AUSTRALIAN ***FLEXIBLE LEARNING*** FRAMEWORK

Managed by the Flexible Learning Advisory Group on behalf of all States and Territories in conjunction with ANTA

e-VET National Market Research Project

Scan of the Literature

24 July 2001

AUSTRALIAN NATIONAL TRAINING

On market research into VET online products and services in Australia

An initiative within the *Australian Flexible Learning Framework for the National Vocational Education and Training System 2000 – 2004*.

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Forward

Background

In August 1999, the Australian National Training Authority Chief Executive Officers (ANTA CEOs) endorsed the *Australian Flexible Learning Framework for the National Vocation Education and Training System 2000 - 2004 (AFL Framework)*. The AFL Framework has been developed by the Flexible Learning Advisory Group (FLAG) and represents a strategic plan for the five- year National Project allocation for flexible learning. It is designed to support both accelerated take-up of flexible learning modes and to position Australian Vocational Education and Training (VET) as a world leader in applying new technologies to vocational education products and services.

The AFL Framework is supported by an annual implementation plan, and the plan for 2001, *Strategy 2001*, was endorsed by the ANTA CEOs in October 2000. It identifies specific initiatives and allocates resources within each of the five Goals identified in the *Framework*.

Role of the Flexible Learning Advisory Group

In broad terms, FLAG is a strategically-focused group of senior VET personnel advising ANTA CEOs, the ANTA Board, the Department of Education Training and Youth Affairs (DETYA) the Australian Information and Communication Technology Education Committee (AICTEC - formerly known as the EdNA Reference Committee), on national issues relating to the directions and priorities for flexible learning in VET, with particular reference to online technologies.1[1]

[1] The New Economy Index, Progressive Policy Institute, URL: www.dicppi.org

e-VET National Market Research Project

Scan of the literature on market research into VET online products and services in Australia

This scan of the literature on market research into VET online products and services in Australia was prepared in July 2001 by John Mitchell and Sarah Wood from John Mitchell and Associates for the e-VET National Market Research Project, a project funded by the Flexible Learning Advisory Group.

The items listed below were judged to be the most relevant to this project.

All the articles reviewed in this document are referenced. Hence, it was decided not to include reviews of newspaper or magazine articles, as they are not referenced. A number of media articles are discussed in a companion report to the Steering Committee for this project, the 'Summary of Existing Market Research'.

The scan be used to inform future strategies for supporting the growth of VET online products and services in the Australian marketplace.

Items reviewed

1. TAFE Frontiers (2001), *The Current Status of Online Learning in Australia,* Victoria (in draft)
2. Harper, B., Hedberg, J., Bennet, S., and Lockyer, L. (2000), *The on-line experience: the state of Australian on-line education and training,* National Centre for Vocational Education Research, Leabrook, Australia
3. Day, G. (2000), *e-VET Australian Survey. Data from online survey forms and key findings from interviews and workshops,* Education Image, Richmond, Victoria
4. Misko, J. (2000), *The Effects of Different Modes of Delivery: Student Outcomes and Evaluations*, National Centre for Vocational Education Research, Leabrook, Australia
5. Warner, D., Christie G., and Sarojni, C. (1998), The Readiness of the VET Sector for Flexible Delivery including Online Learning, ANTA, Brisbane
6. Brennan, R. (2001), *All that glitters is not gold,* National Centre for Vocational Education Research, Leabrook, Australia
7. Mitchell, J.G., Latchem, C., Bates, A., Smith, P. (2001), *Critical Business Decisions for VET Managers in Flexible Learning,* TAFE Frontiers (in draft)
8. SmartArts Communication (2001), *TAFE on-line. Audience perception of the ideal training provider and the role of the internet*, TAFE NSW Business Development Directorate, Sydney (not released as at 24 July 2001)
9. Mitchell, J.G. (2000a), *International e-VET Market Research Report, A report on international market research for Australian VET online products and services*, Flexible Learning Advisory Group

10. Mitchell, J.G. (2000b), *Business Models for Marketing e-VET, A report on business models for the international marketing of Australian VET online products and services*, Flexible Learning Advisory Group
11. Mitchell, J.G. (2000c), *Market-driven e-VET: A study for a national VET consortium to market, distribute and support online products and services overseas*, Flexible Learning Advisory Group
12. Australian National Training Authority (2000), *National Marketing Strategy for VET; meeting client needs*, Brisbane
13. Thomas, J. (2001), *Online Learning and Innovation, A Discussion Paper*, Monograph Series 2.2, Victorian TAFE Association, Melbourne
14. Robinson, C. & Kenyon, R. (Eds) (1998) *The Market for Vocational Education and Training*, NCVER, Leabrook, Australia
15. Australian Flexible Learning Framework (2001), *Flexible Delivery Business Planning Framework,* Melbourne
16. IDP Education Australia (2001), *Market Positioning Study in India*, Canberra

1. TAFE Frontiers (2001), *The Current Status of Online Learning in Australia, Victoria, Melbourne* **(in draft. *Not to be put on a website till after the document is launched on 30 August, 2001)**

In June 2001, TAFE Frontiers and Online Learning Australia produced a draft report that analysed the current status of online learning in Australia. The report surveyed 1,200 of Australia's largest employing businesses in both the public and private sectors and, amongst other things, analysed the current and planned use of information technology systems to deliver or provide access to learning. The response rate to the survey was 18.9%: 'sufficient to obtain a picture of what was happening with online learning in the corporate world.' (p.4)

The report found that in 2000 only approximately 30% of organisations were using the Intranet and 14.6% using the Internet to deliver learning. According to the report, this was in part due to the number of decisions required to implement online learning systems within organisations:

> Decisions have to be made about how and to what extent [organisations] will use this technology, for what kinds of learning, how it will be integrated with other learning and performance management systems in the organisation. Further decisions may still await these organisations as they learn from their experience and that of others, and as advances in systems and their applications emerge (p. 8)

While up-take may be slow, organisations surveyed as part of the TAFE Frontiers study plan to increase the use of the Intranet and Internet to deliver training over the next three years.

Planned use of online learning

Key findings in relation to the planned use of online learning included:

- The number of organisations planning to use the internet or intranets to deliver learning is set to more than double (use of the Intranet will grow from 29% to 65.7% of the survey respondents; and use of the Internet will grow from 14.6% to 54.5%)
- The planned rise is steepest in certain sectors, such as health and community services, construction and wholesale trade
- Local government outstrips their public and private sector counterparts in their intention to use the Internet or intranets to deliver learning
- All Federal government respondents either currently or in the next two years will use the Internet to deliver training
- Multimedia, teleconferencing and online learning are the preferred information technology systems to deliver learning
- The amount of training time delivered by online methods is expected to almost double in the next three years.

Of those organisations not using or planning to use online learning, the reasons given were:

- 20.2% - Not a business priority at this stage
- 14.6% - Budgetary considerations
- 10.3% - Lack of knowledge about online learning
- 10.3% - IT limitations
- 9.9% - No appropriate training product available

- 9.4% - Not appropriate for our organisation.

For organisations that were planning to adopt online learning strategies, there were a number of trends identified in the report that highlight how these organisations are planning to use and develop online learning strategies:

- There is a general trend towards greater use of customised training rather than generic online learning products
- More organisations are likely to look to external rather than internal training providers for the delivery of online learning
- An overall increase is expected to be seen in the use of online learning supported by other processes such as classroom training and mentoring
- Many organisations do not know where they would go to obtain assistance in developing online learning services or packages
- Those who identified their source of assistance were far less likely to nominate TAFE or other educational providers as sources of assistance
- Budget/resource constraints are the most commonly cited obstacle in developing online learning within an organisation
- Organisational culture and lack of knowledge are also seen as major barriers.

Strategic Issues

For organisations that were surveyed as part of the analysis of online learning in Australia, there were a number of strategic issues that effected decisions to develop online learning within organisations, namely:

- Business priorities and budgetary factors were most commonly cited as factors behind the non-use of online learning
- Accessibility was given as the main attraction of online learning, ahead of other factors such as cost, consistency and improved learning outcomes
- The majority of organisations are developing an online learning strategy as a whole of business approach.

Preferred suppliers

Although more organisations are likely to look to external rather than internal training providers for the delivery of online learning, the report identified that TAFE and other educational institutions were not the preferred choice of organisations seeking to invest in online learning, as indicated in the following table.

Table1.1: Responses to: 'Where does or where would your organisation go to seek assistance in developing online learning services and/or packages?'

Response	Number of organisations
Don't know/Can't say	84
Internal training experts/consultants	60
External specialist online training providers	57
Internal IT experts/consultants	51
External specialist online courseware developers	46
TAFE and other educational institutions	24
Other	1

Rather than expressing concern that few organisations choose or would choose TAFE or educational providers to assist in developing online services and products, the report states that:

> [These trends] represent a significant marketing opportunity for TAFE and other educational institutes as a centre of expertise in this area. This is further underscored by the finding that by far the greatest proportion of respondents (39.4%) said they didn't know where they would go for assistance (p. 43).

2. Harper, B., Hedberg, J., Bennet, S., and Lockyer, L. (2000), *The on-line experience: the state of Australian on-line education and training*, National Centre for Vocational Education Research, Leabrook, Australia

This report draws together recent literature and examples of current practice to provide an overview of the state of online delivery in education and training in Australia. Harper et al (2000) address four key questions in an attempt to develop a current picture of the online experience in Australian education and training, as discussed below.

To what extent are Australian education and training organisations, particularly those in the VET sector, embracing online delivery and how is it being implemented in their different contexts?

Overall, the delivery of online education and training across Australia is still in the early phases of development. While Harper et al (2000) believe that online delivery has the potential to become mainstream in post-compulsory education and training, those involved in the development of online products and services should be conscious of the current state of online implementation. According to Harper et al (2000), there are a number of online learning implementation trends to emerge in recent years:

- There is evidence of extensive exploration and experimentation with online learning in Australia (e.g TAFE VC, TAFE SA and TAFE Queensland)
- While its extent is hard to gauge, and while significant online activities are evident in every State and Territory, online delivery in VET is yet to become a mainstream activity.
- A variety of different implementation models are being adopted in different States and by different types of training organisations. (This is also reflected internationally)
- There is currently no accepted wisdom of how to implement online learning, either in Australia or internationally.
- The implementation of online delivery requires technical, instructional, content and marketing expertise. Partnerships are becoming evident when the complementary capabilities or organisations combine to fulfil these requirements.
- Many of the implementations have been developed through collaboration between TAFE, private and community providers with employer organisations input.
- The diversity of activity is indicative of the embryonic stage of development of online learning.

The main message to emerge from these findings is that online delivery is a new and emerging phenomenon and that more research is required to support its growth over the coming years.

What kinds of issues are teachers and learners facing in the new online environment and what strategies are being developed in response?

Online education and training offers opportunities and challenges for both teachers and learners. While very little research has been conducted into the demands of learners, it is important to understand the different attitudes and expectations of this group in order to develop appropriate online products and services. Harper et al (2000) offer some insights into the attitudes of this section of the market, as well as the attitudes of teachers and trainers involved in online delivery. The main findings are that:

- There is a recognition that the role of the instructor and the way he/she works changes in the online environment.
- There is an acceptance of the notion that traditional face-to-face instructional strategies and resources need to be reconceptualised for online learning.
- Learners need to be prepared and supported through the initial stages of using online environment.
- Institutions are using a variety of strategies to introduce learners to online environments.
- Not all learners make effective use of the opportunities offered in online learning.
- Many institutions are making assumptions about the resources available to students and access costs. The assumptions may not be appropriate for many users, especially country students.

How do internal and external factors relating to online delivery impact upon the resources, practices and policies of educational organisations?

Harper et al (2000) identify some of the current implementation impediments and pitfalls:

- The sector is characterised by the development of in-house expertise as an initial response to the demand.
- Real costs of developing online programs are rarely fully examined before embarking on projects.
- Addressing the resource implications for infrastructure, personnel, professional development and administration tends to be *ad hoc* unless the systems are centralised.
- Many institutions have published policies on delivery of training, but few have taken the next step to formalise their approach to online delivery.
- Constant change in the capability of the technology and user access works against comprehensive policy development.

Recognising current impediments and pitfalls informs the development of future online products and services in the VET sector.

What is known of the outcomes of online delivery for teachers, learners and organisations and what future directions do those working in the field suggest?

The embryonic nature of online delivery means that it is difficult to evaluate the design and development of online products and services. Furthermore, there are few reports that attempt to assess the outcomes of online delivery in Australia to-date. Harper et al (2000) identify some of the issues to emerge from their research and maintain that ‘the maturation of online delivery will be realised once innovators begin to develop realistic strategic, pedagogical and commercial models’ (p. 1). The issues that Harper et al (2000) identify are:

- Most anecdotal reports are positive; however, several studies have emphasised the changing nature of what constitutes teaching and how best to support learning in online environments.
- Claims that these learning environments are providing options for specific groups are being supported.
- The most important issues include identifying techniques which enable teaching staff to support students online and for changing study behaviours for students.

In relation to investigating the outcomes of online delivery, Harper et al (2000) believe that:

> As practitioners learn more about online delivery from their own experiences and the outcomes from specific initiatives become known, a fuller picture might be gleaned. However, the need remains for more rigorous studies that are valued for their ability to inform the implementation of online delivery in vocational education and training contexts. (p.42)

3. Day, G. (2000), e-VET Australian Survey. Data from online survey forms and key findings from interviews and workshops, Education Image, Richmond, Victoria

In July 2000, Education Image and John Mitchell and Associates commenced a scan of Australian online VET activity. Advertisements were placed in the e-business pages of the *Australian Financial Review* and *The Australian,* and a concerted campaign of letter writing and targeted emailing was undertaken.

Organisations and groups included in this campaign included:

- TAFE directors
- Registered Training Organisations
- National ITABs
- International organisations targetted by TAFE international marketing
- Australian organisations targetted by domestic TAFE marketing
- Major publishing houses
- Major internet design and production houses
- A selection of major investment houses.

Data on current VET online activity was received from 105 Australian organisations. This response rate indicates the interest in the development of online learning across Australia and its export to overseas markets (Day, 2000, p. 4)

A number of key issues emerged through the surveys and workshops that are directly relevant to this 2001 e-VET market research study and are outlined below:

Online delivery needs to be integrated with face-to-face delivery.

Virtually all respondents viewed exclusively online delivery as an 'impractical dream' only possible in niche IT courses. The consensus was that effective online VET would be a combination of online, face-to-face, video conferencing and other forms of tutor/instructor back-up.

Volume is a critical issue

With the exception of IT and some business university oriented courses, VET online products have yet to attract significant volume. Participants in the workshops conducted as part of the 2000 e-VET Market Research project believed that volume was possible (given the demand for the online IT training offered by Cisco, Microsoft and Computer Power) and that a number of elements are required for the VET sector to be able to develop online delivery, including:

- Expandable student management systems
- Expandable pools of online tutors, assessors and educators
- Ability to market on a large scale in overseas markets
- Ability to co-opt competitors as collaborators to meet demand peaks.

Role models and trendsetters are not yet obvious

A number of themes emerged during the workshops conducted for the 2000 e-VET study in relation to the lack of role models and trendsetters, namely:

- Pockets of experimentation and enthusiasm exist, often based around one or two key staff in an organisation
- There has been a blossoming of small and micro businesses to tackle particular niche markets and clients in online learning
- There is an apparent separation between the VET personnel marketing face-to-face delivery overseas and the proponents of exporting online learning
- There is a sense that the university sector (and particularly high-level business courses and MBAs) would be the leaders for online delivery
- The costs of customising online delivery to suit different markets was out of reach for organisations still struggling to get funds for online delivery.

There is interest in information on legal issues, quality and markets

The 2000 e-VET workshops uncovered the pressing need for information to be available to VET online delivery developers about domestic and overseas markets. In particular, information and support are required in relation to:

- Legal issues about business models and copyright, as well as the business of having overseas partnerships
- Processes to establish the reputation that the Australian VET sector provides quality training.

The scan of Australian VET online activity conducted by Day and Mitchell highlights that online delivery in VET is still in the early stages of development in Australia. While there is a great deal of interest in delivering VET online learning from providers across Australia, issues of implementation, quality, marketing and cost need to be addressed to support the growth of VET online products and services in the future.

4. Warner, D., Christie G., and Sarojni, C. (1998), The Readiness of the VET Sector for Flexible Delivery including Online Learning, ANTA, Brisbane

In 1998, Warner et al were commissioned by the EdNA VET Working Group to study the readiness of the VET sector for flexible delivery including online learning. Their findings pointed to the paucity of research on the attitudes and skills needed to assist with the implementation of flexible delivery. The key findings identified in the report that are relevant to VET online delivery are outlined below. These findings have implications for developers of online products and services as they identify the demand for such products and services from the biggest sector of the market – the learners.

- **Australian VET students have poor levels of readiness for self-directed learning**. Warner et al (1998) reveal that their VET sample had only average and low levels of readiness for self-directed learning and that only 70% of the sample fell within this range.
- **VET students, teachers and employers within the present sample have a traditional perception of learning**. The students that Warner et al (1998) surveyed preferred face-to-face delivery, or face-to-face in combination with one other mode, with over four fifths of respondents choosing face-to-face modes of delivery as their overall preferred mode of instruction.
- **Most Australian VET clients' learning takes place in traditional locations**. Half of the respondents (53%) in the sample used by Warner et al (1998) reported that most of their learning takes place at their college or institute. Similar percentages were reported for the place where they learned best, with half reporting that they learned best at college (50%), a quarter learned best in the workplace (25%) and a fifth learned best at home (17%).
- **Australian VET clients possess a tradition-bound orientation toward future work-related learning**. A high proportion of the students in the sample (97%) saw their working lives in the future characterised by lifelong learning. But three quarters anticipated that this learning would include a face-to-face component. According to Warner et al (1998), there are a number of 'tradition bound students apparently locked into their own experiences. Perhaps not surprisingly, what they have experienced educationally in the past determines what they see as desirable for the future (p. 12).
- **Australian VET clients have little confidence or experience in using electronic technologies for learning**. Two thirds of students reported having access to the Internet. Half of these students had either no confidence in or no experience in using the Internet for learning. In addition, a very significant proportion did not perceive the Internet and other electronic technologies as important for their learning. These figures are outlined in the following table.

Table 4.1: Level of confidence in using electronic technologies for learning

	High level of confidence	Medium	Low	No experience	Combination of low plus no experience
Word processing	28	41	20	9	29
Using email	13	17	19	47	66
Participating in online discussions	10	20	15	52	67
Accessing online databases	11	18	17	50	67

- **Many Australian VET clients possess low levels of confidence in themselves as autonomous learners**. About a quarter of students reported that they had no experience or no confidence with self-paced learning packages. They also reported no experience or no confidence in learning on their own, organising and managing study time or motivating themselves to study.
- **The key players in the Australian VET sector perceive that they lack skills necessary to benefit from flexible delivery**. VET students, teachers and employers reported in the interviews conducted by Warner et al (1998) that they need to develop new skills if they are to benefit from flexible delivery and online learning. These skills include:

  Literacy and numeracy skills

  Technological skills including computing and internet-related skills

  Study related skills and habits including the ability to manage time

  Dispositions such as motivation and a high learning self-concept.
- **Australian VET clients rely on traditional sources of support for learning**. A fifth of respondents chose their teacher as the only source of help with their learning. The remainder chose their teacher in combination with others as their major source of help.

A clear message from the research conducted by Warner et al (1998) is that online learning is not a stand-alone activity: it should be integrated with face-to-face delivery and learners need guidance and support to be able to take full advantage of the flexibility that online learning offers.

5. Misko, J. (2000), *The effects of different modes of delivery: Student outcomes and evaluations*, National Centre for Vocational Education Research, Leabrook, Australia

This project aimed to determine the effects of different modes of delivery (traditional face-to-face teacher-directed delivery and flexible or non-traditional delivery) on pass rates and module outcomes, and to determine from students, their experiences and evaluations of the mode of delivery undertaken. In terms of the student evaluations of different modes of delivery, important information was gathered from the surveys returned by 679 students from across Australia.

Regarding students outcomes, the analysis was unable to provide definitive answers about which strategy should be used to best ensure consistent successes in terms of module pass rates (MPRs) for all clients. There is evidence, however, that non-traditional delivery strategies are generally able to record solid performances.

Reasons why students chose different methods of instruction

The following table presents a breakdown of the reasons, indicated in the survey returns, of why students chose a particular method of instruction.

Table 5.1: Students' reasons for choice of instructional method (from Misko, 2000)

Reason for choice	Flexible delivery students	Traditional delivery students
	% of cases (n=353)	% of cases (n=401)
It is less work for me	4.8	4.0
Other various reasons	8.2	6.2
It is easier to learn this way	19.3	22.4
Fits my lifestyle	54.4	23.4
Helps understand the material	16.1	30.7
It is the most convenient method	48.7	32.9
It is the only method offered	36.9	58.6

As this data demonstrates, while more students choose traditional delivery, those who choose flexible delivery do so because it fits their lifestyle and it is seen to be more convenient than traditional classroom-based delivery.

The research carried out by Misko (2000) indicated that:

- Students choose delivery methods that harmonise with the way they believe they learn best.
- Students are generally prepared to accept the responsibility for their own shortcomings.
- In the long run, unless students are strongly motivated to follow a disciplined study routine, the more flexible methods of instruction may not be the most efficient for them.
- Busy people may need to be mindful of the fact that, although increased flexibility may bring certain advantages in terms of when, where and how they study, this increased flexibility may not automatically translate into better pass or completion rates.

Forms of support and guidance to assist flexible learners

These findings highlight that while students may be enthusiastic about the increased flexibility offered by modes of delivery that do not require traditional classroom attendance, not all students are suited to learning in this manner. This has implications for online learning and indicates that students who participate in online learning need to have adequate support and guidance in firstly making the choice to learn online and secondly in participating in online learning itself.

Misko (2000) outlines some forms of support and guidance that she feels would assist students in participating in flexible learning. She believes that, based on the findings from the student survey and on the analysis of student outcomes, certain learning principles should guide the structure of the learning whatever the delivery method chosen. These learning principles are:

- The need for supportive instructional activities
- Clear instructional materials
- Opportunities to discuss problems or issues with teachers and peers
- Availability of teacher support
- Timely feedback
- Practical examples
- Enough time and willingness to practise skills and meet requirements.

These principles can help guide developers of online products and services as to the types of guidance and support students need when engaged in types of flexible learning.

6. SmartArts Communication (2001), *TAFE on-line. Audience perception of the ideal training provider and the role of the internet,* TAFE NSW Business Development Directorate **(not yet available)**

This report was commissioned by TAFE NSW to develop a profile of the 'ideal' VET provider and to identify what role an Internet capability would play in such a profile. The project also collected information about preferred communication channels in relation to the Internet, basic preferences regarding site performance as well as an understanding of the Internet competencies of various market segments.

Market segments

The ten market segments focused on were:

1. School leavers
2. Career builders
3. Career changers
4. People returning to work
5. TAFE students
6. Small to medium businesses
7. Medium to large businesses
8. TAFE teachers and advisors
9. Secondary school career advisors
10. Professionals unlikely to attend TAFE.

A total of 339 people from the above ten market segments responded to the surveys.

Key findings

Permission from NSW TAFE to publish the findings from the report was not provided as of 24 July 2001. Permission was given for the above information about the background and target markets.

7. Mitchell, J.G., Latchem, C., Bates, A., Smith, P. (2001), *Critical Business Decisions for VET Managers in Flexible Learning*, TAFE Frontiers (in draft)

Two issues papers in this draft report provide information that can inform the growth of VET online products and services in Australia. These issues papers are 2.7 (Build your knowledge about your customers) and 2.10 (Encourage self-directed learning). The issues papers are based on an international literature review; surveys and interviews with forty Victorian VET managers in 2000-2001; and seminars with ninety Victorian VET managers in May 2001 to workshop the research findings.

Build your knowledge about your customers

Mitchell et al (2001) quote Latchem and Hanna (2001, p. 17) who suggest that flexible learning must be seen as far more than serving mass markets with generic, pre-packaged courseware. Such an approach, according to Latchem and Hanna (2001) will simply perpetuate institutional dependency of narrow self-interest in the students. What is needed is 'mass customisation', meeting the votatile individual needs of large numbers of students while achieving the economies of mass production.

In ensuring that VET flexible learning products and services meet individuals' needs, Mitchell et al (2001) make the following points:

- Flexible learning needs to promote both individual and group learning, be responsive to gender, cultural, and motivational differences and help establish patterns and networks of lifelong learning. This has considerable resource implications and requires careful consideration of not only the courseware, but also student support systems and levels and types of interaction.
- Content and pedagogy of flexible delivery must respect linguistic and cultural diversity.
- Students increasingly demand on-time delivery of materials, rapid response to assignments, queries and complaints, and the elimination of all unneccessarily complex or time-consuming bureaucratic procedures.

Mitchell et al (2001) also maintain that before investing in flexible delivery, VET organisations need to analyse the demand for flexible learning and investigate market characteristics and segmentation:

- In terms of market demand for flexible learning, Mitchell et al (2001) note that while many enterprises are enthusiastic about the use of flexible learning as a preferred training method in industry, they actually had little understanding by what was meant by flexible learning.
- In terms of market characteristics and segmentation, Mitchell et al (2001) refer to research carried out by Smith, 2000; Warner, Christie and Choy, 1998 indicating that VET learners typically prefer to engage in learning programs that are well structured, well supported by instructors, and that do not make heavy use of textual materials.

These findings help VET providers to better understand the clients of the system and to identify strategies for developing appropriate products and services to meet the needs of these clients.

Encourage self-directed learning

Flexible learning relies, to a great extent, on student independence and self-directedness. According to Mitchell et al (2001), traditional vocational learners do not respond well to self-directed learning, which presents formidable challenges to flexible learning and 'requires careful strategies at an organisational level to underpin its successful implementation' (p. 75). Mitchell et al (2001) believe that:

> Any model developed by RTOs for flexible learning, and the strategies to implement the chosen model, must take into account that many of the learner groups have little liking for self-directed and independent learning, and may need assistance in developing the skills required for successful participation.

Acknowledge different learning styles

Within Australia, there have been a number of research projects on the learning preferences of vocational learners (Warner, Christie and Choy, 1998; Smith, 2000a, 2000b). Warner, Christie and Choy's (1998) research, conducted in three Australian States, showed that the majority of vocational learners in their sample did not favour self-directed learning, and neither were they well-disposed towards forms of learning that did not include instructor provided structure and guidance.

Using a factor-analytic approach to the study of learner preferences, Smith (2000a, 2000b) has shown similar results among Victorian TAFE learners. Smith (2000b) has shown that apprentices prefer learning in structured environments that provide opportunity for direct social interaction with their fellow learners and with their instructors. These learners also exhibited a low preference for learning that is presented through verbal means such as reading or listening. Verbal learners are those who prefer learning through the spoken or written word. The strong preference of the apprentices, as non-verbal learners, was for learning through hands-on experience, demonstrations and practice.

Similar findings were made in Smith's (2001a) research with technology learners in vocational training programs, where there was clear preference for collaborative learning, for learning that is structured and controlled by an instructor, and a low preference for verbal presentation of learning material.

In a further study of 1,252 vocational learners, Smith (2000a) established a two-factor structure of vocational learner preferences. That factor structure clearly showed the tension that exists between the preferences of these learners and the demands made of them by flexible learning that is based on learning resources to be used in an independent and self-directed context.

8. Brennan, R. (2001) *All that glitters is not gold*, National Centre for Vocational Education Research, Leabrook, Australia

Based on a literature review, this report concentrates on the major questions about the effectiveness of online delivery of education and training in Australia. These include questions about:

- improved student outcomes
- impacts on teachers and learners (highlighting the beneficiaries and casualties of online learning)
- teacher/trainer preparation
- pedagogy
- materials design
- learner diversity.

Preconditions for student success in the online environment

Research conducted around these questions established that the following set of preconditions are necessary if the main goal of improved learning outcomes for students/users in an online environment is to be achieved. Brennan (2001) maintains that the needs of the student/user sector of the market will be met if we:

- acknowledge and take into account differences in student/user backgrounds in every phase of the design and delivery of online materials and support
- strenuously apply the lessons we have already learnt about good teaching and learning
- cater for the differences in learning styles and preferences of students/users
- accept that student technological skill and comfort is located along a continuum of proficiency and plan to accept these and design materials and environments accordingly
- recognise that there are huge differentials in access to the new technologies and work towards reducing these
- evaluate the effectiveness of online programs using a variety of methodologies and time frames
- prepare teachers/trainers to use new technologies flexibly and beyond minimum levels of competence
- seek to explicitly enhance information literacy skills
- focus on the communicative and interactive dimensions of the new environments
- don't expect technology to solve all the hard problems.

By meeting these preconditions, market demand for VET online products and services could be increased.

Pedagogical issues come before technology development

In the report Brennan (2000) refers to the findings from an investigation into online learning conducted by Douglas Mawson Institute of TAFE in 1998 in which the following claim was made:

> Technology does not cause learning. As an instructional medium online technologies will not in themselves improve or cause changes in learning. What improves learning is well designed instruction. Online learning environments have many capabilities and the potential to widen options and opportunities available to teachers and learners. However, the key to changing conditions for improving learning is how these options and opportunities are utilised by teachers and learners. Technology is coming before pedagogy. The value of any technology for education is proportional to the need for that technology to realise educational objectives. We are constantly reminded that learning must be developed around learning needs, meeting educational objectives and producing viable graduates.
>
> However, at this stage of development, the effort put into exploring technologies to ‘keep the cutting edge’ is at the expense of equal investment in the underpinning educational design. (Jasinski, 1998, p. 1)

A key message to emerge from Brennan (2000) is that the pedagogical issues involved in online learning need to be considered before further development of VET online products and services takes place. Jasinski (1998) and Brennan’s (2000) comments highlight that research and development into technology is no substitute for quality educational design and practice.

9. Mitchell, J. G. (2000a), *International e-VET Market Research Report, A report on international marketing for Australian VET online products and services,* EVAG

While the following three reports (items 9-11) analyse the demand for Australian VET online products and services in the overseas market, the reports also comment incidentally on the need for marketing tool and models for Australian VET providers.

In this report the consultants were required to identify international market opportunities and marketing strategies for Australian VET online products and services. Besides researching general trends in the international market, the consultants focused particularly on two major markets: the USA and Asia.

The report is available at http://flexiblelearning.net.au/evetmarketing/docs/intlmark.rtf

Six major findings

Major findings from the research are outlined below.

The international market offers both opportunities and challenges for Australian VET exporters of online products and services. According to Mitchell (2000a), 'opportunities exist because the market is just opening up, worldwide use of the Internet is climbing quickly and many educational institutions are building the international marketplace for online products. There is also a very strong international need for IT training, much of which will need to be delivered online, due to the lack of local instructors' (p. 3). The challenges facing exporters of VET online products and services include the need to partner with local organisations, to customise learning materials to suit local cultures and to maintain quality.

The major opportunities for VET providers are currently in the international field of IT training, in areas such as application development tools, application software and system infrastructure software. However, the demand for the online teaching of 'soft skills', such as leadership, management, communication and marketing skills, is likely to increase in the near future and outweigh the demand for online IT courses.

Most of the export opportunities are for content development of online courses, although opportunities are arising in other market segments particularly in providing services and the technology tools needed to manage online learning.

The USA marketplace for online learning is the most advanced in the world, characterised by extensive investments, a multitude of strategic alliances between educational organisations, technology companies and media companies and the identification of numerous niche and mass markets.

The Asian market is diverse and there are great differences between the emerging opportunities provided in more advanced countries such as Hong Kong, Singapore, Malaysia and South Korea and the limited opportunities in less advanced countries such as Indonesia, Thailand and the Philippines. Mitchell (2000a) notes however that more affluent sections of the population in India and China provide likely markets.Seven of the many **market entry factors to the Asian market** identified in the report are cited below.

> In the short term, Australian VET providers need to focus on marketing in the more advanced Asian economies, as these countries have higher levels of usage of the Internet (1), a more robust technological infrastructure (2) and occupational groupings that better align with the Australian

> VET system (3) . The English language is often not used by students who enrol in VET-style courses in Asia, posing a considerable challenge to Australian VET developers of online products and services (4). Australian VET needs to contend with the fact that many Asian countries do not have a VET sector that is as distinct or as developed as Australia's (5). Marketing strategies need to involve a mix of traditional approaches, such as conducting exhibitions and road shows, with appropriate use of the Web. Business models for marketing in Asia will almost always involve strategic alliances with local bodies (6) and local Government approval. (7) (Mitchell, 2000a)

Strategic alliances are becoming a popular mechanism for marketing overseas, with the 'co-specialisation' business model emerging from a survey of Australian VET providers as their preferred model for marketing overseas. Co-specialisation alliances create value by bringing together skills and owner-specific resources, where each partner makes a unique contribution to the alliance. Mitchell (2000a) states that corporate leaders from the USA online learning market are vigorously forming strategic alliances with complementary companies and he believes that, although Australian VET providers are slowly developing similar alliances, Australian companies need to intensify the use of strategic alliances to compete on the world stage.

International market trends

A range of market trends emerged from the research into marketing strategies for the international marketing of online products and services. These trends are:

- The growing focus on targeting the 'working adult student' market for online learning, in preference to describing the customer as a VET or higher education student
- The increasing opportunity of using the Web for strategic alliances for marketing purposes
- The popularity of forming collaborative strategic alliances for international marketing.

Mitchell (2000a) refers to Cunningham et al (2000) to highlight that there is a growing focus on targeting the 'working adult student'. According to Cunningham et al (2000), the organisations that appear to pose the greatest threat to traditional education institutions are those

> targeting the expanding segment of the education market, namely, the adult working student. Both the University of Phoenix and Jones International University, for example, specifically restrict their enrolments to this market, recognising that younger students in the US are more likely to want an 'on-campus experience' because it functions as socialisation into adulthood, and that adults are more likely to be focused on achievement and persistence in study, guaranteeing an income flow for the 'for-profit' institutions. (pp. 2-3)

For Mitchell (2000a), Australian VET exporters of online products and services 'can be confident that there is a growing market in the field of the "adult working student"' (p. 33).

For marketing specialists of VET online products and services concerned with the Australian marketplace, these findings are significant. The USA and other countries have identified the 'adult working student' as a major market and then have refined or segmented this customer group (Mitchell, 2000a). Rather than segmenting the market into VET, continuing education and higher education, Australia could support the domestic growth of VET online products and services by focusing more on this market segment.

Implications for the Australian market

In addition to this finding, which has important implications for the Australian marketplace, the following information from International e-VET marketing report is also relevant to our current study:

Table 9.1: Comparisons between the international e-VET martket and the Australian marketplace

International e-VET marketing report (Mitchell, 2000a)	Relevance to domestic market
The market for online delivery overseas is just opening up	The Australian market is also very new with considerable opportunities for growth (see TAFE Frontiers, 2001; Day, 2000)
There is a strong international need for IT training, much of which will need to be delivered online, due to the lack of local instructors.	There is a strong need for IT training within Australia and the demand for online IT training offered by Cisco, Microsoft and Computer Power (see Day, 2000) suggests that some of this can be delivered online.
'There are a considerable number of difficulties and complexities in providing offshore training. These difficulties are exacerbated when the delivery is predominantly via the online medium, particularly as the online medium often removes the student support systems that are a common feature of bricks and mortar educational institutions.' (p. 15)	There is a recognition in Australia (see Warner et al, 1998; Misko, 2000; Day, 2000; TAFE Frontiers, 2001; Brennan, 2001) that purely online delivery is not suitable for VET clients and that traditional support needs to be provided to students through combining face-to-face and online delivery and other support.
The marketplace for international VET online products and services differs from one industry to the next because of the different training needs and characteristics of different industries.	In Australia, there is greater demand amongst some industry sectors for online delivery, particularly the IT (Day, 2000) and business services sectors. (in Mitchell, 2000a)
Some of the leading e-learning companies in the USA (Click2Learn.com, DigitalThink, NETg) tend to • Provide a mix of products and technology services • Form a number of strategic alliances with other suppliers, to strengthen their offerings • Target specific customer segments, such as the lucrative IT training or business management fields. (p. 21)	Trends within leading US e-learning companies can inform the development and delivery of VET online products and services for the Australian marketplace. SmartArts Communication (2001) highlights the importance of market segments; while Misko (2000) and Brennan (2001) stress the importance of a mix of services and products.

Lessons from the USA

Market activity in the USA is a source of valuable information for developers and suppliers of online learning in Australia. Mitchell (2000a) refers to SRI Consulting, a USA industry analyst, that has identified areas of opportunity for suppliers of online learning in the USA. These areas focus not simply on providing online courseware but providing support services that are customised to each company's needs.

Table 9.2: SRI Consulting report on opportunities in the e-learning industry, 17 May 2000

In the next five years, there will be the following key opportunities for suppliers of online products and services:

❖ e-learning hosting and outsourcing

- High-quality and engaging e-learning content
- Systems integration
- Testing and assessment
- Career management
- Personalised software
- Tools for converting learning content
- Tools for learning analytics and dynamic content.

After 2005, the opportunities will be in:

- Both human and software learning agents
- Hosting of advanced learning systems
- High-end executive education
- Adaptive-learning systems
- Granularised learning content
- Personalised e-Learning environments.

Marketing considerations and strategies

Mitchell (2000a) identified marketing considerations and marketing strategies for Australian VET exporters of online products and services, which also apply in the domestic market:

- Ideally, the development of each product or service should commence with a close analysis of that target market
- Considerable attention needs to be given to customising products for each and every target market, particularly taking into consideration the language of the potential student cohort and the need to support an online product with local tutoring
- Promotion of the products also needs to be sensitive to the local culture
- Branding of the products is important for building customer recognition, trust and loyalty
- The sales process will always involve a trained sales consultant
- Customer loyalty may take some time to genrate and much effort to sustain, particularly as competition in the market is expected to increase
- It is clever to use the online medium as one of the ways to build and maintain a long-term relationship with customers, particularly through the construction of a virtual community.

Although the International e-VET report is aimed at providing advice to exporters of Australian VET online products and services, information from the report is relevant to current e-VET market research study. In particular, the finding from the USA and other countries that the ‘adult working student’ is a major market for online learning is important for Australian VET providers in targetting potential and emerging markets.

10. Mitchell, J. G. (2000b), *Business models for Marketing e-VET, A report on business models for the international marketing of Australian VET online products and services*, EVAG

This report identifies business models for international marketing of VET online products and services and recommends a range of business models for effectively delivering online products and services in customised and innovative ways.

The report is available at http://flexiblelearning.net.au/evetmarketing/docs/busmods.PDF

To identify the business models that most appealed to Australian VET providers, the consultants conducted focus groups and interviews with a range of VET stakeholders and developed an online survey form.

Nine contemporary business models for consortia

A total of nine contemporary business models for consortia involved in international marketing of VET online products and services are discussed in the report. 'Business models' are defined as 'a description of the relationship between the common components of a business, such as inbound logistics, operations, outbound logistics, marketing, sales and service; and supporting elements such as human resource management, procurement and technology development' (Mitchell, 2000b).

There are five contemporary business models for consortia, which do not require the use of the Internet. These are:

- Syndication – involves the sale of the same good to many customers, who then integrate it with other offerings and redistribute it. For example, cartoonists syndicate comic strips to many newspapers; production studios syndicate films to distributors. Syndication suits information products.
- Co-option alliances – involves an alliance between rival firms. The alliance provides the coalition with a competitive advantage and allows members to gain strength.
- Co-specialisation alliances – create value by bringing together skills and owner-specific resources. Each partner makes a unique contribution to the alliance.
- Opportunity networks – a set of firms organised around a company that serves as a marketing arm, brokerage and clearinghouse and regulates network behaviours.
- Vertical market networks – traditionally involved a channel of suppliers and distributors organised vertically around the classic manufacturing firm. Increasingly, at the heart of the vertical network is a focal organisation, the integrator. Often the integrator is a marketing company.

The most popular with VET respondents to the project survey is co-specialisation.

Mitchell (2000b) identified four models for consortia operating specifically in marketspace. These include:

- e-malls – a collection of e-shops under a common umbrella, e.g. a brand name and an online portal.
- Collaboration platforms – business process collaboration between enterprises, e.g. collaborating for marketing, using specialist online tools and shared information.

- Virtual communities – customers and partners add their information to an Internet site that is provided by a company operating the virtual community.
- Third-party marketplaces – customers and partners add their information to an Internet site that is provided by a company operating the virtual community.

The most popular model with VET respondents to the project survey was virtual communities, and the next most popular, collaboration platforms.

In the report, Mitchell (2000b) suggests that it would be of value to the Australian VET online training industry to focus on the characteristics of three business models for marketing consortia: co-specialisation, virtual communities and collaboration platforms.

Further considerations

In addition to suggesting specific business models, Mitchell (2000b) also notes that:

- Business models to enable a VET marketing consortium to operate internationally need to be based on an understanding of overseas markets for online educational products and services. The international marketplace for online products and services in the VET arena is set to expand but it is in flux, and this turbulence impacts on the type of business model selected for marketing consortia.
- While the benefits of forming a VET marketing consortium command attention, managing a VET consortium will be challenging.
- A VET marketing consortium could use a combination of business models. Choosing the appropriate business model, or mix of models, will depend in part on the type of marketplace in which the consortium wishes to participate. Most providers intend to mix face-to-face delivery with online education.
- In selecting a single business model or a mix of models for a VET marketing consortium, a wide range of business issues need to be considered, including membership rules, pre-requisite knowledge, business structure for the consortium and how to build competitive advantages.

Business issues relevant to the 2001 e-VET project

A number of general business issues were raised at the focus groups conducted by the consultants. The issues relevant to the 2001 e-VET study are outlined below:

- Rather than forming a single VET marketing consortium, a range of alliances may be better
- In establishing any VET marketing consortium, there needs to be a balance between risk and return
- Australian VET has only recently entered the field of online learning, and has much to learn about learners' preferences
- In the last six months, there has been a noticeable increase in interest in online learning among the corporate sector in Australia, which may be an indication of a world-wide trend
- Broadband technology for delivering online education to the home will increase the market for online training, in an increasing number of countries over the coming years
- There is anecdotal evidence of the low retention rate for many online learning courses in Australia
- Consumer protection issues need to be addressed, to ensure learners are not provided with inferior products

- Each member of the consortium needs to have an imperative for the consortium to succeed, not just a general interest
- Any business plan to launch a consortium needs to be focused initially on a knowledge of the consumers and their needs and characteristics, not on the products.

Pre-requisite expertise

Mitchell (2000b) also identified some of the pre-requisite expertise that any VET marketing consortium would need to have to succeed in exporting Australian VET online products and services. This expertise is in the following areas:

- Content development and customisation for specific markets, including being sensitive to cultural matters
- Technology provision and modification for specific markets
- Marketing expertise and knowledge of markets, including risk assessments of each niche market and knowledge of each market segment
- Legal knowledge of options such as franchising
- Access to venture capital
- Quality standards for online products and services
- Building rapport and trust with markets
- Logistics for delivering on time.

Much of this pre-requisite expertise is also necessary for developing and marketing VET online products within Australia, particularly marketing expertise and knowledge of markets.

11. Mitchell, J. G. (2000c), *Market-driven e-VET: A feasibility study for a national VET consortium to market, distribute and support online products and services overseas,* EVAG

This report assesses the feasibility of a consortium to effectively market and distribute Australian online training products and services.

The report is available at http://flexiblelearning.net.au/evetmarketing/docs/feastud.PDF

In the report Mitchell (2000c) provides an overview of the business environment for the export of Australian VET online products and services. A number of points in this marketing situation analysis are relevant to the Australian marketplace, as outlined below.

Market in flux

The market for online learning is in flux, due to

- continual changes in the technology available to access the products and services and due to the emergence of new styles of business alliances
- the steady increase in the volume of products and services available in the market
- the variable quality standards and prices of products and services
- the increase in corporate and consumer interest in online training.

Size of the e-learning market

The size of the e-learning market in the Asia Pacific will be around $1.7billion within three years (*The Australian*, 25 July 2000). In the previous twelve months, the Australian component of the e-learning market was estimated to be worth approximately $400million per annum (*Sydney Morning Herald,* 24 July 2000), although the majority of the market currently is IT software training, and the developers of the software dominate the training provision.

Forces driving corporate customers to e-learning

Corporate customers are being driven to e-learning by the transition to a knowledge-based economy and a range of other actors such as:

- increasingly competitive global business environments
- rapid technological change
- the migration towards value chain integration
- lack of skilled personnel
- rapid increase in information technology vendor certification programs (McCrea et al, 2000)

Other broad economic and social forces, some of which overlap with the list provided above by McCrea et al (2000), that are driving corporations to e-learning are:

- Technological changes increase complexity and velocity of work environment
- Lack of skilled labour motivates employers to provide employees with customised and satisfying learning opportunities

- Fierce competition in most industries leads to increasing costs of traditional training courses, such as travel and accommodation expenses, are now being scrutinised more closely
- Globalisation if business is requiring some companies to find more innovative and efficient ways to deliver training to their geographically-dispersed workforce
- The growing numbers of busy, career-minded adults over 25 who are continuing to study are an ideal group for the delivery of education direct to their homes or office
- Knowledge workers require greater flexibility in the workplace and will often embrace e-learning because it suits their lifestyles and working styles
- Learning has become a continual process rather than a distinct event at the start of one's career and organisations are seeking better training methods to enhance their employees' lifelong learning
- The fast growth of the Internet provides an ideal delivery vehicle for training in a global market, removing geographical barriers

The attitudes ascribed to corporations by Hambrecht (1999) and McCrea et al (2000) relate to corporations in advanced Western economies and can provide Australia with important insights into a vital segment of the market for online learning products and services – corporations.

USA trends relevant to Australia

Trends in the USA marketplace are indicative of trends in other advanced economies, with many of these trends evident, to varying degrees, in Australia, parts of Europe and Canada. The twelve trends in the USA e-learning corporate market, as identified by Hambrecht (1999) are:

- With the proliferation of new providers in the e-learning market, many consumers will select the known, brand-name provider, to ensure quality.
- Traditional training companies are adding the 'e' to learning, such as Global Knowledge Network, which previously used classroom-based delivery strategies.
- Customers will look beyond single courses to providers who can deliver a comprehensive training solution.
- E-learning companies will buy smaller companies, to enable them to provide a comprehensive training solution.
- E-learning strategic alliances between e-learning companies will increase, for example, content publishers will combine with educational technology vendors and training services suppliers.
- The tendency to outsource training activities is expected to grow by more than 10% each year.
- Competition between e-learning training providers will increase.
- E-learning and c-learning (classroom learning) are blending rather than one ruling out the other: the strongest use of online training is as an extension rather than a replacement for classroom learning.
- Development times for content preparation will decrease, with increased use of templates and fewer custom graphics and the use of learning objects.
- The adoption of standards for e-learning systems will enable content and courseware to be reusable across the whole organisation.

- Web-based, real-time collaboration tools will become increasingly popular.
- Internet/intranet will provide instructor-led classes with a sense of community, extra communication and supplementary materials.

Mitchell (2000c) maintains that 'some of these trends in the USA market…are only relevant to the USA market, so it would be unwise of Australian VET providers to directly imitate USA trends.' (p. 11) The trends of most relevance to the Australian market are that customers will look beyond single courses to providers who can deliver a comprehensive training solution; the tendency to outsource training activities is expected to grow by more than 10% each year (this trend is also identified by TAFE Frontiers in relation to Australian companies, see TAFE Frontiers, 2001, p. 39);and e-learning and c-learning (classroom learning) are blending rather than one ruling out the other.

Market threats

A number of threats are associated with being involved in the market for online products and services. Mitchell (2000c) recognises that

> competition in marketspace is intense, price pressure is high and customer attention and loyalty is hard to maintain as customers find it easy to switch sites. Additionally some of the marketspace business and marketing models developed in recent years failed, as demonstrated by the recent reduction in the value of some dot-coms on worldwide stock exchanges.

The report on a market-driven VET approach to online learning summarises the features of and trends in the marketplace, features of the Asian and USA markets, the size of the market, market threats and the attitudes of corporate customers in Australia and the USA.

12. Thomas, J. (2001), *Online learning and innovation. A discussion paper*, Monograph series 2.2, Victorian TAFE Association

The Victorian TAFE Association commissioned this discussion paper to canvass some of the philosophical debates about online learning in Australia.

Part three of the paper focuses on where the demand for online learning is coming from. The paper notes that 'one of the issues that isn't discussed in great detail in the literature is where the demand for online learning delivery is coming from and why' (p. 11). To try and fill this gap, the paper offers the following insights:

- According to Marginson (ABC 7:30 Report, 2001) students who are most likely to demand online learning are those who can't access face-to-face learning, that is, remote students and full-time workers.
- According to Confessore (2001), the most likely market for distance or online learning generally is 'continuing professional education for working adults' (p. 43).

The demands of these market segments are not explored in any more detail although the paper notes that 'it is important to keep in mind that while [these market segments are] significant, [they] do not represent the entire VET student cohort' (p. 12).

The paper highlights some interesting points in terms of the philosophical debate about online learning, particularly regarding the pedagogical advantages and disadvantages of learning online. Thomas (2001) makes the point that the paper 'hopes to avoid relying on the rather obvious and commonplace conclusion that a 'balance' is required between online learning and face-to-face or more traditional methods of learning' (p. 4), believing that while this conclusion may be true, 'it is vague and often leads to a silencing of productive debate' (p.4).

In trying to present a range of points of view, however, the paper does not provide any further insights into where the demand for online learning is coming from and why, or what steps should be taken to identify, stimulate or meet this demand.

13. Australian National Training Authority (2000), *National Marketing Strategy for VET – Meeting client needs*, Brisbane

The ANTA marketing strategy represents the most detailed investigation of Australian VET clients, in terms of both individuals and employers, in recent years. It provides useful data for decision-making focussed on learner needs, preferences and market segmentation. While not directly related to online learning, findings from the report are useful for reference.

The report is available at http://www.anta.gov.au

Employer profiles

The market research and subsequent analysis identified three market segments among employers in relation to employers' attitudes towards training. These are identified below.

> *High valuer employers* – value all forms of learning: on and off the job, work related or not. Learning is the way they deal with the challenges of globalisation, competition and new technology. But they also value the productivity and efficiency benefits of learning. They include an over-representation of established, medium sized firms in the cities.
>
> *Here and now employers* – are focused on keeping ahead of the competition. Dealing with new technologies and high turnover, they value on the job training. They do not have much interest in learning that is not directly productive in the workplace. They include an over-representation of large established businesses.
>
> *Not interested employers* – mostly small businesses, employers in the 'Not Interested' segment believe in qualification – especially for recruiting new employees – but that most other training is a waste of time and money unless it convincingly increases productivity and reduces costs.

It can be surmised that both the 'High valuer' segment and the 'Here and now' segment may embrace some form of online learning as long as it is suited to their organisational requirements and leads to productivity gains. Both segments may respond well to a package of online learning products and services that were customised to their business and included a training needs analysis aimed at identifying and filling gaps in the knowledge and expertise of their employees.

Community market segments

The ANTA report also identified eight segments in the general community – 'each with different individual learning attitudes, learning habits, demographics, and media/leisure preferences.'

Table 13.1 General Community Profiles (from ANTA National Marketing Strategy, 2000)

Passionate learners	Almost there	Learn to earn	Might give it away
They love every aspect of learning. It delivers personal and work benefits and every experience reinforces their love of learning. Young and in mid life, they are leaders of the learning age	They love learning and believe it's the way to reach their goals. They want to learn more but have to overcome their fears and many other barriers.	They are actively learning because it's the way to get ahead. Mostly young, they only value learning that brings material benefits and leads to jobs or qualifications.	Young and pessimistic, they are learning now only because they feel they have to. Other people expect it. They haven't seen any benefits from learning yet.

Make it easier	Learning on hold	Done with it	Forget it
While they love learning, they face the highest barriers to participation. Their focus is on getting by every day. Learning is all too hard, just another stress to contend with.	They love learning and have already benefited from it. But it's not on the short-term agenda. They've either achieved their goals or there are just too many other priorities right now.	They valued learning for work but they've achieved what they can. They see no point in learning any more, unless they face a career reversal or some other major work change.	Their heart is just not in it. The learning they've done hasn'y got them very far, they don't love it and anyway, they are happy with their lot. What more do they need?

This view of the psychographics of a number of market segments provides insights into the demands of a variety of different segments of the VET market.

The 'passionate learners' are possibly equipped for resource-based flexible learning, and may have self-directed learning skills. The 'might give it aways' are on the verge of dropping out of learning and require proven products that result in jobs as well as regular positive encouragement.

An important finding relating to flexible delivery is that the 'almost there' segment of the market is typified by a fear of technology and requires help to overcome the fear.

The ANTA research generally supports the claims from Warner et al (1998), TAFE Frontiers (2000), Harper et al (2000) and Mitchell et al (2001) that learners need considerable guidance and support to be able to successfully engage in any form of online learning.

14. Robinson, C., and Kenyon, R. (1998) *The Market for Vocational Education and Training*, NCVER, Leabrook, Australia

This compendium of conference papers from the NCVER conference on ‘The Market for Vocational Education and Training: Who Pays and Who Profits?’, held in July 1997, is a comprehensive insight into VET markets in Australia. A number of the papers in the volume provide information on specific VET markets and examples of good VET marketing practice. Although much of the research could be considered to be dated, the report contains some market information relevant to marketing VET online products and services.

The findings from these papers are outlined below, beginning with the most relevant paper:

14.1 Murray, W., ‘Mapping the training market: Which model works?’

Murray (1998) maintains in this paper that the training market in Australia has never been fully mapped and that key elements of the market have not been identified and explored, including:

- market process
- role of students
- description of outcomes and outputs that are purchased
- product and consumer of the product.

Murray (1998) labels these missing elements the ‘who what why and how of a training market’. These elements need to be taken into account by planners wishing to manage outcomes of the training market.

Murray (1998) produces a model of the training market that demonstrates the flow of a training market and the influence of individual clients in the market.

Table 14.1: A model of the training market

		OUTPUT	OUTCOME
Supplier	Federal Government	= Increase skill base	+ Global competitiveness
Business	State government	= Meet customer demand	+ Maximise return on investment
Intermediary	Training providers	= Successful completion	+ Competent workforce
Buyer	Students	= New skills	+ Employment
Final customer	Enterprise	= Skilled people	+ Productivity

This model is useful for strategic marketing in the VET sector as it identifies different segments of the training market and different demands of each segment. In terms of marketing, Murray (1998) also outlines what she believes to be three principles of marketing:

- The principle of differential advantage – an analysis of the marketers’ resources versus those of the opposition

- The principle of customer value – the notion that all elements of what is called the marketing mix (i.e. the product itself and its price, promotion and distribution) contribute to the perceived value of a product
- The principle of selectivity and concentration – the notion that an organisation should identify, select and concentrate on one or more segments of the market in which it has a differential advantage in delivering customer value.

14.2 FitzGerald, V., 'Market Frameworks in VET'

This paper deals with the concept, size and profile of the training market and its players and with the competitive structure, conduct and performance of the market. It discusses User Choice and outlines recent reforms to the VET sector.

14.3 Kearns, P., 'The role and impact of flexible delivery in VET'

In this paper, flexible delivery is seen as a tool to assist the transition to a learning society in which life-long learning for all is essential. While Kearns (1998) believes that this as the ideal, the paper refers to the 1996 report of the ANTA Task Force on Flexible Delivery which identified a number of barriers to the more widespread adoption of flexible delivery methods. These include:

- Inappropriate government resource allocation models and processes which provide little incentive to change
- Limited access to reliable information for clients
- Limited access to quality learning support
- Difficulties in customising training to meet specific needs of clients.

14.4 Billet, S., 'Returns to enterprises from investment in VET'

The research conducted for this paper identified that the degree by which enterprises invest in training depends on whether training is perceived to be useful, the likelihood of needs being met by the publicly funded system and the proximity to institutions with appropriate programs. The returns to enterprises on investment in training identified in the paper include:

- 'bottom-line' profit
- direct influence on productivity
- securing strategic or organisational change goals
- contribution to the community.

15. Australian Flexible Learning Framework (2001), *Flexible Delivery Business Planning Framework*, Melbourne

An initiative of the Australian Flexible Learning Framework is a business planning tool, the Flexible Delivery Business Planning Framework. The Framework is designed to facilitate the effective development and delivery of sustainable flexible delivery solutions and is available at http://www.flexiblelearning.net.au/busmodels/index.html

The development of the framework began with discussions with a range of VET providers to understand the issues and challenges involved in growing the viability, and credibility, of flexible delivery. The framework helps users address these issues and support the outcomes articulated in the Australian Flexible Learning Framework (AFL). The issues identified are summarised in the following table.

Table 15.1: AFL Framework for the Flexible Delivery Business Planning Framework

Where are we now? Provider Feedback	Where do we want to be? AFL Framework
• Market needs not fully understood • Product/content driven • Fragmented – driven by enthusiasts rather than strategy • Minor – not in the mainstream • Scepticism – Staff and students wary of approach • Poor financial returns	• Accepted option for learners and teachers • Integral part of delivery capability • Skilled staff • Client/market driven • Flourishing sectoral partnerships • Benefits realised and recognised • Ongoing development

Using the above framework, and consultations with a range of VET providers, the following areas, including marketing, were identified as being critical elements that would support flexible learning in VET.

Table 15.2: Critical elements that support flexible learning in VET, from the Flexible Delivery Business Planning Framework

Element	Questions to answer
Strategic Integration	What are the strategic priorities? How will flexible delivery support these priorities? What strategies are required to support flexible delivery?
Communication	How will the benefits of flexible delivery be communicated to the market and staff?
Performance Management	How will desired outcomes and requirements be evaluated? How will the learning and insights derived from evaluation be applied?
Collaboration	How might collaboration enable the successful development and execution of flexible delivery? Who are potential collaborators; how would this operate?

Market Understanding	What markets are to be targeted? How attractive are these markets? What is the market trying to achieve? How could flexible delivery help them to achieve this? What alternatives are currently available? Who are providing these? What is the market's readiness for flexible delivery?
Change Management	What capabilities will be required? Can they be acquired? How will these capabilities be acquired?
Financial Analysis	What is the cost of developing and maintaining flexible delivery? How will this be funded? What are the anticipated financial (and non-financial) returns?
Project Management	What specifications are required to meet requirements and capture other desired benefits? What systems are required to ensure these specifications are delivered?

These eight elements provide a useful planning framework that can be modified and adapted for individual VET providers.

Marketing questions

The framework is designed to promote market focus and support the delivery of outcomes that are relevant to the market. It requires users to consider issues relevant to their markets and the implication of these issues to their own organisation. The framework also recognises that readiness for flexible delivery will be an issue for many markets.

A sample excerpt from the framework follows:

i1- Market Assessment

Current Situation?

Where is the market? Who does it consist of? What are their characteristics? Are there segments within this market, if so, what are they? Why would flexible delivery be of potential value to the market? Are there flexible delivery solutions currently available to the market? Who are providing these solutions? What is the market's level of satisfaction with these solutions?

Attractiveness?

What is the size of the market?

What is the market's likely growth rate?

How competitive is the market;

how many alternatives are available to the market?

What are the potential revenues associated with a flexible delivery solution for this market?

How long would it take to achieve these revenues?

How profitable is this market likely to be?

lWhat are the likely margins?

Are there economic sensitivities that apply to this market?

Does the market have the capacity and/or willingness to pay for flexible delivery?

Are there political and/or legal risks associated with this market?

Does the market have technological capacity for flexible delivery?

How accessible is the market?

How easily can the market be contacted and/or communicated with?

Market Access and Readiness?

What is the market's readiness for flexible delivery?

What access to relevant technology does the market have?

What barriers to flexible delivery exist in the market?

What experience with flexible delivery has the market had?

What appreciation of the benefits of flexible delivery does the market have?

What is the overall assessment of the opportunities that this market presents?

Does this market warrant further consideration?

This business planning framework provides many useful questions to assist marketing planning for flexible learning and online learning.

16. IDP Education Australia (2001) Technical and Further Education Project: Market Positioning Study in India, Sydney

This report outlines the key characteristics, attributes and recent developments within the international VET markets in India. Based on this environmental scan, the report then identifies market positioning and branding strategies that would improve the market performance of TAFE Institutes within the Indian markets, particularly in IT and business-related studies.

While the report focuses on the Indian market, some of the recommendations to arise from the report provide useful insights into marketing VET products and services generally. These products and services are across a range of VET courses and qualifications and are not restricted to VET online products and services. However, the market-driven approach that IDP (2001) recommends is directly relevant to marketing VET online products and services in Australia.

Based on extensive market research, IDP (2001) made a variety of recommendations about market positioning in India. The recommendations that inform the current study in e-VET marketing are outlined below:

- **Implement an environmental scanning process** that will ensure the development of a marketing mix and a portfolio of products that will respond to developments in the market.
- **Implement a professional development program** for international marketing staff that includes
    - Product analyses and development
    - Marketing mix design and implementation
    - Customer services for international students.
- **Adopt a brand that highlights the core demand drivers and illustrates its unique selling points.**
- **Establish a systematic process of monitoring international student satisfaction**, leading to a set of national industry benchmarks and a code of best practice
- **Create a sustainable market position** underpinned by
    - High levels of customer service
    - Teaching and administrative staff dedicated to customer service
    - Ownership of TAFE products by staff.

These recommendations highlight the importance of understanding the market for educational products and services and pitching the products and services accordingly.