English Language Market Report Japan

2020

BONARD

BRITISH COUNCIL

ENGLISH UK

English Language Market Report Japan 2020

Prepared on behalf of:

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We feel privileged to be working with so many industry professionals.

BONARD team

Executive Summary

In a context of deepening globalisation, an unceasing desire to travel the world, and people's aspiration to improve their spoken English and job market prospects, demand for English language training (ELT) abroad continues to grow in Japan.

Bringing the latest business intelligence together with insights sourced from renowned market experts, this report serves as a panoramic resource for UK ELT providers. It pinpoints student recruitment opportunities and suggests how institutions can optimise their marketing in a way which matches their institutional profile with existing and emerging demand.

This report was commissioned by English UK and the British Council and carried out by the independent market research provider BONARD. The study is the first release in a series of evidence-based market studies on selected ELT source countries.

NOTE: The majority of inputs were collected prior to the global Covid-19 outbreak. The outcomes were adjusted to deliver timely assistance in a period of market rebuilding.

THE STUDY IDENTIFIES AND QUANTIFIES A NUMBER OF KEY FINDINGS:

- Globally, Japan constituted the 3rd largest market, accounting for 936,381 student weeks in 2018;
- The UK is currently the 5th most popular country in which to learn English, after Australia, Canada, the USA and the Philippines;
- From a UK perspective, Japan was the 6th biggest market in terms of student weeks (80,484) in 2019;
- The number of Japanese students attending private and state sector institutions is on the increase: although students have opted for shorter stays in 2019, growth in student numbers has also translated into student weeks increasing by 2 %.
- Accounting for 36 % of all student weeks, Q3 2019 was the most popular quarter;
- Key trends constitute diversification of study destinations; an increased fluctuation in course duration which manifested in more short-term and long-term courses alike; and a rise in junior students;
- Nevertheless, 18-24 year olds remain the biggest target audience (46 % of agency customers);
- Japanese students are chiefly driven to learn English abroad to experience living in a different country and meet people from varied backgrounds;
- The UK is connected with high-quality education, an appealing culture and a rich history, being the home of the English language;
- The biggest obstacles appear to be the perception of the UK as an expensive destination; distance compared to its main competitors and, for some customers, a lack of safety;
- The most important factors when selecting a language centre abroad are quality and, increasingly, affordability and programme offer/ curriculum;
- General/Intensive English courses remain the most popular course type, although going forward, students will seek more specialised and personalised courses that will activate their speaking ability and support them in preparing for tests;
- To deepen their cultural experience, most students (39 %) prefer to live with a host family during their stay abroad;
- The Japanese are early bookers; as many as 37 % and 23 % book 3-5 months and 6-8 months before their courses start, respectively;
- 82 % of student weeks in the UK were commissionable in 2019;
- At the time the current research was carried out, there were 237 known agents in Japan, operating 514 branches, mostly language travel agencies located in Tokyo (32 %) and Osaka (13 %);
- On average, an agency partnered with 19 UK ELT providers and sent 99 students to the UK. There is an appetite for tapping into the UK market and benefiting from its vast diversity of courses where agencies may find their 'niche' – 31 % of agents seek 1-4 more partners in the UK, while 26 % would welcome 5-10 new providers.

Bespoke recommendations for UK ELT providers and other stakeholders can be found in the last chapter of this report.

Introduction

English UK and the British Council are cognizant of the strategic importance of a data-driven approach to the promotion of the UK as an ELT destination and continue to support UK ELT providers by supplying pertinent market intelligence.

As part of their latest endeavour, they undertook to identify priority countries for the UK ELT sector from a mid- and long-term perspective, in order to provide granular insight into each individual market. This is the first outcome within a series of market reports designed to provide standardised reporting on a number of priority markets for the UK ELT sector.

The research was carried out by BONARD, an independent research provider and English UK's insight partner. BONARD is also a United Nations World Tourism Organization (UNWTO) Affiliate Member as well as a member of ESOMAR World Research.

Japan was designated the first source country of focus following industry consultations and market assessment based on BONARD's global data.

The market offers volume and stability in relatively volatile times, which is characteristic of a maturing industry.

This report aims to provide UK ELT stakeholders with a competitive advantage by providing a comprehensive understanding of the current market. It was designed to provide guidance to market entrants, and offer a benchmark and an external perspective to established providers who have been engaged with Japan for some years. The report identifies key factors behind the rising demand for English and how these manifest in students' decision-making, while elaborating on how they relate to the UK's current value proposition. It also evaluates opportunities and barriers in order to formulate recommendations on how to market the UK at individual, joint and governmental level.

The study outlines marketing and recruitment strategies that leverage items which are of great importance not only to Japanese students but also education agencies, who form an inherent and long-standing element of the market, and who, apparently, have the appetite to partner with more UK ELT providers.

It is hoped that, by facilitating a better understanding of the needs and preferences of Japanese students, this initiative will foster relationships between Japanese and UK organisations and further enhance the student experience of those learning English in the UK.

Although most data were collected prior to the Covid-19 outbreak, due care and attention have been paid to adjusting the recommendations to the new circumstances. The desire to experience life in a foreign country and the opportunity to meet new people from different cultures is a key driver for Japanese students to pursue a language course abroad; hence, it is believed that Japan will be one of the quickest markets to get back on track.

Methodology

With the aim of making individual reports highly comparable, BONARD has devised a unified approach to market mapping as part of its remit.

In addition to leveraging existing market intelligence, the series introduces a range of primary research components. These deliver first-hand insights into the market from students, education agencies, providers and market insiders.

Engaging multiple target groups has not only allowed us to enhance the research scope (specific questions can only be posed to certain respondent types), but also to cross-reference and verify the information sourced. Therefore, it has added clarity and reliability to the conclusions presented within this study.

THE RESEARCH BUILDS ON FOUR INTEGRAL RESEARCH METHODS:

To begin with, existing resources were used to determine current market status. An **industry literature review** examined sources such as English UK's Student Statistics Reports and Quarterly Intelligence Cohort (QUIC), Japan's government and association data and BONARD's global ELT data, as well as screening local media. As part of this phase, the research team also compiled the latest agency market overview.

Subsequently, a **quantitative survey aimed at Japanese education agencies was launched to provide B2B source market perspectives.** In order to facilitate participation, the survey was translated into Japanese and distributed to BONARD's database of 237 known agencies in Japan (counted by HQs). Overall, 30 agencies responded, representing more than 16,000 English language students abroad.

Gaps identified during desktop research were addressed by primary research. More specifically, **22 in-depth interviews** with pre-selected government and association representatives, Japanese education agencies and UK ELT providers were held. Outcomes of these interviews helped identify emerging trends, outlined opportunities and indicated a possible future outlook.

Finally, the end-customer perspective was covered through **a quantitative survey of prospective, current and former Japanese students.** The initiative was carried out in collaboration with English UK member centres and a specialised British Council digital team. It collated inputs from 240 respondents and allowed the recommendations to be tailored to UK ELT providers.

The research was conducted in compliance with the ICC/ESOMAR International Code on Market, Opinion and Social Research and Data Analytics.

A PUSH FOR CHANGE IN THE WAY ENGLISH IS TAUGHT IN MAINSTREAM EDUCATION HAS BEEN A KEY AGENDA IN JAPAN OVER THE LAST FIVE YEARS.

Macro-trends Shaping Demand for English

The increasing interest shown by the Japanese in studying abroad has been greatly influenced by the following long-term and short-term factors: current government policies to develop Japan as a more globalised nation; businesses seeking multicultural and multifaceted employees; and the 2020 Olympics Games (which have been postponed to 2021 due to the Covid-19 pandemic).

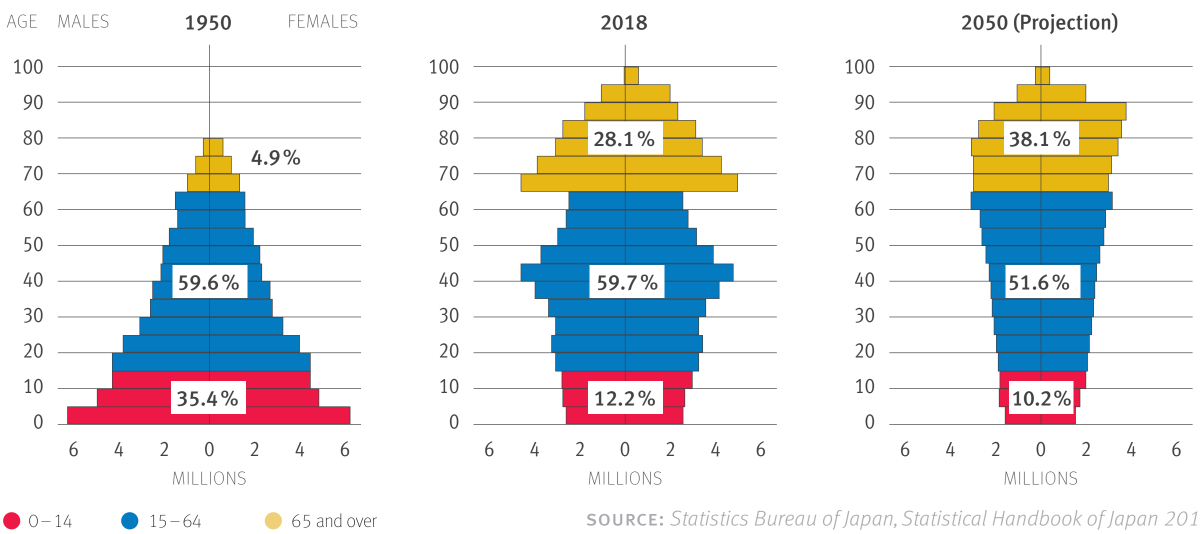
The Japanese Ministry of Education, Culture, Sports, Science and Technology (MEXT) perceives that, with the advancing globalisation of society and the economy in Japan, there is an urgent need to foster human resources capable of playing active roles globally and supporting the nation's future.

As Japanese society continues to undergo profound changes due to lower birth and death rates, the country's population pyramid has changed from the broad-based shape of the mid-20th century to a situation in which people aged 65+ compose 28 % of the population. Fewer students will mean a dwindling supply for the private sector, which was noted to be already feeling the impacts of this development. On the other hand, Japan tops global life expectancy rankings. **FIGURE 1**

To mitigate the impact of possible shortages in the education and job markets, the Japanese government is also actively supporting inbound international student mobility. Through recent changes to its post-study work opportunities, including access to work visas and improved measures to help graduates find work, it is striving to meet a target of 300,000 international students (planned to be achieved by 2020).

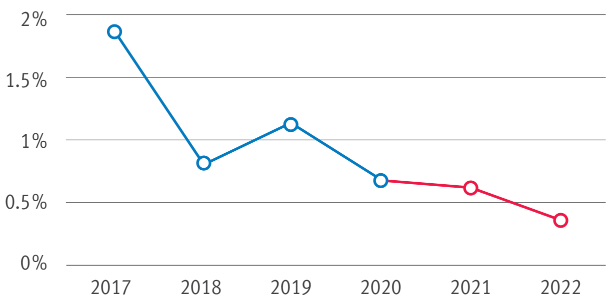
Prior to the Covid-19 outbreak, the economy was predicted to enter a period of slowdown, dropping its annual growth rate from 1.9 % in 2017 to 0.4 % in 2020. In April 2020, the government announced a $ 990 billion stimulus package to help struggling businesses and households cope with the impact of the coronavirus outbreak (an economic package equivalent to 20 % of the country's GDP). **FIGURE 2**

FIGURE 1: *Changes in the population pyramid in Japan (share by age group)*



SOURCE: *Statistics Bureau of Japan, Statistical Handbook of Japan 2019*

FIGURE 2: *Average annual GDP growth*



SOURCE: *World Bank, 2020*

Despite the declining birth rate and economic slowdown, many Japanese students and corporate clients are very interested in global talent development, in which increasing English language proficiency plays an essential part.

The current barriers to further developing English language skills include a lack of opportunity to use English in Japan, and of quality teachers in the domestic education system (very few have had a study abroad experience themselves), as well as a lack of confidence in speaking as a result of students' focus being traditionally placed on listening to grammar explanations in Japanese and test preparation tasks such as word-for-word memorisation of reading texts.

In this context, the need for young people in Japan to increase their English skills is urgent, and a push for change in the way English is taught in mainstream education has been a key agenda in Japan over the last five years. This agenda principally focuses on ensuring that there is more communicative English teaching, and that it starts from a younger age. The government has thus been implementing a fundamental reform of English education, including the introduction of foreign language education to third and fourth grade elementary school students.

According to The English Education Status Survey, 40.2% of high school students had English skills equivalent to or higher than CEFR A2 in 2019 (target: 50%), while 42.6% of junior high school students had English skills equivalent to or higher than CEFR A1 in the same year (target: 50%).

The Third Basic Plan for the Promotion of Education, which lays out the measurement indicators for English education, set a target of 50% of students having English skills equivalent to or higher than the A1 level of CEFR when they graduate from junior high school (aged 15), and equivalent to or higher than the A2 level of CEFR when they graduate from high school (aged 18).

Further improvements will be also set through the introduction of a four-skills English language test for university entrance. The MEXT's initiative would see students taking one of seven external private tests (including IELTS and TOEFL).

At the moment, MEXT is conducting a year-long review with the aim of introducing a new testing system for the 2024 academic year. Meanwhile, the existing National Centre Test (a standardised examination which assesses listening and reading comprehension only) is changing to the Daigaku Nyugaku Kyotsu Test as of 2021. Key changes include listening skills given equal importance to reading skills, and exposure to a different varieties of English (rather than solely standard American English).

According to the British Council Japan, the proposed introduction of four-skills testing has already boosted the study abroad market. Education agencies have seen increased demand for short-term English language programmes from junior high school and high school students keen to get a head start in preparing for the new testing system.

In regard to English language learning at universities in Japan, a survey designed to gauge the progress of reforming the university syllabus indicated that 222 universities (30%) provided undergraduate courses in English in 2011, whereas that number had increased to 309 by 2016 (42%).

Developments in mainstream schooling are also fuelling business in the private sector with more private English schools flourishing both offline and online. The competition between English conversation schools in Japan is very high. Attempts to improve the services of each company can be seen, such as renewing learning content and introducing e-learning. Diversification of learning methods and the short-term intensive model seem to be the current trends in English conversation schools in Japan.

Overall, the choice of learning at home or abroad is becoming less dependant on whether a student is aiming to take an English exam or company entrance test, or aspires to use English as a communication tool and/or fast-track their career in their own country.

ALL IN ALL, THE DESTINATION PREFERENCES OF JAPANESE STUDENTS ARE DIVERSIFYING, WITH LESS TRADITIONAL DESTINATIONS GAINING POPULARITY.

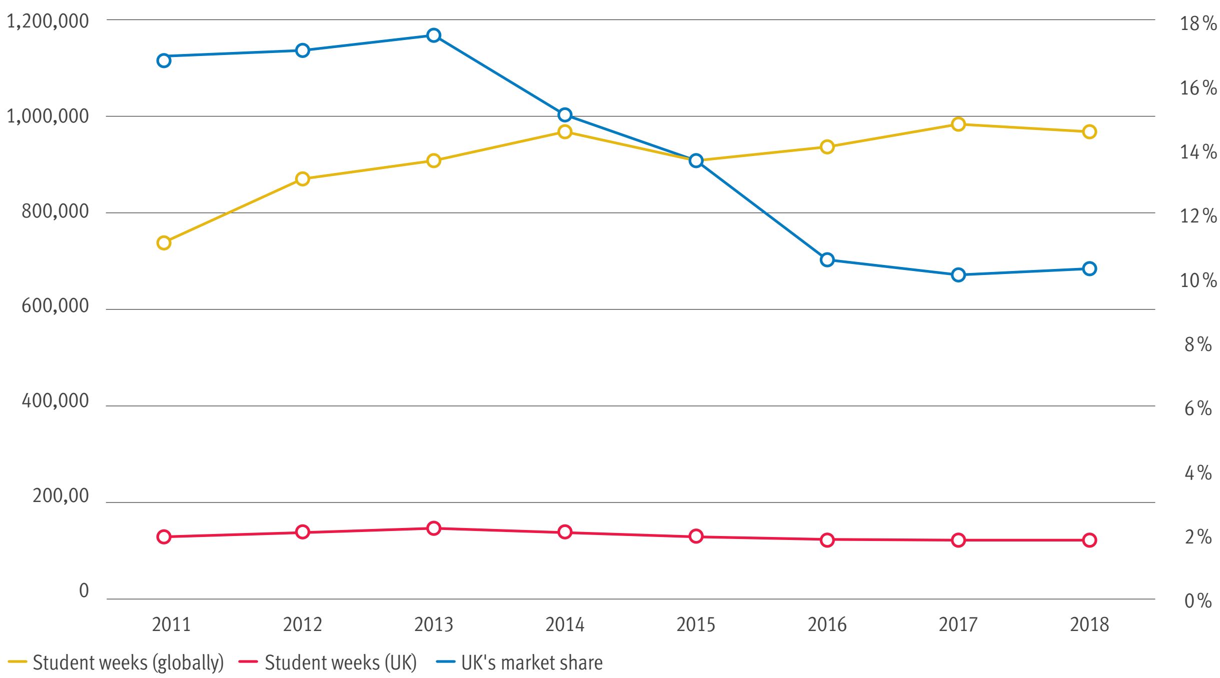
English Language Learning Abroad

Globally, Japan is the 3rd largest market for ELT after China and Brazil in terms of student weeks. In 2018, Japanese students spent a total of 936,381 weeks in eight major ELT destinations (Australia, Canada, Ireland, Malta, New Zealand, South Africa, the UK and the USA), accounting for approximately 8 % of the global student week volume. Coupled with the fact that Japan represents a stable source country, this poses significant opportunities for ELT providers.

NOTE: Based on cumulative data from eight major destinations, namely Australia, Canada, Ireland, Malta, New Zealand, South Africa, the UK and the USA. The number of student weeks spent in the UK represents an extrapolation over English UK's membership data, which is based on BONARD's UK ELT supply data. This data does not include the Philippines, which is a fast-growing destination for Japanese students.

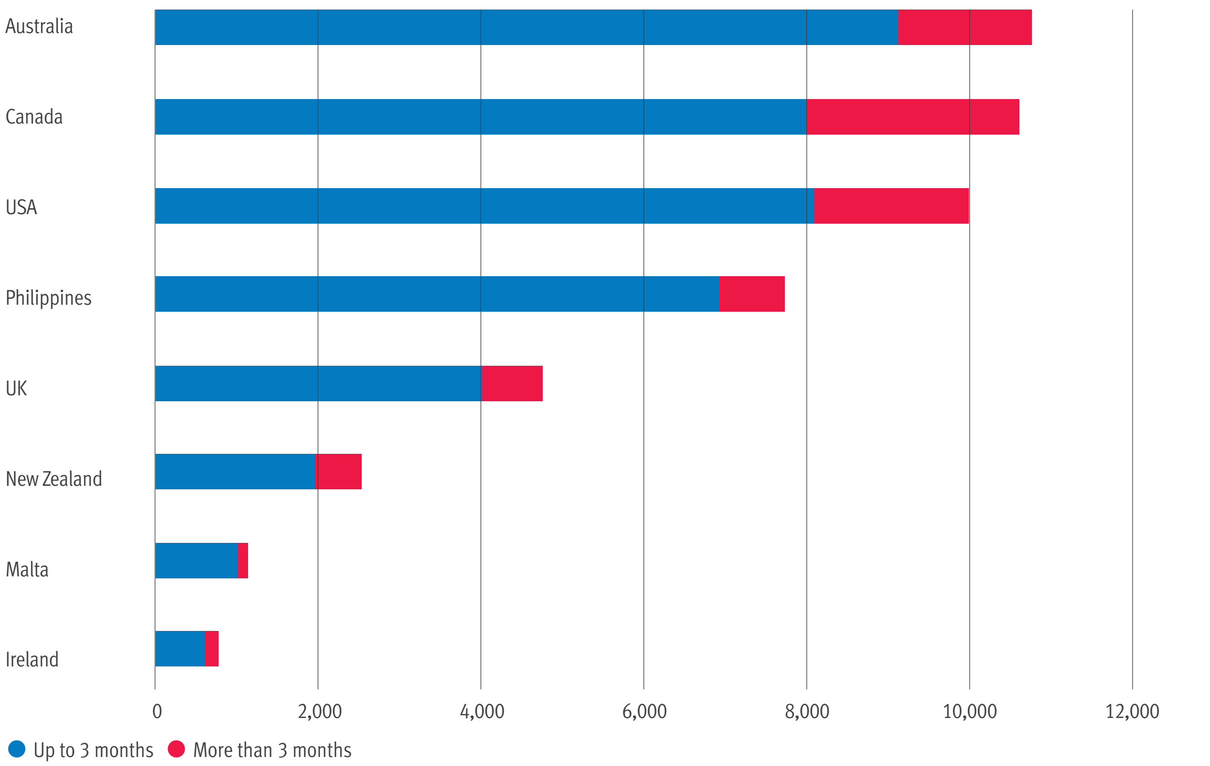
According to the historical data available, the UK's market share peaked in 2013, when it accounted for 17 % of all student weeks spent by Japanese students abroad. After that, the UK struggled to compete with other destinations, especially Canada and Australia, which have strengthened their position in the Japanese market over time. In 2018, the UK's market share stood at 10.5 %.

FIGURE 3: *Total student weeks from Japanese students, number of weeks spent in the UK and UK's market share (% of student weeks spent in the UK of all student weeks)*



SOURCE: *BONARD, 2019*

FIGURE 4: *Estimated number of English language students from Japan by destination and course duration in 2018*



SOURCE: *Japan Association of Overseas Studies (JAOS) 2019 Statistical Report on Japanese Studying Abroad; n=42 agencies*

According to JAOS statistics, 82 % of students study English abroad for less than three months. While the UK attracted 10 % of this mobility segment, 8 % of long-term students opted for the UK, which indicates an opportunity to gain market share among academic students.

All in all, the destination preferences of Japanese students are diversifying. In terms of student numbers, Australia and Canada are neck to neck (they enjoy a reputation for good public order, as does New Zealand). Canada is highly rated thanks to the flexibility of the programmes offered there, as students can incorporate a variety of optional subjects into their ELT course. Canadian staff, many of whom are Japanese, are credited with providing a good service.

Japan has always been strongly influenced by the USA, and potential students are exposed to a great deal of news and information about the destination. Yet, although the USA used to be the most popular study destination, the number choosing to study there is falling. The UK was traditionally the fourth most popular ELT destination; however, the JAOS survey results indicate that it was recently outperformed by the Philippines.

Indeed, the Philippines have emerged as a very popular study abroad option for Japanese students seeking an English language course. In contrast to conventional language study abroad, which combines studying English with time spent experiencing the culture and lifestyle, the Philippines offer private lessons, dormitories and a short-term focus on English. Their proximity to Japan and favourable weather conditions further enhance their appeal. Initially, the Philippines offered a useful location for short-term intensive exam preparation courses and for students with a limited budget; however, the range of learners has expanded, as have course durations. The country is considered a steppingstone for Japanese students who lack confidence in their spoken English and, perhaps more importantly, their ability to cope in an English-speaking environment (usually A1-A2 levels).

Furthermore, other non-traditional and more affordable destinations, such as Ireland and Malta, are also trending in Japan (student numbers are relatively small compared to other destinations, but both have experienced double-digit increases y-o-y). Ireland is perceived as friendly and, while geographically closer to the UK, it is regarded as more European in its outlook.

Malta is less well known as a destination for studying abroad or travelling than other countries, which gives it curiosity value. The island offers niche appeal, rather than an opportunity for mass marketing. Both Ireland and Malta also provide the possibility to work while studying, which currently gives them a competitive advantage over the UK.

In-depth interviews suggested that the strongest positive USP for the UK is the quality of course delivery. The UK's education system is recognised for its quality (for instance, through the presence of UK universities in global top rankings). Studying in the UK was also perceived as prestigious.

The UK's culture and history – not just the traditional aspects, such as being the cradle of the English language, and the royal family, museums and famous galleries, but also its contemporary arts and pop culture, fashion and sports – were the next strongest affinity factors. For some agencies, one of the biggest advantages was the existing visa regulation allowing up to six months' study without having to apply for a student visa.

The UK also offers a more diverse student body than other ELT destinations, with fewer Japanese students. With the current ELT supply size in the UK, the market is far from reaching saturation when it comes to hosting Japanese students. Proximity to Europe and the associated travel opportunities were also mentioned. Students were able to travel freely within the Schengen zone, a competitive advantage that the UK may lose with the introduction of the new visa system in 2021.

Conversely, the most cited reason for choosing a destination other than the UK is cost. The UK is perceived as an expensive destination. Coupled with the fact that international students have no rights to work, the UK finds itself at a disadvantage compared to its main competitors. Distance from Japan was also mentioned as a factor that disadvantages the UK.

It is noteworthy that agencies were split as regards safety and the desirability of the British accent, with the latter being regarded purely as a matter of personal preference. Approximately half of the respondents noted safety as one of UK's unique selling points (e.g., the lack of guns), whereas the other half perceived a lack of security as one of the reasons their students opted for another ELT destination.

The Japanese government acknowledges that overseas study, which can promote the cultivation of an international perspective and cross-cultural understanding, is of great importance in improving foreign language competence and communication skills.

Considering the accelerating social and economic internationalisation of Japan, developing global human resources who will be able to support its future is of strategic importance; thus, the Japanese government is prepared to provide support for motivated students.

To this end, the government is endeavouring to reduce the financial burden on students and their families by providing support for study abroad through the *"Tobitate! Study Abroad Initiative,"* a campaign for promoting overseas study, and the *"Tobitate! Young Ambassador Program,"* which fosters young people's motivation to study overseas and operates in cooperation with private companies and other organisations (246 as of December 2019). The *"Tobitate! Young Ambassador Program"* has been supported since 2014, and to date, around 5,100 university students have been selected for the programme and sent to study overseas (including to non-English speaking countries), with financial support amounting to 11.83 billion yen.

DESPITE NOT BEING THE FIRST DESTINATION OF CHOICE FOR ENGLISH LANGUAGE STUDENTS, THE UK IS REGAINING POPULARITY AMONG JAPANESE STUDENTS.

The UK as an ELT Destination

Despite not being the first destination of choice for English language students, the UK is regaining popularity among Japanese students. Student numbers to the UK have been picking up steadily since 2016. 2019 was a positive year for the UK, as it witnessed an uptick in both Japanese student numbers and student weeks.

Greater fluctuation in course duration appears to be among the few emerging market trends in Japan. According to the interviews conducted with UK ELT providers, length of stay used to be more uniform; however, providers are now seeing an increased number of both short- and long-term stays by Japanese students, with the former prevailing over the latter.

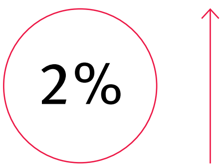
The state sector managed to grow in terms of student numbers and student weeks. A like-for-like comparison of centres submitting data for both 2018 and 2019 shows that the sector expanded considerably percentage-wise (experiencing a 16 % growth in student weeks). Private sector member centres welcomed 11 % more Japanese students, who, overall, generated 4 % more student weeks than in 2018.

FIGURE 5: *Japanese student numbers and student weeks in the UK*

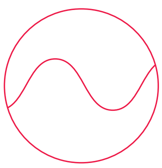
	Student numbers			Student weeks			Average course duration	
	2018	2019	% change*	2018	2019	% change*	2018	2019
of which state sector	2,915	2,906	11 %	17,537	18,164	16 %	6.0	6.3
of which private sector	11,481	12,537	11 %	61,031	62,320	4 %	5.3	5.0
Total	**14,396**	**15,443**		**78,568**	**80,484**		**5.5**	**5.2**

SOURCE: *English UK, Student Statistics Report 2019; n=408 member centres*

* Year-on-year changes are based on a sample of 389 providers reporting in both 2018 and 2019 to provide a like-for-like comparison

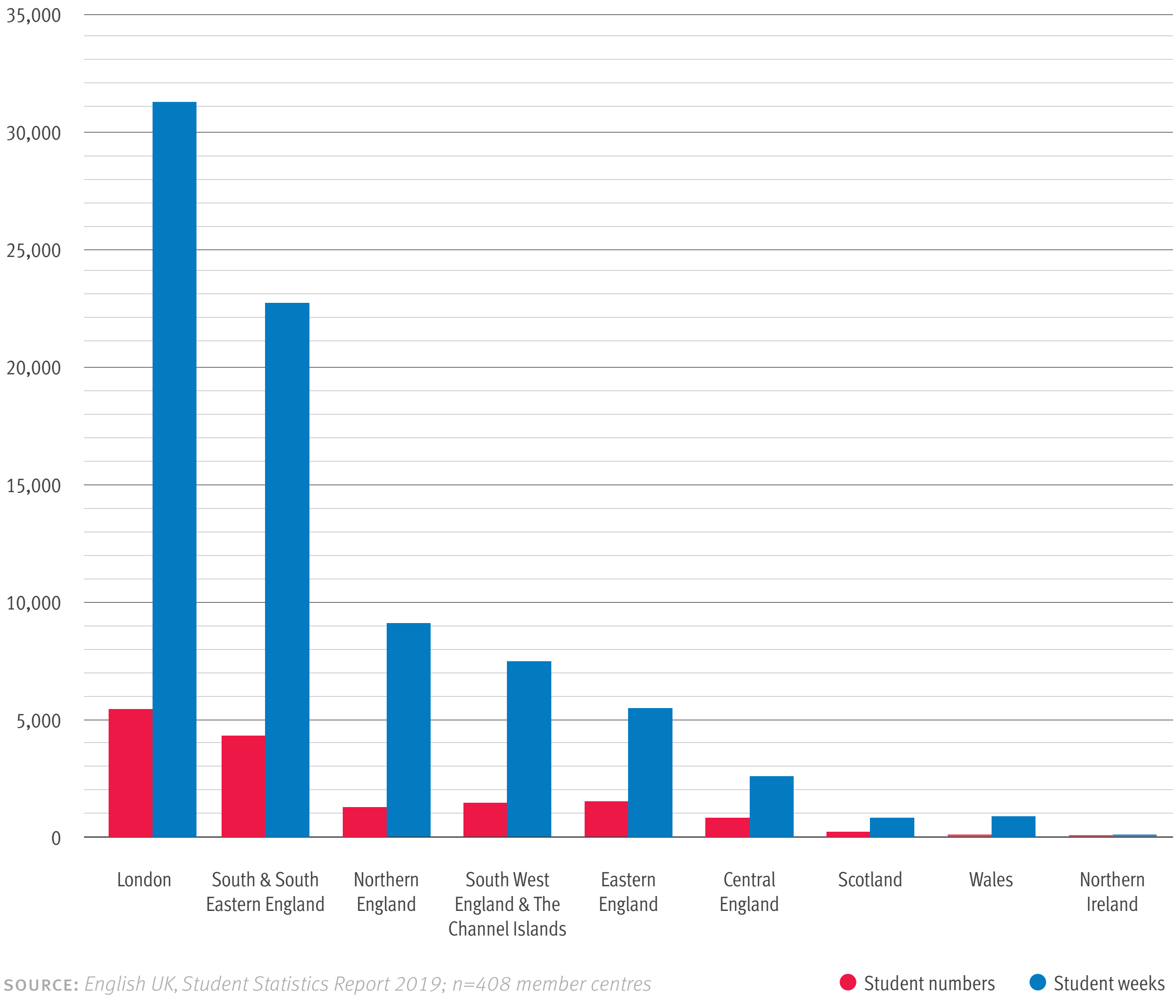


ALTHOUGH STUDENTS OPTED FOR SHORTER STAYS IN 2019, GROWTH IN STUDENT NUMBERS ALSO TRANSLATED INTO A 2 % INCREASE IN STUDENT WEEKS.



GREATER FLUCTUATION IN COURSE DURATION APPEARS TO BE AMONG THE FEW EMERGING MARKET TRENDS IN JAPAN.

FIGURE 6: *Regional overview of Japanese students in the UK (2019)*



SOURCE: *English UK, Student Statistics Report 2019; n=408 member centres*

16 %

THE STATE SECTOR MANAGED TO GROW IN TERMS OF STUDENT NUMBERS (11 %) AND STUDENT WEEKS (16 %).

4 %

AS REGARDS THE PRIVATE SECTOR, THE NUMBER OF STUDENTS INCREASED BY 11 %. DRIVEN BY THIS DEVELOPMENT, STUDENT WEEKS GREW BY 4 %.

COMMISSIONABLE BOOKINGS AMOUNTED TO 82 % OF ALL STUDENT WEEKS BOOKED BY JAPANESE STUDENTS. THEY RECORDED A PEAK IN Q3, WHEN THEY ALMOST DOUBLED COMPARED TO OTHER QUARTERS.

Student Profile in the UK

Thanks to English UK's optional student statistics scheme, the Quarterly Intelligence Cohort (QUIC), it has been possible to draw a detailed profile of Japanese students learning English in the UK. Around one third of the English UK membership participated in QUIC in 2019, representing approximately 50 % of the association's student weeks.

Notably, the vast majority of English UK members reporting in QUIC are from the private sector, so the data should be interpreted with this caveat in mind. All data are reported in student weeks.

Japan exhibits low levels of seasonality. While the third quarter accounted for 36 % of all student weeks, the remainder of the student weeks booked in 2019 were distributed fairly equally among the other quarters, suggesting little volatility with regard to seasonality.

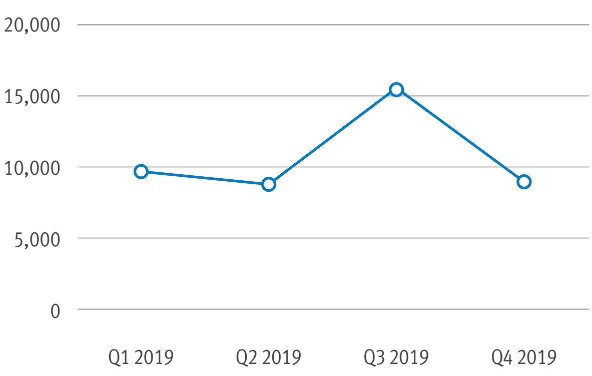
Almost 89 % of all student weeks booked were for adult courses. Enrolment trends for adult and junior bookings throughout the year mirror each other.

Interestingly, juniors tend to prefer independently owned schools in the UK over chain schools (with the former accounting for three times more student weeks). When it comes to preferred course types, General English dominated, accounting for 86 % in the adult age band. English for Academic Purposes was the second most popular, at 7 %. For juniors, summer camps were the most popular option, accounting for almost 75 % of student weeks.

Overall, the individual to group ratio stood at 48:52. Individual bookings were more visible in the first two quarters, while group bookings prevailed in Q3 and Q4. Consequently, independently owned schools have slightly more group than individual bookings. Chain schools featured a 50:50 ratio.

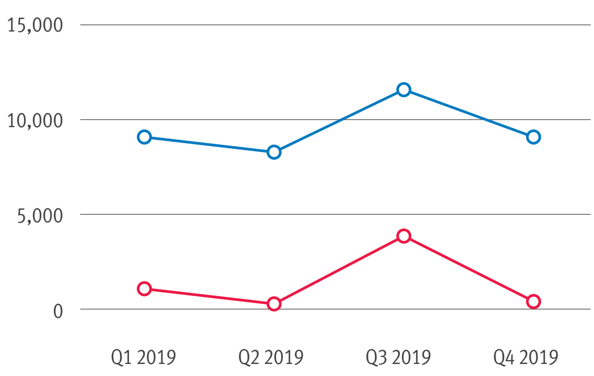
Commissionable bookings amounted to 82 % of all student weeks booked by Japanese students. They recorded a peak in Q3, when they almost doubled compared to other quarters. The number of non-commissionable weeks was relatively stable in each quarter.

FIGURE 7: *Total weeks by Japanese students*



SOURCE: *English UK, QUIC Q1-Q4 2019 market reports; n=152 member centres*

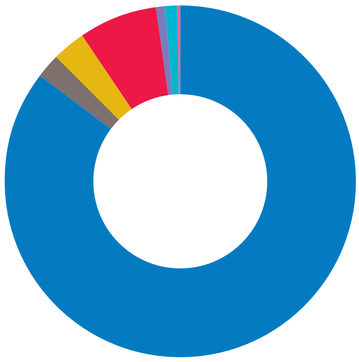
FIGURE 8: *Student weeks by age group*



SOURCE: *English UK, QUIC Q1-Q4 2019 market reports; n=152 member centres*

FIGURE 9: *Student weeks by course type*

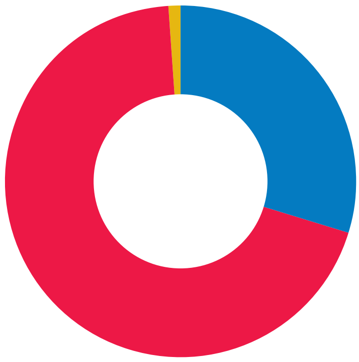
ADULTS (all quarters combined)



- General English
- Business/Professional English
- English Plus
- English for Academic Purposes
- English for Speficic Purposes
- One-to-one teaching
- Teacher Development

SOURCE: *English UK, QUIC Q1-Q4 2019 market reports; n=152 member centres*

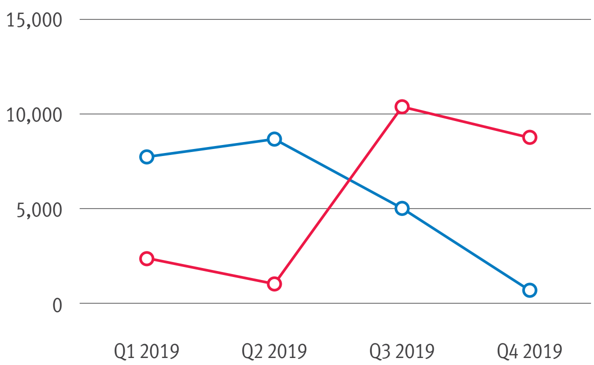
JUNIORS (all quarters combined)



- General English
- Summer/Winter camps
- English for Academic Purposes

SOURCE: *English UK, QUIC Q1-Q4 2019 market reports; n=152 member centres*

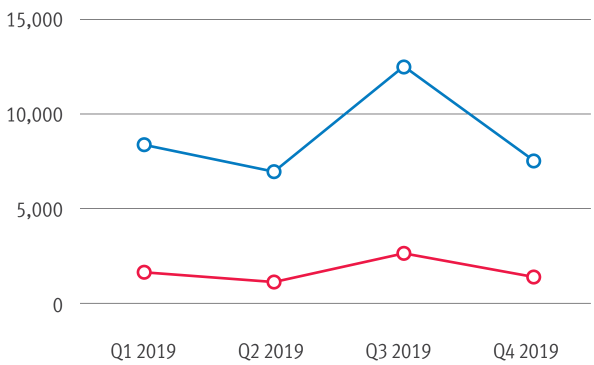
FIGURE 10: *Student weeks by booking type*



SOURCE: *English UK, QUIC Q1-Q4 2019 market reports; n=152 member centres*

- Individual
- Group

FIGURE 11: *Student weeks by booking source*



SOURCE: *English UK, QUIC Q1-Q4 2019 market reports; n=152 member centres*

- Commissionable
- Non-commissionable

TWENTY-TWO IN-DEPTH INTERVIEWS WITH PRE-SELECTED STAKEHOLDERS WERE CARRIED OUT, AND AN ONLINE QUESTIONNAIRE WAS COMPLETED BY 30 EDUCATION AGENCIES AND 240 STUDENTS.

Market Development: Opportunities

The following analysis is based on a combination of qualitative and quantitative research. Twenty-two in-depth interviews with pre-selected stakeholders were carried out, and an online questionnaire was completed by 30 education agencies (cumulatively representing over 16,000 English language students abroad) and 240 students. By leveraging the most recent insights, the research quantifies current market preferences and outlines possible scenarios going forward.

TARGET AUDIENCE

Junior students

According to MEXT internal data, approximately 4,000 high school students study a foreign language overseas every year; in other words, around 0.1 % of the country's 3.28 million high school students undertake study overseas, whether of language or some other subject.

Although it has not manifested in bookings quite yet, demand is growing in the junior segment, with parents keen to invest in ensuring their children experience an international education. English is now taught at elementary schools, which is likely to fuel greater demand to study abroad at an earlier age.

Overseas training courses for junior high school and high school students during the summer and spring holiday are expanding. Junior high school students' enthusiasm for English + activity summer holiday programmes is gaining momentum.

University students

University students remain the biggest target group for providers. This group usually takes a one-year leave of absence from university to experience life or study abroad after receiving a job offer.

The UK is also benefiting from peer-to-peer partnerships. As most university students do not have the necessary proficiency to take part in local universities' study abroad programmes, they tend to take courses in the UK to establish the necessary level. Interviewees stated that overseas training sponsored by Japanese universities was growing.

Young professionals/Corporate sector

Business English still represents a considerable part of the market. Professionals seek to advance their careers by enhancing their language ability, both on their own and as company-sponsored trainees.

The corporate clientele is looking for premium courses, particularly those offering a high-quality personal-focused service. Furthermore, the combination of language centre location and facilities offered is important, with corporate clientele tending to choose more traditional destinations; the Philippines, for example, are less popular with this segment.

Destination preferences are influenced by the fact that corporate clients usually already have a B1 or B2 level of English skills at the beginning of the training. Courses such as university business certificate programmes are popular among this target group.

Teacher training

Multiple interviewees mentioned opportunities in teacher training, suggesting that the UK should use its capacity to help improve training within Japan itself. One possible way in which this could be accomplished is specific short duration teacher development courses for in-service teachers. In the past, teachers have often travelled abroad as group leaders, both to observe and to take part in a language course.

Developing teacher training en masse could become a significant opportunity, provided government funding is in place. This would appeal to those specialising in English language teaching, and there could be both online and offline support for teachers.

Another alternative would be in-country teacher training, whereby UK ELT language centres would send their teachers to carry out training courses in Japan, which would be more efficient and, given the lower cost, could attract more beneficiaries. At the same time, it must be noted that attracting trainees without a local presence may be difficult; moreover, a good understanding of the Japanese school system (mandatory use of Ministry-approved school textbooks, class sizes of 30+, etc.) would be required.

Seniors

Trends in Japan's big cities point to the emergence of language classes for senior citizens, or the so-called *"silver classes"*. In spite of a lack of hard-based evidence, an appetite from the senior population for learning English is suggested by phrases such as *"the era of the 100-year life"* and *"re-learning for adults"*.

People in their 40s and 50s will want to grapple with English once again in order to change their occupation, practise hobbies or further their education. Similarly, people who will be retiring soon may be interested in studying abroad because they want to learn more about other countries.

As a niche within a niche, some providers have noticed an increased number of enquiries for family programmes tailored to receive grandparents accompanied by grandchildren.

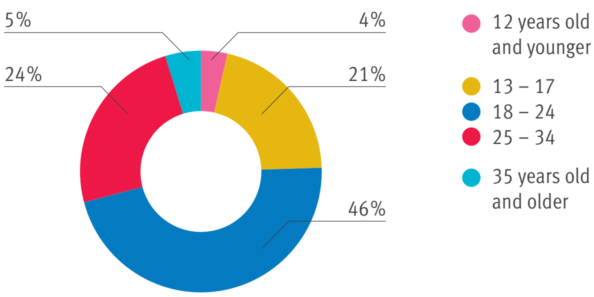
The agency survey provided further quantitative insight into the current age structure of course take-up as well as future trends and shifts. The biggest group was composed of students aged between 18 and 24. Young professionals constituted 24 % of all agency customers. Similarly, junior students accounted for one quarter of the customer base. FIGURE 12

Agencies responding to the survey (data collection took place prior to the Covid-19 outbreak) expect that the biggest increases will come from junior students. As many as 78 % of agencies expected an increase over the next year, with 46 % anticipating growth levels of more than 10 %.

Agencies were also confident that more under-twelves will study English abroad, and that the Japanese will start learning English abroad at an earlier age than previously.

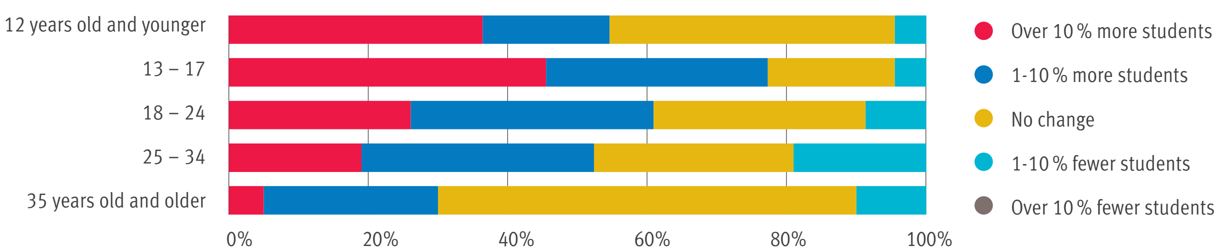
Also, further increases from university students, aged between 18 and 24, can be expected; conversely, this is less true of the 25-34 segment, with almost one in five agencies expecting a decrease in the number of students in these age groups in years to come. FIGURE 13

FIGURE 12: *Percentage of agency customers by age group*



SOURCE: *BONARD survey of agents (n=30), January-March 2020*

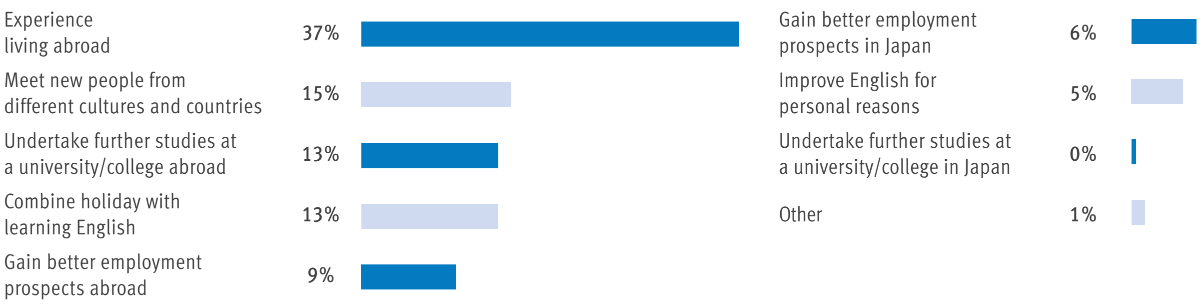
FIGURE 13: *Future demand for English by age group over the next 12 months*



SOURCE: *BONARD survey of agents (n=30), January-March 2020*

MOTIVATION AND NEEDS

FIGURE 14: *Main reason to study English abroad according to students*



SOURCE: *BONARD survey of students (n=240), February-March 2020*

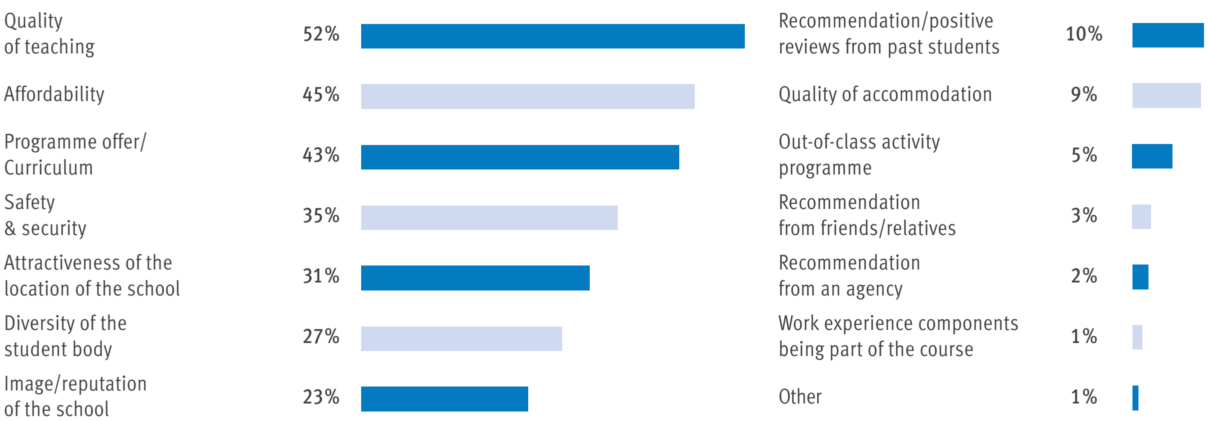
The desire for greater internationalisation and openness has gained significant ground within Japan; in this context, the goals of living in a foreign country and meeting people from different backgrounds are the principal motivation for half of Japanese students.

This is closely tied to the desire to engage in real-life experiences using their English skills (i.e., improve their English communication skills), while also having the opportunity to try new activities or learn new hobbies (cooking, arts, sports, etc.).

Preparation for university remains a strong motive. Increased demand is also seen for test preparation (for instance, to achieve a good score in the TOEIC and EIKEN tests); however, acquiring the skills to pass a test is perceived as a top-up rather than a driver on its own. In terms of gaining better job prospects and ensuring career advancement, the main goal is to attain business communication skills. **FIGURE 14**

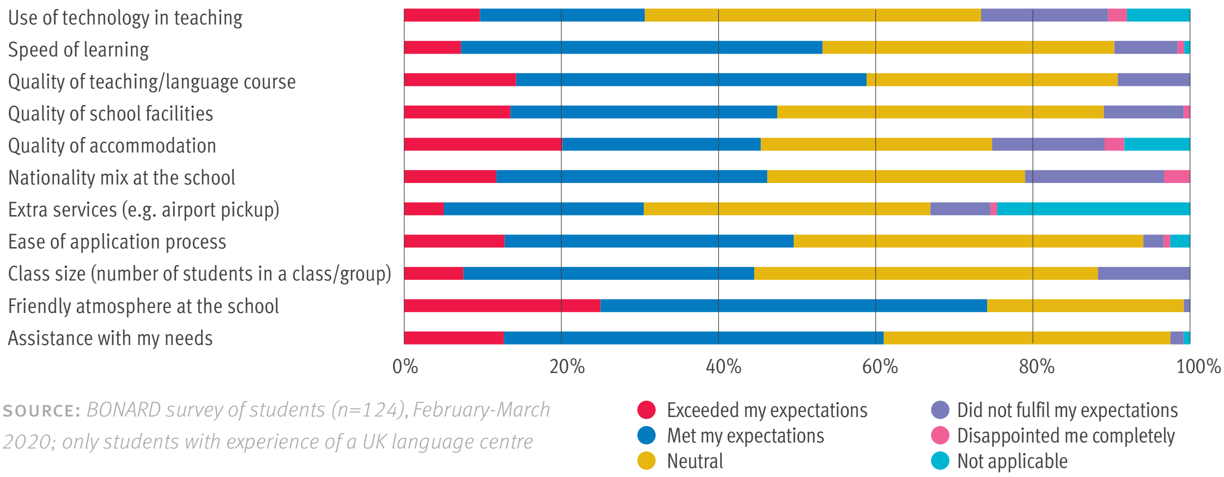
Quality of teaching is the highest-ranked factor. The student survey reconfirmed the order of principles indicated by agencies. Affordability, a growing concern mentioned by agencies, came second, with programme offer and curriculum third. Twenty-seven percent of students claimed that nationality mix, often suggested as a possible selling point, was important. **FIGURE 15**

FIGURE 15: *Factors of importance when selecting a language centre abroad*



SOURCE: *BONARD survey of students (n=240), February-March 2020; respondents were asked to name up to three of the most important factors.*

FIGURE 16: *Satisfaction with selected factors of importance*



SOURCE: *BONARD survey of students (n=124), February-March 2020; only students with experience of a UK language centre*

Those students who had attended English language classes at a UK language centre in the past or were doing so at the time of the research were asked to assess their experience.

The students were very positive about the atmosphere at the centre as well as the assistance offered to meet their needs. Quality of teaching/language course and speed of learning were also evaluated positively. On the other hand, there was room for improvement in quality of accommodation, nationality mix and the use of technology in the teaching process. **FIGURE 16**

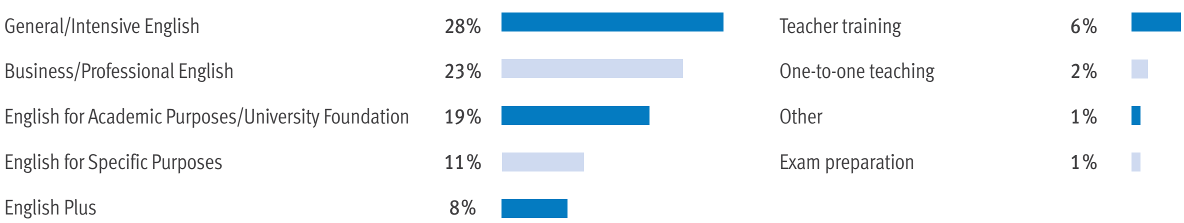
PRODUCT DEVELOPMENT

ELT providers have refined the process of matching a particular course with a student's English language level. The success of the UK in Japan will, however, depend on providers' ability to respond to the learning content according to the learner's age (or grade), social experience and preferences. Students increasingly expect extra experiences or qualifications that will make their resume or personal history stand out from the crowd. Furthermore, the experience gained outside the class might be equally important to that delivered in the classroom for Japanese students.

General English is still most popular; however, it needs to be enriched. Guarantees that students will be offered out-of-class experiences (engagement with the local community, volunteer work, practising their soft skills, discovering or perfecting a new hobby) are being offered by an increasing number of ELT providers, allowing them to charge a premium. Popular experiences for Japanese students are contemporary or creative arts components, in particular. **FIGURE 17**

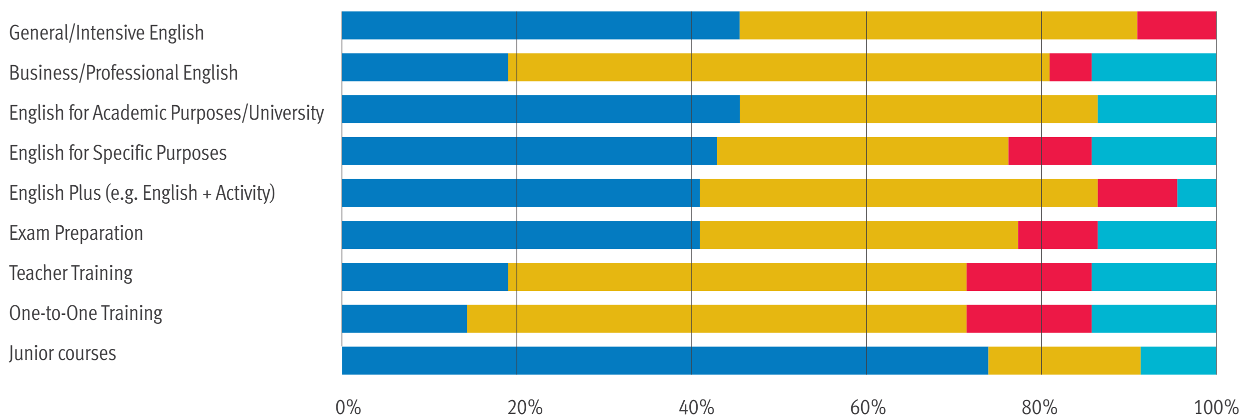
In this context, course designers should bear in mind that the job market in Japan is becoming increasingly competitive. Hence, students are more inclined to take courses that will provide them with added-value skills. The study abroad experience can, thus, be enhanced by company visits and business-related

FIGURE 17: *Preferred programmes by Japanese students*



SOURCE: *BONARD survey of agents (n=30), January-March 2020*

FIGURE 18: *How is the popularity of the following English courses going to change?*



SOURCE: *BONARD survey of agents (n=30), January-March 2020*

components such as making presentations, carrying out role-plays (interviews), acquiring soft skills or CV techniques, and participating in master classes. Courses which award business certificates are particularly popular among businesspeople in Japan.

Preferred English Plus course components feature immersion/volunteering, sports (rugby, football), internship, arts and design (to include contemporary arts) and (British) culture. Aromatherapy, natural health components are niche interests also worth considering.

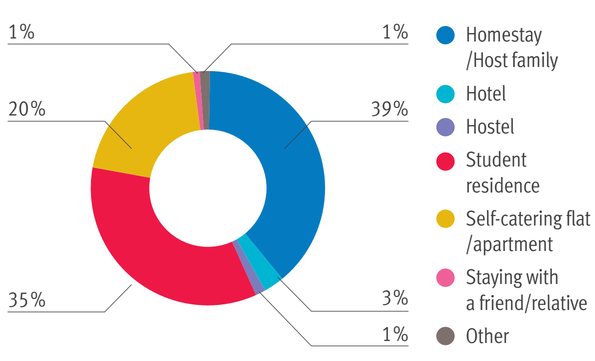
General and intensive courses, as well as EAP and foundation programmes, will continue to grow faster than any other adult programmes. Business English was predicted to remain stable. For comparison purposes, the biggest uptake was expected in junior courses. **FIGURE 18**

In the UK private sector, specifically, students enrolling in General or Intensive courses opted for chain schools (based on the QUIC data). A similar preference was observed for EAP programmes: according to the same source, chain schools accounted for 2,275 weeks, while independent centres taught 269 weeks. Conversely, students were more inclined to study Business and Professional English courses at independently owned schools.

Most Japanese students prefer homestay in order to deepen their cultural experience. Student residences are slightly less popular, while 20 % chose self-catering accommodation. Naturally, it is very important to be able to demonstrate that the premises are situated in a safe area. **FIGURE 19**

Given the decreasing length of stay, there is a push from providers to secure as long a study time as possible. Ancillary income (e.g. from accommodation, exams and supplementary products) is quite significant when compared to other markets, as students opt for a holistic experience packaged in a holistic product, thus enjoying the certainty offered by a package alongside an anticipated high-quality service.

FIGURE 19: *Preferred accommodation*



SOURCE: *BONARD survey of students (n=214), February-March 2020*

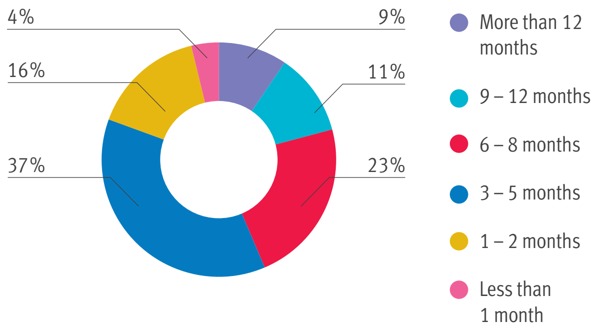
MARKETING AND RECRUITMENT

Marketers should highlight what matters to Japanese students: predominantly, enjoying quality and cultural experiences while making the desired progress. The security and safety of the location of the language centre is also a vital factor in student decision-making.

The most popular channel for sourcing information is via direct communication with the language centre (27 %). However, no single resource dominates, suggesting diverse preferences. As a matter of fact, more than 60 % rely primarily on non-school-related resources, with fewer than 40 % taking their cue from direct communications, the school's website or student fairs. **FIGURE 20**

It appears that Japanese students tend to book early, a fact which will influence when language centres go to the market. They are early bookers; as many as 37 % and 23 % book 3-5 months and 6-8 months before their courses start, respectively. **FIGURE 21**

FIGURE 21: *How far ahead of the start date did you book your course?*



SOURCE: *BONARD survey of students (n=211), February-March 2020*

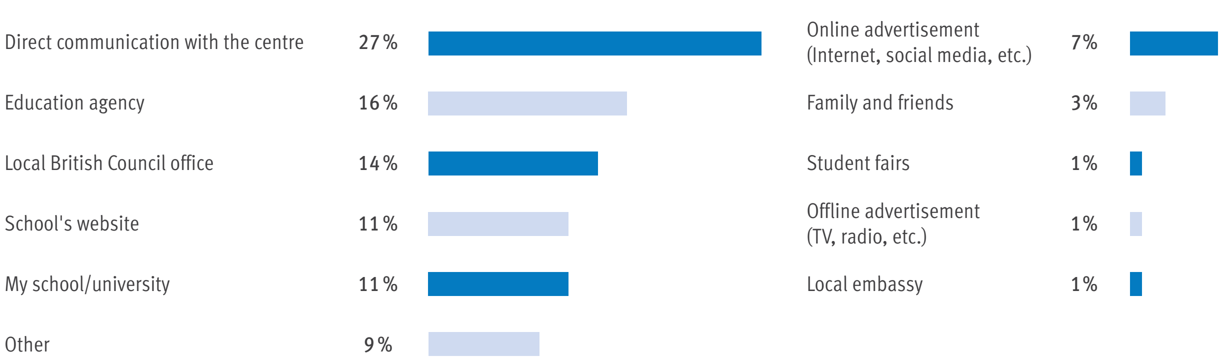
Unsurprisingly, education agents play a vital role in bridging customers with UK ELT providers and this is unlikely to change in the foreseeable future.

As mentioned on Page 16, education agencies cumulatively accounted for four of five student weeks spent by Japanese students in the private sector in the UK in 2019. Therefore, maintaining professional relationships with agencies is key to increasing the Japanese clientele coming to the UK.

Japan is one of the hardest markets in Asia to penetrate. Investing to build and maintain relationships with partners takes a great deal of time and resources.

However, UK ELT providers believed that, once a good relationship has been established with Japanese agents and schools, it is also one of the most rewarding markets.

FIGURE 20: *Main information resources about the language centre*



SOURCE: *BONARD survey of students (n=214), February-March 2020*

At the time of this research, there were 237 known education agencies in 96 cities in Japan, operating a total of 514 branches. The majority of offices were located in Tokyo (32 %), followed by Osaka (13 %). Nagoya and Fukuoka had the best levels of representation thereafter, at 7 % and 6 % respectively. The top 10 cities accounted for 72 % of all agency offices, indicating an opportunity to expand marketing outreach to more remote areas across Japan. **FIGURE 22**

On average, Japanese agencies promoted 19 language centres in the UK (the minimum was two centres; the maximum 50). The average number of students sent to the UK per agency was 99, as compared to 145 to Australia, 134 to Canada and 132 to the USA.

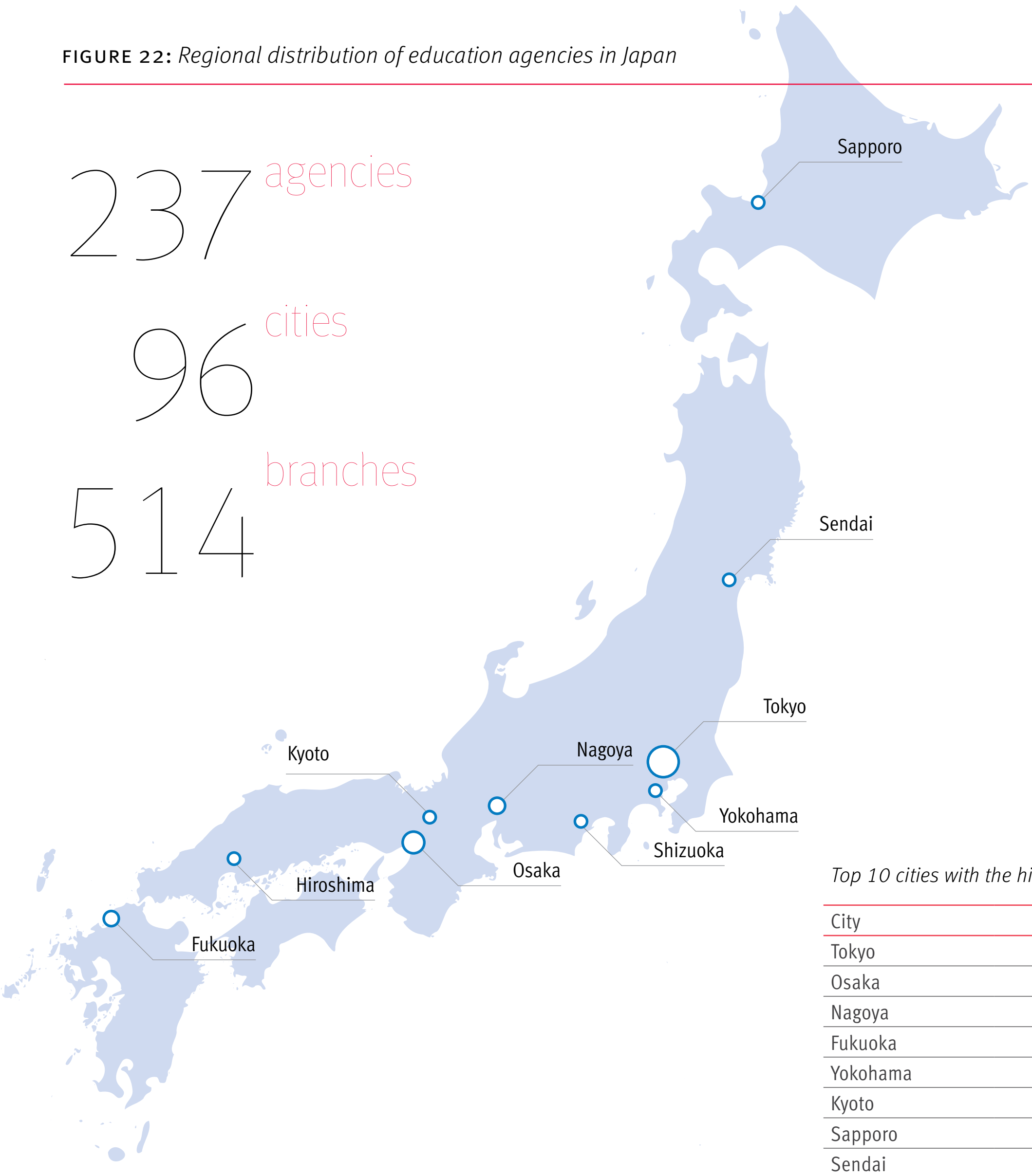
A considerable number of agencies are still Australia-, Canada- and US-focused. Once such agencies start to diversify their destination portfolio, possibilities to win more market share for the UK will arise.

FIGURE 22: *Regional distribution of education agencies in Japan*

237 agencies

96 cities

514 branches



Top 10 cities with the highest number of offices

City	No. of offices	Share
Tokyo	163	32%
Osaka	68	13%
Nagoya	34	7%
Fukuoka	30	6%
Yokohama	19	4%
Kyoto	15	3%
Sapporo	12	2%
Sendai	11	2%
Hiroshima	9	2%
Shizuoka	7	1%

SOURCE: *BONARD, 2020*

The extent to which providers seize this opportunity will depend on their ability to position themselves and provide a competitive advantage to agency customers by clearly pinpointing the unique benefits they offer as part of their marketing mix. A movement has already been seen among large agencies to open service centres in the UK.

When asked if they would welcome more partners in the UK, 61 % of agents responded positively. As many as 30 % were willing to partner with five or more language centres in the UK, which points to sizeable potential for UK ELT providers. The most popular location was London, with second choices being Cambridge and Oxford. Agencies also shortlisted Manchester, Brighton and Edinburgh. FIGURE 23

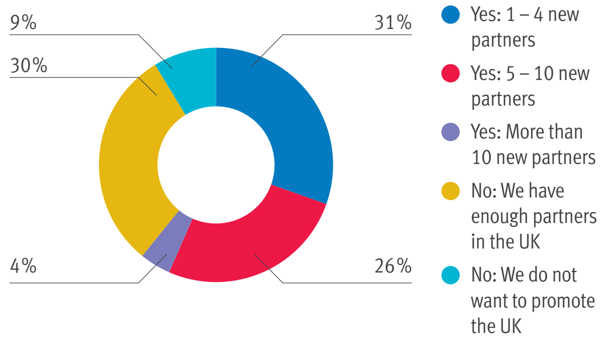
Offering a high-quality customer service to agencies and students by being attentive to their needs and meeting these efficiently is of paramount importance to Japanese education agents. In particular, assisting with accommodation-related matters was required by most agencies. Agencies also appreciate receiving detailed information, reports from their students and a quick response from marketing staff.

> ***When asked if they would welcome more partners in the UK, 61 % of agents responded positively.***

Moreover, having a Japanese native speaker on the staff goes a long way, as it usually translates into easier communication between the language centre and agency partners while also providing assurance and support to their Japanese students. This has been a long-standing benefit enjoyed by Canadian institutions. FIGURE 24

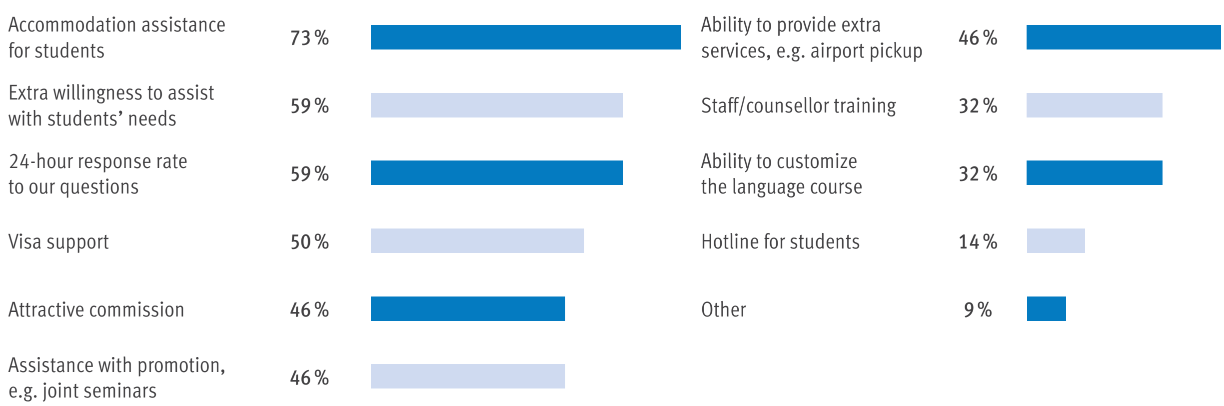
Agencies noted demand from university students for public sector ELT providers, who were more trusted by Japanese universities. Further elaborating on the issue of trust, educational organisations and study abroad agents demand clarification of the preparations and systems which will ensure their students' safety. This safety consciousness is typical of the whole Japanese market.

FIGURE 23: *Would your agency welcome more partners in the UK?*



SOURCE: *BONARD survey of agents (n=30), January-March 2020*

FIGURE 24: *Expected service from providers*



SOURCE: *BONARD survey of agents (n=30), January-March 2020; multiple options possible*

JAPAN IS ONE OF THE LEAST PRICE-SENSITIVE MARKETS ALTHOUGH, IN LINE WITH THE RECENT SLOWDOWN IN THE ECONOMY, AFFORDABILITY ISSUES HAVE ASSUMED A SLIGHTLY HIGHER PLACE IN THE HIERARCHY OF DECISION-MAKING FACTORS.

Recommendations

Japan is a stable country, in which any changes manifest slowly. Hence, it is likely to remain a stable market in the post-Covid-19 era. In fact, once the world emerges from the current crisis, travel bans are lifted and confidence returns among Japanese students and parents, Japan may be one of the first go-to markets for ELT providers.

The country offers numerous opportunities for UK ELT providers and, vice versa, the UK appears to offer a wide array of possibilities that are very much in line with the collective and individual needs identified through this research.

The main target groups are still university students and business professionals; however, the research results indicate a growing demand for junior courses (primary to junior secondary), as well as third-age programmes.

Increasingly, parents see the need for their children to study English abroad at an earlier age to kickstart their future development, and the junior market is en route to steady growth for both short- and long-term programmes. Targeting higher-income families who might have study abroad aspirations for their children might allow space for a preparatory course at primary school level. Agencies see great potential in introducing study abroad options.

In this regard, the UK has the tradition, infrastructure and expertise to deliver programmes for minors, if providers are able to align their summer camp experience with the Japanese school year. For most elementary, junior high, and high school students, summer vacation lasts from July 20 through August 31.

General English will remain in demand, yet providers should note the increasing popularity of English Plus courses. The UK should continue to develop specialised courses, as these continue to be increasingly popular among Japanese students.

Moreover, teacher training may be a potential market in the next few years provided that government funding is made available to support staff mobility. Japanese teachers do not usually have the means or, often, the spare time, to undertake study abroad. If English language courses offering curriculum and course development design components were devised for Japanese teachers, these courses could be utilised to promote UK language schools to their students.

Based on the research findings, which reflect the results of the student and agency survey as well as the viewpoints of the various stakeholders interviewed, the following promotional matrix is deemed to have the greatest appeal for students, parents and agencies.

PROMOTIONAL MATRIX

Quality

As quality tops the list of priorities for Japanese students, UK ELT providers are advised to base their promotional materials on the notion of the recognised quality of the country's education system. In addition to leveraging the general notion of being located in a highly-regarded study destination, language centres are advised to provide information about individual quality protocols and any official inspections they have undergone. Demonstrating excellence through certificates, coupled with student testimonials about the quality of the teaching process and accommodation, should be the backbone of any marketing collateral aimed at Japanese students.

Cost

Japan is one of the least price-sensitive markets although, in line with the recent slowdown in the economy, affordability issues have assumed a slightly higher place in the hierarchy of decision-making factors. The UK is viewed as an expensive destination; hence, the strategy should be to compete on value, not price (emphasising that study represents not an expense, but an investment). Choosing to invest in a UK-based language course should be justified by tangible progress and takeaways; therefore, evidence of these must be showcased.

Safety

Given the mixed opinion on whether the UK is a safe destination or not among Japanese stakeholders, there is an urgent need to address this concern on a large scale. UK peak bodies, as well as individual providers, are recommended to explain the security protocols in place, the safety specifics of each teaching premise location and all measures taken to keep students safe. Confidence about the safety of the location of the language centre and the overall security of the destination are vital in the decision-making process and may increase booking confidence (reassurance of safety measures will be of heightened importance as the sector emerges from the Covid-19 pandemic).

Cultural experience

Make cultural components and the UK's rich history stand out in marketing materials and conversations with Japanese students, parents and agencies. The traditional cultural highlights can be upgraded by adding less conventional experiences, such as contemporary art and fashion. In addition, centres with fewer Japanese students and a diverse student nationality mix are better positioned to succeed in Japan.

The research also identified a number of recommendations for UK ELT stakeholders:

UK ELT PROVIDERS

Leverage programme diversity and develop niche experiences

Compared to ELT providers in other destinations, those in the UK offer a variety of courses (both short- and long-term). Given the increasing interest in new and value-added courses among Japanese students, numerous providers can offer niches, which will allow them to market to specific age or interest groups. As Japanese students have a strong passive command of English but need to activate it, providers are recommended to promote programmes that unlock the potential of their speaking abilities.

Improve information provision

The full programme offering of the ELT supply in the UK is still relatively unknown to the Japanese market. UK providers need more massive promotion of the courses available (both offline and online), localised in Japanese so the information is better disseminated among students, parents and agencies. Organising seminars and webinars to help Japanese agencies match their students to the most suitable language providers in the UK is also highly recommended.

Increase physical presence in Japan

UK providers are encouraged to carry out more in-country activities, including in-person visits to agencies, schools and universities, and speaking with parents and students at fairs. Numerous interviews pointed to opportunities tied to expanding the marketing to more remote areas in Japan. Fifty-five per cent of education agency branches are situated outside Tokyo and Osaka.

Plan campaigns and recruitment trips 6-8 months prior to desired student intake

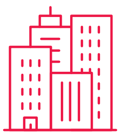
The number of Japanese students in the UK market throughout the year is relatively balanced –although the third quarter accounts for 36 % of all student weeks, there is no major peak. Japanese students are long-term planners; thus, it is advised to approach them in advance. By deploying their marketing resources at least eight months before the anticipated intake, providers can target 80 % of students.

Take advantage of the not-so-saturated agency market

The UK is not the primary study destination option in Japan and, in this regard, penetration levels in agency portfolios remain lower than those of its main competitors. Overall, there are 237 education agencies, representing 514 points of sale. Of the agencies surveyed, 61 % are seeking to expand their partner network in the UK. Providers are thus recommended to invest in agent partnerships by building personal relationships, training them and visiting them in Japan. From an agency perspective, high-quality administration is necessary. Also, agents organise their own fairs, usually by invitation only, and participation in these fairs is desirable.

Tap into the full spectrum of booking channels

For more long-term partnerships, UK ELT providers are advised to build relationships with junior high schools. Not only do they send groups abroad, but they usually linked with high schools, which are linked with universities. In this way, UK providers may be able to access the supply chain at multiple levels. More exchange programmes between Japanese and UK institutions with a focus on cultural experience should be developed. This is important both to boost the influx of students in the short term, but also as a means of more destination promotion in the long term. Word of mouth is still strong in Japan. Utilise alumni and personal recommendations through testimonials or video promotional materials of the school. Finally, exploring the possibility of partnering with schools in the Philippines which might be on the lookout for add-ons to their current coursework could also prove worthwhile. For some students, learning English in the Philippines may be a stepping stone to further studies in a more traditional ELT destination – upon reaching a certain proficiency level or confidence, students may opt to take an advanced or specialised course in the UK.



PEAK BODIES

Support a positive image of the UK by echoing key messaging

UK peak bodies must work together with providers, maintaining the spotlight on value to neutralise the perception that the UK is an expensive destination. They are also advised to participate in co-creating the image of the UK as a safe destination for Japanese students. Furthermore, the UK would benefit from positive messaging about the visa application process: the usual perception among the Japanese is it is difficult to get a visa for the UK, while the contrary is true. Therefore, regular briefings and updates on the visa system will be appreciated, and additional promotion around the fact that Japanese students do not need a visa for short-term courses of up to six months will be beneficial.

Supply digital content

Support UK ELT providers and their partners by providing more digital assets such as videos and VR experiences. The production of universally applicable content will not only ensure unified messaging across the industry, but also allow individual providers to focus on developing their own marketing collateral, built around their USPs.

Increase engagement with local stakeholders through B2B events

Host events in Japan to give the UK ELT sector greater visibility. Namely, it is recommended to organise an exploratory trade mission in order to meet agencies seeking to enrich their UK language course portfolio. Research and systematic recruitment efforts will help identify the most suitable agencies in this regard. In addition, English UK may seek to introduce more agencies to its partner scheme, thereby helping increase engagement with the sector.

Enhance the British Council Agent and Counsellor Training Suite

Consider carrying out follow-up lectures tailored to industry groups as well as adding a Q&A session after the lecture. Furthermore, giving lectures in Japanese was deemed extremely helpful. Though preparation to carry out this type of activity will take effort and time, it will ensure a fuller understanding of the UK's language course offering.

GOVERNMENT

Invest in more destination marketing

The UK government should invest more in awareness campaigns to gain a stronger presence as a study destination in Japan. Prospective students are still considerably more familiar with the USA, Australia and Canada, due to their strong marketing in the country. Initiatives such as 'English is GREAT' should be leveraged.

Explore the possibility of establishing a UK-specific scholarship

Industry feedback calls chiefly for government involvement in the area of providing scholarships for the Japanese market. Scholarships can be offered in the form of a subsidy, to make the UK competitive. This type of initiative will be also perceived as a sign of respect.

Consider optimising accessibility to visas

In an effort to attract more long-term students, it is recommended that the short-term student visa be extended from up to six months to one year. Moreover, allowing a visa to be extended locally would be helpful. Another avenue to facilitate an influx of Japanese students is to increase the quota for the Tier 5 mobility scheme to 1,500 places, with the prospect of further increases should demand continue to outstrip supply.

Grant exceptions to allow English + Internship courses

To give a huge boost to the UK's overall competitiveness, the government is recommended to ease regulations regarding English + Internship programmes. Young adults are keen to take internships as part of their study abroad experience but current legislation in the UK does not permit such courses. More students would be attracted to study English in the UK if they were given this kind of opportunity.

Notes