

School Brand Images and Brand Choices in MBA Programs

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Introduction

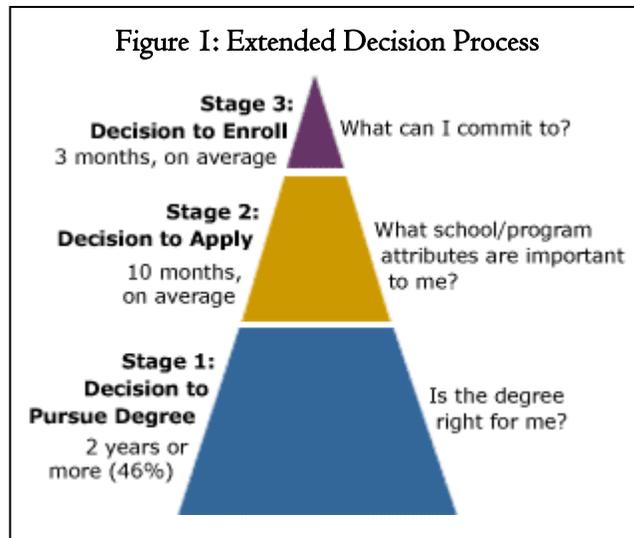
Intense competition in the world of higher education necessitates that institutions develop marketing strategies based on empirical research. As Michael (2001) points out, “leaders in the corporate world understand the need to generate data that provides insights ... [but] until recently, higher education has paid little or no attention to data that can aid in management decision-making (I6-I7).”

Marketing of specific graduate school programs has been an area assisted with a minimal amount of empirical research (Mayte 2003; Mark 2002; Nicholls 1995). This may be attributed, in part, to limited resources for conducting research at specific institutions. But it may also be the result of limited acceptance by graduate schools of the marketing concept, in which strategic efforts are focused on the customer (Conway et al, 1994; Nichols et al, 1995). This situation appears to be changing as more MBA programs appoint administrators with “marketing” in their titles or, at least, increase their focus on the customer. While the customer for MBA programs may be the student, the employer, or society at large, it is clear that the attraction of sufficient numbers of students with desired attributes must be a fundamental part of any marketing program. An essential part of such a marketing program is the matching of key features and benefits of the product (the MBA program) with the needs of the target market (Mark 2002) and then the development of communication strategies based on customer needs. Both school administrators and the marketing professionals who assist them need to conduct customer analyses. The more the school’s marketing program is based on the results of empirical research into customer needs, the more likely it is to succeed.

Background

Prospective students choosing a graduate school to attend go through a deliberative process of selection (Chapman 2001). This is an extended decision process involving complex buying behavior and high levels of involvement that result from expense (time and money), significant brand differences, and infrequent buying (Nicholls 1995). The knowledge that the choice of a school is not a reflex action, but rather a serious inquiry into plausible alternatives, further supports the need for market research.

In October, 2003, GMAC[®] conducted a survey of registrants on the mba.com Web site—the Internet portal of GMAC[®] for prospective students and GMAT[®] test takers. A total of 10,029 registrants at the site completed the survey sometime later (separate from their visit to the site)—a response rate of 27%. Analysis of time lapses measured by their answers to questions on when they first considered pursuing an MBA, when they applied, and when they matriculated confirms the existence of an extended decision process (summarized in Figure 1). In the beginning, a decision is made on whether to pursue a graduate degree—a categorical decision that answers the question, “Is an MBA right for me?” (stage 1). Once a prospective student decides to pursue a graduate degree, another decision is required—a brand-level decision that answers the question, “Where should I pursue the degree?” (stage 2). Finally, the prospective student has to decide where to enroll (stage 3). This paper analyzes the decision-making processes at stages 2 and 3—the decisions to apply to graduate business school and to enroll in a specific school.



Methodology

Results from three GMAC[®] surveys are used to understand the decision-making process at stage 2: (1) the Global MBA[®] Graduate Survey, (2) the mba.com Registrant Survey, and (3) a survey of prospective MBA students and graduate business school professionals. Each of these is described below.

(1) Global MBA[®] Graduate Surveys are annual surveys of graduating MBA students (initiated in 2000). Each year

AACSB-accredited schools that use the GMAT[®] exam are invited to participate by providing the e-mail addresses of their graduating MBA students or by forwarding the survey invitation to their students. The survey questionnaire is available to potential respondents online for four weeks with a follow-up invitation sent after two weeks to nonrespondents and incompletes. Table I shows the number of participating schools, sampling frames, and response rates for surveys conducted from 2002 through 2005.

Table I: Global MBA Graduate Surveys				
	2002	2003	2004	2005
Number of Schools	113	95	128	136
Sampling Frame	15,027	15,676	18,504	18,520
Sample Size	4,736	4,216	6,223	5,829
Response Rate	32%	27%	34%	31%

Combined data from surveys conducted from 2002 through 2004 is used to explore the school selection criteria of students retrospectively (i.e., at the time of graduation). An understanding of differences in selection criteria across different types of MBA programs yields valuable information for the development of marketing strategies. The 2005 Global MBA® Graduate Survey is used to understand the reach and influence of communication sources used in forming an impression of the school the respondent attended and yields information valuable in formulating communication strategies.

(2) The mba.com Registrants Survey was first conducted in 2003 and is the basis for Figure 1. Participants of that survey were sent a follow-up in October, 2004, to study the progress of prospective business school students in their pursuit of an MBA degree and to understand the decision-making process of prospective students as they select the graduate management schools to which they apply and in which they ultimately enroll. The results of this survey show specific information requirements useful in the tactical design of marketing programs. Additionally, this survey provides prospective students' perceptions of the credibility of various publications that rank graduate business schools.

(3) Finally, results of a survey of prospective students and school professionals (conducted in 2004) show similarities and differences in perceptions of the two groups in information requirements. Results are based on responses from 3,759 prospective students (a response rate of 19%) and 211 school professionals (a response rate of 35%). Prospective students were asked the

information deemed essential in their research process, and school professionals were asked the information they consider essential when prospective students are researching graduate business schools.

Sources of Communication Influencing the Impression of a School

Because consumers make brand choice decisions based largely on brand image, it is important to understand the communication sources they use in forming these images. It is also important to recognize the extent to which these sources are controllable by the school. Three sources of communication influence the formation of the school's brand image: school sources, personal sources, and media sources. School sources (including the school's Web site and personal school correspondence) are the most controllable of the three. Personal sources (including word-of-mouth) and media sources (including published rankings) are notably less controllable.

In the 2005 Global MBA® Graduate Survey, respondents rated along a five-point scale the influence of various communication sources in forming their impression of the school at which they attend (Table 2). Based on the response, the communication source with the largest reach is the school's Web site (96%), followed by personal school correspondence (93%) and published rankings (93%). Two of the top three sources of information that reach prospective students are controlled exclusively by schools. This necessitates that schools invest adequately in the creation and maintenance of their Web sites and create personal school correspondence that is, indeed, *personal*.

Table 2: Reach and Influence of Various Communication Sources		
Communication Source	Reach	Influence*
<i>School Source</i>		
School Web site	96%	3.3
Interaction with admissions/MBA program personnel	90%	3.3
Personal school correspondence	93%	3.2
Current students	82%	3.2
School alumni	79%	3.1
Admissions interview	74%	3.1
Receptions/open houses	71%	2.9
Previous experience at the school	55%	2.8
MBA forums®/fairs	68%	2.5
Electronic advertisement	76%	2.3
<i>Personal Sources</i>		
Friends/relatives	86%	3.4
Peers	81%	3.1
Individual in professional organization	70%	2.7
Mentors	68%	2.7
Current employer/supervisor	66%	2.3
Former employer/supervisor	65%	2.3
School/career counselor	57%	2.0
<i>Media Sources</i>		
Published rankings	93%	3.7
MBA-related Web sites	87%	3.1
Online business magazine/newspaper	84%	3.0
MBA-related books/publications	84%	3.0
Media coverage	80%	2.7
Chat rooms/threaded discussions	64%	2.0
*Scale: 5 = A great deal; 4 = A good amount; 3 = Some; 2 = A little; 1 = None at all		

In order to compare all communication sources, a standardized score that incorporates reach and influence is calculated (Table 3). From this view of the data, published rankings—a measure of quality (Michael 2001)—tops the list of the most influential communication sources in choosing a graduate business school. Published rankings are communications external to

the school. Because the rankings are based on data supplied only in part by the school, published rankings are, to some extent, an uncontrollable source (Mast 2001). Published rankings are the subject of considerable contention among administrators; more will be said about these ratings later.

Table 3: Standardized Measure of the Influence of Communication Sources

Source Category	Communication Source	Standardized Score*	Rank
Media Sources	Published rankings	3.4	1
School Source	School Web site	3.2	2
School Source	Interaction with admissions/MBA program personnel	3.0	3
School Source	Personal school correspondence	3.0	4
Personal Sources	Friends/relatives	2.9	5
Media Sources	MBA-related Web sites	2.7	6
School Source	Current students	2.6	7
Personal Sources	Peers	2.5	8
Media Sources	Online business magazine/newspaper	2.5	9
Media Sources	MBA-related books/publications	2.5	10

* Standardized score = Reach * Influence

The table also shows the importance of word-of-mouth communications: friends/relatives and current students. These are markedly less controllable than the school's Web site and personal school correspondence, although recommendations from current students are indirectly controllable by delivery of an educational product that meets expectations.

School Selection: A Retrospective View

Graduating MBA students were asked to rate the importance of seventeen criteria that could have been used in selecting their graduate business school (in 2002-2004 Global MBA® Graduate Surveys). They rated each criterion on a five-point importance scale.¹ Different types of MBA programs (full-time, part-time, and executive) constitute different product offerings of schools or different channels of distribution for a core product. Analysis should focus, then, not only on respondents overall, but also on differences among respondents graduating from different types of programs. This is done in Table 4, in which mean ratings are shown for the sample overall and for the different types of MBA

programs. Criteria are ranked in importance based on the overall findings. Rank numbers are included for convenience in comparing criteria, although differences between criteria may not be statistically significant.

A paired t-test comparison of all items for the overall sample shows that an accredited program is the most important criterion, and its importance significantly exceeds all other criteria. The quality and reputation of the faculty is rated second in importance and significantly exceeds all criteria rated lower in importance. The prestige and recognition of the school ranks third in importance, but is not significantly different from the quality and reputation of the faculty.²

Program types differ widely (and significantly statistically) in the importance of selection criteria; these differences are critical in the development of marketing strategy and school communications. The top-5 school selection criteria for graduates from full-time programs are: it was an accredited program, career options available to

¹ Scale: 5=extremely important, 4=very important, 3=somewhat important, 2=not very important, and 1=not at all important.

² Space limitations prevent the inclusion of paired t-tests of criteria within each type of MBA program. Interested readers may obtain the results of these tests by sending a request via email to research@gmac.com.

graduates, prestige or global recognition of the college or university, quality/reputation of the faculty, and published rankings of its graduate management program. For graduates from part-time programs, the top-5 selection criteria are: it was an accredited program, location of the college or university, convenient class

schedules, local respect, and quality/reputation of the faculty. The top-5 criteria for graduates from executive programs are: it was an accredited program, convenient class schedules, quality/reputation of the faculty, location of the college or university, and local respect.

Table 4: Importance of School Selection Criteria

	Program Type						Total	
	Full-time		Part-time		Executive		Mean	Rank
	Mean	Rank	Mean	Rank	Mean	Rank		
It was an accredited program	4.1	1	4.3	1	4.4	1	4.2	1
Quality/reputation of the faculty	4.0	4	3.9	5	4.1	3	4.0	2
Prestige or global recognition of the college or university	4.0	3	3.8	6	4.0	6	4.0	3
Location of the college or university	3.8	8	4.3	2	4.1	4	3.9	4
Career options available to graduates	4.0	2	3.5	9	3.3	11	3.9	5
Published rankings of its graduate management program	3.8	5	3.6	8	3.6	9	3.8	6
School offered the specific curriculum I wanted	3.8	7	3.7	7	3.9	7	3.8	7
Local respect	3.6	10	4.0	4	4.0	5	3.7	8
The school's reputation in placing graduates	3.8	6	3.2	12	3.0	13	3.6	9
The students and faculty had diverse backgrounds and experience	3.6	9	3.2	11	3.6	8	3.5	10

Analyses of the statistical significance of differences in the importance of criteria show relative importance of the criteria to graduates from different types of MBA programs. In considering these analyses, note that a criterion can be more important to graduates from one type of program than it is to those from another type of program, even though, for example, it is extremely/very important to 70 percent or more of graduates from both types of programs.

The following selection criteria are more important to graduates from full-time programs than to those from either part-time or executive programs:

- Career options available to graduates
- Published rankings of the graduate management program

- The school's reputation in placing graduates
- Financial cost of the school
- Availability of scholarships, grants, or other financial aid

These criteria are more important to graduates from part-time and executive programs than to those from full-time programs:

- It was an accredited program
- Location of the college or university
- Local respect
- Convenient class schedules
- My employer paid for my education at this school

These criteria are more important to graduates from full-time and executive programs than to those from part-time programs:

- Quality/reputation of the faculty
- Prestige or global recognition of the college or university
- School offered the particular curriculum I wanted
- The students and faculty had diverse backgrounds and experience
- Reputation of alumni
- There were people like me at this college or university

Graduates from part-time programs rate these criteria significantly more important than do graduates from executive programs:

- The location of the college or university
- Career options available to graduates
- The school’s reputation in placing graduates
- Financial cost of the school

Finally, graduates from executive programs rate these criteria significantly more important than do those from full-time programs: quality/reputation of the faculty and school offered the particular curriculum I wanted.

School Selection: A Prospective View

The mba.com Registrants survey conducted in October 2004 built on results of previously conducted Global MBA® Graduate Surveys. Here prospective students were asked to first rank categories of key aspects in their school selection process. For categories ranked one, two, or three, respondents received a question asking them to rate the importance of detailed criteria within the category. This makes it possible to compare the importance of criteria categories and to compare detailed criteria.³ Table 5 shows that the quality and reputation of the graduate business school tops the list of important categories of information, followed by the specific aspects of the program, and the financial aspects.

A standardized score for each detailed criterion is computed to compare criteria across categories (Table 6). Quality of the faculty emerges as the most important criterion used by prospective students in selecting a graduate business school, followed by the local respect and reputation of the school, and the program types offered. Published rankings again assert their influence in the decision-making process—ranked 6th.

Table 5: Ranking of Key Aspects in Choosing a Graduate Business School

Criteria	Mean	% Rank 1 st	% Rank 2 nd	% Rank 3 rd
Quality/reputation of the graduate business school	4.7	35%	25%	21%
Specific aspects about the program	4.4	33%	24%	17%
Financial aspects	3.4	16%	17%	13%
Curriculum aspects	3.4	9%	16%	20%
Career aspects	3.1	6%	13%	19%
Student class profile	2.1	2%	5%	9%

³ The total list of detailed criteria included 46 items, although no respondent rated all 46 due to the two-stage questioning process employed.

Table 6. Top Ten Standardized Ratings of Specific Criteria within Key Aspects		
Specific Criterion	Rank	Standardized Score*
Quality of the faculty	1	4.24
Local respect/reputation	2	4.12
Program type offered	3	4.01
Rigor of academic program	4	3.97
Quality of current students	5	3.89
Published ranking of its graduate management program	6	3.87
Successful alumni	7	3.86
Job placement reputation of the school	8	3.78
Program completion time	9	3.75
Selectivity of admissions	10	3.67

*The highest ranked category for each respondent is given a score of 3, the next highest is given a score of 2, and the third highest is given a score of 1. Each specific piece of information is recoded where 6 equals extremely important and 0 equals not at all important. Next, a computed score is derived by multiplying the rank with the component scores for each respondent. Each of the computed scores is then weighted by the overall percentage of respondents similarly ranking the overall categories. Finally, the arithmetic mean is calculated for each component.

The similarities and differences in the importance of criteria rated retrospectively and prospectively are interesting, but not conclusive, as a much larger set of criteria was potentially presented to respondents in the prospective mba.com Registrants’ Survey than in the retrospective Global MBA® Graduate Surveys.

Researching Graduate Business Schools

A survey of business school professionals and prospective students (data source (3) in the Methodology section) asked respondents the information that is deemed important in the process of researching graduate business schools. Managers and consumers frequently differ in their perceptions of what is important. And findings from this

survey show that managers of MBA programs and their customers are no exception.

As shown in Table 7, curriculum tops the list for both groups. But then the two groups diverge. The greatest divergence is in the perception of the importance of information on class profile in the research process (e.g., age, student citizenship, percent women, percent minorities), where schools rank this information 3rd and prospective students rank it 8th. The perception of the importance of information on applications (e.g., number, percent applied, percent accepted, percent enrolled) is also notably different between prospective students and schools.

Table 7. Rank Order of Information Categories Deemed Essential in Researching Graduate Business Schools		
Rank	Respondent Group	
	Prospective Students	Schools
1 st	Curriculum	Curriculum
2 nd	Cost of Program	Applications
3 rd	Careers	Class Profile
4 th	School Background	Cost of Program
5 th	Applications	Careers
6 th	Enrollment	School Background
7 th	Faculty	Enrollment
8 th	Class Profile	Faculty
9 th	Alumni	Alumni

The Credibility of Published Rankings

As discussed previously, the importance of published rankings in forming the school's image and in the decision-making process of prospective students is evident. Prospective students in the October, 2004, mba.com Registrants Survey were asked to rate the credibility of a list of publications that rank graduate business schools.⁴ There is, of course, sampling error in this list. Paired t-tests are required to compare each publication with the others to conclude that there are significant differences in credibility. This is done in Table 8.

The table shows that *The Wall Street Journal* significantly exceeds all other publications in credibility, except *Business Week*. And *Business Week* significantly exceeds all other publications, except *The Wall Street Journal*. *The Wall Street Journal* and *Business Week* do not differ significantly in credibility. *The Wall Street Journal*, *Business Week*, and *Financial Times* significantly exceed *U.S. News & World Report* in credibility.

⁴ Scale: 5=extremely credible, 4=very credible, 3=somewhat credible, 2=not very credible, and 1=not at all credible.

Table 8. Comparison of Perceived Credibility of Publications

Publication	Wall Street Journal	Business Week	Financial Times	U.S. News & World Report	Forbes	Economist Intelligence Unit: Which MBA?	Canadian Business	Asia Inc.
Wall Street Journal	—	—	✓	✓	✓	✓	✓	✓
Business Week	—	—	✓	✓	✓	✓	✓	✓
Financial Times	✗	✗	—	✓	✓	✓	✓	✓
U.S. News & World Report	✗	✗	✗	—	✓	✓	✓	✓
Forbes.	✗	✗	✗	✗	—	✓	✓	✓
Economist Intelligence Unit: Which MBA?	✗	✗	✗	✗	✗	—	✓	✓
Canadian Business	✗	✗	✗	✗	✗	✗	—	✓
Asia Inc.	✗	✗	✗	✗	✗	✗	✗	—

✓ indicates publication in the row is significantly more credible than the publication in the column
 ✗ indicates publication in the row is significantly less credible than the publication in the column
 — indicates no significant difference in the credibility of the publications

Conclusion

School administrators and the marketing professionals who support them make a wide variety of decisions in developing marketing strategies for their MBA programs and tactical plans for implementing them. These include decisions about markets to target (and markets to avoid), decisions related to product design (courses and means of delivery), and decisions about communications strategy (publications, content, and media), among others. Whether the decision involves, for example, whether or not to introduce an executive MBA program, how to position the school, or what to include on a school Web site or in a publication, an analysis of customers is necessary.

Empirical research on customer information needs and decision processes is a fundamental part of this analysis. This paper presents the results of research designed to learn what communication sources influence the formation of a school’s image; what criteria students use in selecting the schools they attend; how these criteria differ across full-time, part-time, and executive MBA programs; and how administrators and students may differ in information they deem important. Results are offered to

those who must make the decisions with the belief that those decisions can be improved through customer analysis and empirical research.

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