

A Study on Market opportunities for the Coaching Centre's in Chennai

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Abstract

The Education Industry in India goes through an expansion due to the increasing literacy rate; the Schools in India prefer to become best-in-class in rendering their services. Presently there exist a lot of opportunities after Higher Education. The Research gives an awareness level of various competitive examinations among students in India. The present Research also helps to understand the aspiration for various career options among the college students, the grade of participation of various individual in their career results, factors that affect the decision about career and taking coaching classes.

Key Words – Education, Coaching Centres, Career

Introduction

The Indian education system is able to produce a workforce which is globally competitive and thus reap its demographic dividend. Literacy in India is one of the key deterrents to socioeconomic progress of the country. The Indian literacy rate currently stands at 74% compared to 12% at the end of British rule in 1947. India currently has the largest illiterate population compared to any other nation in the world. The size of our educational infrastructure can be assessed by the private and public spends on education. The Indian private spend on education in 2011 was estimated to be over USD 60 billion across all segments (Schooling, Higher Education, Vocational and Ancillary), equal to 3% of our GDP.

The Indian Education sector can be segmented under four broad heads, namely, Schooling, Higher Education, Vocational Education & Skill Development and Ancillary. The Higher Education in India Comprises of Post-Secondary education in different subjects and is governed by around 504 university led institution across the country. Higher education market comprises of around 26,000 colleges for general and professional education with a significant presence of the private players especially in professional courses like engineering, medicine and management. Private institution account for over 75% of the total number of higher education institutes in the country.

Emerging Business Opportunities

Education, across the spectrum, can be a profitable business, if operations are managed efficiently. Indian Education companies have been reporting substantial growth in the last 5 years with several new ventures mushrooming thick and fast. Growth in the private education market has largely been a function of India's GDP and population growth coupled with increasing household income and increasing demand for quality education.

Household spend on education is the chief source of revenue for private education providers, as 85% of the government spend on education goes to pay salaries.

Coaching institutes nearly account for 17% of the market size. Coaching segment, though chaotic and tolerant, boasts of high profit margins. Students and their parents feels additional coaching classes required to improve their wards performance in adapting themselves to the changing economic scenario. In todays fast paced world students looks for improving their skills in all means, coaching centres have wider opportunities in future as students look for improving the skills for employment opportunities. The growth and market size is wider for these coaching classes.

Coaching Industry is by far the most unorganized and unregulated segment in the entire education chain. Most coaching institutes start on a low-scale, with teaching students next door, primarily at the residence of the student/teacher. Business gains momentum when the same teacher is also a part of a school/college and is promoted chiefly by word of mouth. The unit-level operating matrix for coaching institutes is very attractive, as fees are generally received at the beginning of the classes. Investment is required to scale up to full-fledged classes/new

branches. However, once the same reaches optimum level (generally in 2-3 years) it runs at an EBITDA of 40-45% and helps fund other branches. The RTE Act prohibits schoolteachers from offering private coaching. While similar provisions prevailed in certain states in the past, such practices continue. Whether the RTE norms effectively curb the practice of private coaching by schoolteachers remains to be seen. Scaling up is issue and the opportunity exists in the integrated classroom learning. Integrated classroom coaching is currently the largest component of the coaching industry, accounting for over 80% of the overall revenue for the segment. This model is, however, facing two serious challenges. First, this segment is facing problems of accessing adequate number of competent instructors. Second, ICT-enabled coaching (mainly virtual class and portal-based teaching) is more cost efficient and scalable than the integrated classroom coaching model.

Literature Review

Dharmendra Singh(2005) The Paper highlights on to study the Motivational factor among youth while opting for career. The analysis shows that Civil services as high in the career preference .The opportunity to earn more is one of the key motivators .Mothers have a higher degree of involvement in decisions taken by the students. The study shows that there is degree of relationship between rankings of Defense Services by the student respondents and their various demographic variables .According to this paper, the profession in arms has lost its attractiveness among youth. The armed force aspirants are academically average and from lower income families.

Dr. Mohammad Iqbal Mattoo(Nov 2013) The study was carried out to find the career choices of students at secondary level This was done among the students in Srinagar belonging to science and arts and commerce stream. The study is concluded with the following observations, like they mostly liked career choice has been reported to be medical followed by scientific and sports. Girls are seen to have higher inclination towards fine arts, crafts, house hold and sports activities as compared to boys. Technical and outdoor interest is found higher in boys than girls. Uniform tendency towards career choices like: literary, medical, scientific, and agriculture is found in both the genders. Type of stream (arts vs. science) could not make any

difference in the career choices like literary, medical, technical, crafts, sports and house hold. However, students from science stream have exhibited higher inclination towards agriculture and scientific choices than arts students. Fine arts as a career choice is reported to be higher among students belonging to arts stream. Parental education could not make any significant difference in some of the career choices viz. fine arts, literary, scientific, medical, outdoor, sports and household. However, agriculture, and technical choices are seen to be higher among the children of professionals.

The article from the Newspaper, the concern about the shortage of personnel in Armed Force is discussed. Armed forces in the country were facing a shortage of around 13,000 officers and 53,700 personnel below the rank of officers , says Defence Minister A K Antony .Number of steps taken to improve that increase in tenure of Short Service Commission (SSC) officers from 10 years to 14 years , increasing promotional avenues for officers and implementing the suggestions of the Sixth Pay Commission report. A number of “image projection campaigns” have been launched by the recruitment directorate to attract quality youth and spread awareness about the “Army as a career”.

Need for the Study

The coaching industry has evolved over the years based on the requirements of the students. This caters to parents and students who are looking for extra help outside school/college in order to improve their marks The present study is carried to know about the career trends among the students. It also helps to identify the attractive opportunities that exist in the market and to identify the needs of the students, especially among the college students. The study also helps us to find the role of Coaching Centre requirements for the college students. The study would also guide the coaching institutes to provide a better environment to match with their needs and also create visibility among the potential customer base.

Objectives

1. To analyse the market of coaching classes conducted for college students..
2. To find the level of awareness among the college students about the various Coaching classes

Research Methodology

The research design used was exploratory in nature. Data was gathered from primary sources. Data from primary sources have been collected by conducting survey with the help of structured Questionnaire. The sampling Unit are the College students of Pre-Final/Final year of Graduation and Post Graduation pursuing their studies in Chennai were taken for the study. The sample size is 131 College Students. The Sampling technique chose for the study Non probability Judgmental Sampling. Samples are taken from several parts of Chennai based on the proximity. The collected data were analysed by using SPSS software. Various statistical tools applied to support the objectives.

Statistical Findings

1. There is association between career preference among the student and course. Most of the B.Tech students preferred being independent professional and other course students mainly B.Sc and B.A students preferred State Government jobs..
2. There is association between the age of student and their plan after college. Most of the students in the age of 18-21 were planning for doing higher studies after college.
3. There is association between the course of student and their plan after college. Non-engineering students preferred to do higher studies whereas engineering students preferred to go to job after course completion.
4. There is association between the career preference among the students and stream to which they belong. The Non-Engineering students mostly preferred State Government jobs.
5. There is association between the gender of student and their plan after college. Most of the female respondent are planning to do higher studies whereas male respondent planned to go for job after graduation.
6. The career preference among the students and willingness to take coaching are dependent. Most of the respondents who were interested in the state government job also were willing to take coaching.

7. There is difference in the mean score of awareness about competitive exams for students from different stream. Engineering students are aware of many competitive examination than Non-engineering students.
8. There is difference in the mean score of influence of parent on career decision for male and female student.

Discussion

There is high level of awareness among the student for TNPSC (70.9%) and GATE (63.35%) Exams, whereas awareness about IBPS (12.91) and CDS (6.87%) is very low. Around 51% are planning to write or have applied for various competitive examinations among them only 35% have enrolled in other coaching centres. The most preferred career choice among the students is state government job and less preference towards joining armed forces. The students give higher preference to study material (27%) and quality of staff(25%).They have low preference for the location of the institute(17%) and tuition fee(10%). The students take their career decision based on their interest (59%) with 19% influence by parents and 10% based on friend's advice.

There is a huge market for coaching classes, Since students who are willing to write exam are very high but those who have joined other coaching classes are very low. Students are well aware of TNPSC examination and we know that students are preferring state government jobs. Hence the scope of having coaching classes for TNPSC examination is good. The company can focus on Non-Engineering students for marketing state government related examination, e.g. TNPSC Exams and IBPS. While for GRE and UPSC concentration to be on Engineering Students. Awareness on the CDS examinations has to be created among students. The interest to join the defence force is very low. It's necessary to create awareness about the various opportunities that exist by joining Armed forces. It found that students give more importance to the study material and staff. And the location of the institution doesn't bother them much. Therefore, the centre must concentrate on improving the quality of study material and staff.

CONCLUSION

The study was conducted to understand the career trends among the college students. The population of the study included the college students in Chennai , concentrating on final and pre-final year students. The data collection tool used is a Questionnaire Interview. The information provided can be used by the coaching centre's to design their product and target the college students. It's concluded that there exists huge market for coaching classes for college students. The preferred career preference among the college students are State Government job, Independent Professional and Private Sector Jobs. The awareness level about TNPSC, UPSC, CAT and GRE is high. The students interest and parents suggestion play significant role in their career choice. Faculty teaching, reputation of the institute, and the study material of the institute are the major factors that students consider.

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