



Using an “Early Bird Special” to Incentivize Earlier Registration

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Three days before your class launches, there are still empty seats, and you need the materials prepared. If you prepare extra sets in anticipation of new enrollments, you may waste time and resources. If you prepare just enough for the current enrollees, you may find yourself scrambling to get additional materials prepared for the late enrollments.

This scenario is a common logistical problem that continuing education coordinators face. While a few late registrations are a small headache for a coordinator, if you multiply that headache by a few hundred classes a year, we are suddenly discussing a significant waste of time and money.

Late registrations also complicate our ability to forecast profitability for a class. If you cancel a class due to low enrollments, you may miss some last minute registrations.

The Early Bird Special

The scenario above characterizes what Emory University’s staff identified as a major operational problem. In an attempt to alleviate some of the stress that late registration puts on coordinators, we implemented an Early Bird Special (EBS) to encourage early registration and to discourage last minute registration.

We tested a few different permutations of the EBS, but generally, the special was simple. Early registrants received a percentage discount from their total tuition cost. For example, registrants who signed up a month in advance of the class might receive an 8% discount.

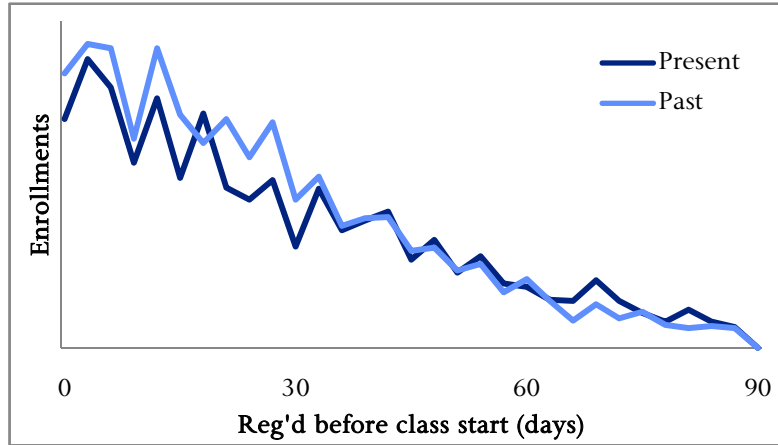
After implementing the EBS, we rigorously studied its influence on registration patterns, focusing on whether late registrations decreased while we offered the EBS. We compared the earliness of registration for periods before implementation of the EBS to similar periods after implementation. We used a chi-square model to determine whether differences were significant.

Results

In this section, we outline the results of our analysis. We compared all registration data for Emory’s professional learning programs, comparing enrollment trends in two periods: one before EBS implementation and one after. For each enrollment in the periods, we calculated the number of days before the class start. The analysis was broken into two categories:



1. Comparing early to late registration (30 days before the class starts)
2. Comparing last minute (three days before the class starts)



Enrollment earliness

We compared the number of enrollments that occurred before classes ran in daylong intervals. The chart above illustrates the change in earliness of enrollment for all open enrollment courses. The light blue line represents pre-EBS patterns. The dark blue line represents post-EBS patterns. This chart shows that fewer enrollments occurred within 30 days of class start dates. This is good news for the EBS.

Upon closer inspection, early registrations did increase after implementation of the EBS, and according to a chi-square test, the increase was significant. However, when we study the data more granularly by separating classes into two categories, computer education and professional education, there are differences. The table below outlines the separated results.

Computer education classes saw a significant 4% increase in the frequency of early registration, while professional education classes saw only a statistically insignificant 2% increase.

	Pre-EBS % early	Post-EBS % early	Significance
Computer education	35%	39%	Significant ¹
Professional education	51%	53%	Not ²
Combined³	39%	43%	Significant ⁴

Overall, the increase was statistically significant, at 4%⁵.

¹ $\chi^2 (1, N = 4,727) = 8.23, p < 0.01$

² $\chi^2 (1, N = 1,737) = 0.69, p = 0.40$

³ Note that Combined includes other classes not included in the computer education and professional education categories, e.g. small business classes.

⁴ $\chi^2 (1, N = 7,137) = 16.18, p < 0.001$

⁵ A statistically significant measure is one that is reliable; it has nothing to do with the actual measure (the percentages in this case). Statistically significant means the difference (percentage) was not due to chance. It does not mean that the difference is large (a high percentage) or important (impactful to your organization).



Last minute registration

Since a primary goal of the EBS was to decrease the number of last minute registrations, we also compared the frequency of last minute registrations before and after the EBS. The following table illustrates the results of this analysis. Overall, the frequency of last minute registration did not change. However, there was a significant *increase* in last minute registration for professional education classes. Last minute registration for computer education classes, on the other hand, did not change.

Conclusions

Overall, our results indicate that the “early bird special” encouraged

early registration, albeit slightly. However, it was ineffective at discouraging last minute registration. In fact, in some cases, last minute registration worsened.

Based on these results, we determined that continuing to offer the EBS was not an effective business decision. The EBS did encourage early registration for a small, but significant number of registrants, but at the cost of providing a percentage discount to a large number of registrants. In addition, the EBS did not seem to encourage last minute registrants to change their behavior.

Explanations

Logically, we can explain this result in a few ways. We describe some ideas below.

If the EBS cut-off date is 30 days prior to the class start, then we cannot encourage a customer who has already missed the 30-day mark to register earlier than last minute. If we look at the EBS in this way, then it logically makes sense why the EBS encourages early registration, yet fails to decrease last minute registration. Instead, we might consider tweaking the system to discourage last minute registration more directly by penalizing late registrations.

In continuing education, many customers get training budgets from their departments and companies. This may require an approval process, which may leave customers unable to register early. At the same time, if the enrollee is paying for his or her training with a company budget, the incentive does not benefit the enrollee. Hence, the EBS is ineffective at encouraging an audience that does not make the decision on when to enroll.

	Pre-EBS % last minute	Post-EBS % last minute	Significance
Computer education	7%	7%	Not ⁶
Professional education	3%	5%	Significant ⁷
Combined	7%	7%	Not ⁸

⁶ $\chi^2 (1, N = 4,727) = 0.78, p = 0.37$
⁷ $\chi^2 (1, N = 1,737) = 6.94, p < 0.01$
⁸ $\chi^2 (1, N = 7,137) = 0.049, p = 0.82$



Other market forces could be at work. With the 2009 recession, customers may delay purchasing training or may forgo training altogether. While the study in this article contains data before the current financial crisis, such economic forces can have an impact on when enrollees decide to register.

Other options

Encouraging “good” behavior from your customers through specials and discounts is an age-old business strategy. While this article does not support the use of an “early bird special” in your overall department’s strategy, other options are available.

If last minute registration is particularly problematic, many departments simply disallow last minute registration. On the other hand, last minute enrollment still represents revenue. Furthermore, once direct costs are covered, each last minute registration is worth that much more to your bottom line. Thus, it may be prudent to allow last minute registration, but to discourage it through an extra fee.

Another option is to create specials around “good” behavior that brings in more money. For example, a multiple course discount might encourage a student who only planned to take one class to register for a second simultaneously (or to register a friend in the same class). This type of special *may* create new revenue, where the EBS could not.

Final thoughts

While there were a handful of lessons learned from implementation of the EBS. In particular, when forming specials for your continuing education classes, keep “good” behavior in mind. Specials (or additional fees) need to address a specific problem by either altering the “bad” behaviors or by generating additional revenue to mitigate the additional cost of the “bad” behavior. In our specific case, trying to mitigate last minute registrations by offering an incentive two weeks or 30 days before class registration was not effective.

We also need to keep the customer perspective in mind: How would you view your specials as a customer? Is an additional fee for late registration offensive to your customers? Are your customers sufficiently aware of your specials? Are they able to take advantage of the special? Do your specials benefit both you and your customers?