

Online Consortium of Independent Colleges and Universities (OCICU): Using Cluster Analysis to Grasp Student and Institutional Value of Consolidated Online Offerings in Higher Education

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Abstract : Purpose: This study is designed to examine the institutions that comprise the Online Consortium of Independent Colleges and Universities (OCICU) to understand better the types of higher education institutions that comprise their membership. The literature on this topic is extensive in analyzing the current economic environment around higher education, which is largely considered to be negative for independent, tuition-driven institutions, and is forcing colleges and universities to reexamine how the college-attending population defines value and how institutions can best utilize their existing resources (and those of other institutions) to meet that value expectation. The results from this analysis are intended to give OCICU the ability to target their current customer base better, based on their most notable differences, and other institutions to see how to best approach consolidation within higher education. Design/Methodology: This study utilized k-means cluster analysis in order to explore the possibility that different segments exist within the seventy-one colleges and universities that have comprised OCICU. It analyzed fifty different variables, whose selection was based on the previous literature, collected by the Integrated Postsecondary Education Data System (IPEDS), whose data is self-reported by individual institutions. Findings: OCICU member institutions are partitioned into two clusters: "access institutions" and "conventional institutions" based largely on the student profile they target. Value: The methodology of the study is relatively unique as there are not many studies within the field of higher education marketing that have employed cluster analysis, and this type of analysis has never been conducted on OCICU members, specifically, or that of any higher education consolidated offering. OCICU can use the findings of this study to obtain a better grasp as to the specific needs of the two market segments OCICU currently serves and develop measurable marketing programs around how those segments are defined that communicate the value sought by current and potential OCICU members or those of similar institutions. Other consolidation efforts within higher education can also employ the same methodology to determine their own market segments.

Keywords : Consolidation, Colleges, Enrollment, Higher Education, Marketing, Strategy, Universities

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