

# E-Learning Market Update (Jan 10)

## What can we expect in 2010?

It is the first month of a new decade. Here at Kineo we have been doing some strategic thinking (and a little crystal ball gazing) on what changes the next 12 months will see. We outline here our top 5 e-learning predictions for 2010.

In Kineo we have been debating what the future holds for us in 2010. We started by having a look at the predictions from the various gurus in the e-learning world and been testing these internally.

In terms of the environment in which learning departments operate we know that:

- The pace of change continues to accelerate
- The world becomes increasingly regulated
- The volume of information will continue to grow exponentially
- Technology will change and converge including broadcast media, the internet and the mobile internet

As a consequence jobs will become more complex and require a wider range of skills, knowledge and experience.

Without getting too dialectical we wonder if are likely to see some qualitative changes this year. There seem to be a number of areas where the market water is heating up so much that we may see it change qualitatively from water to steam. The convergence of technologies leads to new ways of providing services. This is going to render some vendors and service providers obsolete. If we look at publishing, the emergence of e-books has led Amazon to offer royalties of up to 70% to authors if they sign over their digital publishing rights to them, way in excess of the 5% to 10% offered by traditional publishers. Suddenly with an e-book, the whole role of a publisher is bought into question as they risk being cut out of the process.

## Where will these major changes take place?

In 2010 we see little increase in training budgets and in the government sector we expect to see significant reductions as cost cutting pressures extend further into the public sector (and a change of government in the UK would likely lead to further cuts).

As a consequence internal learning teams will have to produce more learning at lower cost. Thus there will be a focus on how to deliver effective learning with less budget this will push many to reduce their current classroom spend and increase their e-learning spend. Thus **our first prediction is a growth in e-learning expenditure across all areas** with the exception of learning management systems.

We think businesses will continue to question the value they get from their proprietary learning management systems and to push for better deals or look at alternatives. In the LMS space Tony Karrer predicts that "the bottom end of the market will continue to be eaten away by open source solutions and hosted open source solutions." He also points to greater integration with Sharepoint as this is adopted by businesses.

There seems to be little doubt that this is already happening - just witness the explosion in the use of [Moodle LMS](#). The open source and easily configurable nature of Moodle enables it to be set up quickly and cost effectively to meet needs such as:

- An induction portal
- An online assessment portal
- A manager academy
- A reseller product portal

Moodle can also be integrated with Sharepoint, we have already done it for our clients. So no surprises for our **second prediction: Moodle will continue to surge ahead in the corporate sector**. To see the reality of that now, have a look at some [Moodle case studies](#).

We believe the pace of change will continue to increase and this can only lead to a demand for faster e-learning. Thus our **third prediction is a continued rise in rapid e-learning solutions** supported by improving tools from the likes of [Articulate](#) and the ability to create assets such as video and audio quickly and cheaply.

We also think that people will have less time to actually undertake learning. There will be a demand for learning solutions that are shorter and we are already seeing this with classroom sessions being reduced to as little as one hour in some cases. A key business need is getting people up to speed faster and providing performance support. We think this will be done through a combination of learning interventions including very short nuggets of learning (ours are often designed to less than 5 minutes each), connected with information on wikis and intranets, short audio and video clips, interactive pdfs, and webinar support. So **our fourth prediction is a more sophisticated use of digital resources to provide online performance support**.

There is a growing demand for anytime, anywhere learning and whilst we are not sure this will come from mobile learning (yet) **our fifth prediction is a significant increase in the accessibility of online learning opportunities**. There are a variety of mobile devices which will support this such as mobile devices with larger screens, faster bandwidth on mobile devices particularly using wireless connectivity, e-books, Apple's slate, netbooks, smaller, lighter, faster laptops and just more PCs everywhere especially at home. This means that online learning resources will be designed to better allow users to access the resources regardless of where they are or the device they are using. This may be breaking learning into smaller objects and multiple formats, e.g. a video clip to play on your phone, audio for your iPod or a video scenario for your laptop.

We're tracking the predictions for the growth of social learning online. It'll be interesting to watch and the impact that Google Wave will have; and the potential for games based learning. It will be interesting to watch these developments. In our view it is more likely that virtual classroom learning will increase and become more sophisticated as the technology improves. We are seeing very good examples of engaging learning being delivered in virtual classrooms with trained tutors and learning resources and exercises specifically designed for the virtual classroom.