

The testing giants come out swinging

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With a new English-proficiency test, Pearson is taking on the established leader, the TOEFL exam from ETS, and 500 schools are embracing it.



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For years, foreign students seeking to study at American universities and English-speaking programs around the world have turned to the Test of English as a Foreign Language (TOEFL) exam, a tool admissions officers use to evaluate an applicant's English proficiency. Now, publishing giant Pearson (PSO) is hoping to get a piece of this lucrative testing market, unveiling a new global test of English this fall called the Pearson Test of English Academic (PTE Academic). The new exam will be available to students starting Oct. 26 in selected regions, and already 780 institutions around the world have expressed an interest in the exam, including 500 that have indicated they will allow students to submit it. It will measure students' listening, reading, speaking, and writing abilities.

Mark Anderson, president of the London-based Pearson Language Tests, says he has ambitious plans for the exam, and hopes the PTE Academic will eventually become just as popular as the TOEFL and other competitors in the arena. Some noteworthy schools have already agreed to sign on, including London Business School (LBS Full-Time MBA Profile), Yale University (Yale Full-Time MBA Profile), and HEC Paris (HEC Paris Full-Time MBA Profile), he notes.

"We have clear expectations of wanting to become the leading test," he says. "I think we regard this as the gold standard test of its kind. We often talk about setting the standard, and that is what we intend to do."

Potent threat

It's the second time this year that Pearson and the Graduate Management Admission Council (GMAC), administrators of the Graduate Management Admission Test (GMAT) will be going head-to-head with the Educational Testing Service, administrator of the TOEFL. In recent months, ETS has been waging a campaign to get more business schools to accept the Graduate Record Examination (GRE) for admission, threatening the dominance of the GMAT as the go-to standardized exam for business school admissions. Now, Pearson is attempting to make a dent in ETS' domination of the English language testing market.

With the help of GMAC, Pearson will be making an aggressive push to get B-schools and other graduate and undergraduate programs—which primarily use the TOEFL exam—to accept the PTE Academic exam, as well. To make the case, Pearson is marketing the test as a new and improved version of the current English language exams available, promoting new features that include a brief recorded audio sample, enhanced security, and other improvements.

But getting a foothold in the market won't be easy. The TOEFL exam is accepted at 7,000 academic institutions around the world, and nearly 1 million students took the exam in 2008, according to ETS. In addition to the TOEFL, Pearson will be facing another serious competitor, the International English Language Testing System (IELTS), run by a British-Australian group. That test is accepted at about 6,000 programs around the world, according to its Web site.

Peggy Blumenthal, executive vice-president and chief operating officer of the Institute of International Education, a nonprofit education and international exchange organization, says that it is going to be a formidable task for Pearson to establish itself as the new leader in the English language testing market.

Admissions officers like using the TOEFL exam because they can easily compare the scores of a student with the scores of other students in different regions of the world, and it may be hard to persuade them to add a new test to their roster.

Growing market

"From the U.S. university side, TOEFL is still certainly the preferred test and the most widely accepted and understood among admissions officers," Blumenthal says. "It is certainly going to be a substantial challenge to enter this market in a very across-the-board way."

For now at least, Pearson's competitors don't appear to be too worried. Teresa Sanchez-Lazer, executive director of ETS Global, says the market for English language tests continues to grow.

"The addition of a new testing program reflects the growing and robust nature of the global English learning marketplace," says Sanchez-Lazer in a prepared statement, adding that the TOEFL exam still "remains the leading choice of admissions officials due to its exceptional reliability and quality."

One way Pearson hopes to distinguish itself is by offering an examination that it claims is markedly different from the current offerings available to students. Pearson has spent the past three years developing the exam; over the past year and a half, more than 10,000 test takers from 38 cities in 21 countries participated in the PTE Academic's field test program. In price, the PTE Academic will be competitive with the TOEFL and IELTS, with the cost of taking the new test ranging from \$150 to \$210, depending on the country in which it is taken. TOEFL charges also vary from country to country, including \$180 in Hong Kong and \$225 in France, but IELTS charges a set fee of \$170.

The PTE Academic is a computer-based exam that uses automated scoring engines. Students can receive their scores in five days, while the scores can be delivered to institutions within 24 hours. That's a faster score return rate than the TOEFL, where it can take up to 15 days to post the score online, according to the ETS Web site.

The applicant's own voice

Another new element Pearson is adding is a brief audio sample, or voice print, which it's dubbing a "personal introduction." The sample, which will be required of all test takers, will allow an admissions officer to hear via a digital sound file demonstrating the candidate's command of conversational English. In addition, it will provide institutions with an additional security measure, allowing them to compare an applicant's voice with the voice recorded while taking the exam. Pearson says it will be the first to introduce this feature to the English language testing market. However, ETS says they also have been working for some time on making a 60-second audio speech sample available for the TOEFL. They plan to announce this new feature this week, an ETS spokeswoman said.

One of the avenues that Pearson will use to promote the PTE Academic exam is through its partnership with GMAC, an organization which represents MBA programs all over the world. There's a natural synergy between the GMAT and the PTE Academic: Students who take the GMAT do so at Pearson VUE testing centers around the world and would also be able to take the PTE Academic at the same sites.

Dave Wilson, president of GMAC, says his organization is endorsing the exam and is eager to help get the word out about it to prospective students and schools. There's a big market for the test at U.S. business schools, where about 30% to 35% of students come from outside the U.S., he says. GMAC has played an active role in helping Pearson develop the exam and now it plans to use its marketing muscle to promote it. Wilson says that business schools have been frustrated with the TOEFL exam and other tests and have been looking for an alternative for the past five years.

"Our schools have been telling us oftentimes that they had applicants who looked just great on paper, but then got to class and couldn't survive," he says.

"We were convinced we needed a new assessment somewhere along the line, and there was no evidence one was coming out from the current providers."

He's already gotten 62 business schools to accept the PTE Academic, including Cornell (Cornell Johnson Full-Time MBA Profile), Georgetown (Georgetown McDonough Full-Time MBA Profile), and Boston College (Boston Carroll Full-Time MBA Profile), and anticipates that many more will follow suit in the coming year. "The business schools are getting in on it right away, but I think you're going to find that every school is going to adopt it," Wilson says.

One of the schools that is an early adopter of the PTE Academic test is Bentley University's McCallum Graduate School of Business (Bentley Undergraduate Business Profile). Bentley will be accepting the test this fall, in addition to the TOEFL and IELTS.

"I'd say that for us it was a case of what is the downside? Knowing the legitimacy of Pearson and their engagement, we didn't feel that we had a high risk that this was going to be a test that was seriously flawed," Page says. "We felt it would provide us with at least as good information as we get from the other test services we use."

John Elliott, dean of Baruch's Zicklin School of Business (Baruch Zicklin Full-Time MBA Profile), says school officials have been eager to sign up for the test since they first heard of it. He says his admissions team liked the idea of the voice recording, which will serve as a "critical tool" in the application process. "If the quality of spoken English is not very good, it could be a decision changer," he says.

Pearson's Anderson is hoping that as more institutions adopt the test, the PTE Academic will become the new leader in the English language testing market. It's a challenge that he is eager to take on, he says.

"It is clear that Pearson and ETS compete in many ways, and I think in a new and growing area like this one, we relish the opportunity," he says. "This is only the beginning of the story."

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