

CENTRAL POLICY UNIT
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A STUDY ON BRAND BUILDING FOR
HIGHER EDUCATION IN HONG KONG:
PROSPECTS AND STRATEGIES

THE CHINESE UNIVERSITY OF
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The Final Report

A Study on

**“Brand Building for Higher Education in
Hong Kong: Prospects and Strategies”**

《建設香港高等教育之品牌：前景與策略》

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EXECUTIVE SUMMARY

- 1 As underscored by the Chief Executive of HKSAR in recent policy addresses, one of the strategic opportunities for Hong Kong's future economy is to serve as a regional education hub that can boost the competitiveness and complement the future development of Mainland China. Two prominent research reports have addressed this prospect. The 2009CPU report makes the general argument that Hong Kong has an edge in developing its higher education sector into an export industry. The HKIED report considers the general case of internationalizing and exporting higher education.
- 2 In spite of strong initial enthusiasm for the education hub idea, there are increasing reservations over the net benefits and viability of the education hub strategy. Pundits now diverge on their judgments of the capability of Hong Kong to capitalize on the rapidly expanding market demand for education in the region. Nor is it clear that any big push by the HKSAR Government to capture the market opportunity will not significantly increase government expenditures on the sector long before any sizable returns to the wider economy can be realized. The recent financial crisis and uncertain future health of the global economy only reinforce the need for fiscal conservatism.
- 3 This Study critically re-examines the opportunities. From the analysis of qualitative and quantitative evidence, we conclude that the higher education system in Hong Kong is well positioned to be a direct and indirect income-generating sector of the economy. However, our recommended strategy fundamentally departs from the usual policy recommendations by recent reports on how to develop Hong Kong into a regional higher education hub. The new strategy offers coherent answers to the difficult problems for the usual policy recommendations.
- 4 Central to our recommended strategy is the idea that Hong Kong would have the best chance for the greatest success as a higher education hub if it starts with a governmental campaign for a prestige-based brand in higher education and the campaign consistently leverages the three basic principles of prestige building. The policy

recommendations are both theoretically credible and practically feasible.

A Three-component Strategy

- 5 Our recommended strategy consists of three key elements: a single market segment, two collaborative sectors, and three stages of development that are critically founded on brand building at the outset. Thus it may be called *the 1-2-3 strategy for the branding of higher education services*. The strategy has net benefits, faster positive returns, low capital investments from the government (both for startup and maintenance), and also avoids the major obstacles for the higher education system in Hong Kong to greatly increase its internationalization and export of higher education services.
- 6 *Targeting a single market segment: Emerging and established leaders in the government and industry sectors of Mainland China*, namely, senior government officials and business executives. By targeting these adult clients, there will not be any crowding-out effect on local students, nor will it entail any major burden on the finance and facilities of government funded institutions.
- 7 *Two sectors in collaboration: The public and private sectors should play complementary roles under a non-profit charter*. Participating public providers should give priority to building the brand of Hong Kong's educational services. Private providers would focus on generating returns to the Hong Kong economy by entrepreneurially and efficiently expand and deliver educational services.
- 8 *Three stages of brand-driven development*: Unlike the manufacturing industry, developing a higher education system into an export powerhouse, the infusion of financial and physical capital is far from sufficient. *Brand building has to be the focus of the first stage* because it will lay the essential foundation for all subsequent development.
 - Brand building phase—a five-year government plan to jumpstart the recruitment of the top of the target segment.

- Expansion phase—building on the big push of the first phase, expand the reach of the EDPs to the rest of the target segment.
- Private sector phase—private providers should be ready by this stage to take over most of the export market for educational services.