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IESE online

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In the spring of 2022, Marc and Teresa were rethinking IESE's online strategy. Among many other things, they wondered whether it might be necessary to create a new department, responsible for everything related to the development and marketing of an online offering for the school, or whether it would be sufficient to continue as before, in other words, focusing on what has always been the school's core or main offering, the "in-person programs," and incorporating online content to a greater or lesser extent into these programs, without the need to make any structural or similar changes.

In any case, both were convinced that after the successful experience of PDDFlex during the 2021 academic year, this type of program should be consolidated during the upcoming 2022/23 academic year, expanding the offering to other traditional formats of "executive" programs.

The pandemic of the two previous years had accelerated the development of online education worldwide. While this was an undeniable fact, the question remained as to whether this type of education was here to stay or whether demand for it would diminish as the effects of the pandemic waned; whether it was a profitable and competitive format, or whether its margins were lower than those of traditional programs. Moreover, another more specific set of questions had to be addressed, including: What type of online program-products would/could/should IESE offer, and what type of students (profiles) should these new programs target? After two years of dealing with the pandemic and its devastating consequences as best as possible, all these questions, and many others, were still unanswered. The school had not yet determined whether online education should be part of its strategy and what that strategy should entail if the answer was indeed affirmative. Until now, each department had been creating its own formulas and content, but there was no clear overall direction regarding whether online programs should continue to be offered and what type of programs these should be.

This case was prepared by Fátima Ros, EMBA 2023, under the supervision of Professor Juan Manuel de Toro. September 2025.
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IESE cases are designed to promote class discussion rather than to illustrate effective or ineffective management of a given situation.

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The scarcest resources at IESE have always been, unsurprisingly, in-person teaching hours, first and foremost, followed by available classroom space. The relatively new world of online education is a vast market that offers infinite possibilities, but will in-person teaching hours continue to be a scarce resource in this area? How does the possibility of reaching a wider, almost limitless, market fit with the IESE brand? If the decision were made to embrace online education, how should IESE compete in this new market? With what type of programs? MOOCS, "fully online" programs, blended programs? (See Exhibit 1). Furthermore, there was the issue of how to adapt the school's marketing capabilities to online programs, as these would require changes in the approach to selling traditional in-person programs: new media, different messages, different audiences, etc.

The market and trends

Online education today is a huge market, which is accessible to anyone. In 2019, its global turnover was estimated at $187.88 billion, and it is projected to reach $513.14 billion by 2026. This remarkable growth is due, on the one hand, to the widespread trend followed by educational institutions of reducing costs of education, and on the other hand, to the rapid increase in internet penetration and the adoption of cloud solutions. The latter has facilitated easier access to this type of education, thanks to the significant development of mobile devices in recent years.

On another note, online education is divided into free programs (with thousands of different formats and designs) and fee-based programs. Should IESE compete in both types or only in fee-based education? Would competing in free education undermine the IESE brand?

In addition, the market has realized that online education allows for new formulas and is more adaptable to the user. The large number of competitors and collaborators means that the market is already very saturated and a huge and varied offer exists. As far as executive education is concerned, it is not only business schools that have fully embraced this new education format (many of them even offering free training, at least initially). Platforms such as LinkedIn, Udemy, Coursera, Emeritus, etc., emerged right at the beginning, as one of the main providers of corporate online training.

The main factors for and against the online education market are as follows:

- Main drivers for change: flexibility, convenience and efficiency
- Biggest disadvantage: non-existent face-to-face interaction and socialization.
- Biggest challenge: insufficient infrastructure in developing countries
- The fastest growing type of online education: self-paced Online Education

Competitors

One of the characteristics of the online education market is that it has no borders, at least for programs with full online content. This means that the competitive scope for such programs extends across the globe. Regardless of the location of the prospective student, they can enroll in an online program, irrespective of where it is being offered.

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National Level

But if we focus on the domestic market, IESE's main competitors in the field of business and postgraduate education would be the following:

ISDI (Instituto Superior para el Desarrollo de Internet)

This executive education school was founded in 2009 and currently has offices in Madrid, Barcelona, Mexico, and Paris, and also offers a one-week seminar in Silicon Valley and at Harvard. It defines itself as the Business School for the Digital Era. They provide training based on the digital skills that businesses demand. They offer in-person, blended and full online programs: out of a total of 28 programs, 13 are full online.

But, above all, what really sets ISDI apart today, is its commitment to implementing all its programs in both in-person and online formats. Therefore, it always gives participants the option of choosing the format that best suits their needs.

The online format consists of a mix of masterclasses and live sessions, scheduled webinars, podcasts and digital bites, led by the best experts working today in different digital areas.

The price of its MIB Online was €29,800 in 2022. (See Exhibit 2).

UNIR (International University of La Rioja)

UNIR is a 100% online university.

It offers twelve undergraduate and postgraduate specialties: Business, Law, Education, Marketing, Design, Health Sciences, Social Sciences, Arts and Humanities, Political Sciences, Security Sciences, and Music.

It offers students complete flexibility throughout the programs, allowing them to attend live classes or view them later on demand, since all the sessions are recorded and uploaded to the virtual campus.

In addition, it provides a tutor, who accompanies the student throughout their studies. At UNIR, 87% of students have jobs and combine studies and employment, by tailoring their work plans to their actual availability.

If we focus on the MBA, UNIR offers different options (see Exhibit 3). The duration of these programs is one year and their price ranges from €6,000 to €9,000.

IE (Instituto de Empresa)

IE offers seven areas of interest in undergraduate and graduate programs: Law, Economics and Finance, Marketing, Leadership, Technology, Design and Business Management. All undergraduate programs are taught in-person at the Segovia or Madrid campus.

As for the master's degrees, there are 45 different programs. Of these 45, 14 are master's in business: seven are in-person programs in Madrid, of which six are offered in blended format and one is one hundred percent online. Prices range from €50,000 to €80,000 (see Exhibit 4).

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