THE THREE-STEP MODEL OF DISTANCE LEARNING COURSES COMMERCIALISATION IN EMERGING COUNTRIES

The makers’ markets are more effective and promising in the information society than the mediators’ markets are. The e-learning market is one of these future-oriented types of the most promising markets for Ukraine. So it is very important to start a process of commercialisation of the Ukrainian distance learning courses by the Ukrainian developers. The Ukrainian distance learning market is only on an introduction stage of its life-cycle. This stage needs to find out more effective ways of getting high profits. But there is no clear understanding how the Ukrainian developers of the distance learning courses have to commercialize their works. The article analyzes the dynamics of the world-wide markets of e-learning to highlight effective marketing instruments to enter in the Ukrainian market of e-learning and more effective geographic markets for the Ukrainian distance learning courses to spread. In the article the three-step model of distance learning courses commercialisation was developed on the basis of the marketing research results of e-learning markets in the developed countries as effective analogy for Ukraine and other emerging countries in the future. The first step of distance learning courses commercialisation means sharing free access to the distance learning courses for the target audiences of potential customers. The second step of the three-step model of distance learning courses commercialisation means public-private partnership and different types of investments. The third step of the three-step model of distance learning courses commercialisation is characterized by forming the market relations between the distance learning courses developers and their customers. The article emphasizes that traditional commercialisation of distance learning courses is possible only on the third step in emerging countries.

Keywords: marketing, commercialisation, e-learning, distance learning, technologisation, developers

У інформаційному суспільстві ринки виробників уявляються більш ефективними та перспективними для країн, ніж ринки посередників. Ринок дистанційної освіти стає одним з таких орієнтованих на майбутнє типів ринків для України. Таким чином, для українських розробників дистанційних курсів вкрай важливо почати розглянути процес комерціалізації їх курсів. Український ринок дистанційної освіти знаходиться на стадії свого виведення у життєвому циклі. Цей етап потребує пояснити більше ефективних шляхів отримання високих прибутків. Але досі не існує чітко визначеної та зрозумілої процедури того, як саме розробники дистанційних курсів мають комерціалізувати власні розробки. Стаття аналізує тренди динаміки світових ринків дистанційної освіти для того, щоб вивчити маркетингові інструменти для виходу вітчизняних розробників дистанційних курсів на український ринок дистанційної освіти, а також найбільш ефективні географічні ринки інших країн для поширення своїх розробок зарубіжних. У статті також запропонована авторська розробка три-етапної моделі
Комерціалізації дистанційних курсів на основі результатів маркетингових досліджень процесів розвитку ринків дистанційної освіти у розвинених країнах з метою використання їх у якості аналогії для України, а також інших країн, що розвиваються, у майбутньому. Перший етап комерціалізації дистанційних курсів передбачає надання цільовій аудиторії потенційних клієнтів безкоштовного доступу до дистанційних курсів. Другий етап три-етапної моделі комерціалізації дистанційних курсів перебачає публічно-приватне партнерство та залучення різноманітних типів інвестицій. Третій етап три-етапної моделі комерціалізації дистанційних курсів характеризується формуванням ринкових стосунків між розробниками дистанційних курсів та їх споживачами. Стаття підкреслює, що традиційна комерціалізація дистанційних курсів у країнах, що розвиваються, згідно три-етапної моделі комерціалізації дистанційних курсів стає можливою лише на третьому її етапі.

Ключові слова: маркетинг, комерціалізація, e-learning, дистанційна освіта, технологізація, розробники

Introduction. If information and communication technologies (ICT) are implemented spotty and heterogeneously by markets subjects, it can provoke social and economic disparity between them. For example, ICT development has turned into the most important reason of the futurological trend of step-by-step elimination of mediation from the markets. Through almost any commodity is available to be found on the Internet by anybody, the most favourable business arrangements can be found there including propositions of makers if information about them is on the Internet. Some passivity of the Ukrainian makers’ mind-set and their approach to an introduction of ICT into their activity is one of the factors that act as a brake on this process. It gives strong marketing and commercial advantages to the market mediators. So the most searching requests return active links of mediators’ sites (but not of makers’ sites) on the first pages of the web search engines. The mediators become much quick when they have had to implement new ICT into their activity and into development of their information resources through intense market competition. So the mediators can pick up customers’ orders on the Internet and make profit that is much more than the makers of their market can earn. ICT are part of technologisation processes. So they can turn into a key to success for the cost-cutting strategy, they increase production of goods and services and they become the reasons of explosion-like scaling of financial results. But it is a temporary transition period. If the makers implement ICT in their commercial activity, in the future it will push out the mediators from their markets step-by-step. So Ukraine will move from the market of mediators to the market of the makers. That is why, according to this futurological trend, the Ukrainian economics will have to concentrate its efforts markets of the makers in the information society. The distance learning market becomes one of such promising and future-oriented markets for the Ukrainian economics. The domestic researchers and developers of the distance learning courses turn into makers on this market.
The term for “distance learning” can be also used as other terms like “e-learning”, “online education”, “distance education” and so on. Distance learning is one of the methods and the ways that the market subjects can use for building up their own intellectual assets quickly. Under the conditions of the limited intellectual resources it will make professional mobility to rise in the information society. The professional mobility means a process of building up the personal intellectual assets both on the market subjects level (for example, persons, workers, entrepreneurs, enterprises so on) and on the level of the country. So growth of demand for the distance learning forms an innovative and future-oriented Ukrainian market that needs background investigation of its special features to find effective tools for its commercialisation.

Distance learning is still an innovative direction and a new area of focus for Ukraine. In the Ukrainian legislation there are the two main documents: the “Regulation about distance learning” (approved by the Ministry of Education and Science of Ukraine 25.04.2013 №466) and the Law of Ukraine “About confirming of the Request to higher education establishments and post-graduation institutions, scientific and academic establishments that provide education services by distance learning form to prepare and upgrade specialists’ skills in order of the accredited directions and specialities” (approved by the Ministry of Education and Science of Ukraine 30.10.2013, №1518) [1]. The annual International Scientific and Practical Conference “MoodleMoot Ukraine: Theory and Practice of Implementation of the System of education management Moodle” was founded only five years ago. But it draws the audience of the Ukrainian e-learning trailblazers. The Ukrainian Association of electronic education was founded at the beginning of 2015 [2]. Before getting to the main point of commercialization of the distance learning market it is important for this market to form “a critical mass” of teacher-researchers and scientists that are ready to develop, code for distance technologies, test, spread and expand their distance learning courses into wide target audiences. But this process has some temporary technical, organizational, financial, psychological and HR-related problems [3]. These problems include some potential teachers’ counteractions to attempts of transferring their teaching into a distance electronic form and digitalizing their intellectual assets for online availability, many issues of ownership of intellectual property. So defending the distance learning trailblazers and spreading their development results are very important for the Ukrainian distance education to speed up.

Now the scientific works of such the Ukrainian authors as Kukharenko V. N. [1; 2], Bogachkov Yu. M. [1; 4], Bykov V. Yu. [7], Levitska R.V. [1], Milashenko V. N. [6], Ukhan V. N. [6], Maliukova I. H. [8], Scherbyna O. A. [9] and many others are concentrated on the topical problematic issues of distance learning. But it ought to be noted that in contrast to the western authors (for instance, Clark R. C. [10], Mayer R. E. [10], Hoppe G. [11], Breitner M. H. [11] and many others), most
Ukrainian authors focus their attention actually only on the topical didactical and methodical issues of distance learning, topical problems of technical support service of the distance learning online platforms, issues of improving ways of their setting up and technical customisation of distance learning platforms, issues of improving of the open program cod system, new practices of distance learning implementation and so on. But the Ukrainian authors haven’t given enough attention on the problematical issues of the process of distance courses commercialisation. These topical issues also mean features of the Ukrainian distance learning market. It can be explained by the Ukrainian distance learning market that is only on an introduction stage of its life-cycle. But in accordance with the marketing point of view, this stage needs to find out more effective ways of getting high profits for the Ukrainian distance learning courses developers.

**Setting objectives.** The purpose of the article is to find out effective ways of commercialisation of distance learning courses of the Ukrainian authors-developers.

Before 2008 the global economy was developing out of synchronization [12]. So the emerging economy countries (including Ukraine) are able to replicate success scenarios of the countries that have the advanced developed economy. It is effective to study the distance learning courses market in these developed countries [10; 11] because it can highlight some trends and logic for using them in other emerging countries as analogies. Then these marketing research results can be implemented as effective marketing tools into the management process of the distance learning courses developing in emerging countries.

**Methodology.** The conceptual approach to the studies of cyclic developing of economic systems and markets, the system approach to analyses of marketing circumstance and cause-and-effect forecast are the methodological procedures. The methods of the system analysis, the comparative analysis method, the association method, the analogy method, extrapolation and analysis of statistical data are used in the article.

**Research results.** According to the extrapolation analysis of the world-wide e-learning market volume trend, market growth can achieve 130 billion US dollars by 2019 [13] and in accordance with most marketing research reports, its dynamic is still rapidly growing and it’ll reach 325 billion by 2025 [14; 15]. The world-wide e-learning market share is near 2 % of the world-wide education market. The total e-learning market includes the market of Self-paced e-learning, the technical solutions for e-learning and any other services related to e-learning. The Self-paced e-learning market was estimated at over 46,6 billion US dollars in 2016 [16] and its dynamic still demonstrates growing [15; 17] (Fig.).
Figure - The comparison of the world-wide e-learning market dynamics and the 
Self-paced e-learning market dynamics

- the polynomial trend of the world-wide e-learning market: its dynamics and its forecast
- the polynomial trend of the world Self-paced e-learning market: its dynamic and its forecast

It is significantly that this market developing is heterogeneous. The biggest share belongs to Northern America (near 53 %) and countries of Asia (more than 22 %) [18]. West Europe share is near 16 %, it also had the second place after North America just two years ago [14-18]. E-learning develops more effectively in areas that have bigger market shares. But it already reached the mature stage of its life cycle in these areas. The rate deceleration of market growth has been confirming for several last years [16]. For example, the North America market growth was near 7 % per year in average before 2013. But in 2016 its annual growth rate was 4.4 % only; the Western Europe annual market growth was 5.8 % per year [18]. So the market saturation trend lays the groundwork for the western developers to spread their distance learning courses and expand them into eastern countries that have demonstrated high market growth.

In 2016 the rate of market growth was over 17 % in Asia (compare - near 34 % in 2013), over 20 % in the Middle Eastern and Eastern Europe (23 % in 2013), 20-25 % in Ukraine, more than 15 % in Africa, near 15 % in Latin America [18-15]. But China and India show the highest market growth today (near 50-52 %) [17]. Considering high rates of market growth in these countries, areas of Eastern Europe and Asia are the most promising spots for commerce expanding of the e-learning market. For example, the Ukrainian distance learning courses developers should be
interested in expanding into other emerging countries of Eastern Europe, such as Poland, Romania, Moldova, Belarus, and also into countries of Asia. Hereafter these countries of Asia and Eastern Europe (including Ukraine) are called “emerging countries” where domestic developers’ distance courses will be able to be commercialised effectively in the future.

However, it’s important to bear in mind that there is a new trend of slackening of the e-learning market in China, one of the growth leaders in Asia. It proves that the Chinese market will reach its saturation soon as the e-learning markets in most western countries such as USA or the United Kingdom. So we can use historical economic developing of the e-learning markets in the western countries as an analogy to predict future developing of the e-learning markets in the emerging countries.

Recent research of e-learning market in USA shows that the relations between subjects have already operated on the commercial basis in the American market for some years. A similar trend is also expected in the emerging countries in the future too. It is also important to note that the e-learning system is supported by state subsidies in most countries in West Europe. So public-private partnership ought to be developed between the domestic e-learning courses developers and the public partners or the state-owned agents for the transitional period in the emerging countries too. But it is very difficult for the western distance learning courses developers to expand into the emerging countries, particularly into the Asian countries such as China or Indonesia, because of these countries government decisions and their limitations for foreign companies. It can be explained by their expectations and fear of the uncontrolled ideological directions proposed by the foreign education processes. Such sluggishness of the emerging countries markets is the main reason why the western developers of the distance learning courses are entering into the emerging countries markets with free offers and open online applications. As one of the most effective marketing tools, this developing market process is forming strong customers’ loyalty to the distance learning brands and preparing it for commercialisation in the future.

These marketing research results were used as analogy for developing the three-step model of commercialisation of the distance learning courses of the Ukrainian developers.

So the first step of distance learning courses commercialisation means ensuring free access to the distance learning courses of the domestic developer for the target audiences of potential customers. The developers need to develop a “light” and not long release of every distance learning course to make it free and open. It’s also very important for developers to reach most of the potential target audiences and also form high awareness about the distance learning courses, their topics and themes. It will help the developers to attract users for subscribing and following the distance learning course. The marketing promotion program ought to
include the most popular social media such as Facebook, Instagram, YouTube and Twitter that support publishing not only links to the distance learning sites on the Internet but also video-previews or some short parts of the video-lectures. The developers should ensure high frequency and stable periodicity of messages of the social promotion program of the distance learning courses. It is important to note that light versions of distance learning courses ought to be easy for searching through search systems. The developers need to use marketing tools and built a personal brand of the teacher-consultant of the distance courses. For instance, a description and a program of the distance learning course have to turn into effective promotion information materials on the Internet too for future commercialisation. Such a marketing approach can help the developers to attract users from other countries. That is why all courses have to be translated into English at least or into some other foreign languages.

At the first step of the three-step model of distance learning courses commercialisation the free access ensures a testing process of distance learning technologies, new ICT (for instance, testing of Moodle e-learning platform) by potential customers. It also appraises their psychological readiness for the distance learning process. That is why at the first step any distance learning course has to be “light” and easy for its users (students) to take this course. Earnings can be possible if the developers offer the graduated students to order a paper certificate of course accomplishment on the commercial basis. But profit can’t be large because the production of the distance learning courses needs large capital investments that are much larger than certificates profits. The “light” distance learning courses goal is to be promotion. So developers might make use of outsource investments or owned financial assets to invest into developing their own distance learning projects.

The second step of the three-step model of distance learning courses commercialisation is public-private partnership as the analogy of West Europe e-learning markets developing. It means that the state educational establishments and private educational establishments and institutions (not ultimate customers) will be the main customers for the distance learning courses developers. They will be interested to invest their finance assets into developing of distance learning in Ukraine.

For instance, in accordance with European Credit Transfer and Accumulation System (ECTS), a student has to accumulate some points in different academic organizations to reach a particular education level. The distance learning courses can satisfy wants of students (including foreign students too) with minimum costs (time costs, finance costs and emotional costs). So the distance learning courses will be able to turn into an effective competitive tool of native and foreign state educational establishments and private educational establishments at the level of the credit modules and teachers’ level too.
Studying of the topics structure of the world-wide learning courses market shows that it is logical enough. So the market share of the ICT topic is near 30% of the total distance learning market, the share of the topic of foreign languages learning is near 20% (near 63% in Ukraine), the workforce management topic share is near 18%, the finance topic share is more than 8%, the economic topic share (marketing and sales promotion) is near 10%, the rest topics share is near 30%. These topics ensure people to adapt flexibly to innovative requirements of the contemporary world. It is significantly, that the West markets of the distance learning courses have the similar structure of topics. So this structure has to become guidelines for the distance learning courses developers to make choice of the upcoming trends of promising topics. We can see that most topics are used to develop general-purpose knowledge that can help a person to commercialize his or her intellectual assets. And that is why distance learning becomes one of the strategic directions for development of many countries. That gives an opportunity to governments to keep their young people from leaving native countries and going abroad. The number of people with special needs is near 1 billion people (over 13% of the world population) according to the World Health Organization and the World Bank Group [19; 20; 21]. Gaining universal knowledge ensures such potential consumers to get new professions by the distance learning courses. And these professions don’t depend on people’s special physical need of the consumers, environmental conditions, their ages and so on.

But it is important for the distance learning developers to compete carefully, particularly in the market segments of the experienced users, in their aspiration to satisfy customers’ needs. The developers ought not to lose quality and depth of their academic programs of distance learning courses as their main competitive advantages in the e-learning market. So the trend of simplification ought to be followed by the developers with only technical components. For instance, it is important to implement an adaptive web design of all pages on a distance learning site, use balanced scope of text and multimedia information on each page and so on.

The third step of the three-step model of distance learning courses commercialisation is characterized by forming the market relations between the distance learning courses developers and their customers (the students of the distance learning courses) that appear on the basis of the e-learning market that has been formed at the first and second steps of the three-step model of distance learning courses commercialisation. It should be noted that on the third step distance learning courses market will be developing and commercialising by drift of not only new customers but also the experienced users too. Next waves of experienced users are supposed to be more demanding to the new distance learning courses that have been to the previous ones. It can be explained by the strong customers’ motivation that has already been formed on the first step of the three-step model of distance learning courses commercialisation. But on the first step
there is the only one goal for developers to promote their distance learning courses. That is why most experienced users are able to test only “light” versions of the distance learning courses. It highlights importance for the academic organizations and the separate developers to commercialise and expand their technological distance learning courses with the perfect information content into native and foreign markets.

The Ukrainian distance learning market is only on an introduction stage of its life-cycle. But the three-step model of distance learning courses commercialisation has been already implemented in Ukraine by some developers of the distance learning courses such as British Council Ukraine, Prometheus and some else. So British Council Ukraine and some other developers of foreign language distance learning courses have proposed to the Ukrainian customers the “light” versions of their courses for free. Most of these courses are short, simple in usage enough. These distance learning courses also have wide open supporting with social media such as Facebook, Instagram, Google+, etc. So new customers can easily take any advice from other users not only on the technical online-platform of the distance learning course but also on the social media platform too that is more clear for them at the beginning. For example, Prometheus proposes to its users translated versions of distance learning courses by the famous foreign lectures for free. The other developers open some parts of their distance learning courses for customers to test for free.

We can also see in Ukraine that the second step of the three-step model of distance learning courses commercialisation has already been implemented partway too. For example, British Council Ukraine proposes its distance learning courses to the state educational establishments and institutions for their scientists to achieve the level B2 in English that is very important in Ukraine. Prometheus tries to introduce the mixed form of education in Ukraine. There is a kind of public-private partnership between the developers of distance learning courses and the state organizations on a commercial basis when the state educational establishments and institutions pay for their workers’ (or students) orders of distance learning courses to the developers. So these courses become free for their users.

All these facts demonstrate that the first and the second steps of the three-step model of distance learning courses commercialisation have already became effective in Ukraine. It also means that the third step of this model will be introduced very soon too and the three-step model of distance learning courses commercialisation in Ukraine can be recommended to other developers of distance learning courses for application in Ukraine.

**Conclusions.** The scientific novelty of the study is as follows:

- The distance learning courses become one of the effective tools of ensuring professional mobility for individual persons, enterprises and countries. It was highlighted that the west countries competition is growing. So it is very
important for the distance learning developers to understand all marketing trends of e-learning markets in emerging countries to expand their own educational services into these countries.

The three-step model of distance learning courses commercialisation was proposed to the developers of the distance learning courses on the basis of the marketing research results of e-learning markets in the developed countries for application not only in Ukraine but also in other emerging countries. The first step means ensuring free access to the distance learning courses for the target audiences of potential customers. The second step of the three-step model of distance learning courses commercialisation means public-private partnership and different types of investments. The third step of the three-step model of distance learning courses commercialisation is characterized by forming the market relations between the distance learning courses developers and their customers.

Practical significance of the study means that traditional commercialisation of distance learning courses is possible only on the third step of the three-step model of distance learning courses commercialisation. The technologisation processes become necessary and inevitable in the future. The Ukrainian developers have to solve many management problems that appear in the information society. It is possible by reinforcing their competitive advantages. Not only economic results but long term social effects have to be predicted by the developer because such effects of the distance learning courses can scale rapidly. So it’s very important for the developers to prepare high quality distance learning courses with contemporary high-technological visualisation and functionality. They also have to implement the marketing tools to support and spread the distance learning courses into the markets of the native country and other emerging countries.

Research perspectives include the study of results of application of the three-step model of distance learning courses commercialization by the Ukrainian developers.

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