Navitas Agent Perception Report

Findings from Agent research conducted in March 2021

Education agents from different regions are tailoring their advice according to specific local circumstances and the broader global conditions of COVID-19

Third round of Navitas Agent Perception Research is most comprehensive to date, capturing opinions of more agents in more countries on the impact of COVID-19 on international education.

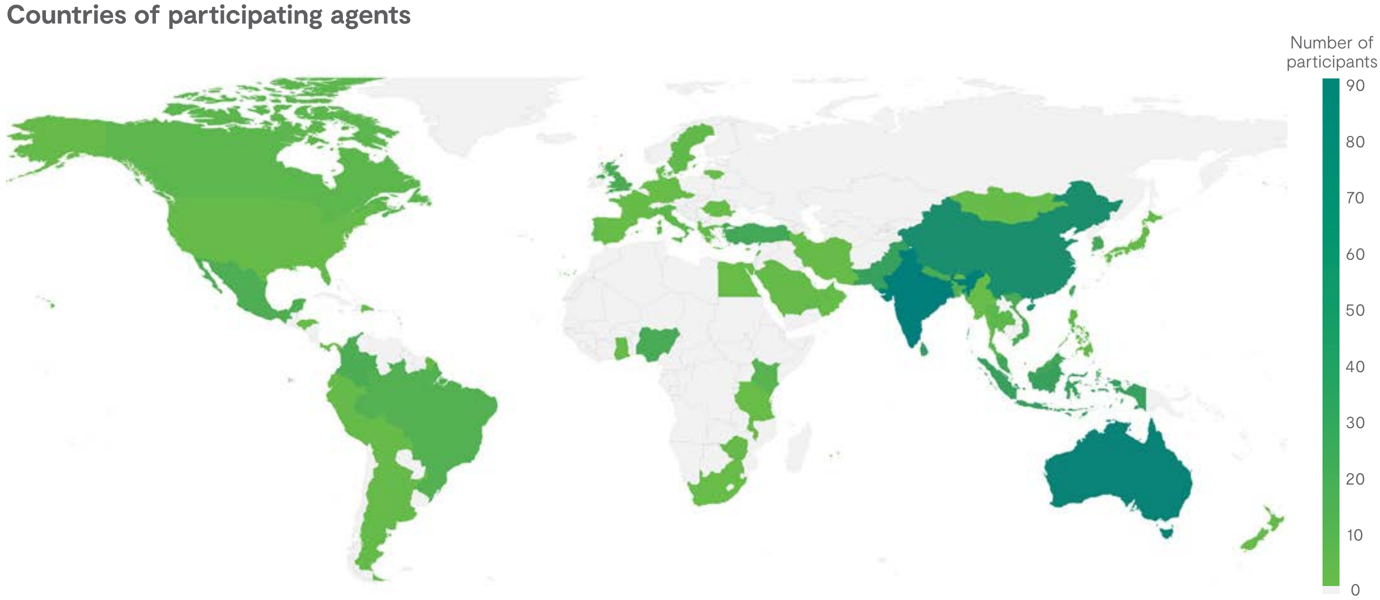
In May 2020, Navitas asked its agents to reflect on the relationship between the handling of the coronavirus pandemic by different countries, and the extent to which this made a country a more attractive study destination. We found that countries that had handled the health crisis well (Australia and New Zealand) were perceived to be more attractive study destinations and vice versa.

In September 2020 Navitas repeated its research, finding that governments' handling of the pandemic had become less of a differentiator for destination countries – Australia and New Zealand had fallen behind while the United Kingdom was the stand-out performer.

The most recent round of agent research, conducted in March 2021, is our most comprehensive sample of agent perception, capturing the views and opinions of nearly 900 agents in 73 countries around the world. The first part of this report revealed that perceptions of Australia and New Zealand have become more entrenched, while the United Kingdom and Canada continue to look poised for a rebound and the US shows signs of a remarkable turnaround.

This is the second part of that report and reveals interesting variations in perception and outlook in different source country regions.

Countries of participating agents



In response to pandemic uncertainty, agents are advising prospective international students to hedge their bets

Agents are primarily advising students to stay the path – study online until travel is possible

Agents play an important and privileged role in guiding international students towards the options that best meet their hopes and dreams for studying abroad. In a time of great complexity and uncertainty, agents arguably fulfil an even more important role in helping students to navigate border closures, visa conditions, shifting modes of delivery, and oscillating prices and foreign exchange rates.

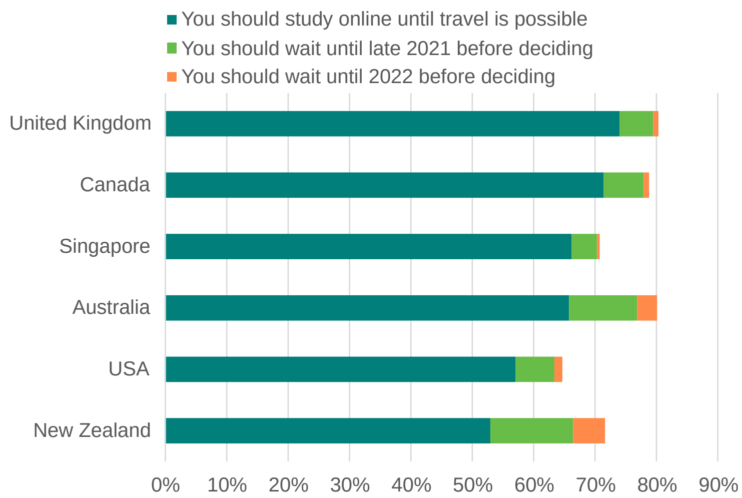
In most countries, face-to-face classes have had to transition to online delivery. For many students, studying online until travel is possible might be considered the next best thing. Other surveys have found that students are broadly accepting of online delivery when it is a short-term, interim measure before face-to-face delivery resumes.

Our experience working with students and their parents over the last twelve months tells us that they are committed to continuing their studies and have a strong preference for face-to-face delivery. The challenge for many agents is convincing parents and students that waiting for borders to open only places them in a longer queue for admission, visas and flights once travel is possible, and therefore commencing online as a transitional measure is in fact a better option.

Our research reflects our experience in the market. When we asked the Navitas network of agents, "What would you recommend to a student looking to study in the following destinations if they asked your advice today?" the results confirmed that the overwhelming majority of agents said that studying online until travel was once again possible tended to be their default recommendation.

The United Kingdom and Canada had the highest proportion of agents stating this was their primary recommendation, which is entirely consistent with the optimism agents reported when asked if travel was going to be likely in the next 6 to 12 months.

Fig 1.1: What would you recommend to a student looking to study in the following destinations if they asked your advice today? *Study online or wait*

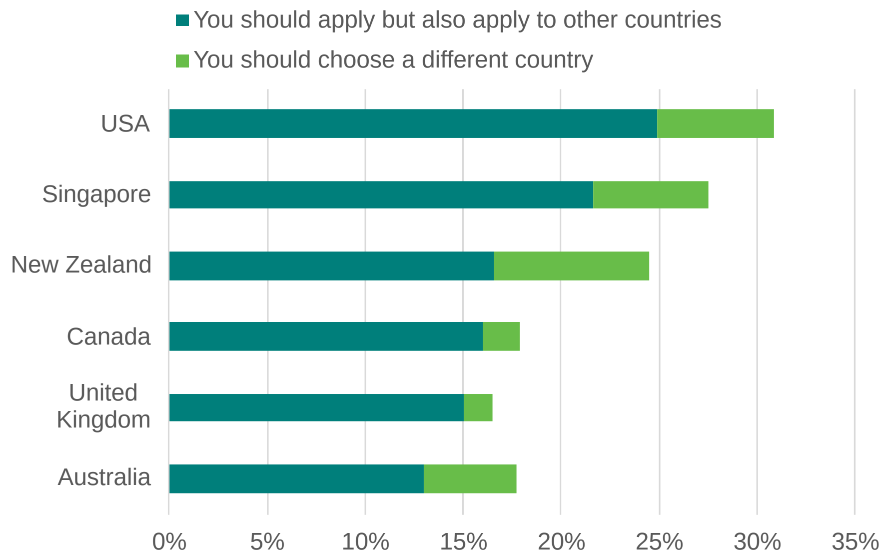


A sizable proportion of agents are recommending students consider the option of a different destination country

There have been various reports pointing to the increased likelihood that students who are unable to fulfil their study plans are looking to switch destinations. Anecdotally, we have often heard that where students used to hedge their bets with multiple "backup" institutions in the same study destination, they are now hedging across multiple countries. The long-running QS survey in particular has shown that from the start of the pandemic through to late 2020, the proportion of students impacted by the pandemic that say they intend to switch has risen steadily month-by-month.

The Navitas agent survey shows that agents themselves are recommending that applicants either apply elsewhere, or at least apply to another destination to hedge their bets. At a minimum, about one-in-six agents (16%) are recommending that applicants to the United Kingdom have a back-up option. This proportion rises to 18% for Canada, 18% for Australia, 25% for New Zealand and 31% for the USA. This represents a substantial proportion of students that are being advised by their agents to switch study destinations, or at least be prepared to switch with backup applications to other countries.

Fig 1.2: What would you recommend to a student looking to study in the following destinations if they asked your advice today? *Hedge or apply elsewhere*



"We know that face-to-face remains the priority and focus for most students, so I am not surprised to see that agents are being pragmatic with the advice they offer students. Agents will respond to student preferences and countries with open borders and campuses will undoubtedly benefit. For agents their reputation rests on being able to "solve" these problems for students so being able to offer a number of options in terms of location and destination is now as important as just being able to place the student in the institution of first choice."

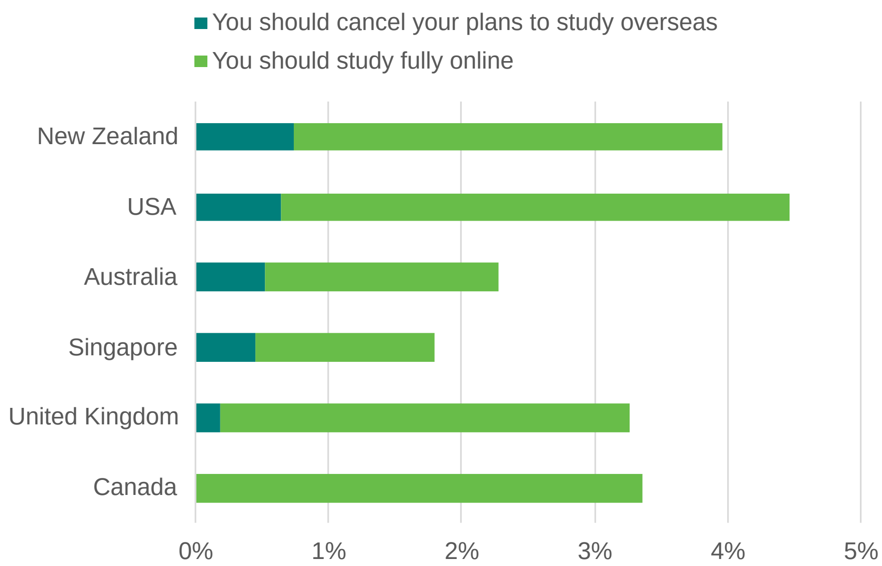
— Tony Cullen, EGM Global Engagement

Very few agents recommend either cancelling or studying fully online

Only a small proportion of agents are recommending that students wait before deciding. Unsurprisingly, agents are more likely to recommend that would-be students wait before deciding if those students are looking to study in Australia (12%) and New Zealand (18%). On the one hand this reflects the uncertainty around the closed borders in those two countries, but it could also be interpreted positively, in that agents are not recommending students change their plans entirely.

Consistent with increasingly negative sentiments towards online delivery, very few agents are recommending to students that they cancel their plans to travel and study fully online instead. Also consistent with other surveys that show there is a very low proportion of students that intend to cancel (between 2% and 10% from survey to survey), agents are likewise not recommending cancellations.

Fig 1.3: What would you recommend to a student looking to study in the following destinations if they asked your advice today? *Cancel or study online*



At a country level, this results in a fluid environment of shifting market shares. Consistent with prior analysis, there is a large proportion of students that remain not-yet-committed to a given country. Historically, country selection was an important decision made early and resolutely. In the midst of the pandemic, this is clearly no longer the case.

At an institutional level, this underscores the unpredictability of the final decisions that students will make. Until tuition fees are paid and students arrive on campus, it would be prudent not to assume that students will continue through the conversion funnel as they have done in previous years. For as long as would-be students are hedging their bets to mitigate uncertainty and risk, the volume of applications may not reflect intentions, and even the volume of acceptances may not translate into actual enrolments in the same way they historically would.

> "At the moment it's definitely the messaging from destination countries that is driving the decision-making process for both agents and students. Parents and students want to be confident that the receiving country is safe and welcoming, that they will be looked after, that the country has commenced an efficient vaccine rollout plan, and that if they need to quarantine the experience will be a positive one."
>
> **— Tony Cullen, EGM Global Engagement**

Agents in the Greater China region continue to look most favourably to the UK, but Canada and Singapore are also of increasing interest

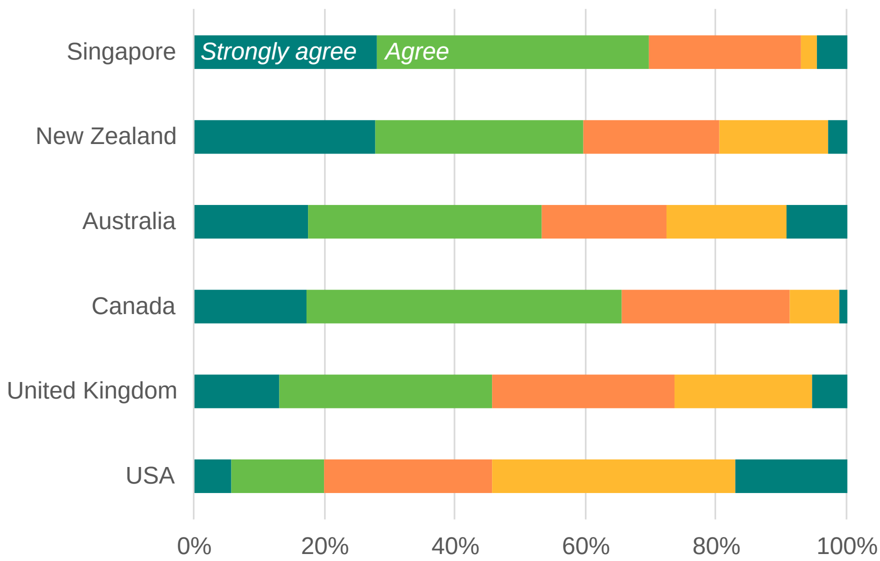
Coming from countries that have handled the pandemic very well, agents in the Greater China region have high expectations of what destination governments should achieve

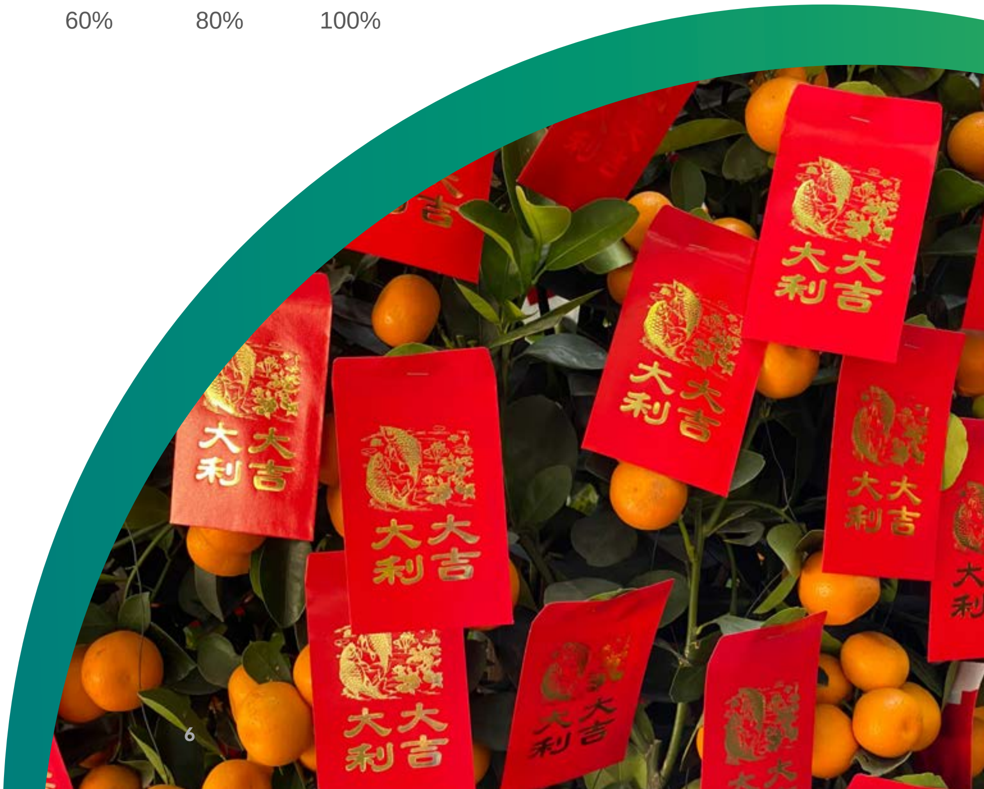
It is well recognised just how well China and countries in that region have managed the public health and economic challenges of COVID-19. From developing and deploying its own vaccine, to altogether avoiding a recession, China achieved an admirable result in 2020 and 2021 looks to be no different.

It is only appropriate that agents in this region hold high expectations when it comes to their assessment of a government's handling of the pandemic. In the March 2021 survey, there was a strong divergence in the assessment of the USA's handling of the pandemic at 20% and Singapore at the other extreme of 70%. Other strong performers include Canada and Australia (65% and 60% respectively).

On this measure, there is not a large distinction between the performance of Australia (54%) and the United Kingdom (46%). This is puzzling given the two countries have had very divergent public health approaches and outcomes during COVID-19, but it is likely that while the UK failed to manage case counts, it is now making up for it with a stellar vaccination program.

Fig 2.1: "Over the past two months, the way this country's government has handled coronavirus has made it a more attractive study destination."





* For the purpose of this report, the region 'Greater China' includes China, Hong Kong and Taiwan.

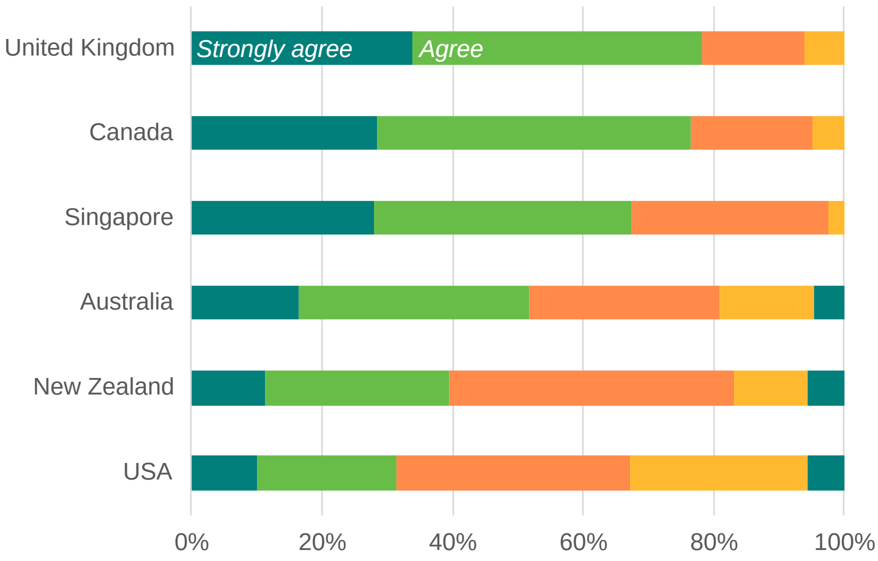
Neither the UK nor the USA are seen as safe and stable, yet interest in the UK remains the strongest of all destinations

Most countries are rated as 'safe and stable' with the exception of the United Kingdom (47%) and the United States (18%). Given how safe it is back home, and the high importance placed on safety, one would expect that these low scores for the UK and the USA would result in significant lower interest in those countries as study destinations.

This is certainly true for the USA, where the proportion of agents that agree/strongly agree there has been more interest is just 31%. The UK on the other hand continues to be most appealing in the eyes of agents in the Greater China region, scoring a chart-topping 78%.

The silver lining for Australia is the fact that its relatively low score on safety and stability does not appear to have dampened interest too severely, with the proportion of agents reporting interest in studying in Australia being sustained at 53%. It remains to be seen how long this is likely to continue. According to Kim Eklund, Navitas' Regional Sales Director based in Shanghai, Australia is gradually losing its historical advantages on the ground. For example, many agents have done away with their Australia only desks/departments. Consistent with our analysis of what agents are recommending there is clear evidence that Chinese agents all but insist that students apply to another destination, and for the time being, the UK provides the best hedge.

Fig 2.2: "Over the past two months, there has been more interest in this country as an education destination compared to other countries."



Strong interest in the UK is likely driven by how open and welcoming it has been

The UK's March 2021 results further build on its strong performance in our last survey. One explanation for this sustained positive performance is the perception of the UK as being open and welcoming (75% agree/strongly agree). Agents in the Greater China region are not especially optimistic about the ability to travel to the UK, but nonetheless see a significant difference in how open and welcoming the UK is compared to Australia (38%) and the USA (39%).

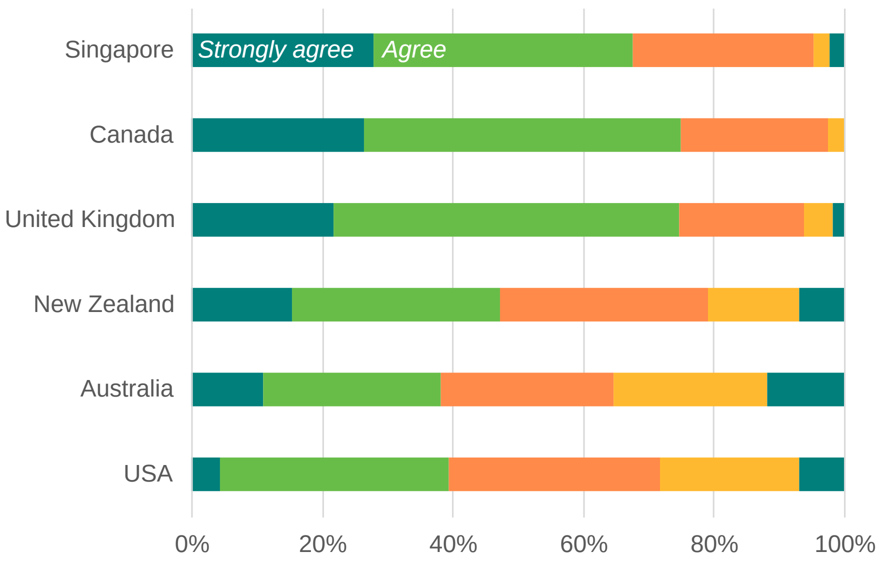
The fact that Australia and the USA are now neck and neck reflects the opposing fortunes of those study destinations – the further decline in perceptions of Australia and the start of a dramatic recovery for the USA. It is unlikely these two countries will stay on par for long. While borders remain closed in Australia we can expect to see a further decline in ratings on this measure, and the two big announcements from the Biden administration in recent weeks - allowing Chinese students to travel and reopening visa processing - will undoubtedly put the USA further ahead.

> "If the long lines snaking around the outside of the consulate are any indication, there is pent up demand in China for the USA."
>
> **— Kim Eklund, Regional Sales Director, Greater China and North Asia**

The positive perceptions of the UK's handling of the pandemic, and its reputation for being 'open and welcoming' translate into increased interest in the country as a study destination. However, while agents in the Greater China region reported substantial interest in the UK in the September 2020 survey (92%), by the time of this latest survey in March 2021 its result had fallen (78%), and Canada (77%) and Singapore (67%) have entered the fray (see Fig 2.2).

Canada and Singapore perform well on all indicators in the survey, including the all-important 'open and welcoming' measure (with 75% and 67% agree/strongly agree respectively).

Fig 2.3: "Over the past two months, the reputation of this country as open and welcoming for international students has improved."

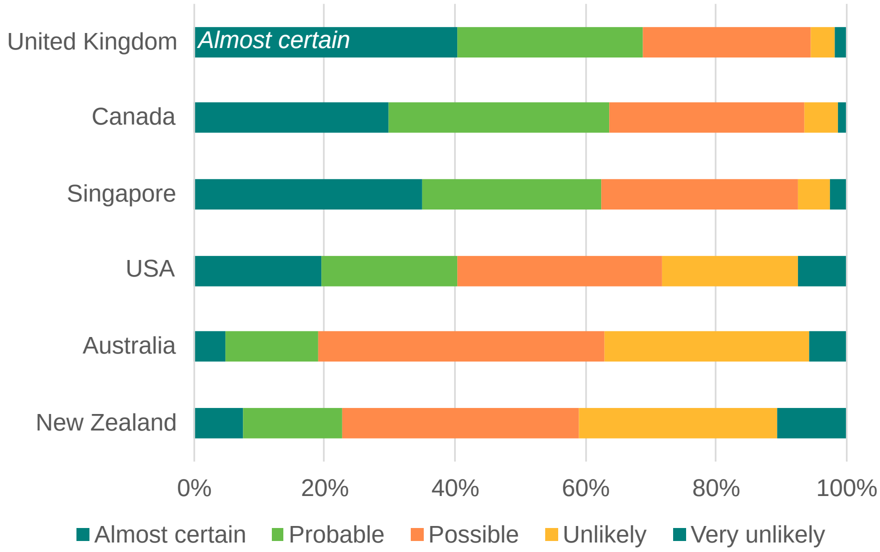


Even since the survey was completed, subsequent policy decisions will increase the appeal of the USA

The level of optimism about travelling to the USA in the second half of this year is lowest amongst agents from the Greater China region. At just 7%, agents there put the United States in the same low prospect category as Australia (6%) and New Zealand (8%).

There is strong scepticism about when Australia and New Zealand will re-open their borders. Even when looking ahead to the first half of 2022, only 20% of agents from China have confidence (almost certain) that students will be able to travel to Australia. However, since this survey was in the field, the USA has provided certainty that F1 visa holders will be able to travel to study from 1 August, notwithstanding the ability to get a visa and flights in the next few months.

Fig 2.4: Do you expect students to be able to travel to the following destination countries in the second half of 2021?

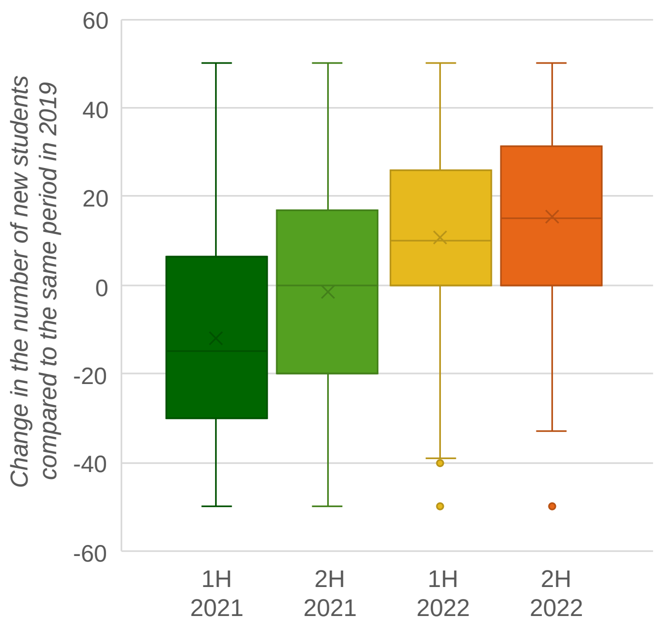


Consistent with the prior survey results, agents in the Greater China region continue to report that they expect outbound student flows to recover to pre-pandemic levels in 2021. In light, of the strong positive sentiment shown towards the United Kingdom, Canada, and Singapore discussed above, it would appear that these countries are best placed to respond to this recovery from the region.

Agents anticipate growth in 2022. Given that China itself is by far the largest source country for international students (with approximately one million students studying abroad in a given year), an increase of 10-15% in 2022 represents a sizeable increase in student flows.

That being said, the growth anticipated in the Greater China region is not as strong as the growth anticipated in South Asia (30-40% in 2022) or South East Asia (20-30%). This may suggest that the level of pent-up demand isn't as strong for the Greater China region. According to Kim Eklund, students unable to travel have not been waiting on the sidelines. They have more likely found domestic options through the expansion of places at local universities, or pursued regional alternatives including regional study hubs like Hong Kong, Singapore, Japan, Korea, and possibly even Malaysia. Students in China have also shown to be more accepting of online alternatives.

Fig 2.5: What do you anticipate will happen to the number of new students you help to study abroad between January and June 2021/July and December 2021/January and June 2022/July and December 2022, compared to the same period in 2019 (pre-COVID)?



South Asia's current bias towards Canada and the UK is unequivocal, with the USA preparing for a comeback in the region in 2022

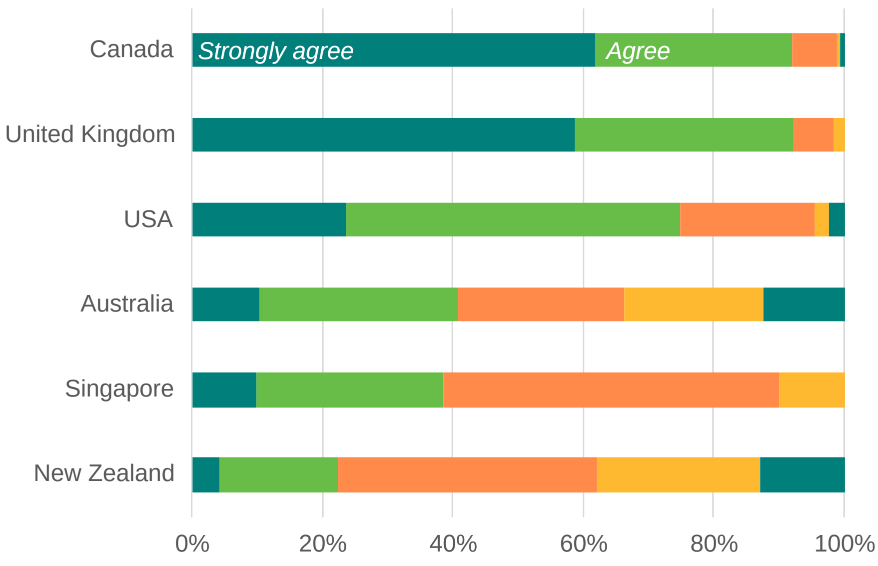
Canada and the United Kingdom are the destinations of choice in the current environment.

For both countries, an overwhelming 92% of agents agree or strongly agree that there has been more interest in recent months. While agents from other countries view Canada and the United Kingdom positively, agents in South Asia are the most positive, approaching near unanimous support.

In contrast, Australia and New Zealand are viewed very negatively with only 40% and 22% of agents respectively seeing increased interest of late. Perceptions of these countries are likely weighed down by the view that there is a negligible chance of travel to either Australia or New Zealand in the second half of 2021. Because Indian students are often motivated by the migration pathway that education provides, there is a reluctance to begin studies online when there is no date in sight for student entry into Australia.

> "Indian student motivation to study abroad (for all destinations) isn't only the degree itself, but it's often also the post-study work or migration options that come after and the ability to work while studying."
>
> **— Simon Jacobs, Regional Sales Director, South Asia**

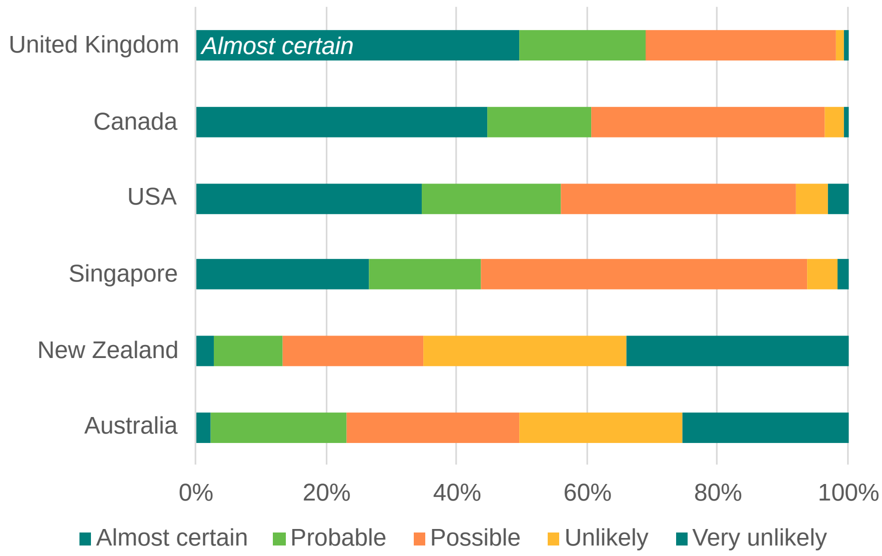
Fig 3.1: "Over the past two months, there has been more interest in this country as an education destination compared to other countries."



* For the purpose of this report, the region 'South Asia' includes Pakistan, India, Nepal, Bangladesh, Sri Lanka and Bhutan.

On the other hand, South Asian agents are most optimistic about the reopening of the United States (35% almost certain). This translates into a strong response to the question on whether there has been more interest (75% agree/strongly agree). This reflects anecdotal evidence from recruitment teams in South Asia that the change in administration and the impressive vaccination roll-out in the US have created a good impression among Indian students and their families. In line with the rapid resurgence of the United States being observed more generally, this uniquely positive view of the United States in South Asia provides a clear indication that at least part of that resurgence is going to be driven by students from this region.

Fig 3.2: Do you expect students to be able to travel to the following destination countries in the second half of 2021?



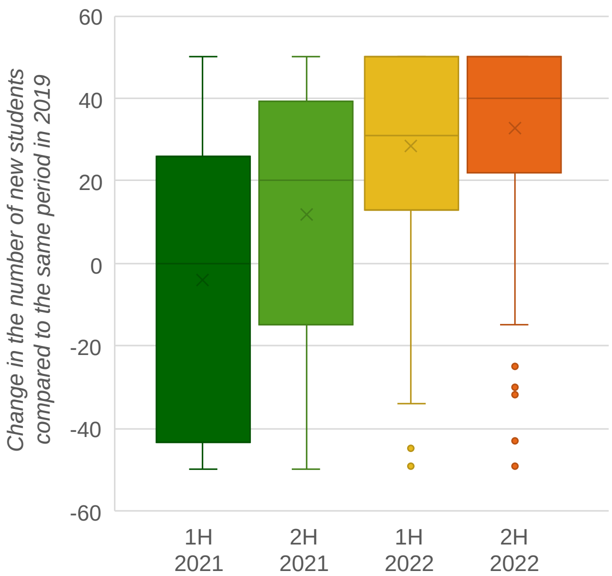
Immediately prior to the second wave of COVID-19, agents in South Asia remained bullish about growth over the next couple of years

Consistent with previous research, the latest Navitas agent survey shows that agents from South Asia are anticipating strong growth in the next 12-24 months. The first half of 2021 is anticipated to be on par with pre-pandemic levels, followed by steady growth of 20%, 30% and 40% in the subsequent 6 month periods that follow. Given the strong predisposition towards Canada and the UK, it seemed likely that they would be the likely beneficiaries in 2021, with the USA then also enjoying the benefits of the strong rebound in 2022.

Our March research shows that students from South Asia looking to study in the United Kingdom and Canada are poised to rebound in large numbers this year. The data suggests that only the emergence of a significant obstacle could dampen their enthusiasm.

Unfortunately the devastating second wave of COVID-19 across the South Asia region since our research was conducted, may now be that obstacle.

Fig 3.3: What do you anticipate will happen to the number of new students you help to study abroad between January and June 2021/July and December 2021/January and June 2022/July and December 2022, compared to the same period in 2019 (pre-COVID)?



"The Covid situation across South Asia is obviously constantly evolving so it's difficult to forecast exactly what will happen. However, when you combine delays in exam results, visa turnaround times and lack of IELTS spaces to the grim situation on the ground, and the financial pressures that come with it, we need to reassess our hopes for a strong recovery in this region."

— Simon Jacobs, Regional Sales Director, South Asia

India's second wave

Since this research was conducted a second wave of COVID-19 has ravaged India, with devastating loss of life and far reaching consequences for communities, governments and economies. We are yet to see what impact it will have on the willingness or ability of students to travel overseas for education, but we have already seen countries restrict entry to travellers from India. The United Kingdom, which our research shows was poised to benefit most from a rebound in students from South Asia, has put India, Pakistan and Bangladesh on its 'red list' meaning that travellers from there need to quarantine in a hotel at their own expense (approximately AUD3500).

If that requirement alone is not a deterrent, there are other barriers that may limit student mobility from the region – widespread lockdowns mean that agents are less accessible and applying for overseas study will become harder, IELTS centres are closed and embassies are also beginning to close again. It is no wonder that bottlenecks are already emerging.

The sheer enormity of the pandemic crisis in recent weeks is likely to have undercut our latest survey results. However, we know from experience that turnarounds can be fast and furious, and, if the UK downgrades South Asia to its amber list by July, the Autumn intake may still be viable for Indian students.

The attractiveness gap between study destinations is not as large in the eyes of agents in South East Asia

In contrast to other parts of the world, COVID-19 case numbers still matter in South East Asia

While agents from the Greater China region and South Asia have tended to show a strong bias towards the UK and Canada, this pattern is not as pronounced for agents in South East Asia.

For one, the government's handling of the pandemic in Australia and New Zealand continues to be well-regarded. On the whole, assessment of a government's handling of the pandemic has been largely de-coupled from case counts, but agents in South East Asia continue to show strong appreciation for how well COVID-19 has been suppressed.

Two-thirds of agents (67%) in South East Asia agree/strongly agree that the Australian government's handling of the pandemic has made it a more attractive study destination. By comparison, only 49% of agents in South Asia and 53% of agents in Greater China would share the same view. Likewise, the New Zealand government's response is also judged favourably. Crucially, this positive view of Australia and New Zealand puts these two countries on par with Canada and ahead of the UK on this measure.

Tim Tabaka, Regional Sales Director for Navitas in South East Asia summarises the general sentiment to international education in the region as being strongly focused on safety. For the agents, parents and students he's interacted with, "Safety remains paramount – parents want their children close to home."

Fig 4.1: "Over the past two months, the way this country's government has handled coronavirus has made it a more attractive study destination."

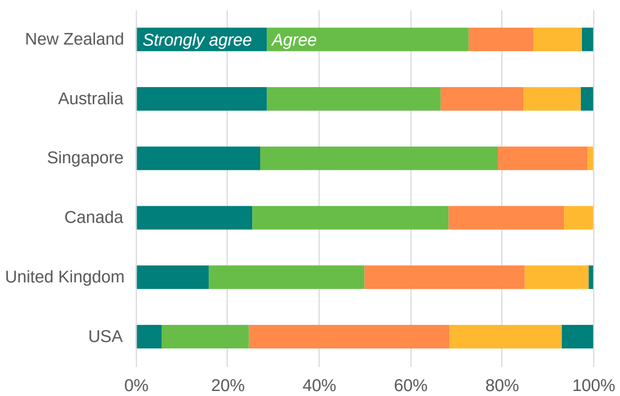
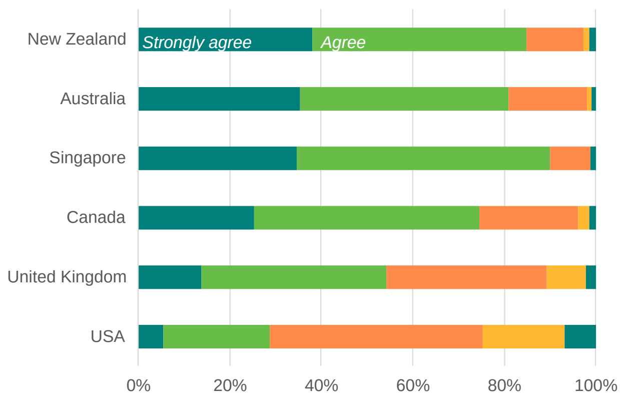


Fig 4.2: "Over the past two months, the reputation of this country safe and stable for international students has improved."



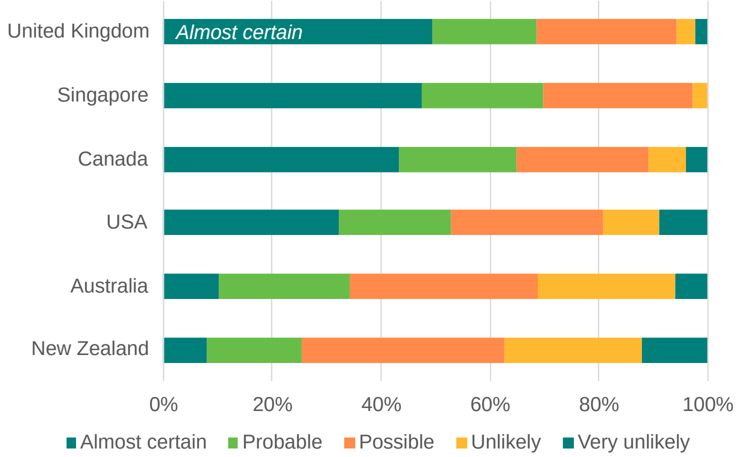
* For the purpose of this report, the region 'South East Asia' includes Vietnam, Malaysia, Indonesia, Thailand, Myanmar, Philippines, Singapore and Brunei.

The prospect of travel bubbles presents greater optimism for open borders with Australia and New Zealand

Agents in South East Asia also hold the most favourable views of Australia and New Zealand when it comes to their assessment of the likely ability to travel. The hard border closures mean that Australia and New Zealand still lag behind all other destinations, with only 10% reportedly 'almost certain' that students will be able to travel to Australia in the second half of 2021 (8% being the corresponding figure for New Zealand). While this is far behind the UK (49%), Singapore (47%) and Canada (43%), South East Asia agents are nonetheless more optimistic than agents in other regions. This might be explained by speculation that Australia and New Zealand will form 'travel bubbles' with countries with low Covid-19 cases – Singapore has already been considered favourably by Australia and could potentially be among the first to form a bubble.

It is likely that geographic proximity, continued concerns around COVID-19 outbreaks and ongoing speculation about travel bubbles are keeping South East Asia agents a bit keener on Australia and New Zealand relative to agents in other regions.

Fig 4.3: Do you expect students to be able to travel to the following destination countries in the second half of 2021?

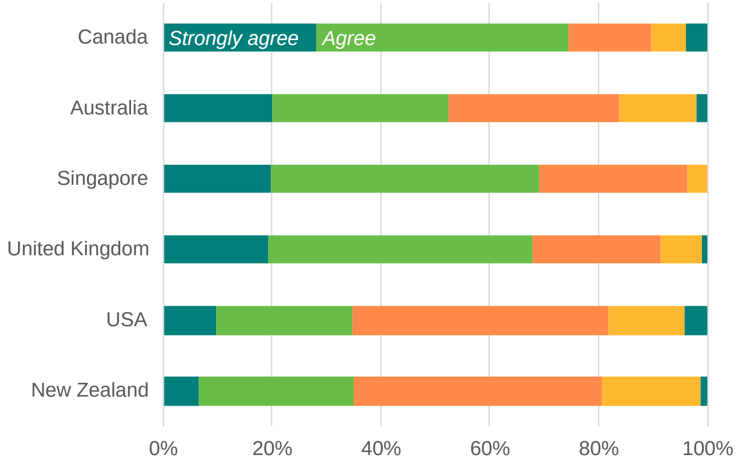


For the time being Canada remains the most attractive study destination in terms of both safety and openness

However, these sentiments are not translating into short-term interest. Neither the strong handling of the pandemic, nor the slightly more optimistic prospects for travel, are translating into interest in studying in Australia and New Zealand at this point in time. When asked whether there has been more interest in education destinations in recent months, South East Asia agents report very favourable views towards Canada (74% agree/strongly agree), Singapore (69%) and the UK (67%). Australia and New Zealand by contrast lag behind (at 52% and 35% respectively).

Both Canada and the UK are considered to be open and welcoming to international students and Canada in particular is a winner because it is also perceived as safe and stable. Compared to other regions, openness is less of an issue for agents in South East Asia. This could be because there is a more cautious approach to travel in the current pandemic, and also because of the opportunities to study with significant UK and Australian brands locally at branch campuses throughout the region, for example in Singapore which is in itself a growing study destination.

Fig4.4: "Over the past two months, there has been more interest in this country as an education destination compared to other countries."



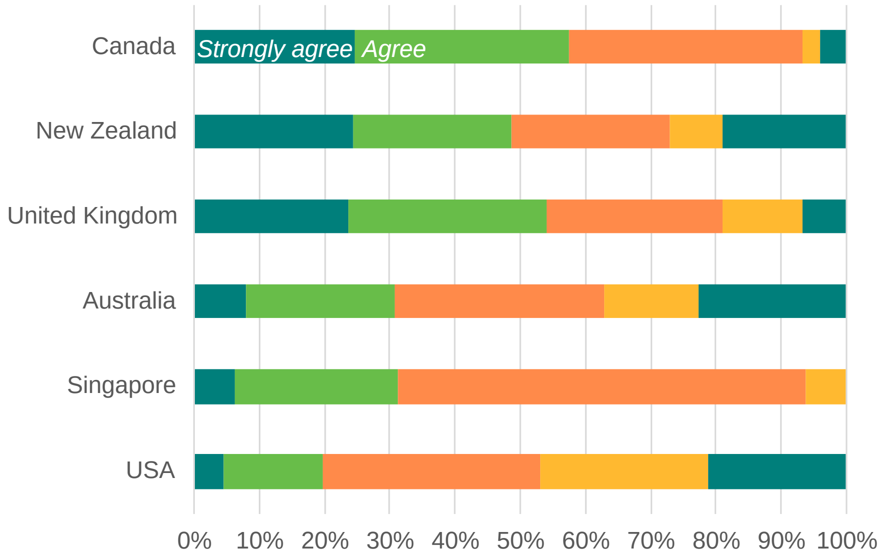
Despite Brexit, the UK still appears relatively appealing to international students in Europe, but Canada may prove to be a surprise alternative

For agents in Europe case counts are increasingly disconnected from study destination attractiveness

Agents in Europe rate the Canadian and UK government's COVID-19 performance rather highly. With respect to Canada, 58% agree/strongly agree that the government's handling of the pandemic has made it a more attractive study destination. The UK however, is not far behind with 54% agreeing or strongly agreeing.

Consistent with our recent analysis which shows that perceptions of a country's handling of a pandemic is increasingly decoupled from case counts, Australia in particular fares poorly on this measure (only 31% agree/strongly agree). Despite similar responses to the pandemic, Australia lags behind New Zealand, possibly because New Zealand's handling of the crisis was a memorable, early and consistent good news story that was covered in global media. Coverage of Melbourne's record-breaking lockdown may also linger.

Fig 5.1: "Over the past two months, the way this country's government has handled coronavirus has made it a more attractive study destination."



* For the purpose of this survey 'Europe' includes the following countries: Albania, Cyprus, Czechia, Denmark, France, Germany, Greece, Italy, Lithuania, Netherlands, Portugal, Romania, Spain, Sweden, Turkey and the United Kingdom.

It is as yet unclear how Brexit will change the international education landscape across Europe but Canada is waiting in the wings

While this seems like a positive story for the UK, it should be understood in the context of Brexit. The number of students from Europe studying in the UK will decline as a result of Brexit making study options less affordable and accessible for students from the European Union. UK universities are trying to retain their market share with measures to improve affordability, but this may not be sufficient to offset the loss of the buy-now-pay-later financial model previously available to students from the European Union.

The international education landscape will undoubtedly change as a result, prompting the agent community to explore and even pre-empt the next education trend, whether this is studying locally, taking up programs at international branch campuses, or considering study destinations further afield. The UK has always been number one with most other countries being a distant second but could this be about to change?

Our findings suggest that Canada could provide an alternative to the United Kingdom for students looking to study overseas at an English-speaking university. The strong score for Canada on the government's handling is underpinned by very positive views on how 'safe and stable' and how 'open and welcoming' it is perceived to be by Europe-based agents. Canada scores 64% agree/strongly agree on both counts. Canada is seen to be as 'safe and stable' as New Zealand (62%) and more safe and stable than Australia (51%). Canada is also seen to be more open and welcoming than the United Kingdom (54%).

Fig 5.2: "Over the past two months, the reputation of this country safe and stable for international students has improved."

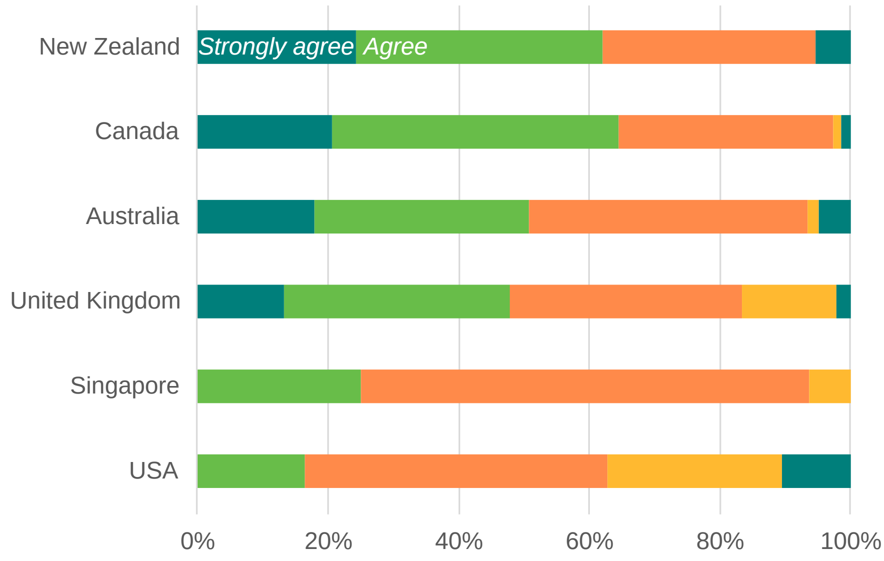
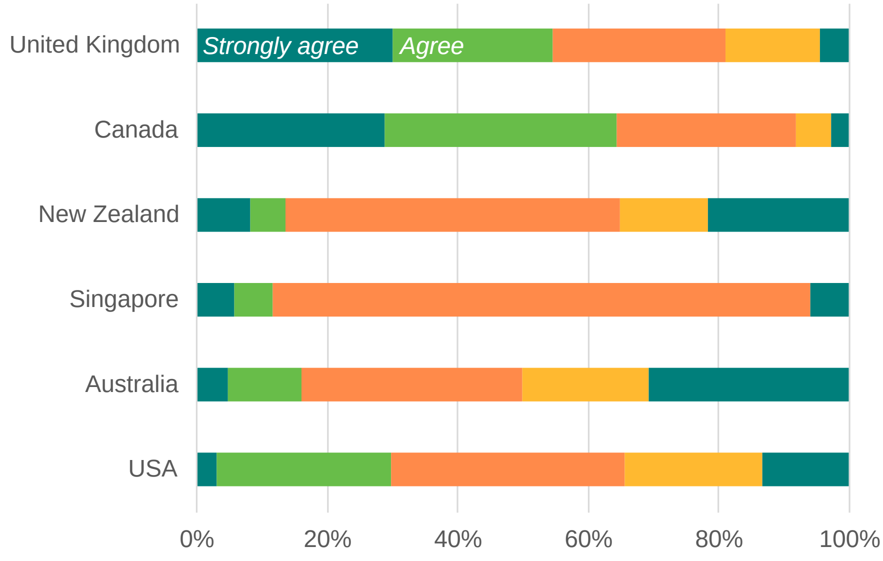


Fig 5.3: "Over the past two months, the reputation of this country open and welcoming for international students has improved."

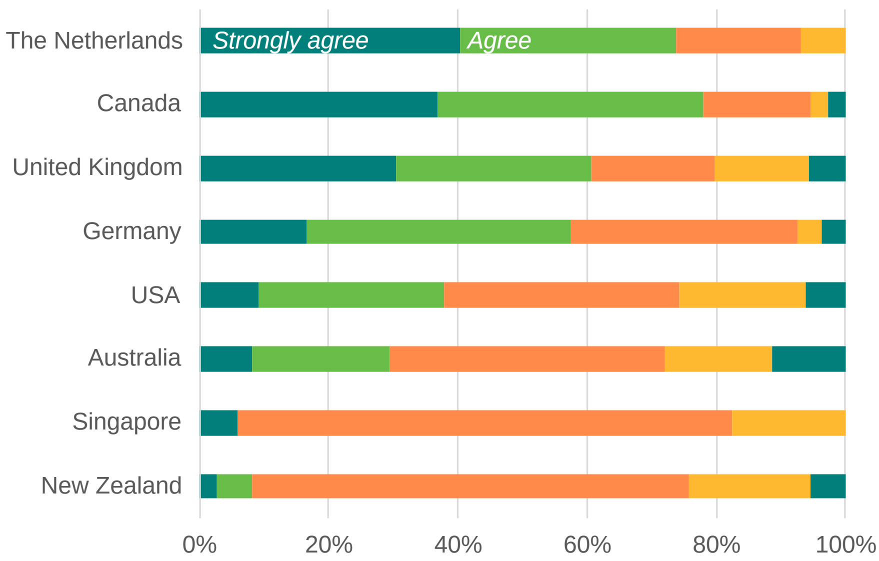


Canada is not typically seen as the destination of choice for students from Europe but in the current climate, it is presenting itself as a somewhat surprising alternative to the UK, USA and Australia. This is most apparent in responses to the question on whether there has been more interest in various destinations. Almost 80% of agents in Europe agree/strongly agree that Canada has been attracting more interest of late. As discussed above, the UK's premier position as a destination for Europe continues to be sustained despite Brexit, with 60% agree/strongly agree on this measure.

It is interesting to note that the Netherlands (74% agree/strongly agree) is not far behind Canada, while Germany (57%) is close behind the UK. By contrast, the United States, Australia, Singapore and New Zealand are all lagging much further behind.

> "While we should not expect the UK to fall off the radar, there is no doubt that Brexit has changed the international education landscape in Europe. Offerings in Germany and the Netherlands are starting to come into play but Canada's star is really rising. Canada is friendly and welcoming and has handled the pandemic well. To many it has the appeal of the US without the politics, and the cost of fees is not at all prohibitive."
>
> **— Omid Honari, Regional Sales Director EMEAA**

Fig 5.4: "Over the past two months, there has been more interest in this country as an education destination compared to other countries."



About The Author
Jonathan Chew

Jon Chew is the Head of Strategic Insights and Analytics at Navitas, and is one of Australia's foremost experts in international education market trends. The key theme throughout Jon's work has been the interrogation and interpretation of diverse quantitative and qualitative data to uncover the underlying narrative and meaning. His ultimate goal is to influence critical decisions through clear, rigorous and actionable insights. Jon's approach is characterised by deep technical expertise, storytelling, and a genuinely collaborative approach. Jon is passionate about education and is himself a product of global mobility having grown up in Malaysia and making the transition to university many years ago via a pathway program.

Co-authors

Julia Lambo,
Head of Corporate Communications, Navitas

Tony Cullen,
EGM Global Engagement, Navitas

Kim Eklund,
Regional Sales Director (Greater China), Navitas

Simon Jacobs,
Regional Sales Director (South Asia), Navitas

Tim Tabaka,
Regional Sales Director (South East Asia), Navitas

Omid Honari
Regional Sales Director (EMEAA), Navitas

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