

Sparkroom

Q1 2017 HIGHER EDUCATION INQUIRY GENERATION REVIEW



About the Data in this Report

The data in this report is derived from aggregated higher education industry inquiries and is the data processed through and stored within Sparkroom performance marketing technology. All conversion data is based on last-click attribution. The data has been normalized to account for changes that do not reflect inquiry generation trends, altering previously published statistics in some cases. For additional details, see the disclosure at the end of this report.

Overview

The Sparkroom Q1 2017 Higher Education Inquiry Generation Review covers trends in the inquiry generation and student acquisition activities of higher education institutions for the period of January 2015-March 2017, with an emphasis on January-March 2017. The following topics are featured:

1. Inquiry volume trends
2. Conversion rates
3. Media channel performance
4. Degree-level distribution
5. Program distribution

The objective of this review is to provide a snapshot of the education-specific marketing evolution and also highlight trends that can help marketers better understand and adapt to the continually changing landscape.

Report Highlights

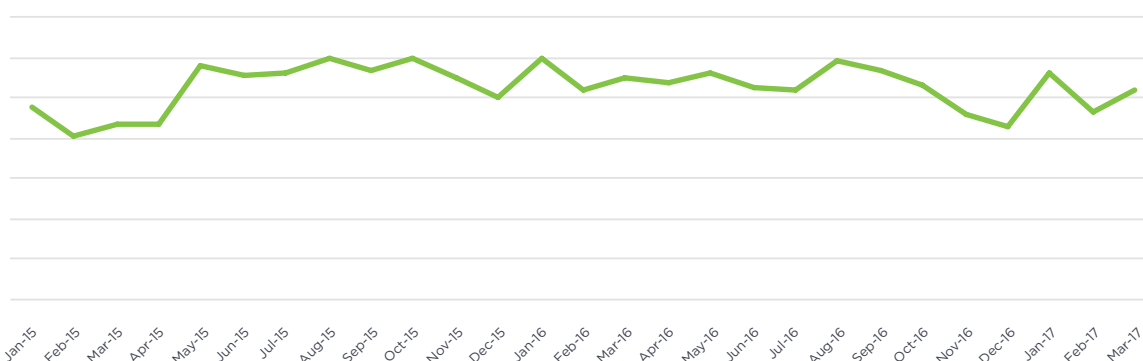
- ▶ Q1 2017 inquiry volume was up compared to Q4 2016 but down compared to Q1 2016.
- ▶ The share of inquiry volume and conversions for online-based programs has been increasing.
- ▶ Conversion rates for third-party generated inquiries were up 12.3% from 2015 to 2016.
- ▶ Conversion rates for first-party generated inquiries were down 8.1% from 2015 to 2016.
- ▶ The share of inquiry volume for third-party hot transfers and PPC inquiries has been growing.
- ▶ Conversion rates for first-party generated internal website and PPC leads have been shrinking.
- ▶ One-third of all inquiries generated in Q1 2017 were for bachelor's degrees.
- ▶ 41% of all inquiries generated in Q1 2017 were for health programs.

1. Inquiry Volume Trends

Across all channels, inquiry volume in the first quarter of 2017 was up 9.1% quarter over quarter (QOQ) but down 7.0% year over year (YOY).

The first quarter of the year is typically much stronger than the fourth quarter, so QOQ growth was expected. Although down YOY, the QOQ gain this year was much greater than the QOQ a year ago. (Q1 2016 was up only 1.2% over Q4 2015.) And while the YOY story is disappointing, the two-year gains tell a different tale. The inquiry volume for Q1 2017 was 12.1% higher than the inquiry volume for Q1 2015. March achieved the greatest two-year delta, with Q1 2017 inquiry levels 20.4% higher than Q1 2015.

Inquiry Volume - By Month, January 2015-March 2017



Inquiry Volume for Campus-Based Programs

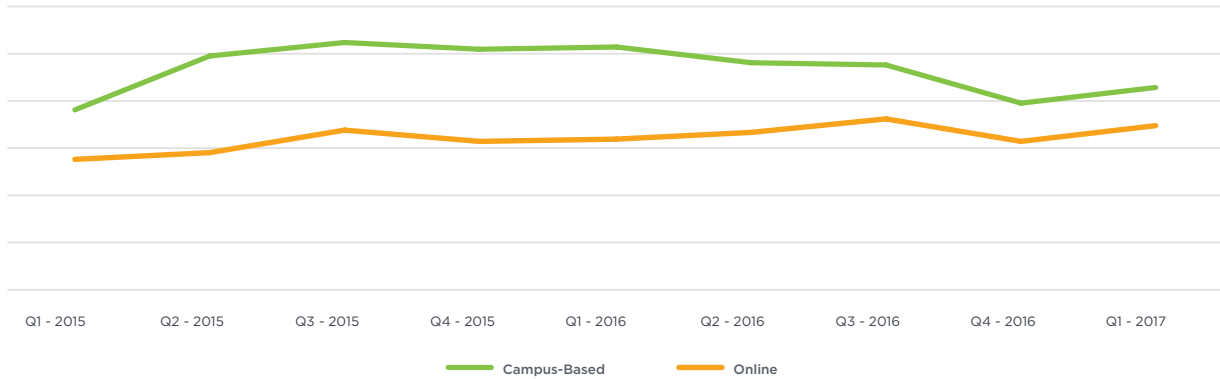
Inquiry volume for campus-based programs in Q1 2017 was down 16.8% from Q1 2016. This is, in part, the result of a strong Q1 2016. During the first quarter of 2016, a 34.7% YOY jump was realized. Despite that jump, since the third quarter of 2015 we've seen a general downward trajectory for campus-based inquiry volume. But Q1 2017 was a turning point with a QOQ increase of 8.5%.

Inquiry Volume for Online Programs

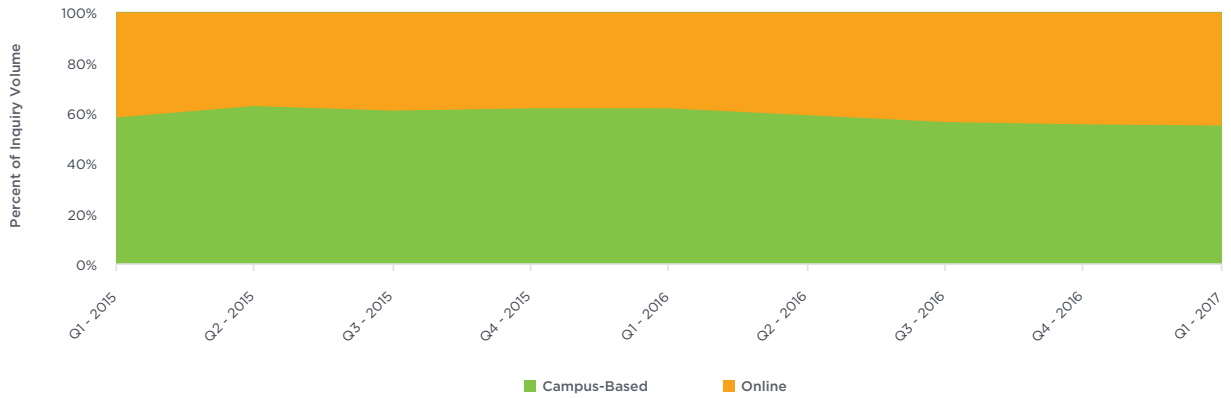
Inquiry volume for online programs was up 9.9% QOQ and up 8.6% YOY. Volume for online programs has been in a general upward course for the past nine quarters, with volume rising every quarter since Q1 2016. As a result, volume for Q1 2017 was 26.7% higher than volume for Q1 2015.

In addition, the percent of inquiry volume for online programs has been sneaking up. In Q1 2017, online programs generated a 44.9% share of inquiry volume. This was the highest since prior to 2015 and was 16.8% higher than the share of online program inquiries in Q1 2016.

Inquiry Volume - Campus-Based vs. Online - By Quarter, Q1 2015-Q1 2017



Share of Inquiry Volume - Campus-Based vs. Online - By Quarter, Q1 2015-Q1 2017



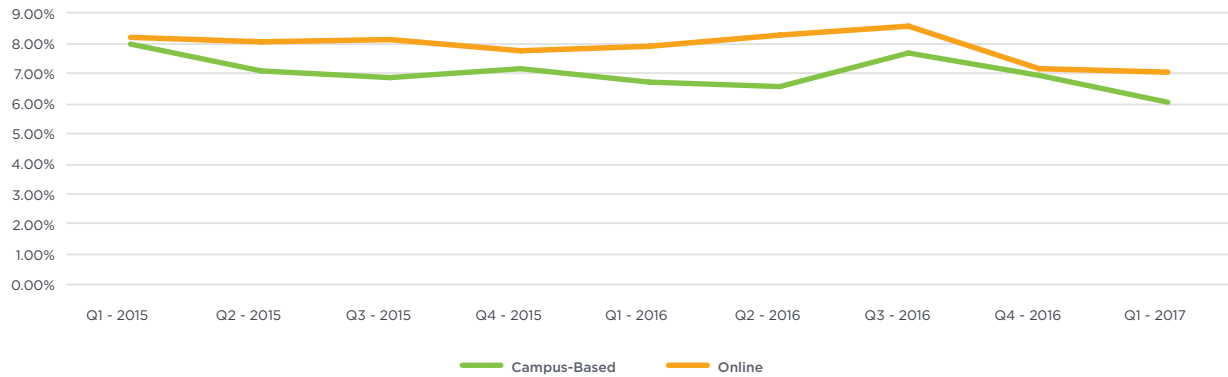
2. Conversion Rates

The average conversion rate (CVR) for all inquiries was 7.4% in 2016. This was a slight slip from the 7.5% average CVR achieved in 2015. The average CVR for online programs was flat at 8.0% in both 2015 and 2016. Meanwhile, the average CVR for campus-based programs slipped from 7.2% in 2015 to 7.0% in 2016.

The average CVR in Q1 2017 was 6.5% and should continue to rise as the cohort of inquiries fully matures.¹ We anticipate, once fully seasoned, the Q1 2017 CVR will at least equal the 7.0% CVR of Q4 2016 and possibly the 7.2% CVR of Q1 2016.

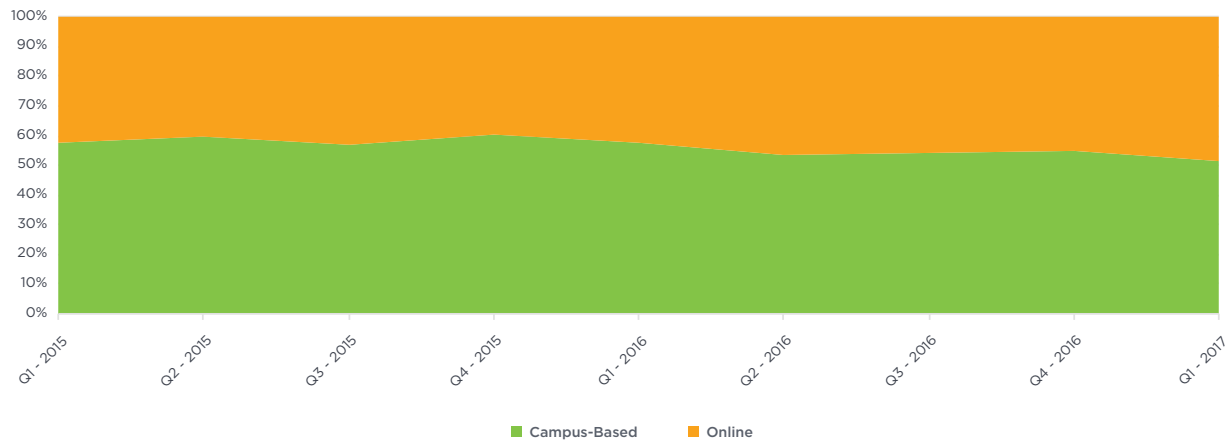
The average CVR for Q1 2017 campus-based program inquiries was 6.0% — appreciably below the 6.9% CVR of Q4 2016 and the 6.8% CVR of Q1 2016. The average CVR for Q1 2017 online program inquiries was 7.0% and will likely achieve or surpass the 7.2% CVR of Q4 2016. It is unlikely, however, that the Q1 2017 CVR for online programs will reach the year-prior CVR of 7.9%.

Average Conversion Rates - Campus-Based vs. Online - By Quarter, Q1 2015-Q1 2017



The share of conversions for online programs is growing even faster than the share of inquiries for online programs. Almost half (48.9%) of all conversions in Q1 2017 were for online programs. This represents 15.8% YOY growth.

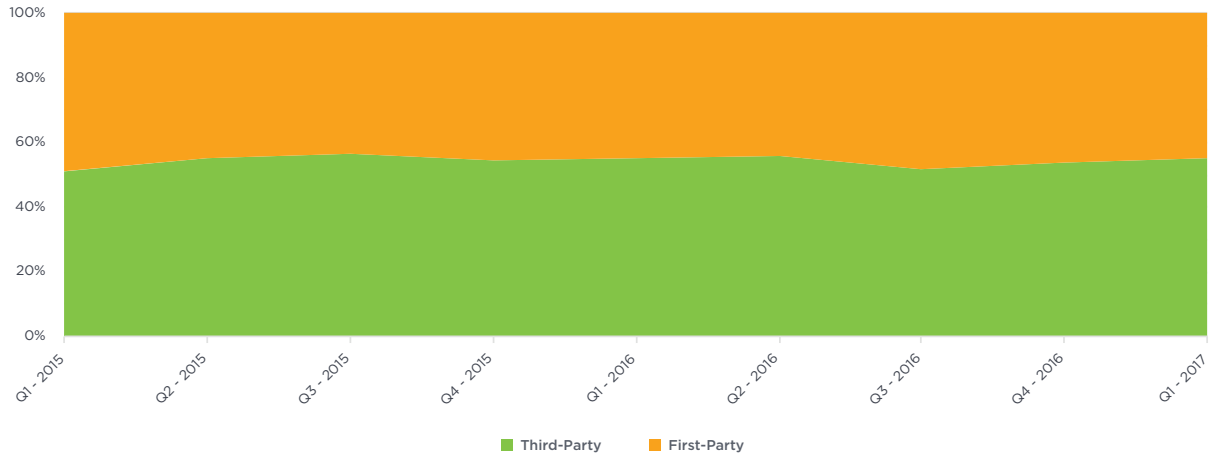
Share of Conversions - Campus-Based vs. Online - By Quarter, Q1 2015-Q1 2017



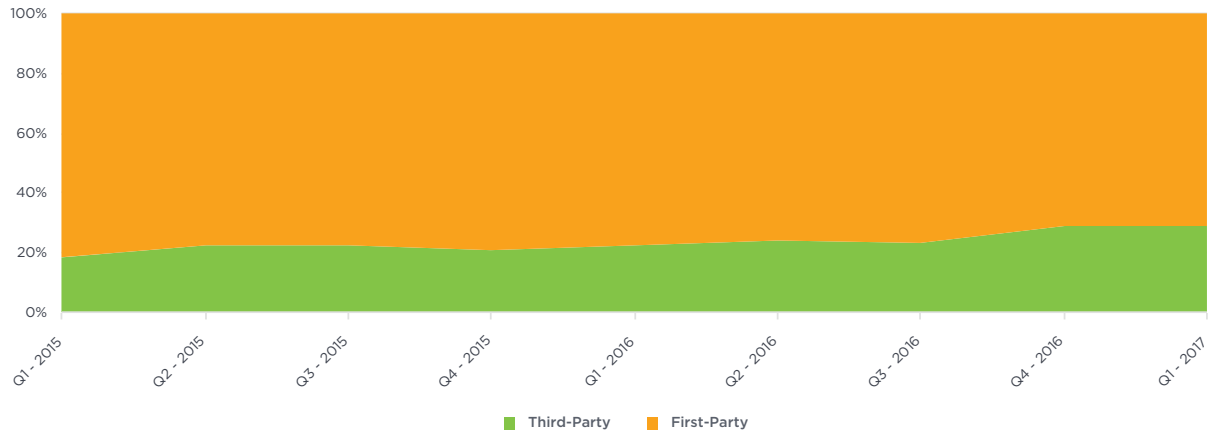
3. Media Channel Performance

The share of volume (SOV) for third-party inquiries ticked up a bit to 55.5% during Q1 2017. Despite this move, the SOV stayed within the same range it's been in since the beginning of 2015. The share of conversions (SOC) from third-party sources was 29.1% in Q1 2017. This was flat to Q4 2016, but high compared to prior year performance. This increased SOC from third-party sources is likely the result of numerous strategies and tactics, like enhanced filtering, that schools and lead providers have put in place over the past couple of years to boost the quality of inquiries generated.

Share of Inquiry Volume - First-Party vs. Third-Party - By Quarter, Q1 2015-Q1 2017



Share of Conversions - First-Party vs. Third Party - By Quarter, Q1 2015-Q1 2017



Third-Party Performance

Conversion rates for third-party inquiries improved from 2015 to 2016. The CVR was up 12.3% from 3.0% in 2015 to 3.3% in 2016. With inquiry volume for campus-based programs down in 2016 compared to 2015, the CVR increase is not a surprise. In general, conversion rates improve as volume declines because the sources with the lowest conversion rates are typically removed from media plans first.

In Q1 2017, the third-party conversion rate was even stronger — already at 3.4% when the data was pulled in May, with more maturing to come. If the Q1 2017 CVR tops 3.5%, it'll be the highest CVR for third-party leads since prior to 2015.

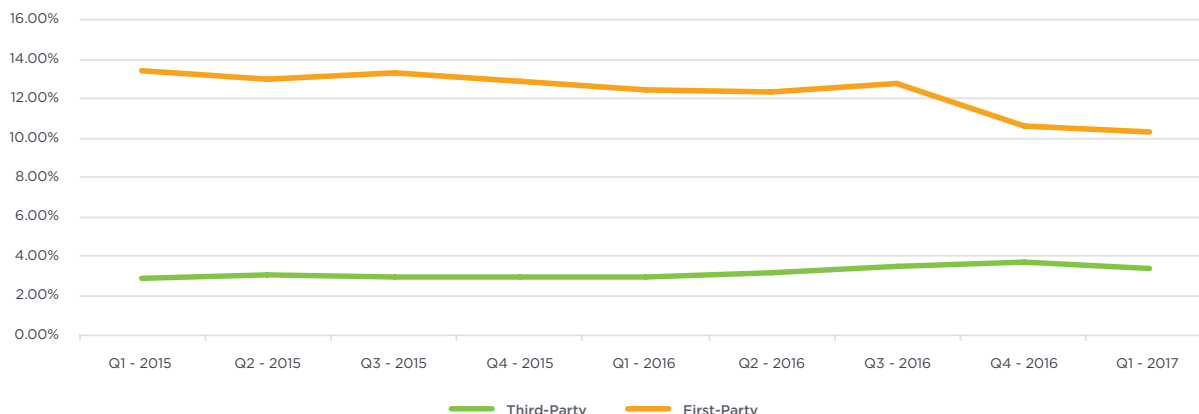
First-Party Performance

Conversion rates for first-party sources were 12.1% in 2016. This is down 8.1% from the 13.2% average CVR for first-party sources in 2015.

In Q1 2017, the first-party CVR was 10.3%. With more maturing to come, it may reach the 10.6% conversion rate of Q4 2016, but it is unlikely to achieve the 12.4% conversion rate of Q1 2016.

Although first-party leads still deliver much better performance than third-party leads, the delta between the CVRs is contracting. In 2015, first-party CVRs were 343.8% higher than third-party CVRs. In 2016, first-party CVRs were only 263.5% higher than third-party CVRs. We believe this change can be attributed in part to the growing adoption of first-party digital channels, like social media, that assist overall performance but do not deliver the final click prior to conversion.

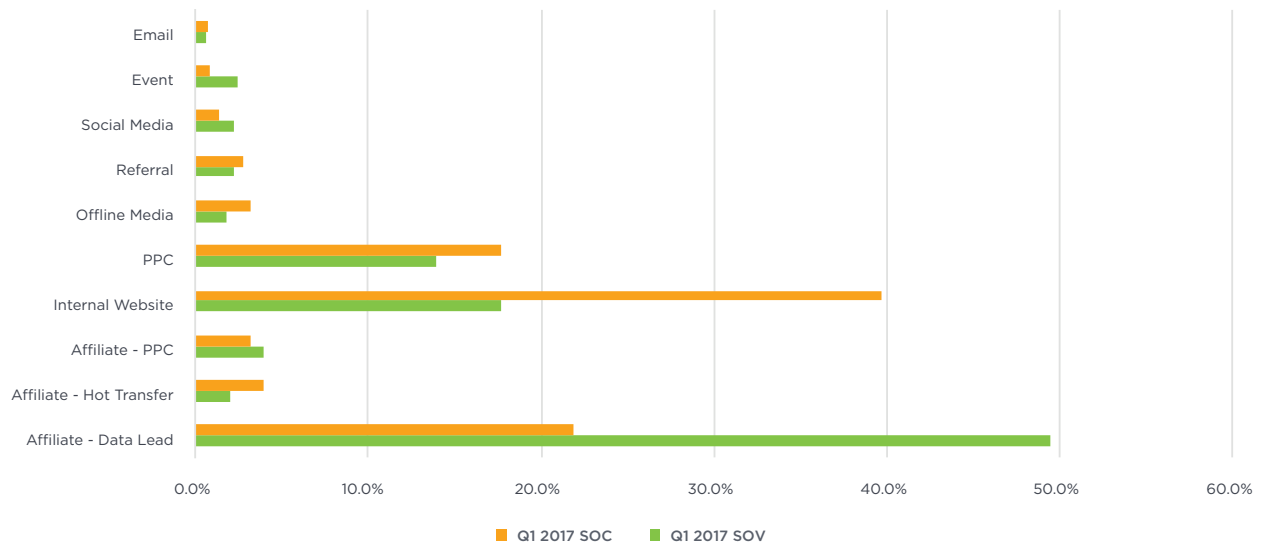
Average Conversion Rate - First-Party vs. Third-Party - By Quarter, Q1 2015-Q1 2017



SOV, CVR and SOV - By Channel, 2015 vs 2016 vs Q1 2017

Media Channel	2015			2016			Q1 2017		
	SOV	CVR	SOC	SOV	CVR	SOC	SOV	CVR	SOC
All Third-Party	54.31%	2.96%	21.12%	54.05%	3.33%	24.44%	55.48%	3.39%	29.05%
Data Lead	52.20%	2.77%	18.99%	50.16%	2.96%	20.18%	49.50%	2.86%	21.88%
Hot Transfer	1.23%	9.41%	1.52%	1.88%	10.55%	2.70%	2.07%	12.37%	3.96%
Affiliate PPC	0.88%	5.28%	0.61%	2.00%	5.73%	1.56%	3.91%	5.33%	3.22%
All First-Party	45.69%	13.15%	78.88%	45.95%	12.09%	75.56%	44.52%	10.32%	70.95%
Internal Website	19.20%	16.37%	41.25%	19.27%	16.19%	42.41%	17.74%	14.48%	39.68%
PPC	13.59%	10.03%	17.89%	13.73%	9.24%	17.25%	13.98%	8.19%	17.68%
Offline Media	1.93%	11.26%	2.86%	1.52%	13.42%	2.78%	1.84%	11.32%	3.22%
Referral	2.02%	17.75%	4.70%	2.06%	10.70%	3.00%	2.28%	7.81%	2.75%
Social Media	2.27%	6.67%	1.99%	2.84%	4.00%	1.55%	2.24%	3.85%	1.33%
Event	1.31%	9.41%	1.61%	1.58%	6.34%	1.36%	2.43%	2.23%	0.84%
Email	0.85%	10.67%	1.18%	0.59%	11.11%	0.90%	0.59%	8.53%	0.78%
PPC - Inbound Call	0.10%	16.75%	0.22%	0.15%	14.76%	0.30%	0.14%	15.28%	0.32%
Inbound Phone	0.06%	16.62%	0.13%	0.18%	12.08%	0.30%	0.22%	9.11%	0.31%
Display	0.68%	2.08%	0.19%	0.53%	2.88%	0.21%	0.36%	4.44%	0.24%
All Other	3.70%	14.12%	6.86%	3.49%	11.59%	5.50%	2.70%	9.10%	3.79%

SOV vs. SOC - By Channel - Q1 2017



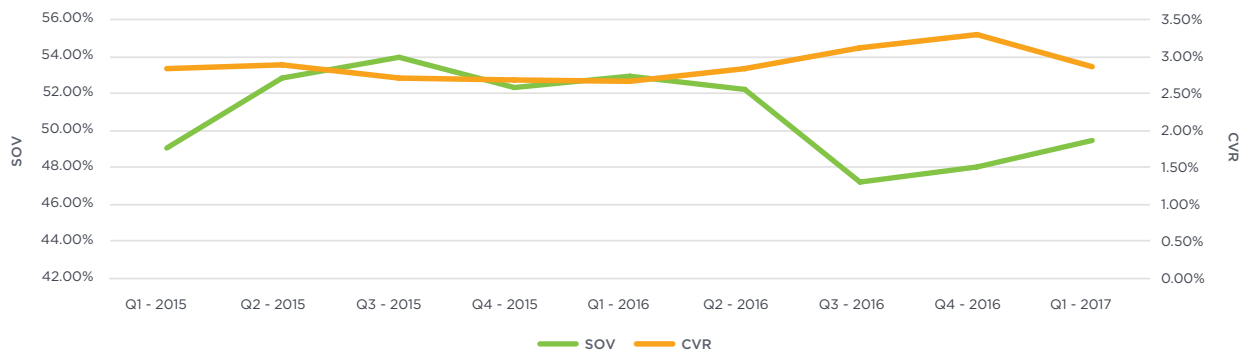
Third-Party Data Lead Volume, Performance & Price

The share of volume for third-party data leads slipped from 52.2% in 2015 to 50.2% in 2016 and then trickled down a tiny bit more to 49.5% in Q1 2017. As is typically seen, the CVR experienced converse movement, growing from 2.8% in 2015 to 3.0% in 2016. When the data was pulled in May, the Q1 2017 CVR was 2.9% and will likely top 3.0% once fully mature.

Due to the improved CVR, the SOC for third-party data leads was up (from 19.0% in 2015 to 20.2% in 2016 to 21.9% in Q1 2017) despite the SOV slip.

In Q1 2017, the average cost per inquiry (CPI) for third-party data leads was \$42.10. There was no movement on this metric from the prior quarter.

Third-Party Data Leads - SOV vs. CVR - By Quarter, Q1 2015-Q1 2017



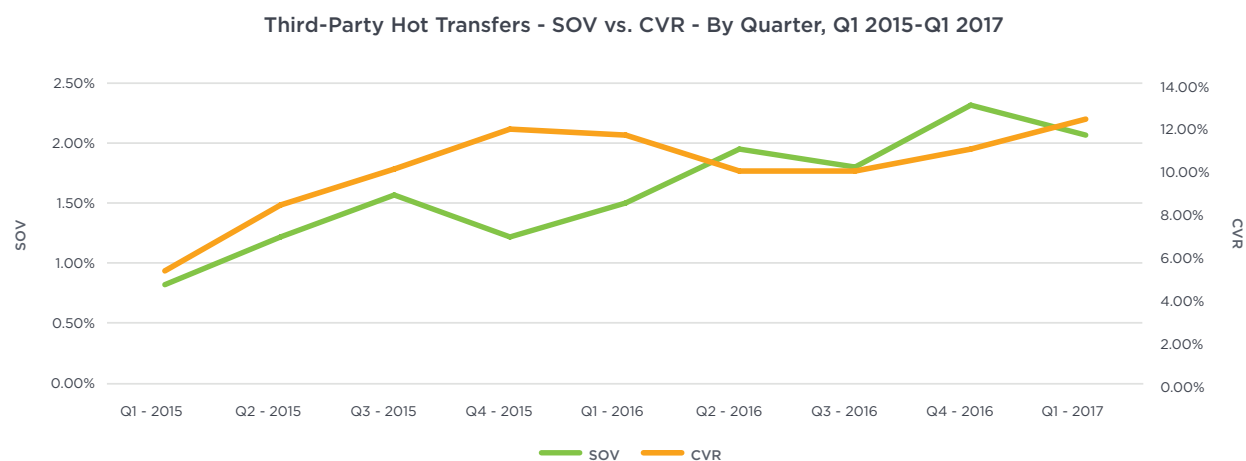
Third-Party Hot Transfer Volume, Performance & Price

The SOV for third-party hot transfers has grown more than 150% since the start of 2015. In Q1 2015, the SOV was only 0.8%. Two years later, in Q1 2017, SOV for third-party hot transfers topped 2%.

The conversion rate for hot transfers has been climbing as well. In 2015, the CVR was 9.4%. In 2016, it had progressed to 10.6%. In Q1 2017, the CVR for hot transfers was 12.4%. That's up 135% from two years prior. Impressively, the CVR for hot transfers was more than 300% higher than the CVR for data leads during Q1 2017.

The scaling SOV and improving CVR have compounded to produce a significant rise in the hot transfer share of conversions. In 2015, the SOC for hot transfers was 1.5%. By Q1 2017, it was 4.0%. The growth from Q1 2015 to Q1 2017 was greater than 630%. In fact, the Q1 2017 hot transfer SOC was greater than that of all first-party channels except internal website and PPC.

The cost of hot transfers has been normalizing over the past couple of years. It spiked in Q3 and Q4 2016 but then decreased slightly down to an average CPI of \$95.34 in Q1 2017. With this price and the high conversion rate, hot transfers were a bargain in Q1 2017. The average cost per conversion from hot transfers was almost half the average cost per conversion from data leads.



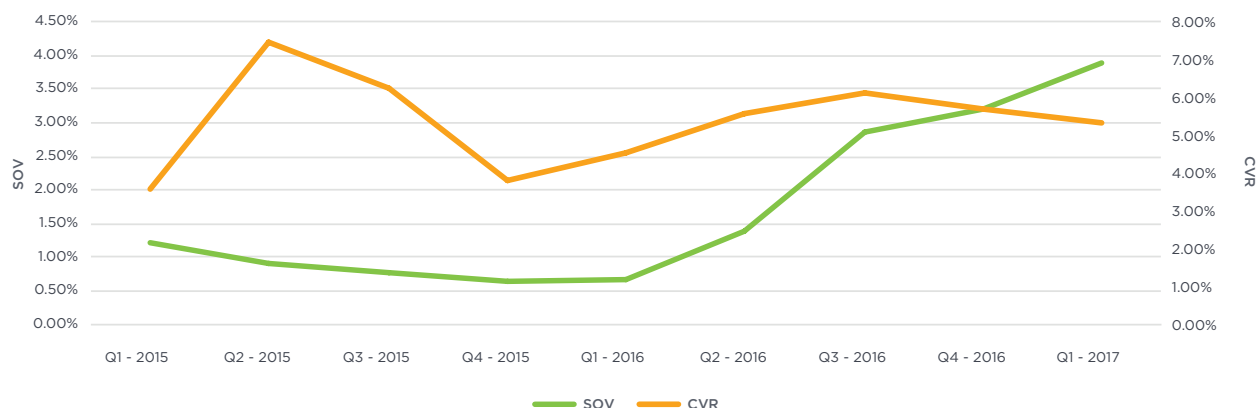
Affiliate PPC Lead Volume, Performance & Price

The conversion rate for affiliate PPC leads was 86.2% higher in Q1 2017 than the CVR for third-party data leads. Although the affiliate PPC CVR has stayed flat - in the 5% range - for some time, the high CVR in comparison to data leads has driven demand. Increasingly, vendors have built out PPC campaigns resulting in SOV growth from 0.9% in 2015 to 2.0% in 2016 to 3.9% in Q1 2017.

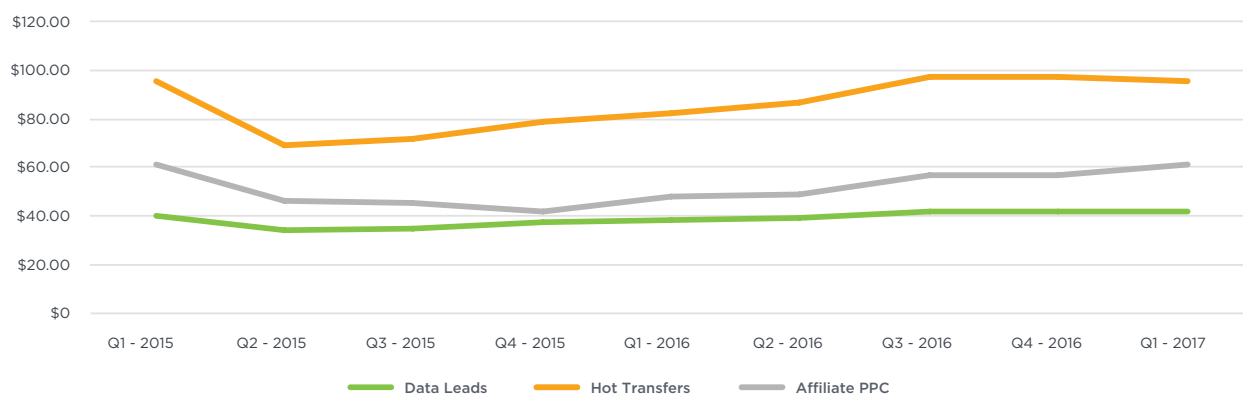
The share of conversions for affiliate PPC leads has followed a similar trajectory. In Q1 2017, the SOC was almost four times the SOC from two years prior.

The price of affiliate PPC leads has fluctuated. In Q1 2015, the average CPI was \$61.23. The CPI then slipped quarter after quarter to a low of \$41.71 in Q4 2015. After that point, the CPI started to climb until it reached \$61.24 in Q1 2017 — one cent higher than the average CPI of two years ago. Based on the cost per conversion, however, this CPI appears to be too high. The average cost per conversion for affiliate PPC leads was 32.7% higher than the average cost per conversion for third-party data leads in Q1 2017.

Affiliate PPC - SOV vs. CVR - By Quarter, Q1 2015-Q1 2017



CPI for Third-Party Leads - By Channel - By Quarter, Q1 2015-Q1 2017

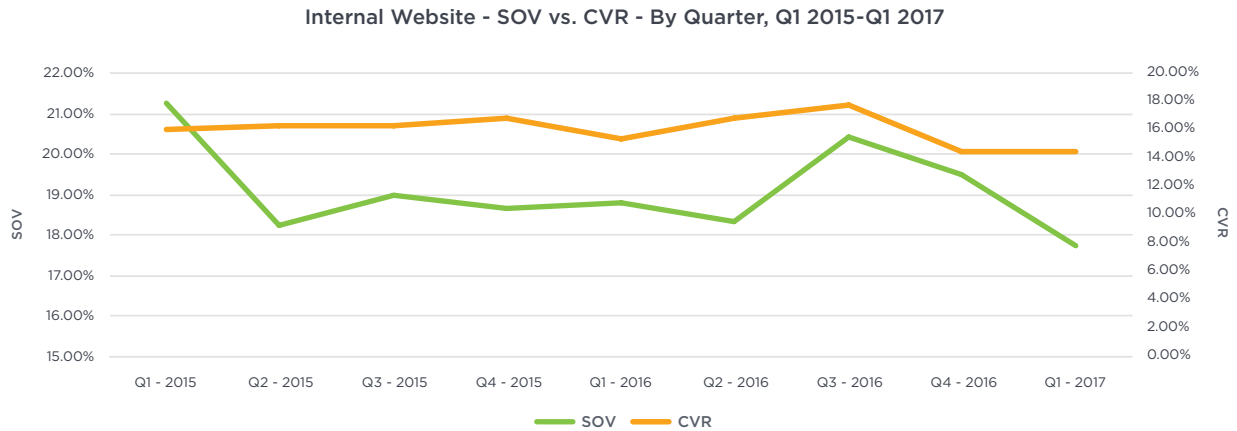


Internal Website Lead Volume & Performance

The SOV for internal website leads was basically flat from Q2 2015 to Q2 2016. During the second half of 2016, SOV for internal website leads climbed. But then it slipped below 18% in Q1 2017, lower than since prior to 2015.

It's important to note that the trend for internal website lead volume (versus SOV) differs. It's much flatter with just slight ups and downs.

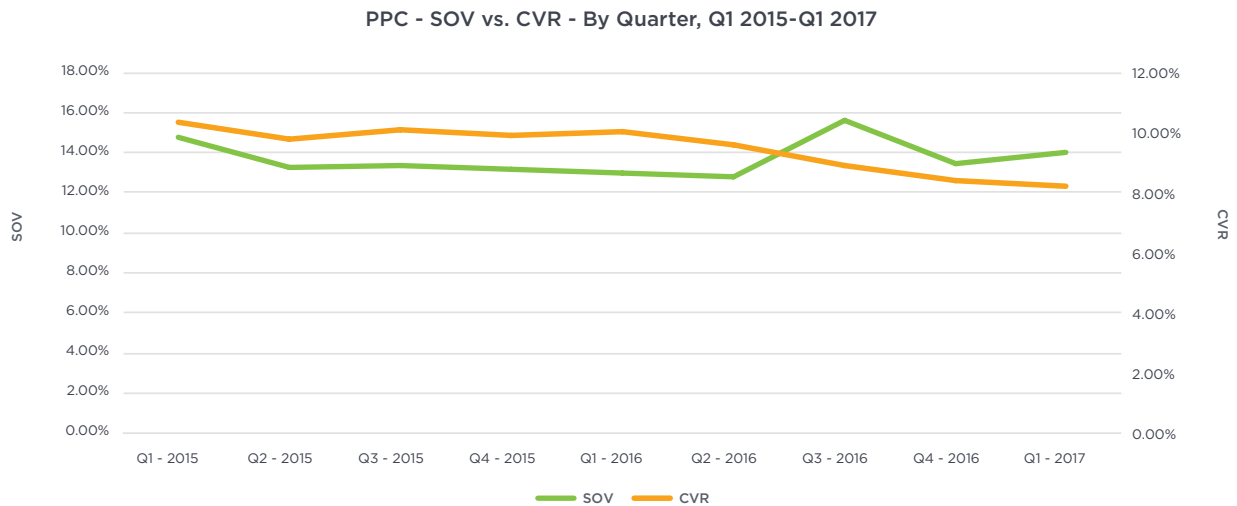
Like SOV, the conversion rate for internal website leads was down in Q1 2017 and in Q4 2016. It's suggested that schools pay close attention to the CVR of their internal website leads. If average CVRs continue to decline, it may be a sign of lower quality organic traffic strategies or sources — something that can (and should) be addressed.



First-Party PPC Lead Volume & Performance

The SOV for first-party generated PPC leads has been relatively flat, in the 13% range, since 2015 (though the Q1 2017 SOV rounds to 14.0%).

According to the *Google Q1 2017 Education Search Analysis* report, higher education paid search has become more competitive over the past few years. As a result, click prices have been rising while conversion rates have fallen. In 2015, first-party PPC leads averaged a CVR of 10.0%. In 2016, the CVR was down to 9.2%, and in Q1 2017 it was only 8.2%.

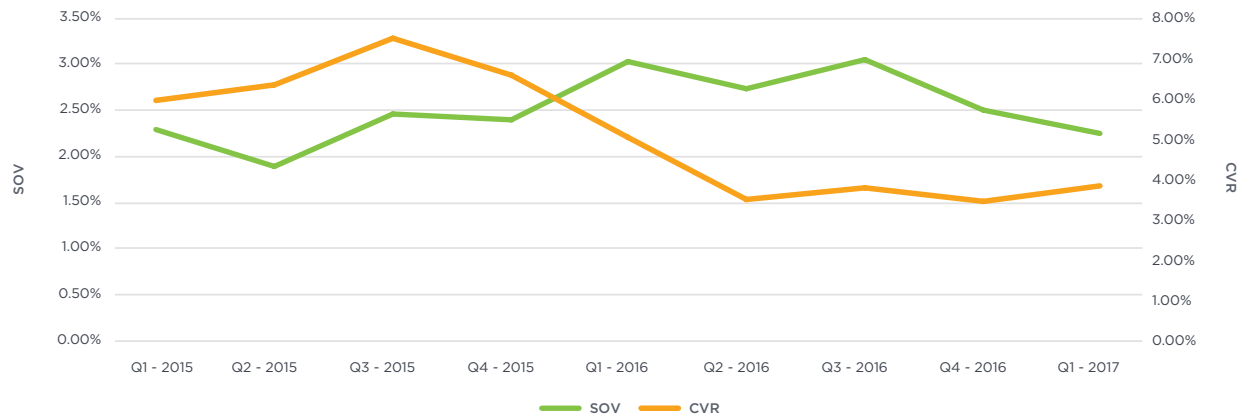


Social Media Lead Volume & Performance

Social media lead generation campaigns are struggling to scale. The SOV for this channel has fluctuated in the 2-3% range. The CVR was up and down as well, but it stayed within the 3% range for the last three quarters of 2016. In Q1 2017, the CVR climbed to 3.9% and will likely top 4% once these leads are fully mature. Though strong for social media leads, it was still a low CVR for first-party leads.

In general, social media is better at building awareness than at providing the last click prior to inquiry. Due to the difficulty of tracking attribution for the social media channel, it seems higher education marketers have been reluctant to commit large budgets to social media campaigns.

Social Media - SOV vs. CVR - By Quarter, Q1 2015-Q1 2017



4. Degree-Level Distribution

Degree Type	2015			2016			Q1 2017		
	SOV	CVR	SOC	SOV	CVR	SOC	SOV	CVR	SOC
Doctorate	3.63%	6.63%	3.50%	3.24%	6.09%	2.90%	3.43%	4.04%	2.31%
Master's	17.05%	7.97%	19.50%	16.02%	7.52%	17.71%	14.94%	6.35%	15.78%
Bachelor's	30.44%	9.20%	40.27%	31.99%	8.52%	40.04%	30.90%	7.06%	36.26%
Associate	20.31%	4.41%	12.90%	20.79%	6.16%	18.82%	22.35%	6.68%	24.84%
Certificate	8.80%	5.23%	6.60%	8.35%	5.37%	6.58%	8.62%	5.24%	7.51%
Diploma	18.35%	5.28%	13.90%	18.58%	4.40%	12.02%	18.93%	3.93%	12.38%
Other Degree Types	1.40%	16.50%	3.40%	1.03%	12.66%	1.92%	0.82%	6.74%	0.92%

Degree Type	Campus-Based				Online			
	2016 SOV	2016 CVR	Q1 2017 SOV*	Q1 2017 CVR	2016 SOV**	2016 CVR	Q1 2017 SOV**	Q1 2017 CVR
Doctorate	0.60%	9.55%	0.63%	8.22%	6.80%	5.65%	6.88%	3.64%
Master's	4.55%	14.92%	4.92%	12.72%	29.47%	6.15%	26.08%	5.09%
Bachelor's	19.63%	12.27%	20.59%	9.38%	28.82%	7.91%	27.56%	6.75%
Associate	18.30%	4.52%	16.09%	4.52%	27.00%	7.68%	34.41%	7.32%
Certificate	16.88%	5.29%	16.93%	5.06%	1.22%	5.80%	1.16%	5.33%
Diploma	39.19%	3.66%	40.39%	3.33%	5.24%	7.52%	2.59%	9.06%
Other Degree Types	0.80%	15.93%	0.46%	2.10%	1.45%	10.58%	1.32%	8.50%

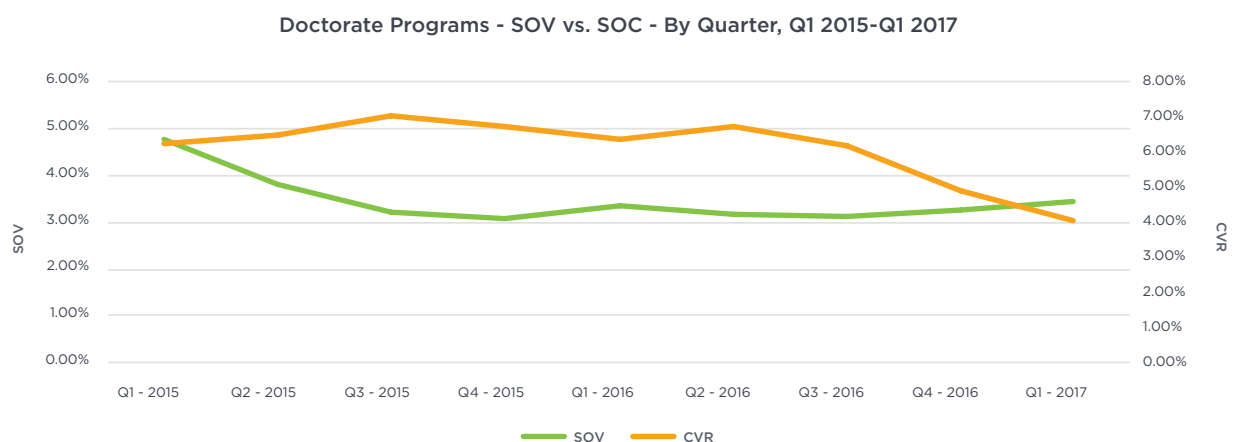
* SOV as a percentage of only campus-based program inquiries.

** SOV as a percentage of only online program inquiries.

Doctorate Program Inquiry Volume & Performance

The SOV for doctorate programs shrank from 3.6% in 2015 to 3.2% in 2016 with conversion rates following a similar path, decreasing from 6.6% in 2015 to 6.1% in 2016. During the first quarter of 2017, the SOV stepped back up to 3.4% but the CVR was only 4.0%.

Online doctorate programs delivered a 6.9% SOV in Q1 2017 with a CVR of just 3.6%. Meanwhile campus-based doctorate programs had a SOV less than 1% with an above average 8.2% CVR.



Top 5 Doctorate Programs (Ranked by Q1 2017 SOV)

Doctorate Programs	Q1 2017 SOV	Q1 2017 CVR
Business Administration & Management, General	0.65%	2.58%
Educational Leadership & Administration, General	0.51%	4.94%
Psychology, General	0.40%	2.76%
Nursing Practice	0.31%	5.09%
Education, General	0.24%	4.10%

Master's Program Inquiry Volume & Performance

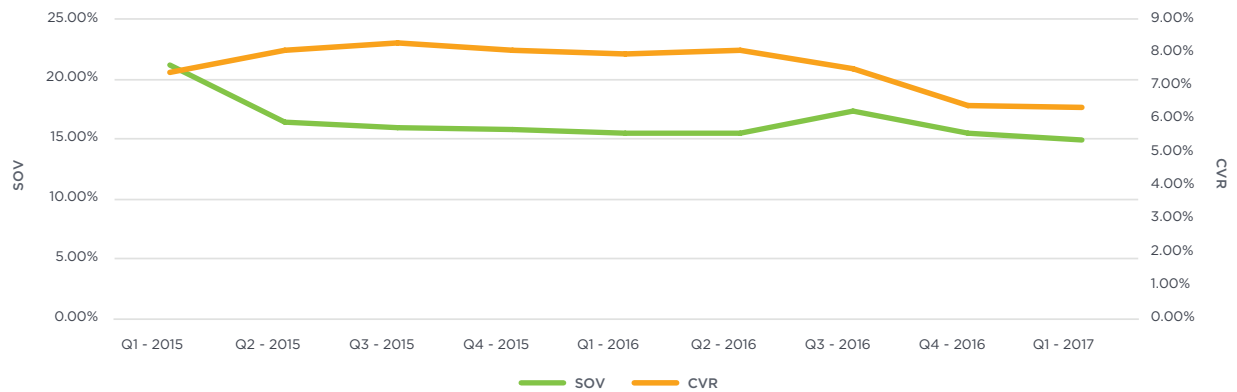
The SOV for master's programs has been declining — from 17.1% in 2015 to 16.0% in 2016 to 14.9% in Q1 2017.

The conversion rate for master's programs was relatively flat from Q2 2015 to Q2 2016, with the peak of 8.3% occurring in Q3 2015. Starting in Q3 2016, the master's program CVR started to decline. In Q1 2017, the CVR achieved only 6.4%.

The result of slipping volume share and conversion rates, the master's program share of conversions was down from 19.5% in 2015 to 17.7% in 2016 to only 15.8% in Q1 2017.

Online master's programs are much more popular than campus-based master's programs. In Q1 2017, more than one-quarter of all online program inquiries, yet only 5% of campus-based inquiries, were from people interested in master's degrees. However, conversion rates for campus-based master's programs are much healthier than conversion rates for online master's programs — 12.7% compared to 5.1% in Q1 2017.

Master's Programs - SOV vs. CVR - By Quarter, Q1 2015-Q1 2017



Top 5 Master's Programs (Ranked by Q1 2017 SOV)

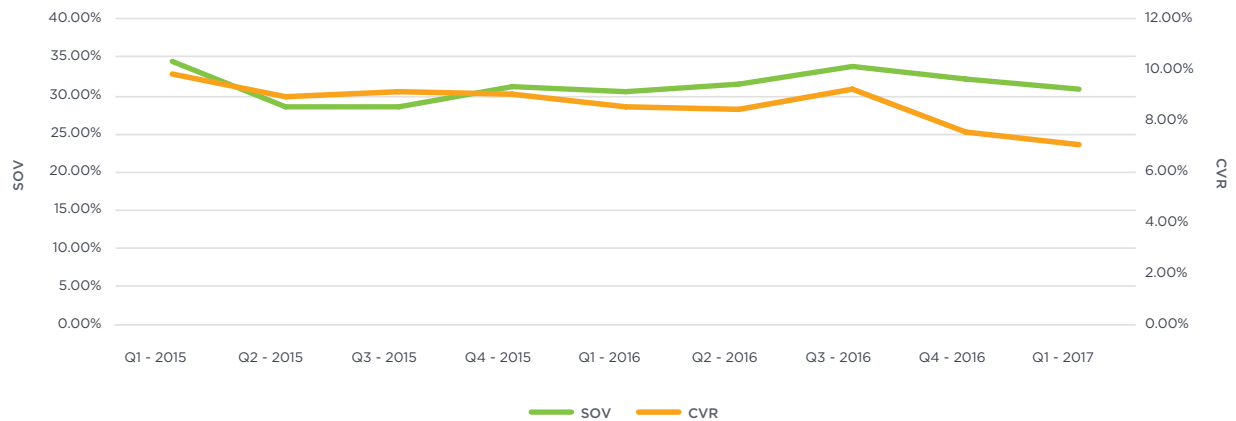
Master's Programs	Q1 2017 SOV	Q1 2017 CVR
Business Administration & Management, General	3.49%	5.83%
Nursing/Registered Nurse (RN, ASN, BSN, MSN)	1.11%	7.39%
Curriculum & Instruction	0.68%	5.27%
Psychology, General	0.65%	4.10%
Educational Leadership & Administration, General	0.56%	5.74%

Bachelor's Degree Inquiry Volume & Performance

Though the SOV for bachelor's degree leads slipped in Q1 2017 compared to 2016, one-third of all inquiries during the first quarter of 2017 were for bachelor-level programs. The conversion rate for bachelor's programs slipped as well — down to 7.1% in Q1 2017, a significant drop from the average 8.5% conversion rate of 2016.

In Q1 2017, inquiries for bachelor's programs equated to more than one-quarter of all online inquiries and more than one-fifth of all campus-based inquiries. The conversion rate for campus-based bachelor's programs was much higher than for online bachelor's programs in Q1 2017 (9.4% compared to 6.8%). This was even more exaggerated in 2016 when online programs delivered a 12.3% conversion rate compared to 7.9% for campus-based bachelor's programs.

Bachelor's Degrees - SOV vs. SOC - By Quarter, Q1 2015-Q1 2017



Top 5 Bachelor's Programs (Ranked by Q1 2017 SOV)

Bachelor's Programs	Q1 2017 SOV	Q1 2017 CVR
Nursing/Registered Nurse (RN, ASN, BSN, MSN)	5.52%	5.31%
Business Administration & Management, General	2.77%	18.37%
Liberal Arts & Sciences/Liberal Studies	2.12%	2.31%
Web Page, Digital/Multimedia & Information Resources Design	1.99%	4.46%
Medical Insurance Coding Specialist/Coder	1.35%	6.25%

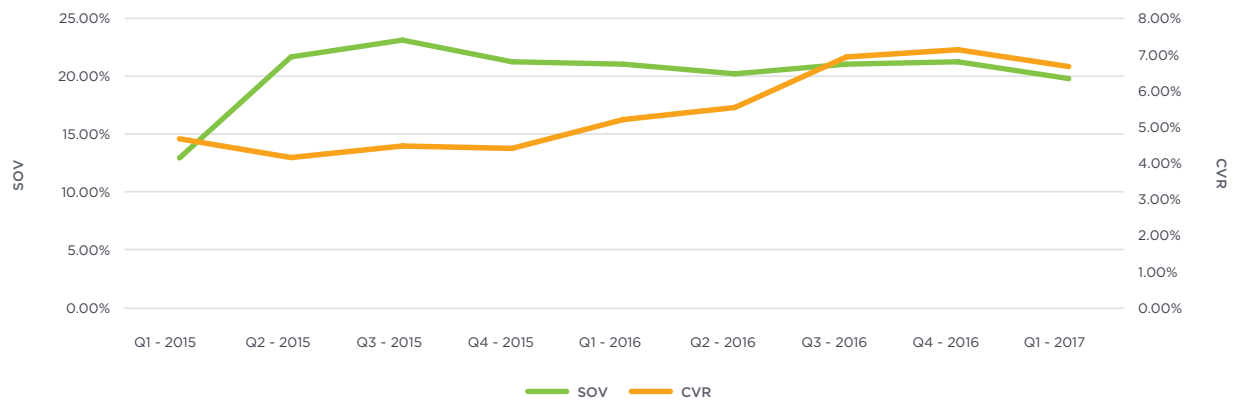
Associate Degree Inquiry Volume & Performance

Approximately one-fifth of all inquiries in 2015 and 2016 were for associate programs. In Q1 2017, the SOV for associate programs grew to 22.4%.

The conversion rate for associate programs has been on a clear upward trend. In 2015, the average CVR for associate programs was just 4.4%. In 2016, it averaged 6.2%. In Q1 2017, the CVR was 6.7% with additional maturation to come. As a result of this high CVR, associate programs delivered almost one-quarter of all conversions in Q1 2017.

The associate-level share of online program inquiries was even higher. In 2016, associate programs brought in 27.5% of all the online format inquiries. In Q1 2017, almost one-third of all online program inquiries were for the associate level. Meanwhile the SOV for campus-based associate programs slipped from 18.3% in 2016 to 16.1% in Q1 2017 — a drop of 12.1%.

Associate Degrees - SOV vs. SOC - By Quarter, Q1 2015-Q1 2017



Top 5 Associate Programs (Ranked by Q1 2017 SOV)

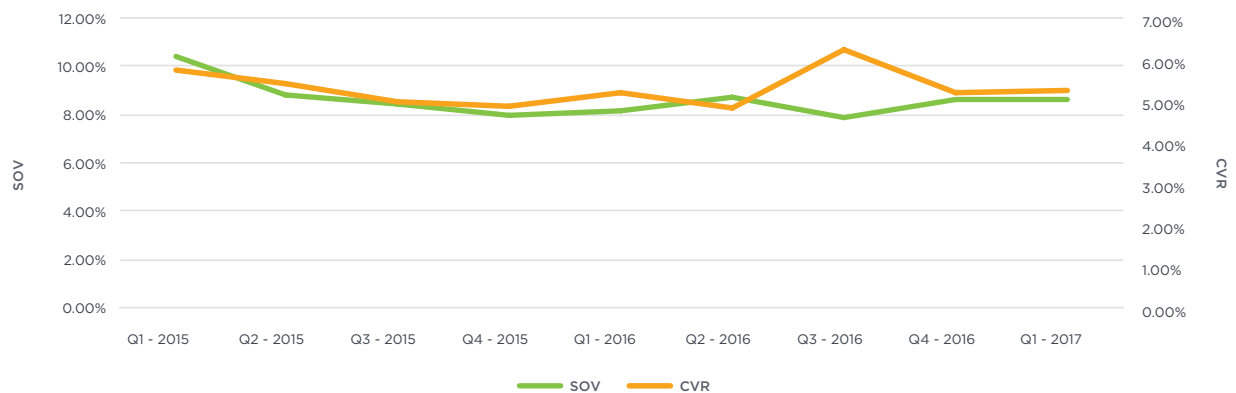
Associate Programs	Q1 2017 SOV	Q1 2017 CVR
Medical Insurance Coding Specialist/Coder	2.82%	10.29%
Medical Office Assistant/Specialist	2.43%	10.32%
Business Administration & Management, General	2.11%	7.39%
Accounting	1.89%	1.64%
Medical/Clinical Assistant	1.50%	2.77%

Certificate Program Inquiry Volume & Performance

The SOV for certificate programs has been pretty consistent — 8.8% in 2015 followed by 8.4% in 2016 and 8.6% in Q1 2017. Meanwhile, the CVR has been inversely consistent — 5.2% in 2015, then 5.4% in 2016 and back to 5.2% in Q1 2017.

The majority of certificate inquiries are for campus-based programs. Campus-based certificate inquiries held a SOV of 16.9% in Q1 2017 compared to a 1.2% SOV for online certificate programs.

Certificate Programs - SOV vs. SOC - By Quarter, Q1 2015-Q1 2017



Top 5 Certificate Programs (Ranked by Q1 2017 SOV)

Certificate Programs	Q1 2017 SOV	Q1 2017 CVR
Welding Technology/Welder	1.42%	5.32%
Medical/Clinical Assistant	1.28%	3.08%
Truck & Bus Driver/Commercial Vehicle Operator & Instructor	0.60%	18.35%
Medical Insurance Coding Specialist/Coder	0.50%	2.59%
Dental Assisting/Assistant	0.33%	5.03%

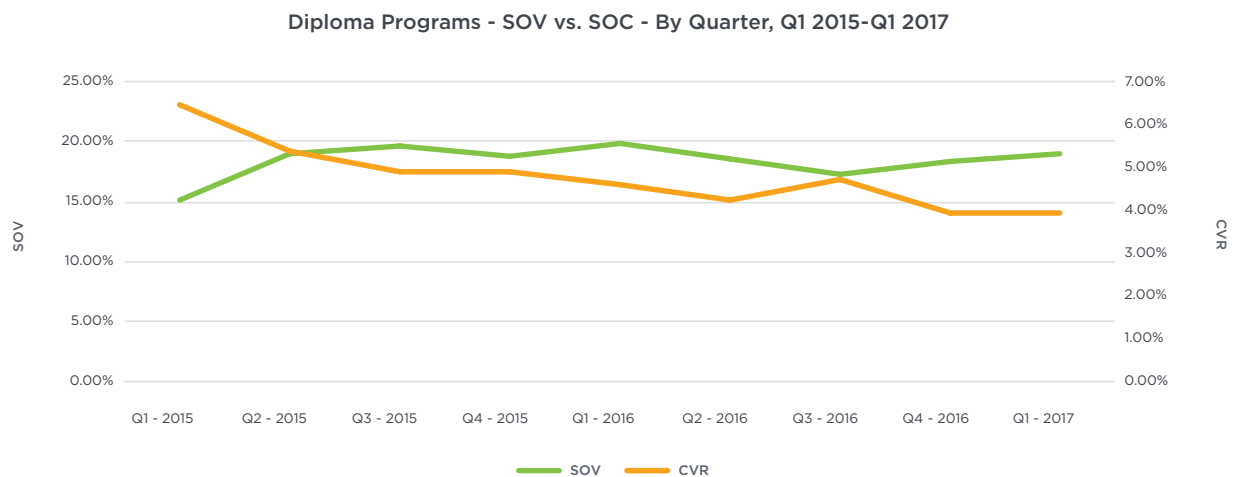
Diploma Program Inquiry Volume & Performance

In light of gainful employment regulations, it seems as though many higher education institutions have been working to balance program cost with employment outcomes, especially for diploma programs. With these changes well in the works, marketing efforts for diploma programs scaled and the SOV for diploma programs rose slightly — from 18.4% in 2015 to 18.6% in 2016 to 18.9% in Q1 2017.

Unfortunately, the conversion rate did not follow suit. The average conversion rate for diploma programs was 5.3% in 2015. This dropped to 4.4% in 2016 and was down to 3.9% in Q1 2017.

In Q1 2017, two-fifths of all campus-based inquiries were for diploma programs. This SOV was up slightly from 2016. The conversion rate for campus-based diploma programs was lower than average at just 3.7% in 2016 and 3.3% in Q1 2017.

On the flip side, the inquiry volume for online diploma programs was minimal, resulting in a SOV of just 2.6% (a drop of 50.6% from 2016) but with an above-average conversion rate of 9.1%.



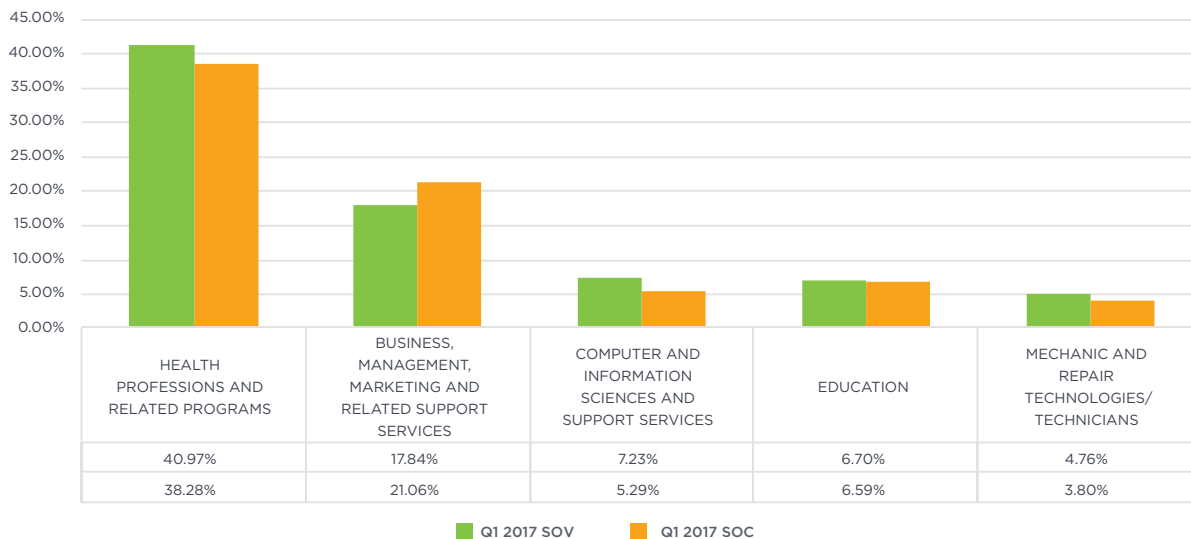
Top 5 Diploma Programs (Ranked by Q1 2017 SOV)

Diploma Programs	Q1 2017 SOV	Q1 2017 CVR
Medical/Clinical Assistant	3.88%	3.65%
Heating, Air Conditioning, Ventilation & Refrigeration Maintenance Technology/Technician	2.04%	4.37%
Office Management & Supervision	1.63%	1.58%
Automobile/Automotive Mechanics Technology/Technician	1.35%	5.55%
Dental Assisting/Assistant	1.04%	5.26%

5. Program Distribution

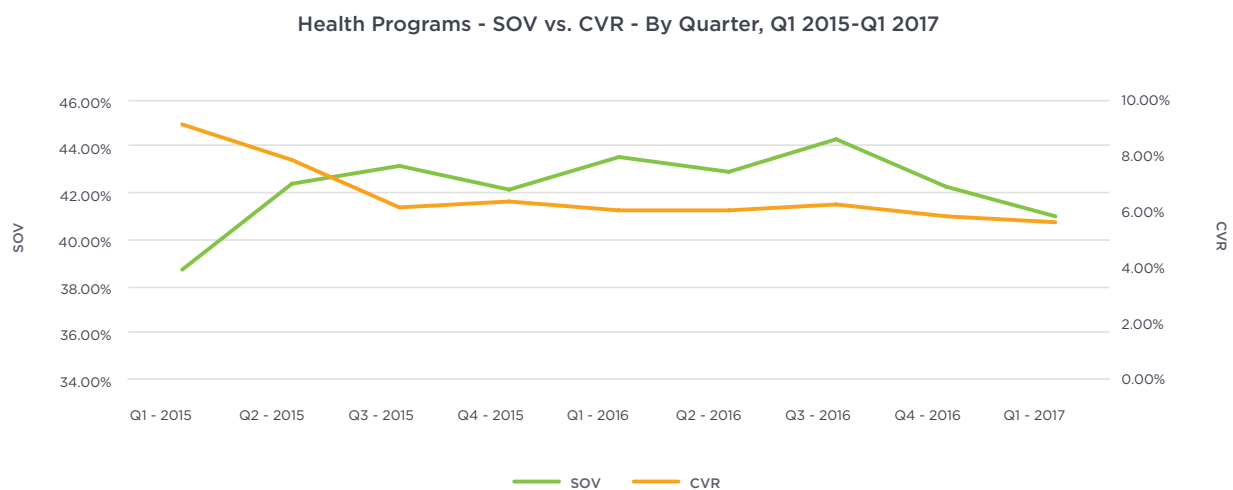
Top Program Categories	2016 SOV	2016 CVR	Q1 2017 SOV	Q1 2017 CVR
1. Health Professions & Related Programs	43.29%	6.70%	40.97%	5.58%
2. Business, Management, Marketing & Related Support Services	19.60%	7.19%	17.84%	7.05%
3. Computer & Information Sciences & Support Services	6.33%	5.39%	7.23%	4.37%
4. Education	6.31%	8.30%	6.70%	5.87%
5. Mechanic & Repair Technologies/Technicians	4.30%	5.10%	4.76%	4.77%

Top 5 Program Categories - SOV vs. SOC - Q1 2017



Health Programs Volume & Performance

Though SOV slipped a touch in Q1 2017, health programs kept their strong hold as the top program category, with more than two-fifths of all inquiries for the period. In fact, when individual programs were ranked by Q1 2017 share of volume, health programs held the second- through sixth-place spots. And there are eight health programs within the top 20.



Top 5 Health Programs (Ranked by Q1 2017 SOV)

Program Name	Q1 2017 SOV	Q1 2017 CVR	Q1 2017 SOC	SOV Change YOY
Nursing/Registered Nurse (RN, ASN, BSN, MSN)	7.56%	5.64%	7.08%	-24.62%
Medical/Clinical Assistant	7.09%	3.36%	3.96%	2.25%
Medical Insurance Coding Specialist/Coder	5.33%	7.51%	6.66%	10.22%
Medical Office Assistant/Specialist	2.96%	9.35%	4.60%	-10.63%
Health/Health Care Administration Management	2.56%	6.37%	2.70%	0.24%

The average conversion rate for all health programs was 5.6% in Q1 2017. This was down from 6.7% in 2016. Two health programs had notable conversion rate changes.

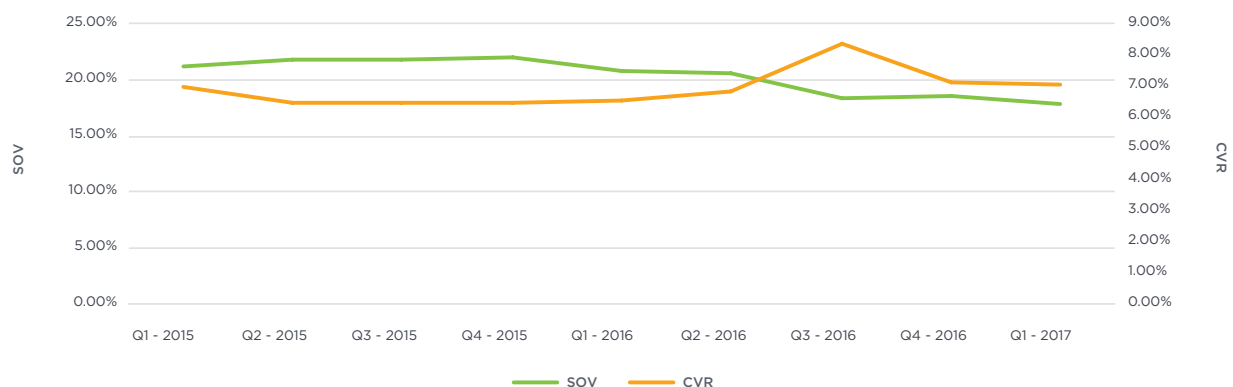
- ▶ **Nursing/Registered Nurse:** CVR was down from 7.4% in 2016 to 5.6% in Q1 2017
- ▶ **Medical Office Assistant/Specialist:** CVR was up from 8.1% in 2016 to 9.4% in Q1 2017

Business Program Inquiry Volume & Performance

Despite a meaningful decline in SOV (from 19.6% in 2016 to 17.8% in Q1 2017), the business category remained in the second-place spot, with Business Administration as the top program across all categories.

Business conversion rates were strong at 7.1% in Q1 2017 and are expected to pass the average 7.2% CVR achieved in 2016 once fully mature. In fact, the business programs category had the highest CVR of the top-five program categories in Q1 2017.

Business Programs - SOV vs. CVR - By Quarter, Q1 2015-Q1 2017



Top 5 Business Programs (Ranked by Q1 2017 SOV)

Program Name	Q1 2017 SOV	Q1 2017 CVR	Q1 2017 SOC	SOV Change YOY
Business Administration & Management, General	9.08%	9.83%	14.85%	-25.74%
Accounting	2.31%	4.02%	1.55%	74.02%
Office Management & Supervision	1.70%	1.53%	0.43%	47.72%
Business/Commerce, General	1.11%	2.38%	0.44%	-43.22%
Organizational Leadership	0.88%	6.12%	0.89%	45.69%

Although the SOV for Business Administration continues to drop, its SOV in Q1 2017 was 20.2% above the SOV for the second-place program (Nursing). Surprisingly, only three business programs held top-20 spots: Accounting was #9 and Office Management and Supervision was #14.

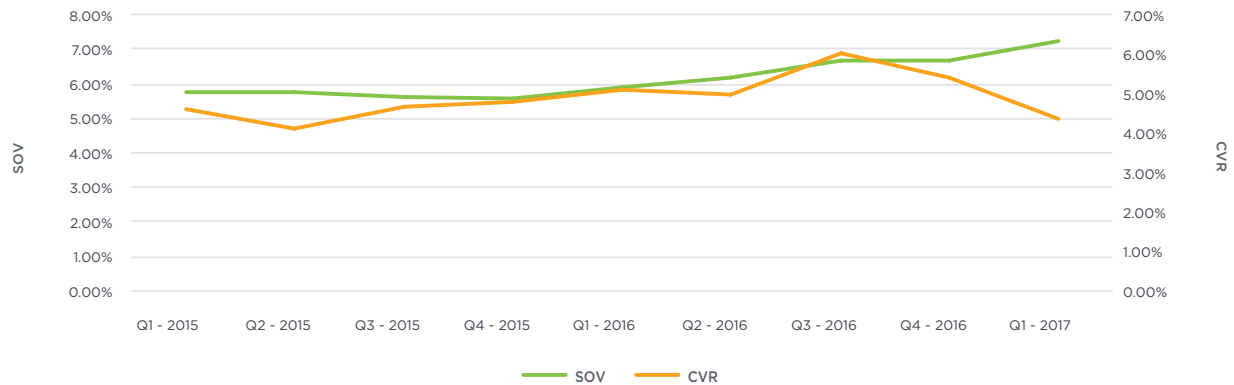
There were two notable business program CVR changes in Q1 2017:

- ▶ **Business Administration:** CVR was up from 8.9% in 2016 to 9.8% in Q1 2017
- ▶ **Accounting:** CVR was down from 7.5% in 2016 to 4.0% in Q1 2017

Computer Program Inquiry Volume & Performance

The third-place program category, Computer and Information Sciences and Support Services, has seen growth in its SOV — up 14.2% from 2016 and up 27.2% from 2015 to a 7.3% SOV in Q1 2017. However, at just 4.4%, computer programs averaged the lowest CVR of all the top-five program categories.

Computer Programs - SOV vs. CVR - By Quarter, Q1 2015-Q1 2017



Top 5 Computer Programs (Ranked by Q1 2017 SOV)

Program Name	Q1 2017 SOV	Q1 2017 CVR	Q1 2017 SOC	SOV Change YOY
Web Page, Digital/Multimedia & Information Resources Design	1.99%	4.43%	1.46%	36.42%
Computer Science	1.48%	0.80%	0.20%	69.73%
Computer Systems Analysis/Analyst	1.15%	9.07%	1.73%	16.40%
Computer Systems Networking & Telecommunications	0.74%	3.73%	0.46%	0.37%
Information Technology	0.62%	7.26%	0.75%	5.83%

Though all of the top-five computer programs experienced year-over-year SOV growth, none of them ranked in the top ten across all programs, and just two (Web Page Design and Computer Science) ranked in the top 20.

The conversion rates ranged dramatically across the top five computer programs, from less than 1% for Computer Science to above 9% for Computer Systems Analysis. One computer program had a notable CVR change in Q1 2017:

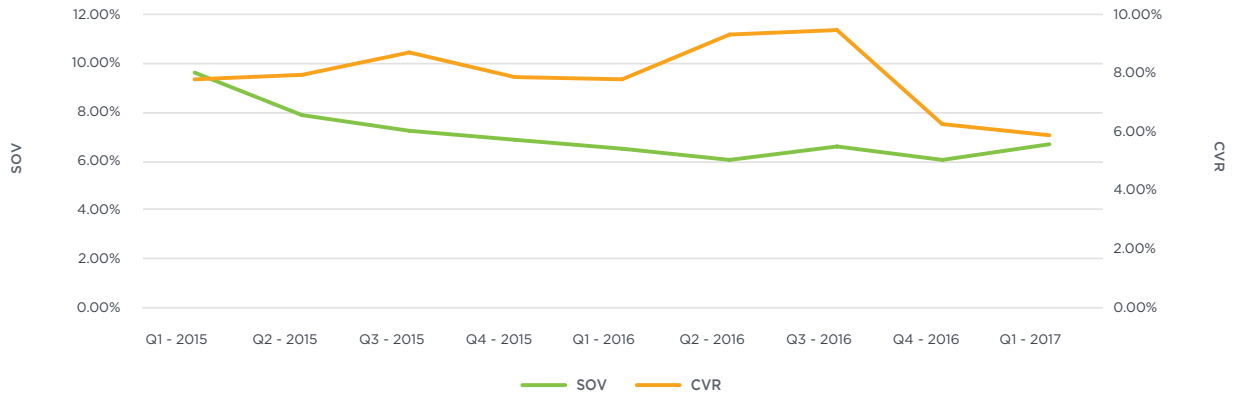
► **Information Technology:** CVR rose from 5.2% in 2016 to 7.3% in Q1 2017

Education Program Inquiry Volume & Performance

Share of volume for education programs slipped slightly from 2015 to 2016 but then climbed in Q1 2017 to reinforce education's spot as the fourth-place program category. Meanwhile, the average CVR for education programs was down significantly in Q1 2017 (5.9% compared to 8.3% in 2016), a trend shared across all education programs.

Despite its fourth-place category ranking, only one education program (Early Childhood Education) ranked among the top 20 programs.

Education Programs - SOV vs. CVR - By Quarter, Q1 2015-Q1 2017



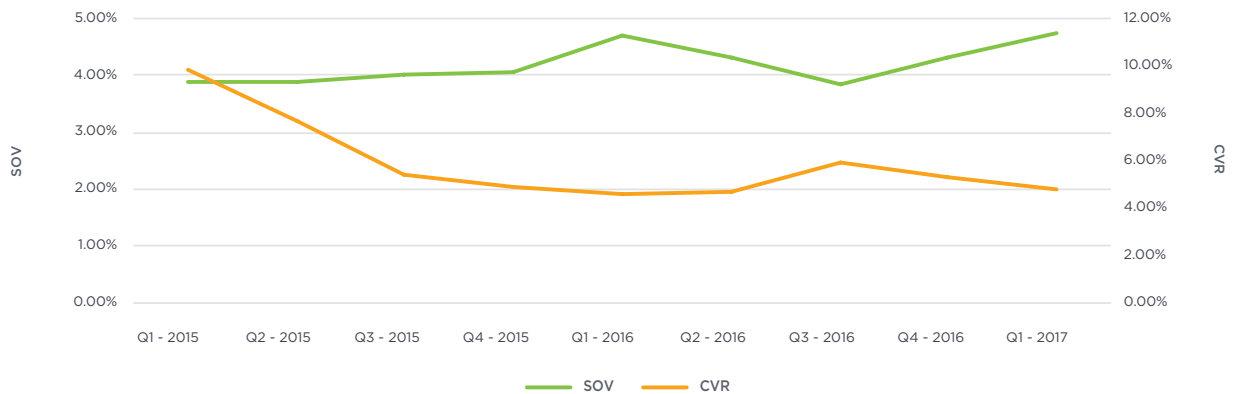
Top 5 Education Programs (Ranked by Q1 2017 SOV)

Program Name	Q1 2017 SOV	Q1 2017 CVR	Q1 2017 SOC	SOV Change YOY
Early Childhood Education & Teaching	1.44%	4.52%	1.08%	37.44%
Educational Leadership & Administration, General	1.17%	6.77%	1.32%	-4.61%
Education, General	1.00%	5.40%	0.90%	12.76%
Curriculum & Instruction	0.74%	5.16%	0.63%	-12.93%
Elementary Education & Teaching	0.62%	8.97%	0.92%	-28.16%

Mechanic Program Inquiry Volume & Performance

Mechanic programs rounded out the top-five program categories with a growing SOV that was up 10.7% from 2016 to Q1 2017. However, the CVR for mechanic programs has been declining. It was 6.7% in 2015, then 5.1% in 2016. In Q1 2017, the CVR was only 4.8%.

Mechanic Programs - SOV vs. CVR - By Quarter, Q1 2015-Q1 2017



Top 5 Mechanic Programs (Ranked by Q1 2017 SOV)

Program Name	Q1 2017 SOV	Q1 2017 CVR	Q1 2017 SOC	SOV Change YOY
Heating, Air Conditioning, Ventilation & Refrigeration Maintenance Technology/Technician	2.33%	4.44%	1.72%	16.88%
Automobile/Automotive Mechanics Technology/Technician	1.34%	5.55%	1.24%	-31.06%
Diesel Mechanics Technology/Technician	0.44%	6.79%	0.50%	59.44%
Electrical/Electronics Equipment Installation & Repair, General	0.31%	2.86%	0.15%	11.54%
Autobody/Collision & Repair Technology/Technician	0.16%	4.77%	0.13%	53.53%

Two mechanic programs achieved top 20 spots in Q1 2017:

- ▶ **#8:** Heating, Air Conditioning, Ventilation & Refrigeration Maintenance Technology/Technician
- ▶ **#20:** Automobile/Automotive Mechanics Technology/Technician

Additional Program Category & Program Statistics

Top 20 Programs that Are Not in Top 5 Program Categories

#7: Psychology, General

#10: Liberal Arts & Sciences/Liberal Studies

#11: Criminal Justice/Police Science

#13: Welding Technology/Welder

Program Categories with Q1 2017 CVR >10%	CVR
1. High School/Secondary Diplomas & Certificates	57.7%
2. Mathematics & Statistics	22.5%
3. Natural Resources & Conservation	18.4%
4. Transportation & Materials Moving	15.2%
5. Physical Sciences	13.7%
6. Leisure & Recreational Activities	13.6%
7. Biological & Biomedical Sciences	12.6%
8. Public Administration & Social Service Professions	12.3%
9. Theology & Religious Vocations	11.0%

Program Categories with Q1 2017 CVR <4%	CVR
1. English Language & Literature/Letters	3.9%
2. Personal & Culinary Services	3.8%
3. Liberal Arts & Sciences, General Studies & Humanities	3.5%
4. Engineering Technologies & Engineering-Related Fields	3.3%
5. Family & Consumer Sciences/ Human Sciences	3.1%
6. Construction Trades	2.6%
7. Communications Technologies/ Technicians & Support Services	2.4%
8. Area, Ethnic, Cultural, Gender & Group Studies	2.2%

Programs with Q1 2017 CVR >10% (only programs within top 50 listed)		CVR
1.	Truck & Bus Driver/Commercial Vehicle Operator & Instructor	17.0%
2.	Health Services/Allied Health/Health Sciences, General	16.9%
3.	Family Practice Nurse/ Nurse Practitioner	16.8%
4.	Human Services, General	12.4%
5.	Christian Studies	11.1%

Programs with Q1 2017 CVR <4% (only programs within top 50 listed)		CVR
1.	Computer Systems Networking & Telecommunications	3.7%
2.	Cosmetology/Cosmetologist, General	3.6%
3.	Licensed Practice/Vocational Nurse Training	3.5%
4.	Medical/Clinical Assistant (a top 10 program)	3.4%
5.	Nursing, Other	3.2%
6.	Marriage & Family Therapy/Counseling	2.9%
7.	Allied Health Diagnostic, Intervention & Treatment Professions, Other	2.8%
8.	Nurse/Nursing Assistant/Aide & Patient Care Assistant	2.7%
9.	Liberal Arts & Sciences/Liberal Studies (a top 10 program)	2.6%
10.	Business/Commerce, General	2.4%
11.	Office Management & Supervision	1.5%
12.	Administrative Assistant & Secretarial Science, General	0.9%
13.	Computer Science	0.8%

Top 5 Jumps in SOV for Program Categories (from 2016 to Q1 2017)		SOV Change
1.	Natural Resources & Conservation	+98.9%
2.	Physical Sciences	+73.5%
3.	Mathematics & Statistics	+52.2%
4.	Theology & Religious Vocations	+45.0%
5.	English Language & Literature/Letters	+43.1%

Top 5 Declines in SOV for Program Categories (from 2016 to Q1 2017)		SOV Change
1.	High School/Secondary Diplomas & Certificates	-60%
2.	Engineering Technologies & Engineering-Related Fields	-53.3%
3.	Area, Ethnic, Cultural, Gender & Group Studies	-46.6%
4.	Parks, Recreation, Leisure & Fitness Studies	-28.3%
5.	Construction Trades	-15.6%

Programs with SOV Jumps >50% (from Q1 2016 to Q1 2017; only top 100 programs listed)		SOV Change
1.	English Language & Literature, General	+190.8%
2.	Divinity/Ministry	+152.0%
3.	Behavioral Sciences	+120.1%
4.	Political Science & Government, General	+92.4%
5.	Graphic Design	+74.5%
6.	Accounting (a top 10 program)	+74.0%
7.	Computer Science	+69.7%
8.	Welding Technology/Welder	+69.4%
9.	Bible/Biblical Studies	+65.0%
10.	Diesel Mechanics Technology/Technician	+59.4%
11.	Human Services, General	+59.3%
12.	Christian Studies	+59.3%
13.	Electrical & Electronics Engineering	+54.7%
14.	Autobody/Collision & Repair Technology/Technician	+53.5%

Programs with SOV Slips >40% (from Q1 2016 to Q1 2017; only top 100 programs listed)		SOV Change
1.	Electrical, Electronic & Communications Engineering Technology/Technician	-96.3%
2.	Computer & Information Systems Security	-58.8%
3.	Business Operations Support & Secretarial Services, Other	-51.5%
4.	Mechanical Engineering/Mechanical Technology/Technician	-46.8%
5.	Mental & Social Health Services & Allied Professions, Other	-46.0%
6.	Computer Engineering Technology/Technician	-45.0%
7.	Culinary Arts/Chef Training	-42.1%
8.	Business/Commerce General	-43.2%

Conclusions

Growth in Online Programs

The SOV and SOC for online programs has been growing. In Q1 2017, 44.9% of all inquiries and almost half (48.9%) of all conversions were for online programs.

Third-Party Performance Up, First-Party Performance Down

Inquiries generated by third-party providers have been achieving better conversion rates. In fact, the CVR for third-party generated inquiries was up 12.3% from 2015 to 2016. Meanwhile, as more awareness-driving, first-party digital channels have been adopted, CVRs for first-party generated inquiries (based on last-click attribution) declined. Despite these changes, first-party inquiries continued to perform much better than third-party inquiries. In Q1 2017, the first-party conversion rate was 10.3% compared to 3.4% for third-party inquiries.

Expanding Third-Party Lead Options

The SOV and CVR have been rising for third-party hot transfer leads. In Q1 2017, this resulted in a SOC better than all first-party channels except internal website and PPC. Plus, in Q1 2017, the average cost per conversion for hot transfers was approximately half the average price per conversion from data leads.

The SOV has also been rising for affiliate PPC leads. Based on this demand, the cost per inquiry for this channel increased. But now it appears to be overpriced. In Q1 2017, the cost per conversion from an affiliate PPC lead was greater than the price per conversion from a data lead.

Politics Potentially Impacting Trends

There were some adjustments that appear to have potential roots in the political arena. Inquiry volume for campus-based programs had been on a downward trajectory since mid-2015. But in Q1 2017, campus-based inquiry volume rose quarter over quarter. We also saw growth in associate-level and diploma-level SOV.

Since the introduction of gainful employment regulations, we have seen schools adjust program offerings to help ensure continued federal funding for their students. In many cases, this has resulted in the discontinuation of lower-level, often campus-based programs. The changes seen in Q1 2017 may indicate a belief that regulations will be loosened under the current administration.

Definitions & Acronyms

- ▶ **Conversion:** An inquiry that achieved an application, enrollment or start milestone is considered a conversion. All conversions are measured as part of their original inquiry cohort. For example, an inquiry received in September and converted in October counts within September's total conversions and not within October's conversion count.
- ▶ **CPC:** Cost per click
- ▶ **CPI:** Cost per inquiry (synonymous with CPL, or cost per lead)
- ▶ **CVR:** Conversion rate
- ▶ **First-party inquiry:** An inquiry generated using a school's brand directly, whether via a school's own website, display advertising, social media, offline channel or other branded source. Unless otherwise noted, pay-per-click inquiries are also in this category.
- ▶ **Inquiry:** A request for information from a student prospect. Used interchangeably with "lead."
- ▶ **PPC:** Pay per click
- ▶ **PPI:** Pay per inquiry (synonymous with PPL, or pay per lead)
- ▶ **QOQ:** Quarter over quarter
- ▶ **SOC:** Share of conversions. Unless otherwise noted, this is calculated as a percent of all conversions generated for the period.
- ▶ **SOV:** Share of volume
- ▶ **Third-party inquiry:** An inquiry generated by a third-party advertiser. Pay-per-inquiry vendors/ affiliates fall within this definition. Third-party inquiries come from a variety of channels, including paid and organic search, email, display and social media. The main difference between third-party and first-party inquiries is that, for third-party inquiries, vendors are controlling the media spread and message.
- ▶ **YOY:** Year over year

About Sparkroom

Focused on supporting the higher education industry, Sparkroom is a proven leader in enrollment marketing and management. Through the deployment of award-winning technology and services, Sparkroom helps institutions of higher education grow and sustain student enrollment volume. We offer our solutions in three formats:

- ▶ **Sparkroom Performance Marketing Technology:** Our award-winning, proprietary technology integrates campaign data, automates processes based on performance and provides holistic cross-channel attribution reporting and analytics, including cross-channel dashboards.
- ▶ **Sparkroom Enrollment Marketing Services:** Our enrollment marketing services include demand generation and student recruitment support to manage cross-channel marketing campaigns from strategy to execution to optimization and beyond.
- ▶ **Sparkroom Enrollment Management Solutions:** Our enrollment management solutions, inclusive of enrollment management consulting and short-term OPM engagements, layer on operational services for institutions in need of end-to-end support.

Sparkroom technology and services assist in streamlining school marketing and operations efforts. As a result, we have a positive reputation with higher education professionals across the country.



Data Disclosure: The data in this report is comprised of a set of inquiries processed by Sparkroom performance marketing technology during the period of January 1, 2015 through March 31, 2017, utilizing aggregated data normalized to remove all school-specific information and trending.

The dataset used for this report includes more than 30 unique inquiry buyers, almost 1000 campus locations and almost 3000 programs. Data was aggregated into standard categories/subjects using the CIP classification system. Inquiries processed by Sparkroom performance marketing technology are derived from a variety of sources, with approximately one-half coming from third-party channels and one-half from branded marketing efforts, such as school websites, paid search campaigns and social media campaigns. Because school demand plays a factor in inquiry generation, there is the potential for related bias within the report findings.

1. Data was pulled at the beginning of May 2017. Although lead cohorts continue to mature indefinitely, we assume cohorts to be mature after a period of 90 days. Therefore, the 2016 data is now considered to be fully mature and the Q1 2017 lead cohort will be considered fully mature on June 30, 2017.

This data is provided for informational purposes only. While every attempt is made to ensure accuracy, errors may arise.

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