

Branch Campuses Weigh Start-up Options

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IHE dedicates an article in each issue to a contribution from the Cross-Border Education Research Team (C-BERT), headquartered at the State University of New York, at Albany. More information about C-BERT can be found at www.globalhighered.org. Follow us on Twitter at @CrossBorderHE.

Higher education institutions face a variety of strategic decisions, in establishing branch campuses overseas. A decade ago, there was little guide for their decision making. Now, experience gained from watching early efforts have provided some help as the next generation of universities considers the available options. This article outlines three sets of decisions that can influence success.

FIRST-MOVER VS. ESTABLISHED MARKET

The early bird gets the worm, as they say—but the second mouse gets the cheese. The first foreign university to enter a country or region can benefit simply initially. This is known as the first-mover advantage, a concept familiar to the business world—whereby a company establishes a dominant position through

early entry into a particular market. Though these “first-in” international branch campuses must still compete with local postsecondary institutions and the attractions of traditional study abroad, they often have some advantage over other, later arrivals.

By building a positive reputation in the local community prior to the arrival of other institutions, first-in institutions are able to gain a lasting momentum to significantly help with student recruitment in subsequent years. The University of Wollongong—not an especially well-recognized institution outside of Australia—was the first branch campus to open in Dubai, United Arab Emirates. Wollongong quickly built up and continues to maintain a significant enrollment, despite the 20-plus branch campuses that have since come onto the scene.

Some institutions, however, have opted to join a market, where other branch campuses have already been established. In this case, more certainty exists, regarding the demand for and acceptability of foreign educational provision. Nevertheless, sound research and planning should inform and guide the decision. For instance, institutions must gauge demand for their proposed degree program(s), evaluate institutional reputation among the target student population, and consider whether the terms of the host country or organization align with their own long-term vision. Furthermore, when entering an established market such as Dubai or Singapore, administrators must determine whether the location has reached a saturation point, which may differ based on institutional type, degree focus, or method of delivery.

COMPREHENSIVE VS. NARROW FOCUS

A small number of foreign education providers have developed comprehensive branch campuses that provide a diverse assortment of academic programs and course offerings, robust administrative structures, and substantial physical infrastructure. In addition, these comprehensive campuses tend to offer a broader range of campus services and extracurricular programming. Providers generally hope this will contribute to a campus ethos and student experience similar to the home campus. With a wider range of courses, comprehensive branch campuses also make an attractive study-abroad destination for home campus students.

Comprehensive institutions, such as New York University in Abu Dhabi and the University of Nottingham's campus in China, rely heavily on global brand recognition to attract students; less prestigious institutions may struggle to recruit sufficient enrollment numbers under this model. Creating a comprehensive campus is an expensive and complex undertaking, usually requiring many years of advanced planning and an extended start-up phase. If something goes wrong, institutions could face reputational damage and financial loss—affecting not just the branch, but the home campus as well.

Other international branch campuses may pursue a more narrow focus, offering a limited number of programs, sometimes just a master of business administration or a degree in hospitality. They tend to offer degrees underserved by (or unavailable at) local institutions, programs that are perceived to be more prestigious or of higher quality than those available locally, and/or those that are in high demand by the local population. From a strategic perspective, measuring demand for a small number of degrees is less complicated than the

comprehensive approach. Furthermore, with lower start-up costs and fewer staffing requirements, the process is faster and reduces risk. If additional programs are warranted, they are added after establishing the viability of initial offerings.

COLLABORATIVE VS. AUTONOMOUS

Dubai, Malaysia, Qatar, Singapore, South Korea, and others are developing education hubs, with a concentration of international branch campuses. Some hubs provide an opportunity for collaboration between institutions. Joining a hub may help branch campuses save money, reduce start-up time, and minimize hassle by sharing facilities and student services—such as, residence halls, food courts, libraries, and medical offices, to name a few (though the level of cooperation varies among hubs). Nevertheless, collaboration may allow for less control and require compromising on certain standards and expectations. Institutions hoping to maintain strict-quality control, or attempting to reproduce particular elements from their home campus, may prefer a more autonomous approach. The degree to which an institution is collaborative or autonomous is further influenced by physical proximity to other institutions and by the formal and informal expectations of the host country or local partner.

The six American universities in Qatar’s hub, Education City, permit students to cross-register for classes between institutions—allowing for a much wider range of options than any single institution could provide. Facilitating cross-registration could especially benefit those institutions offering bachelor-level programs with significant general education and elective requirements, which are difficult to maintain with small student populations. Establishing a

branch campus in an education hub can also result in heightened publicity opportunities through joint branding and recruitment efforts.

Drawbacks to close collaboration include the obvious threat of competition over student applicants and other resources. Furthermore, establishing collaborative agreements such as cross-registration or shared student services are complex and often require years of negotiation, followed by constant tweaking. For example, during the start-up phase of Education City in Qatar, the local sponsor constructed a liberal arts and sciences building, based on an assumption that branch campus students could jointly enroll in shared general education courses. As universities joined the project, it became clear that each institution had unique general education requirements, making the idea impractical, if not impossible to achieve.

CONCLUSION

As branch campuses evolve, learned experience and historical perspective increase new entrants' chance of success. Consideration of the issues outlined above will aid universities in not having to reinvent the wheel. However, each situation is unique; thus, institutions must recall that these strategic decisions, like all others, should stem from their unique goals and host country environment. Decisions void of nuanced, contextual considerations risk failure. There will also be instances when institutions have little or no say over one or more of these categories. For example, some decisions may be dictated entirely by local regulations or partnership terms. In reality, establishing a branch campus is not an exact science; but thoughtful and informed strategic decisions can have a significant impact on both short- and long-term success.