The Effective Business Models of E-Learning for Higher Education in Thailand

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Abstract

There are many e-Learning projects from national and international levels. There is different type of providers from open source to commercial. The scale of operation is from large to small size. The objective of each project creates its business model that suitable for each marketplace. Which business model is effective for higher education in Thailand?

Keywords: Business Model, E-Learning, Higher Education

1) Introduction

More than a decade ago, when the World Wild Web or as a very well known as WWW for short became a new gateway to communication. The so called Internet is a most popular thing and wild spread to almost every households. People are now communicate to each others and sharing information as fast as a matter of second. As fast as the technology changed the Internet became one of a valuable tool for distance learning. As the economy grew along side the technology, distance learning has become one of a high profit margin in education industry.

Many Universities and Colleges through out the world have turned their focuses from a traditional face-to-face classroom to a new way of learning at-home-base classroom, which fit many life who don’t have the luxury of times, transportation, and importantly financial. In 2005, as one of the example of many universities, The University of Phoenix had a high number of online learners of more than 140,000 and earned approximately 5,700 million baht per year. (Charmonman, 2005) The Blue Ocean Strategy was then created from numerous case studies and used in the rapid growth of internet learning business.

However, in late 20th century and early 21st century when the Internet market was slowing down due to the economy down side, e-Learning was one of the down side and effected a high percentage rate of dropped out of e-Learners according to Frankola, 2007. The results of high percentage of dropout, in 1999, the Institution of higher education policy has done a comprehensive research on how the effeteness of distance learning. There are three main reason found from this research, times, individual learning process, technology problems, and motivation support. As many reasons from many researches and case studies, there are strategies, models, planning, technology, cost evaluation applied to e-Learning models to make it effetheness and successfulness. There are still many more strategies and models to develop under many circumstances through out the learning process and preparation on both learners and administrators to which make the best successful prototype for e-Learning business in Thailand.
2) Methodology

Creating a successful e-Learning model to use in business both public and private sector, primary and secondary sources are being collected in both forms, Paper-base and Digital-Base from many researches, articles, journals, and any available resources published through out the country and international. Experienced and Expertise business individuals will be interviewed and evaluated for data collections. There are five groups of interview respondent. They are policy makers, instructors, staffs, e-Learning students, and perspective e-Learning students. Adding more strategies through distance learning is not something entirely new. In Thailand, this is a big step of transforming from an old traditional way to a high-tech way using technology which is already available without completely investing any new resources. Completing and adopting some or all of the previous strategies and combined their errors and try to make it a best solution for Thai distance learning method.

3) Effective Factors

Factors effected successful business model from literature reviews are in the categorization. There are from the studies of The Institute for Higher Education Policy (2000); Papp (2000); Vollery (2000); Graf and Caines (2001); Oliver (2001); Selim (2005); Fresen (2005); and Khan (2005). The summary was concluded into 6 clusters of factors. After information was collected by in-depth interview, it summarized into five groups of interview respondent agreed with the summary from literature review. The instructional system factor is the most effectiveness to e-Learning business model for higher education. Technology is the second factor from 4 out of those 5 groups. The third factor is media and media production; and student, lecturer and supporters with 3 out of those 5 groups. The organization is the forth factors with 2 out of those 5 groups. The last factor is evaluation with 1 out of those 5 groups.

The results were the same cluster of factors in 6 groups between literature review and in-depth interview. There are instruction system; technology; organization; media and media production; student, lecturer and supporter and evaluation. These factors are in order to frequency from highest to lowest score.

4) Analysis of seven Case studies

According to the effective factors, an instruction system was selected and focused on the case studies of e-Learning business model for international and national levels. The following are samples of e-Learning business model from seven successful projects around the world. Three models from the United Stated of America where is the birth place of e-Learning, MIT OCW (Massachusetts Institute of Technology OpenCourseWare), USU (Utah State University) and RICE (Rice University Connexions). The model from Canada where is the benchmark to Thai infrastructure of education for long term competitiveness, CVU (Canadian Virtual University). Two models of open universities mainly in business field PVU (Pakistan Virtual University) from Asia. Another model from Europe is OU (Open University of the United Kingdom). TCU (Thailand Cyber University) is the last one picked.

The comparison of the seven e-Learning projects, 3 out of 7 projects were open source includes MIT; RICE; and USU, while remaining 4 were commercial sources. In addition, 4 projects includes PVU; OU; MIT; and RICE had 1 partnership university, while TCU and CVU had 3 and 6 partnership universities respectively, but for USU, there was not any direct partner university. And, 2
projects were used in-house staffs which are OU and PVU, while RICE and USU were used volunteers staff, but MIT were used both in house and others, then remaining 2 were used outside staff. Moreover, MIT; RICE; and USU provided all e-course ware, while CVU; OU; and PVU provided none of course ware. Further more, type of providers in TCU; CVU; MIT; RICE; and USU were e-Learning, while remaining 2 were Open University. Finally, each project had different objective in detail, but mainly their objectives are to serve both local and international users.

Currently, many e-Learning projects are open educational resources projects by receiving external funding to support their projects. The largest cost for open source projects recruit volunteer staffs to operate in stead. The MIT model is highly centralized and tightly coordinated in terms of organization and the provision of services, and relying almost exclusively on paid employees. The USU model is hybrid of centralization and decentralization on both organization and services, and tasks are distributed across some employed staff and a number of volunteers. The Rice model is almost fully decentralized and volunteers provide almost all services.

For commercial projects, there earn from students or organizations that support some courses. OU and PVU, open universities, selected the e-Learning project to be a new distribution channel for online learning.

However TCU and CVU are mainly for eLearning objective. And TCU have started to open two OpenCourseWare for a new strategy.

The comparison of 7 e-Learning projects is as follow. And the summary is in Figure1: The Analysis of 7 Case Studies of e-Learning projects from national and international levels. There is different type of providers from open source to commercial. The scale of operation is from large to small size.

An OpenCourseWare project is the large scale in term of the number of resources providers which all materials originally from MIT.

The large scale of operations in commercial institutions is CVU. It is one of the successful virtual university and a good example of a large scale and commercial based operation from six main universities support. Another example is TCU, Thai Project, from 33 universities support.

The small scale of operation with open source is Connexions by Rice University uses a mix of resources both from their own staffs and from external users who contribute materials. The open source of Utah State University has collected online materials by staffs and volunteers.

The small scales of operation in commercial are OU and PVU. E-Learning projects are just a part of their old traditional open universities. An objective of OU is to move from Open University to an online learning. But an objective of PVU is only to add a new distribution channel supporting online learning marketplace.

Finally, it was learned to develop business model prototype of e-Learning for higher education based on the literature reviews and in-depth individuals’ interviews. The prototype had the similarity to the USU model. This e-Learning center is possible a smaller institution at the beginning with OpenCourseWare by gathering courses from many universities and institutions that are participated in the OpenCourseWare university network. Staff would be mainly volunteers and mostly courses materials are Electronic Courseware.
5) The Prototype

The prototype is a full function of e-Learning system with fast interactive. The target of this system is to be a data warehouse of e-Learning for higher education in Thailand for higher education. Critical success factor is degree or certificate from the institution who supply the electronic materials. The prototype would be used is cost leadership strategy using blue ocean for global competitive. The value chain is good outsourcing connection with free sources. This is a cost effectiveness compared to traditional system. The revenue model would be supported from government and donations. The main materials are focusing electronic quality sources by mixing MIT OCW, TCU and TSI model together.

References


