The Creator Market for Corporate Learning

A Massive, Still Untapped Market

the
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company

The global market for corporate training is vast, complex, and growing (see Figure 1). We estimate the total global spend on corporate training at around $360 billion, with the average company spending more than $1,500 per employee, per year (and far higher spending for senior-level positions and executives).

Between 2020 and 2022, faced with the pandemic and disruptive economic growth, companies have increased this spending by more than 10%, reflecting the need to realign people toward new priorities, new technologies, and new ways of working.[1]

A Substantial Market for Content

As the analysis shows (see Figure 2 on the following page), there are more than 13 broad subject areas for corporate training, each of which has dozens of subcategories by industry. Management and supervisory training, for example, ranges from standard supervision and leadership to industry-specific, job-specific, and geographic-specific content. Professional training in technology and software has hundreds of topics, and every year they change.

The Value of Company-Specific Content

Despite the growth of large vendors who sell content (companies like Udemy, LinkedIn Learning, Skillsoft, Coursera, and hundreds of others), almost 70% of all content is developed internally,[2] which is likely because every company has its own processes, products, safety procedures, internal strategies, and compliance rules. Therefore, companies must buy as much "off-the-shelf" content as possible and then invest in constantly updating and refreshing the content as company and business processes change.

Sales training, for example, is both a functional discipline and a company-specific endeavor. All salespeople must understand how to diagnose customer needs, build rapport, create demand, and negotiate transactions. But, in each business these salespeople need to understand their company's products, systems, processes, and various competitors. Thus, while the off-the-shelf training industry is large, the market for company-specific training is even larger.

We've studied the value of several types of training content, and one trend is clear. Employees value internally developed, company-specific content almost four times as much as vendor content, which makes sense. For example, if you're an engineer, finance manager, marketing leader, or sales

Figure 1: The Corporate Learning Market has Exploded
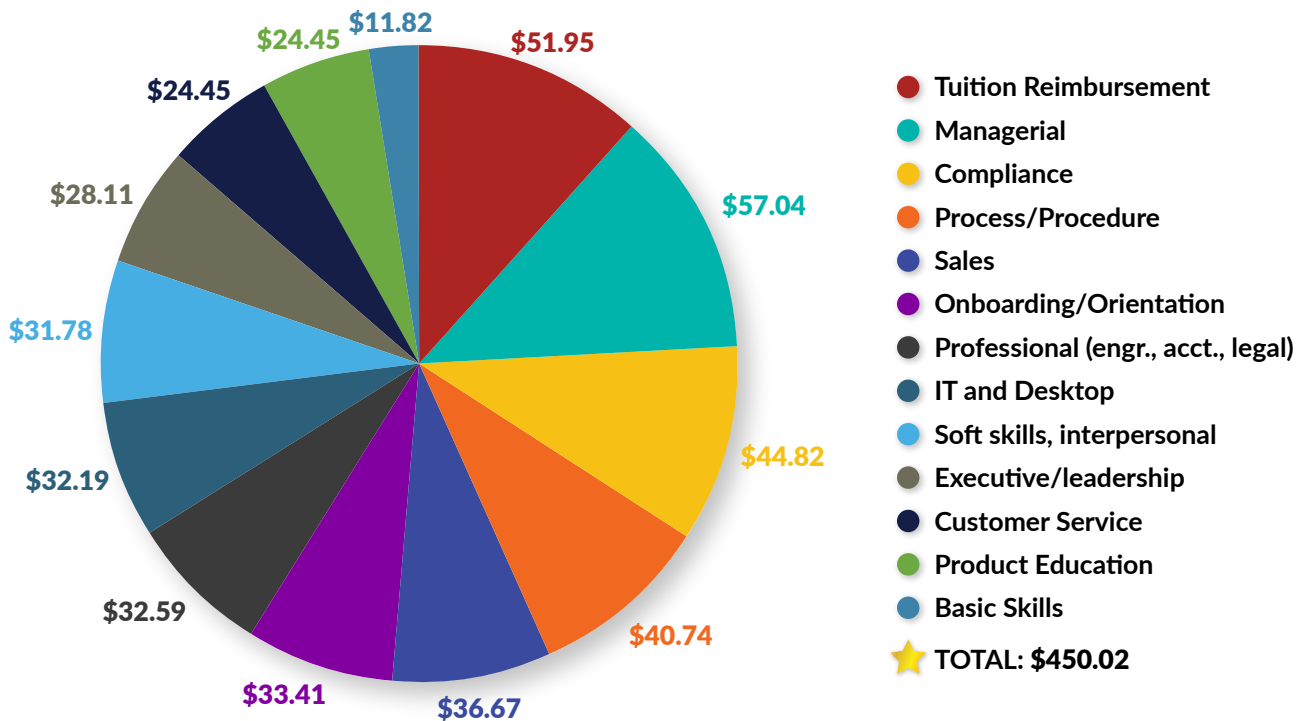

Source: The Josh Bersin Company, 2022

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1   Market size research based on surveys and in-depth analysis of corporate L&D spending, vendor growth, and comprehensive conversations with industry buyers, The Josh Bersin Company, 2022.

2   Ibid.

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Pie chart with the following values and legend:

- $51.95
- $57.04
- $44.82
- $40.74
- $36.67
- $33.41
- $32.59
- $32.19
- $31.78
- $28.11
- $24.45
- $24.45
- $11.82

Legend:
- 🔴 Tuition Reimbursement
- 🟢 Managerial
- 🟡 Compliance
- 🟠 Process/Procedure
- 🔵 Sales
- 🟣 Onboarding/Orientation
- ⚫ Professional (engr., acct., legal)
- 🔵 IT and Desktop
- 🔵 Soft skills, interpersonal
- ⚫ Executive/leadership
- 🔵 Customer Service
- 🟢 Product Education
- 🔵 Basic Skills
- ⭐ TOTAL: **$450.02**

Source: The Josh Bersin Company, 2022

executive, you want to know precisely what processes, systems, and practices work well in your company. So corporate training departments work very hard to build internally developed programs that are relevant, easy to consume, and useful.

We frequently work with companies to help them rationalize and improve their corporate training, and in almost every case we find companies with costly licenses for off-the-shelf content that is not often used. These companies buy licenses to satisfy the so-called employee demand, but in reality their most important investments should go into company-specific programs and curricula. Ultimately, companies need to make their own customized content as much as possible and tailor it for more culture-specific learning topics--unlike more technical topics, like Outlook, coding languages, etc.

In our forensic analysis of training spend in companies, we find it's not uncommon to uncover hundreds of courses, workshops, books, and materials that are not even categorized as training. While the learning and development (L&D) department may have a budget for programs and courses, managers and supervisors buy books, workshops, and consultant-led programs, and these expenditures are not well categorized or tracked. We estimate the total market for learning is at least 25% larger than our estimates, with much of the content only used by small groups of people. This means that the total market is likely well over $400 billion, with this total number spent on content, programs, tools, and staff.

Content Curation and Obsolescence Management

Not only is the training industry large, but it's also always changing. Courses taken on COBOL (common business-oriented language) or mainframe processing in the 1980s are essentially worthless today. Additionally, such content obsolescence also applies to all those courses on Microsoft Office, Salesforce, Oracle, SAP, and many other internal systems. While a considerable amount of management and supervisory topics may last for years, most process, procedure, and professional training must be updated constantly.

Therefore, vendors fall behind.

Content "relevance" and "timeliness" are big issues. Employees often see dozens of courses on the same topic and are often confused about which is the most current and up to date. In fact, much of our research shows employees tend to skip or nearly ignore "old courses" unless they're authored by highly esteemed experts. One solution is to break courses into chunks, and this is taking place more every day. (e.g., Miss Excel,[3] a pioneer of microcourses in Microsoft Excel, who uses TikTok)

Content Providers as Publishers

Before creator tools[4] were even on our radar, most corporate training vendors were what we called "publishers," investing in content development, instructional design, and video production to build their courses, which take about three to six months to develop (including testing the courses for fidelity and learning experience). The vendors then publish and sell these courses to consumers for several years, hoping to get as much value out of their investment as possible.

A Tricky Business Model

The business model for publishing these courses is subscription-based. Once the content vendors have a large library of content, these companies can start to reduce the price per course and sell the whole library as a subscription. Then, if enough customers subscribe, the vendor can stay profitable and regularly update the content as needed.

While a subscription-based business model sounds solid, it becomes problematic at scale. In the beginning, all content is created new, so the library is "fresh, modern, and relevant." Each year, however, the content starts to age out and new technologies, approaches, and media types emerge. Suddenly a five-year-old course on Java or software engineering starts

to look dated, hard to use, and irrelevant. This means those traditional content publishers have to refresh their library every three to four years, and some topics even faster. What looks like a great business model turns into a business of always trying to keep up, making sure customers renew, and fending off competitors who build content in a newer or more modern format.

In the last twenty years, for example, many of the original content companies (Netg, Element K, DigitalThink, Learning Tree International, etc.) are gone. While they had great offerings when they launched, they could not build content efficiently enough to keep updating their courses, modernizing their platforms, and experimenting with new media formats. These online learning companies face the same problem as many book publishing companies that had to deal with the disruption created by YouTube, blogs, online magazines, and online learning companies.

Consider the magnitude of this issue. LinkedIn Learning, which has little industry-specific content, has around 13,000 courses. Coursera, which sources content from university professors, has around 7,000 courses. And many of them never get updated. Skillsoft, one of the largest providers, has around 8,000 courses and 46,000 books, and the company invests tens of millions of dollars in new content every year. While these companies are all well managed and quite profitable, they are each facing disruption by smaller vendors. Therefore, these companies often acquire these others to grow.

Enter the Creator Economy: a new disruptor to the market.

The Creator Economy

The term "creator economy" refers to the vast market of content creators who build videos, articles, and other content for sale. YouTube, Instagram, TikTok, Spotify, Snapchat, and Twitch are all part of this economy, which has significantly grown (see Figure 3 on the following page). These are platform companies that let individuals or experts author content

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3 *Excel Shortcuts That You Probably Didn't Know*, miss.excel/TikTok, September, 10, 2021.

4 "Creator tools" allow learning teams and experts in an organization to create customized learning content easily and effectively, and without any required instructional design capabilities, essentially multiplying the expert reach from a small learning team to include all employees.
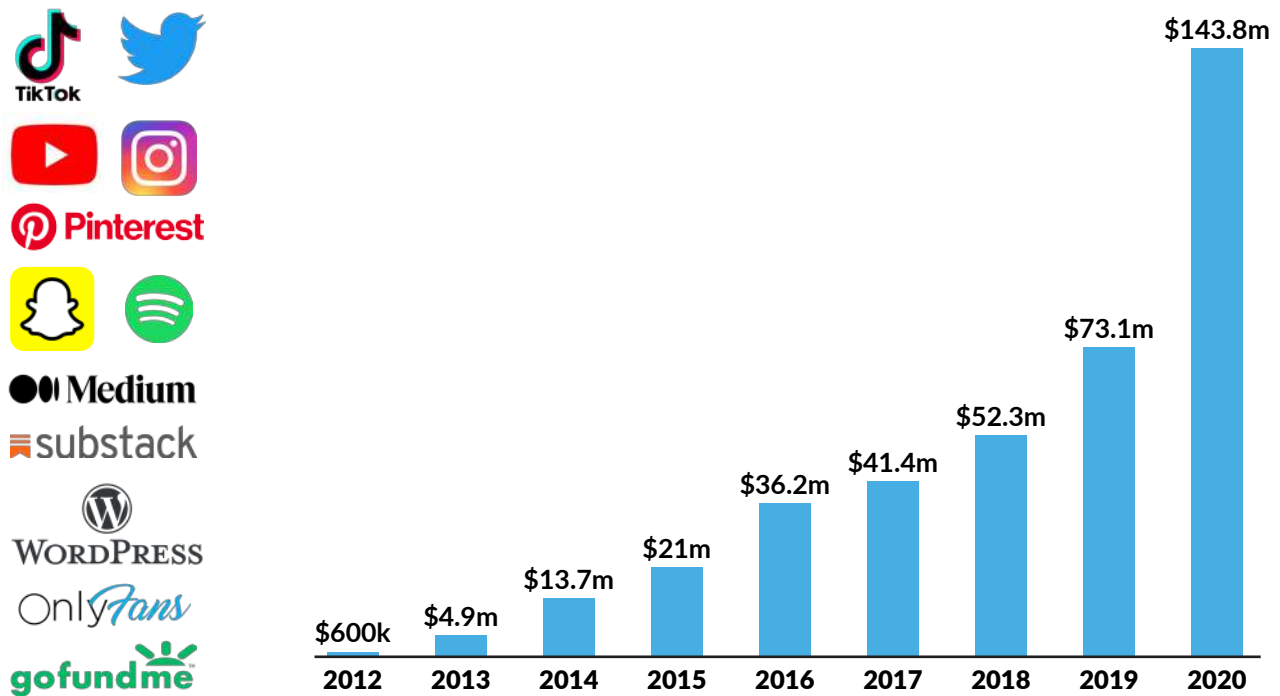
Source: Gumroad, 2021

(articles, music, videos, entertainment) and easily monetize it. (Fast Company estimates that this market now has more than 50 million "creators" and is generating more than $104 billion in 2022.[5])

The Information, a subscription-based research and media company focused on the tech industry, predicted that investments in U.S. creator economy startups would hit $5 billion by end of 2021 and were spot on.[6] Why? It's the hottest and most explosive way to sell ideas, expertise, creative work, and entertainment. And as digital assets become credentialed as NFTs (nonfungible tokens), nearly every digital asset can suddenly be sold and tracked.

Corporate Training: Ripe for Disruption

Think about the number of topics, experts, and courses possible in corporate training. In every functional area (from sales to marketing to finance to IT) there are experts, gurus, and seasoned professionals to learn from. If a platform company built a "creator platform" for corporate training, these experts could publish their content on virtually any topic and could also update the content at the speed of change to better meet the needs of their learners. And this is precisely what is happening.

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5   "Five predictions for the creator economy in 2022," KC Ifeanyi/Fast Company, December 2021.

6   "The Startups That Powered Creator Economy Investments to $5 Billion," Kaya Yurieff/ The Information, January 2022.

Udemy, a leader in the creator market, already has 183,000 courses online, authored by more than 64,000 instructors.[7] Each of these courses is authored by a real-world expert, and these instructors (as creators) get a significant percentage of course revenue (courses are priced by instructors), so they are incented to make sure their work is high quality and relevant to learners. The instructors use a structured authoring platform from Udemy, but they are free to create any video, media asset, assessment, or interaction they want. And, for advanced courses, Udemy Business offers online labs and other workspaces to give students hands-on experience.

Each course is rated with a five-star rating system (as well as reviewed), giving students (and instructors) fine-grained data to help the marketplace continuously improve. Students can send feedback or questions directly to instructors, and they, as creators, then have quantitative and qualitative data on learner behavior to constantly refine their content. Ultimately, the marketplace dynamics encourage continuous improvement, feedback, and evolution.

By contrast, in a traditional content publisher model, the author of a course is not always known. While there are typically featured subject-matter experts, they usually are no longer involved in the content. Therefore, the content publisher's courses, which are well designed and modern at launch, are unlikely to update often. Additionally, if the student wants to reach the instructor directly, it may or may not even be possible.

Udemy also constantly looks at the highest-rated courses and then adds eligible courses to a special library for organizations called Udemy Business. This library is licensed as a subscription, enabling companies to access all the "freshest and most relevant" content in one place for their employees.

Udemy Business also has a learner NPS of 61, significantly higher than many content publishers. This is not just because the content is more up to date but also because the author is often a celebrated or highly animated real-world expert. The courses are interesting, new, and fresh. Udemy's data also shows that its content library is constantly kept updated: 63% of the top 1,800 Udemy courses were updated in the last 90 days.

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7   Udemy.com

Considerations for Corporate Buyers and the Market

This market is quite disruptive. For corporate training buyers, vendors like Udemy and others offer a way to keep employees up to date on new topics, technologies, and innovations that reduce the need for some custom content. Suppose, for example, your company is building a blockchain academy to teach financial, technology, and businesspeople all about the blockchain. There may be specialty providers in this area, but a marketplace like Udemy may be more attractive to potential buyers. For corporate training buyers, a creator market saves enormous amounts of time and money, since all employees can now have instant access to the marketplace.

There are other benefits to creator markets. For example, when an updated version of a Microsoft or other tool hits the market, it may only take a few days for a creator course to appear. Publishers may work on these courses in advance, but it's often weeks or months until newly released courses become available.

For vendors in this market, the business dynamics are new. Instead of building content and selling it directly, companies must think about what role they want creators to play in their platform. And building a creator platform is not easy. Companies like Udemy have to build tools for content developers, deep analytics systems to promote and identify trending content, and lots of features to help creators build, manage, and analyze content. They also need a well-working social system to let students interact with instructors, as well as e-commerce capabilities to pay instructors on a usage basis.

Rating and ranking creator content is also complex. Vendors must include user ratings, completion percentages, and reviews in their algorithms. Additionally, they need to create rules and AI engines to recommend content to students, similar to how TikTok or Instagram recommends content. Finally, they must market their marketplace to experts, each of whom has other alternatives. Therefore, they have to keep their creators happy, which is something content publishers never consider.

There are other disruptors as well. Since creator platforms attract entrepreneurs and pioneers, they often host content that has never appeared elsewhere. One of the Udemy instructors said he monitors content almost every week to see trending technologies and topics for his own personal development. But this instructor has published more than 26 courses and has over 600,000 students.

Finally, the creator market is really a platform business. Highly refined platforms like Udemy will eventually see competition from platforms like TikTok, which may turn into a place for education and microlearning over time.

We've Only Just Begun . . .

As with the consumer market, the creator market for corporate raining is changing. Vendors like Udemy, O'Reilly Media (one of the largest book publishers in technology), 360Learning, and many others are growing quickly. Both YouTube and TikTok have started to build learning formats and learning paths into their platforms, and we can expect many others to grow. We can also expect vertical and domain-specific platforms to emerge as well (Our Josh Bersin Academy is a form of a creator market for HR professional development).

The creator market dynamics are powerful. Given the massive demand for professional and business skills, we can expect the creator market to impact every corporate training provider in the world.

About the Author

Josh Bersin

Josh founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. He expanded the company's coverage to encompass HR, talent management, talent acquisition, and leadership and became a recognized expert in the talent market. Josh sold the company to Deloitte in 2012 and was a partner in Bersin by Deloitte up until 2018.

In 2019, Josh founded the Josh Bersin Academy, a professional development academy that has become the "home for HR." In 2020, he put together a team of analysts and advisors who are now working with him to support and guide HR organizations from around the world under the umbrella of The Josh Bersin Company. He is frequently featured in publications such as *Forbes, Harvard Business Review, HR Executive, The Wall Street Journal, and CLO Magazine.* He is a popular blogger and has more than 800,000 followers on LinkedIn.

The Josh Bersin Company Membership

The Josh Bersin Company provides a wide range of research and advisory services to help HR leaders and professionals tackle the ever-evolving challenges and needs of today's workforce. We cover all topics in HR, talent, and L&D. The Josh Bersin Academy—built on our research and powered by Nomadic Learning—helps HR practitioners grow key foundational skills. Our corporate membership program provides HR teams and senior leaders with the skills, strategies, and insights to build cutting-edge HR and people strategies through a combination of research, assessments, professional development, exclusive events, and community. In 2022, The Josh Bersin Company introduced the Global Workforce Intelligence (GWI) Project to guide market-leading businesses and their leaders through the challenges of industry convergence while remaining future-focused.

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