

Project Report

Business Model: “BeMyTutor.com”



submitted by:

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1. Business Model

The business idea for BeMyTutor.com is creating a website offering tutoring services online from customer to customer (C-to-C). It is an e-commerce business with all dimensions being online, the customer and the seller are online and the service also takes place on the website itself, so there are no physical elements to it.

The goal of the website is to match students with a tutor that satisfies their needs perfectly. From our own personal experience and the ones of our peers during our years as undergraduate and now graduate students, we have identified things students would look for in a service that supports them in their schoolwork:

1. homework answers
2. additional resources (literature, slides, lecture notes)
3. tutoring sessions for exams
4. help with exam preparation / previous exams

First of all, the website will have a forum in which students can post homework questions and other students can answer them or provide pointers as to how to move forward with certain problems. Students having the subscription can post their questions and other students or tutors can answer them to gain points. The point distribution will be based on the upvotes and downvotes they get on posts. Then, students can post additional resources that they have for certain classes online like literature, slides or lecture notes for certain professors and will earn points for that as well. When getting to a certain point level there can be rewards like a waiver for the monthly fee for a while or promotions - the details of the point system are subject to further development once a Beta version of the website is online and being tested and observed. Next, the website will offer 1-on-1 tutoring sessions or group tutoring sessions which students can use to get questions about lectures or certain topics cleared up or to study for exams. The tutors can charge a certain fee for those lessons that they set themselves, depending on their experience or their assets they can set the fee higher or lower. Lastly, one of the most important components that will also be one of the main selling points for the website will be that students can be matched with tutors that attended or still attend their school and are or were in the same program as them. This way, students are able to contact people who have taken the same classes to get recommendations on how exactly to prepare for exams with certain professors, to learn what professors might pay more or less attention to and to get recommendations on which professors to choose in the upcoming semesters. This feature is unique as of now and gives the students the very helpful opportunity to get help tailored exactly to the classes they are taking - something that usually proves to be the biggest challenge for students.


The revenue for the website consists of two parts: the membership fee and a share of the tutoring fees. To join the website, a membership fee will be charged monthly. There will be different payment and subscription plans with options to save if committing to a longer

subscription or paying ahead of time. In addition to that, the students need to pay a fee for the tutoring which is set by the tutors themselves, the company will take a 20% share of that fee every time it is charged no matter how high or low it might be. This way the business has a continuing income which will pay for website maintenance as well as the continuous development of more services and possible improvements to the format, while still yielding a significant profit.

2. Competitive Environment and Your Advantages

There is a strong competitive environment looking at e-commerce websites offering help to college students in different ways. The website BeMyTutor.com will be entering a market with lots of competitors already offering services but also a strong demand which is continuing to rise. Looking at an report prepared by Thi Le for IBIS world about online tutoring services in the US from January of 2022¹ shows that consumer preferences have trended toward the use of online services in this market over the past years. While the number of students has only increased moderately, the percentage of students using these online services has increased significantly - showing that there is high demand. The percentage of services conducted online further is forecast to increase over the next years, making right now a good time to start a business in this field. In addition to that, the report found that the entry barriers for the industry are low and it was deemed rather easy to start an online tutoring business which supports this business model as it is feasible and easily possible to enter the market and start the business but at the same time is promising in demand and revenue.

During our research, we were able to identify two key players: Chegg.com and Tutor.com.

 Chegg.com is a website where students can post homework questions and other students answer those questions. In addition to that there is a forum where students can discuss answers with each other. While Chegg also has textbook rental services and sponsors music instruction contests, the homework answers are their most popular service. Similar to our suggested business model they work on subscription basis with a monthly fee.²

 tutor.com
A Service of The Princeton Review




The second key player in the environment of online tutoring services is Tutor.com. As opposed to Chegg.com, Tutor.com is more focused on tutoring sessions for students. It offers on-demand tutoring sessions for students that they can schedule with tutors in different subjects which cover education from middle school to college level. It is possible to either have a subscription or have an individual pricing plan and pay for sessions separately on Tutor.com.³ While those are the key players,

¹ <https://my.ibisworld.com/download/us/en/industry-specialized/6038/1/0/pdf>

² <https://www.fool.com/investing/2018/03/22/is-it-time-to-take-a-more-serious-look-at-chegg-in.aspx>

³ <https://www.tutor.com/our-tutors>

there are a some other websites in the same field that are worth mentioning, which are include in the table below:

Company Logo	Company Name	Services Offered
	quizlet.com ⁴	homework answers, flashcards made of lecture notes
	coursehero.com ⁵	homework answers, forum to discuss answers from other students
	tutorme.com ⁶	on-demand sessions with tutors in different subjects

When looking at all of the competitors, no matter if it is the key players or some of the other competitors mentioned, one thing strikes the eye. None of the competitors are offering all of the services or the feature of matching students from the same program at all. When looking at different options that are available on a subscription basis (as all of the services are subscription based) students will choose the service that offers the most options as the goal is to get all of their needs satisfied with only one subscription and not more to keep the monthly expenses down. Further, by offering a feature that is unique and is not offered by any other service at all gives BeMyTutor.com a significant competitive advantage which sets it apart from all of the competition. By meeting all of the demands students could have combined in one website in one subscription and also adding a unique feature that none of the competition is able to offer but which is of high significance to the customers, BeMyTutor.com has a very high chance of being competitive and having a high revenue - benefitting from advantages over any existing competition in the industry, no matter their size or customer base now.

3. Market Segmentation Analysis

The study of our customers separated into smaller groups to understand their individual characteristics such as behavior, age, income, and personality is known as market segmentation analysis.

We completed our task. Preliminary research that necessitates a thorough understanding of our customers. The easiest method to accomplish this is to speak with them personally. We also

⁴ <https://quizlet.com/blog/a-new-milestone-for-quizlet-50-million-monthly-learners>

⁵ <https://www.edsurge.com/news/2020-02-12-course-hero-joins-the-edtech-unicorn-stable>

⁶ <https://dot.la/tutorme-2648984963.html>

communicate in person, over the phone, and through online questionnaires. We can segment our target customer more easily with the information we collected.

For our market segmentation research, here are four of the most realistic possibilities to explore.

A. Geographic

The most basic sort of market segmentation is geographic segmentation. It divides clients into groups based on their location.

- Countries: USA, Canada
- Regions: North America
- Nations USA, Canada
- Cities: All cities' Colleges

B. Demographic

One of the most popular and often utilized kinds of market segmentation is demographic segmentation. It is statistical information on a group of individuals.

- Age: 18 – 60 years old
- Education: Higher Education (Universities and Colleges)
- Income: 10,000 USD-300,000USD
- Gender: Women, Men

C. Psychographic

Psychographic segmentation divides audiences and consumers into groups based on personality traits and features.

- Personality: Student, professional
- Class: working class family, middle class
- Lifestyles: Researcher, Student, Professional
- Interests: interests in learning.

D. Behavioral

Behavioral segmentation is different from demographic and psychographic segmentation in that it focuses on how a client behaves.

- User Status
- Loyalty: latent loyalty, Premium loyalty
- Usage rate: regular
- Benefits: Student discount

Market segmentation study allows us to better understand our clients based on their physical and behavioral features. This data is utilized to develop hyper-targeted sales and promotions. It will be much easier to connect with smaller segments (and what they value most) if we concentrate on them. Customers are more likely to pay attention to an offer that is suited to their current needs rather than one that boasts a slew of benefits that don't apply to everyone.

4. (Digital) Marketing Strategies

Product

The product presented is a website tending to students who need tutoring or help with their homework and to other senior students or teaching staff from around the world, who can help them with the same. This product works on a subscription basis.

Price

The price for individual student subscriptions will be 20\$ per month excluding taxes. For 6 months it is 100\$ excluding taxes and for a year the subscription cost is 180\$ excluding taxes. The taxes are different depending on states so the final price will be calculated accordingly. The hourly rate to hire a tutor would be set up by each tutor individually and the students can compare each and every tutor in the area to figure out whom they want to go ahead with. This would also help keep things competitive and create an opportunistic environment for everyone.

Promotion

Promotional activities will include sales pitches to major business companies which will help expand the business and takeoff into a global direction. I would also like to use advertisement based marketing to make sure that the people looking forward to doing freelancing jobs on websites like LinkedIn, would become aware of this website and utilize its benefits. Since promotion costs can be substantial, it is also sensible to conduct a return-on-investment analysis (ROI) when making promotion decisions.

Place

The place to conduct buy this software would be via the internet itself. Anyone using this service will need to necessarily have a laptop or Desktop. Making the system of purchase online would help make buying and setting up the software on individual PC's easier.

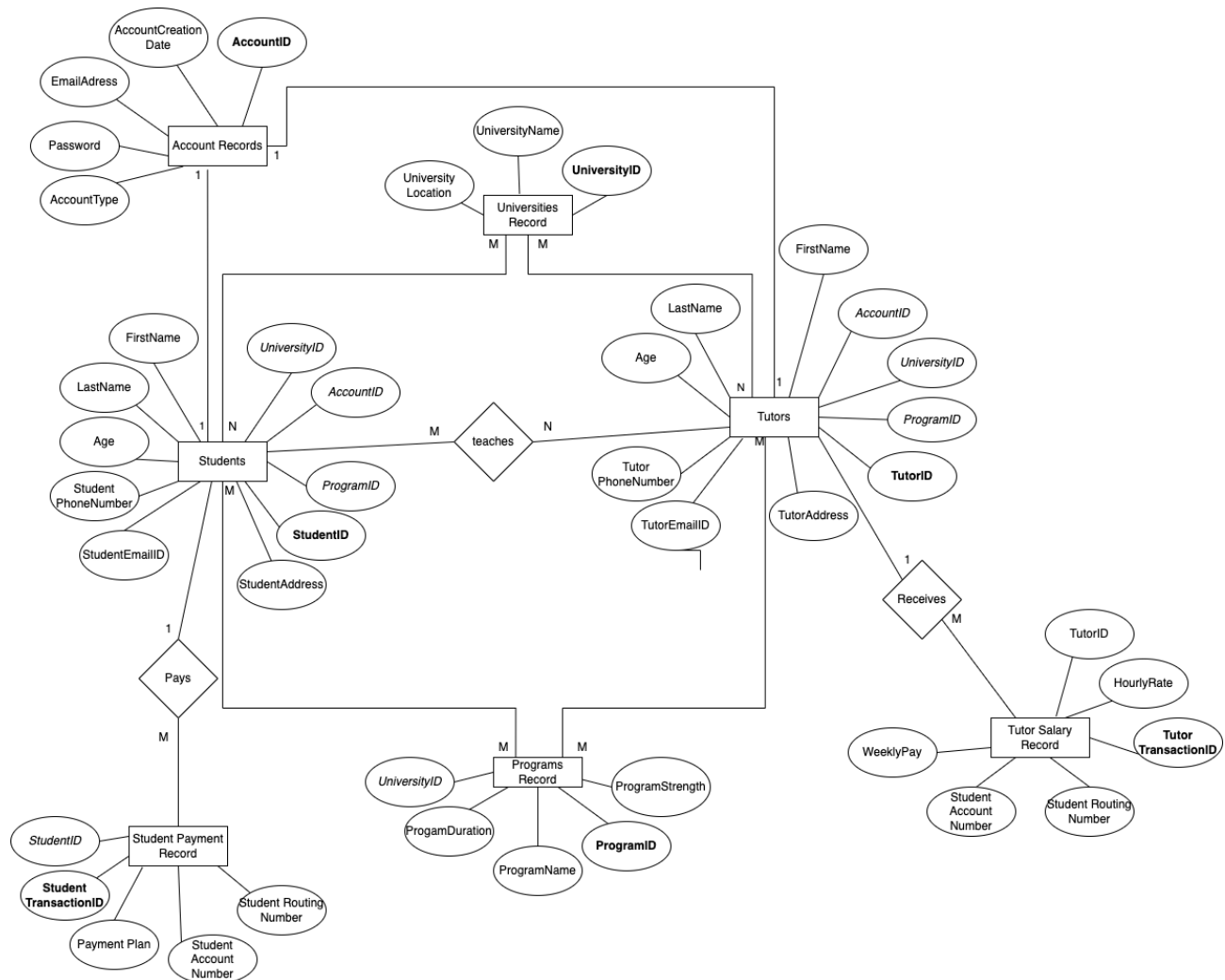
People

The customers would be students who want to get help with their homework or understand certain concepts better. They could also be students who want to get their homework checked or get opinions about their assignments. The customers would also be individuals like people in the university in the final year looking to share their guidance to students in the same course in the first year. It could also be teachers who help out other students in the meanwhile. Since this is a website it is also open to freelancers.

To specify my marketing strategy more in depth, I plan on holding campaigns in universities so that I can directly create awareness amongst the right crowd. With on site marketing, I would be able to attend to the needs of the students and tutors more specifically. I would also like to

reach out to them to use our services for free for a month and see if it benefits them at all, after which they can decide to use it or not. Then I plan to venture into affiliate marketing to help conquer global waters.

5. Database Design to support Business Operations



6. Website Development

Check out our website: <https://katjacrusius.wixsite.com/bemytutor/blank-1>