QUICK GUIDE TO
THE LMS MARKET
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OVERVIEW

A learning management system, aka LMS, is software used to manage, deliver, track, and report the training and development activity of an organization.

The LMS market has skyrocketed during the past ten years and continues to be one of the highest growth categories in the software industry. Today there are more than 700 LMS vendors to choose from and the industry is worth almost $182 billion.

Whether you're new to the LMS industry or just need a refresher, the following facts and research will help you get up to speed fast.
WHAT IS THE SIZE OF THE LMS MARKET?

Global Market Insights reports the elearning market was worth $160 billion in 2016. The market is forecasted to grow to $240 billion in 2024. The U.S. market is expected to lead the industry, with mobile technology driving growth in the Asia Pacific market.

The rebounding U.S. economy is a major factor of LMS market growth. Businesses are investing more on training, so naturally more LMS software is being purchased.

As more businesses look to increase training opportunities for their employees, partners, and customers, they are realizing the cost savings and scalability that e-learning can provide. Technology advancements and the continued adoption of cloud technology are driving demand for online learning solutions.

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WHO USES AN LMS?

LMS users fall into two main categories:

1. Academic/education
2. Corporate

In a recent study, it was reported that academic/educational institutions make up 21% of the LMS market. The industries comprising the rest of the market are widely varied, with technology in second place at 12%. Manufacturing (9%), consulting (7%) and healthcare (7%) round out the top five industries using LMS software.
HOW IS LMS TECHNOLOGY DELIVERED?

LMS technology is delivered in one of the following two methods:

- **Cloud or Saas (Software as a Service) – Either private or public**
- **On-Premise or Client/Custom Hosted**
  (few vendors provide this nowadays)

The adoption of cloud LMS technology over custom or on-premise is **becoming the industry standard**. The custom or on-premise LMS model is expensive and difficult for both clients and vendors to maintain. A cloud LMS, on the other hand, can be consistently updated with new features and functionality for multiple clients at one time. Security, hosting and updates are managed for multiple clients by one vendor and the client can easily **configure the solution** to their own needs.
WHY DO ORGANIZATIONS BUY LMS SOFTWARE?

A recent study reported the three primary reasons companies purchase an LMS are to:

1. Administer required compliance-related training
2. Develop and train internal employees
3. Extend training to customers, resellers and channel partners to educate and increase adoption of products and services

FIRST TIME VS. EXPERIENCED LMS BUYERS

In a 2015 survey of LMS buyers, first-time buyers stated their top reasons for purchasing an LMS were to improve efficiency of their training processes (27%) and more effectively report training activity such as completion rates and training return on investment (ROI) (24%).

Of those switching from one LMS vendor to another, 31% said they needed features their current vendor lacked and 23% said their LMS was either broken or not user-friendly enough.
WHAT ARE COMMON LMS FEATURES?

LMS software functionality can vary greatly from vendor to vendor. Certain systems cater to a specific industry or niche, while others offer more advanced functionality in a certain area of training (compliance, mobile, gamification, personalization, etc.). LMS technology and functionality are constantly evolving.

The light blue in the following charts show the percent usage of the most common reported used features.

In a survey by the American Management Association (AMA), 70% of HR professionals stated they use employee feedback and other opinion-based metrics such as manager evaluations (40%) to measure the effectiveness of training.

Unfortunately, according to Brandon Hall, only 18% of companies believe they are effective or very effective at measuring informal learning. By implementing an LMS, HR professionals can move to measuring quantitative data such as training completions, pre and post-training assessments, and more so they can effectively report results.
CONCLUSION

The LMS market is growing and technology is moving fast. Buyers have more systems to choose from than ever. Having options is great, but can make the decision process that much more difficult. For best results, it's important for the organization to know their training goals and find a vendor whose priorities are in line with theirs.

MORE RESEARCH

For more research, facts and stats, check out these fantastic resources:

- [18 Top Learning Systems Trends to Watch in 2018](#) – Talented Learning
- [eLearning Trends 2017 Infographic](#) – E-Learning Infographics
- [How to Fireproof Your E-Learning Journey in 2018](#) – Your Training Edge

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AWARD-WINNING LMS SOLUTION

Each advancement we make to the eSSential LMS is to ensure our client-partners can achieve their training and development objectives now and in the future. The eSSential LMS is recognized as a top learning management system year after year because of our commitment to continuous improvement and customer support.

We’re honored to be recognized by some of the most renowned analysts and organizations in the eLearning industry, but we’re most proud of the recognition we receive from our client-partners!

Brandon Hall – Silver Award Best Advance in Learning Management Technology for Compliance Training (2017)

Talented Learning – Best All-Purpose Extended Enterprise LMS, Top 3 Continuing Ed LMS, Top 3 Compliance LMS (2017); Best All-Purpose Extended Enterprise LMS, Top 2 Continuing Ed LMS, Top 3 Compliance LMS (2016); Top 3 Continuing Ed LMS, Top 10 Channel LMS, Top 10 Customer LMS, Top 10 Compliance LMS (2015)

The Craig Weiss Group (formerly Elearning 24/7) – #1 LMS (2018 & 2017)); Top 3 LMS (2016); Top 3 LMS, Top 2 Extended Enterprise LMS, & Top 5 NextGen LMS (2015); Top 5 LMS (2014)

CODiE – Best Corporate / Enterprise Learning Solution Finalist (2017)


Bloomin’ Brands – Purveyor of the Year (2009 & 2010)

AND MANY MORE!
ABOUT ELOGIC LEARNING

eLogic Learning is an award-winning industry leader in learning management systems, custom course content and learning strategy development. Founded in 2001, eLogic provides personalized solutions to each of its client partners to help their learning and development efforts succeed.

WHY WE'RE DIFFERENT

eLogic also puts a strong emphasis on its partnership approach. We believe clients shouldn’t be treated as just an income source or numbers on a spreadsheet but as partners who can trust us to keep their best interests in mind and help them succeed.

Now, we’ve noticed a lot of other vendors throwing around the words “partner” and “partnership” lately too, but that really isn’t enough, is it? For us, it goes beyond just words. We’re here to make sure we deliver on our promise to help our client-partners increase productivity, mitigate risk and generate revenue and/or see a return on their investment.

WE GIVE BACK

We are committed to devoting our time, resources and efforts to benefit the world around us. That’s why with each new client or sale, we celebrate our success by having our employees select a charity where we donate a portion of the proceeds. It’s our way of saying thanks and giving back.

LEARN MORE

You can learn more about eLogic Learning, eSSential LMS, or even schedule a free live demo by clicking the buttons below:

REQUEST A DEMO  CONTACT US  VISIT OUR WEBSITE