June 2005

New Zealand Generic International Education Marketing - Proposed Annual Plan FY 05/06

1 Introduction

In line with the Goals of the Pan Industry Strategy, this Generic Marketing plan describes how available central Government funds, industry (Levy) funds and brand revenues can be most effectively combined and applied to the continued centrally coordinated international marketing of New Zealand education. The plan covers three main areas:

- A brief review of priorities and activity during 2004/05
- An overview of the overall market environment, strategic context, 2005/06 marketing priorities and general principles
- A breakdown of the recommended expenditure for 2005/06

2 Review of the 2004/05 Plan

The 2004/05 Plan capitalised on the increased funding available from both Government and Industry sources, and the changing priorities and flexibility available due to the earlier investment into major developmental projects such as the brand and the website.

The following is a brief summary of the operational marketing plan, and how the funds were used. The full 2004/05 plan was presented to PRG in May 2004.

2.1 Brand management
This output was carried out in accordance with the 04/05 Plan, and delivered at the budgeted cost. The funds used were entirely from Government, and the allocation reflected the Governments prioritisation and usage of those funds.

2.2 Brand Evolution
The Brand was evolved after a major industry consultation project. The major finding was a strong wish by users and stakeholders to place a far higher emphasis on 'kiwi-ising' the brand to make it more recognisably New Zealand. Key new evolutionary elements included:

- A new set of textured background colours
- Replacing the 'florets' with enlarged picture windows
- New brand photos
- New 'alumni' students
- Increased flexibility with CV's and other brand text
- A new fern device

The evolved brand is now in general use, and is being rolled out as convenient and relevant. User feedback has been positive, and the response from the use of the brand at high profile international events has been very positive.
This output was delivered within the budgeted cost. The funds used were entirely from Government, and the allocation reflected the Governments prioritisation and usage of those funds.

2.3 Website Development (NB – the term Website in this paper refers to www.newzealandeducated.com and the precursor mynzed site)

The Website was comprehensively re-developed during 2004 to incorporate more information and provide a more sophisticated experience for users. The revised site was launched by the Minister of Education in March 2005, and has continued to attract increased usage.
This output was delivered at slightly over the budgeted cost. The overspend was accommodated by redirecting funds from the brand tracking research output (see below). The funds used were primarily from Government, and the allocation of the Government funds reflected the Governments prioritisation and usage of those funds. An allocation of $10,000 was made from Industry funds to support this output.

2.4 Website Maintenance
Website maintenance, which includes management, hosting, search engine optimisation, URL re-registration, contents management and updating and marketing was self funded through the listing process.

2.5 Website Maintenance (industry resources)
This output relates to the updating and modification of the industry resources contained in the industry only portion of the website. $10,000 was allocated to ongoing work during the 04/05 financial year.

2.6 Brand Tracking Research
With the Brand evolution project undertaken during 2004 resulting in quite substantial evolutionary changes, it was determined that a brand tracking exercise would be premature at this time. Accordingly, the budget that was allocated for this purpose was used to cover cost overruns in the brand and website evolution projects – overruns created due to a more comprehensive and multi-faceted evolution than anticipated having been undertaken.
Unspent funds under this output will be hopefully rolled over and made available for other projects during the 05/06 year. A tracking study is not being proposed for 05/06, as the brand evolution is still being implemented.

2.7 Study in New Zealand publications
The SINZ publications continue to be the staple print collateral available for use by all stakeholders promoting New Zealand education internationally. Industry funding allowed for full generic listings of institutions and substantial generic content to be included in all directories, and for the production of the Courses and Costs 05/06 volume and the Simplified Chinese Directories in CD form, as a pilot to investigate the relative merits of print vs disc. (Courses and Costs is the most widely distributed and most requested publication thus making it a logical first choice for the CD pilot, whilst Simplified Chinese was selected on the advice received from in-country, and because its production cycle was relevant for the pilot timing.)
The run-on generic brand brochures have been deferred pending a more thorough evaluation as to the style and type of generic collateral that will best meet the needs of the market.
Support of SINZ publications has been well inside the budget forecast for 04/05.

2.8 Market Development Projects

The generic support of events was a major and very successful element of the 04/05 plan. The generic support leveraged off institutional investment into a range of New Zealand specific and commercial events, and provided a considerable ‘upping the ante’ of the overall look of the New Zealand collective presence, a homogeneous ‘pavilion’ approach at significant events, the ability to add additional elements to the New Zealand presence and an increase in the promotional support prior to and during events.

9 events or series of events were supported, involving a total of 34 separate activities. The most significant support was given to two Fair series in China (the first time that there had been a collective coordinated approach in New Zealand’s most important market for several years), and Brazil. The increase in New Zealand generic profile was very spectacular, and lifted New Zealand to the front rank of professional, well organised countries. This not only raises the visibility and prestige of New Zealand, but provides a very real leverage for those institutions participating. Support was also given to front end promotional activities.

The funds used were primarily from Government, and the allocation of funds reflected the PRG prioritisation. An additional allocation of $45,000 was made from Industry funds to support this output.

2.9 NZ Community Outreach

This output encompassed a pro-active domestic media strategy, and allocations for specific community outreach projects. The media strategy was implemented via ENZ, with significant activity across a range of media throughout New Zealand. The community outreach programme was more difficult to achieve, but two major projects have been undertaken:

- A ‘good news’ campaign in conjunction with local media
- The ‘Outside In’ community involvement project being undertaken in Manawatu.

Both these projects are pilot/template projects, with a specific objective being documentation of how the processes and outcomes can be achieved in other regions.

These outputs have been undertaken within budget guidelines during 2004/05

2.10 International Media coverage

This output recognises the impracticality of developing a domestically funded commercial model. Five journalists visits have been undertaken/planned (the visits cross over the financial years). Lead times for setting visits have proved to be quite long, due to the issues of sourcing suitable journalists and finding mutually advantageous time gates. The primarily Government funded programme (and accruals) have been kept within the overall budget allocation for 2004/05.

2.11 Agent Training and Promotion

New Zealand has a strong imperative to build and maintain strong links with agents. New Zealand does not have a strong alternative in-country centralised counselling (at student level) and recruiting network with the reach and resources of a British Council, the flexibility of IDP or the comprehensiveness of the US Education Centre network. Therefore, agents are an important component in carry the New Zealand message, and can take advantage of the fact that we do not compete against them.

The FAM visits to New Zealand are essentially self funding, but this does have implications the reach, flexibility and compatibility of the visits. During 2005/05, a centrally supported visit by TIECA agents was undertaken as a joint initiative with NZTE (as an adjunct to the joint ENZ/NZTE PACE plan).

Considerable development was also done on the development of an agent’s database, development of web-based and direct communications with agents, production of specific agent collateral and direct distribution to agents. This output was funded primarily by Government with some industry contribution. The overall programme has proceeded within budget allocations.

2.12 Official delegations
This output is entirely funded by Government, and has enabled ENZ to participate in Ministerial missions and other activities that have a national focus beyond institutional participation.

2.13 Desk Research
ENZ has accumulated a significant pool of international material which is available to industry as required. Copyright obligations mean that most cannot be pro-actively disseminated in original or facsimile form, but can be accessed through ENZ. The project (which is ongoing) has proceeded within budget allocations

Conclusions from the 2004/05 Programme

As the above summary outlines, ENZ have delivered essentially the programme that PRG proposed and endorsed for 2004/05. Whilst market realities and changing tactical priorities resulted in some evolution of the original programme in line with PRG's updated priorities as the year unfolded, the programme outcomes support the contention that the programme was:
- cognisant of industry realities and New Zealand's market position;
- responsive to evolving market conditions;
- supportive of and accessible to all sectors across all regions;
- in line with the Pan Industry Strategy;
- compatible with, co-operated with and leveraged off whole of Government strategies and initiatives; and
- delivered within budget.

3 The Overall Strategic Context

The marketing of international education for New Zealand does not happen in a vacuum. It is guided by the domestic strategic environment and the priorities and operations of industry, government and stakeholders, and by the international market situation. This section sets out the strategic context within which the marketing programme occurs both here and offshore, and the overall strategic marketing objective and general principles which guide the overall programme.

3.1 New Zealand domestic strategic environment

3.1.1 Pan Industry Strategy
Education New Zealand, the industry body with overall responsibility for the national marketing strategy and generic programme, and the Promotions Reference Group (PRG) are guided from an industry perspective by the 'Industry Wide Strategy on International Education for New Zealand' (better known as the 'Pan Industry Strategy'). This document, developed and ratified during 2003/04 by a cross sector group of industry leaders, sets out via a set of Goals, Objectives and Actions the path along which the overall industry will proceed to mutual benefit.
The Pan Industry Strategy is the baseline document which guides and governs the industry's efforts. Both the overall marketing strategy, and specifically the 2005/06 Generic Marketing Plan, are compatible with and complement the Pan Industry Strategy.

3.1.2 Government and Stakeholder Strategy

Neither the industry nor ENZ can operate in isolation of government and stakeholder strategies. Indeed, Goal 7 of the Pan Industry Strategy specifically recognises this reality, and mandates strategic alignment and cooperation. This requirement is reinforced by the fact that the Government have:

- an ownership stake in the majority (by value) of industry
- have historically and currently committed targeted resources to industry to support generic marketing activity
- has an active role in supporting industry marketing through ministries and departments (eg NZTE)
- has a wider international relationship management role that includes an educational component and has an active programme that supports that objective (eg MoE and MFAT)
- impacts on the overall market via the activities of associated or relevant agencies and policies (eg NZIS, NZQA); and
- impacts the domestic industry via the regulatory involvement (eg NZQA, MoE)

All these factors mean that the industry government interface is crucial to the development of an overall marketing strategy and a specific programme of activities. Accordingly, key objectives of the industry strategy and programme are to:

- work in harmony with and complement Governmental and other stakeholder objectives;
- leverage from Governmental and other activity to mutual benefit;
- ensure that Government support is used for a transparent and accessible programme that benefits the whole of industry; and
- encourage and support an integrated ‘NZ Inc’ approach to international education.

The primary current Government policy statement with relation to the marketing strategy is that which accompanied the 2004 Budget package. The relevant sections of the Cabinet paper are set out below:

‘Excerpt from Cabinet paper on ‘Budget Initiatives to support international education’ (dated 23 March 2004).’

Generic promotion and marketing

35. To sustain export education, NZ needs to diversify modes of delivery and sources of students, to minimise business risk, and to maintain the diversity of international experience (personalities, ethnicities, ideas, skills, programmes and linkages) that international students are seeking. This diversity also increases internationalisation of NZ provision and broadens domestic students' exposure to international perspectives, cultures and ideas.

36. Government funding to support generic promotion and marketing would focus on:

- *investigation, development and diversification of new market opportunities;*
- *development and maintenance of a national brand; and*
- *diversification of modes of supply.*

37. National promotion of NZ international education is not the focus of individual providers who are focussed primarily on funding promotion of their own institution. NZ's competitor countries display national branding prominently in education fairs and other marketing and *promotion venues. Government investment in marketing NZ tourism internationally on behalf of the industry has been highly successful in terms of growth in foreign exchange, tax revenue, job creation and flow-on economic benefits. Similar investment long-term in marketing NZ as an education destination can have similar positive returns.*

38. Existing government funding for generic marketing, delivered through NZTE, was primarily to develop a national brand for NZ education, and was for three years only, ending 30 June 2004. Funding from the export education levy is making a useful contribution to generic promotion but the international market and the need to diversify demands more investment in the short-to medium term. In the longer term, as new markets and new modes become established, a greater share of the marketing responsibility should be taken up by the industry.

The ways in which Government policy is recognized and supported by the generic marketing plan are outlined in section 5.1.

3.1.3 The current domestic Industry position

After some years of considerable growth peaking in 2003, the business of international education has become considerably more challenging over the last two years, and looks set to continue being challenging in the years ahead. Some of the reasons for this, and the current market factors and outlook, are set out in more detail in the next section but suffice to say the current industry position ranges from mildly optimistic to the outright beleaguered.

The overall market downturn has impacted most severely on private providers of English language, but schools, tertiary providers, ITP's and Universities have not been immune. In particular, the demand for more basic and precursory services (such as basic English) has taken a toll across the board, and there are concerns about the pipeline effect – notwithstanding the development of new products, new sources of students, diversifying entry points and diversifying modes of supply.

The effect of this has been to make many institutions more risk averse, and less able to commit their own resources and investment to activities that deliver a primarily generic good. In many cases this financial pressure has also impacted adversely on their ability to undertake activities for their specific benefit. Accordingly, institutions are increasingly looking for assistance from generic resources.

This has been recognised by ENZ and PRG, and significant industry resources have been moved from other output areas into supporting generic marketing and promotion. Government has also responded through a range of initiatives, and through continuing direct financial support to the industry programme.

The overall programme, and specifically the 2005/06 programme, have taken into account the overall industry position and have been developed in the light of the resourcing issues that institutions are facing.

3.2 The overall international market environment

New Zealand does not market itself educationally in isolation. International Education is a huge global market, involving literally millions of students and large amounts of economic activity.

Important considerations that need to be taken into account in the development of the national marketing programme include:

- New Zealand competes on an open international market against many other countries;
- not all competitors are offering an English based education – English based education is only a subset of the overall global market;
- the relative international educational environment is in a constant state of fluctuation – policy changes in New Zealand will not always lead to a relative change in New Zealand's position as other countries have a dynamic approach to policy evolution as well;
- New Zealand's reach is almost always smaller than that of key competitor countries;
- our geographic location means that a considerable amount of the global demand for very short term courses is unlikely to be attracted to New Zealand due to the travel cost/benefit equation; and
- New Zealand's comparative advantages are more 'at the margin' rather than fundamental and overwhelming.

Whilst the above may seem discouraging, it is also important to note that New Zealand has a good name internationally with regard to the overall quality of educational offering, and in this regard New Zealand is a very competitive player in the global education market.

There are a number of significant macro-factors that are having an impact on the overall global market at the moment, and whose effects will resonate for sometime, or are in fact a fundamental ongoing shift in the overall pattern of demand. These include:

- New Zealand's relative currency value. The $NZ continues to be relatively high for most of our major markets, and this affects affordability. Other key competitor countries are suffering from the same problem, but that doesn't mitigate the effect on New Zealand;
- the China market is undergoing quite rapid change. The number of returning graduates is having an effect on the market value of graduates, and this in turn is impacting on the decision making processes of prospective students. Non-English speaking countries are continuing to raise their profile in China, and China itself is becoming an exporter of education services. China is also seeking to internalise more of its basic English education requirement, either through its own resources or through partnership or other programmes delivered in country. These issues of course impact on all countries, but given New Zealand's exposure to China as student source they are of particular importance to us;
- the accession to the EU of a number of Central European countries, and the consequent study opportunities that open up for those markets;
- the hugely competitive international travel market, and the rise of low cost international air travel opportunities. Much of this activity does not apply to travel between key market areas and New Zealand, but has a big impact in terms of the relative attractiveness of other destinations;
- the US is gradually managing to streamline its immigration procedures with respect to students. Post 9/11, the US reacted sharply in respect of immigration responsiveness, and this had a real effect on student access. However, the combination of time and considerable pressure from the US education industry is starting to mitigate some of these effects, and of course as time passes measures which were seen as cumbersome or intrusive are increasingly accepted as the normal state of affairs.
- competition between provider countries is strong. Looking at offshore events where multiple countries participate, one cannot fail to be impressed at the scale of resources which many countries are applying at an institutional and generic level to support their international education industries. For example, the USA has nearly 500 Education

Centres in nearly 160 countries that collectively have over 25 million contacts with prospective students annually – and this from a country that is envious of the efforts of particularly the UK and Australia in generic reach!

These are just a few factors that are of note in the overall matrix of global education. Against this, most research postulates growing demand for international education, although almost all demand research concentrates on under and post graduate education, as opposed to school based or basic language acquisition. Past experience suggests that education demand is very sensitive to domestic economic conditions and confidence, and that overall demand is a function of:

- Affordability – a function of the rise of a 'middle class' within a market that has the economic ability to access education, and the increasing number of financing options available to offshore consumers for funding their education. Outlook – strong in most countries.
- Access – are our own policy settings with respect to immigration and relative to competitor countries conducive to student flows? Outlook – mixed.
- Desirability – is there an advantage in the student seeking an offshore education, due to lack of access to the domestic system, or lack of quality inherent in the level of the domestic system they can access (among other factors, such as prestige or offshore quality perception)? Outlook – quite strong, but constantly changing.
- 'Below the line' factors – for many prospective students, the chance for a varied experience or non educational drivers are key determinants. Outlook – positive, although New Zealand gets relatively few students from this pool.

Strategic Context Conclusions

The above is a very brief overview as to some of the international factors that are impacting on the marketing programme. Clearly, the task is a large one. Equally clearly, we must not get daunted by the task ahead or the level of competition, but must concentrate on bringing our resources and strengths to bear in the most effective way.

The general principles and specific programmes of the New Zealand generic strategy have been developed against the overall domestic and international strategic environment summarised above.

4 The New Zealand Generic Marketing Strategy: Principles and Objectives

Bearing in mind the underlying strategy behind the overall New Zealand approach informed by the combination of the Pan Industry Strategy and the strategies of Government and stakeholders, a number of basic marketing principles underpin the Marketing Plan.

- **Move from Development to Implementation;**
- **Leverage Activity;**
- **Encourage co-operation, and provide leadership and direction;**

- **Raise New Zealand's Profile;**
- **Build on Former Programmes; and**
- **Offer equal opportunity and access**

In summary (and in a non weighted order) these principles are as follows:

4.1 Move from Development to Implementation
The Government has in the past made resources available for developmental activity in areas such as a national brand and the web portal for the industry. The focus has now and will continue to turn to the implementation of these resources. Implementation includes 'putting the brand to work' by increasing its market exposure, and refining and expanding electronic access to New Zealand.

4.2 Leverage Activity
There is already a considerable range of activity taking place at an institutional, industry collective and departmental level. Rather than develop parallel initiatives, the national market strategy places considerable important on leveraging off current activity, and supporting and encouraging logical extension activity. Supporting institutional efforts, and cooperating with other stakeholders are fundamental values of the programme. This maximises value for both institutions and the industry as a whole.

4.3 Encourage co-operation, and provide leadership and direction.
The national programme is very much a facilitatory and 'value add' programme. Whilst it is about providing leadership and direction, it is not about dominating or subverting the market direction provided by industry. Given New Zealand's relative size in the marketplace, a high degree of cooperation between institutions, sectors, regions and other stakeholders is the most effective way to proceed and indeed makes a virtue of New Zealand's size. The national programme should help to focus and channel industry energy.

4.4 Raise New Zealand's Profile
Activities and leverage can achieve a lot. But the next step up is to raise the NZ profile outside of activity based marketing. PRG received external input into this area during 2005, as part of a proposed 'generic advertising' campaign. The overall conclusion was that in the main such activity is very expensive, and in many ways beyond New Zealand within the current funding envelope if 'cut-through' into the marketplace is to be achieved. Notwithstanding that overall conclusion, there is much that can be done to raise generic profile.

4.5 Build on Former Programmes
Whilst the increase in resourcing available is a welcome development, all industry and other stakeholders have already made significant investment into market development. The current and future programme recognises that this work has occurred and that it was well thought through given the constraints of the time, and builds on the work already done.

4.6 Offer equal opportunity and access
All sectors have different priorities, different markets and different products. This being the case, it is not possible or even desirable to offer a programme that within individual activities offers complete equality in terms of relevance or outcome. Having said this, the programme recognises that not only do all sectors have a role to play in international education, but all contribute at varying levels to the national programme. Therefore, it is fundamental that the national programme promotes New Zealand overall across all sectors, and takes a positive approach to the whole spectrum of offerings.

5 The 2005/06 Generic Marketing Plan

5.1 Strategic Plan Objectives

The overall objective of the national marketing plan is to raise awareness of New Zealand as a study destination, and encourage students to select New Zealand for their study. It follows that the national marketing strategy needs to potentially target:

- Students
- Direct influencers (eg parents, agents, peers)
- Indirect influencers (public perception, media, governments)

Given this objective, there are a number of ways that we can potentially reach these audiences. Some ways are essentially unobtainable (usually due to cost), such as mass market generic promotion. Other methods such as building alumni linkages are more effectively handled by institutions, since they have the actual contact and relationship with the alumni (although events can be used as a catalyst and focus for alumni activity).
Intergovernmental relations are primarily the responsibility of Government and departments, although industry has an important support role to this activity.

Most in-country direct contact with potential students and influencers happens on an occasional basis, either through events or individual institutional activity in-country. Ongoing in-country access is via Government agencies (primarily NZTE) and agents. A passive presence can be maintained via electronic media and also hard copy information such as brochures and directories.

Taking these considerations into account, the overall priorities for the 2005/06 plan are:

- supporting direct access opportunities for students by expanding and upgrading the New Zealand presence at selected events;
- further leveraging the New Zealand presence by expanding targeted generic promotion around New Zealand activities (which are in themselves a catalyst for profile raising);
- supporting and expanding activities that give agents direct personal experience and knowledge of New Zealand;
- maintaining and enhancing the New Zealand brand, and mechanisms for putting the brand before target audiences;
- building New Zealand's reputation via indirect influencers; and
- keeping a positive profile for international education both within New Zealand and offshore.

The recommended activity mix and expenditure priorities derive from these overall objectives.

The other consideration is the extent to which resources are used for maintaining and building 'traditional' markets as against expanding into and developing new markets.

<u>Group One Markets:</u> The reality is that most of the students in New Zealand come from China, Korea and Japan. This certainly provides a focus, but also represents considerable industry and national risk. These 3 markets, although different in character and sectoral loading, collectively are the most vital core group of markets for the ongoing continuation of the overall industry at its current level.

<u>Group Two Markets:</u> There are a second group of countries that are solid sources, and/or offer considerable potential for growth. These include most of South East Asia, India, USA, Germany and a range of smaller markets in Europe and the Americas (and other regions). It should be noted that 'potential for growth' does not mean 'inevitable growth'. Nor does every market offer the same degree of opportunity across all sectors.
India is a somewhat special case, due to the inherent potential (particularly at an upper tertiary level) created by the sheer size of the market, the domestic infrastructure, and the likely economic development of the country. Added to this is the fact that New Zealand has been somewhat behind key competitor countries in fully exploring the potential of this market, due to other factors such as immigration risk. The Ministerial delegation in 2005 made substantial progress in developing this market further, and this is supported by the major emphasis placed on India in the 05/06 programme as compared to previous years.
Depending on our ability to manage and grow this market, India would seem to have the greatest likelihood of emerging as a Group One market in the future.

<u>Group Three Markets:</u> The third group of countries are those that have no particular risk factors attached to them, but have not emerged as particular suppliers – a great deal of Europe appears to fit into this category.

<u>Group Four Markets:</u> Finally, there are countries that may well have growth potential, but also represent risk in other areas, usually from an immigration perspective. Much of Africa, the Gulf and the Middle East appear to fit into this category.

Although the level of financial resource applied to the 05/06 plan is greater than ever before, when set against the global market it is still very modest (by contrast, many of the nearly 500 US Education Centres worldwide have an annual budget of around US$5million). This requires targeting not only in terms of what activities are undertaken, but also where they are undertaken.

The plan recognises that markets in Groups 1 and 2 are vital to the ongoing financial health of the industry, and consequently a considerable share of the resources is targeted towards them. There is no sense in trying to develop a market of 100 students when a market of 10,000 is neglected. In particular, large scale activity support and leveraged generic promotion will be directed towards the Group 1 and 2 countries, and a significant amount of the indirect activity will also focus on these markets.

However, some institutions are anxious to diversify their markets, and Government has directed its attention to this objective. Whilst markets in Group 4 require a 'Whole of Government' approach to deal with the risk impediments, there are cost effective opportunities for raising awareness on both sides.

Looking in more depth at the relationship between this plan and the Government objectives outlines earlier in the paper, the distribution and balance of funding applied to the programme from industry and government sources reflects the Government priorities. In particular:

- Brand maintenance is fully Government funded
- The Official Delegation output is fully Government funded, these visits are often targeted at diversification and market expansion
- Research, which by definition is exploratory and information gathering biased, is fully Government funded
- The Agent Support output is majority funded from Government – of the big 3 output areas this is the one that has the highest concentration on market diversification
- The Events categories have Government funding applied in proportion to the diversification/market maintenance output split.

The Modes of Supply objective of the Governments paper is met in large part by the Export Education Innovation Fund programme, which is a parallel initiative funded outside the marketing programme. However, provision for outputs related to this objective are inherent in a number of output classes of the marketing plan, including (but not necessarily confined to) research, collateral, agent support and presence at certain events.

5.2 Budget Summary

The overall budget financial allocation for the 2005/06 year is set out below. A tabular summary outlines the category spending and source of funds, and each line item is examined in the commentary.

PRG Draft Budget Breakdown 2005/06	Total	Levy	Government	Brand Revenue
Brand management	$96,000		$96,000	
Official Delegations	$80,000		$80,000	
International Media Visits	$50,000		$50,000	
Agent Support	$350,000	$100,000	$250,000	
Collateral Production	$150,000	$120,000	$30,000	
Events Support	$720,000	$600,000	$120,000	
Events Promotion	$750,000	$600,000	$150,000	
Website Evolution	$100,000	$100,000		
Website maintenance	$119,000			$119,000
Industry Website maintenance	$10,000	$10,000		
Study in NZ	$80,000	$60,000	$20,000	
Brand Evolution	$100,000	$100,000		
Industry Media Management	$130,000	$130,000		
Desk Research	$30,000		$30,000	
Advertorials	$30,000	$30,000		
Industry Consultation	$20,000		$20,000	
TOTAL	**$2,815,000**	**$1,850,000**	**$846,000**	**$119,000**

5.3 Brand management

The ongoing operation, application and evolution of the brand requires dedicated management resources. This output is entirely funded by Government.

Levy: Nil
Government: $96,000
Brand Revenue: Nil

5.4 Official Delegations

Official delegations are an essential leverage to more conventional marketing strategies, and an integral part of relationship management in international education. This output allows for Education New Zealand to enhance industry input and assist with profile development.

These delegations are often built around Ministerial missions or other high level Government involvement. As the Government 05/06 programme is not yet developed, and given that ad-hoc requirements can arise, no structures programme is yet in place for this output.

This output is entirely funded by Government.

Levy: Nil
Government: $80,000
Brand Revenue: Nil

5.5 International Media Visits

The hosting of overseas journalists is a desirable adjunctive activity to the main marketing programme. Whilst the direct impact is tangential, visits can result in exposure well beyond that obtainable by commercial purchase and are an important tool in the more subjective shaping of audience opinion favourably towards New Zealand.

There are currently 3 media visits in the pipeline accrued from 04/05 funding, and this programme envisages 3/4 additional visits in the 05/06 fiscal year.

Recognising that the indirect benefit is higher than the quantifiable gain, this output is entirely funded by Government.

Levy: Nil
Government: $50,000
Brand Revenue: Nil

5.6 Agent Support

Agent Support is an integral component of the overall national marketing strategy, and recognises that New Zealand has a high reliance (due to the lack of in-country alternatives by comparison with key competitors) on agents to ‘carry the message’ and proactively work for institutions. This output is scheduled for a major expansion during 05/06, to build on the PACE initiatives of past years.

The 05/06 plan has two major elements:

- To bring more agents to New Zealand, and diversify both the range of agents and the methods of engagement for New Zealand institutions
- Build stronger relationships with a broad pool of agents, and provide them with relevant collateral and resources to allow them to better promote New Zealand

The development of this programme strengthened as a result of last years support, and a greater resource has been earmarked for this year. The overall objective is the ‘100/1000’ plan, which targets 100 agents visiting New Zealand, and interactive communication with 1000 agents. This is around a 100% increase on existing activity.

As noted in the preamble, this part of the overall programme has a higher percentage of engagement across a broad range of markets than other parts. Both agents and institutions can learn much about their potential opportunities via face to face interaction, and this output is an important component of building wider market knowledge.

Recognising that this programme is by virtue of its broader reach and the desire to allow for knowledge flow both ways as a key outcome less direct in the short-term impact, the major part of the funding comes from Government.

Levy: $100,000
Government: $250,000
Brand Revenue: Nil

5.7 Collateral Production

To take advantage of the long term brand development, and particularly the evolution project, the 05/06 plan allows for generic collateral production. The evolution rendered most existing collateral (which had been drawn down in anticipation) redundant, and there is a need for evolved material. The overall design templates for collateral were mainly undertaken during 04/05. In addition, a major agent's survey was undertaken to get feedback on what collateral was of most value to them. An integrated suite of collateral is being developed and produced.
The collateral programme is integral to other parts of the programme, particularly agent support and events promotion and support. The distribution of collateral is built into these programmes.
With the focus now on implementation rather than preparation, this output has high direct industry relevance. Accordingly, most of the funding is from industry sources.

Levy:	$120,000
Government:	$30,000
Brand Revenue:	Nil

5.8 Events Support

The 04/05 events support programme worked very well, and dramatically raised the New Zealand presence at a number of events, which also built the wider profile. The programme will be expanded for 05/06. Event support can be applied in the following ways:

- Add an 'NZ Inc' look and feel to New Zealand participation in events
- Provide for a generic presence
- Build leverage activities to the event (this output crosses over with event promotion)

The usual approach is to have the institutions pay the basic participation rate, and apply the resources to enhancing the overall effect by integrated design etc. This gives maximum value for the collective investment. Events that meet PACE criteria are eligible for consideration.
The exact schedule of events and level of support will be worked through as part of the PACE evolution. The PACE plan is developed with considerable industry and stakeholder consultation over the June – September period, for implantation in the 2006 calendar year.
(Note that the PACE plan is to the academic year, as opposed to the fiscal year. However, whilst activities in the latter part of the '05 calendar year have been in part forecast in the 04/05 fiscal year planning, the funding will be available only after approval of the 05/06 fiscal year programme. In practice, the latter part of any given PACE plan is usually substantially modified from that originally forecast, as it responds to actual market conditions and priorities as opposed to theoretical forecasts. For these reasons, it is premature to further break down the actual spend of 05/06 funds in advance of the PG and PACE planning processes, which are specifically designed to provide relevant guidance).
However, a broad breakdown of priorities is as follows:

- 30% North Asia ($216,000)
- 25% South East Asia ($180,000)
- 15% South Asia ($108,000)
- 15% Europe ($108,000)
- 10% The Americas ($72,000)
- 5% Contingency ($36,000)

The emphasis towards existing markets reflects the relative importance of maintaining a vigorous generic presence in these markets to protect and further invigorate market share and manage risk. Central Asia assumes greater importance in 05/06 due to the recent Ministerial/Industry market expansion initiatives in India particularly, and the relative opportunity potential in that market. However, the expanded funding means that all markets will have a greater level of activity in both breadth and depth than was available in 04/05.
With this output very much built around institutional participation, the major share of the funding is from industry.

Levy: $600,000
Government: $120,000
Brand Revenue: Nil

5.9 Events Promotion

This output is the natural complement to events support, and builds off the PRG analysis of generic promotion options undertaken earlier this year. This analysis found that the best value for generic promotional spend within the level of resources currently available was to leverage activity rather than completely discrete campaigns.

The level of funding available is significantly boosted by the Governments release of additional funds from the 04/05 levy year – money that was tagged to a generic campaign.

The nature of promotions undertaken will be determined on a case by case basis using the most relevant techniques applicable to particular markets, but the overall weighting of geographic market emphasis will be in line with the guidelines above. However, to maximise the impact, it is likely to be targeted around a subset of those activities, rather than across the entire range.

This output has a high degree of direct industry benefit, and is primarily funded from industry sources.

Levy: $600,000
Government: $150,000
Brand Revenue: Nil

5.10 Website Evolution

A considerable amount of website evolution was undertaken during 04/05. Current efforts revolve around the minisite project and the updating of online content.

Nothing evolves faster than web strategies and techniques. Accordingly, during 05/06 we plan to commission a contestable audit and evaluation of the website, looking at its functions, usability, and customer focus. The findings of this work will either be implemented, or form the basis of the next stage of evolution.

The website is a primary portal, with a high degree of direct industry relevance. Traffic is high, and the site is designed to channel traffic to institutions. Given this, the funding for this output is from industry.

Levy: $100,000
Government: Nil
Brand Revenue: Nil

5.11 Website Maintenance

The website requires ongoing maintenance and management, and continuous updating. The costs of this are met from website generated revenue, and are noted here for completeness.

Levy: Nil
Government: Nil
Brand Revenue: $119,000

5.12 Industry Website maintenance

This output relates not to the public access portal, but to the industry specific section of the website, and the ongoing operation of that section. The industry only portion contains all brand material, collateral design, photo galleries and other tools that are of ongoing industry utility.

Levy: $10,000
Government: Nil
Brand Revenue: Nil

5.13 Study in New Zealand (SINZ) printed publications

The SINZ publications, produced by the ENZ/APN joint venture, are an important part of the basic collateral, especially for generic usage. Hitherto, the SINZ publications have received significant PRG support.

This support has been substantially reduced for 05/06. The SINZ stable is generally able to stand alone as an operation run along commercial lines, with institutional choice over inclusion. Funding for 05/06 will support Courses and Costs (C+C) as the 'bible/koran' of the New Zealand industry, with the highest distribution (enhanced as part of the agent support project) and the highest degree of generic content, including the comprehensive listings. The plan also allows for the further piloting of multi-media production, following the feedback of the C+C and Simplified Chinese CD versions of the directories currently in production.

SINZ publications have high direct industry relevance.

Levy: $60,000
Government: $20,000
Brand Revenue: Nil

5.14 Brand Evolution

A major project of Brand evolution was undertaken during 2004. However, PRG were interested in the possibility for further evolution, particularly in the wake of the generic campaign process.

The 05/06 plan includes an external evaluation of the brand to be undertaken on a contestable basis. Included in the evaluation will be recommendations for further evolution (if required). Further action will depend on the analysis of the evaluation.

The move to an external evaluation recognises that the last evolution phase was driven primarily by internal industry evaluation. The evaluation brief will direct the focus towards evolution, as opposed to fundamental re-development.

As the brand has moved from development to implementation, the funding emphasis in accordance with the original intent has moved over to industry.

Levy: $100,000
Government: Nil
Brand Revenue: Nil

5.15 Industry Media Management

Ongoing and proactive media management is an essential core task. This is undertaken by ENZ, and has the following overall objectives:

- Build good relationships with key media
- Protect and enhance the public reputation of the industry
- Encourage a positive engagement by current and potential stakeholders via a positive portrayal of industry
- Deal effectively with media and public issues relating to industry and the wider operational environment
- Be a resource for domestic and international media for reliable, factual and relevant information about the industry, either generally or in relation to specific issues

This task is set down in the Pan Industry Strategy as a core industry function.

Levy: $130,000
Government: Nil
Brand Revenue: Nil

5.16 Desk Research

The desk research project has been active and ongoing, and is continued for the 05/06 year. An extensive and useful resource has been and continues to be accumulated. However, the linkage between access to research and direct market opportunities and results is not quite as direct as that offered by more overt marketing projects, and accordingly this programme is funded by Government.

Levy: Nil
Government: $30,000
Brand Revenue: Nil

5.17 Advertorial

Advertorial is a small but significant way of achieving increased leverage particularly in commercial print coverage. Whilst the original programme focus was on the domestic audience, the 05/06 plan will take a broader focus. This is in part due to experience that advertorial opportunities directed at the domestic audience were either tangential or lacked relevance, or didn't provide the dedicated and targeted reach desired. In addition, it acknowledges the PRG direction towards offshore marketing as the primary overall focus. In practice, domestic media interaction is best handled under the media management output. Accordingly, the 05/06 plan will be targeted towards core industry promotion to prospective students.

Levy: $30,000
Government: Nil
Brand Revenue: Nil

5.18 Industry Consultation

An essential component of the 'whole of industry' approach to generic promotion and marketing is a process of industry consultation. With the 05/06 plan being considerably expanded, and with many activities being anchored around industry participation, the need for programme consultation via forums and focus groups will grow. This process costs participants time and money, and given that the outcome of consultation is by nature concerned with national rather than institutionally specific issues, the direct cost component to participants should fairly be met.

Levy: Nil
Government: $20,000
Brand Revenue: Nil

5.19 Conclusion

The 2005/06 Generic Marketing Plan sets out a broad and integrated range of activity across 16 output areas. It is an exciting and comprehensive plan which will support institutions, industry and all stakeholders working in international education. Whilst setting outputs and priorities, it also has inherent flexibility to allow appropriate responses to evolving market circumstances. The PRG will oversee and monitor the plan, and is the primary vehicle for providing strategic input and guidance into the plan.

The 2005/06 Generic Marketing Plan is only one component in the overall matrix of activity across the industry. It is not the entire strategy, but it is an integral and essential component of that overall strategy.

The 2005/06 plan has greater resources than ever before. As noted, this is due to a higher than budgeted Levy component and a continuation of Government support. This has allowed for a greater level of activity.

This raises questions as to the sustainability of the ongoing programme, and whether or not initiatives undertaken in the 05/06 year will be able to be leveraged or supported in out years. The 05/06 programme recognises this situation, and in detailed planning will take these factors into account. In this respect, it is not unsustainable.

However, it should be noted that the key to ongoing generic activity in out years is ongoing resourcing, and the industry has recognised this in the Pan Industry Strategy. Industry are heavily engaged in the overall promotion of international education not only through participation in the generic campaign and the events which form a core part of the philosophy and reality of this campaign but also through a very high level of individual and clustered activity at a sub national level. Education New Zealand will continue to recognise this industry commitment, build on it and also push strongly for a continuation of wider national and Governmental support for future programmes. Education New Zealand also recognises that international education is a dynamic and potentially volatile industry. It is not a command driven industry; like any exporting endeavour it is a market driven industry.

In conclusion, this Generic Marketing Plan is another arrow in the long term industry quiver. It represents the industry's response to the current market, and is a part of a longer, broader strategy. Education New Zealand will work with all stakeholders to build the long term sustainability and growth of international education.