ELEARNINGNEWS ARTICLE

Year 6 - number 188 Wednesday 2 february 2022

Booming EdTech market: future trends in e-Learning

With projected growth from $106 billion to $377 billion between 2021 and 2028, the EdTech market is entering its golden age. How will this growth change the world of e-Learning?

The COVID-19 pandemic has had a major impact on the education sector globally. UNESCO reports that two years after the pandemic began, nearly half of the **world's students are still affected by partial or complete school closures**. In this context, the world of education is changing dramatically, and e-Learning is on the rise as it enables distance learning through digital platforms.

Although it is still early to draw conclusions about the effects of mass use of e-Learning, it is clear that there are several positives. Some studies claim that students learn to manage their time more efficiently, develop a greater sense of adaptability and autonomy, and increase their computer skills. Even among adults, e-learning is becoming increasingly popular, particularly within companies. For these reasons, many believe that e-Learning is destined to play a very prominent role in our lives even after the pandemic. But the popularity of e-Learning is not only supported by studies and research, there are several evidences that testify to the importance that this learning method is gaining. One of the most significant figures is the exponential growth in the volume of the **global education technology (EdTech) market**. In 2021 alone, the volume of this market reached the value of more than $106 billion and it is estimated that in 2028 this figure could exceed $377 billion. These numbers are very significant considering that in 2018 alone, the volume of the global EdTech market was just $12.8 billion.

In 2021, Grand View Research, a market research and consulting firm based in India and the United States, published a report describing the state of the global EdTech market, making studies and forecasts for the period 2021-2028. Starting from the research done in the report, this article explores how the exponential growth of the EdTech market is affecting the world of e-Learning.

What technologies will have the greatest impact on e-Learning?

According to the study published by Grand View Research, EdTech-related solutions are set to evolve in line with technological advancements related to the **Internet of things, artificial intelligence, augmented reality, and virtual reality**. These advancements will contribute significantly to market growth. In fact, the development and incorporation of these technologies into the EdTech sector will allow learning experiences to become increasingly interactive and engaging. New technologies such as blockchain will also ensure that student data is stored and saved, allowing educators to analyze consumption patterns of the material offered and make data-driven decisions.

The edtech market seems to be pushing hard on **integrating these technologies** since one of the concerns of educators is the need to engage students more. This translates into constantly updating platforms that allow for increasingly engaging interactive tools. In addition, with advances in blockchain, educators will have access to systems that can manage student performance data. These systems will allow for the generation of increasingly accurate profiles that will allow educators to make informed decisions aimed at strengthening each student's individual performance. However, it will take some time before these innovations can be fully implemented. In fact, current EdTech platforms also store personal data, and we must wait for specific regulations at the national and European level to ensure consumer privacy. In the European Union, in fact, EdTech companies must comply with the General Data Protection Regulation (GDPR) that restricts access to and processing of user data by all types of organizations involved in the management of large volumes of information. In the United States, the situation is not very different: public universities must comply with two regulations, FERPA and PPRA, which aim to safeguard student performance data and personal data. It will be necessary to wait for an adaptation of the regulations in order to take full advantage of these technological advances in the field of e-Learning.

Who is most affected by the transformation of e-Learning?

At the moment, the segment of the population that is most affected by the e-Learning transformation is the **6-18 age group**, which is all students attending primary and secondary school. According to the report's estimates, this age group contributes to over 41% of the revenue earned by EdTech companies. This figure is not surprising considering that the COVID-19 pandemic has made it necessary to create e-Learning methods to compensate for school closures in particular. Suffice it to say that in 2020, out of 900,000 students aged 6-18 in Wuhan province, 730,000 are "back to school" through online courses from the company Tencent.

The report also claims that one of the reasons this segment is so important stems from the trend of increasing student engagement with **game-based learning** methods. This trend, called gamification, is popular in learning subjects like math. But learning through gaming doesn't stop with this subject. Incorporating technology into e-Learning allows for the creation of immersive content such as virtual field trips or complex lab experiments, which enhance the experience of immersive learning. Currently, leading EdTech companies are developing these technologies with this consumer segment in mind.

In addition, between 2021 and 2028, preschoolers (ages 2 to 5) will also see big changes in the way they learn. In fact, major companies in the industry are providing new solutions for this segment of the population. Learning through apps, with videos and content curated specifically for the early childhood segment, is gaining a large following and it is estimated that the EdTech market focused on this age group will have the fastest pace of growth in the 2021-2028 period.

Awareness of the benefits of e-Learning over traditional education is not limited to youth and students. So-called **lifelong learning** - activities undertaken formally or informally at various stages of life to improve one's knowledge from a personal, social or professional perspective - is becoming a growing trend among adults and corporate workers as well. In particular, lifelong learning is a fast-growing trend since e-Learning has become a common practice. In fact, thanks to online learning, people have great flexibility in terms of time and place to increase their knowledge. An example that testifies to this trend is the popularity that Massive Open Online Courses (MOOCs) are gaining in both private and business environments. Participation in these courses is not only very flexible but also inexpensive.

The dynamism of the sector

The study points out that the boom in partnerships and **collaborations between EdTech companies, training institutes and content creators** testifies to the vitality of this sector, which is in great ferment to create more and more opportunities in the world of e-Learning. These partnerships are therefore becoming a key part of this developing ecosystem. For example, in November 2020 Ambow Education announced a partnership with Cisco International. The latter operates in the education career, training and certification sectors. The partnership aims to provide professionals and college students with high-quality online courses in IT by issuing a certification. In the United States, some school districts are creating ad-hoc partnerships. For example, the Los Angeles School District and PBS broadcaster SoCal/KCET are collaborating to create educational broadcasts with channels focused on different age groups and offering a range of digital options for teaching. In the UK, Bitesize Daily, launched in 2020, has partnered with the BBC television station to offer 14 weeks of learning with celebrities acting as teachers. Footballer Sergio Aguero, among many others, participated in the project.

Which segments of the global EdTech market will grow the most?

To date, the education technology market is focused on the development of three technology modes: hardware, software and content. The **hardware segment** is currently growing the most. The reason lies in the fact that the exponential increase of online classes presupposes a technological infrastructure capable of supporting the services offered. Platforms that offer online classes, in fact, incorporate various tools such as the ability to write and erase on a shared whiteboard, the use of digital pens, complex communication software that allows data transmission and the use of chat, and many other multi-touch options. They also allow consumers to save and share content and notes between different devices such as smartphones, tablets, and PCs. All these tools require substantial hardware development to enable them to function.

The other segment with a great growth rate is content creation. In fact, EdTech companies are focused on innovation in **delivering content** that incorporates advanced display technologies. Many e-Learning portals are offering educational content in the form of study notes, test preparation materials, FAQ portals, and learning videos. For example, the government of the Western Cape Province, South Africa, offers an e-Learning portal to students and teachers that contains several types of

resources from those mentioned above, available in Afrikaans and English. The Ministry of Education of the People's Republic of China offers a similar service, called the National Network Cloud-Platform for Educational Resources and Public Service, aimed at primary and secondary school students.

Which continent holds the largest share of the EdTech market?

Considering the year 2020 data, **North America** dominates the EdTech market by holding 37% of the global revenue. The North American market will maintain its dominant position at least until 2028, thanks to the large and numerous investments from venture capitalists and investors, particularly in the United States. In this country, startups active in this market raised funding worth approximately $2.2 billion in 2020 alone. It is expected that as the market matures, companies that experience significant growth will be able to attract more funding, differentiating themselves from other players active in the market.

Although North America is estimated to dominate the market between now and 2028, the **Asian continent** will grow faster. The compound annual growth rate (CAGR) for this region is 22.6% from 2021 to 2028. Experts attribute this growth to an increase in the use of internet and smart devices among the continent's population. In fact, in several developing countries such as India, the arrival of affordable broadband has allowed many companies to reach a larger segment of the population in recent years. Moreover, again in these countries, technology is considered one of the most effective ways to bridge the gap between educational infrastructure and teaching resources.

Translated with www.DeepL.com/Translator