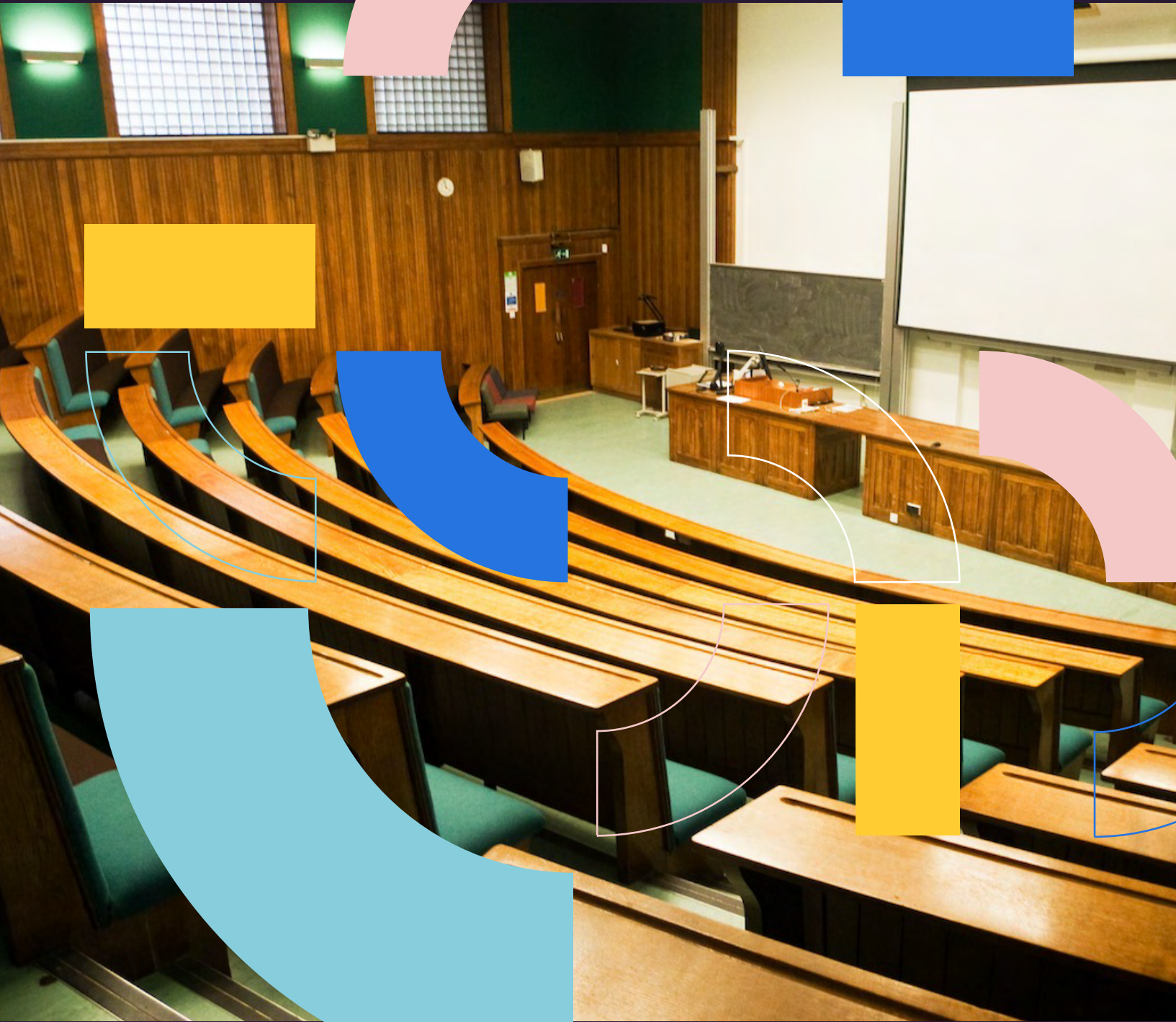


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Reducing Costs for Universities
with Local Payment Methods

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Every year, millions of students travel across the globe to pursue higher education.

In the US, 36% of top universities derive 10% or more of their total revenue from international students [1]. In France, around 20% of the students at the country's top-ranked universities are from elsewhere in the world [2]. In Singapore and Hong Kong, it's over 30% [2]. Foreign students contribute over £25 billion a year to the British economy [3].

One factor which is crucial to the experience of international students – but which is often overlooked – is determining the payment type they need in order to pay tuition.

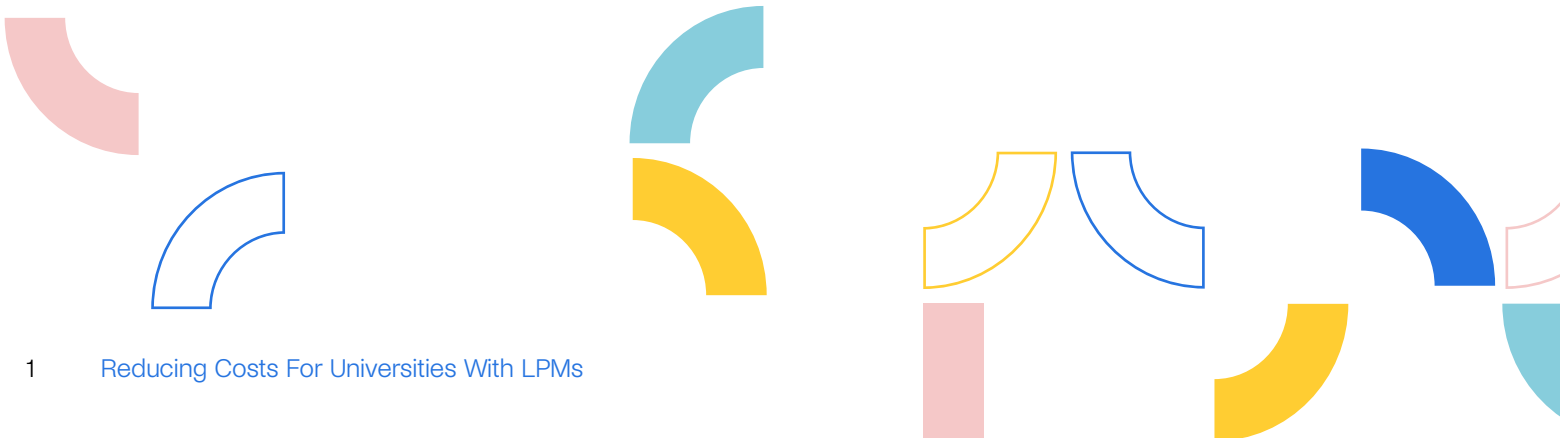
A survey in April 2020 found that 67% of international students worry that they won't be able to pay for their tuition fees using a payment method with which they are comfortable and familiar [4].

With fewer students planning to travel in the wake of the pandemic, competition is on to attract those who still want to study abroad.

And there is every sign that the competition will be fierce. In July 2020, Deutsche Welle reported that the German higher-education sector is already making plans to entice students who may be having second thoughts about attending British or American universities [5].

























Accepting a diverse range of payment methods isn't merely an exercise in improving the student experience; it can also save universities millions in costs.

“ *In a year that has seen unprecedented challenges disturb education-as-usual, local payment methods provide a win-win for students and their university's financial department.* **”**





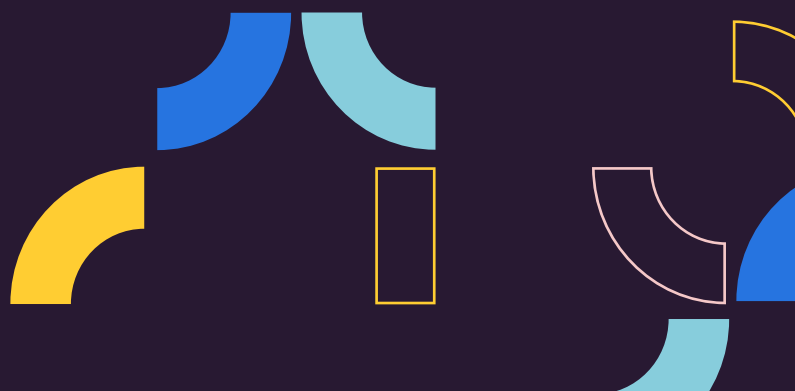
These countries send the most students abroad

| Country * | # of students | Top payment methods in the market |
|--|---------------|---|
|  China | 928,090 |    |
|  Germany | 122,195 |     <small>Single Euro Payment Area</small> |
|  Vietnam | 94,662 |  |
|  Ukraine | 77,639 |  |
|  Italy | 74,268 |     <small>Single Euro Payment Area</small> |
|  Malaysia | 63,253 |    |
|  Brazil | 58,841 |  |

Most of these payment methods have fees of 1.20 - 2.50% **, where international card fees can range from 2-4%.

* UNESCO outbound internationally mobile students by host region, where host region is defined as all countries, 2017

** Average market rate based on transactional volumes. Pricing varies.





Increase profits with local payment methods

Another reason to support locally preferred payment methods is that they are often much more cost efficient for the university. Credit cards charge the receiver up to 3.4% [6], whereas locally preferred payment methods often charge "merchants" as little as 1.5% [7].

Amongst the most expensive universities in the world – places like the University of Southern California, Carnegie Mellon University, and University College London – the average admitted 11,197 international students at \$52,22 a head. That adds up to an average of over \$500 million in international student tuition for each university.

If students pay this sum using credit cards, those transactions could cost the university as much as \$19 million. Using a locally preferred payment method, that drops to as little as \$8.7 million.

// *Accepting local payment methods lead to significant savings, particularly important at a time when budgets are under pressure and every dollar counts.* **//**

A university in Singapore saved €237k by offering Alipay to Chinese students



Alipay fees are lower than typical card fees at around \$3-4%



by enabling Alipay the university only paid €158k in fees



...it would have cost €395k if they'd used credit cards



Local payment methods are the global norm

The importance of a university's payment portfolio becomes immediately clear when you consider where most international students come from.

The largest number come from China, at nearly 1 million students. In China, consumers pay for 78% of all digital transactions with something other than a credit or debit card [8]. In India, that figure is 68% [8].

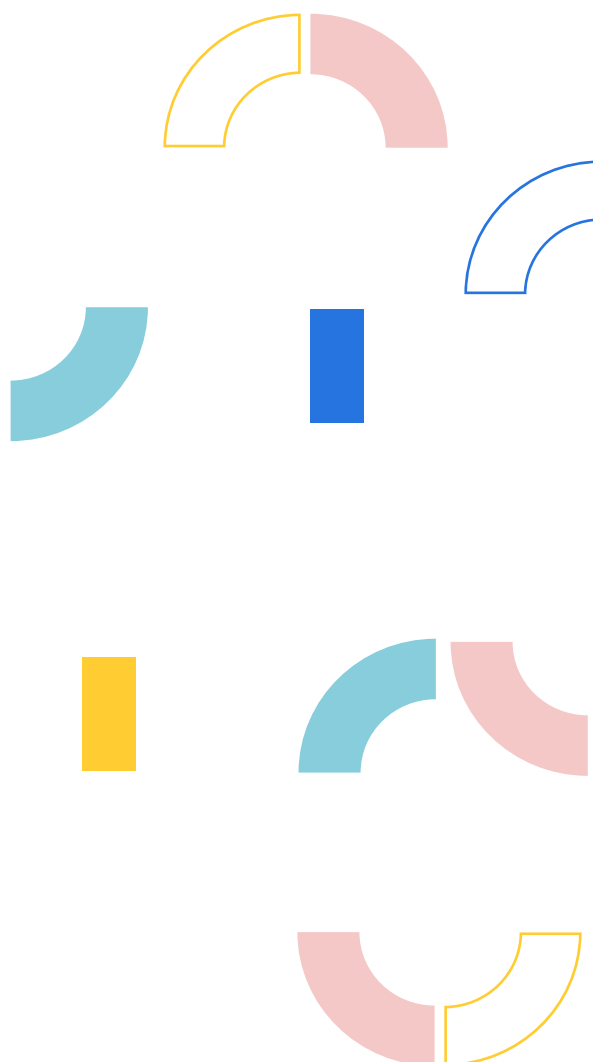
Payment methods such as bank transfers, e-wallets, and other payment types are currently the vast majority of transactions globally; they are projected to move from over 65% to over 72% of e-commerce by 2023 [9].

In fact, the term has shifted from alternative to local payment methods, as they are the dominant ways to pay globally.

Among the countries which receive the most international students – the US, UK, Australia, Germany, Japan and others – some have Western-style payment markets.

In the US, the most popular destination for international students, consumers pay for 59% of all online transactions with credit cards [8]. In the UK, it's 56% [8].

With cards so dominant, and most other transactions paid for by bank transfer or Western-standard e-wallets, it's easy for universities in these countries to overlook the impact of not offering the payment methods their foreign students use at home.





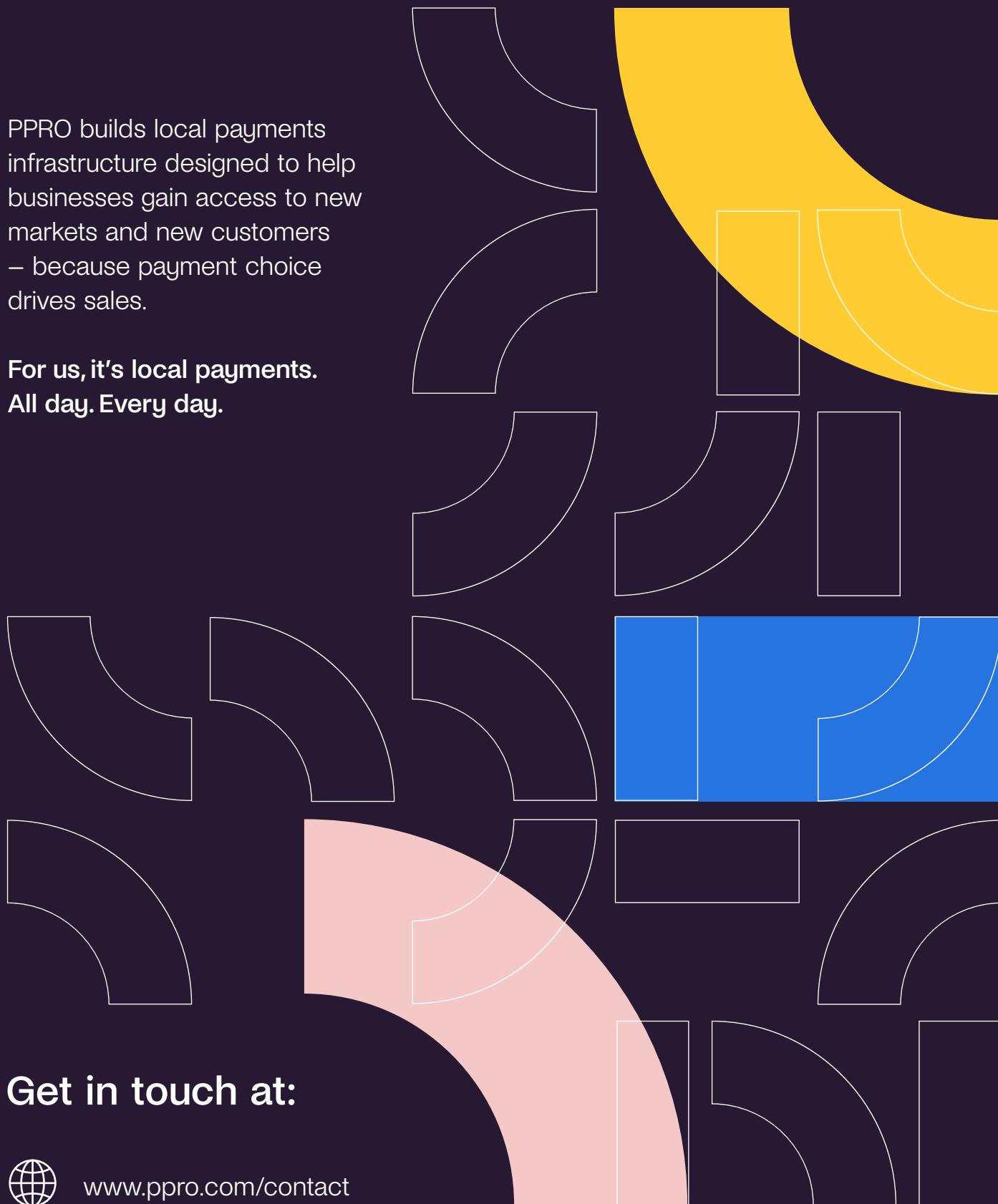
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