



# Positioning Strategy to Attract International Master Students

– Católica Lisbon Case Study

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**Abstract (EN)**

**Dissertation Title:** “Positioning Strategy to Attract International Master Students – Católica Lisbon Case Study”

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Católica Lisbon is a leading Portuguese business schools that managed to establish itself within the Top25 of European business schools.

During the next decade Católica Lisbon aims to further grow and improve the reputation of its Master of Science programs. The big challenge for the Portuguese business school thereby is to attract a greater number of diverse and high quality international students in a strong competitive environment. In order to evaluate if the current marketing and positioning strategy is adequate to achieve this mission, it is crucial for Católica Lisbon to understand international students and their decision patterns to choose a business school.

This dissertation aims to analyze which drivers influence a student’s choice and if international business students differ in how much they value hedonic and utilitarian dimensions in their decision. The literature review of this thesis gives an overview about hedonic and utilitarian decision making and introduces findings of previous researches in the area of higher education marketing. The case study describes the above stated challenge of Católica Lisbon in the context of its history and the developments in the European higher education market.

Findings of a market research among international business students reveal that there are segments of utilitarian and hedonic-utilitarian driven students. These segments differ significantly in the importance they attribute to different factors in their choice and how likely they would choose a business school with Católica’s features.

**Keywords:** Marketing, Strategy, Positioning, Targeting, Higher Education Marketing, Católica Lisbon, Hedonic Utilitarian Decision Making, Nova SBE, Hedonism, Utilitarianism

## **Resumo (PT)**

**Título da Dissertação:** Estratégia de Posicionamento para Atração de Estudantes Internacionais de Mestrado - Caso de Estudo Católica Lisbon"

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A Católica Lisbon é uma proeminente Escola de Gestão Portuguesa que conseguiu estabelecer-se no Top 25 Europeu de Escolas de Gestão.

Durante a próxima década, a Católica Lisbon ambiciona crescer ainda mais e melhorar a reputação dos seus programas de Mestrado em Gestão. O seu grande desafio é como tal a atração do maior número de candidatos internacionais de alta qualidade, numa indústria bastante competitiva. De forma a avaliar se a sua atual estratégia de marketing e posicionamento é adequada ao objetivo pretendido, é crucial que a Católica Lisbon compreenda os seus clientes internacionais e o seu processo de tomada de decisão.

Esta dissertação visa analisar que fatores influenciam a escolha do estudante e se estudantes internacionais diferem entre si na sua avaliação de dimensões hedónicas e utilitárias. A Revisão Literária desta tese fornece uma visão geral sobre a tomada de decisão hedónica e utilitária e introduz resultados de diversos estudos na área da Educação Superior. O Caso de Estudo descreve o desafio da Católica Lisbon citado acima no contexto da sua história e do seu desenvolvimento no mercado europeu de Educação Superior.

Os resultados do Estudo de Mercado revela que há estudantes motivados por fatores utilitários e estudantes motivados por fatores hedónico-utilitários, e que estes dois segmentos diferem significativamente no que respeita aos factores que mais valorizam na sua escolha, e na propensão de escolha de uma escola de gestão com as características da Católica Lisbon.

**Palavras-Chave:** Marketing, Estratégia, Posicionamento, Targeting, Marketing de Educação Superior, Católica Lisbon, Tomada de Decisão Hedónica Utilitária, Nova SBE, Hedonismo, Utilitarismo.

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*My dissertation deals with the decision of international business students where to study for their master's degree. I myself had to take this decision two years ago. Today I can say that doing my master's studies at Católica Lisbon was definitely the right choice. I had an amazing time, grew academically as well as personally and I feel perfectly prepared for what's coming next.*

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**List of abbreviations**

AACSB	Association to Advance Collegiate Schools of Business
AMBA	Association of MBA's
BCG	Boston Consulting Group
BS	Business School
CBS	Copenhagen Business School
CEMS	Community of European Management Schools and International Companies
ECTS	European Credit Transfer System
EHEA	European Higher Education Area
EQUIS	European Quality Improvement System
ESADE	Escuela Superior de Administración y Dirección de Empresas
EU	European Union
EUR	Euro
FT	Financial Times
GMAT	Graduate Management Admission Test
GPA	Grade Point Average
LBS	London Business School
MBA	Master of Business Administration
MIM	Master in International Management
Nova SBE	Nova School of Business and Economics
ICT	Information and Communications Technology
MIT	Massachusetts Institute of Technology
NYU	New York University

Ph. D.	Doctor of Philosophy
UK	United Kingdom
WHU	Wissenschaftliche Hochschule für Unternehmensführung (scientific university for management)
\$	Dollar

# 1 Introduction

Católica Lisbon is facing a major strategic marketing challenge. In order to achieve its growth strategy for the MSc programs, the Portuguese business school needs to attract more international high quality business students. Thereby it is crucial for the university to understand how the customer group of international business students chooses a business school and which the factors are that influence the decision the most.

Previous research about decision making outlines that there are two contrary fields of drivers within the decision making process, a utilitarian one and a hedonic one, and that a product choice is driven by *both* utilitarian *and* hedonic factors (Voss, Spangenberg & Grohmann, 2003). It can be concluded that for the students' choice of an educational offering like the master's program of a business school - a service by definition – there should be also hedonic and utilitarian drivers. In the end the choice itself should be influenced by both types of factors to different extends. Hereby it is expected that international business students cannot be treated as one homogenous group, but rather that there are patterns and similarities within specific groups of these students.

Besides its international reputation, Católica Lisbon also offers very strong hedonic benefits to its customers. The right positioning and marketing strategy could be the key for Católica to increase its attractiveness for international business students.

## 1.1 Problem statement

How should Católica Lisbon position itself in order to attract a greater number of high quality international business students?

## 1.2 Key research questions

1. Do international students differ in how much they value utilitarian and hedonic dimensions in their choice of a business school's master's program? [Hedonic versus Utilitarian decision makers]
2. Which are the decision criteria of Católica Lisbon's target customers when choosing a business school's master's program and how do they influence their choice?
3. Which touch points does a business school have with the potential target students and which are the ones that influence the student's decision making process the most?

### **1.3 Methodology**

The insights of this dissertation derived from both primary and secondary data. A literature review containing relevant articles from international top journals introduces the theoretical background for this thesis. For the development of the case study, three interviews with the Dean, the Vice Dean and the Head of the Marketing & Admissions office of Católica Lisbon as well as nine interviews with international business students were conducted. Quantitative data was gathered through an online questionnaire.

## **2 Literature Review**

This chapter introduces the theoretical foundation for this dissertation.

### **2.1 Marketing in the education sector: A service marketing oriented approach**

Chapter 2.1 defines education a service and gives theoretical implications from a service marketing perspective.

#### **2.1.1 Definition and evolution of Services Marketing**

The definition and classification of services in demarcation to (tangible) goods is a topic controversially discussed in the marketing literature. By reviewing the research conducted in this field Zeithaml, Parasuraman, and Berry (1985) worked out four characteristics, which distinguish services from goods, namely:

- Intangibility – services are intangible performances rather than sensible and touchable objects,
- Heterogeneity – because of their high dependency of different actors and circumstances involved, the service performance comes with high variation,
- Inseparability – production and consumption happens at the same time, therefore making the process highly interactive; and
- Perishability – services cannot be stored like goods. (IHIP)

These four service characteristics shaped the definition of services marketing. But as the service industry started to account for an increasing share of the economy, the service characteristics approach faced more and more critiques arguing that it arose from a time when manufacturers' perspectives were predominant (Vargo and Lusch 2004b; Gummesson, 2007). Instead and by revising the “four service marketing myths”, Vargo and Lusch (2004) argued in favor of a more service oriented approach for the marketing discipline in general. Lovelock and Gummesson (2004) even went a step further and propose a new rental/ access paradigm, in which the distinction of services (and goods) focuses rather on the ownership situation of objects. Services thereby characterize transactions in which the customers gain benefits of objects without a transfer of ownership.

A recent work of Moeller (2010) comes back to the IHIP characteristics but puts them into the stages of the service provision process to identify the situations in which they really apply.

Summarizing the findings of relevant literature, it can be concluded that services marketing follows different rules than the marketing of tangible goods. The inseparable interaction with the customer in the production process as well as the difficulty to "store" services thereby play a crucial role (Zeithaml, Parasuraman & Berry, 1985). Important managerial implications that derive from the distinction of services are to focus on customization and customer involvement in order to increase customer value (Vargo & Lusch, 2004). Capacity and price management can be used in order to overcome the problem of fluctuations of demand (Moeller, 2010).

### **2.1.2 Classification and marketing implications for education as a service**

According to Miles (2008), educational offerings are classified as services and serve as an input to the economy. Their purpose is to train individuals by creating, organizing and reproducing knowledge.

In order to better understand similarities and patterns between different services and to derive valuable managerial marketing implications, Lovelock (1983) developed five classification schemes for services. Education hereby finds itself being classified as a service that addresses people's mind. It is offered in a fixed continuous relationship between provider and consumer with a rather low level of individual customization but a high influence of service contact personnel on the service output.

Based on these classifications, the same author gives the following managerial implications: As a service where customers need to be mentally (and physically) present, customer interaction plays a crucial role for the customer satisfaction. Available customer data should be used for segmentation purposes in order to shape marketing communication and pricing strategies. Furthermore there is a high importance for educational institutions to understand the customer choice criteria in order to find the right balance between standardization and customization of offerings and to develop a strong competitive positioning.

## **2.2 Consumer Behavior: Hedonic and utilitarian dimensions of the consumer decision making process**

Previous research has found that the decision making process of consumers is influenced by utilitarian and hedonic dimensions. The findings hereby offer different perspectives on how consumers perceive hedonic and utilitarian values of brands and product classes and how these perceptions affect consumer's choices.

Hirschman and Holbrook (1982) defined hedonic consumption as those aspects of the consumer behavior that are driven by affective and sensory experiences like emotions and fantasies. Utilitarian aspects on the contrary refer to instrumental and goal oriented consumption experiences that are more cognitively driven (Strahilevitz & Myers, 1998). Building up on these definitions, Botti and McGill (2011) argue that hedonic experiences follow intrinsic motivations whereas utilitarian experiences are rather extrinsically motivated.

A somewhat similar but slightly different explanation for a hedonic and utilitarian phenomenon gives the work of Bazerman, Tenbrunsel, and Wade-Benzoni (1998). The authors distinguish between a want-self and should-self on an intrapersonal level to explain consumer tensions in the decision making and consumption process. In a world of many options, "Wants" hereby classify affective and emotional choices. "Shoulds" on the other hand refer to rather rational and cognitive decision considerations.

Hedonic and Utilitarian aspects in consumer behavior have been studied in various contexts. The following paragraph gives a short summary about findings related to consumer behavior and the consumer decision making process.

Okada (2005) shows that a hedonic alternative is preferred over a utilitarian one when each of them is presented separately. Contrarily, the preference switches when both alternatives are presented jointly. This preference reverse is explained by the higher degree of justification, which a hedonic choice requires when comparing to the utilitarian option. Furthermore Okada's studies reveal that consumers would rather pay in time for hedonic purchases whereas money is the preferred currency for utilitarian purchases. Research of Dhar and Wertenbroch (2000) find that the decision making process between hedonic or utilitarian choices is highly influenced by the consumer's initial situation and the trade-offs that come with the choice. Hedonic benefits hereby are significantly different from utilitarian benefits. The former ones add value for the consumer in terms of enjoyment and aesthetics while the latter ones are beneficial through instrumental and practical functionalities (Chitturi, Raghunathan & Mahajan, 2008).

When it comes to the measurement and classification of hedonic/ utilitarian consumer perspectives on goods and product classes, findings and conclusions changed throughout the time. Building on the work of Hirschman and Holbrook (1982), Batra and Ahtola (1991) suggest a bidimensional explanation for product classification, products being either hedonic or utilitarian. Yet, it has to be noted that the developed hedonic/ utilitarian scales were only tested on a brand level. This limitation was criticized and used by Crowley, Spangenberg and Hughes (1992) in order to analyze the discovered attitudes also on a product category level. Their results support the argument that hedonic/ utilitarian dimensions of consumer attitudes are clearly separable and measurable, but raised concerns about the applicability of Batra and Ahtola's (1991) measurement scales. On a product category level the scales were not applicable and could not prove a distinct classification between hedonic or utilitarian product categories. In fact, the study revealed that except of some outliers the great majority of product categories showed both hedonic and utilitarian features in the consumers' perception. A more recent research of Voss, Spangenberg and Grohmann (2003) as well supports the approach that for the consumer, products do not necessarily fall in one of the two ends, hedonism or utilitarianism, but rather consist of both high or low hedonic and utilitarian dimensions.

### **2.3 Insights on students' decision making process of choosing a university – implications for university marketing**

This section closes with academic insights about the customer (students) choice perspective and its implications for university marketing. As the top marketing journals have not addressed this topic explicitly, the following findings rely primarily on the Journal of Business Research and other more specialized Journals for Higher Education.

Several authors outline that educational institutions (just like business organizations) more than ever find themselves in a competitive market environment in which they, as service providers, need to understand and satisfy customer needs as well as engage in the marketing mix in order to attract their customers (Vronti, Thrassou & Melanthiou, 2007; Gai, Xu, & Pelton, 2016; Petruzzellis & Romanazzi, 2010). Especially in the case of international students and Graduate programs, universities nowadays compete already *globally* due to easier information access, globalized markets and a higher student mobility (Gai, Xu, & Pelton, 2016). In order to reach customer satisfaction and thereby a higher attractiveness, it is extremely important to understand the needs that influence the decision making process of a student when choosing a university (Vronti, Thrassou & Melanthiou, 2007).

Vronti, Thrassou and Melanithiou (2007) combined representative research and models of consumer behavior and decision making to illustrate the “education student-choice process” of students in developed countries as a five-stage model. The decision making starts with need recognition followed by the stages info search, evaluation of alternatives and purchase and ends in a post consumption evaluation. Thereby the process is influenced by individual determinants of the students such as socio-demographic (background, sex, religion etc.) and personal attributes (lifestyle, beliefs, aspiration etc.) as well as by environmental determinants like cultural or economic conditions. The authors conclude that marketing communications is increasingly important for creating need recognition while the information search for students gets more complex. However, due to technology enhancement a shift of power towards the customer is observable. The same one requires a more liberal education, innovative approaches and personal customer care. Alongside with these conclusions, Petruzzellis & Romanazzi’s (2010) findings highlight the active role of the consumer, the growing consumerism and the need for universities to engage in the marketing mix in order to match university related and student related factors.

Drewes and Michael’s (2006) study of Canadian university applications in Ontario revealed that in a rather heterogeneous market with just public universities and similar tuition fees, students’ preferences of universities was significantly affected by the distance from home and the availability of scholarships (tuition fees). Furthermore choices were also directed by previous academic performances of the student. In a more global context analyzing Chinese applicants of U.S. universities with a netnographic approach<sup>1</sup>, Gai, Xu, and Pelton, 2016 found that the rankings of the university, the location, its alumni network, the composition of students as well as the word-of-mouth effect like recommendations played a crucial role in the decision making process. The study of Voss, Gruber and Szmigin (2007), conducted at a European university, showed that for the surveyed students the preparation for the professional career weighted higher than academic interests. European students furthermore seek for self-esteem, well being and hedonism, which can only be acquired through security in the first hand, that is the feeling of being prepared for their future profession.

In the context of differentiating oneself from the competitors in the higher education sector, several authors point out the importance of building a strong brand (Vronti, Thrassou & Melanithiou, 2007; Dennis et al., 2016; Wæraas & Solbakk, 2009). Dennis et al. hereby suggest focusing branding efforts more on the improvement of customer satisfaction instead

<sup>1</sup> The analysis of user-generated content in a virtual consumer forum.

of building prestige – this would result in a stronger brand attachment. A higher brand loyalty is achieved when customers identify themselves with the academic learning experience (Lowrie, 2007). However, Wæraas and Solbakk (2009) conclude that defining and consistently communicating the essence of a brand is difficult for universities due to their complexity.

Prospects of future marketing challenges for universities forecast a higher demand for price-value, an increasing competition for private universities against public universities and a rise of strategic marketing (functions) (Hayes, 2007).

### 3 Case Study

It was a warm and cloudless evening in May 2017. Francisco Veloso, the Dean of Católica Lisbon School of Business and Economics, stood in front of the window of his office in the fourth floor. He looked towards the horizon. Somewhere behind all the buildings he could imagine how the sun was disappearing behind the Tejo and turning the sky into a lucent red color festival.

Francisco Veloso was in his last months at Católica Lisbon. After five years, he would leave the Portuguese business school towards England to lead the Imperial College London.

Looking back at his time as the Dean of Católica Lisbon, he was quite proud of what Católica Lisbon had achieved in the recent past. 2016 had been the best year and preliminary peak of the school's history, and also of his career. The international standing of the university had never been better, revenues never been higher. The offer to become the Dean of Imperial College London was clearly also a confirmation of his good work at Católica Lisbon. Although looking forward to the new challenge in England, he was also a bit sad to leave his matter of the heart behind. Before going, Francisco Veloso wanted to prepare everything to guide Católica into a successful future.

The Dean saw the university heading in a positive direction, but one challenge caused some concerns: In order to fulfill the vision of becoming one of the Top10 business schools in Europe, he knew that the school needed to further grow. This also included the MSc programs and here was where Católica was facing the big challenge. At a national level, the demand to study at Católica Lisbon was sufficient to follow the growth strategy. But for the attraction of international top students, the school was competing against many other international business schools and furthermore a strong national rival...

How should Católica Lisbon position itself to attract a larger number and a more diverse group of high quality international students? How could Católica's MSc programs actually grow while at the same time increasing the quality of its student body?

#### 3.1 Católica Lisbon

Católica Lisbon School of Business & Economics is a private Portuguese business school<sup>2</sup> that was founded in 1972, two years before the Carnation Revolution<sup>3</sup> and the end of

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<sup>2</sup> See definition of a business school in Appendix 1.

the dictatorship Estado Novo. At the time of its establishment, Católica Lisbon was the first and only university in Portugal that offered business studies for students on an Undergraduate level.

From its beginning, “Católica’s DNA was defined as to deliver and attract high level quality in the area of business and economics”, stated Vice Dean José Guilherme de Almeida e Brito. “This concerned academic research, education as well as the attraction of the best teachers and students. Already in the early stages and before many other European schools, we started to implement challenging admission and recruiting standards for both students and teachers in order to build and retain a high quality within the institution”, he elaborated.

### **3.1.1 Becoming the leading business school in Portugal**

In the years after the Carnation Revolution when the private economy in Portugal started to grow again, Católica Lisbon managed to establish itself as the leading Portuguese university for business studies.

By the late 80’s, Católica Lisbon had already built up a strong Alumni network within the Portuguese economy – at a time when the state for the first time strongly invested in state schools, resulting in a higher competition in the higher education<sup>4</sup> sector in Portugal. “With prices five to six times higher than competing state universities, we more than ever had the pressure to exceed in quality”, remembered Professor José Guilherme. This led the school to pursue a strategic move, from which it was still benefitting around 30 years after: “In the late 80’s we decided to award scholarships to the best 30 Católica Alumni to pursue their PhD’s at the best universities of the world - with the hope that they would return to Católica Lisbon as teaching professors, afterwards. This strategy paid off. If you have a closer look at our teaching professors today, you will notice that a lot of them were educated in some of the best universities of the world like Stanford University or MIT,” was the Vice Dean (himself with a Ph.D. in Finance and a MBA from NYU) proud to say. “With this step, the school built its foundation for future academic excellence and adopted many of the procedures and approaches of these top universities,” he stated.

In the beginning of the 90’s, Católica Lisbon invested in a new building to further differentiate itself. The need for financial resources and additional revenue streams moved the school to also target a more lucrative segment with its offering – the executives. In 1991 a

<sup>3</sup> See Appendix 1 for more information about the Carnation Revolution.

<sup>4</sup> See definition of Higher education in the Appendix 2.

first part time MBA with around 100 executives was offered. In 1992 this path continued and the Executive Education was launched, “a step that later turned out to become not only the major revenue stream but also a major competitive advantage for Católica Lisbon,” said Professor José Guilherme. “In contrast to many other business schools, our university today can serve the whole portfolio of programs with strong, already established offerings for executives.”

In 1996, Católica was one of the first universities in Europe to implement a promotion scheme for its professors that was much similar to the ones of the best American universities. This promotion scheme, which became another core strategy of Católica to strengthen its academic quality and reputation, had a strong emphasis on research as well as demanding requirements for professors to get promoted i.e. to publish academic articles within top journals in their fields.

### **3.1.2 Transformation into a prestigious international business school**

By the early 2000’s, Católica Lisbon was considered Portugal’s leading business school. However, the school found itself being still very national with a faculty and student body almost exclusively from Portugal. With upcoming and promising opportunities resulting from the Bologna process, the management of Católica saw the chance to aim higher. Professor Guilherme remembered the day, “when it became explicit what was already implicit: Católica would become more international. The claim was no longer to be just a Portuguese top business school, but also to become one of the leading European schools in the field of business and economics.”

The Bologna process: Starting from 1999, the Bologna process was initiated as a series of ministerial conferences in order to create a harmonization of educational offerings in Europe. Its name goes back to the University of Bologna, where the first declaration was signed. As a result of the Bologna process, the European Higher Education Area (EHEA) with a European Credit Transfer and Accumulation System (ECTS) as well as a new framework of higher education qualifications including a Bachelor’s degree (typically 3-4 years & 180-240 ECTS), a Master’s degree (typically 1-2 years & 60-120 ECTS) and a doctoral degree (3-4 years of research) were created. The EHEA is built on the key values such as “freedom of expression, academic freedom and autonomy for institutions” and has the “main goal to increase staff and students’ mobility and to facilitate employability” (EHEA, 2017). An underlying goal of the Bologna process was to increase competition among European universities in

order to build up a new class of top universities that was able to compete with their benchmarks from overseas.

The transformation process of Católica into a European top school was realized fast. Soon after the new strategy was announced, Católica started to recruit international professors directly from the United States. About 15 years after, the share of international professors had already increased from 0 to 40%.

In order to gain international recognition and to build up a reputation beyond the borders of Portugal, international proofs of quality were essential. Therefore, in 2006 Católica decided to enter the process of the Triple Crown Accreditation, an accreditation by the three largest international business school associations. At that time only around 50 business schools worldwide were certified with the Triple Crown. Once again, the Portuguese university achieved the required changes very fast benefitting from a small and flexible institution body. In a period of just 18 months the accreditation was completed.

For several other reasons, 2007 was a breakthrough year for Católica Lisbon: A PhD partnership with Carnegie Mellon University – one of the top U.S. universities in the field of business – was established and first negotiations about a collaboration for a joined Executive Education program began. In the same year, the Lisbon MBA in cooperation with Nova School of Business & Economics and the Massachusetts Institute of Technology (MIT) was established. Both partnerships with MIT and with Carnegie Mellon University were milestones for Católica and could be seen as a tribute for its excellent academic work and offerings.

Another major step for building up a stronger international reputation was the placement in the Financial Times (FT) business school ranking, one of the most prestigious indicators for quality in the higher education business sector. As the first Portuguese business school, Católica Lisbon entered the FT European Business School Ranking in 2007, was ranked within the Top 50 in 2008 (47<sup>th</sup> position) and managed to climb up the ranks to the 23<sup>rd</sup> place in the FT ranking of 2016. This way of success also showed up in other dimensions. “2016 was the best year in the history of Católica Lisbon, not only in terms of the rankings. Our revenues and the interests in our programs were higher than ever,” recognized Professor Guilherme confirming that Católica’s chosen strategic path beard fruits.

By the end of 2016, Católica Lisbon had as much as 1,800 students, 100 faculty members and offered programs in the fields of business and economics on a Bachelor’s, Master’s, full-time and part-time MBA as well as on an executive level.

### **3.1.3 Outlook and vision**

Católica Lisbon's vision was nothing more than "to be among the top 10 European Business Schools within the next decade", as stated on the institution's website in May 2017 (Católica 2017). "The group of the top business schools has already built up a very strong reputation, but the ranks behind it are still not yet fully established. We do believe that it is possible for Católica Lisbon to enter the Top15 within the next years," defined Professor Guilherme the next milestone for the near future.

### **3.1.4 The MSc programs of Católica Lisbon**

In line with the Bologna requirements, Católica Lisbon launched its first Master in Science (MSc) program in 2007. This and the following MSc programs of the Portuguese business school were conceptualized for recent Bachelor graduates with little work experience and covered the whole spectrum of international management. From their beginning, the Master's programs were fully taught in English and aimed to attract international students and thereby foster the exchange between Portuguese and international students. However, in terms of their recognition and reputation, the MSc programs of Católica Lisbon could not keep up with their successful peers on the Executive level (see Table 1).

In 2014 the school revised its initial approach for the Master programs and followed students' demand for more specialized study interests. For the intake of 2017, Católica Lisbon offered six different fulltime MSc programs (3-4 semesters long, 90-120 ECTS): The International MSc in Management, a MSc in Economics, a MSc in Finance, a MSc in Management with specialization in Strategic Marketing, a MSc in Management with specialization in Strategy & Entrepreneurship and a MSc in Business. Furthermore double degree opportunities with nine different prestigious international business schools from Europe and America were offered including business schools like WHU (Germany), Università Commerciale Luigi Bocconi or BI Norwegian business school (see Figure 2).

#### **3.1.4.1 Master programs' strategy**

The ambition for the MSc programs was to improve their reputation and attractiveness by climbing up the ranks also in the FT Master in Management ranking.

With the specialization of the Master's programs and a stronger strategic focus on specific academic areas (Marketing and Entrepreneurship), crucial steps for achieving this goal had already been initiated and first results of the strategic changes could be seen. For the in-

take of the MSc programs 2017, the applications went up by 60% compared to 2016. The Dean was optimistic that this positive development would continue during the next years.

#### **3.1.4.2 Student body, tuitions and scholarships**

In total, Católica Lisbon accepted 350 students (average age of 23 years) per year to the MSc programs, 50% of which were international. The tuition fees for the different programs ranged from 9,500 EUR for a three-semester long Master in Management to 13,400 EUR for a two years double degree (see Table 11).

In order to be attractive for the top segment of students, Católica offered the Top+ Scholarship program for its MSc programs. This scholarship functioned as a partial waiver of tuition fees (from 25% up to 90%) and was granted to students “with an outstanding academic record” (Católica Lisbon, 2017).

### **3.2 The market of higher business education in Europe**

The Bologna process had changed the higher education market in Europe completely. With the harmonization of the education system through the EHEA and ETCS, an international higher education market in Europe was created. This market became more competitive than ever. “Suddenly universities competed not only against national players but also against other European universities,” remembered Professor Guilherme. In many aspects universities irrespectively of their profit or non-profit orientation had to follow more and more the same rules like normal business organizations with an increasingly powerful customer group of students on the other side.

“The international market for education in Europe is very young – this market exists maybe for ten, fifteen years. It is still a green field and establishing itself,” analyzed Francisco Veloso. “This is also a chance for Católica Lisbon,” he concluded.

#### **3.2.1 Developments and trends in the higher education market**

The EU Trends 2015 for Learning and Teaching in European Universities revealed that in the five years time period from 2010 the university landscape in Europe, besides the changes the Bologna process brought with it, was also much affected by the financial and economic crisis. State funds decreased and universities had to rely increasingly on private contributions. Through this development, a blurring between private and public institutions as well as a growing marketization in higher education took place. Furthermore an increase of student enrolments, a stronger focus on internationalization in universities as well as a greater attention on the positioning in rankings was observed. ICT developments enabled the rise of a new segment of online educational providers, which could develop itself into a main competitor of traditional universities in the future.

For the upcoming years in the EU as well as in the U.S., different studies predicted that the importance of international students for universities would further increase, that students would demand a higher return on their investments and that private institutions would face a stronger competition from public universities, which increasingly adopt marketing and business techniques of their private counterparts. Strategic marketing would become a key for student attraction. (European University Association, 2015; BCG, 2014)

### 3.2.2 International (business) students in Europe

After the Bologna process, students were no longer tied to national borders or national degrees. Increasing mobility opportunities and a stronger multicultural curiosity moved more and more European students to study outside of their home countries. According to Eurostat, the *total number of students in the EU-28 countries* mounted up to 19.6 million in 2013, 28.1% (5.5 million students) of which were enrolled in a Master's degree. Looking at the fields of study, 32.7% of the total student population in Europe (6.4 million students) and therefore the biggest share of students was enrolled in social sciences, business and law (Eurostat, 2015).

In 2012, the same source counted 663.7 thousand *European students studying in another of the other EU28 countries outside of their home countries*. This number corresponded to an increase of 87.36% in a 10-years time period when comparing to the same figure in 2002 (354.2 thousand students) (Eurostat, 2012). The *total number of foreign mobile students<sup>5</sup>* including students from outside of Europe added up to 1.48 million in 2014 (see Figure 3). Of those foreign students, in line with the total student population, the biggest share (35.9%, 519.5 thousand students) by far was studying in the field of social sciences, business and law (Eurostat, 2016).

When looking at the country of origin of mobile students in Europe it could be noticed that in “several of the EU Member States, the distribution by continent of origin of tertiary students from abroad reflected a common language or cultural ties, for example with countries that were formerly colonies,” said the corresponding Eurostat article. In Portugal this phenomena was also true: 35.1% of the foreign students were from Brazil, followed by students from Spain (4.3 %) and from Italy (2.1%) (Eurostat, 2016).

Besides the greater opportunities to study abroad, another technological market dynamic worked in favor of the customer group and increased its power against the educational service providers: The information transparency created by the internet. Students were not only more mobile but also much better informed than before. Through the World Wide Web they now had the chance to directly compare different offerings and choose study programs on an international level following their preferences. Independent rankings and accreditations as a sign of quality thereby became more impactful.

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<sup>5</sup> Students enrolled in a country different than their home country.

### 3.3 Competitive environment

For Católica Lisbon, the major ranking of reference and therefore also the benchmark for its competition was the Financial Times ranking of European business schools. Ranked 23<sup>rd</sup> in 2016, Católica Lisbon was directly competing against the other business schools in this ranking. Catarina Silva, Head of the Marketing and Admissions for the Master Programs of Católica Lisbon even went a step further: “Basically we are competing against every international business school, worldwide,” she said.

With the same position in the 2016 FT ranking and a similar target group, “the main competitor in Portugal is Nova School of Business and Economics (SBE),” she stated.

The Financial Times Ranking of European Business Schools is one of seven rankings of higher education management institutions that the business news and information company "Financial Times" publishes every year. It ranks business schools and universities that are specialized in the field of business/ management or related fields, taking into consideration indicators for quality such as number of articles published in top journals, salary of students three years after graduation, percentages of faculty with a PhD or the percentage of international faculty.

#### 3.3.1 Competitors in Europe

The Financial Times European Business School ranking 2016 included 90 business schools from countries all over Europe. The leading business schools in Europe were the benchmarks for Católica Lisbon and the ones the school wanted to compare itself with.

The Top12 business schools of Europe included universities like London Business School, HEC Paris, University of St. Gallen or the Erasmus University in Rotterdam (see Table 10). A benchmark with these business schools showed that “for a better placement in the FT ranking, Católica Lisbon has two major disadvantages: Its age and the level of salaries in Portugal,” realized Professor Guilherme. “Católica is a relatively young business school that is international for just ten years. Many of the Top12 business schools can look back to a much longer history. They are a very stable group that already had more time to establish their reputation,” he explained. “In terms of salary we cannot compete with other European countries due to the economic situation in Portugal.” This was especially harmful for Católica’s master in management programs.

### 3.3.2 Master's programs in Europe - Benchmarks

Compared to the benchmarks in Europe, Católica's MSc programs were significantly cheaper (with exception of St. Gallen and WU, see Table 1). On the other hand, a reported average salary of 44,989 \$ of Master in Management graduates three years after graduation was by far the lowest income within the Top25 European business schools and could be one of the major reason for the placement within the FT Master in Management ranking.

2016	2015	School name	Country	Programme name	Weighted sal. (\$)	Tuition (EUR) EU students (non EU)	No. english taught master programs (non executive level, non MBA)	No. Double degree opportunities	CEMS university
1	1	University of St Gallen	CH	MA in Strategy and Int. Management	101.502	9.117	13	>12	
2	2	HEC Paris	FR	HEC MSc in Management	89.793	32.400 (37.000)	6	20	YES
3	3	Essec Business School	SA	MSc in Management	85.365	33.000 (40.000)	9	13	
4	7	ESCP Europe	FR, UK, DE ES IT	ESCP Europe Master in Management	73.592	28.800 (36.800)	10	28	
5	5	Rotterdam School of Management, Erasmus University	NL	MSc in International Management	73.364	2.674 (22.664)	15	3	
6	6	London Business School	UK	Master in Management	78.156	35.250	4	1	YES
7	10	IE Business School	ES	Master in Management	81.491	35.200	2	-	
8	13	WU (Vienna University of Economics and Business)	AT	Master in Int. Management	63.948	0 (726.72)	7	5	YES
9	8	WHU Beisheim	DE	MSc in Management	98.360	12.000 (21.000)	3	13	
9	12	Esade Business School	ES	MSc in International Management	67.810	26.500	7	7	YES
11	9	Università Bocconi	IT	MSc in International Management	69.982	25.172	9	26	YES
...	...	...	...	...	...	...	...	...	...
17	31	Nova SBE	PT	International Master in Management	50.715	17.100	4	7	YES
...	...	...	...	...	...	...	...	...	...
52	59	Católica Lisbon	PT	International MSc in Management	44.989	10.000 - 11.500	6	9	

**Table 1: Extended Financial Times Master in Management ranking 2016<sup>6</sup>**

Regarding the number of offered programs as well as double degree opportunities, no clear conclusions about best practices could be drawn. However, it was remarkable that five of the eleven best ranked Master in Management programs were from universities of the CEMS Global Alliance.

CEMS Global Alliance in Management Education is an international cooperation of thirty leading business schools with more than 70 multinational companies and social partners

<sup>6</sup> Own created table referring to the Financial Times Master in Management ranking 2016 (Financial Times, 2016). Information about number of master's programs and double degree opportunities retrieved from websites of Top11 universities (see Other references).

across the globe. CEMS mission is to “educate and prepare future generations of international business leaders” on the basis of values of “cultural diversity, respect, high performance, ethical standards” as well as showing “professional responsibility for the society”( CEMS, 2017). The product for achieving this mission is the joint CEMS Master’s in International Management (MIM).

### **3.3.3 Competition in Portugal – Nova School of Business and Economics (Nova SBE)**

Nova School of Business and Economics is a faculty of Universidade Nova de Lisboa and was established as Faculdade de Economia (Faculty of Economics) in the year 1978, five years after the founding of the university. In contrast to Católica Lisbon, Universidade Nova de Lisboa was founded as a state university. Throughout its history, Nova School of Business and Economics followed a path much alike the one of Católica Lisbon.

Similar to Católica, Nova SBE adapted to the developments in the educational market in the 2000’s and fulfilled a strategic change from only serving the local market towards a more international orientation. Together with this strategic shift also a rebranding of the business school took place. “Nova SBE” as an international name was created and positioned to be the present name of the business school. Nova’s vision changed to “be among the best in Europe” and sounded very similar to the one of Católica Lisbon.

Like Católica, Nova School of Business and Economics was present in the FT ranking and furthermore also one of the few business schools worldwide that acquired the Triple crown accreditation by EQUIS, AMBA and AACSB. In both cases, Católica Lisbon was the first Portuguese university to accomplish these prestigious steps but Nova SBE followed shortly afterwards. The FT ranking of European business schools ranked Nova SBE together with Católica head-to-head on the 23<sup>rd</sup> position in 2016. In a five years period, Nova followed a similar development to Católica in the ranking, being even a bit more impressive with the jump from position 39 in 2011 to its peak in 2016. Since 2007, the rival of Católica was furthermore a member of the CEMS Global Alliance.

When comparing the two leading Portuguese business schools, Francisco Veloso constituted that "both schools are very similar. In some aspects, Católica Lisbon is doing better, in other ones it's the other way round," he said. "But the recognition that both schools got throughout the past years is amazing, for us and also for Portugal as a small and rather unrecognized country in Europe. There are two Portuguese universities within the Top25 business schools of Europe - together with two German and only one Italian school. In which industry

can you find a constellation like this?," was Professor Guilherme proud to say. Although it was always Católica's ambition to be recognized as Portugal's best business school and therefore ahead of Nova SBE, the Dean and his management team agreed that the rivalry between the two universities had been very beneficial for both parties. "The competition between Católica Lisbon and Nova SBE helped both universities to get the most out of themselves," believed the Dean.

One major difference between the two leading Portuguese business universities was their size. With a faculty of 135 professors, 1400 enrolled Bachelor students and another 1400 Master students, Nova SBE was significantly bigger. And the school wanted to continue expanding its size. In September 2016 Nova SBE started to build a new Campus in Carcavelos, a small town about 20 kilometers western from Lisbon, which was located directly at the beach. By the end of 2020, the school would relocate its whole campus to Carcavelos. The university described this move as one of the most important steps in the recent history and as the cornerstone to "become a hub of talent attraction in the European scene of college and executive formation in the fields of Economics, Management and Finance (Nova SBE, 2016)."

Católica was aware that Nova SBE's relocation to Carcavelos created a huge publicity. Outsiders could get the impression that the rival was on the fast lane to pass Católica Lisbon. But the Dean saw the signs of the time positively. "I am sure that Nova's move to go to Carcavelos will be good for Católica. It will help to create a clearer differentiation between the two universities," he believed. "Students that prefer the beach will probably decide in favor for Nova SBE. The ones that want to live in the city will rather choose Católica."

### 3.3.4 Master's programs at Nova SBE

As a member of the CEMS Global Alliance, Nova SBE offered the opportunity to do the CEMS MIM in conjunction with its three offered master's programs (MSc in Finance, MSc in Economics, MSc in Management).

The CEMS MIM: This one year degree program, which was exclusively open for students selected and enrolled in a master's program in one of the CEMS institutions, consisted of different modules such as an international study stay abroad at another CEMS university, an international internship, two different language exams and the completion of a business project. The CEMS MIM was the first supranational MSc program and established itself to one of the best and most prestigious Master in Management programs in the world.

The CEMS Master's in International Management, ranked 4<sup>th</sup> in the FT Master in Management ranking 2015<sup>7</sup>, was the flagship of Nova SBE and a major mean to position itself against Católica Lisbon.

Nova leveraged upon the strong reputation of this program. They explicitly promoted themselves as the most prestigious Portuguese business school "with the best Master in Management in Portugal". In terms of pricing of the MSc programs, there was no major difference between the offerings of the two schools (see Table 12). A master in management at Nova SBE (1.5 years) for example cost 9,900 EUR compared to 9,500 EUR for a Master in Management with Specialization (three semesters) at Católica Lisbon. An exception was Nova's CEMS MIM program. With prices of 17,100 EUR and more it exceeded all other programs offered by far.

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<sup>7</sup> In the FT ranking of 2016, the CEMS MIM was not ranked as a separate Master's program anymore as it was included in the Master's programs of CEMS business schools.

### **3.4 Positioning and marketing strategy for Católica Lisbon's MSc programs**

Francisco Veloso thought about the developments of the higher business education market in Europe and in Portugal during the past ten years. So much had changed. A strong national rival had come up. Business education in Europe had developed itself into a highly competitive, marketable service with heterogeneous and demanding customers. The developments required universities to engage more and more in marketing and branding activities in order to attract high level students. Particularly for private institutions like Católica Lisbon it was more crucial than ever to create a strong image serving as a competitive advantage.

In order to achieve its vision, the Dean was sure that “Católica Lisbon needed to grow.” This growth ambition brought difficult challenges with it. The schools size had roughly doubled throughout the past ten years and the objective was to do the same within the next decade. This strategy would include the investment in a new building and in new facilities. ‘A huge step for the school. Necessary and investment intensive. But feasible,’ thought the Dean. Another challenge that the growth would bring with it, concerned him a bit more - doubling the university's size while at the same time increasing its overall quality level was a tough ambition. For the school's faculty and in the areas of Executive education, the Dean was optimistic to achieve the growth targets.

But for the MSc programs Francisco Veloso saw greater tasks coming up for Católica Lisbon. A larger number of diverse, international high quality students had to be attracted.

#### **3.4.1 The marketing challenge: Attract more international students**

As one of the two best Portuguese business schools, Católica Lisbon never had and still did not have any problems to attract Portuguese students. For international students the circumstances were different.

Objectively, the Master's programs of Nova SBE were better ranked and in terms of their reputation more attractive for international students when comparing the two Portuguese universities (see Table 1). In order to anyhow attract and enlarge the number of students for the MSc programs while keeping the level of students' quality or rather increasing it, it would require Católica Lisbon to develop an elaborate strategy as well as targeted marketing efforts. Points of differentiation and respective communication messages had to be found.

Another factor to be considered for the growth ambition was the composition of the student body. Increasing the diversity of students was one of the major targets for Católica Lisbon during the next years. Although the share of international students in Católica's Master's

programs already mounted up to 50%, the great majority of these international students came from the big European countries Germany, Italy and France. Currently the German students alone made up around half of all international students in the MSc programs. The management of the Portuguese business school agreed that a greater diversity would be enriching for the programs in many aspects.

“But in order to increase the diversity of our MSc programs, a broader application pool of students from all over the world is required,” said Francisco Veloso. “The level of applications from different countries has to be sufficient to choose between the nationalities without compromising the overall quality of the student body,” he explained. “When comparing an excellent German student to a medium candidate from Tunisia, why should we not choose the German one?,” he constituted. For the Dean it was clear that marketing efforts had to be expanded beyond the borders of Europe in order to increase the diversity of students.

#### **3.4.1.1 Targeted student profile**

For the admission to the programs, the Portuguese business school highly valued “international experiences, internships and extra-curricular activities.” The average age of Católica’s master students was 23 according to the university (Católica Lisbon, 2017b). The double degree programs of Católica Lisbon searched for candidates with “an exceptional curriculum and with strong international orientation”. These students had to hand in further proofs of English proficiencies or GMAT results according to requirements of the partner universities.

#### **3.4.1.2 Positioning strategy**

Católica Lisbon’s positioning strategy for international master students had a clear focus. “We want to be one of the top schools in the consideration set of top students that are looking for a study destination in the south of Europe,” stated the Dean of Católica Lisbon. “Students as a customer group are heterogeneous. The decision of choosing a university is always performed on a micro level. There are a lot of criteria to be considered and different students value different factors. We need to attract those, who want to explore the south and who base their decision also on hedonic features,” he explained. “Católica has a great advantage to respond to these customers – its destination. Lisbon as a location has all the conditions to be very attractive to students: The weather, the sea, the city life.” Another mean to position and differentiate Católica’s MSc programs from its competitors in Europe, was their pricing. “The tuition fees for our MSc programs are comparable low. And the costs of living

in Lisbon are also cheap. With this combination, we offer a very attractive cost-quality bundle to students,” described the Dean the pricing strategy.

### **3.4.1.3 Past and current marketing efforts**

Past marketing efforts had targeted rather the rich countries in Europe, where students had a higher mobility and also would increase the average salary level of Católica graduates. For the future, the marketing activities of the school should be expanded also to other continents. “We are currently following the developments that we see in the markets outside of Europe and trying to tap into them,” he explained. “I can give you an example: In the last years we saw that due to the economic crisis in Brazil there was a greater demand from Brazilian students that wanted to study in Portugal. Therefore we invested back in our online marketing efforts to reach exactly this group of students with our messages.”

According to Catarina Silva, Católica’s Head of Marketing and Admissions for the Master Programs, the school’s current marketing efforts for attracting master students “included the attendance of national and international fairs, the Católica website as well as email marketing and further online marketing means.” An important influence was furthermore generated through the creation of word of mouth via Alumni networks and exchange students.

### **3.4.1.4 Marketing messages**

Besides giving detailed information about the different MSc programs, Católica’s current marketing messages to attract international students were primarily highlighting accreditations and the placement in the Financial Times European business school ranking. Thereby Católica pointed out that it was the “#1 Portuguese Business School according to the Financial Times”, the “1<sup>st</sup> Portuguese Business in international rankings” as well as the “1<sup>st</sup> Portuguese Business School accredited by the Triple Crown.” These statements were also designed to promote Católica Lisbon as the leading Portuguese business school against Nova SBE. The school’s marketing communication furthermore outlined additional hard facts like the excellent placement rate of Católica students after graduation, the number of partnerships with universities worldwide or the share of international students. In order to illustrate the study experience and diversity at Católica Lisbon, different testimonials and videos of international students from all over the world were shown.

A second but minor focus of the school’s marketing messages lied on the attractiveness of Lisbon. Among other facts, the Portuguese capitol was promoted as a city with “252 sunny days per year, a 26 degrees average summer temperature, the largest beach in Europe nearby

and a coffee price of 0,60 EUR.” On top of that, Católica Lisbon advertised Lisbon as a popular surf destination and Portuguese as the fourth most spoken language in the world (Católica Lisbon, 2017b).

Another highlight was set by Católica on the opportunity to pursue a double degree program, which was promoted with an own slogan (“Control your destiny”) as well as specific marketing materials.

### **3.4.2 The voice of the customer**

International experiences often were a requirement or a plus for multinational companies to apply for a job position. The Google’s and Adidas’s of the world searched for international, cosmopolitan characters with fluent English skills. Top business students knew that and were seeking for international study experiences.

These were the students that the best business schools and also Católica Lisbon wanted to attract. But even though there were particular similarities characterizing this target group, the choice of a business school is ultimately influenced by personal and individual factors. The key was to find, promote and activate those decisive factors within the target group that matched with the characteristics of the university.

Católica’s Head of Marketing and Admissions for the Master Programs Catarina Silva hypothesized from her experience that for students “the most important criteria to choose a business school for their master degree were rankings, value for money, the offered programs and the chances for employment after graduation.”

When talking to international master students of Católica Lisbon, they stated various reasons for why they decided in favor of Católica. “I first got in contact with Católica Lisbon at a fair in Munich and was positively surprised. After I went to see the school, I decided to come here, also because of the city and the weather,” said V., a top student from Germany. “For me it was important that the program had a duration of two years. I also liked that the school was in the Financial Times ranking,” said K. “Costs were decisive for me. Católica’s master was not so expensive like other master’s degrees and Portugal is cheap. Also the language is not so different from Italian,” explained B. from Italy her choice. C. from Niger chose Católica “because of the international recognition of the school and the quality of faculty. Then, also the quality of life in Portugal was a reason.”

Master students from Nova SBE presented similar and different reasons for their choice of the business school. “I wanted to go to Nova because of CEMS,” said J. from Canada. “I

didn't write the GMAT. As a result I only applied to CEMS at CBS and Nova. Then I chose Nova from the two, because I had read really positive reviews,” he explained. “I wanted to study in Lisbon and had a look at Católica and Nova. At the end I went to Nova because I liked the structure of the program better,” said C. from Austria by contrast.

Students enrolled in other top business schools outside of Portugal likewise showed different reasons for their decisions. “For me it was a mix of many factors - the course set up, the student body and alumni network. Another reason was that moving to France with a new language and culture seemed pretty interesting to me,” stated HEC student A. from India. G., a German Italian student decided to go to Bocconi “because of its reputation. Also they offered me a 100% scholarship so that was also pretty nice,” he said. For S., who chose ESADE for her master studies “two reasons were important. First, I found the business analytics program in combination with CEMS extremely interesting. Secondly, location and life quality were also decisive”. S. from Taiwan by contrast went to study at WHU in Germany, “simply because of the Financial Times ranking. It was ranked #1 in Germany and I had the second highest graduation salary.”

Francisco Veloso sank into his office chair and looked to the clock on his desk. 7:57 pm. In three minutes, he had his last meeting of the day. He and the Vice Deans of Católica Lisbon would discuss the future positioning and marketing strategy for the growth of the MSc programs. The prospective Dean of Imperial College London was thoughtful. Was the current positioning strategy for Católica's MSc programs reasonable? Were the marketing channels and the communicated messages the right ones? Which criteria actually determined why the top students chose a business school for their master degree?

## **4 Market Research**

In order to tackle the challenge of the case study and enrich it with real market data, a market research among international students was conducted.

An online survey was created in Qualtrics and distributed to the target group in a time period of six weeks. In total, 254 participants responded to the survey. After eliminating outliers, non targeted students and invalid responses, 152 valid responses were taken into consideration for the analysis through the statistic software SPSS.

Please find the questionnaire in Appendix 4: Market research – Main survey (online questionnaire).

### **4.1 Aim and scope of the research**

The aim and scope of the market research was to answer the defined research question from chapter 1.2. It was hypothesized by the case study that Católica Lisbon and its destination besides the utilitarian benefits also offered strong features for a potential target group of “hedonic driven decision makers”.

The market research should find out if there actually are different groups of decision makers (hedonic versus utilitarian) and if these groups would differentiate in how they value different criteria in their choice.

Furthermore it should be analyzed, if there were preferences of channels that international students used for the screening of alternatives in the information process.

Insights of the market research could be valuable for Católica Lisbon to adapt/ improve its positioning strategy and marketing efforts to attract international students.

### **4.2 Students’ decision making criteria for choosing a business school**

Following previous researches about student’s decision making as well as the insights of interviews with international students, the following 17 decision criteria that affect the choice of a business school were defined (see Table 2):

Criteria	Reference
1. Ranking of business school	Gai, Xu & Pelton, 2016; Drewes & Michael's, 2006
2. Country, language & cultural aspects	Gai, Xu & Pelton, 2016; Vrontis, Thrassou & Melanthiou (2007)
3. Overall life quality	Voss, Gruber & Szmigin, 2007
4. Student life	Voss, Gruber & Szmigin, 2007
5. Location (city) of the business school	Gai, Xu & Pelton, 2016; Vrontis, Thrassou & Melanthiou (2007)
6. Recognition of business school in the job market	Voss, Gruber & Szmigin, 2007
7. Composition of student body	Gai, Xu & Pelton, 2016
8. Alumni network	Gai, Xu & Pelton, 2017
9. Recommendations from previous students/friends	Gai, Xu & Pelton, 2016
10. Academic fit (program, structure, offered, courses)	Voss, Gruber & Szmigin, 2007
11. Costs (tuition, living)	Drewes & Michael's, 2006; Vrontis, Thrassou & Melanthiou (2007)
12. Offerings for students (student clubs, sports facilities)	Drewes & Michael's, 2006
13. Admission procedure (GMAT, GPA, documents)	Drewes & Michael's, 2006; Vrontis, Thrassou & Melanthiou (2007)
14. Size of university	Drewes & Michael's, 2006; Vrontis, Thrassou & Melanthiou (2007)
15. Personal factors (distance from home, friends, partner)	Drewes & Michael's, 2006
16. Value fit with business school	Voss, Gruber & Szmigin, 2007
17. Salary after graduation	

**Table 2: International student's decision criteria of choosing a master's program at a business school<sup>8</sup>**

### 4.3 Market research structure

A pre-survey was installed in order to see if the decision criteria could be classified as being perceived as hedonic or utilitarian.

In the main survey respondents were asked to rate two of three hypothetical business schools (A, B, C) on the 17 presented criteria and to state their likelihood of choosing the respective business school. The three business schools hereby were conceptualized with very different features:

- Business school A (located in St. Gallen): Very attractive in terms of expected utilitarian benefits; less attractive in the hedonic dimension.
- Business school B (Lisbon, represented a school similar to Católica): Attractive in terms of expected hedonic and utilitarian features.
- Business school C (Bali): Very attractive in terms of expected hedonic benefits; less attractive in the utilitarian dimension.

It was expected that potential hedonic and utilitarian segments would show different preferences for the schools (see Figure 5).

<sup>8</sup> The criteria "salary after graduation" was added after the pre survey as a result of interviews with the target customers.

Please see Appendix 2: Methodology, structure and hypotheses of the market research for a detailed explanation for the chosen survey structure.

#### 4.4 Pre-survey results

In line with Voss, Spangenberg and Grohmann's (2003) proposition, the results of the pre-survey show that there are both, hedonic and utilitarian dimensions in the consumer's product choice of a master's program at a business school (BS). International students perceive some of the presented decision criteria as clearly or rather hedonic and others as clearly or more utilitarian. Again, some of the criteria were associated with both dimensions or could not be allocated to one or the other. Figure 1 summarizes the distribution of responses:

Perceived as rather hedonic	share of resp.	Perceived as rather utilitarian	share of resp.	Associated with rather both dimensions	share of resp.
Student life	79%	Ranking of BS	76.3 %	Location of BS	47.3%
Overall life quality	60.5%	Recognition of BS in job market	79%	Recommendations from previous students/ friends	47.3%
Personal factors	57.9%	Academic fit	63.1%		
Country, language and cultural aspects	52.6%	Costs	60.5%		
		Admission procedure	57.9%		
		Alumni network	50%		

\*For the rest of the criteria (Composition of student body, Offerings for students, Size of university, Value fit with BS) responses were widespread between the choices and could therefore not clearly be allocated to one choice.

**Figure 1: Pre-survey results: Hedonic and utilitarian criteria in a university choice**

#### 4.5 Respondents – Demographics and segmentation

The market research reached a very diverse group of international business students from more than 30 different countries and with an average age of 24 years. Of the 152 respondents, 75 were male and 77 female. 112 students had entered a master degree program at a business school within the last two years and 40 were about to entering one in the upcoming year (see Figure 6).

Universities that the respondents were enrolled in included schools like SDA Bocconi, WHU, HEC, Mannheim University, BI Norwegian Business School or ESCP Europe.

In order to answer the first research question, respondents were segmented into hedonic and utilitarian oriented decision makers through Q5 (see Appendix 4: Market research – Main survey (online questionnaire)). Of the 152 respondents, only 12 stated that hedonic reasons were decisive for their choice of a master's program. On the contrary, 52 students based their decision on utilitarian reasons. The big majority (88) responded that both hedonic and utilitar-

ian reasons were more or less equally important in their decision making. As the group of primarily hedonic driven decision makers within the total respondents was too small for the analyses, I decided to put together the hedonic and the hedonic-utilitarian decision makers summing up to a new “hedonic segment” of 100 respondents<sup>9</sup>. One main goal was to find potential differences between a primarily utilitarian driven segment and a segment that also took hedonic components into considerations in their decisions.

#### **4.6 Evaluation of business schools and perception of the decision itself**

The decision of choosing a master’s program at a business school was perceived as very important (mean of 4.3 on a scale from 1 to 5), medium difficult (3.3) and medium complex (3.5) by the respondents. Thereby students stated to inform themselves to a large extend (3.9) before choosing the university. An independent sample t-test demonstrated that there were no significant differences between the hedonic and utilitarian segment for the perception of the decision making process itself (see Table 16).

The evaluation of the three business schools showed that respondents (as intended and expected) rated them as very different from each other on the presented decision criteria (see Table 3). Business School A was ranked high on criteria that could be classified as rather utilitarian by the pre-survey (ranking, recognition in the job market, alumni network, academic fit). An exception was the costs. Business School C on the other hand showed high ratings on hedonic criteria (overall life quality, student life) and lower ratings on utilitarian ones. Business School B, which represented a business school with similar features to Católica Lisbon, was rated above average on almost every criterion (only ‘offerings for students’ below) with especially strong means on the hedonic criteria ‘country, language & cultural aspects’, ‘overall life quality’, ‘student life’ and ‘location’. Independent sample t-tests revealed that there were no significant differences in how the segments of hedonic and utilitarian decision makers evaluated the business schools.<sup>10</sup>

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<sup>9</sup> This new created segment of hedonic and hedonic-utilitarian driven decision makers is defined as the “hedonic segment” in the following.

<sup>10</sup> For each of the three business schools, only one of the 17 criteria showed a significant difference in ratings between the two segments.

	Business School A				Business School B				Business School C			
	N		Mean	Std. Deviation	N		Mean	Std. Deviation	N		Mean	Std. Deviation
	Valid	Missing			Valid	Missing			Valid	Missing		
Ranking of business school	105	47	4,75	0,55	90	62	3,80	0,85	109	43	1,83	0,96
Country, language & cultural aspects	105	47	3,11	1,10	90	62	4,00	0,90	109	43	3,51	1,11
Overall life quality	105	47	3,07	1,02	90	62	4,23	0,78	109	43	3,73	1,12
Student life	105	47	2,41	1,13	90	62	4,10	0,98	109	43	4,11	0,95
Location (city) of the business school	105	47	2,37	1,12	90	62	4,29	0,85	109	43	3,47	1,19
Recognition of business school in the job market	105	47	4,76	0,53	90	62	3,46	1,06	109	43	1,81	1,02
Composition of student body	105	47	3,60	1,00	90	62	3,26	1,06	109	43	2,80	1,08
Alumni network	105	47	3,98	0,99	90	62	3,00	1,08	109	43	1,76	1,04
Recommendations from previous students (friends)	105	47	3,12	0,94	90	62	3,54	0,80	109	43	3,47	1,19
Academic fit (program, structure, offered courses)	105	47	3,97	0,85	90	62	3,68	0,86	109	43	2,54	1,01
Costs (tuition, living)	105	47	1,90	1,02	90	62	3,51	1,09	109	43	3,92	1,12
Offerings for students (student clubs, sports facilities)	105	47	3,45	1,06	90	62	2,74	1,17	109	43	3,48	1,21
Admission procedure (GMAT, GPA, documents)	105	47	2,85	1,20	90	62	3,38	1,01	109	43	2,95	1,50
Size of university	105	47	3,15	1,09	90	62	3,38	1,03	109	43	2,93	0,96
Personal factors (distance from home, friends, partner)	105	47	3,25	1,18	90	62	3,41	1,10	109	43	2,54	1,24
Value fit with business school	105	47	3,59	1,06	90	62	3,38	1,01	109	43	2,56	1,14
Expected salary after graduation	105	47	4,70	0,61	90	62	3,21	1,11	109	43	2,21	1,08

**Table 3: Respondents' evaluation of business schools (A, B, C) on presented decision criteria (scale from 1 to 5)**

#### 4.7 Preferences of segments for different business schools

But as it was expected, the two segments differed significantly in their likelihood of choosing the three business schools. In line with the hypotheses (see Figure 5), the utilitarian group was most likely to choose Business School A, still somewhat likely to choose Business School B and less likely to choose Business School C for a master's program. Thereby the utilitarian segment had a significance stronger preference for the former school, whereas the hedonic segment showed a significantly stronger likelihood for choosing the latter two. The hedonic segment had strong preferences for Business School B and was medium as well as medium-low likely to choose Business School A and C, respectively (see Table 4).

Business School A		Hedonic_Utilitarian		N	Mean	Std. Deviation	Std. Error Mean		
How likely would you choose business school A for a master program?	utilitarian		31	5,1	1,72	0,309			
	hedonic		74	4,01	1,651	0,192			
Independent Samples Test		Levene's Test for Equality of Variances		t-test for Equality of Means					
How likely would you choose business school A for a master program?	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	0,307	0,581	3,03	103	0,003	1,083	0,358	0,374	1,792
Equal variances not assumed			2,979	54,315	0,004	1,083	0,364	0,354	1,812

Business School B		Hedonic_Utilitarian		N	Mean	Std. Deviation	Std. Error Mean
How likely would you choose business school B for a master program?	utilitarian		36	4,81	1,47	0,245	
	hedonic		54	5,52	1,177	0,16	

Independent Samples Test	Levene's Test for Equality of Variances		t-test for Equality of Means			Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
	F	Sig.	t	df	Sig. (2-tailed)			Lower	Upper
How likely would you choose business school B for a master program?									
Equal variances assumed	2,752	0,101	-2,545	88	0,013	-0,713	0,28	-1,27	-0,156
Equal variances not assumed			-2,435	63,652	0,018	-0,713	0,293	-1,298	-0,128

Business School C		Hedonic_Utilitarian	N	Mean	Std. Deviation	Std. Error Mean			
How likely would you choose business school C for a master program?		utilitarian	37	2,57	1,444	0,237			
		hedonic	72	3,13	1,601	0,189			
Independent Samples Test	Levene's Test for		t-test for Equality of Means			Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
	F	Sig.	t	df	Sig. (2-tailed)			Lower	Upper
How likely would you choose business school C for a master program?									
Equal variances assumed	1,089	0,299	-1,778	107	0,078	-0,557	0,313	-1,179	0,064
Equal variances not assumed			-1,838	79,69	0,07	-0,557	0,303	-1,161	0,046

**Table 4: SPSS outputs - Independent sample t-test for likelihood of choosing business school A, B, C (hedonic versus utilitarian segment)**

#### 4.8 Importance of decision criteria – hedonic versus utilitarian segment

In order to find out, which the most important drivers for the students' choice of a business school were, I conducted several linear regression analyses. These regressions were performed on a per segment basis (one for the hedonic segment and one for the utilitarian one) to see the potential differences between the segments.

##### 4.8.1 Regression with all decision criteria

In the first step, the likelihood of choosing the business school functioned as the dependent variable (variable created of Q7\_A, Q7\_B, Q7\_C, see Appendix 4: Market research – Main survey (online questionnaire) and each criterion-rating as an independent variable (adding up to 17 independent variables, Q6\_A\_1-17, Q6\_2\_1-17, Q6\_3\_1-17).

Hedonic group (see Table 17): Although the ANOVA tables showed that for a significance level of 5% the independent variables didn't influence the likelihood of choosing a business school the same way, the overall regression model for the hedonic group was fairly poor, explaining 40.4% of the variances. Out of the 17 predictors, only four were significant for the model. Surprisingly 'ranking of the business school' had the highest positive influence on the likelihood rating followed by 'location (city) of the business school' and 'value fit with the BS'. However, the same 'ranking' predictor also showed serious multicollinearity issues (VIF of 5.5) questioning the significance of the variable. Surprisingly, the 'offerings for students' criteria had a negative effect on the likelihood of choosing a business school. Correlation statistics indicated that the predictor 'recognition of the BS in the job market' was highly correlated with the 'ranking' and the 'expected salary after graduation'.

Utilitarian group (see Table 18): The same regression model for the utilitarian segment predicted 65.9% of the variances. Again the ANOVA tables demonstrated that the model was significant on a 5% level. For the utilitarian group of international students, the significant and most important influencers on the likelihood of choosing a business school were the 'academic fit', 'personal factors', 'value fit with BS', the 'location of the BS' and 'costs' (in descending order). Correlation and collinearity statistics showed similar results as the model for the hedonic group did.

#### 4.8.2 Regression with factorized decision criteria

In order to see if the regression models could be optimized through more consolidated variables, I conducted a factor analysis for the 17 criteria and ran the regressions again with the newly created factors as independent variables (dependent variable stayed the same). The factor analysis based on an Eigenvalue greater than one left four factors that explained 65% of the variances. The first factor loaded high on the utilitarian criteria ('ranking', 'recognition in the job market', 'academic fit', 'alumni network', 'costs') and could therefore be seen as the utilitarian factor within the decision making. The second factor on the other hand represented the hedonic dimension with high loadings on 'country, language and cultural aspects', 'student life', 'overall life quality' and 'location'. The third factor loaded high on the criteria 'admission procedure' and 'size of university' and was therefore classified as the university related factor. The fourth factor could be identified as the personal fit component in the decision (see Table 5).

Rotated Component Matrix	Components			
	1	2	3	4
Ranking of business school	0,884	-0,148	0,028	-0,094
Country, language & cultural aspects	0,107	0,778	0,012	0,008
Overall life quality	-0,088	0,817	0,069	0,075
Student life	-0,391	0,717	0,215	0,114
Location (city) of the business school	-0,142	0,81	0,128	-0,049
Recognition of business school in the job market	0,909	-0,161	0	-0,019
Composition of student body	0,544	0,193	0,081	0,437
Alumni network	0,819	-0,166	0,066	-0,176
Recommendations from previous students (friends)	0,119	0,513	0,045	0,509
Academic fit (program, structure, offered courses)	0,734	0,076	0,201	0,162
Costs (tuition, living)	-0,554	0,438	0,234	0,182
Offerings for students (student clubs, sports facilities)	0,047	0,067	0,237	0,645
Admission procedure (GMAT, GPA, documents)	-0,033	0,082	0,846	0,03
Size of university	0,23	0,146	0,619	0,191
Personal factors (distance from home, friends, partner)	0,374	0,319	0,349	-0,56
Value fit with business school	0,617	0,236	0,247	-0,111
Expected salary after graduation	0,866	-0,165	-0,044	-0,013
Extraction Method: Principal Component Analysis.				
Rotation Method: Varimax with Kaiser Normalization.				
a Rotation converged in 5 iterations.				
Interpretation:	Utilitarian dimension	Hedonic dimension	University related dimension	Personal fit

Table 5: SPSS output – Factor loadings of factor analysis with 17 decision criteria

**Hedonic segment:** For the hedonic segment, the new regression with the four created factors was even less representative (35% of variances explained) than the first model. However, three of the four factors were significant on a 95% confidence level showing that the defined hedonic segment valued hedonic and utilitarian dimensions within the decision almost equally high. The university related dimension was also a significant factor but less relevant for the likelihood of choosing a business school. Surprisingly, the personal fit factor (even if not significant on a 5% significance level) had a negative influence on the likelihood of choosing a business school (see Table 6).

Model Summary					ANOVA <sup>a,b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Model	Sum of Squares	df	Mean Square	Sig.
1	,602a	0,363	0,35	1,437	1 Regression	229	4	57,305	27,743,000c
					Residual	403	195	2,066	
					Total	632	199		
Segments_Hedonic_Utilitarian = <b>Hedonic</b> (Selected)					a Dependent Variable: How likely would you choose the presented business school for a Master's program?				
a Predictors: (Constant), REGR factor score 1-4 for analysis 1					b Selecting only cases for which Segments_Hedonic_Utilitarian = Hedonic				
c Predictors: (Constant), REGR factor score 1-4 for analysis 1									
Coefficients a,b					Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.			
1	(Constant)	4,041	0,102		39,684	0			
	Utilitarian dimension	0,715	0,106	0,391	6,74	0			
	Hedonic dimension	0,757	0,104	0,424	7,302	0			
	University related dimension	0,402	0,102	0,226	3,941	0			
	Personal fit	-0,191	0,101	-0,108	-1,883	0,061			
a Dependent Variable: How likely would you choose the presented business school for a Master's program?									
b Selecting only cases for which Segments_Hedonic_Utilitarian = <b>Hedonic</b>									

**Table 6: SPSS output Hedonic segment – Regression model with created factors**

**Utilitarian segment:** In the case of the utilitarian segment, the validity of the model decreased slightly with the introduction of the factors, but was still fairly good with 61.6% of explained variances. As it could be expected, the utilitarian dimension was by far the most important influence on the decision for this group of international students. Thereafter followed the university related dimension and with minor importance the hedonic component. The personal fit factor was not significant in the regression model for the utilitarian segment on a 5% significance level (see Table 20).

#### 4.9 Information channels of international business students

Independent rankings were the information channel that influenced the target group of international students the most in their decision making process (mean of 7.2 on a scale from 0 to 10). Thereafter it followed the university website (6.5), consultation of friends (6.1) and former or current students (5.7) as well as the comparison of educational offerings through a

program finder (5.0). It has to be noticed that standard deviations were quite high (especially for the latter three) indicating that the individual importance of the channels fluctuated.

	N	Mean	Std. Deviation
	Valid		
University website	152	6,5	2,1
Online forums/ communities	152	4,6	2,6
Career counselor/ Independent advisory	152	3,5	2,8
University fairs	152	3,8	2,9
Friends	152	6,1	2,7
Former or current Students of the business school (not friends)	152	5,7	2,9
Independent Rankings	152	7,2	2,3
Program finder (comparison of educational offerings)	152	5,0	3,0
Social Media	152	3,5	2,7
Phone (call with business school)	152	2,2	2,6
Email/ Newsletters	152	2,6	2,6
Open day of university	152	3,2	3,1
Others (please specify)	152	2,1	3,1

**Table 7: Influence of channels in the decision making process**

#### 4.10 Analysis of Católica's target students

Católica Lisbon wants to attract top business students for its MSc programs, in the best case with international experiences already. In a final analysis of this dissertation I tried to find out if the upper cohort of international business students is driven by factors or criteria different from the whole population of the respondents. Being a student with an academic performance within the best 20% (Q16) *and* with at least one international experience (Q15) *or* belonging to the best 10% of students served as the selection criteria for this analysis, leaving 102 respondents after all. The focus of the following discussion lies on the hedonic segment of these students as they should be probably the ones more likely to respond to Católica's features and positioning strategy.

The analyses of Católica's target students followed the same procedure like the previous analyses: First a regression with the 17 decision criteria was run. Afterwards, I conducted a factor analysis with the criteria (see Table 22) and conducted another regression analysis.

Results showed that for the hedonic segment of top students the 'location of the business school' is the most important criterion in their choice. The 'ranking' is no longer significant on a 5% significance level, but still a strong coefficient in the model. Furthermore, it seems that for these students the 'value fit with the business school' plays a major role (see Table 8).

Comparing the different dimensions (factors) of the decision, it can be concluded that the target group of Católica values the hedonic and utilitarian dimension almost equally high (hedonic a bit more important). Criteria related to the university (size, admission procedure) as well as personal factors are also quite important for these customers (Table 9).

Model Summary				ANOVA <sup>a,b</sup>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Model	Sum of Squares	df	Mean Square	F	Sig.
1	.695 <sup>a</sup>	0,483	0,402	1,452	1 Regression	213,217	17	12,542	5,947	,000 <sup>c</sup>
					Residual	227,775	108	2,109		
					Total	440,992	125			
a Predictors: (Constant), 17 decision criteria				a Dependent Variable: How likely would you choose the business school for a Master's/						
				b Selecting only cases for which Hedonic_Utilitarian = hedonic						
				c Predictors: (Constant), 17 decision criteria						
Coefficients <sup>a,b</sup>										
Model		Unstandardized Coefficients		Standardized Coefficient	t	Sig.	Collinearity Statistics			
		B	Std. Error				Beta	Tolerance	VIF	
1	(Constant)	-1,418	0,902		-1,573	0,119				
	Ranking of business school	0,395	0,225	0,327	1,755	0,082	0,138	7,267		
	Country, language & cultural aspects	0,063	0,164	0,038	0,383	0,703	0,495	2,02		
	Overall life quality	0,076	0,182	0,047	0,416	0,678	0,38	2,63		
	Student life	0,087	0,175	0,066	0,494	0,622	0,271	3,684		
	Location (city) of the business school	0,402	0,144	0,307	2,787	0,006	0,395	2,532		
	Recognition of business school in the job market	0,144	0,25	0,124	0,574	0,567	0,103	9,747		
	Composition of student body	-0,204	0,15	-0,121	-1,359	0,177	0,603	1,659		
	Alumni network	0,12	0,18	0,091	0,667	0,506	0,255	3,915		
	Recommendations from previous students (friends)	0,134	0,171	0,07	0,786	0,434	0,595	1,68		
	Academic fit (program, structure, offered courses)	0,051	0,17	0,03	0,301	0,764	0,467	2,139		
	Costs (tuition, living)	0,087	0,154	0,066	0,566	0,572	0,352	2,838		
	Offerings for students (student clubs, sports facilities)	-0,255	0,122	-0,162	-2,097	0,038	0,799	1,251		
	Admission procedure (GMAT, GPA, documents)	0,069	0,116	0,05	0,595	0,553	0,687	1,457		
	Size of university	0,174	0,138	0,1	1,259	0,211	0,763	1,31		
	Personal factors (distance from home, friends, partner)	0,007	0,125	0,005	0,055	0,957	0,615	1,627		
	Value fit with business school	0,385	0,149	0,244	2,593	0,011	0,541	1,85		
	Expected salary after graduation	-0,078	0,188	-0,061	-0,417	0,678	0,222	4,499		
a Dependent Variable: How likely would you choose the business school for a Master's/ Graduate program?										
b Selecting only cases for which Hedonic_Utilitarian = hedonic										

**Table 8: SPSS outputs – Target students only: Regression model Hedonic segment with 17 decision criteria (dependent variable: likelihood of choosing business school)**

Model Summary				ANOVA <sup>a,b</sup>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Model	Sum of Squares	df	Mean Square	F	Sig.
1	.647 <sup>a</sup>	0,419	0,4	1,455	1 Regression	185	4	46,192	21,814	,000 <sup>c</sup>
					Residual	256	121	2,118		
					Total	441	125			
a Predictors: (Constant), Utilitarian dimension, Hedonic dimension, University related dimension, Personal fit				a Dependent Variable: How likely would you choose the business school for a Master's/ Graduate program?						
				b Selecting only cases for which Hedonic_Utilitarian = hedonic						
				c Predictors: (Constant), REGR factor score 1-4 for analysis 1						
Coefficients <sup>a,b</sup>										
Model		Unstandardized Coefficients		Standardized Coefficient	t	Sig.				
		B	Std. Error				Beta			
1	(Constant)	3,936	0,13		30,277	0				
	Utilitarian dimension	0,736	0,133	0,389	5,522	0				
	Hedonic dimension	0,709	0,132	0,378	5,366	0				
	University related dimension	0,472	0,13	0,252	3,624	0				
	Personal fit	0,566	0,123	0,319	4,59	0				
a Dependent Variable: How likely would you choose the business school for a Master's/ Graduate program?										
b Selecting only cases for which Hedonic_Utilitarian = hedonic										

**Table 9: SPSS outputs – Target students only: Regression model Utilitarian segment with created factors (dependent variable: likelihood of choosing business school)**

## 5 Conclusions

Choosing a master's program at a business school is an extremely important decision for international business students, which is connected to an extended information phase beforehand. Many factors are taken into consideration within the choice and students' decisions are based on different criteria. The following chapters summarize the derived conclusions from the market research and give managerial implications for Católica Lisbon.

### 5.1 Decision making factors of hedonic-utilitarian driven international students

The market research could show that international business students differ in which dimensions they base their decision of choosing a master's program at a business school on. As implicated by the Dean there is a group of students which values the hedonic component more in their decision than utilitarian driven students. Although just a minority chooses a master's program primarily because of hedonic reasons, there is a majority of students (also in the group of top students) for whom the hedonic dimension in the choice is equally important to the utilitarian one.

With the combination of utilitarian benefits and strong hedonic features (see Table 3), Católica Lisbon is especially attractive for the group of hedonic-utilitarian driven business students. The comparison of the two segments showed that the hedonic-utilitarian driven segment<sup>11</sup> is significantly more likely to choose Business School B, which represented a university similar to Católica Lisbon, than the utilitarian segment of students. Thereby the evaluation of the business school's features did not differ between the segments indicating that Católica Lisbon has its strongest USP's in the attractiveness of its location, the student life, overall life quality and the cultural aspects of Portugal (see see Table 3). For the hedonic-utilitarian group the higher likelihood of choosing the Portuguese business school derived from a higher importance of exactly these (hedonic) criteria with the location as the most important driver.

### 5.2 Touch points to attract and influence international business students

Católica Lisbon's strategy is to further climb within the rankings. The results of the survey support the argumentation of this strategy as 'independent rankings' are the information channel that influences international business students the most in their decision making pro-

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<sup>11</sup> In the analyses named the "hedonic segment".

cess. It can be expected that a better placement in the master in Management ranking results in higher numbers of applications.

Besides independent rankings as a mean to compare business schools rather objectively, international students are also seeking for personal information of friends and former students that have insights about the study experience. Social media, online communities and university fairs were of medium importance on average, but could nevertheless be interesting channels for business schools to attract students as the influence of these information channels on the students' decision making fluctuates a lot, indicating that there are proportions of students for whom some of the channels are quite important.

### **5.3 Managerial implications & recommendations for Católica Lisbon**

Católica Lisbon is doing right with its current positioning strategy to be especially considered in the mindset of international top students that are also seeking for a strong hedonic study experience. Thereby, the Portuguese business school should even more than now point out the attractiveness of Lisbon as a city with a great student life, amazing weather, low costs and interesting cultural aspects (like the Portuguese language) as these are the criteria that Católica's target students value the most besides the utilitarian factors. This could also become a game changer for Católica Lisbon for the competition with Nova SBE in the coming years when the rival will lose some of the attractiveness that the Portuguese capitol brings with it.

Regarding the marketing channels, Católica should, besides its ambition to further climb up in the rankings, leverage upon positive experiences that Alumni had at the Portuguese university. As former students and friends are a very influential information channel for international business students, it could be valuable to work with international university ambassadors. Furthermore even more diverse testimonials should be created, which then could be used for more targeted marketing messages in the countries of the respective testimonial.

For online channels like social media or online communities it should be evaluated on a country level how marketing activities in this area can be leveraged in order to reach those students that are highly influenced by these channels.

### **5.4 Limitations and future research**

The case study tried to describe a current marketing challenge that Católica Lisbon is facing and enrich this challenge with real market data about its key customers. Thereby findings of the presented work were connected to some major limitations.

With a greater support of the marketing and admissions office of Católica Lisbon the case study could have become more focused on the business actual school's marketing activities. The gathered insights of the interview just allowed conceptualizing a rather strategic case study with fewer details about what Católica actually is doing to attract international top students.

The major limitations of the quantitative research came with its sample size and its composition. For a better representation of the population of international business students, a larger number of respondents would have been needed. Even if the group of respondents was very diverse in terms of different nationalities, a major share (46.7%) of those respondents came from Germany. Taking the current Católica's challenge of increasing the diversity into consideration, a better distribution of nationalities and a greater share of students outside of Europe would have been valuable for the analyses.

This quantitative study focused on the hedonic and utilitarian dimensions within a business school choice of international students and found that there are different consumer segments that differ in which factors they value in their decisions. Future research could investigate if and how other dimensions like study stage, gender or the nationality of a student influence the likelihood of choosing a business school. Furthermore it would interesting to analyze if students base their decision primarily on factors connected to the school or on the master's programs' features<sup>12</sup>.

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<sup>12</sup> The current research looked at the decision rather from the perspective that students primarily choose the business school and that the program and its features are factors within the decision.

## 6 Teaching Note

This chapter gives recommendations on how to use the presented case for a class discussion.

### 6.1 Synopsis

This case study aims to present a strategic marketing and positioning challenge that the Portuguese business school Católica Lisbon is facing with its MSc programs.

Católica Lisbon is a prestigious Portuguese business school that managed to establish itself within the Top25 of European business schools throughout the past decade. In a market environment of higher education that changed completely with the introduction of the Bologna process, Católica is now not only competing against a strong and very similar national rival (Nova SBE) but also against all the top business universities in Europe for the attraction of the best international management students. Thereby Católica Lisbon tries to position itself as an attractive school for students who want to explore the south of Europe and who therefore also strongly value the hedonic component that a student life in Lisbon would bring with it. However, current marketing messages rather focus on hard facts like international rankings, accreditations and the differentiation against its local rival Nova SBE.

In order to fulfill its mission of becoming one of the ten leading business schools in Europe during the next decade, Católica Lisbon wants to grow and improve the standing of its MSc programs. Subsequently, it will be crucial to attract a greater number of diverse high quality international students. The question is if the current marketing and positioning strategy is adequate to achieve this mission.

### 6.2 Target audience and teaching objectives

The target audience of this case study could be both Bachelor and Master students. It is especially applicable for discussions in marketing related courses such as strategic marketing, marketing research, marketing analytics or international marketing.

The main teaching objectives are:

- To understand the market environment and dynamics of higher business education in Europe.
- To outline the importance of strategic positioning and targeting (for a business school's marketing efforts).

- To apply marketing analysis techniques (in SPSS or Excel) on a case with the help of real market data.

### 6.3 Teaching plans

The case study should be prepared in advance by the students. Optional readings:

- Hirschman & Holbrook (1982).
- Okada (2005).
- Vrontis, Thrassou, & Melanthiou (2007).<sup>13</sup>

With the former two articles the students should familiarize themselves with the concept of hedonic and utilitarian decision making in order to transfer it to the case study. The latter article introduces the dynamics of higher education marketing and students' decision making processes when choosing a university.

For the case discussion three questions are proposed. In order to solve question two and three, the SPSS data set "Market research international business students" as well as the questionnaire have to be distributed to the students:

1. Which developments and challenges in the market/ competitive environment is Católica Lisbon facing? How would you describe Católica Lisbon's current situation for its MSc programs?

The answers for these questions can be found in chapter one and two of the case study. A good way to structure the answers could be:

- Porter's five forces for the description of the market environment.
- A SWOT analysis for describing the current situation of the master's programs.

2. Which are the most important factors for Católica Lisbon's targeted student profiles when choosing a business school for their master's program? Should Católica Lisbon change its current positioning strategy?

Students should use the given SPSS market data to answer these questions. In order to have a structured discussion of the results, the teacher should give a guideline for analyzing the SPSS data. A suggestion would be:

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<sup>13</sup> See reference list for the articles.

1. Divide respondents into reasonable segments of hedonic and utilitarian driven decision makers.
  2. Run a regression with all decision criteria.
  3. Conduct a factor analysis and run the regression again with the new factors.
3. Which are the channels that Católica Lisbon should use for their marketing efforts?

This question can be answered with simple descriptive statistics and the comparison of means of the respective responses in the data set (Q8). Regarding the marketing channels that Católica should use there is no one right answer.

The discussion should be open and students should be invited to participate. Creative answers are highly valued for answering the proposed questions.

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## **Appendix 1: Case study Appendixes**

## Side information:

### History

Carnation revolution: The Carnation revolution was a military coup in Lisbon that ended the right authoritarian dictatorship (named Estado Novo) on the 25th of April in 1974. After more than 40 years of dictatorship, Portugal became a democracy again.

### Definitions

Business schools: Business schools are defined as universities that specialized themselves in the fields of business degree programs.

Private versus public universities: The major difference between private and public universities lies in their way of funding. Most of the public universities were founded by the state and are therefore highly financed by public funds, which often results in lower tuitions. Private universities on the other hand do not receive funds from the state and heavily rely on tuition fees and private contributions (e.g. from Alumni).

Private universities are normally smaller with a closer student-teacher connection and enjoy a higher autonomy in their decisions than the public counterparts.

Higher education: Higher education is defined as the optional final stage of education that comes after the completion of the secondary education, which is on the other hand described as the basic education. Higher education is delivered at universities, colleges and college-like institutions.

Rank 2016	Rank 2015	Rank 2014	3 year average rank	Business School	Country	Full time MBA 2016	MBA Salary today (\$)	Executive MBA 2016	EMBA Salary today (\$)	Masters in Management 2016	Masters in Management salary today (\$)	Open programmes Executive Education 2016	Custom programmes Executive Education 2016	Int. Faculty (%)	Faculty with doctorate (%)	Founded in
1	1	1	1	London Business School	UK	2	154,15	10	205,661	6	78,156	7	4	86	100	1964
2	2	2	2	HEC Paris	FR	6	134,299	2	328,668	2	89,793	4	2	69	100	1881
3	3	5	4	Insead	FR	1	166,51	3	255,233	-	-	6	6	95	97	1957
4	5	3	4	IE Business School	ES	4	159,266	6	244,817	7	81,491	11	-	62	98	1973
5	4	6	5	University of St Gallen	CH	21	112,94	25	161,523	1	101,502	19	20	80	100	1898
6	5	4	5	Esade Business School	ES	8	132,119	17	205,32	9	67,81	3	10	40	92	1958
7	7	8	7	SDA Bocconi	IT	9	122,955	36	145,697	11	69,982	20	5	30	95	1902 (1971)
8	8	7	8	Iese Business School	ES	7	140,185	7	255,542	-	-	2	1	76	100	1958
9	9	9	9	IMD	CH	5	157,439	14	272,444	-	-	1	3	95	100	1990
				Rotterdam School of Management Erasmus University	NL	17	107,998	28	127,482	5	73,364	34	31	49	100	1970
10	13	11	11	University of Oxford Saïd	UK	10	136,959	5	244,828	-	-	5	13	58	100	1096 (1996)
11	10	10	10	University of Oxford Saïd	UK	10	136,959	5	244,828	-	-	5	13	58	100	1096 (1996)
12	11	12	12	ESCP Europe	FR, UK, DE ES IT	-	-	8	202,554	4	73,592	12	14	73	97	1819
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
23	26	25	25	Católica Lisbon School of Business and Economics	Portugal	15	123,584	52	109,110	46	44,989	21	21	40	95	1972
23	28	28	26	Nova School of Business and Economics	Portugal	15	123,584	52	109,110	16	50,715	29	29	35	100	1978

**Table 10: Financial Times ranking of European Business schools 2016 – Comparison of Católica Lisbon with the Top 12 business schools (Financial Times 2016b)**

MSc Program	3 Semesters	4 Semesters
International MSc in Management	10,000 EUR	11,500 EUR
MSc in Management with Specialization (Strategic Marketing, Strategy & Entrepreneurship)	9,500 EUR	11,000 EUR
MSc in Business	9,500 EUR	11,000 EUR
MSc in Finance	10,000 EUR	11,500 EUR
MSc in Economics	8,750 EUR	10,250 EUR
Double degree programs (in cooperation with nine different universities in Europe, North and South America)	Louvain (Belgium): Oslo (Norway), Birmingham (UK): All other double degree programs:	10,250 EUR 10,750 EUR 13,400 EUR
All programs	Registration fee per year: 330 EUR	

**Table 11: Tuition fees of the MSc programs at Católica Lisbon<sup>14</sup>**



**Figure 2: Double degree partner universities of Católica Lisbon**

<sup>14</sup> Own created graphic referring to information on Católica company website (Católica Lisbon, 2017b)

	MSc in Management	MSc in Finance	MSc in Economics
Regular track	9,900 EUR (1.5 years)		11,000 EUR (1.5 years)
Exchange program	9,900 EUR (1.5 years)	11,550 (2years)	11,000 EUR (1.5 years)
Double Degree	13,125 EUR (2 years)		14,200 EUR
Double Degree Maastricht University	10,900 EUR (1.5 years)		11,800 EUR
CEMS MIM	17.100 EUR (2 years)		17,832 EUR (2 years)

Table 12: Tuition fees of Master's programs at Nova SBE<sup>15</sup>

	Short-cycle tertiary			Bachelor's or equivalent			Master's or equivalent			Doctoral or equivalent		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
EU-28 (*)	64 110	29 164	34 946	661 608	310 043	351 566	612 049	297 533	314 517	138 864	77 573	61 291
Belgium	1 193	510	683	29 700	11 002	18 698	18 906	9 116	9 790	5 717	3 302	2 415
Bulgaria	:	:	:	5 243	3 471	1 772	5 787	3 376	2 411	252	159	93
Czech Republic	46	24	22	21 849	10 305	11 544	15 759	6 907	8 852	3 495	1 915	1 580
Denmark	4 391	2 185	2 206	10 351	4 543	5 808	12 191	5 421	6 770	3 008	1 693	1 315
Germany	0	0	0	77 002	39 140	37 862	117 640	58 113	59 527	15 900	9 300	6 600
Estonia	:	:	:	1 172	619	553	817	412	405	241	149	92
Ireland	219	127	92	8 937	4 348	4 589	3 272	1 623	1 649	1 840	1 044	796
Greece	:	:	:	:	:	:	:	:	:	:	:	:
Spain	18 431	8 303	10 128	10 159	4 610	5 549	19 657	9 849	9 808	:	:	:
France	21 958	9 487	12 471	70 567	30 521	40 046	115 119	57 526	57 593	27 479	14 594	12 885
Croatia	1	0	1	163	70	93	365	190	175	110	49	61
Italy	311	208	103	51 462	20 344	31 118	31 362	13 087	18 275	4 409	2 467	1 942
Cyprus	439	315	124	3 182	2 007	1 175	1 148	547	601	63	31	32
Latvia	278	146	132	3 487	1 957	1 530	555	347	208	157	115	42
Lithuania	:	:	:	2 740	1 220	1 520	1 688	931	757	80	42	38
Luxembourg (*)	63	19	44	837	390	447	1 613	805	808	463	267	196
Hungary	122	66	56	11 376	5 636	5 740	11 086	5 490	5 596	624	317	307
Malta	62	28	34	227	91	136	443	207	236	7	3	4
Netherlands	104	47	57	48 013	21 159	26 854	17 503	8 438	9 065	5 072	2 730	2 342
Austria	764	336	428	33 339	16 073	17 267	24 904	11 105	13 800	6 158	3 251	2 907
Poland (*)	0	0	0	19 217	9 152	10 065	14 702	6 868	7 834	745	434	311
Portugal	:	:	:	5 746	2 524	3 222	5 932	2 908	3 024	3 205	1 749	1 456
Romania	:	:	:	8 521	4 444	4 077	14 534	8 979	5 555	504	340	164
Slovenia	121	70	51	1 175	497	678	945	374	571	248	121	127
Slovakia (*)	14	9	5	10 199	4 053	6 146	:	:	:	903	636	267
Finland	:	:	:	11 544	6 558	4 986	7 422	4 085	3 337	3 791	2 279	1 512
Sweden	40	17	23	5 890	2 430	3 460	12 357	6 600	5 757	7 074	4 265	2 809
United Kingdom	15 553	7 267	8 286	209 510	102 879	106 631	156 342	74 229	82 113	47 319	26 321	20 998
Iceland	:	:	:	:	:	:	:	:	:	:	:	:
Liechtenstein	:	:	:	386	243	143	225	162	63	97	64	33
Norway	62	42	20	3 702	1 471	2 231	4 017	2 123	1 894	1 459	883	576
Switzerland (*)	:	:	:	19 128	9 686	9 442	18 000	8 433	9 567	12 408	6 827	5 581
FYR of Macedonia	:	:	:	1 652	1 018	634	53	31	22	13	4	9
Serbia	:	:	:	6 613	3 504	3 109	1 896	909	987	405	224	181
Turkey	2 911	2 024	887	30 235	21 645	8 590	11 671	7 433	4 238	3 366	2 329	1 037

Note: Based on country of usual residence unless otherwise stated; based on country of upper secondary diploma in Belgium, Croatia, Denmark, Luxembourg, the Netherlands, Austria, Poland, Portugal and Norway; based on country of citizenship in Bulgaria, the Czech Republic, France, Italy, Luxembourg, Hungary, Malta, Slovakia and Turkey; based on country of prior education in Denmark, Germany, Lithuania, Latvia, Finland and Switzerland.

(\*) Sum of available data for the EU Member States (including discrepancies noted in the other footnotes).

(\*) Independent private institutions are not included.

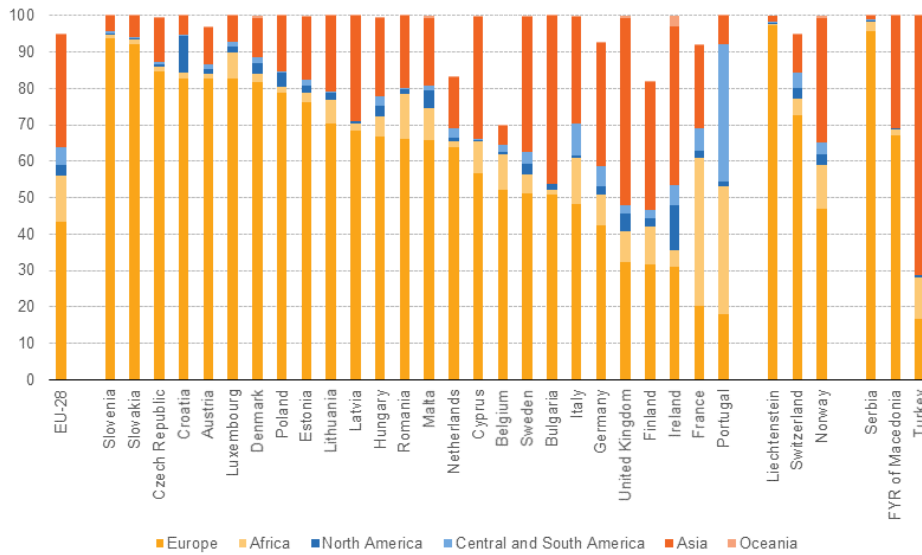
(\*) Doctoral or equivalent: definition differs, see metadata.

(\*) Bachelor's or equivalent: includes Master's or equivalent.

(\*) Bachelor's or equivalent and Master's or equivalent: only students in universities or universities of applied sciences.

Figure 3: Number of foreign students in the EU-28 by gender and stage of study (Eurostat, 2016)

<sup>15</sup> Own created graphic referring to information on Nova SBE company website (Nova SBE, 2017; Nova SBE, 2017b; Nova SBE 2017c)



Note: Ranked on percentage of mobile students from 'Europe'. Greece and Spain: data not available. Some totals do not add up to 100% due to the category 'mobile students with origin unspecified'. Based on country of usual residence unless otherwise stated; based on country of upper secondary diploma in Belgium, Croatia, Cyprus, Luxembourg, the Netherlands, Austria, Poland, Portugal and Norway; based on country of citizenship in Bulgaria, the Czech Republic, France, Italy, Hungary, Malta, Slovakia and Turkey; based on country of prior education in Denmark, Germany, Lithuania, Latvia, Finland and Switzerland; based on country of previous residence in Denmark and Sweden.

**Figure 4: Share of foreign students in the EU-28 by continent (Eurostat, 2016)**

## **Appendix 2: Methodology, structure and hypotheses of the market research**

In order to test if Voss, Spangenberg and Grohmann's (2003) proposition of hedonic and utilitarian factors within a product choice is also true for the choice of a Master's program at a business school, a pre-survey was installed in the first step of the market research. This pre-survey used Crowley, Spangenberg and Hughes' (1992) measurement scales asking respondents to classify each of the defined criteria as hedonic or utilitarian<sup>16</sup>. Thereby it was expected that some of the criteria would be classified as hedonic and others as utilitarian (see Figure 5).

In a second step, the main survey tried to measure the importance of the different criteria within the decision making process. Two filter questions were installed in the beginning of the survey in order to reach the relevant target group of international students, who considered to study abroad and for whom the choice of a master's program was either still recent<sup>17</sup> or coming up in the near future.<sup>18</sup> After ensuring to reach the target group, three questions about perceptions of the decision making process itself were asked.

For the segmentation of students into hedonic and utilitarian driven decision makers, I installed one question (Q5) about the decisive drivers (either hedonic, utilitarian or both) for the participant's decision.<sup>19</sup>

For the measurement of the importance of the criteria I decided to use an indirect approach asking the respondents to rate two of three randomly presented hypothetical business schools (Business school A, Business school B or Business school C) on each of the above introduced criteria with a five-stars rating and then to state the likelihood of choosing the specific business school for a Master's program on a seven point likert scale.

In terms of the likelihood of choosing one of the business schools it was hypothesized that hedonic decision makers would prefer a hedonic more attractive business school over the utilitarian alternative and vice versa (see Figure 5). For Católica Lisbon it would be especially interesting to know, which criteria were most important for a potential segment that values both kinds benefits.

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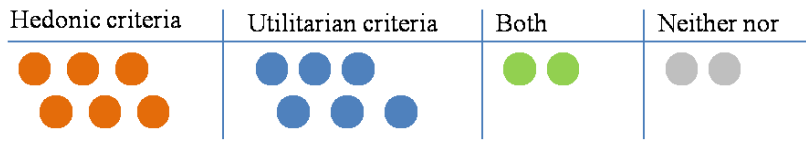
<sup>16</sup> For the case that respondents could not clearly distribute the criteria to one or the other, also the answer choices of associating the criteria either to both or to neither of the scales were included (see Q3 in Appendix 3: Market research – Pre-survey (online questionnaire)).

<sup>17</sup> Master students who entered a master's program in business or similar field within last two years (see Q1 in Appendix 4).

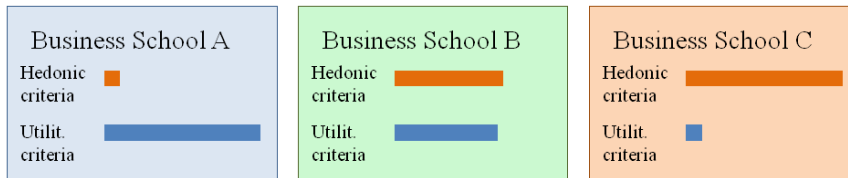
<sup>18</sup> Current undergraduate students who will enter a Graduate program in a business school in the next year.

<sup>19</sup> This question was later used to analyze how hedonic and utilitarian driven segments would differ e.g. in their likelihood of choosing a business school or their valuation of decision criteria.

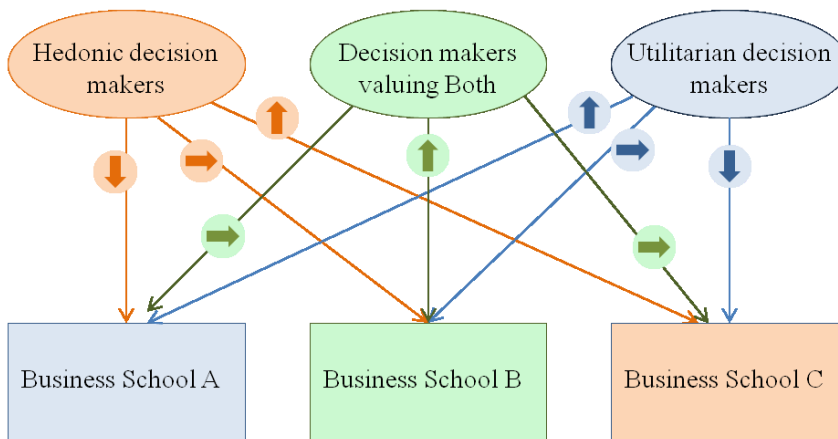
Evaluation of decision making criteria (Pre-survey)



Evaluation Business Schools' attractiveness of criteria



Customer groups segmented by types of decision makers and their likelihood of choosing Business School A, B C



Explanation:

- = high likelihood of choosing business school
- = medium likelihood of choosing business school
- = low likelihood of choosing business school

**Figure 5: Hypotheses about results and relationships of the survey**

The second part of the main survey was asking about the channels that students are using when informing themselves about master's programs.

The questionnaire closed with relevant questions about students' academic performances, household income and other sociodemographic questions.

**Appendix 3: Market research – Pre-survey (online questionnaire)**

**Q1 - Please indicate which of the following statements applies to you:**

1. I entered a Master's/ Graduate degree program in the areas of Business Administration, Management or similar business study (Marketing, Finance etc.) within the last two years.
2. I will/ want to pursue a Master's/ Graduate degree in the areas of Business Administration, Management or similar business study (Marketing, Finance etc.) during the next year.
3. Neither of the statements applies to me. (→ End of survey)

**Q2 - Did you consider to study outside of your home country?**

Yes /No (→ End of survey)

**Q3 - Please indicate with which associations you would rather describe the following decision factors (in the context of choosing a business school).**

	Useful, valuable, beneficial - functional associations	Happy, Pleasant, Agreeable - emotional associations	I associate the factor with both groups of adjectives.	I do not associate the factor with neither of the adjective groups.
Ranking of business school	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Country, language & cultural aspects	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall life quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Student life	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Location (city) of the business school	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recognition of business school in the job market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Composition of student body	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Alumni network	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendations from previous students/ friends)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Academic fit (program, structure, offered courses)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Costs (tuition, living)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Offerings for students (student clubs, sports facilities)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Admission procedure (GMAT, GPA, documents)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Size of university	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personal factors (distance from home, friends, partner)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Value fit with business school	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Q4: What is your gender?** Male/ Female

**Q5: What is your age?** (List of ages)

**Q6: Where are you from?** (List of countries)

**Q7: Which of the below best describes your educational background?** Bachelor/ Master/ Other (Professional)

**Appendix 4: Market research – Main survey (online questionnaire)**

**Q1: Please indicate which of the following statements applies to you:**

4. I entered a Master's/ Graduate degree program in the areas of Business Administration, Management or similar business study (Marketing, Finance etc.) within the last two years.
5. I will/ want to pursue a Master's/ Graduate degree in the areas of Business Administration, Management or similar business study (Marketing, Finance etc.) during the next year.
6. Neither of the statements applies to me. (→ End of survey)

**Q2: Did you consider to study outside of your home country? Yes /No (→ End of survey)****Q3 (Q3\_1, Q3\_2, Q3\_3): How did you perceive the decision of choosing a Business School for your Master's / Graduate program to be?**

1. Not at all important: Extremely important (1-5)
2. Extremely easy: Extremely difficult (1-5)
3. Not at all complex: Extremely complex (1-5)

**Q4: To which extend did you inform yourself before the decision making?**

Not at all: Extensively (1-5)

**Q5 - Please indicate which of the following statements fits best for you:**

1. Hedonic reasons (student life, enjoyment, fun, weather etc.) were decisive when I chose the business school for my Graduate program.
2. Utilitarian reasons (ranking of the university, salary after graduation, job placement rate etc.) were decisive when I chose the business school for my Graduate program.
3. Both, hedonic and utilitarian reasons were more or less equally important to me.

**Q6 (Q6\_A\_1-17, Q6\_B\_1-17, Q6\_C\_1-17): [Respondents were shown the description of two of the following three business schools and had to rate the business schools on 17 criteria afterwards]**Business school A:

Business school A (800 students, 70% international students) is located in St. Gallen, a small city (75,000 inhabitants) in the northeastern part of Switzerland. St. Gallen is known to be a calm place surrounded by a beautiful landscape but with a rather limited amount of offerings for international students (living costs around 1,600 EUR incl. rent). The school is consecutively ranked among the Top3 business schools of Europe and highly recognized by top companies around the globe for its excellent education. As a Master Graduate from Business school A you can expect a salary of 70,000 EUR (assume as purchasing parity power) for your job entry. A GMAT of 650+, 2 letters of recommendation (LOR), a motivation letter (ML) and an exceptional academic performance are required to enter one of the 10 different Master's program, each of which costs 25,000 EUR in total. Business school A focuses its activities on entrepreneurship and thrives to create an impact in the society. Gym

memberships are for free and sports facilities are provided. Furthermore University A has 4 different student clubs.

Previous students (friends) rate their study experience at business school A on both ends of the extremes, highlighting the excellent education and on the negative side the rather poor student life.

#### **Factsheet business school A**

- 800 students, 70% international students
- In St. Gallen, Switzerland - 75,000 inhabitants, living costs around 1,600 EUR, limited offerings for students
- Top 3 business school in Europe
- Highly recognized by top companies, exceptional Alumni network
- Expected salary after graduation: 70,000 EUR
- Admission criteria: GMAT 650+, 2 LOR, ML, exceptional academic performance
- 10 different Master programs
- Tuition fees total: 25,000 EUR
- Mission: Pos. impact in society, entrepreneurship
- Free Gym + sports facilities, 4 student clubs
- Mixed feelings about study experience from previous students

#### **Business school B:**

Year by year Lisbon (1.3 million inhabitants in the metropolitan area) with its cheap beer prices (living costs around 900 EUR inc. rent), 260 days of sun in a year and its gorgeous beaches/ surf spots nearby attract more and more international students. Business school B (2,000 students, 50% Internationals) is located in the heart of the Portuguese capitol. The school ranks among the Top 25 business schools in Europe. Business school B is well connected to the business world with strong recognition in the Portuguese market and a good Alumni network in the international market. Yet, as an international student a job entry in Portugal is rather unlikely and unattractive in terms of the conditions (salary). A survey of international Graduates reveals that you can expect a salary of 51,000 EUR (assume as purchasing parity power) after your master degree. For the admission of one of the 25 different, specialized and diverse Master's programs, very good academic performances and a motivation letter is required. Tuition fees amount to 12,000 EUR. Business school B is inspired by Christian values and states its vision to be developing high level careers in management. There are two student clubs to enter.

Previous students (friends) see their study experience at business school B in total very positive, but also as more demanding than expected.

**Factsheet business school B**

- 2,000 students, 50% international students
- In Lisbon, Portugal- 1.3 million inhabitants, living costs around 900 EUR, great offerings for students
- Top 25 business school in Europe
- Good recognition by very good companies
- Expected salary after graduation: 51,000 EUR
- Admission: ML, very good academic performance
- 25 different, specialized Master programs
- Tuition fees total: 12,000 EUR
- Christian values; Mission: Develop high-level careers
- 2 student clubs
- Positive, but demanding study experiences from previous students

**Business school C:**

Business school C (20,000 students, 25% International students) is Indonesian. Its campus is based in Bali, Indonesia (4.2 million inhabitants). Bali is one of the most attractive travel destinations of the world. The “endless summer city” offers plenty of student activities and a cheap living standard (650 EUR living expenses incl. rent). Business school C doesn’t appear in the major international business school rankings but is highly accredited by the Indonesian government. Relationships with international employers are rather limited and the Alumni network is not maintained. A survey among international students showed that Graduates on average start with a salary of 40,000 EUR (assume as purchasing parity power). For the admission of one of the five programs, no GMAT or further motivation letters are required. A proof of sufficient English skills should be attached to the application. Tuition fees are 500 EUR in total. With its activities, Business school C wants to increase the sensitivity for environmental problems and child poverty in Indonesia. Its vision is to contribute to the fight against poverty and pollution. Business school C is known for its huge amount of diverse student clubs for every kind of interest.

Previous students (friends) state that they had the best time of their life at business school C, enjoying life and growing personally in a totally different and exciting culture.

**Factsheet business school C**

- 20,000 students, 25% international students
- In Bali, Indonesia – 4.2 million inhabitants, living costs around 650 EUR, amazing offerings for students
- Not ranked in international rankings but top national accreditation
- Limited recognition by international employers
- Expected salary after graduation: 40,000 EUR
- Admission: By signing in
- 25 different, specialized Master programs
- Tuition fees total: 12,000 EUR
- Mission: Fight pollution and poverty
- Huge amount of diverse student clubs
- Extremely positive feedback from previous students

**Having the above described scenario and the choice of a business school in mind, please rate business school A from your personal point of view on the following criteria.** In the context of your potential choice, 5 stars hereby mean that you would rate the school very positively on the criteria while a 1-star rating is interpreted as the opposite. (For example: A 1-star rating on the criteria "Admission procedure" could mean that you perceive the requirements to be too demanding but could also mean that you think that it is not selective enough - either thought would result in a low rating for you when evaluating the attractiveness of the school for a choice.) (1-5 stars)

Criteria	
1. Ranking of business school	10. Academic fit (program, structure, offered, courses)
2. Country, language & cultural aspects	11. Costs (tuition, living)
3. Overall life quality	12. Offerings for students (student clubs, sports facilities)
4. Student life	13. Admission procedure (GMAT, GPA, documents)
5. Location (city) of the business school	14. Size of university
6. Recognition of business school in the job market	15. Personal factors (distance from home, friends, partner)
7. Composition of student body	16. Value fit with business school
8. Alumni network	17. Salary after graduation
9. Recommendations from previous students/friends	

**Q7 (Q7\_A, Q7\_B, Q7\_C):** *[After rating a business school, respondents were asked to state their likelihood of choosing the respective business school for a master program.]*

**How likely would you choose business school [A, B, C] for a Master’s program?**

Extremely unlikely: Extremely likely (1-7)

**Q8 (Q8\_1-Q8\_13): Please indicate the level influence that each of the following channels has/had in your decision making process of choosing a business school for your Master degree? (0-10)**

1. University website
2. Online forums/ communities
3. Career counselor / Independent advisory
4. (University) fairs
5. Friends
6. Former students (not friends) of the business school
7. Independent Rankings
8. Program finder (comparison of educational offerings)
9. Social Media
10. Phone (call with business school)
11. Email (Newsletters)
12. Open day of university
13. Others → please specify

**Q9: What is your gender?** Male/ Female

**Q10: What is your age?** (List of ages)

**Q11: Where are you from?** (List of countries)

**Q12: What is your marital status?** Single/ In a relationship/ Married/ Widowed/ Divorced

**Q13: Which of the below best describes your parents household annual income?**

Less than €20,000/ €20,000 - €39,999/ €40,000 - €59,999/ €60,000 - €79,999/ €80,000 - €99,999/ €100,000 - €149,999/ More than €150,000/ I prefer not to answer this question

**Q14: What is the name of your current university?**

**Q15: In how many countries outside of your home country have you lived (for more than one month) at the time before starting your Master degree?**

None/ 1/ 2/ 3/ 4/ 5/ more than 5

**Q16: How would you rate your academic performance in you Bachelor's/ Undergraduate degree in comparison to your peers?**

Within best 5%/ Within best 10%/ Within best 20%/ Within best 30%/ Within best 50%/ Within lower 50%/ I prefer not to answer this question.

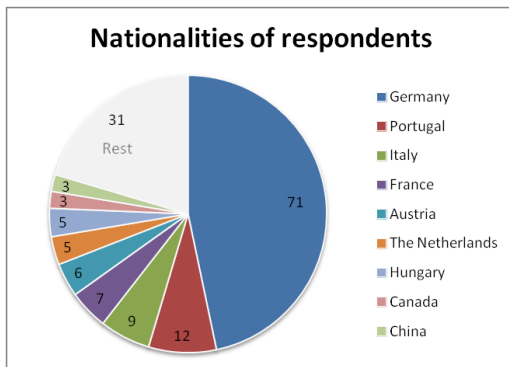
**Closing:** Thank you so much for completing the survey! For the chance to win a 20€ Amazon voucher, please insert your email address below. To finish this survey, press "next". [Please be ensured that this information will be treated with absolute discretion and will not be linked to any of the information stated during the survey.]

**Appendix 5: SPSS analyses**

Please indicate with which associations you would rather describe the following decision factors (in the context of choosing a business school).

Question	beneficial - functional associations		Pleasant, Agreeable - emotional associations		the factor with both groups of adjectives.		associate the factor with neither of the adjective groups.		Total
Ranking of business school	76.32% 29		5.26% 2		15.79% 6		2.63% 1		38
Country, language & cultural aspects	7.89% 3		52.63% 20		39.47% 15		0.00% 0		38
Overall life quality	10.53% 4		60.53% 23		28.95% 11		0.00% 0		38
Student life	7.89% 3		78.95% 30		13.16% 5		0.00% 0		38
Location (city) of the business school	13.16% 5		36.84% 14		47.37% 18		2.63% 1		38
Recognition of business school in the job market	78.95% 30		2.63% 1		13.16% 5		5.26% 2		38
Composition of student body	15.79% 6		23.68% 9		26.32% 10		34.21% 13		38
Alumni network	50.00% 19		2.63% 1		21.05% 8		26.32% 10		38
Recommendations from previous students/ friends)	23.68% 9		15.79% 6		47.37% 18		13.16% 5		38
Academic fit (program, structure, offered courses)	63.16% 24		7.89% 3		28.95% 11		0.00% 0		38
Costs (tuition, living)	60.53% 23		5.26% 2		18.42% 7		15.79% 6		38
Offerings for students (student clubs, sports facilities)	7.89% 3		39.47% 15		36.84% 14		15.79% 6		38
Admission procedure (GMAT, GPA, documents)	57.89% 22		7.89% 3		7.89% 3		26.32% 10		38
Size of university	18.42% 7		23.68% 9		26.32% 10		31.58% 12		38
Personal factors (distance from home, friends, partner)	5.26% 2		57.89% 22		23.68% 9		13.16% 5		38
Value fit with business school	26.32% 10		21.05% 8		23.68% 9		28.95% 11		38

Table 13: Pre-survey results



What is your gender?		Frequency	Percent	What is your age?	
Valid	Male	75	49,3	N	Valid
	Female	77	50,7		Missing
	Total	152	100	Mean	23,95
				Std. Deviation	1,815
				Minimum	20
				Maximum	30

		Frequency	Percent	Valid Percent
Valid	Entered a master program within last 2 years	112	73,7	73,7
	Current Bachelor student in the last year	40	26,3	26,3
	Total	152	100	100

Figure 6: Age, Gender, stage of study and nationalities of respondents (Q1, Q9, Q10)

Please indicate which of the following statements fits best for you:

		Frequency	Percent	Valid Percent
Valid	Hedonic reasons ( student life, enjoyment, fun, weather etc.) were decisive when I chose the business school for my Graduate program.	12	7,9	7,9
	Utilitarian reasons (ranking of the university, salary after graduation, job placement rate etc.) were decisive when I chose the business school for my Graduate program.	52	34,2	34,2
	Both, hedonic and utilitarian reasons were more or less equally important to me.	88	57,9	57,9
	Total	152	100	100

Table 14: Segmentation of international students into hedonic and utilitarian driven decision makers (Q5)

		Importance of Decision	Difficulty of decision	Complexity of decision	Extend of informing oneself
Valid resp.	N	152	152	152	152
Mean	(scale 1 - 5)	4,3	3,31	3,45	3,93
Std. Deviation		0,641	0,84	0,844	0,743

**Table 15: SPSS output - Respondents' perception of decision (choosing a master's program at a business school) itself (Q3\_1, Q3\_2, Q3\_3, Q4)**

Independent Samples Test		Levene's Test for Equality of Variances		t-test for Equality of Means		Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	95% Confidence Interval of the Difference	
		F	Sig.	t	df				Lower	Upper
		Importance of Decision	Equal variances assumed	0,678	0,412				1,955	150
	Equal variances not assumed			1,996	109,609	0,048	0,212	0,106	0,002	0,423
Difficulty of decision	Equal variances assumed	1,825	0,179	0,593	150	0,554	0,085	0,144	-0,199	0,37
	Equal variances not assumed			0,564	90,198	0,574	0,085	0,151	-0,215	0,386
Complexity of decision	Equal variances assumed	3,526	0,062	0,351	150	0,726	0,051	0,145	-0,235	0,337
	Equal variances not assumed			0,329	86,932	0,743	0,051	0,154	-0,256	0,358
Information extend	Equal variances assumed	0,001	0,98	1,25	150	0,213	0,158	0,127	-0,092	0,409
	Equal variances not assumed			1,251	103,722	0,214	0,158	0,127	-0,093	0,41

**Table 16: SPSS output – Independent sample t-test perception of decision (hedonic versus utilitarian segment) (Q3\_1, Q3\_2, Q3\_3, Q4)**

ANOVA a,b				
Model	Sum of Squares	df	Mean Square	Sig.
1 Regression	287,671	17	16,922	8,944,000c
Residual	344,329	182	1,892	
Total	632	199		

Model Summary	R	R Square	Adjusted R Square	Std. Error of the Estimate
Hedonic_Utilitarian = hedonic (Selected)				
1	0,675a	0,455	0,404	1,375

Coefficients a,b								
Model	Unstandardized Coefficients			Standardized Coefficients		Sig.	Collinearity Statistics	
	B	Std. Error	Beta	t	Tolerance		VIF	
1 (Constant)	-1,452	0,679		-2,138	0,034			
Ranking of business school	0,484	0,151	0,41	3,207	0,002	0,183	5,469	
Country, language & cultural aspects	0,098	0,119	0,06	0,821	0,413	0,558	1,792	
Overall life quality	0,172	0,136	0,106	1,264	0,208	0,426	2,348	
Student life	-0,028	0,125	-0,021	-0,223	0,824	0,33	3,03	
Location (city) of the business school	0,412	0,112	0,309	3,664	0,0	0,421	2,375	
Recognition of business school in the job market	-0,013	0,164	-0,012	-0,082	0,935	0,147	6,788	
Composition of student body	-0,208	0,113	-0,125	-1,84	0,067	0,651	1,535	
Alumni network	0,056	0,12	0,043	0,464	0,643	0,347	2,88	
Recommendations from previous students (friends)	0,126	0,123	0,069	1,025	0,307	0,658	1,52	
Academic fit (program, structure, offered courses)	0,048	0,133	0,029	0,361	0,718	0,458	2,183	
Costs (tuition, living)	0,14	0,104	0,108	1,352	0,178	0,468	2,138	
Offerings for students (student clubs, sports facilities)	-0,202	0,092	-0,132	-2,2	0,029	0,826	1,21	
Admission procedure (GMAT, GPA, documents)	0,109	0,087	0,08	1,253	0,212	0,743	1,346	
Size of university	0,097	0,104	0,058	0,935	0,351	0,778	1,286	
Personal factors (distance from home, friends, partner)	0,021	0,092	0,015	0,224	0,823	0,7	1,429	
Value fit with business school	0,333	0,117	0,213	2,862	0,005	0,54	1,853	
Expected salary after graduation	0,005	0,137	0,004	0,037	0,971	0,253	3,954	

a Dependent Variable: How likely would you choose the presented business school for a Master's program?  
 b Selecting only cases for which Hedonic\_Utilitarian = hedonic  
 c Predictors: (Constant), 17 decision criteria

**Table 17: SPSS outputs – Regression model Hedonic segment with 17 decision criteria (dependent variable: likelihood of choosing business school) (Q6\_A\_1-17, Q6\_B\_1-17, Q6\_C\_1-17, Q7\_1, Q7\_2, Q7\_3)**

Model Summary				ANOVA <sup>a,b</sup>							
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Model	Sum of Squares	df	Mean Square	F	Sig.	
1	.846a	0,715	0,659	1,114	1 Regression	268,302	17	15,782	12,716	,000c	
					Residual	106,737	86	1,241			
					Total	375,038	103				
Hedonic Utilitarian = utilitarian (Selected)				a Dependent Variable: How likely would you choose the presented business school for a							
1 Predictors: (Constant), 17 decision criteria				b Selecting only cases for which Hedonic Utilitarian = utilitarian							
				c Predictors: (Constant), 17 decision criteria							
Coefficients <sup>a,b</sup>											
Model				Unstandardized Coefficients		Standardized Coefficients		Sig.		Collinearity Statistics	
				B	Std. Error	Beta				Tolerance	VIF
1	(Constant)			-2,287	0,765			-2,992	0,004		
	Ranking of business school			0,066	0,173	0,05		0,382	0,704	0,195	5,122
	Country, language & cultural aspects			-0,168	0,136	-0,099		-1,24	0,218	0,521	1,918
	Overall life quality			-0,111	0,17	-0,063		-0,655	0,514	0,353	2,836
	Student life			-0,047	0,14	-0,029		-0,333	0,74	0,426	2,348
	Location (city) of the business school			0,301	0,13	0,205		2,315	0,023	0,424	2,359
	Recognition of business school in the job market			0,189	0,178	0,149		1,063	0,291	0,169	5,922
	Composition of student body			0,165	0,132	0,099		1,256	0,212	0,531	1,884
	Alumni network			0,041	0,154	0,031		0,267	0,79	0,251	3,978
	Recommendations from previous students (friends)			-0,148	0,138	-0,083		-1,067	0,289	0,552	1,81
	Academic fit (program, structure, offered courses)			0,539	0,161	0,324		3,346	0,001	0,354	2,825
	Costs (tuition, living)			0,256	0,118	0,192		2,164	0,033	0,422	2,368
	Offerings for students (student clubs, sports facilities)			0,013	0,099	0,009		0,135	0,893	0,807	1,239
	Admission procedure (GMAT, GPA, documents)			0,058	0,104	0,038		0,558	0,578	0,719	1,391
	Size of university			0	0,139	0		0,003	0,997	0,629	1,59
	Personal factors (distance from home, friends, partner)			0,34	0,121	0,21		2,801	0,006	0,587	1,703
	Value fit with business school			0,33	0,115	0,212		2,862	0,005	0,605	1,652
	Expected salary after graduation			0,228	0,17	0,169		1,344	0,183	0,208	4,807
				a Dependent Variable: How likely would you choose the presented business school for a Master's program?							
				b Selecting only cases for which Hedonic Utilitarian = utilitarian							

**Table 18: SPSS outputs – Regression model Utilitarian segment with 17 decision criteria (dependent variable: likelihood of choosing business school) (Q6\_A\_1-17, Q6\_B\_1-17, Q6\_C\_1-17, Q7\_1, Q7\_2, Q7\_3)**

Total Variance Explained									
Comp	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5,183	30,491	30,491	5,183	30,491	30,491	4,954	29,141	29,141
2	3,539	20,82	51,311	3,539	20,82	51,311	3,233	19,019	48,16
3	1,253	7,372	58,683	1,253	7,372	58,683	1,516	8,915	57,074
4	1,075	6,324	65,007	1,075	6,324	65,007	1,349	7,933	65,007
5	0,917	5,395	70,402						
6	0,775	4,557	74,959						
7	0,668	3,929	78,888						
8	0,618	3,633	82,52						
9	0,502	2,955	85,476						
10	0,43	2,531	88,006						
11	0,414	2,433	90,44						
12	0,389	2,291	92,731						
13	0,342	2,011	94,741						
14	0,304	1,79	96,532						
15	0,27	1,589	98,12						
16	0,208	1,224	99,344						
17	0,112	0,656	100						
Extraction Method: Principal Component Analysis.									

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0,875
Bartlett's Test of Sphericity	Approx. Chi-Square	2583,444
	df	136
	Sig.	0

**Table 19: SPSS outputs – factor analysis on the 17 decision criteria: Total variance explained, Eigenvalues and KMO and Bartlett's Test**

Model Summary				ANOVA <sup>a,b</sup>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Model	Sum of Squares	df	Mean Square	F	Sig.
1	.794a	0,63	0,616	1,183	1 Regression	236	4	59,114	42,23	,000c
					Residual	139	99	1,4		
					Total	375	103			
Hedonic Utilitarian = utilitarian (Selected)				a Dependent Variable: How likely would you choose the presented business school for a Master's program?						
1 Predictors: (Constant), REGR factor score 1-4 for analysis 1				b Selecting only cases for which Hedonic Utilitarian = Utilitarian						
				c Predictors: (Constant), REGR factor score 1-4 for analysis 1						

Coefficients a,b		Unstandardized Coefficients		Standardized Coefficients		
Model					t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,041	0,102		39,684	0
	Utilitarian dimension	0,715	0,106	0,391	6,74	0
	Hedonic dimension	0,757	0,104	0,424	7,302	0
	University related dimension	0,402	0,102	0,226	3,941	0
	Personal fit	-0,191	0,101	-0,108	-1,883	0,061

a Dependent Variable: How likely would you choose the presented business school for a Master's program?  
b Selecting only cases for which Segments\_Hedonic\_Utilitarian = Hedonic

**Table 20: SPSS outputs – Regression model Utilitarian segment with created factors (dependent variable: likelihood of choosing business school)**

Total Variance Explained				Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Initial Eigenvalues			Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	Total	% of Variance	Cumulative %						
1	5,433	31,957	31,957	5,433	31,957	31,957	5,078	29,868	29,868
2	3,565	20,97	52,928	3,565	20,97	52,928	3,381	19,888	49,756
3	1,32	7,766	60,694	1,32	7,766	60,694	1,586	9,33	59,086
4	1,062	6,247	66,94	1,062	6,247	66,94	1,335	7,854	66,94
5	0,897	5,274	72,215						
6	0,763	4,488	76,703						
7	0,678	3,989	80,692						
8	0,572	3,365	84,057						
9	0,481	2,83	86,887						
10	0,429	2,525	89,413						
11	0,387	2,278	91,691						
12	0,368	2,167	93,857						
13	0,296	1,741	95,598						
14	0,251	1,476	97,074						
15	0,207	1,218	98,292						
16	0,192	1,13	99,423						
17	0,098	0,577	100						

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0,878
Bartlett's Test of Sphericity	Approx. Chi-Square	1943,893
	df	136
	Sig.	0

Extraction Method: Principal Component Analysis.

**Table 21: SPSS output – Target students only: Factor analysis on the 17 decision criteria: Total variance explained, Eigenvalues and KMO and Bartlett's Test**

Rotated Component Matrixa				
	Component			
	1	2	3	4
Ranking of business school	0,873	-0,167	0,056	0,18
Country, language & cultural aspects	0,077	0,804	-0,048	0,06
Overall life quality	-0,097	0,842	0,085	-0,009
Student life	-0,397	0,759	0,202	-0,074
Location (city) of the business school	-0,178	0,789	0,094	0,179
Recognition of business school in the job market	0,911	-0,169	0,02	0,113
Composition of student body	0,647	0,248	0,073	-0,296
Alumni network	0,878	-0,118	0,048	-0,083
Recommendations from previous students (friends)	0,118	0,577	0,287	-0,204
Academic fit (program, structure, offered courses)	0,719	0,11	0,293	0,075
Costs (tuition, living)	-0,604	0,428	0,292	-0,075
Offerings for students (student clubs, sports facilities)	0,077	0,125	0,286	-0,684
Admission procedure (GMAT, GPA, documents)	-0,054	0,068	0,864	0,052
Size of university	0,252	0,221	0,542	-0,142
Personal factors (distance from home, friends, partner)	0,311	0,205	0,223	0,681
Value fit with business school	0,521	0,141	0,297	0,377
Expected salary after graduation	0,87	-0,191	-0,042	0,066

Extraction Method: Principal Component Analysis.  
Rotation Method: Varimax with Kaiser Normalization.  
a Rotation converged in 6 iterations.

Interpretation:	Utilitarian dimension	Hedonic dimension	University related dimension	Personal fit

**Table 22: SPSS output - Target students only: Factor loadings (Q6\_A\_1-17, Q6\_B\_1-17, Q6\_C\_1-17)**