REPORT 13

Pricing Survey and Analysis of Online Degree and MBA Courses

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## SUMMARY OF RECOMMENDED PRICING FOR INDIVIDUAL COUNTRIES

<table>
<thead>
<tr>
<th>Country</th>
<th>Foundation/Diploma</th>
<th>BA/BBA</th>
<th>MSc</th>
<th>MBA</th>
<th>BA/BBA</th>
<th>MSc</th>
<th>MBA</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>£1,725</td>
<td>£1,355</td>
<td>£1,500</td>
<td>£5,000</td>
<td>£1,950</td>
<td>£950</td>
<td>£4,000</td>
</tr>
<tr>
<td>South Korea</td>
<td>£2,505</td>
<td>£5,800</td>
<td>£2,800</td>
<td>£8,500</td>
<td>£4,500</td>
<td>£2,800</td>
<td>£6,000</td>
</tr>
<tr>
<td>Thailand</td>
<td>£1,878</td>
<td>£3,727</td>
<td>£3,000</td>
<td>£8,000</td>
<td>£5,000</td>
<td>£4,000</td>
<td>£5,000</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>£6,630</td>
<td>£6,500</td>
<td>£5,500</td>
<td>£8,500</td>
<td>£6,000</td>
<td>£5,500</td>
<td>£8,500</td>
</tr>
<tr>
<td>Singapore</td>
<td>£1,725</td>
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<td>£5,000</td>
<td>£1,950</td>
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<td>£4,000</td>
</tr>
<tr>
<td>Malaysia</td>
<td>£2,505</td>
<td>£5,800</td>
<td>£2,800</td>
<td>£8,500</td>
<td>£4,500</td>
<td>£2,800</td>
<td>£6,000</td>
</tr>
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<td>£1,878</td>
<td>£3,727</td>
<td>£3,000</td>
<td>£8,000</td>
<td>£5,000</td>
<td>£4,000</td>
<td>£5,000</td>
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</table>

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INTRODUCTION

The People’s Republic of China is the most potential Asian country in terms of education development. The present population is 1.284 billion people with a very high percentage of literacy (70% female and 90% male). It is the largest surviving communist state since the fall of Soviet Union. In terms of the economy, China’s GDP per capita is US$850.

BUSINESS STUDIES – UNDERGRADUATE AND POSTGRADUATE

To date, 62 Institutes in China are offering MBA and BA degrees in over 27 provinces. In 2001, 12,227 people vied for a place in local universities for MBA courses – it was 47,586 in 2002. This is not taking into consideration scores of other applicants throughout China not recorded by the census. Information gathered from local universities revealed that currently only about 3,000 students are offered a place to study for an MBA degree, all over China.

In addition, business studies especially MBA courses require very high academic standard and current global knowledge, which the local “conservative” public universities could not offer. It is generally accepted that the Chinese universities are very good at scientific and technology subjects but not so good at business and international studies.

ONLINE EDUCATION AND E-LEARNING IN CHINA

Some key facts and statistics:

- Internet users: 45.8 million (2003)
- Telephone lines per 100 pop: 13.8 (2001)
- Computers per 100 pop: 1.9

Profile of online students:

In 2000, Beijing Blue Research Company conducted a research and found that typically an online student in China is 21–35 years old, having a monthly income between US$60–500, working full time, and residing in provincial capital cities. Other key findings:

- 40% of the online students are between the ages of 26–30; 30% are between 21–25; 19% are between 31–35, 10% are below 20 or above 35
87% hold a full-time job
38% have a monthly income between US$120 –$240, 33% have a monthly income above US$240, 29% have a monthly income below US$120.
55% are from provincial capital cities; 32% are from district capital cities.
The top three reasons for choosing online education are “flexibility of time (89%)”, “flexibility of place” (70%), and “accreditation officially recognised by the state” (62%).
55% are worried about whether they can pass the examinations for the online degree. 44% are worried whether an online degree is as recognized in the job market.

In late 2002, the government officially accredited 67 Chinese universities as official e-learning universities and recognise their online programmes. Across 30 provinces in China, the universities are the only accredited institutions are able to offer their online courses to school leavers or as top-up degree for working adults.

The 67 accredited universities are already offering online programmes leading to formal academic awards to at least 800,000 students to date. Programmes currently offered are:

- Diploma courses for senior high school graduates
- Degree courses for senior high school graduates
- Degree courses for diploma holders
- Postgraduate courses for degree holders

At the present moment, postgraduate Master degree programmes are not fully offered via online or in some advanced institutions are at “infancy” stage. The medium of instruction is entirely Chinese although some programmes are bilingually taught (English and Chinese). In the case of dual award by Chinese and overseas universities, the medium of instruction is mostly Chinese.

Please refer to Table 1 for a list of the 67 accredited universities.

### Table 1 – Accredited online universities

<table>
<thead>
<tr>
<th>Provincial Capital</th>
<th>Universities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beijing</td>
<td>1. Tsinghua University</td>
</tr>
<tr>
<td></td>
<td>2. Beijing University of Post &amp; Telecommunication</td>
</tr>
<tr>
<td></td>
<td>3. Peking University</td>
</tr>
<tr>
<td></td>
<td>4. Beijing Normal University</td>
</tr>
<tr>
<td></td>
<td>5. Renmin University of China</td>
</tr>
<tr>
<td></td>
<td>6. Beijing Institute of Technology</td>
</tr>
<tr>
<td></td>
<td>7. Northern Jiaotong University</td>
</tr>
<tr>
<td></td>
<td>8. Beijing Foreign Studies University</td>
</tr>
<tr>
<td></td>
<td>9. Beijing University of Chinese Medicine</td>
</tr>
<tr>
<td></td>
<td>10. Beijing Language &amp; Culture University</td>
</tr>
<tr>
<td></td>
<td>11. Beijing Broadcasting Institute</td>
</tr>
<tr>
<td></td>
<td>12. Central Radio &amp; TV University</td>
</tr>
<tr>
<td></td>
<td>13. China Agriculture University – East</td>
</tr>
<tr>
<td></td>
<td>14. University of Science &amp; Technology Beijing</td>
</tr>
<tr>
<td></td>
<td>15. UIBE University of Foreign Trade</td>
</tr>
<tr>
<td></td>
<td>16. Peking University of Aeronautical &amp; Astronautical</td>
</tr>
<tr>
<td></td>
<td>17. Central Conservatory of Music</td>
</tr>
<tr>
<td>Shanghai</td>
<td>1. Shanghai Jiao Tong University</td>
</tr>
<tr>
<td></td>
<td>2. Fudan University</td>
</tr>
<tr>
<td></td>
<td>3. Tongji University</td>
</tr>
<tr>
<td></td>
<td>4. Shanghai Second Medical University</td>
</tr>
<tr>
<td></td>
<td>5. East China University of Science &amp; Technology</td>
</tr>
<tr>
<td></td>
<td>6. Dong Hua University (formerly Textile University)</td>
</tr>
<tr>
<td></td>
<td>7. Shanghai International Studies University</td>
</tr>
<tr>
<td></td>
<td>8. East China Normal University</td>
</tr>
<tr>
<td>Heilongjiang</td>
<td>1. Heilongjiang University</td>
</tr>
<tr>
<td></td>
<td>2. Northeast Agricultural University</td>
</tr>
<tr>
<td></td>
<td>3. Harbin Industrial University</td>
</tr>
<tr>
<td></td>
<td>4. Dalian University of Technology</td>
</tr>
<tr>
<td></td>
<td>5. China Medical University</td>
</tr>
<tr>
<td></td>
<td>6. Northeast Finance University (!)</td>
</tr>
</tbody>
</table>
Pricing Survey and Analysis

China

Ngo (April 2003)

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PRICING SURVEY

UKeU programme:

- Foundation & BA (Business Studies)
- MSc and MBA (Business).

Sampling for the purpose of pricing analysis will be based on the following methodology:

(a) Outlining competing programmes: public universities and private colleges offering similar programmes
(b) Comparative study of the programmes, whether non-online, mixed-mode or online learning in order to gauge the market pricing and demand
(c) Summary of analysis
(d) Recommendations and highlighting of any other pertinent issues.

In China, public universities do not offer Foundation-degree programmes. Likewise private institutions are not offering foreign university programmes, as this is not popular among the locals. As such, the comparative tables below will disregard Foundation programmes, but will match any other programmes of similar nature or purpose.

PRICING OF NON ONLINE PROGRAMS

In the Table overleaf (Table 2), the samples are based on carefully picked leading programs from bona fide institutions. We have carefully examined all data and enquired of the relevant Chinese government bodies in order to arrive at the selection of samplings below.

Further verification with local Chinese Consulate and Ministry of Education China officials revealed that they are working on a list of approved overseas universities and courses, for constitution enactment in September 2003. From September 2003, only such approved bona fide programmes can be offered in China, as a radical step to curb agents/institutions offering “degrees for sale” in the country.

Table 2 – Non Online programmes
<table>
<thead>
<tr>
<th>Name of Institution</th>
<th>Status</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tsinghua University, Beijing in collaboration with MIT</td>
<td>Public University</td>
<td>(i) BA (ii) MSc/ MA (iii) MBA (iv) EMBA</td>
<td>Part Time &amp; Full Time</td>
<td>(i) RMB 40,000 (£2,909) (ii) RMB 30,000 (£2,182) (iii) RMB 70,000 (£5,090) (iv) RMB 100,000 (£7,272)</td>
<td>Tsinghua is China’s no.1 university.</td>
</tr>
<tr>
<td>Peking University, Beijing in collaboration with Kellogg and Wharton Business School.</td>
<td>Public University</td>
<td>(i) BA (ii) MSc/ MA (iii) MBA</td>
<td>Part Time &amp; Full Time</td>
<td>(i) RMB 40,000 (£2,909) (ii) RMB 30,000 (£2,182) (iii) RMB 70,000 (£5,090)</td>
<td>Fee structure almost the same, rather equivalent to Tsinghua’s.</td>
</tr>
<tr>
<td>Beijing International MBA of Peking University in collaboration with Fordham University and other 26 American Universities.</td>
<td>Owned by Public University</td>
<td>(i) MBA (ii) IMBA (iii) EMBA</td>
<td>Part Time &amp; Full Time</td>
<td>(i) US$10,000 (£6,364) (ii) US$12,000 (£7,636) (iii) US$22,650 (£14,414)</td>
<td>Targeting foreign students</td>
</tr>
<tr>
<td>China Europe International Business School (CEIBS) in Collaboration with Shanghai Jiao Tong University</td>
<td>European (EQUIS) joint venture with Chinese government (not for profit)</td>
<td>(i) MBA (ii) EMBA</td>
<td>Part Time &amp; Full Time</td>
<td>(i) RMB 120,000 (£8,727) or US$25,000 for non Chinese citizen (ii) RMB 238,000 (£17,309) or US$28,000 for non Chinese citizen</td>
<td>Allegedly top 10 MBA program in Asia</td>
</tr>
<tr>
<td>University of International Business &amp; Economics (UIBE) in collaboration with University of the State of New York</td>
<td>Public university</td>
<td>(i) BA (ii) MSc/ MA (iii) MBA</td>
<td>Part Time &amp; Full Time</td>
<td>(i) RMB 30,000 (£2,181) (ii) RMB 25,000 (£1,818) (iii) Less than RMB 70,000 (&lt; £5,090)</td>
<td></td>
</tr>
<tr>
<td>Hartford College in collaboration with universities from Australia, UK and USA</td>
<td>Private Institution</td>
<td></td>
<td></td>
<td>Due to pricing strategy and bureaucratic issues, this has yet to launch their typical range of programmes already available in Singapore, Malaysia &amp; Hong Kong. Already established presence in Sichuan China, in conjunction with Central Queensland University, Australia. No indication of programme but likely to be undergraduate courses.</td>
<td></td>
</tr>
<tr>
<td>Informatics Group in collaboration with universities from Australia, UK and USA</td>
<td>Private Institution</td>
<td></td>
<td></td>
<td>The group is looking at a franchise term for China operations. There is no information available on any franchisees however we gather from one of their franchise opportunity presentations that in the initial stages, only ICT training programmes are available.</td>
<td></td>
</tr>
</tbody>
</table>
## PRICING OF ONLINE PROGRAMMES

### Table 3 – Online programmes

<table>
<thead>
<tr>
<th>Name of Institution</th>
<th>Status</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tsinghua University, Beijing</td>
<td>Public University</td>
<td>(i) Diploma (Associate Degree) (ii) BA (iii) MSc/ MBA</td>
<td>Online with classroom support</td>
<td>(i) US$1,500 (£941) (ii) US$3,000 (£1,882) (iii) Information not available but refer to “Beida-online.com” as guide</td>
<td>Medium of instruction is Chinese.</td>
</tr>
<tr>
<td>Peking University, Beijing</td>
<td>Public University</td>
<td>(i) Diploma (Associate Degree) (ii) BA</td>
<td>Online with classroom support</td>
<td>(i) US$1,500 (£941) (ii) US$3,000 (£1,882)</td>
<td>Fee structure almost the same, rather equivalent to Tsinghua’s.</td>
</tr>
<tr>
<td>Peking University Portal “Beida Online.com” – Postgraduate MBA &amp; MPA</td>
<td>Public University</td>
<td>(i) MBA (ii) MPA</td>
<td>Online with classroom support</td>
<td>(i) RMB 18,000 (£1,366) (ii) RMB 22,000 (£1,670)</td>
<td></td>
</tr>
<tr>
<td>All other 65 remaining accredited Online Universities in China</td>
<td>Public University</td>
<td>Online courses: Diploma to undergraduate only. No indication of postgraduate degrees. Course fees for diploma (i) US$1,500 (£941) whereas Undergraduate degree (ii) US$3,000 (£1,882)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University Liverpool with K.I.T. eLearning¹</td>
<td>British public university</td>
<td>MBA</td>
<td>Online</td>
<td>(a) Full payment: US$18,382 (£11,974) (b) 3 instalments: US$19,301 (£12,572) (c) Per Module: US$22,508 (£14,686)</td>
<td></td>
</tr>
<tr>
<td>Cardean University (Collaboration between Carnegie Mellon University, LSE, Chicago GSB, etc)²</td>
<td>Consortium</td>
<td>MBA</td>
<td>Online</td>
<td>US$24,575 (£15,418) – no indication that there will be “country differentiation” fee</td>
<td></td>
</tr>
<tr>
<td>University/Consortium</td>
<td>Type</td>
<td>Program</td>
<td>Delivery</td>
<td>Fee</td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td>------</td>
<td>---------</td>
<td>----------</td>
<td>-----</td>
<td></td>
</tr>
<tr>
<td>Universitas 21 Global³</td>
<td>Consortium</td>
<td>MBA</td>
<td>Online</td>
<td>US$10,000 (£6,274) – “country differentiation” system applies. Gathered that this is the highly probable fee for China.</td>
<td></td>
</tr>
<tr>
<td>Global University Alliance (GUA)⁴</td>
<td>Consortium, On franchise basis</td>
<td>(i) Diploma (ii) Adv Diploma (iii) BBA (iv) MBA Diploma and BBA most likely awarded by Southern Queensland University whereas MBA by University of South Australia.</td>
<td>Online with classroom support</td>
<td>(i) US$1,000 (£627) (ii) US$1,000 (£627) (iii) US$2,250 (£1,413) (iv) US$2,700 (£1,694)</td>
<td></td>
</tr>
<tr>
<td>Henley Management College⁵</td>
<td>British College</td>
<td>MBA</td>
<td>Online/Distance Learning</td>
<td>US$18,571 (£11,651)</td>
<td></td>
</tr>
<tr>
<td>PurpleTrain (owned by Informatics Group)⁶</td>
<td>Private</td>
<td>MBA validated by University of Wales</td>
<td>Online</td>
<td>US$10,000 (£6,274)</td>
<td></td>
</tr>
<tr>
<td>University of Newcastle, Australia (may be in partnership with Hartford College)</td>
<td>Public University</td>
<td>MBA</td>
<td>Online</td>
<td>AU$16,800 (£6,414)</td>
<td></td>
</tr>
<tr>
<td>American Intercontinental University⁷</td>
<td>Private university (unknown)</td>
<td>(i) BBA (ii) MBA</td>
<td>Online</td>
<td>(i) US$26,635 (£16,711) (ii) US$25,575 (£16,045)</td>
<td></td>
</tr>
<tr>
<td>University of Phoenix, USA⁸</td>
<td>Private, claimed to be one of the few accredited US online univ's</td>
<td>(i) BBus (ii) MBA</td>
<td>Online</td>
<td>(i) About US$23,000 (£14,636) (ii) US$25,755 (£14,430)</td>
<td></td>
</tr>
</tbody>
</table>

**Important:**
The above pricing is “cost” price to private school/franchisee. Normally, the franchisee would mark up between 50–100% as the market selling price.
GRAPHS AND SUMMARY

Non Online Programmes

Figure 1

Comparison of BBA programme (highest and lowest)

Figure 2

Comparison of MBA programme (highest and lowest)

Figure 3
Comparison of MSc programme (highest and lowest)

Comparison of EMBA programme (highest and lowest)

Online programmes
Comparison of Associate Degree/Diploma programme (highest and lowest)

![Figure 7](image)

Comparison of BA/BBA programme (highest and lowest)

![Figure 8](image)

Comparison of MBA programme (highest and lowest)

![Figure 9](image)
ANALYSIS

The analysis is divided into the following parts:

- Competitiveness & Programmes Comparison
- Pricing & Positioning strategy
- Summary/Recommendation

In addition, we were requested to take into consideration the University of Durham and University of Warwick MBA programmes.

Both Durham Business School and Warwick Business School have no online platform and e-learning mode programs. However they do offer Distance Learning MBA programmes through conventional methods.

COMPETITIVENESS AND PROGRAM COMPARISON

DIRECT COMPETITION FROM GOOD RANKING BRITISH MBA

Warwick Business School (WBS) currently does not offer its MBA in China – unlike for other Asia regions, through local British Council. Fees for the distance learning MBA in Singapore, Hong Kong and UAE start at £13,350.

On the other hand, we uncovered no market information that Durham Business School (DBS) plans to offer its MBA in Asia.

However, attention should be given to the University of Liverpool which has an online MBA programme offered in conjunction with their technology partner, KIT eLearning (please refer to Table 5). Stating the obvious, Liverpool is a Division 1 university in the UK and its MBA is AMBA (Association of MBA) accredited. A recent brief survey carried in China revealed that the Chinese would possibly associate education with lifestyle, “Coca Cola” with the American culture and Liverpool to “Beatles” and British football – sports.

Regardless of this point, in theory the MBA fee is high and the financial structure/scheme unusual. Starting fee is US$18,382 (£11,974); the fee becomes incremental if students choose to pay in split payments. Liverpool seems to be insensitive to the Asian culture, as financial considerations are always the primary concern when students consider a British degree programme (in pounds sterling). In most cases, universities are happy to offer a split payment scheme.

It is generally accepted that prevention of dropouts cannot be achieved through transferring the risks to other students. Since the launch of Liverpool’s MBA in late 2001, student recruitment numbers were considered to be a “success” but this is too early to tell.

Henley Management College (HMC) is possible competition but their presence in China is not likely in the very near future. There is no doubt that HMC is rising up the league ranking but their popularity is in danger due to limited publicity. However in 2002, they have an enrolment of 18 students.

COMPETITION WITH LOCAL COURSES (ONLINE & NON ONLINE)

It is fairly inappropriate to compare any of UKeU’s intended BA, MSc or MBA programmes with the current local university online courses. It is astounding that so many as 67 public universities offer online undergraduate degree programmes, while several ‘elite’ Chinese universities offer internationally reputed MBAs.

All the courses are in the Chinese language, including all the online courses. Although the Chinese are still sceptical about the recognition of online learning, what could be a challenge to UKeU would be changing the mindset of the Chinese to:

- Accept online learning as an alternative to conventional learning and that the value of the online qualification is equivalent to the British qualification in the UK;
- Learning in the English language and online environment also in the English language.
FOUNDATION AND UNDERGRADUATE COURSES

In relation to Foundation courses as already mentioned earlier such programmes are not common in China in view of its type of higher education structure. Therefore there is no form of comparison except possibly equating it to the post high school diplomas. Available via online learning, a diploma “top up” course fee is between US$1,000 to US$1,500 for the entire programme.

In terms of full-time or part-time conventional study, students normally attend direct 3–4 years undergraduate degree programme. The programmes are not broken up into individual levels (Foundation, Diploma, etc) but based on “yearly” system (Year 1, 2, 3 & Final Year). The fee for an entire undergraduate degree is about RMB 40,000 (£2,909), subsidised by the government. Course fee for an online 4-year undergraduate degree is about US$3,000 (£1,909).

The pricing is nevertheless a big issue because based on a survey carried out under earlier headings; individual financial restriction is a serious problem. Pricing of the Foundation and undergraduate programme should be competitive and affordable. (Please refer to “Summary”).

POSTGRADUATE

Stated in the report earlier, local universities are unable to accommodate the vast number of applicants for postgraduate degree programmes. Annual MBA degree applicants abundantly exceed the number of available places in local universities.

There is no doubt that over the years, many reputable universities worldwide already have established a strong presence in China through joint collaboration or in the form of assisting to re-shape the Chinese higher education system. This is obvious from the fact that some local universities like Tsinghua, Peking, Beijing International MBA of Peking University or China Europe International Business School (CEIBS) are offering internationally acclaimed MBA/ postgraduate courses in association with foreign faculties. Fudan University took a further step ahead by becoming the first and only Chinese education equity partner of the Universitas 21 Global consortium.

In short, most reputable and good MBA/postgraduate degree programmes are offered as full-time part-time (conventional) in China. For instance, good schools like CEIBS have only produced 1,506 MBA students since 1995, and in 2001 there were only 415 students enrolled, due to quotas.

It is evident that conventional postgraduate degree courses could not cater for the vast Chinese population and the great number of qualified candidates for MBA degree programmes.

Generally, the fees range from £8,000 to £17,000 for courses, ranging from MBA, EMBA to IMBA programmes for prestigious MBA programmes. The mode of study is either full time or part time only. There is no intention to convert the programme to online, as some of these universities have their own online degree version and offered as totally different ‘product’.

COMPETITION WITH FOREIGN ONLINE PLAYERS

FOUNDATION & UNDERGRADUATE

Global University Alliance (GUA) offers rather attractive pricing for Australian diploma, advanced diploma and undergraduate degree courses. As indicated in Table 5, the diploma and advanced diploma cost US$1,000 (£636) whereas undergraduate degree costs US$2,250 (£1,432). However the fees indicated are “cost price” given to their franchisee colleges. Most of the time, the selling prices are marked up by 50% to 100%, or even higher.

In view of the above, UKeU’s pricing strategy may need to consider seriously all the all above issues.
However, GUA is a consortium which is facing considerable uncertainty in terms of their model. GUA member universities have been marketing their programme as online stand-alone courses using a platform developed by NextEd Australia. The success of their online programmes such as BA Business, Master in Management, Master of Law, etc altered the direction of their structure. Initially, the entire GUA programmes were to be offered by franchisee partners but somehow the idea never materialised and most of GUA member universities decided to market the programme directly via online than through a franchise college.

GUA was however meant to be a “Click & Mortar” concept or “Blended Learning”, both online and offline learning. Bear in mind that if the all the programs are to be blended learning, the profit must be shared among three parties namely the university, NextEd and franchisees.

GUA and NextEd (there are strong indications that NextEd is also an equity partner of GUA, which is logically possible) have drastically revamped the structure now by re-grouping set of courses for the franchise package. The franchise package would now comprise Foundation courses, English courses; diploma, undergraduate and Master degrees in Business and IT only. Even so, GUA/ NextEd encountered another problem, this time to find new member universities that would support this model.

By the end of last year after seemingly revising their franchise model monthly, they finally persuaded two universities from Australia, namely University of Southern Queensland (USQ) and University of South Australia (UniSA) to award the franchise package programmes. Still, USQ and UniSA are unable to finalise this arrangement because they have their own vested interests all over Asia. For instance, USQ is very well represented by Informatics Group and other private colleges in Singapore, Malaysia and Hong Kong. For USQ to agree to the franchise package agreement means that their profit margin would be affected and at the same time might affect their current partnership agreements with the various private colleges.

UNIVERSITY OF PHOENIX AND AMERICAN INTERCONTINENTAL UNIVERSITY

These are considered as negligible threats as their course fees are extremely unrealistic (high). The reputation of a university like American Intercontinental University is unknown; however both universities are mentioned in the report simply because there are some allegations of current student enrolment in China.

POSTGRADUATE DEGREES

GUA’s MBA is the closest competition to UKeU’s programme; however the primary concern ought to be the University of Liverpool’s Online MBA.

Other online MBAs such as from Cardean University are simply too costly and are facing a common problem, also shared by U21Global – the “Virtual University” problem. There are significant differences between “studying an online degree from ABC University” from “studying an online degree from DEF Virtual University”. The latter obviously need to counter the Asian mindset against the virtual university. The distance learning model in China is successful in the past because the award is deemed to be identical to those obtained on campus.

PRICING & POSITIONING STRATEGY

It is fairly difficult to conclude on the pricing strategy for China. This country ought to be looked at as a long-term investment but it is also highly possible to expect a quick return and profit in a short time frame. Note that there are 800,000 online students since the introduction of online learning less than 2 years ago. Statistics have shown that there are up to 45.8 million Internet users in China this year. Therefore the great potential of online students doing undergraduate and postgraduate degrees is needless to state
again. Again, the statistics tell us that Masters degree graduates are in great demand in China, and the local universities are facing great difficulty in offering places to the abundance of applicants each year. Again, UKeU’s online strategy blends in well.

The pricing could be low but then targeting mass numbers. However, in reverse, the strategy can be based on UKeU’s intended fee range but this would be a serious limit on the overall number of enrolments. Conclusively, the pricing ought to be determined on site in China with local partners rather than speculated on. In any case, it would be a venturesome project.

POSITIONING

In relation to the positioning strategy, here are some factors for consideration:

- **Public Perception and Acceptance:** Online education is yet to be openly and widely accepted as more than just an alternative to conventional education but also as “Formal Education”. Largely due to cultural factors, some people are still doubtful about the quality, the learning experience, and market value of online education.

- **Pedagogy & Quality:** If looking at China’s current public university’s online courses, the contents do fall short of further interactivity affecting the effectiveness. This is sometimes due to the fact that the potential of advanced multimedia and Internet have not been fully exploited. There are problems typically faced in China. For instance, the online courses lack quality standards and a quality assurance system. Offline tutoring support or occasional face-to-face contact is also lacking, since the Chinese university lecturers are reportedly overloaded with on-campus obligations.

- **Recognition:** An online qualification is often misperceived as a second grade qualification or inferior compared with conventional courses. As such, graduates do occasionally face considerable prejudice when applying for jobs.

- **Cost:** Although an online course fee is relatively low compared to the conventional courses, it is still perceived as more expensive by the general Chinese at large. Internet facilities and the computer are considered to be further costs when it comes to online education.

**SUMMARY**

To sum up, the key recommendations are:

- **Government level partnership** – There is no doubt that the primary approach would be at government level so as to receive national coverage support for an extremely large country like China where various provincial regulations exist. It is also obvious that the Chinese government has been promoting online education and invested substantial funds for its development. It would only seem appropriate and wise to partner with the government.

- **Effective Partnership** – Partnership is a highly recommended mode by most analysts in Chain in terms of online education of foreign programmes. This would not be an issue of concern as UKeU’s model is already such. However the success would largely depend on the commitment of the Chinese counterparts, which are very often driven by sheer financial objectives, in other words they are mercenaries. The local partners would be enticed to take on other programme s as time goes by when there are opportunities arising that give them attractive financial rewards.
• **Financial factors** – This is crucial and critical. Bear in mind that statistics have shown that among the online students, only 10% have a monthly income above US$500. Therefore high course fees would become a great barrier for Chinese students. In addition, overseas online universities will find it hard to compete on the basis of pricing with the local universities.

• **Language factor** – online programmes offered by foreign universities are in English. Therefore there are difficulties for Chinese students to undertake the courses since most of them do not usually possess an acceptable standard of English language. In the light of such limitations, foreign online universities could focus on postgraduate courses, as the potential students are mostly working adults with relatively good income and adequate English language skills.

• **Global Recognition and Reputation** – whilst there are many reports of Chinese being conned into signing on to programs from non-existent universities, the average Chinese today are very well informed about foreign education issues. “Reputation and global recognition” remains the top consideration for any Chinese when considering any foreign online programs. Surely this is not an issue for UKeU.

• **Courseware Quality** – Chinese students would go for foreign online programmes and be willing to pay premium fees for the international experience. However they would expect better quality than those provided by local Chinese universities. Therefore the courseware quality and solid student support would become the key differentiation factor and able to attract the Chinese as they constantly crave for quality international education experiences.

### INDICATOR

- **Postgraduate course** – Very high and high potential.
- **Undergraduate programmes** – Low if short term. It would be essential to build a strong foundation/ education framework. This can be achieved through introducing English certificate programmes, as do most foreign online education providers.

### RECOMMENDATION

Issues were considered to arrive at the recommendation:

- It is impossible to adjust the pricing near to any of the Chinese local online programmes.
- Local Chinese online programmes are offered in Mandarin, therefore not comparable to UKeU’s programmes.
- Foreign online programmes in China are either costly or lack the quality expected by the Chinese.
- UKeU’s model is the first ever in China and this region, therefore it would be the pioneer in quality online education.

Recommended pricing:

- Foundation course – starting fee at £1,725
- BA/BBA – starting fee/market entry fee at £2,505
- MSc – starting fee/market entry fee at £1,878
- MBA – starting fee/market entry fee at low £6,630 or high £7,000. (We would be in a position to refine this if the awarding university is revealed
INTRODUCTION

South Korea is another country of great potential in this region in relation to foreign education development and online learning. The present population of South Korea is 48.32 million people with very high percentage of literacy (97% female and 99% male). South Korea’s GDP per capita is US$9,670.

BUSINESS STUDIES – UNDERGRADUATE AND POSTGRADUATE

South Korea’s business and trade industries are very vibrant and thriving even in the midst of an economic slump. Companies like Samsung, Hyundai and Daewoo are some of the gigantic corporations with global presence, especially considering South Korea’s short history of independence.

The vibrant industries and business-minded culture have influenced the higher education system in South Korea – all of the universities and institutions offer business studies as part of their standard offering.

Recently, the universities have begun offering specialised fields of business studies such as finance, international economics, international business studies and trade.

The Korean government is always actively seeking advice from external educational institutions and constantly encouraging higher education institutions in Korea to collaborate with each other and with more established distance-learning universities from overseas.

ONLINE EDUCATION AND E-LEARNING IN KOREA

Some key facts and statistics:

Internet users:
25.6 million (2003)

Telephone lines per 100 pop:
47.6 (2001)

Computers per 100 pop:
25.1
Online education and e-learning in South Korea is undeniably the most vibrant and rich in potential in the whole of Asia. This is based on the level of government participation and potential online learners throughout South Korea’s population of 46.7 million people and current population of Internet users at 25.6 million.

In the past only public distance teaching/online universities could operate, but recently private online universities are allowed. However, they receive no funding from the government, unlike the up to 30% financial assistance by the government to public online institutions.

Korea online education is the richest in potential, and highly driven by the government. In 1998, the government initiated a massive scale online education exploration and reform known as “BK21” (Brain Korea 21).

As online education is one massive and stand-alone part of the South Korea education industry, it is imperative to examine this unique sector individually. Partly, the education arena in South Korea differs greatly from and is unlike other Asian countries, where the development of online education is still premature or difficult to define.

There are two online universities and one distance learning university in South Korea. So far, these are nationwide collaborations between the local universities in South Korea.

However there are various other consortiums of public and private universities but these are not counted as “virtual” universities – most conventional universities in Korea now offer online feature for their existing students, and sometimes for external students intending to do single-subject courses.

Please refer to Table 1 for a list of the online providers.

<table>
<thead>
<tr>
<th>Provincial Capital</th>
<th>Universities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea Cyber University &amp; Virtual Campus (KCU) – public</td>
<td>- Kangwon University</td>
</tr>
<tr>
<td></td>
<td>- Kyunghee University</td>
</tr>
<tr>
<td></td>
<td>- Dongkook University</td>
</tr>
<tr>
<td></td>
<td>- Myumji University</td>
</tr>
<tr>
<td></td>
<td>- Busan University</td>
</tr>
<tr>
<td></td>
<td>- Seogang University</td>
</tr>
<tr>
<td></td>
<td>- Sungsil University</td>
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<td></td>
<td>- Ulsan University</td>
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<tr>
<td></td>
<td>- Ehwa Women’s University</td>
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<td></td>
<td>- Chonnam University</td>
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<tr>
<td></td>
<td>- Chungang University</td>
</tr>
<tr>
<td></td>
<td>- Korea National Open University</td>
</tr>
<tr>
<td></td>
<td>- Hanyang University</td>
</tr>
<tr>
<td></td>
<td>- Youngnam University</td>
</tr>
</tbody>
</table>

Korea National Open University (KNOU) – public⁹

Used to be Seoul National University. However KNOU became independent in 1981 when the tremendous growth led to it becoming a separate university

<table>
<thead>
<tr>
<th>Open Cyber University (OCU) – Private &amp; corporations</th>
<th>12 private universities and private corporations such as:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Sungkyunkwan University</td>
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<tr>
<td></td>
<td>- Korea University</td>
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<tr>
<td></td>
<td>- Cheju University</td>
</tr>
<tr>
<td></td>
<td>and Samsung Data Systems</td>
</tr>
</tbody>
</table>
PRICING SURVEY

UKeU programme:

- Foundation & BA (Business Studies)
- MSc and MBA (Business)

Sampling for the purpose of pricing analysis will be based on the following methodology:

(a) Outlining competing programmes:
   Public universities and private colleges with similar programmes
(b) Comparative study of the programmes, whether non online, mixed mode or online learning, in order to gauge the market pricing and demand

(c) Summary of analysis
(d) Recommendations and highlight of any other pertinent issues
(e) Recommendations and highlight of any pertinent issues.

PRICING OF NON ONLINE PROGRAMMES

Although the tuition fees of public universities are not standard, in general the course fees are consistent or nearly identical when comparing all the public universities throughout South Korea. Fees for private universities are consistently between 10 – 20% more than for public universities.

<table>
<thead>
<tr>
<th>Name of Institution</th>
<th>Status</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Universities</td>
<td>Government owned</td>
<td>(i) BA (4 years)</td>
<td>Part Time &amp; Full Time</td>
<td>(i) KRW 10,040,000 (average) (£5,217)</td>
</tr>
<tr>
<td>– Example: Seoul National University</td>
<td></td>
<td>(ii) MSc/ MA/ MBA</td>
<td></td>
<td>(ii) KRW 7,216,250 (average) (£3,750)</td>
</tr>
<tr>
<td>Private Universities</td>
<td>Minor funding by government – for profit</td>
<td>(i) BA</td>
<td>Part Time &amp; Full Time</td>
<td>(i) KRW 13,554,000 (average) (£7,043)</td>
</tr>
<tr>
<td>- Example: Korea University</td>
<td></td>
<td>(ii) MSc/ MA/ MBA</td>
<td></td>
<td>(ii) KRW 10,716,131 (£5,568)</td>
</tr>
<tr>
<td>Leading private universities with foreign universities ties, providing ‘elite’ MBAs</td>
<td>Owned by Public University</td>
<td>MBA (5 areas of specialisations)</td>
<td>Full Time</td>
<td>KRW 22,252,000 (£11,563)</td>
</tr>
</tbody>
</table>

Table 2 – Non Online Programmes
# PRICING OF ONLINE PROGRAMMES

**Table 3 – Online Programmes**

<table>
<thead>
<tr>
<th>Name of Institution and Awarding body</th>
<th>Status</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea Cyber University &amp; Virtual Campus (KCU)</td>
<td>Public University</td>
<td>(i) Diploma (Associate Degree) (ii) BA (ii) MSc/ MBA</td>
<td>Online</td>
<td>Depending on courses, up to about KRW 45,000 per credit (£23). Generally, half the tuition for conventional programmes (public university). Estimated: (i) KRW 2,510,000 (£1,870) (ii) KRW 5,020,000 (£2,609) (iii) KRW 3,608,125 (£1,875)</td>
</tr>
<tr>
<td>Korea National Open University (KNOU)</td>
<td>Public University</td>
<td>(i) Diploma (Associate Degree) (ii) BA (iii) MBA</td>
<td>Mixed mode – online, CD-ROM, satellite TV, etc</td>
<td>US$100 per semester, regardless of number of subjects or major. Generally 8% of the tuition fees in public universities. Estimated: (i) KRW 386,154 (£201) (ii) KRW 772,308 (£401) (iii) KRW 555,096 (£288)</td>
</tr>
<tr>
<td>Open Cyber University</td>
<td>Private</td>
<td>(i) Diploma (Associate Degree) (ii) BA (iii) MBA</td>
<td>Online with classroom support</td>
<td>Free for students from member universities. Tuition is applicable for external students: Standard pricing of US$40 per credit per hour which is half the tuition for conventional courses: Estimation: (i) KRW 3,388,500 (£1,761) (ii) KRW 6,777,000 (£3,522) (iii) KRW 5,358,065 (£2,784)</td>
</tr>
</tbody>
</table>
### Pricing Survey and Analysis

**South Korea**

**Ngo (April 2003)**

<table>
<thead>
<tr>
<th>University</th>
<th>British public university</th>
<th>MBA</th>
<th>Online</th>
<th>“Unique” fee structure:</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Liverpool with K.I.T. eLearning</td>
<td></td>
<td></td>
<td>Online</td>
<td>(a) Full payment:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>US$18,382 (£11,974)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(b) 3 instalments:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>US$19,301 (£12,572)</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(c) Per Module:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>US$22,508 (£14,686)</td>
</tr>
</tbody>
</table>

| University                                      | Consortium                 | MBA                  | Online                | US$24,575 (£15,418) – no |
|-------------------------------------------------|----------------------------|----------------------|-----------------------| indication that there will be |
| Cardean University                              |                            |                      |                       | “country differentiation” fee |
| (Collaboration between Carnegie Mellon University, LSE, Chicago GSB, etc) |                            |                      |                       |                          |

| University                                      | Consortium                 | MBA                  | Online                | US$13,500 (£8,470) – “country |
|-------------------------------------------------|----------------------------|----------------------|-----------------------| differentiation” fee applies. It |
| Universitas 21 Global                            |                            |                      |                       | seems that this is the highest |
|                                                 |                            |                      |                       | probable fee for Korea         |

<table>
<thead>
<tr>
<th>University</th>
<th>Consortium, On franchise basis</th>
<th>(i) Diploma</th>
<th>(ii) Adv Diploma</th>
<th>(iii) BBA</th>
<th>(iv) MBA</th>
<th>Online</th>
<th>(i) US$1,000 (£627)</th>
<th>(ii) US$1,000 (£627)</th>
<th>(iii) US$2,250 (£1,412)</th>
<th>(iv) US$2,700 (£1,694)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global University Alliance (GUA), Kangnam, Seoul</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>with</td>
<td>Important:</td>
<td>The above pricing is “cost” price</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>classroom</td>
<td>to private school/franchisee.</td>
<td>Normally, the franchisee would mark up between 50–100% as the</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>support</td>
<td></td>
<td>market selling price.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>University</th>
<th>Private</th>
<th>MBA</th>
<th>Online &amp; distance learning</th>
<th>£11,651</th>
</tr>
</thead>
<tbody>
<tr>
<td>Henley Management College</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>University</th>
<th>Private</th>
<th>MBA</th>
<th>Online</th>
<th>£6,274</th>
</tr>
</thead>
<tbody>
<tr>
<td>PurpleTrain</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>University</th>
<th>Private</th>
<th>(i) BBus</th>
<th>(ii) MBA</th>
<th>Online</th>
<th>(i) About US$23,000 (£14,430)</th>
<th>(ii) US$25,755 (£16,158)</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Phoenix, USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
GRAPHS AND SUMMARY

Non Online Programmes

Figure 1

Comparison of BBA programme
(highest and lowest)

Figure 2

Comparison of MSc programme
(highest and lowest)

Figure 3
Comparison of MBA programme (highest and lowest)

Figure 4

Business courses offered as online programmes

Figure 5

Comparison of Associate Degree/Diploma programme (highest and lowest)

Figure 6
Comparison of BA/BBA programme (highest and lowest)

Figure 7

Comparison of MBA programme (highest and lowest)

Figure 8
ANALYSIS

The analysis is divided into the following parts:

- Competitiveness and programmes comparison
- Pricing and positioning strategy
- Summary and recommendation.

In addition, we were requested to take into consideration the University of Durham and University of Warwick MBA programmes.

Both Durham Business School and Warwick Business School have no online platform and e-learning mode programs. However they do offer a Distance Learning MBA programme through conventional methods.

COMPETITIVENESS AND PROGRAM COMPARISON

DIRECT COMPETITION FROM GOOD RANKING BRITISH MBAs

Warwick Business School (WBS) have no MBA offered in South Korea; but do in other Asia regions through the local British Council. Fees for the distance learning MBA in Singapore, Hong Kong and UAE start at £13,350; also applicable for other Asian countries.

On the other hand, we uncovered no market information that Durham Business School (DBS) plan to offer its MBA in Asia. In any case, DBS has no online learning platform.

However, attention should be given to the University of Liverpool which has an online MBA programme offered in conjunction with their technology partner, KIT eLearning. Stating the obvious, Liverpool is a Division 1 university in the UK and its MBA is AMBA (Association of MBA) accredited. The course fee is also lower than Warwick's.

Regardless of the somewhat strong point stated above, in theory the course fee is high and financial structure/scheme, unusual. The starting fee is US$18,382 (£11,974); the fee becomes incremental if students choose to pay in split payments.

Henley Management College (HMC) is a possible competitor. Although they do not have presence in Korea, based on the data there is a market in Korea for high-price foreign MBAs, therefore there is an opportunity for Henley.

COMPETITION WITH LOCAL COURSES

Obviously, there will be direct competition between UKeU’s programmes and the online courses offered by the local universities. UKeU’s programmes are offered in English whereas most local online courses are in Korean. Whilst English-medium courses like UKeU’s would be new and attractive to the Koreans, the language barrier could be an obstacle.

In terms of public perception, there will be no question about the recognition of online qualifications, as this is a nationwide education initiative and highly supported by the government.

Under the earlier headings, we also know that there is a severe shortage of universities in Korea. The government’s education reform policy is also to encourage foreign collaboration; thus this is an advantage for UKeU.

FOUNDATION AND UNDERGRADUATE COURSES

Under a franchise scheme, the Global University Alliance (GUA) has already established their very first GUA Learning Centre in Kangnam, Seoul. They offer attractive pricing for Australia diploma, advanced diploma and undergraduate degree courses. As indicated, the diploma & advanced diploma fees are at US$1,000 (£636) whereas undergraduate degrees are at US$2,250 (£1,432). However the fees indicated are the “cost price” given to their franchisee college. Most of the time, the
selling prices are marked up by 50% – 100%, possibly higher at times.

In view of the above, UKeU’s pricing strategy may need to consider seriously such aspects.

GUA also offers English language bridging course and Foundation studies in their Kangnam GUA Learning Centre.

**UNIVERSITY OF PHOENIX**

This is considered as a “negligible” threat as the course fees are extremely unrealistic. Phoenix is listed in this report simply because there are some allegations of their having current students from Korea.

**POSTGRADUATE**

GUA’s MBA is the closest competitor to UKeU’s programme; however the primary concern ought to be University of Liverpool’s Online MBA.

Other online MBAs such as from Cardean University are simply too costly and also face a similar “problem” as U21Global. Both are virtual, non-physical, universities therefore UKeU would have better market value. The perceptions of awards from virtual universities are not very favourable especially in the job market.

**PRICING & POSITIONING STRATEGY**

South Korea’s advanced education market in relation to online learning is beneficial towards UKeU’s initial promotional strategy. UKeU’s degrees are identical to on-campus qualifications and feature programmes from good universities. This is a strong point.

It would be very difficult to exactly identify the pricing for UKeU’s programmes in South Korea as it is a rather “free market” for external/private education providers. Tuition fees of conventional courses at certain private universities are very high, but sometimes extremely low at some public universities. On the other hand, online learning is perceived as alternative education and people go for it expecting the fees to be low, yet it is a recognised qualification for employment purposes in South Korea.

Therefore it is not possible to compare UKeU with the local online universities entirely, because UKeU’s degrees are identical to on campus study and awarded by “physical” universities. Therefore the pricing cannot possibly be as low as the local virtual universities. Also, Koreans are very open to the concept of foreign education, since they are aware that focussing purely on the local context will not be advantageous to their people.

The best pricing strategy should be determined “on site”; that is, depending on UKeU’s local Korean partners’ perspective. It could be priced low to attract the masses or at standard fees.

**POSITIONING**

In relation to the positioning strategy, here are some factors for consideration:

- **Introducing a new concept of quality online education:** As mentioned earlier, Koreans are more accustomed to online education as alternative education, always necessarily cheaper and coming from a virtual university (non-physical university).
- **Delivery of courses:** Effective and reliable platform, rich with foreign contents.
- **Recognition:** With prestigious qualifications and programmes not available in Korea.
- **Cost:** attractive and effective pricing for the local market.

**SUMMARY**

To sum up, the key recommendations are:
• **Korean Universities and Government partnership** – as mentioned earlier, the Korean government highly promotes collaboration between Korean universities and foreign institutions.

• **Effective Partnership** – partnership with effective local partners that could position UKeU as the revolutionary online education in South Korea.

• **Language factor** – generally the Koreans are not very proficient with the English language, but the popularity of the international language is beginning to take centre stage in the Korean local education system. However in a more positive sense, many Koreans today are able to comprehend the English language at a level sufficient for educational purposes.

**INDICATOR**

Postgraduate course – Very high potential.

Undergraduate programmes – High potential. South Korea is an ideal country to introduce online learning in particular foreign programmes. Depending on strategy, the success rate can be high over a short period of time.

**RECOMMENDATION**

The following issues were considered to arrive at the recommendations:

- It is impossible to adjust the pricing near to any of Korea’s local online programs. *But:*
- There is an immediate market for premium courses in view of the high-end pricing of some local programmes.
- Local online programmes are offered in the Korean language, therefore are not comparable to UKeU’s programmes.

- UKeU’s model is the first of its kind in Korea and in this region.

**Recommended pricing:**

- Foundation course – starting fee at £1,355
- BA/BBA – starting fee/market entry fee at £5,800
- MSc – starting fee/market entry fee at £3,727
- MBA – starting fee/market entry fee at low £6,500 or high £7,600. (We would be in the position to refine this if the awarding university is revealed.)
INTRODUCTION

Thailand is a very open-minded country when it comes to education reform policies. Widely known as the “Land of Smiles”, the country is very quick to embrace foreign elements including education. The present population of Thailand is 62.8 million people with a very high percentage of literacy (92% female and 96% male). Thailand’s GDP per capita is US$2,010.

BUSINESS STUDIES – UNDERGRADUATE AND POSTGRADUATE

The language of instruction in universities is the Thai language (with the exception of Assumption University, a private university). However as part of the Thai government’s aim to internationalise its education system, the government has introduced a system called “International Programs”. These are courses in public and private universities, delivered in English. In addition to promoting the English language and creating opportunity for the locals to improve their command of English, this move is also seen as part of the government’s effort to attract foreign students to Thailand.

The system and concept of “International Programs” is very bold and revolutionary; in fact it is the first ever in this region for a country where English is not the first language. They include collaboration with other foreign universities, mostly from the UK, USA and Australia.

ONLINE EDUCATION AND E-LEARNING IN THAILAND

Some key facts and statistics:

Internet users:
1.2 million (2000)

Telephone lines per 100 pop:
9.4 (2001)

Computers per 100 pop:
2.7
Online education and e-learning is new in Thailand, therefore there is plenty of room for growth. In addition to the government’s openness to new policies, education reform and foreign collaboration should be construed as an opportunity to develop and pioneer online education in Thailand.

At present there are only two online cum open learning universities in Thailand and both account for the nearly 60% of the total higher education enrollment in public universities.\(^{10}\)

This could possibly due to the extremely low tuition fees charged by both open/online universities.

Thailand’s domestic online-open higher education is consistently developing in line with telecommunication infrastructure development and improvement. The progress and popularity of any western online education effort is not pronounced in Thailand, possibly overshadowed by progress in China instead of Indo China. Skeptics had felt that the retardant to any online education in Thailand would be the financial position and conservativeness of the Thais. This is not entirely true because there are 1.2 million Internet users (mostly educated people) in Thailand and already there have been numerous collaborations between British universities with local universities for many years now. Putting both facts together, one will see the sense behind promoting successful online education projects in Thailand.

### PRICING SURVEY

UKeU programme:

- Foundation & BA (Business Studies)
- MSc and MBA (Business).

Sampling for the purpose of pricing analysis will be based on the following methodology:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burapha University</td>
<td>BBA.</td>
</tr>
<tr>
<td>Chulalongkorn University</td>
<td>BBA, MMgt, MBA (Sasin)</td>
</tr>
<tr>
<td>Maejo University</td>
<td>BBA, MBA</td>
</tr>
<tr>
<td>Mahidol University</td>
<td>BBA, MA</td>
</tr>
<tr>
<td>Thammasat University</td>
<td>BBA</td>
</tr>
<tr>
<td>Kasetsart University</td>
<td>MBA</td>
</tr>
<tr>
<td>National Institute of Development Administration</td>
<td>MBA</td>
</tr>
<tr>
<td>Ramkhamhaeng University</td>
<td>MBA</td>
</tr>
<tr>
<td>Asian University of Science and Technology</td>
<td>BBA, MBA</td>
</tr>
<tr>
<td>Assumption University</td>
<td>BBA, MBA, MSIB</td>
</tr>
<tr>
<td>Bangkok University</td>
<td>BBA, MBA</td>
</tr>
<tr>
<td>Eastern Asia University</td>
<td>BBA</td>
</tr>
<tr>
<td>Kasem Bundit University</td>
<td>BBA</td>
</tr>
<tr>
<td>Krirk University</td>
<td>BA</td>
</tr>
<tr>
<td>University of The Thai Chamber of Commerce</td>
<td>BBA, MBA</td>
</tr>
<tr>
<td>Schindler -Stamford International University</td>
<td>BBA</td>
</tr>
<tr>
<td>Saint John’s University</td>
<td>BBA</td>
</tr>
<tr>
<td>Webster University (Thailand)</td>
<td>BBA, MBA</td>
</tr>
<tr>
<td>Yonok College</td>
<td>BBA, MBA</td>
</tr>
<tr>
<td>Siam University</td>
<td>BBA</td>
</tr>
<tr>
<td>Rangsit University</td>
<td>BBA</td>
</tr>
<tr>
<td>Sripatum University</td>
<td>BA</td>
</tr>
<tr>
<td>Payap University</td>
<td>MBA</td>
</tr>
</tbody>
</table>

Table 1 – Universities offering “International Programs”

PRICING OF NON ONLINE PROGRAMMES

As Thailand is the only South East Asian country offering dual-language higher education programmes, this report will take into consideration selected good programmes conducted in the English language (“International Programs”) instead of analysis of all programmes. In general, the degrees offered in the Thai language are rather similar in price to the “International Programs” or consistently between 15–25% lower.

<table>
<thead>
<tr>
<th>Name of Institution</th>
<th>Status</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chulalongkorn University</td>
<td>Leading Public University</td>
<td>(i) BBA (4 years)</td>
<td>Full Time</td>
<td>(i) THB 684,000 (£10,000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) MBA (Sasin Graduate School of Business – Kellogg &amp; Wharton)</td>
<td></td>
<td>(ii) THB 730,000 (£10,673)</td>
</tr>
<tr>
<td>Burapha University</td>
<td>Public University</td>
<td>BBA</td>
<td>Part Time &amp; Full Time</td>
<td>THB 13,000 (£189) FT THB 39,200 (£573) PT</td>
</tr>
<tr>
<td>Kasetsart University</td>
<td>Public University</td>
<td>MBA</td>
<td>Full Time</td>
<td>THB 395,000 (£5,775)</td>
</tr>
<tr>
<td>Asian University of Science &amp; Technology</td>
<td>Leading Private University</td>
<td>(i) BBA</td>
<td>Part Time &amp; Full Time</td>
<td>(i) THB 1,200,000 (£17,544)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) MBA</td>
<td></td>
<td>(ii) THB 333,333 (£4,873) – Full Time. PT (£5,847)</td>
</tr>
<tr>
<td>Assumption University</td>
<td>Private University</td>
<td>(i) BBA</td>
<td>Full Time</td>
<td>(i) THB 337,375 (£4,932)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) MBA</td>
<td></td>
<td>(ii) THB 196,600 (£2,874)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(iii) MSc International Business – South Bank University UK</td>
<td></td>
<td>(iii) THB 768,925 (£11,241)</td>
</tr>
<tr>
<td>University of Thai Chamber of Commerce</td>
<td>Private University</td>
<td>BBA</td>
<td>Full Time</td>
<td>THB 232,800 (£3,404)</td>
</tr>
</tbody>
</table>

Table 2 – Non Online Programmes
## PRICING OF ONLINE PROGRAMMES

<table>
<thead>
<tr>
<th>Name of Institution and Awarding body</th>
<th>Status</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
</table>
| Ramkhamhaeng University              | Public University | (i) BBA (142 credits)  
(ii) MBA (36 credits) | Blended/mixed media (distance learning, online, CD-ROM, broadcast) | THB 25 per credit (£0.37) excluding other fees. Estimated:  
(i) THB 8,000 (£117)  
(ii) THB 5,000 (£73.1) |
| Sukothai Thammathirat Open University | Public University | (i) BBA (144 credits)  
(ii) MBA | Blended/mixed media (distance learning, online, CD-ROM, broadcast) | THB 500 per block of 6 credits (£7.31) excluding other fees. Estimated:  
(i) THB 16,000 (£234)  
(ii) THB 15,000 (£219) (unconfirmed) |
| University Liverpool with K.I.T. eLearning | British public university | MBA | Online | “Unique” fee structure:  
(a) Full payment: US$18,382 (£11,974)  
(b) 3 instalments: US$19,301 (£12,572)  
(c) Per Module: US$22,508 (£14,686) |
| Cardean University Consortium | MBA | Online | US$24,575 (£15,418) |
| Henley Mgt Col | Private | MBA | Online | £11,651 |
| PurpleTrain | Private | MBA | Online | £6,274 |
| Universitas 21 Global | Consortium | MBA | Online | US$10,000  
(£6,274) – “country differentiation” fee applies. It seems that this is the highly probable fee for Thailand |
| Global University Alliance (GUA) | Consortium, On franchise basis | (i) Diploma  
(ii) Adv Diploma  
(iii) BBA  
(iv) MBA | Online with classroom support | (i) US$1,000 (£636)  
(ii) US$1,000 (£636)  
(iii) US$2,250 (£1,432)  
(iv) US 2,700 (£1,718) **Important:** The above pricing is “cost” price to private franchisee. The franchisee would mark up between 50–100% as market selling price. |
 Figure 1

Non Online Programmes

Figure 2

Comparison of BA programme (highest and lowest)

Figure 3

Comparison of MBA programme (highest and lowest)
Business courses offered as online programmes

Comparison of BA/BBA programme (highest and lowest)

Comparison of MBA programme (highest and lowest)
ANALYSIS

The analysis will be divided into the following parts:

- Competitiveness and programme comparison
- Pricing and positioning strategy
- Summary and recommendations.

In addition, it was requested that the analysis take into consideration the University of Durham and University of Warwick MBA programmes. Both Durham Business School and Warwick Business School have no online/e-learning platform. They offer Distance Learning MBA programmes but via conventional methods.

COMPETITIVENESS AND PROGRAM COMPARISON

DIRECT COMPETITION FROM GOOD RANKING BRITISH MBA

Warwick Business School (WBS) has no MBA offered in Thailand, but does in other Asia regions, through the local British Council. Fees for the distance learning MBA in Singapore, Hong Kong and UAE start at £13,350; also for other Asian countries.

On the other hand, we uncovered no market information that Durham Business School (DBS) plans to offer its MBA in Asia. In any case, DBS has no online learning platform.

However, attention should be given to the University of Liverpool which has an online MBA programme offered in conjunction with their technology partner, KITElearning (please refer to Table 5). Stating the obvious, Liverpool is a Division 1 university in the UK and its MBA is AMBA (Association of MBA) accredited. There is no doubt that “lifestyle” and leisure factors do have considerable positive impact on the popularity of Liverpool’s MBA – for example “The Beatles” and soccer.

Regardless of the somewhat strong point stated above, in theory the course fee is high and financial structure, unusual. With a starting fee at US$18,382 (£11,974), the fee becomes incremental if students choose to pay in split payments. In most cases, universities are most happy to offer a split payment scheme, not to encourage dropout but because of financial constraint. The fee level is simply too exorbitant for the Thais.

Henley Management College (HMC) is a possible competitor. Although they do not have “presence” in Thailand as such, the enrolment in 2002 was 25 students.

COMPETITION WITH LOCAL COURSES

The level of local online/open learning courses in Thailand is extremely low, making it impossible to analyse it against UKeU’s programs. Clearly, the Thais enrol for online/open learning courses due to low tuition fees; both open universities in Thailand account for 60% of total annual enrolment of higher education in Thailand.

If compared literally, it is impossible to match UKeU’s pricing to the local online degrees. However it is important to note that only Ramkhamhaeng University’s BBA and MBA are offered in English (International Programs) whereas STOU’s programmes are solely in Thai.

On the other hand, Ramkhamhaeng University is an open learning/virtual university. The value of an open degree may not be as prestigious compared to a degree obtained from a physical university regardless of mode of study. There is no doubt too, that a qualification obtained from a distance teaching university cannot be priced at premium level in the case of STOU and Ramkhamhaeng.

UKeU’s programmes are from actual physical and leading universities. UKeU’s is also a branding plus: it will not be perceived by the local as an alternative form of education, rather as an alternative to a prestigious qualification not available unless by full time study in the UK. It is definitely worthwhile paying a premium price for a
qualification from a prestigious school delivered via the UKeU online platform.

FOUNDDATION AND UNDERGRADUATE COURSES

Global University Alliance (GUA)

GUA offer rather attractive pricing for Australia diploma, advanced diploma and undergraduate degree courses. As indicated, the diploma and advanced diploma fees are US$1,000 (£636) whereas undergraduate degree at US$2,250 (£1,432). However the fees indicated are “cost price” given to their franchisee college. Most of the time, the selling prices are marked up by 50–100%, possibly higher at times.

In view of the above, UKeU’s pricing strategy may need to consider such aspects.

GUA has a representative office in Thailand and is in the process of setting up its GUA Learning Centre.

POSTGRADUATE

Elaborated under an earlier heading, GUA’s MBA is the closest competitor to UKeU’s programme; however the primary concern ought to be the University of Liverpool’s Online MBA.

The online MBA from Cardean University is simply too costly, as is that from U21Global. Both are virtual and non-physical universities; therefore UKeU would have greater market value.

PRICING & POSITIONING STRATEGY

Although it may appear that Thailand’s market seems weak for premium courses, however the data collected shows that there is demand for good foreign programmes.

It is evident, from numerous collaborations between UK, US and Australia universities and public/private universities, that the demand for western qualifications is on the rise.

It is not possible to compare UKeU with the local online universities entirely because UKeU’s degrees are identical to on campus study and awarded by “physical” universities. Therefore the pricing cannot possibly be as low as the local virtual university’s. Furthermore, the concept of online education in Thailand is as alternative education and the locals are well aware that the awards from “virtual” universities are not quite the same as degrees obtained from an actual school.

The best pricing strategy should be determined “on site” however the pricing recommendation given at the end of this report is considered as the expected range for Thailand’s market.

POSITIONING

In relation to the positioning strategy, here are some factors for consideration:

- Introducing a new concept of quality online education: A mentioned earlier, Thais are more accustomed to online education as alternative education, always necessarily cheaper and coming from a virtual university (non-physical university).
- Delivery of courses: Effective and reliable platform, rich with foreign contents.
- Recognition: With prestigious qualifications and programmes currently not available in Thailand.

SUMMARY

To sum up, the key recommendations are:

- Thai Universities and Government partnership – as mentioned earlier, the Thai government is very open to international cooperation and collaborations.
• **Effective Partnership** – partnership with effective local partners that could position UKeU as revolutionary online education in Thailand.

• **Language factor** – generally the Thais are not very proficient with the English language but the popularity of the international language is beginning to take centre stage in view of the government’s nationwide drive to promote the language and introduction of “International Programs” – universities’ courses offered in English.

**Recommended pricing:**
- Foundation course – starting fee at £1,500
- BA/BBA – starting fee/ market entry fee at £2,800
- MSc – starting fee/ market entry fee at £3,000
- MBA – starting fee/ market entry fee at low £5,500 or high £6,200. (We would be in the position to refine this if the awarding university is revealed.)

**INDICATOR**

**Postgraduate course – High potential.**

Undergraduate programmes – High potential. Thailand is the most ideal country in which to introduce British education on a wide scale. Harrow International School\(^1\) has opened in Thailand and this is testimony to the demand for high quality and premium education as well as for English education.

**RECOMMENDATION**

Issues considered to arrive at the recommendation were:

- It is impossible to adjust the pricing near to any of Thailand’s local online programs. *But:*
- There is an immediate market for premium courses in view of the pricing of some local programmes.
- UKeU’s model is the first ever such in Thailand. This is a strong point.
INTRODUCTION

The United Arab Emirates is a very systematic and modern Arab state. It should be noted that UAE is widely known for its openness to the western world when it comes to education; for instance the university courses are conducted in English and based on an international syllabus. The present population of UAE is about 2.5 million people with a high percentage of literacy (79.8% female and 78.9% male). UAE’s GDP per capita is US$21,100 (2001).

BUSINESS STUDIES – UNDERGRADUATE AND POSTGRADUATE

The language of instruction in universities is English. Higher education in UAE is considered efficient and modern in the absence of any direct collaboration between local and western universities. Most of the business schools of local leading universities are AACSB accredited.12

UAE’s standard of education is second to none in this region, although it is a relatively small country. UAE is a wealthy nation and its people are conscious about the importance of higher education.

An impressive and efficient regulatory system also ensures that the standard of higher education is not compromised.

Multi-tier education opportunities also exist to ensure that higher education is available to everyone, from academic to vocational and technical to world-class business studies.

ONLINE EDUCATION AND E-LEARNING IN UAE

Some key facts and statistics:

Internet users:
775,000 (2002)

Telephone lines per 100 pop:
36 (2001)

Computers per 100 pop:
N.A.
There are no online education initiatives in UAE at this present moment. Ajman University of Science and Technology is planning to launch its “Cyber University” soon but details are not available as to whether this is vocationally oriented or academically based.\textsuperscript{13}

In the course of preparation of this report, we spoke to the Dean of a Business School at a leading university in UAE. He advised us that so far there is no online programme being offered and he did not foresee this happening in the near future.\textsuperscript{14}

**PRICING SURVEY**

UKeU programme:
- Foundation & BA (Business Studies)
- MSc and MBA (Business)

Sampling for the purpose of pricing analysis will be based on the following methodology:

(a) Outlining competing programmes: Public universities and private colleges offering similar programmes
(b) Comparative study of the programmes, whether non online, mixed mode or online learning in order to gauge the market pricing & demand
(c) Summary of analysis
(d) Recommendations and highlight of any pertinent issues.

**PRICING OF NON ONLINE PROGRAMMES**

UAE is probably the first, if not the only, Arab country that offers business studies in the English language, throughout all local universities.

Nearly all of the business schools throughout UAE offer business programmes based on the American AACSB model. In fact, most of the faculty members are recruited from the US.

In general, education fees and tuition in UAE are the highest among all countries surveyed in this Report. In fact, university fees, especially undergraduate degrees, are often described as “exorbitant”.

Probably this is due to the American AACSB model adopted for nearly all business courses; this requires external academic expert participation. Or it could be simply because UAE is predominantly an oil-rich country and imposes rather low personal tax; therefore the cost of education is high.

In contrast, UAE University (the leading university in United Arab Emirates) does not charge the local nationals any tuition fees at all for undergraduate business programmes. This is a stark contrast compared to some other local universities, where they charge up to nearly £29,000 for a four-year undergraduate degree programme.

Please refer to Table 1 for a list of programme pricing.
<table>
<thead>
<tr>
<th>Name of Institution</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
</table>
| Ajman University of Science and Technology | (i) Diploma (Foundation)  
(ii) BBA | Full Time   | (i) About AED 55,000 (£9,338)  
(ii) About AED 66,000 (£11,205) |
| American University of Sharjah | (i) BSc BA  
(ii) MBA  
(iii) EMBA | Part Time & Full Time | (i) AED 174,240 (£29,582)  
(ii) AED 86,400 (£14,669)  
(iii) AED 73,500 (£12,478) |
| American University in Dubai | (i) Associate Arts (Foundation)  
(ii) BBA  
(iii) MBA | Part Time & Full Time | (i) AED 108,000 (£18,336)  
(ii) AED 171,000 (£29,032)  
(iii) AED 62,400 (£10,594) |
| University of Sharjah | (i) BSc BA  
(ii) EMBA | Full Time | (i) AED 115,000 (£19,525)  
(ii) AED 105,000 (£17,827) |
| UAE University | (i) Bachelor of BUSA (Bus. Admin)  
(ii) MBA | Full Time | (i) Free for nationals  
(ii) AED 130,350 (£22,131) |
| Zayed University | EMBA | Full Time | AED 128,000 (£21,732) |
| Dubai University College | BBA | Full Time | AED 88,200 (£14,975) |
| University of Wollongong (Australia) in UAE | (i) BBA  
(ii) MBA  
(iii) Master International Business | Part Time & Full Time | (i) AED 84,960 (£14,425)  
(ii) AED 57,400 (£9,745)  
(iii) AED 32,800 (£5,569) |
### PRICING OF ONLINE PROGRAMMES

**Table 2 – Online Programmes**

<table>
<thead>
<tr>
<th>Name of Institution and Awarding body</th>
<th>Status</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Liverpool with K.I.T. eLearning</td>
<td>British public university</td>
<td>MBA</td>
<td>Online</td>
<td>“Unique” fee structure: (a) Full payment: US$18,382 (£11,974) (b) 3 instalments: US$19,301 (£12,572) (c) Per Module: US$22,508 (£14,686)</td>
</tr>
<tr>
<td>Cardean University</td>
<td>Consortium</td>
<td>MBA</td>
<td>Online</td>
<td>US$24,575 (£15,418)</td>
</tr>
<tr>
<td>Henley Mgt Col</td>
<td>Private</td>
<td>MBA</td>
<td>Online</td>
<td>£11,651</td>
</tr>
<tr>
<td>Universitas 21 Global</td>
<td>Consortium</td>
<td>MBA</td>
<td>Online</td>
<td>US$10,000 (£6,274) – “country differentiation” fee apply. It seems that this is the highly probable fee for UAE.</td>
</tr>
<tr>
<td>Global University Alliance (GUA)</td>
<td>Consortium, on franchise basis</td>
<td>(i) Diploma (ii) Adv Diploma (iii) BBA (iv) MBA</td>
<td>Online with classroom support</td>
<td>(i) US$1,000 (£636) (ii) US$1,000 (£636) (iii) US$2,250 (£1,432) (iv) US$2,700 (£1,718) <strong>Important:</strong> The above pricing is “cost” price to private franchisee. The franchisee would mark up between 50–100% as market selling price.</td>
</tr>
</tbody>
</table>
Non Online Programmes

Figure 1

Comparison of BBA/BSc program (highest and lowest)

Figure 2

Comparison of AA/Foundation/Diploma programme (highest and lowest)

Figure 3
Comparison of MBA programme (highest and lowest)

Comparison of EMBA programme (highest and lowest)

Business courses offered online and via distance learning
Comparison of MBA programme (highest and lowest)

Figure 7
ANALYSIS

The analysis will be divided into the following parts:

- Competitiveness and programme comparison
- Pricing and positioning strategy
- Summary and recommendations.

In addition, it was requested that the analysis take into consideration the University of Durham and University of Warwick MBA programmes. Both Durham Business School and Warwick Business School have no online/e-learning platform. They do operate Distance Learning programmes for the MBA but using conventional methods.

COMPETITIVENESS AND PROGRAM COMPARISON

DIRECT COMPETITION FROM GOOD RANKING BRITISH MBA

Warwick Business School (WBS) offers its MBA in UAE through the local British Council office. Fees for the distance learning MBA in UAE starts at £13,350.

On the other hand, we uncovered no market information that Durham Business School (DBS) plans to offer its MBA in UAE. In any case, DBS have no online learning platform.

However, attention should be given to the University of Liverpool which have an online MBA programme offered in conjunction with their technology partner, KIT eLearning. It is to be noted that Liverpool’s MBA fee is lower than Warwick’s.

Henley Management College (HMC) is a possible competitor. In 2002, this had an enrolment of 36 students in UAE. In view that there is a market for premium-priced programmes, there is an opportunity for HMC to expand its UAE market.

COMPETITION WITH LOCAL COURSES

There are no local online/open learning courses in UAE although Ajman University of Science & Technology is planning to launch its “Cyber University”. No information is available on this.

Obviously, there will be some competition between UKeU and the local universities. We expect that the local universities will find that UKeU is a threat to them as its fees would be generally lower than those offered for non online programmes.

In terms of public perception, there should be no issue, since the Emirates are very accustomed to the British education system and standard.

Pricing recommendation is provided in this Report.

FOUNDATION AND UNDERGRADUATE COURSES

Global University Alliance (GUA)

GUA offer rather attractive pricing for Australia diploma, advanced diploma and undergraduate degree courses. As indicated, the diploma and advanced diploma fees are US$1,000 (£636) whereas undergraduate fees are US$2,250 (£1,432). However the fees indicated are “cost price” given to their franchisee college. Most of the time, the selling prices are marked up by 50–100%, possibly higher at times.

However, it is considered that GUA’s programs are not prestigious or “premium” enough for a demanding market like UAE. Whilst there is no indication so far as to whether GUA would set up their centres in UAE, the Emirates are predominantly people who could afford, and would go for, premium courses in preference.
POSTGRADUATE

Elaborated under earlier headings, GUA’s MBA is the closest competitor to UKeU’s programme; however the primary concern ought to be the University of Liverpool’s Online MBA. U21Global could also take off in UAE, relying on the reputation of their individual member universities.

The online MBA from Cardean University is simply unheard of but could be a threat – however it faces one crucial problem, and the same goes for U21Global. Both are virtual and non-physical universities. The perception of awards coming from virtual universities is known to be unfavourable in UAE as it is not identical to any on-campus programmes.

PRICING & POSITIONING STRATEGY

UAE is a financially strong market. The Emirates can afford and would go for premium programmes even at premium pricing.

POSITIONING

In relation to the positioning strategy, here are some factors for consideration:

- Introducing a new concept of quality online education: As mentioned earlier, the Emirates are not accustomed to online education.
- Delivery of courses: Effective and reliable platform, rich with foreign contents.
- High quality and prestigious courses from good universities.

- Government partnership and endorsement
- Effective Partnership – effective local partnership with private providers/recruiters.

INDICATOR

Postgraduate course – High potential. Undergraduate programs – High potential. Contrary to other Asian countries reviewed in this report, in UAE UKeU’s programmes would instead become an alternative education to the Emirates, as they generally have to pay exorbitant fees for local courses. In addition, the foreign contents and premium status of the awarding universities would be attractive.

RECOMMENDATION

Recommended pricing:

- Foundation course – starting fee at £5,000
- BA/BBA – starting fee/market entry fee at £8,500
- MSc – starting fee/market entry fee at £8,000
- MBA – starting fee/market entry fee at low £8,500 or high £12,500. (We would be in the position to refine this if the awarding university is revealed.)

SUMMARY

To sum up, the key recommendations are:
INTRODUCTION

Singapore is the only country where education is considered an economic industry and is projected to bring in substantial revenue to the country. The education system is world class and diversified. The present population of Singapore is 4 million people with high percentage of literacy (89% female and 97% male). Singapore’s GDP per capita is US$22,960 (2001).

BUSINESS STUDIES – UNDERGRADUATE AND POSTGRADUATE

Business studies in Singapore is available from public universities and numerous private institutions/colleges. The private providers are in collaboration with numerous universities from UK, US and Australia.

Primarily, higher education in Singapore is very commercially driven and the dominant focus would be targeting students from the People’s Republic of China. Every year, it is estimated that 80,000 students come to Singapore to study English and Foundation courses; thereafter about 20,000 to 25,000 stay on to do undergraduate courses; either with private institutions or public universities.

ONLINE EDUCATION AND E-LEARNING IN SINGAPORE

Some key facts and statistics:
Internet users:
2.31 million (2002)
Telephone lines per 100 pop:
47.2 (2001)
Computers per 100 pop:
60

Online education in Singapore is a nationwide, massive-scale industry. The Singapore government through the Economic Development Board (EDB) and Economic Review Committee (ERC) is constantly promoting the online education industry. So far, online education is very popular among corporations as alternative training. U21Global established their regional office in Singapore recently and was granted an economic pioneer status. Another key player, Global University Alliance (GUA), also set up their local centre in Singapore recently.
PRICING SURVEY

UKeU programme:

- Foundation & BA (Business Studies)
- MSc and MBA (Business)

Sampling for the purpose of pricing analysis will be based on the following methodology:

(a) Outlining competing programmes: Public universities and private colleges offering similar programmes
(b) Comparative study of the programmes, whether non online, mixed mode or online learning in order to gauge the market pricing and demand
(c) Summary of analysis
(d) Recommendations and highlight of any other pertinent issues.

PRICING OF NON ONLINE PROGRAMMES

In Singapore there are probably 40 to 55 providers of MBA degrees from all over the world.

The Table overleaf is self-explanatory and illustrates Singapore’s market in terms of business courses. In view of the massive numbers of programmes in the market, the sampling is based on popular programmes from leading institutions.

In Singapore’s private education market is very full of foreign university courses, mostly offered by private institutions.

The Singapore education market is a very predictable one. The majority of diploma graduates are from local polytechnics and this qualification becomes the “foundation” to degree courses – whether overseas, locally or with private colleges.

On the other hand, private colleges typically offer Diploma and Advanced Diploma as progression to undergraduate and postgraduate degrees, all under one roof.

Postgraduate degrees are mostly MBA degrees and are offered in a variety of forms (EMBA, International MBA) by almost all private colleges.
Table 1 – Pricing of Non Online Programmes

<table>
<thead>
<tr>
<th>Name of Institution</th>
<th>Awarding body</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>National University of Singapore</td>
<td>Own</td>
<td>(i) BBA</td>
<td>Full Time &amp; Part Time</td>
<td>(i) SGD 5,650 (£2,012)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) MBA</td>
<td></td>
<td>(ii) SGD 24,000 (Part Time)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(iii) Apex MBA</td>
<td></td>
<td>(iii) SGD 48,000 (£17,090)</td>
</tr>
<tr>
<td>Nanyang Technological University</td>
<td>Own</td>
<td>(i) BBA</td>
<td>Full Time &amp; Part Time</td>
<td>(i) SGD 5,650 (£2,012)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) MBA</td>
<td></td>
<td>(ii) SGD 20,000 (£7,121)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(iii) MBA (Nanyang Fellow)</td>
<td></td>
<td>(iii) SGD 48,000 (£17,090)</td>
</tr>
<tr>
<td>Singapore Institute of Management</td>
<td>RMIT (BBBA), University of</td>
<td>(i) BBBA</td>
<td>Part Time &amp; Full Time</td>
<td>(i) SGD 13,075 (£4,655)</td>
</tr>
<tr>
<td>(Government owned institution)</td>
<td>London (BSc), State U of New</td>
<td>(ii) EMBA</td>
<td></td>
<td>(ii) SGD 40,950 (£14,580)</td>
</tr>
<tr>
<td></td>
<td>York (EMBA) &amp; MBA (RMIT)</td>
<td>(iii) MBA (Inter’ Mgt)</td>
<td></td>
<td>(iii) SGD 21,105 (£7,515)</td>
</tr>
<tr>
<td>Polytechnics</td>
<td>Own</td>
<td>Diploma in Business</td>
<td>Full Time</td>
<td>SGD 5,850 (£2,083)</td>
</tr>
<tr>
<td></td>
<td>Studies (Eqv Year 1 &amp; 2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PSB Academy</td>
<td>Internal Diploma, Loughborough</td>
<td>(i) Diploma (Year 1)</td>
<td>Part Time &amp; Full Time</td>
<td>(i) SGD 3,328 (Year 1) (£1,185)</td>
</tr>
<tr>
<td></td>
<td>(BBA), Nottingham (MBA) &amp; San</td>
<td>(ii) BSc Business</td>
<td></td>
<td>(i) SGD 23,400 (£8,332)</td>
</tr>
<tr>
<td></td>
<td>Diego Uni (MBA)</td>
<td>(iii) MBA</td>
<td></td>
<td>(iii) SGD 28,080 (£9,998)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(iv) MBA</td>
<td></td>
<td>(iv) SGD 26,000 (£9,257)</td>
</tr>
<tr>
<td>Hartford College</td>
<td>Internal Diploma, St Benedictine Uni (BSc), Leicester (MBA)</td>
<td>(i) Diploma (year 1)</td>
<td>Part Time &amp; Full Time</td>
<td>(i) SGD 2,400 (£855)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) Advanced Dip (Year2)</td>
<td></td>
<td>(i) SGD 2,400 (£855)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(iii) Prof Dip (Year 3)</td>
<td></td>
<td>(ii) SGD 2,400 (£855)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(iv) BSc Bus (Final Year)</td>
<td></td>
<td>(iii) SGD 2,400 (£855)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(v) MBA (Leicester)</td>
<td></td>
<td>(iv) SGD 13,000 (£4,629)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(vi) MBA (Central Queensland Uni)</td>
<td></td>
<td>(v) SGD 17,413 (£6,200)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(vi) SGD 14,500 (£5,160)</td>
</tr>
</tbody>
</table>
### Pricing Survey and Analysis

#### Singapore

_Ngo (April 2003)_

Continued...

<table>
<thead>
<tr>
<th>Name of Institution</th>
<th>Awarding body</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informatics Singapore (Private)</td>
<td>UCLS (Diploma), BA (Portsmouth)</td>
<td>(i) Diploma (Year 1) (ii) Higher Diploma (Y2) (iii) Adv Diploma (Y3) (iv) BA (Portsmouth) (v) MBA (Uni Southern Queensland)</td>
<td>Part Time &amp; Full Time</td>
<td>(i) SGD 2,500 (£890) (ii) SGD 5,000 (£1,780) (iii) SGD 7,500 (£2,670) (iv) SGD 14,500 (£5,163) (v) SGD 17,520 (£6,235)</td>
</tr>
<tr>
<td>Management Development Institute of Singapore (MDIS)</td>
<td>Diplomas validated by Bradford</td>
<td>(i) Diploma (Year 1) (ii) Adv Diploma (Y2) (iii) BSc (Bradford) (iv) BSc (Wales) (Final Yr) (v) BBus (Edith Cowan) (Year 2 &amp; 3) (vi) BBA (Southern Cross) (Final Year) (vii) MBA (Bradford)</td>
<td>Part Time &amp; Full Time</td>
<td>(i) SGD 4,655 (£1,657) (ii) SGD 3,193 (£1,137) (iii) SGD 17,767 (£6,326) (iv) SGD 15,965 (£5,684) (v) SGD 20,085 (£7,151) (vi) SGD 10,300 (£3,667) (vii) SGD 24,752 (£8,809)</td>
</tr>
<tr>
<td>Asia Pacific Management Institute (Private)</td>
<td>Diplomas validated by University of South Australia, degrees (various)</td>
<td>(i) Diploma (Year 1) (ii) Adv Diploma (Y2) (iii) BBA (UniSA) (iv) BBus (La Trobe Uni, Aust) (Final Year) (v) BSc Mgt (National U of Ireland) (Final Year) (vi) MBA (Hull) (vii) MBA (UniSA)</td>
<td>Part Time &amp; Full Time</td>
<td>(i) SGD 2,780 (£990) (ii) SGD 3,680 (£1,310) (iii) SGD 14,200 (£5,053) (iv) SGD 13,933 (£4,958) (v) SGD 15,200 (£5,409) (vi) SGD 20,200 (£7,189) (vii) SGD 18,982 (£6,755)</td>
</tr>
</tbody>
</table>
Continued…

<table>
<thead>
<tr>
<th>Name of Institution</th>
<th>Awarding body</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>TMC Singapore (Private)</td>
<td>UCLS</td>
<td>(i) Diploma (Year 1)</td>
<td>Part Time</td>
<td>SGD 3,120 (£1,110)</td>
</tr>
<tr>
<td></td>
<td>(Diploma), Deakin &amp;</td>
<td>(ii) Higher Diploma (Y2)</td>
<td>&amp; Full Time</td>
<td>(£2,135)</td>
</tr>
<tr>
<td></td>
<td>Monash Australia</td>
<td>(iii) BBus (Deakin) (Final</td>
<td></td>
<td>(£23,200) (£8,253)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Year)</td>
<td></td>
<td>(£19,200) (£6,833)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(iv) BCom (Monash) (Final</td>
<td></td>
<td>(£18,000) (£6,406)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Year)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auston Education Centre Singapore (Private)</td>
<td>Internal Diplomas, degree</td>
<td>(i) Diploma (Year 1)</td>
<td>Part Time</td>
<td>SGD 927 (£330)</td>
</tr>
<tr>
<td></td>
<td>from UWS</td>
<td>(ii) Adv Diploma (Y2)</td>
<td>&amp; Full Time</td>
<td>(£2,760) (£982)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(iii) BBA (Uni Western</td>
<td></td>
<td>(£10,800) (£3,843)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sydney)</td>
<td></td>
<td>(£12,800) (£4,555)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(iv) MBus (Uni Western</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sydney)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia Education Consortium (AEC) Private</td>
<td>Various</td>
<td>(i) BA (Sunderland) (Final</td>
<td>Part Time</td>
<td>SGD 7,200 (£2,562)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Year)</td>
<td>&amp; Full Time</td>
<td>(£7,829)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) MBA (Birmingham)</td>
<td></td>
<td>(£25,000) (£8,979)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(iii) MBA (Maastricht School</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>of Mgt)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>British Council</td>
<td>Imperial College</td>
<td>MBA</td>
<td>Part Time</td>
<td>SGD 35,000 (£12,456)</td>
</tr>
<tr>
<td>Institute of Financial Management UK</td>
<td>MBA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warwick Business School</td>
<td>University of Warwick</td>
<td>MBA</td>
<td>Distance</td>
<td>SGD 29,800 (£10,605)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Learning</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Helsinki School of Management</td>
<td>MBA</td>
<td>Part Time</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>University of</td>
<td>MBA</td>
<td>Distance</td>
<td>£13,500</td>
</tr>
<tr>
<td></td>
<td>Warwick</td>
<td></td>
<td>Learning</td>
<td></td>
</tr>
</tbody>
</table>

The UKeU Reports Round Two - 51 - Report 13
## Table 2 – Online Programmes in Business

<table>
<thead>
<tr>
<th>Name of Institution and Awarding body</th>
<th>Status</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Liverpool with K.I.T. eLearning</td>
<td>British public university</td>
<td>MBA</td>
<td>Online</td>
<td>“Unique” fee structure: (a) Full payment: US$18,382 (£11,974) (b) 3 instalments: US$19,301 (£12,572) (c) Per Module: US$22,508 (£14,686)</td>
</tr>
<tr>
<td>Cardean University</td>
<td>Consortium16</td>
<td>MBA</td>
<td>Online</td>
<td>US$24,575 (£15,418)</td>
</tr>
<tr>
<td>Henley Mgt Col</td>
<td>Private</td>
<td>MBA</td>
<td>Distance Learning/Online</td>
<td>£11,651</td>
</tr>
<tr>
<td>PurpleTrain</td>
<td>Private</td>
<td>MBA (Wales)</td>
<td>Online</td>
<td>US$10,000 (£6,274)</td>
</tr>
<tr>
<td>Hartford College</td>
<td>Private</td>
<td>MBA (University of Newcastle Australia)</td>
<td>Online</td>
<td>SGD16,800 (£5,979)</td>
</tr>
<tr>
<td>Universitas 21 Global</td>
<td>Consortium</td>
<td>MBA</td>
<td>Online</td>
<td>US$15,000 (£9,411) – “country differentiation” fee applies. It seems that this is the highly probable fee for Singapore</td>
</tr>
<tr>
<td>Global University Alliance (GUA)</td>
<td>Consortium, on franchise basis</td>
<td>(i) Diploma (ii) Adv Diploma (iii) BBA (iv) MBA</td>
<td>Online with classroom support</td>
<td>(i) US$1,000 (£636) (ii) US$1,000 (£636) (iii) US$2,250 (£1,432) (iv) US$2,700 (£1,718) <strong>Important:</strong> The above pricing is “cost” price to private franchisee. The franchisee would mark up between 50–100% as market selling price.</td>
</tr>
</tbody>
</table>
GRAPHS AND SUMMARY

Figure 1

Non Online Programmes

Figure 2

Comparison of Foundation/Diploma programme (highest and lowest)
Comparison of BA/BBA programme (highest and lowest)

National University of Singapore/ Nanyang Technological University

GBP 2,012

GBP 8,332

Comparison of MBA programme (highest and lowest)

Imperial College

Hartford (Leicester)

GBP 12,456

GBP 6,200

Figure 3

Figure 4

Business courses offered online
Comparison of MBA programme (highest and lowest)

Figure 6
ANALYSIS

The analysis will be divided into the following parts:

- Competitiveness and programme comparison
- Pricing and positioning strategy
- Summary and recommendations.

In addition, it was requested that the analysis take into consideration, the University of Durham and University of Warwick MBA programmes. Both Durham Business School and Warwick Business School have no online/e-learning platform. They do offer Distance Learning programmes for the MBA but using conventional methods.

COMPETITIVENESS AND PROGRAM COMPARISON

DIRECT COMPETITION FROM GOOD RANKING BRITISH MBA

Warwick Business School (WBS) offers its MBA offered in Singapore through the local British Council. Fees for the distance learning MBA in Singapore starts at £13,350.

On the other hand, we uncovered no market information that Durham Business School (DBS) plans to offer its MBA in Asia. In any case, DBS have no online learning platform.

However, attention should be given to the University of Liverpool which has an online MBA programme offered in conjunction with their technology partner, KITE Learning.

Regardless of the somewhat strong point stated above, in theory the course fee is high and financial structure/scheme, unusual. With a starting fee at US$18,382 (£11,974), the fee becomes incremental if students choose to pay in split payments. In most cases, universities are most happy to offer a split payment scheme, not to encourage dropout but because of financial constraint. The fee level is very high.

Henley Management College (HMC) is a possible competitor. Their presence in Singapore is fairly substantial with a cumulative enrolment of 379 students in 2002.

COMPETITION WITH LOCAL COURSES

There are no online programmes offered by the public universities. Rather, the government is pushing private colleges and foreign partners to promote this initiative. U21Global is the first virtual online university to set up its regional head office in Singapore.

FOUNDATION AND UNDERGRADUATE COURSES

Global University Alliance (GUA)

GUA offer rather attractive pricing for Australia diploma, advanced diploma and undergraduate degree courses. As indicated, the diploma and advanced diploma fees are US$1,000 (£636) whereas undergraduate degree are US$2,250 (£1,432). However the fees indicated are “cost price” given to their franchisee college. Most of the time, the selling prices are marked up by 50–100%, possibly higher at times.

In view of the above, UKeU’s pricing strategy may need to seriously consider such aspect. GUA recently established its Singapore education centre under a franchise agreement.

POSTGRADUATE

Elaborated under earlier headings, GUA’s MBA is the closest competitor to UKeU’s programme; however the primary concern ought to be University of Liverpool’s Online MBA. Warwick is still utilising conventional distance learning methods.

The online MBA from Cardean University is simply too costly and also faces a similar
problem as U21Global. Both are virtual and non-physical universities. Generally, Singaporeans are very sceptical about awards from virtual universities they are also thought to be unfavourable in the job market.

**PRICING AND POSITIONING STRATEGY**

The Singapore market is very new to online programmes. This is because there are a variety of conventional programmes to choose from. However, generally Singaporeans are becoming very particular about the quality of awarding universities, henceforth an online opportunity to pursue qualifications not obtainable on home ground would be a strong factor in terms of UKeU’s positioning.

**POSITIONING**

In relation to the positioning strategy, some factors for consideration are:

- **Introducing a new concept of quality online education:** Good quality programmes from elite universities – currently not obtainable from local colleges.
- **Attractive pricing:** Attractive pricing that justifies Singaporeans studying online instead of attending classes.
- **Face-to-face contact:** Transport in Singapore is very efficient hence people are able to attend evening classes fairly easily. In addition, the networking opportunity and human contact is considered vital to most Singaporeans.

**INDICATOR**

Postgraduate course – High potential. Undergraduate programmes – Local market may be too competitive for UKeU’s programmes. Online education is a new concept therefore may not be able to achieve significant target in the market, at undergraduate level. However, postgraduate is high potential.

**RECOMMENDATION**

Recommended pricing:

- Foundation course – starting fee at £1,950
- BA/BBA – starting fee/market entry fee at £4,500
- MSc – starting fee/market entry fee estimated at £5,000
- MBA – starting fee/market entry fee at low £6,000 or high £6,500. (We would be in the position to refine this if the awarding university is revealed.)

**SUMMARY**

To sum up, the key recommendations are:

- Government partnership and endorsement
- Effective Partnership – effective local partnership with private providers/recruiters.
INTRODUCTION

Malaysia is a forceful country, capable of implementing radical measures to improve its domestic education industry to compete with the outside world. Malaysia is “the country to watch” in terms of developing and internationalising its education sector in Asia. The present population of Malaysia is 22.2 million people with high percentage of literacy (78% female and 89% male). Malaysia’s GDP per capita is US$3,850 (2001).

BUSINESS STUDIES – UNDERGRADUATE AND POSTGRADUATE

Business studies in Malaysia are only available from public universities/institutions and priority was given to particular ethnic groups. However, recently, more private institutions offering external programmes have been allowed as the government has relaxed local education restrictions in order to prevent a “brain drain” i.e. the exodus of good students seeking opportunity outside Malaysia. In addition, the Malaysian government intends to compete with Singapore head-on to promote the country as the “education hub” of Asia.

When looking at the current private education market in Malaysia, observers will find that the programmes offered are mostly from non-leading universities. On the other hand, public universities are still maintaining a “closed door” approach, refusing to collaborate with foreign universities. This is in stark contrast with the neighbouring Singapore.

ONLINE EDUCATION AND E-LEARNING IN MALAYSIA

Some key facts and statistics:

Internet users:
5.71 million (2002)

Telephone lines per 100 pop:
19.9 (2001)

Computers per 100 pop:
12.6

Online education initiatives by the government may not be very pronounced but there are occasional projects and communiqués from the government, in relation to such activities. However one thing is very certain, reflecting the government’s encouragement of online
education. This is the establishment of the first government endorsed private virtual university, UNITAR (Universiti Tun Abdul Razak).

Many other private online education providers such as U21Global and GUA are in the process of setting up a presence in Malaysia; and existing private colleges are already introducing e-learning components as a valued added service.

In brief, online education in Malaysia is at the growing stage, post infancy and rapidly developing.

PRICING SURVEY

UKeU programme:

- Foundation & BA (Business Studies)
- MSc and MBA (Business).

Sampling for the purpose of pricing analysis will be based on the following methodology:

(a) Outlining competing programmes: public universities and private colleges offering similar programmes
(b) Comparative study of the programmes, whether non online, mixed mode or online learning in order to gauge the market pricing and demand
(c) Summary of analysis
(d) Recommendations and highlight of any pertinent issues.

PRICING OF NON ONLINE PROGRAMMES

Malaysia’s private education sector is highly regulated by the government. This is likely to have led to its current underdeveloped condition, which is only picking up recently with an increasing number of institutions and overseas programmes from UK and Australia being offered.

In the context of the Malaysian government’s initiative to promote its education sector to compete with its neighbouring countries, the growth of the private education sector has been fascinating to observe. The growth rate is low but steadily increasing as is evident from the government’s initiative to promote Malaysia as an education hub of Asia.

The recent single most radical change by the government is to introduce the English language in schools all over Malaysia for Science and Mathematics subjects. This costly and complicated change is a radical step, considering the historical facts behind it. Malaysia gained its independence from Great Britain in 1957 after a long political struggle, and for many years strongly supported the Malay language as its national language. However, there is an increasing realisation in government that English is the international language crucial for education and commerce – this realisation has far-reaching consequences at all levels of education.

For many colleges, the government now allows them to offer a “Twinning Program” of study in Malaysia followed by study at an overseas university. This is normally 2+1 (final year overseas) or 1+2 (final two years overseas). The fees for Malaysia on-campus study is standard and identical to 3+0 programmes (i.e. all study done in Malaysia) except that students need to pay different fees direct to the overseas universities if doing the “Twinning Program”.

The Table overleaf is a sampling of major and important programmes/institutions in Malaysia.
### Table 1 – Pricing of Non Online programmes

<table>
<thead>
<tr>
<th>Name of Institution</th>
<th>Awarding body</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Malaya (No.1 public university)</td>
<td>Own</td>
<td>Full Time &amp; Part Time (MBA)</td>
<td>(i) RM 6,030 (£990)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(ii) RM 19,363 (£3,178)</td>
</tr>
<tr>
<td>HELP Institute (Private)</td>
<td>Charles Sturt University (Australia)</td>
<td>Full Time/Part Time</td>
<td>(i) RM 10,100 (£1,658)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(ii) RM 37,300 (£6,122)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(iii) RM 24,900 (£4,087)</td>
</tr>
<tr>
<td>University of Nottingham Malaysia</td>
<td>Own</td>
<td>Part Time &amp; Full Time</td>
<td>(i) RM 16,500 (£2,708)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(ii) RM 25,500 (£4,185)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(iii) RM 44,500 (£7,303)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(iv) RM 33,000 (£5,416)</td>
</tr>
<tr>
<td>Kolej Bandar Utama (KBU)</td>
<td>Own Foundation certificate; Anglia Polytechnic University (UK)</td>
<td>Full Time</td>
<td>(i) RM 5,000 (£821)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(ii) RM 34,000 (£5,580)</td>
</tr>
<tr>
<td>Kolej Damansara Utama</td>
<td>Deakin University (Australia)</td>
<td>Part Time</td>
<td>RM 28,500 (£4,677)</td>
</tr>
<tr>
<td>Hartford Institute Malaysia</td>
<td>University of Leicester</td>
<td>Part Time</td>
<td>RM 30,000 (£4,924)</td>
</tr>
<tr>
<td>INTI College</td>
<td>University of Hertfordshire UK</td>
<td>Full Time</td>
<td>(i) RM 5,000 (£821)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(ii) RM 35,867 (£5,887)</td>
</tr>
<tr>
<td>Curtin University of Technology Sarawak</td>
<td>Own (Australia)</td>
<td>Full Time</td>
<td>(i) RM 11,000 (£1,805)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(ii) RM 43,500 (£7,139)</td>
</tr>
<tr>
<td>Swinburne Sarawak Institute of Technology</td>
<td>Own</td>
<td>Full Time</td>
<td>(i) RM 6,000 (£985)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(ii) RM 36,000 (£5,908)</td>
</tr>
</tbody>
</table>
### Table 2 – Online Programmes

<table>
<thead>
<tr>
<th>Name of Institution and Awarding body</th>
<th>Status</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNITAR (Universiti Tun Abdul Razak)</td>
<td>Private-public university</td>
<td>(i) Foundation (Year 1) (ii) BBA (iii) MBA</td>
<td>Online and blended learning</td>
<td>(i) RM 6,000 (£985) (ii) RM 24,000 (£3,939) (iii) RM 15,000 (£2,462)</td>
</tr>
<tr>
<td>Universiti Sains Malaysia (USM)¹⁸ Distance Education</td>
<td>Public</td>
<td>BA Management</td>
<td>Distance Learning/Online</td>
<td>RM 2,400 (£394)</td>
</tr>
<tr>
<td>University Liverpool with K.I.T. eLearning</td>
<td>British public university</td>
<td>MBA</td>
<td>Online</td>
<td>“Unique” fee structure: Full payment: US$18,382 (£11,974)</td>
</tr>
<tr>
<td>Henley Management College</td>
<td>Private</td>
<td>MBA</td>
<td>Distance Learning/Online</td>
<td>£11,651</td>
</tr>
<tr>
<td>PurpleTrain</td>
<td>Private</td>
<td>MBA (Wales)</td>
<td>Online</td>
<td>US$10,000 (£6,274)</td>
</tr>
<tr>
<td>Warwick Business School</td>
<td>Public</td>
<td>MBA</td>
<td>Distance Learning</td>
<td>£13,350</td>
</tr>
<tr>
<td>Hartford College</td>
<td>Private</td>
<td>MBA (University of Newcastle Australia)</td>
<td>Online</td>
<td>SGD 16,800 (£5,979)</td>
</tr>
<tr>
<td>Universitas 21 Global Consortium</td>
<td>Consortium</td>
<td>MBA</td>
<td>Online</td>
<td>US$10,000 (£6,274) – “country differentiation” fee applies. Probable fee for Malaysia</td>
</tr>
<tr>
<td>Global University Alliance (GUA)</td>
<td>Consortium, on franchise basis</td>
<td>(i) Diploma (ii) Adv Diploma (iii) BBA (iv) MBA</td>
<td>Online with classroom support</td>
<td>(i) US$1,000 (£636) (ii) US$1,000 (£636) (iii) US$2,250 (£1,432) (iv) US$2,700 (£1,718)</td>
</tr>
</tbody>
</table>

**Important:**
The above pricing is “cost” price to private franchisee. The franchise would mark up between 50–100% as market selling price.
GRAPHS AND SUMMARY

Figure 1  
Non Online Programmes

Comparison of Foundation/Diploma programme (highest and lowest)

Figure 2
Comparison of BBA programme (highest and lowest)

Figure 3

Comparison of MBA programme (highest and lowest)

Figure 4
Online Programmes

Figure 5

Comparison of BBA programme (highest and lowest)

Figure 6

Comparison of MBA programme (highest and lowest)

Figure 7
ANALYSIS

The analysis will be divided into the following parts:

- Competitiveness and programme comparison
- Pricing and positioning strategy
- Summary and recommendations.

In addition, it was requested that the analysis take into consideration the University of Durham and University of Warwick MBA programmes. Both Durham Business School and Warwick Business School have no online/e-learning platform. They do operate Distance Learning programmes for the MBA but using conventional methods.

COMPETITIVENESS AND PROGRAMME COMPARISON

DIRECT COMPETITION FROM GOOD RANKING BRITISH MBA

The Warwick Business School (WBS) MBA is available through the local British Council via conventional distance learning style. Fees for the distance learning MBA start at £13,350 – this is the recommended pricing for Singapore, UAE and Hong Kong.

On the other hand, we uncovered no market information that Durham Business School (DBS) plans to offer its MBA in Asia. In any case, DBS has no online learning platform.

However, attention should be given to the University of Liverpool which have an online MBA programme offered in conjunction with their technology partner, KIT eLearning.

Regardless of the somewhat strong point stated above, in theory the course fee is high and financial structure/scheme, unusual. The starting fee is US$18,382 (£11,974); the fee becomes incremental if students choose to pay in split payments. The fee level is too exorbitant for Malaysians.

Henley Management College (HMC) is a possible competitor. Their presence in Malaysia is fairly significant with a cumulative enrolment of 201 students in 2002.

COMPETITION WITH LOCAL COURSES

Online degrees are available from UNITAR, a local private-public university. The fees are however very high. On the other hand, Universiti Sains Malaysia (USM) has been offering distance education programmes for many years and may move on to e-learning mode in due course. Programmes offered by UNITAR are comprehensive, ranging from Foundation programmes to Masters degrees.

FOUNDATION AND UNDERGRADUATE COURSES

GUA offer rather attractive pricing for Australia diploma, advanced diploma and undergraduate degree courses. As indicated, the diploma and advanced diploma fees are US$1,000 (£636) whereas undergraduate degree are US$2,250 (£1,432). However the fees indicated are “cost price” given to their franchisee college. Most of the time, the selling prices are marked up by 50–100%, possibly higher at times.

In view of the above, UKeU’s pricing strategy may need to seriously consider such aspects. GUA will be establishing its Malaysia education centre under a franchise agreement.10

POSTGRADUATE

Elaborated under earlier headings, GUA’s MBA is the closest competitor to UKeU’s programme; however the primary concern ought to be the University of Liverpool’s Online MBA. Warwick is still utilising conventional distance learning methods.

The online MBA from U21Global is simply too costly for a virtual award from a virtual university. Perception of awards from virtual universities is thought to be unfavourable especially in the job market.
The Malaysian market potential for e-learning initiatives is large, although currently e-learning is very new. There are limited choices of conventional programmes to choose from and private education providers are subjected to stringent bureaucratic process before being allowed to run new programmes. Generally the Malaysians are very discerning and they would prefer to take high quality programmes from leading universities. Clearly this is a strong point in favour for UKeU.

**POSITIONING**

In relation to the positioning strategy, here are some factors for consideration:

- **Introducing a new concept of quality online education**: Good quality programmes from elite universities – currently not obtainable from local colleges.
- **Attractive pricing**: Attractive pricing that provide Malaysians with a good opportunity to obtain quality education.
- **Face-to-face contact**: Typically Malaysians are fairly conservative people and feel insecure studying entirely online and alone without any human contact.

**SUMMARY**

To sum up, the key recommendations are:

- **Government partnership and endorsement**
- **Effective Partnership** – effective local partnership with private providers/recruiters.
- **Publicity** – effective and suitable nationwide publicity to introduce UKeU and its quality features.

**INDICATOR**

Postgraduate course – High potential.
Undergraduate programmes – High Potential. The potential is high provided one takes care of the pricing strategy.

**RECOMMENDATION**

Recommended pricing:

- Foundation course – starting fee at £950
- BA/BBA – starting fee/market entry fee at £2,800
- MSc – starting fee/market entry fee estimated at £4,000
- MBA – starting fee/market entry fee at low £5,500 or high £6,500. (We would be in the position to refine this if the awarding university is revealed.)
INTRODUCTION

Hong Kong SAR is an effectively-run region with a well-developed education mechanism currently in place. While the education sector is thoroughly regulated, it is also vibrant and attractive. As a Special Administrative Region of China, Hong Kong is the platform from which to introduce a global education perspective into China. The present population of Hong Kong is 6.9 million people with a high percentage of literacy (88% female and 96% male). HK’s GDP per capita is US$23,930 (2001).

BUSINESS STUDIES – UNDERGRADUATE AND POSTGRADUATE

Business education in Hong Kong is one of the best in this overall region, and advanced in terms of educational standards.

Typically in the Hong Kong education system, the local universities spearhead programme offerings of overseas degrees, normally as part of their continuing education departments.

The education ministry is strict and requires any providers to demonstrate certain standards of quality (both in academic and resource terms). Such external programmes have so far been more popular with public universities rather than private institutions. However recently there are several private colleges that have invested substantially on infrastructure and other resources in order to offer overseas external programmes on a massive scale yet also approved by the ministry.

Internal qualifications offered by public universities are mostly for full-time students; there are part-time courses but mostly in the area of globally popular programmes such as MBA and EMBA. The local programmes are ranked as equally as good as, maybe better than, some overseas degrees. For example, the HK University of Science & Technology and Chinese University of Hong Kong MBAs are ranked as the top three in Asia and are also in the international league ranking table, whereas some of the popular MBA degrees from the UK or Australia are not listed.
ONLINE EDUCATION AND E-LEARNING IN HONG KONG

Some key facts and statistics:

Internet users:
4.35 million (2002)

Telephone lines per 100 pop:
58.1 (2001)

Computers per 100 pop:
38.5

The education sector in Hong Kong is rather liberal, in terms of expansion. The government allows the industry to grow and compete in the open. Every university is encouraged to explore new avenues and opportunities, for as long as they observe the basic prerequisites listed in the education act enacted by the SAR government.

Now e-learning is fast gaining popularity in Hong Kong. Primarily seen before as an alternative to conventional education with cheaper fees, it is now becoming an opportunity for public universities to export Hong Kong education and knowledge overseas. Primarily China, but also other parts of Asia like Malaysia and Singapore are a potential market for Hong Kong universities.

As the population throughout China is fast becoming “IT savvy”, Hong Kong universities are finding it very convenient and lucrative to spread their wings across to the mainland, either through direct student recruitment or joint collaboration. The success rate is fairly significant and substantial; for instance City University’s “Interactive MBA” managed to attract scores of senior business executives from China to study online.

Clearly, the online education opportunity in Hong Kong is not fully explored. More than just borderless education, it is considered as a form of knowledge management and transfer.

PRICING SURVEY

UKeU programme:

- Foundation & BA (Business Studies)
- MSc and MBA (Business)

Sampling for the purpose of pricing analysis will be based on the following methodology:

(a) Outlining competing programmes: public universities and private colleges offering similar programmes
(b) Comparative study of the programmes, whether non online, mixed mode or online learning in order to gauge the market pricing and demand
(c) Summary of analysis
(d) Recommendations and highlight of any pertinent issues.

PRICING OF NON ONLINE PROGRAMMES

The price of education in Hong Kong is one of the highest in the wider region.

Hong Kongers spend substantially on education, whether at undergraduate or postgraduate level, with many also doing a second degree.

It is to be noted that the tuition fee for all business undergraduates in every Hong Kong public university is HK$42,100 per year, as stipulated by the education ministry.

The Table overleaf is a sampling of major and important programmes from leading institutions in Hong Kong.
### Table 1 – Pricing of Conventional Programmes

<table>
<thead>
<tr>
<th>Name of Institution</th>
<th>Awarding body</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong University of Science &amp; Technology</td>
<td>Own and Kellogg (USA)</td>
<td>(i) BBA (ii) MBA (iii) Kellogg-HKUST MBA</td>
<td>Full Time &amp; Part Time (MBA)</td>
<td>(i) HKD 126,300 (£10,067) (ii) HKD 197,000 (£15,703) (iii) HKD 550,000 (£43,841)</td>
</tr>
<tr>
<td>Chinese University of Hong Kong</td>
<td>Own</td>
<td>(i) BBA (ii) MBA</td>
<td>Full Time/Part Time</td>
<td>(i) HKD 126,300 (£10,067) (ii) HKD 200,640 (£15,993)</td>
</tr>
<tr>
<td>Hong Kong Polytechnic University</td>
<td>Own and UK universities under School of Professional Education</td>
<td>(i) BBA (ii) MBA (iii) Birmingham MBA (iv) Heriot Watt BA</td>
<td>Part Time &amp; Full Time</td>
<td>(i) HKD 126,300 (£10,067) (ii) HKD 138,600 (£11,408) (iii) HKD 120,000 (£9,565) (iv) HKD 96,000 (£7,652)</td>
</tr>
<tr>
<td>University of Hong Kong</td>
<td>Own</td>
<td>(i) BA (ii) MBA</td>
<td>Full Time &amp; Part Time (MBA)</td>
<td>(i) HKD 126,300 (£10,067) (ii) HKD 178,500 (£14,228)</td>
</tr>
<tr>
<td>Hong Kong Baptist University</td>
<td>Own and UK universities under School of Professional Education</td>
<td>(i) BBA (ii) MBA (iii) BA University South Australia (iv) MBA University of Strathclyde (v) MBA University of Wollongong Australia</td>
<td>Part Time &amp; Full Time</td>
<td>(i) HKD 126,300 (£10,067) (ii) HKD 118,000 (£9,406) (iii) AUD 30,000 (£10,676) (iv) £11,750 (v) AUD 21,490 (£7,648)</td>
</tr>
</tbody>
</table>
### City University of Hong Kong

<table>
<thead>
<tr>
<th>Name of Institution</th>
<th>Awarding body</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Own and overseas under continuing education unit</td>
<td>(i) BBA (ii) MBA (iii) EMBA (iv) BA (De Montfort UK) (v) BA (Wolverhampton UK)</td>
<td>Full Time &amp; Part Time (MBA)</td>
<td>HKD 126,300 (£10,067) (ii) HKD 149,000 (£11,877) (iii) HKD 227,600 (£18,142) (iv) HKD 84,000 (£6,696) (v) HKD 88,000 (£7,014)</td>
</tr>
</tbody>
</table>

### Asia Pacific Management Institute (private)

<table>
<thead>
<tr>
<th>Name of Institution</th>
<th>Awarding body</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Various</td>
<td>(i) BBus (La Trobe, Aus) (ii) BBus (National University of Ireland) (iii) MBA University South Australia (iv) MBA University Hull UK (v) EMBA Southern Illinois Uni (USA)</td>
<td>Part Time &amp; Full Time</td>
<td>HKD 154,000 (£12,275) (ii) HKD 107,000 (£8,529) (iii) HKD 92,000 (£7,333) (iv) HKD 95,000 (£7,572) (v) US$15,090 (£9,441)</td>
</tr>
</tbody>
</table>

### Hartford College

<table>
<thead>
<tr>
<th>Name of Institution</th>
<th>Awarding body</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Various</td>
<td>(i) BA (Huddersfield) – Final Year Only</td>
<td>Full Time</td>
<td>HKD 59,820 (£4,768)</td>
</tr>
</tbody>
</table>
### PRICING OF ONLINE PROGRAMMES

#### Table 2 – Online Programmes in Business

<table>
<thead>
<tr>
<th>Name of Institution and Awarding body</th>
<th>Status</th>
<th>Title of awards</th>
<th>Mode</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong University of Science &amp; Technology</td>
<td>Public university</td>
<td>Associate in Arts (Business studies)</td>
<td>Online and blended learning</td>
<td>HKD 77,555 (£6,182)</td>
</tr>
<tr>
<td>Open University of Hong Kong</td>
<td>Public University</td>
<td>(i) Associate (ii) BBA (iii) MBA</td>
<td>Open learning/ Distance Learning/ online/ mixed mode</td>
<td>(i) HKD 51,000 (£4,065) (ii) HKD 93,300 (£7,437) (iii) HKD 76,500 (£6,098)</td>
</tr>
<tr>
<td>City University Hong Kong</td>
<td>Public University</td>
<td>Interactive MBA</td>
<td>Online with face-to-face contact</td>
<td>HKD 156,000 (£12,435)</td>
</tr>
<tr>
<td>University Liverpool with K.I.T. eLearning</td>
<td>British public university</td>
<td>MBA</td>
<td>Online</td>
<td>“Unique” fee structure: Full payment: US$18,382 (£11,974)</td>
</tr>
<tr>
<td>Henley Management College</td>
<td>Private</td>
<td>MBA</td>
<td>Distance Learning/ Online</td>
<td>£11,651</td>
</tr>
<tr>
<td>PurpleTrain</td>
<td>Private</td>
<td>MBA (Wales)</td>
<td>Online</td>
<td>US$10,000 (£6,274)</td>
</tr>
<tr>
<td>Warwick Business School</td>
<td>Public</td>
<td>MBA</td>
<td>Distance Learning</td>
<td>£13,350</td>
</tr>
<tr>
<td>Hartford College</td>
<td>Private</td>
<td>(i) MBA (University of Newcastle Australia) (ii) MBA Leicester</td>
<td>Online</td>
<td>(i) AUD 16,800 (£5,979) (ii) £7,200</td>
</tr>
<tr>
<td>Universitas 21 Global</td>
<td>Consortium</td>
<td>MBA</td>
<td>Online</td>
<td>US$15,000 (£9,411) – “country differentiation” fee apply. Probable fee for HK</td>
</tr>
<tr>
<td>Global University Alliance (GUA)</td>
<td>Consortium, On franchise basis</td>
<td>(i) Diploma (ii) Adv Diploma (iii) BBA (iv) MBA</td>
<td>Online with classroom support</td>
<td>(i) US$1,000 (£636) (ii) US$1,000 (£636) (iii) US$2,250 (£1,432) (iv) US$2,700 (£1,718)</td>
</tr>
</tbody>
</table>

Important: The above pricing is “cost” price to private franchisee. The franchise would mark up between 50–100% as the market selling price.
GRAPHS AND SUMMARY

Figure 1  Non Online Programmes

Figure 2  Comparison of BA programme (highest and lowest)
Comparison of MBA programme (highest and lowest)

Figure 3

Comparison of EMBA programme (highest and lowest)

Figure 3
Figure 4

Online Programmes

Figure 5

Comparison of Associate degree programme (highest and lowest)
Comparison of BBA programme (highest and lowest)

Figure 6

Comparison of MBA programme (highest and lowest)

Figure 7
ANALYSIS

The analysis will be divided into the following parts:

- Competitiveness and programme comparison
- Pricing and positioning strategy
- Summary and recommendations.

In addition, it was requested that the analysis take into consideration the University of Durham and University of Warwick MBA programmes. Both Durham Business School and Warwick Business School have no online/e-learning platform. Both schools offer Distance Learning MBA but through conventional methods.

COMPETITIVENESS AND PROGRAM COMPARISON

DIRECT COMPETITION FROM GOOD RANKING BRITISH MBA

The Warwick Business School (WBS) MBA is available in Hong Kong through the local British Council via conventional distance learning. Fees for the distance learning MBA start at £13,350.

On the other hand, we uncovered no market information that Durham Business School (DBS) plans to offer its MBA in Asia. In any case, DBS has no online learning platform.

However, attention should be given to the University of Liverpool which has an online MBA programme offered in conjunction with their technology partner, KIT eLearning.

Although Hong Kongers would be willing to spend a substantial sum of money for a good MBA degree, they feel that the Liverpool fee is simply too high and out of line with the ranking, observing that other universities like Durham and Warwick are regarded as more prestigious but are charging lower fees.

Henley Management College (HMC) is a possible competitor. Their presence in Hong Kong is significant with a cumulative enrolment of 349 students in 2002.

COMPETITION WITH LOCAL COURSES

There are no online undergraduate programmes in business being offered in Hong Kong, as such there is no comparison and analysis to be made.

On the other hand, there are very limited or almost no online postgraduate programs offered by any public universities. However this is with the exception of City University of Hong Kong’s “Interactive MBA” which is a blended mode programme combining online and compulsory classroom attendance.

FOUNDATION AND UNDERGRADUATE COURSES

Global University Alliance (GUA)

GUA offer rather attractive pricing for Australia diploma, advanced diploma and undergraduate degree courses. As indicated, the diploma and advanced diploma fees at US$1,000 (£636) whereas undergraduate degree at US$2,250 (£1,432). However the fees indicated are “cost price” given to their franchisee college. Most of the time, the selling prices are marked up by 50–100%, possibly higher at times.

The programmes from GUA are said to be unpopular with Hong Kongers due to its less prestigious standing. GUA’s head office is in Hong Kong. We do not have statistics pertaining to their student enrolment, but it is thought to be very low.

POSTGRADUATE

Warwick and Liverpool’s MBA could potentially compete with UKeU’s.

The online MBA from U21Global would find it difficult to attract students in Hong Kong, due to its nature as a virtual university. This is bearing in mind that Hong Kong is not short of MBA
programmes, therefore in a situation where there are choices many students would aim for one coming from a prestigious university.

The same goes for GUA’s MBA; due to the factors above, it is quite unlikely to gain popularity in Hong Kong.

**PRICING AND POSITIONING STRATEGY**

There is strong potential in Hong Kong’s online education market, even if this is largely thought to be due to former British influence and local inclination towards education from the United Kingdom. Below are some issues for consideration in the positioning and pricing strategy.

**POSITIONING**

In relation to the positioning strategy, some factors for consideration are:

- **Introducing a new concept of quality online education:** Good quality programmes from elite universities – currently not obtainable from local colleges.
- **Attractive pricing:** Attractive pricing that could justify Hong Kongers doing an online degree instead of a “conventional” part-time course.
- **Face-to-face contact:** Whilst Hong Kongers have access to an abundance of education programmes, whether local or overseas awards, face-to-face contact is also crucial – as studying alone without human contact is a “culture shock” for most Asians.

**SUMMARY**

To sum up, the key recommendations are:

- **Government partnership and endorsement**
- **Effective Partnership** – effective local partnership with public universities or private providers/student recruiters.
- **Publicity** – effective and suitable nationwide publicity to introduce UKeU and its quality features.

**INDICATOR**

Postgraduate course – High potential.
Undergraduate programmes – High Potential. The potential is high provided that the pricing strategy is sound.

**RECOMMENDATION**

Recommended pricing:

- Foundation course – starting fee at £4,000
- BA/BBA – starting fee/ market entry fee at £6,000
- MSc – starting fee/ market entry fee estimated at £5,000
- MBA – starting fee/ market entry fee at low £8,500 or high £9,000. (We would be in the position to refine this if the awarding university is revealed.)

**THIS IS THE END OF THE [AUTHOR’S] REPORT**
Editor’s Postscript

[Due to the complex formatting of the author’s document, the Editor prudently decided to put his remarks here at the end of the author’s document.]

Overview

The effort that has gone into this report, surveying prices across seven countries or regions, is truly amazing. Of course, in the passing of years some prices will have changed, while some players will certainly have entered and a few will have no doubt withdrawn. There is no substitute for doing – or commissioning – one’s own investigations; but it is time-consuming work for which persistence and local contacts are required. Readers must form their own judgement and seek their own advice.

The brief to the Report’s author from UKeU was to survey prices across a range of countries in the context of UKeU proposing to offer a fully online MBA from a good (but not top rank) UK business school without much existing international exposure (the last clause is not meant to be judgemental – it is relevant because it was felt to provide strong business logic for a partnership with UKeU). As the study was getting under way, UKeU requested specific scrutiny of two competitors to this MBA concept – this was an interesting early example of competitor analysis. Because there was a specific course proposal in mind, the author was asked to provide quite a narrow target range for pricing.

At the time of writing this report the author was not on the staff of UKeU and had no access to any information provided by partner HEIs of UKeU – in fact, the whole idea was to get a fully “external reality check”. All information was acquired by diligence and no internal confidences were broken.

In the interests of maintaining harmony with UK HEIs, a number of specific judgements about courses have been removed from this version. The prices speak for themselves – but one should not listen just to price information, of course, even if students too often do.

Some updating and clarifying notes (by the editor) are to be found at the end of this section. These do not give URLs for all the e-learning institutions of interest – for a wider range the reader is referred to the Re.ViCa virtual campuses wiki at http://www.virtualcampuses.eu.

Choice of Countries

The choice of countries should not surprise readers, especially if they have looked at other relevant UKeU Reports. But it may help to remind readers of the marketing strategy of UKeU. The August 2002 briefing to staff by the UKeU CEO pointed out:

Marketing will be the crucial activity to UKeU’s success. The [two senior] appointments allow UKeU now to drive the development of detailed marketing plans internally. Two basic market segments have been defined, ‘retail’ and ‘corporate’ (covering both private and public sector organisations), and the organisation has been structured around customer acquisition in these two areas with their different requirements.

1 By Paul Bacsich, August 2005..
For the individual ‘retail’ customers, the immediate geographical focus is Malaysia, Singapore, Hong Kong, Middle East and China, with business managers already in post in Kuala Lumpur, Hong Kong and Dubai. Additional markets to potentially address in the short-term include Philippines, Taiwan, Brazil, India, Japan and South Korea. Market entry strategies based on UKeU staff visits and secondary analyses have been developed for Malaysia, Singapore, Hong Kong and Brazil. External advice has been sought to help with the market entry strategies for China and Japan.²

Note on Provenance

This report was found in PDF format in the Sales and Marketing area of the UKeU electronic archive. A Word version was supplied by the author.

Production Notes

After a review of the document and its internal structure, the editors decided that the structure and formatting of the original document was a work of art, deserving to be viewed by readers in its glory, thus to be preserved, not forced into “UKeU Report” house layout. Thus apart from running headers and footers to indicate its place in the Reports series – and to identify which section readers were in – no other formatting changes were made. To avoid disturbing the complex and fragile formatting of the document, endnotes rather than footnotes were used for updates and clarifications. There are also changes to hyphenation and similar subtle parameters.

With care, the usual editing changes were made to spelling, grammar, etc.

All maps and flags reproduced here are drawn from the CIA’s World Factbook 2005 – see http://www.cia.gov/cia/publications/factbook/. They have been reproduced, with thanks to CIA, under the guidelines for public reproduction of such material, found at http://www.cia.gov/cia/publications/factbook/docs/contributor_copyright.html.

Further Information from UKeU

In this same volume are published versions of the “market entry” strategy documents referred to above for Malaysia, Singapore, Hong Kong and Brazil (and some more that came later, such as South Africa) – they are relevant to many other organisations than UKeU – for the principles at least. However, these documents were incomplete, were in multiple versions from different dates, and contained many matters of commercial sensitivity to organisations and people still in existence; thus care and some lapse of time was necessary before versions could be made public.

There are also marketing plans for every single course that UKeU offered but in the editors’ view they would require a deep level of aggregation and anonymisation before being released in a way acceptable to the HE sector and this has not been done.

Other Reports in this UKeU Reports series cover China and Japan, but there is no overview of the situation in Malaysia, Thailand, or Korea – these would seem to be a priority for the next round. There was no single overview document lurking in the UKeU archives but there were a number of draft reports and presentations on a range of topics from which reports could in theory be synthesised – but the effort to do that

² See Report 05.
would have gone well beyond editing. Readers interested in specific countries should consult the country reports on the Re.ViCa virtual campuses wiki – for example [http://www.virtualcampuses.eu/index.php/Thailand](http://www.virtualcampuses.eu/index.php/Thailand).

**Further Reading on Pricing of Online Courses**

We recommend perusal of some more recent reports from the Observatory on Borderless Higher Education on pricing and regulatory issues for transnational education; in particular “Pricing Online Learning: practice, rationale & transparency”, by Richard Garrett & Dugald MacLean (OBHE Briefing Note no. 16, March 2004, [http://www.obhe.ac.uk/products/briefings/pdfs/PricingOnlineLearning.pdf](http://www.obhe.ac.uk/products/briefings/pdfs/PricingOnlineLearning.pdf)).

UK HEIs should of course also consult their usual sources of advice, not least the British Council, on the latest situation in countries of interest.

Notes

Readers are advised to consult the Re.ViCa wiki in the event that any of the URLs below are inoperative.

2 For the latest on Cardean see [http://www.cardean.com](http://www.cardean.com). UNext set up Cardean, but there are some changes in hand – see [http://www.unext.com](http://www.unext.com).
4 The Global University Alliance (GUA) is at [http://www.gua.com](http://www.gua.com).
5 Henley Management College is at [http://www.henleymc.ac.uk](http://www.henleymc.ac.uk).
6 PurpleTrain is at [http://www.purpletrain.com](http://www.purpletrain.com). They offer several degrees from UK universities.
7 American Intercontinental University is at [http://www.aiuniv.edu](http://www.aiuniv.edu). They state that they are “accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award Associate, Bachelor’s, and Master’s degrees. This umbrella accreditation includes the following branch campuses of the University: AIU-Buckhead; AIU-Dunwoody; AIU-South Florida; AIU-Houston; AIU-London; AIU-Los Angeles; AIU-Online (originating in Illinois); and American University-Dubai.”
8 The University of Phoenix Online is at [http://online.phoenix.edu](http://online.phoenix.edu).
11 Harrow International School has its Web site at [http://harrowschool.ac.th](http://harrowschool.ac.th).
12 AACSB, the Association to Advance Collegiate Schools of Business, is a US-based accrediting agency for bachelor’s, master’s and doctoral degree programmes in business administration and accounting. See [http://www.aacsb.edu](http://www.aacsb.edu).
13 Ajman University of Science and Technology has a Web site at [http://www.ajman.ac.ae](http://www.ajman.ac.ae) but there is no recent news on any Cyber University. Searches for similar terms including e-learning did not yield hits.
14 He seems to have been correct. However, a number of e-learning conferences have been held in UAE and low-level activity at several universities is growing. See for example the material on the aptly-titled “Emerging E-Learning” Conference at [http://www.admc.hct.ac.ae/admcinternet/emel2004/](http://www.admc.hct.ac.ae/admcinternet/emel2004/).
15 See earlier endnote on Ajman.
16 Organisationally and legally, Cardean (UNext) is not a consortium; it is a for-profit private online university which has development contracts with a consortium of universities.
UNITAR, Universiti Tun Abdul Razak, describes itself as “the nation’s first e-learning, MSC-status and ISO 9001:2000-certified private university in Malaysia. UNITAR offers the best combination in its teaching and e-learning methods by combining face-to-face classes with the effective use of web-based courseware and online tutorials.” See http://www.unitar.edu.my. There are other distance teaching universities in Malaysia getting involved in e-learning – see in particular the next endnote.

USM is at http://www.usm.my.

The GUA Malaysia Education Centre is still described on the GUA Web site as “coming soon”.

A number of Hong Kong sources confirm this view, suggesting that Hong Kongers are still surprisingly reluctant to engage in “pure” distance e-learning, considering their sophistication in other IT matters.