



WHITEPAPER

Painlessly Monetizing Online Training through Integrated eCommerce

**Saving Time, Growing
Revenues through Integrated
Web Conferencing and
eCommerce**

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Executive Summary

With the extensive economic disruptions of the past few years and changing business processes has come radical change, none less obvious than the ability to reach more people than ever before using technology. This has impacted training extensively, as instructor-led online training and blended learning (face-to-face and online) increasingly are becoming the norm. So while some training may always be face-to-face, Web-based training is here to stay and enabling organizations to reach more customers in more ways than ever before.

The ability to deliver training via Web conferencing has introduced new economies of scale and new ways for organizations to monetize their training offerings. Those economies of scale are primarily the result of the ability to automate certain back end processes such as registration and payment options. In the traditional scenario for face-to-face training, the learner discovers course information through the training provider's website or mailed catalogs, and then registers on the training provider's website. The learner pays using a credit card using a third-party payment service, via phone / e-mail, or is invoiced. However registration occurs, a time lag sometimes exists between registration and payment – complicating the ability to track that payment. Challenges in tracking registrations can quickly become a hassle or worse, a missed opportunity to be on top of what is taking place with registration and payments. We call this the “before automation” scenario.

When integration exists between the Web conferencing and eCommerce engines, the learner can register on the Web conferencing provider's site and receive a seamless experience of registering and payment. The net result is automated confirmation, tracking, and review capabilities. What has required multiple steps and databases has been streamlined into a single access point for processing registrations and payments. We call this the “after automation” scenario, and believe it can improve a training organization's business by simplifying the payment and tracking process.

The benefits of an integrated eCommerce engine with a Web conferencing service cumulatively add up to a sum larger than the individual parts. First, the training organization gets a complete “one-stop” overview of not just registrants, but also payment status and overall revenues. This results in reduced back office effort and the ability to focus on other important business issues. Another critical business impact is upon revenues. Integration equates to faster management capabilities, and increased business opportunities as a result of real-time status overview. Training organizations can understand more quickly market needs and add classes based on real-time demand and real-time payment information.

A final important business impact has to do with reduced liability for customer data. Because the training organization never needs to see or handle the registrant's credit card information, the organization is less liable for any type of data theft. Additional benefits include the ability to focus on one's core products and services, and a seamless learner registration / payment experience. This can result in an improved buyer-trainer bond, and is simply good business practice likely to result in learner loyalty.

Methodology

Wainhouse Research examined the platforms used for online sales of training offered by the major vendors of Web conferencing for training. We also reviewed internal data from recent survey work that describes the most typical methods in which organizations process payments and handle registration procedures.

Fast Facts on the Business of Training

As businesses have downsized or more often outsourced in recent years, they frequently have turned to external training service providers – and helped grow an entire industry of small-to-medium training organizations. Data to support this comes in several forms. In the United States, here are a few facts worth considering. In 2009 large organizations reduced their spending on learning and development staffs by 8% and small organizations by 4%.¹ Yet a shift began to occur as online training increased in relation to instructor led classroom training (ILT). A few other facts from the American Society of Training and Development (ASTD) to note:

- At least 1/3 of all training expenditures in the United States in 2009 were on external training services; the other 2/3 on internal expenses.
- Of almost \$150 billion spent on training, that 1/3 figure totaled \$47 billion.
- The average percentage of learning hours available through technology reached 36.5%, its highest level yet, and 27.7% of all formal learning hours made available in 2009 were online. (Wainhouse Research believes that these increased learning hours are based on a mix of on demand technologies and real-time technologies.)
- For the first time since 2004, organizations increased their spending on outsourcing as they increased reliance on external providers for training.²

That increased reliance on outsourcing and concomitant shift to online training especially has boosted the prospects of small-to-medium providers, and the opportunities for small-to-medium businesses that train full-time in their business – or those businesses that simply provide training as part of the vendor-customer relationship – are extraordinarily strong.

A somewhat similar situation exists in the United Kingdom, where the market is very fragmented and only 1% of training providers have over 250 employees.³ In both the US and the UK – as well as in many other regions of the world – the training business is booming in industries that are driven by regulation, environmental obligations, and technology, among others.⁴ The upshot: training is big business and is driving growth of both large enterprises and small-to-medium businesses. In fact, employment opportunities for the position of Training Development Director are predicted to grow by 23% in coming years, according to Money Magazine's survey of [top jobs in America](#).

Web Conferencing as a Training Tool

Elsewhere Wainhouse Research has written extensively about the merits of Web conferencing as a training tool. In fact, we've seen what we refer to as a "third wave" develop in Web conferencing: a new sensibility that focuses on making Web conferencing a viable online training platform that is easy for any

¹ [Corporate Learning Factbook© 2010](#), Bersin & Associates

² [ASTD's 2010 State of the Industry report](#).

³ The Private Training Market in the UK, NIACE

⁴ CIPD, UK

trainer and learner to use, through streamlined services with just the right mix, or balance, of training-oriented capabilities at an affordable price.

Wainhouse Research believes that five major factors are essential to a Wave 3 Web conferencing platform designed for corporate training:

- Flexible scheduling and registration;
- Flexible materials delivery;
- Simple interactivity;
- Trainer- and learner-enabling features; and
- Easy archival and reuse of sessions and content.

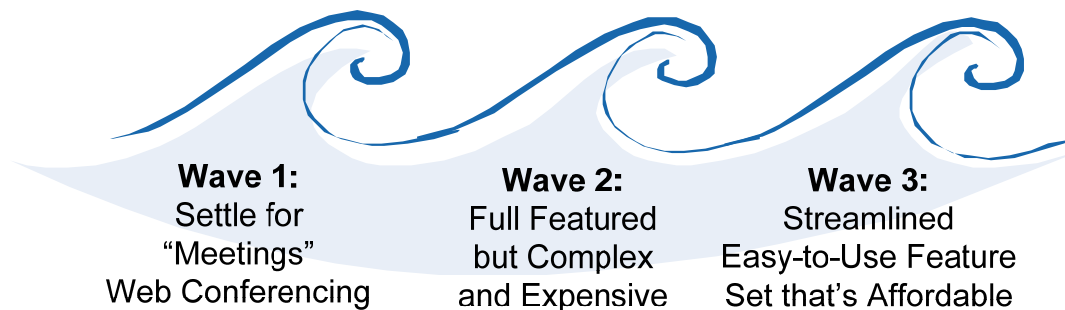


Figure 1 - The 3 Waves in the Evolution of Web Conferencing

Each of the “waves” has had its place in the evolution of Web conferencing for training. Wave 3 has been essential to reducing “clutter” while bringing to the marketplace essential features necessary to the application at hand (meetings vs. Web seminars vs. training). WR believes that integrated eCommerce is a natural extension of the need for flexible scheduling and registration and is part of Wave 3 – and that many training organizations will over time adopt these integrated capabilities to improve productivity and further automate back office processes.

Training and Learning Operations Today

Running a training business – or incorporating training as a deliverable in an organization otherwise focused on products and services – is not always a straightforward process. In other words, much effort goes into delivering training: cost tracking, budgeting, scheduling, registration, promotion / emails / list maintenance / website, content development, content delivery, content review, assessment, and certifications.

The ability to sell training services online has been big business for several years, and in fact, the World Wide Web and online tools have made location and geography a matter of interest, but not of necessity when it comes to delivering training services. Training via the Web has serviced “the long tail,” allowing the ability to give training on very specialized topics. Thus the number and diversity of available types of courses have increased over time.

Though services have been sold online – the ability to fully complete the registration and payment process has only been gradual. Figure 2 shows the typical steps required to register and track learners.

Before

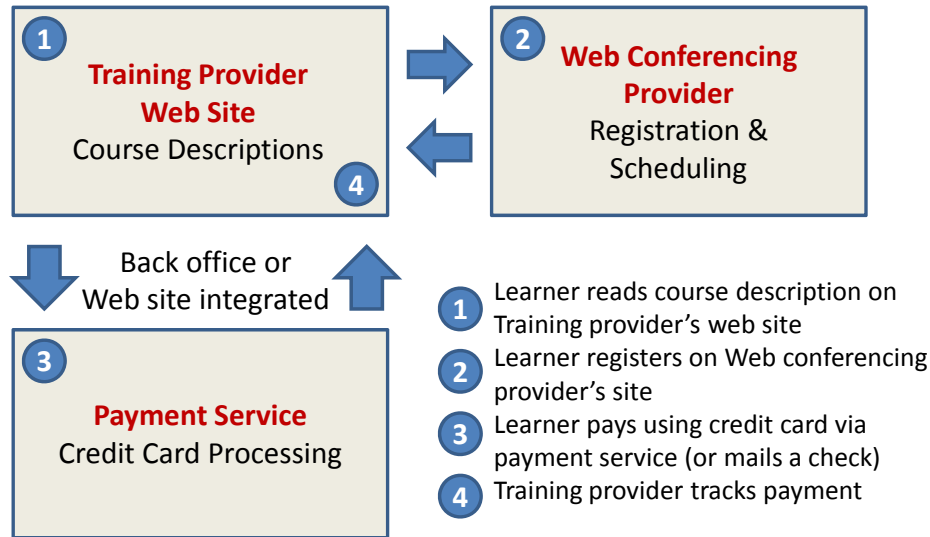


Figure 2 - Before Integration and Automation Scenario

In the traditional scenario for face-to-face training, the learner discovers course information through the training provider's website or mailed catalogs, and then registers on the training provider's website. The learner pays using a credit card, via phone / e-mail, or via invoice using checks. However registration occurs, a time lag sometimes exists between registration and payment – often making it difficult to track that payment. Challenges in tracking registrations can quickly become a hassle or worse, a missed opportunity to be on top of what is taking place with registration and payments. Similarly, a good bit of the ¼ of training that is delivered online (the 27.7 % of formal learning hours mentioned earlier) is also processed in the same way as face-to-face training, which brings us to the crux of the issue.

Part of the issue is the transfer of on-site, face-to-face behaviors to online. Paying online in an automated fashion simply *should* be easy. Yet the ability to automate billing and payment processes *is not* easy. While online registration has become commonplace, online payments often involve separate processing engines, e.g., PayPal, that work apart from a Web conferencing platform. These separate engines require expensive and time-consuming integration work to provide a seamless registration and payment process. Many companies cannot afford the time, effort, and cost of this integration work. As a result, many training providers still manually process payments for their Web-based learning offerings.

The most common methods of processing payments are to (in order):

- 1) Manually process invoices;
- 2) Accept and process checks; and
- 3) Accept and process credit card transactions manually.⁵

Even if registration has taken place online, the payment either has not been made online, or if it has been made via PayPal, it has required significant, hassle-laden integration work to establish the ability to receive transactional data. Lack of integration actually creates productivity and profitability issues for organizations and trainers who sell their services. These include:

- Manual billing time.
- Time spent chasing down those who have not paid yet.
- The awkwardness of denying entry to someone whose check or payment has not been received.
- “Siloed” data. Data residing elsewhere (if no payment system integration exists) makes it harder to accept wait-listed registrants (the time lag itself between waiting to be paid and waiting to accept wait-listed registrants can actually be so tight as to prohibit filling a class with full headcount).

Fortunately, newer, simple, easy-to-use methods of automating the payment process promise to relieve training organizations of these manual, external processes so that they can remain agile, focus on their core offerings, and be more productive. In fact, two out of three organizations that charge for their training using independent billing services indicate they are interested in an integrated solution.⁵ Many of these organizations today use the likes of PayPal, VeriSign, authorize.net -- *not* integrated in any particular way -- or internally-developed integrations that were costly.

Figure 3 demonstrates what an integrated eCommerce engine can do for streamlining registrations for Web conferencing-delivered courses.

⁵ [Wainhouse Research WebMetrics 2H 2010](#)

After

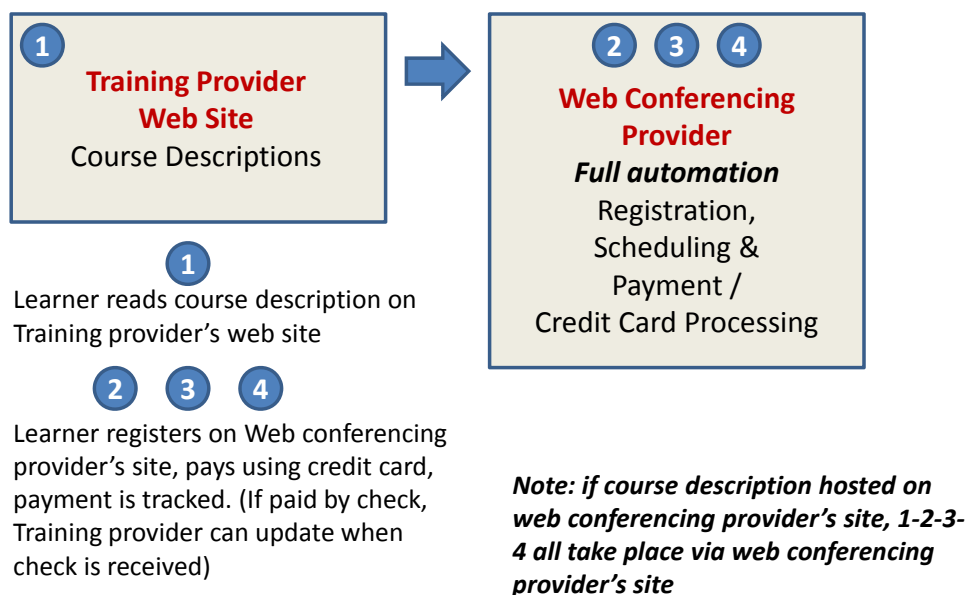


Figure 3 - After Integration and Automation Scenario

When integration exists between Web conferencing and eCommerce engines, the learner can register on the Web conferencing provider's site and receive a seamless experience of registering and payment. (If the learner intends to pay by check, the training provider can update the registration information once the check is received.) The net result consists of automated confirmation, tracking, and review capabilities. What has required multiple steps and databases has been streamlined into a single access point for processing registrations and payments.

The Ideal Integration of an eCommerce Engine

Wainhouse Research recommends that training organizations consider adopting a Web conferencing / eCommerce integration that is specifically tailored for training. Citrix Online's GoToTraining with RevStream, sponsor of this paper, is an example of the kind of eCommerce integration we describe below. The features training organizations should seek consist of most of those listed:

- Simple-to-use self-service and registration
- Class fees automatically deposited into training organization's account
- Detailed registration *and* payment reports
- Charges that are well understood and have "caps" on total per registrant fees
- Flexibility in setting up accounts (individual organizer accounts or corporate accounts)
- Ability in case of cancellation to process full, partial, or no refunds based on individual or organizational policy
- The ability to remove someone canceled from an attendee list (not all Web conferencing training applications permit this)
- Acceptance of major currencies

Benefits of Integrated eCommerce Engines

The benefits of an integrated eCommerce engine with a Web conferencing service are subtle but cumulatively add up to a sum larger than the individual parts. First, the training organization gets a complete overview of not just registrants, but payment status and overall revenues. This overview is available anytime via Web access or exported data files. This results in less back office effort and the ability to focus on other important business issues.

At the same time, there can be a significant business impact on revenues. Integration equates to faster management capabilities, and increased business opportunities as a result of real-time status overview. Training organizations can understand more quickly market needs and not just handle overflow or wait-listed individuals more quickly. They can add classes based on real-time demand and real-time payment information.

A final important business impact has to do with reduced liability for customer data. Because the training organization never needs to see or handle the registrant's credit card information, the organization is less liable for any type of data theft. When an organization must store credit card information in a database on its website, the site becomes vulnerable to many different security issues.

The reliability of a cloud-based, brand-name service provider doing the "heavy lifting" of not only Web conferencing services, but also back end processing can result in, as stated earlier, the ability to focus on one's core products and services.

Finally, and this is not trivial, the flexibility and seamless learner registration / payment experience provided by integration can result in an improved buyer-trainer bond. This is simply good business practice likely to result in learner loyalty. In a competitive universe, where differentiation is essential to staying on top of one's market, this can only be a good thing for both providers and their learners.

Conclusion

Where integrated eCommerce engines with Web conferencing will begin to make a *big* difference is in the ability to scale training programs. It has long been a challenge to scale training programs, where there are a number of obstacles to overcome: the complexity of operations and the intersection of costs, headcounts, heavy workloads, and market demand.

An integrated e-Commerce engine can address this by removing one of the major barriers to agile training organizations: payment processing. *And* they can do this for both large enterprises and small-to-medium businesses: they can help drive revenue growth because they provide greater ability to plan, respond, and grow training offerings *with speed and agility*.

Trainers are beginning to see the value in greater "Web 2.0" type behaviors. The more the user experience is made seamless and "friendly," the greater likelihood those learners will be back for more.

About the Author

Alan Greenberg is a Senior Analyst & Partner and Distance Education and e-Learning practice manager at Wainhouse Research. Alan has worked in the telecommunications, videoconferencing, software and services, and multimedia arenas for more than 25 years, holding marketing positions with Texas Instruments and several other technology companies. He has conducted research into dozens of distance education and e-Learning products and programs and covers Web conferencing, interactive whiteboards, lecture capture, and visual technologies for Wainhouse Research. He is co-lead analyst on the Wainhouse Research WebMetrics research program, and has authored many research notes on Web conferencing and e-Learning vendors. Alan holds an M.A. from the University of Texas at Austin and a B.A. from Hampshire College.

About Wainhouse Research

Wainhouse Research, www.wainhouse.com, is an independent market research firm that focuses on critical issues in the Unified Communications, rich media conferencing, and e-Learning fields. The company conducts multi-client and custom research studies, consults with end users on key implementation issues, publishes white papers and market statistics, and delivers public and private seminars as well as speaker presentations at industry group meetings. Wainhouse Research publishes a variety of reports that cover the all aspects of rich media conferencing, and the free newsletter, *The Wainhouse Research Bulletin*.

About Citrix Online

Citrix Online, a division of Citrix Systems, Inc., is a leading provider of easy-to-use, on-demand applications for Web conferencing and collaboration. Its award-winning services include GoToTraining®, an on-demand solution that empowers organizations of any size to provide learners with an easy-to-use, interactive, virtual classroom environment.

For a free evaluation of GoToTraining, please visit www.gototraining.com.