Degrees of success

LINC Education's **Abhinav Mital** and **Amit Garga** note that Australia offers a credible model for Asia-Pacific's institutions as they attempt to achieve parity between online courses and traditional tertiary provision

Despite Asia-Pacific serving as a source of 80 million massive open online course (MOOC) users, it's surprising that the region doesn't see more home-grown, scale, online higher education providers. Barring a handful of notable Chinese and Australian providers, Asia-Pacific struggles to churn out scale online courses.

Of the 110 million students enrolled in formal tertiary education across Asia-Pacific, 15% study via a distance or a non-contact mode of education. The vast majority of these are studying traditional correspondence-based programmes based in China and India and it's important to note that this segment is growing quickly thanks to the digitalisation of distance learning. For example, China's 3.5 million distance enrolments are growing by 4% annually, and in India, distance education accounts for 11% of enrolments and is growing at 10% annually.

Companies like CDEL (China) and Open Colleges (Australia) have built sizeable online businesses, but continue to remain exceptions in an otherwise fragmented and sub-scale market.

Getting cred

Technology is no longer a challenge, but credibility does hamstring online education in Asia. A host of broadband internet-dependent services, such as Netflix and Amazon Prime have gatecrashed these markets, with a 100% year-on-year increase in their user base. We know that in developed markets, 60-70% of online students live in cities and choose online courses for flexibility and compatibility with their lifestyles. Most Asian cities do offer sufficient connectivity to enable online learning and attract such students, but, still, even countries such as Singapore and Malaysia, which have high broadband penetration, have little or no online provision.

Perhaps the biggest hurdle faced by most providers in Asia is the perceived lack of credibility of online courses. To make matters worse, most regulators carry a dim view of online provision and haven't yet developed a relevant set of metrics to recognise courses and encourage quality. While some countries have mandated their public universities to offer a certain proportion of courses as MOOCs, they view this purely as a public service rather than a genuine move to encourage higher-quality attainment.

This perception issue has a direct impact on the pricing of online courses. It's not uncommon to find online courses discounted by as much as 50-90% compared to on-campus courses. This, in turn, limits scalability, sustainability and the quality of the offering, reducing online courses to a digital content distribution model with little learning or employability value associated with them.

Most online provision in Asia runs on an open admissions basis, as providers go for volume to compensate for pricing, which only worsens the perception issue.

Employers often dismiss online courses as a 'hobby' or casual learning rather than viewing them as a credible indicator of skill and capability. For example, in Malaysia, there are 9,000 students enrolled in privately run MBA courses, of which 1,500 study in open format online courses. As expected, the online courses are half the price of regular private MBA courses. Both the scale and fee points are indicative of the challenge. And a similar state of affairs prevails in other markets such as Singapore, Hong Kong and India.

The silver lining, and an important observation, is that online open enrolments have grown by 20% annually over the past three years in Malaysia, indicating that students are increasingly seeking more flexible options.

Ozzie rules

Australia is a key Asia-Pacific market with significant educational influence over the rest of the region. Its public universities were among the first to adopt online as a mode of learning and today each of its 39 public universities offers online courses in some shape or form, with nine universities having more than 65% of their domestic enrolments in online format. It's no surprise that more than 25% of students study either online or through a mixed mode in Australia – the fastest-growing segment.

Australia has overcome the challenges that much of the rest of Asia still faces by achieving parity in both the course recognition and the fees (and funding) across its online and on-campus courses. Universities don't differentiate between students, either at the point of entry or how they are assessed, thereby preserving the sanctity of the degree bestowed upon the student. While student retention rates are still a concern, Australian universities actively implement various interventions to improve retention.

Online courses have to demonstrate their parity with traditional offerings when it comes to educational outcomes. Employers must be assured that the learning experience is credible and leads to real improvements in the student's

understanding, and that the applicability of the subject and the field of study is real. A common tactic used by a host of providers in India, Malaysia, Singapore, Vietnam and Hong Kong is to partner with a known Western or local brand to offer online courses. Existing partnerships range from heavy hitters like the Ivy League institutions, to established mid-tier or distance learning brands. This is a good starting point, but achieving scale may need more than just a good partner.

No compromise

The online nature of the offering should not imply a compromise of either academic rigour or the quality of students. Both these objectives can be achieved if online provision moves away from digital content distribution towards knowledge dissemination. Simply put, recreate a campus-like learning environment where students engage with academics, experts and peers alike and get assessed on equally high standards. This does imply higher delivery costs since it no longer means that a single teacher can reach thousands of students, a common perception associated with online courses. The good news for online providers is that a better learning experience translates into higher fee levels leading to a disproportionately higher pay off.

Models like GetSmarter from South Africa show that you can charge $1,000-plus for short courses in a price-sensitive market if you offer a high degree of academic support and engagement. Our own experience at LINC Education substantiates the value of flexible one-to-one academic support in an online environment that is seen as a much superior offering than even a regular classroom setting.

Another approach could be to offer hybrid solutions, especially in markets where students may be wary of their ability to self-learn. Combining selective personal sessions with online content offers multiple benefits to students, as demonstrated by certain Australian providers. Legacy distance education providers have remodelled their erstwhile distance learning centres into high-tech classrooms, inviting students to engage with faculty, experts and students periodically as part of the course.

Online higher education in the Asia-Pacific region faces challenges related to both credibility and pricing. The scale and success for online education models in the region will depend on the ability to convince students and employers of the parity of these courses with traditional and recognised provisions, while preserving the flexibility that online students value. This may mean a shift in content-led business models towards service-driven models as demonstrated by certain successful providers in the region and in other parts of the world. ■

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