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**DECEMBER 8, 2016**

**AGENDA ITEM 5  
INFORMATION ITEM**

**SCHOLARSHARE INVESTMENT BOARD**

*2017 Marketing Plan and 2016 Marketing Update for the ScholarShare College Savings Plan*

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***Background***

TIAA-CREF Tuition Financing, Inc. has provided its “Marketing Update” (Exhibit A) for the ScholarShare College Savings Plan. This update outlines marketing results for the third quarter of 2016 and the marketing activities planned for the remainder of the year. The update includes an overview of the account and asset results, 2016 budget, and marketing activities, such as online, print, radio, employer, and ethnic outreach advertising, customer direct marketing and communications, social media, public relations, and local marketing.

TFI has also provided its “2017 Marketing Plan Recommendations” (Exhibit B) for the Plan. The marketing plan outlines specific objectives and strategies for the upcoming year and provides an overview of the marketing efforts developed to meet these objectives.

***Presenter***

Douglas Harrison, Senior Director, TIAA-CREF Tuition Financing, Inc.



**Start small.**

**2016 Marketing Update**  
**ScholarShare College Savings Plan**

December 8, 2016



**SCHOLARSHARE**

CALIFORNIA'S 529 COLLEGE SAVINGS PLAN

# Marketing Objectives - 2016



- **Generate new ScholarShare 529 College Savings Accounts**
- **Encourage contributions to existing Scholar Share Accounts**
- **Build upon image of ScholarShare as trusted college savings resource/advocate**

# Marketing Update – Executive Summary



## **KEY BUSINESS RESULTS:**

- Total New Accounts opened are up 9.7% YOY.
- Total Open Accounts are up 4.2% YOY.
- At \$97.9 million YTD, Contributions to New Accounts are up 10.8% YOY
- At \$474.6 million YTD, Total Contributions are up 3.4% YOY.

## **KEY INITIATIVES:**

- College Savings Pledge was activated in September to raise awareness of ScholarShare.
  - 14 \$500 accounts were awarded.
  - 2,560 Entrants, down 30% versus 2015
  - Significant increases over 2015 in organic interactions, organic impressions and paid engagements/clicks on Facebook and Twitter
- \$6 million in contributions attracted during first 50-days of Switch Campaign.
- Employer partnership continue to expand, with the State of California representing the highest payroll deduction volume.

## **SPENDING BY QUARTER**

- Q3 Spending was down 27% versus Q2.

2016	Spending
Q1	\$3,176,224
Q2	\$3,168,693
Q3	\$2,324,337
YTD Total	\$8, 669,254

# ScholarShare Business Results



## MARKETING PERFORMANCE CRITERIA

Accounts and Contributions	September 30 2015	September 30 2016	% Change
<b>Total New Accounts Opened</b>	16,442	18,045	9.7%
<b>Total New Contributions Collected</b>	\$459.2 mil	\$474.6 mil	3.4%
Growth Rate	ScholarShare	Industry	% Difference
<b>Annual Asset Growth Rate</b>	2.7 %	2.7 % *	0.0%
Rollovers	Performance Criteria	2015	2016
<b>% of Plan Accounts closed due to Rollovers</b>	< 2.0%	0.21% **	0.16% **

## ACCOUNTS AND ASSETS

Accounts and Assets	September 30 2015	September 30 2016	% Change
<b>Total Open Accounts</b>	267,536	278,866	4.2%
<b>Total Assets</b>	\$6.2billion	\$6.9 billion	12.7%
<b>Market Share*</b>	5.2%	5.1%	0.1%

\* Source: Strategic Insights –direct sold 529 plans

\*\* 437 Accounts valued at \$7.2M for Q3 2016 vs. 568 Accounts valued at \$8.7M for Q3 2015.

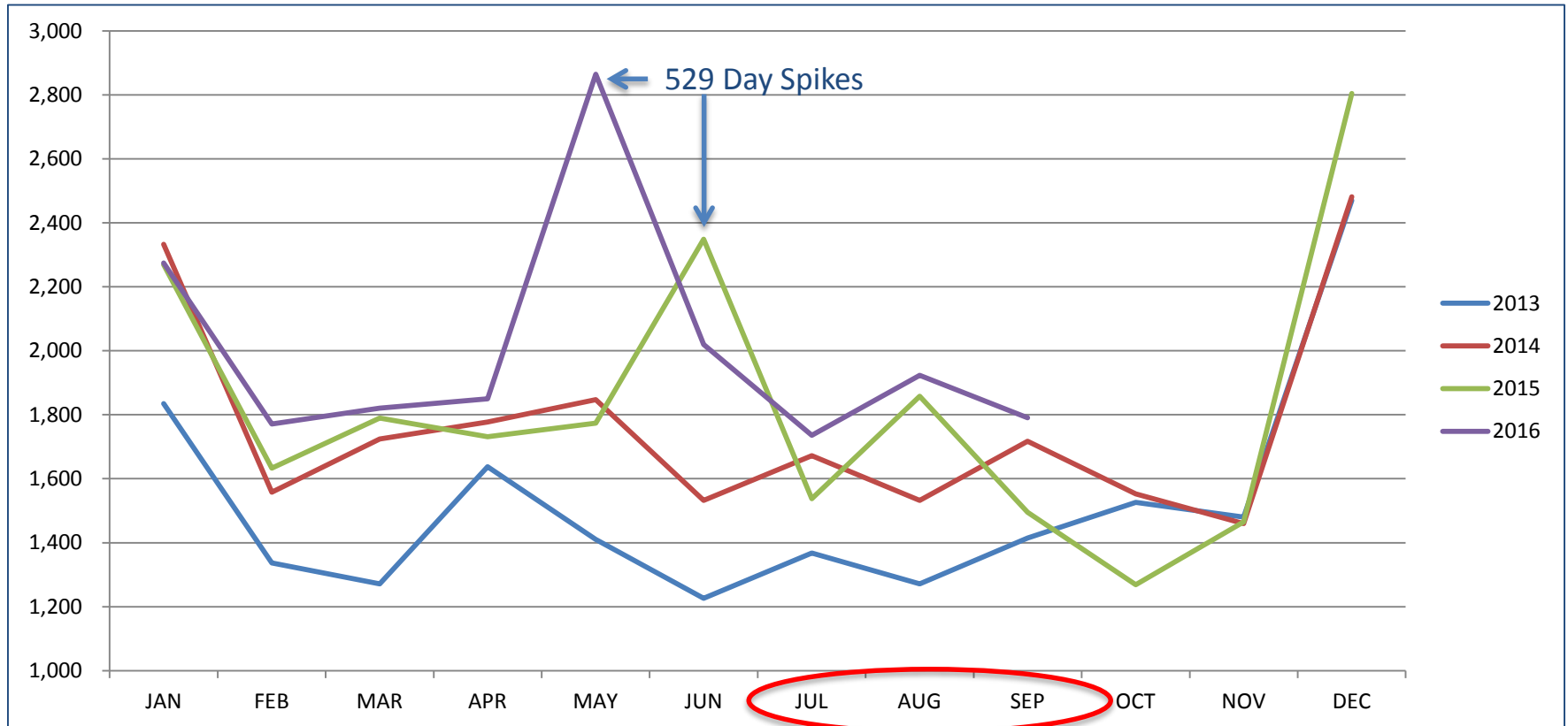
All results in this report are for the period ending September 30, 2016 unless noted.

# ScholarShare Business Results



## GROSS NEW ACCOUNTS

- New Accounts up YOY by 9.7%.
- Best Q3 results in past 4 years.



# ScholarShare Business Results

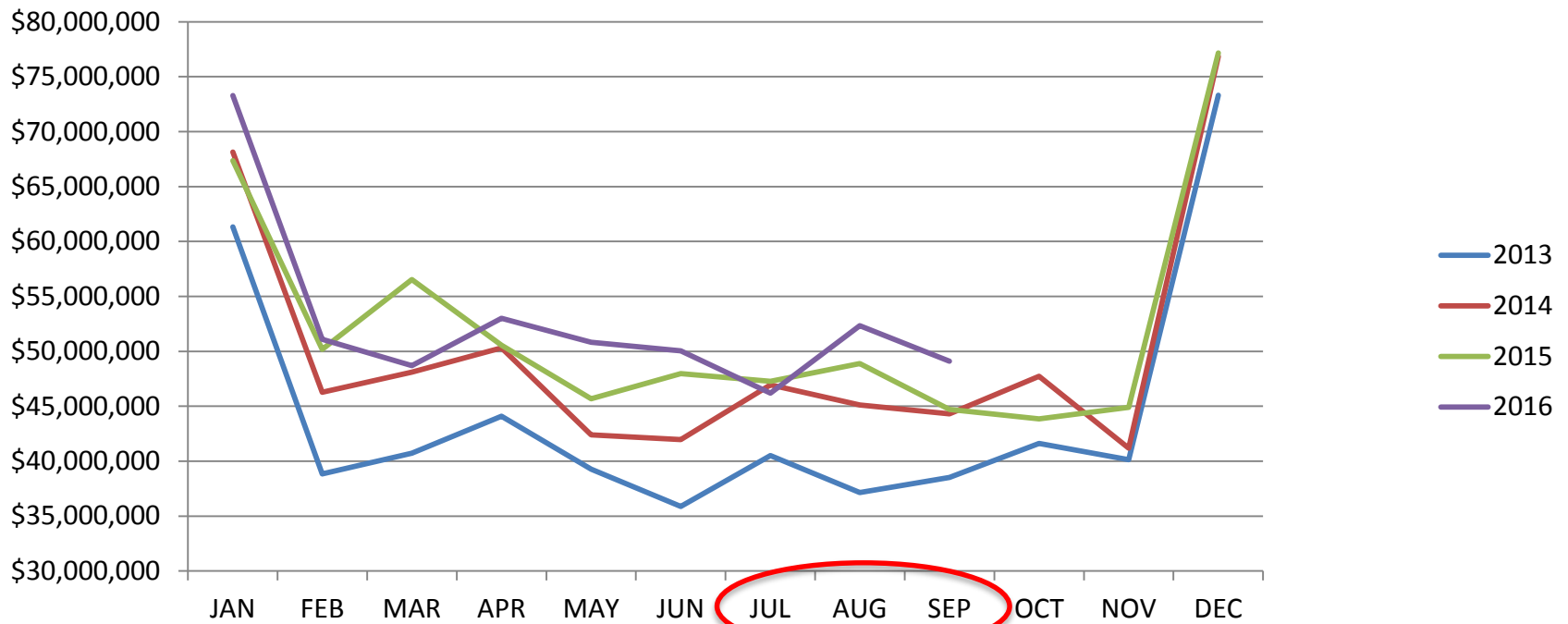


## CONTRIBUTION TRENDS

- Best results for August & September in past 4 years.
- Nearly 25% of annual contributions occur in December/January.
- Total Contribution growth up 3.4% YTD.

### 2016 vs. 2015 Contributions (\$000)

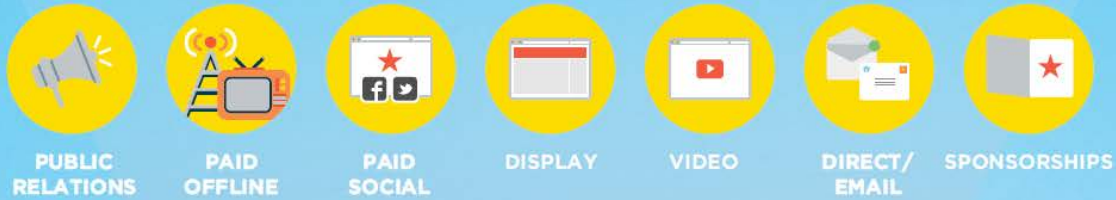
Q1 2016	+/-%	Q2 2016	+/-%	Q3 2016	+/-%
\$173,065	-0.6%	\$153,866	6.7%	\$147,625	4.8%



# Marketing Plan Framework



**AWARENESS**...



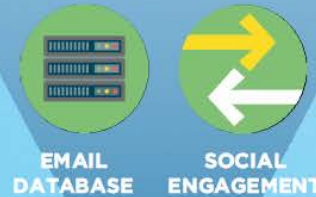
**CONSIDERATION**...



**EVALUATION**



**ENROLLMENT**



**CONVERSION**...





# Advertising Overview – Banner/Search



## Program Deliveries

- Q3 Spend: \$537,500 (24% of YTD Spend: \$2,235,834)
- 86,304,621 Impressions Delivered
- New Account Creation: 963 accounts / \$2,647,823 deposits / \$2,750 average deposit
- Additional Contributions: 1,382 transactions / \$3,080,058 deposits / \$2,229 average deposit
- ACP Updates: 3,317 accounts updated to ACP during Q3
- Cost per Acquisition (CPA): \$62.79

## Highlights

- CPA is down 48.8% (\$62.79 this year vs. \$124.84 last year)
- Average Q3 contribution amounts are up 47.7% (\$2,229 this year vs. \$1,508 last year)
- Savingforcollege.com consistently out performs other direct site placements; highest ROAS and lowest CPA



# Advertising Overview – Email



## PROSPECTS

- 533,856 Emails Delivered

- 12,558 Emails Opened
- 2.35% Open Rate
- 611 Email Clicks
- 0.11% Click Rate
- Inbound Calls: 37
- Website Visits: 504
- Inquiry Rate: 0.10%
- 82 New Account Owners

## ACCOUNT OWNERS

- 355,821 eNewsletters Delivered
- 355,821 Total Quantity

- 110,403 Emails Opened
- 31.03% Open Rate
- 4,395 Email Clicks
- 1.24% Click Rate
- \$101K Additional Contributions

- Q3 Prospect Email campaigns include July (33% complete) and September Prospect (16% complete) and August New Parent Triggers
- Q3 Account Owner Email campaigns include monthly eNewsletters

# Advertising Overview – Direct Mail



## PROSPECTS

- 90,132 DM Pieces Delivered

- 0 Website Visits
- 20 Inbound Calls
- Inquiry Rate 0.02%
- 60 New Account Owners
- \$31,950 First Contribution \$

## ACCOUNT OWNERS

- No Account Owner DM in Q3

- Q3 Prospect Direct Mail campaigns include August New Parent Triggers
- No Account Owner DM in Q3 2016

# Radio & Print Advertising



- Our print and radio advertising initiatives target unique audiences.
- NPR provides good reach across the state and supplements our digital spend.
  - 52-weeks a year
  - Five :15-second units/week
  - AM/PM Drive Time
- Comstock's and San Diego Family support our Field Consultants in Northern California and the San Diego area, respectively.
- Roll Call distributes newsletters with our advertising directly to parents.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>California Capitol Network</b> (statewide NPR)												

16.2 million Adults Ages 25-44 - Q3 2016

Publication	Frequency	Audience per Issue
<b>Comstock's</b>	Monthly	85,000
<b>San Diego Family</b>	6x per year	225,000
<b>Roll Call</b>	Monthly	457,150

# Social Media



Twitter	Facebook	Instagram	Bloggers
<ul style="list-style-type: none"> <li>• 2,925 follows</li> <li>• 40 Brand Tweets</li> <li>• 192 Mentions</li> <li>• 533 Engagements (Retweets, Replies, Favorites)</li> <li>• 3,814,978 Impressions</li> <li>• <b>Highlights:</b> <ul style="list-style-type: none"> <li>• Recirculation of partner/blogger content</li> <li>• Support for College Savings Pledge</li> <li>• Branded content incl. photos and videos</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 65,547 fans</li> <li>• 54 Page Posts</li> <li>• 5,820 Engagements (Shares, Comments, Reactions)</li> <li>• 12,328 Link Clicks</li> <li>• 256 Video Views</li> <li>• 565,181 Reach</li> <li>• 926,712 Impressions</li> <li>• <b>Highlights:</b> <ul style="list-style-type: none"> <li>• Lifestyle content increased during summer months</li> <li>• Photos delivered highest "per post" engagement</li> <li>• Return of the College Savings Pledge promotion (Sept)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 275 follows</li> <li>• <b>Highlights:</b> <ul style="list-style-type: none"> <li>• Highly curated to appeal to young families</li> <li>• Upgraded to Business Profile in July</li> <li>• Followers have doubled since Q2</li> <li>• Q3 saw average engagement rate of 43% per post</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• In Q3, the Blogger Ambassador Program generated 20 blog posts, with a reach of nearly 400,000.</li> <li>• For National College Savings Month, the College Savings Pledge was highlighted in 10 blog posts reaching 200,000+.</li> <li>• Gift of College giftcard was featured among the "10 Unique Baby Shower Gifts" on Living Mi Vida Loca, an OC-based mom blog.</li> <li>• <b>Bloggers Include:</b> <ul style="list-style-type: none"> <li>• The College Investor</li> <li>• The Chic</li> <li>• Simply Real Moms</li> <li>• Busy Mommy Media</li> <li>• Hapa Mama</li> <li>• Daddy Doin' Work</li> <li>• Organized Island</li> </ul> </li> </ul>

# Public Relations Initiatives – Q3



- PR continues to strengthen our reach, exposing our message to more consumers
- Two PR releases garnered full content exposure to an audience of 18 million
- Results met our expectations for Press Releases and Search Engine Optimizations.

Program	Month	Description	Results
<ul style="list-style-type: none"> <li>• Do Your Share to Save for College: Take the Pledge</li> </ul>	September	SEO Release	<ul style="list-style-type: none"> <li>• 107 media outlets posted the full press release, reaching an audience of 11,387,244</li> </ul>
<ul style="list-style-type: none"> <li>• Treasurer Announces Sweepstakes to Celebrate Anniversary of ScholarShare</li> </ul>	August	Press Release	<ul style="list-style-type: none"> <li>• 107 media outlets posted the full press release, reaching an audience of 6,674,695</li> </ul>
<ul style="list-style-type: none"> <li>• Good Day Sacramento Interview</li> </ul>	September 24	On-Air Interview with Stan Zeto	<ul style="list-style-type: none"> <li>• Information provided on ScholarShare, College Savings Month, the College Savings Pledge, and Children’s Book Festival at Fairytale Town</li> <li>• The segment reached an audience of 39,825</li> </ul>

# Outreach Initiatives – Q3 Highlights



## Employer Outreach

- New to payroll: 7 – Jerome’s Furniture, JM Turner, Mission Bell, BRCO Constructors, Axis Community Health, Judd Law School, Solar Reserve
- Benefit/Wellness Fair: 16
- Presentations: 16
- Other employer activities – Meeting with HR, Onsite 1:1 Counseling, Co- Branding, Link to Employer/Organization Intranet Site - 26

## Other Outreach Initiatives

Program	Launch	Audience	Deliverables	Results
<b>Ethnic Outreach</b>	All Year	Spanish speaking: Parents Grandparents Employers	Spanish language website Print materials Online webinar Univision	<ul style="list-style-type: none"> <li>• 9 Spanish presentations</li> <li>• 14 Lunar/Chinese New Year Events</li> </ul>
<b>College Savings Pledge</b>	September	Parents Grandparents	Microsite	<ul style="list-style-type: none"> <li>• 14 \$500 accounts were awarded.</li> <li>• 2,560 Entrants, down 30% vs. 2015</li> <li>• Significant increases over 2015 in organic interactions, organic impressions and paid engagements/clicks on Facebook and Twitter</li> </ul>
<b>Children’s Book Festival at Fairytale Town</b>	September 24-25	Student Readers Families	On-site activities and presence, print advertising, e-newsletters, radio	<ul style="list-style-type: none"> <li>• Nearly 9,000 people attended.</li> </ul>

# 2016 ScholarShare Outreach Events Summary



## Partnerships/Sponsorships

- Enhanced partnerships included: Los Angeles Zoo, Fairytale Town, Kidspace Children's Museum, Fresno Chaffee Zoo, The New Children's Museum, and Univision.

## Outreach Events

Timing	Number of Events	Number of Attendees	Events
Q 1	78	74,600	Napa Moms Preschool and Kindergarten Expo, Pathways to College Workshop, CalPERS Benefits Education Event, Steps to College - Pasos a la Universidad 2016, Contra Costa Camp & School Fair, CA Federation of Teachers Annual Conference, Silicon Valley Financial Planners Association Presentation, L.A. Zoo's Big Bunny's Spring Fling, CA Charter School Conference, USC Women's Conference, Sierra Moms 10th Annual Children's Activity & Preschool Expo.
Q 2	70	159,875	College: Making It Happen at Sac State, Dia de los Ninos at Fresno Chaffee Zoo, Tehama Children's Fair, 8th Annual Babies & Bumps, Telemundo Cuenta Conmigo, CA PTA Statewide Conference, Start Small Event at Roseville Galleria, Irvine Junior Games, Chapman University Health and Resource Fair
Q 3	95	127,547	2nd Annual North LA County Maternity and Baby Show, 3rd Annual Ready-Set Back 2 School Health & Wellness Fair, Univision Education Forum, California School Employee Association (CSEA) Annual Conference 2016, Kids N Fun Festival, CSU Bakersfield Benefits Fair, College Quest, Fairytale Town ScholarShare Children's Book Festival, Cal Poly San Luis Obispo Benefits and Wellness Open Enrollment Fair, Razor USA Benefits Fair, PIHRA Annual Conference, Sony Employee Benefit Fair



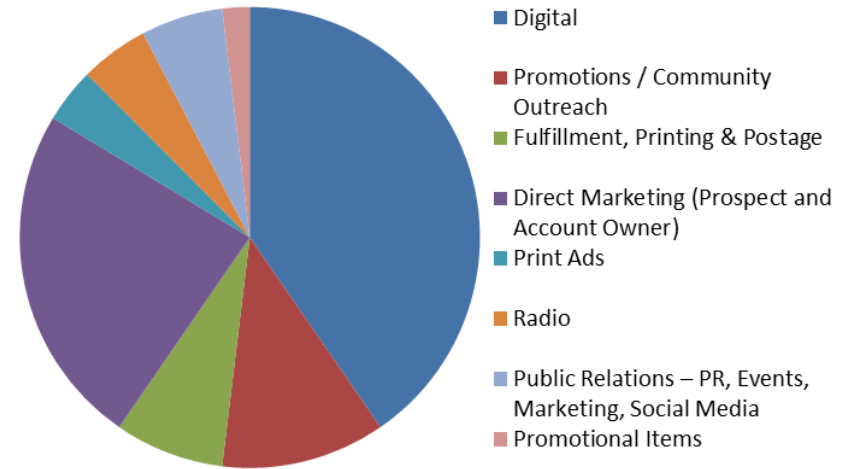
# Appendix

# 2016 Marketing Budget



- Q3 Spending totaled \$2,324,337
- Promotions/Community Outreach spending is higher than initially planned due to Gift of College. GOC and Golden Warrior partnerships represent 47% of category spending YTD.
- Public Relations category is dominated by spending with Finn Partners (87% YTD).

## 2016 Budget Allocations



Activity	Budget Allocations	9/30/16YTD Spend	% of Budget Spent
Digital	\$ 4,200,000	\$ 3,545,018	84%
Promotions / Community Outreach	\$ 1,200,000	\$ 1,426,741	119%
Fulfillment, Printing & Postage	\$ 800,000	\$ 865,862	108%
Direct Marketing (Prospect and Account Owner)	\$ 2,500,000	\$ 1,333,124	53%
Print Ads	\$ 400,000	\$ 405,740	101%
Radio	\$ 500,000	\$ 294,122	59%
Public Relations - PR, Events, Marketing, Social Media	\$ 600,000	\$ 678,055	113%
Promotional Items	\$ 200,000	\$ 120,592	60%
<b>Total</b>	<b>\$ 10,400,000</b>	<b>\$ 8,669,254</b>	<b>83%</b>



**SCHOLARSHARE**

CALIFORNIA'S 529 COLLEGE SAVINGS PLAN

# 2017 Marketing Plan Recommendations

December 8, 2016



To help reach our 2017 targets, we will focus on 5 key marketing objectives:



## Strategies

- A. Amplify ScholarShare's voice to strengthen families' understanding of effectively funding a child's education throughout their development (start-up through distribution).
- B. Activate community dialogue regarding the value of education by establishing a **K-8 Grant Program** to enrich student experiences and prepare college-bound students.
- C. Embrace diverse and underserved communities by establishing a **Matching Grant Program** targeting LMI households to instill the idea that a college education is attainable.

## Key Performance Indicators

- Publications influenced, interview requests received, AO communications published
- Schools participating, votes collected, program improvements made
- CBOs engaged, family contributions, matching grants fulfilled

## Tactics

### Demonstrate Expertise

- Increase ‘best practices’ content across the full range of beneficiary ages – start-up through distribution
- Engage prospects and account owners with relevant content produced
- Engage media and influencers with relevant content produced

### K-8 Grant Program

- Engage school officials via industry forums and owned media
- Develop marketing tool kit for schools to use in activating community participation/voting
- Merchandise ways schools use the \$ to drive greater awareness of ScholarShare
- Leverage email addresses captured through voting in prospecting initiatives

### Matching Grant Program

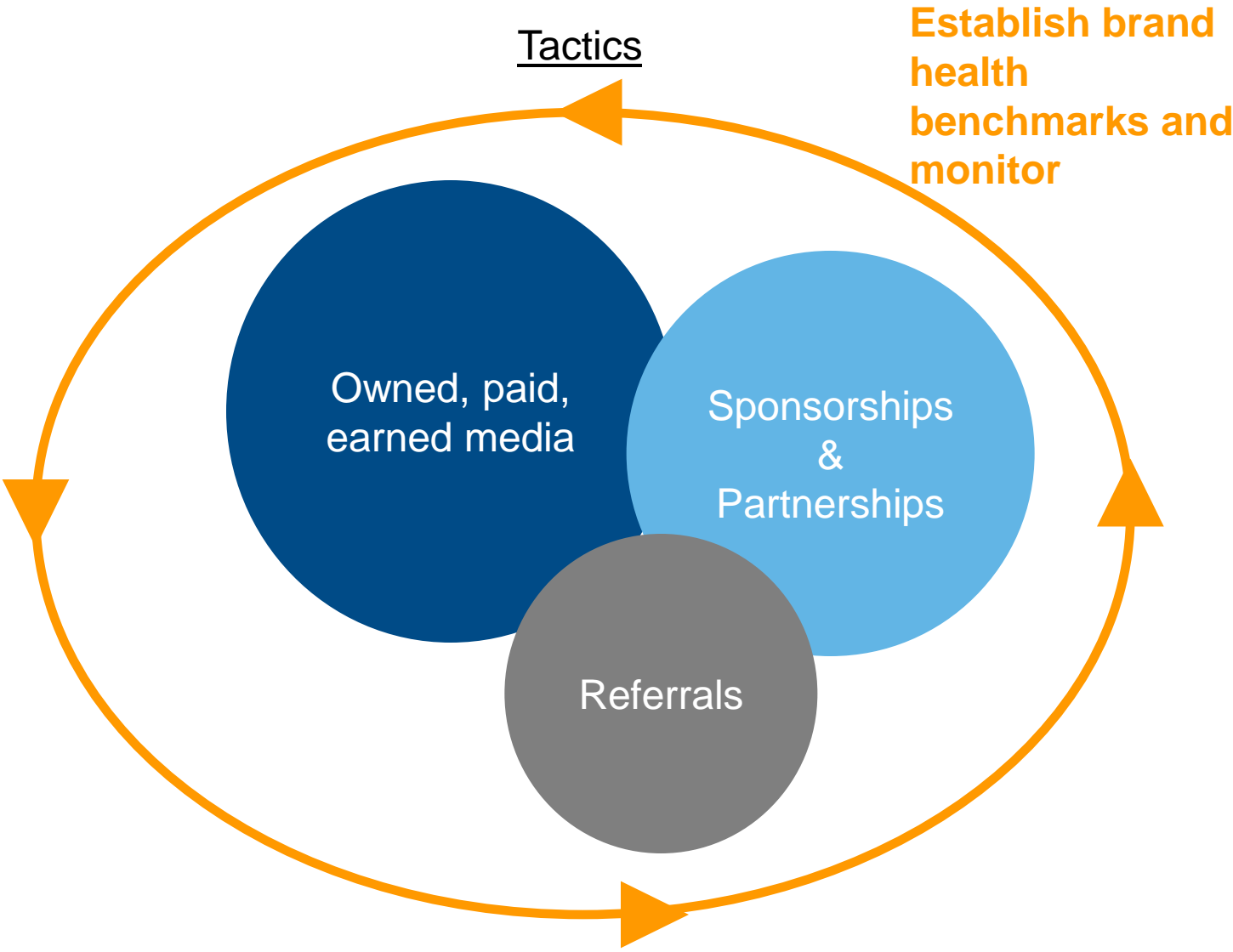
- Engage CBOs through networking
- Arm CBOs with digital and physical marketing programs to draw in constituents
- Merchandise results (accounts established) to raise awareness of ScholarShare and its mission

### Strategies

### Key Performance Indicators

- |  |   |
|--|---|
| <p>A. Assess and monitor ScholarShare's brand health among key target audiences.</p> <p>B. Through paid media, media/public relations and non-paid media, strengthen ScholarShare's brand identity to ensure tactical marketing initiatives deliver desired results.</p> <p>C. Strategically leverage sponsorships and partnerships to drive brand awareness.</p> <p>D. Activate influencers, including friends and family, to advocate for the ScholarShare brand</p> | <ul style="list-style-type: none"><li>• Aided/Unaided awareness, familiarity, likelihood to recommend</li></ul> |
|--|---|

**2** Ensure ScholarShare brand is well-known and understood among key target audiences.





Strategies

Key Performance indicators

- A. Target parents of newborns to establish accounts – potentially through healthcare/hospital partnerships and baby gift registries.
  - B. Develop packaged offer leveraging defaults to lower purchase barriers (create mobile app for express account opening).
  - C. Develop offer tailored to consumers of greater affluence and financial knowledge.
  - D. Leverage multi-cultural marketing techniques to engage Asian and Spanish speaking communities.
- Campaign effectiveness in delivering critical AO behaviors: conversion rates, initial investments, ACP, balance building patterns.

## Tactics

### Tailor Offers and Communications to Targets

- Define characteristics and behaviors of key target audiences and leverage those insights to craft compelling offers and execute efficient media investments

### Conversion process - part of the offer

- Lower barriers to conversion through technology assets
- Sophisticate retargeting process and content to increase conversion
- Extend the account opening process during the honeymoon phase to drive adoption of complementary services like ACP and e-delivery

### Multi-Cultural Marketing Techniques

- Leverage influencers to help overcome consumers' trust and fit concerns
- Develop end-to-end marketing model for Spanish-speaking prospects

## 4 Harness employer endorsements and RIA partnerships to build business



### Strategies

- A. Leverage SIB staff contracts and associated outreach efforts to engage municipal employers/affinity groups.
- B. Support Field Consultants and SIB Staff with a robust employer/ employee communications system.
- C. Build richer connections with RIAs to ensure ScholarShare program benefits are well understood.

### Key Performance Indicators

- Partnerships established and contracts executed
- # Employers with Payroll Deduction Arrangements

### Tactics

#### Mature the B-to-B Marketing Model

- Define best practices in courting new employer and RIA partnerships
- Iterate to determine improvements

#### Automate

- Develop templates for on-boarding new partners
- Leverage employer endorsements in employee/account owner communications seeking greater engagement

## Strategies

- A. Build on successes of ACP and Jumpstart programs to drive subsequent purchases.
- B. Leverage content marketing techniques to further engage Account Owners and drive purchases/retention.
- C. Demonstrate how gifting can help families to reach goals and feel satisfied by their collective impact.

## Key Performance Indicators

- Campaign effectiveness in delivering critical AO behaviors: conversion rates, initial investments, ACP, balance building patterns.

## Tactics

### Audience Insights

- Leverage data analytics to define audiences of greatest opportunity and pair relevant offers

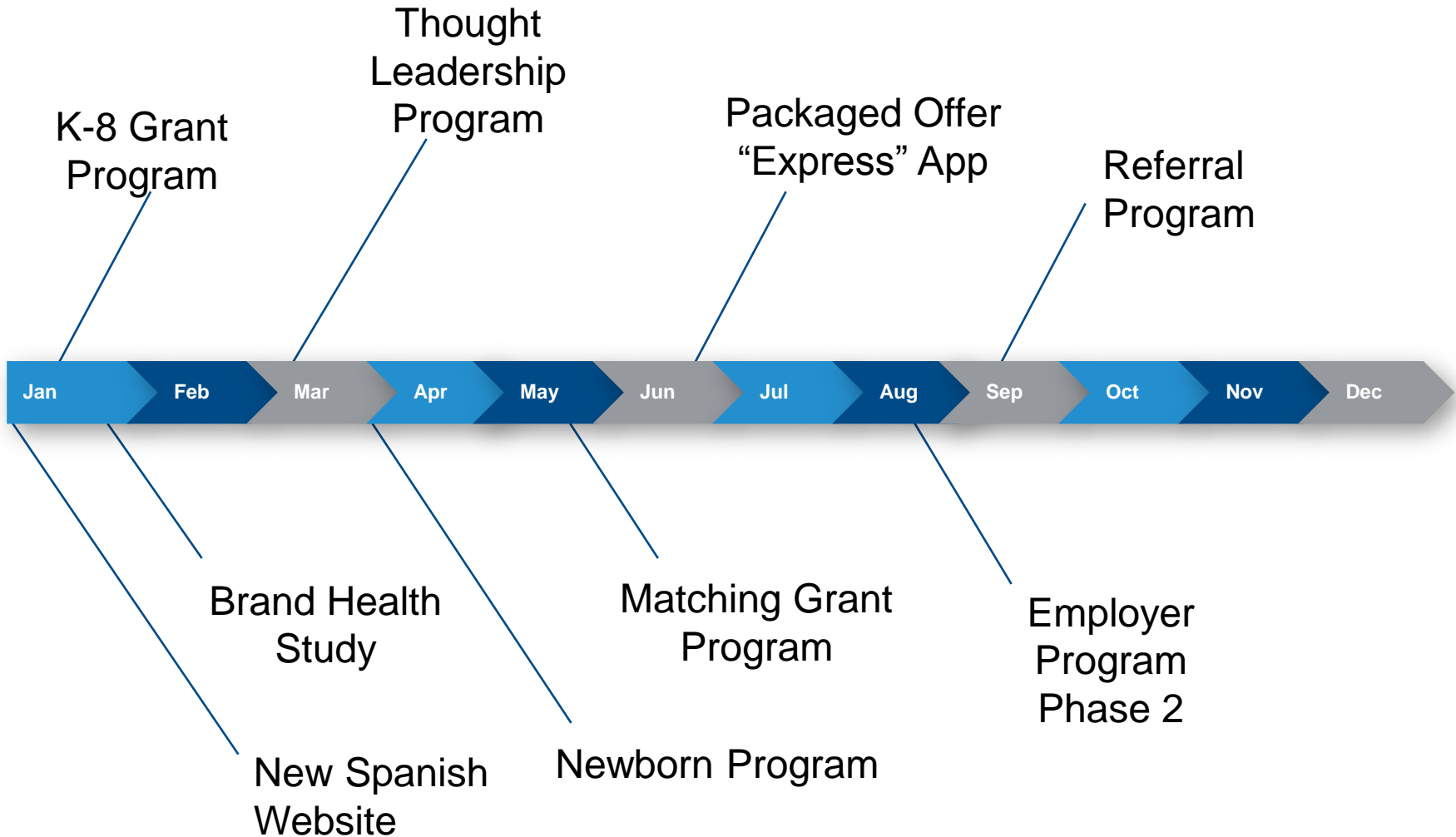
### Campaign Management

- Systematize communications structure with episodic, trigger-based, scheduled and ad hoc campaigns

### Media Management

- Optimize use of display, owned, email, microsite, direct mail, search, video and social to drive results

# New Program Launches



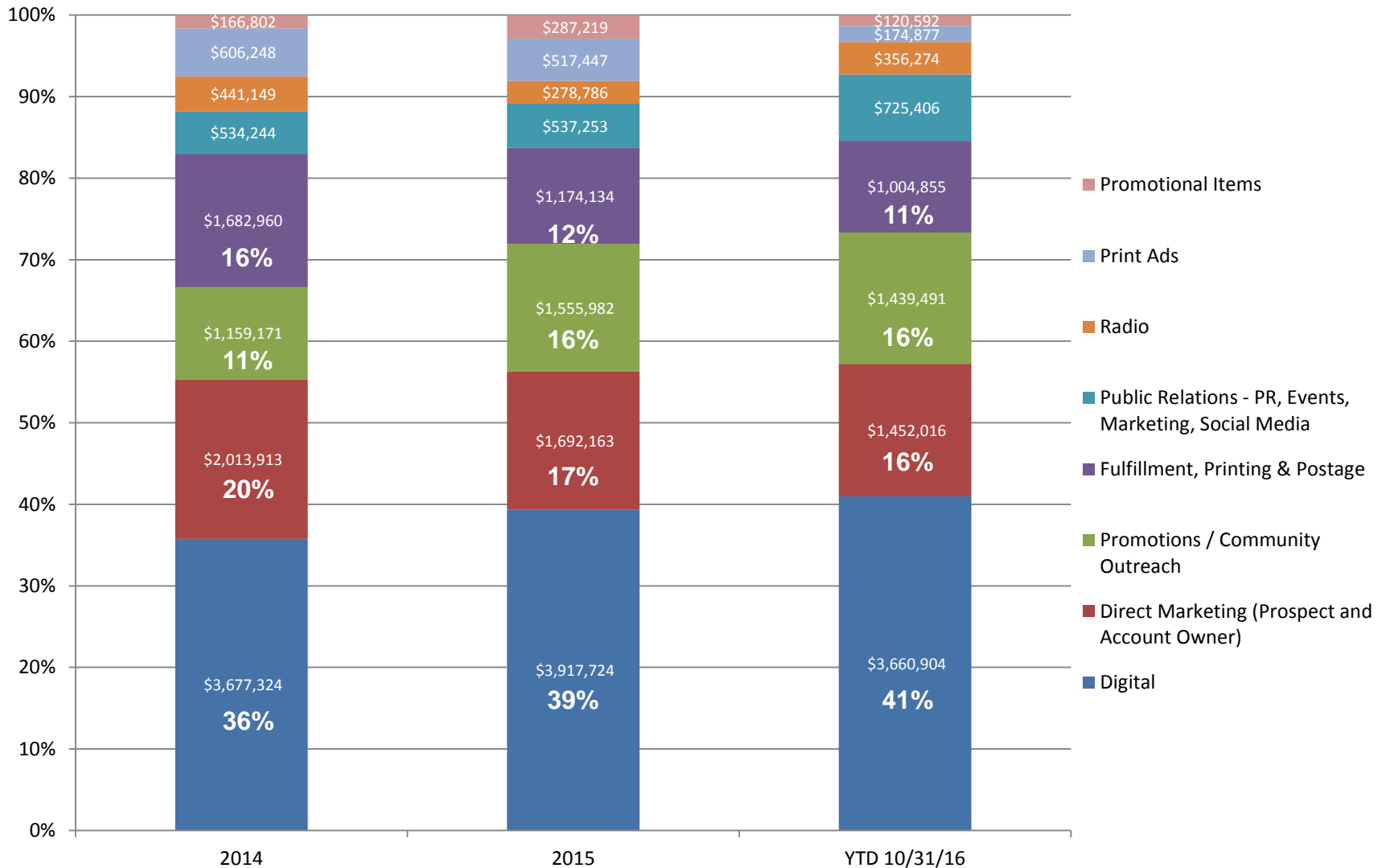
# Proposed 2017 Budget



	OBJECTIVES	ESSENCE	STRATEGIES	BUDGET	OBJECTIVE SUB-TOTALS	OBJECTIVE SUB-TOTALS
1	Educate families about ScholarShare and the importance of saving for college.	Lay the foundation	A. Amplify ScholarShare's voice to strengthen families' understanding of effectively funding a child's education throughout their development (start-up through distribution).	\$500,000	\$1,100,000	11%
			B. Activate community dialogue regarding the value of education by establishing a K-8 Grant Program to enrich student experiences and prepare college-bound students.	\$100,000		
			C. Embrace diverse and underserved communities by establishing a Matching Grant Program targeting LMI households to instill the idea that a college education is attainable.	\$500,000		
2	Ensure ScholarShare brand is well-known and understood among key target audiences.	Manage the brand to pave the way	A. Assess and monitor ScholarShare's brand health among key target audiences.	\$50,000	\$3,150,000	32%
			B. Through paid media, media/public relations and non-paid media, strengthen ScholarShare's brand identity to ensure tactical marketing initiatives deliver desired results.	\$2,100,000		
			C. Strategically leverage sponsorships and partnerships to drive brand awareness.	\$750,000		
			D. Activate influencers, including friends and family, to advocate for the ScholarShare brand	250,000		
3	Drive new account growth and increased AUM through initiatives that reflect the target market characteristics	Gain new accounts & AUM	A. Target parents of newborns to establish accounts – potentially through healthcare/hospital partnerships and baby gift registries.	\$500,000	\$3,500,000	35%
			B. Develop packaged offer leveraging defaults to lower purchase barriers (create mobile app for express account opening).	\$1,500,000		
			C. Develop offer tailored to consumers of greater affluence and financial knowledge.	\$1,000,000		
			D. Leverage multi-cultural marketing techniques to engage Asian and Spanish speaking communities.	\$500,000		
4	Harness employer endorsements and RIA partnerships to build business	Employer endorsements & RIA partnerships	A. Leverage SIB staff contracts and associated outreach efforts to engage municipal employers/affinity groups.	\$150,000	\$250,000	3%
			B. Support Field Consultants and SIB Staff with a robust employer/ employee communications system.			
			C. Build richer connections with RIAs to ensure ScholarShare program benefits are well understood.			
5	Drive AO subsequent contributions through engagement initiatives and personalized communications	Mature AO relationships and purchase patterns	A. Build on successes of ACP and Jumpstart programs to drive subsequent purchases.	\$2,000,000	\$2,000,000	20%
			B. Leverage content marketing techniques to further engage AOs and drive purchases/retention.			
			C. Demonstrate how gifting can help families to reach goals and feel satisfied by their collective impact.			
<b>TOTAL</b>				<b>\$10,000,000</b>	<b>\$10,000,000</b>	<b>100%</b>



# Historical Media Mix



# Marketing integration is critical to success

