# Chapter 82 Innovative Business Models for E-Learning Entrepreneurs

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# ABSTRACT

This paper reports a state of the art literature survey undertaken on innovative e-learning business models. A review of existing business models of e-learning providers is undertaken. Three business model classification approaches for e-learning businesses are adapted for the evaluation. The e-learning business models are classified into three main categories namely managerial classification, service oriented classification and economic classification. We have then classified the literature in this line and present a priori framework developed for evaluating the e-Learning business enterprises. The research concludes with a summary of classification approaches available in the existing e-learning business domain.

## INTRODUCTION

E-learning is defined as the learning which happens through an electronic medium. It is a novel approach to deliver learning using the Information Communication Technologies (ICT); which has been an evolving area of research concentration in the contemporary academia. Besides, having research on how the e-learning systems could be better designed for increased learner experience for differing target groups of learners (Good et al., 2007); there are also studies which look at the business aspects of e-learning such as the system sustainability, interoperability, cost effectiveness and marketability. For example, Demirkan & Goul (2010) investigated on a reference model for sustainable e-learning service systems. The research indicates that one of the primary bottlenecks for sustainable e-learning is the lack of viable partnership covering wide range of enterprises and institutions. Moreover, Koohang & Harman (2007) reported about the sustainability of Open Educational Resources (OER). The fundamental elements related to sustainability such as instructional design and presentation, cost of production and maintenance, support and Open Educational Resources communities of practice as related to scalability

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are explored in detail. On the other hand, Leacock (2005) investigated about building a sustainable elearning development culture which discusses about development of high quality e-learning materials (which are sustainable) in a university. Another study by Muzio et al., (2002) reports on the experiences with reusable e-learning objects from theory to practice. The study answers the questions of what constitute an E-learning Object, what size such an object needs to be designed in order to ensure its reusability capability and the practical application of creating and reusing E-learning Objects. Further to this, there are a number of studies looking at the initiatives taken by international bodies on supporting sustainable e-learning (Wiles & Littlejohn, 2003); sustainability factors for e-learning initiatives (Gunn, 2010); applying activity theory for sustainable e-learning and professional development (Robertson, 2008); innovative and sustainable mobile learning in Africa (Traxler & Leach, 2006); using twitter as a sustainable tool for enhancing e-learning activities (Noor, 2012). Yet, there is a vacuum for studies looking at the classification of e-learning business models. Thus, this paper aims at classifying the e-learning business models to facilitate effective business decisions in terms of revenue generation strategies. The main research questions of the documented research relies on identifying and classifying the existing e-learning business models in the existing literature. This main question has been operationalized into two sub questions each looking at what evaluation frameworks are available for classifying e-learning business models and then outlining a new research framework for creating innovative business models for e-learning entrepreneurs. This study is an extension of the work undertaken by Chai et al., (2008) on social media revenue sharing models.

# **BUSINESS MODEL DEFINED**

A business model is defined as:

architecture for products, services, and information flows, including a description of the various business actors and their roles and a description of the potential benefits for the various business actors; and a description of the sources of revenues (Timmers, 1998).

This definition is adapted for defining the term business models in the context of this research project. The thematic constructs of the aforementioned definition are depicted in the following diagram in Table 1.

 Table 1. Thematic constructs of a business model

Thematic Constructs	Criteria
Architecture	IV. Product architecture V. Service architecture VI. Information flow architecture
Business Actors	<ul><li>IV. Description of various business actors</li><li>V. Roles of business actors</li><li>VI. Description of the potential benefits for the various business actors</li></ul>
Sources of Revenues	II. Description of the sources of revenues

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