Appcast

Appcast Research:

2023 Recruitment Marketing Benchmark Report

U.S. Edition

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Note to our readers

Welcome to the 2023 (and 7th!) edition of Appcast's annual Recruitment Marketing Benchmark Report. This report will help you understand where, when, and how to reach the candidates you seek and how much you may have to spend to attract them. To get the most actionable value from this report, please note the following:

- The data in this report provides a framework for benchmarking your recruitment marketing performance and understanding candidate behavior. Keep in mind, however, that these are benchmarks. Be sure to track and baseline your data to make sure you are achieving the best possible recruitment marketing results.
- We encourage you to look at the data in this report with attention to your specific hiring goals and challenges. Do you need more candidate volume? Do you struggle to attract qualified candidates? Are there particular markets where you are expanding? Taking this approach to reviewing the data will help you prioritize and act upon the insights you find here.
- In the early pages of this report, many of the graphs include a **three-month moving average**. Because some of the economic trend data can be volatile, including a three-month moving average helps us: (1) identify the trend more accurately, despite the volatility, (2) avoid the tendency to read too much into a random one-month swing, and (3) it provides smoothness and simplicity from a visual perspective.
- Furthermore, many of the data views included in this report look at **apply rate**, which is defined as the number of people who actually submit an application after having clicked on a job ad; it is represented as a percentage. Apply rate is one of the most effective conversion metrics for understanding the performance of job ads and how job seekers interact with them.
- For the past couple of years, we've analyzed recruitment marketing performance in the context of labor market data, as we believe it provides valuable insight to help you navigate an ever-changing hiring landscape. And in 2022, we launched a new insights hub – Recruitonomics.com – to help you stay on top of the labor market and its impact on your recruiting performance.

Executive Summary

- A strong, tight labor market paired with decades-high inflation created a tumultuous year for recruiters. Despite the difficulties, key recruitment measures became more affordable.
- Rising apply rates hint at more serious job seekers. The benefits of a worker's market and economic uncertainty may have lured sidelined workers back into the talent pool.
- Cost-per-application (CPA) varies by job function, but the notable trend here is rather than skill or wage determining the highest cost per applicant, costs are now being driven by functions where demand is consistently high (i.e. Healthcare, Transportation, Education, etc).
- In line with job seekers' desires, pay transparency continues to be one of the hottest trends in recruitment. Our research shows that it pays to be transparent!
- Similar to previous years, apply volume from job seekers is highest throughout the traditional work week, spiking on Wednesday and Tuesdays, respectively, while apply rates seem to hold steady across the entire week.
- Looking at recruitment marketing performance through a down-funnel lens helps to drive better recruitment marketing decisions at the top of the funnel. Our research shows that from a cost-per-hire perspective, no single source performs best for every job, all the time, so you need to diversify your sources to ensure your hiring goals are met.

Scope & Methodology

Scope

Appcast's analysis utilizes 2022 job ad data from nearly 1,200 employers in the United States. In total, 255 million clicks and 12 million applies were analyzed for the study.

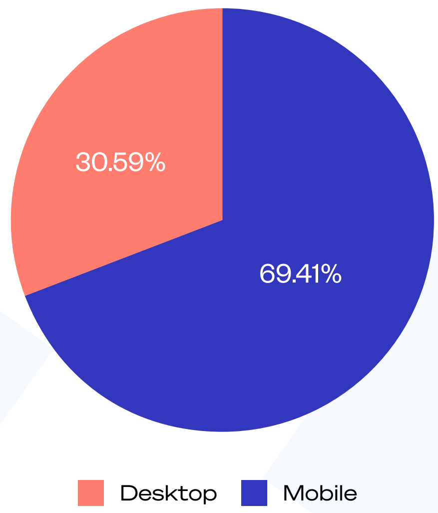
Methodology

Appcast analyzed pay-for-performance recruitment ads across every major job function. Duration-based postings and slots were not included. Only recruitment ads purchased on a performance basis – cost-per-click (CPC) or cost-per-application (CPA) – were factored into this study. Mobile data includes iPads and other tablets.

Unless otherwise indicated, all data in this report is sourced from Appcast's proprietary database and analyzed by our team of data experts.

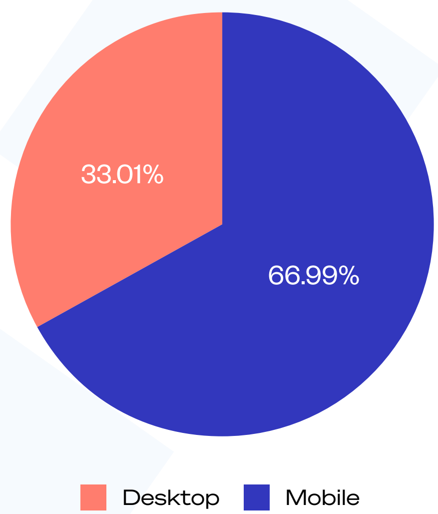
Note: The data set used for the Pay Transparency and Cost-Per-Hire Insights sections of this report are not within the defined scope above. Scope and methodology are outlined in those sections, respectively.

255 Million Clicks



Source: Appcast, 2023

12 Million Applies



Source: Appcast, 2023

A Macro View of the Hiring Market

In this section, our Recruitonomics team breaks down key economic and recruitment marketing indicators from 2022 to help contextualize the data you will see on the following pages.

What is Recruitonomics?

Economic Overview

The big picture: What spurred the labor supply rebound in 2022?

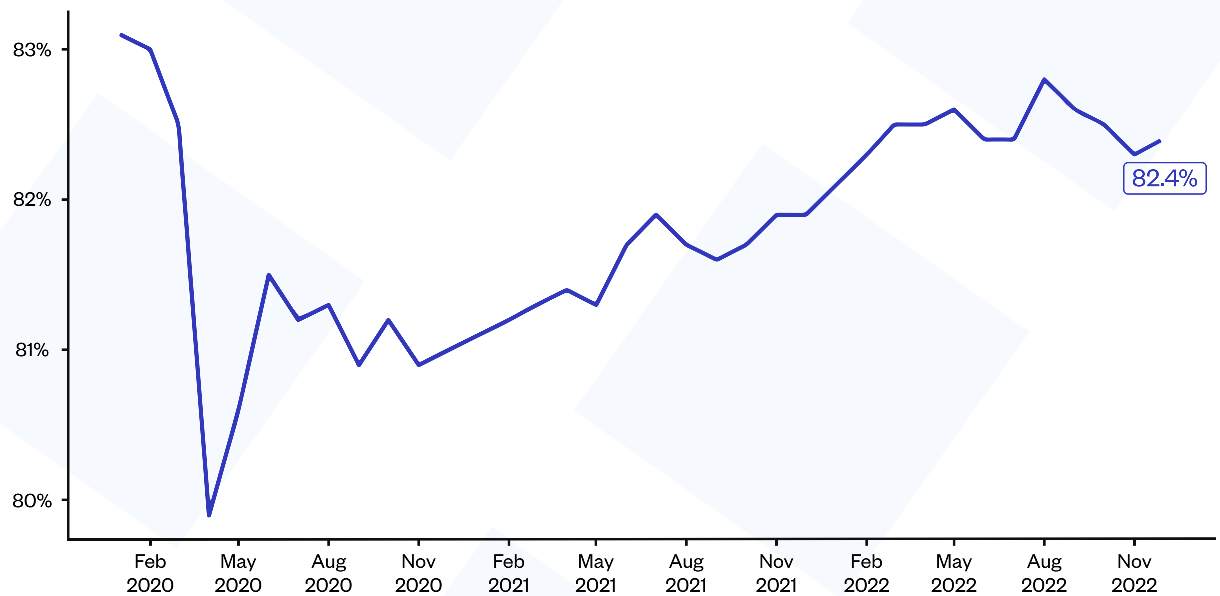
After two years of dismal participation, job seekers returned in 2022, thus lowering recruiting costs. The labor force expanded by 2.5 million from December 2021 to December 2022. What brought these job seekers back?

Two key factors:

- Labor market tightness created a true worker's market – wages rose, benefits expanded, and work from home offered previously unimaginable flexibility.
- Simultaneously, inflation reached 40-year highs, complicating economic outlooks and eating away at workers' new earnings.

Prime-age labor force participation rate

% of 25 to 54 year olds, employed or looking for work



Source: Bureau of Labor Statistics; Created on Jan 6, 2023

Economic Overview

Worker's market attracted new job seekers

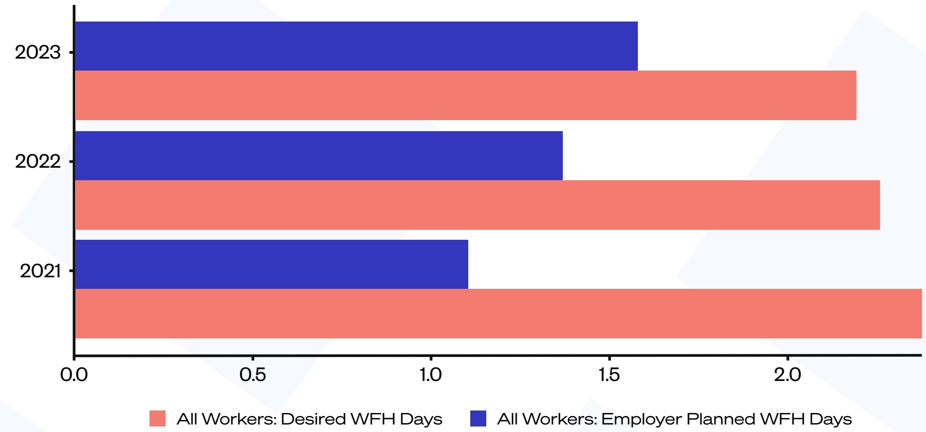
In a tight labor market, job openings are plentiful, wage growth is strong, and almost anyone who wants work can get it. Last year's tight labor market showed how workers exercised their bargaining power – whether by quitting, getting a raise, or seeking out remote work flexibility.

- Because of the national move towards remote work, parents caring for young children and workers with disabilities were able to join the labor force like never before.

- The tight labor market also gave way to impressive nominal wage gains. In the three months through December 2022, wages grew at a 4.2% annualized rate. Unfortunately, that's not the whole story with wages. While these nominal wage gains were impressive, they could not keep up with the suffocating pace of inflation.

Employers and employees are increasing WFH days

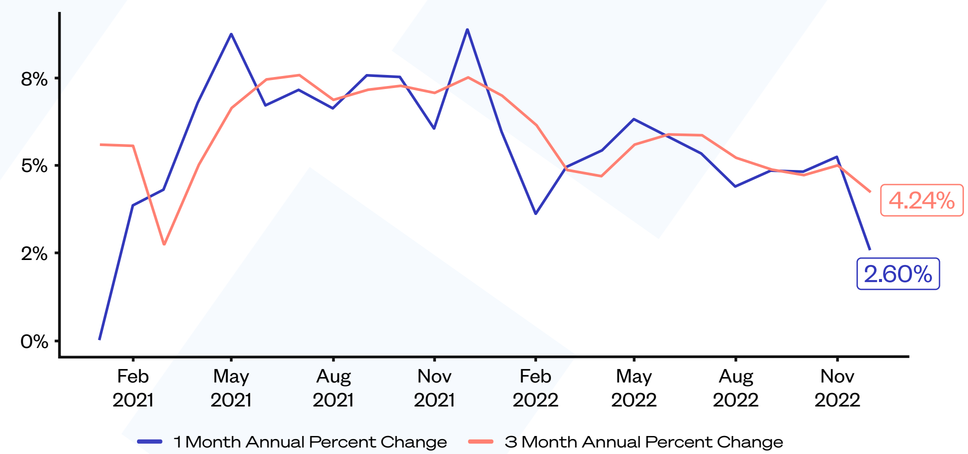
Number of WFH days post-COVID (days per week, 3-month moving average)



Source: wfhresearch.com, Survey of Working Arrangements and Attitudes; Created on Dec 20, 2022

Average hourly earnings had strong growth in 2022

Total private earnings of production and nonsupervisory employees, seasonally adjusted



Source: Bureau of Labor Statistics; Created on Jan 11, 2023

High inflation & soaring interest rates also pulled workers back

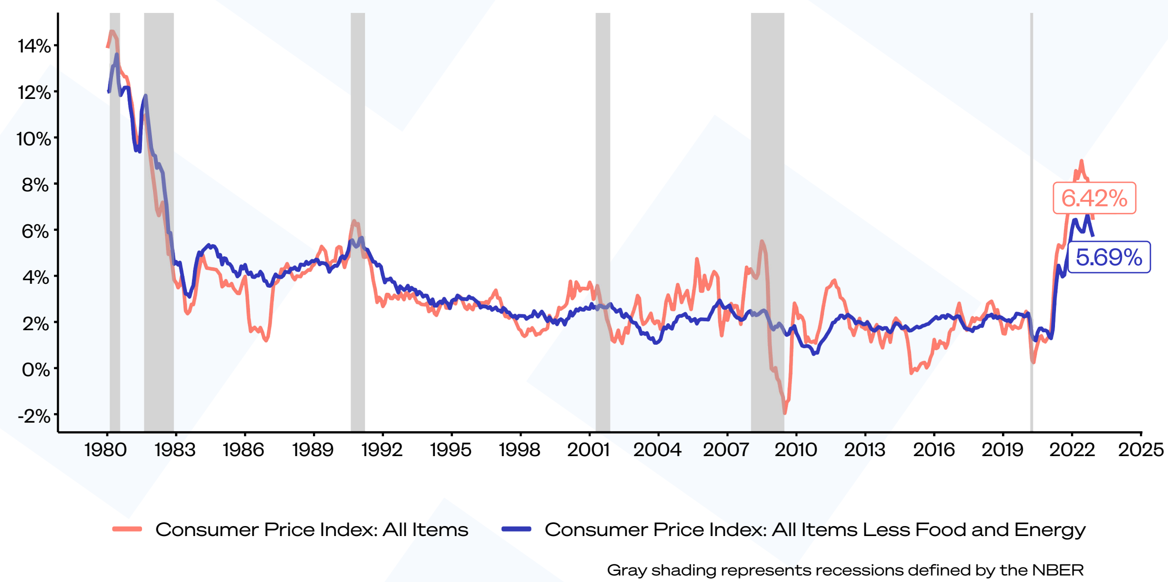
If 2021 was defined by labor market tightness, then 2022 was defined by rapidly accelerating inflation. At first, skyrocketing energy prices were the main component of rapid price increases, but eventually these increases seeped into every depth of the economy.

- At their worst in 2022, prices were up 9.1% from the year before – the fastest increase since the 1980s.
- This shifted the average worker's economic situation, eating away at their wage gains and creating uncertainty.
- Consumers, however, spent resiliently even as prices continued to rise. Historically-high inflation was not able to curb demand.

The economic uncertainty that inflation created combined with the benefits of a worker's market attracted sidelined workers back into the labor force.

Headline inflation fell in December

Year-over-year % change, consumer price index (seasonally adjusted), through December 2022



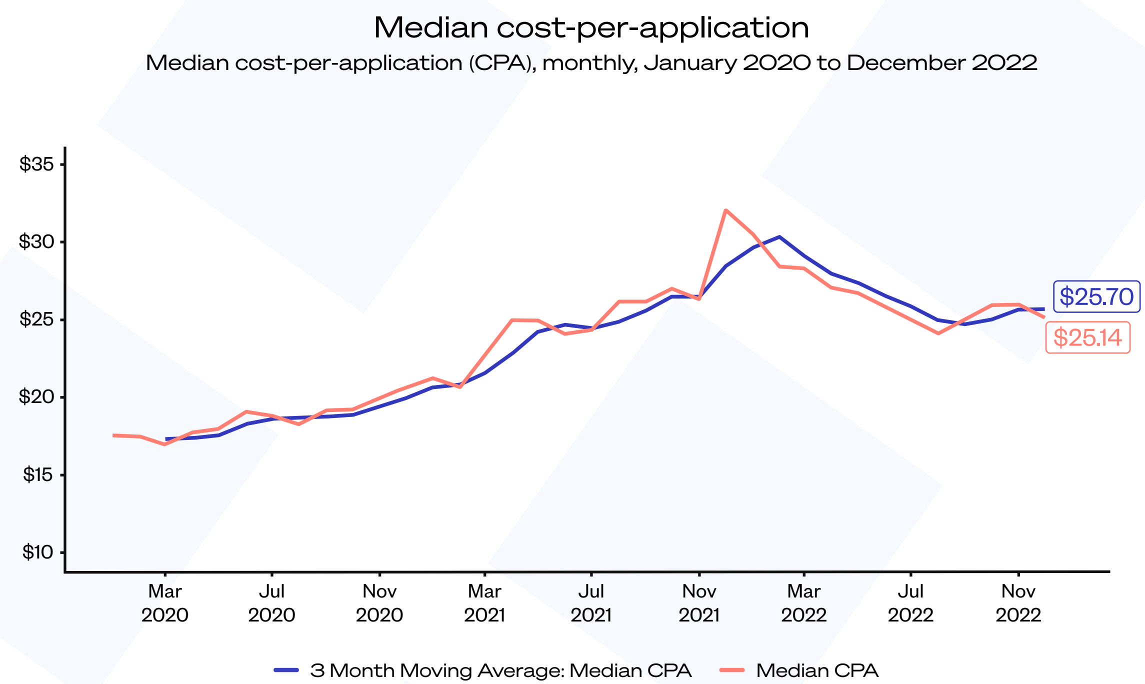
Source: Bureau of Labor Statistics; Created on Jan 12, 2023

Recruiting Overview

CPA declined

The labor market was tumultuous last year (and does not look likely to calm in 2023). Demand for talent reached new highs, strong wage growth and inflation complicated recruiters' efforts, and the Federal Reserve's inflation response rapidly transformed interest rates. Despite all this, recruitment advertising actually became more affordable.

- After skyrocketing for the past two years (including the beginning of 2022), cost-per-application fell and then leveled off.
- In December 2022, employers paid $25.14 per application, down nearly 22% from the same period last year.
- Recruiting may have felt just as difficult, but overall acquiring new applications and candidates was actually more cost-effective than the previous year.



Source: Appcast, 2023

Recruiting Overview

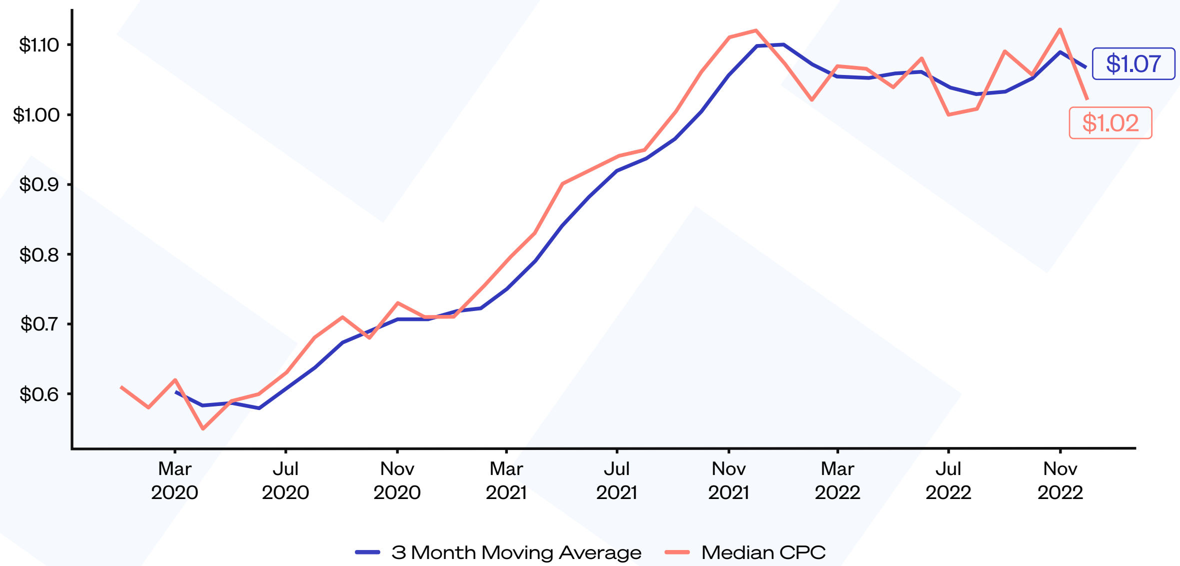
CPC stabilized near $1.00

Before any applications come in, employers first have to compete for job seekers' eyes.

- Cost-per-click did not see a marked decrease like CPA in 2022. Instead, CPCs moderated at $1.05.
- In the fourth quarter of 2022, the median CPC averaged $1.07, compared to $1.10 in the same period in 2021.
- Job openings reached historical highs last year; the competition for job seekers' attention was more tense than ever. Even this moderation in this key recruiting cost is welcomed, especially after the very dramatic increase in 2021.

So – the cost of driving traffic stabilized while the cost of actually getting candidates fell. What happened?

Median cost-per-click (CPC)
Monthly, January 2020 to December 2022

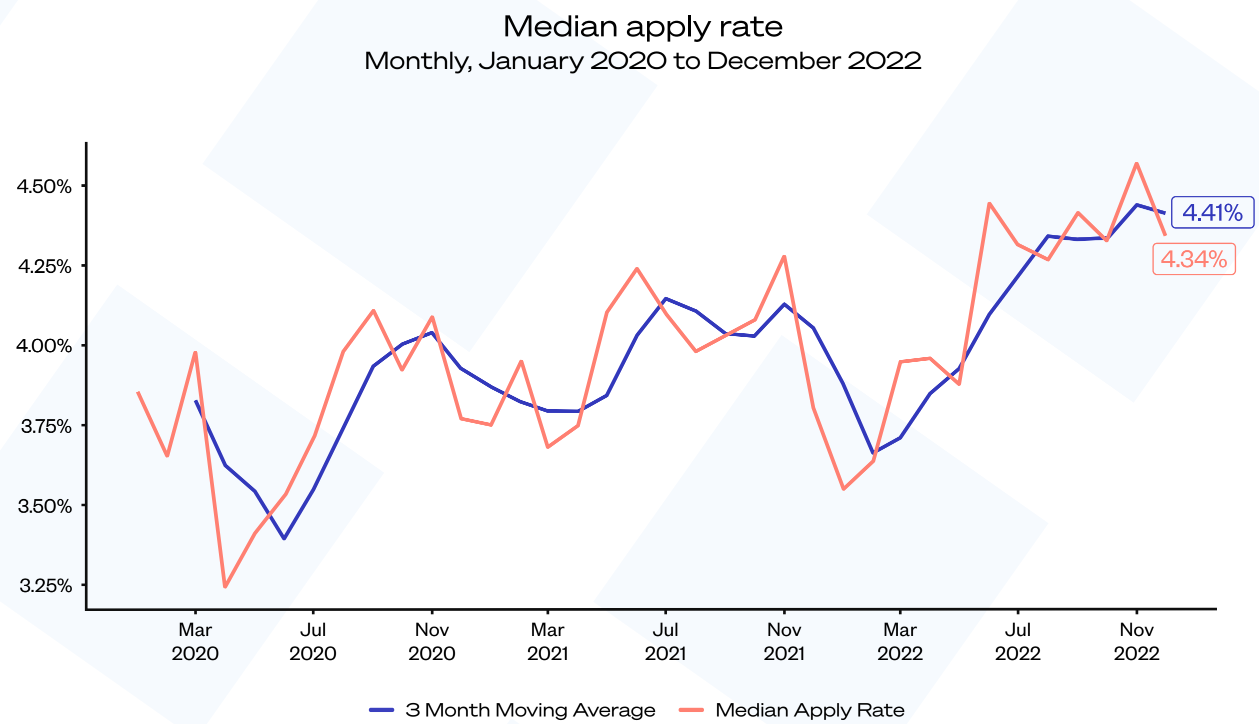


Source: Appcast, 2023

Apply rates on upward trend

The upswing in apply rates may have had something to do with it. Job seekers got serious in 2022 – the costs of high inflation and dwindling excess savings may have finally caught up to some workers sitting on the sidelines. Others may have been lured back by the developments in remote work and reports of monumental nominal wage gains.

- In 2022, apply rates trended strongly upwards, nearly enough to forgive the immovable nature of the recruitment metric in 2021.
- By the end of 2022, the three month moving average apply rate reached 4.41% - the highest point of the 2020s.



Source: Appcast, 2023

Recruitonomics Summary

Moreover: There is no single labor market

These macro effects only go so far in explaining how recruitment marketing costs shifted in 2022. To paint the whole picture, we must go deeper. There is no one labor market – different industries will respond independently to economic shifts. Demand is constantly shifting based on the industry and geographical location you're recruiting in. How can you keep informed on macroeconomic shifts *and* micro-labor market shifts?

- Read on for more granular views of key recruitment marketing metrics by job function, by state, and other perspectives.
- Stay updated on macroeconomic trends at Recruitonomics.com, where weekly articles will inform you on the latest changes in the overall labor market, inflationary pressures, and more.
- Keep up with shifts in your industry by downloading our quarterly Labor Market Snapshots, which feature recruitment marketing trends in eight key industries.

We dig deeper into the factors driving the labor supply rebound on Recruitonomics.com - read the full article here.

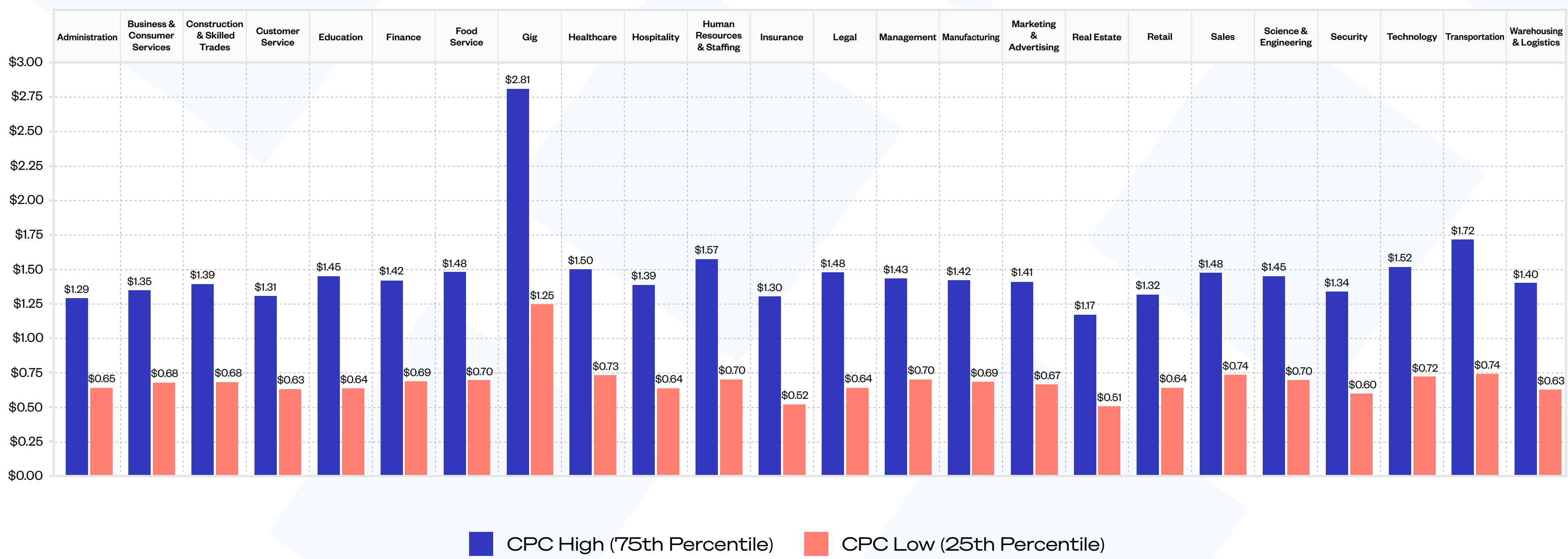
Job Function

This section looks at the data by job function, by which we mean role, occupation, or type of job; it is not necessarily the employer's industry.

Job Function

CPC by job function

As we saw earlier in the report, CPCs found some stability over the past year, leveling out around $1.02 per click. Interestingly, on a function by function basis, there seems to be very little variance as well, with the exception of Gig roles, which are often an outlier due to the nature of their business model (more hires = more revenue). Some are surprising – like HR & Staffing and Technology – while others are not, such as Transportation, Food Service and Healthcare. That being said, many functions are still seeing CPCs that are elevated from pre-pandemic levels, due to the tight labor market.



Source: Appcast, 2023

Job Function

Apply rate by job function (data on page 17)

It may be a surprise to see Construction & Skilled Trades with increased apply rates, considering rising interest rates and a soft housing market. However, Construction is resilient – not because there isn't a change in the housing market – residential construction certainly is declining – but a boom in non-residential construction (investments in public infrastructure, industrial manufacturing facilities) and multifamily residential housing is soaking those workers up.

Perhaps unsurprisingly, functions like Hospitality, Food Service, and Farming & Agriculture (typically lower wage disciplines) saw drops in apply rates. Given the tight labor market, workers are finding better-paying opportunities elsewhere.

In some cases, such as manufacturing (which saw the largest increase in last year's report), it's likely a "normalizing" of sorts after the surge of post-pandemic recovery.

Job Function

Apply rate by job function

Median apply rate by discipline
January 2021 to December 2022

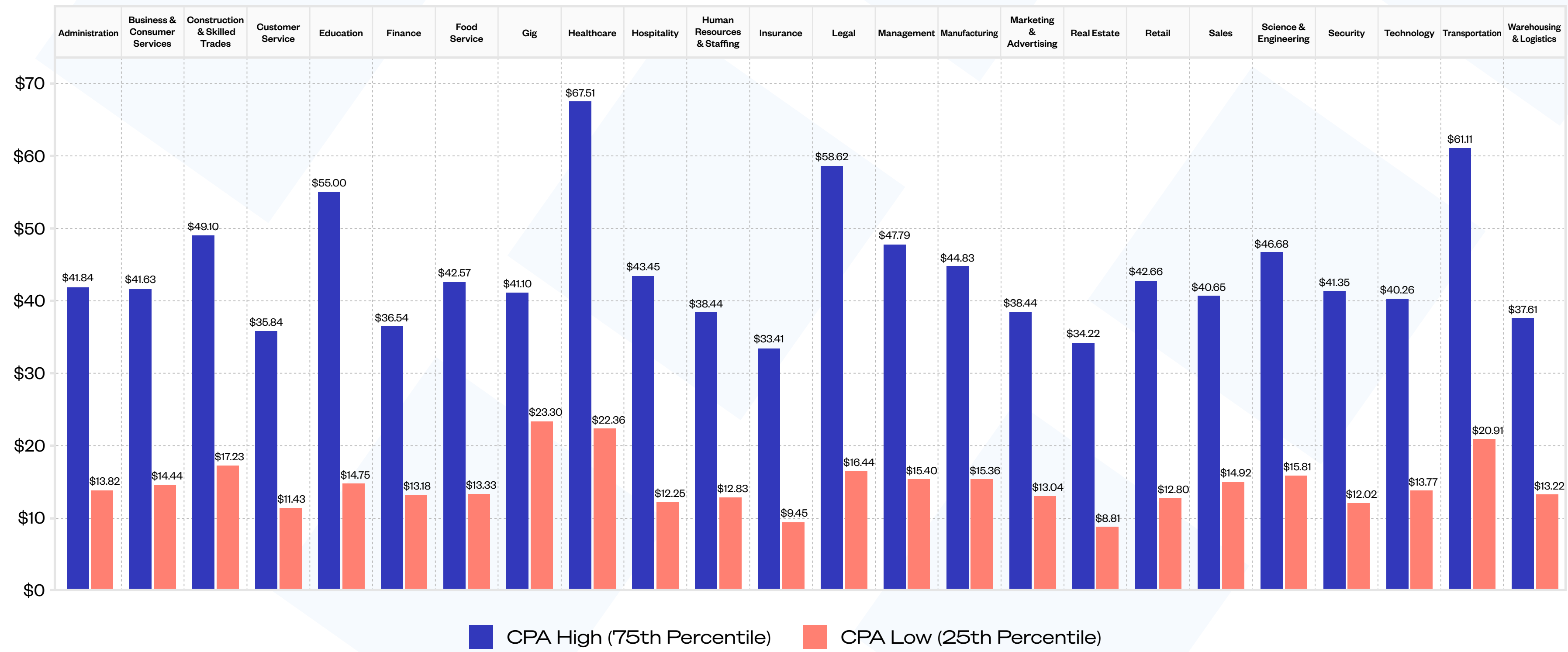
Discipline	2021 Apply Rate	2022 Apply Rate	Change in Apply Rate
Insurance	1.69%	3.53%	1.84%
Transportation	2.68%	3.39%	0.71%
Construction & Skilled Trades	4.11%	4.76%	0.65%
Security	5.21%	5.60%	0.40%
Sales	4.83%	5.21%	0.38%
Gig	5.96%	6.31%	0.36%
Technology	5.64%	5.97%	0.33%
Healthcare	3.16%	3.49%	0.32%
Customer Service	5.58%	5.62%	0.03%
Education	4.46%	4.50%	0.03%
Warehousing & Logistics	3.99%	4.01%	0.02%
Legal	4.17%	4.14%	-0.02%
Real Estate	5.54%	5.47%	-0.06%

Discipline	2021 Apply Rate	2022 Apply Rate	Change in Apply Rate
Science & Engineering	4.33%	4.24%	-0.09%
Business & Consumer Services	5.12%	4.96%	-0.17%
Management	4.84%	4.43%	-0.42%
Finance	6.30%	5.87%	-0.42%
Retail	5.34%	4.73%	-0.61%
Farming & Agriculture	4.98%	3.86%	-1.12%
Human Resources & Staffing	6.71%	5.41%	-1.30%
Food Service	7.61%	6.31%	-1.30%
Administration	6.59%	4.81%	-1.78%
Hospitality	7.32%	5.46%	-1.86%
Marketing & Advertising	6.79%	4.80%	-1.99%
Manufacturing	8.48%	4.64%	-3.84%

+1.84% and above
0.02% to 0.71%
-0.02 % to -0.61%
-1.12% to -3.84%

CPA by job function

CPA varies by job function, and historically, higher CPAs were reserved for jobs of higher wage and skill levels. However, there's more to it than that. Consistently high-demand occupations (such as Healthcare, Transportation, Legal, and Education jobs) lead to higher CPAs at both the 75th percentile and 25th percentile. It is notable that in the 2022 edition of this report, the highest costs were among these same occupations.



Source: Appcast, 2023

Geographic Market

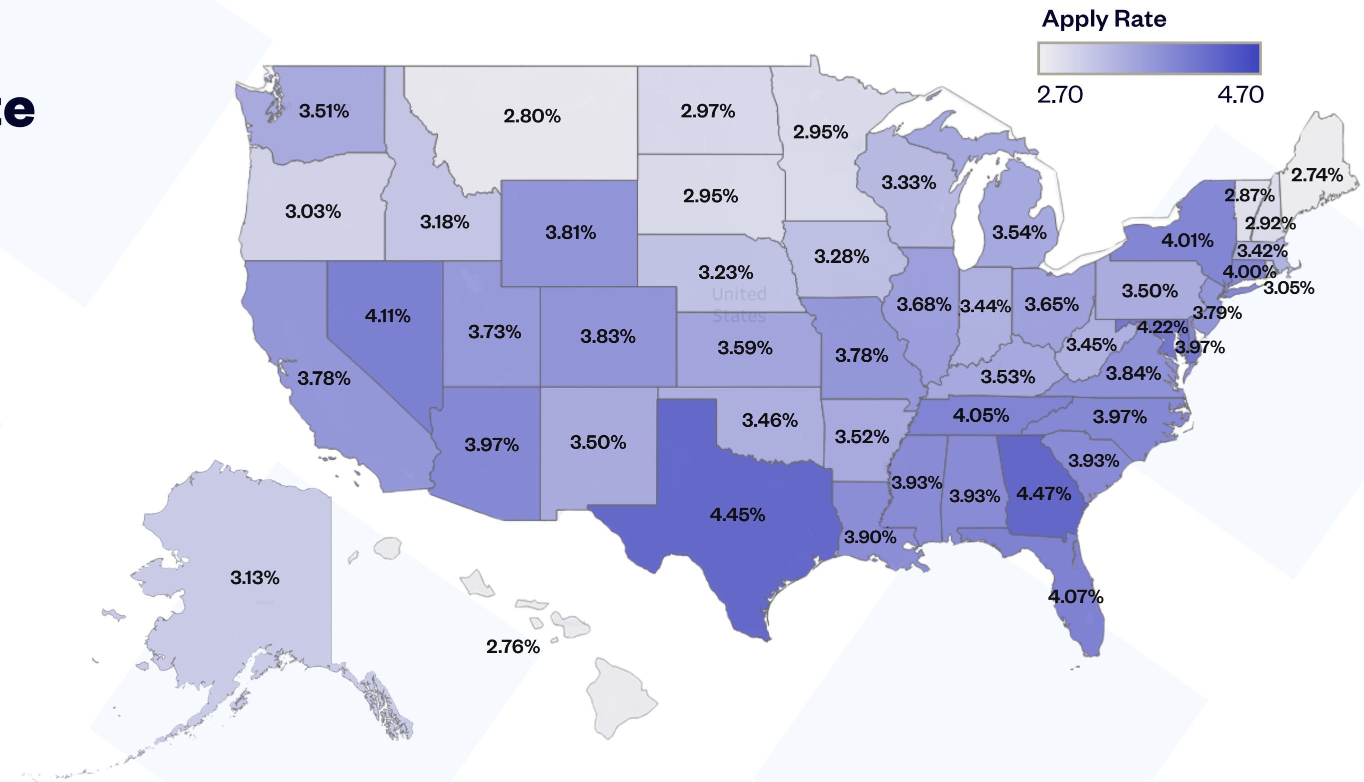
In this section, you will learn the average apply rate and average cost per application (CPA) in markets where you may be hiring.

Geographic Trends

Apply rate by state

Remember how we said above "There is no single labor market?" This map proves just that. Apply rates (and therefore recruiting costs) shift depending on what state (and even what metro area!) you're recruiting in.

Tracking your local competition along with your industry's trend creates a more holistic understanding of your hiring landscape. Take it one step further with [programmatic job advertising] tools and discover a smarter, better way to target talent and spend appropriately.



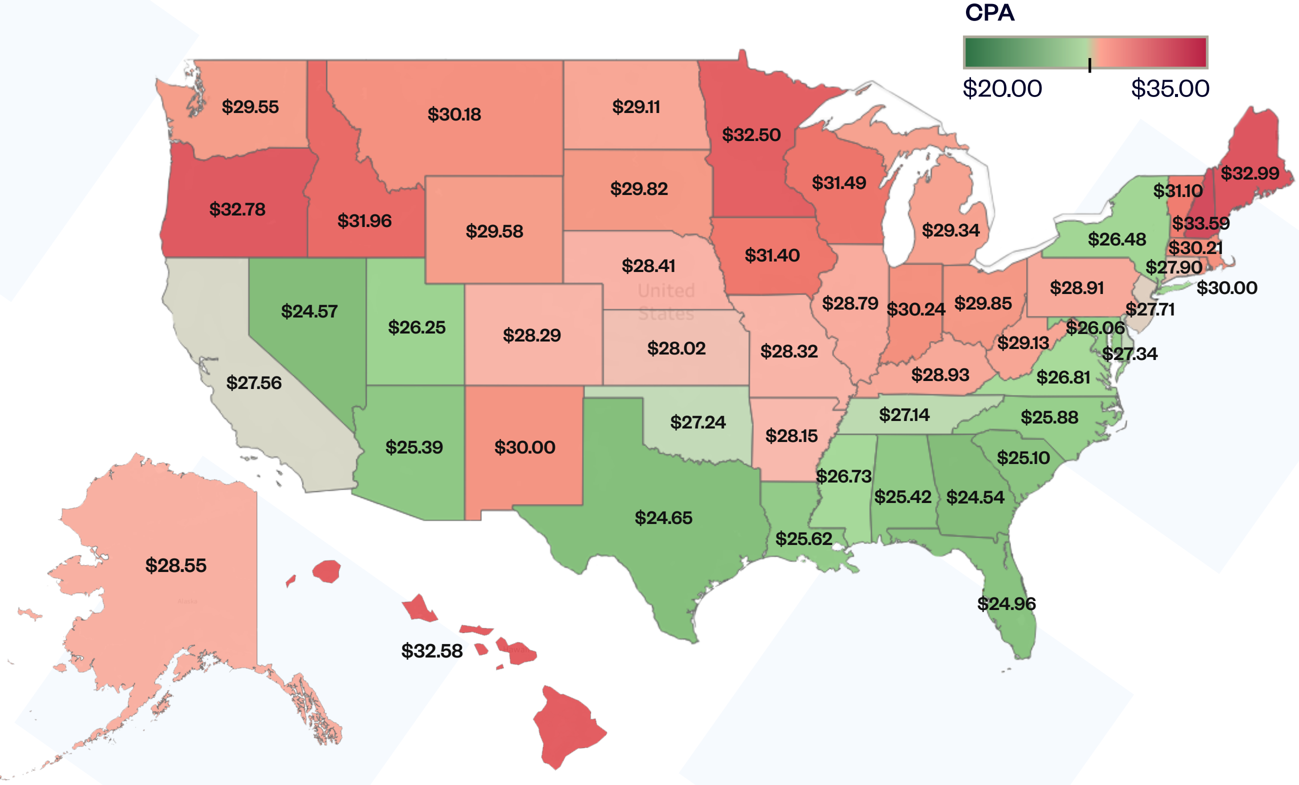
AK	3.13%	HI	2.76%	ME	2.74%	NJ	3.79%	SD	2.95%
AL	3.93%	IA	3.28%	MI	3.54%	NM	3.50%	TN	4.05%
AR	3.52%	ID	3.18%	MN	2.95%	NV	4.11%	TX	4.45%
AZ	3.97%	IL	3.68%	MO	3.78%	NY	4.01%	UT	3.73%
CA	3.78%	IN	3.44%	MS	3.93%	OH	3.65%	VA	3.84%
CO	3.83%	KS	3.59%	MT	2.80%	OK	3.46%	VT	2.87%
CT	4.00%	KY	3.53%	NC	3.97%	OR	3.03%	WA	3.51%
DE	3.97%	LA	3.90%	ND	2.97%	PA	3.50%	WI	3.33%
FL	4.07%	MA	3.42%	NE	3.23%	RI	3.05%	WV	3.45%
GA	4.47%	MD	4.22%	NH	2.92%	SC	3.93%	WY	3.81%

Geographic Trends

CPA by state

Because CPAs are directly (and inversely) related to apply rates, you'll notice that in the areas where we saw higher apply rates, we are also seeing lower CPAs. Interesting to note: states that have experienced strong labor market growth – such as Arizona and Texas – have lower CPAs.

Understanding the benchmark CPA in the markets where you are hiring allows you to better project what you may need to spend in order to attract candidates in that region. But bear in mind that the industry or job function will also be a factor.



AK	$28.55	HI	$32.58	ME	$32.99	NJ	$27.71	SD	$29.82
AL	$25.42	IA	$31.40	MI	$29.34	NM	$30.00	TN	$27.14
AR	$28.15	ID	$31.96	MN	$32.50	NV	$24.57	TX	$24.65
AZ	$25.39	IL	$28.79	MO	$28.32	NY	$26.48	UT	$26.25
CA	$27.56	IN	$30.24	MS	$26.73	OH	$29.85	VA	$26.81
CO	$28.29	KS	$28.02	MT	$30.18	OK	$27.24	VT	$31.10
CT	$27.90	KY	$28.93	NC	$25.88	OR	$32.78	WA	$29.55
DE	$27.34	LA	$25.62	ND	$29.11	PA	$28.91	WI	$31.49
FL	$24.96	MA	$30.21	NE	$28.41	RI	$30.00	WV	$29.13
GA	$24.54	MD	$26.06	NH	$33.59	SC	$25.10	WY	$29.58

Job Seeker Preferences

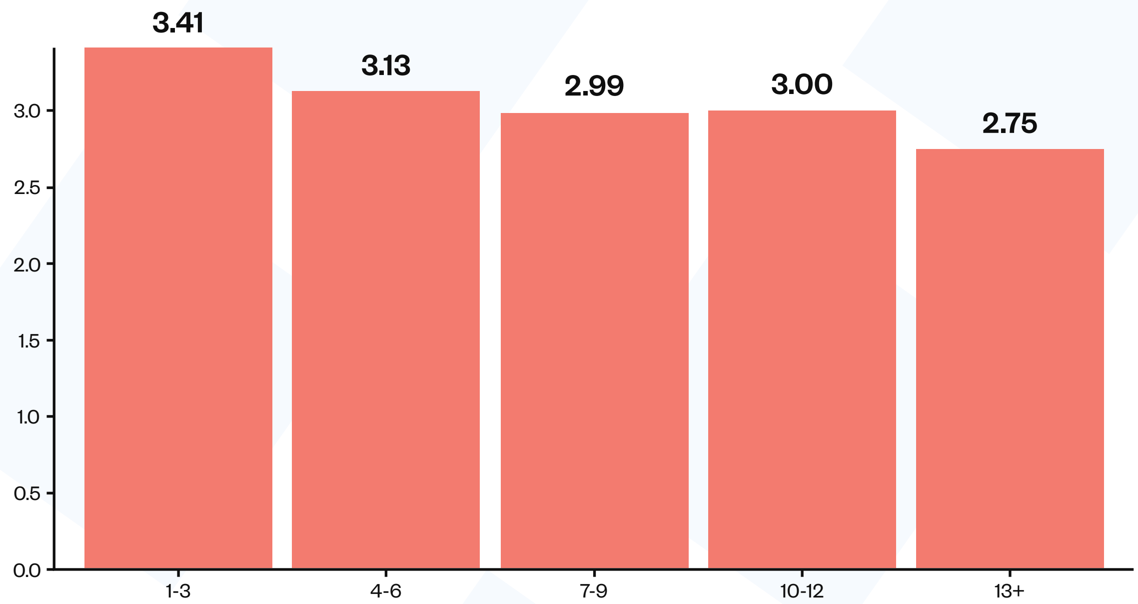
In this section, you will learn about shifts and developments in candidates' expectations and insights for increasing the performance of your job ads.

What makes candidates click?

We've looked at job title length data in nearly every edition of our benchmark report and the insight has remained consistent over time: shorter is better.

It is, however, interesting to note that overall, clicks per job are down (last year jobs with 1-3 words were seeing nearly 7 clicks!) and the variance among the job title length ranges are much closer than in previous years. We posit there are two reasons for this: 1) less clicks per job overall means that the variance has to be tighter and 2) it is possible that with the competitive nature of the labor market, employers are trying to woo job seekers by including the mention of key benefits like a signing bonus, remote opportunities, or even the pay range itself.

Average clicks per job title length (words)



Source: Appcast, 2023

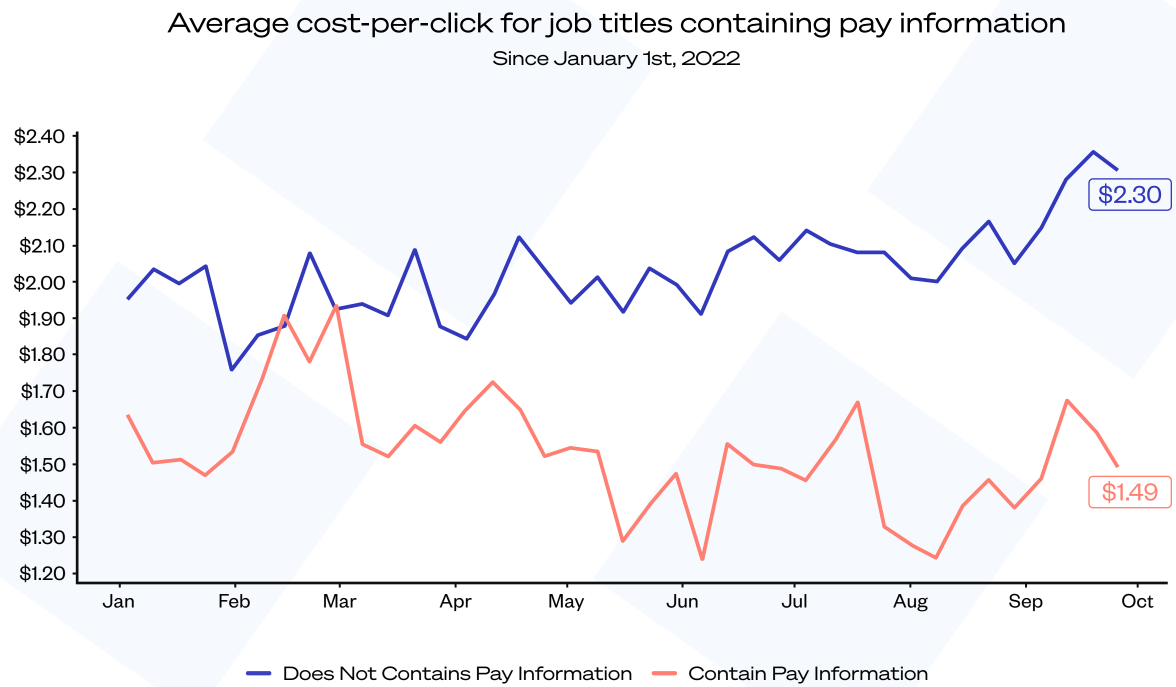
Job Seeker Preferences

The impact of pay transparency on job ad performance

When Colorado announced its move toward pay transparency, our Recruitonomics team immediately looked to the data to try and understand its impact for employers.

What we learned:

- Pay transparency may lead to a lower volume of applications per job, however, it is likely that those candidates will be of higher quality (due to the better match of expectations).
- It pays to be transparent! As you can see in the graph, job titles that contain pay information resulted in a lower cost-per-click ($1.49 compared to $2.30) for employers.



Source: Appcast, 2023

We'll be keeping an eye on pay transparency trends this year – make sure you're subscribed to the Recruitonomics newsletter so you don't miss the latest research!

Device: How are people applying for jobs?

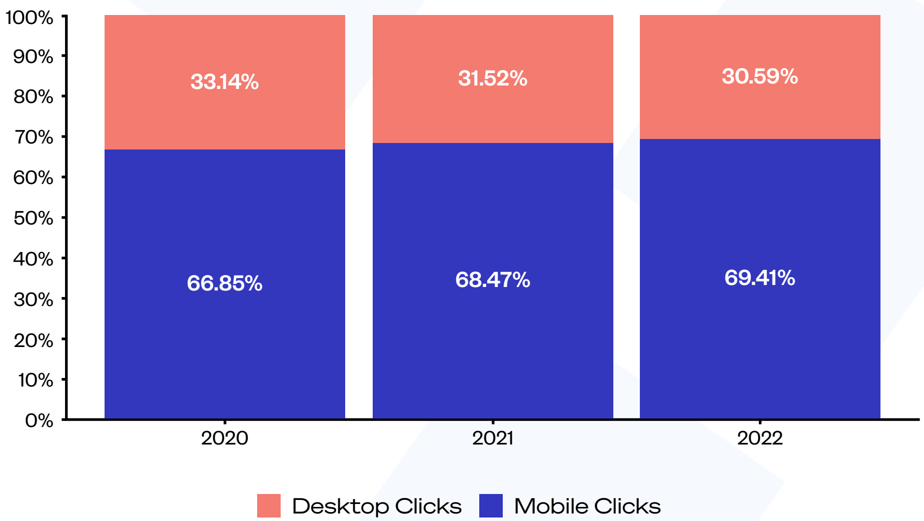
In this section, you'll learn how candidates are looking for jobs so that you can optimize that experience to align to your target audience.

Device Trends

Percentage of clicks and applies by device: Three-year review

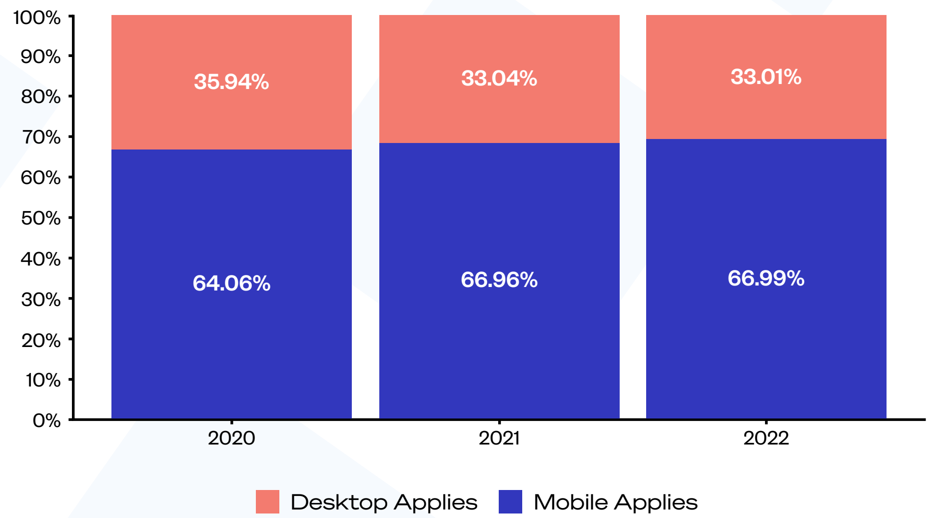
Although not a significant increase this year, mobile clicks and applies continue to trend higher in comparison to desktop clicks and applies and have since the inception of this report. As people continue to perform more and more tasks on mobile devices, they bring their consumer behavior and expectations to their job seeking habits.

Clicks by device, year-over-year



Source: Appcast, 2023

Applies by device, year-over-year



Source: Appcast, 2023

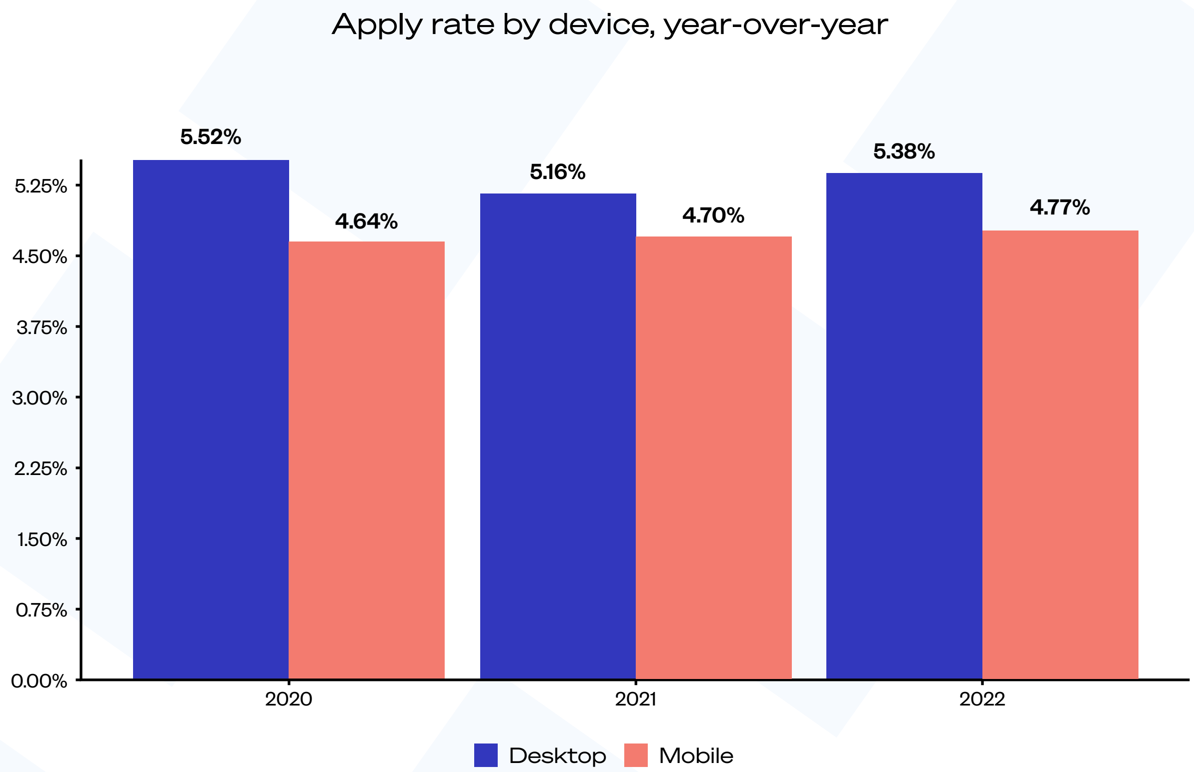
Device Trends

Apply rates by device: Three-year review

It is no secret that many of our daily habits are now done via a mobile device – and applying to jobs is no exception. But why the resurgence in the desktop apply rate?

Perhaps 2021 was a bit of an anomaly as overall apply rates were down in last year's report and so was labor force participation. However, it's possible that with the continued prevalence of remote work and [work from home] for many traditionally white-collar roles, that people are applying for jobs at a higher rate from their desktop device because their boss isn't looking over their shoulder. Or perhaps it's a nod to the elusive trend of [quiet quitting]!

Either way, mobile job activity is still increasing, which reinforces the need for employers to ensure the application process is just as efficient and friction-free as it would be on a desktop computer.



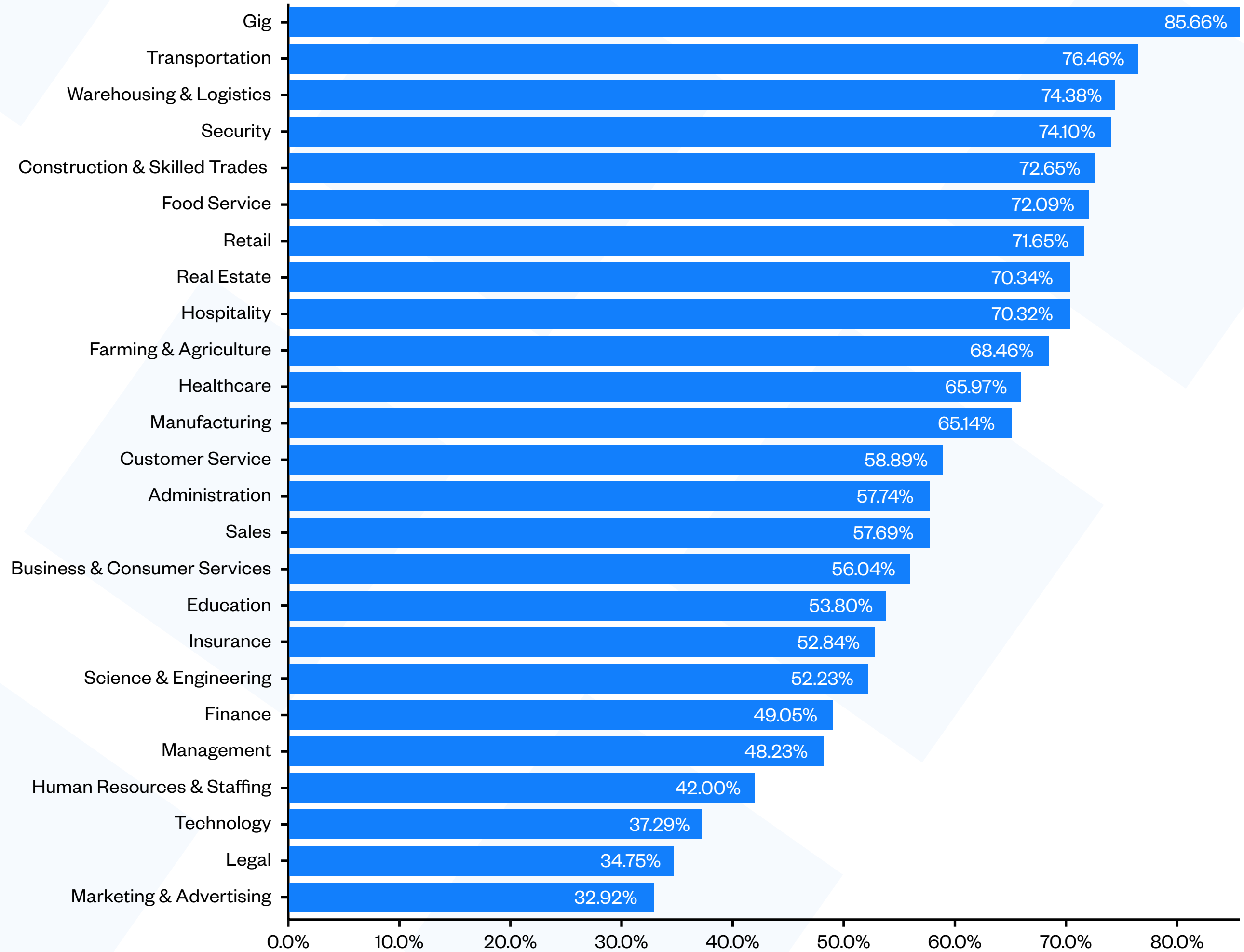
Source: Appcast, 2023

Device Trends

Percentage of mobile applies by job function

A trend consistent with previous years, occupations that are commonly thought of as "desk jobs" see the lowest volume of mobile applies. Conversely, roles where workers are on their feet or on the move see much higher volumes of applications on a mobile device. This is particularly true for gig roles, where many of the jobs are assigned, completed, and facilitated by a mobile device (for example, delivery driver apps or on-demand services apps).

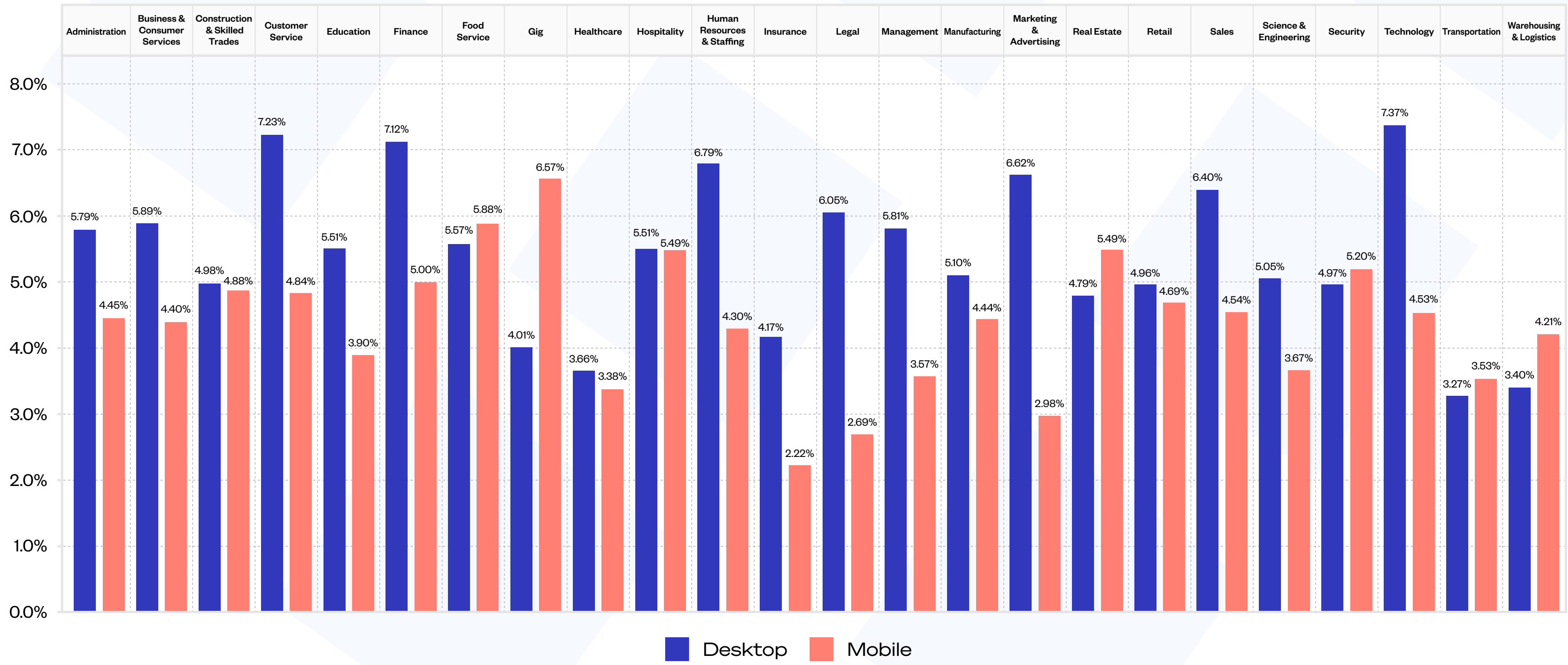
The key takeaway here is: if the majority of your applications are completed on a mobile device, it is vitally important that your application process is fast and friction-free.



Source: Appcast, 2023

Apply rate by job function - Mobile vs. desktop

Consistent with the trend on the previous page, you will notice that occupations like Finance, HR & Staffing, and Technology skew heavily toward applying on a desktop device. Interestingly, occupations in Hospitality, Food Service, and Retail see mobile and desktop apply rates with very little difference. This could suggest that because these roles have seen such huge spikes in demand over the past year or two, employers have raised the bar on making their apply processes more frictionless to ensure that they are capitalizing on the volume of mobile applies that occur among these job seekers.



Source: Appcast, 2023

Timing: When are people applying for jobs?

In this section, you will learn the best days of the week and month to reach candidates.

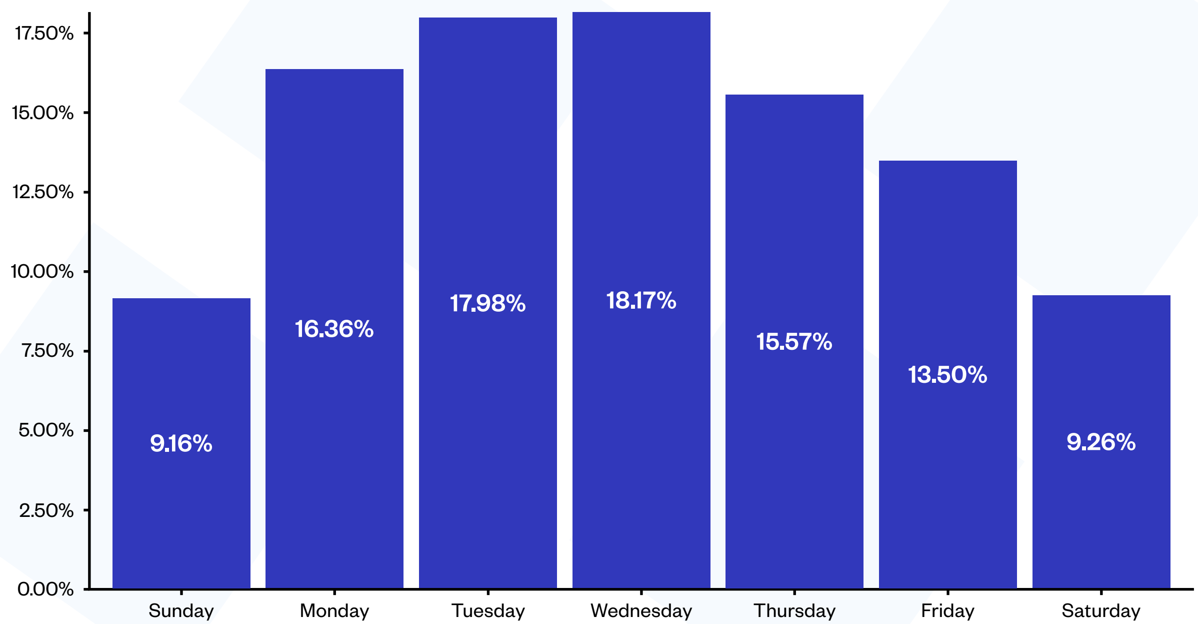
Timing Trends

Percentage of applies by day of week

Historically, Monday was always the leading day to garner apply volume on your jobs. We're now seeing that trend move more toward midweek, specifically Tuesday and Wednesday. Ultimately, the insight remains the same (especially when you look at apply rates on the following page):

Post jobs earlier in the week to ensure that you are taking advantage of when most people are applying to roles.

Note: This chart shows 100% of job applications for the week, and the distribution of when they occur throughout the week.



Source: Appcast, 2023

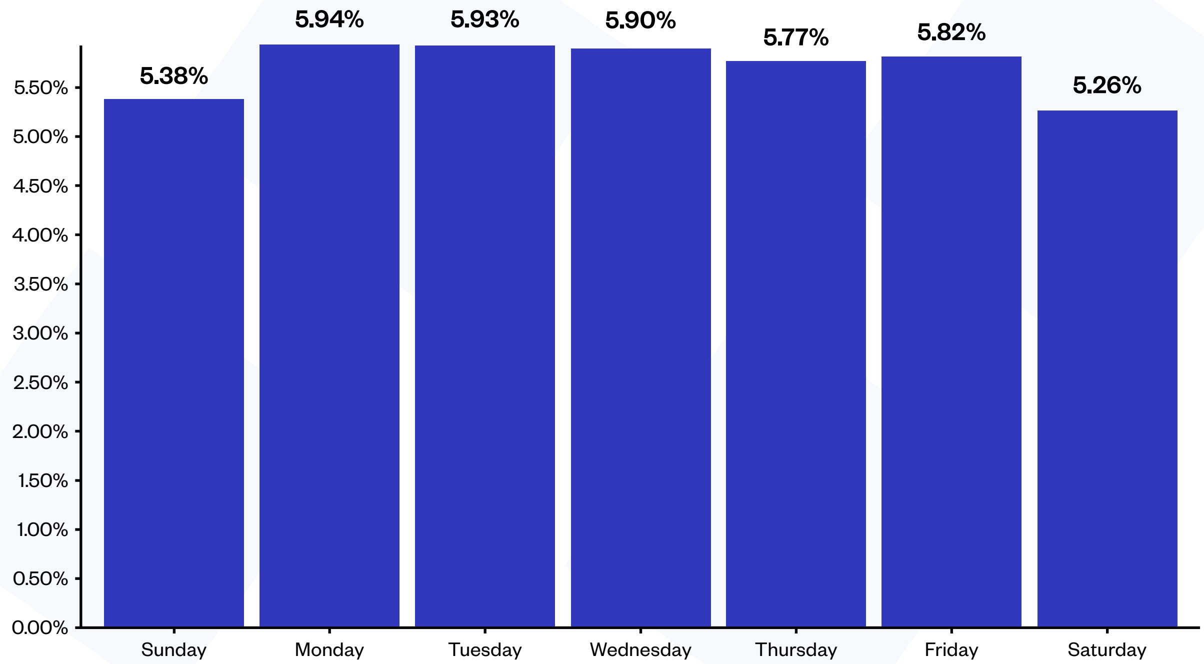
Timing Trends

Apply rate by day of week

As you can see, apply rates are strongest throughout the standard Monday-to-Friday work week. However, given that there is a less significant drop in apply rates toward the end of the week and on weekends, this highlights an opportunity for you to snag applicants on those days.

In conjunction with the previous page, this data suggests that while the **volume** of applications may be lower, job seekers' **likelihood** of applying (shown by apply rate) is fairly consistent across the week.

The best way to dig deeper on this insight is to test it! Test your own jobs and job seeking audience to see where pockets of opportunity may exist to more efficiently attract candidates.



Source: Appcast, 2023

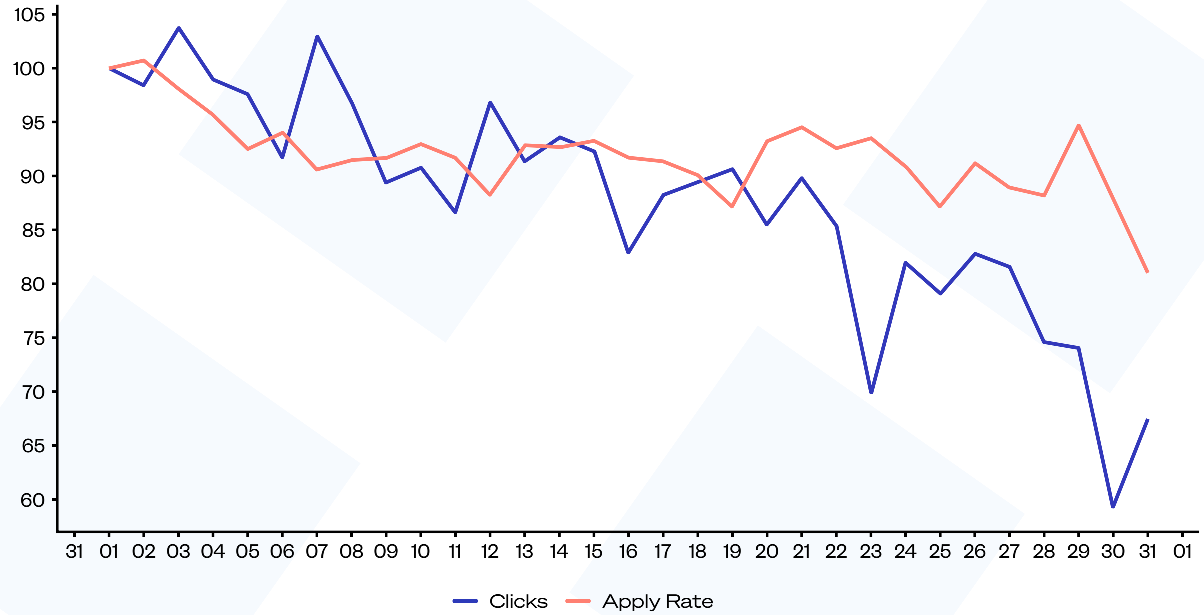
Timing Trends

Impact by day of month

Over the course of a month, clicks per job drop off while the apply rate holds relatively consistent or flat.

Why is this important? It means that if you have the flexibility in your hiring needs (we get that sometimes the urgency for some roles doesn't allow for this!), there is an opportunity to get more "bang for your buck" if you can spread your job advertising budget more evenly across the month.

When there are fewer "clicks in the competition", they become cheaper, and because your ads will convert at the same rate (speaking to the apply rate), you'll still get the applicants you need.



Source: Appcast, 2023

If you need help with pacing your budget better, this is one of the areas where programmatic recruitment technology can help! To learn more about programmatic, visit our Programmatic 101 interactive whitepaper.

Down-Funnel Trends

In this section, we look at down-funnel data (specifically, cost-per-hire) and insights to help optimize recruitment outcomes.

Down-Funnel Trends

Cost-per-hire insights

We are pleased to share with you the next edition of our down-funnel insights – looking at cost-per-hire (CPH) metrics across a variety of sources and key job functions.

This data is made possible by our relentless pursuit of helping employers move recruitment marketing optimization further down the funnel. Visibility of performance data at this level ensures that organizations get more qualified candidates faster and most cost effectively.

We've left these insights to the end, to align to the recruiting funnel because we believe that everything you've read until now can help you to achieve better performance from your recruitment marketing efforts. **But, of course, the most important metric in your recruitment strategy is that which ensure you've met your goals: hires.**

At the end of the day, all of the data and optimization in the world means nothing if it doesn't translate to your recruitment bottom line. Read on as we share the latest insights from our hire data.

The scope and methodology of page 36 differs from the rest of this report. Please note:

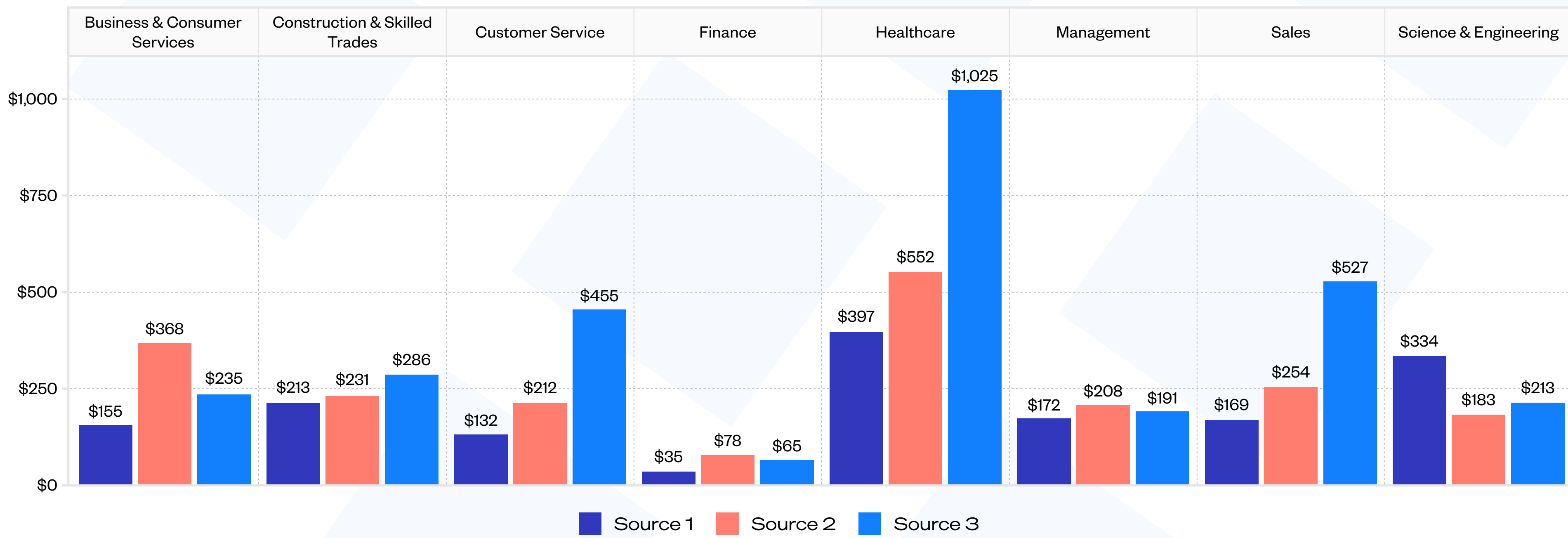
- *We have used a subset of our data where we have this "full-funnel" visibility.*
- *We look forward to the continued growth of this data set in 2023 and sharing additional insights in the future.*
- *"Source" as tracked here includes job boards and programmatic solutions.*
- *"Job function" is an approximation for occupation, or type of job; it is not necessarily the employer's industry.*

Learn more about how Appcast defines quality when it comes to recruitment, read our whitepaper:
Redefining Quality: Optimizing Job Ads for Outcomes that Matter Most

Down-Funnel Trends

As you can see, **no single source of candidates performs best at everything**. Furthermore, **for many job functions the variance in performance among various sources is relatively narrow**. Each source delivered the lowest CPH for at least one job function, and each has its weaknesses. These performance variations underscore the importance of diversifying your recruitment marketing mix to include a variety of sources (automated and optimized by programmatic technology and source-neutral algorithms, of course!) so that you can ensure that at any given time, you've got the most efficient and effective paths to fulfilling your hiring needs.

Cost per hire by job function & source



Source: Appcast, 2023

This data reflects online job advertising costs – not other recruitment expenses – and shows the top three performing sources by job function.

Thanks for reading!

We'd love to continue the conversation with you and help you to deliver on your 2023 hiring objectives. Our experts and industry-leading programmatic technology can help your organization get more qualified candidates faster and more cost-effectively.

Contact us to begin the conversation:

Get a demo

Learn more about programmatic recruitment:

https://www.appcast.io/what-is-programmatic-recruitment/

Plus, we’ve got more for you to explore...

Enjoy these complementary tools, tips, and resources to help you navigate a shifting labor market and get the candidates you need.

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Interactive

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Learn how job advertising technology and data can drive recruiting results for you, even in a tight labor market.

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Whitepaper

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Identify potential gender bias in your job descriptions and get suggested alternatives to fix it.

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