

The logo for 'simpleshow' is written in a bold, black, lowercase sans-serif font. A white hand icon is integrated into the letter 'o'. To the right of the text, a hand is shown holding a wooden marker, with a circular orange stamp that says 'THE ORIGINAL!' and an exclamation mark. The background is a light gray gradient.

**simpleshow**

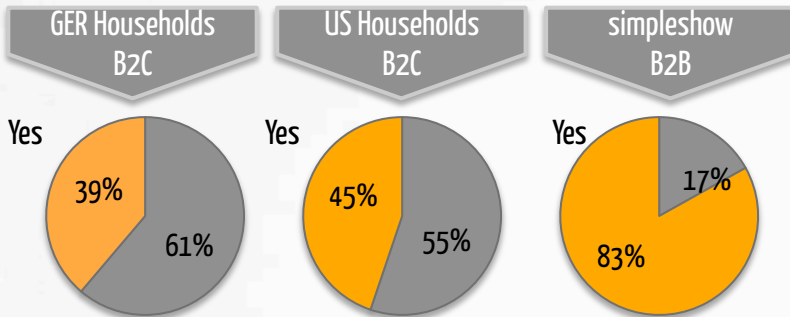
International study on the market for online courses  
and its future potential

July 2015

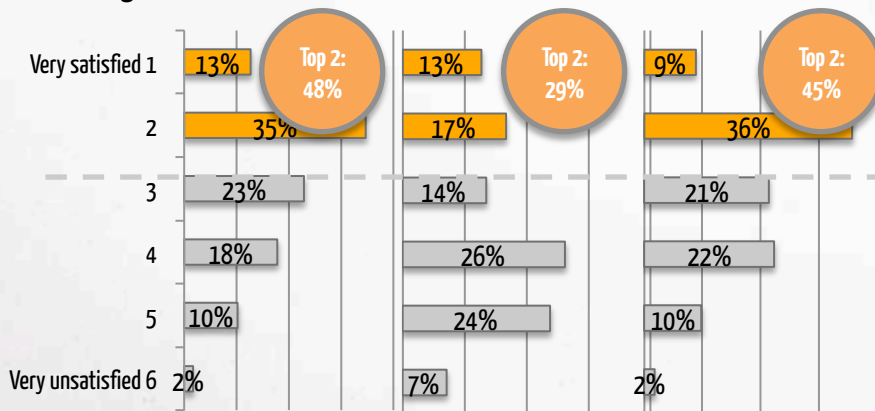
# INTERNATIONAL STUDY ON THE MARKET OF ONLINE COURSES AND ITS FUTURE POTENTIALS

## - MANAGEMENT SUMMARY (1)

experience across sample groups



Degree of satisfaction with online course\*

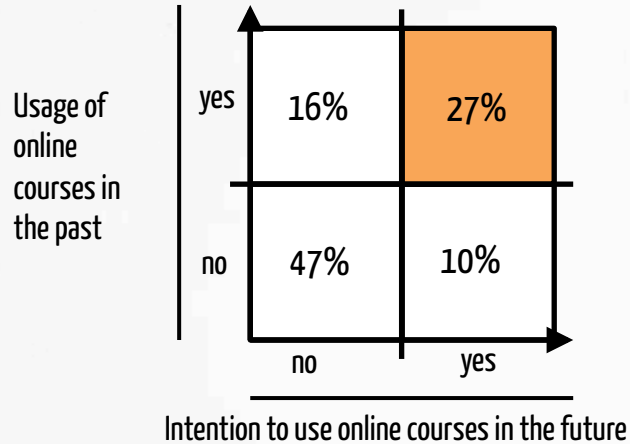


\* YouTube learning video, online training, learning app..

- Online survey - representing 3 sample groups (n=1176) - was conducted in July 2015 (B2C in GER and US as well as B2B).
- 45% of respondents in the USA have already used digital learning applications (39% in GER) – business contacts reach 83% and show typical characteristics.
- Online courses cover a broad range of topics. Here, business and professional issues play a dominant role (especially in the B2B-segment). Similarly, the length of the courses show a wide range. B2B respondents use rather short online courses.
- Between 15% (B2B contacts) and 22% (GER) of respondents have paid for the last online course (median significantly higher in the B2C-segments, 90 – 100 US-\$).
- The degree of customer satisfaction with online course reaches 48% (top2) in GER and is significantly lower in the USA (29%). Drivers for customer satisfaction: pictures, video sequences and text pages.

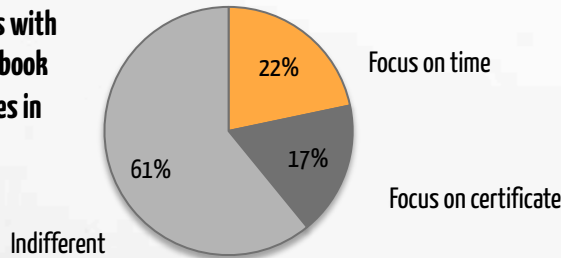
# INTERNATIONAL STUDY ON THE MARKET OF ONLINE COURSES AND ITS FUTURE POTENTIALS

## - MANAGEMENT SUMMARY (2)



### Needs-based segmentation

**Respondents with intention to book online courses in the future**

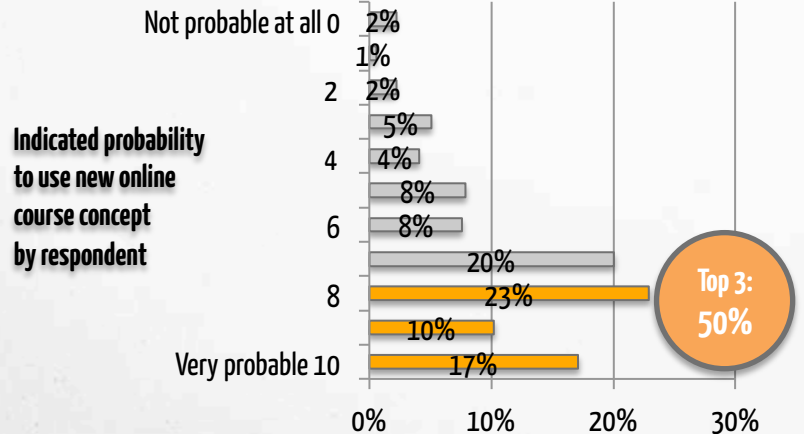
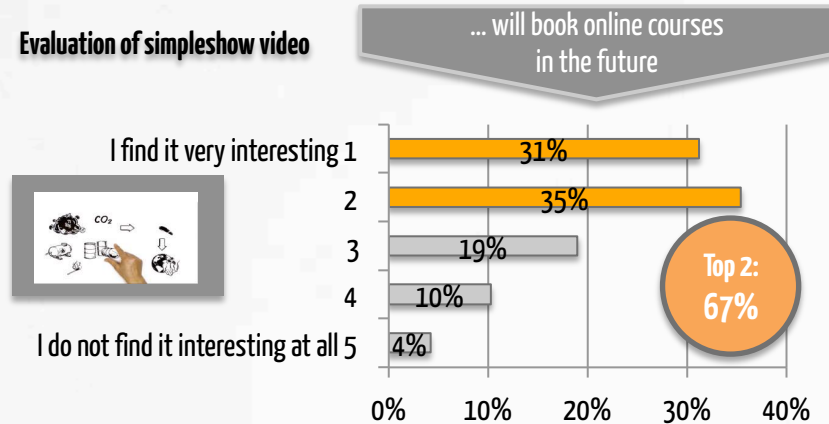


- Most respondents see online courses as a good chance to get further training in interesting subject areas (especially positive evaluation of statements concerning online courses within the B2B-segment).
- Overall, approximately 1/4 of the respondents have used online courses in the past and indicate usage in the future. Concerning the B2B-segment the share of this target segment is 64%. Typically, those interviewees have a relatively high degree of customer satisfaction (49% top 2), book online courses intensively, > 80% are employed and 58% are willing to pay for online courses.
- Provided key customer needs are met, almost 70% of respondents in Germany and USA (B2C) indicate a willingness to pay (B2B-segment: 96%). Different segments concerning basic needs have to be considered.
- Online courses for languages are strongly preferred in GER – simpleshow contacts clearly rank business issues top.

# INTERNATIONAL STUDY ON THE MARKET OF ONLINE COURSES AND ITS FUTURE POTENTIALS

## - MANAGEMENT SUMMARY (3)

### Evaluation of simpleshow video



- All single performance promises concerning online courses reach a high level of interest among the interviewees.
- Approximately 50% of all respondents in GER and the USA rate the simpleshow video as interesting (% top2). This share increases to 67% in the group of respondents with the general intention to book online courses in the future.
- Concept test: 25% of respondents in GER and 30% of respondents in the US show a high probability to book an online course as presented in the concept test (respondents with intention to book online courses in the future: 50% top3).
- The evaluation of the online course concept is significantly driven by the assessment of the simpleshow video format, which was shown before.
- Contrary to the B2C-groups in GER and the US, the simpleshow contacts group (B2B) is characterized by a higher level of interest, a higher probability to use and a higher willingness to pay for the online course concept.

# AGENDA

1. Relevance of online courses and future market development
2. Customer requirements concerning online courses
3. Concept test – innovative online course format

# AGENDA

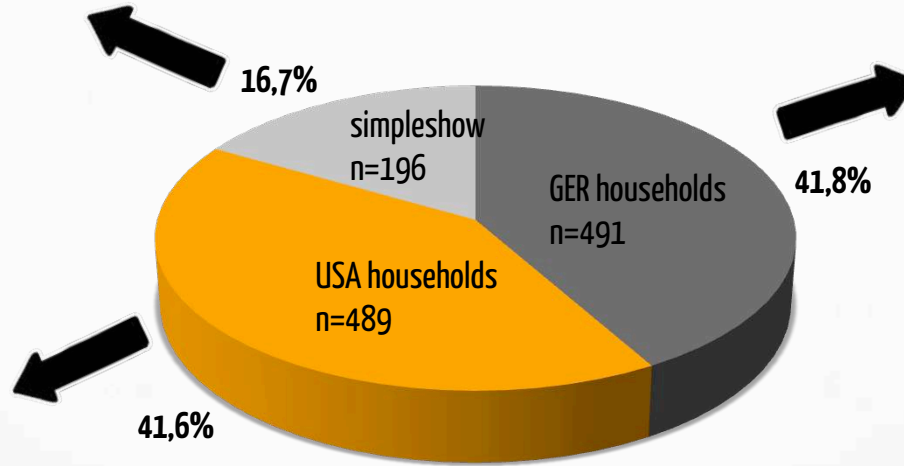
1. Relevance of online courses and future market development
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# ONLINE SURVEY REPRESENTING 3 DIFFERENT GROUPS (N=1176), INTERVIEWS WERE CONDUCTED IN JULY 2015

Distribution of sample groups

Representing simpleshow business contacts;  
source: simpleshow CRM system

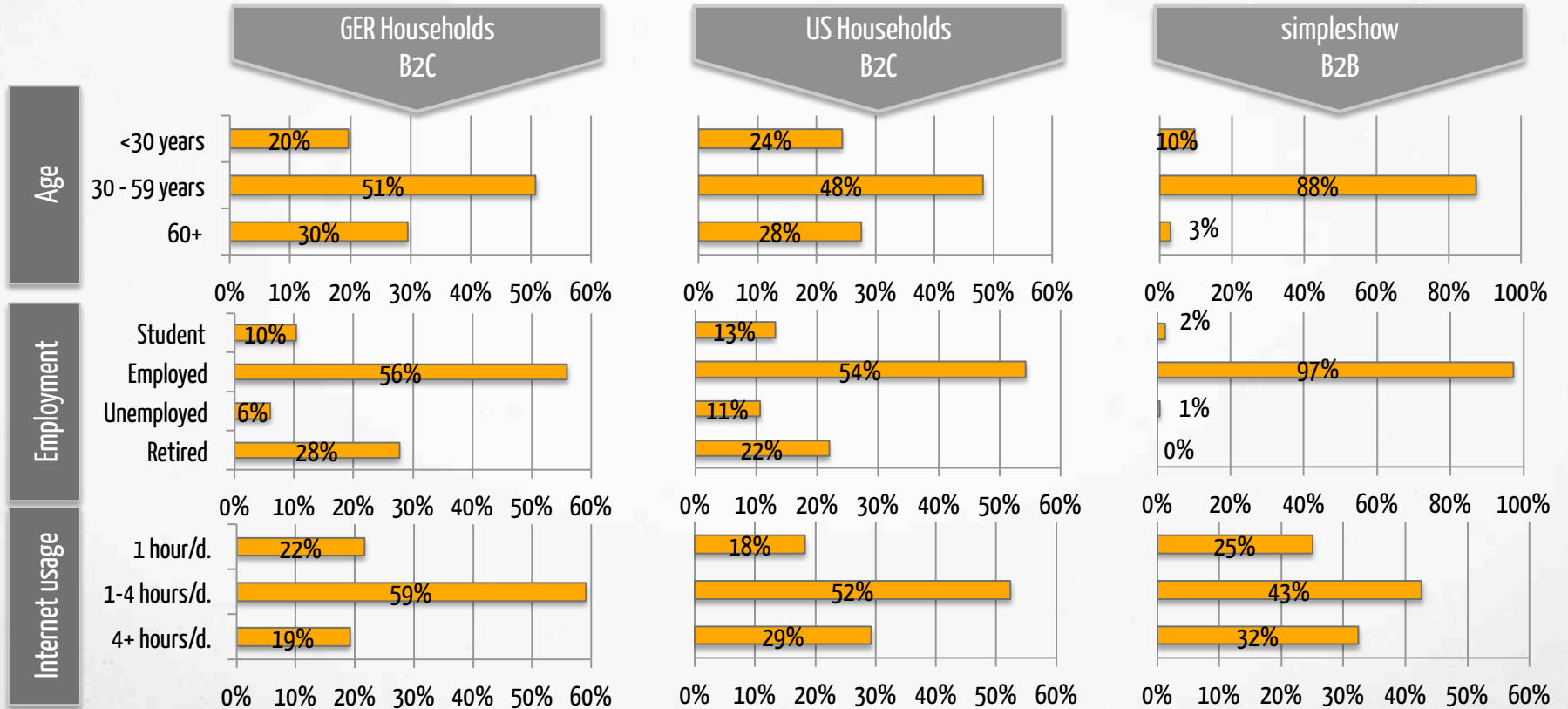
Representing B2C US market (16+ years); weighted according to gender, age and internet usage;  
source: online access panel



Representing B2C market in Germany (16+ years); weighted according to gender, age and internet usage; source: online access panel

# COMPARED WITH B2C SAMPLES FOR GERMANY AND THE US, SIMPLESHOW CONTACTS SHOW SPECIFIC CHARACTERISTICS

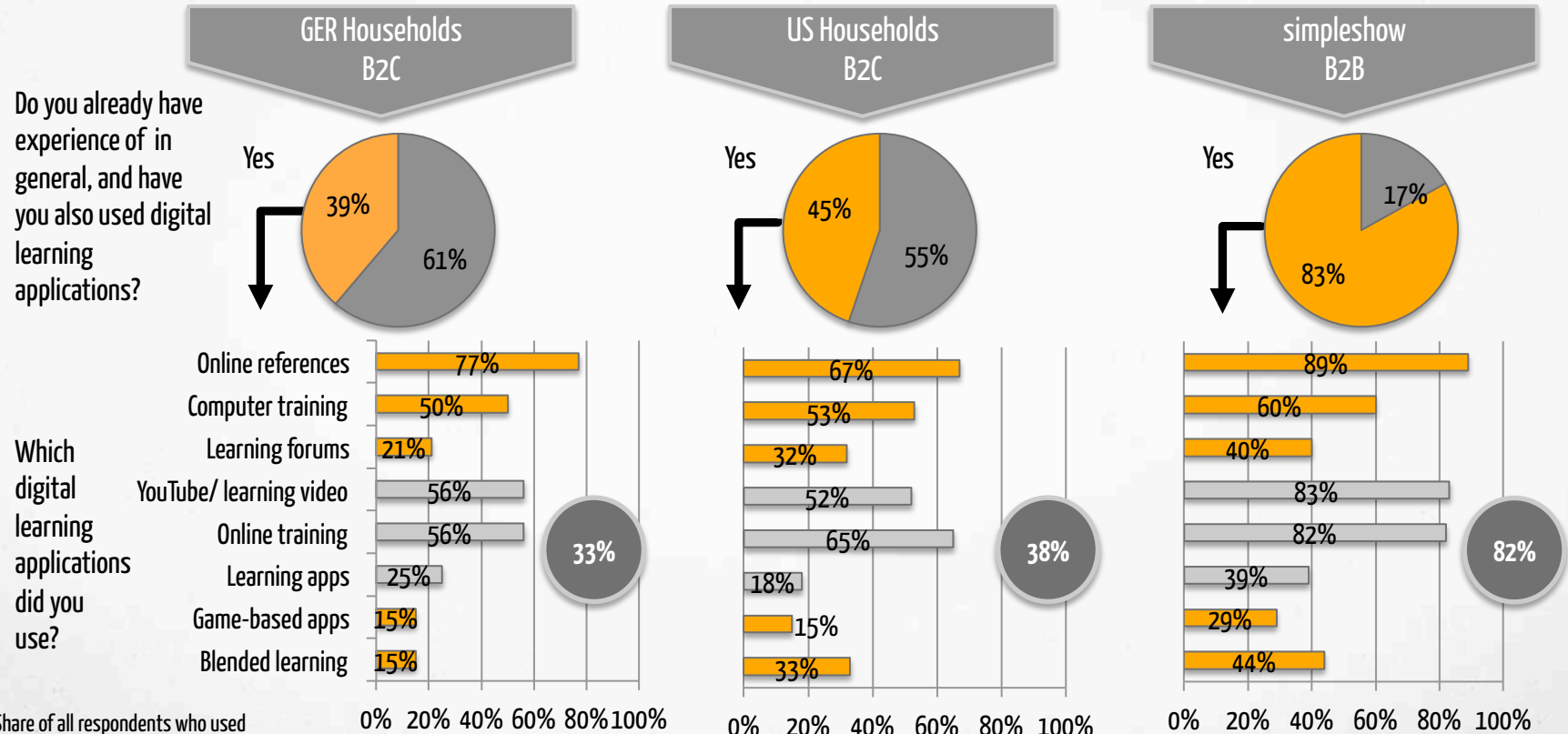
Sociodemographic characteristics of sample groups





# 45% OF USA INTERVIEWEES USED DIGITAL LEARNING APPLICATIONS – 65% OF THEM USED ONLINE TRAININGS/COURSES

## E-Learning experience across sample groups

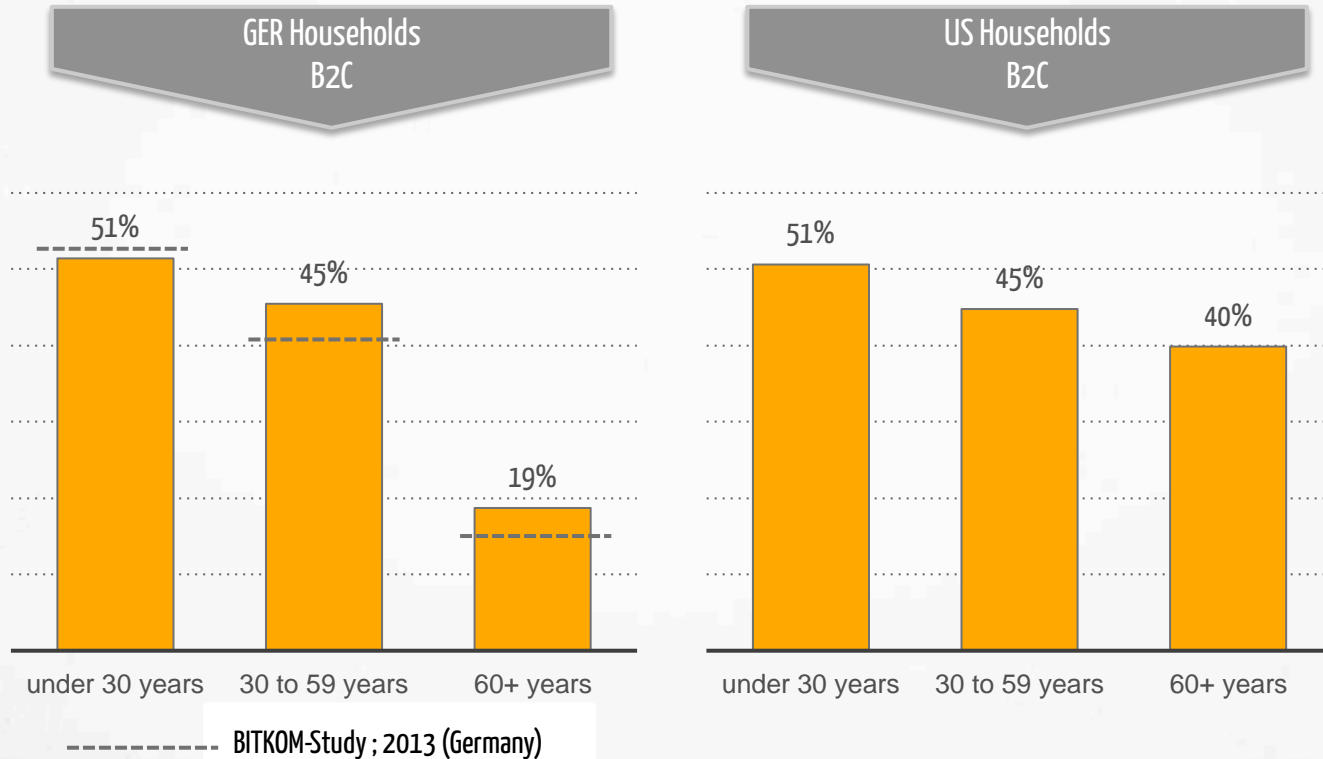


x%

Share of all respondents who used Youtube or online trainings/courses or learning apps

# EXPERIENCE OF STRONGLY CORRELATED WITH AGE – SHARE OF USERS AMONG SENIORS IN THE US MUCH HIGHER THAN IN GERMANY

Experience of E-Learning according to country and age<sup>1)</sup>

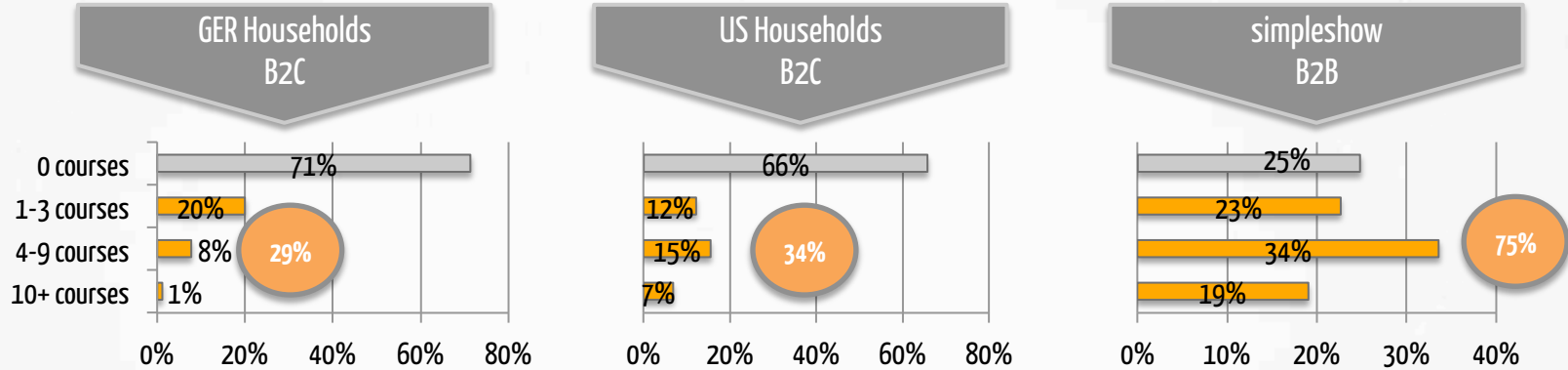


1) Do you already have experience of eLearning in general, and have you also used digital learning applications?

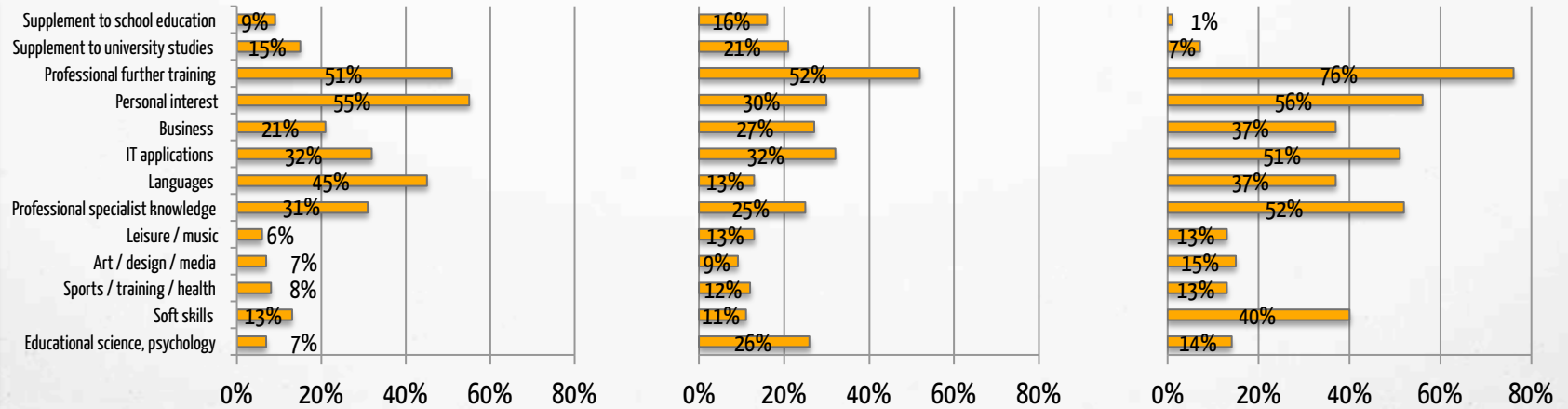
# COMPARED WITH HOUSEHOLD SAMPLES FOR GERMANY AND USA, SIMPLESHOW CONTACTS SHOW SPECIFIC CHARACTERISTICS (INTENSIVE USAGE OF ONLINE COURSES, BUSINESS TOPICS)

## E-Learning experience and topics across sample groups

Completed online courses in the past

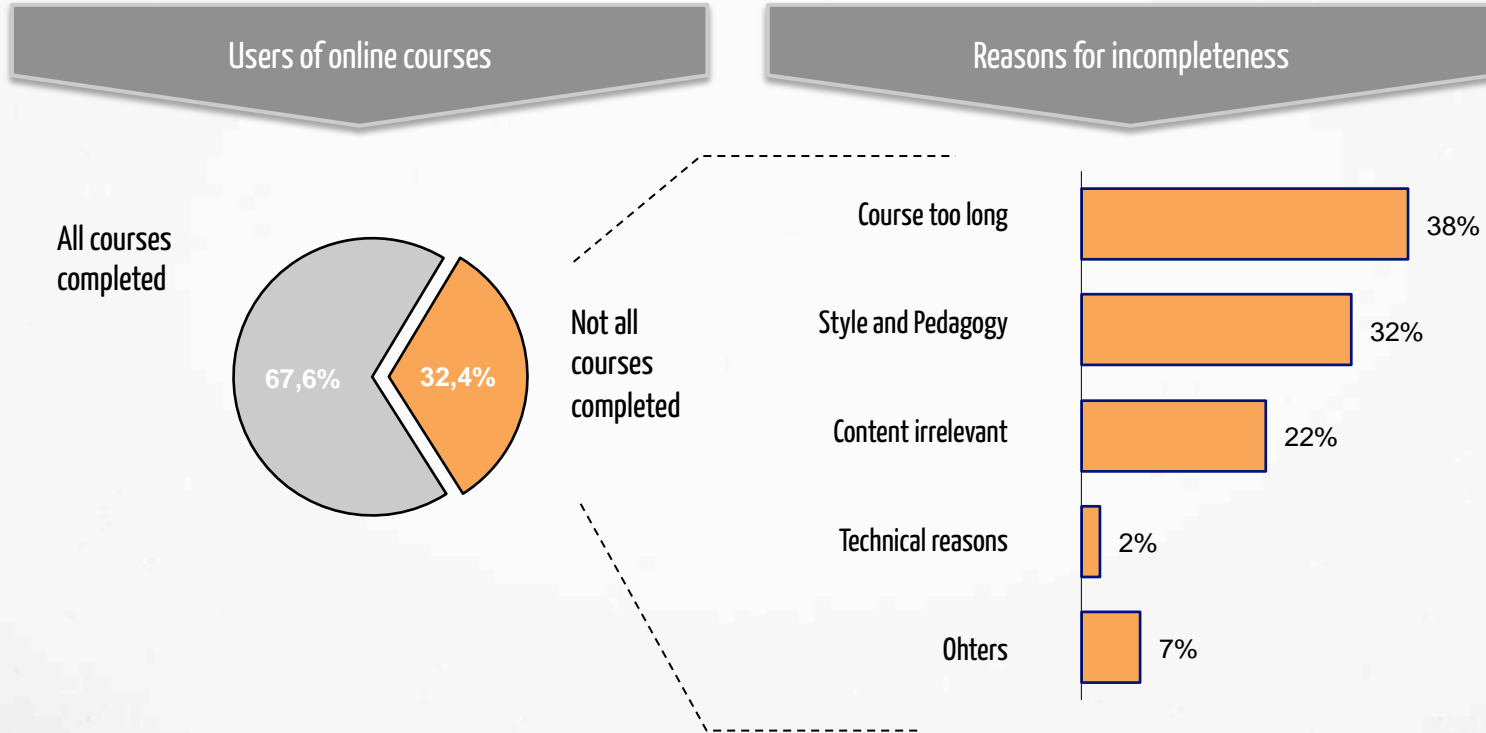


Subject of online course



# ABOUT 1/3 OF ALL USERS OF ONLINE COURSES DID NOT COMPLETE ONE OR MORE ONLINE COURSE – LENGTH (TIME) AND STYLE AND PEDAGOGY ARE MAIN FACTORS

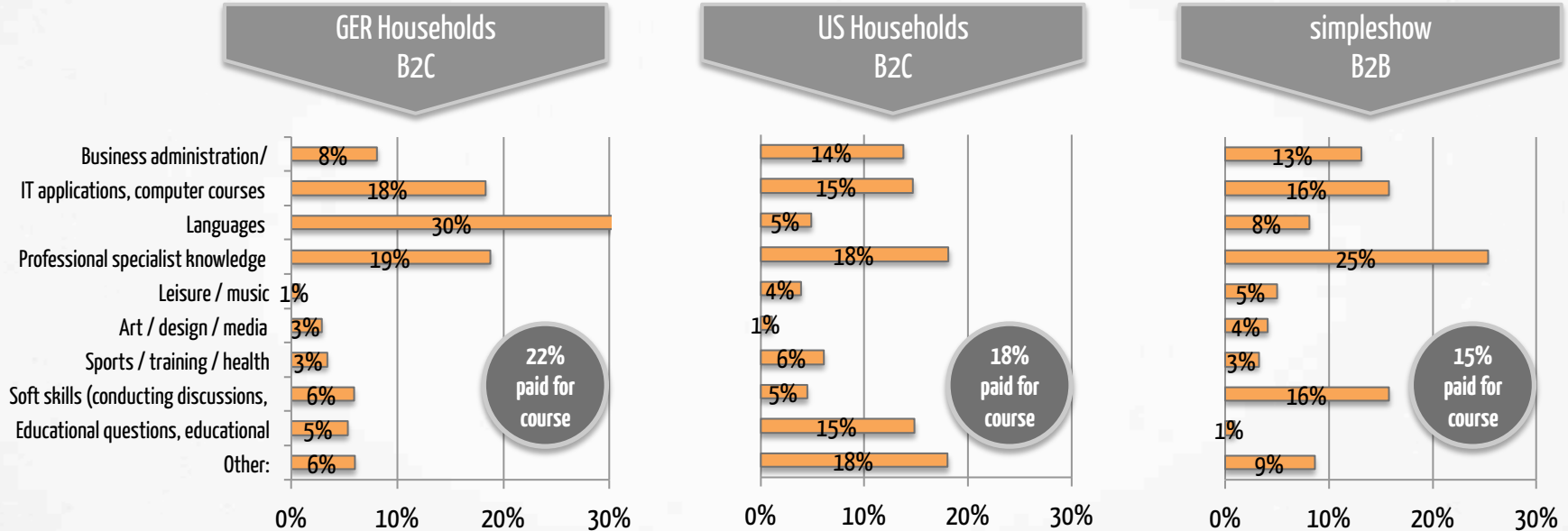
Respondents with incomplete online courses and reasons for incompleteness<sup>1)</sup>



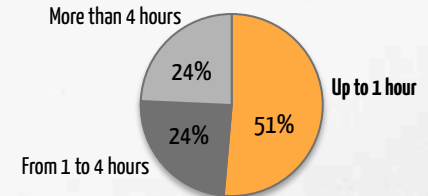
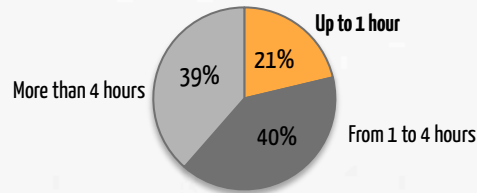
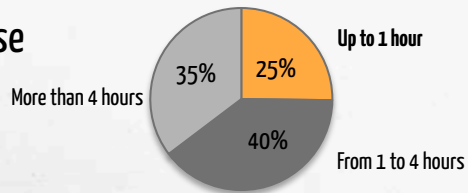
1) How many online courses have you started and completed? And: Why did you not complete the course(s)?

# BUSINESS AND PROFESSIONAL ISSUES PLAY A DOMINANT ROLE – LENGTH OF THE COURSE WITH A WIDE RANGE – PARTICULAR FOCUS ON LANGUAGES IN GERMANY

Usage of online courses: last online course – topic and length

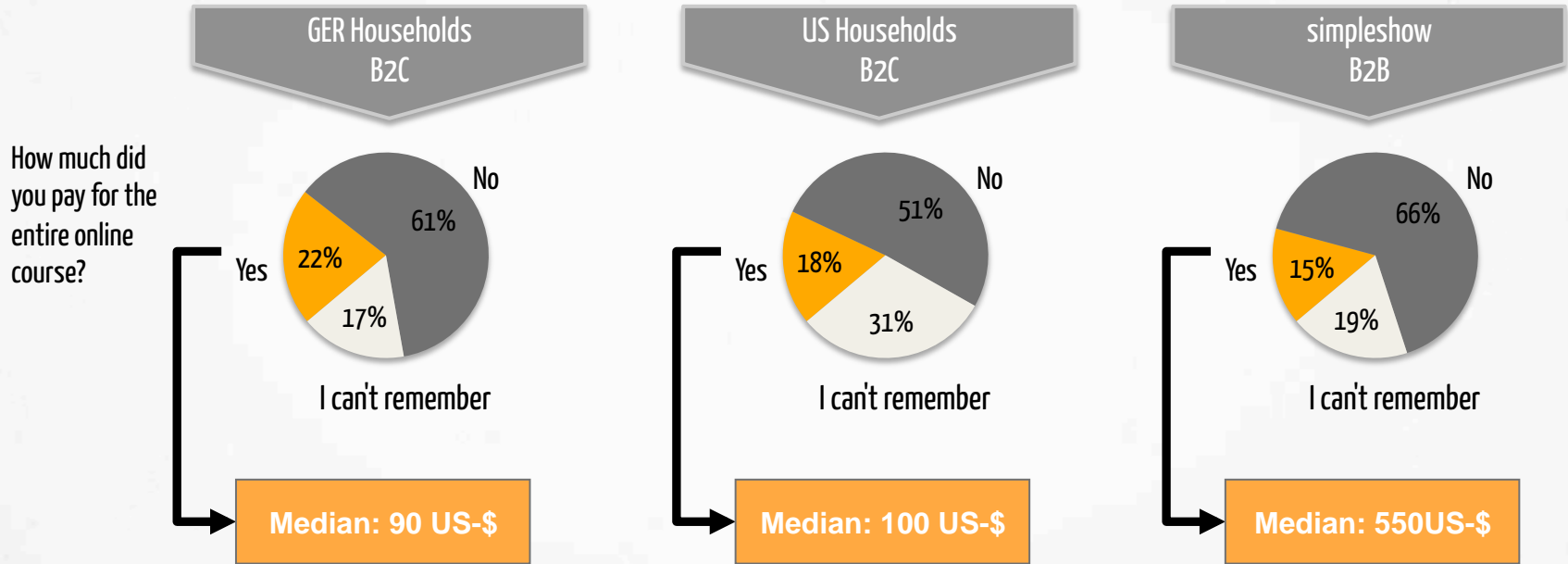


Length of last online course



# BETWEEN 15% (B2B CONTACTS) AND 22% OF RESPONDENTS HAVE PAID FOR THE LAST ONLINE COURSE

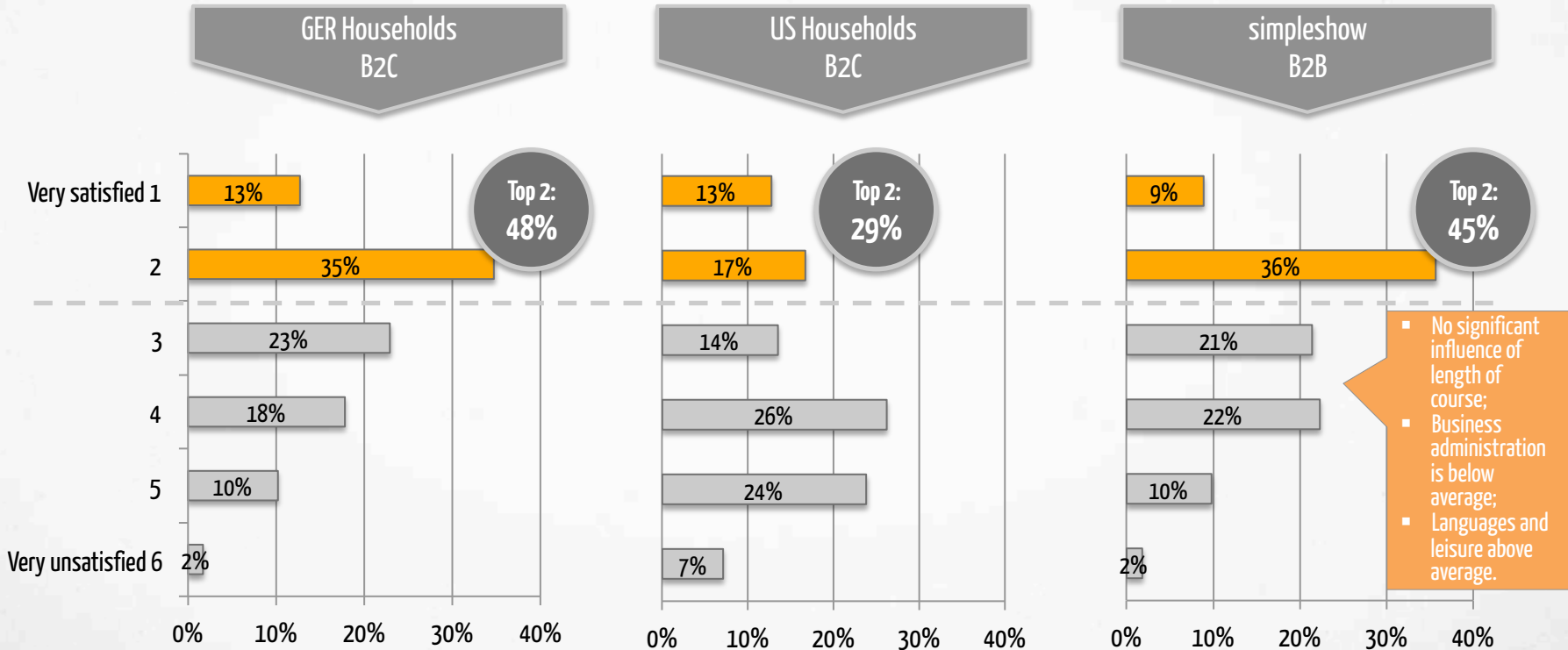
## E-Learning: payment for the last online course



Overall, payment for online course is strongly correlated with length of course (30% in the group of 4+ hours vs. 4% in the group of up to 1 hour)

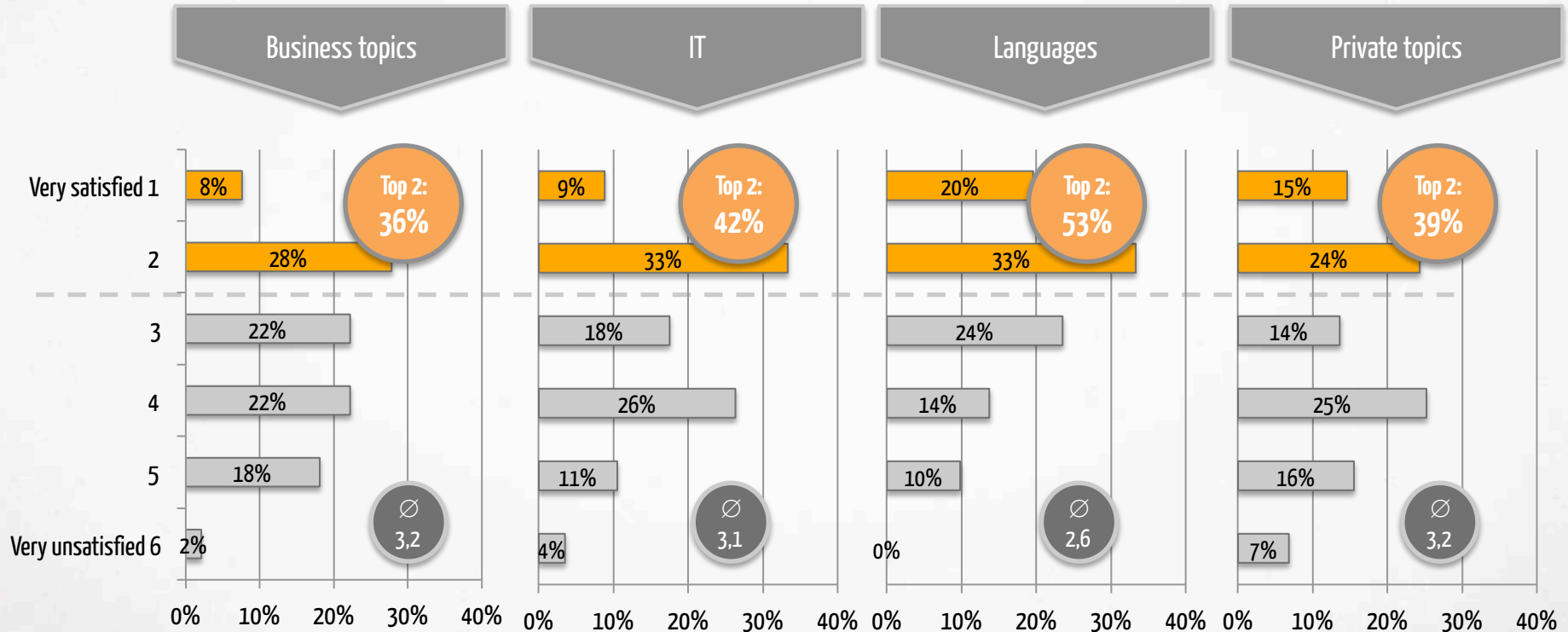
# THE DEGREE OF SATISFACTION WITH LAST ONLINE COURSE REACHES 48% (% TOP2) IN GER AND IS SIGNIFICANTLY LOWER IN THE US (29%)

Last online course: how satisfied are you with this online course?



# BUSINESS RELATED ONLINE COURSES ARE RATED LOW IN TERMS OF OVERALL CUSTOMER SATISFACTION

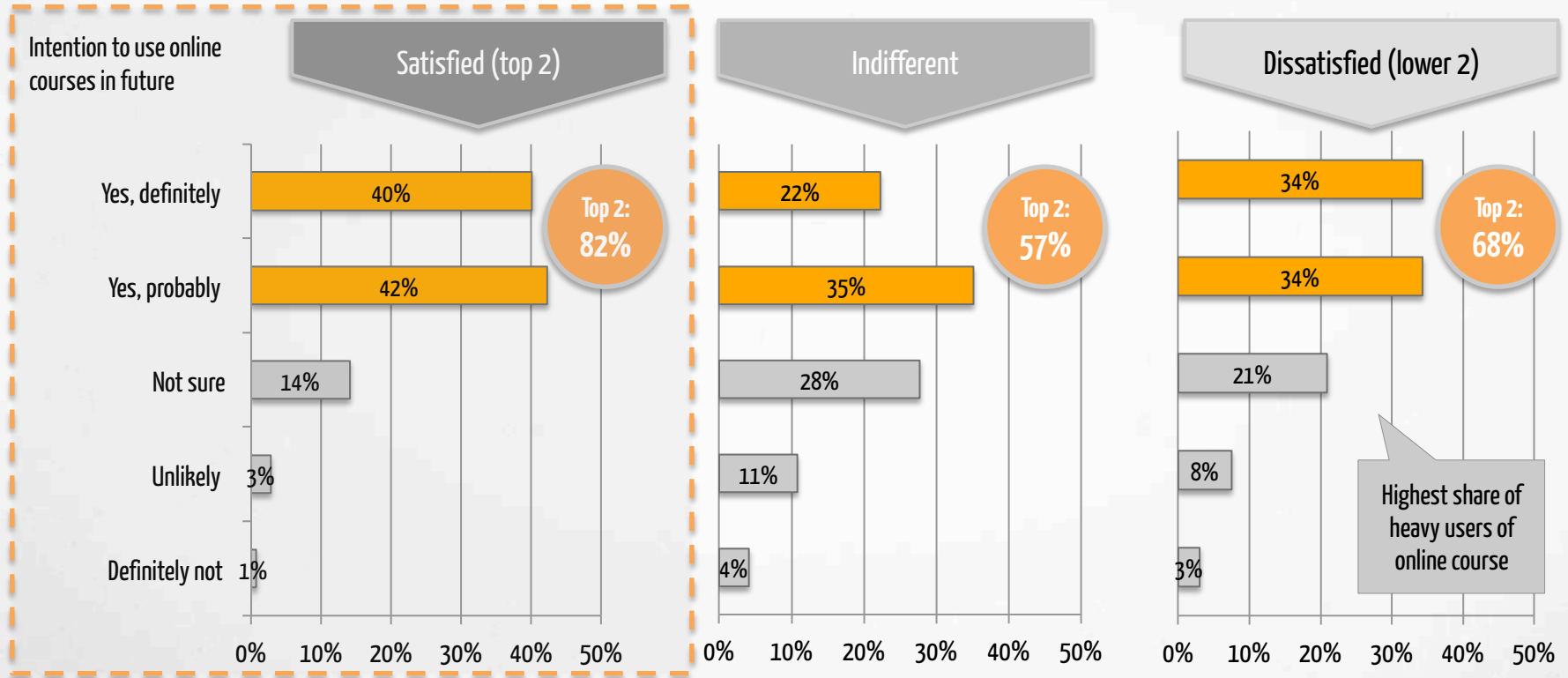
Last online course: how satisfied are you with this online course?





# A LOW DEGREE OF SATISFACTION ONLY PARTIALLY TRANSLATES INTO A LOWER INTENTION TO USE ONLINE COURSES IN THE FUTURE

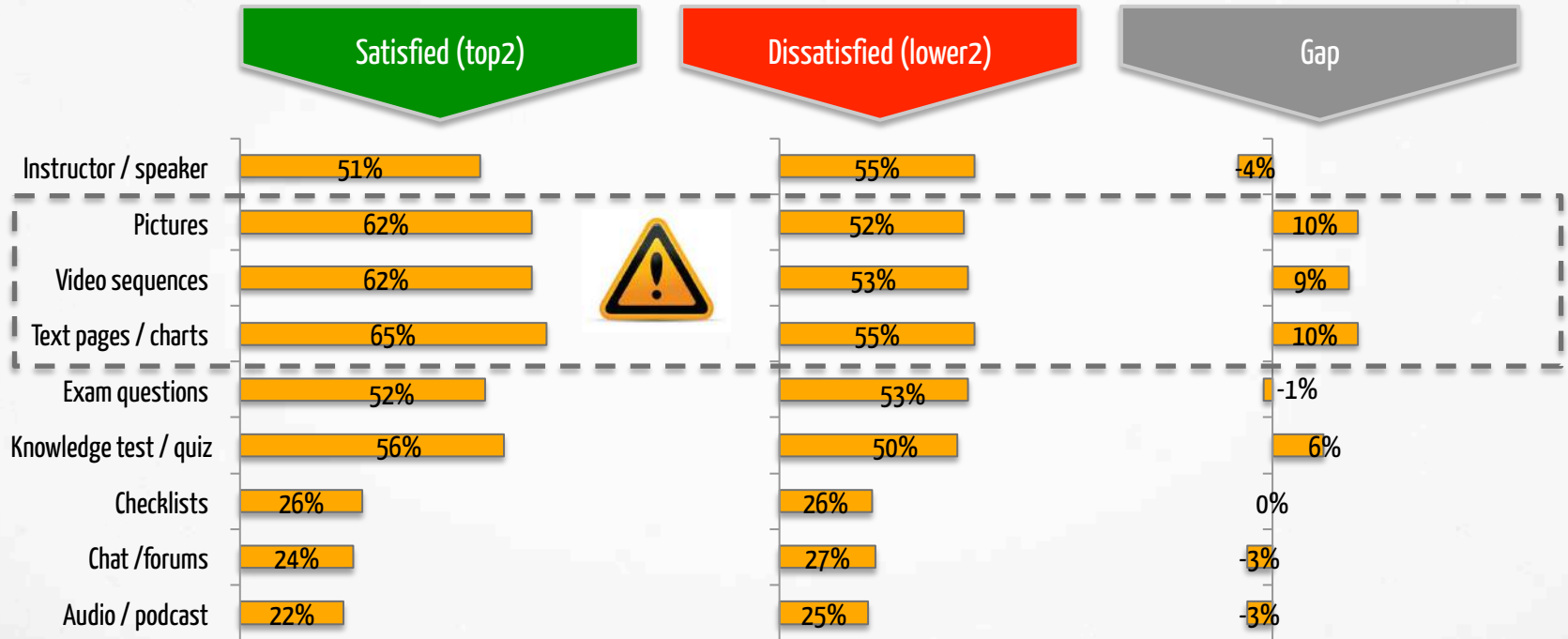
Influence of the degree of satisfaction on future usage of online courses<sup>1)</sup>



1) Do you intend to do online courses in the next 1-2 years?

# DRIVERS FOR CUSTOMER SATISFACTION: PICTURES, VIDEO SEQUENCES AND TEXT PAGES PLAY A CRUCIAL ROLE

Elements / structure of last online course vs. degree of customer satisfaction

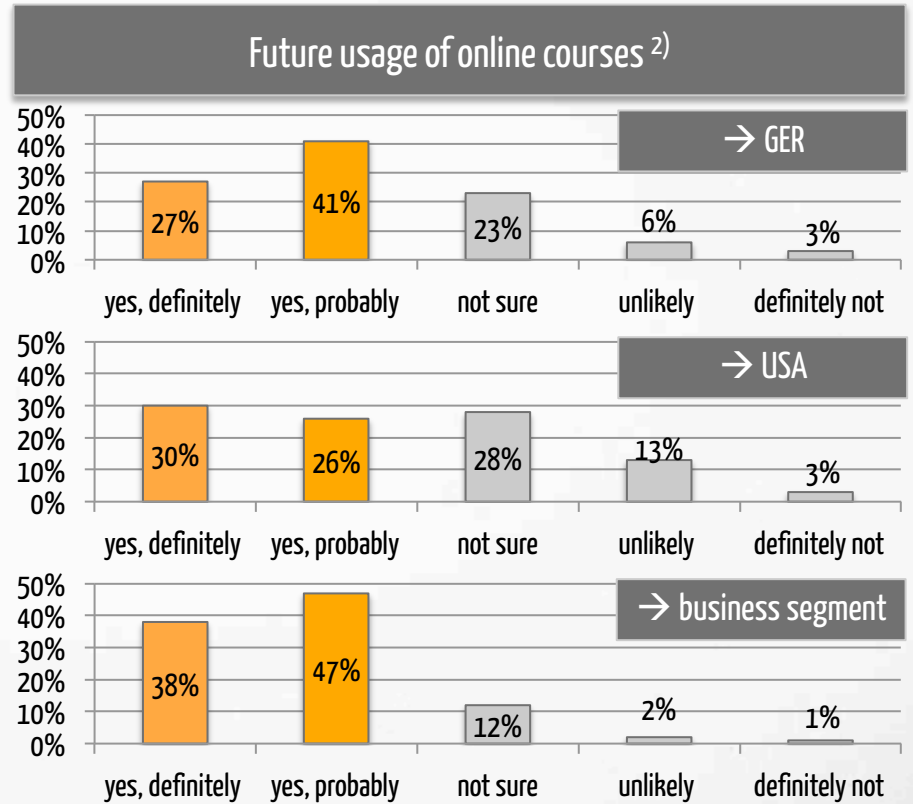


1) When you think back to your last online course: How was it structured? What did it contain?

# MARKET FOR ONLINE COURSES STRONGLY FRAGMENTED – SIGNIFICANT FUTURE GROWTH EXPECTED

## Awareness of online courses portals and future usage of online courses

Awareness of online courses portals <sup>1)</sup>			
	GER	USA	business segment
udemy	4%	3%	12%
coursera	9%	7%	16%
udacity	5%	3%	12%
iversity	7%	4%	10%
edX	3%	2%	6%
video2brain	13%	2%	22%
khan academy	8%	24%	4%
lynda	4%	6%	16%
skillshare	7%	5%	5%
skillfeed	6%	4%	3%
Fedora	11%	2%	7%
Digital Tutors	15%	4%	1%
Wistia	5%	0%	5%
others	8%	12%	10%
None of the above	55%	54%	54%

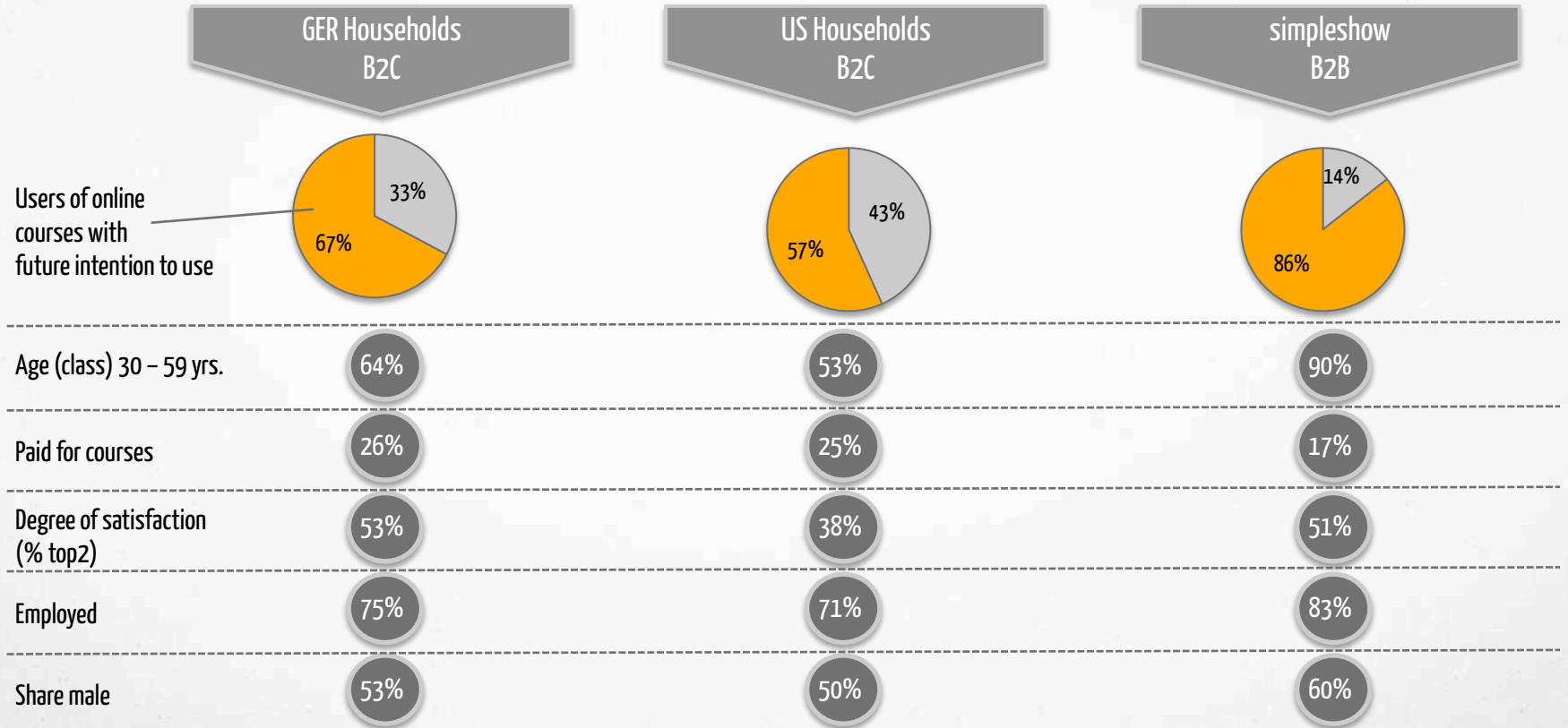


<sup>1)</sup> Which of the following portals for online courses do you know?

<sup>2)</sup> Do you intend to do online courses in the next 1 – 2 years?

# 67% (GER) RESPECTIVELY 57% (US) OF RESPONDENTS INTEND TO USE ONLINE COURSES IN THE FUTURE

Profile: users of courses with expected future usage



# KEY FINDINGS CHAPTER 1: RELEVANCE OF ONLINE COURSES AND FUTURE MARKET DEVELOPMENT

- 45% of USA interviewees have already used digital learning applications. 65% of them used online trainings/courses in the past. Results for Germany are similar, but on a slightly lower level. In contrast, 83% of B2B respondents (simpleshow contacts) have already used digital learning applications.
- Online courses cover a broad range of topics. Here, business and professional issues play a dominant role (especially in the B2B-segment). Similarly, the length of the courses show a wide range. B2B respondents indicate rather short online courses (51% up to 1 hour).
- Between 15% (B2B-contacts) and 22% (GER) of respondents have paid for the last online course. The median price paid is approximately 90 – 100 US-\$ in the B2C-segments and significantly higher in the B2B-Segment (median 550 US-\$).
- The degree of customer satisfaction with online courses reaches 48%(top2) in GER and is significantly lower in the USA (29%). Therefore, it can be assumed that there is substantial room for improvement in the market.
- Drivers for customer satisfaction: pictures, video sequences and Ttxt pages play a crucial role, since these elements have a much stronger relevance for the group of satisfied users.
- Market for online courses strongly fragmented: Khan academy reaches 24% of awareness (US) . All other online platforms rank low in terms of awareness. Respondents with usage of online courses in the past show a high intention to do online courses in the next 1-2 years.

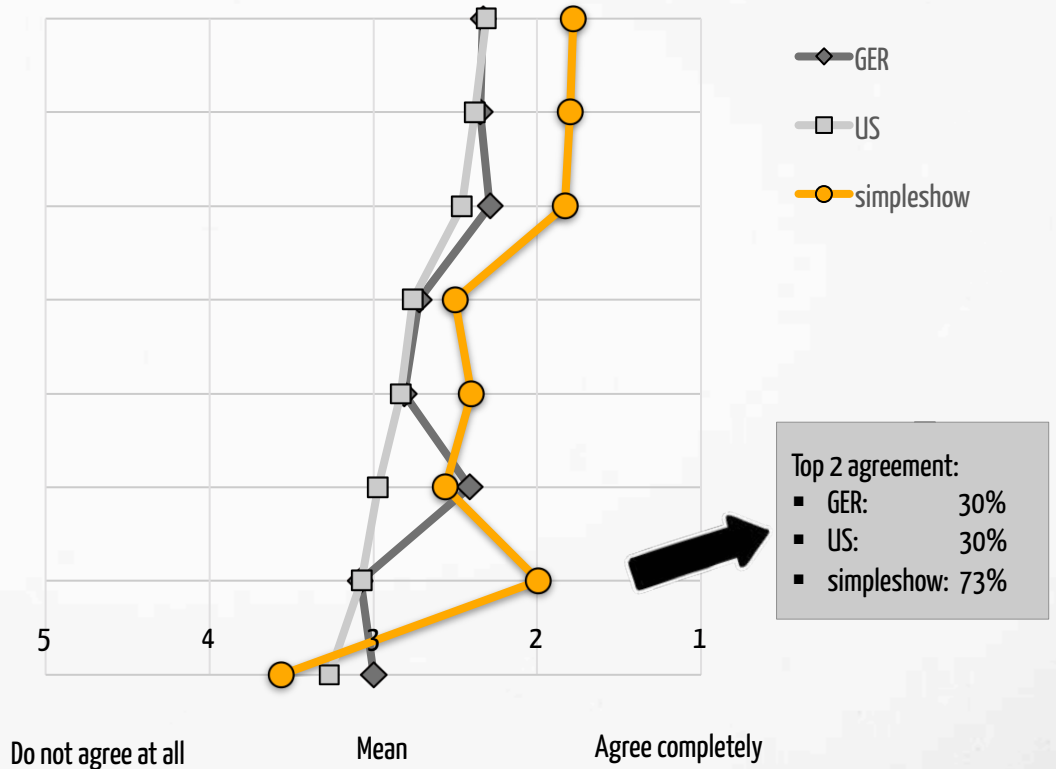
# AGENDA

1. Relevance of online courses and future market development
2. Customer requirements concerning online courses
3. Concept test – innovative online course format

# MOST RESPONDENTS SEE ONLINE COURSES AS A GOOD CHANCE TO GET FURTHER TRAINING IN INTERESTING SUBJECT AREAS

Statement on online courses depending on sample group<sup>1)</sup>

- Online courses are a good way of getting further training in interesting subject areas
- Online courses enable me to learn at my own speed
- I expect an online course to give me an overview
- With online courses I can learn more quickly than when I am learning at home alone
- I prefer online courses to other forms of learning because it means that I am not tied to one location
- I expect that an online course will pass on deep knowledge
- I will book online courses in the future
- Online courses that cost money are of no interest to me

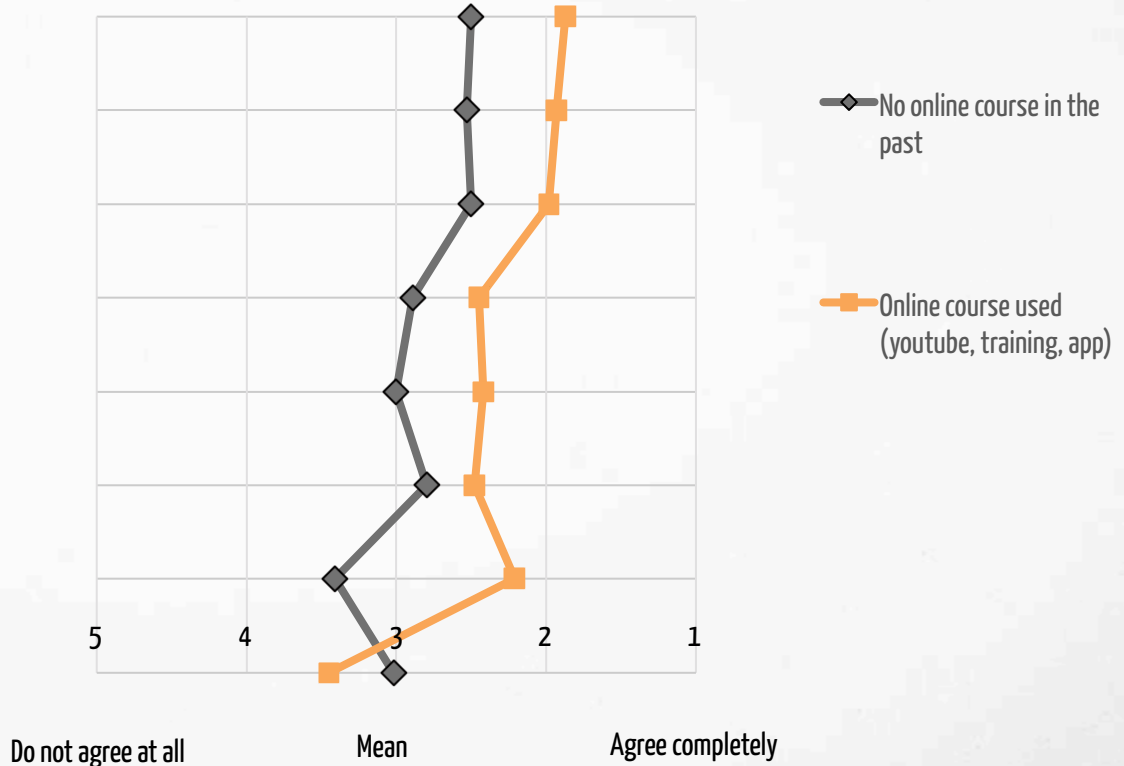


<sup>1)</sup> To what extent do you agree with the following statements?

# RESPONDENTS WHO ALREADY HAVE EXPERIENCE WITH ONLINE COURSES SHOW A SIGNIFICANTLY BETTER EVALUATION

Statement on online courses depending on online course experience<sup>1)</sup>

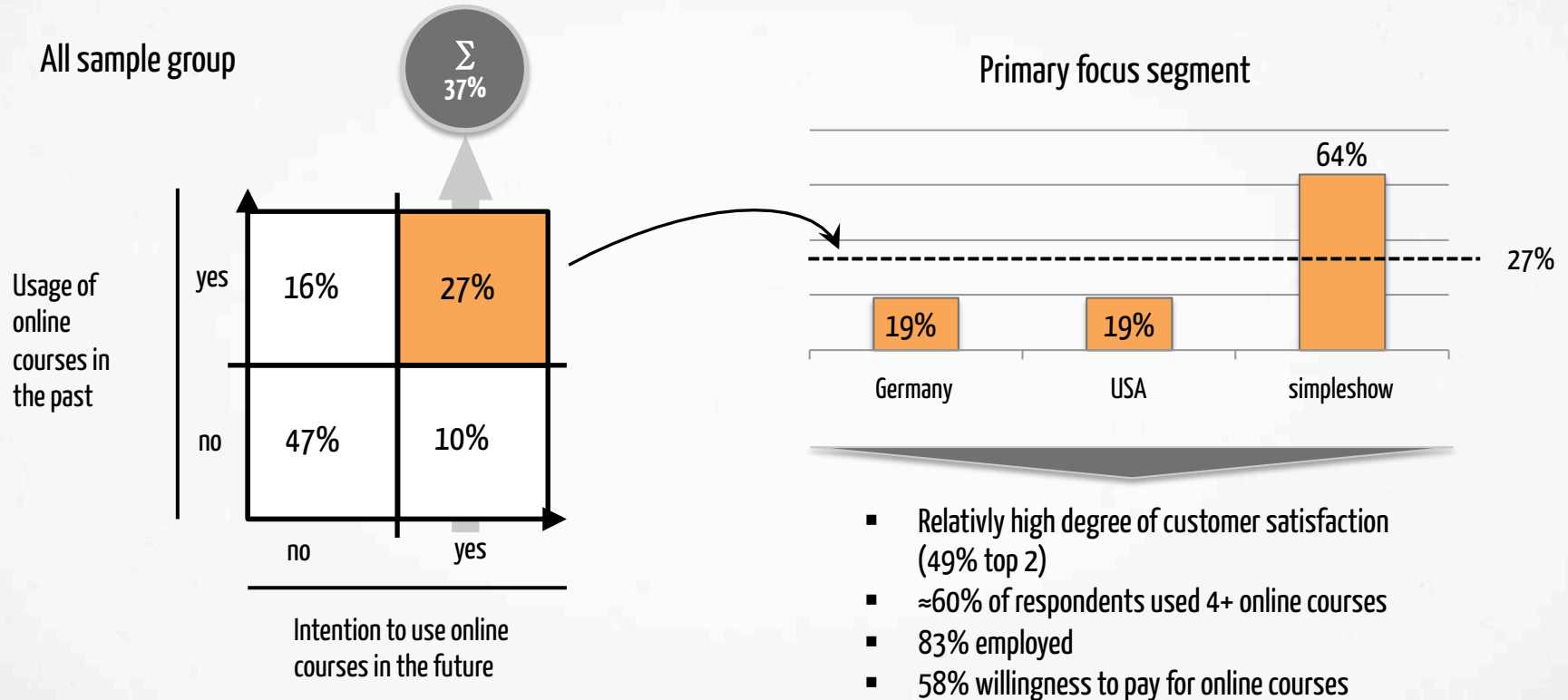
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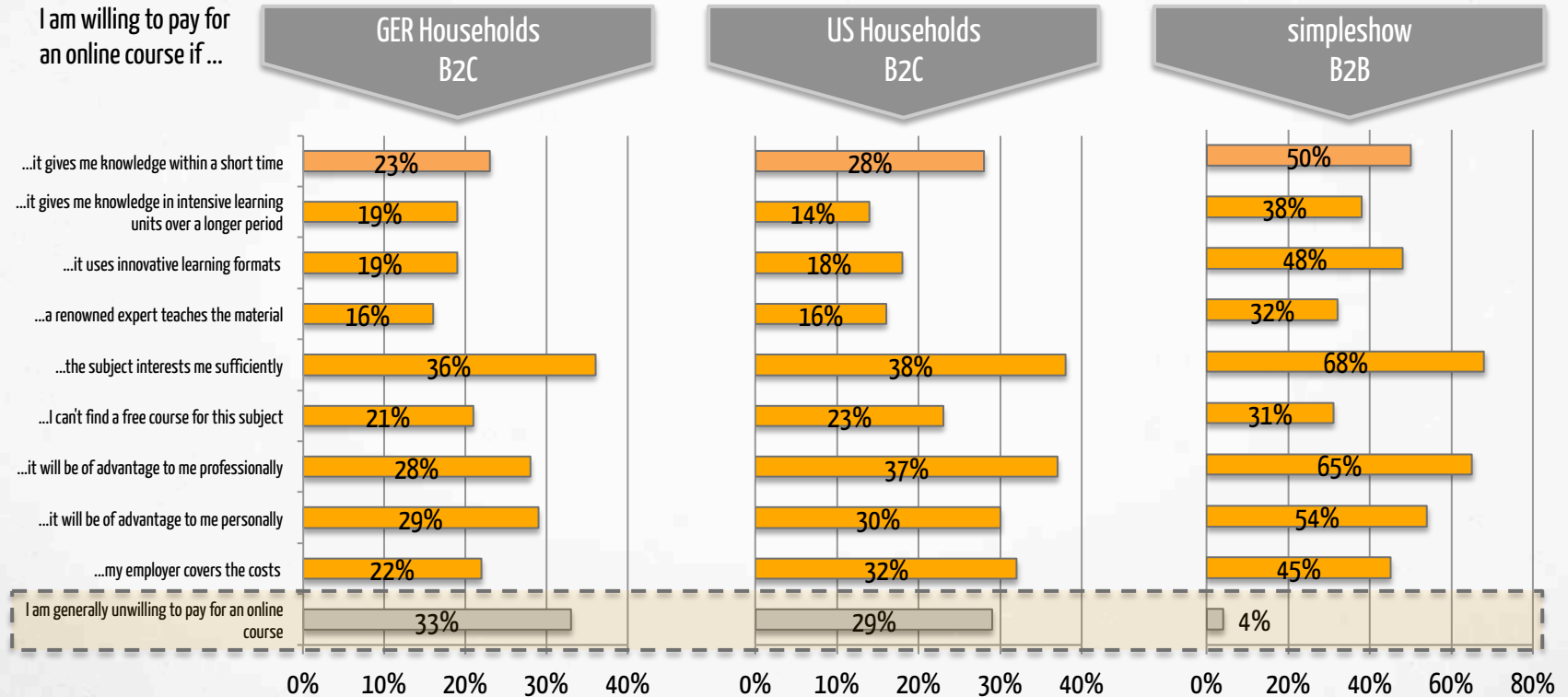


# OVERALL, APPROXIMATELY 1/4 OF THE RESPONDENTS HAVE USED ONLINE COURSES IN THE PAST AND INDICATE USAGE IN THE FUTURE



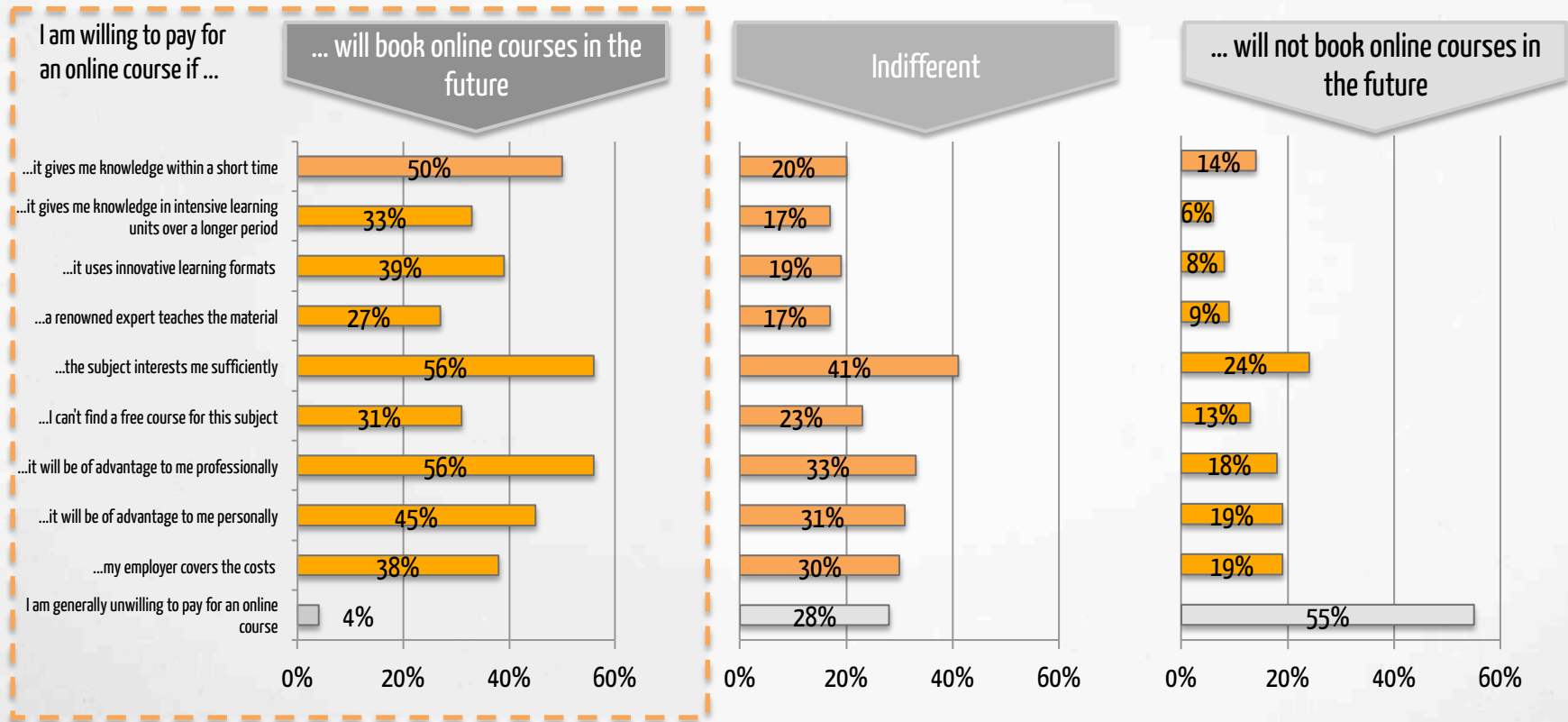
# PROVIDED KEY CUSTOMER NEEDS ARE MET, ALMOST 70% OF RESPONDENTS IN GERMANY AND USA (B2C) INDICATE A WILLINGNESS TO PAY

## Precondition for willingness to pay for online courses



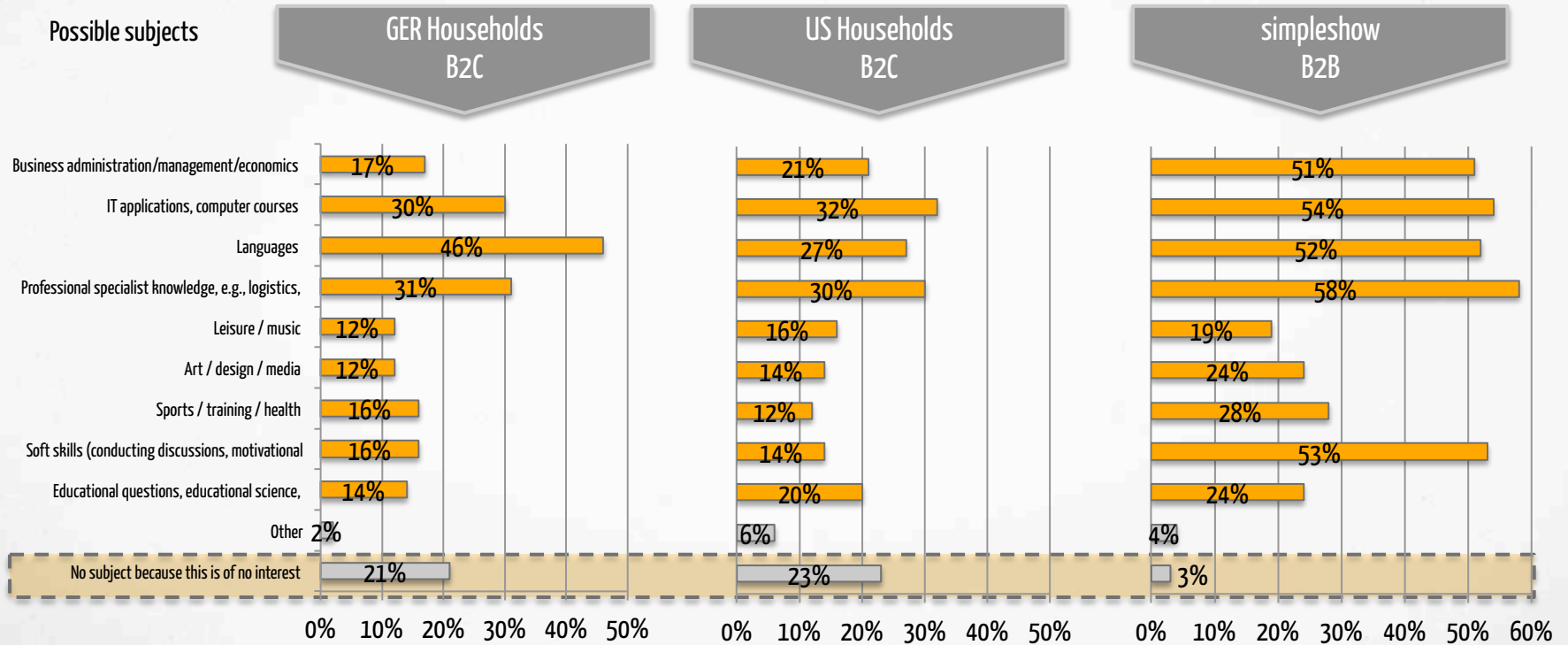
# INTERVIEWEES WHO ARE PLANNING TO BOOK ONLINE COURSES IN FUTURE SHOW A PARTICULARLY HIGH WILLINGNESS TO PAY FOR ONLINE COURSES

Willingness to pay for online courses according to intention to book online courses in the future



# ONLINE COURSES FOR LANGUAGES ARE STRONGLY PREFERRED IN GERMANY – SIMPLESHOW CONTACTS CLEARLY RANK BUSINESS ISSUES TOP

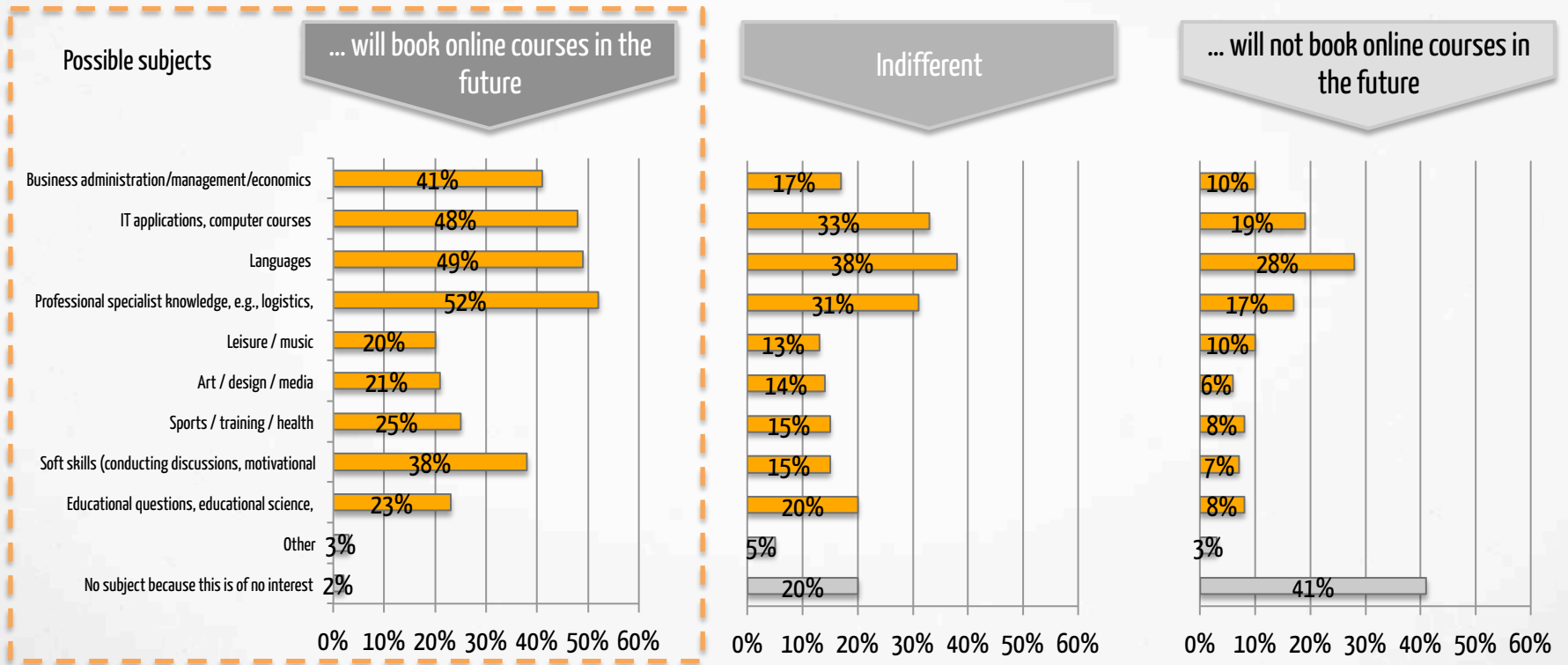
Attractive types of courses from customer's perception<sup>1)</sup>



<sup>1)</sup> When you think of possible subjects for online courses: which courses could be of interest to you personally?

# AMONG RESPONDENTS WHO INTENT TO BOOK ONLINE COURSES IN THE FUTURE BUSINESS ISSUES AND LANGUAGES RANK HIGHEST AS POSSIBLE SUBJECTS FOR ONLINE COURSES

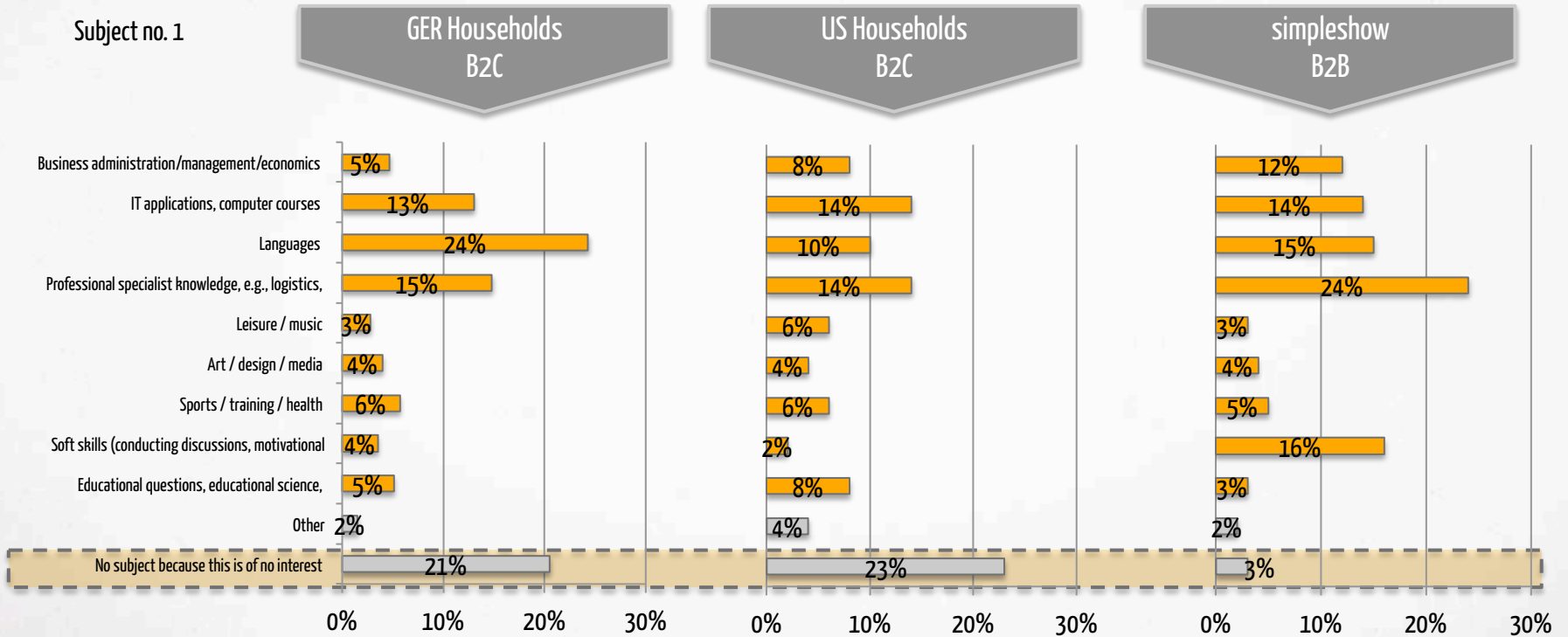
Attractive types of courses from customer's perception<sup>1)</sup>



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# THE PERCEIVED MOST IMPORTANT SUBJECT AREAS SHOW A STRONG VARIATION ACROSS DIFFERENT CUSTOMER SEGMENTS

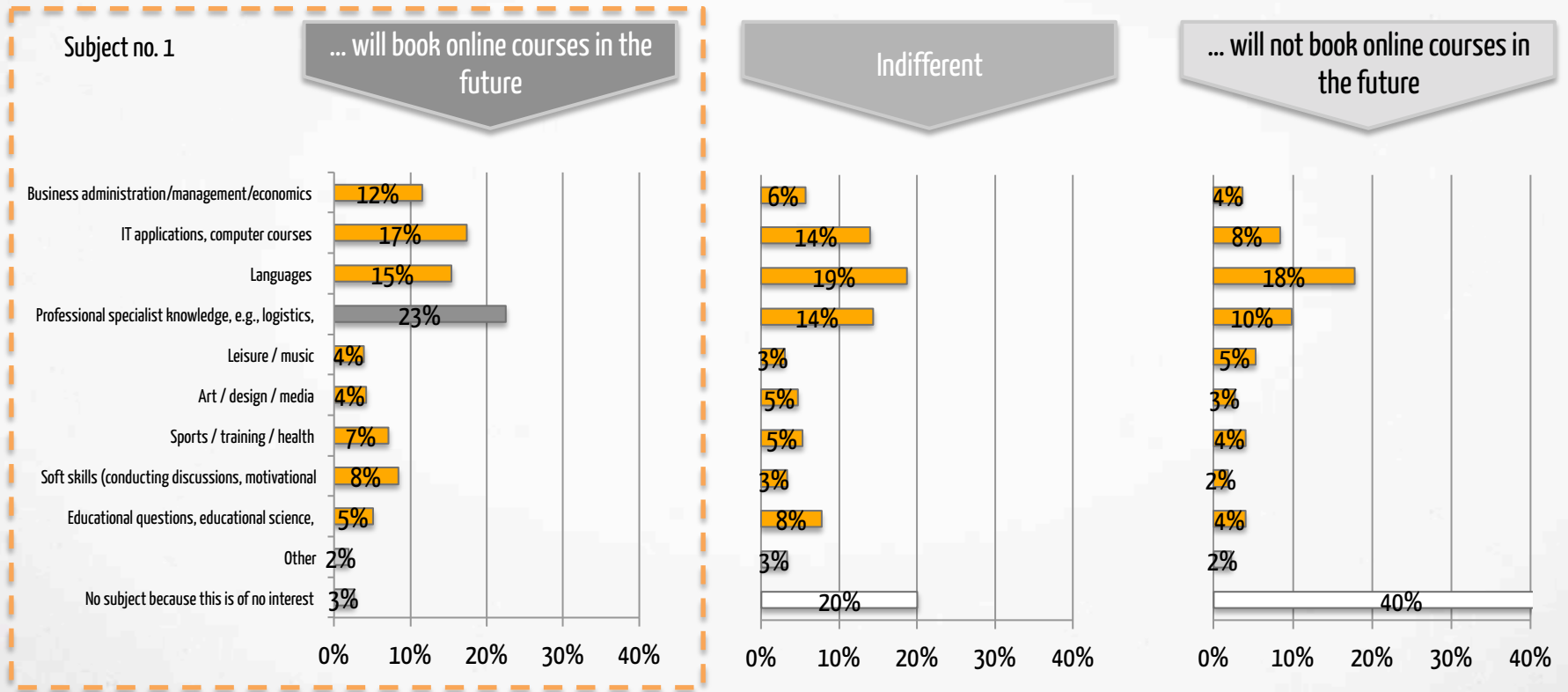
Most important subject area according to sample group<sup>1)</sup>



<sup>1)</sup> Please state the most important subject area for you.

# PROFESSIONAL SPECIALIST KNOWLEDGE RANKS AS #1 SUBJECT WITHIN THE GROUP OF RESPONDENTS WITH INTENTION TO BOOK COURSES IN THE FUTURE

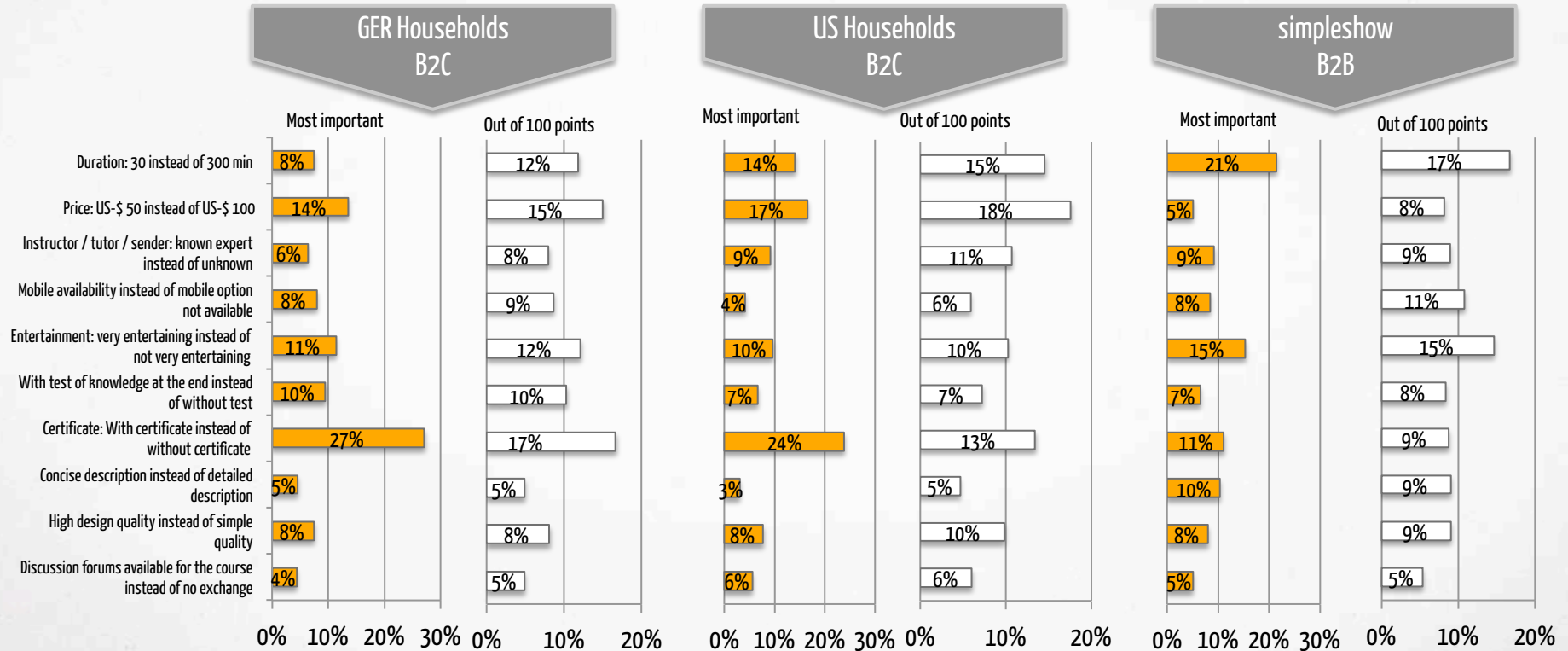
Most important subject area according to intention to book online courses in the future<sup>1)</sup>



1) Please state the most important subject area for you.

# WHILE PROVIDING A CERTIFICATE RANKS NO. 1 AMONG DECISION CRITERIA, OFFERING LOWER PRICES IS A RELEVANT FACTOR IN B2C-SEGMENTS

Decision criteria for selecting online courses<sup>1)</sup>

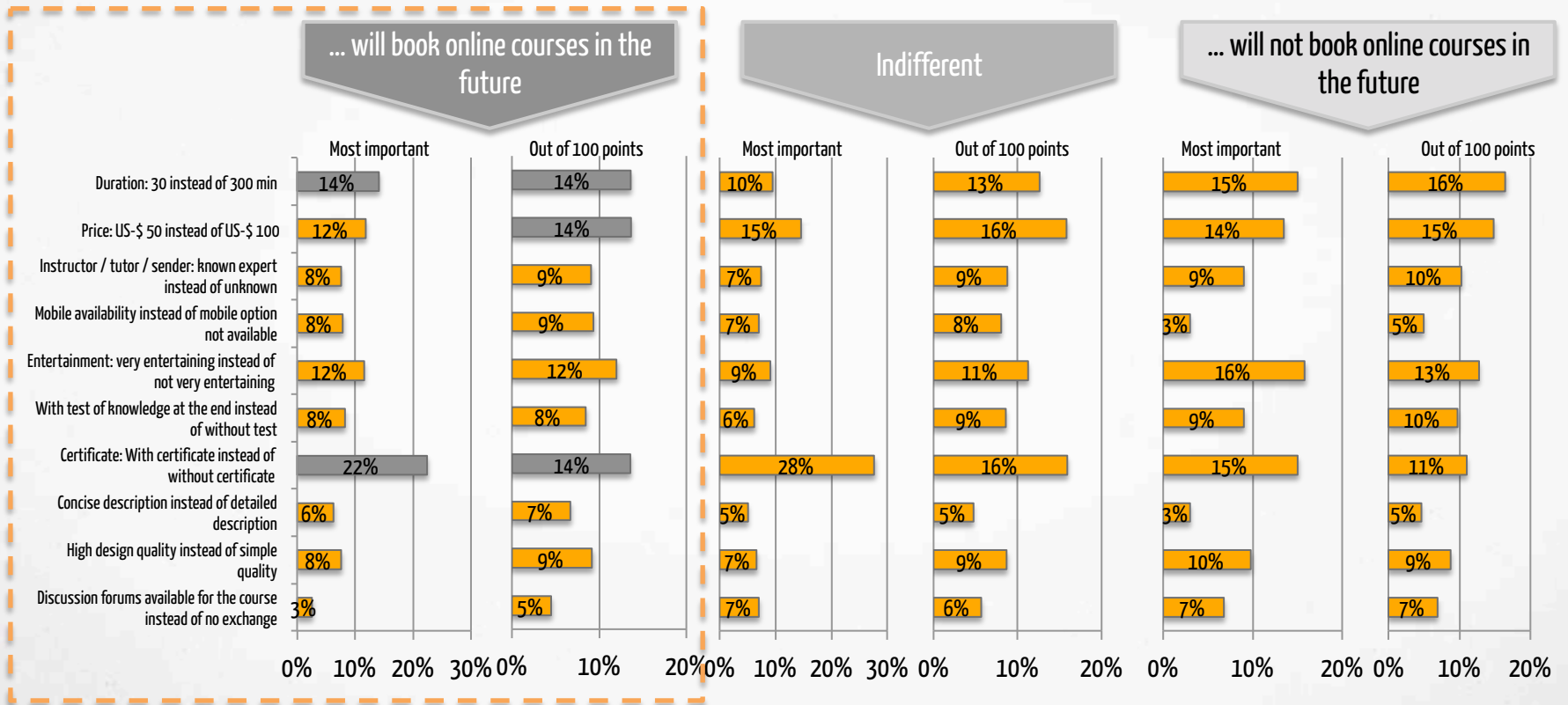


1) Below we would like to ask you a few questions about the decision-making criteria for selecting online courses in the field of ... Various improvements are shown below. First, please tell us the most important improvement for selecting a course.



# DURATION, PRICE AND CERTIFICATE ARE KEY REQUIREMENTS AMONG RESPONDENTS WITH INTENTION TO BOOK ONLINE COURSES

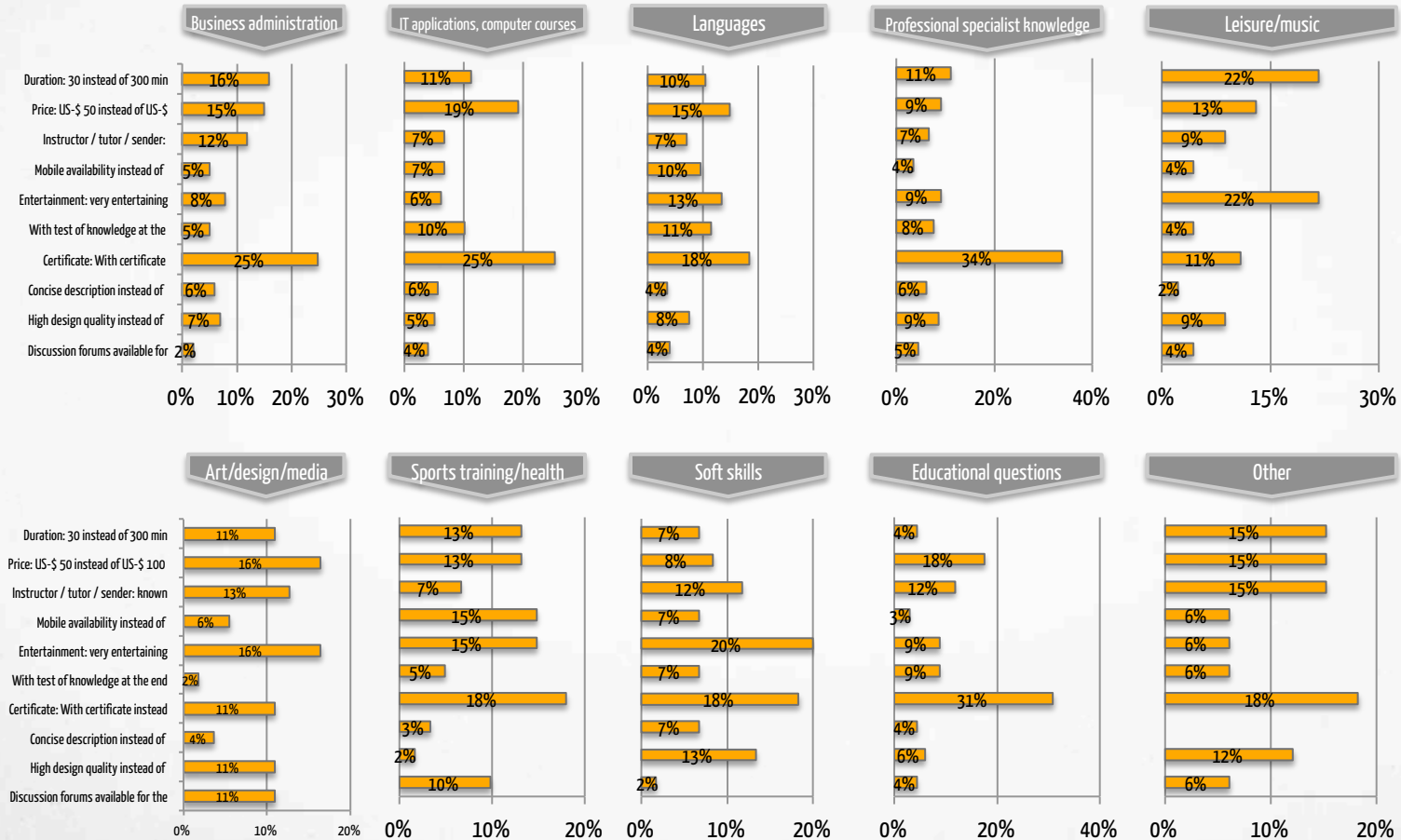
Decision criteria for selecting online courses according to intention to book online courses in future<sup>1)</sup>



1) Below we would like to ask you a few questions about the decision-making criteria for selecting online courses in the field of ... various improvements are shown below. First, please tell us the most important improvement for selecting a course.

# CERTIFICATES PLAY A PARTICULARLY IMPORTANT ROLE FOR ONLINE COURSES WITH BUSINESS TOPICS

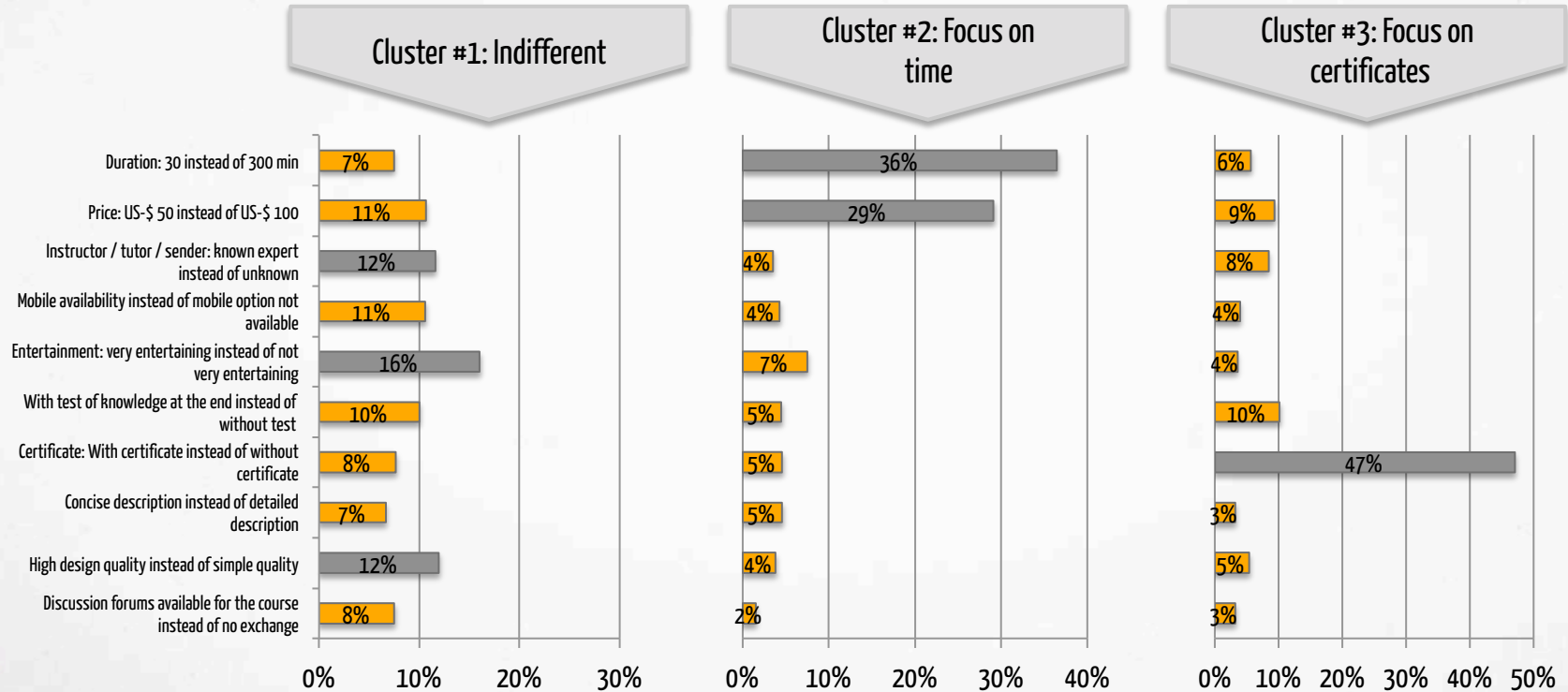
Decision criteria for selecting online courses according to most important subject<sup>1)</sup>



1) Below we would like to ask you a few questions about the decision-making criteria for selecting online courses in the field of ... various improvements are shown below. First, please tell us the most important improvement for selecting a course.

# DUE TO CLASSIFICATION OF RESPONDENTS 3 DIFFERENT CLUSTERS CAN BE IDENTIFIED

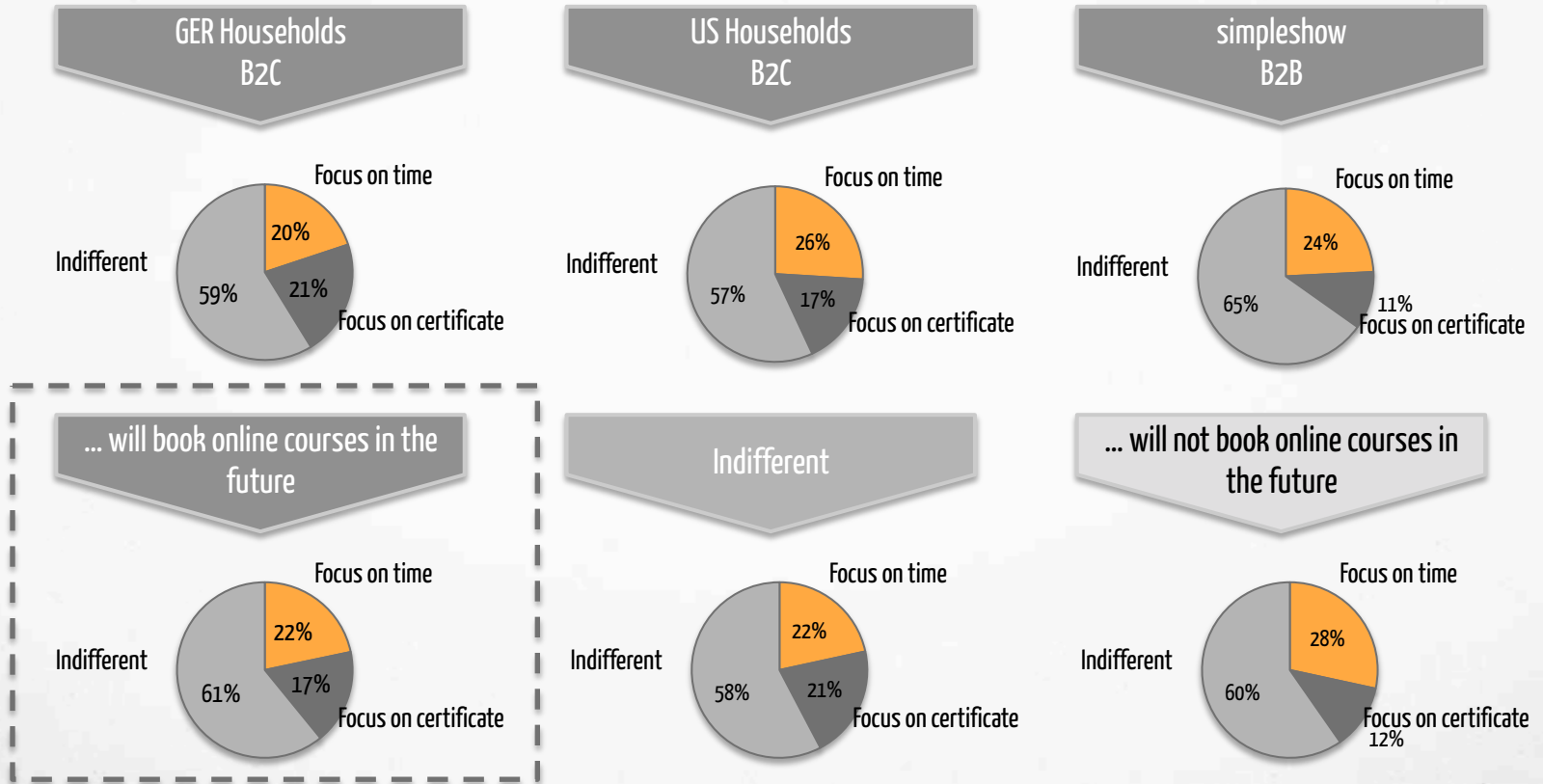
## Segmentation of respondents according to basic needs<sup>1)</sup>



1) Below we would like to ask you a few questions about the decision-making criteria for selecting online courses in the field of .... various improvements are shown below. First, please tell us the most important improvement for selecting a course.

# DISTRIBUTION OF NEEDS BASED ON SEGMENTATION SIMILAR IN ALL RELEVANT TARGET GROUPS

Decision criteria for selecting online courses according to most important subject<sup>1)</sup>



## KEY FINDINGS CHAPTER 2: CUSTOMER REQUIREMENTS CONCERNING ONLINE COURSES

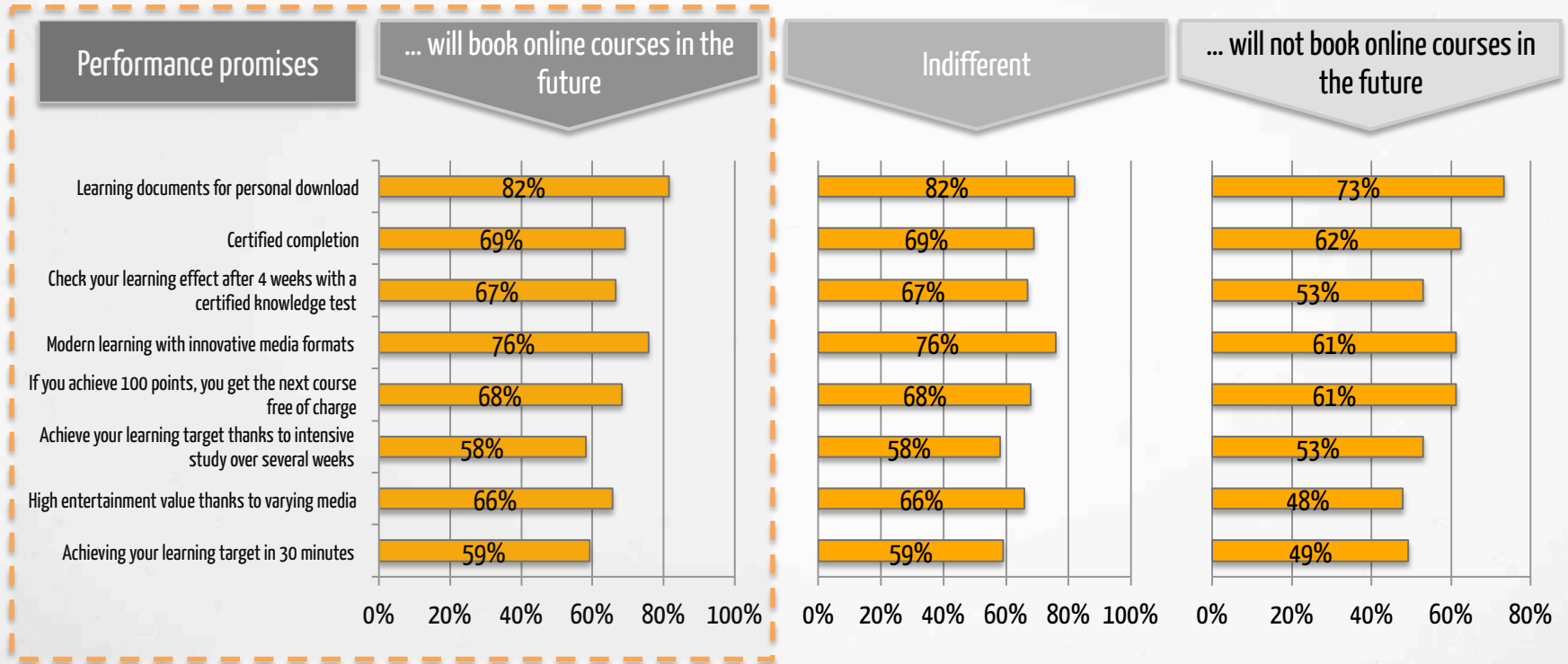
- Most respondents see online courses as a good chance to get further training in interesting subject areas. The evaluation of statements concerning online courses is especially positive within the B2B-segment, and within the group of respondents with usage of online courses in the past.
- Overall, approximately 1/4 of the respondents have used online courses in the past and indicate usage in the future. Concerning the B2B-segment the share of this target segment is 64%. Typically, those interviewees have a relatively high degree of customer satisfaction (49% top 2), intensively book online courses, > 80% employed and 58% are willing to pay for online courses.
- Provided key customer needs are met, almost 70% of respondents in Germany and USA (B2C) indicate a willingness to pay (B2B-segment: 96%). Interviewees who are already planning to book online courses in the future show a particularly high willingness to pay for online courses.
- Online courses for languages are strongly preferred in Germany – simpleshow contacts clearly rank business issues top.
- While providing a certificate ranks #1 among decision criteria, offering lower prices is a relevant factor in B2C-segments. Due to classification of respondents 3 different clusters can be identified: (1) Indifferent (Focus on a wide range of criteria), (2) focus on time and (3) Focus on certificate.

# AGENDA

1. Relevance of online courses and future market development
2. Customer requirements concerning online courses
3. **Concept test – innovative online course format**

# INTERVIEWEES WITH INTENTION TO BOOK ONLINE COURSES IN FUTURE: LEARNING DOCUMENTS AND MODERN LEARNING WITH INNOVATIVE MEDIA FORMATS ARE TOP ISSUES

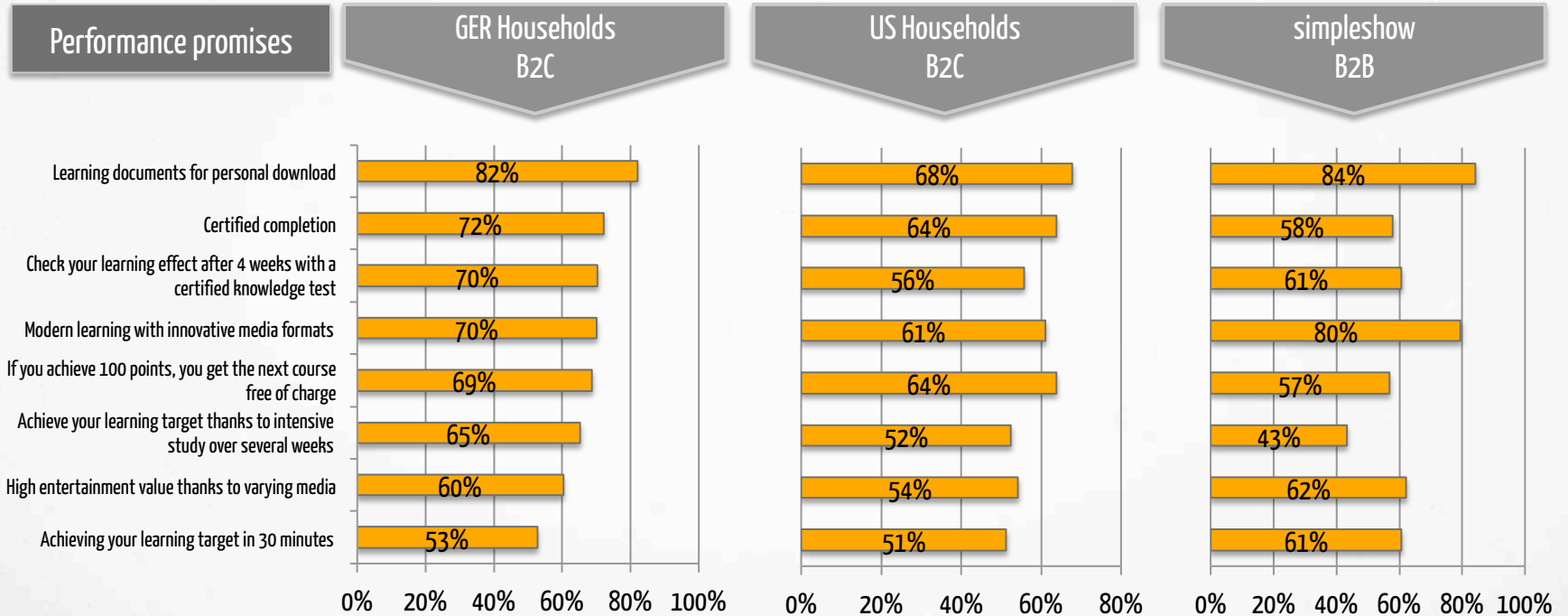
Evaluation of performance promises according to intention to book online course (% top 2)<sup>1)</sup>



1) How do the following performance promises of an online course appeal to you? Scale from 1 = I find it very interesting to 5 = I do not find it interesting at all.

# ALL SINGLE PERFORMANCE PROMISES CONCERNING ONLINE COURSES REACH A HIGH LEVEL OF INTEREST

Evaluation of performance promises according to intention to sample group (% top 2)<sup>1)</sup>

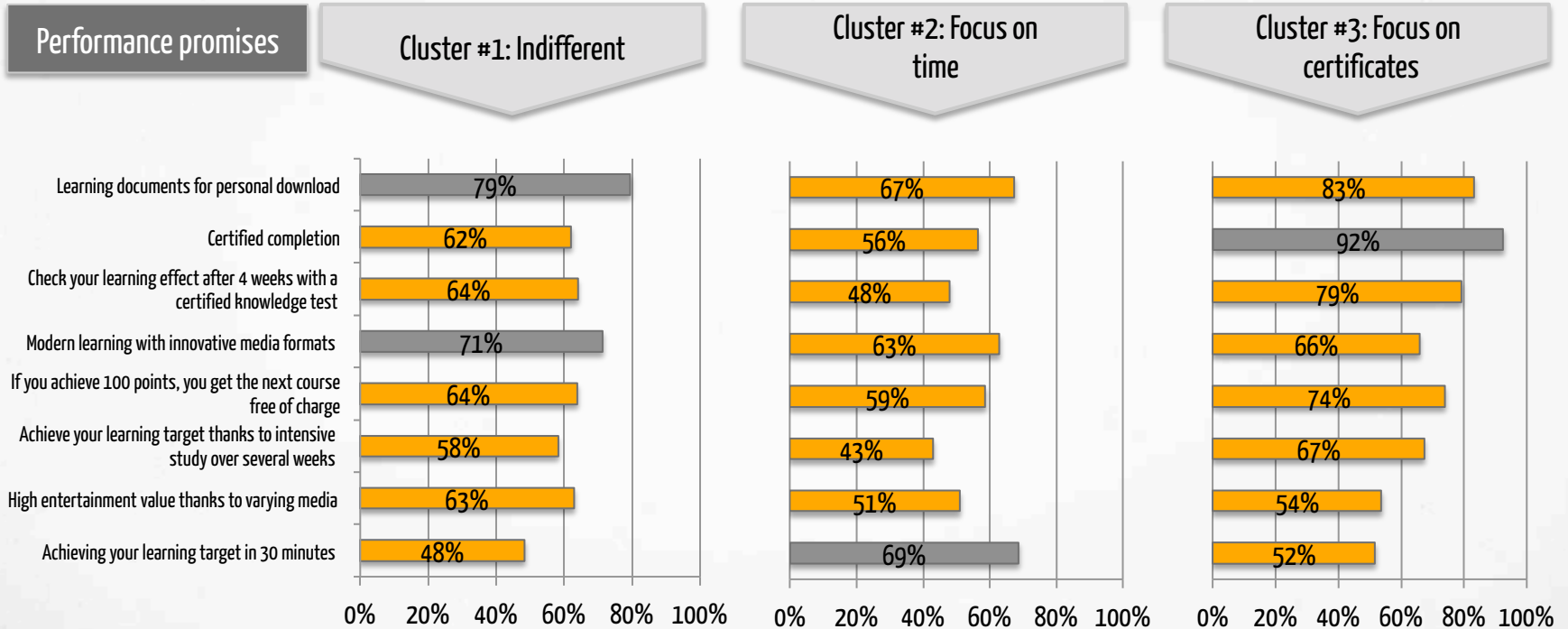


1) How do the following performance promises of an online course appeal to you? Scale from 1 = I find it very interesting to 5 = I do not find it interesting at all.



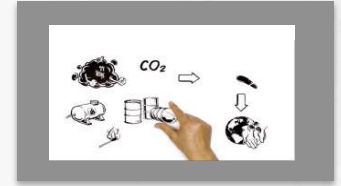
# NEEDS-BASED CLUSTERS SHOW CONSISTENT EVALUATION OF PERFORMANCE PROMISES FOR ONLINE COURSES

Evaluation of performance promises according to needs-based cluster<sup>1)</sup>

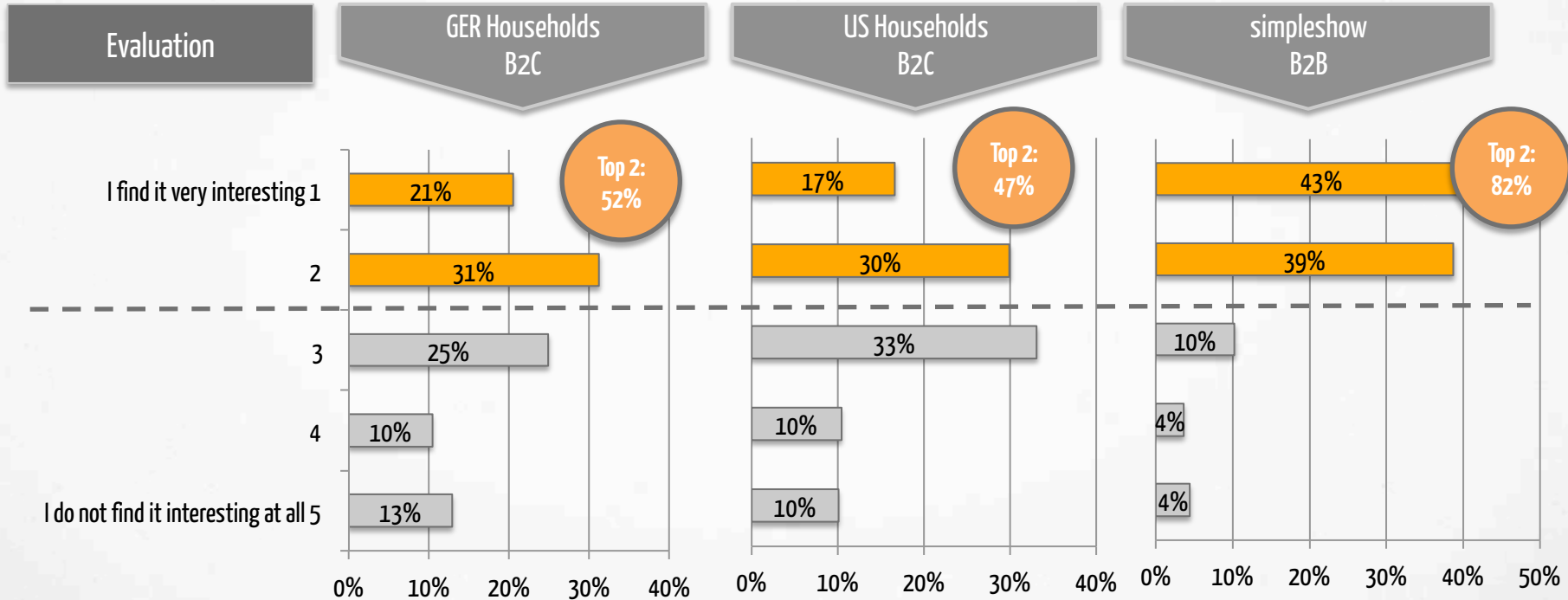


1) How do the following performance promises of an online course appeal to you? Scale from 1 = I find it very interesting to 5 = I do not find it interesting at all.

# STEP 1 OF THE CONCEPT TEST: APPROXIMATELY 50% OF THE RESPONDENTS IN GERMANY AND USA RATE THE SIMPLESHOW VIDEO FORMAT AS INTERESTING

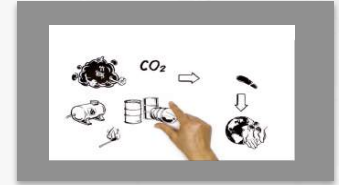


Evaluation of simpleshow video according to sample group<sup>1)</sup>

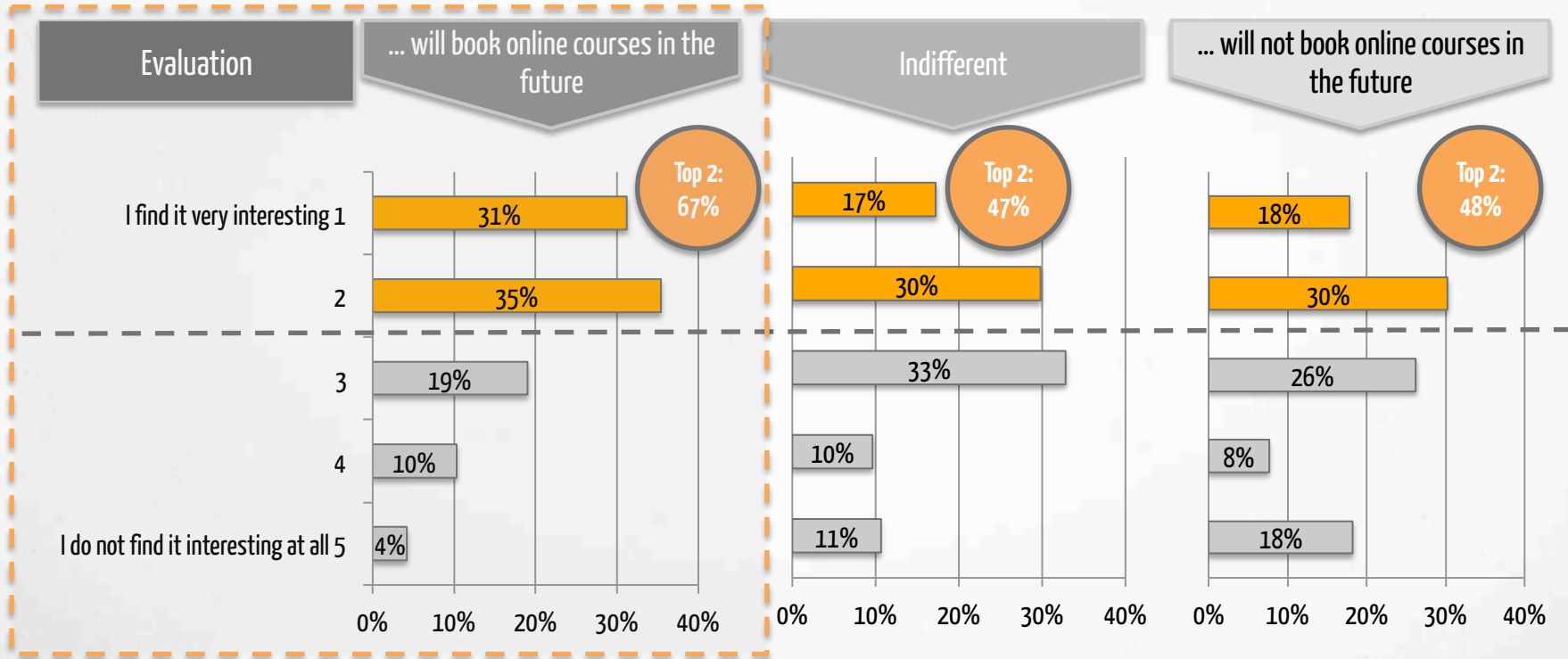


1) To what extent does the way this information is presented appeal to you? Please now watch the following extract from an explanatory video.

# 2/3 OF RESPONDENTS WITH INTENTION TO BOOK ONLINE COURSES IN FUTURE RATE THE SIMPLESHOW FORMAT AS INTERESTING



Evaluation of simpleshow video according to intention to book online courses in future<sup>1)</sup>



1) To what extent does the way this information is presented appeal to you? Please now watch the following extract from an explanatory video.

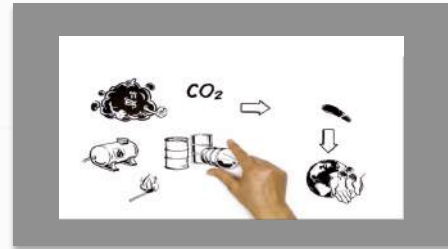
# STEP 2 OF THE CONCEPT TEST: EXPLAINING NEW ONLINE COURSE FORMAT

## New online course format

Sequence 1: expert explains the most important thing, provides practical tips, personal, charming, motivational



Sequence 2: video in the hand lay-style gives an overview, visualized and simplifies complex issues

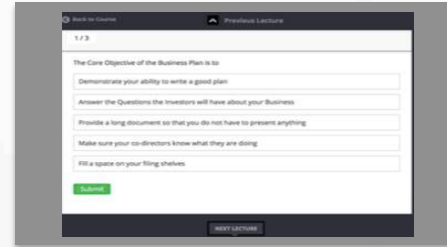


Sequence 3: personal worksheet imparts learning priorities



... more sequences

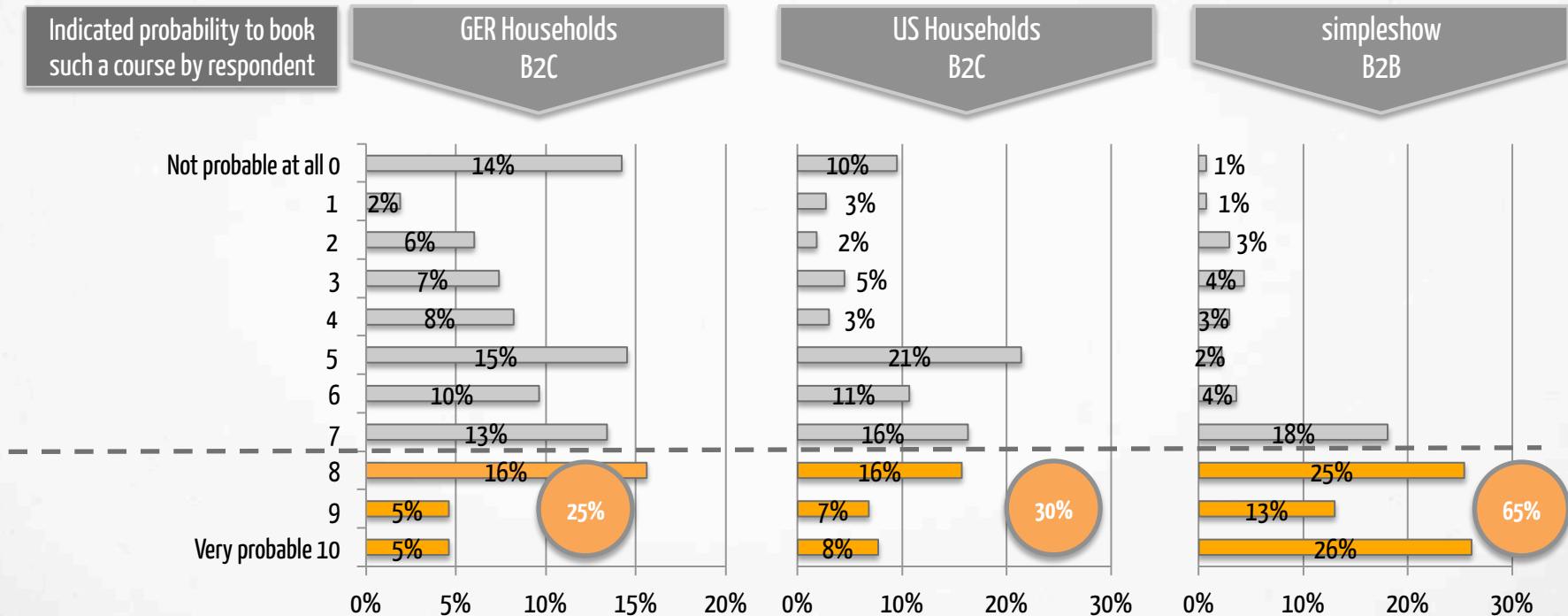
Sequence 4: knowledge test, for example, Multiple Choice checks learning content



TOTAL LENGTH 30 MIN

# 25% OF RESPONDENTS IN GERMANY AND 30% OF RESPONDENTS IN THE USA SHOW A HIGH PROBABILITY TO BOOK AN ONLINE COURSE AS PRESENTED

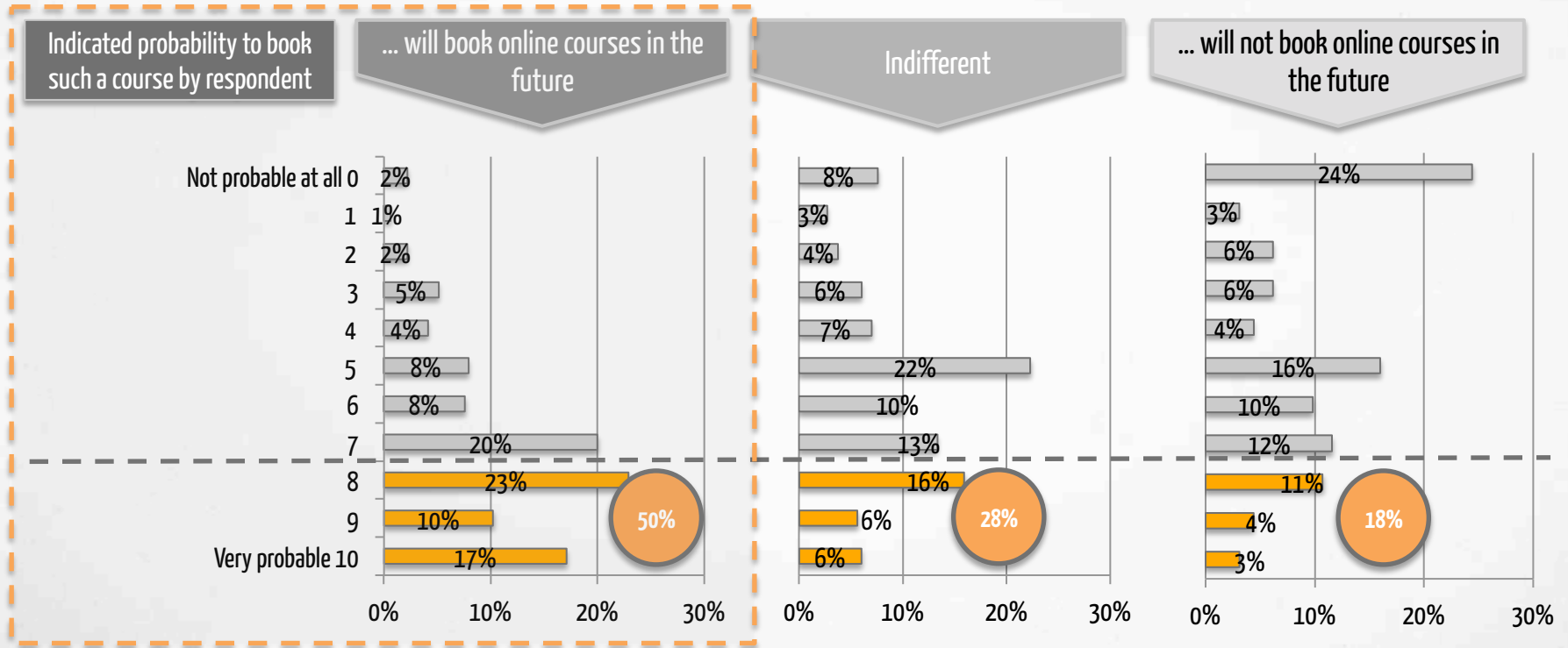
Evaluation of online course concept according to sample groups<sup>1)</sup>



1) Now imagine an online course consisting of several three-minute chapters. Each chapter can follow different formats such as the simpleshow video you have just seen, but also traditional elements. Would you book such an online course?

# 50% OF RESPONDENTS WITH INTENTION TO BOOK ONLINE COURSES IN THE FUTURE INDICATE A HIGH PROBABILITY TO BOOK AN ONLINE COURSE AS PRESENTED

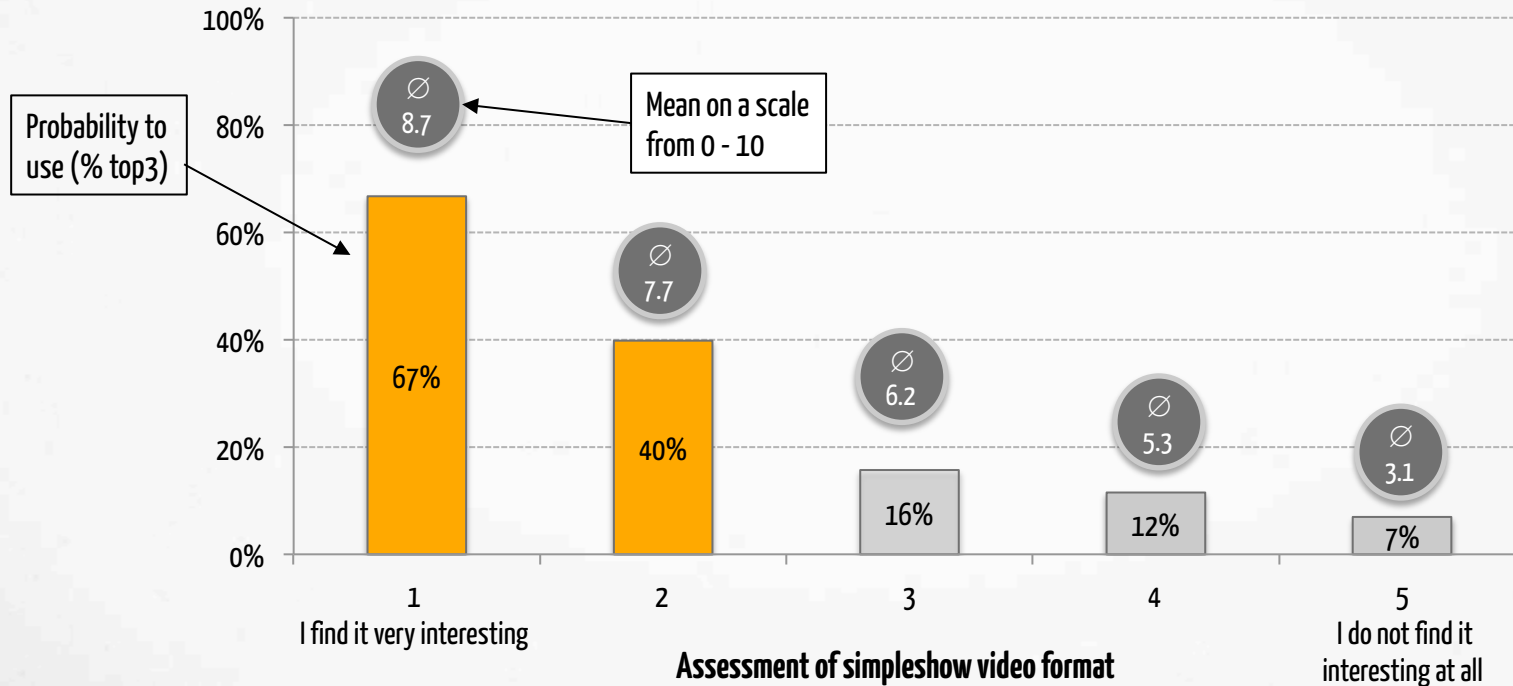
Evaluation of online course concept according to intention to book online courses in future<sup>1)</sup>



1) Now imagine an online course consisting of several three-minute chapters. Each chapter can follow different formats such as the simpleshow video you have just seen, but also traditional elements. Would you book such an online course?

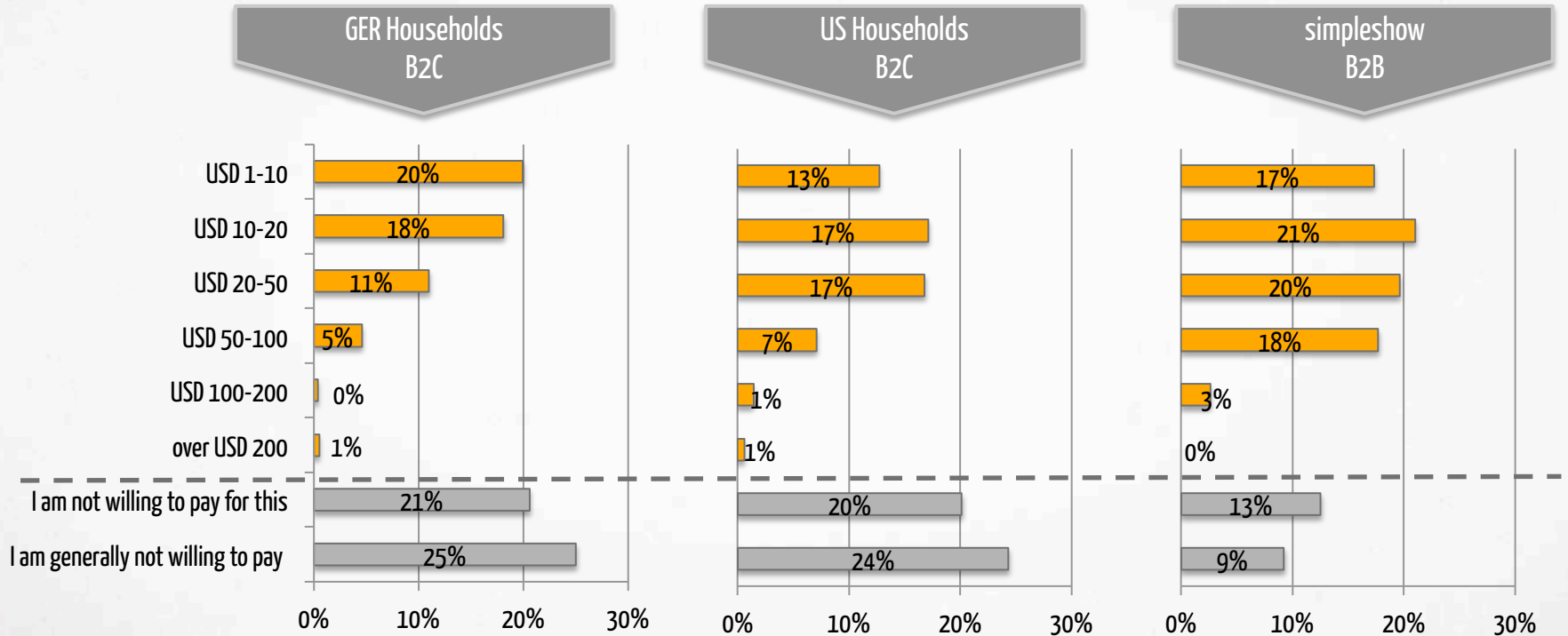
# THE EVALUATION OF THE ONLINE COURSE CONCEPT IS SIGNIFICANTLY DRIVEN BY THE ASSESSMENT OF THE SIMPLESHOW VIDEO FORMAT

Evaluation of online course concept according to assessment of simpleshow video format (% top2)



# SIGNIFICANT WILLINGNESS TO PAY FOR THE ONLINE COURSE CONCEPT AS PRESENTED

Willingness to pay for the online course concept by sample group <sup>1)</sup>

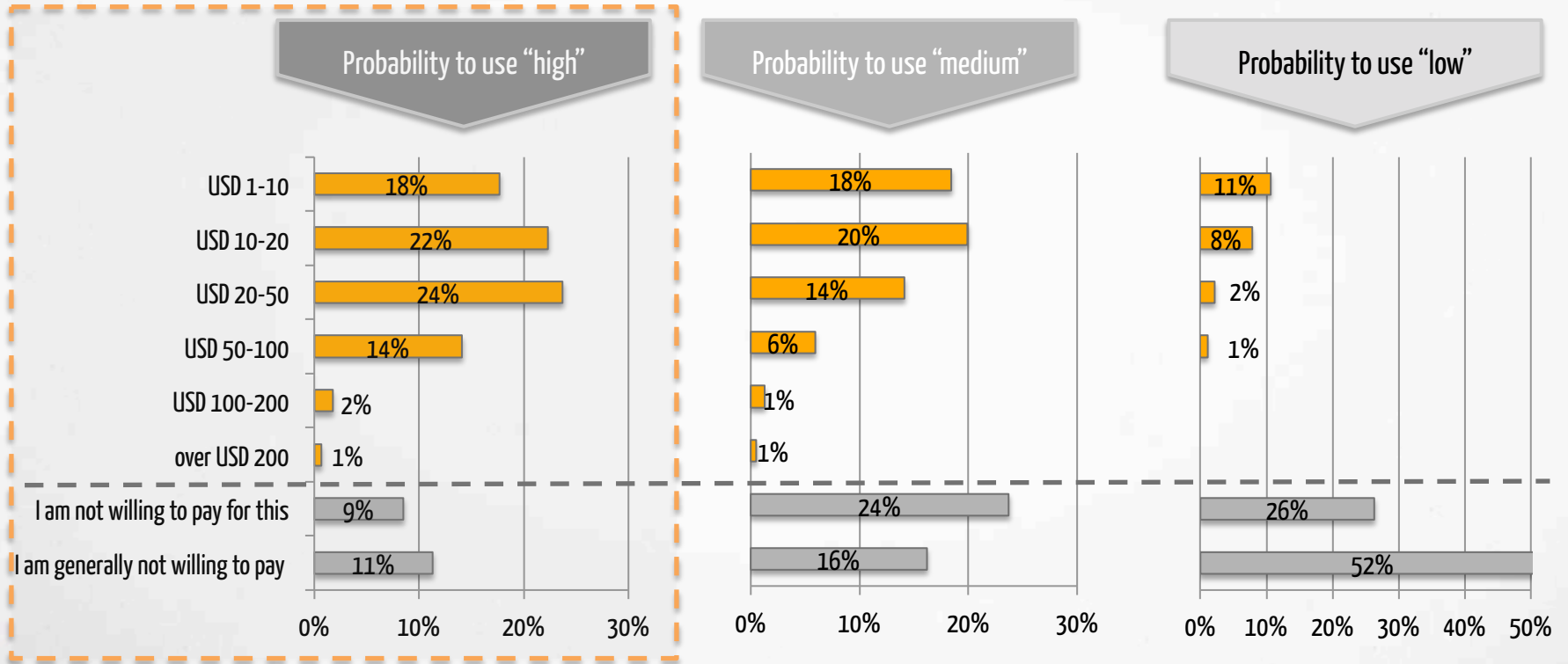


1) How much would you pay to participate in this online course (30 min.)?



# RESPONDENTS WITH A HIGH INDICATED PROBABILITY TO USE THE ONLINE COURSE CONCEPT AS PRESENTED HAVE A PARTICULARLY HIGH WTP<sup>1)</sup>

WTP for the online course concept according to indicated probability to use<sup>2)</sup>

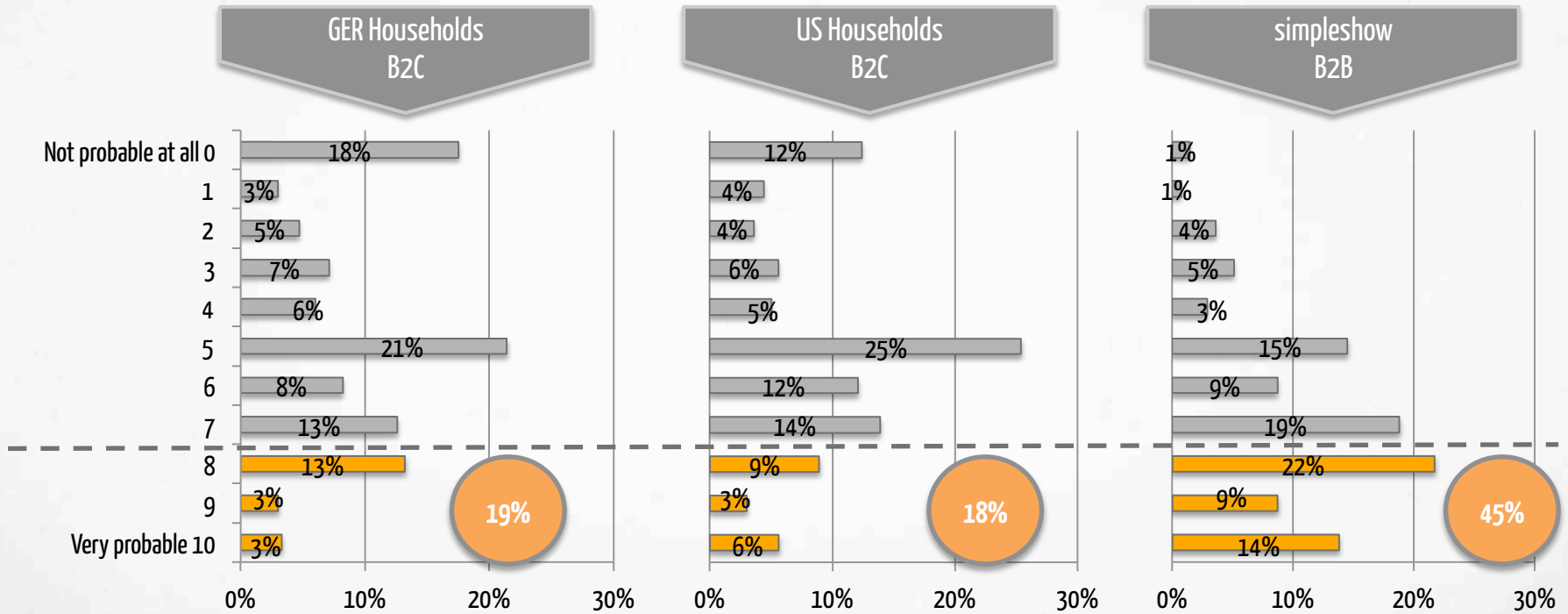


1) Willingness To Pay

2) How much would you pay to participate in this online course (30 min.)?

# OVERALL, APPROXIMATELY 20% OF THE B2C RESPONDENTS (IN GER AND USA) INDICATE HIGH PROBABILITY TO RECOMMEND THE ONLINE COURSE CONCEPT

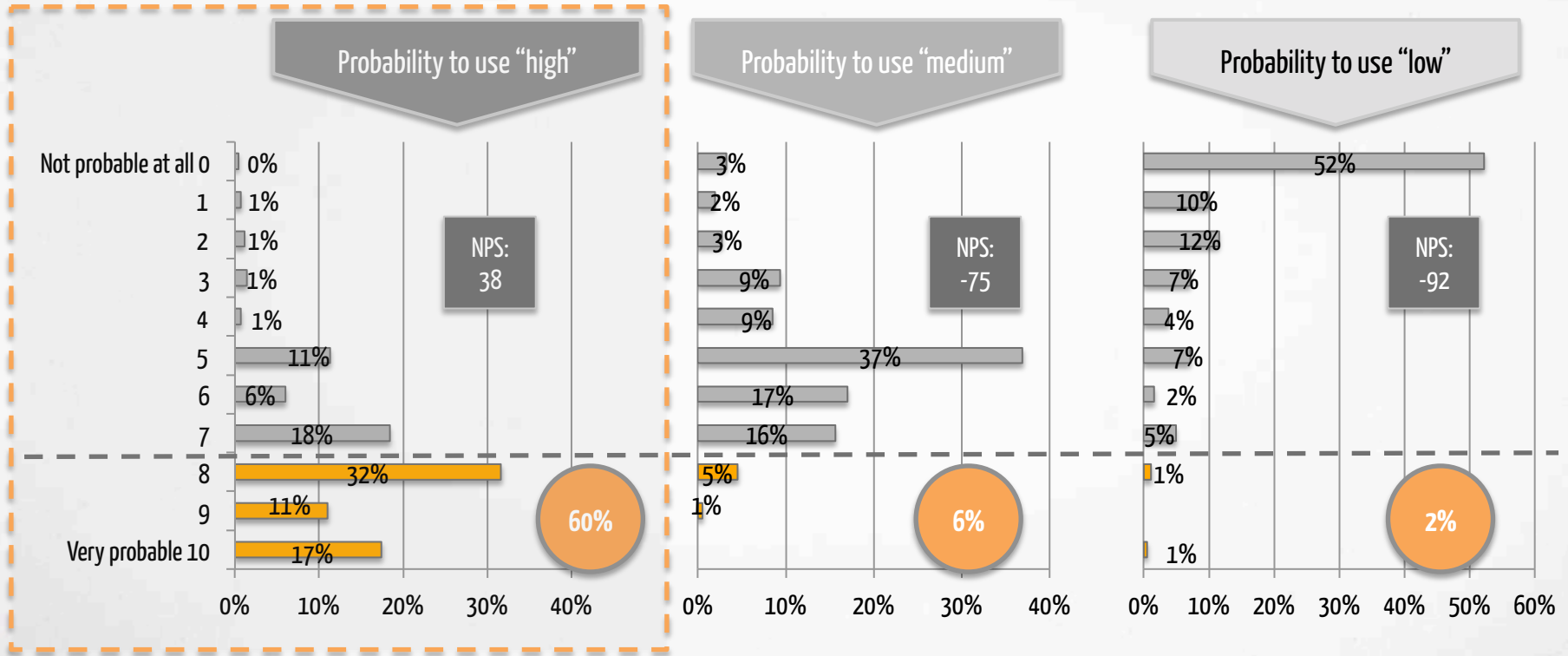
Intention to recommend this online course by sample group<sup>1)</sup>



1) How probable is it that you would recommend this online course to a friend or acquaintance?

# RESPONDENTS WITH HIGH PROBABILITY TO USE THE ONLINE COURSE CONCEPT AS WELL SHOW A STRONG INTENTION TO RECOMMEND THE ONLINE COURSE

Intention to recommend this online course according to probability to use it <sup>1)</sup>



1) How probable is it that you would recommend this online course to a friend or acquaintance? NPS=Net Promoter Score

## KEY FINDINGS CHAPTER 3: CONCEPT TEST ONLINE COURSES

- All single performance promises concerning online courses reach a high level of interest among the interviewees. For interviewees with intention to book online courses in the future, learning documents and modern learning with innovative media formats are particularly relevant.
- Approximately 50% of all respondents in GER and the USA rate the simpleshow video as interesting (% top2). This share increases to 67% in the group of respondents with the general intention to book online courses in the future.
- 25% of respondents in GER and 30% of respondents in the US show a high probability to book an online course as presented in the concept test (respondents with intention to book online courses in the future: 50%).
- The evaluation of the online course concept is significantly driven by the assessment of the simpleshow video format, which was shown before. Respondents with a very good evaluation of the video indicated 67% probability to use the online course (low interest: 7% probability).
- Generally, respondents show a significant willingness to pay for the online course concept. This is particularly true for respondents with a high indicated probability to use the online course concept.
- Contrary to the B2C-groups in GER and the US, the simpleshow contacts group (B2B) is characterized by a higher level of interest, a higher probability to use and a higher willingness to pay for the online course concept.

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