Ambient Insight
Regional Report

The 2013-2018 Latin America Self-paced eLearning Market

Five Major Catalysts Driving the Market

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# Table of Contents

List of Tables ............................................................................. 3
List of Figures ........................................................................... 5

**Executive Overview** .............................................................. 6

- Sources of Data on the Latin America eLearning Market .......... 7
- Surge in Private Investment ..................................................... 9

**Primary Catalysts** ................................................................ 10

- Large-scale Digitization Initiatives in the Schools .................. 11
- New Government Educational Policies .................................. 12
- Demand for Digital English Language Learning .................... 13
- Steady Increase in Private For-profit Education ...................... 15
- Boom in Online Enrollments ................................................ 16

**What You Will Find in This Report** ...................................... 17

- Who Are the Buyers? ............................................................ 18
- What Are They Buying? ....................................................... 20

**Related Research** ............................................................... 22

**2013-2018 Latin America Forecast** ...................................... 23

- Demand-Side Analysis .......................................................... 23

  - Argentina .............................................................................. 24
  - Bolivia .................................................................................. 27

  - Brazil .................................................................................... 30

    - Brazil Demand-Side Analysis ........................................... 31
      - Brazil Consumers ......................................................... 32
      - Brazil Corporations & Businesses ................................... 34
      - Brazil PreK-12 Academic .............................................. 37
      - Brazil Higher Education .............................................. 38
      - Brazil Federal Government .......................................... 41
      - Brazil State/Municipal Government ............................... 42

  - Chile .................................................................................... 43
  - Colombia ............................................................................. 48
  - Costa Rica ........................................................................... 50
  - The Dominican Republic .................................................. 52
  - Ecuador ............................................................................... 54
Ambient Insight’s 2013-2018 Latin America Self-paced eLearning Market

El Salvador................................................................. 56
Guatemala ................................................................. 58
Honduras ................................................................. 61
Mexico ................................................................. 63
Panama ................................................................. 68
Paraguay ................................................................. 71
Peru ................................................................. 72
Uruguay ................................................................. 75
Venezuela ................................................................. 77

Supply-Side Analysis ......................................................... 80
Latin America Supply-Side Analysis ................................. 80
Brazil Supply-Side Analysis ........................................... 80
Index of Latin America eLearning Suppliers .............. 82

List of Tables

Table 1 - 2013-2018 Revenue Forecasts for Self-paced eLearning by Top Buying Countries in Latin America (in US$ Millions) .............................................. 23

Table 2—2013-2018 Revenue Forecasts for Self-paced eLearning Products in Argentina (in US$ Millions) ....................... 24

Table 3—2013-2018 Revenue Forecasts for Self-paced eLearning Products in Bolivia (in US$ Millions) ......................... 27

Table 4—2013-2018 Revenue Forecasts for Self-paced eLearning Products in Brazil (in US$ Millions) ...................... 30

Table 5 - 2013-2018 Brazil Revenue Forecasts for Self-paced eLearning Products by Six Buyer Segments (in US$ Millions) ........ 31

Table 6 - 2013-2018 Brazil Revenue Forecasts for Self-paced eLearning Products by Consumers (in US$ Millions) ............... 32

Table 7 - 2013-2018 Brazil Consumer Forecasts for Self-paced eLearning Content by Ten Categories (in US$ Millions) ........... 32

For more information about this research, email: info@ambientinsight.com
Table 8 - 2013-2018 Brazil Revenue Forecasts for Self-paced eLearning Products by Corporations (in US$ Millions) .................. 34
Table 9 - 2013-2018 Brazil Revenue Forecasts for Self-paced eLearning Products by PreK-12 Buyers (in US$ Millions) .............. 37
Table 11 - 2013-2018 Brazil Revenue Forecasts for Self-paced eLearning Products by Federal Government Agencies (in US$ Millions) ........................................................................ 41
Table 12 - 2013-2018 Brazil Revenue Forecasts for Self-paced eLearning Products by State and Local Government Agencies (in US$ Millions) ................................................................ 42
Table 13—2013-2018 Revenue Forecasts for Self-paced eLearning Products in Chile (in US$ Millions) ................................. 44
Table 14—2013-2018 Revenue Forecasts for Self-paced eLearning Products in Colombia (in US$ Millions) ......................... 48
Table 16—2013-2018 Revenue Forecasts for Self-paced eLearning Products in the Dominican Republic (in US$ Millions) ....... 52
Table 17—2013-2018 Revenue Forecasts for Self-paced eLearning Products in the Dominican Republic (in US$ Millions) ...... 54
Table 18—2013-2018 Revenue Forecasts for Self-paced eLearning Products in the Dominican Republic (in US$ Millions) ........ 57
Table 19—2013-2018 Revenue Forecasts for Self-paced eLearning Products in Guatemala (in US$ Millions) .......................... 58
Table 20 - 2013-2018 Revenue Forecasts for Self-paced eLearning Products in Honduras (in US$ Millions) .......................... 61
Table 21—2013-2018 Revenue Forecasts for Self-paced eLearning Products in Mexico (in US$ Millions) .............................. 63
Table 22—2013-2018 Revenue Forecasts for Self-paced eLearning Products in Panama (in US$ Millions) .............................. 68
Table 23—2013-2018 Revenue Forecasts for Self-paced eLearning Products in Paraguay (in US$ Millions) ............................ 71
Table 24—2013-2018 Revenue Forecasts for Self-paced eLearning Products in Peru (in US$ Millions) .................................. 73
Table 25—2013-2018 Revenue Forecasts for Self-paced eLearning Products in Uruguay (in US$ Millions) .............................. 75

For more information about this research, email: info@ambientinsight.com

Table 27 - 2013-2018 Latin America Revenue Forecasts for Self-paced eLearning by Three Product Types (in US$ Millions) ............. 80

Table 28 - 2013-2018 Brazil Revenue Forecasts for Digital Language Learning by Three Product Types (in US$ Millions) .......... 81

**List of Figures**

Figure 1 - 2013-2018 Top Ten Self-paced eLearning Five-year Growth Rates in Latin America by Country ..................................................... 6

Figure 2 - Primary Catalysts in the 2013-2018 Self-paced eLearning Market in Latin America ................................................................. 10

Figure 3 - 2013-2018 Self-paced eLearning Five-year Growth Rates in Latin America by Three Product Types ................................. 21

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Executive Overview

The five-year compound annual growth rate (CAGR) for Self-paced eLearning in Latin America is 9.7%. Revenues will reach $2.4 billion by 2018, up from the $1.5 billion reached in 2013. Corporations are the top buyers in some countries; consumers or academic buyers dominate in other countries. This report identifies the top buyers in each country.

Revenue forecasts in this report are broken out for seventeen countries in Latin America: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Uruguay, and Venezuela. Throughout the forecast period, Brazil will be the largest buying country, followed by Mexico and Argentina.

Revenues for Self-paced eLearning products will more than double over the forecast period in eight of the seventeen countries analyzed in this report. The countries with the highest growth rates are new vibrant markets for suppliers.

Figure 1 - 2013-2018 Top Ten Self-paced eLearning Five-year Growth Rates in Latin America by Country

The countries with the highest growth rates for Self-paced eLearning in Latin America are the Dominican Republic, Honduras, El Salvador, Peru, Bolivia, Ecuador, Guatemala, Colombia, Brazil, and Chile, respectively.

In general, as of 2014, Latin America is largely a "consuming" region, importing the majority of eLearning content and technology from outside suppliers.

Over 260 suppliers operating in Latin America are cited in this report to help international suppliers identify local partners, distributors, and resellers.
the region. Until recently, domestic suppliers in the region tended to be resellers of third-party products developed outside the region.

This will change over the forecast period with domestic suppliers increasingly developing their own products. There are now pan-regional suppliers based in Latin America that have developed proprietary products:

- **Aura Interactiva** is based in Costa Rica and is a distributor for several third-party products. They sell the products in Mexico, Costa Rica, Guatemala, El Salvador, Ecuador, Nicaragua, Honduras, the Dominican Republic, and Panama. They now have their own authoring tool called SH!FT that they market in the region.

- **Competir** has offices in Argentina and Mexico. They market their own learning platform called Aula365 and have clients in Chile, Spain, Mexico, the US, the Dominican Republic, Uruguay, and Paraguay.

- **AXG Tecnonexo**, based in Argentina, has offices in 11 countries in the region, and claims to be the "largest e-learning vendor in Latin America." They now sell their own learning management system called WebCampus Tecnonexo and list hundreds of corporate clients across the region as customers.

In the 2013 market, eLearning suppliers from the US, Portugal, and Spain tended to dominate the region. They do this directly with subsidiaries in some countries, but also with extensive reseller agreements across the region.

There are some countries in Latin America that are major exporters of eLearning products. The Asociación de Educación a Distancia y Tecnologías Educativas de la República Argentina (Argentinian Association of Distance Training and Educational Technologies Organizations) reports that 80% of all the eLearning suppliers in Argentina are outsourcers selling products to other countries. Spain is the top buyer of Argentine Self-paced eLearning products, followed by the US, Mexico, and Chile.

**Sources of Data on the Latin America eLearning Market**

There are dozens of publicly-traded online education suppliers in Latin America. Most focus on a particular buying segment and their financial reports provide insight on specific buying segments and country-by-country trends. Pearson, Santillana, McGraw-Hill, and Houghton Mifflin Harcourt all have significant market presence in Latin America. Their financial reports are good sources of information on the dynamics of the market.

The two largest eLearning content suppliers in Latin America are Pearson and Santillana. Their financial reports provide valuable insights into the buying behavior in specific countries in Latin America.

Santillana is headquartered in Spain. Their Latin American business accounts for 80.5% of their revenues. Santillana reported that their...
revenues in Latin America were $924 million in 2013, up 5.4% from the year before. Santillana sells print-based textbooks and digital content. Their digital products are selling well in the region.

Santillana reported that revenues for their UNO System learning platform grew 61.3% in 2013. Sistema UNO "consists of digital content bundled with hardware, textbooks, learning management systems, a student information system, student assessments, and teacher training."

Since the launch of Sistema UNO in 2011, "over 240,000 students in Mexico, Brazil, and Colombia have learned through the UNO education curriculum."

Santillana's annual financial reports provide a breakdown of revenues and growth rates on a country-by-country basis.

- The countries that account for the highest revenues for Santillana are Colombia (21.9%), Brazil (12.3%), Ecuador (9.2%), Argentina (6.9%), and Mexico (6.1%).

- In terms of growth, Santillana reported that the countries with the highest growth rates were Peru (at a breathtaking 129.4%), the Dominican Republic (43.3%), Ecuador (23.3%), Uruguay (22.2%), Mexico (17.6%), Chile (16.5%), and Bolivia (16.1%). In sharp contrast, their revenues in Brazil declined by 17.0%.

Pearson Education Latin America has operations in 21 countries in the region "providing educational materials in English, Spanish, and Portuguese. PE Latin America offers Pre-K to adult English language teaching (ELT) materials, including Longman dictionaries, CD-ROM courses, companion Web sites and other online teaching tools."

Pearson is now the largest private language learning provider in Brazil. Pearson acquired Grupo Multi in late 2013 for $720 million. Grupo Multi is "the largest provider of private language schools in Brazil serving over 800,000 students across more than 2,600 franchised schools. At the time of the acquisition, Pearson stated that they are now "the market leader in adult English Language Training in Brazil."

Trade associations are also good sources of information on the Latin America eLearning market. The Associação Brasileira de Educação a Distância (ABED) is a good source of information on the commercial eLearning market in Brazil.

A good centralized source of information for distance education in the Latin America higher education segment is the Latin American Network Information Center (LANIC) maintained by the University of Texas. It includes detailed information on institutions offering distance learning in 12 of the 17 countries analyzed in this report.
Surge in Private Investment

Ambient Insight considers private investment patterns to be leading indicators. Investment is flowing into the region. The International Finance Corporation (IFC) is the funding arm of the World Bank that lends to the private sector.

The IFC has invested $450 million in the last few years to online providers and distance learning institutions in Brazil, Chile, Colombia, Mexico, and Peru.

IFC invested $150 million in Laureate Education in early 2013. Laureate Education owns 31 private tertiary institutions in Latin America. Laureate places a great emphasis on learning technology and rapidly upgrades the technologies in the institutions after an acquisition. Combined, the 31 Laureate institutions in the region offer hundreds of online courses and programs.

In August 2013, Santillana announced that the IFC division of the World Bank had loaned them $30 million to accelerate the rollout of Santillana’s Sistema UNO platform in Latin America.

Miami-based Open English is an online language learning supplier that serves the consumer segments in Latin America and has obtained over $125 million in funding since 2011. They received $65 million of this in 2013; this was the second-highest investment made to a learning technology company in 2013.

Most investments going to Latin America eLearning companies are in much smaller amounts. Macmillan invested in two edtech companies in 2013: Veduca and Easyaula. Macmillan stated in the press the "This is a major step in our intention to provide a catalyst for the next phase of our ambitious plans in Brazil and the wider region. Together with Veduca and Easyaula, we will support and enhance the development of technology-driven education in Brazil."

Brazil-based Veduca has been translating courses from leading institutions including Harvard, Stanford and Oxford into Portuguese since 2012 and has garnered $1.3 million in private equity so far.

Telefónica Learning Services invested $5 million in a Spain-based startup called Miriáda X, a developer of MOOCs in Spanish and Portuguese. In August 2014, they announced that "Miriáda X will be extended to more than 1,200 universities across Latin America in the Universia network including institutions in Argentina, Colombia, Peru, and Mexico."

In March 2014, Germany-based Bertelsmann, an international media company, announced a $100 million education technology fund in Brazil called BR Education Ventures in partnership with the Brazilian investment company Bozano Investimentos.

The fund will "invest in eight to 10 companies and will focus on companies that offer solutions and services in the field of education technology." Two

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Brazilian eLearning companies have already been funded: QMágico and Evolve.

**Primary Catalysts**

The substantial growth in revenues for Self-paced eLearning products in Latin America over the forecast period is due to several convergent catalysts including:

- Large-scale digitization initiatives in the academic segments
- New government educational policies designed to increase digital literacy and English proficiency
- Demand for digital English language learning products
- Steady increase in private for-profit education
- Boom in online education enrollments

These catalysts are not present in every country analyzed in this report and the degree to which they influence the market is different in each country.

Figure 2 - Primary Catalysts in the 2013-2018 Self-paced eLearning Market in Latin America

There are very large digitization initiatives underway in the PreK-12 school systems across Latin America. Some programs are being implemented at the municipal or state levels and some are being implemented countrywide by the federal government.

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Large-scale Digitization Initiatives in the Schools

As part of the Ceibal program, Uruguay provides free laptops (and more recently tablets) to every child attending public school. Between 2008 and 2013, Uruguay had distributed over one million computing devices to students and became the first country in the world to reach a one-to-one student-to-computer ratio.

Virtually all of Chile's PreK-12 schools are now equipped with computers and 97% are connected to the Internet. The ratio of students to computers is now 8-to-1, down from 13-to-1 in 2010, and dramatically down from the 30-to-1 in 2007. Clearly, the government is making great strides in deploying technology in the schools.

Brazil's federal government spends over $400 million a year (48% of the entire Brazilian publishing industry) on textbooks for schools and announced that they will begin buying digital content in 2015. The government estimates that they will have 80 million copies of digital textbooks delivered to 7 million students by 2015, which is still only 12% of the entire PreK-12 population. The goal is to have all books and instructional content in the high schools in digital formats by 2017.

The Programa Conectar Igualdad (Connect Equality Program) was launched by the Education Ministry in Argentina in April 2010. The program provides netbooks to secondary students in the public schools. By the end of 2013, just over 3.6 million netbooks had been distributed in over 8,800 schools. The netbooks distributed in 2013 are running a Linux-based open source operating system called Huayra developed by the government. The government re-authorized the program in February 2014.

The Bolivian government, supported by funding from global NGOs, has embarked on an ambitious learning technology initiative with the goal to equip every school in the country with learning platforms and digital content. As of 2011, they have set up "telecenters" in over 1,000 schools and opened a central education portal to distribute digital content. In 2013, over 1,200 new telecenters were built. In June 2014, the government announced that they would open an additional 1,500 new telecenters in 2014.

The Bolivian government is assembling their own education netbooks via a state-owned manufacturer called Quipus, which started operations in May 2014. In September 2014, Quipus reported that they were on track to deliver the first wave of 160,000 netbooks to high school students by the end of October 2014. The goal is to provide a netbook for every primary and secondary student in the country.

The Ecuador government launched a campaign called "Escolar Conectividad" in 2008. In September 2014, the Ministry of Telecommunications (Mintel) in Ecuador reported that "Ecuador currently has about 7,000 institutions connected to the Internet, including approximately 2,000 educational institutions, benefitting 1.95 million students and teachers nationwide." This is an extraordinary achievement considering that in 2007, there were only twelve schools in the country with access to broadband.
Samsung competes in Latin America with their Smart School learning platform. Samsung has agreements with education ministries in Bolivia, Costa Rica, the Dominican Republic, Ecuador, Panama, Honduras, Nicaragua, El Salvador, Guatemala, Venezuela, and Mexico. Samsung has deployed their Samsung Smart School platform in schools in all these countries just since 2013.

The Dominican Republic is actively promoting (and funding) the use of learning technology inside and outside the schools in the country. They fund IT training in 94 Community Technology Centers across the country. In September 2014, the Dominican Minister of Education announced they were on track to install "Government Technology Corners" in 1,716 classrooms by the end of 2014.

Fifteen Latin American countries are members of the Pan-regional Red Latinoamericana de Portales Educativos (RELPE). "The goal is for countries to cooperate and exchange national content and to improve the regional online quality of education." The member states of RELPE are Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela. They each operate a national education portal and they all share content with the other portals. They aggregate free open source content for the most part, although there are commercial courses found on the portals.

**New Government Educational Policies**

Most of the countries analyzed in this report have recently changed their education policies to increase IT literacy and bolster English proficiency in the academic segments. Many countries are in the midst of sweeping educational reforms that place a great emphasis on learning technology.

English language learning policies are brand new in some countries. English has only recently been introduced in Bolivian schools. In 2014, the Chile government made English language learning mandatory for public school students starting in first grade. Previous to this, English was not introduced in the schools until fifth grade. This report identifies the English language learning policies for each country.

Guayaquil is Ecuador's largest city, and in late 2013, the city government launched the More English project in the city's schools. "More English is a project designed to strengthen the teaching of the language and is making use of the technologies and tools provided by the More Technology program. More than 120,000 students in 125 of Guayaquil's public schools are taking advantage of this education program."

The Argentina government funds a wide range of vocational education programs as part of the 2020 Industrial Strategic Plan – 2020; many of the programs fund eLearning content. The government’s Empleartec Programme 2012 – 2015 initiative is on track to train 30,000 unskilled workers in IT. Microsoft provides online courseware for the project. By the end of 2013, the IT industry employed nearly 80,000 people. The government intends to double that number by 2020.
The government in Colombia is concerned about the lack of English proficiency in the country. In April 2011, the Colombian Ministry of Education published figures showing "that despite a strategy to encourage national bilingualism in the country, only 8% of 11th graders in Colombia speak even intermediate English."

Consequently, the Colombian government has embarked on new digital initiatives. In November 2011, Rosetta Stone announced a multi-year deal with Colombia’s National Learning Service – Servicio Nacional de Aprendizaje (SENA) for "a government initiative focused on the development of education in order to foster employment." SENA offers a wide range of free vocational online courses available to Colombian citizens.

The Dominican Republic implemented comprehensive education reforms in 2012 in what they call the Education Revolution and doubled education funding to 4% of their GDP ($2.3 billion). They will build 28,000 new schools by 2016. They are now facing a serious teacher shortage and the government has increased spending on teacher training. There were only 80,000 teachers in the country by the end of 2013 and class sizes in the public schools were as high as 75 students per classroom. By August 2014, the government had hired just under 8,000 new teachers.

The government in El Salvador launched a sweeping education reform initiative in 2009 called the Five Year Development Plan (2010 – 2014). The first phase of the initiative focused on infrastructure (repairing and building schools), nutrition, universal access, school uniforms, and textbooks for the first two years. Now the initiative is focused on curriculum reform with an emphasis on "Preparing students for careers in science and technology."

**Demand for Digital English Language Learning**

Pearson acquired Grupo Multi in late 2013. At the time of the acquisition, Pearson stated in the press that "We are planning to integrate Multi’s products and expertise with Pearson’s world leading educational technology and pedagogy." Grupo Multi delivers English language courses via a range of school brands including Wizard, Yazigi, Microlin, and Skill. Yazigi is unique in the portfolio in that they focus on English for young children.

English language eLearning is in high demand in PreK-12 schools in Brazil. In December 2011, Cambridge University Press’ ELT (English Language Teaching) division announced that sales in Brazil had an "18% growth over the previous year." Brazil is Cambridge University Press’ second largest buying country, second only to Spain.

US-based Open English serves the Latin America consumer market and reports it has 70,000 customers enrolled in its online English language learning programs. Open English has taught more than 100,000 Latin American students since it launched.
Livemocha (now owned by Rosetta Stone) has over 2.5 million students from Brazil. Russia-based LinguaLeo launched in Brazil in late December 2012 and had over 1 million students in Brazil by the end of 2013.

In March 2013, Macmillan launched their consumer-facing online language business in Brazil called EnglishUp. EnglishUp is a division of Macmillan Digital Education and "is an online English language learning school for adults and young professionals who lead busy lives but are motivated to speak fluent English to achieve their personal or professional goals."

Entertainment Learning reported in October 2011 that their English Attack! portal had over 4 million students from Brazil, "surpassing students from Mexico."

In February 2014, the state of São Paulo opened registration for an online English class available to everyone in the state. The course is delivered via the Virtual School of Educational Programs (Escola Virtual de Programas Educacionais), or EVESP, a learning platform launched by the state in 2011.

Suppliers in the region are exploring new business models. In June 2013, the Brazilian language school called CNA started selling prepaid gift cards in supermarkets, department stores, and pharmacies. For the equivalent of $15, buyers use the cards to "unlock 20 hours of virtual classes on CNA's web platform."

Corporations are the top buyers of digital vocational English, followed by government agencies. Vocational English is comprised of specialized forms of English including aviation, business, hospitality, finance, law, medical, transportation, travel, tourism, technology, academic, and engineering English. A very specialized form of vocational English is Oil and Gas English.

The primary demand for language learning in the higher education segments across the region is the need to gain proficiency in English in order to teach English or get accepted in foreign English speaking universities. Academic English is a highly specialized form of English taught in the universities. Online English language learning is also a common component in tourism and hospitality vocational programs. The institutions often license commercial language learning software from suppliers.

In one of the largest deals made with the Mexican Ministry of Education, Little Bridge World and Chango Maniac announced in January 2012 that the government would deploy Little Bridge's English language learning software to all secondary students in Mexico's state secondary schools. That is a user base of 5.8 million students.

Anhanguera (now part of Kroton) in Brazil sells an online English course called Anhanguera Basic Inglês, using content developed by a division of the BBC called BBC English. It is the first commercial partnership for the BBC with a Brazilian educational institution. The digital course costs the equivalent of $90 and is marketed to consumers in Brazil.
Steady Increase in Private For-profit Education

Private for-profit schools were early adopters of learning technology in Latin America. International aggregators continue to acquire private schools in the region, which expand the distribution channels for their digital content. The international companies that are "buying their way in" are accelerating the adoption of learning technology.

Pearson acquired Grupo Multi in 2013 for $721 million. Grupo Multi is the largest chain of private language schools in Brazil serving over 800,000 students across more than 2,600 franchised schools under four brands. At the time of the acquisition, Pearson stated in the press that "We are planning to integrate Multi’s products and expertise with Pearson’s world leading educational technology and pedagogy."

Laureate Education, backed by Sterling Partners, has bought over 31 universities in Latin America since 2000. Laureate has been rapidly expanding in the region and now owns schools in Mexico, Honduras, Panama, Costa Rica, Peru, Brazil, and Chile. Latin America is Laureate’s largest market in terms of revenues. In September 2014, Laureate acquired FMU Education Group in Brazil. FMU has over 250,000 students across the country. The Universidad del Valle de México is Laureate’s second-largest university in the region and has over 120,000 students. Combined, Laureate now has over 800,000 students.

The Whitney International University System now includes schools in Argentina, Brazil, Chile, Colombia, Costa Rica, Panama, and Paraguay, "that offer programs ranging from technical certifications, associate degrees, master's degrees, and doctoral programs." In June 2013, Whitney was selected by Virtual Educa, a division of the Organization of American States (OAS), to be "the leading provider and strategic partner in the design, development, deployment and management of the OAS’ Virtual C@mpus of the Americas." Essentially, this is a pan-regional online university.

In 2008, the education company Apollo Group, which owns the University of Phoenix, acquired Chile’s Universidad de Artes, Ciencias y Comunicación (UNIACC). In 2004, UNIACC became the "first Chilean university to teach a fully online undergraduate program." Apollo has also purchased a majority stake in Mexico’s Universidad Latinoamericana (ULA). ULA has two fully online bachelor's degree programs, a 100% online MBA program, and two blended master's degree programs.

DeVry entered the Brazil higher education market in 2009 by acquiring three for-profit providers: Fanor, Ruy Barbosa, and ÁREA1. DeVry acquired Faculdade Boa Viagem and Faculdade do Vale do Ipojuca in 2012 and Faculdade Diferencial Integral in 2013. In September 2014, DeVry bought Faculdade Martha Falcão (FMF). DeVry Brasil now operates seven for-profit education companies in Brazil and all of them offer online courses. DeVry Brasil now has over 36,000 students.

Brazil’s two largest chains of higher education institutions (Kroton Educacional and Anhanguera Educacional) merged in 2014, creating the world’s largest publicly traded for-profit higher education company (worth
more than $8 billion.) The merged institution has over a million enrolled students. At the time of the merger, 66% of Kroton's students and 36% of Anhanguera's students were enrolled in online courses.

Many governments in Latin America are actively supporting the growth of private for-profit institutions as a way to meet the massive demand for higher education. Not all countries in the region are supportive; it is still illegal for private for-profits to operate in Colombia.

**Boom in Online Enrollments**

In August 2014, Spain-based Miríada X, a developer of MOOCs for higher education students stated in the press that they estimate "there are some 600 million potential students in Latin America."

Brazil has a thriving distance education (Educação a Distância) industry. According to the Brazilian Distance Learning Education Association (Associação Brasileira de Educação a Distância), or ABED, there were over a million online enrollments in higher education courses in Brazil in 2013. ABED estimates this will reach over 3 million by 2018.

According to the Brazil Ministry of Education's Census of Higher Education, enrollments in online higher education increased 12.2% between 2011 and 2012. In sharp contrast, enrollments in tradition classroom courses increased by only 3.1% during the same period.

Kroton (now merged with the second-largest provider Anhanguera) is the largest for-profit higher education company in Brazil; they had 1.4 million enrolled students by the end of 2013 and 541,000 of the students were taking online classes. Kroton is now the world's largest online education provider followed by Estácio in Brazil (315,000 online students) and ChinaEdu in China (311,000 online students).

Estacio Participacoes is one of the largest private higher education companies in Brazil. The Centro Universitário UniSEB's UniSEB Interativo in Brazil has 164 distance learning centers, 30,000 undergraduate students, and 3,400 graduate students by the end of 2013. Estácio acquired UniSEB in September 2013. In March 2014, Estácio reported in their annual report that they had a total of 315,700 students by the end of 2013 and that 60,700 were enrolled in distance learning programs, a 20.4% increase in online enrollments from the year before.

UTEL is an online university in Mexico with more than 9,000 students and partners with Pearson to deliver digital content. In July 2014, Pearson reported that "In Mexico, our fully accredited online university partnership, UTEL, increased the number of students from almost 2,300 students in 2013 to more than 8,000 in 2014 as a result of improved consumer marketing efforts and better student retention."

The Universidad Estatal a Distancia (UNED) in Costa Rica has over 60,000 students. In October 2014, they reported that their online enrollments had tripled in the last five years.

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In early 2013, Telefónica Learning Services, Banco Santador (based in Spain and one of the largest European banks), and a consortium of Hispanic and Portugues universities called Universia launched an online learning portal called MiríadaX. Telefónica Learning Services initially funded the platform with $5 million. By July 2014, MiríadaX had over 750,000 enrollments across the planet; the vast majority of the enrollments are from Latin America. By July 2014, there were 33 Latin American universities offering over 150 eLearning courses on MiríadaX.

MiríadaX is an open online eLearning platform and does not charge fees for the courses. While it may not be a commercial opportunity for suppliers, it is clear evidence of the demand for eLearning in the region.

Enrollment in online courses is not limited to higher education students. In April 2014, the Sindicato Nacional de Trabajadores de la Educación (SNTE) in Mexico announced that it had "selected Declara as technology platform to deliver training to 1.6 million teachers and administrators in Mexico." SNTE is the country's largest teacher's union. Declara is a learning platform startup that launched in 2012.

In September 2014, Microsoft announced that they would provide free online programming courses to over a million students in Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, and Peru.

What You Will Find in This Report

There are two sections in this report: a demand-side analysis and a supply-side analysis. The demand-side analysis provides suppliers with five-year revenue forecasts for each of the seventeen countries across all buying segments combined.

Because Brazil generates the highest revenues for Self-paced eLearning products in the region, a detailed breakout of spending by six vertical buying segments is included in the Brazil section of this report.

This report also includes a breakout by ten content categories for the consumer segment in Brazil:

- IT-related content
- Language learning
- Early childhood learning
- Supplemental and remedial K-12 content
- Test prep for standardized exams
- General instructional "How To" content
- Medical, health, wellness, and fitness
- Business, investment, and finance
- Licensure and certification
- Training and professional development

The supply-side section provides a breakout of the expenditures for three learning technology types for all of Latin America combined. A breakout for these three categories for Brazil is also included in the supply-side section.
**Who Are the Buyers?**

There are six major buying segments. While this report identifies the top buyers in each country, it only provides a breakout by each buying segment for Brazil. The Self-paced eLearning buyers in Latin America are:

- Consumers
- Federal government agencies
- Provincial/state/municipal government agencies
- PreK-12 school systems
- Higher education institutions
- Corporations & businesses

In general, the revenues for Self-paced packaged content are heavily concentrated in the academic segments, followed by the corporate segments. This is not true in every country analyzed in this report. Buying behavior is different in each country.

Many countries have centralized educational systems run by government agencies, which are the primary buyers of academic content. Mexico is a good example. There are over 25 million PreK-12 students in Mexico and the Ministry of Education buys products directly from suppliers.

State and municipal ministries in other countries are the buyers and the supply chain can be complex. In Ecuador, the states operate 70% of the public schools and the municipalities manage another 10%. Private schools make up the remaining 20%.

This report identifies the countries with government-run centralized education ministries that buy learning technology products directly from suppliers. It also identifies the major suppliers doing business with the education ministries. Both offer points of entry for suppliers trying to enter those markets.

The demographics of the students who enroll in for-profit higher education schools is interesting. Kroton is Brazil's largest for-profit higher education provider and in their October 2014 financial statement reported that 67% of their students were women, 44% of their students were married, and 82% of their students were employed.

Federal, state, and municipal governments buy Self-paced eLearning products that are used in their vocational education and citizen outreach programs. Several governments subsidize national digital English language initiatives. For example:

- Sólo Inglés (Just English) is a site developed by the British Council and subsidized by the Argentina Ministry of Education. Sólo Inglés launched in September 2013 and provides free English language learning content designed for "children, adolescents, and adults." The site has a dedicated portal for young children called Aprender Inglés Niños populated mostly with game-based English language learning content.

For more information about this research, email: info@ambientinsight.com
In April 2013, the government of Costa Rica launched their online English language learning platforms called Cyberlab Kids and Cyberlab Teens. Cyberlab Kids is designed for young children and Cyberlab Teens is designed for students in secondary schools.

Government agencies buy products for employees and public safety personnel. The agencies also buy Self-paced eLearning in preparation for international sporting events.

Federal, state, and municipal government agencies in Brazil are funding large-scale English language learning initiatives in preparation for the Summer Olympic Games in 2016.

In March 2014, Education First (EF) announced that the government of Brazil had designated them as the "official supplier of language training services for the Rio 2016 Olympic and Paralympic Games."

EF will deliver English language training to "110,000 Rio 2016 staff as well as to over 900,000 candidates for the Olympic volunteer program, contractors, and school children in Brazil. In total, more than 1,000,000 people will be trained, making this the world's largest language training program in progress."

Suppliers that compete in Latin America need to understand the various domestic language ecosystems in order to target specific buyers, particularly consumers. An analysis of the languages spoken in each country is included in this report. Except for Brazil, where Portuguese is the official language, Spanish is the official language in most of the other countries in Latin America.

That does not mean Spanish is the only language spoken in any particular country. There are many indigenous languages spoken in Latin America. For example:

- Only 60% of Guatemala's population speaks fluent Spanish; the remaining 40% speak indigenous (Mayan-derivatives) languages. Even though Spanish is the official language of Guatemala, the government recognizes 23 indigenous languages as well.

- There are dozens of indigenous languages spoken in Bolivia. The 2009 Bolivian constitution named 37 official languages in Bolivia: Spanish and 36 indigenous languages. Although Spanish is the language of instruction in Bolivian public schools, Spanish essentially functions as the second language of the indigenous population, which comprises half the population.

- Spanish is the official language of Venezuela; the government also recognizes over 30 indigenous languages. English, Italian, and Portuguese are the most common foreign languages spoken in Venezuela.

English is the official language of Guyana, Dominica, and Belize. Dutch is the official language of Suriname and French is the official language of French Guiana.
The official languages of Paraguay are Guarani and Spanish. Paraguay is often referred to as the only true bilingual country in Latin America with 92% of the population fluent in Spanish and 98% fluent in Guarani, an indigenous language; 73% of the population can speak both languages. Both languages are taught in every public school. In the areas of Paraguay that border Brazil, Portuguese is also widely spoken.

Private language schools, universities, and PreK-12 schools buy commercial language labs that come pre-bundled with self-paced language learning software. Finland-based Sanako is the leading language lab supplier in the region and resells the digital content from Oxford University Press. Sanako has three domestic resellers in Brazil alone: Optécnica Educacional & Informática, Cybernet Informática LTDA, and MARLIM Comercial Sistemas & Multimedia.

**What Are They Buying?**

The supply side section of this report provides revenue forecasts for three categories of Self-paced eLearning products and services:

- Packaged content
- Custom content development services
- Authoring tools and learning platforms (cloud-based and installed platforms combined)

Packaged self-paced content accounts for the vast majority of revenues throughout the forecast period in every country in the region. Private and public academic institutions are buying a large amount of commercial digital content. Many of these procurement initiatives are phased government programs that span 3-10 years; revenues will remain steady for the foreseeable future.

Packaged content includes self-contained courseware products delivered on tangible media such as DVDs, as well as web-based content. Self-paced eLearning packaged course content types include (but are not limited to):

- IT-related courses
- General academic courses
- Exam and test preparation courses
- Hobby and instructional "how to" guides
- Vertical professional skills and professional development
- Continuing education (CE) and continuing medical education (CME)
- Professional licensure and certification
- Customer, patient, or constituent education
- Business and finance
- Organizational, management, and leadership development
- Compliance and mandated learning
- Language learning

The top selling self-paced packaged content type across the region is language learning. Self-paced language learning products are purchased by
all the buying segments. English is the language in the highest demand in the consumer segments in most countries.

While English is the language of business on the international level, Spanish and Portuguese are the primary languages of business in South America. The main exception is the energy sector, which uses English.

In any case, companies spend a significant amount of money on language learning for their employees; most of this goes to commercial language schools. There is a thriving private language learning industry in every country analyzed in this report.

**Figure 3 - 2013-2018 Self-paced eLearning Five-year Growth Rates in Latin America by Three Product Types**

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaged Content</td>
<td>15%</td>
</tr>
<tr>
<td>Custom Content Development Services</td>
<td>9%</td>
</tr>
<tr>
<td>Authoring Tools and Learning Platforms</td>
<td>3%</td>
</tr>
</tbody>
</table>

Corporations and government agencies are the top buyers of custom content development services and commercial tools/platforms in Latin America. International educational publishers often hire domestic third parties to develop their localized Self-paced eLearning content. Government agencies pay suppliers to create their online citizen education and tourism courses.

Tools and platforms are in wide use in the corporate, government, and academic segments. However, open source products such as Moodle are quite popular in the higher education segments across the region. With the exception of language learning and IT-related content, universities tend to create their own self-paced content.
Commercial platform products are competitive with open source in Latin America. In September 2012, Blackboard announced a distribution deal with a company called Quanam to distribute Blackboard’s products in Chile, Peru, Uruguay, Bolivia, and Paraguay. Blackboard's CEO stated "Latin America has seen a growing demand for learning technologies, particularly with changing student preferences and evolving accreditation processes."

In August 2014, Blackboard reported in the press that their LMS "supports more than 1 million students and faculty members at over 70 institutions in Brazil. Now registering an impressive 100 percent growth in the country over the past year, the company is expanding its presence in Sao Paulo."

In late 2012, Totara Learning Solutions announced a agreement with Aura Interactiva to distribute the commercial Totara LMS (based on Moodle) in Argentina, Mexico, Costa Rica, and Colombia. SumTotal and SkillSoft also have resellers throughout the region.

Santillana's new learning management system (LMS) is called Santillana Compatir (Share) was launched in Mexico, Argentina, and Colombia in 2013. Santillana will launch the new LMS in ten other countries in 2014.

**Related Research**

Buyers of this report may also benefit by the following Ambient Insight market research:

- **The 2012-2017 Latin America Mobile Learning Market**
- **The 2013-2018 Latin America Digital English Language Learning Market**

Ambient Insight provides a detailed description of our Evidence-based Research Methodology and definitions of the learning technology products and buying segments in:

- **Ambient Insight’s 2014 Learning Technology Research Taxonomy**

“We Put Research into Practice”

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For more information about this research, email: info@ambientinsight.com