# COMPARATIVE ANALYSIS OF NEW ZEALAND AND OUR MAIN COMPETITOR COUNTRIES RESEARCH

I-GRADUATE

JULY 2011

COMPARATIVE ANALYSIS OF NEW ZEALAND OUR AND MAIN COMPETITOR COUNTRIES

Prepared by: International Graduate Insight Group Ltd

Commissioned by: Education New Zealand

This publication/resource contains material which was developed with funding from the Export Education Industry Development Fund and managed by Education New Zealand through an Agreement for the Provision of Services with the Ministry of Education ((c) Crown).

CONTENTS

# COMPARATIVE ANALYSIS OF NEW ZEALAND AND OUR MAIN COMPETITOR COUNTRIES

## EXECUTIVE SUMMARY

### OVERVIEW

The following report has been commissioned by Education New Zealand Trust to provide an overview and comparison of education marketing strategies in New Zealand and four competitor countries (Australia, Canada, UK and USA). Through identifying and analysing key selling points in five educational sectors (Schools, English Language, PTEs, ITPs and Universities), the report provides a comparative analysis for each sector and provides recommendations for improvement at both the sectoral and institutional level.

In order to draw together the analysis, i-graduate conducted a range of in-depth interviews in January to April 2011 with representatives from organisations responsible for the international promotion of education brands. This market intelligence was supplemented by quantitative research conducted over recent years by i-graduate in the identified countries, the knowledge of in-house country representatives and by desk-based research conducted by the research team.

The results are designed to provide Education New Zealand with actionable recommendations for the further development of marketing strategies aimed at increasing the attractiveness  and awareness of New Zealand to international students.

### KEY THEMES

In the course of undertaking the following report, a range of key themes have emerged from the analysis.

Firstly, it is important to acknowledge that marketing strategies vary according to organisational remit: where an organisation is responsible for promoting the education brand of the country, it is natural that its focus will relate largely to the key drivers of country choice. Nonetheless, it is also worth noting that sectoral and institutional strategies often draw upon the same country-level drivers of student choice, before providing more specific attractions of the offering.

Secondly, it is noticeable how similar messages are from one country to the next. Key selling points referenced in many of the strategies emphasise the quality and reputation of the education system, safety, costs of study and living, the educational and cultural experience and, to a lesser extent, pathways and future prospects. Interestingly, i-graduate market research helps to identify current perceptions of international prospective students in popular source country markets and therefore the effectiveness with which these messages are conveyed.

Thirdly, the real differences between countries appear to be in the way messages are conveyed to prospective international students. Similar messages are often delivered in different ways – but for good reason. Marketing messages need to be adapted to fit the national context – whether this relates to a traditional or perceived reputation, fluctuations in exchange rates or recent events likely to impact upon the student experience. Development of marketing strategy therefore needs to remain dynamic.

The report seeks to draw upon a diverse and wide range of sources to better understand different promotional practices at the national, sectoral and institutional level. However, it is important to recognise that the scope of this research is potentially open-ended, so the report instead focuses predominantly on both nationwide and (where they exist) sectoral marketing strategies. Examples of best practice at the institutional level are still provided, especially where marketing strategies are not coherent at the national level.

## 1. INTRODUCTION

### AIM OF THE REPORT

This report was commissioned by Education New Zealand Trust with the aim of providing further in-depth promotional intelligence to New Zealand's institutions and education sectors, by presenting a comparative analysis of New Zealand and its main competitor countries' key selling points, along with suggested areas for improvement. This competitor intelligence will enable the New Zealand export education industry to maximise its leveraging opportunities by informing and or creating sectoral marketing strategies.

The main key competitor countries identified by Education New Zealand Trust are Australia, Canada, the UK and the USA.

The five education sectors explored are Schools, English Language Schools, Private Training Establishments (PTEs), Institutes of Technology and Polytechnics (ITPs) and Universities.

### 1.1 INTRODUCTION

Student mobility is an important part of the global education landscape, with OECD statistics showing over 3.3 million students undertaking courses outside of their home country in 2008[1]. Favourable economic conditions, including an increase in GDP per capita and access to more disposable income, has contributed to rising demand in developing source countries for an international education.

Whilst demand continues to increase, so too do the opportunities to study outside of the traditional OECD countries (such as Australia, Canada and New Zealand, the UK and the USA). This shift in pattern has caused national governments and educators in traditional markets to look much more closely at their competitor offering, recognising that international students and their contributions are closely linked to skilled migration and economic competitiveness. At a local level, educators are much more in tune with the benefits of having international students in the classroom – these being both from income generation and increased cultural diversity across the learning environment.

For several years, national governments have been driving change in a bid to remain competitive. Change has been instigated through the establishment of national marketing strategies and policies, which focus on improving the quantity and quality of their education provision. However this change has come about at a time when the major players are facing challenging circumstances. Some are experiencing fluctuating economies (UK/USA/Australia/New Zealand), high unemployment (UK/USA) and an increased need to tighten security (UK/USA/Australia). All of which and more are proving to be challenging issues for creating favourable conditions for increasing international student enrolments.

---

1 http://www.oecd.org/dataoecd/38/24/47864732.pdf

The number of mobile students is certain to rise over the coming years if predictions for demand are true, but so too will the competition to attract them. The English-speaking OECD countries that have historically attracted the vast majority of mobile students must adapt and evolve in order to respond to students' demand. However in doing so they need to ensure that the strategies complement the current economic, political and social environment in which they are operating. They also have to ensure that change moves as quickly as – and in line with – student demand.

The long-term effect of the global economic crisis and resulting public sector cutbacks in many of the major education exporters is yet to be fully felt. Consequently, there is a need for the public and private sector providers to work together as a nation to overcome some of the hurdles created by external market forces.

New Zealand, having the benefit of being a relatively small country in comparison to its key competitors, is not free from these debates but it appears to be rising to the challenge well with international student enrolments starting to show an upward trend across all education sectors. Government policies are generally favourable and, although change (in the form of immigration policy review and the replacement of ENZ with a new Crown agency) is on the horizon, New Zealand looks to be in a position to better compete with the bigger players on the international recruitment platform.

To be competitive, New Zealand needs to keep abreast of competitor activity, using market intelligence to inform national, sectoral and individual marketing strategies. This needs to be supplemented by an understanding and appreciation of what motivates students to apply to a particular study destination.

It is the intention of this research to offer a comparative analysis of New Zealand's education sectors with its main competitors, identifying their key selling points, resulting marketing activities and good practice, along with practical recommendations, to ensure that New Zealand continues to compete effectively on the world stage and indeed maintain its upward trend in international student enrolments.

## 1.2 INTERNATIONAL STUDENT STATISTICS

Looking specifically at the numbers involved, OECD statistics[2] indicate that between 2000 and 2008, the number of international students in tertiary education[3] (that is, those enrolled in either academic or vocational forms of post-secondary education) in Australia and New Zealand doubled. In contrast, over the same period, the number of international students in the USA grew by no more than 25%. Data for the schools sector is much more difficult to find, although there is a general realisation that international student recruitment in the Schools sector is increasing. Where, traditionally, private schooling was the most obvious option for international students, many of the major competitors have opened their doors to international students attending Government run schools – for instance, in Victoria, Australia[4], in various different US states[5] and in Quebec, Canada[6].

[2] Education at a Glance, OECD Indicators (C2), 2010, http://www.oecd.org/dataoecd/45/39/45926093.pdf
[3] See http://stats.oecd.org/glossary/detail.asp?ID=5568 for OECD's definition of tertiary education
[4] http://www.study.vic.gov.au/

In 2008, the USA received 19% (in absolute terms) of all international students enrolled in tertiary education, compared to 10% for the UK, 7% for Australia, 6% for Canada and 1.8% for New Zealand, which is over 40% of the total international student enrolments across the world.

Whilst it is difficult to collate data covering all five sectors in each country because statistics are collected differently, in 2007, about 20% of those enrolled in tertiary education in Australia were international students, compared to the United Kingdom (15%), New Zealand (13%) and Canada (7%). The USA was notably below the OECD average of 7% on around 3%.[7]

As noted above, each country differs in the way it collects and reports data on international student statistics. There is a far greater range of information on international student numbers in tertiary institutions, for example, than those in schools (whose international recruitment strategies are less developed) or those studying with private education providers (where such information is commercially sensitive). This makes straight comparisons across countries problematic, a theme elaborated upon during this report.

### 1.3 STRUCTURE OF THE REPORT

The report begins with a general overview of the international student market and the factors affecting it, followed by a brief look at the key issues and challenges facing each competitor country.

Subsequently, a comparative analysis of each of the five sectors is provided in turn. The report concludes by drawing together common areas of development for New Zealand education and specific recommendations for each sector.

Section 2 outlines the methodology used in the project, whilst Section 3 provides an overview of the current situation in each country.

Section 4 takes each sector in turn and offers an overview of the sector within each of the major competitors. The section draws on the key selling points but also looks at the current environment in which the sector is operating and indicates how some of these factors may impact upon the ability of each country to recruit international students.

At the end of each sector a comparative analysis is presented to illustrate how New Zealand is performing against its competitors and the barriers that may need to be broken down to allow the sector to compete more effectively with its major competitors. This is then followed by a list of practical recommendations that can be used at a sectoral or individual level to inform marketing strategies. Throughout the section examples of best practice are offered where available.

---

[5] http://news.yahoo.com/s/ap/20110404/ap_on_re_us/us_far_east_to_down_east_2
[6] http://www.seiq.com/index.php?page=about-seiq&hl=zh_CN
[7] http://www.oecd.org/dataoecd/45/39/45926093.pdf

Section 6 concludes the report by providing an overview of the emerging themes across the five education sectors and identifies areas of potential further research.

# 2. APPROACH

## 2.1 METHODOLOGY

The following section provides a summary of the methodological process used to build this comparative analysis and subsequent actionable recommendations.

Collecting marketing strategy information for competitor countries is complex, especially as there is no common source of information. For this reason, it has been necessary to use multiple research methods to draw together appropriate data – a variety of qualitative and quantitative research, including both primary and secondary information sources, has been utilised. Much of the research has therefore had to come from desk-based research and in-depth interviews where colleagues have been willing to share their views (some countries/sectors being more willing than others).

**Stakeholder and International Interviews**

During the period from February – April 2011, in-depth telephone interviews were conducted with key informants representing the range of sectors across all five countries. Interviews with important stakeholders in New Zealand were conducted to provide in-depth viewpoints of the current national position and to ensure as many domestic opinions and concerns were represented within the confines of the study. In the international country set, appropriate interviewees were identified by i-graduate in-country representatives based upon their work to promote the education system in the competitor country.

In some cases, there was reluctance to discuss international recruitment strategies, due to the commercial sensitivity of the data we are trying to collect. Likewise, there have been situations where organisations did not feel they had a sufficiently international outlook to provide comment on recruitment of non-domestic students. Nonetheless, these informant interviews have provided a wealth of background and context and been a central source of information for this report.

**i-graduate Country Representatives**

As highlighted above, i-graduate has designated country representatives for each of the countries involved in this research. It has been possible to build upon their body of knowledge to ensure connections with the right organisations and provide an understanding of the educational context in which these organisations operate.

## Existing i-graduate Data

i-graduate has now conducted over 1 million student surveys, the majority of which are with international students. We have worked extensively within higher education, but also in the fields of English language and further education. Studies in the international school sector are now also underway.

Using existing data from the range of i-graduate publications has greatly helped to inform the analysis we have been able to provide. The International Student Barometer (ISB), which surveys current international students, and StudentPulse, which deals with prospective international students, has been analysed to draw out key statistics relating to the countries in question. Previous surveys undertaken for Education New Zealand, for the ITP sector in New Zealand and i-graduate's annual ICEF Agent Barometer have provided particularly useful insights.

Tables and charts using this market research data have been provided within the body of the report. These have been selected to demonstrate and back up a range of points including:

- specific market intelligence on source countries
- perceptions of country destinations
- relative attractiveness of New Zealand within different education sectors and amongst different nationalities

Keys are provided for the charts as and where appropriate. In general, satisfaction or importance ratings from online surveys are measured on a Likert scale (that is, a 1-4 scoring measurement such as Very Dissatisfied, Dissatisfied, Satisfied and Very Satisfied). An average score of 3.5 therefore implies an overall average directly between Satisfied and Very Satisfied.

## Secondary Research

To supplement the primary research used to inform this study, extensive desk research has been conducted by our research team to provide additional, complementary data and analysis. This has specifically included investigating the education systems themselves, their qualification and recognition systems and frameworks; the political background and context to each country's international education strategies, tuition fee costs and average living costs; financial assistance and scholarships available.

Trends in international student recruitment across all five countries have been analysed, in overall terms and looking at key source countries as they differ by country and by sector. Likewise, the activities of national and sectoral organisations supporting international education in each of the five countries has been considered and contrasted.

**Comparative Analysis**

These varying information sources have been drawn together to provide key selling points for each country, a SWOT analysis for each sector in New Zealand and finally key recommendations for New Zealand sectors and individual institutions.

It is important to recognise that, given the breadth of study scope, it has not been feasible to provide a comprehensive analysis of the international education landscape as it exists now and a forecast looking forward. It is therefore the intention here to consider the more important aspects of marketing the New Zealand education brand.

It has also been hard to find information on the schools sector, as this has not traditionally been a sector where international student recruitment is a priority. Where data exists, it is sporadic and may not cover both private and state schools. The same can be said of the PTE sector, where data collection has been the most difficult to capture – more than likely due to the commercial sensitivity of information in the for-profit sector.

The report should therefore be read with this perspective in mind; whilst it is not able to provide a complete strategic picture of New Zealand's competitors, it will give a sense of the challenges that each is facing, and how New Zealand can use this intelligence to focus its own efforts.

## 2.2 EDUCATION FRAMEWORKS AND SYSTEMS

All five countries have education systems that are widely recognised and valued by students across the world. They each have quality assurance mechanisms in place, although the robustness of these systems can differ within sectors. Nonetheless, there are substantial differences between the superficially similar systems: Appendix 1 provides both an overview of education systems and elaborates on these key differences, in particular:

- the differing level and value of upper secondary school qualifications
- availability of education pathways
- differing numbers of levels in qualification frameworks
- wide variation in the structure of post-secondary vocational education and training
- similar qualification nomenclature in the university sector masking differing structure of programmes
- separate professional qualification practices

## 2.3 NATIONAL AGENCIES AND REPRESENTATIVE BODIES

Promotion of education to international students occurs at a number of levels. At a national level, government departments and agencies usually take on a lead role in the promotion of the country's education system. This strategy is supported by sector organisations and representative bodies, which aim to forge networks within the respective sectors and promote themselves to an international market. See Appendix 2 for a table highlighting the main players in each sector. These agencies, where they exist have been particularly useful in the collection of key selling points. Where national organisations do not exist, it has been necessary to use a horizon scan of individual institutional promotional material to establish a de facto mix of key selling points that are generally referenced. In essence, a sector-wide brand is implied and this is drawn out here.

## 3. COUNTRY OVERVIEWS

### 3.1 NEW ZEALAND

**Overview**

The international student market is vitally important to New Zealand. Education is its fifth largest export industry, contributing around NZ$2.5bn annually to the economy. International student enrolments have fluctuated over the last decade however the market appears to be showing a slow but steady upward trend in enrolments since 2009. In 2010 there were 99,880[8] international students studying across all education sectors. New Zealand's top three source countries for international students are China, South Korea and India.

**Competitors**

**Perceptions of Prospective Students**

In terms of the competition, i-graduate's 2011 StudentPulse data, which surveys prospective international students looking to study in higher education (those considering undergraduate, postgraduate taught and postgraduate research programmes), asked respondents to indicate which two countries they were most closely considering for international study. Chart 3.1 below, shows New Zealand in sixth place behind the major competitors identified in this research report. Although not the focus of this report, it is interesting to note that Germany is slightly ahead (selected by 19% of respondents) and both Singapore and Ireland were on a par with New Zealand. This illustrates the growing number of countries operating in the international student recruitment marketplace.

[8] http://www.educationcounts.govt.nz/statistics/international_education/export_education_levy_statistics/29680/29692

Chart 3.1: Which countries are prospective students actively considering?

StudentPulse™ UNDERSTANDING TOMORROW'S STUDENTS TODAY

i-graduate INTERNATIONAL INSIGHT

**Which of the following countries are you considering? Multi choice question** Base=13,878

| | StudentPulse |
|---|---|
| UK | 53% |
| USA | 50% |
| Australia | 38% |
| Canada | 34% |
| Germany | 19% |
| New Zealand | 14% |
| France | 14% |
| Singapore | 13% |
| The Netherlands | 9% |
| Italy | 8% |
| Spain | 7% |
| Malaysia | 7% |
| Denmark | 7% |
| China | 7% |
| Republic of Ireland | 6% |
| Other | 6% |
| South Korea | 5% |
| United Arab Emirates | 4% |
| India | 4% |
| South Africa | 3% |
| Thailand | 2% |

The traditional hosts are the obvious rivals.

Long tail of alternative and emerging hosts

(Multiple choice)

Looking into this data in more detail shows the direct competitors to New Zealand more clearly. Table 3.1 below demonstrates that of the 568 respondents specifically considering study in New Zealand, 29% are also considering study in Australia, confirming Australia as New Zealand's closest competitor. A substantial proportion of prospective students were also considering the UK (14%) and Canada (13%), with a smaller percentage considering the USA (8%). Importantly, almost a fifth of students were not considering study in any other country except New Zealand. This market intelligence is critical to the development of sectoral marketing strategies, as it allows for key messages to be developed with the aim of taking market share from direct competitors rather than those sitting on the periphery.

Table 3.1: New Zealand's key rivals from the viewpoint of prospective students

StudentPulse™ UNDERSTANDING TOMORROW'S STUDENTS TODAY

i-graduate INTERNATIONAL INSIGHT

**Which two countries are you most likely to study in?**

| Students considering these countries [column heading] also considered [row heading] | Australia | Canada | France | Germany | The Netherlands | New Zealand | Singapore | United Kingdom | United States | Other | No other countries |
|---|---|---|---|---|---|---|---|---|---|---|---|
| BASE | 2993 | 2436 | 572 | 1034 | 383 | 568 | 679 | 5302 | 4959 | 2791 | 5801 |
| Australia | X | 18% | 7% | 9% | 12% | 29% | 18% | 12% | 10% | 10% | 12% |
| Canada | 15% | X | 6% | 7% | 6% | 13% | 8% | 7% | 14% | 6% | 9% |
| France | 1% | 1% | X | 4% | 2% | 1% | 1% | 3% | 2% | 3% | 2% |
| Germany | 3% | 3% | 8% | X | 10% | 2% | 3% | 4% | 4% | 5% | 3% |
| The Netherlands | 2% | 1% | 1% | 4% | X | 2% | 1% | 2% | 1% | 2% | 1% |
| New Zealand | 5% | 3% | 1% | 1% | 3% | X | 3% | 1% | 1% | 2% | 2% |
| Singapore | 4% | 2% | 1% | 2% | 2% | 4% | X | 2% | 2% | 4% | 2% |
| United Kingdom | 21% | 14% | 24% | 20% | 26% | 14% | 15% | X | 27% | 21% | 30% |
| United States | 16% | 29% | 17% | 21% | 9% | 8% | 18% | 26% | X | 12% | 27% |
| Other * | 9% | 7% | 16% | 13% | 13% | 8% | 16% | 11% | 7% | X | 13% |
| No other countries | 23% | 21% | 18% | 19% | 18% | 18% | 16% | 33% | 31% | 26% | X |

## Perspectives of Agents

Data from the Agent Barometer supports the above perspective of New Zealand's attractiveness as a study destination. The following three charts show how agents' perceive different study destinations in 2011 (base number is 817). In Chart 3.2, New Zealand is viewed as an Attractive or Very Attractive destination by 85% of agents. Chart 3.3 demonstrates that, since 2008, perceptions of New Zealand have been broadly consistent, although the number finding New Zealand Very Attractive has risen by 4%. Meanwhile, Chart 3.4 shows how positively New Zealand is viewed by Indian agents, seemingly at the direct expense of Australia.

Chart 3.2: Agent Perceptions of Study Destinations

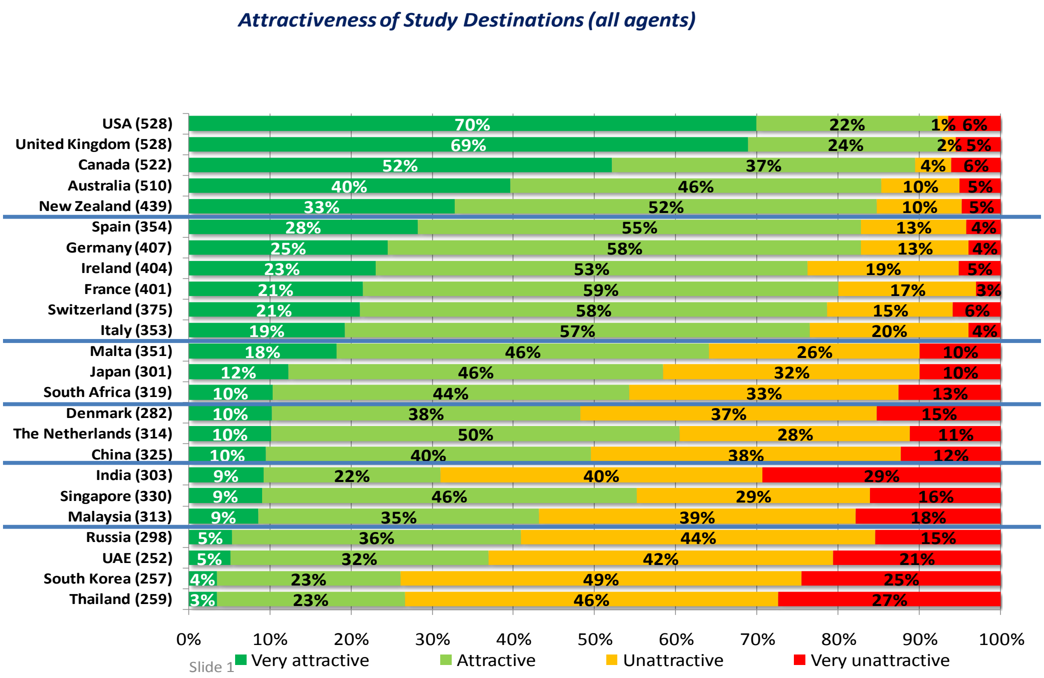



Chart 3.3: Agent Perceptions of Study Destinations: Year-on-Year

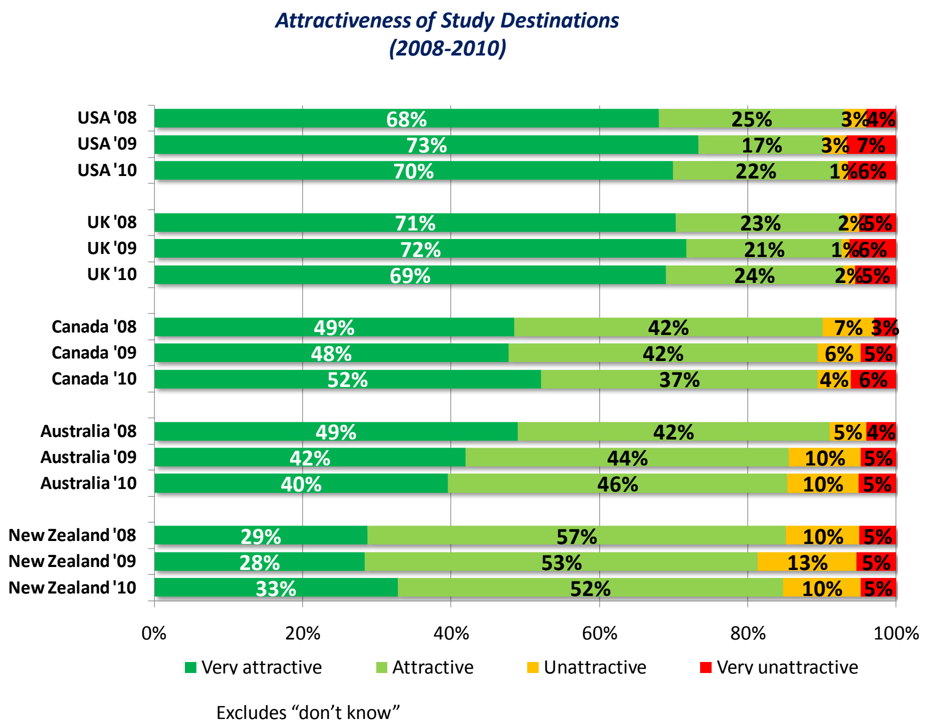
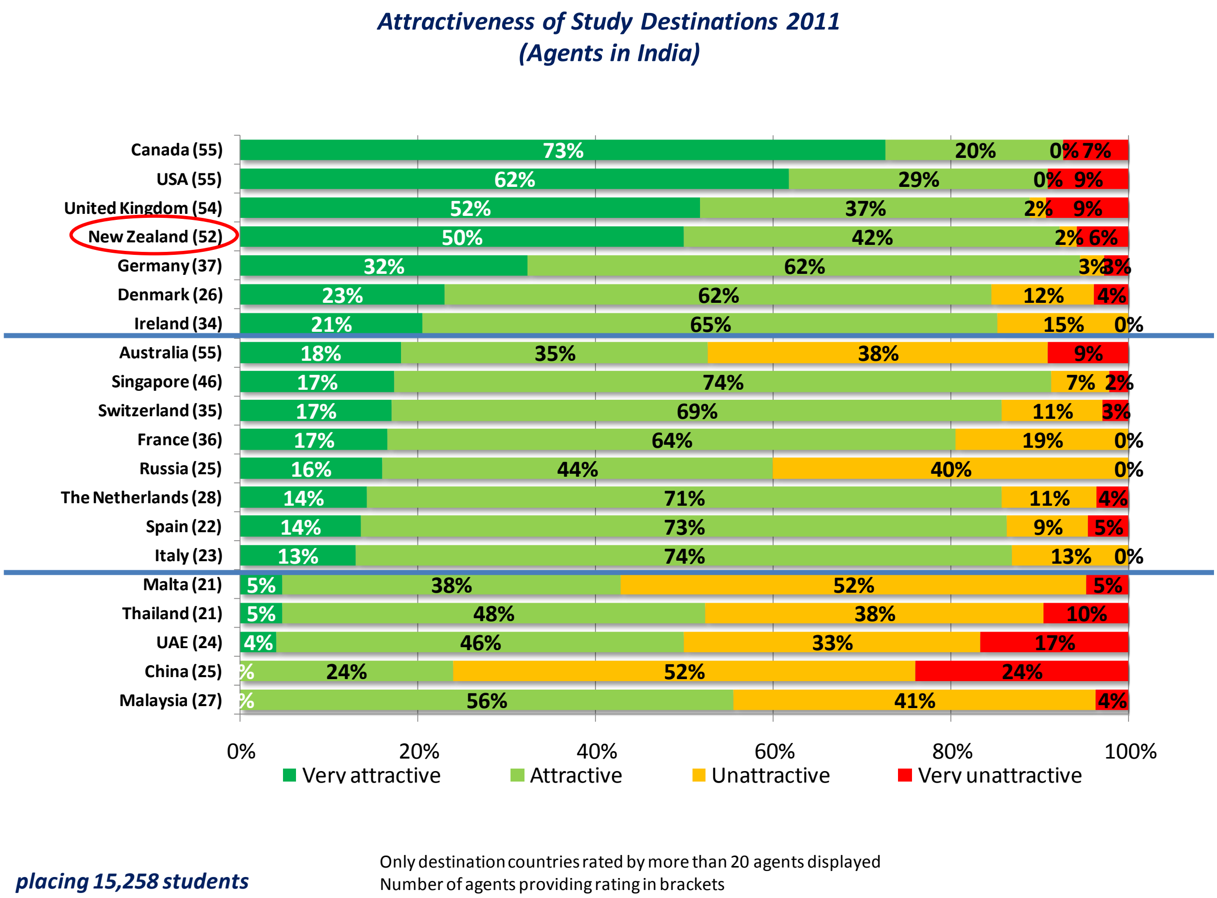


Chart 3.4: Indian Agent Perceptions of Study Destinations




## Current Branding and Decision-Making Factors

New Zealand, through the student-focused New Zealand Educated[9] website, markets itself as a young, creative and exciting country in which to live and study. The brand created for New Zealand Education is focused around seven key qualities or concepts: connected, inventive, trusted, personal, adventurous, lively and welcoming.

Interestingly, no overt mention is made either of the quality of the education system itself, the cost of living and studying in New Zealand or of opportunities for working during or after study, all factors that affect student decision-making. Although there is a facility that enables prospective students to search for institutions at which they might be interested in studying, the key focus is on attracting them to New Zealand as a country first, based upon its safe environment and opportunities for adventure.

i-graduate's 2008 International Student Barometer[10], a survey of over 7,000 international students studying at 46 institutions in New Zealand (incorporating universities, ITPs and English language schools) indicated that the reasons for choosing New Zealand as a study destination varied depending on the sector (Table 3.2.):

9 www.newzealandeducated.com

Table 3.2: Why did you decide to study in New Zealand over other countries you considered? (by sector)

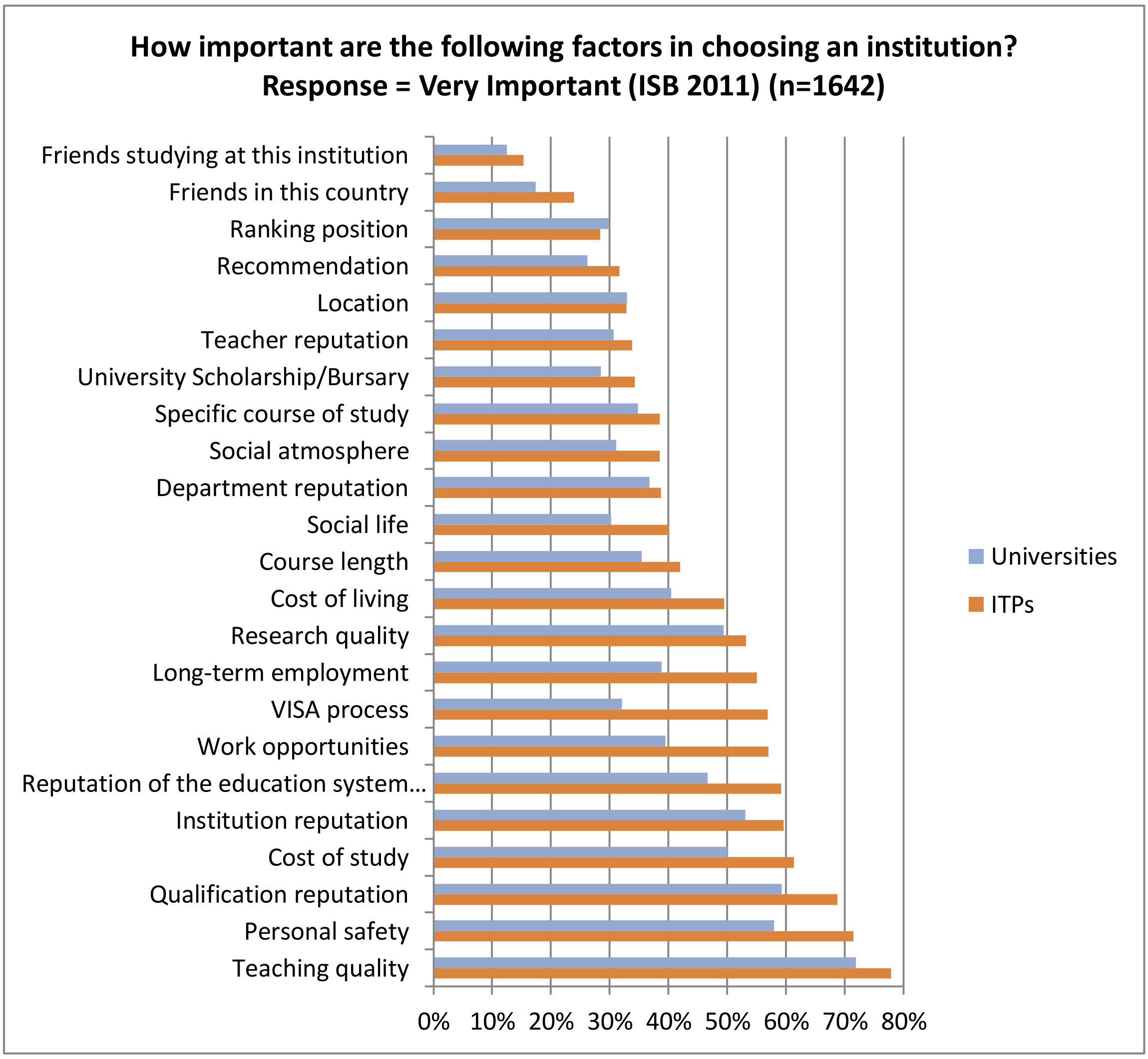
| University | ITP | Language |
|---|---|---|
| Opportunity to live in this country (35%) | Cost of study (35%) | English speaking country (57%) |
| Cost of study (34%) | Opportunity to live in this country (32%) | Safety (51%) |
| Reputation of institution (30%) | Cost of living (32%) | Cost of living (42%) |
| Cost of living (27%) | Reputation of education system (27%) | Tourism (36%) |

Although a significant proportion of those who were studying at New Zealand universities and ITPs were influenced by the opportunity to live in the country, a range of other factors, particularly cost and the reputation of the education system were important factors in their choice.

Early findings from the 2011 International Student Barometer (ITPs and Universities) also demonstrate the same point. Factors considered Very Important in the decision-making process to choose the institution are highlighted in Chart 3.5 below:

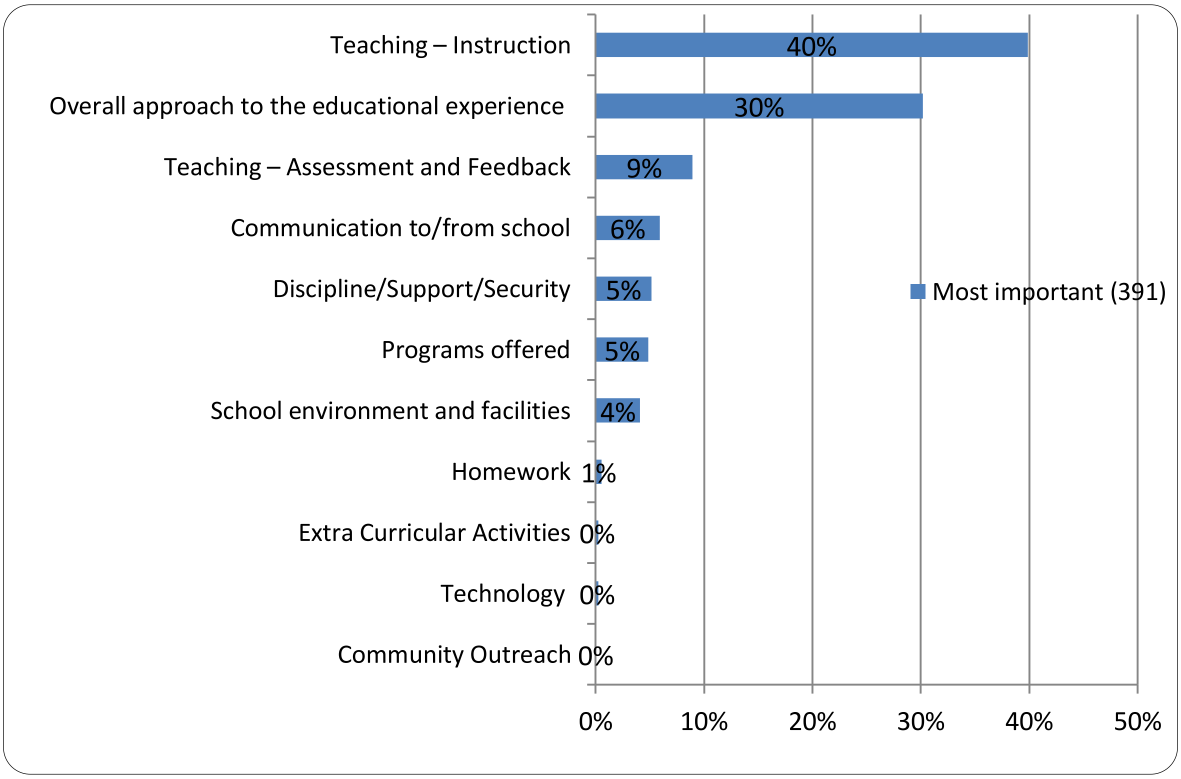
10 Table taken from the International Student Barometer for New Zealand (2008)

Chart 3.5: How important are the following factors in the decision to choose your institution in New Zealand?




Although this data is not available for the PTE and Schools sectors, from both discussion with selected agents and from a small study of parents of the Canadian International School in Singapore, it appears that key factors affecting institutional choice are not too dissimilar from the above elements. At a School level, when parents were asked which elements were important to them they indicated teaching and overall approach to educational experience as being the two most important factors. Although not directly comparable to the study on student decision-making, this information nonetheless reinforces the importance of the qualification and teaching within the institution. In Chart 3.6, the most important factor highlighted by parents in choice of school is displayed:

Chart 3.6: Which aspects you feel are the top 5 most important things for you?




Decision-making criteria also vary according to nationality. Chart 3.7 shows the importance that Chinese, Indian and South Korean students, looking to study at a higher education institution overseas, place on factors relative to the overall benchmark.

NB: If the average view is that 60% consider "Meet new friends" as "Important" or "Very Important" and only 50% of Indian students feel likewise, then this is shown as -10% on this chart.

Chart 3.7: Why are you considering international study – China, India and South Korea

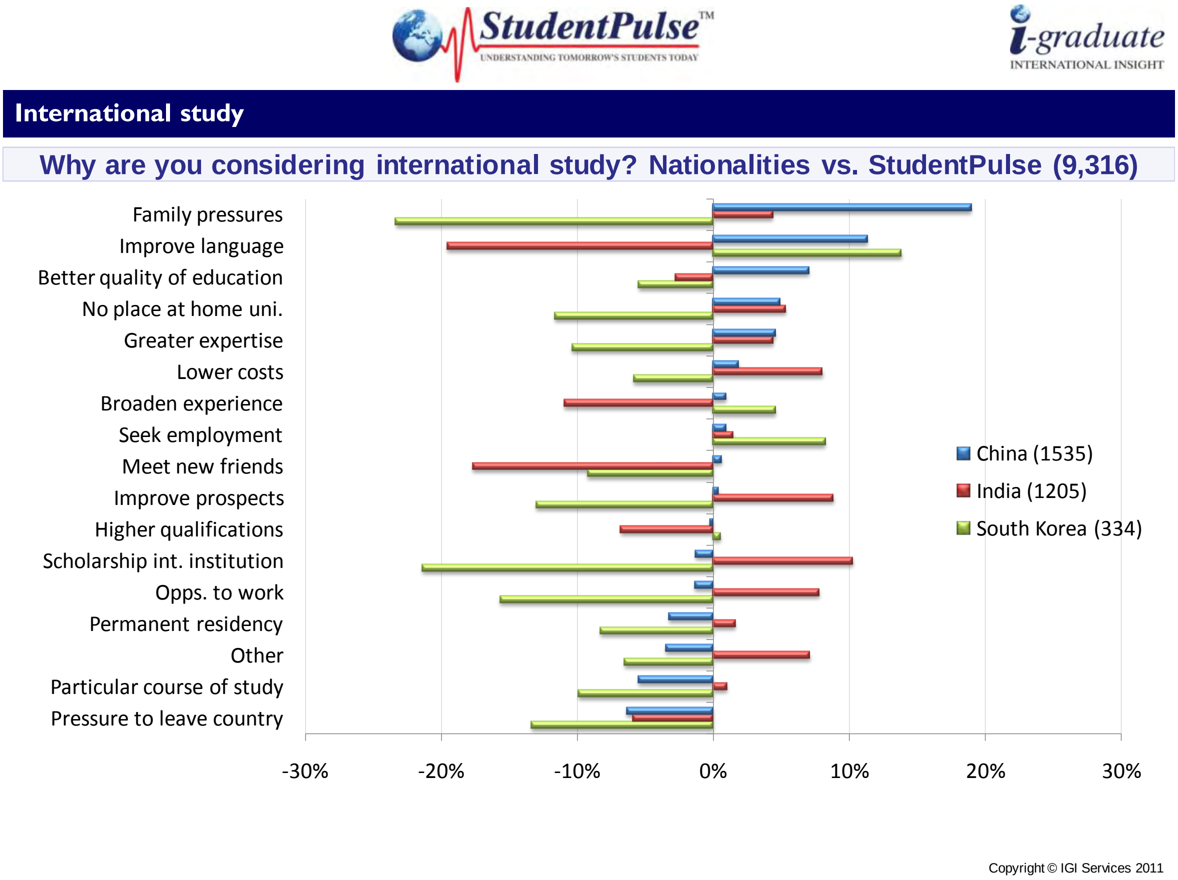



Chart 3.7 demonstrates that Chinese students are more likely to be considering international study because of family pressures and the better quality of education. Indian students tend to focus more upon costs and the ability to improve future prospects. South Korean students are most likely to want to improve their language, to broaden their experience and seek employment.

Furthermore, i-graduate's 2011 StudentPulse survey asked students who were considering New Zealand as a higher education study destination how they rated a range of decision-making factors. Charts 3.8, 3.9 and 3.10 below focus on the opinions of those from China, India and South Korea respectively – and show some interesting variations in their perceptions.

Chart 3.8: Chinese student perceptions of New Zealand in comparison to the overall average

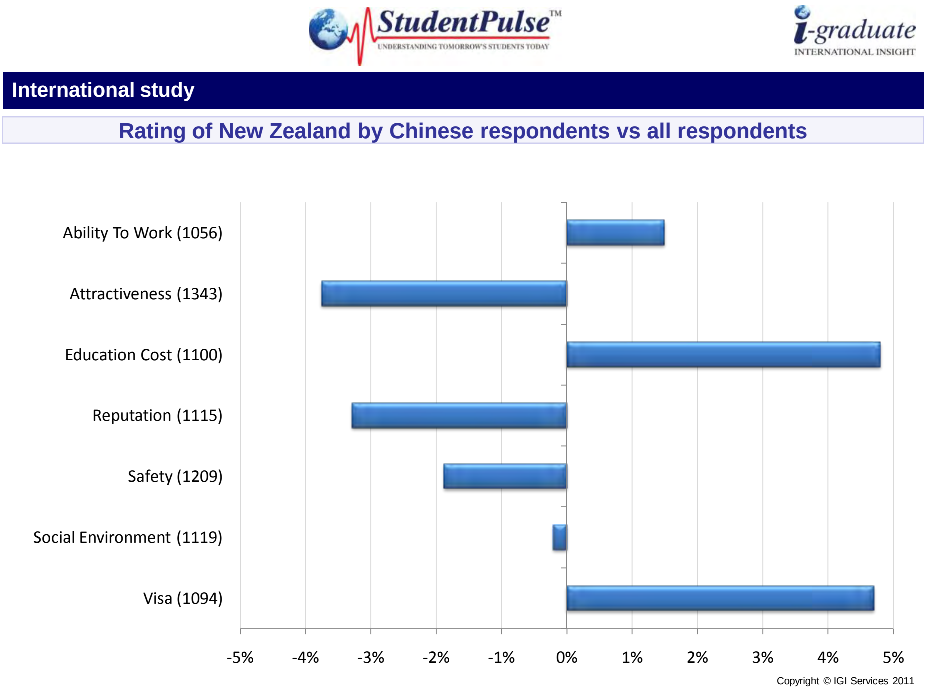



Chart 3.9: Indian student perceptions of New Zealand in comparison to the overall average

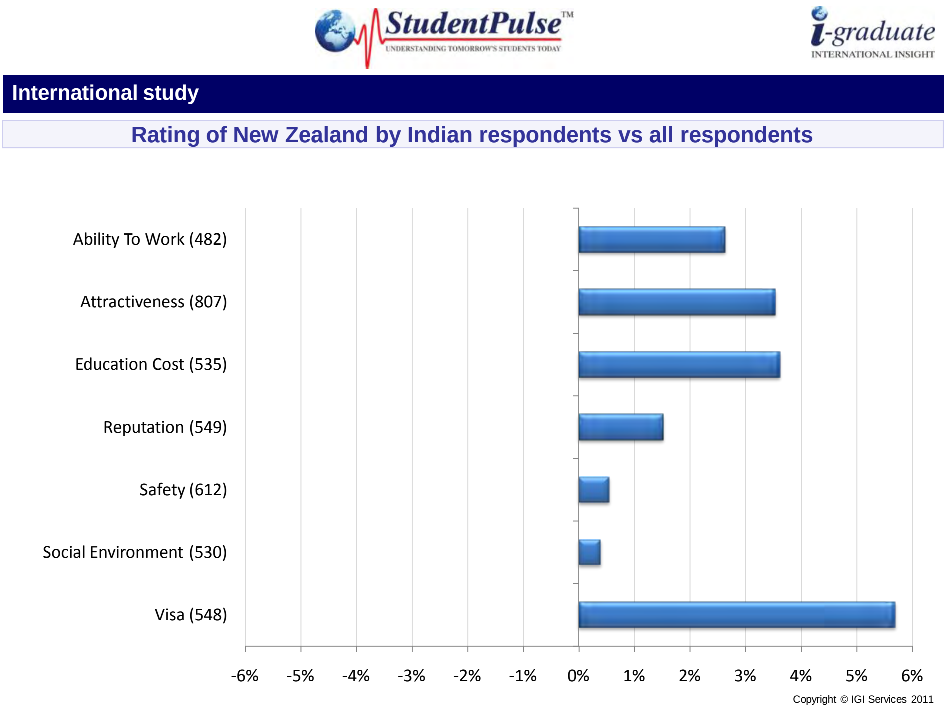
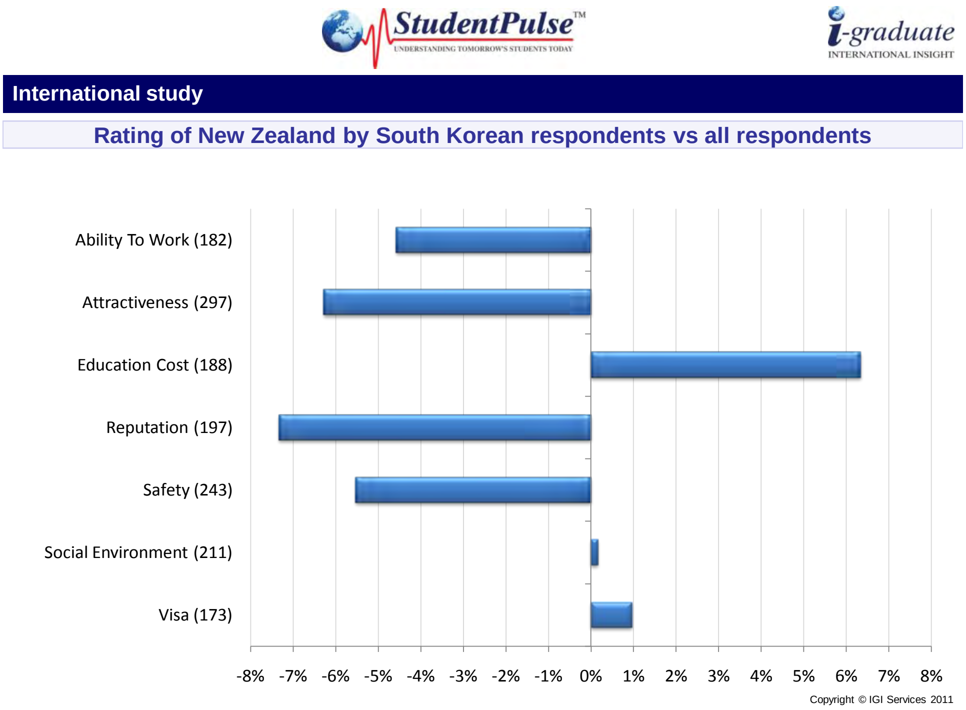


Chart 3.10: South Korean student perceptions of New Zealand in comparison to the overall average




Chinese students have a more negative perception of New Zealand's attraction, reputation and safety than did Indian students, who were more generally positive about New Zealand across the board. Interestingly, South Korean students had less positive perceptions about the ability to work in New Zealand and the ease of obtaining a visa to study there.

The result of the safety question is worth considering in the context of the survey's timing. Conducted in March 2011, the survey follows soon after the Christchurch earthquake and results for New Zealand are therefore likely to have been affected. Relative to the overall average response, it is nonetheless worth noting though that Chinese and South Korean students recorded lower perceptions of safety than the benchmark score.

New Zealand takes the welfare of its international students seriously, as do all the competitor countries. It is recognised that students who have a bad experience in the country will, in a world where such experiences can be conveyed almost instantaneously through social networking and other media, impact negatively in exactly the markets they are hoping to recruit. Australia has witnessed a dramatic decline in Indian student recruitment, courtesy of a few recent attacks in Melbourne[11].

Policies that are aimed at protecting the welfare of international students will help to mitigate against emerging issues. New Zealand's Code of Practice for the Pastoral Care of International Students is therefore a positive feature

[11] http://www.expatforum.com/australia/restrictive-student-visa-system-causing-a-huge-drop-in-international-applications-to-oz.html

of its offer as a country with a strong educational reputation in that it ensures a certain quality of approach in the recruitment and support of international students. Its existence encourages institutions to improve and adapt their services with many going above and beyond the prescribed minimum requirements. Of its competitor countries, only Australia offers anything similar, where institutions must uphold the National Code if they wish to continue to recruit international students[12].

Although these guidelines are not foolproof, they do at least provide a sense of security for prospective students and their parents (where they are an influence upon decision-making). Reflecting back on key factors in the decision-making process, safety is one of the key concerns irrespective of sector.

Nonetheless, the key point to draw from this overview is that the current branding of the New Zealand education system might not be addressing the decision-making considerations of prospective students from the most important source countries.

## 3.2 AUSTRALIA

Australia's international student market is mature and, during the period 2002-2009, had been growing at an average rate of 8.5% per year with over half of enrolments recorded in the public university sector (53%)[13]. However, in 2011, international student enrolments decreased by 8.7% to 389,601[14]. This decline can be attributed to number of factors, with those most commonly cited being the negative publicity received after the widely reported attacks on a small number of Indian students in the country the strict and perceived uninviting immigration policies for international students and the growing strength of the Australian Dollar against currencies in the USA and the UK. The situation has been made worse by the obvious over-reliance of students from two main source countries of India and China (where higher income levels are shifting prospective students increasingly towards the USA).

The decline has yet to be reported in the higher education sector with a 3.6% increase witnessed in March 2011. However anecdotal evidence[15] indicates that the sector will be hit in 2012. The largest decline reported was in the VET sector, where enrolments decreased by 21.4% in 2011 (down to 27% of the total, to 105,326). Likewise, ELICOS enrolments decreased by 21% (down to 45,306). Furthermore, Australian schools have not been left unscarred with a drop of12.8% to 16,597 in March 2011. This includes an 18.8% reduction in the number of Chinese school students, the largest market in the sector.

The global financial crisis did not have such a severe effect on Australia as in the USA and the UK, although the recent rise in value of the Australian dollar as compared to the US Dollar and UK Pound has meant that an Australian

---

[12] http://www.aei.gov.au/AEI/ESOS/NationalCodeOfPractice2007/default.htm
[13] http://www.aei.gov.au/AEI/PublicationsAndResearch/Snapshots/20100416HE_pdf.pdf
[14] Monthly Summary of International Student Enrolment Data – Australia – YTD March 2011, Australian Government, Department of Education, Employment and Workplace Relations
[15] The numbers this year have been bolstered by those transferring into universities from pathway providers.

education is comparatively more expensive than previously. Indeed, for Chinese students this could equate to an increase of up to 50% in the cost of studying in Australia.

The Australian education sector does however face challenges in retaining its intake of Indian students, where enrolments dropped from 70,541 in 2010 to 49,062 in 2011, a drop of just over 30%. The top five source countries (China, India, South Korea, Malaysia and Vietnam), who together contribute 58.6% of all Australia's international students across all sectors all sent fewer international students to Australia in 2011.

This downturn however has caused a significant backlash from the industry lobbying the Australian Government to recognise the importance of international students to the country. Significant policy reviews are underway including a reconsideration of the current student immigration process and the international student welfare program. There have also been a number of research projects that have been commissioned to look at the international student experience. Each of these is intended to reverse the downward trend, although the full impact of policy review is unlikely to be realised until 2012 and beyond.

Australia has increasingly become aggressive in its marketing of the country as a study destination. Although each state has some responsibility for the marketing and promotion of its education provision, this is also well supported by the federal education department (DEEWR) within which a section is entirely devoted to international education matters (AEI).

Until recently this department was also responsible for marketing the 'Study in Australia' brand offshore. However, recent changes have seen this responsibility move to the Australian Trade Commission 'Austrade'. The move has received mixed reviews in the sector, and whilst packaging Education and Trade together may seem an obvious partnership, it will take time to embed itself. Furthermore a recent rebranding strategy to try to address the declining perception of Australia as a study destination in key markets is underway[16].

## 3.3 CANADA

Between 2000 and 2006, the number of international students in Canadian tertiary education rose on average by 8.9% a year[17.] By 2010, there were over 190,000 international students across Canada.[18] The OECD calculated the Canadian share of the global international student market at 5.5% in 2008[19.]

Government funding for higher education has traditionally been high in Canada (typically 40% per student higher than in Australia and the UK[20]), which has meant that Canadian universities and colleges have not needed to seek international student fees to balance the books.

16 http://ministers.dfat.gov.au/elliot/releases/2011/je_mr_110607.html
17 http://www.statcan.gc.ca/pub/81-604-x/2010001/ch/chc-eng.htm
18 http://www.international.gc.ca/education/iep-pei.aspx?lang=eng
19 http://chronicle.com/blogs/worldwise/canadas-student-recruiting-challenges/27763
20 http://chronicle.com/blogs/worldwise/canadas-student-recruiting-challenges/27763

The situation is now changing though. Demographically, Canadians are now becoming older and with a consequent higher pension commitment, and tougher economic times, the onus is now on Canadian universities and colleges to seek international students to fill the funding gap. Whilst the same need does not necessarily exist in other education sectors, there is a similar drive to recruit international students in schools and the vocational education sector.

Numbers continue to rise, but Canada has historically been disadvantaged as each of the 10 provinces and 3 territories run their own education systems, with stronger growth recently shown in British Columbia, Nova Scotia and New Brunswick[21].

The following table (Table 3.3.) is taken from a report into the 2008 Economic Impact of International Education Services by province. Whilst the data in the table is historical, it nonetheless demonstrates that the vast majority of long-term students attend institutions in Ontario, British Columbia and Quebec:

Table 3.3: Economic Impact of International Education Services in Canada

**Summary Table I Economic Impact of International Education Services in Canada, 2008**

| | Total Expenditure | GDP | Employment | Government Revenue |
|---|---|---|---|---|
| Long-Term Students | | | | |
| Newfoundland and Labrador | $38,145,000 | $27,884,000 | 440 | $1,417,000 |
| Prince Edward Island | $12,864,000 | $4,313,000 | 70 | $416,900 |
| Nova Scotia | $168,340,000 | $122,648,000 | 2,360 | $6,599,500 |
| New Brunswick | $88,915,000 | $68,175,000 | 1,190 | $3,234,800 |
| Quebec | $1,025,042,000 | $745,539,000 | 11,840 | $72,539,300 |
| Ontario | $2,162,252,000 | $1,598,644,000 | 24,420 | $102,674,000 |
| Manitoba | $115,807,000 | $82,817,000 | 1,500 | $5,646,200 |
| Saskatchewan | $99,695,000 | $70,864,000 | 1,260 | $4,590,700 |
| Alberta | $364,584,000 | $262,684,000 | 4,240 | $8,780,700 |
| British Columbia | $1,423,161,000 | $1,056,820,000 | 17,610 | $40,872,300 |
| Territories* | $1,214,000 | $370,000 | 10 | $11,400 |
| Sub-Total Long-Term Students | $5,500,019,000 | $4,040,758,000 | 64,940 | $246,782,800 |
| Short-Term Languages Canada Students | $745,648,000 | $509,125,000 | 13,210 | $36,322,400 |
| Additional Tourism Benefits | $285,240,000 | $160,730,000 | 5,331 | $8,331,700 |
| *Yukon, Northwest Territories and Nunavut | | | | |
| Grand Total | $6,530,907,000 | $4,710,613,000 | 83,481 | $291,436,900 |

*Source: RKA*

Source: http://www.international.gc.ca/education/assets/pdfs/RKA_IntEd_Report_eng.pdf

21 http://www.statcan.gc.ca/pub/81-004-x/2010006/article/11405-eng.htm

Articulating clearly and simply what Canada offers can therefore be problematic, although policy makers are seeking to address this issue through the National Education Marketing Roundtable and through the rollout of the 'Imagine Education au/in Canada' brand.[22] This campaign has been organised by the pan-Canadian education co-ordinating body within the Council for Ministers of Education in Canada (CMEC)[23] with a key message that a 'Canadian education opens doors to opportunities'

Irrespective of the disparate nature of Canadian education promotion, the country does have a number of benefits that are positively geared towards increasing international student numbers across all education sectors. Immigration is one such process that has improved greatly in the last few years and Canada is perhaps now perceived as being more welcoming than the other countries considered in the report. Policies such as the ability to stay on and work after study without a job offer and the most recent development of removing the need to provide evidence of assets or banking history for applicants who meet the specified English requirement are particular key selling points[24]. Immigration, along with cheaper tuition, quality provision and established pathways connecting different levels of education, are all positioning Canada in a positive light in comparison to major competitors.

## 3.4 UK

The UK has witnessed a steady increase in the number of its international students, trading on its traditional reputation for providing a world-class education. In the late 1990s, the UK seized the initiative through the five-year, government-funded Prime Minister's Initiative[25], focusing on increasing still further the number of international students and improving the quality of their experience. A second five-year plan – PMI 2 – has since been instituted from 2006-2010 to reinforce the UK's position in the international student market. Although student numbers are not available for 2010/11, international numbers are expected to show an marked increase across all education sectors.

In 2009/10, there were over 370,000 international students in publicly funded higher education institutions[26]. Data on those studying at further education (vocational) colleges is not collected in the same way, but are thought to include around 50,000 international students[27]. Data on students studying in the private sector is not centrally collected, but estimates range from a further 150,000-200,000 international students[28], with most of these studying a range of English language courses. In terms of the geographical split, Scotland has the greatest proportion of international students amongst its student body at 17%, with Northern Ireland the lowest at 11%. The average is 15% across the UK, which has risen slightly over the last 5 years.[29]

The British Council play a pivotal role in the promotion of the UK education brand. They have a far wider reach than their principal rivals, but are now undergoing change to adapt to the public sector funding environment. A focus on

22 http://www.imagine.cmec.ca/en-public/
23 http://www.educationau-incanada.ca/educationau-incanada/index.aspx
24 http://www.cic.gc.ca/english/resources/publications/study.asp
25 http://www.ukcisa.org.uk/pmi/
26 http://www.britishcouncil.org/hefce_bc_report2010.pdf
27 http://www.ukcisa.org.uk/files/pdf/about/international_education_facts_figures.pdf
28 http://www.ukcisa.org.uk/files/pdf/about/international_education_facts_figures.pdf
29 http://www.ukcisa.org.uk/about/statistics_he.php

market research is now part of their main service delivery as institutions identify the need for more in-depth competitor research as a primary requirement for them to compete effectively in the international recruitment platform.

Major reforms are also underway in the immigration system, including restricting work options during and after study, which previously represented a key selling point for the UK. The corresponding increase in compliance for institutions may yet affect the upward trend in student numbers especially in vocational education sector, although this has yet to be realised.

The large increase in tuition fees for domestic students (in England – Scottish higher education remains free) is also an important factor in future UK international student recruitment. Anticipating a drop in domestic student numbers, UK institutions will be keener than ever to recruit international students to bridge the mounting budget gap.

However amidst all the immigration reforms and the reduction in public funding, the UK has actually strengthened its position as an overseas study destination. One major factor for this positive trend is the weak UK pound. No longer is a UK education perceived as being expensive in comparison to some its main competitors, in fact in a complete reversal of circumstance the UK is now seen as providing a high quality education experience at a reasonable price – a key selling point that Australia and New Zealand used to promote.

### 3.5 USA

According to the Institute of International Education (in their recent Open Doors publication), the USA hosts the world's largest number of international students at 690,923 in 2009/10[30], an increase of 3% over the previous year. This included a 30% increase in the number of Chinese students (who now make up 18% of the total) and an increase of 25% in Saudi Arabian students (to 15,810), although more than half of its key sending countries showed decreases in numbers over the previous year. Within the country, international students are concentrated geographically, with California, New York, Texas, Massachusetts and Illinois hosting the greatest numbers. Universities in California alone hosted almost 95,000 international students in 2009/10, with New York hosting just over 75,000 and Texas just under 60,000. In other sectors, taking figures from 2008-09 and 2009-10[31], there has actually been in a recent reduction in international student numbers in the community college and English language sectors. International students enrolled in Associate degree programmes decreased by 7.4% in 2009/10 to 68,562[32] and numbers of students attending intensive English-language courses declined by 2.8% (26,059 students).

[30] http://www.iie.org/Who-We-Are/News-and-Events/Press-Center/Press-Releases/2010/2010-11-15-Open-Doors-International-Students-In-The-US.aspx
[31] http://www.iie.org/en/Research-and-Publications/Open-Doors/Data/International-Students/By-Academic-Level/2008-10.aspx
[32] However, it is worth noting that this figure incorporates international students taking Associate degrees at both community colleges and universities.

Its status as a provider with a reputation for quality education and its strong showing in the university world rankings is secure.  However, given that the percentage of international students amongst their study body does not yet reach 4%, the potential for growth remains substantial.

The top source countries for the USA are China, India, South Korea and Canada, but it is only in recent years that the USA has begun to make more concerted attempts to coordinate and diversify their international student recruitment. It is only recently, for instance, that agents are being actively considered and that high-level promotional visits are being conducted to countries such as Saudi Arabia, who themselves have instituted a range of scholarship programmes offering opportunities to study abroad.

However, the USA faces challenges of its own. These focus mainly around the perceived cost of education there, the squeeze on public finances following the financial crisis, and its increasingly restrictive immigration system.  With unemployment now standing at over 10% in the USA, the effects of public sector job cuts are starting to have knock-on effects, with public schools especially badly hit.  Similarly, US universities may start to find their huge endowments threatened, and this could have an impact on their ability to offer scholarships to a large number of international students, a key selling point over many of their international competitors.

In terms of marketing strategy, it is noticeable that American organisations take a more passive, information provision approach than in other competitor countries. EducationUSA, the body with primary responsibility for promoting the US higher education as a study destination, provide guides for prospective international students: the following four pdf booklets[33] offer lengthy advice in a range of languages:

- *Undergraduate Study*
- *Graduate and Professional Study and Research*
- *Short-Term Study, English Language Programs, Distance Education and Accreditation*
- *Getting Ready to Go: Practical Information for Living and Studying in the United States*

[33] http://www.educationusa.info/pages/students/research-references-study.php

# 4. SCHOOLS

The following section of the report provides a brief overview of each sector, with sub-sections for developments in each country. Attention is given to the marketing activities and key selling points promoted by each sector. This is followed by a comparative analysis on activities in each of the countries with reference to how these can be used to inform sectoral marketing strategies in New Zealand. Available examples have been included to illustrate areas of best practice. The section concludes with a comparative analysis for the sector and recommendations for New Zealand at the sectoral and institutional level.

## 4.1 NEW ZEALAND

International student recruitment is an area of priority for the schools sector in New Zealand with 16,486 students studying at primary, intermediate and secondary levels in 2010[34]. There is a general recognition that international students bring a number of benefits to the school environment, and for many international students are an important income stream that allows schools to provide a comprehensive infrastructure for ensuring a high quality student experience for all students. Whilst it is recognised that the number of international students in primary and intermediate schools is growing, this report specifically looks at international recruitment within the secondary school sector.

### 4.1.1 Marketing and key selling points

Traditionally, marketing has not been a core activity for many schools in New Zealand. However, as funding has become more competitive and schools have been encouraged to be more self-sufficient over time, many schools have incorporated international student recruitment into their core business practices. Engagement in recruitment activities varies from one institution to the next but the research indicates that the core activities across the sector include the development of a school website with information dedicated to international students, attendance at overseas recruitment fairs, use of agents, alumni events and the development of off-shore partnerships with key schools. In addition, Education New Zealand provides all sectors with a generic platform for promoting their individual institution in New Zealand.

Opportunities exist for schools, actively engaged in international recruitment, to come together to discuss best practice or share information through such forums as Education New Zealand workshops and cluster events or regional cluster groups. Externally, lists of schools are freely available on the New Zealand Educated website along with broad key selling points that cover all education sectors in New Zealand. However all of these activities do not necessarily infer the existence of any coordinated approach to recruitment and or promotion of the schools sector internationally. There appears to be a gap for a more strategic approach to marketing that would allow the sector to

[34] www.educationcounts.govt.nz/statistics/international_education/export_education_levy_statistics/29680/29692

operate more cohesively in promoting the New Zealand school offering externally. This lack of co-ordination between schools in the sector may be a limiting factor to future growth.

Based on discussion with sector representatives and a brief horizon scan of individual school websites, the New Zealand school sector appears to focus on a number of key selling points. These include references to New Zealand being one of the safest destinations for study, the high quality of pastoral care, its geographical location in respect to source countries, the high quality education system, the affordability of study and its 'beautiful' and 'natural' environment.

Chart 4.1: Key Selling Points for New Zealand Schools

- Safe
- Attractive environment
- Close to key Asian markets
- Modern facilities
- Quality education framework – focus on achievement and success
- A well-rounded curriculum whist preparing for university internationally
- Defined infrastructure for international student support
- High quality pastoral/homestay environment
- Multi-cultural learning environment
- Favourable immigration policies especially for guardians wishing to accompany students

Research on the secondary school student decision-making process is very limited. However, a study undertaken by the New Zealand Ministry of Education in 2007 briefly explored factors that influence student choice at a school level.

Furthermore, Chart 4.2 on the following page is taken from a recent survey of prospective students specifically interested in studying in New Zealand indicates the main concerns when selecting an international study destination. Although this particular chart covers all levels of study, a cross-check with the NZ International Student Experience report 2007[35] and a recent study undertaken on the views of parents of children studying at the Canadian international School in Singapore[36] both confirm that many of the factors influencing the student decision-making process at different levels of study are very similar. Slight nuances do exist between the results though, with secondary school students identifying less with the quality of New Zealand education and the international recognition

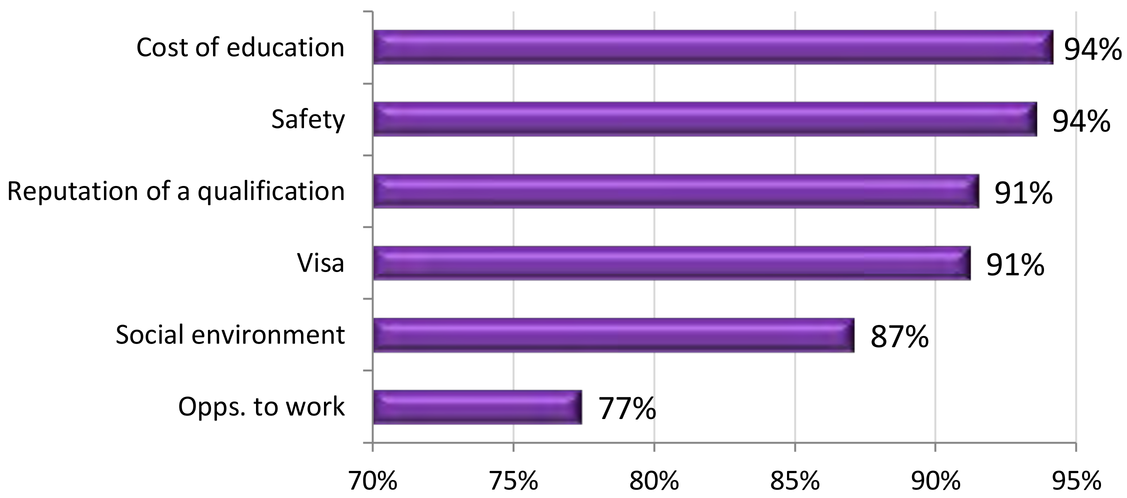
[35] http://www.educationcounts.govt.nz/publications/international/22971
[36] I-graduate ParentPulse – Candian International School (Singapore)

of qualifications. Perhaps unsurprisingly, the study also indicated that family preference played a greater role in student choice in the Schools sector. It could therefore be that parents/family have more regard for the reputation and quality of the education system than students, a supposition backed up by results in i-graduate's ParentPulse survey.

Triangulating the data of the above three surveys the main areas of concern for students/family in the decision-making process were studying in an English speaking country, safety, the quality of the education system, reputation of the qualification and the relative cost of study.

Based on the findings of these three separate research exercises, New Zealand schools and Education New Zealand would therefore appear to be promoting the fundamental key decision-making elements.

Chart 4.2: Of those specifically interested in New Zealand, the percentage of respondents rating the following aspects Important or Very Important in choosing a country of study (Base = 341) [37]




On analysis of these factors it is possible to gain a sense of how competitive the New Zealand schools sector is in the current market in comparison to its key competitors and identify what barriers may be preventing the sector from continuing to grow market share. Some of these factors are out with the control of the sector however there are strategies that can be used to limit the impact.

### 4.1.2 Cost

Whilst New Zealand has in the past been perceived as a relatively low cost study destination, the increasing strength of the NZ $ may jeopardise this position. Whilst no specific data exists on the education market there are numerous reports available on the general impact of the strong dollar on the NZ tourism and trade industry of which education

[37] i-graduate StudentPulse 2011

is major contributor. This is further supported by comments made during the in-depth interviews and desk research, which highlighted concerns that New Zealand would no longer be cheaper than its main competitors, especially in relation to living costs. Although this is a concern for the industry, other competitors e.g. Australia are also feeling the pressure of a strong currency. Conversely the UK, Canada and the USA seem to be benefiting from the economic downturn. As a consequence New Zealand as an industry and individual sectors should be considering strategies to militate against any negative impact. Anecdotal evidence suggests that the decision to send a child overseas for school may be made several years in advance so the actual impact of the strong NZ Dollar may not be felt until end 2011/2012. Strategies are explored at the end of this section however such things as an attractive scholarship programme, packaging fees correctly to show maximum value and setting realistic expectations are examples of how other countries have dealt with perceived financial issues in the past.

On analysis of school fees across the main competitor countries, New Zealand still maintains a relatively low tuition fee especially in comparison to some of the private providers in the UK and the USA. However whilst these countries tuition fees are perceived more expensive they do have a number of scholarship programmes available, especially in the USA where endowment funds are traditionally used to attract top quality applicants.

Lastly, desk research of tuition fees in New Zealand highlights the difficulty that prospective students and their parents may have in trying to estimate the total cost of one year's schooling in New Zealand. Some Schools approach this better than others but generally there appears to be a number of add on costs, including administration costs which from a marketing perspective may have a negative impact on the decision-making process.

#### 4.1.3 Safety

One of the many benefits of New Zealand's education industry is its reputation for providing a safe study destination for students at all levels of study. Generic marketing in the tourism sector has helped to embed this perception worldwide. However confidence in the market may have been knocked with the recent earthquake in Christchurch, a situation that will need to be managed and monitored nationally. Results of a recent survey of agents on the impact of the earthquake conducted by Education New Zealand Trust[38] suggest that enrolments across the industry are down, especially in the Christchurch region. However New Zealand as a whole has taken a very proactive approach to limiting the impact of the event on education and tourism. There will however be a need for the sectors and individual institutions to support the key messages delivered through the national agencies through their own marketing and promotion to ensure these messages have the maximum impact on recruitment.

The existence of the 'Code of Practice' also assists in the building a positive perception of safety and whilst the earthquake may have rocked confidence New Zealand still offers a very solid package where students are supported through adherence to a strict set of standards. Standards that, according to the in-depth interviews, schools take

[38] http://www.educationnz.org.nz/comm/Mediarealeases/Intl-Ed-reputation-survives-24-03-11.pdf

very seriously and go above and beyond in meeting these standards. Australia is the only other competitor country to offer such a supported infrastructure and Schools may want to make more of their commitment through the code of practice in their promotional efforts than they currently do.

#### 4.1.4 Reputation

On closer analysis 'reputation' is a multi-dimensional concept. For example, it is not necessarily founded on a detailed inspection and comparison of exam results from each country, especially considering the disparate nature of this data. It therefore seems unlikely that any students will base their decision-making on these results alone.

Hard evidence can be found in the OECD's Programme for International Student Assessment (PISA) rankings[39] that show New Zealand's performance in a favourable light compared to its competitors. The most recent 2009 rankings rank the results of English, Maths and Science assessments of 15-year olds from 70 countries, and show New Zealand in 7th place overall, just one place behind Canada. Australia comes in 9th, whilst the USA and the UK's position has worsened since the previous assessment in 2006, ranking them 17th and 25th respectively. New Zealand's strong showing provides an opportunity for the schools sector to highlight its strengths compared to its competitors, to promote its system internationally and to create the perception of a high quality schools system.

Whilst the USA and UK perform least well in the well-respected PISA study, they remain the most popular study destination for international school pupils. The reason for this may lie in the fact that the PISA study is designed to provide an overarching view of the secondary system. In the UK, on the other hand, international pupils would likely go to private schools, whose standards are quite distinct from average standards prevailing in public schools.

Likewise, PISA methodology rewards innovative, child-centred practices and competency-based assessment. There is no evidence to suggest that parents in source countries favour this approach though – and may be sending their children abroad in order to obtain a more traditional school experience.

On inspection of the curriculum, the New Zealand secondary education system is providing a highly effective offering. The relatively recent NCEA level 4 exams (phased in between 2002-2004) have been designed to promote broader skills and learning themes than the previous, academically driven, Sixth Form Certificate / Universities Bursary examinations. A further distinction has been the introduction of a standard or a criterion-based form of assessment, rather than norm referencing (in which a fixed percentage of the cohort can achieve a specific grade)[40]. Students are therefore less likely to find their path into universities outside New Zealand blocked because their performance is wrongly perceived to be below that of other international applicants.

---

[39] http://stats.oecd.org/PISA2009Profiles/#

[40] Norm referencing has been known to unfairly penalise students that achieve a certain level of performance, only to find that they have been out-performed by a fixed percentage of other students and are correspondingly marked down.

In conclusion 'reputation' is more than likely embedded in a more traditional view based on the historic value of an education from a key English-speaking country. Perceptions of quality are likely to take account of a combination of considerations including examination results, rankings, quality assurance structures and availability of internationally recognised qualifications. However, the principal driver would appear to be the prestige linked with studying at specific schools/colleges and the progression routes that will likely open up for the prospective school pupil.

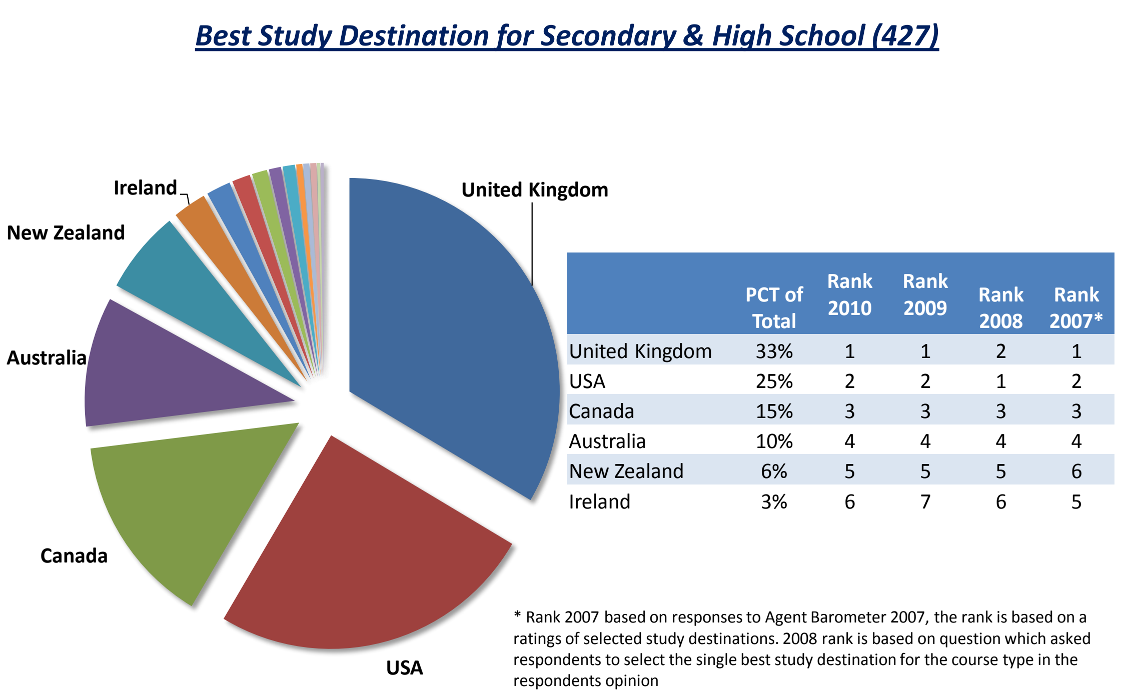
Market research suggests that 'word of mouth' is one of the most effective marketing channels for student recruitment. The 2007 NZ International Student Experiences report indicated that 'Agent's recommendation'[41] was not a high priority in the student decision-making process. However from the in-depth interviews in New Zealand and in discussion with other school associations worldwide the 'Agent' has become an important element in the high school student/parental decision-making process. I-graduate research in the university sector suggests that the agent is an important influencer in China and India but less so in Indonesia, Saudi Arabia and South Korea. To what extent this is true in the Schools sector is not known but the current in-depth interviews with Schools suggests that there is a need to target marketing strategies and evidence points to a natural move to appoint more agents in certain countries – for instance, China.

Therefore, in the interim working to increase awareness among agents in countries key such as China– who account for 40% of all enquiries with NZ immigration – might be an effective tactic to increase enrolments[42].

A look at a recent study of education recruitment agents through the i-graduate/ICEF Agent Barometer, suggests that there is still work to be done in New Zealand when it comes to using agents as an effective marketing channel. Agents were asked their views on the best study destination for secondary and high school. Although New Zealand was identified as a key destination it was ranked fifth behind that of Australia, Canada, UK and the USA (see chart 4.3). This further supports the notion that identified key selling points are not effective when compared to the major recruitment countries, the mechanisms used to disseminate the messages are not as effective and/or the current agent strategy for the schools sector in New Zealand is not working. Conversely building a more comprehensive sector specific agent strategy would provide a channel for New Zealand to gain further segmented market intelligence on prospective students.

[41] http://www.educationcounts.govt.nz/__data/assets/pdf_file/0003/23925/Report_2007_5_research_findings.pdf
[42] Interview with Zhi Li, ENZ China, February 2011

Chart 4.3: Views of Education Agents on the Best Study Destination for Secondary and High School




| | PCT of Total | Rank 2010 | Rank 2009 | Rank 2008 | Rank 2007* |
|---|---|---|---|---|---|
| United Kingdom | 33% | 1 | 1 | 2 | 1 |
| USA | 25% | 2 | 2 | 1 | 2 |
| Canada | 15% | 3 | 3 | 3 | 3 |
| Australia | 10% | 4 | 4 | 4 | 4 |
| New Zealand | 6% | 5 | 5 | 5 | 6 |
| Ireland | 3% | 6 | 7 | 6 | 5 |

* Rank 2007 based on responses to Agent Barometer 2007, the rank is based on a ratings of selected study destinations. 2008 rank is based on question which asked respondents to select the single best study destination for the course type in the respondents opinion

## 4.1.5 Market Intelligence

The availability to track and monitor international student enrolments through the Export Education Levy[43] provides New Zealand with an excellent platform to take a strategic and more considered approach to recruitment something, which is not necessarily available in the identified competitor countries. Using this data in a more co-ordinated way would allow the schools sector to develop targeted and demand driven marketing strategies.

Building up a reliable source of market intelligence will also help the sector to understand who their main competitors are. In chart 4.2 the UK emerges with a substantial market lead, although this relates almost entirely to its high-cost independent/private school sector. Its offering and target markets are likely to be significantly different from those of New Zealand state schools. Countries such as Canada, which have similar selling points to New Zealand, could provide the greatest competition. In particular, the Canadian provinces and the Australian state schools, which market themselves independently of each other, tend to provide a similar kind of school experience to that of New Zealand. It is perhaps testament to the need for New Zealand schools to work closer with a wide variety of off shore agents in

[43] Education Export Levy: http://www.minedu.govt.nz/NZEducation/EducationPolicies/InternationalEducation/ForProvidersOfInternationalEducation/ExportEdIndustryDevFundAndLevy/CollectionOfTheExportEducationLevy/CollectionOfLeviesFromStateAndStateIntegratedSchools.aspx . Education providers that enrol international (fee-paying) students pay a levy to cover support promotion and communication, capability development, quality assurance and research.

key markets to promote the advantages of studying at School level in New Zealand compared to the main competitor countries identified above. With recognition that key selling points need to be tailored to individual markets. Moreover, in-depth interviews highlighted that students from different nationalities are influenced by different factors. Generally, Asian students are looking at an overseas secondary qualification as a stepping stone to admittance to a reputable overseas university, whilst European students are more interested in a cultural/sports experience lasting six months to a year.

Lastly, in the case of China, which has displayed steady 3% growth in enrolments in New Zealand in the past few years, targeting tier 3 and 4 cities, where the market is large and competition less fierce, and tailoring marketing messages to the prospective students in these cities would be an effective example of a targeted approach to recruitment[44].

#### 4.1.6 Links to post-secondary education

In comparison with some of the competitor countries, links with the post-secondary sectors are not as well-defined. This may well prove a missed opportunity – students would be more likely to remain in New Zealand to study at post-secondary level if progression routes are clearly illustrated and supported. Competitor countries such as Canada and USA use links to post-secondary education as a primary selling point. With many offering guaranteed entry to local and national universities should students receive a minimum academic score. There are examples where schools elect to badge their final year programmes as University Preparatory Courses, aimed at attracting students who have a particular interest in studying at partner universities after high school graduation. This type of promotion is particularly effective in attracting students from Asia where one of their primary aims is to gain access to a good international university. A formal and guaranteed pathway to New Zealand tertiary institutions is something which appears to be missing from national and/or individual marketing strategies.

It would be beneficial to establish a formal annual survey to monitor progression routes from New Zealand schools into the tertiary education sector. This would provide invaluable marketing intelligence but also assist in building key relationships between the Schools and tertiary education providers. As well as providing prospective applicants and their peers with clear evidence that pathways exist for further study in New Zealand.

#### 4.1.7 Immigration

New Zealand's immigration policies relating to international students attending schools are more favourable towards prospective international students than the UK and USA. This includes allowing students to attend schools in both the private and public sector and also for legal guardians to apply for a temporary visa or permit to live with and care for

[44] Interview with Li Zhi, ENZ China, February 2011

the student[45]. The system also allows for the guardian to stay for longer than 13 months if the student is continuing his or her studies, and the permit can be renewed for further 12-month periods, until the student reaches the age of 18 years.

## 4.2 AUSTRALIA

Chart 4.4: Key Selling Points for Australia Schools

- Multi-cultural environment
- Varied curriculum including state specific and IB
- Intensive English Language support programs
- Academic excellence
- World Class facilities
- Protected fees scheme
- Community involvement
- Highly trained and qualified staff
- Pathway to tertiary education in Australia and World-Wide
- Placement service for Government Schools

Australia, much like New Zealand, sell their schools as being high quality, multi-cultural learning environments which provide a safe and exciting experience for young people. Due to their geographical location they are considered a close competitor to New Zealand and –although in recent years their enrolments have outnumbered that of New Zealand – recent statistics suggest that they are experiencing a decline, especially from their largest source market, China. Between March 2010 and March 2011 international student enrolments declined by 12.8%[46] to approximately 17 000 students which is very similar to New Zealand enrolments recorded in 2010. This downturn in the market and over reliance on China may prove to be an advantage to the New Zealand Schools sector. Although there is limited research available there is speculation that the decline is closely linked to the growing strength of the Australian dollar. However as the previous data on factors influencing country choice illustrates, safety is one of the main

[45] http://nzcio.com/taiwan/going-new-zealand/visas/parents-and-guardians-accompanying-students
[46] Monthly summary of International Student Enrolment Data – Australia- Year To Date March 2011

concerns for prospective young students and their parents implying that the recent bad press over international student safety may also have played a role in the decline.

Students can enrol in either the private or public sector in Australia and each has its own infrastructure for the promotion of international student recruitment with the private sector mainly driving promotion at an individual institutional level, whereas in Government schools promotion is largely handled at the state level. It is difficult to determine how many students are in the private versus the government sector but anecdotal evidence taken from the in-depth interviews suggests that the split is about 70% in private and 30% in public but this is changing as individual states become more active in their marketing of government school provision overseas.

Promotion of high school education overseas, especially for Government schools is largely the responsibility of each state in Australia, with New South Wales and Victoria attracting the greatest numbers. The national 'Study in Australia' website[47] provides limited information for prospective students and although it offers a course search facility it fails to provide a comprehensive overview of the Australian offering (private and public) with no links to some of the key State Government websites. As Study in Australia indicates, school students in Australia study under a national curriculum framework that ensures high academic standards in eight key learning areas, including English, mathematics, science and arts. Teachers are committed to encouraging childrens' intellectual, personal and emotional growth[48].

At a state level there is large variation in information and services however the majority of State education departments appear to offer students a comprehensive placement service for students wanting to study at Government Schools and in some cases private e.g. South Australia. Placement service include, matching individual student requirements to appropriate schools[49], managing the application process[50], setting generic fees for the state and generally promoting school level education to prospective overseas students and their main influencers. This type of co-ordination and ease of application at a State level is key selling point for Australia when promoting Government School education to key influencers such as parents and agents.

At an individual school level, promotion of Australian education appears to be limited with many Government Schools typically relying on the State for generic promotion to attract students. Private Schools appear to be more market driven with evidence of increasing examples of collaboration within the sector to inform marketing and recruitment strategies. For example, the Australian Boarding Schools Association (ABSA), are beginning to take a more international outlook by visiting the USA. Although there is large variation by provider there appears to be a lack of sophistication to their approach with very few offering a comprehensive promotional package to attract international students especially when compared to some of the New Zealand school websites.

[47] http://www.studyinaustralia.gov.au/Sia/en/WhatToStudy/School.htm
[48] http://www.studyinaustralia.gov.au/Sia/en/WhyAustralia/Excellence
[49] http://www.eqi.com.au/pdfs/pofv_english.pdf
http://www.i-studentadvisor.com/det/schools/english/index.html
[50] http://www.study.vic.gov.au/deecd/schools-in-victoria/apply/en/application-process.cfm

4.3 CANADA

Chart 4.5: Key Selling Points for Canadian Schools

- Safe, beautiful environment
- Good pathways through to post-secondary education
- Affordable education
- Scholarships and discounts – funded by endowments/good alumni relations
- High/healthy standard of living
- Emphasis on community

Canada recruits international school students, but mainly on a provincial basis. The school system differs widely in its nature from one province to the next and this therefore makes it harder for Canada as a country to articulate what the schools sector can offer international students. None the less enrolments to the school sector are increasing and Canada is becoming more aggressive in its marketing to prospective high school students and their parents. The website, SchoolsinCanada.com, is an example of such marketing activity with collective promotion of all Canadian educational institutions, including High Schools, particularly focussed on international students and parents.

Students primarily attend private schools in Canada which differs slightly to the New Zealand model, none the less they are still key competitors promoting very similar key selling points.

**Safe with a Quality Education System**

In a recent study by the OECD looking at key life indicators rated Canada as the top destination for quality of education and safety, this supports the key selling points that Canadian Schools use to attract international students[51]. New Zealand also performs well in the newly created index of which the New Zealand School sector may wish to take advantage.

**Pathway provision**

Individual schools and some provinces promote themselves effectively as a stepping stone towards accessing tertiary education. The point was further emphasised during in-depth interviews with Schools in other countries where the

[51] http://www.oecdbetterlifeindex.org/#/11115111111

perception was that Canadian schools are effective in promoting pathway provision especially in comparison to New Zealand and Australia. One good example is Columbia International College in Ontario[52], the school provides guaranteed pathways to particular universities in that province, encouraging international students to view Canada as the primary destination for their whole schooling career and the school itself as a clear route to tertiary education there. This is also true of Nova Scotia where many schools offer guaranteed entry to universities within Nova Scotia. The difficulty arises in creating pathways between provinces where co-operation is limited. This illustrates the difficulty in promoting Canada as a 'one' study destination.

Whilst pathways are well defined in most provinces, research also indicated that many international students enrolled in primary and secondary education in British Columbia return home or study in another Canadian province after graduation[53].

In the private sector, schools offer students the opportunity to study university/college preparatory courses with the specific aim of building English language proficiency and core academic skills. These courses are similar to foundation courses offered in competitor countries and focus primarily on the needs of students interested in gaining entry to University/College.[54] This diversification away from core school programs offers international students the flexibility to study for a shorter period of time whilst gaining a qualification that is accepted worldwide for entry to tertiary education providers.

Canadian secondary schools also appear to be very good at promoting these pathways and using them to promote the quality provision. One mechanism which piggy backs on reputation of prestigious universities is for schools to actively promote high school graduate destinations with some going to top universities around the world[55]. This key selling point is very powerful for prospective students and their influencers when trying to assess quality and reputation, something that appears to be lacking in many New Zealand school's promotional activities.

**Alumni and Endowments**

Canadian schools, like those in the USA, place a significant amount of effort into developing alumni relation strategies. The primary aim appears to be to secure endowments, although there are other key benefits to be gained from engaging in alumni activities. These include maximising the use of alumni as future ambassadors and creating stronger links with the local community. Schools also use these endowments to fund scholarship programs, school trips and activities. Alumni activities can also provide a significant source of income generation, although it is an area that requires substantial commitment over time. It is therefore debatable whether New Zealand schools would benefit

[52] http://www.cic-totalcare.com/en/College-at-A-Glance.php
[53] Interview with Trevor Corkum, BC Council for International Education, February 2011
[54] http://www.cic-totalcare.com/en/University-Preparatory-Program.php
[55] http://www.brentwood.bc.ca/about-brentwood/post-secondary-choice/university-acceptances-2010-11.html

from pursuing a similar strategy – instead a sector-based approach aimed at expanding revenue streams would more likely pay dividends.

## 4.4 UK

Chart 4.6: Key Selling Points for UK Schools

- World-class school system – though critically, not able to recruit international students to Government schools due to immigration restrictions
- Highly regarded and well-established private school system
- Ability to specialise in key subjects at upper secondary level (sixth form / further education) in preparation for higher education in the UK
- Well established pathways into universities, both in the UK and internationally
- Students can master English language within an English school environment
- Offers traditional, highly academic schooling

In the UK, state schools cannot admit international students because of immigration restrictions (state schools are not allowed to be immigration 'sponsors'). UK private schools therefore attract the majority of fee-paying international students: there are over 23,000 non-British school students in the UK[56]. In fact, there are only 4 state boarding schools taking on fee-paying students across the UK and these are similarly restricted in that they can only charge for the accommodation, not for tuition fees.

There are around 2,300 independent schools in the UK[57]. Independent schools set their own curriculum and admissions policies; they have, of course, to conform to official standards of education, health and safety guidelines and are regularly inspected (by Ofsted). Some may also have a religious affiliation[58].

[56] http://www.tes.co.uk/article.aspx?storycode=6029896
[57] http://www.direct.gov.uk/en/Parents/Schoolslearninganddevelopment/ChoosingASchool/DG_4016312
[58] http://www.schoolfeesadvice.org

The Independent Schools Council, who represent 80% of independent schools in the UK reported that, in 2010, 10,030 non-British pupils with parents living overseas were newly enrolled into ISC schools that academic year. Over one-third of these were from Hong Kong and China and over 30% were from Europe[59].

Where international school student recruitment is conducted by the independent / private sector, UK schools trade upon tradition and high academic performance. Fees in these schools are also high by international standards, with fee levels rising as school children move up the school system. The fees range from £1,000 to £10,000 per term (fee per term at Eton School was £9,954 before extras, as of June 2011). The average UK school fee per term for an independent day school is estimated at about £3,400, with UK Boarding School fees for boarders estimated at around £7,800 per term. Over recent years, UK school fees have been increasing at around 6% per year[60].

Increasingly, independent UK schools are also seeking to establish boarding schools overseas in order to further satisfy international demand. For instance, Haileybury School has established a boarding school in Kazakhstan[61], Wellington College International Tianjin in China[62] and Harrow School in Harrow[63]. These initiatives bring world-class schools to non-traditional markets and avoid immigration issues.

Evidence from the former Department for Education and Skills (DfES) suggests that pupils at all levels of ability do better in private schools than in the state system, further enhancing the appeal of the independent sector to the international pupil and parents. More than 80% of pupils at private education gain five or more GCSE passes at grades A-C compared to a national average of 49%. Independent school performance at A-Level shows a similar trend and 90% of leavers from independent schools go on to higher education[64]. It is for this reason that the UK remains the destination of choice for many non-European parents, despite the lacklustre performance of the UK in successive PISA studies.

[59] http://www.isc.co.uk/FactsFigures_PupilNumbers.htm
[60] http://www.schoolfeesadvice.org
[61] http://rt.com/news/british-boarding-school-opens-for-kazakh-elite/
[62] http://www.hothousemedia.com/etm/etmbackissues/novetm10/nov10bbs.html
[63] http://www.harrowschool.org.uk/media/news/?id=46
[64] http://www.schoolfeesadvice.org

## 4.5 USA

Chart 4.7: Key Selling Points for Schools in the USA

- World-class school system
- Key aim is to provide a pathway through to highly regarded US university system
- Improve language proficiency for non-English speaking students
- Access to highly regarded US university system
- Modern facilities and safe environment, typically being in a host family
- Ability to send children to boarding schools
- US public schools and free for overseas students
- US private high schools often offer more advanced education, such as APs [Advanced Placements] in Maths and Science

American private schools are well set up to recruit international students and trade very strongly on links with the university sector. State-funded public schools can take fee-paying international students but have no real tradition of doing so. However, dwindling public funds, lower revenues and declining enrolments from local students have forced US public schools to consider other options for raising funds, and are beginning to look internationally to supplement their income.

Public schools in a number of states across the USA have joined colleagues in private schools on overseas recruitment trips, selling international students the opportunity to come to the USA for their schooling in order to increase the chances of their being accepted at a US university[65].
This is a fledging sector in terms of numbers of international students though, and little data is collected at the national level.

Moreover, visa regulations differ for international students at public and private schools in the USA. International students can only study for one year at US public schools before having to either leave the country or transfer to a private high school[66].

[65] http://www.highschoolsinusa.com/high_schools.html
[66] http://travel.state.gov/visa/temp/types/types_1269.html

International students can only study for one year at US public schools before having to either leave the country or transfer to a private high school. While the sector remains relatively uncoordinated compared to New Zealand, it is important to note that the US has a larger presence as a 'global brand', and therefore has less difficulty in promoting itself overseas[67].

## Exchange Programs

Exchange programs are more heavily promoted as a means to experience US high school life. A variety of opportunities exist for international students, in either the public or private school sector. Programs are typically short-term in nature, such as summer schools, although public schools are increasingly offering a one-year placement option, for example the CIEE USA High School Program[68].

The U.S. government funds some high school exchanges: the Future Leaders Exchange Program (FLEX), for students in the republics of the former Soviet Union; the Youth Exchange and Study Program (YES), for students from countries with significant Muslim populations; the American Serbia and Montenegro Youth Leadership Exchange (A-SMYLE), for students from Serbia and Montenegro; and the Congress-Bundestag Youth Exchange Program, for students from the United States and Germany[69].

The main advantages of these high school programs at public high schools are:

- Accepts students from the age of 15 – 18
- Stay for semester or year
- Quality education
- Real integration in a local community
- Extra-curricular activities and sports available in most schools
- Volunteer host families
- Coeducational and non-denominational schools
- No uniform required

Private school networks have a longer standing tradition of finding placements for international students. Some high schools specialise in preparing students for entry into prestigious and competitive universities in the US. These are fee-paying high schools that have a reputation for providing highly structured but personalised study programs for their students[70].

There are also a range of private school networks - one or example the Christian High School International Placement Service[71]. CHIPS use its Facebook page prominently in its marketing strategy to reach potential international

[67] Interview with Kim Gradel, Education Dynamics, January 2011
[68] http://www.ciee.org/highschool/about-us/high-school.html
[69] http://www.educationusa.info/files/e600a179-f77c-4734-e4c5-98be4ab9924d/IYWTS_Bk3_2010.pdf
[70] http://www.thewindsorschool.com/international-pre-university-year.html
[71] http://www.chips-usa.com/

students[72]. Meritas, another private network of schools[73], not only provides elite college-preparatory schools in the US, but also in Switzerland and China.

[72] http://www.facebook.com/pages/Christian-High-School-International-Placement-Service/119130751465953
[73] http://www.meritas.net/podium/default.aspx?t=134887

## 4.6 COMPARATIVE ANALYSIS

The following chart provides strengths, weaknesses, opportunities and threats for the New Zealand school sector:

Chart 4.8: Comparative Analysis of New Zealand Schools

**Strengths**

- New Zealand has an established reputation as one of the safest destinations for international study
- Close and in same time zone as Asian countries that are its primary market
- Environment is beautiful, clean, wholesome - seen by parents as good place for school children to grow up
- A high quality pastoral support infrastructure, which is managed externally and has a high standard of compliance
- Unlike many competitor countries state schools in NZ are allowed to benefit from the recruitment of international students. This money allows for more resource to be injected into individual schools to provide either better faciltities or more support for domestic and international students
- Many NZ schools have established marketing plans for international recruitment
- Opportunities exist for networking and sharing best practice and market intelligence
- High quality qualifications provision that is recognised internationally
- Favourable immigration policies in comparison to competitors

**Weaknesses**

- Lack of promotion of post-secondary partnerships/pathways compared to competitors
- Lack of a generic platform dedicated to the promotion of secondary schooling
- Lack of a sectoral based marketing strategy which includes a comprehensive plan focusing on key influencers including agents and parents
- Not all schools have the same resource/structures to support international students, which may impact on 'reputation' of the sector as whole and their ability to maximise marketing and promotion

**Schools (Primary, Intermediate and Secondary)**

**Opportunities**

- Whilst data on international school students is available in New Zealand, equivalent data is not collected and published in other countries. New Zealand could make more of the information to inform marketing strategies for the sector
- New Zealand is relatively small country in comparision to its competitors with individual instituions seeing each other as partners rather than competitors however there is a need to harness this sharing of information externally to provide a much more cohesive approach to promote studying at School in NZ
- Very little research into the student expereince in schools world-wide. New Zealand has been collecting this information through the Ministry of Education for a number of years . Need to make use of this data and identify how it can be used to both improve the student expereince and underpin marketing strategies
- Opportunity to take advantage of the declining market in Australia, especially in China

**Threats**

- Competition from other countries, provinces that have similar selling points e.g. Canada
- Agent's perceive New Zealand as the fifth most attractive destination for schooling, which places New Zealand at the bottom of the competitor pile. Agents are a key influencer in the student and parent decision-making process
- lack of a variety of qualifications to provide choice in the market and take advantage of an established reputation of a qualifications e.g. International Baccalaureate / university preparotory courses
- Recent Chirstchurch earthquakes may have damaged confidence in the market as a safe destination
- increasing stregnth of the NZ $ compared to some competitors e.g. Canada may eventually impact the perception that New Zealand is a relatively affordable study destination for Secondary education

## 4.7 RECOMMENDATIONS

At national/sectoral level:

- Aim to develop the collective voice of those involved with international students in New Zealand schools, both state and private, in order to more clearly articulate an attractive offer of school education leading to opportunities in post-secondary sectors.
- Ensure that national data on international student school enrolments is closely examined to identify any key trends and opportunities for a closer focus in areas, such as key source countries.
    - Expand the richness of data collected on international students in New Zealand, such as exam results in comparison to domestic students. This would allow New Zealand to gain a clear advantage over competitor countries and ensure that the experience of international students matches expectations and, also, that the curriculum is appropriately internationalised.
- Working to increase awareness among agents – which account for 40% of all enquiries with NZ immigration coming from China – would be an effective tactic to increase enrolments.
- Working together as a sector to increase awareness of the NZ school offering among targeted agents. This might include the development of a sector guide/ web portal or agent forum for training. This would limit the dilution of key selling points and offer a more efficient mechanism for corresponding with agents on generic issues.

At school level:

- Expand collaborative links with sister schools both in New Zealand and in key source countries.
- Make greater use of school alumni (and where possible, their parents), and especially those who have continued on to post-secondary education. This would help to advertise the benefits of school education in New Zealand to those in their home countries, through the use of social networking and/or organised events. These alumni could be engaged as Schools Ambassadors and given a high profile on the international section of schools' websites. This may also lead (as in the case of Canada and the USA) to future endowments to support school activities.
- Enable more targeted marketing by selecting agents who are school-focused and use sector networks to provide them with relevant training.
- Consider capitalising on the downturn in the Australian market and at the same time mitigating against the potential damage of the recent Christchurch earthquake by reinforcing key selling points that are key in the student decision-making process e.g. safety – use such references as the new OECD Life Index where New Zealand performs well in key categories as Education, Safety and the Environment. Also reinforce the national messages to create a greater impact externally.
- To militate against potential effects of the strong Dollar consider more partial scholarships, even if this involves a slight increase in student fees to counteract direct cost. This strategy has been particularly

effective in UK universities where cost has largely been seen as an indicator of quality and the scholarship a sign of prestige. Research has shown that a small increase in cost compared to other institutions is not detrimental, especially if used in conjunction with a scholarship that implies added value.

- Consider offering clear signals of quality, including lists of destinations of graduates. The Canadian and US schools are particularly good at this especially in attracting students from Asian countries where a pathway to tertiary education is of key importance.
- Ensure costs are transparent but packaged to show value. Listing numerous administration fees and not offering a realistic picture of costs including incidentals can influence the decision-making process. This is particularly important in the current economic climate as New Zealand is no longer as affordable as it was a few years ago. Need to manage expectations especially for cost of living.
- Need to ensure all marketing material is up to date and reflective of the offering. A good example of using available resource is having international students maintain the international webpages. This is also a great way of enhancing 'word of mouth' promotion.
- Target smaller, less well-known cities in countries such as China and India, where the market is growing and competition less fierce whilst tailoring marketing messages to suit the prospective students. This would be particularly effective if this was a sector initiative.

## 5. ENGLISH LANGUAGE SCHOOLS

### 5.1 NEW ZEALAND

Chart 5.1: Key Selling Points for New Zealand English Language Schools

Key selling points

- An immersive experience in an attractive environment with great opportunities for tourism (focus on adventure and sport)
- Cultural experience[74]
- Safe
- Good value courses / Cheap[75]
- Close to key source markets in Asia
- Native English speaking country
- Pathway to tertiary education sectors (not necessarily sector driven)
- Large variety of English courses from university preparation courses to activity/hobby related English
- Courses lead to internationally recognised qualifications[76]

#### 5.1.1 Trends

48% of international students in New Zealand in 2009 attended a private sector institution, 70% of which were studying at English language schools[77]. In 2010, there were 41,798 international students studying in English language schools – a 13% increase on the preceding year. Key source markets are South Korea, Japan, China, Saudi Arabia and Brazil[78]. However, 2010 also witnessed a decrease in net sector income from international student tuition fees, due to the shorter average length of study programme (from 12 weeks to 11 weeks)[79]. What is not clear from the data is how these students are split between different types of courses which would assist to provide a complete picture of the characteristics of the market e.g. how many students are studying English to gain entry to further education, on working holidays or studying only to improve English.

New Zealand remains a relatively small player for English language provision, recent data from the language travel magazine global review indicates that 90% of all English language provision is driven through 4 main markets (UK (42%), USA and Australia and Canada) the other markets which include New Zealand only supply 10% of provision[80].

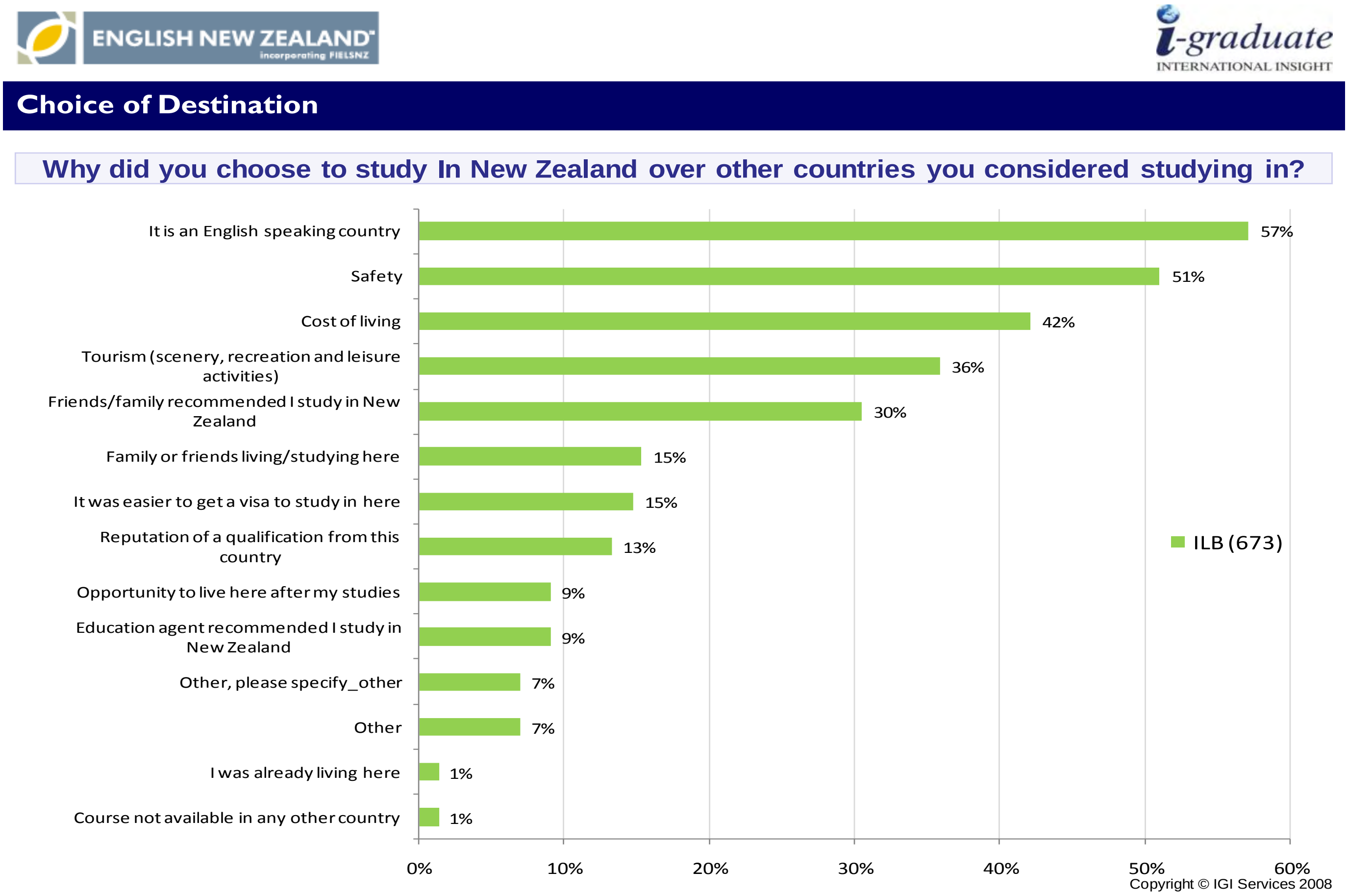
[74] http://www.english-schools.co.nz/en/new-zealand/
[75] http://www.english-schools.co.nz/en/new-zealand/
[76] http://www.english-schools.co.nz/en/new-zealand/
[77] http://dol.govt.nz/publications/research/life-after-study/life-after-study_06.asp
[78] http://www.stats.govt.nz/browse_for_stats/people_and_communities/Language/SurveyOfEnglishLanguageProviders_HOTPYeMar10/Technical%20Notes.aspx
[79] http://www.cic.ac.nz/news/41-shorttermenglish
[80] http://www.hothousemedia.com/ltm/ltmbackissues/nov10web/nov10specreport.htm

This suggests that there are significant opportunities for New Zealand to tap into market share if it can market itself effectively and respond to market demands.

### 5.1.2 Marketing and Promotion

On analysis of findings from the 2008 International Student Barometer, which looked specifically at experiences of English language school students in New Zealand, the data highlighted that the main reasons for choosing to study in New Zealand were an immersive experience in a predominately English speaking, safe country which offered good value for money, with the additional opportunity for tourism (Chart 5.2.).

Chart 5.2: Reasons for selecting an English Language School in New Zealand



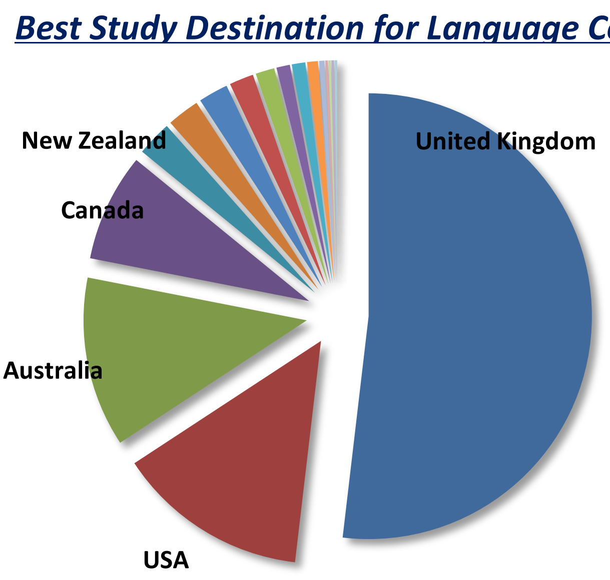

Key: ILB = International Language Barometer

In addition to these attractions, English New Zealand (the representative body for 26 of New Zealand's English language schools) highlights the opportunities to meet people of other nationalities and to progress to other forms of study in the country.

English New Zealand, the professional association for language schools in New Zealand, work closely with retailers and agents to market the sector overseas, a role they perform well given that they only represent 26 out of 87 private English language schools across the country. However the large numbers of schools not represented by this body, as in the other countries where membership organisations generally reflect a high percentage of the sector, can have an impact on the extent to which English New Zealand can market the sector effectively as a preferred study destination for English language study. A co-ordinated approach that encourages a platform for all English language providers to engage with each other, share best practice and adhere to a common set of key selling points would help the sector to build quality and raise its profile with a larger number of key influencers.

Results of the most recent i-graduate 2011 Agent Barometer that asked agents to rank countries by order of preferred study destination for English language study. Chart 5.3. clearly shows that New Zealand, has improved its position as a preferred study destination but it still falls behind the main competitors of Canada, Australia, USA and the UK.

Chart 5.3: AGENT PERCEPTIONS OF COUNTRY DESTINATIONS




| | PCT of Total | Rank 2010 | Rank 2009 | Rank 2008 | Rank 2007* |
|---|---|---|---|---|---|
| United Kingdom | 52% | 1 | 1 | 1 | 1 |
| USA | 14% | 2 | 3 | 3 | 2 |
| Australia | 12% | 3 | 2 | 2 | 4 |
| Canada | 8% | 4 | 4 | 4 | 3 |
| New Zealand | 3% | 5 | 9 | 7 | 8 |
| Spain | 2% | 6 | 6 | 8 | - |
| Germany | 2% | 7 | 5 | 6 | 7 |

There is a natural preference for people looking to study English to look to countries who are traditionally associated with the English language medium e.g. the USA or the UK (marketed as the founder of English). New Zealand, like Australia, is not seen as a traditional English language provider due in part due to its young age and limited cultural and historical connections with countries across the world. Furthermore, New Zealand has been marketed for many years as a country 'with wonderful scenery, desirable remoteness (say escape) and friendly locals'[81]. Although this has been a successful branding campaign, it does somehow paint a picture of a country which is somewhat detached from the rest of the world.

[81] http://nation-branding.info/2009/12/26/new-zealand-nation-branding-video/

Of some threat to New Zealand and also to its main English-speaking competitor countries is the increasing availability of in-country delivery of English language courses. Students can now study English more cheaply and with native speakers in China, South Korea and many other Asian countries, as well as an ever-increasing number of European countries other than the UK[82]. This broadening of the market is likely to affect the market share of existing key suppliers of such courses in traditional destinations.

New Zealand will need to remain aggressive in marketing the extra benefits that learning English in an English-speaking country offers, in a market where competition is already strong. The importance of the agent in the English language schools market is therefore not to be underestimated. However, there are also a growing number of students who are actively seeking their own opportunities through online marketing channels. New Zealand's institutions should not dismiss the opportunity to offer direct promotion through sector based and individual websites including the availability of information in different languages to assist students in their search for an English language provider.

### 5.1.3 Quality

The English language school sector in general has the potential to suffer from negative publicity attached to a small number of poorly run or unaccredited schools. Robust and independent accreditation bodies are key to ensuring that the sector can vouch for its quality and avoid negative headlines. In New Zealand, NZQA is responsible for accrediting and registering private providers, recognising the need to address the 'quality' issues associated with some providers. NZQA have now begun to focus on strengthening procedures and, with time, a more tightly regulated market could impact favourably on the strength of New Zealand's English language school sector. As the bar has now been raised for regulation and quality, so English New Zealand could encourage membership from more English language schools and in so doing strengthen their collective voice within in the sector.

### 5.1.4 Pathway Provision

As the number of international students looking to embark on an overseas education has increased the need for English language courses that offer English preparation linked to academic study has grown. Whilst many tertiary education institutions have responded by offering their own English preparatory courses there is still a large proportion of students choosing to attend private English language schools that offer generic testing e.g. IELTS or TOEFL. Links between tertiary education institutions and English language schools are difficult to find, there are some good examples but the majority of desk research failed to uncover a trend in network building between these two sectors unless the English language school was run by the tertiary institution. It seems that there is a missed opportunity here, although not an easy relationship to build there appears a gap in the market for these sectors to work together. Reasons cited for lack of cooperation between providers were the lack of information on quality of

[82] Interview with Li Zhi, ENZ China, February 2011

courses and competition between existing tertiary provision and private provision. However during the in-depth interviews each sector acknowledged that there is room for better collaboration as sectors are working to achieve the same goal of attracting international students to New Zealand. Countries such as Australia and Canada appear to have better structures for taking advantages of all levels of pathways and it is something that needs to be given more consideration in New Zealand.

## 5.2 AUSTRALIA

Chart 5.4: Key Selling Points for Australia English Language Schools

Key selling points:

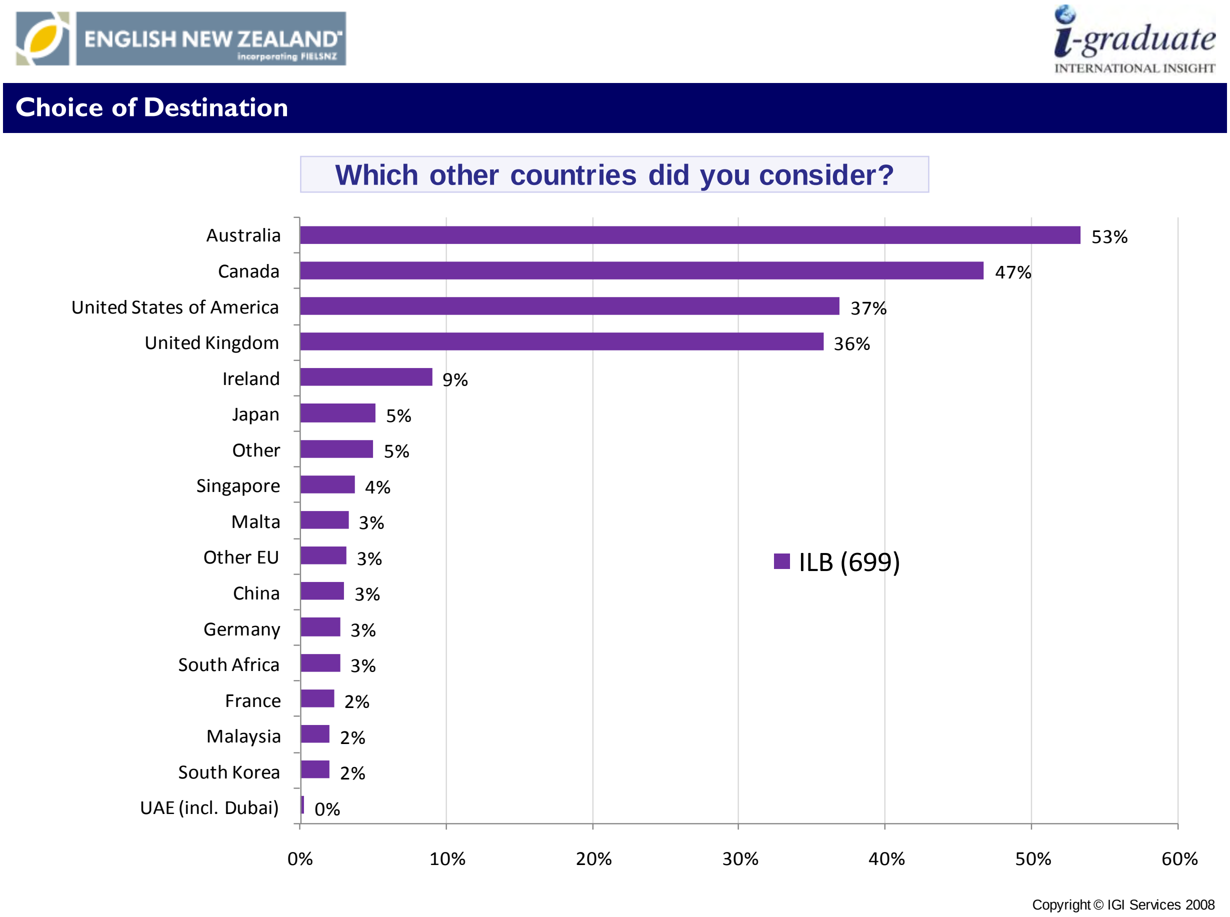
- Vibrant multicultural country;
- Safe destination;
- English is the national language;
- High quality national standards for English language training;
- Relatively low cost of living and tuition fees;
- People are friendly;
- Extensive range of quality educational institutions;
- Ideal study environment for international students with strong consumer protection laws;
- Student Visa holders may work up to 20 hours per week;
- Working Holiday Visa program allows up to 17 weeks of study and full-time work;
- Visitor Visa program allows up to 12 weeks of study;
- Opportunities to combine study and travel;
- Land of contrasts and adventure;
- Beaches in summer, snow fields in winter;
- Sports of all varieties;
- Meet people and make friends from all over the world;
- Experience a unique part of the world;
- Stay with an Australian family[83].
- Close to key source markets in Asia

[83] http://www.englishaustralia.com.au/index.cgi?E=hsvalidator&template=student&PT=dd&Lev1=students07&Lev2=stu_ystd07

Australia is a leading provider of English Language intensive training and has a well-developed and articulated marketing strategy for international students. The above messages from English Australia are a sample of key selling points used by Australia to promote themselves as a foremost language learning destination.

Australia is also New Zealand's closest competitor in the English language schools market. i-graduate's 2008 survey of international students at English language schools in New Zealand shows that 53% of students also considered Australia as an alternative study destination (see Chart 5.5 below).

Chart 5.5: Direct Country Competitors to New Zealand in the English Language Sector




The Australian English language schools sector is well developed and highly competitive. Over 45,000 students are studying on ELICOS[84] courses in 2011[85] (though this masks a decrease of 21% on 2010 figures). However this does not include those students on working holidays and visitors to Australia who are undertaking ELICOS courses – the actual figure for enrolments in ELICOS programs in Australia is more than likely much higher than reported. Australia enjoys a coordinated agency approach with a clear recognition of the value of export education to the overall economy, and in IDP Education, 'the world's largest international student placement provider'[86], a mechanism for

[84] English Language Intensive Courses for Overseas Students
[85] http://www.aei.gov.au/AEI/PublicationsAndResearch/Snapshots/01SS05_pdf.pdf
[86] http://www.idp.com/welcome-to-idp.aspx

global marketing and recruitment of the Australian educational experience. They place around 30,000 students each year, primarily into Australia (although they are expanding their work into UK, USA and Canada).

English Australia, the representative body for English language schools, have a membership of over 100 public and private English language schools, and claim that over 80% of students studying English in Australia do so at an English Australia member school. This perhaps gives a greater degree of credibility of reputation of the sector as a whole in comparison to New Zealand, where English New Zealand has a far smaller membership and represents a smaller proportion of the total number of institutions.

The organisation produces annual statistics on the number and types of student (i.e. visa categories, source countries etc.) who take English language courses in the country. The statistics are grouped by regions, e.g. Asia, Europe, and therefore give a clear picture of trends in each part of the world.[87] These detailed statistics allow individual schools to create focused marketing strategies for the different source countries and to use their resources in areas that they want to develop or in which they wish to retain a strong presence. In addition, English Australia co-ordinate a number of large research projects that assist the sector to identify areas of concern and provide evidence based research that informs policy debates at state and federal levels.

In addition, the data is used to improve quality across the sector and encourage individual institutions to take responsibility of their own offering. For example, the 2009 i-graduate ELT Student Experience Barometer offered the sector a number of areas that required improvement. As a consequence, English Australia formed a working group to address these issues and developed a best practice guide which was distributed to all members offering practical solutions to help address common issues. This was accompanied by a best practice seminar that allowed members to discuss the issues and identify sector based solutions.

Quality is now protected through the Education Services for Overseas Students (ESOS) Act and its associated National Code of Practice to which institutions, including English language schools, must comply. Institutions must register on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) and those that do not but still try to recruit international students face fines or imprisonment. All written publicity materials must indicate the institution's CRICOS number. The National ELT Accreditation Scheme (NEAS) is a highly regarded organisation that sets standards for both public and privately run English language schools in Australia.

A significant benefit to the industry in Australia is that they offer automatic work rights for English language student visa holders, a clear selling point over New Zealand and other competitor countries[88].

Nonetheless, whilst the Australian English language sector has a strong voice and good support networks, the sector is going through a challenging period with enrolments continuing to show a downward trend. The Australian Dollar

---

87 http://www.englishaustralia.com.au/index.cgi?E=hcatfuncs&PT=sl&X=getdoc&Lev1=stats&Lev2=env2009
88 Interview with Kim Renner, English New Zealand, February 2011

continues to increase making Australia an expensive choice for English language preparation, a number of schools have closed which has shaken confidence in the market, the bad press surrounding the safety of Indian students is damaging the short-term English market and visa regulations (although changing) continue to deter students from applying. This downturn in Australia does provide New Zealand with an opportunity to learn for Australia's mistakes but also to take advantage by developing a coherent and co-ordinated marketing strategy.

## 5.3 CANADA

Chart 5.6: Key Selling Points for Australia English Language Schools

Key selling points

- Attractive, safe environment with good opportunities for tourism
- Good value courses
- Student Protection
- Favourable immigration legislation
- Allows working during short-term courses
- High quality, accredited programmes

Canada's language training sector is a $1.5 billion industry. With its global market share of 15%, Canada ranks third among the leading nations of the English language training destinations of Australia, Britain, Ireland, New Zealand and the United States.[89]

Canada's English language schools sector emphasises similar selling points to that of New Zealand – a safe, attractive English-speaking country with opportunities to travel. It also trades on its more favourable immigration legislation and allows working during short-term courses, both on and off-campus. It highlights also its high quality courses and a country that values language.[90]

Languages Canada[91] is a dual-language organisation that represents the voice of 149 accredited English (and French) language programmes. It is also very active on a provincial basis. For example, Languages Canada's Ontario section (representing almost 40,000 English language students in that province) have recently been involved in a range of marketing activities, including representation at a Canada-only trade fair in Brazil, participation in agent workshops across the globe, research into international student benchmarking and a trade mission to Eastern Europe. Languages Canada are working hard to raise the profile of the Canadian English language schools sector and have been involved in creating the Canadian Consortium for International Education Marketing. The organisation does

89 www.languagescanada.ca/en/node/343
90 http://www.languagescanada.ca/files/LC_Presentation_April_6_2011[1].pdf
91 http://www.languagescanada.ca/

perhaps miss an opportunity to specify the benefits of Canada as a study destination in its Student section, focusing instead on a searchable database of institutions and web links[92].

An interview with Linda Auzins, President of the organisation, reveals that ELTs are working more with universities and other education sectors to promote Canadian education. For example, students from Saudi Arabia that want to study at Canadian universities are redirected to certain language schools to spend up to 2 years just training in English, then pass on to next level of education[93].
Canada has seen a surge in Saudi Arabian enrolments because of the King Abdullah Scholarship Programme (KASP): Saudis now account for 5.3 per cent of Language Canada's total market[94].

They also provide strong protection for students through the Education Completion Assurance Program (ECAP), which guarantees that every student registered at a Languages Canada school forced to close is transferred to another school at no cost. Students also have access to an Assurance Fund that assists students when circumstances beyond their control mean they cannot pay their fees.

5.4 UK

Chart 5.7: Key Selling Points for UK English Language Schools

Key selling points:

- The biggest range of English language courses in the world
- A worldwide reputation for academic excellence
- Qualifications that are recognised and valued all over the world
- Accredited courses that offer great value for money
- A rich history and culture
- Lots of opportunities for further study or career progression
- The chance to study and work if you want
- The opportunity to make friends from all over the world
- Good travel links around the UK and into Europe
- It's the birthplace and home of the English language[95]

The UK receives around 35% of all students who travel abroad to study English, and have an extremely strong position in the English language schools market. The key selling points for the UK are their reputation as the home of English, and the opportunity to study at a huge range of high quality schools in a multi-cultural environment. In terms

[92] http://www.languagescanada.ca/study
[93] Interview with Linda Auzins, Languages Canada, March 2011
[94] http://mag.digitalpc.co.uk/Olive/ODE/ELGAZETTE/LandingPage/LandingPage.aspx?href=RUxHQVBENC8yMDEwLzA4LzAx&pageno=MTA.&entity=QXIwMTAwNA..&view=ZW50aXR5
[95] http://www.englishuk.com/en/students/english-in-the-uk/why-study-english-in-the-uk

of source countries, the UK has – like Canada - witnessed a recent influx of Saudi students: in English UK figures from May 2010, Saudi Arabia jumped from fifth to first position as a sending country, pushing South Korea to fifth[96].

English UK, the representative body for language schools, is the world's largest, with over 450 members, all accredited by the British Council. They provide a range of marketing and networking events and a 'Partner Agency' scheme that provides a quality mark and logo to those agencies and consultancies adhering to their agency code of conduct.

In 2008 the English Language Promotions Group (ELPG) was established to encourage a more coordinated approach between the different members of the group who have an interest in international students – the British Council, English UK, UK Trade & Investment and VisitBritain.

The British Council plays an important role in language training. Besides its active role promoting IELTS, the Council – in conjunction with English UK – manages the Accreditation UK scheme that provides accreditation status to almost 500 English language schools. The British Council website provides a wealth of information on studying at English language schools in the UK, along with a comprehensive search facility. Its education portal EducationUK[97] provides links to relevant providers and details of different types of language provider. EnglishUK provides a similar service, and highlights key selling points on its Why UK?[98] page.

One of the key challenges for the English language sector in the UK is the tightened immigration restrictions for international students, which has raised the minimum English language requirements for students that wish to study in the UK long-term. By linking students to institutions certified on a list of education providers, this has had the benefit of slowly clamping down on the number of unscrupulous providers able to continue in business. There has however been a concerted industry attempt to lobby the government and remind them of the importance of this sector to the UK economy, resulting in high-profile court cases.

---

96 http://mag.digitalpc.co.uk/Olive/ODE/ELGAZETTE/LandingPage/LandingPage.aspx?href=RUxHQVBENC8yMDEwLzA4LzAx&pageno=MTA.&entity=QXIwMTAwNA..&view=ZW50aXR5

97 http://www.educationuk.org/UK/Article/Study-English-in-the-UK

98 http://www.englishuk.com/en/students/english-in-the-uk/why-study-english-in-the-uk

## 5.5 USA

Chart 5.8: Key Selling Points for US English Language Schools

Key selling points

- Opportunity to learn American ('Business') English
- Multi-cultural environment
- High quality programs / New accreditation law being implemented
- Close ties to the higher education sector
- Quality, Choice, Diversity, Value, Flexibility[99]

Enrolments at English language schools in the USA are increasing, especially from China and Saudi Arabia (where a new scholarship has recently been implemented).

The American Association of Intensive English Programs (AAIEP) is the national body that represents the US English language schools sector at home and abroad. It has almost 300 members whose courses are accredited under frameworks such as the Accrediting Council for Continuing Education and Training (ACCET) and the Commission on English Language Program Accreditation (CEA).

Its focus is currently on lobbying for the accreditation of as many providers as possible in order to raise standards and confidence in the sector in general. Indeed in December 2010, an Intensive English Programs Accreditation Bill was finally passed in order to do just this and is now going through the process of becoming law[100]. The resulting improvements in regulating the market and ensuring quality among providers is likely to increase the attractiveness of the US as a place to study English[101].

The organisation is set to launch a new EnglishUSA brand that will enable member institutions to identify themselves on a larger scale internationally, and allows a clearer international message to be conveyed to prospective English language students.

Noticeable amongst AAIEP members are the number of Universities offering language programs[102]. Whilst in most other competitor countries, language schools are distinct from the higher education sector, it is clear that the sector is still closely tied to university entry in the USA. For this reason, promotion of the sector to an international audience is also undertaken by EducationUSA[103].

[99] http://www.educationusa.info/files/e600a179-f77c-4734-e4c5-98be4ab9924d/IYWTS_Bk3_2010.pdf
[100] http://www.aaiep.org/news/show/44/iep_accreditation_bill_passes!!!
[101] Interview with Peggy Prinz, CEO of StudyintheUSA.com, January 2011
[102] http://www.aaiep.org/schools
[103] http://www.educationusa.info/files/e600a179-f77c-4734-e4c5-98be4ab9924d/IYWTS_Bk3_2010.pdf

## 5.6 COMPARATIVE ANALYSIS OF ENGLISH LANGUAGE SCHOOLS AND THEIR EQUIVALENTS

English language providers host the greatest number of international students studying in New Zealand, with the key selling points being good value courses in a safe, attractive country.

Australia is the main competitor in the English language schools market, promoting the same advantages as New Zealand in terms of attractiveness of the country and proximity to the major source markets. Australia also grants automatic work rights for English language student visa holders and – with IDP – have in place a mechanism for placing international students in appropriate colleges. Canada is also attractive in terms of its immigration process and as a safe country. The USA, whilst seen to be a provider of 'American English' and is more predominant on the world stage, is not a major competitor yet as there is only recently a nationwide co-ordinated effort to recruit international students for English language courses, with a new EnglishUSA brand about to launch.

Increasing the membership of English New Zealand schools would improve the credibility and reputation of the sector and allow it to compete more effectively with Australia and the UK. New Zealand can also highlight its more relaxed immigration laws for international students compared to the UK.

Additionally, given the influence of education agents in the recruitment process, it may be wise to engage more actively with agent networks to improve knowledge of the sector.

Chart 5.9: Comparative Analysis of English Language Sector

**English Language Schools**

**Strengths**

- Appeals to a niche of students looking for a truly immersive experience
- Excellent tourism opportunities and ability to link English study with tourism
- English New Zealand has until now provided the sector (even with small membership) with an effective platform for promotion and internal lobbying
- Creative approach to English language tuition with a huge variety of courses on offer from hobby English to tertiary preparation courses

**Weaknesses**

- Preference to learn British or American English
- Not as multicultural as competitors
- Visa difficulties - no work rights for students studying under six months
- Lack of knowledge about New Zealand (not considered in the first place)
- Although growing in popularity, agents still rank NZ behind that of its major competitors
- More students looking to study English as a pathway to further study at tertiary level
- Lack of choice compared to other countries, especially at University level
- Lack of pathways to make the transition between English study and further study easier
- Lack of a common voice for the sector, English New Zealand only represents a small number of institutions
- Geographical location, even though promoted as close to Asia it is still recognised as being ‘remote’ through NZ branding strategy
- Lack of marketing material available in languages other than English
- Lack of sophisticated statistical analysis / marketing intelligence gathering

**Opportunities**

- Actively promote the niche programmes that combine ELT with other courses of study/hobbies
- Linkages with other sectors as pre-entry experience (Ex-students complete ELT course before entering university or PTE)
- Visa regulations in other countries becoming more restrictive in terms of minimum English requirements, accompanying dependents and easy transition from English to other levels of study
- Promote ELT directly via online media to potential students through languages of principal source countries (Thai, Mandarin, Korean, Hindi)
- Work more closely with Tourism New Zealand to promote study and travel, especially for those looking to link English study with travel opportunities
- Build closer links with tertiary providers to actively promote the transition from English to further education opportunities
- Take advantage of Australia's current downturn by developing a sector based strategy that addresses some of the areas upon which Australia has failed to deliver
- Consider strategies for mitigating against the growing strength of the NZ Dollar e.g. sector based scholarships perhaps linked to further education providers
- Establish a mechanism for collecting better statistics and market intelligence to inform sector and individual marketing strategies
- Create an open platform for discussion where all providers can engage - best practice sharing
- Work together as a sector but also between sectors and possibly other English speaking countries to identify strategies to limit the impact of new emerging markets in Asia

**Threats**

- In-country provision: no need to study abroad to learn English
- No website exists in languages other than English to promote study in NZ (such as http://www.studymelbourne.vic.gov.au/hindi)
- Main competitors have more favourable immigration regulations in the area of work rights for students on courses of less than six months
- Perception of NZ being a 'safe' place to study may have been jeopordised due to the recent Christchurch Earthquake
- Strength of the NZ Dollar may counteract the perception that NZ is an affordable destination

## 5.7 RECOMMENDATIONS

At national level:

- Lobby the Department of Labour/enhance dialogue with Department of Labour to extend work rights for students on short-term courses.
- Increase dialogue with other sectors, including tourism, to try to promote in partnership the value of education based tourism.
- Develop a more co-ordinated approach and sector strategy to include all English language schools. This would allow the sector to be responsive to competitor activity.
- Continue to ensure robust quality assurance and accreditation procedures for all English language schools – quality is the most important selling point to prospective students.
- As a sector, explore new methods to engage with education agents.
- Develop a sector based platform to collect market intelligence, share best practice and promote the values of ELT in New Zealand to key influencers. This could either be co-ordinated through English New Zealand or another organisation.
- Develop relationships with organisations in main English speaking countries to try to come together to promote the value of an immersive experience to counteract growing competition for students to study English in their own country.

At English language school level:

- Work on developing pathways to other sectors – here, institutions could work more closely with other Government and professional organisations.
- Further develop direct recruitment strategies using online media in multiple languages to capture those students choosing to take charge of their own decision-making, rather than using an agent.
- Develop institutional based recruitment plans that reflect the values/key selling points of the sector (working together to strengthen the key messages rather than diluting them).
- Build strategies to mitigate against any negative impact of the growing strength of the NZ Dollar e.g. partial scholarships, price packages that illustrate value for money, setting realistic expectations on cost of living.

## 6. PRIVATE TRAINING ESTABLISHMENTS

### 6.1 NEW ZEALAND

Chart 6.1: Key Selling Points for New Zealand PTEs

Key selling points:

- Supportive learning environment (relatively small class sizes compared to other parts of world).[104]
- A wide range of institutions and qualifications (often credit-bearing) offered (approx 860 PTEs).[105]
- Good connections with labour market
- Safe
- Well connected to the rest of the world (strong transport and online communications).[106] (perceived)
- Fresh and creative environment (due to being free of 'constricting traditions').[107]
- Pristine natural environment / quality of life (beauty and adventure).[108]
- A growing number of international students.[109]
- Relatively low cost of living, inc. food, student accommodation and transport.[110] (perceived)
- Qualifications accredited through the New Zealand Qualifications Framework
- Pathways to further education
- Favourable immigration policies for diploma level students

#### 6.1.1 Sector Overview

In New Zealand, Private Training Establishments are a distinct sector within the education system, providing a range of vocational qualifications and apprenticeships. However, in the competitor countries PTEs do not exist as an entity in the same way, which makes direct comparisons problematic.

Nonetheless, this is an important sector: PTEs in New Zealand registered 48% of fee-paying international students in 2009, (although this figure includes those in English language schools), whereas the university sector's share of international enrolments decreased from 28% (27,600) in 2005 to 20% (18,900) in 2009.[111]

The New Zealand Association of Private Education Providers (NZAPEP) has over 360 members (around 60% of the country's PTEs), who must be registered with NZQA to ensure a minimum standard of quality for courses over 12 weeks in length[112]. NZAPEP is an active organisation that engages with a large part of the sector through regular

[104] http://www.newzealandeducated.com/de/en/why
[105] http://www.studential.com/applying/studyingabroad/NewZealand/New_Zealand_higher_education
[106] http://www.newzealandeducated.com/de/en/why
[107] http://www.newzealandeducated.com/de/en/why
[108] http://www.educationtauranga.co.nz/study-in-new-zealand.php
[109] http://www.educationtauranga.co.nz/study-in-new-zealand.php
[110] http://www.studential.com/applying/studyingabroad/NewZealand/why_study_in_New_Zealand
[111] http://dol.govt.nz/publications/research/life-after-study/life-after-study_06.asp
[112] Interview with NZQA, Paul Lister, February 2011

newsletters and provides a range of networking opportunities and events focused on strategy. Strong links also exist with the New Zealand labour market.

Independent Tertiary Institutions (ITI) is a much smaller membership organisation of larger PTEs, with just 13 members. Its origins lie in a 2003 merger of the Association of Independent Degree-granting Institutes (IDI) and the Career Colleges Association (CCA). Its mixed membership therefore tends to either focus on either degree-level studies or trades and advanced trades training. Given the range of qualifications awarded here (from level 3 Certificates through to Master's degrees, in fields such as education, social work and counselling and art and design[113]), these institutions sometimes operate in direct competition to ITPs.

Nonetheless, neither NZAPEP nor ITI have an obvious focus on international students, so this may diminish their likely impact on the international student recruitment market.

### 6.1.2 Accountability

The auditing process for private education providers in New Zealand is becoming more rigorous as NZQA further develops its mechanisms, particularly for those involved in export education[114]. By raising the threshold for PTE registration and increasing the power of NZQA to cancel registrations, this should strengthen the reputation of existing accredited providers.

Equally, new practices will seek to differentiate between the two types of recruiters that operate in this sector and deal with them differently: recruiters mainly interested in 'bums on seats' usually attract students willing to pay a high commission and looking for an easy route to permanent residency, whereas quality providers who are generally interested in academic quality and have capped commission rates usually attract students seeking a high quality qualification[115].

A lack of rich data on students at PTEs is inhibiting further growth. The very diversity of the sector makes it difficult to track and monitor trends and PTEs may not see an obvious need for collaboration when what they each offer is so different. There is also the additional issue of commercial sensitivity of information. NZAPEP is taking steps to address this through its involvement in the Australasian Survey of Student Engagement (AUSSE) [116] and other sector co-ordinated research studies.

12 New Zealand PTEs are currently involved in a 2011 pilot project, with the specific aims being:

- Continuous improvement of the institution
- Ability to benchmark against various points of reference with other institutions nationally and internationally

[113] http://www.iti.org.nz/ProgrammesOffered/
[114] http://www.scoop.co.nz/stories/PA1104/S00290/education-bill-brings-greater-accountability.htm
[115] Interview with NZAPEP, February 2011
[116] http://www.nzapep.co.nz/Link_Folder/PEPTalk%20April%202011.pdf

- So data can be used diagnostically by encouraging conversations about learning and teaching and helping PTEs monitor and enhance the quality of learning
- Setting priorities to improve educational outcomes for learners and contribute to decision-making
- Evidence for the sector to tell its own story[117]

The benefits of studying at a PTE, and the key selling points for the sector as a whole, are not clearly articulated and perhaps these are not well understood even within the sector itself. The fact that PTEs are not government-funded can also impact on students' perceptions of quality, even while steps are being taken by NZQA and other stakeholders to counteract this. Any negative publicity surrounding PTEs that are not legitimate can have a knock-on impact on perceptions of the whole sector, as prospective students become unsure about how to select an institution wisely.

Even accounting for the percentage of international students in English language schools, there remains a relatively large percentage of international students studying at PTEs in New Zealand. These students choosing to attend a PTE in New Zealand are often focused on their desire to settle in the country, and so will select a particular vocational course based upon the Skilled Migration List[118], and Areas of Absolute Skills Shortages[119].

An understanding of the link between vocational qualifications and global migration could enable New Zealand to make more of its niche PTE programmes. For example, stronger links with the labour market in areas such as mining, technology and nursing could boost recruitment and also the development of support networks for these specialist areas.

Whilst better industry links would no doubt improve attractiveness, the key to improving the identity and awareness of PTEs is how the sector as a whole markets itself and how it communicates this offering internationally. Traditionally PTEs have marketed themselves independently with little or no collaboration in the sector. The main mechanisms for promotion are agents and the individual institutional website.

The relationship between agents is often managed solely at the institutional level with no common framework available to offer training or promotion of New Zealand at a sector level. Whilst Education New Zealand do provide training workshops and agent fairs there is a general feeling across the sector that these are not meeting the needs of PTEs. Generic marketing and training is often directed at agents who are not necessarily involved in recruitment to students at diploma level. Trying to manage a 'one size fits all approach' especially for a sector as diverse as PTEs often means the key messages are diluted and not reaching the main influencers. This reinforces the need for a sector based strategy to manage the generic PTE brand and promotion of the brand/key selling points to selected 'quality' agents that specialise in non HE recruitment. A common complaint amongst agents is the lack of clarity in immigration policies and visa processes.

---

[117] http://www.nzapep.co.nz/Link_Folder/PEPTalk%20April%202011.pdf
[118] http://www.visabureau.com/newzealand/skill-shortage-list.aspx
[119] http://www.new-zealand-immigration.com/Self_assessment/Absolute_skills.php

## 6.2 AUSTRALIA

Chart 6.2: Key Selling Points for Australian ACPET sector

Key selling points

- Wide range of providers offering large portfolios of courses
- Outward-focused sector organisation
- Well recognised qualifications (National Framework for the Recognition of Training).[120]
- Well established vocational education and training system – institutions in most disciplines and most regions of Australia.[121]
- Cost-effective path to a career.
- Small class sizes (allowing easy interaction).[122]
- Great climate and environment.[123]
- Closest English speaking city to many Asian capitals[124]
- Opportunity for permanent migration has been relatively easy, especially since changes made in 2005.[125]
- Choice, Security, Experience, Flexible, Pathways[126]

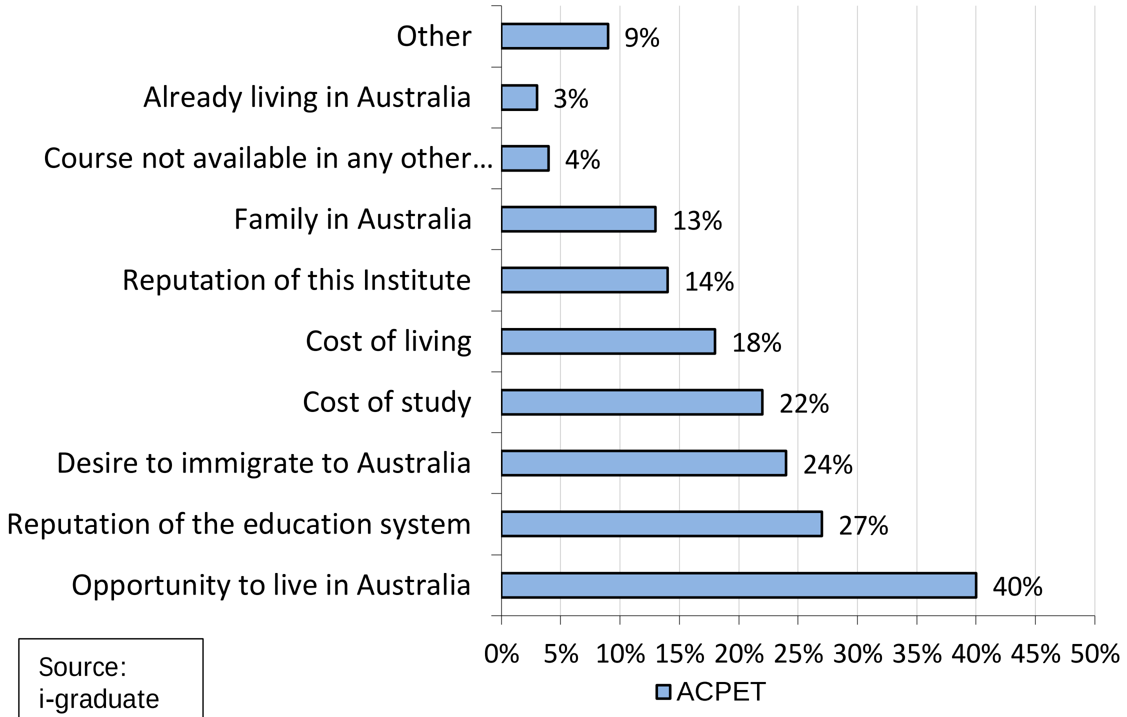
Australia is the largest direct rival for international students considering vocational training programmes and offers similar options for private tertiary education. The Australian Council for Private Education and Training (ACPET) has a more outward-facing focus than NZAPEP. ACPET membership is extremely broad, covering a range of providers from school up to higher education level. Their website includes a section on 'international' and has a course finder for international students in particular, which NZAPEP does not offer.

An i-graduate survey of the ACPET sector in 2009 helped to identify why international students chose Australia and also how students arrived at their decision (see Charts 6.3 and 6.4 on the following pages). Within the context of this study, it is also interesting to note that 84% of students did not apply elsewhere to study. Likewise, when asked which was most important in their decision-making process, 55% responded that the country was most important, whilst 37% selected an ACPET provider based upon the institution.

Chart 6.3: Why did you choose Australia as your study destination?

[120] http://www.transworldeducation.com/articles/acpet.htm
[121] http://www.transworldeducation.com/articles/acpet.htm
[122] http://www.transworldeducation.com/articles/acpet.htm
[123] http://www.wapetia.org.au/living_studying.html
[124] http://www.wapetia.org.au/living_studying.html
[125] http://www.hothousemedia.com/etm/etmbackissues/febetm10/febetm10feature.html and http://www.myglobaleducation.com/content/interest-vocational-education-is-up-among-international/
[126] http://www.workingin-australia.com/profile/825/acpet

Why did you choose to study in Australia over other countries you considered studying in? (ACPET n=3,368)

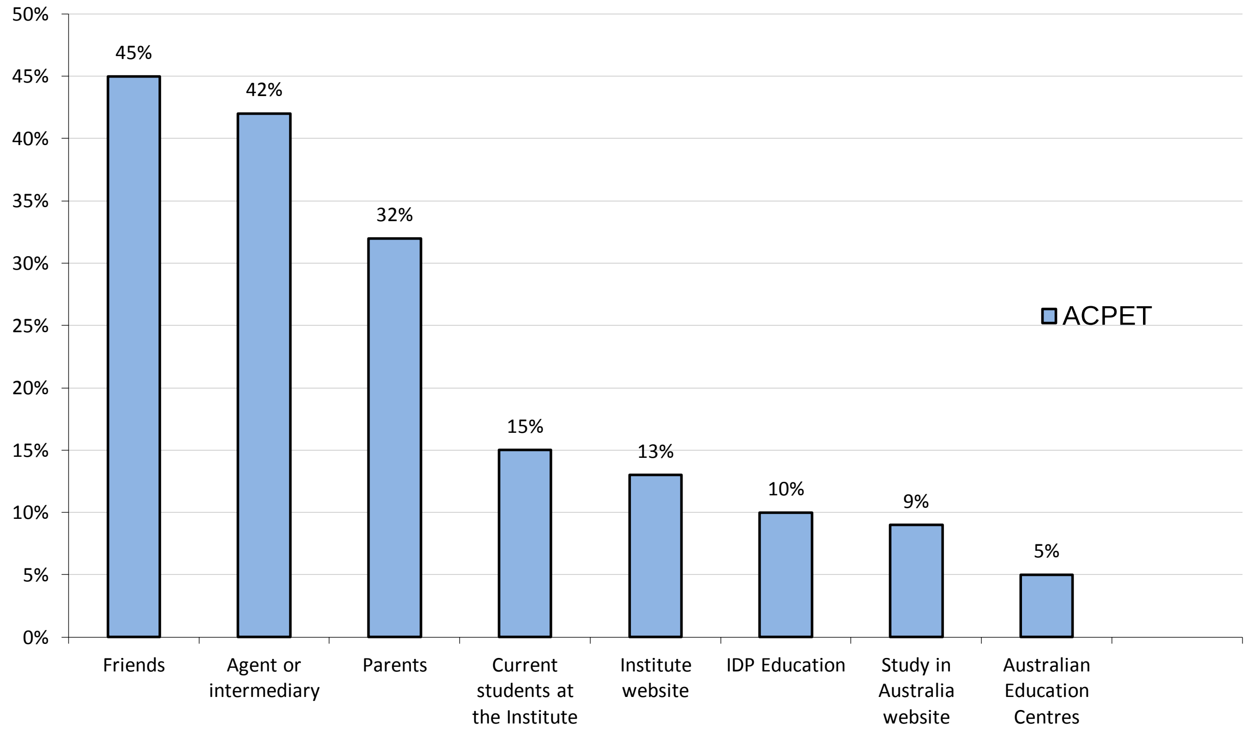



Source:
i-graduate

The information above clearly demonstrates that the opportunity to live and potentially emigrate to Australia was a large driver of decision-making in 2009. The reputation of the education system and costs were also important factors in the choice of Australia. The importance of this research is that it pre-dates tougher visa requirements in Australia that lead to a decline in international student enrolments and was likewise conducted before recent appreciation of the Australian Dollar.

The following Chart 6.4 demonstrates that friends, agents and parents were the three most important influencers for students considering studying in an ACPET institution. The interesting point here is the key influence that agents play in the decision-making process – this figure is well above the benchmark for international students in the higher education sector (33%).

Chart 6.4: Which of the following helped your decision to choose your course? (Multiple Choice Question)




Source: i-graduate

ACPET and NZAPEP signed a cooperation agreement in 2006 with the aim of enhancing their collaboration with each other, although again there is no overt mention of this on the NZAPEP website. Whilst the two countries compete with each other for international students, there may be the potential for individual New Zealand institutions to learn from institutional best practice in Australia.

The 'Working in Australia' website promotes private ACPET college courses by concentrating on five key themes: Choice; Security; Experience; Flexibility; and Pathways[127]. This strong, coherent message is not repeated on the ACPET website itself, but demonstrates how it is possible to clearly define the benefits of private tertiary education.

ACPET colleges encompass a range of different educational outcomes but, looking specifically at vocational education and training providers, adhere to nationally consistent training products and quality assurance arrangements.

The Australian Quality Training Framework incorporates standards for VET providers: An institution wishing to offer vocational education and training courses to students must be a 'Registered Training Organisation' (RTO) and provide evidence of compliance with the AQTF standards[128].

[127] http://www.workingin-australia.com/profile/825/acpet
[128] http://studyinaustralia.gov.au/Sia/en/WhatToStudy/Vocation/Quality.htm?PrintMode=true

Overall, therefore, Australia has a strong offering in this sector due to well-recognised and quality assured qualifications and an active promotional strategy for international students. The one significant problem is the establishment of a more rigorous visa system.

## 6.3 CANADA

Chart 6.5: Key Selling Points for Canadian Trade Schools

Key selling points:

- Well-regulated public sector establishments
- A significant and popular education sector in Canada, especially for international students.[129]
- Over 175 colleges and technical institutes.[130]
- Offers a flexible range of ESL (English as Second Language) courses alongside training.[131]
- Some unique programmes are available, e.g. geographic information systems.[132]
- Inclusive, tolerant, multicultural environment.[133]
- Low crime rates (and stricter control of firearms compared to the US).[134]
- Canada is an international leader in computer and information technologies.[135]
- Ranked by the UN as one of the top ten places to live in the world since 1994.[136]
- Many vocational students (as high as 50% in some cases) go on to work in Canada.[137]
- A direct pathway into specialised careers in a relatively short period of time.[138]

Trade schools in Canada are broadly interchangeable with technical and vocational colleges and institutes. There is a private sector, but it is the public sector that is best known and also most highly regulated. These schools are usually organised at the provincial level, and programmes vary across the country. Therefore, it has been more difficult to formulate a national (federal) strategy for international student recruitment.

However, anecdotal evidence suggests that recruitment internationally has grown substantially in specific parts of the country. Others elsewhere have reported a big reduction in international student enrolments.[139] The lack of a clear overall picture is indicative of this variability across the country.

129 http://studyplaces.com/articles/332200-popular-vocational-courses-in-canada
130 http://www.123oye.com/education/education-in-canada.htm
131 http://www.hothousemedia.com/etm/etmbackissues/novetm05/novetm05focus.htm
132 http://studyplaces.com/articles/332200-popular-vocational-courses-in-canada
133 http://www.rediff.com/getahead/2008/feb/06abr.htm
134 http://www.studynation.com/studyabroad/countries/canada
135 http://www.studynation.com/studyabroad/countries/canada
136 http://www.studynation.com/studyabroad/countries/canada
137 http://www.hothousemedia.com/etm/etmbackissues/novetm05/novetm05focus.htm
138 http://www.hothousemedia.com/etm/etmbackissues/novetm05/novetm05focus.htm
139 http://www.international.gc.ca/education/practices-pratiques.aspx

Interprovincial standards for trades are compiled and administered by the Red Seal program[140] – 52 apprenticeship / trade courses that adhere to the required standards and allow the holder to work in different provinces. However, the Red Seal organisation does not have an international outlook though – and international student recruitment in this sector remains piecemeal.

## 6.4 UK

Chart 6.6: Key Selling Points for UK FE Sector

Key selling points:

- Most direct competitors are publicly-funded, offering good quality courses.
- Comprehensive portfolio of courses often developed in close co-operation with industry.[141]
- Cosmopolitan and culturally-diverse.[142]
- Education system is flexible.[143]
- Qualifications are valued all over the world.[144]
- Accreditation by the British Council.[145]
- Extensive experience built up via worldwide projects / Long history of working overseas.[146]
- Extensive range of student facilities.[147]
- Innovative support materials.[148]
- Financial support for international students via the welfare system, scholarships and bursaries.[149]
- Links with education agencies around the world.

The closest UK equivalent to PTEs are Further Education colleges (mostly publicly funded), which provide vocational education and training courses, as well as Diplomas and Certificate-level qualifications. Most colleges have a broad focus and will offer a greater range of courses than PTEs. The fact that they are publicly-funded means that in many cases their core purpose is to provide training for domestic and, more specifically, local students. Historically, most colleges have not focused greatly upon recruiting international students but some of the larger colleges are beginning

140 http://www.red-seal.ca/w.2lc.4m.2@-eng.jsp
141 http://www.bradfordcollege.ac.uk/International%20Students/welcome
142 http://www.bradfordcollege.ac.uk/International%20Students/welcome
143 http://www.educationuk.org/Benefits-of-UK-study
144 http://www.educationuk.org/Benefits-of-UK-study
145 http://www.bradfordcollege.ac.uk/International%20Students/international-docs/International_Guide_2010.pdf
146 http://www.derby-college.ac.uk/full-time-school-leavers-and-sixth-formers/international / http://www.tvetuk.org/en/uk-expertise/casestudies/ccbcasestudy
147 http://www.bradfordcollege.ac.uk/International%20Students/international-docs/International_Guide_2010.pdf
148 http://www.tvetuk.org/en/uk-expertise/casestudies/centralymcacasestudy
149 http://www.mya4e.com/international/international-fact-sheets/a4e-mainland-europe-fact-sheet/

to seek out emerging markets, using services such as TVET UK[150], as they begin to recognise the financial and social benefits of recruiting international students and as the government makes cuts to public funding.

One of the aims of the PMI2 (Prime Minister's Initiative) programme was to boost the number of international students in the UK FE sector by 30,000[151]. This has been achieved through programmes such as the PMI FE Partnerships Fund[152] and Measuring Student Satisfaction in UK FE Colleges.
National-level organisations, including the Association of Colleges (AoC), the Associate of Learning Providers (ALP), and Scotland's Colleges, co-ordinate activities across the sector but their focus is predominantly domestic. The British Council often assists with the international promotion of Further Education.

There are a number of relatively powerful consortia in the UK's FE sector, such as the 157 Group, which represents 28 large, successful FE colleges and publicises the work of the FE sector in the international arena. Six case studies highlighting international partnership projects are being promoted to demonstrate innovative practice within the sector.[153]

In addition to the public sector, there are a number of private training providers (PTPs) in the UK, such as Holborn College154 that target international students and, in this sense, may be more geared to international markets than many of New Zealand PTEs. These are much less bounded by state requirements to educate domestic, local students so they can be more internationally focused and oriented in their activities.

On a smaller scale, the Association of Independent Higher Education Providers (AIHEP) has been set up to represent eight private providers, in what is currently a small, but potentially lucrative growth market.

150 http://www.tvetuk.org/en/home
[151] http://webarchive.nationalarchives.gov.uk/+/http://www.bis.gov.uk/policies/higher-education/international-education/prime-ministers-initiative
[152] http://www.britishcouncil.org/final_prospectus_0910-3.pdf
153 http://www.157group.co.uk/international-case-studies
154 http://www.holborncollege.ac.uk/

6.5 USA

Chart 6.7: Key Selling Points for US Trade Schools

Key selling points:

- A highly regarded public sector with a number of reputable private schools
- Considered one of the best locations in the world for HE (vocational courses can provide a stepping stone into HE via a 2+2 transfer program)[155],[156].
- Highly regarded public sector with a number a reputable private schools.
- The Community College Initiative Program (CCIP).[157]
- Off-campus accommodation with hosting families.[158]
- Strong tradition of servicing international students.[159]
- Wide variety of general education courses.
- Additional Spoken English (ESL) can be timetabled into courses.
- Potential to transfer on to HE course (known as 2+2 transfer programs).[160]
- High quality support / service levels, e.g. to explain complicated immigration policies.[161]
- Small class sizes.[162]

Not all technical or vocational schools are community colleges, but almost all community colleges will typically offer technical and vocational programmes most similar to that offered by PTEs in New Zealand. Although there is a large private sector, as in Canada, the public sector is better known and more highly regarded. Information on the private sector is harder to find, given that it is less closely regulated and that their strategies for international student recruitment will be commercially sensitive. There are a number of reputable private schools, such as Kaplan and DeVry, as well as the accredited ITT Tech Institutes. However, there are ongoing concerns that students cannot use private programmes to transfer onto four-year courses at universities because the qualifications are not necessarily recognised. As in other countries, there is an ongoing concern that some unscrupulous private providers are making money from international students without offering anything in return. In some cases, such providers have been identified and had their status revoked by the Department of Homeland Security so that they are not permitted to provide visas to international students.

155 http://www.internationalstudentguidetotheusa.com/
156 http://www.internationalstudentguidetotheusa.com/
157 http://www.myglobaleducation.com/content/interest-vocational-education-is-up-among-international/. This initiative allows students from certain countries to spend a year studying at community colleges in the US and earn a vocational certificate. For students accepted onto the program, the government and colleges pay their tuition costs.
158 http://www.glendale.edu/index.aspx?page=137
159 http://www.glendale.edu/index.aspx?page=137
160 http://www.glendale.edu/index.aspx?page=137, http://www.lanecc.edu/international/studentservices.html
161 http://www.lanecc.edu/international/studentservices.html
162 http://www.lanecc.edu/international/studentservices.html

In terms of promoting the sector internationally, community colleges have their own representative body, the American Association of Community Colleges (AACC)[163.] The AACC has an international section to its website, with relevant profiles and details of its relationship building activities.

## 6.6 COMPARATIVE ANALYSIS OF PTES AND THEIR EQUIVALENT

An international comparison in this sector is difficult because there are few direct equivalents to the New Zealand PTE sector. However, ACPET is a close match and more actively and coherently promotes its qualifications internationally. Whilst NZAPEP is active within the domestic scene; engaging with employers, little focus is placed upon the international dimension. This is despite the fact that there is a large proportion of international students study at PTEs in New Zealand.

The main limitation in the New Zealand PTE sector is the lack of rich data on students – but this could be addressed through involvement with AUSSE. Further collaboration between NZAPEP and ACPET might assist the development of the NZ sector.

[163] http://www.aacc.nche.edu/Resources/aaccprograms/international/Pages/default.aspx

Chart 6.8: Comparative Analysis of Private Training Establishments

**Private Training Establishments (PTEs)**

**Strengths**

- Diverse range of institutions
- Often good links with the domestic labour market
- For the most favourable visa policies
- Qualifications linked to the NZQF, so value of final qualification is clear and many credit-bearing
- Showing growth in international student numbers
- Safe and regulated environment
- Growing links with pathways into Universities (not as many with ITPs) - external and internal to NZ

**Weaknesses**

- Lack of data about international students in sector and market intelligence of other countries
-Due to its diversity, there can be a lack of collaboration between private sector training institutions
- Lack of a sector brand which limits the impact of marketing the NZ PTE offering
- Need for targeted agent training and promotion
- Not government funded, which can influence student perception of 'quality'
- Perceived lack of quality assurance in sector
- Recognition of these qualifications may vary a bit from one country to the next
- Lack of understanding about the benefits of studying at a PTE and the importance of vocational education
- Lack of professional training within the sector, especially on general business management issues
- Competitive environment which limits sharing of best practice and collaboration with other PTEs

**Opportunities**

-Emphasise programmes that are linked to economy and labour market (mining tech, nursing, etc.)
- Pathways to other education sectors should be increased
- Poor job prospects in competitor countries = increase demand
- As similar qualifications in competitor countries are often provided by public sector institutions and public sector funding is being reduced, opportunities for expansion of international student numbers exist

**Threats**

- Competitor countries may get ahead by articulating pathways from PTEs to labour market/other education sectors
- Upcoming review of immigration system may impact negatively on sector
- Impact of the strong NZ Dollar - no longer perceived as an affordable destination
- Larger PTEs operating in key markets may limit the competitiveness of some of the small providers
- Negative publicity in countries such as Australia surrounding private unscrupulous colleges can impact the industry worldwide

## 6.6 RECOMMENDATIONS

At national level:

- NZAPEP and ITI to establish a more outward facing role to improve communication of the benefits of studying at PTEs to key markets and identify particular providers that are more geared towards international students. The respective websites could be developed to include sections on what international students can gain by studying at a PTE in New Zealand, focusing on links with the labour market and pathways with other sectors. Alternatively the establishment of a new organisation which acts as a platform for the development of a strategy for the promotion of PTEs overseas and encourages PTEs to work together to share best practice and collaborate for the good of the sector rather than individually.
- Improve data collection on the international student experiences and perceptions of PTEs and start to monitor trends in order to enable a more focused strategy for growth in the recruitment and support of international students.
- Improve market intelligence and offer advice and guidance on setting up partnership overseas or developing off shore provision.
- Extend collaboration with other sectors, such as ITPs, Universities and with the labour market at a sector level to share information.
- Improve dialogue with the Department of Labour, and encourage them to provide training and/or easy-to-read guides for agents on immigration and work entitlements, especially as a good proportion of those coming to New Zealand are often looking to settle.
- NZAPEP/ITI to look at providing more professional training for those involved in international recruitment. This could be done in collaboration with different Government departments e.g. Immigration/Education/Tourism/Trade etc. Use social media channels e.g. webinars.

At institutional level:

- Promote benefits more clearly to international students, including the existence of any scholarships, by making greater use of social networking and collect data on the student experience in order to make improvements to services where failings have been indicated or suggestions made.
- Work together with PTEs of a similar size, or alternatively, offering similar courses, to pool resources and to provide a clearer focus on key source markets to make them more competitive internationally.
- More emphasis on alumni relations as a mechanism to strengthen the message of 'quality' provision.
- Development of more collaborative links with international colleges/schools in key source markets to raise the profile of PTEs in NZ and the individual institution.
- Realistic in use of key selling points, the growing strength of the NZ $ is weakening the proposition that NZ is an affordable alternative – need to maintain student expectations.
- Develop more pathways through relationships with institutions in other sectors e.g. Schools/ Universities etc that might include joint programmes.

- Greater emphasis on demonstrating quality in promotional material to dismiss the myth that private institutions are not of the same quality as public institutions.
- Promote graduate destination studies to show benefits of studying at a New Zealand institution e.g. Canadian Schools and USA colleges are particularly effective in this area.
- Investigate the possibility of increasing or developing off-shore provision or teaching with another college – need to maintain quality.

## 7. INSTITUTES OF TECHNOLOGY AND POLYTECHNICS (ITPs)

### 7.1 NEW ZEALAND

Chart 7.1: Key Selling Points for New Zealand ITPs

Key selling points:

- Good value of courses
- ITPs offer a wide range of qualification levels
- Being a small sector allows for good collaboration and a strong identity
- Breadth of courses on offer
- Strong reputation for applied higher education
- Offers postgraduate qualifications
- High level of student satisfaction

#### 7.1.1 Defining the Sector

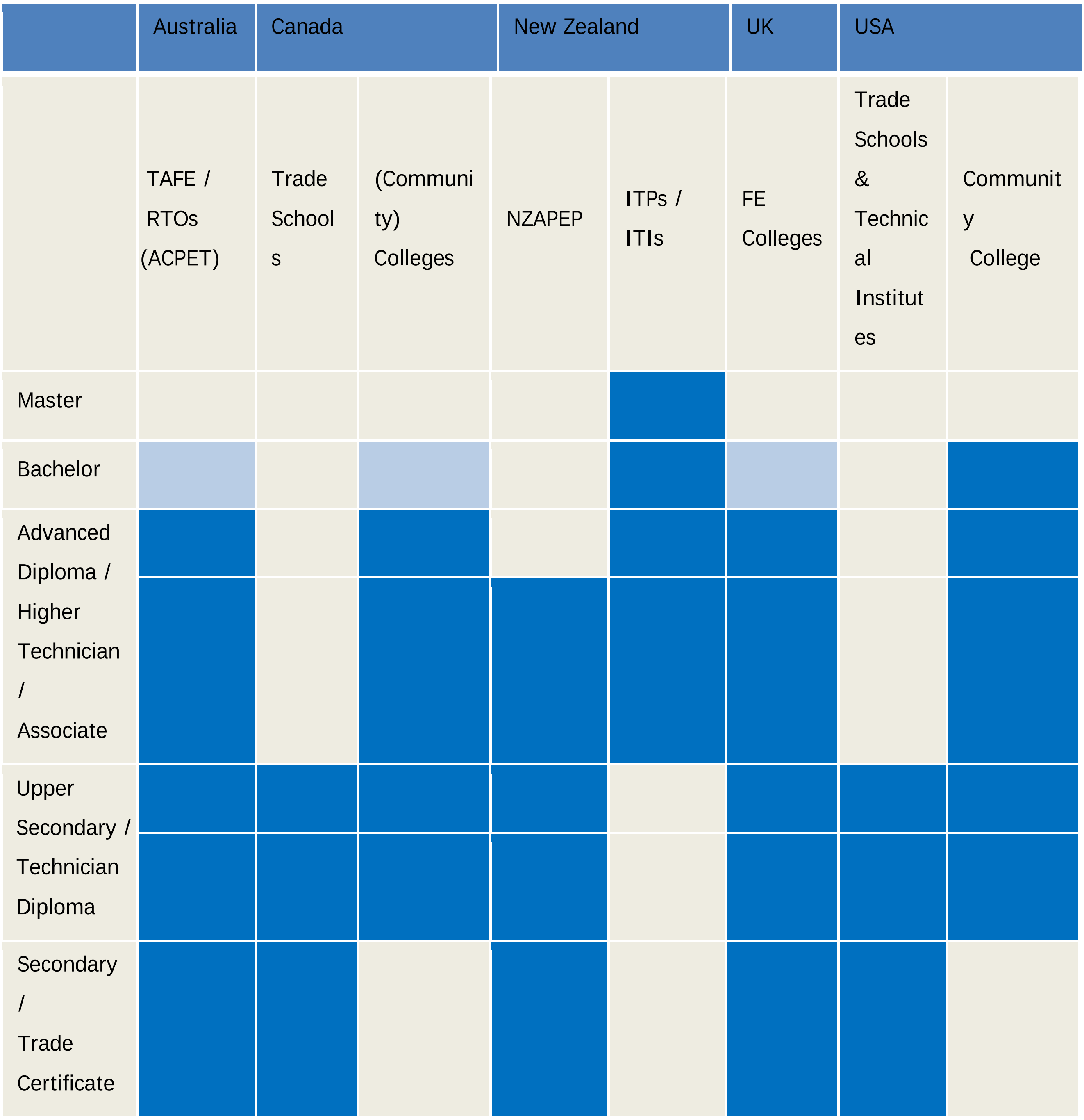
The New Zealand ITP sector is distinct from other post-secondary non-university sectors because of the diverse range of qualifications which overlap with multiple sectors. This makes direct comparisons between competitor countries difficult.

Whilst Further Education Colleges in the UK and TAFE Colleges in Australia increasingly offer a range of higher level qualifications, perhaps a more appropriate comparison in the two countries would be with the more vocationally-oriented universities e.g. the Million+ Group in the UK and the Universities of Technology in Australia. However, as with any sector, there exists variation in provision across the ITP institutions that can impact the selected comparator groups.

In Canada and the USA, Colleges and Community Colleges respectively offer post-secondary education up to Bachelor level and, sometimes, beyond. Their role is far more distinct from universities than the difference between universities and the ITPs in New Zealand.

Chart 7.2 below shows how this sector provides a completely different range of qualifications in each of the countries covered in this report.

Chart 7.2: Post-secondary, non-university institutions and qualification coverage




**Key**:

Dark Blue – qualifications are usually offered at this qualification framework / occupational level

Light Blue – qualifications sometimes, but not typically, offered at this level

The unique status of ITPs in this non-university group stems from the fact that New Zealand retains a binary higher education system, whereas its competitors have moved towards a unitary structure. In the UK (from which New Zealand inherited its traditional education system), polytechnics became universities in 1992. A more complicated process of reform took place in Australia but, in general, Colleges of Advanced Education and Institutes of Technology either became or were merged into Universities of Technology in the early 1990s. Perhaps, therefore, the most appropriate direct comparison for ITPs is with the Million+ group of universities in the UK and the Universities of Technology in Australia.

As Campbell and Rozsnyai in 2002 noted[164], the unitary and binary division is, in practice, only indicative. Whilst the UK had supposedly phased out the binary system in 1992 by upgrading polytechnics, higher education is still divided between universities and non-universities (institutes of higher education and some FE colleges).

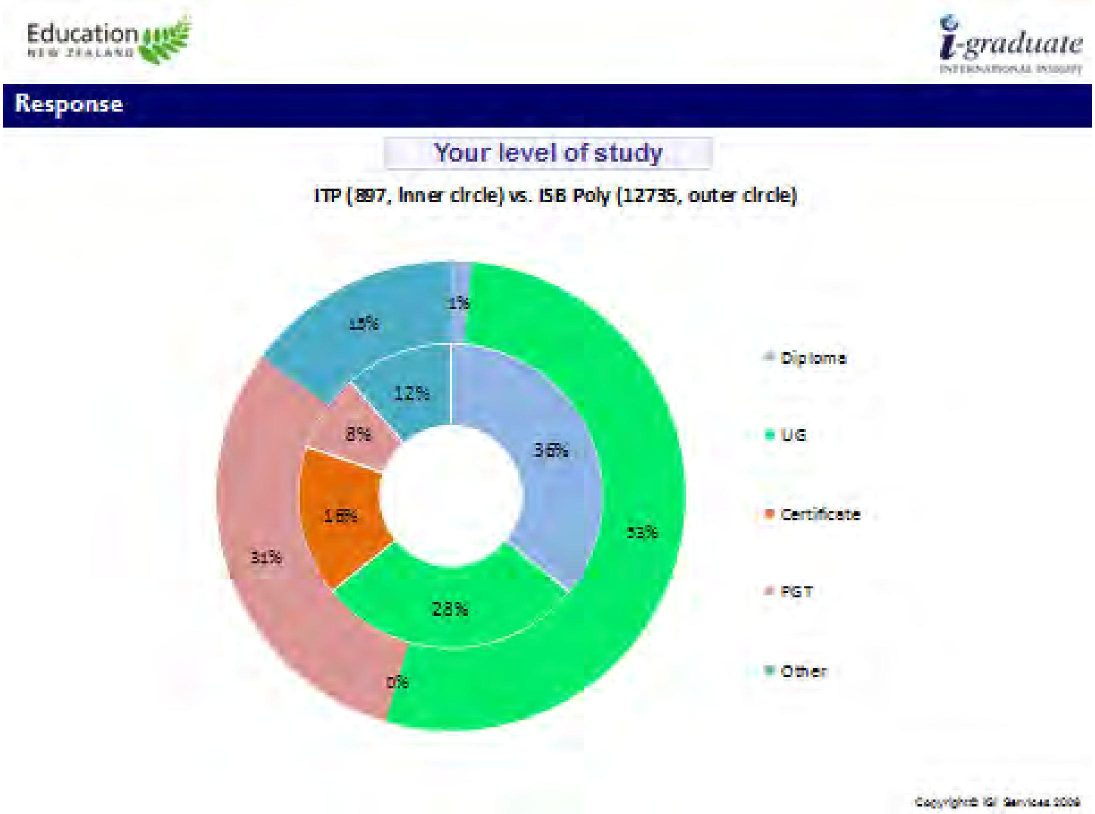
### 7.1.2 Statistics

According to OECD statistics, in 2010, 26.2% of international students in New Zealand were studying at 'tertiary-type B programmes', with Canada the only other competitor coming close at 21.4%.[165] However, as type B programmes exclude universities, this may provide an inaccurate slant on the situation.

Within the 2008 i-graduate International Student Barometer (ISB) for ITPs, one question explored the range of courses studied within ITPs compared with those from a range of similar technically and vocationally-oriented higher education institutes around the world. This is shown in the following chart:

164 Campbell and Rozsnyai (2002), Quality Assurance and the Development of Course Programmes
165 http://www.oecd.org/dataoecd/45/39/45926093.pdf, section C2

Chart 7.3: The spread of qualifications taken at ITPs in comparison to similar global institutions




Whilst Chart 7.3 specifically relates to international students, it nonetheless shows that there is a far broader spread of qualifications studied at ITPs in New Zealand than is the case in a range of other countries. For example, 28% of those studying at an ITP in New Zealand were studying for an undergraduate degree, compared to the international mix of 53% and, on the other hand, 36% studying for a Diploma in New Zealand compared to only 1% internationally.

The variety of its educational offering, encompassing so many education levels, from English language provision to postgraduate degrees, is relatively unique. Binary models of higher education are still common across the world, for instance in Continental European countries such as Germany and the Netherlands, but covering such a wide range of qualifications and including postgraduate study is rare.

### 7.1.3 Promotion

In promoting the benefits of an ITP education in New Zealand, strategies are focused on its relatively low cost compared to universities. However, the ITP sector suffers from the lack of a clear identity. With only around 20 providers in New Zealand the sector is a small one. Its main sector website, NZ ITP[166], focuses almost entirely on domestic issues and does not outline its international strategy.

166 http://www.nzitp.ac.nz/

There is no other external, student-facing website that markets ITPs to international students and whilst the strength of the sector is in its small, personal size and the breadth of courses on offer, this is largely hidden from view.

However, with regard to the international student experience, ITPs rate highly in overall satisfaction and this strong showing might usefully be publicised more widely. Student satisfaction is high in comparison to international counterparts in Living and Support and particularly in Learning.

Promotion of ITPs should also focus on pathways. Progression through the education system is central to the promotion of the sector, particularly because the relationship between the various qualifications will not be immediately obvious to international students. The NZQF provides an illustration of qualification level, but the way in which a student might be able to progress into the university sector at different points would also be of interest.

Finally, quality (both perceived and actual) is fundamental to the successful marketing of ITPs. Currently, there is a perception that the standard of teaching is not as good as that offered by universities and some private providers, principally because the level of resourcing is lower. However, this perception may be easy to counter, as quality of teaching is very high compared to other countries – anecdotally, New Zealand has a particular edge in 'leading edge in applied learning'. Whilst New Zealand's Code of Practice ensures that there are minimum standards for student support, quality assurance mechanisms have not been stringent enough, evidenced by the recent switch of responsibilities to the NZQA.

## 7.2 AUSTRALIA

Chart 7.4: Key Selling Points for Australian TAFE Sector

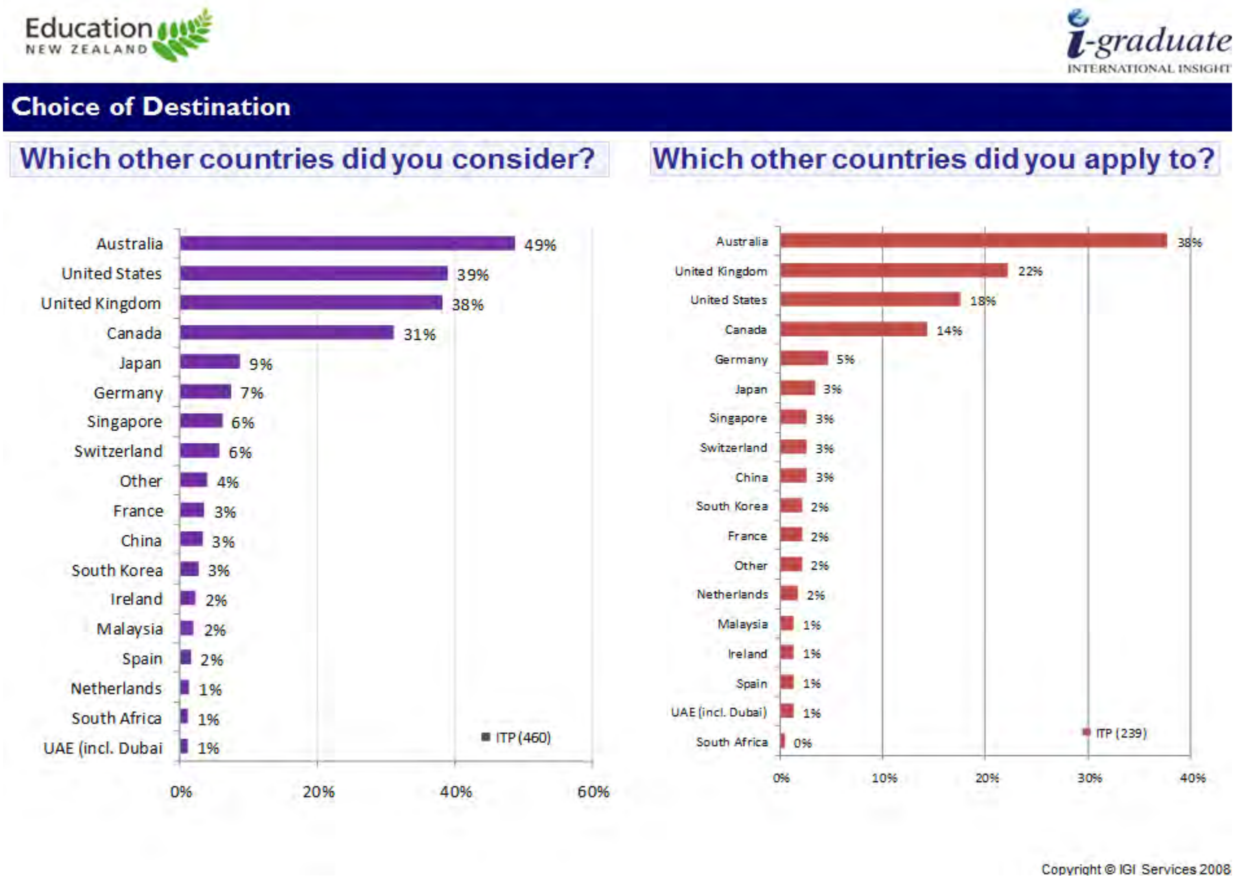
Key selling points

- Security
    - Government-owned, government-operated and government-accredited. All TAFE Institutes are, therefore, secure, stable, professionally-managed and internationally recognised
    - Safe and friendly multicultural environment where you can study and make new friends
- High Quality Education
    - Practical, work-related skills
    - Excellent job training
    - Courses developed by industry experts
    - State-of-the-art campus facilities
    - Simulated work environments
    - Latest technologies
    - Extensive support network
- Pathway to University[167]

Whilst identifying comparable sectors in competitor countries is difficult, the country competitors for the ITP sector are very clear. As per data from i-graduate's ITP 2008 International Student Barometer (see Charts 7.5. and 7.6.), Australia was the main alternative considered by those who were studying at ITPs in New Zealand, especially in terms of applications.

[167] http://www.detinternational.nsw.edu.au/tafe/about_tafe_nsw/about_tafe_nsw.htm

Charts 7.5 and 7.6: Main alternative destinations for students considering and applying to ITPs




49% of students surveyed indicated that they also considered applying to Australia, with 38% actually doing so. Although 39% of students considering applying to the USA, only 18% actually did so, whilst the proportion of students actually applying to study in the UK was slightly higher 22% (compared to 38% who considered it).

As has already been discussed, there is no direct equivalent to the ITP sector in Australia. On the one hand, TAFE Colleges provide similar qualifications at the sub-degree level; on the other, Universities of Technology offer similar first and second level degree programmes.

Referring to TAFE Colleges, this education in Australia is administered at the state level. Each state has a TAFE website with clear information about the offering, including sections specifically aimed at international students[168.] TAFE Directors Australia (TDA) represents the leadership of the 59 TAFE institutions and is active internationally through the Australian TAFE International Network (ATIN). Activities have included the Australian government linking with the Chinese government to provide off-shore programmes for Chinese students and these international partnerships provide good links into key source markets. Another initiative involves the Queensland Government establishing Chilean Technical Scholarships using the 4 TAFE Queensland institutes[169.]

168 http://www.detinternational.nsw.edu.au/tafe/
169 http://www.tafe.qld.gov.au/international/chile_scholarship/index.html

The TAFE sector has been badly affected by the recent tightening of immigration procedures in Australia. Applications fell 22% in the last 6 months of 2010 and compared with the same period in 2009 by 37% on 2008 figures. The largest drop in numbers came from Vietnam and India, followed by Nepal, Thailand and China. Anecdotally, New Zealand has also suffered slightly from the Australian drop in recruitment especially in India, since the two countries are seen by some prospective international students as 'one and the same'[170].

## 7.3 CANADA

Chart 7.7: Key Selling Points for Canadian Colleges

Key selling points

- Excellent pathways through to universities and other tertiary education providers
- Articulation agreements between colleges and universities act as a stepping stone into HE.[171]
- Live in another country and learn about a different culture
- Learn a language
- See the world while studying
- Develop intercultural skills and international work experience
- Internationalize your degree and resume
- Earn university credits toward your degree
- Take academic courses not otherwise available at your institution
- Increase your employment opportunities
- Learn new perspectives
- Broaden your education
- Have the time of your life!

In Canada, there is a large and rapidly expanding market for international students in Colleges (sometimes referred to as Community Colleges). Students from India are showing particular interest in Canada: their numbers tripled in just two years, from 3,250 in 2008 to 11,530 in 2010[172].

The increase in Indian numbers can be in part attributed to the Student Partners Program launched in 2009. A collaboration between Canadian visa offices in India and the Association of Canadian Community Colleges, the goal of

[170] Interview with Beth Knowles, CIPT, February 2011
[171] http://www.hothousemedia.com/etm/etmbackissues/novetm05/novetm05focus.htm
[172] http://tesltoronto.org/http:/tesltoronto.org/wordpress/international-students-in-canada-40-increase-since-2005

the programme is to increase the approval rate for study permit applications at participating Canadian colleges while ensuring high rates of compliance with visa regulations[173].

Another example of recent Canadian-Indian collaboration is the international education programme agreed between Ontario and two states in India (Maharashtra and Goa) in 2007. The agreement covers a range of post-secondary education providers in the province, including both universities and post-secondary colleges[174].

Colleges and Institutes are regulated by the provincial Ministries of Training, Colleges, and Universities (MTCUs) and provincial government has traditionally been responsible for promoting its post-secondary education provision. The Association of Canadian Community Colleges (ACCC) has a nationwide remit, but is not heavily involved in promotional activities – its focus tends to relate more to domestic policy review.

Nonetheless, recruitment remains patchy – colleges that are successful at recruiting international students tend to be geographically close to universities successful at recruiting international students.  For example, Ontario educates 44% of all international students in Canada in its colleges and universities, followed by British Columbia. Additionally, students only have the right to work one year after graduation in the province in which they studied, limiting student mobility as well as cooperation between provinces[175].

Colleges do benefit from promoting the post-secondary College brand collectively, rather than individually. For instance, the British Columbia Studies Abroad Consortium (BCSAC) is a collective of post-secondary institutions working together to encourage students to obtain an international study experience[176]. Alongside marketing the benefits of the province as a study destination, the website also demonstrates progression from colleges into universities by promoting the two routes side-by-side.

Canada has very strong pathways in place through schooling, (community) colleges and into university. Specific transfer paths are advertised at an early stage so that prospective international students can clearly determine their route through the system. However, the process of transferring from one institution to the next is not seamless and can still involve a loss of credit, as highlighted in a recent report[177] by the ACCC.

---

[173] http://tesltoronto.org/http:/tesltoronto.org/wordpress/international-students-in-canada-40-increase-since-2005
[174] http://news.ontario.ca/archive/en/2007/05/29/McGuinty-Government-Enriching-The-Learning-Experience-Of-Ontario-Postsecondary-S.html
[175] Interview with Mike Rosson, EduNova, February 2011
[176] http://www.bccie.bc.ca/bcsac/
177 http://www.accc.ca/ftp/pubs/studies/201104TransferabilityReport.pdf. Report from April 2011.

## 7.4 UK

Chart 7.8: Key Selling Points for UK FE Sector

Key selling points

- Increasingly wide range of qualifications offered in FE, including Bachelor degrees validated by universities
- Dynamic education sector with wide range of qualification providers
- Qualification frameworks to demonstrate progression pathways
- AoC Kitemark status to measure quality of brand
- Having 'university' status ensures added recognition and improves students' perceptions of quality for former polytechnics
- EducationUK site sells the FE sector as a central part of the UK educational offering – with branding based upon the UK education system as a whole

As highlighted in section 7.1, it is necessary to consider both the activities of FE Colleges and 'new' (post-1992) universities, when drawing comparisons with ITPs.

There are a range of examples of progression routes from further education into higher education. In some cases, this involves articulation into a longer programme[178] (such as HNDs, with the option of a further 12-18 months to reach a university Bachelor degree) or, in others, a validation process where a university quality assures a full study programme that leads to an undergraduate degree[179]. In recent years, in an effort to further assist the transition from the FE into Higher Education, two-year Foundation degree programmes have also been introduced[180].

In terms of promotion of the sectors, the Association of Colleges (AoC) has recently launched its International Charter[181] to offer Further Education colleges in England the chance to obtain a 'kitemark' on audit of their services and approach to international students.  This provides colleges with an impetus to focus more closely on benchmarking and quality, strategic planning and capacity building. (Accreditation of qualifications in the sector had been undertaken by the Qualifications and Curriculum Development Agency. However, as this organisation has recently been closed down in March 2011, qualification accreditation processes are currently in a state of flux.)

The British Council also takes a lead role in the promotion of the FE sector in the UK, again through its EducationUK function[182]. Through its international office network, the British Council assists Further Education Colleges by:

- promote institutions through the Education UK website, Education UK guides and publications

---

178 http://www.bexley.ac.uk/site/courses_details.php?cf=4&Area_Code=B02%20&crs_id=6660
179 http://www.westlondoncollege.com/courses/business_finance.php
180 http://www.hopwood.ac.uk/university-level/course-search/?CourseCategory=8&Ref=AD300
181 http://www.aoc.co.uk/en/Policy_and_Advisory_Work/international/international-charter/
182 http://www.britishcouncil.org/eumd-partnership-fe-strategy.htm

- conducting global marketing campaigns
- allowing colleges to use the Education UK logo
- finding agents in new markets

There are also organisations such as TVET UK[183], that are seeking to create a stronger network of colleges that are interested in exploring new markets for international students. By creating this kind of sector support, a clearer identity could emerge for UK colleges.

Similarly, Scotland's Colleges International[184] (despite their relatively small size) are active internationally, running regular networking events for staff and has developed a clear identity. Its website provides a coherent message from a disparate group of colleges and presents it to an international audience.

Finally, qualification providers are independent from government and frequently commercial in outlook. For instance, the vocational awarding organisation Edexcel has developed and assesses a range of further and higher level qualifications (with courses operated by FE colleges and universities), both in the UK and the international market. It promotes its study options to international students through its website and international marketing operations[185].

**Post-1992 Universities**

The decision to merge polytechnics into a unitary higher education system in 1992 meant these applied post-secondary institutions no longer suffered from a perceived lack of prestige. However, initially 'new' or 'post-1992' universities found it difficult to establish a new identity and remained – in many eyes – second-rate institutions.

In an effort to boost collaboration between institutions and learn from best practice, post-1992 universities sought to mirror the Russell Group by establishing their own representative bodies. As such, the Million+[186] and the Universities Alliance[187] consist of a range of former polytechnics that use the groups to consider issues of common interest and to promote their interests in the sector.

As time passes, post-1992 universities have built up reputations in specific subject areas, especially in applied fields of study. An example might be Earth and Marine Studies, where the University of East Anglia and the University of the West of England both rank in the top 10 – alongside Russell Group rivals[188].

In terms of marketing activities, post-1992 universities are as active as traditional universities in the field of international student recruitment. Promotional campaigns tend to portray a fresher (less traditional) image and

[183] http://www.tvetuk.org/en/home
[184] http://www.scotlandscolleges.ac.uk/international.html
[185] http://www.edexcel.com/iwantto/Pages/options-post-int.aspx
[186] http://www.millionplus.ac.uk/
[187] http://www.university-alliance.ac.uk/
[188] http://www.guardian.co.uk/education/table/2010/jun/04/university-guide-earth-and-marine-sciences

programmes with direct links to the workplace. Location can also play a large part – some UK cities are in themselves a big draw for international students.

## 7.5 USA

Chart 7.9: Key Selling Points for New Zealand ITPs

Key selling points

- Good links with university and other tertiary institutions, with established transfer programmes
- Colleges provide intensive English classes to get them to the level of their native-speaking classmates quickly.
- Small class size
- Costs that are considerably less than most four-year universities.
- The more intimate community environment is very welcoming
- Open Door Admission

In the USA, community colleges are not traditionally the largest area for international student enrolments, and new international student numbers actually fell by 1.7% between 2008-09 and 2009-10, to 94,175[189]. If figures for Community Colleges are separated out, the negative trend was even more pronounced, with an annual fall of 10.7% in enrolments in 2009-10[190].

There are more than 20 community colleges with over 1,000 international students and a further 40 that enrol over 500 international students[191]. As in Canada, the pattern of demand appears to follow geographical lines rather than particular subject specialism or institutional reputation. California and New York have the highest proportion of international students in colleges, because they are closely connected to popular universities in the same areas.

Qualification pathways in the USA are straightforward. Students can enrol on a two-year Associate programme in US community colleges and then transfer into the third year of a four-year Bachelor programme at universities, provided they achieve a good GPA. As they are also a lower-cost option and have more flexible admission requirements, Community Colleges have a number of key selling points for international students[192],[193].

International student recruitment strategies in the community college sector are not as well developed as at US universities. Due to the competitive pricing of community colleges, this is an increasingly common pathway for

189 http://www.iie.org/Research-and-Publications/Open-Doors/Data/International-Students/Enrollments-by-Institutional-Type/2004-10.aspx
190 http://www.iie.org/en/Research-and-Publications/Open-Doors/Data/Special-Reports/Community-College-Data-Resource/International-Students-New-2009-10.aspx
191 http://tribune.com.pk/story/78277/community-colleges-an-affordable-springboard-to-educational-success/
192 http://tribune.com.pk/story/78277/community-colleges-an-affordable-springboard-to-educational-success/
193 http://www.americancommunitycolleges.com/isg_articles/consider-communitycollege.php

international students wishing to study in the USA[194]. Additionally, the ability to work for one year after completing a degree at a community college, allows students to gain valuable experience. All in all, an international student could complete an associate degree at a community college, work for one year, then earn a bachelor degree at a university and work for an additional year. That is a six-year stay and a very enticing option for prospective international students that know about it, says Judy Irwin, President of the Center for Global Advancement of Community Colleges.

At the national level, the American Association of Community Colleges (AACC)[195] represents the post-secondary non-university sector, but its focus is largely domestic. The American Community Colleges[196] highlights the benefits of the sector, but is not high profile. EducationUSA is perhaps the key education portal for international students considering the US as a study destination, but it focuses far more on the university sector than community colleges.

## 7.6 COMPARATIVE ANALYSIS OF THE ITP SECTOR AND THEIR EQUIVALENTS

As has been shown in the previous five sub-sections, the post-secondary non-university sector varies widely from one country to the next. The New Zealand ITP sector derives from a British binary higher education tradition that has since disappeared in the UK. As such, the nearest equivalent in competitor countries is often applied or vocationally-focused universities (in unitary higher education systems) or (community) colleges where the emphasis lies in para-professional / higher technician training with potential linkages onwards into further university education.

There would appear to be an opportunity to promote ITPs as a unique form of higher education but marketing of the sector as a whole struggles because of a lack of a common identity. Are the institutions direct but low-quality competitors to national universities or are they distinct in their education offering and programme outcomes? A coherent, common marketing strategy would allow New Zealand to make the most of these institutions.

Resourcing appears to be an issue at present – certainly in an international context. Because Community Colleges in the USA and Colleges in Canada have a specific role distinct from universities, they are also well resourced to achieve this function. For ITPs to become centres of excellence in their own right, it would seem best to create a distinct aim and set of qualification outcomes in their own right.

194 Interview with Judy Irwin, CGACC, April 2011
195 http://www.aacc.nche.edu/Pages/default.aspx
196 http://www.americancommunitycolleges.com/

Chart 7.10: Comparative Analysis of ITP Sector

**Strengths**

- Cheaper to undertake a qualification compared to HE providers
- Offer a spectrum of education levels from English language provision through to postgraduate degrees – this is unique and potentially a very attractive package
- Strong focus on vocational learning but with an academic link
- Good links to labour market - providing students with work ready skills
- Foundation for pathways into HE sector in NZ and overseas
- Small class sizes
- Some ITPs have created niche specialisms which could be marketed to their advantage

**Weaknesses**

- Lack of collaboration between the ITP and University sector may cause problems for students progressing from one sector to the other.
- Lack of clear sector identity
- International students prefer University title
- Many students seem to treat ITPs solely as a pathway to a better university, so ITPs lose a lot of students halfway through their degree program
- Quality is a major issue for the sector, difficult to articulate quality for degree level studies without 'university' branding
- Lack of identity/brand/common value proposition amongst institutions
- Sector is split between larger metro ITPs and smaller regional providers - impacts sectors ability to collaborate and offer a united brand externally
- Varying quality between ITPs
- High dependence on agents, need to spread risk and offer alternative recruitment pathways
- Lack of collaboration between sectors e.g. schools to encourage recruitment
- Many ITPs are poorly resourced in the area of international recruitment compared to their HE colleagues
- Lose many students to HE, students see ITPs as a stepping stone rather than a degree awarding institution in their own right- Although link to employment/labour market is a key selling point it is not marketed effectively

Institutes of Technology and Polytechnics (ITPs)

**Opportunities**

- Promote as "Pathway to all futures", including gaining overseas work experience, learning English, learning a vocation, or getting a 4 year degree
- Consider more flexible approaches to learning e.g. TNE provision
- Explore possibilities of building public/private partnerships with good quality provider to increase resource/marketing reach and pathways to direct recruitment
- Build more strategic partnerships with universities outside of NZ to raise profile and identify recruitment pathways - spreads the risk of relying on agents
- ITPs perform well in student experience surveys - need to use this and other key selling points to market more aggressively

**Threats**

- Under-funding relative to international rivals may mean relative quality of courses diminishes
- 'Vocational' education is seen in some markets as a lesser quality education, need to consider this in targeted marketing strategies
- A split in the sector with some seeing themselves as of better quality than others in damaging the ITP image
- Growing internal competition between ITPs is creating barriers to collaboration
- Lack of a 'quality' stamp and consistency across the sector is damaging the potential of the ITP sector to provide a unique education pathway
- Lack of good market intelligence with specific reference to the ITP offering and its competitors. Limit growth potential and responsiveness of the sector to respond to demand in different markets

## 7.7 RECOMMENDATIONS

At national/sectoral level:

- Most important issue is to resolve the split within the sector, ITPs have the opportunity to offer a unique value proposition but with the current structure the 'value' of the ITP offering is being diluted which is limiting growth. There needs to be a generic brand/identity for the ITP sector that all ITPs adhere to, further diversification could then be explored by the two main groups. (consider the example of Scotland's Colleges International).
- Create effective communication channels within the sector to allow for the development of a clearer identity, focusing on similarities, not differences.
- Creation of special interest working groups around key themes could be established to foster better partnership and sharing of good practice in international student recruitment outside the 'Directors' forum. This should engage other senior staff members from a diverse range of ITPs.
- Establish a mechanism for collecting marketing intelligence both internally and externally to inform a sector based strategy, need to move away from 'competing within the sector' to 'competing externally'. Use agents, current students and other external resources to build a comprehensive database of information.
- Pathways into study programmes and from ITPs onto postgraduate courses (either in ITPs or universities) need to be more clearly mapped out at a sectoral level.
- If positioned as competitors to universities, then more money needs to be invested into the sector to ensure valid comparability.
- Need to focus on 'quality' provision working with the sector to improve quality across all ITPs. Developing forums for best practice and professional development opportunities will help to raise standards in conjunction with the new quality assurance structures.
- Develop a sector led agent strategy, as a main influencer in student choice the ITP sector need to focus on 'teaching' agents why they differ from competitors and what additional benefits students can expect from study at an ITP. This strategy needs to be adhered to by all in the sector.

At ITP level:

- Reinforce the ITP brand whilst promoting individual strengths.
- Learn from universities' experience and investigate whether any benefits can be found from public-private partnerships, especially for entry pathways.
- Collaborate with similar colleges to identify key source markets and pool resources to recruit international students.
- Improve provision of international student data and make greater use of ITP alumni to provide a better cycle of communications between the providers and those who have benefited from them.
- Develop targeted marketing strategies, informed by market intelligence to maximise the use of resources.

- Build on the links with employment and 'work ready' graduates – i-graduate research shows this is what prospective students are looking for from their study experience, it's also an area students are least satisfied with at an HE level.
- Build better links with NZ schools and English language schools to create direct pathways.
- Review portfolio and consider whether it reflects demand – need to be responsive to market needs. For instance, if the market wants foundation courses rather than 'diplomas' it would be far easier to meet demand rather than try to fit the needs of students into 'one qualification' fits all.
- Consider mechanisms that reflect the 'quality' offering of ITPs e.g. retention rates, success rates and lists of future student destinations (employment and universities).
- Build more external links with international universities and colleges to encourage more direct recruitment.
- Consider different approaches to teaching e.g. offshore provision and distance education.
- Use more social media channels for promotion to reflect the 'information' gathering process of prospective students.

## 8. UNIVERSITIES

### 8.1 NEW ZEALAND

Chart 8.1: Key Selling Points for New Zealand Universities

Key selling points

- Excellent student experience reported
- Cost of study and living perceived as lower than in competitor countries
- More favourable immigration regulations
- International PhD students are charged domestic fee rates
- Based upon British model
- Well respected internationally and offer a broad range of educational opportunities for international students
- Adventurous, Welcoming, Personal, Limitless Exploration, Scenic Beauty and Green Environment

The New Zealand higher education system is based largely upon the British model and closely resembles the traditional Scottish system.

The university sector offers three main levels of qualification: Bachelor, Master's and Doctoral degrees. Unlike in the UK though, a common distinction still exists between Bachelor (Ordinary) and (Honours) degrees. A three-year programme typically leads to the former, a four-year programme to the latter[197]. Whilst the differentiation between types of Bachelor degree is not widely understood on the international stage, this can lead to isolated problems with qualification recognition when an immigration authority, professional body or employer specifically requires an Honours degree equivalent.

A Master's degree programme is typically 2 years in length (with advanced standing / credit awarded to holders of Bachelor (Honours) degrees and Postgraduate Certificates / Diplomas)[198]. Doctorate degrees are a further 3 years and, as such, the system mirrors closely the 3+2+3 model promoted as part of the Bologna Process / European Higher Education Area (EHEA) harmonisation movement[199].

---

[197] http://www.nzqa.govt.nz/studying-in-new-zealand/nzqf/qualification-types/bachelor-degree
[198] http://www.nzqa.govt.nz/studying-in-new-zealand/nzqf/qualification-types/master-s-degree/
[199] http://www.ehea.info/article-details.aspx?ArticleId=5

### 8.1.1 Drivers of Decision Making

The i-graduate International Student Barometer has shown that overall satisfaction levels with New Zealand's universities compare well with their international counterparts.

However, it is important to understand why students seek to study overseas. According to data from StudentPulse 2011 in Table 8.1, the following were cited as the top reasons for considering international study:

Table 8.1: Why are you considering international study? (Base=9,316) (multiple choice)

| | StudentPulse |
|---|---|
| To broaden my experience | 74% |
| To improve my career prospects | 74% |
| Better quality of education | 72% |
| Opportunities to work whilst studying | 66% |
| Potential scholarship from international institution | 65% |
| Access to greater expertise and research facilities | 61% |
| Qualifications are more highly respected | 54% |
| To improve my language skills | 51% |
| Intend to seek employment abroad following study | 51% |
| To meet new friends and contacts | 43% |
| Family wants me to study in another country | 37% |
| Particular course of study not offered in my country | 29% |
| Lower cost of study/living | 30% |
| Intend to become permanent resident abroad | 25% |

Quality and reputation

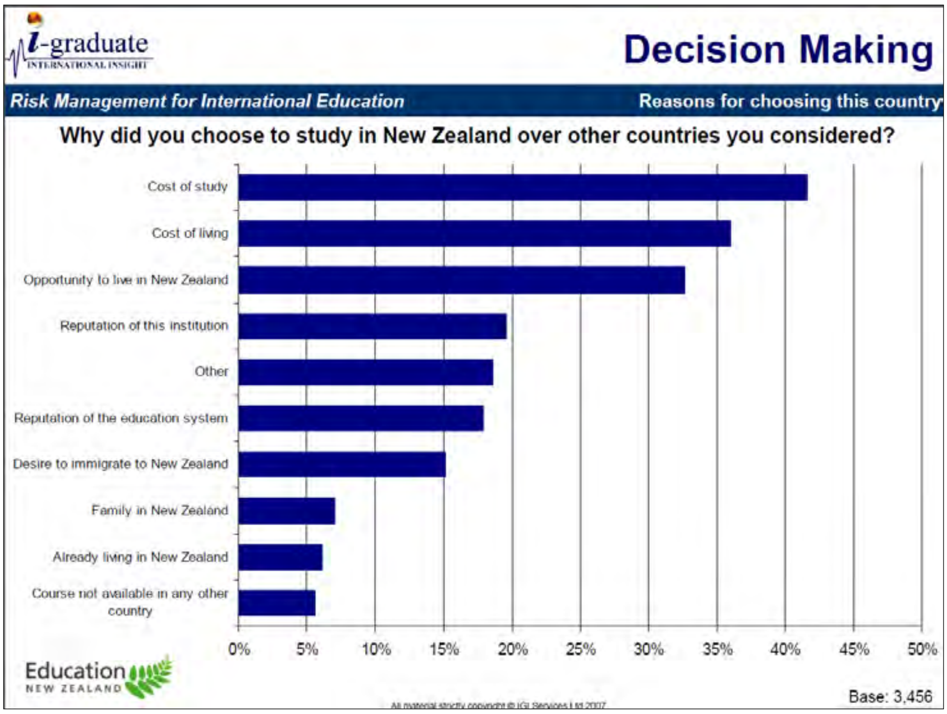
Experience and skills

Financial

Employment / residency

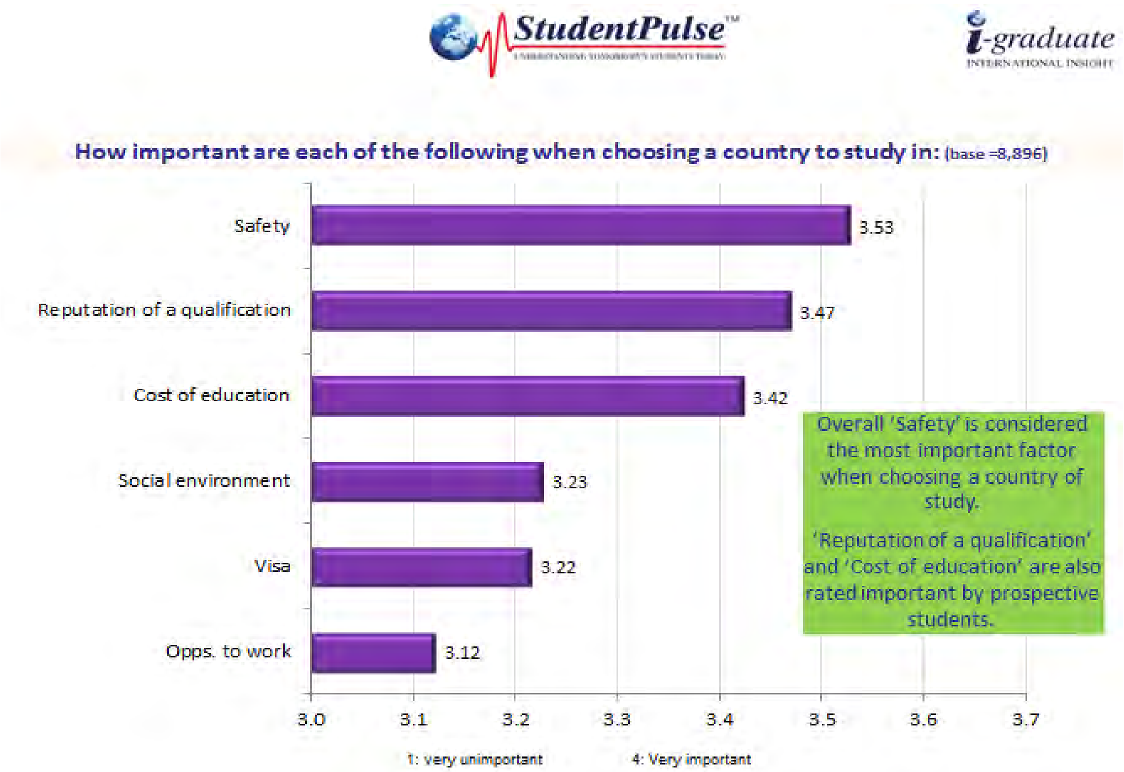
Nonetheless, it is interesting to note the differences that occur once prospective students are asked why they select a specific country. Looking specifically at New Zealand and referring to data from i-graduate's 2007 International Student Barometer, cost of study and of living were key factors in the choice of (then) current students (see Chart 8.2). So whilst, in general, international students clearly want to broaden their experience, a principal decision-making factor for students selecting New Zealand (at least four years ago) was cost.

Chart 8.2: Principal Drivers of Decision-Making for students that selected New Zealand (multiple choice)




According to i-graduate's StudentPulse 2011, prospective students indicate that safety, the reputation of a qualification and the cost of study are the key factors in deciding where to study (Chart 8.3.)

Chart 8.3: Importance of factors when selecting a country[200]




According to the StudentPulse, New Zealand is relatively highly rated for Personal Safety and Security (Table 8.2).

200 Note: these options are not alternatives, the factors are rated on a Likert scale (1-4) and the average score reported.

Table 8.2: Perception of Key Countries on Personal Safety and Security

| Personal safety and security | ALL (6175) |
|---|---|
| Canada | 3.40 |
| United Kingdom | 3.39 |
| New Zealand | 3.27 |
| Australia | 3.23 |
| United States | 3.21 |

New Zealand also performs well on cost, being the perceived cheapest amongst its competitor countries (see Table 8.3).

Table 8.3: Perceptions of Cost of Education (high score = high cost)

| Cost of education | ALL (5864) |
|---|---|
| New Zealand | 2.90 |
| Canada | 3.03 |
| Australia | 3.04 |
| United Kingdom | 3.29 |
| United States | 3.35 |

In terms of the reputation of a New Zealand qualification, however, New Zealand performs less well (see Table 8.4).

Table 8.4: Perceptions of qualification reputation from key countries

| Reputation of a qualification | ALL (6013) |
|---|---|
| United States | 3.61 |
| United Kingdom | 3.59 |
| Canada | 3.40 |
| Australia | 3.32 |
| New Zealand | 3.16 |

Reputation is an area that New Zealand finds harder to promote, given its small number of universities and their relative positioning in world ranking lists (only the University of Auckland makes the top 200)[201]. This means that less is known about New Zealand universities in general, even if the standard of teaching and learning within the institutions is very high. Given that many students are considering international study to improve their future employment prospects at home, reputation is an important concern to address.

[201] Times Higher Education World University Rankings 2010-11

Because many students choose a country before choosing an institution, there has to be a significant pull factor for prospective students to select New Zealand in the first place. Ultimately, quality sells courses and this presently attracts most international students to the USA and the UK. Therefore, at a national level, there needs to be more discussion as to how the country can boost the perception of qualification quality.

One identified issue is that New Zealand universities find it difficult to respond to changes in student demand for courses. The accreditation procedure for new courses involving representatives from each university means that it is more difficult to achieve approval for innovative courses.

Universities may not therefore be able to keep pace with changing demands, or indeed live up to New Zealand's image of a young, creative country. This process differs from the UK, for example, where universities have far greater autonomy over course design and can rapidly develop new courses in response to demand.
Although New Zealand promotes the quality of its education, other selling points seem to be given greater importance. New Zealand instead plays strongly on its environment, its young and creative economy and its opportunities for adventure. New Zealand Educated, the student-facing site, only refers to the quality of education within the Trusted part of its 'why New Zealand'[202] section and this by referencing the British model of education[203]. Its focus is on softer 'experience' concepts, rather than facts about the value of being 'New Zealand Educated'. New Zealand Now provides a wider spectrum of information on its website, with more of a focus on information about the education system.[204]

Other websites do refer to the quality of the New Zealand education offer. Study in New Zealand market colleges and universities as 'well respected internationally and offer a broad range of educational opportunities for international students'[205] and study.nz.com briefly mentions 'the high quality of education', but references remain fleeting.

Individual university websites do emphasise the quality link with reference to world ranking, world-class facilities and excellence in research. It is however difficult at first glance to differentiate between offerings at each university with each promoting very similar key selling points. Obviously a key distinctive selling point is geographical location with Universities other than The University of Auckland and Auckland University of Technology (AUT) occupying a distinct geographical location.

[202] http://www.newzealandeducated.com/uk/en/why
[203] http://www.newzealandeducated.com/int/en/why
[204] http://www.newzealandnow.govt.nz/tertiary~294.html
[205] http://www.studyinnewzealand.com/

### 8.1.2 Cost of Study

As highlighted in Table 8.3. above, students perceive that New Zealand competes well on the cost of living and of study. However, a brief examination of average tuition fees and living costs does not necessarily support this view (see Table 8.5).

Table 8.5: Average tuition fees and living costs[206]

| Country (public institutions) | Tuition Fees* (per academic year) | Living Costs (per year) | Total Education Cost (per annum) |
|---|---|---|---|
| New Zealand | NZ$ 17 000 – 24 000 | NZ$ 12 000 – 18 000 | NZ$ 29 000 – 42 000 |
| Australia | NZ$ 13 000 - 26 000 | NZ$ 13 000 - 20 000 | NZ$ 26 000 - 46 000 |
| Canada | NZ$ 5 500 – 19 000 | NZ$ 15 000 – 25 500 | NZ$ 20 500 – 44 500 |
| United Kingdom | NZ$ 19 000 – 59 000 | NZ$ 14 000 – 21 300 | NZ$ 33 000 – 80 300 |
| USA | NZ$ 11 800 – 34 000 | NZ$ 15 800 – 37 000 | NZ$ 27 600 – 71 000 |

Recent fluctuations in currencies have made New Zealand (and also Australia) relatively more expensive in comparison to its competitors. As this has represented a significant comparative advantage and key selling point, currency appreciation represents a substantial risk. It may be that a short-term policy of reducing fees is pursued to avoid a reduction in student numbers, on the basis that the currency appreciation is likely to be temporary or a scholarship scheme is used to offset higher fees.

### 8.1.3 Visas and Immigration

Of increasing importance in student decision-making initial impression is the fairness and effectiveness of the immigration system. StudentPulse shows that New Zealand's system is seen as more welcoming than its direct competitors (see Table 8.6).

[206] Australia - http://www.studyinaustralia.com/living-and-study-expenses/; New Zealand - http://www.universitiesnz.ac.nz/files/OSFEES11.pdf (excludes VET/Medicine); USA, UK and NZ data from the i-graduate International Pricing Study Report for Universities UK, 2011

Table 8.6: Perceptions amongst prospective students of the ability to obtain a student visa

| Ability to obtain a student visa | ALL (5465) |
|---|---|
| New Zealand | 2.62 |
| Australia | 2.61 |
| Canada | 2.58 |
| United Kingdom | 2.44 |
| United States | 2.19 |

Indeed, through New Zealand's newly announced changes to its student immigration system[207], it seems clear that greater emphasis is being placed on encouraging well-qualified students to stay on in the country. Students must now have studied in New Zealand for at least two years to qualify for Study to Work visas (unless they have a postgraduate qualification), which will encourage students to view New Zealand as a destination for longer-term courses and recognised qualifications. The new legislation also allows students who obtain a second, higher qualification at Bachelor or postgraduate degree level to obtain a further Graduate Job Search visa.

Whilst the changes represent a slight tightening of regulations, they still contrast markedly with the UK. Here, the rules are being tightened significantly, with the Post-Study Work visa route (which allowed all graduates to stay on and work in the UK without a job offer) being closed. Given that employability and opportunity to gain relevant work experience is increasingly a decision-making factor, these changes to New Zealand's system should not impact upon its ability to market the country as one that remains open and provides opportunities to gain work experience once the study period has ended.

A further advantage New Zealand currently holds is that international PhD students are only charged domestic fees. This is a great opportunity in the present economic climate, where the cost of study is a key factor in international student decision-making and should be marketed more prominently.

Indeed, dependent children of PhD students are classed as domestic students too, enabling international PhD students to enrol their children into New Zealand schools without paying international fees.

207 http://www.immigration.govt.nz/NR/rdonlyres/B302FAD8-D2A4-4206-BDFB-276F46249380/0/DOL11808Studentchangesinfosheetv6.pdf

## 8.2 AUSTRALIA

Chart 8.4: Key Selling Points for Australia Universities

Key selling points

- Attractive environment / Unique wildlife
- High quality universities / Academic excellence
- Exciting, vivid mix of cultures
- Cosmopolitan cities / Unique lifestyle
- The relationship of education to migration policy
- Excellence - Australian qualification, international recognition; A place where work and study meet; Improve your English
- Quality - Consumer protection; Course information; Student support services
- Multicultural – Religious freedom
- Value – Living costs and tuition fees affordable
- English speaking country - Guarantee of quality; Recognition of your skills
- Qualifications Recognition
- Support – Facilities; Student Associations; Students with Disabilities[208]

Whilst the international student population in higher education is not growing as per the early 2000s, there was still an increase of 7.6% in 2010 and 3.6% in the most recent data released in March 2011 with figures showing just under 300,000 international student enrolments[209]. However, growth since 2008-09 has been much slower than in previous years due to tightening visa regulations, attacks on Indian students and more recently the impact of the strong Australian $. Anecdotal evidence suggests that an accumulation of all of the above will have a detrimental impact on international student enrolments in 2012. Already the sector is starting to report some universities as showing a significant decrease in applications.

Because the effects on the rest of the education sector have been great, the Council of Australian Governments (COAG) announced, in October 2010, the launch of an International Students Strategy[210], focusing on 12 initiatives over four main areas – international student wellbeing, quality of international education, consumer protection and the availability of better information for international students. However the impact of these along with most recent immigration review aimed at providing a more student friendly system will not be realised in the immediate future with many universities fearing that the damage has already been done.

---

208 http://www.studyinaustralia.gov.au/Sia/en/WhyAustralia/whyaustralia.htm
209 http://www.studiesinaustralia.com/studying-in-australia/why-study-in-australia/international-students-in-australia
210 http://www.coag.gov.au/reports/docs/aus_international_students_strategy.pdf

Furthermore, the Australian HE sector has relied heavily on recruitment from two main source countries – China and India. Both of which are showing the greatest decline, suggesting that Australia needs to diversity it's international student population in order to spread future risk.

Another key promotional portal is the Study in Australia website[211]. This is the student-facing site that contains extensive information about Australia and provides the option for translation of the site into a wide range of languages – a direct way of appealing to students and engaging with them. Seven core promotional themes are elaborated: Excellence; Quality; Multicultural; Value; English; Recognition; and Support.

Australian universities are quite sophisticated in their marketing to international students, recognising that it's 'all about positioning'. Likewise, whether coming together under one brand or marketing individually, universities generally recognise that the 'war is on the outside, not inside' and do cooperate with one another[212].

Quality is managed through the Australian Universities Quality Agency (AUQA)[213]. AUQA has been set up by the Australian government as an independent, not-for-profit national agency whose function is to promote, periodically audit, analyse and publicly report on quality assurance in Australian higher education. It is solely responsible for the implementation and management of the quality assurance process within higher education in Australia as well as development and liaison with its equivalent bodies within the Commonwealth and internationally.

211 http://studyinaustralia.gov.au/sia/en/home.htm
212 Interview with Alek Voninski, University of New South Wales, February 2011
213 http://www.auqa.edu.au/

8.3 CANADA

Chart 8.5: Key Selling Points for Canada Universities

Key selling points

- Attractive, healthy and safe environment
- Immigration system seen as more open than most (Possibility of immigration)
- Qualifications valued around the world / High quality education and degrees
- Affordable education / Excellent Value / Low cost of study (offers lower tuition rates compared to UK, Australia, NZ and US).
- Multicultural society
- World-class language education
- Exciting campus lifestyle / New and exciting culture
- Innovative and abundant research opportunities
- Land of possibilities / Culturally and geographically diverse country

In 2010, Canada hosted just over 100,000 international students at universities, with enrolment increasing by 10% on the previous year. International students now make up about 8% of the undergraduate population and close to 20% at graduate level. Its key source countries are China, USA, India, South Korea and unsurprisingly, France due to its cultural and linguistic links.

The Association of Universities and Colleges of Canada (AUCC) represent 95 public and private not-for-profit universities in Canada. Historically, Canada has found that the decentralised nature of its education system makes promotion as an international education destination problematic. However, recognising that its key competitors are increasingly active in marketing their educational opportunities, steps have been taken to rectify this. The Imagine Education in Canada brand[214], hosted by the Council of Ministers of Education Canada (CMEC), has been launched in recent years. It is a student-facing site that aims to draw together a range of information previously available only within individual provinces. A key selling point for Canada is the well-respected and recognised education system. The website also encourages students to consider studying in Canada in order to become part of a diverse, welcoming and vibrant society that offers you a unique cultural experience in a safe and beautiful environment.'[215]

Individual provinces also offer a range of resources to assist students who are investigating study in Canada. For example, British Columbia have launched Education Planner[216], a website that allows prospective international students to explore the variety of post-secondary options available to them as well as understand exactly how their

[214] http://www.educationau-incanada.ca/educationau-incanada/index.aspx
[215] http://www.educationau-incanada.ca/educationau-incanada/study-etudes/study_in_canada-etudier_au_canada.aspx?lang=eng
[216] http://www.educationplanner.ca/about.cfm

credits will transfer across the system[217]. The well-established pathways set up for transfer between education levels in Canada makes this easier to market than in other countries where, in many cases, pathways are not as clear-cut.

## 8.4 UK

Chart 8.6: Key Selling Points for UK Universities

Key selling points

- Reputation for world-class education with many high-ranking universities
- Internationally recognised / Prestigious qualifications / Quality
- Large international student community / Multi-cultural environment
- Gateway to Europe
- Length of study programmes
- Structured articulation between study programmes
- UK education and study methods[218]
- International students more satisfied than ever
- Quality standards for UK courses and institutions
- Support for international students in the UK[219]

The UK benefits from a long-standing perception for providing a high quality education (still borne out by high positions within international rankings) and consequently receive the second highest number of international students after the USA. It has also benefitted greatly from the shorter length of higher education programmes: when the cost of study is high, a three-year internationally-recognised Bachelor (Honours) degree[220] and a one-year Master's degree programme are highly attractive.

Structured articulation between study programmes is also an attraction for international students, whether this relates to foundation programmes, or HNCs/HNDs/Foundation degrees to Bachelor degrees or – at the other end of the spectrum – MPhil/PhD programmes. This flexible range of qualification outcomes and education pathways, linked to qualification frameworks, allows students to progress through the higher education system at a pace that suits them.

However, the UK has taken particular care not to become complacent with its traditional advantage. Through the government-funded Prime Minister's Initiative (PMI), two 5-year programmes from 1999-2010, have aimed to increase international student recruitment, diversify the number of source countries, increase international partnerships and improve the quality of the international student experience. Key to this programme has been the

[217] Interview with Trevor Corkum, BC Council for International Education, February 2011
[218] http://www.educationuk.org/UK/Article/UK-education-teaching-and-study-methods?ArticleTagValue=0&ArticleTagValueParam1=&ArticleTagValueParam2=
[219] http://www.educationuk.org/UK/A-UK-education/benefits-of-uk-study/Support-for-international-students-in-the-UK?ArticleTagValue=0&ArticleTagValueParam1=&ArticleTagValueParam2=
[220] A Bachelor (Honours) frequently requires 4 years of study in Australia, Canada and New Zealand.

British Council run Education UK brand[221], which enabled subscriber universities (and colleges) to lend their name to a strong national education brand and allowed prospective international students to identify a range of institutions with similar strong characteristics.

UK universities have fully embraced the benefits of welcoming international students onto campus, and there is a strong drive to internationalise institutions, through curriculum development, encouraging outward mobility (a particular challenge for the UK), and increasing the number of international partnerships and collaborations.

There has also been a recent increase in the number of public-private partnerships in the UK. In particular, large private providers such as Kaplan, INTO and Navitas are now providing foundation programmes for international students: universities retain control over the course content and quality control. This has also bolstered the transnational education initiatives that the UK has in other countries, which has a secondary effect of increasing student mobility, and, though this, international student numbers in the UK[222]. In some cases, where investment in buildings is needed, this is provided through private investment, while the university again runs the courses.

The publicly-funded university gains improved access to source markets and subsequent increase in international students, as well as improved facilities, whilst the private companies earn a portion of international student income. This model has been adopted widely in Australia too, and is now becoming established in other competitor countries as well, notably the USA. Cuts in public spending around the globe could force more institutions to look closely at diversifying their income streams and consider more creative solutions to falling state subsidy and support.

The UK is also active in its award of scholarships to international students. Education UK provides a range of scholarship information for postgraduate students[223], universities list potential funds on their own websites and other websites such as Hotcourses help students to locate appropriate funding[224]. The scale of available awards helps to offset the higher course fees prevailing in the UK.

As mentioned beforehand, there have been recent changes to the UK student visa system, tightening restrictions on the ability of international graduates to remain in the UK and work[225],[226]. These changes are the latest in a long line of major alterations to the UK's immigration system, which was overhauled in March 2009.

Continual changes over the past two years have made it increasingly difficult for institutions to market their courses, especially those incorporating work experience or placements as part of the course. However, it has led to a much greater dialogue with the Home Office and UK Border Agency. Whilst compliance has increased substantially for staff working in institutions, many have commented too that it has also led institutions to take international student issues

221 http://www.educationuk.org/
222 Interview with William Lawton, Universities UK, March 2011
223 http://www.educationuk.org/UK/Article/Scholarships-for-international-postgraduate-students
224 http://www.scholarship-search.org.uk/pls/mon/hc_edufin.page_pls_user_studmoney?x=16180339&y=&a=220707
225 http://www.ukvisas.gov.uk/en/aboutus/newsroom/?view=News&id=587183382
226 http://www.visalogic.net/uk-visa-system-for-students-overhauled_2011_3_news.aspx?t=1&y=2011&m=3&newsid=1807

more seriously and being more aware of how students are progressing in their courses. Universities (and to a lesser extent colleges and other institutions) have been forced to set up new systems for monitoring attendance and, again, many have commented that this has had some positive knock-on effects.

Whilst there are reasons to feel that good practice may emerge as a result of visa changes, the over-riding effect of tightening visa control (and recent government announcements to reduce student numbers by 230,000 over the next 5 years[227]) is to reduce the attractiveness of the UK as a study destination.

## 8.5 USA

Chart 8.7: Key Selling Points for US Universities

Key selling points

- World-class / Prestigious universities
- Multi-cultural environment
- Broad and flexible choice of US courses / Easy to transfer and change schools
- Learn more than just academic theory / Develop independence and confidence
- Pathway Programs
- Wide range of attractions and opportunities / Huge and diverse

Despite the USA's pre-eminent position in terms of numbers of international students, its international recruitment and marketing strategy is not as coherent and well-developed as it is in competitor countries, perhaps due to the large geographic span of the country. Seven of its universities are listed in the top ten in terms of world rankings[228] and international students are drawn to the country simply on the basis that it has the best education reputation.

In terms of funding, the US invests heavily in tertiary education and spends a greater proportion of its GDP than the other countries considered in this report (3.1% compared with the 1.5% OECD average).[229]

A further strength of the US system is the availability of scholarships, which many universities, with their huge endowment funds, are able to offer international students. (49% of 2011 StudentPulse respondents indicated that they were looking to fund their international studies through scholarships). A range of websites are dedicated to the helping international students find financial aid to study in the USA – examples including the USA Study Guide

[227] http://www.workpermit.com/news/2011-06-14/uk/uk-expects-230000-fewer-student-visas-over-next-five-years.htm
[228] http://www.timeshighereducation.co.uk/world-university-rankings/2010-2011/analysis-usa-top-universities.html
[229] http://www.timeshighereducation.co.uk/world-university-rankings/2010-2011/analysis-usa-top-universities.html

website[230], eduPASS[231] and Funding US Study[232] (organised and maintained by the Institute of International Education) to name but a few.

US universities have traditionally maintained extensive and unrivalled alumni networks. These networks are used to help raise finance and also prove a strong (albeit informal) promotional tool. StudentPulse indicated the emphasis that prospective students (and Chinese students in particular) place upon feedback from trusted sources that include current students and alumni when deciding where to study.

The US education system is relatively decentralised though, meaning that, in common with Canada, the existence of any national strategy on international student recruitment is more difficult to discern. However, recognising the potential for growth that exists through a more joined-up approach, the US government have begun to be more pro-active in their efforts to market US education to the rest of the world through a series of partnership agreements. The Institute of International Education has recently, for instance, established the US – Indonesia Partnership Program for Study Abroad Capacity (USIPP) to expand US Study Abroad and academic partnerships[233] and is also funding International Academic Partnership Programs between US institutions and those in both China and India[234].

## 8.6 COMPARATIVE ANALYSIS OF THE UNIVERSITY SECTOR

A comparative analysis of the university sector in the five countries demonstrates that New Zealand struggles to compete directly with the major global players – USA, UK, Australia and Canada. Promotion of the higher education system appears to focus mostly upon New Zealand as a destination, rather than institutional quality. This is in contrast to approaches adopted by competitor countries, where strategies are more likely to focus upon the reputation of a qualification and the quality of the education received.

Nonetheless, a review of key selling points indicates that promotion tends to occur in much the same manner from one country to the next. Marketing approaches focus upon the quality of education, the opportunities a qualification creates and the life experience. Because of the similarity of the marketing message, much therefore seems to rest upon the environment in which the promoters are operating.

In terms of co-ordination of marketing activities at a national level, New Zealand has the advantage of being able to provide a more coherent strategy, as a smaller national system. However, the approach currently pursued does not fully address prospective student concerns. In contrast, where institutional freedom might promote creativity in course/programme design, New Zealand is more bureaucratic in its approval process than its rivals.

[230] http://www.usastudyguide.com/Financial_aid.htm
[231] http://www.edupass.org/finaid/
[232] http://www.fundingusstudy.org/
[233] http://www.iie.org/Programs/US-Indonesia-Partnership-Program.aspx
[234] http://www.iie.org/en/Programs/International-Academic-Partnership-Program

Rankings are not the most important decision-making factor for students but they do hint at a problem that New Zealand faces – the lack of a clearly acknowledged world-class institution. Because resources may not allow for investment on the scale of competitor countries – particularly the US – it may prove more productive to focus upon specific subject areas and the development of Centres of Excellence.

Satisfaction feedback from current students remains positive (in comparison to international benchmarks). This contrasts with perceptions of quality of education amongst prospective students, where New Zealand appears to lag behind its competitors. Student satisfaction could perhaps therefore be used to promote the quality of education to the international market.

Fees and costs of living have traditionally offered New Zealand a means of differentiating themselves from the competition. With increasing fees in competitor countries, there remains an opportunity to pursue this approach. However, with the strengthening New Zealand Dollar especially in comparison to the UK Pound and US Dollar, this advantage is prone to currency fluctuations.

Increasing linkages between student recruitment and subsequent work opportunities mean that those countries with more flexible visa systems may well benefit in coming years. Here, New Zealand and Canadian policies are most relaxed, whilst elsewhere there have been significant tightening of restrictions in response to worries about immigration levels and security.

Finally, pathway providers have become more deeply entrenched into Australian, American and British education systems. These private providers allow student recruitment to focus on non-traditional markets because they focus upon the transition towards studying in an English-speaking university, rather than placing the transitional burden on the university itself. Whilst some initial moves have been made in this area in New Zealand, this might prove a policy worth considering if the sector wishes to extend its potential pool of applicants.

Chart 8.8: Comparative Analysis of Universities

**Universities**

**Strengths**

- Rates highly for safety, attractiveness
- Strong in study areas that have good labour market prospects - some universities have created niche marketing opportunities
- Favourable immigration system in comparison to other competitors
- Code of Practice provides additonal protection for international students

**Weaknesses**

- Limited exposure in world rankings
- Lack of knowledge about NZ- do students just rate it based on perceptions of AU or the UK
- NZ degrees perceived as more difficult
- Current national marketing strategy appears to focus upon the study experience rather than the quality of education
- Lack of a sector based strategy for international recruitment. Opportunities exist but no evidence of a sector strategy
- Promotion of pathways between schools and university education in New Zealand is not maximised
- Lack of flexibility in teaching methods with very limited TNE provision to cater for the changing needs of international students worldwide

**Opportunities**

- Seek to actively chase higher university rankings through a better understanding of ranking methodologies
- Compete on price (especially considering strengthening of competitors' currencies and increases in tuition fees)
- Consider a sector based scholarship programe
- Need to promote the NZIDRS scholarship program to a wider international audience
- Increase links with international universities to build reputation
- More emphasis on alumni relations
- Capatalise of the downturn in the Austrlaian market by increasing marketing and promotion in India and China, especially throughagent networks
- Favourable immigration policies need to be promoted via agent channels to ensure they are aware of the benefits in comparsion to key competitors

**Threats**

- Word of mouth/current student perceptions via internet more influential than institutional/countrywide marketing (NZ student experience less 'shared' by students)
- ISB data suggest that perceptions of NZ similar to perceptions of Australia, but slightly lower
- The perception of a 'safe' study destination may have been dented by the recent Christchurch Earthquake which may impact on recruitment in 2012
- Lack of ability to repond to maket demand will inevitably limit New Zealand's ability to capitalise on increased interest in postgradaute taught programs
- The growing stregnth of the NZ Dollar may further impact enrolments in NZ - sector has to look at possible strategies to address the perceived rising living costs

8.7 RECOMMENDATIONS

## Recommendations

At national level:

- Project a stronger, more confident case for the quality of New Zealand's university education in order to cement a reputation for world-class tertiary education. The positive attributes of New Zealand as a country are well-known, but every country has its own pull factors and the quality of an education is what sells courses.
- Increase prominence of PhD course cost for international students while this is still on offer. Whilst the increase of 2% in public funding for postgraduate courses at universities this year is good in current climate, it is slim in comparison to what is needed. However, as the government are more likely to cut funding rather than increase, institutions should make the most of the current arrangement and increase their research capacity.
- Encourage capacity to grow by making it easier for universities to respond to demand for new courses. Provision of postgraduate taught courses is very low in New Zealand and allowing new courses to be created more easily could enable new specialisms and greater engagement with students. This would strengthen New Zealand's selling point as a young, creative country at the forefront of developments.
- Although forums exist for collaboration between universities, there appears to be a lack of a generic HE sector strategy. Building a collective voice whilst maintaining differences will have a greater impact that individual promotion (consider the Scottish universities approach).

At university level:

- Support sector branding whilst promoting individual differences.
- Provide resources for international scholarships as an incentive to apply to study in New Zealand. Those who receive scholarships could be used as ambassadors to promote the university in their home country or be present at fund-raising events, inspiring possible sponsors to donate greater amounts.
- Build better links with alumni and consider how these can be used for promotion in key markets.
- Respond quickly to events in competitor countries (for example, the drop in Indian students applying to Australia) by using more agents more effectively. The small number of universities, who are all quite different, should enable a greater of cooperation than between standard competitors.
- Encourage greater collaboration with overseas institutions, as it is clear that some countries have better collaboration processes than in New Zealand.
- Ensure student expectations are met especially in relation to market changes e.g. strong NZ $ = more expensive
- Consider developing better links with employers in NZ and externally.

- Develop a strategy to create links with secondary schools and English language schools as there appears to be a missed opportunity to move students through pathways with many leaving the country to pursue HE study in another country
- Build targeted marketing strategies built on market intelligence which are reviewed annually to ensure the university remains responsive to the changing market demands.
- Develop clear agent strategies – the research suggests that agents are still one of the main influencers in the student decision-making cycle especially in key markets e.g. China/India.
- Consider links with private providers and explore possible TNE opportunities in countries where there is need for more flexibility.

## 9. CONCLUSIONS

A central aim of this project has been to understand what other countries do well and to provide practical recommendations informed by international best practice. In turn, this will allow the adoption and adaptation of marketing strategies to suit the domestic context.

The study pinpoints areas in which marketing strategies might be redeveloped to appeal to a greater number and range of prospective students.

The study has also demonstrated that New Zealand would be best pursuing a more targeted approach to its source markets and understanding the differing decision-making criteria and perceptions across their key markets. A major benefit to the industry would be a service that offered sector specific market intelligence, underpinned by accurate and current data collection.

There is a strong case for pooling resources more effectively. Given the level of available resources, marketing should not be a case of reinventing the wheel, rather institutions and indeed sectors should work together and save resources.

New Zealand does not have as much resource to use on marketing as the identified rivals and their reach is unlikely to extend as far. However, with targeted marketing, innovative approaches and investment directed into the right places (e.g. scholarships), then New Zealand is well placed in the current climate to not only maintain its current position but to improve further upon it.

There are also a range of other themes that emerge from the study:

**Cost –** Both in terms of study and living cost, New Zealand offers a strong value for money on comparison to its rivals. However, with the growing strength of the NZ Dollar, it is important that this key message does not mislead the current market and set student expectations beyond what the experience delivers.

**Immigration –** As rivals are tightening visa requirements in the face of security fears, destinations perceived as safer (New Zealand and Canada) are likely to benefit from the increased restrictions. However, this is not to say that New Zealand can become complacent. Immigration reviews are on-going and it is important for sectors to maintain a high level of dialogue with the New Zealand Immigration department to ensure that policies remain student-friendly. In addition, there are areas that might be improved further, including work rights for students on courses of six months or less.

**Flexible Learning –** With increasing cost of study across the world and newer, non-traditional means of studying towards qualifications, it is important to fully consider all forms of education provision, especially transnational and distance education. Learning from competitor countries, New Zealand would be in a stronger position to ensure that the development of such provision was conducted in such a way to maximise return on investment – there is no need to reinvent the wheel.

**Partnerships / Pathways** – Partnerships between private sector pathway providers and universities or colleges have been extremely successful in rival countries and allow each to concentrate on what it does best. It also opens up potential recruitment into new markets. Furthermore, pathways within New Zealand should be exploited, with little evidence in the research that internal marketing is maximising the movement of students from one sector to the next e.g. school pupils into tertiary education.

**High Quality Student Experience** – The top decision-making factor for students selecting an institution is quality, both in terms of quality assurance and also in terms of satisfaction with the programme offered. It is important for national promotion of the New Zealand brand and sectoral/individual strategies to look at innovative ways to promote and establish key messages that reinforce the 'quality' of the provision offered.

**Flexibility and Source Markets** – It is clear that the best strategy is targeted recruitment from a diverse range of markets. There are substantial perception differences between the various key source country groups. However for New Zealand to compete effectively, it has to be ready to respond to market changes and external events affecting recruitment in other competitor countries e.g. the downturn in the Indian market in Australia.

**Safety** – i-graduate research shows that safety is consistently a high priority in the student/parent decision-making process, irrespective of sector. New Zealand is perceived to be one of the 'safest' places to study, providing it with a distinct advantage over many of its major competitors. However with recent events in Christchurch, this reputation may have been damaged and it is important for New Zealand to continue to respond positively and work together as a nation to ensure that long-term damage is minimal.

**Regional promotion** – The research has further illustrated the importance of regional marketing. For many, the decision to study overseas is driven by country selection, followed by institution. Unfortunately those institutions outside of the main cities of Auckland, Christchurch and Wellington are often at a disadvantage due to their perceived remoteness and lack of major transport links e.g. an international airport. This is no different to other countries and New Zealand needs to continue to maximise regional promotion and collaboration within each of the sectoral marketing strategies, ensuring that key influencers are equally aware of the benefits of studying outside of the main cities. For promotion to be effective it needs to be underpinned by national investment and innovative promotional strategies, linked to national priorities of labour and tourism e.g. a scholarship programme for selected regions.

In conclusion, national/sectoral and individual marketing strategies need to be built on evidence-based knowledge that fundamentally centres on understanding the requirements and desires of potential students and the recognition that these are sector- and market-specific. Furthermore, to build market share requires an ability to remain flexible and responsive, whilst monitoring the strategies of direct competitors and the education landscape.

## 9.1 Areas of Further Research

In conducting this research, it has only been possible to consider some of the aspects involved in comparing international education marketing strategies. Areas of further research might therefore usefully be carried out in the following areas:

**Balancing the immigration desires of international students against domestic concerns**

As its current immigration system is more open than its counterparts, New Zealand has the potential to attract larger numbers of international students who are also interested in working after study. Balancing increasing demand against the concerns of the domestic population is likely to become a key area of concern and is worthy of further research.

**How to boost the perceived quality / reputation of NZ education**

New Zealand perhaps struggles to demonstrate the quality of its education system, because it does possess institutions with the same prestige as the USA, UK, Australia or Canada. Further thought may therefore need to be made to consider how the reputation of the education system may be improved.

**Student satisfaction / experience in all sectors**

The proposed i-graduate 5 Sector survey for New Zealand will present an overarching view of the international student experience and is due to run fully in 2012. This will allow analysis between sectors in New Zealand for the first time, especially for the Schools and PTE sector where there is a distinct lack of market research.

## 9.2 About i-graduate

The International Graduate Insight Group Ltd (i-graduate) was founded in 2005 to facilitate positive change in the provision of education. We are an independent benchmarking and consultancy service and specialise in the delivery of world-class insight tools and studies for stakeholders in education.

i-graduate's team is exclusively education focused. We have an excellent record of conducting and reporting timely, high quality research for government departments, higher education institutions and other education providers. i-graduate has provided research services to over 700 institutions 23 countries, including the UK, US, The Netherlands, Australia and New Zealand.

A range of i-graduate market research has been referenced during the following report to demonstrate how prospective students, parents and also education agents reach decisions and perceive educational offerings across the five countries. The market research, from the International Student Barometer, StudentPulse, Agent Barometer and

ParentPulse, provides data to support qualitative analysis and guides the development of the sectoral comparative analyses.

## 10. REFERENCES AND FURTHER INFORMATION


### New Zealand

http://www.newzealandeducated.com/

http://www.englishnewzealand.co.nz/

http://www.nzapep.co.nz/

http://www.iti.org.nz/home/

http://www.nzitp.ac.nz/

### Australia

http://www.deewr.gov.au/HigherEducation/Publications/HEStatistics/Publications/Documents/2009/09FullYearSummary.pdf

http://www.deewr.gov.au/schooling/Pages/overview.aspx

### USA

http://www.iie.org/Research-and-Publications/Open-Doors/Data/International-Students/Enrollment-Trends/1948-2010.aspx

http://educationusa.state.gov/ - US Dept of Ed – for college or university

http://www2.ed.gov/rschstat/landing.jhtml - for stats

http://www.communitycollegeusa.com/

### Canada

http://www.aucc.ca/publications/statistics_e.html

http://www.edunova.ca/; www.educationplanner.ca

http://www.statcan.gc.ca/pub/81-604-x/2010001/ch/chc-eng.htm

http://www.beingglobalconference.com/index.php - Higher Education Strategy Associates

### UK

http://www.ukcisa.org.uk/about/stats_and_research.php

http://www.aoc.co.uk/en/research/college-key-facts.cfm

http://www.britishcouncil.org;

http://www.hesa.ac.uk/index.php?option=com_content&task=view&id=1943&Itemid=161

APPENDIX 1

## Education Systems

The aim of this appendix is not to provide a complete description of education systems in the five countries being considered, rather to provide a brief overview designed to contextualise this report.

By understanding the similarities and also variances between the education systems in question, the reason for differing marketing strategies will become more straightforward to illustrate.

## Origins / Theories of Education Systems

1970s credential evaluation methodology centred upon 3 types of education system – a Napoleonic, a Humboldt and an Anglo-American model. Whilst there has been substantial harmonisation of European education systems since the initiation of the Bologna Process[235] in 1999, it remains helpful to consider the Anglo-American categorisation of education system in the context of this report.

The five featured countries – Australia, Canada, New Zealand, the UK and the USA – were considered to follow a similar educational structure and share common characteristics. Typically, after a secondary cycle, students progressed into a more specialised further education or upper secondary cycle before entry into a unitary or binary higher education system. This included shorter cycle degree programmes with subsequent post-degree, professional qualifications. In most cases, concentration upon fewer subjects in the upper secondary cycle allowed early specialisation in the undergraduate cycle. These narrower, more specific Bachelor degree courses were identified as Honours programmes, distinct from Ordinary/General undergraduate programmes and unique to Anglo-American education models.

As for technical and vocational training systems, Anglo-American systems tended to define fewer 'occupations' at the national level. In this way, the state sought to avoid extensive regulation of the employment market, preferring instead a model consisting of broader qualifications and ad hoc, on-the-job training. Apprenticeship-based occupations, for example, were typically fewer in number than in Continental Europe.

The Anglo-American categorisation was necessarily broad because each national (and sometimes regional) education system demonstrates a range of unique features. Educational systems are, by their nature, shaped by historical, cultural, political and social circumstances and lead to a range of educational outcomes and qualifications.

It is therefore important to bear in mind the origin of the education systems when considering the relative level of different national qualifications. Similarly, the scope of an educational sector in a particular country varies widely, with

[235] http://www.ond.vlaanderen.be/hogeronderwijs/bologna/documents/MDC/BOLOGNA_DECLARATION1.pdf

each being shaped to incorporate a specific set of academic or vocational outcomes. A direct equivalent of this grouping of educational outcomes may not necessarily exist in another country – in fact, the scope of a 'sector' frequently differs, making direct comparisons more difficult.

APPENDIX 2

Table 8: National agencies and representative bodies

| | New Zealand | Australia | UK | USA | Canada |
|---|---|---|---|---|---|
| National level | Education New Zealand (for the sector) New Zealand Educated (for students) | IDP Education Department for Education, Employment and Workplace Relations | British Council (focused on recruitment) UK Council for International Student Affairs | Education USA | EduCanada Council of Ministers of Education Canada (CMEC) |
| Schools (independent, private schools) Governments tend to coordinate state school promotion | Independent Schools of New Zealand | Australian Boarding Schools Association | Independent Schools Council Boarding Schools Association | Boarding Schools USA | |
| English language schools | English New Zealand | English Australia | English UK | AAIEP (American Association of Intensive English Programs) | Languages Canada |
| Private education providers (trade schools and technical institutes, mostly private in New Zealand but not necessarily elsewhere) | New Zealand Association of Private Education Providers (NZAPEP) Independent Tertiary Institutions (ITI) | Australian Council for Private Education and Training (ACPET) | British Accreditation Council | | Human Resources and Skills Development Canada |
| ITPs/Further education/colleges | New Zealand Institutes of Technology and Polytechnics | Technical and Further Education (TAFE) | Association of Colleges (England) Scotland's Colleges International | American Association of Community Colleges | Association of Universities and Colleges of Canada (support those offering degree-level courses) |

| | | | | | |
|---|---|---|---|---|---|
| Universities | Universities New Zealand Committee on University Academic Programmes (CUAP) | Universities Australia | Universities UK Universities Scotland | Institute of International Education | Association of Universities and Colleges of Canada<br><br>Each province has its own separate organisation |