2016 GMAT Test Prep Summit
Americas Region

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GMAT Trends and Survey Insights

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We asked you…

"GMAT test-taker trends…globally and in the US specifically."

"Seasonal testing trends…"

"…test prep trends."

"…retesting trends."

If you were designing the summit, what topics would you most want to see addressed?

"…spending on test prep."

"…data to help us make marketing investments."

"…GME market trends."

"Role of testing in the admissions process…"

Source: GMAT Test Prep Summit Survey 2016

Discussion Structure

- Testing trends
- Candidate trends
- Prep behavior
- Testing behavior
- Understanding test takers

Testing trends

Candidate trends

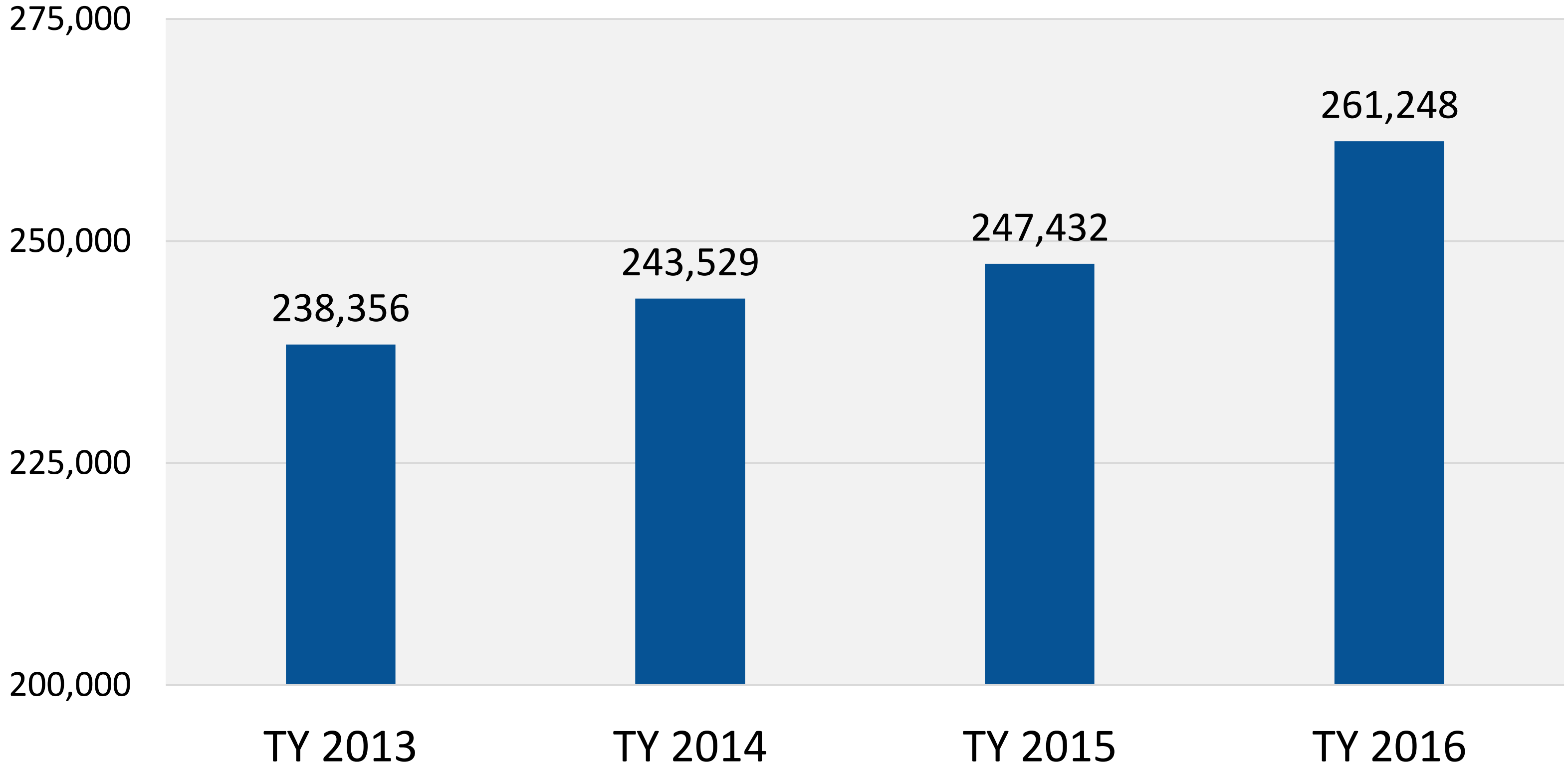
Prep behavior

Testing behavior

Understanding test takers

GMAT Exams Delivered Globally

Total exams delivered, TY 2013 – TY 2016



Source: GMAT exam data, TY 2013 – TY 2016

GMAT Exams Delivered Globally

GMAT exams taken by world region of residence, TY 2013 – TY 2016

North America
TY 2013: 121,403
TY 2016: 118,271
% Change: **-2.6%** ▶

Europe
TY 2013: 23,063
TY 2016: 24,899
% Change: **+8.0%** ▲

Asia-Pacific
TY 2013: 78,138
TY 2016: 100,687
% Change: **+28.9%** ▲

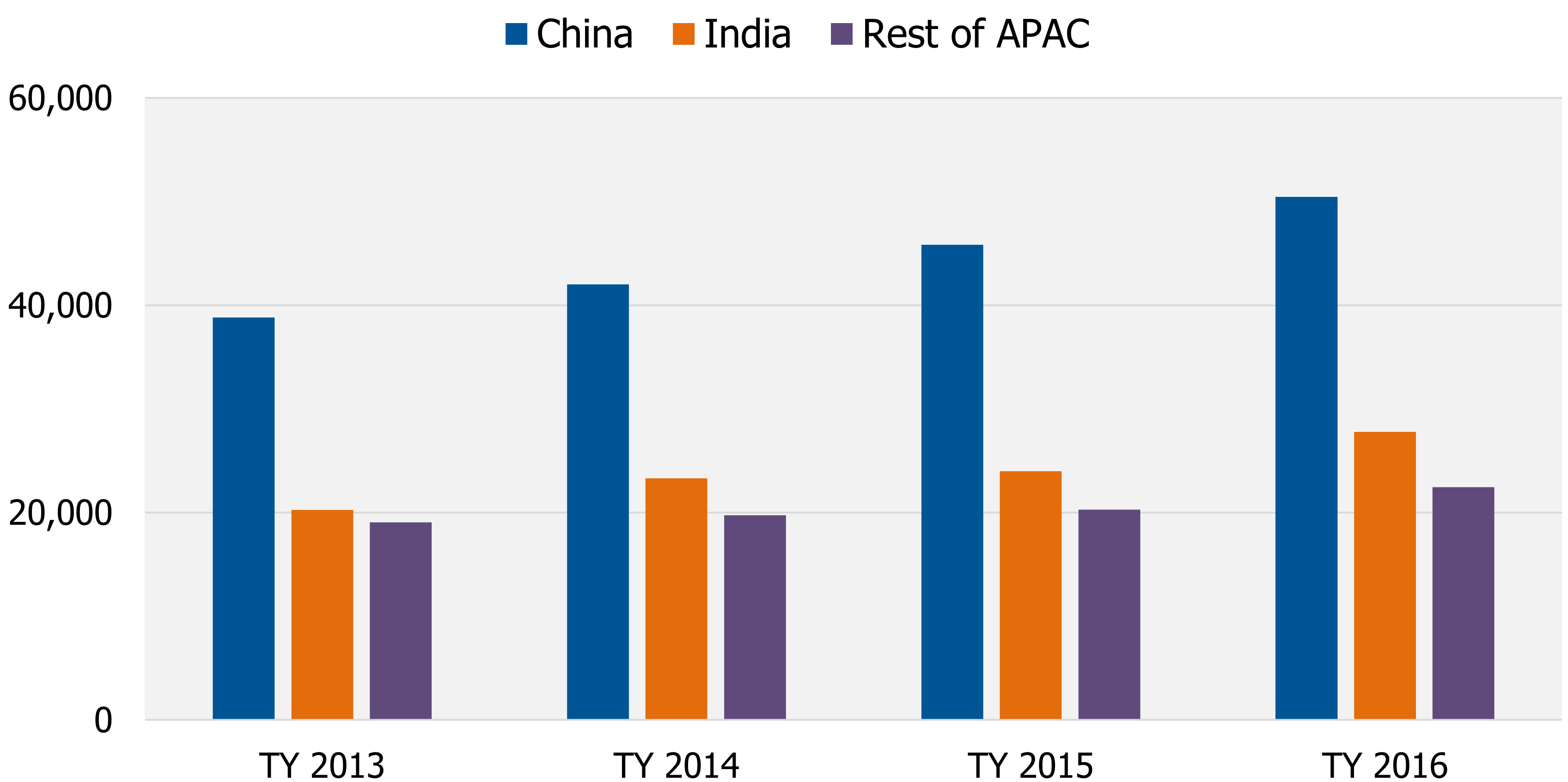
Middle East & Africa
TY 2013: 10,715
TY 2016: 10,137
% Change: **-5.4%** ▼

Latin America
TY 2013: 5,037
TY 2016: 7,254
% Change: **+44.0%** ▲

Source: GMAT exam data, TY 2013 – TY 2016

Asia-Pacific Growth

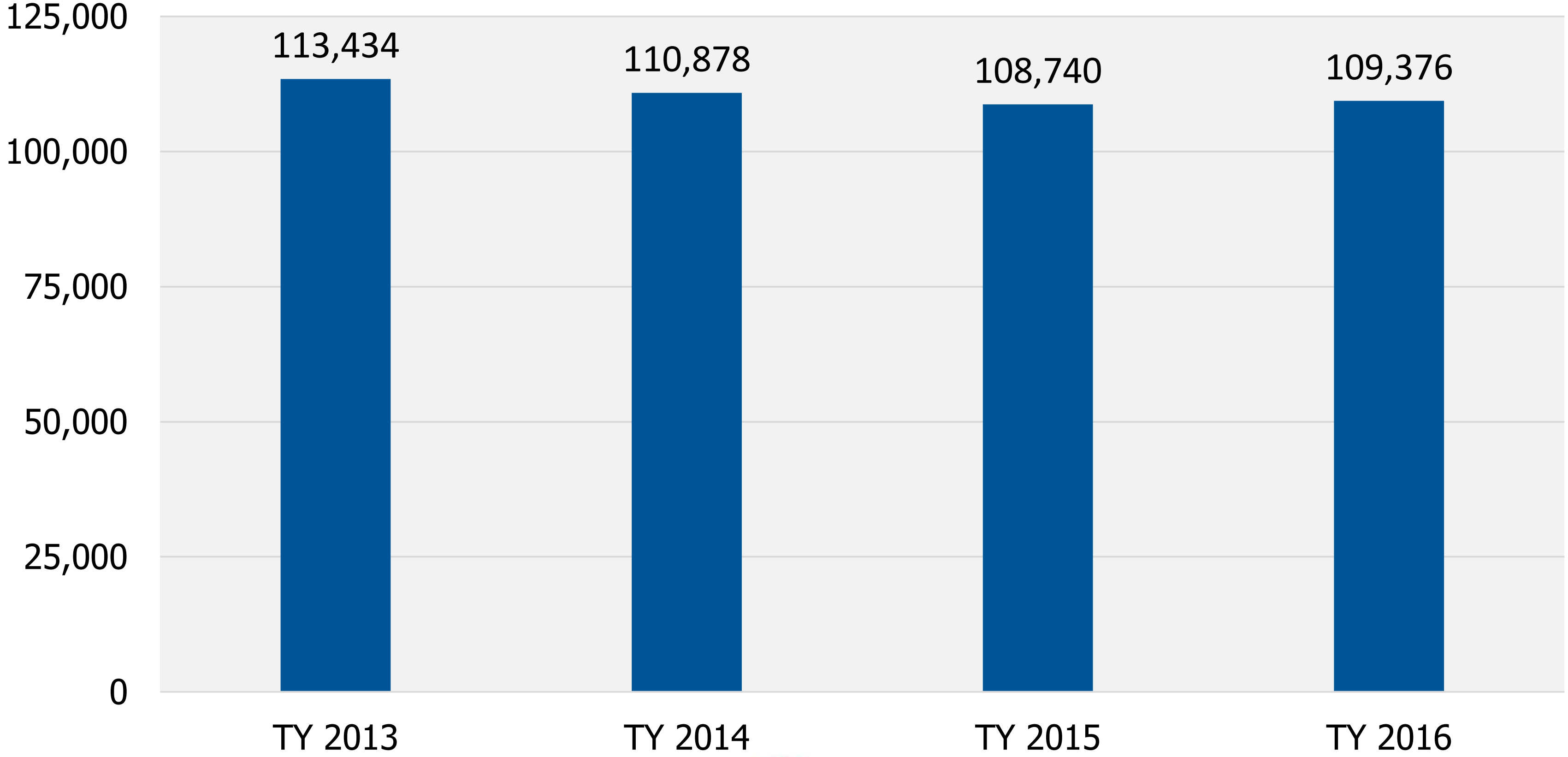
GMAT exams taken by country/world region of residence, TY 2013 – TY 2016



Source: GMAT exam data, TY 2013 – TY 2016

US Domestic Market

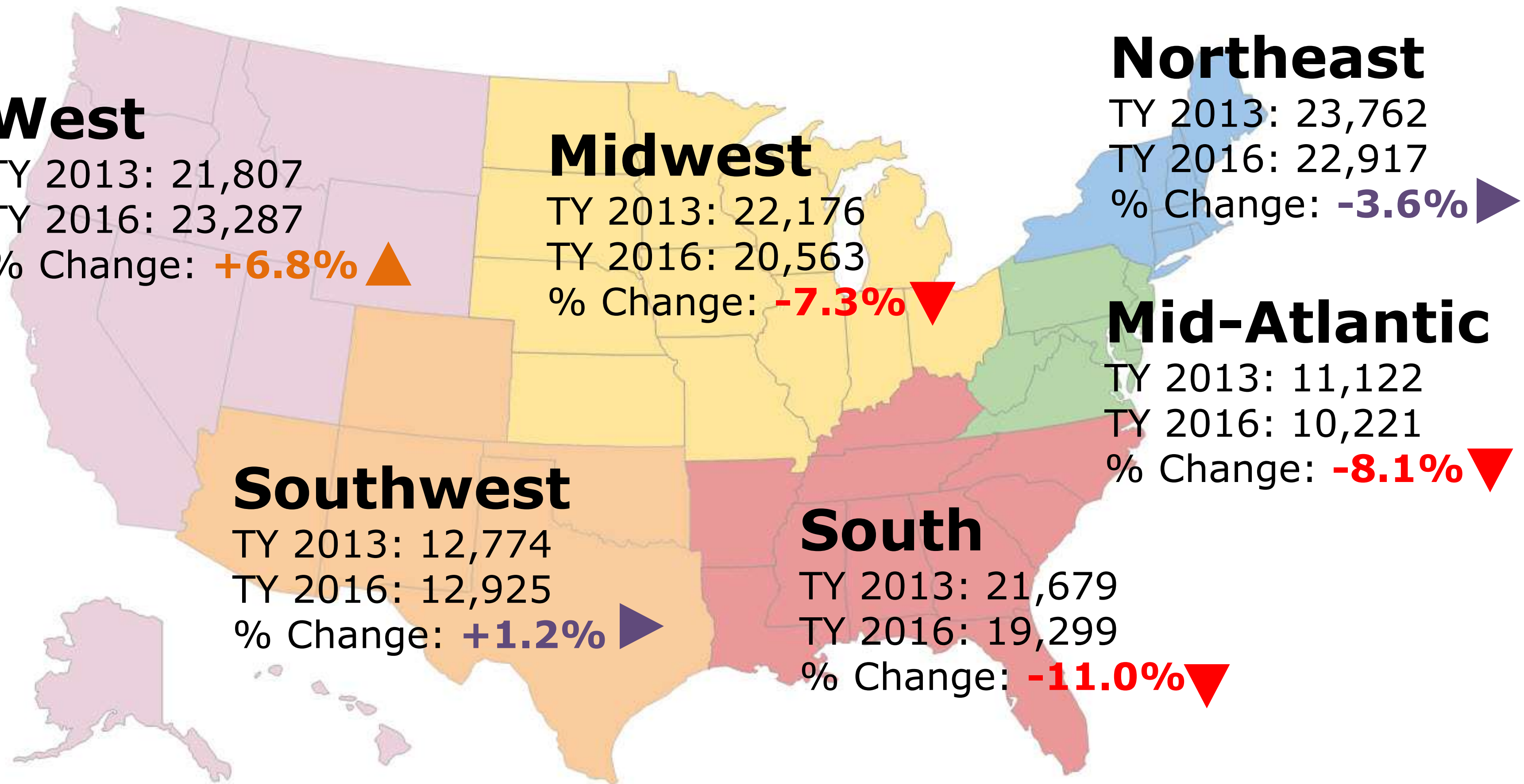
GMAT exams taken by country region of residence, TY 2013 – TY 2016



Source: GMAT exam data, TY 2013 – TY 2016

US Domestic Market

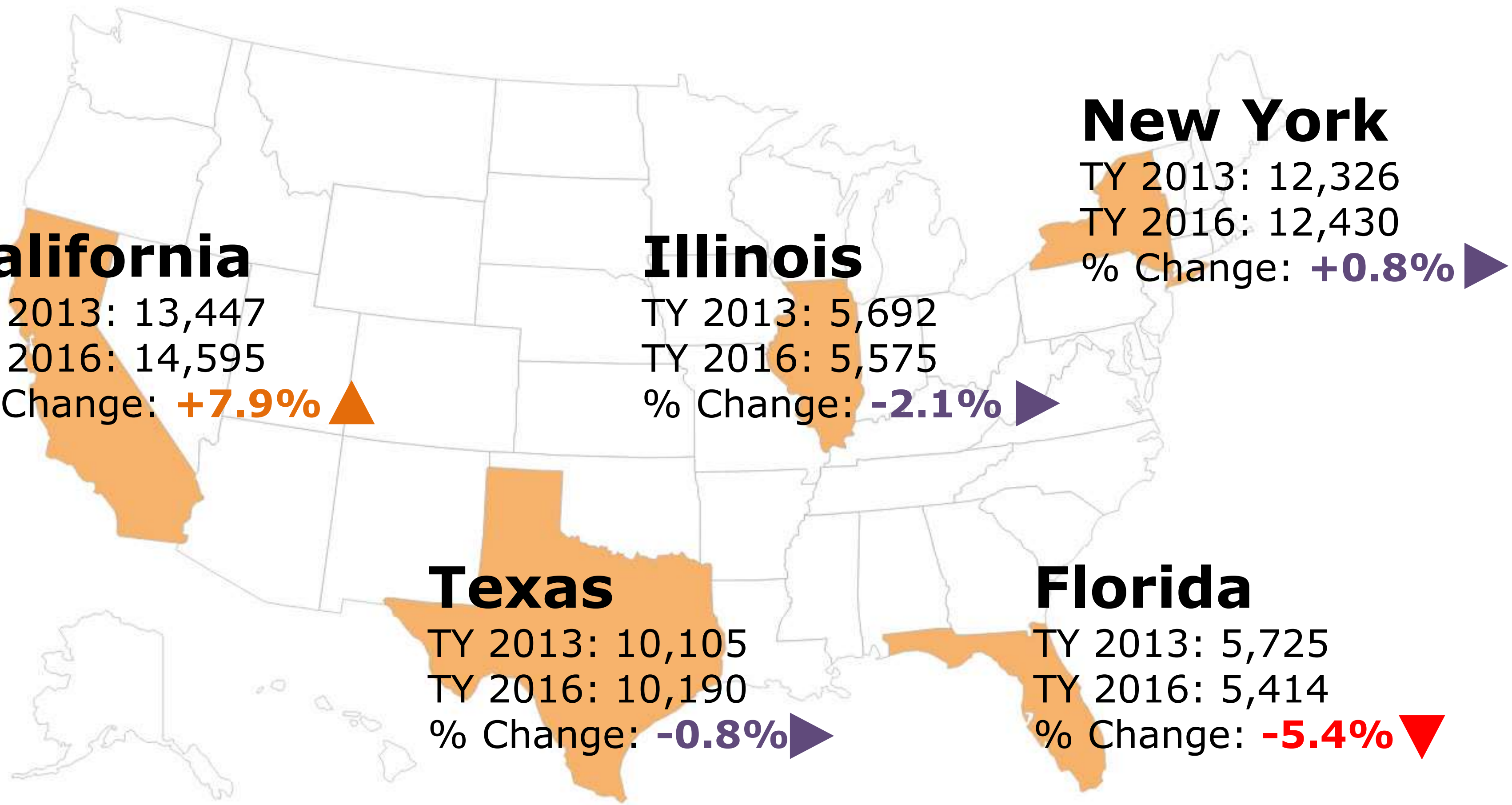
GMAT exams taken by US region of residence, TY 2013 – TY 2016



Source: GMAT exam data, TY 2013 – TY 2016

US Domestic Market

GMAT exams taken by state of residence, TY 2013 – TY 2016



Source: GMAT exam data, TY 2013 – TY 2016

Testing Trends

Key takeaways:

- Total GMAT test taking has increased for three consecutive testing years following the introduction of IR
- Asia-Pacific is driving overall industry growth—particularly China
- US market continues to be stable
  - Growth in the West—particularly California

Testing trends

Candidate trends

Prep behavior

Testing behavior

Understanding test takers

Demographic Shifts

Worldwide examinee demographics, TY 2012 – TY 2016

	TY 2012	TY 2016
Gender split	57% 43%	55% 45%
Age: % under 25	47%	49%
Undergrad major	46% Non-business 54% Business	47% Non-business 53% Business
Work exp.	0 years: 25% 1-3 years: 29% 4+ years: 38%	0 years: 28% 1-3 years: 29% 4+ years: 34%

Source: GMAT exam data, TY 2012 – TY 2016

Demographic Shifts

US resident examinee demographics, TY 2012 – TY 2016

	TY 2012	TY 2016
Gender split	59% 41%	58% 42%
Age: % under 25	41%	44%
Undergrad major	43% Non-business 57% Business	46% Non-business 54% Business
Work exp.	0 years: 22% 1-3 years: 32% 4+ years: 46%	0 years: 26% 1-3 years: 32% 4+ years: 42%

Source: GMAT exam data, TY 2012 – TY 2016

Demographic Shifts

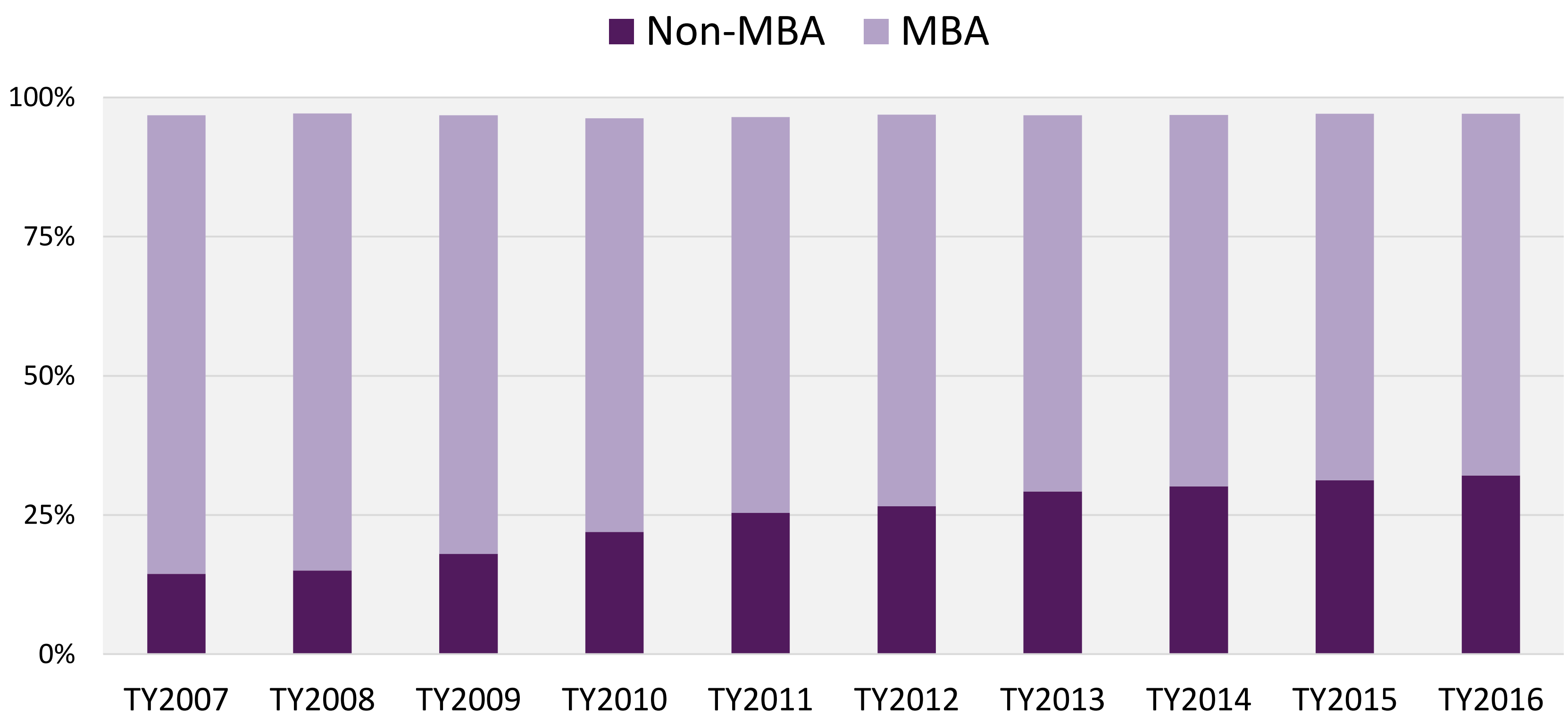
China resident examinee demographics, TY 2012 – TY 2016

	TY 2012	TY 2016
Gender split	34% / 66%	31% / 69%
Age: % under 25	84%	81%
Undergrad major	30% Non-business 70% Business	31% Non-business 69% Business
Work exp.	0 years: 70% 1-3 years: 17% 4+ years: 13%	0 years: 68% 1-3 years: 19% 4+ years: 13%

Source: GMAT exam data, TY 2012 – TY 2016

Score sending

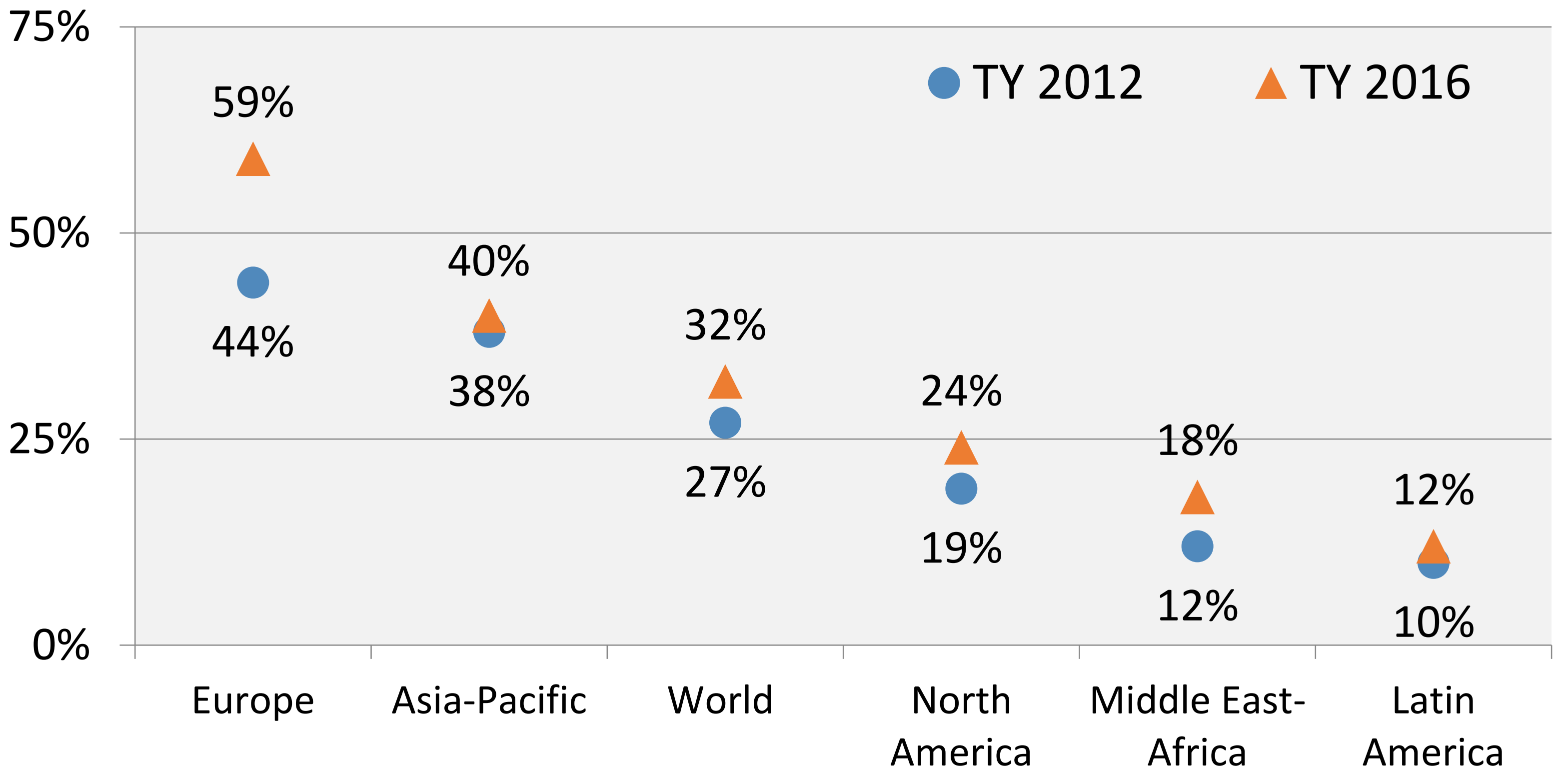
GMAT score sending, all examinees



Source: GMAT exam data, TY 2007 – TY 2016

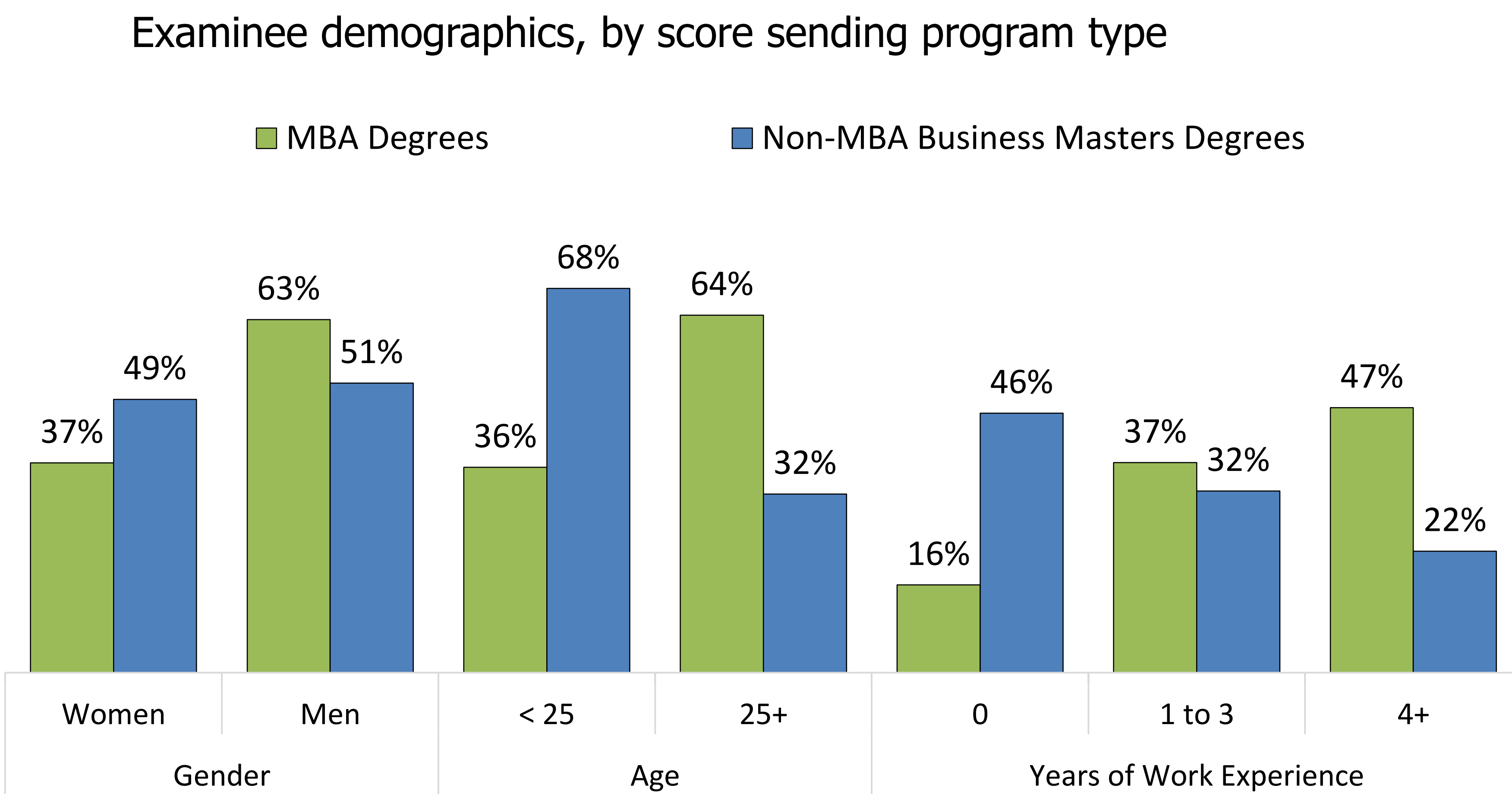
Score Sending

GMAT score sending to non-MBA programs by world region of residence



Source: GMAT exam data, TY 2012 – TY 2016

Distinct Pipelines



Source: GMAT exam data, TY 2014

Distinct Pipelines

Key candidate pipeline differences, by program type considered

Segment dimension	Full-time MBA	PT MBA/EMBA	Non-MBA master's
Motivations	Networking opportunities	Remain marketable	Gain recognition
Skills	Strategic and decision making skills	Management skills	Technical/ operational skills
Reservations	Financial	Time and energy demands	Uncertainty

Source: GMAC (2014) mba.com Prospective Students Survey.

Candidate Trends

Key takeaways:

- The demographics of examinees are shifting:
  - Younger, less professional experience
  - More female
  - Fewer business majors
- Shifts are related to increased demand for non-MBA programs
  - Demand varies by world region of residence
- Distinct pipelines for MBA vs. non-MBA programs

Testing trends

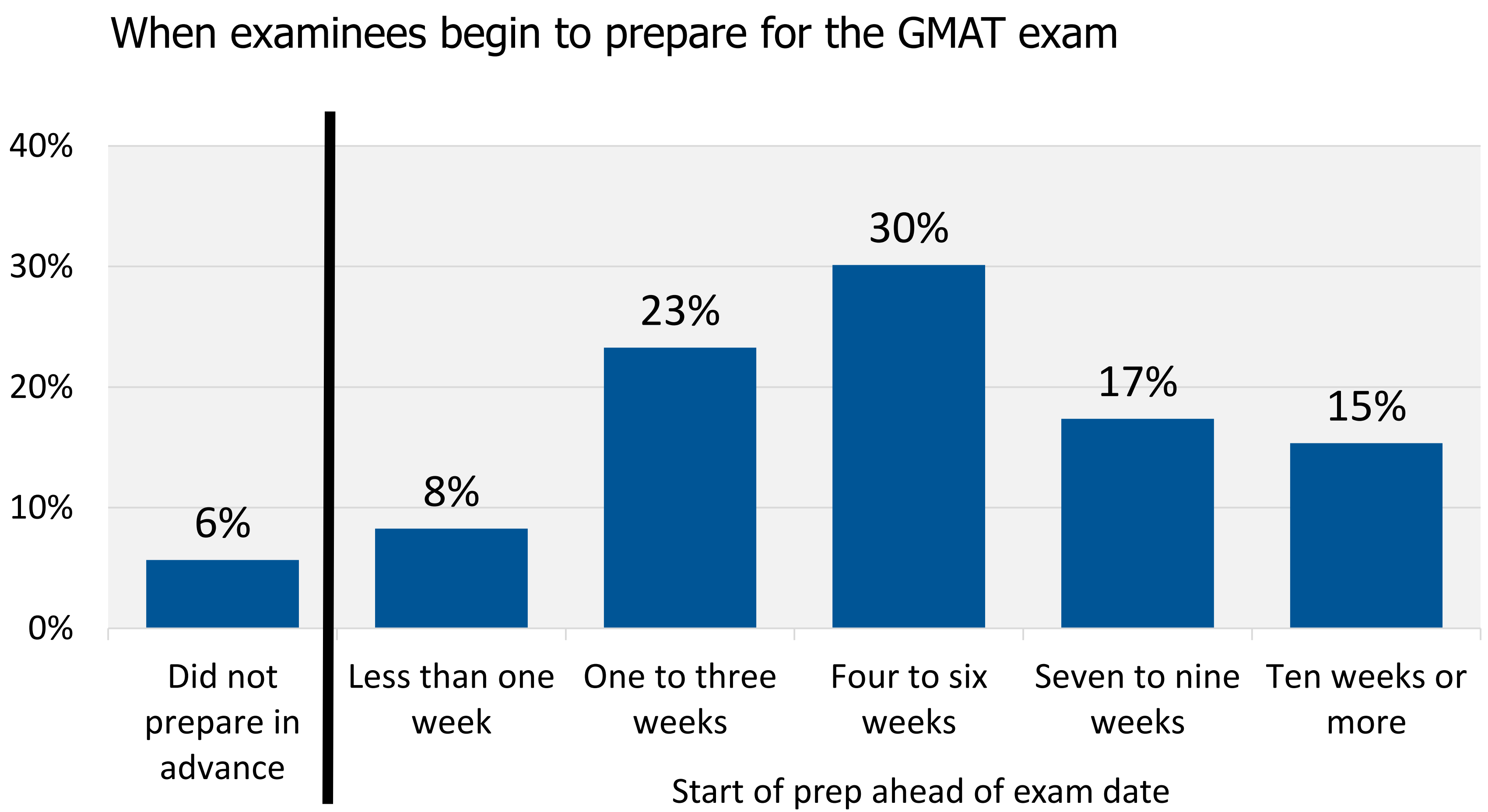
Candidate trends

Prep behavior

Testing behavior

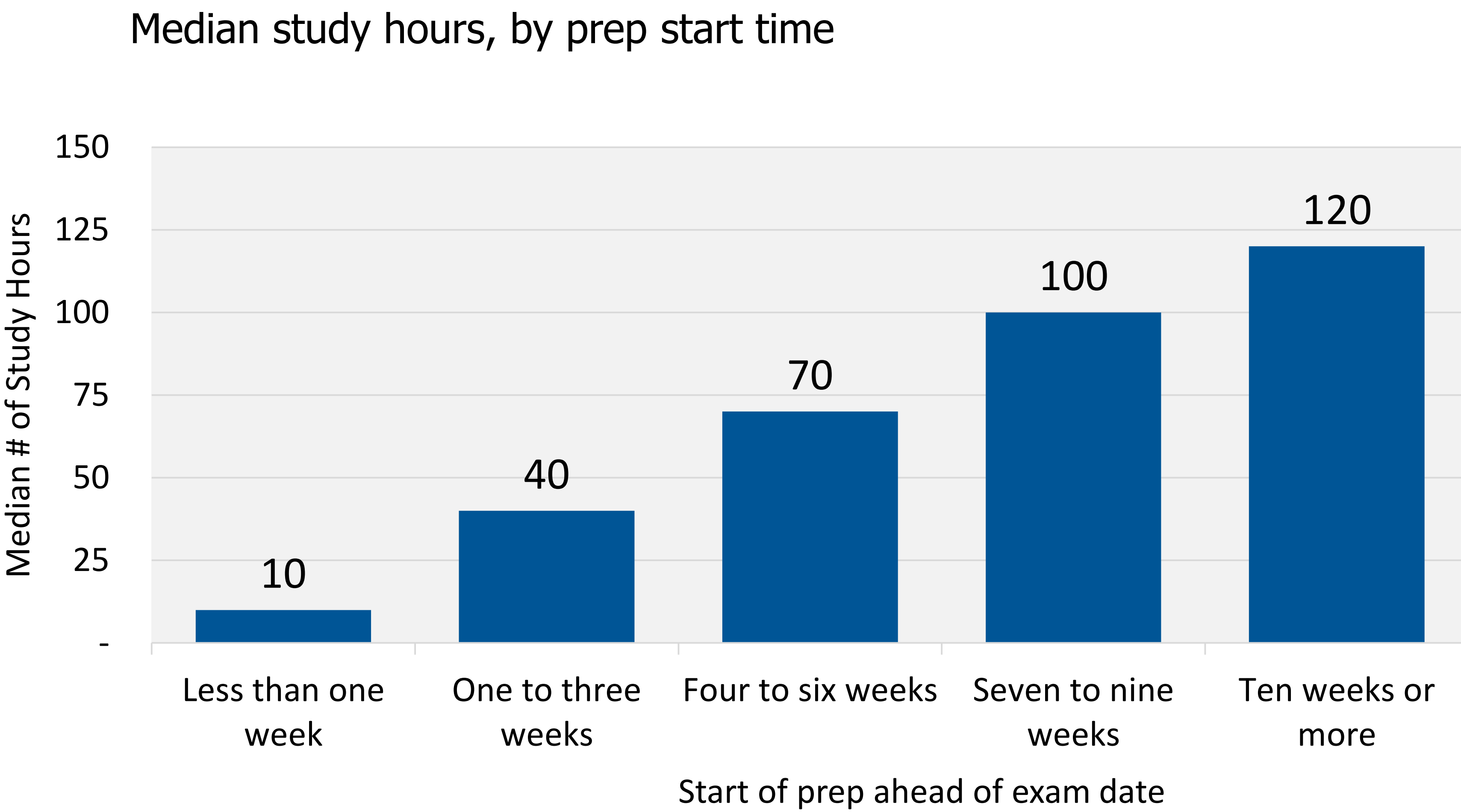
Understanding test takers

Starting Prep



Source: GMAC (2016) mba.com Prospective Students Survey. n=3,951

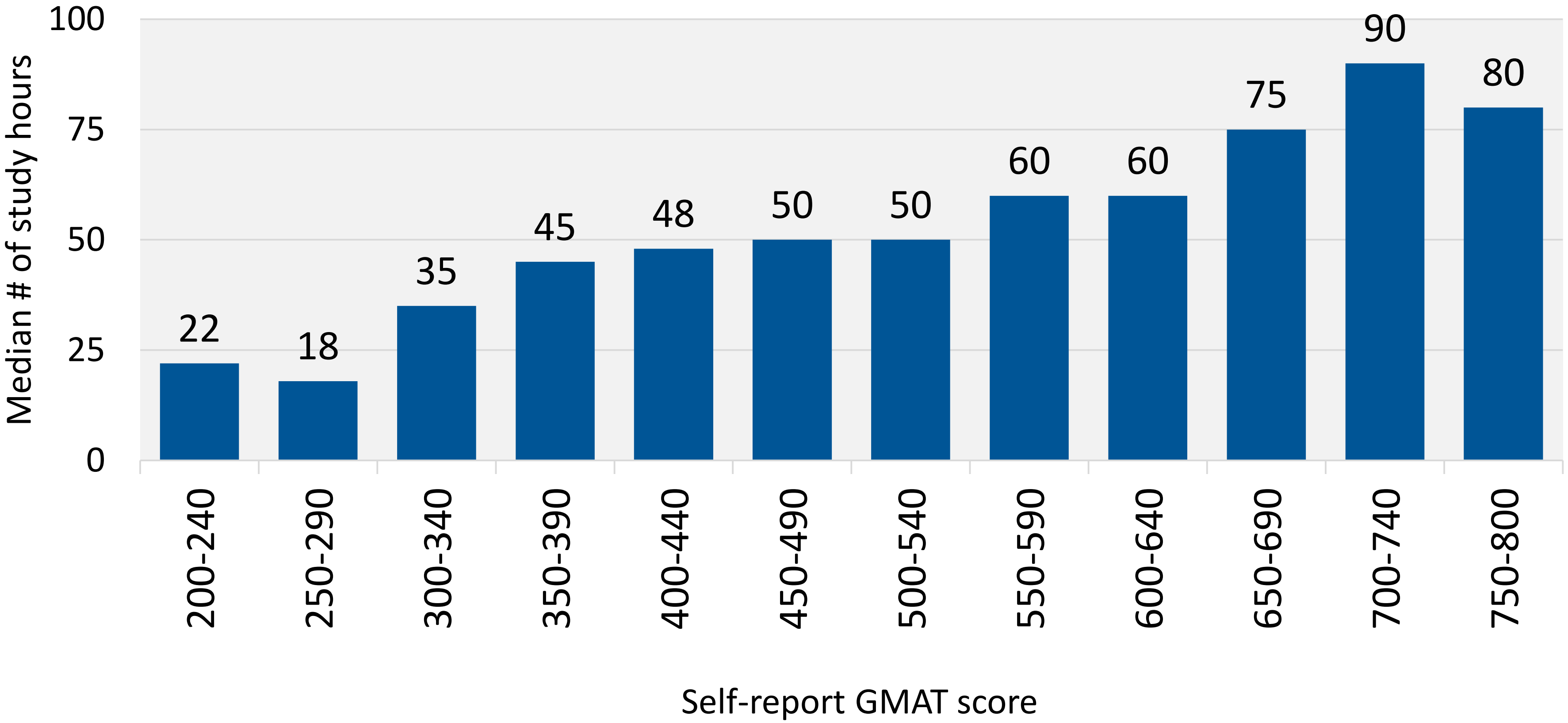
Starting Prep



Source: GMAC (2016) mba.com Prospective Students Survey. n=3,712

Prep and GMAT Success

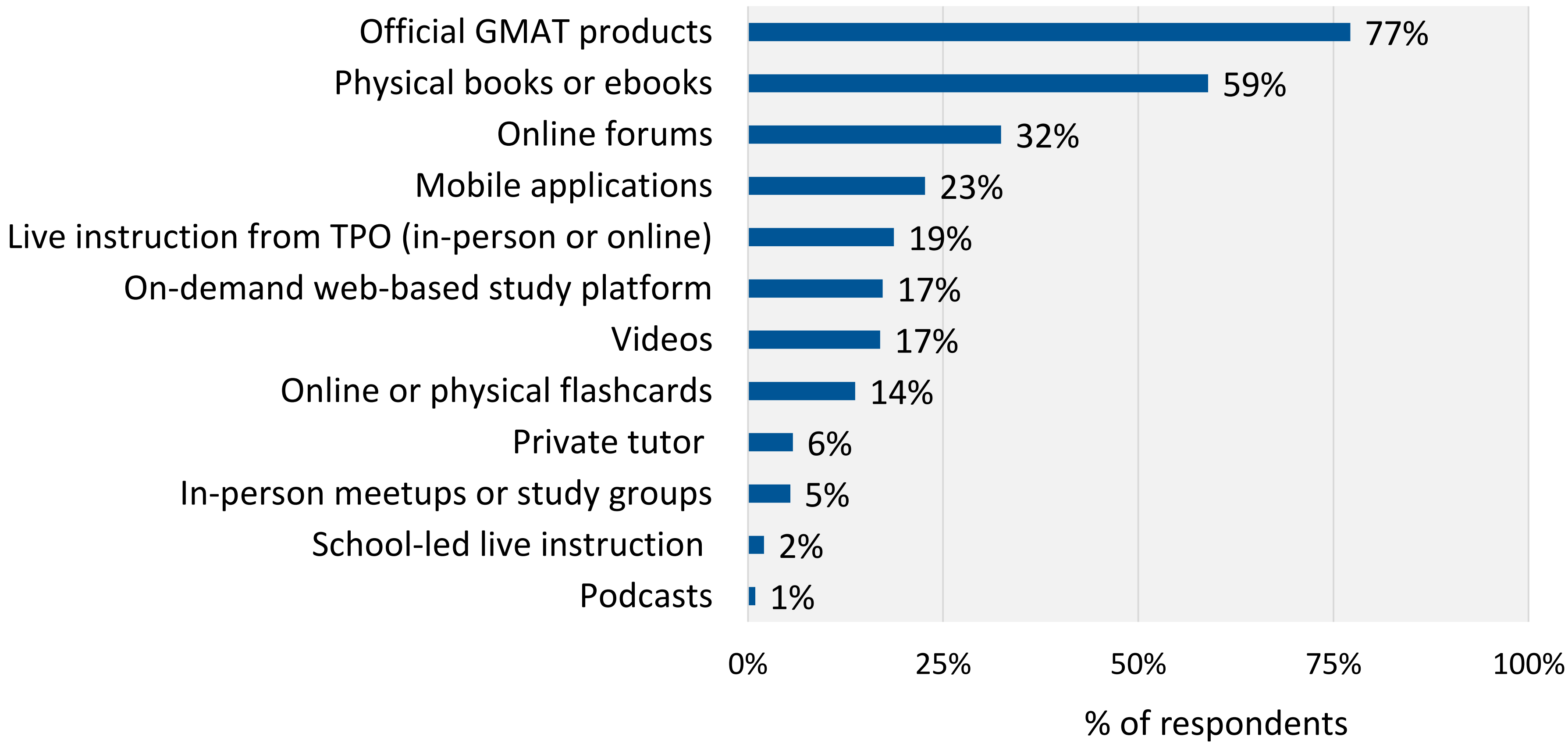
Median study hours, by self-reported GMAT score



Source: GMAC (2016) mba.com Prospective Students Survey.
n=3,607

Prep Products/Services Used

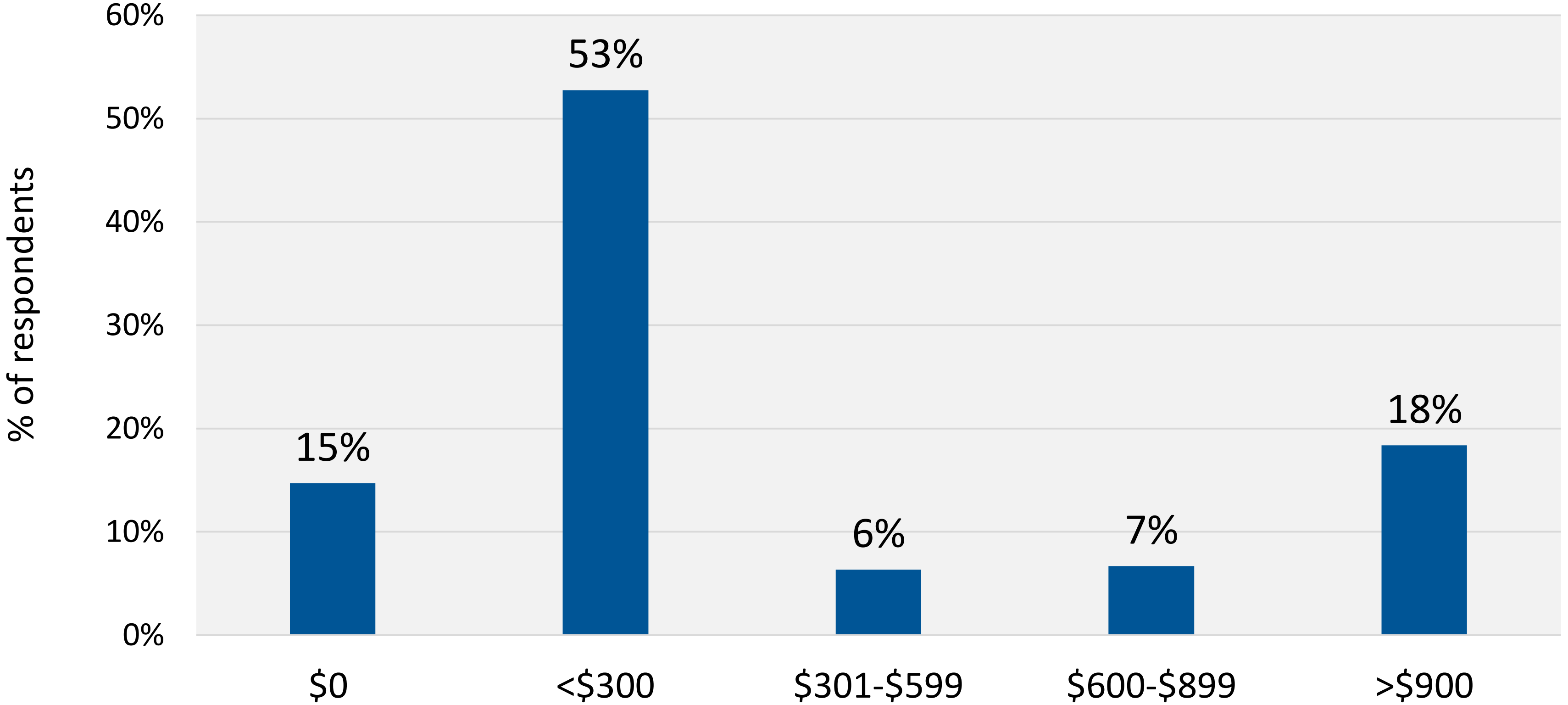
Prep products used by GMAT examinees



Source: GMAC test prep survey. n=626

Money Spent on Prep

Estimated amount spent on GMAT prep



Source: GMAC test prep survey. n=599

Money Spent on Prep

Estimated amount spent on GMAT prep, by prep products used

	Official GMAT products	In-person meetups or study groups	Mobile applications	Videos	On-demand web-based study platform	Live instruction from TPO (in-person or online)	Private tutor
$0	13%	3%	11%	12%	7%	1%	3%
<$300	55%	13%	49%	46%	40%	9%	9%
$301-$599	7%	19%	9%	10%	11%	3%	9%
$600-$899	6%	16%	13%	9%	15%	16%	6%
>$900	19%	48%	19%	24%	28%	71%	73%

Source: GMAC test prep survey. n=599

Prep Behavior

Key takeaways:

- 62% of examinees begin their prep four or more weeks ahead of their exam date
- Those who begin prep earlier accumulate more total prep hours
- Examinees who score higher on the exam tend to have studied more
- About 1 in 5 examinees receive live instruction from a TPO
  - 71% of TPO users spend >$900 on prep in total

Testing trends

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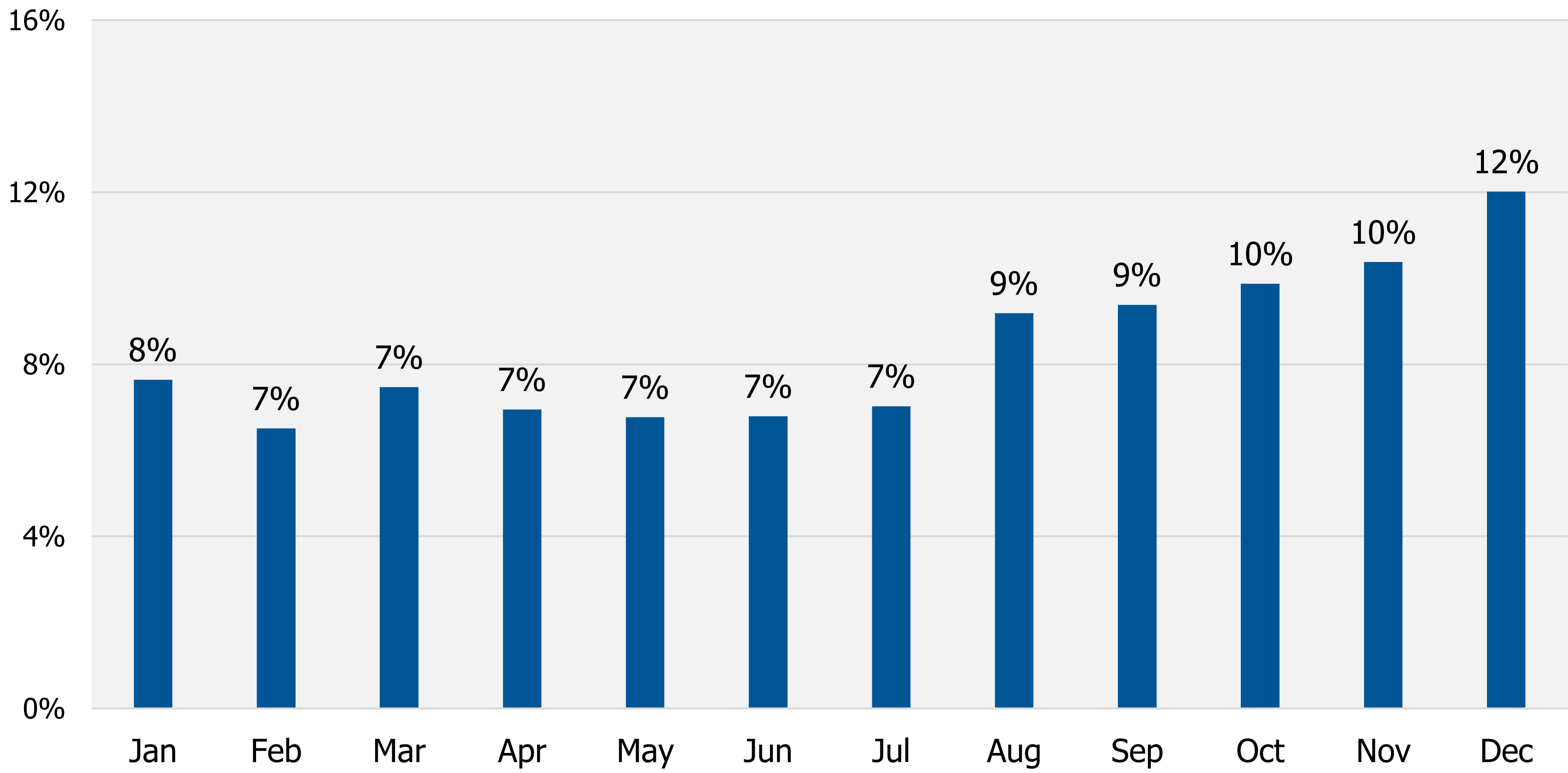
Understanding test takers

Seasonal Testing Trends

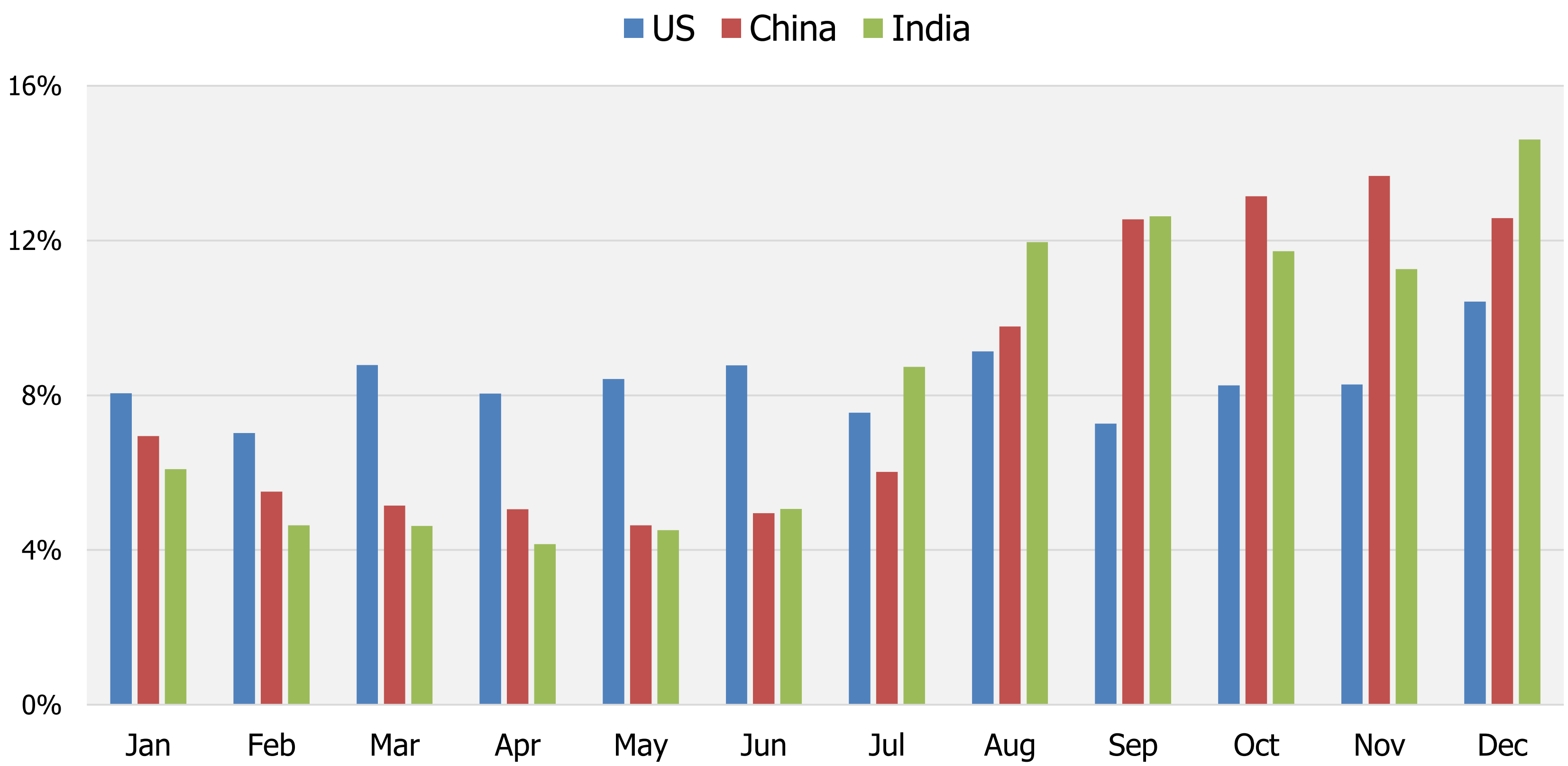
Global GMAT exams delivered by month, calendar year 2015



Source: GMAT exam data, calendar year 2015

Seasonal Testing Trends

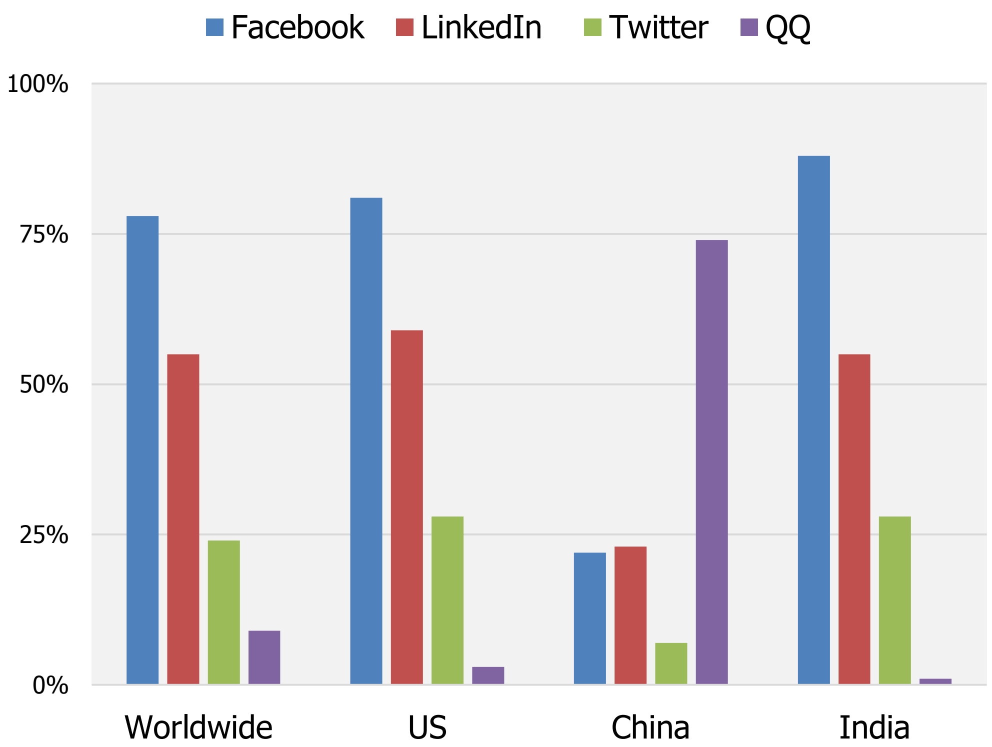
GMAT exams delivered by month, calendar year 2015



Source: GMAT exam data, calendar year 2015

Social Media Marketing

Social media usage, by world region

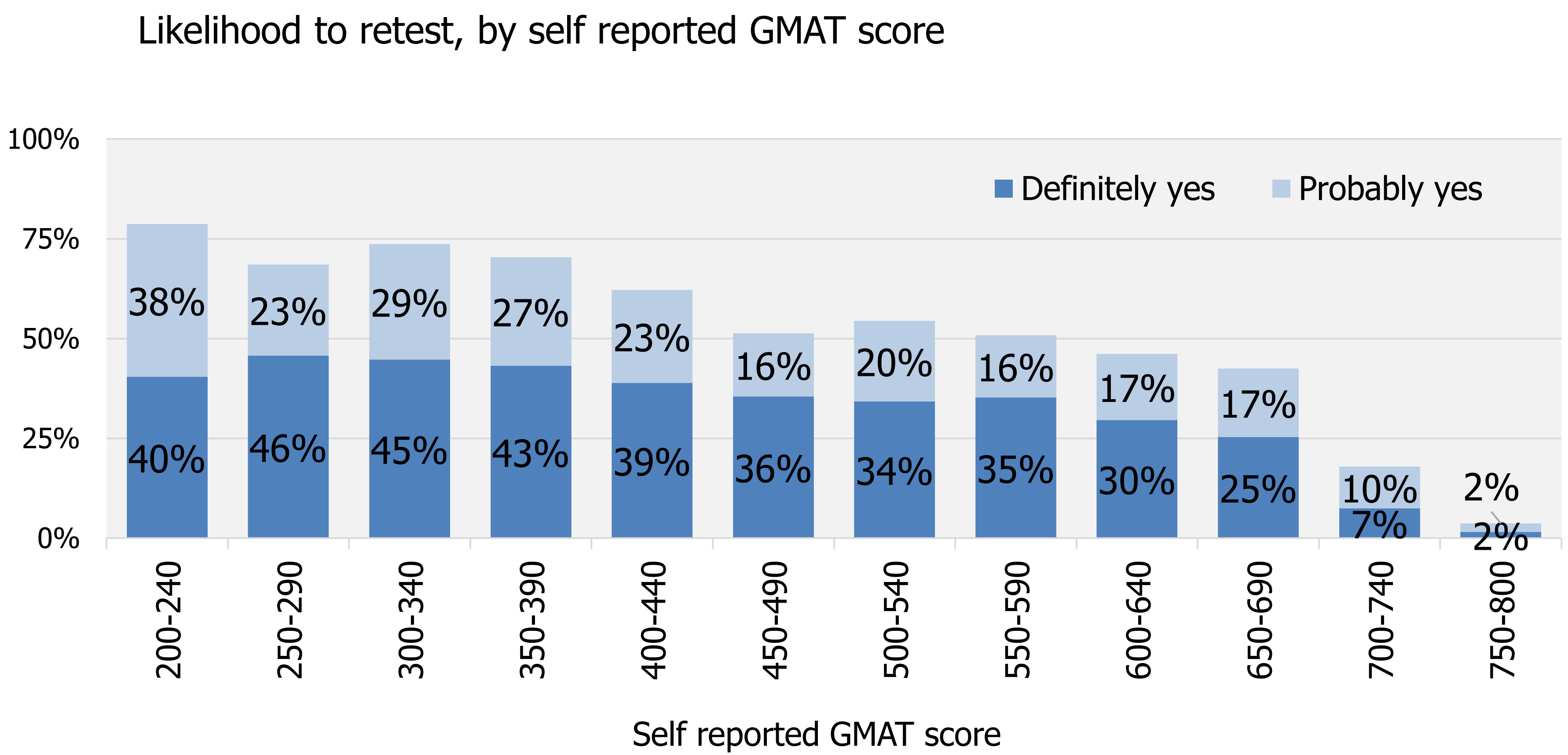


GME related uses for social media

GME news and info	49%
Research GME	41%
Connect with current students	41%
Learn about GME events	40%
Connect with alumni	38%
Connect with faculty	27%

Source: GMAC (2016) mba.com Prospective Students Survey.

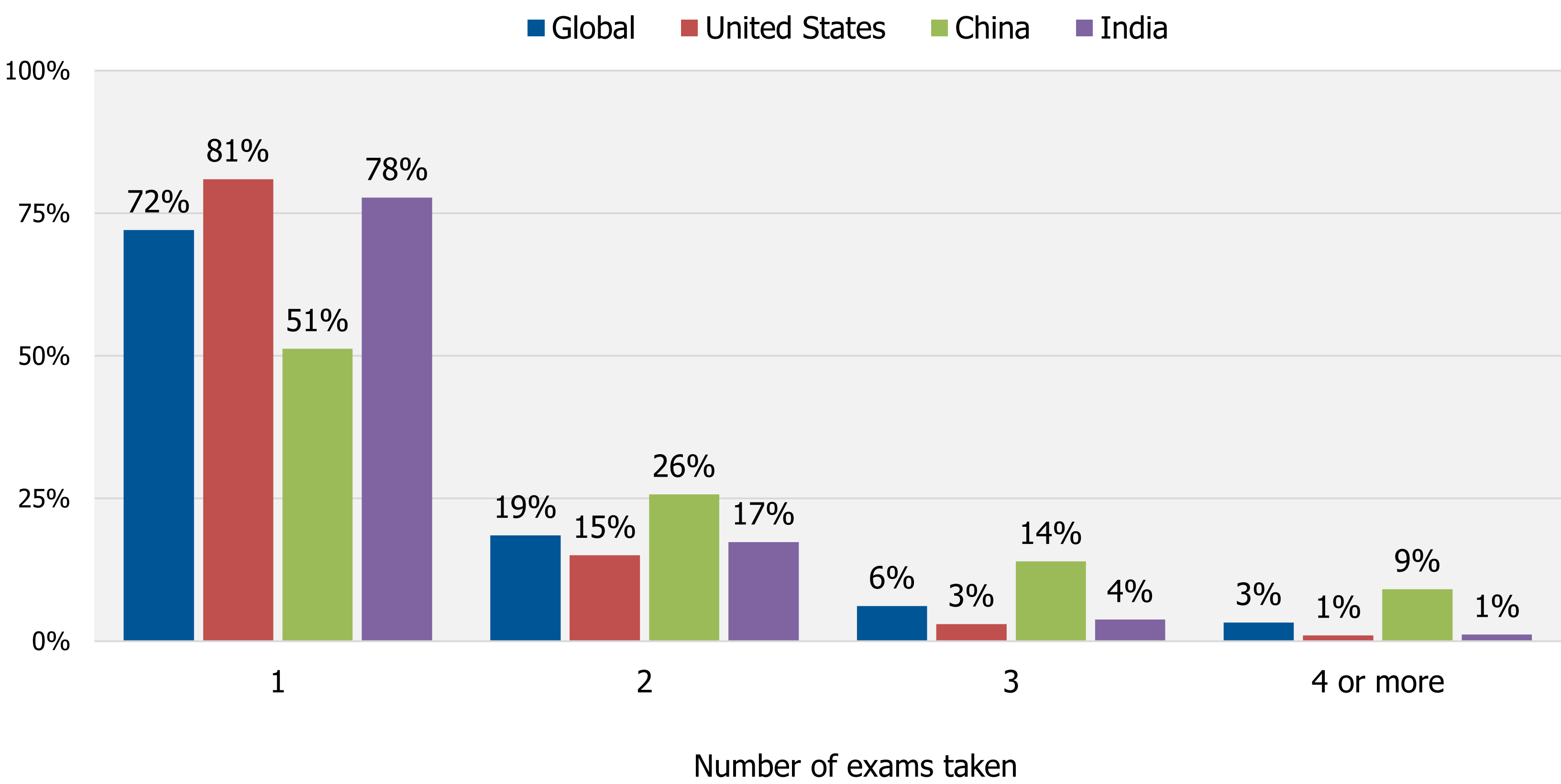
Repeat Testing Trends



Source: GMAC (2016) mba.com Prospective Students Survey
n=3,816

Repeat Testing Trends

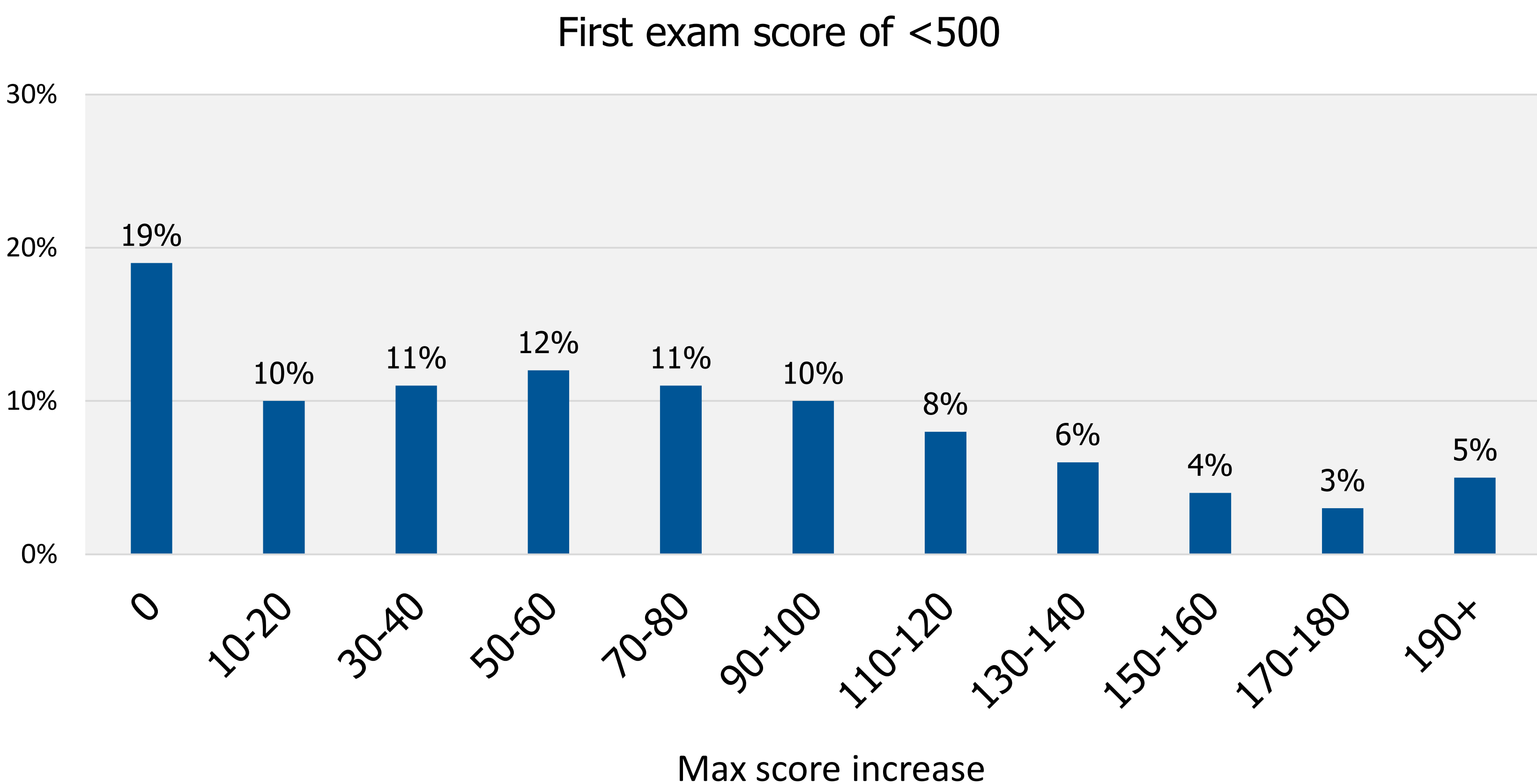
Number of exams taken among TY 2016 examinees



Source: GMAT exam data, TY 2016

Repeat Testing Outcomes

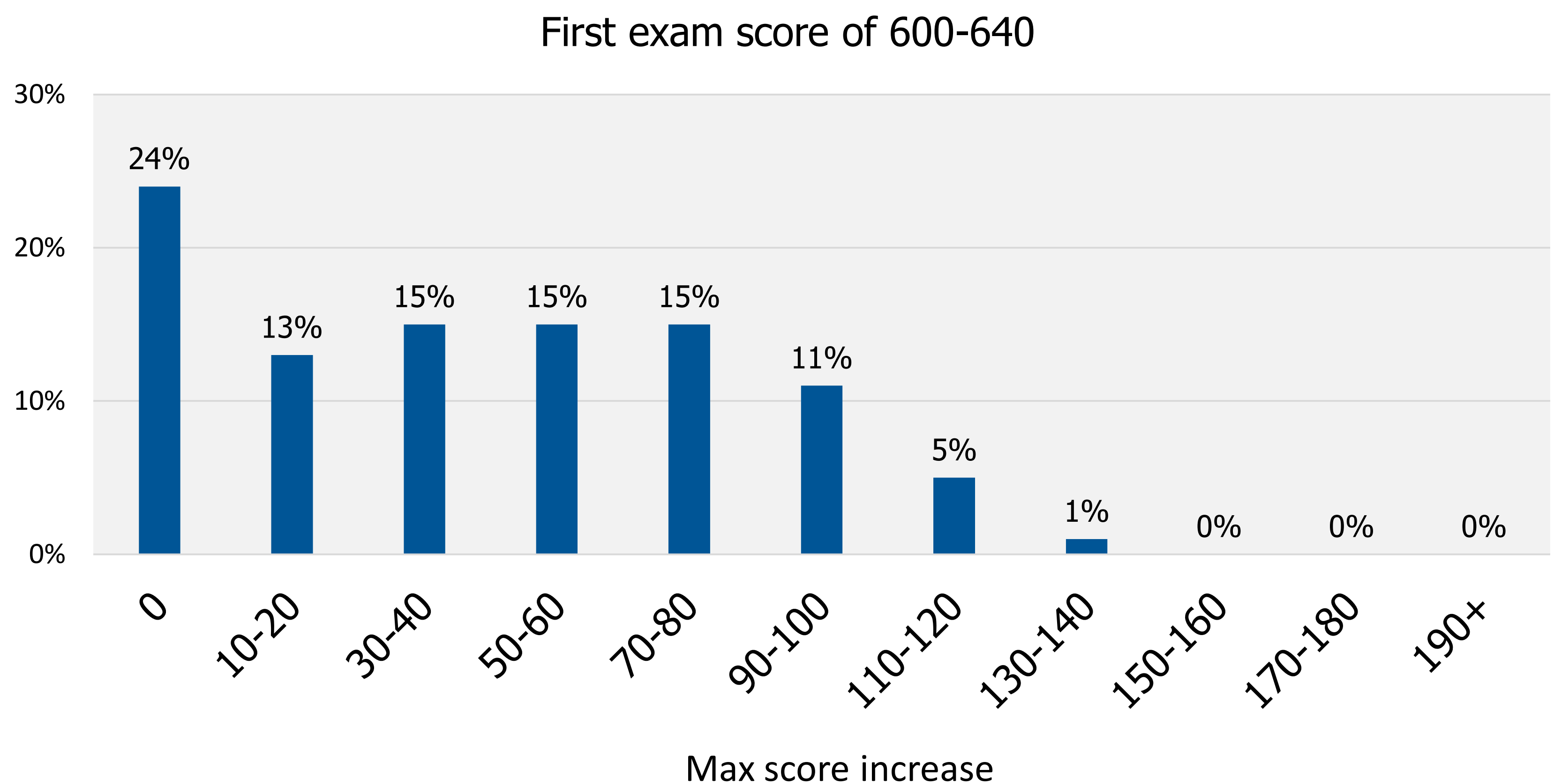
Maximum score increase from retesting, by first exam score band



Source: GMAT exam data, TY 2014 – TY 2016

Repeat Testing Outcomes

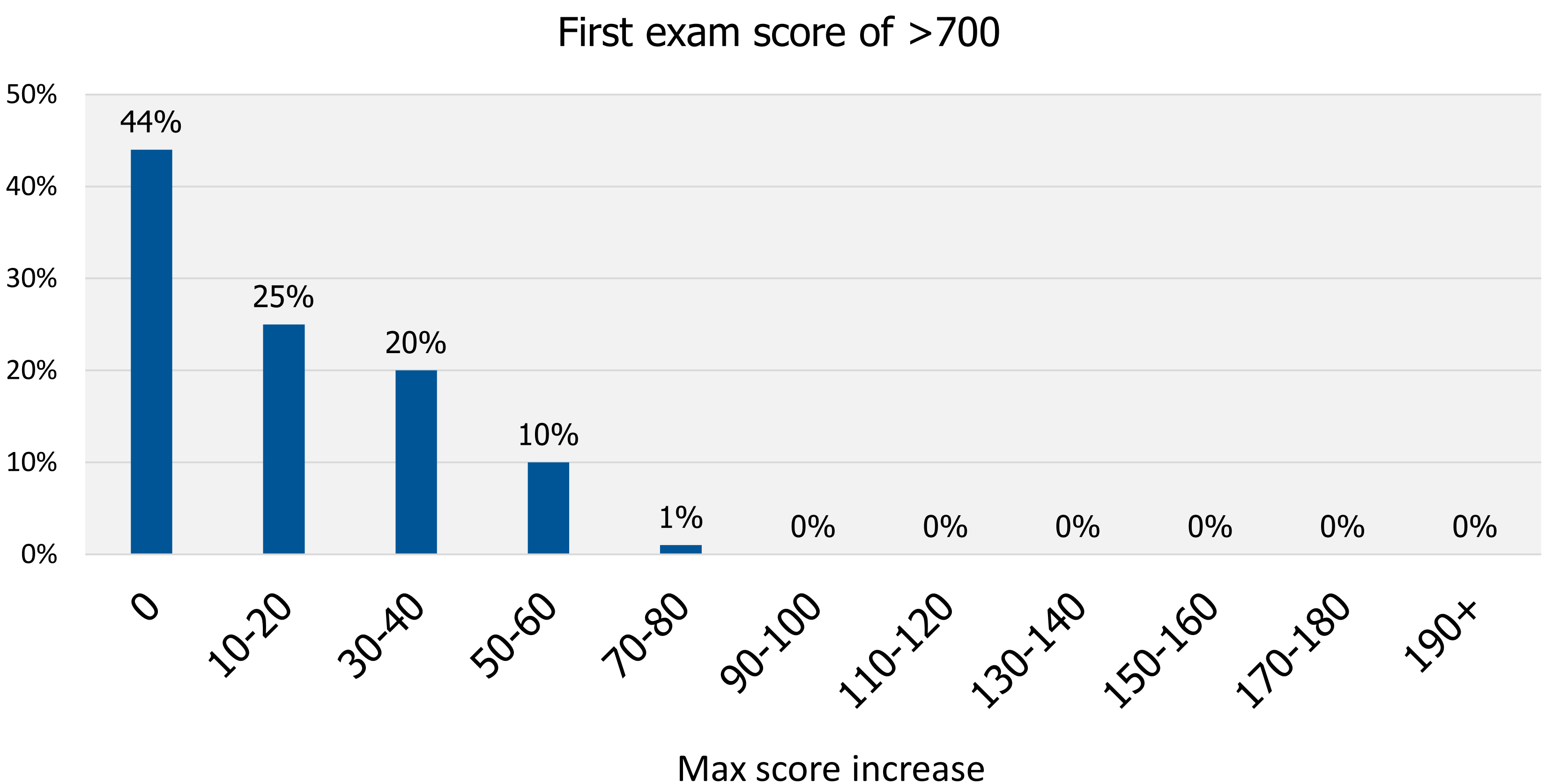
Maximum score increase from retesting, by first exam score band



Source: GMAT exam data, TY 2014 – TY 2016

Repeat Testing Outcomes

Maximum score increase from retesting, by first exam score band



Source: GMAT exam data, TY 2014 – TY 2016

Testing Behavior

Key takeaways:

- Globally, half of exams are delivered between August and December
  - There are wider seasonal swings in China and India vs. US
- Considering when most candidates begin prep, May-July may be an ideal marketing window
  - Facebook and LinkedIn are the best social media platforms to reach GME candidates
- Most candidates who score <600 are likely to retest
- Repeat testing outcomes vary by first exam score band

Testing trends

Candidate trends

Prep behavior

Testing behavior

Understanding test takers

Importance of Testing

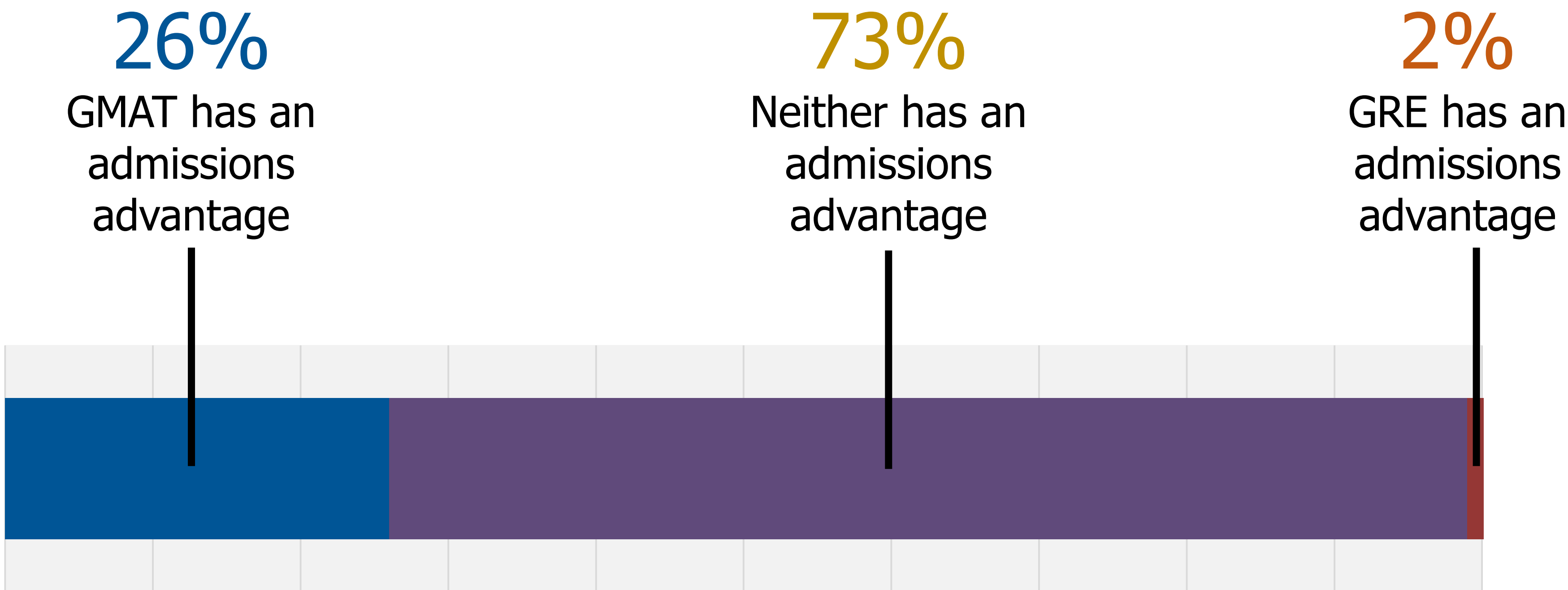
Average weight of admissions criteria in decision-making process, by program type

	Academic transcripts	Exam scores	Resume	Interview	Essays	LOR
Full-time two-year MBA	18%	20%	15%	21%	11%	8%
EMBA	16%	8%	24%	25%	11%	11%
Master of Accounting	33%	31%	13%	7%	7%	7%

Source: GMAC (2016) Application Trends Survey.

Importance of Testing

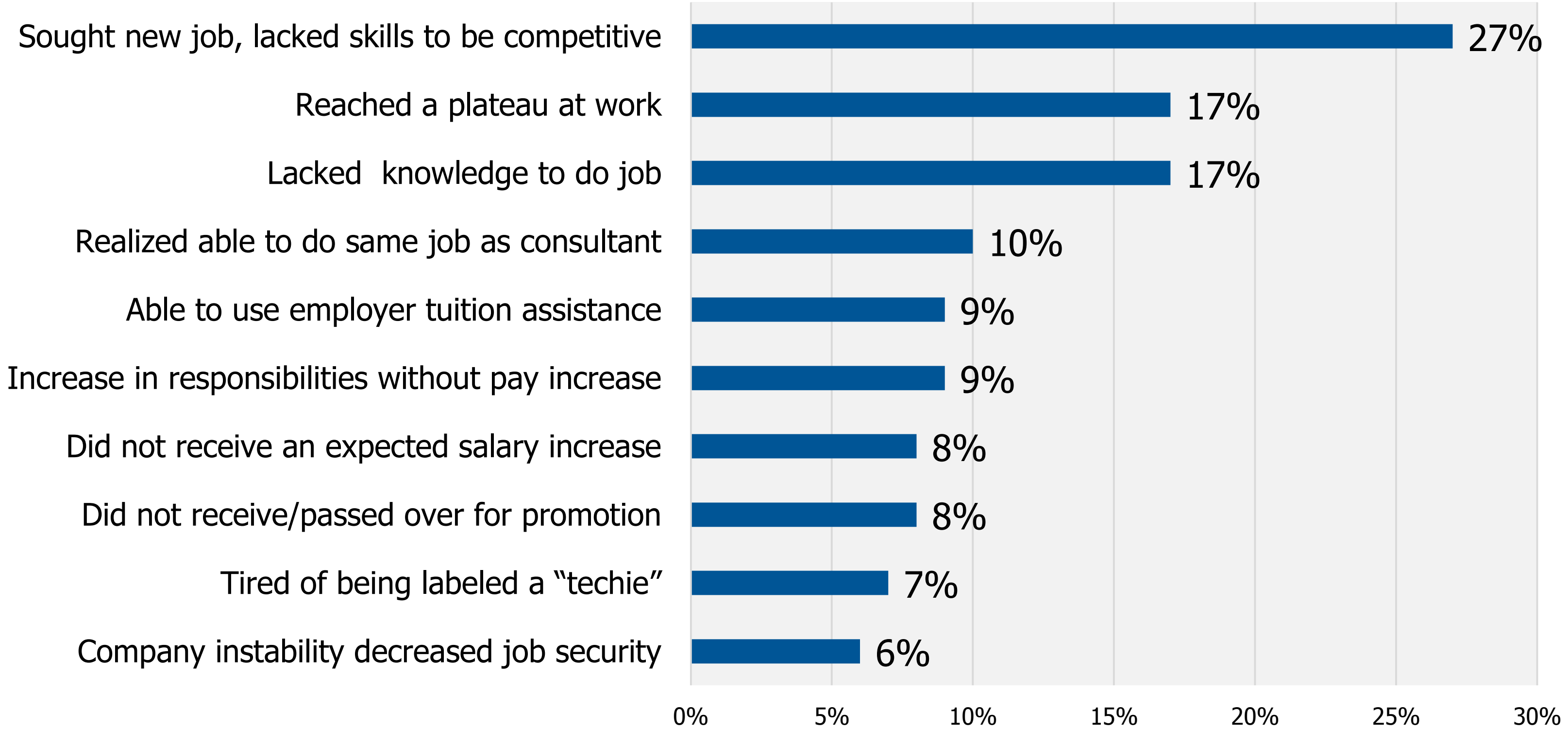
Admissions officers opinion of GMAT vs. GRE



Source: Kaplan Test Prep (2016) Business School Admissions Officers Survey.
Survey conducted between August 2016 and October 2016. Sample included 224 US b-schools.

Application Triggers

Events or situations leading prospective students to consider applying to b-school



Source: GMAC (2016) mba.com Prospective Students Survey.

Motivations

Candidate motivations to apply to b-school

*A **majority** are motivated to…*

Increase general business knowledge	62%
Increase job opportunities	60%
Increase salary	57%
Accelerate career	56%
Develop leadership skills	52%
Develop managerial skills	52%
Challenging interesting work	52%

Additional registrants are motivated to…

Personal satisfaction	48%
Greater career freedom	47%
Earn professional credentials	46%
Remain marketable/competitive	44%
Int'l employment	42%
Networking opportunities	41%

Source: GMAC (2016) mba.com Prospective Students Survey.

Expected Outcomes

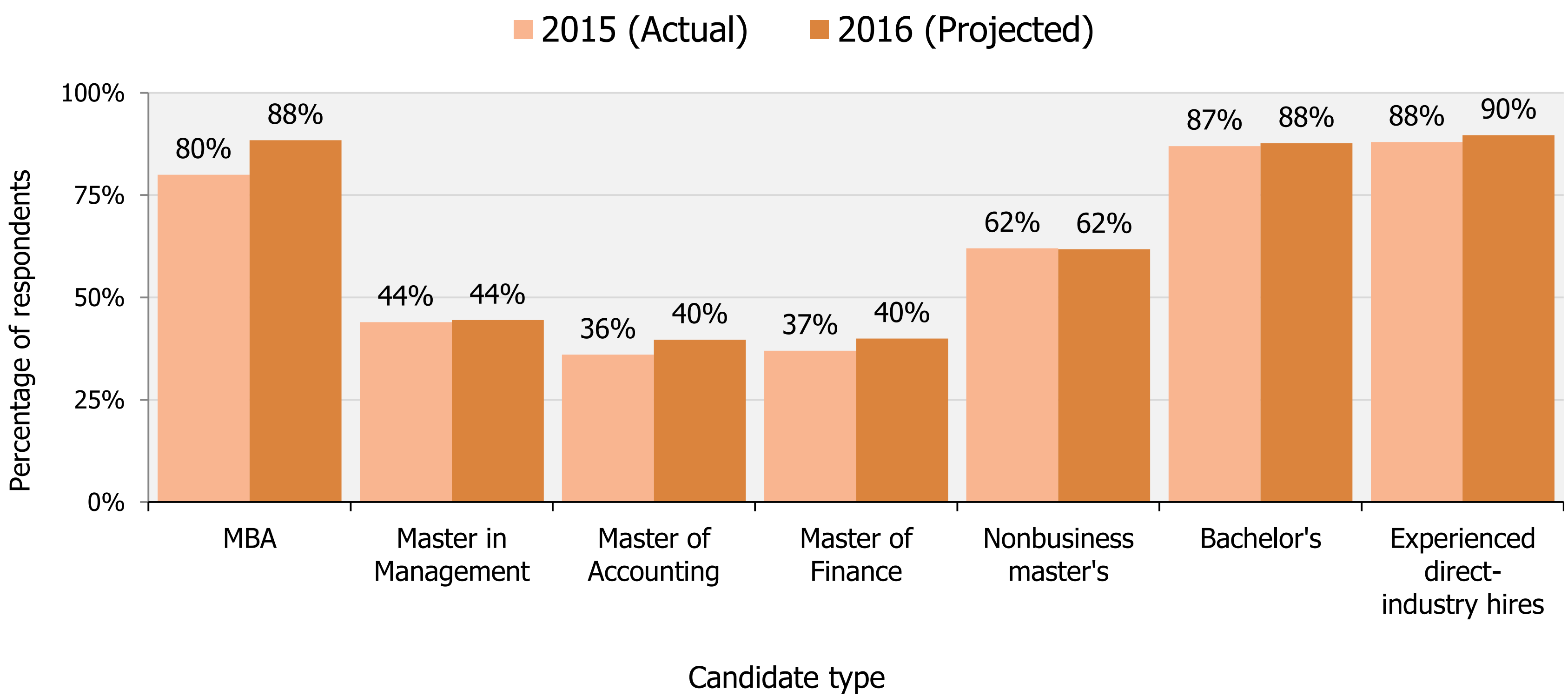
Candidate plans for after business schools, by gender

Expected outcome following b-school	Men	Women
Work outside my country of citizenship	37%	33%
Change job functions	39%	36%
Be self-employed/entrepreneur	29%	22%
Change industries	35%	31%
Don't know my future plans	12%	15%
Continue to work for my current employer	18%	18%

Source: GMAC (2016) mba.com Prospective Students Survey.

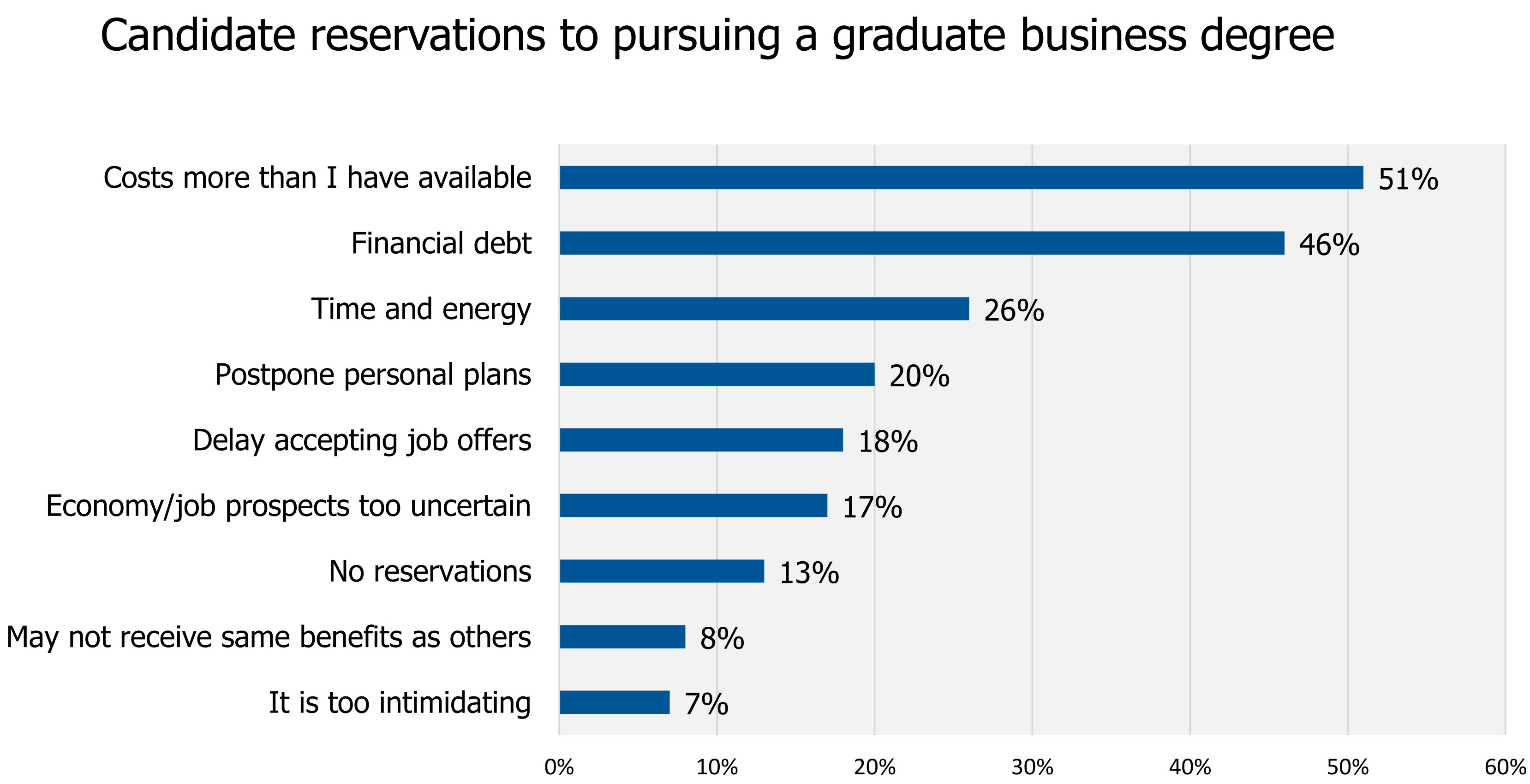
Employer Demand

Global hiring demand for b-school graduates, 2015 (actual) and 2016 (projected)



Source: GMAC (2016) Corporate Recruiters Survey.

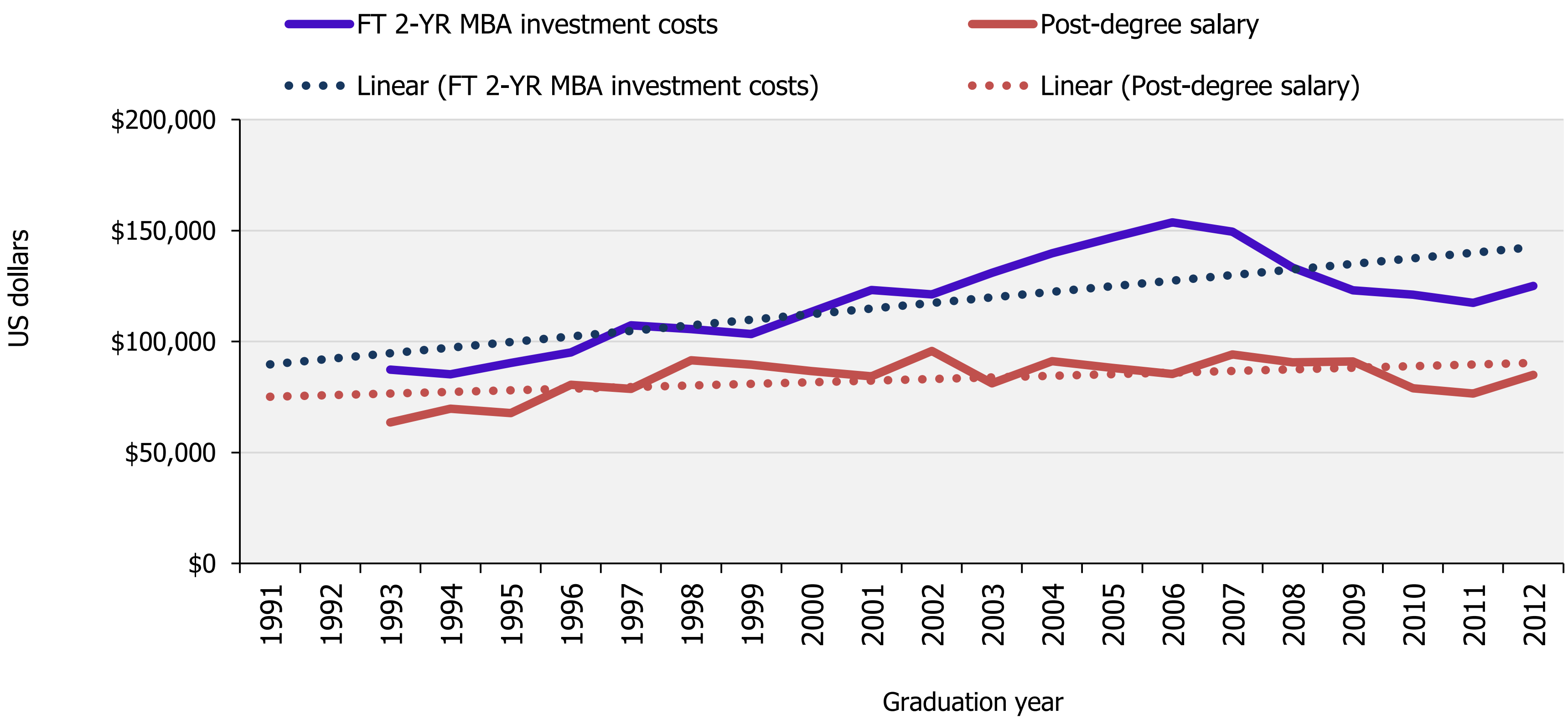
Reservations



Source: GMAC (2016) mba.com Prospective Students Survey.

Rising Cost Relative to Return

Full-time two-year MBA: total investment and post-degree salary



Source: GMAC (2016) Alumni Perspectives Survey.

B-School ROI

ROI data for business school alumni, by program type

Program Type	Total Investment*	Initial Boost in Base Salary*	Years to Recoup Investment	Median 3 yr. cumulative earnings
Full-time two-year MBA	$105,000	$30,000	3.5	$348k
Part-time MBA	$25,000	$10,000	2.5	$331k
Master of Accounting	$35,000	$45,000	0.8	$252k
Master of Finance	$35,000	$22,500	1.6	$233k
Master in Management	$30,000	$30,000	1.0	$194k

Source: GMAC (2016) Alumni Perspectives Survey.

Understanding Test Takers

Key takeaways:

- The weight of exam scores in admissions varies by program type
- More than 1 in 4 admissions officers say applicants who take the GMAT have an admissions advantage
- Many candidates consider applying to b-school for a work related reason
- The top reservations candidates have are related to cost
- Despite rising costs relative to starting salaries, a b-school degree remains a very strong investment

Testing trends

Candidate trends

Prep behavior

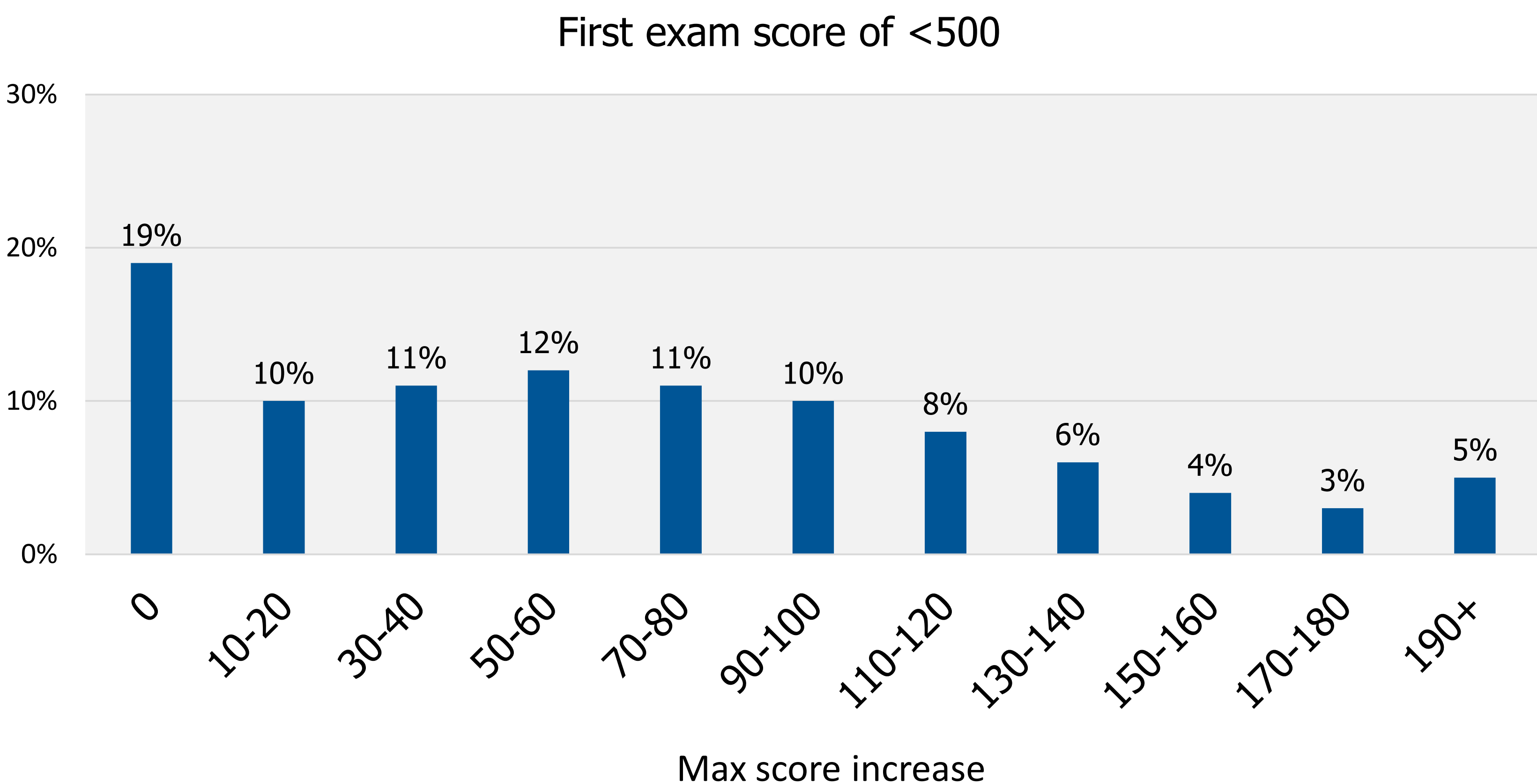
Testing behavior

Understanding test takers

Q&A

Appendix A.1

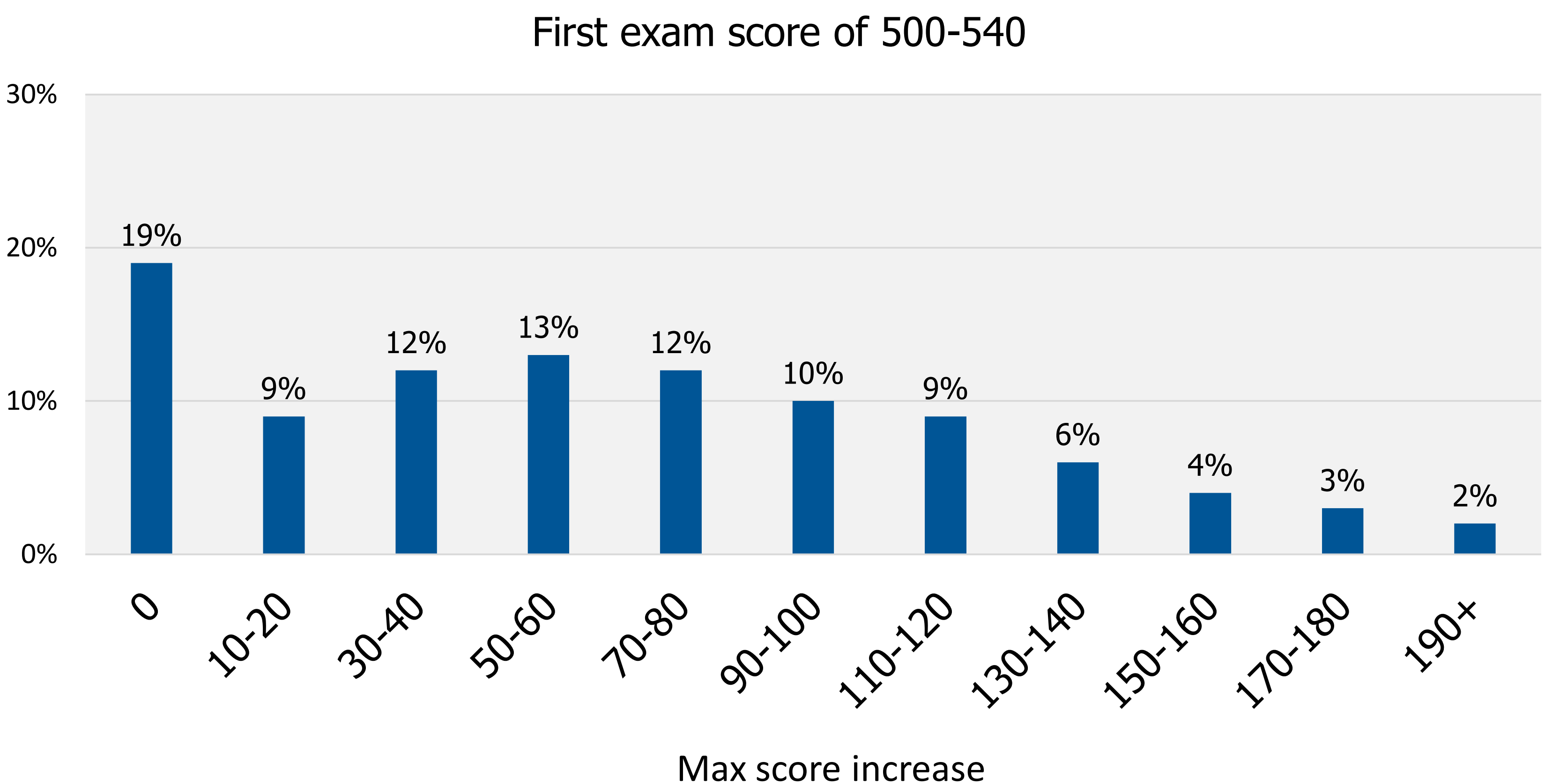
Maximum score increase from retesting, by first exam score band



Source: GMAT exam data, TY 2014 – TY 2016

Appendix A.2

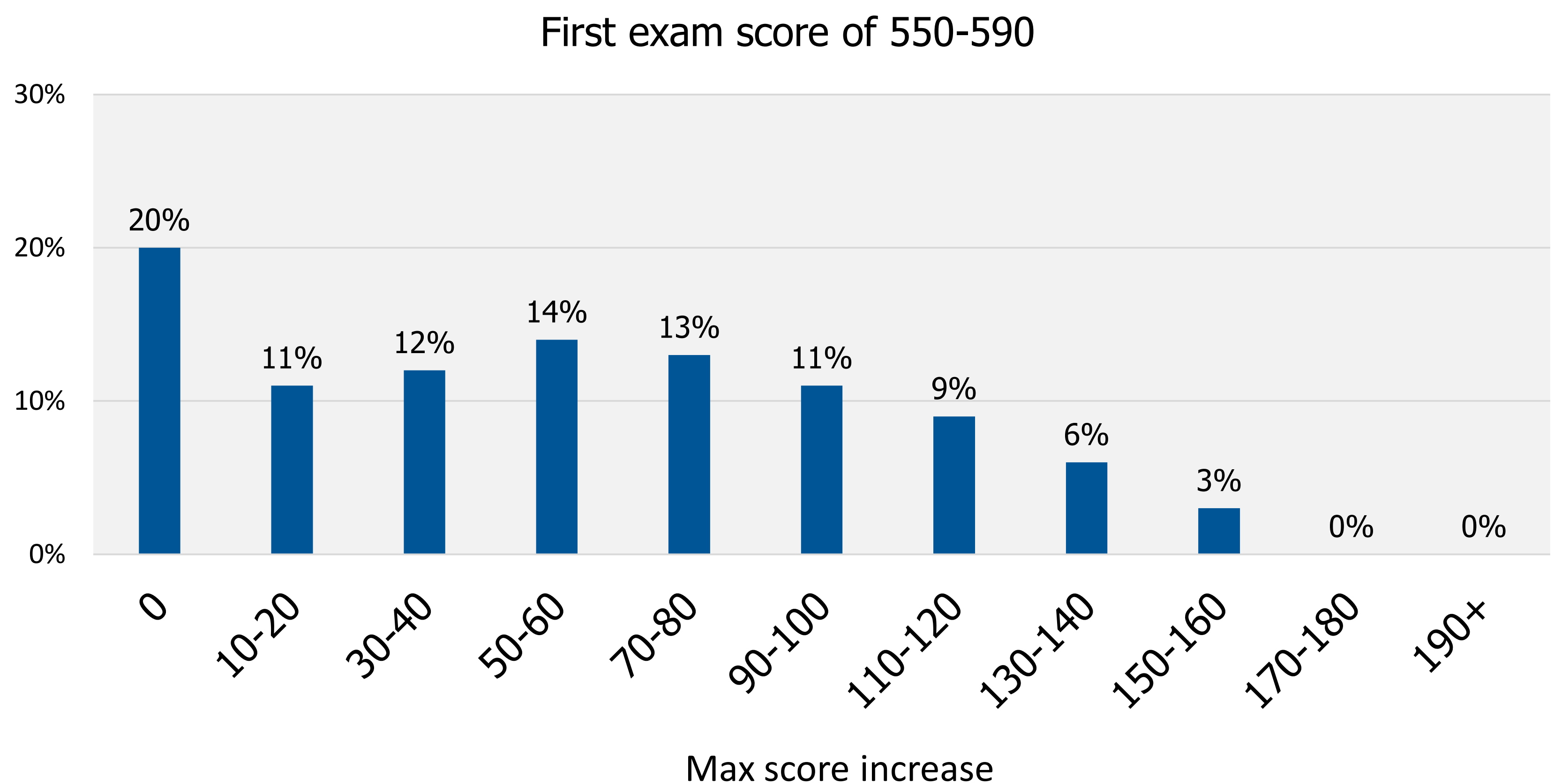
Maximum score increase from retesting, by first exam score band



Source: GMAT exam data, TY 2014 – TY 2016

Appendix A.3

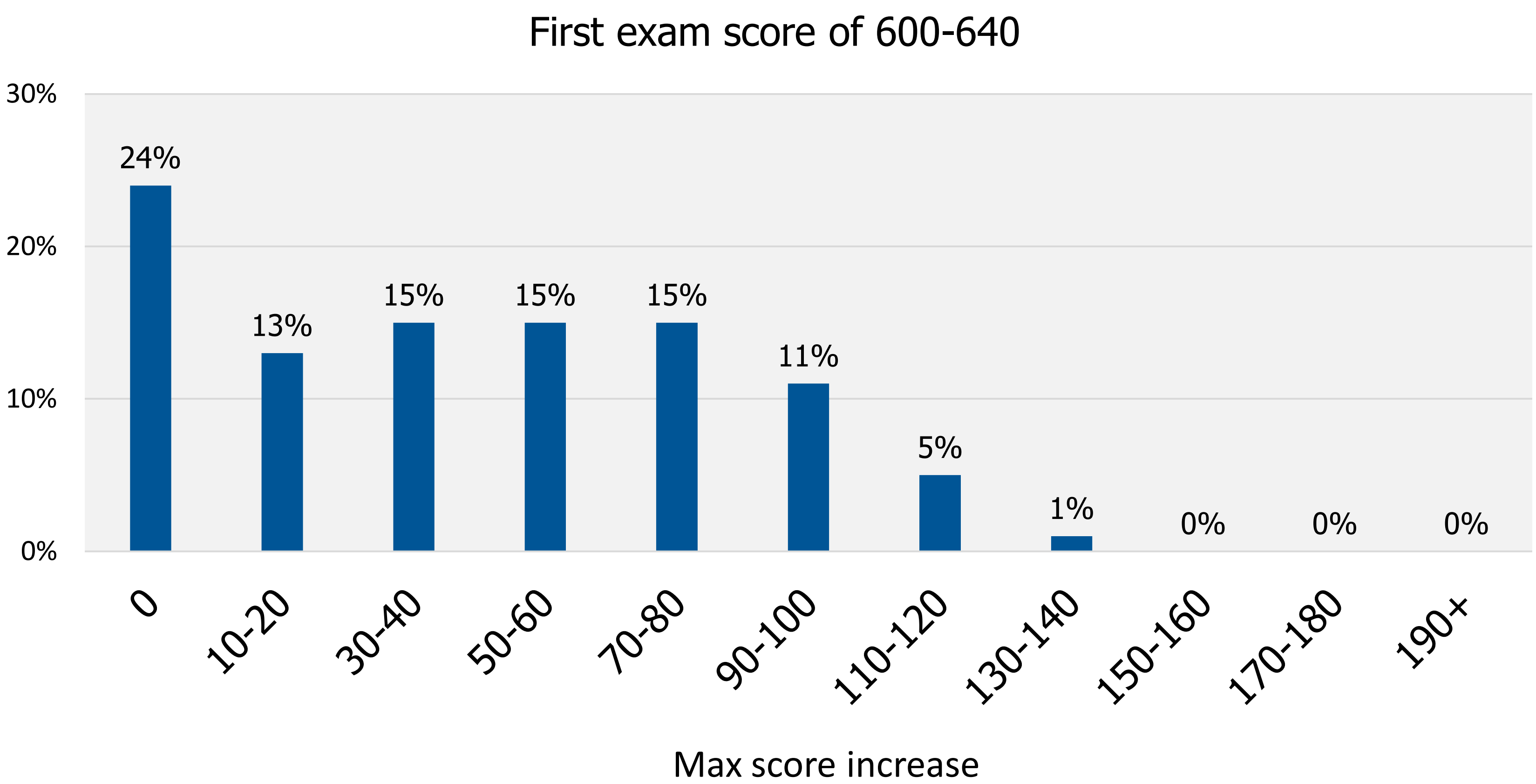
Maximum score increase from retesting, by first exam score band



Source: GMAT exam data, TY 2014 – TY 2016

Appendix A.4

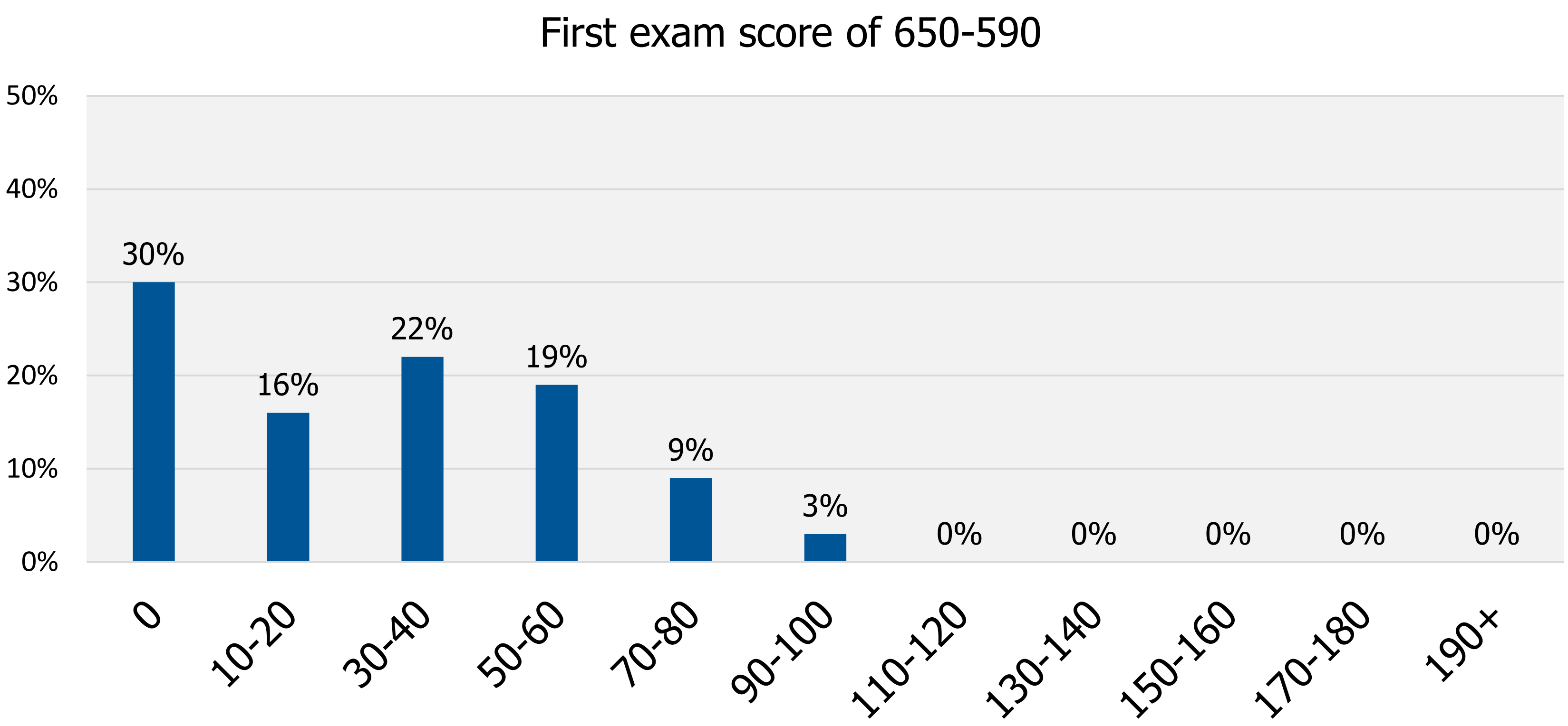
Maximum score increase from retesting, by first exam score band



Source: GMAT exam data, TY 2014 – TY 2016

Appendix A.5

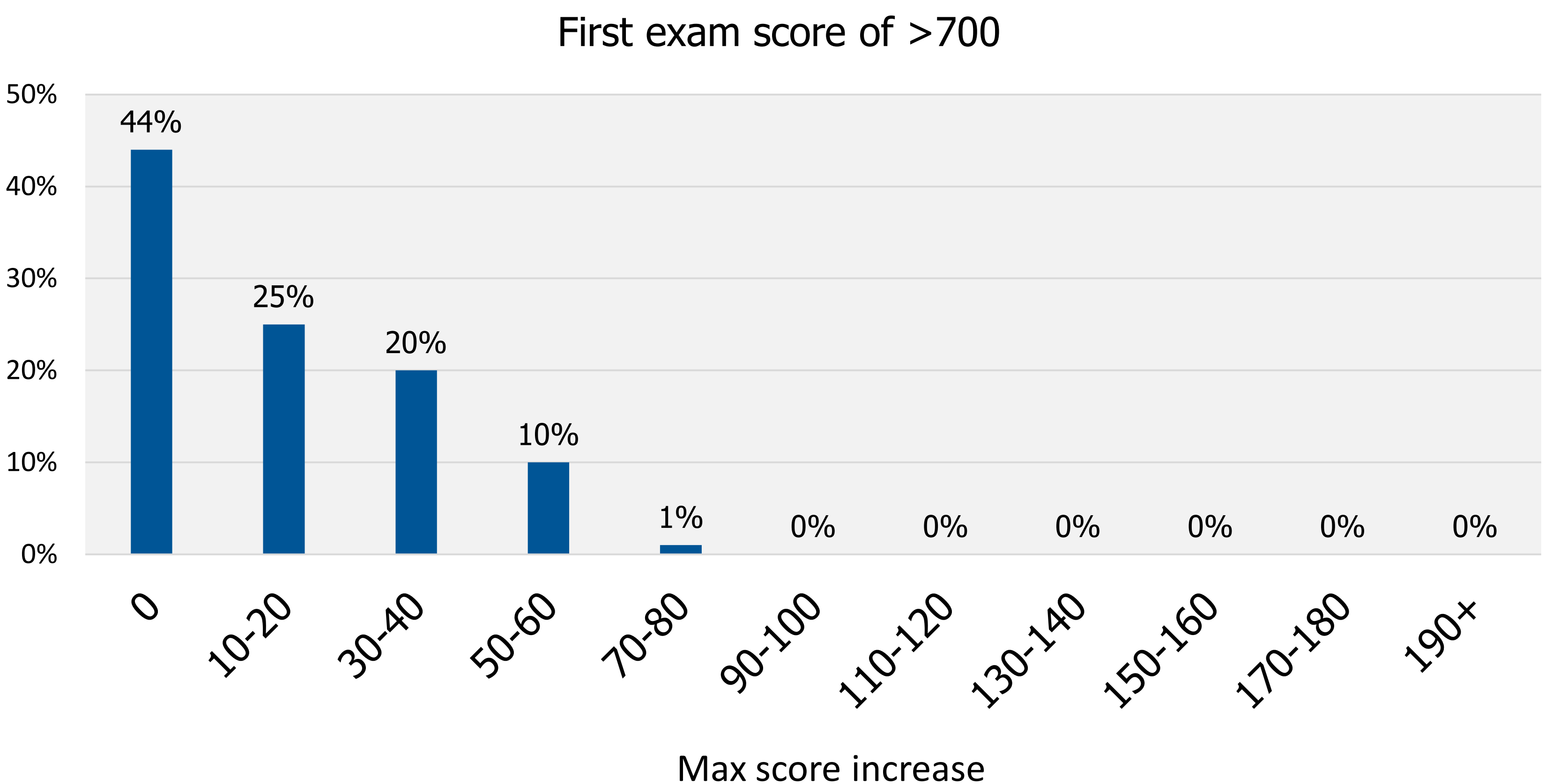
Maximum score increase from retesting, by first exam score band



Source: GMAT exam data, TY 2014 – TY 2016

Appendix A.6

Maximum score increase from retesting, by first exam score band



Source: GMAT exam data, TY 2014 – TY 2016