



SUNIL GUPTA

RAJIV LAL

Digital Marketing at HBS Online

Simeen Mohsen (HBS '01), Managing Director, Marketing and Product Management, of Harvard Business School Online (HBS Online), was pleased as she reviewed the results of fiscal year 2020 (FY20), ending in June 2020. Enrollment for FY20 was up 60% and revenues increased by 40% over last year. FY21 was off to a great start, partly as a result of increased demand for online content during the COVID-19 pandemic. This stellar performance convinced Dean Nitin Nohria to allocate an additional \$4 million to HBS Online's marketing budget for FY21. Mohsen had to now decide how to allocate almost \$8 million of FY21 marketing budget across various marketing channels and courses. Debora Spar, Senior Associate Dean of HBS Online, also wanted Mohsen to reflect on the future growth strategy for the program.

Online Education

For many decades, distance learning was done through correspondence courses. The internet's rise accelerated the interest in online learning and ushered the development of MOOCs or massive open online courses. New players, such as Coursera and Udacity, as well as universities, such as Harvard, Stanford, and MIT started offering free courses that attracted thousands of people. For example, since its launch in October 2011, over a million students enrolled in Stanford's machine learning course.¹ And Harvard's computer science course CS50 counted over 2 million students since its launch online.²

By 2019, the global online education market was \$188 billion and projected to grow by 10% per year to \$319 billion by 2025.³ Increased penetration of internet, growing adoption of cloud-based solutions, significant investment by academic and non-academic institutions, and increased adoption among end-users were some of the factors contributing to this rapid growth. The market remained fragmented and no player had a dominant share.

The growth of online education also encouraged business schools and private companies to offer a host of online business courses. In addition to top business schools, LinkedIn, Udemy, Khan Academy and Coursera were among the leading providers of online business education. According to a May 2020 survey of 800 individuals who had either taken an online business course or interested in doing so, HBS Online was ranked as the top online business education program (**Exhibit 1**).

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A majority of users hoped that online business programs would help them in accelerating their career. Entrepreneurs and aspiring MBA students were also drawn to these programs (see **Exhibit 2**). Price, academic credentials, and flexibility of online programs were the top attributes that motivated prospects to enroll (see **Exhibit 3**).

Harvard Business School

Founded in 1908, Harvard Business School (HBS) was a leading business school that offered a full-time MBA program, a doctoral program, and several residential executive education programs. Recognized globally for its case method, the school's mission was "to educate leaders who make a difference in the world." Its graduates are leaders in almost every field around the globe.

Three major activities of the school – MBA program, executive education, and publishing – accounted for two-thirds of its \$925 million revenues in 2019 (see **Exhibit 4**).

MBA Program From its humble beginnings in 1908 when the school welcomed 80 students, the program grew to be a highly selective program that attracted almost 10,000 applications every year for a little over 900 seats. In 2020, the total annual cost of attending the two-year MBA program was about \$111,000, of which \$73,440 was for tuition.⁴ A large fraction of students received financial aid. In 2019, MBA tuition and fees contributed \$140 million or about 15% to the total revenue of the school.

Executive Education HBS was the global leader in executive education and every year it attracted thousands of executives from around the world. The school offered four types of executive programs, which contributed \$222 million to the school in 2019:

- *Comprehensive Leadership Programs:* These programs involved 6-7 weeks of on-campus learning along with some online components that were completed over 5-36 months. Some programs such as Advanced Management Program (AMP) attracted very senior executives at the level of CEO, while others such as Program for Leadership Development (PLD) were designed for young and rising leaders of a company. The cost of the program, including room and board, ranged from \$50,000 to \$130,000 per person. After completion, participants obtained a certificate and HBS alumni status.
- *Regional Programs:* Offered in different regions of the world (e.g., India, Middle East, Africa, China), these programs allowed senior executives from a particular region to attend these courses with minimum disruption to their working schedule. A typical program included 7 weeks of in-person instruction divided into one or two week modules spread over 9 months. Program cost varied from \$20,000 to \$75,000 per person.
- *Topic-Focused Programs:* These one-week programs focused on a specific topic, such as marketing or leadership, and the price of a typical program was in the range of \$10,000-\$15,000.
- *Custom Programs:* Designed for senior managers of a company, these programs were customized to the needs of a specific company and varied in their length and cost depending on the client.

Publishing Harvard Business Publishing (HBP) was founded in 1994 as a wholly owned subsidiary of Harvard University. It produced a business magazine *Harvard Business Review* (HBR) with a wide circulation among managers, cases that were used by business schools around the world, books focusing on managerial topics, and a variety of online courses such as *Harvard ManageMentor*. In 2019, the publishing group generated \$262 million for the school.

For more than a century since its founding in 1908, HBS offered only limited online content as part of its executive education or publishing group. However, the rapid growth of online education encouraged the school to launch HBS Online (initially called HBX) in June 2014. Within six years, tens of thousands of students had enrolled in its online courses. HBS was not alone in offering such programs. Virtually every leading business school was doing the same and the competition for students was intensifying. Proliferation of these online courses also had the potential to affect the full-time MBA and residential executive education programs.

HBS Online

Genesis

In his first town hall meeting after becoming dean of HBS in July 2010, Nitin Nohria was asked about his views on online education and how it might disrupt HBS. Nohria quipped “not in my lifetime.” He then went on to explain:

“This is not to say that online education won’t be an important part of management education. But disruption can produce multiple equilibria where different outcomes can co-exist and thrive. HBS will continue to provide a unique experience that will be distinct from online education”.

During this time, Harvard University was in conversation with MIT about partnering to launch edX, an open architecture platform for online learning that would be open to multiple universities. In one of these meetings, Nohria met Anant Agarwal of MIT, who was leading the edX effort. Nohria recalled his conversation with Agarwal:

"Anant described an MIT circuits course that was taken by thousands of people around the world, some of whom had created teams to teach each other. I was struck by this spontaneous peer-to-peer approach to online learning, which is at the heart of our case method, and different from the one-way learning from computer to student that I had imagined. That evening I came back and told our team at the school that I may have been wrong to rule out online learning".

Influenced by this experience, in November 2012 Nohria set up a team to explore how HBS could participate in online education. The team included several staff and faculty members, including Youngme Moon, chair of the MBA program; Bharat Anand, professor of strategy and a leader in digital strategy; V.G. Narayanan (VG), professor of accounting; and Jan Hammond, professor of technology and operations. Anand, who later led this initiative, recalled:

"When Nitin asked us to explore what online learning might look like for HBS, the first set of questions we asked ourselves were that if we were going to put content online, what form should it take, and how could we create an online learning experience that fits with the distinctive pedagogy - highly participatory and inductive learning - that was a hallmark of Harvard Business School. We were optimistic that, done right, such an approach could create a unique and differentiated approach to online learning, much as HBS had done with case-based learning in residential education for over a century. There were also questions about what courses to offer, what price to charge, and how online courses might complement our MBA program, and how these might impact other revenue pillars of the School like publishing and exec ed.? But the starting point was a

conversation about how the online medium might allow us to create a unique value proposition for learners".

The focus on creating a distinctive program based on the case method approach led to another realization. Anand explained, "After some due diligence, we quickly came to the conclusion that existing technology platforms were not appropriate for our case based learning. Most of them were set up for offering courses with simple video capture and add-on assessments. At the same time, we had very little idea of how much time, money, and effort would be involved in building an online platform that matched our vision."

Once the school made the decision to build its own learning platform, it proceeded to invest almost \$10 million dollars and hired a team to help develop, market, staff, and support a set of courses.

Target Audience

The team started brainstorming about content and target audiences. "Who were the learners we would target, and what problem were we trying to solve?" Anand recounted as driving questions. Narayanan and Hammond had been teaching accounting and business analytics in a short summer in-person pre-MBA program to help incoming MBA students of HBS to get up to speed on this foundational material. But the increasingly compressed duration of this program over time had forced the faculty to leave out more relevant content. This prompted the team to focus on these students first. Anand elaborated, "Focusing on our own MBA students rather than learners far away - "non-customers" as they're sometimes called - did remind us of how Sam Walton had begun by serving people in his hometown rather than thinking about customers in far-flung regions. We knew who we were serving."

This effort led to the development of courses in accounting, business analytics, and economics, which were bundled together as CORE or *credential of readiness*. It would take almost 150 hours for students to complete and would require them to take a final exam at a test center to earn a certificate. Hammond said, "We decided early on that our CORE courses will have a rigorous final exam, so our certificate will be for mastery of subject material, not just completion."

Meanwhile the team started receiving inbound calls from other business schools. Anand recounted, "Very quickly we realized that there was no reason to limit an online offering to our own students; since there were no capacity constraints, the same program could have value for MBA students elsewhere as well." Harvard Business Publishing was already selling HBS cases to business schools around the world, so its sales team could market online courses as well. However, it turned out to be more difficult than the team imagined. Narayanan explained, "We thought the Publishing sales team will be able to generate demand for us. But their audience is very different - they are professors in other schools who adopt our cases. The last thing a Stanford professor wants is a Harvard professor teaching accounting to their class."

With the course creation efforts fully underway, other potential customer groups emerged. Anand recalled, "A few leading consulting and financial services firms reached out to us, and all expressed interest in having our online courses made available to the hundreds of associates they hired every year. But every firm wanted to customize the courses in very specific ways, which would have created all sorts of challenges for us. Rather than tailoring to their bespoke needs, we then realized that the real demand lay in the undergraduate market - the funnel for these associates."

By now the HBS Online initiative, still pre-launch, was getting media attention. One of the shows hosted by CBS Radio had invited Anand and Jana Kierstead, who had been appointed executive director of the new program, to discuss the program and its distinctive courses. Anand recalled:

“During the talk show, there were several inbound calls; and every single question came from callers who were not pre-MBA candidates. Someone who ran a small pizzeria wanted to learn financial accounting. Another caller wanted her nurse daughter to benefit from basic business skills. We walked out of that show wondering whether we had entirely underestimated, or misread, the market for our programs. Indeed, later, when we opened up CORE to a bigger population, a sizeable share of applicants were people over 30 years of age and from all kinds of professions – airline pilots, physicians, contractors, administrators, and so on”.

Exhibit 5 shows participants profile by age and region of residence as of June 2020.

Course Design

Right from the beginning it was clear to the team that the courses had to be distinctive and embody the case-based approach which was the hallmark of an HBS education. The team also agreed that courses had to be rigorous and of the highest quality. Anand elaborated, “The unintended consequence of focusing on our MBA students initially was that it immediately raised the quality bar for us: since the online courses would be the first touch point for many students with Harvard Business School, we had better make sure they created a great learning experience.”

Three characteristics distinguished the HBS Online courses from other online programs:⁵

- *Active learning*: Unlike typical lecture-based online courses, HBS Online courses actively engaged students every three to five minutes through polls, exercises, short essays, and the famed HBS “cold call”, where a random student was asked to state his/her position on an issue.
- *Case-Based or Inductive learning*: The courses were designed to leverage the unique case-based approach of HBS. Lessons were brought to life through real-life cases where students were put in the shoes of business leaders to solve a problem. For example, instead of teaching students the concept of demand curve theoretically, they were asked to think about how an online ticket reseller, such as Ace Tickets or StubHub, would price its tickets.
- *Social learning*: The platform was built to engage students with their peers to enhance their learning and build a strong global network.

Building such high quality interactive courses required time and money. “It took us 16 months to develop the first three courses,” said Anand. “And the fully loaded cost was almost \$750,000 to a million dollars per course.” As an accounting professor, Narayanan could not hide his surprise, “We were spending a boat-load of money on animation for each of the seven modules of my course!” But the end result was a set of courses which learners perceived to be uniquely high quality and engaging. By 2020, several new courses had been added to the HBS Online platform, but it still took almost 9-12 months and \$300,000 to develop a new course.

Pricing

The team vigorously debated pricing at the start. Most online courses in the market were free at the time, but HBS leadership wanted to ensure the project was financially sustainable, which meant

charging a fee to at least cover the high cost of production. Various members of the team suggested prices ranging from \$50 to \$5,000 per course.

"I was thinking of \$50 or \$100 per course to provide access to a large number of people," said Narayanan. Moon had a different perspective, "We could price very cheap at \$100 but then we would need 100,000 people for it to be economically sustainable. But we are not Google and we are not in a position where we could confidently support that many people at once, especially in the early days. We also wanted commitment from people to attract only serious learners. So, price was a filtering mechanism for commitment. Knowing that we could use financial aid to make sure the program was accessible made it easier for us to settle on a higher price point."

In the end, the team decided to offer CORE, a bundle of three courses, for \$1,500 at the time of its launch in 2014. Anand and Moon acknowledged that the choice of the final price was subjective and a matter of judgment, debate, and small-sample calibration against other online offerings rather than systematic market research. By 2020, price for CORE was \$2,250 and unbundled CORE courses were priced at \$1,600 each, similar to the price of most single courses. Nohria noted, "The price of our online courses continues to be a point of debate in our board of advisors meetings – some arguing it should be much lower and others that it can be higher yet."

Enrollment

In June 2014, HBS announced the launch of its online platform. Substantial effort had gone into content creation and platform development, but very little into marketing. Some team members believed that the Harvard brand was strong enough to generate demand on its own - a belief that "if we build them they will come." After all, the MBA program received ten applicants for every available seat. But it was quickly apparent that online courses were different. Competition was fierce (and often priced for free) and HBS had yet to establish its credibility in this space.

Although early enrollment numbers were encouraging, the team firmly believed that HBS Online could benefit from systematic digital marketing to accelerate its growth. In August 2016, Mohsen was hired to lead HBS Online's digital marketing efforts. As a graduate of the school, Mohsen understood its unique culture and pedagogical approach, and her expertise in digital marketing was valuable. Mohsen knew that she would be marketing a unique brand and a set of high quality courses that were delivering true value to people. In a survey of 1,000 past participants of HBS Online, 96% said it led to personal betterment, 91% claimed that it improved their professional life, 90% felt it made them a more confident leader, and one in four got promotion or title change.⁶ But Mohsen also knew that even good products needed marketing to attract customers.

Although the program started by focusing on individuals or business-to-consumers (B2C), over time interest in its courses grew among the corporate or business-to-business (B2B) segment. By 2020, the B2B segment accounted for about 25% of HBS Online revenue. Marketing to this segment involved a lengthy series of face-to-face conversations. B2C users were primarily reached through digital marketing channels. About 20%-25% of B2C users were reimbursed by their employers. Mohsen's \$8 million marketing budget was aimed at this B2C segment.

Digital marketing accelerated the growth in enrollment. "The inflection point in demand came in the last 3-4 years as a result of digital marketing," remarked Narayanan. **Exhibit 6** shows course enrollment over time, which varied based on the tenure, popularity, and marketing support for a course.

Marketing HBS Online

In January 2019, HBX was rebranded as Harvard Business School Online to better align itself with HBS. Some outside experts viewed this as a signal that online education “has truly arrived”. Rebranding was also an effort to improve brand awareness among prospects. In 2020, unaided awareness of HBS Online among those interested in online learning was 4%, and aided awareness was 34%.^a Unaided awareness was low among all competitors (Udemy and University of Phoenix scored the most at 10% and 9% respectively). LinkedIn Learning had the highest aided awareness (35%), followed by HBS (34%), Stanford (24%), Cornell (23%), and Khan Academy (22%). Prospective students often compared HBS Online with the online offerings of Stanford, Yale and Columbia business schools.

Digital Marketing

Growth in enrollment and the launch of new courses led to a substantial increase in the marketing budget of HBS Online over time. Digital marketing was the primary means to reach B2C users. The digital marketing ad spend increased from about \$3.5 million in FY19 to \$4.9 million in FY20. With the additional funding approved by Dean Nohria, digital ad spend in FY21 was budgeted at \$6.2 million. The remaining \$1.8 million from the \$8 million FY21 marketing budget was allocated for content marketing, events, sponsorships, market research etc.

Paid media through digital marketing channels accounted for 34% of the traffic to HBS Online’s site (see **Exhibit 7** for sources of traffic). Awareness of HBS Online courses was the first step in the application process. Michael Bruno, Director of Digital Marketing, explained the user journey:

“Once prospective students reach our website, they can either submit their email on a lead form or when they create an account. This is the first time we know about their interest. It typically takes users about one week from creating an account to complete an application. During this time, we do email marketing to encourage them to complete and submit their application, which includes a short essay. About 50% of them actually submit the application, even though there is no application fee. We then make the admission decision, and those who are admitted, enroll and pay for the course. On average, it takes 2 weeks from the time people apply to the time they enroll”.

Exhibit 8 shows the marketing funnel for FY19 and FY20. Mohsen elaborated on the final part of the user journey:

“About 86% of those who enroll complete a course. Our completion rate is only slightly lower for CORE, which requires an exam, but is still much higher than other non-credit offerings on other platforms. All our other courses, which can be completed without an exam, have a much higher completion rate. Very few students enroll in multiple courses, and those who do, take almost 5 months to enroll in a second course”.

As Mohsen discussed the FY21 digital marketing budget allocation with Bruno and Richard Bullock (HBS ’15), Product Manager at HBS Online, they pored over results from the last two years (see **Exhibits 9a** and **9b** for results by channel, and **Exhibits 10a** and **10b** for results by courses). The task was further complicated by “course crossover” where a paid click for one course led to enrollment for a different course (see **Exhibit 11**).

^a For unaided awareness, survey participants were asked to name any institute that offered online courses. For aided awareness, they were asked to check the names from a list of institutions (including HBS) that they believed offered online courses.

Future Direction

While allocating the FY21 marketing budget was Mohsen's immediate task, she also had to discuss the future direction of HBS Online with Spar. HBS Online could continue adding new courses and investing in digital marketing, but Spar and Mohsen were keen to explore new ways to grow.

Growth Options

Among the various options they considered, the following two seemed most promising.

Short-form Content HBS Online courses took more than 30 hours to complete and there was an increasing demand for short learning modules. "We were receiving requests from companies that would say we would like our entire sales team to take just the one module in economics on pricing or our associates to take just the first three modules of accounting," said Anand. This could be achieved by unbundling existing courses into modules. However, existing courses were not designed with this goal in mind. And designing short-form content might require even smaller bite size content that would be more current and would not fit the long 12 month production cycle of HBS Online.

Moon echoed this tension, "During the pandemic we have been scrambling to put out perishable content. We are good at creating evergreen content but can we do both?" Anand elaborated, "The market for short form content is huge. But it is also very competitive. You are now competing with YouTube videos, TED talks, podcasts, blogs, and so on. And how do you monetize it?"

Spar and Mohsen recognized that even though the demand for short-form content was large, it would require a different skill set and time frame to create it and perhaps a different way to monetize.

Learning Tracks Instead of unbundling, HBS Online could bundle existing content to create learning tracks via a set of three courses and a capstone project on a specific topic. The program would be completed over 18 weeks with about 6 hours of work per week. This program would potentially appeal to people who wanted to gain deeper expertise in a specific area (e.g., leadership). Cornell was offering a similar option priced at \$3,600 and Coursera offered it on a subscription basis for \$79 per month.

While bundling of existing courses would require limited production effort, it would need greater marketing support. HBS Online courses were already considered long by most learners, many of whom had full time jobs, and the market for learning tracks might be limited. Creating these tracks also had the potential of cannibalizing topic-based one-week programs offered by the executive education group at a much higher price point (~\$10,000).

Role within HBS

By the end of FY20, HBS Online was generating almost \$60 million in revenue and had become an important revenue pillar for HBS. In terms of price and reach, HBS Online was positioned between Publishing and Executive Education. Noting the positioning of various programs, Nohria observed, "Each year, our MBA program attracts about 1,000 students at a price point of ~\$150,000 for 2 years, Executive Education gets 10,000 participants at about \$10,000 per week, HBS Online could reach 100,000 learners for \$1,500 per course, and Publishing is able to reach half a million HBR subscribers at a price of \$100 per year."

However, the rapid growth of HBS Online created some anxiety between programs. There was increasing concern about overlap and potential confusion in the market as each program offered

content on similar topics (see **Exhibit 12** for leadership courses offered by the three programs). Each program had its own budget and revenue targets and it was led by a different faculty leader. Spar wondered, “How would HBS Online fit in the overall portfolio of the school in five years, and how can we leverage synergies across various HBS programs instead of having them be thought of as substitutes?”

Greater Access or Brand Dilution

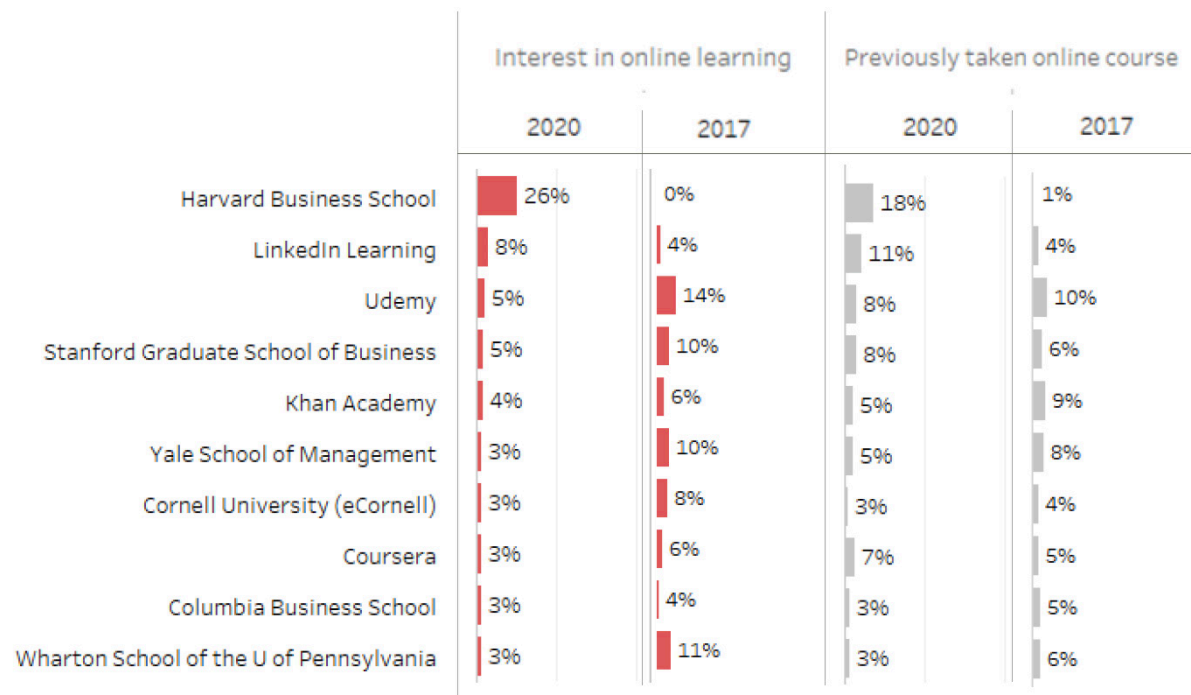
HBS Online’s growth also raised the issue if providing greater access to HBS content to a large number of people was good for HBS or if it would dilute the brand.

Patrick Mullane (HBS ’99), Executive Director of HBS Online, was in favor of greater access, “If the mission of the school is to make the world a better place, it would be immoral if we don’t share our knowledge more broadly. We are selective in our MBA program because we are constrained by our physical space, not by the number of bright students who might qualify.”

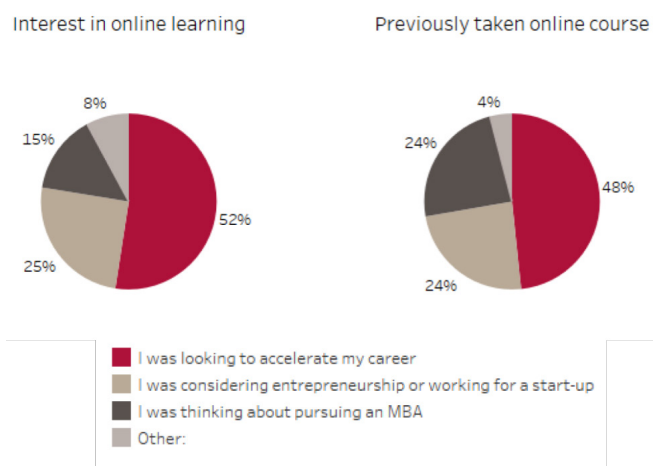
Moon agreed, “Historically our status has come from our limited access. But now we may have to think about greatness in a different way. What if we had the best online MBA program in the world that the entire world took? If a million people are able to meet our high standards and pass our courses and exams, why shouldn’t we credential a million people? Does that make us stronger or weaker as an institution? What happens to our status and relevance as a school of higher education? Can we be the Google or Apple of higher education that is available to everyone and still be of the highest quality? Given our resources, I find it increasingly uncomfortable how few people we educate.”

However, this view was not shared by others, including some of the school’s alumni. Mullane elaborated, “During my alumni presentation, I always ask the question ‘how many of you would be in favor of HBS offering a fully online MBA degree,’ and almost no one raises their hand.” Nohria acknowledged that many HBS alumni were concerned that if HBS Online grew to reach, say, a million people around the world, it might dilute the HBS brand.

Spar summed up the dilemma for HBS Online by saying, “Now that this experiment has proven successful, what do we want the baby to grow up to be?”

Exhibit 1 Top 10 Leaders in Online Business Education (U.S.), 2020

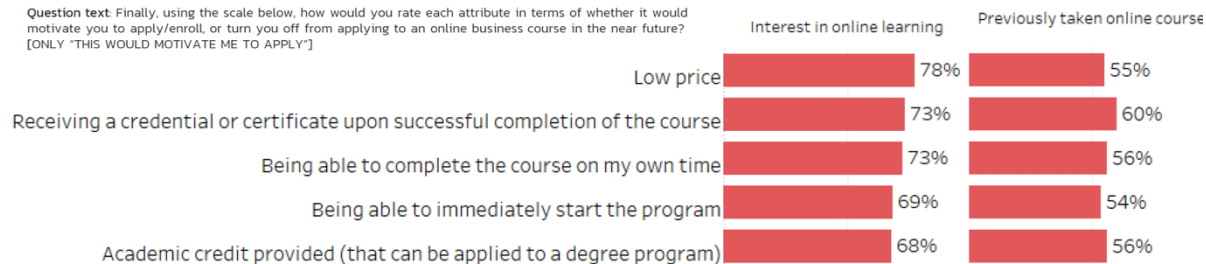
Source: Company documents.

Exhibit 2 Motivation for Taking an Online Business Course

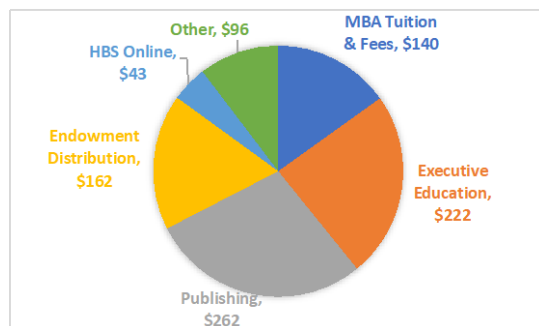
Source: Company documents.

Exhibit 3 Top Factors that Motivate Users to Enroll in Online Business Programs, 2020

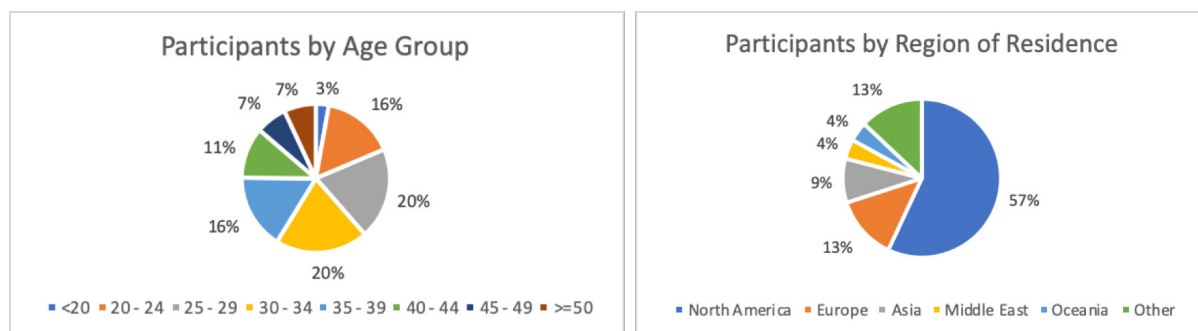
Question text: Finally, using the scale below, how would you rate each attribute in terms of whether it would motivate you to apply/enroll, or turn you off from applying to an online business course in the near future?
[ONLY "THIS WOULD MOTIVATE ME TO APPLY"]



Source: Company documents.

Exhibit 4 Sources of Revenue for HBS (\$ millions), 2019

Source: Company documents.

Exhibit 5 HBS Online Participant Profile, 2020

Source: Company documents.

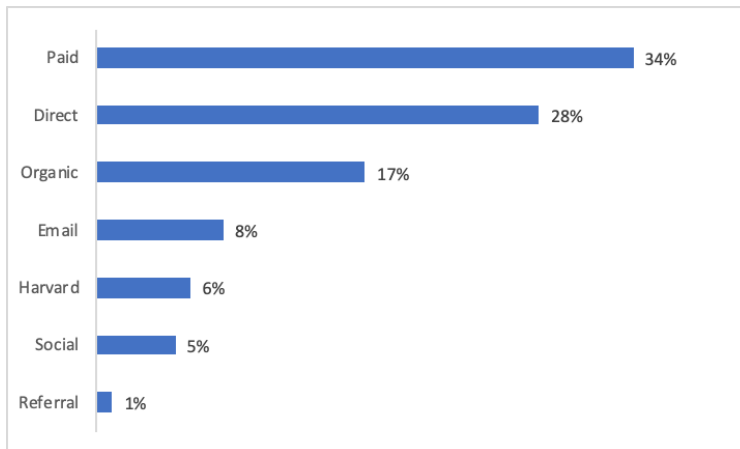
Note: About 68% of the participants came from the U.S., 7% from Canada, and less than 3% from other countries.

Exhibit 6 B2C Course Enrollment

Courses	Launched In	2014	2015	2016	2017	2018	2019	2020
CORe	Jun 2014	708	2,072	3,278	2,667	3,464	3,957	5,859
Disruptive Strategy	Oct 2015	-	-	603	1,102	1,204	1,603	2,243
Leading with Finance	Nov 2016	-	-	-	781	668	979	1,258
Negotiation Mastery	Feb 2017	-	-	-	351	727	1,327	1,933
Management Essentials	Sep 2017	-	-	-	-	618	901	1,500
Entrepreneurship Essentials	Oct 2017	-	-	-	-	795	1,537	1,776
Business Analytics	Jan 2018	-	-	-	-	601	1,328	1,840
Financial Accounting	Jan 2018	-	-	-	-	269	612	1,054
Economics for Managers	Apr 2018	-	-	-	-	64	126	214
Sustainable Business Strategy	Jun 2018	-	-	-	-	180	944	1,410
Leadership Principles	May 2019	-	-	-	-	-	203	1,662
Global Business	May 2019	-	-	-	-	-	152	489
Alternative Investments	May 2020	-	-	-	-	-	-	524
Total		708	2,072	3,881	4,901	8,590	13,669	21,762

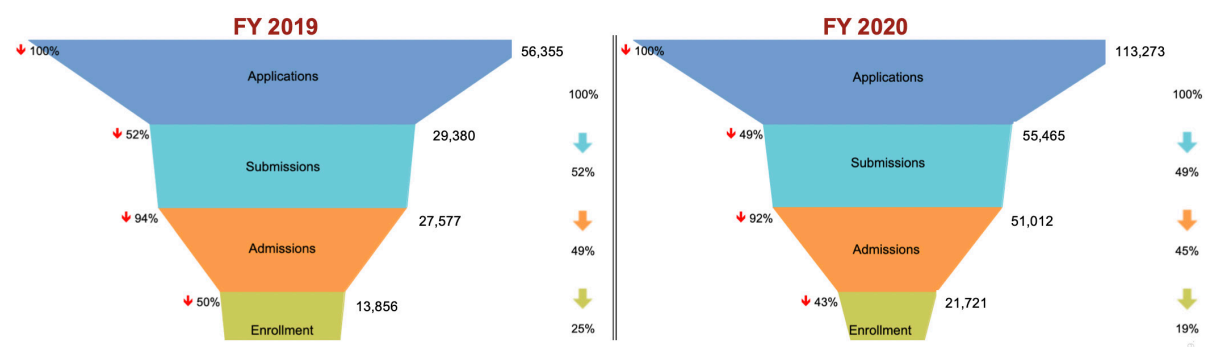
Source: Company documents.

Note: CORe was a bundle of three courses – Business Analytics, Economics for Managers, and Financial Accounting – which were also offered separately.

Exhibit 7 Sources of Traffic to HBS Online Site

Source: Company documents.

Note: Direct refers to users directly typing the HBS Online website address in their web browser and all other unknown sources. Organic traffic comes from organic search engine, primarily Google. Harvard traffic comes from all Harvard websites including hbs.edu. Social traffic (unpaid) comes from social posts and social sites. Referral traffic comes from all other websites.

Exhibit 8 Marketing Funnel

Source: Company documents.

Exhibit 9a Digital Ad Spend by Channel, FY20

Channel	Ad Spend	Leads	App Submissions	Enrollment	Revenue	RAC
Google Search	\$3,751,673	80,798	15,999	6,966	\$ 11,148,673	\$ 539
Facebook	\$738,129	27,608	3,606	984	\$ 1,594,875	\$ 750
Bing Search	\$266,049	3,996	846	327	\$ 533,275	\$ 814
Google DSA	\$188,836	2,219	1,217	748	\$ 1,223,605	\$ 252
Programmatic Display Ads	\$176,396	128	2,295	1,462	\$ 2,302,700	\$ 121
LinkedIn	\$134,675	931	242	112	\$ 204,575	\$ 1,202
Instagram	\$129,250	3,034	440	132	\$ 231,310	\$ 979
Google Display	\$99,819	1,197	241	83	\$ 146,485	\$ 1,203
Twitter	\$57,364	664	234	94	\$ 163,790	\$ 610
Bing DSA	\$22,884	38	6	5	\$ 8,880	\$ 4,577
Video Ads	\$0	0	13	6	\$ 8,090	\$ -
Total Paid	\$5,565,076	120,613	25,139	10,919	\$ 17,566,258	\$ 510
Total Unpaid	\$0	197,703	25,873	10,802	\$ 16,494,538	
Total	\$5,565,076	318,316	51,012	21,721	\$ 34,060,796	

Exhibit 9b Digital Ad Spend by Channel, FY19

Channel	Ad Spend	Leads	App Submissions	Enrollment	Revenue	RAC
Google Search	\$1,428,754	18,337	7,530	3,791	\$ 5,899,022	\$377
Facebook	\$1,009,798	14,515	3,721	1,132	\$ 1,843,005	\$892
Bing Search	\$146,315	1,953	589	279	\$ 464,570	\$524
Google DSA	\$110,748	1,326	1,061	600	\$ 988,620	\$185
Programmatic Display Ads	\$263,612	89	797	513	\$ 857,545	\$514
LinkedIn	\$191,964	701	311	158	\$ 312,515	\$1,215
Instagram	\$126,214	2,089	548	179	\$ 276,586	\$705
Google Display	\$95,987	681	433	229	\$ 368,430	\$419
Twitter	\$86,306	556	450	185	\$ 284,645	\$467
Bing DSA	\$0	0	0	0	\$ -	\$0
Video Ads	\$24,306	18	42	23	\$ 38,900	\$1,057
Total Paid	\$3,484,004	40,265	15,482	7,089	11,333,838	\$491
Total Unpaid	\$0	51,997	12,095	6,767	\$ 10,525,026	
Total	\$3,484,004	92,262	27,577	13,856	\$ 21,858,864	

Source: Company documents.

Note: RAC is registrant (or enrollment) acquisition cost, calculated as ad spend divided by enrollment number. Lead refers to the first time someone submits their email on HBS Online. Some proportion of leads start an application, a percent of them submit the application, and of those a percent is admitted and enrolled (see marketing funnel in Exhibit 8).

Exhibit 10a Digital Ad Spend by Course, FY20

Course/Campaign	Ad Spend	Paid Leads	Paid App Submissions	Paid Enrollment	Paid Revenue	RAC
Branded	\$1,491,524	50,652	NA	NA	NA	NA
General	\$974,148	21,842	NA	NA	NA	NA
CORe	\$521,368	8,695	4,720	2,655	\$ 5,499,355	\$ 196
Finance	\$376,960	7,957	1,833	697	\$ 1,058,960	\$ 541
Entrepreneurship	\$294,894	3,706	2,909	943	\$ 954,460	\$ 313
Business Analytics	\$276,115	5,232	2,712	942	\$ 1,509,570	\$ 293
Management Essentials	\$273,244	4,321	1,596	695	\$ 1,073,000	\$ 393
Negotiation	\$252,245	6,967	2,118	1,056	\$ 1,616,268	\$ 239
Disruptive Strategy	\$169,516	1,433	2,004	1,094	\$ 1,693,890	\$ 155
Financial Accounting	\$172,689	2,005	1,408	545	\$ 857,970	\$ 317
Sustainable Business	\$160,090	2,210	1,549	689	\$ 698,780	\$ 232
Leadership Principles	\$174,408	1,503	1,914	752	\$ 1,256,625	\$ 232
Economics	\$112,047	1,328	454	98	\$ 153,820	\$ 1,143
Alternative Investments	\$110,574	1,539	541	289	\$ 436,660	\$ 383
Global Business	\$61,802	378	1,017	371	\$ 570,700	\$ 167
Live Courses*	\$143,452	845	364	93	\$ 186,200	\$ 1,542
TOTAL	\$5,565,076	120,613	25,139	10,919	\$ 17,566,258	\$ 510

Exhibit 10b Digital Ad Spend by Course, FY19

Course/Campaign	Ad Spend	Paid Leads	Paid App Submissions	Paid Enrollment	Paid Revenue	RAC
Branded	\$554,983	9,889	NA	NA	NA	NA
General	\$669,197	4,103	NA	NA	NA	NA
CORe	\$438,685	5,954	3,242	1,845	\$ 4,209,561	\$238
Finance	\$298,146	4,413	1,192	534	\$ 776,520	\$558
Entrepreneurship	\$284,097	3,472	2,369	856	\$ 792,851	\$332
Business Analytics	\$232,562	2,447	2,147	725	\$ 1,072,485	\$321
Management Essentials	\$152,264	1,815	912	458	\$ 663,150	\$332
Negotiation	\$169,421	2,337	1,476	675	\$ 983,400	\$251
Disruptive Strategy	\$157,023	1,391	1,295	804	\$ 1,175,820	\$195
Financial Accounting	\$62,801	408	690	333	\$ 502,770	\$189
Sustainable Business	\$70,654	1,032	1,014	485	\$ 448,571	\$146
Leadership Principles	\$80,057	635	235	113	\$ 190,190	\$708
Economics	\$107,383	1,276	258	76	\$ 115,200	\$1,413
Alternative Investments	NA	NA	NA	NA	NA	NA
Global Business	\$30,039	163	187	80	\$ 108,420	\$375
Live Courses*	\$176,691	930	465	105	\$ 294,900	\$1,683
TOTAL	\$3,484,004	40,265	15,482	7,089	\$ 11,333,838	\$491

Source: Company documents.

Note: 1. Branded campaigns were non-course specific ads with Harvard brand keywords (e.g., Harvard business courses online); General campaigns were non course-specific ads without the Harvard name (e.g., online business courses).

2. *Live courses are no longer a part of HBS Online platform.

Exhibit 11 Paid Marketing Course Crossover

Paid Click Source	Course Enrolled In														TOTAL
	CORE	Finance	Entrepren	Business Analytics	Manegement Essentials	Negotiation	Disruptive Strategy	Financial Accounting	Sustainable Business	Leadership Principles	Economics	Alternative Investments	Global Business	LIVE Courses	
Branded	774	173	360	337	268	410	473	204	267	325	36	104	163	19	3,913
General	614	111	203	205	148	180	198	95	103	160	26	54	96	34	2,227
CORE	714	38	64	75	53	59	65	34	53	50	8	12	40	3	1,268
Finance	101	297	23	32	12	21	20	77	11	8	4	24	14	1	645
Entrepreneurship	39	7	189	6	6	17	14	9	10	13	0	3	6	2	321
Business Analytics	80	9	11	196	11	9	18	6	10	7	5	7	11	2	382
Management Essentials	40	6	14	19	139	21	27	8	12	54	0	3	3	0	346
Negotiation	16	9	16	11	10	271	18	6	9	12	2	4	7	1	392
Disruptive Strategy	22	7	9	11	7	15	193	3	8	10	1	4	6	4	300
Financial Accounting	54	14	8	6	2	4	7	90	4	2	3	4	2	0	200
Sustainable Business	14	4	5	8	9	7	8	2	173	3	0	2	2	1	238
Leadership Principles	116	10	11	16	18	20	25	2	12	90	3	4	5	0	332
Economics	42	4	10	11	4	8	4	6	5	3	9	3	5	0	114
Alternative Investments	10	2	5	0	3	5	3	1	1	3	1	60	0	0	94
Global Business	9	0	4	2	1	2	7	0	5	1	0	0	10	1	42
LIVE Courses	12	6	12	7	4	8	14	2	6	12	0	1	4	17	105
TOTAL	2,657	697	944	942	695	1,057	1,094	545	689	753	98	289	374	85	10,919

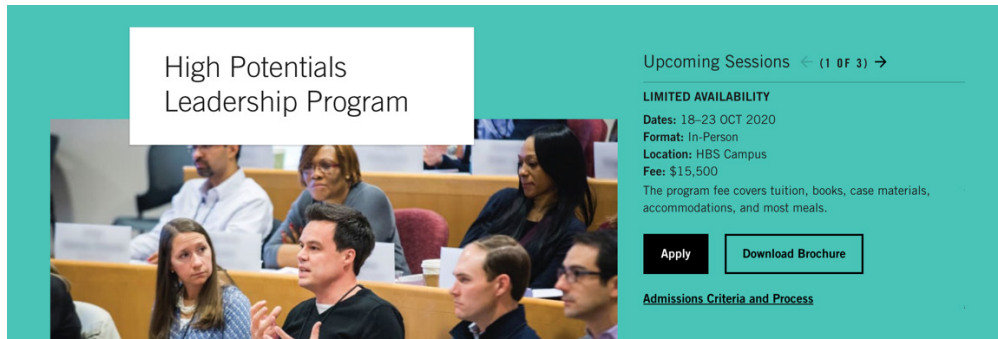
Source: Company documents.

Note: To be read as: 774 people clicked on branded ad and enrolled in CORE, 22 people clicked on the ad for Disruptive Strategy course but enrolled in CORE.

* Live Courses were delivered in a studio where about 70 people logged in remotely and were shown on large screens in a classroom, and the class was led by a faculty in real time. These courses were moved from HBS Online to Executive Education during FY20.

Exhibit 12 Leadership courses offered by HBS

(a) Course offered by HBS Executive Education (1 week on campus, \$15,500)



High Potentials Leadership Program

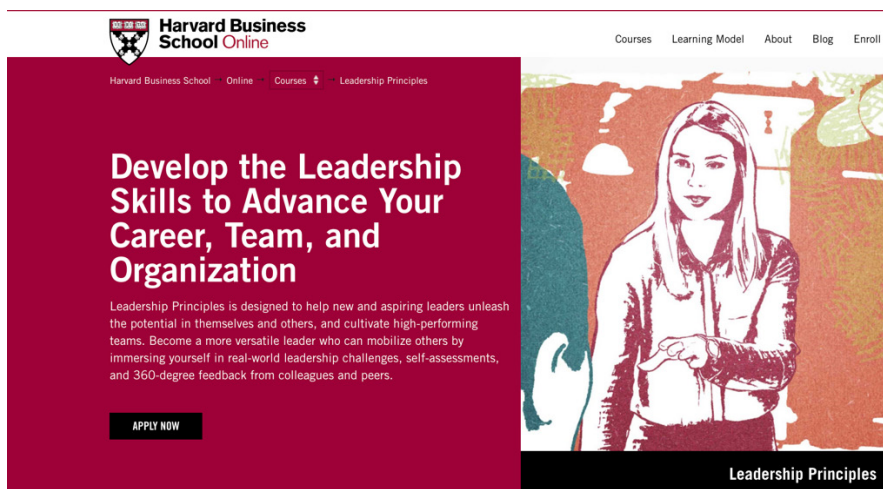
Upcoming Sessions (1 of 3)

LIMITED AVAILABILITY
Dates: 18-23 OCT 2020
Format: In-Person
Location: HBS Campus
Fee: \$15,500
 The program fee covers tuition, books, case materials, accommodations, and most meals.

[Apply](#) [Download Brochure](#)

[Admissions Criteria and Process](#)

(b) Course offered by HBS Online (4 weeks online, \$1,750)



Harvard Business School Online

Harvard Business School Online Courses Leadership Principles

Develop the Leadership Skills to Advance Your Career, Team, and Organization

Leadership Principles is designed to help new and aspiring leaders unleash the potential in themselves and others, and cultivate high-performing teams. Become a more versatile leader who can mobilize others by immersing yourself in real-world leadership challenges, self-assessments, and 360-degree feedback from colleagues and peers.

[APPLY NOW](#)

Leadership Principles

(c) Course offered by Harvard Publishing (online, \$49.95)



Leading People: Harvard ManageMentor
 by Harvard Business Publishing

\$49.95

Format:
[Web Based HTML](#)

Language:
[English](#)

Quantity:

Source: Company documents.

Endnotes

¹ <https://www.onlinecoursereport.com/the-50-most-popular-moocs-of-all-time/>, accessed July 3, 2020.

² <https://www.businessinsider.com/harvard-cs50-online-computer-science-classes>, accessed August 13, 2020.

³ <https://www.globenewswire.com/news-release/2020/04/16/2017102/0/en/Global-Online-Education-Market-Worth-319-Billion-by-2025-North-America-Anticipated-to-Provide-the-Highest-Revenue-Generating-Opportunities.html>, accessed July 3, 2020.

⁴ <https://www.hbs.edu/mba/financial-aid/tuition-assistance/Pages/cost-of-attendance.aspx>

⁵ <https://online.hbs.edu/learning-model/>, accessed July 3, 2020.

⁶ <https://www.hbs.edu/news/releases/Pages/harvard-business-school-online.aspx>, Jan 8, 2019, accessed July 3, 2020.