WHAT YOU NEED TO KNOW ABOUT MARKETING IN LATIN AMERICA: A FOCUS ON BRAZIL AND MEXICO

SAMUEL VETRAK
STUDENTMARKETING, CEO

BCCIE
JUNE 23, 2015
INTRODUCTION

GLOBAL APPROACH

STUDENTMARKETING IS A UNITED NATIONS WORLD TOURISM ORGANIZATION AFFILIATE MEMBER.

AS AN ESOMAR MEMBER, I COMPLY WITH THE ICC/ESOMAR CODE AND ESOMAR WORLD RESEARCH GUIDELINES.

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STUDENTMARKETING

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COUNTRY PROFILE
BRAZIL

Youth population (aged 15-29) of 50 million

30,729 tertiary students abroad (27th) – 657 in Canada (2% market share)

823,225 student weeks in ELT (5th) – 214,079 in Canada (26%)

4,296 K-12 students * – 1,055 in Canada (25%)

450 education agents

1 agent association (BELTA)

* The number covers the USA, Canada, the UK, Australia and New Zealand

**MARKET OVERVIEW**

**Canada's market share and number of Brazilian students by study level**

- **26%** of all language student weeks: 823,225 SW
- **25%** of all K-12 students in Canada (on a study permit): 1,055
- **2%** of all post-secondary students: 657

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**Sources:**
- www.student-market.com
- studentmarketing
- facebook.com/studentmarketing
MARKET DEMAND
PRIORITIES FOR INTERNATIONALIZATION

Source: AUCC, 2014
STUDY ABROAD MOBILITY
NUMBER OF STUDENTS IN BC BY STUDY LEVEL

2013-14 INTERNATIONAL STUDENTS IN B.C.

- PUBLIC POST-SECONDARY: 39,600
- PRIVATE POST-SECONDARY: 17,400
- K-12: 14,100
- PRIVATE LANGUAGE SCHOOLS: 43,500

THE TOP FIVE SOURCE COUNTRIES FOR INTERNATIONAL STUDENTS IN 2013-14

- CHINA: 28,700
- SOUTH KOREA: 13,600
- JAPAN: 13,500
- BRAZIL: 8,900
- SAUDI ARABIA: 6,200

Source: Ministry of Advanced Education, 2015
ENGLISH LANGUAGE TRAVEL

TOP SOURCE MARKETS WORLDWIDE (STUDENT WEEKS)

Source: StudentMarketing, 2015
### ELT

#### TOP 20 SOURCE MARKETS (STUDENT WEEKS) AND 2011/2013 CHANGE

<table>
<thead>
<tr>
<th>Country</th>
<th>2013</th>
<th>2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>2,500,000</td>
<td>2,500,000</td>
<td>0%</td>
</tr>
<tr>
<td>China</td>
<td>1,500,000</td>
<td>1,500,000</td>
<td>0%</td>
</tr>
<tr>
<td>South Korea</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>0%</td>
</tr>
<tr>
<td>Japan</td>
<td>900,000</td>
<td>900,000</td>
<td>0%</td>
</tr>
<tr>
<td>Brazil</td>
<td>100,000</td>
<td>100,000</td>
<td>0%</td>
</tr>
<tr>
<td>Italy</td>
<td>500,000</td>
<td>500,000</td>
<td>0%</td>
</tr>
<tr>
<td>Spain</td>
<td>400,000</td>
<td>400,000</td>
<td>0%</td>
</tr>
<tr>
<td>Colombia</td>
<td>300,000</td>
<td>300,000</td>
<td>0%</td>
</tr>
<tr>
<td>France</td>
<td>200,000</td>
<td>200,000</td>
<td>0%</td>
</tr>
<tr>
<td>Thailand</td>
<td>150,000</td>
<td>150,000</td>
<td>0%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>100,000</td>
<td>100,000</td>
<td>0%</td>
</tr>
<tr>
<td>Russia</td>
<td>50,000</td>
<td>50,000</td>
<td>0%</td>
</tr>
<tr>
<td>Turkey</td>
<td>20,000</td>
<td>20,000</td>
<td>0%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>20,000</td>
<td>20,000</td>
<td>0%</td>
</tr>
<tr>
<td>Germany</td>
<td>10,000</td>
<td>10,000</td>
<td>0%</td>
</tr>
<tr>
<td>Venezuela</td>
<td>5,000</td>
<td>5,000</td>
<td>0%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>5,000</td>
<td>5,000</td>
<td>0%</td>
</tr>
<tr>
<td>Mexico</td>
<td>4,000</td>
<td>4,000</td>
<td>0%</td>
</tr>
<tr>
<td>Libya</td>
<td>2,000</td>
<td>2,000</td>
<td>0%</td>
</tr>
<tr>
<td>Kuwait</td>
<td>1,000</td>
<td>1,000</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Source:** StudentMarketing, 2015
ENGLISH LANGUAGE TRAVEL

NUMBER OF BRAZILIAN ELT STUDENT WEEKS BY DESTINATION

Source: StudentMarketing, 2015
K-12 MARKET
TOP SOURCE MARKETS WORLDWIDE*

Source: IIE, 2014; CIC, 2014; ISC, 2014; AEI, 2014; MoE New Zealand, 2014
K-12 TRAVEL
NUMBER OF K-12 STUDENTS BY DESTINATION

Source: IIE, 2014; CIC; 2014; AEI, 2014; MoE New Zealand, 2014
<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>12,000</td>
</tr>
<tr>
<td>UK</td>
<td>2,000</td>
</tr>
<tr>
<td>France</td>
<td>4,000</td>
</tr>
<tr>
<td>Germany</td>
<td>3,000</td>
</tr>
<tr>
<td>Australia</td>
<td>1,500</td>
</tr>
<tr>
<td>Canada</td>
<td>1,000</td>
</tr>
<tr>
<td>Japan</td>
<td>500</td>
</tr>
<tr>
<td>New Zealand</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** UNESCO Institute for Statistics, 2014
• Approx. **2 million** English learners in domestic private schools
• Robust “**Science Without Borders**“ scholarship scheme in place
• Important to establish **rapport** before commencing business discussions
• Brazilians often deal in **net prices**
• According to Brazilian law, it is mandatory to have catalogues, brochures and any promotional material available in **Brazilian Portuguese**
• Growing demand for study abroad from the **lower middle class (C class)**
• Apart from main Brazilian cities, **cities in the Northeastern part** of the country are growing fast (e.g. Salvador)
Brazil is a very agent-dependant market

Large and diverse market (small market segments within large market)

Agents often operate in franchise model (HQ has decision-making power)

Important to know agent’s level in the franchise hierarchy

Most agencies have HQ in Sao Paulo

Catholicism (suitable market for catholic high school programs)

Growing demand for private high schools

Parents play a key role in decision-making process (K-12)

Homestay = advantage in parents' decision

Emphasize work opportunities in Canada:
  • 20 hours per week & full time during holidays for academic courses over 6 months
  • Post-graduate work permit for up to 3 years (only in Canada)

Don't forget to mention extracurricular and entertainment activities
HOW TO DO BUSINESS
TIPS & TRICKS

• Travel to Brazil, build relationships in person
• Keep regular communication, frequency and response time matter
• Arrange in-country training of consultants
• Organize FAM trips
• Be ready for financial and in-kind marketing support
• Finding local advice and ally is essential in early stage
• Do not rely on emails, focus on verbal communication
• Unlike elsewhere, use body languages, emotions, humor
• Relationships are not transactions, but taken as long-term, personal commitments
• Organisational hierarchy is strict, talk to decision maker not influencer
• Plan for few informal relaxed meetings per day, with delays, small talk and no agenda
• Eye contact and passion are appreciated in serious situations, not humor
• Forget about 'No', embrace 'maybe' or 'potentially' to be diplomatic and non-confrontational
• Appearance very important, it reflects level of importance
SCHOLARSHIPS
BRAZIL

FEDERAL SCHOLARSHIPS

• Science Without Borders scholarship
• English Without Borders scholarship
• French Without Borders scholarship
• Ministry of Culture: 500 short-term training scholarships not covered in SWB
• Ministry of Tourism: 110 hospitality students

STATE SCHOLARSHIPS

• Brasilia without Borders (Brasilia state)
• Win the World (Pernambuco state)
• Centro Paula Souza (Sao Paulo state)
MARKET EVENTS
BRAZIL

B2B EVENTS
• ICEF São Paulo
• Alphe Brazil
• BMI Agents Workshop Brazil
• BMI Brazil Higher Education Workshop
• FPP Smart Agent Workshop - São Paulo
• WEBA Agents Workshop Brazil

B2C EVENTS
• BMI Media (Salão do Estudante) – 7 cities; 40,401 students; 35% interested in Canada
• FPP (EduExpos Brazil) – 9 cities; 32,979 students
• EDUCASUL - EXPO ESTUDAR
• ADVENTURE SPORTS FAIR
• EXPO BELTA
## Agent Market Structure

### Brazil

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base 61</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Up to 100</strong></td>
<td>41.0%</td>
<td>34.4%</td>
<td>30.7%</td>
<td>34.3%</td>
<td>30.1%</td>
</tr>
<tr>
<td><strong>101 to 200</strong></td>
<td>24.0%</td>
<td>26.2%</td>
<td>22.6%</td>
<td>20.0%</td>
<td>23.3%</td>
</tr>
<tr>
<td><strong>201 to 300</strong></td>
<td>6.6%</td>
<td>13.1%</td>
<td>17.7%</td>
<td>8.6%</td>
<td>11.0%</td>
</tr>
<tr>
<td><strong>301 to 500</strong></td>
<td>13.1%</td>
<td>9.8%</td>
<td>11.3%</td>
<td>17.1%</td>
<td>16.4%</td>
</tr>
<tr>
<td><strong>501 to 1,000</strong></td>
<td>4.9%</td>
<td>8.2%</td>
<td>8.1%</td>
<td>10.0%</td>
<td>9.6%</td>
</tr>
<tr>
<td><strong>1,001 to 2,000</strong></td>
<td>4.9%</td>
<td>3.3%</td>
<td>4.8%</td>
<td>4.3%</td>
<td>2.7%</td>
</tr>
<tr>
<td><strong>3,001 to 5,500</strong></td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.2%</td>
<td>4.3%</td>
<td>5.5%</td>
</tr>
<tr>
<td><strong>5,500 or more</strong></td>
<td>1.6%</td>
<td>1.6%</td>
<td>1.6%</td>
<td>1.4%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

*Most agencies send up to 300 students*

Source: BELTA, 2014
TOP AGENCIES
BRAZIL

49 Belta associates
Around 600 agencies in Brazil
90% of the Brazilian market

Source: BELTA, 2014
## Agent Portfolio

**Brazil**

### Courses

<table>
<thead>
<tr>
<th>Course Type</th>
<th>Percentage 2013</th>
<th>Percentage 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Language Courses</td>
<td>100%</td>
<td>97.2%</td>
</tr>
<tr>
<td>High School Abroad</td>
<td>77.5%</td>
<td>84.5%</td>
</tr>
<tr>
<td>Vacation Course</td>
<td>81.3%</td>
<td>76.1%</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>47.5%</td>
<td>33.8%</td>
</tr>
<tr>
<td>Graduate</td>
<td>33.8%</td>
<td>29.6%</td>
</tr>
<tr>
<td>Specialization</td>
<td>40.1%</td>
<td>19.7%</td>
</tr>
<tr>
<td>Language Course with the possibility of working</td>
<td>10%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Combined Courses</td>
<td>1.3%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Professional Courses</td>
<td>17.5%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Courses for people over 50 years</td>
<td>10%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Master’s degree</td>
<td>2.6%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Courses for Executives</td>
<td>6.3%</td>
<td></td>
</tr>
<tr>
<td>Educational Counseling</td>
<td></td>
<td>1.4%</td>
</tr>
</tbody>
</table>

### Work

<table>
<thead>
<tr>
<th>Work Type</th>
<th>Percentage 2013</th>
<th>Percentage 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Abroad</td>
<td>40.1%</td>
<td>36.6%</td>
</tr>
<tr>
<td>Internship</td>
<td>10%</td>
<td>22.5%</td>
</tr>
<tr>
<td>Au pair</td>
<td>8.8%</td>
<td>15.5%</td>
</tr>
<tr>
<td>Voluntary Program</td>
<td>11.3%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Business Travel</td>
<td></td>
<td>1.4%</td>
</tr>
<tr>
<td>Corporate Events</td>
<td></td>
<td>1.4%</td>
</tr>
</tbody>
</table>

### Cultural Travels

<table>
<thead>
<tr>
<th>Cultural Travel</th>
<th>Percentage 2013</th>
<th>Percentage 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacation Packages</td>
<td>36.3%</td>
<td>49.3%</td>
</tr>
<tr>
<td>Summer Camp/Holiday</td>
<td></td>
<td>2.8%</td>
</tr>
<tr>
<td>Cultural Exchange in Brazil (High School)</td>
<td></td>
<td>1.4%</td>
</tr>
</tbody>
</table>

Source: BELTA, 2014
OTHER CHANNELS

BRAZIL

• **ONLINE MARKETING**
  • Google
  • Facebook
  • YouTube

• **STUDENT MEDIA**
  • Guia do Estudante
  • BELTA EI! Magazine

• **GUIDANCE COUNSELLORS** (1 counsellor; 600 students)

• **LOCAL HIGH SCHOOLS**
  • Escolas Da Rede Pitagoras (600 partner schools; 200,000 students)

• **LOCAL LANGUAGE SCHOOLS**
  • CNA - Inglês Definitivo (580 schools)
  • Minds Idiomas (70 schools)
  • Cultura Inglesa (46 units; 80,000 students)

[Information from www.student-marketing.com and Facebook.com/studentmarketing]
MARKET DEVELOPMENTS
BRAZIL

• CANADA CONTINUES TO BE THE MOST ATTRACTIVE IN BRAZIL
• DECREASE OF 20-24Y AGE GROUP AND 1-3M PROGRAMS
• INCREASE OF 4-6 MONTH PROGRAMS IN BRAZIL
• AGENT MARKET: CVC & TOUR OPERATORS
• ENGLISH WITHOUT BORDERS
• SWB NEW 100K
• FAM VISIT OF BRAZILIAN UNI REPRESENTATIVES TO CANADA
• NEW MOU & SUPPORTIVE INITIATIVES
RECOMMENDATIONS

• Market is more sophisticated and mature

• Approach/come prepared

• Strategy recommended
MEXICO
MEXICO
Youth population (aged 15-29) of 30 million

26,866 tertiary students abroad (34th) – 1,338 in Canada (5%)

192,111 student weeks in ELT (18th) – 82,990 in Canada (43%)

4,924 K-12 students * – 2,160 in Canada (44%)

90 education agents

1 agent association (AMTE)

* The number covers the USA, Canada, the UK, Australia and New Zealand

MARKET OVERVIEW

CANADA’S MARKET SHARE AND NUMBER OF MEXICAN STUDENTS BY STUDY LEVEL

- Of all K-12 students in Canada (on a study permit): 44% (2,160 students)
- Of all language student weeks: 43% (82,990 student weeks)
- Of all post-secondary students: 5% (1,338 students)

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ENGLISH LANGUAGE TRAVEL
TOP SOURCE MARKETS WORLDWIDE (STUDENT WEEKS)

Source: StudentMarketing, 2015
ELT

TOP 20 SOURCE MARKETS (STUDENT WEEKS) AND 2011/2013 CHANGE

Source: StudentMarketing, 2015
ENGLISH LANGUAGE TRAVEL
NUMBER OF STUDENT WEEKS BY ELT DESTINATION

Source: StudentMarketing, 2015
K-12 MARKET
TOP SOURCE MARKETS WORLDWIDE*

Source: IIE, 2014; CIC, 2014; ISC, 2014; AEI, 2014; MoE New Zealand, 2014
K-12 TRAVEL
NUMBER OF K-12 STUDENTS BY DESTINATION

Source: IIE, 2014; CIC; 2014; AEI, 2014; MoE New Zealand, 2014
HE MARKET

NUMBER OF MEXICAN STUDENT NUMBERS BY DESTINATION

Source: UNESCO Institute for Statistics, 2014
COUNTRY SPECIFICS
MEXICO

- **Catholicism** (suitable market for catholic high schools programs)
- Emphasize that Canada is a **safe destination** (high crime rates in Mexico)
- Mexicans concerned about poor quality schools in Mexico
- Better quality of education/course overseas = most important factor why Mexican students decide to study abroad
- Stress **high quality education in Canada** (rankings, awards)
- **Post-secondary and certificate** programs increasingly popular
- Parents play key role in the decision-making process (K-12)
MARKET SPECIFICS
MEXICO

- Market growth is **accelerating**
- For Mexican students, **safety** is a factor of great importance
- Main demand is for **long-term academic programmes**
- The majority of students interested in graduate programmes - **Certificates**, **Master's & PhDs**
- ESL courses are only taken as **a means for meeting language requirements** at post-secondary institution
- **New scholarship initiatives** put in place by the government
- Strong **emigration** interest
• **Business is personal** in Mexico
• Do not hesitate to make the effort, **travel** to Mexico
• Hierarchial structure, key decision done by **top people**
• Do not insult Mexicans by sending **junior representatives**
• **Planning a trip** is a challenge, meeting confirmation come very late
• First impressions are very important, come **well formally dressed**
• **Mañana** does not mean ‘tomorrow‘; it means ‘just not today‘
• **Formal titles and family names** are used, first names less or later
FEDERAL SCHOLARSHIPS

- **Proyecta 10,000**

- **CONACyT**
  - Master's degree, PhD degree
  - CONACyT granted 4,000 scholarships to study abroad and only 250 went to Canada
  - The scholarship generally covers tuition fee, living costs and medical insurance.
MARKET EVENTS
MEXICO

B2B EVENTS
- ICEF Mexico – Colombia Roadshow
- FPP Smart Agent Workshop – Mexico City
- WEBA Agent Workshop Mexico – Mexico City

B2C EVENTS
- BMI Media (EXPO Estudiante) – 3 cities; 30% interested in Canada
- FPP EDU Media (EduExpos Mexico) – 5 cities; 36% interested in Canada
TOP AGENCIES
MEXICO

MUNDO JOVEN
UNIVERSO EDUCATIVO
CLASS CONSULTING
ENJOY LANGUAGES
ESTUDIANTES EMBAJADORES
INFORMATION PLANET
LAE INTERNATIONAL STUDIES
CANADA INCREDIBLE
EDULYNKS
VITE
MARKET DEVELOPMENTS
MEXICO

• Proyecta 10,000 scholarship program
• Own student fairs organised by education agents
• Agent market is stabilising itself
• The USA are becoming increasingly popular
• Institutions with certificate programs on demand
• Future immigration credits and prospects
THANK YOU!

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STUDENTMARKETING

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