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Fosway 9-Grid™ DIGITAL LEARNING

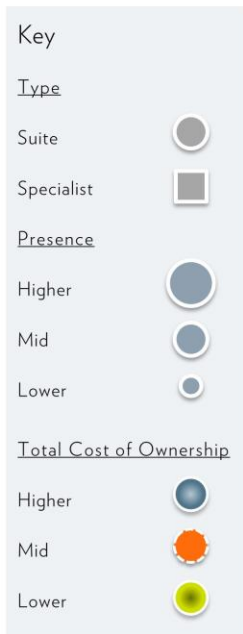
March 2023

Independent Analysis of the Digital Learning Market

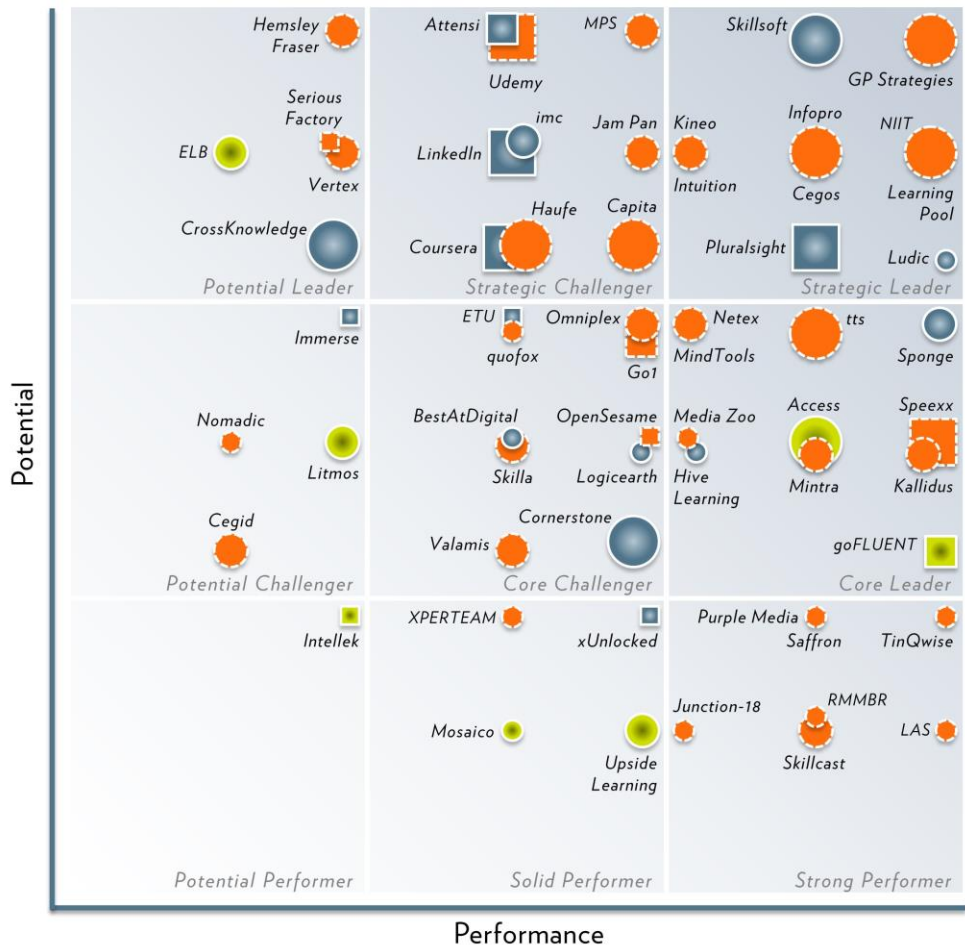
Fosway 9-Grid™

Digital Learning

2023



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Key Headlines

The Market

Digital tightens its grip on corporate learning

As we have said before, since the pandemic, we are all digital learning providers now! Online learning continues to play a critical part in delivering corporate learning and its influence will continue to grow in the future. One of the key drivers for this is the acceleration we have seen in hybrid and virtual working. Nearly half of organisations have had to adapt their approach to learning to support a hybrid workforce¹.

The evolution continues - it is time to start recognising the specialists

Over the last ten years, Digital Learning has evolved the most of all of the different 9-Grids™. Starting with bespoke e-learning vendors, it evolved to incorporate bespoke learning solutions, and then finally to become all forms of digital learning. Inherently, this means the vendors are a hybrid of learning content and service companies, as well as the platforms that they use to deliver their solutions. A significant new change for 2023 is the introduction of a Suite and Specialist classification for the vendors. This is the last of the 9-Grids™ to do this, and in this case aims to recognise the difference between those offering a wide range of services and capabilities from those that specialise in one or two specific areas of capability only. In this context “Suite” means providing a suite of services, content, and platforms (not just a suite of modules), “Specialist” implies a focus on one type of offering only.

Business transformation drives corporate investment in digital learning

The focus for digital learning is widening as teams focus more of their efforts on business transformation², driving the evolution from enabling knowledge transfer to fully supporting skills development. As a result, buyers are also more focused on learning programmes that truly support transformation, enabling practice and rehearsal as well as supporting real performance.

¹ Digital Learning Realities 2022, Fosway Group

² Digital Learning Realities 2022, Fosway Group



Upskilling is now a business-critical measure of success for digital learning ...

The emergence of 'skills-based' organisations and the use of AI to support development and talent mobility continues to be one of the biggest shifts for companies. Whilst historically L&D might have assumed it owned the skills narrative, this is no longer the case, and in many cases L&D is playing catch up in the shift to skills-driven thinking within HR and talent. Inevitably, this will continue to force learning teams to align to skills at a wider people process as well as at a granular solution level. As well as realigning learning, leading companies are also actively embracing opportunity marketplaces and internal talent/career mobility, often powered by AI. AI is the real differentiator, intelligently linking skills at speed and scale to opportunities as well as to mentors, coaches, assignments, projects and future roles.

... but the digital learning market lags behind in enabling skills

Despite the natural alignment of skills to learning, in reality, most of the strategic shift around skills has come from other HR functions such as recruitment, talent mobility, career development and workforce planning. Many digital learning providers have been slow to connect to the wider strategic skills story and are still playing catch up in how skills influence the employee experience. Expect to see a surge in investment from learning providers into their skills offering this year, as well as some of the tech needed to support them.

Investment in digital learning remains positive despite budget pressures

Early indications from our Digital Learning Realities 2023 research show that despite an expectation for overall L&D budgets to fall, intentions to invest in digital learning remain positive. As with previous years, buyers are looking to invest more in content and platforms, potentially at the cost of more traditional learning approaches.

L&D teams are under pressure to show more impact and value

Key to protecting learning budgets is the ability of learning teams to articulate their value. Pressure continues to grow on learning teams to show that their solutions add real value and do this efficiently. However, measuring value continues to be a systemic weakness with little or no real progress being made in the past years. Despite the growing availability of business data, and expectations of business decisions to be intelligence-led, learning is still a long way from understanding let alone proving its value proposition.



Less than 10% of learning teams say they are very effective at measuring the impact of their programmes³.

Digital learning maturity remains relatively low

Most learning teams are still digitally immature, with less than 20%⁴ describing their approach to business transformation, upskilling, learning culture or career development as very effective. Given many teams have a small headcount relative to the organisations they support, they need exceptional partners to help them scale effectively and as well as to accelerate their expertise in digitally transforming learning effectively.

Workflow learning is more an aspiration than a reality for most organisations

Workflow learning continues to be a hot topic - more than 95% of L&D teams are looking to enhance the quality of learning in the flow of work. This fits well with adult learning preferences, and fits the need to efficiently support onboard, reboard and upskill the workforce – all areas where on-the-job learning is a necessity. But learning in the flow of work is still a long way away for most learners – less than ten per cent of L&D teams⁵ report they are advanced at enabling it.

Expect further consolidation as vendors look to innovate their offering

The growing digital learning market coupled with a challenging economic climate will only increase the prospect of further mergers and acquisitions. Innovations in skills, curation, immersive learning, learning marketplaces, personalisation, action-based learning, performance support, AI and coaching are all high on vendor shopping lists as they look to expand their business offerings and enhance the learning experiences they offer to customers.

Digital marketplaces provide cost efficiency, scale capacity and drive innovation

While many learning teams seek to reduce their dependency on external resources to deliver learning operations, smart buyers also leverage partners to harness a variable cost model too. Digital marketplaces are more mature now and offer more options for buyers to reduce project costs and scale their internal digital learning capability without growing headcount.

³ Digital Learning Realities 2022, Fosway Group

⁴ Digital Learning Realities 2022, Fosway Group

⁵ Digital Learning Realities 2022, Fosway Group



Content curation and aggregation are changing the digital learning landscape

Buyer expectations of off-the-shelf digital learning content libraries have changed, as does the competitive dynamic between the providers offering them. Buyers are increasingly casting a critical eye over their content partnerships and budgets – often looking to rationalise providers and reduce the number of content contracts. But they are also seeking to better personalise content to individual needs as well as maximising the value of content partnerships. It is no longer enough to provide a catalogue of content – buyers expect strong skills alignment and more effective curation. Already some content aggregators have added enhanced curation features to their off-the-shelf content portfolios to improve usage and adoption.

Solution Trends

AI is becoming increasingly influential in shaping learning experiences ...

AI was already in many vendor roadmaps, but the launch of ChatGPT and similar services has put AI at the front of the digital learning conversation. It is likely that the influence of AI on the learning experience will accelerate rapidly, potentially faster than many expect. But how much AI tools can truly become a trusted author, curator or touchpoint for learning remains to be seen. This could very well be the year that AI-enabled learning moves from inflated expectations into exploratory adoption. Whether it is used for optimising learning, filtering learning choices, nudging learners, or generating and delivering the learning content itself remains to be seen. But in some way, AI will now increasingly shape the learning experience.

... as it increases learning impact through personalisation

If you are hand cranking curation you are well behind the times. The use of AI to curate personalised content streams continues to build momentum and is a critical component for aligning skills and skill development to business needs. AI-enabled personalisation is already available from many solution providers today and will be at the heart of learning for the foreseeable future.

Basic formats are commoditised - buyers want their budgets to go further

The resilience of digital learning budgets compared to overall learning budget cuts does not mean that digital costs are not a challenge. If anything, price sensitivity around basic e-learning content has grown and some formats are becoming very commoditised. A common theme in our research conversations with



buyers is that they are looking at making their learning investments go further, including looking closely at learning efficiency and learning effectiveness.

Digital learning fatigue remains a concern

Digital fatigue continues to be a risk to the success of digital learning. As a result, the need to deliver more human-centred and blended learning experiences has become a major differentiator for learning providers and internal teams alike. But the ability of teams to do that is still a long way from being the norm. Only 47% of buyers believe they have learning systems fit for modern workforce⁶.

Interest in adaptive learning grows

Many buyers are also exploring adaptive learning to address digital learning fatigue, enhance the learning experience and increase learning efficiency. Adaptive learning optimises the speed of learning experiences by removing things learners already know and adapting content around what they need to know.

Digital coaching is the next step for off-the-shelf content portfolios

A clear trend over the past twelve months has been the increasing presence of digital coaching providers in the learning market. This is being replicated too in providers of off-the-shelf content as they seek to include coaching to accelerate skills transfer into the workplace. Expect this trend to develop further – both as standalone solutions but also as an integrated part of a wider blended offering. Vendors are typically using pools of certified coaches to deliver in-person coaching and to motivate and facilitate skills development.

Enabling user-generated content is high on buyers' agendas

Organisations are still prioritising user-generated content in their development strategies, partly to manage cost, but also to increase scalability and agility. In the top three approaches to learning content creation (after video and blended learning⁷), buyers expect to further increase their adoption of user-generated content over the year ahead. Enabling experts to share their expertise and help learners show what they know is an important part of democratising learning.

⁶ Digital Learning Realities 2022, Fosway Group

⁷ Digital Learning Realities 2022, Fosway Group



Provenance is still a big differentiator for off-the-shelf content

Although generic content can sometimes feel like a blunt instrument for learning, the off-the-shelf market continues to grow at pace. An increasing differentiator for providers is the provenance of their content. Those that traditionally provided own-branded content are increasingly seeking to partner and co-brand with leading academic or professional organisations to increase the perceived quality and credibility of their content as well as the impact it has with learners. The provenance or brand impacts the desire to use the content as well as its perceived value.

Microlearning for adaptive learning and performance support is a top priority

Bite-sized learning continues to grow in popularity with learning sequences of under 10 minutes being the most popular e-learning content duration for buyers⁸. This growth is further enabled by learning teams combining microlearning with user-generated content to support learning through work.

Video in learning becomes more scalable than ever

Video has ranked as the most successful learning content approach of the past few years⁹ and is now the media of choice for performance support, microlearning, user generated content and many off-the-shelf libraries. Now low-cost and quick to develop, the weakness of a lack of search at frame level is receding as solutions increasingly offer automated transcripts. As deep fake technologies and automated voice lip synching continue to improve, video is becoming ever more cost efficient, scalable, and translatable.

Scenario-based learning simulations become more accessible

As skills development gains momentum, virtual scenario-based simulations are proving to be effective in building learner expertise via practising procedural processes and interpersonal skills in a 'safe' environment. As with video, scenario-based learning is becoming more affordable. It is also an attractive and more engaging way to make sure employees are business ready, especially for high consequence tasks and business situations.

⁸ Fosway content strategy research

⁹ Digital Learning Realities 2022, Fosway Group



9-Grid™ Vendor Rating

A significant new change for the 2023 9-Grid™ for Digital Learning is the introduction of a Suite and Specialist classification for the vendors. In this context “Suite” means providing a suite of services, content, and platforms (not just a suite of modules), “Specialist” implies a focus on one type of offering only. Note: Off-the-Shelf (OTS) means pre-built off-the-shelf digital learning solutions, including certifications, digital learning content, resources, virtual sessions and supporting platforms.

Solution	Type	9-Grid™ Rating
Access Group	Suite	Core Leader
Attensi	Specialist – Immersive Learning	Strategic Challenger
BestAtDigital	Suite	Core Challenger
Capita	Suite	Strategic Challenger
Cegid	Suite	Potential Challenger
Cegos	Suite	Strategic Leader
Cornerstone OnDemand	Suite	Core Challenger
CrossKnowledge	Suite	Potential Leader
Coursera for Business	Specialist – OTS Learning	Strategic Challenger
ELB Learning	Suite	Potential Leader
ETU	Specialist – Immersive Learning	Core Challenger
Go1	Specialist – OTS Learning	Core Challenger
goFLUENT	Specialist – Language Skills	Core Leader
GP Strategies (formerly LTG)	Suite	Strategic Leader



Solution	Type	9-Grid™ Rating
Haufe	Suite	Strategic Challenger
Hemsley Fraser	Suite	Potential Leader
Hive Learning	Suite	Core Leader
imc	Suite	Strategic Challenger
Immerse	Specialist – Immersive Learning	Potential Challenger
Infopro Learning	Suite	Strategic Leader
Inteltek	Specialist – Digital Adoption	Potential Performer
Intuition	Suite	Strategic Leader
Jam Pan	Suite	Strategic Challenger
Junction-18	Suite	Strong Performer
Kallidus	Suite	Core Leader
Kineo	Suite	Strategic Leader
LearningAge Solutions (LAS)	Suite	Strong Performer
Learning Pool	Suite	Strategic Leader
LinkedIn Learning	Specialist – OTS Learning	Strategic Challenger
Litmos	Suite	Potential Challenger
Logicearth Learning Services	Suite	Core Challenger
Ludic Group	Suite	Strategic Leader
Media Zoo	Suite	Core Leader
MindTools for Business	Suite	Core Leader



Solution	Type	9-Grid™ Rating
Mintra Group	Suite	Core Leader
Mosaico Elearning	Suite	Solid Performer
MPS Interactive	Suite	Strategic Challenger
Netex	Suite	Core Leader
NIIT	Suite	Strategic Leader
Nomadic Learning	Suite	Potential Challenger
Omniplex Learning	Suite	Core Challenger
OpenSesame	Specialist – OTS Learning	Core Challenger
Pluralsight	Specialist – OTS Learning (Technology)	Strategic Leader
Purple Media	Suite	Strong Performer
RMMBR	Suite	Strong Performer
quofox	Suite	Core Challenger
Saffron Interactive	Suite	Strong Performer
Serious Factory	Specialist – Immersive Learning	Potential Leader
Skilla	Suite	Core Challenger
Skillcast	Suite	Strong Performer
Skillsoft	Suite	Strategic Leader
Speexx	Specialist – Language Skills and Executive Coaching	Core Leader
Sponge	Suite	Core Leader
TinQwise	Suite	Strong Performer



Solution	Type	9-Grid™ Rating
tts	Suite	Core Leader
Udemy Business	Specialist – OTS Learning	Strategic Challenger
Upside Learning	Suite	Solid Performer
Valamis	Suite	Core Challenger
Vertex Professional Services	Suite	Potential Leader
XPERTEAM	Suite	Solid Performer
xUnlocked	Specialist – OTS Learning (Sustainability and Financial Services)	Solid Performer

Inclusions and Exclusions

Entries into the Fosway 9-Grid™ for Digital Learning are made on the basis of the appearance of those solutions within Fosway’s Corporate Research network, which focuses on European enterprise-scale (large and mid) corporates. As a result, there are a number of US-based solutions that are omitted because they do not currently have an adequate international presence for us to provide a relevant commentary.

Conversely, there may be providers with little recognition outside EMEA that are included because they have built a sufficient presence with European companies to warrant inclusion.

2023 Additions and Removals

This year sees the addition of the following new names to the 2023 Fosway 9-Grid™ for Digital Learning:

- Attensi
- Coursera for Business
- ELB Learning – formerly Elearning Brothers
- ETU
- goFLUENT



- GP Strategies (formerly LTG)
- Immerse
- Litmos
- Mosaico Learning
- Serious Factory
- TinQwise
- XPERTEAM
- xUnlocked

Removals from this year's 9-Grid™ for Digital Learning include Coopacademy which was acquired by Go1, and LTG as their 'go to market' brand for digital learning is now GP Strategies.

Accuracy of Information and Warranties

The analysis and recommendations made in Fosway 9-Grid™ are based on the information currently available to Fosway Group from sources believed to be reliable. Fosway Group disclaims all warranties as to the accuracy, completeness or adequacy of such information. Fosway Group will have no liability for errors, omissions or inadequacies in the information contained herein, or for interpretations hereof. Opinions expressed herein, are subject to change without notice. All content is copyright Fosway Group Limited, unless otherwise identified.



Understanding the Fosway 9-Grid™

What is the Fosway 9-Grid™

The Fosway 9-Grid™ is a five-dimensional model that can be used to understand the relative position of different solutions and providers in a selected market segment. It allows organisations to compare different solutions based on their Performance, Potential, Market Presence, Total Cost of Ownership and Future Trajectories across the market. 9-Grid™ is unique, because the model contains value in *all* of its zones – not just the top right. 9-Grid™ not only provides an understanding of the market, but also identifies the high-level actions that can help corporate organisations get the best from vendors.

9-Grid™ is based on Fosway Group's independent research in the HR, talent and learning market over the past 25+ years, and draws upon the insights and experience of our Corporate Research Network. The Corporate Research Network is a group of HR and learning professionals, who between them represent over 150 of Europe's leading companies. These companies are typically enterprise-scale organisations with their Head Offices in Europe (or the EMEA HQ of global companies).

Essentially the 9-Grid™ model brings together our independent view of solution providers, including their:

- **Performance** - comprising of two elements: Market Performance and Customer Performance.
- **Potential** - Scope, capability and sophistication.
- **Presence** - historic and current presence in the market. This includes the size of the customer base, the number of enterprise customers and the overall size of the business, within the scope of the market segment we are examining.
- **Total Cost of Ownership** means the FULL cost of acquiring, implementing and operating the solution (typically over a 3-year period). Importantly, this includes both internal and external costs.
- **Future Trajectory** – our view of their direction of **travel** in terms of Performance and Potential, relative to their current position and the market as a whole.

Interpreting the exact position of the vendor in a 9-Grid™ zone is explained in more fully in our **Introduction**



to the 9-Grid™ document available from our website www.fosway.com. We strongly recommend reading the full document to understand the model in detail.

The Critical Difference between the 9-Grid™ and other Analyst Models

There is a very important difference between 9-Grid™ and other Analyst models. In the 9-Grid™ all of the nine zones have value, and more interestingly, have an associated set of actions that can help you to maximise the value of the relationship with different vendors. This means that being in the top right is **not** the only valid selection point. For some organisations top right may not even be desirable. There are many other zones that offer success, especially when balanced against Total Cost of Ownership.

Suite versus Specialist Providers

A significant new change for the 2023 9-Grid™ for Digital Learning is the introduction of a Suite and Specialist classification for the vendors. This follows similar changes on the other Fosway 9-Grids™ and aims to recognise the difference between providers aiming to support a wide range of services and capabilities from those that specialise in one or two specific areas of capability. This is how we define Suites and Specialists for the Digital Learning context:

Digital Learning Suite Providers support a range of digital learning engagements, including bespoke digital learning content, blended learning enablement, coaching, digital learning consulting and platform opportunities.

Digital Learning Specialist Providers focus a specific area of capability. Within the 2023 iteration we have focused predominantly on two key specialism areas – 1) off-the-shelf content libraries, and 2) immersive learning simulations including scenario based digital learning experiences. It is likely that this will be expanded to other specialists in future versions of the 9-Grid™.



The 9-Grid™ Variables for Digital Learning

2023 highlights the continued evolution in digital learning away from pure-play e-learning. Digital learning includes the full range of solutions available (content, platforms and services), the range of learning experiences and formats offered across the learning cycle.

Performance

As usual this still covers the questions of when people make a choice about solutions: do they get short listed by customers, do they win, do they deliver and are customers happy? This is viewed through the lens of large international corporates and the experiences of our Corporate Research Network and general market briefing. This may not necessarily reflect the experiences of smaller and mid-sized organisations.

Potential

Two key aspects: scope and sophistication. The definition of **Scope** includes:

- the range of digital learning, content, consulting, support services and platform offerings a provider can use in order to drive a digital learning strategy for its customers.
- the range of learning content and different learning experiences a vendor can offer.
- the experience of delivering solutions for different learning contexts, which might include induction, product launches, systems training, leadership and management, sales and technical expertise.
- the breadth of sector focus such as Finance, Retail, Telecoms etc.

Sophistication defines a vendor's potential to act as a strategic digital learning partner. It considers:

- the ability to provide strategic digital consultancy to guide effective outcomes.
- the ability to deliver, manage and scale complex digital learning projects.
- the ability to support digital learning software and solutions through implementation and delivery – including offering administration support.
- the capability of their digital learning platforms to power a wide range of learning strategies.



So, whilst the depth of e-learning design, and ability to blend are important, it's the ability of vendors to bring digital learning to life for an organisation – in its entirety – that is critical to our assessment.

Presence

This is very much about the size of the customer base as well as presence in the enterprise market. Again, this is not a linear scale, but represents three bandings that group levels of maturity/distinct groupings we see in the market. Higher Presence solutions will be being used in large numbers of corporate enterprise scale customers and have high numbers of overall end-learners using their digital learning solutions.

Total Cost of Ownership

TCO is about the overall cost of buying and maintaining the content. This is a combination not only of initial cost of project management, design and development, but also the cost of delivery, ongoing innovation, localisation, deployment and ongoing updates and maintenance.

Trajectory

For Digital Learning, Trajectory is our sense of potential direction of travel in terms of both Performance and Potential. Trajectory is measured relative to the current Performance and Potential of that solution and the market as a whole. **It is not a relative positioning compared to other solutions in the same zone.**



Next Steps

Make better HR buying decisions faster

A key difference of the 9-Grid™ to other analyst models, is that all the nine zones have value. Top right is not always best! The key question you should be asking is ‘what is best for you?’ i.e. your specific organisation, your likely investment/resources and your real needs and requirements.

Referencing the 9-Grids™ is a great place to start when evaluating current suppliers, planning your future or looking for new tools and technology. But what you see here is just the tip of the iceberg. As well as access to the data behind the 9-Grid™, Fosway also has developed tools and a methodology that help companies make better HR buying decisions faster. From aligning your stakeholders and validating your buying options through to accelerating your RFP and procurement, Fosway has all the resources you need. *Why start your procurement process from scratch when we already have the research and insight to help you make better supplier decisions much faster?*

For companies seeking greater detail of the data behind the Fosway 9-Grids™ or looking for a ‘critical friend’ to provide independent feedback and advice, please contact us at info@fosway.com or by phone on +44 (0)20 7917 1870. As well as accessing the best existing research and market insight, you also have the security of knowing that we are completely independent and don’t have a vested interest in the outcome of your decisions, other than ensuring it’s right for your organisation and your people.

If You Are a Vendor

Fosway Group is constantly researching the market via our direct research projects, through conversations with our Corporate Research Network, and via direct vendor tracking and briefing. Vendors interested in engaging with Fosway Group more deeply are encouraged to consider joining our **Fosway Vendor Programme (FVP)**. Please contact [Philippa Bean](#) on +44 (0)20 7917 1870 to discuss further.



About Fosway Group

Fosway Group is Europe's #1 HR Industry Analyst focused on Next Gen HR, Talent and Learning. Founded in 1996, we are known for our unique European research, our independence and our integrity.

For over 25 years, we have been analysing the realities of the market, and providing insights on the future of HR, Talent and Learning. Fosway analysts work extensively with our corporate clients to understand the inside story of the challenges they are facing, and their real experiences with next gen strategies, systems and suppliers. Our independent vendor analysis also provides a vital resource when making decisions on innovation and technology.

And just like the Roman road we draw our name from, you'll find that we're unusually direct. We don't have a vested interest in your supplier or consulting choices. So, whether you're looking for independent research, specific advice or a critical friend to cut through the market hype, we can tell you what you need to know to succeed.

Example clients include: Alstom, Aviva, Boots UK, BP, BT, Centrica, Deutsche Bank, Faurecia, HSBC, International SOS, Lloyds Banking Group, Novartis, PwC, Rolls-Royce, Royal Bank of Scotland, Sanofi, Shell, Swiss Re, Telefonica, Thomson Reuters, Toyota Europe, and Vodafone.

Contact Us

Fosway Group Limited
Purlieus Farmhouse, Ewen, Cirencester, Glos. GL7 6BY, UK

Tel: +44 (0)20 7917 1870

Email: info@fosway.com

Web: www.fosway.com