Case Study for George Fox

2019

George Fox

The Challenge

George Fox University, a faith-based liberal arts university located in Newberg, Oregon, serves approximately 3700 students. University leadership faced a tough decision regarding changes to tuition prices; it wanted to raise the tuition level to better sustain itself and grow, but was unsure of its tuition ceiling. In other words, the university needed to make a data-driven decision regarding tuition pricing in order to avoid crossing the threshold at which the school would become too expensive to attend.

The Project

Using Stamats' Tuition Pricing Elasticity Study, George Fox asked our team to help them understand what prospective students and their parents were willing to pay for tuition. Knowing that the role parents play as influencers in the college decision-making process is always more significant when the institution is faith-based, Stamats conducted primary research and interviewed 250 parents of inquiring students.

The university was also able to leverage research results to determine the viability of certain academic programs that had been started a decade earlier. In addition to primary research, we carried out a competitor analysis to understand the elasticity of George Fox's tuition pricing within its specific competitor set.

The Results

Research findings strongly indicated that tuition at George Fox was underpriced and that an increase in tuition would not dampen undergraduate enrollment. The university followed our recommendations, increasing tuition by over 6 percent. In that same year, George Fox had the largest incoming freshman class in its history.

Rob Westervelt, executive vice president for enrollment and marketing at George Fox University, reflected on his experience working with our team: "Stamats collaborated with us on every aspect of the studies we carried out, from designing the questionnaire, to figuring out who would be questioned, and what questions needed to be asked. It has been a great experience."

Tuition Pricing Adjustment	Results
Increased over 6%	Largest Incoming Freshman Class

"Are we priced appropriately in the market?"

Simply comparing your price to competitors isn't enough to answer the question. Students choose a school based on value, which sits at the intersection of price and quality.

THIS WILL HELP YOU...

- Understand how you are perceived vis-à-vis your competitors.
- Determine if the market believes your price is commensurate with the quality you deliver.
- Identify the right price point based on the market's willingness-to-pay.
- Focus marketing communications on the qualities that are most important to your audiences.
- Focus your recruiting efforts on prospective students most likely to apply and enroll.

"We need a better financial aid strategy"

Traditional financial aid leveraging approaches are useful but inherently backward-looking and limited. Strategic enrollment managers need more information for a sound financial aid strategy.

THIS WILL HELP YOU...

- Assess how changes in discount rates impact the size and shape of the class as well as net tuition revenue.
- Determine an ideal discount rate for your institution based on enrollment goals, housing capacity, and academic standards.
- Segment your prospective students by meaningful differentiators such as GPA, location (in-state vs. out-of-state), household income, parent education, first-generation student status, etc.

"What happens if we change our price?

You need to know how a change in your price will impact two of the most important measurements of institutional stability: enrollment and revenue.

THIS WILL HELP YOU...

- Assess the price elasticity of your institution (i.e., how your preference changes as price changes).
- Develop a data-based estimate of enrollment and net tuition revenue in multiple new pricing scenarios.
- Analyze the composition of the class in different pricing scenarios.
- Determine how a change in a competitor's price would affect preference for your institution.