

Introduction

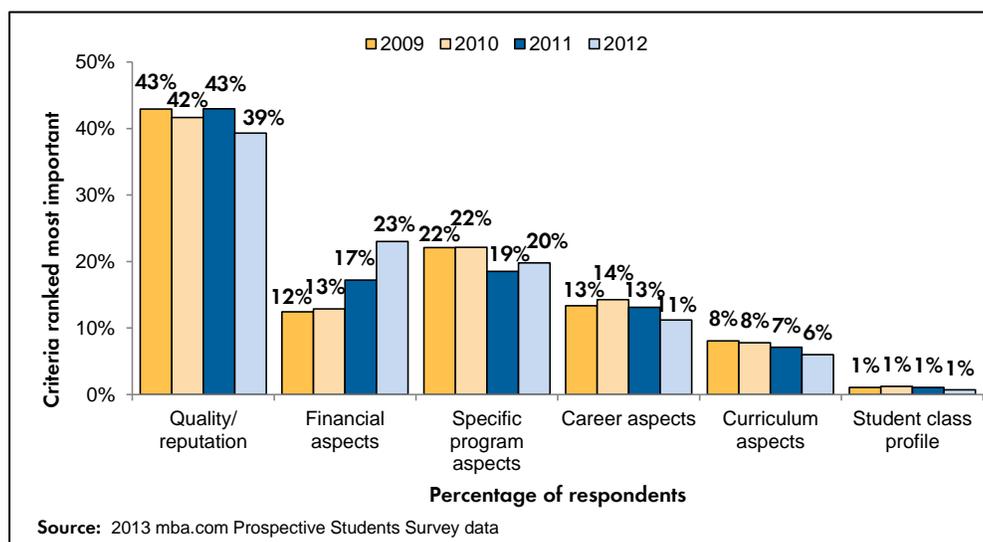
Prospective students not only identify potential enrollment opportunities based on whether they meet a program’s objective admissions criteria (academic attainment, test scores, work experience) but also based on their own personal goals, priorities, and circumstances. Knowing how students prioritize their school selection criteria provides schools with a basis for developing a focused engagement strategy. A school’s branding and marketing strategy can influence perceptions and a prospect’s decision to apply and enroll in a particular program.

This report examines the underlying selection criteria, or which features make a difference, for various program types and the preferred study destinations of prospective students. Schools may use this information and the psychographic dimensions of prospective students when developing a communication plan, including drafting targeted messages based on criteria deemed important to the prospect. In addition, international recruitment strategies may be honed with the information presented about preferred study destinations. The overview presented in this report supplements the detailed and configurable information available in the *mba.com Prospective Students Survey Interactive Report* for programs using the GMAT exam.

School Selection Criteria

Findings from the 2013 mba.com Prospective Students Survey show that quality and reputation of the business school, financial considerations (tuition, fees), and specific programs aspects (academics, faculty, etc.) were the three most important criteria, on average, that prospects use when selecting a program or school (Figure 1). Differences by gender, age, world region, and program type were also observed and can be viewed in the *Interactive Report*.

Figure 1. School Selection Criteria, by Survey Year (2009–2012)



This report is one of several summary briefs based on the 15,410 responses to the GMAC mba.com Prospective Students Survey conducted between January and December, 2012 among individuals who register on mba.com—the GMAC website for prospective graduate management students. Comparable numbers responded to the 2009, 2010, and 2011 surveys.

The heightened importance of financial aspects, compared with prior years, appears to run contrary to the fact that prospective students lately have expressed fewer financial reservations about pursuing a graduate management degree (refer to the *Recruitment Planning* report).¹ Educational costs, nonetheless, are a key decision factor that prospective students seem to be taking more seriously. This may indicate frugality on the part of prospective students in their school selection process, a rational assumption on the heels of the recent recessionary period and subsequent instability in the labor market.

Although only 11 percent of prospective students selected career aspects (i.e., school’s job placement reputation) as their top selection factor, employment outcomes, such as job placements and successful alumni are among the top motivations for pursuing graduate management education across degree type. Focusing on the expectations of prospective students provides schools with topics for more engaging discussions with candidates, which opens doors for recruiting efforts: Recruiting efforts aligned with perceptions are generally more enticing to the audience and tend to yield greater results.

Table 1 details the school selection factors unique to specific MBA program types considered by prospects globally.¹ This table highlights the selection factors with the greatest predictive influence for determining whether a prospective student considers a particular program type. For instance, prospective students who place greater importance on published rankings and accreditation were likely to be considering executive MBA programs, while those placing importance on convenience, proximity, and the program type were likely to consider part-time MBA programs. This knowledge allows schools to design messaging campaigns to improve the odds of reaching and engaging those prospects with an inclination for their program type.

Table 1. Selection Criteria Most Considered* for MBA Programs (2012)

Full-Time Two-Year MBA (Canonical correlation = .33)	Full-Time One-Year MBA (Canonical correlation = .29)	Part-Time MBA (Canonical correlation = .46)	Executive MBA (Canonical correlation = .25)	Online MBA (Canonical correlation = .42)
Access to alumni network	Quality career services	Convenient class schedules	Published ranking	Convenient class schedules
Job placement	Scholarships	Proximity to work	Accreditation	Course type offered
Alumni industry/job function	Percentage of class receiving job offers	Program type		Total tuition
Percentage of class receiving job offers	Housing/other expenses			Quality of services
Successful alumni	Loans for foreign students			Program type
Quality of students	Starting salary			Completion time
Starting salary	Opportunity costs			
Geographic locations of jobs	International exchange programs			
Rigor of program	Proportion of int'l students			
International exchange programs	Job placement reputation			

*Items listed by order of importance.

¹ Analysis based on Discriminant Analysis for each program type (Wilk’s lambda, $p < .05$). Independent variables shown in the tables are selected where the F statistic for each independent is significant ($p < .05$) and Pearson’s r of the structure matrix is $> .25$.

Data in Motion:

Key MBA Program Features to Promote Based on Known Selection Criteria

Full-Time Two-Year MBA Programs (listed in order of importance)

- *Domestically inclined students:* availability of international exchange programs, access to alumni networks, average class size, attractiveness of the campus.
- *Internationally inclined students:* quality of facilities, scholarship availability, quality of students, availability of loans for foreign students, student work experience, and proportion of women enrolled.
- *Underrepresented populations (US citizens):* percentage of class receiving job offers, quality of services, access to alumni network and average age of students.
- *Other US citizens:* international exchange programs, average class size, loans for domestic students, and opportunity costs.

Executive MBA Programs (listed in order of importance)

- *Men:* published rankings, total tuition, availability of loans (domestic/foreign), and convenient class schedules.
- *Women:* program type, opportunity costs, and quality of the faculty.

Table 2 presents a similar analysis for several business master’s programs ^[1] highlighting school selection factors specific to each program type.

Table 2. Selection Criteria Most Considered* for Non-MBA Business Master’s Programs (2012)

Master in Management (Canonical correlation = .20)	Master in International Management (Canonical correlation = .26)	Master of Accounting (Canonical correlation = .25)	Master of Finance (Canonical correlation = .24)
Loans for foreign students	Loans for foreign students	Percentage of class seeking employment	Percentage of class seeking employment
International exchange programs	International exchange programs	Geographic locations of jobs	Percentage of class receiving job offers
Housing/other expenses	Housing/other expenses	Percentage of class receiving job offers	Starting salary
Domestic exchange programs	Availability of domestic exchange programs	Starting salary	Geographic locations of jobs
Application fees	Assistantships	Quality career services	Alumni industry/job function
Assistantships	Availability of overseas study tours	Assistantships	Loans for foreign students
Percentage of class seeking employment	Percentage of class seeking employment	Proximity to work or home	Domestic exchange programs
			International exchange programs
			Housing/other expenses
			Assistantships
			Overseas study tours

*Items listed by order of importance.

Data in Motion:

Key Master's Program Features to Promote Based on Known Selection Criteria

Master of Accounting Programs (listed in order of importance)

- *Younger than 24:* percentage of class seeking employment, the proportion of underrepresented minorities, and proximity to home/work.
- *24- to 30-years-olds:* rigor of the program, accreditation and average class size.
- *31 and older:* quality career services, location of jobs, age of students, application fees, the specific curriculum, and loans for domestic students..

Master of Finance Programs (listed in order of importance)

- *Men:* percentage of class receiving job offers, proportion of underrepresented minorities, program completion time, size of incoming class, assistantships.
- *Women:* proportion of international students, published rankings, convenient class schedule, availability of loans for foreign students.

Master in Management Programs (listed in order of importance)

- *European citizens:* starting salary, housing, and availability of international exchange programs.
- *Asia-Pacific citizens:* total tuition and quality of faculty.

Program Consideration

Gender, age, and undergraduate degree also differentiated the program types that prospective students considered.

- **Gender:** Men were more likely than women to consider full-time two-year and one-year MBA programs and executive MBA programs. Women were more likely to consider flexible MBA, or master-level programs in management, international management, and accounting.
- **Age:** Younger prospects were more likely to consider full-time two-year and one-year MBA programs and master-level programs in management, international management, accounting, and finance. Older prospects were more likely to consider part-time, flexible, executive and online MBA programs.
- **Undergraduate degree:** Those with bachelor's degrees in a business discipline were less likely than other undergraduates to consider any of the MBA programs. On the other hand, business degree holders were more likely than others to consider a specialized master's degree in a business discipline. Business undergraduates' preferences were more widely dispersed among the program types compared with other undergraduates (Table 3).

Table 3. Programs Considered, by Undergraduate Major (2012)

Program Considered	Undergraduate Major				
	Business	Science	Engineering	Humanities	Social science
Full-time MBA, two years or more	34%	43%	52%	43%	51%
Full-time MBA, less than two years	34%	41%	46%	30%	34%
Part-time MBA	27%	30%	27%	31%	26%
Executive MBA	12%	18%	25%	15%	13%
Online/distance MBA	14%	16%	14%	18%	13%
Master in Management	16%	8%	9%	13%	11%
Master in International Management	12%	5%	7%	9%	10%
Master of Accounting	27%	4%	3%	9%	11%
Master of Finance	25%	9%	10%	10%	17%

Psychographics

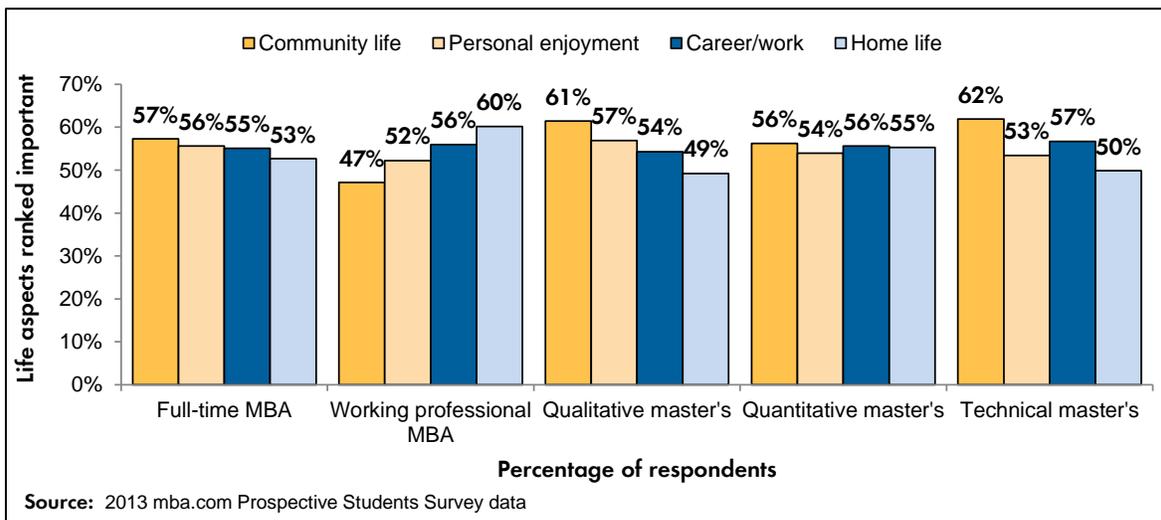
Survey respondents were asked to rate the importance of their personal and professional priorities in terms of the influence each has on their program choices. These work/life factors consistently fell into four psychographic groups: community life, personal enjoyment, career/work, and home life.² Globally, this psychographic profile of prospective students reveals differences by program types considered (Figure 2). More than half of prospective students considering business programs³ feel that community is one of the most important aspects of their life. Working professional MBA prospects were the least likely to note community as important, instead ranking home life as their most important personal priority.

Although gender played no significant role in the importance of community among prospective students, age was a differentiator. Younger prospects were more likely than older prospects to feel that community is an important consideration in their lives. Nearly three times as many prospects younger than 24 (23%) seek information about student activities and clubs on a school’s website compared with those ages 31 and older (9%). In fact, about half (48%) of prospective students younger than 24 were interested in participating in student clubs compared with 23 percent of those 31 years old and older.

² Principal Component Analysis summarizes and simplifies 14 psychographic characteristics. These were reduced to four components and had a multiple r of .57. *Community life* includes volunteer work, community, politics/public life, and the environment; *Personal enjoyment* includes entertainment, free time/relaxation, travel, and friends; *Career/work* includes wealth, financial security, and career/work; *Home life* includes family/children, relatives, and religion.

³ Principal Component Analysis summarizes and simplifies 20 business programs considered. The programs were reduced to five components and had a multiple r of .43. *Full-time MBA*, includes full-time two-year, one-year, and joint degree MBAs; *Working professional MBA*, includes part-time, flexible, online, and executive MBA; *Quantitative master’s*, includes Master of accounting, taxation, and finance; *Qualitative master’s*, includes Master of management, international management, marketing, HR management, and entrepreneurship; *Technical master’s*, includes Master of engineering management, business information technology, project management, post-degree diploma, and supply chain management.

Figure 2. Psychographic Characteristics, by Program Groups Considered (2012)



Preferred Study Destinations

Globalization of the management education marketplace has created new study opportunities for students worldwide. In 2012, 39 percent of prospective students surveyed preferred to study outside their country of residence, up from 33 percent in 2009. Not surprisingly, prospects interested in international study options were twice as likely to seek opportunities for international employment (57% compared with 26% of domestic students). Internationally bound students were also more likely to seek out increased entrepreneurial opportunities.

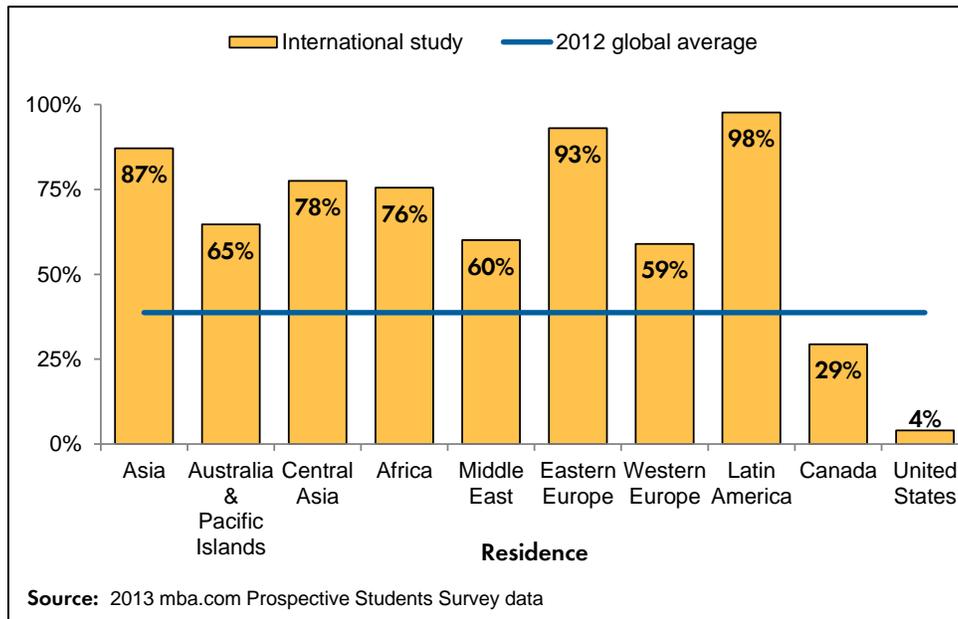
Differences in desire for international study also were noted by residency (Figure 3). Few prospective students in the North American market (Canada and the United States) consider leaving their respective countries for study. On the other hand, the majority of prospects living in other world regions prefer to study in a different location.

Age has a significant impact on international study preferences, with younger prospects more likely than older prospects to prefer to study abroad. Gender, on the other hand, determined study choices in only a few regions. Women were more likely than men in Asia, Australia/Pacific Islands, and the United States to express interest in international study opportunities.

Preferred Study Destination and the Importance of Community

Prospective students who want to study outside their county of residence (66%) were much more likely to feel community life is important compared with those wishing to study at home (46%). On the other hand, those seeking to study in their home countries (62%) felt home life is much more important than those seeking to study abroad (43%).

Figure 3. Percentage of Prospective Students Preferring International Study, by Residence (2012)



Globally, the United States remains the most preferred study destination, although the percentage of prospects intending to study in the United States has declined slightly since 2009. Table 4 lists the 20 countries most frequently cited by prospective students interested in studying outside their country of citizenship. Since 2009, interest among international prospects to study in Spain has declined slightly; at the same time, students have expressed greater interest in studying in Canada, the Netherlands, Germany, and the United Arab Emirates.

Table 4. Top 20 Study Destinations of International Prospective Students (2009 vs. 2012)

Destination	% of respondents		Destination	% of respondents	
	2009	2012		2009	2012
1. United States*	59.2%	56.8%	11. China	1.1%	1.3%
2. United Kingdom	14.5%	13.2%	12. India	0.9%	0.7%
3. France	4.9%	5.8%	13. Italy	0.7%	0.6%
4. Canada*	3.6%	4.5%	14. Sweden	0.5%	0.5%
5. Singapore	2.8%	3.2%	15. Japan	0.3%	0.5%
6. Netherlands*	1.5%	2.7%	16. Armenia	0.5%	0.0%
7. Spain*	2.4%	1.5%	17. United Arab Emirates*	0.1%	0.4%
8. Australia	2.2%	1.8%	18. Belgium	0.2%	0.2%
9. Germany*	1.0%	2.2%	19. Austria	0.2%	0.2%
10. Switzerland	1.4%	1.4%	20. Norway	0.2%	0.3%

* Test of the difference of proportions, where $p < .05$.
 Source: GMAC (2013) mba.com Prospective Students Survey, 2009 & 2012 data.

Table 5 presents the top five study destinations of prospective students wanting to study outside their country of citizenship by their region of residence. The United States and the United Kingdom were the top two destinations in 2009 and 2012 for all regions, except for prospective students in the United States. The United Kingdom, France, China, Spain, and Canada were the top five preferred destinations among the four percent of US residents seeking international study opportunities.

Table 5. Top Five Preferred Study Destinations of International Prospective Students, by Region of Residence and Survey Year (2009 & 2012)

Resident Location	Year	Top 5 Study Destinations				
		1st	2nd	3rd	4th	5th
Asia	2009	US (72.6%)	UK (7.9%)	France (3.9%)	Australia (2.6%)	Canada (2.6%)
	2012	US (70.8%)	UK (8.6%)	France (4.7%)	Canada (3.7%)	Singapore (2.2%)
Australia/PI	2009	US (50.9%)	UK (17.4%)	China (11.7%)	France (5.9%)	India (3.2%)
	2012	US (49.3%)	UK (23.0%)	Canada (5.3%)	Singapore (4.4%)	China (3.5%)
Central Asia	2009	US (62.9%)	UK (16.5%)	Singapore (6.7%)	Canada (4%)	France (2.9%)
	2012	US (62.4%)	UK (12.4%)	Singapore (7.8%)	Canada (5.4%)	France (3.8%)
Africa	2009	US (47.7%)	UK (19.6%)	Canada (9.2%)	France (3.7%)	Netherlands (2.7%)
	2012	US (48.8%)	UK (16.3%)	Canada (11.8%)	France (4.1%)	Switzerland (2.5%)
Middle East	2009	US (53.3%)	UK (16.6%)	Canada (8.2%)	France (4.6%)	Spain (2.9%)
	2012	US (55.0%)	UK (18.2%)	Canada (7.8%)	France (4.8%)	UAE (2.0%)
Eastern Europe	2009	US (34.4%)	UK (24.2%)	France (9.3%)	Spain (4.7%)	Switzerland (3.9%)
	2012	US (31.8%)	UK (21.7%)	Netherlands (9.2%)	France (6.9%)	Germany (6.7%)
Western Europe	2009	US (44.9%)	UK (21.1%)	France (8.2%)	Switzerland (4.6%)	Netherlands (3.5%)
	2012	US (42.5%)	UK (18.6%)	France (7.8%)	Netherlands (6.8%)	Switzerland (5.2%)
Latin America	2009	US (60.1%)	UK (12.6%)	Spain (6%)	France (6%)	Canada (5.6%)
	2012	US (62.8%)	UK (11.6%)	France (6.3%)	Canada (5.4%)	Spain (3.8%)
Canada	2009	US (61.3%)	UK (16.8%)	France (7.3%)	Switzerland (2.2%)	Spain (1.9%)
	2012	US (63.6%)	UK (12.6%)	France (7.4%)	Australia (2.5%)	China (2.1%)
United States	2009	UK (28.3%)	Spain (11.7%)	France (10.9%)	India (10.7%)	Switzerland (5.1%)
	2012	UK (30.7%)	France (11.7%)	China (7.7%)	Spain (7.0%)	Canada (5.5%)

Source: GMAC (2013) mba.com Prospective Students Survey, 2009 & 2012 data.

Conclusion

“Educational institutions must now get inside the heads of their target markets, assess their needs, modify their offerings to meet those needs.”ⁱⁱⁱ Individuals considering graduate business school engage in a decision-making process that weighs school-related characteristics (program type, quality and reputation, location, cost, academics) against their personal needs and priorities. Understanding the many points of reference students use in school selection offers schools greater opportunities to communicate effectively with targeted audiences and tailor program offerings that best match applicant needs and preferences.

More information about prospective students’ timelines, motivations, employment goals, information sources, and educational financing is available through a series of Statistical Briefs that summarize the mba.com Prospective Students Survey data by region and citizenship. These briefs allow users to delve deeper into the survey data and supplement the *mba.com Prospective Students Survey Interactive Report*, an online tool that allows users to customize the analysis by a variety of student characteristics. Use of the Statistical Briefs and interactive tool is exclusive to graduate business programs that use the GMAT exam in their admissions process. These schools can download the Statistical Briefs and the interactive report at gmac.com/gmacresearchlibrary (login required).

For a profile of survey respondents and detailed survey methodology please visit our website at gmac.com/prospectivestudents.

For question or comments regarding the study findings, methodology, or data, please contact the GMAC Research and Development Department at research@gmac.com.



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