Competitive Advantage:

A PRIMER

Stamats, Inc.

Stamats is recognized and respected as the nation's higher education integrated marketing thought leader. Our comprehensive array of innovative services has set the standard for pairing insightful, research-based strategic counsel with compelling creative solutions. We promise our clients the highest level of professional service and attention to detail in the industry because, in the end, we know our success is measured entirely by theirs.

Our products and services are divided into two thoroughly integrated areas: 1) research, planning, and consulting, and 2) creative services.

Research, planning, and consulting includes image, perception, and brand studies; recruiting, marketing, brand, and academic program marketability audits; brand development; and tuition pricing elasticity and brand value studies.

Creative services includes creative concepting; Web search, analytics and social media strategies; and recruiting and advancement publications.

INTRODUCTION

Last fall, we wrote an occasional paper, *Wise Moves in Tough Times.* This summer, we wrote *Moving Ahead With Confidence.*[1]

We were astounded by the popularity of these papers and the accompanying on-campus workshops.

Because tough times continue for many colleges and universities, and because of our deep commitment to higher education, we wanted to offer some additional ideas and considerations that will help you—as presidents, senior leaders, and board members—think about the issues and opportunities that are before you.

The result is *Competitive Advantage: A Primer.* We organized this document into two broad sections. First, we wanted to address some issues that are truly strategic. And second, we wanted to offer some ideas for improving performance in such tactical areas as marketing, recruiting, and fundraising.

We hope you will find this information helpful. If you have any questions about any of the topics we discussed, please don't hesitate to drop me a line.

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[1]These papers may be downloaded at www.stamats.com/information/occasional_papers/occasional_papers

When Lean Management Turns Mean

Of the myriad management terms in play, it is the term "lean management" that makes me the most nervous. I am nervous not because lean management is a bad idea, but because it is being used to justify some bad behaviors.

At its most basic, lean management is a powerful concept. It stresses creating the greatest possible value for customers while using as few resources as possible.[2] Central to the idea of lean management are two tenets. First, increasing effectiveness and efficiency.[3] And second, protecting your core people.

In today's tough economic climate, I fear that too many higher education administrators are distorting the first tenet of lean management—increasing effectiveness and efficiency—and are overlooking the second—protecting key people. At this point lean management has become mean management.

When lean management turns mean, four things—all of them bad—occur.

First, lean management has become a fancy way of saying, "do more with less." When this happens, your best people will become overburdened on the one hand and frustrated on the other. Talented people want to be successful and they need to be given the time and resources they need to be successful.[4] They can tolerate scarcity for a while, but for only so long.

Second, your best people will burn out. One president recently mentioned that three vice presidents all had significant health issues related to being overworked.

THE ESSENTIAL QUALITIES OF GREAT LEADERS

Over the years, I have had the opportunity to work with a number of truly great college leaders. I have watched how they developed and communicated their vision. I have watched how they worked with their teams. I have watched how they made decisions. And I have watched how they recovered from missteps. As I watched, I took notes. The paragraphs that follow are drawn from those notes and are designed to highlight what I believe to be the essential qualities of great leaders.

First, the leader must be worthy. A team will not follow a leader whom they do not trust or admire. The team needs to sense that the leader has a moral center and is committed to both them and the institution. The team does not expect perfection in their leader, but they do expect honesty and integrity.

Second, the leader must have an initial vision for what he or she and the team are trying to accomplish. This vision must be compelling enough and have such gravity that it is able to overcome the attraction that team members have for their individual goals and agendas. People will not abandon habits and silos without a sense that something great is in the offing.

Third, the leader must demonstrate a bias toward action. While these leaders do understand the importance of discussion and decision making, they don't confuse talking about something with doing something. Effective leaders value good decisions, but their heart is in implementation.

Fourth, the leader must value the unique abilities of the other members of the team and create an environment that recognizes the individuals on the team. One administrator with whom I spoke said one indicator of an ineffective team is the "sameness" of the members. He goes on, "When I walk into a meeting and see people who think, act, and look like the leader, I know I am sitting with an ineffective team. The leader has not selected and hired team members; he or she has purchased replacement parts."

Fifth, great leaders must demonstrate a willingness to work for those who work for them. In other words, the leader must do everything within his or her power to make sure the individuals on the team, and the team as a whole, succeed. Leaders must run interference, settle disputes, assure the flow of resources, and occasionally take an arrow for the team.

George Clements once said, "The leader should spend a small amount of his/her time hiring the senior team, evaluating them, exhorting them, setting their compensation, praising them, kicking their butts and, when necessary, firing them. When you add all of that up, it should come to about 10 percent of the leader's time. The remaining 90 percent of the leader's time should be spent doing everything he/she can to help the senior team succeed."

Sixth, the leader must never commit the team to a goal or activity without determining whether or not sufficient resources are available. The time, talent, and treasure that are available must be consistent with the goals to be accomplished.

Of course, there are never enough resources, but there is a big difference between a leader who continually asks his or her team to be wise stewards of their resources and a leader who simply will not recognize the futility of unfunded mandates. Poor leaders don't understand that goals without sufficient resources become a form of bondage.

Seventh, the leader must value and reward performance. Talented people value goals and are comfortable having their progress toward those goals measured. At the same time, members of the team who do not, or cannot, perform must be removed from the team. Of course, the effective leader understands that people who contribute at high levels, who consistently meet and exceed their goals, and who set aside individual ambitions, must be rewarded.

[2] Closely tied to Toyota, lean management principles suggest that any process that does not clearly create value for the customer is wasteful, and thus a target for elimination.

[3] Lean management focuses on the reduction of "the seven wastes": rework, overproduction, convenience, waiting, inventory, motion, and over processing. While Toyota is, of course, a manufacturing entity, it is amazing how the seven wastes apply to higher education—without too much of a stretch.

Finally, effective leaders remember that they are always on stage. Everything they say and do is scrutinized for clues not only by the team, but by the rest of the campus as well. While effective leaders can relax, they can never forget. Everyone is watching.

If the leader does not evidence a critical mass of these qualities, it is likely that the team will not step forward. From their perspective, it is just not worth the risk. But if a worthy leader is in place, and the team can get a glimpse of a compelling vision, they are in for a wonderful ride.

Resource note: This article was drawn from a larger paper on leadership. It can be downloaded at www.stamats.com/information/whitepapers/pdfs/WhitePaper17.pdf.

ASSESSING INSTITUTIONAL VULNERABILITY

In June 2009, Chronicle Research Services released a compelling report: *The College of 2020: Students.* While much of the the data it contained are invaluable, it is the report's conclusion that I find most telling. In the final pages, the authors outline three broad types of colleges and predict their likelihood of surviving, even thriving, in the years to come.[5]

The report concludes, "Colleges have three basic business models for attracting and keeping students. Two [models] will continue to work in the next decade, and one almost certainly will not."

"The business model for the most elite colleges with sterling brand names, and for most flagship public universities, will continue to work for the foreseeable future. At those institutions, the demand for a brand-name degree and the traditional residential model will remain higher than the supply."

"The model for for-profit colleges and community colleges is also strong. They cater to older students who have no time for a traditional college "experience" but want and need courses that are available at times and in formats that fit their schedules." [I would add regional publics that are adept at serving both traditional age and adult students to this category.]

And then there are the many colleges in the middle. They don't have well-known brand names and wide recognition that draw crowds… For too long, these colleges have stuck with the same business model. They have hesitated to take courses online, to cater to adult and part-time students, and to offer courses at any time other than on weekdays between 9 and 5. When it is common for private colleges to give away their product at about a 40 percent discount, it might be time to question whether the business model can continue."

Wow.

Schools most vulnerable

Based on an extensive study, conversations with campus leaders, and 30 plus years working in the higher education marketplace, I believe that the following characteristics describe these vulnerable "colleges in the middle." As you consider these characteristics keep in mind that all schools evidence at least some of these trends. The schools that are most vulnerable, however, evidence many of them.
Here they are:

- Small <2,000 students
- Focus largely on residential undergraduate students
- Rural
- Little brand awareness
- Aid for current students is disproportionately loan based
- Academic programs are not differentiated from competitors
- Cost to attend is higher than major competitors
- No new market-based degree program offered in last two years

Third, your best people will get hired away. Regardless of whatever hiring freeze might be in place, a well-led college or university is always looking for truly talented people, and when it spots those people, it will pounce. Interestingly, and sadly, when your best people get hired away you will be left, in the end, with those people who have no option but to stay in place.

Finally, your young talent—the big contributors of tomorrow—will not be given an opportunity to grow. The resources they need for professional development will not be available. In addition, because you are short staffed, they are so busy simply getting through the day that they will not be able to skunk-work the time and energy they need to synthesize, attend the conferences, read the books, and earn the degrees. Over time, instead of having five years' worth of experience, they will have one year worth of experience repeated five times.

Everyone agrees that times are tough, and higher education should always be on the lookout for the tools that will help it become more effective and efficient. Lean management, properly defined and executed, is one such tool. Poorly defined and haphazardly applied, however, lean management will sacrifice the people that colleges and universities need most.

[4] Political support, budgetary support, staff support, time, and a clear sense of direction.

[5] It is gratifying that their conclusion parallels a series of articles I wrote in the early 90s that predicted the future for three types of colleges: brand name, commodity buys, and unknown four-year residential colleges.

The majority of these issues have been on the radar screens of cabinets and boards for a decade or more.

- Degree programs routinely designed without marketplace data
- Takes longer than one year to bring new program online
- Low first-year to second-year retention
- Low four-year graduation rate
- Have a high discount rate (uncertain brand value)
- Less than 3:1 ratio between endowment and operating budget
- Short-term "bridge" financing required in final quarter of academic year
- Trustees do not financially support the institution at a significant level
- Have not expanded pool of major donors
- Debt service more than 10% of annual budget
- Less than 20% of alumni give to annual fund
- Few unallocated dollars (little ability to invest in a new initiative)
- Faculty ages are bi-modal. A significant portion are under the age of 35 and a significant portion are over the age of 55
- President has been in place for less than four years or more than 12 years
- Senior team and faculty leaders are not able to agree on challenges school is facing
- Unable to make tough decisions in a timely fashion

Granted, our current economic climate has exacerbated many of the issues that are facing today's colleges, but the majority of these issues have been on the radar screens of cabinets and boards for a decade or more. One reason that so many schools are in crisis now is that they refused to deal with issues that should have been dealt with years ago.

I want to close by focusing on one "bullet": leadership. It is the quality of leadership—not external market forces—that will spell the difference between an institution that thrives and one that is marginalized or even fails. More than anything, these "middle colleges" need presidents, cabinets, and boards that are willing to squarely face the issues, develop a compelling vision, outline a clear strategy, work together, and execute.

Resource note: The monograph, *Colleges 2020: Students,* can be purchased from the *Chronicle of Higher Education* at http://research.chronicle.com/reports.html.

BUILDING THE SENIOR TEAM

A number of years ago, a seasoned president told me that his most important job was not to run the institution, but to build and support the senior team.

His explanation was simple. "Today's institutions," he said, "are too complex for any one individual to fully understand. It's pure ego when presidents think they need to be responsible for everything. My job is to build the team. The team's job is to run the institution."

There is no deep mystery about building an effective team. Rather, the key to building an effective team rests on how you answer a simple question: How will you and your team decide to work together? Will your group continue as a collection of people with differing goals and agendas who just happen to share a common table, or will you set aside those individual aspirations and motivations and decide to truly function as a team?

Qualities of today's effective team

Just as today's leader must have a handful of essential qualities and characteristics, so too must the members of the team. Here they are:

Orbit a truly worthy vision. Without vision, people and organizations perish, and in today's sometimes cynical organizations, visions are even more important. Your vision must be grand enough that it pulls your team members out of their orbits so they willingly orbit the larger vision.

Focus on fewer, more important goals. Goals are essential; however, too many goals can crush a team's spirit. If you are dealing with more than four or five major goals, you are more likely wallowing than striving.

Take the time to build trust. Trust is the oxygen of the team. Without trust, the team, like most anaerobic organisms without oxygen, dies. Trust doesn't occur automatically. The savvy leader knows that trust must be built and that it will take time. There must be trust between the team and the leader, and there must be trust among the team members.

Value appropriate conflict. Many leaders mistakenly believe that conflict among team members is bad. Actually, conflict is one of the best indicators that you have a healthy team. Conflict means that team members trust each other enough to disagree. One caution, however, is in order. While conflict is essential, conflict can only be allowed while the team is debating and only within the confines of the meeting room. Once the issue is aired and decided, the conflict ends.

Able to decide. A seasoned president once told me that pretty good decisions enacted are actually really great decisions. Too many senior teams spend far too much time dithering. Healthy teams love implementation.

Teams execute. Some time ago I worked with some people from the Sloan School at Massachusetts Institute of Technology. During the course of reviewing their marketing materials, I noticed a fascinating quote from a graduate student. When asked to summarize what he had learned during his time at Sloan, the student replied:

Think Daringly.

Execute Steadily.

Of the two, he said, execution was the most important.

Hold each other accountable. Effective teams cannot afford slackers. Everyone on the team must contribute at a high level. If a team member is not contributing, steps must be taken to diagnose why he or she is falling short. If the problem persists, that person must be removed from the team.

Manage the middle. Effective senior teams understand how important it is to manage the mid-ranks of administrators and staff. This means that the managers who report to the senior team must understand the need to work closely with their peers in other departments and divisions.

Measure progress. Effective senior teams keep score. They want to be measured, especially if that measurement is tied to a reward system.

Reward right. If a senior team contributes at a high level to the success of an organization, if they endure the mantle of responsibility and accountability, if they often overlook individual goals for the greater good, then they deserve to be well rewarded. If they are not, they will eventually ask, "Why bother?" Care must be taken, of course, that the reward system is tied to both team and individual goals.

Resource note: This short article was taken from a larger article on team building that can be downloaded at www.stamats.com/information/whitepapers/pdfs/WhitePaper17.pdf.

NOW MORE THAN EVER… VISION

When there is no vision, people become confused, frustrated, and waste valuable resources. Rather than acting in concert, they become discordant; instead of symphony we have cacophony. Without vision, people perish.

According to Nanus, a vision is a "realistic, attractive future shared by members of an organization." Nanus' definition has a number of key words: realistic, attractive, and shared.

Realistic means that it is possible.

Attractive means that is important not only to internal audiences, but external audiences as well.

Shared means that internal audiences understand not only the vision, but their role in achieving the vision.

Visions are not about the past or what you hold sacred (that's pretty much the domain of the mission statement). Rather, they are all about the future. A well-crafted vision serves the same purpose as that picture on the top of

Rather, the key to building an effective team rests on how you answer a simple question: How will you and your team decide to work together?

A well-crafted vision serves the same purpose as that picture on the top of the puzzle box.

the puzzle box. It is a guide, a sense of what you should look like. While your mission will always be important, today's future-oriented organizations are placing much more emphasis on where they are going and less emphasis on where they have been.

The need for vision in organizations

Karl Albrecht uses an analogy of a northbound train—with its unwavering commitment to a specific direction—to describe the importance of a vision to an organization. He says a vision is not "a platitude. It is not a slogan… it is an exercise in careful, clear, creative, disciplined, and mature thought. It provides a critical success premise that leaders can understand, commit to, and dramatize to others."

Attributes of a vision

According to James Kouzes and Barry Posner, visions are important because they:

- Focus on a better future
- Encourage hopes and dreams
- Appeal to core values
- Emphasize the strength of a unified group
- Provide clarity through the use of word pictures, images, and metaphors
- Communicate enthusiasm and (re)kindle excitement

There is one often-overlooked vision quality: The need to support your differentiation strategy. If, after reading your vision, people can't sense how your institution differs from your competitors in ways your audience values, then your vision likely will not provide the direction you need. Visions are not interchangeable. Your vision must be different than the visions of your competitors. The next article discusses differentiation in greater depth.

If you differentiate your institution in ways that audiences do care about, you are compelling.

My favorite vision was written by a black minister in 1963 on the steps of the Lincoln Memorial. Dr. Martin Luther King, Jr's "I Have a Dream" is widely considered the best vision ever crafted. I don't know if Dr. King was aware that he was delivering a vision statement, but he was. His listeners were captivated, galvanized, and empowered. Nearly 50 years later, his vision still inspires.

Resource note: A number of schools have truly great visions. For example, consider the visions of Biola, Abilene Christian, Elon, and Arizona State. These visions are great not because the words are lofty, but because they differentiate and the institutions committed the resources to help them achieve their visions.

THE MOST IMPORTANT MARKETING LESSON OF ALL: DIFFERENTIATION

There are many things that presidents, senior leaders, and board members can learn about marketing, but there is one thing you must learn: the importance of differentiation.

Too often, discussions about strategy center around the idea of "more"—we will serve more students, offer more programs, and be in more places. In many cases, a definition of strategy that centers around the word "more" has led many schools to an economic precipice. They have buildings they cannot maintain, curriculums that are bloated, and tuition that is unaffordable.

Instead of focusing on the idea of "more," I suggest that you consider focusing on the idea of "different."

The purpose of strategy, in today's marketplace, is to differentiate your institution from your competitors in ways that target audiences value.

This definition of strategy has three critical components.

First, it recognizes that the key to institutional success is different programs, not more programs. Differentiation means that when your competitors zig, you must, as Marty Neumeier suggests, zag. Instead of offering the same programs as your competitors, you offer different programs, or if you must, the same programs are offered different ways. "Onliness," being the only one in your competitor set doing something, is the key to differentiation.

It is important to remember that differentiation strategies rest on one or more of the 4 Ps: product, price, place, and promotion. Product differentiation tends to be the most difficult to achieve but is truly enduring. Price differentiation often leads to over- or underpricing and both can have catastrophic consequences in the marketplace. An improper understanding of how to differentiate on place is one reason why so many schools are caught in a facility arms race. Finally, differentiation based on promotion tends to be expensive and easily replicated by competitors.

Second, this definition of strategy demands that you develop a very precise, finite competitor set. Remember, your goal is not to differentiate your institution from the 3,600 other colleges and universities in this country. Rather, your goal is differentiate your institution from your true competitors; the handful of institutions with which you compete for students and donated dollars.

The third component of strategy involves the notion of value. This is pivotal. If you differentiate your institution in ways that audiences don't care about, you are overlooked. If you differentiate your institution in ways that audiences do care about, you are compelling.

Resource note: This issue was addressed more completely in a series of columns in *University Business*. They can be downloaded at: www.universitybusiness.com.

MANAGING THE ACADEMIC EXPERIENCE

One of our favorite tools is experience marketing. By definition, experience marketing involves identifying and managing, to a specific end, the individual sub-experiences that define the broader experience.

Experience marketing addresses a common disconnect between what was promised and what was actually delivered. This experience gap was highlighted in a study by Bain and Company. They discovered that 80 percent of organizations believe they deliver a superior experience, but only eight percent of their customers agree."

While experience marketing can be used to increase the quality of every student, donor, and faculty and staff experience, over the past couple of years we have used experience marketing tools to help clients define and enrich the academic experience they offer students. These clients understand that the quality and uniqueness of the academic experience is a significant and valued differentiator.

During the course of our work, we discovered that traditional students believe that the larger academic experience is actually comprised by 22 or so sub-experiences, including:

- Classroom experience
- Advising
- Availability of classes
- Variety of classes within the program (students can customize program)
- Faculty quality
- Student-to-faculty ratio
- Faculty-to-major ratio
- Class registration
- Use and availability of technology
- Academic assistance/counseling
- Library (coffee bar, study space, connectivity)
- Quality of other students (cohort groups)
- Facilities—smart classrooms
- Faculty commitment to teaching
- Faculty mentorship
- Opportunity to work with faculty on research
- Internships—co-op
- Graduate school placement
- Job placement
- Honors experience
- Transfer friendly (both to and from)
- Opportunity for travel abroad

Once the sub-experiences have been identified, you must then:

- Determine a current baseline of delivery
- Identify best practices for each sub-experience
- Map each sub-experience
- Engage, train, equip, and empower the people who deliver those experiences

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How Christian Students Choose a School

Statistically, students interested in a faith-based school choose a college in the exact same way as students who plan to attend an independent college. They define academic quality the same way, they participate in campus visits at the same level, and they spend the same amount of time on the Web. There are, however, a couple of issues that recruiters and marketers from faith-based institutions need to understand.

First, more students express interest in a faith-based institution than actually attend. As a result, sorting the students who are seriously considering a faith-based institution from students who are not is of critical importance. Fortunately, it is not difficult. As early as possible in your funnel, pose this question to your prospects: How many times a week are you involved in a church-related activity? Students who respond two or more are highly likely to attend a faith-based school. Students who respond one or less are not. Over the years, that question has proven to be highly predictive.

Second, students who are interested in a faith-based institution want to see the college's Christian orientation expressed throughout its curricular, co-curricular, and even extracurricular dimensions. Many of these students look to see if the school is a member of the CCCU, the Council for Christian Colleges and Universities. This association, and its 100 plus members, have done an outstanding job defining and delivering the faith-based education and experience that many of these students expect and value.

Third, colleges who seek Christian students need three different recruiting strategies. First, they need a strategy that

- Develop a Kaizen[6] approach to continual improvement
- Reward right
- Periodically assess progress against the baseline

Using this systematic approach to managing and delivering the experiences that matter most to students, donors, and others is a solid way to increase overall value.

Resource note: This article is drawn from our larger presentation, *Increasing the Marketability of Your Academic Programs*. Please let us know if you would like to have us present this workshop on your campus.

A SHORT LETTER FROM YOUR CHIEF MARKETING OFFICER

Dear Mr. President:[7]

I have wanted to write this letter to you for quite some time because there is much I want to share with you about how we can make our marketing efforts more effective. Here goes.

First, while I understand that you designated me the marketing champion, it is important to remember that you are the marketing sponsor. In other words, you create the climate in which I and the team must work. As president, the signals you send to others, particularly the senior staff, will have a significant impact on how marketing is perceived. If our marketing efforts receive only lip service from you, it will only receive lip service from others.

Next, I need to understand how you define marketing. Is marketing simply promotion? Are you interested in using marketing to help shape our academic programs? Do you want marketing to help increase net tuition revenue? Answer this question and we can get to work.

Third, you must be willing to make tough decisions. In particular, as president, you must help us decide our singular point of differentiation.

While debate on these issues is healthy and important, undue debate is not. Because there is never enough time, or enough money to do everything we want, making these decisions will help us prioritize and will help us focus.

Fourth, we need to finalize the marketing budget. I know we talked dollars when you put me in this position, but we never came to a conclusion on a final budget. Before I can proceed, I need to know how much money I have to spend. In most cases, my budget will come from two sources. First, new dollars (generally a smaller percentage), and second, reallocated existing dollars (the larger percentage). Because any discussion of reallocated dollars will likely involve the CFO and the senior team, I will need your political support.

Fifth, please don't saddle me with a large, politically correct marketing committee sprinkled with people who don't like or understand marketing. Instead of a marketing committee, I need a marketing team. Team members, by definition, understand their roles, support one another, and are willing to work toward a common goal.

Sixth, let me gather the data I need to do the job. Data will not only give us valuable perspective, but it will provide a solid and defendable foundation for decision making.

Next, we need to strive for integration at all levels. At the very least, there needs to be integration between the strategic plan and our marketing efforts. There also needs to be shared goals and accountability among the members of the senior team, especially the team members that oversee the five 'A's:

- Admissions
- Academics
- Athletics
- Alumni
- Advancement

Eighth, we need to develop a written integrated marketing plan. A written plan provides structure that will help assure its success. In particular, we need a plan that includes prioritized goals, audiences, actions

[6] Kaizen (pronounced ki-zen) is a Japanese word constructed from two ideographs, the first of which represents change and the second goodness or virtue.

[7] We recognize that a number of presidents are women. Please look at "Mr." as a generic.

by individuals, budgets, timelines and calendars, and evaluation mechanisms. If we are not willing to take the time to write a plan, then we are likely not that serious about marketing.

This next one is a bit sensitive so please bear with me. Recently, I heard you say that you didn't like the color of the viewbook cover and wanted it changed. While you certainly have the power to authorize that change, I encourage you to explore the rationale for the color that was chosen. Chances are that color was chosen for a particular reason. When you unilaterally make changes without listening to your staff, you undermine them and their work. Of course, it is your call, but please take the time to ask the question "Why?" before you act. Not only will your decisions be better, but the work of your staff will be affirmed.

Finally, give me the authority to do my job. Support me when I say "no" when someone wants to do something that is counter to our larger strategy. Let me prioritize activities when dollars get tight. Let me use research to evaluate our progress and refine tactics. And perhaps most importantly, let me discontinue activities that simply have no value. In other words, let me do the job you hired me for.

Resource note: For a broader understanding of integrated marketing take a look at *The Integrated Marketing Workbook*. It can be found at www.strategypublishing.com.

RECRUITING TRADITIONAL-AGE STUDENTS

Four things must happen for you to successfully recruit traditional-age students:

- You need a strong brand
- Your need a differentiated curriculum
- You must know how to recruit
- You need to know how to use financial aid adroitly

While each of these "bullets" is worthy of treatise-length treatment, space limitations require that I touch on each point briefly.

A strong brand

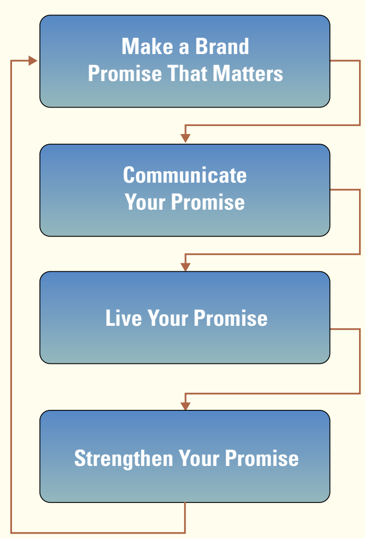
Strong brands have two essential qualities. First, they must be valued by your internal and external audiences. And second, they must differentiate you from your top four or five competitors.

A brand that is valued by prospective students, donors, and others is paramount. Without it, you are not noticed, or when noticed, you are not acted upon. When you and your brand are valued, you are compelling and indispensible.

Brand differentiation is equally important. Brands do not survive "sameness." The more you look and sound like your true competitors the greater the challenges that are before you. Earlier I mentioned the idea of "onliness." You find onliness by answering this question: What do we do that students care about and our competitors do not do?

At Stamats, we use a simple diagram to illustrate the brand-development process.

First, you must develop a promise that matters to your most important audiences. Second, you must effectively communicate that brand to students, donors, and other key audiences so that they are aware of you. This will require simple messages reinforced through multiple channels and media over time.



differentiates their institution from other public institutions. Second, they need a strategy that differentiates their institution from independent schools that are not faith based. And third, they need a strategy that differentiates their institution from other faith-based schools.

The Role of Parents in the College-Choice Process

By Becky Morehouse
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Each year, Stamats conducts dozens of studies of parents of prospective and inquiring students. In addition, we sponsor our annual *ParentsTALK*® that explores in great detail the role parents play in the college-choice process.

Drawing on these data and our experience designing communication strategies for parents, we know the following things about parents:

- When we say "parents," we most often mean "mom." Mom plays a larger role in the college-choice process than dad.
- Today's parents are much more informed about the college-choice process, have a better tool set, and have higher expectations than previous generations of parents. They expect quick responses to their questions and requests.
- Parents look at themselves as partners with and advocates for their children.
- Parents are concerned about cost, but cost is not always the deal breaker. Early in the process, students and parents create a set of schools to look at. Cost plays a big issue at this point. But once the set of schools is created cost tends to become a second-tier factor.

- Parents seldom say to their son or daughter, "go here." However, they are quite willing to say, "You are not going there." When parents play the veto card their sons and daughters almost always respect it.
- Parents believe that safety has three dimensions: physical safety, emotional safety, and for some parents, spiritual safety.
- Academic quality, from parents' perspective, includes a strong dimension of accessibility. Parents want to know that great faculty and great facilities are immediately available to their child.
- Parents are very interested in what happens after college. Did their child get the job or get into the right graduate school? They want to see the stats and hear the stories.
- Parents plan to stay highly involved in their child's college experience. Data suggests that they will visit their child six to seven times during their first year. We often use the phrase "helicopter parents." It is important to remember that there are two types of helicopters: rescue and attack. Parents will often play both roles when it comes to helping their children.
- Parents value the opportunity to talk to other parents.
- Parents expect you to keep the promises you made to their child when he or she was being recruited.

Resource note: If you are interested in having us present the findings of our *ParentsTALK*® study on your campus please let us know.

Next, you must live your promises. In other words, you must keep the promises you make to your most important audiences. Finally, you must strengthen your promise. Every year your programs need to get stronger, your faculty need to get better, and the experiences you offer students must be enriched.

One of the biggest mistakes you can make is to recruit students where you do not have a brand. Students simply will not attend a school with which they are not familiar.

Having a strong brand in place is a critical first step. Next, you must differentiate your curriculum.

Differentiate your curriculum

A differentiated curriculum is one of the most important assets you can have. To help develop a curriculum that is truly differentiated you must evaluate your programs on two dimensions: quality and demand.

Measures of quality include:

- Graduation rate by major
- Student satisfaction within the major
- Faculty evaluations within the major
- Job placement by major
- Graduate school placement by major

Note that these measures of quality are decidedly student-centric. We are not overly concerned with the number of programs, endowed dollars per student, or even the size of your library holdings. These historic measures of quality have little to offer in today's marketplace.

Measures of demand include:

- Student interest in the program (enrollment by major)
- Estimates of unused capacity[8]
- Employer interest in your graduates
- Number of top five competitors that offer this program
- Tuition discount level by major

This analysis will generate three important findings:

- Which programs have growth potential
- Which programs do not
- Which programs you might consider adding to your academic mix

Know how to recruit

While having a strong brand and a differentiated curriculum are critical first steps, you must also know how to recruit. This means that you have:

- Well-trained staff
- Sufficient resources
- Clearly defined the type of student most likely to persist
- Clarified your target geography (you should have done this as part of your brand-building strategy
- An understanding of the college choice variables that students value
- A written recruiting/financial aid plan that dovetails with your larger marketing and strategic plans. We strongly suggest that in addition to traditional recruiting activities, this plan includes an alumni recruiting strategy, a high school relations strategy, and a transfer student strategy

Most of the elements outlined above are pretty self-explanatory. However, I do want to quickly touch on a handful.

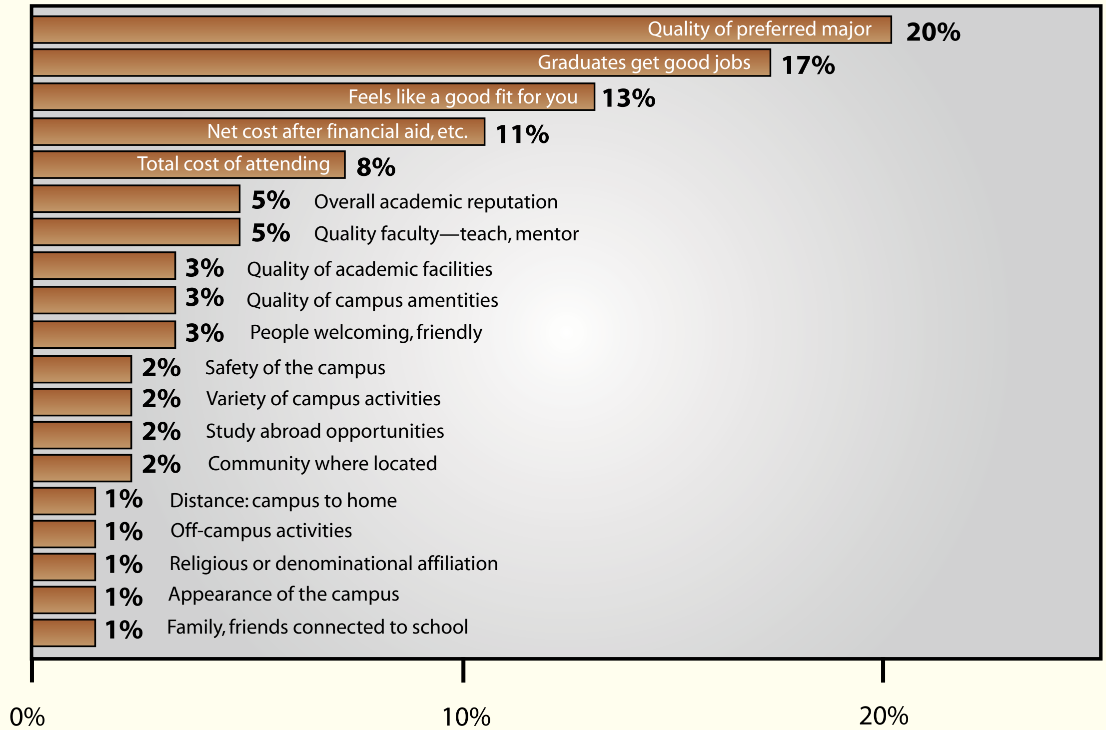
First, you need to have sufficient resources. It makes little sense to reduce admissions staff and resources in the one area that so clearly generates revenue. A better move is to cut other areas more deeply or even eliminate some areas so that you can make sure you are investing sufficient resources in admissions.

Second, define the students you want. Surprisingly, many colleges and universities launch their recruiting strategies without having a clear understanding of the kinds of students they want to recruit. As a result, their strategies are less effective, more expensive, and more likely to lead to later retention problems.

Third, understand the college choice variables that students value most. Our recent Stamats *TeensTALK*® study, for example, revealed that students value the following characteristics in their decision making:

[8]This is not a pure measure of demand, but it does help you identify those areas that offer growth potential.

Factor Importance When Selecting Colleges to Consider



While there are lots of things you can communicate about your school, savvy recruiters and communicators develop a visual and verbal vocabulary that focuses on the qualities and characteristics that students value most.

Know how to use financial aid

We are not financial aid experts. Fortunately, we know who is: Jim Scannell and Kathy Kurz of Scannell and Kurz. Their article on financial aid can be found later in this primer.

Resource note—brand building: We have a number of great papers on brand building including ___________, _____________, and ______________. You can also order my latest book, *Building Brand Awareness,* from www.strategypublishing.com.

Resource note—differentiated academic programs: We have a great audit that looks at the marketability of your academic programs. This audit focuses on two dimensions: quality (from the student perspective) and marketplace demand.

Resource note—recruiting: If you have concerns about your recruiting operation, consider having Stamats undertake a comprehensive recruiting audit. We would be glad to send you more information.

WHAT PRESIDENTS NEED TO KNOW ABOUT SOCIAL MEDIA

By Fritz McDonald
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Social media is all the buzz… and for good reason. According to a 2008 study by the University of Massachusetts-Dartmouth Center for Marketing Research, colleges and universities are adopting social media tactics faster than Fortune 500 companies. Amidst this flurry of interest and activity, however, it is easy to lose track of the larger strategy. With that in mind, we prepared this short article on what presidents need to know about social media.

Cost, Value, and Affordability

Last fall, I was fortunate to be one of the speakers at the iThink hosted by Target X. For the 100 plus enrollment and admissions officers who attended, the conversation was lively and heartfelt.

Not surprisingly, much discussion centered around college cost and its other dimensions: value and affordability. Because understanding these terms is so important, I wanted to take a minute to establish some working definitions.

Cost is a non-relational, objective variable. It is easily demonstrated and relatively easy to understand (assuming you clarify between cost before aid and cost after aid). From my perspective, cost is best used when you are the least expensive and your students are commodity oriented (cost and convenience).

While cost is relatively easy to understand, "value" is not. "Value" is a highly relational term because students and parents ultimately define value as part of a larger question: Are you worth the cost?

Our research indicates that of the three terms: cost, value, and affordability, the term "value" is losing currency for two reasons. First, when colleges say "value," families hear "this is how we justify our high cost." The value issue is further complicated because when colleges describe their value, they almost always do so in terms that do not differentiate their institution from their competitors. They talk about the value of great faculty and the value of small classes. Unfortunately, their competitors use the same value propositions. This strategy actually undermines value rather than enhancing it.

The third term is "affordability." Of the three terms, "affordability" is of the greatest interest to students and families. Like other terms it is highly relational. Because of this, one great strategy is to create a handful of personas that show you met the needs of different kinds of students from different backgrounds. Remember, however, that your aid packaging should include a blend of gifts, grants, and loans.

However, social media is still too new and untested to entirely replace tried and true integrated marketing strategies for higher education.

1. **What it is:** Social media is an all inclusive term that defines the full range of social platforms, services, and technologies from Facebook to YouTube. Though these entities differ in form—some are social networks, some provide services, etc.—they all share two defining characteristics: 1) They are all broadcast tools, essentially forms of media. Every time you communicate on one, what you communicate is instantly and automatically broadcast to other sites and platforms and people. For example, what you write in a blog comment is typically fed into an RSS feed that automatically shares your comment with whoever subscribes to the feed. 2) They are all community-building tools—the minute they broadcast your content, they create community. For example, if you tag a photo on flickr you are automatically linked to the person who put it up.
2. **What is isn't:** Social media is not a silver bullet. There's no question social media has the power to impact many arenas, particularly the Web. However, social media is still too new and untested to entirely replace tried and true integrated marketing strategies for higher education.
3. **What role it should play:** As a community builder, social media can definitely add a strong relationship-building tool to your marketing toolbox. It can expand the number of touch points, drive traffic to your Web site, raise brand awareness, and even impact conversion points, such as yield. Other things it can help accomplish include:
   - Expanding admissions inquiry pools
   - Reducing costs to recruit
   - Bringing alumni back home
   - Expanding potential donor pools, particularly for the annual fund
4. **How to approach it:** Through a strong strategy that clarifies goals, establishes benchmarks, and integrates it with your integrated marketing strategy—both need to work together. We see many examples in the corporate world of highly successful social media campaigns, from P&G to Dell to IBM, all built on clearly defined strategies. The core element of any social media strategy is attracting influencers who will become your evangelists.
5. **How it will affect resources:** Ultimately, you will need a social media strategist or community manager to run your programs effectively. This person should be connected to your marketing team and demonstrate an ease with technology and marketing. Should you decide to build a proprietary network, you will need programmers.
6. **What it does:** Social media can bring prospective students (and other key constituencies) much closer and much sooner to your institution than any other marketing medium. By involving students in an institutional online community, you enable them to interact directly with your people and offerings—in other words, you empower them to experience and participate in the life of your institution no matter where they are physically located. The kind of experience they have in this community will play a big role in their college-choice decision (or donation decision, etc.).
7. **How to measure effectiveness.** Measurement should be divided into three phases. The first should focus on measuring the success of your social media platforms as viable communities. To do this, you would establish growth goals when putting together your strategy. When measuring these goals, you should also take a look at activity on the platforms—how many groups are people forming, how much content is being shared both on and off the platform, etc. It's difficult to gauge the impact of your Facebook page on your admissions recruiting when you're not sure how well the Facebook page is working in the first place.

Once you've determined these issues, the next step is to focus on how well your social media is driving traffic to your institutional site, especially key locations like applications pages. This may be the single most important benchmark, a sure sign your social media is supporting/reinforcing your integrated marketing. This can be done through running and/or connecting your analytics to your institutional Facebook page (for example). Here, you want to apply the same engagement metrics you would use to analyze site traffic: unique visitors, page views, time spent, number of visits, depth, frequency, etc.

Finally, you can measure how your social media platforms are impacting specific recruiting goals in specific areas. For example, if you've set up your Facebook page as a way to improve yield by making it a special community for accepted students, then how has it affected deposits? Have they increased, decreased, and why? If your goal is to grow your admissions inquiry pool, then how has your social media helped? This information is more difficult to track, but not impossible. It requires tracking user paths through analytics and a community manager who knows his or her community well.

Resource note: If you are interested in a more comprehensive discussion on social media please download *The Five Fundamental Steps for Developing a Powerful Social Networking Strategy for Colleges White Paper* from the Stamats Web site.

DEVELOPING A TRANSFER STUDENT RECRUITING STRATEGY

Going forward, transfer students will likely represent a significant opportunity for your institution. To help you build a successful transfer-recruiting strategy, we wanted to briefly outline a handful of issues—strategic and tactical—that should be considered:

1. **Evaluate your institutional commitment to transfer students.** Many schools look at transfers simply as a source of revenue and do not always consider the ethical (are we truly a good fit, are we welcoming?) and practical (do we have the right support services available at the right time?) issues that must be addressed as part of a comprehensive transfer strategy.
2. **Make sure your transfer-recruiting efforts have corresponding transfer-retention efforts.** Too often, schools focus on the recruiting of transfer students but do not pay the same level of attention to their retention. At the very least, this should include a transfer student ombudsman who is able to help transfer students adjust to their new campus and academic advisors who are specially trained for transfer students.
3. **Hire a full-time transfer recruiter.** A clear sign of your overall commitment to the transfer market is the hiring of a full-time transfer student director. This director should be responsible for both transfer recruiting and transfer retention. In addition, he or she must be empowered to evaluate transcripts, assess the transferability of credits, and even make initial financial aid calculations.
4. **Get inside their heads.** Conduct research of current transfer students to determine what motivated them, their preferred communication channels, the college-choice characteristics of most importance to them, the majors of greatest interest, and the role of financial aid and influencers in their college choice.
5. **Create a profile for a successful transfer student.** One of the best ways to predict who might be interested in your programs is to look at who you have well served in the past. Look at their demographic and VALs (values, attitudes, and lifestyle) profiles. In addition, try to determine where these students come from (schools and geographies).
6. **Learn why some transfer students do not persist.** Delve beyond "cost" and determine if there are some systemic institutional stumbling blocks that should be addressed.
7. **Create a transfer advisory group.** Let a group of existing transfer students contribute to the development of your

Conduct research of current transfer students to determine what motivated them, their preferred communication channels, the college-choice characteristics of most importance to them, the majors of greatest interest, and the role of financial aid and influencers in their college choice.

When you map your communication flow, you get a much better picture of how information and channels dovetail, where there are gaps, and when duplicate information is presented.

transfer plan. Involve them in decisions about communication channels and content. Use them to identify disconnects between what you promised during the recruiting process and what was actually delivered during their first semester or year on your campus.

8. **Be credit friendly.** The quickest way to undermine your transfer strategy is to make students repeat courses or unduly lengthen their time to a degree. Always with one eye on quality, be willing to accept as many credits as possible from other institutions. If possible, let the associates degree in arts a student has earned at the local junior college satisfy your general education requirements.

Now let's look at some more tactical aspects of recruiting this important student cohort.

9. **Identify best practices at other institutions.** Read, attend conferences, browse the Web, participate in list serves and blogs, and learn what is already working. Prioritize these practices based on ROI and difficulty in implementation.
10. **Identify feeder schools.** Identify the top 10 feeder schools from which your transfer students come. Make sure you have articulation agreements in place with these schools and then work to build brand awareness at those institutions. Next, identify 10 schools from which you would like to receive more transfers. Build relationships with them as well.
11. **Front-load critical information.** Many transfer students are reluctant to apply to a school until they are sure they want to attend that school. However, some of the information they need most (financial aid, for instance), is only available after the application step. Colleges that successfully recruit transfer students, however, front-load their communication flow. They give as much specific information as early as possible in the flow. In addition, they quickly respond to the specific information needs of prospective transfer students.
12. **Allocate aid, especially non-loan.** Surprisingly, many schools do not reserve financial aid dollars for transfer students. Even worse, the few dollars they do reserve are often loan based. It is important to remember that many transfers have proven academic abilities. Your commitment to transfers must include legitimate financial aid.
13. **Map your transfer communication flow.** When you map your communication flow, you get a much better picture of how information and channels dovetail, where there are gaps, and when duplicate information is presented. You also get a much better sense of the timing of your information. A communication map is particularly important if you are trying to improve how your print (postal mail, publications), electronic (e-mail, Web, social media), and brand-building (advertising, special events) strategies shake hands.
14. **Social media strategy.** As part of your larger communication flow, I suggest the creation of a social media strategy for transfer students who have made a significant overture of interest to your institution. Creating opportunities for these students to participate in a community of other prospective transfer students, currently enrolled transfer students, faculty, alumni, and others will pay vast dividends.
15. **Develop a formal written transfer recruiting plan.** One of the most important of all transfer recruiting tools is a simple written plan that coordinates, and perhaps prioritizes, all your activities.
16. **Show success stories.** Gather and aggressively disseminate information on how transfer students of all backgrounds have been successful at your school and after graduation.

As you have seen, the recruiting of transfer students—like the recruiting of first-time students—is a fairly straightforward process. The key is to commit the necessary staff and resources so that your efforts will be successful.

Resource note: If you would like an outline for a transfer recruiting plan let us know. We would be glad to forward one on to you.

Preferred Course Format

Courses at night during the week	• 49% say this is very appealing • Only 15% find these courses unappealing
Online & on-campus hybrid	• 46% say this is very appealing • Only 15% find hybrid courses unappealing
Courses entirely online	• 43% say online courses are very appealing • 21% say online courses are unappealing
Courses on the weekend	• 32% say weekend courses are very appealing • Another 24% say weekends are unappealing
Daytime courses during the week	• Only 19% say daytime courses are very appealing • 52% say daytime courses are unappealing

RECRUITING ADULT STUDENTS

By Dr. Brenda Harms
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As we look over the past 40 years of higher education, it is clear that there has been one dominant growth market: adult students. In fact, the number of adults returning to higher education has been growing faster than any other group since the Vietnam War. Of course, this sizable student market has attracted a burgeoning number of colleges interested in serving them. If you are one of the institutions competing for adult students, it is important to recognize that the programs that have been in place for 20 years will no longer generate the type of success to which you are accustomed.

As adult students consider their options, they are met with a much longer list of choices than ever before. Everything from delivery format to programs of choice have expanded and been customized to meet the needs of this growing market. In 2008, Stamats conducted its first national proprietary research study directed towards adult students. This study, *AdultsTALK*™, focused on what college-choice characteristics were of greatest importance to adult students. Answering this question proved to be of tremendous value to administrators as they sought to either add, or tweak, an adult-student component to their offerings.

While traditional-age students might be drawn to your institution in part due to the allure of a Saturday afternoon football game in the stadium, adult students tend to take a much more practical approach. The cost of the program, the convenience of the program, and the flexibility of the program are the key drivers for adult students. In addition, institutions that offered credit for the life and work experience are highly valued. Finally, the availability of online offerings as well as financial aid that was customized to part-time adult students, also helped to pique the interest of adults and thus set a specific institution apart from the others.

While these drivers may seem obvious, especially to someone who has recruited adult students for a number of years, there are some important subtleties lurking below the surface. For example, the idea of flexibility has changed dramatically in the last 20 years. Historically, flexibility meant night classes. Today, flexibility means not just when the program is offered, but how it is offered.

As adult students consider their options, they are met with a much longer list of choices than ever before.

Make sure all financial aid counselors and admissions counselors can talk comfortably about financing and payment plan options as well as financial aid programs.

The landscape of serving adult students has changed significantly as of late. When is the last time your adult-student program was evaluated for its marketability in the marketplace?

Resource note: If you are interested in more information on adult students, check out our occasional paper *Strategies to Increase Adult Student Enrollment… NOW!* and our *White Paper Serving Adult Students: What Really Matters?* on our Web site.

WHAT PRESIDENTS NEED TO KNOW ABOUT FINANCIAL AID

By Jim Scannell and Kathy Kurz
Scannell & Kurz, Inc.[9]

Few things likely cause more heartburn for presidents than financial aid. Because of its critical importance, we wanted to present a quick primer on financial aid.

1. Keep admissions and financial aid staffs on the same page by using net tuition revenue goals as the common denominator, rather than separately setting enrollment goals for admissions and budget targets for financial aid.
2. Remember, students and families often value the timeliness and accuracy of aid information as much as they value the amount and composition of aid.
3. Benchmark annually on sticker price, discount rate, and prestige indicators with competitors to ensure that your tuition, aid, and quality indicators are not misaligned.
4. Make sure your admissions recruiters can make the case for the affordability, value, and "return" on an investment in your education with clearly understood proof statements.
5. Make sure all financial aid counselors and admissions counselors can talk comfortably about financing and payment plan options as well as financial aid programs.
6. Don't change aid policies or copy competitors' aid offerings without analysis.
7. Be as transparent as possible about your awarding policies.
8. Watch out for awarding policies that stack merit on entitlement, on talent, on need-based aid.
9. Transfers are typically less price sensitive than freshmen. Make sure aid policies reflect that difference.
10. Make sure your financial aid renewal policies are not negatively impacting retention. Monitor patterns of re-enrollment by unmet need annually.
11. Throughout the recruitment cycle, regularly track inquiries, applications, admits, enrollments, aid applications, need levels, and financial aid expenditures toward goals, with date-to-date comparisons to the prior year, in order to avoid surprises.
12. Communicate information about aid as early in the recruiting process as possible. Use specific examples of how you have helped different kinds of students from different backgrounds attend your institution.

THE TWO SECRETS TO RAISING MONEY

By Becky Morehouse
Vice President, Research and Marketing, Stamats, Inc. becky.morehouse@stamats.com

Let me explain why this is a great time to raise money. First, our country is in the middle of the biggest inter-generational transfer of wealth in our nation's history. Second, because our economic crisis has burdened the hearts of people who are able to give. Donors are more sensitive to need and their responsibility to help meet that need. And third, because donors, like other people, want to be a part of something great; something beyond themselves. They want their gift, and through it, themselves, to make a difference.

To help you take advantage of our giving climate, I would like to let you in on two secrets that will help you raise the dollars you need.

[9] Scannell & Kurz is an enrollment management consulting firm best known for developing data-driven financial aid and retention strategies. For more information about S&K (Scannell & Kurz) and articles, papers, and presentations on financial aid, please see their Web site at www.scannellkurz.com.

First, donors give to vision and not mission. Historically, the number one reason that donors didn't give was because they weren't asked. Recent studies, however, discovered that the number one reason donors don't give is because the vision was not compelling. Fundamentally, donors want to know where you are going and not where you have been. Visions that are clear, bold, and empowering are of great interest to donors.

Second, donors are not interested in helping you achieve your campaign goals. Rather, donors want to know how your campaign will help them fulfill their goals. We call this motivation on the part of donors their "animating passion." Animating passions are the things to which your donors are totally committed. Showing how your campaign will help individual donors achieve their animating passion is the key to a successful fundraising campaign.

Recently, we played a small role in helping a client shape a $5 billion capital campaign. As part of that strategy, they identified 250 major donors and then crafted a unique case statement for each donor. These unique case statements focused on the animating passion of each donor.

There is an old saying in fundraising: when you find a donor's heart you have found her pocketbook.

MEASURING MARKETING RETURN ON INVESTMENT (ROI)

In an era of tight budgets, it is important to show how dollars spent on marketing generate real dollars for the institution.

With this goal in mind, this article will offer an overview of how to measure return on investment.

Basic model

Before we delve into how to measure marketing return on investment, we need to recognize that the effectiveness of brand marketing and direct marketing are measured differently.

As you may know, brand marketing has one goal: the creation of awareness. The chief measurement of brand marketing, then, is did we change or enlarge people's perception of the institution.

Direct marketing, on the other hand, has a different goal: the generation of response. The chief measurement of direct marketing is a simple calculation of response rates.

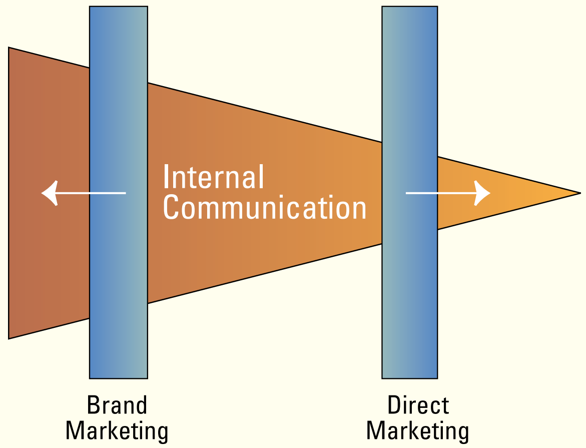
Evaluating your brand marketing

Savvy marketers know that there are four reasons for evaluating their brand strategy:

- To determine effectiveness
- To improve performance
- To enhance internal creditability for your brand marketing efforts

Rather, donors want to know how your campaign will help them fulfill their goals.

Integrated Marketing Communication



Evaluation demands that we answer the question: Did our marketing strategy increase the flow of resources to the institution?

- To help support your request for additional resources

In most cases, this evaluation will occur at three levels:

First, **were action plans completed on time and within budget?** Though this measurement may seem basic, we know that any subsequent measurement cannot be undertaken if the action plans were not executed.

Second, were **individual brand communication goals achieved?** If the original research indicated that you had an awareness level of 17 percent and a brand goal was to increase awareness to 24 percent, you must repeat the research to determine whether or not you made progress on that goal.

While these first two methods of evaluation are helpful, the third dimension of measurement deals with a much more important issue: **Did the brand strategy increase the flow of resources to the institution?** Answering this big question about brand equity and utility requires that you answer the following smaller questions:

- Did more prospective students self-initiate?
- Did the cost of generating an inquiring student go down?
- Did the cost of recruiting a student go down?
- Has net tuition revenue increased?
- Has your discount rate decreased?
- Are we more consistently able to shape your class on key dimensions of academic quality, academic interest, ethnicity, geographic diversity, and other variables?
- Has alumni participation on the annual fund increased?
  - Both percent of alumni participating and average size of gift
- Have we increased the number of first-time donors?
- Did the cost of raising a dollar go down?
- Have direct marketing costs in advancement and admissions gone down?

We will return to this topic later in this article.

Evaluating direct marketing

As noted earlier, evaluating your direct marketing efforts is relatively straightforward. The key is to track the responses from marketing activity separately. For example, your billboards should have a different telephone number than your print ads and mall kiosks, and your university Web site would have a different URL than your admissions-specific site. Using unique telephone numbers, URLs, and other source codes allows you to keep track of what is working and what is not.

Improving direct marketing performance

Ongoing evaluation also allows you to improve performance. For example, a successful direct marketing strategy involves the "mixing" of five basic variables:

- The list
- The timing/frequency
- The offer
- The copy
- The format

By changing different elements of this mix, and tracking source codes, you can isolate which variables have the greatest impact on response.

Calculating return on investment

As noted earlier, we are interested in knowing more than whether or not our brand strategy increased awareness. Evaluation demands that we answer the question: Did our marketing strategy increase the flow of resources to the institution?

Let me offer a couple of quick formulas to help you make that assessment (see chart on pg 19.) Understanding how these formulas work will allow you to develop similar formulas to measure other marketing activities.

Similar calculations can be created for:

- Market growth
- Market share
- Media expenditure per student

Marketing cost per matriculating student

$$\frac{\text{Total marketing and recruiting expenditures}}{\text{Total students enrolled}} = \textbf{Marketing and recruiting cost per matriculating student}$$

Example: Total expenditures: $300,000
Total students enrolled: 200
Marketing and recruiting cost to recruit a student: $1,500

Tuition dollars generated per marketing dollar expended

$$\frac{\text{Revenue generated by matriculating students (tuition - discount)}}{\text{Total marketing dollars spent}} = \textbf{Dollars generated per marketing dollar}$$

Example: Revenue generated per student: $17, 800
Total revenue generated by 200 students $3,560,000
Total marketing dollars spent: $300,000
Dollars generated per marketing dollar: $11.86

- Cost per prospect, inquiring, and matriculating student (traditional, graduate, adult, and part-time)
- Individual academic programs
- By student segment (of color, talented and gifted, academic interest, academic ability, geography, etc.)
- Special events

10 "best practices"

Here are 10 ROI "best practices"

1. Begin by determining how much you are truly spending on marketing, recruiting, and fundraising. Involve your CFO
2. Invest in the necessary research. Remember, without data it is only an opinion
3. Don't settle for simple measures of awareness
4. Before you launch a tactic, understand how you are going to measure the effectiveness of that strategy
5. Use consistent formulas each year. For example, always include staff salaries (or always exclude staff salaries)
6. Rather than focus on the cost of something, focus on the return it generated
7. Recognize that your measurement tools will get more precise over time
8. While broad measures are helpful, try as often as possible to measure the effectiveness of specific activities and channels
9. Aggressively cut or modify activities that are not effective
10. Be media and channel agnostic. Don't fall in love with your strategies. Only fall in love with response

Savvy marketers insist on measurement because they know that without measurement, marketing will always be considered a cost and not an investment.

RESOURCES FROM STAMATS

- **Papers and articles:** This paper cited a number of papers and articles that are available from Stamats. If you have any trouble with any of the links, or wish to talk to Stamats about any of these materials, please contact Sandra Goodin at sandra.goodin@stamats.com.
- **Products and services:** If you are interested in talking to someone at Stamats about how we can help you undertake some of the activities outlined in this paper please contact Ann Oleson at ann.oleson@stamats.com.
- **Stamats on Your Campus:** Many of the themes in this paper are available as on-campus presentations and workshops. If you are interested in a presentation please contact Bob Sevier at bob.sevier@stamats.com.
- **Webinars and Live Events:** If you are interested in more information about our Webinars and live events please go to www.stamats.com/events.

STAMATS

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