

# Making Smarter List Buys

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How predictive modeling helps enrollment professionals get a bigger return on every list they purchase





# Using predictive modeling to get better results and a bigger return on student list buys

With the passing of May 1 each year, many enrollment professionals in higher education shift their focus towards growing their prospective student base for the next cohort. That means it's time to buy lists. Over the past two decades, buying student names from the ACT, College Board, and other sources has become the standard for enrollment professionals under pressure to meet enrollment targets and find best-fit students. After all, competition for students is fierce and prospective students often apply to numerous schools, sometimes up to forty! So let the games begin! Institutions will purchase prospect names and handsome marketing campaigns will follow, with every message designed to persuade prospective students to choose their school.

However, list buying can feel like throwing money at a problem in hopes that a wide net can bring the desired results - and that net can have costly holes that weaken the return on your investment:

1

## Purchasing mailing lists is expensive



In their article "Colleges' Endless Pursuit of Students," The Atlantic reports a price of 42 cents per name, a 31% increase since 2010. That eats up big chunks of budget before you send your first campaign.

2

## The cost escalates with each additional list you buy



Institutions need to be confident they've got sufficient names in the pool to make their goal, so they may keep buying lists until they think they've got enough. It may work, but it's not the formula for optimizing your budget.

3

## Marketing campaigns and outreach is inefficient



Admissions outreach to these names inevitably throws budget and resources at students who are highly unlikely to enroll. This happens all too often when you're working 100,000 names in order to enroll 1000 students.

We get that list buying and the outreach that follows is an accepted rite of enrollment marketing. But there's a way to mitigate the downsides and get a better return on every dollar you spend - and that's **predictive modeling** (aka predictive analytics).

Many higher education institutions now use predictive modeling to increase enrollment and retention rates – and the same data science enables an institution to make smarter, data-driven choices before and after buying prospect lists. Recently, one of our customers asked us to evaluate their list purchase. The historical models we built to help them increase enrollment and find best-fit students enabled us to estimate how many students they'd enroll from that list; apply "What is the likelihood of this student to enroll?" scores to each prospect name; and provide insights into how this institution could make smarter list buys in the future.

With that in mind, here's how predictive modeling techniques can help you make better choices and achieve a greater ROI from your list purchases.

## Before you buy ...

Predictive modeling can tell you which list sources have been most effective for you in the past. That alone may not seem impressive. But deeper analysis can reveal that the secret sauce was not the list source, but rather the variables they provided. Certain variables are far more influential than others in predicting who will enroll at a specific institution, so you'll want to buy lists that have robust data in the variables that hold the greatest predictive value for your specific data.

And to further complicate the issue: some data sources might be strong on those variables for some states, but weak on the same variables from other states. Example: you want to enroll more at-risk students with high academic profiles, so you're buying names of students from low income areas. Predictive modeling could show that your go-to list source in previous years produced low-income names with high enrollment probabilities from Pennsylvania and New Jersey, but very low probability names from New York and Virginia. So this time, it might behoove you to purchase your low-income-area New York and Virginia names from another source.

**In summary: predictive modeling helps you make a smarter buy by pinpointing the characteristics that define which names are more likely to convert to applications and enrollment at your institution - and which are not.**



Buying names from the ACT, College Board, and others is standard practice for enrollment marketing - but it's expensive.

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## After you buy ...

After you've bought a list, predictive modeling offers critical insights that can save money and give you a better return on your investment.

### 1 Know how many names you'll need

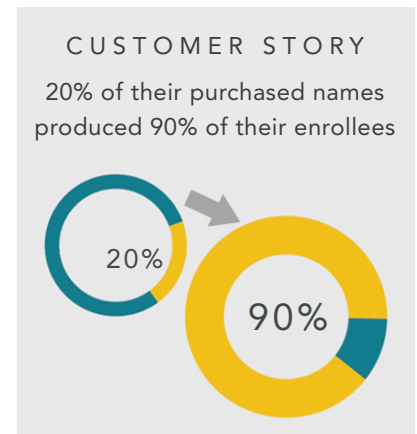
Predictive analytics will show you how many students you can expect to enroll from your purchased mailing lists. If that number meets your goal, then arguably you don't need to buy more lists. If it doesn't meet your goal, you can evaluate your next buy, and so forth, until the data tells you there's enough names in the pool to reach your target. Letting the data inform your decisions eliminates guesswork and helps justify your choices.

### 2 Know what to look for in subsequent list purchases

When evaluating your first list buy, predictive modeling may uncover variables or characteristics that for your institution are either (a) highly predictive of enrollment outcomes per the "before you buy" point above, or (b) common among the highly likely/unlikely students. Whatever they may be, basing future list purchases on these variables (i.e. buy more of these, don't buy any more of those) will yield names with higher probabilities of conversion.

### 3 Know where to focus your marketing budget and recruiting resources

To better manage costs and get the biggest return on every dollar, you'll want to direct your high-leverage (aka "expensive") marketing campaigns and recruiting outreach to prospects who are most likely to enroll. Advanced analytics makes this easy. We recently evaluated names in a pool for one of our customers, and our predictive modeling software showed them which 20% of their names produced 90% of the next class. That kind of insight makes it clear where to focus your high-leverage dollars and resources.



If the names you buy come with probability scores, it's worth pointing out the difference between static predictive modeling and *dynamic* predictive modeling. The probability scores that come with purchased names are static: they capture a single moment in time and don't consider the many changes that occur over the 18-24 month enrollment life cycle. A student that was scored very low initially could have a much higher probability six months later - or vice versa - so you could miss a win while pounding money at a loss. We advocate adopting a solution that provides real-time probability scores dynamically updated throughout the cycle.

**So, what's the bottom line? Using predictive modeling techniques can help you make smarter list buys and give you a better return on the marketing and recruiting outreach that follows. Predictive modeling for higher education transforms a wide, expensive throw of a net into smarter, data-driven choices and decisions.**

# Ready to spend less and enroll more?

**To learn about using predictive modeling to  
increase enrollment and shape the class,  
contact our data analytics experts at  
412-458-4167 or email [othotteam@Othot.com](mailto:othotteam@Othot.com).**



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