



EVOLUTION AND OPPORTUNITY IN CHINA'S OVERSEAS STUDY MARKET

A Report by WE Red Bridge
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NO SURPRISES HERE: OVERSEAS STUDY LOOKS DIFFERENT IN 2022 THAN BEFORE THE PANDEMIC.

Since the onset of the COVID-19 pandemic, changing visa requirements, flight cancellations and mobility restrictions have created havoc for tens of thousands of Chinese students looking to study abroad. Despite this disruption, data from leading student recruitment agents, such as Education International Cooperation (EIC) and New Oriental, indicate that while popular destination countries saw a decreased share of Chinese applicants and entrants, others

experienced significant gains.

In fact, these data suggest that the overseas study market has recovered overall, and has surpassed pre-pandemic levels by 10 percent (comparing 2019-2022). To seize the opportunities presented by this new reality, institutions operating in China or receiving Chinese students overseas must take stock of the ways in which the pandemic has affected the study abroad market.

With a decade of experience working in the education industry in China, WE Red Bridge has taken a deep dive into the outbound Chinese student market, to identify the factors Chinese students and their parents are now weighing as they consider overseas study.

CONTEXT



The comparatively stricter measures adopted by the Chinese Government to prevent the spread of COVID-19 have led to a sharp decline in international student exchanges involving China. Since mid-2021, however, the easing of travel restrictions in destination countries has enabled international exchanges to gradually resume.

As China seeks to adapt to a post-COVID reality, overseas universities and other institutions can seize new opportunities in the study abroad market. Doing so will require understanding how Chinese students' higher education needs and expectations have evolved as a result of the pandemic.

In this report, we seek to address the following questions:

- 1 What does the market look like three years into a global pandemic?
- 2 What key factors are Chinese students and parents weighing today?
- 3 What should brand managers at overseas educational institutions keep in mind as they recruit in the China market?



RECOMMENDATIONS FOR INSTITUTIONS

1. PLAY TO YOUR STRENGTHS:

Leverage local advantages such as a safe academic environment, effective COVID-19 prevention measures, and an exciting student experience to activate the audiences which value these factors the most. The considerations Chinese students make to pursue higher education abroad are diverse: rather than appealing to all students through bland, anonymous messaging, institutions should target communications at specific subsets of Chinese students.

2. BE A RELIABLE AUTHORITY:

Provide authoritative information and analysis to Chinese students looking

to pursue their education overseas. As Chinese students and parents learn to coexist with COVID-19, they will value institutions that adopt health and safety best practices, and that provide reliable guidance on visa documentation, travel planning, and student welfare. Institutions that proactively communicate with stakeholders and lessen uncertainty for applicants will earn the trust of parents and students.

3. THEY WILL BE BACK:

The appetite for study abroad at the grassroots-level in China remains strong, despite application numbers at individual institutions having decreased. Universities and organizations should not give up on Chinese students and should cater instead to their unique needs, anxieties, and desires.



SOURCES

For this report, WE Red Bridge relied on a combination of publicly available survey and consumption data, as well as interviews with local students. We relied heavily on the “2022 Education Whitepaper” published by New Oriental Education, which gathers online survey data collected between January and February 2022 and includes 8,610 respondents (18 percent parents and 82 percent potential students), covering 34 Chinese provinces. All data, unless noted, are drawn from this source.

Our second, most important source is the

“2022 White Book for Chinese Students of Overseas Education”, an annual publication about the study abroad market by EIC, a leading player in the overseas study industry. For additional data and analysis, we relied on the QS report “How the Coronavirus Pandemic Reshaped International Higher Education”, based on a survey of 115,000 students published in December 2021.

WE Red Bridge also conducted interviews with five current and potential students from across China to understand their views on study abroad and how the events of the past few years have impacted their intentions to enroll in overseas universities.



KEY INDICATORS: SIZE AND SHAPE OF THE OVERSEAS STUDY MARKET IN 2022

As the pandemic enters its third year and its impact on international exchanges weakens, the overseas study market is growing again. The following key figures offer some insights into the market's 'new normal' in China:

GROWTH AND INTENTION

10% the growth in study abroad applicants from China in 2022 as compared to 2019 (over 800,000, as compared to 703,500 in 2019)

Surprisingly, the market shows positive numbers, with strong year-on-year growth.



80% the number of respondents who remain interested in studying abroad in 2022.

Despite the disruption caused by the pandemic, respondents who wish to study abroad remain steadfast in their pursuit of this goal.

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The pandemic has impacted me, but it won't change my plan to study abroad. If I really can't study abroad at the moment, I will work first, or plan a gap year, or I can go to Hong Kong, Singapore, or a domestic Sino-foreign joint school to continue my studies.

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- Female, 23, Anhui

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The pandemic has had a big impact on me. Because of the pandemic, I don't feel safe traveling to Europe, so now I plan to work and make money first, and then I'll see.

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- Female, 31, Hubei

41% the percentage of students looking to study abroad in the UK.

During the pandemic period, the UK surpassed the US as Chinese students' top study-abroad destination. Nevertheless, there are signs the US is coming back in student preferences, and remains in second place, at 30 percent. The UK's growth rate declined slightly year on year, while the US's rate of decline in student numbers slowed between 2021-2022.

19% the percentage of students looking to study abroad in Hong Kong.

For the first time, Hong Kong outranks popular destinations such as Canada (15 percent), Japan (14 percent), Singapore (14 percent), and Australia (12 percent). This ranking is in line with sustained growth both in Singapore and Hong Kong over the past three years, and parallels a sustained decline in the markets of Australia and Canada.

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Before the pandemic, Hong Kong universities' admissions standards were not as high as they are now, because a large number of Chinese students who planned to study overseas began to think about Hong Kong. Now they're much more selective.

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- Male, 31, Hubei

DEMOGRAPHICS

45% the proportion of parents claiming to be 'ordinary employees', demonstrating the democratization of overseas study.

This group now constitutes the majority among survey respondents, taking over from parents claiming to work in 'middle management' roles in 2018. While there still is a large number of wealthy Chinese parents looking to send their children to overseas universities, a growing share of Chinese students is expected to come from middle-class families, in line with existing population trends.

73% the percentage of students looking to pursue post-secondary degrees abroad (as opposed to 27 percent for secondary degrees and below).

In 2022, the fastest growing category of students was professionals (15 percent of respondents, compared to 12 percent in 2021). Anecdotally, more students are deciding not to pursue a post-secondary degree immediately after university graduation, choosing instead to work and wait for the pandemic situation to normalize.

22% The percentage of respondents who intend to study engineering. The top three subjects have not changed since the onset of the pandemic, with engineering in the top spot, followed by management (14 percent) and economics (13 percent).

The subject interests of Chinese students have not changed drastically since 2019. We anticipate the same courses that were popular before the pandemic will remain so after it.



THE APPEAL OF STUDY ABROAD REMAINS STRONG

Despite the uncertainty caused by the pandemic, Chinese students remain interested in studying abroad. 'Expanding international vision' and 'enriching life experiences' continue to top the list of motivating factors for potential students. Similarly, 'studying in a famous overseas university' remains an important motivating factor in 2022.

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I didn't want to let anything get in the way of my plan to study abroad. Originally I wanted to go to the UK to study for a master's degree, but then I chose to do my undergraduate in Singapore first, because Singapore has better pandemic prevention and control. The pandemic has only changed my destination, it has not changed my desire to study abroad.

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- Female, 23, Sichuan

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I'd like to experience a different academic atmosphere, student life experience, job opportunities, and social opportunities. I'm eager to experience a more normalized working and living environment [than what we currently see in China]. After completing my master's degree, I'd like to stay in the UK for a while to gain some experience, then who knows – maybe a PhD?

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- Male, 23, Shanghai

The three top motivating factors remained unchanged between 2019 and 2022, with respondents listing a desire to learn critical thinking as the top motivating factor, followed by quality of instruction and access to pedagogic methods different from China's. Employment prospects rank seventh and internship possibilities rank ninth, indicating that the potential for post-study professional opportunities remains a strong pull-factor for Chinese students.

GOVERNMENT SUPPORT

The Chinese Government has traditionally regarded overseas education as an opportunity to cultivate talents and bring foreign technology, novel ways of thinking, and skills to China. This view remains widespread, and it is frequently reaffirmed in official statements such as the fifteen-year development plan 2006-2020 (“National Mid-to-long-range Science and Technology Development Plan Outline”, 2006) and in remarks by the Ministry of Education.

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China's longtime policy on overseas study is to support students to study overseas, encourage them to return to China, allow them to freely come and go, and allow them to contribute to building the nation. As we progress into the next era, this principle will be uniformly applied.

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– Ministry of Education, Department of Ideological and Political Work, Director Wei Shiqiang, December 2021

HOW THE PANDEMIC IMPACTED STUDENT CONSIDERATIONS

While data point to a return to growth for the study abroad market, overseas institutions still face considerable challenges in recruiting Chinese students, who are now more cautious about undertaking international exchanges. Most respondents (70 percent) continue to recommend study abroad for ‘others or [their] own children’, yet a growing percentage claim to be ‘unclear’ as to whether or not they would recommend it (19 percent in 2019, growing to 24 percent in

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Quality of education, a country’s relationship with China, safety, and employment recognition were the most important factors I considered. The cost of studying abroad and the difficulty in application didn’t matter to me.

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– Male, 22, Shanghai

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The pandemic resulted in a one-year delay in my graduation, and this year I went straight into an internship. If I hadn’t wasted this year, I might have done a master’s degree at a better school. But now I’m in a good state of mind. It’s lucky, because if I stay in China, I may be subject to a lot of restrictions because of the pandemic. Control measures in China are too strict.”

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– Male, 24, Heilongjiang

2022), suggesting pandemic-related concerns for Chinese students and their parents.

Safety has also come to the fore as a core consideration when choosing a destination country. 56 percent of respondents rank it as a top concern—coming in second only to perception of the quality of the education system in a given country (63 percent) and ahead of employment recognition (52 percent).

The data also suggest that academic considerations, including institutional prestige, matter when students select a specific university or course of study, though not to the exclusion of other factors.

University rankings remain the number one consideration for 66 percent of respondents. Suitability of a course of study comes in second place—60 percent of respondents. At the same time, a growing proportion of students indicates that they ‘do not care’ about rankings (25 percent in 2022, up from 13 percent in 2019)—a discrepancy in data that may be explained by some universities having reduced outreach in China during the pandemic.

THE ROLE OF UNIVERSITIES

One of the most frequent complaints related study abroad is that airlines, universities, hotels, and tour operators fail to notify travelers quickly or clearly about changing mobility policies. As enablers of international exchanges, foreign universities should consider providing additional support to Chinese students.

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Brands [including universities] dealing with pandemic-related issues should provide information on the latest policy changes quickly, including how they will affect their students or customers - for example, changes in policies around study abroad applications. During the pandemic, there are very few flights and they are incredibly expensive, and yet most airlines and institutions have no substantive measures for how they can help students specifically.

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– Male, 22, Heilongjiang

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I expect brands and institutions to provide experience and relevant information on studying abroad, like tips for how to deal with pandemic-related situations. In terms of examples of organizations who responded effectively, I was very impressed with some NGOs here in Singapore, who organized charity events during the pandemic to help people get through this difficult situation.

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– Female, 23, Sichuan

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I expect brands to be authoritative voices telling me about the latest policies and instructions for studying abroad, how to apply for visas, etc.

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– Female, 31, Hubei

SUMMARY

What does the market look like three years into a global pandemic?

The overseas study market has grown at a healthy rate despite the challenges presented by the pandemic. Chinese students remain interested in studying abroad, though they are considering alternative destinations due to COVID-19 concerns.

What key factors are Chinese students and parents weighing today?

In addition to traditional factors (rankings, university prestige, and professional opportunities), considerations such as safety and convenience have become more prominent.

What should brand managers at overseas educational institutions keep in mind as they recruit in the China market?

It is crucial for overseas educational institutions to have a differentiated brand that leverages its unique strengths, whatever they may be. Demonstrating a robust understanding of the challenges students face and having systems in place to help them succeed despite unpredictable policy changes will go a long way to build rapport with Chinese students.

HOW WE CAN HELP

WE Red Bridge has over ten years of experience working with clients across the education industry in China, including overseas universities, onshore international schools, testing organizations and associations, vocational training, and more.

WE Red Bridge is uniquely positioned to build narratives that resonate with Chinese students, their parents and agents, creating and deploying storylines strategically across online and offline platforms to reach target audiences.

Our services range from community and influencer management for WeChat, Weibo, RED, to bespoke integrated strategies and media engagement planning and execution.

Get in touch to learn more.

KIT MENTION

CHINA

Group Account Director, Corporate
kit@we-redbridge.com