Ovum Decision Matrix: Selecting an Online Learning Platform for Higher Education, 2015–16

Summary

Catalyst

Higher education is on the brink of radical transformation, where long-standing beliefs about teaching and learning are changing and online learning platforms (OLPs) have become mission-critical solutions that are of paramount importance for supporting institutional teaching and learning strategies. The OLP has evolved from the traditional learning management system (LMS) to support the next generation of online learning. Although the traditional LMS has successfully enabled course management and administration, it has fallen short in delivering on the promise of innovating teaching and learning. Ovum's 2014–15 ICT Enterprise Insights Survey revealed that over 30% of institutions will replace or transform their OLPs over the next 18 months. This suggests that OLPs, with their flexibility and agility, are more likely to support next-generation online teaching and learning. However, the current IT landscape in higher education is flooded with OLP providers, making it confusing for institutions to determine which to partner with.

Ovum view

Delivering exceptional online learning will be the key differentiator for institutions in the future. In a global industry, institutions that differentiate on the academic experience and performance outcomes are likely to meet the ongoing expectations of the student population, attract and retain more students, and advance the institution's reputation in an increasingly competitive market. Doing this requires an OLP that can support an evolving and more dynamic approach to online learning.

As institutions invest more in OLPs, new entrants are coming in, and as these increase the level of competition, vendors are making significant investments in the quality and capabilities of their solutions. For example, by upgrading their solutions and services and investing more in research and development, OLP providers have captured revenue and established a strong competitive position. Furthermore, established OLP providers continue to acquire companies with innovative solutions to enhance their overall OLP portfolios, and to strengthen their brands through extensive marketing efforts and partnerships.

To drive better academic outcomes institutions need to search beyond a discrete LMS and instead leverage an OLP that is open and integrated, and provides the capabilities to support student engagement, retention, and outcomes. OLP providers therefore need to ensure their offerings are both comprehensive and relevant to counter the competition. They must back their market-focused offerings with professional services that support the online learning experience.

Market and solution analysis

The next 18 months will bring dramatic change to the OLP market

The nontraditional student will transform higher education

Higher education is currently teetering on the brink of radical transformation, where long-standing beliefs about teaching and learning are changing, and new models are emerging. According to the National Center for Education Statistics (NCES), 85% of students in higher education today are considered "nontraditional." The profile of today's student population looks very different to how it did decades ago, when the average student was an 18 year-old moving directly from high school to campus. Today, students are older, more experienced in work, and more socioeconomically diverse than their peers of decades past. Higher education has been somewhat slow to catch up to this new reality; the ways in which institutions provide instruction, finance education, market the college experience, and measure student learning still look much like they did years ago.

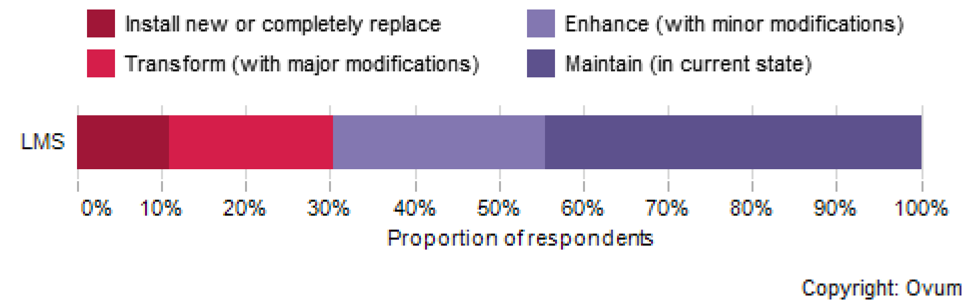
The current model for LMS is ill-suited to deliver on expectations

The current IT landscape in higher education is also changing, and is not yet suited to support informal learning events. Online learning has proved to be successful for millions of adult learners and has been heavily factored into evolving institutions, yet the current model for LMS cannot deliver value in the future vision for higher education. The LMS has been highly successful in enabling the administration of learning, but less so in enabling learning itself. Tools such as the grade book and mechanisms for distributing materials (e.g., the syllabus) are invaluable for the management of a course, but these resources contribute only indirectly – at best – to learning success. Primary designs were both course- and instructor-centric, which aligned with the way higher education viewed teaching and learning through the 1990s. These solutions have certainly evolved in powerful ways since their inception, particularly in the areas of analytics and content management. However, the underlying philosophy remains the same, which is to recreate the traditional classroom experience in a digital environment.

The traditional classroom experience is no longer the preferred state, and higher education is moving away from its traditional emphasis on the instructor and replacing this with a focus on learning and the learner. Higher education is also moving away from a standard form factor for the course, experimenting with a variety of course models. These developments pose a dilemma for any LMS with a design that is still informed by instructor-centric, one-size-fits-all assumptions about teaching and learning. Although the LMS has been useful in some ways over the years, it has fallen short in others.

Institutions must reenvision the best approach to online learning during the next phase of purchasing

Figure 1: Higher education institutions' solution investment plans



Sample size: 287
Question: Will you be upgrading your institution's LMS during the next 18 months?
Vertical: Higher education. Program of higher education: All. Country: All. Enterprise size: All

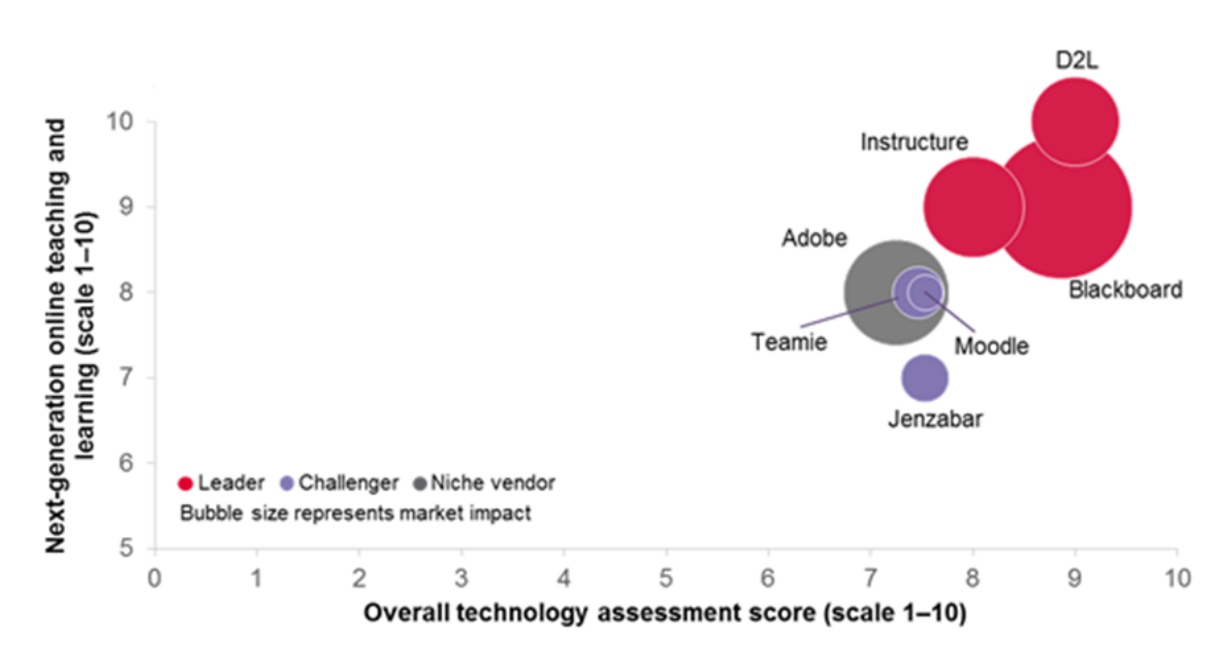
Source: Ovum ICT Enterprise Insights

According to Ovum's 2014 Enterprise Insights survey, 56% of institutions will replace, transform, or enhance their LMS solutions during the next 18 months. This suggests a lack of satisfaction with LMS and a potential sea change in the competitive landscape if institutions choose to switch out incumbents in favor of new providers. Given the importance and maturity of LMS, it is alarming to see that so many institutions are looking to switch in the short term. Without a doubt, it is suggestive that a core need is being left unmet by current solutions.

Ovum believes that institutions must move beyond maintaining the LMS and toward creating a dynamic OLP. The OLP will be flexible and agile, and will enable both formal and informal learning to occur easily, even at the direction of an individual learner. Cloud delivery and open standards will be key because institutional boundaries will be meaningless.

Ovum Decision Matrix: Online learning platforms 2015–16

Figure 2: Ovum Decision Matrix – online learning platforms in the higher education industry, 2015–16



Source: Ovum

Table 1: Ovum Decision Matrix – online learning platforms in the higher education industry, 2015–16

Market leaders	Market challengers	Market followers	Niche vendors
Blackboard	Jenzabar	N/A	Adobe
D2L	Moodle		
Instructure	Teamie		

Source: Ovum

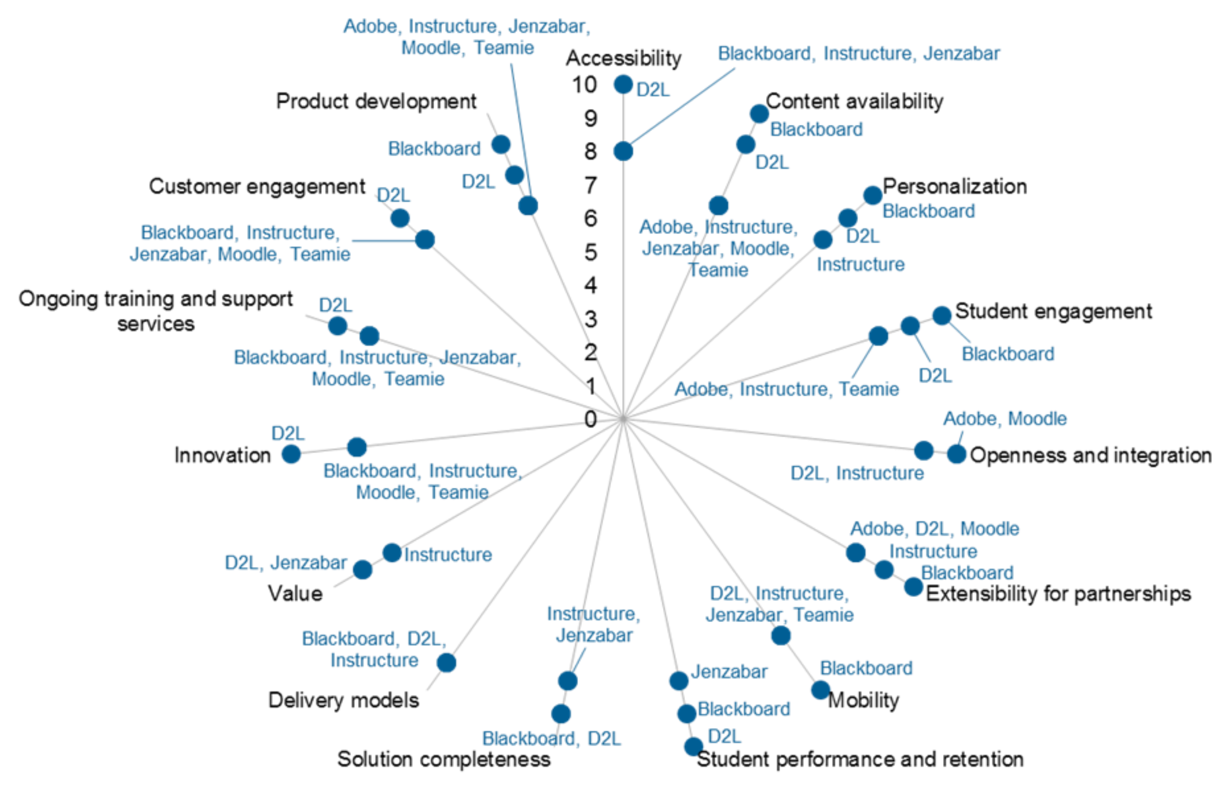
Market leaders: Blackboard, D2L, and Instructure deliver powerful solutions to the higher education market

Blackboard, D2L, and Instructure are market leaders in providing OLPs to higher education institutions.

D2L's OLP, Brightspace, presents a strong portfolio of capabilities to improve the teaching and learning experience. Brightspace is an integrated learning platform (ILP) that moves beyond managing learning, to improving learning, and gives students instant access to their learning outcomes to see how they are performing. Although the technology itself is important to the company, addressing the skills gap by making learning a priority is also of paramount importance. For innovative institutions, D2L provides the advanced tools and opportunities to personalize the learning experience. For late adopters, the company provides support in the form of training, community groups, and additional services. Through its products and services, D2L is demonstrating a commitment to the higher education industry, and is considered a partner – not just a technology provider – by several of its customers.

Market leaders: technology

Figure 3: Ovum Decision Matrix: Online learning platforms in higher education, 2015–16 – market leaders – technology



Source: Ovum

Illustrating the considerable diversity and strength of the competitive landscape for OLP in higher education, all seven of the vendors profiled in this report are positioned as market leaders for at least one of the technology assessment criteria. Overall, the vendors with the three highest technology assessment scores were D2L, Instructure, and Blackboard, which had top-three scores in 15, 14, and 13 of the 15 categories respectively. In the case of D2L and Blackboard, their OLP offerings are mature, with a broad base of functionality required by institutions to support face-to-face, hybrid, and online teaching and learning. Instructure's Canvas is newer to the market, but considerable thought and resources have been invested to ensure that it meets the specific needs of higher education institutions from the ground up.

Given that the long-term direction of OLP in the higher education market is toward meeting the needs of the learner, the capacity of the OLP in the areas of content availability, personalization, and student engagement are important. Adobe, Blackboard, D2L, and Instructure were standouts across these criteria. The more educational content and materials that are seamlessly integrated and available for students to explore in the OLP, the more engaging the platform becomes. Blackboard and D2L fare particularly well in this category given that they have designed and implemented their own content repositories. If institutions have branding control of the OLP and can customize the teaching and learning process to meet the unique needs of faculty and students, the more evident it is that vendors are moving away from a "one-size-fits-all" approach. Blackboard, D2L, and Instructure scored 10, nine, and eight respectively in the personalization category as a result of their efforts to move away from predefined course structures and progress. Blackboard and D2L also scored the highest for student engagement, due to the engaging and student-centric tools they provide to help students stay connected to their classes.

Most OLP vendors understand that their platforms and offerings in general cannot be all things to all people. Therefore, openness and integration, as well as the extensibility for partnerships are important parts of the OLP. Five of the seven vendors stood out across these categories, including Adobe and Moodle, each of which had a perfect score of 10 for openness and integration (with Instructure scoring nine). Blackboard had a perfect score for partnerships, with Instructure close behind, with a score of nine; Adobe, D2L, and Moodle also had high scores of eight in this area. These vendors have all extended the capabilities of their OLPs and product suites as a whole, through partnerships and open APIs, to make their offerings more engaging.

With a growing focus on mobile, analytics, and cloud in higher education, the capacity of an OLP vendor to enable mobile solutions, embed analytics for student success and retention, and offer a range of delivery models is crucial. The top vendors for mobility included Blackboard, which had a perfect score, and then D2L, Instructure, Jenzabar, and Teamie, each with a score of eight out of 10. Again, it is impressive that Teamie, a smaller and newer vendor in the OLP market, quickly understood – perhaps even quicker than some of the more established vendors – that students want greater flexibility in how they access their courses, and made the Teamie platform accessible on a range of devices. D2L was given a perfect score for student performance and retention because it has moved beyond basic reporting and alerts, and no other OLP vendor has grasped predictive analytics in the way D2L has. Blackboard and Jenzabar also have widely used capabilities for monitoring student performance and retention embedded into their platforms, and achieved high scores, albeit behind D2L, in this area. Finally, in the category of delivery models, Blackboard, D2L, and Instructure tied in first place, offering institutions a choice of on-premise, hosted, and SaaS delivery models. Although Blackboard is new to offering a SaaS model, it is the only vendor that offers the choice of all three models. D2L and Instructure have delivered their OLP's via SaaS from the beginning.

In terms of value, the three vendors that dominated the category were D2L, Jenzabar, and Instructure. Each of these vendors is thoughtful in how they can help institutions increase efficiency without jeopardizing quality, and has created intuitive options to help institutions reduce TCO. Some examples include D2L providing mobile applications for Brightspace users at no extra cost; Instructure providing mobile and analytics with its Canvas subscription as part of an "all you can eat" model; and Jenzabar offering an exchange of data between the e-learning system and its administrative systems, as they are fully integrated.

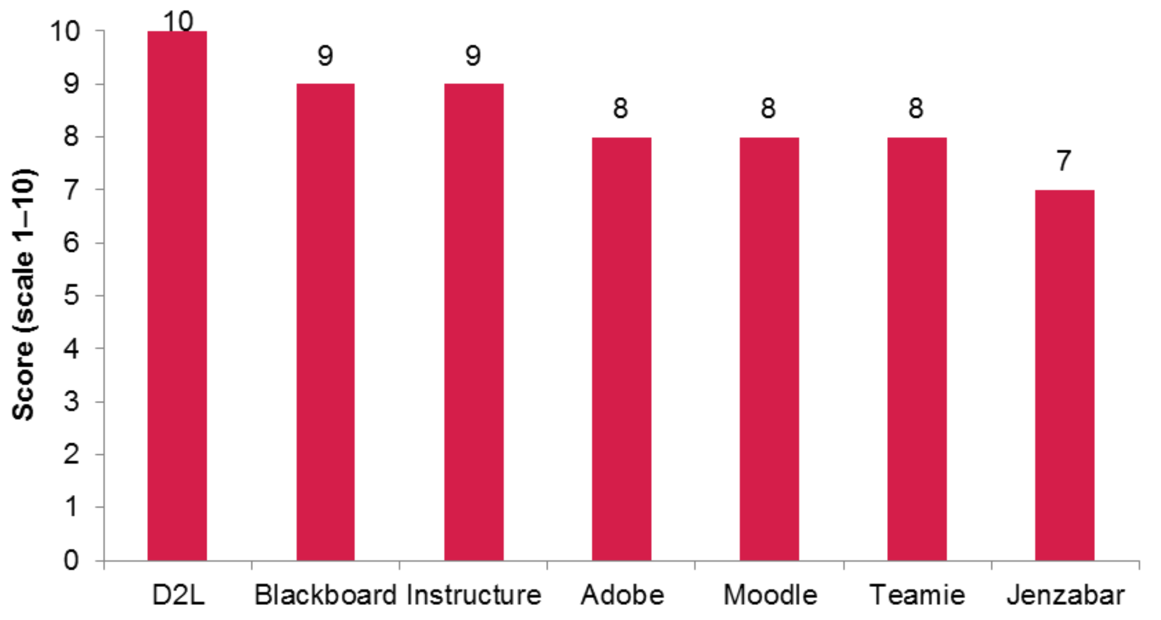
D2L had a perfect score for innovation, with Blackboard, Instructure, Moodle, and Teamie all achieving a score of eight. Given the capacity of their OLPs to support a range of pedagogical techniques and the high probability that they will support next-generation online teaching and learning, their strong performance is not surprising.

Performance in the ongoing training and support, customer engagement, and product development categories was fairly close across the vendors, with D2L scoring the highest across these three categories. D2L has been consistent in its provision of services and support to institutions of all types, and through close communication with its customers, has been able to develop Brightspace specifically to the needs of the majority of its customers. Overall, the close scores across these areas are evidence that even though some are doing better than others, all seven vendors are – at the very least – advocating the importance and encouraging the use of services and support, and have created useful channels for feedback. After all, a strong two-way communication channel is the foundation to ensuring customer satisfaction, honing a new vision, and accelerating product development. This will be particularly important during the next phase of online teaching and learning because institutions are likely to be working with new and more innovative tools.

Market leaders: next-generation online teaching and learning

The ability to support next-generation online teaching and learning, from supporting a diverse array of pedagogical techniques to allowing learners to personalize their learning experience, is critical to an OLP's ability to provide long-term value to institutions. Without question, the higher education industry has not yet fully embraced this next generation of online teaching and learning, but Ovum believes that as market forces make this approach a necessity and vendors rethink their OLP offerings, the transition will occur.

Figure 5: Ovum Decision Matrix: Online learning platforms, higher education, 2015–16 – market leaders – next-gen online teaching and learning



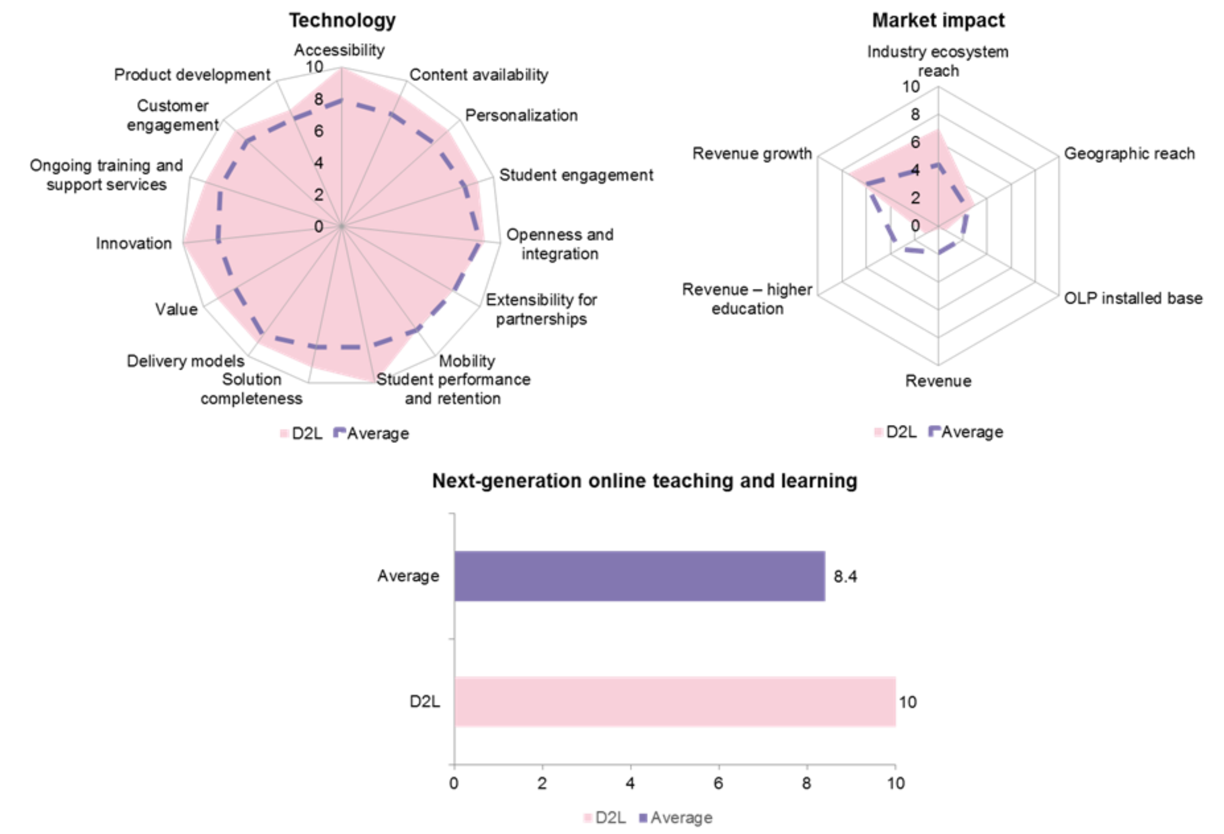
Source: Ovum

Among the vendors profiled in this report, D2L, Blackboard, and Instructure demonstrated the best capacity to support next-generation online teaching and learning. In each case, the vendors' OLPs have become highly learner-centric, and are delivering on increasing expectations by providing meaningful analytics and integration capabilities, as well as multi-modal learning experiences.

Vendor analysis

D2L (Ovum recommendation: Market leader)

Figure 8: D2L radar diagrams



Source: Ovum

Ovum assessment

Founded in 1999, D2L is a leading provider of education technology. Based in Kitchener, Canada, the company operates in several verticals, including higher education, K–12, healthcare, government, and enterprise. With an aim to redefine the LMS and drive successful learning outcomes, D2L rebranded its LMS as the Brightspace learning platform in 2014.

In comparison to some of the other vendors in this report, D2L did not receive particularly high scores on most of the market impact assessment criteria. There are exceptions to this performance, however; D2L achieved a top-three score for industry ecosystem reach and geographic reach. The company is increasingly recognized as a leading provider of OLP, and after recently raising a substantial amount of funding, Ovum anticipates that D2L will develop its platform further, which will speed up international expansion and lead to a dramatic increase in market impact.

Brightspace received the highest overall technology assessment score, obtaining at least a top-three rating in all 15 categories. Not unexpectedly, Brightspace received a perfect score for student performance and retention. D2L offers analytics-driven progress monitoring capabilities from within Brightspace, and in 2012 the company partnered with IBM to deliver the Smarter Education Solution, which incorporates an intervention management system and predictive analytics. Although D2L is ahead of other OLP providers when it comes to integrated analytics – and in particular predictive analytics – the company upheld its promise to drive successful learning outcomes and its reputation for providing an open learning platform that can easily integrate with other education technologies by partnering with IBM. IBM is more attuned to predictive models and data systems, and together the two companies can help institutions leverage student data in meaningful ways. Separately, D2L also achieved a perfect score for accessibility. Its accessibility program is integrated into its R&D lifecycle, and designs are regularly reviewed with its Accessibility Interest Group, which demonstrates its commitment to this category. D2L combines all of its capabilities with impressive training and support services, and a high-touch approach to customer engagement. For example, D2L has designed custom training sessions at the request of some of its customers to help institutions learn more about topics such as accessibility. Ovum anticipates that as the industry moves into the next phase of OLP purchasing, vendors with strong support services around its solutions will be particularly appealing.

Although at its core D2L is a technology provider, it also has a strong focus on pedagogy and how enhanced learning experiences can help address the skills gap when students move on to employment. As a result, D2L received the highest score for the capacity to support next-generation online teaching and learning. The Brightspace platform moves away from a one-size-fits-all approach and is instead highly personalized to meet differing student needs. Furthermore, D2L was ahead of its competitors in addressing demand for competency-based learning and adaptive learning.

Ovum recommends that as a market leader, Brightspace by D2L should be included in an institution's list of OLPs. Moving from managing to improving learning, Brightspace meets the core functionality criteria defined in this ODM, and although its brand awareness could be stronger in certain regions it is certainly strong in North America and among its competitors. The company is continuously evolving its offerings to meet the needs of the higher education market.

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