

Executive Summary

Higher education institutions are finding the solution to rising marketing costs and unmanageable prospect pools in strategic enrollment modeling. By identifying the key characteristics of enrolled students, a school can determine the likelihood of prospects and inquiries to enroll. Custom predictive enrollment modeling then uses these characteristics to build a statistical model that assigns a score to each prospect or inquiry, allowing the school to focus its marketing efforts on those who are most likely to respond. Targeted marketing through enrollment modeling helps schools save money and ensure that they meet enrollment goals.

How to Enroll the Class You Want
with Custom Predictive Enrollment Modeling

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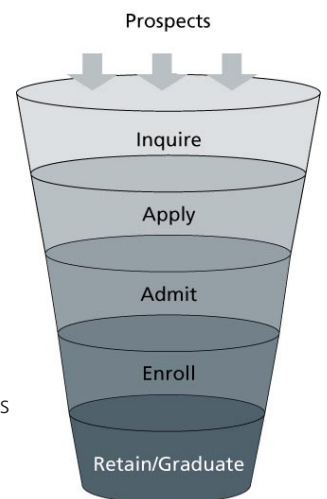
Why Higher Education Institutions Use Enrollment Modeling

Today's college applicants are more savvy than ever before. Online applications, relatively low application fees, and the common practice of ensuring a "safety school" can make securing a full class of enrollees each year difficult and expensive.

Therefore, many schools have turned to the "funnel approach" to meeting enrollment goals, buying tens of thousands of prospect names and mailing expensive "search" pieces to attract interest. Enrollment departments at colleges and universities are struggling to handle the growing size of prospect and inquiry pools.

But the reliance on large numbers is reduced when you can accurately classify prospects into groups. Marketing efforts can then be segmented according to the characteristics of each group, resulting in higher enrollment yields of desirable students.

Strategic enrollment management through predictive modeling lets you identify prospective students with desirable qualities, gauge their likelihood to enroll, and focus your marketing resources where they'll provide the greatest benefit. Many schools may find they can eliminate their initial search purchases when they target their communications through enrollment modeling.



Higher education institutions using predictive enrollment modeling enjoy the following significant advantages:

1. Meet Enrollment Goals

By segmenting applicant pools, you can identify your best enrollment prospects by geography, gender, ethnicity, field of study, academic standing, and other characteristics. This allows you to

Using predictive enrollment modeling allows you to meet enrollment goals and save enrollment and marketing costs.

focus recruitment efforts on the prospective students who are most likely to enroll, increasing your enrollment yield and improving effectiveness of your enrollment strategy.

2. Save Enrollment and Marketing Costs

You will find you can save your department money by targeting your communications more effectively. Enrollment modeling helps you reduce the costs of postage, printing, travel, and phone bills. You can also save time and effort by focusing the activities of your admissions staff, reducing uncertainty and duplication from the admissions process.

Without predictive enrollment modeling, all potential students receive the same attention, diluting the marketing efforts that should be focused on the high-priority prospects and wasting valuable resources on those who are unlikely to enroll.

How Enrollment Modeling Works

Identifying Key Characteristics

The common characteristics of students already enrolled at your school hold the key to predicting the likelihood of new prospects or inquiries becoming students. The most recently enrolled class of freshmen provides a base group to identify common characteristics of those prospects who chose to become students at your school.

Models can be built for the prospect or inquiry stage, and also for different target populations, using the most recent information from that stage and population.

Classifying Prospective Students

Once the model is developed, it is applied to all prospect or inquiry names from your university or college. Each is scored according to his or her likelihood to enroll, based on the characteristics that have been determined as influencing factors.

It becomes easy to segment your student leads once each is assigned a score. The higher the score, the better the match for your institution:

Prospect or Inquiry	Score / 1000	Classification
Megan Brady	857	High priority — Likely to enroll
Jonathan Phillips	621	Medium priority — Can be influenced favorably
Tracy Addington	398	Low priority — Unlikely to enroll

What a High Score Means

A prospect with a high score is likely to enroll in your institution. You will want to provide diligent communications to support and affirm his decision to attend your school.

A Mid-Range Score

A prospect with a mid-range score requires attention to guide them to apply and move into the enrollment funnel. Communication is paramount, as they can most likely be favorably influenced.

Low-Scoring Prospects

A low score indicates that a prospect is unlikely to enroll at your institution, regardless of the marketing efforts expended. By identifying these prospects, you can save time and marketing funds. You may choose to spend minimal resources on this group, such as postcards that direct the low-scoring prospects to your Web site.

Without predictive enrollment modeling, all three potential students receive the same attention, diluting the marketing efforts that should be focused on the high priority prospects and wasting valuable resources on those who are unlikely to enroll.

Of course, there will be students from the lower “buckets” who apply, are admitted, and eventually enroll. But by allowing those students to be self-selectors, you can conserve resources for the prospects who are more likely to respond.

Many schools classify the lead pool into five buckets, eliminating marketing efforts to the lowest 20% and making the top 20% the highest priority.

Targeting Recruitment Strategies

Once prospects or inquiries are successfully classified according to likelihood to enroll, you can target your school's marketing efforts appropriately.

Recruiting strategies may be adjusted for variables such as geography. For example, an in-state inquiry with a score of 700 may be recruited differently than an out-of-state 700, depending on issues such as tuition grant and tuition reciprocity programs.

The enrollment modeling process can be applied during any point in your recruitment cycle. Institutions typically submit new prospects or inquiries two to four times for scoring throughout the year.

How One University Used Enrollment Modeling to Manage Prospect Pools and Improve the Enrollment Mix

Abilene Christian University (ACU) in Abilene, Texas, has been using predictive enrollment modeling to assist in market segmentation to build and enroll better pools of students since 2000.

ACU's prospect and inquiry pool sizes had grown to a level that was difficult to manage effectively and was straining its marketing budget. The university wanted to build selectivity, ethnicity, and academic quality while focusing on the percentage of incoming students belonging to a particular religious denomination.

The enrollment planning and research department saw predictive modeling as an opportunity to create an inquiry pool shaped like it wanted.

ACU used modeling as a tool to make communication decisions by constructing a matrix based on market segment and model score. The matrix allowed the university to leverage costs while dramatically increasing the quantity and frequency of direct mail and telecounseling efforts to those students in the inquiry pool who were most likely to enroll.

Improved Mix and Management of Prospect Pools

Everyone was pleased to see that the first objective, cutting pool sizes in half by drawing a high percentage of the class from the top half of model scores, was met. ACU also achieved its second objective: a better mix in its applicant pools.

Abilene Christian University (ACU) received 25.1% more applications and increased enrollment by 10.5%, with between 22% and 40% more applications from the core segments they wanted to grow.

Comparing the first year of implementation with the previous two years, ACU received 25.1% more applications and increased enrollment by 10.5%, with between 22% and 40% more applications coming from the core segments the university wanted to grow¹.

ACU also found that, in addition to meeting its strategic enrollment management goals, enrollment modeling also allowed for several operational advantages²:

- ◆ Cost savings reinvested to enhance communication to top students
- ◆ Increased frequency of contacts to inquiries in higher buckets
- ◆ Easier management of telecounseling projects
- ◆ Prioritization of admission interview calls

The accuracy of the enrollment model was confirmed by the actual enrollment results. ACU was able to focus resources confidently, lowering the number of search names purchased and becoming more aggressive in eliminating students with lower model scores.

Custom Predictive Enrollment Modeling at Your School

Your school can also take advantage of the targeted applicant pools and better focused marketing available through custom predictive enrollment modeling. Below, you'll find a few tips on what to expect and how to get started.



Lawrence Henze, managing director of Blackbaud Analytics, has extensive experience in fundraising, market research, and the application of predictive modeling services to the nonprofit marketplace.

The founder of Core Data Services, which Blackbaud acquired in 2001, he has also served as vice president of predictive modeling services at USA Group Noel Levitz and president of The Philanthropic Division of Econometrics, Inc.

Mr. Henze has 15 years of experience in development, raising more than \$125 million, primarily for higher education institutions. He holds a BA in political science from Carroll College in Wisconsin, and an MA in public policy and administration and a law degree from the University of Wisconsin at Madison.

1. Choosing a Vendor

The ideal vendor will understand modeling, higher education marketing, and strategic enrollment concerns in order to create a solid model to predict the application and enrollment behavior of your potential students.

It can be very useful if your vendor has former higher education marketing practitioners on staff who can assist in the delivery of results once your custom model has been built and tested. They can discuss with you their findings and recommendations for using the data to maximize your enrollment management strategies.

Finally, the right vendor should provide follow-up support, as predictive enrollment modeling can work only if you apply the results. A good vendor will check back with you to make sure your organization understands how to use the results and that you are, in fact, applying them. You can find out how a vendor performs by speaking with the company's current customers.

2. Building the Model

Because most higher education institutions have their data stored in some form of electronic database, getting started is just a matter of pulling together the past year's data.

A good vendor should be able to accept most electronic database formats. The vendor will then clean them, appending other data if required, such as prospects' economic data. Then the vendor will start to build your custom model.

¹ *Journal of Marketing for Higher Education*, Volume 13, Issue 1/2, core markets, p. 40, table 5 data, p. 50

² *Journal of Marketing for Higher Education*, Volume 13, Issue 1/2, p. 41

about Blackbaud

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Be wary of companies that use high numbers of variables to predict enrollment. Using demographic analyses and some descriptive variables in prism clusters can lead to overbroad categorization. This may cause a large number of households to be averaged together when they should be considered separately. As well, endogeneity may be a concern. This occurs when fields are included that do not actually provide any bearing on a prospect's likelihood to enroll (for example, a prospect's email address).

Once the model is complete, the vendor should place the results into a software format that you can easily interpret and use.

3. Continuing Achievement of Enrollment Goals

In order for your institution to meet enrollment goals and significantly reduce marketing and enrollment costs, you should be prepared to act on the information gained from your enrollment model, targeting marketing resources appropriately according to the classification of leads.

Each year, variables such as curriculum, tuition, course offerings at competing institutions, etc., can all impact the characteristics of those who are likely to enroll at your school. These factors must be taken into account to maintain accuracy. Your vendor should work with you each year to customize the model and provide your enrollment department with actionable information.

Schools that use predictive enrollment modeling continue to see increasing benefits and become more comfortable relying on it year after year — but the sooner you focus your resources, the sooner you will reach your enrollment goals and achieve cost savings.

Conclusion

Custom predictive enrollment modeling works by identifying key characteristics and classifying prospective students. Recruitment strategies can then target prospects according to likelihood to enroll and other desirable attributes.

Colleges and universities that make predictive enrollment modeling a part of their institution's strategic enrollment management practices typically experience:

1. A significant reduction in recruitment costs
2. Achievement of the expected freshman enrollment, through increased focus on "most likely to enroll" prospective students