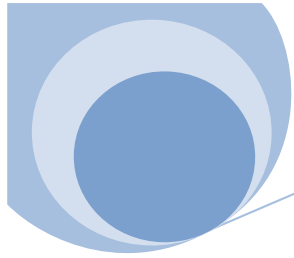




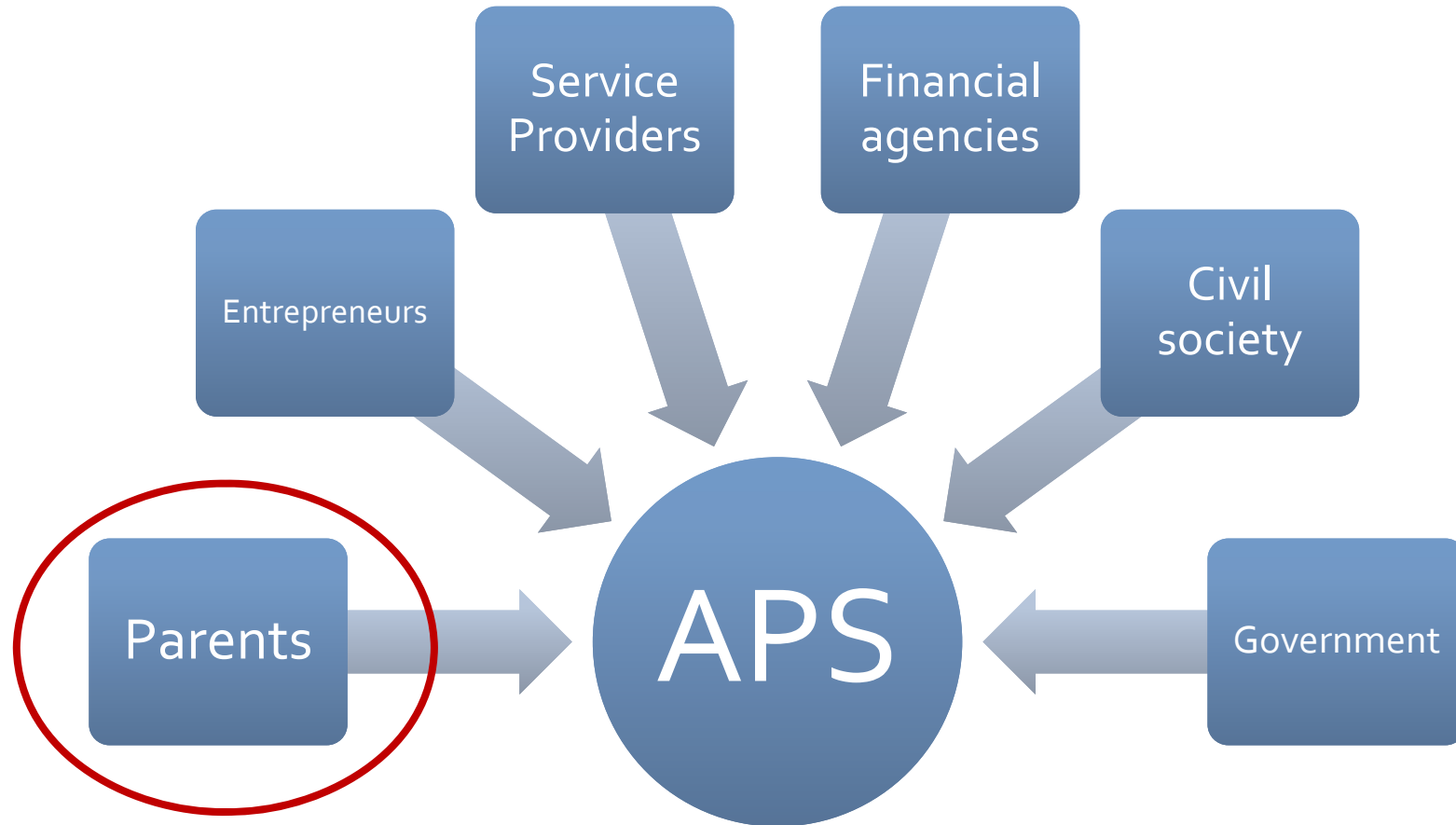
# How do low income groups choose private schools?



Gray Matters Capital

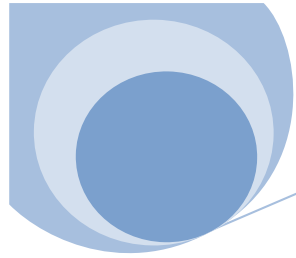


# The APS ecosystem



About 65% of households in the slum areas of Hyderabad send their children to Pvt schools

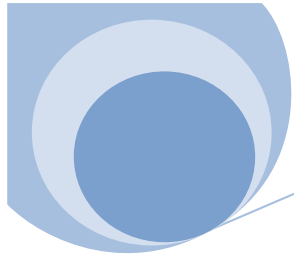




# Information asymmetry in the ecosystem

- ▶ 'Good education' judged by parents through proxies such as Discipline, Spoken English etc
- ▶ Parents have no means of finding out school's academic quality
- ▶ Schools would like to know what aspects of quality they should focus on
- ▶ Service Providers can use the information to design offerings that improve a school's weak aspects
- ▶ Consumers and Civil society would like an Information source in the market
- ▶ Government can use the ratings to feed into their recognition system
- ▶ Financial agencies shall be able to spot viable borrowers

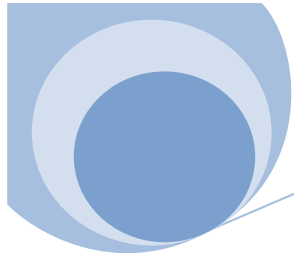




# Parent Mental model

- ▶ Fee payment flexibility
  - About 50% parents earned Rs. 3000-7000 pm
  - Unpredictable or irregular wages and minimal savings
  - Economic shocks create demand for fee payment flexibility
  - Negative connotations for school which is 'tight' wrt fees
  
- ▶ Different parameters for school selection and school continuation
  - Choosing a new school for their child Eg peer review, donation amount, Class 10 results etc
  - Evaluating the performance of current school Eg Speaking English, child discipline, attendance etc
  - Own children and other children in community are window into school quality

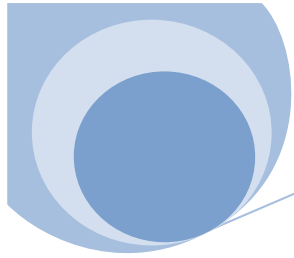




# Parent Mental model

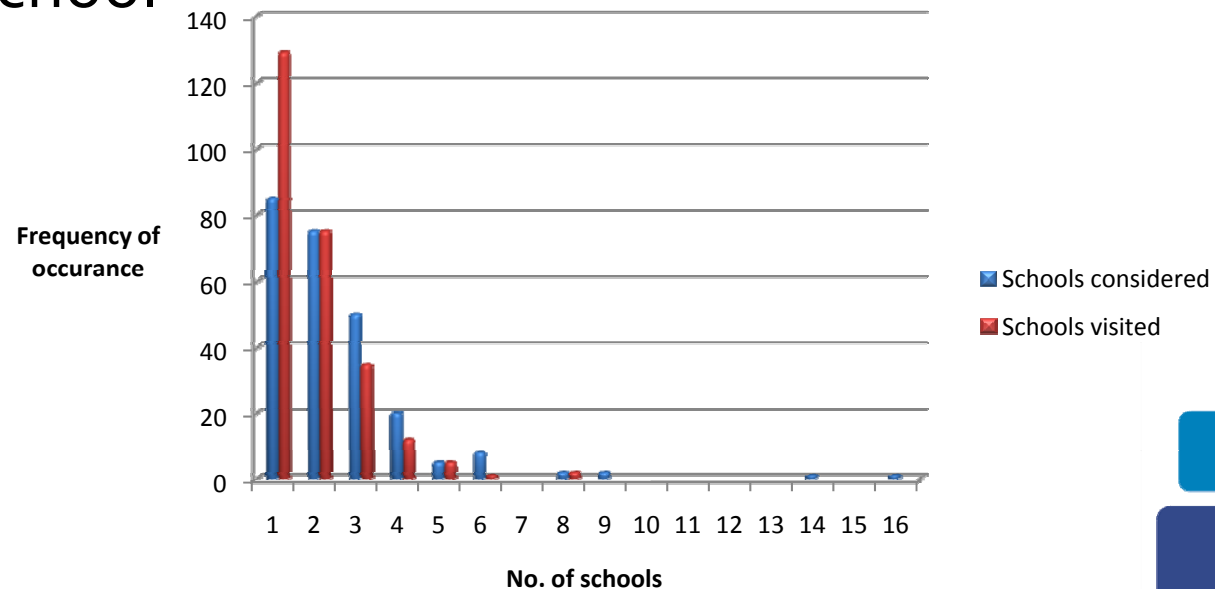
- ▶ 'Clever' Child Vs 'Dull' Child
  - Parents decide a child's aptitude very early
  - Seem to be allocate higher resources to child with higher 'potential'
- ▶ Fee transparency
  - Average monthly expenditure is about twice of Average Monthly school fees
  - Base fees, Term fees, Exam fees, Sundry fees, Donation etc
- ▶ One degree of separation
  - Parents seek reviews of schools from immediate peers
  - 58% of parents need only a recommendation from their neighbor, landlord or family for choosing a school

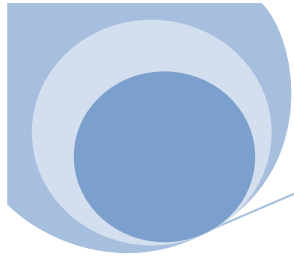




# Parent Mental model

- ▶ Personas of parents:
  - Drivers or Information Seekers
  - Enablers or Information users
  - Passives or Information indifferent
- ▶ One clear manifestation is in pro-activeness in selecting school

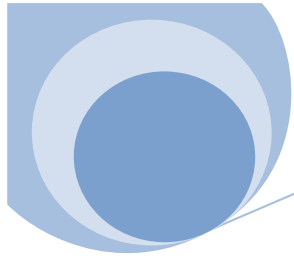




## Parent mental model – School's perspective

- ▶ High fees ----> High quality : A common parent assertion
- ▶ Most concerned about quality of teachers in school
- ▶ Don't behave as equal partners in child's education
- ▶ For primary, due to non-requirement of TC, fears of school dropouts without fee payment
- ▶ Marks scored by children are a symbol of parents' social status
- ▶ Only few educated parents want extra-curriculars





# Research method

## Qualitative research

- Scoping interviews
- Directed interviews

## Design research

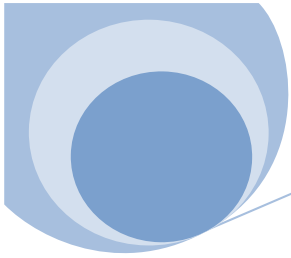
- Fly on the wall
- Guerilla interviews
- Focus groups
- Proxy experiences - a non-threatening comparative framework

## Quantitative research

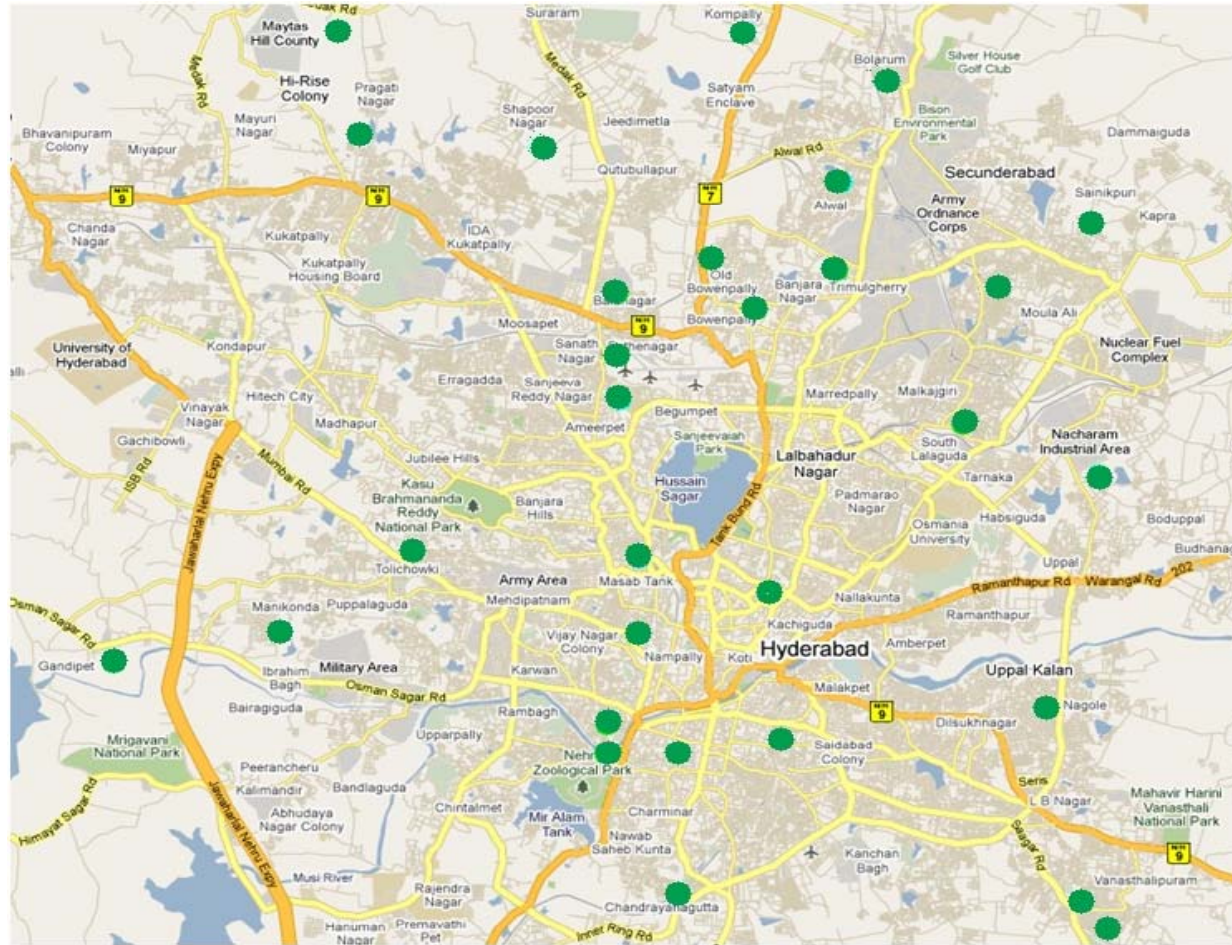
- Extensive Questionnaire piloting
- 3 geographical clusters
- 790 sample size

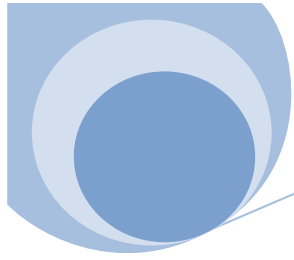




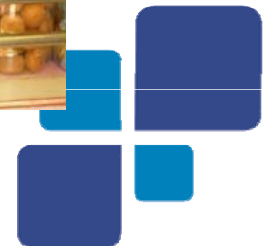


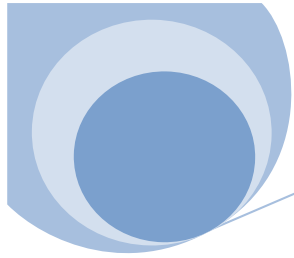
# Coverage of Hyderabad





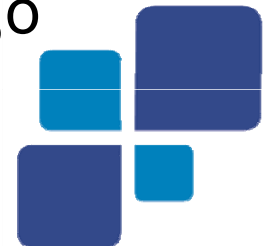
# Snapshots from the field

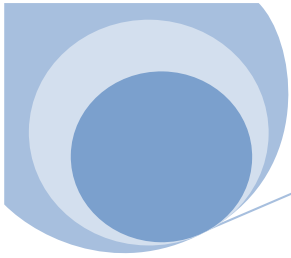




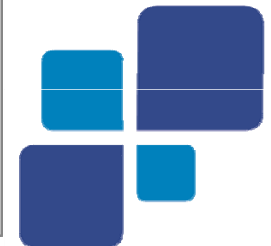
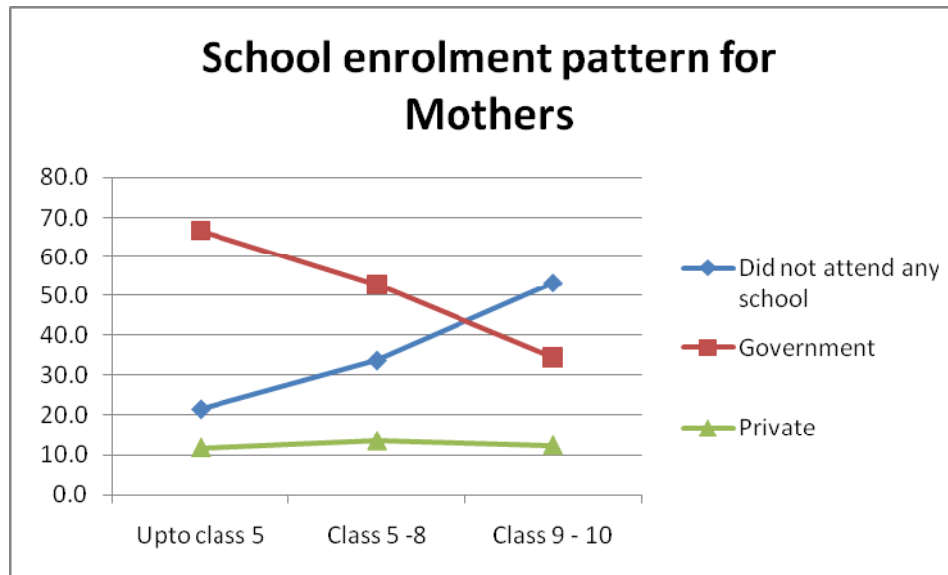
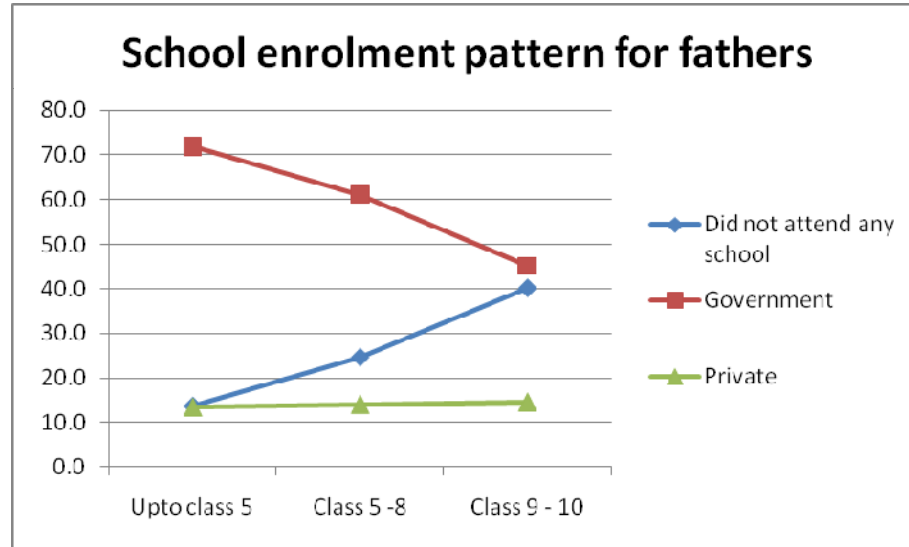
# Insights on School rating

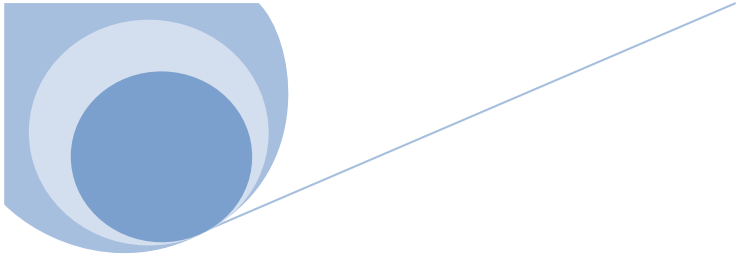
- ▶ Our biggest challenge during the study – Eliciting reactions about a potential school rating concept
- ▶ No equivalent of the rating in any sphere of their lives
- ▶ Economic lives devoid of any kind of decision-making inputs through independent third parties
- ▶ Proxies used
  - Mobile network selection
  - **School report card**
- ▶ About 80% feel there is need for organized info on schools
- ▶ Prelim data show willingness to pay average Rs. 30





# An interesting observation

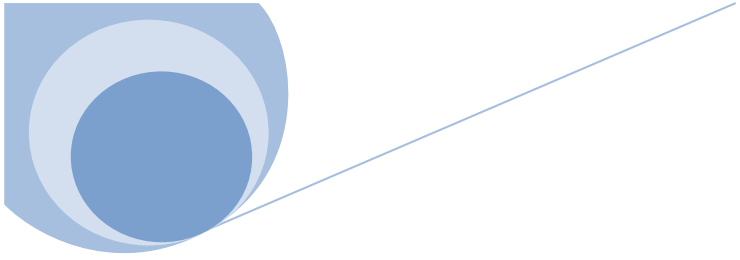




**Thank you**







**Thank you**

