

Strayer Education, Inc.

Making Education Achievable for Working Adults

The Strayer University Brand

Lysa Hlavinka

**Senior Vice President,
Chief Administrative Officer**

Investor Day
November 7, 2007

Lysa Hlavinka

Senior Vice President & Chief Administrative Officer



- ❖ Joined Strayer Education, Inc. in 2001 as Vice President of Marketing
- ❖ Began career as account executive at an advertising agency and joined University of Phoenix in 1990
- ❖ While at the University of Phoenix she held positions as Marketing Manager, Director of Administrative Services, and National Director of Advertising
- ❖ Received undergraduate degree in Advertising from Arizona State University and an MBA from the University of Phoenix

Agenda

- ❖ Our Students
- ❖ Strayer University's Marketing Objectives
- ❖ The Strayer University Brand
- ❖ Marketing Mix
- ❖ Managing Inquiries
- ❖ Corporate Alliances

Who are our students?

- ❖ Adults, not just due to age, but due to place in life
- ❖ Diverse in age, income, ethnicity, marital status
- ❖ Demographics of average student:
 - Average age is 35
 - At least high school/some college education (master's leads have bachelor's degree)
 - Employed; average income \$35K
 - Family
 - Takes two classes per quarter on nights, weekends, Online

What we know about our students

- ❖ Challenged by demands of work, family
- ❖ Careful – consider lots of options, want reassurance
- ❖ Motivated – desire to seek opportunity
- ❖ Consider the decision to return to school for many years
- ❖ When they finally contact schools, they're ready to act

Marketing Objectives

- ❖ Focus on working adults
- ❖ Consistent branding and messaging
- ❖ Successfully introduce Strayer University brand to new markets, continue to build brand in existing markets
- ❖ Use actionable data about markets and inquiries, such as marketing sources, conversion rates, and demographics, respond to changing market conditions

The Strayer University Brand

- ❖ University
- ❖ Accredited
- ❖ Adult students
- ❖ Convenient locations
- ❖ Flexible schedule (interchangeable Online and campus courses)
- ❖ Efficient way to earn a bachelor's or master's degree
- ❖ Professional environment
- ❖ Quality education taught by quality faculty
- ❖ Fair cost

Strayer University Brand Positioning

- ❖ Combines quality of a traditional university education with flexibility and convenience
- ❖ Exists for one purpose – to provide adults with a higher education that opens the door to opportunity
- ❖ Accomplished through
 - Delivery of a learning-centered university experience
 - Creating a family-like support structure
 - Real-world career-focused teaching
 - An atmosphere that understands adults learn best when they are treated like adults

The “Strayer University” Logo

- ❖ Shield = stability, strength
- ❖ 1892 = year of founding, reliability
- ❖ Column = academics
- ❖ Strayer not used without the word University
- ❖ Tag Line: “We Fit Your Life.”



Applying the Brand: Operations

❖ Busy adults need attentive service

- All staff trained to understand our students' needs and expectations: convenience, flexibility around schedules, prompt response
- Hours of operation
- Campus, phone and Online options for service

❖ Campus design

- Reflects quality product
- All elements thought out to support educational environment for busy adult students

Applying the Brand: Advertising

- ❖ Consistent messaging across all media and all customer contacts
- ❖ All ads, even direct response ads, contribute to brand awareness and credibility

Marketing Mix

❖ Broadcast

- Television
- Radio

❖ Newspaper advertising

- Ads and inserts in major market papers: main news and business section, special education sections
- Community College papers
- Military papers

Marketing Mix

- ❖ Out of home advertising (metro stations, buses, billboards)
- ❖ Internet
- ❖ Direct mail
- ❖ Outreach
 - Exhibitions at expos, conferences, career fairs
 - Corporate outreach through business development and educational liaisons, military

Applying the Marketing Mix

- ❖ Regional Marketing Managers
- ❖ Varies by market based on
 - Objectives
 - Awareness
 - Level of demand
 - Expense
 - Maturity of campuses
- ❖ Flexible
 - Within quarter to respond to level of inquiries
 - Quarter to quarter depending on results

Inquiry Generation

❖ Inquiry = someone who requests information

❖ Methods of contact

- 80% come through the Internet
- 7% from direct mail
- 10% phone calls
- 3% walk-in

Inquiry Management

- ❖ Telephone responses through toll-free numbers are routed to campuses
- ❖ Internet and direct mail inquiries are imported into our customer management system and routed to Admissions Officer
- ❖ As records “age” in the system, ongoing contacts are made from campuses and centrally from the Marketing Department database

Marketing Costs

- ❖ Average University advertising cost per inquiry \$50-\$100
- ❖ Average University advertising cost per student enrollment \$500-\$1,500

University Alliances

- ❖ Alliance partnerships formed with
 - Corporations
 - Military branches
 - Government offices
- ❖ Benefits to the employer
 - Customized services or programs
 - Employee benefits
 - Job recruitment and development
- ❖ Benefits to Strayer University
 - Potential large recurring volume
 - Minimal credit risk, direct payment of tuition
 - Faculty recruitment

College Agreements

- ❖ Articulation agreements formed with 2 year schools to ease transfer of their graduates into Strayer
- ❖ Large feeder of students into bachelor's programs; these students have higher completion rates than students transferring in less credits
- ❖ Move toward programmatic agreements instead of course to course agreements

Strayer Education, Inc.

Making Education Achievable for Working Adults

The Strayer University Brand

Lysa Hlavinka

**Senior Vice President,
Chief Administrative Officer**

Investor Day
November 7, 2007