as in the U.S., adult students are progressively pursuing advanced education, particularly as more companies abroad seek better-qualified employees to address their workforce skills gaps and workers update their education to be competitive and increase their income.

According to the 2013 Institute of International Education (IIE) *Open Doors* report, in the 2012/13 academic year, 819,644 international students were enrolled in the U.S., an increase of 7.2% over the previous year and the seventh year of consecutive growth. Despite this growth, international students represent only 3.9% of the total number of students in American undergraduate and graduate programs. Moreover, disparity abounds as only 5% of U.S. institutions enrolled 69% of the international students that were in the U.S. in 2012/2013 and three states – California, Texas, and New York hosted 32% of the international students (IIE, 2013).

Only a small number of those international students are studying primarily online as most of these students want the on-campus experience and the amount of online learning by international students interested in studying at U.S. institutions is often restricted by foreign governments, especially if the government is sponsoring the student through scholarship programs. However, this does not mean there are not online opportunities for schools to consider. In particular, institutions should explore:

- Using MOOCs to reach foreign students and serve as a way to gauge their qualifications for admittance to the institution. In addition, as the MOOC providers continue to build their network globally with universities, corporations, and governments, MOOC-affiliated schools may gain access to potential partner institutions interested in online education.
- Creating partnerships with institutions abroad that are interested in joint and dual degree programs where portions are delivered online.
- Getting online courses/programs approved by the local Ministries of Education. In February 2014, the United Arab Emirates published a list of 105 colleges and universities around the world, including 34 in the U.S. that it recommends to UAE students for online education. (Wam, 2014)
- Using online education as part of global programs. For example, Duke University has an online element to its long-running Global Executive MBA.
- Creating partnerships with local industry.
    - For example, Apollo Global, which oversees several international colleges and universities, and HT Me-

dia Limited, which publishes the Hindustan Times, Hindustan and Mint newspapers in India, created a joint 50/50 partnership, India Education Services Private Ltd., to develop educational content and expand corporate education. The partnership in 2013 opened the Bridge School of Management that is currently offering an 11-month post-graduate blended program in management.

- International companies are also seeking appropriate online learning from U.S.-based colleges and universities to assist in employee education and training. This is especially true in some countries, such as India where the disparity between the pool of qualified college graduates and employer needs is so stark that companies help educate a large section of the workforce.

Framing Success

The online education landscape of today offers the promise of enhanced student learning and the opportunity for institutions to expand their horizons, providing greater access and enhanced efficiencies. It also offers the potential peril that without a clear strategy, some institutions may be among those left aside as Clayton Christensen has projected. Colleges and universities, through differentiation, articulating a deep understanding of what they want to achieve through online learning, incorporating some of the principles and practices previously described, and defining success on their terms, can not only find their footing on the landscape, but also thrive.

The decisions about how to go online and what is the primary institutional driver are unique to each college and university, and on many campuses, each department. The following general questions, which are by no means exhaustive, can help your campus begin to frame its online learning approach.

- Why do you want to go online?
- How does your purpose for online learning align with your institutional mission and vision?
- Where do you see your online learning program in five years?
- Whom are you trying to serve with online learning?
- How will you measure success? What tools will you use to track your progress? To whom will you report your outcomes?
- Is the cost of going online worth the benefit?
- What happens if you do not go online?
- Who is going to lead the initiative?
- What resources (human, technology, infrastructure, financial) do you have? What resources will you need?
- Should you build your online capacity in-house or seek partners? What criteria will you use for partners?
- What do your students think of online learning? What supports will you have in place for them so that they can succeed?
- Who are the faculty champions who are willing to work in online learning? What are their motivations for doing it? How can they be best supported and what training will be put in place?
- What content do you want to make available (courses, certificates, degrees, credit/non-credit)? What programs should you consider to deliver online? What are going to be your standards for online learning quality?

- What is your competitive position and what differentiator will make you noticed should you wish to take your online programs to market?
- How are you going to articulate your online initiative to your stakeholders? What mechanisms will you have in place to collect and respond to feedback from them?
- Have you discussed your online ambitions with your institutional, and if appropriate, programmatic accreditors?
- Have you explored potential state and federal regulatory and legal issues that might arise from your online programs?
- In addition to academics and information technology, what other departments and processes will be impacted (admissions, student accounts, registrar, student services, career services, marketing, etc.)? How will you support them?
- Is your current educational and business software – Learning Management System, Student Information System, Content Management System, Customer Relationship Management, etc. – sufficient for your plans?
- Is your IT network robust enough to support the bandwidth necessary for campus-wide online learning?
- Will your online learning platform support mobile delivery? What policies will you implement about technology in the classroom?

Whether and how to engage in online learning is a strategic decision that each institution must decide for itself. It is imperative that campuses have meaningful discussions about it before, during, and after any implementation. Continually exploring and understanding the environmental trends and how they interact with the institutional culture and objectives will greatly assist in making informed decisions. Ultimately, regardless of whether schools want to be major players in the market or only want to use online learning for the benefit of its traditional students, faculty, and stakeholders, to be successful they will need to address online learning in a way that is consistent with their mission and with student learning and needs at the core.

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About the Author

Jeffrey McCafferty has over 20 years of experience in higher education administration and consulting. Working directly with senior leadership in both traditional and non-traditional university settings; he has acquired and applied considerable and wide-ranging expertise in university operations and structures, strategic planning, market research, corporate training, business development, university policies, and online education. Previously the Special Assistant to the Provost at American University and a Senior Associate at ICF Consulting/Arthur D. Little, Inc., Jeffrey currently is the Associate Vice President of Strategic Planning for the American Public University System. At APUS, he coordinates with the executive management and Boards to develop, align, and track the APUS strategic plan. He also offers strategic guidance and planning on a variety of key business development and institution-wide initiatives. His environmental scanning and industry assessments are shared across the institution and with key stakeholders to support informed decision-making.