

# **USING ASQ+ DATA TO DEFINE AND EXPAND YOUR VIEW OF YOUR COMPETITORS**

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First, a couple notes about this presentation. Much of the information that I am going to show you is publicly available and easy to obtain. You can get admissions and quality information from a variety of guidebook and cost information from the College Board College Cost Book.

However, the very detailed and specific information comes from the ASQ+. Your admissions office may also collect some information about cross apps and admits. All of the ASQ information presented in this paper is easy to obtain from the ASQ reports, and you don't need to know SPSS or specific research methods in order to translate some of the data into useless information to support senior level decisions and planning.

I should note that Bentley decided to hire an outside consultant to look at several years of ASQ+ data in detail and prepare an in-depth analysis of direct one-on-one competitors as well as by US News groupings. That analysis provided us very detailed competitor information on a variety of factors from cost to enrollment influencers. This is stage four of our competitive analysis and will not be presented today.

Second, Bentley has solicited proposals for an inquiry study, and even though cross apps and admit competitive information is very important and insightful, we realized that we know very little about the 30,000 people who inquire but never apply to the college. Thus begins Stage Five.

Bentley College is a *business specialty* school located in Waltham, Massachusetts with a traditional full-time undergraduate population for approximately 3,100, a part-time undergraduate population of less than 500, a full-time graduate population of 250 and a part-time graduate population of over 2,100. Bentley full-time undergraduates are, for the most part traditional 18 year olds when they enroll. Their SATs are in the low 1000's and 50% are from Massachusetts and 12% international.

Bentley is in one of the most competitive markets in the country - if not the most. Located in a Boston suburb, since it is a specialized school, it draws from a pool of only 14-15% of the college-bound students nationally (the percentage interested in majoring in business according to the annual CIRP Freshman Survey). In addition, Bentley has a rather large full-time undergraduate population compared to the other Business Specialty Schools in the Boston area (Babson =1,600 and Bryant = 2,100) with a freshman class of 750. The college has just made plans to increase the size of the full-time undergraduate student body to 3,500 in the next five years.

Bentley College began a strategic planning process in 1991, and is currently in its sixth year of the process. This paper focuses only on the traditional undergraduate college, although we have prepared competitive analysis on the part-time undergraduate and graduate school markets. Since 1991, the college has gone through at least four different stages of development of competitive analysis. As I mentioned earlier, the

fourth will not be discussed, but the first three stages will be along with the strategic questions that were raised from reviewing the data and the decisions that followed.

### **The First Stage**

Initially, the competitive arena was viewed as primarily two other colleges, Babson College and Bryant College. They are both, like Bentley, specialty schools and are located within 60 miles of the college. Most of the discussion in the early years surrounded differences and similarities among the three specialty schools. The view of a three college competitive set was further reinforced by the US News rankings of Business Specialty Schools which has consistently rated Babson #1, Bentley #2 and Bryant #3. The attached tables outlines the factors in the US News ratings and the relative historical position of the three schools from 1990 to 1993.

In addition to the ranking information, detailed financial, student and campus life information was collected.

In the early years of the planning analysis, much of the discussion centered around pricing perceptions and strategies. Bentley and Bryant were very close in overall price (Bryant \$19,400, Bentley \$20,000 and Babson was about 25% higher at just under \$25,000) and the Bentley perspective was that the college 'quality' profile was somewhere in the middle between Babson and Bryant (quality factors included SAT, Top 20% of high school class, selectivity, freshmen retention). The decision was made, therefore, to increase the price at a rate that would move it closer to Babson and further away from Bryant, and better reflect the 'quality' profile of the college by positioning itself more centrally between the two colleges in price.

<b>US News &amp; World Report Rankings of Business Specialty Schools</b>				
<b>Overall Score</b>				
	Babson	Bentley	Bryant	
1990	100	89.2	92.4	
1991	100	89.8	86.1	
1992	100	94.2	87.9	
1993	100	94.7	89.5	
<b>Academic Reputation</b>				
	Babson	Bentley	Bryant	
1990	1	2	3	
1991	1	2	3	
1992	1	2	5	
1993	1	2	3	
<b>Student Selectivity</b>				
	Babson	Bentley	Bryant	
1990	1	2	5	
1991	1	3	2	
1992	1	2	3	
1993	1	2	3	
<b>Faculty Resources</b>				
	Babson	Bentley	Bryant	
1990	1	2	3	
1991	1	2	3	
1992	1	2	3	
1993	1	2	3	
<b>Financial Resources</b>				
	Babson	Bentley	Bryant	
1990	2	4	3	
1991	1	4	6	
1992	1	3	4	
1993	1	3	5	
<b>Graduation Rate</b>				
	Babson	Bentley	Bryant	
1990	3	5	2	
1991	1	3	2	
1992	2	4	3	
1993	2	3	4	

Bryant was ranked ahead of Bentley due to an error in reporting their financial data.

## 1994-95 FINANCIAL INFORMATION<sup>1</sup>

	Bentley	Bryant	Babson
<u>Financial Information and Ratios</u>			
Endowment	\$78.0M	\$46.4M	\$44.6M
Unrestricted Endowment	\$51.2M	\$41.5M	\$15.4M
Debt	\$33.1M	\$44.0M	\$26.9M
E & G Revenue	\$69.1M	\$42.9M	\$48.7M
<u>Financial Ratios (full-time student)</u>			
Endowment Per Student	\$22,059	\$16,667	\$22,322
Debt Per Student	\$ 9,361	\$15,805	\$13,463
E & G Expenditure Per Student	\$19,542	\$15,409	\$24,374
<u>Expenditures Per Student</u>			
	\$9,934	\$7,866	\$14,556
<u>Costs per student (1994-95)</u>			
Tuition	\$13,800	\$12,600	\$16,600
Room and Board	5,510	6,310	6,985
Other costs	695	500	1,160
Total	\$20,005	\$19,410	\$24,745
<u>Debt as a % of unrestricted endowment</u>			
	65%	106%	175%

A summary of the 1994-95 Financial Information is shown above. Please note that all of this information is **publicly available** and easy to obtain. In reviewing the information, you will note that Bentley in many ways was in a stronger financial position than either of the other two when you look at endowment, debt ratios, expenditures per student. The pricing strategy was not based on the need for additional revenue, but was an attempt to change the quality perception based on price (the so called Chivas Regal affect). The college, at that point, began to undertake a strategy to raise the price to a level that was closer to Babson.

Thus the second phase of the competitive analysis began.

### Phase Two

After much discussion about pricing and positioning, the competitive analysis was expanded after several years of ASQ+ were reviewed. It was decided that the competitive set was really much wider than the initial **THREE B's** and that a larger portion of the Boston market must be considered. The competitive set now expanded to seven institutions: The Three B's, plus Boston College, Boston University, Northeastern and the University of Massachusetts, Amherst. These colleges were selected because they were the top six application overlap schools from the ASQ+ analysis. Again, detailed information was collected from the ASQ+ and **publicly available** sources (see Attachment A for a sample of the analysis). The ASQ+ allowed us to begin to look at win/loss ratios, and also to look at direct one on one comparisons on programs and

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<sup>1</sup> This is only one of four sections of competitive analysis, including admissions quality and selectivity, faculty and issues for the future

services (See sample ASQ Matrix, Attachment B). By using the information collected in the ASQ, I was able to construct a matrix with some historical information. Two problems were highlighted in the review of the institution by institution comparisons: the state of on-campus housing and academic facilities. We were able to use the matrix analysis in discussions with Trustees about future spending on facilities.

Some background-- Bentley moved from Boston in 1968 and established a new campus in Waltham. All of the buildings are less than 30 years old, but some had begun to show 'wear and tear', especially the residence halls. When the campus was designed, more attention was paid to the outside of the academic buildings than the inside of the buildings. At this point, the college was proud that it had 'no deferred maintenance', but indeed had begun to show signs of deterioration of the physical plant. Bentley hired an architectural consulting firm in 1994 to look at allocation and configuration of space. The space study completed by this firm confirmed that the general view of the inside of the buildings was 'drab'.

**FACTORS THAT WERE *VERY IMPORTANT TO ADMITTED STUDENTS***

	<b>Quality Of On-Campus Housing</b>	<b>Quality of Social Life</b>	<b>Surroundings</b>	<b>Availability of Recreational Facilities</b>	<b>Quality of Academic Facilities</b>	<b>Attractiveness of Campus</b>
<b>RATED HIGHER</b>	B 92,94	E 92,94	B 92,93,94	B 92	A 92, 93, 94	C 93
	C 92,93,94	B 92	D 92,93	C 93	B 92, 93, 94	
	D 92,93,94	A 93	A 93,94	E 93,94	C 92, 93, 94 D 92, 93	
<b>BENTLEY</b>						
<b>RATED LOWER</b>	E 92,93,94 A 93,94	C 92,93 D 93	C 93 E 93,94	None	E 92, 93, 94 D 94	E 92,93,94

You will notice that Bentley is approximately in the middle of this competitor set on some factors, but some of the actual colleges that were rated higher than Bentley on facilities were a surprise.

When this information was analyzed and presented to Trustees, a plan was developed to take Restoration and Reserve funds and gut and renovate targeted buildings on campus rather than the previous strategy of replacing things piecemeal-- carpets one year, furniture the next, etc. In addition, we have put upgrading academic buildings on a faster track-- building high tech classrooms. Also, the high tech classroom needs will be discussed again in Phase Three.

**Phase Three**

With more years of ASQ+ at our disposal, cost started to appear as a major concern or both enrolling and non-enrolling students. The seven competitor set, while more comprehensive than the simplistic three B's, was still not giving us an accurate view of our competitors.

One item that is provided by using the ASQ+ is a list of cross applicants with yields for colleges with more than 20 common applicants. Each college on the list was given a US News designation. I created six categories of schools:

- Public (State colleges, flagship universities)
- Regionally ranked private colleges and universities (Alfred, Fairfield, St. Michael's)
- First Tier (Lehigh, NYU, Syracuse)
- Business Specialty Schools (Babson and Bryant)
- Very Selective (Top 25 public and private colleges and universities)
- Unranked private colleges (Franklin Pierce, St. Anselm, Nichols)

Categories of Competitors	Number Of Cross Applications	% of Total	Average Price	Bentley Yield	Competitor Yield
Public Universities and Colleges	1,849	24%	\$11,900	31%	17%
Regionally Ranked Private Colleges & Universities	1,555	20%	21,400	29%	19%
US News First Tier Private Colleges & Universities	1,581	21%	\$25,900	26%	26%
Business Specialty Schools	1,306	17%	\$24,100	31%	31%
Unranked Private Colleges	951	12%	\$18,660	28%	18%
Very Selective Colleges and Universities	458	6%	\$26,500	14%	32%

As you can see from the table above, Bentley has the highest yield against the category of public colleges and universities -- 31 % vs. 17%. We actually won or tied against all groups except the very selective colleges and universities (which includes the top 25 public colleges). In creating these categories, I decided to put almost all of the public colleges into one identifiable category. There was a perception that public colleges were not a major competitor group. By putting them into one category, I was able to show that indeed, almost a quarter of our cross applicants apply to a public college. Again the price/cost issue became a central point of our planning discussions. As mentioned earlier, the detailed information collected in the ASQ+ began to show that cost was increasingly a negative factor for the college. That coupled with the new view that public colleges were indeed a competitive set supported a plan to ratchet down the rate of tuition increases and to reverse the path of attempting to keep the cost between Babson and Bryant.

## **Summary, Conclusions and What Now?**

As I mentioned earlier, the college is now at what I would call the fifth stage of competitive analysis. The first two were very simplistic and may have led to the wrong conclusions and decisions. However, use of the ASQ+ data provided the college with a more accurate reflection of its competitors and also the issues that are important to students. That led to two very important conclusions: 1. Cost was an issue and 2. We needed to pay more attention to our facilities. What decisions have changed based on those conclusions? Three very important ones:

1. The rate of planned tuition increases have been moderated
2. Individual dormitories are being renovated in their entirety and a plan is in place to renovate ALL dorms.
3. A new high tech classroom building is on the drawing board and will be built within the next three years

It would have been very difficult to recommend any of these changes or influence long-range policies without the detailed competitor information we were able to get from the ASQ+.

As I mentioned at the beginning, we have done more in-depth analysis of the ASQ data, and are now undertaking an inquiry study. One of the conclusions that I have reached from being involved in this analysis from since 1992 is that with a few very basic reports and publicly available information, you can provide senior level administrators with decision tools that could influence the strategic long-range plan of the college.

## ADMISSIONS SELECTIVITY AND QUALITY

<b>FALL 1994</b>	<b><u>BENTLEY</u></b>	<b><u>BRYANT</u></b>	<b><u>BABSON</u></b>	<b><u>UMASS BOSTON</u></b>	<b><u>BOSTON C</u></b>	<b><u>BOSTON U</u></b>	<b><u>NORTH- EASTERN</u></b>
Number of Applicants	3,466	2,221	2,007	14,438	13,112	3,810	10,614
Acceptance Rate	67%	80%	57%	86%	45%	64%	74%
Yield Rate	30%	36%	36%	31%	35%	29%	30%
Number of Cross Admits		586	455	330	203	273	226
Number who come to Bentley		174	130	88	41	48	81
Number who go to other school		183	108	58	75	83	42
<b><u>Freshman Class Rank</u></b>							
Top 10%	20%	15%	30%	12%		45%	16%
Top 25%	60%	44%	68%	40%	95%	80%	42%
Top 50%	93%	84%	89%	78%	<i>Top 20%</i>	97%	78%
<b><u>SAT Profile</u></b>							
25th to 75th percentile	880-1100	880-1090	970-1150	870	1120-1300	1050-1250	870-1080
<b><u>Retention and Graduation</u></b>							
Freshman Retention	91%	85%	93%	76%	93%	85%	69%
Graduation Rate (5-year)	74%	74%	85%	44%	84%	71%	45%