

The Four A's of Recruitment Advertising

How to Track Results and Make the Most of Your Budget

An Indeed.com White Paper



Companies recruiting online today face the challenge of knowing where their candidates and hires are coming from. The situation becomes critical when you consider two factors: most companies don't know that there is a problem, and it's those very companies that are spending billions of dollars per year on recruitment advertising. It's a matter of dollars and cents – what job sites, search engines, social networking sites and other advertising sources are providing the best return on investment (ROI)? Top recruiting teams and HR departments understand that if you don't have accurate candidate source data, you can't conduct that analysis.

The good news is that this challenge can easily be conquered by asking the proper questions and putting some simple tracking measures in place. One of the advantages of online recruitment advertising versus its traditional counterparts like print is that it's 100 percent measurable – but companies need to take advantage of the tracking opportunities. Job sites and search engine marketing (SEM) are two of the few growing sources of hire, so it's imperative that companies act now to really know where those hires are coming from.

The Four A's of Recruitment Advertising

There are four steps in making the most of your recruitment advertising budget:

1. **Assign:** Make someone in your company responsible for tracking and measuring the effectiveness of your recruitment advertising.
2. **Automate:** Implement automated candidate source tracking with your applicant tracking system (ATS) or career site vendor.
3. **Analyze:** Review your cost-per-applicant and cost-per-hire data to determine which sources perform the best.
4. **Adjust:** Optimize your recruitment advertising investments by shifting budget to sites and sources that deliver the best ROI.

For each of the four A's, we have provided a checklist of best practices to help you implement a tracking-centric approach within your own organization.

“I don’t know how to run a source of hire report in our ATS. Do you?”

Step 1: Assign

The most important piece of the candidate source tracking puzzle is not technical at all – it’s human. Companies that do not have someone specifically responsible for measuring the effectiveness and resulting ROI of recruitment advertising often have no idea what their investments are delivering in terms of candidates and hires. It’s hard to blame companies with lean staffs and pressure from hiring managers for overlooking this, right? Wrong. As recruiting teams become more accountable for their recruitment advertising decisions and more strategic in their individual roles, this type of analysis is critical for their future success.

The good news is that there is a shift occurring toward adding this responsibility within recruiting teams, especially in larger organizations. Having someone responsible for recruiting operations and the day-to-day analysis of the company’s recruitment advertising performance can reveal budget-saving opportunities. Some argue that this job is handled by the ATS or HRIS administrator and does not need to be its own position in the organization. Those same arguments contend that the recruiting team can request source of applicant and source of hire reports whenever they want, so why make it someone’s job to look at them? The answer is that candidate source tracking needs to be a priority, and leaving it in the hands of recruiters and ATS administrators means it can get forgotten. When you consider that some companies’ job site contracts are hundreds of thousands – even millions – of dollars per year, assigning someone this responsibility is critical.

Assign: Checklist for Success

- Think like a CFO – always be thinking about your ROI.
- Make candidate source tracking a real priority within your organization by becoming accountable for what your investments are delivering.
- Assign someone within your recruiting team to measure ROI as a significant responsibility within his or her job.
- Don’t rely on ATS or HRIS administrators to handle ROI measurement.

THE FACTS:

Companies spend more than \$6 billion per year on online recruitment advertising in the US.

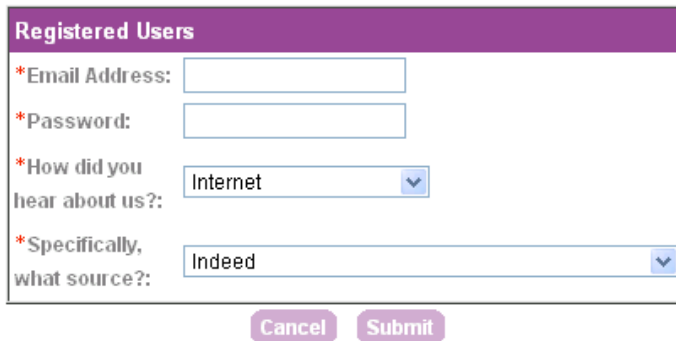
More than 80 percent of those companies rely on manual reporting of their candidate source data.

Sources: Borrell Associates, CareerXRoads

“We didn’t know that BrassRing supported automated tracking.”

Step 2 – Automate

Along with having someone responsible for looking at candidate source data, you also need to be able to rely on that data, especially when you are making business decisions about what recruitment advertising to undertake or continue, and where to focus your budget. The default behavior of most ATSes and company career sites is to ask job seekers how they found out about a job when applying:



Registered Users

*Email Address:

*Password:

*How did you hear about us?:

*Specifically, what source?:

Many companies with this type of tracking think they have reliable candidate source data. However, that is not the case. Any manual candidate source reporting leaves the door open for inaccuracies. In fact, research tells us that the majority of applicant data provided this way is incorrect. Relying on job seekers to accurately choose where they found out about jobs is not realistic because:

Sources and sites often are:

- Omitted
- Too numerous
- Expired

Applicants may:

- Not be careful, as they are going fast
- Not know, as they came from multiple sites
- Pick the wrong source on purpose

The result of this manual reporting is inaccurate data in companies’ ATSes, which lead to confusion and ill-informed decisions about which sites and sources are delivering candidates and hires. An example of an expired source causing havoc with candidate source data is America’s Job Bank (AJB), a job board previously subsidized by the U.S. Department of Labor that many employers who also are government contractors used to meet their Office of Federal Contract Compliance Programs (OFCCP) posting requirements. Because of its popularity with both companies and job

BEST PRACTICE:

Are you considering changing ATSes or implementing an ATS for the first time? Make automated candidate source tracking a prominent requirement in your requests for proposal (RFP).

THE FACTS:

Five out of six job seekers – or more than 83 percent – incorrectly cite where they found out about a job when asked in the apply process.

Source: ATS Sourcing Data – 83% Inaccurate, AllRetailJobs.com

“Job seekers tell us how they found out about our jobs when they apply.”

seekers, it was listed in every ATS as an option when job seekers applied online. That was fine until July 2007, when AJB lost government funding and was shut down. What happened in those companies’ ATSSes? Often, nothing at all:



Even today, years after AJB went away, some companies continue to think it is providing applicants and hires because of bad candidate source data. Speaking to our first of the four A's – “Assign” – whose job is it to remove these sources as they expire? And speaking to our current step – “Automate” – how can you prevent this bad candidate source data from continuing to pollute your bigger-picture analysis of what job sites are working best?

The best way to acquire accurate candidate source data is behind the scenes, without the job seeker choosing from menus. The benefits are two-fold:

1. Faster job seeker experience for your candidates
2. More reliable candidate source data for your organization

Automation is easy and many of the popular ATSSes support automated candidate source tracking in their “off the shelf” configurations. However, sometimes employers have no idea it's possible because they never asked, or the topic wasn't covered as part of the ATS training process. Systems that support automated tracking do so via an additional piece of information that's added to the end of the job URL to record the source of candidates when they apply.

This is an example of a typical individual job URL, in this case from the iCIMS ATS:

<https://jobs-akamai.icims.com/jobs/3264/job>

BEST PRACTICE:

If you do include source names in a menu or list on your career site, do so alphabetically and without “www” so it's easy for job seekers to find the correct choice.

BEST PRACTICE:

If your ATS does not support automated candidate source tracking, keep asking! But as an alternative, the job sites you use may have their own tracking product that will at least allow you to measure individual site performance.

“Can you help us implement tracking on our job board postings?”

To implement automated candidate source tracking for iCIMS, it's as easy as adding another piece of information to the end of the job URL that specifies the source site:

<https://jobs-akamai.icims.com/jobs/3264/job?sn=Indeed>

By using the URL format above for its jobs on Indeed, Akamai is able to track applications and hires delivered by Indeed (and other job sites, if configured properly there) without burdening job seekers with drop-down menus.

If this seems easy, that's because it is – by researching if your ATS supports this tracking and providing the job sites you use with the proper information, automated candidate source tracking is well within your reach. So what are the challenges?

- Many companies don't know what their ATSes are capable of – some have automated tracking available to them but have not pursued it properly.
- Not every applicant tracking system supports such automation – you will need to ask your ATS contact for the details.
- Not every company knows its ATS contact – if you don't have the contact information of your client services or support representative, it's important to find out.
- There is no industry standard for this URL information, yet – almost every ATS uses a different URL parameter and code format.

What if your company doesn't have an ATS? Don't worry. These same automation steps can be applied to your career site – and sometimes it's actually easier! Ask your IT team or the company that built your career site how you can implement automated tracking using the URL parameter method described above.

Automate: Checklist for Success

- If you don't already know, ask your ATS administrator or representative if your system supports automated tracking. If the answer is no, find out when it will be added (customer demand goes a long way!).
- Once you have the proper tracking codes for the job sites you use, provide the information and verify that it has been added to all your jobs.
- Test! Submit some sample applications from your job postings or ads to make sure that the proper source information is being provided.

THE FACTS:

The following is a selection of ATSes that support automated candidate source tracking – is yours included?

- Authoria
- BrassRing
- Bullhorn
- Hodes iQ
- HRsmart
- iCIMS
- JobScience
- JobScore
- Jobvite
- MaxHire
- OpenHire
- PeopleClick
- ResumeWare
- Sendouts
- SmartSearch
- StandoutJobs
- Taleo Enterprise
- VirtualEdge

If yours is missing, ask your ATS!

“We’re always looking at the costs of bringing talent into the company.”

Step 3 – Analyze

Once you have automated, reliable candidate source data in your ATS, it’s important to review and analyze it on a regular basis and not be afraid of what you might find. Often, a company’s perception of what sites are delivering quality candidates and hires shifts considerably when real data illustrates exactly what’s working and what’s not. Many recruiters are driven by brand recognition and “needing to” have their jobs on certain sites, but this process is dependent on the data supporting the spend.

So what are the metrics? The most common metrics for measuring recruitment advertising are cost per applicant (CPA) and cost per hire (CPH), although different organizations may have variations in the specific reports they look at on a regular basis. CPA and CPH are easy to measure:

Cost per applicant (CPA)

Total media outside cost / number of applicants

Example: \$5,000 / 750 applicants = \$6.67 CPA

Cost per hire (CPH)

Total media outside cost / number of hires

Example: \$5,000 / 6 hires = \$833 CPH

While some secondary factors are excluded from these calculations, such as the effort required to maintain job sites and review the resulting candidates, they provide a good overview of how a site or source is performing as compared to others.

In your ATS, look for reports called “applicants by source” and “hires by source” to review this data. Every ATS is a little different, and you may have to ask your representative for an export of the data, rather than being able to run a report yourself. Most systems won’t know your outside media costs, so it’s important to have those available to combine with the raw applicant and hire volume.

Analyze: Checklist for Success

- Run source of candidate and source of hire reports on a scheduled basis.
- Integrate your outside media costs with the raw applicant and hire data that comes from your ATS to determine cost per applicant and cost per hire.
- Compare all recruitment advertising media being used to calculate your ROI from each site. Determine the top performers and underperformers.

THE FACTS:

Companies often use additional metrics in determining the ROI of a job site. Some include:

- Cost per interview
- Cost per offer
- Time to fill
- Diversity

BEST PRACTICE:

Schedule a recurring time to review ROI for your company with the recruiting team and other stakeholders – this could be weekly, monthly or quarterly. Consider what metrics you are willing to share back with job sites so they can understand how your account is performing versus other sources.

“We have been able to shift budget out of non-performing media.”

Step 4 – Adjust

It’s important to measure recruitment advertising ROI, but it’s this final step that will help you maximize that ROI by adjusting your recruitment advertising strategy and budget based on the candidate source data you have collected. This is where many companies stall – they identify a job site or source that is outperforming others, but are unable to make the budgetary shift to take advantage of that disparity. This happens most often because of brand awareness or perceived brand loyalty – that the company’s recruiters or hiring managers “have to have” their jobs on certain sites despite the disappointing ROI. It’s hard to stop using a service that you’ve trusted in the past, but it’s essential if the data telling you to do so is compelling.

It’s important to communicate disappointment with the performance of a particular site and find opportunities to optimize your campaigns. If you have a goal CPA or CPH, don’t hesitate to communicate it – that will only help the job site determine ways to make your recruitment advertising perform better. Being shy is not helpful when you are trying to get the most for your money.

Also, try new sites and recruitment advertising approaches to see how they compare with your historical data. Options like search engine marketing (SEM), which is pay-per-click advertising rather than pay-per-post advertising, can provide a lower cost per applicant and cost per hire than those traditional sources. SEM also is a low-risk option that is easy to test, without any long-term obligations.

Once you have made adjustments to your recruitment advertising budget, or if you have pursued a pilot SEM or social networking campaign, it’s important to continue analyzing the results. Maximizing your recruitment advertising ROI is not a one-time event – it’s an ongoing process. Your jobs change, sites’ audiences change and grow, and new options in recruitment advertising emerge (while others fade) every day. Trust your recruitment advertising strategy, measure everything and don’t be afraid to make adjustments if one of your media options is not performing well.

Adjust: Checklist for Success

- Use your candidate source data, analysis and comparisons to shift recruitment advertising budget to sites that are performing best.
- If you have underperforming media, communicate with those sites to identify optimizations and ways to improve your ROI.
- Test new options in your recruitment advertising strategy that have the potential to provide a lower CPA and CPH.
- Always keep tracking, and measure any adjustments you make in your strategy and the complexion of your recruitment advertising investments.

BEST PRACTICE:

When trying a new advertising option, consider your average time to fill. One or two months often isn’t enough time to see hire data.

THE FACTS:

If you work with a recruitment advertising agency, discuss the four A’s to see how it can help. Most ad agencies specializing in recruitment have their own tracking and measurement products, and can assist you in adjusting your budget toward the sites and sources that are performing best.

Conclusion

Every company with a job ad on the Web should know what it's getting for its investment. How many clicks, how many applications, how many hires? The technical aspects of candidate source tracking are in most cases easy to implement, but companies need the personnel and initiative to pursue automated tracking and conduct the ongoing analysis to understand how sites are performing. You also need to be willing to adjust your strategy and budget to truly maximize your recruitment advertising investments. In many cases, it may require not taking no for an answer, either from an ATS or a job site, and that's OK. Not knowing the return on your advertising is *not* OK.

To read success stories from companies that have automated their candidate source tracking and are taking a close look at their recruitment advertising ROI, visit ads.indeed.com and click on Case Studies.

About Indeed

Indeed, the most comprehensive search engine for jobs, pioneered a radically improved approach to job search. Since 2004, Indeed has given job seekers free access to millions of jobs from thousands of company websites and job boards. With millions of job seekers and hundreds of millions of job searches per month, Indeed is the leading search engine for jobs. Indeed launched the first pay-per-click job advertising network in 2006 allowing companies to promote their job opportunities to millions of unique users on Indeed and its network of leading websites. Hundreds of companies find Indeed's sponsored job advertising network the most cost-efficient online recruitment method for driving highly targeted job seekers back to their jobs. Indeed was selected by Time magazine as one of the Top 10 Websites, by PC Magazine as one of the Top 100 Classic Web Sites and by PC World as one of the Best 50 Websites. Indeed has also won three Weddle's User's Choice Awards and was named the Best Job Search Engine by Job-hunt.org. Indeed is a privately held company founded by Paul Forster and Rony Kahan. For more information, please visit www.indeed.com.