

POTENTIAL MARKET ACROSS ASIA PACIFIC



Great demand and affordability for quality undergraduate education

In 2008, Mainland China Students

160,000+

self-financing students study abroad

another 6 millions admitted to college

Large number of Asian students study abroad



Japan	54,506
South Korea	105,327
Indonesia	29,580
Malaysia	46,473
Thailand	24,485
Vietnam	27,865

Source: UNESCO Global Education Digest 2009

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1/3 Hong Kong

1/3 International

3000
students

1/3 China



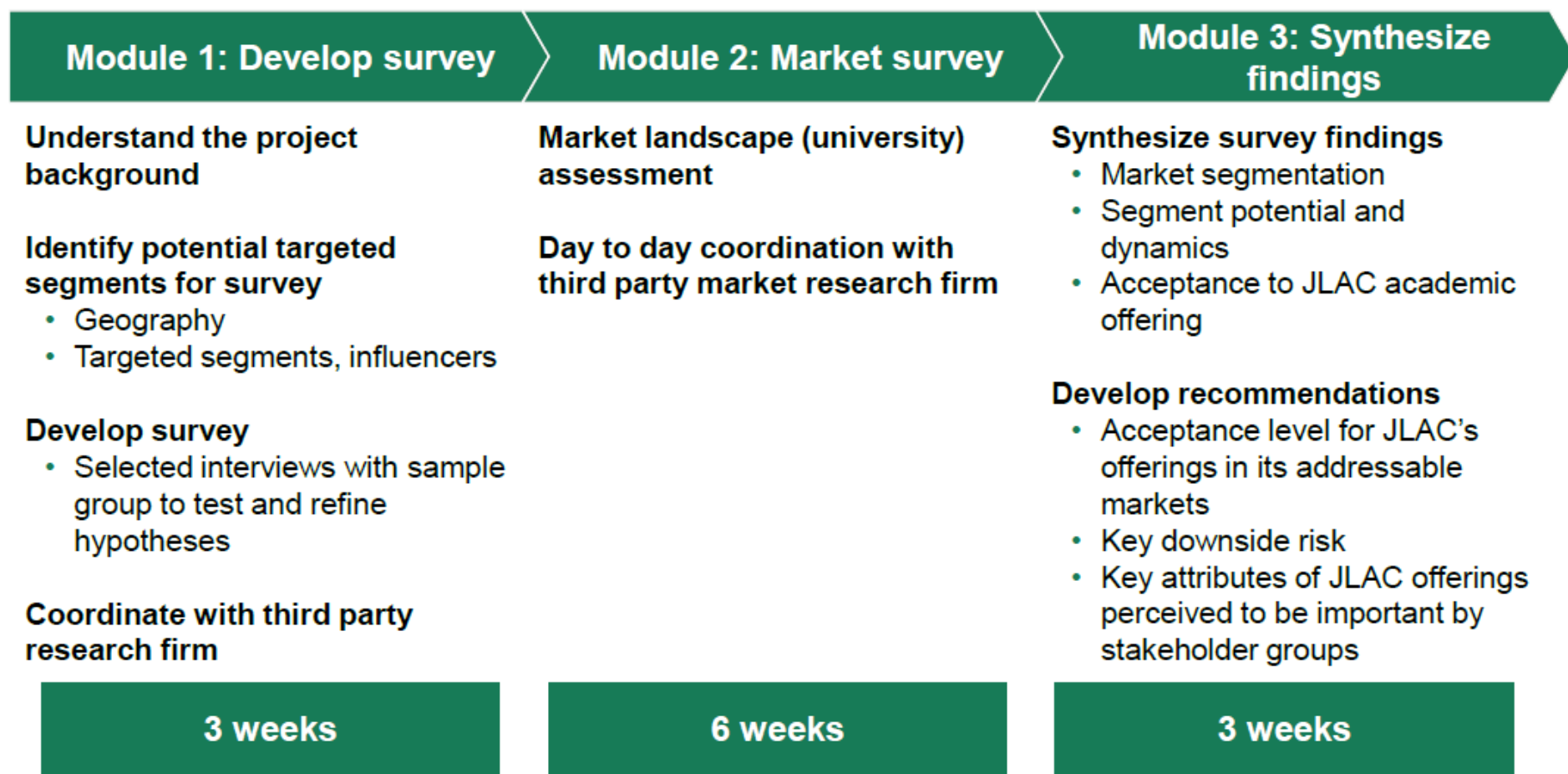
Support the creation of a non-profit liberal arts university in Hong Kong

Proposed approach

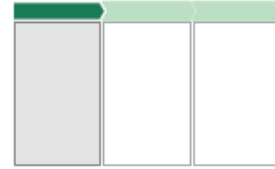
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THE BOSTON CONSULTING GROUP

Proposed approach



Market survey will be conducted by a third party agent that will sign contract directly with SJLACHK Foundation



Develop Survey

Objectives

Quantify the market potential of key student-source countries / regions in Asia

- Project market size
- Assess relative opportunities by markets
- Gauge the economy aspect (e.g. price sensitivity, revenue prospect, tendency to spend beyond basic tuition, etc)

Map out factors affecting choice of HK & consideration factors among parents & students

- Develop understanding about potential messages to be delivered and issues to be addressed in future reaching out efforts
- Possible to make distinction across markets/regions or other dimensions (e.g. ethnicity)

Assess the essentials expected for the university's offerings

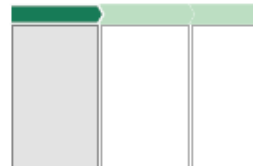
- Establish knowledge on key attributes that make e.g. good academic programs, ideal campus life, or other amenities

Areas of focus (TBC in project)

Information coverage:

- Profiles: background, income bracket, student gender, ethnicity, religion
- Interest in LAC degree
- Interest in studying in HK & motivations
- Need for advance degree (MA or beyond) & motivations
- Interest in staying in HK after graduation
- Interest in different degree offering (3/2, 3/3, 4/2, 2/2, 2/1/1)
- Feedback on attributes that make an 'ideal' university overseas
- Expectation for university offerings in key dimensions (e.g. programs, amenities)
- Price sensitivity test on tuition, room and board

Develop Survey



Choosing Target Markets

Hong Kong

- Immediate source of prospective students
- Sophisticated education market

Guangdong (Mainland China)

- Most likely next immediate source of students due to geographical proximity, relative financial affluence within China & language kinship to Hong Kong

Main Urban Centers in China

- Selected tier 1/2 cities (e.g. Shanghai, Beijing, Chengdu/Chongqing, Wuhan) – main annual contributors of China's outbound students
- To be confirmed during project

Southeast Asia (SEAs) 'Proxy' Countries

- Important source of incumbent overseas students in today's Hong Kong
- 'Proxy' countries: Malaysia, Indonesia → with relatively more robust income level, young population among SEAs & a notable presence of households of Chinese / Cantonese ethnicity.

Other potential markets

- S. Korea (focusing on Seoul)
- India

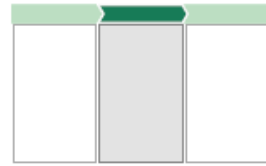
Target Respondents (TBC in project)

Parents – decision-makers

- All markets but HK
 - Willing to pay at least HKD 200K a year for university education abroad (in next year?)
 - Open for HK universities
- Hong Kong
 - Interested in a university education locally

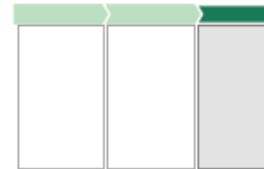
Prospective students – co-decision makers

- All markets but HK
 - From households willing to pay at least HKD 200K a year for their university education abroad (in next year?)
 - Open for HK universities
- Hong Kong
 - Interested in a university education locally



Conducting Survey (to be conducted by third party agent, BCG team will coordinate with the agent)

	Desk Research	Focus groups	Online Survey
Objectives	<ul style="list-style-type: none"> Establish fundamental market knowledge Prepare theoretical framework for market sizing and projection 	<ul style="list-style-type: none"> Develop initial understanding, hypotheses Inform questionnaire design for online survey 	<ul style="list-style-type: none"> Quantify destination & university choice & consideration factors Gauge price sensitivity Map out target expectations
Activities and Coverage	<ul style="list-style-type: none"> Country household breakdown by income bracket Annual class of student at university entrance level Annual class of students studying overseas from a particular country / region → affordable student market size Their destinations → potential competition landscape Their major → potential affordable LAC student market size 	<ul style="list-style-type: none"> Attitude towards overseas education Perception towards destinations Consideration factors in choosing overseas universities Expectations for overseas educations & its future prospect Spending / finance patterns 	<p>Step 1: Pre-qualification process*</p> <ul style="list-style-type: none"> For Hong Kong → parents/students interested in a university locally For other markets → parents/students willing to pay HKD 200K annually for university education abroad <p>Step 2: Survey (online) – structured questionnaire</p> <p><i>*Note: interest in LAC degree is not used as a pre-qualification question, otherwise finding 200 samples for each country/region can be very challenging and less affordable.</i></p>
Sample size	<ul style="list-style-type: none"> N/A. 	<p>Focus on parents</p> <ul style="list-style-type: none"> 2 Focus groups (1 in Guangzhou, 1 in HK) 6-8 pax / group 2 hours / group 	<p>Parents : Students (50% : 50%)</p> <ul style="list-style-type: none"> HK: 400 Guangdong: 400 China Tier-1s: 400 (200/city) Jakarta, KL, Seoul: 200 each India: 200 across country Total: 2000 samples



Synthesize Findings

The following analysis will be performed after completion of desk research & the online quantitative survey.

Pricing Analysis

- For price elasticity measurement to provide input on tuition setting for HK students
- Information obtained from foreign students will only be used as reference as most will likely to stick to HKD 200K

Market Sizing

- For affordable LAC students available by key Asian markets
- For potential LAC students available in Hong Kong

Future Student Dynamics

- Analysis on potential stay behind (in HK) students & their expectations

University Offerings

- Analysis on potential degree offering and the interest level among prospective students