Perceptions of Third-Party Providers as a Result of the Pandemic

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Executive Summary

This research highlights the reality that the higher education landscape is changing swiftly and dramatically, particularly since the onset of the COVID-19 pandemic. As entire campuses shut down, professional, continuing, and online (PCO) units had to adapt quickly and develop online programming to meet the needs of learners throughout the pandemic. To support campus-based students, as well as those who were fully or partially online, PCO units often sought assistance from third-party providers to help expand bandwidth to support existing students, diversify their portfolios and continually attract new adult learners. This research underlines the perceptions PCO units have toward third-party providers and how this relationship has changed since the start of the pandemic.

- **Sixty-five percent** of institutions' professional and continuing education units **use third-party providers**.
- The **most common third-party provider** used is **ed2go. A majority (88%)** of PCO units that use ed2go are **very or extremely satisfied** with the organization for course content, materials, and development.
- When asked what the single most important factor is **in considering third-party providers for their PCO unit, reliability/quality and ability to collaborate toward institution needs** were cited by 28% of respondents and 13% said ease of use.
- Overall, PCO units are **more likely to leverage third-party providers for non-credit than for-credit courses**.
- Institutions that **do not use external providers** state it is because they **already have internal services/resources (48%), while 19% cite the cost, and 14% question the quality.**
- **Seventy-one percent** of respondents agree that **as a result of the pandemic**, their PCO unit has been **viewed as more or much more valuable regarding its role for the institution.**
- A total **of 81% of respondents agree or strongly agree that the associated impacts of COVID-19 have positively affected how their institutions view online courses.**

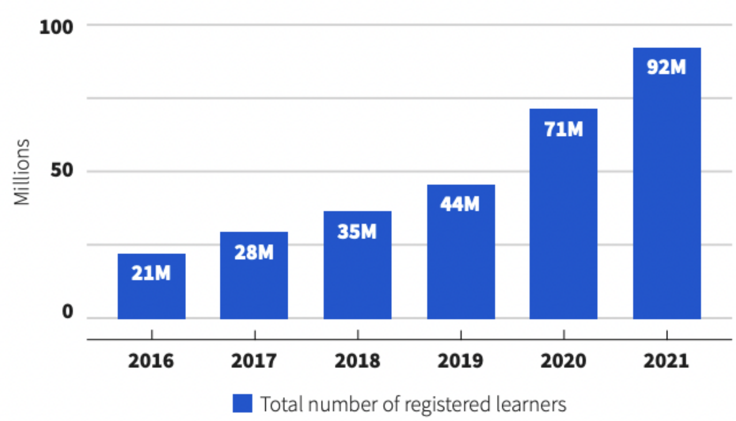
Overview

Diversifying Higher Education Portfolios

The COVID-19 pandemic brought abrupt and disruptive change to the higher education industry. Overnight, institutions had to shift from their traditional formats of delivering education to a model that was completely online. This dramatic change produced a number of challenges for institutions, but it also presented them with a number of opportunities. While professional, continuing, and online units have often been viewed as an afterthought, colleges and universities were forced to recognize their unique attributes and the many agile opportunities they provide. PCO units are "ideally positioned to identify, test and develop these student services while also enabling their institutions to expand their offerings and provide a much-needed community service."[1] With the guidance of PCO units, institutions have continued to expand their portfolios and attract new adult learners through the ongoing pandemic. While the associated scramble to develop online programming to meet the needs of learners during the pandemic was arduous for many institutions, this unique crossroads in the history of higher education provides an opportunity to modernize and diversify institutions' portfolio offerings.

As the spread of COVID-19 has slowed down over the past year, higher education has opened back up for in-person learning but also with more online options than ever before. The demand for online learning continues to rise with more and more adult learners seeking out online modalities of instruction. In 2021, there were 92 million registered online learners compared to the pre-pandemic level of 44 million in 2019.[2] Research has shown that when adult learners were asked how remote instruction might impact their plans to enroll, 73% said they were open to it.[3]

Figure 1: Increase in Registered Online Learners



Source: Coursera

[1] https://evolllution.com/revenue-streams/market_opportunities/the-role-of-professional-continuing-and-online-education-units-in-shaping-the-future-of-higher-education/#:~:text=PCO%20education%20units%20are%20ideally%20positioned%20to%20identify%2C%20test%20and,or%20need%20to%20keep%20learning.
[2] https://about.coursera.org/press/wp-content/uploads/2021/11/2021-Coursera-Impact-Report.pdf
[3] https://eab.com/insights/blogs/adult-learner/online-graduate-education-enrollment/

The Use and Benefits of Third-Party Providers

While many institutions may see the associated opportunities of diversifying their portfolio with stackable pathways and increased online programming, some lack the resources or subject-area expertise to capitalize on these opportunities. As a result, PCO units are turning to third-party content providers to help fill the gap. In the study, 61% of PCO units use a third-party provider for course development, content, or materials. Among those that do, the average percentage of PCO unit courses using third-party providers is 31%, with a median of 18%. Eighty-nine percent of respondents that leverage a third-party provider most often do so for non-credit courses, followed by bootcamps (41%), and badges (30%). Third-party provider content appears to have proven successful at weathering many of the effects of the pandemic as 22% of institutions said they greatly increased (2%) or increased (20%) their usage of third-party providers as a result of the pandemic, while only 2% said it decreased their use. Research has shown that since the onset of the pandemic, "some 300 new deals are believed to have been reached between universities and for-profit online program managers, a 79 percent increase over the last year."[4] Institutions are looking to third-party providers for help with course expansion to save money and increase efficiency.

Though third-party providers have benefitted many PCO units, 39% do not use them because these units have internal capabilities and resources (42%). Additionally, questions about revenue sharing and academic quality have also hampered third-party usage. Furthermore, 53% of PCO units that do not use third-party content providers are extremely (16%) or very satisfied (37%) with the unit's ability to develop and produce course content and materials. However, 10% of these units are not very (5%) or not at all satisfied (5%). Regardless, 37% of institutions that do not currently use third-party providers said they would consider using them in the future.

[4] https://hechingerreport.org/more-colleges-and-universities-outsource-services-to-for-profit-companies/

COVID-19 and Third-Party Providers, 2022

Study Purpose

UPCEA conducted research to better understand the use of third-party providers by professional or continuing education units and the overall impact COVID-19 has had on third-party provider perception.

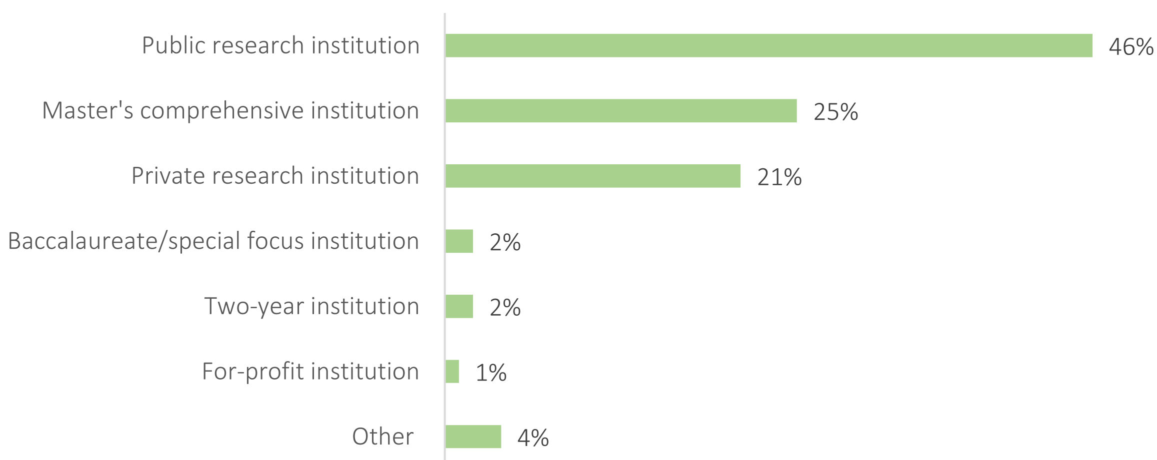
Survey Methodology

UPCEA partnered with ed2go to identify the impacts of the COVID-19 pandemic on the use of third-party providers. The results of this study focus on the offerings, support, and capabilities of professional or continuing education units, their use and satisfaction levels of third-party providers, and their experience with third-party providers since the COVID-19 pandemic. An internet panel was used for the study and targeted PCO units, both those that have and have not used third-party providers. To increase the sample size, a streamlined version of the study was also developed that focused on 13 critical questions from the original study. In total, 110 institutions participated and 71 completed the entire survey. The survey took place from March 1 to May 27, 2022.

Qualifying Questions and Demographics

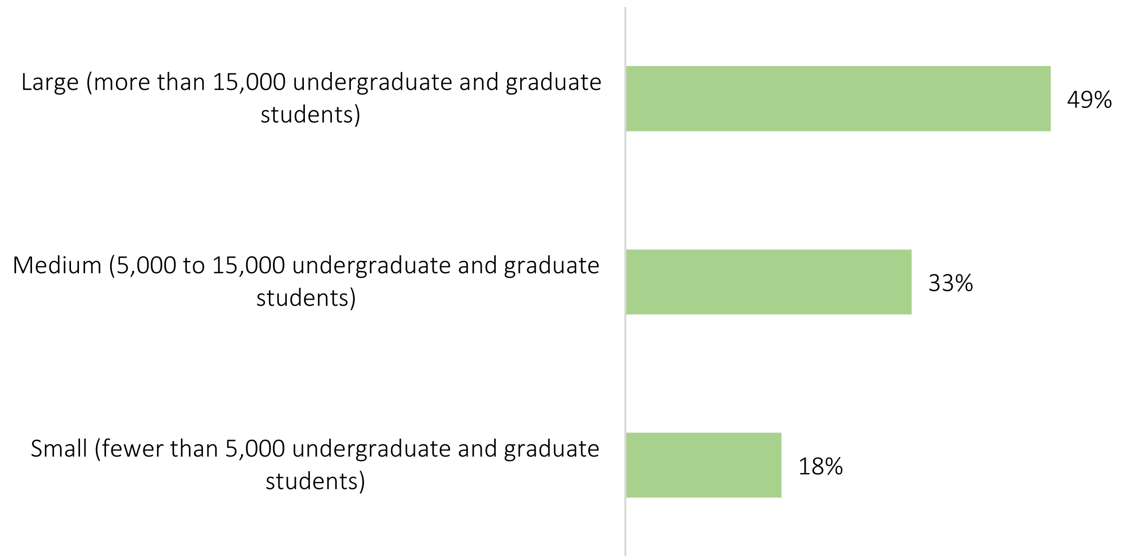
Public research institutions were the most common institution type (46%) followed by master's comprehensive (25%) and private research (21%).

Figure 2: Type of Institution (n=110)



Nearly half (49%) have more than 15,000 undergraduate and graduate students, while a third have 5,000 to 15,000, and 18% have fewer than 5,000.

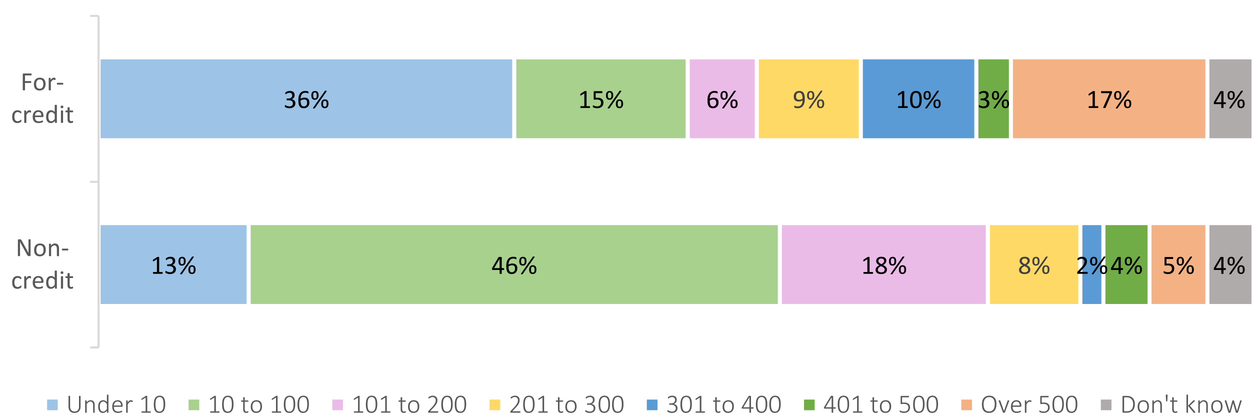
Figure 3: Institution Size (n=110)



Offerings, Support, and Capabilities

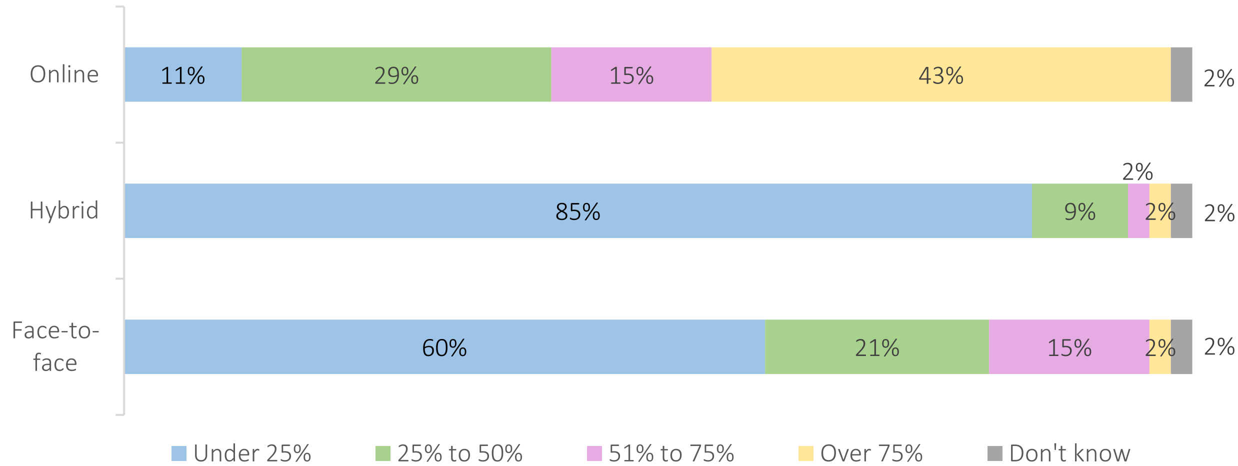
Thirty-six percent of PCO units offer fewer than 10 for-credit courses, while 17% offer over 500. On average, PCO units offer a total of 292 for-credit courses, with a median of 100. Additionally, 46% of PCO units offer between 10 to 100 non-credit courses, while 18% offer between 101 to 200. On average, PCO units offer 222 non-credit courses with a median of 100.

Figure 4: PCO Total Number of Courses Offered (n=53)



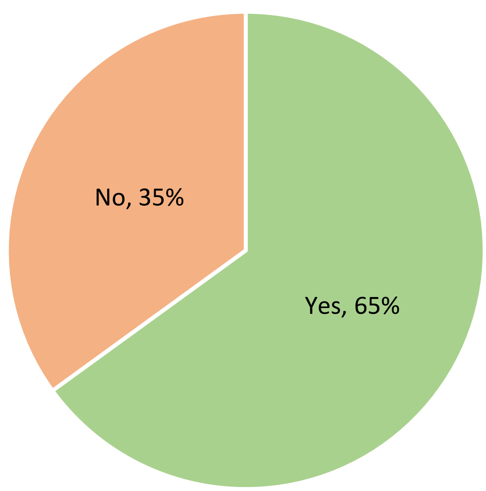
Forty-three percent of PCO units offer over 75% of their courses online. Eighty-five percent offer under 25% in a hybrid format and 60% offer under 25% in a face-to-face format.

Figure 5: What percentage of your unit's total courses are offered in the following modalities? (n=53)



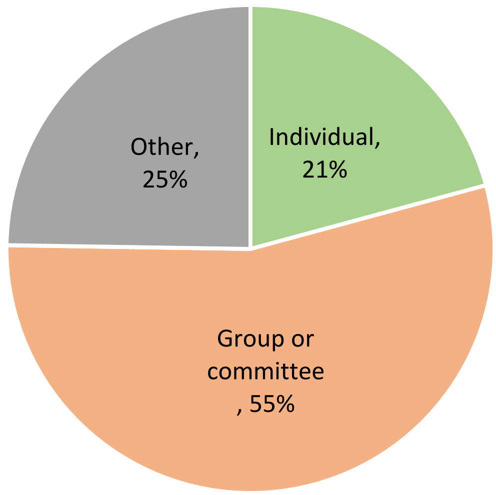
When asked if their PCO unit ever uses third-party providers, 65% of respondents said yes and 35% said no.

Figure 6: Does your PCO ever use third-party providers? (n=81)



Over half (55%) said the decision to use or not use a third-party provider is made by a group or committee and 21% an individual. A quarter (25%) said "Other" which includes multiple groups, multiple leaders, and caveats related to programs being credit or non-credit, among others.

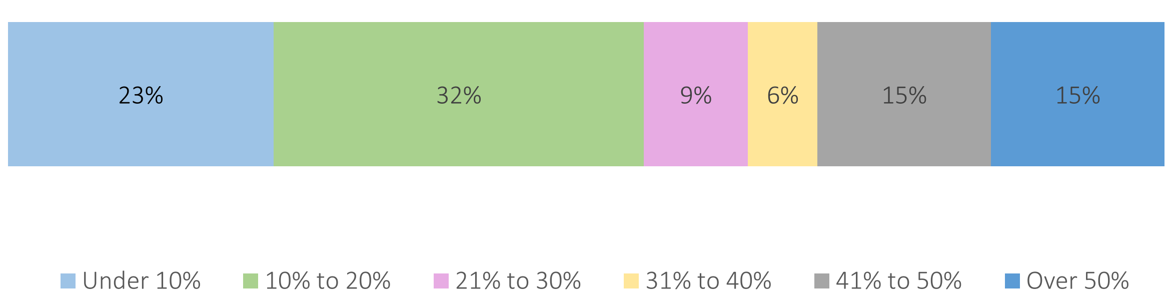
Figure 7: Who makes the decision to use or not use third-party providers? (n=53)



Third-Party Providers - Use & Satisfaction

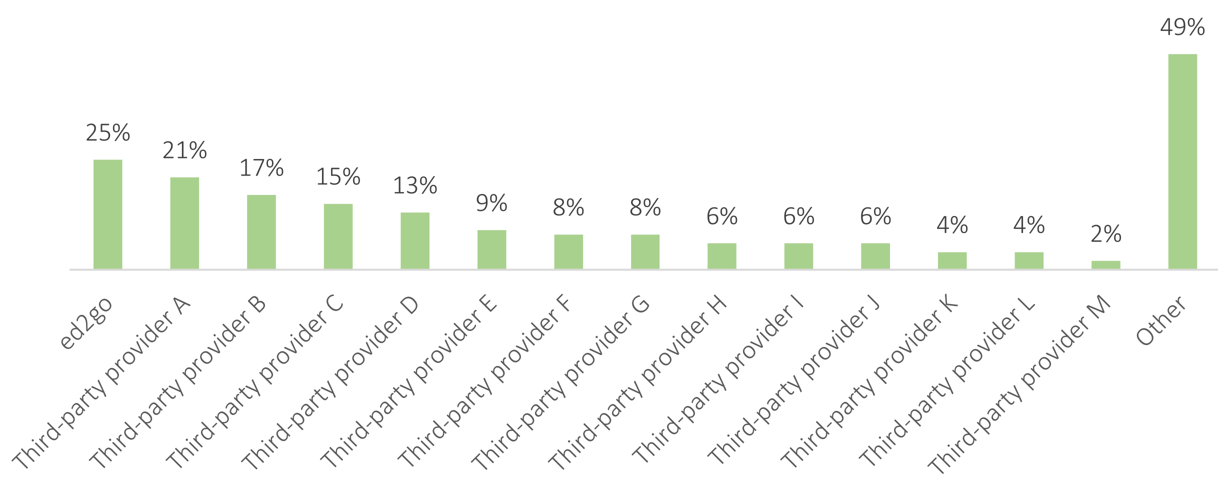
Among PCO units that use external providers, nearly a third (33%) leverage them for 10 to 20% of their courses, 23% for under 10% of their courses, and 15% for over 50%. On average, PCO units use third-party providers for 28% of their courses with a median of 15%.

Figure 8: What percentage of your PCO unit's courses leverage third-party providers for course development, content, or materials? (n=47)



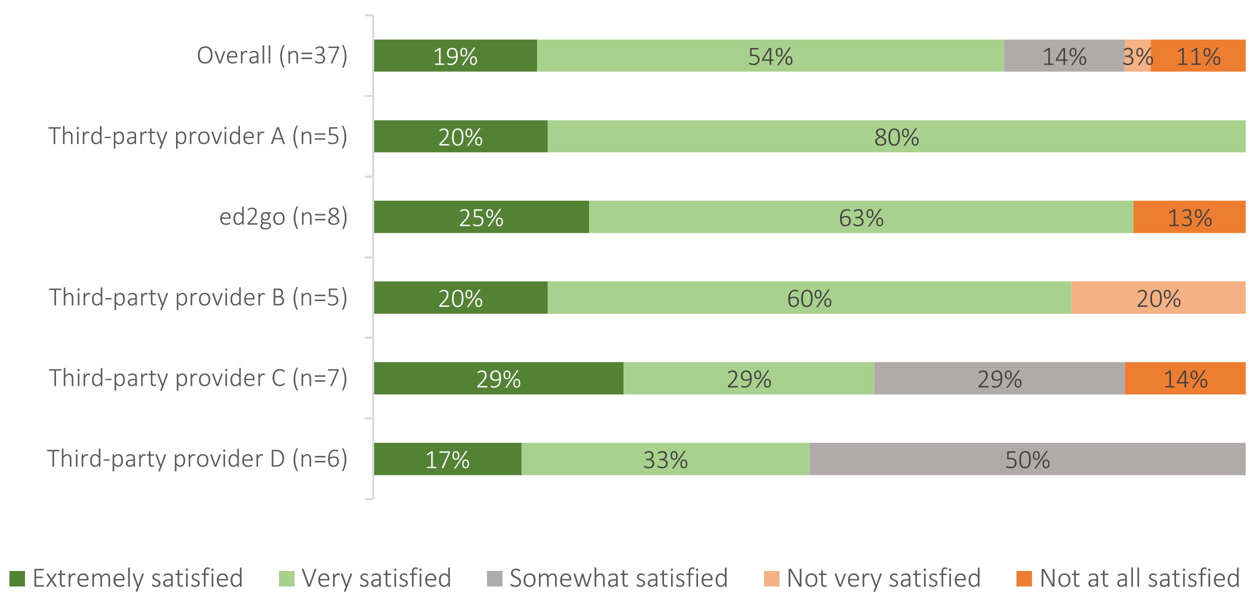
Participants were asked what third-party providers their PCO units use for course development, content, and materials. The most common third-party provider was ed2go (25%). Responses mentioned only once were included in the "Other" category.

Figure 9: Third-Party Providers Used by PCO Units (n=53)



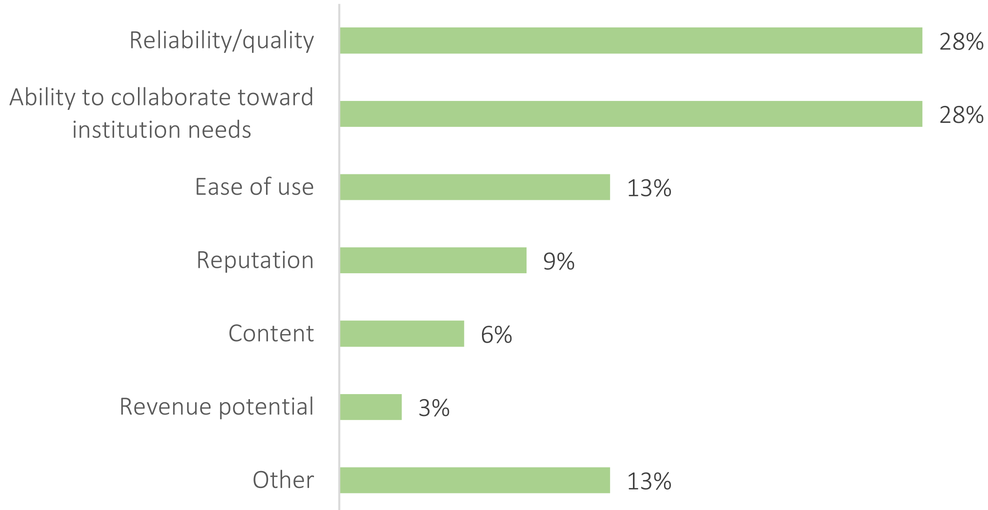
Overall, over half (54%) of respondents are very satisfied with their third-party providers and 19% are extremely satisfied. Eighty-eight percent of PCO units that use ed2go are very or extremely satisfied with their uses for course content, materials, and development. Third-party providers that were cited fewer than five times were not included in the figure.

Figure 10: Third-Party Provider Satisfaction Level



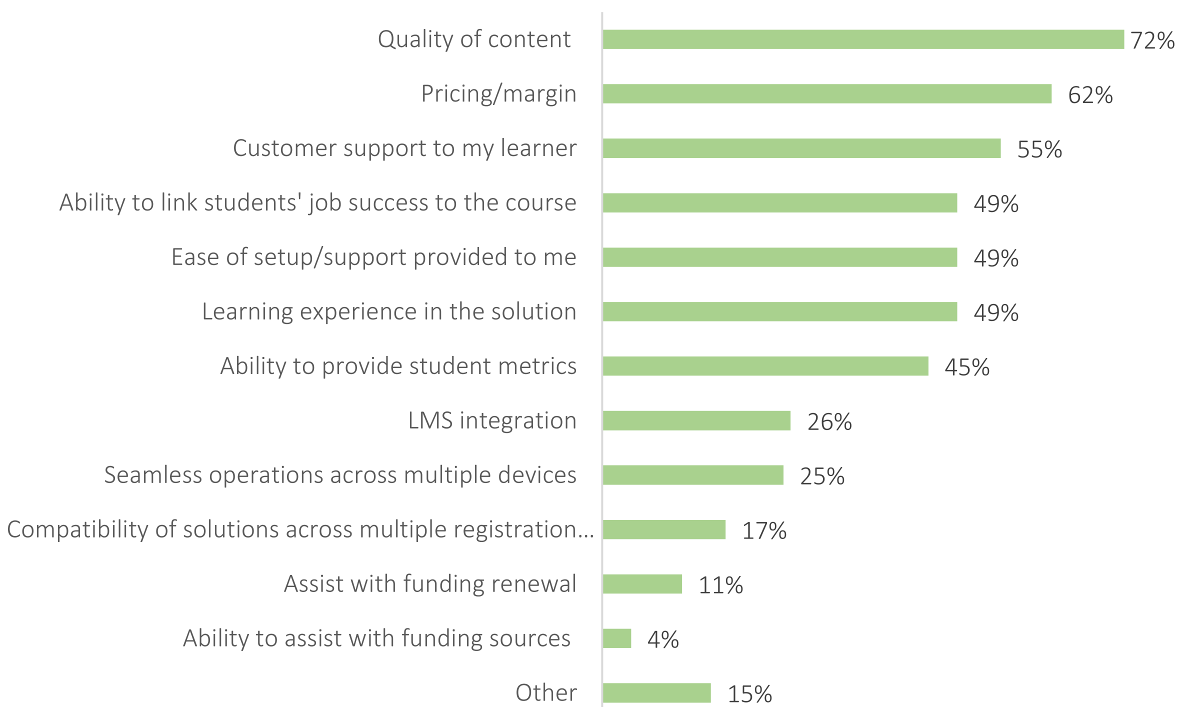
When asked what the most important factor is in considering third-party providers, 28% of respondents cited reliability/quality, 28% ability to collaborate toward institution needs, and 13% ease of use.

Figure 11: Most Important Factor in Considering Third-Party Providers (Open-Ended) (n=32)



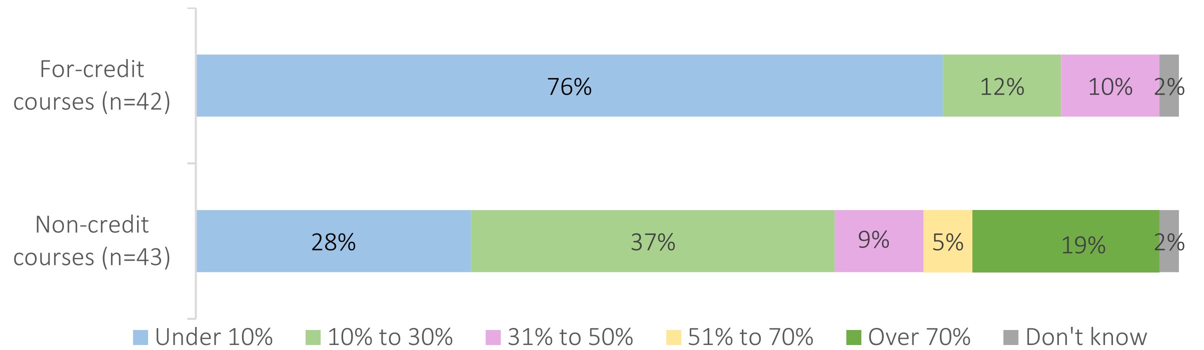
When given a list of factors for considering third-party providers, 72% cited quality of content as important, followed by pricing/margin (62%), and customer support to my learner (55%).

Figure 12: Important Factors in Considering Third-Party Providers (Categorical) (n=53)



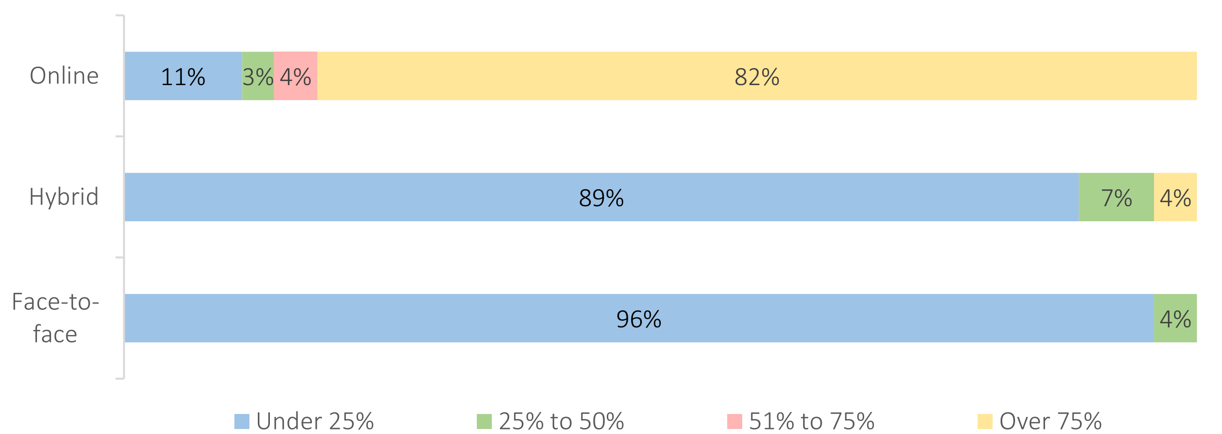
Overall, PCO units are more likely to use third-party providers for non-credit courses than for-credit courses. Over three-quarters (76%) use them for under 10% of their for-credit courses. The majority of respondents (69%) do not use third-party providers for their for-credit courses. Among those who do, the average is 22%. Thirty-seven percent use them for 10-30% of their non-credit courses and 19% use external providers for over 70% of their non-credit courses. On average, PCO units use third party providers for 33% of their non-credit courses, with a median of 20%.

Figure 13: What percentage of courses does your PCO unit currently use a third-party provider for?



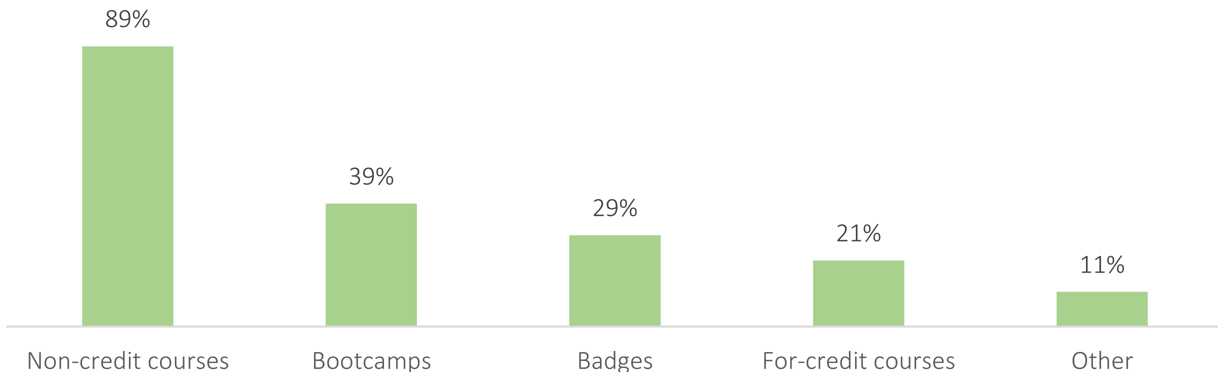
An online modality is the most common format for all PCO unit courses. Eighty-two percent offer over 75% of their courses in an online format with an average of 83% and a median of 100%. A majority (71%) do not offer any of their courses in a hybrid format. Of those that do offer hybrid courses, the average is 24% and the median is 17%. A majority (75%) do not offer courses in a face-to-face format. Of those that do, the average is 10% and the median is 10%.

Figure 14: What percentage of your unit's total courses are offered in the following modalities? (n=28)



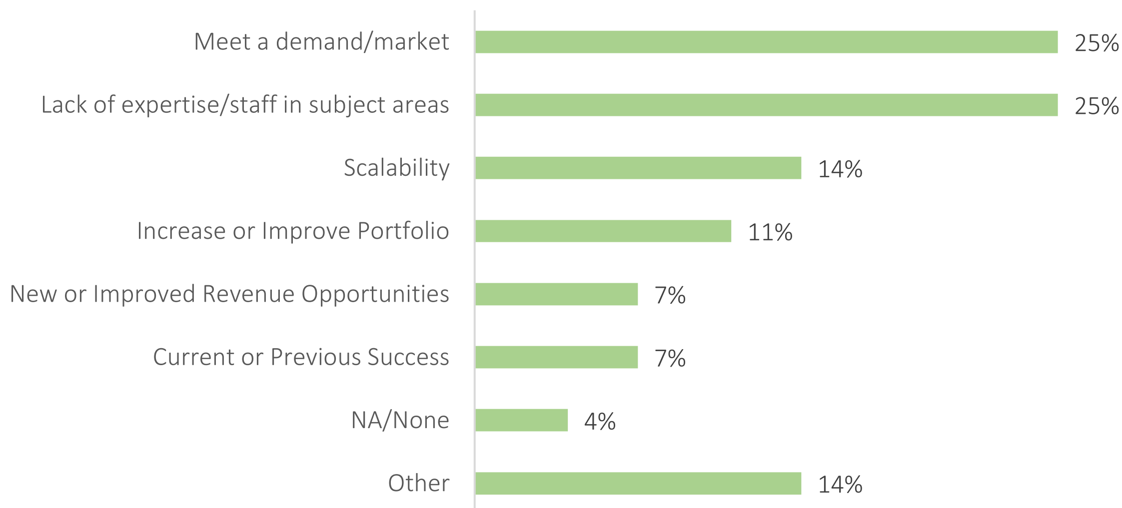
PCO units most commonly leverage third-party providers for their non-credit courses (89%), followed by bootcamps (39%), badges (29%), and for-credit courses (21%).

Figure 15: Which of the following types of courses does your PCO unit leverage a third-party provider? (n=28)



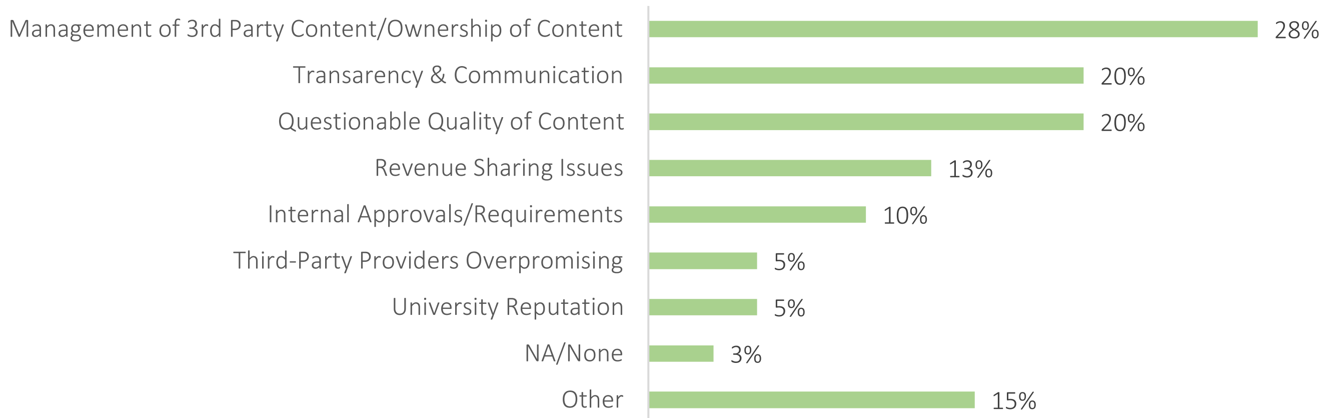
When participants were asked what might cause PCO units to use a third-party provider for more course offerings, the most common response was to meet a demand/market (25%) or if there became a lack of expertise or staff within a given subject area (25%). Fourteen percent also cited scalability.

Figure 16: What might cause your PCO unit to use a third-party provider for more course offerings? (n=28)



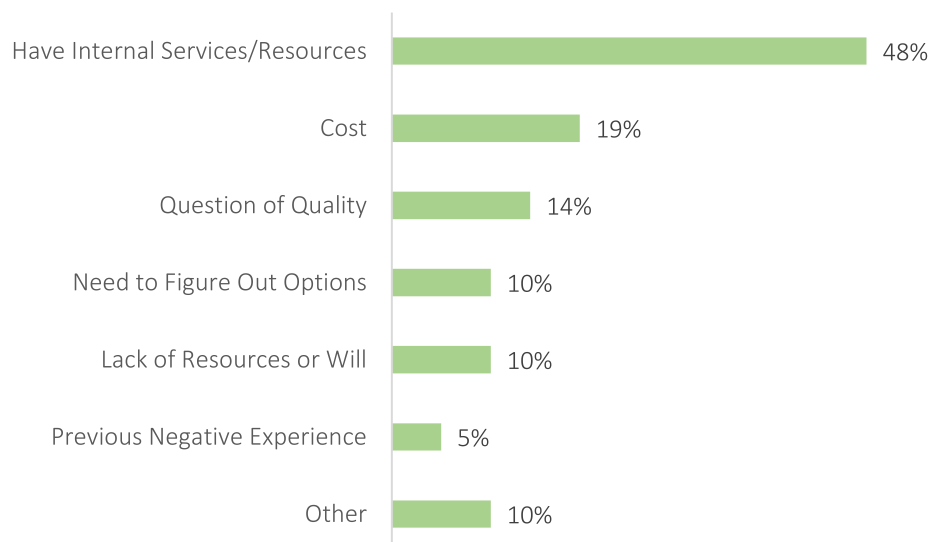
Among units that use third-party providers for course content or development, the biggest challenge or frustration is the management of the third-party content and ownership of the content (28%), followed by transparency & communication issues (20%), and questionable quality of content (20%).

Figure 17: What are some of your biggest challenges or frustrations with using a third-party provider for course content or development? (n=40)



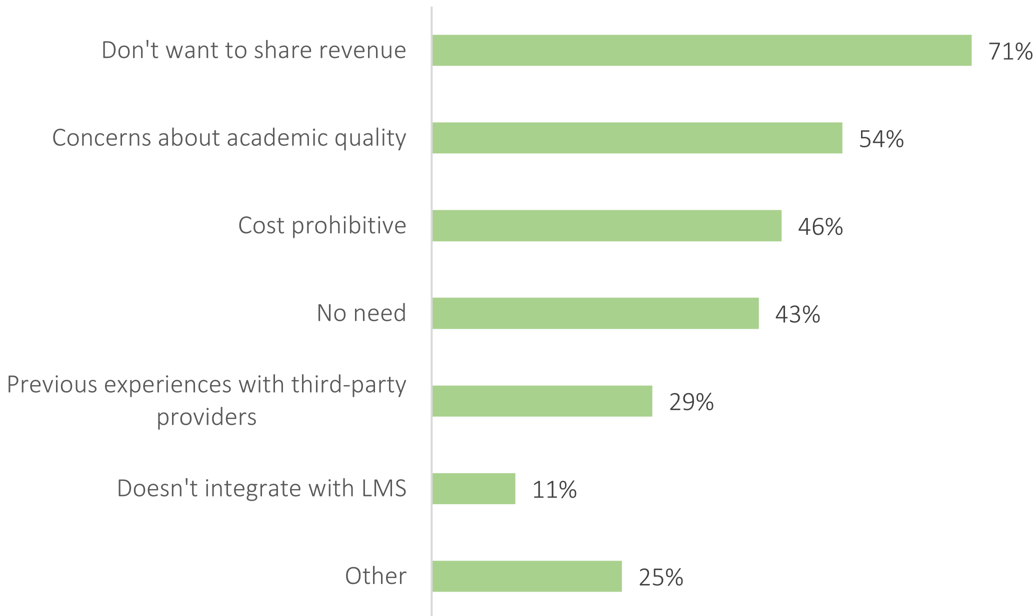
Participants from institutions that do not use external providers for their PCO units were asked why they do not. Forty-eight percent already have internal services/resources, 19% cited cost, and 14% questioned the quality.

Figure 18: Main Reason for PCO Unit Not Using Third-Party Provider (Open-Ended) (n=21)



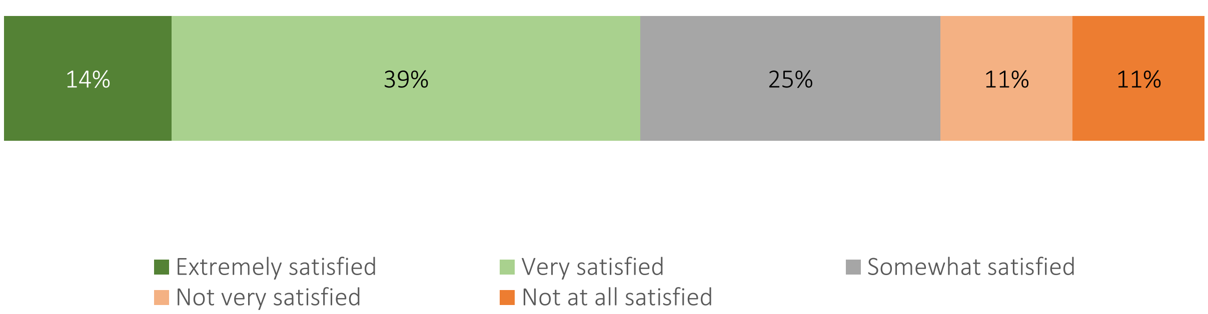
When given a list of possible reasons for not using third-party providers, 71% said they don't want to share revenue, followed by concerns about academic quality (54%), and being cost prohibitive (46%).

Figure 19: Reasons for PCO Unit Not Using Third-Party Provider (Categorical) (n=28)



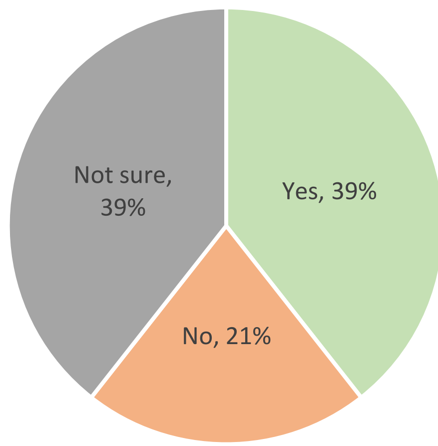
Over half (53%) of PCO units that do not use external providers are very or extremely satisfied with their ability to produce course content, materials, and development internally.

Figure 20: How satisfied are you with your PCO unit's ability to produce course content, materials, and development internally? (n=28)



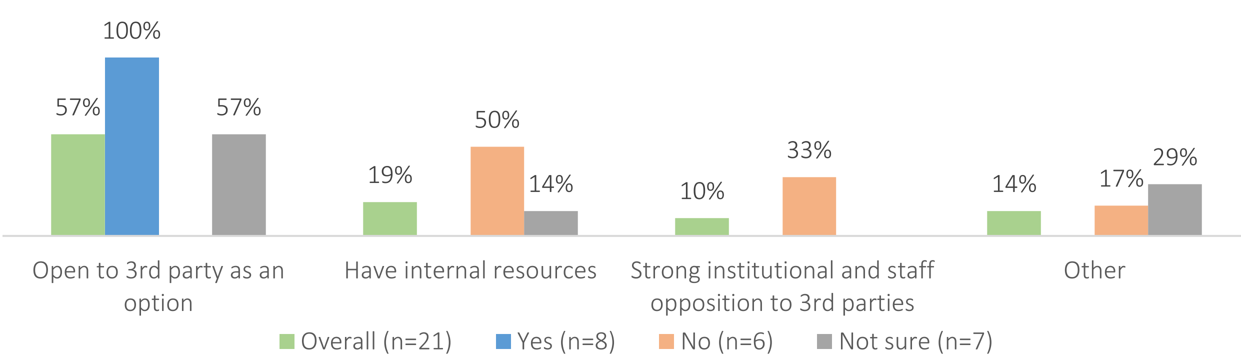
When asked if their PCO unit would ever consider using a third-party provider in the future, 39% said yes, 21% no, and 39% were not sure.

Figure 21: Would your PCO unit ever consider using a third-party provider in the future? (n=28)



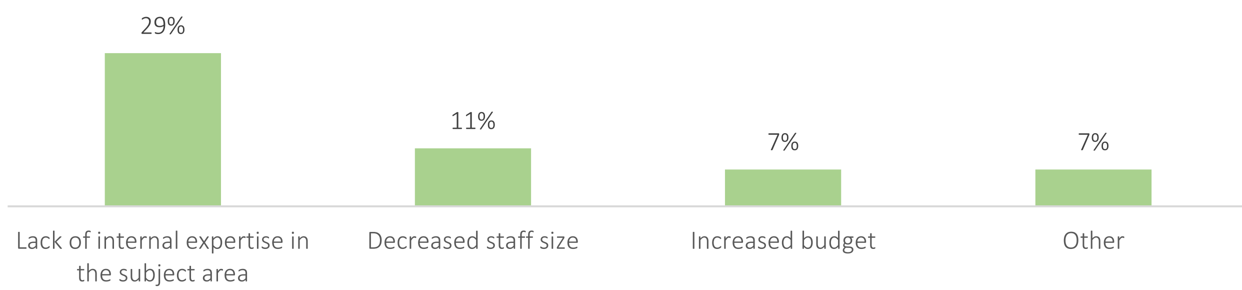
Of those who said yes, 100% said they are open to a third-party provider as an option. Of those who said no, half already have internal resources and for a third there is strong institutional and staff opposition to third parties. Of those not sure, over half (57%) are open to a third-party provider as an option.

Figure 22: Why did you give that response?



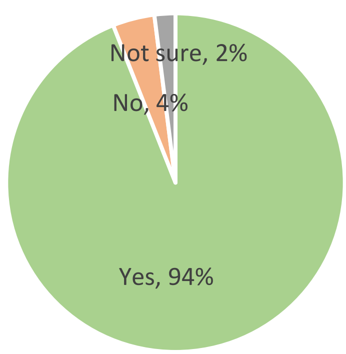
Twenty-nine percent of respondents said that a lack of internal expertise in the subject area might cause their PCO unit to use a third-party provider instead of internal options, while 11% cited decreased staff size and 7% cited increased budget.

Figure 23: Which of the following reasons might cause your PCO unit to use a third-party provider instead of internal options? (n=28)



A total of 94% of PCO units are currently using learning management system (LMS) software, while 4% are not and 2% are not sure.

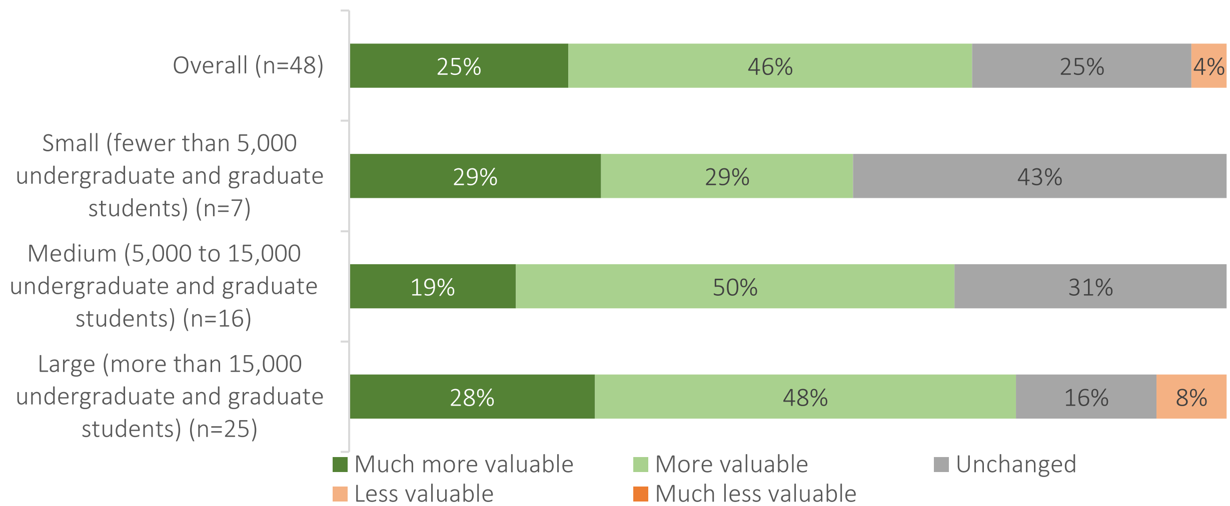
Figure 24: Is your PCO unit using learning management system (LMS) software? (n=48)



The COVID Experience- Impacts of the Pandemic

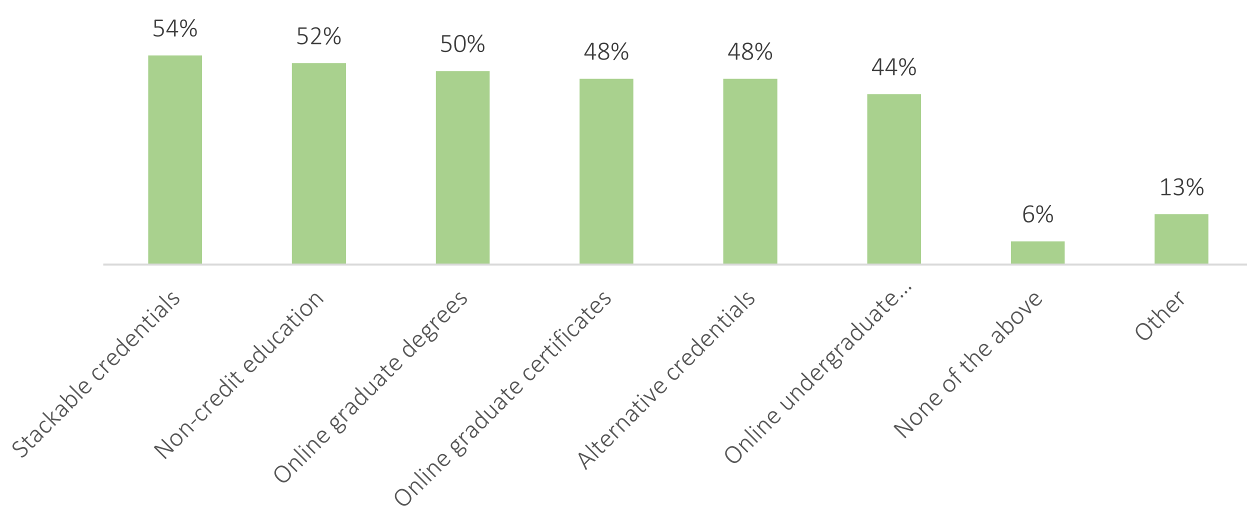
Seventy-one percent of respondents agree that their PCO units have been viewed as more or much more valuable regarding their role for the institution as a result of the pandemic, while 25% say their role has not changed. Larger institutions are more likely to say their PCO unit has been viewed as more or much more valuable.

Figure 25: As a result of the pandemic, has your PCO unit been viewed as more valuable, less valuable, or unchanged regarding its role for the institution?



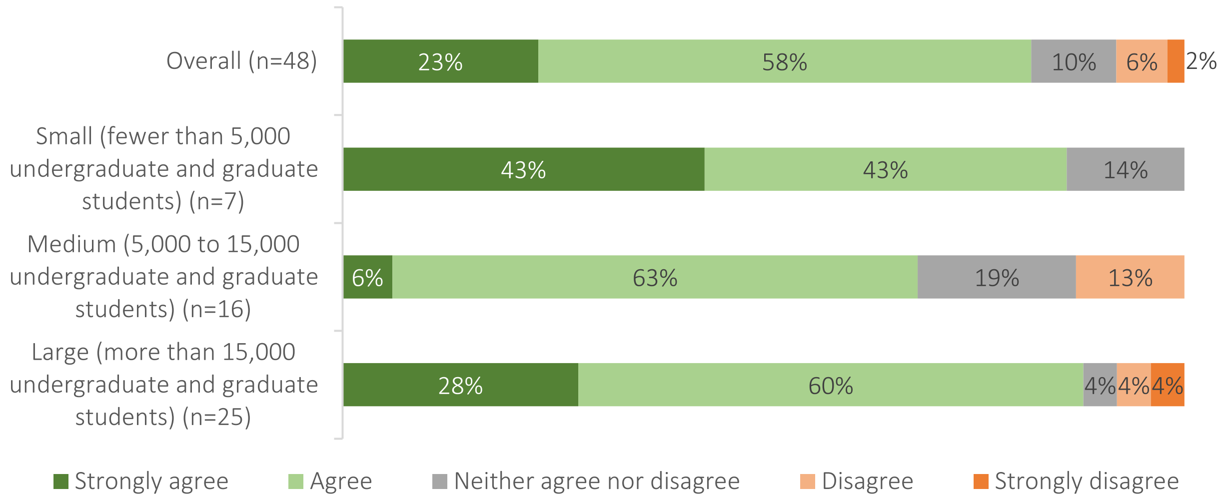
Over half (54%) of respondents felt that stackable credentials have become more important as a result of the pandemic, 52% said non-credit education, and 50% cited online graduate degrees.

Figure 26: Have any of the following become more important a s a result of the pandemic or the situation your institution has faced over the last year? (n=48)



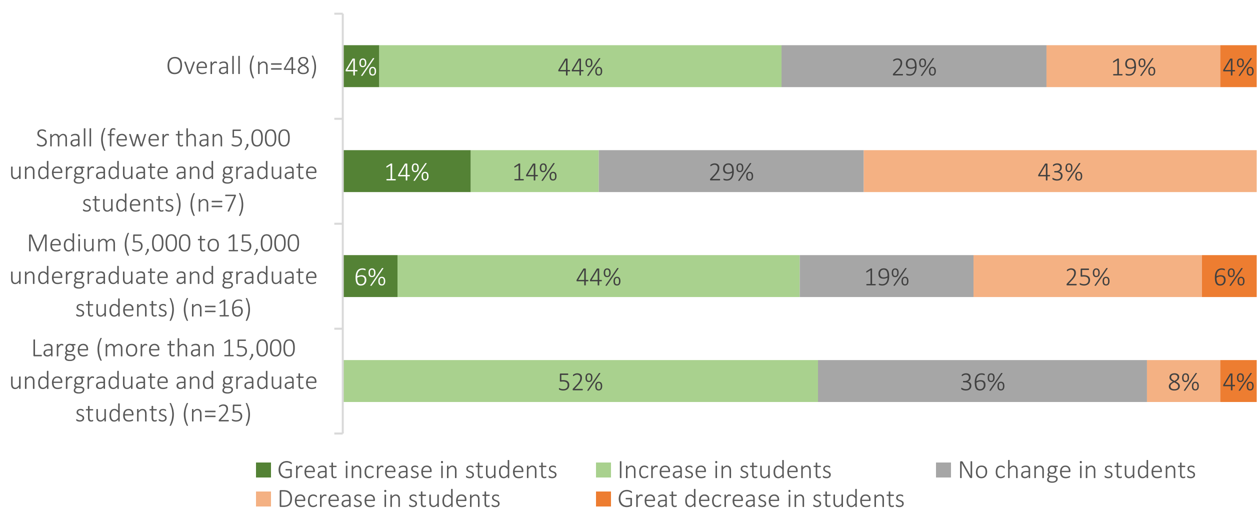
A total of 81% of respondents agree or strongly agree that the associated impacts of COVID-19 have positively affected their institution's view of online courses. Small institutions (86%) and large institutions (88%) are more likely to agree or strongly agree than medium institutions (69%).

Figure 27: How strongly do you agree or disagree with the following statement: The associated impacts of COVID-19 has positively affected my institution's view of online courses.



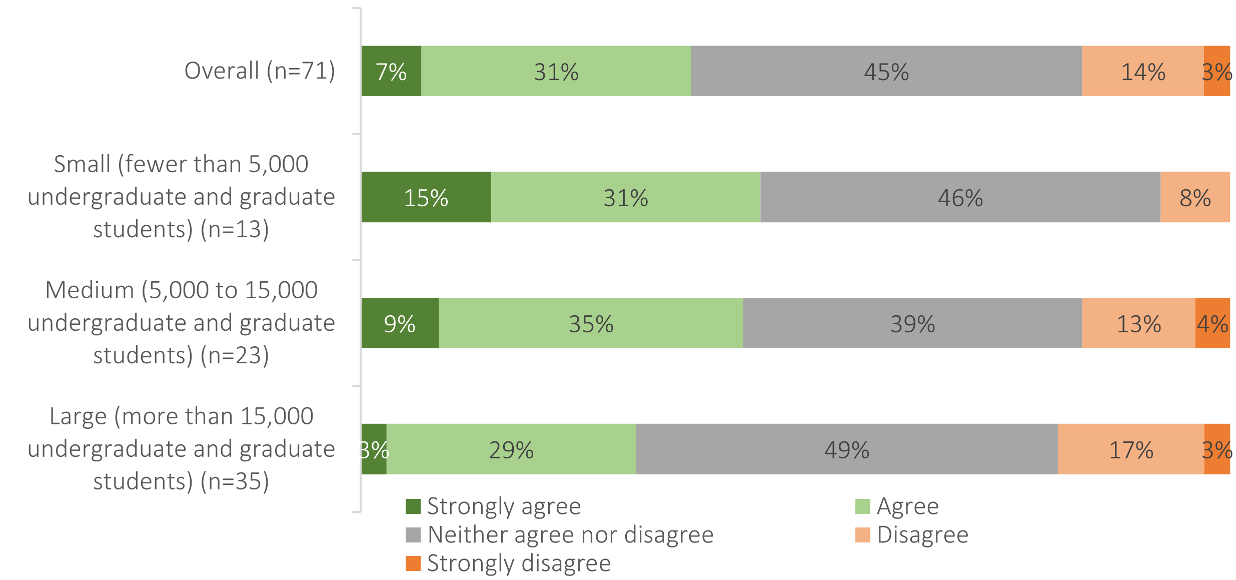
Overall, 48% percent of respondents agree that unemployment in their respective regions caused an increase or great increase in their student population, while 29% say there was no change. Large institutions (52%) were more likely to have seen an increase or great increase in students than medium institutions (50%) and small institutions (28%).

Figure 28: Which of the following best describes how unemployment in your region affected your professional and continuing education student population?



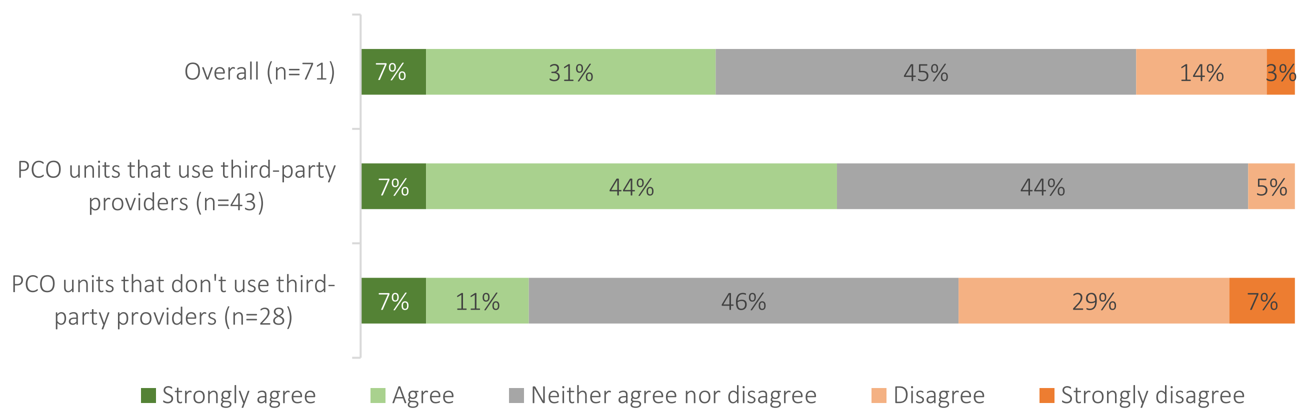
Almost half (45%) of respondents neither agree nor disagree that the pandemic positively affected the way their PCO units view third-party providers, while 31% agree and 14% disagree. Small institutions are slightly more likely to agree or strongly agree (46%) than medium (44%) and large (32%) institutions.

Figure 29: How strongly do you agree or disagree with the following statement: The pandemic has positively affected the way our PCO unit views third-party providers.



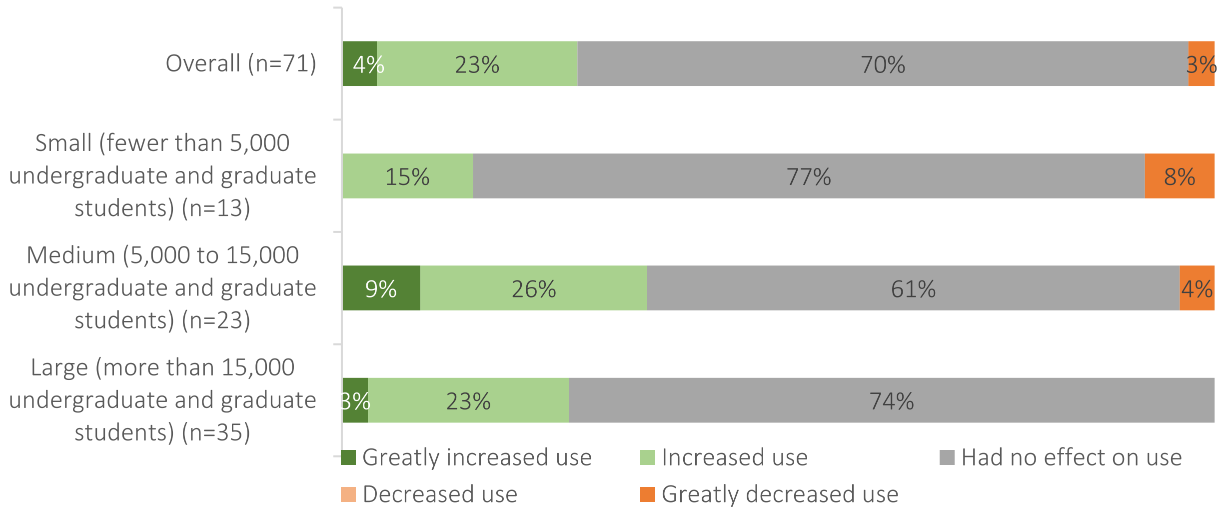
Forty-four percent of respondents who use third-party providers for their PCO units neither agree nor disagree that the pandemic positively affected the way their units view third-party content providers, while 44% agree. Among respondents who don't use third-party providers, 46% neither agree nor disagree and 29% disagree that the pandemic positively affected their view.

Figure 30: How strongly do you agree or disagree with the following statement: The pandemic has positively affected the way our PCO unit views third-party providers.



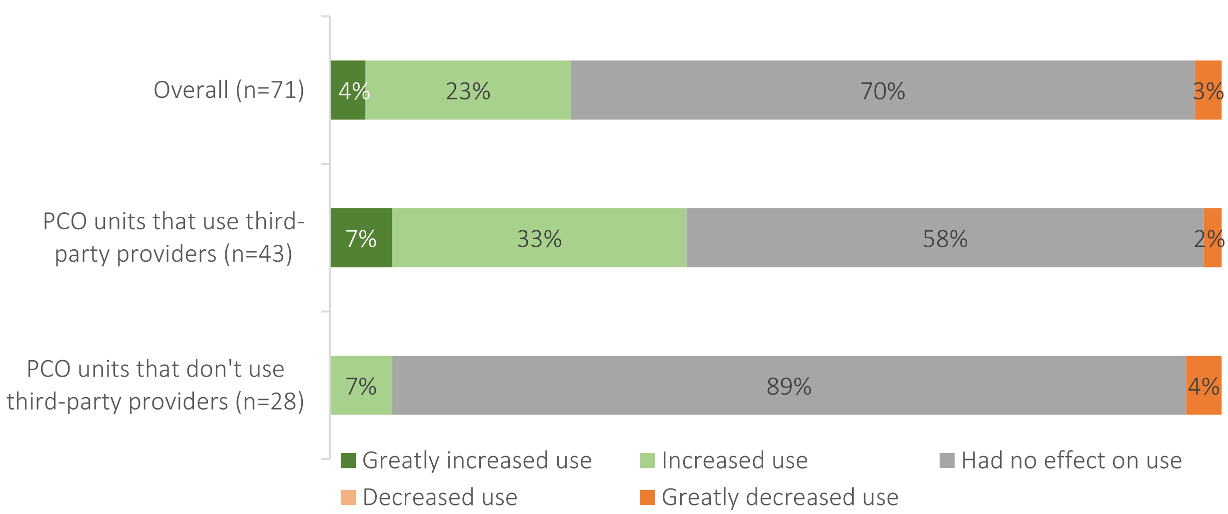
Seventy percent of respondents agree that the pandemic has had no effect on their PCO unit's use of third-party content providers. Medium institutions are more likely to say the pandemic led to increased use (26%) than small (15%) and large institutions (23%).

Figure 31: How has the COVID-19 pandemic affected your PCO unit's use of third-party content providers, if at all?



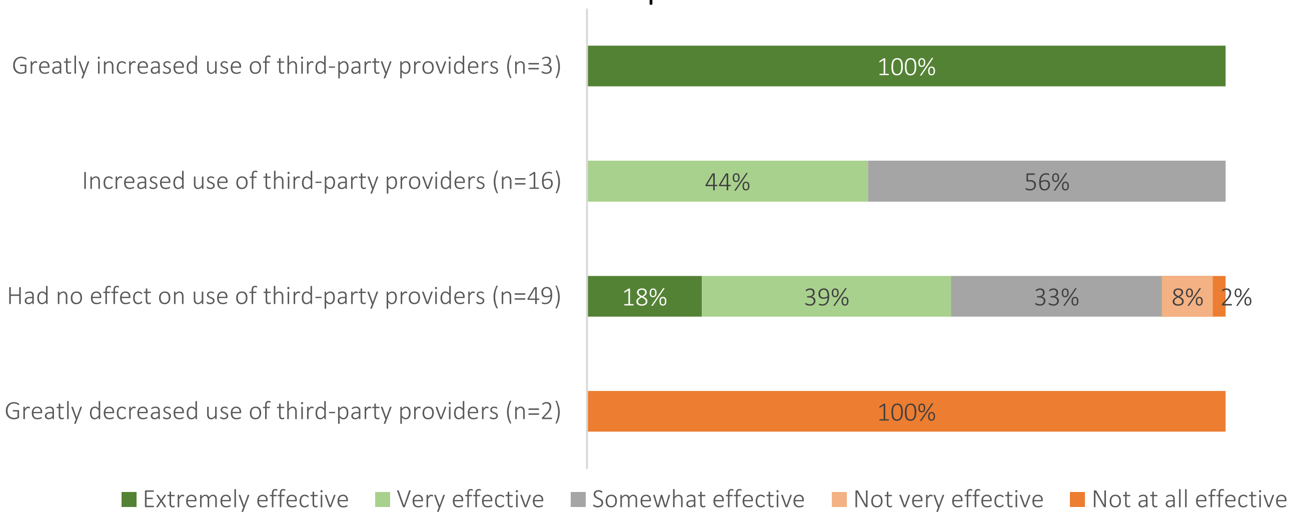
Fifty-eight percent of respondents who use third-party providers for their PCO units said the COVID-19 pandemic had no effect on the use of third-party providers while a third (33%) said it increased their use. Eighty-nine percent of those who don't use third-party providers said the COVID-19 pandemic had no effect.

Figure 32: How has the COVID-19 pandemic affected your PCO unit's use of third-party content providers, if at all? By Third-Party Provider Use



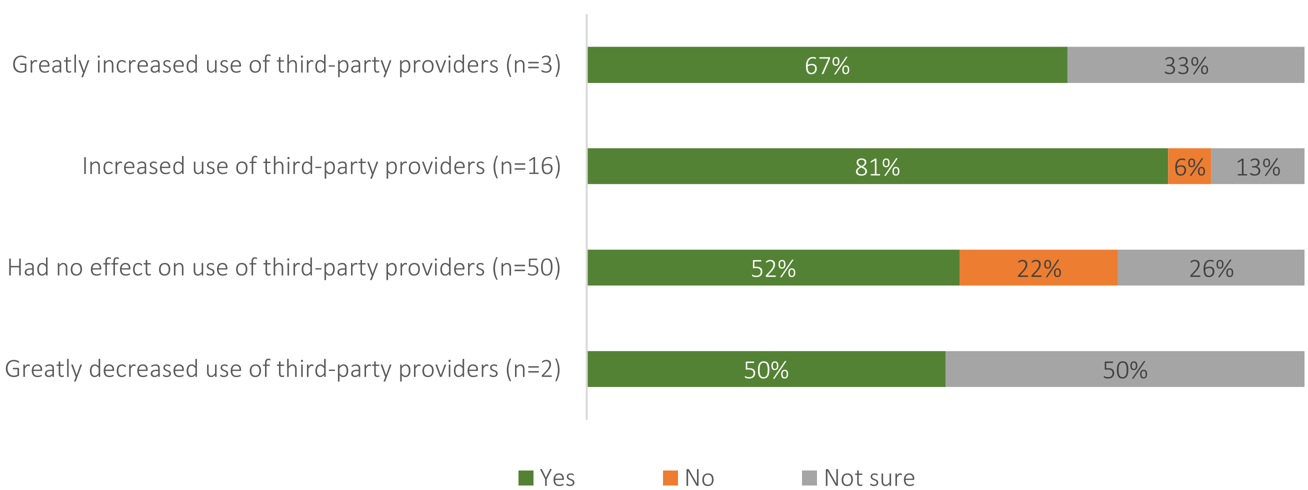
Among PCO units where the pandemic had no effect on their use of third-party providers, 39% found this strategy very effective, 33% somewhat effective, and 18% extremely effective. For PCO units that increased their use of third-party providers as a result of the pandemic, for over half (56%), the strategy was somewhat effective while for 44% it was very effective.

Figure 33: How effective was your strategy of using third-party providers for meeting your unit's needs for course development and content?



Among PCO units where the pandemic had no effect on their use of third-party providers, over half (52%) said this strategy will remain in place, 26% are not sure, and for 22% it will not remain. For PCO units that increased their use of third-party providers as a result of the pandemic, a majority (81%) said this change will remain in place while 13% are not sure.

Figure 34: Do you think that change will remain in place?



Impact on Higher Education

Research shows that institutions had issues with bandwidth and resources, as well as talent retention. Working through the pandemic, third-parties brought temporary and long-term resources to meet the needs of many institutions of higher education. While third-party organizations helped alleviate many of the problems that colleges and universities faced during a multi-year campus shutdown, these institutions are still vulnerable to shifts in the economy.

The Great Resignation could lead to an increase in third-party provider usage as 57% of institutions that are not using third-party providers said a lack of internal expertise in a subject area might cause them to do so. “The pandemic, including job vacancies caused by the Great Resignation, have accelerated the trend toward automation by five to 10 years. Colleges and universities need to be ready sooner than was previously expected. The degree may be too unwieldy in some cases as many learners, especially younger generations, desire more bite-size pieces of education. Non-credit education can fill the gap in many growing areas not requiring a degree.

“With the economy significantly shifting and the demographic cliff approaching, institutions of higher education need to be better prepared. Providing more quality, customer-centered programs to the market at a swift pace will be essential. Colleges and universities may need to work more closely with strategic third-party providers that can play a critical role in offsetting lost credit enrollments, while growing non-credit and other offerings that can build a stackable portfolio,” Jim Fong said.

Roles that Organizations like ed2go Can Play

In order to achieve their goals and add value to their organizations, today's employers are looking to fill open roles with candidates with specialized training, skills, and knowledge. Whether individuals are just starting their career or looking to advance it, gaining the knowledge needed is crucial. In a post-pandemic world, gaining that skillset online is more important than ever. When it comes to online learning, whether for personal or professional development, flexibility is essential.

For institutions that struggle with online, interactive development, or lack the resources to develop relevant programming, there are third-party providers that can fill those voids. Organizations like ed2go can play a significant part in helping colleges and universities meet the needs of adult learners in the new economy through turnkey in-demand skill-building programs. In addition to a catalog of programs, these providers can also provide well-trained instructors, quality curriculum, and enrollment and student support. Third-party providers like ed2go help students achieve their goals and gain industry-recognized certifications or new personal and professional skills.