SUSTAINABLE BUSINESS MODEL IN THE FIELD OF ONLINE EDUCATION

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Abstract

In recent years, the world education market has changed significantly: in addition to the traditional forms of full-time and part-time education, an innovative approach to education, such as distance learning or Internet learning, is increasingly being adopted. With the current challenges of the pandemic, it has become clear that online education is promising and needs to be developed.

The author's research will help Latvian companies working in the field of online education to analyze the activities of their organization and introduce new measures to increase the sustainability of the business model.

Relevance of the work: the author conducts research of the business model during the crisis in order to increase the effectiveness of online schools in accordance with the new realities in the world market.

Keywords: *business model, BalticNet School, online school, new business areas, marketing, global Internet communication, education market.*

1. INTRODUCTION

The Latvian online education market is undergoing significant changes. According to forecasts of specialists, in the next five years two-thirds of students will be studying distance learning. Distance learning provides modern knowledge, the convenience of remote interaction and quality training. Today, the average check for most of the training programs and online courses in the Latvian market is in the range of 200-3000 euros. The average check depends on the segment, course topics, platform brand, author and other factors.

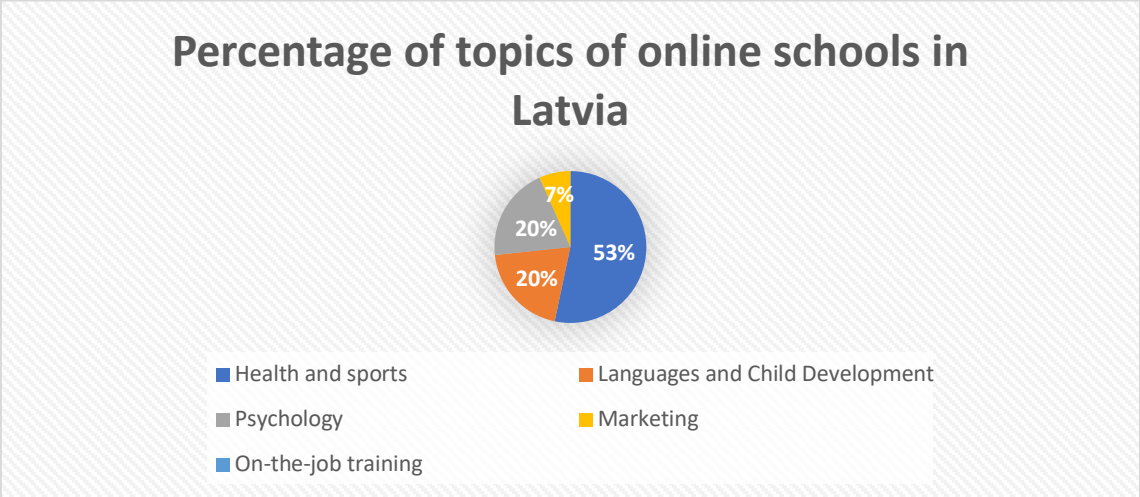


Fig. 1. The most popular areas of online learning in Latvia

In 2019, the number of online schools on the Latvian market is growing. Market participants actively fight for the audience - partly copying successful business models of strong market players. However, the business models of some online schools remain unsustainable. Marketing strategies involve the promotion and retrieval of students through social networks, which is associated with high advertising

costs and unstable revenue. BalticNet School and LoNet Academy are among the current leaders of Latvian additional online school education.

LoNet Academy has become unprofitable due to the fact that the cost of targeted advertising has become more than the income from the school. With the help of targeted advertising, a small flow of clients was organized, classes were filled by 60%. This is due to the fact that the school uses a narrow range of products: several foreign languages that are taught individually. The low purchasing power of the Latvian market led to losses.

One of the profitable and sustainable online schools in Latvia is BalticNet School. BalticNet School was founded in 2019 by Marina Sheinkman and Denis Pogosyan. The school works with students from all over the world. Online school courses are available in many foreign languages: Latvian, English, German, Ukrainian, Norwegian, Italian, French, Spanish, Finnish and Swedish, Armenian; and school cycle programs in mathematics, physics, chemistry, biology; and preparation for IELTS, TOEFL exams. All teachers have appropriate diplomas and certificates, classes are conducted on high-tech platforms. The format of the training is group and individual. Every year, about 500 students take free online courses and about 120 students a year study in paid groups and individually.

2. IN ADDITION, IT IS APPROPRIATE TO HIGHLIGHT SEVERAL OTHER IMPORTANT ASPECTS OF THE SCHOOL, WHICH ALLOWS IT TO GROW IN THE MARKET OF ONLINE EDUCATION

2.1. International school programmes.

Preparation for the language exam for category A and B in the Latvian language for pupils with a residence permit in Latvia (20 persons per year).

Preparation for the state exams in Ukraine - ZNO in Ukrainian language and mathematics (30 people a year).

Preparation of pupils from Ukraine, Kazakhstan, Belarus and Russia for admission to Norwegian universities (10 persons per year).

2.2. Author's methods.

Each of our teachers works according to the author's methods, has a lot of experience with students and high results.

2.3. Guarantee of result.

Students get high scores on exams. The school has a high rating.

2.4. International market

The online school operates on both European (40%) and Russian markets (60%).

BalticNet School, despite the crisis of February-March 2022, when sanctions were imposed on digital communications and payment systems of the Russian Federation, continues to function successfully. This is the merit of the sustainable business model of the company. The business model of the online school is a kind of business model, where the basic principles of its work are reflected.

3. CONSIDER THE BASIC PRINCIPLES OF THE CURRENT BUSINESS MODEL.

3.1. Best teachers and high pay

The school employs highly qualified and well-known teachers of mathematics and physics, linguists and journalists, philosophers and historians. The school selects teachers from all over the world, offering high salaries and contract work. Each teacher works according to his own methods.

3.2. Wide range of products available

The school has more than 38 curricula. They cover all subjects of the school cycle, primary school, preparation for state entrance and graduation examinations in schools, colleges and universities of Latvia, Ukraine, Russia. Preparation for international examinations.

3.3. Various Customer Experience Formats

Work formats are applied individually, group or mixed. There is also the possibility of participating in free mass courses. Free courses are designed to attract new clients.

3.4. Omnichannel

Using all sorts of traffic channels, social networks, messengers. Among them: Facebook, Instagram, Youtube, LinkedIn, Vkontakte, Classmates, Yandex Zen, Telegram-channels, Chats in messengers. Omnichannel allows clients to keep their attention despite blocking or other measures imposed on certain social networks, at a time when subscribers are forced to migrate between social networks.

3.5. Active promotion of more relevant courses

In times of crisis, some educational programmes may be marginalized. Therefore, it is important to promote and advertise those courses that are most relevant at the moment.

3.6. Launch of webinar courses

The use of pre-recorded lectures, group webinars lead to constant income and high results, the work of the teacher is complemented by the supervision of students course curator.

3.7. Start soft skills courses

The BalticNet School also creates soft skills courses. One example is the video course on child rearing «Golden Child». The course was created by the founder of the school Marina Sheinkman, her personal successful experience in raising children was used. The course is promoted through targeted advertising in the Russian-language segment of the Internet, now the subtitles in English and Spanish are prepared, the course is voiced in Chinese with a change of the name «Secrets of education from the Russian grandmother». The course will be promoted and sold not only in the Russian-language segment of Internet users, but also worldwide. The price of the course is 20 euros, sales from 5 to 15 per day.

3.8. Launch of free products

This increases the conversion from a participant in a free course to a client of paid group and individual courses. The BalticNet School launches free video courses in Russian as a warm-up phase of the sales funnel, then invites to paid individual and group classes. The conversion rate is 52%.

3.9. Publication and sale of educational literature

Book sales attract the attention of potential school customers. Sales can be e-books, in bookstores, at trade shows, book launches.

Online schools can publish books on behalf of their school. It can be literature on school programs: on subjects (mathematics, chemistry, collection of tasks for preparation for exams), collection of tasks on foreign languages, books on child education, etc.

3.10. Participation in social projects

It allows not only to provide assistance to socially vulnerable groups of the population, but also to acquaint potential clients with the services of the center. So, in the online school BalticNet School online course of Latvian language «Lacplesis» is combined with the program on social support of refugees and immigrants. The aim of the project is to help refugees and IDPs, strengthen Latvian society by increasing the possibility of effective learning of Latvian language in online format. The result of the course - training for 4 months in groups of 6-12 people and reaching the level of international certificate level A2.

BalticNet School's customer flow is ensured by targeted and contextual advertising. Advertising payback is ensured by a high check for exclusive training programs. With the help of a well-designed marketing strategy, the flow of customers is constant and brings profit to the company.

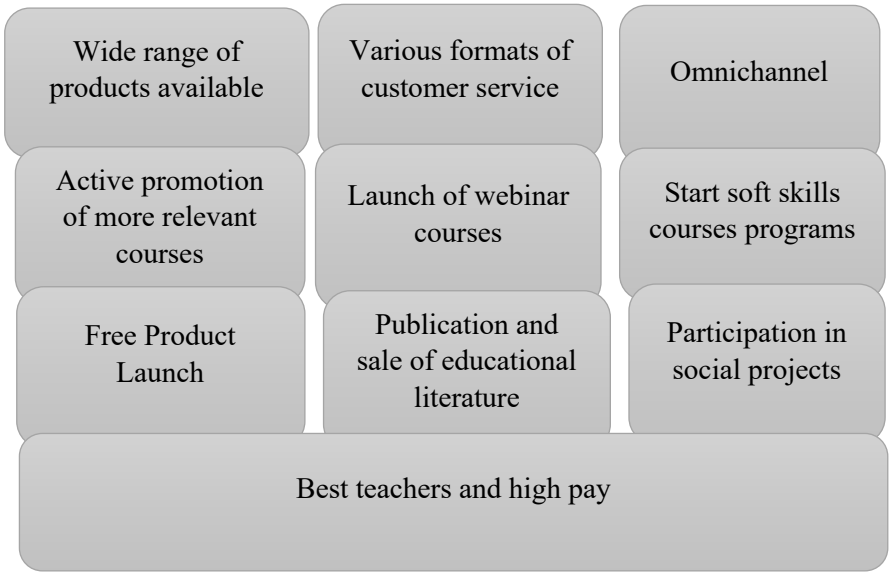


Fig. 2. Components of a sustainable business model

4. CONCLUSIONS

Summing up the study of the sustainable business model of online school, it is necessary to say that the business model is a list of the main principles of successful work of the company. As a rule, the business model reflects the company's value proposition, which creates a competitive advantage of the product line, channels of interaction with customers, channels of promotion of online school services. Based on the experience of BalticNet School during the crisis, a number of principles have been formed that allow the online school to grow and develop despite sanctions and restrictions. This experience can help an online educational institution to embed in the business model the activities used to stabilize and develop a business.

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