

US moving on?

As competition in the US English language teaching market stiffens, more state-sector intensive English programmes are turning to agents. However, there are a number of institutions that still do not offer agencies a commission, preferring them to charge service fees instead. GILLIAN EVANS reports.

While private language schools the world over have a long and successful tradition of working with agents, or third party recruiters as they are sometimes referred to, language providers in the US state-sector have often dragged their heels. And this reluctance is still evident today. Although Fulton Montgomery Community College in New York State has a 50 per cent agency enrolment rate, Arlene Spencer at the college says, in general, using agents "is still not something people feel comfortable with".

Compare this with the view of a private intensive English programme (IEP) and there is clearly a gulf in opinion. Kelly Franklin, Director of International Services at Maryville College, which has a private IEP, lists some of the benefits of using agents. "First, a boost of 10 to 20 per cent in enrolments would be vital for any programme, especially in the 'down' market we are currently experiencing. Second, [agents] help spread the name of our school and they can help us with logistics and travel arrangements when we visit their countries. Also, in recent years, the other main method of recruiting, attending student fairs held in large cities, has become quite expensive."

Despite the arguments in favour of working with agents, many state institutions' anti-agency policy has existed for so many years that no one has considered reviewing it. At Snow College in Utah, Director of the International Center, Diane Ogden, says that their policy not to use agents has been in place for over 20 years. "I can't imagine Snow College agreeing to pay someone a commission for sending students to us," she says.

However, there are opportunities for agents to establish relationships with such institutions, even those that don't pay commission. Ogden acknowledges that despite the college policy, "if agents charge the students [a booking fee] at the outset, we have no problem with that". She continues, "We are happy to work with agencies in that manner, we just cannot pay a kickback [payment] to the agent."

Brad Van Den Elzen, Recruitment Coordinator at the American Language Program at Ohio State University (OSU), similarly doesn't offer agencies a commission or have contractual agreements with them, but he points out that OSU works with agencies that charge students for placement services, while the student enrolls directly as usual. "Basically, we cannot

make deals with agencies that involve misrepresenting our tuition, ie increasing the [price]," he explains. "Nor can agents charge an applicant directly for our tuition."

This represents an avenue for agencies to explore, although some say that in the current market climate, it is uncompetitive to charge a placement fee and more productive to work with commission-paying schools (see box).

In the meantime, other US institutions are waking up to the idea of paying commission and increasing enrolments. Laura Latulippe, at the IEP at Western Michigan University, reports that they started using agents a year and a half ago, and last year, around 10 per cent of students were recruited directly by agencies. In addition, the state-sector IEP association, UCIEP, launched its first agent strategy in its 35-year history last year (see *Language Travel Magazine*, July 2002, page 9).

Walt King, from Arkansas State University, says, "We feel the climate is changing." According to King, the tough market conditions have caused many to re-evaluate their agent policy. "Our enrolments have dropped [since September 11, 2001], and comparing our recruiting procedures with other schools like ours, we find that we are one of the only ones which is not using agents," he says.

It is high time for such action, as Franklin points out. "It's a competitive market," he warns. "[IEPs at state institutions] have to compete with private university programmes such as ours and with proprietary schools."

What the agents say

Most agents work with private intensive English programmes (IEPs) at universities and proprietary language schools in the USA because they receive a commission. This is not, they are quick to point out, to make a fast buck, but so they are able to run a quality business.

According to Yongwoo Kim, of well-established Korean agency, *Uhak.com*, Korean agents used to charge students a service fee but the "cut-throat competition" in the agency market forced them to reduce their fee or abolish it completely. Therefore, they rely on the commission they receive from language programmes. As there are thousands of quality language programmes around the world, agents can cherry-pick the best of those that offer them a fair commission, continues Kim. "Some schools think offering a commission is nothing more than a squandering of their budget," he points out, "but a more careful look will show the opposite is true. There



is an old saying: you must spend money to make money."

There are signs that the tide is turning in the US market, according to agencies. Albert Lee, of the Taiwan Overseas Study Association (Tosa), reports that, in his experience, "language centres of the state universities and colleges, with a few exceptions, are paying commission to agents". He also adds, "Less well-known private universities and colleges will even extend their commission offer to the first year of under- and postgraduate courses."

"The US has become more agent friendly over the years," confirms Mansuk Bae, Director of KAMC in Korea, which sends about 80 per cent of clients to the USA. "I believe that [US universities] have come to realise that international students are an excellent source of revenue," he says.

The catalyst for change for some IEPs was September 11, 2001, because since the terrorist attacks that day, student preference for the USA as a study destination changed. Destinations such as Australia and New Zealand, considered "safer" as an international destination, began winning bookings at the expense of the USA. Many IEPs found they had to fight harder to attract international students, and as a consequence, they stepped up their agent activities.

Jesus Vela, of Universitas Travel and Study in Mexico, says that after September 11, 2001, some US schools started sending them regular newsletters and increased their commission rates. Marianelly Nunez, of Travel & Learn in Chile, says that one university in particular has been in touch far more frequently. "Before September 2001, [one university we represent] wrote [to us] twice a year, and now we are almost bombarded by messages – at least one or two a month," she reports.