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Are eLearning providers ready for market needs?

ELearning providers appear to be adopting five strategies to beat the competition and meet the needs of learners.

Participation in and interest in online learning continue to grow, with increasing enrollment numbers since 2020 and universities being forced to launch new online programs to meet increased demand. From students to corporate employees, people are increasingly accessing online tools to learn and acquire new skills.

In this article we explore how eLearning tool providers are responding to this booming market. The article examines as its primary source a report prepared by McKinsey&Company to understand what the major players in the eLearning market are focusing on.

The main market forces

According to the report there are four main market forces that are reshaping the online education space:

1. increased competition
2. consolidation by a few large players
3. the influx of investment
4. the raising of quality standards

As **demand for online education has increased**, the market has become increasingly competitive, and as a result, providers are vying for the attention of an ever-widening number of potential customers.

Against this backdrop of growing student interest, the **online education market appears to be consolidating around a handful of dominant players in the field of online courses**. Between 2011 and 2021, the number of students participating in online courses (MOOCs) increased from 300,000 to 220 million. In addition, a recent analysis by the Integrated Postsecondary Education Data System (IPEDS) showed that while the overall market for degree programs declined by about 3 percent between 2019 and 2020, four of the largest online education providers increased their total enrollments by an average of 11 percent.

Between 2017 and 2021, **funding for educational technology (edtech)** grew from $1 billion to $8 billion in the U.S. In 2021, the public's appetite for these investments was evident in the successful IPOs of several edtech companies. Moreover, as institutions increasingly focus on hybrid learning, investments in edtech may be set to grow further.

More and more students need, especially for those planning to work in high-paying fields such as IT, the **opportunity to learn highly skilled, specialized, and high-demand skills**.

Five strategic moves that could unlock opportunities

In the midst of these market forces, there are tremendous growth opportunities for online education providers, but successfully unlocking these opportunities requires bold moves to adapt and orient their strategies.

To meet these needs, capture the attention of potential students, and stand out from the competition, online education providers appear to be considering five strategic moves:

1. Integrate skill development and degree attainment to meet the needs of students and the labor market
2. Transform career planning and coaching services
3. Revolutionize relationships with employers
4. Provide a distinctive learning experience
5. Build a strong brand.

1. Meeting the needs of students and the labor market

Educational institutions have traditionally focused on learning and knowledge creation first and careers second. However, the report shows that **students are increasingly interested in how their studies will prepare them for a future career**. In addition, the needs of the labor market are changing rapidly. Institutions should take these changes into consideration to better prepare students for a dynamic work environment. To do this, institutions could take (and in some cases are already taking) three approaches:

(a) Aligning programs with market needs.
Institutions could adopt a program creation process that includes understanding current trends in industry sectors, identifying changes in technical and non-technical skills, and revising current programs or designing new programs to better prepare students.
For example, some universities have focused on developing new programs by identifying changes in labor market trends and in-demand occupations, assessing whether competitors offer relevant programs to meet these workforce changes, and quickly deciding which new programs to offer based on these factors.

(b) Integrating degree and non-degree offerings.
Traditionally, degree programs and non-degree certificate programs have been viewed as two completely separate entities. However, the market indicates that and certificate providers are increasingly seen as equivalent to more traditional educational institutions. This suggests that institutions could serve the student population more effectively by removing barriers between degree and certificate programs and offering an integrated package that incorporates credentials and certificates into a broader degree-granting pathway.

(c) Offer multiple models for degree attainment.
Lack of practical experience is a major concern for those who rely on online learning. By offering overlapping credentials with clear "on-ramps" and "off-ramps" that allow opportunities for work experience during or after studies, programs could meet the different needs of students.

2. Transforming career planning and coaching services.

The provision of an educational experience that is poorly connected to the postgraduate context is an obstacle that slows and hinders students from reaching their career goals, especially in digital environments where networking, conferences, and other forms of exposure to a future job can be lacking in quality and quantity. Organizations and institutions offering training are focusing on two aspects:

(a) Providing opportunities to explore interests in advance.
Before choosing a degree program, students could participate in a survey that makes them think about their passions, skills, and experiences. Based on this information, institutions can offer support that directs them to different degree programs and related career options that match their profile.

(b) Adjust studies and career plans.
As a student progresses through his or her education, institutions may check in, advise, and reevaluate **personalized study** plans more frequently.

Some institutions have begun to encourage students to think about careers before classes even begin. With data analysis tools and information about students' passions and interests, institutions could help students create personalized studies and skill development plans early in the program.

3. Revolutionize relationships with employers.

Online education providers are in a unique position to develop close B2B partnerships with organizations seeking to improve their employee base (life coaching) and attract new talent (recruiting). However, few educational institutions have made B2B a significant source of enrollment growth.
By researching certain industries or roles, online training providers could identify very specific and practical skills that could satisfy the most acute talent development pain points. In this way, online training providers could differentiate their B2B offerings by viewing themselves as talent development partners or as part of a "corporate academy." They could partner with

learn and development (L&D) teams to offer value-added services, such as enterprise-wide assessments for talent transformation, and increase the value of educational partnerships.

In addition to developing existing talent, online training providers could **innovate go-to-market approaches** to attract new talent in industries with significant labor shortages.

4. Provide a distinctive learning experience

The COVID-19 pandemic has further affected consumer behavior and expectations in all sectors, including education. With a survey conducted in the U.S., the report indicates that about 20 percent of respondents said the biggest frustration with online learning was "engaging in real-time conversations through a virtual medium," while 18 percent of respondents said the main frustration with online learning was "making the technology work."

To meet new student expectations, online institutions could **improve their user experience through easier content delivery**, through new support tools and infrastructure, and by applying customer experience best practices.

To deliver an optimal learning experience, institutions are focusing their efforts on three general principles:

- Seamless pathways
- An engaging learning approach
- A network of support

(a) Seamless pathways.
One of the best tools for training are user-centered learning platforms that are easy to navigate and highly interactive. These tools include elements such as real-time progress dashboards between programs and courses, integrated and timely alerts, and suggestions for study resources.

(b) An engaging teaching approach.
In addition to qualified teachers, interactive lectures, and high-quality content, optimal educational offerings also include the presence of learning tools to adapt to students' diverse needs. The ability for students to choose the learning format they prefer, group work, discussion, etc., are all tools that reinforce learning.

(c) A support network
Providing students with strong support networks that offer academic and nonacademic support could help institutions accelerate learning and promote student well-being. These could include easily accessible 24/7 assistance through a service desk for urgent learning or personal problems.

5. Build a strong brand

In today's highly competitive marketplace, online learning providers find themselves forced to build a brand that distinguishes them from the competition, but training institutions and organizations also find themselves forced to adapt to the new market by differentiating their offerings.

There are many ways in which an institution can differentiate its brand, including **focusing on a particular student segment, focusing on a particular field of study, or focusing on a distinctive student experience** (e.g., posting informational videos on social media).

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