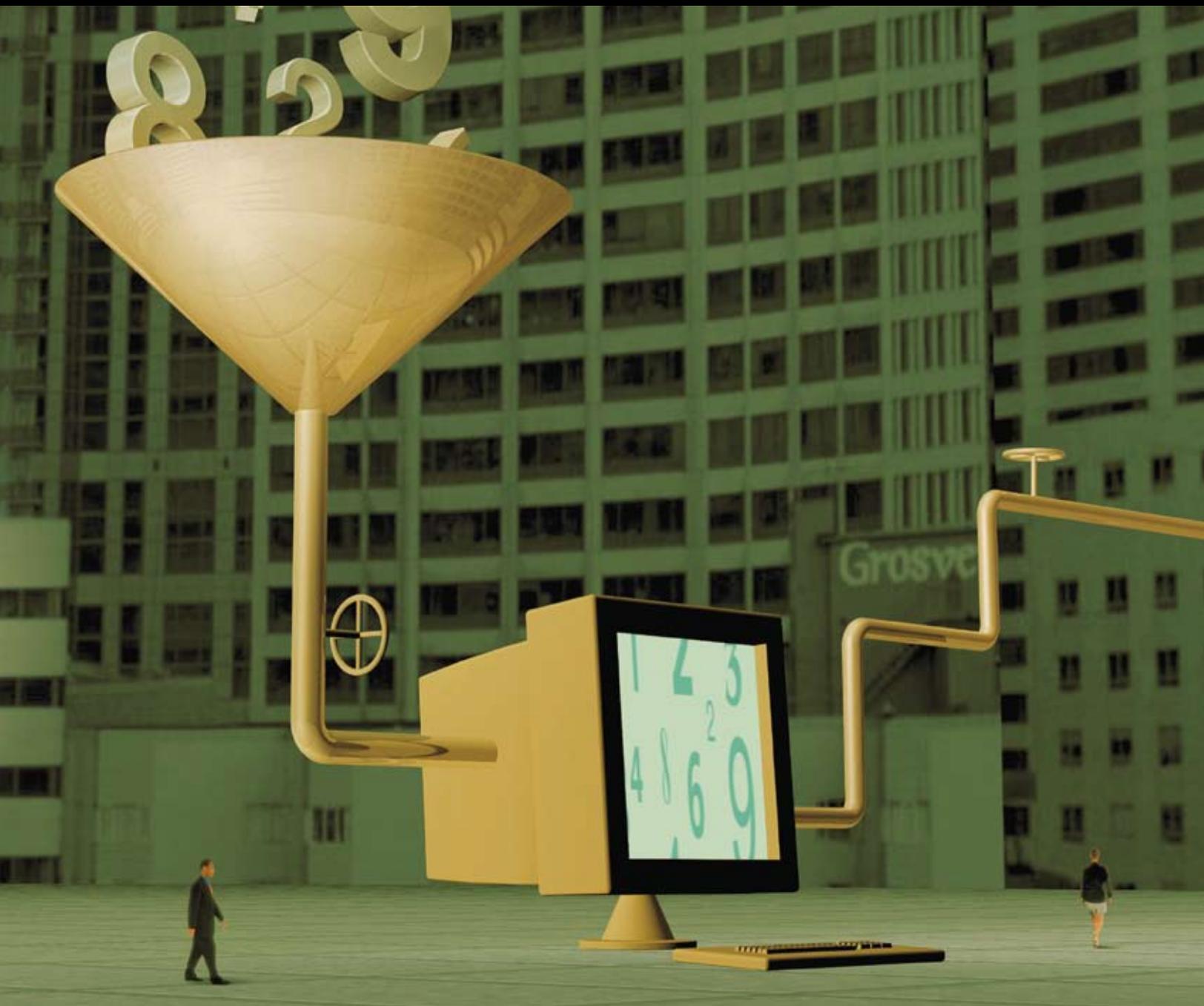


2008

Graduate
Management
Admission
Council®

mba.com Registrants Survey

SURVEY REPORT



The [mba.com Registrants Survey](#)

is a product of the Graduate Management Admission Council® (GMAC®), a global nonprofit education organization of leading graduate business schools and the owner of the Graduate Management Admission Test® (GMAT®). The GMAT® exam is an important part of the admissions process for more than 4,000 graduate management programs around the world. GMAC® is dedicated to creating access to and disseminating information about graduate management education; these schools and others rely on the Council as the premier provider of reliable data about the graduate management education industry.

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Graduate management education is a global phenomenon, and the continual growth and diversification of programs offered among graduate business schools around the world fosters a highly competitive environment. Traditionally, prospective students have competed for admittance to their choice of graduate business programs, and schools enrolled the most qualified among the applicants. Today, more so than in the past, *programs* are competing for the most qualified applicants. This report provides competitive knowledge by identifying and describing the different aspirations of potential business students in different parts of the world.

The changing marketplace for graduate management education requires schools to develop an awareness of their existing environment. According to Thomas (2007), shifting prospective-student demographics, globalization, technological advances, the availability or lack of higher education funding, teaching entrepreneurship, and competition among educational providers all yield opportunities for—as well as threats to—graduate management education. Strategies to capitalize on the opportunities and minimize the threats are required to assure a school's prominence in the marketplace. This report seeks to provide the empirical data schools need to develop these strategies.

Schools can also use this information when developing strategies to increase their applicant pool. The data for this report are responses from 5,637 prospective MBA students who registered on mba.com—the GMAC® Web site for prospective students. Mba.com serves as the portal to the GMAT® exam and as an information resource for those who are interested in learning about graduate management education. The 2007 survey is the first of two that will track the progression of this same prospective-student sample through the MBA pipeline.

Key Findings

- There are major differences in the motivations, psychographic interests, and school selection criteria of prospective students by world region. Not only are there differences between world regions, there are significant differences within each region by gender and age of the prospective students.
- Most prospective students are motivated to obtain a graduate management education in order to develop their knowledge, skills, and abilities. Beyond that, human capital development is a primary motivation among women in all age groups compared with men, and personal career development is a primary motivation among men in all age groups compared with women.
- An extremely large percentage (85%) of prospective students has reservations about pursuing a graduate business degree, especially regarding education costs and the ability to finance their education.
- There is a high degree of competition between part-time MBA programs and online/distance learning MBA programs. Additionally, prospective students who consider enrolling in one of the following programs also tend to consider enrolling in the others: part-time, executive, and online/distance-learning MBA programs. The MSc in business and specialized master's degrees are likewise considered together.
- Prospective students consider five key criteria when selecting schools: quality and prestige, convenience and location, costs and financial considerations, the classroom experience, and accreditation and curriculum.
- Prospective students primarily consult family and friends when making the decision to pursue a graduate business degree. Thus, a school's outreach communications should not only target prospective students, but also seek to reach those who influence their decisions.

The survey sample frame consists of those persons registered at the Graduate Management Admission Council Web site, www.mba.com, between September 1, 2006, and August 31, 2007, who explicitly opted to participate in GMAC research and surveys. In total, 55,934 registrants opted to participate, representing 15% of all mba.com registrants (367,349) during the September 2006 through August 2007 period.

On October 3, 2007, the sample members received an e-mail invitation to participate. A link to the online questionnaire was included in this e-mail. In all, 3,531 (6%) of the sample members had invalid e-mail addresses. An e-mail reminder was sent on October 15 to respondents who had not yet completed—or who had only partially completed—the survey. The questionnaire was available at the online survey site from October 3, 2007, to October 31, 2007. By survey's close, 5,637 individuals had completed the online questionnaire—a survey response rate of 11%.

• • • • •
**The data from this report
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Organizations inclined toward market orientation can embrace a customer-focused, a competitor-focused, or an integrated approach (Heiens, 2000), and anecdotal evidence suggests that many graduate business schools have done so. For instance, to contend with globalization some schools have adopted a competitor-focused approach by establishing campuses in different countries and by creating strategic alliances with schools from other countries (De Onzono & Carmona, 2007). Others have taken a customer-focused approach and increased their portfolio of program types offered, including programs geared to traditional full-time students and programs geared to working professionals. However, a study of university schools of business in the United States finds that “market orientation [is] generally . . . alarmingly low within higher education” (Hammond, Webster, & Harmon, 2006, p. 82), which the researchers suggest limits efforts to achieve program excellence.



Survey data indicate that prospective students sampled are most motivated to pursue a graduate business degree by the desire to develop their knowledge, skills, and abilities.



This report focuses specifically on the customer-focused approach to market orientation, which is advantageous in both growing and mature markets. For this approach to be effective, though, its “emphasis must be on meaningful differentiation from the numerous emulators . . . and on discovering and exploiting opportunities for market segmentation” (Slater & Narver, 1994, p. 49).

Motivations to Pursue a Graduate Management Education

For any organization, the first step in developing a customer-focused approach to market orientation is understanding what motivates its customers. Survey data indicate that prospective students sampled are most motivated to pursue a graduate business degree by the desire to develop their knowledge, skills, and abilities. In fact, three-fourths or more of respondents from each world region chose this item from a list of 20 reasons for pursuing a graduate business degree. The top five knowledge, skills, and abilities prospective students hope to improve are:

- managing decision-making processes,
- managing strategy and innovation,
- strategic and systems skills,
- knowledge of general business functions, and
- interpersonal skills.

Further evaluation of the primary reasons for pursuing a graduate business degree is simplified using principal component analysis,¹ which reduced the 20 items into four salient variables or components.² Each of these components—human capital development, personal career development, career switching, and business and

social entrepreneurship—is formed by the following combination of individual motivations.

Human capital development includes, but is not limited to:

- developing knowledge, skills, and abilities;
- having opportunities for more challenging and interesting work; and
- having an opportunity for learning.

Personal career development includes:

- gaining respect, recognition, and confidence;
- making more money; and
- getting a better job.

Career switching includes:

- switching industries of employment, and
- switching occupations or job functions.

Business and social entrepreneurship includes:

- managing one’s own business,
- contributing to solving some of the world’s problems, and
- having access to mentors to help achieve goals.

Figures 1a through 1d present the average scores by world region for each of the four motivation components. As shown, there are significant variations. For instance, Chinese respondents primarily pursue a graduate business degree to develop their personal careers, whereas Indian respondents primarily pursue the degree because they believe it will increase their ability to function as a business and social entrepreneur. According to the customer-focused approach to market orientation, strategies aimed at prospective student markets in India and China should be aligned with the competencies of the educational institution—and they should *differ*.

¹Principal components analysis (PCA) is a statistical technique for summarizing and simplifying correlation structure in multivariate data. It evaluates the full covariance (correlation) matrix and produces new composite variables that are linear combinations of the original variables’ weights for linear combinations. Weights are produced and ordered so each new composite explains the maximum possible amount of variance not already picked up by earlier ones.

²PCA of motivations had a multiple r of .67.

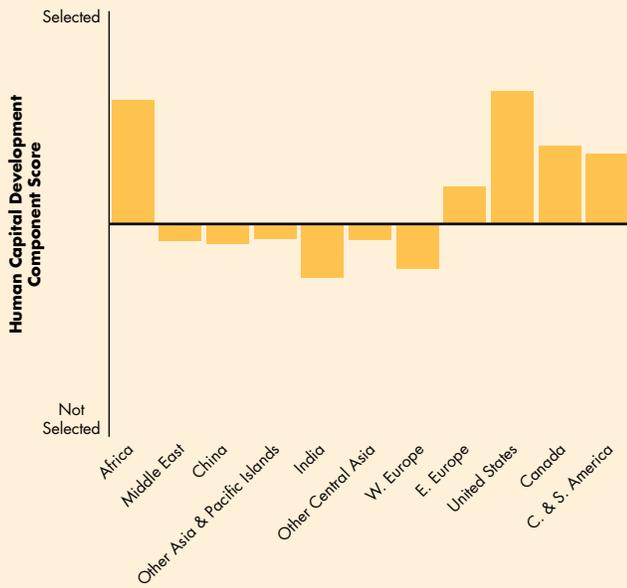


Figure 1a.
Human Capital Development, by Region

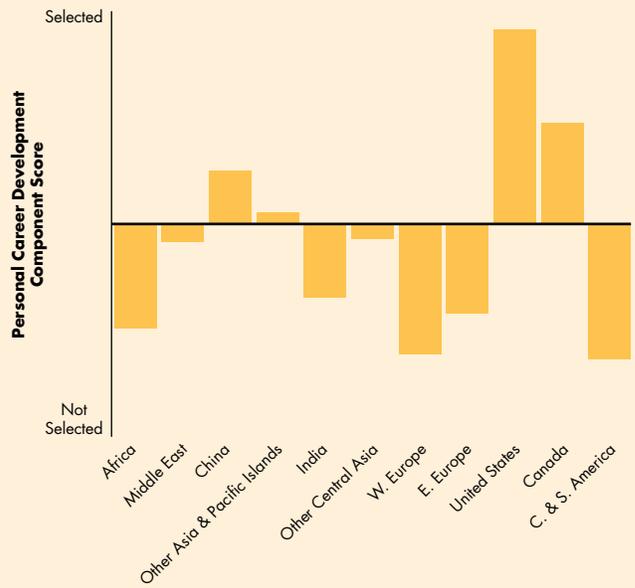


Figure 1b.
Personal Career Development, by Region

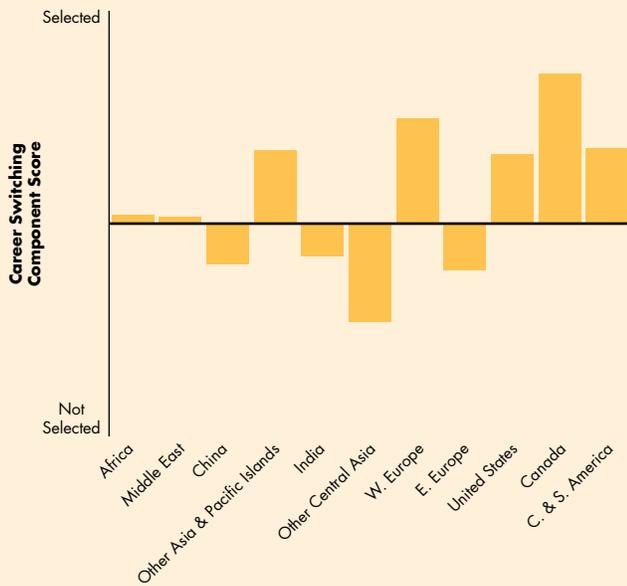


Figure 1c.
Career Switching, by Region

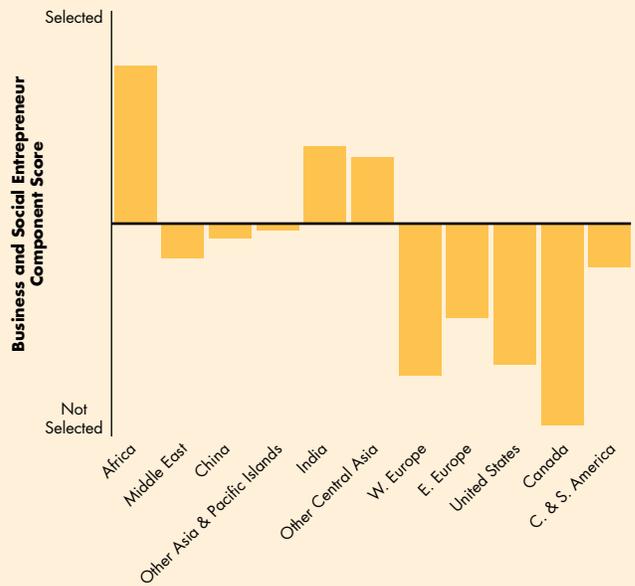


Figure 1d.
Business and Social Entrepreneur, by Region

	Males		
	24 and younger	25 to 30	31 and older
Africa	H > E > P > C	E > H > C > P	E > H > C > P
Middle East	P > E > C > H	C > P > E > H	C > H > E > P
China	P > E > C > H	C > P > E > H	C > E > P > H
Other Asia and Pacific Islands	P > E > C > H	P > C > E > H	C > H > E > P
India	E > P > H > C	C > E > H > P	C > H > E > P
Other Central Asia	E > P > H > C	E > H > C > P	P > E > C > H
W. Europe	P > C > H > E	C > H > E > P	C > H > P > E
E. Europe	P > H > E > C	C > E > H > P	C > H > P > E
United States	P > H > E > C	C > H > P > E	P > C > H > E
Canada	H > P > C > E	C > H > P > E	C > P > H > E
Central & South America	P > H > E > C	C > H > E > P	C > H > E > P

	Females		
	24 and younger	25 to 30	31 and older
Africa	H > E > C > P	H > C > E > P	E > H > C > P
Middle East	H > C > E > P	H > E > C > P	H > C > P > E
China	P > H > E > C	C > E > H > P	C > H > E > P
Other Asia and Pacific Islands	H > P > C > E	C > H > P > E	E > H > C > P
India	H > P > E > C	H > E > C > P	E > C > H > P
Other Central Asia	H > E > C > P	H > C > E > P	C > P > H > E
W. Europe	E > C > H > P	H > C > E > P	H > C > E > P
E. Europe	H > P > C > E	H > E > P > C	C > H > E > P
United States	P > H > C > E	H > P > C > E	H > C > P > E
Canada	P > C > E > H	H > P > C > E	H > C > P > E
Central & South America	H > E > P > C	C > H > E > P	H > C > E > P

Key: H = Human Capital Development; P = Personal Career Development; C = Career Switching; E = Business and Social Entrepreneur

Table 1.
Rank Order of Motivating Components by Region, Gender, and Age

Table I provides a rank ordering by gender and age of the same four motivation components described earlier and presents data that should also prove useful in the development of marketing strategies. As shown, variations in the rank order of motivations for pursuing a graduate business degree do not simply occur by gender and age. Such variations also occur *within each region* by gender and age. As such, a given program would attract different prospective students according to its different strengths.

- Human capital development is a primary motivation among women within all age groups compared with men.
- Personal career development is a primary motivation among men within all age groups compared with women.
- Career switching is predominant among older respondents compared with younger respondents.
- Business and social entrepreneurship is the primary motivator among men age 24 and younger in the Middle East, China, and Other Asian and Pacific Island countries; personal career development motivates them next.

An undifferentiated marketing strategy—a one-size-fits-all model—casts a large net that many prospective students may fall through. Rather, a program may potentially bring in a greater number of applicants by segmenting and targeting smaller groups of prospective students. An integrated focus to market orientation, which would allow graduate business schools to target prospective students and funnel them into the various programs they offer, can be achieved through a differentiated or concentrated marketing strategy.

Psychographic Analysis

Billsberry (2007) outlines three paradigms of recruitment and selection: the psychometric paradigm, the social process paradigm, and the person-organization fit paradigm. Although these models derive from the employment selection process, their implications are analogous to the process of recruiting and selecting graduate business school students. The psychometric paradigm is the dominate model and is based on the selector’s perspective. Candidates—in this case business school applicants—are assessed according to the knowledge, skills, abilities, and other attributes demanded by the position or program for which they are applying.

Graduate business schools have a set of minimum admission requirements that is consistent with the psychometric paradigm. They assess candidate knowledge, skills, and abilities by examining grades received in an undergraduate or first university degree program (GPA); scores on admission tests, such as the GMAT; and an applicant’s work experience history. Such basic program-admission requirements are mostly objective criteria that applicants either do or do not exhibit. About three-fifths (64%) of respondents indicate that they have reservations about applying to graduate business school because of one or more of these psychometric criteria. Of such respondents, one-third attribute their reservations to admission test scores, one-fourth to undergraduate academic record, and 19% to employment history.

A higher percentage of respondents (85%) indicate that they have other reservations about pursuing a graduate business degree, the most common of which relate to the cost and ability to finance the degree

and the amount of time and energy needed to attain the degree. Further attention to the social process and person-fit paradigms is warranted here given the significantly greater percentage of respondents with reservations unrelated to psychometric accomplishments.

The social process paradigm emphasizes the relationship between the selector and the selected. Person-organization fit aims to create a match between the selector and the selected. Both the social process and person-organization fit paradigms acknowledge the applicant as an active participant in the selection process. Accordingly, understanding the interests—by completing a psychographic analysis—of those in the applicant pool can prove useful in aligning strategies, such as course offerings, with a targeted group of prospective students.

From a list provided, respondents rate the importance of 11 life aspects. Of the 11 options, respondents from each region of the world indicate that family and career are the two most important life aspects. Evaluation is again simplified using principal component analysis, which reduces the eleven life-aspect items into four salient variables or components.³ Each component—personal enjoyment, community life, work and wealth, and home life—is formed by the following combination of individual life aspects.

Personal enjoyment includes:

- entertainment,
- free time and relaxation,
- travel, and
- friends and acquaintances.

Community life includes:

- volunteer work,
- community,
- politics and public life, and
- the environment.

Work and wealth includes:

- financial security,
- wealth, and
- career and work.

Home life includes:

- family and children,
- relatives, and
- religion.



The most common reservations about pursuing a graduate business degree relate to the cost and ability to finance the degree and the amount of time and energy needed to attain the degree.



³PCA of psychographic characteristics had a multiple r of .72.

	Rank Order			
	1st	2nd	3rd	4th
Africa	Home Life	Work and Wealth	Community Life	Personal Enjoyment
Middle East	Community Life	Personal Enjoyment	Work and Wealth	Home Life
China	Personal Enjoyment	Home Life	Community Life	Work and Wealth
Other Asia and Pacific Islands	Personal Enjoyment	Home Life	Community Life	Work and Wealth
India	Work and Wealth	Community Life	Personal Enjoyment	Home Life
Other Central Asia	Community Life	Work and Wealth	Home Life	Personal Enjoyment
W. Europe	Personal Enjoyment	Home Life	Community Life	Work and Wealth
E. Europe	Personal Enjoyment	Home Life	Work and Wealth	Community Life
United States	Home Life	Personal Enjoyment	Work and Wealth	Community Life
Canada	Personal Enjoyment	Home Life	Community Life	Work and Wealth
Central & South America	Home Life	Personal Enjoyment	Community Life	Work and Wealth

Table 2.
Rank Order of the Components of Life Aspects Deemed Important, by World Region

Table 2 presents, by world region, the rank order of life-aspect components that respondents consider important, with variations as shown.

Figures 2a through 2d present, by both region and age, an analysis of the psychographic components that respondents deem important. In general, younger respondents are more likely than older

respondents to rate personal enjoyment and community life important. On the other hand, older compared with younger respondents are more likely to rate work and wealth and home life important. Such results may provide graduate business schools with guidance in recruiting and selecting applicants. For instance, programs offering a variety of student clubs

may emphasize this point when engaging younger prospective students who are enthusiastic about their personal enjoyment and community life. Convenient and flexible class schedules might excite older prospective students who need to balance their education with more developed careers and home lives.

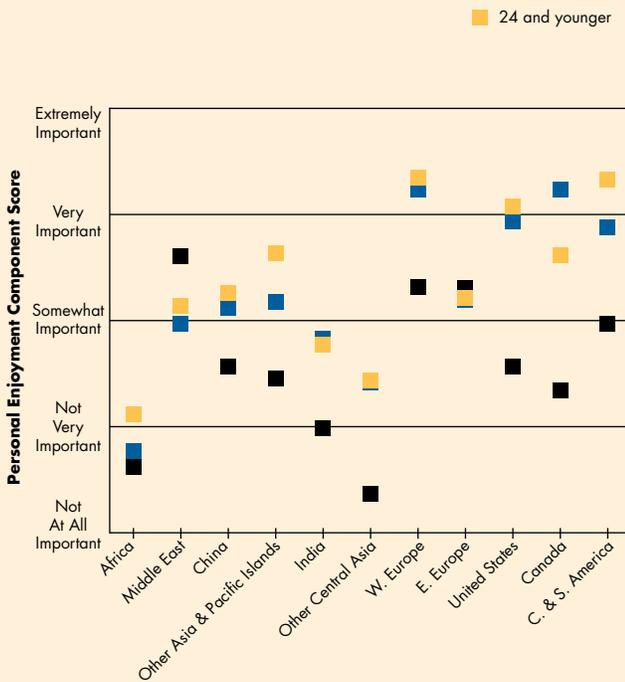


Figure 2a.
Personal Enjoyment, by Region and Age

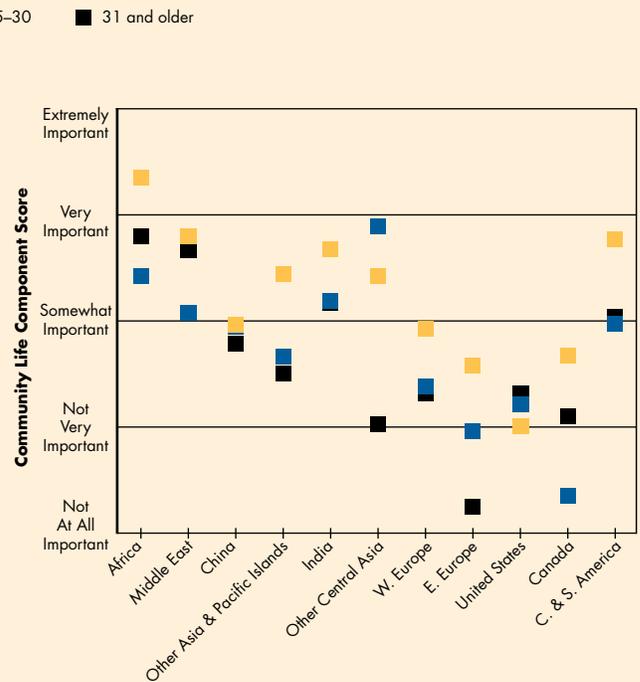


Figure 2b.
Community Life, by Region and Age

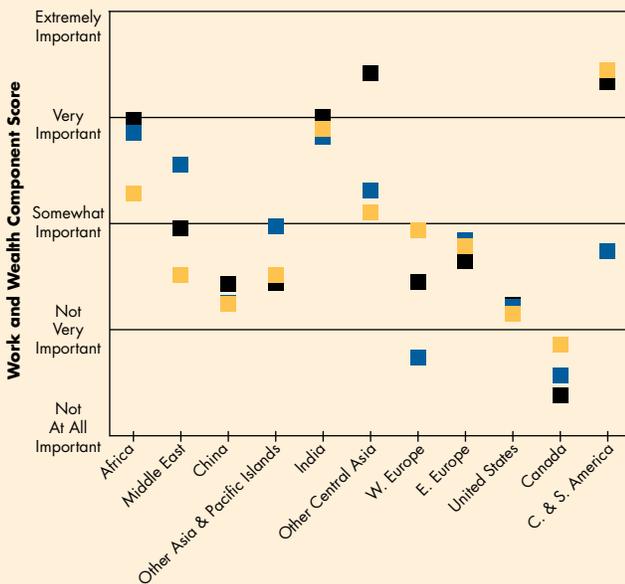


Figure 2c.
Work and Wealth, by Region and Age

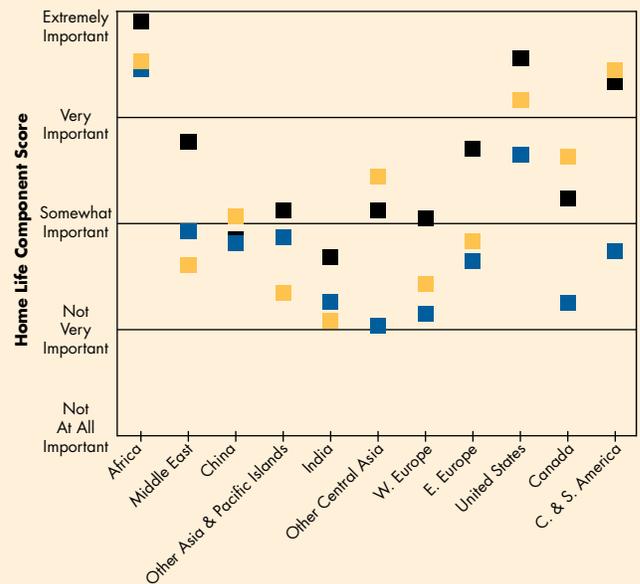
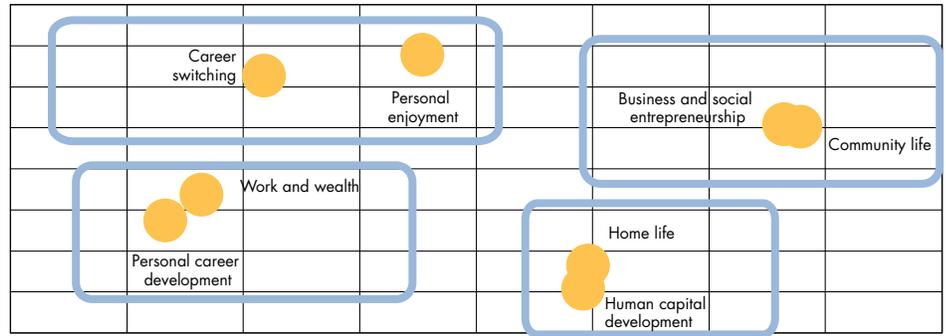


Figure 2d.
Home Life, by Region and Age



*Multi-dimensional scaling, Euclidean model, S-Stress = 0.35, R² = 0.55.

Figure 3.

A Conceptual Map of Key Psychographic and Motivating Factors to Pursue a Graduate Business Degree

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 The conceptual map of key psychographic and motivating factors shows strong relationships between student interests and what motivates them to pursue a graduate management degree.

• • • • •

Knowledge of applicant motivations and interests will assist schools in finding the right fit between the applicant and the program. Figure 3, a conceptual map, presents associations between motivating and psychographic components. The *business and social entrepreneurship* and *community life* components are the two most closely associated, perhaps because both relate to societal values. As illustrated elsewhere in this report, such information can aid schools in developing strategic recruitment plans and effective marketing messages that result in an abundance of qualified applicants and ultimately attract the right students to the right programs.

Graduate business programs have a greater chance of developing diverse, productive, and satisfied student bodies when they recruit and select applicants by integrating the psychometric and social process paradigms. Beyond the numbers associated with the psychometric approach and the personal interaction associated with the social process paradigm, finding the right fit between applicants and the program is paramount. Moreover, schools can further advance their recruitment and selection efforts by incorporating the person-organization fit paradigm with a customer-focused market orientation. A dual approach increases the odds that graduate business schools with multiple programs geared to multiple population segments can steer individuals to the program or program location that is most appropriate for them, thus creating a perfect fit between program and applicant.

Today's graduate management education industry exists in a mature yet growing market. To thrive, or perhaps simply survive in such an environment, a graduate business school must readily differentiate itself from its competitors, identify differences among portions or segments of its market, and both enter into and accurately assess the needs of new markets (Mohan & Krishnaswamy, 2006). Doing so effectively requires informed decision-making. The following analysis of program types that prospective students consider when applying to business school should prove useful in the decision-making process.

Types of Programs

The proliferation and diversification of graduate business programs create a highly competitive environment for the graduate management education industry. Figure 4 shows the distribution in the types of graduate business programs that respondents indicate they will consider when applying to graduate business school. Caution should be used in interpreting this data. Previous research shows that prospective student intent at this stage of the pipeline is often different from their final decision (Schoenfeld, 2006). Nevertheless, overall, the greatest number of respondents considered full-time MBA programs, including two-year traditional and one-year accelerated programs. Additionally, about one in five respondents considered part-time MBA programs, and about one in seven respondents considered MSc in business and executive MBA programs. There are significant variations by world region in the types of programs considered, however.

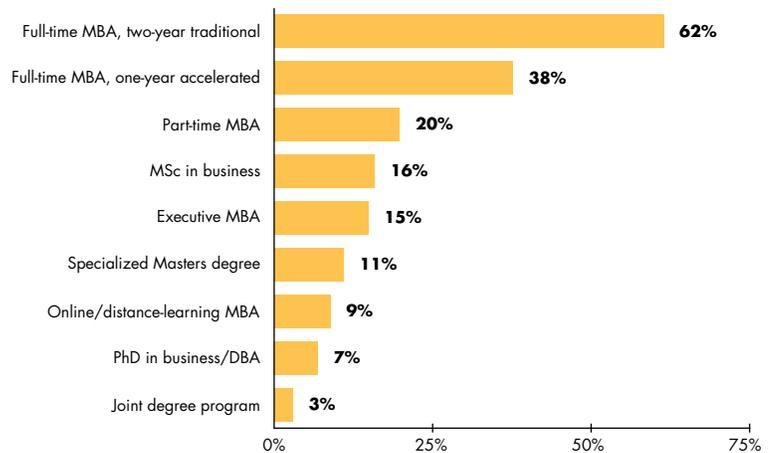


Figure 4.
Graduate Business Programs Considered

By world region, the statistically significant differences in the types of programs considered are as follows:

- Respondents from India, Other Central Asian countries, and Other Asian and Pacific Island regions consider *full-time two-year traditional MBA programs* more often compared with respondents from other regions of the world.
- Indian and Western European respondents consider *full-time one-year accelerated MBA programs* more often compared with respondents from China and the United States.
- Respondents from Canada, Africa, and the United States are more likely than Chinese and Indian respondents to consider *part-time MBA programs*.
- Indian and Western European respondents consider *executive MBA programs* more often compared with respondents from China and Other Asian and Pacific Island regions.
- Respondents from Africa, the United States, and Canada are more likely to consider *online and distance-learning MBA*

programs compared with respondents from China, Other Asian and Pacific Island countries, and India.

- Chinese and Other Central Asian respondents are more likely to consider an *MSc in business* compared with respondents from India, Western Europe, the United States, and Canada.
- Chinese respondents consider *specialized master's degree programs* more often compared with respondents from India and Eastern Europe.
- Respondents from the United States and Canada are more likely to consider *joint degree programs* compared with respondents from China, India, Western Europe, and Central and South America.
- Respondents from the Middle East, China, Other Central Asian countries, and Central and South America are more likely to consider a *PhD program in business* compared with respondents from India, the United States, and Canada.

Overall, 48% of respondents considered only one type of graduate business program. The median number of program types considered is two. Table 3 presents the correlation between the types of programs considered among respondents who contemplated multiple program types. As shown, there are statistically significant correlations between many of the graduate business programs. For example, there is a statistically significant—albeit a low degree of—correlation between the two full-time MBA program types. Yet, each of the full-time MBA programs tends to be negatively correlated with all other graduate business program types, suggesting that an individual who considers a full-time MBA program tends not to consider other programs. The highest positive correlation is between part-time MBA programs and online/distance-learning MBA programs. From this data, it appears that part-time MBA programs are significantly competing with online/distance learning MBA programs.

	Full-time MBA two-year	Full-time MBA one-year	Part-time MBA	Executive MBA	Online/distance MBA	MSc in business	Specialized master's degree
Full-time MBA one-year	.15*						
Part-time MBA	-.25*	-.23*					
Executive MBA	-.23*	-.03	.16*				
Online/distance MBA	-.28*	-.19*	.35*	.15*			
MSc in business	-.04	-.21*	-.15*	-.10*	-.10*		
Specialized master's degree	-.16*	-.19*	-.08*	-.11*	-.03	.16*	
Joint degree program	.03	-.07*	.00	-.07*	-.01	-.05*	.02

*Indicates a significant correlation where $p \leq .05$.

Table 3.
Correlation of Programs Considered Among Respondents Who Considered Multiple Programs

Location of Programs

Respondents indicated the location of graduate business programs in which they either intended to enroll or had already enrolled at the time of the survey. The locations of programs where respondents apply and enroll differ greatly by world region (Table 4).

A majority of respondents from the United States and Canada applied to local graduate business programs. In contrast, about one-third or fewer of the respondents from other world regions applied locally. On the other hand, a majority of respondents from China (77%), India (59%), and Eastern Europe (55%) applied to international programs, whereas 19% of Canadian respondents and only 1% of respondents from the United States applied to an international program. More detail about student mobility by world region is available in the Geographic Trend Report series on gmac.com.⁴

Table 5 presents the countries in which Chinese and Indian respondents enrolled. Of respondents from China and India who enrolled internationally, the majority enrolled in schools in the United States. A greater percentage of Indian respondents (43%) compared with Chinese respondents (27%) enrolled in programs within their respective countries.

Understanding what interests and motivates prospective students and the types of programs and program locations they prefer allows schools to develop more accurate audience profiles for their marketing messages.

	Chinese			Indian		
	Applied	Enrolled	Yield	Applied	Enrolled	Yield
Local	21%	17%	81%	25%	22%	88%
Regional	6%	3%	50%	12%	5%	42%
National	14%	7%	50%	28%	17%	61%
International	77%	73%	95%	59%	57%	97%
	Western European			Eastern European		
	Applied	Enrolled	Yield	Applied	Enrolled	Yield
Local	43%	39%	91%	46%	42%	91%
Regional	14%	13%	93%	3%	3%	100%
National	17%	10%	59%	9%	6%	67%
International	47%	39%	83%	55%	48%	87%
	Canadian			United States		
	Applied	Enrolled	Yield	Applied	Enrolled	Yield
Local	63%	48%	76%	81%	76%	94%
Regional	19%	15%	79%	21%	12%	57%
National	30%	19%	63%	17%	10%	59%
International	19%	19%	100%	1%	1%	100%

Local: within 50-mile/80-kilometer radius of home; Regional: within 250-mile/400-kilometer radius of home; National: outside 250-mile/400-kilometer radius of home; International: outside country of residence

Table 4.
Percentage of Respondents Who Applied to and Enrolled in Local, Regional, National, and International Programs

Country	Chinese Respondents	Indian Respondents
United States	56%	62%
United Kingdom	10%	15%
Canada	8%	2%
France	6%	2%
Singapore	2%	3%

Table 5.
Location of Schools in Which Respondents from China and India Enrolled among Respondents Who Enrolled in an International Program

⁴Geographic Trend Reports are available at www.gmac.com/GeographicTrends.

This section of the report explores the information that prospective business school students consider important—and the information channels they consult—when deciding whether to pursue a graduate business degree. Both can be useful in developing strategic marketing messages that appeal to and reach a given program’s intended audience and maximize efforts to increase its applicant pool.

Message Development

A goal of message development is to reach prospective students with “effective promotions without simultaneously contributing to the ambient marketing noise” (Vanderveer, 2004, p. 330). Vanderveer adds that logical and compelling storytelling is the basis for effective communication and includes five elements: gaining audience attention, providing information, corroborating information, addressing underlying audience concerns, and providing direction so the audience can take action. The process of “message engineering” that prevents a “fragmented set of sound bytes, but preserves the inherent richness and complexity [of the product or service]” (Vanderveer, pp. 332–333), is rooted in the customer-focused approach. A clear understanding of the key audience, including its psychographic and motivating components, will aid the development of a school’s marketing messages.

Once prospective students arrive at the decision to pursue a graduate management education, they often undertake consideration of specific schools and programs. During this complex process, “there will be an active search for information which is appropriate to the decision being made” (Brennan, 2001). Understanding what prospective students most want to know—the criteria they use—when deciding which programs and schools best meet their needs can form the basis of a school’s marketing message or story.

Survey respondents were presented with a list of 21 separate criteria and asked to rate the importance of each when considering graduate business programs. Data is evaluated using principal component analysis, which reduces the 21 criteria into five salient variables or components.⁵ These five components—quality and prestige, convenience and location, costs and financial considerations, the classroom experience, and accreditation and curriculum—are broken down as follows.

Quality and prestige includes:

- prestige or global recognition,
- quality and reputation,
- reputation in placing graduates in jobs, and
- published rankings.

Convenience and location includes:

- whether the school is located close to home or work,
- whether the school has convenient class schedules,
- whether the school has an appealing location, and
- whether an employer will pay for the education at this school.

Costs and financial considerations includes:

- the financial costs of the school,
- the cost of living, and
- the availability of scholarships, grants, or other financial aid.

The classroom experience includes:

- the diversity of background and experience among students and faculty,
- the offer of a practice-oriented education, and
- the respondent’s personal experience as an undergraduate.

Accreditation and curriculum includes:

- whether the program is accredited, and
- whether the school offers a specific curriculum.

Figures 5a through 5f present the five selection criteria components by world region. For example, Figure 5b illustrates that in rank order of importance, Indian respondents consider cost and financial considerations, the classroom experience, and program quality and prestige when deciding where to apply. The data shown here should help schools to develop the most appropriate messages for effectively targeting prospective students in a given region.

The following results, which show significant differences by age and gender in respondent school-selection criteria, may be similarly useful in formulating messages that appeal to specific groups of prospective students. In general, by age:

- Quality and prestige are more important to respondents age 30 and younger compared with older respondents.
- Convenience and location are more important to respondents age 31 and older than they are to respondents age 24 and younger who, in turn, consider convenience and location more important compared with respondents age 25 to 30.
- Cost and financial considerations are more important to younger compared with older respondents.
- The classroom experience is more important to respondents age 30 and younger compared with older respondents.
- Accreditation and curriculum are more important to older compared with younger respondents.

In general, by gender:

- Men compared with women consider quality and prestige to be more important.
- Women compared with men consider convenience and location, costs and financial considerations, and accreditation and curriculum more important.

The classroom experience is the only school-selection criteria component that does not have a statistically significant difference by gender.

⁵CA of selection criteria had a multiple r of .74.

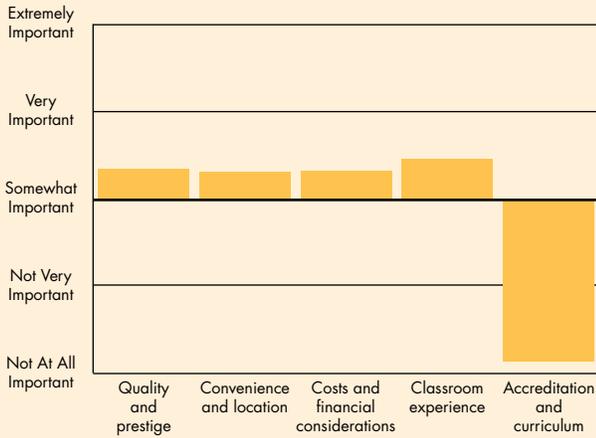


Figure 5a.
School Selection Components, Chinese Citizens

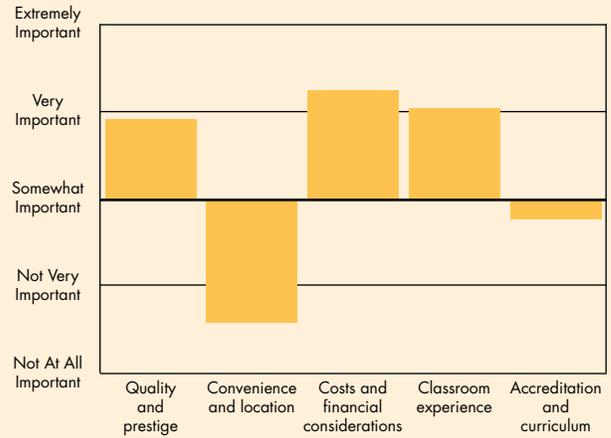


Figure 5b.
School Selection Components, Indian Citizens

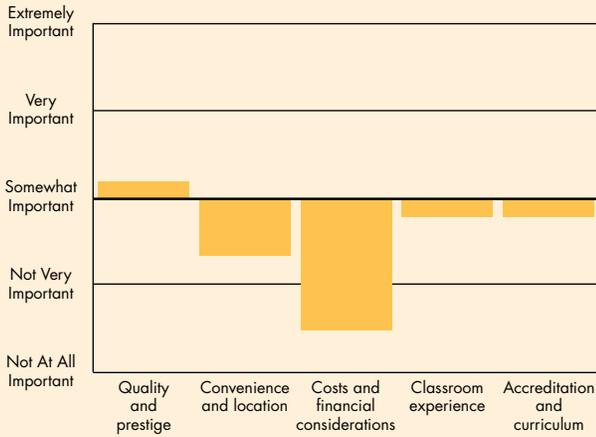


Figure 5c.
School Selection Components, Western European Citizens

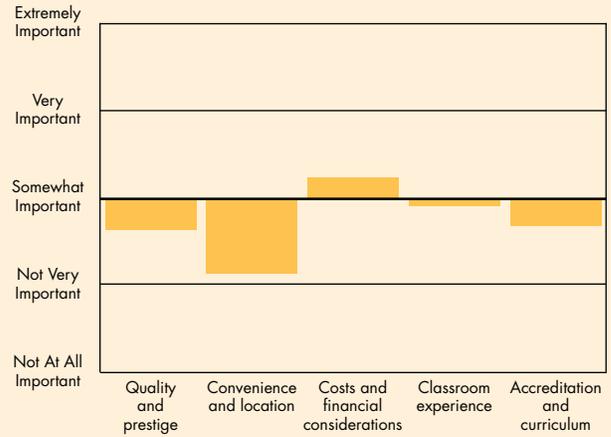


Figure 5d.
School Selection Components, Eastern European Citizens

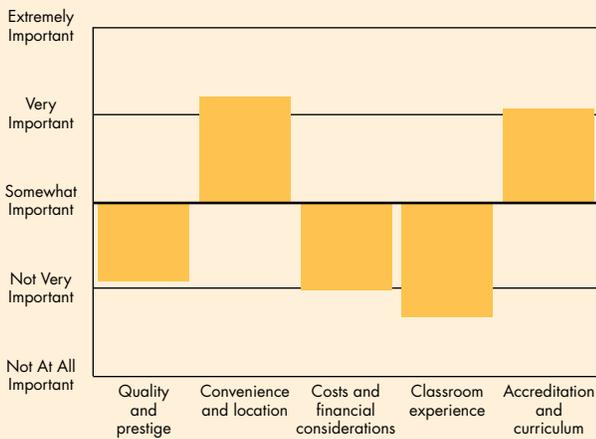


Figure 5e.
School Selection Components, United States Citizens

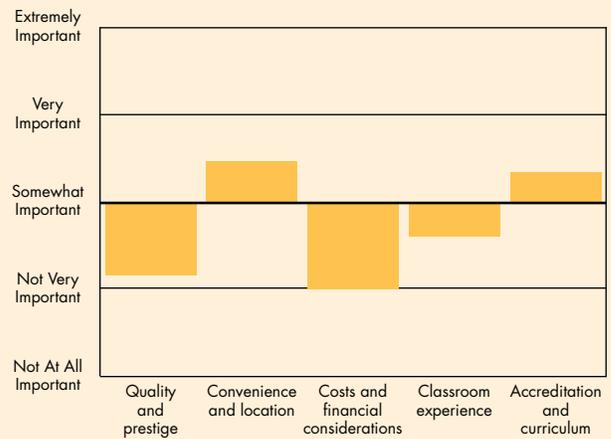


Figure 5f.
School Selection Components, Canadian Citizens

Message Segmentation Analysis

The purpose of a communication segmentation analysis is to align the content of a marketing message with the appropriate segment of the prospective student population. Three approaches to such analysis are the evaluation of data by demographic characteristics, by psychographics, and by the benefits sought by consumers (Ehrman, 2006). In this study, a two-step clustering procedure using indices derived from principal component analysis and demographic variables revealed natural groupings within a collection of data. Data analyzed include demographic variables, the programs students consider, motivation and psychographic components, and the criteria respondents use to select schools. The cluster analysis revealed five segments in the data. A brief demographic profile of each follows.

Local working professionals: Mixed gender; age 25 and older; from the United States and Canada; interested in part-time and online/distance-learning MBA programs in their local area.

International working professionals: Mostly male; age 25 and older; from Western and Eastern Europe, India, Other Central Asian countries, Central and South

America, Africa, and the Middle East; interested in full-time accelerated one-year, part-time, executive, and online/distance-learning MBA programs outside their home country.

Traditional MBAs: Mostly male; age 30 and younger; from all regions of the world; interested in full-time traditional two-year MBA programs.

Pre-experience: Mostly female; age 24 and younger; from China; interested in MSc in business and specialized master's degree programs.

High-tech professionals: Mostly male; age 30 and younger; from India and Western Europe; interested in full-time accelerated one-year programs.

Figures 6a through 6c present the average motivation, psychographic, and selection criteria component scores by segment. As shown, each segment's average component score profile is unique.

The following two examples illustrate how this study data might be used when developing a marketing message guided by Vanderveer's (2004) elements of effective message engineering.

Message to Local Working Professionals: Upgrade your knowledge, skills, and abilities; increase your chances for promotion while balancing family, work, and school. Our accredited graduate business program offers convenient and flexible schedules in multiple locations, as well as access to online courses. Our graduates have advanced in their chosen fields with the help of our

curriculum—tailored to meet each student's individual needs and objectives. Our dedicated staff will assist you in financing and coordinating your program. Call or log on to our Web site to begin the process that will increase your human capital and advance you in your chosen profession.

Message to Traditional MBAs: A business education is a perfect opportunity for you to explore your potential as an entrepreneur; work for an organization that shares your commitment to a mission, goal, or cause; or participate in one of a multitude of extracurricular options to gain hands-on experience in diverse settings where you can develop lasting relationships. Our highly respected and qualified faculty and staff will provide you with the guidance you need to create an exciting career future. We have staff specifically dedicated to help you finance and coordinate your education and mentors to help you make the most of our quality program. Our students apply their newly acquired knowledge, skills, and abilities daily in real-life situations through internships and community-based work projects. Join them. Call or log on to our Web site to learn how you can take advantage of the opportunities that will help you make a difference in today's world.

The preceding hypothetical examples demonstrate the story snapshots that schools might communicate through appropriate media channels to attract program applicants. As prospective students enter the school's pipeline, however, marketing initiatives might elaborate upon these snapshots—perhaps using the personal experiences of students, faculty, and staff to bolster and corroborate a school's message.

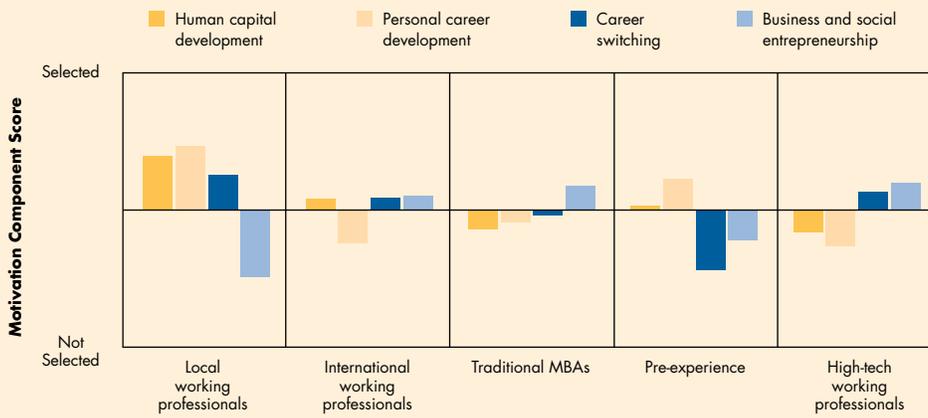


Figure 6a.
Motivation Components, by Segmentation

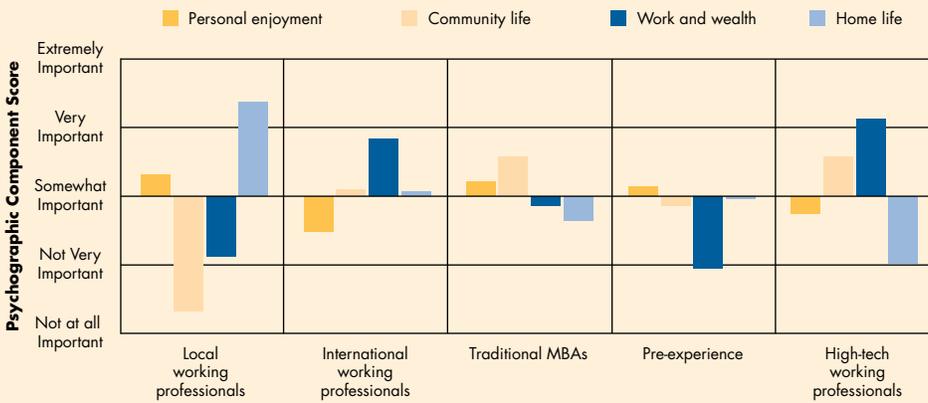


Figure 6b.
Psychographic Components, by Segmentation

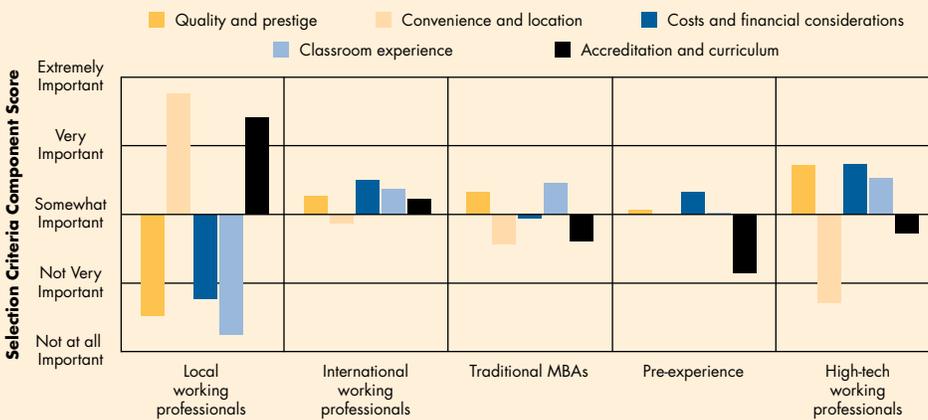


Figure 6c.
Selection Criteria Components, by Segmentation

Communication Channels

Once a message is developed, the next step is communicating that message to prospective students through the most effective channels. Respondents indicated the sources they consulted when deciding whether to pursue a graduate business degree. Figure 7 shows the percentage of respondents who consulted each source.

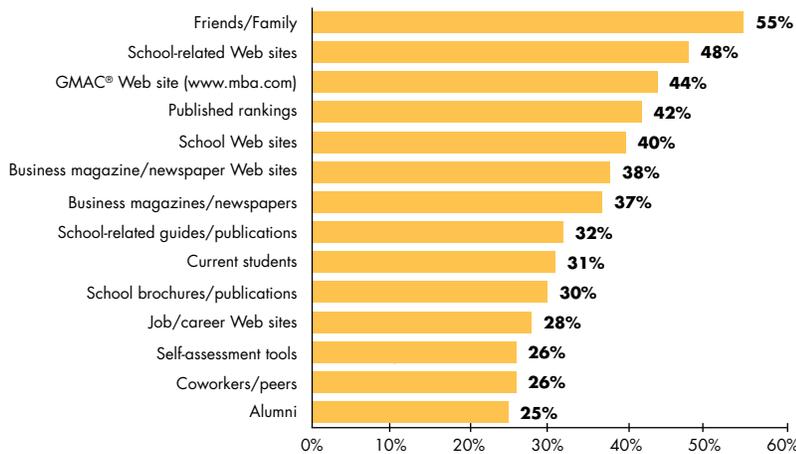


Figure 7. Sources Consulted

Overall, prospective students rely most on word of mouth through friends and family when deciding whether to pursue a graduate business degree. Therefore, in addition to attracting prospective students, outreach efforts should seek to educate and influence the family and friends of prospective students by promoting the quality and value of a school's degree programs. Note, however, that respondents in the traditional MBA and pre-experience segments are more likely to consult friends and family compared with respondents in the international working professional segment. Table 6 shows the sources consulted by segmentation group.

	Local working professionals	International working professionals	Traditional MBAs	Pre-experience	High-tech professionals
Friends/Family	55%	50%	57%	59%	55%
Graduate business school-related Web sites	47%	50%	48%	48%	53%
GMAC Web site (mba.com)	44%	53%	43%	30%	55%
Published rankings	37%	41%	44%	49%	48%
School Web sites	45%	32%	40%	52%	35%
Business magazine/newspaper Web sites	29%	41%	40%	33%	48%
Business magazines/newspapers	31%	42%	38%	31%	47%
Graduate business school-related guides/publications	33%	35%	32%	30%	32%
Current students	33%	25%	31%	36%	30%
School brochures/publications	34%	29%	29%	29%	31%

Table 6. Sources Consulted, by Segmentation

The Comprehensive Data Report includes additional data analysis and provides in-depth crosstabs by demographic characteristics for each of the major regions of the world, including Asia, Europe, the Western Hemisphere, and Africa and the Middle East.

Contact Information

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

Authorship

The following individual made significant contributions to the concept and design or analysis and interpretation of data and the drafting/revising of the manuscript for intellectual content:

Gregg Schoenfeld, Associate Director, Research, Graduate Management Admission Council.

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Prospective students rely most on word of mouth when deciding whether to pursue a graduate business degree.



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Understanding what prospective students most want to know—the criteria they use when deciding which programs and schools best meet their needs—can form the basis of a school's marketing message or story.

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Other surveys include—

Corporate Recruiters Survey

Who hires MBAs and why? What are the hiring plans in various industries? How do companies decide where to recruit? Launched in 2001–2002, this annual survey helps schools better understand the job market, clarify employer expectations, and benchmark their career services practices. Employers use the survey results to benchmark the MBA recruitment activities of their companies.

Application Trends Survey

How does a school's application volume compare with that of other schools? Since 1999, this annual survey has gathered comparative application data for the current and previous year from business school programs worldwide.

Global MBA® Graduate Survey

What do students think about the MBA experience as they prepare to graduate? Launched in 2000, this annual survey is conducted every February to provide a comprehensive picture of who MBAs are and where they are headed after they graduate, as well as how they chose their schools and how satisfied they are with their MBA education.

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1600 Tysons Boulevard
Suite 1400
McLean, Virginia 22102
USA

surveys@gmac.com
www.gmac.com/surveys

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