



## 18<sup>th</sup> IDP Australian International Education Conference

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**Paper Title:** Building Relationships With Agents: An Outsourcing Model

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### Abstract

Building sustainable relationships with agents is a function of international education marketing, but it is not necessarily a skill that can be easily acquired. An effective agency account manager possesses two key attributes: an appreciation of the local environment in which agents operate; and a personality that is suited to building solid partnerships, and friendships, across cultural borders. Not all of us are naturals: some of us have it and some don't. Fast-tracking a market entry for an institution new to the international arena means having staff with these skills on board from the outset, but for many institutions this is not always practical. To that end, this presentation discusses the practice adopted by some of the new European Higher Education players: using consultants, to kick-start the agency relationship development process and to show them where their competitors, get things right, and where they can still get them very wrong. This of course is only one component of the development of a comprehensive market entry strategy, but it will be the primary focus of this session.

### Paper

Today, I broadly plan to discuss the following topics:

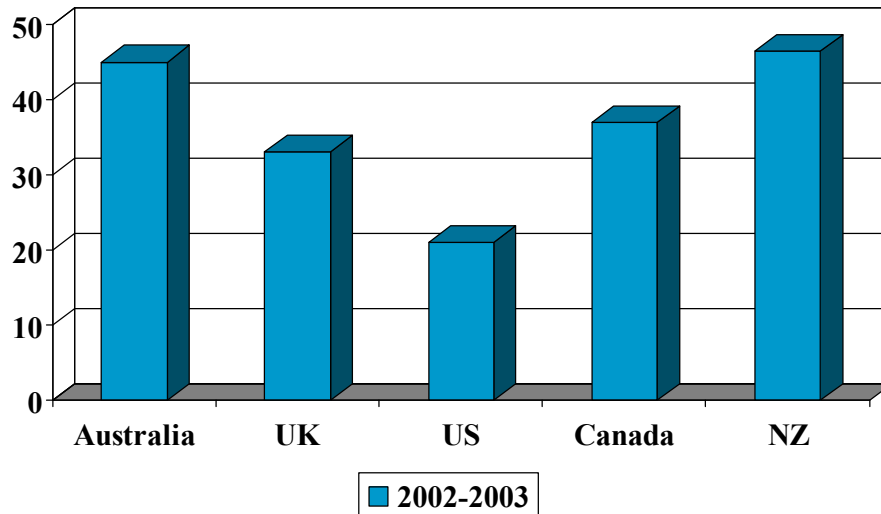
- ***Who outsources the agency network and relationship-building process?***
- ***What are the benefits of outsourcing?***
- ***What are the pitfalls for new institutions attempting to go it alone?***
- ***At what level should the consultant be involved?***

It would come as no surprise to be told that Australian institutions have little to learn about effective management of relationships with student recruitment agents. After all, they have been, arguably, the most successful of the primary Anglophone recruiters in building relationships with agents across some fairly formidable cultural borders, especially in East Asia. Yet, Australian institutions still, like their competitors, are not immune to mismanaging their agency relationships from time to time, in large part, I guess, because they sometimes appoint the wrong people to the wrong jobs. These are marketing people who are not suited to the role of relationship-building, are not culturally sensitive, or who as part of the international team have not been given adequate opportunities to travel to the key markets and engage with the agents on their home turf. They therefore have not been able to develop an appreciation of the cultural environment in which the agents operate.

Occasionally, marketing professionals who have little successful international experience are appointed to international management positions. A marketing qualification, and domestic marketing experience, does not in itself make for international success. I recall, for example, a newly appointed and well-credentialed international marketing manager at an internationally active school complaining that the previous marketing manager, a very successful one, had spent a whole day in Seoul helping his key agent select a new lounge suite. Well, frankly, I thought everyone did that. Formal marketing qualifications are an asset, but not if the human, social side of interacting with the markets is ignored. Relationships really matter. Unless marketing people really enjoy the relationship side of the job, unless they are genuinely able to empathise with the agents, they are most probably in the wrong job.

In the East Asia region Australians are perceived as being friendly, open and approachable. This is a big advantage. In the language sector we spend more on our agents and our relationships with them than any other leading English destination, except New Zealand.

## Average percentage of marketing budgets spent on agents, including commissions



Statistics supplied by *Language Travel Magazine* - full details at [www.hothousemedia](http://www.hothousemedia)

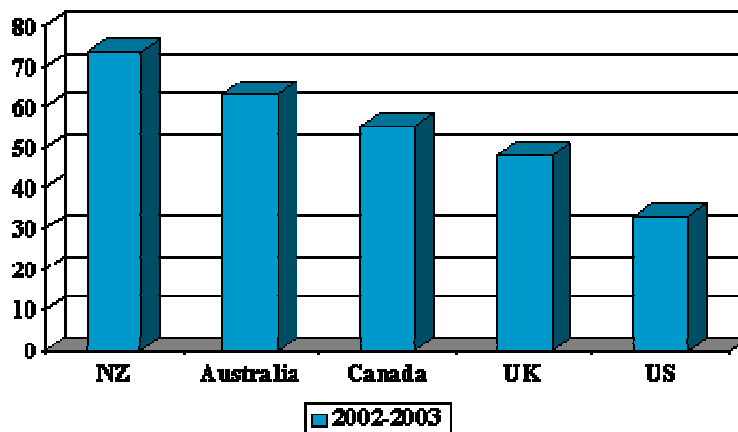
As a percentage of marketing budgets, Australian schools spend 45% on agency-related activities, compared with 37% in Canada, 33% for the UK and 21% for the US.

Australians spend more on commissions than any of our primary competitors. Bear in mind also that the size of the average Australian marketing budget in the language sector, as a percentage of gross earnings, is 17%, almost twice the average for competitor countries. By and large, Australian institutions are willing to spend more on marketing, and they are prepared to support their agents.

After all, agents are still very important. Depending on which sector you are looking at, and from where your statistics are drawn, it is still evident that over 60% of students choosing to study in Australia have booked their course with the assistance of an education agent.

It is evident from the following chart that there is a strong correlation between spending on agents, and the percentage of enrolments that are booked by agents. New Zealand language schools, with their higher spending on agents, receive over 70 per cent of their bookings from agents, compared to 48% of students recruited by UK language schools, 55% in Canada, and in the US it is just 33%.

## Percentage of language school students recruited by agents



Statistics supplied by *Language Travel Magazine* - full details at [www.hothousemedia](http://www.hothousemedia)



What these figures do not reflect, however, is the number of students who first visit an agent, pick up some brochures, perhaps have a free counselling sessions, but then apply to an institution directly, in order to avoid counselling charges and processing fees. As English proficiency in primary markets increases and students become more Internet-savvy, the agents are indeed seeing a slow decline in business in many markets, but their importance as the first point of contact for more students than the figures reflect, should not be underestimated.

With the entry of European institutions into the marketplace, so too have come a range of issues related to working with agents. The Dutch, Germans and French are all expanding their range of English-language degree offerings. The Netherlands currently offers over 1,200 undergraduate and postgraduate degrees in English, in recent years adding two or three hundred a year.

There is, however, an anti-agent attitude in many of the European institutions that are new to international recruitment. This is true not just of the institutions, but of their public representative bodies as well, some of which, like Nuffic in the Netherlands, make it difficult for institutions to work with agencies at fairs and exhibitions, and do little, if anything, to train, monitor or accredit agents who are seriously interested in sending students to their countries. There is little recognition of the vital role that agents play in the supply chain. Ironically, the survival of jobs in the sector will ultimately depend on the success of recruitment strategies; a big ask without the support of agents.

There is also an absence of bench-marking, and attempts to learn from the successes and failures of market leaders are rare. An attitude of "they, the agents, need us more than we need them" prevails. I wonder what the origin of this feeling is? Over the years I have dealt with a large range of talented, reliable and valuable agents in East Asia. Not all fit that bill, but for every sour experience I have had with an agent, I have had one with an institution as well. And, although I am remunerated by institutions, often as not I find myself advocating for agents where there are disputes, largely because the institution is unable to put itself in the agent's shoes and understand the cultural and business environment in which it is operating, or the pressures they are under, applied mostly by students and their parents.

It seems, perhaps not surprisingly, that institutions and individuals most suspicious of agents, are the ones who have had the least contact with them. Balance this against the perception held by some agents of some institutions as ungrateful, inefficient, unreliable and arrogant. Take the example of a university representative at an event in Jakarta earlier this year, rudely turning his back on a local Indonesian agent and refusing to accept his business card, because, "we don't work with agents." If that is the institution's policy, so be it, but what is the price of good manners? What is to be gained by this type of behaviour? There is certainly plenty to be lost. The market has a long memory, as we all know

Perhaps many new-comers have been spooked by their own mistakes. Institutions that are inexperienced in international marketing sometimes select agents based on very flimsy background knowledge, especially where travel budgets are tight. The rule of thumb ought to be never to take anything at face value. A smart institution will insist on visiting agents in their own offices, in their own countries, to get a feel for the environment in which they work and the quality of their counsellors, and an idea of which other institutions they represent. Where possible, they will talk to the agent's other clients, and to other local agents as well. They will talk to staff at their diplomatic mission, usually the embassy, who deal with education issues and local agents. They will talk to as many people on-the-ground as possible. There is, after all, no substitute for on-the-ground experience. Smart institutions strive to make an informed decision about which agent, or agents, would make the most suitable representative. This is the key distinction: making informed decisions. But this is, again, the ideal model, dependent upon solid travel budgets, and the know-how about how the market operates. Many new players make uninformed decisions, without doing the appropriate background checks, which can, and often does, lead to problems, wasted budget and significant lost time.

I have been fortunate to have worked with some very astute and forward-looking marketing people in Europe, particularly in the Netherlands, and some institutions in Singapore, who have recognised the benefits of outsourcing some of their Asian market development work to a consultant. Australians are recognised globally by industry professionals as leaders in the field, and their expertise can go a long way to filling a gap opened up by new players in the marketplace. Of course, Australian educators occasionally need to import this expertise themselves, especially when they are either a new school, or at least new to international recruitment. Where managers do not have overseas marketing experience, and where budgets do not allow for the acquisition of marketing staff with a proven track record in the off-shore markets, it sometimes makes sense to outsource some of the strategy development and implementation work to someone who does know the markets.



A number of my clients had spent a year or two drifting back and forth between agency workshops and exhibitions, hoping to stumble across good agents. It makes considerable more financial sense to buy in, on Day One, intelligence regarding which agents in each target country deal with their sector, would be interested in the disciplines they offer, perhaps have a gap in their portfolio, and, very importantly, are honest, reliable and supportive. For an institution starting from scratch it can take years to develop this market knowledge, plus considerable expense. Ideally, though, they want to hit the ground running.

So, some institutions see it as a positive strategic step to bring in assistance to set up the agency relationships, and to ride on the back of existing relationships between the agents and the consultant. At the same time, in the marketing strategy implementation stage – let's say the first one or two years – some European institutions have also seen the benefits of having a specialist oversee communications with the agents, to ensure that staff are communicating effectively, politely and in a friendly manner. The use of polite and friendly language may be second nature to many people in this room, but in some cultures small talk does not come easy, and as learned behaviour it can be difficult to come to grips with. Let me show you two pieces of writing. The first is from an Australian independent secondary school to a Korean agent, which starts like this:

***Dear Mr Kim***

***Greetings from Mater Christi. Our school year has commenced smoothly and we are experiencing beautiful, mild summer weather. I see that the weather in Seoul is very cold with the prospect of snow today. I can imagine that it is a very beautiful city on the clear days with the views of the snow peaks nearby. I would enjoy a visit to Seoul in the winter...***

Contrast that with this second one, from the international office of a European university. This email was a response to a message from an agent in Malaysia asking if the international office could check on the progress of an application:

***Dear Sir,***

***No, I cannot.***

***Signed: International Office Staff***

This really speaks for itself. The agent is not addressed by name, the message not signed by anyone, it is not polite, not friendly, not helpful. Interestingly, that agent is now one of the university's best agents, and the relationship between the two organizations is very friendly, but without outside intervention, primarily to advocate on the agency's behalf, and without of course some staff training at the university, that relationship would have gone nowhere, fast.

Cultural faux pas are frequently made by marketing people in the Asian markets, and it serves no purpose to have marauding cultural imperialists riding roughshod around the region dispensing advice to agents about how their country might improve its human rights record, or pointing out gross inadequacies in their local institutions. Our role, as marketers and ambassadors, is to relate, not pontificate, and arrogance is certainly not the mother of friendship. Some of my best clients have been bulls in a china shop, but once a bull doesn't necessarily mean always a bull. What distinguishes a good client for me is their ability to listen, to allow themselves to be taken aside and quietly told what is appropriate and what is not. That is the key indicator of someone who has the ability to become a good international operator: to be able to listen and learn, and to be able, eventually, to put themselves in the shoes of the agent, to understand the social and cultural environment in which they operate, and to be able to empathise with the agent and the pressures they are under.

None of this occurs overnight and until an institution is able to effectively manage its agency relationships independently, it makes good sense for many to use an outside advisor to: firstly, fast track the process of identifying and engaging with good potential agents; and, secondly, to participate in and monitor the relationship-building phase.

Thank you.