

Going to the Mines to Look for Diamonds

**Experimenting with
Military Recruiting Stations in Malls**

**Ronald D. Fricker, Jr.
C. Christine Fair**

Prepared for the Office of the Secretary of Defense

RAND
National Defense Research Institute

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The research described in this report was sponsored by the Office of the Secretary of Defense (OSD). The research was conducted in RAND's National Defense Research Institute, a federally funded research and development center supported by the OSD, the Joint Staff, the unified commands, and the defense agencies under Contract DASW01-01-C-0004.

Library of Congress Cataloging-in-Publication Data

Fricker, Ronald D., 1960-

Going to the mines to look for diamonds: experimenting with recruiting stations in malls / Ronald D. Fricker, Jr., C. Christine Fair.

p. cm.

"MR-1697."

Includes bibliographical references.

ISBN 0-8330-3443-X (pbk.)

1. United States—Armed Forces—Recruiting, enlistment, etc.—Evaluation. 2. Shopping malls—United States. I. Fair, C. Christine. II. Title.

UB323.F74 2003

355.2'23'0973—dc22

2003015007

Cover photograph courtesy of Ronald D. Fricker, Jr.

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Cover design by Barbara Angell Caslon

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Published 2003 by RAND

1700 Main Street, P.O. Box 2138, Santa Monica, CA 90407-2138

1200 South Hayes Street, Arlington, VA 22202-5050

201 North Craig Street, Suite 202, Pittsburgh, PA 15213-1516

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SUMMARY

In December 2000, the Under Secretary of Defense for Personnel and Readiness (USD[P&R]) presided over the opening ceremony of a prototype “marketing-enhanced recruiting station” (MERS) in the Potomac Mills Mall located in northern Virginia, about 15 miles south of Washington, D.C. The purpose of the prototype recruiting station was to explore the use of recruiting stations as tools for marketing the military services to the public.

Intended to present an inviting image of the military to youth and the adults that influence their decisions (“influencers”), a marketing-enhanced station is designed and located to entice visitors to the facility. Placed in high-foot-traffic areas, such as large commercial malls, these stations are intended to expose prospective recruits and their adult influencers to the positive aspects of military service and to facilitate their exploration of military career opportunities. (See Figures PM.1 through PM.8 in the color-photograph insert section for pictures of the Potomac Mills station.)

To put this type of station in the appropriate context, it is important to understand the status quo. Historically, two factors have driven how traditional recruiting stations are located and designed. First, minimizing the cost of leasing the storefront has been a major factor in station location. That the least costly spaces may also be less effective in drawing recruits has generally been a lesser consideration. Second, stations have been designed as office space for recruiters to conduct traditional recruiting activities, such as telephone cold-calling to identify prospective recruits (“prospecting”), conducting follow-up calls to interested youth, and meeting potential recruits.

That recruiting stations also could serve a marketing function (by exposing the general public, for example, to advertisements) has generally not been exploited.

The original intention was to construct 30 MERS throughout the country and conduct a formal evaluation of their performance. The purpose of this evaluation was to determine whether the marketing-enhanced recruiting station concept is effective for attracting potential recruits, promoting the image of the United States military to youth as well as to adult influencers, and providing a cost-effective means of advertising and recruit-contract production. However, before proceeding further, the Department of Defense decided to first evaluate Potomac Mills' performance. RAND was asked to conduct the evaluation.

This report summarizes the results of that evaluation. It includes (1) statistical information about the performance of the Potomac Mills station; (2) information about how the services used the station, including employment of civilian administrators; (3) conclusions about the potential of the MERS concept in general, as well as ways in which this particular station might be improved; (4) case studies of standard recruiting stations located in other retail malls; and (5) recommendations about how the services and the Office of the Secretary of Defense might utilize this prototype station to experiment with and learn about the effectiveness of various recruiting practices and techniques.

WHAT WE LEARNED FROM THE EVALUATION

Our observations, both those from the prototype MERS at Potomac Mills and from the other mall-based stations, as well as the quantitative data we collected at Potomac Mills, led us to a number of conclusions about marketing-enhanced recruiting stations. We focus here on the major conclusions, listing more-detailed conclusions at the end of each chapter.

Major Conclusions

- The marketing-enhanced recruiting station concept, appropriately implemented, has the *potential* to be a cost-effective alter-

native for *some* recruiting stations and for *some* types of advertising, when the station's potential recruiting *and* advertising benefits are fully exploited. Furthermore, by reducing construction costs and by mitigating operating costs, the Department of Defense (DoD) can implement follow-on marketing-enhanced stations for significantly less cost than Potomac Mills' cost.

- To date, the Potomac Mills station has *not* demonstrated increased enlistment-contract production, which is probably attributable to two factors:
 - Potomac Mills station recruiters were required to operate under the standard mission/quota system, a practice that may have driven station contract production toward the norm¹ and that probably stifled station operational innovation.
 - The existing Woodbridge recruiting station, located essentially just across the mall parking lot, was not closed. For most of the services, that station maintained responsibility for most or all of the existing surrounding territory.
- Potomac Mills station recruiters performed similarly to their peers in a standard recruiting station, making the station seem less cost-effective for recruit contract generation than standard recruiting stations. However, this conclusion ignores the marketing and advertising aspects of the station, which have the potential to make the MERS medium a cost-effective combined recruiting-and-advertising venue.
- Because recruiters and recruiting commands did not experiment with adapting their recruiting or operational procedures to the new mall and the MERS environment, we were not able to evaluate what drives station performance or whether alternative operating procedures would have attracted more or higher-quality walk-ins or increased contract production. For example:

¹The Army was the exception, operating the station as a lead-generating facility initially. It has since reverted to staffing and operating Potomac Mills as a standard contract-production facility.

- Recruiters generally kept standard weekday working hours, even though most station visitors came on the weekends and Thursday and Friday nights.
- The services did not hold any special events at the station, nor did they otherwise provide any type of marketing or advertising to exploit the station location.
- The data we collected indicated that the prototype MERS is effective at attracting local recruit-age youth and adult influencers. This success comes in spite of less-than-optimal use of the enhanced station features and no innovation by the services in furnishing marketing materials or events. For example:
 - The station attracted over 8,000 visitors in its first year of operation, or an average of 10 recruit-age visitors and 10 adult influencers per day. Approximately half of the visitors were recruit-age.
 - Recruiters judged that about 10 percent of the youth visitors resulted in quality leads, or an average of about one lead per day.
 - It is not known whether the station could have achieved better performance under other operating conditions and recruiter incentives.
- Our survey (see the Appendix) indicated that the visitors were favorably impressed by the station and that they found it useful for learning about military careers. A significant number (about half) said the station increased their interest in joining the military.
- Finally, an overwhelming majority of active-duty recruiters believe that placing recruiting stations in large, enclosed malls would help recruiting. In the *2000 Military Recruiter Survey* (Wilson et al., 2002), 93 percent of active-duty recruiters felt that well-designed recruiting stations in malls would reflect positively on the military, generate new leads, and help them recruit. Almost 70 percent of active-duty recruiters said they would prefer a recruiting station in a large mall to their current station location. And more than 80 percent of active-duty recruiters believed that teenagers would visit such a station and that it would positively impress key influencers.

Recommendations

A fundamental recommendation of this study is that the Potomac Mills marketing-enhanced recruiting station should be converted from operation as a standard production recruiting station into an experimental facility for learning how to market and recruit today's youth in a commercial environment. It is a unique facility in which DoD has invested almost \$1 million and which, thus far, has not been employed to its full potential.

Simply put, as a standard recruiting station, Potomac Mills is untenably expensive. As a combined advertising-and-recruiting platform, the Potomac Mills MERS has the potential to be cost-effective. But the Potomac Mills station is invaluable as a test bed for new marketing, promotional, and recruiting procedures and techniques.

With such a test bed in mind, we offer four recommendations:

Recommendation No. 1: Use the Potomac Mills Station for Experimentation. The Potomac Mills marketing-enhanced recruiting station is unique among stations. It is in a commercial location with high foot traffic. It has facilities for displaying commercials and web sites to a broad cross section of the public. Furthermore, it has the built-in capability to remotely study station visitors and passersby to determine the effectiveness of the various marketing, promotional, and recruiting techniques.

Potomac Mills should be thought of as an ongoing experiment and a platform for testing and evaluating new recruiting methods, rather than as the final manifestation of a specific type of marketing-enhanced recruiting station. Such a conversion will require additional resources, both financial and managerial. However, the resulting experimentation can serve as a means for learning how the strengths of the MERS can be exploited, thus maximizing MERS production; and perhaps as a means for discovering new ways of recruiting that are more widely applicable.

In the course of this research, we approached various recruiting commands about using the station to perform marketing and recruiting tests. We were interested in understanding what aspects

of the station attracted visitors and affected station performance. For example, which types of special promotions and marketing techniques would attract various types of station visitors; how variants of staffing and recruiting methods would affect station production; how visitors would use the station under various conditions; and, most important, how all these factors would relate to the conversion of casual visitors into serious prospects and, ultimately, recruits. To date, no service or recruiting command has used the station for this purpose (hence, we were not able to do such an evaluation).

Examples of the types of experiments we had in mind include the following:

- Evaluating whether displays of military equipment attract visitors.
- Determining whether staffing the station lobby with active-duty personnel (instead of civilian administrators) helps attract and/or convert youth.
- Understanding whether new types of promotions, such as the military-related video games currently being distributed and played on the Web, might attract visitors.
- Learning how changes in the ambience of the station, such as lighting changes, music type and volume changes, and changes to the promotions on the monitors, would or would not attract various visitor demographics.
- Evaluating how hosting unique special events, such as a reception in the lobby for local school counselors, teachers, principals, etc., could contribute to the long-term marketing and recruiting success of the station.

These types of experiments and evaluations are commonplace in the commercial world. The military now has a facility in place to conduct such evaluations and should take advantage of it.

Recommendation No. 2: Use Potomac Mills to Determine How to Operationalize the MERS Concept. In addition to using the facility

to test individual marketing and recruiting techniques, the services should use Potomac Mills station to learn how to operationalize the marketing-enhanced recruiting station concept. Results of this research indicate that making hardware changes, in the way a station is designed and sited, without making corresponding changes in recruiter incentives or the way the station is operated, is not likely to translate into increased contract production. Various operational changes should be implemented and tested at Potomac Mills to learn how to optimally run such a station. Examples of possible operational changes include the following:

- Varying the use of civilian administrators to learn how they are best employed.
- Evaluating changes in the way recruiters use the station and operate from it.
- Understanding how station design and operation contribute to converting casual visitors to military recruits.
- Modifying station operation to make it more efficient at collecting leads and helping walk-ins self-screen.
- Upgrading certain parts of the facility, such as the computer kiosk, to optimize their attractiveness to youth.²

Recommendation No. 3: Consider Giving the Station to One Service to Experiment with and Operate. As this report describes, some of the complexity in operating Potomac Mills stems from the colocation of multiple services in a joint facility. The services share common facilities (such as a lobby) and recruiters of different services are expected to cooperate in the operation of the station.

The experience to date in the Potomac Mills station is that recruiters prefer to forgo the use of certain station amenities rather than risk being perceived as unfairly using/exploiting those facilities to the detriment of the other services. For example, recruiters do not take advantage of the lobby area, which has become a sort of “no-man’s-

²The Army Corps of Engineers is working to upgrade the kiosks; however, as of this writing, no upgrades have been implemented.

land,” largely unused and unexploited. In a similar vein, the “jointness” of the station means that there is no one station commander, such as a standard station would have. Hence, no one is truly in charge of the station on either a day-to-day or a long-term basis.

Thus, one approach to facilitating innovation and experimentation within Potomac Mills is to turn the station over completely to one service for an extended period of time. Given that the Woodbridge station was never closed, this change can be made in such a way that the effect on the other services’ recruiting efforts is minimized. That one service would then have free rein to experiment with the staffing, operation, and management of the station, with the goal of figuring out how to maximize the use of a MERS in a large commercial mall.

Recommendation No. 4: Once the MERS Concept Has Been Refined, Conduct Broader, Formal Experiments to Ensure Its Widespread Applicability. The marketing-enhanced recruiting station concept was originally conceived of as an experimental test of a concept. DoD envisioned constructing 30 MERS around the country, then using a formal, statistical methodology to evaluate their performance. Such testing has been used and continues to be used. For example, in the early 1980s, the Army and DoD conducted the Enlistment Bonus Experiment to assess the effects of expanded cash bonuses for attracting high-quality enlistees (Polich, Dertouzos, and Press, 1986). Other examples include the Educational Assistance Test Program in 1981, which examined the effect of varying educational benefits on enlistments (Fernandez, 1982); and the Advertising Mix Test, which estimated the effects of service and joint-service advertising (Carroll, 1987).

Once sufficient experimentation at Potomac Mills has been conducted and the MERS’ performance has been optimized in that one location, per Recommendation No. 3, a larger set of stations should be constructed and evaluated formally. Such an evaluation will provide more-definitive evidence of whether the MERS concept works in all locations and under all conditions. In particular, it would be possible to evaluate a number of station variants at the same time to

determine which combinations of features are widely applicable and are most effective.

MINING FOR DIAMONDS

A recommendation to put recruiting stations in malls should be like telling prospectors to go into mines to look for diamonds. And such a mining metaphor is particularly apt for military recruiting; it is not an accident that recruiters refer to the process of looking for new recruits as *prospecting*.

Using the mining metaphor, we set out to answer the question, Is the additional yield in these retail “mines,” compared with the yield of existing strip mall–based “mining,” worth the increased cost of operations? What we have found is that, although the mine shows distinct promise, the operators have not yet learned how to maximize the quantity of diamonds extracted. Hence, before deciding to abandon the new mine, the operators should first learn to optimize their mining operation. It is only through experimentation and innovation that the mine will achieve its greatest yield.