Public meets private:

The growth of educational services in international student recruitment

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nous | Oxford International Education Group | Universities UK International

Executive summary

An emerging fourth wave in international education is creating opportunity for universities to increase collaboration with private providers in student recruitment. The private sector has long played an important role in recruitment including as education agents. But increasing competition for students, the emergence of data-driven tools, an influx of private equity investment and the disruptions of the pandemic have deepened university partnerships with private providers and the educational services on offer.

Yet universities' understandings of this rapidly changing space are varied and sometimes conflicting. To build a more cohesive picture of how universities work with private providers, Nous Group partnered with Universities UK International (UUKi) and Oxford International Education Group to explore the expanding frontier of private sector services in international student recruitment.

We used surveys and consultations with senior leaders in UK universities and private providers to understand why universities engage with private providers, their satisfaction with these engagements, best practices for management, and their future plans.

Our research shows that change is coming, even if the direction or extent of that change is unclear. The forces unleashed before and during the pandemic will create opportunities and pressure for universities to re-examine their approaches to internationalisation. Yet those forces will not play out equally across the sector. Some universities will likely have no choice but to commit to radical experiments with private provision, while others will be able to hang back and wait for the outcomes of early adopters. Most universities will fall between these extremes. But regardless of where universities land on that spectrum, the wise are taking steps to prepare, building on the growing examples of success that this report shares.

Key takeaways include:

- Most respondents (72 per cent) attributed their decision to work with private providers to "increased competition", noting recent challenges in recruitment from China and rising pressures on international recruitment teams as the volume and complexity of study applications have surged.

- Other drivers included the need to reduce carbon footprints and address capability shortfalls, particularly in understanding key emerging international student markets.

- Engagement with private providers diverged by entry tariff bands: higher- and lower-tariff institutions reported relatively lower levels of engagement with private providers, while mid-tariff institutions showed the highest propensity for engagement with private providers, driven by an intensely competitive market for students.

- Satisfaction with private providers was mixed. Pathway providers, local representation and offshore academic delivery received the most favourable reviews, while agent aggregators were the most controversial type.

- Pathway providers enjoyed the highest level of trust, in part because of their long-term relationships and the senior university leaders with which they engage.

- Agent aggregators received less positive views from some respondents because of a perceived lack of transparency and lack of oversight, while their positive reviewers tended to use aggregator services for more targeted purposes, like managing small agents in their portfolio.

- Despite concerns about aggregators, respondents nonetheless indicated that this was the area they were most considering expanding their private sector partnerships.

- Governance surfaced as a core issue in creating successful partnerships with the private sector. Many interviewees said their institutions' governance practices were well set up to manage traditional private sector relationships like agents, but less well equipped for emerging services like aggregators.

- Those who thought their institutions were positioned to manage partnerships well stressed the importance of investing time and resources in creating contractual agreements carefully tailored to the institution's strategic goals and risk tolerance.

- We asked interviewees how expanding private provision might reshape the international education sector more broadly. Some believed it will bring radical change, with international office staff shifting away from frontline relationship management to more analytical roles. In contrast, others thought private sector collaboration could free the sector from administrative burdens, allowing universities to focus on core mission.

There is growing potential for private service provision in international student recruitment

Over the past 20 years the globalisation of higher education has led to international engagement growing from a cottage industry to a central feature in university strategy, with a surge in global research collaboration, teaching partnerships and student mobility.

Most striking is the growth in international student mobility, with the number of internationally mobile students – those studying outside their home country – tripling from around 2 million in 2000 to more than 6 million in 2019[1]. The influx of international students to major study destinations has created more globally connected campuses and provided deep pools of talent in host countries.

It has also become increasingly important to the financial sustainability of universities, as government funding for higher education is falling or stagnant in most developed countries. Based on estimates of direct expenditure, international students contribute over US$100 billion a year to the economies of the four biggest English-speaking study destinations – Australia, Canada, the United Kingdom and the United States.

As the scale of international education has grown, the industry has evolved in three waves.[2] The first wave, in the early 2000s, was shaped by soaring demand for science, technology, engineering and maths (STEM) education and universities' drives to build global research excellence through increased international collaboration.

The second wave emerged in the late 2000s in the wake of the Global Financial Crisis, as economic drivers for growing international enrolments increased. The third wave took shape around 2015 as geopolitical and socio-demographic changes altered student mobility patterns.

These drivers have created impetus and opportunity for universities to expand their working with private providers to accomplish their international recruitment missions. However, the scale and scope of this new opportunity and the rapidity with which it is unfolding is unlike anything before.

In our work with universities and other global higher educational providers we have found that, while some universities have deep expertise in some areas, it is often incomplete or not uniform across the sector. Decisions regarding engagement with these new drivers and service providers are sometimes based on partial information and outdated notions of what constitutes a partnership.

To better define and distribute examples of emerging current practice, Nous Group partnered with Universities UK International and Oxford International Education Group to research why and how UK universities are using private providers, what forms of partnership are being established, how satisfied they have been with results, and to identify best practices for creating relationships and oversight.

This report was made possible thanks to funding provided by Oxford International Education Group.

This report focuses on an emerging fourth wave and the forces shaping it:

- There has been widespread experimentation with modes of engagement and education delivery during the pandemic.

- There has been intensified competition for international students within and between countries, against a global background of increasing politicisation of higher education.

- Surging applications from India and Nigeria have brought challenging growth in the volume of and complexity of applications, along with challenges in sustaining diversity.

- There have been growing concerns about costs: the cost of acquiring students; the cost of fees for students; and rising operating costs as inflation and economic headwinds increase.

- There has been increasing process-automation and digitisation of the student journey aligned to massive growth in data about individual and collective student intentions and behaviour.

- A surge of venture capital into EdTech and other education services has expanded private provider services on offer to the sector.

1   UNESCO
2   Choudaha, Rahul, "Three waves of international student mobility (1999–2020)", Studies in Higher Education, Vol 42, 2017 – Issue 5.

How are universities' relationships with private providers changing?

Private provision of services to the international higher education sector is broad and rapidly evolving, but it is poorly catalogued with overlapping definitions.

This makes it hard to identify the key market segments and service providers. To define a manageable scope for the project, we started by asking universities and private providers which categories of services were most important to them.

Based on this feedback, we identified 10 categories of services delivered by private providers to explore in the research[1]

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1   An eleventh category – online programme management – was also identified but was excluded from the research because the development of online delivery has already received much attention and the landscape, services and outcomes desired are mostly known and understood.
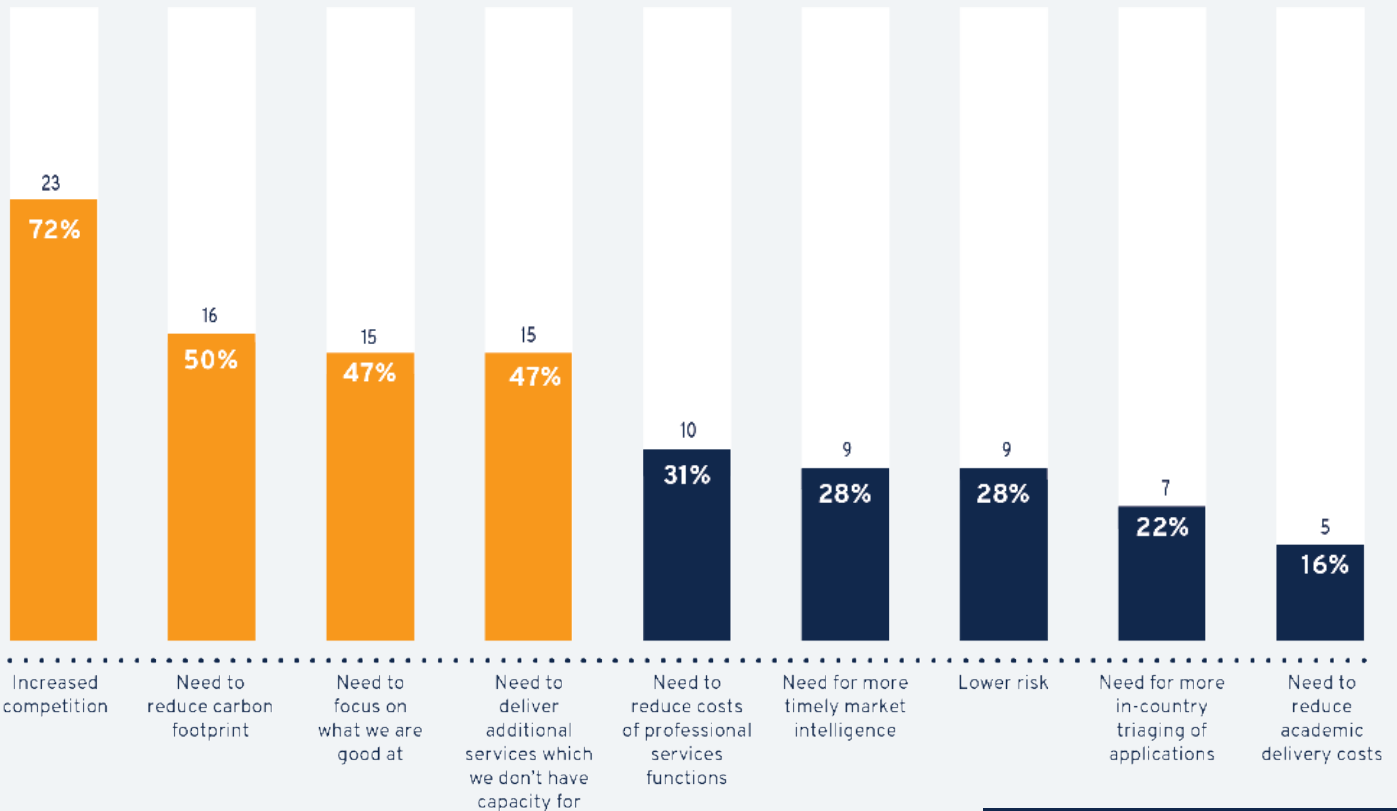
Service types and examples

Agent aggregators and recruitment platforms	Tech-driven platforms that reshape the agent marketplace	Eg, Adventus, ApplyBoard, Concourse, Educo, ApplyBoardIDP Connect, Studyportals	**Graduate employability**	Careers support and job placement for graduates	Eg, Asia Careers Group, Twin Employment
Alumni engagement	Management of a university's alumni network	Eg, Aluminati, Hivebrite	**Local representation**	Business solutions for in-market operations	Eg, Grok, Sannam S4
Course search and placement	Course search engines	Eg, IDP Connect, StudyPortals, QS Recommendation Engine	**Offshore delivery**	Provision of administrative and/or academic functions for transnational education (TNE)	Various in-country services
Digital marketing & lead generation /management	Top-of-the funnel marketing services	Eg, Capture Higher Ed, Sinorbis	**Pathways / Foundation**	Large established pathway providers	Eg, Into, Kaplan, Navitas, Oxford International, Shorelight, StudyGroup
Conversion and enrolment	Services that assist with converting leads and simplifying enrolment administration	Eg, Enroly, Oxford International, QS Enrolment Solutions	**School engagement**	Direct engagement with students and counsellors	Eg, Bridge U, Cialfo, Concourse

Universities see competition, sustainability, capability and capacity challenges as critical drivers for using private providers going forwards.

Shifting competition is changing how universities use private providers

We asked respondents which of nine drivers are or will be most important in determining their approach to working with private providers. The results are summarised below.

Increased competition	Need to reduce carbon footprint	Need to focus on what we are good at	Need to deliver additional services which we don't have capacity for	Need to reduce costs of professional services functions	Need for more timely market intelligence	Lower risk	Need for more in-country triaging of applications	Need to reduce academic delivery costs
23 / 72%	16 / 50%	15 / 47%	15 / 47%	10 / 31%	9 / 28%	9 / 28%	7 / 22%	5 / 16%

Universities in the middle and lower bands of the major global rankings often cited China, the world's largest international student recruitment market, as an area of concern for future engagement, due to pandemic effects and students' increasing focus on rankings over other factors in their choice of institution. Higher-ranking institutions have not been unscathed, however – several Russell Group institutions told us in interviews that global competition for postgraduate students has stiffened, with all but top-tier universities having to fight harder to attract appropriate students.

Several interviewees expanded on the pressures facing international recruitment teams, saying they are increasingly expected to deliver more – both in volume and in diversity by geography and level – without a commensurate increase in resources. As one put it, "The drive is to increase international numbers without increasing the size of recruitment teams." As noted below, the sector's desire for increased diversity is also exercising institutions, though pursuit of volume has primacy for most.

> "The drive is to increase international numbers without increasing the size of recruitment teams."
>
> *Interviewee*

Another important driver of deepening reliance on the private sector is the need to reduce carbon footprints. In interviews we heard that universities are feeling greater pressure to dial back greenhouse gas emissions. In a decade that will be largely defined by the pandemic-led shift to virtual engagement, the frequent overseas travel of international recruitment teams before 2020 may be regarded as outmoded.

Nonetheless, many interviewees were sceptical that remote engagement with institutional partners and prospective students is an effective replacement for face-to-face relationship building. They thought that the ability of private providers to provide in-country human, and physical infrastructure in a wide range of markets was an increasingly attractive feature of service provision.

Capability and capacity shortfalls also surfaced as major drivers of engaging with private providers. Since the reintroduction of a broad post-study work offer in the UK, universities have experienced a surge in applications from South Asia and Sub-Saharan Africa, often from different student profiles than those that universities had historically recruited. Universities told us this has stretched their capacities, and many have looked to the private sector for more efficient processes instead of scaling up internal resources.
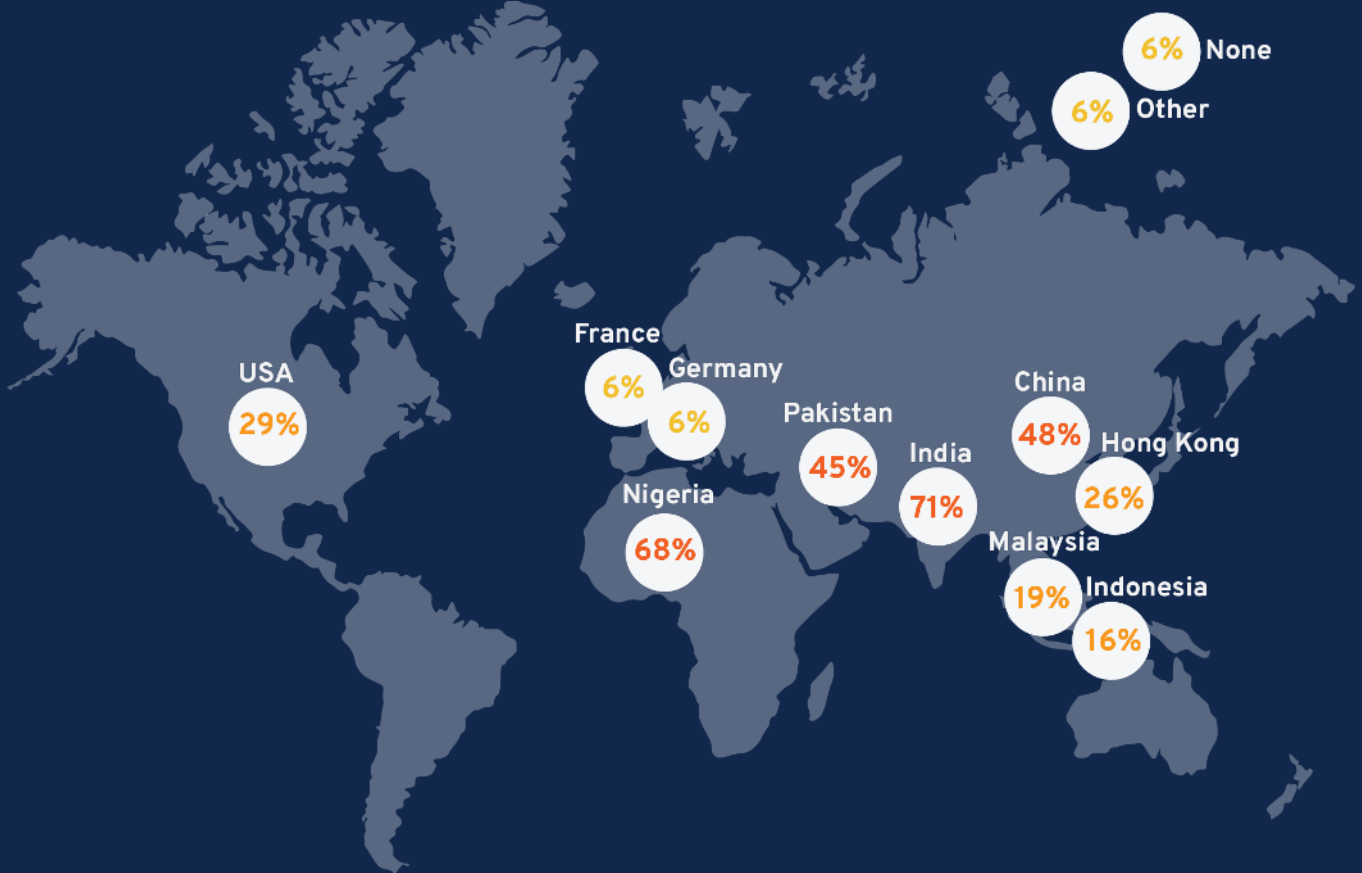
Many interviewees pointed to increasing pressures to diversify the sources of their international students. The focus was on diversification, because of over-reliance or a recent decline in Chinese applicants. Chinese students are increasingly sensitive to rankings, and this has meant that lower-ranked institutions have had this portfolio rebalancing forced upon them. India has filled the gap for most, but as one interviewee put it, "We've .... swapped reliance on China for reliance on India."

Even some of the higher-ranked institutions we spoke to said they had seen significant reductions (more than 20 per cent) in Chinese enrolments since the start of the pandemic. Those who had not seen this reduction nonetheless said they were concerned about overreliance on recruitment from China and were looking to diversify their international student bodies.

Yet across all university types we heard that universities are finding it challenging to engage with a longer tail of smaller markets without dramatically raising the per-student cost of acquisition. Most thought private providers were at least part of the solution, with particular focus on what pathway providers and aggregators could deliver.

In which markets will private providers become more cruicial for meeting international recruitment targets?

Apart from China - India, Nigeria and Pakistan were the countries where respondents thought private sector support will be most crucial in the immediate future.

6% None
6% Other

USA 29%

France 6%
Germany 6%
Nigeria 68%
Pakistan 45%
India 71%
China 48%
Hong Kong 26%
Malaysia 19%
Indonesia 16%

Finally, the pandemic has driven deepening relationships between universities and the private sector, with just under half of our respondents reporting that such engagements increased in response, see right.

In interviews, most universities told us they had relied more on traditional agents, pathway providers and local representation to compensate for travel restrictions that prevented them from making face-to-face visits to key markets. Several also reported that the pandemic pushed them to experiment with agent aggregator relationships.
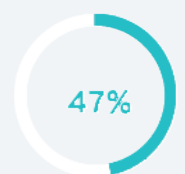
47% of universities reported an increase in private proider use during the pandemic

3% Decreased (1)

50% Stayed the same (17)

47% Increased (16)

How do universities engage with private providers and how satisfied are they?

Respondents were asked which of the 10 private provider types noted above their universities work with.

The most cited were pathway providers, digital marketing and lead generation services, agent aggregators, and local representation. The least cited were alumni engagement and graduate employability.

When the answers were split by tariff band, clear patterns emerged. Mid-tier institutions showed the greatest engagement: both upper-middle and lower-middle bands showed high levels of overall engagement with private providers. This pattern was reinforced in our interviews.

Higher-ranked institutions were more hesitant to engage with private providers, particularly in emerging and relatively untested product categories like agent aggregators. As one interviewee at a Russell Group institution put it, "We can afford to wait and see what works.

At the other end of the spectrum, low-tariff institutions also had less engagement with some categories that were most popular overall, though for different reasons.

Smaller institutions told us that pathway providers were not traditionally interested in working with them because the scale of their international recruitment is not large enough for embedded pathway colleges to be of commercial interest. While this likely holds true for the smallest institutions, some providers are developing models to engage smaller and specialist institutions.

In other areas of private provision lower-tariff institutions – particularly small ones – told us they do not have enough resources to evaluate and navigate relations with the private sector, and this has slowed their adoption of new products. One respondent at a small institution with relatively low tariffs said they were concerned universities like theirs might be "seen as easy pickings" in contractual agreements, which makes them doubly cautious in engaging with the private sector.

The only type of private provision where lower-tariff institutions led engagement was offshore academic delivery – that is, transnational education. This is likely because lower-ranked UK institutions are more engaged in franchise and validation agreements that involve third parties.

"We can afford to wait and see what works."

Interviewee

| Upper |
| Upper - middle |
| Lower - middle |
| Lower |

Middle-tariff institutions showed the highest levels of engagement with private providers

	Pathway providers	Digital marketing and lead generation	Agent aggregators	Local reps	Conversion and enrolment	Course search and placement	Offshore delivery	School engagement	Alumni engagement	Graduate employment	Other
(bar)	67	64	56	52	41	35	32	32	26	21	9
	70%	30%	30%	70%	30%	30%	30%	30%	30%	10%	10%
	71%	71%	57%	43%	57%	43%	29%	43%	43%	43%	29%
	67%	78%	78%	44%	33%	33%	22%	33%	11%	33%	0%
	50%	75%	63%	38%	50%	38%	50%	25%	25%	0%	0%
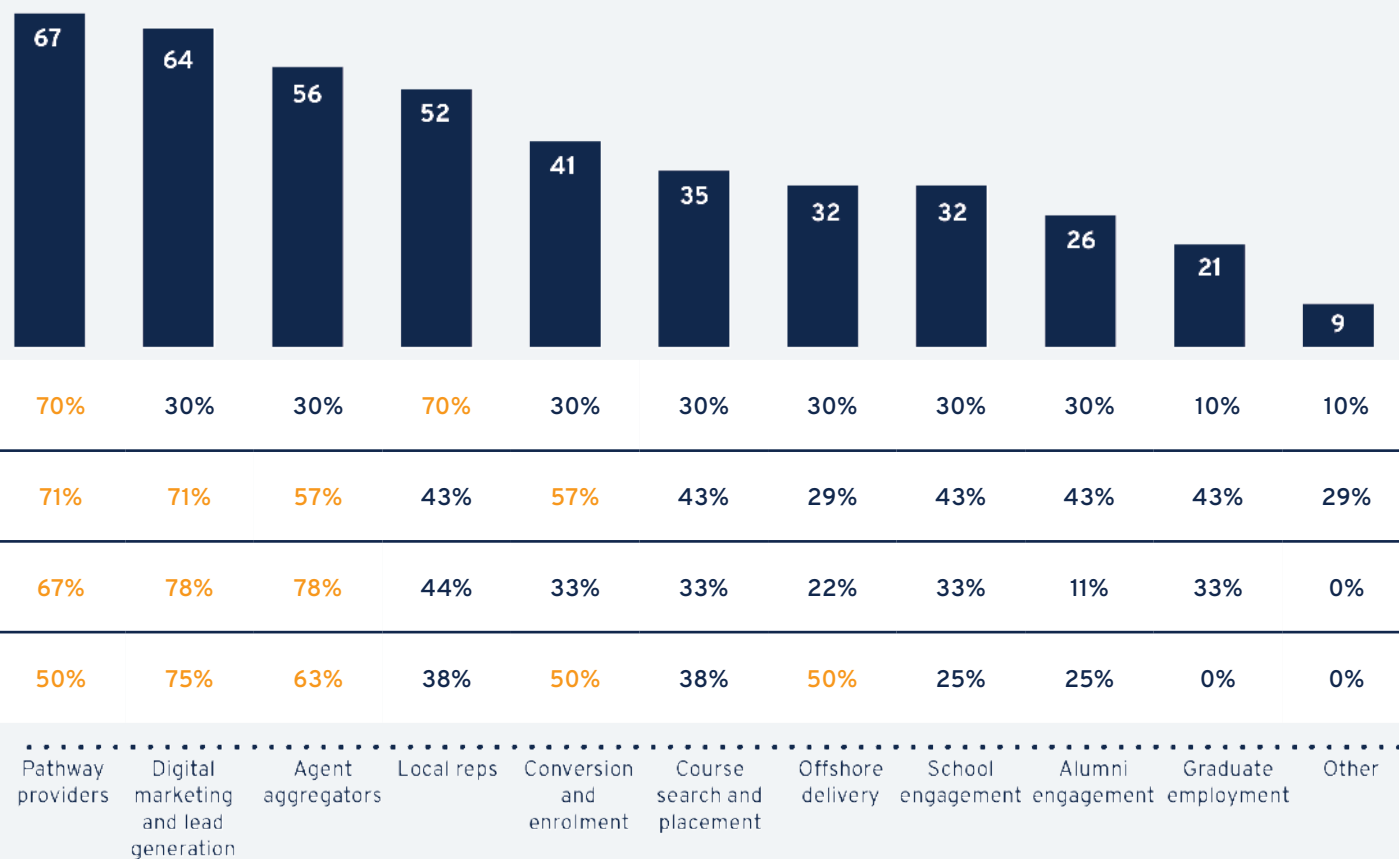
University satisfaction with provider types is mixed, though notably with outright detractors.

The survey asked respondents how satisfied they are with working with the various types of international education private providers.

Results are summarised below.

Provider type	Very dissatisfied	Dissatisfied	Neutral	Satisfied	Very satisfied	n
Agent aggregators			63%	32%	5%	19
Digital marketing and lead generation		9%	23%	64%	5%	22
Pathway providers		9%	17%	52%	22%	23
Offshore delivery			18%	55%	27%	11
Conversion and enrolment			36%	57%	7%	14
Local reps			6%	50%	44%	18
School engagement		9%	55%	27%	9%	11
Course search and placement			8%	50%	42%	12
Graduate employment		29%	57%	14%		7
Alumni engagement			56%	44%		9

VERY DISSATISFIED **DISSATISFIED** **NEUTRAL** **SATISFIED** **VERY SATISFIED**

Satisfaction with different provider types was mixed. Local representation, offshore academic delivery and pathway providers received the most favourable reviews. Notably, all three of these types of services have long histories in the international education sector and tend to involve deep, embedded partnerships.

Pathway providers enjoyed the highest level of satisfaction among respondents, largely because of the long-term nature of the relationships and the seniority of stakeholders they involve. As one interviewee told us, "It's a deep relationship that developed over a decade with a lot of senior-level engagement." While most were satisfied with their pathway providers, several interviewees noted relative underperformance in recent years. In particular, some middle- and lower-ranked institutions felt that provider attention had shifted to their higher-ranked partners.

Aggregators were the most controversial among the types of private providers that institutions engage with most. The majority of respondents (63 per cent) described their satisfaction with aggregators as "neutral", while only 37 per cent were satisfied or very satisfied. In interviews, several detractors questioned the value that aggregators deliver, as they can "impose additional burdens as extra checks are required to process a large volume of low-quality applications."

Interviewees who gave the most positive assessments of aggregators tended to use them for highly specific purposes. One university told us they use aggregators to decrease overall application processing burdens by feeding their small and underperforming agents through them. Any agent who fails to meet the university's target conversion rate, for example by submitting low-quality applications, loses the privilege of directly submitting applicants to the university and must instead put them through the aggregator. This serves as an incentive for agents to maintain focus on quality applicants and requires aggregators to establish the individual academic and other credentials of students coming via them.

The other criticism frequently levelled at aggregators is that there is a lack of transparency in the sub-agent networks from which they draw their applicants.

Universities fear weak oversight and the possibility that sub-agents may mislead both the aggregator company and the students in their desire to see students secure a place. Most of our respondents had heard anecdotal evidence of such practices, but opinions diverged on whether these incidents were isolated or widespread. One aggregator representative we interviewed flipped the issue on its head: "The fixation on sub-agents is a bit odd to me. Several of the major traditional agents that universities use have employed sub-agents for ages. A data-driven platform gives you much more transparency than the agent relationships that universities have traditionally used."

Interestingly, despite the ambivalence our survey respondents showed in their satisfaction with aggregators, this was the area in which the most respondents said they were considering expanding or adding partnerships (see right). This suggests that, while there are some issues to iron out in terms of operating model and trust building, agent aggregators will become a more important feature in student recruitment.
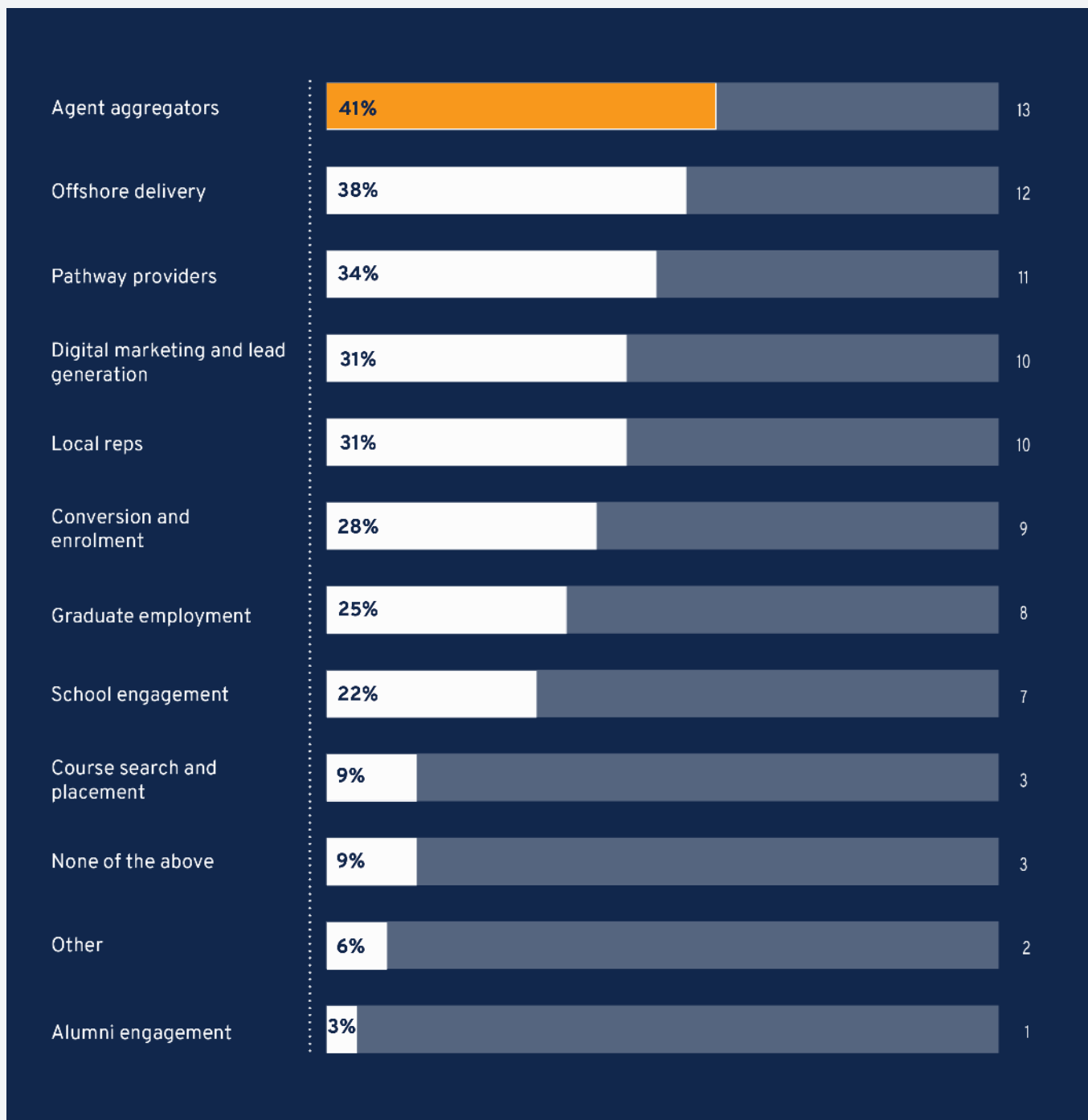
Finally, our research pointed to several areas where universities want private sector support but see few satisfactory options available. School engagement, course search/ placement, alumni engagement and graduate employability all garnered relatively low satisfaction scores. Graduate employability is perhaps the most topical, as student feedback has shown this is increasingly important in their decision-making. Yet only a fifth of the universities we surveyed work with a private provider in this area, and among those who are satisfaction levels were the lowest of all categories of private provision we tested. One interviewee was vocal in their view of firms offering graduate employability services: "(They) make huge promises but can't deliver anything that really moves the dial." But they added, "To be fair, you're talking about career services for thousands of students across dozens of countries. I'm not sure there is a magic bullet."

Nonetheless, as 2021 report from the Higher Education Policy Institute, there is growing gap between international student expectations and university capabilities in global career and employability services.[1]

1   "Paying more for less? Careers and employability support for international students at UK universities," Higher Education Policy Institute, Report 143, October 2021.

Aggregators defy the correlation between satisfaction and university plans for expanding private partnerships

Category	%	Count
Agent aggregators	41%	13
Offshore delivery	38%	12
Pathway providers	34%	11
Digital marketing and lead generation	31%	10
Local reps	31%	10
Conversion and enrolment	28%	9
Graduate employment	25%	8
School engagement	22%	7
Course search and placement	9%	3
None of the above	9%	3
Other	6%	2
Alumni engagement	3%	1

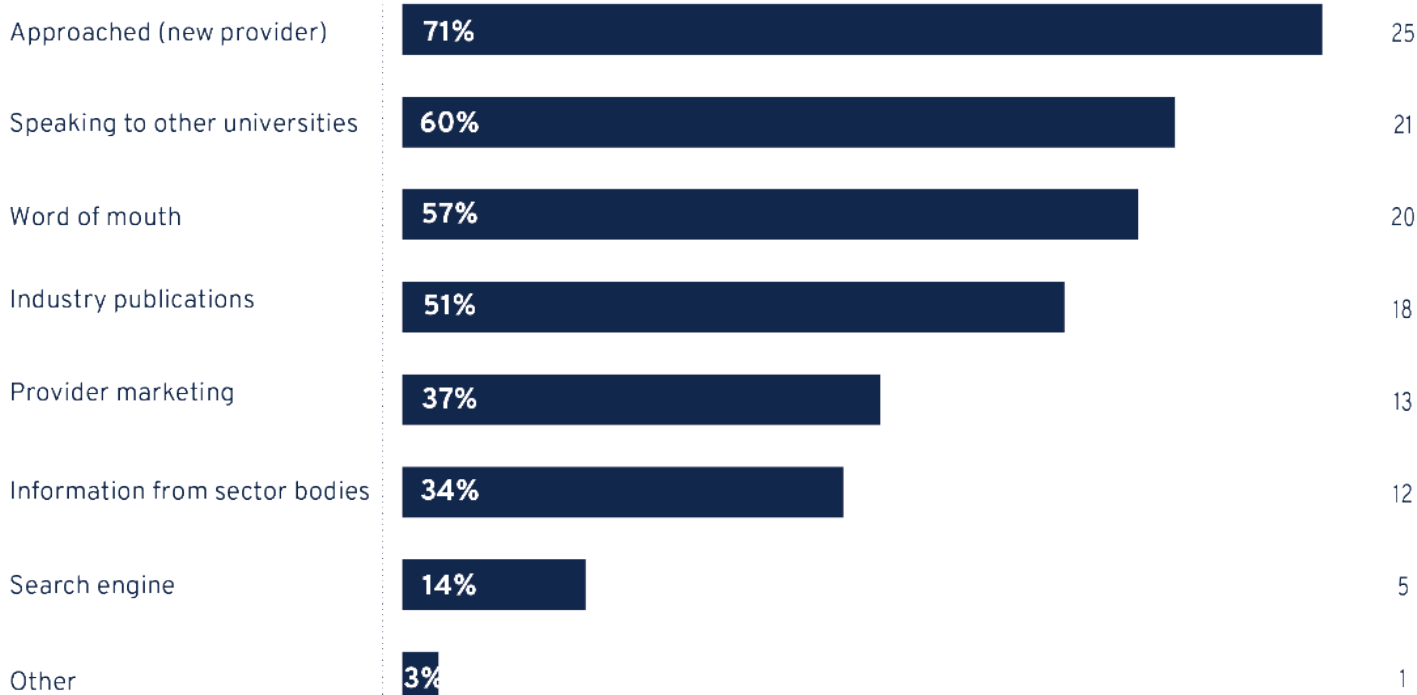# How do universities choose and manage private providers?

The survey asked respondents how they become aware of new types of international education services.

Results are summarised below.

Universities commonly become aware of services via direct approaches; other channels are also important

In survey responses, universities told us they most often learn about private sector services through direct approaches from providers. "Speaking to other universities", "word of mouth", and "industry publications" also featured highly. Several interviewees told us they would like more guidance on private providers from sector bodies, particularly in regard to emerging areas such as agent aggregators.

71%
become are of new services through provider approaches.

Channel	Percentage	Count
Approached (new provider)	71%	25
Speaking to other universities	60%	21
Word of mouth	57%	20
Industry publications	51%	18
Provider marketing	37%	13
Information from sector bodies	34%	12
Search engine	14%	5
Other	3%	1

The majority of sign-off decisions are made at Director of Recruitment level, with some exceptions

Across the research, we heard that familiarity with private providers varies significantly by role in an institution. Many Pro Vice-Chancellor International (PVCI) or Deputy Vice-Chancellor International(DCVI) interviewees told us they had limited engagement with and knowledge of private providers except where these services touched on the university's strategic positioning or the core function of academic delivery. This is not surprising given the strategic focus of the PVCI role, but it underlines the importance of cohesive decision-making.

The survey asked where sign-off and governance decisions happen across the types of private sector services, see below. International directors or equivalent surfaced as the most important role, though pathway provision and offshore academic delivery stand out as two areas where PVCIs or even Vice Chancellors have more involvement.

Legend:
- Head/Director of International
- Snr Academic Staff Member
- Snr Professional Services Manager
- VC
- Director of Finance
- PVCI
- Other

Service	Value	n
Agent aggregators	69%	26
Digital marketing and lead generation	29% / 52%	31
Pathway providers	24% / 31%	42
Offshore delivery	21% / 28%	29
Conversion and enrolment	59%	17
Local reps	39% / 23%	31
School engagement	31% / 62%	13
Course search and placement	53%	15
Graduate employment	29% / 36% / 21%	14
Alumni engagement	33% / 33% / 27%	15

We did not review the locus or effectiveness of decision-making about international issues in this survey. There have been two recent studies, including one by Universities UK International, on the evolving role of the PVCI, set against the increasing tendency of institutions to combine international and domestic student recruitment in a single function; and there is the parallel rise of the Chief Operating Officer role, recently described in another Nous report.[1]

In the survey, respondents were mostly confident in their approaches to performance management and oversight of private providers, with 72 per cent of respondents indicating that they were 'confident" or 'very confident".

However, confidence levels were more varied in follow-up interviews. This was particularly the case when interviewees were asked about approaches to managing emerging services like aggregators. One interviewee said they were primarily reflecting on the governance of traditional education agents when answering the survey. "We're well set up to have a traditional agent contract," they said. "It maybe doesn't work brilliantly for an agent aggregator."

Others reflected on situations where governance had not kept pace with the rapid development of international recruitment practices and partnership arrangements, with contractual decisions left to an individual or spread across multiple levels and functions without clear coordination.

1   Nous Group University COO Survey 2022 https://nousgroup.com/coo-report-2022/

"The quality of contracts and the finer details are not scrutinised as sensibly as they should be."
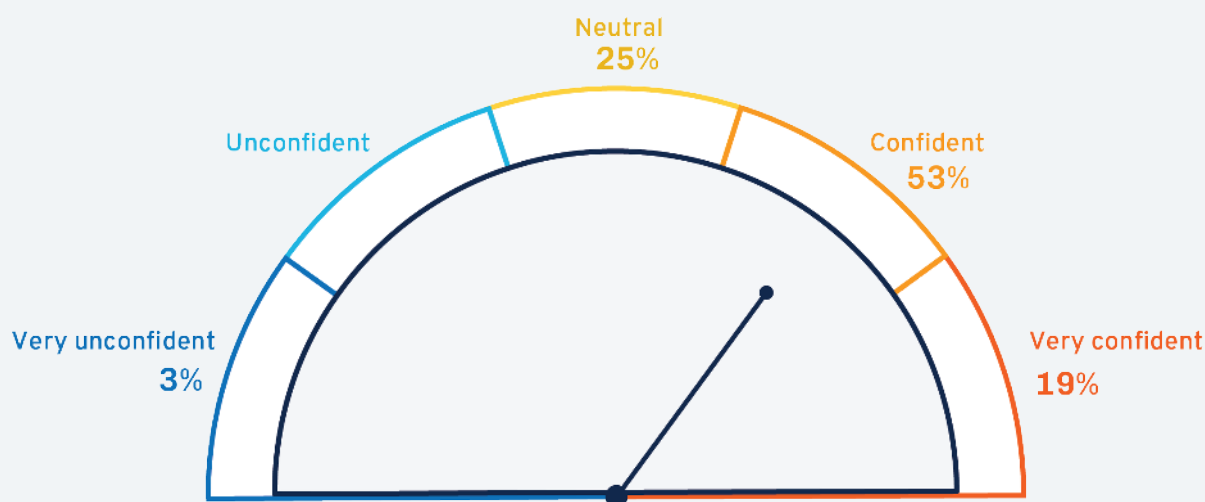
Interviewee

"We're well set up to have a traditional agent contracts. It maybe doesn't work brilliantly for an agent aggregator or international school."

Interviewee

Over 70% of respondents were confident in their governance arrangement, but confidence was not uniform across all areas of activity

Neutral
25%

Unconfident

Confident
53%

Very unconfident
3%

Very confident
19%

How confident are you with the university's overall approach to performance management and oversight of international education private providers?

Across the consultations, we noted some correlation between the strength of governance and satisfaction with the performance of private providers. For example, a PVCI who gave the most glowing views of their university's partnership with an aggregator told us they had invested a lot of time across the university to agree the terms of the contract. In their view, many private providers lack a deep understanding of university priorities beyond enrolments. "Providers primarily think about delivering students," they said. "It's up to universities to set the framework for managing all other priorities." However, given what other interviewees told us, it seems that several universities do not currently and/or routinely have internal capacity and know-how to take the lead in contract processes as effectively as they would like.

Interviewees also shared useful insights on managing pathway providers. As noted above, pathway partnerships are often managed at very senior levels of the university. Several respondents mentioned that measures of success varied across levels of management and stressed the importance of including operational leads from the international office in governance committee. Indeed, one pathway provider we spoke with insists on this, as they believe it creates a more stable footing for the partnership over time. However, this does not appear to be common practice across major providers.

How will use of private providers change the international education sector?

The views of our survey respondents and interviewees diverged on where private sector engagement will lead the international education sector.

At one end of the spectrum, higher-ranked universities that can trade on brand tended to see private sector services as something that would alter international recruitment at the margins but not revolutionise core functions.

Respondents outside that group were more likely to see the potential for private partnerships to disrupt traditional recruitment models. Representatives from 'the hungry middle' – medium-tier institutions that depend on international tuition fees but cannot trade solely on brand – tended to have the most radical views of how private partnerships would change the landscape of international education.

For example, a PVCI at a mid-ranked institution told us that private partnerships would fundamentally change the structure and activities of their international office over the next decade, with a substantial change in the skills in demand for their inhouse team: "I don't need people whose only skillset is getting on planes anymore – I need a team with business analytics skills." This interviewee believes that their institution will rely significantly more on partnerships with private providers for their overseas engagements and relationship management going forward.

On the other hand, another interviewee agreed that private partnerships would revolutionise the industry but sketched out a different potential path in a heavily privatised future. He thought private partnerships will not end the need for face-to-face activities that recruitment teams currently conduct; rather, they will absorb administrative work and will allow universities to focus more on relationships. "Where the human touch adds real value, footprints will grow," they said. "Universities still need to be out in the market to form relationships, make people laugh, build trust."

Additionally, many of our interviewees believed that other functions of international recruitment teams – market intelligence, brand-tailoring, and management of overseas staff and partners – could not be effectively replaced by the private sector.

Across the research we heard that there is no one-size-fits-all approach to working with private providers. The sector is diverse, and while universities may share common goals in their international strategies, they operate in different contexts and with varied tolerances for risk.

Acknowledging this, we developed four broad archetypes of UK institutions: see right. The increasing operational complexity of universities as they broaden their operating basis means they would do well to focus on the things only they can do – and as unique institutions there are many – and to consider carefully what can be contracted out to private providers so the core can be nurtured and flourish.

Approach to private partnerships will vary by institution archetype

RESEARCH INTENSIVE

Research-focussed institutions with over 5,000 international enrolments

- Cautious adoption sensible, but must acknowledge change will come
- Prioritise building in-house knowledge to navigate private sector offer
- Selectively adopt services to reduce administrative burdens

TEACHING FOCUSSED

Larger post-'92s with 2,000 to 6,000 international enrolments

- Burning platform pushing towards adopting new ideas
- Facing intense global competition
- Need to diversify markets and subject areas, manage workload of applications

PRE-'92s

Smaller institutions that nonetheless tend to have large international enrolments

- Facing challenges similar to teaching-focussed but with fewer resources
- Often struggling with low-brand name recognition

SMALL SPECIALIST

Small institutions with specialist missions

- Extremely limited resources create impetus to try new approaches
- Likely to see the quickest results from private-sector partnerships
- But large challenges in navigating private sector offer

Two approaches to change

In the various views we heard about the effects that private providers will have on the international education sector, we recognised two familiar paradigms.

The first is the Lindy Effect. This suggests that the best predictor of future success is past success. Put another way, time weeds out poor performers. (It's named after Lindy's delicatessen on Broadway, New York, where comedians would meet to post-mortem recent shows.) This is the core principle behind traditionalist approaches to everything from politics to business. When high-tariff universities told us they trusted traditional approaches to student recruitment and were wary of emerging solutions, their instincts were guided by the same concept as the comedians at Lindy's.

The other paradigm we recognised among our survey responses was the bathtub curve. This is used in reliability engineering to describe how failure rates change over the life of a product. The failure rate is high at the start as defective products are identified and discarded. The failure rate then steadily declines to a steady state, before rising at the end of the product's life as it wears out. The takeaway message here is that all things, ideas and business models eventually succumb to senescence. The respondents who believe that a sea change in recruitment practices is imminent are noting the deterioration of traditional student recruitment solutions.

The contrasting paradigms are shown right. Neither paradigm is more accurate than the other, but subscribers to both need to bear in mind their limitations. The Lindy Effect is often right up to a point, but eventually even the longest runs of success come to an end – as do business models. Meanwhile, those who think in terms of the bathtub curve are right to point out that approaches to student recruitment are bound to change, but they sometimes overlook the high early-stage failure rates that occur when new solutions are introduced. Instability and unreliability are features of large-scale change. The historic focus in the sector on building trusted relationships with long-time partners is one way for institutions to manage this change. Applying complementary skills, knowledge and resources will be a significant means to enhance returns and mitigate risks.
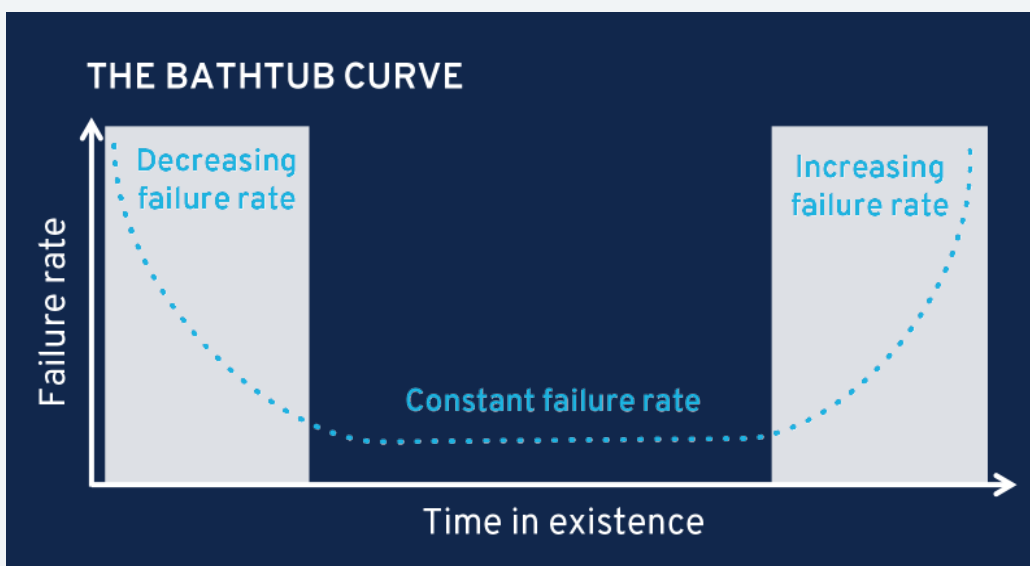
Private providers have a crucial part to play in helping institutions to make the right decisions. The study clearly revealed that universities want to see improved access to information about providers, as this is crucial to inform outsourcing decisions.

Broadway vs Bathtubs

The sector is diverging into traditionalist and progressive approaches to international.

LINDY EFFECT

Future lifespan

A

B

Time in existence
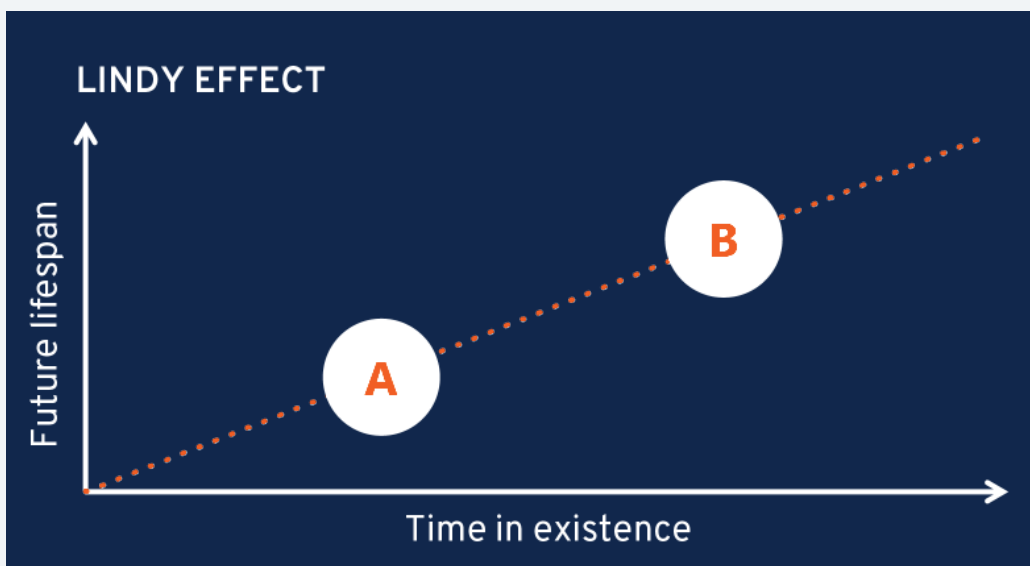
- Belief that time-tested approaches will continue to prevail.

- Suspicion of innovations that have not been subjected to the crucible of time.

- Scepticism of early adoption.

THE BATHTUB CURVE

Failure rate

Decreasing failure rate

Increasing failure rate

Constant failure rate

Time in existence

- Emphasis on changing external environments.

- Belief that senescence of certain ideas/ practices imminent.

- Enthusiasm for early exit of old paradigms and early adoption of new ones.

Conclusion

In summary, the opportunities for universities to work with the private sector on international student recruitment are expanding, though not without growing pains.

Traditional pathway providers and overseas representative companies enjoy high levels of trust because the relationships are time-tested. The question here is how quickly they can reorganise to meet changing demands of universities, including a greater focus on student diversity and managing high application volumes, and the extent to which they can expand their services to meet needs across the student journey. Emerging, data-driven services like agent aggregators have the greatest potential to disrupt the international student recruitment industry, but they are still in the process of building credibility with the sector.

Universities successfully navigating the private provider landscape emphasise developing or procuring expertise on how to select and manage partnerships. A thorough understanding of how private sector services work helps universities better tailor partnerships to pursue their strategic goals, while careful forethought on incentives and contractual terms helps to mitigate risk and preserve the focus on university mission.

Based on the research, private providers are likely to play a larger role in international student recruitment going forward, but this privatization trend will not play out equally across the sector or in the same time periods. Middle-ranked universities with large international enrolments are likely to lead the charge, due to intensifying competition for students. As the vanguard, they will bear the brunt of risks in the new environment. Meanwhile high-ranked institutions will feel less pressure to seek outside support, but they are smart to look ahead. Small and low-ranked universities have the need but their enrolments are too few to be of major commercial interest to the big private players, or lack resources to manage partnerships. This highlights a missed opportunity for private providers where there are unmet sector needs.

The path to partnerships with the private sector starts at a core question: Beyond revenue, what does the university want to achieve? The best partnerships we reviewed not only brought financial returns but also freed up resources to focus on the university's strategy and mission. As the higher education sector evolves, the expansion of private sector services in international education creates an opportunity for universities to re-evaluate how they can efficiently and effectively achieve their international agendas across all stages of the student journey.

Appendix: Methodology

We used a written questionnaire to investigate why UK universities use private providers; how they engage with them and how satisfied they are; how they choose and manage their engagements; and how they plan to engage with private provider services in future.

Respondents answered anonymously. There were 61 responses, 35 of which answered all questions. This was followed by in-depth interviews. Surveys and interview invitations were distributed through the Universities UK International Pro-Vice Chancellor network.

We completed 15 interviews with senior university leaders and six with private providers in May and June 2022. In terms of role, our university's respondents mostly held the position of Pro-Vice Chancellor International or Deputy Vice-Chancellor International. In some cases the responses were delegated to the Director of the International Office or Head of Student Recruitment where our initial contacts thought that they would be more familiar with the necessary details. Our interviewees from the private sector all held C-suite positions, except one who held a director-level partnership development role.

Our survey responses achieved wide distribution in terms of geography, size of institution and entry tariff criteria. Most UK regions were covered in the survey responses, though Scotland was over-represented and no responses were gathered from Northern Ireland. Two-thirds of responses came from universities with more than 3,000 international enrolments, while the remainder came from institutions with fewer enrolments. Finally, our respondents were roughly evenly distributed across the quartiles of entry standards published in the Complete University Guide.

Based on survey responses, institutions that responded account for about half of all international enrolments in the UK in the 2020/21 academic year. While a comprehensive survey of all UK institutions was not possible, the distribution of responses and validation of findings in follow up interviews gives u confidence in the conclusions drawn from the sample.

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