

Industry Bulletin From The Starr Conspiracy Intelligence Unit

Casual Learning: Emerging Market Segment Portends Focus on Learning Engagement and Velocity

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Disclosure: None of the companies mentioned in this brief are current clients of The Starr Conspiracy.

FORT WORTH, Texas (Aug. 18, 2014) – Casual Learning is an emerging market segment characterized by mobile-based learning solutions that combine games, video, and other immersive experiences to engage learners in frequent, short learning sessions. The presentation of learning content through mobile games and the "play when you have time" model has led to demonstrable increases in learning engagement, learning velocity, and learning retention.

If the notion of "game-based" learning delivered on mobile devices feels like a sugary fad to you (like the cronut), don't be fooled. Casual learning solutions have already been adopted by some of the world's largest companies and have proved to be an effective tool for delivering new learning content rapidly. Metrics provided by some vendors (and verified through external research) demonstrate that rapid delivery is often paired with *better-than-you-might-expect* increases in both learning outcomes and business outcomes.

Consider the case study below from mLevel, a leader in the emerging casual learning market segment. mLevel is currently adopted by more than 10 percent of the Fortune 100 and boasts more than 100,000 users across 30 countries. (The Starr Conspiracy Intelligence Unit has independently verified these numbers.) The success of mLevel is impressive considering the company has only been in business since 2012. However, we believe the success of mLevel is driven in large part by the growing demand for agile learning solutions that cut through the technological red tape of larger learning management systems and is furthermore a clear indicator of the growth potential for this market segment.

Case Study: mLevel and InterContinental Hotels Group

InterContinental Hotels Group (IHG) is a global company with more than nine hotel brands. As everyone in hospitality knows, the customer experience is everything. IHG



is strongly oriented toward creating an exceptional guest experience, with a stated mission of creating "Great Hotels That Guests Love." IHG believes that great guest experiences flow from a well-trained staff that cares about quality.

IHG implemented mLevel (though "implement" is a strong word considering the no-fuss setup of most casual learning solutions) to test game-based mobile training for their North and Latin American Quality Team. Each Quality Consultant on the Quality Team is responsible for quality standards in as many as 70 hotels.

The goals for the program were straightforward: Engage the Quality Consultants in voluntary training and measurably increase learning and learning retention. So was the program successful? We probably wouldn't be writing about it if it weren't!

Here are some important facts and results of the casual learning initiative:

- Participation was optional.
- 96 percent of Quality Consultants participated.
- The Quality Consultants played the learning games 26 times, on average.
- 64 percent of participants indicated that they played to increase their knowledge of and skill in maintaining brand standards.
- 24 percent indicated they played because they were motivated by the competitive aspects of gameplay.
- 100 percent of participants wanted to apply the platform to future initiatives.
- 9.2 times out of 10, the participants would recommend mLevel to a colleague.
- Did they have fun? The average rating was 4.4 out of 5.

So participants were clearly engaged, and they even had fun. Can you imagine this level of enthusiasm and engagement for a traditional e-learning program delivered through a learning management system? But engagement and enthusiasm don't really matter unless the solution drives learning and business outcomes. So, did the mLevel "mission" succeed in the most important ways?

mLevel provides a sophisticated layer of learning measurement and analytics. The platform records all mission data and is able to measure knowledge-accuracy scores as participants advance through missions and replay them. This data demonstrated that participants increased their learning accuracy with each learning session (or play session). Knowledge accuracy peaked between 11 and 18 game sessions. Furthermore, Quality Consultants were emphatic in their assertions during qualitative retrospectives that the mLevel platform improved their knowledge of quality and brand standards. These responses to the qualitative follow-ups are typical:

- "I want more."
- "Love it!!!! Hotels should be required to learn standards this way."
- "I liked it. I am not a game person, but this was FUN!!!!"

- "Enjoyed the knowledge section that went along with it. Overall very helpful. I will never forget the order of the butter and pancake syrups."

IHG is currently expanding its adoption of mLevel across multiple initiatives.

Why Casual Learning Matters

The learning technology market segment is ripe for disruption. Most learning management systems are grounded in HCM 1.0 and promise to streamline the learning process by automating key aspects of learning. However, automation is no longer a sufficient outcome for fast-growth companies focused on learning velocity.

Casual Learning is proving the theory that engagement is the most important driver of true success across all aspects of human capital management. If a learner is not engaged in the learning process, positive learning or business outcomes can't be expected. To many, gamification may seem like a cheap parlor trick, but the reality is that game-based learning is extremely effective at engaging learners and increasing the velocity of learning in large organizations.

At the very least, Casual Learning will develop into a must-have solution provided by large learning management system vendors. However, it is also likely that in many cases Casual Learning will be the only solution needed by fast-growth companies.

If you are in the learning technology business, ignore Casual Learning at your own peril. But more importantly, The Starr Conspiracy encourages learning technology companies to consider the underlying implication of Casual Learning: Engagement is king. This is an important moment in the evolution of human capital management solutions. 2015 will be the year of the switch as a majority of companies move to replace their existing HCM solutions. A large group of switchers will look for what they believe to be a better version of what they already own. However, a significant group of buyers will be looking for innovative approaches that dramatically improve learning and business outcomes. Casual learning offers such an approach.

The following is a short list of companies offering casual learning solutions and are worth investigating for a crash course in the drivers of learning engagement and velocity:

- mLevel (<http://www.mlevel.com>)
- The Knowledge Guru (<http://www.theknowledgeguru.com/>)
- Motivate Cloud (<http://www.motivatecloud.com/>)
- Curatr (<http://www.curatr3.com/>)
- Wavicle (<http://www.wavicle.com/>)



The following is a short list of major brands utilizing casual learning solutions from the companies mentioned on the previous page. Not too shabby:

- Microsoft
- Nike
- JPMorgan Chase
- Boeing
- US Foods
- Sysco
- Johnson & Johnson
- ExactTarget
- Kimberly-Clark
- Dow
- Xerox
- KPMG
- Barclays

Guidance

The Starr Conspiracy advises Learning Management technology vendors (and broader human capital management technology vendors) to become extremely familiar with the features and benefits of the Casual Learning market segment. We view Casual Learning as the most disruptive innovation in the learning management segment, and a major component of a disruptive platform across all of human capital management technology. Engagement is the watchword. If you can't hang your hat on engagement now, you better find that extra hook for your hat rack soon.