

E-Learning Market Update (Aug 11)

Summertime; and living is not so easy. A turbulent time on the stock markets, credit downgrades, European debt and even riots in London. Are there implications for e-learning?

This month we take a look at E-learning Magazine's 2011 User Survey and also some of the recent market reactions.

Stock markets across the world have taken a tumble in August and things are not looking too rosy for the rest of the year economically.

There are not so many public e-learning companies but in looking at the share prices of some we have seen some significant falls in recent months*.

- **Intellego** – quoted on the junior AIM London market – shares have fallen 35% in the last 3 months.
- **Cornerstone** – who had a spectacular debut on NASDAQ this year – share prices down 27% in last 3 months but does follow significant share price rise on launch.
- **Saba** – share price down 33% over 3 months.
- **Taleo** – share price down 31% over 3 months.

(*All figures from Google Finance.)

Over the same period NASDAQ, Dow Jones and the FTSE 100 indexes were down almost 20%. So it appears that e-learning companies have been hit harder than other sectors. However, there is better news from the E-learning Magazine's 2011 User Survey.

The user study of 790 organisations, primarily US based, found that 100 per cent of them *“have or plan to implement an enterprise learning and workplace technology initiative in the near future.”*

The key trends they identify are:

- Providing training to the extended enterprise such as customers, partners and other stakeholders.
- A modest shift in training priorities with compliance the number one priority followed by product training.
- Continued adoption of e-learning in enterprises.
- 62% said 24/7 access to learning content was critical.
- Virtual classrooms are on the increase with 75% of corporate using them.
- Highest on the 'planning to add' list were e-learning tools, which may reflect a growing desire to do more internally.
- Second on the 'planning to add' list was mobile learning, with 15% of public sector and 18% of corporate organisations currently using some form of mobile learning. 13% of public sector and 29% of corporate said they plan to use mobile learning in some form in the next 12 months.
- Stable spend on e-learning in corporate but significant increases in planned e-learning spend in the public sector, maybe because there is a drive to reduce costs.

Overall there appears to be reason to be optimistic. At Kineo we have seen continued demand for e-learning across our global offices and significant growth in the UK both for e-learning and our Totara LMS solutions. In particular, it appears the cost-effectiveness of Totara, the distribution of Moodle for the corporate sector, combined with wide ranging functionality are the key reasons why over 25 organisations including Tesco, the UK's largest private sector employer, have recently selected Totara as their Learning Management System.

The fundamental cost-effectiveness of e-learning combined with its ability to deliver flexible, high impact learning, often as part of a blended solution, will mean that organisations continue to invest in e-learning initiatives in these difficult times.