

Marketing Plan: Malaysia

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Executive Summary

The Southeast Asian nation of Malaysia presents an outstanding, growing market of international students to recruit for degree programs at Kent State University. Malaysia, a young country of former British colonies, is experiencing a period of high economic growth. As Malaysia transitions to a more mature cycle of economic prosperity, more students will be able to afford a Kent State education, and more Malaysian Kent State alumni will be able to return home to Malaysia to become productive leaders of business and industry back home.

There are three markets in Malaysia that will provide the best opportunity to recruit Malaysian students – Kuala Lumpur, Penang, and Johor Bahru. These metropolitan areas are home to over 1 million people each, and hold the greatest centralized collections of wealth and outstanding Form 6 schools in the country. These major urban centers contain the most students who could afford an education abroad, and the most students who are well-prepared to succeed.

The recruitment plan for Malaysian students calls for an initial collection of data, including names of properly prepared students, from a recruitment lead vendor such as Peterson's. Following an initial round of print and electronic communication, a counselor will visit Malaysia to recruit and build relationships with the students directly. Travel to Malaysia is relatively inexpensive, and the trip should be productive.

Over the course of four years, if this recruitment plan is carried out annually, for an initial cost of \$24,800 in total expenses, or \$6,200 each year, Kent State can reasonably and conservatively expect to earn a return of approximately \$823,390 in total tuition revenue from students recruited through this effort by the fourth year, doubling the number of Malaysian students at Kent State and building a pipeline for increased Malaysian recruitment to come.

Country Overview

Malaysia's economy is considered a middle-income economy. The country was formerly primarily an exporter of raw materials, including petroleum, but the country has been moving toward a more multi-sector economy. British intervention in the Malay States, which would become Malaysia, occurred late in the Eighteenth Century. The earliest British colonies on the Malaysian peninsula were Malacca, Penang, and Singapore. By 1900, the British dominated the west coast of peninsular Malaysia. The British within Malaysia were chiefly interested in Malaysian tin and rubber production. Under British rule, the colonies on the west coast of Malaysia were made into multiethnic population centers, as immigrant labor from India and China was supported and encouraged by the British. Economic activity in the first half of the Twentieth Century was based on a complex of ethnicity, income, and occupation. Between 1931 and 1935, 85 percent of miners were Chinese, 97 percent of paddy farmers were Malay, and 68 percent of rubber estate workers were Indian. The Malay States with greater levels of immigrant labor experienced greater economic growth. During this period of British rule, the west coast of Malaysia was the beneficiary of a vast network of infrastructure, including roads and rail, to connect the cities of the west coast and to create export networks with Malaysia's northern neighbor, Thailand. Road networks to Malay States on the east coast of the peninsula were not developed until after World War II (Hassan, 2004).

Malaya, which is now the west half of Malaysia, received its independence from the United Kingdom in 1957. Sabah and Sarawak were added to the country in 1963. Since then, the government of Malaysia has embarked on ten different short-term strategic economic plans. The economy has transformed greatly through the efforts of the Malaysian government, people, and industry. Besides a brief economic crisis in the 1990s, the nations of Southeast Asia have

been among the fastest-growing economies in the world (Hassan, 2004). In recent years, the government has expanded programs to move from export of natural resources to industrial growth, including growth in technological occupations. As the economy evolves into a more diverse, multi-sector economy, economic conditions in Malaysia should only continue to improve (Central Intelligence Agency, 2010; Hassan, 2004). With the level of growth in Malaysia and Southeast Asia, the present is an excellent time to expand recruitment efforts in Malaysia.

Malaysia's gross domestic product in 2009 was equivalent to \$193 billion (Department of Statistics Malaysia, 2010). While the economies of the world struggled during the global recession, Malaysia's rate of gross domestic product growth was negative for only three quarters in 2009. Since the fourth quarter of 2009, Malaysia's gross domestic product has grown consistently more than 4% each quarter. In the first quarter of 2010, Malaysia's gross domestic product growth rate reached double-digits, at 10.1% (Department of Statistics Malaysia, 2010).

As a result of Malaysian prosperity, public higher education in Malaysia is more readily available than ever before. In 2000, there were 22 public institutions of higher education in Malaysia, 11 polytechnics and 11 universities. By 2005, Malaysia added six new university colleges, nine additional polytechnics, and launched a system of 34 community colleges throughout the nation (Kaur, Sirat, & Azman, 2008). During that year, the number of private colleges actually shrank, but enrollment in Malaysian public and private higher education institutions increased to 731,698. Despite the increase in capacity in Malaysian institutions of higher education, the government still does offer some limited grants and scholarships for Malaysian students to study in other countries, and there is a larger group of students completing higher education outside Malaysia (Kaur, Sirat, & Azman, 2008).

Opportunity and Issue Analysis

Malaysian students are excellent candidates for higher education in the United States. In Malaysia, English is one of four official languages, English, Malay, Tamil, and a dialect of Chinese called Hokkien. Those four languages are also the languages of instruction in Malaysian schools. Malaysian students should be able to successfully pass the language equivalency required by Kent State if English is spoken within their house or was the primary language of their schooling. If a prospective Kent State student did not attend an English-language school, the student should still have a baseline level of English ability, from which that student can enter into Kent's English as a Second Language program. Malaysia also boasts a 12-year expected educational lifetime, meaning that the average Malaysian prospective student should have at least a full secondary education and should be eligible to enter Kent State (Central Intelligence Agency, 2010). Malaysia also has a large minority subpopulation of ethnic Chinese. While there are likely cultural differences between Malaysians with Chinese backgrounds and Kent State's large population of Chinese students, there may be less of a culture gap between Chinese and Malaysians. The dialect of Chinese most often spoken in Malaysia is linguistically similar to the dialect of Chinese spoken in Taiwan, another country that sends a large number of students to Kent State (Cannings, 2010). The ethnic Chinese are also the wealthiest ethnic subpopulation within Malaysia. In 1999, the mean monthly gross household income for Chinese households was 3,456 Malaysian ringgits, greater than the national average of 2,472 Malaysian ringgits per month (Hassan, 2004).

The low rate of unemployment in Malaysia also works in the interest of recruiting Malaysian students. Families are likely to have one or more well-employed wage earners in the house to support the student studying abroad. Additionally, employment appropriate to the

education level of a holder of a U.S. bachelor's degree should be available to the student upon his or her return to Malaysia. The availability of such work in Malaysia will help international students convince the consular officers at the visa interview that they intend to return to Malaysia upon the completion of their degree program.

Currently, the exchange rate between Malaysian ringgits and United States dollars also works in the favor of recruitment of students from Malaysia. The exchange rate currently stands at approximately 3.15 ringgits per dollar, nearly the lowest ringgit per dollar exchange rate in five years (Yahoo Finance, 2010). A Kent State education nearly as inexpensive as it has ever been for Malaysian students. The United States government requires international students to demonstrate the ability to pay for a full year's tuition prior to receiving immigration documents. A Malaysian student would need to demonstrate financial support of at least 88,995 ringgit.

The 88,995 ringgit required to attend Kent State is far less than the Malaysian gross national income per capita, which stood at about 25,113 in 2010 (Department of Statistics Malaysia). Despite the sum being much greater than the income of the statistically average family, there are certain key areas within Malaysia that have more concentrated pockets of above-average wealth. The key metropolitan areas to be considered by this effort, Kuala Lumpur, Johor Bahru, and Penang, will be described in detail below.

Malaysian students are internationally mobile in pursuing higher education. The United Nations Educational, Scientific and Cultural Organization (UNESCO) accounted for over 49,300 Malaysian students pursuing their tertiary education outside Malaysia in 2008 (UNESCO Institute for Statistics, 2010). The top exporters of international higher education to Malaysian students were Australia, home to 18,576 Malaysian students, the United Kingdom, 11,727, the United States, 5,434, Russia, 2,516, and Japan, at 2,012 (UNESCO Institute for Statistics, 2010).

Neither UNESCO nor the Singapore Ministry of Education provided statistics on the number of Malaysian students studying in Singapore. Malaysia is one of the five largest importers of Singaporean higher education, so the number of Malaysian students studying in Singapore is probably substantial.

The 5,434 Malaysian students studying in the United States represent just over half of the 10,639 Malaysian students who studied in the United States in 1999 (UNESCO Institute for Statistics, 2010). During that same time, some countries have gained 500 or so more Malaysian students, but no country has gained an amount approaching the 5,000 missing students. It is likely that those students ended up in Malaysia's new, larger domestic higher education system, or in higher education institutions in Singapore. As the Malaysian economy continues to recover from the economic downturn, it is likely that more and more Malaysians will be able and willing to pay for higher education abroad.

In marketing Kent State in Malaysia, print and electronic materials will need to position a Kent State education against not only Malaysian higher education institutions, but also against British and Australian institutions. To market Kent State against Malaysian institutions, the marketing materials should reference Kent State's comparative age and research strength. The oldest and most prestigious university in Malaysia, the University of Malaya, was only established in 1949. The second tier of Malaysian research universities were only established in the 1970s and are still trying to gain their research traction. To position Kent State against British and Australian universities, Kent State marketing materials should target students who may otherwise attend institutions such as Oxford Brookes University and Macquarie University. Compared to those institutions, Kent State offers much greater freedom in selection of courses and greater proximity to world-class cities such as New York and Chicago.

Marketing Strategy

Kent State should focus its marketing of higher education for Malaysian students in three key markets. The Kuala Lumpur, Johor Bahru, and the George Town/Penang metropolitan areas are the three largest major metropolitan areas in Malaysia. Kuala Lumpur, the nation's capital, and its wealthy suburbs are home to over 7 million people. Johor Bahru, across the Johor Strait from the island nation of Singapore, is home to 2 million people on the Malaysian side of the strait. Johor Bahru is also part of the tri-national Singapore-Johor Bahru-Riau Islands metropolis, a conglomeration of urban areas in Malaysia, Singapore, and Indonesia consisting of over 8 million people in total. Establishing a presence in Johor Bahru could easily be combined with marketing efforts in either of those countries. Finally, George Town, the largest city in the Malaysian state of Penang and its suburbs are home to 1.2 million people (World Gazetteer, 2010).

These three metropolitan areas, the only metropolitan areas with more than 1 million residents (World Gazetteer, 2010), are important regional centers of economic growth, leading the surrounding areas in industry production (Hassan, 2004). Kuala Lumpur and Penang are home to the two of the four Education USA locations in Malaysia, and the only two locations that offer students advising. The other two locations, in Malacca and Sarawak, offer only a library of material (Institute of International Education, 2010). Additionally, six of the seven sites in Malaysia which appear to actively, regularly offer the TOEFL are located in these three areas: one in Johor Bahru, two in George Town and Penang, one in Kuala Lumpur and two in its suburbs. The seventh testing location is in the state of Kedah, just north of the state of Penang (Educational Testing Service, 2010). There should be no problem with students from these areas

finding convenient locations in which to take the TOEFL or GRE. Students will also be able to easily access the U.S. Embassy in Kuala Lumpur.

The three cities in question were some of the major economic beneficiaries of the British colonial legacy in Malaysia. Penang was the second British colony to be established in Malaysia and continues to be an economic and cultural hub in northwest Malaysia. While firmly in Malaysia, Johor Bahru is an important suburb and economic twin of the neighboring city-state of Singapore, another early British colony. The British also shaped the state of Selangor in the early twentieth century, making way for Kuala Lumpur to emerge as a successful economic hub and the nation's capital. Due to the history of colonialism and the post-colonial economy in Malaysia, there is a strong concentration of high-income families and households and above-average schools in and surrounding Malaysian cities, particularly Kuala Lumpur, George Town and Penang, and Johor Bahru (Hassan, 2004).

This marketing plan largely ignores the east section of the nation of Malaysia, the states of Sabah and Sarawak, on the island of Borneo. Sabah and Sarawak are home to only twenty percent of the population of Malaysia and are far less developed than the west coast of peninsular Malaysia (Hassan, 2004). In addition, the east coast of peninsular Malaysia, statistically less wealthy and with a more dispersed population, will not be directly recruited by this plan. If students from Sabah, Sarawak, or the east coast of peninsular Malaysia attend a college fair at which Kent State is present or otherwise express interest in Kent State, those students could be included in the electronic communication stream tailored for Malaysian students.

Action Plan

The best method for recruiting students from Malaysia includes a high amount of personal attention for applicants and their families, which requires travel to ensure a small

amount of time in-person with the prospective students. The first step in the plan to recruit new students from Malaysia should be to set up a focus group with Malaysian students currently studying at Kent State to gain additional insight into how to market Kent State to Malaysians. Provided two or more of Kent State's seven Malaysian students are willing to participate, and a trained focus group moderator can be made available, a focus group can glean valuable insight into why Malaysian students chose Kent State, what they like best about the institution, and what other Malaysian students might be looking for when considering a United States education.

Kent State should arrange for the purchase of prospective student leads from ETS, Peterson's, or both. Especially when undertaking a new effort in a new market, it is important to first gauge particular pockets of demand from qualified students. The benefit of purchasing names from a company that provides leads is that the purchaser can be as selective and specific about the names purchased as the purchaser wishes. Kent State should purchase names of students who designate the United States as a desired location who plan to major in a program that is strong at Kent State. To maximize efficiency, Kent State should only purchase names from the three target areas and their immediate vicinities. Upon receipt of the names, admissions counselors should begin reaching out to the contacts via direct and electronic mail to assist with the next step of the plan.

In the fall, one admission counselor should visit Malaysia as a representative from Kent State. This recruiter will spend approximately five days and four nights in Malaysia, visiting schools rich with prospective students as identified by the names purchased under the specified parameters, representing the university at college fairs, and speaking with the Education USA representatives in Kuala Lumpur and Penang. During the visit, the counselor should attempt to speak not only with students who will shortly be applying for higher education institutions, but

also for students one or two years removed from completing their A-levels. By beginning to build relationships early, this admission counselor will better secure students' interest in Kent State while the students are preparing for higher education. If time permits, the counselor can also visit Malaysia's higher education institutions to attempt to recruit students for graduate degrees at Kent State.

Following the recruitment visits, this recruitment plan is contingent on continuous contact with the prospective students with which the counselor had positive contact. Ideally, the students who were initially spoken to through the visit process should be logged for future calculation and disaggregation. During the admission cycle following the visit to Malaysia, the records of the students met with during the visit and communicated with as part of the follow-up communication should be pulled to assess the number of applicants, admitted students, and enrolled students converted as part of the initiative. If the Malaysian recruitment visits produced the expected results, a trip with a similar itinerary should be performed annually.

Activity Timeline

The recruitment cycle should begin in the summer and continue throughout the year. During the early summer, the office should purchase names of qualified and possibly interested students from Peterson's and/or ETS. Following the purchase of prospective student leads, Kent State should begin directly mailing and e-mailing students that meet Kent State's admission requirements, have interest in a program available at Kent State, and are interested in studying in the United States.

In the fall, during whichever week provides the most opportunities for college recruitment fairs in the three identified target markets, the Kent State representative should visit

Malaysia. The following itinerary is merely an example and is subject to scheduling change. It may be a grueling journey, but it should yield results in student recruitment.

Day 1-

- Depart Kent for Columbus. Arrive at the airport with sufficient time for security
- Fly from Columbus to Kuala Lumpur.
- The cheapest travel arrangements require layovers on the west coast of the United States or in Hong Kong. Ideally, make accommodations that do not require an overnight layover.
- Arrive in Kuala Lumpur

Day 2-

- Morning: Visit identified target schools in Kuala Lumpur and vicinity.
- Late morning/early afternoon: Visit Education USA office in Kuala Lumpur.
- Afternoon: Attend college fair in Kuala Lumpur.
- Evening: Travel from Kuala Lumpur to Penang. Check into hotel in Penang.

Day 3-

- Morning: Visit identified target schools in George Town and Penang.
- Late morning/early afternoon: Visit Education USA office in George Town.
- Afternoon: Attend college fair near George Town or Penang.
- Evening: Travel from Penang to Johor Bahru. Check into hotel in Johor Bahru.

Day 4-

- Morning through early afternoon: Visit identified target schools in Johor Bahru.
- Afternoon: Attend college fair in Johor Bahru or Singapore.
- Evening: Travel from Johor Bahru to Kuala Lumpur. Check into Kuala Lumpur hotel.

Day 5-

- Morning through early afternoon: Visit identified target schools in Petaling Jaya or Subang Jaya (suburbs of Kuala Lumpur)
- Afternoon: Depart Kuala Lumpur for Columbus (may require overnight layover for additional expense)

Following the visit, the counselor should remain in close contact with the students, parents, school administrators, and faculty who were encountered while in Malaysia and encourage the students to apply before February 1st in the winter. If completed applications are received by February, there should be ample time to process the applications and return I-20s to the students in Malaysia in plenty of time for the students to apply for their visas at the U.S. Embassy in Kuala Lumpur. During this time, the admission counselor or an international student advisor can talk the student or parents through the visa application process.

This itinerary, or some variation of it, could serve as a model for recruitment within Malaysia annually. The Return on Investment calculation has budgeted for this program to be repeated for four years, but the program should only be repeated if it is successful in recruiting Malaysian students.

Budget

This marketing plan will require a starting budget of approximately \$6200 in 2010 dollars each year to complete the same trip. The prices listed for items in the budget were identified through travel search sites and advertisements from international student recruitment agencies and rounded to the nearest \$10 increment. Although the Malaysian ringgit is nearly the strongest it has been against the dollar in almost five years, travel-related costs in Malaysia continue to be

low relative to other locations in the world. Since the costs are so reasonable, if students are matriculated through Malaysian recruitment efforts, the trip should be repeated each year.

Visits	
Round-trip flight from Columbus, Ohio to Kuala Lumpur	\$2000
Hotel in Kuala Lumpur (2 nights)	\$300
Flight from Kuala Lumpur to Penang	\$40
Hotel in Penang	\$167
Flight, Penang to Johor Bahru	\$60
Hotel, Johor Bahru	\$100
Flight, Johor Bahru to Kuala Lumpur	\$100
Food (\$40/diem)	\$200
Ground Transportation (5-day total)	\$500
Fair Registration & Print Materials Cost	\$1500
Prospect Lead Data Purchase (2 sets of approximately 200 names)	\$1200
Annual Total	\$6200

Return on Investment Conclusion

Over the course of four years of this recruitment plan, Kent State counselors should succeed at building relationships with students, faculty, and staff of Malaysia’s Form 6 schools, which should easily allow Kent State to double its enrollment of Malaysian students, from the 7 students who currently attend Kent State, to matriculate 14 new students by the fourth year of this initiative. This estimate is rather conservative, considering the growth rate of Malaysia’s economy and the comparatively good exchange rate. Even under this conservative figure, the total expense from the office, \$6,200 a year, or \$24,800 total will result in a total net gain of approximately \$823,390 by the fourth year, before interest, inflation, or adjustment for increased tuition costs.

	Year 1	Year 2	Year 3	Year 4	Total
Expenses	\$6200	\$6200	\$6200	\$6200	\$24,800
Target Enroll	2	3	4	5	14 new
New Tuition	\$56,540	\$84,840	\$113,080	\$141,350	
Tuition Fwd		\$56,540	\$141,380	\$254,460	
Gain	\$50,340	\$135,180	\$248,260	\$389,610	\$823,390

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