LEADSCOUNCIL

2015 Education
Benchmarking Report

SURVEY: 2015 HIGHER EDUCATION LEAD GENERATION TRENDS

Post-secondary institutions continue to negotiate the new marketing landscape that requires investment in digital arenas while maintaining traditional channels. The expansion of choices available to reach potential leads for enrollment brings with it new pressures on marketing strategies and budgets. As a result, the quality of leads takes on even greater importance, as does measurements of effectiveness such as cost per enrollment and impact on profit margins. To continue mapping lead generation trends, we surveyed 173 people regarding their use of third party lead generation partners, marketing strategies and budgets, and enrollment results.

Of the schools surveyed 71.10% enrolled 10,000 students or less. Conversely, 28.90% had student populations over 10,000. This is a shift from 2014 when these categories were less than ten points apart. 35.84% of the surveyed institutions said their enrollments had increased, while 26.01% reported a decline in enrollments and 35.84% saw no change (four respondents answered "don't know"). A large majority (73.99%) offer both on-campus and online courses. Of the rest, 16.18% hold classes only on campus and 9.83% hold online classes only.
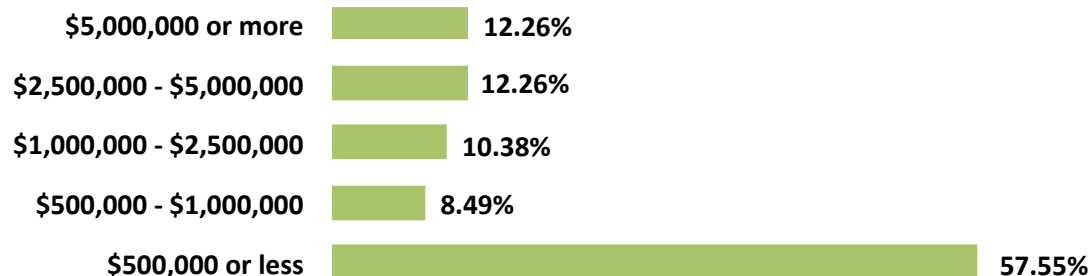
In a big transition from the 2014 results, only 38.15% of the people answering the survey were members of the marketing staff, compared to 87.78% last year. Instead, the duty was divided, with 29.48% of the respondents working in enrollment and 32.37% working in operations.

WHAT BEST DESCRIBES YOUR ROLE AT YOUR COMPANY?

Role	Percentage
Operations	32.37%
Enrollment/Admissions	29.48%
Marketing	38.15%

Purchases of leads from third party sellers have fallen off. While, in 2014, 57.14% of the surveyed institutions stated they purchased over 5,000 leads-a-month, only 25.47% reported purchasing that many in this year's survey. Also, while 30% of the schools last year stated they purchased over 20,000 third-party leads on a monthly basis, that figure has dropped to 9.43%. In contrast, 47.17%, almost half, replied they purchase 1,000 leads a month or less.

APPROXIMATELY WHAT IS YOUR ANNUAL BUDGET FOR THIRD-PARTY LEAD GENERATION CAMPAIGNS IN 2015?

| Budget	Percentage
$5,000,000 or more	12.26%
$2,500,000 - $5,000,000	12.26%
$1,000,000 - $2,500,000	10.38%
$500,000 - $1,000,000	8.49%
$500,000 or less	57.55%

Only 24.52% of the universities that participated in this survey stated they have an annual budget of $2.5 million or more. This is less than half of the number (52.86%) that stated the same in 2014. Just 12.26% have a third-party lead generation budget of over $5 million, a large decline from last year's 32.86%.
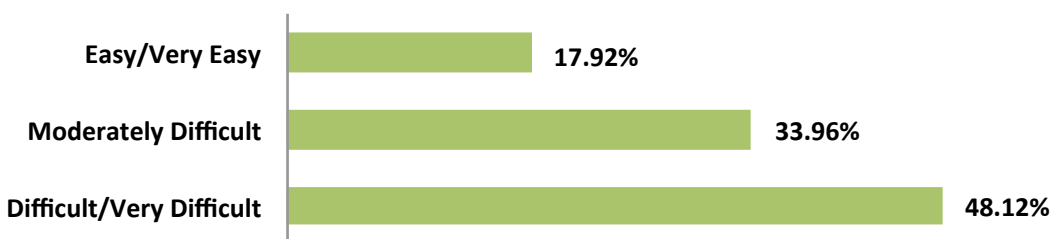
Overall marketing budgets make clear that many institutions have cut back, not only on purchasing third-party leads, but on most items. 70.75% of the schools surveyed had an overall marketing budget of $5 million or less, more than double the 34.28% of the year prior. Furthermore, an astoundingly low 18.87% of schools surveyed had an overall 2015 marketing budget of $10 million or more, down significantly from 45.71%. The high rate of spending on marketing has faded quickly. Is this a sign of the future, a temporary phenomenon, or the start of a roller coaster ride of hills and dips?

Part of the problem appears to lie with perceptions of the leads. Only 29.24% of the respondents rate more than forty percent of their leads as "quality" prospects. Conversely, close to half of the institutions (46.23%) believe one-fifth or less of their lead volume consists of "quality" leads.

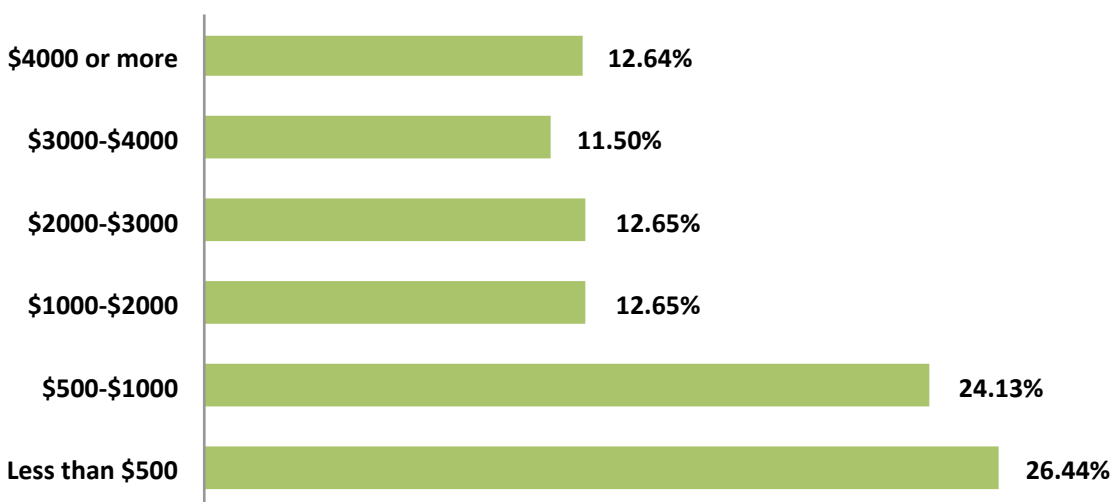## WHAT PERCENTAGE OF YOUR LEAD VOLUME DO YOU CONSIDER TO BE "QUALITY" LEADS?

Percentage Range	Percentage
0-20%	46.23%
21-40%	22.64%
41-60%	15.09%
61-80%	11.32%
81-100%	2.83%
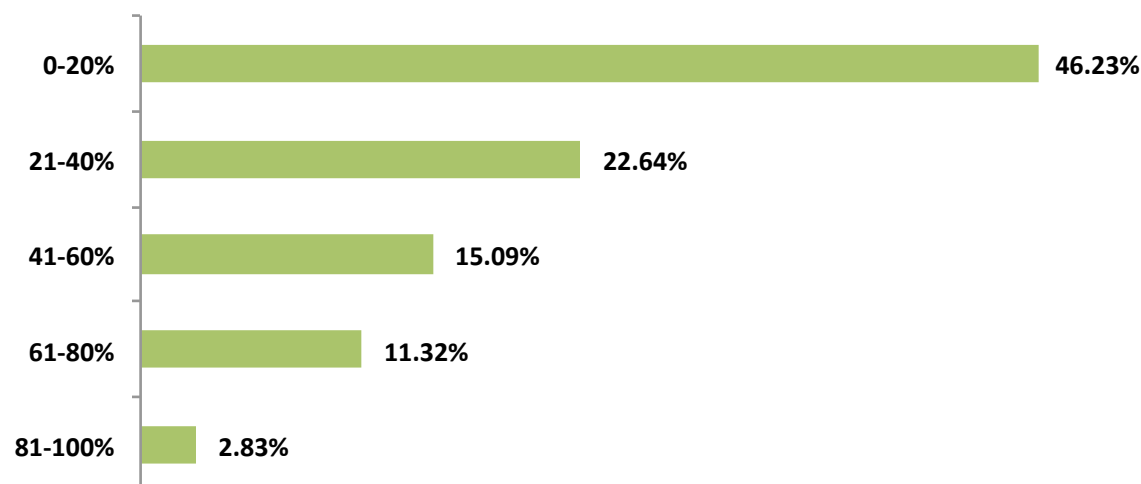
WHEN YOU NEED TO INCREASE YOUR FLOW OF QUALITY LEADS, HOW EASY IS IT TO FIND THE INCREMENTAL LEADS?

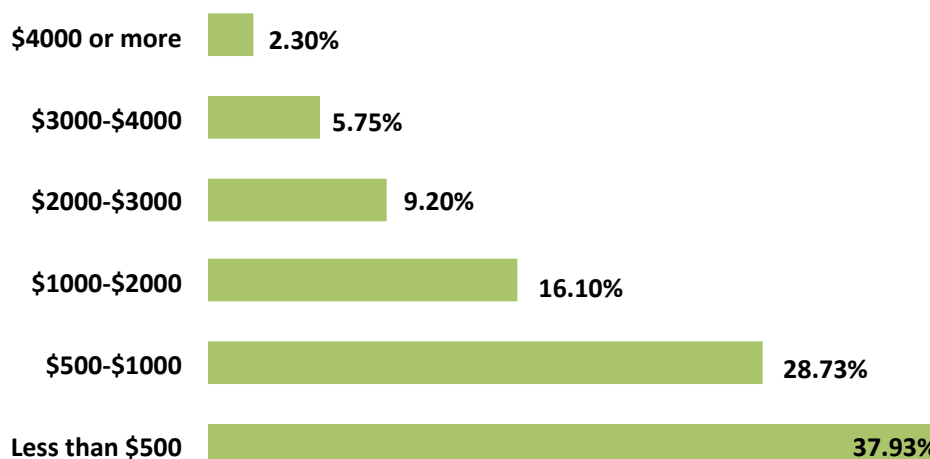| Category	Percentage
Easy/Very Easy	17.92%
Moderately Difficult	33.96%
Difficult/Very Difficult	48.12%

The perception of quality carries over to parsing incremental leads from the whole set. Less than one-fifth of the respondents (17.92%) find this activity easy. One-third (33.96%) found the task somewhat burdensome, which the LeadsCouncil team notes is ideally the worst it should be from the institutions' perspective. And almost half of the respondents state that finding incremental leads is difficult or very difficult.

WHAT RANGE DOES YOUR CURRENT COST PER ENROLLMENT FOR THIRD-PARTY LEAD GENERATION CAMPAIGNS FALL INTO?

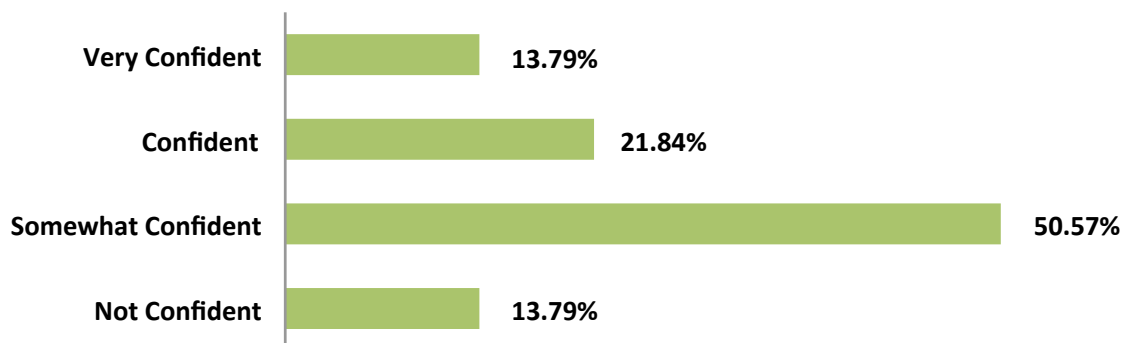| Range	Percentage
$4000 or more	12.64%
$3000-$4000	11.50%
$2000-$3000	12.65%
$1000-$2000	12.65%
$500-$1000	24.13%
Less than $500	26.44%

The median cost per enrollment (CPE) from third-party leads for these institutions is around $2,000, a bit lower than last year. However, CPE is less than $750 for self-generated lead systems, about half the cost of the year before. Unsurprisingly, 37.93% of the universities say their overall CPE rose, 45.98% report they have remained steady, and 16.09% have seen their costs drop.

## WHAT RANGE DOES YOUR CURRENT COST PER ENROLLMENT FOR SELF-GENERATED LEAD GENERATION CAMPAIGNS FALL INTO?

Range	Percentage
$4000 or more	2.30%
$3000-$4000	5.75%
$2000-$3000	9.20%
$1000-$2000	16.10%
$500-$1000	28.73%
Less than $500	37.93%

HOW CONFIDENT ARE YOU IN BRINGING THE NECESSARY DATA RESOURCES AND ELEMENTS TOGETHER TO FULLY OPTIMIZE YOUR LEAD GEN PROGRAM?

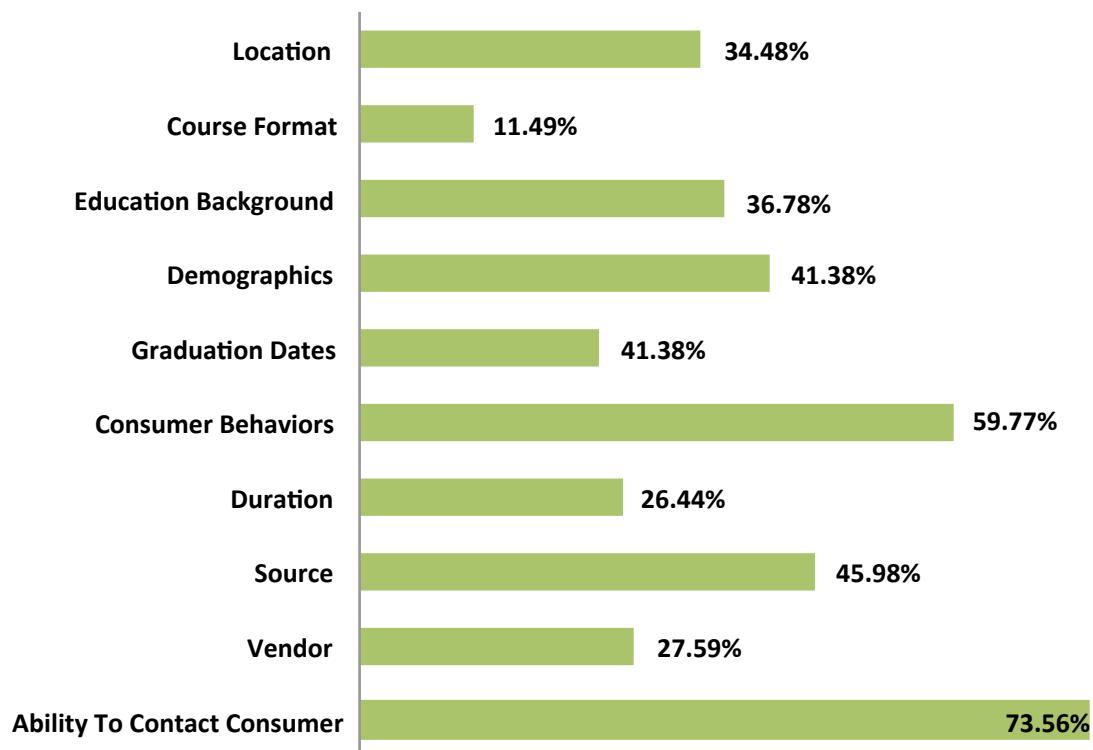| Confidence	Percentage
Very Confident	13.79%
Confident	21.84%
Somewhat Confident	50.57%
Not Confident	13.79%

While all but a dozen correspondents stated they were confident in bringing proper resources together to optimize their lead generation programs, more than half were only "somewhat" confident. An overwhelming majority of those surveyed have a moderate to very high understanding of program-of-interest trends among prospective students. Indeed, these two elements mirror one another.

HOW WOULD YOU RATE YOUR ABILITY TO UNDERSTAND PROGRAM-OF-INTEREST TRENDS AMONG PROSPECTIVE STUDENTS IN YOUR LEAD GEN PROGRAM?

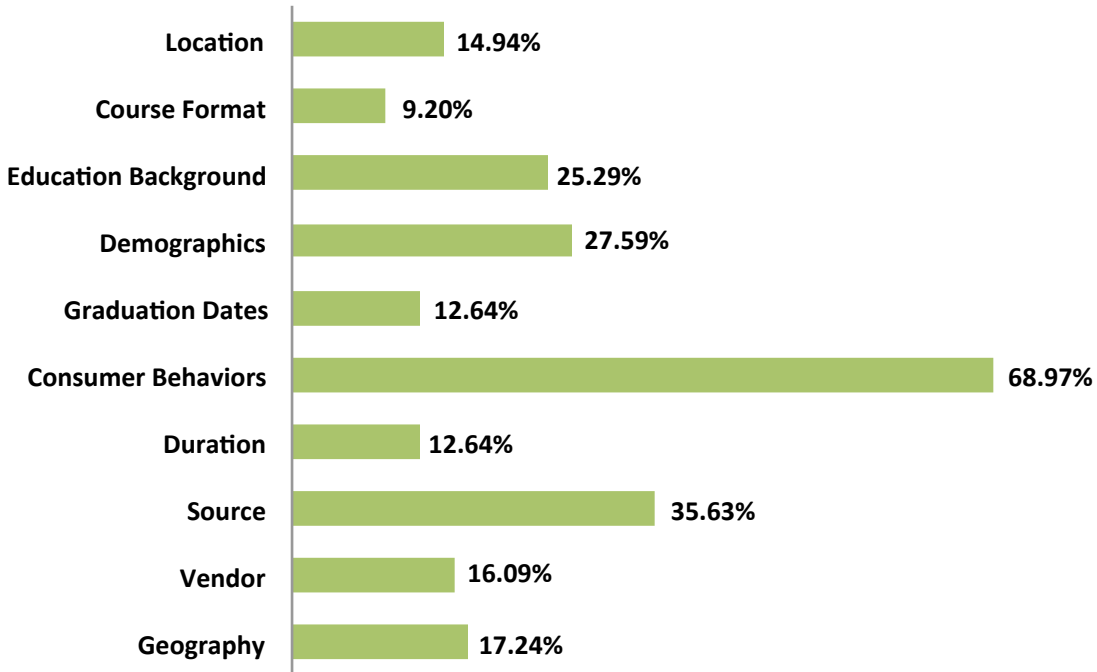| Rating	Percentage
Very Low	1.15%
Low	3.45%
Moderate	48.28%
High	33.33%
Very High	13.79%
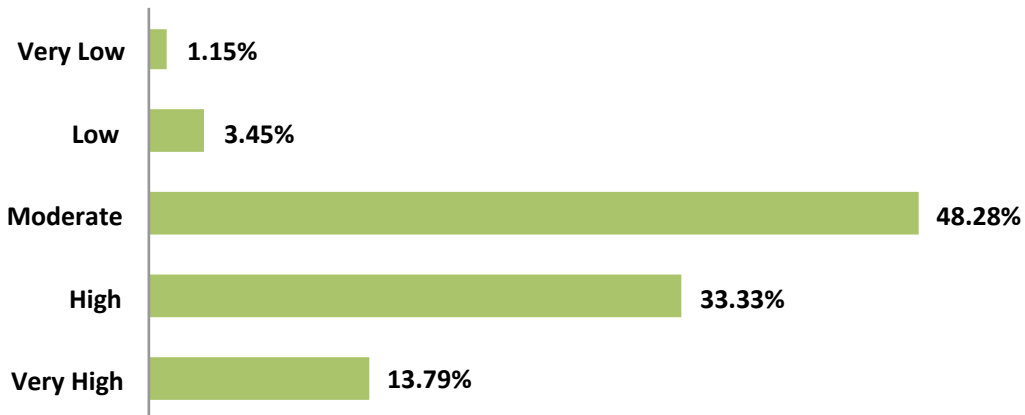
The ability to contact consumers is now the most important information relevant to evaluating leads. Course format, time spent submitting a lead (duration), graduation dates, and vendor information are the least helpful data.

WHAT DATA HELPS YOU UNDERSTAND THE VALUE OF A LEAD?

Data	Percentage
Location	34.48%
Course Format	11.49%
Education Background	36.78%
Demographics	41.38%
Graduation Dates	41.38%
Consumer Behaviors	59.77%
Duration	26.44%
Source	45.98%
Vendor	27.59%
Ability To Contact Consumer	73.56%

WHAT DATA DO YOU WISH YOU HAD MORE OF?

Category	Percentage
Location	14.94%
Course Format	9.20%
Education Background	25.29%
Demographics	27.59%
Graduation Dates	12.64%
Consumer Behaviors	68.97%
Duration	12.64%
Source	35.63%
Vendor	16.09%
Geography	17.24%

HOW DO YOU MEASURE AND EVALUATE LEAD QUALITY?

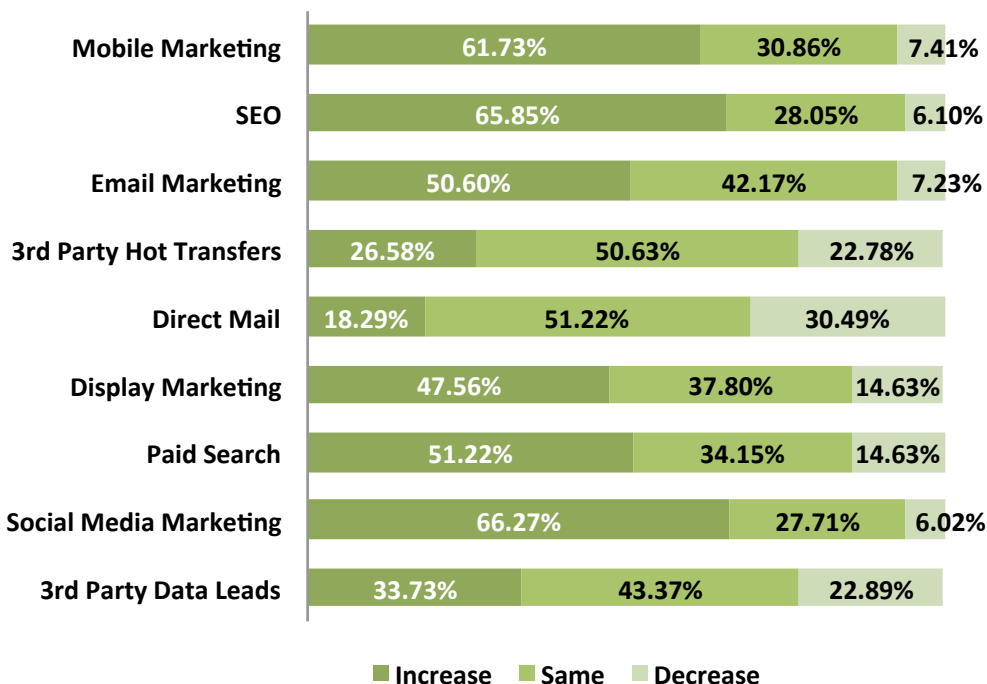| Category	Percentage
By Vendor Subchannel	28.74%
By Vendor	37.93%
By Source (1st Vs 3rd Party)	45.98%
By Channel	45.98%
Lead by Lead	49.43%

In the chart below, the respondents have drifted from the edges toward a more neutral stance regarding the state of lead generation, although the "agree" camp lost somewhat more than "disagree."

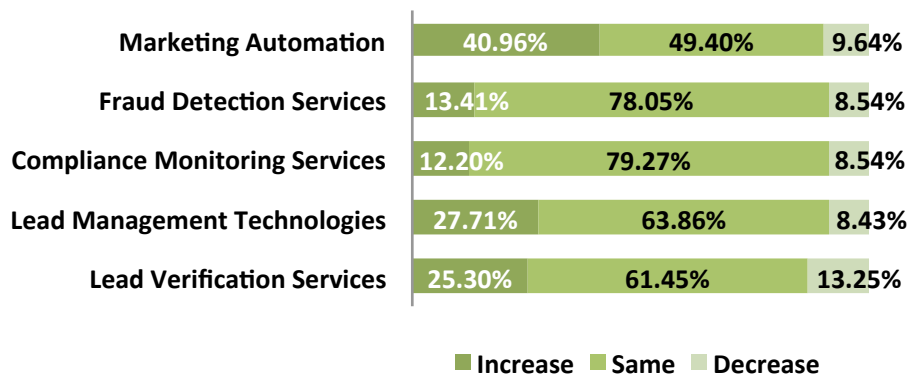## RATE YOUR AGREEMENT WITH THE FOLLOWING STATEMENT: "THE LEAD GENERATION ECOSYSTEM IS HEALTHY AND MEETS MY EXPECTATIONS WITH REGARD TO OVERALL QUALITY AND PERFORMANCE."

Strongly Disagree	16.09%
Slightly Disagree	27.59%
Neutral	33.33%
Slightly Agree	17.24%
Strongly Agree	5.75%
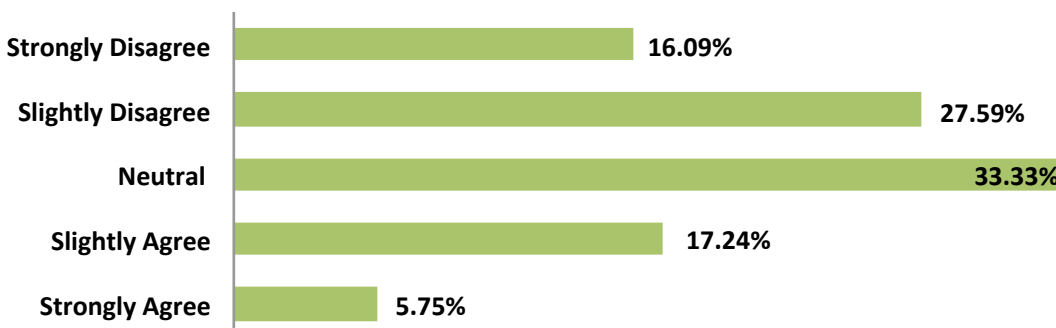
WHAT AREAS ARE YOU PLANNING TO INCREASE, DECREASE, OR REMAIN THE SAME BUDGET OVER THE NEXT 12 MONTHS?

	Increase	Same	Decrease
Mobile Marketing	61.73%	30.86%	7.41%
SEO	65.85%	28.05%	6.10%
Email Marketing	50.60%	42.17%	7.23%
3rd Party Hot Transfers	26.58%	50.63%	22.78%
Direct Mail	18.29%	51.22%	30.49%
Display Marketing	47.56%	37.80%	14.63%
Paid Search	51.22%	34.15%	14.63%
Social Media Marketing	66.27%	27.71%	6.02%
3rd Party Data Leads	33.73%	43.37%	22.89%

■ Increase ■ Same ■ Decrease

ARE YOU PLANNING TO INCREASE, KEEP THE SAME, OR DECREASE BUDGETS IN THE FOLLOWING AREAS?

|	Increase	Same	Decrease
Marketing Automation	40.96%	49.40%	9.64%
Fraud Detection Services	13.41%	78.05%	8.54%
Compliance Monitoring Services	12.20%	79.27%	8.54%
Lead Management Technologies	27.71%	63.86%	8.43%
Lead Verification Services	25.30%	61.45%	13.25%

■ Increase ■ Same ■ Decrease

Budgets are increasing in five of the nine areas tested, with more than half of the universities moving toward social media, SEO, email, mobile marketing, and paid search. Display marketing is trending up also. The institutions report they are moving away from or standing pat on direct mail while split on increasing or decreasing money spent on third-party hot transfers and data leads. The number of methods seeing increases indicates overall budgets may be rising in the future. This is seen in the low number of respondents who state they are decreasing budgets, although most are holding steady. Marketing automation and lead management and verification are advancing in 25 to 40 percent of the budgets.

Confidence levels regarding regulatory compliance compare lead generation partners to agency partners to internal activities. While confidence levels are respectable across categories, internal efforts garner 23% more confidence than lead generation partners.

RATE THE CONFIDENCE YOU HAVE IN YOUR LEAD GENERATION PARTNERS WITH REGARD TO REGULATORY COMPLIANCE:
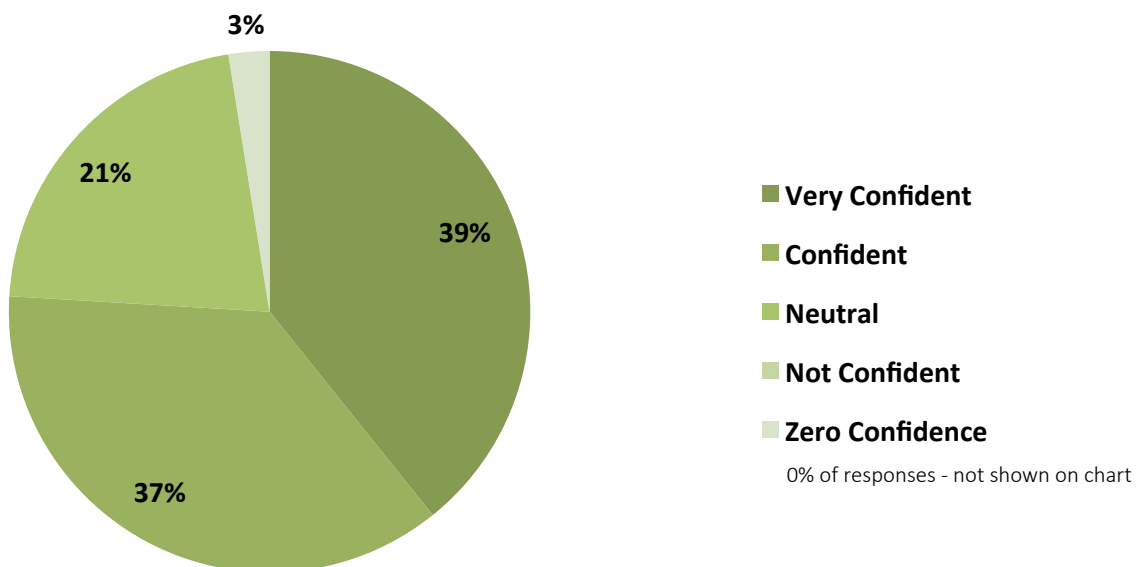
3%
5%
21%
37%
34%

■ Very Confident
■ Confident
■ Neutral
■ Not Confident
■ Zero Confidence
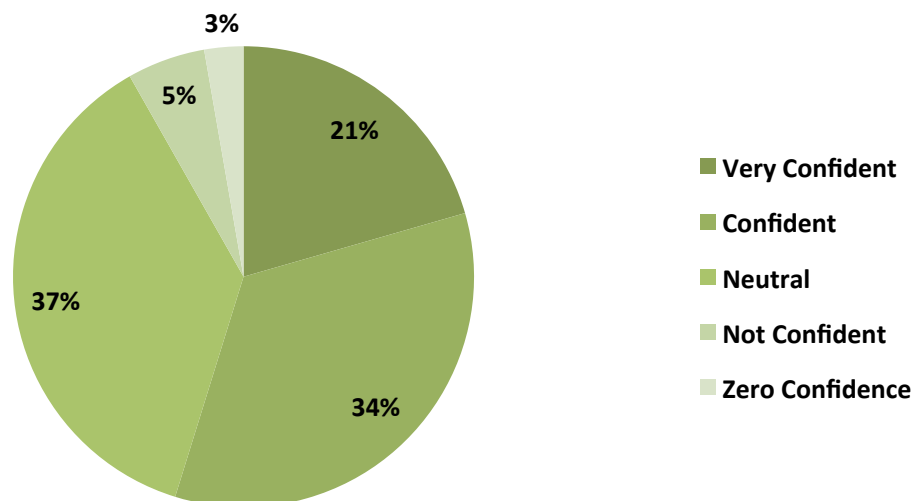
RATE THE CONFIDENCE YOU HAVE IN YOUR AGENCY PARTNER WITH REGARD TO REGULATORY COMPLIANCE:

3%
3%
27%
24%
43%

- ■ Very Confident
- ■ Confidence:
- ■ Neutral
- ■ Not Confident
- ■ Zero Confidence
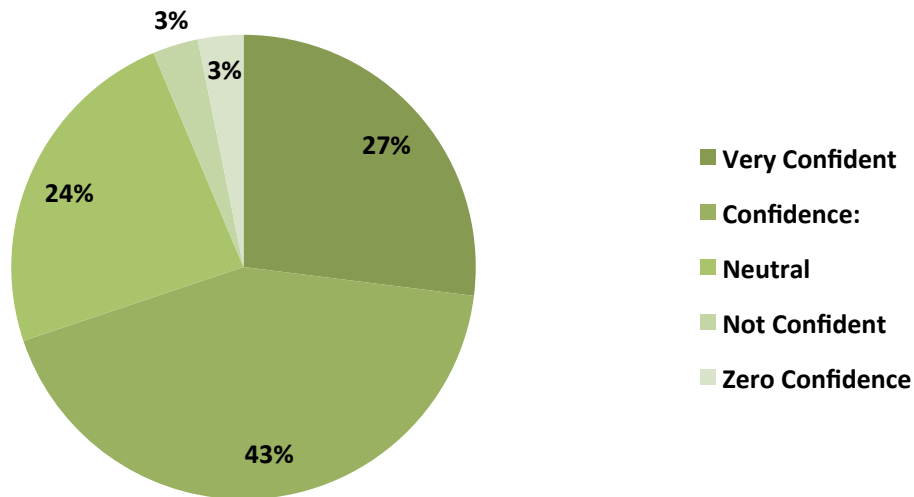
ARE YOU CONFIDENT IN THE REGULATORY COMPLIANCE OF YOUR SELF-GENERATED LEAD GENERATION CAMPAIGNS AND WEB CONTENT?

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.

3%
21%
39%
37%

- ■ **Very Confident**
- ■ **Confident**
- ■ **Neutral**
- ■ **Not Confident**
- ■ **Zero Confidence**

0% of responses - not shown on chart

In summary, the large share of higher education marketing budgets that was previously allocated to third-party lead generation partners has decreased. The quality of leads and cost per enrollment continue to be issues, but alternative sources for finding leads that provide equal or greater quality leads at lower costs are not surfacing easily. Self-generated lead systems seem attractive and may explain why social media, mobile and display marketing, and SEO services continue to be the baskets in which universities are placing their eggs. However, there is no guarantee that these channels will provide a greater value or higher quality leads – especially at the volume required by most institutions. They are perceived to be the new generation of marketing channels geared to the new generation of college-bound individuals; this perception has some validity given the amount of time students spend on mobile devices. They have the added benefit of potentially providing the most desired data: direct communication of the consumer's intentions. The choices available to post-secondary institutions remain the same as do the difficulties in finding incremental leads. While more confident about internal efforts, agencies and third parties continue to be trusted. Although outside help means relinquishing some control, it also forces university leaders to take stock of what they have been doing and how to improve. Consultative partnering relationships designed to result in the efficient generation of high quality leads remains a powerful instrument 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 have access to a special online directory that lists all member status, information, and feedback.

For more information please visit **www.LeadsCouncil.com**

ABOUT SPARKROOM

Winner of the "Best Marketing Agency" in education Gold LEADER Award from LeadsCouncil, Sparkroom is the leader in performance marketing for the higher education industry. We provide fully transparent, analytics-based strategies that are designed to do one thing—achieve your enrollment marketing objectives.

Sparkroom knows what it takes to attract the right students to your brand while managing recruitment costs. Our superior combination of marketing services and industry-leading marketing software gives schools a competitive advantage, allowing for improved efficacy of marketing campaigns.

For more details about Sparkroom, go to **Sparkroom.com** or call **877.423.1366.**

ABOUT LEADID

LeadiD is the data and analytics platform that enables marketers to use data, insights, and analytics to make the best decision on every intent-driven, online consumer interaction. It is the only independent, neutral, open technology platform that allows marketers to know the certified origin, history and network intelligence of every 1st or 3rd party lead – creating a standard data currency for the lead generation ecosystem to communicate and optimize. LeadiD witnesses more than 96% of inquiries created for the education industry.

Earlier this year, the LeadiD platform was recognized with three coveted LeadsCouncil LEADER awards in the Education category and five awards overall. LeadiD secured Gold for Most Innovative Company in Education; Gold for Best 3rd Party Lead Enrichment Partner in Education; and Bronze for Most Valuable Technology in Education.

For more information, visit **LeadiD.com.**