

Market Intelligence

Beyond Demographics:

Connecting With the Core Motivations of Business School Candidates

Graduate
Management
Admission
Council®

GMAC® Global Graduate Management
Education Segmentation Study

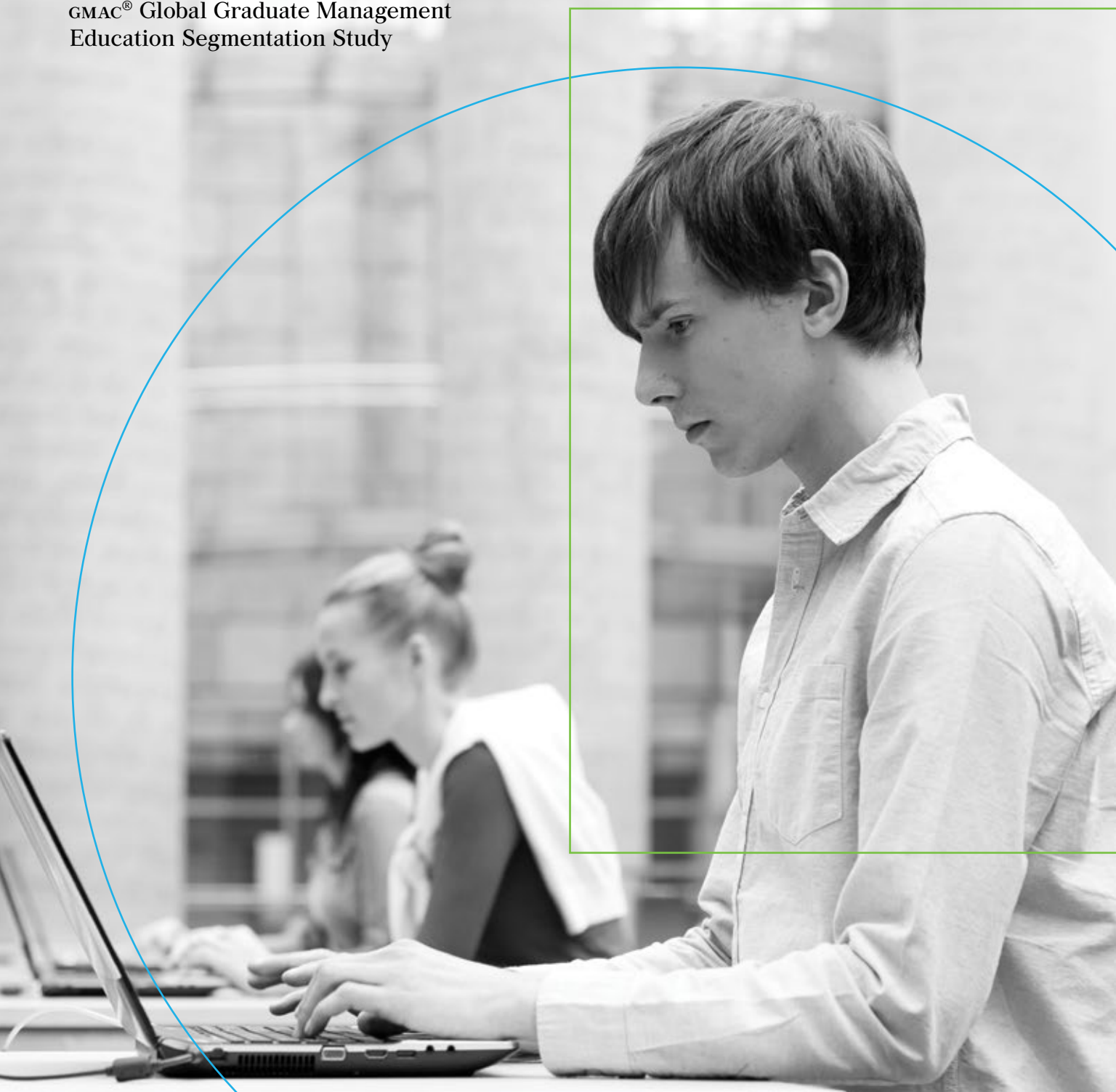


Table of Contents

Executive Summary	3
Introduction	5
Purpose	7
Methodology Overview	8
Findings	11
Implications for Business Schools	17
Meet the Segments	18
Respect Seekers	19
Global Strivers	20
Balanced Careerists	21
Career Revitalizers	22
Socio-Economic Climbers	23
Skill Upgraders	24
Impactful Innovators	25
Country Insights	27
United States	28
India	30
China	32
Conclusions and Recommendations	35
Contact Information	36
Appendix	37
Sample Details	37
Methodology Details	38
Additional Findings	40



Executive Summary

The dynamic between graduate business schools and potential applicants has evolved from a one-way selection by schools to a mutual selection process, which presents new challenges and opportunities for individual institutions and the industry as a whole. In this new paradigm, business schools seek new insights and tools to refine their marketing strategies to attract the right mix of candidates and provide tailored student experiences.

The Graduate Management Admission Council® (GMAC®) is committed to advancing the *art* and *science* of admissions. This study addresses the science aspect of that equation by providing a market segmentation analysis of the global graduate management education (GME) candidate population. Unlike the segmentation approaches used today by some business schools—which segment prospective students on the basis of demographic or geographic data—this segmentation study is based on candidates’ core motivations—specifically, the factors that most motivate them to pursue a graduate business degree and the factors that most motivate them to apply to a specific graduate business school. The approach taken in this study is universal in its applicability, avoids cultural bias, and is stable over time, thereby ensuring reliable and relevant results on which schools can base long-term strategic initiatives.

The insights and tools generated from the study will enable business schools to hone their targeting and marketing strategies for prospective GME students, whether local or international. Schools can partner with GMAC to apply the seven-question *Segmentation Tool* to assess their current applicants and students to identify the mix of candidate segments they currently attract to their programs, providing the opportunity to think strategically about how they might adjust their recruitment strategies to calibrate their candidate mix for future classes. The findings of this study can also be leveraged beyond the admissions process to inform student-centered curriculum and program design.

The outcome of the study is seven well-defined, mutually exclusive global candidate segments: *Respect Seekers*, *Global Strivers*, *Balanced Careerists*, *Career Revitalizers*, *Socio-Economic Climbers*, *Skill Upgraders*, and *Impactful Innovators*. With this segmentation model, schools will be able to customize their messaging and marketing activities to specific candidate segments based on their motivations, which will more likely resonate with individual candidates than messaging based on demographics alone. Messaging driven by motivations is likely to build and enhance the emotional connection between schools and their prospective students, creating further opportunities for schools to inspire action and increase the effectiveness of their outreach.

Beyond Demographics: Connecting with the Core Motivations of Business School Candidates is a product of the Graduate Management Admission Council (GMAC), a nonprofit organization of 220 leading graduate business schools from around the world actively committed to advancing the art and science of admissions. The Council provides the solutions necessary for business schools and candidates to discover and evaluate one another to ensure that talent never goes undiscovered. GMAC owns and administers the Graduate Management Admission Test® (GMAT®), used by more than 6,100 graduate programs worldwide, as well as the NMAT by GMAC™ exam, used for entrance into graduate management programs in India. The Council is based in Reston, VA, with offices in London, New Delhi, and Hong Kong.



Introduction

Business schools worldwide operate in an increasingly competitive environment as globalization and technology have shifted some power away from admissions offices and into the hands of prospective students. Candidates today have a multitude of options for furthering their business education beyond a bachelor's degree, and they have more information at their disposal than ever before to inform their choices. From online courses to international campuses, business schools are actively looking for new ways to connect with and attract the right mix of candidates in order to build diverse program cohorts that are primed for success in the classroom and beyond. To accomplish this, business schools seek data-driven approaches to break down and understand global demand in new ways.

To that end, some individual business schools have experimented with market segmentation models, which aim to divide the diverse pool of prospective applicants into manageable and meaningful parts. These initiatives have largely been based on demographic and geographic data from leads and applications to their institution, and do not necessarily take into account the broader GME candidate population. Information about candidate attitudes factored into these models are most likely based on staff members' experience interacting with individual candidates, and are less likely to be based on systematically collected and analyzed data from representative samples of candidates.



Purpose

In line with its mission to provide solutions for business schools and candidates to discover and evaluate each other, GMAC seeks through this study to establish a common segmentation model and vocabulary for the industry. Its findings will enhance member institutions' understanding of the global marketplace and provide them with tools and insights to support their recruitment strategies and admissions operations, as well as improve the overall student experience.

This study aims to positively influence the way business schools identify, target, and effectively market to prospective students, to the mutual benefit of both business schools and their prospective students. Designed to enhance recruiting and conducting outreach to GME candidates, its value lies not only in its global breadth, but also in its in-depth focus on attitudes and related candidate behaviors. More specifically, the study seeks to reveal candidates' career aspirations, information gathering behaviors, and educational motivations—intelligence that may lead to new ways for schools to connect with prospective students, attract them to their programs, and tailor their experiences.

Methodology Overview

In 2016, GMAC partnered with Ipsos, a global market research firm, to carry out an online study of GME applicants using Ipsos' proprietary survey panels and supplemental vendor panels. The online quantitative study was conducted between March 14 and April 11, 2016. The main questionnaire included 34 questions, excluding screening questions. The average interview length was 25 minutes, with interviews conducted in 11 different languages.

The sample included 5,900 individuals who had applied to a graduate business school program between January 2014 and April 2016. The sample excluded those who had already graduated from a program, but included those currently enrolled in a program. What makes this sample unique from past GMAC research is that it is not limited to candidates who take the GMAT exam and is inclusive of the broader GME candidate population. For that reason, this sample may look

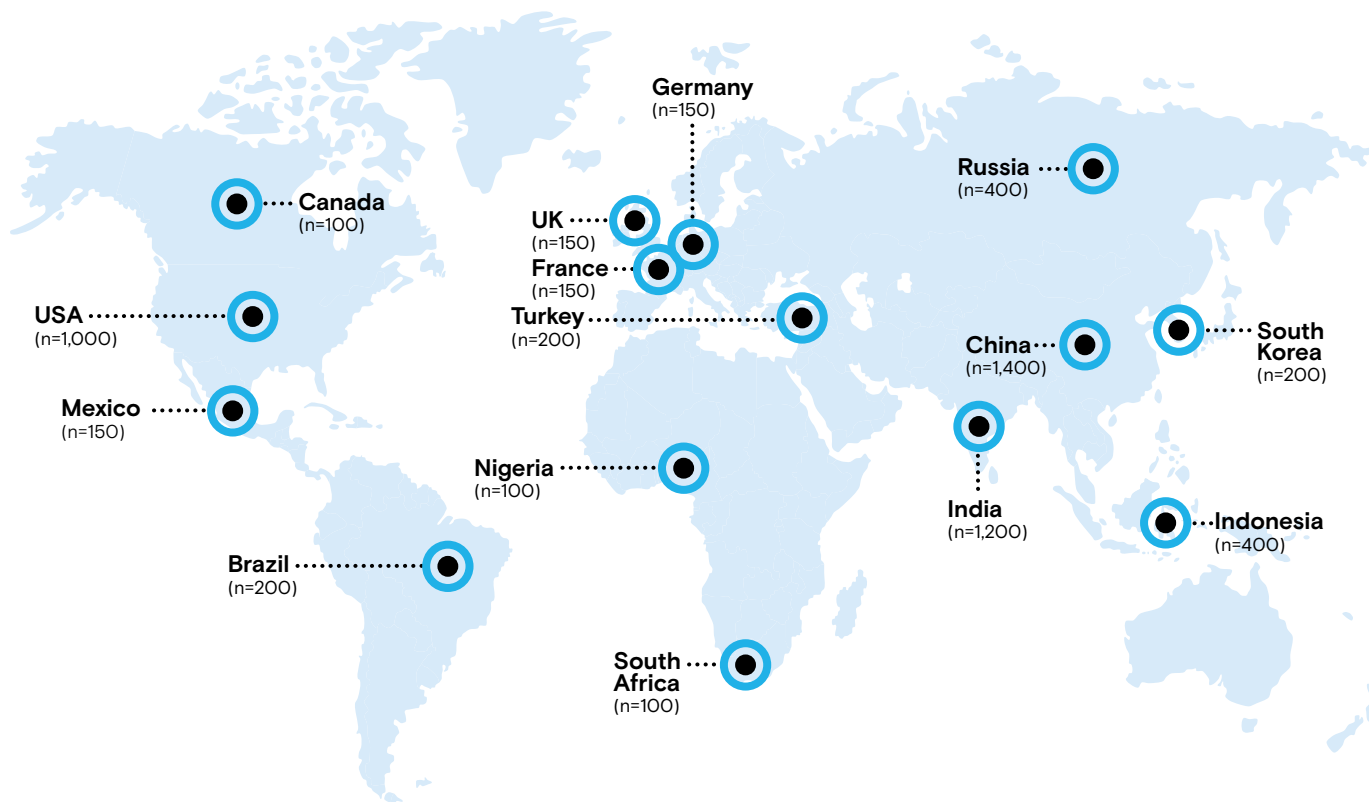
different overall from what many business schools are used to seeing in their pipelines.

Participants' citizenship represents 15 countries; the sample size of each country was calculated to approximate the percentage share of each country's contribution to the total GME candidate population worldwide (Figure 1). Additional details about the sample design can be found in the Appendix.

This segmentation study was designed to differentiate segments of candidates along two dimensions of motivation:

1. Candidates' motivations to pursue a graduate business degree (among 32 possible motivations).¹
2. Candidates' motivations to apply to a specific school (among 29 possible motivations).²

Figure 1: Geographic Distribution of Sample



¹See Appendix Figure A.1 for the complete list of motivations to pursue a graduate management education.

²See Appendix Figure A.2 for the complete list of motivations to select a specific school.

Data were collected through the survey via choice-based questions using a MaxDiff (maximum difference scaling) format. In this format, the respondents were exposed to sets of motivations and selected the one that best described their motivations and the one that least described their motivations. The development of the segmentation model was a multistage process whereby a number of different solutions were explored before arriving at the optimal solution. Ultimately, the solution that provided the best reproducibility and predictability, and made the most intuitive sense, was a Cluster Ensemble Analysis. Additional details about the segmentation methodology can be found in the Appendix.



The online quantitative study was conducted between March 14 and April 11, 2016

15
countries were represented

5,900
individual applicants were included in the sample

11
languages were used in the conducted surveys





Findings

The outcome of the study is seven well-defined, mutually exclusive global candidate segments based on a segmentation analysis centered around what motivates candidates to pursue a graduate management education and what motivates them to apply to a specific school. The segments are: *Respect Seekers* (27% of global candidates), *Global Strivers* (14%), *Balanced Careerists* (10%), *Career Revitalizers* (13%), *Socio-Economic Climbers* (11%), *Skill Upgraders* (13%), and *Impactful Innovators* (12%) (**Figure 2**).

Correspondence maps graphically depict interrelational data in two-dimensional space, allowing for visual interpretations of the relationship between variables. The closer the variables are grouped on a correspondence map, the more closely they are related to each other. Applying correspondence mapping to the motivations for pursuing a graduate management education reveals segment clusters around motivations related to career advancement and skill

development (**Figure 3**), which demonstrates the value of this segmentation model. For example, the correspondence map illustrates that marketing communications that promote career advancement will more likely resonate with *Balanced Careerists* than it will with *Skill Upgraders*. To connect with *Skill Upgraders*, messaging that focuses on skill development will be more likely to resonate.

Applying correspondence mapping to the motivations to select a specific business school reveals segment clusters around motivations related to reputation and quality and recommendations from key influencers and strength of alumni network (**Figure 4**), which again demonstrates the value of this segmentation model. For example, messaging that highlights notable alumni will more likely resonate with *Respect Seekers* than with *Impactful Innovators*. Messaging that focuses on reputation and quality will more likely resonate with *Impactful Innovators*.

Figure 2: Global GME Candidate Segments



Figure 3: Correspondence Map of Motivations to Pursue GME

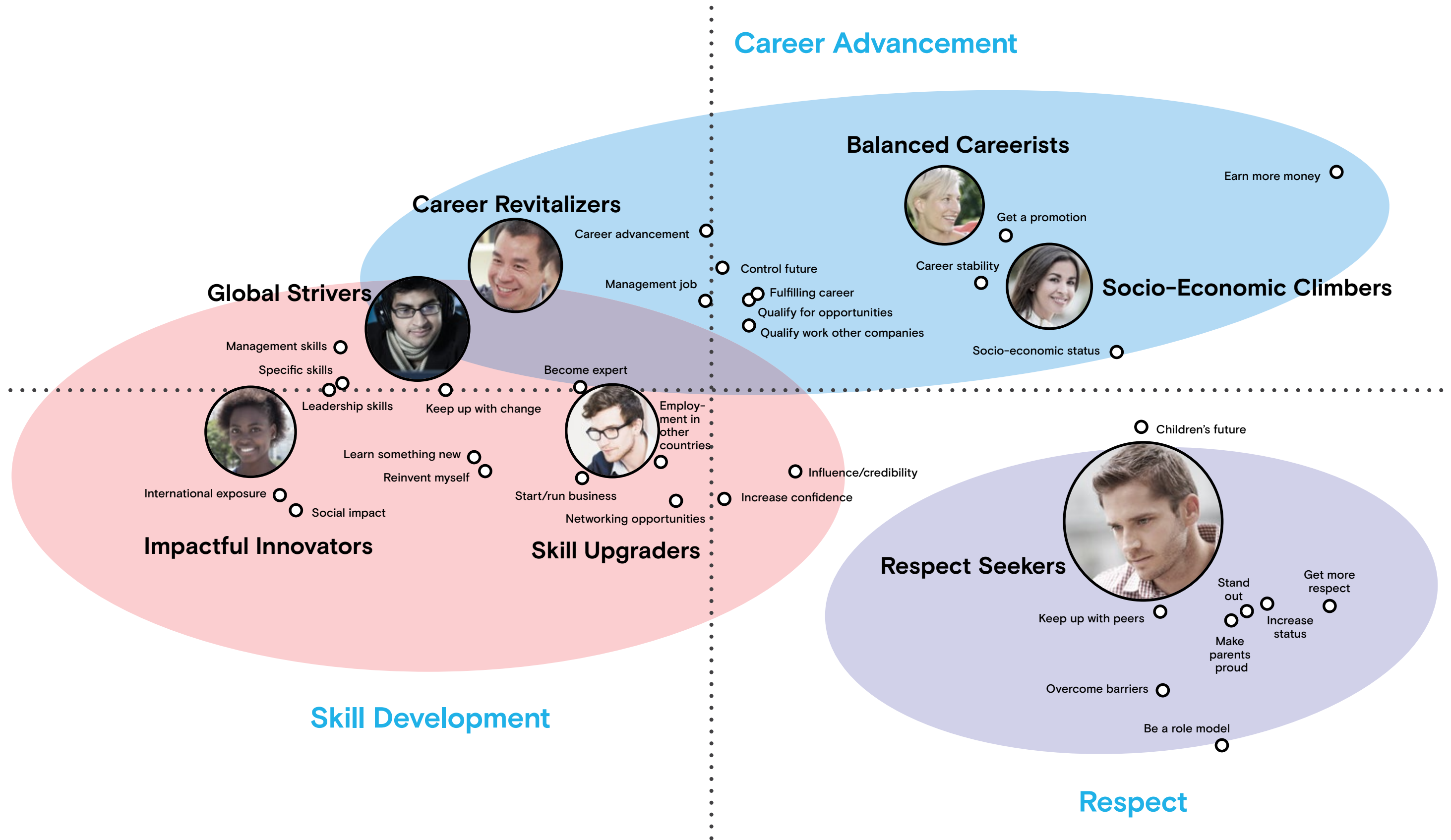
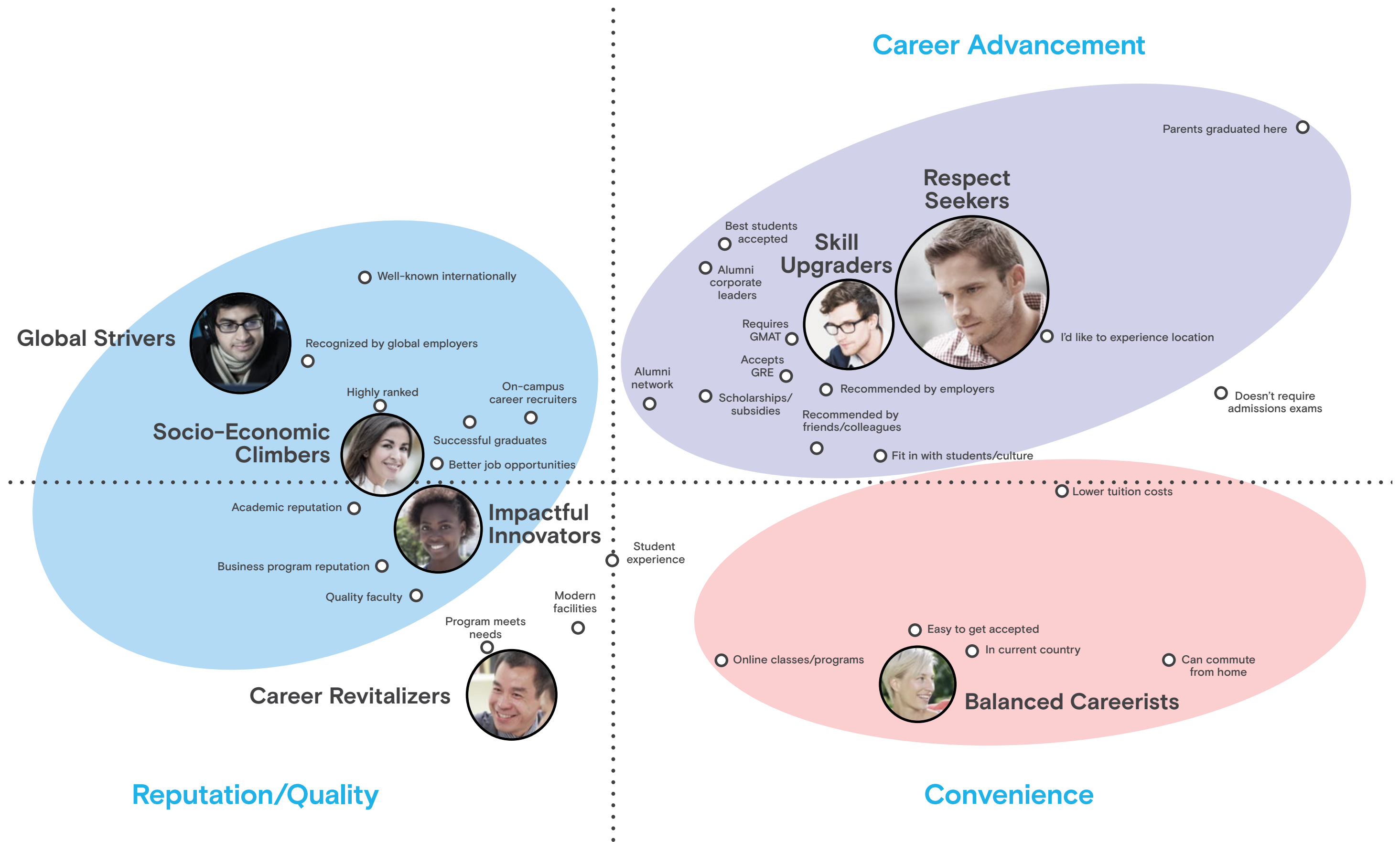


Figure 4: Correspondence Map of Motivations to Apply to a Specific School





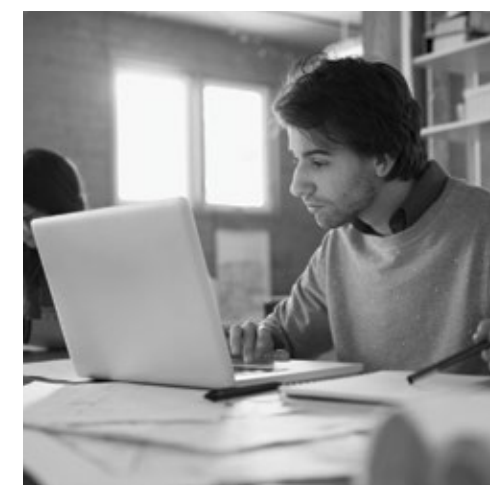
Implications for Business Schools

The findings of this segmentation study provide a framework that business schools can use to refine their targeting and marketing strategies for prospective GME students as they build classes that are primed for success in the classroom and beyond. Specifically, business schools can use the insights and tools generated from this report to **identify** the candidate segments they currently attract to their programs, **target** candidate segments for greater outreach and effectively market to them with motivation-based messaging, and **tailor** their students' experience based on their study preferences and career aspirations.

Identify: The first step for schools to activate the global GME candidate segmentation model is to understand the current mix of candidates who attend and apply to their business school. Leveraging the data and insights captured through this study, GMAC has developed a seven-question *Segmentation Tool* that quickly and accurately identifies which of the seven segments a candidate best falls into based on their motivations to pursue GME and apply to a specific school. GMAC has begun to partner with schools to help them employ the Segmentation Tool to their existing applicant pipelines, enabling them to assign individual candidates within the segmentation framework and put the study's marketing insights into action. Additional details about the tool can be found in the Appendix. Schools should contact their GMAC representative for details on how to acquire the tool.

Target: In applying the Segmentation Tool to their current applicant pipeline and students, schools will gain a deeper understanding of the mix of candidate segments they currently attract to their programs. Such insight will enable schools to think critically about how they might want to adjust their marketing strategies to target more (or potentially fewer) candidates from a particular segment in order to calibrate their candidate mix. The marketing insights from this study can be leveraged to create customized messaging strategies that are more likely to resonate with individual candidates. Messaging driven by motivations is likely to enhance the emotional connection between schools and their prospective students, creating further opportunities for schools to inspire action, potentially generate more applications, and increase the effectiveness of their outreach.

Tailor: Developing truly student-centered curriculum and program design requires a deep understanding of the student population's motivations, study preferences, and career aspirations. Data collected through the application of the Segmentation Tool, paired with the insights offered through this study, will provide schools with the opportunities to evaluate the educational experience they provide their students against what their students need to achieve the outcomes they desire.



Meet the Segments

An important benefit of segmentation for marketers is the ability to get to know the different segments, almost as if they are actual people. By understanding the factors that uniquely motivate each segment, school professionals will be able to more fully understand a candidate's reasons for deciding to pursue a graduate business degree and selecting a specific school. With this personalized knowledge, marketers can enhance the emotional connection between their schools and prospective students through their messaging, and create further opportunities for schools to inspire action and increase the effectiveness of their outreach.

This section of the report serves as an introduction to each segment and provides insights on how schools might most effectively connect with each one. Each segment description includes a *value proposition*—a statement that encapsulates what each segment sees as most valuable about a graduate business degree. Keep in mind that although there are seven global segments, in any single country, or at any single school, there may only be two or three segments that are especially dominant or relevant to a particular school or program.



Respect Seekers



Global Strivers



Balanced Careerists



Career Revitalizers



Socio-Economic Climbers



Skill Upgraders



Impactful Innovators

Respect Seekers

“A graduate business degree will give me the status and respect I crave.”



As the name suggests, Respect Seekers (27% of global candidates) are uniquely motivated to pursue GME because of the respect and recognition it commands. Specifically, they want to enhance their standing among their colleagues, be seen as a role model, and make their parents proud. In selecting a school, Respect Seekers want to attend a school that is located in a place they would like to experience by moving there and are influenced by the recommendations of key influencers, such as their employer, friends, and colleagues.

Respect Seekers are overrepresented in North America and Europe. More than any other segment, they tend to apply to multiple programs and prefer full-time study options (62% of Respect Seekers) and weekday classes (69%).

Connecting with Respect Seekers

Value Proposition: *GME graduates are a part of an elite club.*

Messaging that speaks to the prestige of a graduate business degree is a particularly effective way to attract Respect Seekers. Promoting famous alumni or alumni network connections to well-known or prestigious employers is a great way to reinforce the idea that a graduate business degree is the ticket to the status and respect this segment craves.

It is important to begin marketing efforts early in Respect Seekers' pursuit of GME, as a majority of them apply before entering the workforce (53%)—either while still an undergraduate (23%) or after graduating but before beginning a job (29%). More than any other segment, Respect Seekers identify obtaining information about schools and programs as their biggest challenge in the application process. Schools that are able to reduce barriers to information about their offerings would likely have an advantage in persuading Respect Seekers to apply for admission.

Top Five

	Motivations to pursue GME vs. global average	Motivations to select a specific school vs. global average
1	Be a role model	My parent(s) graduated from this school
2	Make my parent(s) proud	Want to experience the location
3	Get more respect	Doesn't require any admissions exams
4	Increase my status among colleagues and/or friends	Requires all applicants to take the GMAT exam
5	Stand out from others	Fit in easily with other students and school culture

Global Strivers

“I am committed to exploring the world of opportunities that awaits.”



Global Strivers (14% of global candidates) have two distinguishing characteristics: an orientation toward achievement and an international focus. Global Strivers are motivated to pursue a graduate business degree to develop their expertise, improve

their management skills, gain international exposure, and access employment opportunities in other countries. In selecting a school, they want a degree that will be recognized by global employers so they can fulfill their dreams of an international career. More than any other segment, academic reputation and business school rankings motivate their school selection. They apply to more schools than any other segment—an average of 2.6 applications submitted.

Global Strivers are especially overrepresented in the developing world. More than any other segment, Global Strivers work in computers/IT (31% of Global Strivers) and have a bachelor's degree in engineering (41%). Nearly 7 in 10 Global Strivers live in a household with children (68%), and they have the largest average number of people in their household of any segment (4.0 persons). More than most segments, they prefer full-time study options (53%) and weekday classes (63%).

Connecting with Global Strivers

Value Proposition: *There's no limit to what you can achieve with a graduate management education.*

Global Strivers are highly aspirational and marketing materials crafted for this segment should connect a degree from their institution with global opportunities. Schools should communicate that they offer a degree that is recognized worldwide and highlight their standing in international business school ranking lists. A strong online presence is particularly important in attracting Global Strivers. Having a well-designed web presence, in addition to adhering to up-to-date search engine optimization best practices, will be helpful in reaching these candidates.

Moving to a new country and adapting to a new culture can be difficult. Providing these applicants with information and resources that make it easier to study abroad—particularly as it pertains to obtaining a visa—is a great way to position the school as being attentive to their needs. Global Strivers may also find it comforting to know they would not be alone in attending business school in an unfamiliar setting—schools with significant existing international student populations and alumni networks should highlight this in their communications. Taking admissions exams and obtaining funds to pay for their degree are challenges for Global Strivers, so providing resources and materials related to these aspects of the admissions process would also be welcomed.

Top Five

Motivations to pursue GME vs. global average

Motivations to select a specific school vs. global average

1	Gain international exposure	Recognized by global employers
2	Gain access to employment opportunities in other countries	Well-known internationally
3	Improve specific skills	Ranked highly
4	Become an expert in my field	Excellent academic reputation
5	Improve my management skills	Better job opportunities available as a graduate

Balanced Careerists

“I want to advance, but school must not disrupt my life.”



Balanced Careerists (10% of global candidates) are driven to GME by motivations related to financial improvement and career advancement, but this is tempered by a need to achieve their goals in a way that causes as little disruption to their lives as possible. In selecting a school, they are uniquely motivated by convenience factors—proximity to home, availability of online classes, and ease of acceptance, for example.

Balanced Careerists are more likely to be found in North America and Europe. More than any other segment, Balanced Careerists tend to work in public service (21%) and live in suburban or rural areas (30%). Very few apply to schools outside their home country (6%) and the majority apply to just one program (51%). They prefer part-time study options (68%) and want to take courses in the evenings (61%).

Balanced Careerists are more likely to be found in North America and Europe. More than any other segment, Balanced Careerists tend to work in public service (21%) and live in suburban or rural areas (30%). Very few apply to schools outside their home country (6%) and the majority apply to just one program (51%). They prefer part-time study options (68%) and want to take courses in the evenings (61%).

Connecting with Balanced Careerists

Value Proposition: *With so many flexible program and class options, you can fit a graduate management degree into your life.*

For Balanced Careerists, it is all about flexibility and convenience. To best serve this segment, schools should consider ways to make the application process as easy as possible and offer multiple flexible class and program options—particularly non-MBA programs and part-time and online options. In addition to highlighting flexible scheduling, marketing materials crafted for this segment should emphasize the impact of a GME degree on earning potential and make clear that an undergraduate degree in business is not required for admission.

Balanced Careerists identify funding as the biggest challenge they face in the admissions process. Among those who received an offer of admission but did not accept it, the top reasons they gave for not accepting were financial. Communications that highlight scholarships and financing options—making particular note of how easy they are to obtain—would be welcomed by this segment.

Top Five

Motivations to pursue GME vs. global average

Motivations to select a specific school vs. global average

1	Earn more money	Located nearby so I can commute from home
2	Provide stability in my career	Located in my current country
3	Advance more quickly in my career	Has lower tuition cost than other schools
4	Have a more fulfilling/satisfying career	Offers online classes/programs
5	Get a promotion	Has specific program that meets my needs

Career Revitalizers

“I need to take my career to the next level to be successful.”



Career Revitalizers (13% of GME candidates) are seasoned professionals driven by a desire to reinvent themselves and advance in their career. They are more likely to be motivated to obtain a graduate business degree because of a work-related issue, and intend to go to school part-time while they continue to work. In selecting a school, their primary motivation is high-quality instructors.

Career Revitalizers are strongly overrepresented in China, and the vast majority of them plan to complete their studies in their home country (85% of Career Revitalizers). More than any other segment, Career Revitalizers are first-generation college students (53%) and are the most likely to have earned a business/management undergraduate degree (61%). They tend to work in manufacturing (24%) and banking/consulting (18%) and live in urban areas (93%). More than any other segment—including Balanced Careerists—they prefer part-time study (83%) on weekends (76%) offered in a combination of in-person and online instruction (57%).

Connecting with Career Revitalizers

Value Proposition: *Obtaining a graduate management degree is a smart investment in your future.*

Career Revitalizers would respond well to messaging that speaks to how a graduate business education yields the skill development they need to advance professionally. These candidates seek part-time and flexible program options with high-quality faculty, and marketing efforts should be focused around these program qualities. Presence on school rankings lists would be viewed as persuasive by this segment.

Because nearly all Career Revitalizers are employed full-time (96%), marketing efforts targeted at large employers in urban areas may be particularly effective. The majority of this segment are first-generation college students, and schools should be sensitive to any additional guidance they may need. For a third of Career Revitalizers, the biggest challenge in the admissions process is the admissions exam—providing exam prep materials may help them make the decision to apply.

Socio-Economic Climbers

“I want to achieve everything my parents could only dream of.”



What primarily drives Socio-Economic Climbers (11% of GME candidates) to pursue a graduate business degree is the chance to improve their socio-economic status so they can provide themselves and their children with a better future. At the same time, they want to be assured that they will have a fulfilling career. In selecting a school, top of mind are an excellent academic reputation and high-quality faculty.

Socio-Economic Climbers are overrepresented in several countries, including Brazil, Mexico, and Russia. The majority prefer part-time study options (54%) delivered in person (58%). One-third are first-generation college students (34%).

Connecting with Socio-Economic Climbers

Value Proposition: *Graduate management education can help you bring your dreams to life.*

Socio-Economic Climbers are aspirational and outcomes focused. In connecting with them, schools might consider sharing inspiring biographies of alumni who have succeeded against the odds in business school and in their careers. Better yet, a mentorship program that pairs Socio-Economic Climber applicants with alumni of a similar background would be a particularly good fit for this segment, particularly those who are first-generation college students. Socio-Economic Climbers will also respond well to information about successful job placement programs and data about the economic value of an MBA or other business master's degree. In assessing schools, Socio-Economic Climbers prioritize academic reputation and faculty quality. Marketing materials should highlight these school features.

The biggest challenges Socio-Economic Climbers face in the admissions process are admissions exams and tuition funding. Information about funding or scholarship programs would be of particular interest to them, in addition to exam prep materials.

Top Five

	Motivations to pursue GME vs. global average	Motivations to select a specific school vs. global average
1	Have more control of my future	Has state-of-the-art modern facilities
2	Advance more quickly in my career	Has high-quality instructors/faculty
3	Reinvent myself	Has specific program that meets my needs
4	Learn something different	Has good reputation for its business programs
5	Improve my management skills	Offers online classes/programs

Top Five

	Motivations to pursue GME vs. global average	Motivations to select a specific school vs. global average
1	Earn more money	Ranked highly
2	Provide stability in my career	Has excellent academic reputation
3	Have a more fulfilling/satisfying career	Has good reputation for its business programs
4	Improve my socio-economic status	Better job opportunities available as a graduate
5	Give my children a better future	Recognized by global employers

Skill Upgraders

“I want to be recognized for my expertise.”



Skill Upgraders (13% of GME candidates) are motivated by a desire to improve their skill sets so they can be considered experts in their field.

They want to be assured they will receive a quality education from any school they attend. When they are assessing schools, they are motivated by recommendations from others, including employers, friends, and alumni who are leaders in the corporate world.

Connecting with Skill Upgraders

Value Proposition: *A graduate management degree will give you the expertise to succeed.*

About half of Skill Upgraders are from Asia (55%) and about a quarter are from North America and Central America (23%). Most Skill Upgraders are interested only in MBA programs (86%), and the majority want to study in person (58%). More than any other segment, Skill Upgraders are between the ages of 25 and 34 (57%). They are also the most male-dominant segment (71%).

To a greater extent than the other segments, Skill Upgraders are interested in the school experience and want to make sure that they have a good fit with the school's culture. Marketing efforts directed at this segment should not only include detailed information about course content, but also bring the day-to-day experience of the student to life. A special event in which candidates can sit in on classes, interact with current students, and learn detailed information about course curriculum and professors would be particularly appealing to this segment. Information about exam preparation and scholarship and funding programs would also be of interest.

Top Five

	Motivations to pursue GME vs. global average	Motivations to select a specific school vs. global average
1	Improve my leadership skills	Want to experience the location
2	Develop skills to have a greater social impact	Fit in easily with other students and school culture
3	Improve specific skills	Requires all applicants to take the GMAT exam
4	Improve my management skills	My parent(s) graduated from this school
5	Become an expert in my field	Recommended highly by my employer

Impactful Innovators

“I have great ideas—I just need the skills to bring them to life.”



To an even greater degree than Skill Upgraders, Impactful Innovators (12% of GME candidates) are motivated to obtain a graduate management degree in order to develop their skills. But, unlike Skill Upgraders, they seek to develop these skills as a means to an end—bringing their dreams to life. Impactful Innovators are the most likely to be self-employed and have a curious, entrepreneurial spirit. They are more likely to be motivated by a desire to have a social impact versus earning more money.

Impactful Innovators are overrepresented in Africa and Indonesia, and are more likely than the other segments to want to attend school on a different continent. The majority of these candidates prefer part-time study options (56%), and more than most other segments, they seek hybrid programs that combine in-person and online work (33%) and want weekend classes (59%).

Connecting with Impactful Innovators

Value Proposition: *A graduate business degree will give you the skills and connections to change the world.*

As the name suggests, Impactful Innovators want to apply their entrepreneurial thinking to making the world a better place. In attracting these candidates, schools should highlight programs, courses, or extracurricular activities related to entrepreneurship. Networking events with alumni who have gone on to pursue their own entrepreneurial ventures could help communicate to Impactful Innovators that a degree from their program is a great way to gain the skills to launch a business.

Skill development is very important to Impactful Innovators. Marketing materials should provide information that illustrates how the leadership and managerial skills developed through earning a degree connect to effectively running a start-up. Presence on school ranking lists would help Impactful Innovators recognize the quality of a school. More than any other segment, Impactful Innovators identify taking admissions exams as their major challenge in applying to business school—providing exam prep materials would be particularly helpful to this segment.

Top Five

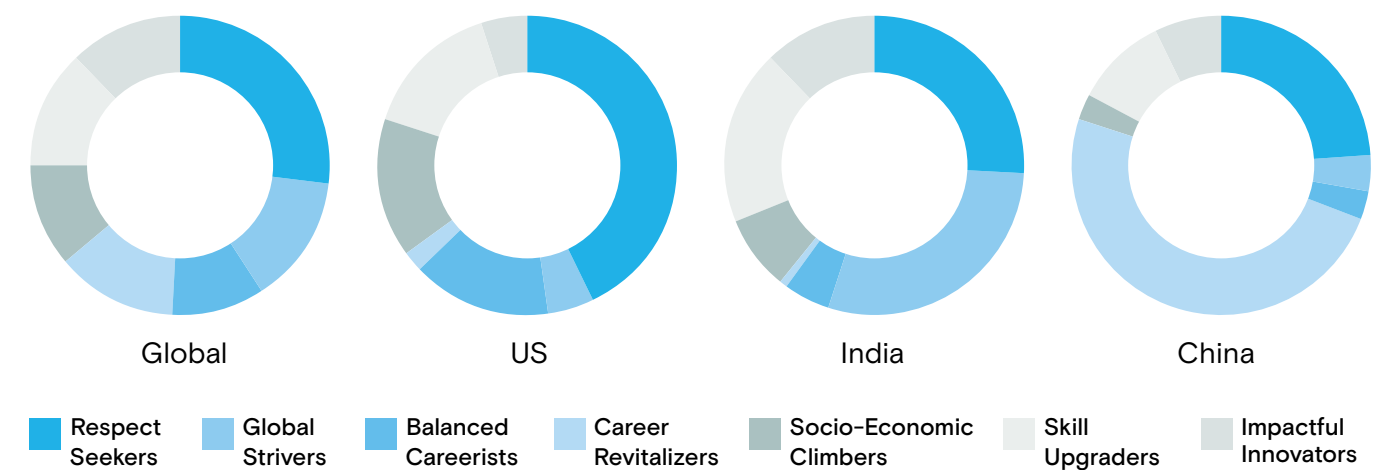
	Motivations to pursue GME vs. global average	Motivations to select a specific school vs. global average
1	Improve specific skills	Has excellent academic reputation
2	Develop skills to have a greater social impact	Has good reputation for its business programs
3	Improve my management skills	Has specific program that meets my needs
4	Gain international exposure	Has high quality instructors/faculty
5	Improve my leadership skills	Recognized by global employers

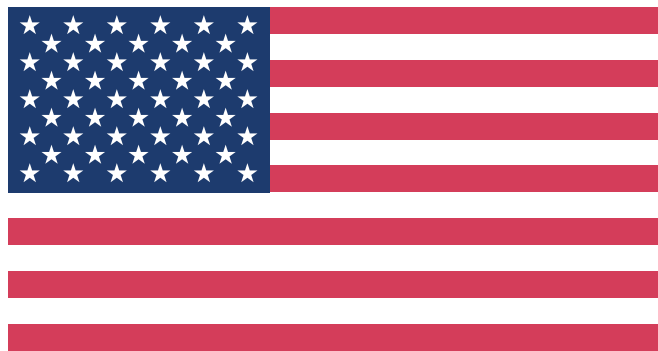


Country Insights

The global market of GME candidates is vast and diverse. As a result, the way the seven candidate segments are distributed across countries varies considerably. Understanding these variations and optimizing recruitment and outreach strategies accordingly can help business schools expand their brand awareness successfully across continents. This section details some notable country-specific features of the overall candidate pool and seven candidate segments in the three largest GME country markets: the United States, India, and China (Figure 5). Remember, the candidate sample is not limited to candidates who take the GMAT exam but is inclusive of the broader GME candidate population. For that reason, this population may look different overall from what many business schools are used to seeing in their pipelines.

Figure 5: Country-Level Segment Distributions





United States

Compared with the global GME market, business school candidates in the United States are more likely to be male (80% of US GME candidates vs. 65% global candidates) and are less likely to live in an urban setting (37% non-urban vs. 17% globally). On average, they have smaller households compared with global candidates (an average of 3.1 persons vs. 3.6 globally) and are less likely to have parents who did not earn a postsecondary degree (16% vs. 32% globally).

When deciding to pursue GME, US candidates overall place relatively more importance on growing their earnings potential and less on international opportunities. In selecting a business school, US candidates are more likely to be motivated to apply to a school if it is located close to their current place of residence and if it has been recommended by others. A school's reputation or ranking and the perceived quality of its faculty are also key factors motivating these candidates to submit an application.

Respect Seekers, who account for 27 percent of global GME candidates, make up 43 percent of the candidate pool in the United States, making it the country's largest candidate segment. Also overrepresented in the US market are Socio-Economic Climbers, Skill Upgraders, and Balanced Careerists, each representing 15 percent of US candidates. Underrepresented in the US GME candidate market are Global Strivers (5%), Impactful Innovators (5%), and Career Revitalizers (2%).

When do they apply?

Before entering the workforce



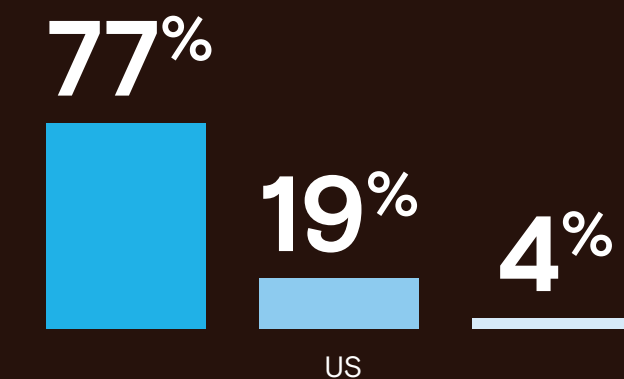
How many schools do they apply to on average?



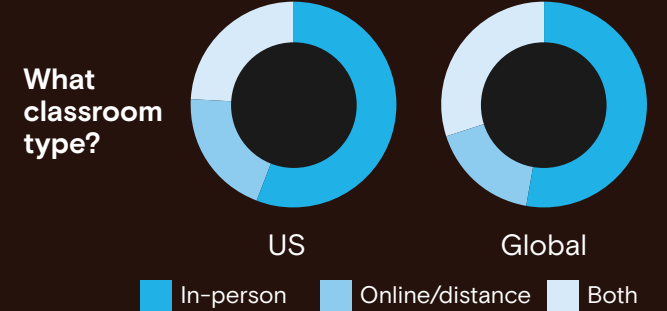
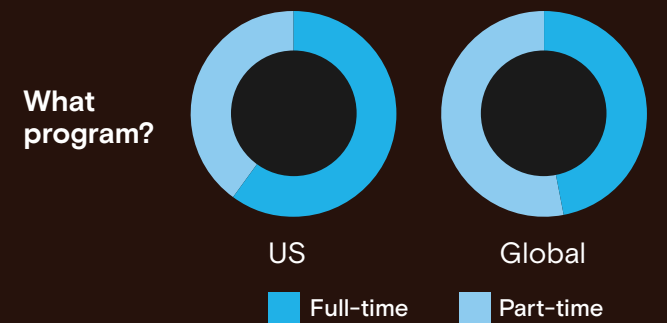
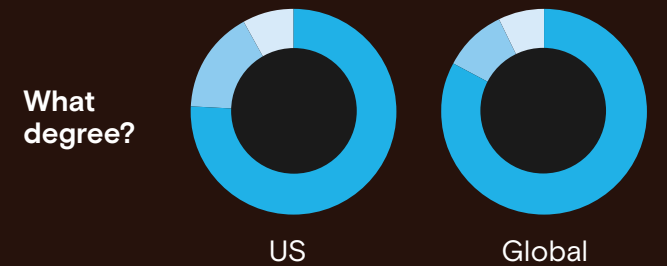
Where do they apply?



Are they willing to relocate?



What format?





India

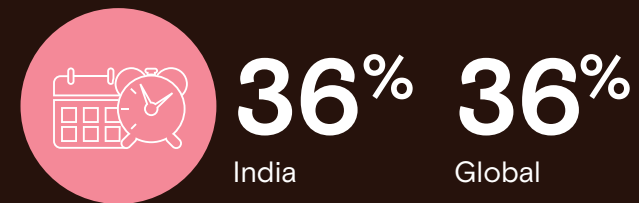
Compared with the global GME market, more business school candidates in India have an undergraduate degree in engineering (53% of Indian GME candidates vs. 33% global candidates) and work in computers/IT (39% vs. 19% globally). Their average age is younger (an average of 29.0 years-old vs. 31.1 globally) and they are less likely to have parents who did not earn a postsecondary degree (14% vs. 32% globally).

In deciding to pursue graduate management education, Indian business school candidates overall place relatively more importance on getting international exposure and obtaining a management job, and less on having more control of their future, networking, and getting promoted. In selecting a school, Indian candidates are more likely to be motivated to attend a school if it is well-known internationally and offers on-campus career recruiting.

Global Strivers, who account for 14 percent of global GME candidates, make up 29 percent of the candidate pool in India, making it India's largest candidate segment. The second largest segment in India is Respect Seekers, who account for about the same share of candidates in India (26%) as in the global sample (27%). Skill Upgraders are overrepresented in India, making up 19 percent of Indian candidates, compared with 13 percent of global GME candidates. Underrepresented in India are Socio-Economic Climbers (8%), Balanced Careerists (5%), and Career Revitalizers (1%).

When do they apply?

Before entering the workforce



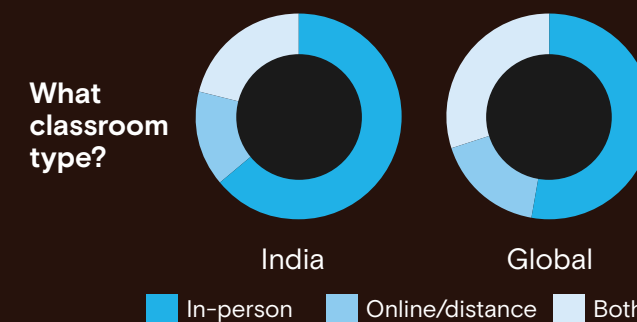
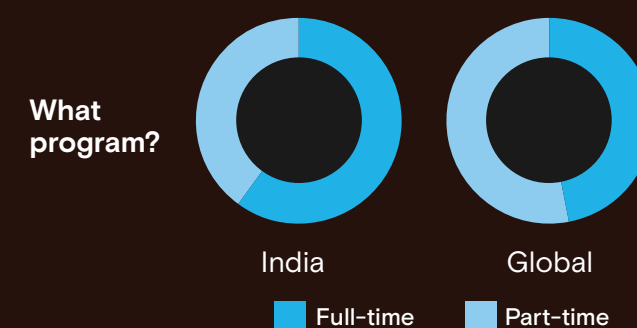
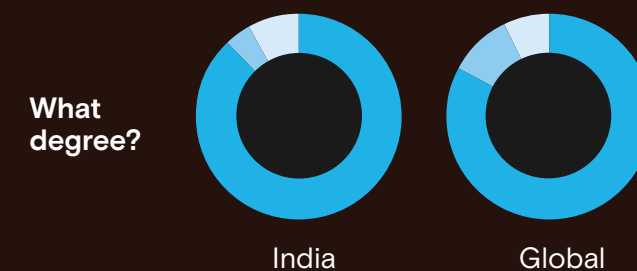
How many schools do they apply to on average?



Where do they apply?

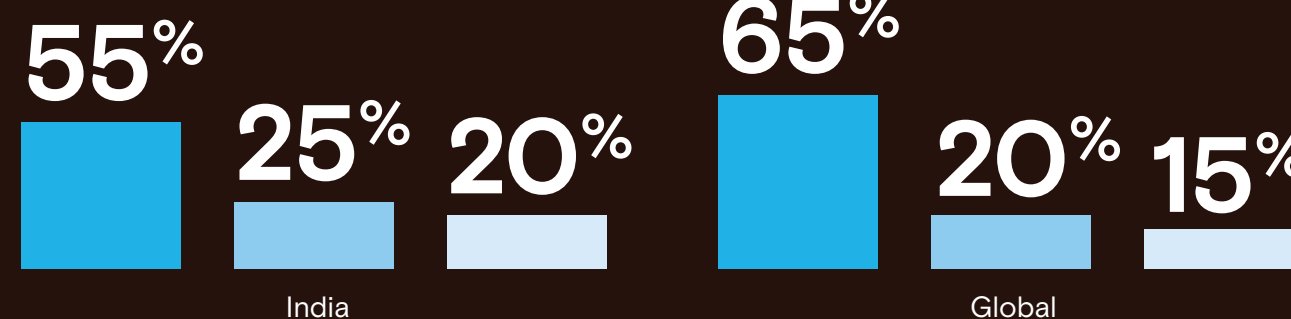


What format?



Are they willing to relocate?

- Plan to attend school within commuting distance
- Plan to attend school inside home country that requires relocation
- Plan to attend school outside of home county





China

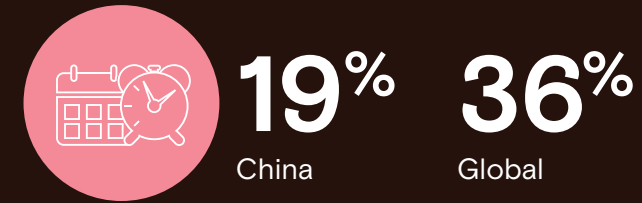
Compared with the global GME market, more business school candidates in China have an undergraduate degree in business or management (59% vs. 43% globally) and work in manufacturing (24% vs. 11% globally). Their average age is older (32.0 years-old vs. 31.1 globally), and are more likely to have parents who did not complete a postsecondary degree (52% vs. 32% globally).

In deciding to pursue a graduate management degree, Chinese business school candidates overall place relatively more importance on personal development, such as learning new things, keeping up with change, and reinventing themselves. In selecting a school, Chinese candidates are more likely to be motivated to attend a school if it has modern facilities and offers a good student experience. More Chinese applicants apply to a GME program because they lack the skills necessary to apply for a desired job.

Career Revitalizers are the dominant candidate segment in China, making up nearly half of candidates (49%). Compared with the global sample of candidates, all of the other segments are underrepresented in China. The next largest candidate segment, Respect Seekers, includes about 1 in 4 Chinese candidates (24%). The remaining candidates are split among Skill Upgraders (10%), Impactful Innovators (7%), Global Strivers (4%), Socio-Economic Climbers (3%), and Balanced Careerists (3%).

When do they apply?

Before entering the workforce



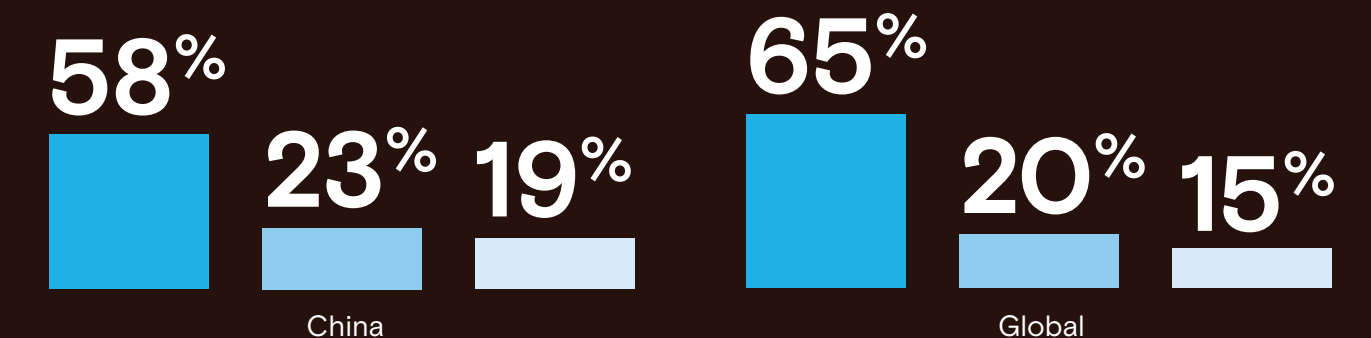
How many schools do they apply to on average?



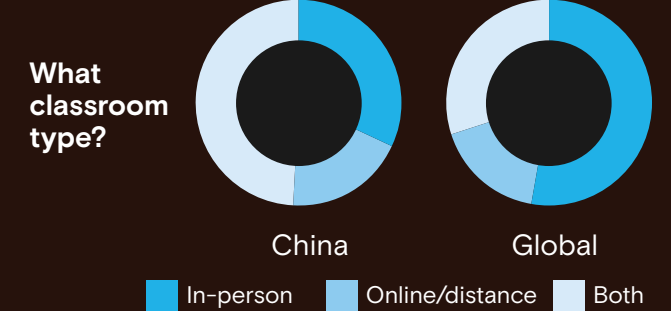
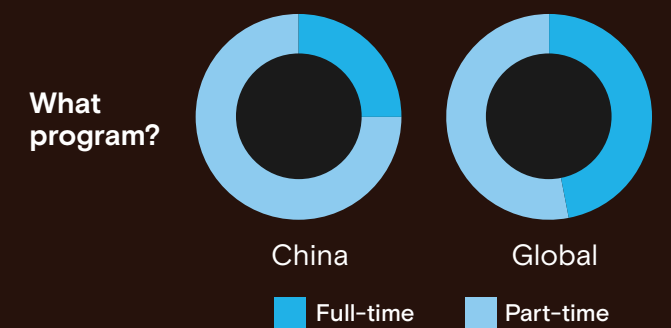
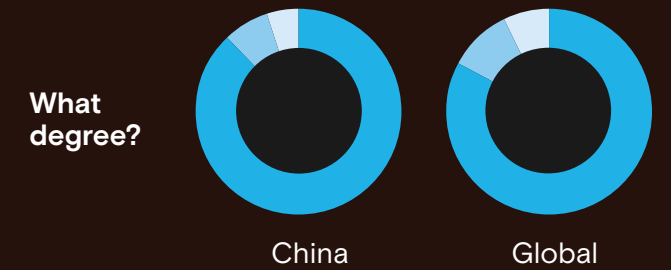
Where do they apply?



Are they willing to relocate?



What format?





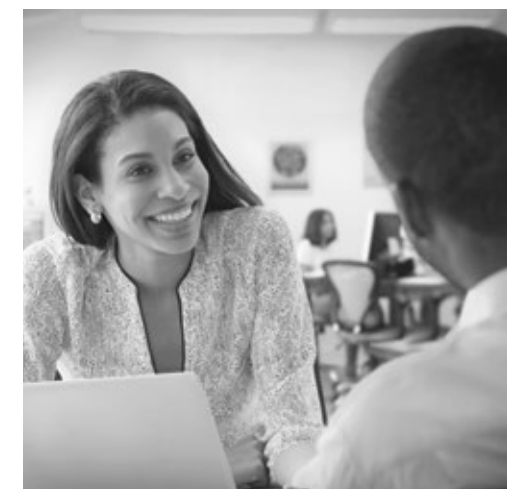
Conclusions and Recommendations

In today's competitive market, business schools need new ways to connect with and attract the right mix of candidates to build talented and diverse program cohorts that are a good fit for their institution. The insights and tools generated from this study give schools the ability to identify the candidate segments they currently attract to their programs by motivation, target candidate segments for greater outreach, and effectively market to individuals with motivation-based messaging that inspires them to take action. The findings can also be leveraged beyond the admissions process to inform student-centered curriculum and program design.

In partnership with business schools around the world, GMAC seeks to establish a common segmentation model and vocabulary for the industry. When schools approach collective challenges with shared understandings and language, ideas and solutions are more easily communicated and adapted, creating a fertile environment for the establishment of best practices and continued development.

Though the profiles of the seven unique GME candidate segments are now well defined and ready for school professionals to put into action, the process of mining additional actionable insights from the incredibly rich data set produced by this study is ongoing. GMAC researchers are currently surveying a sample of mba.com registrants to learn how these candidate segments are represented in the existing GMAT candidate pipeline. The segmentation model also will be incorporated into GMAC's annual mba.com Prospective Students Survey, which will uncover an even richer and deeper understanding of what makes the seven candidate segments distinct and identify new strategies for marketing to them more effectively. In the future, business schools that subscribe to GMAC's Graduate Management Admission Search Service® (GMAS®) database will be able to purchase the names of prospective students who belong to specific segments.

School professionals are strongly encouraged to continue to engage with GMAC on this study and help generate new ideas on how best to leverage the insights it has generated. At gmac.com/segments, school professionals can find more information about the study, including videos and infographics about each of the seven segment profiles. This report, as well as the additional collateral housed on the website, are meant to be shared, discussed, and incorporated into the everyday operations of business school admissions, in addition to long-term strategic planning.



Contact Information

To inquire about partnering with GMAC to use the Segmentation Tool, please contact your GMAC representative.

For questions or comments regarding this study, its findings, methodology, or data, please contact the GMAC Research Department at research@gmac.com. Additional segmentation resources and information can be found at gmac.com/segments.

Authorship

Matt Hazenbush, *Research Communications Senior Manager*
GMAC

Matt supports GMAC's commitment to advance the art and science of admissions through writing research-focused web content and reports on issues affecting graduate management education. He also leads presentations and workshops at industry conferences. Matt earned a B.A. in History and Communication from Boston College, and an Ed.M. in Higher Education from the Harvard Graduate School of Education.

Acknowledgements

Many thanks to the numerous individuals at GMAC and Ipsos who contributed to the execution of this study.

Appendix

Sample Details

The study's sample included 5,900 individuals who had applied to a graduate business school program between January 2014 and April 2016. The sample excluded those who had already graduated from a program, but included those currently enrolled in a program. What makes this sample unique from past GMAC research is that it is not limited to candidates who take the GMAT exam but is inclusive of the broader GME candidate population. For that reason, this sample may look different overall from what many business schools are used to seeing in their pipelines.

Participants' citizenship represents 15 countries. The sample size of each country was calculated to approximate the percentage share of each country's contribution to the total GME candidate population worldwide taking into account population data,³ UNESCO higher education participation data,⁴ and GMAT testing data.⁵ The countries that made up the sample are China (1,400 participants), India (1,200), the United States (1,000), Indonesia (400), Russia (400), Brazil (200), South Korea (200), Turkey (200), Mexico (150), United Kingdom (150), France (150), Germany (150), Canada (100), Nigeria (100), and South Africa (100).

All respondents were between the ages of 20 and 45. The majority of the sample was comprised of Millennials (68%)—defined here as people born between 1982 and 1996. At the time of the study, most participants were employed full time (83%). A small number of participants worked part time (7%), were self-employed (5%), or were not employed (5%). Among those employed, the greatest share worked in the industries of computers/IT (19%), public service (15%), and banking/consulting (13%). Additional participants worked in manufacturing (11%), construction (7%), and retail (5%).

Two-thirds of respondents were men (65%), and one-third were women (35%). Seven in 10 participants were married or living with a partner (70%), and a similar proportion had children living in their household (69%). The average number of individuals in a participant's household was 3.6. Most participants live in an urban area (83%), with a smaller number living in a suburban (14%) or rural area (3%).



³The World Bank. *Population*. Retrieved March 2016. <http://data.worldbank.org/indicator/SP.POP.TOTL?end=2015&start=1960&view=chart>

⁴UNESCO Institute for Statistics. *Higher Education*. Retrieved March 2016. <http://www.uis.unesco.org/Education/Pages/tertiary-education.aspx>

⁵Graduate Management Admission Council. *Profile of GMAT Testing: Citizenship Report, TY 2011 Through TY 2015*. November 2015. <http://www.gmac.com/market-intelligence-and-research/research-library/gmat-test-taker-data/gmat-profile-citizenship-ty-2011-ty-2015.aspx>

Methodology Details

This segmentation study was designed to differentiate segments of candidates along two dimensions of motivation:

1. Candidates' motivations to pursue a graduate business degree (among 32 possible motivations, **Figure A.1**)
2. Candidates' motivations to apply to a specific school (among 29 possible motivations, **Figure A.2**)

Through the survey, data was collected via choice-based questions using a *MaxDiff* (maximum difference scaling) format. In this format, respondents were shown a randomized list of 6 of the 32 motivations for pursuing GME, and asked to select the one that *best* described their reasons, and the one that *least* described their reasons. This exercise was repeated 16 times, so that each respondent was exposed to each motivation 3 times. Similarly, later in the questionnaire, respondents completed a MaxDiff module that presented randomized sets of 6 of the 29 possible motivations for school selection. Each respondent completed the task 15 times.

This choice-based format has a number of benefits over standard ratings questions using scales:

Universal applicability

An approach based on motivations is relevant for candidates and schools in all countries, and in future studies can be easily extended to emerging markets. Analyses based on motivations get at the core emotional needs that drive candidate behavior and produce more meaningful differentiations—going much deeper than surface-level demographic or geographic characteristics.

Avoids cultural bias

The MaxDiff approach, in which candidates select motivational factors that most and least resonate with them, avoids the cultural bias issues inherent in other types of scaled questions. For example, agree/disagree or preference questions that use numeric scales can produce very different results from one country to another simply due to the way people in that country use scaled scores.

Stability

Individual motivations are unlikely to change in the short term, giving this segmentation analysis a longer lifespan. This ensures reliable and relevant results on which schools can base long-term strategic initiatives.

Each respondent completed the two separate MaxDiff modules. Each module was analyzed separately at the individual respondent level, taking into account how the respondent ranked the individual motivations. Each respondent's rankings were aggregated to produce a MaxDiff score for the individual motivations. The MaxDiff score can be thought of as a share of utility or *share of choice* with the MaxDiff scores for all of the motivations in each exercise summing to 100 percent.

Figure A.1: Motivations to Pursue a Graduate Management Education

1. Earn more money
2. Give my children a better future
3. Increase my status among work colleagues and/or friends
4. Make my parents proud
5. Provide stability in my career
6. Get a promotion where I currently work
7. Qualify for other opportunities within my current organization
8. Advance more quickly in my career
9. Have more control of my future
10. Have a more fulfilling/satisfying career
11. Better networking opportunities
12. Improve specific skills such as accounting, finance, or entrepreneurship
13. Improve my leadership skills
14. Improve my management skills
15. Qualify to work at other companies and/or in other industries
16. Access to employment opportunities in other countries
17. Help me keep up or catch up to my peers
18. Help me start/run my own business
19. Learn something different
20. Get more respect
21. Be a role model
22. Stand out from others
23. Improve my socio-economic status/standing
24. Develop skills to have greater social impact/improve my community
25. Keep up with a fast-changing world
26. Have more influence and/or credibility
27. Gain international exposure/global perspective
28. Move into a management job with supervisory responsibilities
29. Become an expert in my field
30. Reinvent myself
31. Increase my confidence
32. Overcome social barriers to advancement (i.e., gender, minority status)

The development of the segmentation model was a multistage process where three different solutions were explored before arriving at the optimal solution.

Approach 1: *Latent Class Analysis* for each of the two MaxDiff modules

A clustering technique that assumes all statements in the MaxDiff exercise are proxies for some hidden or “latent” dimensions. By looking at how respondents cluster together on these dimensions, several different segmentation solutions were uncovered.

Approach 2: *Cluster Ensemble Analysis* for both MaxDiff modules and for the first module (motivations to pursue GME) on its own

An analysis that uses multiple cluster techniques—including k-means and hierarchical clustering—to produce a wide array of segmentation solutions. These are then analyzed to identify patterns between the various solutions. The final solution is one that is a consensus across all solutions.

Approach 3: A combination of the above two approaches

Ultimately, the segmentation produced by the second approach—Cluster Ensemble Analysis—became the final segmentation model. This approach provided the best reproducibility⁶ and predictability,⁷ and made the most intuitive sense for the category.

⁶*Reproducibility* is a measure of how stable the segmentation is if it is repeated multiple times from different starting points (the proportion of times you get the same result). The final segmentation model had a reproducibility score of 90.8 percent, which is considered to be very good.

⁷*Predictability* is a measure of how accurate the segmentation solution is in allowing you to predict in which segment a respondent belongs (the “hit” rate). The predictability score for the algorithm was in the 70 percent to 80 percent range, and compares favorably against the typical 80 percent test-retest reliability. Test-retest reliability measures how consistent and accurate respondents are in their responses overall over time. This factor is not taken into account in classical typing tools or Discriminant Analysis-based classification algorithms allowing them to report formally higher predictability scores or hit rates, but this consistency is an internal part of MaxDiff typing tools. For that reason, a MaxDiff typing tool with an 80 percent hit rate would represent the theoretical ideal classification tool being as accurate as respondents are in their own answers. The 70 percent achieved by the final segmentation model compares well with the approximately 80 percent theoretical limit.

Figure A.2: Motivations to Select a Specific School

1. Nearby so I can commute from home
2. Located in my current country
3. Location that I would like to experience by moving there
4. Excellent academic reputation
5. Good reputation for its business programs
6. Graduates are more successful than graduates from other schools
7. Has the specific program that meets my needs
8. Highly ranked school
9. My parent(s) graduated from this school
10. Well-known internationally
11. Its alumni include many corporate leaders
12. High-quality instructors/faculty
13. Graduates from this school get better job opportunities
14. Highly recommended by my employer
15. Highly recommended by my friends and/or colleagues
16. Ease of fitting in with other students/school culture
17. Only the best students get accepted
18. Lower tuition costs than other schools
19. Offers generous scholarships and/or subsidized by government
20. A degree from this school is recognized by global employers
21. Requires all applicants to take the GMAT exam
22. Accepts the GRE exam
23. Does not require any admissions exams
24. Easy to get accepted into the program
25. Offers a good student experience
26. Good on-campus career recruiting/corporate connections
27. State-of-the-art/modern facilities
28. Offers online classes/programs
29. Has a strong alumni network

Additional Findings

Past graduate management education segmentation efforts, including prior GMAC research, have segmented the market between *career switchers*—candidates who plan to use their GME to seek new opportunities in industries or job functions in which they have not previously worked—and *career enhancers*—candidates who seek GME to develop their current careers, either with their current or a new employer.

This divide can be recreated in in this study’s dataset through two variables among the motivations to pursue a GME: *qualify*

to work at other companies and/or in other industries and *advance in my career more quickly*. The correspondence map below plots the seven segments against these variables (**Figure A.3**). From this correspondence map, it is clear that although there is a decent spread across the *advance in my career more quickly* variable, there is considerably less differentiation across the variable of *qualify to work at other companies and/or in other industries*. These findings underscore that this traditional way of looking at candidate motivations is incomplete, and that there are more meaningful and actionable motivations on which to segment candidates.

Figure A.3: The Segments as Career Switchers and Career Enhancers

