BRANDING MBA PROGRAMS: ARE THEY SUFFICIENTLY RELATED TO AN INSTITUTION'S STRATEGY?

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ABSTRACT

The dynamics of globalization have impacted universities and institutions that offer a graduate business degree (MBA). In the face of increasing international competition that offers more choices for consumers, administrators in higher education have increasingly adopted a branding strategy for their MBA program as a means of differentiating their product from competing programs. Branding MBA programs is expensive, challenging and controversial. A review of current studies that have examined MBA branding does not reveal a clear connection between branding efforts and organizational long term strategy. In this paper, we identify key elements of a firm's strategy and pose a series of critical questions that administrators managing MBA programs must ask and answer in order to have an effective branding outcome over the long term.

INTRODUCTION

Branding is defined by the American Marketing Association as "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors" (AMA, 1996). Branding strategy has generated significant streams of research. It is recognized one of the most effective means of building value for a product or service that can result in a sustained competitive advantage.

Branding benefits include simplification of product handling or tracing, management of inventories, and intellectual property rights reflected in legal protection for unique aspects of the product including registered trademarks, patented manufacturing processes, packaging and design (de Chernatony and McWilliam, 1989). A strong and positive brand creates improved perceptions of product performance, greater loyalty, less vulnerability to marketing crises, larger profit margins, more inelastic consumer response to price increases, greater trade cooperation and support, increased marketing communication effectiveness, licensing opportunities, and additional brand extensions (Keller, 1988).

Having a recognizable and strong brand becomes even more critical for higher education institutions, given their intangibility and difficulty in assessing their perceived value without any means to examine the offering prior to engaging in consumption (Jevons, 1996). According to Pitt et al., (2006, p. 2) "A business school's brand fulfills the classic function that brands do for all offerings to which they are attached." A well known brand name enables a B-School to focus its promotional efforts, create and sustain loyalty across generations, charge a premium price, and differentiate offerings from competing schools. Additionally, branding can favorably impact the ranking of a MBA program in various publications. From a customer's perspective there is tremendous reduction in the perception of risk of purchasing a high-cost high-involvement product which is typically consumed once in a life time, lowered search time and anxiety, bestowment of prestige, and a favorable preference for the offering (Pitt and Berthton, 2004; Pitt, Berthon, Spyropoulou, and Page, 2006). With increased international competition, branding has the potential of becoming the most efficient means of describing the value of the offering (MBA degree) and its implied promise to current and potential consumers (students) and their employers.

Despite the advantages stated earlier, pursuing a branding strategy for MBA programs has faced criticism and controversies. In an era of shrinking budgets and tightening costs, there is potential backlash of diverting scarce financial resources into branding programs as opposed to enhancing teaching and research activities. Traditionalists might question the entire exercise of branding as a frivolous exercise as one that is not central to the core mission of an institution (Lewis, 2003). Tensions may erupt between multiple stakeholders who may wish to emphasize differing and sometimes mutually incompatible traits associated with a brand (Roper and Davies, 2007). Alumni may wish to retain certain brand attributes that may not valued by future students who may favor other attributes. Branding MBA programs is a relatively new phenomenon. As research suggests, building a successful brand name takes many years. Consequently, short-term results cannot be guaranteed.

MBA BRANDING STRATEGIES: A REVIEW OF RECENT STUDIES

Roper and Davies (2007) measured perceptions of a UK based B-School's brand by administering a scale that measured 7 dimensions of brand personality (Agreeableness, Enterprise, Competence, Chic, Ruthlessness, Informality, and Machismo). The study included students, mid-level employees, employers, and upper management. Significant perception gaps were observed across various stakeholders and by age, sex, and employer size. The authors conclude by suggesting that the viewpoints of all stakeholders must be identified and recognized in branding efforts. A somewhat controversial idea is presented that branding attributes/themes should be differentiated for various stakeholders.

Gopalan, Stitts, and Herring (2006) assessed branding strategies of the top 50 global MBA programs ranked by *Financial Times*. They performed a content analysis of the brand name, logo, and text information obtained from the web pages of these MBA programs. Their analysis revealed that U.S. based MBA branding approaches had limited applicability in Europe and Asia. Additionally, there were several key differences between branding approaches of European and Asian MBA program vis-à-vis U.S. MBA programs. The former entities include the following elements in their branding efforts: accreditation from multiple agencies in addition to AACSB, multicultural and multilingual experiences, regional name recognition, emphasizing location (both city and country), and global diversity of student body.

Opoku, Abratt, and Pitt (2006) conducted an exploratory study of the brand personalities of 11 South African B-Schools by performing a content analysis of the information contained in their respective websites. Opoku et al. measured brand personality of MBA programs by using Aaker's 5 dimensional scale (sincerity, excitement, competence, sophistication, and ruggedness). They concluded that many brand dimensions used in the description of South African MBA programs were frequently used for consumer products. The website is identified as a powerful marketing tool to convey the B-School's brand personality to achieve positioning objectives with both domestic and international students.

Pitt and Berthon (2004) administered Aaker's scale to 130 MBA students who were attending a B-School that was ranked between # 20- #30 by the *Financial Times*. Respondents were asked to provide feedback on their perceptions of brand dimensions of 3 MBA programs: their own MBA program, the one that was ranked #1 and the one that was ranked #100. Of the five dimensions in Aaker's scale, *Competence* was perceived by students as the most important dimension of a business school's brand. It appears that brand personality is a driving factor in B-School selection. B-School brand managers are exhorted to conduct a brand audit to identify areas of strengths and weaknesses as perceived by various stakeholders.

Pitt, Berthon, Spyropoulo, and Page (2006) asked 61 MBA directors and senior administrators including deans to rate their own B-School brand using Keller's *Brand Report Card* methodology (10 brand attributes). These brand attributes covered both internal and external characteristics. The overall conclusion was that the majority of B-School administrators do not perceive their organizations as doing an effective job in managing their school brand. While B-Schools teach brand management, they are doing a poor job of practicing brand management. A brand audit is proposed as one way to identify areas of concern and to track changes in stakeholder preferences over time.

PROPOSED APPROACH: LINKING BRANDING TO ORGANIZATIONAL STRATEGY

If branding is a tool to execute strategy, there is very little mention of the organizational mission/strategy in the studies covered in the previous section. This leaves a gap that needs to be addressed. Our proposed approach seeks to bridge this gap. The first step is to conduct a stakeholder analysis to review the *key strategy elements* that are direct outgrowths of a mission statement which have important ramifications for branding efforts. Collis and Rukstand (2008) identify *Defining the Scope* (Domain of operation) and *Defining the Advantage* (distinctive competencies valued by the customers that are offered by the firm) as two key strategic elements that must be identified. These two elements can be identified by the following 3 questions:

1. Who are our customers? Where are they located (geographic locations)?
2. What do our customers want? (What needs are important to them?)
3. What should we offer to meet their needs?

The stakeholder analysis must obtain answers to the three questions identified earlier. At a minimum, we suggest that alumni, current students, potential students, employers, faculty/staff, and upper administration be included in this exercise. Prior research has identified that stakeholders bring a diverse set of ideas and information to the table. It is important to obtain a 360 degree perspective to these important questions. By conducting a stakeholder analysis and obtaining their input, it is easier to obtain "buy in" with any proposed changes to the existing brand name and associated attributes or to suggest a new branding strategy when there is none.

A comprehensive brand audit should be conducted so that similarities/differences between *current* versus *preferred or desired brand attributes* can be studied by gender, age, and other demographic variables. A brand audit may reveal conflicting perspectives on important attributes to be emphasized in the branding (or re-branding) process.

On one end of the spectrum, if a stakeholder analysis reveals that the answer to the first two questions (Who are our customers? What is their geographical location?) focused on having an international student body, it makes ample sense to pursue a *global brand name strategy* to position the B-School. In this context, a brand manager may wish to consider the following attributes to bolster global branding: multiple accreditations, location by continent/country/city, student body diversity, and foreign language competency. Currently, Australia, the UK, and Singapore have increasingly integrated studying in their respective countries as an intrinsic part of the branding process for their respective MBA programs.

On the opposite end of the spectrum, if the stakeholder analysis reveals that the primary emphasis should be on recruiting students drawn from a local region, it would make sense to pursue a *regional brand name strategy*. The region may be limited to a city or may encompass several states. In this context a brand manager may choose easy identifiable attributes of the city/region to be a part of the brand. These attributes may include sporting events, mascots of athletic teams, area heroes/heroines, cultural attributes that are locally famous to be part of their branding initiative.

Brand attributes sought by various stakeholders can be different (see question #3). In this context, brand managers face an interesting question. Should they choose to include those brand attributes and characteristics that appeal to one set of customers? Or should they emphasize different brand attributes to different consumers? In the Roper and Davies (2007) study of UK MBA students, female students rated lack of ruthlessness and presence of competence as more important to a MBA brand than male students. Should branding of MBA programs be different for women than men? A prospective student seeking to live and work in a 100 mile radius from home will be more attracted to a regional brand that carries a lot of local name recognition ("home of the Golden Eagles") as opposed to attending a program that offers the "London experience." Conversely, an international student will be less attracted to a brand that emphasizes "experience a southern flavor like home" as opposed to being in a MBA program that has a diverse student body.

Consider another scenario. A stakeholder assessment may reveal the need to attach importance to "globalization" as part of the long-term strategy. A B-School with limited resources may choose to pursue a *co-branding strategy* whereby they can partner with a reputed B-School from another country. A co-branding strategy jointly promotes the virtues of two MBA program enhancing global appeal without stretching scarce resources (Montgomery, 2005).

These steps are summarized below:

Step 1- Stakeholder Analysis and Identification of Strategic elements (3 questions)

Steps 2 and 3-Brand audit and determination of Primary market(s) to decide upon the type of branding (Global, National, Regional)

Step 4-Determine ideal combination of branding dimensions/attributes to be used in branding

Step 5-Execute and follow-up with impact on Strategic elements

CONCLUSION AND SUGGESTIONS FOR FUTURE RESEARCH

Higher education is becoming a global business and B-Schools are facing the reality of a worldwide competition (Lewis, 2003). B-Schools are increasingly turning to branding as way to create an identity and to have a sustained competitive advantage (Montgomery, 2005). Earlier branding approaches did not establish a clear connection with the organizational strategy. We propose that this be done as the first step in the brand management process. By conducting a stakeholder analysis to determine their *domain* and *advantage*, B-Schools can decide if they wish to pursue a global brand name strategy, national brand name strategy, or regional brand name strategy. A brand audit will decide the type of brand dimensions/attributes that will be used in the promotional strategies to consumers. Changes in organizational missions may cause B-Schools to seek new customers while simultaneously holding on to present consumers. As an example, many state sponsored institutions in the US and UK that were created to address regional educational needs are now seeking a global presence as part of their long term organizational strategy. In their branding approach, should they focus on emphasizing different brand personalities to their traditional base while addressing other brand dimensions to international students? Much of the brand personality research and resulting list of attributes has been derived from studies of U.S. and UK based consumers. To what extent do they address desired attributes of Asian and European consumers? Additional research is needed to answer these questions.

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