
Global International Education Strategy

In a post-COVID19 world

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In 2020 the \$250 billion global international education industry was already poised for major disruption...

...so how does COVID19 change that outlook?

Five key megatrends are already well in play that will have profound impacts on the global international education industry as it currently exists by 2030; in just 10 years time.

In this document we review the five key megatrends and explore the outlook post-COVID19



Five key megatrends driving the future of international education globally



Supply outstrips Demand

Driven by increasing awareness of the economic and human capital benefits of international education, the supply of quality education from host countries will outstrip demand from mobile learners for the first time ever.



Peak China

A rapidly ageing population and diminishing returns on investing in an overseas education will see the flow of outbound students from the world's #1 source market for international students slow, and then decline.



The impact of AI and automation on work

Automation will bring huge changes to the world of work, as the impacts of artificial intelligence and robotics displace up to 400 million workers, while new jobs are created requiring 21st century skillsets.



Gen Z in the Classroom

The rise of a new generation of learners and workers with utterly different values to the current generation will drive fundamental changes to education systems still largely wedded to 20th century models of teaching and learning.



Climate Change

As the imperative to mitigate the estimated \$54 trillion impact of climate change grows, any industry that relies on greenhouse gas emissions related to air travel will be at risk of economic penalties and loss of social license.

OUR PRE-COVID 19 OUTLOOK FOR GLOBAL INTERNATIONAL EDUCATION



Many host countries have done well from international education in the last few years mainly because global demand has exceeded supply.

But that's all about to change with the growth in the global supply of quality education rapidly exceeding demand from globally mobile learners.



In this new era, hyper-competition will emerge with the market for globally mobile student fragmenting into three major tiers: Premium, Package, and Price.

There will no longer be any certainty that host countries can attract either the volume or the type of international students they want in this new era.

A number of existing host countries that have previously done well risk being outcompeted by countries with more attractive packages (immigration settings work experience, education quality, student experience) or lower prices.



While we're all desperately fighting for a share of the 8 million or so learners who can afford an overseas education, there will be 800 million learners globally that need, but can't afford, the same quality education and opportunities.

Many of these 800 million learners live in countries whose education systems will never meet their needs.

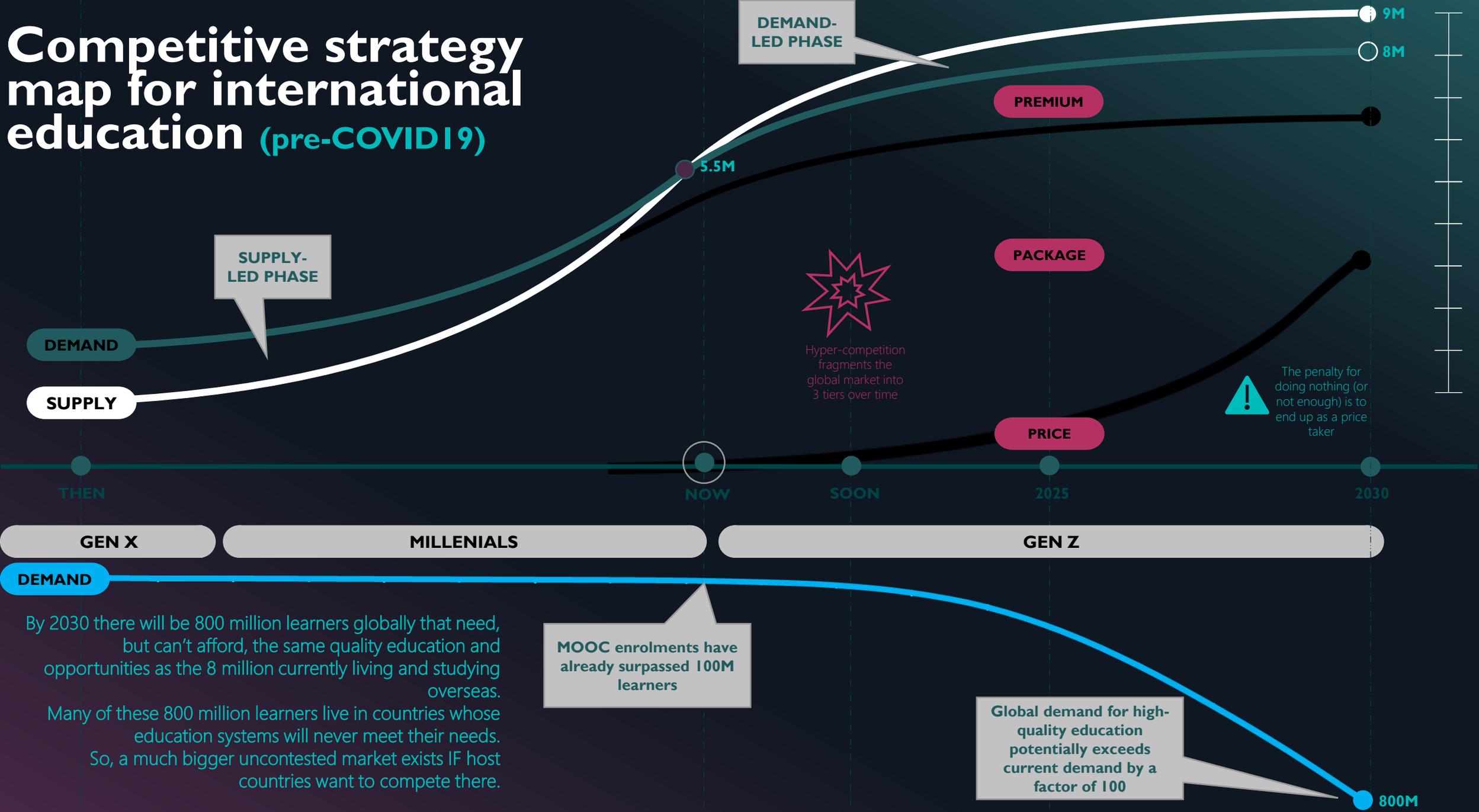
So, a much bigger potential market exists IF host countries want to compete there.



There are different ways host countries can achieve their International Education strategic goals, but doing nothing different will likely see many pushed towards the price tier of the market.

This is the worst possible place for many to be, and they won't survive in a price driven segment.

Competitive strategy map for international education (pre-COVID19)



By 2030 there will be 800 million learners globally that need, but can't afford, the same quality education and opportunities as the 8 million currently living and studying overseas.

Many of these 800 million learners live in countries whose education systems will never meet their needs. So, a much bigger uncontested market exists IF host countries want to compete there.

MOOC enrolments have already surpassed 100M learners

Global demand for high-quality education potentially exceeds current demand by a factor of 100

FOUR WAYS COVID 19 WILL IMPACT INTERNATIONAL EDUCATION

The sudden demand shock...



Through closed borders, restricted travel and concerns over safety and employment prospects, demand for overseas on-campus study will drastically decline in the short term but the impacts will be uneven across markets, sectors, and host countries.

...will drive a supply shock



Many marginal institutions whose existence is threatened by collapsing international student revenue will discount fees to hang onto market share at all costs in the hope that they can re-inflate prices over time. The size of the price-led tier will increase dramatically and permanently destroy industry value in this segment.

Countries who recognize the value of international students to their future economic prosperity will compete to improve packages (e.g. immigration settings etc.) and in the process will further struggle to differentiate themselves from others further driving price competition.

A rapid uptake of Online Learning



The quality perceptions of online learning will drive a ballooning number of students engaging in low-price provision at the expense of those positioned in the package tier.

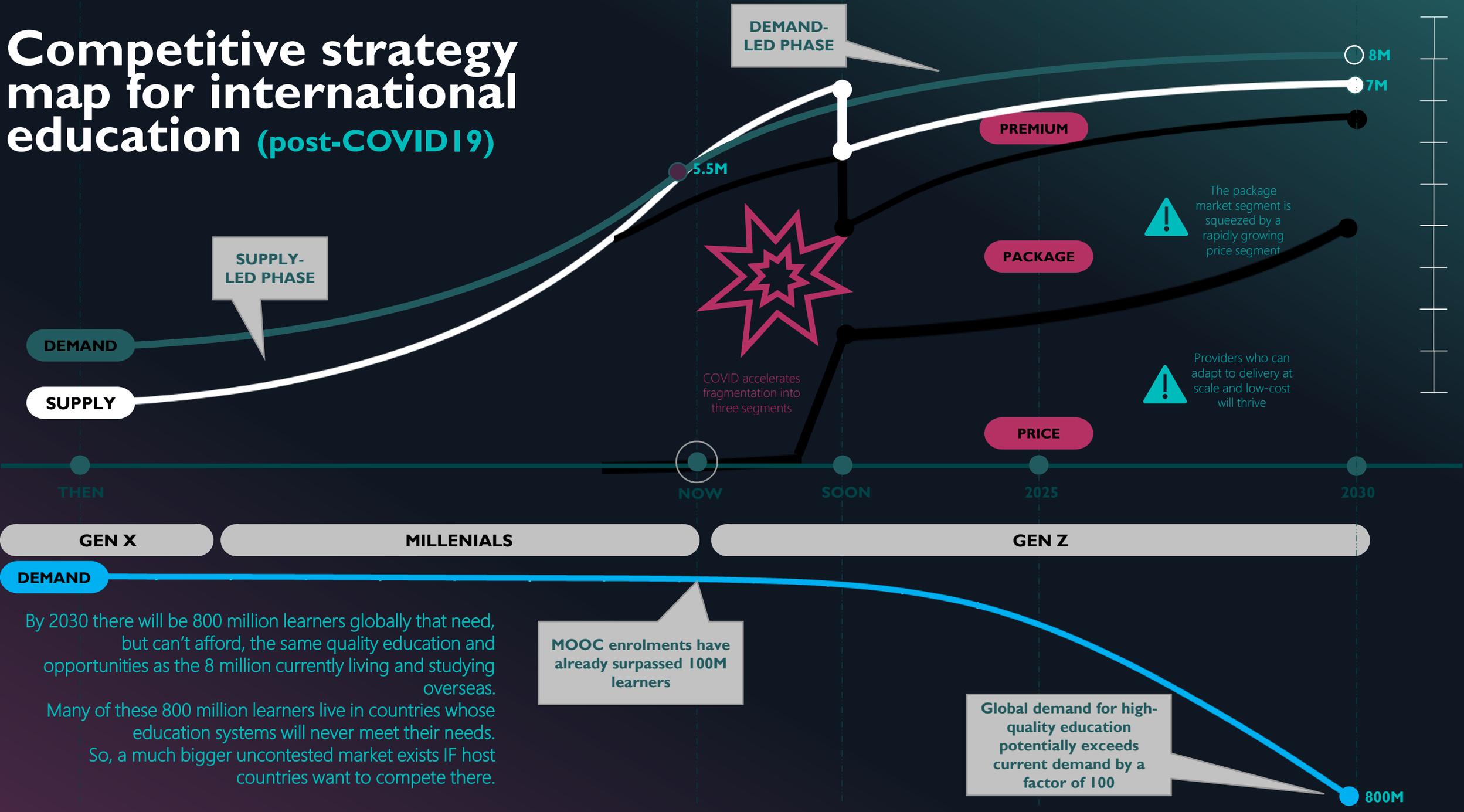
Those in the premium tier will be largely unaffected.

And renewed interest in transnational education provision



Some nimble providers who develop the business models and platforms to successfully compete in the price segment of the 8 million globally mobile learners will turn their attention to the future market potential of the 800 million unserved learners globally, permanently changing the competitive landscape.

Competitive strategy map for international education (post-COVID19)



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Succeeding in a post-COVID19 world

Everything's not lost!

Incumbents can and will thrive – if they can adapt

1

Drop geographic based marketing approaches

Target learners not Markets

- Institutions that can flip their normal 'market then learner' approaches will survive – but will have to adopt sophisticated digital marketing and analytical approaches to define and target learners independent of geographic markets
- Defining what kinds of learners to target, rather than where to physically market will be a stretch for many institutions

2

Playing to actual strengths

Focus on the superstars and benefit from the halo

- Institutions that have the freedom to play to their unique strengths and aren't afraid of focus and scale (think a 10 programme offerings with 1,000 global learners each, not 1,000 programmes with 10 local learners each) will succeed as long as they have a real point of difference and a product proposition that learners and employers actually want.

3

Market causes, not disciplines

Some assembly required

- Traditional product based marketing approaches where the assumed primary outcome is to 'get a good job' will flounder
- Successful institutions will pivot their marketing approaches to promote how learners will be able to actively contribute to solving global problems
- In many cases existing programmes may also need to be deconstructed from a discipline-based lens and reassembled with a cause lens

ABOUT US

Metamorphis Digital Advisory is an international education research and strategy advisory company specialising in helping international education providers navigate the challenges and opportunities of the future.

We have deep expertise in international education and share our expert knowledge and first-hand experience of what it will take to compete in the international education industry of the future.

WE CAN HELP!

Metamorphis can help your institution by:

- Developing a strategic scan that is customised for your institution and country context
- Guiding you through the strategic choices required both in the short and long term
- Reviewing and updating your current International Education Strategy to encompass future challenges and opportunities in a clear and actionable way
- Developing the business or investment case to fund the changes required



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