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The Top 3 Coming Trends for Education Marketers

*What Will Your Competitors Be Doing
in 2011?*

With Shane Sparks, Enrollment Resources and Martin Lind, Leads360

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We may already be in the second quarter of 2011, but it's not too late to see what your competition is up to this year when it comes to leads and marketing, and benchmark your own school against them.

According to LeadsCouncil/CUnet, of those education marketers responding to a recent survey, 43 percent considered Inquiry Quality to be a major concern, while 25 percent said it was a significant concern. Based on this survey, as well as other recent research findings by Enrollment Resources, Leads360 and others, there are three important education marketing trends that you should pay close attention to this year.

Trend #1 – Lead costs are going to go up

Shane Sparks, co-founder of Enrollment Resources says there are likely two reasons for that: "One would be partly the regulatory fallout. Two would be just normal inflation, the economy and just general dissatisfaction with lead quality overall. And regardless of whatever regulatory things are happening right now, inquiry quality is still the top concern for marketers."

When Leads360 surveyed some 100 client schools, about 43 percent said

they weren't sure if their lead costs were going up this year, while 72 percent of lead providers polled by Leads360 said costs will be going up.

"So if you don't know, but your providers do know, the math works out that your prices will be going up," said Martin Lind, education vertical manager with Leads360.

Seventy-two percent of lead providers polled by Leads360 said costs will be going up.

"Obviously this is going to have budgetary implications. This also speaks to where we want to do our media mix," said Sparks, adding that across the board, lead providers and clients expect demand for leads to increase. "So there's going to be more market demand for leads; prices are likely to go up, probably as a result of that demand. The question becomes 'Why is there more demand?' We are speculating that there's more demand because there will likely be lower admissions performance as some schools are affected by Title IV regulation changes—partly because of the regulations and partly just because people are wrapped up in trying to

figure out how to comply with them. That absorbs a bunch of time and takes away management time.”

The initial boon to enrollment has probably passed, but even though the economy is still slow to recover there’s still market demand out there, suggested Sparks, causing prices to drift higher.

“About half of schools are currently paying \$35 or more per lead, and half are paying under that. So if you’re in the camp that’s paying less than that, expect your prices to migrate higher,” said Sparks.

“What this means for people is working budgets are going to go up.”

The places where the additional money is going to be spent are primarily search advertising and social media, followed by targeted display and mobile advertising.

Trend #2 – Marketing budgets are going up

While many schools are expecting to pay the same this year for lead generation as they have previously, the majority of schools surveyed expect to pay more.

“Whether or not that comes true remains to be seen, but people are budgeting to spend more,” Lind said. “Ultimately, if people have more money set aside and the amount of leads stays the same or goes up a little bit, the demand for that expectation is going to make everything more expensive.”

“For the schools that aren’t expecting to budget more money, it’s potentially going to put them at a competitive disadvantage,” added Sparks. “All things being equal, if your competitors are willing to outspend you in a market, and there’s not a compelling reason to choose your program, then there’s the risk of losing market share to competitors who will outspend you.”

The places where the additional money is going to be spent are primarily search advertising and social



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As education vertical manager for Leads360, **MARTIN LIND** oversees the product development and marketing for the company’s education-focused product line. In this role, Mr. Lind manages and develops Leads360’s relationships with education-related technology vendors, clients and prospective clients.

Mr. Lind’s career has spanned a variety of industries, including B2B and B2C e-commerce, entertainment and consulting. As a product management professional specializing in making complex technical concepts understandable to clients and management, Mr. Lind has more than a decade of experience in systems analysis, design, construction, testing and implementation and has managed cross-functional project teams across multiple platforms and application environments.

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media, followed by targeted display and mobile advertising. In fact, of those surveyed by the LeadsCouncil/CUnet, 66 percent said they plan to put more money into search advertising.

“That would encompass leads purchased from vendors that I assume would include paid search and probably SEO, too,” said Sparks, adding that 62 percent will be spending more on social media, 38 percent on targeted display and 35 percent on mobile advertising. “People talk about social media a lot but what does that really mean?”

Lind added: “Marketers know they’ve got to be doing it, but they don’t necessarily know what to do or how to do it, who to pay money to, and so forth.”

“Social media really means four things from my perspective: Blogs, Facebook, Twitter and LinkedIn. Then there’s a whole litany of lots of other social media tactics out there that are really marginal. They don’t have much uptake,” said Sparks, adding that different social media can—and should—be used for different things. “Blogs are a branding device and they’re an SEO tool, meaning you can put a blog on your site, if you have a point of view that’s captivating in some way. So it’s a way of branding with prospects, and for students, alumni and faculty. It’s a way of communicating your perspective, which is positive, if you have a perspective worth communicating. It also supports SEO in that it’s content-driven because Google and other search engines like content. So it may drive up your ranking so you get more organic traffic. Facebook is essentially a good student alumni management tool. It’s a way to create a little community around your school. We’ve tested a number of different ways to try and advertise on Facebook and they’ve all failed. We’ve yet to have

a campaign succeed compared to something like a search marketing campaign on places like Google Adwords or on Bing. As far as Twitter, who knows; I’ve yet to really understand the business argument for Twitter.”

Trend #3 – Slight increase in emphasis on “self-generated” leads

Sixty-nine percent of those surveyed by LeadsCouncil/CUnet said they would be increasing their self-generated leads this year. Further, according to Enrollment Resources, a third of the schools surveyed were not using any paid search advertising at all, nor were they mining their own Web sites to increase self-generated leads.

“That is nuts because we know in terms of conversion, leads you generate off your own Web site convert higher than ones generated off paid search, and leads generated off paid search convert higher than ones you purchase from portals,” said Sparks. “So a third don’t, while the majority within this survey pay about \$30 a lead or more. So what this data says is that one of the primary ways of being able to increase self-generated leads is

your own paid search campaign. We call it ‘be your own portal.’ And for 42 percent of the respondents, less than 10 percent of their enrollments came through referral marketing or channels such as independent agents. And referrals are the highest converting leads you can get. It solves that whole credibility problem which is inherent in advertising. People don’t trust advertising, so referrals bypass that.”

So really what this means is there’s a lack of marketing management that’s happening right now. In the pre-Internet days people measured cost per lead on everything; they had to in order to prudently distribute budgets.

***– Shane Sparks
co-founder
Enrollment Resources, Inc.***

When it comes to how much schools are spending on leads and where they're getting the most bang for their buck, the results were frightening. One-third of those surveyed didn't know what their cost per lead was for print

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advertising; almost 50 percent didn't know what the cost per lead was for direct mail; almost 60 percent don't know it on radio; just over 50 percent don't know on TV;

and nearly 50 percent didn't know the cost per lead from education and trade fairs. Also, between 17 and 24 percent of them were spending upwards of \$150 per lead.

"So really what this means is there's a lack of marketing management that's happening right now," said Sparks. "In the pre-Internet days people measured

cost per lead on everything; they had to in order to prudently distribute budgets. But what this is saying is that of the people who responded to our survey, they're not measuring it, which to me, is really kind of lazy marketing management."

"[There are] two things I take away from this. People need a system to figure this out. A spreadsheet is not the way to determine your ROI on your cost per lead, or cost per conversion, which is almost as important as cost per lead," added Lind. "The second thing is if your cost per lead is greater than \$150, unless the conversion is 100 percent or near 100 percent you are spending too much."

In summary, Sparks said one of the most common marketing mistakes they see people make is latching onto marketing tactics without first defining what the outcome is going to be for them.

"Certain tactics lend themselves to certain results. Some things you do to generate leads; some things you do to nurture those leads—to motivate them to come see you and enroll. Social media can be a really good tactic to try and nurture those leads and invite them to an event. But in and of itself, it doesn't generate a lot of leads. So if you don't have any input devices, and there are no leads coming in, it's not a very good tactic for you," said Sparks. "Part of the ROI analysis we do on marketing is to uncover where the need is. So is there a leads problem; is it a conversion problem; is there a nurturing problem? Until we really identify that, it's hard, without certainty, to provide a solution."

For More Information

Leads360 provides the only enrollment management software designed to meet the unique needs of schools that compete for students. The system enables marketing departments to better understand which sources of inquiries are effective, provides admissions staff to more efficiently track and communicate with prospective students, and gives admissions directors a holistic view of how their department is handling these inquiries. Learn more at www.leads360.com/highered.

Enrollment Resources is the leader in providing performance improvement assessments, best practices advice and enrollment management research services such as mystery shops, for the higher education industry in North America. Enrollment Resources, Inc. is proud to be a Google Adwords Certified Partner and certified in the Kaizen Continuous Improvement Process used by leading companies worldwide. Learn more at <http://www.enrollmentresources.com>.