DMS

Q3 2017 HIGHER EDUCATION INQUIRY GENERATION REVIEW

Digital Media
Solutions

About the Data in this Report

The data used for this report is derived from aggregated higher education industry inquiries processed through and stored within Sparkroom performance marketing technology. Sparkroom is owned by Digital Media Solutions, LLC. and is used by the DMS Digital Agency and licensed by a long list of higher education marketers. 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 *Q3 2017 Higher Education Inquiry Generation Review*, published by Digital Media Solutions (DMS), covers trends in the inquiry generation and student acquisition activities of higher education institutions for the period of January 2015-September 2017, with an emphasis on July-September 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 education-specific marketing evolution and highlight trends to help marketers better understand and adapt to the continually changing landscape.

Report Highlights

- In Q3 2017, the gap between online and campus-based SOV widened to its largest point in the period from 2015 through 2017.

- Third-party leads represented more than half of overall volume in each quarter of 2017, with data leads comprising the vast majority of this pool.

- First-party PPC was the third-highest volume generating channel in Q3 2017.

- Hot transfers delivered a significantly lower cost per conversion than third-party data leads.

- In Q3 2017, the social media channel's SOV achieved its highest level in the 2015-2017 time period.

- Bachelor's degree programs remained the degree-level program with the strongest SOV.

- Health professions and related programs maintained their stronghold as the top program category with more than 40% SOV.

Inquiry Volume Trends

Overall lead volume continued to rise, as shown by a 10.1% quarter-over-quarter (QOQ) increase and a 2.4% year-over-year (YOY) increase for Q3 2017. Indicating a long-term trend, Q3 2017 inquiry volume was up 6.5% compared to Q3 2015.

As traditionally expected, volume in August was up compared to July for each year from 2015 to 2017, and volume in September declined compared to each August of the same year. In 2015, September inquiry volume decreased 5.6% compared to August. The next year produced a month-over-month (MOM) decline in September of 1.2%. This year, we saw a larger-than-expected 9.8% drop in overall inquiry volume in September compared to August.

Inquiry Volume — All Formats — By Month
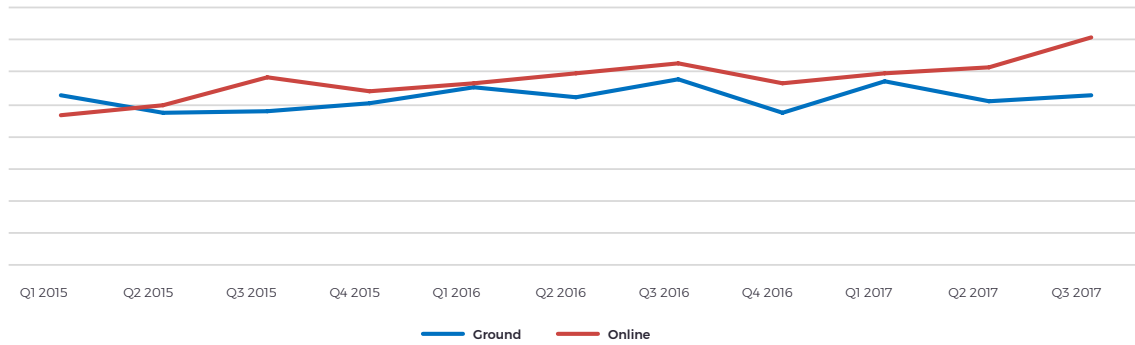**2015 - September, 2017**
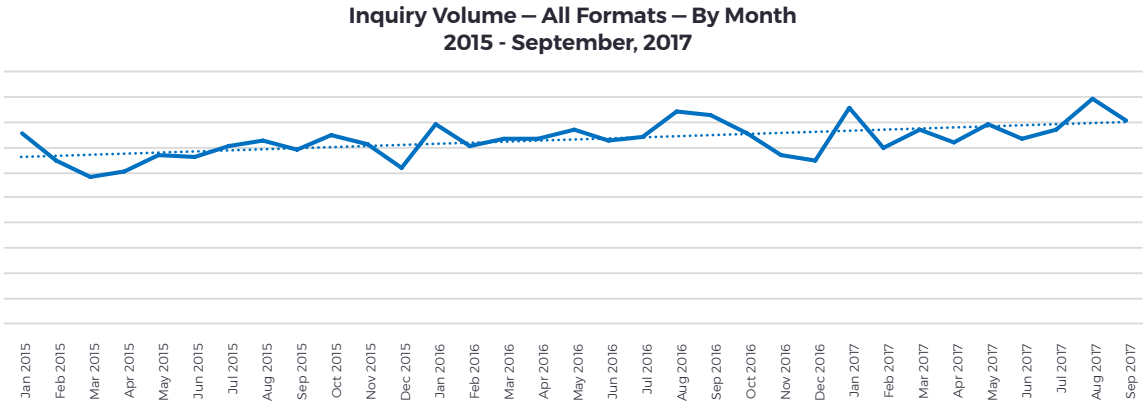
Inquiry Volume for Campus-Based vs. Online Programs

The separation between campus-based and online learning formats amplified in 2017 with regard to lead volume. In Q3 2017, the gap widened to its largest point since at least before 2015. Specifically, online education volume was 34.9% higher than campus-based volume.

Online learning lead volume had been on a rapid incline since Q3 2016. In Q3 2016, online volume was 8.0% higher than campus-based volume. In Q2 2017, online program lead volume was 21.0% higher than campus-based volume. Student interest in flexible learning options combined with enhanced marketing capabilities could be a driving force contributing to this rise. For many years, national-based targets for online programs would easily rack up spend while producing little ROI. More recently, it appears marketers could be successfully using data and sophisticated ad serving capabilities to tightly target audiences with the greatest propensity to enroll.

In Q3 2017, online lead volume was up 15.5% QOQ and up 13.2% YOY. Although campus-based inquiry volume was also up in Q3 2017 compared to Q2, it was down 9.3% YOY.
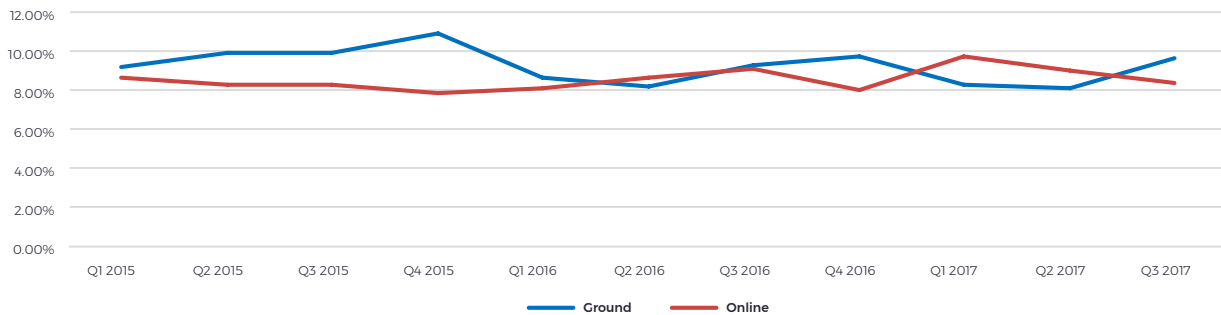
Inquiry Volume — Campus-Based vs. Online Programs — By Quarter, 2015 - Q3 2017

Q1 2015　Q2 2015　Q3 2015　Q4 2015　Q1 2016　Q2 2016　Q3 2016　Q4 2016　Q1 2017　Q2 2017　Q3 2017

Ground — Online

Conversion Rate Trends

To fully understand the story of conversion rate (CVR) trends overall, one cannot simply glance at the trend line from 2015 to 2017. Across all program types, during the first half of 2016, conversion rates hit their lowest point. For the period of Q3 2016 to Q3 2017, the average CVR ticked up slightly to 8.9%. In Q3 2017 specifically, the conversion rate rose to 8.9% from 8.6% the prior quarter. With additional maturation expected, the Q3 2017 CVR is likely to exceed 9.0% and may near the 9.3% CVR achieved in Q4 2015 (the highest average CVR for the 2015-2017 period). This elevated CVR is supported by strengthening campus-based lead performance.

Average Conversion Rates — Campus-Based vs. Online Programs — By Quarter, 2015-Q3 2017

Ground — Online

Conversion Rates for Campus-Based vs. Online Programs

The conversion rates for online and campus-based programs are telling divergent stories.

Since 2015, the online conversion rate trend has remained relatively flat. Online program conversions peaked in Q1 2017 with an average CVR of 9.8%. Then, the online program conversion rate dipped to 9.0% in Q2 2017 and was down once again in Q3 2017 to 8.4% (with additional maturation to come). This declining conversion pattern was not surprising due to recently scaled online program supply and inquiry generation volume throughout higher education. It appears schools are experiencing increased competition with online institutions that have similar programs and geotargeting strategies.

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Compared to online program conversion rates, campus-based programs displayed more of a declining pattern. Nonetheless, the average CVR for campus-based programs showed a strong increase in Q3 compared to Q2 of 2017.

In both 2015 and 2016, campus-based CVRs were more robust in the second half of the year. Since the start of 2015, the peak for campus-based CVRs was 10.9% in Q4 2015. In Q1 and Q2 2017, campus-based CVRs hovered in the low 8% region. In comparison, the campus-based CVR for Q3 2017 was high at 9.6%, with additional maturation to come. This data indicates the potential for strong performance in Q4 2017.

Average CVR for Campus-Based Programs — By Quarter 2015-2017

Quarter	2015	2016	2017
Q1	9.17%	8.62%	8.34%
Q2	9.94%	8.17%	8.12%
Q3	9.98%	9.26%	9.62%
Q4	10.89%	9.71%	?

Campus-Based vs. Online SOV vs. SOC

In Q2 2017, the online program share of conversions (SOC) was 57.1% and the online program SOV was 54.6%. Due to the significant rise in campus-based conversion rates in Q3 2017, this program format stole conversion share in Q3 2017. As a result, in Q3 2017, the online program SOC was just 53.9%, even while the online program SOV grew to 57.3%.

Share of Conversions — Campus-Based vs. Online Programs — By Quarter, 2015-Q3 2017
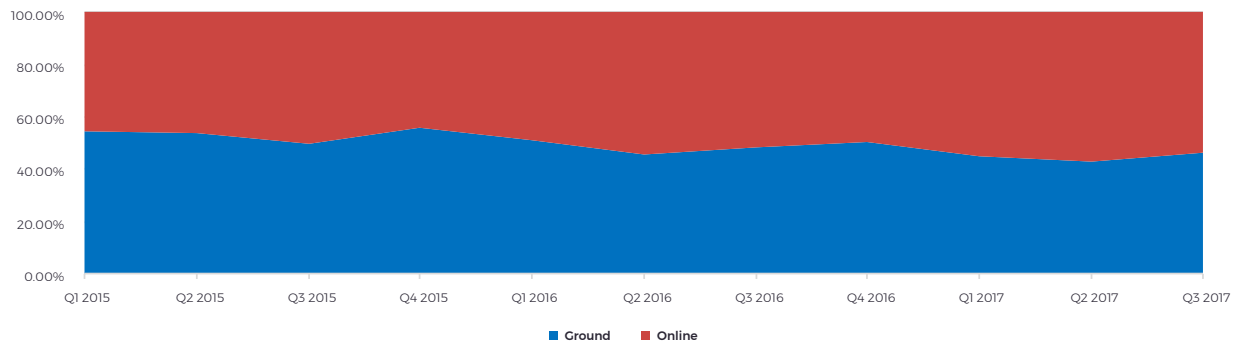

# Media Channel Performance Trends

Third-party leads delivered the majority of overall volume, with approximately 55% SOV in each quarter of 2017. During Q3 2017, the SOC for third-party leads dropped a bit, down to 25.1% from 28.1% in Q2 2017. However, despite the recent decline, third-party leads delivered a larger SOC in 2017 than compared to 2016.

With inquiry SOV evenly split between campus-based and online programs, the changing CVRs impacted the share of conversions. In Q2 2017, 55.5% of all conversions were for online programs. Compared to 53.4% in Q2 2016 and 46.9% in Q2 2015, the online SOC has seen unmistakable growth.

Share of Inquiry Volume — First-Party vs. Third-Party Leads — By Quarter, 2015 - Q3 2017
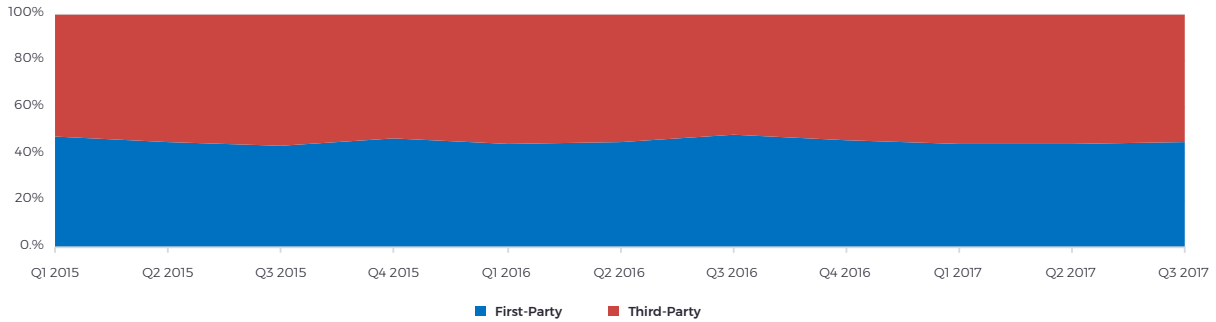
Share of Conversions — First-Party vs. Third-Party Leads — By Quarter, 2015 - Q3 2017
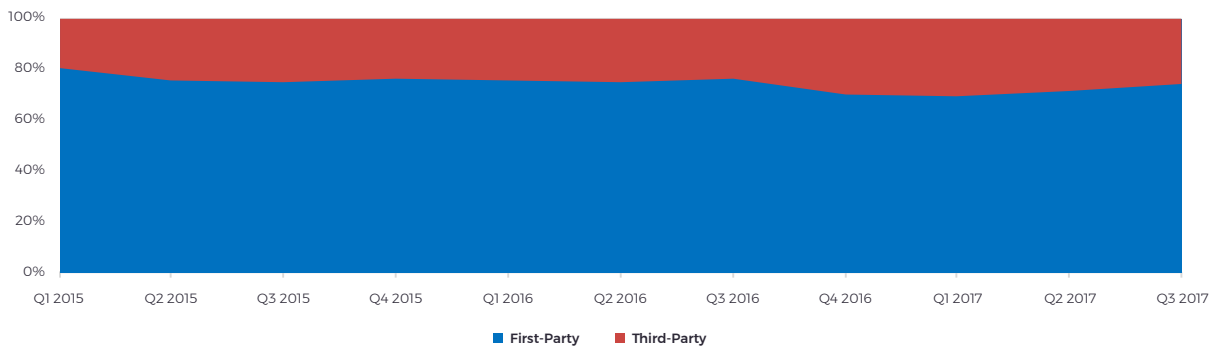
Third-Party Performance

Third-party CVRs were up in 2017, at 4.2% compared to 3.9% in 2016 (with additional maturation still to come for the most recent months). The Q2 2017 CVR for third-party leads, now considered fully mature, was 4.2%. In comparison, the Q2 2016 third-party CVR was much lower at 3.7%.

When data was pulled for this report, the third-party CVR for Q3 2017 was 3.9%. With additional maturation to come, it is anticipated the Q3 CVR will exceed the 4.0% CVR of Q3 2016.

First-Party Performance

Even with additional maturation to come, when the data was pulled for this report, first-party CVRs for Q3 2017 were already up from prior quarter (14.3% compared to 13.4%). Conversion rates for first-party leads have not been above 14% since 2015, so Q3 2017 was remarkable.

With this strong performance, the average first-party CVR for Q1 through Q3 2017 (13.8%) was higher than the average CVR for 2016 (13.6%). Although the overall trend for first-party leads has been down since 2015, these recent improvements are indicating stability for first-party channels.

Average Conversion Rates — First-Party vs. Third-Party
By Quarter, 2015 - Q3 2017

First-Party ▬▬ **Third-Party** ▬▬
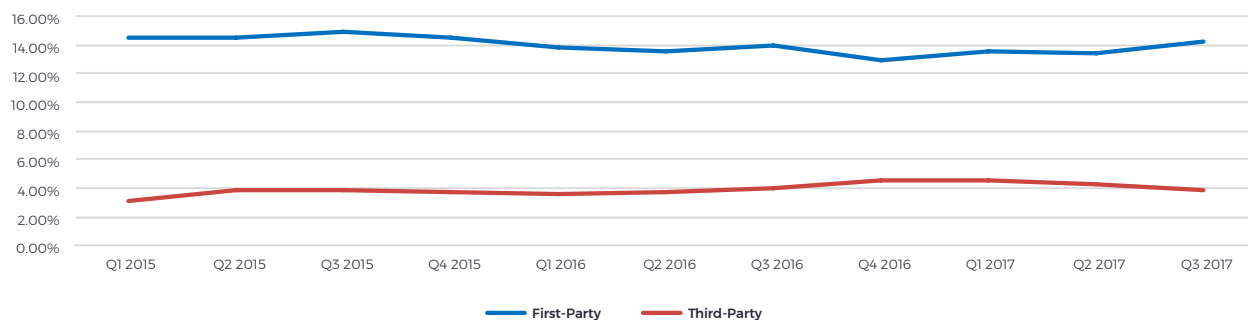
SOV and CVR — By Channel, 2016 vs. Q1 2017 vs. Q2 2017 vs. Q3 2017

Media Channel	2016		Q1 2017		Q2 2017		Q3 2017	
	SOV	CVR	SOV	CVR	SOV	CVR	SOV	CVR
Third-Party Sources	**54.12%**	**3.91%**	**55.71%**	**4.60%**	**55.40%**	**4.23%**	**55.07%**	**3.90%**
Data Lead	50.52%	3.38%	50.02%	3.62%	50.09%	3.56%	48.80%	3.25%
Affiliate PPC	2.07%	9.32%	3.97%	11.78%	3.56%	8.28%	4.86%	7.23%
Hot Transfer	1.53%	13.96%	1.72%	16.43%	1.75%	15.07%	1.41%	15.13%
First-Party Sources	**45.88%**	**13.61%**	**44.29%**	**13.60%**	**44.60%**	**13.44%**	**44.93%**	**14.27%**
Internal Website	19.97%	17.71%	17.89%	18.26%	17.14%	18.84%	17.50%	20.68%
PPC	13.42%	10.26%	13.91%	10.23%	14.68%	10.16%	16.04%	9.46%
Social Media	2.64%	2.96%	2.61%	4.70%	3.19%	4.84%	4.51%	3.92%
Offline Media	1.98%	13.16%	2.11%	12.66%	2.09%	10.64%	1.56%	16.23%
Referral	0.93%	20.56%	0.74%	22.73%	0.77%	23.94%	0.68%	22.16%
Event	1.96%	8.72%	2.91%	8.59%	1.85%	7.96%	0.61%	9.93%
Email	0.31%	15.86%	0.37%	14.85%	0.49%	13.55%	0.49%	16.03%
Display	0.45%	3.23%	0.31%	5.36%	0.25%	6.26%	0.31%	4.75%
Inbound Phone	0.18%	12.98%	0.23%	10.88%	0.19%	11.79%	0.19%	12.66%
PPC - Inbound Call	0.18%	14.85%	0.16%	15.34%	0.21%	15.42%	0.18%	14.20%
All Other Internal	3.86%	13.35%	3.05%	13.32%	3.75%	11.37%	2.85%	17.25%

SOV vs. SOC — By Channel Q3 2017

Legend: ■ SOV ■ SOC
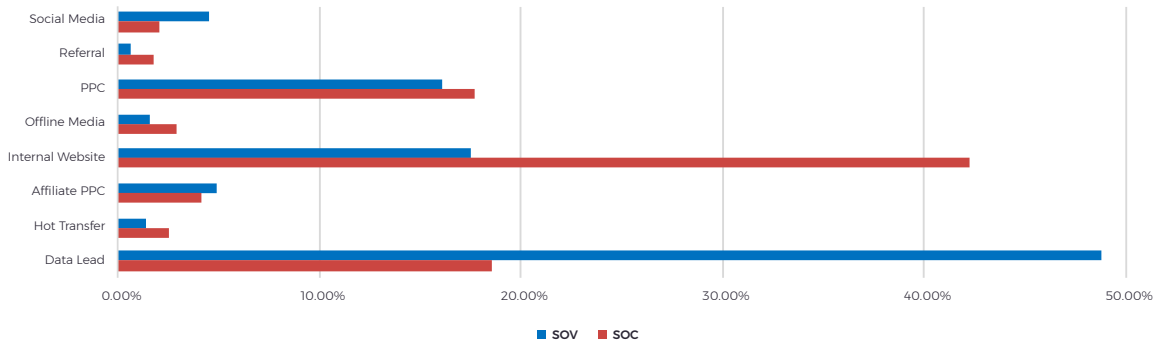
Third-Party Data Lead Volume, Performance & Price

More than half of all leads since 2015 were generated from third-party sources. Specifically in Q3 2017, third-party leads made up just over 55% of total inquiry volume. The bulk of this was comprised by data leads. This category brought in 48.8% of all leads in Q3 2017 with volume up 7.7% QOQ. In fact, data lead volume was the highest it has ever been in the 2015-2017 time period.

Both the SOC and SOV have been fairly consistent for third-party data leads, with SOC significantly lower than SOV. In Q3 2017, SOV was 48.8% and SOC was 18.5%.

Third-party data lead CVRs have remained steady in the 3% range since 2015. The lowest CVR for third-party data leads was 3.0% in Q1 2015, and the highest was 3.7% in Q4 2016. In Q2 2017, CVR was 3.6%. With additional maturation to come, the Q3 2017 CVR – already at 3.3% – could achieve similar performance.

The average cost per lead (CPL) for third-party data leads has been on an upward trend since 2015. Two years ago the average CPL was $37.16. It rose to $40.93 in 2016 and was $41.81 for Q1-Q3 2017. In Q3 2017, the average third-party data lead CPL was $41.90, down slightly from $42.17 in the prior quarter but still above the 2016 average.

The cost per conversion (CPC) for third-party data leads experienced a similar rise. In 2015 the average third-party data lead CPC was $1085.10. It jumped in 2016 to an average of $1201.33. For Q1-Q3 2017, the average CPC was $1195.25. The CPC in Q3 2017 was $1,278.50, but that is expected to decrease as additional leads fully convert.

Affiliate Data Leads — SOV vs. CVR — By Quarter, 2015-Q3 2017
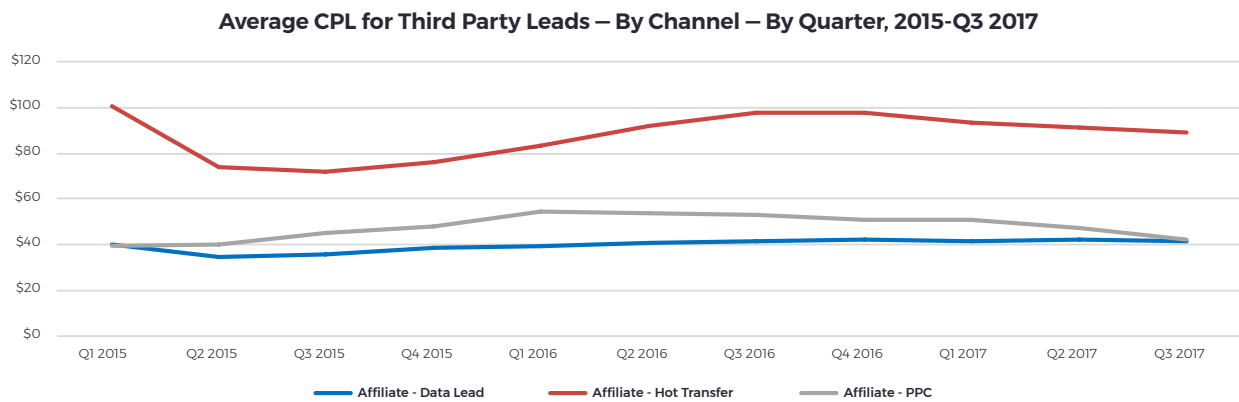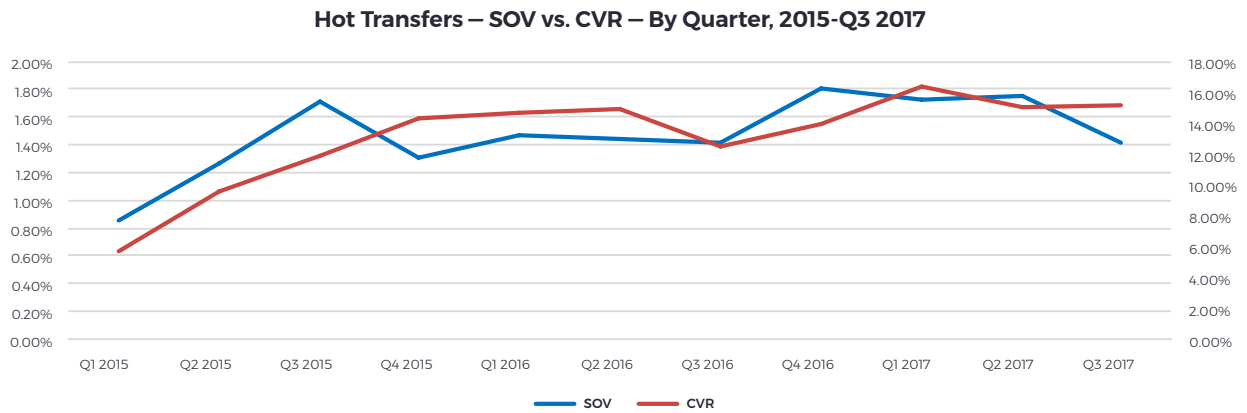

Legend: ■ SOV ■ CVR
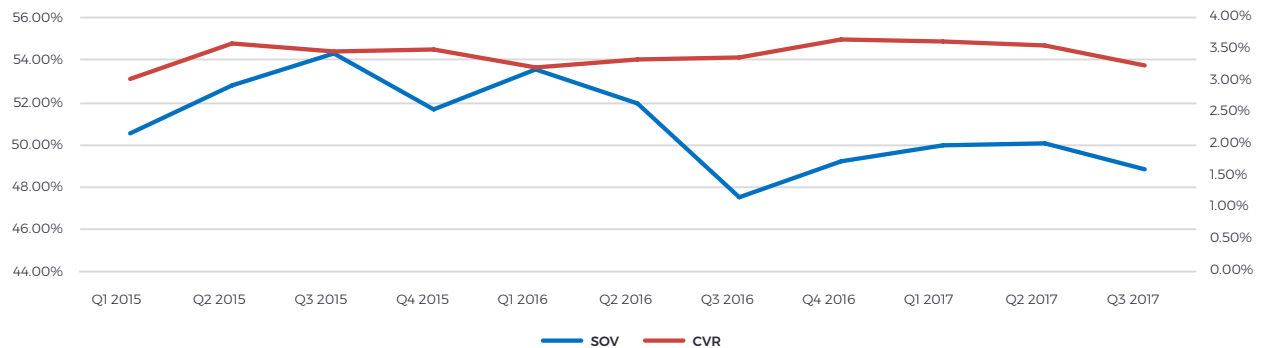
Third-Party Hot Transfer Volume, Performance & Price

Although hot transfers are strong converters, they represent only a small slice of all third-party inquiries. The SOV for hot transfers was robust (for this channel) from Q4 2016 through Q2 2017, consistently above 1.7%. But SOV for hot transfers experienced a dip in Q3 2017, down to 1.4%.

Conversion rates for hot transfers were up for 2017 compared to 2016. The average CVR in 2016 was 14.0%. So far in 2017, hot transfer CVRs ranged from 15.1% to 16.4%, depending on the quarter.

The hot transfer CPL has been falling, with the average lower each of the last three quarters. In Q4 2016, the average CPL for hot transfers was $98.09. In Q3 2017 the average CPL was down to $89.23.

Hot Transfers — SOV vs. CVR — By Quarter, 2015-Q3 2017

Average CPL for Third Party Leads — By Channel — By Quarter, 2015-Q3 2017

Hot transfers typically deliver a lower CPC than third-party data leads. Although the CPL for hot transfers is more than double the average cost of data leads, the hot transfer CVR is almost four times better than the data lead CVR. This results in a hot transfer CPC that averages out to almost half the price of data lead conversions and shows, once again, that it may be wise (and budget friendly) to shop for quality vs. quantity.

**CPL and CVR By Lead Channel — Q2 2017**

Lead Channel Type	Q2 2017 CPL	Q2 2017 CVR	Q2 2017 CPC
Affiliate - Data Lead	$42.17	3.58%	$1,178.78
Affiliate - Hot Transfer	$91.64	15.17%	$604.25

Internal Website Lead Volume & Performance

The SOV for the internal website channel was 17.5% in Q3 2017. This was up compared to the prior quarter but down YOY.

The average CVR for internal website leads has been strong throughout 2017. In Q3 2017, the CVR hit 20.7%. This was the highest CVR for the period of 2015 to 2017. Prior, the highest internal website lead performance was in Q2 2017 with a CVR of 18.8%. Due to the strong CVR, the SOC for internal website leads was 42.3% in Q3 2017.

**Internal Website — SOV vs. CVR — By Quarter, 2015-Q3 2017**
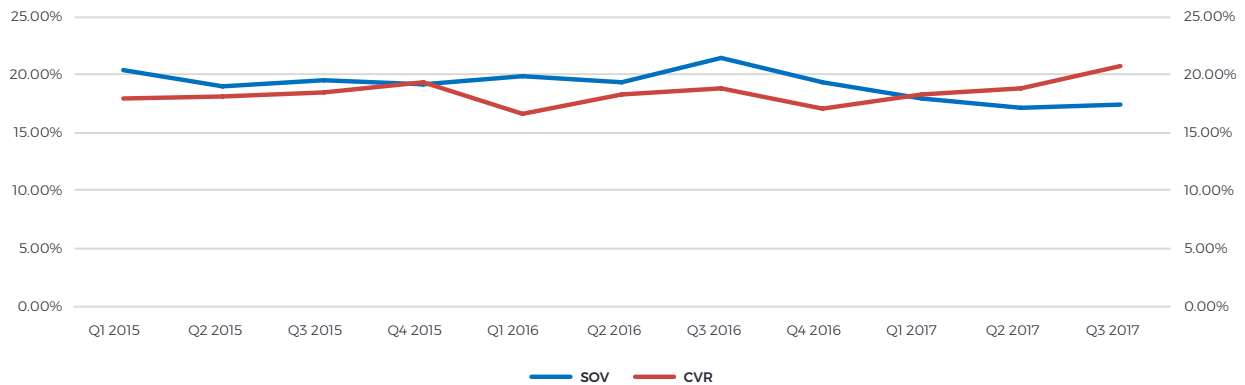
First-Party PPC Lead Volume & Performance

The SOV for first-party PPC was 16.0% in Q3 2017. Up from 14.6% in Q2 2017 and 15.1% in Q3 2016, this is the greatest share throughout 2015-2017.

Conversely, the CVR for first-party PPC leads experienced a negative pattern from Q2 2016 to Q3 2017. In Q2 2017, the CVR was 10.2%, far below the CVR peak for first-party PPC in Q1 2016 when the average CVR was 11.2%.

As the third-highest volume channel, first-party PPC brought in approximately one-third the lead volume generated by third-party data leads in Q3 2017. However, in terms of conversion volume, these two channels were comparable. First-party PPC achieved a 17.7% share of Q3 2017 conversions, which was just short of the 18.5% SOC for third-party data leads.

First-Party PPC — SOV vs. CVR — By Quarter, 2015-Q3 2017
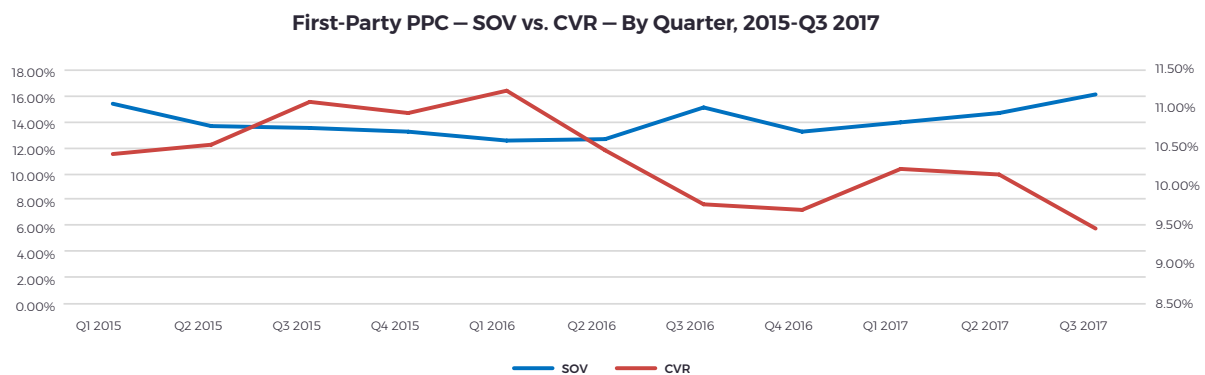
Social Media Lead Volume & Performance

With targeting capabilities improving, social media is now being used across more parts of the marketing funnel. As a result, in Q3 2017, social media SOV hit its highest mark (4.5%) in the time period from 2015 through 2017. This is up from 3.2% in Q2 2017 and 2.8% in Q3 2016.

The social media CVR for the first half of 2017 averaged 4.7%. The Q2 2017 CVR was 4.8%, the highest performance throughout all of 2015-2017. Since late 2016, the social media CVR has been on a fairly steady climb. The lowest CVR in the period of 2015 to 2017 was 2.5% in Q2 2016. In Q3 2017, CVR was 3.9%, with additional maturation expected. The social media SOC in Q3 2017 was 2.1%.

Social Media — SOV vs. CVR — By Quarter, 2015-Q3 2017
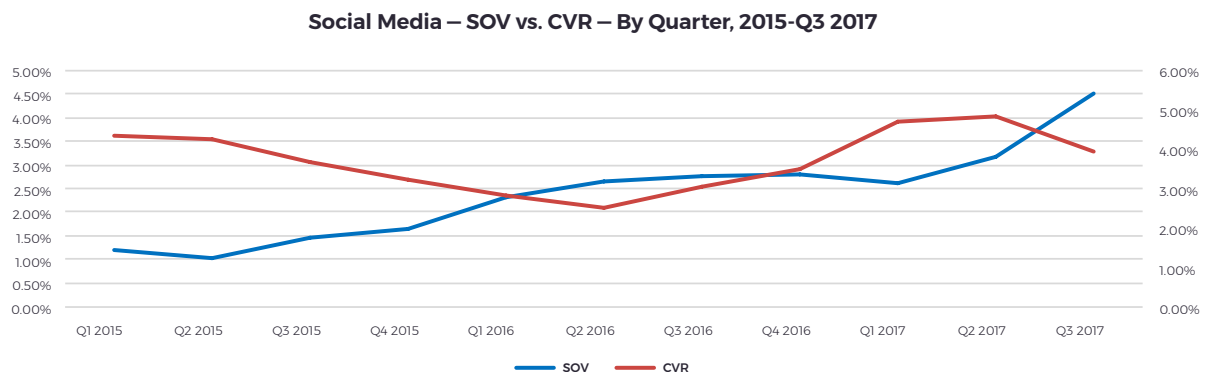
Degree-Level Distribution

SOV and CVR — By Degree Type, 2016 vs. Q1 2017 vs. Q2 2017 vs. Q3 2017

Degree Type	2016 SOV	2016 CVR	Q1 2017 SOV	Q1 2017 CVR	Q2 2017 SOV	Q2 2017 CVR	Q3 2017 SOV	Q3 2017 CVR
Doctorate	3.43%	6.20%	3.71%	5.66%	3.78%	5.97%	3.93%	5.09%
Master's	16.27%	7.89%	14.75%	8.24%	15.38%	7.88%	16.37%	6.55%
Bachelor's	37.90%	9.33%	36.50%	9.15%	35.66%	8.70%	37.88%	8.76%
Associate	16.15%	7.53%	18.17%	9.25%	19.33%	8.59%	18.58%	8.50%
Diploma	16.38%	4.69%	16.84%	4.25%	15.75%	3.99%	15.12%	4.19%
Certificate	8.64%	5.34%	9.05%	5.53%	8.89%	5.69%	7.48%	5.98%
Continuing Education	0.92%	18.25%	0.58%	14.17%	0.85%	13.93%	0.36%	12.79%
Other Degree Types	0.33%	6.04%	0.40%	8.86%	0.35%	7.47%	0.28%	6.18%

Doctorate Program Inquiry Volume & Performance

The SOV for the doctorate degree level started an upward trend last year and maintained positive traction. In Q3 2017, the SOV for doctorate programs was 3.9%. This was marginally up from Q2 (3.8% SOV) and up from 3.3% in Q2 2016.

The CVR for doctorate programs was steady in 2016, ranging from 5.8% in Q4 2016 to 6.6% in Q3 2016. When data was pulled for this report, the doctorate program CVR for Q3 2017 was 5.1%.

The average doctorate CVR was stronger for campus-based versus online programs in Q3 2017 (7.9% compared to 4.7%), but volume was significantly lower for the ground format. In fact, less than 1% of all campus-based volume was for doctorate programs. Meanwhile, doctorate programs brought in 7.0% of all online volume.

Business Administration and Management, General was the most popular doctorate program in Q3 2017, with a SOV of 0.79%.

Nursing Practice, ranked fifth for doctorate program volume, had a Q3 2017 CVR of 7.0% — the best performance of the top five doctorate-level programs.

Doctorate Programs — SOV vs CVR — By Quarter, 2015 - Q3 2017
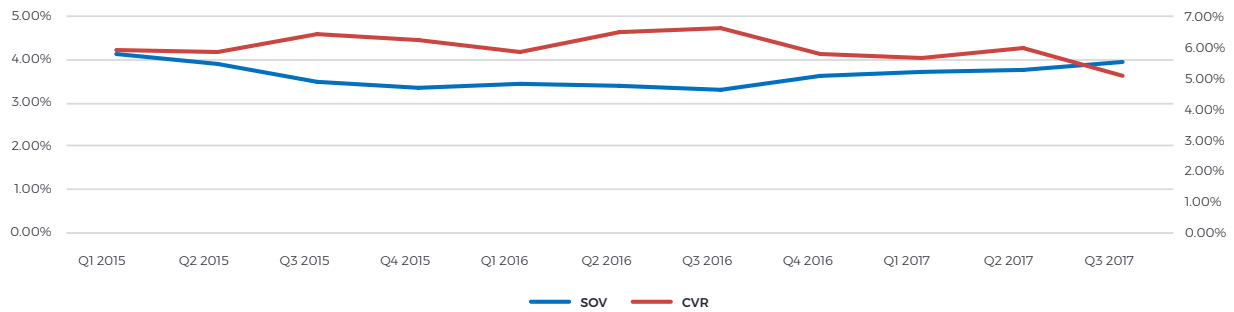
Top 5 Doctorate Programs (Ranked by Q3 2017 SOV)

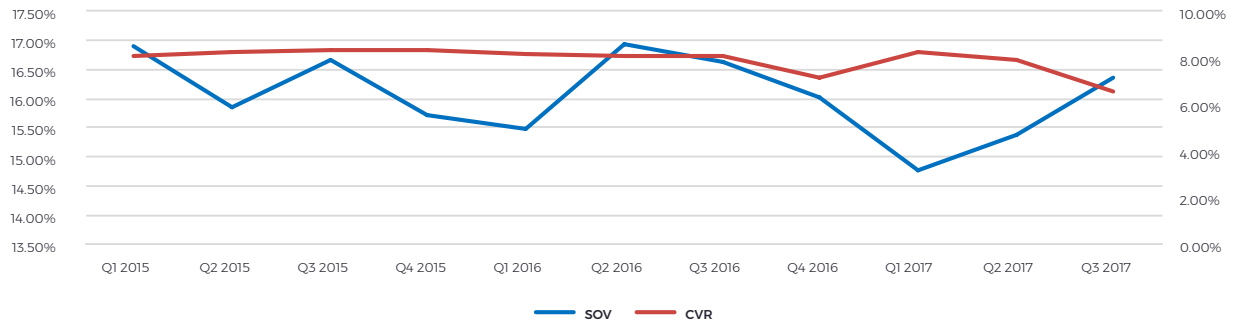| Doctorate Program	Q3 2017 SOV	Q3 2017 CVR
Business Administration and Management, General	0.79%	3.77%
Educational Leadership and Administration, General	0.51%	4.83%
Psychology, General	0.44%	3.91%
Organizational Leadership	0.29%	6.36%
Nursing Practice	0.28%	6.96%

Master's Program Inquiry Volume & Performance

In Q3 2017, the SOV for master's programs was 16.4%, a decent jump from the 15.4% of Q2 2017 but almost flat to the year prior. The average CVR for master's programs was 7.9% in Q2 2017, exactly matching the 2016 average CVR. When data was pulled for this report, the Q3 2017 CVR for master's programs was 6.6% with additional maturation to come.

The SOV for online master's programs was abundantly higher than the SOV for campus-based programs (26.3% versus 4.6% in Q3 2017). Although online won for SOV, the same cannot be said for CVR. Veritably, campus-based master's programs performed far better than online programs with an average CVR of 16.4% compared to 6.6% in Q2 2017.

Similar to doctorate programs, in Q3 2017, the top five list (ranked by SOV) for the master's degree level included a business and a nursing program. **Business Administration and Management**, **General** had the highest SOV at 4.3% and **Nursing/Registered Nurse (RN, ASN, BSN, MSN)** had the highest CVR (of the top five master's programs) at 8.7% in Q3 2017.

Masters Programs — SOV vs CVR — By Quarter, 2015 - Q3 2017

Top 5 Master's Programs (Ranked by Q3 2017 SOV)

Master's Program	Q3 2017 SOV	Q3 2017 CVR
Business Administration and Management, General	4.30%	5.26%
Nursing/Registered Nurse (RN, ASN, BSN, MSN)	1.10%	8.73%
Psychology, General	0.92%	4.60%
Education, General	0.71%	5.94%
Organizational Leadership	0.67%	6.34%

Bachelor's Degree Inquiry Volume & Performance

With a 37.9% SOV, the bachelor's degree remained the most popular degree level in Q3 2017. This was up from 35.7% in Q2 2017 but a bit lower YOY (down from 39.9%).

However, at 8.7%, the bachelor's program CVR hit its lowest point (for the period of 2015-2017) in Q2 2017. The peak CVR for the timeframe was 10.2% in Q1 2015. For Q3 2017, the CVR surpassed the prior quarter, reaching 8.8% with additional maturation to come. This indicates the potential for a positive rebound.

Bachelor's was the top campus-based degree level during Q3 2017, with a 34.7% SOV (of campus-based inquiries). For online volume, bachelor's degree programs ranked second, with a 28.4% SOV (of online program inquiries).

The CVR was stronger for campus-based bachelor's programs than for online bachelor's programs in Q2 2017 (12.2% versus 7.6%). When data was pulled for this report, the campus-based CVR for Q3 2017 was 14.6%. Performance had not been that strong for bachelor's programs since 2015, and additional maturation is still to come.

Ranked by SOV in Q3 2017, the number one and two spots for bachelor's programs went to **Nursing/ Registered Nurse (RN, ASN, BSN, MSN)** and **Business Administration and Management, General**. The latter was the leader (among the top five bachelor's programs) for performance with a stellar 21.5% CVR.

Bachelors Programs — SOV vs CVR — By Quarter, 2015 - Q3 2017
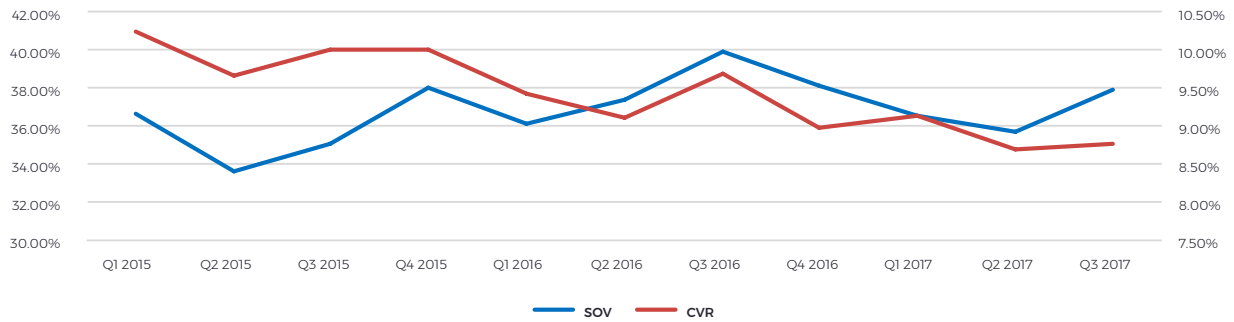
Top 5 Bachelor's Programs (Ranked by Q3 2017 SOV)

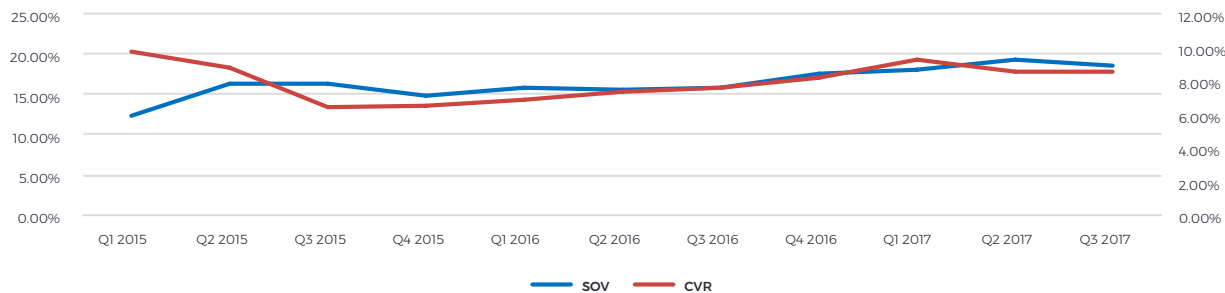| Bachelor's Program	Q3 2017 SOV	Q3 2017 CVR
Nursing/Registered Nurse (RN, ASN, BSN, MSN)	6.65%	5.75%
Business Administration and Management, General	3.38%	21.54%
Web Page, Digital/Multimedia and Information Resources Design	2.54%	5.39%
Psychology, General	2.02%	6.67%
Health/Health Care Administration/Management	1.96%	3.87%

Associate Degree Inquiry Volume & Performance

Associate programs were the second most popular degree level in Q3 2017. The SOV for associate programs was down to 18.6% from 19.3% the prior quarter, however it was up from 16.2% in 2016. Meanwhile, the associate degree CVR for Q2 2017 was 8.6% — much higher than the 2016 average of 7.5%. As the Q3 2017 CVR was already 8.5% when the data for this report was pulled, it is predicted to pass the performance of the prior quarter.

At 27.6%, the SOV for online associate degree programs was more than double the 11.1% SOV for the campus-based format in Q3 2017. Unlike higher-level degrees, the CVR for associate programs was higher for online programs (9.4%) than for campus-based associate programs (5.9%) in Q2 2017. For Q3 2017, the campus-based CVR (6.6%) surpassed the prior quarter's performance, but it still was significantly below the online CVR of 9.0%.

The list of top five associate programs (ranked by Q3 2017 SOV) was dominated by healthcare with **Medical Insurance Coding Specialist/Coder** in the top spot. **Business Administration and Management, General** had the highest CVR of the top five list (13.5%).

Associate Programs — SOV vs CVR — By Quarter, 2015 - Q3 2017

Top 5 Associate Programs (Ranked by Q3 2017 SOV)

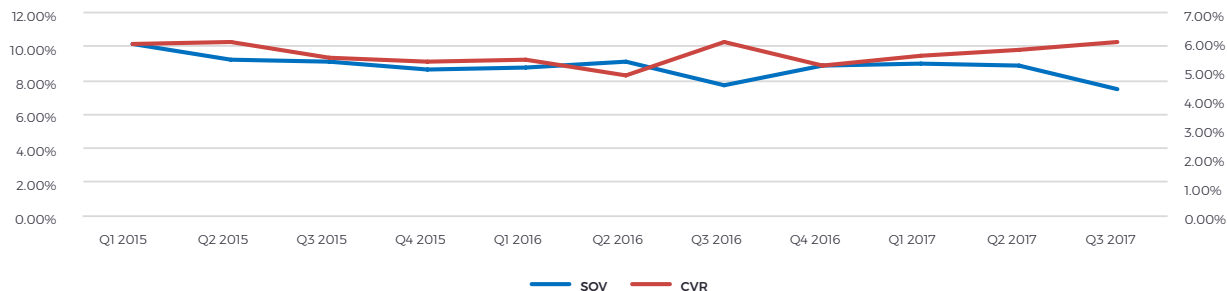| Associate Program	Q3 2017 SOV	Q3 2017 CVR
Medical Insurance Coding Specialist/Coder	3.86%	8.80%
Medical Office Assistant/Specialist	3.03%	9.11%
Human Services, General	1.91%	9.50%
Health/Health Care Administration/Management	1.58%	9.77%
Business Administration and Management, General	1.24%	13.52%

Certificate Program Inquiry Volume & Performance

In Q3 2017, certificate program SOV dipped to its lowest point in 11 quarters — down to 7.5%.

The average CVR for certificate programs was 5.7% in Q2 2017, which was up from the average 5.3% CVR of last year. For Q3 2017, when data for this report was pulled, the certificate CVR was 6.0%. When SOV declines and CVR climbs, it's a good indication that schools are reducing the number of non-convertible inquiries generated.

Of the top five certificate programs (ranked by Q3 2017 SOV), **Truck and Bus Driver/Commercial Vehicle Operator and Instructor** achieved the highest average CVR in Q3 2017 (20.3%). Other certificate programs that made the top five included **Medical/Clinical Assistant**, **Welding Technology/Welder**, **Medical Insurance Coding Specialist/Coder** and **Dental Assisting/Assistant**.

Certificate Programs — SOV vs CVR — By Quarter, 2015 - Q3 2017

Top 5 Certificate Programs (Ranked by Q3 2017 SOV)

Certificate Program	Q3 2017 SOV	Q3 2017 CVR
Medical/Clinical Assistant	1.61%	3.92%
Welding Technology/Welder	0.99%	6.77%
Truck and Bus Driver/Commercial Vehicle Operator and Instructor	0.55%	20.26%
Medical Insurance Coding Specialist/Coder	0.52%	2.66%
Dental Assisting/Assistant	0.42%	5.85%

Diploma Program Inquiry Volume & Performance

Though slowly weakening this year, there has not been much change in the SOV for diploma programs. It was 16.4% in 2016, 15.8% in Q2 2017 and 15.1% in Q3 2017.

In Q2 2017 the CVR for diploma programs was just 4.0%. This was down from 4.7% in 2016. However, Q3 2017 showed some recovery, as the CVR was already 4.2% when data was pulled.

The vast majority of diploma volume was for campus-based programs, with 37.2% SOV in Q3 2017 (of all campus-based inquiries). Online SOV was merely 1.4% in the same quarter (of all online program inquiries).

In Q2 2017, the average diploma CVR was 7.0% for online programs and 3.9% for campus-based programs. In Q3 2017, both of these learning formats saw performance improvements, with a 7.2% CVR for online and 4.1% for campus-based diploma programs. These numbers are up significantly from 2016, when the CVR for online diploma programs was just 3.1% and campus-based only 2.3%.

Ranked by SOV, **Medical/Clinical Assistant** was the number one diploma program in Q3 2017. **Automobile/Automotive Mechanics Technology/Technician** was in the fourth position with a SOV of 1.2%, but the CVR for this program (6.1% in Q3 2017) was the highest of the top five diploma programs.

Diploma Programs — SOV vs CVR — By Quarter, 2015 - Q3 2017
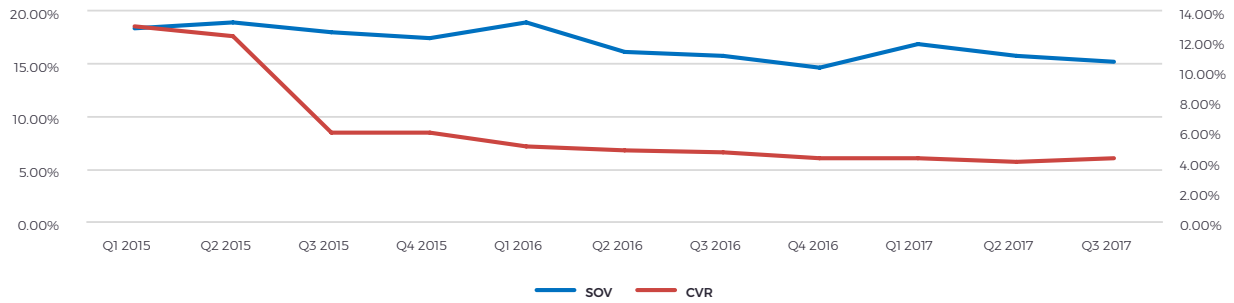
Top 5 Diploma Programs (Ranked by Q3 2017 SOV)

Diploma Program	Q3 2017 SOV	Q3 2017 CVR
Medical/Clinical Assistant	2.56%	5.00%
Office Management and Supervision	1.90%	1.47%
Heating, Air Conditioning, Ventilation and Refrigeration Maintenance Technology/Technician	1.48%	4.78%
Automobile/Automotive Mechanics Technology/Technician	1.24%	6.14%
Medical Insurance Specialist/Medical Biller	0.75%	5.74%

Program Distribution Trends

Top 5 Program Categories (Ranked Q3 2017 SOV)

Program Category	2016 SOV	2016 CVR	Q3 17 SOV	Q3 17 CVR
Health Professions and Related Programs	44.37%	6.63%	40.94%	6.30%
Business, Management, Marketing and Related Support Services	17.10%	9.42%	16.63%	9.66%
Education	6.30%	8.44%	6.98%	7.17%
Computer and Information Sciences and Support Services	6.44%	6.38%	6.83%	5.44%
Psychology	3.88%	8.25%	5.14%	6.61%

The top five program categories (ranked by SOV) were the same in Q2 and Q3 2017. The two top categories, **Health Professions and Related Programs** and **Business, Management and Marketing and Related Support Services** had the strongest indicators for conversion performance in Q3 2017. The CVR of the health category was 6.3% in Q3 2017, nearing the 6.7% CVR from Q2 2017 and the 6.6% CVR achieved in 2016, with additional maturation to come. The business category CVR was 9.7% in Q3 2017 — already above the 9.6% CVR for Q2 2017 and the 9.4% CVR for 2016.

Top 5 Program Categories — SOV vs. SOC — Q3 2017
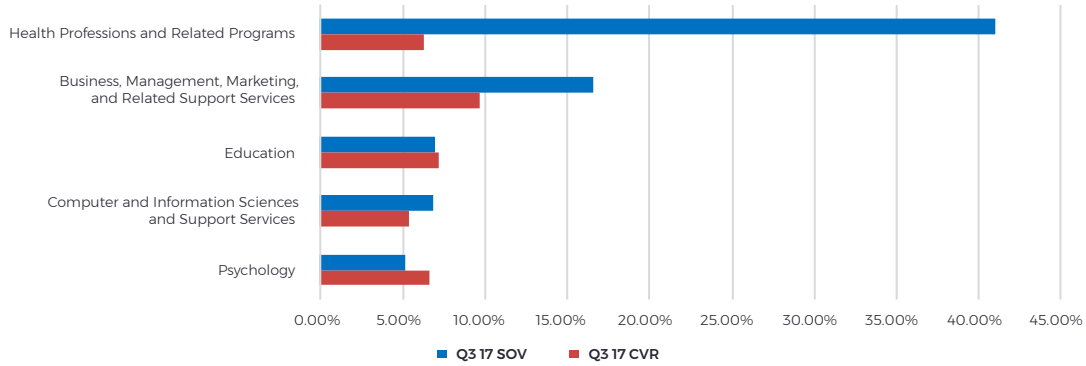
Health Programs Volume & Performance

According to the Bureau of Labor Statistics (BLS), employment of healthcare occupations is projected to grow 18% from 2016 to 2026 — much faster than the average for all occupations, adding about 2.3 million new jobs in the U.S. It's not surprising healthcare professions were unwavering in their number-one position (based on SOV). However, the healthcare SOV of 40.9% in Q3 2017 was a little down from 41.8% in Q2 2017 and significantly below the 2016 SOV of 44.4%.

In Q2 2017, the average CVR for the healthcare category was 6.7%. This was down slightly from 7.0% in Q1 2017 but on par with norms for this program category.

Health Programs Category — SOV vs. CVR — By Quarter, 2015 - Q3 2017
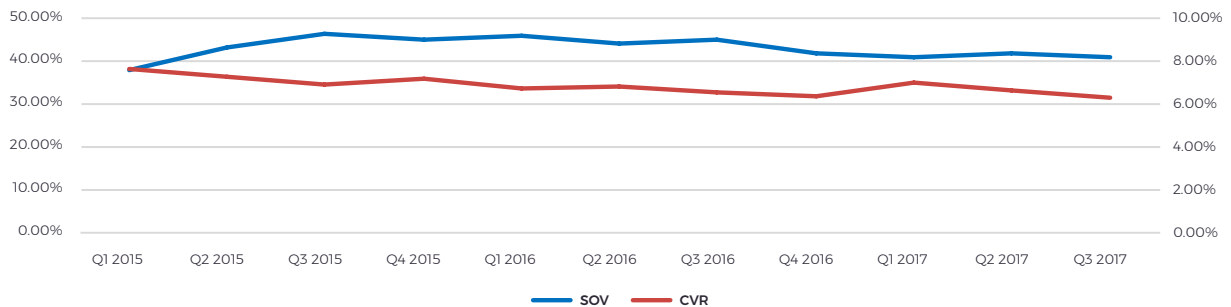
Nursing/Registered Nurse (RN, ASN, BSN, MSN) was the top program in healthcare, ranked by Q3 2017 volume. The nursing SOV had been slipping dramatically, and it hit a low of 8.0% in Q2 2017. The Q3 2017 SOV of 8.4% was just short of the 8.5% SOV achieved by this nursing program in Q1 2017. This indicates a potential turnaround. According to recent BLS data, employment of registered nurses is projected to grow 15% from 2016 to 2026, much faster than the average for all U.S. occupations.

Health/Healthcare Administration/Management had a 4.4% SOV in Q3 2017. This was the highest SOV for this program during the 2015-2017 period. The BLS reports median pay in 2016 for medical and health service managers was $96,540, with 20% overall occupation growth expected over the next decade.

Medical Insurance Coding Specialist/Coder made the top five list once again. Even with a minor decrease in SOV from Q2, the 6.2% SOV in Q3 2017 was higher than the SOV for any other quarter throughout 2015-2017.

Medical/Clinical Assistant achieved a CVR of 4.9% in Q3 2017. Already higher than the 4.8% CVR of Q2 2017 with additional maturation to come. BLS data projected this occupation to grow 29% from 2016 to 2026.

Top 5 Health Programs (Ranked by Q3 2017 SOV)

Health Program	Q3 2017 SOV	Q3 2017 CVR	Q3 2017 SOC	SOV Change YOY
Nursing/Registered Nurse (RN, ASN, BSN, MSN)	8.37%	6.56%	7.10%	-41.06%
Medical Insurance Coding Specialist/Coder	6.20%	8.02%	6.44%	18.24%
Health/Health Care Administration/Management	4.35%	6.10%	3.43%	19.31%
Medical/Clinical Assistant	3.63%	4.94%	2.32%	-7.33%
Medical Office Assistant/Specialist	3.44%	8.80%	3.91%	-9.28%

Business Program Inquiry Volume & Performance

For the second quarter in a row, the SOV for business-related programs was up. It seems these programs are finally beginning to rebound after experiencing a downward trend in volume from 2015 to 2016. Striving to reach the top of the class, business programs are excelling in CVR performance as well. The average CVR for business programs rose every quarter from Q4 2016 through Q3 2017. In Q3 2017, the CVR was 9.7% — already above the 9.6% CVR of Q2 2017, with additional maturation to come.

Business Programs Category — SOV vs. CVR — By Quarter, 2015 - Q3 2017
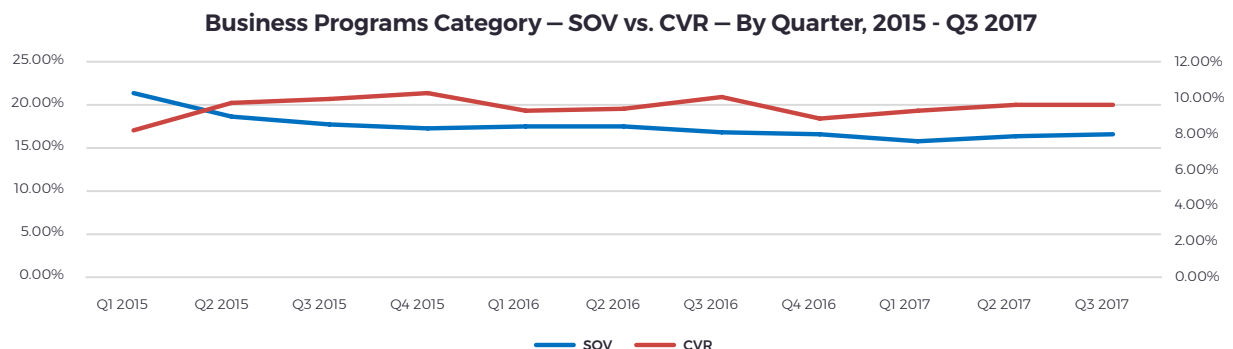
Across all categories, **Business Administration and Management, General** remained the top overall program. In Q1 2015, the SOV for Business Administration was 14.0%. This was the peak SOV for the 2015-2017 period. The valley occurred in Q1 2017, when the SOV dropped to 9.2%. But it rebounded up to 9.8% in Q3 2017. Conversion performance was also high in Q3 2017. Already at 12.4%, additional maturation should push the Business Administration CVR for Q3 2017 to its highest point from 2015 through 2017.

Office Management and Supervision held steady in terms of volume, but its CVR slipped.

Accounting ranked in the number four spot in terms of Q3 2017 SOV, but this program had the highest CVR of all top five business-related programs. The Q3 2017 CVR of 15.3% already surpassed the prior quarter's CVR of 14.6% and was the highest CVR for the 2015-2017 period. The BLS projected vigorous demand for accounting occupations would be led by globalization and a more complex tax and regulatory structure.

Top 5 Business Programs (Ranked by Q3 2017 SOV)

Business Program	Q3 2017 SOV	Q3 2017 CVR	Q3 2017 SOC	SOV Change YOY
Business Administration and Management, General	9.76%	12.44%	15.70%	-6.64%
Office Management and Supervision	1.95%	1.47%	0.37%	12.13%
Organizational Leadership	1.17%	6.70%	1.02%	10.12%
Accounting	0.73%	15.30%	1.44%	-8.07%
Business/Commerce, General	0.64%	8.44%	0.69%	46.33%

Education Program Inquiry Volume & Performance

The SOV for the education program category was up for the fourth quarter in a row in Q3 2017, climbing from 6.5% in 2016 to 6.8% in Q2 2017 and 7.0% in Q3 2017. The CVR for education programs peaked at 10.1% in Q3 2016 before it dropped to 7.1% the subsequent quarter. By Q2 2017, the average CVR for education programs rebounded to 8.0%.

Education Programs Category — SOV vs. CVR — By Quarter, 2015 - Q3 2017
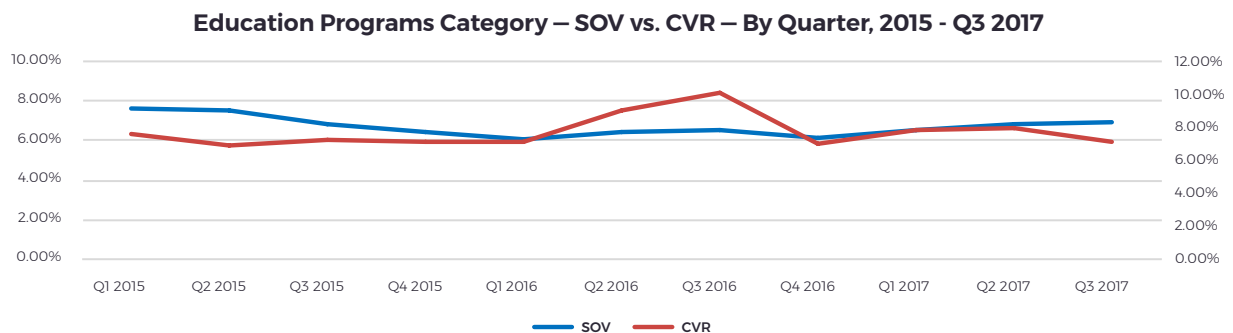
Early Childhood Education and Teaching was the top education program in Q3 2017, ranked by SOV. This program's 1.9% SOV was fairly even to the prior quarter. The Q3 2017 CVR surpassed the Q2 2017 CVR (6.4% versus 6.1%), but still has a long climb to reach the peak CVR of 8.7% achieved in Q3 2016.

At 10.5%, **Elementary Education & Teaching** achieved the highest CVR for the top five education programs in Q3 2017.

The BLS reports that rising student enrollment should increase demand for kindergarten and elementary teachers, but employment growth will vary by region. Projected growth for preschool, primary, secondary and special education school teachers in the next ten years is on par with the national average of 8%. Special education teachers who focus on preschool aged children can expect a slightly higher growth projection of 11%.

Top 5 Education Programs (Ranked by Q3 2017 SOV)

Education Program	Q3 2017 SOV	Q3 2017 CVR	Q3 2017 SOC	SOV Change YOY
Early Childhood Education and Teaching	1.90%	6.38%	1.57%	22.37%
Education, General	1.14%	6.33%	0.93%	-7.09%
Educational Leadership and Administration, General	1.04%	9.14%	1.23%	-0.99%
Elementary Education and Teaching	0.85%	10.47%	1.15%	-6.29%
Special Education and Teaching, General	0.37%	8.49%	0.41%	13.31%

Computer Program Inquiry Volume & Performance

The SOV for the computer program category was 6.8% in Q3 2017, up slightly from the prior quarter but flat YOY. The Q2 2017 CVR for computer programs averaged 6.3%, up from 5.7% in Q1 2017 and close to the 6.4% average CVR for 2016. Though the quarter-by-quarter performance shows ups and downs for the computer category CVR, the trendline for the 2015 to 2017 time period was relatively flat.

Computer Programs Category — SOV vs. CVR — By Quarter, 2015 - Q3 2017
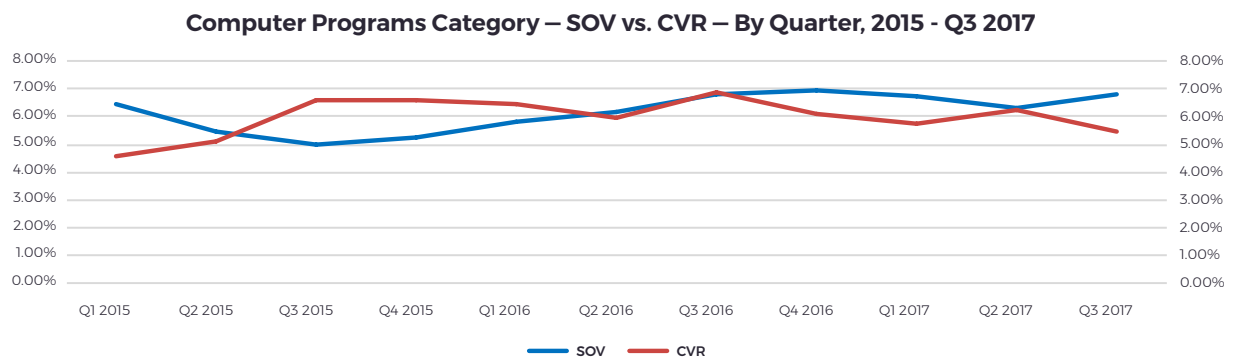
Web Page, Digital/Multimedia and Information Resources Design was the eighth-ranked program overall for inquiry volume, and it topped the list of computer programs. The SOV for this program was 2.6% in Q3 2017, a boost from 2.3% in Q2 2017. The CVR for web design programs was 7.3% in Q2 2017, the highest point for 2015 through 2017. The rising demand for mobile devices and ecommerce continues to drive growth for related occupations, and the BLS reported a 13% growth projection for 2016 to 2026.

Computer Systems Networking & Telecommunications ranked fourth on the list in terms of computer program volume. The SOV for this program was .74% in Q3 2017, down slightly from 0.78% in Q2 2017. But with that the conversion rate, although erratic, the Q3 CVR of 4.3 has already outpaced Q2 which was at 4.0%. for this program has been erratic.

Computer Programming/Programmer, General ranked fifth on the list for volume in this program category. The SOV has been climbing for this program — 0.5% in Q3 2017 was up from 0.4% in Q3 2016 and up from 0.2% in Q3 2015. Unfortunately, the BLS projects a decline in the computer programming occupation due to the increase in mobile commuting allowing companies to hire employees based anywhere in the world.

**Top 5 Computer Programs (Ranked by Q3 2017 SOV)**

Computer Program	Q3 2017 SOV	Q3 2017 CVR	Q3 2017 SOC	SOV Change YOY
Web Page, Digital/Multimedia and Information Resources Design	2.62%	5.37%	1.82%	-0.86%
Computer Systems Analysis/Analyst	1.23%	8.83%	1.41%	-25.85%
Information Technology	0.80%	4.94%	0.51%	-2.26%
Computer Systems Networking and Telecommunications	0.74%	4.29%	0.41%	3.34%
Computer Programming/Programmer, General	0.46%	3.00%	0.18%	12.84%

Psychology Program Inquiry Volume & Performance

Psychology volume has been on an upward trend that started its slow climb in 2016. In Q3 2017, at 5.1%, the psychology program category experienced its largest SOV share for the 2015 to 2017 period.

The Q3 2017 CVR was only 6.6% compared to 7.4% in Q2 2017. There is still time for it to mature, but increased volume may be impacting performance. Overall, for the 2015 to 2017 period, the conversion rate was fairly flat, but the pattern has been downward for 2017 thus far.

Psychology Programs Category — SOV vs. CVR — By Quarter, 2015 - Q3 2017
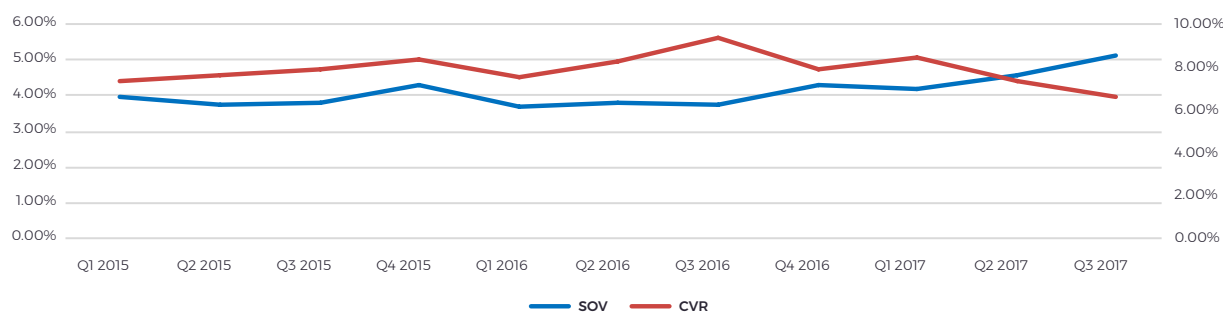
Psychology, General is the fifth-largest program overall, and it tops the list of psychology programs. In Q3 2017, the SOV for this psychology program was 3.9% — up considerably from 3.3% in Q2 2017 and 2.8% in Q3 2016. The CVR for Psychology, General was just 6.8% in Q2 2017 compared to 7.4% in Q2 2016. According to the BLS, increased demand for psychological services in schools, hospitals, mental health centers and social service agencies may drive employment growth. In fact, the BLS projected that, from 2016 to 2026, psychology occupations can expect a 14% positive growth rate.

Counseling Psychology was the second most popular psychology program in Q3 2017. Its 3.9% SOV in Q3 2017 was up considerably from 3.3% in Q2 2017 and 2.8% in Q3 2016. The CVR for Counseling Psychology was 6.8% in Q2 2017, down from 7.4% in Q2 2016.

Industrial and Organizational Psychology was ranked third in Q3 2017 in terms of SOV for the psychology category. This program's Q2 2017 CVR of 4.8% was an improvement from 4.4% in Q1 2017. According to the BLS, common activities for this occupation include policy planning, employee testing and selection, training and development and organizational development and analysis. The BLS projected total employment for occupations related to Industrial and Organizational Psychology to grow 14% — substantially faster than the average for other psychology occupations.

Forensic Psychology had a SOV jump of 130% YOY. This growth may be due to increased demand for psychological services in social service organizations and in the criminal justice system.

Top 5 Psychology Programs (Ranked by Q3 2017 SOV)

Psychology Program	Q3 2017 SOV	Q3 2017 CVR	Q3 2017 SOC	SOV Change YOY
Psychology, General	3.90%	5.92%	2.99%	34.62%
Counseling Psychology	0.59%	12.33%	0.94%	19.80%
Industrial and Organizational Psychology	0.21%	5.66%	0.15%	14.78%
Forensic Psychology	0.20%	5.10%	0.13%	130.87%
Clinical Psychology	0.20%	8.65%	0.22%	51.91%

Additional Program Category & Program Statistics

Top 20 Programs that Are Not in Top 5 Program Categories	
9	Criminal Justice/Police Science
10	Human Services, General
13	Heating, Air Conditioning, Ventilation and Refrigeration Maintenance Technology/Technician
14	Welding Technology/Welder
17	Automobile/Automotive Mechanics Technology/Technician

Program Categories with Q3 2017 CVR >10%	CVR
High School/Secondary Diplomas and Certificates	91.78%
Foreign Languages, Literatures, and Linguistics	52.00%
Mathematics and Statistics	22.45%
Basic Skills and Developmental/Remedial Education	22.22%
Liberal Arts and Sciences, General Studies and Humanities	20.82%
Transportation and Materials Moving	19.96%
Biological and Biomedical Sciences	19.91%
Physical Sciences	19.16%
Parks, Recreation, Leisure, and Fitness Studies	18.75%
Natural Resources and Conservation	12.61%
Social Sciences	11.34%
Homeland Security, Law Enforcement, Firefighting and Related Protective Services	10.83%

Program Categories with Q3 2017 CVR <4%	CVR
English Language and Literature/Letters	3.99%
Communications Technologies/ Technicians and Support Services	2.94%
Area, Ethnic, Cultural, Gender, and Group Studies	1.19%

Digital Media Solutions

Programs with Q3 2017 CVR >10% (only programs within top 50 listed)	CVR
Liberal Arts and Sciences/Liberal Studies	24.38%
Truck and Bus Driver/Commercial Vehicle Operator and Instructor	20.65%
Accounting	15.30%
Business Administration and Management, General	12.44%
Accounting and Finance	12.39%
Counseling Psychology	12.33%
Family Practice Nurse/Nurse Practitioner	12.27%
Health Services/Allied Health/Health Sciences, General	11.40%
Criminal Justice/Police Science	11.15%
Elementary Education and Teaching	10.47%
Bible/Biblical Studies	10.10%

Programs with Q3 2017 CVR <4% (only programs within top 50 listed)	CVR
Nursing, Other	3.74%
Computer Programming/Programmer, General	3.00%
Nurse/Nursing Assistant/Aide and Patient Care Assistant	2.76%
Marriage and Family Therapy/Counseling	2.59%
Office Management and Supervision	1.47%

Top 5 Jumps in SOV for Program Categories (from Q3 2016 to Q3 2017)	SOV Change
Science Technologies/Technicians	800.00%
Construction Trades	430.39%
Physical Sciences	142.03%
Natural Resources and Conservation	86.42%
Leisure and Recreational Activities	85.71%

Top 5 Declines in SOV for Program Categories (from Q3 2016 to Q3 2017)	SOV Change
Basic Skills and Developmental/Remedial Education	-75.68%
Military Science, Leadership and Operational Art	-68.97%
Parks, Recreation, Leisure, and Fitness Studies	-55.33%
Area, Ethnic, Cultural, Gender, and Group Studies	-39.80%
High School/Secondary Diplomas and Certificates	-32.41%

Programs with SOV Jumps >50% (from Q3 2016 to Q3 2017; only top 100 programs listed)	SOV Change
Forensic Psychology	239.06%
Computer and Information Systems Security/Information Assurance	203.67%
Computer and Information Sciences, General	148.94%
Hospitality Administration/ Management, General	141.12%
Human Services, General	116.16%
Pastoral Studies/Counseling	112.01%
Divinity/Ministry	94.46%
Counselor Education/School Counseling and Guidance Services	92.48%
Cyber/Computer Forensics and Counterterrorism	91.75%
Clinical Psychology	80.28%
Physical Therapist Assistant	67.08%
Mental Health Counseling/Counselor	65.09%

Programs with SOV Slips >40% (from Q3 2016 to Q3 2017; only top 100 programs listed)	SOV Change
Education/Teaching of Individuals in Elementary Special Education Programs	-48.12%
Nursing/Registered Nurse (RN, ASN, BSN, MSN)	-41.06%

Conclusion

Although institutions have worked to shift media budgets to first-party inquiry channels and maximize branded/exclusive efforts, the world of affiliate partners and pay-per-lead initiatives is not going away. The trendline for inquiry volume has been on the rise since 2015, and third-party channels have exceeded 50% of the volume share each quarter. We continue to see new third-party lead delivery and payment models, and that seems to maintain the appetite for testing. The hot transfer SOV decreased in Q3 2017, but conversion rates remained strong, indicating this is still a viable and important channel for institutions able to handle inbound calls.

Display-type initiatives represent a solid opportunity for first-party inquiry growth. The SOV increased for social media in both Q2 and Q3 2017, and it is likely to experience continued growth as additional media placement opportunities launch. Conversion rates for social media have been up and down, but appear to be improving over the long term.

With regard to degree-level and program distribution, there have been few changes. However, the strength of conversion rates for higher-level, campus-based programs suggests the potential for schools to successfully scale hybrid models as well.

Through the first three quarters of the year, there have been few surprises. We expect the last quarter will track similarly.

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

▸ **CPL:** 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."

▸ **MOM:** Month over month

▸ **PPC:** Pay per click

▸ **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. Unless otherwise noted, this is calculated as a percent of all leads generated for the period.

▸ **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

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 September 30, 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.

Data was pulled at in mid-October of 2017. Although lead cohorts continue to mature indefinitely, we assume cohorts to be mature after a period of 90 days. Therefore, the Q3 2017 lead cohort will be considered fully mature on December 31, 2017.

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