

Introduction

The decision to continue one's education is deliberate and complex, and it emerges over time. Prospective students for graduate business school tend to let value expectations guide their decision to pursue a graduate management education. Employment outcomes—improving one's chance for promotions, changing career paths, or starting an entrepreneurial venture—frequently are the measures used to determine value. Yet, such decisions are made within a broader economic and social context that involves, among other things, finding the means to finance one's education and meeting family obligations. Understanding the many factors that drive a prospect's decision-making process may aid graduate business school administrators in their efforts to attract and recruit students for their particular programs.

This report explores the timeline for student decision making, the motivations for pursuing a graduate management education, the resources prospects use to gather information about business schools, and how they expect to finance their education. Schools may use this information to develop and place the right messages in the right places to reach the prospective candidate at the right time. The overview presented in this report can be used with the detailed and configurable information available in the [mba.com Prospective Students Survey Interactive Report](#) for programs using the GMAT exam to develop profiles of prospective students and inform the content of your marketing campaign.

Timeline for Student Decision Making

Knowing the time frame in which prospective students move from one phase of the decision-making process to another may affect how schools pursue their recruiting activities. The mba.com Prospective Students Survey findings identify four distinct phases that individuals typically follow on the path between their undergraduate (first university) degree and enrollment in a graduate management program. It begins with first consideration of a graduate management education (*precontemplation*), followed by registration on mba.com—the portal to the GMAT exam (*contemplation*). Sitting for the GMAT exam is the next phase (*preparation*), followed by submitting an application to a graduate business program (*action*).

A prospective student's program choice helps determine the optimal timing for the school to open a communication channel between the school and the prospective student (Figure 1). Although the average time to first consider an MBA degree program after completing one's undergraduate degree is 31 months, there are significant differences based upon MBA program type (Figure 2).

Men & Women Consider B-School in Similar Time Frames

Across most world regions, men and women of similar ages first consider MBA programs at about the same time; but age and world region determine differences:

- **Future MBAs:** Women ages 24 to 30 of Asia-Pacific countries and the United States first consider an MBA 4 to 5 months later than men.
- **Future Masters:** US women ages 24 to 30 wait an additional 7 months, on average, compared with men.

This 2013 report is one of several summary briefs based on the 15,410 responses to the GMAC mba.com Prospective Students Survey conducted between January and December, 2012 among individuals who register on mba.com—the GMAC website for prospective graduate management students. Comparable numbers responded to the 2009, 2010, and 2011 surveys.

Figure 1. Business School Decision Making Timeline, From First Consideration to Application (2012)

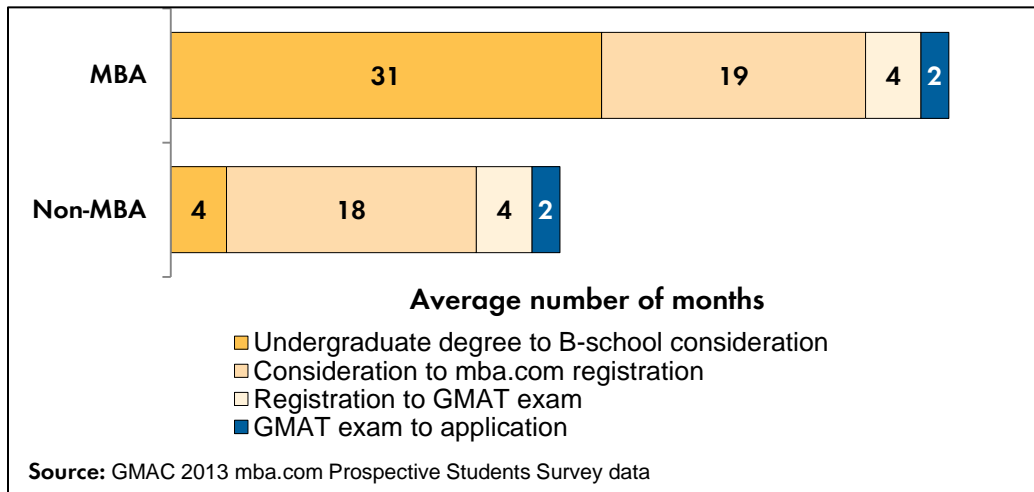
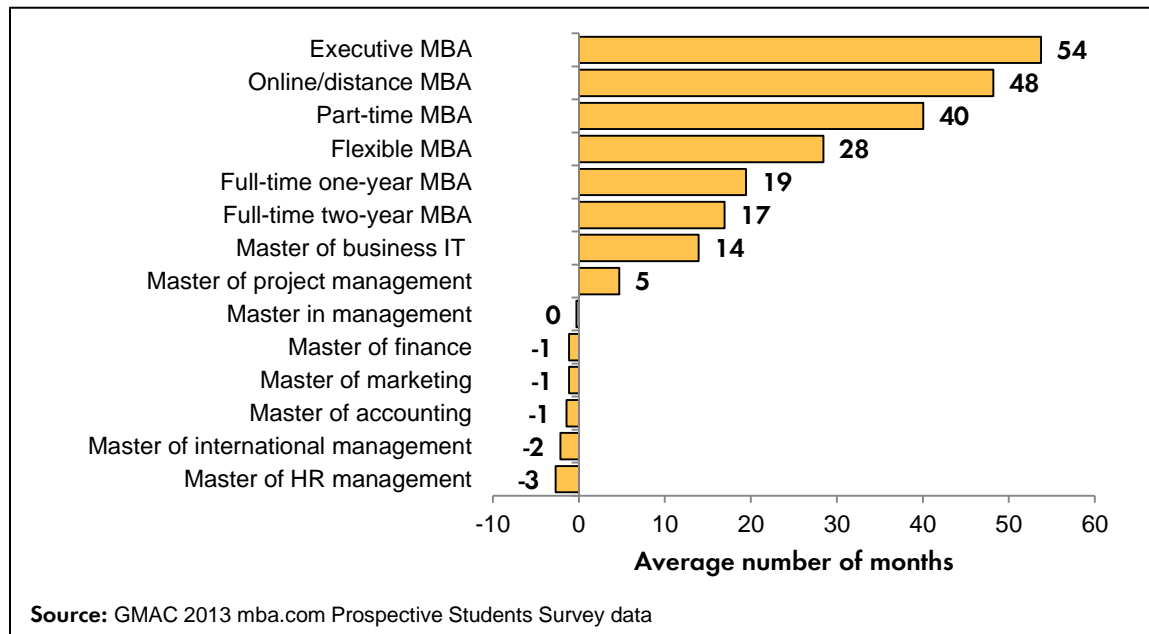


Figure 2. Time Between Undergraduate Degree and First Consideration of Graduate Business Education, by Program Type (2012)



Average times range from 17 months for those considering full-time two-year MBA programs to 54 months for executive MBA programs. Individuals considering non-MBA programs differed only slightly depending on the program type. In fact, most prospective students seeking a non-MBA business degree, such as a master’s in management, accounting, or finance, first considered graduate management education while still enrolled as an undergraduate (illustrated by negative values in Figure 2). On the other hand, individuals considering a master’s program in business information technology (14 months after graduation) or project management (five months after graduation) took longer. Awareness of prospective students’ decision-making timeline enables schools to determine optimal windows of opportunity to engage with prospects and begin the recruitment process.

Once prospective students decide to pursue a graduate management education, the timeline to applying differs very little, whether they consider an MBA or a business master's degree. Typically, about two years elapse between the time a prospect considers graduate management education and finally submits an application, a finding consistently observed for at least the past four years. During this time, schools have the opportunity to reach out to candidates to initiate and instill brand awareness.

Prospective Students' Employment/Career Goals

Research suggests that “much of consumer decision making takes place in the context of pursuing goals.”²¹ Arguably, having a clear understanding of prospective students' career goals can help schools develop more effective marketing and recruiting campaigns. Overall, the vast majority (85%) of prospective students planning to pursue a graduate management degree have definite employment goals in mind. The following are the five major employment outcomes (*goal segments*) prospective students expect to pursue after business school:

- 41 percent plan to change job functions
- 33 percent are considering changing industries
- 27 percent hope to work internationally
- 23 percent would like to be self-employed
- 23 percent will work for current employer

Figure 3 details the motivations driving students' employment goals and hence, their desire to pursue a graduate management education. Not surprisingly, the main motivational drivers reflect a student's desired employment outcome. Secondary drivers provide a more nuanced insight into prospects' motivational desires, which may assist schools in creating focused, unique, and targeted messages for student engagement. The following are the motivational summaries of the five employment outcomes:

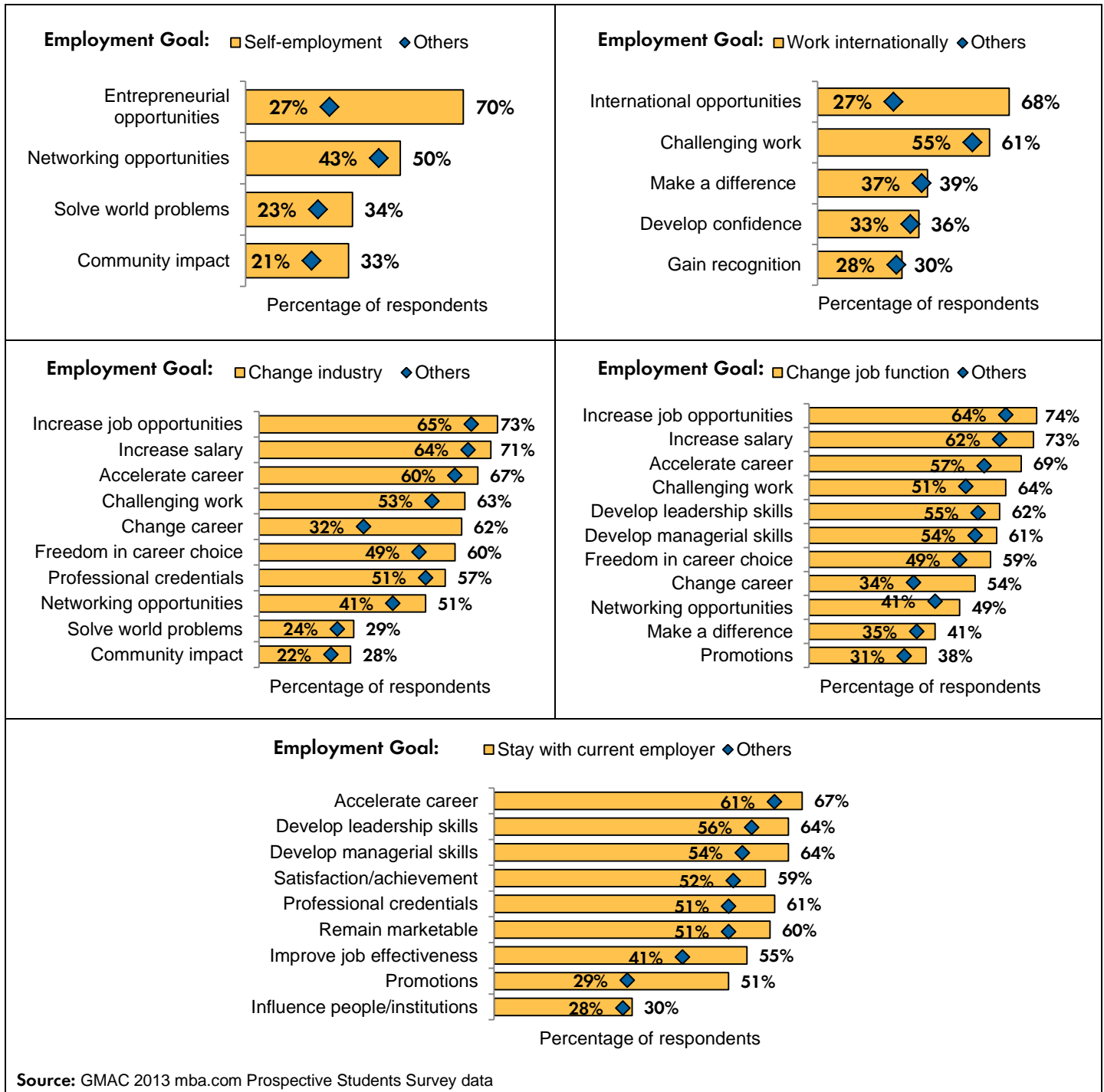
- Prospective students seeking *self-employment* are driven to pursue graduate management education not only by their entrepreneurial dreams, but by their desire to solve problems, have an impact on their communities, and network with others with similar passions.
- *International employment* seekers pursue their education to increase their opportunities abroad and seek challenging and interesting work. They want to make an impact in their area of interest, and hope their education will help them develop confidence and gain recognition.
- *Industry switchers* also seek more challenging and interesting work. They hope graduate business school will provide opportunities to network, which may reveal a wide range of career options to accelerate their upward mobility and increase their salaries.
- Prospective students seeking a *change in job functions* are similar to the industry switchers. They also seek to update their skills set, which includes the development of managerial and leadership skills.
- Those planning to stay with their *current employer* hope their education will be a catalyst to accelerate their careers and gain promotions. They expect to develop their skills and obtain a credential to remain

Prospective Students in BRICS Countries Among Most Likely To Pursue Entrepreneurial Dreams

Prospective students residing in Brazil (33%), Russia (27%), India (38%), China (24%), and South Africa (29%) intend to use business school as a launching pad to start a business. Students residing in other developing countries, including Nigeria (53%), Thailand (50%), Mexico (44%), and Vietnam (34%), also expressed entrepreneurial desires.

marketable and improve their effectiveness on the job. In addition, they are driven by a sense of personal satisfaction and achievement.

Figure 3. Motivational Drivers of Employment Goals¹ (2012)



¹ A regression analysis was used to determine motivational factors that influence employment goals. Crosstab analysis was then used to visualize the differences (X^2 , where $p < .05$) between respondents with a selected goal compared with others. Self-employment (Multiple $r = 0.425$); Work internationally (Multiple $r = 0.413$); Change industry (Multiple $r = 0.326$); Change job functions (Multiple $r = 0.262$); and Continue with current employer (Multiple $r = 0.321$).

Uniform messages to prospective students may yield an adequate response if distributed widely enough, but specialized messages to targeted groups could yield an even better response. Targeted messages are more engaging because they communicate information that is more meaningful to the recipient. Also, the manner in which messages are framed “can have a significant impact on choice... [and the framing of the messages] are generally induced by shifting the implicit point of reference in a choice.”ⁱⁱ By focusing on the motivations that drive the career goals of prospective students (Figure 3) schools can shift their messaging to induce a greater response from prospective students based on their goals.

Key Information Sources for Prospective Students

Once schools develop their messaging, the next step is delivery. In the prospective students’ survey, respondents had the opportunity to identify their top information resources from a list of 31 items and to rate the influence each resource had on their decision to apply to a business school or program (Table 1). The table displays the percentage of students who consulted a particular resource (reach) and the level of influence for each source. An impact score on a 100-point scale was calculated² to gauge which resource had the greatest impact on a prospect’s decision to apply to a particular program.

Globally, school websites (100) and friends/family (69) had the greatest impact in the decision-making process based on their reach and high levels of influence. As a category, word-of-mouth sources, including friends/family, current students/alumni, coworkers/peers, and professors, represent 40 percent of the top 10 influencers for prospective students. School resources, including b-school website, the admission professionals, and school publications, follow word-of-mouth at 30 percent of the top 10 influencers. Meanwhile, school-related resources, including mba.com and ranking publications, represent 20 percent of the top 10 influencers.

Table 1. Impact of Information Resources on Application Decision* (2012)

Category	Resource	Reach	Influence	Impact
School resources	School websites	86%	4.3	100
	School admissions professionals	47%	3.8	48
	School brochures/publications	44%	3.7	43
	Official school blogs	17%	3.5	15
	Student ambassadors	14%	3.9	15
Word-of-mouth	Friends/family	59%	4.3	69
	Coworkers/peers	38%	4.1	42
	Current students/alumni	35%	4.5	43
	College/university professors	30%	4.4	36
	Employer/supervisor	25%	4.1	27
	Career/school advisors	25%	4.0	27
	Admissions consultants	18%	3.9	19
	Social networking sites	15%	3.5	14
School-related resources	GMAT website (mba.com)	49%	3.6	47
	Rankings publications	33%	4.7	42
	School-related websites	5%	4.3	6
	School-related guides/publications	3%	4.1	4

² *Reach* is the percentage of prospective students who consulted the resource. *Influence* is the average rating on a scale where 0 is not at all influential and 6 is extremely influential. *Impact* is the product of reach and influence scaled to 100, where 100 is the resource with the greatest impact.

Table 1. Impact of Information Resources on Application Decision* (2012)

Category	Resource	Reach	Influence	Impact
School-related events	Information sessions	26%	4.1	29
	Career fairs	18%	3.7	18
	Networking events	15%	3.9	16
	Professional associations	10%	3.9	11
	Online magazines/newspapers	29%	3.8	30
Other media	Print magazines/newspapers	18%	3.8	19

Source: GMAC 2013 mba.com Prospective Students Survey data.

*The following resources also were used by fewer than 10 percent of prospective students: test-prep advisors (8%), official school videos (8%), virtual school fairs (6%), school-related websites (5%), online blogs (e.g., LiveJournal, 6%), official school microblog feeds (5%), school-related guides/publications (3%), job/career websites (2%), and microblogs (e.g., Twitter, 2%).

Prospective Students’ Educational Funding Sources

Finding the means to pay for school is the most commonly expressed reservation about pursuing a graduate management education, but the percentage of prospective students with economic concerns has diminished over the past four years (Figure 4). Even as concerns about financing have lessened over time, there is a greater percentage of individuals who consider the financial costs of attending a program the most important factor in their decision making.^[1] Compared with men, a greater proportion of women still believed attending graduate business school would require more money than they have available (51% in 2012, though down from 55% in 2009). Men and women were equally concerned about potential debt burden (46%) and delayed employment (18%) but other reservations to pursuing a graduate degree, such as time and energy concerns, have diminished.

Shifting concerns about covering the cost of school also is evident in the expected financial mix. Globally, prospective students in 2012 planned to finance 23 percent of their education with loans, down slightly from 26 percent in 2009. Use of grants, fellowships, and scholarships also was expected to decrease from 21 percent in 2009 to 17 percent of the educational expenditures in 2012. On the other hand, prospective students expect to finance a greater proportion of their education with support from their parents (20% in 2012; up from 14% in 2009). Not surprisingly, the expected financial mix differs by age (Figure 5).

Changes in Expected Funding Sources 2009–2012, by Citizenship

- **Parental Support Up:** China (33% in 2009; 48% in 2012), India (11% to 16%), South Korea (8% to 23%), and the United States (9% to 11%).
- **Use of Loans Declines:** China (9% in 2009; 7% in 2012), South Korea (25% to 15%), United States (31% to 28%).
- **Fewer Grants, Fellowships, & Scholarships:** China (25% in 2009; 14% in 2012), India (28% to 22%), and the United States (19% to 15%).

Figure 4. Financial Reservations, by Survey Year (2009–2012)

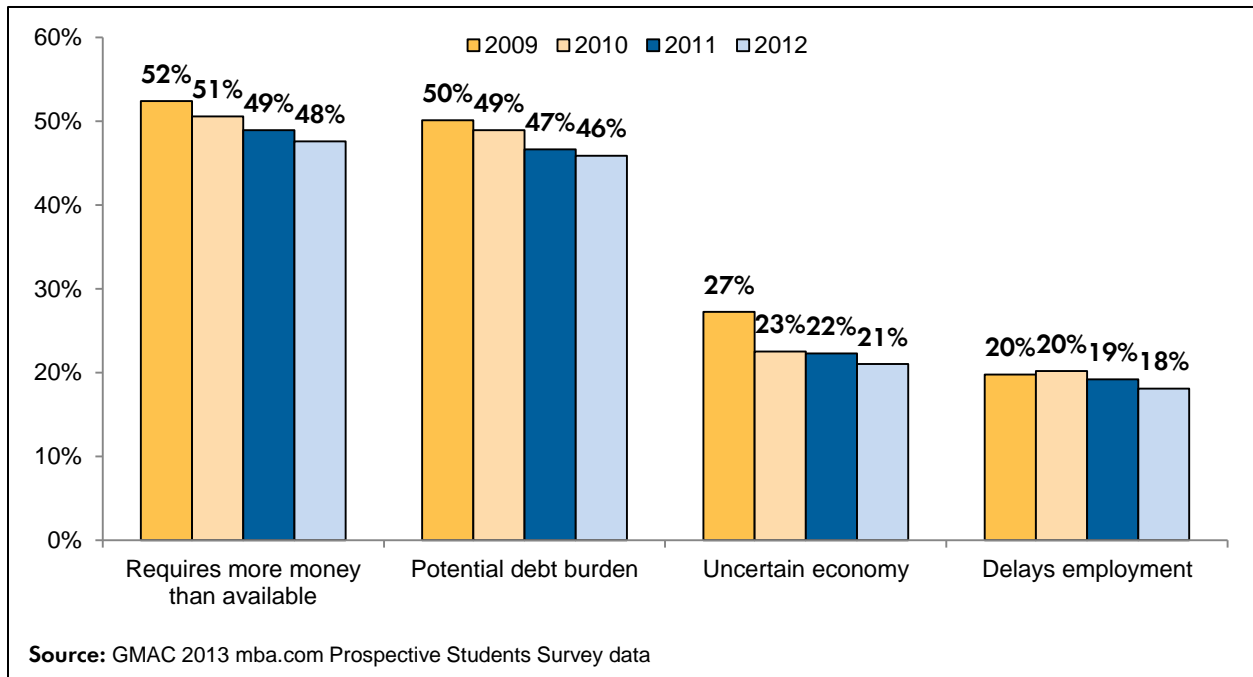
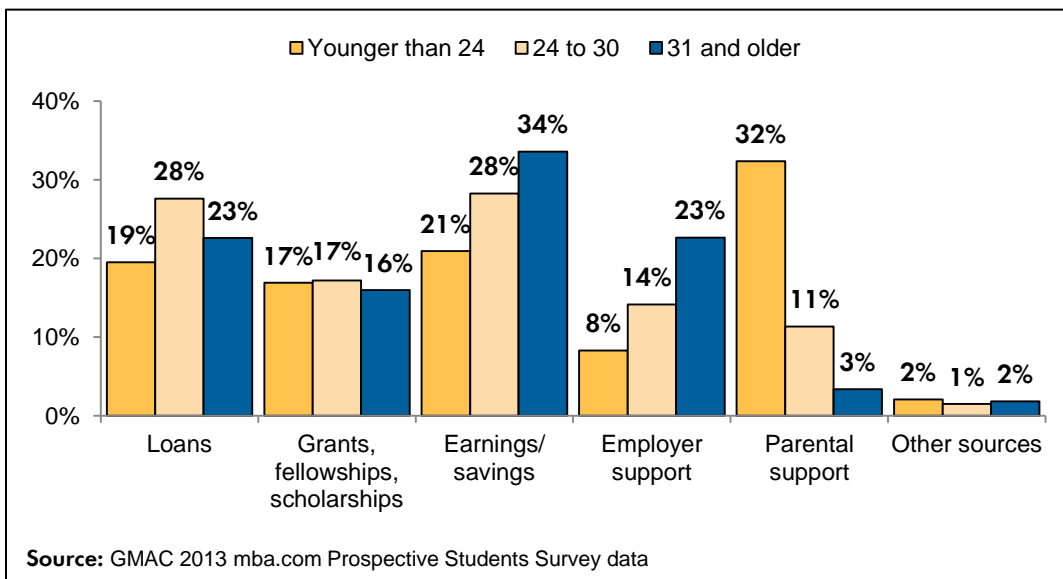


Figure 5. Financial Mix,³ by Age (2012)



³ Earnings/savings includes personal earnings, personal savings, and spouse/partner earnings.

Conclusion

There are many factors that influence an individual's decision to pursue a graduate management education, including employment goals, motivations, reservations, and economic concerns. Having a deep understanding of the targeted audience allows schools to craft messages that serve as catalysts for prospective student decision making, directing prospects to program choices that best reflect their motivational aspirations.

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

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

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

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ⁱ Lawson, R. (1997). Consumer decision making within a goal-driven framework. *Psychology and Marketing*, 14(5), 427–449.

ⁱⁱ Drazen, P. & Loewenstein, G. (1991). Decision making over time and under uncertainty: A common approach. *Management Science*, 37 (7), 770–786.

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