

European Learning Industry Group

A summary for 2011

A snapshot of the Learning Industry in Europe in 2011

A complex interplay between a country's economic structure, government policies and funding, language and skills base and 'pull' from key industries together can create the right environment for pan-European learning market uplift.

The Learning Industry in Europe – A summary for 2011

Produced by ELIG Marketplace Working Group

Introduction

The ELIG Marketplace working group has produced this summary as a snapshot of the Learning Industry in Europe in 2011. Its purpose is to provide an industry structure, segmentation and analysis that helps industry members build more effective strategies.

Ideally it will also help create a common language that supports consistent industry analysis, in what has been a fragmented and unstructured early industry sector, and support planning for what is nonetheless a dynamic and evolving industry.

The scope of the European Learning Industry considered is the full value chain of organisations and bodies, public and private sectors, who through services, products and solutions support knowledge and learning advancement for learners of all ages in every act of learning.

The document has five sections:

- Executive Summary
- Overview of the Learning Industry's structure, scale and position in a global context,
- High level view of the working practices and activities of the Industry sufficient to illustrate how the Industry operates in 2011 within Europe,
- Summary of what is currently driving the European Learning Market, its strengths, weaknesses, opportunities and threats, and
- Commentary on the possible future for the European Learning Industry, where current trends could take it and the hurdles and issues it must face to be sustainable and to thrive.

Executive Summary

At the very end of the millennium and the early years of the twenty-first century we experienced a minor eLearning gold-rush with developments and shake-downs that bore all the characteristics of an early forming industry sector. Many early paradigms of large scale distance learning and wide-spread instruction via computer screens have, with the exception of certain niche and specialized sectors, proven disappointing. Meanwhile much more intelligent and nuanced approaches to learning with technology have emerged. The strong role of technology as the key tool for the knowledge worker and as a key tool for learning process management, together with effective and authentic assessment management has emerged. Additionally a large open content, solution and service industry has emerged to be a powerful segment of this industry and an important piece of the competitive environment to be considered in all industry strategies. The social networking phenomenon has also burst forward with many people always on and active in networks day and night. This phenomenon is producing many more new great opportunities and false hopes for businesses to navigate.

A complex interplay between a country's economic structure, government policies and funding, language and skill-base and a 'pull' from key industries together can create the right environment for pan-European learning market uplift. Europe and the wider Europe, Middle East and Africa region (EMEA) is a unique region of the world with the world's most diverse range of language and cultures creating an outstanding opportunity and strength for eLearning, knowledge and community solutions providers. The right strategies, policies, courage and risk-taking from industry leaders and political leaders in the region can create a vibrant industry sector.

The structure, scale and position of the European Learning Industry

A summarising framework for the European Learning Industry

One of the original drivers for the ELIG industry summary was the recognition of the complexity of the Learning Marketplace in the early 21st century and how this has led to difficulty in understanding the market as a single dynamic ecosystem. Without being able to see the market in overview it is harder to understand where an organisation or cluster of suppliers stands within the industry or the full extent of activity around the different market components.

The learning market comprises a rich diversity of supplier types from pure technology companies to traditional publishers and on through service and solution vendors meeting the needs of an equivalent diversity of purchasers (spanning public and private organisations and the entire education system). The ELIG marketplace group has devised a simple mechanism, the ELIG Industry framework ([Figure 1](#)), to provide a way of looking at the industry structure and to support a segmentation and analysis of the industry to help industry members build more effective strategies. With this framework and its component definitions ELIG hopes to create a common language that supports consistent industry analysis and illuminates future possibilities with new insights.

In the framework ELIG has taken the view that to understand the market it has to be looked at from the perspective of both purchaser (represented by columns) and suppliers from the learning delivery industries and the learning supporting industries (both represented by rows). The framework is however an empty vessel until other elements of the Learning Industry are mapped onto it as is illustrated later in the document.

Delivery Industries:	Corporate Private Sector	Government & Public Sector	Education Higher&Further	Education K-12	Education Vocational	Lifelong	Informal
Solutions – development and delivery of integrated learning and knowledge solution building blocks. The integrated blocks could be content, technology or innovation-based. This segment includes mobile and open solution.							
Services – includes learning services such as design, project management, communications, consultancy, distance, blended, training and mobile services							
Content – content development and delivery including traditional, new media publishing, mobile & open content							
Supporting Industries:							
Technology Platform – includes the platforms for new media, mobile services, cloud & networking							
Infrastructure – includes infrastructure to support traditional ICT, new media, mobile services & cloud computing as well as physical environment e.g. phone network and fibre network, 3G and 4G transmission and reception and buildings							

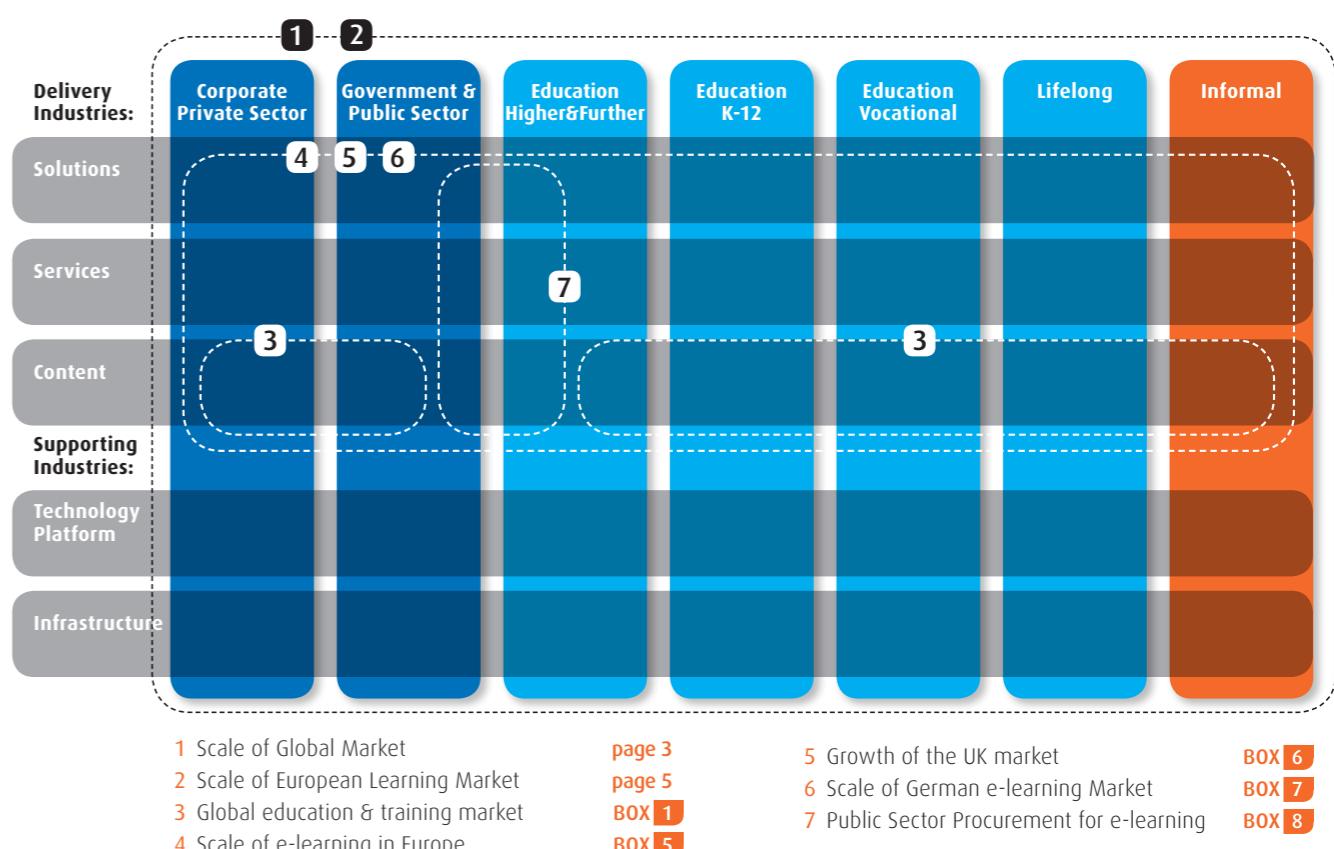
[Figure 1.](#) the ELIG industry framework

The annotated version of the framework above ([Figure 1](#)) includes ELIG's definitions of the delivery and supporting industries. The framework is freely available for use or modification which ELIG encourages. Further details on the framework and how to obtain copies for re-use are in Appendix 1.

There has never been a comprehensive analysis of the entire Learning market globally or in Europe. In the last pan-European study of the elearning market (Danish technological institute 2004) the authors recognised the difficulty of categorising trade activity in learning.

However with support from ELIG members, collaborators and partners (see contributor list at end of document) it has been possible to piece together some metrics on the size and scale of key components of the learning market in Europe and set them into the context of other large markets. ELIG cannot claim the data from different sources are exactly comparable and therefore the material presented is for guidance only.

The diagram below ([Figure 2](#)) indicates where in this document information on different aspects of the Learning market can be found. What is clear is there are many areas for which there is no investigation into the size and scale of key aspects of the Industry.



Scale of Global Learning Market

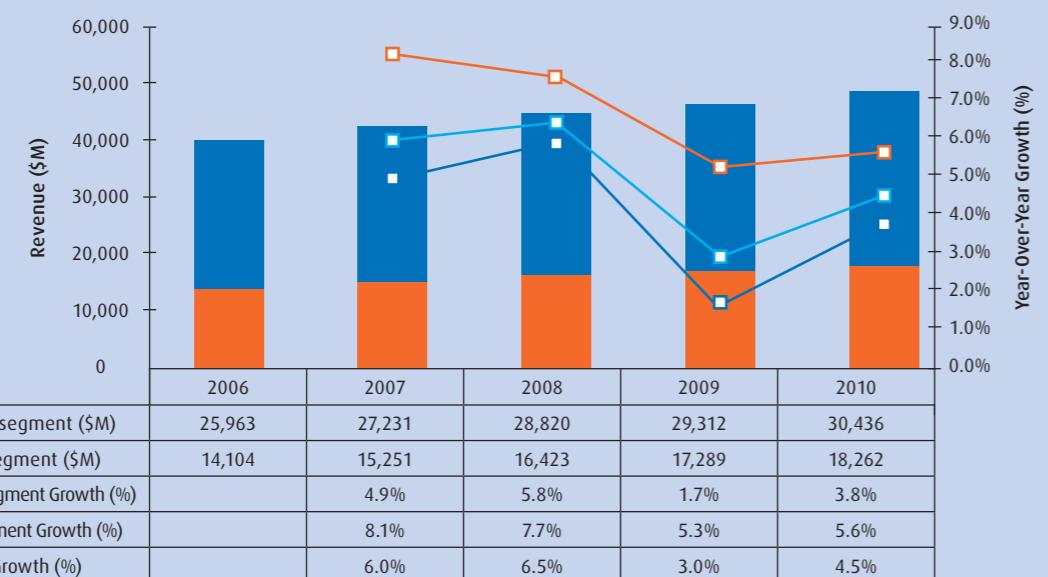
Most analytical reports break the market up into vertical (purchasing) categories or horizontal (delivery or supporting supply industry) categories with scale and value being attributed to these individual sections. At one time this probably reflected the way organisations looked at themselves and their customers. But this approach does not reflect the complexity of current trading activity where companies are likely to span market segments and also operate outside the learning market too. It seems likely though that the entire learning ecosystem covered by the ELIG framework is larger than \$50Bn and smaller than \$100Bn globally. To set this in context the global learning industry is three times smaller than the global software industry (\$303.8 Bn in 2008 according to DataMonitor) and three times larger than the global digital music industry (\$3.7Bn according to IFPI).

Projections indicate the learning market is expected to grow globally at a rate somewhere between 5% and 25% CAGR. The variance reflects some technology-driven parts of the market, such as mobile, which are considered to be on a particularly steep growth curve. See **Box 1** for figures on the Global Education & Training market.

The Global Education and Training Market – Outsell

BOX 1

Globally the Education & Training content industry, generated revenues of \$48.7 billion in 2010, up 4.5% from \$46.6 billion in 2009, (see Figure 3). The top 10 companies' revenues account for 43.5% of total industry revenue. In Outsell's top 10 are companies such as Pearson Education and McGraw-Hill Education, which are extending their activities from content provision to the supply of a wide range of educational solutions and services, and test preparation and assessment companies such as Kaplan and Education Testing Service.



Source: Outsell's Publisher & Information Providers Database ©2011 Outsell, Inc. Reproduction strictly prohibited.

Figure 3. Global Education & Training Content Market Size and Growth, 2006-10

The Education & Training segment subdivides into K-12 education content, higher education content, and training content (definitions in Appendix 2). The two education content sub segments make up the bulk of this market, at 62.5%, but are the areas of slower growth (3.8%), with the training content sub segment growing at 5.6% between 2009 and 2010, as shown in Table 1.

Subsegment Name	Examples	Est. 2010 Revenue (\$M)	Est. 2010 Groth (%)	Est. 2010 % of Segment Revenue
K12 Education Content	Pearson Education, Houghton Mifflin Harcourt, ETS	16,500	4.4%	33.9%
Higher Education Content	McGraw-Hill Education, Cengage Learning, Kaplan	13,936	3.1%	28.6%
Training Content	Skillsoft, GP Strategies Corporation	18,262	5.6%	37.5%
Total E&T Segment	-	48,689	4.5%	-

Source: Outsell's Publisher & Information Providers Database ©2011 Outsell, Inc. Reproduction strictly prohibited.

Scale of the European Learning Market

Based on data from the Learning Light's estimation of individual European national markets for 2009-2010 [D. Patterson, G. Jung, G. Broadhead & R. Halton 2010] the European eLearning market is in the region of \$3.2Bn. It is likely then that the European Learning Market is less than 10% of the global market. See **Box 2** for European market size by country.

Scale of European Learning Market by Country – Learning Light

BOX 2

Country	Estimated valuation in £'s millions 2009-10	Growth projected
Austria	£20	3.5%
Belgium	£55	4.08%
Czech	£18	8.6%
Denmark	£109	7.96%
Finland	£94	8.28%
France	£375	7.64%
Germany	£242	7.75%
Greece	£14	1.04%
Hungary	£6.3	9.02%
Ireland	£21	-2.35%
Italy	£35	1.46%
Luxembourg	£7.7	4.47%
Netherlands	£113	7.96%
Norway	£139	6.25%
Poland	£18.1	9.55%
Portugal	£8.1	3.3%
Slovakia	£3.0	9.87%
Spain	£91.4	1.85%
Sweden	£178	8.70%
United Kingdom	£472	4.79%

Source: D. Patterson, G. Jung, G. Broadhead & R. Halton 2010. The UK e-learning market 2010 – David Patterson, Glynn Jung, Gill Broadhead and Renate Halton, Published by Learning Light Limited

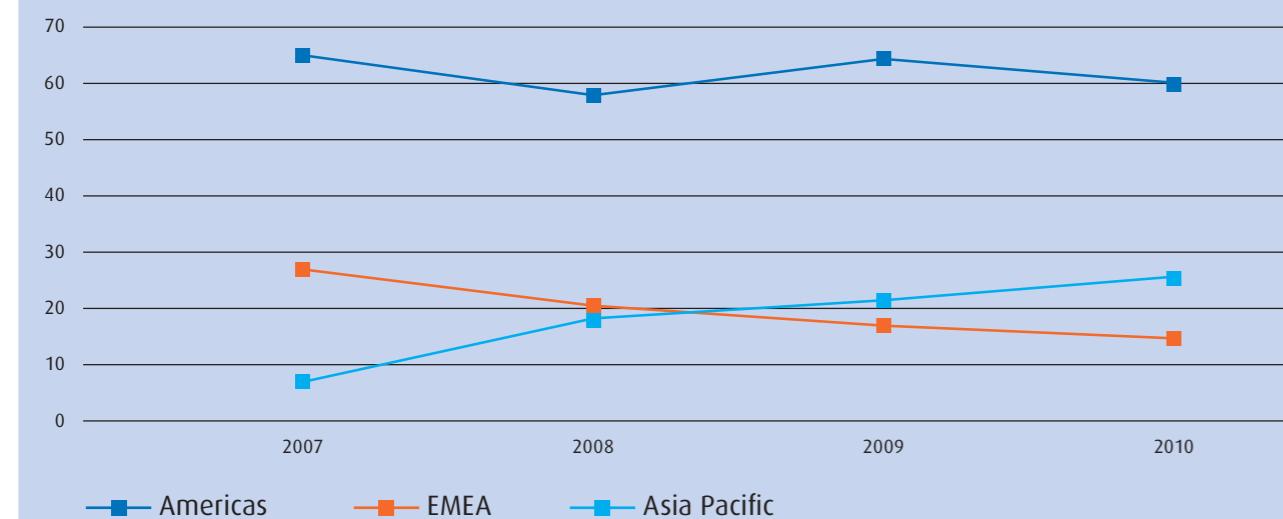
The UK remains the largest sub-market followed, in order by France, Germany, Sweden, Norway and Denmark. From the 20 countries analysed the largest sub-market (UK) is 150 times greater than the smallest listed (Slovakia). However in Europe it seems size is no measure for growth potential as only one of the top 6 sub-markets by size is the top 6 sub-markets by projected growth rate and that is Sweden. In 2010 the greatest projected growth rate was in Slovakia followed, in order, by Poland, Hungary, Sweden, Finland and Czech. The greatest projected growth in Europe (Slovakia) was 10 times the lowest projected positive growth (Greece). Only one European Learning Industry sub-market (Ireland) showed evidence of negative projected growth. See **Box 4** for the European Education and Training Market in comparison to other territories. See **Box 5** for numbers of elearning development companies across Europe by country.

In summary

- On a Global scale the European market is small but not insignificant
- the Learning market in Europe seems to be in danger of losing its current global position to the upcoming Asian markets
- The UK is the largest sub-market in Europe but does not show the growth potential of much smaller European markets
- Digital content is fundamental to the success of the top 10 education and training companies
- Public sector projects remain critical to the health of the European Learning Industry

European Education and Training Market in Comparison to Other Territories - Outsell

The Education & Training content market is reasonably well diversified on a geographic basis, as shown in Figure 5. The US market remains the key source of revenue for the segment, accounting for more than half of the total market. However, higher growth is being seen in markets such as India, China, and Japan – the percentage of revenues from the Asia Pacific region increased by three percentage points in 2010 over 2009, and this is expected to continue over the next few years, with the market share taken up by Europe and the US shrinking. Europe has been a smaller market opportunity than Asia since 2009, and that differential is predicted to increase.



Source: Outsell Inc 2010

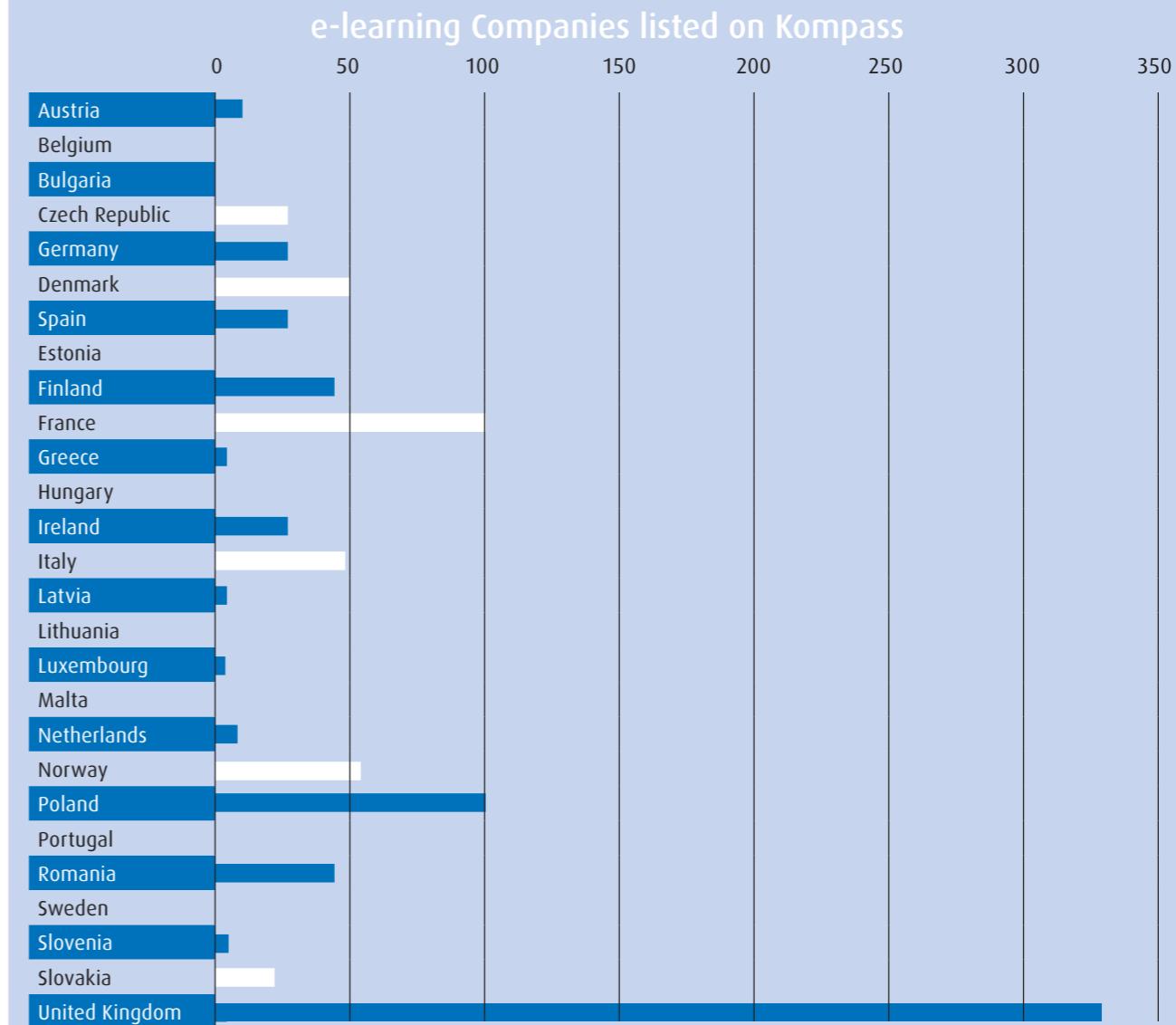
Figure 5. Education & Training Content Market - Percent revenues by Geography, 2007-2010

BOX 5

Scale of European eLearning Market – Learning Light

Learning Light have analysed the European eLearning market using a financial model first developed for the UK market in 2010. Where data has been available they built comparable forecasting models for many European countries allowed market size and growth forecasts for most EU countries.

Figure 6 below shows the comparable numbers of e-learning development companies across Europe. While the Kompass listing is not a guarantee of complete accuracy, and almost certainly underestimates the development capacity of many countries - especially the Netherlands, it does offer a meaningful comparison of development capacity and consequently market size.



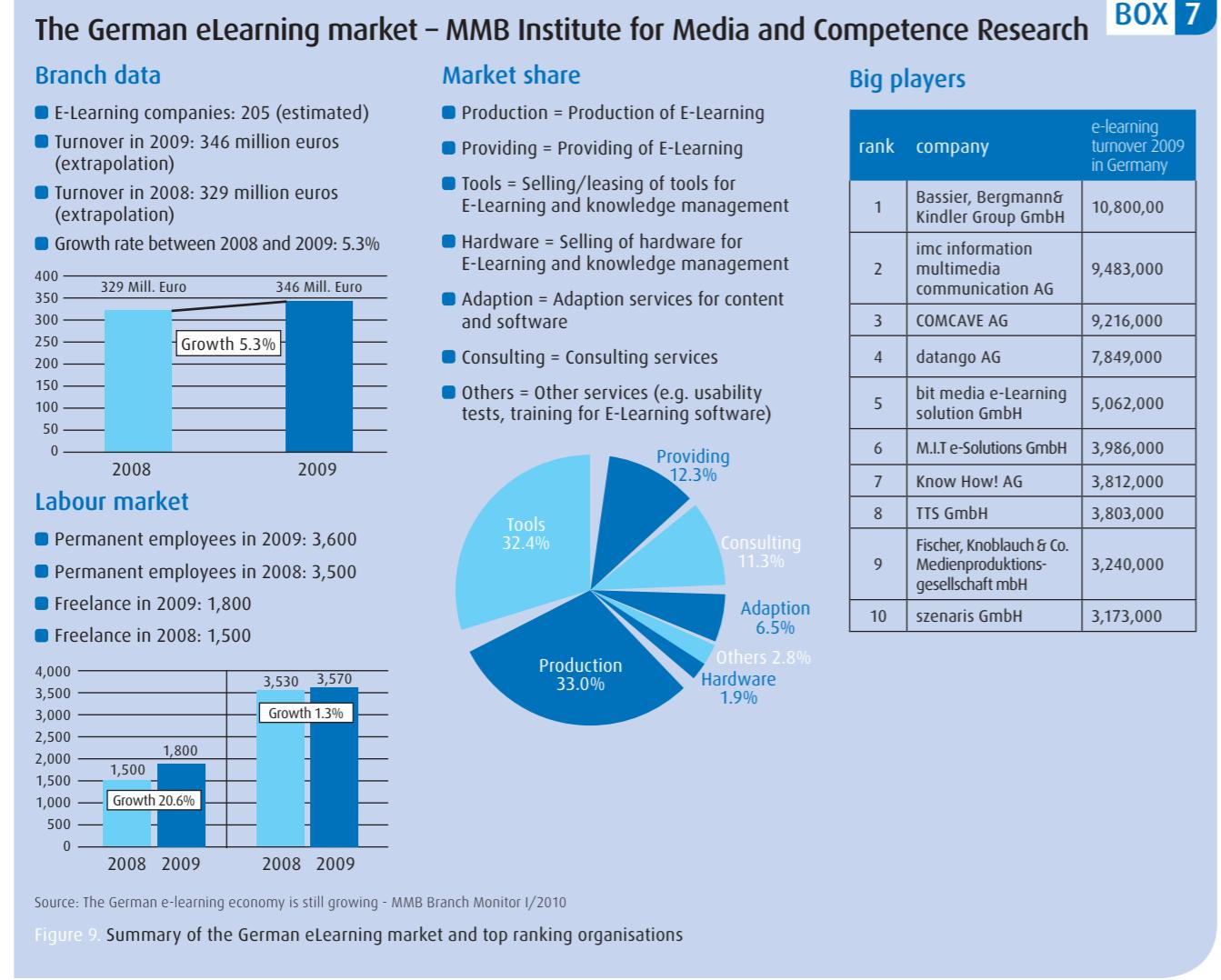
Source: D. Patterson Learning Light 2011

Note - In their analysis Learning Light noted hugely varying attitudes toward skills and training, technology usage and availability, the role of the public sector and the development capability of EU member countries. These factors along with economic performance and economic make up are reflected in their forecasts. These have in some cases been validated by research interviews. They also note that the attitude and resources allocated toward training and development varies from country to country.

Figure 6. e-Learning companies listed on Kompass

The operation of the European Learning Industry in 2011

A commonly held view of the supplier side of the market is that Europe consists of a few large organisations and a long tail of small and medium sized organisations (in education and training the top 10 companies' revenues account for 43.5% of the total industry revenue – Outsell 2010). Consistent with this view is the picture of Europe as a conglomeration of largely independent sub-markets which map to the national, cultural or language boundaries of Europe. There are indications that even the larger European sub-markets (excluding UK) are dominated by large national learning suppliers see for instance the top 10 German elearning suppliers in **Box 7** which also contains a summary of the German eLearning market. The UK market sees a greater contribution to market size from large global organisations (Outsell 2010). Within this fragmented market the belief is that the majority of trading activity is National and not pan-European. With so many small organisations the barriers to entry into the market in Europe are low which drives more small entrants to the market and many 'me-too' companies. For these smaller organisations there are many local winners who succeed but may never move beyond national boundaries but also many small organisations who struggle from year to year to make a living.



What makes a successful European Learning Company?

Here we consider three insights. Firstly the impact of spotting the right technology trend, investing in it and growing with it. See **Box 3** for impact of digital content on the education and learning market.

BOX 3

Impact of Digital Content on Education and Training Market - Outsell

For the market as a whole, the proportion of revenues derived from digital content continued on a smooth upward trajectory, from 28.0% in 2009 to 36.2% in 2010, as shown in Figure 4. Pearson was the first company to have moved past the 50% tipping point, while only one member of the Top 10, PRISA, has digital revenues representing less than 10% of the total. Strong movement into digital is closely associated with strong market share gain – Pearson gained 1.13% market share across the Education & Training segment as a whole, the largest shift of any of the top 25 E&T vendors, and was also the only one to have generated more than 50% of its E&T content revenues through the sale of digital services and solutions.

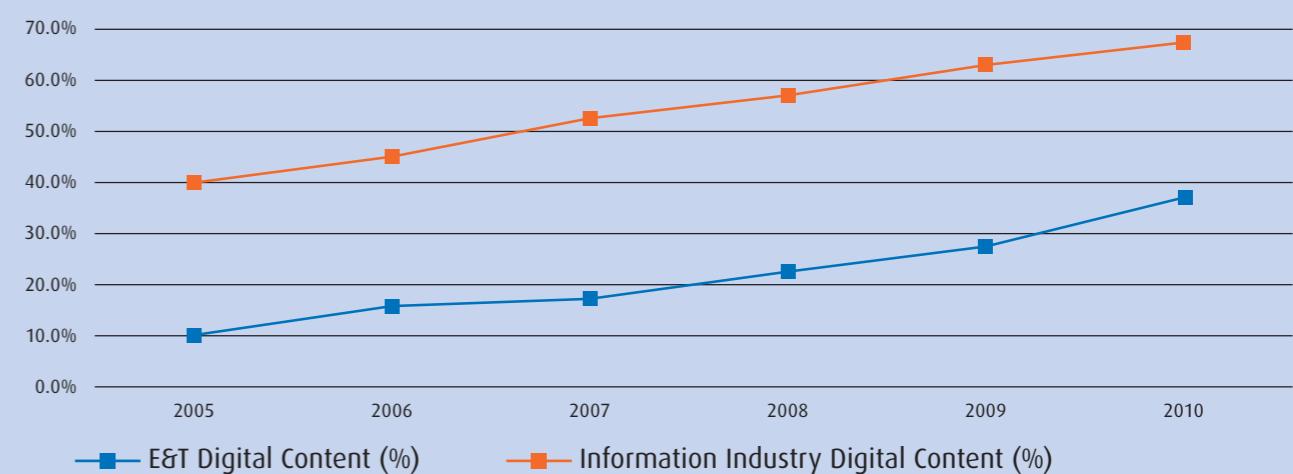


Figure 4. Digital Content Migration in the E&T Content Market, 2005-2010

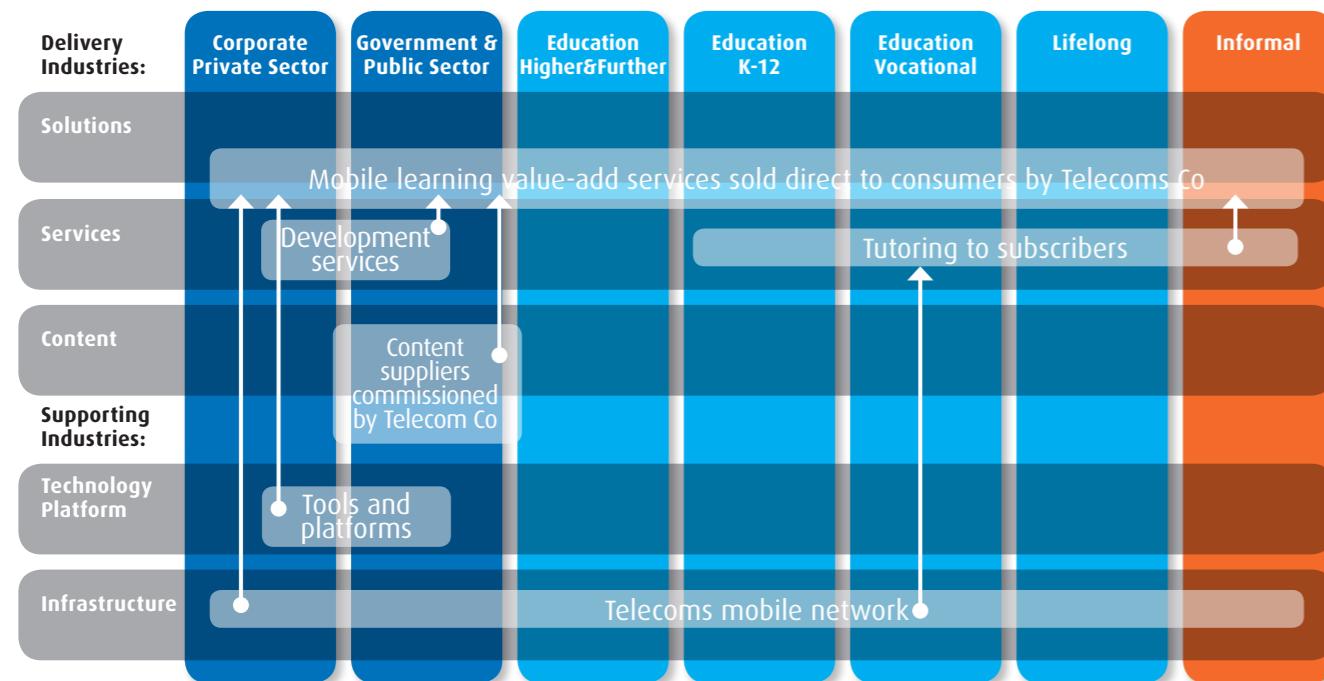
The largest players in the market have been the ones making the most investment in digital products and services, and have therefore been the ones to move fastest toward the digital future.

Demand for customization, a service that digital solutions can facilitate much more easily than print-based offerings, was also evident. McGraw-Hill Education reported that its sales of its Create customization solution were up 20% in 2010.

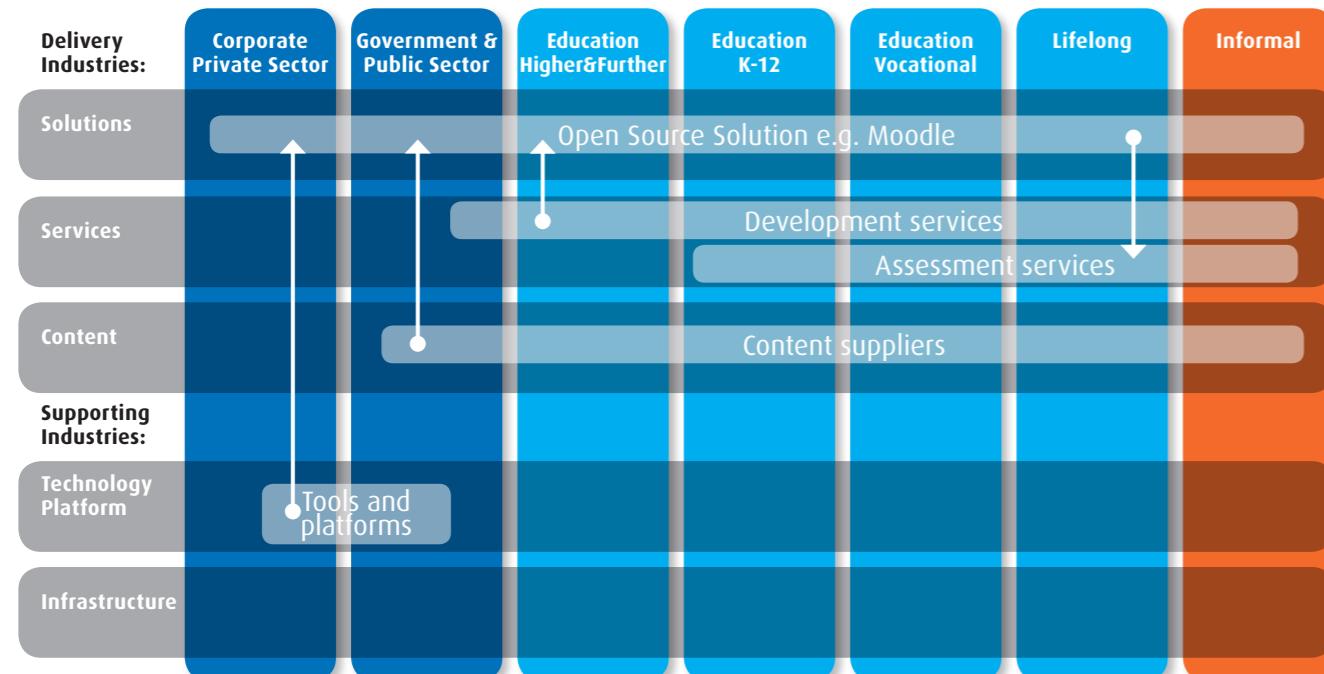
Outsell expects to see continued strong growth in digital revenues in coming years and businesses are continuing to launch new content products to enable the migration to digital

Source: D. Patterson, G. Jung, G. Broadhead & R. Halton 2010. The UK e-learning market 2010 – David Patterson, Glynn Jung, Gill Broadhead and Renate Halton, Published by Learning Light Limited

The second is finding competitive advantage by becoming part of a high-value value chain across the industry. Where being part of the chain adds value to both other suppliers and the purchasers within the chain. Two examples of high-value value chains are shown in [Figure 7](#) and [Figure 8](#). The components of these high-value value-chains are the building blocks of innovation although they may themselves be market innovations or new applications of more traditional solutions.



[Figure 7](#). Example of a value chain for mobile services



[Figure 8](#). Example of a value chain for open source

The third insight is operating in a territory with advantageous conditions and drivers for growth and the right environment for the Learning Industry to scale-up. For examples of the complex drivers and conditions behind the UK learning industry having grown significantly compared to other European submarkets see [Box 6](#).

BOX 6

Why has the UK market grown compared to other EU member states? – Learning Light

Learning Light believes there are a variety of reasons:

- 1 The UK has the benefit of its language which is the language of business and has imported many elements of e-learning from the USA, as along with Ireland is the home to many US organisations.
- 2 The UK government invested heavily in e-learning through the 2000's especially into education with the National Learning Network and e-learning credits for schools giving a considerable boost for suppliers of e-learning. Many of the companies now focusing on the corporate e-learning market developed their skills working on these and similar government led projects.
- 3 The UK's economic make up – with a very large financial services sector gives a large "skew" toward e-learning, as compliance and regulations has been the driver for many e-learning programmes, and the financial services industry has been subject to large amounts of government driven regulations. This has undoubtedly stimulated the e-learning market, as it is ideally suited to tracking and recording learning and offers cost savings.
- 4 The role of Defence should not be overlooked, the MoD in the UK has been a significant buyer of e-learning and learning technologies, (as has the Pentagon in the US) and the UK has or had some of the highest expenditure on defence in the EU.

In short they believe the UK Government (outside the education sector) has been responsible for up to 40% of e-learning procurements. Their tracking of the level of UK public sector procurements for the e-learning industry indicates a downward trend at present by approximately 3% based on our moving annual target (MAT) measure as at the end of August 2011 vis a vis 2010.

They do not believe this level of government procurement is widespread at this level across Europe, though they are encouraged and impressed by the levels of public sector procurements in many of the recent accession states such as Poland and Slovakia.

Source: D. Patterson Learning Light 2011

So far the analysis has focused on the supply side. Two other perspectives on the operation of the European Learning Industry are insights into the two components of the demand side – the purchasers and the consumers. The purchasers have often not been the end-consumers of learning products and services; these were employees or students traditionally, but now the market must also address the needs of a growing number of purchasing end-consumers as learning becomes more individualised. The size and value of the demand side of the European Learning Industry are important but currently relatively unknown quantities. Learning Light have looked at eLearning

demand in Europe from the perspective of public sector procurement, see **Box 8**, and Towards Maturity have evaluated the demand from 182 European corporations of current and future learning technologies, see **Box 9**. (page 14)

In summary

- Europe generally operates as a conglomeration of national industries rather than an integrated market. The exceptions are larger markets which integrate more with the US market and a relatively small number of large global organisations who operate across Europe
- The way a European sub-market operates, and succeeds or fails, is strongly influenced by technology, the national economic environment and the ability to find a place in a high-value value chain.
- Purchasing end-consumers are becoming an increasingly significant force in the learning ecosystem

What makes a successful European Learning Company?

- Spotting the right technology trend, investing time and resource into it and growing with it
- Being part of a high-value value chain where being part of the chain adds value to the other suppliers in the chain, and to the purchasers within the chain
- Operating in a territory with advantageous conditions and drivers for growth and the scaling-up of a Learning Industry

Public Sector Procurements for eLearning across Europe – Learning Light

BOX 8

The table below illustrates the OJEU and other public sector procurements identified as simple volume of tenders let, not value. The analysis of value of e-learning tenders is more complex and much less exact as much e-learning procurement are component part of other larger projects embracing many other service components.

The varying procurement patterns are shown below.

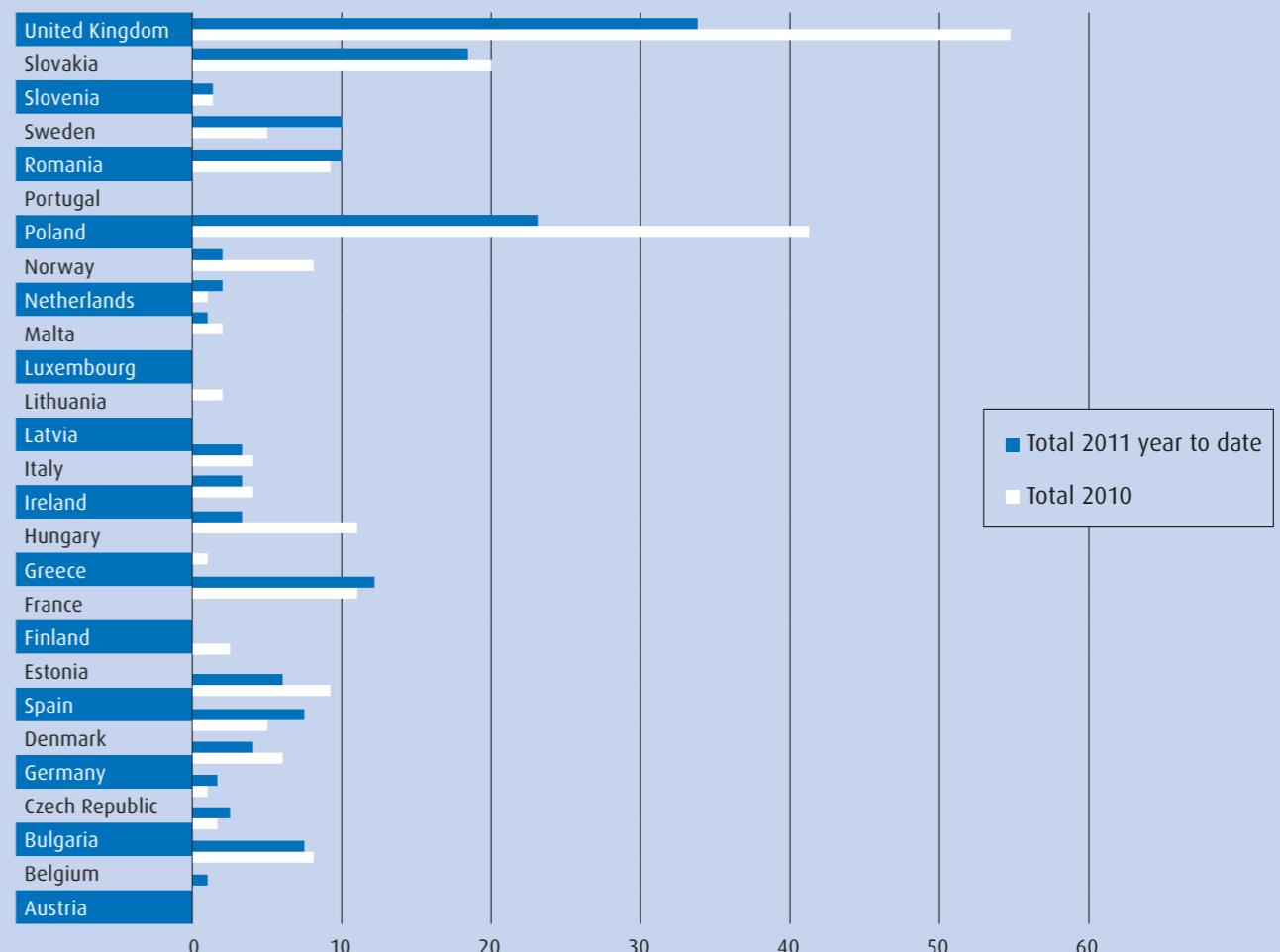


Figure 10. Public sector procurements for e-Learning across Europe

Learning Light concludes

The European market in many ways is still undeveloped, even in the UK, e-learning represents no more than 10-15% of the corporate learning and training market, and this figure is lower still across Europe in total.

However, we believe the European market is still likely to remain in positive growth, though we are less optimistic than previously. Their view is with collaboration and commitment from the industry the profile of Europe's e-learning industry can be raised both in the eyes of government policy makers and industry leaders.

Additional information

Learning Light aim to publish their market analysis for 2011 and projections for 2012 in late 2011. The relative sizes of the European e-learning markets and the anticipated growth projections from the publication in November 2011 are available to ELIG members by e-mailing david.patterson@learninglight.com or [Gillian.broadhead@learninglight.com](mailto>Gillian.broadhead@learninglight.com) after the publication date.

Footnote: In assembling and presenting forecasts European Learning Light must highlight their "confidence" is of a lower level to their UK forecasts, and indeed this confidence varies country by country. They give indications of the confidence in their forecasts by country in more detail in (D. Patterson, G. Jung, G. Broadhead & R. Halton 2010). Their research into the learning market relied partly upon the research undertaken by CEDEFOP <http://www.cedefop.europa.eu/>, and indeed the picture is quite complex.

Current and planned learning technologies – from Towards Maturity

The following analysis is based on an independent survey by Towards Maturity of learning technology adoption in European businesses in 2011 conducted in partnership with Online Educa Berlin. The study group comprised 182 organisations responding on the use or otherwise of learning technology in their organisations.

Which technologies are being used to support business goals?

The top 5 technologies currently in use by respondents are:

- Surveys and questionnaires (81%)
- Generic e-learning courses “off-the-shelf” (74%)
- E-learning courses – custom-made in house (72%)
- Virtual meeting technology (71%)
- Learning portals (70%)

The top tools in use across Europe are predominantly for delivering self-paced content, tailored to individual needs via assessment and surveys. Virtual meeting technologies are increasingly being used to bring staff together to learn online with peers and experts. See Figure 9 for more details.

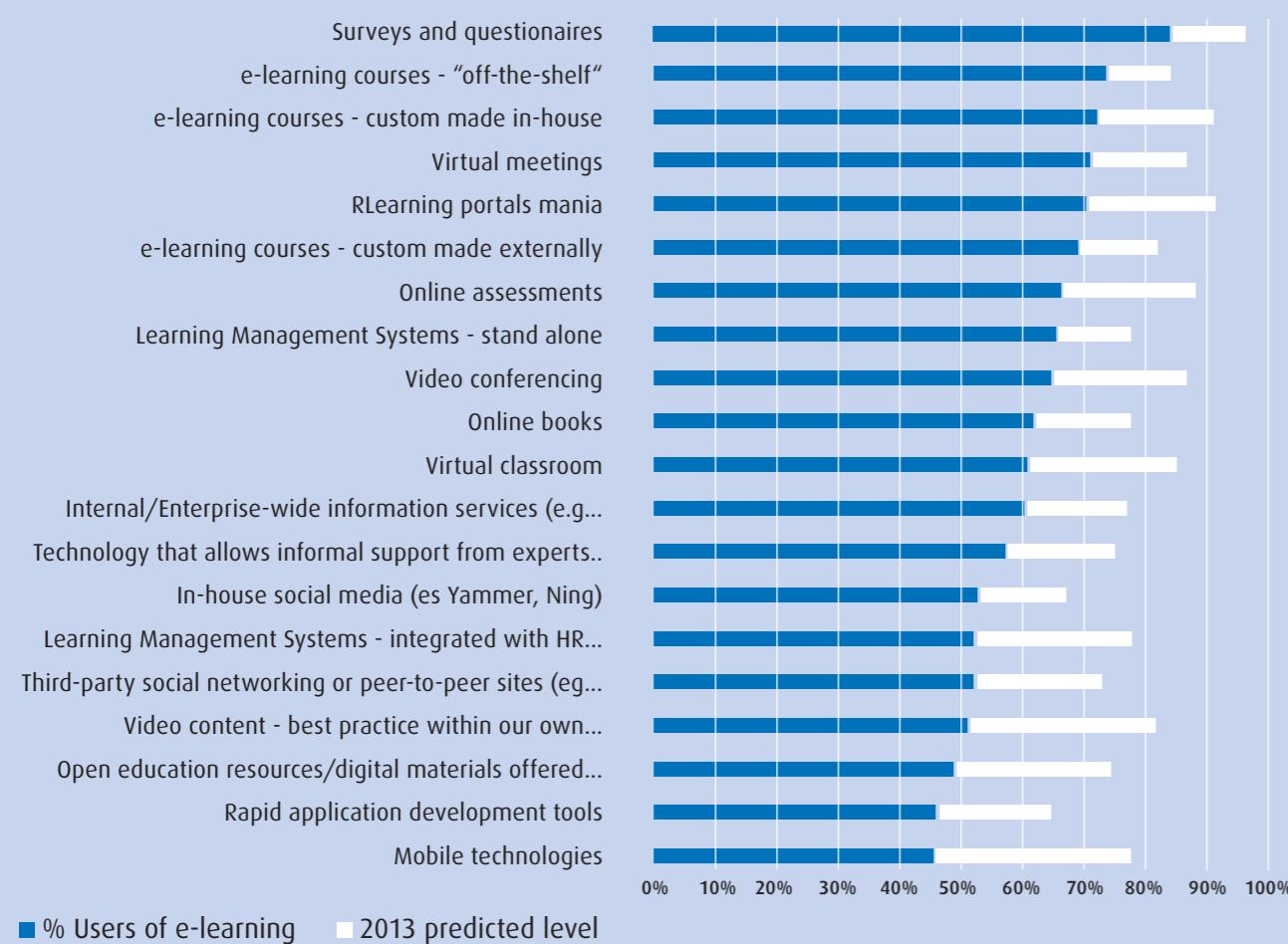


Figure 11 Learning technologies by order of usage by survey respondents

BOX 9

European Learning Industry Group

BOX 9

Towards Maturity asked respondents to comment on the technologies they believe were most likely to have an impact on their business in the next 2 years and responses were very mixed – depending in part on the relative maturity of the organisation in terms of their implementation.

The technologies highlighted were:

- Mobile technologies
- Social networks
- Virtual meeting technologies
- Video and other user-generated content
- Learning Management Systems

Respondents also cited further expansion of the range of subjects covered in e-learning courses, increased focus on blended learning and greater integration of learning technologies with other systems, supporting the gradual migration from classroom learning to e-learning.

Towards maturity also looked at which technologies are predicted to increase the fastest in the next 2 years:

- 19% are using cloud-based content and this is anticipated to rise to 55% by 2013;
- 46% are using mobile technologies, rising to 78% by 2013;
- 51% are using Video content to showcase best practice within their own organisation, rising to 81%;
- 26% are using Web 2 tools for learners to personalise their own learning environment, rising to 56%; and
- 36% are using blogs by tutors or learners, rising to 66%;

None of the media investigated are predicted to diminish in use by 2013, although growth in usage will necessarily be lower in those technologies already in widespread use such as surveys, e-learning courses and virtual meetings.

Influence of implementation practices on success

Towards Maturity's research with over 1800 organisations over the last 8 years has consistently shown that the way businesses implement learning technologies is as critical to success as the technologies they use or plan to use.

Towards Maturity have identified 6 work streams of effective practices (the Towards Maturity Model) that consistently influence the success of adoption and end results. Whilst all businesses report that technologies are delivering tangible benefits in terms of efficiency and business agility, organisations in the top quartile of these practices (indicated by the Towards Maturity index) report:

1. 20% decrease in time to proven competency (vs. 3% of those in the bottom quartile)
2. 21% cost savings (vs. 15% in the bottom quartile)
3. 27% savings in study time (vs. 18% in the bottom quartile)

See www.towardsmaturity.org/2010benchmark for a detailed analysis of impact and characteristics of implementation behaviour for top performers.

The 2011-12 Towards Maturity Benchmark Report will be launched on the 10th November 2011 and will be available on this website: <http://www.towardsmaturity.org/article/2011/05/27/towards-maturity-2011-benchmark-study/>

The State of the European Learning Union

Weaknesses in the way the European Learning Industry is structured and operates

- Europe is not a unified learning market, it is fragmented in its policies, standards, stakeholders and development capability
- Europe lacks sources of capital investment
- Europe is a follower not a leader in Learning technology
- The industry lacks visibility with governments
- Partnerships and collaborations are under exploited for finding new markets, customers and products
- Europe has failed to educate the Learning market on possibilities of learning technology
- Failure to overcome language and cultural barriers
- Lack of innovation with key technologies e.g. Mobile Technology
- Critical skill shortages for designing learning architectures

Substantial threats to the European learning Industry

Internally held back by

- Lack of industry standards
- Old scholastic paradigms for education
- Disappearing sources of funding
- Inability for the market to scale in its current form.
- No barriers to entry of the market
- Reliance on diminishing public sector procurement

Externally threatened by

- Diminishing role of Europe in the global learning industry
- Colonisation by players from other markets
- Technology leadership from outside Europe
- New competitors

Strengths for the European Learning Industry to build on

- Areas of rapid growth in trade of learning products and services
- Experience and skill of Europe's Learning Technologists
- Diversity of European culture and language reflects a global reality
- Long tradition of investing in employee development and learning
- High levels of creativity in Europe and history of connection with research and science

Opportunities for the European Learning Industry to take advantage of

- Promoting Learning at Board level in purchasers with communications that make business sense
- Exploiting partnerships and collaborations, in and out of Europe, to find funding and to innovate
- Strategic bundling of products, services and solutions into high-value value chains
- Build a new commercial paradigm for Education
- Commercialisation of new technologies
- Engage with new educational opportunities i.e. open-ended learning, inquiry-based learning
- Take on a broader commercial basis

In summary

The European Learning Industry currently looks like an uneasy place to be operating from, with internal limitations on growth from inherent weaknesses in the marketplace, limited sources of funding and investment and external limitations from economic recession combined with strong competition from outside Europe. The technology and investment risks are high as are the strategic uncertainties [Ref P. Hamilton]. The market has been compared to prospecting for gold. The barriers to entry are low but the opportunities are broad, dynamic, interesting and numerous. There will be many who lose out and fewer who win.

The future of the European Learning Industry

Is the European Learning Industry in the right place at the moment and if not where should it be moving to?

- How can it remain a sustainable industry?
- How can it meet its challenges?
- How can it address its issues?

Ten years ago the Learning Industry was set to explode and eLearning hoped it would dominate the world. But the learning and knowledge industries, particularly in Europe, have emerged in ways that had not been anticipated. Fundamental breakthroughs seem to have always been just a little beyond reach - despite strong hype - and development of the European market has been slower than anticipated. During this decade other important events have happened to the Industry, not always associated with traditional technology, such as the political evolution of Europe, the Bologna Process, the Lisbon Recognition Convention and of course the global economic crisis, all of which have strongly impacted the learning market.

So where do we find ourselves in the second decade of the 21st century – in a place we would not have predicted. A world where Jimmy Wales, founder of the crowd-sourced online encyclopaedia Wikipedia has gone from pariah of the academic world to winner of the Leonardo Corporate Learning Award and the borders of the industry have become fuzzy. There is no doubt that Google search and other Google resources e.g. Google books have become mainstream learning and knowledge sources.

Is it time then for the industry to let go of long held paradigms, models for trading and beliefs about itself and instead to take a look at the near future with fresh insight?

In addition to facing its own challenges and issues the European Learning Industry also has to face up to global issues in the marketplace. These are issues such as the shifting value of content due to the emergence of Web 2.0 and the 'crowd' mentality, which is forcing traditional content providers to move into new commercial territory such as new content models and services.

Re-positioning the European Learning Industry into the right place is a huge challenge. Using learning technology and getting training and education out to people as fast as possible has to be a key ingredient if Europe is to keep up with the rest of the world. ELIG believes the market in Europe can improve its sustainability with the following steps

- Rethinking relationships between different players in the Industry – making significant changes in the solution components of chains of value across industry is important, in particular re-thinking the place of content, innovating with technology and building productive partnerships and collaborations
- Rethinking the skills the industry needs to deliver the best solutions and ensuring these are an output from higher education

- Keep innovations and products closer to leading edge to regain some ground in technology leadership
- Relating to customers in a more sophisticated way to help them understand the value of the options open to their organisation and how to position that value in their bigger picture with their senior decision makers
- Working towards a state of product integration and maturity as has been seen before, for instance with ERP and Online Banking, and leave behind out-dated learning paradigms

A complex interplay between a country's economic structure, government policies and funding, language and skills base and 'pull' from key industries together can create the right environment for pan-European learning market uplift.

References

Danish Technological Institute 2004. Final Report - Study of the e-learning suppliers' "market" in Europe - Danish Technological Institute, Independent consultant Jane Massy, Alphametrics Ltd, Heriot-Watt University, Published by Directorate-General for Education and Culture.

http://ec.europa.eu/education/archive/elearning/doc/studies/market_study_en.pdf

D. Patterson, G. Jung, G. Broadhead & R. Halton 2010. The UK e-learning market 2010 – David Patterson, Glynn Jung, Gill Broadhead and Renate Halton, Published by Learning Light Limited

Outsell 2010. Education & Training: 2010 Final Market Size and Share Report, Published by Outsell

MMB Branch Monitor – Summary of the branch ascertainment, MMB e-learning economy ranking 2010

Appendix 1 – ELIG Learning Industry Framework

ELIG encourages the open use of the Learning Industry Framework

The framework can be used in many ways including the following:-

- mapping the footprint of suppliers in the marketplace
- illustrating the prevalence of particular solutions or technologies
- exploring the potential of solutions and technologies
- mapping the value of different market segments

ELIG has made the framework available to all via a Creative Commons Attribution-ShareAlike 3.0 Unported License. This means it is free to copy, distribute and transmit the framework and to adapt the work and make commercial use of it under two conditions. The first is that the original framework must be attributed to ELIG, but not in any way that suggests ELIG endorses you or your use of the work. The second is that if the framework is altered, transformed, or built upon, the resulting work may only be distributed under the same or similar license to this one.

Full details of the license are available at <http://creativecommons.org/licenses/by-sa/3.0/>

We encourage innovative and creative uses of the Industry Framework by the Learning Industry and so an editable version of the framework is available at www.elig.org where we also invite you to place modified versions of the framework for the interest of the rest of the Industry.

Appendix 2 - Definitions

- CAGR – Compound Annual Growth Rate. A value, expressed as a percentage used to describe the growth over a period of time of some element of business, for example revenue.
- Content – includes traditional & new media publishing, including mobile content and open content
- Corporate Training and Learning Providers - companies in this category predominantly specialize in providing corporations with content to support their training and learning activities.
- Education & Training - Companies in this category specialize in providing content to support corporate training and learning; colleges and universities; and K-12 schools. It includes education content developed and/or delivered by providers external to the buying institution and includes both pre-packaged and customized training and learning content, such as courseware, books, academic journals, classroom programs, and instructor-delivered training materials.
- Higher Education Content Providers - companies in this category focus on supplying colleges and universities with content in line with the higher education institution's educational focus and needs.
- Infrastructure – includes infrastructure to support traditional ICT, new media, mobile services and cloud computing as well as physical environment e.g. phone and fibre network, 3G and 4G transmission and reception and buildings.
- K-12 Content Providers - this sub-segment typically focuses exclusively on providing K-12 schools with academic content.
- OJEU – The Official Journal of the European Union is the gazette of record for the European Union which advertises around 2500 new public procurement notices every week - these include invitations to tender, prior information notices, qualification systems and contract award notices.
- Services – includes project management, communications, consultancy, distance, blended, training and mobile services
- Solutions – integrated learning and knowledge components. Components could be content, technology or innovation-based. This industry segment includes mobile and open solutions.
- Technology Platform – includes the platforms for new media mobile service, cloud and networking

The ELIG Marketplace Working Group

The Marketplace Working Group within ELIG currently comprises **Peter Hamilton** - Intel & Group Chair, **Laura Overton** - Towards Maturity, **Wim van Borm** - Ignition, **Deniz Saral** - Webster University, **Lutz Michel** - D-LAN & MMB, **Theo Hug** - The Institute for Psychosocial Intervention and Communication Research, **Andras Szucs** - EDEN, **Sarah Wills** - ICWE, **Piers Lea** - Line Communications and Lin Squires - ELIG.

The purpose of the group is to help ELIG members understand industry to find opportunities and thereby strengthen the industry and provide an advantage for ELIG members.

The next steps will be a working group session during the ELIG annual meeting, October 2011, to engage with a wide group of industry members on some of the key industry opportunities and directions for the next ten years.

Interviews are also being conducted with industry leaders to add their perspectives and inputs on strengths, weaknesses, opportunities and threats for the learning industry in Europe.

For further information or to get involved please go to www.elig.org

ELIG would like to acknowledge the generous support and contributions of Outsell, Towards Maturity, Learning Light and MMB Institute in the production of this report



Towards Maturity's Benchmarking Practice provides independent expert advice and support in the application of learning innovation to accelerate business performance.

www.towardsmaturity.org



Outsell is a research and advisory firm that helps the world's publishers, information providers, and enterprise marketers grow revenue, deliver superior solutions, optimize their clients' performance, and thrive in a fast-changing global digital market. And we do it with wow!

www.outsellinc.com



Learning Light is an e-learning consultancy, employing consultants with an in depth knowledge and experience of how to use e-learning in the workplace. They can help you understand how e-learning can reduce the cost of training, improve learner performance and minimise risk by efficiently addressing compliance issues.

www.learninglight.com



MMB-Institute for Media and Competence Research was founded in 1996 and is an independent, private research and consulting institute that works for public clients (e.g. federal and state ministries) as well as for private business.

<http://www.mmb-institut.de>

In addition we also wish to thank the following individuals for providing expert opinion and insight:

Brendan O'Sullivan	CEO, Third Force
Eric Baber	Innovations Director, Cambridge University Press
Fabrizio Cardinali	CEO, eXact learning solutions NA & APAC & Chair, ELIG Executive Committee
Peter Hamilton	General Manager Performance Learning Solutions, Intel Corporate Affairs Group, ELIG Executive Committee and Chair, Marketplace Working Group
Jonny Parkes	Director, Irish eLearning Industry Competence Centre
Kirsti Rogne	Communications and Marketing Director, Pearson Platforms, Pearson
Rolf Granow	Managing Director, oncampus GmbH

Contact:

Dr. Lin Squires

European Learning Industry Group (ELIG)

lin.squires@elig.org

www.elig.org