Marketing Rules of Thumb

Guidelines for Optimally Allocating Limiting Marketing Resources

As competition for prospective students' attention grows, marketing academic programs increasingly requires more sophisticated and expensive strategies. Yet, institutions have limited resources to invest in marketing. To best position programs for enrollment success, academic and finance leaders must optimize marketing dollars across the academic portfolio.

While there is no hard-and-fast formula for setting marketing budgets, **four rules of thumb should guide program marketing investment.** Leaders should refer to these guidelines when assessing the appropriateness of programs' proposed marketing budgets.

1

New programs often require larger annual marketing budgets than legacy programs. Typical new program marketing investment is 10-20% of overall program operating budget.

- Marketing budgets for certain types of new programs typically fall in the higher end of the 10-20% range:
  - Programs in emerging disciplines (e.g., cyber-physical systems), for which marketing campaigns need to educate the target market on both the discipline and the program itself
  - Programs in new geographic markets, modalities, or disciplines, which cannot rely on brand or reputation to attract students
  - Programs in saturated markets (e.g., public health), where demand for ad space in many crowded markets is outpacing supply and driving up costs
- Marketing budgets for new programs in existing areas of brand strength often fall in the lower end of the 10-20% range.

2

Major changes to legacy programs' modality, curriculum, or name often require increased marketing investments.

- Rebranded or restructured programs often require expensive new marketing campaigns to introduce their new value propositions to the market.

Source: "2015 Education Marketing Benchmarks," Keypath Education, 2015; "2015 Adult Learner Marketing and Recruitment Practices Benchmark Programs," Ruffalo Noel Levitz, 2015; EAB interviews and analysis.

Marketing Rules of Thumb (cont.)

3 **Different student audiences require different marketing strategies and levels of marketing spend.**

- Some marketing channels (e.g., radio or print advertisements, social media, digital banners) more effectively reach certain student audiences (e.g., traditional undergraduates vs. adult learners, urban vs. rural, business vs. health professions).
- Costs-per-inquiry vary significantly by area of study. For example, a typical nursing program spends $148 to engage one prospect, while the median business program spends $320.
- Marketing to prospective continuing and online education (COE) students is more complex than marketing to undergraduates for several reasons:
  - While traditional undergraduates typically seek on-campus programs, COE students may shop across modalities and formats to find the right fit.
  - Prospective COE students are more likely to look for evidence of program outcomes in marketing materials than undergraduates.
  - While institutions can purchase lists of prospective undergraduates from organizations like the College Board, prospective COE students may return to school at any time for a number of reasons. Outside of test-gated professional programs, institutions cannot easily purchase lists of prospective COE students at whom to direct marketing.

4 **Effectively marketing new and restructured programs requires several months of lead time (i.e., 4-6 months pre-launch).**

- Compared to legacy programs, new and restructured programs require additional ramp-up time to build brand awareness and enroll initial classes.

Source: "2015 Adult Learner Marketing and Recruitment Practices Benchmark Programs," Ruffalo Noel Levitz, 2015; EAB interviews and analysis.