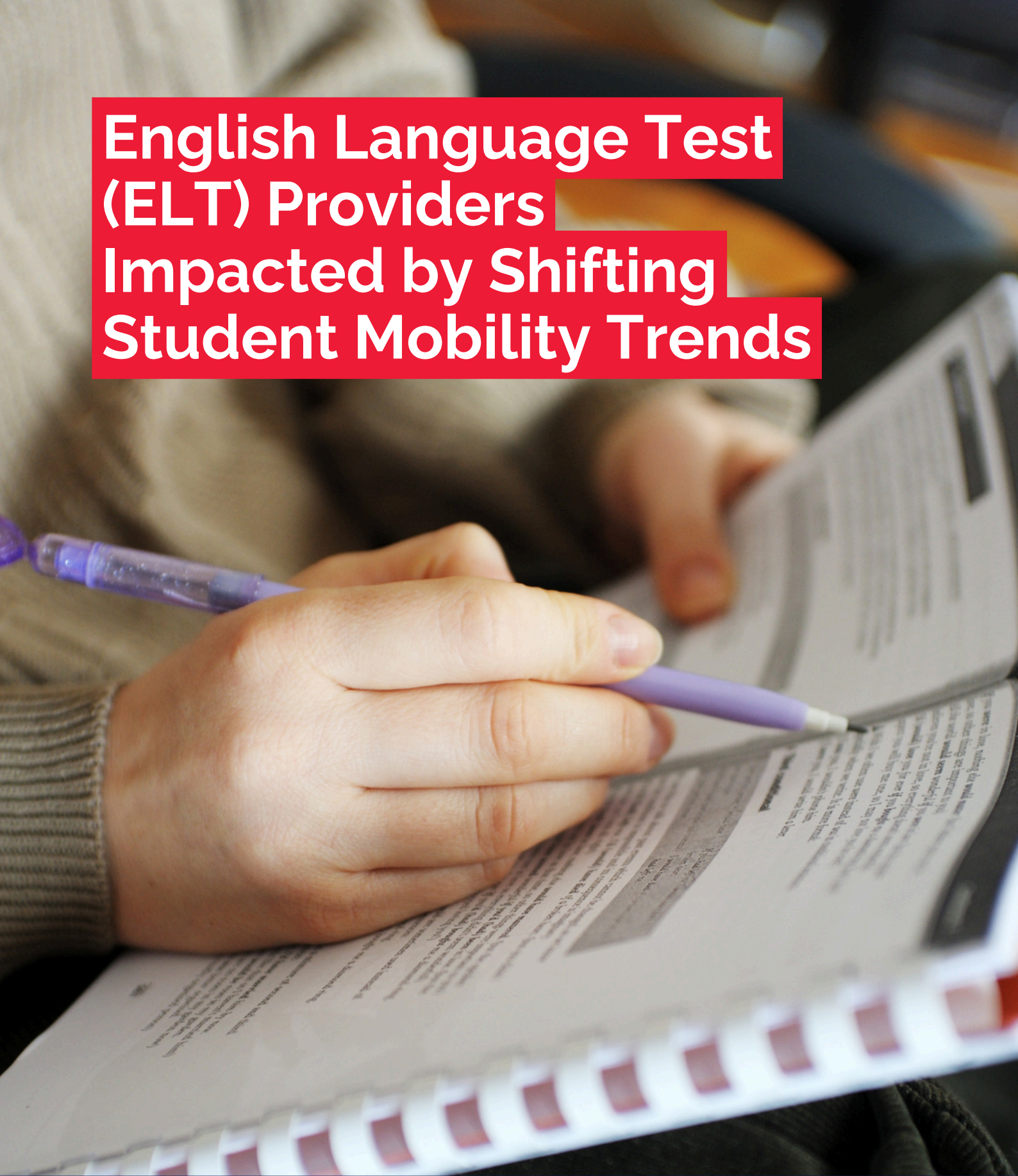


English Language Test (ELT) Providers Impacted by Shifting Student Mobility Trends



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Executive Summary

Anticipated declines in international student mobility to the U.S., UK, Canada, and Australia, driven by restrictive visa policies and rising costs, are reshaping the English Language Test (ELT) ecosystem. Traditionally dominant ELTs like TOEFL (administered by ETS) and IELTS (British Council, IDP, Cambridge English) are facing competitive pressures from tech-driven, affordable alternatives such as the Duolingo English Test (DET). These shifts are critical, as 3.2 million international students currently study in the U.S., UK, Canada, or Australia, but recent and upcoming visa and immigration policy changes are creating uncertainty, likely leading to a decline with significant market implications for ELT providers.

TOEFL's slow response initially allowed IELTS to expand market share, and more recently Duolingo has expanded its U.S. and global presence, further reducing TOEFL's market dominance.

Acceptance by admitting institutions remains the primary driver of market share in the ELT ecosystem, particularly as visa restrictions and rising costs in traditional study destinations force students to explore alternative countries and remote-friendly ELTs like DET gain institutional approval. Test administration providers such as Prometric, Pearson VUE, and digital proctoring platforms are also affected, as institutions increasingly seek secure, accessible, and flexible testing solutions.



The Impact of Declining International Student Mobility on ELTs

The demand for ELTs is tied to the movement of students from non-English-speaking countries to major higher education markets, primarily the U.S., UK, Canada, and Australia, which collectively host 43% of all globally mobile students. However, anticipated visa restrictions could lead to a decline in international enrollments in the U.S., where these students contribute nearly \$40 billion annually to the economy. For ELT providers, these trends are significant: reduced mobility means lower demand for English proficiency tests traditionally required by institutions in these countries. Meanwhile, alternative destinations like Germany and Malaysia have shown strong growth in international student enrollments, with Germany experiencing a 5% increase in 2022/2023 and Malaysia reporting a 27.5% year-over-year rise in new international student applications from 2021 to 2022.

Two key dynamics now drive ELT market shifts in response to student mobility trends:

Reduced Demand in Traditional Markets

As student flows to the U.S. and UK are projected to decline, the demand for legacy ELTs like TOEFL and IELTS is likely to drop. Sources indicate that TOEFL volumes have declined by an estimated 15% in the last five years, with IELTS now accepted by over 3,400 institutions in the U.S., including many where TOEFL previously held a monopoly. Alternative destinations, where institutions often accept newer, cost-effective ELTs like DET, present further competition.

Institutional Acceptance of Alternative ELTs

To accommodate changing applicant demographics, many institutions are diversifying their accepted ELTs. Duolingo, for instance, has grown its institutional partnerships from 500 in 2019 to over 3,000 in 2023, a sixfold increase driven by demand for flexible, low-cost testing. As institutions face a more digitally-savvy applicant pool and fewer students from traditional markets, acceptance of digital-native ELTs is expected to grow further.



Implications for the ELT Ecosystem: Winners, Status Quo, & Losers

In light of shifting mobility and acceptance trends, ELT providers and their supporting ecosystem players are responding with varying degrees of success.

Winners: ELT Providers & Ecosystem Players Leveraging Flexibility & Digital Solutions

Duolingo English Test (DET) – Duolingo Inc

DET has achieved rapid institutional acceptance across major markets, with over 3,000 institutions accepting the test in the U.S., Canada, and beyond. This growth aligns with demand from emerging regions where students seek affordable, remote-friendly testing options. Priced at \$59 (plus applicable taxes), DET is a fraction of TOEFL's average cost of \$200, making it particularly attractive amid economic and visa-related barriers in traditional markets. DET's strategic acceptance growth exemplifies the competitive advantages of digital-first ELTs. DET's revenue for the 9-month period ending September 30, 2024 is \$34.2 Million, indicating a volume of >525,000 YTD and a ~700,000 projection for the full year.

Remote Proctoring & Security Providers (e.g., Examity, ProctorU)

The shift towards remote-friendly ELTs has increased the need for secure, AI-enabled proctoring. From 2019 to 2020, ProctorU reported a 166% increase in exam volume, supporting ELTs like the DET in meeting the security standards required for institutional acceptance. The demand for digital proctoring solutions is expected to continue growing as institutions and students favor remote testing models.

Status Quo: Providers & Services with Limited Impact from Mobility Shifts

Cambridge English (Cambridge University Press & Assessment)

Cambridge English remains less affected by mobility declines as its institution-specific tests, such as the Cambridge C1 Advanced, cater to niche markets. Cambridge's reputation and established institution partnerships provide stability, even though Cambridge-specific assessments remain more geographically focused. IELTS, managed in part by Cambridge, has helped the organization mitigate the impacts of declining U.S. and UK mobility by broadening its institutional acceptance in alternative markets.

Pearson PTE – Pearson PLC

While Pearson's PTE has historically had a smaller footprint than big players like TOEFL and IELTS, it's growing quickly. In the U.S., PTE is now accepted by over 1,500 institutions, including top universities. Pearson's strength in publishing and educational content gives it a chance to stand out by offering bundled prep materials and tests in key markets. With a 76% surge in test-taker volumes in early 2023, PTE is becoming more relevant in the English testing space, though it still trails behind TOEFL and IELTS overall.

Professional & Corporate English Tests (e.g., TOEIC, BULATS)

Primarily focused on workplace language proficiency, these tests are less impacted by student mobility declines. For ETS, which administers TOEIC, these tests remain a steady revenue stream, though they do not contribute to ELT admissions and institutional acceptance.

Losers: Legacy ELT Providers Facing Competition & Slow Digital Adoption

TOEFL – Educational Testing Service (ETS)

Once dominant in the U.S., TOEFL's market share has been challenged by IELTS's acceptance at over 3,400 U.S. institutions and DET's entry. In the past decade, TOEFL test-taker volumes have declined by over 15%, with significant losses attributed to shifts in institutional acceptance and growing competition from remote-friendly ELTs. ETS's live human-proctored remote options and reliance on in-person testing volumes contribute to TOEFL's declining dominance in a market increasingly affected by visa restrictions. Without substantial investments in digital solutions and non-U.S. partnerships, TOEFL risks further declines as fewer students pursue traditional U.S. education pathways.

IELTS – British Council, IDP, Cambridge English

IELTS built on its global reputation to expand acceptance and market share in the U.S. over the past decade, where it now competes directly with TOEFL at over 3,400 institutions. IELTS remains the most widely taken English test globally, with annual test-taker volumes exceeding 3 million. Although IELTS has an established market position, similar to ETS its live human-proctored online testing model may limit its growth and its pricing flexibility.

In-Person Test Administration (e.g., Prometric, Pearson VUE)

Companies focusing on in-person testing, such as Prometric, are under pressure as remote testing models gain favor. Since 2020, the demand for in-person test centers has decreased by approximately 20%, and as visa restrictions reduce student flows to the U.S. and UK, traditional test centers face growing operational challenges. Unless they shift to hybrid or fully digital models, in-person test administrators risk losing business to remote-friendly alternatives.



Strategic Adjustments for the ELT Ecosystem

To adapt to declining student mobility and increased digital demand, ELT providers and their ecosystem partners should consider the following strategies:



Expand Institutional Partnerships in New Regions

To offset reduced demand from U.S.-bound students, TOEFL and PTE should focus on institutional acceptance in regions such as Europe, where English-taught programs are growing at about 8% annually, and Latin America, which is making strides in expanding English education.



Prioritize Digital & Remote Testing Capabilities

Traditional providers like TOEFL and IELTS must accelerate remote testing capabilities to remain competitive. Partnering with established proctoring services or developing in-house digital solutions would allow these legacy ELTs to meet shifting demands.



Integrate Learning & Test Preparation

Pearson's publishing assets provide an opportunity for PTE to bundle prep and testing, addressing the needs of students looking for seamless preparation experiences. For other ELTs, partnerships with test-prep platforms could add value for students seeking affordable, comprehensive test-prep solutions.

Conclusion

As inbound international student volumes declines in the U.S., UK, Canada, and Australia, institutional acceptance and digital innovation are reshaping the ELT ecosystem. Moving forward, ELT providers must embrace digital testing, enhance acceptance in emerging regions, and integrate learning resources to remain competitive.



Winners & Losers in the ELT Ecosystem

WINNERS: Leveraging Flexibility & Digital Solutions

Player / Provider	Description
Duolingo English Test (DET)	Low-cost, remote-friendly ELT that has rapidly expanded institutional acceptance to over 3,000 institutions. Priced at \$65, DET aligns with demand for flexible, affordable testing. DET revenue for the 9-month period ending September 30, 2024, indicates >525,000 YTD test volumes, projecting ~700,000 for the full year.
Examity, ProctorU (Remote Proctoring)	Increased demand for remote proctoring (166% increase in exam volume 2019-20) as institutions favor secure, AI-enabled remote testing, essential for online ELTs.
Vericant	Provides video-based English interviews for Chinese applicants to U.S. institutions, supporting remote application processes.
Proctortrack (AI-driven Proctoring)	AI-driven proctoring provider positioned to support remote assessments across academic and corporate sectors.

STATUS QUO: Limited Impact from Mobility Shifts

Player / Provider	Description
Cambridge English (Cambridge University Press & Assessment)	Institution-specific English exams, including Cambridge C1 Advanced; stable demand in niche markets and less impacted by shifting mobility.
Pearson PTE	Limited acceptance in the U.S. (~1500 institutions); potential for growth in bundled services but facing significant competition in a saturated market.
TOEIC, BULATS	Primarily corporate-focused English proficiency tests with steady demand; less affected by student mobility trends as they do not serve academic admissions.
LanguageCert (PeopleCert Group)	Provides both in-person and online testing but lacks the broad U.S. institutional acceptance of larger ELTs. Growing in India and Europe.

Winners & Losers in the ELT Ecosystem

LOSERS: Facing Competition & Slow Digital Adoption

Player / Provider	Description
TOEFL (ETS)	Once dominant in the U.S., TOEFL has seen a decline in test-taker volumes (15% over the last five years). Competing with IELTS and DET, its market share is challenged by limited remote testing capabilities and declining U.S.-bound student demand.
IELTS (British Council, IDP, Cambridge)	Expanded acceptance to over 3,400 U.S. institutions, growing beyond UK-focused positioning and competing directly with TOEFL in North America but the live human-proctored model may limit scalability and growth compared to automated proctoring options, impacting pricing flexibility.
Prometric, Pearson VUE (In-Person Test Administration)	Traditionally reliant on in-person testing, have experienced a decline in physical test center demand due to the increasing popularity of remote assessments.
Versant by Pearson	AI-driven assessment used mainly in corporate sectors; struggles to gain traction in the academic ELT market, limiting its relevance in student admissions.
Michigan English Test (MET)	Lacks global acceptance and market share of other major ELTs, used primarily by regional institutions.