A MARKET ANALYSIS APPROACH TO BUSINESS DOCTORAL EDUCATION OPPORTUNITIES

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Both the popular press and the Association to Advance Collegiate Schools of Business International (AACSB) predict that demand for business doctoral education will increase substantially (e.g., [2] [4] [6]). Indeed, AACSB [2] noted that doctoral education is entering a new age filled with significant challenges but substantial opportunities for increasing doctoral program innovation, accessibility, and delivery. Yet, understanding the market for business doctoral education has proven extremely challenging, with few attempts made even to codify a process of analysis for this opportunity. This is especially important given increasing pressure on institutions to develop resources—and to utilize them more effectively—and the concomitant pressures to improve institutional reputation and branding. Since these are largely strategic marketing issues, we adapt classic market analysis as a preliminary framework for accomplishing this task.

The goal of a market analysis is to determine the attractiveness of a market given the strengths and weaknesses of the organization; the strengths and weaknesses of its presumed competitors; and the peculiar dynamics of the industry and its environment. As suggested by Aaker and McLoughlin [1, p. 61], a fundamental model for a market analysis typically includes the following considerations: emerging submarkets, or segments; market size; market growth rate; market profitability; industry cost structure; distribution channels; market trends; and key success factors.

Choices that must be made at each stage of the analysis have consequences and impose requirements for resources, finances, and structure on the institution. For example, consider the very first stage of the market analysis model: discerning emerging market segments. The business doctoral program market consists of not only traditional *academic* doctoral programs, but a potential new segment of *professional* doctoral programs oriented toward industry (cf., [3] [5]). An *academic* doctoral program is often an "outbound" model, where the institution attracts doctoral students by virtue of its reputation and/or the reputations of its faculty and then sends them out to populate other academic institutions. A *professional* doctoral program, however, is frequently an "inbound" model, where practitioners want to develop career-relevant advanced applied research skills and then either seek an entrée into the local business community (e.g., Silicon Valley) or return to their sponsoring companies. As with many strategic decisions, the choice an institution makes should fit with the institution's goals and competencies.

Consequently, we propose that a market analysis framework for doctoral programs should contain analyses of the following six components described below. For each component, we delineate the process by which data can be obtained and identify key sources of data.

<u>Component 1</u>: <u>Strategic goals of the program and school</u>—This initial phase should examine the strategic goals of the institution and determine how/whether doctoral education can enhance these goals.

Component 2: State of the business doctoral education market—This stage should examine the entire market and emerging segments. It should report information on: 1) applications, offers of admissions and entrants into doctoral programs; 2) number of doctoral programs and programs by discipline currently available; 3) enrollment in doctoral programs and programs by discipline; 4) doctoral degrees conferred; and 5) student characteristics. Data can be obtained from accrediting organizations such as the AACSB and the National Science Foundation (NSF).

Component 3: Projected demand for business doctorates—This should report statistics on 1) employment data for doctorates in total and for business; 2) occupational attainment needs; and 3) occupational growth in categories specific for business. These statistics can be obtained from NSF and the United States Bureau of Labor Statistics (BLS).

Component 4: Indicators of demand for a program at a specific institution. This stage should provide information regarding its current students, alumni, faculty, and employers. Student and alumni surveys should be deployed to obtain demographic information, overall interest in a business doctoral degree, program structure, and program specializations. Faculty focus groups and a faculty survey should be developed to obtain information on faculty interest, experience, and recommendations about doctoral program type and specializations. Employers of the school's graduates should be interviewed to determine whether they find value in a doctorate and if there is a potential market demand for a doctoral program at that specific institution.

Component 5: General factors likely to affect demand--Information on economic trends, demographic trends, enrollment and degrees conferred for MBAs and specialized Masters should be reported here. Economic and demographic data can be obtained from specific state organizations. Enrollment data can be obtained from accrediting organizations such as the AACSB.

Component 6: Potential competition—The concluding stage of the framework should provide information on currently available doctoral programs in the institution's geographical market (that is, the area from which it is likely to draw doctoral candidates). The following characteristics of each program should be collected: 1) type of program; 2) format; 3) time to program completion; 4) full-time/part-time program; 5) tuition; 6) accrediting body; and 7) disciplines of instruction offered.

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