

**RUSSIA: CHALLENGES OF THE
FOREIGN EDUCATION SECTOR IN
RUSSIA AND ITS PERSPECTIVES**

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A P K O



ASSOCIATION OF RUSSIAN EDUCATIONAL ADVISORS (AREA)

A R E A

- Year of foundation – 2007
- Member of FELCA (The Federation of Education and Language Consultant Associations)
- 30 agencies from 11 cities (3 years of experience, 3 full-time consultants, legal structure, international education is the main activity)
- www.studyarea.ru

NUMBERS

Russia is a **largest country** in the world with the world's 9th biggest population (roughly 140 mln)

The second largest number of US dollar billionaires in the world

foreign trips taken by Russians more than doubled between 2005 and 2013, increasing by nearly 120% to reach **31.5 million trips** in 2013

Tertiary education – about **50000** Russian students headed overseas to study (2 per cent of the total international students worldwide, **68% increase** between 2002 and 2012). Study destinations for tertiary education: Germany (over 13 thousand), the USA (about 5000), the UK (about 4000), France, Italy, Australia.

SPECIFICS OF FOREIGN EDUCATION SECTOR

- Over 350 agencies in Russia (agent-dependant market)
- Visa is required to the most of the countries
- It is difficult to have the same marketing strategy for different regions of a huge country and to reach out everyone; on another hand, wide territory gives a chance to concentrate on some cities and regions

2014 YEAR CHALLENGES

- Political and economical changes
- Instability, rapid devaluation of national currency
- Declined numbers of students heading abroad - *University World News* reports the number of Russian students applying to study abroad fell by 25-30% in 2014. (Language study have been hit hardest with estimates of a 40-50% decline in bookings.)
- Pessimism among educational agents for 2015 perspectives
 - 100% of AREA agents forecast overall decrease in the students' numbers (for 2014 - the overall number will remain the same – less than 60 per cent; for 2013/2011 – 80/90 per cent of growth)


COUNTRIES FOR EDUCATION ABROAD (AGENTS)

Leaders for foreign languages: **Great Britain, USA, Malta** (Germany, Ireland, Belgium, Canada – decrease)

Leaders for secondary education: **Great Britain, Canada, USA** (Switzerland, Germany were in the list)

Leaders for higher education: **Great Britain, USA, Canada** (Switzerland, Germany, Czech Republic, the Netherlands, Cyprus, Austria were in the list)

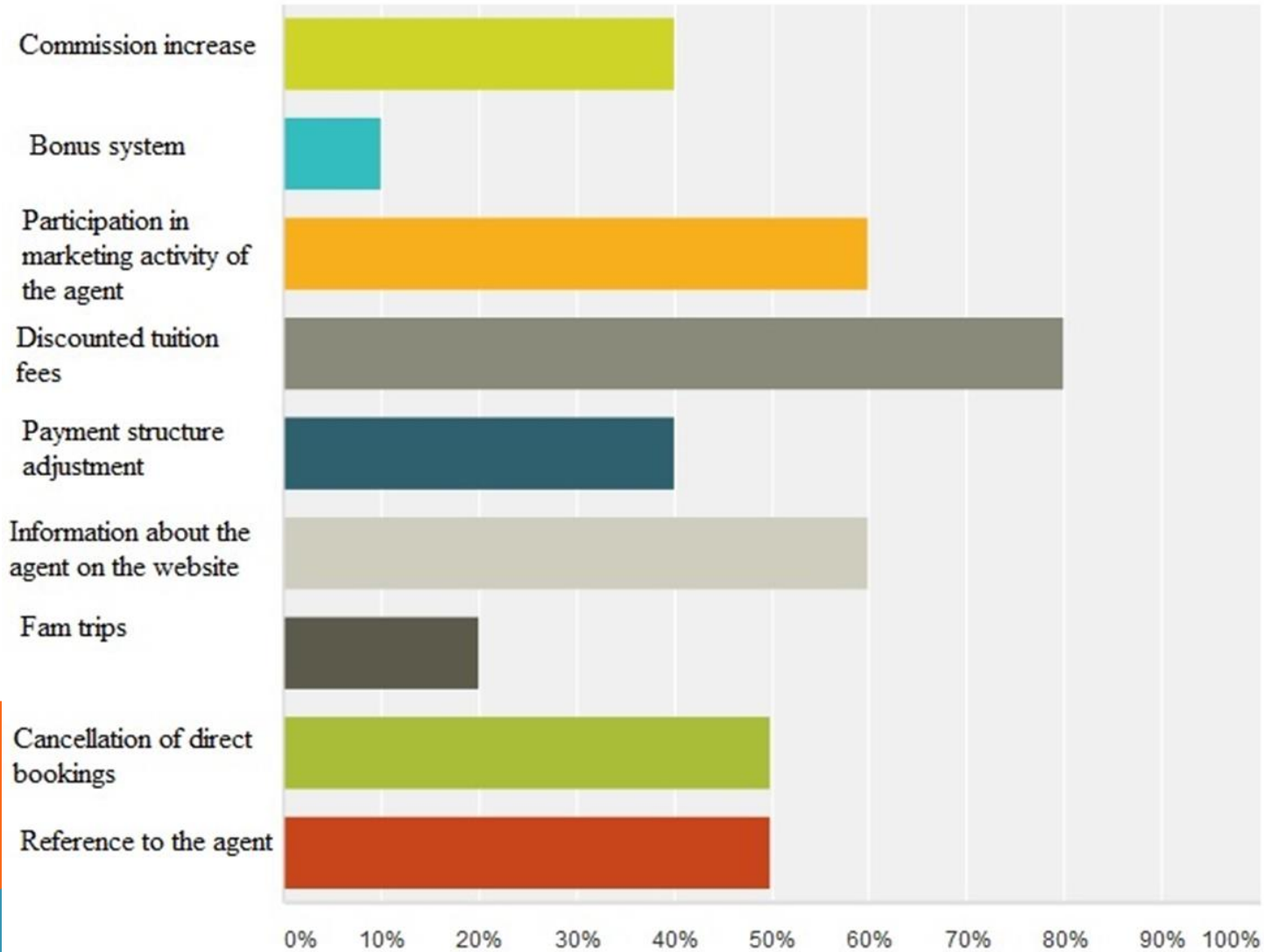
MARKET STRUCTURE (BASED ON 2014 AGENT SURVEY)

- ❖ Participants of the research: AREA members
 - ❖ 2578 students for language programs; 77 for high schools; 301 – for higher education
 - ❖ 60% language programs; 17% - post-secondary education; 8% - high schools; 6% - post-graduate programs.
 - ❖ Average booking for language program: 3 weeks
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WHAT HAS CHANGED FOR PROVIDERS

- ✓ Discounted programs for 20-30 per cent strategy works! - **discounts, special offers, and scholarships weigh more heavily– and prospective students are more open to less expensive study destinations.**
- ✓ Explain how the clients and agents are protected (in case of bankruptcy of the provider, for example)
- ✓ Should I reduce the marketing activity in Russia now and wait (issues of reliability, think about the lower costs because of weakened Russian currency)
- ✓ It's time to build up a great agencies database and to invest in your best and promising agents
- ✓ Picky parents and longer time to make a decision – detailed and timely information is a paramount
- ✓ Testimonials from current students – whether they experience any change in the relation towards them because of the political pressure

AGENT APPROACH – HOW TO IMPROVE



HOW TO BUILD UP RELATIONS WITH THE AGENTS IN RUSSIA

WHAT TO CONSIDER

- ✓ the speed of the feedback from the institution
- ✓ flexible approach to the programs structure and to the individual request – different educational system // **UNIQUE SELLING POINTS**
- ✓ *Materials in Russian language*
- ✓ level of the commission
- ✓ the agents approval process
- ✓ programs of agents support and education in your country
- ✓ **Understanding of the visa procedure**
- ✓ *Participation in marketing activities together with the agents*

POSSIBLE IMPROVEMENTS

- ✓ Employ **stable, educated and efficient** representatives
- ✓ **CLEAR POLICY** of direct bookings and refund procedures
- ✓ VISIT the agencies, try to address them directly
- ✓ Implement full use of online booking and acceptance of electronic documents, but avoid sending a lot of “blind” links
- ✓ **Perform availability and courses updates on regular basis / agent portal in the website**
- ✓ Provide exhaustive information on the host family

LONG-TERM TREND

Russia remains an **emerging education market** for a growing field of destinations and aims to be a bigger player in international mobility – both inbound and outbound – in the years ahead.

QUESTIONS?

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