ALTO Pulse – 1st Quarter 2012

Background

The ***ALTO Pulse*** provides a 'snapshot' of the language travel industry. It's being circulated quarterly, thus providing a better understanding of the trends and mood of our industry.

The survey is sent to a global database of agents and schools and ALTO provides a quarterly analysis of trends and developments. The ***ALTO Pulse Q1 2012*** was completed by 262 language schools and 409 educational agencies, which shows a more than 10% increase in the response rate compared to the first issue of the ***ALTO Pulse*** we received from educational travel organisations worldwide.

The countries we analysed in more detail are the ones who participated in the ***ALTO Pulse*** in largest numbers. In the case of the school analysis we worked with the top 12 submitting countries and in the agents' report we analyse countries with 10 or more participants.

Once again, thank you for taking part in this industry-wide survey. We hope that these findings will be useful and interesting to everyone involved in the language travel industry.

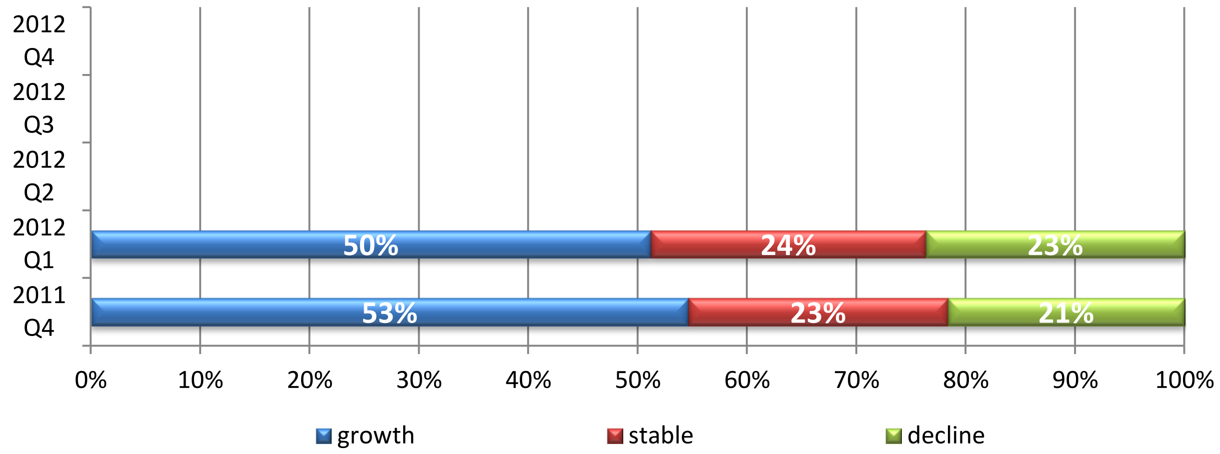
If you have any questions, please contact Reka Lenart Association Manager reka.lenart@altonet.org

The ALTO Board

Summary – Schools

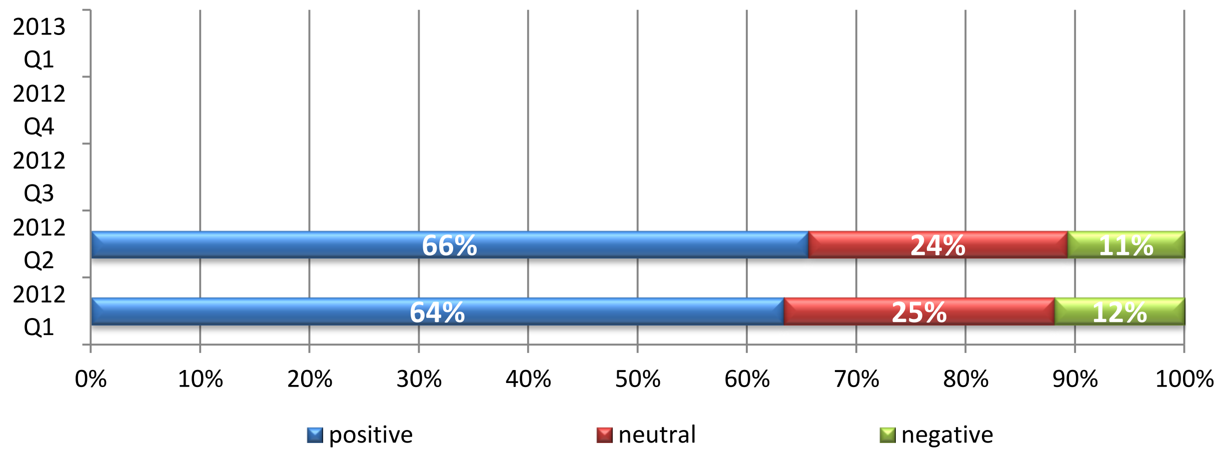
- 50% of the participating **Schools** have reported growth for the first quarter of 2012 compared to 2011's first quarter, with the rest splitting almost equally between stable (24%) and declining numbers (23%).

Schools: Has the number of international students commencing a language course with your school grown or declined compared with the same period in the previous year?



- **Schools** are increasingly positive about forward enrolments: 66% of them are positive about Q2 2012, while 24% of them are neutral and only 11% are negative.

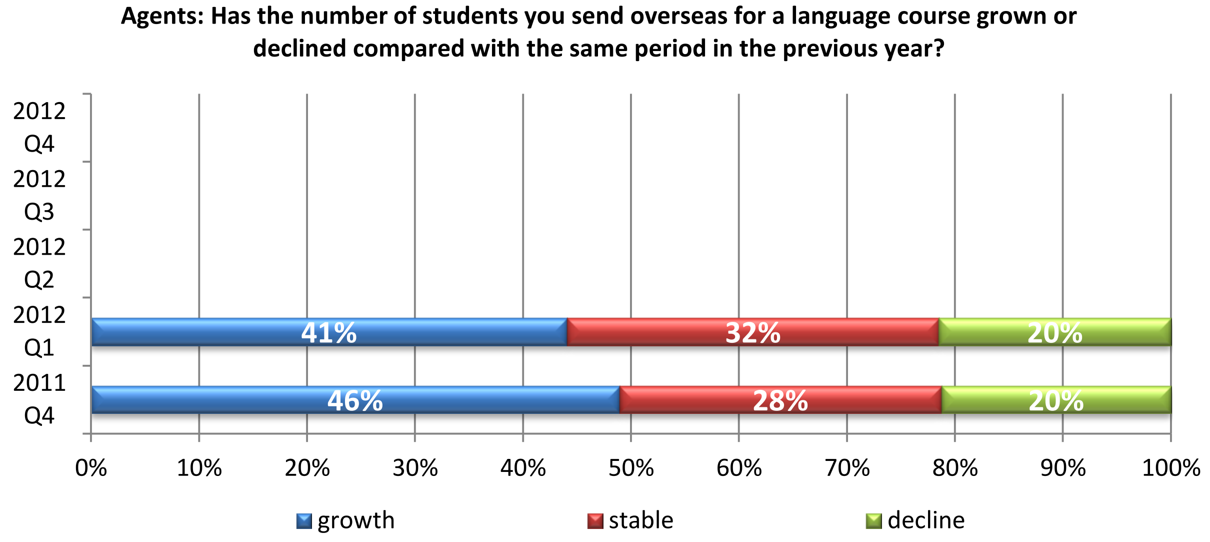
Schools: Do you feel positive or negative regarding forward enrolments for your school over the next quarter?



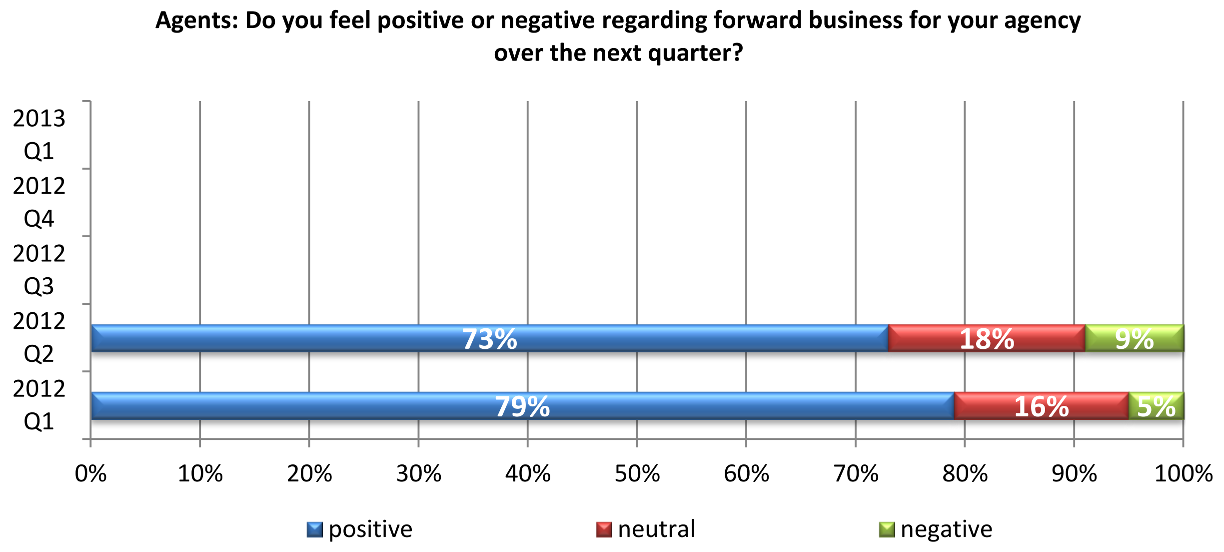
- There is great variety (and conflict) in Schools' reports of both growth markets and declining markets – depending on where the School is located. The issues impacting on numbers also vary greatly by country, more details later in the report.

Summary – Agents

- Overall the global picture is still positive for **Agents** in Q1 2012 compared to Q1 2011, but the number of Agents reporting growth has somewhat declined to 41% while the agents with stable student numbers have gone up to 32%. Again, only 20% of Agents report declining numbers.



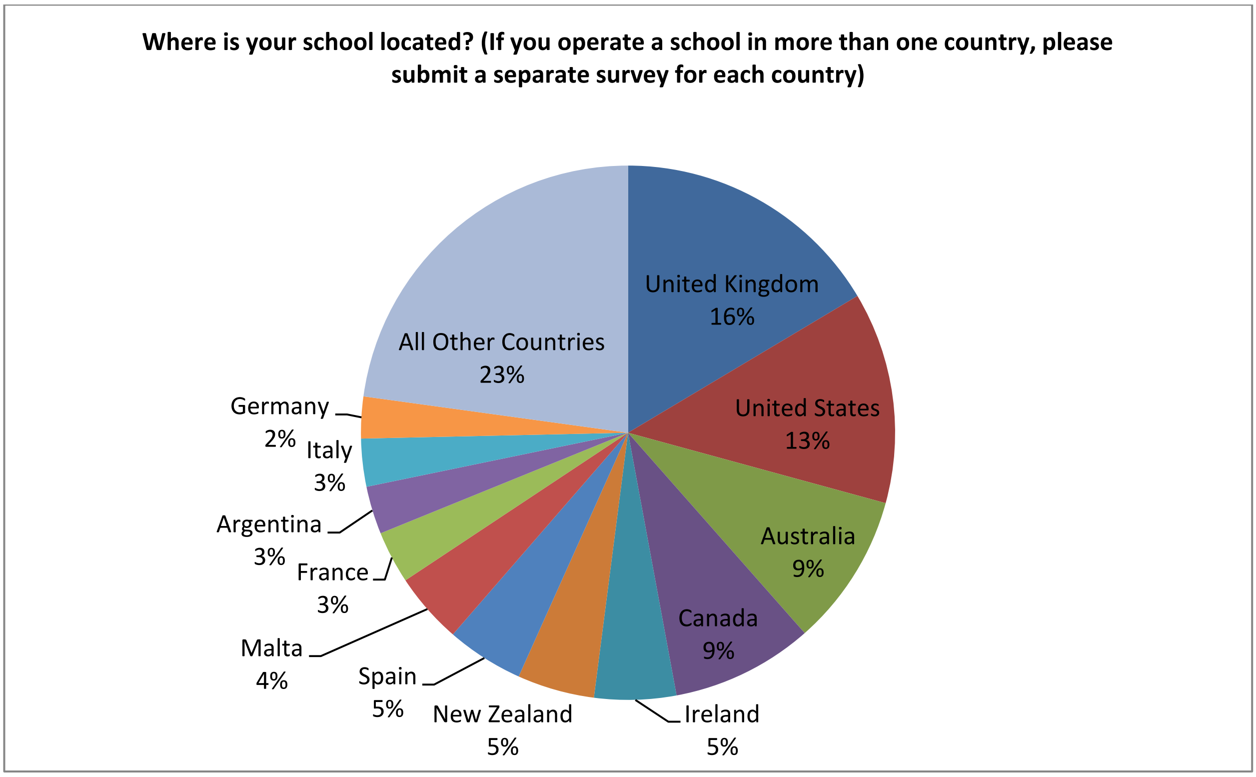
- Although less so than at the beginning of the year, **Agents** are still extremely optimistic about forward business with 73% feeling positive about the next quarter, 18% neutral and 9% negative.

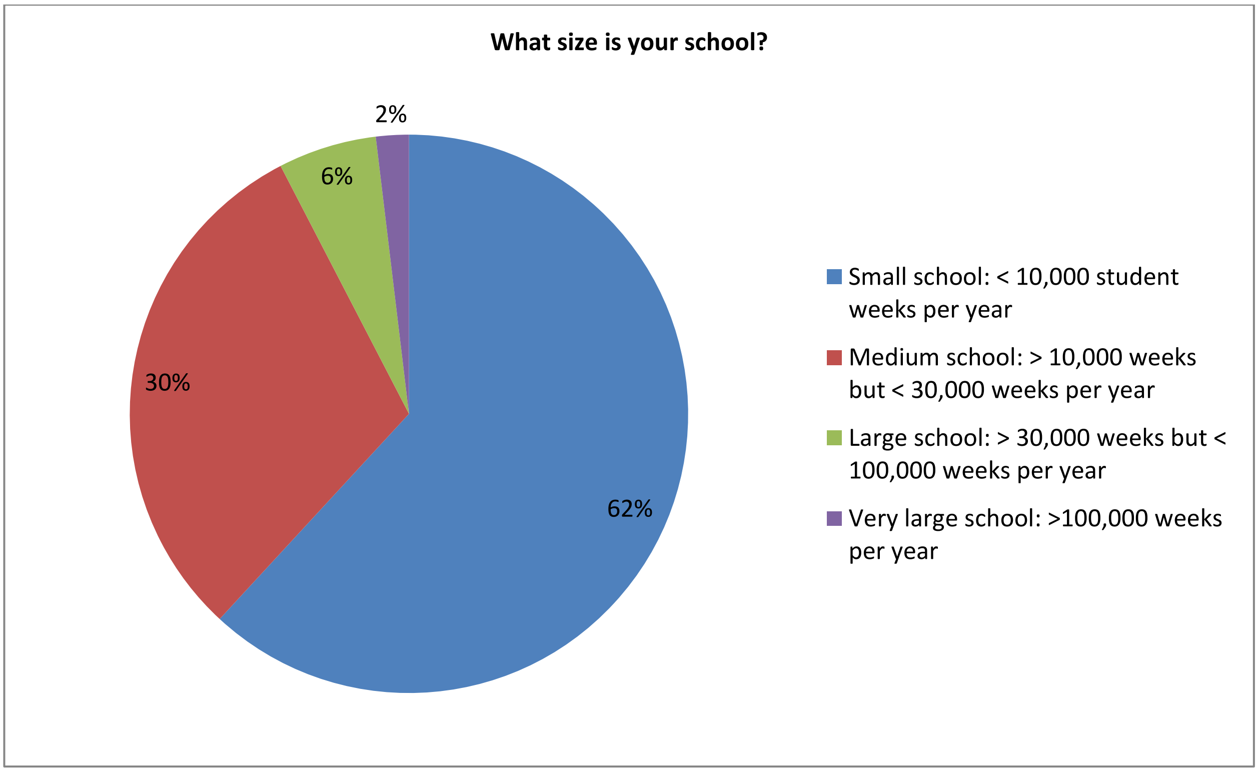


- There is also great variety (and conflict) in Agents' reports of both destinations growing in popularity and those declining in popularity – depending on where the Agent is located. The issues impacting on numbers also vary greatly by country, please read on for more details.

Respondents

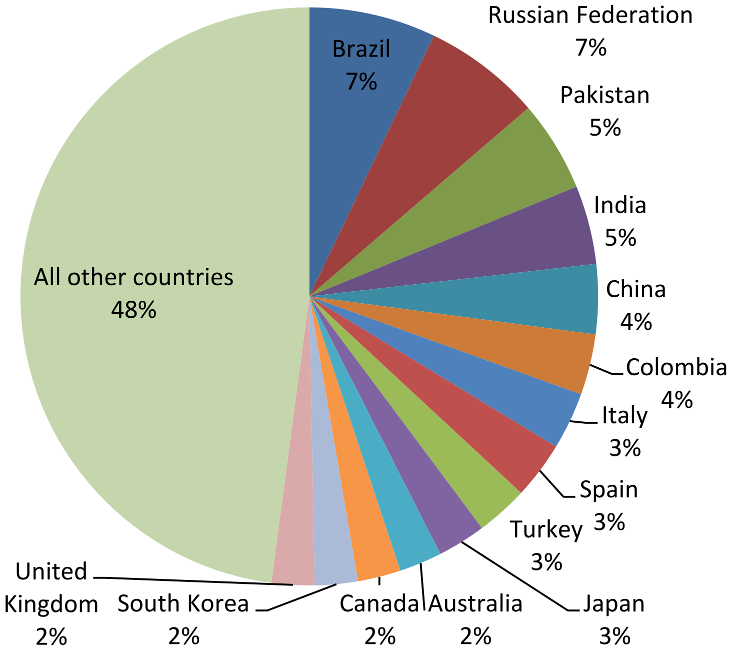
262 language schools responded to the survey, reflecting a good sample of key destination countries.



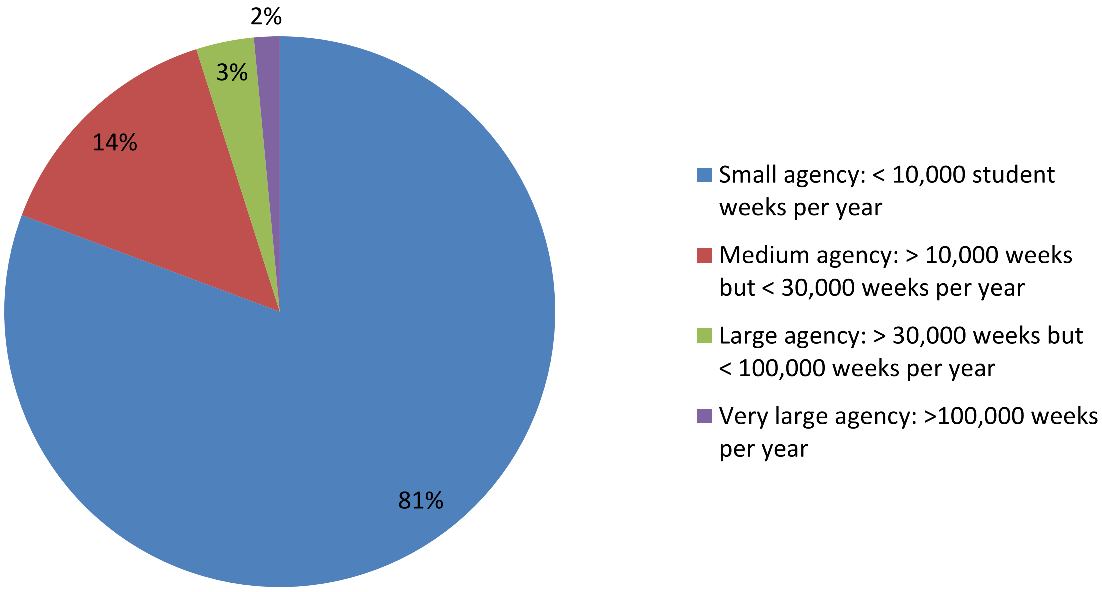


409 agents responded to the survey. New countries, such as China and South Korea have joined the ALTO Pulse in numbers worth evaluating, while other countries who were active in the previous quarter like Ukraine and Saudi Arabia have not submitted sufficient number of responses.

Where is your agency located? (If you operate an agency in more than one country, please submit a separate survey for each country)



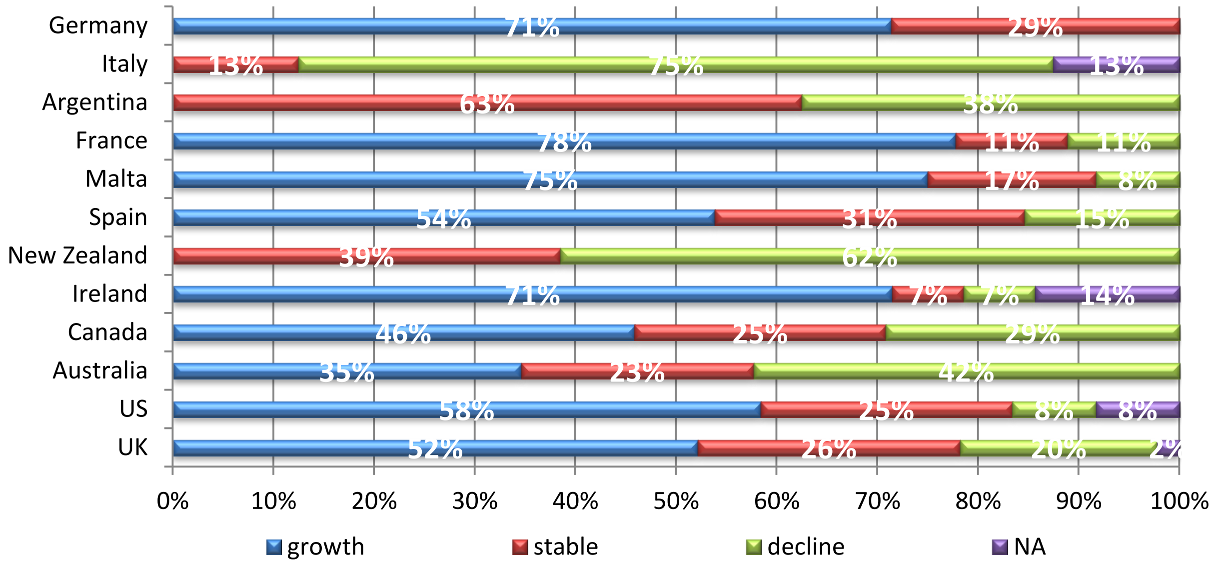
What size is your agency?



Analysis – Schools

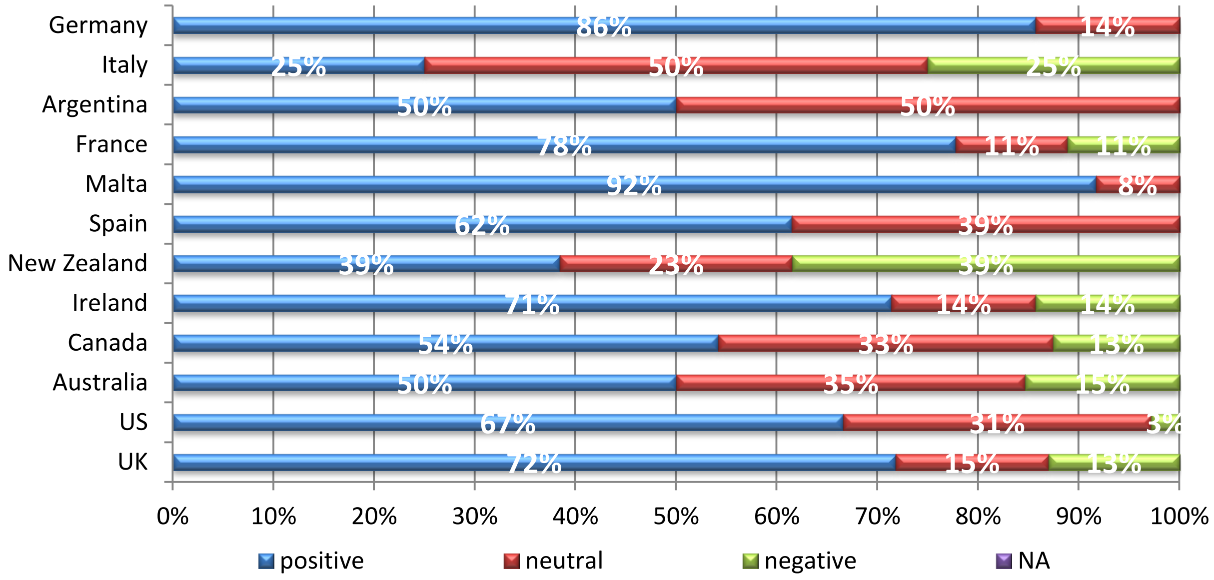
- The chart below shows growth/decline in student numbers by country (top 12).
  France (just like in Q4 2011) and Malta show the strongest level of growth, with Germany and Ireland closely behind. It's interesting that Ireland is also listed as the country with the highest decline. There weren't any schools able to report any growth in Italy, Argentina and NZ in the first quarter of 2012.

Schools: Has the number of international students commencing a language course with your school grown or declined compared with the same period in the previous year?



- The chart below shows levels of optimism by country (top 12).
  Malta shows the highest rate of optimism together with Germany repeating a high score and France joining them in the top 3 optimists' camp, while New Zealand and Italy are not expecting a good second quarter, and half of the Argentinian schools hoping for stable numbers to come.

Schools: Do you feel positive or negative regarding forward enrolments for your school over the next quarter?



- The following table shows how each country ranks their key growth and declining markets.
  In some cases the schools named a wide range of countries therefore it was impossible to evaluate the answer.
  It was impossible to miss that the majority of destination countries name Brazil and most of the English speaking destinations name Saudi Arabia as one of their top 3 growing markets. South Korea is also mentioned a lot but mostly as declining market (in the UK, Australia, Ireland and NZ) possibly shifting to the US and Malta where they are mentioned in the top 3 growing markets.

		UK	**US**	**Australia**	**Canada**	**Ireland**	**NZ**
Top 3 countries showing growth:	**1**	Bra/Esp	Saudi A	S Korea	Brasil	Saudi A	Bra/Jap
	2	Ita/Russia	Bra/Chi	Brasil	Japan	Brasil	China
	3	China/Sauc	S Korea	Colombia	Saudi A	Italy	Swi/Thai
Top 3 countries showing decline:	**1**	Ita/Esp	Japan	S Korea	S Korea	Spain	S Korea
	2	Fra/Korea	China	Japan	Jap/Mex	Check Rep	Japan
	3	China	Colombia	Poland	Bra/Esp	spread	Thailand

		Spain	**Malta**	**France**	**Argentina**	**Italy**	**Germany**
Top 3 countries showing growth:	**1**	Italy	Brasil	Switzerlar	Switzerlar	Rus/US	Spain
	2	Can/Rus	S Korea	Japan	US	Germany	Switzerl
	3	US	Russia	Brasil	Bra/Swe	spread	spread
Top 3 countries showing decline:	**1**	Germany	Spain	Spain	US	Germany	US
	2	France	Italy	Italy	France	US	Italy
	3	Ita/Neth	Gemany	Ger/Rus	Aus/Ita	spread	France

- The following table shows how each country rates key issues in terms of their impact on enrolment levels.
  Australian schools claim to be strongly and negatively affected by almost all of these issues listed below, while the UK is still struggling with the country's visa policies joined by Canada this quarter.
  There is not one neutral issue in the NZ school responses, most issues strongly and the currency exchange very strongly affecting them in a negative way.
  Economic issues in source countries are believed to be having a strong negative impact by all countries, in the last quarter it was Argentina and now it's Italy indicating it as strongest negative issue. The competitor countries' and competitor schools' activities are thought to be "milder" issues than in the previous quarter. All countries, except Australia feel positive about their schools' initiatives.

Please rate the following issues in relation to the impact you believe they are currently having on your enrolment numbers.

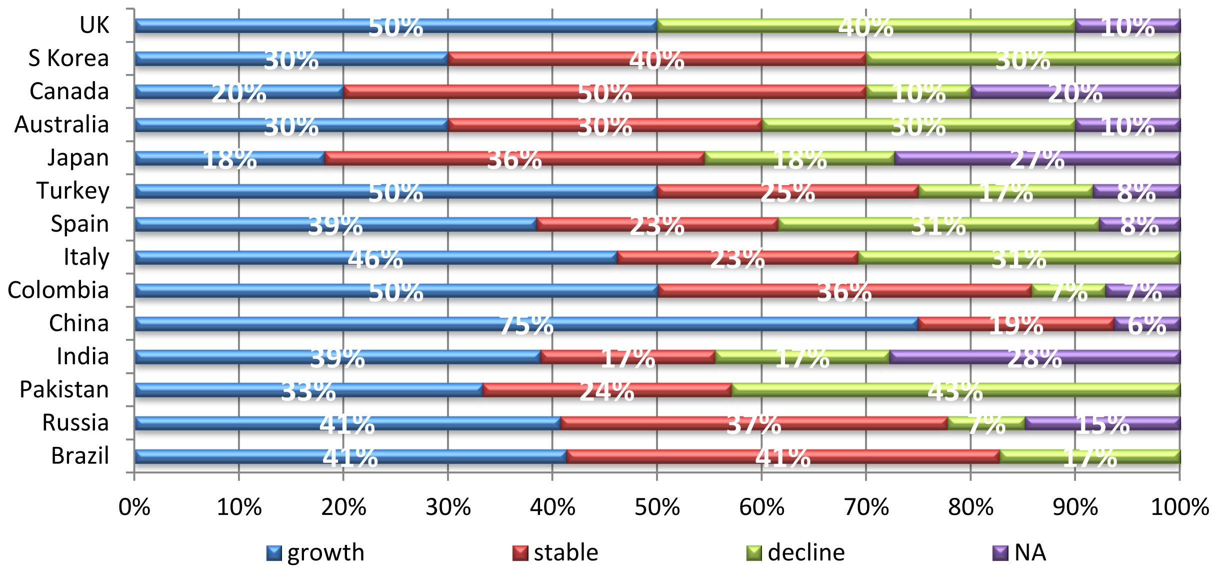
	UK	US	Australia	Canada	Ireland	NZ	Spain	Malta	France	Argentina	Italy	Germany
currency exchange rates				spread	spread				spread	spread		
economic issues in source countries					spread					spread		
my country's visa policies					spread							
my country's government policies (non-visa related)						spread						
competitor country activity							spread		spread		spread	
competitor school activity							spread	spread				
my school's initiatives						spread						

very strong impact (negative)
strong impact (negative)
minor impact (negative)
no impact
minor impact (positive)
strong impact (positive)
very strong impact (positive)

Analysis – Agents

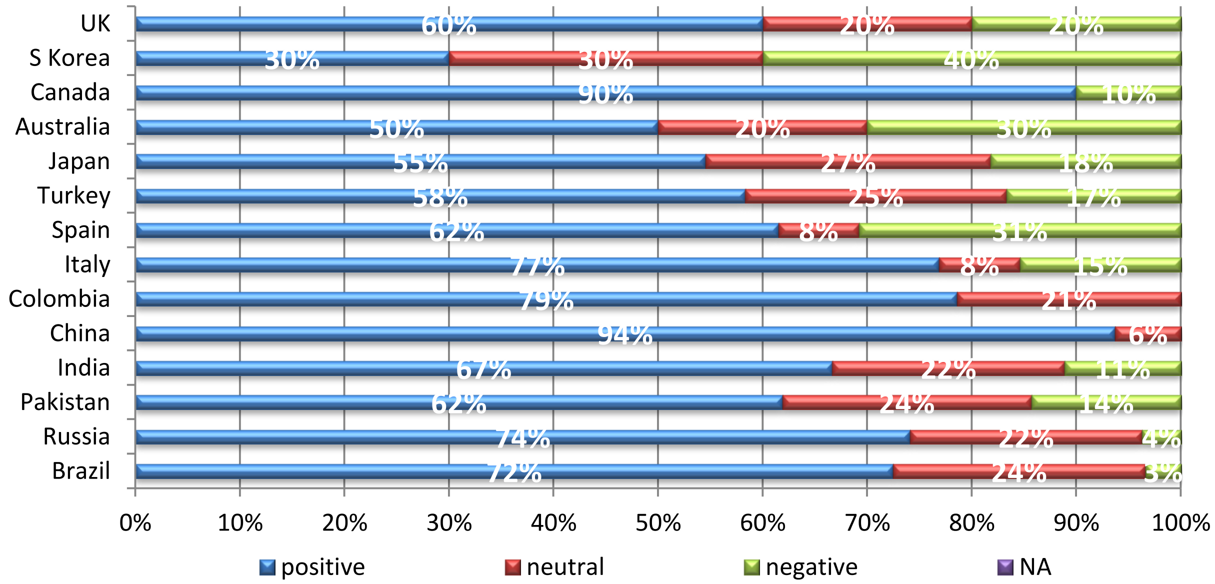
- The chart below shows growth/decline in student numbers by country (min. 10 surveys submitted). Generally agents report less growth compared to Q4 2011, but China's results are still outstanding and half of the Colombian, Turkish and UK agents also report growth. A high number of Pakistani agents report decline together with Italian and Spanish agents. Unfortunately in 10 out of 14 countries some of the agents didn't provide data (N/A column).

Agents: has the number of students you send overseas for a language course grown or declined compared with the same periodin the previous year?



- The chart below shows levels of optimism by country (min. 10 surveys submitted). Chinese agents lead the optimists' camp- no wonder with such growth results. Colombian agents are once again in the top 3, but Canadians overtake them this time. Spanish agents are overtaken by their South Korean colleagues, followed by Australia with their negative projections.

Agents: Do you feel positive or negative regarding forward business for your agency over the next quarter?



- The following table shows how each country ranks their key growth and declining destination markets. In some cases the agents named a wide range of destination countries therefore it was impossible to evaluate the answer.
  Despite of Canada's and the UK's struggle due to visa policies, both countries are still named as top 3 growing destinations in most of the analysed agent- responses, but less so than the US. Interestingly enough the UK is one of the top declining destinations as well with Australia and Canada often mentioned in the same category.

		Brazil	Russia	Pakistan	India	China	Colombia	Italy
Top 3 destination countries showing growth:	**1**	Canada	UK	UK	Canada	US	Australia	UK
	2	US	US	Australia	Australia	UK	Canada	Ireland
	3	UK	Malta	Canada	US	Canada	US	US
Top 3 destination countries showing decline:	**1**	Australia	Aus/ US	UK	UK	Aus/Japan	UK	France
	2	NZ	Spain	Canada	Aus/Can	Hong Kong	Can/NZ	US
	3	S Africa	Canada	spread	NZ/Poland	NZ	Germany	spread

		Spain	Turkey	Japan	Australia	Canada	S Korea	UK
Top 3 destination countries showing growth:	**1**	UK	UK	US	Australia	Canada	US	UK
	2	Ireland	US	Aus/UK	spread	US	Canada	Germany
	3	Canada	Malta	Canada	spread	China	Philippine	India
Top 3 destination countries showing decline:	**1**	US	UK	NZ	Australia	UK	Australia	UK
	2	Canada	Germany	UK	UK	spread	Canada	spread
	3	Australia	spread	Can/Ire	spread	spread	UK	spread

- The following table shows how each country rates key issues in terms of their impact on enrolment levels.
  Japan seems to be the only country where the currency exchange rate is positively affecting business, South Korea reporting the strongest negative impact.
  The issue receiving the most "very strong negative" score is still the destination country's visa policy. Although Pakistan and Italy are suffering from the economic issues at home, Brazil, China, Colombia and Turkey enjoy the economy's strong positive effect. Most agents rate their organisation's initiatives as "minor to very strong positive", but Australian and UK agents fear they may have not got it right.

Please rate the following issues in relation to the impact you believe they are currently having on your enrolment numbers.

	Brazil	Russia	Pakistan	India	China	Colombia	Italy	Spain	Turkey	Japan	Australia	Canada	S Korea	UK
currency exchange rates											spread			
economic issues in my country						spread						spread		
destination country's visa policies		spread										spread	spread	
dest. government policies (non-visa related)											spread			
competitor agency activity														
my agency's initiatives														spread
other														spread

very strong impact (negative)
strong impact (negative)
minor impact (negative)
no impact
minor impact (positive)
strong impact (positive)
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