Lecto Market Analysis

**Business Plan:**

- Offer web-service for free to expand growth for two months

- Introduce scale model of pricing with monthly costs

- Expand through public universities & larger classes

**Industry & Outlook:**

- Global E-Learning Market worth $107 Billion by the end of 2015 [[1]](#footnote-1)

- Five year compound annual growth rate of approximately 9.2% [[2]](#footnote-2)

- The Learning Management System market is expected to be worth approximately $4 billion in 2015 and over $7 billion in 2018 [[3]](#footnote-3)

- The global market for MOOCs will grow at a compound annual growth rate of 56.61% over the period 2013-2018 [[4]](#footnote-4)

**Initial Target Market:**

- American students enrolled in secondary education or higher education (ages 14-22)

- Thirty-five million students in the fall of 2015 [[5]](#footnote-5)

- Spends majority of time on internet on social media

- More involved with technology than other age demographics

**Competitive Analysis**

- Top E-Learning competitors are Chegg, tutor.com, Eduboard, Coursera, Princeton Review, Youtube, and OneClass

-Secondary competitors are traditional tutoring methods (i.e. Kumon)

Competition’s Advantages:

- Credentialed tutors

- Specific notes for courses at a variety of universities

- Established technology and user-base

Potential Pitfalls:

- Saturated market due to low barrier to entry

- High cost for storing data and managing livestream

- Demand is unclear for peer-to-peer educational service

- Market is still in its early stage of development aka demand has not fully been realized and there is a lot of room for growth

**Projections:**

- Cost of production is currently free. Will grow with increase of users. Will be paid out-of-pocket while free trial is still offered

**Restrictions:**

- Potential for misuse of streaming services (cheating, pornography, etc.)

Solved By:

- Terms and Conditions giving us legal authority to delete accounts of users who violate policy

- “Report” feature to identify where these violations are occurring

**Overview:**

Lecto is a unique peer-to-peer education sharing platform that overcomes the stigma associated with its competitors. Lecto combines the social aspect of studying with friends with the resources to facilitate effective study habits. Lecto is cheaper than its competitors and provides a higher level of specificity and clarification for each topic it addresses.

1. "Global E-Learning Market to Reach US$107 Billion by 2015, According to."*PRWeb*. N.p., 14 Sept. 2015. Web. 15 Sept. 2015. [↑](#footnote-ref-1)
2. Adkins, Sam S. "The Worldwide Market for Self-paced ELearning Products and Services: 2010-2015 Forecast and Analysis." *Ambient Insight Comprehensive Report* (2011): n. pag. July 2011. Web. [↑](#footnote-ref-2)
3. Salgarkar, Rohan. "Learning Management Systems (LMS) Market Worth $7.83 Billion by 2018 Forecasted in MarketsandMarkets Recent Report." *Marketwire*. N.p., 29 Oct. 2013. Web. 15 Sept. 2015. [↑](#footnote-ref-3)
4. Adkins, Sam S. "The Worldwide Market for Self-paced ELearning Products and Services: 2010-2015 Forecast and Analysis." *Ambient Insight Comprehensive Report* (2011): n. pag. July 2011. Web. [↑](#footnote-ref-4)
5. Institute of Education Sciences. "Back to School Statistics." *National Center for Education Statistics*. U.S. Department of Education Institute of Education Sciences National Center for Education Statistics, 2015. Web. [↑](#footnote-ref-5)