

**AGENDA ITEM 6.**

***COLLEGE ILLINOIS!*<sup>SM</sup> PREPAID TUITION PROGRAM  
2008-2009 MARKETING REPORT**

**Submitted for:** Information

**Summary:** For your review is a synopsis of past marketing strategy, the current sales environment for marketing *College Illinois!*, and the new sales goals, marketing strategy and key messages for enrollment period 2008-2009.

**Action requested:** None

ILLINOIS STUDENT ASSISTANCE COMMISSION  
*COLLEGE ILLINOIS!*<sup>SM</sup> PREPAID TUITION PROGRAM  
2008-2009 MARKETING REPORT

**INTRODUCTION**

After a full review of past strategy and the current environment for marketing *College Illinois!*, the period prior to open enrollment was spent refining key messages to better support the sales goals for this year.

***Competitive Environment/Challenge:***

Based on College Savings Plans Network program statistics from March 31, 2008, *College Illinois!* ranked behind Florida (1,297,371), Texas, Ohio, Pennsylvania, Virginia, Michigan, Washington and Alabama as **#9** in the U.S in terms of total number of contracts (55,928).

Ranked in order of the value of funds held, Illinois ranked **#7** in the U.S. with a total of \$942,064,578 compared to number-one-ranked Florida Prepaid which held \$6,643,766, 591 worth of funds.

***To add some context to the Florida/Illinois comparison:***

Florida, a 20-year-old prepaid program, sells an average of 64,869 contracts values at an average value of \$5,120 per contract while

Illinois, a 10-year-old prepaid program, sells an average of 5,593 contracts per year at an average value of \$16, 844 per contract.

***College Illinois! past performance:***

Year	Contracts. Sold	% change
2003-2004	6,348	(baseline 100%)
2004-2005	5,632	-11.3
2005-2006	4,972	-11.7
2006-2007	4,386	-11.8
2007-2008	4,853	+10.6

***2008-2009 sales goals:***

Per our actuarial estimates, the baseline assumption is that to cover fiscal year 2009's \$2,295,000 administrative expenses only (excluding the \$1,500,000 in marketing expenses and \$535,000 Records Administration Services costs), ISAC needs to sell **4,500** contracts for 2008-2009 and for each subsequent enrollment period.

The goal for 2008-2009 is to sell a minimum of **6,000** contracts based on an assumed sales volume of approximately 450 contracts sold per salesperson, above and beyond the approximately 4,650 contracts that are sold over the phone, and on the internet, etc.

***Current College Illinois! staffing/marketing agent situation:***

As of November 5, *College Illinois!* has an unprecedented three full-time salespersons on staff who will work as a team to research, analyze, and develop a holistic Marketing Strategy and Time-lined Plan for the *College Illinois!* strategic business unit under the direction of the Chief Marketing and Communications Officer.

After a careful review of marketing materials and sales data, it is unclear what effect the combined efforts of Celtic, Inc. and ISAC's *College Illinois!* leadership turnover had on the recent down-then-up performance of this program.

Though the timing did not allow for the CMCO to put the agency into review prior to the opening of 2008-2009 enrollment, the current marketing agent has been informed that an RFP process for marketing and website services is currently in process. A marketing agent is expected to be selected and put in place at the beginning of fiscal year 2010.

In the meantime, the current marketing agent was given direct and clear instruction on immediate changes to the marketing of *College Illinois!* in order to enhance performance for the 2008-2009 enrollment period.

***Enrollment period 2008-2009 marketing campaign:***

The hallmarks of the new tone and feel of this enrollment period's communications were designed to heighten the clarity and appeal of our new, multi-tiered program.

In addition to the unique selling proposition that prepaid college tuition locks in present-day tuition rates, emphasis in all messages from emails to radio and TV commercials to print and web materials is on:

- New, exciting pricing plan options
- The fact that unlike other 529 plans, *College Illinois!* is not tied to the stock market, and therefore offers enhanced security
- That *College Illinois!* is operated by the State of Illinois – State of Illinois seals have been prominently added on all outgoing messages
- An emphasis on this being a “smart” choice given the economic conditions

***Other important changes:***

In contrast to past enrollment period themes, we are no longer using the phrase “backed by the state.” Rather, we are focusing on the message of heightened safety due to not being tied to the stock market, along with one-to-one explanations of what the State's “moral obligation” to *College Illinois!* entails.

The service mark is now being used correctly and consistently across all communications.

***Tone and feel changes:***

In order to give a subtle message about changes to the program, we moved away from the stark gold and black to a softer palette employing gold elements but also featuring strong vibrant colors to differentiate the new pricing plans.

The writing style has been adjusted to a warmer, more conversational tone and all copy was revised to eliminate as much jargon as possible, making the enrollment kit, website information, and email messages easier to read and understand.

E-blasts and advertising copy has been sharpened to have a more sales-oriented feel as opposed to the more informational appeal that was used in the past.

***Target Audiences:***

Prior to changing the program to tiered pricing, the audiences for the product had been refined to target parents and grandparents of children under 12-years-old with household incomes of \$100,000 and up, based on market research that showed the average price of the contract correlating to such income.

Moving forward we've further refined those audiences' household income as follow:

Choice 1 Community College:	\$50,000-\$75,000
Choice 2 University:	\$75,000-\$100,000
Choice 3 University+:	\$100,000+

Our paid media/promotions and unpaid publicity plan utilizes regionally and ethnically diverse news outlets across Illinois to reach the largest possible audiences in each target segment.

Message-specific direct snail-mail and e-mail pieces targeting financial planners, estate planners, and Certified Public Accountants will also be deployed in the coming weeks.

**Summary**

Taken as a whole, we expect the changes made to the pricing and marketing plan - and increases in workforce capacity - will usher in a new era of prosperity for *College Illinois!*