

Covid-19 may be Big Tech's gateway to higher education

Future could entail partnerships between technology giants and elite universities



Marketing professor Scott Galloway says the longer-term effect of the pandemic on United States universities will be a revitalising of the college experience through technology and new thinking, with more remote learning, changes to the traditional schedules and teaching methodologies, and, if policymakers act wisely, increased access for lower costs. PHOTO: REUTERS

THE STRAITS TIMES
EDUCATION FORUM 2021
 IN PARTNERSHIP WITH

Reimagining Universities, Post-Covid

In this third of a four-part series on reimagining universities, post-pandemic, Senior Education Correspondent Sandra Davie talks to NYU Stern School professor Scott Galloway.

Marketing professor Scott Galloway teaches brand strategy at the much sought-after Stern School of Business at New York University (NYU), but the American does not pull any punches on elite institutions.

Known for his predictions of Amazon's purchase of supermarket chain Whole Foods Market and the implosion of office space sharing firm WeWork's initial public offering, he believes the pandemic will accelerate the disruption of American higher education institutions, especially the elite ones, which he says have been "drunk on exclusivity".

With Covid-19 resulting in students across the United States sheltering in place and finishing semesters online, he told The Straits Times: "What we are about to see in education is the disruption that we have been predicting for decades, as parents feel that paying US\$60,000 (S\$79,700) for their children's tuition, via Zoom classes, is no longer worth it."

He believes the pandemic has paved the way for Big Tech's entry into higher education.

The post-pandemic future, he says, will entail partnerships between technology giants and elite universities. Think MIT@Google and iStanford.

He makes more predictions on the changes to come.

Q Can you tell us more about the changes coming to universities in the US, post-Covid-19?

A Enrolment has been coming down in universities, while costs are going up. The industry was due for a reckoning already.

In the past 40 years, US college tuition has increased 1,400 per cent, while the product has not changed.

That's a prescription for massive disruption, and the pandemic will be the trigger event. The immediate effect will be a financial shock to all but the wealthiest institutions. The less wealthy universities will have to take radical action or risk closing altogether.

The longer-term effect will be a revitalising of the college experience through technology and new thinking. We will see more remote learning, changes to the traditional schedules and teaching methodologies, and, if policymakers act wisely, increased access for lower costs.

Q Will the changes in the US impact other countries - including Singapore - considering that, every year, several thousand Singaporeans head overseas to the US, Britain and Australia?

A International students are incredibly important to US universities - they typically pay full or nearly full tuition fees. So they aren't going to give up that revenue without a fight, and technology may help them reach more students in for-

About Scott Galloway

Professor Scott Galloway, 56, teaches brand strategy and digital marketing at New York University's Stern School of Business.

He is author of the Digital IQ Index, a global ranking of prestige brands' digital competence.

A much sought-after professor, in 2012 Prof Galloway was named "One of the World's 50 Best Business School Professors" (Poets & Quants).

A serial entrepreneur, he founded nine companies, including e-commerce firm Red Envelope; Prophet, a global brand strategy consultancy; and L2, a subscription business intelligence firm serving prestige brands which was acquired by Gartner in 2017.

He was elected to the World Economic Forum's Global Leaders of Tomorrow and has served on the boards of directors of Eddie Bauer, The New York Times Company, Urban Outfitters and University of California, Berkeley's Haas School of Business.

He writes a weekly newsletter, No Mercy/No Malice, and hosts the podcasts The Prof G Show and Pivot (with journalist Kara Swisher).

As he had said before, he is a product of state-sponsored edu-



POST CORONA
 From Crisis To Opportunity
 SCOTT GALLOWAY
 Professor Scott Galloway wrote Post Corona: From Crisis To Opportunity.
 PHOTOS: JIM BLOCK, PORTFOLIO

cation and was very fortunate to have been admitted into UCLA with "muddling" grades.

He went on to study for an MBA in UC Berkeley.

He is the author of The Four

and The Algebra Of Happiness, and more recently, Post Corona: From Crisis To Opportunity, where he outlines the contours of the crisis and the opportunities that lie ahead, post-Covid-19.

ign countries.

But the same goes for universities outside the US. As higher education around the world makes better use of technology, we can expect to see the further globalisation of university education.

Q Your prediction on Big Tech joining forces with leading, elite universities - is that a good thing? Who gains and who loses? How will this serve society?

A I think it is inevitable, due to higher education's lack of innovation and Big Tech's need to find new industries to disrupt. Whether it happens in a way that benefits society as a whole, or furthers inequality and exploitation, remains to be seen.

If schools and governments have foresight, they will take advantage of this opportunity to expand access and return higher education to its role as the lubricant of economic mobility. At least here in the US, we don't have a great track record of managing disruptive transitions, but I'd like to think we are still capable of learning from our mistakes.

Q If we move to a hybrid model, then are universities justified in charging so much, especially the private universities in the US?

A In the US, we have seen 1,400 per

cent increase in tuition over 40 years without a meaningful improvement in the underlying product. This is a market failure. It won't last. But again, there is no one-size-fits-all here.

IS THE IVY LEAGUE NECESSARY?

What I think the pandemic has caused people to reconsider is the value of the experience, and to some extent, the value of the education itself... Does a poor kid with great maths skills and a self-directed interest in coding really need to pay US\$200,000 for an Ivy League certification if she doesn't want to go to school in old stone buildings with sororities and football games?

PROFESSOR SCOTT GALLOWAY

A US\$200,000 Harvard degree is a great investment for a young person who wants to go to law school or work on Wall Street. It's a crushing debt load for a young person who wants to write orchestral music.

Q So, what is driving the rise in university fees in the US? Is it justified?

A Two factors: brand strength and artificial scarcity. Elite universities have the best brands in the world. Yale, Oxford, the Sorbonne, these are global brands with unmatched value... and the broader concept of higher education has incredible value. We are told, with good reason, that a college degree is the critical item on the path to financial success. And so every year, millions of students line up to pay whatever it takes.

What do the top colleges do with all this brand equity and huge demand? They limit their product. Harvard could fill its freshman class several times over with valedictorians, sports team captains and prize-winning artists. Because it doesn't, it can charge US\$50,000 per year.

Q What do you think is the ideal model of university education going forward?

A There is not one model, but many. There is a place for the four-year on-campus experience, but there is also a place for the credit-by-credit, distance learning in between work commitments, and for all sorts of models in between. The challenge is not to find the "ideal model", but to use technology and our experience with education to craft an array of options that create opportunities for students to excel.

Q So, is a university education still worthwhile?

A The value proposition for higher education has three components: certification, education and experience. The credential these schools offer is the most measurable, quantifiable value, and it is real, at least for the top schools. The value of the education and the experience is harder to measure. No doubt it varies widely between students and between schools.

What I think the pandemic has caused people to reconsider is the value of the experience, and to some extent, the value of the education itself. People are asking how much those components are worth.

Does a poor kid with great maths skills and a self-directed interest in coding really need to pay US\$200,000 for an Ivy League certification if she doesn't want to go to school in old stone buildings with sororities and football games?

The disruptive effect of the pandemic is making these trade-offs more obvious to parents and students.

Q Should more places in universities be opened up or will this lead to the devaluation of degrees and affect graduate employment?

A If the market is working efficiently, then everyone that would benefit from a college education (and in turn contribute to the economy) would be able to get one.

And as we shift to more of a knowledge-based economy, we are going to have use for more college graduates, not less. So, whatever the "ideal" cohort participation rate turns out to be, I am confident it is higher than where we are at now.

Q What advice would you give to an 18-year-old heading to university now?

A Take a gap year or two. By autumn of this year, we can expect the vaccines to have opened up opportunities for travel and work again, so start looking now for a programme that will get you out of our bubble and into the larger world.

Challenge yourself now, and you will get more out of college when you get there.

sandra@sph.com.sg

CITY PERSPECTIVES
 CAN DISRUPTION BE THE NEW BOON FOR BUSINESSES? TURN FLUX INTO OPPORTUNITIES WHEN YOU AWAKEN YOUR IDEAS.

Cities grow when ideas chart larger conversations
 Explore urban issues with the freshest perspectives. Join the changemakers and awaken your ideas today at City Perspectives.
 cityperspectives.smu.edu.sg


