

# **BCCIE**

**Promotion, recruitment, and competition –  
A perspective on Canada's role in the international  
education world**

## **Introduction and housekeeping**

**A synopsis of the DFAIT report**

**A survey of enrolment trends in competitor countries and Canada**

**Some observations on major trends in international education**

**A perspective on BC**

**Outlook**

- In late 2009, ICG submitted a 232-page report to DFAIT on *Best Practices on Managing the Delivery of Canadian Education Marketing*
- The report contains commentary on the transition to a knowledge economy, detailed international benchmarking, a performance evaluation of Canadian international education, and a recommendation section
- The following presentation provides with a summary of key findings and contextual information for BC
  - A synopsis of the DFAIT report
  - A survey of enrolment trends in competitor countries and Canada
  - Some observations on major trends in international education
  - A perspective on BC
  - Outlook

- **The seminar will be split into a 60 minute presentation and a 60 minute discussion section**
- **Substantial questions should be deferred to the discussion section**
- **This presentation will be made available to BCCIE in electronic format**

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**Outlook**

- **Canada experienced nearly doubled international student enrollments between 1999 to 2008**
- **However, Canada's share of tertiary international students slipped from 5.0% to 4.4% from 2000 to 2008**
- **Canada attracted students based on educational quality, quality of life, safety, cost, etc.**
- **Canada did not take up a leadership role with regards to intelligence acquisition, marketing, or coordinated positioning efforts**
- **Given the strong increase in international competition for students this is a less and less tenable situation**

**The DFAIT report provides a foundation for further action**

# RECOMMENDATION: CREATION OF AN INTERNATIONAL EDUCATION MARKETING AGENCY

- **ICG is recommending the creation of a new, stand-alone international education marketing agency (IEMA ), owned by the Canadian Government**
- **IEMA should be: Small, agile, and performance-oriented; expertise-driven; ready to grow and evolve; and uniquely Canadian**
- **IEMA will face the challenge of integrating itself into a fragmented, complex, and currently shaken-up landscape**
- **It is important to keep in mind that in order to ensure IEMA's success under these conditions, everyone must agree to compromises; there will be no room for dogmatic positions**

**We are not suggesting to use IEMA as a name...**

# COMPONENTS OF AN INTERNATIONAL EDUCATION MARKETING LANDSCAPE

- **Country information**
- **Study selection**
- **Funding and costs information**
- **Coaching and counseling**
- **Application support**
- **Entry requirements and restriction information**
- **Quality assurance**
- **Immigration and work permits**
- **Agent training and quality control**
- **Language and culture adaptation**

- **Leading example: AEI**
  - **Key contributor to development of international education marketing**
  - **Well resourced, well staffed, present in 25 countries**
  - **Substantially influenced Australia's international education marketing**
- **Why so influential?**
  - **Relative stand-alone nature in organizational terms**
  - **Drawback: pronounced lack of connection to education institutions**
  - **Connection deficit further amplified by mandate to be “all things to all people”**
- **Key disadvantages**
  - **Tendency to become more bureaucratic and less entrepreneurial**
  - **Rule-bound culture**
  - **Lacking ability to respond quickly and in a granular manner**
  - **Potential politicization**
  - **Most critically: inherent disconnect from education providers**

**A governmental department model is not recommended for Canada**

- **Example: educationUSA**
  - **Program supported by the Bureau of Educational and Cultural Affairs within the Department of State**
- **More than 450 advising centers run by a variety of organizations**
  - **Fulbright, IIE**
  - **Higher education institutions**
  - **Foreign governmental agencies or located in US diplomatic missions**
- **Limited presence in the international education community**
  - **Highly fragmented nature**
  - **Questions regarding quality control, conflicts of interest, policy direction setting, accountability**
- **Unsuitable for Canada:**
  - **General lack of organizational cohesion**
  - **Inherent conflict potential vis-à-vis organizations' economic interests when running advising centers**

**A network model is not recommended for Canada**

- **Examples: EAIE or NAFSA**
- **Promote international (higher) education**
- **Most are organized as non-profit, membership-based organizations**
- **Do not focus exclusively on promotion tasks**
  - **Organize conferences**
  - **Lobby on behalf of members**
  - **Training and advancement of practices typically take precedence**
- **Given the often broad nature of membership, any focused promotion task is difficult to organize. Often members are direct competitors, or have little commonality with regards to their promotion needs**
- **NGO model is inherently constrictive. Consequently, no NGO has established itself as a leader in marketing international education**

**A NGO model is not recommended for Canada**

- **Examples: CampusFrance, DAAD, Nuffic, British Council**
- **Key facets:**
  - **Public sector-style design**
  - **National interest-based mission**
  - **Funding model effectively based on public monies**
- **Important differentiation factor: agency's scope**
  - **Some (British Council) carry out broad public diplomacy and economic mandate**
  - **Others (CampusFrance) focus on promoting one education sector**
- **Differential track record concerning international education promotion**
  - **Nuffic and CampusFrance generally acknowledged to have assisted their higher education institutions quite effectively**
  - **DAAD's strength in scholarship administration and relationship building has not translated into proficient marketing operations**

**A focused public agency model is recommended for Canada**

- **The fragmentation of marketing and recruiting delivery channels (such as the case in the US) is not conducive to a quality promotion performance.**
- **In Canada, the past organizational splitting of responsibilities between CBIE (“general promotion”) and the CEC network (“recruiting focus”) has similarly not been helpful**
- **The scope, focus, and organizational design of a public agency matters. Large, multi-scope agencies tend to do less well with regards to pure promotion performance than smaller, more focused agencies**
- **Public agencies offer the highest degree of accountability with regards to the spending of public funds while typically interacting more closely with education providers than governmental departments do**

- **Brand development and control.** IEMA should serve as the final arbiter on brand usage, and continue to develop the brand in close cooperation with other Canadian stakeholders
- **Analysis and development.** IEMA should be in charge of the (on-going) gathering of market trends, expert analysis of such trends, and the development of response measures
- **Coordination.** IEMA should serve as coordinator and leader of Canada's international presence in key marketing channels
- **Distribution.** IEMA should outsource programs and tasks which are either not strategic in their nature, or which can be undertaken more readily by other Canadian stakeholder organizations

- **Legal Model.** It is recommended that IEMA should be organized as a public agency. Similar to related agencies, it should be given non-profit status, and possibly formed as a Crown Corporation
- **Central versus Distributed Models.** It is recommended to design IEMA based on a distributed, granular, and balanced model:
  - A head office in Ottawa
  - A number of in-market offices
  - DFAIT trade councilors
  - To-be-created education councilors
  - Academic representatives
  - Deep partnering with similar agencies
  - A strong online presence driven by a portal and linkage strategy
  - An immersion in social online communities

- **Cooperation between the Provinces and Territories and the Federal Government based on common sense and external perspectives is key**
- **An external perspective also makes the case for collaboration. For many students, their parents, and other decision-makers a decision for studies in Canada is just that, a decision for Canada**
- **A second consideration centers on the respective brand of an educational institution accessed. While destination-based recruiting certainly plays a role as well – such as in the case of California, London, or Queensland – this aspect typically reflects on a specific circumstance**

# GOVERNANCE II

## Building Blocks: Roles and Goal Setting

- **Role – Governing Body.** The governing body should be given wide latitude. This is to ensure that the governing body can be truly held accountable, that it can attract senior experts, and to allow it to quickly modify the agency's development roadmap
- **Role – Expert Committees.** Committees should be clearly delineated in their focus, and be given the freedom to pursue issues and topics a given committee considers of strategic importance
- **Goal setting.** The governing body should set organizational goals jointly with the main funding bodies

- **Membership – Governing Body.** It is recommended to pursue a mixed model in order to ensure political buy-in across a wide spectrum of stakeholders. The following stakeholders should be represented:
  - Federal associations
  - Select other stakeholder bodies
  - Representatives of institutional providers
  - External experts
  - Membership should be capped at 30 members
- **Membership – Expert Committees.** Membership in expert committees should strictly reflect expertise and experience. Members should be recruited from the education community, as well as governmental agencies and other stakeholder associations. The committees' size is suggested to run at ten to twenty members at most.

- **Status Quo. Most national agencies have multiple income streams:**
  - At their core, governments underwrite operations and programming
  - In the case of the DAAD, CampusFrance, and Nuffic, the EU contributes substantial program funding
  - Others such as ENZ and AEI also take in levy funding
- **Multi-source funding model. It is recommended to adopt a multi-source funding model:**
  - The Canadian Government should underwrite core expenses
  - It is recommended to pursue a visa permit-based contribution model. A permit-based model should be staggered visa category. A fee could range from CAD 100 to CAD 500 (to be charged to the receiving institution)

- **Rationale.** This approach would tie recruiting success directly to a contribution to the overall marketing effort for Canadian international education
- **A funding model which fails to connect marketing outcomes with marketing investments will yield inferior overall performance results owing to the disconnect between funding institutions and the beneficiaries of measures underwritten by such funding**
- **Viability.** This suggestion may experience push back. It still makes sense

# RESOURCING III

## Expense Categories

### Staff Expenses

- The total, minimum staffing level for IEMA is estimated at 40-50
- This figure includes headquarter staff, staff in offices abroad (whether employed or contracted), to-be-created education counselors (PT/FT), existing science counselors, and academic representatives (similar to the DAAD's IC model)
- The minimum staff headcount at the headquarter is estimated at 9-12 (included in the above range)
- Total salary expenses are estimated at CAD 4.5 million

### Promotion Expenses

- Web-based promotions, training, and analytics. CAD 3.0 million
- Traditional advertisement and promotions (ex. conferences and fairs). CAD 4 million
- Conferences and fairs (direct and indirect [e.g., matching and incentive grants]). CAD 3 million
- International office presence (wholly owned). CAD 3.5 million
- Brand management (development, compliance, etc.). CAD 2 million
- Total promotion expenses are estimated at CAD 15.5 million

### Training, Intelligence, Incentive Grant Expenses

- Staff and sector training. CAD 0.3 million
- Intelligence acquisition and analytics. CAD 0.7 million
- Specific program grants. CAD 1.0 million
- Total expenses are estimated at CAD 2.0 million.

**Total estimated expenses (run rate year 3): CAD 22 million**

# RESOURCING III

Organization	Type	Staff	Offices	Budget (CAD million)	International Students	Ratio IS/S
<b>CampusFrance</b>	Public Agency	144	109	9.1	260,596	1,810
<b>DAAD</b>	Public Agency	649	65	467.4	233,606	360
<b>British Council</b>	Public Agency	5,570	182	1,016.1	341,795	61
<b>Nuffic</b>	Public Agency	240	12	177.7	76,000	317
<b>ENZ</b>	Private Trust	19	2	2.1(e)	31,620	1,664
<b>AEI</b>	Gov. Agency	200	26	85.9	182,770	914
<b>educationUSA</b>	Gov. Agency	n/a	451	n/a	623,805	1,040
<b>IDP</b>	Corp. & Stakeholder Association	600	82	n/a	182,770	305
<b>IEMA (proposed)</b>	<i>Public Agency</i>	<i>40-50</i>	<i>13</i>	<i>22.0</i>	<i>95,414</i>	<i>2,120</i>

Notes: Please refer to the report for disclaimers, commentary, and calculation methods.  
Sources: Respective entities, ICG.

- **Staffing IEMA is likely to pose challenges on multiple levels. Up-staffing might require recruiting experts from outside Canada**
- **Certain skills such as online community recruiting and branding, competitive intelligence gathering, etc., are still rare in the international education industry and may have to be in-sourced for a while**
- **A temporary solution is to initially outsource certain functions and programs in their entirety. At the same time, an extensive training effort should be undertaken**
- **The staffing of the executive leadership team provides a special challenge**

- Step 1:** A transition phase to coordinate, rationalize, and re-orient the current landscape. There are compelling reasons to limit this transition period to one year, though a longer transition period might be required.
- Step 2:** A start-up phase focusing on creating the legal foundation, setting up organizational structures, hiring expert staff, inaugurating programs, and repeated alignments with market and stakeholder needs. This start-up phase will require anywhere from one to two years.
- Step 3:** A ramp-up phase during which IEMA will professionalize its operations, possibly roll-in some previously outsourced functions, and take on new service and delivery models. This ramp-up phase will lead IEMA toward the end of an initial five-year cycle.
- Step 4:** An assessment, revision, and re-purposing step following the completion of the initial budget cycle. Given the rapidly changing international education landscape it is recommended to build in a true re-assessment.

- **Status quo. Deep technical skills are in short supply in Canada. This is a competitive inhibitor**
- **Market and analysis training worldwide. More and more coming online, but for the most part of moderate quality**
- **Market and analysis training in Canada. Very little to date provided by major associations and stakeholders**
- **Recommendations. First, a skills audit across Canada. Second, a draft of required skills, resulting in gap analysis. Third, the development of a training and skills development roadmap**
- **Expected benefits. Improved marketing proficiency within three years time, reduction in trial and error behavior, more competitive performance**

- **Status quo.** Rapid changes in technology and user behavior challenge educational institutions' usage of advanced online tools
- **Online communities as talent pools.** Millions of users (Facebook alone at 250+ million), information flow, sharing culture, and deep personal information make online communities a prime recruiting venue
- **Different approach.** The traditional top-down channel control model needs to give way to a bottom-up triangulation model
- **Online recruiting in Canada.** Similar to many others, exploring. But the US is carving out a substantial lead right now
- **Recommendations.** First, nothing centralized. Second, training. Third, technical expertise must pair with educational culture. Fourth, cooperate
- **Expected benefits.** Improved visibility, better target audience intelligence, access to new talent pools

- **Total DFAIT International Scholarships Budget: CAD 10.5 m**
- **Most but all national governments have committed themselves to a human capital development and/or talent acquisition strategy**
- **Scholarships are the most effective, yet often least integrated marketing tool**
- **The current state of scholarship advertising to international students in Canada is very much improvable**
- **Specific Recommendations**
  - **A scholarship portal**
  - **A gap analysis of available scholarships relative to competitor countries**
  - **The results of the first and second steps leading to policy changes**
- **Expected benefits:**
  - **An improvement of Canada's brand and competitive position**
  - **An improved level of intelligence about competition dynamics**
  - **An improved intake and yield of top talent students over time**

**Introduction and housekeeping**

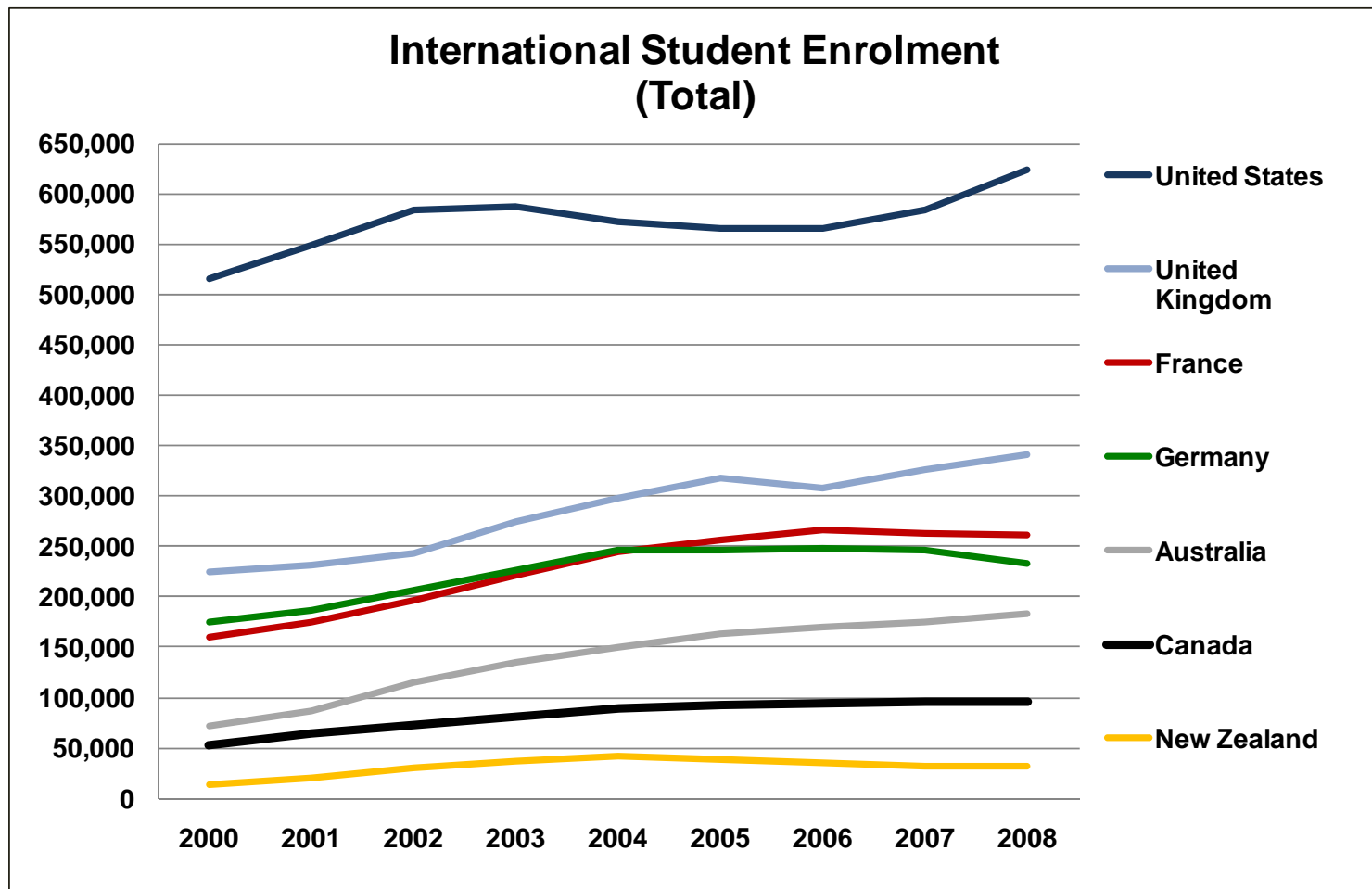
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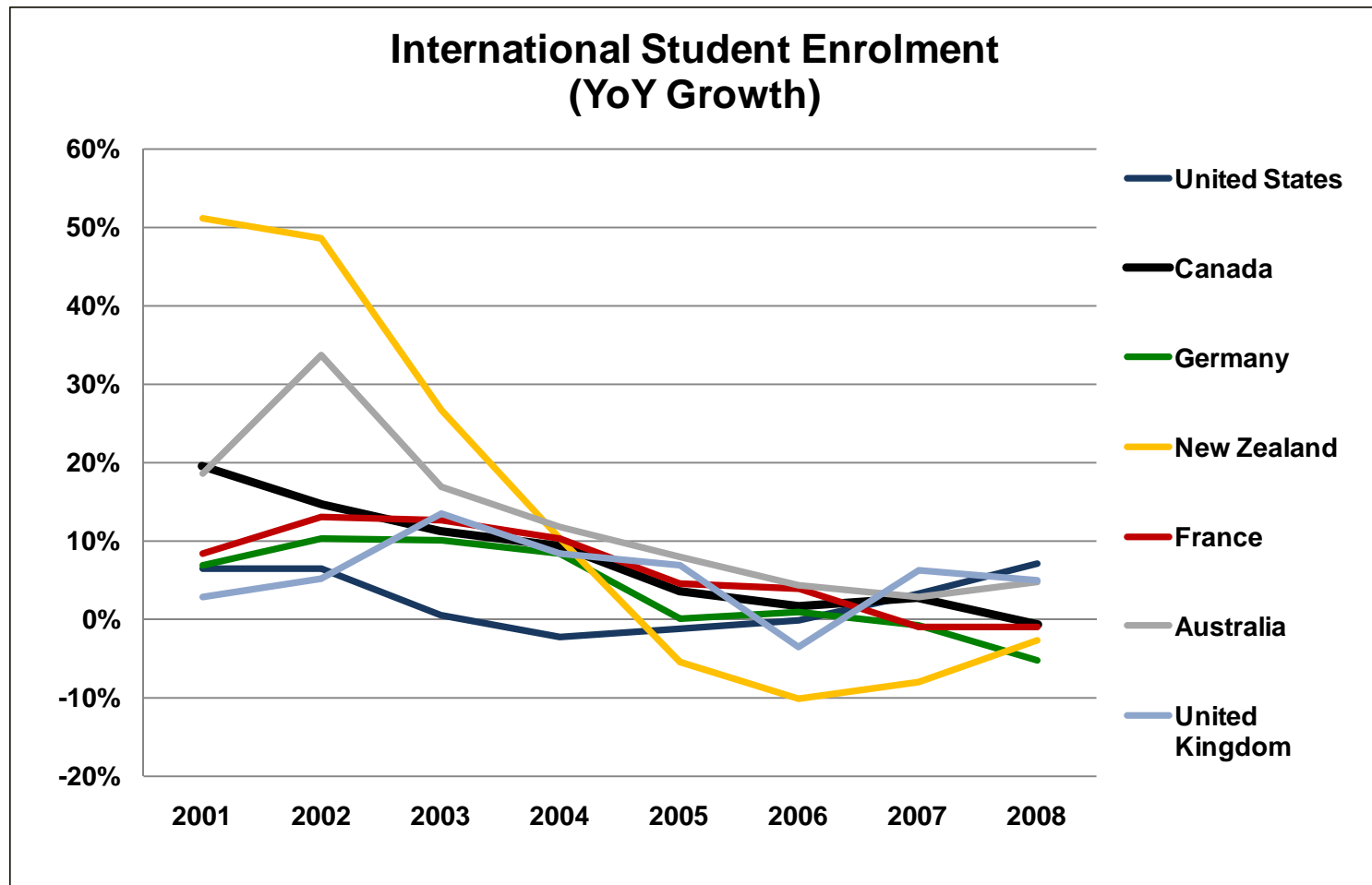
**Some observations on major trends in international education**

**A perspective on BC**

**Outlook**



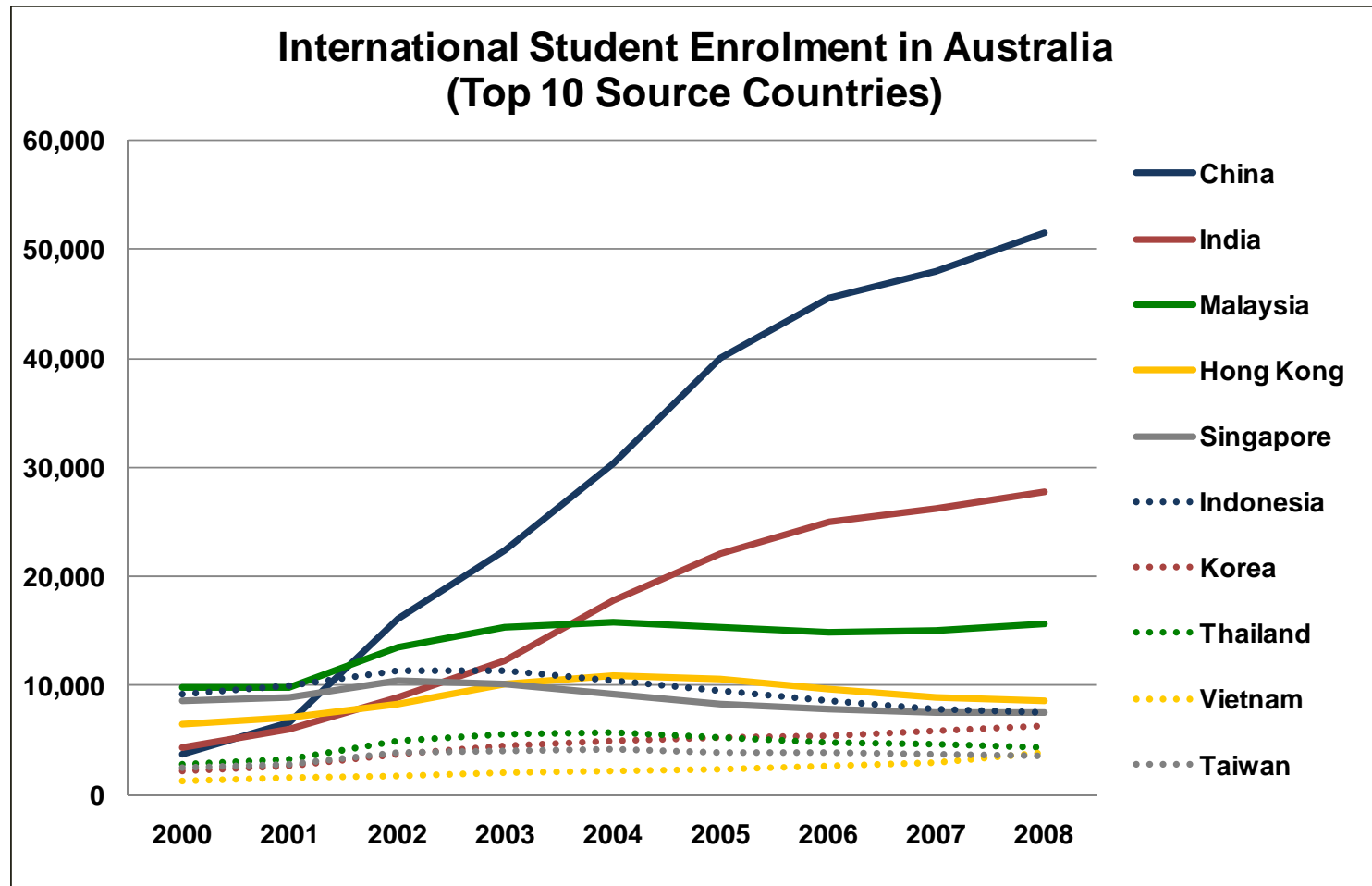
**Overall enrolment growth, but different dynamics are evident**



**Trend: Declining growth rates in traditional destination countries**

# AUSTRALIA

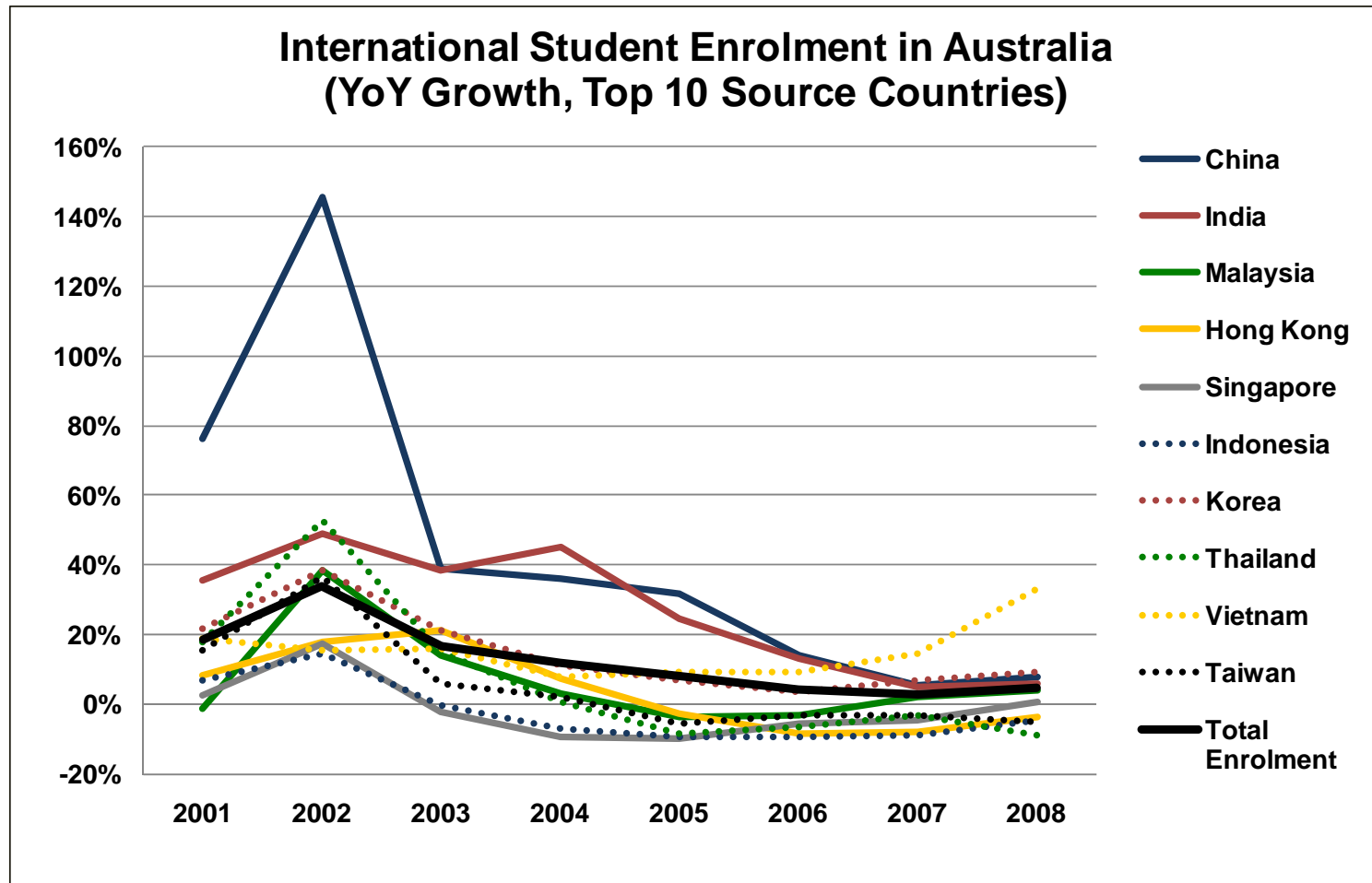
## From 72,717 to 182,770 Higher Education Students



**Growth has been driven by China and India**

# AUSTRALIA

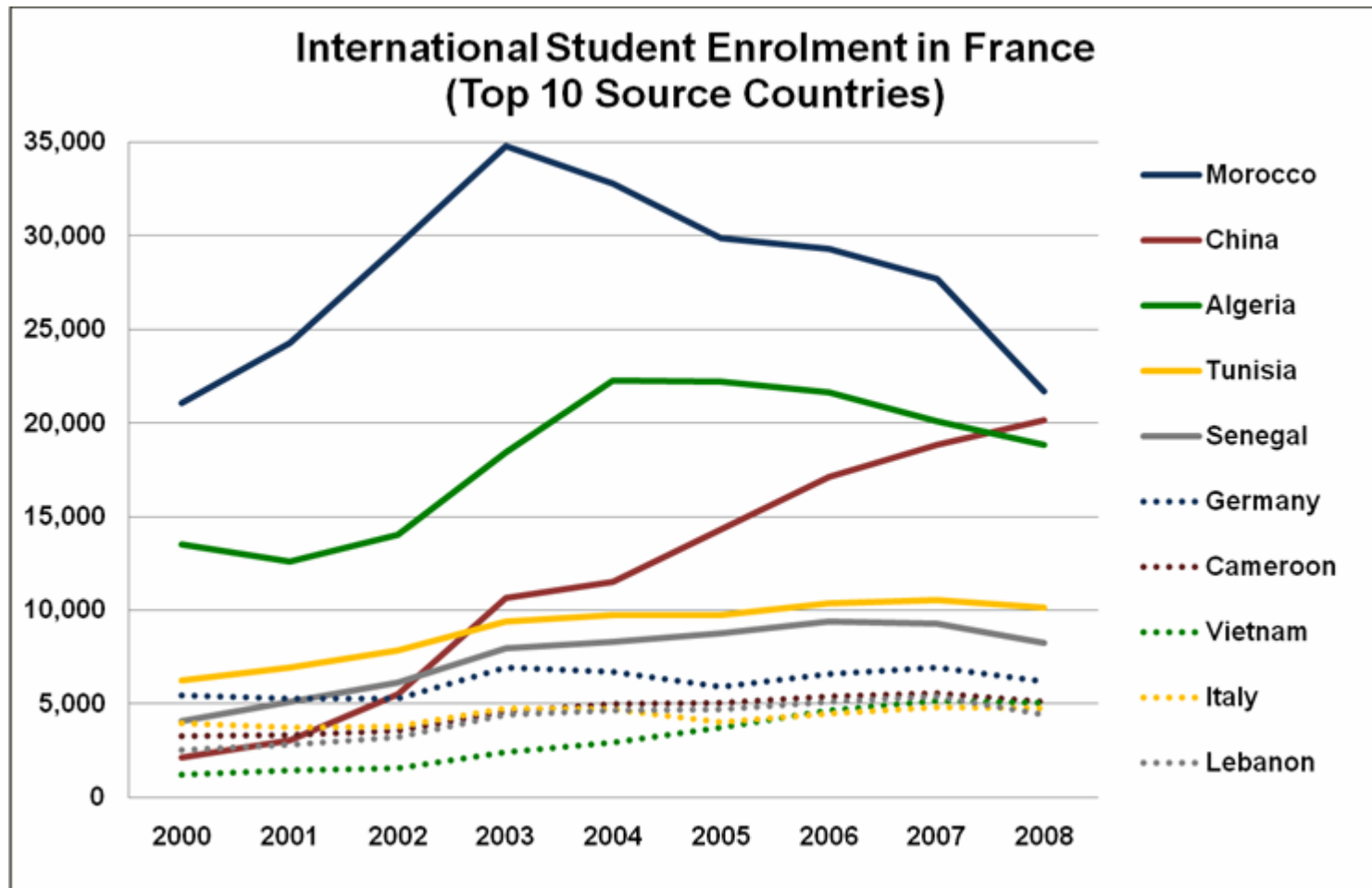
## 4.7% YoY Growth in 2008



**Growth rates have begun to slow down, but are still positive**

# FRANCE

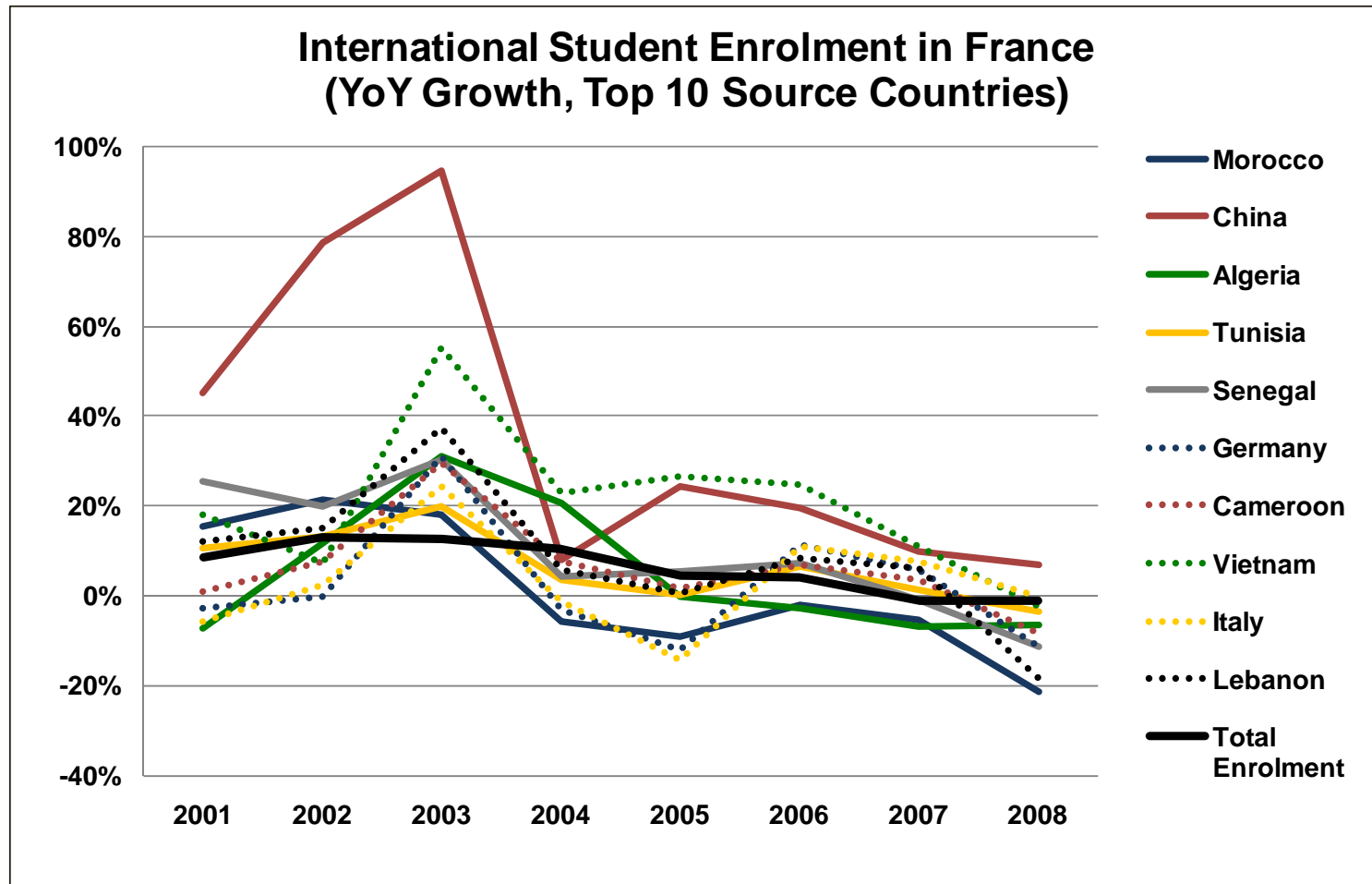
From 160,553 to 260,596 Higher Education Students



**France has a distinct intake pattern; China is underpinning enrolments**

# FRANCE

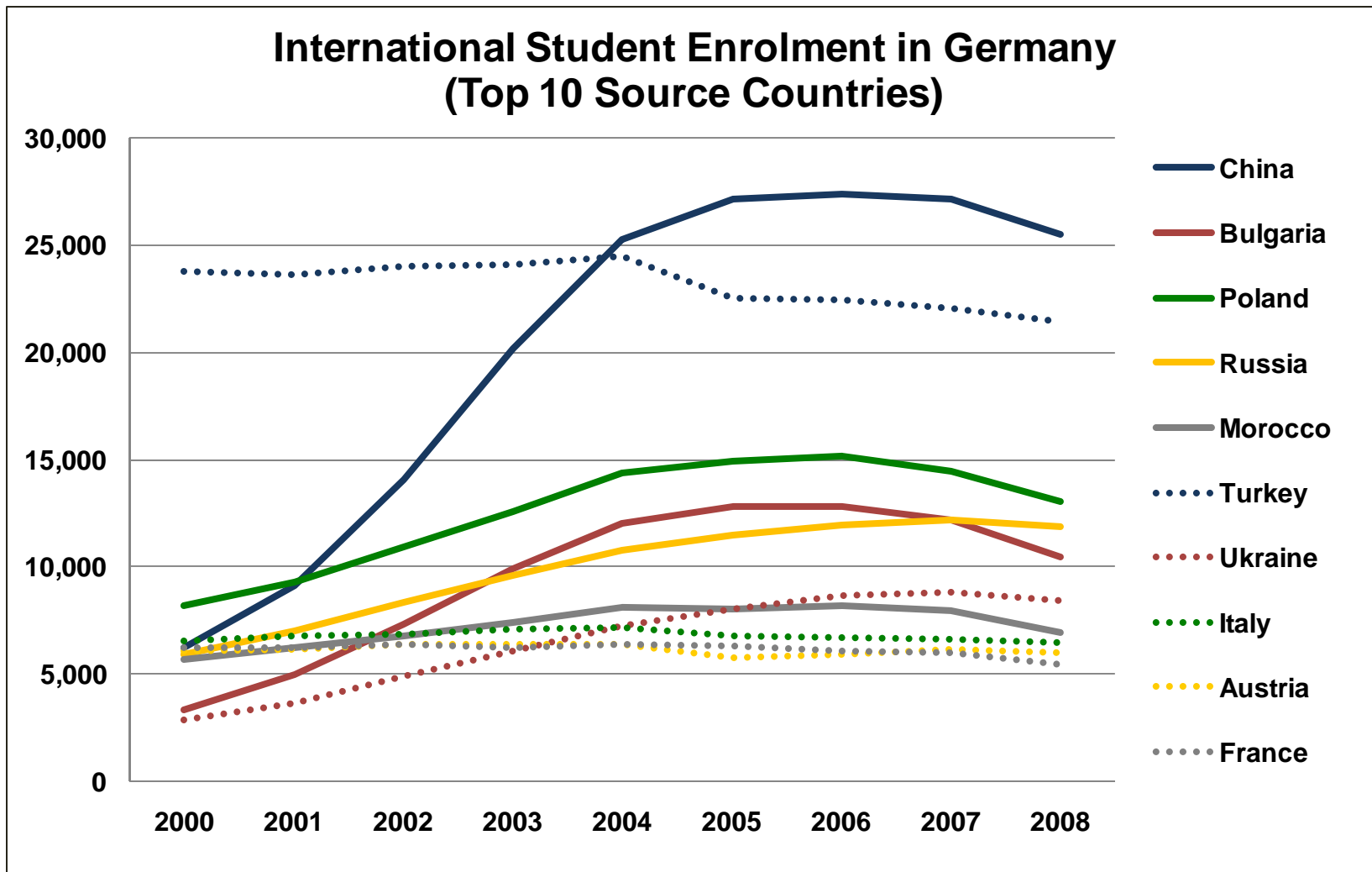
## -0.9% YoY Growth in 2008



**9 out of 10 leading source countries have gone negative**

# GERMANY

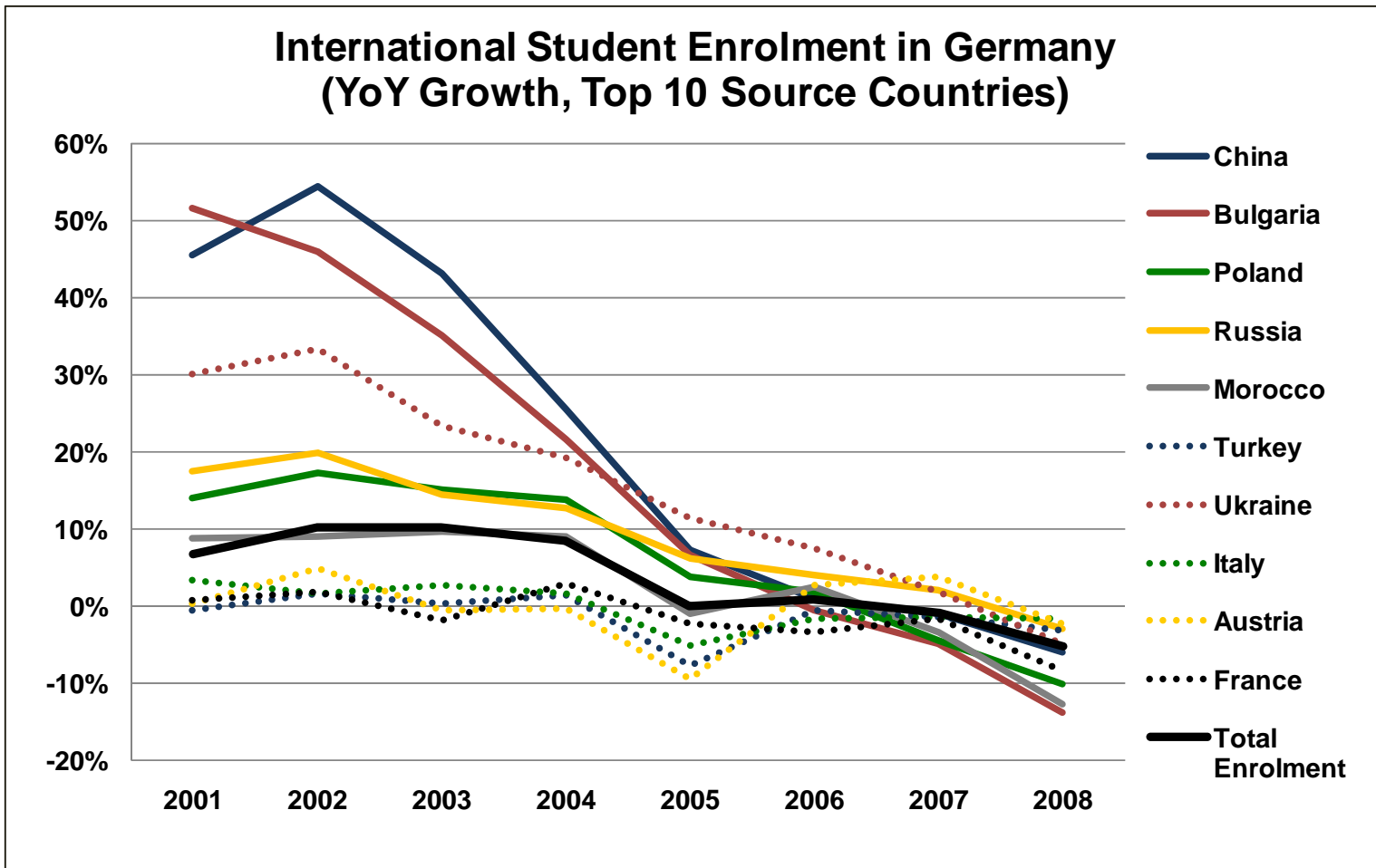
From 175,065 to 233,606 Higher Education Students



**China and Eastern Europe have driven past growth**

# GERMANY

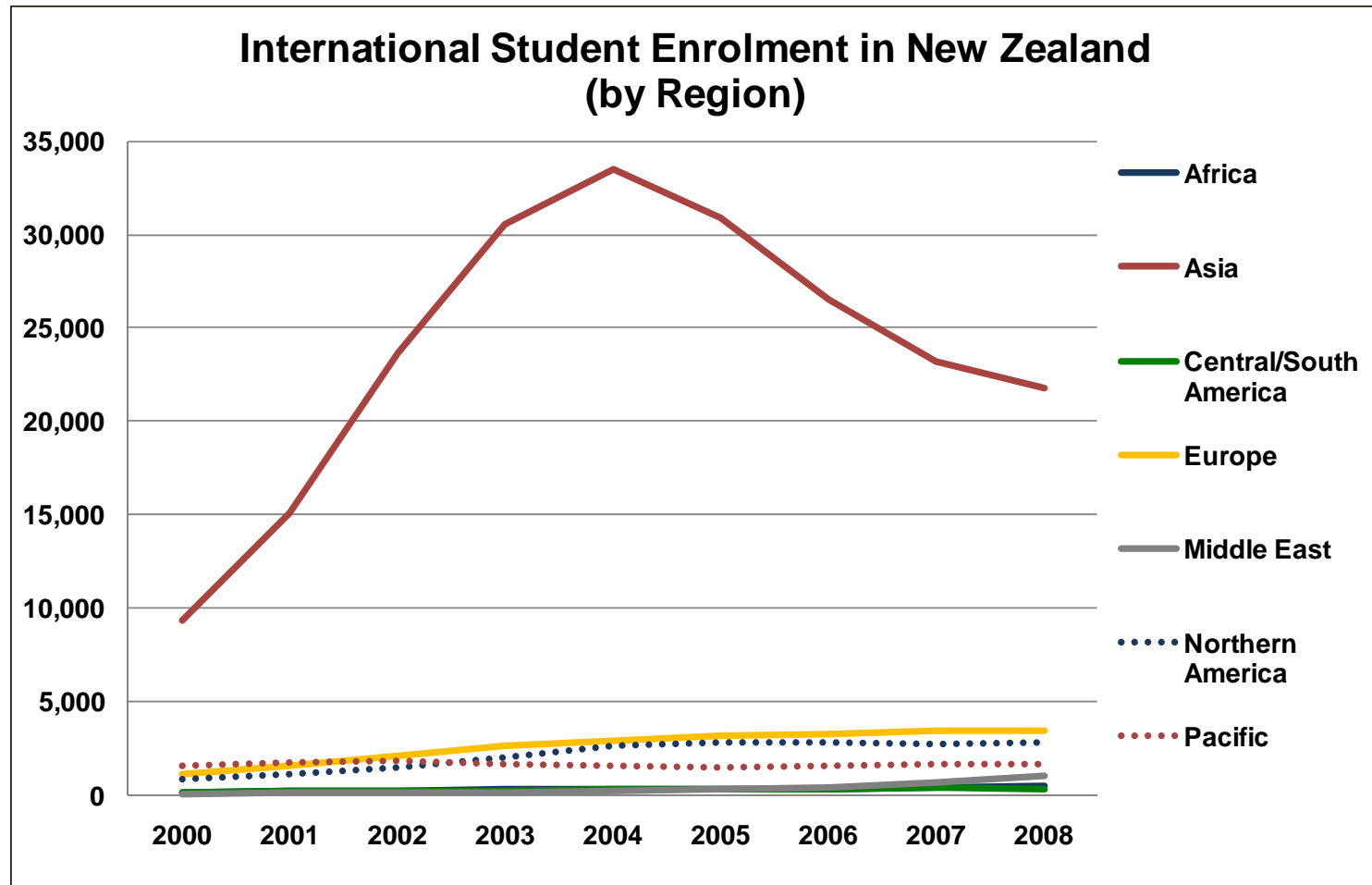
## -5.6% YoY Growth in 2008



**All Top 10 source countries have gone negative**

# NEW ZEALAND

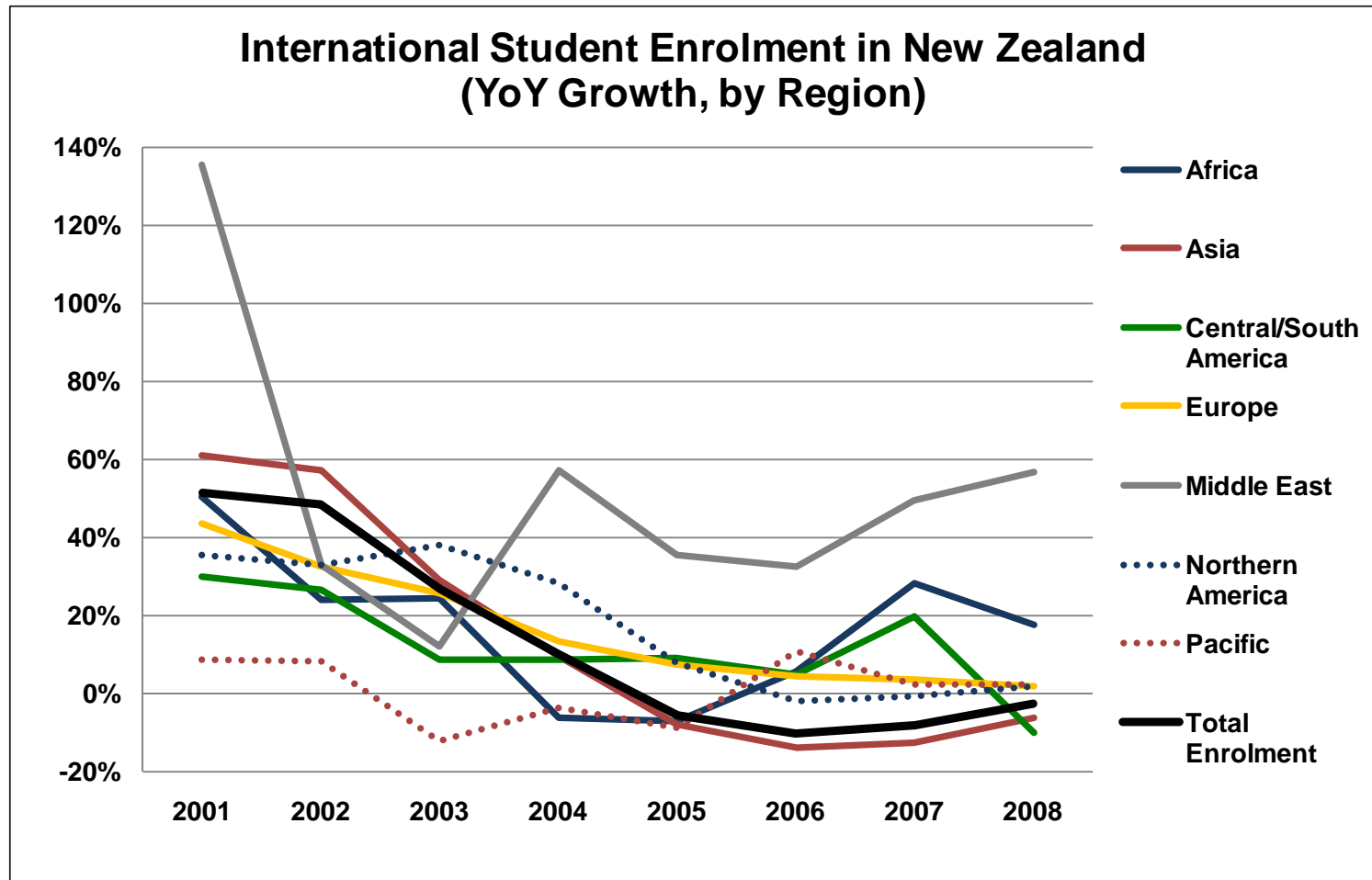
## From 13,246 to 31,620 Higher Education Students



**Growth has been driven by Asia (China)**

# NEW ZEALAND

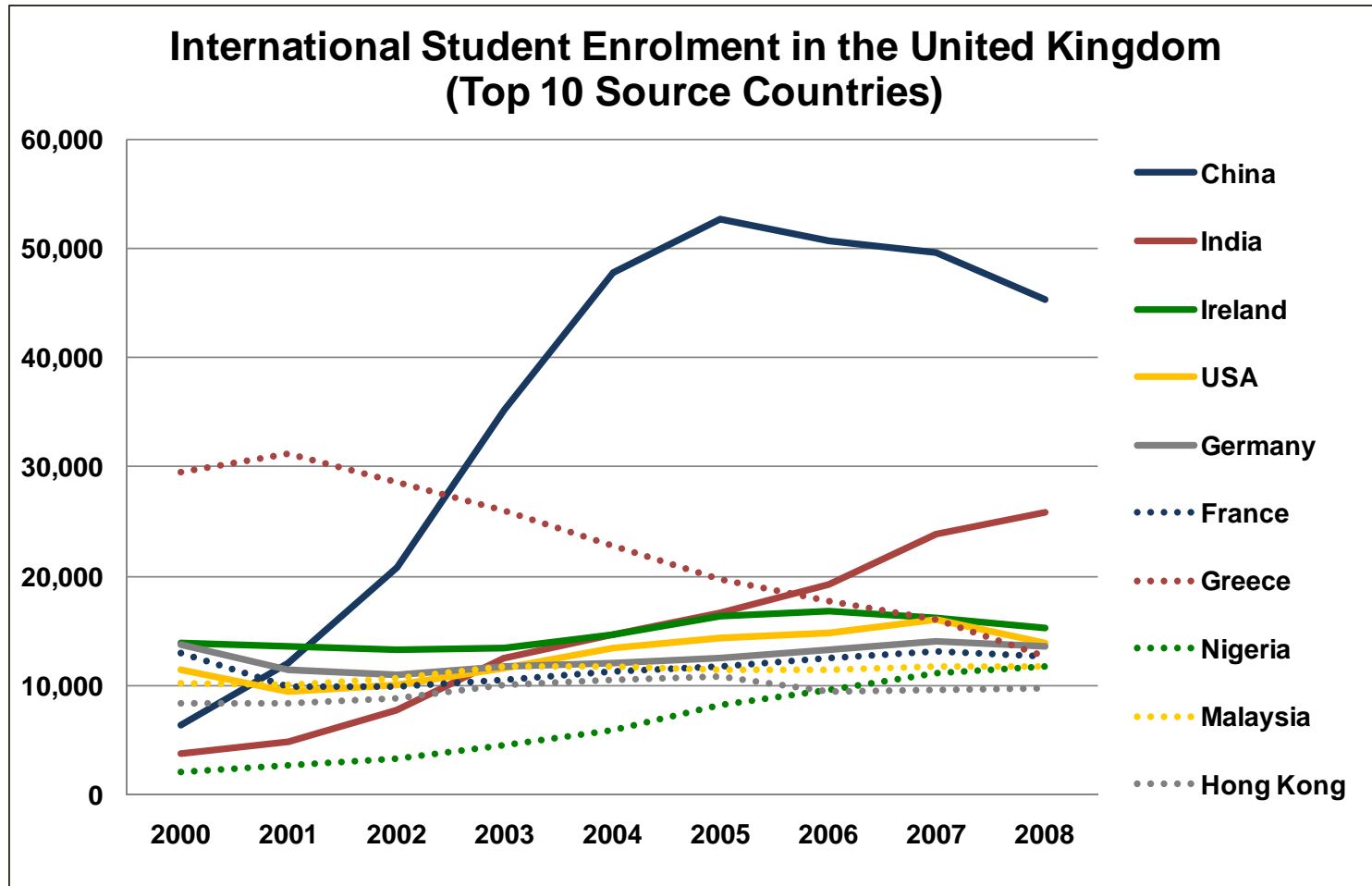
## -2.8% YoY Growth in 2008



**Strong swings in growth rates**

# UNITED KINGDOM

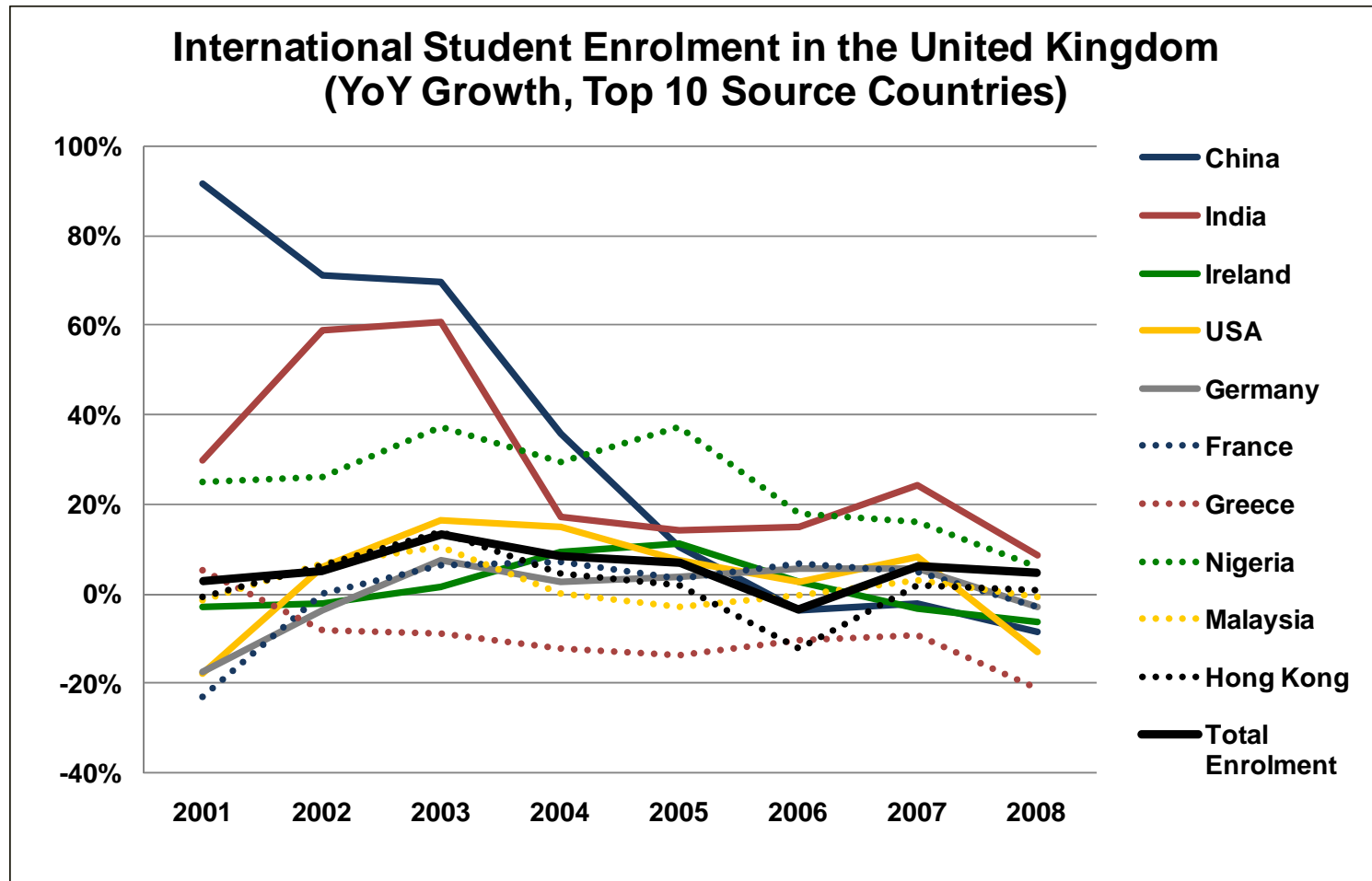
## From 224,660 to 341,795 Higher Education Students



**Diversified growth; overall growth has been driven by China and India**

# UNITED KINGDOM

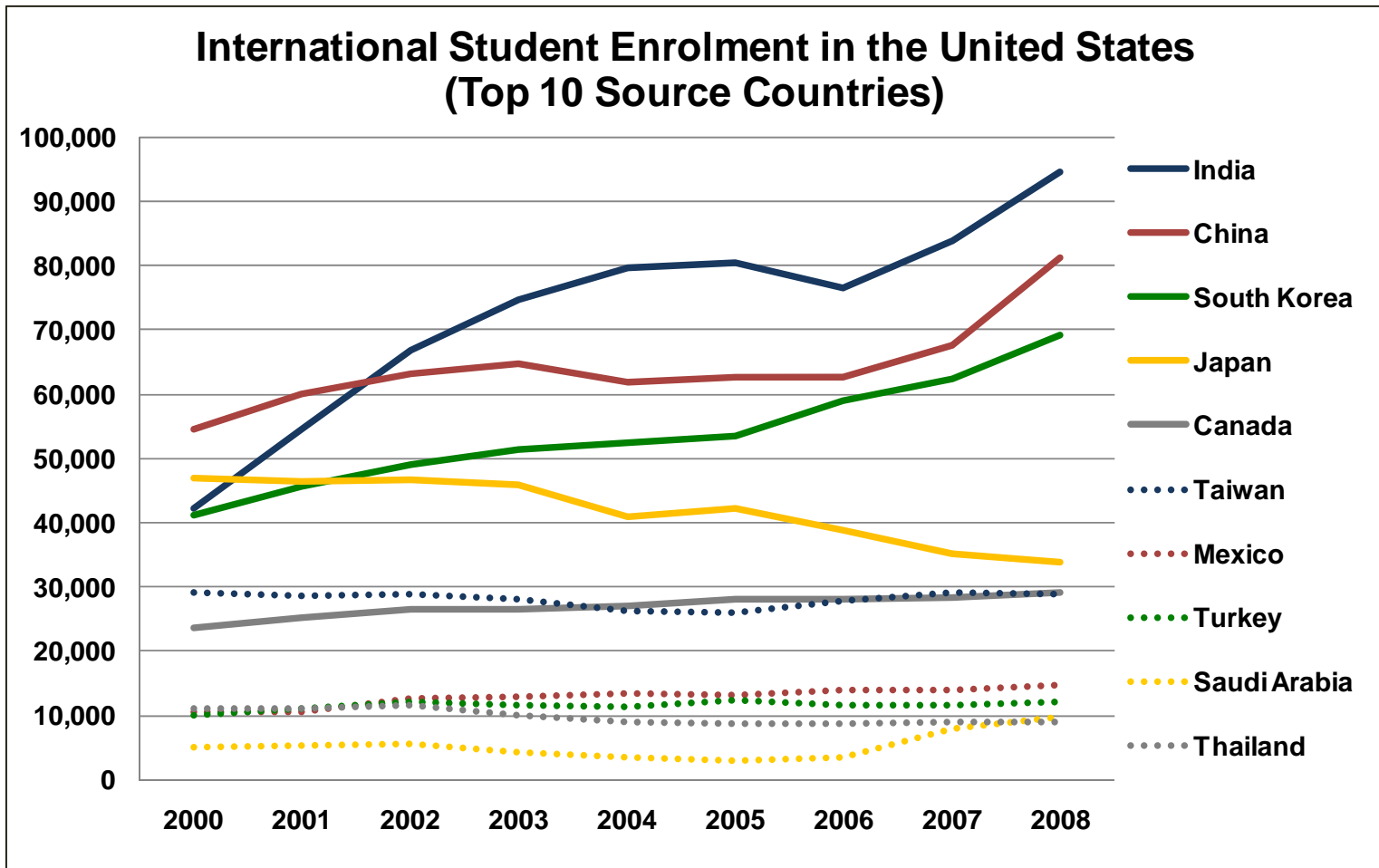
## 4.8% YoY Growth in 2008



**Overall organic growth, but key source countries are going negative**

# UNITED STATES

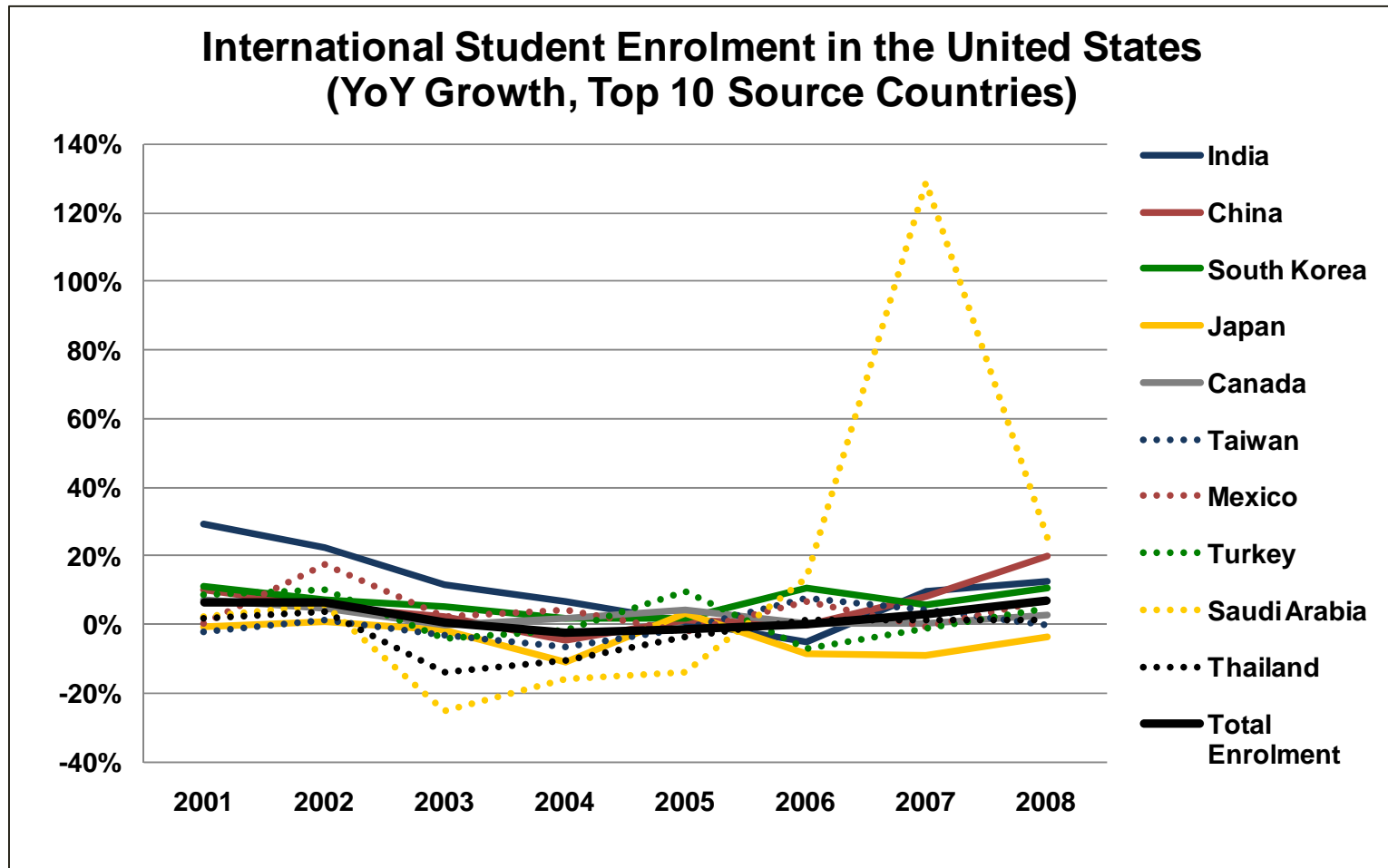
## From 514,723 to 623,805 Higher Education Students



**Growth has been driven by three countries: China, India & South Korea**

# UNITED STATES

## 7.0% YoY Growth in 2008<sup>(1)</sup>

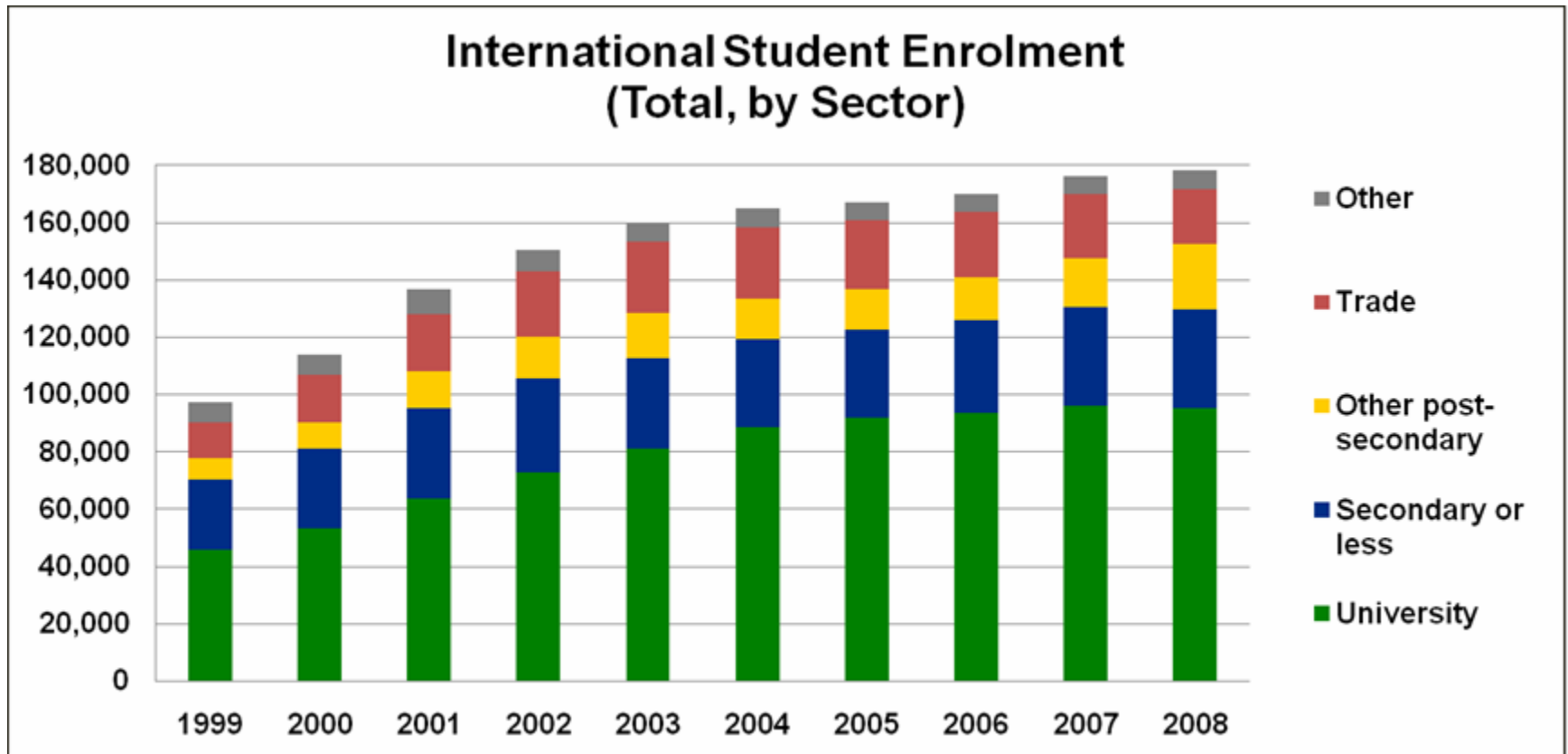


**Relatively stable enrolment trends; 2008 data definition issue**

(1) 2008 data definitions were changed and are overstating the YoY enrolment gain.

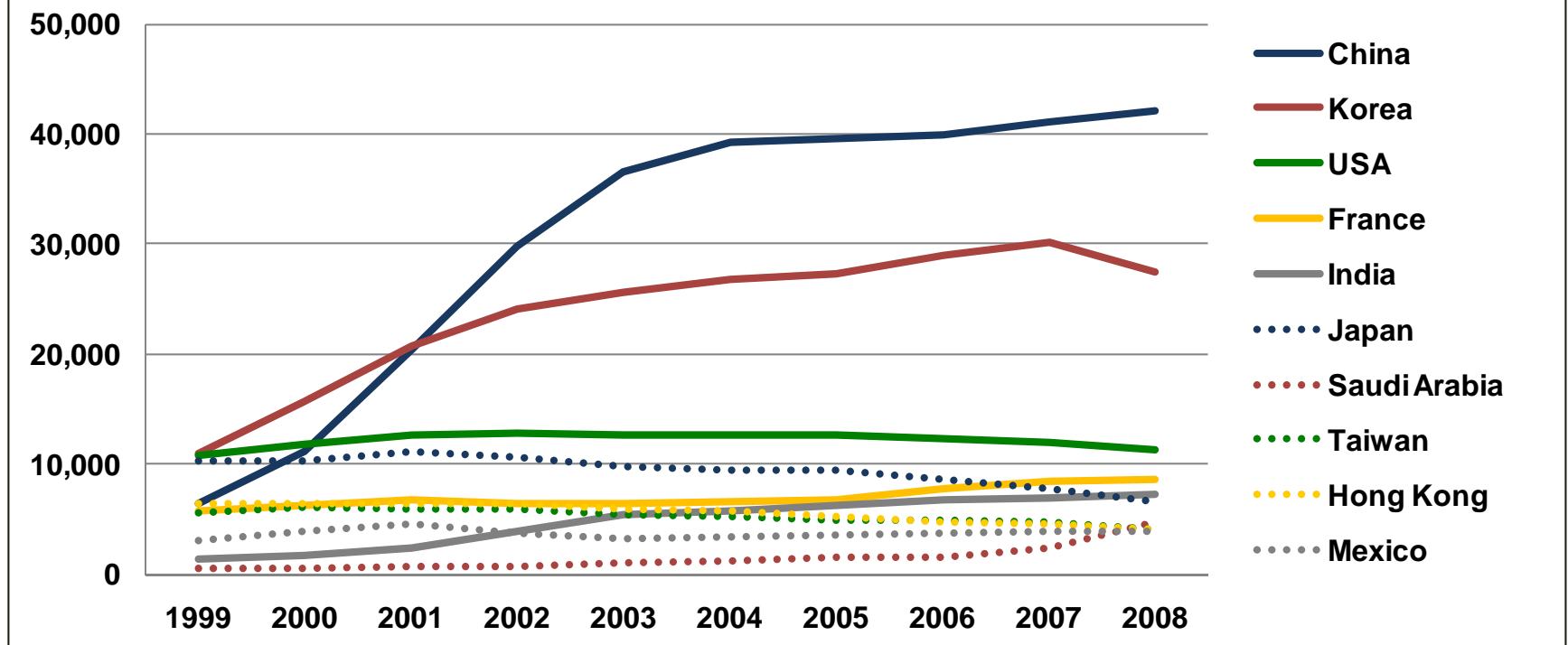
Source: IIE.

- **International student enrolments have increased globally, and in all the covered competitor countries**
- **However, performance trajectories differ between countries**
  - **Strong marketing performance: Australia**
  - **Organic, balanced performance: UK**
  - **Moderate performance: US**
  - **Declining performance: France, Germany**
  - **Unstable performance: New Zealand**
- **Not covered are some emerging key competitors: China, India, Malaysia, Singapore as well as Gulf States**
- **Canada is facing an increasingly complex, more granular, and much more competitive landscape**

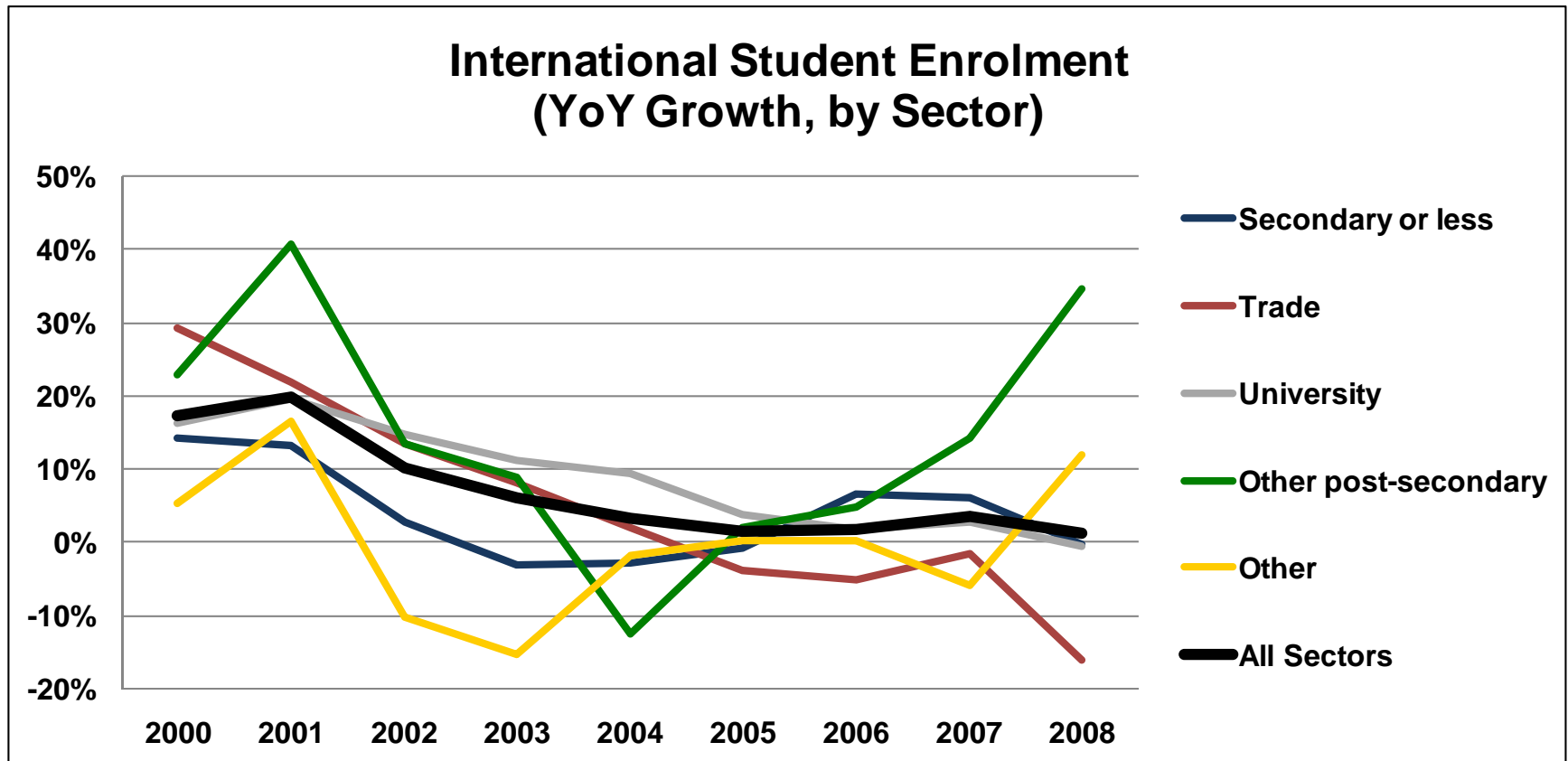


**Growth in all sectors; university sector accounted for 54% (2008)**

## International Student Enrolment (Top 10 Source Countries, all Sectors)



**Share of China and South Korea increased from 18% to 39%**



**Other post-secondary sector has been strongest performer lately**

- **Sustained growth in international student enrollments**
- **Dependency on China and South Korea has increased (too much)**
- **India is rising, but a not at rates observed in other countries**
- **Saudi Arabia is rising as well**
- **The college sector has been a recent growth driver while the university sector has grown comparatively little**
- **A new CIC data set allows for more granular analysis**

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**Outlook**

- **Rise in competition at every level (students, providers, businesses, governments)**
- **Professionalization of education**
- **Education as tradable good – and trade weapon**
- **The rise of Asia**
- **The demise of continental Europe**
- **Technology as the great leveler and differentiator**
- **Next frontiers:**
  - **Rationalization of research relationships**
  - **Hyper competition**
  - **Searching for the soul of international education**

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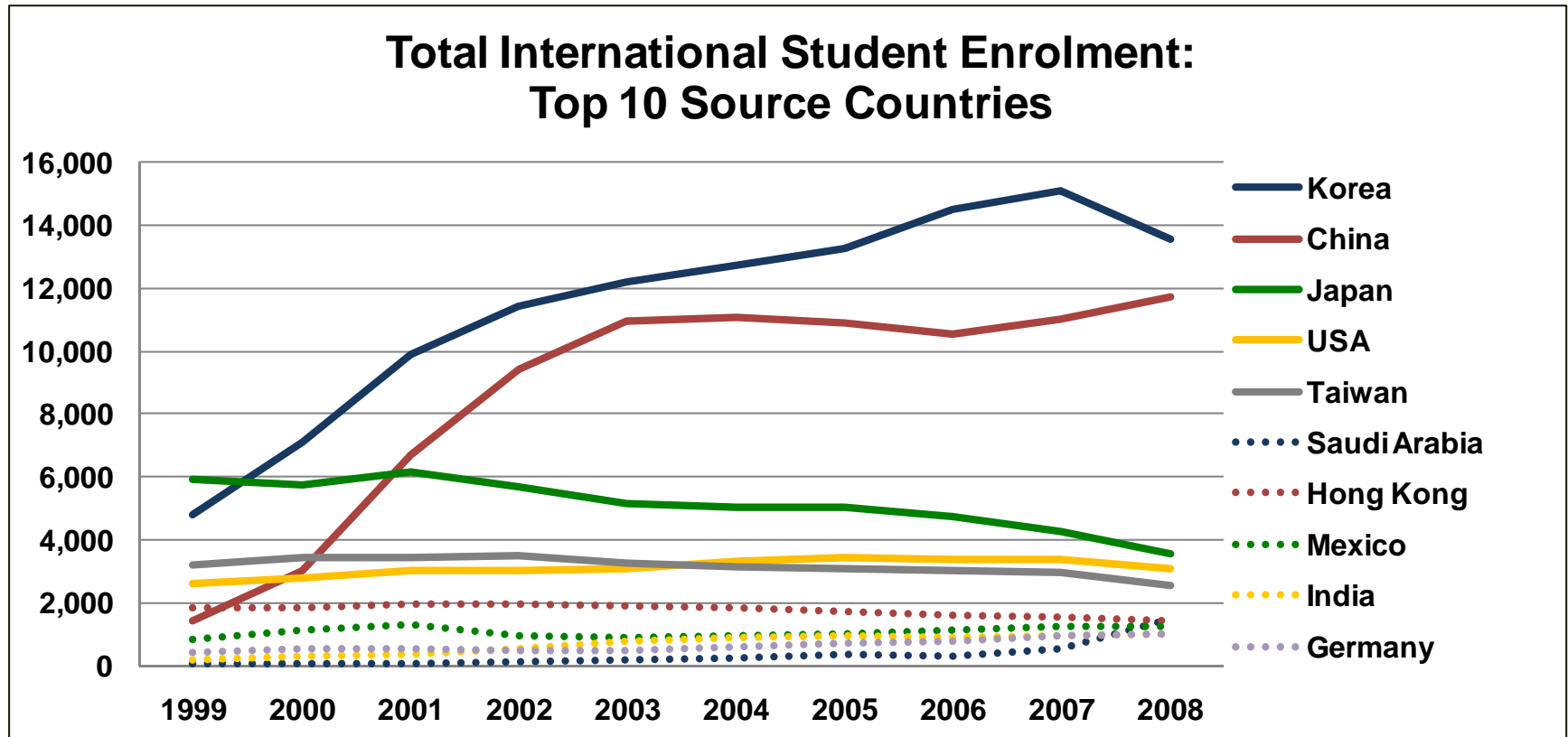
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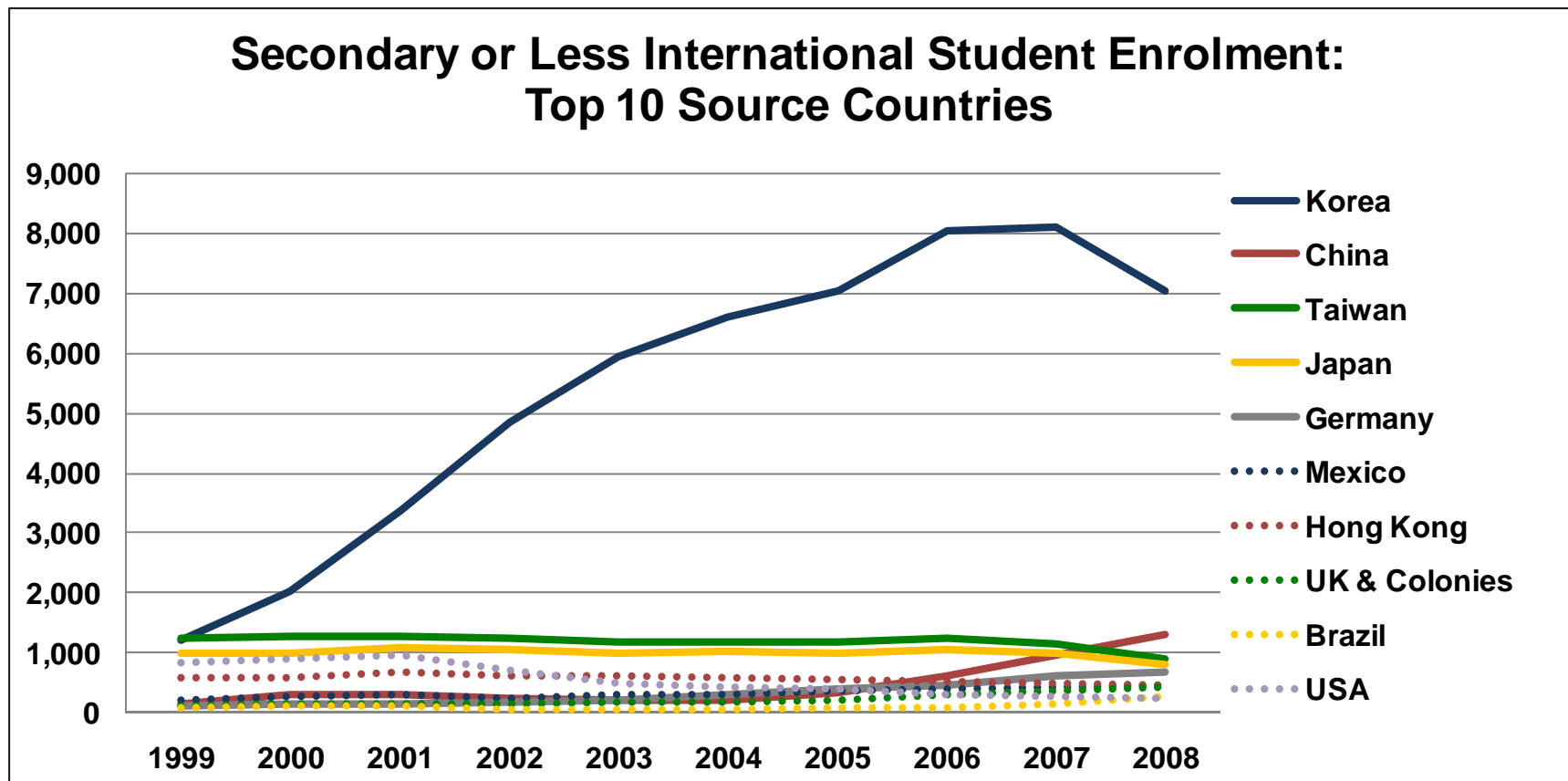
**Outlook**

# INTERNATIONAL STUDENT ENROLLMENTS IN BC: TOTAL



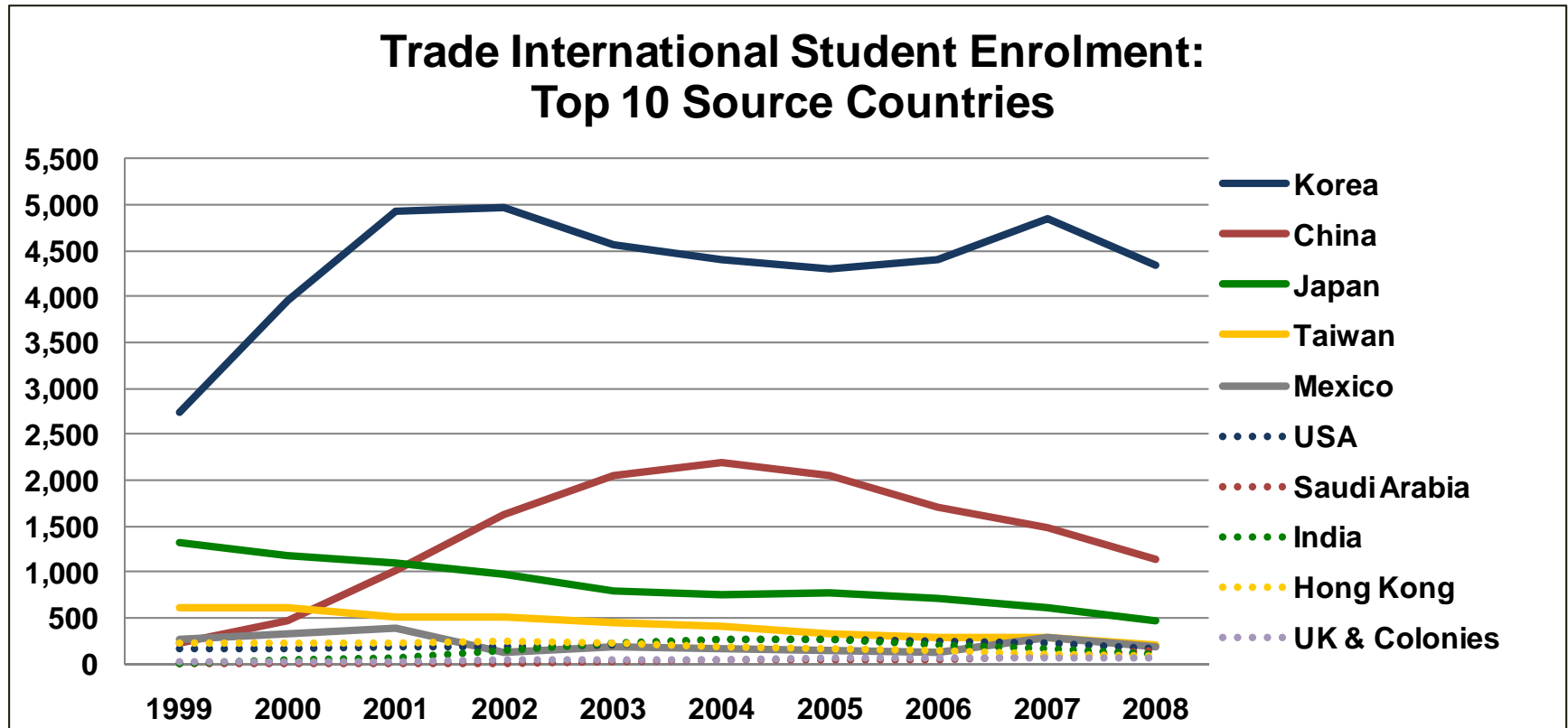
**China and South Korea account for half of all enrollments**

# INTERNATIONAL STUDENT ENROLLMENTS IN BC: SECONDARY OR LESS SECTOR



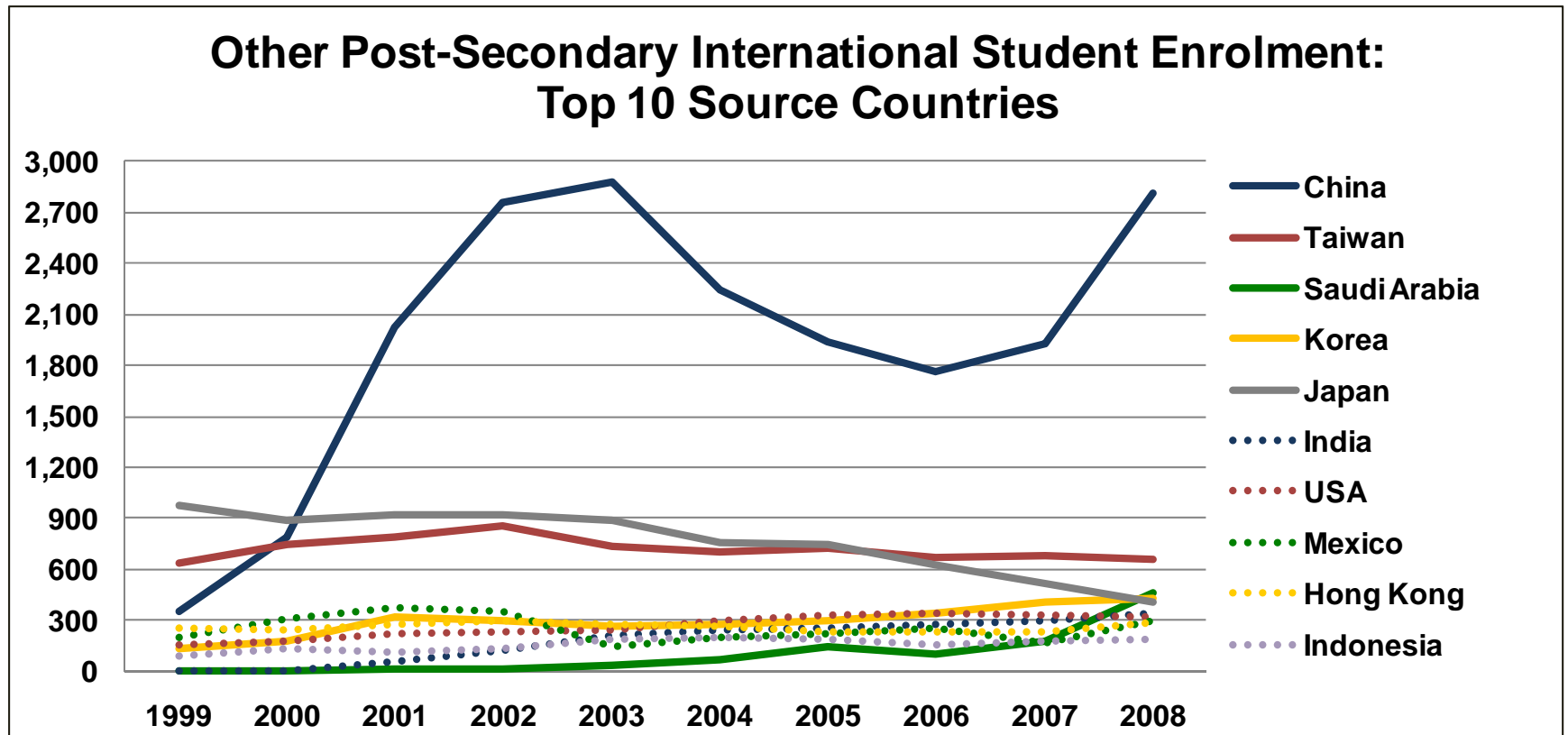
**South Korea accounts for half of all enrollments**

# INTERNATIONAL STUDENT ENROLLMENTS IN BC: TRADE SECTOR



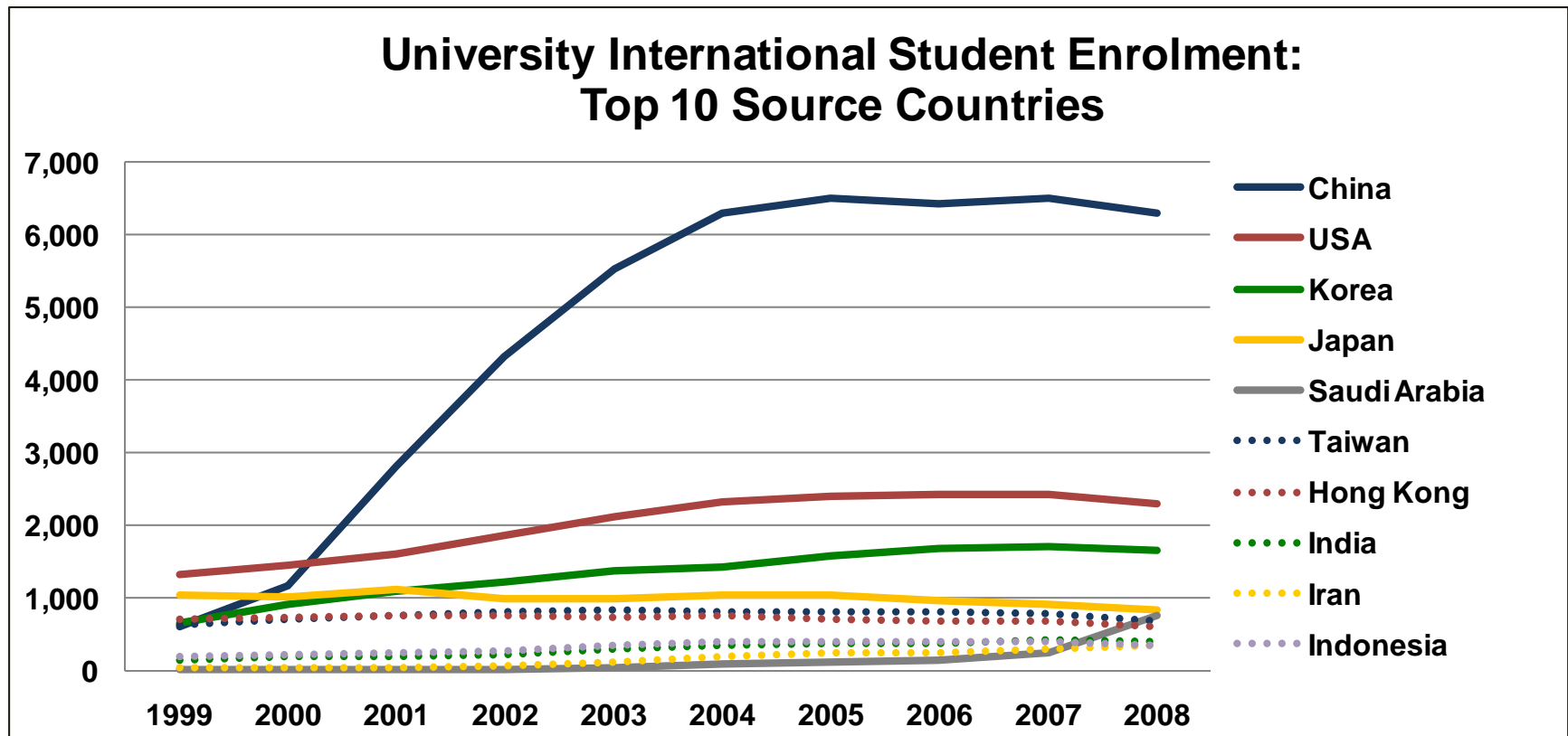
**South Korea and China account for 72% of all enrollments**

# INTERNATIONAL STUDENT ENROLLMENTS IN BC: OTHER POST-SECONDARY SECTOR



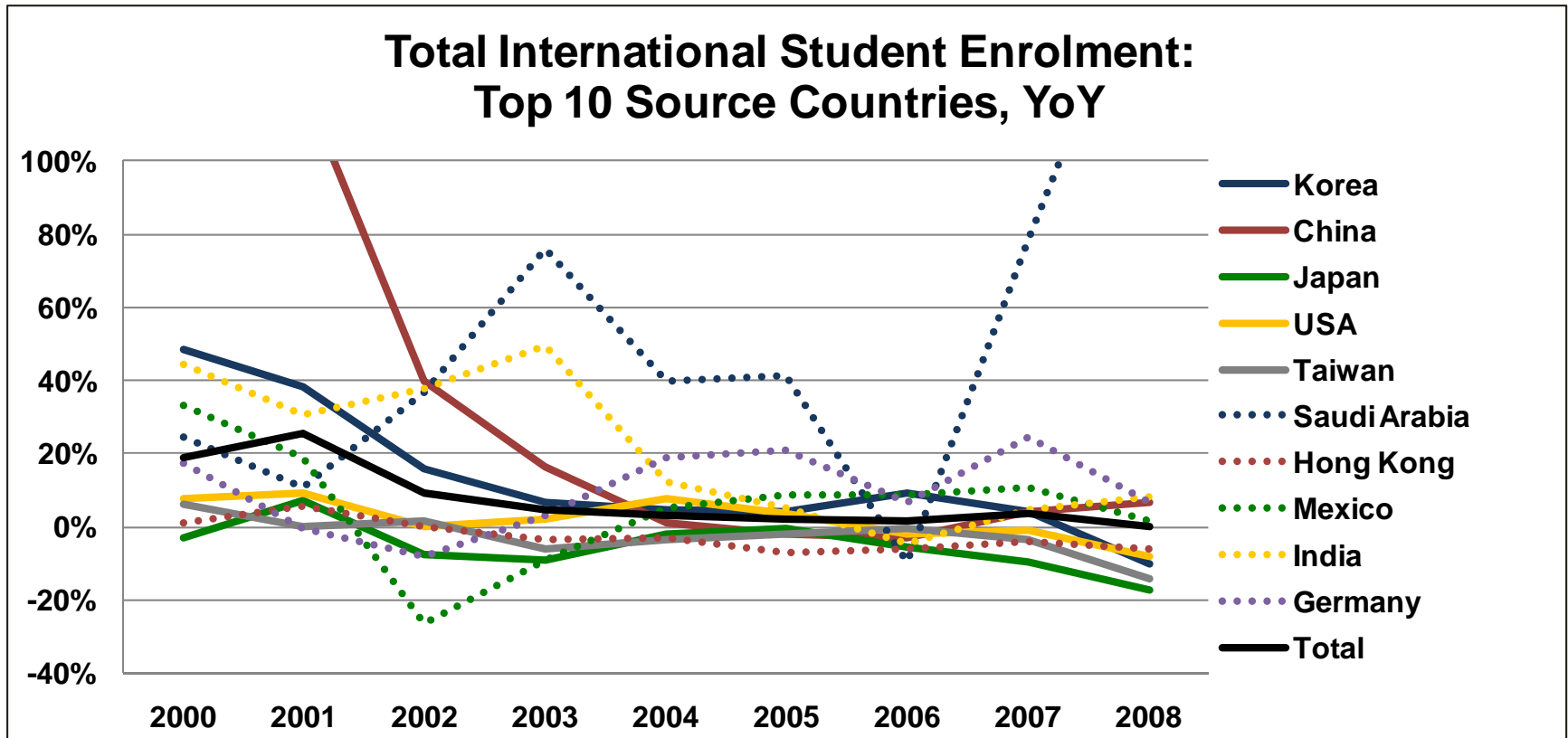
**China accounts for 37% of all enrollments**

# INTERNATIONAL STUDENT ENROLLMENTS IN BC: UNIVERSITY SECTOR



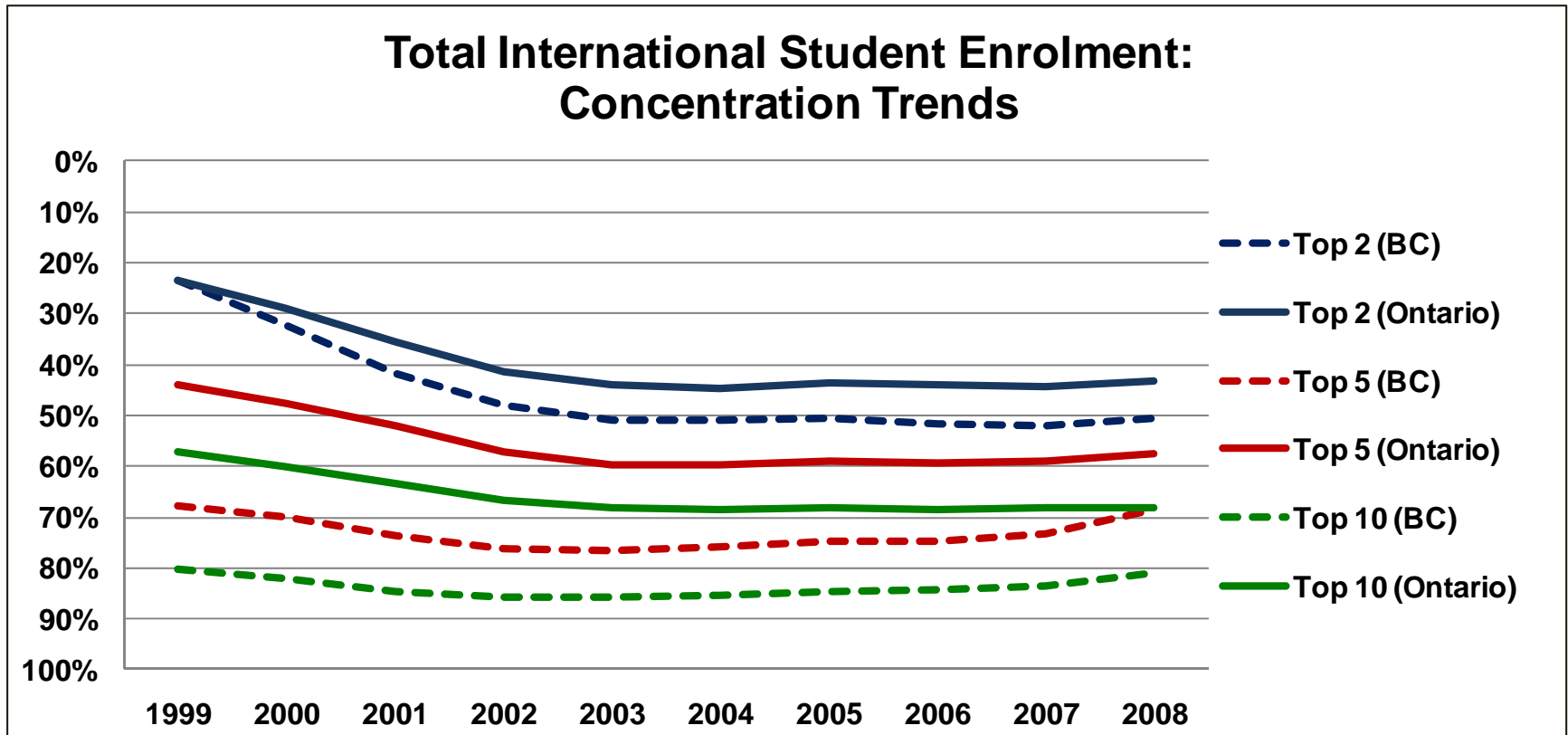
**China accounts for one-third of all enrollments**

# INTERNATIONAL STUDENT ENROLLMENTS IN BC: YEAR-OVER-YEAR GROWTH



**Notable fluctuations, but recently declining growth patterns**

# INTERNATIONAL STUDENT ENROLLMENTS IN BC: CONCENTRATION LEVELS



**BC exhibits high, growing, and risky concentration level**

# TOP TEN SOURCE COUNTRIES FOR CANADA, BC, AND ONTARIO (ALL SECTORS, 2008)

	<b>BC</b>	<b>Ontario</b>	<b>Canada</b>
<b>1</b>	Korea	China	China
<b>2</b>	China	Korea	Korea
<b>3</b>	Japan	India	USA
<b>4</b>	USA	USA	France
<b>5</b>	Taiwan	Hong Kong	India
<b>6</b>	Saudi Arabia	Saudi Arabia	Japan
<b>7</b>	Hong Kong	Japan	Saudi Arabia
<b>8</b>	Mexico	Mexico	Taiwan
<b>9</b>	India	Nigeria	Hong Kong
<b>10</b>	Germany	Pakistan	Mexico

**BC differs from Ontario and Canada pattern-wise**

- **Near doubling of international student enrollments between 1999 to 2008 in line with overall trends**
- **Dependency on China and South Korea is too high (50%+). Top 5 source countries account for 69% of enrollments – also too high**
- **BC's Top 10 source countries contain four “risk” countries (political/economic/demographic/competition): China, Japan, Saudi Arabia, Taiwan**
- **Some regions are under-represented: South America, Europe, Africa**
- **Some sector face “mono culture” situations**
- **BC is different from the Canada and other Provinces. It therefore requires a distinct marketing and positioning strategy**

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**Outlook**

- **Evolving markets (key source country domestic capacity building)**
- **Added competition (established competitors trying harder)**
- **Different competitors (Singapore, China, others)**
- **Rise in global demand for (high) quality, branded learning**
- **Potential for branching out into sources countries in Asia (carefully)**
- **Environmental considerations (future of short-term long distance travel)**
- **Globalization of international education (how to position a localized product/service?)**
- **And again, technology (from Facebook to online learning to new ways to teach and research)**

- ...

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