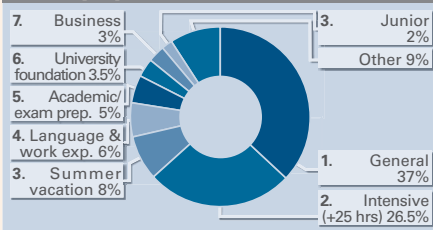


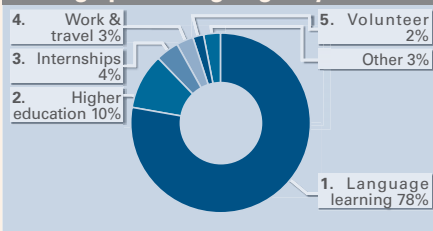
UK cautious

The UK study abroad industry is cautious, but agencies are thinking outside the box and relying on strong branding to see them through a recession.

Most popular courses



Average percentage agency business

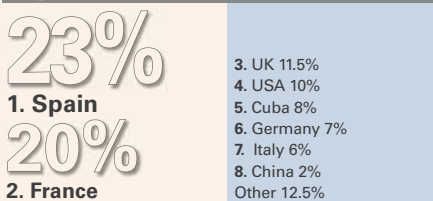


Economic overview

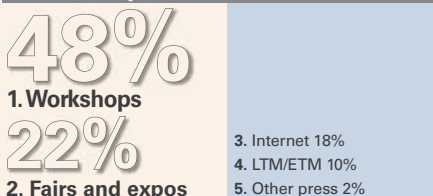
- The UK economy is in recession and expected to contract by one per cent in 2009, the first year of negative growth since 1992.
- The UK government nationalised two banks and bailed out three others with UK£37 billion (US\$59.3 billion) of taxpayers' money last year.
- House prices are expected to fall 10 per cent in 2009, deepening losses seen in 2008, and unemployment is expected to rise. And the value of the pound against the euro hit an all-time low last year. However, inflation is expected to fall, which will mean a drop in interest rates, leading economists to predict a short-lived recession may be likely.

Source: Reuters/Guardian.

Top destinations



How do agencies find new business partners?



Market growth

Of the six agencies that took part in this month's Agency Survey on the UK, two posted a negative growth in 2008, while growth across other agencies ranged from six to 35 per cent (average 10 per cent). Those three agencies with the best growth figures all worked with English language learning destinations too, however, illustrating that there is possibly more buoyancy in this particular language learning market. These companies have spread their wings to become a global agency working with clients in more than one country, it seems. Regarding UK clients travelling, the prognosis for the future is cautious – agencies generally indicated that slow growth was possible, but much depends on the economy. One agency predicted that clients would remain loyal to companies with strong brands and a good name.

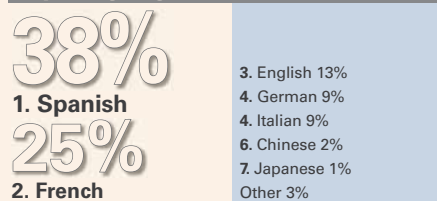
Language and destination trends

Spanish remains the most popular language to study abroad, as it was in our last survey of the UK market (see LTM, February 2006, pages 14-15), and Latin America and Cuba were cited as popular destinations, as well as Spain itself (in number-one position). French remains high up on the list but German and Italian were trailing English as a requested language. Indeed, one agency said that its English placements worldwide would expand much more rapidly than other languages. China made its first appearance in the league table, accounting for an average of two per cent of business.

Student and course trends

In our last survey, 36 per cent of clients were said to be studying for pleasure only, but there seems to have been a slight change here

Top languages



How do agencies recruit students?



Key points

- The total number of students placed by the six agencies in our survey was **3,113**
- Three of the agencies surveyed dealt with placements in **English-speaking** countries too
- Average business growth was **10 per cent**
- **Spain** was the most popular destination for British students, followed by France
- The average length of stay for outbound British students was **four weeks**
- **Language learning** was the mainstay of agency business, followed by higher education
- **No** agency charged clients a handling fee

in terms of motivations to go abroad. While most agencies only indicated general reasons for travel without percentage statistics, it seemed that work or study were the two chief explanations for a study trip. One agency told us that "life enhancing reasons" were predominant, although another indicated that language and activity holidays were also popular. Just looking at outbound British students, the average length of stay was four weeks, up slightly from the 2.8 weeks recorded previously, although this rose to 11 weeks if UK-bound business was included.

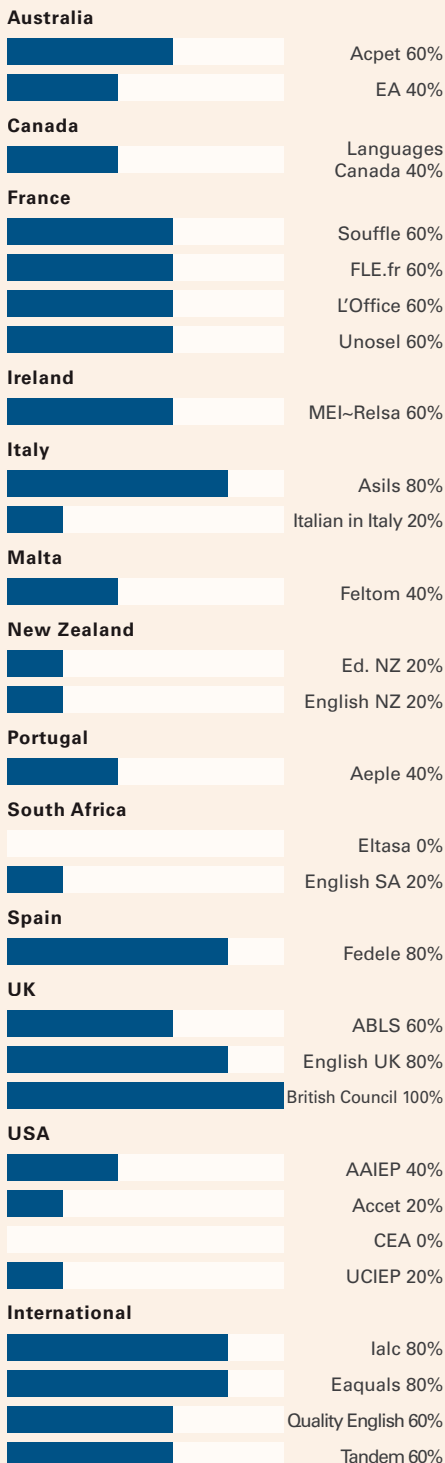
Agency business

Although there was interest in work-oriented language learning, work and travel programmes did not represent a significant business sector overall among UK businesses. Language learning programmes (including language and activity holidays) represented 78 per cent of overall business, while higher education placements accounted for a further 13 per cent of business. Agencies relied on word-of-mouth primarily to recruit clients, followed closely by their website and "other" mediums which included online marketing and email promotions. Agencies represented, on average, 79 schools in 21 countries, and worked with a good number of these partners in the last 12 months – typically, 60.

Looking ahead

Agencies are cognisant of the fact that it is a difficult operating environment, and one agency drew attention to the relatively high value of the pound sterling as a negative pressure in 2008. All agencies said slow growth would be the best possible outcome, although there was confidence that such an outcome can be obtained in 2009.

Percentage of agents who recognised each of the following organisations



UK agencies named a range of language programmes they work with, including, in Chile: Latin Immersion, Santiago. **In China:** JBC Centre (Tongji University International School), Shanghai. **In Cuba:** Caledonia Languages, Santiago de Cuba; Sprachcaffe, Havana. **In France:** Accord, Paris; Alpha B, Nice; BLS, various. **In Spain:** Escuela de Idiomas Nerja, Nerja; Estudio Sampere, various; Iria Flavia, Santiago de Compostela; Malaca Instituto, Malaga.

Thank you to the following agencies for taking part in our survey: Cactus Language, Caledonia Languages Abroad, CESA Languages Abroad, Global Training, Education & Consultancy Ltd., Lanacos UK, Red Dragon Languages Consultancy.

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