

Ambient Insight Regional Report

The 2013-2018 Brazil Digital English Language Learning Market

Mobile Products Driving the Market



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Market Analysis by:

Sam S. Adkins, Chief Research Officer

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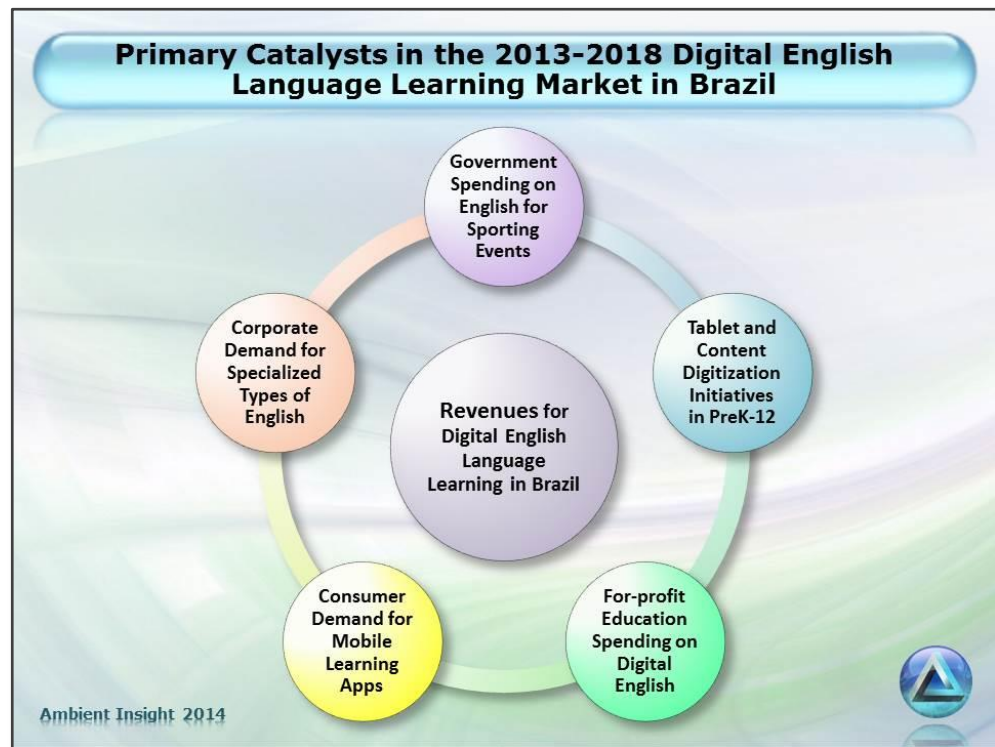


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Abstract

Brazil has the highest revenues for digital English language learning products in Latin America. The growth rate is 15.5% and revenues will more than double to \$161.5 million by 2018, up from the \$78.4 million reached in 2013.

Figure 1 - Primary Catalysts in the 2013-2018 Digital English Language Learning Market in Brazil



The Federative Republic of Brazil has 26 states and the federal district that includes the capital city of Brasília. Brazil has over 5,550 municipalities.

Brazil had 199 million people by the end of 2013. Portuguese is the official language of Brazil and over 95% of the population speaks it fluently. Brazil is one of eight Lusophone (Portuguese-speaking) countries in the world. Less than 0.02% of the Brazilian population speaks an indigenous language.

Less than 6% (9.9 million people) of the population can speak English and very few speak it fluently. This percentage will change over the forecast period if the government is successful in their English language initiatives.

Brazil had over 70 brands and 6,215 branches of private English language schools by the end of 2013. Over 2.8 million people (from children to adults) were taking English lessons in Brazil. Private English language learning is a \$3.1 billion industry according to the Brazilian Franchising Association.

The digital English portion of the private language learning industry is still quite small indicating a large growth opportunity for suppliers. The primary catalysts are the government spending on English language programs, the digitization initiatives in the schools, the demand for digital English from

the for-profit education companies, the strong consumer demand for mobile educational products, and the growing corporate demand for vocational English.

What You Will Find in This Report

There are two sections in this report: a demand-side analysis and a supply-side analysis. The demand-side analysis provides suppliers with five-year revenue forecasts by six buying segments. The supply-side analysis breaks out the revenues by five learning technology product types.

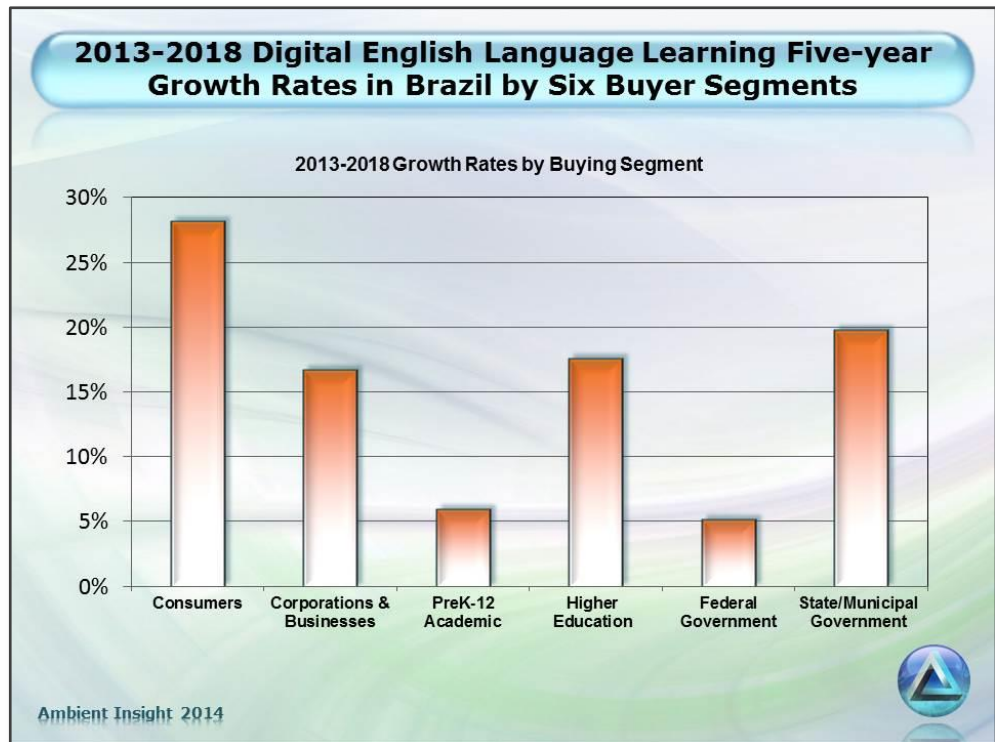
Over 65 suppliers operating in Brazil are cited in this report to help international suppliers identify local partners, distributors, and resellers.

Who Are the Buyers?

Five-year forecasts for six buying segments are provided in this report: consumers, corporate & business, PreK-12 academic, higher education, federal government, and state/municipal government.

In 2013, the private and public PreK-12 school systems (sistemas) were the largest buyers, followed by federal, state, and municipal agencies.

Figure 2 - 2013-2018 Digital English Language Learning Five-year Growth Rates in Brazil by Six Buyer Segments



Brazil has the largest education system (sistema) in Latin America with over 50 million primary and secondary students. Of those students, 83% are in public sistemas and 17% are in private sistemas. In the last five years, enrollments in private schools have increased on average by 3% a year and the enrollments in public schools have decreased by an average of 2% a year.

In both public and private sistemas, at least one foreign language is mandatory in grades 6-9 (usually English or Spanish). There are over 147,000 federal, state, and municipal public schools in Brazil. According to the government's Census of Basic Education, 47.4% of these schools offer English as the primary foreign language and the rest provide Spanish.

The higher education segment in Brazil is highly fragmented, with over 2,377 institutions. According to the 2010 Census on Higher Education, 88% of these institutions are private. The Brazilian Ministry of Education reports that there are over 7 million higher education students in the country and 73% of them are enrolled in private institutions.

Private, for-profit higher education institutions have only been legal in Brazil since 1996. Since then, the number of institutions has grown dramatically. Distance Learning is now booming in the private institutions. According to the government's Census of Higher Education, "From 2011 to 2012, the growth for online learning enrollment was 12.2%, far outpacing the 3.1% growth for in-class learning." By the beginning of 2014, there were just over one million higher education students taking online classes in Brazil.

Brazil is getting ready for the 2014 FIFA World Cup (to be held in June 2014) and the Summer Olympic Games in 2016. The FIFA World Cup events will be held in 12 "host cities," and the Olympics will be held in Rio de Janeiro.

The Brazilian Tourism Institute (Embratur) expects 7.2 million foreigners to come to Brazil for the World Cup. Embratur predicts that over 10 million foreign visitors will come to the 2016 Olympics.

Federal, state, and municipal government agencies are funding large-scale English language learning initiatives in preparation for the events. The English training is being provided to event personnel, employees in the tourism and hospitality industries, and public safety personnel. Most of the training is being provided in classrooms, but the government has selected "official" online suppliers for these programs.

The largest corporate buyers are the private language learning schools in Brazil, followed by companies operating in Brazil that need vocational English for their employees.

In 2013, consumers were the third-largest buying segment. The consumer segment is now the most dynamic market for digital English language learning products in Brazil and consumers will be the top buying segment by 2018.

In 2011, the Brazilian government launched a program called Crianca Global (Global Child) to introduce 6-8 year old school children to English. By December 2013, they had spent over \$35 million on the program.

What Are They Buying?

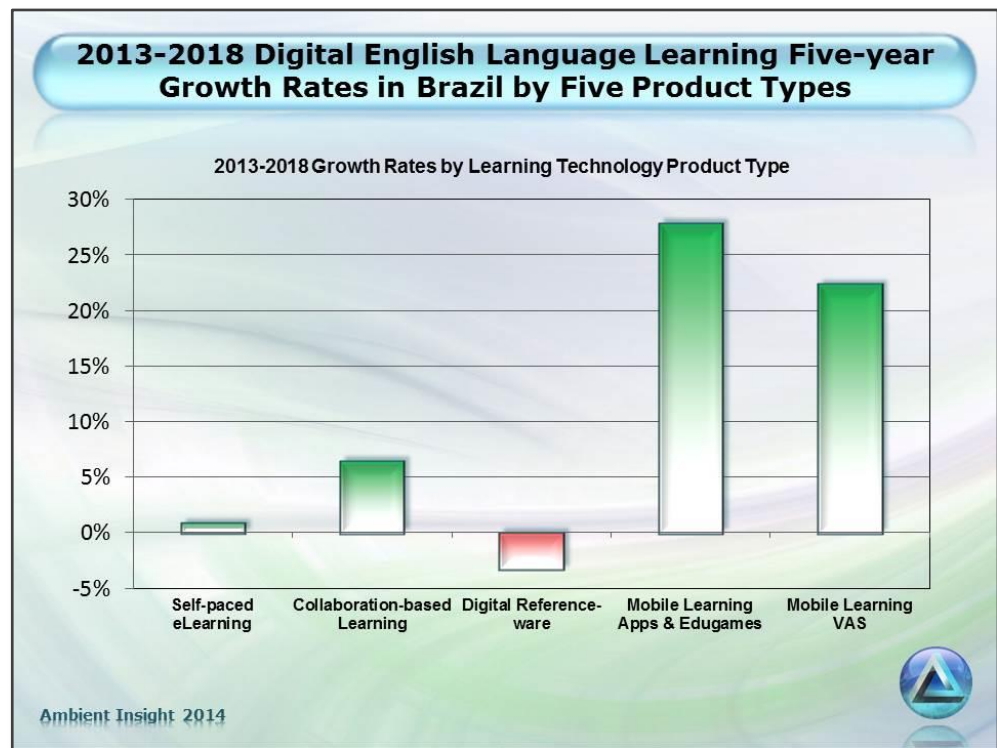
The current digital English language learning revenues in Brazil are concentrated in five learning technology product types:

- Self-paced eLearning (courseware)
- Collaboration-based Learning (live online tutoring)
- Digital Reference-ware (eTextbooks)
- Mobile Learning apps and edugames
- Mobile Learning value added services (VAS)

The PreK-12 schools, the higher education institutions, and the private language schools license commercial English language learning software and buy language lab systems preloaded with content.

The anemic growth rates for self-paced and digital reference-based English language learning are due in large part to the government's role in the purchase of instructional material for the public schools. The Brazilian government buys all the textbooks in the nation and the purchases account for 48% of the entire Brazilian publishing industry.

Figure 3 - 2013-2018 Digital English Language Learning Five-year Growth Rates in Brazil by Five Product Types



The government started buying digital content for the schools in 2014. The government's immediate goal is to have all books and instructional content for high school students in digital formats by 2017. The government buys very large quantities of content and has more than enough buying power to drive prices lower.

Definitions of the learning technology products tracked by Ambient Insight are provided in *Ambient Insight's 2014 Learning Technology Research Taxonomy*.

The low growth rate for self-paced courses is also due to the consumer preference for mobile products. There is now a strong consumer demand for both Mobile Learning VAS products and mobile education apps. By the end of 2013, mobile penetration in Brazil was over 136%.

While the growth rate for live online English tutoring is a modest 6.5%, the revenues are significant. Corporations are avid buyers of collaboration-based services, particularly specialized forms of English like aviation and business English.

Four mobile network operators (MNOs) account for 95% of all mobile subscribers in Brazil: Vivo, Claro, Oi, and TIM Brasil. **All of them offer Mobile Learning VAS products**, and most of them are English language learning services. By the end of 2013, there were 13 commercial Mobile Learning VAS products available in Brazil. All of them depend on third parties for content.

Both mobile categories combined accounted for 49% of all digital English language learning revenues in 2013 in Brazil. By 2018, the two mobile categories combined will account for 72% of all revenues. In 2013, mobile apps for English language learning generated the second-highest revenues. By 2018, they will be the top selling product type in Brazil. Clearly, mobile is the most lucrative revenue opportunity for suppliers competing in Brazil.

The government started buying large quantities of tablet PCs for the schools in 2013 and will transition to mobile formats as it deploys tablets across the sistemas.

Related Research

Buyers of this report may also benefit by the following Ambient Insight market research:

- [*The 2012-2017 Latin America Mobile Learning Market*](#)
- [*The 2011-2016 Latin America Market for Self-paced eLearning*](#)
- [*Ambient Insight's 2014 Learning Technology Research Taxonomy*](#)



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