



Hong Kong Sub-Degree Sector Market Research

Prepared for the British Council
Hong Kong

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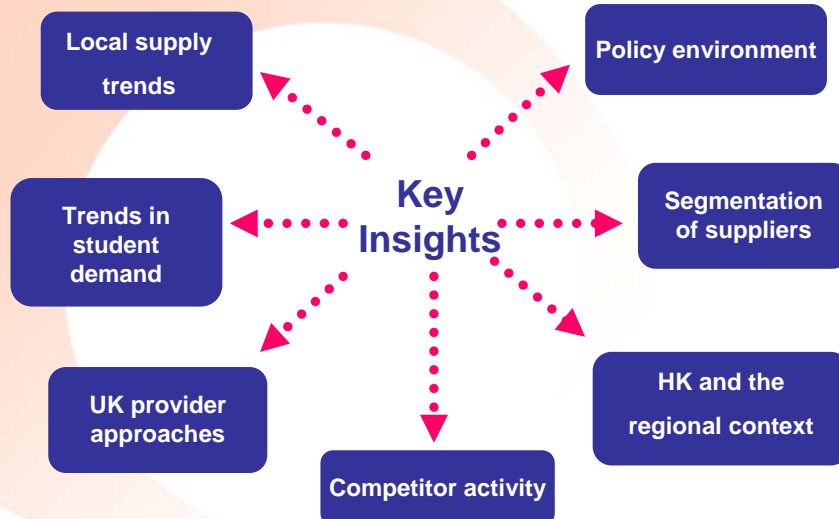
Presentation Scope

- Summary of insights and findings.
- Sub-degree supply in Hong Kong.
- Student demand and trends in the sub-degree sector.
- Conclusions and recommendations.



Research scope and approach

- **Aim:**
 - To understand the developments, trends and implications in the sub-degree sector for UK education in Hong Kong.
- **Approach:**
 - Desk research on current sub-degree provision;
 - Executive interviews with leading suppliers in HK, government bodies, employers and UK providers;
 - Quantitative survey of students on sub-degree programmes;
 - Focus groups with sub-degree students.
- **Research period:** November-December 2006.



Key findings and trends (I)

- **Size:** The sub-degree cohort is large, self-financed and influential (in terms of wider perceptions on educational brands and providers).
- **Aspirations:** Sub-degree students are predominantly seeking articulation onto degree programmes.
- **Buying power:** Sub-degree students are from middle-lower income segments making study abroad an unlikely aspiration for the majority (beyond 1 year top-up).
- **Articulation routes:** There are significant differences amongst sub-degree student across different programmes affecting articulation options and creating a variety of pathways to the standard 2nd year degree programme entry i.e 3rd year and in some cases masters entry.

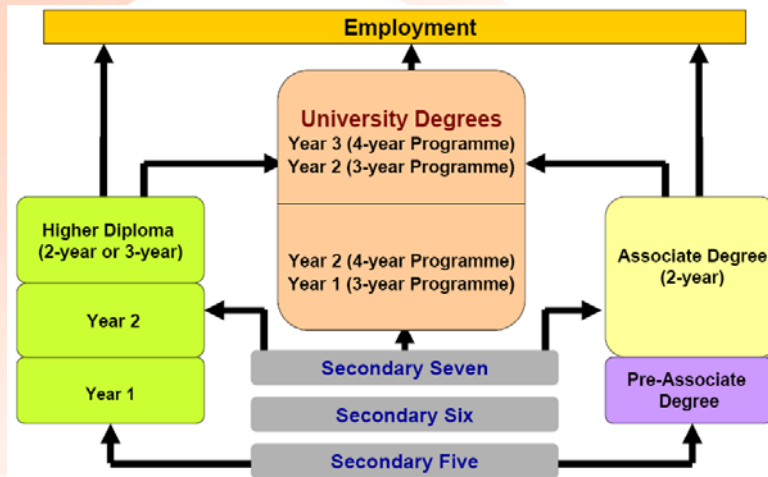


Key findings and trends (II)

- **Local provision:** The local supply response is redefining provision and also the strength and attractiveness of local institutions.
- **Local Suppliers:** There are considerable differences between local institutions.
- **Attractiveness of TNE:** There are significant negative perceptions over the attractiveness and quality of local foreign partnership programmes.
- **UK provider response:** The UK response to the market opportunities has been fragmented creating new challenges for the UK and Institutional brand development.
- **Changing student perceptions:** Student preferences and perceptions towards overseas study and overseas institutions is changing and reflecting regional decision-making trends.



Student progression pathways



Notes:
In some cases Higher Diploma programmes are four years depending on background of students
From 2012, 4 year degree programmes and 6 year secondary studies will be introduced.
Source: Sub-degree Seminar, Development of sub-degrees in Hong Kong, Professor Enoch C. M. Young, 2006

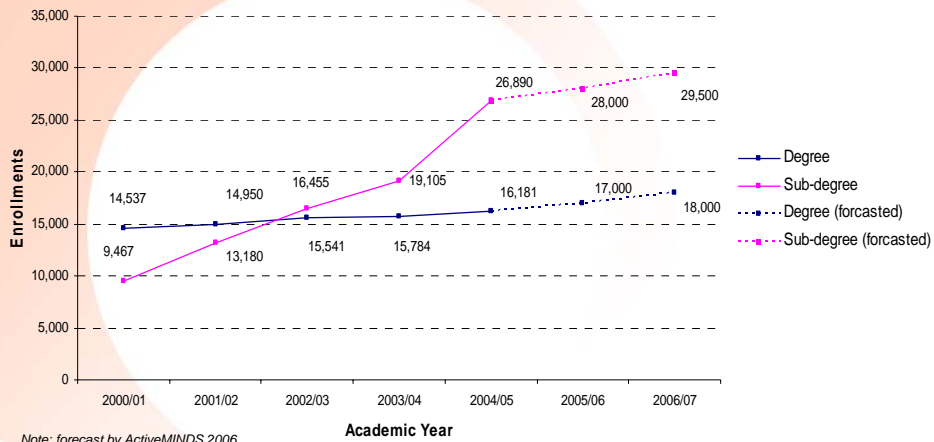


The supply of post-secondary education in HK

- **Growth:** The post-secondary sector has grown significantly over the last 4 years and the goal of 60% participation set in 2001 (from 30% participation) was achieved in 2006, 4 years ahead of target.
- **Size:** The current number of students on sub-degrees are estimated to be over 65,000 with an annual intake of approximately 29,000. Student enrolments have stabilised over the last three years after exponential growth between 2001-04.
- **Provision:**
 - There are currently 20 sub-degree programme providers.
 - Over 300 two to four-year programmes.
 - Associate Degrees or Higher Diplomas cover 85% of sub-degrees.
 - Nearly 50% of all programmes are Associate Degrees (introduced 2001).
 - Programmes priced between 2,000-3,500 pounds per annum.



Annual intake: sub-degree student and government-funded Undergraduate

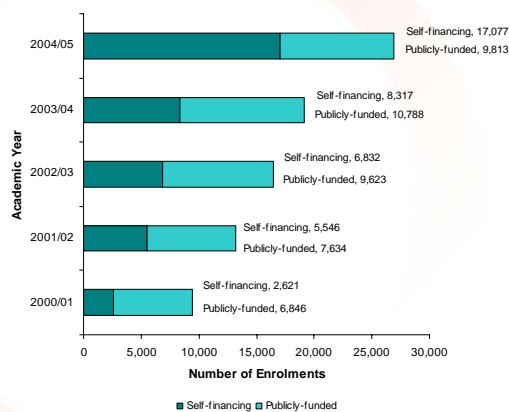


Note: forecast by ActiveMINDS 2006

Source: Review of the Post-secondary Education Sector, Education and Manpower Bureau, Mar 2006



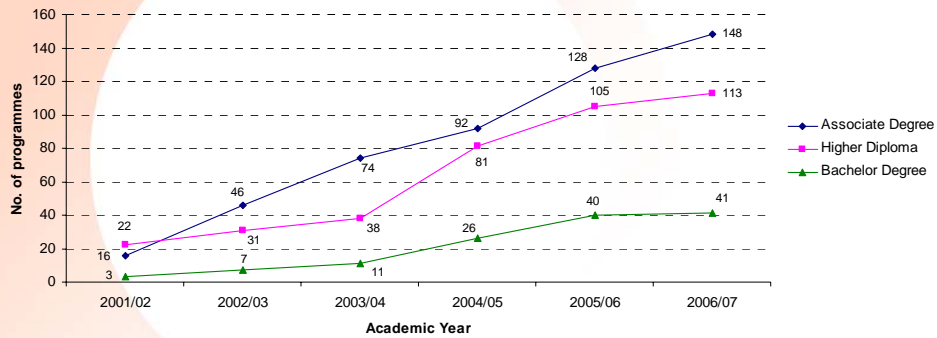
Self-financing vs. public funded sub-degree programmes



Source: activeMINDS and Education and Manpower Bureau, 2006



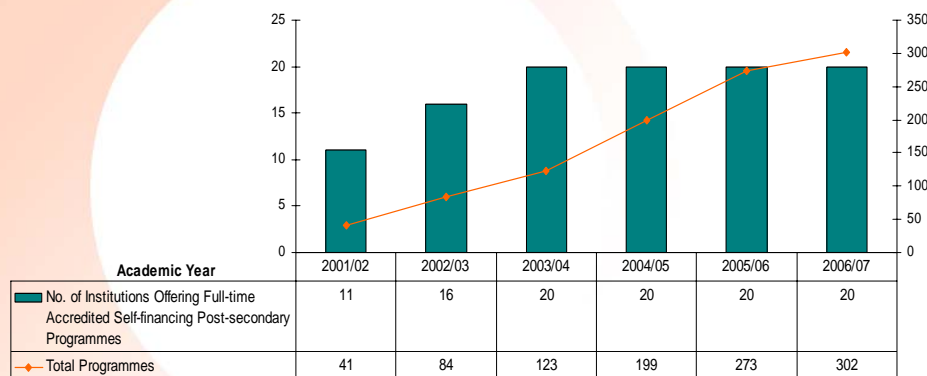
Number of full-time accredited self-financing post-secondary programmes classified by level of programmes



Source: activeMINDS and Education and Manpower Bureau, 2006



Number of institutions offering full-time accredited self-financing post-secondary programmes



Source: activeMINDS and Education and Manpower Bureau, 2006



Principle types of sub-degrees

- **Higher Diplomas**
 - Long established and originated from UK/Commonwealth.
 - Vocationally oriented.
 - Enable students to pursue employment or further study.
 - Consists of 2 and 3-year programmes for HKALE level and HKCEE level respectively.
 - 4-year programmes are also available at Vocational Training Council.
- **Associate Degrees**
 - Introduced 2001.
 - Developed in response to the Government's call to provide more education opportunities to secondary school leavers.
 - Flexible and allow students to develop their interests disciplinary subjects.
- Also smaller a number of vocational certificate qualifications offered predominantly through Vocational Training Council (but not an area/driver of growth in the sector).



Example of HD curriculum

Categories	Subjects	Proportion
Generic Skills	<ul style="list-style-type: none"> • English and Chinese Languages • IT and Quantitative Skills • Communication and Analytical Skills 	30-35%
Specialised Knowledge & Skills	Specialised subjects in a specific field	65-70%

Source: Sub-degree Seminar, Development of sub-degrees in Hong Kong, Professor Enoch C. M. Young, 2006



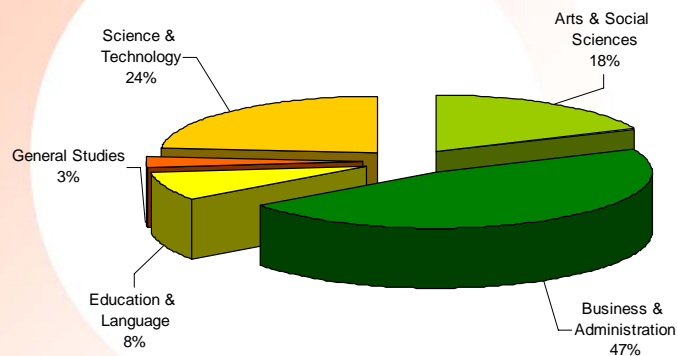
Example of AD curriculum

Categories	Subjects	Proportion
Generic Skills	<ul style="list-style-type: none"> English Language Chinese Language IT and Quantitative Skills Communication and Analytical Skills 	35%
General Education	<ul style="list-style-type: none"> Cultural Study Social Science Science and Technology Philosophy Arts and Humanities 	25%
Specialised Knowledge & Skills	Specialised subjects in a specific field or theme	40%

Source: Sub-degree Seminar, Development of sub-degrees in Hong Kong, Professor Enoch C. M. Young, 2006



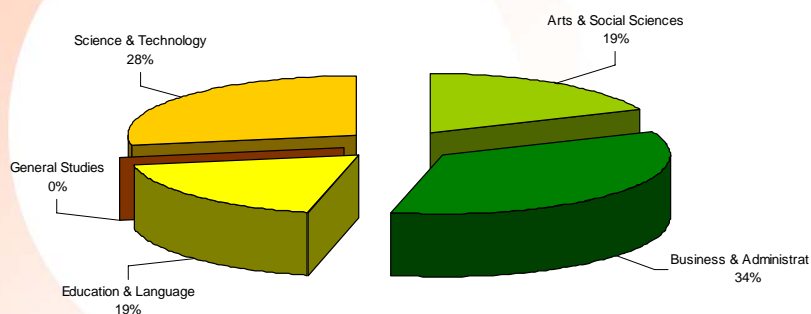
Proportion of full-time accredited self-financing sub-degree programmes in 2006/07



Source: activeMINDS and Education and Manpower Bureau, 2006



Proportion of full-time accredited self-financing degree programmes in 2006/07



Source: activeMINDS and Education and Manpower Bureau, 2006

The sub-degree supply environment

- Highly competitive local market.
- Programmes increasingly focused on direct local provider delivery as opposed to foreign partnerships.
- Provision increasingly concentrated around leading institutions.
- Increasing trend for self financing degree programmes to fulfil articulation needs.
- 3 clusters of providers emerging in the sector:
 - The leading universities;
 - The middle tier universities;
 - The private sector institutions/universities.

UK provision and positioning in the sub-degree sector

- Highly fragmented in terms of articulation points and partnership approaches.
- Sub-degree trends have not prompted any significant shift in market development approaches.
- Providers can be divided into 3 groups:
 - The Embracers;
 - The Established;
 - The Uncertain.



Student preferences and perceptions

- **Stepping stone for employment and articulation:** The primary motivation for students on sub-degrees programmes was to articulate onto degree programmes with the view to improving their employability.
- **Income:** The household income of the overwhelming majority of students revealed that they are unlikely to be a key segment for overseas study (only 5% intended to study abroad) beyond one year articulation.
- **Local Preferences:** Overwhelming preference for local programmes and high levels of scepticism about local foreign partnership programmes - over 80% would prefer to articulate with local institutions over foreign programmes locally or overseas study.
- **AD vs. HD concerns:** Concern amongst focus group students on the viability of Associate Degrees as an exit qualification although only one in four in the survey felt that Associate Degrees would not improve their employability.
- **Perceptions of overseas programmes:** Negative perceptions about employability and quality associations with local foreign partnership programmes given multiple articulation points between different programmes.



Student articulation decision-making hierarchy for local offerings

Level of acceptance

- **Local Degree conversion**

- Better recognition
- Government funding & subsidy

- **Part time Top Up Degree**

- Is perceived expensive & length of study is usually longer
- but more desired as can work & study at the same time

- **Top Up Degree in local university**

e.g. SPACE, SPEED – sub brand from local university

- Differentiate & inferior than local degree as under the sub brand name
- Some students have the confusion of the certificate chop in university name or sub brand

- **Top Up Degree (Overseas degree in local university)**

e.g. Local university and overseas university partner

- Negative perception mainly come from unfamiliar university brand i.e. difficult to get recognition
- Could be a faster track but feels like buying the certificate
- But partnership with local university is far better than being commercialised (study in city learning center)

Source: activeMINDS and Ketchup Communications, Nov 2006



Survey Methodology and Demographics

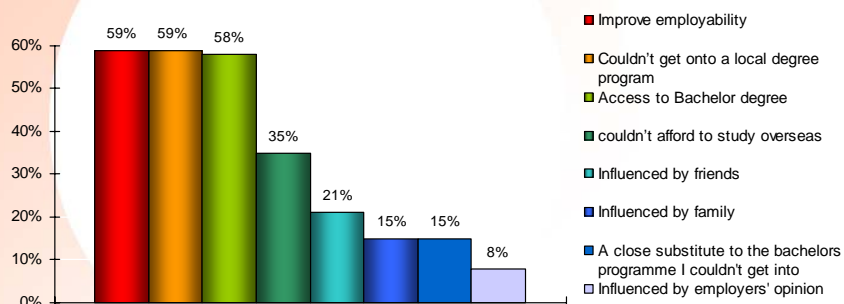
- A total of 206 street intercept surveys were conducted in 10 education institutions between November 13–20, 2006.
- All qualified respondents were sub-degree students. The respondents answered a questionnaire of 30 questions via interviews that were between 10-15 minutes.
- The student survey was followed up by a series of 5 focus groups.

	Sample Composition			Total Sample
Gender	Male	105	51%	206
	Female	101	49%	
Age	17	68	33%	
	18	64	31%	
	19	47	23%	
	20	27	13%	
Monthly Household Income	HK\$19,999 or below	82	40%	
	HK\$20,000-29,999	72	35%	
	HK\$30,000-49,999	39	19%	
	HK\$50,000-79,999	4	2%	
	HK\$80,000 and above	4	2%	
Exit Level of Education	Form 5	101	49%	
	Form 6	16	8%	
	Form 7	89	43%	
Family Size	2	2	1%	
	3	56	27%	
	4	97	47%	
	5	37	18%	
	6	8	4%	
	more than 7	31	15%	
Type of Sub-degree	Government subsidised	78	38%	
	Self funded	126	61%	

Source: activeMINDS and Ketchup Communications, Nov 2006



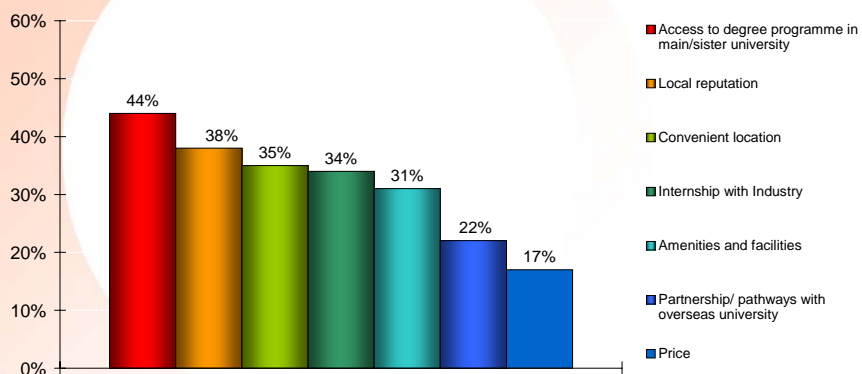
What were your reasons for undertaking a sub-degree



Source: activeMINDS and Ketchup Communications, Nov 2006



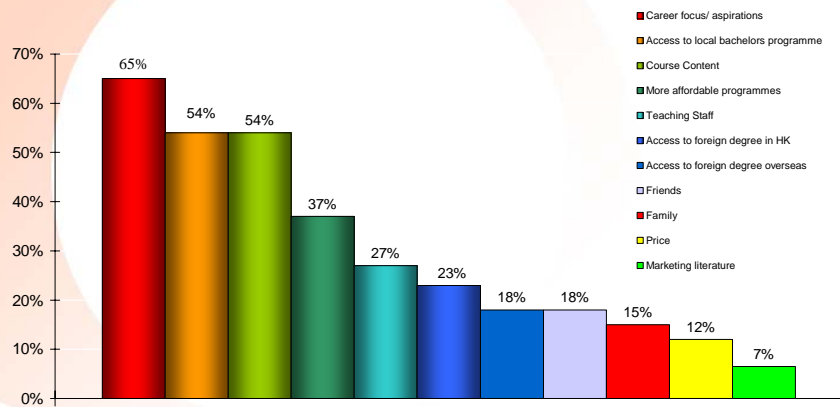
What influenced you in your selection of a local institution



Source: activeMINDS and Ketchup Communications, Nov 2006



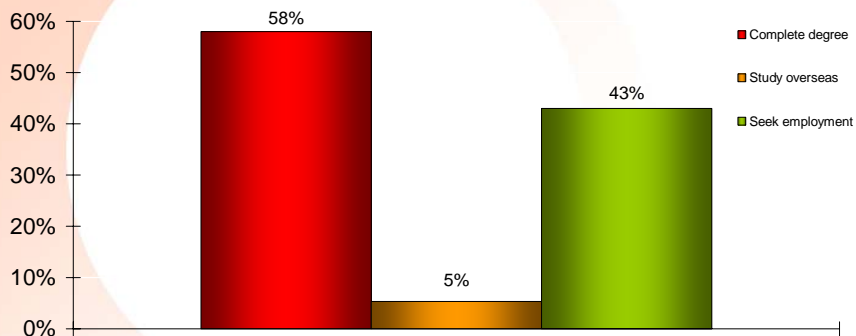
What are your main motivations/aspirations behind course selection?



Source: activeMINDS and Ketchup Communications, Nov 2006

activeMINDS consulting

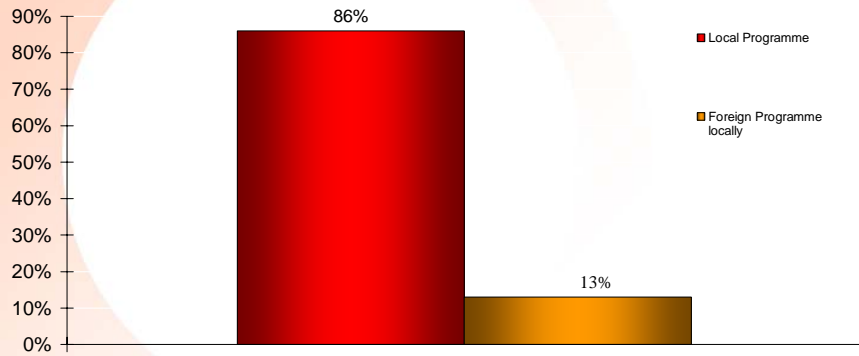
What do you intend to do upon completion of your course?



Source: activeMINDS and Ketchup Communications, Nov 2006

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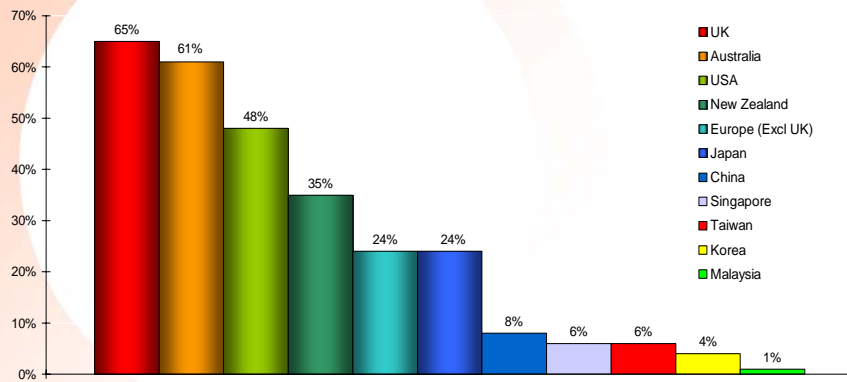
If you were to undertake a degree top-up locally would you prefer a local or overseas programme available locally?



Source: activeMINDS and Ketchup Communications, Nov 2006



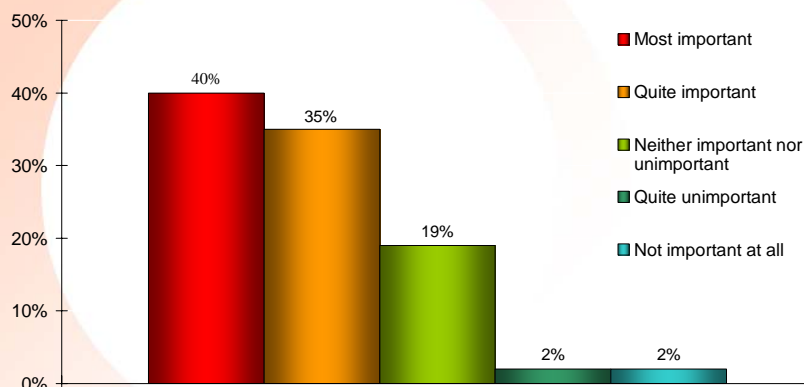
What are your preferred overseas study destinations if you were to study overseas?



Source: activeMINDS and Ketchup Communications, Nov 2006



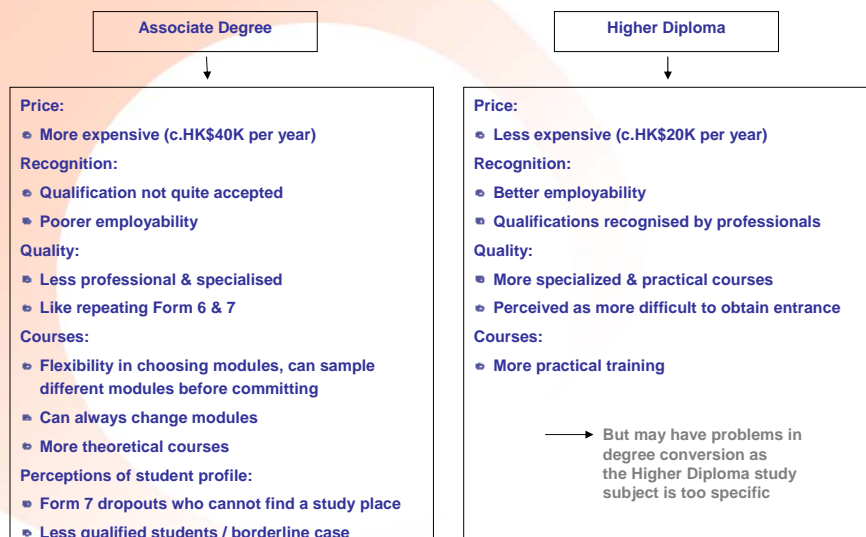
How important is price in selection of an overseas study option?



Source: activeMINDS and Ketchup Communications, Nov 2006



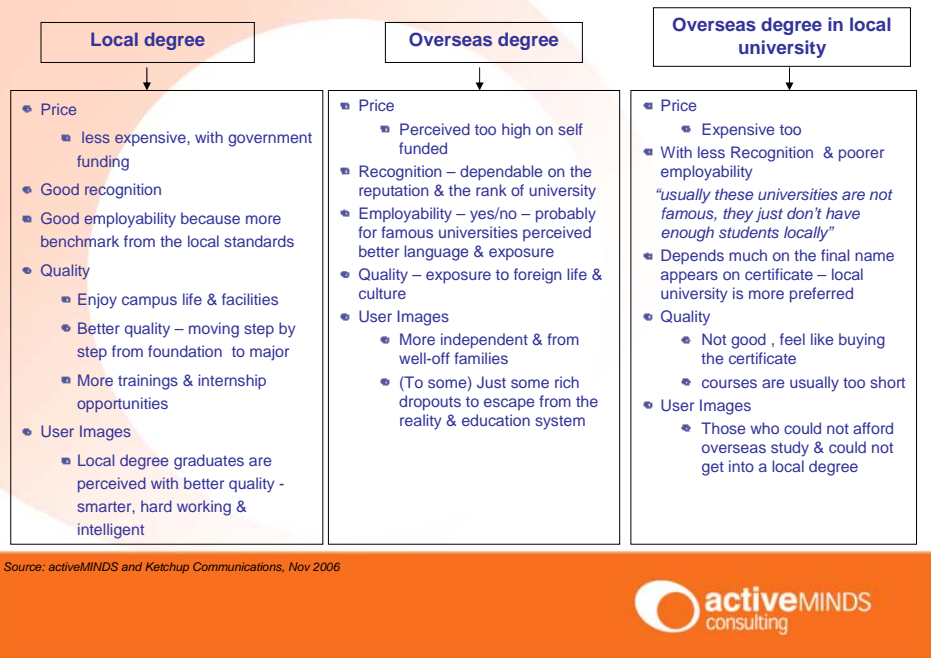
Student perceptions of AD and HD



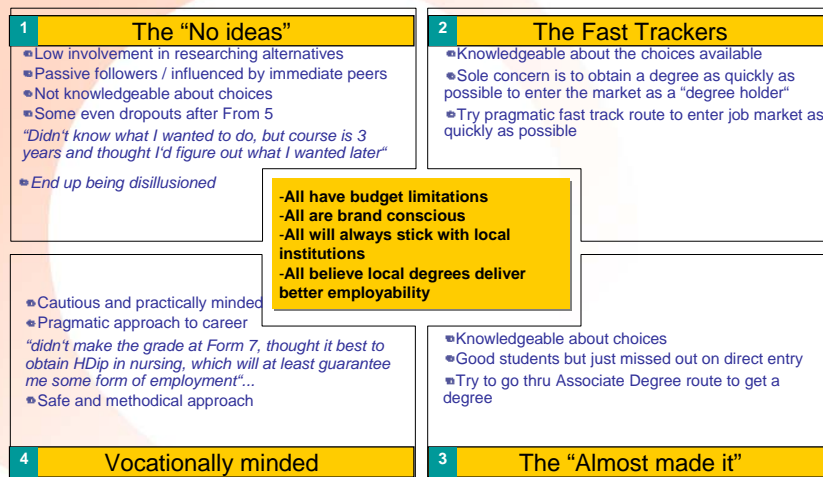
Source: activeMINDS and Ketchup Communications, Nov 2006



Perceptions on different articulation choices

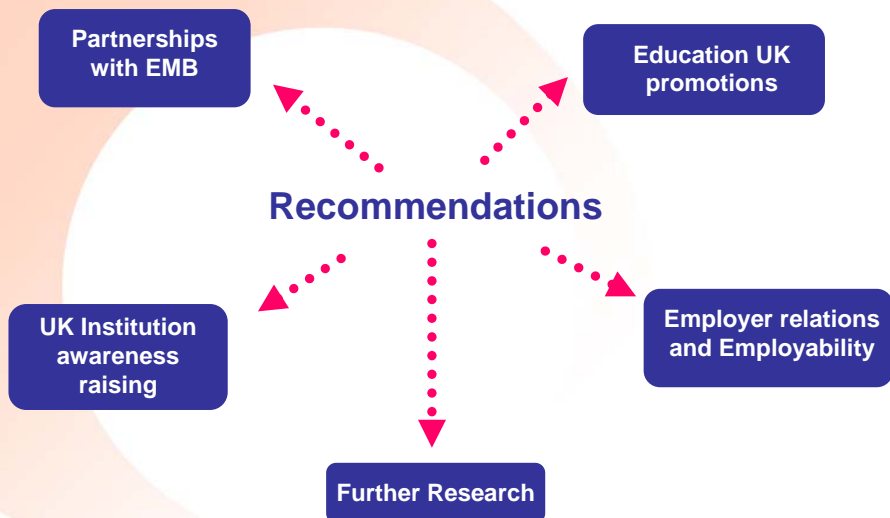


Student segments



Conclusions

- ❖ **A changing market:** Developments in the sub-degree sector provide an early insight into the gradual transformation of HK education sector.
- ❖ **UK positioning:** Sub-degree sector unlikely to provide significant direct recruitment growth for UK but the UK education presence will become increasingly under pressure from improved access to post-secondary educational opportunities in HK both in terms of supply and demand perceptions.
- ❖ **Government directions:** Government support on private sector degree development presents an opportunity of a pro-active approach and strategy from the British Council
- ❖ **The importance of sub-degree student perceptions:** Although only a small percentage of students are likely to pursue further studies in the UK, the group will be a key area for building positive perceptions of the UK particularly in local UK provision as this is where they are most likely to experience an UK education.
- ❖ **New strategies and tactics:** Strategies that integrates a holistic and new approach to the market (i.e recruitment, partnership and profile development) will ensure UK education/institutions are positioned to manage risks and lever opportunities to maximum effect.





Thank You!

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