Retooling the Enrollment Funnel:
Strategies and Metrics for a New Era

For more than four decades, enrollment managers have shaped their strategies around the model of the enrollment "funnel," which provided an effective metaphor for the process of advancing students from the prospect pool to the subsequent categories of inquirers, applicants, admits and—if the stars align for a particular institution—enrollees. Today, due to shifting demographics, the role of technology, and altered patterns of student behavior, the traditional funnel management approach is proving inadequate to the challenge of meeting institutional enrollment goals. Colleges that wish to remain successful in the face of these rapidly changing dynamics need to employ a new paradigm, one that uses more sophisticated search strategies and new metrics to track and enroll the desired number of students who are a good fit for the institution.

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What is driving this model shift?

In recent years, applicant pools have swelled at institutions across the country. The number of high school graduates has increased steadily for the last decade. In addition, students have been applying to more schools, and far more of them—as many as two-thirds—are applying to college online. The number of students who apply using the Common Application has surged 25 percent, encouraged by the lowering of barriers such as application fees and the need for references. Complicating the process for enrollment managers, many prospective students are remaining anonymous until the point of application, behaving like "secret shoppers" who research college choices without making advance contact with their considered institutions. Many students are also waiting longer to apply, shortening the window of time during which institutions can learn to know their applicants.

As a result of these overlapping trends, yield rates among first-year applicants at both public and private four-year institutions are on the decline, suggesting a growing disconnect between traditional enrollment management approaches and market realities.

More challenges lie ahead. As the overall number of high school graduates begins to decline, postsecondary institutions will face greater competition for traditional-age students. In particular, states in the Northeast will experience a severe contraction in 18-year-olds in the next decade. Growing diversity in the postsecondary population will create additional challenges for institutions as the nation's public high schools produce more Hispanic and more Asian/Pacific Islander graduates, while White non-Hispanic graduates decline.

At the same time, the economy is forcing stringent budgetary constraints on virtually all institutions of higher education, making it imperative for enrollment managers to target resources even more strategically to obtain the desired results.

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Where the funnel falters

For many years, colleges have purchased prospective student names from data providers such as the National Research Center for College & University Admissions (NRCCUA), the College Board, and ACT, viewing these names—which make up the first stage of the traditional funnel—as a *supplement* to the pool of names from a myriad of inquiry-generation strategies such as admissions travel, events, and referrals. Using the traditional funnel management approach, enrollment managers developed marketing and recruitment strategies to build sufficient volumes at each stage of the funnel to result in a desired number of enrolled students. To grow that final enrolled number, an institution sought to increase the numbers of students at each stage of the funnel, substantially shift the conversion ratio from one stage to the next, or a combination of the two.

Typically, colleges seeking to grow their enrollments simply purchased more names—as budgets allowed—pumping more names into the top of the funnel in hopes that this would translate into an increased number of enrolled students at the bottom. Most often, past list purchase practices were used to determine the number of students searched, without regard to what percentage of the enrolled student population came from the search pool. In other words, campuses did not take steps to ensure that their prospect pools produced a substantial percentage of their enrolled students. A combined prospect list might contain only 40 percent of an institution's enrolled class, leaving the other 60 percent to chance.
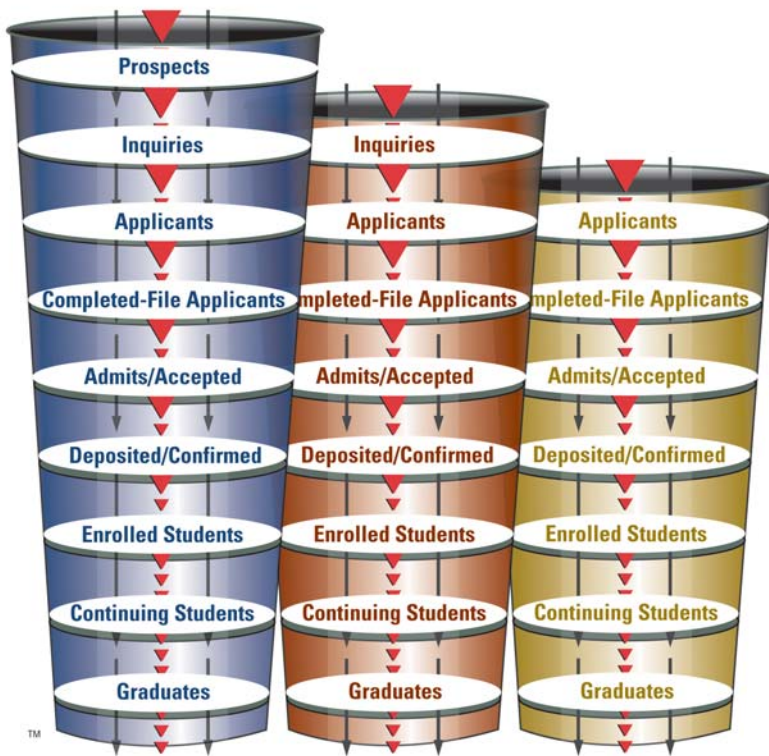
This traditional funnel paradigm also tends to view developing and communicating with the prospect pool as a one-and-done *event*, rather than a *process*. The prospect response rate (from search to inquiry) became the primary mechanism for evaluating the quality of the prospect pool, and the focus on moving students from one stage of the funnel to the next led institutions to discard high-quality prospects who didn't respond to the initial marketing contact. Conversely, by placing a disproportionate amount of emphasis on managing stage changes instead of actual enrollment results, institutions came to rely too heavily on top-of-funnel initiatives that led to increased inquiries or applications but failed to produce the desired enrollment results.

Of course, enrollment managers have always known that their prospect-level communications influence students to enter their funnel in other ways (sending a score report, applying, inquiring via the Web, calling for additional information, visiting campus, and so forth), but have often ignored this fact in building a prospect pool or designing a communication plan. Given the current enrollment environment—with the distinction between prospects and inquirers increasingly blurred and the enrollment process for many students beginning at the applicant stage—how can today's enrollment managers more effectively build and shape their desired class of students?
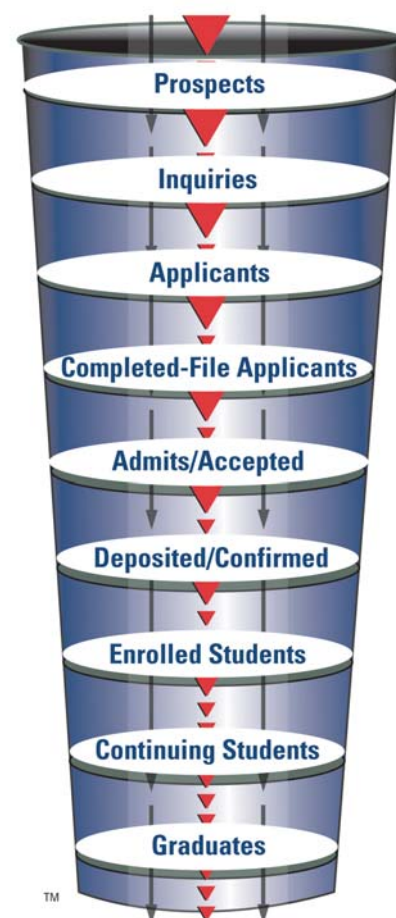
With the traditional funnel strategy, campuses would grow enrollment by adding more students to the top of the funnel, without qualifying how many of those prospects would actually enroll.

3 Channels of Entry

Prospects
Inquiries
Applicants
Completed-File Applicants
Admits/Accepted
Deposited/Confirmed
Enrolled Students
Continuing Students
Graduates

Inquiries
Applicants
Completed-File Applicants
Admits/Accepted
Deposited/Confirmed
Enrolled Students
Continuing Students
Graduates

Applicants
Completed-File Applicants
Admits/Accepted
Deposited/Confirmed
Enrolled Students
Continuing Students
Graduates

By developing multiple funnel reports, campuses can track student progression more accurately. For example, a prospect funnel should only track true prospects, not students who make first contact as inquiries or applicants. This multiple-report approach provides a clearer, truer picture of student enrollment behavior.

Getting more out of the prospect pool

While today's measurable search response rates may fall short of those of recent years, the value of a well-formulated and executed search is more important than ever. Few colleges can rely on general public awareness of their existence or offerings to drive students to inquire or apply, especially as they reach out to potential new markets. But institutions that are continuing to use search effectively are those adopting a critical change in thinking, according to NRCCUA President Don Munce. "Student search must shift from being a *feedback* mechanism to a *brand awareness* initiative that uses a multi-year, multi-pronged approach—rather than a single search campaign—to identify and communicate with students in target markets."

Rather than letting budgets determine the volume of students searched, the key to making judicious search purchases today lies in knowing how many of an institution's enrolled students came from its prospect pool(s), regardless of how those students eventually entered the applicant pool. The higher that enrollment percentage, the more effectively an institution is canvassing its target market.

While many institutions currently find fewer than half of their enrolled students in their prospect pools, the new enrollment paradigm suggests that number should be in the 50 to 70 percent range, advises Kevin Crockett, president and CEO of the higher education management consulting firm Noel-Levitz. "Schools that recruit primarily in a local or regional market should be reaching the higher end of that range," he states, "while those that recruit nationally should aim for at least 50 percent."

In order to obtain this greater return, marketing campaigns traditionally reserved for inquiries need to be extended to prospects (or subsets of the prospect base) in order to ensure that an institution is building its brand among students who may choose other pathways to application and enrollment. Specifically, colleges need to segment their communication efforts by predetermined levels of interest and yield within their prospect pools. They may purchase names earlier and/or later than in the past, depending on this prequalification, and they need to change their marketing approach with different subgroups of prospects, such as out-of-state students—knowing these subgroups will respond and yield at different rates. Communication strategies traditionally used for inquiries can be quite effective with prospects, such as inviting prospects to campus, sending them information on outcomes for students, or mailing them an application instead of waiting for them to request one. Increasing the frequency of communication to certain groups of students in the prospect pool can also build awareness for an institution.

Following these principles, an institution that has adequately canvassed its target markets will be able both to determine the appropriate size of its prospect pool and allocate its resources more effectively to enroll its desired class, employing a well-crafted communication plan that will not merely build the inquiry pool but increase the number of applicants who will ultimately be admitted and enrolled.

Segmenting communication strategies to prospects by level of yield

Activity	Lowest Yield	Low Yield	Moderate Yield	Highest Yield
Web site				
E-newsletters				
Personalized e-mail				
Direct mail				
Current student contacts (phone and electronic)				
Professional staff contacts (phone and electronic)				
Faculty/staff contacts				

It's imperative to optimize activities so that the most time intensive and effective are used on the students most likely to enroll. This chart shows how to do that by prequalifying prospects. Students who are less likely to enroll (the Lowest and Low Yield categories) receive contact through the Web, e-mail, and direct mail. Prospects with higher yield possibilities receive more personal contacts because these contacts are more likely to yield enrollment results.

This approach allows a campus to invest its time wisely and generate the highest enrollment impact from its prospect pools.

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New metrics for a new model

Within the framework of this new recruitment paradigm, new kinds of metrics are making it possible for colleges to track and prioritize their enrollment marketing efforts in order to achieve their goals. Two focal concepts are:

- The Prospect Coverage Rate (PCR)—The percentage of an institution's enrolled population that appears in its purchased prospect pool. For example, if 350 of a college's 500 enrolled freshmen appeared on its prospect lists, its PCR for that class would be 70 percent. With few exceptions, an institution should strive for a PCR of at least 50 percent.

- The Prospect Progression Rate (PPR)—The percentage of prospects who have progressed to various stages of the enrollment funnel, regardless of how and when they entered the enrollment funnel. For example, if a prospect list had 100,000 names and 1,000 of them eventually applied, the PPR from prospect to applicant would be 1 percent.

These metrics provide valuable guidance for designing an effective search strategy when used in conjunction with predictive modeling tools that help an institution differentiate and purchase high-quality prospect names. One such predictive tool, the Noel-Levitz/NRCCUA SMART (Strategic Market Analysis Research Team) Approach®, applies an institution-specific predictive model developed for a particular institution to the more than five million names in the NRCCUA prospective student database. This statistical qualification allows institutions to identify and purchase the names of students most likely to enroll—thus increasing the enrollment percentage of their prospect pools. This approach also uses multivariate analysis to prevent narrow list selection criteria from excluding groups of prospective students who otherwise have a high propensity to enroll. For example, many private colleges exclude students seeking a public college or university, unaware that the public-education seekers represent the majority of their enrolled class. In other words, this type of analysis and modeling can generate enrollment from market segments campuses would traditionally ignore.

Explains Noel-Levitz's Crockett, "The goal should be to use data about recently enrolled students to build a model that will assist an institution in purchasing and communicating appropriately with the prospects required to meet its profile goals for its future enrolled class. In this context, the PCR and PPR metrics are used to guide and evaluate the effectiveness of specific search strategies."

Most institutions should strive for a Prospect Coverage Rate of at least 50 percent. Using statistical qualification on purchased names, before making a name purchase, can help campuses achieve this figure.

Conclusion: Searching for success

The new enrollment paradigm is built on the simple, yet central principle of striving to ensure that a high percentage of an institution's future enrollees are included in its search pool. This requires setting clear profile goals for an upcoming class, studying the available data about previous classes, and putting a plan in place to "work the lists" in order to obtain a higher percentage of the desired enrollees from the prospect pool. Within this framework, the following concepts are critical reminders—and guideposts to success—for today's enrollment managers:

· Focus on fully canvassing the enrolled student population—but remember that the real target is *non-enrolling students* who resemble current enrollees. These are the ones who will increase an institution's Prospect Coverage Rate.

· Remember that prospective students will enter the funnel at a time and in a manner of their choosing, and design communication strategies accordingly.

· Deliver a Web site experience that encourages students to begin a conversation with your campus, personalizing that experience as much as possible. Research what information prospective students desire the most, and make that information as easy to find as possible.

· Analytics provide substantial benefits in managing the new paradigm. Use them to purchase better names and design more targeted, multi-tiered search strategies.

· Create *segmented* and continual communication plans at both the prospect and inquiry stages based on prospects' propensity to enroll.

· Be prepared to replace general messaging with increasingly targeted communications based on students' expressed interests.

· Learn to use a combination of direct mail and electronic contacts to produce the highest Prospect Progression Rates.

· Make search an ongoing process of gathering high-value prospects throughout the year, rather than a one-and-done practice.

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Questions about this white paper?

If you have questions about this paper, please contact Noel-Levitz today. To learn more about how to use SMART Approach to identify and communicate with your best prospects, visit our Web site at www.noellevitz.com/SMART. We also are happy to answer your questions about additional strategies to increase your Prospect Enrollment Rate.

Please call us toll-free at 1-800-876-1117, or e-mail ContactUs@noellevitz.com.

About Noel-Levitz

Noel-Levitz is a nationally recognized consulting firm that specializes in strategic planning for enrollment and student success in higher education. Each year, higher education executives from throughout the U.S. meet regularly with Noel-Levitz to accomplish their goals for student recruitment, marketing, student retention, and strategic enrollment management.

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