



Reckoning Recruitment Impact

How to Assess Return on Your
Recruitment-Marketing Investments

Enrollment Services

Today's Presenters



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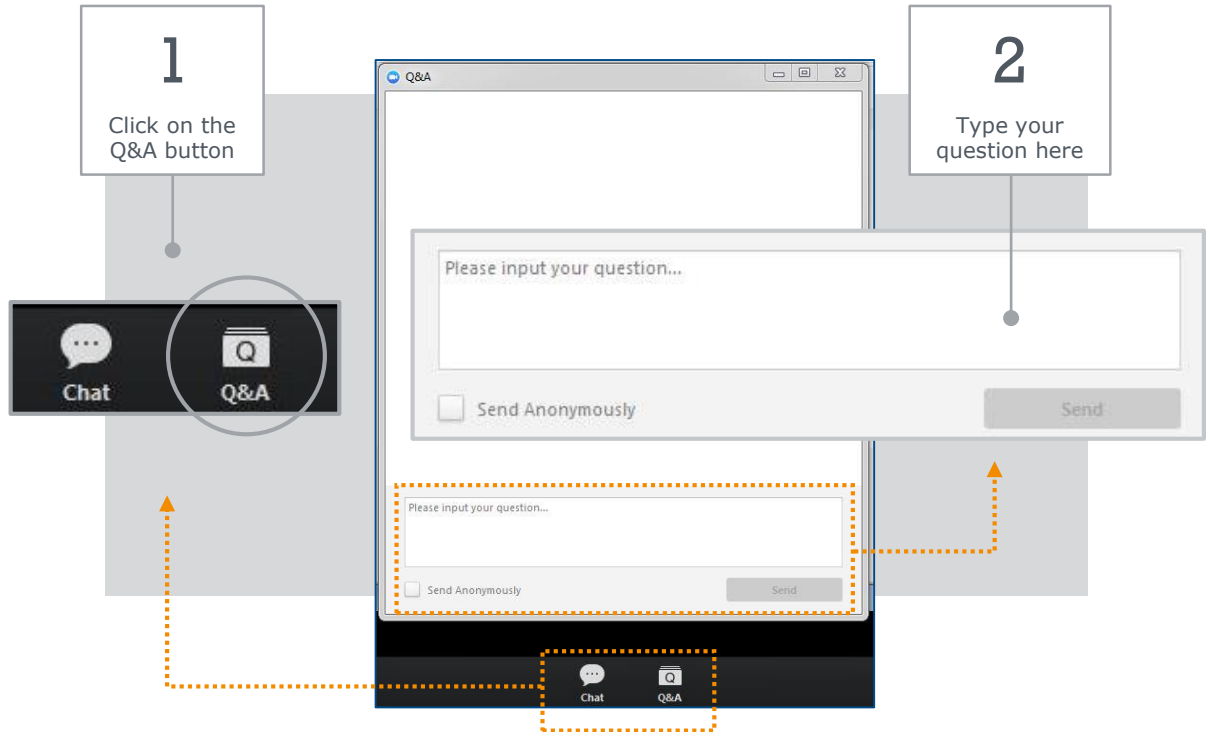
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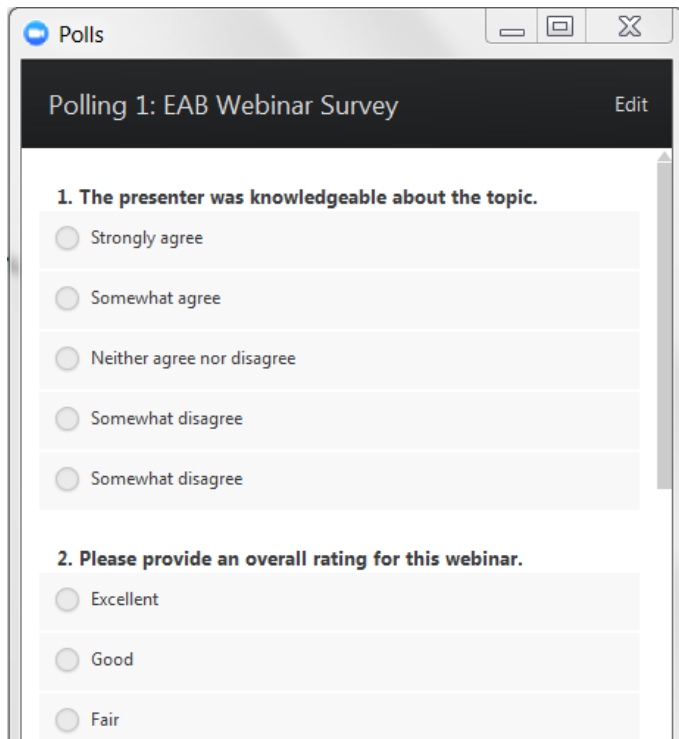
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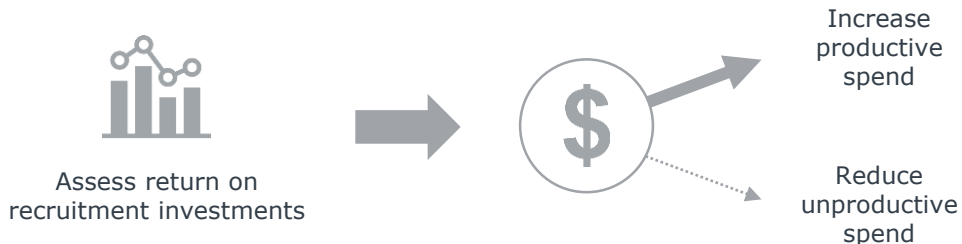
Why You Should Assess Recruitment Impact

Uncertainty Can Starve Enrollment of Necessary Resources

Absent Compelling Results, Funding Constrained



Careful Assessment of Impact Helps Ensure Appropriate Resourcing



One Aim, Multiple Approaches

Four Basic Methods for Evaluating Impact of Recruitment Investments

*ROI-Assessment
"Philosophy"*

1 **Increase-over-baseline analysis**

Sidesteps complex questions of attribution by simply looking at how much enrollment grew after changing recruitment-marketing strategy

● Keep it simple

2 **Break-even analysis**

This shows the number of additional students who need to be enrolled to cover incremental recruitment-marketing investments

● Anticipate impact

3 **Contextualized assessment**

Puts recruitment results into perspective by comparing them to local averages; especially helpful and important in declining markets

● Put your results in perspective

4 **Control testing**

A more precise reckoning that incorporates an assessment of recruitment-marketing influence based on randomized control testing (RCT)

● Provide proof beyond doubt



A Method for Every Scenario

Different Approaches Suit Different Circumstances

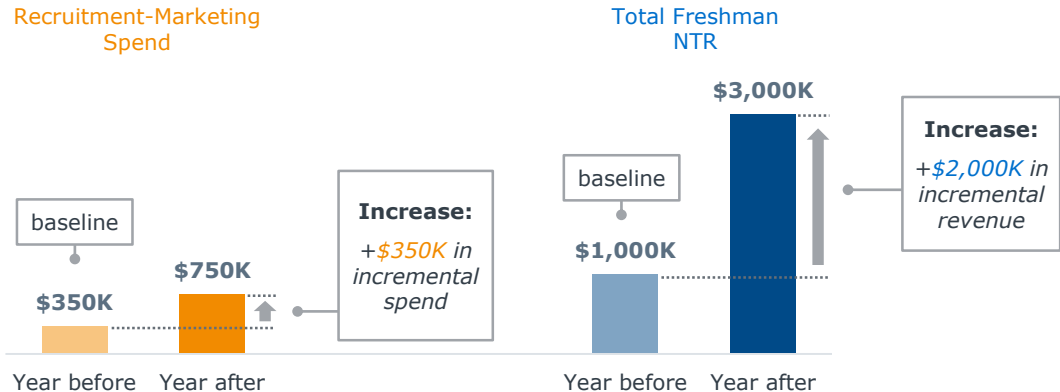
	<i>ROI-Assessment Method</i>	<i>School Situation</i>
1	Increase-over-baseline analysis	You recently changed your recruitment-marketing approach and saw significantly improved enrollment results
2	Break-even analysis	You are considering an increase in recruitment-marketing investment
3	Contextualized assessment	The number of college-bound high school grads in your market is flat or decreasing; alternatively, you are several years into a successful enrollment turnaround
4	Control testing	Securing additional resources for recruitment marketing poses a particular challenge at your institution

Method 1

Increase-over-Baseline Analysis

Recruitment Spend Compared to Recruitment Outcomes

A Hypothetical Example



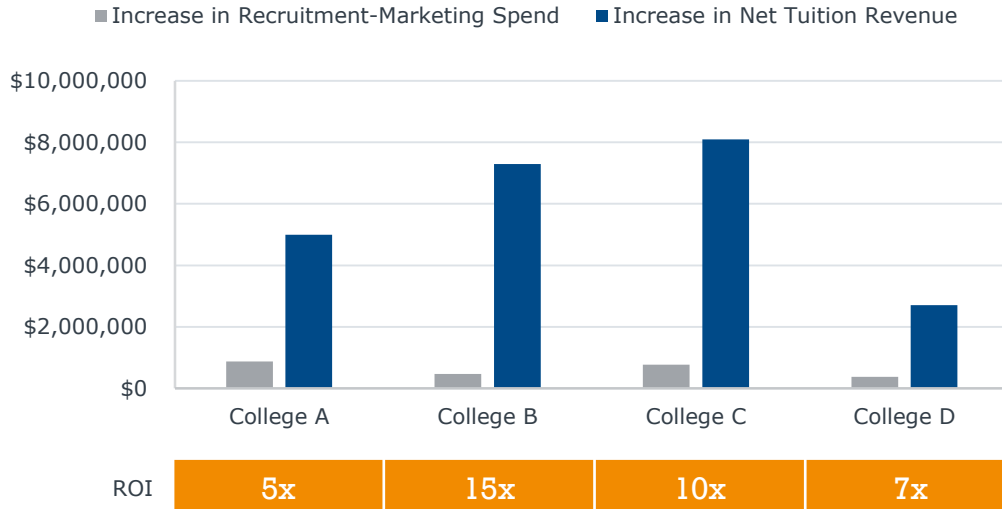
$$\frac{\text{Incremental Revenue}}{\text{Incremental Spend}} = \frac{\$2,000,000}{\$350,000} = 5.7x \text{ ROI}$$

Each \$1 in additional spend produced \$5.7 in additional revenue

Some Real-Life Examples

From Four EAB Enrollment Services Partner Institutions

Increase in Recruitment-Marketing Spend Versus Increase in Total Freshman NTR



Anticipating Questions

Important Context Should Be Proactively Built into Your Analyses

A Hypothetical Example

	Year Before	Year After	
Freshman headcount	640	700	● ——— Your main point ● ——— “We grew headcount... ● ——— ...and revenue...
Total revenue	\$9.6 MM	\$10.3 MM	
Discount rate	50%	51%	● ——— ...without excessive discounting...
Average HS GPA	3.14	3.16	● ——— ...and while maintaining or improving academic standards.” ● ——— ● ——— Crucial context
Average enrolled SAT score	1076	1081	
Average enrolled ACT score	22.6	22.8	

Summary Assessment

Things to Keep in Mind When Using Increase-over-Baseline Analysis

Pros

Easy to generate

Inputs for this analysis are readily available and do not require highly developed data and analytics capabilities.

Easy to understand

Because this analysis has simple inputs, it can be easily understood by laypersons lacking deep enrollment knowledge.

Heads off unproductive discussion

Because of its simplicity, this approach is less likely to get bogged down in methodological "meta-discussions" with stakeholders.

Cons

Low "resolution"

This method does not produce compelling evidence of recruitment-marketing impact unless the gains illustrated are large.

Context unaware

This method requires add-on analyses to account for important contextual factors such as changes in discount rate.

Limited scope

The output of this method is less transparently meaningful when applied to nonfinancial enrollment outcomes.



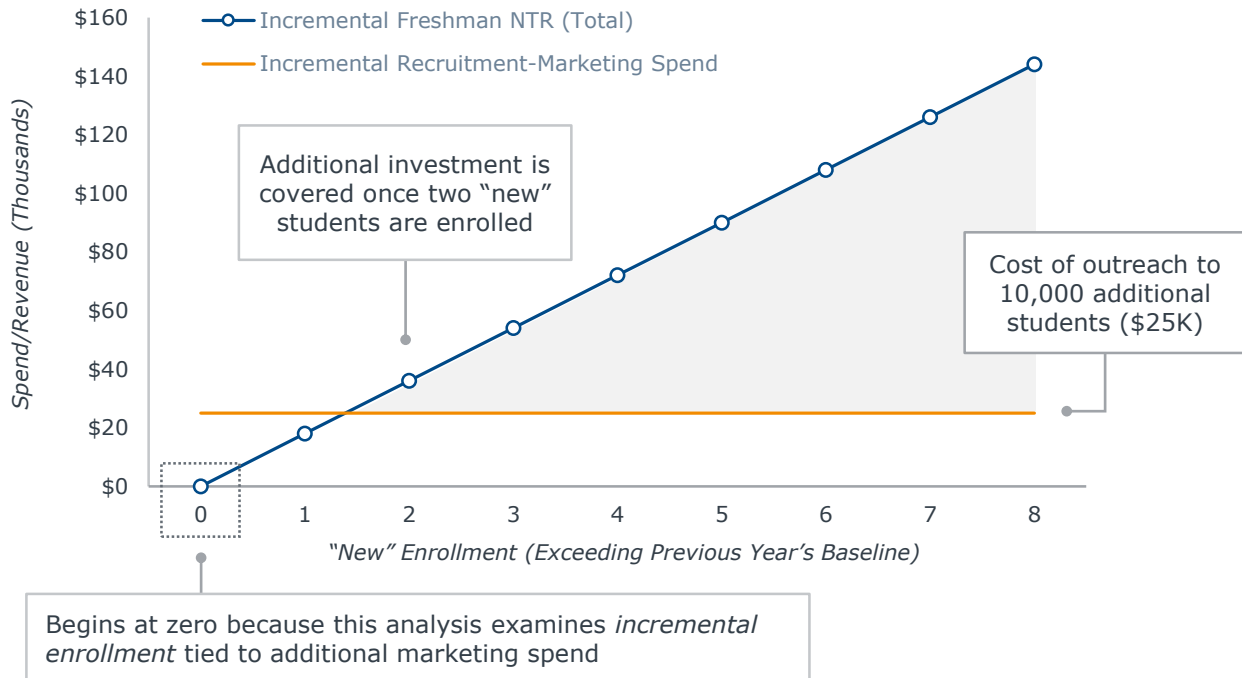
Best for:

Schools that recently changed their recruitment-marketing approach and saw significantly improved enrollment results

Method 2: Break-Even Analysis

Putting Potential Spend in Perspective

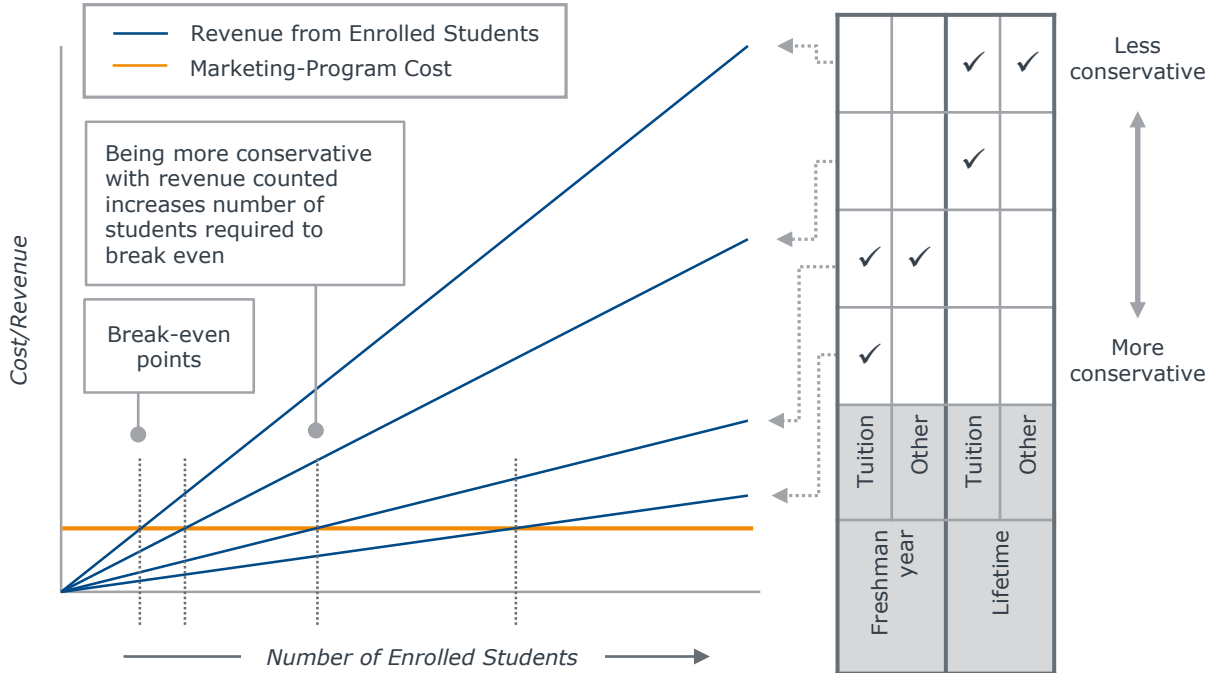
A Hypothetical Example



Which Revenue to Count

Producing More or Less Conservative Analyses

Break-Even Point, by Revenue Included in Calculation



Summary Assessment

Things to Keep in Mind When Using Break-Even Analysis

Pros

Good for scenario planning

Well suited to live iteration on possible investment scenarios and their expected impact, which is useful for planning.

Easy to generate

A light lift in terms of data collection and analysis; therefore, it is appealing as a scenario-based planning tool.

Strong "narrative" aspect

Provides an unusually clear illustration of the relationship between investment and return.

Cons

Less useful for "legacy" spend

While useful for assessing incremental spend, less helpful when gauging the impact of existing recruitment-marketing investments.

Problematic with small numbers

Break-even analyses examining small increases in headcount can be especially sensitive to externalities impacting enrollment.

Less useful in stressed markets

Harder to design and execute in markets with declining numbers of high school graduates.



Best for:

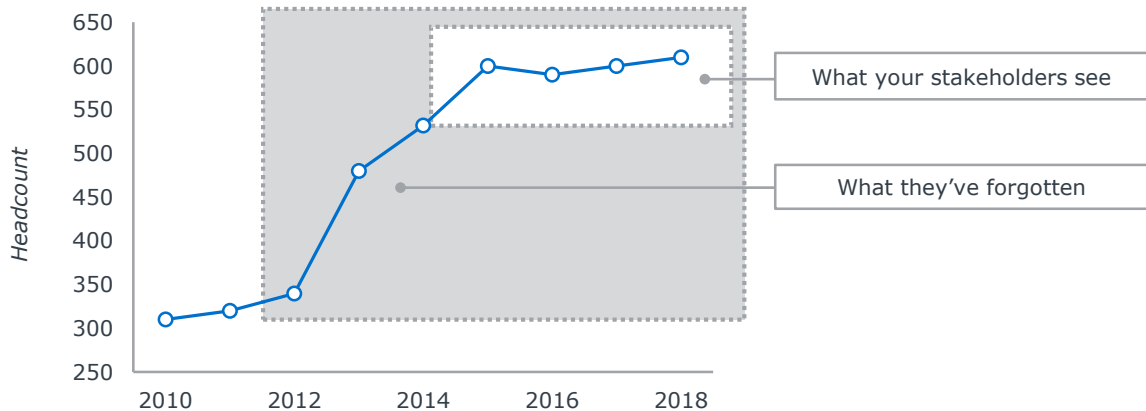
Schools considering new/increased recruitment-marketing investments

Method 3: Contextualized Assessment

Awareness of Context Can Transform Interpretation of Results

Hypothetical Example: Triumphs of Past Enrollment Cycles Lost to Time

Freshman Headcount, by Entering Class Year

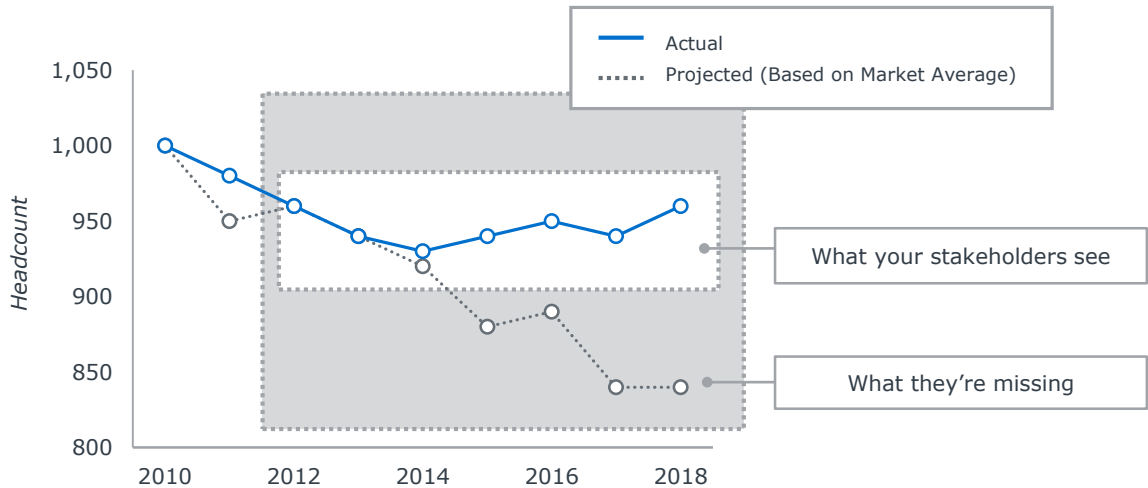


Method 3: Contextualized Assessment

Awareness of Context Can Transform Interpretation of Results

Hypothetical Example: Achievements Obscured by Negative Market Trends

Freshman Headcount, by Entering Class Year

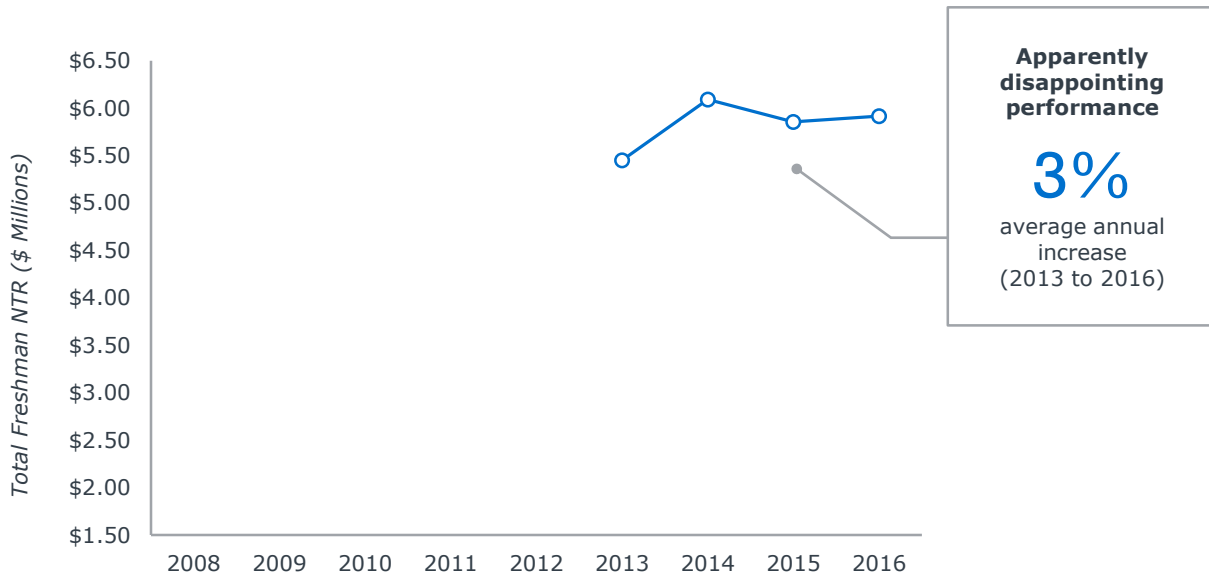


A Real-Life Example

Context Reveals the True Extent of Broad Branch College's Achievement

Total Freshman Net Tuition Revenue

Broad Branch College

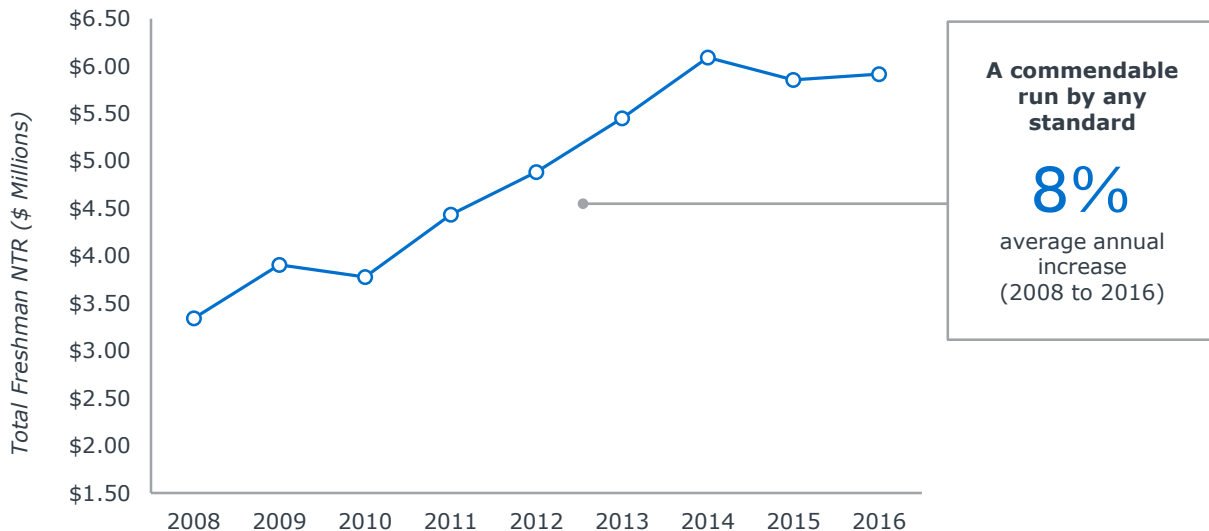


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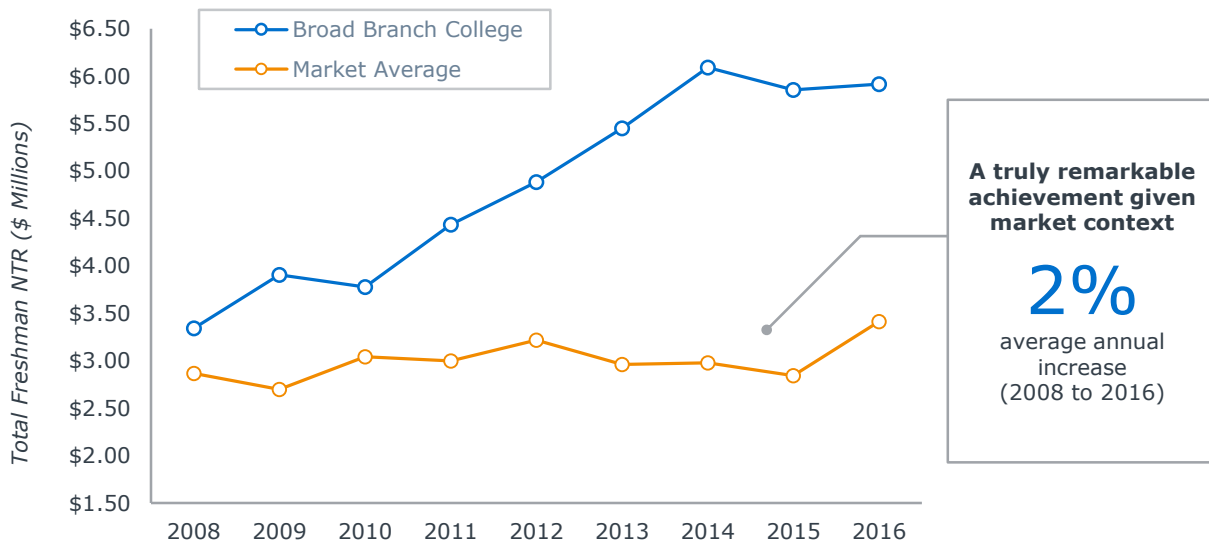


A Real-Life Example

Context Reveals the True Extent of Broad Branch College's Achievement

Total Freshman Net Tuition Revenue

Broad Branch College Versus Market Average, 2008–2018

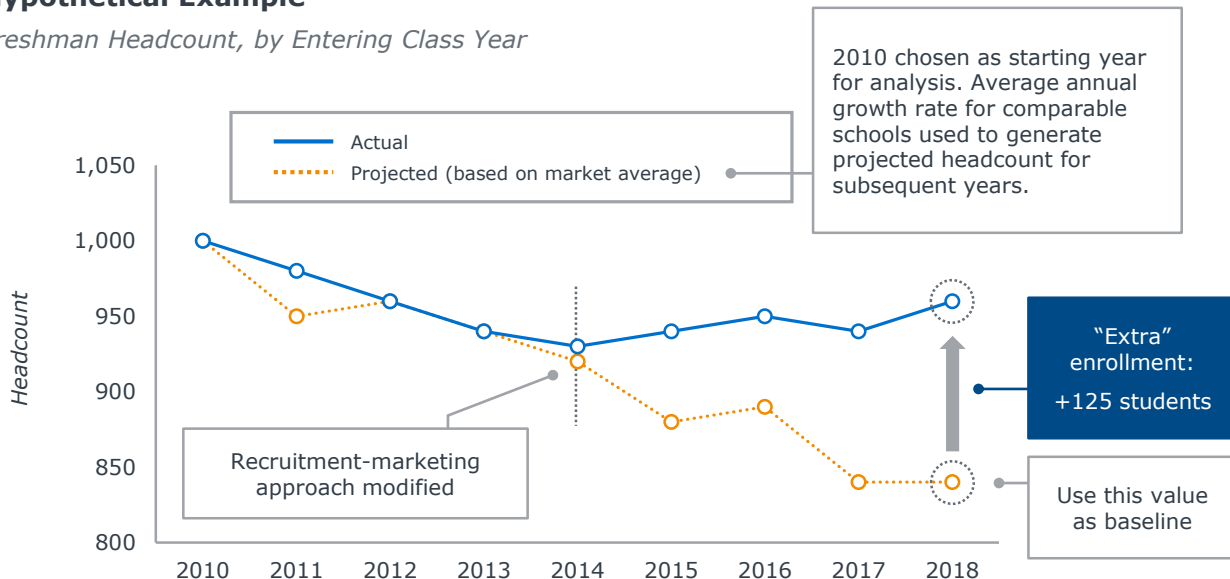


Assessing ROI in Difficult Markets

What Would Have Happened Without Modified Marketing Approach?

Hypothetical Example

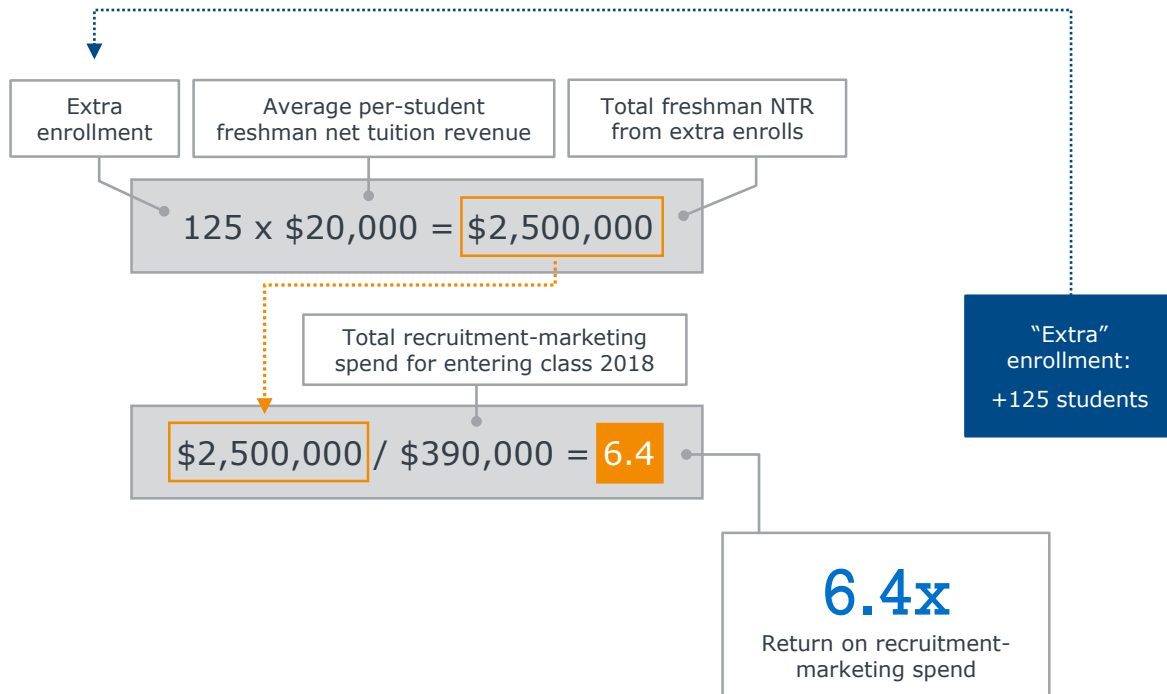
Freshman Headcount, by Entering Class Year



Assessing ROI in Difficult Markets

Linking Improved Outcome to Underlying Investment

Extra Enrollment from Previous Step Fed into ROI Calculation



Summary Assessment

Things to Keep in Mind When Using Contextualized Assessment

Pros

Reveals hidden impact

For schools in difficult markets, putting results into broader context is the easiest way to reveal otherwise hidden successes.

Benefits of benchmarking

Comparing your performance to that of other institutions can reinforce broader benchmarking efforts and reveal opportunities for improvement.

Pairs well with other methods

Providing context can boost the effectiveness of the other ROI assessment approaches, such as Method 1 from this report.

Cons

Adjusting for externalities

This approach does not automatically account for all important factors impacting enrollment; adjusting for these requires additional work.

Can be a moderately heavy lift

Versions of the assessment that draw on data sources external to your institution can be more difficult to execute.

Apples-to-apples issues

Comparing your institution to others can introduce complex questions regarding the validity of the comparison set you've chosen.



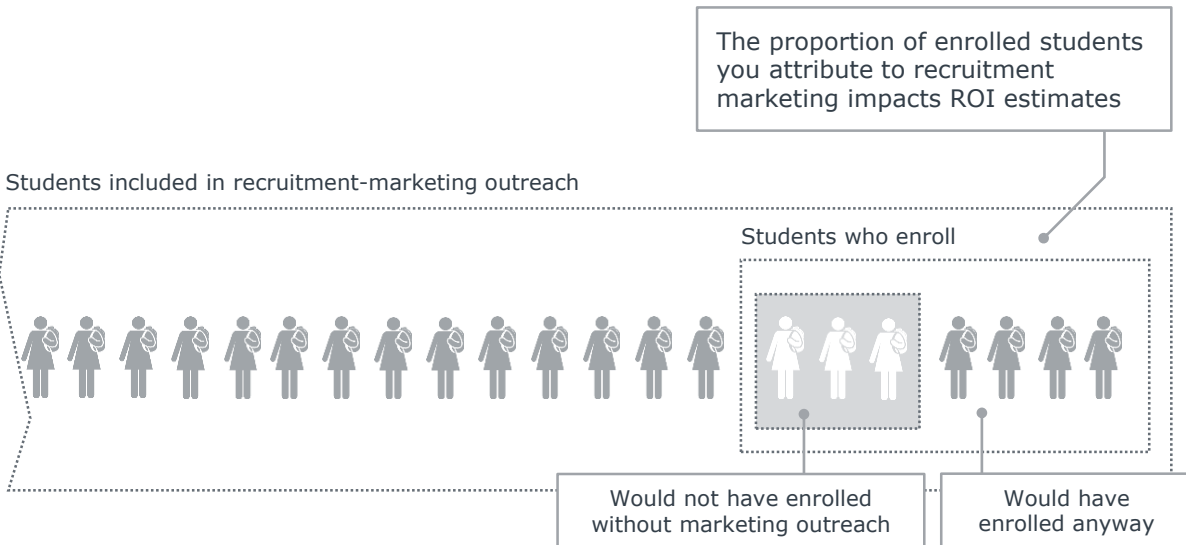
Best for:

Schools in markets where the number of college-bound high school graduates is flat or decreasing; alternatively, schools that are several years into a successful enrollment turnaround

Method 4: Control-Group Testing

Some—but Not All—Enrollments Are Attributable to Your Marketing Efforts

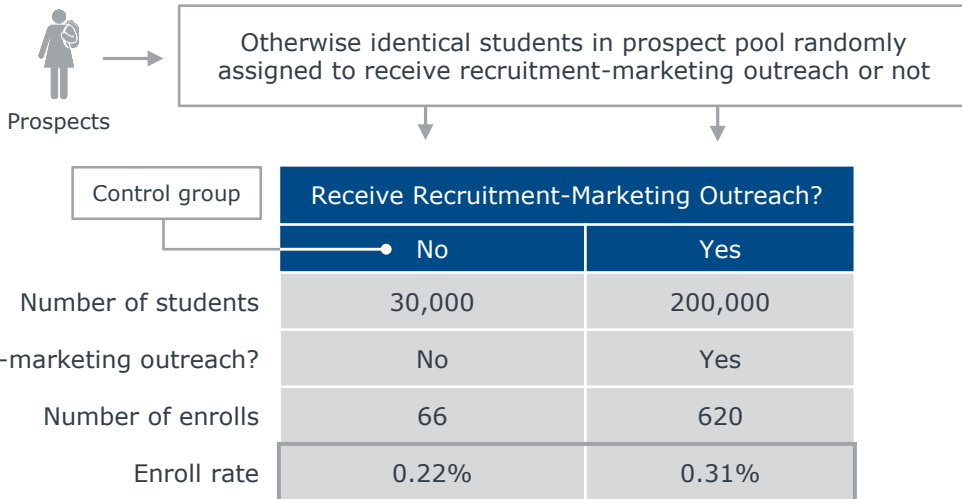
Students Included in Recruitment-Marketing Outreach, by Enrollment Status



A More Rigorous Read on Marketing Impact

Comparing Impact Across Groups Shows Direct Contribution of Marketing

A Hypothetical Example



In this hypothetical example, recruitment marketing results in a 0.09 percentage-point increase in enroll rate. The percentage of total enrollment that is attributable to recruitment marketing is therefore $0.09\%/0.31\%=29\%$.

29%

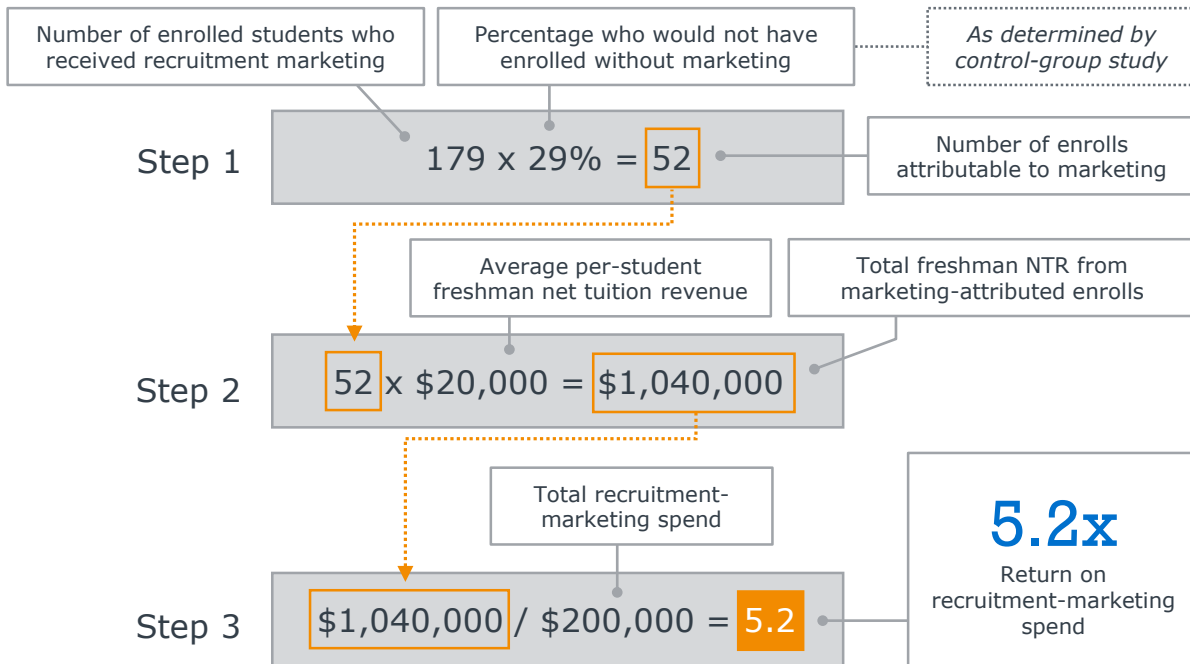
Of enrollment is directly attributable to recruitment marketing



Calculating ROI Using Control-Testing Output

Tying Revenue from Attributed Enrollment to Related Recruitment Spend

A Hypothetical Example



Summary Assessment

Things to Keep in Mind When Using Control-Group Testing

Pros

A direct read on impact

This approach gives you as direct a measure as you're likely to get of the actual influence of your marketing.

Neutralizing noise

Randomization of students in the control-group portion of the methodology helps ensure that results are not skewed by externalities.

Supporting head-to-head comparisons

The improved precision of this approach enables better comparison of the relative impact of different marketing approaches.

Cons

A volume sacrifice

This approach requires some students to be excluded from marketing outreach; enroll rates for this group will likely be lower.

Time- and labor-intensive

This approach involves lengthy lead times and requires significant capacity commitments from skilled data and analytics staff.

A generalizability issue

Analyses using RCT findings may be less accurate when applied to student populations different from those tested.



Best for:

Enrollment teams for whom securing additional resources for recruitment marketing poses a particular challenge

The Special Case of Class Shaping

How Is ROI to Be Understood with Reference to Nonfinancial Goals?

Impact of Recruitment Investments Versus Financial Aid

*Hypothetical Case of a School Looking to Enroll
a Greater Number of More Academically Capable Students*

		Students in 1200–1300 SAT score band			
		Baseline	Scenario 1: Increase institutional aid	Scenario 2: Increase marketing spend	
Search Volume		30,000	30,000	67,000	
Recruitment-Marketing Spend		\$300,000	\$300,000	\$667,000	
Admitted Students		300	300	556	
Yield Rate		30%	33%	18%	
Enrolled Students		90	100	100	
Per enrolled student	Average Annual Institutional Aid	\$15,000	\$16,500	\$15,000	
	Recruitment-Marketing Spend	\$3,333	\$3,000	\$6,670	
	Recruitment + aid expense	Freshman Year	\$18,333	\$19,500	\$21,670
		Four Years	\$63,333	\$69,000	\$66,665
Total savings across all enrolled students:			\$165,704		



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