

# Ambient Insight Regional Report

## The Asia Market for Self-paced eLearning Products and Services: 2011-2016 Forecast and Analysis

Massive Demand for eLearning Content Drives Lucrative  
Revenue Opportunities in Asia



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**This is a Regional Report. Ambient Insight has five types of syndicated market research reports:**

- **Premium Reports:** A Premium report includes a buyer analysis, with five-year forecasts and profiles for the top buying countries in each region, a supply-side analysis, and an index of suppliers - These reports are designed for suppliers that need an in-depth view of the buying behaviors in each of the top buying countries in each region of the globe.
- **Standard Reports:** A Standard report includes a brief buyer analysis and a regional demand-side forecast analysis across seven regions. A Standard report does not include country profiles, supply-side analyses, or an index of suppliers - These reports are designed for suppliers that understand the international market dynamics and "just want the numbers."
- **Regional Reports:** A Regional report includes regional demand-side forecast analysis with five-year forecasts and profiles for the top buying countries in each region - These reports are designed for suppliers that are competing (or plan to compete) in specific regions.
- **Targeted Reports:** A Targeted Report may analyze buying behavior and trends in a specific buyer segment; may isolate revenue opportunities, forecast revenues, and trends for a particular product type; or may pinpoint revenues and trends for a specific sub-category of content, service, or technology - These reports are designed for suppliers that are targeting specific buyers or specializing in a particular product sub-type.
- **Revenue Snapshots** are 2-3 page reports that include a single revenue-forecast table and a brief description of that table from a current market report. Please review the free Executive Overview for each report for a list of available tables. Contact us at [info@ambientinsight.com](mailto:info@ambientinsight.com) to request a specific Revenue Snapshot.

## Abstract

Asia has the highest growth rate for eLearning in the world at 17.3%. Revenues reached \$5.2 billion in 2011 and will more than double to \$11.5 billion by 2016.

The vast majority of revenues will be generated from the sales of packaged content. The demand for content is now spiking in many countries in the region and suppliers in those countries are ramping up their efforts to meet the demand. Asia is now a vibrant rapidly evolving market. There is a surge in the number of reseller agreements, mergers, and acquisitions.

Forecasts for sixteen countries are included in this Asia report: Australia, Bangladesh, China (including Hong Kong and Macao), India, Indonesia, Japan, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, and Vietnam. Nine countries have growth rates above the combined aggregate growth rate of 17.3% in the region.

**Vietnam and Malaysia have the top highest growth rates for eLearning products in the world** at 44.3% and 39.4%, respectively. Thailand, the Philippines, China, and India are also in the top ten countries with the highest growth rates on the planet.

There are three major catalysts in Asia. Two catalysts — the massive content digitization efforts across the school systems in **every country in the region** and the large-scale deployments of tablets in the academic segments — essentially create a new delivery platform for suppliers.

The third catalyst is the explosive growth of online higher education enrollments. Combined, these catalysts have created a massive demand for packaged content.

There are also secondary catalysts in the region including the healthy demand for eLearning in the corporate segments in many countries and the strong demand for digital English language learning products in both the academic and consumers segments across the region.

## **Massive Digitization Initiatives Drive Demand**

Digitization programs began in the developed economies several years ago and late-stage phases are rolling out now. Several of the new first-stage initiatives are quite ambitious:

- As of 2010, the entire primary and secondary curriculum was online in China. Although the content is online, relatively few students have access to it yet. **The Chinese government's goal is to have their entire K-12 population of over 200 million students online by 2020.**
- In May 2011, the Laguna province of the Philippines announced that they would begin providing students with an educational tablet

This is a regional report for Asia. Regional reports are designed for suppliers that are competing (or plan to compete) in specific regions.

China and South Korea are the first countries in the world to convert all their primary and secondary academic content to digital formats.

called the Rizal Tablet designed by a local company, Ionics EMS. Starting with 1,000 tablets in 2011, the government's goal is to equip every schoolchild in the Philippines with a personal learning device within five years.

- In June 2011, the South Korean Education Ministry mandated that all instructional content in all primary and secondary schools must be 100% digital by 2015. By 2015, every schoolchild in South Korea will be carrying a personal learning device.
- In July 2011, the government in Thailand announced that they intend to give every child in grades 1-6 a tablet starting with first grade students in the 2012 school year. The multi-year program will equip over 5 million primary students with handheld devices. (An additional 5 million children in higher grades will get netbooks.)
- In October 2011, the Indian government launched their tablet designed for school students called Aakash. The tablet is priced at \$35.00, kept low with government subsidies. Aakash 2, set to launch in November 2012, already has 3.5 million pre-orders.
- In May 2012, the Malaysian Prime Minister announced that they would provide one tablet per every 10 students by 2015 with the goal to equip all 5.4 million schoolchildren in the country with a tablet in ten years as part of the National Education Blueprint 2013-2025. As part of the blueprint, the government intends to connect over 10,000 schools with 4G connectivity and connect all the schools in the country to a national "virtual learning platform."
- In September 2012, Singapore's Ministry of Education (MOE) deployed 120,000 devices to 351 schools under the Standard ICT Operating Environment (SSOE) project.

Digitization efforts are rolled out in phases with institutions targeting specific grades in the initial phases. This grade-based targeting is different in each country. For example, Thailand and Vietnam are focusing on learning technology for the very early grades. Other countries such as Pakistan and Malaysia are focusing on higher education for their first phase of digitization.

In all of these countries in Asia, the process begins with the countrywide rollout of technology infrastructure. The infrastructure is the foundation for learning technology tools, platforms, personal learning devices, and digital content. The high demand for the integration of these eLearning products into the countrywide infrastructures represents a significant revenue opportunity for services suppliers.

The content digitization tends to start with converting print-based textbooks to eTextbooks. Yet, once the infrastructure and learning technology is in place, the buyers are increasingly opting for interactive, self-paced multimedia content. Several of the newer initiatives are leapfrogging eTextbooks altogether and building out interactive media as a core component.

## **Explosive Growth of Online Higher Education Enrollments**

This eLearning adoption trend is not isolated in the PreK-12 segment. The adoption rate of eLearning in the region's higher education segments is nothing short of astonishing. Several online institutions are now enrolling very large numbers of online students and enrollments are accelerating.

- ChinaEdu in China has over 311,000 online students (in both degree and non-degree programs), the second-largest online student population on the planet after the University of Phoenix Online in the US. In June 2012, ChinaEdu reported that there were 197,000 students enrolled in their online degree programs, **a 27.9% increase over the year before.**
- ChinaCast Education is a publicly traded company in China and has over 145,000 online higher education students. (Additionally, they have 6,500 PreK-12 online students.)
- As of June 2012, over 100,000 South Koreans are enrolled in 24 cyber universities in the country.
- The Open University of Japan is the largest online education provider in Japan with over 85,000 enrolled students.
- Over 78,000 students are enrolled in Mumbai University's distance-learning programs as of October 2012.
- Open Universities Australia (OUA) has over 60,000 online students, **more than double the enrollments from four years ago.**

Governments in Asia have been strong advocates of online higher education. In October 2011, South Korea's Education Ministry approved five new online universities.

Several countries passed laws recently that are already accelerating the adoption of eLearning in the higher education segment. In early 2012, the Japanese government approved the Distance Education Universities Law authorizing 54 universities and 11 distance education junior colleges to offer eLearning programs. This has created a spike in online enrollments in Japan. By June 2012, over 225,000 Japanese higher education students enrolled in online classes. Governments in the region have launched national virtual universities:

- In April 2011, Malaysia launched the Malaysia Education Online (MEdO) national online learning portal. The goal of their new National e-Learning Policy is to have 30% of all higher education courses delivered online by 2015.
- In May 2011, the Sri Lankan Ministry of Higher Education signed an agreement with Mobitel to use Mobitel's learning platform as "the National Higher Education Learning Platform through the National Online Distance Education Service (NODES)."

- The Open University of Malaysia (OUM) is a pioneer of distance learning in that country and has over 90,000 online students.
- The Thailand Cyber University Project is a government-funded consortium of 43 education institutions, NGOs, government agencies, and companies. As of June 2012, it provides over 300 free online courses and reaches over 170,000 students.

The academic segments are not the only buyers in Asia. For example, **corporations account for 54% of all spending on Self-paced eLearning products in Japan**. Corporations were the second-largest eLearning buyers in South Korea in 2011. Expenditures on eLearning are heavily concentrated in the corporate segment in Pakistan.

## **Digital English Language Learning in High Demand in Asia**

Another major catalyst in the region is government mandates designed to increase English proficiency of not only the native populations but also immigrants to English-speaking countries. The lack of English language learning teachers is creating a spike in the demand for digital English eLearning products.

- The Vietnamese government has embarked on a plan to ensure that **all students** in PreK-12 schools are proficient in English by 2020.
- In January 2012, the government of Thailand launched their 2012 English Speaking Year project with the ambitious goal to teach English to 14 million students in 34,000 state schools across Thailand from pre-primary to university age. Their goal is to have all students proficient in basic English by 2015.
- In February 2012, the Australian government announced the launch of a three-year project called Virtual English Tuition for Migrants, which is an online language learning service.

There is also a strong demand for digital English language learning products in the consumer segments across the region. In September 2011, Rosetta Stone Japan reported that their English language learning products tripled in sales from 2009 to 2010 and were on track to double from 2010 to 2011. Tak Shiohama, Japanese President of Rosetta Stone Japan, commented that "our English learning package is by far our best-selling product. Rosetta Stone opened an office in China in 2011.

## **What You Will Find in This Report**

There are two sections in this report: a demand-side analysis and a supply-side analysis. Additionally, there is an index of suppliers competing in the region. The demand-side analysis provides suppliers with insight into the buying behavior for sixteen countries in Asia.

The supply-side section provides revenue forecasts for five types of Self-paced eLearning products and services including:

The five-year compound annual growth rate for all five eLearning product types is positive in Asia. The growth rates range from 11.5% to 22.7%.

- Packaged content
- Custom content development services
- Cloud-based authoring tools and learning platform services
- Installed authoring tools
- Installed learning platforms

The Self-paced eLearning product type that will generate the highest revenues in Asia throughout the forecast period is packaged content. Authoring tools will generate the second-highest revenues. This report identifies the specific countries that represent the best opportunities for different product types.

The growth rate for cloud-based authoring tools and learning platforms in Asia is a robust 22.7%, the highest growth rate of all products. Authoring tools (both installed and hosted) are in high demand as commercial suppliers and internal organizations scurry to meet the demand for content.

Over 250 suppliers in specific countries in Asia are cited in this report. This will help international suppliers identify local partners, distributors, resellers, and potential merger and acquisition (M&A) targets. Device makers and telecoms are quite active in the Asia eLearning market and offer significant partnering opportunities for international suppliers. Over two dozen of these telecoms are identified in this report.

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Targeting specific buyers in particular countries with particular product types is the key to generating revenues in Asia. This report provides details that help suppliers make informed decisions. Ambient Insight provides a detailed description of our product types and buyer segments in [Ambient Insight's 2012 Learning Technology Research Taxonomy](#).

## ***Related Research***

Buyers of this report may also benefit by the following Ambient Insight market research:

- [The Worldwide Market for Self-paced eLearning Products and Services: 2011-2016 Forecast and Analysis \(Premium Edition\)](#)
- [The Worldwide Market for Digital English Language Learning Products and Services: 2011-2016 Forecast and Analysis \(Premium Edition\)](#)
- [The Worldwide Market for Mobile Learning Products and Services: 2011-2016 Forecast and Analysis \(Premium Edition\)](#)
- [The Worldwide Mobile Location-based Learning Market: 2011-2016 Forecast and Analysis](#)
- [Ambient Insight's 2012 Learning Technology Research Taxonomy](#)