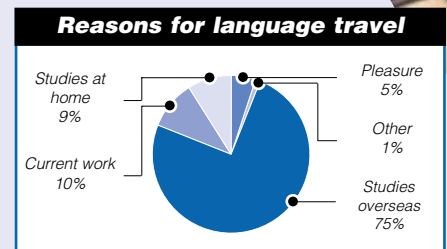
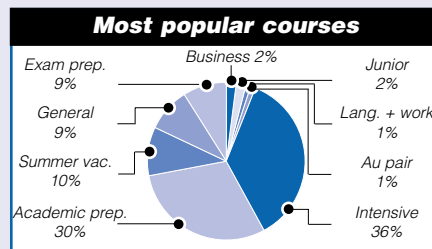
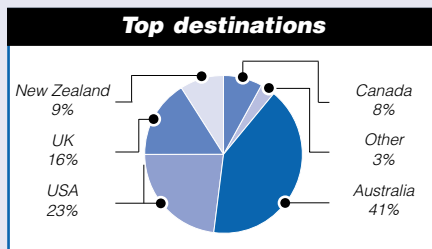


Thailand's hopes

Modest growth characterised the Thai language travel market in 2001 and many agencies are hopeful for 2002, believing that students will remain resolved to study abroad, despite global unrest and possible economic concerns.



The year 2000 was largely heralded by economists as the year that marked the end of the Thai financial crisis, which saw the flotation of the baht in 1997 and subsequent downward spiralling economy in 1998. But although 2001 has been a relatively healthy year for Thailand, political and economic uncertainty at the beginning of the year, followed by the wide-reaching consequences of the terrorist attacks on the USA in September 2001, depressed year-end economic growth. These factors also affected the language travel market, which experienced growth of just 11 per cent last year, compared with 26 per cent in 1999 (see *Language Travel Magazine*, December 2000, pages 16-17).

Nevertheless, only one agency reported a decrease, of 30 per cent, in student bookings, owing to the uncertainty in the Thai economy and the events in the USA. Sixty-seven per cent of respondents reported a growth in student bookings of between two and 30 per cent in 2001, mainly owing to a general increase in interest in language travel. One agency said its growing reputation in the market was boosting business, while another mentioned that they had changed their focus to Australia and New Zealand and had been successful in wooing the short-term language course market, which had all but disappeared after the economic crisis at the end of the 1990s.

Twenty per cent of agencies said that their student numbers had remained the same, and they attributed the stagnation in bookings to the fact that the Thai economy is still trying to build itself up. One agency also mentioned that many students were taking English language courses locally, in preparation for shorter study abroad trips.

Despite the interest in short language travel courses, the Thai market remains heavily concentrated in the academic prepa-

Key points

The total number of students placed in 2001 by the 10 agencies that took part in our survey was 1,462
Individual agencies placed between 20 and 500 students on language courses per year
Average growth of combined agency business in 2001 was 11 per cent
Commission rates from language schools ranged from 15 to 20 per cent, averaging out at 18 per cent
Sixty-seven per cent of agents said their clients were typically prepared to pay between US\$200 to US\$300 per week for a language course and accommodation
Eighty-three per cent of Thai students stayed with host families
Eight agents charged a handling fee of between US\$22 and US\$90
The number of countries represented by agencies ranged from three to 10
All of the agents that took part in our survey recognised the British Council, English Australia and Education New Zealand names

ration sector, with 75 per cent of clients wanting to learn a language for their studies overseas. Specific academic preparation programmes were the second most popular type of course, accounting for 30 per cent of bookings, after intensive programmes, which accounted for 36 per cent.

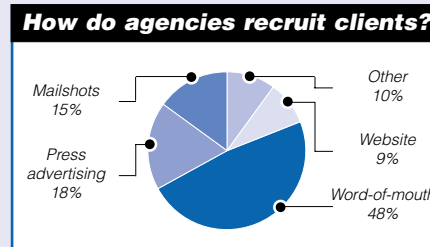
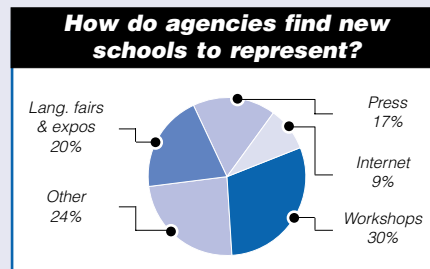
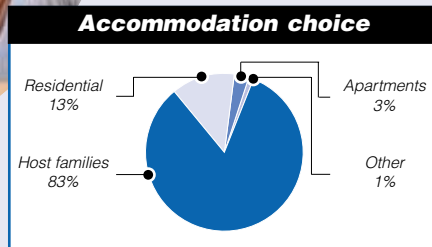
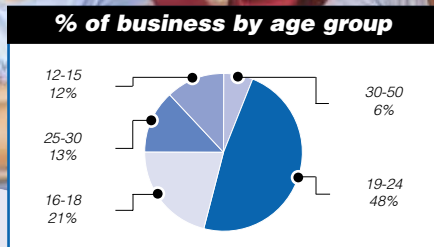
Logically, the largest proportion – 48 per cent – of agency clients were in the 19-to-24 year old age band. However, it is the 16-to-18 year old group which experienced the most growth last year, according to our survey results. It accounted for 21 per cent of bookings in 2001, compared with 12 per cent in 1999. One agency noted more demand for high school programmes in the USA and Australia.

Owing to the academic emphasis in the Thai market, it follows that English is overwhelmingly the most popular language choice for agency clients, accounting for over 90 per cent of bookings. The only other languages mentioned by our respondents were French and German. In terms of destination, Australia was the number-one choice of the Thai market, with 41 per cent of

agency clients choosing to study there. Its popularity may well increase in the coming year, as second-placed USA, with 23 per cent of bookings, finds itself losing out owing to concerns over safety in the country – a trend which some agents noted in the last few months of 2001.

Because of the importance of the English language in the Thai market, the number of different countries represented by each agency ranged from just two to 10, although between them, our respondents represented a total of 621 language schools, an increase of 34 per cent on five years ago. Ninety per cent of the agencies that took part in our survey dealt with both study and travel arrangements for their clients, and the same proportion also offered clients a visa service, for which there was no additional fee. Eight agencies charged their clients a handling fee, which ranged from US\$25 to US\$90.

We asked our respondents to estimate the percentage of clients who came to them with fixed ideas of where they wanted to study. Overall, 67 per cent clients already knew which country they wanted to study in,



PHOTOGRAPH: EUROCENTRES

Economic overview

- Forecasts for year-end 2001 put economic growth at 4.2%, a slight decrease on 2000's growth of 4.5%
- The worldwide economic slowdown is likely to impact Thailand negatively in 2002, as the USA and Japan are the two most important export countries for Thailand.
- The unemployment rate in Thailand in 2001 was 3.2%, down from 4.2% in 2000
- After a growth in private consumption of 4.5% in 2000, the growth rate is expected to drop to between 2.8% and 3.2% by the end of 2001.
- The fear of travel after the September 11 terrorist attacks in the USA and the subsequent military action and unrest elsewhere has led to a downturn in the tourism market. This is likely to have a serious effect on the incoming Thai market, which attracted 9,579 tourists in 2000, up by 10.7% on the previous year. By October 2001, analysts were forecasting a 30% drop in tourist arrivals by the end of 2001.
- The outgoing tourist market also fell in 2001. According to a report in the Bangkok Post in October, travel agencies reported that outbound travel from Thailand had dropped by 50% since September 11.

Sources: Bangkok Bank; Bangkok Post; Tourism Authority of Thailand; fit.com

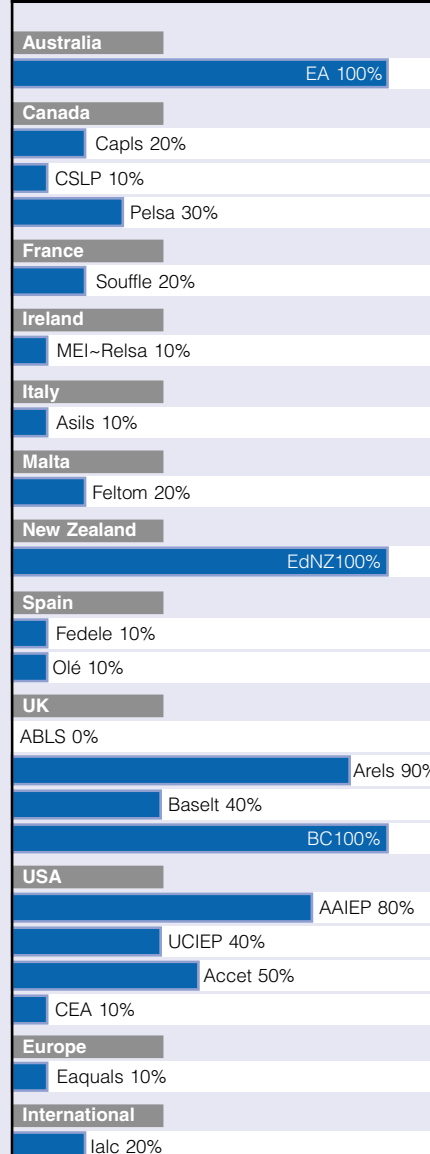
according to our agent respondents, while 33 per cent had a fixed idea of the city and 13 per cent knew the name of the school. After consultation with an agent, 22 per cent changed their mind about the country in which they wanted to study, 27 per cent chose a different city and 20 per cent chose a different school.

Agencies rely heavily on word-of-mouth recommendations for attracting students, with personal endorsement estimated to account for just under half of student recruitment. Press advertising was said to attract around 18 per cent of clients while mailshots accounted for 15 per cent. The Internet was low down the list, largely owing to the limited Internet access in the country. According to the *Far Eastern Economic Review*, only two per cent of Thais are currently online. However, the government has set itself the goal of making the Internet accessible to 10 million by 2004.

As in most markets in the world, the general outlook for the future of the Thai language travel market is uncertain. However, only one Thai agent said he expected a drop in business in 2002 as a direct result of the global unrest following September 11. Others mainly forecast a shift in destination choice away from the USA, with Australia and New Zealand being the likely beneficiaries. One source added that for those students who still wanted to study in the USA, a tightening of the visa regulations would make access into the country difficult. Other agents also mentioned increasing competition in the Thai agency market, and the need for devising new marketing strategies to stay ahead of the game.

Thank you to the following agencies for taking part in our survey: Education Express EGC; Elite International; Ideal Education Co Ltd; International Study and Travel Center; STA Travel Co, Ltd; Study Overseas Centre; Thai International Education; Trans World Education Ltd; Trendsetter; York Institute

Percentage of agents who recognised each of the following organisations



Agents named a range of language programmes that they worked with, including, in Australia: ACTH Management, Melbourne, VIC; Australian College of English, Sydney, NSW; ACL, Sydney, NSW; Aspect, Sydney, NSW; Deakin International, Malvern, VIC; Hawthorn English Language Centre, Melbourne, VIC; Holmes English Language Centre, Melbourne, VIC; La Trobe University, Melbourne, VIC; Nudgee International College, Brisbane, QLD; Shafston International College, Brisbane, QLD; Sydney College of English, Sydney, NSW; Tafe International Western Australia, Perth, WA; University of Western Australia, Perth, WA; Wollongong University College, Wollongong, NSW. **In Canada:** Canada Language Centre, Vancouver, BC; Canadian College of English Language, Vancouver, BC; Columbia College, Vancouver, BC. **In New Zealand:** Aspect ILA, Christchurch; AUT International House, Auckland; Auckland Language Centre, Auckland; Languages International, Auckland; Seafield School of English, Christchurch; University of Waikato, Waikato. **In the UK:** Cavendish College, London; English in Chester, Chester; Swandean School of English, Worthing. **In the USA:** American Language Academy, various; California State University, Long Beach, CA; Tacoma Community College, Tacoma, WA; University of California Riverside, Riverside, CA. **International:** Eurocentres; Language Studies International.