Reckoning Enrollment Impact

How to Tell if Your Recruitment Marketing Is Making a Difference

Joel Bauman
Vice President of Enrollment Management
Stetson University

Genia Herndon
Associate Vice Chancellor for Access and Enrollment
University of Colorado Denver
Why You Should Assess Recruitment Impact

Uncertainty Can Starve Enrollment of Necessary Resources

Absent Compelling Results, Funding Constrained

Half-hearted and/or misguided resource commitment

Disappointing enrollment results

Uncertainty regarding recruitment efficacy

Careful Assessment of Impact Helps Ensure Appropriate Resourcing

Assess return on recruitment investments

Increase productive spend

Reduce unproductive spend
Unlocking Potential
Evidence of Impact Enables Principled Enrollment Investments

Recruitment-Marketing Budget Allocation Process

*How it Often Works:* Budget-First Recruitment Strategy

*How it Can and Should Work:* Goals-First Recruitment Strategy

- Recruitment budget allocation
  - *Guided by goal setting*

- Enrollment results reporting
  - *Including financial data*

- Provost, CFO, VPEM, Deans

- Enrollment goal setting
  - *Informed by results reporting*

- VPEM

- University Budget Committee

- Minimal input into budget-setting

- Budget “handed down from above”

- Key enabling component
Key Topics for Discussion

1. CU Denver’s Experience

2. Stetson University’s Experience

3. Four Methods for Assessing Recruitment-Marketing ROI
CU Denver in Brief
A large, access-focused urban campus

- A public institution
- Around 25,000 students total
- Balanced arts & sciences and professions curriculum
- Selective
- Primarily nonresidential
- Shared campus with medical school and two-year college
- Average cost after aid: $15K
A Fundamental Shift

A Change in Recruitment Strategy Transformed Our Enrollment Outcomes

Freshman Enrollment

*Full-Time, First-Time Degree-Seeking Undergraduates, CU Denver, Fall 2007-Fall 2017*

New recruitment-marketing approach initiated in 2012 and pursued through to the present.
Advancing on Multiple Fronts

Boosting the Academic Profile of Our Incoming Classes

Freshman Enrollment and Average Enrolled High-School GPA

CU Denver, Entering Classes 2012-2018

Increase in average enrolled HS GPA 2012 vs. 2018

0.16-pt

Enrollment

Freshman Enrollment

Average Enrolled HS GPA

GPA

2012 2013 2014 2015 2016 2017 2018
Advancing on Multiple Fronts
Generating Strong Growth in Net Tuition Revenue

Freshman Enrollment and Total Freshman Net Tuition Revenue
*CU Denver, Entering Classes 2012-2018, Revenue in Millions*

2.3x
Increase in total freshman NTR 2012 vs. 2018

Freshman Enrollment
Total Freshman NTR
A Reliable Engine of Success

Our Enrollment Outcomes Were Driven by Strong Growth in Applications

**Freshman Enrollment and Application Volume**

*CU Denver, Entering Classes 2012-2018*

Learning from earlier enrollment cycles enabled us to pursue more targeted application growth in 2017 and 2018.
A Volume Strategy
We Grew By Engaging More Prospective Students More Effectively

Applications and Recruitment-Marketing Outreach Volume
CU Denver, Entering Classes 2012-2018

Initial bump in applications from restructuring enrollment team, rethinking strategy in the field

Increase in number of students marketed to 2012 vs. 2018

6.2x
Key Topics for Discussion

1. CU Denver’s Experience

2. Stetson University’s Experience

3. Four Methods for Assessing Recruitment-Marketing ROI
Stetson in Brief

A small, selective, access-oriented private in the Southeast

- A private institution founded in 1883
- Located in central Florida
- #5 USNWR rank for regional universities in the South
- Balanced arts & sciences and professions curriculum
- Selective
- Mostly undergraduate
- Highly residential
- 1/3 of our undergraduates are Pell eligible
- Average cost after aid: $25K

A small, selective, access-oriented private in the Southeast

- A private institution founded in 1883
- Located in central Florida
- #5 USNWR rank for regional universities in the South
- Balanced arts & sciences and professions curriculum
- Selective
- Mostly undergraduate
- Highly residential
- 1/3 of our undergraduates are Pell eligible
- Average cost after aid: $25K
Unambiguous Impact

Initial Returns on Modified Marketing Approach Left Little Room for Doubt

**Freshman Enrollment**

_Stetson, Entering Classes 2007-2013_

- **2007-2010**: -2% 
- **2010-2013**: +56%

New recruitment-marketing approach adopted in 2010
A More Complex Picture
Ups and Downs After Several Years of Consistent Growth

Freshman Enrollment
*Stetson, Entering Classes 2011-2016*

We strategically reduced in headcount in 2014 and 2016 to pursue alternate goals, including increased per-student NTR.
Summary Metrics
Sharing Shorthand Measures of Our Enrollment Success

Core Enrollment Metrics
Stetson University, Entering Classes 2011-2016

30%
Increase in average net tuition revenue per freshman

48%
Increase in total freshman net tuition revenue

14-point
Increase in average enrolled SAT score

2 point
Increase in % of students persisting to sophomore year

Average SAT Score of Enrolled Freshmen
Entering Class 2016, by Inquiry Source

- Sophomore: 1061
- Junior: 1168
- Senior: 1141

Other Inquiry Sources
- High school year of first contact
- Optimized Recruitment Marketing
Weighing Benefits Against Resources Allocated

Major Impact on Top-Line Metrics, Major Investment in Recruitment

Core Enrollment Metrics

*Stetson University, Entering Classes 2011-2016*

- **30%**
  Increase in average net tuition revenue per freshman

- **48%**
  Increase in total freshman net tuition revenue

- **14-point**
  Increase in average enrolled SAT score

- **2 point**
  Increase in % of students persisting to sophomore year

---

2x
Increase in number of students included in recruitment-marketing outreach
Evaluating Multiyear Impact
Benchmarking to Market Establishes Crucial Context

Stetson’s Performance Compared with That of a Basket of Comparable Schools

Figuring Out Which Schools to Include in Our Comparison Set

**Representative sources used**
- Survey of Stetson’s nonyielding students (which reveals where they chose to enroll)
- IPEDS
- Google search data

**Representative criteria applied**
- Geography
- Price
- Size
- Academic “quality”

“Schools like us”
## Considering an Alternate History

“There But for Expert Recruitment Marketing Go I”

### Total Undergraduate Headcount

*Stetson, Actual Versus Projected (Based on Market Average), Entering Classes 2011-2016*

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual Enrollment</th>
<th>Projected Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>2300</td>
<td>2300</td>
</tr>
<tr>
<td>2012</td>
<td>2500</td>
<td>2500</td>
</tr>
<tr>
<td>2013</td>
<td>2700</td>
<td>2700</td>
</tr>
<tr>
<td>2014</td>
<td>2900</td>
<td>2900</td>
</tr>
<tr>
<td>2015</td>
<td>3100</td>
<td>3100</td>
</tr>
<tr>
<td>2016</td>
<td>3300</td>
<td>3300</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual Change</th>
<th>Market Average</th>
<th>Stetson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.0%</td>
<td>0.2%</td>
</tr>
<tr>
<td></td>
<td>8.9%</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

1) Based on one year’s worth of tuition revenue.
Assessing ROI

Comparing Cumulative Incremental Revenue and Spend

Total Undergraduate Headcount

Stetson, Actual Versus Projected (Based on Market Average), Entering Classes 2011-2016

Stetson’s incremental annual recruitment-marketing spend relative to 2011

1) Based on one year’s worth of tuition revenue.
A Versatile Tool

“ROI Thinking” Finds Countless Applications in Our Work

Case in Point: A “Quick and Dirty” Assessment of Campus-Visit Impact

A Handful of Key Metrics Tracked and Trended Across Time

<table>
<thead>
<tr>
<th>Event Date</th>
<th>September 2018</th>
<th>October 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of invitations sent</td>
<td>307,931</td>
<td>237,545</td>
</tr>
<tr>
<td>Total student attendance</td>
<td>217</td>
<td>163</td>
</tr>
<tr>
<td>Number of seniors who attended</td>
<td>156</td>
<td>112</td>
</tr>
<tr>
<td>Number of attendees who applied</td>
<td>130</td>
<td>100</td>
</tr>
<tr>
<td>Number of attendees who deposited</td>
<td>28</td>
<td>32</td>
</tr>
<tr>
<td>Total cost of program</td>
<td>$30,743</td>
<td>$27,721</td>
</tr>
<tr>
<td>Cost per applicant</td>
<td>$236</td>
<td>$277</td>
</tr>
<tr>
<td>Cost per deposit</td>
<td>$1,097</td>
<td>$866</td>
</tr>
</tbody>
</table>

Other metrics captured
- RSVP rate
- Guest attendance
- Junior attendance
- Sophomore attendance
- Transfer attendance

Other analyses performed
- Trend across event dates
- Multiyear trend
- % of attendees who
  - Apply
  - Deposit
  - Enroll
- Components of event cost
Key Topics for Discussion

1. CU Denver’s Experience

2. Stetson University’s Experience

3. Four Methods for Assessing Recruitment-Marketing ROI
One Aim, Multiple Approaches
Four Basic Methods for Evaluating Impact of Recruitment Investments

1. **Increase-over-baseline analysis**
   Sidesteps complex questions of attribution by simply looking at how much enrollment grew after changing recruitment-marketing strategy.

2. **Break-even analysis**
   This shows the number of additional students who need to be enrolled to cover incremental recruitment-marketing investments.

3. **Contextualized assessment**
   Puts recruitment results into perspective by comparing them to local averages; especially helpful and important in declining markets.

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

**ROI-Assessment “Philosophy”**
- Keep it simple
- Anticipate impact
- Put your results in perspective
- Provide proof beyond doubt
Method 1
Increase-over-Baseline Analysis

Recruitment Spend Compared to Recruitment Outcomes
A Hypothetical Example

Recruitment-Marketing Spend

Total Freshman NTR

Year before Year after
$350K $700K
baseline

Year before Year after
$1,000K $3,000K
baseline

Increase:
+$350K in incremental spend

Increase:
+$2,000K in incremental revenue

Incremental Revenue
Incremental Spend

$2,000,000
$350,000

5.7x ROI

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

Additional investment is covered once two “new” students are enrolled.

Cost of outreach to 10,000 additional students ($25K)

“New” Enrollment (Exceeding Previous Year’s Baseline)

Spend/Revenue (Thousands)

Incremental Freshman NTR (Total)

Incremental Recruitment-Marketing Spend

Begins at zero because this analysis examines incremental enrollment tied to additional marketing spend.
# Summary Assessment

## Things to Keep in Mind When Using Break-Even Analysis

### Pros

<table>
<thead>
<tr>
<th><strong>Good for scenario planning</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Well suited to live iteration on possible investment scenarios and their expected impact, which is useful for planning.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Easy to generate</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>A light lift in terms of data collection and analysis; therefore, it is appealing as a scenario-based planning tool.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Strong “narrative” aspect</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides an unusually clear illustration of the relationship between investment and return.</td>
</tr>
</tbody>
</table>

### Cons

<table>
<thead>
<tr>
<th><strong>Less useful for “legacy” spend</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>While useful for assessing incremental spend, less helpful when gauging the impact of existing recruitment-marketing investments.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Problematic with small numbers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Break-even analyses examining small increases in headcount can be especially sensitive to externalities impacting enrollment.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Less useful in stressed markets</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Harder to design and execute in markets with declining numbers of high school graduates.</td>
</tr>
</tbody>
</table>

### Best for:

**Schools considering new/increased recruitment-marketing investments**
Method 3: Contextualized Assessment
“What Would Have Happened if We Merely Tracked with the Market?”

Hypothetical Example
*Freshman Headcount, by Entering Class Year*

- **Actual**
- **Projected (based on market average)**

2010 chosen as starting year for analysis. Average annual growth rate for comparable schools used to generate projected headcount for subsequent years.

“Extra” enrollment: +125 students

Use this value as baseline

Recruitment-marketing approach modified
Assessing ROI in Difficult Markets
Linking Improved Outcome to Underlying Investment

Extra Enrollment from Previous Step Fed into ROI Calculation

- Extra enrollment: +125 students
- Average per-student freshman net tuition revenue
- Total freshman NTR from extra enrolls

\[ 125 \times $20,000 = $2,500,000 \]

Total recruitment-marketing spend for entering class 2018

\[ \frac{$2,500,000}{\$390,000} = 6.4 \]

6.4x Return on recruitment-marketing spend
### Summary Assessment

**Things to Keep in Mind When Using Contextualized Assessment**

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reveals hidden impact</strong></td>
<td><strong>Adjusting for externalities</strong></td>
</tr>
<tr>
<td>For schools in difficult markets, putting results into broader context is the easiest way to reveal otherwise hidden successes.</td>
<td>This approach does not automatically account for all important factors impacting enrollment; adjusting for these requires additional work.</td>
</tr>
<tr>
<td><strong>Benefits of benchmarking</strong></td>
<td><strong>Can be a moderately heavy lift</strong></td>
</tr>
<tr>
<td>Comparing your performance to that of other institutions can reinforce broader benchmarking efforts and reveal opportunities for improvement.</td>
<td>Versions of the assessment that draw on data sources external to your institution can be more difficult to execute.</td>
</tr>
<tr>
<td><strong>Pairs well with other methods</strong></td>
<td><strong>Apples-to-apples issues</strong></td>
</tr>
<tr>
<td>Providing context can boost the effectiveness of the other ROI assessment approaches, such as Method 1.</td>
<td>Comparing your institution to others can introduce complex questions regarding the validity of the comparison set you’ve chosen.</td>
</tr>
</tbody>
</table>

**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

The proportion of enrolled students you attribute to recruitment marketing impacts ROI estimates

Students included in recruitment-marketing outreach

Students who enroll

Would not have enrolled without marketing outreach

Would have enrolled anyway
### A Hypothetical Example

<table>
<thead>
<tr>
<th>Control group</th>
<th>Receive Recruitment-Marketing Outreach?</th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of students</td>
<td>30,000</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>Receive recruitment-marketing outreach?</td>
<td>No</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Number of enrolls</td>
<td>66</td>
<td>620</td>
<td></td>
</tr>
<tr>
<td>Enroll rate</td>
<td>0.22%</td>
<td>0.31%</td>
<td></td>
</tr>
</tbody>
</table>

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 $0.09%/0.31% = 29\%$. 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

**Step 1**
- Number of enrolled students who received recruitment marketing
- Percentage who would not have enrolled without marketing

\[
179 \times 29\% = 52
\]

**Step 2**
- Average per-student freshman net tuition revenue
- Total freshman NTR from marketing-attributed enrolls

\[
52 \times \$20,000 = \$1,040,000
\]

**Step 3**
- Total recruitment-marketing spend

\[
\frac{\$1,040,000}{\$200,000} = 5.2
\]

5.2x
Return on recruitment-marketing spend
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
Recap

Four Takeaways on Reckoning Recruitment Impact

1. **Fortune favors the bold**
   Success in today’s tough enrollment environment relies on extraordinary levels of commitment and innovation in recruitment

2. **Providing proof**
   Spend for which evidence of impact is lacking is vulnerable when times get tough; generate the proof you need to protect and grow crucial investments

3. **The power of pilots**
   Success breeds success; when considering new approaches, start small and use early successes as a foundation for expanded efforts

4. **Don’t hold out for perfection**
   While few enrollment teams have the capacity for generating truly rigorous ROI analyses, even the most basic comparisons of spend and impact can have profound benefits for the appropriate scoping of recruitment investments