Higher Education in Latin America

Current Market Conditions, Opportunities and Challenges

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We prioritise student experience

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We offer extensive reach

Study Group has the most extensive global marketing and recruitment network in the industry offering global scale, cover and diversity to students universities and agents. **Over 14,000 new students** from **142 countries** chose Study Group to provide them with life-changing learning experiences in 2018.

40+ regional offices
50+ higher education partners
400+ sales, marketing & admissions staff
3,000+ agents & business partners
About the our research

Objective:
- Measure and prioritize the opportunities found within Latin America
- Identify opportunities, unmet needs and value drivers for future growth

Markets of interest:
- Mexico, Panama, Colombia, Bolivia, Chile

Research Process:
- Desk research
- Customer focus groups
- Online Survey
Unlocking Mexico
Market overview and opportunity

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What to expect from the Mexican education market?

• The Mexican HE system offers good quality options for students, but isn’t nearly big enough to accommodate all candidates

• Mexico’s HE market is heavily stratified into just a few elite schools, with UNAM and Monterrey taking up 70% of funding (OECD, 2019)

• American institutions used to be the alternative of choice for these students, but with diplomatic ties cooling between Mexico and the U.S., enrollments have been falling

  – 9,395 undergraduates in 2016–17 and 8,802 in 2017-18 (IIE data)

• Mexicans are keen on career prospects and wish to work while studying abroad, are inclined to practical careers, such as engineering, computing, and business, and seem to be willing to spend more than Latin American peers
Destinations to watch

• UK has been attracting roughly 2,000 Mexicans per term over the past five years, but only ~300 undergraduates, indicating it may be perceived as more of a postgraduate destination

• Australia, on the other hand, has seen the number of Mexicans studying there fall in almost all study levels, but mostly undergrads, which kept relatively stable at 100

• New Zealand hasn’t picked up as a destination for Mexicans in the last decade, hosting around 200 people per year

• Canada, which goes from strength to strength over the past five years, from 4,225 in 2015 to a high of 5,755 last year
How much are you willing to spend to study abroad?
Does your school provide information about studying abroad?
Where do you look for information about studying abroad?
Well informed, but not satisfied

- 13.43% of Mexican students have access to advice about studying abroad
- For 35.32% of them, the information available is very good
- 64% do not trust this kind of counsel
- General understanding that research on online sources is better than getting advice mediated by an institution or company
- Online searches and educational sites are the favorite source of information for 58% of Mexicans
- Agencies, on the other hand, are quoted by only 1.49% of the respondents
Mexico Analysis

• Mexico offers great opportunities for full degree recruitment, as students who do not manage to get into elite local universities and prefer not to go to the US look for other alternatives

• Physical presence in the market is important as 7% of students rely on fairs for information, along with what they glean online, usually from education sites

• Students are interested in overseas study, and are actively looking for somewhere to go. Those that are in-market will have a much greater chance of recruiting

• There is an extreme shortage of places in the Mexican public system, which holds most of the best quality higher education

• The private sector has a few high quality operators, chief among them Tecnológico de Monterrey
  – US$12,500 for undergraduate
  – US$15,000 for postgraduate studies

• Huge demand and willingness to pay in Mexico, but not necessarily the knowledge that better value options may be available abroad
Unlocking Panama
Market overview and opportunity

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What to expect from Panama’s education market?

- Panama’s universities are not part of Time Higher Education rankings, but our research shows that Panamanians seem fonder of their universities than other Latin American populations, with 21.5% of respondents saying they are excellent.
- About 53% of the students have at least an idea of what area of study they intend to pursue.
- 37.3% leaning toward engineering-related professions and only 18% being keen on human sciences.
Destinations to watch

- United States is the outright leader in hosting Panamanian students for degree courses
- The UK has managed to double its postgraduate numbers and increase its undergraduate numbers by 60% over 4 years, representing steady and consistent growth, even if this is relatively small in terms of absolute numbers (40 UG and 60 PG)
Does your school provide information about studying abroad?

- 47.5% (95) No professional counseling
- 26% (52) Don't know, never thought about it
- 14.5% (29) School offers bad professional counseling
- 12% (24) School offers good professional counseling

Total: 100% (200)
Want to reach Panamanians? Focus on quality social media content

• Panamanians rely heavily on the internet and social media when it comes to looking for information about studying abroad

• While online searches and educational sites received nearly 55% of responses, Instagram was quoted by 8.5% of students as a reliable source of information

• When it comes to formal advice, 26.5% of students have had some contact with a foreign study advice service but only 12% gave positive feedback

• Study fairs were considered go-to sources by 7.5% of the sample and agencies had only 1% of preference

• There’s still room in Panama for in-person advice and better service may be useful to increase the agencies’ market penetration
Where do you look for information about studying abroad?
How much are you willing to spend to study abroad?
Misinformation: a business opportunity

• Local students seem highly unaware of the costs of studying abroad, with 45% having no idea of how much such an experience would require.

• 44.7% of respondents pointed out that an international study experience would cost at least USD 2,000/year, presenting students to on-budget opportunities might be attractive.
Panama Analysis

• A visit to Panama would be worthwhile in terms of investigating opportunities

• A market where 80% say they are interested in overseas study

• Focus on promoting MBA, engineering and technical (VET) courses

• Panama faces skilled labour shortages in areas of finance, international business, and engineering

• Promotion activity should focus on social media and online publicity

• Panamanians conduct their own online research, and don’t necessarily go to education agents for this service

• Promotional activity should focus on innovative teaching practices and career prospects for graduates, including salary scales

• Promotional activity should be focused from September – December, as students prepare to finish school in mid-late December
Unlocking Colombia
Market overview and opportunity

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Market overview

• One of the most promising markets in the region!
  1. Wealthier students, who are very prestige-driven and rely more on in-person advice;
  2. Price-sensitive students, looking for better language skills and professional orientation.

• UK seen as a postgrad market, where Colombians look for high-quality institutions

• Australia and New Zealand growing in the preference for English courses and undergraduate studies, respectively

• To assess the size of the potential market in Colombia, we will follow the 10% current market share:
  – In the US, this figure would be 614 students, of which 327 would be undergraduates.
  – In Canada, a 10% market share represents 316 students
  – In the UK it would be 96 students (of which 19 would be undergraduate)
  – In Australia, it would be 164 in higher education (42 undergraduates)
  – New Zealand’s share would be 140 students
Preferred destinations

• Since 2015, New Zealand alone has seen the number of Colombians enrolled in its universities double to 1,395, while the overall number of students reached 1,430 in 2018.

• Australia, meanwhile, hosts an impressive total of 423 Colombian undergraduates more than in the UK and is the destination for 1,064 postgraduate students, especially those in the management and commerce areas.

• Australian government data also show that 45% of Colombians who are joining Australian higher education institutions in 2019 have been through the ELICOS language course previously.

• The U.S. still takes first place among Colombians’ preferred destinations, but while the number of undergraduate (3,273) and postgraduate (3,250) students in the country remained comparatively stable in 2017–2018 vs. the previous term.

• The UK, on the other hand, has seen a 14% decline in the number of Colombian students over the past four years to 965 as of 2017-2018 which has been felt stronger in the postgrad segment.
How much are you willing to spend to study abroad?

- 30,77% (58) USD 10,000 - 20,000/year
- 23,08% (42) USD 5,001 - 10,000/year
- 18,13% (33) Over USD 2,000/year
- 16,48% (30) USD 2,001 - 5,000/year
- 8,79% (16) +USD 20,000/year
- 2,75% (5) Don’t know

Total: 100% (182)
How much are you willing to spend to study abroad?

• Surprisingly, 23% of Colombian students are unaware of the costs of studying abroad

• 42% reckoning it would cost USD 5,000–20,000 per year

• 50% of the almost 12,200 Colombians enrolled in English courses in Australia moved on to VET programs, but only 3% go from English courses to higher education

• Introducing less expensive programs could be a market opportunity
Colombia analysis

- Colombia sending 36,000 higher education students overseas on an annual basis, this is a market that cannot be ignored

- There are two different profiles of Colombian students looking to travel abroad
  1. ‘elite’ students—those who will travel abroad only to elite universities
  2. Other group are more interested in shorter, vocational and further education-type courses

- 91% are already considering overseas study, and more than 10% of students attend recruitment fairs to find out more about international study, suggesting the importance of physical presence in Colombia

- Physical presence in the market is recommended in March/April and September, which are the main recruitment seasons in the region

- Agent networks and connections with international schools will be important when recruiting to elite business schools
Unlocking Bolivia

Market overview and opportunity

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What to expect from the Bolivian education market?

• The Bolivian international education market remains somewhat unexplored

• With almost 30% of the population under 15 years old, Bolivia is still a country of youngsters

• International mobility, while rates are growing, there is still a lot of potential for expansion

• Since 2014, the number of Bolivian students in the UK increased by 116% (HESA, 2019)
  – from 30 to 65 students

• In Australia, there are 21 studying at university and 35 studying English, with a progression rate of 7% to HE

• New Zealand receives 15 per year
Bolivians plan to go abroad, but lack guidance

• Bolivians are not satisfied with their current higher education institutions: for 32.04%, their universities are antiquated in their methods

• Our research shows, 47.6% of Bolivians said their schools never discussed studying abroad nor offered such a service

• 27.67% of students look for information online and 23.3% considered Facebook as a good information source
Does your school provide information about studying abroad?

- No professional counseling: 47.57% (98 respondents)
- Don’t know, never thought about it: 25.24% (52 respondents)
- School offers bad professional counseling: 19.42% (40 respondents)
- School offers good professional counseling: 7.77% (16 respondents)

Total: 100% (206 respondents)
Where do you look for information about studying abroad?
The cost barrier

• For 49.3% of the respondents, affordable options are the main concern when choosing a destination

• 18% are worried about the costs of taking an English prep course. The majority would be willing to pay something between USD 2,000 and USD 5,000

• 60% of Bolivians chose not to declare their income bracket, apparently when it is above BOB 5,300 (nearly 770 USD) monthly
How much are you willing to spend to study abroad?

- 22.08% (34) USD 5,001 - 10,000/year
- 44.16% (68) USD 2,001 - 5,000/year
- 25.97% (40) USD 10,000 - 20,000/year
- 6.49% (10) Over USD 2,000/year
- 1.3% (2) +USD 20,000/year
- 6.49% (10) Don't know

Total: 100% (154)
Unlocking Chile
Market overview and opportunity
What to expect from the Chilean education market?

• Chile is often quoted as having one of the best education systems in Latin America

• A solid higher-education system and a more traditional society explain Chileans' resistance to traveling overseas at an early age, making the country a much more postgrad-oriented market.

A postgrad-oriented market

• The majority of students interviewed in our focus groups said that they intended to study in Chile as undergraduates

• Some students said they would be interested in finishing their undergraduate course abroad, providing their degree could be validated in both countries

• Students intend to choose degree programs based on the courses offered by Chilean universities
Where do Chileans go to study abroad?

• Chileans tend to prefer the UK, Australia, Canada, and New Zealand for postgraduate degrees.

• There are six times more postgrad students in Australia (381 postgrads vs. 63 undergrads)

• Almost 14 times more in the UK (810 postgrads vs. 60 undergrads)

• Chileans flock to high-profile schools (UCL, the University of Edinburgh, the University of Manchester and the LSE)

• New Zealand has been growing in Chileans’ preference over the past few years, reaching 1,270 students

• The U.S., on the other hand, is the most-targeted destination for Chileans, especially for undergraduate students, a group which grew 5.5% last year, to 712
How much are you willing to spend to study abroad?

- 40.64% (102) USD 5,001 - 10,000/year
- 26.69% (67) USD 2,001 - 5,000/year
- 15.94% (40) USD 10,000 - 20,000/year
- 10.36% (26) USD 2,001 - 5,000/year
- 5.58% (14) Over USD 20,000/year
- 0.8% (2) Don’t know
Chileans are still unaware of the costs of living abroad

- 40% of our sample is still unaware of the costs of living in a foreign country. However, among those who do, almost 27% believe it would cost something between USD 2,000 and USD 5,000 per year.
Does your school provide information about studying abroad?

- 31.17% (125): No professional counseling
- 28.18% (113): Don't know, never thought about it
- 24.69% (99): School offers bad professional counseling
- 15.96% (64): School offers good professional counseling

Total: 100% (206)
How can I reach potential students in Chile?

- 8% of study respondents said they get their information from education fairs, so presence should be seriously considered.

- If the undergraduate market is to be opened by countries other than the US, connections with international and high-end private schools should be considered.

- Alumni testimonials would be very useful here, specifically looking at student support services, and fun on campus, as well as highlighting innovative teaching practices, study-work concessions, and stay back visas following completion of studies.

- Scholarships schemes based on merit will feed into the hunger for “prestige” and should be considered.

- Engagement with partner universities in Chile, and development of double degrees is something that Chilean students seem to value.
Where do you look for information about studying abroad?

- **INTERNET**
  - Online search: 15.5% (31)
  - Education websites: 15.5% (31)
  - Blogs: 2.5% (5)

- **SOCIAL MEDIA**
  - Facebook: 2.5% (5)
  - YouTube: 1% (2)
  - Instagram: 2% (4)

- **OTHERS**
  - Don't know where to find information: 2.5% (5)
  - Unsure about information found online: 1.5% (3)
  - Other sources: 1.5% (3)

- **EVENTS**
  - Recruiting fairs: 10.5% (21)

- **FRIENDS AND FAMILY**
  - Friends and family: 5% (10)

- **SPECIALIZED INSTITUTIONS**
  - Agencies: 7.5% (15)
  - School: 1.5% (3)

- **TRADITIONAL MEDIA**
  - Television: 0.5% (4)
  - Radio: 0.49% (1)
Chile Analysis

- While 43% look for information online regarding study abroad, more than 7% say they don't know if they can trust the tips they find on the internet.

- Education sites are the go-to pace for 18% of students, suggesting that placed content on trustworthy education sites would be a good course of action.

- Parents encourage them to study overseas and can afford it, but youngsters are shy to leave the family fold (apart from going to the US).

- Alumni testimonials are vital, so that students can gain a realistic idea of what life is like on campus.

- Physical presence in the market will be vital if undergraduate numbers are to develop and education sites would be a good course of action.

- Stay back options with salary expectations may capture the attention of the Chileans for whom higher salaries is a major motivator in considering overseas studies.

- Links with industry and professional work experience placements should be highlighted, as well as graduate employability rates (particularly for foreign graduates).

- Engineering, mining, IT, construction, and environmental areas all display as skills shortages in Chile, and courses in these areas should be marketed.
Q & A
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