



Ten years ago, doing business in the language travel industry was very different. The proliferation of Internet technology has changed everything. Agents and schools correspond swiftly via email and schools often link their websites to those of their partner agencies.

As a result, booking processes and communication have become simple and more convenient, and at the same time, information is more readily available to consumers. Very often, a student's first port of call when researching an agency or school is the Internet.

What many agencies feared when the Internet became commonplace was not the competition posed by other agencies, but by the language schools themselves. The Internet has brought with it greater ease for clients to book directly via a school and there was widespread concern that an agent's role would be marginalised. So far, this has not happened, although business has become tougher, and many agencies and schools are still trying to devise fair and transparent agreements concerning direct bookings.

Some language schools stress that they are keen to involve agents in all student booking processes. One advocate of using agents is Kevin McNally, Principal of new school, Bloomsbury International, based in London, UK. He questions the cost-effectiveness of dealing with any direct bookings at a school. "I think schools



Internet and agents

Direct bookings in the language travel market are a contentious issue, as they mean that agents can lose out on commission. What efforts do schools make to protect agents' market share, and do direct bookings mean the end of agents? AMY BAKER reports.

really have to look at the cost of a direct student," he says. "Because a student can ask so many questions by email, if you look at the cost of staff time [in dealing with one booking], the cost-benefit relationship may not be as clear as it seems."

However, while some schools aim to encourage as much business as possible through agents, other schools have a different ethos. For example, Angela Starnes, Director of Olivet English Language School in Brighton, UK, says her school encourages direct student bookings. "The majority of our students enrol this way so it's very important to us," she explains. "Probably about 90 per cent enrol online. Mainly only 'off the street' bookings and others living locally enrol with paper."

The different attitudes of these two schools can be explained by school type. Those that deal with walk-in bookings and Internet bookings primarily do not consider agents as part of their marketing process. At other language centres, looking after agents is part of the personal philosophy of a school's management.

As a school manager, McNally prefers to work through agents and pay them for their in-market knowledge and time spent preparing students for their study experience. "A perfect relationship with an agent is when their student arrives in London and sees their stay here as all part of the same service," he explains. At Bloomsbury

International, details of all partner agencies are to be listed on the school's website, and students who apply directly will be advised about the benefits of working with local in-country agents.

Of course, there is a place for direct bookings, as no school has agreements with agencies in all countries. Through their websites, schools can attract bookings from all countries, not just those in which they market themselves. As Bruce Wilson, Coordinator of International Partnerships at Fanshawe College in London, Canada, reports, "The use of our online application [service] has expanded the number of countries from which students apply."

Trends in agent referral

In countries where agency use is commonplace, the general attitudes to agents and direct bookings vary. Some schools see agents as crucial, but also forecast an increase in direct bookings in the future as inevitable in a maturing market. Others refer students to agents only in certain countries, where there may be legislative or language difficulties experienced by those who apply by themselves.

This is the case at the Intensive English Language Institute at Flinders University in Adelaide, Australia, which accepts emailed applications although there is no web-based application service. Director, Bonnie Cothren, explains, "Generally, we only follow the





student's request. If they are having difficulty with the process or request the name of an agency we will send that. In some markets, we have special websites that refer the student to our local agent."

In New Zealand, Christine Leckie, Principal of Rotorua English Language Academy, stresses, "Our agents are the most important link between us and our students, and we do everything we can to safeguard their interests." But only certain nationalities applying directly are encouraged to book via a local agent. "China is the main country we [encourage agency use] in," relates Leckie. "If we get an Internet enquiry, we tell the student that it is quite difficult to manage all the paperwork without an agent. We suggest the name of one of our agents whom they can contact if they wish."

Many schools maintain that direct bookings are now a part of the travel industry that all parties must accept. As John Furness from the International Education Unit at Tafe Tasmania puts it, "If students are able to apply directly then our feeling is they deserve to do it for free [without paying the fees sometimes charged by agents], and in these cases we would be performing the function of an agent."

Guido Schillig, of Anglo Continental School of English in Bournemouth, UK, gives another reason why some students book directly. "It is much more appealing for the student if they can make a booking as soon as they have seen the course that they want to do

on our website," he says. "If we didn't offer this service, they could forget about [us] or just not get around to ever making an enquiry."

Efforts for agents

But in terms of maintaining agents in the distribution chain, Schillig's practice differs from many schools. He has allocated resources for tracking students who book via their website but who may have initially visited one of his agency's websites. "Rather than compete with our agents' own websites, we are developing a system whereby agents are given a code so we can track any student who visits... via one of our agents' sites," he says. "The student is tracked up to 180 days and if they book a course, the agent can sit back and wait for the commission payment to arrive."

In Spain, Jack Tolbert of the Escuela Internacional chain says that they have agreements with some agents who instruct their clients to enrol directly, and then send the list of student names to the school. He adds, "We do try to find out where students have learned

"I think a school with a good reputation will increase their direct bookings in the most popular markets because of word of mouth. However, there will always be business for agents who have real knowledge of the schools they represent and who take the time to [consider] student goals."

Bonnie Cothren, Flinders University, Australia

about us, to know as much as we can about where to focus our marketing, and do indeed honour our relationships with agents if that's where they found out about us."

Going one stage further, Dominion Language Schools in New Zealand, which has branches in Auckland and Christchurch, automatically sends a commission for any direct bookings from a particular country to their agencies in that country which only represent Dominion by name in their publicity materials. John Langdon at the school explains, "The aim [of the initiative] is to encourage agents to represent only us [in New Zealand], and to represent only us by *name*. This is a marketing device."

It is an unusual payment system, based on research undertaken by *Language Travel Magazine*, and yet it does deter agents from doing the one thing that some have felt forced into doing to counteract the threat of direct bookings: representing schools anonymously.

Ana Carreño of Globus agency in Spain is one such agent. She relates, "We have noticed that there is an increasing number of people who come for advice and after that never come again. I personally think that many of them decide to enrol directly afterwards." Because of this trend, Globus now only provides the school's name and more in-depth information about a course and school once students have signed up. "If [the student] comes back [to book], it is because they wish for the personal attention and full service of Globus," reflects Carreño.

As Damien Renaux of Bordeaux Language Studies in France points out, more and more students are comfortable using the Internet to buy goods and services, so direct booking is likely to increase in the international education sector too. But the industry direction from here hinges on whether schools see value in maintaining their links with agents or not, and whether clients – students and parents – see the value in an agency's counselling services.

This is certainly the case in some countries, because visa legislation may be unwieldy and complicated, or because tradition dictates

Who is likely to book online?

There is no such thing as a typical percentage of direct bookings at a school, as this will depend on a school's attitude towards agents, the type of courses it offers and its student nationality profile. However, schools report that certain nationalities are more comfortable with booking directly. Jack Tolbert at Escuela Internacional – where around 45 per cent of bookings come in online – says, "Students from some countries, like the USA, seem to have no problem contacting us and handling everything via the Internet and email."

Damien Renaux at BLS in France adds that in his experience, students from "North

America, Scandinavia, the UK and mainland Europe" tend to be Internet-friendly. Cindy Leckie at Hagley Community College in Christchurch, New Zealand says their 30 per cent of direct students are predominantly from Asia and Germany, while May Liang at Active Institute in Auckland comments that of the five per cent of direct students they receive, "most are from Japan and Taiwan".

Janelle Dawson at the University of Sydney's Centre for English Teaching in Australia makes the point that students from countries which have more complicated visa requirements inevitably favour agent usage. "[For students from

visa] level 1 and 2 [countries], it's easy for them to apply online," she says. "Students from level 3, 4 and 5 normally use an agent."

Nelson Chen at ChinaElite International Consultancy in China observes that postgraduate students are more likely to consider booking directly, while at Anglo-Continental in the UK, Guido Schillig estimates that six per cent of his clientele books online. "Students from certain countries, such as Japan, always book via agents," he says. "We find that students who tend to book online are from countries where we have few or no agents."



that parents and students feel happier booking in their native language. Paola Moreno Krohne, Director of Easy Go International Students Agency in Colombia, relates, "In this country, the student always looks for guidance through an agency." And Nelson Chen of ChinaElite International Consultancy in China says, "In China, the visa is so difficult to get that students without agent involvement usually have a lower success rate."

A win-win situation for schools is when they accept direct bookings online but reassure their partner agents that student enquiries are directed to their agency where possible, ensuring agents are happy to promote their institution by name and enhance their global reputation. Schools that make even more effort to identify agency clients will be those that agents are most keen to work with.

Many agents feel the situation has not adequately progressed along these lines, although some industry leaders are setting the

standard. Carreño says, "I think it is good for both parties to reach an agreement, as clients get all the necessary advice and are tested before leaving [if recruited by an agency]. Agents are still very important to schools and organisations abroad. We provide them with an important part of their business, so I suppose they will be happy to make an effort and do something about it."

Patrick Mueller of Study Global, which has agencies in Germany, Spain and New Zealand, says in his experience, it is easy to tell if a student goes directly, because they will suddenly go quiet after asking many detailed questions. "If we have reasons to assume that they are booking directly, we will contact the school and give them their names. Then the school usually tells us and grants us the commission," he says.

Other agents relate similar experiences, and Nick Gibbons of Castle's agency in Switzerland adds, "If we have a good relationship with a school, and they suspect that the client could be one of ours, they will then contact us and find out." Mueller underlines that in the competitive marketplace, where direct booking is possible, it is preferable for an agency to work with the school's net price. "If the student gets all the consultation he needs and the same prices, why should he go and book directly?"

Price issues

However, not all agents say they are able to work with the brochure prices, relying on commission only as payment. In Italy, Paolo Barilari of I Centri agency suggests, "What if all schools would offer commission on accommodation and discount the enrolment fee, ▶



when a booking comes from an agent? This would allow the agent to sell the school at the public walk-in price and to be competitive, offering all the specialised services an agent can provide.”

Pascal Carré, Manager of Languages & Travel – IDP Education Australia, in France and Belgium, is sceptical that any school would make such an effort. “Let us be realistic: it is not in the interests of the schools to cut their margin if they can avoid doing so,” he argues.

Carré says he became an IDP representative because he was tired of the “master-slave” relationship with some schools. “I stopped asking schools if I could represent them. I am now trying to work the other way around,” he says. “At least, with [IDP], there is a nine-page contract which sets the rules of the game. In many markets, universities and schools just cannot do without IDP.”

But some schools say they are making as much effort for agencies as they believe they can, with attractive terms for their partner

agents and added incentives. Those schools that invest time and resources into the payment and student referral models that they use will be sought out by quality agents as preferred partners.

In turn, agents need to build on the inherent value of the organisation, counselling and orientation services that they provide to students. Gibbons underlines that it is up to agencies to stress the considerable benefits that agents can offer students during the enrolment process. “We try and point out that, should something go

“Direct booking and the agent’s booking takes the same time, but the agent provides the best way to arrange all the [extra] details at the time, such as flights, visa and housing arrangements. The details are more important than just sending the acceptance letter.”

Necdet Bilgen, Biltur, Turkey

wrong with their stay, a client’s chances of being able to do something about it are greater if they have booked through an agency,” he says.

Many schools acknowledge that agents will remain central to the marketplace, although most also see direct bookings as a growth area. Tolbert in Spain says that while his school must cater for “independent, computer-savvy” clients, it is important to note that students are faced with “more options for schools, courses and destinations”. He sums up, “The advice of serious, credible agents will be completely worthwhile and I believe to a student’s advantage to consult, to make sure they get what they really want out of a study abroad experience. Therefore, agents will surely remain an essential part of the business.” □