



SIGHTLINE TO TUITION AND AWARDING

CASE STUDY: A comprehensive view of brand, positioning, awarding, and student communications.

PROBLEM: Our client's financial aid awarding strategy was complex and was not yielding the anticipated number of students and was inconsistent with the new university brand

This private four-year institution, along with many other institutions, continuously increased published tuition while simultaneously increasing discounting over the past decade.

The university was considering a new published tuition rate and awarding strategies to break out of this pattern to become a leader in *price transparency* and supporting *long-term student success*. Additionally, the university aimed to enroll a consistent number of students year over year, stabilizing enrollments and expected budgets. University leadership and the Board of Directors were not sure how to achieve these goals.

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SOLUTION: Assess the University's competitive market positioning and the impact of tuition and awarding on student enrollment decisions.

To better understand which students were more likely to enroll at the university, SightLine analyzed both market level data and individual student level data. The goal was to gain context around where the university sits in the market relative to their top competitors, identify key differentiators to endorse their brand, and determine how price and awards impact student enrollment decisions. This process included assessing:

- content and messaging on the university website,
- the process and logistics of the current awarding strategy,
- the top predictors of student enrollment
- student net price sensitivity, and
- inconsistencies between these topics and student touch points.

Overall, this institution's published price and net price were above average compared to their direct competitors. On top of this, their direct competitors on average had higher published and net prices than the broader pool of institutions within their geographic region. This indicated that our client was in a particularly high-priced and highly competitive market which they may want to break out of. This high-price, high-discount pricing model can be quite difficult for universities to maintain long-term.

"A study by Sallie Mae (p. 70) indicated that 35% of parents and 45% of students eliminated potential colleges based on price before even researching the college, and 47% of parents and 61% of students eliminated institutions based on price before applying." ¹

Our client had many qualities that may attract students who previously only considered public institutions. This opened the door to new awarding strategies to meet the needs and expectations of a broader student demographic. The university had a new welcoming, student-centric brand and we wanted to propose an awarding strategy that supported this brand.

RESULTS: A price transparent awarding strategy

SightLine proposed a new, simplified awarding strategy, where the entire awarding package is offered up-front. The merit-based award amounts are clearly communicated and published online so that students know what to expect.

These merit awards were simplified to three tiers and are easy to understand. The admissions and financial aid teams now focus communications with students around merit, demonstrating how much they value student effort and quality. Additionally, students with high financial need receive need-based award amounts quickly so that they know what they are going to be paying out-of-pocket much earlier in the process.

¹ <https://lapovsky.com/wp-content/uploads/2010/07/Do-Price-Resets-Work.pdf>

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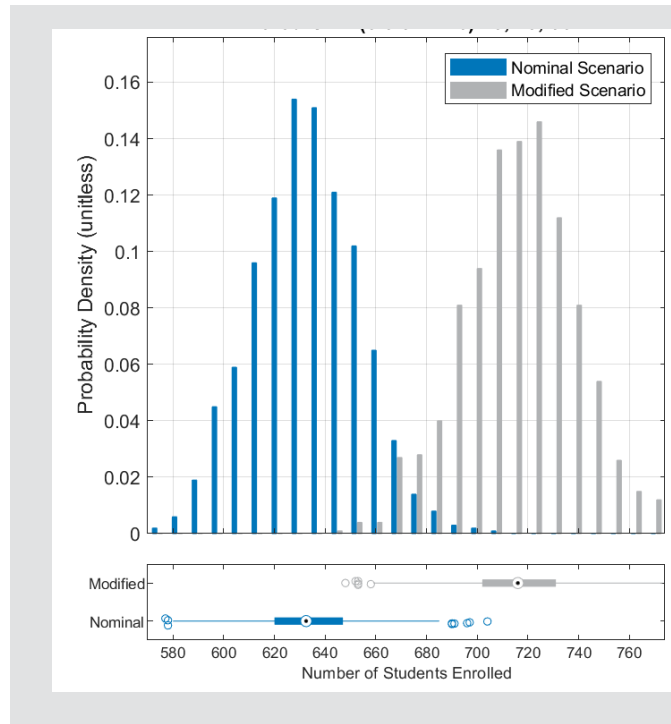
The overall goal is to reduce the complexity of award letters, reducing student financial stress and allowing students to focus on preparation for the coming academic year.

The SightLine team used statistical simulations to test out different awarding structures. The figure on the right demonstrates a what-if-scenario from our analysis. It quantifies the range of possible enrollment outcomes for a new awarding strategy with three merit-award tiers. The blue histogram represents the nominal enrollment with the previous award structure, and the light gray represents the shift in expected enrollment based on the new three-tier merit-based awarding strategy.

The shift from the blue histogram to the gray histogram shows that student enrollment was expected to increase on average by 90 students. Since this is a statistical simulation, there are a range of possible outcomes, yielding more than 150 more students or potentially losing a few students. Outcomes on the tails of these histograms are unlikely and this institution would most likely gain a significant number of students.

BOTTOM LINE: Expected increase of 90 additional students and \$2MM in total annual revenue

Our final awarding recommendation is expected enroll on average 90 more students per year and increase the total annual revenue for new incoming students by approximately \$2MM during the first year alone. Even with a simplified awarding strategy, SightLine's data scientists were able to balance award offers to various student segments, enrolling more of the right students for the university.



Long-term, this institution is considering a published price reduction to continue to support students and building a brand around simple price transparency. We believe student-centric pricing and awarding is the best step towards promoting long-term student success.

To learn more about SightLine's marketplace intelligence and financial aid leveraging analysis, contact the SightLine team or visit our [solutions page](#).

About SightLine: SightLine is a boutique analytics firm, providing easy to interpret, student-centric predictive analytics solutions without the need for complex software. We support colleges and universities throughout the entire student lifecycle, using data to answer the complex questions that institutions have about how to support students.