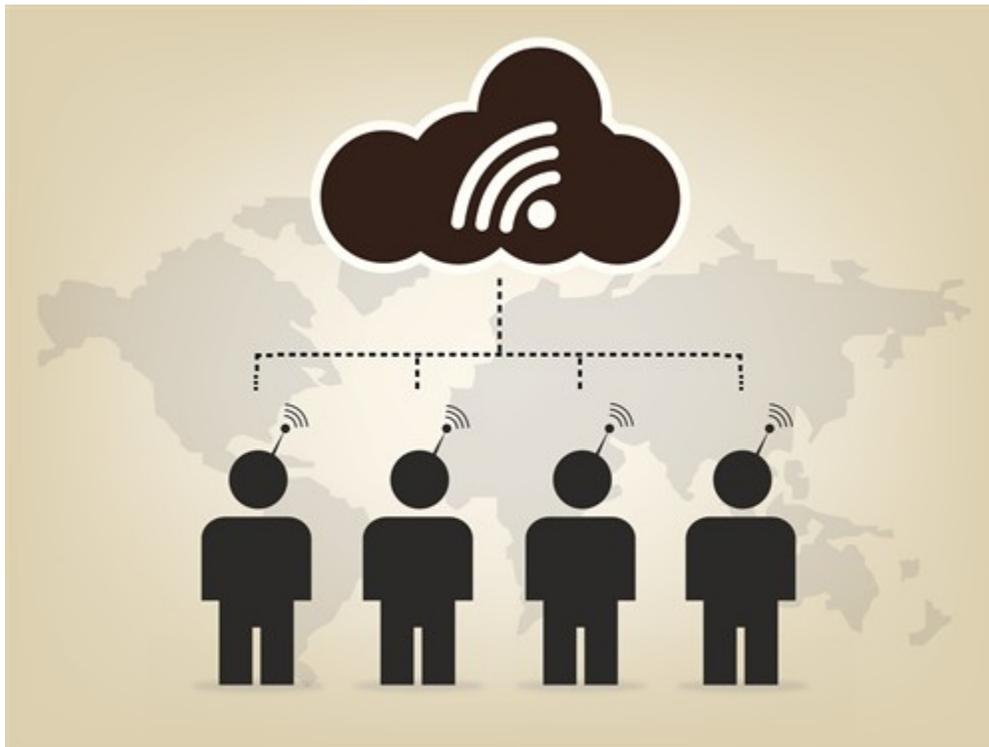


Monetizing MOOCs (May 14)

Massive open online courses (MOOCs) have gained significant popularity in the last couple of years. But the question many are asking is, how do we make money from it?

The whole idea of making online courses, which traditionally are taught in the top universities, freely available is exciting. Come to think of it, the MOOC philosophy actually contributes to the fact that education is now a right and no longer a privilege. But, it's important for companies developing MOOCs to make a reasonable amount of money (or, profit) to support the infrastructure required to run these courses. Monetization is the key motivating factor for MOOC companies to build and maintain engaging and effective content.



The current quandary MOOC companies face is “open” in MOOCs. “Open” is usually considered free and in order to monetize MOOCs, companies would rather prefer to call it MOC (massive online courses).

Here are a few considerations on monetizing MOOCs:

Keeping course content open or freely available

However, add a price tag to the certification. Make sure that the assessment for the certification is online, but in a controlled/supervised environment. That way, students understand the seriousness of the courses even though they are free. The student's determination in getting certified is stronger since certification is widely recognized for validation of one's expertise in a subject or skill.

Keeping base content free

MOOC vendors can keep the base content free while put a price tag on the upgraded or the premium content. This strategy is based on a well-known business model called “freemium” where the core product

is free, while the premium product has a price attached to it. One can experience this common concept on games available on smart devices where the lighter version is free while the full blown version has a price tag.

One could argue that we are going back to the traditional way of learning where education is a privilege with this approach. If one can afford it, then one gets it, while others who are the majority, who can't afford it, are deprived of it most of the time even though a few of that majority may be capable. This will kill the whole fundamentals of MOOC. To avoid this situation, the price of the premium content should be such that masses should be able to afford it and that inflow of funds should be able support the MOOCers to afford their infrastructure and keep the cash register ticking. MOOC is not about high price. It's about lower one but with a wider reach to the masses. The high volume automatically contributes to the economies of scale.

Putting a price tag on certain things

Vendors can provide the content free but may consider putting a price tag on the mock assessments and knowledge checks. These assessments would be the simulation of the final assessments. Students after going through the free content would be curious to know the effectiveness of the content, and that they will only know by going through the sample assessment and frequent knowledge checks. Needless to say, the price of these assessments and knowledge checks should be reasonable enough for any student to afford.

MOOCs' impact on corporate learning

Apart from MOOCs' growing prevalence in the educational institutes, lots of enterprises are considering adopting these courses. MOOCs now have a significant impact on corporate learning. In fact, it's actually easier to monetize MOOCs in enterprises, since this a space for corporate learning with corporate funds as compare to educational institutes which is mostly running on grants.

In the past couple of years, enterprises have made some inroads in partnering with institutes such as Udacity (an AT&T partner), Khan Academy edX, and Coursera. Enterprises spend significant amount of money in employee development, training and education. For example, many enterprises encourage and sponsor their employees to develop their professional skills by getting them certified in PMP, QA, SAP, Oracle and the cloud. Getting their employees access to the structured curriculum via traditional commercial online content or through class room sessions can be very costly. But in the MOOC environment, the internal subject matter experts are the ones who contribute to the content pool by sharing best practices, their real life experience and proficiency.

In turn, the less experienced get free access to this breadth of knowledge, motivating them to hone their skills, which in turn, has a positive impact on the productivity of the enterprise as a whole. More importantly, this also is a good strategy for enterprises to build and retain talent at a low cost.

Although the enterprise MOOC is a new entrant and is still preferring to sit on the fence watching things evolve, it's only a matter of time before companies have enough compelling reasons to start contributing to MOOC in a larger capacity. They just need to figure out how to make money by investing in MOOC.

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