

# Perspective on the e-learning industry

**Bob Little** reveals the findings of a new report into the e-learning industry

**T**his summer has seen the publication of the third state of the e-learning industry report from Learning Light – the Sheffield-based organisation that provides advice and help to organisations using e-learning and learning technologies to improve their business performance. The reports, published in 2007, 2010 and now 2014, explore not just the overall size of the corporate e-learning market but also the influences – business-orientated, technological and political – that will determine its future.

The 2014 report entitled: *A Review of the e-learning markets of the UK, EU and China 2014* reveals that, over the past four years, there's been a growing commercialisation of education; the blurring of boundaries between education and vocational learning and a trend towards individuals taking responsibility for their own learning. All these developments have been brought about by advances in technology – and those advances becoming more readily available.

Both apps and video have become more common terms in the e-learning world over the past three or four years. Apps, in particular, is a term used widely as shorthand for delivering e-learning to tablet devices and smartphones. The growth of apps – including the growth of apps for delivering learning materials – has been due to the impact of Apple, its devices and its distribution channels. Apps have been the drivers for mobile learning (m-learning). Promised for a long time but now an increasing reality, mobile learning is still not the complete answer to online learning delivery – since there are still some issues around the use of Flash animation and the limitations of HTML5.

The growing importance of video as an e-learning genre has been a result of YouTube's

exponential growth. Indeed the exponential growth of content onto the internet has become one of the greatest changes and challenges to how we live and learn. As a result, the new discipline of curation has emerged.

## Learning on demand

Video solves many delivery issues involving getting (learning and other) materials to tablets and mobile devices. This circumvents the technical barriers caused by Flash usage on mobile devices and the limitations of HTML5. What's more, learners appear to like video – even video of lower production quality – as long as it contains sound learning design, producing the concise delivery of what is needed to be shown. This is especially true in the learning on-demand market segment.

The emergence of bring your own device (BYOD) has proved challenging, not just for learning and development (L&D) departments but also for organisations' entire information and communication technology (ICT) policies. BYOD is set to grow in importance as learners take greater responsibility for their own learning. However, while this will be true in many environments, it's by no means certain to be the case in all workplaces.

Then, there's the emergence of the related trend of your own device at home (YODAH) – a place where many of us now work and learn. If L&D departments are to maintain control of learning processes, a likely scenario is the use of corporate owned personally enabled (COPE) devices.

The parallel concept of bring your own content (BYOC) has also been suggested and, as mobile devices (smartphones and tablets) have circumvented corporate firewalls, the ability for learners to source, select and consume their own learning materials when and where they choose is becoming a reality. Moreover, by using curation tools such as Twitter, Yammer, Skype and other



texting tools, as well as Facebook, social/informal learning is progressing swiftly. Again, however, this doesn't apply to all workplaces.

### Open content

Open content is a growing feature of the market, as people search for information, knowledge and learning that they need in order to complete a specific task. Here, the YouTube solution, unattributed paper or Wikipedia are often the chosen learning resource. Managing and attributing the appropriate degree of worth to this mass of data is a major challenge facing the learner or information seeker. Solutions such as Mendeley – a crowd-sourced research database managing more than 300 million documents – is one example of a solution.

The rise of massive open online courses (MOOCs) – and open content in particular – have been generating huge interest, particularly in the higher education sector. There are already more than 500 MOOCs registered across Europe, with Spain leading with 200 (as of April 2014). MOOCs are set to have an impact – especially in the light of Google's partnership with the edX MOOC – and educational establishments need to address this changing landscape. The key issue is how they do that.

The report has noted the development of subsets of the MOOC terminology – with the advent of small private online courses (SPOCs), synchronous massive online courses (SMOCs) and the vocational open online course (VOOC).

VOOCs are designed and trademarked by Virtual College to offer a career seeker a vocational warts-and-all learning experience to help in choosing a vocational career pathway. Like a MOOC, a VOOC is free.

In 2012, Learning Light coined the mnemonic FLATMAGs – the environments and interface of social networking and social learning, learning resources, devices and modern living. FLATMAGs was shorthand for Facebook, LinkedIn, Apple, Twitter, Microsoft, Amazon, Google – so ordered to reflect their role in 'flattening the world' and, in the metaphor of the magpie, to reflect their avaricious nature in collecting other things that are bright and shiny as they compete for our attention and affiliation.

From being a term used exclusively in academic circles (around 2010), social learning is now one of the key phrases of the modern e-learning market. In e-learning terms, the launch of Apple's iPhone was significant but the impact of the iPad has been impressive for the sheer level of interest and excitement that this has generated.

### Trends

Over the last four years, the issues that have dropped out of the e-learning mainstream are:

- E-portfolios
- Learning wikis (other than Wikipedia)
- CD-ROM based content
- DVD-based content

Firmly established as mainstream since 2010 are:

- Webinars
- Rapid e-learning
- LMS
- Video

Becoming mainstream within L&D are:

- Gamification – which includes the area of serious games
- Multi-device learning: m-learning, responsive web design and learning apps and HTML5
  - BYOD
  - Virtual classrooms
    - Cloud-based learning
    - LCMS
    - Social learning and curation

The report goes on to suggest that L&D professionals need to watch out for the growth of:

- Adaptive learning platforms



- Learning-as-a-Service (LaaS)
- Increasingly smart assessment
- Reconfigurable learning via reusable and interchangeable gadgets
- BYOC
- MOOCs and VOOCs
- Analytics and learning record stores (LRS), along with the increasing influence of 'big data'
- Tin Can Experience API (xAPI)

### Key issues

Much of the research underpinning this report on the UK e-learning market comes from the results of more than 90 interviews with UK-based executives involved in the e-learning sector, as designer/developers, vendors, distributors, commissioners, buyers and/or users. The interviews were semi-structured, qualitative interviews. Each interview lasted between 40 and 90 minutes. The outcome of these interviews were transcribed – and the transcript checked with the interviewee, to ensure accuracy.

In summary, the top ten L&D requirements in the corporate sector were said to be:

1. Budgets – wanting more for less
2. The quality of learning materials
3. Speedy search and identification of courses
4. Tonality and personalisation
5. White label offers for learning content
6. Ease of access to courses – self-scheduling
7. Quality assurance
8. Contextualisation of learning materials
9. Learning needs assessments
10. Control of learning culture

In terms of small and medium-sized corporate enterprises, the top ten issues with e-learning were:

1. Budgets – wanting more for less
2. Speedy search and identification of courses
3. Reducing time away from the workplace
4. Quality assurance of materials
5. Quality of learning materials
6. Ease of access to courses
7. Learning needs assessments
8. Contextualisation of learning materials
9. Tonality and personalisation
10. Control of learning culture

### Industry opinions

The interviewees believed that face-to-face training is now having to re-invent itself by aligning itself to technology, via blended learning approaches – although face-to-face is still viewed as the preferred delivery method for high value courses.

These industry interviews also revealed that, among other things:

- E-learning offers many advantages over other forms of learning delivery, especially in terms of compliance-led learning as well as skills development learning for today's 'knowledge worker'
- E-learning's unique sales propositions are that, compared with other learning delivery methods, it:
  - Is faster and more flexible
  - Reduces costs
  - Reduces learning times (ie time to competence)
  - Offers the option to provide quality content in memorable and easily absorbed 'nuggets'.
- For maximum learning effectiveness and market acceptance, e-learning materials should be sector-specific, not generic, and be able to be tailored to fit the buying organisation's needs – perhaps under a white label arrangement
- Although interviewees from different economic sectors had different perspectives and priorities, they all wanted e-learning to provide:
  - Faster access to learning materials for users
  - Reduced learning time and cost
  - More effective learning experiences.
- There was support for learners being asked to pay towards the e-learning materials or even to completely self-fund their learning.

### Valid comparisons

All of Learning Light's industry reports have aimed to identify and analyse key issues and trends affecting the corporate online learning industry. They've tried to provide value in informing and illuminating debate and discussion – at individual, organisation, industry, national and even international level.

What makes them valuable now is that each of the reports have been constructed on the same statistical model – which is explained in detail in the report – give or take a few tweaks over the years. This means that, while all statistics are fair game for argument, the figures in these reports share the same basic approach and so can be compared reliably. Thus, the reports provide useful comparisons of the size, strength and growth rates for the e-learning industry in the UK and other EU countries over the past five or six years.

In setting out to produce a report such as this, one of the hardest things to do is to define the e-learning industry. The report's authors – Gillian Broadhead and David Patterson of Learning Light, international business consultant and researcher, Renate Halton, and writer and commentator Bob Little – have adopted the basic definition of



e-learning given by Michael W Allen, CEO of Allen Interactions, with the proviso that today's technological developments are providing even further opportunities for e-learning to take place. In this context, the report includes a helpful glossary – for those who don't know their HCMp from their xAPI.

### Overall

The 2014 report reveals that the UK e-learning industry – encompassing the corporate, public and education sectors – has more than doubled in size from its annual worth of £250m in 2007.

The research shows a decline in overall training expenditure in the UK from a high point, in 2008, with a slow recovery in 2012. It believes the training market consolidated in 2013 and is now growing in 2014, in line with GDP. Importantly, the model

also shows the increasing use of e-learning in the workplace. The report argues that e-learning has grown by displacing more traditional training programmes in tough economic times.

Budgets are moving from L&D departments to operational departments. In addition, budgets are becoming dynamic and responsive to business needs. They tend to be allocated, often from board level, based on operational performance.

The research reveals that the changing nature of the buyer is an important development. The authors argue that this is likely to lead to uninformed and poorly specified e-learning procurement requirements being published on an all-too-regular basis. Others are simply passing the L&D requirement on to the individual, with no real support other than a tacit understanding that 'it will help your career progression'. **TJ**

### The European e-learning scene

Continuing the pattern set in the 2010 report, the new Learning Light report examined European e-learning. It reveals that, while the e-learning market in the EU has grown, on average, by some 28 per cent between 2010 and 2014, the significant changes have come with regard to individual countries.

Greece (by quite a lot) and Ireland (by not so much) have seen the size of their e-learning market fall in absolute and in real terms over that period.

Major growth has been experienced by Slovakia (admittedly from a small base), Poland, Italy, Germany and France. It's these latter two countries that, with the UK, top the European table in terms of market size. While the UK is still in pole position in terms of market size – just – France now tops the table for the largest number of e-learning companies.

One of the major statistical issues with any analysis of the EU is the 'Brussels effect' – that is the number of large e-learning procurements made by the Belgium-based European Commission but which are delivered in different EU states and to states adjoining the EU such as Turkey. Moreover, as the report says, the EU is not the only area of European e-learning activity. Recently, Siveco won a €1.15bn contract to provide digital content for the primary education sector in Malta.

### Wider still, and wider...

For the first time, the report has turned its attention to China – devoting some ten per cent of the overall report to this country's rapidly developing e-learning scene.

Its sheer size makes China significant. In 2011, China's population was 1.344bn and its GDP represented 11.77 per cent of the world economy. Its education and training markets were valued at some US\$220bn. Moreover, the number of potential adult learners in the country appears to have grown at a rate of some 18 per cent, year on year, from 2006 until 2010. Subsequently, the number of potential adult learners in China has been growing at a much faster rate.

China's online education sector – already appreciable in money terms – is expected to grow at some 30 per cent a year in 2015, according to Guangzhou's *The Time Weekly*. This growing use of e-learning is being fed both by an increasing demand for knowledge management within companies and by the increased popularity of rapid authoring tools. These tools are enabling companies to not only gather and then harness internal – previously siloed – knowledge and skills but also to then develop their own content based on this knowledge and skills. In addition, there's the emerging demand for apps, as the Chinese market sees a growth in the use of smartphones to access learning.

All this – and more – suggests that there's not just a large and growing market for learning in China but also that budgets exist to provide that learning.

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Copies of *A Review of the e-learning markets of the UK, EU and China 2014* can be obtained from Learning Light via david.paterson@learninglight.com and gillian.broadhead@learninglight.com as well as via <http://bit.ly/1JUv4B>, price £1,200 + VAT.