

Survey: 2016 Higher Education Lead Generation Trends

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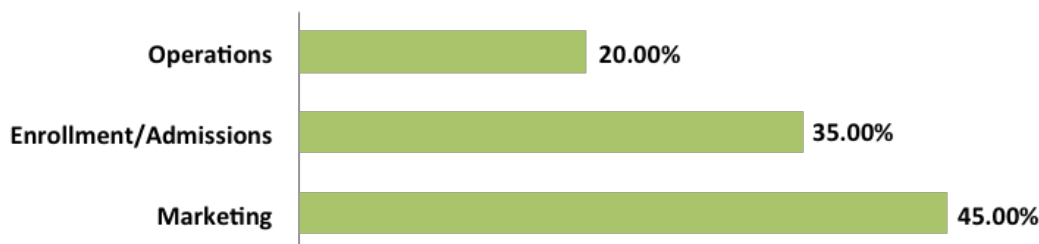
The marketing landscape for post-secondary institutions continues to be transformed as the exploration of digital arenas deepens and the use of traditional channels weakens. The expansion of options to reach potential leads for enrollment initially brought uncertainty when it came time to allocate resources. While confidence is gaining with regard to new channels, the markers relating to third-party lead generation are all showing signs this avenue has already seen its best days.

To continue mapping lead generation trends, we surveyed higher education representatives with regard to their use of third-party lead generation partners, marketing strategies and budgets, and enrollment results.

For the schools of the respondents, 68.34% enrolled 10,000 students or less, and a solid 12.34% had student populations over 25,000. Only 26.66% reported enrollment increases compared to 35.84% last year, while 23.34% reported a decline in enrollment (26.01% last year) and 50.00% saw no change as opposed to 35.84% in 2015.

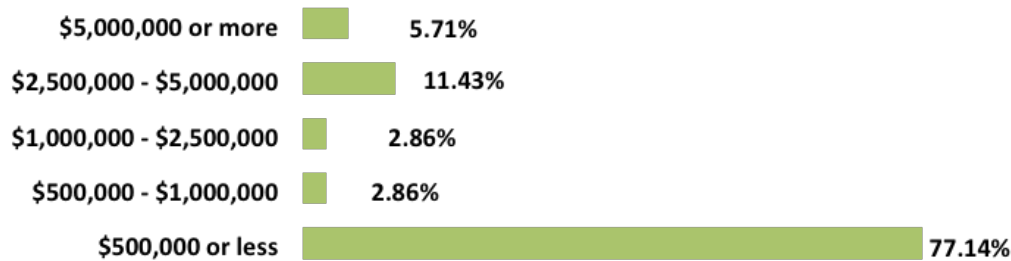
The mix in terms of how classes are offered remained essentially unchanged. A large majority (80.00%) offer both on-campus and online programs. Of the rest, 13.33% are ground-only and 6.67% are dedicated to online.

What best describes your role at your company?



After falling sharply in 2015, purchases of leads from third-party sellers have declined further. In 2014, 57.14% of the institutions surveyed stated they purchased more than 5,000 leads a month. That dropped to 25.47% in 2015 and stands at 20.00% in 2016. Big purchases have lost some of their luster, with only 8.57% of the schools purchasing more than 20,000 third-party leads on a monthly basis, down from 9.43%. Those purchasing 1,000 leads or less each month continued to increase, going from 47.17% to 57.14%.

Approximately what is your annual budget for third-party lead generation campaigns in 2016?

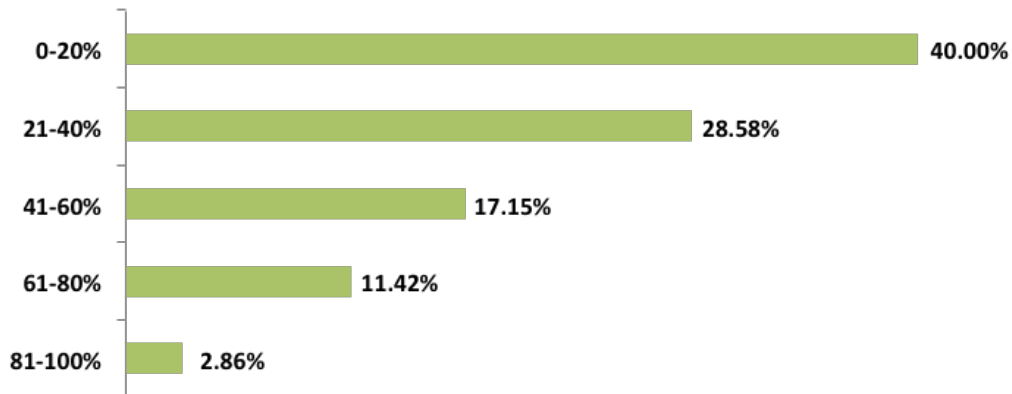


Likewise, outlays for third-party lead generation have continued to shrink, with the share of budgets of \$2.5 million or more for this segment dropping from 52.86% in 2014 to 24.52% in 2015 to 17.14% in 2016. The proportion of schools that budgeted \$5 million or more declined from 12.26% to 5.71% in 2015. That's after a huge decline from 2014's 32.86%. The overwhelming majority of institutions, 77.14%, are budgeting half a million or less.

Overall, marketing budgets of respondents indicate spending has reached a highpoint already and may well continue to fade. The segment budgeting \$10 million or more experienced another cut, dropping to 14.29% compared to 18.87% last year and 45.71% in 2014. A staggering 82.86% of the universities and colleges had an overall marketing budget of \$5 million or less, continuing the upward trend from 70.75% in 2015, after more than doubling from the 34.28% of the year prior.

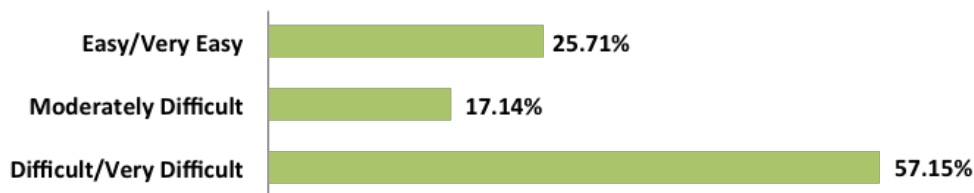
On a brighter note, perceptions regarding the quality of leads moved in good directions. Almost one-third (31.43%) of the respondents rate more than forty percent of their leads as “quality” prospects. That figure was 29.24% in 2015. Conversely, fewer institutions this year (40%) believe one-fifth or less of their lead volume consists of “quality” leads. In 2015, the number was 46.23%.

What percentage of your lead volume do you consider to be “quality” leads?



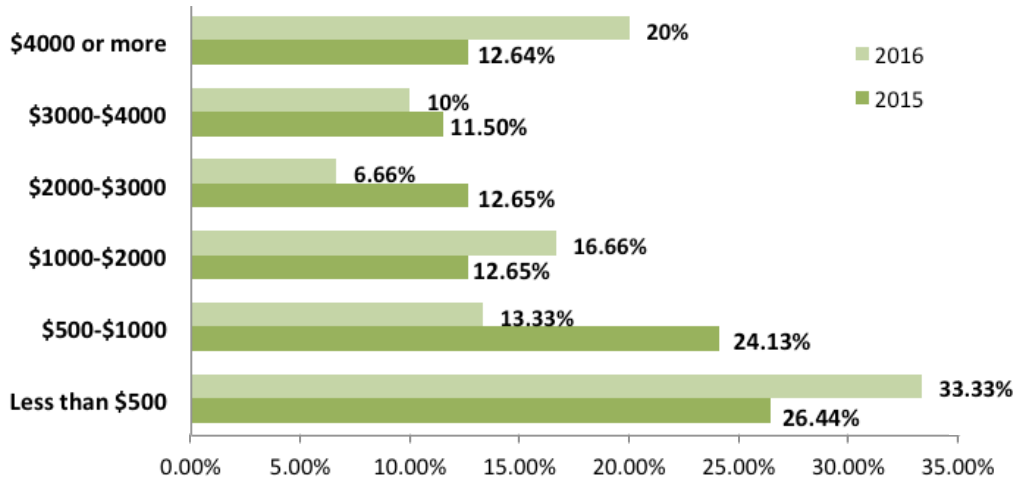
Almost half of the respondents said five percent or fewer of their third-party inquiries are sourced on a cost-per-lead (CPL) basis. Just over one-quarter see seventy percent or more of their third-party inquiries coming through a CPL channel. The remaining quarter of respondents are getting no more than forty percent of their third-party inquiries on a CPL basis. Cost-per-click inquiry sources are used by a solid 76.67% of the colleges and universities, which helps to explain the number of schools that are not sourcing on a CPL basis. Also, other payment models—sponsorship, content placement, and impression—are used by one-third to two-fifths of these institutions.

When you need to increase your flow of quality leads, how easy is it to find the incremental leads?



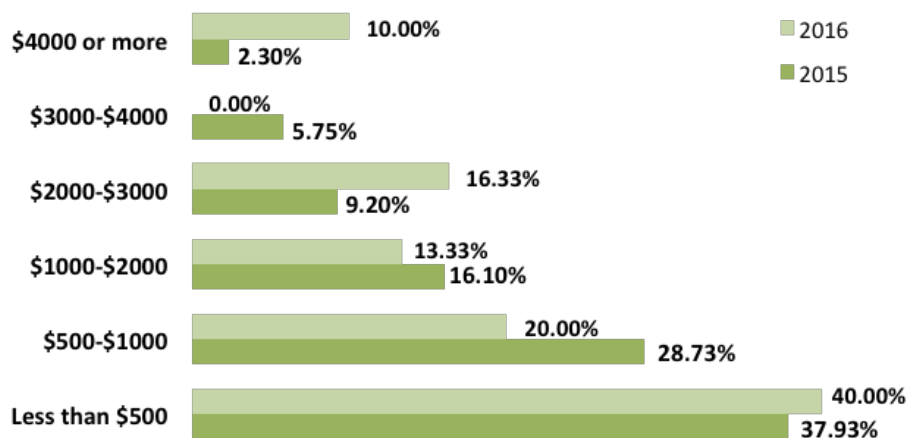
Respondents were split on the ease of parsing incremental leads. More found it either easier (25.71% versus 17.92% in 2015) or more difficult (57.15% versus 48.12% in 2015). While there are too many factors contributing to these views to sort out what has made this task more or less burdensome in the eyes of those reporting, it is clear there is room for improvement in this area.

What range does your current cost per enrollment for third-party lead generation campaigns fall into?

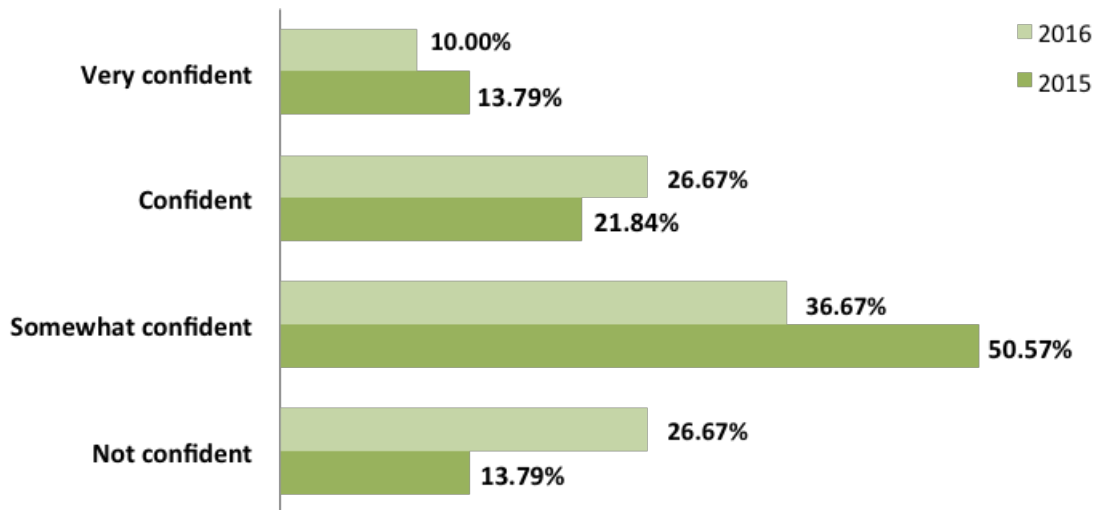


The median cost per enrollment (CPE) slid to \$1,500 from \$2,000 for third-party leads. However, the median cost for self-generated lead systems remained below \$750. CPEs were more likely to diminish or remain steady than increase, extending the trend begun last year. Costs rose at just 30.00% of the respondents' schools in 2016 compared to 37.93% of schools in 2015.

What range does your current cost per enrollment for self-generated lead generation campaigns fall into?

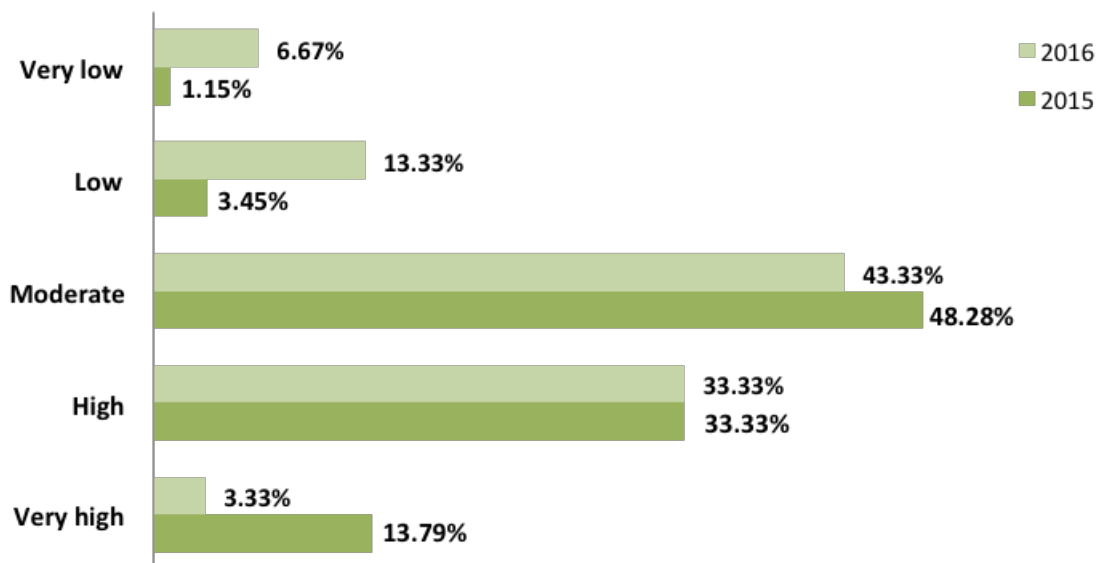


How confident are you in bringing the necessary data resources and elements together to fully optimize your lead generation program?

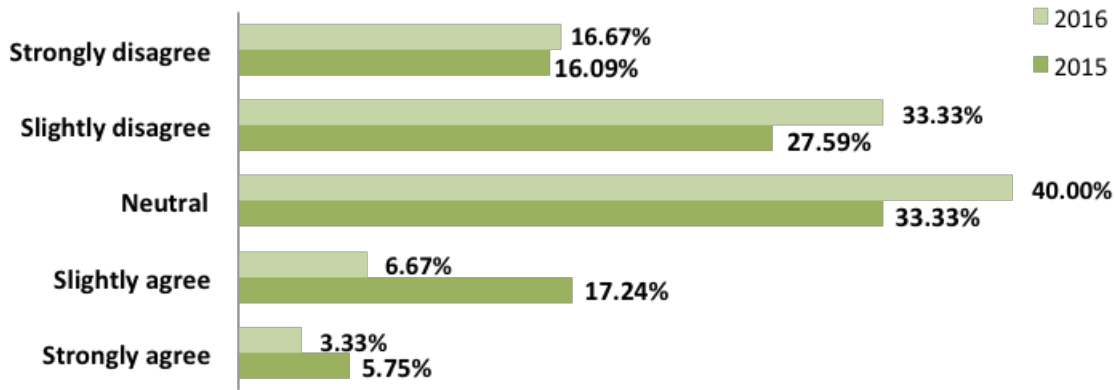


Confidence in bringing proper resources together to optimize lead generation programs has weakened, with almost two-thirds expressing no or little confidence in their abilities. A similar proportion of institutions surveyed have a moderate to very low understanding of program-of-interest trends among prospective students. This underscores the earlier concern regarding the ability to find incremental leads.

How would you rate your ability to understand program-of-interest trends among prospective students in your lead generation program?

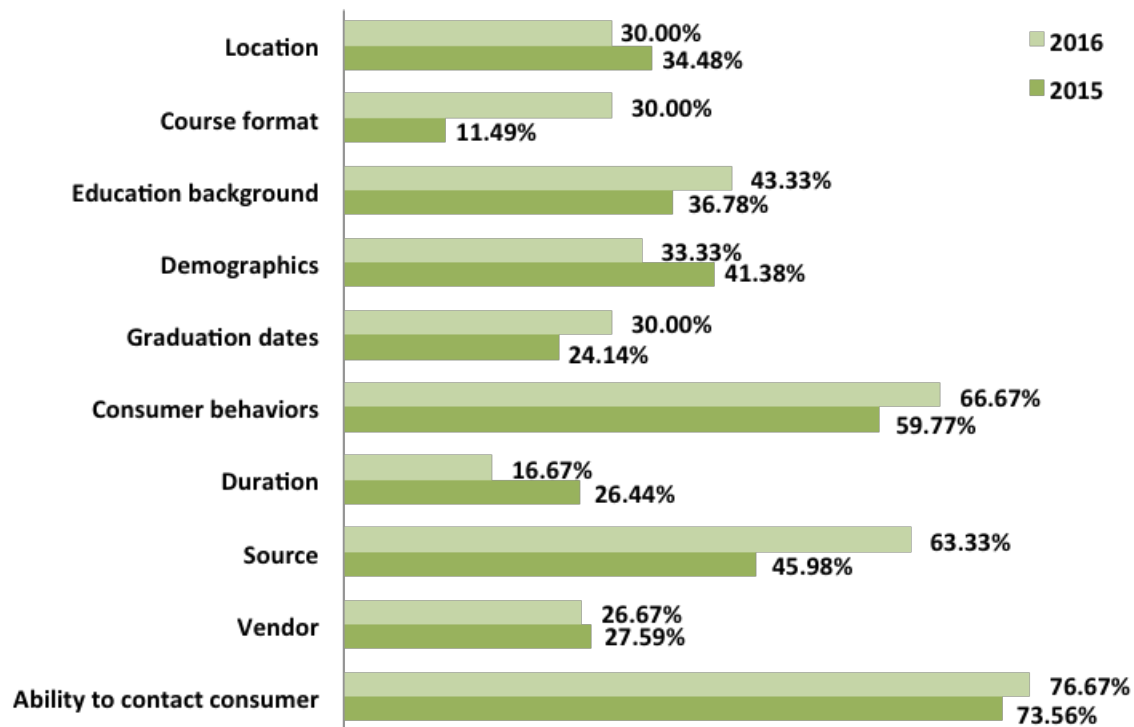


Rate your agreement with the following statement: "The lead generation ecosystem is healthy and meets my expectations with regard to overall quality and performance."



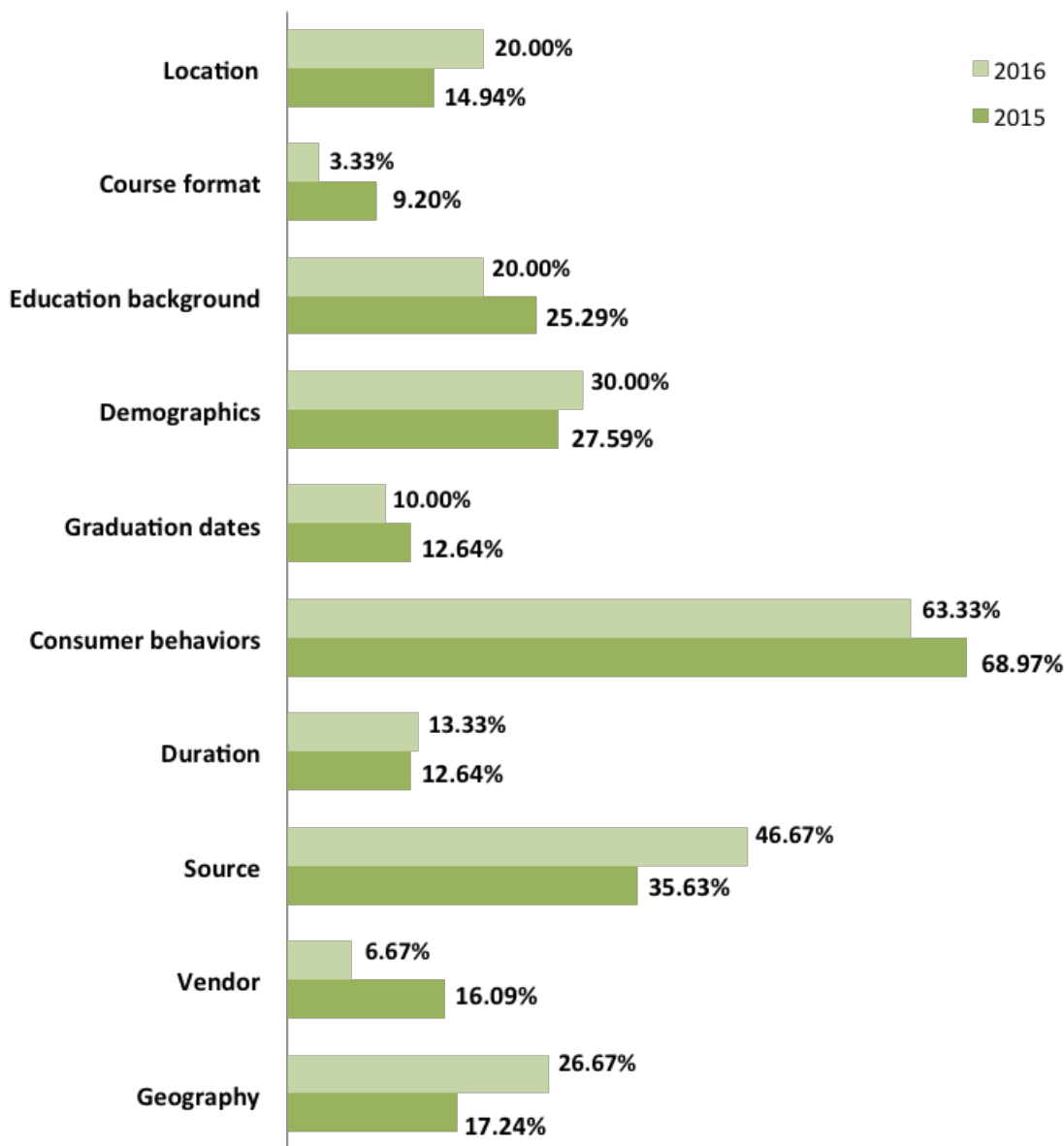
The "agree" camp has continued to lose ground to the "disagree" side regarding the state of lead generation. Indeed, with half of the colleges and universities now disagreeing, the ecosystem faces an uphill battle to regain confidence.

What data helps you understand the value of a lead?



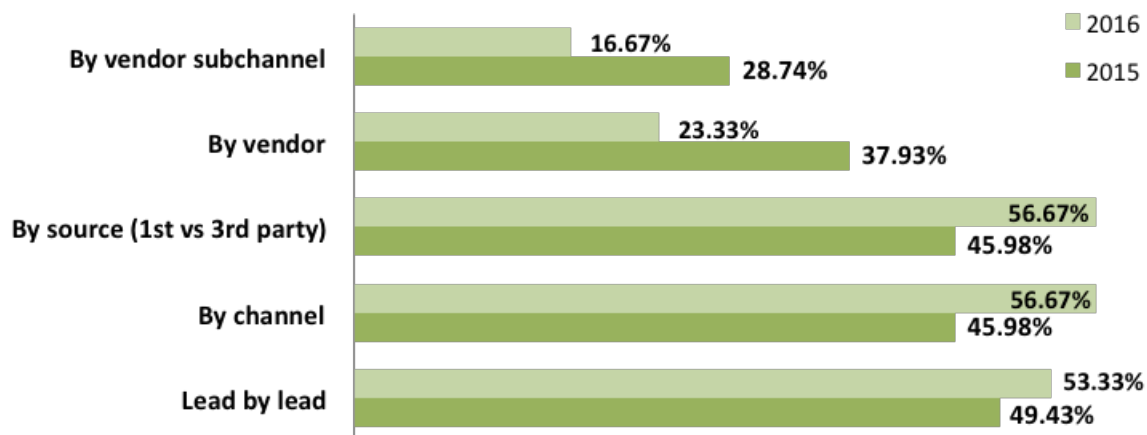
Ability to contact remains the most important information relevant to evaluating leads, with source rising in importance. Course format, time prospect considers applying, graduation dates, and vendor continue to be the least helpful data. The information institutions would like more of for these purposes has remained largely consistent with the previous years. Consumer behaviors still rank highest. The desire for more information on source, location, and geography—all related bits of data—grew while interest in other categories remained fairly constant.

What data do you wish you had more of?

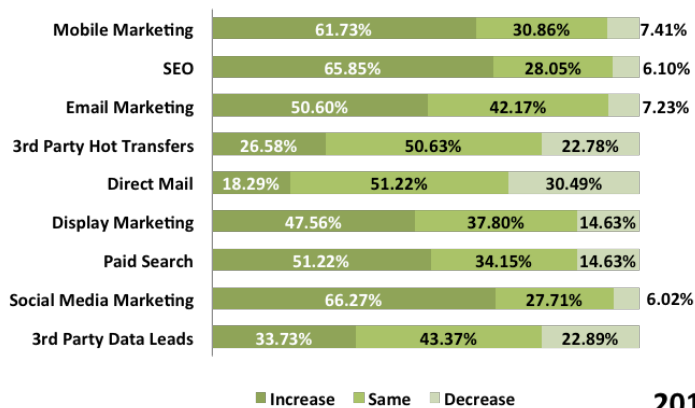


The lead-by-lead, by-channel, and by-source methods have increased their utility for evaluating lead quality compared to by-vendor or by-vendor-subchannel approaches.

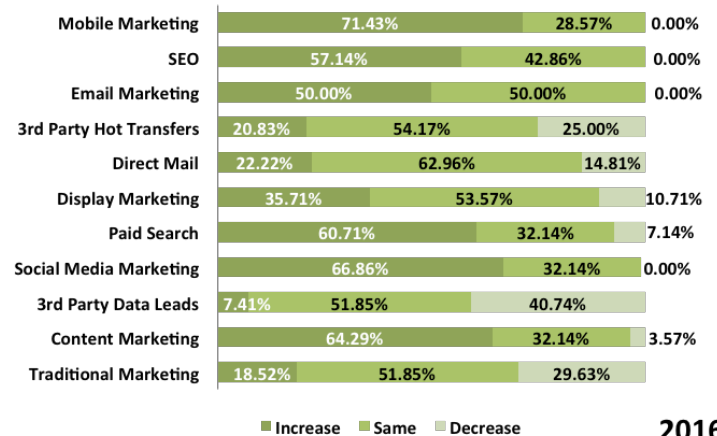
How do you measure and evaluate lead quality?



What areas are you planning to increase, decrease, or remain the same budget over the next 12 months:



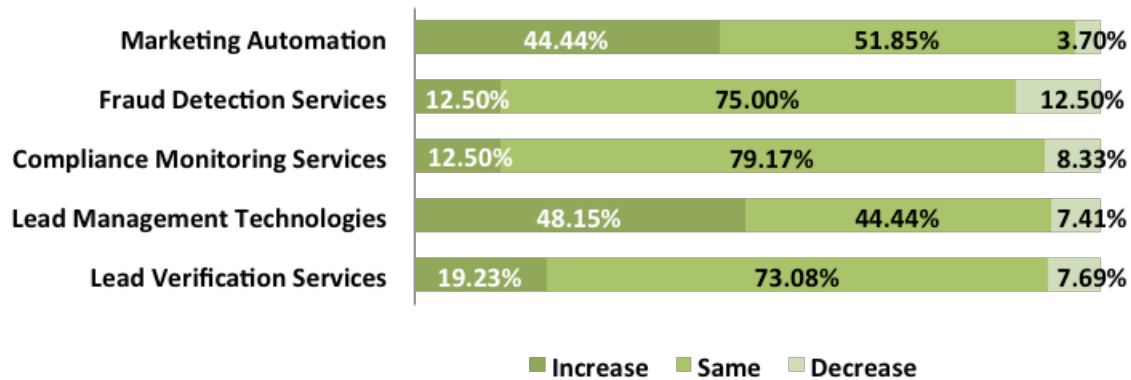
2015



2016

There is so little change in the feedback regarding where budgets are increasing or decreasing from 2015, the few points that have changed become glaring. Third-party data leads and traditional marketing are clearly not in favor, with many schools planning to cut back. Conversely, content marketing, paid search and mobile marketing are the darlings of budgets. SEO, email and social media continue to attract more money, a trend that is evident to anyone who spends any time using social media or conducting searches.

Are you planning to increase, keep the same, or decrease budgets in the following areas:

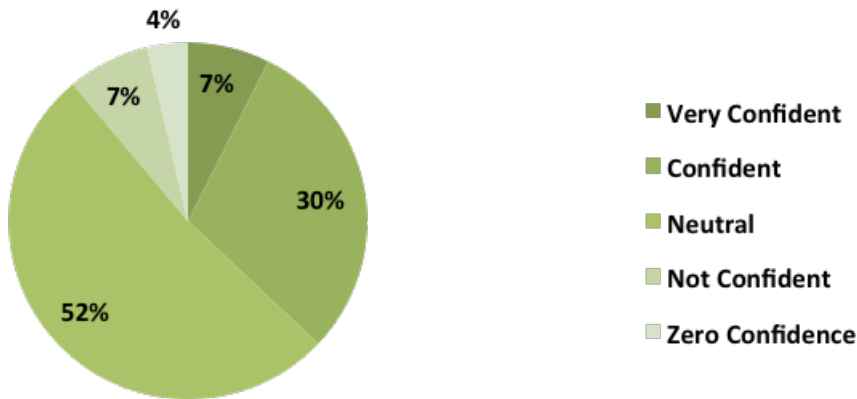


The data returned on planned budget changes for various services mirror the data returned in 2015. Automation and lead management continue to be areas colleges and universities are interested in putting money into. Very few institutions are cutting back in any of these areas.

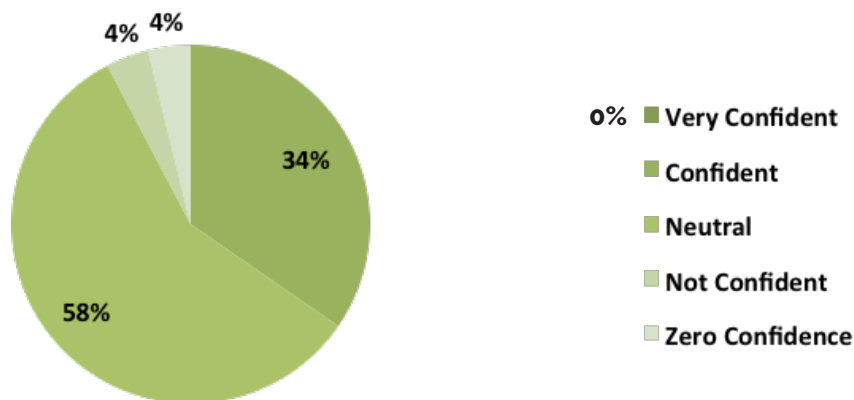
We asked institutions to rank marketing and enrollment goals from least important to most important. Ensuring compliance clearly received the overall lowest ranking, a noteworthy response given the regulatory environment. Increasing lead quality stood out just as clearly as the highest ranked when all the scores were combined. All other goals—improving contactability, increasing lead volume, improving lead management, improving student retention, understanding behavioral intent, and improving reporting—are all so closely grouped in the middle as to be statistically indistinguishable.

Confidence levels regarding regulatory compliance compare lead generation partners to agency partners to internal activities. Confidence levels continue to be respectable across categories, with internal efforts still considered most trustworthy. These high confidence levels are likely a strong contributor to the low importance higher education marketers are now putting toward ensuring compliance.

Rate the confidence you have in your lead generation partners with regard to regulatory compliance:

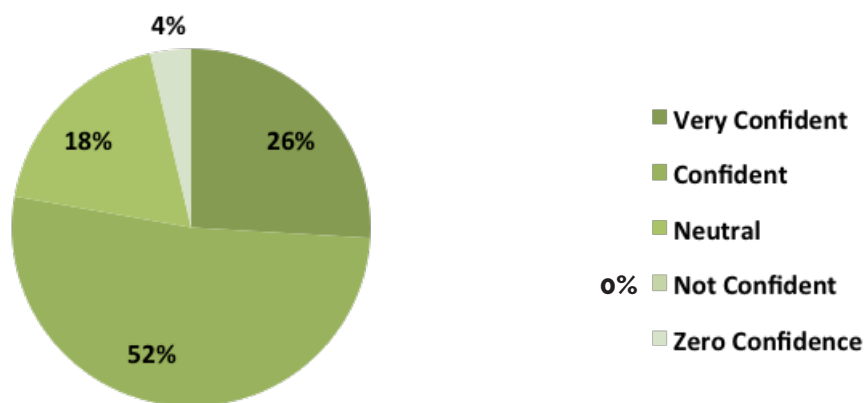


Rate the confidence you have in your agency partner with regard to regulatory compliance:



Are you confident in the regulatory compliance of your self-generated lead generation campaigns and web content?

This question is in reference to campaigns that you manage internally and content on your website. Not campaigns managed by an agency or 3rd party.



The higher education community has continued to reduce the share of its overall marketing budget to third-party lead generation partners. The quality of leads and cost per enrollment remain issues. Institutions are feeling their way around alternative sources for finding leads, sorting out which ones will provide equal or greater quality leads at lower costs. As a result, self-generated lead systems are still gaining ground, with investment in social media, content marketing, and SEO services becoming more common.

While the new generation of marketing channels maps closely to the platforms and outlets used by the new generation of college-bound individuals, the channels are not set on solid ground. The landscape is changing far too rapidly for anyone to know what works best before something new pops up.

However these channels provide the most desired aspect of an enrollment campaign: direct communication of the consumer's intentions.

Sourcing incremental leads and evaluating leads are tasks institutions are finding hard to do satisfactorily. That should come as no surprise given the level of expertise and commitment of resources needed to keep track of so many channels. Last year, we suggested college leaders would benefit from relinquishing some control over the lead generation process and placing it in the hands of trusted third parties. Based on this year's survey results, we again make this recommendation as an approach to best determining how to improve the generation of high-quality leads for achieving enrollment targets.

About The LeadsCouncil

The LeadsCouncil is an independent association whose members are companies in the online lead generation space from buyers to sellers, technology solution providers and investment professionals. All members are united in a common goal of promoting best practices and fostering trust regardless of vertical. LeadsCouncil was created by industry experts and evangelists whose ongoing mission both through LeadsCon and LeadsCouncil is to increase the size of the market and number of companies who leverage lead generation online.

The LeadsCouncil brings together:

- **Independence:** The LeadsCouncil is a fully independent alliance of lead generation experts founded by those who do not run any lead generation efforts of their own.
- **Online lead buyer participation:** With online lead buyers from various industries, LeadsCouncil avoids the pitfall of previous associations that have been unable to drive real innovation in the industry without critical feedback from this party.
- **Research:** The LeadsCouncil presents exclusive findings, lead metrics, statistics and market share findings to our members.
- **Transparency:** The LeadsCouncil members will have access to a special online directory that lists all members status, information and feedback.

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