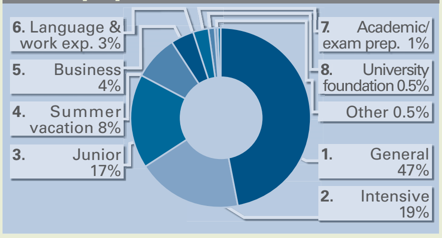
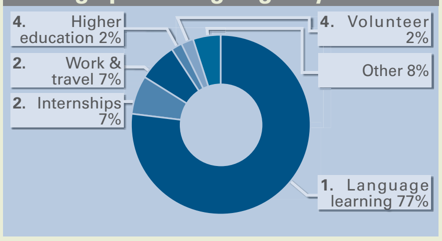
Spain sprinting

Business was booming in the outbound Spanish language travel market last year and although some sources predict a slow economy in 2008, help from the Spanish government is rumoured to be just around the corner.

Most popular courses



Average percentage agency business



Economic overview

- Experts forecast a sharp slowdown in domestic demand growth, which will reduce GDP growth from 3.8 per cent in 2007 to 1.9 per cent in 2008 and 2009.
- Unemployment rose by 53,000 in February, a month in which it usually falls, after a record rise of 132,378 in January 2008. Inflation should ease during 2008, from a high of 4.4 per cent in February, but an increase in most wages will keep the rate above the expected euro area average.
- GDP rose by a surprisingly strong 3.5 per cent in the final quarter of 2007, buoyed by relatively robust investment demand. However, most leading indicators appear to detect an economic slowdown.

Source: The Economist

Market growth

Spain certainly delivered in terms of outbound business growth last year and 13 out of the 15 agencies who took part in this month's survey reported that student weeks booked had increased significantly in a 12-month period. However, when looking at individual performances, growth was considerably varied, with one agent reporting an astonishing 800 per cent growth and another recording just a 10 per cent increase. Many agencies reasoned that the Spanish Ministry of Education and Science was largely responsible for the upturn following a decision to provide Spanish students with study grants. Barring the very high 800 per cent result, average business growth was 43 per cent, compared with 18.7 per cent the previous year (see LTM, April 2007, pages 16-17).

Language and destination trends

The UK topped the poll as the most popular language destination for Spanish students in 2007 – but was down 11 percentage points on our previous result. Other English-speaking destinations such as Ireland (up five to 19 per cent), Malta (up nine to 11 per cent) and the USA (up five to 10 per cent) are becoming increasingly popular among Spanish agency clientele. English remains the most popular language to learn, but Italian retains its standing as the second-most popular language, securing a 10 per cent share of the outgoing market. However, it should be noted that one agency caters solely for the Italian language learning market.

Student and course trends

Short-term study is a constant trend in the Spanish study abroad market. Average length of stay dipped to just three weeks in this survey, compared with six weeks in 2006 and 3.3 weeks in 2005. General language programmes, less than 25 hours of tuition per week, also account for the mainstay of the market, with almost half – 47 per cent – of students requesting this type of programme, according to our agency respondents. Many indicated that their clients were studying another language for future work purposes while an estimated 24 per cent of agency clients were studying for further academic studies at home.

Key points

- The total number of students placed by the 15 agencies in our survey was **9,669**
- Individual agencies placed between **90 and 4,800 students** on courses per year
- Average business growth was **43 per cent** in the last 12 months, exlcuding one figure of 800 per cent growth
- The average length of stay for Spanish students was **three weeks**
- Overall, just **38 per cent** of Spanish students stayed in host family accommodation when studying overseas
- Seven agencies charged their clients a handling fee of between **€60** and **€150**
- On average, agencies worked with **21 schools in seven countries** in the last 12 months

Agency business

Agents reported that more than one-third (37 per cent) of agency clientele were recruited via word-of-mouth recommendations, down slightly on the 46 per cent recorded last year. Meanwhile, the second-most effective way to attract new students was reported to be via an agency website (31 per cent). The Internet also proved a productive way to reach new business partners with 44 per cent of all new business relationships stemming from this source. Language programmes accounted for a majority of course bookings – namely 77 per cent, compared with 74 per cent last year, however, internships and working holidays are both small but significant sectors, accounting for seven per cent of agency business each.

Looking ahead

Many agencies forecast growth again for 2008, with the Spanish government helping again to grow student numbers by offering grants. However, one agency anticipates that grants will be limited in 2009. Several agencies also commented that an economic downturn could well impede market growth.

Top destinations

32%
1. UK
19%
2. Ireland

3. Malta 11%
3. Italy 11%
5. USA 10%
6. Canada 3%
6. France 3%
8. Germany 2%
9. Australia 1%
9. Belgium 1%
Other 7%

Reasons for language travel

35%
1. Future work
24%
2. Studies at home

3. Pleasure 19%
4. Current work 18%
5. Studies overseas 3%
Other 1%

How do agencies find new schools to represent?

44%
1. Internet
37%
2. Workshops

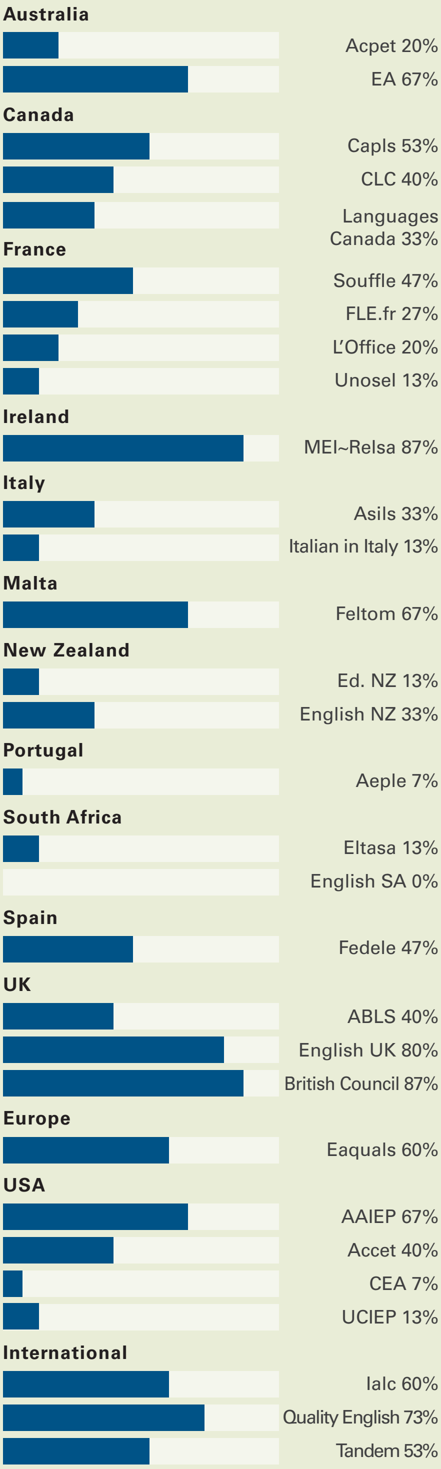
3. Fairs & expos 12%
4. LTM/ETM 4%
Other 3%

How do agencies recruit students?

37%
1. Word of mouth
31%
2. Website

3. Mail shots 12%
4. Advertising in press 3%
5. Seminars to students 0.5%
6. Advertising on TV/radio 0.5%
Other 16%

Percentage of agents who recognised each of the following organisations



Spanish agents named a range of language programmes they work with, including, in Ireland: Centre of English Studies, Dublin; Cork Language Centre International, Cork; Emerald Cultural Institute, Dublin; English in Dublin, Dublin; Galway Cultural Institute, Galway; Limerick University, Limerick; Linguaviva Dublin, Dublin; The Language Centre of Ireland, Dublin; University College Dublin, Dublin. **In Italy:** Babilonia, Taormina; Machiavelli, Florence. **In Malta:** European School of English, Paceville; Linguatime, Sliema. **In the UK:** Anglo-Continental, Bournemouth; Bath Academy, Bath; East London School of English, London; Hampstead School of English, London; Hastings English Language Centre, Hastings; King's School of English, various; Language in London, London; Live Language, Glasgow; Oxford House College, various; Select English, various; St Clare's, Oxford; Sul Language School, Cornwall; The New School of English, Cambridge. **In the USA:** University of California, Santa Barbara, CA; International Center for American English, La Jolla, CA. **Worldwide:** EC, Kaplan Aspect, St Giles.

Thank you to the following agencies for taking part in this survey: GIC Educational Consultants, Best Linguistic Programs, Languages Go!, Agencia de Viajes y Estudios LAP, Globus – Idiomas, The English Centre, Babel Idiomas, Hyland Language Centre, Always School of Language, StudiainItalia, Interway S.A, EduQuality.Net, Living Languages, StudyGlobal Spain, EBI Idiomas.