EAB

How to Set a "Think-Bold" Recruitment Strategy

Make the Right Enrollment Investments
to Reach Your Full Potential

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Opportunity at the Top of the Funnel

A Performance Gap

By now, reports of colleges and universities missing enrollment goals have become sadly familiar. To give a typical example, CIC survey data shosw that less than 35% of schools hit both headcount and revenue goals for entering class 2017.

While the pages that follow do not address the market forces driving those negative trends, they do discuss factors more clearly within enrollment leaders' control. Specifically, this report examines why many schools are not engaging enough students through their recruitment marketing, why that shortfall matters, and strategies that may be used to close the gap.

Outreach Drives Enrollment

One fact that underpins much of what follows is that the top of the recruitment funnel has everything to do with downstream enrollment outcomes.

This point is illustrated in the donut chart at right. As indicated, of all EAB Enrollment Services clients who saw increased enrollment for entering class 2018, 84% had increased the number of students they searched.

A Root-Cause Perspective on Missed Enrollment Goals

Outreach Volume Drives Enrollment Growth

Schools That Grew Enrollment for Entering Class 2018, by Search-Volume Change[1]

16% Decreased or maintained search volume	**84%** Increased search volume

1 Based on an analysis of EAB Enrollment Services clients.

Source: CIC 2017 survey of member institutions; EAB research and analysis.

Putting Recruitment Efficiency in Perspective

Right Intent, Wrong Metric

Most enrollment leaders rightly see it as their duty to be effective stewards of institutional resources.

For some, this has meant promoting recruitment "efficiency"—attempting to contain marketing spend by focusing efforts selectively on students most likely to enroll.
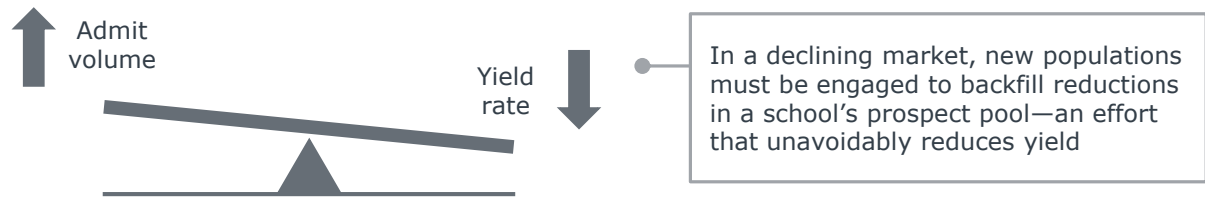
This approach becomes problematic when the overall number of college-bound students is flat or declining. In such markets, efforts based on further winnowing that pool, while potentially capable of boosting yield, also run a very real risk of reducing applications, admits, and enrollment.
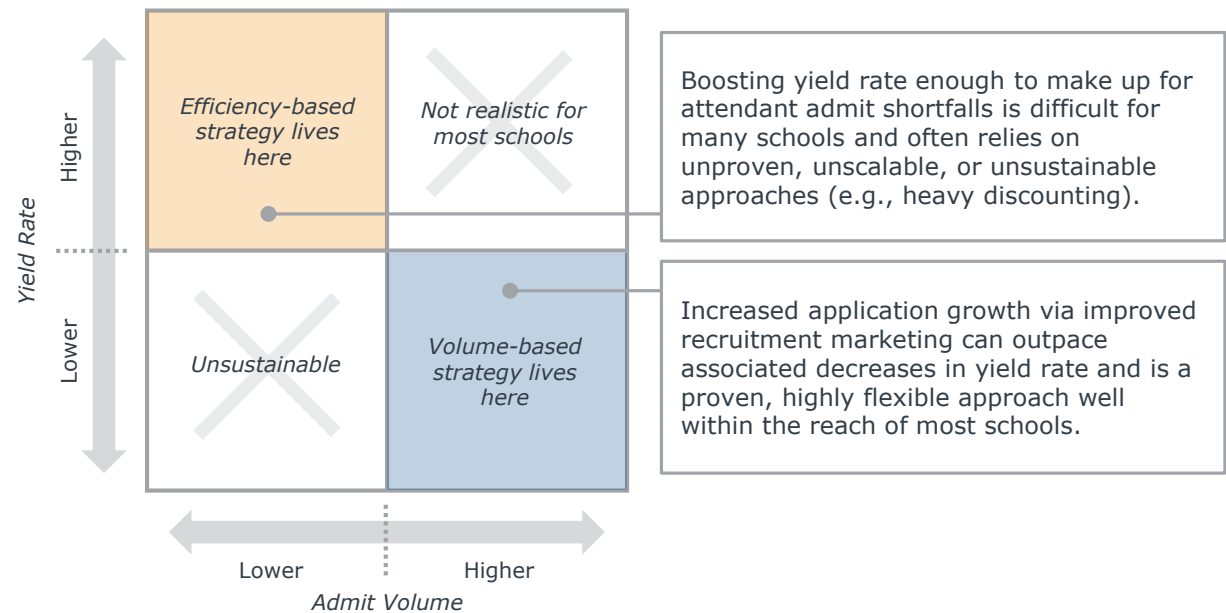
A Growth-Based Alternative

An alternative is to focus instead on enlarging the pool of prospects engaged (i.e., searched, recruited, and admitted). While this may ultimately reduce yield rate, that decrease can be outpaced by application and admit growth. The net result is increased enrollment and/or progress against other enrollment goals, such as elevating the academic profile of incoming freshman classes.

An Efficiency See-Saw

In Today's Markets, High Growth and High Yield Are Increasingly Incompatible

In a declining market, new populations must be engaged to backfill reductions in a school's prospect pool—an effort that unavoidably reduces yield

Efficiency-Based Versus Volume-Based Enrollment Strategy

Boosting yield rate enough to make up for attendant admit shortfalls is difficult for many schools and often relies on unproven, unscalable, or unsustainable approaches (e.g., heavy discounting).

Increased application growth via improved recruitment marketing can outpace associated decreases in yield rate and is a proven, highly flexible approach well within the reach of most schools.

Recruitment Success Depends on Prospect Volume *and* Conversion

Necessary but not Sufficient

As already explained, most colleges and universities will be unable to grow or maintain their headcount without widening the top of their recruitment funnel.

But that, on its own, is not enough. Schools must simultaneously boost conversion rates across the funnel, from inquiry to enrollment. Doing so ensures that investments made in increased search volume pay off with downstream impact on enrollment.

Conversion Is Under Your Control

While different tools can be used to boost conversion rates at different funnel stages, the one with the broadest applicability is recruitment-marketing outreach.

And there's little doubt that optimized marketing communications work. By way of example, the graphic at right describes an EAB control group study in which the impact of optimized Application Marketing was compared to legacy practice. As can be seen, the optimized approach produced more applications and enrollment from the same number of prospects.
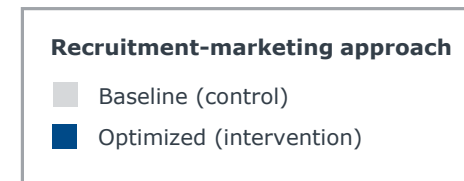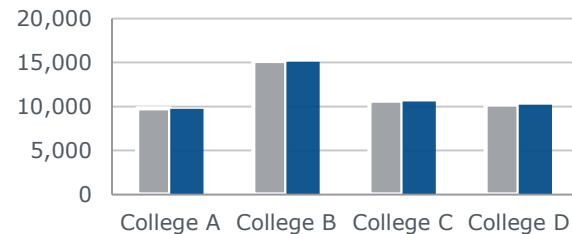
New Enrollment Is Built, not Found

$$\text{Enrollment} = \text{Outreach Volume} \times \text{Conversion Rate}$$

Expert list sourcing and targeting, supported by appropriate budget, ensure that all optimal candidates are included in outreach.

Expert recruitment-marketing communications, financial aid optimization, and yield analytics cause students in your recruitment pipeline to convert at higher rates.

Control-Group Study Demonstrates the Impact of Optimized Recruitment Marketing

Inquiry-Pool Contacts

Recruitment-marketing approach
- Baseline (control)
- Optimized (intervention)

Applications

Optimized group is an average of 175% higher

Enrolls

Optimized group is an average of 100% higher
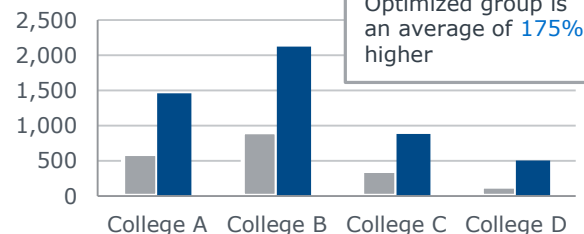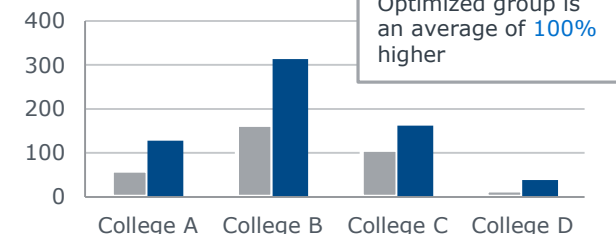
1 Students were allocated randomly to the control and intervention groups, which ended up being identical in terms of composition.

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Primary Markets Versus Reach Markets

Opportunity Near and Far

Many enrollment leaders incorrectly assume that they have to break into new markets to find new students.

In reality, many schools have significant latent opportunity in their primary markets. Reasons why that opportunity often goes unrecognized or untapped—explained throughout this report—include suboptimal targeting processes and budget allocation.
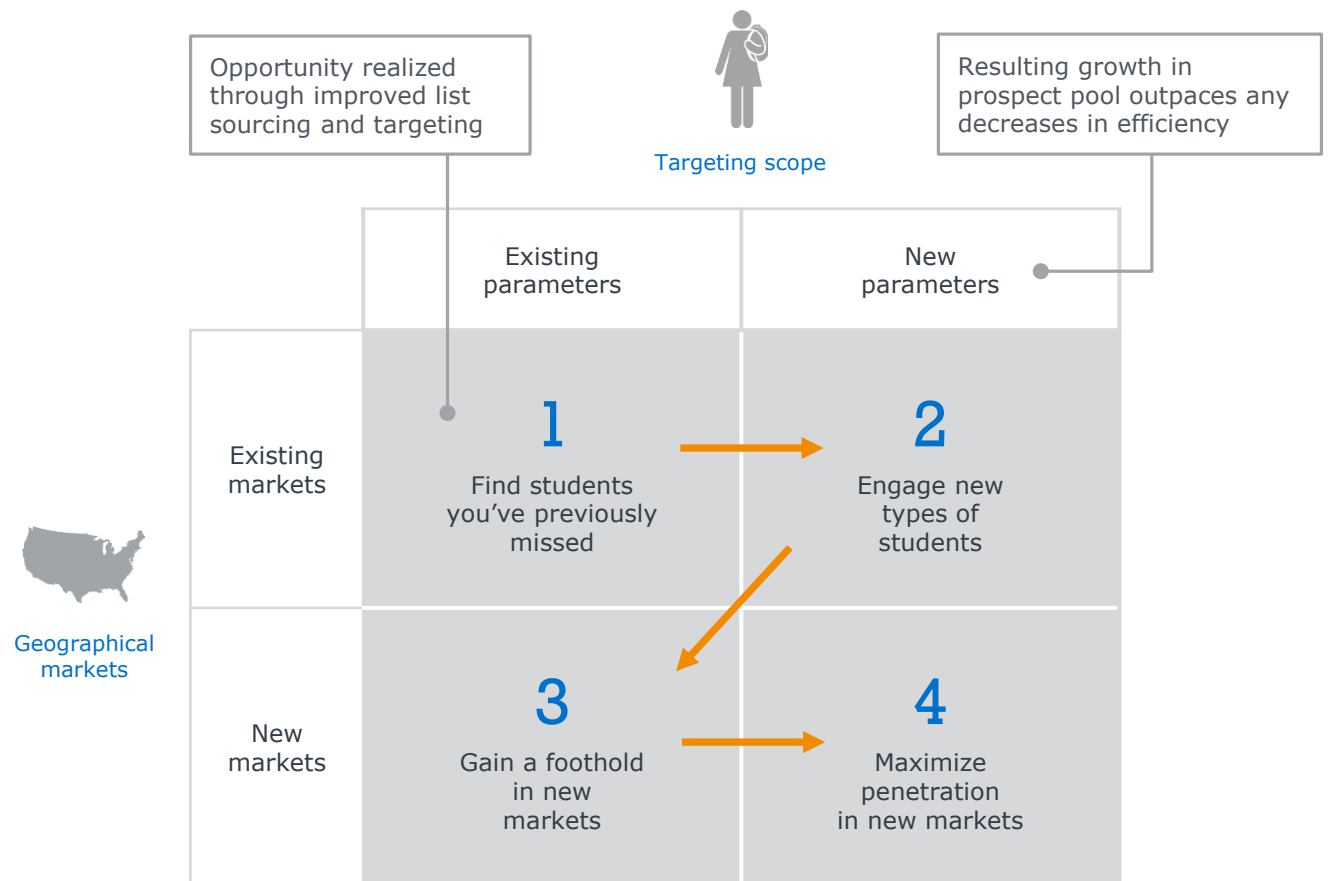
Start Where Return Is Greatest

Recognizing latent opportunity in existing markets is important because the rate at which recruited students convert to enrolls increases the closer they are to campus. Accordingly, return on recruitment investments is also greatest closer to home.

Therefore, while most schools can and should be developing new markets (demographic trends will make this unavoidable), they should balance those efforts with a tenacious focus on making the most of opportunities in their own backyards.

The matrix at right offers a framework for organizing that effort.

Develop Both in a Staged and Integrated Approach

Opportunity realized through improved list sourcing and targeting

Targeting scope

Resulting growth in prospect pool outpaces any decreases in efficiency

Geographical markets

	Existing parameters	New parameters
Existing markets	**1** Find students you've previously missed	**2** Engage new types of students
New markets	**3** Gain a foothold in new markets	**4** Maximize penetration in new markets

Case Study 1: A Local Solution for Decreasing Local Demand

A Difficult Market Context Prompts Expanded Recruitment Scope

A Difficult Market Context

Mayflower State University (a pseudonym) is an inclusive public university in the West, with total enrollment exceeding 20,000 students.

In 2015, Mayflower State faced exciting opportunities as well as dire challenges. On the one hand, it had made substantial investments in its physical plant and academic offerings—and in marketing campaigns to get the word out. On the other hand, it was facing deep systemic declines in demand due to a suddenly thriving local labor market.

Expanded Recruitment Scope

Mayflower State responded by transforming its recruitment strategy— an effort that included greatly increasing the number of students engaged via its marketing efforts.

This, in turn, depended on two changes in approach. First was basing resource allocation for recruitment marketing on expected gains in tuition revenue from increased enrollment. Second was bringing a very high level of expertise to bear on list sourcing and targeting.

When Good News Is Bad News

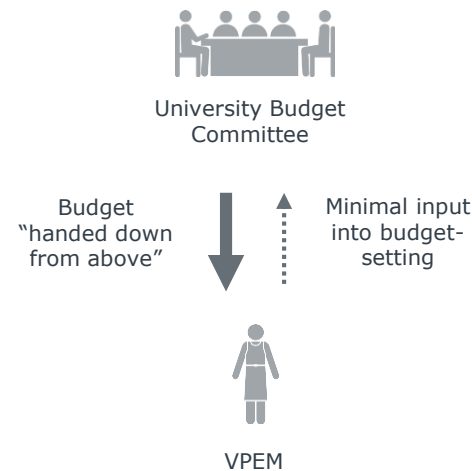*Enrollments Decreasing in Tandem with Regional Unemployment Rates*

	2010	2015	
Unemployment rate in Mayflower State's region[1]	9.3%	4.6%	
Mayflower State freshman enrollment	1,850	1,507	**19%** Decrease

Recruitment-Marketing Budget Allocation Process

Before:
Budget-first recruitment scoping

University Budget Committee

Budget "handed down from above"

Minimal input into budget-setting

VPEM

After:
Goals-first recruitment scoping

Recruitment budget allocation
Guided by goal setting

Provost, CFO, VPEM, Deans

Enrollment goal setting
Informed by results reporting

Enrollment results reporting
Including financial data

A highly successful trial of expanded recruitment-marketing scope helped jump-start the process.
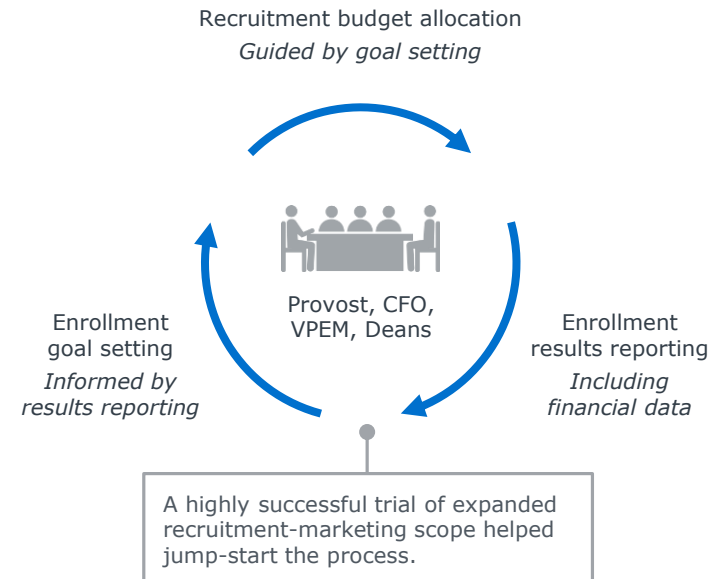
1 Averages for January 2010 and January 2015.

Source: Bureau of Labor Statistics; EAB research and analysis.

Primary-Market Saturation Drives Transformative Change

Immediate, Sustainable Impact

Mayflower State's revised recruitment marketing approach resulted in a large, immediate increase in the number of applications submitted—a 21% jump in 2016, the first enrollment cycle to benefit from their new approach. Applications subsequently continued to grow, increasing by a total of 94% between 2015 and 2018.

This application trend drove significant enrollment growth, with Mayflower State's freshman headcount increasing by 43% between 2015 and 2018. This was accomplished without any sacrifice in the academic profile of their incoming classes—average enrolled high school GPA increased across this same time.
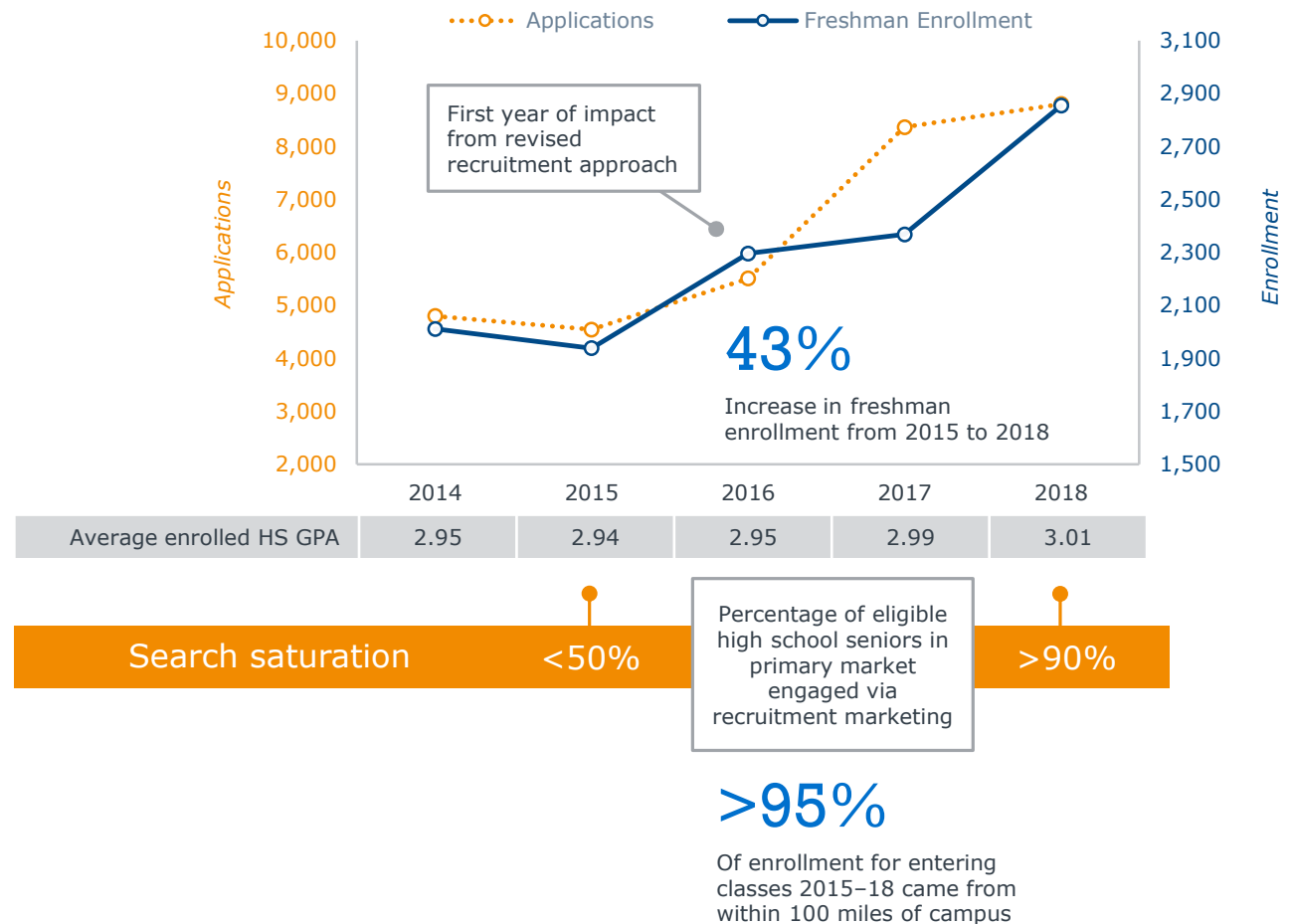
Locally Sourced Growth

A key thing to note about the enrollment growth just described is that the vast majority of it came from within 100 miles of campus.

This is, in part, a reflection of Mayflower State's charter, which has an explicit focus on serving the local community. But it also reflects a strategic decision, as getting new enrollment from local markets is less costly than seeking it farther afield.

Applications and Freshman Enrollment

By Entering Class Year, Mayflower State University

First year of impact from revised recruitment approach

43%

Increase in freshman enrollment from 2015 to 2018

Average enrolled HS GPA	2.95	2.94	2.95	2.99	3.01
	2014	2015	2016	2017	2018

Search saturation   <50%   >90%

Percentage of eligible high school seniors in primary market engaged via recruitment marketing

>95%

Of enrollment for entering classes 2015–18 came from within 100 miles of campus

Success Builds a Case for Ongoing Investment

Looking Ahead

Mayflower State's leadership has a bold vision for the institution that hinges on continued growth within its primary service area and expansion into new, more distant markets.

Effective enrollment management—and specifically, appropriately resourced recruitment marketing investments—will play an important role in those efforts.
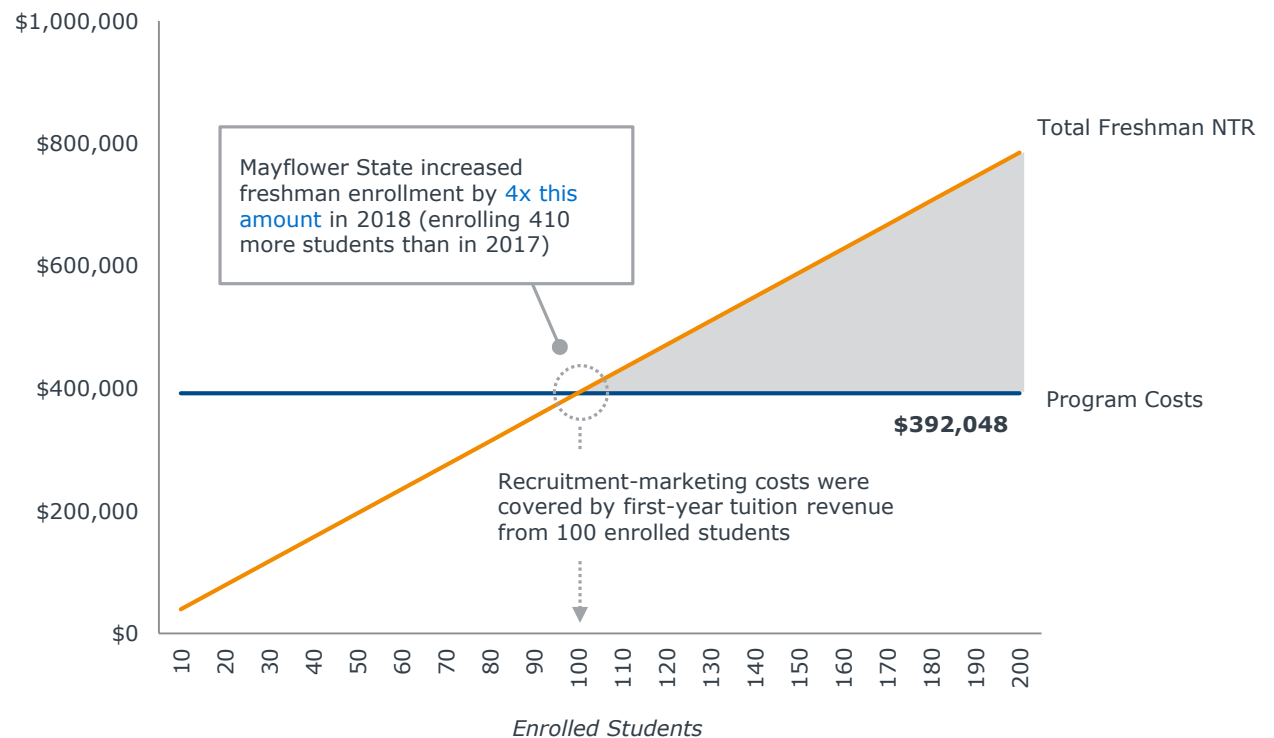
Evidence Secures Support

Two factors help ensure that recruitment efforts at Mayflower State are scoped and resourced appropriately.

One is that the institution's provost has an unusual depth of knowledge and interest in enrollment management, including a recognition (based on experience) of the difference it can make to an institution's overall well-being when executed to a high standard.

A second is the fact that Mayflower State's enrollment leaders provide key stakeholders in the institution with demonstrations of quantifiable impact, such as the break-even analysis shown at right.

Break-Even Analysis for Entering Class 2018

Total Freshman NTR Versus Recruitment-Marketing Program Cost, Mayflower State University

Mayflower State increased freshman enrollment by 4x this amount in 2018 (enrolling 410 more students than in 2017)

Total Freshman NTR

Program Costs

$392,048

Recruitment-marketing costs were covered by first-year tuition revenue from 100 enrolled students

Enrolled Students

In this example, the break-even calculation is based on freshman NTR (rather than lifetime NTR)—a more conservative calculation that helps underscore the large revenue upside that Mayflower State saw relative to its recruitment-marketing investment.

Diminishing Returns in a Shrinking Market

Pressure from Publics

Far Valley College (a pseudonym) is an inclusive private institution in the Northeast with total enrollment of fewer than 5,000 students.

Through the early part of this decade, Far Valley faced several challenges. First of all, the number of high school graduates in its state declined by more than 10% in just five years. At the same time, two of Far Valley's main public competitors (with whom its prospect pool overlaps extensively) began recruiting more aggressively in its primary market.

Hitting a Ceiling

The factors above contributed to a steep decrease in freshman enrollment at Far Valley. As shown at right, the institution saw a drop of more than 20% between 2012 and 2015.

Even more troubling was the fact that these declines occurred at a time when Far Valley was targeting all eligible seniors in its primary market with recruitment-marketing outreach—increased search volume was no longer available to them as a lever for boosting enrollment.

Annual High School Graduates

By Graduation Year, Far Valley College's Home State

-10%

Change in just 5 years
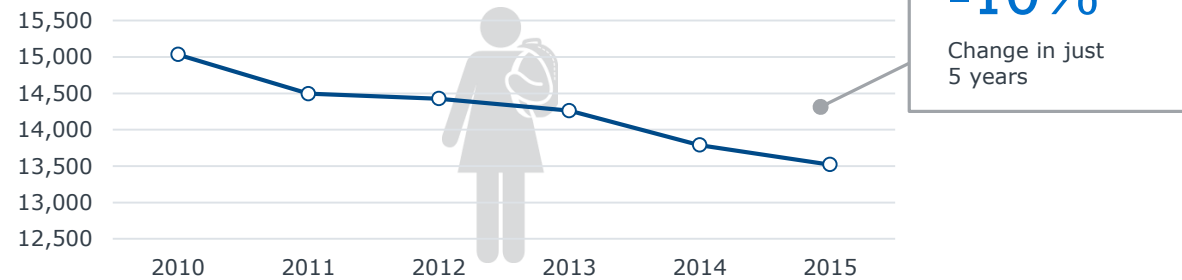
Diminishing Returns on Recruitment Effort

Freshman Enrollment by Entering Class Year, Far Valley College

537 · 448 · 452 · 419

-22%

Change in freshman headcount, 2012–2015

100%

Of eligible seniors in Far Valley's primary market were targeted with recruitment-marketing outreach for entering classes 2014 and 2015.
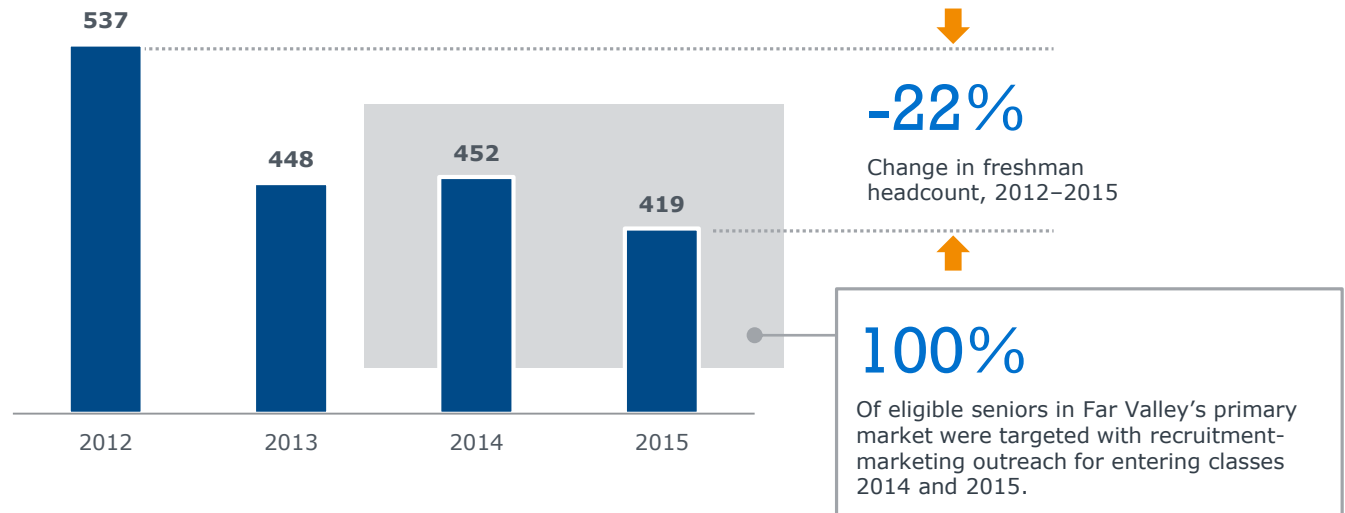
Source: EAB research and analysis.

Capitalizing on Conversions

Amplifying the Effort

As mentioned on the preceding page, Far Valley was facing decreasing enrollment even as it was targeting 100% of admissible seniors in its primary market with recruitment marketing.

Their response to that challenge was to focus on conversion rate—the proportion of searched students who inquire, apply, and enroll.

Part of that effort was a partnership with EAB Enrollment Services, whereby higher levels of specialized expertise and dedicated support were brought to bear on the design, planning, and execution of its recruitment marketing campaigns.

Sustained Success

The impact of that effort can be seen at right—application volume and enrollment increased by more than 50% in just one enrollment cycle (without increased reliance on reach markets). And Far Valley's strategy has continued to deliver. While it deliberately scaled back its efforts after 2016's record-breaking entering class, freshman enrollment in 2017 and 2018 was 10% and 18% higher than 2015's baseline (respectively).

Core Enrollment Results, Far Valley College

Entering Classes 2013 to 2016

52%
Increase in enrollment, 2015–2016

22%
Increase in total NTR, 2015–2016
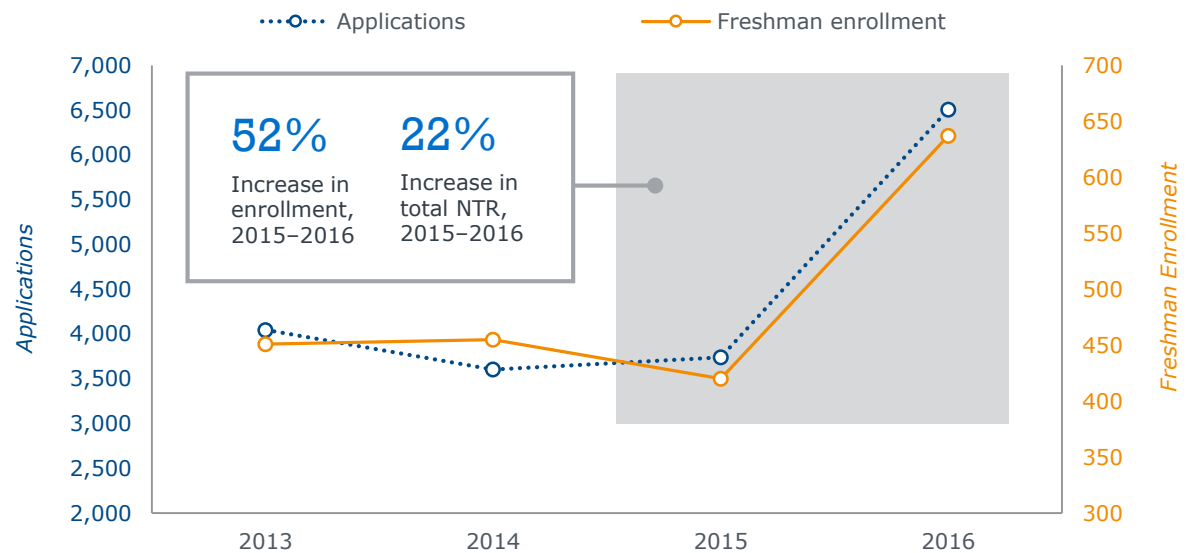
	2015	2016
Total net tuition revenue (millions)	$5.75	$6.99
Average enrolled high school GPA	2.73	2.82

0%

Increase in the proportion of freshman enrollment coming from outside of Far Valley's primary market[1]

1 73% of enrollment came from within 100 miles of campus for entering class 2015, and that number increased to 76% for entering class 2016.

Source: EAB research and analysis.

eab.com

An Institution Transformed

Increased Tuition Dependence

Linden State University (a pseudonym) is a selective public institution in the West with total enrollment in excess of 15,000 students.

Ten years ago, Linden State was widely regarded as a second-tier school within its own state and was largely unknown outside of it. Then drastic cuts in state funding dramatically raised the stakes on its recruitment performance.

Incremental transformation

At that point, Linden State decided to pursue a more intentional recruitment marketing approach, backing into budgets based on a combination of rigorous goal-setting and projections of likely impact.

On the strength of its early results, Linden State gradually increased the scale of its recruitment marketing investments, in line with the results it hoped to achieve.

The results of this approach, pursued across eight years, can be seen at right, with highlights including a 44% increase in freshman headcount and 92% growth in out-of-state enrollment.

Baseline Challenges

Second-Tier Status

Linden State was widely regarded as a second-tier institution in its home state.

Limited Reach

Linden State had limited name recognition outside of its home state.

Cuts in State Funding

Linden State was facing severe constraints with respect to state appropriations.

A Decisive Turnaround

Core Enrollment Results, Linden State University

165%
Increase in applications, 2009–2017

44%
Increase in freshman headcount, 2009–2017

92%
Increase in out-of-state freshman enrollment, 2009–2017

0-point
Decrease in average enrolled freshman ACT score, 2009–2017

2x
Increase in freshmen with ACT greater than 31, 2009–2017

38%
Increase in total net tuition revenue, 2015–2017

Source: EAB research and analysis.

A Balanced 'Portfolio' of In-State and Out-of-State Growth

A Two-Pronged Approach

Linden State pursued a staged approach to enrollment growth. Initially focused on its home state, the school's enrollment team gradually ramped up efforts targeting out-of-state markets.
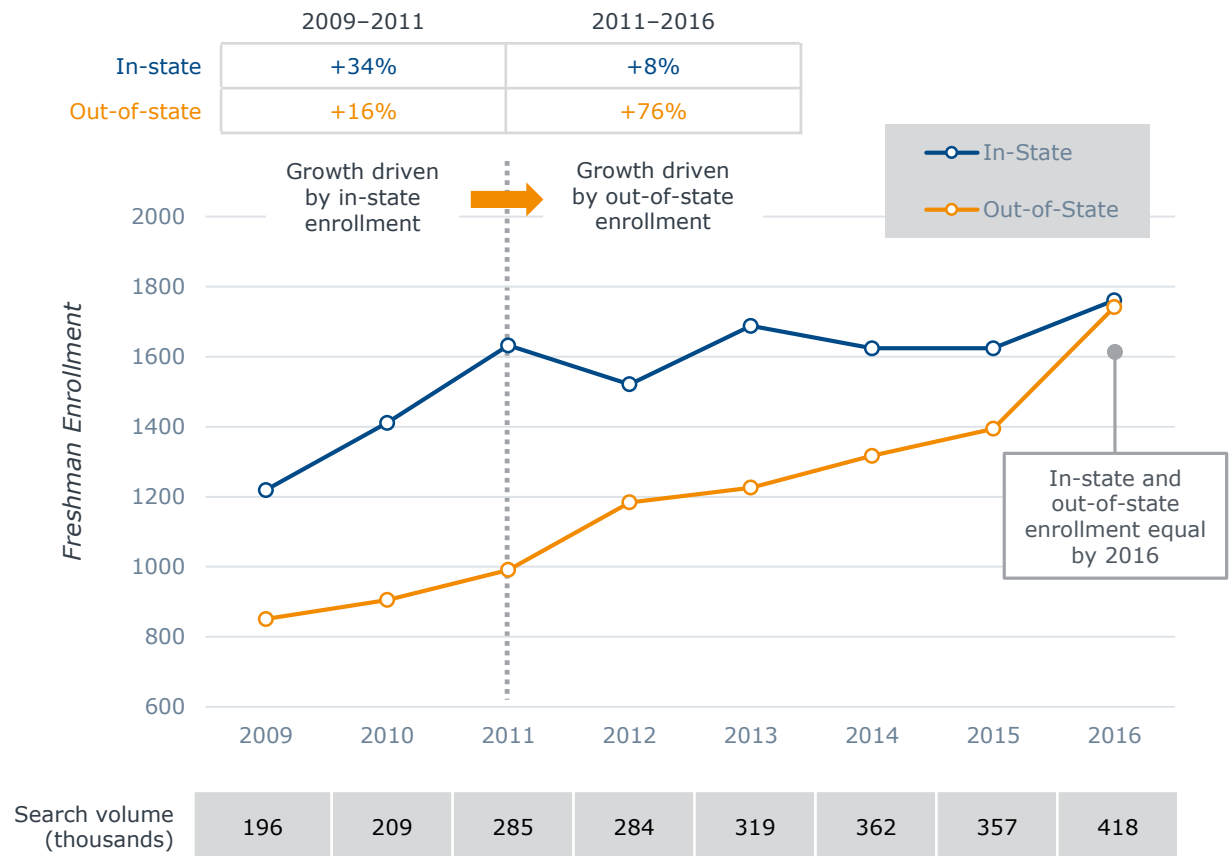
Several factors led to this approach. First, the school's charter obliged it to maintain certain levels of service for in-state populations. Second, Linden State was proceeding on the (correct) assumption that recruitment efficiency is greatest closest to home. Third, ongoing state-funding austerity increased Linden State's reliance on the higher tuition revenue it was able to generate from out-of-state enrollment.

Steady Reach-Market Growth

As can be seen from the chart at right, the effort unfolded in two main phases, with the inflection point occurring in 2011. Prior to that, enrollment growth came primarily from in-state markets, while, after that, out-of-state enrollment accounted for a much larger share of overall growth. By 2016, volumes of in-state and out-of-state enrollment were equivalent.

In-State Versus Out-of-State Freshman Enrollment

By Entering Class Year, Linden State University

	2009–2011	2011–2016
In-state	+34%	+8%
Out-of-state	+16%	+76%

Growth driven by in-state enrollment ➡ Growth driven by out-of-state enrollment

— In-State
— Out-of-State

In-state and out-of-state enrollment equal by 2016

Search volume (thousands)	196	209	285	284	319	362	357	418

How the Strategy Played Out in One Typical Reach Market

Ratcheting Up Results

Linden State's out-of-state enrollment developed through the gradual cultivation of multiple reach markets in different parts of the country.

Within each of these markets, growth was generated by way of a gradual, but eventually sizable, increase in search volume. Seattle, shown at right, offers a case in point.

As indicated, enrollment from that market increased in lock step with the number of students receiving recruitment marketing outreach.

Taking a Long View

According to Linden State's enrollment leadership, a key factor in their successful cultivation of reach markets has been taking a long view of that effort.

With each successive year that the school maintained a presence in any given new market, factors such as positive word of mouth amplified the impact of its efforts.

Prospects Contacted and Freshman Enrollment for Seattle Market

Entering Classes 2007–2017, Linden State University

2.4x

Increase in enrollments, 2007–2017
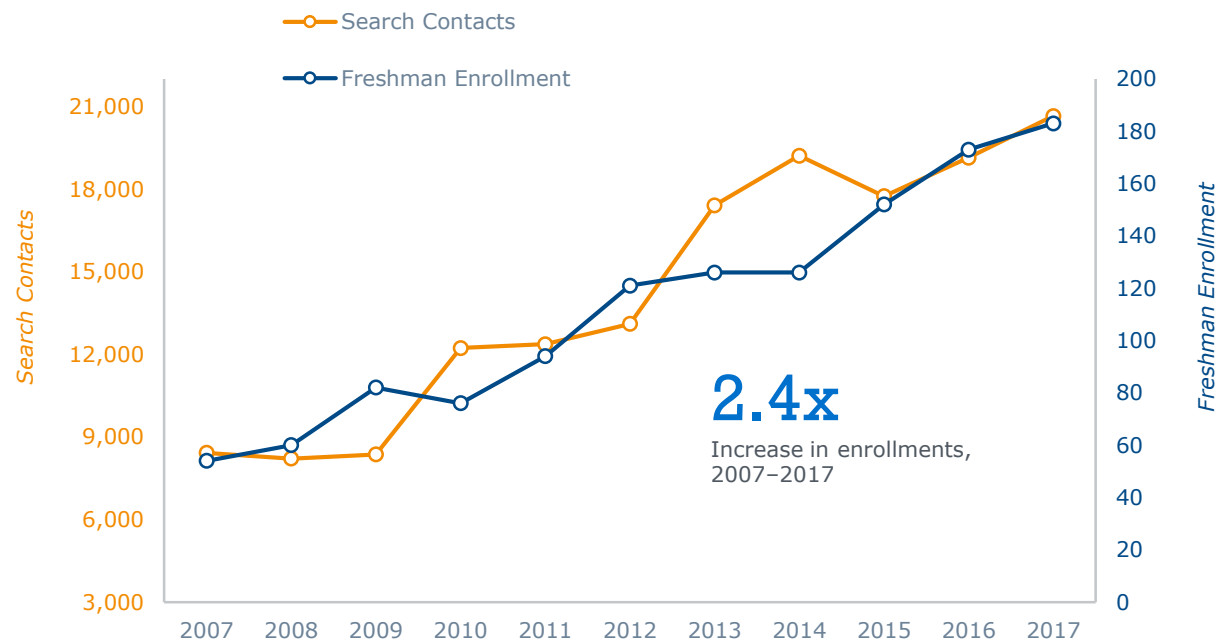
Seattle is more than

600 miles

from Linden State

Source: EAB research and analysis.

Prioritizing Among Possible Reach Markets

A Scalability Challenge

As explained elsewhere in this report, the main challenge associated with generating enrollment from new reach markets is expense. Because conversion rates for recruitment-marketing outreach inevitably decrease with distance from campus, blanket coverage of zip codes in remote target geographies can quickly become unmanageable from a cost standpoint.

Placing Smarter Bets

Linden State's answer to this challenge was a mix of quantitative and qualitative analyses designed to assess the enrollment-generating potential of reach markets. This then served as the basis for allocating recruitment-marketing resources.

While no analytics approach can totally overcome the response penalty associated with distance from campus, Linden State's practice was able to produce returns on recruitment-marketing investment sustainable enough to gradually build sizable new markets hundreds of miles from its campus.

A Multifaceted Approach to Reach-Market Assessment

Strategies Used by Linden State to Evaluate Potential Expansion Markets

Retrospective zip-code review

Enrollment for previous year's entering class analyzed by zip code of origin. Recruitment-marketing investment withdrawn from underproductive reach-market zip codes and redirected to ones that have been producing response (applications, enrollments, etc.) in spite of limited or no marketing outreach.

Qualitative new-market scoring

New markets assessed based on qualitative analysis of readily obtained information, such as:

- ✓ Proximity to major airports and/or transport routes
- ✓ Academic-industry affinities (e.g., reach market has a concentration of STEM industries that match the school's academic specialties)
- ✓ Cultural affinities (e.g., recruitment between winter-sports hubs)
- ✓ Presence of high-profile alumni who may be activated in recruitment activity
- ✓ Proximity of reach markets to territories of high-performing recruiters

Reach-market pilots

Potential of new markets is tested via small-volume recruitment marketing outreach; number of targeted students is just large enough to produce a statistically significant assessment of response rates.

Source: EAB research and analysis.

eab.com

A Steep Path to Continued Success

Looking Beyond Legacy Markets

Silver Coast University (a pseudonym) is a more selective private institution in the Northeast with more than 10,000 students.

Silver Coast saw substantial growth in enrollment from its primary market across the past ten years as a result of increased recruitment-marketing investments. As those efforts reached saturation level, Silver Coast simultaneously began to develop more distant markets. This effort also delivered sizable impact, with out-of-state enrollment growing by 40%.

Seeking a Higher Rate of Return

While Silver Coast has seen notable success in its efforts to recruit from distant markets, the return on those efforts has, inevitably, been lower than similar work undertaken in its primary market. As noted elsewhere in this report, most schools see reductions in recruitment conversion rates as distance from campus increases. The chart at right shows that Silver Coast is no exception.

The following page describes one measure Silver Coast is taking to help boost return on its reach-market efforts.

Coming off a Strong Run

Legacy Enrollment Results, Silver Coast University

81-pt
Increase in average enrolled SAT score, 2010–2018

27%
Increase in total net tuition revenue, 2014–2018

16%
Increase in freshman enrollment, 2010–2018

40%
Increase in out-of-state freshman enrollment, 2007–2017

> 2% increase in high school graduates in Silver Coast's primary market across the same time period

Reach Markets Present a Different Kind of Challenge

Search Volume Within and Outside of Primary Market (2014 to 2018), Silver Coast University

Within Primary Market (75–80%)

Outside Primary Market (20–25%)

> Substantial commitment to secondary and tertiary markets

Percentage of Searched Students Who Applied, by State[1] (States Listed in Descending Order of Proximity to Silver Coast)

	State	Application Rate
Closest	Connecticut	10.3%
	Rhode Island	6.0%
	Massachusetts	5.7%
	New Hampshire	5.2%
	New York	3.6%
	New Jersey	3.7%
	Vermont	2.8%
	Delaware	1.0%
Farthest	Maryland	0.4%

> Application rate decreases significantly with distance from campus

1 Students engaged via sophomore search, entering class 2018.

Source: EAB research and analysis.

eab.com

Advanced Analytics Identify Zip Codes Most Likely to Produce

Data-Driven Targeting

In an effort to better scale its recruitment from reach markets, Silver Coast is testing a targeting approach developed by EAB, based on advanced analytics that identify zip codes most likely to generate applications. (See page 23 of this report for more on the underlying methodology.)

Enabling Triaged Outreach

Sample output from Silver Coast's model is presented at right, for the Chicago market, with zip codes shown on a gradient of application-generation potential.

This analysis enables Silver Coast to focus recruitment-marketing investments selectively on zip codes most likely to produce results, thereby reducing unproductive spend. For example, if it chose to target only those Chicago zip codes in the top five highest-potential categories, it would reduce the total number of zip codes marketed to by 89%.

Since Silver Coast's work with the reach-market analytics model is still in trial phase, it is too early to judge the impact of the approach, but results will be forthcoming within the 2019 calendar year.

Silver Coast University Assesses Chicago Zip Codes for Application-Generation Potential
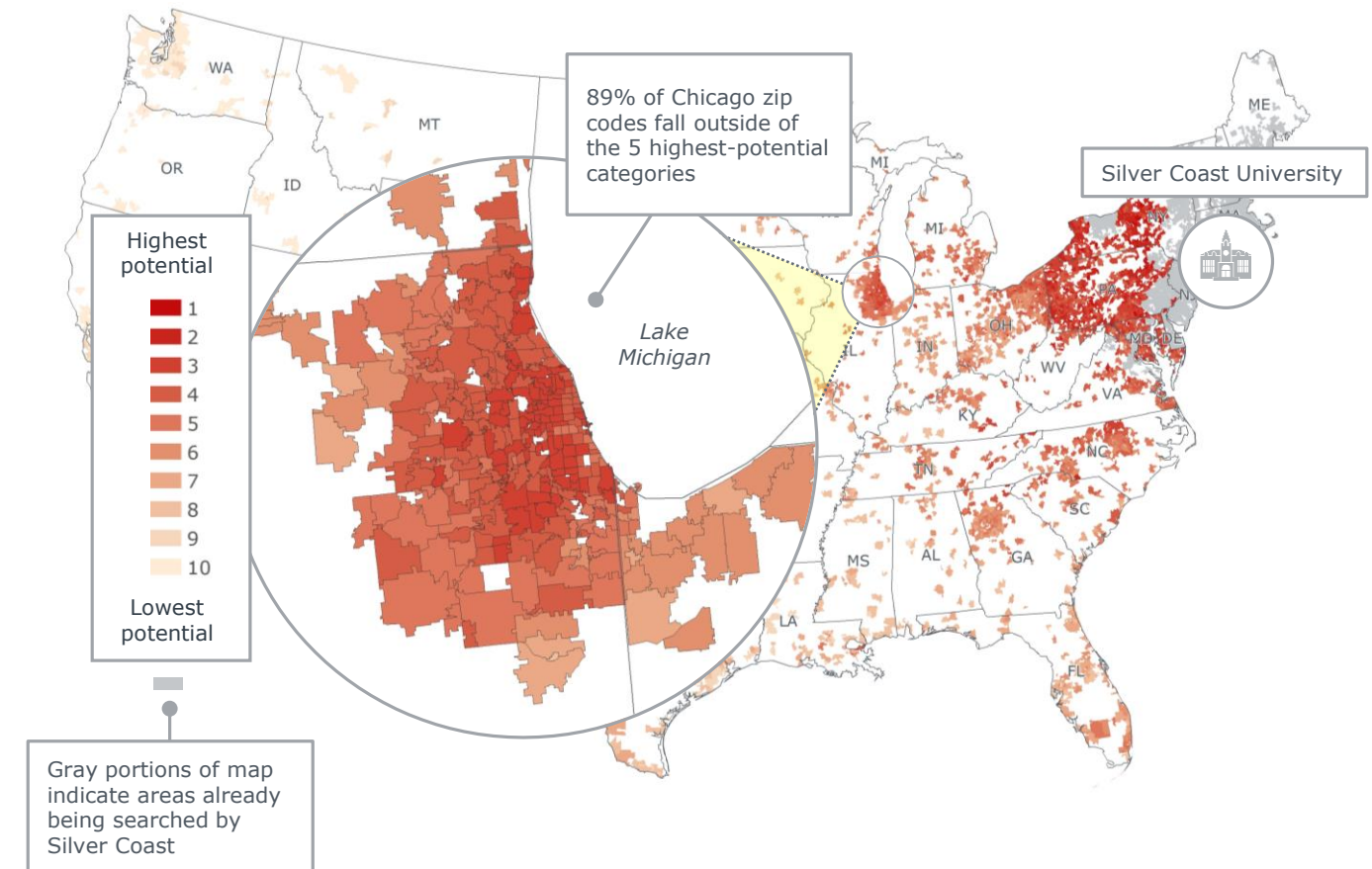
89% of Chicago zip codes fall outside of the 5 highest-potential categories

Silver Coast University

Lake Michigan

Highest potential

1
2
3
4
5
6
7
8
9
10

Lowest potential

Gray portions of map indicate areas already being searched by Silver Coast

Source: EAB research and analysis.

eab.com

Lesson 1: Base Your Investments on Expected Return

What Determines the Scope of Your Effort?

A "Budget-First" Approach

For many schools, a key factor limiting how many prospective students are engaged via recruitment marketing is funding.

When available resources are less than would be required to engage 100% of desirable prospects in a school's primary market, some students end up being excluded.

A "Goals-First" Approach

One alternative to the "budget-first" practice described above is a "goals-first" approach, whereby recruitment-marketing investments are based on the school's enrollment goals and an estimate of the search volumes required to meet them.

University leadership teams—including enrollment leaders—are more likely to embrace a goals-first approach when they have compelling illustrations of the link between recruitment-marketing investments and the results they produce. The break-even analysis at right is an example of one especially effective way of explaining that connection.

Seeing Beyond Budget Blinders

Old Paradigm

"Here's my **budget**. What enrollment results can I get for that?"

✗

New Paradigm

"Here are my enrollment **goals**. What will it take to accomplish them?"

✓

Understanding Recruitment-Marketing Cost Relative to Revenue Impact

Recruitment-Marketing Break-Even Analysis

Revenue from enrolled students

$ Cost/Revenue

Recruitment cost

Recruitment-marketing costs are covered once this many students are enrolled

Number of Enrolled Freshmen
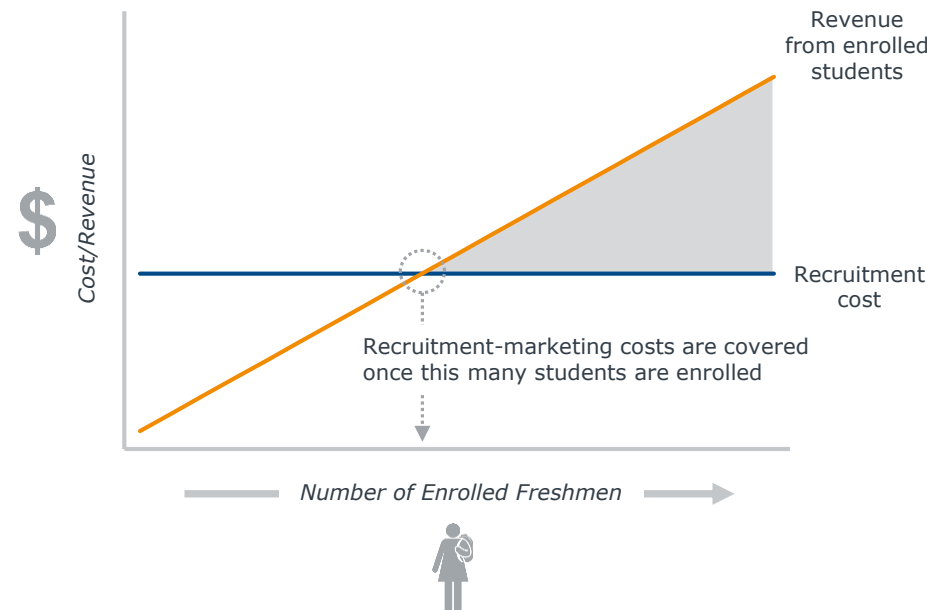
May be calculated on the basis of:

- Tuition revenue only (more conservative) or tuition revenue plus fees (less conservative)

- Freshman year only (more conservative) or all years a student spends at your school (less conservative)

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An Investment Perspective on Recruitment-Marketing Spend

ROI

This page shows another, complementary way of describing recruitment-marketing impact—return on investment, or ROI. As described at right, ROI is a ratio of revenue generated by enrolled students and the cost of recruiting them; it tells you how many dollars of revenue you earn per recruitment dollar spent.

A Note on Revenue Attribution

Deciding what portion of revenue to include in ROI calculations requires an assumption to be made regarding how much of enrollment is directly influenced by recruitment marketing.
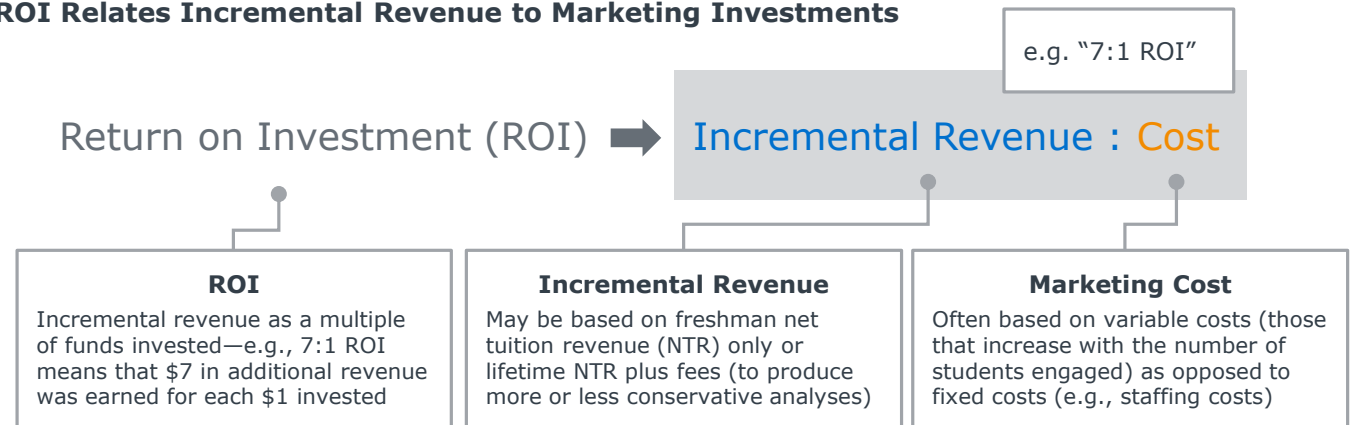
In some cases (such as those at right), the degree of impact is obvious enough that the assumption becomes less important.

In cases where the impact is less clear-cut, the degree of influence may be assessed via control group studies (but is more commonly based on a rough estimate from past experience).

ROI Relates Incremental Revenue to Marketing Investments

e.g. "7:1 ROI"

Return on Investment (ROI) ➡ Incremental Revenue : Cost

ROI
Incremental revenue as a multiple of funds invested—e.g., 7:1 ROI means that $7 in additional revenue was earned for each $1 invested

Incremental Revenue
May be based on freshman net tuition revenue (NTR) only or lifetime NTR plus fees (to produce more or less conservative analyses)

Marketing Cost
Often based on variable costs (those that increase with the number of students engaged) as opposed to fixed costs (e.g., staffing costs)

Some Real-Life Examples of Recruitment-Marketing ROI

Increase in Recruitment-Marketing Spend Versus Increase in Total Freshman NTR[1]

Legend:
- Increase in recruitment-marketing spend
- Increase in net tuition revenue

	College A	College B	College C	College D
ROI	5:1	15:1	10:1	7:1
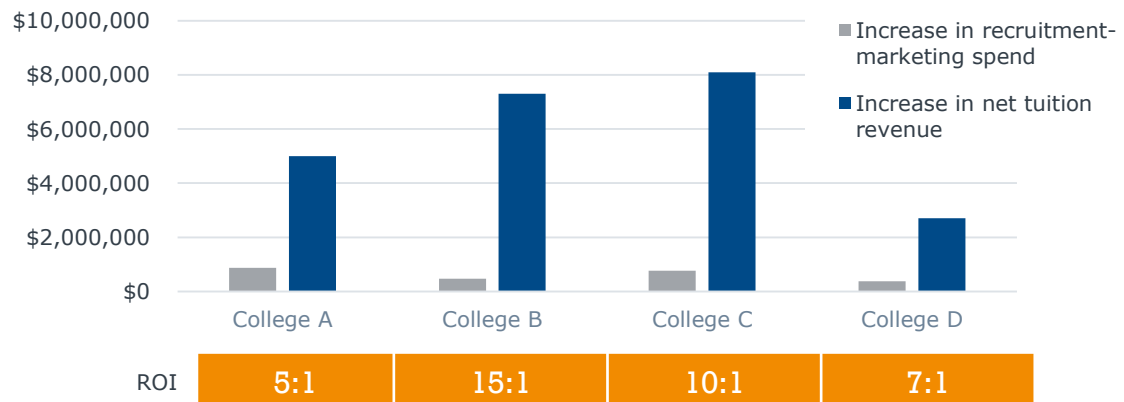
1 Values shown for institutions A, B, and C correspond to increases across one enrollment cycle. Values for institution D compare the baseline year to two enrollment cycles later. All four institutions are EAB Enrollment Services clients.

Source: EAB research and analysis.

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Targeting Errors Can Cause Great Candidates to Be Missed

An Underappreciated Undertaking

One of the most important but least appreciated aspects of optimized recruitment marketing is how target audiences are generated.

An example of why targeting matters is shown at right. As illustrated in the chart, common missteps can lead to as many as half of desirable students in a school's primary market being missed.
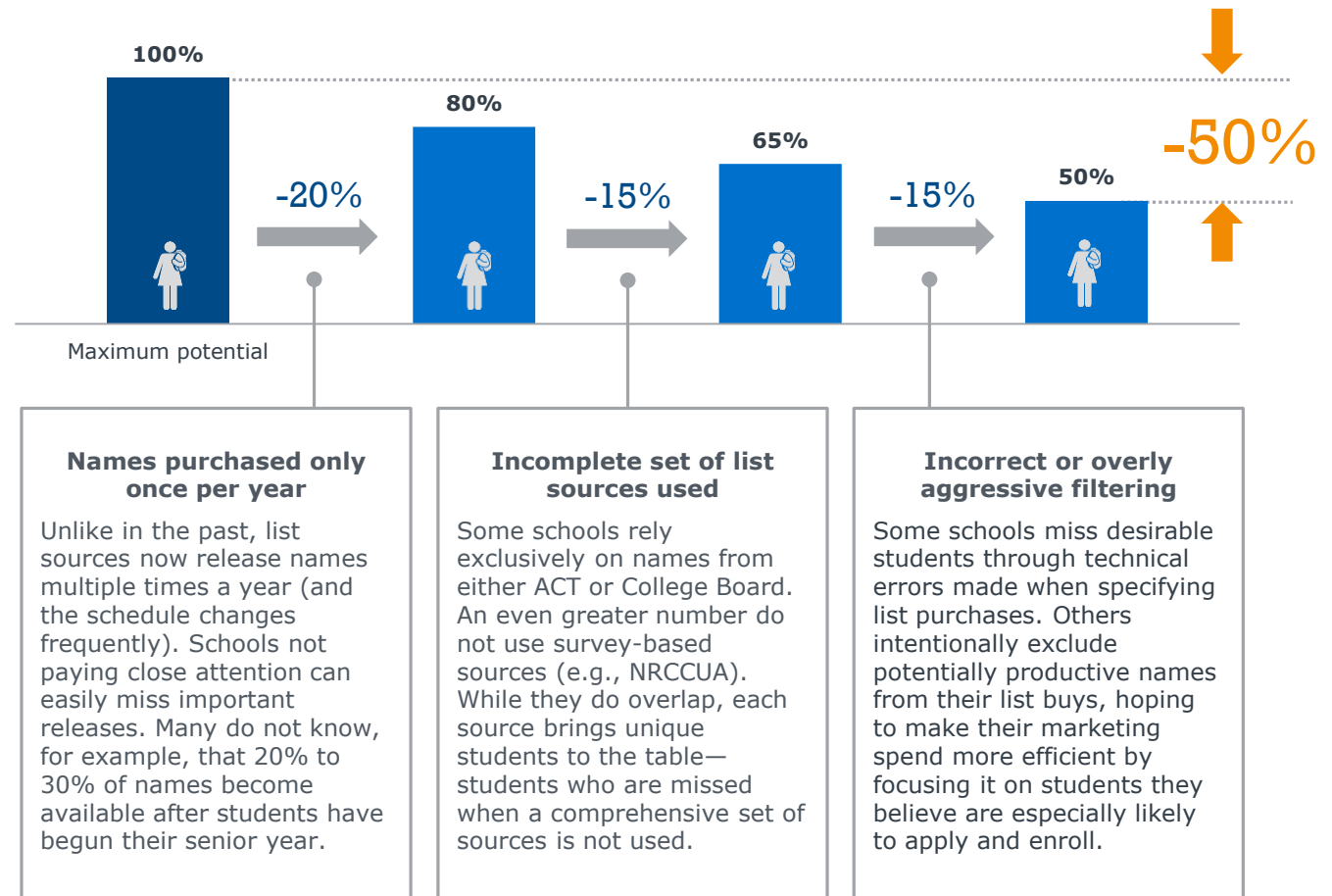
No Shortcuts

More so than other aspects of enrollment management, effective targeting is a matter of consistently solid execution on hundreds of small tasks. Individually, any one of them may have a negligible impact; taken together they become highly consequential for the success of recruitment-marketing efforts.

The extent to which an institution can approach this ideal level of performance will mostly depend on the level of resources they can bring to bear on the effort—especially the extent to which they can fund dedicated targeting personnel with long experience and deep specialization.

Percentage of Best-Fit Students Available for Recruitment-Marketing Outreach

Prospect-Volume Penalty, by List-Sourcing Scenario, Typical College/University

100% → -20% → 80% → -15% → 65% → -15% → 50%

-50%

Maximum potential

Names purchased only once per year	**Incomplete set of list sources used**	**Incorrect or overly aggressive filtering**
Unlike in the past, list sources now release names multiple times a year (and the schedule changes frequently). Schools not paying close attention can easily miss important releases. Many do not know, for example, that 20% to 30% of names become available after students have begun their senior year.	Some schools rely exclusively on names from either ACT or College Board. An even greater number do not use survey-based sources (e.g., NRCCUA). While they do overlap, each source brings unique students to the table—students who are missed when a comprehensive set of sources is not used.	Some schools miss desirable students through technical errors made when specifying list purchases. Others intentionally exclude potentially productive names from their list buys, hoping to make their marketing spend more efficient by focusing it on students they believe are especially likely to apply and enroll.

Source: EAB research and analysis.

What Do Advanced Targeting Capabilities Look Like?

Rare in the Field

Because examples of schools with fully developed targeting capabilities are few and far between, some enrollment leaders don't realize just how much potential exists with respect to this very important aspect of recruitment marketing.

Schools that have attained high levels of targeting performance offer several important lessons. Four essential characteristics of their approaches are described at right.

The Power of Specialization

One common factor underpinning the four categories shown at right is staff expertise.

Because of its inherent complexity, targeting comes with a steep associated learning curve. The more iterations staff members and teams have on targeting strategy development and execution, the higher skill levels they are able to attain.

The extent to which any given school can do a truly solid job on any of the four priorities listed at right will depend in large part on their success in building the kind of staff described above.

Characteristics of Top-Performing Targeting Teams

Staff

Deep expertise

The most capable targeting teams have staff who have spent ten or more years working mostly or exclusively on list sourcing and targeting. Furthermore, effective teams tend to be specialized—having different, dedicated team members working on targeting strategy and execution, for example.

Analytics

Applied data science

Advanced teams have the data science and information systems capabilities required to turn student data into actionable insights—for example, analyzing large, national databases to automatically identify email addresses of parents of high schoolers (prior to any student contact).

Processes

Broadly scoped optimization

Top-performing teams have developed processes for optimizing the many separate tasks that go into effective list sourcing and targeting—structuring name buys so as to effectively capture test-score band information, for example, or automating the scrubbing of files obtained from list source agencies.

Scope

Context-aware strategy

The broader a targeting team's perspective is on regional and national trends in name availability and performance, the greater the insight it can bring to bear on its recruitment strategy—for example, understanding whether observed trends are specific to the institution or reflect broader regional dynamics.

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Prohibitive Expense Limits Many Schools' Reach-Market Efforts

Hitting a Cost Ceiling

While saturation of primary markets will always produce more enrollment per recruitment-marketing dollar spent, most schools will eventually need to think about tapping new markets.

The main challenge in this regard is that funnel conversion rates decrease steeply once recruitment efforts move beyond a school's primary market. Consequently, recruitment cost per enrolled student increases dramatically with distance from campus. Both these trends are illustrated in the chart at right.
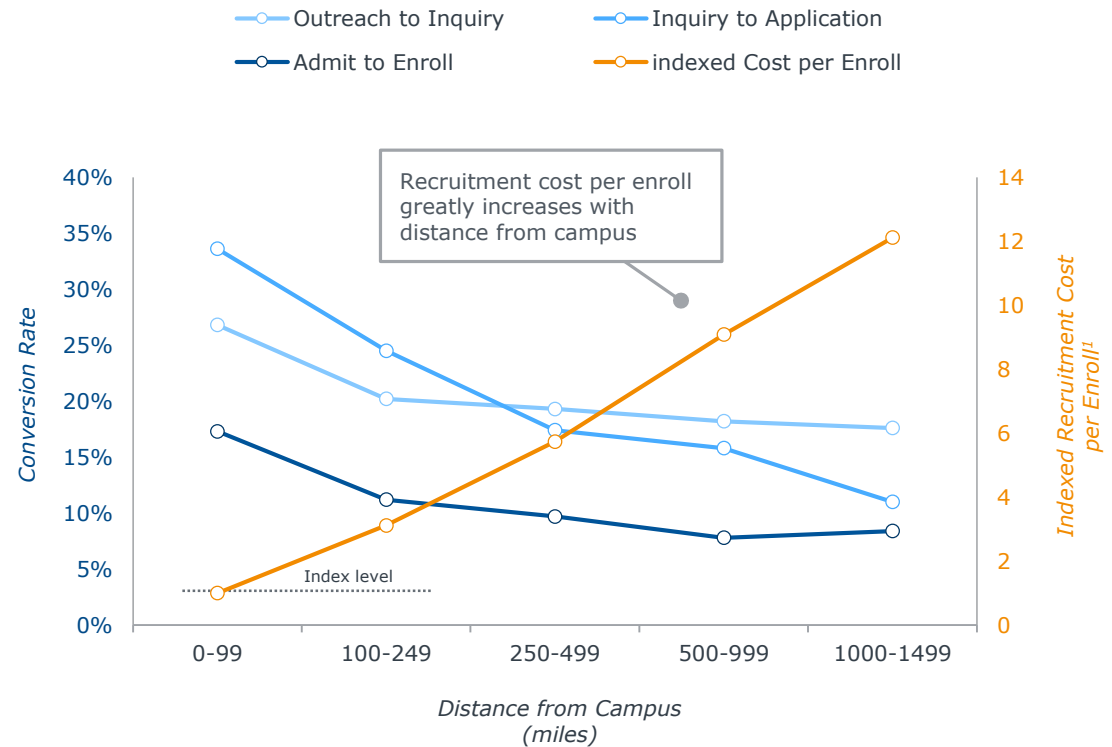
Seeking Speed and Efficiency

That's not to say that many schools have not successfully built new markets hundreds of miles away from campus—even schools with limited name recognition and institutions whose locations do not hold any special appeal.

But they've typically done so with a large investment of resources over many years. The challenge remains one of accelerating the process and bringing down the cost.

Funnel Conversion Rates and Extrapolated Recruitment Cost, by Distance from Campus

Cost Indexed to Value in First Distance Band (0–99 miles), n=119 schools

Legend: Outreach to Inquiry, Inquiry to Application, Admit to Enroll, indexed Cost per Enroll

Callout: Recruitment cost per enroll greatly increases with distance from campus

Y-axis (left): Conversion Rate — 0% to 40%
Y-axis (right): Indexed Recruitment Cost per Enroll[1] — 0 to 14
X-axis: Distance from Campus (miles) — 0-99, 100-249, 250-499, 500-999, 1000-1499

Index level

1 Cost for each distance band was calculated as total recruitment marketing expenditure across all searched students (average per-student cost multiplied by the number of searched students) divided by the number who end up enrolling.

Source: EAB research and analysis.

'Scientific' Targeting as a Means of Boosting Reach-Market Viability

Pinpointing Potential

One way of increasing the efficiency of recruitment marketing is to focus it selectively on students most likely to respond.

While this kind of approach is usually counterproductive in primary markets (in which average conversion rates are high), it can make a big difference when recruitment efforts move further afield.

The graphic at right describes a methodology developed by EAB Enrollment Services for assessing the application-generation potential of zip codes nationwide.
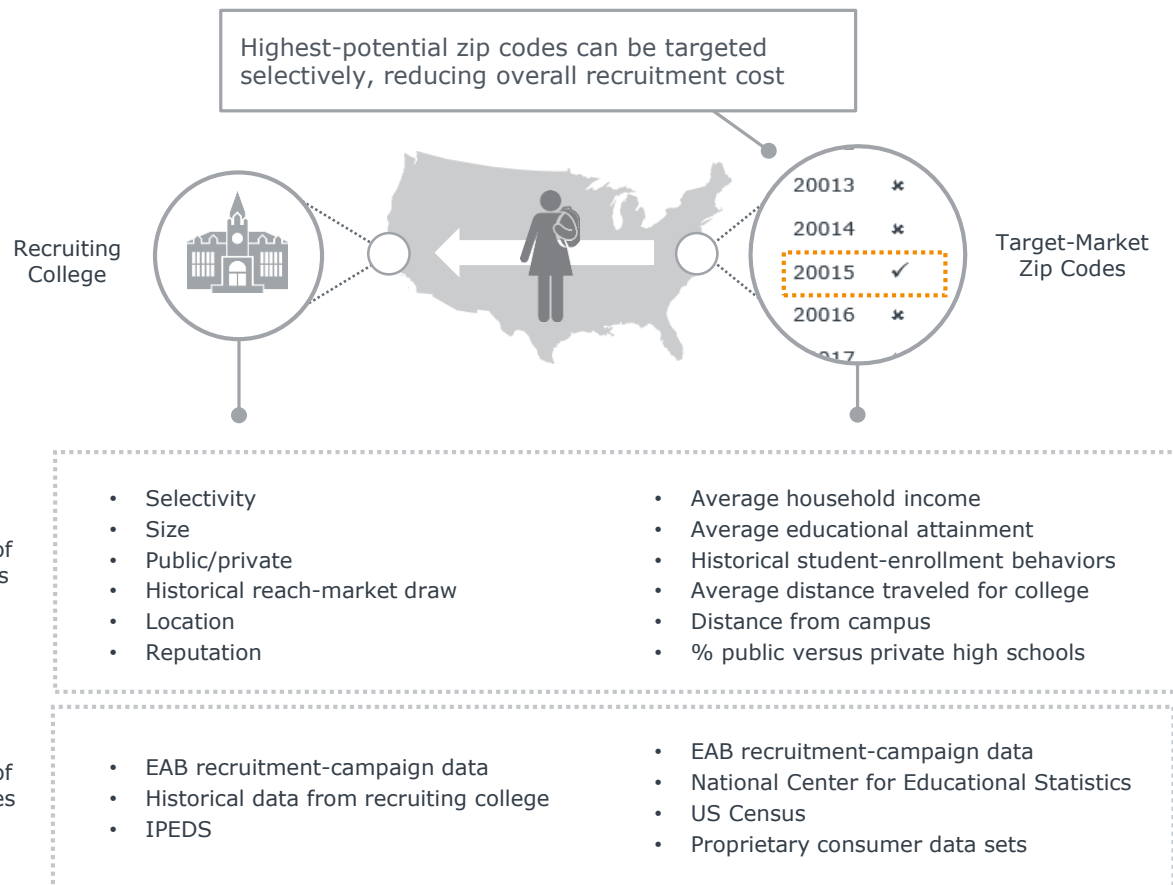
A Customized Assessment

Acknowledging variations in the ability of schools to draw students from remote markets, the model takes into account school characteristics such as size, selectivity, and previously demonstrated ability to generate applications from far away.

Zip codes, in turn, are assessed based on a variety of demographic parameters and data from past EAB Enrollment Services campaigns.

Advanced Analytics Reveal Zip Codes Most Likely to Generate Applications

EAB Enrollment Services Reach-Market Analytics Methodology

Highest-potential zip codes can be targeted selectively, reducing overall recruitment cost

Recruiting College

Target-Market Zip Codes

20013	✗
20014	✗
20015	✓
20016	✗

Examples of parameters analyzed

- Selectivity
- Size
- Public/private
- Historical reach-market draw
- Location
- Reputation

- Average household income
- Average educational attainment
- Historical student-enrollment behaviors
- Average distance traveled for college
- Distance from campus
- % public versus private high schools

Examples of data sources used

- EAB recruitment-campaign data
- Historical data from recruiting college
- IPEDS

- EAB recruitment-campaign data
- National Center for Educational Statistics
- US Census
- Proprietary consumer data sets

Source: EAB research and analysis.

Earlier Engagement with High School Students Is Associated with Better Enrollment Outcomes

Recruitment-Marketing Impact and Investment Scale on Two Axes

Benefits of Early Engagement

Much of this report focuses on recruitment scope in terms of the number of students engaged. This page describes an important related consideration—when, during a student's high school career, contact is first initiated.
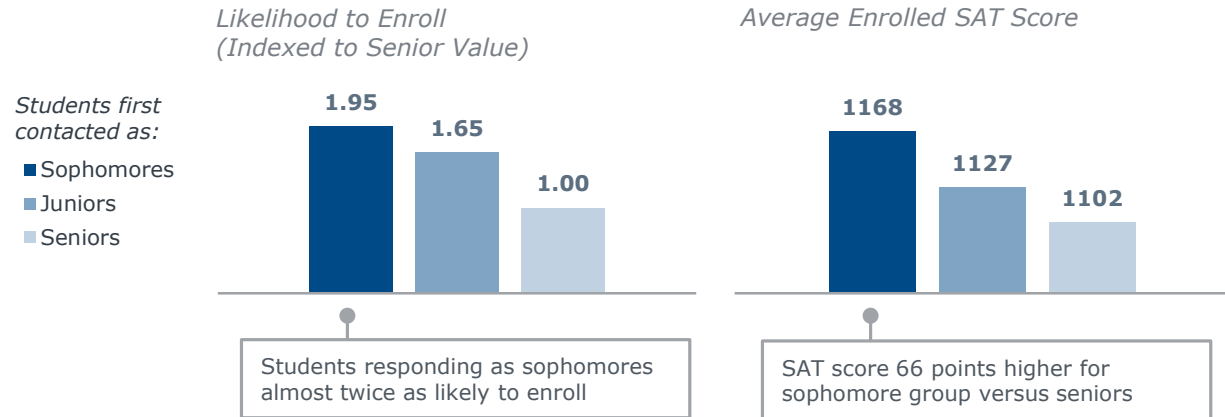
As described in the bar charts at right, enrollment outcomes are better for students engaged earlier. Since names for 80% of students are available before their senior year of high school, this has significant implications for recruitment strategy.

Impact on Two Axes

As shown in the matrix at right, maximum recruitment-marketing impact occurs when the largest proportion of desirable students is contacted as early as possible.
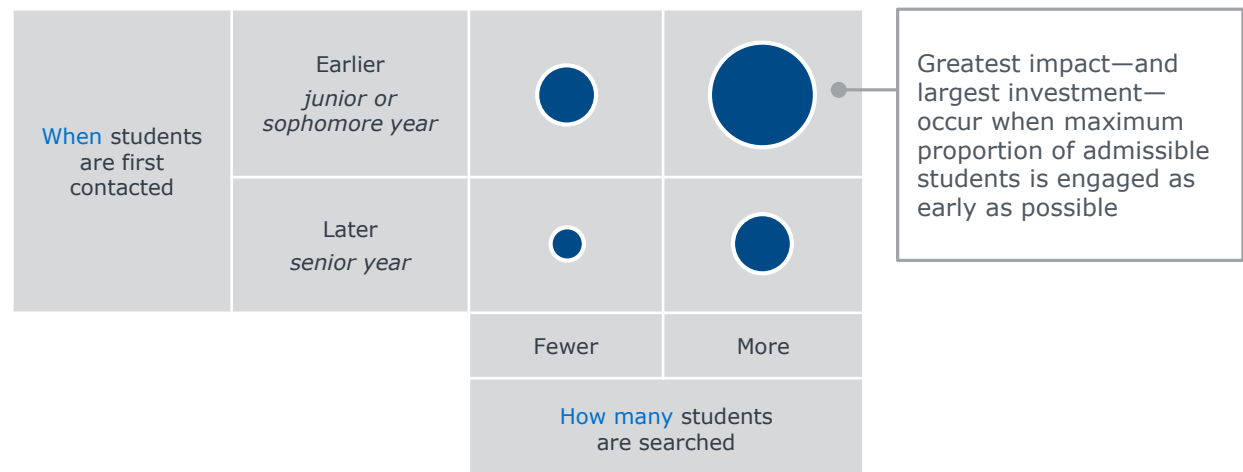
The required recruitment investment scales accordingly, increasing with the number of students contacted and the duration of that contact (assuming that it continues from the time of initial contact through senior year).

Enrollment Outcomes by High School Year of First Contact

Likelihood to Enroll (Indexed to Senior Value)

Average Enrolled SAT Score

Students first contacted as:
- ■ Sophomores
- ■ Juniors
- ■ Seniors

Likelihood to Enroll values: 1.95, 1.65, 1.00

Average Enrolled SAT Score values: 1168, 1127, 1102

Students responding as sophomores almost twice as likely to enroll

SAT score 66 points higher for sophomore group versus seniors

Impact on Enrollment Outcomes and Size of Investment

By Search Strategy

		Fewer	More
When students are first contacted	Earlier *junior or sophomore year*	●	⬤
	Later *senior year*	•	●

How many students are searched

Greatest impact—and largest investment—occur when maximum proportion of admissible students is engaged as early as possible

Source: EAB research and analysis.

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