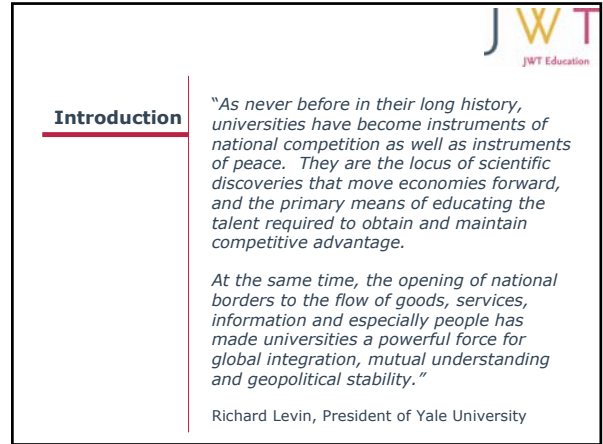




**JWT**  
JWT Education

## International Education: Facing the Future

**The 5<sup>th</sup> Washington International Education  
Conference**



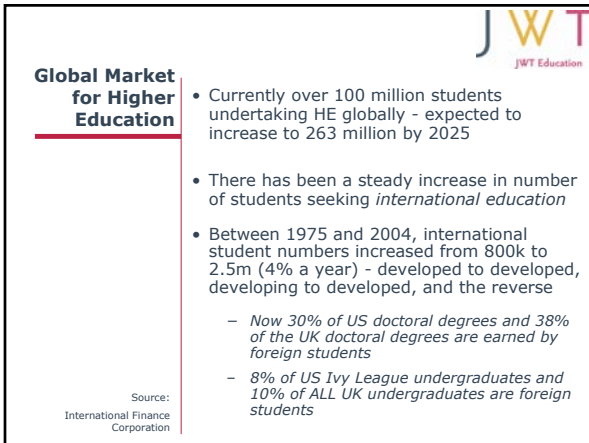
**JWT**  
JWT Education

### Introduction

*"As never before in their long history, universities have become instruments of national competition as well as instruments of peace. They are the locus of scientific discoveries that move economies forward, and the primary means of educating the talent required to obtain and maintain competitive advantage.*

*At the same time, the opening of national borders to the flow of goods, services, information and especially people has made universities a powerful force for global integration, mutual understanding and geopolitical stability."*

Richard Levin, President of Yale University

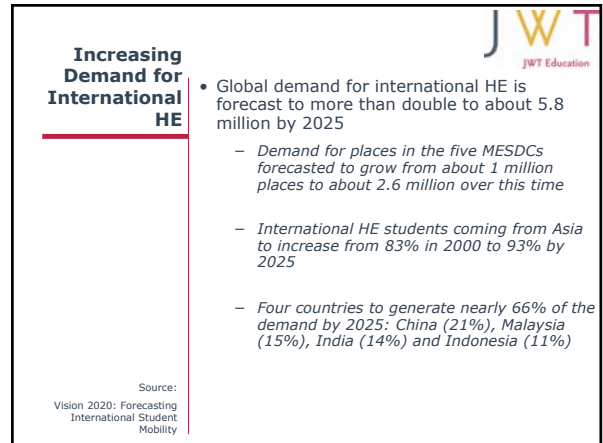


**JWT**  
JWT Education

### Global Market for Higher Education

- Currently over 100 million students undertaking HE globally - expected to increase to 263 million by 2025
- There has been a steady increase in number of students seeking *international education*
- Between 1975 and 2004, international student numbers increased from 800k to 2.5m (4% a year) - developed to developed, developing to developed, and the reverse
  - Now 30% of US doctoral degrees and 38% of the UK doctoral degrees are earned by foreign students
  - 8% of US Ivy League undergraduates and 10% of ALL UK undergraduates are foreign students

Source:  
International Finance Corporation

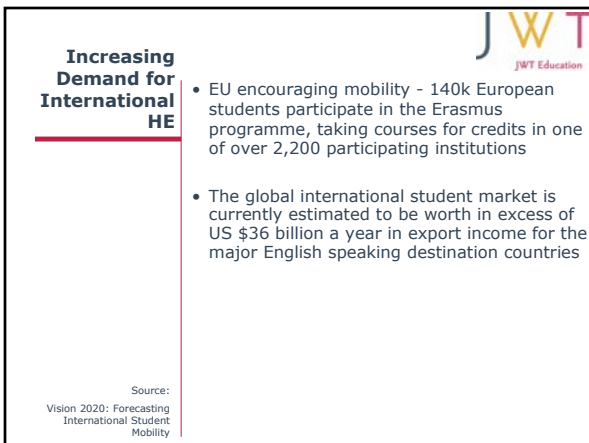


**JWT**  
JWT Education

### Increasing Demand for International HE

- Global demand for international HE is forecast to more than double to about 5.8 million by 2025
  - Demand for places in the five MESDCs forecasted to grow from about 1 million places to about 2.6 million over this time
  - International HE students coming from Asia to increase from 83% in 2000 to 93% by 2025
  - Four countries to generate nearly 66% of the demand by 2025: China (21%), Malaysia (15%), India (14%) and Indonesia (11%)

Source:  
Vision 2020: Forecasting International Student Mobility

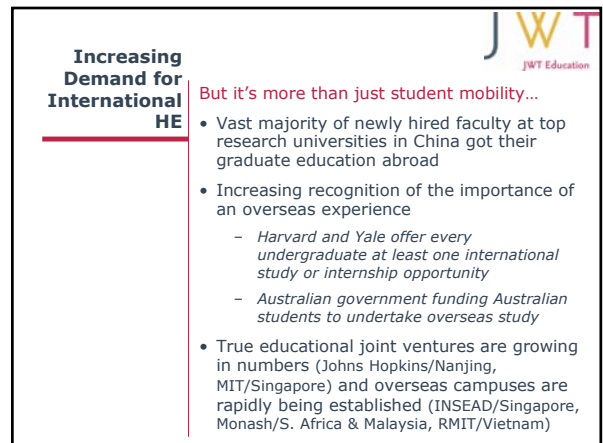


**JWT**  
JWT Education

### Increasing Demand for International HE

- EU encouraging mobility - 140k European students participate in the Erasmus programme, taking courses for credits in one of over 2,200 participating institutions
- The global international student market is currently estimated to be worth in excess of US \$36 billion a year in export income for the major English speaking destination countries

Source:  
Vision 2020: Forecasting International Student Mobility

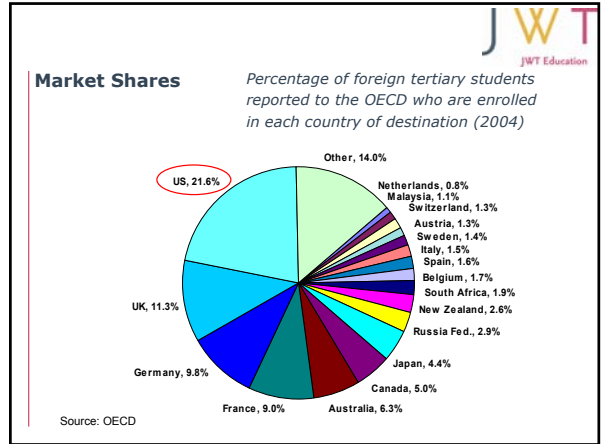
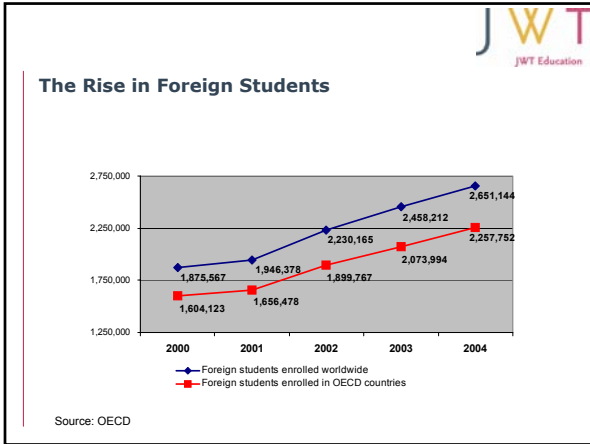


**JWT**  
JWT Education

### Increasing Demand for International HE

**But it's more than just student mobility...**

- Vast majority of newly hired faculty at top research universities in China got their graduate education abroad
- Increasing recognition of the importance of an overseas experience
  - Harvard and Yale offer every undergraduate at least one international study or internship opportunity
  - Australian government funding Australian students to undertake overseas study
- True educational joint ventures are growing in numbers (Johns Hopkins/Nanjing, MIT/Singapore) and overseas campuses are rapidly being established (INSEAD/Singapore, Monash/S. Africa & Malaysia, RMIT/Vietnam)



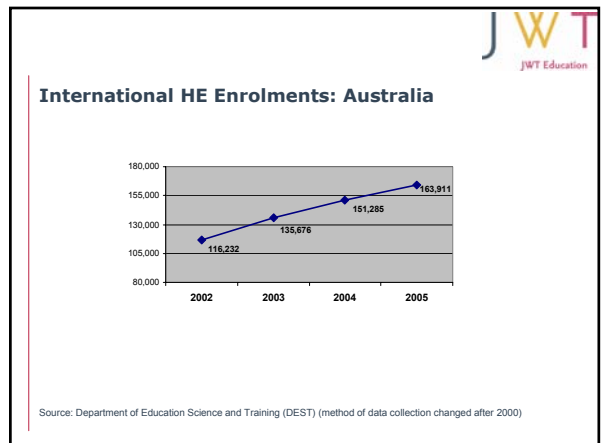
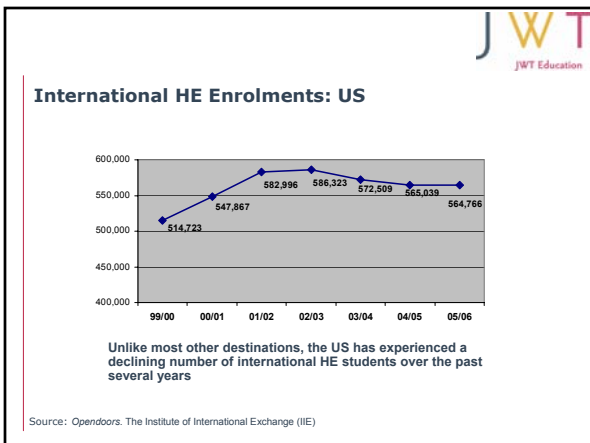
### Change in Market Share of International Students Going to OECD Countries

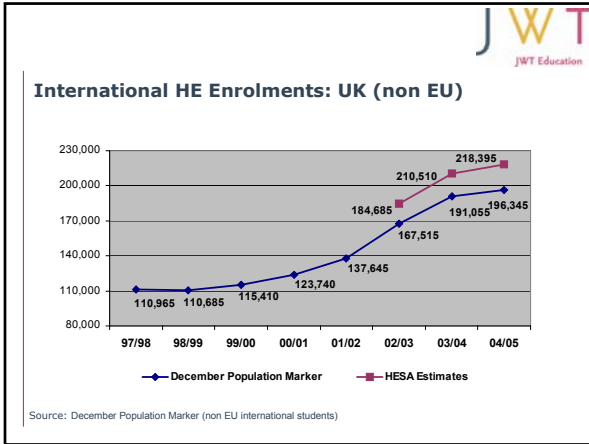
OECD Countries	1998 2004	
	United States	32.5%
United Kingdom	15.8%	17.7%
Germany	12.9%	12.7%
France	11.2%	na
Australia	8.2%	9.7%
Japan	2.7%	5.7%
Canada	2.5%	5.5%
New Zealand	4.0%	3.3%
Spain	2.2%	2.0%
Italy	1.7%	2.0%
Belgium		1.8%
Sweden	0.9%	1.8%
Switzerland	1.8%	1.7%
Austria	2.1%	1.6%
Netherlands		1.0%
Other OECD Countries		5.6%

### Trends in International HE Enrollments (MESDCs and Germany)

	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	% Change Since 98/99	Latest year
UK	110,685	115,410	123,740	137,645	167,515	191,055	196,345		72.6%	14.1%
US	490,933	514,723	547,867	582,996	586,323	572,509	565,039	564,766	15.0%	0.0%
Australia	60,914	72,717	86,271	116,232	135,676	151,285	163,911		169.1%	8.3%
Canada	34,509	39,851	45,989	54,876	62,530	69,767	77,497	82,470	124.6%	11.1%
New Zealand	4,932	6,867	9,819	14,960	20,155	22,980	22,404		365.9%	-2.5%
Germany	103,716	108,785	112,883	125,714	142,786	163,213	180,306		73.8%	10.5%

Sources:  
 US – Opendoors: The Institute of International Exchange (IIE)  
 UK – December Population Marker (non EU international students)  
 Australia – Department of Education Science and Training (DEST) (method of data collection changed after 2000)  
 New Zealand – Education Statistics of New Zealand: New Zealand Ministry of Education, as of 31 July  
 Canada – Citizenship and Immigration Canada (CIC) – December 1 stock of foreign students 1999-2005  
 Germany – DAAD (German Academic Exchange Service)





**The market continues to change...**

**Competition**  
**Modes of Delivery**  
**Student Decision Making**  
**Target Audiences**



- Competition is changing**
- More and new competitors emerging – at country and institutional level
  - Traditional source countries are now providers
    - Malaysia
    - Singapore
      - Currently over 60K international students
      - Government projecting 150K international students by 2012
  - Emergence of major private global brands e.g. Kaplan, Study Group, IBT Education - increasingly changing the landscape
    - Nimbleness
    - Financial strength
    - Marketing focus
- Source: Student Mobility Trends in SE Asia

- Building a brand**
- 
- The UK was the first country to recognize the importance of destination and the need to define and promote the brand
  - 1999: The British Council successfully launched the Education UK brand (PMI)
    - The 1st national approach of its kind - a unified approach
    - Results: 50,000 HE students and 24,000 Vocational Education students by 2004/05
  - 2006: Launched PMI2, five-year strategy, build on the success of the first PMI to secure the UK's leadership position in international education and sustain the managed growth of UK international education delivered in the UK and overseas

- Country branding**
- Many competitors have now launched branding strategies
  - Not just the MESDCs – but also emerging ones – Ireland, Singapore - and from traditional source countries – Singapore, Malaysia
-

**JWT**  
JWT Education

**Country investments**

- Competing countries' governments are increasingly recognizing the value and importance of the international education sector and investing in it:
  - *Australia's international student recruitment measures are underpinned by just under US \$100 million over four years to support the brand, the streamlining of visa processes and to establish a network of overseas representatives*

**JWT**  
JWT Education

**The Modes of Delivery**

**JWT**  
JWT Education

**Growing demand and provision of TNE**

- Transnational Education (TNE) is the education provision from an institution located in one country that is offered outside of that country
- There has been significant growth in the demand for and delivery of TNE over the last few years
- Examples include
  - *Distance learning and e-learning*
  - *Validation and franchising arrangements*
  - *Twinning and other collaborative provision*

**JWT**  
JWT Education

**Growing demand and provision of TNE**

- About 208,900 international students currently undertaking TNE programmes delivered by the UK
- Between 400 – 500,000 students undertaking TNE programmes provided by the MESDCs
- Global demand for TNE is predicted to increase significantly
  - *Demand for TNE programmes from Australian and UK providers is predicted to exceed that of onshore delivery by 2010 – if not earlier*

Source:  
Vision 2020: Forecasting International Student Mobility

**JWT**  
JWT Education

**Growing demand and provision of TNE**

- One key reason is the large unsatisfied demand for higher education places in Asia (China, India, Hong Kong, Malaysia)
- Overseas governments encourage entry from foreign providers as a partial solution to this
- But there are significant challenges... such as growing concerns with regard to quality - many countries have set up regulatory systems for foreign/private providers and some governments do not recognize qualifications that are delivered through "distance learning" or "e-learning"


**JWT**  
JWT Education

**UK TNE Growth Projections**

Year	Study in own country	Study in UK
2003	~200,000	~200,000
2005	~250,000	~250,000
2010	~400,000	~350,000
2015	~700,000	~450,000
2020	~1,100,000	~550,000
2025	~1,400,000	~650,000

Source: Vision 2020: Forecasting International Student Mobility

**JWT**  
JWT Education

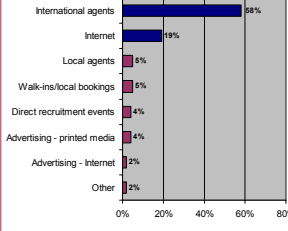


**Student Decision Making**

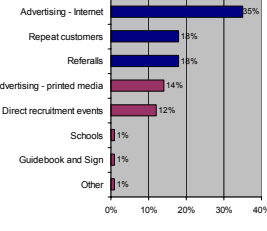
**JWT**  
JWT Education

**Sources of Students** *Average percentage of students ALTO members received from specified sources*

**Schools**



**Agents**



Source: ALTO Survey

**JWT**  
JWT Education

**Sources of Information (Student reported)**

	Overall	UK	Aust
Internet	69%	72%	67%
Education Agent	39%	15%	49%
Word of mouth - friends (peer group)	24%	17%	27%
Word of mouth - family	15%	14%	16%
IDP	14%	0%	20%
British Council	9%	26%	2%
School/college	9%	19%	5%
Course guide from university	7%	10%	6%
Word of mouth - teacher/careers adviser	6%	8%	5%
Exhibition/ Fair	6%	5%	6%
Publication/ Directories	5%	10%	3%
Word of mouth - alumni/former student	5%	7%	4%
Sample size	519	155	364

Source: The Asian Student of 2005, JWT Education

**JWT**  
JWT Education

**Extent to which Students Sourced Information from the Internet**

	Overall	UK	Aust
Not at all	8%	3%	11%
A little	18%	10%	21%
A significant amount	35%	30%	38%
A great deal	38%	58%	30%
Sample size	519	155	364

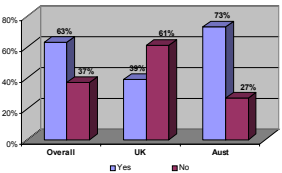
**Search Engines Used to Source Information About Overseas Study**

	Overall	UK	Aust
Google	70%	76%	66%
Yahoo	39%	25%	45%
MSN	8%	6%	9%
Other	6%	9%	3%
No search engines	7%	9%	6%
Sample size	476	151	325

Source: The Asian Student of 2005, JWT Education

**JWT**  
JWT Education

**Contact with an Agent**

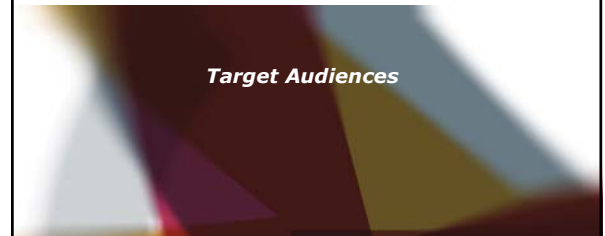


**Services Provided by Agents**

	Overall	UK	Aust
Submitted my application to universities	77%	48%	83%
Gave visa, accommodation advice	53%	20%	61%
Gave me information and brochures relating to universities	51%	65%	48%
Gave me advice on which universities to apply to	46%	37%	48%
Received an offer directly from an agent	26%	7%	31%
Sample size	325	60	265

Source: The Asian Student of 2005, JWT Education

**JWT**  
JWT Education



**Target Audiences**

**J W T**  
JWT Education

**Target audiences are changing**

**Millennials**

- Born between 1982 and 2000
- Likes: public activism, latest technology and parents
- Dislikes: anything slow, negativity
- Preference for... web, mobile phones, instant messaging, MP3s, online communication, communities
- Strengths: Multitasking, goal orientation, positive attitude, collaborative style, global perspective – more tolerant of diversity

**J W T**  
JWT Education

**Millennials**

**Characteristics**

- Gravitate towards group activity
- Cool to be smart
- Focused on grades and achievement
- Engaged in extra curricular activities
- Accept authority and identify with the values of their parents
- Rule followers, like structure
- Spend more time doing homework than watching TV
- Fascinated by technology

Source:  
Denise Kirkpatrick, La Trobe University

**J W T**  
JWT Education

**Millennials**

**Use of Technology**

- Is taken for granted; a natural part of the environment – they're digital natives
- Almost all using computers by age 16 - 18...in fact computers aren't technology
- 74% online teens use instant messaging
- Email is how they communicate with 'adults'; instant messaging and text for everyday conversations and socialising
- Internet is better than TV
- Multitasking is a way of life
- Staying connected is essential
- Zero tolerance for delays
- Consumer and creator are blurring

Source:  
Denise Kirkpatrick, La Trobe University

**J W T**  
JWT Education

*And what of the future....*

**J W T**  
JWT Education

**The Future**

- There are a growing number of new competitors, emergent markets, other countries also claiming a high quality education, a diverse cultural experience or value for money
- There are different and increasing modes of study including TNE – demand is expected to exceed the demand for onshore education
- The private sector is growing, providing a much more aggressive and focused competitor
  - 2005 the private HE market was estimated to be worth more than \$300 billion worldwide and growing - for example in the US by nearly 15%

**J W T**  
JWT Education

**The Future**

- The size, scope and nature of the target audiences is growing and changing
- It's going to be critical to understand them and to effectively target them and their influencers
- This audience buy brands – they've grown up with them



## **The Future**

- There is a need to continue to build a strong brand – to have the right distribution channels and implement highly targeted marketing strategies
  - *Customize and personalize*
  - *Reach students in the virtual spaces they congregate*
  - *Value word of mouth referral*
  - *Build relationships of trust*
  - *Remember parents*
  - *Build your brand with (all of) them*