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MKTG 612
Professor David Reibstein
Final Paper

**Wharton is considering entering into China or India. How should they position themselves?
Develop a marketing plan that could be given to Dean Robertson.**

Dean Robertson,

Thank you for giving me the opportunity to develop a marketing plan for Wharton's entry into Asia. Being a Wharton student myself, my own interests are very closely aligned with those of the institution, and yourself. During the course of my research, I have reached out to your head of Marketing Communications Ira Rubien, your colleagues at Wharton's Marketing Department, and at the Wharton Finance and Administration (F&A) Office. While they were understandably unable to share proprietary data, I want to assure you that this plan includes many of the insights they have gained during the course of their many years in service of Wharton. My conclusion, the reasons for which are discussed in depth in the next few pages, is that Wharton should introduce the WEMBA program to Hong Kong in partnership with the City University of Hong Kong, the Chinese University of Hong Kong, or the China Europe International Business School, marketing this program using a full range of marketing options – from digital and social media to alumni networks and corporate relationships.

1. Product

What should you market?

In your previous communication to me, you indicated that Wharton was considering entering into China or India, and you wished to know how you should position yourself. Before I address this question, however, I believe that it is important to understand exactly what "Wharton" means. In other words, with what product should enter China or India?

As Ira Rubien explains, Wharton encompasses five distinct programs. To use a consumer marketing paradigm, your institution is a branded house with multiple products offered under a single "Wharton" brand name:

1. The Wharton Undergraduate (WH) program
2. The Wharton MBA (WHG) program
3. The Wharton Doctoral (WHP) program
4. The Wharton Executive MBA (WEMBA) program
5. The Wharton Executive Education (WEE) program

As illustrated in Exhibit 1, one of these products – the WEE program – is already offered in both China and India. Of the remaining four, WHP is a small, selective program to train future generations of academics. I do not believe it is meaningful to enter India or China with this program for two reasons: first, the demand for PhDs is rather stable, making it unnecessary to

start an entirely new program that churns out more PhDs, and second, because this program already has significant representation from both China and India – something that clearly stands out from Exhibit 1. The WH program is unique because most of your peer Ivy League institutions are modeled on a liberal arts model and therefore do not offer an undergraduate degree in Business Administration. Per Rubien, however, this program is very closely linked to the undergraduate program of the University of Pennsylvania, thereby making it very difficult to export to Asia without seeking university-wide consensus. This is not, therefore, a viable product with which to enter India or China in the near-term.

You are left, therefore, with two programs with which you can enter India or China: the flagship WHG program, or the WEMBA program. I believe you should choose to enter Asia with the WEMBA program, for the following reasons:

1. The University of Chicago, your closest competitor in the EMBA space, offers the program in Chicago, London, and Singapore. On the other hand, Harvard University and Stanford University, your closest competitors in the MBA space, offer this program strictly in one American location.
2. You can draw upon more than a decade of experience running the WEMBA program concurrently in San Francisco and Philadelphia, an expertise you do not currently possess if you were to select the WHG program.
3. In her introductory course on Marketing, your colleague Professor Patti Williams describes Wharton's target audience as "elite applicants [from all over the world] who want to solve difficult problems, create new opportunities, and transform their professional lives." Assuming that your current marketing efforts for the WHG and the WEMBA programs are successfully reaching this target audience, the WHG program should already be receiving applications from the best and brightest Indian and Chinese candidates. This cannot be true, however, for the WEMBA program. As Rubien notes, applicants to your WEMBA program, like applicants to all WEMBA programs, are constrained by geographical limitations because they pursue their studies while still employed. Today's WEMBA program is therefore not accessible to its target segment of elite applicants in Asia – or anywhere else outside North America, for that matter.

In the next few sections, I will lay out a framework for assessing the opportunities and challenges presented by the two geographies. Finally, based on this framework, I will choose between India and China and elaborate on our specific marketing plan in the chosen location.

2. Promotion

How should you market your product?

In this section I will analyze the tools you can leverage to promote the new WEMBA program in Asia. Owing to the presence of the WEE program in Asia and to the efforts of the Admissions Office in recruiting applicants for the WH, WHG and WHP programs in this region, you already have a variety of promotional tools at your disposal, which I list below:

1. *Digital and Social Media:* The Knowledge@Wharton website launched a China-specific webpage in 2005, and an India-specific one in 2006. By 2010, the Chinese site had more

than 250,000 subscribers and the Indian site had over 100,000. Per Rubien, Wharton also has a presence on the micro-blogging platform Weibo, with over 500,000 followers. In India, another online promotion channel for Wharton has been the “theindiaaway.com” website, which was set up in 2010 to promote a book authored by your colleagues, Professors Peter Cappelli, Harbir Singh, Jitendra Singh, and Michael Useem.

2. *Alumni Networks*: Wharton has over 5,000 alumni in Asia, of whom 555 reside in India¹. Besides this, 811 alumni are based in China, of whom 510 live in Hong Kong².
3. *Public Relations (PR) Firms*: While Rubien does not currently have a PR firm representing Wharton in North America, he has retained one to market the brand in Asia.
4. *Corporate Relationships*: Wharton has deep and longstanding relationships with a wide range of firms in India and China, many of whom serve as both feeder firms and post-degree employers, particularly of students in the WHG program.

To market the new WEMBA program in Asia, I believe you should continue relying on all four marketing channels. While the impact of social media advertising is yet unproven, everyone – from established consumer-focused players like P&G to your own peer institutions – has joined the bandwagon. A recent article in BizEd Magazine, a publication that reports exclusively on issues relating to business education, noted that “business schools [should] connect with potential students by taking advantage of this generation’s obsession with technology and social media³.” In 2010-11, for instance, the Lausanne-based IMD conducted an online contest which attracted the active participation of more than 4,000 global executives.

Alumni events, alumni word-of-mouth marketing and well-connected alumni should be central elements of your marketing plan. One key reason to rely on local alumni is the principle of social proof – humans are most easily persuaded by the actions of similar others⁴. Your most effective marketing outreach to the elite professionals of Asia would therefore be the glowing testimonials from their colleagues and mentors who have previously attended Wharton. Finally, because Wharton has the largest alumni network among its peers, using this promotional channel will play to the strengths of Wharton as an institution.

In his comprehensive global survey of international education marketing, Tim Mazzarol identifies “image and resources,” referring to “institutional reputation, market profile, strength of finance, and alumni” as one of two statistically-significant predictors of international marketing success⁵. To maximize the chances of marketing success, therefore, you should choose to market your product in the geography where you have more powerful resources and better established image.

¹ <http://www.wharton.upenn.edu/mba/your-career/alumni-network.cfm>

² 2010, Wharton Marketing Communications Office

³ 1, Shinn Sharon, Marketing 2.0 BizEd March April 2011

⁴ 75-76, Cialdini, Robert B. Harnessing the Science of Persuasion Harvard Business Review October 2001

⁵ 168-171 Critical success factors for international education marketing

3. Customers

To whom should you market your product?

Because the new WEMBA program in Asia will bear the Wharton brand, your core customer should remain the same as that described by Professor Williams for the existing programs: “elite applicants [from all over the world] who want to solve difficult problems, create new opportunities, and transform their professional lives.”

For a WEMBA program, however, the applicant is not your only customer – I believe that the applicant’s employer is also an important stakeholder. According to the Wharton website, for instance, “employers provide full or partial financial support for approximately 70% of applicants⁶.” In addition, employers also allow applicants to take time off work and attend the program. Keeping this in mind, you must market WEMBA’s Asian program to employers as much as to employees.

While deciding between India and China, therefore, you must select the geography possessing higher quality, quantity, and amenability of candidates who are currently employed in these regions, and also of their employers.

4. Competitors

Who else is out there?

Almost all your peers who offer an EMBA program – with the exception of the Sloan School of Management – have a presence in India, China, Hong Kong or Singapore. These include INSEAD, Columbia Business School, London Business School, the Booth School of Business, the Kellogg School of Management and the Fuqua School of Business. A more comprehensive list is provided in Exhibit 3. The tenor of these programs, for the most part, ranges from 15 to 23 months, and their price varies between 35% and 85% of the cost of the WEMBA program, which currently costs between USD 171,260 and 175,678⁷.

These competitor programs can be classified along the following axes:

1. *Single Name versus Multi-brand*: While some schools, such as the Booth School of Business in Singapore and the Richard Ivey School of Business in Hong Kong, offer standalone EMBA degrees, most other institutions, including Columbia Business School, London Business School and the Cox School of Business, partner with one or more local universities. INSEAD does both, offering a single name EMBA based out of Singapore, and a multi-brand INSEAD-Tsinghua EMBA in Beijing.
2. *Local versus Global*: Another axis of differentiation is along the geographic footprint of the program. Some programs, such as the Richard Ivey EMBA and the SMU-Cox EMBA, require students to spend the vast majority, if not all, of their time in a single location. Other programs, including the CBS-LBS-HKUST Global Asia EMBA and the Fuqua EMBA,

⁶ <http://www.wharton.upenn.edu/mbaexecutive/sponsorship/traditional-candidates.cfm>

⁷ <http://www.wharton.upenn.edu/mbaexecutive/admissions/tuition-fees.cfm>

adopt a global approach, with students spending significant amounts of time in different geographies. INSEAD, once again, follows both strategies: students enrolling in the single name INSEAD EMBA in Singapore can choose to spend a majority of their time in Asia, or to divide their time between INSEAD's Asian, Middle Eastern and European campuses.

Finally, Asia also houses some unconventional competitors. In an interview to Business Week in 2010, Lynda Oliver – Assistant Dean of Marketing and Communications at the Southern Methodist University Cox School of Business – noted that her school's program was facing competition from "more affordable, lesser-known options that were never considered competition before⁸." Therefore, in addition to elite local and international business schools, I believe your program will face some competition from unconventional, non-MBA degree and charter programs. Chief among these is the CFA Institute, which, over the last decade, has witnessed a rapid rise in popularity across the Asia-Pacific region. In fact, between 2000 and 2010, its membership grew from 2,850 to more than 16,000⁹.

While the presence of many competitors in a region can constrain demand, it is also a sign of strong market fundamentals and the absence of major unforeseen risks such as government regulation or excessive red tape. You could disagree with this assessment, arguing that a market without competitors offers perhaps the greatest scope for success. While I agree with this point of view, I believe that entry into a brand new market would require significantly more research and data analysis and will inevitably involve a certain degree of risk. In my opinion, therefore, you should pick the geography which has a few competitors operating already; ideally neither too many nor too few.

5. Collaborators

Who (if anyone) should you work with?

In addition to running successful promotion campaigns and outmaneuvering competitors, you will also have to incur significant capital expenditures and face some logistical challenges. For instance, based on my estimates, the construction costs alone for Wharton's two-floor 18,000 square-foot San Francisco campus were approximately USD 7.5 million in 2001¹⁰. In present-day Asia, these costs could easily exceed USD 10 million, which would represent over 2.50% of Wharton's current year operating budget of USD 390 million¹¹. Per Business Wire, "nearly 50 professors from the Wharton campus [...] fly bi-weekly each year to San Francisco" to service the West-Coast WEMBA program¹². Before you market the WEMBA in Asia, you must be certain that your staff will be amenable to flying halfway across the world on a regular basis, and if so, you must ensure that you have the resources on the ground to ensure your staff's safety and comfort.

⁸ The MBA Marketing Machine, By: Di Meglio, Francesca, BusinessWeek.com, 6/15/2010

⁹ Pg. 20, http://www.cfainstitute.org/about/locations/asiapac/Documents/cfa_corp_brochure_19apr2011.pdf

¹⁰ Alati, Danine, "Ivy Transplant." Contract Feb 2003 p82, vol 45 issue 2

¹¹ Wharton Finance and Administration Office

¹² Business Wire (English); 12/08/2011 Wharton | San Francisco Completes Its 10th Anniversary Year

Partnering with an Asian business school is one way to mitigate marketing costs, potentially eliminate capital expenditures, shorten setup time, and simplify the logistics of setting up shop in a foreign market. On the other hand, you may no longer have complete control over marketing communications, faculty hiring decisions, teaching methods, curriculum crafting and student selection.

In this regard, I wish to draw your attention to the collaboration between Yale University and the National University of Singapore (NUS) to set up the Yale-NUS College, Asia's first American-style liberal arts institution. On September 12, 2010, Richard Levin, President of Yale University, and Peter Salovey, the Provost, addressed a letter to the faculty of Yale University, describing the partnership as follows:

Yale was invited more than a year ago by the National University of Singapore (NUS) to help design a new liberal arts college on its campus. [...] Yale has now been asked to consider joining with NUS as a full partner to establish Yale-NUS College in Singapore, with an intended opening in the fall of 2013. The College would be a highly selective, small, autonomous school within NUS, with approximately 1000 undergraduate students in its early years. The College would award its degrees through NUS, not Yale. The College's separate governing board, half of which would be comprised of Yale appointees, would have authority over the curriculum, faculty appointments, and admissions policies. The cost of establishing and operating the College would be borne by NUS and the government of Singapore, at no financial cost to Yale. [...] Yale has never embarked on a joint project to create an overseas campus bearing its name, but this initiative to establish a Yale-NUS College has special appeal¹³.

The Yale-NUS collaboration should serve as a model for Wharton's own foray into Asia. In return for allowing the establishment of a campus bearing its name, Yale received full financial reimbursement, a partnership with a leading regional university, full authority over academic affairs and admissions policies, and a foothold in Asia not currently possessed by its arch-rivals – Harvard and Princeton. While Wharton's brand in the realm of business education is held in at least as high a regard as Yale's brand in undergraduate education, one difference is that Yale possessed a first-mover advantage, while Wharton does not.

Wharton already has close ties to major regional business schools in Asia. Per Rubien, Wharton has one or more outstanding agreements in place with Jia Tong University in Shanghai and Tsinghua University in Beijing. Wharton has a strategic partnership with the Guanghua School of Management at Peking University in Beijing¹⁴. Wharton also collaborates closely with the China Europe International Business School (CEIBS), coordinating faculty research, offering MBA student exchanges, and allowing CEIBS EMBA students to study at Wharton for one module¹⁵. In India, Wharton partnered with the Kellogg School of Management to help establish the Indian School of Business (ISB) in 2001. Wharton has worked very closely with the ISB since

¹³ https://light.its.yale.edu/messages/attachments/w3_57046_YNC_Prospectus.pdf

¹⁴ <http://www.wharton.upenn.edu/faculty/3091.cfm>

¹⁵ <http://www.wharton.upenn.edu/faculty/3091.cfm>

then. In Singapore, Wharton has established extensive exchange programs, collaborative research centers, and joint alumni events with INSEAD¹⁶.

Any mishaps during the introduction of the WEMBA program in Asia – irrespective of whether it is designed as a single name or as a multi-brand program – run the risk of devaluing the Wharton brand globally. In their paper analyzing various branding strategies, Sandra Milberg, Whan Park and Michael McCarthy argue that “relative to a direct extension, a sub-branding strategy mitigates negative feedback effects and improves consumer evaluations of extensions belonging to dissimilar product categories¹⁷.” Therefore, to minimize potential damage to the Wharton brand globally, I recommend that the WEMBA program in Asia be set up as a multi-brand rather than as a single name program. While deciding between India and China, therefore, you must choose the geography with the most numerous and most attractive potential collaborators.

6. Place

Which market should you enter?

So far, I have argued that you should choose to market the WEMBA program in:

1. *The geography where you have more powerful resources and better established image:* The presence of 510 Wharton alumni in the city of Hong Kong makes it more attractive than either India, with 555 alumni scattered across the country, or mainland China, with only 301 alumni¹⁸.
2. *The geography possessing higher quality, quantity, and amenability of candidates who are currently employed in these regions, and also of their employers:* While both India and China offer thousands of potential candidates, there are many more companies in China which will be able to sponsor their employees for the WEMBA program. The Forbes Asia Top 50 Companies list, for instance, includes 25 Chinese companies: 23 based in the mainland and 2 in Hong Kong, but it features only 11 Indian ones¹⁹.
3. *The geography which has a few competitors operating already; ideally neither too many nor too few:* While there are two EMBA programs – Fuqua and Anderson-NUS – which have a small part of their program in India, the vast majority of American and European schools avoid it. This, combined with press reports that India may closely regulate all joint- and dual-degree partnerships between Indian and foreign universities, concerns me somewhat²⁰. On the other hand, while it may seem from Exhibit 2 that the EMBA space in Hong Kong is crowded, Wharton’s closest peers – INSEAD and the Booth School of Business – are both based in Singapore and mainland China, but not in Hong Kong.
4. *The geography with the most numerous and most attractive potential collaborators:* This question requires more research. Wharton’s partnership with the Indian School of

¹⁶ <http://www.wharton.upenn.edu/locations/whartoninsead-alliance.cfm>

¹⁷ Milberg, Park and McCarthy, *Journal of Consumer Psychology*, 6(2), 119-140, 1997: Managing Negative Feedback Effects Associated with Brand Extensions

¹⁸ 2010, Wharton Marketing Communications Office

¹⁹ <http://www.forbes.com/fab50/list/>

²⁰ <http://chronicle.com/article/Indias-New-Rules-for-Foreign/133782/>

Business appears to be your strongest link with a regional business school in Asia. However, because of the equally close relationship between the Indian School of Business and the Kellogg School of Management, perhaps a joint EMBA program may not be an option. A partnership with the Indian School of Business once again raises potential concerns about India's regulatory environment. Hong Kong offers two potential partners – the City University of Hong Kong and the Chinese University of Hong Kong. In mainland China Wharton could leverage its relationship with the China Europe International Business School, although the latter already runs a highly successful EMBA program.

In conclusion, Dean Robertson, I believe you should introduce the WEMBA program to Hong Kong in partnership with the City University of Hong Kong, the Chinese University of Hong Kong, or the China Europe International Business School. You should use the full range of marketing options available to you, many of which are already being used by your colleagues in the Marketing Communications Office and the Admissions Office. You should remember to market the WEMBA program both to potential candidates and to their employers.

Exhibit 1

	Engagement	Tenor (m)	Cost	Location	Total ²¹	China ²²	India ²³
WH	Full-time	44	238,400 ²⁴	Philadelphia	2,489 (100%)	74 (2.97%)	70 (2.81%)
WHG	Full-time	20	186,000 ²⁵	Philadelphia	1,653 (100%)	60 (3.63%)	83 (5.02%)
WHP	Full-time	48-60 ²⁶	0 ²⁷	Philadelphia	191 (100%)	31 (16.23%)	11 (5.76%)
WEMBA	Part-time	24 ²⁸	171,260- 175,678 ²⁹	Philadelphia, San Francisco	n/a	n/a	n/a
WEE	Part-time	Varies	Varies	Global (including India, China)	n/a	n/a	n/a

²¹ 2010, Wharton Marketing Communications Office

²² 2010, Wharton Marketing Communications Office

²³ 2010, Wharton Marketing Communications Office

²⁴ <http://www.sfs.upenn.edu/paying/cost-of-attendance.htm>

²⁵ <http://www.wharton.upenn.edu/mba/admissions/cost-summary.cfm>

²⁶ <http://www.wharton.upenn.edu/doctoral/overview/facts-and-dates.cfm>

²⁷ <http://www.wharton.upenn.edu/doctoral/admissions/expense-and-financial-aid.cfm>

²⁸ <http://www.wharton.upenn.edu/mbaexecutive/academics/program-calendar.cfm>

²⁹ <http://www.wharton.upenn.edu/mbaexecutive/admissions/tuition-fees.cfm>

Exhibit 2

	Location	Tenor (m)	Cost ³⁰	EMBA Certified ³¹	Classification
Indian School of Business (ISB)	Hyderabad	15 ³²	64,500 ³³	Yes	Single name, Local
University of Chicago Booth	Singapore	21 ³⁴	151,639 + Tax ³⁵	Yes	Single name, Local
China Europe International Business School (CEIBS)	Shanghai	18 ³⁶	86,368 ³⁷	Yes	Single name, Local
University of Western Ontario Ivey	Hong Kong	17 ³⁸	119,742 ³⁹	Yes	Single name, Local
Kellogg + HKUST	Hong Kong, Evanston ⁴⁰	18 ⁴¹	150,000 ⁴²	Yes	Multi-brand, Global
Chinese University of Hong Kong	Hong Kong	23 ⁴³	62,808 ⁴⁴	No	Single name, Local
University of Hong Kong + London Business School + Columbia Business School	New York, London, Hong Kong ⁴⁵	16-20 ⁴⁶	140,000 ⁴⁷	Yes	Multi-brand, Global
City University of Hong Kong	Hong Kong	22 ⁴⁸	47,232 ⁴⁹	Yes	Single name, Local
Singapore	Singapore	21 ⁵⁰	106,115 ⁵¹	Yes	Multi-brand,

³⁰ 1 USD = 7.75 HKD = 1.22 SGD = 6.25 CNY

³¹ http://www.executivemba.org/search_transact.asp

³² http://www.isb.edu/pgpmax/pgpmaxbrochure_2013-14.pdf

³³ <http://www.isb.edu/pgpmax/programme/fee.shtml>

³⁴ <http://www.chicagobooth.edu/programs/exec-mba/admissions/tuition-financial-aid>

³⁵ <http://www.chicagobooth.edu/programs/exec-mba/admissions/tuition-financial-aid>

³⁶ <http://www.ceibs.edu/emba/programme/programmeschedule/index.shtml>

³⁷ <http://www.ceibs.edu/emba/admissions/tuition/index.shtml>

³⁸ <http://www.ivey.com.hk/emba/schedule.html>

³⁹ <http://www.ivey.com.hk/emba/financing.html>

⁴⁰ http://www.bm.ust.hk/khemba/content.asp?section=about&task=about_program_design

⁴¹ http://www.bm.ust.hk/khemba/content.asp?section=about&task=about_calendar

⁴² http://www.bm.ust.hk/khemba/content.asp?section=app&task=application_fee

⁴³ <http://www.emba.cuhk.edu.hk/page.aspx?corpname=sg&i=466>

⁴⁴ <http://www.emba.cuhk.edu.hk/page.aspx?corpname=sg&i=483>

⁴⁵ <http://www.emba-global.com/asia/programmedetails.html?WT.svl=sihead>

⁴⁶ <http://www.emba-global.com/asia/programmedetails.html?WT.svl=sihead>

⁴⁷ <http://www.emba-global.com/asia/fees.html?WT.svl=topnav>

⁴⁸ http://www.executivemba.org/program_summary.asp?pid=195

⁴⁹ http://www.executivemba.org/program_summary.asp?pid=195

⁵⁰ <http://www.cox.smu.edu/web/executive-mba>

⁵¹ <http://www.cox.smu.edu/web/executive-mba/financing-the-emba>

Management University + Cox					Local
Duke Fuqua	Durham, St. Petersburg, London, New Delhi, Dubai, Shanghai, Bangkok	15 ⁵²	158,600 ⁵³	Yes	Single name, Global
INSEAD	Singapore OR Singapore, Abu Dhabi, Fontainebleau ⁵⁴	14-17 ⁵⁵	130,738 ⁵⁶	Yes	Single name, Local / Global
INSEAD + Tsinghua University	Beijing, Singapore, Fontainebleau, Abu Dhabi	18 ⁵⁷	90,000 ⁵⁸	Yes	Multi-brand, Global
University of California Los Angeles (UCLA) Anderson + National University of Singapore (NUS)	Singapore, Shanghai, Bengaluru, Los Angeles ⁵⁹	15 ⁶⁰	92,222 ⁶¹	Yes	Multi-brand, Global

⁵² http://www.fuqua.duke.edu/documents/programs/global/GEMBA_brochure.pdf

⁵³ http://www.fuqua.duke.edu/programs/duke_mba/global-executive/admissions/costs+financial-aid/

⁵⁴ http://global.emba.insead.edu/three_campuses/

⁵⁵ <https://site.insead.edu/assets/marketing/0080375398.pdf>

⁵⁶ http://global.emba.insead.edu/finance/financing_your_GEMBA.php

⁵⁷ <http://tsinghua.insead.edu/programme-overview.php>

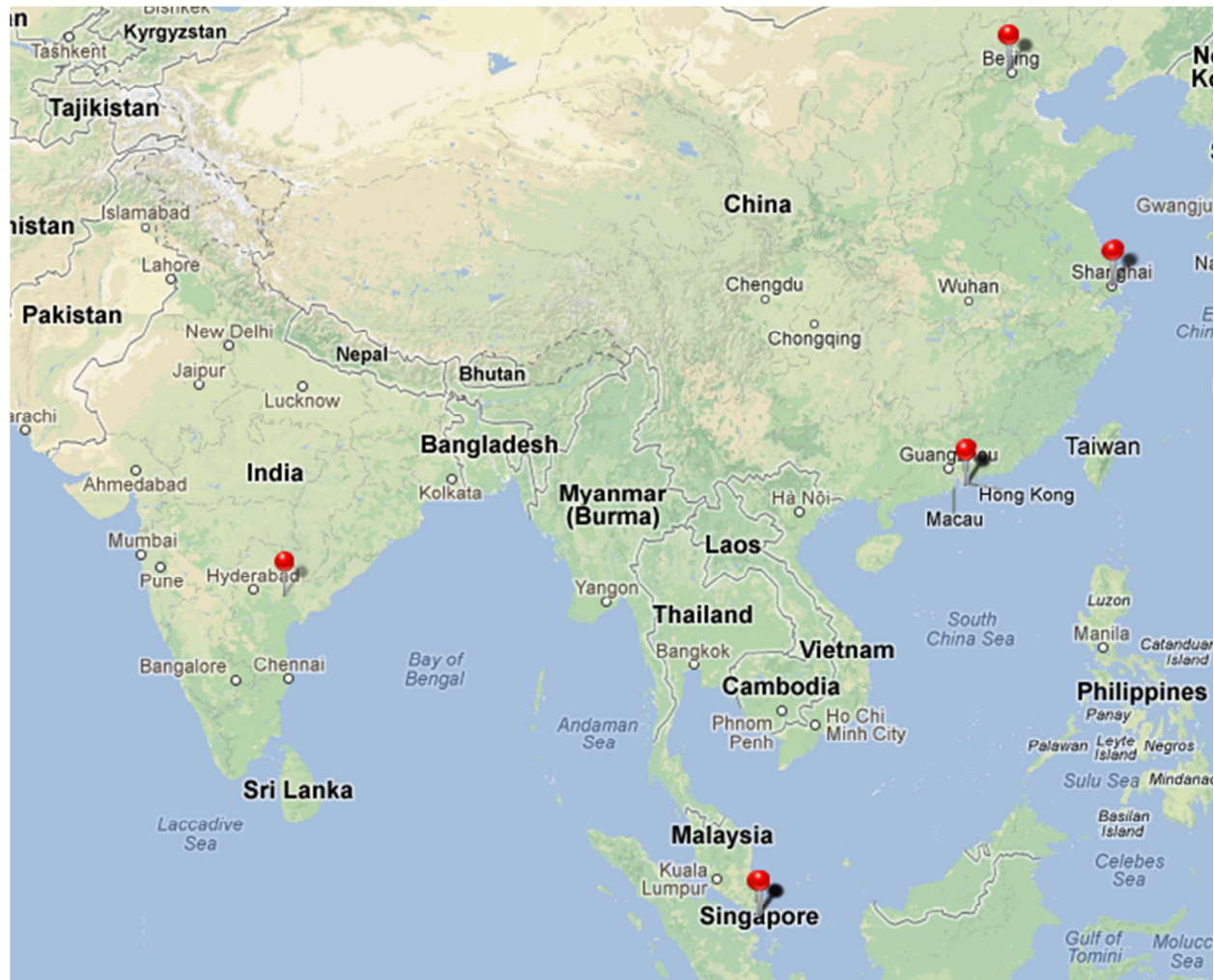
⁵⁸ <http://tsinghua.insead.edu/fees-financing.php>

⁵⁹ <http://ucla.nus.edu/>

⁶⁰ <http://ucla.nus.edu/>

⁶¹ <http://ucla.nus.edu/faqs.htm#financial>

Exhibit 3⁶²



⁶² http://www.executivemba.org/search_transact.asp