

Industry Overview

The education and training industry is a broad category encompassing job-specific certification, professional training, as well as classes emphasizing self-fulfillment, leisure and hobbies. Demand for such training is often driven by employment trends in the medical, technological and manufacturing industries. Major services in this industry include technical and trade schools – accounting for almost half of the industry’s revenue – as well as business schools and computer training. Other industry services include fine arts schools, sports and recreation instruction, exam preparation and driving schools. This industry’s sales and marketing initiatives often revolve around high school recruitment programs using videos, presentations, and referral incentive programs to attract students. Other common marketing programs include TV, careers fairs, open houses, and print marketing.

Notably, in addition to teaching technical skills, many education services are now heavily invested in Internet-based distance learning by way of “virtual classrooms.” This development enables students to view streaming media and converse with the instructor and one’s peers through instant messaging.

Business Challenges

The educational sector is one in which governments, countries and employers rely on to shape the future workforce. As such, the high expectations generate several business challenges:

- **Vulnerability to Federal Funding Cutbacks:** Although government funding only represents a small portion of the industry’s revenue, some educational institutions rely heavily on these loan programs to sustain student enrolment. Cutbacks to such programs can significantly affect the industry’s profitability.
- **Internet / Other Media Competition:** More than ever before, paid in-class and online education is rivalled by free or low-cost instruction from the Internet, DVDs and computer software. Although this fails to provide students with legitimate credentials, this type of training is often more convenient and less costly than structured online or in-class instruction.
- **Poor Publicity:** Legitimate educational institutions must battle the harm caused by the growing number of unscrupulous institutions that offer instant certifications and degrees. Consequentially, educational institutions are labelled as “diploma mills.”
- **Aging Workforce:** Many educational instructors are rapidly approaching retirement, thereby creating a hiring burden on educational institutions. Often schools are finding it more and more difficult to recruit qualified instructors to instruct the next generation of students.

Industry Opportunities

The education industry's growth is often indicative of the evolution of technological advancements, expansions of training programs and, of course, the cultural transformations of today. This ever-changing demand opens up the door for a number of industry opportunities:

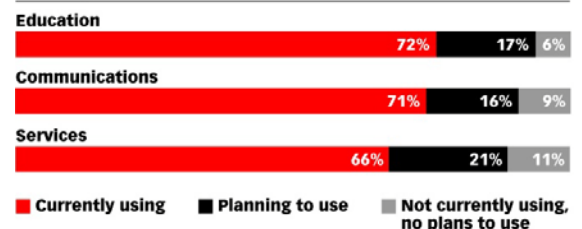
- **Online Education:** Educational institutions are only scratching the surface in the opportunity to blend in-class and online classes. In the United States alone, almost 5 million students are enrolled in at least one online course.
- **Institutional Partnerships:** Career educators are increasingly partnering/ integrating with high school programs. This proves to be effective in lowering high school dropout rates and offers a critical alternative to technically minded students who are not interested in traditional liberal arts in their post secondary education.
- **International Expansion:** More than ever before, schools are recruiting internationally and establishing more overseas campuses. Likewise, recruiting international students for online programs poses additional growth for the industry.

Digital Marketing Trends

A study released by eMarketer illustrates that the education sector is one of the top industries in the world currently using social media as part of their overall strategy. Seventy-two percent of respondents in the education industry said they currently implement social media tactics in their marketing initiatives. Meanwhile, 17% of educational companies worldwide said they plan to add social media to their marketing programs. Only a small percentage (6%) said they do not use social media or have no plans of integrating it into their strategy.

Social Media Use by Companies Worldwide, by Industry, July 2010

% of respondents



Note: numbers may not add up to 100% due to rounding
Source: SAS and Harvard Business Review, "The New Conversation: Taking Social Media from Talk to Action," Oct 27, 2010

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Companies in North America that Have Acquired a Customer from a Social Media Site or Blog, by Industry, Jan 2011

% of respondents

	Facebook	Twitter	LinkedIn	Company blog
Retail/wholesale	80%	63%	35%	55%
Higher education	72%	47%	33%	67%
Communications/media	56%	49%	66%	56%
Technology (hardware)	42%	38%	50%	42%
Professional services/consulting	39%	31%	59%	58%
Banking/insurance/financial services	35%	40%	61%	47%
Technology (software/biotech)	33%	48%	53%	58%
Manufacturing	22%	24%	60%	38%

Note: read as saying 80% of retail/wholesale companies who use Facebook for marketing have acquired a customer from that channel
Source: HubSpot, "The 2011 State of Inbound Marketing," March 2, 2011

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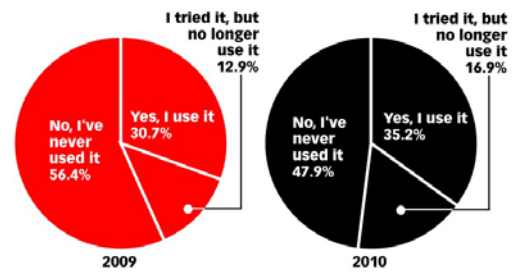
Customer Acquisition via Social Media

A recent study reveals that higher education institutions in North America said they have acquired new customers through social media sites and/or blogs. Specifically, 72% of those in the higher education industry said they acquired new customers through Facebook; 47% said the same about Twitter; and 33% generated customers using LinkedIn. Meanwhile, 67% of those in the higher education industry reported an increase in customer acquisition through their company blog.

Twitter Usage Among Higher Educational Professionals

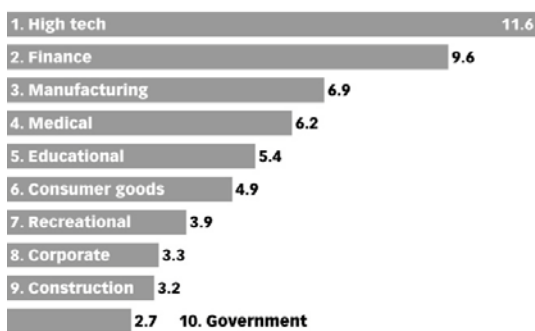
When evaluating the use of Twitter among higher education professionals, we see that Twitter has become more accepted among this population. In 2009, 30.7% of higher education professionals admitted to using Twitter, and in just one year this number increased to 35.2%. The percentage of education professionals that have never used Twitter at all has decreased over 12 months, from 56.4% in 2009 to 47.9% in 2010. Experts predict that as the popularity of Twitter and other social media platforms continues to grow in the educational sector, more and more professionals will adopt these technologies in their day-to-day uses.

Higher Education Professionals Worldwide Who Use Twitter, 2009 & 2010
% of total



Note: 2009 n=1,958; 2010 n=1,372
Source: Faculty Focus, "Twitter in Higher Education 2010: Usage Habits and Trends of Today's College Faculty," Sep 17, 2010
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Top 10 Industries on LinkedIn, Ranked by Number of Users, March 2011
millions



Source: LinkedIn as cited by Vincos Blog, March 22, 2011
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LinkedIn Usage Among Educational Professionals

LinkedIn is another common social media platform for those in the educational industry. As of March 2011, the educational sector was ranked as the 5th most common industry on LinkedIn. There were approximately 5.4 million LinkedIn users worldwide in the education industry in March 2011, just under the 6.2 million users in the medical industry; 6.9 million users in the manufacturing industry; 9.6 million users in the finance industry; and 11.6 million users in the high tech industry. Other industries in the top 10 of those with a LinkedIn account include: consumer goods, recreational, corporate, construction and government.

Digital Marketing Opportunities

Immediate Areas of Focus for Social and Mobile

When we look at the latest digital marketing opportunities of social media and mobile for the education sector, their main considerations and focus should be on how they can use these technologies to form a community environment between their students, parents and teachers.

On the social front, educational institutions are using social media technologies like blogs, Facebook and Twitter to share news, general info, updates and to connect with their student and teacher population. YouTube is utilized to help broadcast student testimonials and showcase student experiences to prospective students and parents. On the mobile front, they are aiming to help make general functions like registering for classes, browsing courses, and connecting with faculty members more accessible to students using their mobile devices. Although some educational institutions have jumped onto the social and mobile train sooner than others, below is where we see the majority making considerations from a strategy standpoint.

Social Technologies								
Blog	Facebook	Twitter	LinkedIn	YouTube	News Feeds/ Social Alerts	Social Bookmarking	Forums	Review Sites
✓	✓	✓		✓				

Mobile Marketing			
Mobile Site	Mobile Local Search	Mobile Ads/ Text	Mobile Apps
✓			✓

Popular Pay-Per-Click Keywords

Keyword	Advertiser Competition	Global Monthly Searches	Estimated Cost per Click
education city	0.34	301000	\$0.25
department of education	0.02	165000	\$1.55
ministry of education	0.02	60500	\$1.37
pearson education	0.17	60500	\$0.41
education quotes	0.03	33100	\$1.07
education portal	0.12	33100	\$1.45
physical education	0.16	33100	\$0.98
higher education	0.09	27100	\$1.91
early childhood education	0.77	27100	\$7.76
adult education	0.41	27100	\$2.43
distance education	0.65	27100	\$2.13
dept of education	0.04	22200	\$1.40
special education	0.32	22200	\$3.23
philosophy of education	0.06	22200	\$1.01
education gazette	0.05	22200	\$0.68
online education	0.87	18100	\$12.42
continuing education	0.49	18100	\$4.94
board of education	0.09	18100	\$0.91
importance of education	0.1	18100	\$0.94
department for education	0.02	18100	\$1.35