

## Fuqua Weekend Executive MBA Marketing A<sup>1</sup>

### The Situation

Dan Nagy studied the 2003 enrollment figures for Duke's Weekend MBA program. The news was not good. Despite a planned expansion of the program from 110 to 120 students, enrollments in 2003 were 13 short of the school's goals. Given the cost structure of the program, this shortfall would draw about \$1 million from the school's bottom line.

Nagy was Associate Dean for Admissions & Business Development at Fuqua, with business responsibility for Duke's executive MBA programs. He worked closely with Jim Gray, Associate Dean for Marketing & Communications at the Fuqua School in planning advertising strategy intended to boost applications of well-qualified executives to its programs.

Though the overall Executive MBA market was down in 2003, Nagy did not want to accept the easy interpretation that the decline in enrollments was beyond his control. He called on a number of resources to understand the trends and what he and his team could do to increase the number of qualified applicants and matriculants.

Nagy's office of EMBA Admissions & Marketing had primary responsibility for the development of overall marketing strategy, as well as for the following tactical areas:

- Expenditure of advertising dollars
- Direct marketing activities, e.g., telemarketing, flash emails to purchased GMAT lists
- Geographic locations for information sessions, both in-person and virtual
- Schedule and frequency of campus visits
- Focus of staff time on qualified applicants vs. broad number of applicants
- Admissions selection process
- Use of EMBA alumni for candidate referrals and marketing
- Data management system to track candidates and provide marketing statistics
- How to allocate a select number of EMBA scholarships

His office of EMBA Admissions & Marketing had consultative input into decisions made by faculty and other staff at Fuqua with respect to:

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<sup>1</sup> Professors John Lynch and Kurt Carlson prepared this case as a basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

- Program design (e.g., length), number of electives
- Type and quality of faculty
- Admissions criteria
- Final admittance deadline
- Cost of programs

## **Background**

In the Weekend Executive program, working executives travel to Duke's Durham campus two weekends per month. This is a 100% face-to-face classroom mode, as contrasted with the "place and space" approach used in Duke's Global Executive and Cross Continent MBA programs. See Duke's Weekend Executive MBA website (<http://www.fuqua.duke.edu/admin/wemba/index.html>).

The student body is domestic rather than international, drawing heavily from the southeast and the eastern seaboard of the US. The class of 2005 entering in January of 2004 included students commuting from 15 states, including California and Texas. The class averaged 34 years of age with 10 years work experience.

The curriculum involves five terms of core classes, followed by one term of electives. The core curriculum builds from foundational courses to integrative courses. Students who take the program express a high level of satisfaction, and the program is highly ranked by the business press ([http://businessweek.com/bschools/03/emba\\_rank.htm](http://businessweek.com/bschools/03/emba_rank.htm)).

Faculty members enjoy teaching in the program, as students are immediately able to put class concepts into practice in their ongoing jobs.

## **Cost Structure**

The program is also relatively profitable. All Duke MBA programs charge comparable tuition, but they differ markedly in their cost structures. Unlike daytime MBA programs around the world, for WEMBA programs, student tuition exceeds marginal cost. Because most EMBA students are funded by their companies and expect to remain with their current employers, EMBA students do not require career services or other costly services typical of daytime MBA programs. Also, the Weekend format is not as technology-intensive as Duke's Global Executive and Cross Continent MBA programs that rely on "place and space" integration of face-to-face and distance instruction. EMBA programs typically require fewer electives than a daytime program; consequently, they are less costly per student than a daytime program. Moreover, no schools give financial aid in this market.

## **Competitors**

Consideration sets in the Weekend MBA market are shaped by proximity to one's residence and ease of access by air. In all of its other programs, Duke competes with an array of top business schools around the world. In the weekend MBA format, however, competition is more local. A March 2003 internal study named the following as competitors to Fuqua in the Weekend MBA market: UNC, University of Chicago, Wake Forest, Columbia, Kellogg, Wharton, Emory, and NC State.

Problematically for Duke, one local competitor, University of North Carolina's Kenan-Flagler School, is also highly ranked in the Weekend MBA market (Duke at #4, UNC #5 according to Business Week). Because UNC is close and is considerably cheaper than Duke, many people who apply to Duke also consider UNC. Another point of differentiation for UNC is its larger elective set. Because they offer an evening MBA program, they can offer their Weekend MBA students access to electives in another program. Wharton is similar in this respect, offering a WEMBA program with a very large elective set, unlike most top Weekend MBA programs.

## **Application and Enrollment Trends**

Because of the desirable characteristics of the Weekend Executive MBA market, Duke sought to expand its program in 2003 from 110 to 120 students. In 2004, plans were afoot to add a third section specializing in Health Sector Management. However, as shown in Exhibit 1, applications were off in 2003, and enrollments fell below goals. (Data are disguised, but show trends accurately.)

**Exhibit 1. Duke WEMBA Enrollment Goals, Applicants & Matriculated 2001-2003**

	<b>2001</b>	<b>2002</b>	<b>2003</b>
Goal	110	110	120
Applicants	440	475	405
Matriculated	109	123	107

Following the dot.com meltdown and 9/11, company sponsorship of its employees for EMBA programs declined considerably. Because of this, Fuqua had been seeing more totally self-sponsored students and fewer students sponsored 100% by their companies. This had caused a dramatic increase in prospective student interest in two costly forms of support standard in daytime MBA programs that heretofore had not been associated with EMBA programs: financial aid (loans) and greater access to career services.

## **Survey of Prospective WEMBA Students**

Nagy constituted a committee of faculty and senior staff to understand the drivers of Weekend Executive enrollments. It became apparent that Duke had much better market research about the views of the enrolled students than of those who were *not* enrolled –

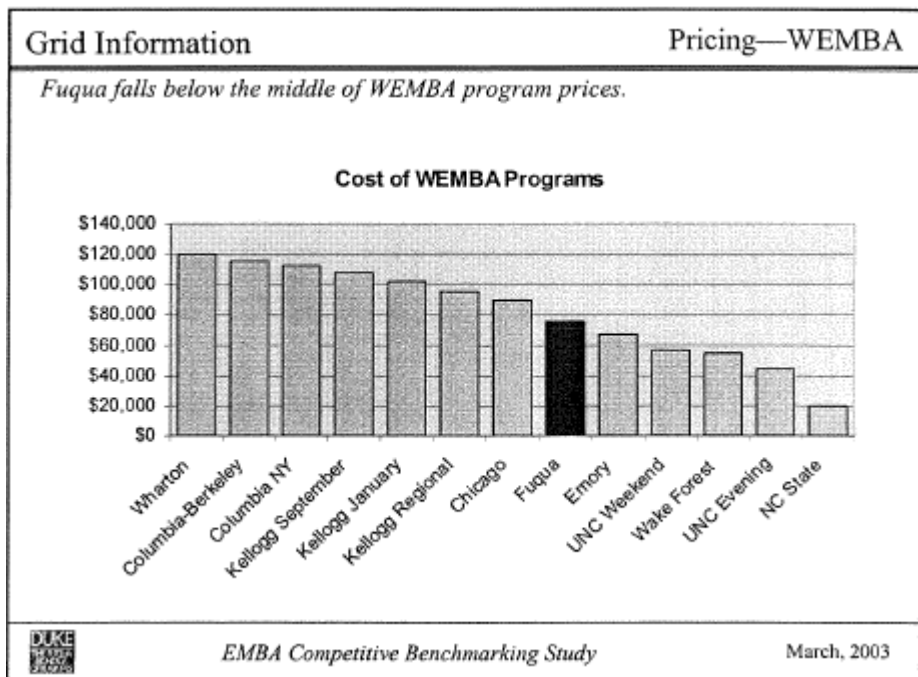
though perhaps not on some of the kinds of questions the committee thought relevant. Why do some people inquire and not progress to attend an information session or apply while others express deeper interest and ultimately apply? With this in mind, the school planned a survey of 100 prospective students to understand better what causes students to advance from a preliminary stage of the “admissions funnel” to later stages.

**Nagy’s Objectives**

According to Nagy, the key purposes of the study were:

- a) Determine what variables explain likelihood of passing to each stage of “funnel”:
  - i) Inquire for Information
  - ii) Attend Information Session
  - iii) Apply to Duke EMBA Program
  - iv) Accept Duke EMBA Program
  
- b) To determine whether pricing is a problem. In particular, can we get some hard evidence about how self-funding affects price sensitivity? If we have a price problem, is it related to inclusion of UNC in the consideration set? Exhibit 2 shows that Fuqua’s pricing is lower than some top-tier programs, but high relative to its local competitors.

**Exhibit 2. Pricing of Duke’s WEMBA Program Relative to Competitors**



- c) To determine what talking points Dan Nagy and his team can emphasize when asked "Why is Duke better than some other top 10 school's program?" What are Duke's advantages as perceived by prospective WEMBA students?

## Your Task

1. Use the "backward marketing research" process to think through what decisions Dan and his team might make in relation to the three study objectives given above. What are the levers and action alternatives that EMBA Admissions and Marketing has that might increase yield? It is important at this stage to consider what is and is not under the control of EMBA Admissions and Marketing. Think through decision alternatives, what analysis is necessary to decide between the alternatives, and what information is required to do that analysis. Focus your efforts on decisions you see as most directly associated with the three study objectives listed above (a, b, and c).
2. Design a survey that will provide the information needed to make the decisions identified in part 1. **Your survey should take no more than 10 minutes for a respondent to complete. It should have only "need to know" information; adding "nice to know" questions will lead to lower evaluation of your team's work.**
  - a. Dan defines the relevant population as the set of people who have contacted Duke in any way over the past year. The school keeps data about whether each individual has or has not attended an information session, made a campus visit, completed an application, and accepted an offer if one is made. This database has approximately 1200 records with contact information. Define a sampling plan.
  - b. Draft a questionnaire that elicits the information required as specified in your answer to question 1. Enter the survey into Qualtrics.
  - c. Test your survey by asking someone who has applied to an EMBA program to complete it. Failing that, ask a Simon student to answer as if the questions were about the Simon MBA program. This test may reveal problems of clarity or timing. **DO NOT SEND OUT THE SURVEY TO A GENERAL AUDIENCE!**
  - d. Tell Dan whether the survey should be conducted via a telephone interview, web survey, or paper survey sent by mail and explain why.
  - e. For each decision to be made that you noted in part 1, create a set of dummy tables showing how you would crunch and display the numbers coming from specific questions on your survey to determine what course of action to take. Provide action standards that will tell Dan what course of action would be called for depending on how the data turn out for each analysis dummy table.

## **Advice and Timing**

You have the opportunity to meet with Dan Nagy (Professor or TA plays this role). Be sure to be prepared for the meeting. Your role is a researcher, so you should think of Dan as the client and treat the meeting accordingly. Identify what information you need to have filled in or what questions you can ask to check your assumptions.

## **What to Submit**

*Body.* The body of the report should be an Executive summary of one page, single-spaced. It should describe key decisions to be made and information needed to make those decisions.

*Appendix A.* Proposed sampling plan & survey mode

*Appendix B.* Proposed draft questionnaire. Be sure to ask only “need to know” and not “nice to know” questions. The survey should take 10 minutes or less to complete. Provide a pdf copy of the Qualtrics survey.

*Appendix C.* Key analysis dummy tables coming out of revised questionnaire and how to interpret results to manage EMBA Marketing activities. EMBA Marketing could just collect the data you recommend, create the tables you recommend using some simple statistical analysis, and easily see how to manage some key decision lever. This means including action standards for each analysis dummy table that map research outcomes to specific actions/decisions.

## **Grading Criteria (Approximate-Use to Balance Time)**

Identification of Key Decisions (Body)	10 points
Information Needed for Each Decision (Body)	15 points
Proposed Sampling Plan (Appendix A)	5 points
Questionnaire (Appendix B)	
• Questionnaire Item Quality	5 points
• Flow	5 points
Dummy Tables (Appendix C)	20 points
Dummy Table Action Standards (Appendix C)	5 points
 TOTAL	 65 points