

Abstract

In this white paper we survey the UKHE international recruitment landscape. We then explore marketing channels and student decision making. It emerges that scattergun advertising to students already in the market does not work. We identify the importance of using agents as one of the essential distribution channels. These must intercept students before they reach the market. Our approach partly circumvents market threats, requires no investment and offers immediate results. We conclude with an action plan.

The challenge

UK universities are world class, competing with the educational Anglosphere. With its pedigree and culture the UK should be wiping the floor with competitors. But UKHE is an academic lion forced to march behind a government donkey. They must thus take their marketing to the next level to avoid Australia, Canada and USA stealing a march.

What is the market background?

Size

International students are the UK's fifth biggest export. They provide an eighth of college revenue. They support about 200,000 jobs. They earn the UK around £14-19bn (£13.4bn HEI in 2016). They add some £20-26bn to the economy. They give the UK a net benefit of £95,000 each. They support research and exports to students' home countries. They help the UK project soft power. UK higher education is a £36bn business centred on 162 institutions. The UK has some 430 colleges offering higher education and 21,000 postgraduate courses. It receives about 150,000 graduates and 158,000 non-EU international undergraduates. It has 10% market share.

Quality

But the UK comes as low as sixth as an undergraduate destination. The UK is not so popular in STEM at undergraduate level. This restricts funding for research that could have strengthened its postgraduate offering. Arts, social sciences and humanities dominate the undergraduate market. Meanwhile the USA rules in research postgraduate.

The UK remains the king of taught postgraduate courses. 19% of higher education students and 69% of taught postgraduate students are international. Non-EU students do more than twice as many taught postgraduate degrees as UK students. 52% of business postgraduate students and 42% of postgraduate students are non-EU. But there is a gradual move from postgraduate to undergraduate. That is understandable given new student visa rules on post study work. Also given the maxing out of visa limits at each level, with only 17% now staying the full term.

What are the market strengths?

Non cost factors

The UK college environment has international recognition and a cosmopolitan feel. 35% of postgraduate students and 30% of academics come from overseas. The figure is even higher for science, business and social studies. While students are in the UK they get NHS healthcare and a cooler climate. The UK has the highest satisfaction and teaching ratings. 85% of international students report satisfaction or being very satisfied with their course. The UK scores top worldwide for cost of living and teaching.

Price

According to HSBC, the average annual cost of living in the UK and doing a course is USD 30,325. In the USA it is USD 35,705. It costs USD 38,516 in Australia. The obvious reason to do your masters in the UK is that USA and Australia make you pay for two years. The UK only asks for one year, saving Sri Lankans, for example, some 5.6M rupees. Institutions have been shy about pointing this out. Equally, the UK can pump out a graduate in three years while competitors charge four years' fees.

Work

The UK allows 20 hours a week work during degrees, which is better than the USA's campus work restriction. But it is worse than leading competitors who allow work regardless of course level. An off-campus work ban undermined the USA. This left it with single digit percentage of international students. Canada tripled numbers when they abolished their ban. Trump is now accused of harming education exports with an immigration crackdown.

Growth up, but for how long?

Despite the government assault on education, tier 4 visas were up 7% on the year as at September 2018. They granted 239,595, including a 33% increase to Indians, for example. Some colleges are making up to 50% margin on non-EU; the question is can it plug the gap left by the EU?

What are the market weaknesses?

Academic standing

The only academic gripes are that the UK is not so great at feedback and explaining assessment criteria. Australia scores little better than New Zealand and below even Canada on learning. So Australia should be doing worse. Unfortunately satisfaction is of debatable weight.

Political threats

Political and competitive threats encircle the UK international education market. Yet UK colleges have launched extra masters and MBA courses in the face of visa changes.



Hostile environment

The Home Office reduced the number of secure English language test centres. Students cannot usually bring family with them unless the course lasts over a year. But many international postgraduate students are mature students with families. The Home Office has jacked up maintenance threshold by 20%. It also imposed, then doubled, the immigration health surcharge. It brought in credibility interviews. These are all too often not even rational. They often ask irrelevant questions. Or students make innocent administrative errors. The inexperienced paralegals asking them lack contextual knowledge. It imposed academic progression, which ruins English language schools. It also second guesses colleges' discretion. Visa refusals no longer get an appeal but instead an administrative review. Switching visa for family or work is rare. About 2,000 do so for family and 6,000 for work each year. But 35,000 students extend studies. That still leaves about 50,000 students who would have switched to work visas sent home every year. UUK estimate that the UK lost about 125,000 EU students and tier 2 switching cost £2.5bn exports a year.

The UK government is not clear it wants more international students. The UK withdrew the previous tier 1 post study visa by mistake. It used a tiny survey of questionable statistical significance. It implied an epidemic of non-graduate work in a rush to slash immigration to 'tens of thousands'. The UK government even invented the tens of thousands target on the hoof in a studio. It was allegedly In The Thick Of It-style.

Burden on colleges

Government sabotaged college compliance teams by changing tier 4 rules 41 times up to 8 times a year. Colleges have been co-opted without reimbursement as border control. Tier 4 monitoring and Prevent surveillance enforces a racist hostile environment. This threw the door open to white Europeans whilst demonising the brown and black rest of the world. The very market on which the sector now depends. Government has additionally attacked independent HEIs with disproportionate OFS fees. These discourage them becoming tier 4 sponsors. The Home Office also tries to prevent switching courses. Nor is it keen on work based learning or resits. That is especially so for small providers. It prevents part time working for students at new providers. Colleges want to

avoid making offers to applicants with questionable visa credentials. Otherwise they can lose their licence if the Home Office refuse 10%, or if 10% don't enrol or if 15% fail the course. Colleges may have wanted to set the academic bar high anyway.

Targets

Competitors Australia, Canada and Germany set targets to increase international students. Meanwhile the UK government has seen students as something to decrease. Otherwise they might bump up immigration figures. Or they might not leave. This is odd given the target to increase the value of international higher education to £30bn by 2020. Australia took the opportunity to streamline visas and improve post study work. It need be no surprise that Canada grew 26.9% in 2018. It boasts post study work visas and export targets, whilst the UK grew 0.7%.

Skills based immigration

The latest position is the Home Office White Paper of Dec 2018. The 'UK's future skills based immigration system' tinkers with the uncompetitive regime. It says graduates get 6 months (compared to 4 months now) post study leave. This is to find a sponsor employer paying over £20,800 for a graduate entry level highly skilled job. Postgraduates on courses over 9 months could bring families. Meanwhile the UK's main competitors give one to four years post study leave. The UK government also proposes to lower the highly skilled threshold to level 3. Salary threshold would remain £30,000, compared to no threshold for main competitors.

Effect on price

Without post study work colleges will lose out on students who wanted a career or new life in the UK. They are not all seeking the best education at any cost. This points to options for those at the cheaper or lower ranking end of the market. They have to either drop fees, exit the market or try to climb the rankings. If the latter, they must offer better industry links. These will have to be for whatever post study visas are available currently - such as tier 2 sponsorship. They may have to cut fees to make the reduced ability to earn back costs worthwhile.

Brexit

Competition

Brexit threatens to kill off the EU student market, reducing institution bargaining power. EU members could take the UK's lunch by expanding their English-taught courses. They could bundle in an Erasmus placement and even a post study visa. The only good news is that in 2018 EU enrolments only fell by 1%. Brexit has not yet scared off many.

Public opinion

Most people want to maintain international student numbers. They want international students to stay and contribute to the economy. Voters are more worried about bogus refugees and EU jobseekers. Or, as they put it, cheap labour and scroungers. It was UKIP voters to whom government appealed in including students as

'immigrants'. Kippers wanted to slash international student recruitment to help hit an immigration target. Conservative voters want to ringfence universities' exports. They want students to stay and work. In fact even most kippers want them to stay and work. Most UK voters across the political spectrum want to keep the world's best and brightest.

Student reaction

In the meantime, after Brexit, colleges will have to replace EU students with non-EU. Brexit is causing even non-EU students to question their chances of getting a visa or job in the UK. EU students are wondering if the UK makes financial sense. Italians and Spaniards are the most worried. Worry is deepest among the youngest students, both EU and non-EU. It may be that they are ill-informed, as non-EU students are not facing fee rises. In fact they may expect reductions as demand falls. EU students will walk straight in to claim a three-year European temporary leave visa. But they will have to pay international fees after 2020.

Student demand

New customers may turn out to be families sending their first undergraduate. They may have hardly any money to do it, or be mature students with life stage pressures that can make them drop out. Few colleges sell benefits to each country. Not all can boast a cosmopolitan environment. UK colleges must compete harder now for fewer international students. One can understand why they rely on partnerships and agents.

EU campus

UK universities could open a campus in Paris. But EU students are dubious about watering down and whether the experience would be the same. That would explain why most EU students would only attend if it is not in their country. It is also why we predict it will not take off. That is despite the cheaper cost of living - too many international students want the chance of a new life.

Fee transparency

HEPI are pushing colleges to charge students 'student fees' rather than 'tuition fees'. They also want them to say how they spend money, as an average of 55% of student fees do not go on tuition. Colleges could end up having to be clearer that home students pay their way. And that international students subsidize research with an average £8,000 contribution. Students cite reluctance to pay for community, PR, management, research and social costs. If so then transparency could push down fees. Non-EU students might force a discount when EU demand drops. Then institutions may have to rethink treating research as a loss leader.

How is the market reacting?

The speed of change in the market has been hard to react to. For example, Canada more or less doubling its market share in a decade. They sold their cosmopolitan culture and technologist professors, despite lacking government funding.



Brexit

Colleges did not prioritise Brexit risk until the referendum. That is despite government never having asked the public if they want to join the EU. Let alone remain while it becomes a United States of Europe. Archives now show that Downing Street and the civil service missold a political union as a trade club. That pressure cooker was bound to explode eventually.

UK international student numbers remain flat, but Brexit risks EU students falling. Colleges will have to replace them with non-EU students. It also means colleges will struggle to recruit EU academics. Erasmus+ sandwiches for language or international business students are on the way out. This will reduce employability. There is little cause for hope for EU students. But the non-EU student population is bigger than for EU. It could grow and replace lost EU revenue after a few years' transition. Unfortunately, non-EU student population has stagnated so it may go the other way. The glimmer of hope is that Brexit improved international students' exchange rate. So institutions could replace some EU students. It can in time go the other way though, as Australia found. Brexit heralded increased interest from Indonesia, Pakistan, Uganda, Sudan, Ethiopia, China, Hong Kong, Thailand and Nigeria. International students in general sense a cooler welcome. EU students worry about an increased cost.

Two year degrees

One possibility is that lack of post study visas will be offset by cheaper degrees. The UK will offer international students two year undergraduate degrees. But in Nov 2017 QS found most international students expect two year annual fees to be cheaper. That research needs confirmation in case students misunderstood the question.

Admissions flexibility

Rumours abound that in some quarters expansion has occurred by volume increasing. Admissions quality anecdotally decreased. A vicious circle appeared for marketing on the back of rankings. Admitting but not passing students to maintain standards then creates another bad metric. Intensive English enrolments opened the floodgates to students who struggle. They do not even have the language to work in. The worst example was the Chinese cheating scandal. It emerged most applications are fraudulent with fake referees, certificates or transcripts.

Diversification

TNE is an often loss-leading brand awareness programme that cannibalises study abroad revenues. Similar risks include flipping, experiential, flipping, adaptive and MOOC. Flipping, for example, has worked well for home students. But is not much use for many international students. They may already be pushing themselves to gain a route to a new life in the UK. They may work long hours and be in no position to self-teach the basics. Government forced these conflicting channels on colleges by restricting visas. To add insult to injury government may not be supportive for long of such emerging offerings. They do not bring a multiplier effect to the economy.

What is the global landscape?

Competitors

The UK competes with the USA on quality. But it looks unwelcoming with a negative visa and employability image. That is in comparison to competitors in the Anglosphere. India, China, Malaysia, Saudi Arabia, Egypt and UAE have been building universities. USA, Australia and Canada have more attractive visa rules. India as a source started growing again after a decade in the doldrums. The UK experienced 8% growth in non-EU, heading in the direction of covering EU losses. But Australia is closing in on the UK to take the 2nd spot. The USA does not have political volatility, but still threatens top tier institutions. This is especially so in law and medicine.

Concentration

The sector is dependent on an oligopsony of a few countries like China, India and USA for postgraduate. China, Hong Kong and Malaysia are the usual suspects for undergraduates. Some colleges are almost completely undiversified in relying on, for example, Chinese students. They should diversify to reduce volatility and heterogeneity. That would also cut reliance on country-specific agents in those big markets. But agents appear to be safe for students given the 90%+ satisfaction rating for agents in the UK reported by UUK.

China is dangerous to rely on due the risk of cold war with their state. They are already understood to have been hacking UK infrastructure and government. This has caused concern for the USA and Australia too, who also suspect some students of spying. Another reason to diversify from China and Malaysia is such countries are competing. They are increasing imports of international students. The EU and Asia, especially China, are attracting more non-EU students than the USA. Malaysia has become a net importer. Countries like India are launching their own universities. SkillTree was the start.

Markets

The opportunities go beyond You Imagine Ltd's initial territory of Sri Lanka. Colleges could extend to emerging student exporters like Chile, Mexico, Colombia, Philippines, Vietnam, Kuwait, UAE, Kazakhstan,

Maghreb, Ghana, Uganda, Tanzania, Kenya, Mexico, Brazil and Kurdistan. The UK has strengths in engineering and energy. These play well in sub Sahara. Energy, law, business and education are strengths to deploy in the Middle East. Two thirds of the world's middle class are in Asia Pacific.

Distribution channels

Tapping into schools

One challenge is the higher marginal cost of onboarding students from new countries. This can be addressed through agent terms. The strategy can include marketing. It should also use agents to leapfrog the advertising and alumni approaches. Colleges should use agents to go straight into local colleges to recruit at source. This involves planting seeds early as most research colleges recruit a year ahead.

Students rely on grapevine to choose colleges, not just rankings or websites. This is evident from the preponderance of colleges dominated by single nationalities. Agents can swing this trend either way. The lead time also means colleges must flag up developments as soon as they know. For example, condensed courses or new Home Office approval for courses. It also means colleges need a way to tap into overseas families as soon as students reach about age 16.

Who is selling to whom?

Students are not only customers, they do not only pay for a product. They are a product. Institutions need to demand students who will increase their tier 4 statistics. That covers enrolment, attendance and passing, and students who will raise the academic average. The average institution earns 44p for research for every £1 of teaching (23p of non-EU teaching). It can thus be hard to accept for top tier institutions. These may convince themselves that their research is not a product. Or even that their reputation for it prevents taught courses being a product.



The ideal agent will thus specialise in a currently smaller supply country. They will have a deep knowledge of that country. They must have access to the most able students. These students should want to turn up, study

and remain at the institution to progress. The agent should be UK based as managing overseas agents can reduce profitability. They should also be keen to work with colleges to control representations. Good ones give timely correct information. They help process applications without weighing down colleges with queries and misunderstandings.

How do students choose courses?

Our conclusion from the various research is that international students ask themselves "what is the most marketable country I can get a good course in?" The institution's reputation is not a big factor. Research by QS indicates that students pick a course then a country then an institution. That suggests colleges should put out a three-pronged social media campaign. This should sell each popular course, the UK in student tourist terms, and themselves.

The ideal advert will evidence its claims by reference to the institution's website. It will appear 'above the fold' and say something like the centre page example.

Country

The challenge

Colleges face the burden of fighting against government immigration policy. They need to paint the UK as a welcoming safe country. African and American students already preferring Europe include UK as an option. Asian students, in fact Indian Ocean Rim countries, tend to prefer Australia. Geography, rather than academic reputation, pushes students to the UK. The competition is almost always between the UK and the USA and Australia.

How students choose

International students are arbitrating countries. They weigh up an average of four countries. They start with a list of Australia, USA, Canada, Germany and Netherlands. They say their main worries are cost, safety, accommodation and getting a job. They look for reassurance from people they know already in the UK, or at least an adviser to support them. Colleges should highlight scholarships and guaranteed accommodation.

QS claim to have identified what students say are the top

factors in choosing to study abroad. These are quality, international qualification recognition, welcome, safety, visas and post study work. Given government policy, colleges ought to consider selling quality and international recognition. Smaller factors are distance, permanent residency, culture and employability in UK.

Work during study and employability back home are minor concerns. Students seem to want a marketable qualification without needing to stay and use it in the UK. That would take the sting out of the UK's visa regime.

Another report on motives for choosing the UK highlights reputation, location and employability. But one should temper this with the fact that the data used was personal statements. Could students have told universities what they wanted to hear?

Different research in Jan 2019 from educations.com put the UK 9th in Europe. It did not reach the top 10 worldwide. It claims students are measuring country brand with key motives. The main ones were adventure, career and culture. Quality and visas were minor factors. That would mean a problem for the UK for post study work.

How countries compete

Students choosing the UK usually exclude the USA or Australia by a close margin. Canada, New Zealand and Australia have a trick up their sleeve. They get an extra 8-15% of undergraduates from foreign school pupils already in-country. The other tactic Australia uses is to get twice as many students through agents. Agents have for years been reluctant to recommend the UK over USA, Canada and Australia. This would explain why fewer students coming to the UK use agents. This is a lost chunk of market only recoverable by getting agents on side. Linking with FEIs is the other answer.

Welcome

Institutions acting alone cannot sell a warm welcome to the UK. But they have to continue supporting campaigns such as #Weareinternational. These work well with China, India and Nigeria

and eastern Europe. What students have said would reassure them is speaking to current international students. This is to find out more about the culture and to know somebody going to the UK.

Model course advert

"Our course is ranked UK number one for the subject and comes with professional body accreditation to give you a career.

Further proof of our course quality is that our passionate teaching staff are rated TEF Gold, receive amazing satisfaction ratings and have plenty of real world experience for you to benefit from.

UK degrees are of course the premium internationally recognised qualification for you to take with you wherever your career takes you in the world. They are a powerful passport to higher earnings. The UK is the best place to improve your English and you will benefit from our cosmopolitan student population.

We are your perfect solution as a college since we are in a safe city, guarantee our own accommodation, our scholarships can save you money, you can speak to our international students before you apply, our careers service can help you find a job and we are one of the highest ranked universities in the UK.

Graduates from this course earn X% more than non-graduates and Y% get a job within Z months of graduating.

Don't just imagine a better life, apply now through our easy online system and start living it. We look forward to welcoming you as our new student."

Geographic share

The UK breakdown for location is only 1% of non-EU students head for Northern Ireland. 5% head for Wales, 10% for Scotland and 84% for England. Northern Ireland has doubled in popularity over a decade. Meanwhile Wales and Scotland have been slipping out of favour.

Course

The research can be conflicting. But generally we can say that price and course quality rules. The biggest reason for choosing a course is course ranking as a proxy for teaching quality. That is the potential advert headline. Further research by QS found that courses need to lead to a career. Students say they rely on websites at the research phase. That suggests colleges should focus on course quality. Graduate outcome is important but needs linking to each student profile. For example, do they want a UK job afterwards?

Institution

Money talks

Institution ranking is less important than fees. Fees are the second biggest factor in choosing a course. They are the biggest reason for rejecting offers. Competitors may have offered a lower price. Lower tier universities need to cut their prices to suit their ranking cloth. If you are dear you need to justify it.

Consider that the average international student's family earns under £15,000. Only 10% exceed the £60,000 UK middle class threshold. In the case of Sri Lanka, for example, 64% of student families earn less than £31,000 and only 14% are on over £61,000. The pound has grown 50% against the rupee since 2009.

Back in 2014 QS found that at all incomes Brazil, China, Ghana, Nigeria, Sudan and USA tend to choose the UK. Australia is in favour with Bangladesh, Bhutan, Ethiopia, India, Indonesia, Iran, Nepal, Pakistan, Philippines, Sri Lanka and Vietnam. Even where some countries have price sensitivity it is not linear. Geography and preference for the UK at the lowest and highest incomes seems to skew it. This suggests students see the UK as having both cheap courses and elite courses.

The reality is that most courses are a career investment for low income Asian families.

Further research by QS found students choosing institutions by quality, cost and welcome. Most only go once a friend or relative has done so.

Student satisfaction

Student satisfaction is a minor decision making factor. Even then, students will focus on course satisfaction.

Colleges can evidence this with TEF and academics' real world experience. After 2020 the sector expects to see TEF ratings for students to judge courses. Research indicates international students will trust that more than the media's rankings. QS found that most students would favour a TEF Gold over top 25 rank. But whilst Nigerians trust Gold awards over rank, Chinese prefer rank.

Students say they want academics to engage with them rather than chase recognition. They look for passion, real world experience and good reviews. Teaching experience, qualifications and awards may cut little ice. But further research found students saying they prioritise experience and qualifications. That is the problem with listening to what people say instead of watching what they do. For courses used for career progression it is especially worth promoting teaching staff. Students also say they look for information about accommodation and placements. Applications, visa tips and ability to ask existing students questions are also relevant.

Value

In choosing the institution, quality, subjects and cost are the main factors. Entry requirements and responsiveness carry less weight. That suggests students choose the UK for value. Applicants use entry requirements as their main eligibility check. Others use it to gauge reputation. They also use tuition fees to judge this. But more prefer to use reputation, rank, satisfaction rating and use of technology.

Not being in the bottom quintile is also important. Fast customised responses to student questions is a proxy for teaching quality. That is what students say. But analysis shows they actually prioritise cost first. Then subject ranking second and institution

ranking third. Employability, teaching hours and student satisfaction are minor variables. Turnoffs include getting fewer than 75% into employment or under 80% satisfaction rating. Charging under £11,000 does not attract extra students to make up for it. Charging over £14,000 is when most colleges start losing applicants. Unless of course they can justify it, eg they are Oxbridge.

Rankings

UUK found that undergraduates rely more on rankings and family or friends recommendation. They also found undergraduates look for reputation, earnings potential and safety. Visas and permanent residence are lesser factors. International students do not worry so much about cost and work opportunities until they are already here. Then they realise there might be a problem. It depends on the country. For example, Nigerians tend to want to stay. Indians tend to want to work and worry about safety. Malaysians tend to want to stay and work.

Students buy price, course quality, country & institution reputation.

Sell them scholarships, rankings, reviews, engagement, real world experience, safety, culture, language, adventure, accommodation, international recognition, career paths, employability and earnings potential.

Singaporians worry about reputation.

Another QS survey shows students claiming to prioritise technology, staff, ratings and employment.

Colleges could remind students that rankings are usually one or two years out of date. They tend to be undergraduate-centric. They use different subject mappings and metrics. They can have skews from subjects popular at a particular institution. They can map random cost centres to class sizes. Colleges can game them by grade inflation.

Agent or advert?

Students in some countries favour agents, especially in India and China. In Canada they prefer listening to friends and family. Data does not always rule. So 'build a reputation and they will come' will not always work. It needs alumni (especially in Singapore) and local contacts too.

Adverts are out, but Brazilians like a website and social media. Russians buy into league tables whereas USA citizens are sceptical. Many Singaporians will not buy without a good prospectus. Yet Chinese rarely take notice.

Students think their influences are website, agent and prospectus. They doubt the influence of adverts and fairs.

Compared to Australia, applicants to the UK say they are less likely to use agents. They are of course less likely to be from Asia. But they need more support from the college in getting a visa.

International undergraduates apply on average for four courses. Graduates for two or three. Colleges need a relationship with applicants. But in Australia international students tend to only apply for one or two courses. This suggests the UK might not be great at responsiveness or building relationships. That is an obvious role for an agent. To be fair, in Australia many international students are already in-country at school.

What levers can institutions pull?

Hostility v expertise

What colleges cannot control is government's influence. That centres on the hostile environment. Nor can they control secondary decision factors like safety, economy and living standards.

What colleges can control is the depth of their understanding of countries. To a lesser extent they can influence their reputation. They can only pray that alumni will help. These marketing tactics all need investment. In contrast agents are a payment by results tactic. This is of extra benefit to the handful of institutions in the sub-£20M turnover bracket. Some of the tactics available include agent commission tiers and scholarships.

Ease of doing business

Institutions cannot solve post work visas. But they can improve packaging in terms of environment and process. Colleges could handle applications immediately on

contact. That could avoid losing warm enquiries. And they could widen the range of English tests acceptable.

Many international students arrive to find delays opening a bank account. Or they face delays moving into accommodation. Agents have the time to help avoid any negative impression of the arrival welcome.

Institutions should also beware disappointing students on availability of placements or careers service. Other risks include provision of information about marking criteria. Another foible is international undergraduates much prefer consuming campus food than careers support. Again they often do not do what they say, or say conflicting things.

Colleges cannot solve cost of living in itself. But many students feel let down by how hard it is to find a job to support them. This is another way colleges could help if they have employer ties.

Colleges might offer the wrong courses or suffer fragmented international liaison. But they can rectify that over some four years or so.

Pathways

Other possibilities include articulation, progression and dualling with further education colleges. Then there are 3+1 or 2+2 deals with overseas colleges. Colleges can weaponise pre-sessional English courses into loyalty pathways. Institutions can build networks through British Council, BUILA, UKCISA and UKNARIC. They can use statistics from DIT, SDI and HESA. But no deans are saying the British Council can offset the damage done by government. Portals are worth a try like Pearson, QS and Hot Courses. Institutions can access pipelines via pathway providers. These include Navitas, Kaplan, Study Group, INTO or CEG.

What distribution channels work?

Building awareness



Social media

Brand awareness takes a long time and much money. A study has shown marketing needs a consistent message about high quality education. It has to go out from many sources. The most useless approach is admissions staff ringing or visiting applicants overseas. Advertising cannot

guarantee to affect students who have never heard of the college. They will have chosen a college long before enough messages have got through. This is why advertising, fairs and alumni rarely work, except to an extent social media.

The latter is always worth a try on a pay per click basis. This is especially if combined with VR tours. That does not avoid the need for a fast mobile website, analytics and optimisation. But the old adage that social media will allow disintermediation seems to have died out. Were students even going to emigrate with their family's life savings on the basis of a tweet?

Too many colleges are still to get to grips with videos, podcasting and blogging. QS claim it is necessary to influence students via videos, infographics and photos. That is to portray student experience and lifestyle. Institutions thus need busy Youtube and Instagram.

Students expect to see Facebook, Youtube, Twitter, LinkedIn and Instagram in that order. In China, censorship means you need to be on Weibo. Just setting up social media accounts is not proven to work.

To go for it the college needs to pay a local to translate a dedicated area of its website. That assumes the course will attract enough students from each country.

Applicants will likely look you up on forums and Facebook. Then they expect you to acknowledge enquiries on messaging. This has to be within a day. They expect you to reply within three days. They then make their mind up on forums and using your messaging. They expect most messaging to be on email. Other popular platforms are Whatsapp, especially in Nigeria and Asia outside China. China prefers WeChat. Alternatives are Facebook Messenger, webchat and text.

In short, students expect dialogue not just adverts.

Engagement

Face to face contact takes time to set up, and costs too. Outreach and exhibitions are expensive to launch in each country. Colleges have cottoned on that some supposed marketing agents are playing the field. They run sidelines organising exhibitions to siphon off their potential students to competitors. Research shows engagement must be online. The only better engagement is open days. Those are not practical for international recruitment unless colleges run virtual ones.

Relationship

Colleges have to buy a relationship. This can be a long term investment through international office with a foothold. Or they can use agents on the ground. Many colleges still say they are placing much of their hopes on alumni. Whilst most alumni say they would love to help, how many actually act as unpaid agents?

What works elsewhere?

The USA has found remote advertising does not work. You have to have a presence in the target country to make your own luck. China, being China, launched bilingual courses using translated Harvard manuals. Japan's 'lockdown' is an example of what happens when

you ban foreigners and don't have English. They banished themselves to the Asian market. European powerhouses push research specialities and recruit foreign staff, partly government funded.

What will happen to profitability?

Sterling case for a budget

The weak pound and continuing demand for overseas study justify a marketing budget. Colleges tend to spend at least £500 per international student. This is on top of running a marketing team of about one FTE per 400-700.

Price sensitivity



Mixed motives

Institutions know price is a sensitivity. But for countries like Sri Lanka the exchange rate and buying power means more. Their choice is not always between an expensive college and a cheap college. Sometimes it is between studying or not. For some the career plan is to stay in the UK for the best education, a new lifestyle and to honour their family. College reputation is sometimes low down on their priorities for the same reasons.

Holding your nerve

But colleges can flex scholarships around research from QS in Oct 2017. That work suggests that EU students are often ungrateful for UK value. One suspects because they got the home discount for nothing. Non-EU Europeans, Africans, Americans, Asians and Oceania see the UK as the best value. This is especially the case for mature students or for postgraduate courses. Slashing masters fees may not be necessary.

Could business courses be marked up?

Colleges could maintain profitability by emphasising return on investment. That could strengthen pricing. This is easiest done with business courses. There is plenty of evidence of enhanced earnings for those. Many institutions find their business faculty is profitable enough to subsidise others. Whatever the business model, it makes sense to prioritise business courses.

What is the way forward?

The deteriorating visa environment will pressurise price.

Universities should:

- Be realistic about what they are selling to whom,
- Open new emerging middle class markets,
- Customise collateral to each target country,
- Recruit students young,
- Offer packages of pre-session English, work placement and fast decisions,
- Sell with virtual tours and videos, beyond passive online presence and campaigns,
- Nurture potential applicants by asking what they want, then prove delivery,
- Ensure agents or admissions staff help transition to accommodation and bank account.

Top 10 Conclusions

1. Degree courses for international students, especially business masters, are a major opportunity. Advantages include English language, cosmopolitan environment, one year format and good living standard. The UK is also cheaper than USA, Canada or Australia. But Brexit threatens to rip out the EU market. The headwind also comes from lack of post study visas. There is the affordability struggle of the emerging middle class in Asia and Pacific. Plus dropouts by mature students not able to bring families. That is rather unfair given that 12% of UK mature students drop out.

2. Colleges must understand what students are buying. Sometimes it is research reputation or academic ranking. Other times it is an affordable qualification and/or immigration route. Such immigration tends to be for post study work. That is most popular with Indians. Progression (25% of cases) is more popular with Chinese. Other motives can include settlement, or overstaying in 2-3% of cases.

3. Institutions should avoid dumbing down entry requirements to plug the gap. That hits rankings and thus reputation. In turn it hurts marketability, and risks sponsorship status.

4. Universities should slash reliance on China and India. They are importing students. The UK is exporting higher education to them through new non-immigration paradigms. Universities need to open markets for energy, engineering, law, education and business. Targets include the middle east, sub Sahara and America. Business, engineering and law are the top three subjects for international students.

5. Recruiters ought to stretch the marketing lifecycle forward to students leaving school. Or at least early in undergraduates' college life. They can do this by deploying agents with contacts in overseas colleges. Agents can nurture potential applicants. They can establish what students want and prove delivery of it.

This is a tactic with two attractions. First it can pay off in the short term using agents with students ready to go. Second it is pay-by-results - compared to longer term channels. Plus other channels tend to need a marketing budget.

6. International offices will have to gain a deep understanding of source countries. They need to consider translating a per country web presence on their site. They must crowbar in placement to courses that used to be too short for them. They ought to turn English courses into an immigration or recruitment avenue. They could streamline applications to survive in a world of multi applications.

7. Optimised and tracked websites and social media campaigns are also a must have.

8. An alternative to sending academics abroad, like the USA has done, is to offer virtual tours of campus.

9. Try pipelines / portal / networks, but they only identify students already in the market.

10. Colleges could justify prices by reference to enhanced earning potential from business degrees. They can also highlight the ability to do a masters in one year. For example, a masters degree boosts earnings 40-50% in the UK. This will all need a marketing budget. That is something universities have assumed can be smaller than in other sectors.

What do we recommend?



We say the way forward is to penetrate pools of students overseas and put them in the market. A market of one. Your college. To this end we are telling HEIs to use well managed agents. **That lets colleges leapfrog the recruitment cycle to access students before they are in the market.** Colleges should simultaneously implement all applicable advice above so as to convert the students put into the funnel by agents and international office.

Contact

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