

By the middle of 2001, many language travel agents and schools around the world were reporting strong student enrolments. However, the terrorist attacks in the USA in September rocked the foundations of the industry, with many schools experiencing cancellations in the initial weeks after the events, as consumer confidence in travel plummeted. AMY BAKER looks back over an eventful year.



The first part of the year 2001 was better than expected for many in the language travel industry, given the ominous threat of a worldwide recession and incidents, such as the outbreak of foot-and-mouth disease in the UK, hanging over the market. However, the terrorist attacks in the USA in September 2001 initially stopped the market in its tracks, impacting not only on international students in the USA, but also on language learning markets in many other countries. Tourists and students were cautious of travelling, and national governments started to look at tightening security measures for international visitors to enter their countries.

One valuable lesson that has been learnt by schools and agents in the past is that, particularly in times of trouble, it is vital that everyone works together. Testament to the value and success of collaboration between schools and agents are the achievements of the Association of Language Travel Organisations (Alto). Using its unique status as an

association for both buyers and sellers of language travel products, it has tackled many contentious issues in the market by publishing clear working guidelines between both parties, and nurturing mutual respect and understanding. This year, it has looked into issues such as commission on accommodation, Internet sales and comparable global statistics for the language travel industry (see page 12). An example of collaboration that should enhance the quality of the industry in Europe has been the formation of a working party of language teaching institutions and agencies to establish quality guidelines, known as norms, relating to all aspects of a travel trip. It is estimated that they could be in place within three years (see *Language Travel Magazine*, October, pages 12-13).

In 2001, the foundations were also laid for closer collaboration of individual agencies within national markets and international collaboration between industry associations themselves. A host of new associations were formed as agents decided to work



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"A change for this year [is that] a lot of Brazilian students went to Australia – we sent most of [our] students for English language there. We used to [send] more to Canada and the USA, but this year Australia was our biggest market. The number of enquiries for the USA went down a bit, not just because of the [issue of safety] there but also because since the [terrorist] attacks the exchange rate for the US dollar went up incredibly [compared to the real]. We now have more long-term students for language programmes. They want to work up their language skills, not just go on vacation."

July Freitas, AF Programas Culturais, Brazil

together to further the reputation of their domestic industry and benefit from marketing en masse. New associations sprung up in Belgium, Colombia, Turkey and Italy, while steps were taken to establish associations in Poland and Russia (see *Language Travel Magazine*, November, pages 26-30).

As agents were gearing up to work together to grow the industry, language school associations were making efforts to help them, with many organisations keen to stress their agent initiatives this year. "Our marketing focus is primarily towards agents... Recent developments have been the upgrading of the Ialc website to include more information for agents and a recommendation to students to use agents," said Ialc President, Sonia di Centa. At Baselt in the UK, Chair-

person, Paul Menniss, explained, "We have developed joint marketing initiatives with agents to raise our profile in specific markets" (see *Language Travel Magazine*, October, pages 26-30).

New Zealand is a good example of a market that aims to work closely with agents. Its new marketing brand has been launched in collaboration with agents, who are being sent brand materials and videos as part of the promotion (see page 7). In addition, inbound fam trips, organised by Education New Zealand for groups of agents from Korea, China, Taiwan and Brazil, typified the proactive approach towards working with agents that has been adopted by many school associations around the world. In New Zealand, agents were able to meet education providers from all sectors of the education industry, including secondary and tertiary study opportunities (see *Language Travel Magazine*, September, pages 12-13).

The blurring of the borders between the language travel and mainstream education travel sectors has

Looking to the future

"It seems 2002 will be a crucial year which may well define the future of the agent in our industry," says Kevin Hickey of EIL Educational and Cultural Travel in Ireland. He may well be right, as there are many challenges ahead – as well as business opportunities.

The outlook is not entirely pessimistic, although the terrorist attacks on the USA in September sent tremors of gloomy anticipation through the industry. Agencies and schools braced themselves to see what impact the events, and their aftermath, would have on consumer confidence and air travel, and many revised their forecasts for 2002. "With strong gains in the first half of this year, [we] anticipated an even more prosperous year in 2002," reports Crystal Han, Marketing Director of Uhak.com/Munhwa Corporation in

Korea. "But in light of the terrorist attacks [in the USA], we believe that the largest and most popular destination, USA, will see a modest decrease in the number of students from Korea, which is not good news for agents like us, as we place almost 40 per cent of our clients in American institutions." On a more positive note, she adds, "On the other hand, the real serious students will plough forward with their study plans and we predict the length of bookings will go up from our standard norm of 16 to 24 weeks."

The World Tourism Organisation advised those in the travel industry to remain optimistic, indicating that the travel market was resilient, although people may revise their destination plans (see page 10). The experiences at CI-Central de Intercâmbio agency in Brazil

confirm this. "After the terrorist attacks in the USA we [saw] quite a few clients cancelling or postponing their trips and a decrease in enquiries for future travels," says CI Director, Luciana Sampaio. "We believe that the [initial] fear of travelling will be overcome. Some people might choose other destinations rather than the USA but they will keep on travelling, especially for educational purposes."

Many agents agree, pointing to Australia and New Zealand as destinations that could win market share in the current climate. "I expect that the USA and Canada might attract fewer students, who [will] look for safer and quieter destinations [such as] Australia, New Zealand and Ireland," says Karel Klusak of Intact agency in the Czech Republic. He adds, "Air travel will be

accompanied by more suspense and fear than ever before, at least in 2002."

Ophelia Ho at the Hong Kong Productivity Council in Hong Kong believes that younger clients will be less likely to travel as a result. "Parents will be less willing to send their children abroad," she says. While there will undoubtedly be a clear impact on the industry, Klusak argues that the value of using agencies may now be more evident.

"Many students will cancel their study plans in the USA," he forecasts. "I remember that at the time of the Gulf War, the industry was in crisis and schools started looking at new markets more eagerly. This could be good for agents since some schools might realise that productive agents are a source of stable business, compared with direct bookings."

Direct bookings were also identified by agencies as a potential threat in the coming year, as well as international Internet agencies "which will attack national markets and try to take business", says Klusak. Hickey in Ireland says agents need to work harder to make students realise the benefits of booking through them rather than the Internet. "We must better define the added value that we can offer."

In Russia, however, agents are confident that direct bookings will not be a threat. Mikhail Koudriavtsev, Director of Study Flight agency in Russia, says, "Education and language programmes are a more complicated product than just a room in a hotel. Investing money in education, [clients] have to think twice before making a decision. This is the thing our clients understand."

been another clear characteristic of the market, as education institutions and national governments around the world realise the importance of promoting the education opportunities in their country as a whole. This is largely in response to the growing student demand for further education overseas, a trend relatively resilient to economic pressures.

For example, despite a deepening economic recession in Japan and Brazil, language travel students in both countries, although still extremely price conscious, were interested in longer-term courses for education or career purposes (see *Language Travel Magazine*, July, page 6).

Agents have also been quick to respond to the market need for information about mainstream education. Izabella Lauterpakht, who is setting up the new agent association in Russia, explained that the group would focus on lifetime career planning and group together "experts in education consultancy" (see *Language Travel Magazine*, November, page 13).

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"Because of the problems [we had] with the foot-and-mouth [outbreak in the UK], and the value of the UK pound, until May, everything was very, very [quiet]. At the end of May, students [started booking] and this caused a lot of problems in organisation, everything was last minute. There was a contraction in sales for US destinations in the month of September, probably due to the [terrorist] attacks there. But this only affected European destinations a bit. We still continued to receive bookings and sales [for courses in] European countries, which makes us confident about the future."

Mauricio Castriste, CTS Viaggi, Italy

As well as being able to counsel their students on their most suitable education options, agents are also vital in passing on to their clients accurate and up-to-date information about news and events in their prospective study destination. For the UK English language teaching industry, agents helped avert a potential disaster, fanned by inaccurate reports in the international consumer press about the outbreak of foot-and-mouth disease at the beginning of this year. Erroneous reports linked the animal disease to mad cow disease, causing many students to reconsider a stay in the UK (see *Language Travel Magazine*, June, pages 6-7). Some schools were badly affected, but bookings rallied later in the year, and most reported a relatively healthy summer season. In fact, the strength



Tatyana Khromchenko from Takt and Partners agrees. "I think Russians like to work with real specialists, not with the Internet," she says.

Other issues agents feel are of concern are often exclusive to their local market. Koudriavtsev says that 2002 will bring with it the need for acute decision-making in Russia. "Every year brings us new exhibitions, magazines or web projects. And not all of them are effective and rewarding," he says. "In 2002, we have to choose [our marketing media] more carefully." In Latvia, Juris Tuns, Director of Mecenats, the Centre of International Education, reports that it is becoming more difficult to sell "pure" language programmes. "Students from Eastern Europe are looking for cheap programmes that allow them to work during their studies," he says,

pointing to some successful collaborations with schools in the UK and Australia.

Margot Haldenby, Programme Director at Languages Plus/Abroad in Canada, says that good school relationships will be important in the year ahead. One problem she wants to work on is a lack of communication between schools and agents. "This leads to the students receiving incorrect information from their agent regarding the actual product," she explains.

In China, Rick Kelly, of Maverick Consulting Group, says their problems lie, unsurprisingly, in visa issuance. "Being in China, we are faced with different concerns from other countries," he says. "We do not have a problem, as yet, of students [booking] directly with a school. For us, [the Internet] is helpful as

students themselves [can] look up a school or country."

Hickey points out that in Europe, agencies need to deal with the implications of the new Euro currency from January 2002. In Taiwan, Brian Hockertz of Oh! Canada Education and Business Consulting Centre, says that Taiwan's entry into the World Trade Organisation in 2002 will mean opening up the local agency market to foreign schools and recruiting agencies. "Local agencies will have the challenge of maintaining their market share in light of more competition."

Overall, agents seem determined to ensure success next year. However, for many, there is some uncertainty about what 2002 holds. Violeta Fort de Hoefken, of VHF Servicios in Peru, says, "We must wait and see and cross our fingers to find a solution." □

Travel year

The year 2001 was one of opportunity for air travellers, although travel agents felt the squeeze this year, as online booking sites promised hard-to-beat deals and many travel agent associations fought to help their members maintain market share.

It was also a difficult year for airlines, as the events of September 11 had major ramifications for the travel industry. Tighter safety procedures were ushered in as airlines sought to restore public confidence in air travel. But many airlines were forced to axe some of their services and make sweeping redundancies as they battled against the threat of collapse owing to the ban on flights to the USA in the immediate aftermath of the attacks (see page 10). Swiss Air was the first to fall as a result of the US events (see pages 10-11).

Prior to this, trends pointed to a liberalisation of air policy between countries and greater access and services for the passenger.

In February, we reported an historic open skies deal between five countries – Chile, Brunei, the USA, New Zealand and Singapore – which paved the way for unrestricted air services between each country. "We are beginning to move... into the international aviation environment of the 21st century," said the US Transportation Secretary at the time (see *Language Travel Magazine*, February, page 10). Later on in the year, the USA kept to its word, signing an open skies deal with Poland (see *Language Travel Magazine* September, page 11), lifting restrictions on air travel to Cuba (see *Language Travel Magazine*, October, page 11) and opening up the US-



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"First of all, most students wanted more intensive programmes and they were very demanding as far as accommodation is concerned – more demanding than they used to be, which is difficult, because the level of host family accommodation, especially in big cities, is becoming worse and it's more difficult to find good accommodation now. The expectation of the student is much higher than it used to be [which is] quite a problem for an agent. Also, the students go for longer periods to study: they used to go for two weeks, they now go for four to six weeks."

Izabella Lauterpakht, System 3 Language and Comm. School, Russia

of the pound sterling was a more long-term problem, as school sources in the UK admitted.

The UK's neighbour, Ireland, benefited again from its comparative price advantage and from a new change in the law that now allows all students to work part-time in the country (see *Language Travel Magazine*, June, page 6). One Irish provider forecast that the new regulations would help bring more students to Ireland, especially from Russia and Eastern Europe.

In other countries, visa restrictions continued to present serious impediments to market growth. And with the September events in the USA highlighting gaps in national security around the world, many countries were looking to tighten their visa regulations in the latter half of the year. Indeed, Nafsa, Associa-

tion of International Educators, and the Immigration and Naturalisation Service (INS) in the USA had for some time been grappling with the Student and Exchange Visitor Programme (SEVP), which is a web-based tracking system that would allow the government to monitor international students. Nafsa had originally resisted its introduction, but it reneged on its stance after the attacks (see page 6). The SEVP may encourage students back to the USA, as it may aid perceptions about safety in the country. However, it may also act as a disincentive to some students as they are likely to have to pay an additional US\$100 before applying for a visa.

The Canadian language travel industry continued to labour under its tight visa regulations, with many language schools singling out visa issuance problems as a significant impediment to growth. "If there were fewer visa barriers... there would be growth in the Canadian market of between 15 and 25 per cent," claimed one language school director (see page 21).

Vietnam route by granting three carriers the right to fly to the country (see *Language Travel Magazine*, November, page 11).

In Japan, efforts were also made to improve air services for passengers. Aviation talks held between Japan and Germany resulted in an agreed increase in flights between Tokyo and Frankfurt, although there was concern that the new runway being built at Tokyo's Narita Airport still would not have enough capacity to meet demand (see *Language Travel Magazine*, March, page 10). Elsewhere in Asia, new airports or extensions were also being constructed. Incheon International Airport was opened near Seoul, Korea, which has capacity for 100 million passengers annually. In China's central province of Henan, Xinzheng Airport in Zhengzhou began its first full year of operation

this year, while Vietnam was considering building a second terminal at its international airport in Ho Chi Minh City.

In contrast, some airports in Australia were reported to be losing business, as airlines announced their intentions to stop or re-direct services. However, when Qantas said it wanted to re-route its Perth service from Tokyo via Sydney, outcry from the industry forced it to renege on its decision (see *Language Travel Magazine*, September, page 10). In Cairns, Garuda Indonesia and Singapore Airlines both axed services to the city's airport, although Qantas announced later in the year a new Cairns service from Osaka in Japan.

2001 was generally a troubled year for Australia's air industry. Ansett Australia collapsed in the latter half of the year, leaving just Qantas

and low-cost carrier Virgin Blue competing in the marketplace. Despite subsequent worries about Qantas' market dominance, the carrier had its own problems earlier in the year, which led to route cuts and job losses. Industry analysts identified the cause of the problem as "the most difficult conditions for 10 years – rising fuel costs, a weak currency and [strong] competition in the domestic marketplace" (see *Language Travel Magazine*, May, page 10). Later in the year, Qantas swallowed up one of its competitors, the low-cost carrier Impulse Airlines (see *Language Travel Magazine*, July, page 11).

Unlike Impulse, Australia's other low-cost airline, Virgin Blue, had a good year and stood its ground against buy-out threats, announcing expansion plans later in the year (see page 11). Indeed,

low-cost operators around the world had a successful year in fact. Ryanair and EasyJet in Europe were bullish that they would be resilient to a worldwide scare about air travel, as they relied on direct short-haul flights and were able to drop their prices to attract passengers. Ryanair set up in Belgium, offering seven European routes at competitive fares – a move which was welcomed by agents in the country. And in Brazil, a no-frills carrier, called Gol Transportes Aereos, was launched.

Low-cost airlines may be good for the consumer, providing a cheaper alternative for those who do not want to pay for added service, but they represent a trend in the market to choose cost savings over service. As commission rates for travel agents crumbled around the world

and booking portals owned by groups of airlines were set up in Australia, Europe and the USA, travel agencies feared for their future and talked of charging service fees. However, in the USA, there was one unexpected outcome resulting from the disruption after September 11. Air passengers were reported to be realising the value of travel agents, as they tried to rearrange their flights and found the Internet of no help.

Meanwhile, language travel agents and consultants remained bullish of their advantage over the Internet. "Agencies such as mine give clients more than just inexpensive airline tickets," commented Carole Brow of Travel Experience in the USA. "We won't lose business [to an online portal] that can't provide the personalised service that our clients expect." □

Earlier in the year, Australia had introduced a tighter visa system – largely to curtail the trend towards visa overstays – which alarmed many language teaching providers, who feared that the new regulations would deter some students from applying to study in Australia. The new requirements include a high IELTS score to prove English language ability for certain nationalities, strict financial tests and a “no further stay” clause for English language students, which prevents them from applying for further or extended study once in the country (see *Language Travel Magazine*, September, pages 6-7).

Agents, particular those from countries rated as category four (the strictest criteria), were similarly disheartened about the new regulations. However, one

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“There were more Chinese who wanted to study abroad [in 2001] and there were more schools that wanted to recruit Chinese students, but it takes a long time for Chinese students to get the visa, which can cause problems. For example, in Ireland, I think it’s a nightmare for English language schools, because Chinese students [can] wait for eight months for the visa. So they don’t need to go to Ireland to learn English as, in eight months, they could learn English in China.”

Wilson Liu, Alliance Academia, China

agent in China (category four) said that the visa requirements for Chinese students applying to university are now more transparent and, therefore, easier to fulfil, despite students now needing an IELTS score of 5.0 prior to taking an English course in Australia.

This must have been welcome news for part of the Australian industry, at least. China was the country on everybody’s lips again this year, as an exponential growth in demand for study abroad led to a surge of Chinese students seeking education opportunities



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"It's been a very good year. We've sent a lot more people than last year, and all areas of our business are expanding; language courses around the world and also work-study programmes. We've sent [fewer people to England] this year, because the foot-and-mouth [outbreak]... and also the high pound [has] made England less attractive. But we're now working with a major bank to offer our language courses [in] 12 instalments interest-free, to try and counteract the effect of the high pound, which I think next year will hopefully mean we'll send more people to England."

Tony Gamble, Eurobridge International, Spain

overseas. China was the number-one student provider country for mainstream education in both Australia and New Zealand. Good growth from China in New Zealand was largely attributed to a change in immigration policy towards the country (see *Language Travel Magazine*, October, pages 36-37). The Chinese desire for further education overseas also led to Germany's rise in popularity as a study destination, as there are no tuition fees for German universities (see *Language Travel Magazine*, August, pages 33-36).

Looking back, 2001 serves as a positive reminder that the industry can work together well, particularly in the face of adversity. Whatever 2002 brings – and there are various challenges ahead (see pages 26-27) – all sectors of the international education industry need to continue to work in harmony, and in innovative ways, to help further international exchange and understanding in the 21st century.

As Luciana Sampaio, Director of Central de Intercâmbio agency in Brazil, concludes, "The education travel industry has always played an important role in bringing different people together and helping people of different cultures to interact and better understand each other. Now, more than ever, we must focus on this and make it clear to our customers." □