

# **BRANDS AND BRANDING IN EDUCATION: THE VIRTUOUS CYCLE OF U.S. GRADUATE BUSINESS SCHOOLS**

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## **Summary:**

The Education market is subject to the same challenges of the Consumer Products market – the homogeneity of products resulting from the ever-increasing supply of similar satisfying options. University brands can likewise be the differential in the consumer's mind, the stress reduction tool in the decision making process, through the perceptions and images they acquire on their perennial and historical promise of fulfillment of needs and desires. The great motivator for most MBA candidates is the expected boost in career advancements, as well as the compensation packages that follows - usually a direct correlation with the chosen school's brand name as perceived by the job market. The aim of this study is to show how these big brands in the Business Schools segment enjoy a self-feeding Virtuous Cycle that ensures their financial survival, through a branding effort aimed at keeping their top tier image in the job market, *the* single most important criteria used by MBA candidates when deciding a school of their preference. The efficiency of these Schools' Branding efforts will be evaluated by analyzing the results supplied periodically from the three foremost US surveys published in this field. A special focus shall be made on four distinct Universities and their Business Schools, each enjoying brands at different stages, classifications and most of all, perceptions in the job market.

**Key-words:** Branding, education, business schools, competition, marketing, job market, career, performance.

## 1. INTRODUCTION

The top U.S. Graduate Schools of Business, have enjoyed an incredible success throughout the years, as demonstrated by the ever increasing number of candidates they attract, a direct result of their Branding policies, which is expressed in a Brand Preference for some and definitely Brand Insistence for some other very fortunate few. In a sea of economic turbulence, both in the US and abroad, this unique result is a direct consequence of the perception, the image they command in the local and global job market.

This image and perception that every school carries in the job market, is the main motivator, the point of interest of the School's final consumer - the students: The degree of career enhancement that shall arise after the financial and lifestyle burden of those years spent on a Master's in Business Administration program, is the main criteria used by almost all applicants when choosing a school of their preference. The number of companies interviewing every year on each campus, and the resulting In and Off campus job offers to the new graduates, are just some of the visible important aspects of this major student's requirement.

This perceived competence of these Business Schools in providing this career booster, have allowed them to sail through the storms of economic recessions and market woes, with relatively ease as opposed to the vast majority of the higher educational system, both in the US and abroad, who regularly find themselves in a sea of sameness, unable to offer a differential that will attract both capital and students in an optimal proportion. The perception, image, of world leading centers of superior teaching, research and development of new techniques - indeed true temples of thought and practice of the Business Science - have coined some universities brands in a definite manner, putting them on the path of financial success.

The objective of this study is to demonstrate how these universities Branding management, have created - through an image of uniqueness, a stress of their differentials and relevance - a Virtuous Cycle that like a perpetual pendulum enhances their virtues, their uniqueness aspects, making them less susceptible to market competition while eventually becoming Brands of Insistence, a definite road to financial survival.

The evaluation and ranking of these brands by the three most respected and specialized media publications in the area, will *not* be used in this study *neither* as an endomarketing enhancement tool *nor* as definite inducer of perception and image, both in the job and students market, as mentioned by Zimmerman (2001)

Four Business Schools with particular characteristics, histories, brand perceptions, images and strength – Harvard, Yale, Northwestern and Michigan State – will serve as examples in this study that intends to expose the “modus operandi” of this Virtuous Cycle, with possible further applications in other geographical markets.

## 2. THE U.S. HIGHER EDUCATION SYSTEM

The U.S. Higher Education system has been going through changes and evolution since its early years, back in the late 18<sup>th</sup> century, trailing a parallel path with the American history. Four historical acts stand out as cornerstones of the American universities quest for excellence, envied nowadays throughout the world (Gregorian, 2003). In 1862 Congress enacted the Land-Grant College Act or Morrill Act, which permitted each state to sell large tracts of federal land and use the proceedings to endow at least one public college. It was the first attempt to make higher

education available to a broader range of the American society, including women and minorities and helped the US industrialization through the supply of the much-needed educated work force. More than 20 million degrees have been awarded since, by these land –grant colleges and the yearly rate stands at more than 500 thou., a third of the nation’s bachelor’s and master’s degree and 605 of the doctorates. In their early years, the American universities model was a copycat of the British system of Cambridge and Oxford, attracting only the select few with financial capabilities or expressive patterns of intelligence and/or knowledge. From Germany the American school copied the system of integrating teaching and research (Kantrowitz, 2003).

The crisis of 1929 made the survival of the American economic model a priority, leaving the universal Higher Education project on a second level. Curbing unemployment, ending the homeless and famine was everybody’s top objective in Roosevelt’s New Deal. Nevertheless, president Franklin D. Roosevelt made a federal government responsibility to provide adequate funds for basic research while establishing that the nation’s universities were the best suited to be the recipients of these funds. This policy decentralized scientific research throughout the country in American universities and generated increasing investments while giving graduate students research opportunities in all fields.

In 1944 the American Congress passed the Servicemen’s Readjustment Act, commonly known as the “GI Bill of Rights”, a law that provided returning war veterans with college education, opening the doors of the best universities to men and women who had only dreamed of going to the most prestigious campuses. In the 50 years that followed the GI Bill and its legislative offspring during the Korea and Vietnam wars – resulted in more than US\$ 60 billion in educational funds for about 18 million veterans, including 8.5 million in higher education (Gregorian, 2003).

The collapse of most colonial empires after WW II, catapulting the US as the sole occidental major superpower, motivated the political establishment in Washington to devise a plan to boost higher education in the country, essential in industrial R & D (research and development), the main foundation in the fore coming quest for world supremacy. Ever since then, the number of registrations in Universities throughout the whole US has increased tenfold (Winters 2002).

The Pos-Vietnam period that saw the establishment of the American professional armed forces, as opposed to a conscript one, created through the GI Bill an even more democratic higher educational channel, adding a new dimension to the American Dream, by making college education accessible to middle class youngsters, after a regular tour of service in the military, not anymore a privilege reserved for the wealthy or war survivors.

As in any market, this emergence of so many new consumers resulted in a fierce competition among the various types of higher learning institutes, ranging from the **Traditional Ivy League and Private Universities**, to the **State Universities** and local **Community Colleges**. The resulting fight for higher standards of education, faculties and research through endowments, alumni contributions, and corporate partnerships has been the great differential of the American higher educational system in these last decades. As globalization sets in also in the educational arena, this perception is greatly absorbed outside U.S. borders, attracting a record 582.966 foreign students enrolled in American universities in 2002, many in the most prestigious brand names who make a point of attracting the best minds worldwide. (Carmichael, 2003). For troubled universities around the globe, the unique aspects of the American colleges serve as a true benchmarking even in countries as different as Japan and India. The president of the Institute for International Education in New York says –“Other countries look at America as a

role model...if you want the gold standard of education, globally people will say – go to America” (apud in Kantrowitz, 2003).

According to Symonds (2003) the number of actual University students in the US is already over thirteen million strong and the Universities libraries budgets have gone up 119% since 1999.

These three different types of Higher Education institutions (**Traditional/Private, Public, and Local Community Colleges**) do vary in size, origin of their resources, tuition costs and courses offered.

**Local Community Colleges** stand at the base of the pyramid, with night and technical courses directed towards the local population needs, at a substantial low costs and dependent on state subsidies for 80% of their budgets. These colleges have experienced a sudden increase in their demand mostly due to the economic slump that has hit the country, reducing job offers, salaries and employment. Since most of the two first two years of any college course are basic and very similar throughout the whole US Higher Educational system, many students across the nation are working part time for two years, living at their parents home and saving enough money to attend a major public or private University.

**Public Universities** are next on the ladder, holding an estimate 80% of all students’ registrations in the country, mammoth campuses like Ohio State University with its over 55 thousand students or Michigan State at over 40 thousand strong in East Lansing. They sum up 1.713 Universities with over 10.5 million students and offer masters and doctoral courses in almost all of their colleges, in the most diversified areas of knowledge. They are primarily oriented towards in-state students although a large number of their consumers are of out of state origin. The main difference here is the tuition costs which are reduced for the in-state students.

Presently these institutions are going through a rough financial period as a result of almost every State budget reductions, which deeply affects them since these subsidies might represent 40% of their total yearly funds needs – tuitions covering only a third of them. According to Symonds (2003) these subsidies can be very substantial: Virginia Tech alone gets US\$ 274 million a year.

**Private Universities** sit almost at the top, with almost the same number of institutions – 1.676 – but with the differential of a far smaller number of students - just 2.2 million enrolled in 2002. Their major concern nowadays is the constant drop on donations usually made by both corporations and their alumni. According to the data found on the NACUBO (National Association of College and University Business Officers) web site, the amount invested in the Higher Education system in the US in 2002 reached a peak of US\$ 222 billion, more than half of it coming from non-government sources. The straining factor is a concentration of up to 50% of these donations on just 30 Universities, an aspect that is one the reasons of this study.

The top is filled by the so called **Ivy League** institutions, a name the official web site informs was taken from a plant found in most of the old and traditional buildings in the eight participants campuses. A league of these schools - Harvard, Yale, Dartmouth, Cornell, Columbia, U. of Penn, Princeton and Brown, was formed back in the early 40’s to foster intercollegiate football competition, but as stated “in such a way as to maintain the values of the game, while keeping it in fitting proportion to the main purpose of the academic life”. As it happens, they also shared some other common characteristics, which are fiercely kept up to this date – they were all private schools, had fewer students per class and courses, a high standard of requirements on their admission procedures (some say that social stature, hereditary aspects and even correct indications were also a must), highly qualified and prized teaching faculties and finally, huge

private and corporate donations. Not surprisingly, they have been constantly ranked among the top 15 in the country on most fields covered by their courses ever since. **In branding terms, they represent exclusivity and status symbols in education, as perceived worldwide.**

The Naval, Army and Air Force Academies at Annapolis, West Point and Colorado Springs, carry very similar perceptions domestically, mostly due to their highly selective admissions methods. According to a recent research made among American students, a new breed of highly selective and academically challenging universities has emerged in recent years that have similar perceptions of their Ivy League counterparts. Schools like Stanford, MIT and the University of Chicago hold the same prestige both domestically and abroad (Harvest, 2003). This image has been decisive for these brands in the job market and a vital criterion for corporate recruiters, boosting the preference among potential graduate candidates. Table 1 shows some data of the US Higher Education system – Students by types of institutions.

**Table 1 – U.S. Higher Education System**

DATA	PUBLIC COLLEGES AND UNIVERSITIES	PRIVATE COLLEGES AND UNIVERSITIES.
Number of Institutions	1.713	1.676
Students enrolled	10,5 Million	2,2 Million
Average annual cost (US\$)	4, 1 thou	18, 3 thou

Source: BusinessWeek on-line (2003)

### 3. THE GROWTH AND DEVELOPMENT OF U.S. BUSINESS SCHOOLS

The older American Business Schools date back to the beginning of the 20<sup>th</sup> century like Harvard but, up to the mid 50s they just offered courses designed and required by the industry with almost no research being developed in the graduate area, thus without any scientific data being produced and taught on its various courses (Zimmerman 2002).

The author further mentions that up to that date, Business Schools even suffer from a lack of stature with both academic and businesses circles. (The same applies to Brazil where the top and now well renowned Getulio Vargas Foundation School of Business did not have an official stamp of a college undergraduate course up to the late 70s).

Still according to Zimmerman (2202), the number of graduate students of business for the class 1955-56 amounted to only 3.2 thou in the whole country – the “full time” Master in Business Administration (MBA) program was practically unknown back then. By 1977-78 the number had increased to almost 102 thou. The turnaround begun with the investment made by the Ford Foundation in this area starting in the 50’s, with the almost official objective of fighting the newly established “cold war” by creating outstanding techniques in fields which certainly the communist regimes would not made a decisive incursion. Therefore, it aimed at acquiring a decisive advantage on the business and management aspects of the economy on the path towards supremacy in production, productivity and new products development.

Once that decision was taken, from 1954 to 1966 more than US\$ 35 million were invested in just five Universities – Harvard, Stanford, Columbia, Chicago and Carnegie Mellon – an effort to follow the steps taken once by medical and engineering schools.

By that time, the investment which would eventually cement the reputation of Business Schools begun to take form – Doctoral Courses which offered the necessary research and theory to the

newly advanced Masters in Business Administration courses. They formed the backbone of major Business Schools, together with the most prominent teaching faculties around the world, now much more prone to remain in the US upon graduation as a result of tempting job offers from the Universities and industries research funds.

The “ugly duck” culture of the Business Schools, “*vis-à-vis*” the other traditional schools in the Universities nurtured for decades, created a special bond among Business Schools’ faculties expressed up to this date, with papers, books and research work being conducted in real partnerships, an aspect envied by the other schools that once looked down upon them. By the end of the 20<sup>th</sup> century, the publishing of technical periodicals using scientific approaches and even the creation of Nobel prizes in similar areas like Economy finally conferred to the Business Administration segment the much sought after status of equality among the various fields of Higher Education.

Business Schools became now true “cash cows” (to use one of their favorite expressions). Successful businessmen from the US and abroad still under the effect of the most efficient Endomarketing ever created – the “alma mater” syndrome of the Universities, taken straight from their sport cult and culture – became great donors and the capital source needed for expansion and survival not only of their former Business Schools but of the whole University. It is now part of the world status symbols, to hold a Graduate degree in Business Administration from one of the reputed “top” Universities. It is the American culture spreading throughout the world, surpassing icons like Coke, McDonalds and IBM.

“It is a dream of every middle-class Hong-Kong parent to have a son or daughter in Harvard or Yale” says Joseph Cheng, a political science professor at the City University of Hong-Kong (Kantrowitz, 2003). “Among affluent families in Seoul, sending kids abroad to study has become fashionable” says Kim Ho Gi, a sociologist at Yonsei University while Korean corporations clearly prefer graduate students from midlevel U.S. universities to those from top notch local schools like Seoul National University (Lee, 1993).

In the 90’s a noticeable increase in Doctoral programs occurred on most US Business Schools, at the level required to sustain the research and the faculties needs on the new courses being offered by the so called “non traditional” schools. A peak of 1.265 doctoral titles was conferred in 1995.

According to the AACSB -Association of Advanced Courses and Studies in Business (2003) there is now a shortage of doctoral candidates in the area, with the top 25 schools of Business showing a reduction of up to a third in the number of doctoral students who actually receive their degrees per year, causing an increase in unfilled faculty posts in the last few years, which has reduced somewhat the level of research and advancements on this field.

Still according to the AACSB (2003) there are presently over 650 Universities offering courses in Business Administration from Undergraduate to Masters and Doctoral degrees. Of these, only 352 do offer both Masters and Doctoral degrees as well. Actually, only 80 of these schools have their evaluation ever considered and ranked by the specialized media, most likely the result of having achieved a certain minimum level of differentiation in their brands through their perceived highly selective process of admissions and superior academic and teaching skills.

These schools have been in the forefront in attracting the world best brains. Britain’s faculty salaries are way below U.S. average, research facilities are almost non-existent and most universities don’t even have regular research grants to the senior faculty – “something I never

had even as a chair at Oxford”, says professor Christopher Peacocke who left Oxford for NYU, in 2000 (Kantrowitz, 2003).

The leading publications that offer ranking and in-depth profiles of the major Business Schools, (most recently both in the US and abroad) are Business Week magazine, The Wall Street Journal and US News and World Report magazine. The Business Schools market is now scrutinized, classified and, unfortunately, also influenced by the results, which actually, they happened to help define as well. The job market and the students, who ultimately depend on it, can now balance or even reinforce their decisions based on some solid grounds. It is their images, perceptions, being expressed in a rational quantitative way, as opposed to the usual hearsay or guesswork available in other countries.

The admissions criteria and process used by almost all major US Business Graduate Schools is very similar and generally consist of the following items:

- a) High School and Undergraduate records.
- b) Working experience
- c) Results from the GMAT (Graduate Management Admissions Test) and TOEFL (Test of English as a Foreign Language) exams and last but not least,
- d) Personal Interview with School’s dean of Admissions for career, research and thesis objectives – the real final evaluation of the potential candidate.

In some of the top traditional schools, letters of recommendation from successful former students, politicians and CEOs as well as family connections with major donors, can establish a differential for the candidate.

#### **4. BRANDS AND BRANDING IN U.S. UNIVERSITIES**

It is estimated that about 10 thou. Brands are created every day around the globe (Interbrand, 2003). Brands are not just names, logos or symbols, they are all this and much more: Brands are the summation of consumers’ ideas, perceptions and images, built in time through experiences either learned, inherited or told about, all boxed up in their minds, as in a computer desktop icon (Musatti, 2002).

As such, brands are like public notary contracts – on one side the corporate brand promises to keep the consumers needs and desires constantly satisfied through time and on an increasing rate – on the other side, the consumers’ answer is loyalty – the constant purchase or consumption of the product/service in question (Lazer, 1971).

Universities and Business Schools have now become brand names – “the allure of the institution stems not from a factual knowledge of the university’s strengths, but from a perceived understanding for what it stands for...its prestige, ideology and reputation. The magic lies on the fact that the best universities are, essentially, great brands” (Tan, 2001).

Brands in today’s environment perform two essential tasks – firstly they are an important aid in the consumers’ decision process by reducing the risk perception attached to every purchase, which increases with the financial burden imposed on each individual. Secondly, they are the ultimate purveyor of product differentiation in a sea of homogeneity (McCarthy, 1997).

For many students today in the U.S. and abroad, their college degree is an investment that requires them to incur debt before graduating. The financial stakes and risks increase even more

substantially for graduate courses, which require the forfeit of a two-year salary plus the ever-increasing tuition costs. This student is no more a passive participant but a “prosumer who is paying for an educational experience that will open doors after graduation” (Harvest 2003).

Brands are about perceptions, images and most of all feelings. After Procter & Gamble way back in the fifties created the notion of branding, a sea of brands emerged becoming almost a commodity. Differentiation now comes through the feelings, the passion that brands can command. (Roberts, 2001). The most successful consumer products brands, the ones that can be called Brands of Insistence, do not offer only superior performance or quality – they deliver esteem, passion and dream (Buitoni, 2002).

The brand value is now measured not by its product line, its plants but by the image and perception it commands among consumers’. Honda’s assets are more than ten fold Harley Davidson yet on motorbikes, the American brand is worth millions more. Coke’s major asset is its Brand worth more than US\$ 69 billion, probably more than 80% of its total net worth. (Interbrand, 2003). Ferrari, Armani, Starbucks and Rolex brand names are top of minds for the passion they instantly command on consumers’ minds.

Universities and Business Schools are discovering that more than education, knowledge, research and expertise, they sell the image and perceptions their brand name can stir. “If you ask foreign students to name three American schools they’d name Harvard, Stanford and a third of their preference” (Carmichael, 2003). These top Universities names are definitely Brands of Passion in the higher education segment - insistence brands that generate loyalty through desire, dreams and personality.

Universities and their Business Schools are service suppliers, thus is reasonable to assume that their major differential is the unique environment of learning and challenge they provide. Nevertheless their brand is about people, and the community that develops around colleges, determines their true distinguished factor. Buildings, walls, architectures, gardens, sororities, fraternities and traditions – all conspire to create this “inspired environment”.

This magic environment found in most American college campuses, revolves around a voluntary endomarketing, of which the most visible part is the NCAA competitions that enjoy regional, nationwide and even international media coverage, a recognition of the outstanding loyalty it develops. This can be best expressed by the notion that Universities build strong emotional bonds between their students and faculties, creating a clear and distinctive loyalty environment that bridges time, geography, discipline and social boundaries. (Tan, 2001). This brand loyalty is of foremost importance by establishing their alumni as lifetime brand ambassadors. (Harvest, 2003)

This lifetime lasting brand loyalty and pride can only be found in America. On one hand alumni make a point of showing their educational brands origins whenever the opportunity arises. The Universities on a competent branding effort, promote “homecoming games” and all sort of licensing equipments and clothing that can carry the brand logo, a definite way consumers find to make a statement about themselves.

Branding is therefore the total marketing effort focused on keeping and improving the promise while increasing the brand value. The most successful Universities and Business Schools respect a cardinal rule of branding – that the brand value exists fundamentally in the minds and hearts of its consumers, its community – attracting candidates that share its personality and values and will eventually perpetuate and strengthen the brand. “That’s the genius of it. Well managed the



university brand best display its potency by its remarkable self-perpetuating, evolutionary properties”(Tan, 2001)

It is amazing how this top of mind Universities Brands have become true global brands due to their marketing and branding effort. It is not unheard of to find non-original Harvard, Yale, Stanford, UCLA or Florida Gators sweat shirts, t-shirts or even jackets, in remote places like India, Brazil or Angola. They are way past brand recognition and deep into the brand image and perception.

A recent research made by the Harvest Institute (Harvest, 2003) found some interesting perceptions on American universities and colleges when considered as brands:

1. The top of minds is always the Ivy League brand names with Harvard at the lead.
2. There were brands that emerged with similar perceptions of Ivy League although not part of it – MIT, Stanford and University of Chicago, Northwestern.
3. Another powerful brand group emerged: The “Public Ivy” with similar perceptions to the real league, in academics and reputation. Berkeley, Michigan and UCLA fall into this category.
4. The world of higher education has many brands, each unique in their attributes, promises and target. Sports: Notre Dame, Ohio State, Miami, Florida and Florida State. Individualistic: Brown, Julliard, and Brown.
5. Reputation – is not restricted to academics. It comprises the personality of the student body, quality of campus life and brand association with the university or college.

## 5. BRANDS AND BRANDING OF U.S. BUSINESS SCHOOLS

Business Schools throughout America are always on the look for the main motives, reasons that determine students’ preferences when choosing a school of their preference. Brands are even more important in this segment due to its narrow focus when compared to a University as a whole. The quest for uniqueness, differentiation and exclusivity has reached this segment particularly hard since the proliferation of business school in the last decades has made the candidates decisions ever more difficult.

The main motives behind the pursuit of an MBA degree in an increasingly homogeneous and competitive job market are (WSJ-Career Journal, 2003):

1. A differential that will help burn stages in career paths,
2. A boost in financial compensations,
3. A steeper climb steps towards social acceptance and
4. Increase in quality life styles through consumption patterns.

Highly motivated professionals around the globe, now look for brand schools that can deliver their ever increasing needs and desires, as described by Maslow’s Pyramid, not just plain knowledge or proficiency. They are on the hunt for the perception of unique identity and exclusivity that a degree can offer.

Thus, the business school brand major task is to offer that perception, an image of fulfillment of these requirements, with almost no risk attached, due to its high costs, both financial as well as career wise. Accordingly, the **brand must outperform in the job market**, among professionals, among recruiters and among alumni, both domestically and abroad.

Brands, unlike products are built not in premises but on consumers’ minds through time, based on feelings emotions, perceptions, images and attitudes. Brands define their client’s personality

for the society as a whole. If the motto “You are what you wear” applies to the consumer products market, in the business segment a professional can also be better described by the school degree he holds.

Business Schools are therefore increasingly managing their brands in such way to enhance perceptions and images. These branding actions are being directed to:

- a) Strengthen their relationships with alumni now in top management positions on major corporations.
- b) Render homage to alumni that have reached important positions in the market place,
- c) Emphasize prizes, achievements, or any other kind of superlative performance of their alumni.
- d) Attract the best minds available both domestically abroad, for research and teaching positions.
- e) Create highly selective admissions procedures and graduation requirements, thus emphasizing the exclusivity image of the brand.
- f) Create partnerships with corporations that might result in substantial donations for research and faculty expenses.
- g) Create facilities, programs and activities specially designed to render corporate recruiters visits to campus ever more pleasant.
- h) Create Students’ Placement deanship to exclusively promote job offers and placement for graduating students.

The common values shared by the universities’ brands students, professors and alumni, are even stronger in the business schools environment. It is an American tradition to always refer to a public figure in the press by mentioning its alma mater – a free promotion that any brand will gladly accept – as it is also part of this tradition, regular alumni meetings and gatherings, creating a brotherhood that is as strong as the brand it represents.

**The purpose of this study is to measure how well these branding initiatives are affecting the business schools brand perceptions, enhancing their value and finally, creating a virtuous cycle that is self-feeding and self-perpetuating.**

That shall be made through the analysis of the results compiled periodically in the U.S., as previously mentioned, by three of the leading publications in the business field – BusinessWeek, The Wall Street Journal and US News & World Report.

To enhance these results analysis and the virtuous cycle description, four top brand Universities and their business schools were chosen, for their particular brand status and perceptions in market: Harvard, Yale, Northwestern and Michigan State.

## **6. U.S. UNIVERSITIES AND BUSINESS SCHOOLS USED IN THE STUDY**

The choice of four Universities and their Business Schools was made on the assumption that each of them is actually on a very distinctive stage of brand strength, differentiation and therefore commanding a distinctive perception in the job market, while adopting, at full steam, the concepts of brand management.

They could be briefly characterized as follows:

1. **Harvard** – The perennial global “top of mind” brand for Universities and Business Schools Graduate Programs. The icon brand on the segment.

2. **Yale** – The second University brand in value, strength as perceived by the market. The relatively new (1976) Business School takes advantage of its “umbrella brand”, a kind of brand extension of the University brand. It already ranks among the top 15 brands in the latest Business Schools pools.
3. **Northwestern** – The constant top ranked MBA program on most surveys made in the last couple of years. Has a stronger Business School brand name (Kellogg) than its University brand, which still commands homogeneity thus lacking power and differentiation.
4. **Michigan State** – The weakest University brand of the pack by its “State”, public, land-granted status. Its Business School (Eli Broad) has just recently gone through a name change, which practically eliminates the possibility of a traditional perception from the markets. Even so, is managing to acquire superior and differentiated quality stature, as recognized on last surveys. Is the best “State” University ranked on all three surveys used on the study.

The most prestigious brand evaluator Institute, London based Interbrands (2003) has devised a system to attach financial value to the world’s top brands, to rank them and demonstrate the yearly performance of their branding program which may show a loss or gain in value. This method, the BAV – Brand Asset Valuator – is used by BusinessWeek magazine to publish its yearly “The Top 100 Brands Scoreboard”(2003)

The essential question is how to place a value on a brand, without relying on little more than opinion pools or ad spending. Interbrands method values brands the same way analysts would value other assets – on the basis of future earnings, discounted to a present value based on the likelihood that they will in fact materialize. After analyzing sales, costs and tangible assets, the method figures the income generated by intangible factors – patents and brands. Interviews with corporate executives will eventually filter this value to the brand perception in the market (BusinessWeek, 2003).

The final phase is to analyze the strength of the brand by looking into seven factors including brand’s market leadership and its ability to cross geographic and cultural borders. Any brand acquires value, strength and perception in the market, through four items that act together on a complementary basis. A description of these factors to the four chosen top brand Business Schools follows:

## **A) KNOWLEDGE**

Striving to be a “top of mind” in the consumer’s decision process: the first to be remembered. Harvard and Yale fit perfectly in this item, domestically and abroad. (Carmichael, 2003) while Northwestern and MSU (Michigan State), cannot be considered on the same league. Northwestern Kellogg’s Business School brand commands little knowledge outside the business community. MSU image is centered on big campus, land granted and sport oriented university.

## **B) ESTEEM**

The attitude that brands inspire: passion, respect, sympathy, competence – the entire group of perceptions and images that are translated into the brand concept. Partially due to their historical traditions that march hand in hand with the American History, Harvard and Yale command a clear image and perception of the values they stand for. (Harvest, 2003), passing along this value to their Business Schools, Northwestern and Michigan State have a difficult time to establish a distinctive, differential attitude to their brand names, a consequence of the first item positioning.

### C) RELEVANCE

In this item the brand picks up the speed, performance and value. The perception and strength of its unique characteristics in both the consumer's mind and in the job market, sets the brand name preference. **Harvard** achieves the distinctive and envious position of segment icon both as University and Business School, like Perrier for waters, Rolex for watches and Ferrari for autos. (Kantrowitz, 2003) while **Yale** is its constant shadow, ready to take the top University spot, pending on market's perception. Yale's Business School fights bravely to keep up with the University brand perception, acquiring an outstanding position for itself, as achieved by its Medical School throughout the years, in spite of lacking tradition. **Northwestern's** brand loses important notches here, leaving for its Business School Kellogg brand the difficult task of printing in the market's perception its relevant characteristics, apparently with success as demonstrated by last surveys (BusinessWeek 2003). **Michigan State** has exactly the opposite positioning. The University brand has stronger, more relevant characteristics than its Business School, whose name has been recently designated due to substantial donations in the last years. (MSU, 2003). The outstanding ranking as one of the best Business Schools from the so called "popular, big and public Universities" (State) may suggest that the relevance of its characteristics are beginning to be printed in the market.

### D) DIFFERENTIATION

This item finally defines the brand strength and value through the perception of uniqueness attached to its main characteristics. Here the four brands chosen offer different positions. **Harvard** manages with flying colors this differentiation both in its University brand and its Business School, which is apparently happy enough to carry the umbrella brand (Harvest, 2003). An example of Harvard and Harvard's Business School brands strength are their more than 15 thousand citations found in the Internet. Even the competition is aware of this fact: according to Pihakis (2003), director of admissions at U. of California – Berkeley, "Students commitments to Harvard and Stanford set off a chain reaction, opening spots around the country". **Yale** again manages a strong differentiation as a university brand name, while its Business School shows competence to become a brand extension (BusinessWeek MBA, 2003). **Northwestern** once more gets the opposite effect- its Business School Kellogg Brand carries a superb differentiation in the American Business job market by its teaching quality, faculty and students performance after graduation. The burden of carrying the fuzzy image of its University brand tends to partially dilute this strong differentiation, especially abroad (WSJ Career Journal, 2003). **Michigan State's** brand enjoys little differentiation lacking relevance, a fact that is potentially increased by its Business School brand poor recognition. The outstanding rank achieved in the last couple of years on the three surveys is surely being used to shorten the path towards recognition, relevance and differentiation, just as Kellogg has done in the past (BusinessWeek – Hidden Gems, 2002).

Thus, these four Business Schools brands can be classified as follows:

1. **Harvard** – Brand of Insistence. Candidates will make all possible efforts for acceptance. The main ticket to dreams of advancement. The "nirvana" of Branding – where all brands aim to be. (Harvest 2003)
2. **Yale** - Brand of Insistence for the University and Preference for its Business School – a textbook case of brand extension. (US News, 2003)
3. **Northwestern** – **Kellogg** – Brand Recognition bordering Preference for the University, while Brand Insistence for the Business School, domestically.

- 4. Michigan State** – Its University Brand enjoys a Preference classification with some touches of Recognition due to markets homogeneity. Its Eli Broad's Business School of Business has not even had the time yet to become a brand, relying mostly on the University brand.

Brands need time to establish a perception in the market. Traditions through time increase any brand value and perception, as inherited experiences that become patterns. It is no coincidence that the four top Business Schools brands chosen, all have their founding dating back to the XVII century. Tradition and age have a way of inspiring confidence in the brand name. Table 2 shows the relationship between brands value and age, tradition.

**Table 2 – Universities and their Business Schools: Founding Dates**

SCHOOL	UNIVERSITY	BUSINESS SCHOOL
Harvard	1636	1908
Yale	1701	1974
Northwestern	1851	1908
Michigan State	1874	1960

Source: BusinessWeek – Full Time Profiles (2002)

## **7. THE VIRTUOUS CYCLE OF BRANDING IN GRADUATE BUSINESS SCHOOLS**

### **7.1. DESCRIPTION**

We can define a virtuous cycle as a self-feeding process that tends to self-perpetuate the virtues, properties and accomplishments it generates, in an ever-increasing mode. The first stage of this cycle is the pursuit of brand recognition of excellence in the job market, and the branding effort to remain there.

The second stage is the brand insistence of MBA candidates, a consequence of the job market perceptions - the motives and criteria that are basic for these candidates - which generates increasing number of candidates.

The third stage is a highly selective admission process on these top brands MBA programs, where only a few and the best, academically and professionally, can be picked out of increasing many.

In order to maintain its brand image, top Graduate Business School brands reach the fourth stage by enlisting the best faculty possible, for teaching and research, with funds derived from the first stage.

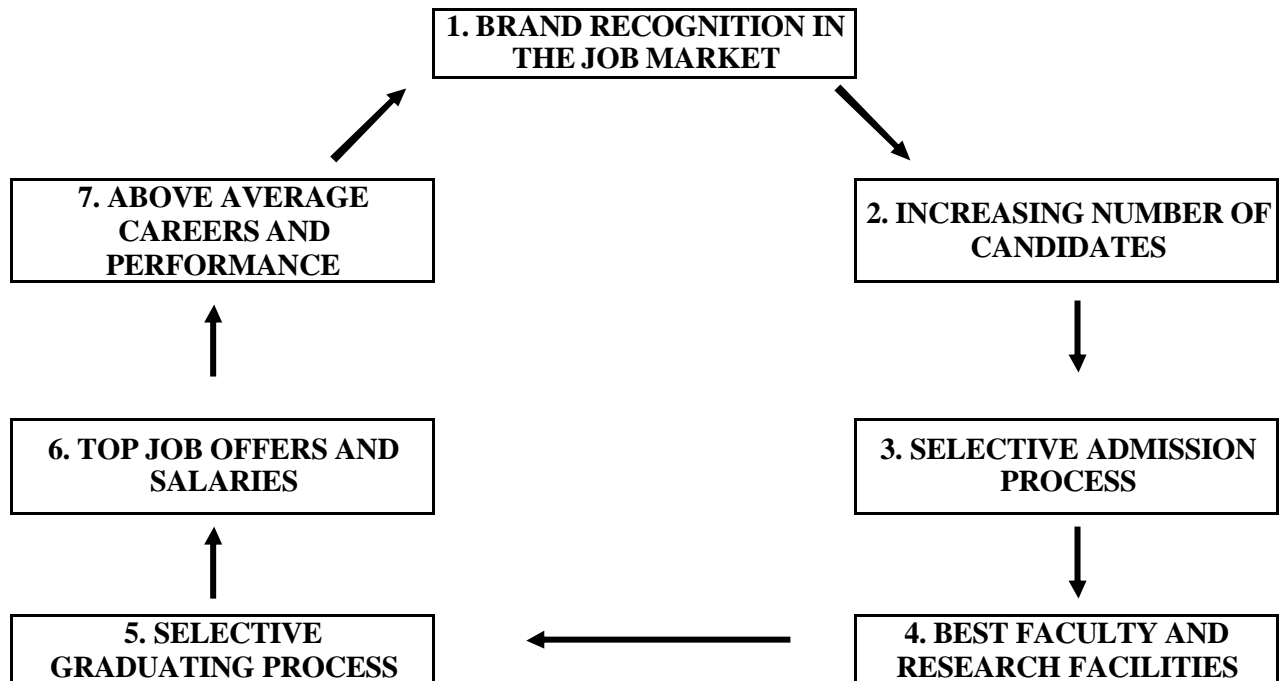
Still worried about their brand perceptions, the fifth stage is made of a selective process of graduating students, in some cases allowing only the top 60% of a class to receive its degree, reinforcing the image of “best of the best”.

Since only the best were able to join the top MBA programs and of these, only the best of the best graduate, we get to the sixth stage where it is normal to expect that the job market will command a perception that these top performers deserve top job offers and salaries upon graduation.

It is only conceivable that careers and performances of these top Business Schools' MBA graduates, will on the average exceed their peers from other institutions – the seventh and last

stage – further enhancing the brand recognition and perception in the job market – bringing THE CYCLE back to the first stage (Figure 1).

**Figure 1 – The Virtuous Cycle of the Business Schools**



## 7.2. STAGES DESCRIPTIONS

### STAGE ONE – BRAND RECOGNITION IN THE JOB MARKET

Graduate students from the top Business Schools show a true “sprit de corps” - they tend to gather and promote yearly international meetings, have alumni associations, participate in their school’s refreshing courses – a true brotherhood for life. After two years in the University environment, students join the ranks of the School’s brand, carrying it on throughout their professional and social careers.

Three types of recognition exist on the job market:

1. One derived solely by the **competence** demonstrated by these professionals, which will eventually induce the hiring of newly graduates from the same origin.
2. The recognition derived from **successful careers** in corporations, achieved by graduates from these top Business Schools brands. The business community perceptions enhance the image of these brands superior quality. An actual good example is the Enron’s financial scandal – although the firm’s “top brass” came from Harvard, Kellogg and other Ivy League origins –the market reaction was an increase of “Ethics in Business” courses being offered on most top Business Schools, never hiding the fact that their alumni had, in spite of everything, reached the top spot on this corporate ladder.
3. Recognition through **loyalty of the school’s alumni**, considered the top brands’ best asset. Now in command positions in some of the most prestigious corporations, these alumni tend to favor candidates for job opening or new graduates, from their Alma Mater as if an ethnical preference,. It is the brotherhood emotional syndrome, so strongly cemented in the American society – Mexicans, Puerto Ricans, Cubans, Greeks, Jewish, bikers, sport fans etc. Helen Dashney (2003) director of Placement & Career Center of Michigan State’s Eli Broad

Graduate School of Management stated that in a recessive job market like the one newly graduates faced in 2002, the School depended heavily on their Alumni as one of the major sources of reference and recruiting. As in all Universities, “they are the best channel for new jobs the best indicators”.

It is absolutely common and part of the US scenario the average American citizen cruising along either jogging, playing one-to-one, cycling with their Alma Matter shirts, shorts, sweatpants or caps. It happens all the way from the U.S. President, a Harvard Business School graduate, to the CEOs sailing on a lazy summer afternoon, to the average white-collar worker just painting his house. If the University sports started the loyalty and pride of the brand, the job market success cemented it. Even the acclaimed third time Emmy Award series “The West Wing” portrays a US president with his ever-present ND (Notre Dame) sweatshirt and cap. It’s fiction copying the reality of Brands and Branding.

Universities are not indifferent to these facts and invest millions and make even more millions through licensing their brands from pen, pencils, and beer mugs to even flag poles. The Branding effort is common from Ivy League monuments of exclusivity and status symbols to mass education mammoths like Ohio State University.

This passion for the brand is transferred to the business world like an Olympic competition – appearances on the media of Major corporations CEOs and Presidents, are often accompanied by their alma mater mention, even more so on business oriented publications, something unheard of in countries like Brazil or Italy. Another step in cementing the top brands perception and image in the business market.

These CEOs constant donations and lectures on their Alma Mater campuses, throughout their lifetime, also reinforces these top brands image in the students market, in a self feeding process, guaranteeing the continuation of the brand exclusive perception.

**This loyalty is not purely passionate. Professionals around the world make a point to mentioned at every possible opportunity, their top graduate Business Schools brands degrees. It is a quote that immediately relates to images of higher quality and exclusivity, more so on the academia. A conclusive example is given by a notorious Brazilian business professor, consultant and renowned columnist in a top weekly magazine: although a business PHD from São Paulo State University, he prefers to sign as a Harvard MBA for reference, in each of his published editorials.**

## **STAGE 2 – INCREASING NUMBER OF CANDIDATES**

The number of candidates applying to MBA programs in American universities is a direct function of the job market perception of these top brands schools, as described on stage 1. These preferences are subject to the candidates financial constrains who tend to evaluate the expected gains by acquiring the degree in relation to the total final costs of the degree. BusinessWeek ratings and profiles, offer a special section – ROI (Return on Investment) numbers – for the top 30 ranked Business Programs.

The ratio of registrations to candidates tends to be higher for the top brands and decreases as the brands preferences and perceptions in the market also decline. As in all top brands that command a notion of exclusivity, this increased difficulty of admission on the top brand programs, tend to

boost the perception and image in the market and theretofore attract even more candidates (Table 3).

**Table 3 – Stats on Students Applying for Graduate Schools of Business Year: 2002**

SCHOOL	CANDIDATES	%	ACCEPTED
Harvard	10.382	10%	1.805
Yale	2.517	15%	440
Northwestern	7.641	13%	1.250
Michigan State	919	22%	209

Source: BusinessWeek (2002)

### STAGE 3 – SELECTIVE ADMISSIONS PROCESS

Throughout the years a common factor has emerged worldwide in education: higher standards of admissions – test, exams and past academic and working performances - determines higher quality of students accepted, as measured by their analytical skills, general knowledge and reasoning.

In the Business School segment, this can be measured partially by the GMAT exam results. The mean tends to increase as the brand name commands preferred perception in the job market and attracts far more candidates. Harvard, Business Schools' top of Mind brand, had a GMAT exam mean of 705 points for the 2002 admission process, the highest of the surveys, closely followed by Wharton and Kellogg. Of the four schools analyzed in this study, Michigan State, one of the "hidden gems" according to the Wall Street Journal survey, had a mean of 639 points, almost 10% lower than Harvard.

Top brand Business Schools tend to attract and accept a higher proportion of top-notch students and with the lowest time of working experience. The situation reverses with lower rank top brand schools, as MSU. Table 4 expresses these numbers for the four schools of this study.

**Table 4 – Quality of students accepted by top brand MBA (Class of 2002)**

SCHOOL	MEAN GMAT EXAM POINTS	PREVIOUS WORKING EXPERIENCE
Harvard	705	52 months
Yale	698	59 months
Northwestern	700	54 months
Michigan State	639	60 months

Source: Business Week – Full Time Profiles – 2002

### STAGE 4 – BEST FACULTY AND RESEARCH FACILITIES.

Financial conditions have been tough for Universities worldwide. Most of them depend on government funding and budgets, which tend to suffer from the present fears of recession. American Universities have a long tradition of decentralized funding, based on local endowments, corporate funding and government allocations, mostly state funds. Top Business Schools brands have managed, as described, to circumvent this problem by exercising their branding policies, attracting funds and partnerships from their privileged positioned alumni in big American corporations. Their loyalty to the brand is expressed by large yearly donations to the *alma mater*.



These funds allow top brand B-Schools to attract the best faculty possible, through tempting research and teaching offers, while keeping investments funds in installations, technology and facilities, almost untouched. They are the necessary complement to official government funds and tuitions.

There is even a sense of pride in “stealing” the faculty stars from competing Universities and Business Schools. The Business Schools branding effort recognizes the importance for the job market perception, on having the best global minds on their faculties. (Kantrowitz, 2003). It is the notion of the superior teaching reinforcing the perception of brand uniqueness. It is therefore understandable the investment that some top brand Business Schools make to attract and promote Noble price professors into their ranks. This works both ways, of course. Professors long to have their careers and names associated with the top brand Business Schools. It promotes the schools’ differentiation – Phillip Kotler in Northwestern’s Kellogg Business School, Blackwell in Ohio State and once, McCarthy and Laser at Michigan State. It is no coincidence that buildings, halls, laboratories and even the Business School itself, are usually named after big donors, both private and corporate.

Top Brand Business Schools need top academic names to reach top-notch perception areas that are important to the job market. Table 5 shows this concept for the four school of the study.

**Table 5 – Areas of distinction in MBA Programs**

<b>SCHOOLS</b>	<b>AREAS</b>
Harvard	General Mgt., International Mgt. & Strategies
Yale	Finance and Strategies
Northwestern	Marketing and General Management
Michigan State	Operations Management

Source: Wall Street Journal (2003)

Universities that manage to have faculties of renowned fame, increase their brand value on the job market also through the interaction between school and business, also a very common aspect in the business sector: Business Schools conducting projects and consulting services to local and specific industries, like Michigan State’s Business School and the auto industry, located just a couple of hundred miles away from campus (MSU, 2001).

All this is possible by the full time dedication and working conditions given to the faculty who can really work full time with MBA students. Research and papers are frequently published as a result of this full time dedication and then again, enhance the brand value and perception on the industry. Compensating salaries and benefits attract professionals to this area. According to BusinessWeek (2001) yearly salaries of US\$ 130 thou for professors holding a PHD degree are not uncommon on Business Schools Graduate Programs and are at least at par with out of campus salaries. These conditions are practically exclusive of American Universities, the main differential that attract the best brains and students worldwide and explain non-American universities woes.

## **STAGE 5 – SELECTIVE GRADUATING PROCESS**

The grading system on some MBA Programs are conferred on the curve, a statistical approach by which students are graded according to their peers average score. While it correctly brings the reality of Business environment to the academic life, it also imposes a tremendous stress and

tension causing students dropouts and even more drastic attitudes. This stress is accentuated on top brand B-Schools, considering the investment and effort made into the acceptance process and the expectations, the dreams that the brand confers to the degree candidate.

Therefore, if the selection is tough on entrance, it gets even worse during the course on top brand B-Schools. Only the “Top Guns” graduate, a reference to the US Air Force similar selection. Statistically, is to be expected that these graduates will show a better average performance after graduation, a result of all these two difficult selection processes they went through.

**The job market recognizes and prizes these graduates - a recognition of brands’ strength and power as expressed by recruiters’ evaluations on all three surveys. It is most certainly an accelerator of the Virtuous Cycle by the perceptions registered on the job market and resulting students preferences.**

## STAGE 6 – TOP JOB OFFERS AND SALARIES

This stage is the crucial link on the virtuous cycle. It is the main criterion for candidates’ choice of a top brand Business School and their big motivational factor. These schools recognize that their branding efforts must center on fulfilling the MBA’s candidates expectations in order perpetually renew the brand perception in the market.

BusinessWeek’s survey has showed that one of the big strengths of Kellogg’s Business School branding effort, lies on their Placement services that assist graduate students on a personal basis, a fact that was specially important in these last two year in a difficult job market( BW, 2003). Special Deanships are created for this sole purpose on those top brand Business Schools, to ensure relevant numbers on surveys that serve as basis for candidates decisions as well as job market perceptions. (WSJ Career Journal, 2003). Table 6 shows the numbers for the four top brands in this study.

**Table 6 – Job Offers upon Graduation – MBA Class of 2002**

SCHOOL	UPON GRADUATION	THREE MONTHS AFTER GRADUATION
Harvard	81%	88%
Yale	69%	80%
Northwestern	83%	91%
Michigan State	66%	74%

Source: BusinessWeek (2002)

The foremost data that defines MBA top brands strength in the market besides job placement is the boost in salaries and compensations that can be achieved upon graduation. All three surveys showed that, in spite of the ups and downs of the economy, on the average salaries offers received by 5.8 thou full time MBA Students in the U.S. were 71.9% higher than those perceived before starting the Program.

This is the last link in the cycle that can be built by business schools’ branding efforts. Accordingly, the top brand schools set their targets on achieving the best marks and promoting the results to the market.

In the virtuous cycle, the effectiveness degree of the previous stages set the differentials for this wages values. Table 7 shows the results for the four brands picked in this study.

**Table 7– Salaries Comparisons –Class of 2002 in US\$ thou/year**

<b>SCHOLL</b>	<b>BEFORE</b>	<b>AFTER</b>	<b>% +</b>
Harvard	75,0	134,6	79
Yale	50,0	110,2	120
Northwestern	60,0	119,8	100
Michigan State	37,0	90,3	144

Source: BusinessWeek (2002)

Harvard average salaries offers are almost 50% higher than Michigan State - a proof of its brand strength in the job market. The average increase boosted by the degree is the lowest, explained by the best quality of candidates accepted. MSU holds the highest increase due to the candidates' but lowest mean admission salary, also almost 50% of Harvard , all in accordance to brand images in the job market.

### **STAGE 7 - ABOVE AVERAGE CAREERS AND PERFORMANCES.**

This last stage is hard to quantify or even construct tables but much of it is a consequence of previous stages and is reinforced by those selected few that join these Top Brand **Business** Schools due to their family ties, political positions and the perceived placement they will reach upon graduation.

As mentioned, is part of American culture that is wide spreading in this now globalized world, to frequently attach to a public figure mention, his educational background. This is even a more common aspect of the business community.

A Saudi Arabia's former oil minister was connected to Harvard, as was the case of a former U.S. Secretary of State. An important member of an Arab country royal family went to Yale, as is the case of a former U.S. president's daughter. Political considerations aside, President Bush is often mentioned as a Harvard Business School alumni.

Top brand Business Schools use these top performers as their ambassadors in the job market, to constantly boost the differentiation and uniqueness perception of their brands.

### **7.3. VIRTUOS CYCLE BRIEFLY STATED**

Selected above average candidates make above average students. Above average students who study with above average faculties in fierce competitive environments, tend to become above average MBA graduates.

These above average graduates tend to receive above average placements and salaries offers, burning important steps in their careers in the process and showing an above average performance.

These above average career alumni create financial bonds with their alma mater, allowing ever-increasing improvements on faculty and teaching quality. They also serve as the main motivator for MBA candidates, increasing their numbers on top brand business schools' selection process which result in above average selected candidates.

## **8. THE MOST RESPECTED U.S. MBA PROGRAMS RANK AND PROFILES**

MBA candidates need solid numbers to quantify and solidify these job market perceptions. Candidates from all over the world, usually refer to three top surveys numbers, published by periodical publications from the business environment. The virtuous cycle described above, needs those data numbers to reinforce some of its assumptions.

These publications definitely had a positive impact on business schools' branding, receiving also criticism from some business professors like Dr. Zimmerman (2002) from the Rochester University Business School, who pointed out the overreacting effect on the schools short term strategies at the loss of long term actions like research which is not always considered a priority in the job market myopia.

The criteria used by these publications, vary from one another, which naturally resulted in distinct data. Nevertheless consistency was achieved with almost the same names appearing on the top 30 ranks, minor discrepancies left only on their positions. The fundamental items of all surveys are students' and major corporations recruiters' opinions, present every year on most US campuses, on their search for "hidden gems", possible "Steve Jobs" on the making. These interviewers tend to bring and be the market feed back of previous graduates performance, thus their importance as the job market perception reference.

The competition between schools is fierce and normally results in a constant reevaluation of their curriculum, placement departments along with students and faculty communication level, not to mention the "red carpet" treatment offered to recruiters. The end results at stake, are part of the brand strength, the brand promise continuity, a sure and secure source of another yearly Branding Virtuous Cycle.

### **8.1. BUSINESS WEEK**

It is the most prestigious bi-annual research publication in the field. Since its beginning back in 1988, it has given emphasis to two areas:

- a) Students opinions on all school's areas including curriculum, faculty, placement efforts, installations, communication, and
- b) The job market opinion, expressed by corporate recruiters.

From 2001 onwards it added a 10% weight on its evaluations for the research and publications made by the schools' faculties, leaving 45% for each of the two above items. The 2002 evaluation collected the opinion of 11, 5 thousand MBA students from 88 schools, a 68% response over the 16, 9 thousands students originally contacted with a 46 questions formulary, all of them in a scale ranging from 1 to 10 for improved result.

Answers given in 2002 represent 50% of the total grade, leaving the remaining value equally divided by the answers given by 6 thou students in 2001 and 10 thou in 2000 - a BusinessWeek effort to dilute the effect of short term measures taken by Business Schools based on previous rankings and profiles.

The job market opinion came from 219 professional recruiters of big corporations, out of an universe of 420 firms originally questioned - a 52% response, direct result of the present economic downturn with the mergers, acquisitions, and reorganizations that spread throughout

almost every corner of the US economy in the past couple of years. The final item – research and publications – was developed by Business Week staff, through the analysis of 19 specialized and scientific publications in the Business Administration area.

The final publication offers an initial rank of the Top 30 B-Schools as shown on Table 8. It is part of each school evaluation, a full package of analysis, individual data ranging from its year of foundation, previous ranks, faculty size, number of students and their origins, costs, areas of concentration, among others. These data were used extensively on the virtuous cycle analysis.

**Table 8 – Top 30: Business Week’s rank of the best MBA Programs**

<b>THE THIRTY BEST US GRADUATE SCHOOLS OF BUSINESS</b>	
1° <b>Northwestern (Kellogg)</b>	16° U.C.L.A. (Anderson)
2° Chicago	17° Southern California (Marshall)
3° <b>Harvard</b>	18° University of North Caroline (Kenan-Flager)
4° Stanford	19° Carnegie-Mellon
5° Wharton	20° University of Indiana (Kelley)
6° M.I.T.	21° University of Texas (McCombs)
7° Columbia	22° Emory (Gouizeta)
8° University of Michigan	23° <b>Michigan State (Broad)</b>
9° Duke (Fuqua)	24° Washington (Olin)
10° Dartmouth	25° Maryland (Smith)
11° Cornell	26° Purdue (Krannert)
12° Virginia (Darden)	27° Rochester (Simon)
13° Berkeley (Hass)	28° Vanderbilt (Owen)
14° <b>Yale</b>	29° Notre Dame (Mendoza)
15° Stern (New York)	30° Georgetown (McDonough)

Source: BusinessWeek (2003)

## 8.2. THE WALL STREET JOURNAL

It is considered in the business world as the most elitist and reputable publication of its kind, the most representative forum of “Corporate America” and multinationals enterprises. It’s 2002 annual survey of the Best B-Schools published in 2002, is the second in conjunction with Harris Interactive, a research institute specialist. The research results are exclusively taken from the opinion of 2.2 thou corporate recruiters whose job, as mentioned, is the yearly campus screening of new MBA graduates.

The methodology used concentrates on five main objectives, as described on The Wall Street Journal – WSJ CareerJournal.com web site:

1. Rate as many programs as possible on a broad range of characteristics by as many recruiters as possible.
2. Conduct a rigorous rating without introducing unfair bias.
3. Create an interesting and enjoyable experience for participating recruiters.
4. Provide useful results to students, recruiters and the schools
5. Be open with schools and recruiters about the methodology and calculation of the scores and rankings.

In its results presentation, it states, “Big brand-names business schools are back in favor with corporate recruiters”. In the survey’s first year many small schools received good grades from recruiters partly as a result of previous negative experiences with graduates from big brand name

business schools. The 180 degrees shift on the job market with an ever decreasing number of firms recruiting on campus in the last two years, cooled down students attitudes and arrogance from these schools, resulting in a better evaluation on the second year survey.

Schools were analyzed on twenty six attributes including recruiters' perception of schools curriculums and their practical use, students communication, team effort, leadership and decision making capabilities, faculty and career offices. Part of their evaluation came also from their companies past experiences with the schools graduates. Alumni are still the school's best brand assets.

Pfizer's recruiting manager Michael Fauerbach quotes - "top students from less prestigious schools like Michigan State are as outstanding as the ones from the big-brand B-Schools. These schools tend to have better average students, but then again, that's not what we are looking for". Table 9 describes the main programs ranked by The Wall Street Journal (CareerJournal.com – 2002):

**Table 9 – Top 30: The Best MBA Programs by The Wall Street Journal Survey**

<b>BUSINESS SCHOOLS</b>	
1° Dartmouth	16° Maryland (Smith)
2° Michigan University	17° Emory (Gouizeta)
3° Carnegie-Mellon	18° Ohio State (Fisher)
4° <b>Northwestern (Kellogg)</b>	19° Cornell
5° Wharton	20° Virginia (Darden)
6° Chicago	21° IMD (foreign)
7° University of Texas (McCombs)	22° Rochester (Simon)
8° <b>Yale</b>	23° Wake Forest (Babcock)
9° <b>Harvard</b>	24° Stern (New York)
10° Columbia	25° Duke (Fuqua)
11° Purdue (Krannert)	26° Vanderbilt (Owen)
12° University of North Carolina (Kenan-Flager)	27° ITESM (foreign)
13° <b>Michigan State (Broad)</b>	28° IPADE (foreign)
14° University of Indiana (Kelley)	29° Southern Methodist (Cox)
15° Berkeley (Hass)	30° M.I.T.

Source: Wall Street Journal – CareerJournal.com (2002)

### 8.3. U.S. NEWS & WORLD REPORT

This weekly publication, considered among the top three of its kind in America, has a stronger elitist appeal, concentrated on domestic news and the American domestic market, a major differential from the other two publications.

Its research methodology starts with the survey made on 352 Universities accredited by the AACSB – 270 respondents with 125 full time MBA programs, on eight major items. A separate survey with programs' deans and directors, as well as business recruiters was also conducted.

The balanced sum of pattern results from these eight criteria is described below and made the final rankings:

1. Program quality – assessed by peer academia – Weight = 0,25
2. Program quality – assessed by recruiters – Weight = 0,15
3. Mean Starting salaries – as received by new graduates – Weight = 0,14

4. Job placement rate – at graduation – Weight = 0,07
5. Job placement rate – after 3 months of graduation – Weight = 0,14
6. Average GMAT exam results of students accepted by the program - Weight = 0,075
7. Average undergrad GPA results of students accepted by the program – Weight = 0,075
8. Percentage of applicants rejected on the program selection process – Weight = 0,0125

After all numbers were weighted and scored, the top program was assigned a 100 value while the other school's programs were assigned a percentage of this maximum number. Some programs showed identical results and thus were showed as tied on Table 10:

**Table 10 – Top 30: The best U.S. MBA programs The U.S. News & World Report Survey**

<b>BUSINESS SCHOOLS</b>	
1° Stanford	16° Cornell
2° <b>Harvard</b>	17° University of North Caroline (Kenan-Flager)
3° Wharton	18° Carnegie-Mellon
4° M.I.T.	19° University of Texas (McCombs)
5° Northwestern( <b>Kellogg</b> )	20° Southern California (Marshall)
6° Duke (Fuqua)	21° Indiana (Kelley)
7° Chicago	22° Emory (Gouizeta)
8° Columbia	23° Rochester (Simon)
9° Dartmouth (Tuck)	24° <b>Michigan State (Broad)</b>
10° Berkley (Hass)	25° Georgetown (McDonough)
11° University of Michigan	26° Ohio State (Fisher)
12° Virginia (Darden)	27° Minnesota (Carlson)
13° Stern (New York)	28° Purdue (Krannert)
14° <b>Yale</b> / University of Indiana (Kelley)	29° Brigham Young (Marriott)
15° U.C.L.A. (Anderson)	30° Vanderbilt (Owen)

Source: U.S. News.com – First Stop: College (2003)

#### 8.4. SUMMARY OF RESULTS

A reasonable pattern of convergence was shown in the three surveys in spite of unequal methodologies, an important data used on brands analysis, reinforcing their universal perception in the market. From the ninety possible different brands ranked, only six were ranked only once and other five ranked by two surveys. All the other programs and brands, that showed up on all three surveys in possible different positions are included on Table 11:

**Table 11 – List and Ranks of the Top MBA Programs Published by All Three Surveys - 2002**

<b>SCHOOL</b>	<b>BUSINESSWEEK</b>	<b>WALL STREET JOURNAL</b>	<b>U.S. NEWS</b>
Northwestern	1	4	5
Chicago	2	6	6
Harvard	3	9	2
Wharton	4	5	3
M.I.T.	6	30	4
Columbia	7	19	8
Michigan	8	2	10
Duke	9	25	6
Dartmouth	10	1	9

Cornell	11	9	16
Virginia	12	20	10
Yale	13	9	13
Berkley	14	15	10
Stern	15	24	13
North Caroline	18	12	17
Carnegie Mellon	19	3	18
Indiana	20	14	21
Texas-Austin	21	7	18
Emory	22	17	22
Michigan State	23	13	24
Purdue	26	11	28
Rochester	27	22	23
Vanderbilt	29	26	29

Big exception on this table are a) Stanford, ranked 1<sup>st</sup> by US News, 4<sup>th</sup> by BusinessWeek and b) UCLA, ranked 15<sup>th</sup> by US News and 16<sup>th</sup> by BusinessWeek. Both were not ranked by WSJ survey. This is a direct result of California's Business Schools image on the job market – more arrogance than substance - as described by corporate recruiters (BusinessWeek, 2003) and (WSJ 2003).

All three surveys stressed the global appeal that the top brands Business Schools enjoy in the job market. Their uniqueness and differentiation aspects have cross geographical borders, increasing its value. Table 12 of the four brand schools picked for this study, shows that foreign candidates are already a common part of top brand U.S. MBA programs, adding even more exclusivity to their perceptions, a sure bet to better careers and salaries. (Carmichael, 2003)

**Table 12 – Non-American Students in U.S. MBA Programs (% Class of 2002)**

SCHOOL	EUROPE	ASIA	LATIN AMERICA	MIDDLE EAST	OTHER	TOTAL
Harvard	n/a	n/a	n/a	n/a	n/a	32%
Yale	8%	15%	7%	1%	2%	34%
Northwestern	7%	13%	7%	1%	4%	32%
Michigan State	0%	22%	3%	3%	2%	30%

Source: BusinessWeek (2002)

## 9. CONCLUSIONS.

Brands and branding are Marketing's next step into consumers' satisfaction through the reduction of stress and anxiety inherent to the every purchasing decision process. By the same token, they are the ultimate tool at disposal to producers of goods and services in their quest to differentiation and uniqueness on the market perceptions and images. The market "Valhalla", everybody's dream, are now Brands of Passion, who derive customers loyalty from the feelings, emotions, personalities and images associated with the brand name. This loyalty beyond questioning resulting in premium prices and positive financial results, are branding strategies objectives.

Branding, the management effort aiming towards increasing the brand value, is now a vital business strategy for survival in an ever-increasing competitive market. It is a step ahead of



Marketing's usual functions and it deals mostly with consumers' behavior theory, motives and motivation.

All these rules apply extensively to the Educational System throughout the world but, only American Universities have discovered the value of branding and U.S. Business Schools have mastered it into a virtuous cycle that is setting them completely apart from other schools domestically and abroad (Kantrowitz, 2003).

New challenges as increasing costs, higher students demands, lower government funds and reduce corporate endowments are being fought competently by these top brand Business Schools Virtuous Cycle, a branding strategy that is guaranteeing success. It is the use of the techniques taught, researched and demonstrated on their courses.

**The branding virtuous cycle on top brand American Business Schools enhance the brand value in a self-feeding and self-perpetuating mode, as expressed by the numbers collected by the three foremost surveys in the field, which emphatically express the job market brand names' images and perceptions. These data are ultimately closely watched by both job market and MBA candidates, in their quest for expressing images and perceptions in a quantitative and ranked way, a basic concept of the virtuous cycle, that becomes part and almost basic "helping hand" of the process they help describe.**

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