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## Virtual Tutoring: The Case of TutorVista

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#### **EXECUTIVE SUMMARY**

This case presents the story of TutorVista, an e-business organization based in India that provides online tutoring services to students in different parts of the world. TutorVista had been able to meet growth expectations and gain recognition in the lucrative private tutoring market because of its innovative technology platform and business model. As a fledgling organization charting new territory, TutorVista faced the dual challenges of creating and capturing the demand for online tutoring and managing resources to satisfy the shifting demand. Note: this case was constructed based on interviews with individuals at TutorVista. [Article copies are available for purchase from InfoSci-on-Demand.com]

Keywords: Distance Learning; E-Commerce; Globalization; Internet-Based Instruction; Internet Set-

Up; Virtual Organizations

#### ORGANIZATION BACKGROUND

TutorVista was established in Bangalore, India, in July 2005, with the goal of providing personalized, convenient, and affordable education to students at any location. The mission statement read:

Our mission is to provide world-class tutoring and high-quality content to students around the world. TutorVista.com is the premier online destination for affordable education—anytime, anywhere, and in any subject. Students can access our service from the convenience of their home or school. They use our comprehensive and exhaustive lessons and question bank to master any subject and have access to a live tutor around the clock. TutorVista helps students to excel in school and at competitive examinations.

The primary target markets were the United States and United Kingdom, since English would be the medium of instruction. Students used TutorVista to gain access to a personal tutor, 24/7, from their home or dorm room, and received personalized tutoring on subjects or assistance in

preparing for competitive exams like SAT, ACT, and so on. The price was set at \$99.99 a month for unlimited sessions in various subjects, making it a viable option for many who would never have considered it before. As one satisfied parent remarked, "I like to tell people I did private tutoring (for my child) every day for the cost of a fast-food meal or a Starbucks' coffee [sic]" (Szep, 2006).

The business model at one level was similar to models employed in outsourcing of IT and IT-enabled services, but there were significant differences.

- TutorVista was the first business-to-consumer (B2C) company focused on the U.S. and European consumer markets, operating directly from India, leveraging Web 2.0 features. Annual revenues from such "person-to-person offshoring" (PPO) of services was estimated to top \$2 billion by 2015 by Evaluserve, a business research services firm based in Gurgaon, India.
- 2. TutorVista functioned as a virtual organization. Tutors were recruited, hired, and trained over the Internet. The tutors worked from home, tutoring their students Figure 1. TutorVista's global B2C model
- 3. Technology developed in-house at TutorVista provided the means to manage and conduct tutoring sessions online. TutorVista could connect tutors and students from any location (see Figure 1) and serve more students without having to build centers; the virtual nature of the organization made scalability easier than in typical IT and IT-enabled services outsourcing organizations. For example, when a student from U.S. wanted to learn Chinese, TutorVista found a tutor in Hong Kong within a week and offered tutoring to the student.
- Moving away from the hourly charges model, TutorVista was the first to offer a flat-price tutoring plan. While traditional tutoring in the U.S. could cost \$15-\$75 per hour depending on mode of tutoring, TutorVista charged \$99.99 per month in the U.S. for unlimited online tutoring in all subjects. For similar services, charges in the UK were £50 per month.

While other companies had been offering tutoring services on the Internet for some time, what differentiated TutorVista were their pricing model and their capability for scalability. TutorVista prided itself in belonging to a new generation of companies in the realm of knowledge process outsourcing.

#### TutorVista – An Idea Takes Shape

TutorVista was founded by Krishnan Ganesh, a serial entrepreneur, after a visit to the United States in the early part of 2005, when he noticed two concerns being emphasized recurrently in the American media—education and healthcare. Ganesh had a successful record in entrepreneurial activities, having recently sold his third venture, Marketics, a market analytics firm based in Bangalore, to WNS, a leading provider of business process outsourcing services. Interested in leveraging Indian resources for global markets, he was intrigued by the possibility of addressing the U.S. education crisis by deploying overseas resources.

Ganesh saw a paradox in the American educational system:

"United States produces the highest number of Nobel laureates in the world and probably has the best higher education systems in the world...but at the school level, there is a glaring deficiency. In a comparison of students from the top thirty nations in the world, American students were ranked twenty-ninth in Math skills and twenty-sixth in Science skills."

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