

Latest language travel data points to slowing growth in 2015 - ICEF Monitor - Market intelligence for international student recruitment

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Short on time? Here are the highlights:

- *Evidence continues to mount of a slowdown in growth in language travel bookings in 2015, and even of declining enrolment for a number of important destinations*
- *The latest indicators come from a global survey of language schools and education agents*
- *The survey points to marginal declines in student weeks in both the adult and junior segments*
- *Both agent and school respondents cite economic conditions in sending markets along with shifting currency values as some of the primary factors contributing to softening enrolment during the year*

This time last year, the general impression in language travel was that some important market shifts were afoot. [The UK](#) was losing market share and seeing some weakening in student numbers while the US continued to grow. Meanwhile, other more affordable destinations – including Canada, Ireland, and Malta – were also still recording stronger growth.

Broader market studies, most recently IALC's Study Travel Research Report 2016: [Trends in the Demand for Foreign Languages](#), continue to track steady growth through 2014 with 2.28 million students abroad for language travel that year, and nearly two-thirds of those pursuing English studies.

More recent reports, however, point to a slowdown in growth in 2015, with a number of key destinations adjusting to a decline in student bookings. The latest data from [Malta](#), for example, indicates student weeks were down by 2.9% between 2014 and 2015. New statistics presented at the [English UK Annual Conference and AGM](#) earlier this month reveal that ELT student numbers in the UK were down 8% in 2015 (and student weeks by 13%). And [South Africa's ELT sector](#), after two years under a badly tangled immigration policy, reports a dramatic 37% fall-off in student numbers for 2015.

ELT providers in [Ireland](#), meanwhile, had a strong year, with enrolment up by 10% over the year before and helped in part by the relative weakness of the Euro against the British pound. We have not yet seen 2015 data for Canada or the US but early indicators are of softening enrolment in some English language centres in the US, largely due to a significant [decline in Saudi enrolment](#).

Stepping back to look at global trends, the latest indicators come via *The 2015 ALTO-Deloitte Language Travel Industry Survey*. It gathers responses from both schools and agents in markets around the world, and, while conducted annually, the results are best interpreted with a couple of important points in mind.

- The survey sample is not scientifically drawn but relies instead on the voluntary participation of respondents. There are, as a result, some issues with validity of the sample size, particularly at the level of national markets. “We would like to emphasise that although the data collected in this survey is representative of the industry, it would be more accurate with a higher response rate,” notes the survey report. “This is especially true for the [individual] country analysis.”
- Similarly, the survey sample varies from year to year. The first annual survey was conducted in 2014 but the respondent pool varies to at least some degree and so year-over-year comparisons should be made cautiously as well. (That said, the 2015 survey drew a larger field of responses [122 this year compared to 108 in 2014] and the 228 individual schools represented in the respondent pool had a combined turnover of US\$587 million.)

With those two caveats firmly in place, the ALTO findings can be read as broad directional indicators for the global language travel market. And, as such, the survey reinforces the point that the language travel industry has entered a more mature phase marked by increased competition and slower growth. It also highlights the challenging economic conditions in a number of important sending markets as a key factor in the overall enrolment trends for 2015.

Language schools reported a 3.8% decline in junior student weeks for 2015, with adult bookings virtually flat (-0.1% year-over-year). This follows reports of strong growth overall for both segments in 2014, as reflected in the summary graphics below.

Junior and adult student weeks reported by responding schools, 2014 and 2015. Source: ALTO

When asked what market factors most impacted their businesses in 2015, nine in ten school operators cited “economic issues in source countries” as the most prominent issue. A related factor – “currency exchange rates” – was noted for its negative impact by 62% of respondents, while 65% cited “competitor school activity” and 64% “my country’s visa policies” as key pressures on enrolment.

Responding schools indicated that online channels accounted for 12% of bookings in 2015. Another 18% came from “walk-ins” and “other direct channels” but, reflecting the key role of agencies in the language travel segment, seven in ten bookings came via education agents.

The 59 agent-respondents to the 2015 survey (down from 64 agents in 2014) also reported an important role for online channels in their recruiting, with nearly three in ten bookings coming via the Internet. Another 5% came through sub-agents but by far the majority – 59% – were made directly with the agent’s sales staff.

Agents also reported marginal growth or declines in student bookings and related revenue for 2015, and nearly all (94%) cited “currency exchange rates” as the most significant negative factor. As with school-respondents, this factor mingles with the related “economic issues in my country,” which was noted a negative issue by nine in ten agents.

As these responses reflect, we can fully expect macro economic trends, including currency

exchange, to be a major force in shaping demand for language travel in 2016 and beyond. For additional background on these key issues, please see our recent posts: "[The relationship between currency exchange and student mobility](#)" and "[Shifting currencies expected to drive growth for more affordable destinations](#)".