

# English Australia Conference

## September 17, Melbourne



## Diversifying & growing your markets: putting your eggs into different baskets

Panel:

**Jonathan Wyss, International Development Manager**  
International College, La Trobe University

**Peter Kyriacou, Marketing & ICT Director**  
ITHEA

**Gavin Hopper**  
ICEF



# Outline

- **Global trends in student mobility**
- **Australia & New Zealand data / trends**
- **Growth strategies:**
  - **Market penetration**
  - **Market development**
  - **Service development**
  - **New market/s + new service/s**

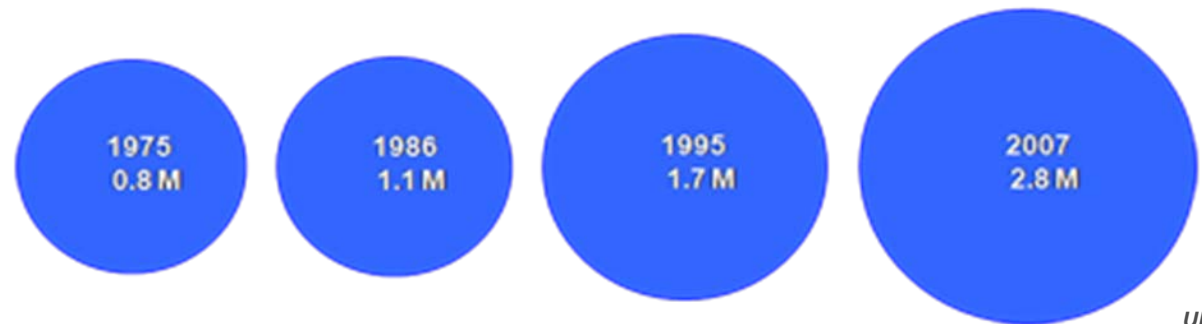
# Outline<sub>2</sub>



## Diversification

- Why diversify?
- Diversification considerations
  - costs
  - benefits
- Developing new markets (students/agents)
- Developing new products

# Global trends in student mobility: Rising global demand

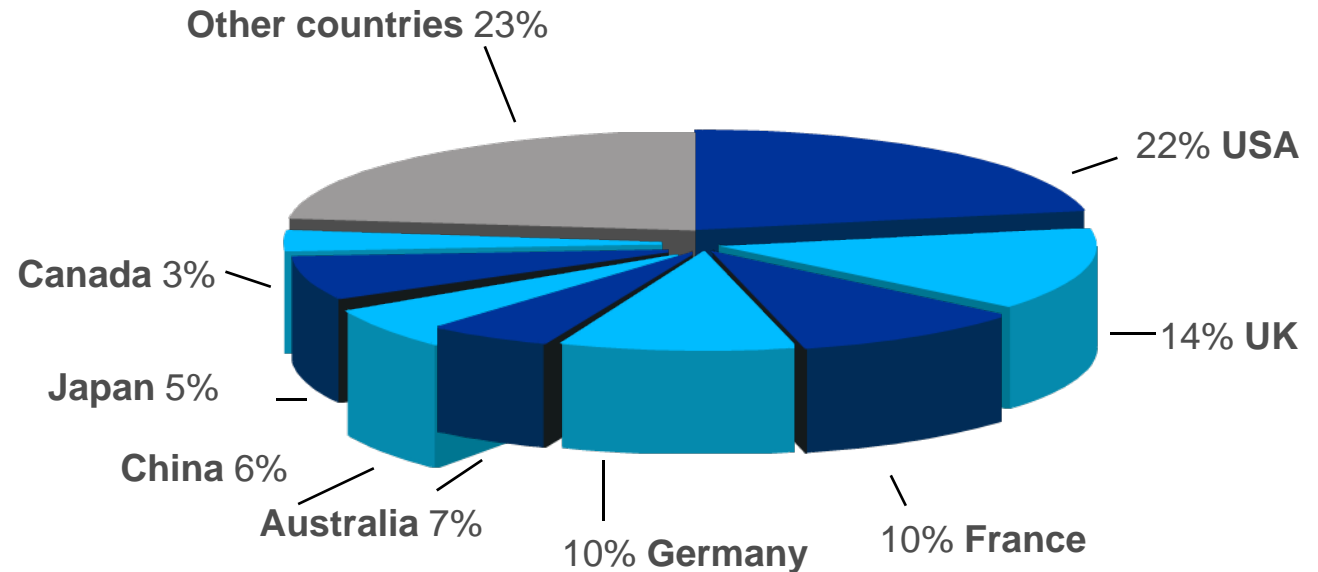


UNESCO  
Institute for Statistics 2009

- Today, approx. 3 million students are studying abroad, a 50% increase since 2000
- By 2025, this figure will increase to almost 8 million
- 43% growth from Asia, **of which 51% China & India**

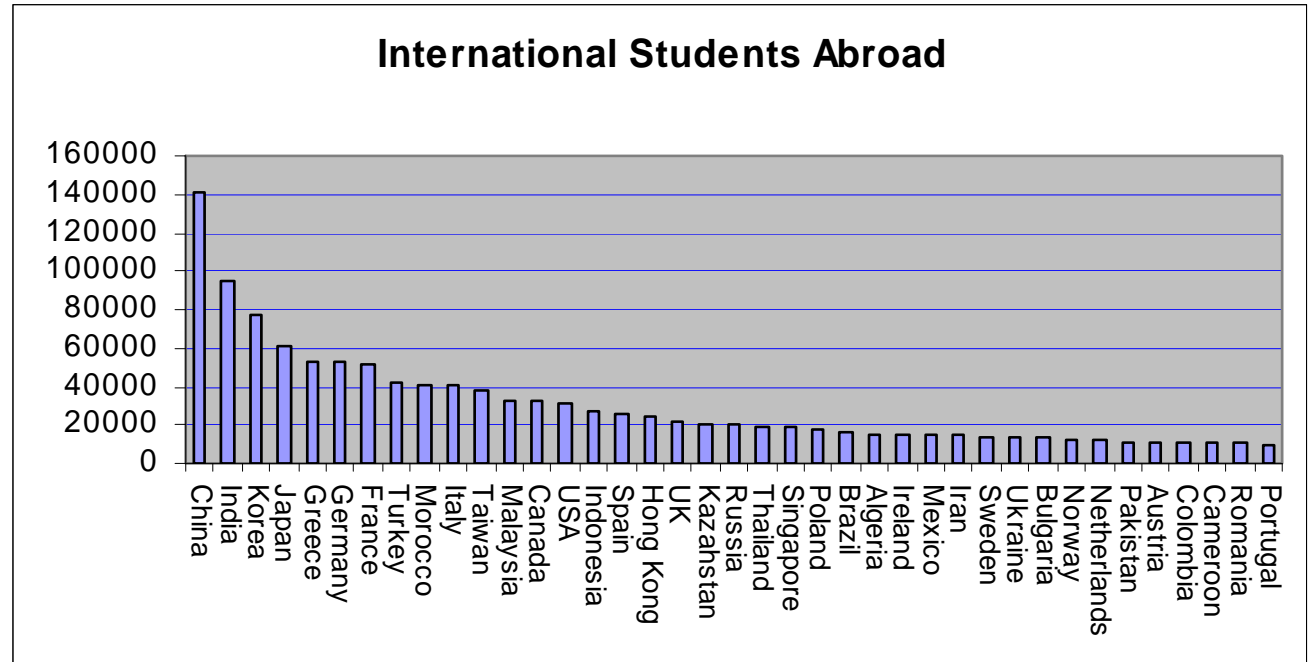
Source: OECD, Education at a Glance 2007

# Increasing worldwide competition



- USA and UK attract 36% of international students among the 8 top destinations
- 5 major destinations account for 63% of all students
- Increasing competition from new study destinations

# Global demand



Source: IIE 2006

# Five main origin countries for main destination countries (2005-06)



	<b>U.S.</b>	<b>Britain</b>	<b>Australia</b>	<b>Germany</b>	<b>France</b>	<b>Japan</b>	<b>Canada</b>	<b>New Zealand</b>
<b>1.</b>	India 76 503	China 50 755	China 65 543	China 27 390	Morocco 25 782	China 74 292	S. Korea 12 505	China 26 546
<b>2.</b>	China 62 582	India 19 205	India 36 078	Turkey 22 419	Algeria 21 552	S.Korea 15 974	China 6 880	U.S. 2 480
<b>3.</b>	S. Korea 58 847	Greece 17 675	Malaysia 18 074	Poland 15 183	China 15 963	Taiwan 4 211	Japan 4 786	S. Korea 2 094
<b>4.</b>	Japan 38 712	Ireland 16 790	Hong Kong 16 558	Bulgaria 12 794	Tunisia 9 593	Malaysia 2 156	U.S. 3 782	Japan 2 040
<b>5.</b>	Canada 28 202	U.S. 14 755	Indonesia 13 025	Russia 11 953	Senegal 9 019	Vietnam 2 119	France 3 560	India 1 886

# Growth / decline by visa type



Visa type	2007	2008	+/-	% change
Student	80,826	99,344	+18,518	+23%
Visitor	36,618	31,230	- 5,388	-15%
WH + other	19,575	31,534	+11,964	+61%

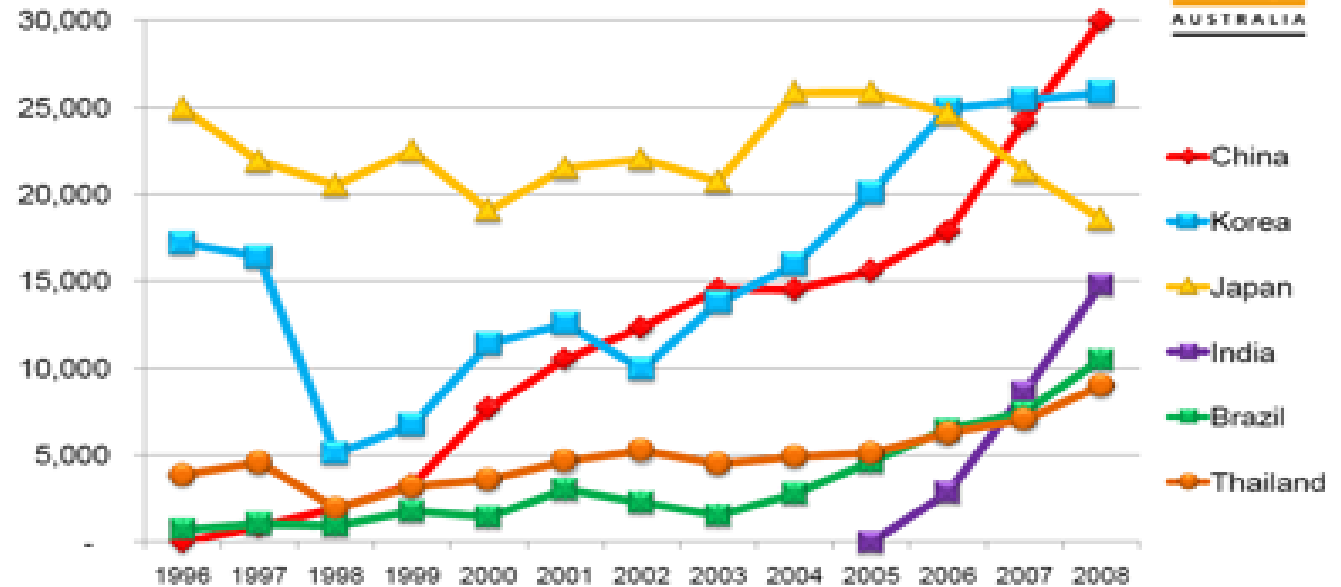
Source: English Australia 2009



# Top 6 ELICOS countries, all visas



## Top 6 ELICOS countries

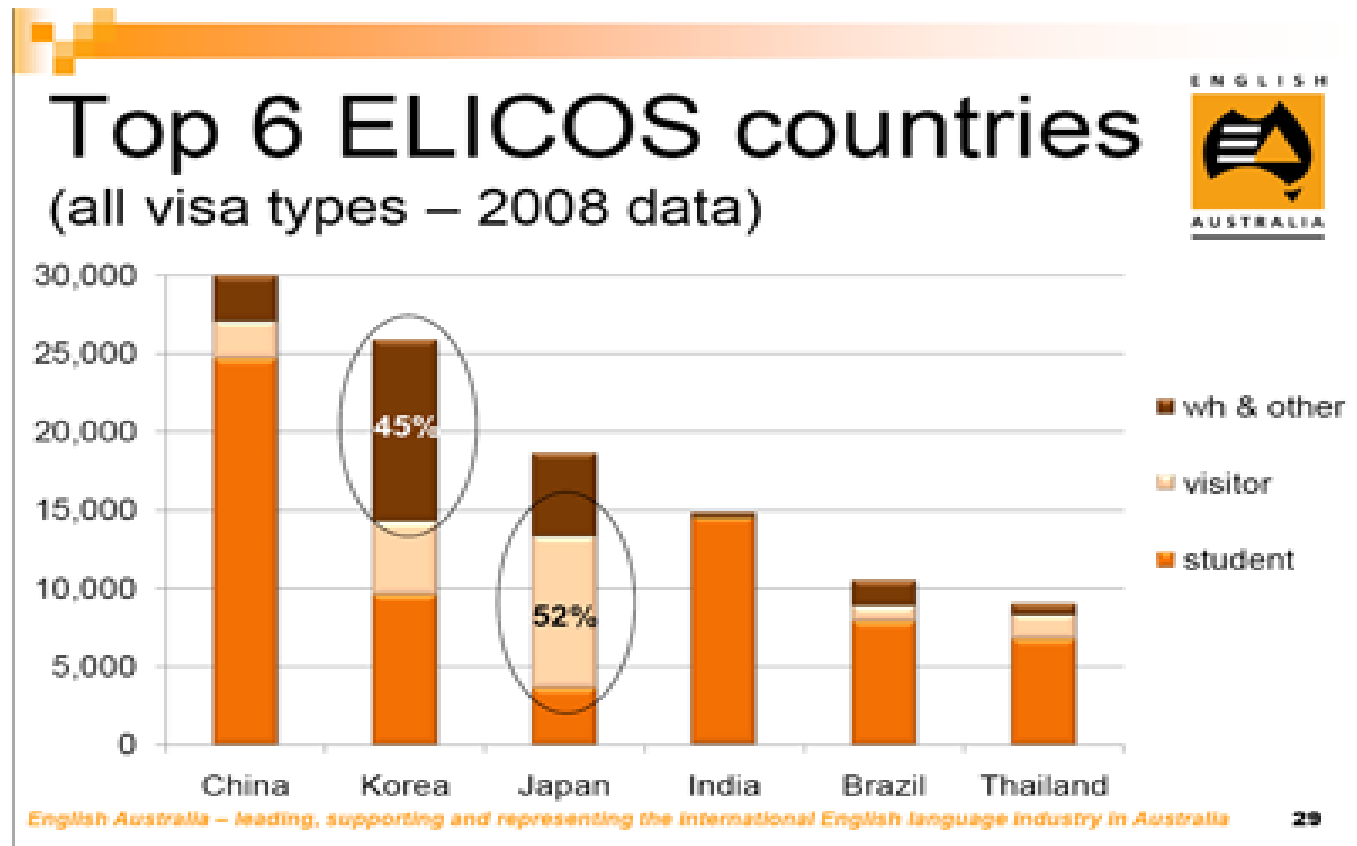


English Australia - leading, supporting and representing the international English language industry in Australia

30

Source: English Australia 2009

# Top 6 ELICOS countries (visa types)



# Other countries of interest, 2008 all visas



**+16% growth from top 6 and +24% from non top 6**

## Latin America

**Colombia +51% (+1,498 students)**

**Chile +37% (+224 students)**

**Peru +76% (+328 students)**

## Middle East

**Saudi Arabia +92% (+2,149 students)**

**Turkey +39% (+305 students)**

# Other countries of interest, 2008 all visas<sub>2</sub>



## Europe

Switzerland **-6%** (-245 students)

France **+11%** (+295 students)

Germany **+23%** (+478 students)

## Asia

Vietnam **+107%** (+2,824 students)

Taiwan **+2%** (+84 students)

Indonesia **+52%** (+869 students)

Hong Kong **+8%** (+178 students)



# Growth strategies<sub>1</sub>

## Market penetration

current customers/existing services = low risk

- maximise existing resources and capabilities
- encourage current customers to buy more
- attract competitor's customers

## Market development

new customers/existing services = low/med risk

- diversify customer mix (on and/or off-shore)
- add additional sales channels

## Growth strategies<sub>2</sub>

### Service/product development

current customers/new services = low/medium risk

- diversify services/products
- keep customers; *“the cost of attracting a customer is 5 times that of keeping the customer”*

### New markets + new services/products

new customers/new products/services = high risk

- outside current competencies of organisation
- high risk may be compensated by chance of high returns

# Diversification <sup>1</sup>



## Why diversify?

- **reduce reliance on single markets** (slide 15)
- **diversify student body**
- **increase scope of course offerings**
- **customer profitability**
- **growth in new/emerging markets**

# Slump in Indian student numbers



**ICEF**

Connect. Recruit. Grow.



Source: The Age 29/08/09



# Diversification <sup>2</sup>



## Considerations:

### Costs

- investment into new markets
  - high market entry costs
  - operate in fewer markets with deeper commitments?
  - different levels of investment
  - mature markets can be barriers for new players
- market intelligence
  - doing business in other cultures
  - appropriate staff – appropriate student resources
  - foreign policy issues
  - threats to student sources
- the right product / service range (institution & collective) (slide 18)

# Diversification<sub>3</sub>

## Considerations:

### Benefits

- encourage student cross-cultural engagement
- deliver wider range of courses based on different market needs

*“...in Victoria private colleges deliver 134 courses in hairdressing & 109 courses in cookery.” (The Age, Dec ‘08)*

- customer profitability (cp)\* of some nationalities over others

(slide 20)

\* CP = revenues earned - costs associated with the customer relationship in a specified period

# Diversification<sub>4</sub>



## Average length of course (weeks)

	Asia	Europe	Americas	M.East
Student Visa	14.2	13.5	15.8	24.9
WH & other	11.4	6.8	15.9	25.5

Source: English Australia 2009

# Diversification<sub>5</sub>



## Developing new markets

- market intelligence (discussed earlier)
- set objectives
  - proportion of foreign to local students
  - market in few vs many countries (*% of market penetration*)
  - which markets to enter, consider: market attractiveness/competitive advantage/risk

# Diversification<sub>6</sub>



## Developing new markets

### - targeting students

**student expos** (slide 23)

**online presence (static) / online applications**

**WOM, controlled strategy**

**direct mail (in-country print/dispatch)**

**alumni**

**(new) online campaigns**

**social networking eg FB, Mixi, Orkut** (slide 24)

# Student fairs & education exhibitions



- Branding and direct contact with prospective students
- Make the right choice: only attend fairs attracting quality students
- Ask your local agents to evaluate fairs and suggest participation
- Agents can contribute to booth financing and can take care of local logistics
- Agents can ensure rapid, effective follow up of local leads

# Orkut x3 times bigger than FaceBook in India



Social networking sites in India by unique visitors. Dec 08 vs Dec 07. Total India aged 15+, home & office only.

	Total Unique Visitors (000)		
	Dec 07	Dec 08	% change
<b>Total Internet Audience</b>	26,240	32,099	22
<b>Social Networking</b>	12,795	19,369	51
Orkut	7,123	12,869	81
FaceBook	1,619	4,044	150
Bharatstudent	1,736	3,269	88

# Diversification<sub>7</sub>



## - targeting agents

**what is an agent?**

**market specific methods**

**agent workshops** (slide 26)

**self-apply**

**issues of quality** (slide 27)

**Australian sources – ACPET register, AEI, QEAC** (28)



# ANZA (agent) Workshop 2009



# India may follow Australia on international student reforms: Gillard



*“The Indian minister for education, my counterpart, certainly expressed the view that in India they are considering measures to deal with education agents”.* Julia Gillard

AAP 03/09/09

# Qualified Education Agent Counsellors (QEAC)



The screenshot shows a web browser window displaying the PIER website. The address bar shows the URL <http://www.pieronline.org/qeac/default.aspx>. The page title is "Qualified Education Agent Counsellors".

**PIER**  
Professional International Education Resources

**Qualified Education Agent Counsellors**

Search:

**Australian Government**  
Australian Education International  
Department of Immigration and Citizenship  
Provided support in the development of the EATC

- Qualified Education Agent Counsellors
- About the QEACD
- Charts

**Education Agent Training Course**

**Mrs Diana Vargas**  
Education Agent,  
Easy Life 4 Students  
[www.easylifestudents.com](http://www.easylifestudents.com)  
Gold Coast  
Qualified: 04 Sep 2009  
QEAC number: E283  
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**Ms Betul Yildirim**  
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Istanbul  
Qualified: 04 Sep 2009  
QEAC number: E282  
[ebru@inteducation.com](mailto:ebru@inteducation.com)

**Mrs Lana KIM**  
Director,

**View the QEAC Charts**

**Counsellors by Country**

- Argentina
- Australia
- Austria
- Bangladesh
- Brazil
- Cambodia
- Chile
- China
- Colombia
- Egypt
- Estonia
- France
- Germany
- Ghana
- Hong Kong
- India
- Indonesia
- Iran
- Japan
- Jordan

# Diversification<sub>8</sub>



## New products

- Training eg niche training
- Online delivery
- Offshore delivery (slide 30)

# Pathway partners



**Charlton Brown, RTO in Brisbane, delivers Certificate programs with local partners in the Philippines, Malaysia & Indonesia. They have just started in Kazakhstan. Students are encouraged to study at a Diploma level in Australia. About 50 Philippines students have used this pathway.**

***“...offshore courses represent the biggest growth sector for the business”.***

**Chief Executive Kay Ganley, Charlton Brown**

# Summary: Marketing & Recruitment tools



# Thank you / questions



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