2011 Languages Canada Conference

The Impact of Research and Analysis on Strategy and Market Development in the Language Sector

The Illuminate Consulting Group

1 March 2011

AGENDA

Introduction

An Analytical Perspective on the Language Sector

Sources of Good Data and Information

Competing on the Basis of Excellence in Research and Analysis

The Coming Analytical Rupture in International Education

Implications

LEGAL DISCLAIMER

- **This presentation was delivered on 1 March 2011 at the 2011 Languages Canada conference in Montreal**
- **This document shall be considered incomplete without further oral clarification**
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HOUSEKEEPING

- **The purpose of this presentation is to share perspectives derived from 1,000s of hours of specific data collection and research ICG undertakes each year on its own and on behalf of clients**

- **The presentation is geared towards 20 minutes, with 10 minutes allocated towards discussion**

- **A copy of this presentation will be made available as a PDF file via Languages Canada and also posted on the ICG website**

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- **Definition. Compared to other education sectors, language training is significantly more amorphous in its *Gestalt***
- **Data and research. Language training is not was well reported and researched as other sectors**
- **Scope. By contrast to the international tertiary education sector (CAD 80+ billion economic impact), the language sector cannot draw on established market metrics (CAD ? billion economic impact)**
- **Volatility. The institutional stability inherent in primary, secondary, and much of the tertiary education sector is absent in the language sector**
- **Function. The language sector plays a multi-purpose, enabling, and cross-sectoral role which makes measuring impact (not proficiency results) challenging**

Analyzing the language sector globally is highly challenging

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SOURCES OF GOOD DATA AND INFORMATION
A General List

- **Supra-national sources**
  - **OECD (leading supplier of general international education data)**
  - **World Bank (best general economic data)**
- **Specialist sources**
  - **Other language associations (esp. Australia and the UK)**
  - **Reuters, Bloomberg, Economist, others (performance, company data)**
- **National sources**
  - **CIC (down the road)**
  - **Languages Canada (if resourced)**
- **Data-driven research**
  - **Australia**
  - **New Zealand**

Unfortunately, there's not a single go-to source

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COMPETING ON THE BASIS OF EXCELLENCE IN RESEARCH AND ANALYSIS

- **Historically, international education has largely operated in the absence of deep and/or reliable data, and a widespread absence of expert analysis**
- **Best-in-class data collections and analysis has enabled some countries to perform well (especially Australia, New Zealand, the UK)**
- **“Best-in-class” however often has been relative, defined by some versus no data, or decent versus shoddy/politicized analysis**
- **The rapidly increasing complexity and volatility of international education has moved data collection and expert analysis into the spotlight**
- **Without good data, analysis, and guidance it will become increasingly difficult to successfully compete**
- **For the Canadian language education sector, the above is critical owing to its market-driven nature as well as emerging competitive disruptions**

INTERNATIONAL STUDENT ENROLLMENT IN AUSTRALIA
Indian ELICOS Students (I)

Case Study

- **Australian international education is driven both by sectoral as well as pathways recruiting pipelines. Pathways accounted for 39.5% of enrollments (AEI, 2005 commencements)**

- **International students in Australia participating in ELICOS-articulated pathways include:**
  - **8.7% in ELICOS -> Higher Education**
  - **7.9% in ELICOS -> VET students**
  - **3.0% in ELICOS -> Secondary Schooling**
  - **4.5% in ELICOS -> multi-sector enrollments**

- **Total ELICOS pathways-driven international student enrollments in Australia: 24.8% (37.4% including ELICOS sole sector enrollment)**

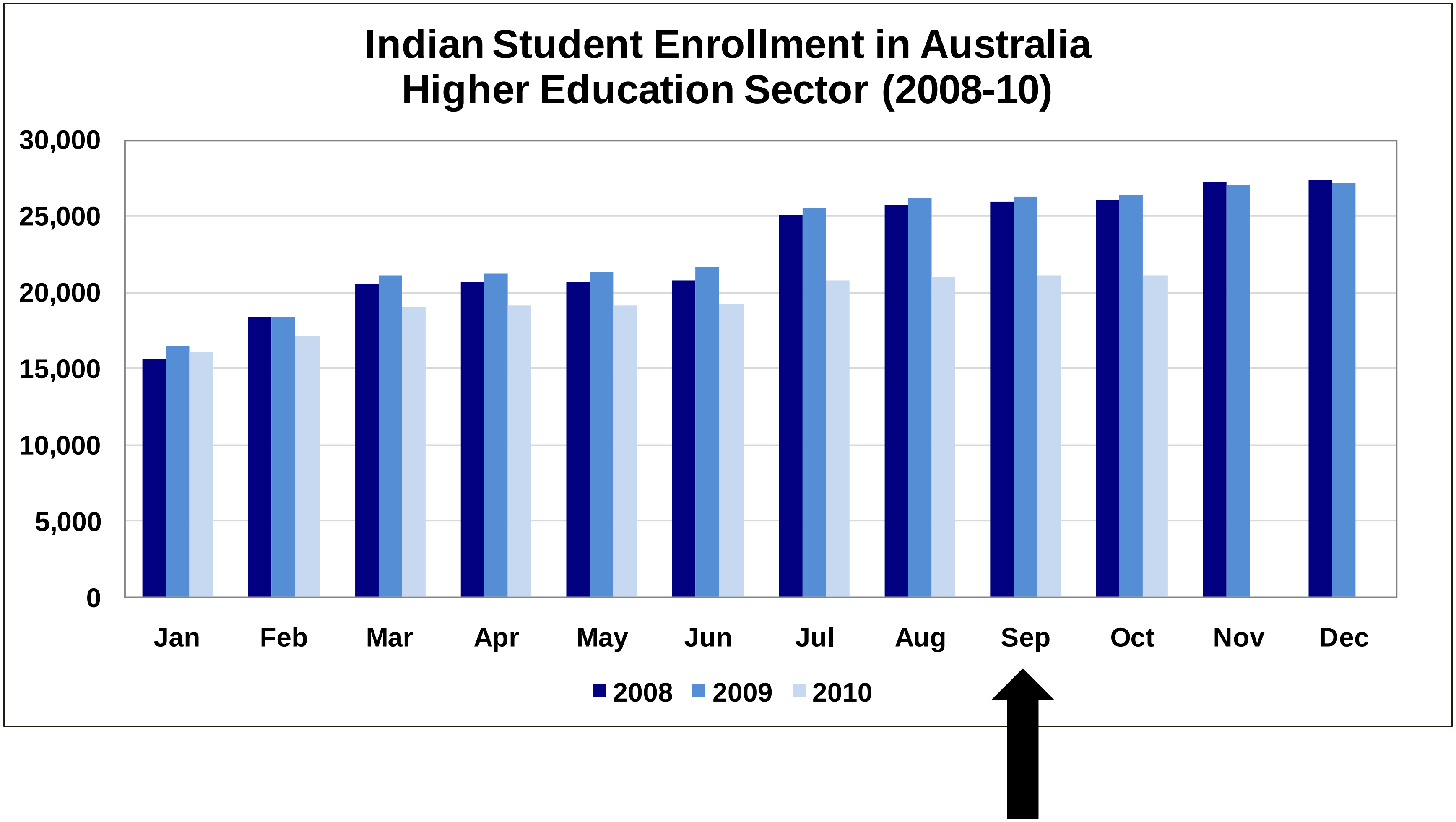
- **The ELICOS sector is a “near binary” recruiting-enabler for students from countries with low (academic) English language proficiency**

Language schools are serving as a canary in the mine shaft

Source: AEI.

Indian ELICOS Students (II)

Case Study

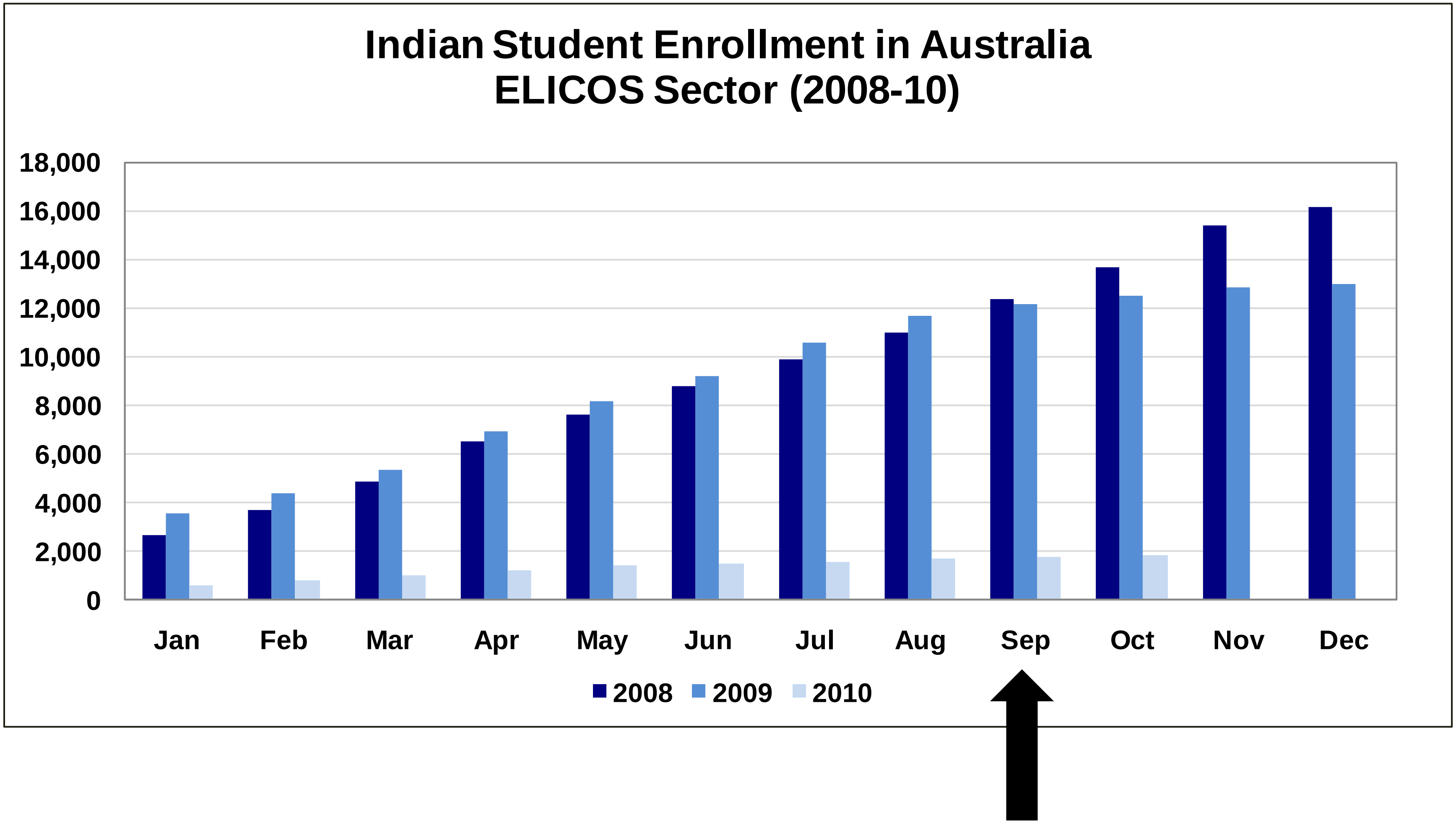


When do you think did the reverse of growth become visible?

Source: AEI.

INTERNATIONAL STUDENT ENROLLMENT IN AUSTRALIA
Indian ELICOS Students (III)

Case Study



September 2009 was the first enrollment tracking indication, but…

Source: AEI.

INTERNATIONAL STUDENT ENROLLMENT IN AUSTRALIA
Indian ELICOS Students (IV)

Case Study

- The drop-off of Indian student enrollments was based on multiple factors
  - Violence towards Indian students in Melbourne
  - Multiple quality assurance break-downs
  - Rising cost of studying in Australia
  - Alternative destinations, including Canada
- Expert pipeline management would have yielded early warning signs
  - Public sentiment analysis
  - Inquiry tracking (online, in-person)
  - Competitor analysis
  - Others…
- Many Australian institutions indeed had access to data indicating a fundamental market shift – but did either not believe that data reflected real sentiment or behavior, or failed to act based on a lack of analytical capability

Data and analysis only help to compete if applied

Source: AEI.

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Setting the Scene

- **In a knowledge driven economy, business and industries are increasingly subject to both creative destruction as well as rapidly emerging new opportunities. Education is no exception**

- **As learning value chains become disintermediated by technology, national policies, different competitors, shifting purchasing habits, and changing ROI dynamics, best-in-class (market) intelligence already serves as a key competitive driver**

- **Intelligence consists of multiple elements, including**
  - **Deep data gathering (Australia: monthly tracking of 100,000+ segments)**
  - **Analysis (driven by contextual, quantitative expertise)**
  - **Business development and forecasting (evidence and competition-based)**
  - **Dissemination and application (with a proper conceptual framework)**

- **Countries, education systems, and institutions which do not adept to this landscape will increasingly be left behind, with consequences ranging from out-bound migration to institutional failure**

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IMPLICATIONS FOR CANADIAN INTERNATIONAL LANGUAGE EDUCATION PROVIDERS

- **A comprehensive research framework – what needs to be measured, how should things be measured, and how do data need to be interpreted**

- **An economic support model facilitating research and analysis – good research is not cheap (and cannot be cheap)**

- **A clear demonstration of the (pathways) feeder role of language education in the international education services value/product chain**

- **A business case model which monetizes the language sector's feeder function relative to other sectors**

- **Operational and governance models to utilize data, research, and analysis in innovative, disruptive ways**

THREE IMPLICATIONS FOR CANADIAN INTERNATIONAL LANGUAGE EDUCATION PROVIDERS BASED ON ICG ANALYSIS

- **Short-term language education travel will come under systematic pressure (cost, delivery model)**

- **Only a full integration into national pathways-based delivery model will offer a proper economic and policy framework**

- **Long-term (accelerated) growth opportunities will be aided – if not outright require – an international footprint**

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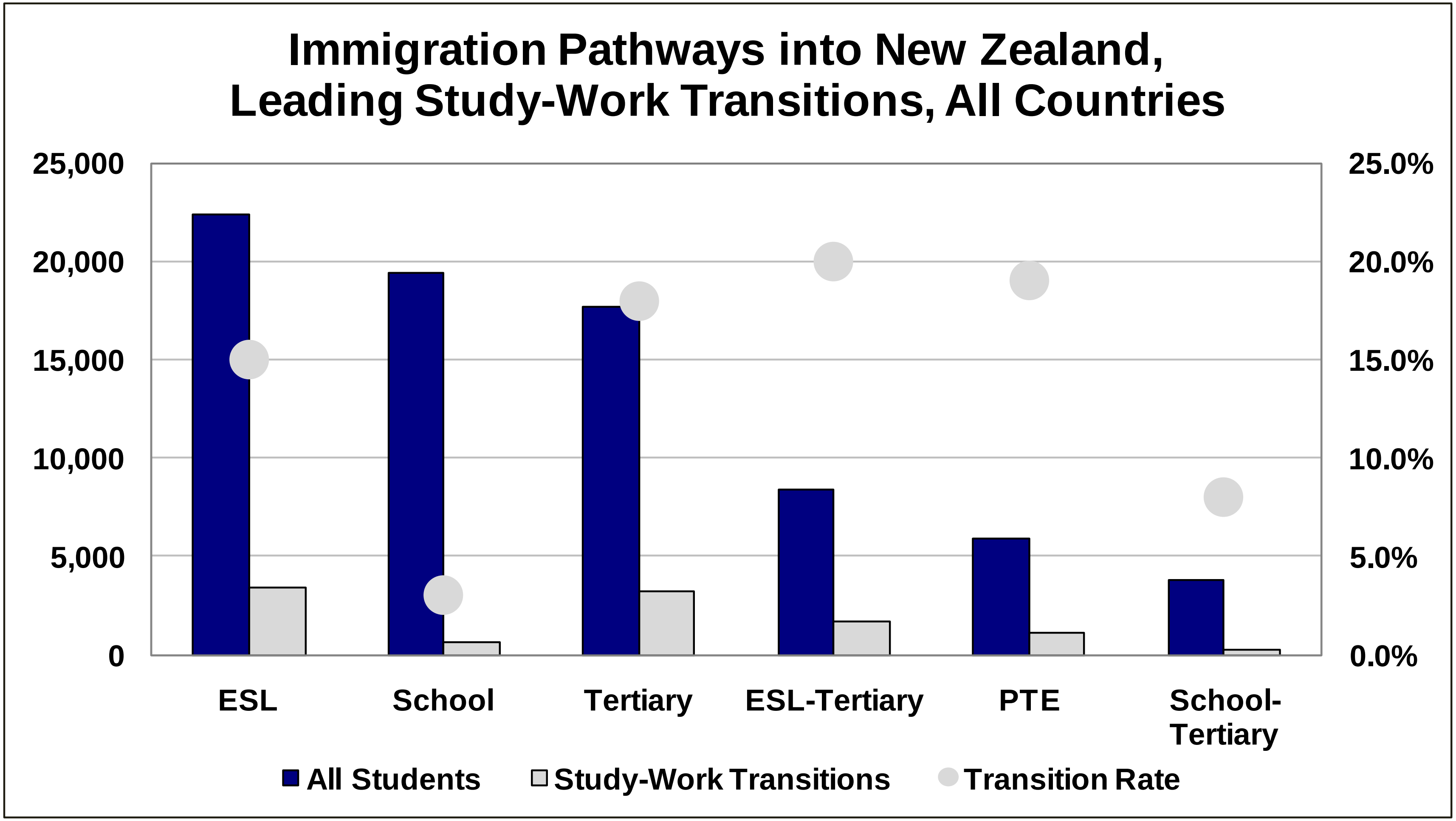
NEW ZEALAND CASE STUDY: IMMIGRATION PATHWAYS INTO NZ, LEADING STUDY-WORK TRANSITIONS

Case Study 2



Notes:Notes: ESL denotes English language training institutions; Schools denote secondary education institutions; PTE denotes private training establishments.
Sources: ENZ, New Zealand Ministry of Education, New Zealand Department of Labour.

NEW ZEALAND CASE STUDY: LEADING STUDY-WORK PATHWAYS BY MAIN SENDING COUNTRIES

Case Study 2

	China	Korea	Japan	USA	Others	Total
ESL-Partnership-FS	3%	7%	4%	1%	9%	6%
ESL-Tertiary-Other Work	**11%**	1%	1%	0%	1%	5%
Tertiary-LMT-SB	2%	1%	1%	7%	9%	5%
ESL-Tertiary-LMT	7%	1%	2%	0%	1%	4%
ESL-Tertiary-LMT-SB	6%	1%	0%	0%	0%	3%
Tertiary-LMT	0%	0%	2%	**17%**	5%	3%
ESL-WHS	0%	2%	**30%**	0%	1%	3%
ESL-Tertiary-Partnership-FS	4%	2%	0%	0%	1%	2%
Tertiary-Partnership-FS	1%	1%	0%	**12%**	4%	2%
ESL-Tertiary-Partnership	3%	0%	1%	0%	1%	2%
Others	62%	86%	59%	63%	68%	66%
Study-work transitions	**2,482**	**396**	**369**	**89**	**2,138**	**5,474**
Share of all transitions	**45%**	**7%**	**7%**	**2%**	**39%**	**100%**

Notes: ESL denotes English language training institutions; SB represents skilled/business-based residence pathways; FS stands for family-sponsored residence pathways; Partnership denotes other relationship sponsored residence pathways; IH denotes international/humanitarian residence pathways; LMT denotes labour market tested work permits; WHS denotes Working Holiday Scheme.

Sources: ENZ, New Zealand Ministry of Education, New Zealand Department of Labour.