

# Going to the Source

*an interview with Craig O'Neil, [ModernAd Media, LLC](#)  
with Mitch Talenfeld, [MDT Direct](#)*

**CER:** *Craig, how would you describe your business? What does ModernAd Media do?*

**Craig O'Neil:** We are a performance-based direct marketer. We have our own exclusive supply of data and we utilize methods like telemarketing, e-mail marketing and text message marketing in order to generate leads and sales for either products we own, or for our customers.

**CER:** *What services specifically do you provide to career colleges?*

**Craig:** We help career colleges generate enrollments by generating leads for them that come through the call center, e-mail or text messaging channels.

**CER:** *In terms of size, I take it you're one of the big players?*

**Craig:** We are one of the big players. We're not necessarily the most well-known player, but we actually provide a large component of the data in the marketplace and end up supplying a significant portion of the leads that are out there every month.

**CER:** *Are you one of those nameless affiliates out there that lead aggregators work with?*

**Craig:** The term in our industry is a "super affiliate." Not only are we one of

the nameless ones, but we're probably one that makes up a sizable portion of the volume. So when the marketplace hears that there are thousands and thousands of affiliates, that may be true,

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but 80 percent of your revenue comes from 20 percent of your affiliates, and we're in that 20 percent.

**CER:** *Do you provide your leads exclusively through any particular affiliate, or through multiple channels?*

**Craig:** We work with multiple channels, so we supply most of the large aggregators or portals in the marketplace.

**CER:** *What does the career college executive need to know about ModernAd Media that would help them do their business better?*

**Craig:** The best thing that they could do is to get involved with controlling the

messaging that generates lead inquiries, and not outsourcing that entirely to the aggregators or lead portals. What generates the greatest amount of inquiries isn't always what generates the right kind of inquiries. For example, a lot of the messaging in the marketplace currently is tied into financial aid, but we know that the best students are often students who are looking to go from being a secretary in a law office to being a paralegal in a law office, and financial-aid messaging doesn't always connect to that consumer.

It does, however, connect to the more destitute consumer, or maybe the consumer who hasn't decided to get serious about their life, and this "free money" (as it's presented to them) from the government is a great option in comparison to the nothing that they're doing right now. So if career schools could work directly with the super affiliates, they'd be able to control the messaging to help find the consumers who are going to convert and graduate, rather than just the consumers who are going to inquire.

**Mitch Talenfeld:** *How do you find the information for the leads you provide?*

**Craig:** We are partnered with a large network of Web sites, and those Web sites register consumers for promotions.

**Mitch:** *So consumers are coming to these sites and registering for all sorts of things, correct?*

**Craig:** Correct. And while they're in that process they express interest in continuing their education, and give permission to be contacted via e-mail, text messaging and phone.

**Mitch:** *You receive hundreds of thousands of names per month of people interested in schools, correct?*

**Craig:** Correct. We are able to generate about 30,000 inquiries a day.

**Mitch:** *And from that point, what do you do with those names of the people who are interested in furthering their education?*

**Craig:** A portion of those names we will call. We will e-mail all those names, and we will text message the consumers who provided cell phone numbers.

**CRAIG O'NEIL** is vice president of product development at ModernAd Media. Craig has been involved in generating student leads online and offline for four years. In the past year Craig has been instrumental in building ModernAd Media's Education Division, moving the company closer to the end user and removing the layers between the student and the school. His passion is helping unmask the smoke and mirrors in the online lead industry—demystifying the technology and processes so clients can leverage the strengths that online marketing provides.

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**MITCH TALENFELD** is president of MDT Direct and MDT Tracking, Inc. His career in advertising and marketing spans more than 30 years. He is widely recognized in the business community through his involvement in the direct marketing industry, and is also on the board of directors of the Florida Association of Postsecondary Schools and Colleges. Talenfeld often speaks at industry conferences, has conducted numerous seminars, has written many articles on admissions marketing and advertising, and is a consultant to postsecondary schools around the country.

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**Mitch:** Do you make those contacts on behalf of your company, or for other companies?

**Craig:** The calls are on behalf of our company. We text message and e-mail primarily for other companies.

**Mitch:** So if I've registered at one of your Web sites or one of your partner Web sites, when do I get a call, and what do you guys say?

**Craig:** Generally, in a perfect world, we would call within about two to five minutes during normal business hours. We will introduce ourselves and say that we're calling in response to your request for more information about going back to school. We're going to ask you what you want to go back to school for, and we're going to ask some qualification questions. Obviously, everybody needs to be over 18. They need to have a high school diploma or GED, and they need to not be currently enrolled in classes at a college.

Meanwhile we're going to be entering the information supplied into an online form to look for a match of a school that fits that consumer's need. So if somebody says they want to go back to school to be a medical assistant, I'm going to fill that information into the form. It may pass me back information about Kaplan University; I'll introduce the student to Kaplan University and ask them additional questions that Kaplan may require. I'll press "submit" and it takes the consumer's contact information along with the additional information they gave us, and sends it to Kaplan, so that one of their enrollment advisors can call the student back.

**Mitch:** So, in essence, you're either the wholesaler of data or you're the company that makes the call center phone calls to

people. In effect, the school never knows who you are. Those leads come to the schools through lead vendors, correct?

**Craig:** Correct. Usually the school has no knowledge of who we are. We're a nameless, faceless affiliate. We send the lead to the lead vendor and then it is passed on to the school.

**CER:** Are there affiliates going to this level of qualification in direction?

**Craig:** What we do is extraordinary in a sense because we use a lot of data modeling in order to identify the right consumer who is going to actually go to school. Because we own the data, we're a little less vested in converting that consumer into a lead for the school,

because we don't have the cost of the data to incentivize us to make a profit on that data's cost or an arbitrage. So what we do is pretty unique, based on some strategic advantages we have. I think anybody who's in this space

and out there publicly is probably trying to do a really good job. I think our secret sauce is a little unique.

**CER:** So I'm looking at premium price for your leads?

**Craig:** Not as much as I'd like, but yes, a little extra.

**CER:** And your leads should convert at a much higher rate.

**Craig:** Our leads convert at a greater cost per enrollment. Because I'm reaching the consumer who's at a

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different step in the process, they don't necessarily convert to enrollment as well as the search lead or the TV lead. But if it's priced correctly, it's just as effective on reaching target cost per acquisition.

**CER:** *You're doing e-mails and texting in the school's name?*

**Craig:** No, usually for the name of the aggregator. We don't do a ton of direct school e-mail or texting. Most of our texting and e-mail goes to a landing page that's one of those school portals that matches students to schools.

**CER:** *Earlier you mentioned that schools should be involved in crafting the messaging that attracts leads; but if they don't deal with you directly, how are they able to do that?*

**Craig:** They can work with us directly, although we need to work with a certain size school. But they can also take an active role in requiring their vendors to use certain messaging. They can inspect the e-mails that go out in the marketplace, and tell their vendors they don't want leads that come from this or that particular type of messaging.

Better yet, to be more constructive, they can get involved in creating that messaging in the first place, saying, we know based on the students who enroll in our schools that this is the type of student that we're looking for, and this is the kind of messaging they respond to. But that poses a different problem, which is that schools have a very strong demand for leads, and the marketplace is only using that messaging to supply that demand. So schools also have to rethink their current model of how they use leads and how they're trying to reach their goals, because their demand in the marketplace and the pricing they

set on that demand causes the marketplace to do whatever it can to meet that demand.

**Mitch:** *What's wrong with the messages that the lead vendors are using?*

**Craig:** A lot of the messaging is around jobs, grants and financial aid and scholarships—things that are sure to attract people and get them to fill out forms. I think we would all agree that everybody would like some free money. The problem is that it may not be the right people. So control that messaging, and say that you don't want to take leads that are generated via messaging about grants or financial aid. Say that you'd rather take traffic from messaging that's about specific careers or somebody making an investment in their future. Schools have the control and the right to do that, if they take an active role in it.

**CER:** *I think what you're also saying is that at some point my paying for leads might outstrip your ability to generate them with specific messaging.*

**Craig:** Yes. You may want to deal with the pain of having to learn to take a better-qualified lead that's going to convert higher, but that isn't going to flood your call room with leads. Whether you have 1,000 leads that convert at 2 percent, or you have 500 leads that convert at 4 percent, you'd have the same amount of enrollments at the end of the day.

But the current marketplace is pushing on that lead volume, and as they push on that lead volume, you hear a lot about enrollment rates and concerns about it. If schools are willing to accept lower lead volumes with higher conversion rates, then that goes a long way into making

successful marketing to students and successful enrollments and successful graduates.

**Mitch:** *We seem to be focused on the problems we have with aggregators and lead generators. So why should an institution use aggregators to help them generate leads? What can these marketing companies do that the schools can't do on their own?*

**Craig:** Aggregators have the great ability to aggregate the traffic process. Their entire business is finding lead sources so schools can get the volumes that they need. A school would need a pretty robust marketing team in order to achieve that goal on their own.

There are thousands of affiliates out there, and even if 80 percent of your volume comes from 20 percent of those affiliates, you still need the 20 percent. Their job is to constantly be out there looking for and getting new sources. They also tend to have some pretty robust technology in place to process those leads and submit returns back to affiliates; there's a lot of value to that. You'd have to build a pretty robust affiliate marketing team in order to achieve those levels of expertise. So the best aggregators do a great job in finding the best affiliates, managing those relationships, and policing the e-mails that go out, which is an entire business in and of itself. There's a ton of value there.

**Mitch:** Exactly. The reason aggregators play an important role in Internet advertising is they receive prospective student inquiries from around the world from numerous sources interested in multiple degrees and programs. It would be difficult, if not impossible, and cost individual institutions too much money to reach these prospects on their own.

**Craig:** City College of Fort Lauderdale, for example, can't necessarily make a Yahoo home link text link buy because it's a quarter-million-dollar media investment. But the aggregator can make that investment and monetize that traffic, because they're going to have schools all over the U.S., and some of those inquiries will go to the campus-based programs.

**CER:** *Any final thoughts from each of you in terms of best practices around Internet leads?*

**Craig:** I think schools should understand that the media types we've been discussing all perform differently, and they should open their minds to setting different pricing based on different media.

That doesn't always happen. A lot of times schools get a blended rate. I've spoken to schools about this and they'll say, "I can

pay less for certain channels, but then my search leads would become more expensive." What they don't understand is that if you paid for those search leads and telemarketing leads and display leads

independently, the target cost per enrollment should be in line. It's much better and easier to control what you pay for if you're buying it exactly, than to buy all the ingredients mixed together and hope it works out. That doesn't happen as much as it should. It may be a daunting task, because it takes learning a little bit about media to do it, but I think schools would find themselves a lot happier and be a lot more in control of their success, rather

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than doing what some do, which, essentially, is to spend money and pray.

**Mitch:** Everybody should be invested in advertising on the Internet. But schools that buy Internet leads really

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***Putting an Internet lead management system into place that will track each one of those sources down to a cost-per-interview or a lead-to-enrollment is critical. Schools need to know which leads are converting cost effectively, so they can either buy the ones that aren't converting for less money, or cut them out altogether.***

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need to understand more about what they're getting. A lot of the messaging that prospective students are seeing from lead vendors is very misleading, offering or promising scholarships or other benefits that maybe schools can't give and/or aren't allowed to advertise. So it's critical that schools understand what they're doing, and that they are monitoring the lead aggregators' messaging.

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The second critical issue is making sure schools are tracking exactly where their leads are coming from, because there are so many different lead channels. Even though a school may be buying leads from only one or two aggregators, those aggregators might be buying their leads from 15, 20, or maybe 50 different places. Putting an Internet lead management system into place that will track each one of those sources down to a cost-per-interview or a lead-to-enrollment is critical. Schools need to know which leads are converting cost effectively, so they can either buy the ones that aren't converting for less money, or cut them out altogether.

The bottom line is a school really needs to understand what they're doing with Internet leads, and then put the systems in place to buy, manage and convert those leads effectively.

**Career  
Education  
REVIEW**

*Edited by Judi Ditzler.*