



# ACUMEN EAST AFRICA

Kenya Education Market Research Summary

# Introduction

Entrepreneurs and investors need reliable, clear market insights to inform decision-making. However there is a lack of this data in Kenya. To address this need, Acumen led a process to gather market-oriented insights on the desires, motivations, perceptions and willingness to pay of key education stakeholders. With this research, Acumen aims to support education entrepreneurs, investors and the broader education community with key insights that can help create greater transparency, improved expectations, a greater diversity of relevant solutions, and more effective education businesses in Kenya. The goals of this research are to:

- Create more market insights for the Kenyan education ecosystem
- Empower education entrepreneurs with the data for product development and adoption
- Inform other key stakeholders, like investors, to make better decisions



# Key Stakeholders

## Education customers and consumers

To gather this data, Acumen identified three key stakeholder groups with which to engage:



School Owners



Teachers



Parents

There are, of course, many additional stakeholders that influence the health of the education ecosystem, including community-based and faith-based organisations, school boards, county education officials, ministry leaders and more. However we focused on school owners, teachers and parents as they have the greatest impact on what learners experience through the choices they make about products and services that are utilised in schools and homes.



## Methodology

We gathered a mix of quantitative and qualitative data to inform these insights. We ensured a diversity of perspectives by capturing input from stakeholders from rural and urban communities, public and private schools, and a mix of school-fee levels (see Appendix for details on respondents).

- **Literature review:** We conducted a resource review that included research reports, recent local and international news articles, event recordings and blogs. These sources provided information on the historical and political context of the education sector in Kenya, the scale of the private and public school market, challenges with different school models, insights into parent perception and choice, and the impact of Covid-19 on schools, teachers and parents.
- **Online and SMS survey:** We surveyed over 1500 school owners, teachers and parents to deeply understand what they value, what they struggle with, and what they need more of to better support learners.
- **Interviews with key stakeholders and entrepreneurs:** We interviewed 22 parents, teachers, school owners and entrepreneurs to understand the nuances of their perceptions and get recommendations for the future.





# SCHOOL OWNERS

School owners are responsible for the long term sustainability of their schools, for the satisfaction of their staff and their customers -- the parents -- and ultimately for the level of quality education provided in their schools. (For this report, we use the term “school owners” as catchall term for school owners, head teachers, school heads, directors, principals, etc.) We surveyed and interviewed school owners from a mix of backgrounds to best understand how they make decisions about their schools, what investments they are willing to make to achieve their goals, and what they need more of to be successful.

## Insights: School Owners

### **School owners believe they are involving teachers in decision-making, but teachers think they are not involved enough.**

In interviews all school owners indicated that having a motivated teaching staff was critical to running a successful school but they may not be doing everything they can to ensure teachers feel empowered and engaged in the school's decision making process, especially when it comes to new products. In their interviews, all teachers shared that they were either not involved or not involved to the extent to which they'd like to be. School owners, however, indicated that they always get buy-in from their teachers before making purchasing decisions. Therefore there is discrepancy between the groups of what teacher engagement in the decision making process should look like.

### **Despite desires to create longer term sustainability, many schools lack the resources to make the necessary investments.**

Peter Ndoro, CEO of Kenya Private Schools Association, commented on the devastating impact that the pandemic had on the private schools community. "We knew that they would always be in session; we could never imagine that we would not be." He and other school leaders shared the sentiment that they know they must create more sustainable models that can withstand future school closures and other unforeseen challenges. However their current priority for investment is in facilities and infrastructure that will allow them to safely reopen, and they lack access to additional funds that might better help them achieve this long term sustainability.

## School Owners: Pain Points & Investments Since Covid-19

While school owners do demonstrate an interest in leveraging technology to increase efficiency and effectiveness across operations, learning and growth, they don't always connect technology investments back to their core goal of increasing quality and outcomes. Instead they prioritise investments in infrastructure and facilities, which are sometimes critical for the safety of their staff and learners but often also just the most obvious answer to school improvements.

Top 3 Pain Points	%
1/ ACCESS TO ADDITIONAL FUNDS	39%
2/ SCHOOL FEE COLLECTION	33%
3/ ACCESS TO LEARNING MATERIALS	10%

Top 3 Investments	%
1/ SCHOOL CONSTRUCTION/ RENOVATIONS	28%
2/ CLASSROOM MATERIALS	25%
3/ INTERNET BUNDLES	24%

## Noteworthy

- 23% of respondents indicated that they were using a school management system (of which most include some sort of fee management element) but either they are not using this feature or it is not working for them. In fact, of the 126 school owners who listed school fee collection as their primary issue, 61 respondents (48%) were using school management systems.
- It is in school owners' interest to minimize absenteeism and ensure learners stay in school but they do not yet have the support they need to create a culture of repayment or the tools to manage this process.
- 88.5% of school owners indicated they had made new investments for their schools since Covid-19, with the majority (61%) having spent less than 100,000 KES.
- 32% of school owners indicated they were unwilling to pay for supplemental learning products.

When asked about what products and services school owners thought could be helpful to address their pain points, requests were largely for additional funds or in-kind donations. There were few references to tools for online learning but most of the focus was on their current financial constraints, which also may have been influenced by the impact of Covid-19.

Without guidance on how to evaluate the return on investments, school owners may revert to making investment decisions based on what they know (traditional investments like infrastructure) instead of what is possible or may help them best achieve long-term sustainability (like technology tools to increase efficiency).



## Willingness to Pay: School Owners

**School owners are willing to pay for new products and services, but buying behaviours indicate a more conservative approach.**

In surveys, 69% of both public and private school owners indicated that they are willing to pay for supplemental learning products and services. However, when asked about the current products and services in which they have made investments or plan to make, their responses tend toward more traditional investments like textbooks and infrastructure. If entrepreneurs can make the case to school owners for investments in more progressive products and services, there is a large potential payoff.

Amount (KES)	% pop	Est. # of learners*	Estimated Total Addressable Market**
100-300	49%	6.4M	23B KES (209M USD)
300-500	11%	1.4M	9B KES (78M USD)
500-1000	7%	910K	11B KES (99M USD)
1000+	4%	520K	6B KES (57M USD)

\*Assuming an average of 300 learners per school across the 42,907 primary and secondary schools in Kenya, we estimate the number of learners represented by these school owners to be 13M.

\*\*Calculations based on upper end of price scale.



# TEACHERS

Teachers have one of the greatest impacts on learners. They are responsible for everything that happens in the classroom, including the learning culture and the motivation of learners, learning outcomes, data collection and use in adapting learning, and fidelity to curriculum and the development of key competencies. We surveyed and interviewed teachers from a mix of backgrounds to best understand how they make decisions about the tools and products they use in their classrooms, what level of involvement they have in the decision making process to purchase new products, what resources they are currently using, and what they need more of to be successful.



## Insights: Teachers

### **Teachers want to better understand how to best engage parents, whether schools are open or closed.**

In interviews and surveys, teachers indicated that they struggled to know how to best engage parents in their students' progress or ongoing learning. Covid-19 has shifted expectations in the short-term for some parents, but many still don't have a clear picture of what their role in their child's learning should be. Teachers similarly don't have a clear understanding of what to expect of parents or how to build this ongoing learning culture, during school closures or beyond.

### **Teachers are not customers, but they are strong influencers on buying decisions of both school owners and parents.**

Parents look to teachers to advise them on what tools their learners should be using inside the classroom and out. They believe that teachers have the best insight into what their children need, and trust their recommendations on the quality of products and services. School owners know that teachers need to be involved in the decision making process in order to ensure adoption of new products and services, and make efforts to get their perspectives and buy-in.

## Teachers: Pain Points & Desires

Products and services that created greater efficiencies and allowed teachers to focus their energy on learners (not administrative work) were at the top of their list.

Top 3 Pain Points	%
1/ LACK OF LEARNING MATERIALS	28%
2/ HIGH STUDENT NUMBERS	15%
3/ LACK OF TECHNOLOGY	11%

Top 3 Desires	%
1/ TOOLS FOR ASSESSMENT & MARKING	25%
2/ MORE PROFESSIONAL DEVELOPMENT	18%
3/ SOCIAL/EMOTIONAL SUPPORT FOR STUDENTS	17%

## Noteworthy Takeaways

- Pay was the lowest pain point cited, with only .05% indicating that this was their biggest pain point. This, of course, does not mean this is not an issue for teachers but rather they do not necessarily associate it with the pain points for their classroom.
- 15% of teachers requested tools for supporting learners with disabilities, outranking lesson planning and classroom management. This indicates that teachers are struggling to find relevant guidance and materials -- signaling an opportunity for entrepreneurs to fill this gap.
- Of particular interest is requests for support on behavior management and motivating students, which makes up nearly 12% of responses collectively. There is an opportunity for entrepreneurs to address these non-academic gaps as well.

Interestingly, there was not a direct correlation between a teacher's greatest pain point and their desired tool or product. For example, for teachers who listed "Lack of materials" as their greatest pain point, they didn't necessarily choose tools for lesson planning or in-class content as the products they thought would help them in their role. Those that identified behavior management as a pain point did not necessarily choose classroom management tools.

## Willingness to Pay: Teachers

### **Teacher willingness to pay is high but they are not the customer.**

Teachers' willingness to invest their own resources in materials or tools for their class or in their own professional development was not correlated to their school fee level, to their geographic location, their age or whether they are in public or private school.

According to survey data, 73% said they would be willing to invest their own money in resources and 74% would be willing to invest in their own professional development. Of those, over a quarter indicated they'd be willing to spend 500-1000 kes or above 1000 kes per month on these investments (26% for materials and 28% for professional development).

However, according to interviews with school owners, entrepreneurs and teachers themselves, they are rarely the decision makers when it comes to actual purchasing of products and services that are used in their professional settings. Entrepreneurs should find meaningful yet light-touch ways to engage teachers in the process, and provide structured guidance to school owners on how to do the same.



# PARENTS

Parents play a key role in making choices about what happens both in and outside of the classroom.

Parents make choices about where to send their children to school, about what type of learning will take place at home and how, and about what investments will be made to support learning in all contexts. We surveyed and interviewed parents from a mix of backgrounds to best understand how they make decisions, what investments they are able and willing to make to support learning, and what they desire more of to better support their learners.



## Insights: Parents

**Although parents have some challenges with the schools their children attend, overall many are satisfied with their experiences.**

4 out of 5 interviewees (80%) shared that they were satisfied with their school experience (with the 5th respondent indicating that they were mostly happy with their experience) and 13% of survey respondents indicated that they had no challenge at all with their children's schools. While parents continue to seek for the highest possible levels of quality and safety for their children, they also have high levels of trust and confidence in their schools. When framing their products, entrepreneurs should keep these sentiments in mind and message to build upon the work of schools -- and not against.

**Parents rely heavily on guidance from teachers and other parents to make choices about products and services.**

Parents look to teachers to advise them on what tools their learners should be using inside the classroom and out. They believe that teachers have the best insight into what their children need, and trust their recommendations on the quality of products and services. They also rely heavily on the recommendations of other parents they know who have children at the same level or with the same struggles. Entrepreneurs who are looking to serve parents should consider creative ways to leverage these word-of-mouth connections for sharing information about their products and services.



## Parents: Pain Points & Desires

Although parents do face challenges when interacting with their children's schools, they overall appear to be satisfied with their experience. The details below outline their top pain points and desires for product and services that can help improve their learners' experience.

Top 3 Pain Points	%
1/ SCHOOL FEES	35%
2/ COMMUNICATION	13%
3/ WEAK ACADEMICS	8%

Top 3 Desires	%
1/ TUITION SERVICES	26%
2/ EXAM PREP	20%
3/ RESOURCES FOR STUDENTS WITH SPECIAL NEEDS	19%

## Noteworthy

- There was no correlation between those who indicated they cannot pay and school fee level. Even respondents who were in the 100,000 - 250,000 KES school fee range indicated they cannot pay, which likely indicates an unwillingness to pay as opposed to an inability. 49% of those who indicated they would be willing to pay above 1000 KES per month paid less than 25,000 KES in school fees.

School fee payment remains a challenge for many parents. Although education entrepreneurs cannot directly influence the cost of schools, they can address this challenge in a few ways:

1. Help school owners better understand the correlation between tech-driven efficiencies and fees charged to parents, which can also reduce friction of non-payment for teachers and school owners
2. Increase awareness by parents of products and services that can help them better manage their finances and more easily manage school fee payments
3. Provide better training or implementation support for school management systems that include a school fee component to aid in transparency of fee payments
4. Provide training to schools and parents around building a collaborative repayment culture

## Willingness to Pay: Parents

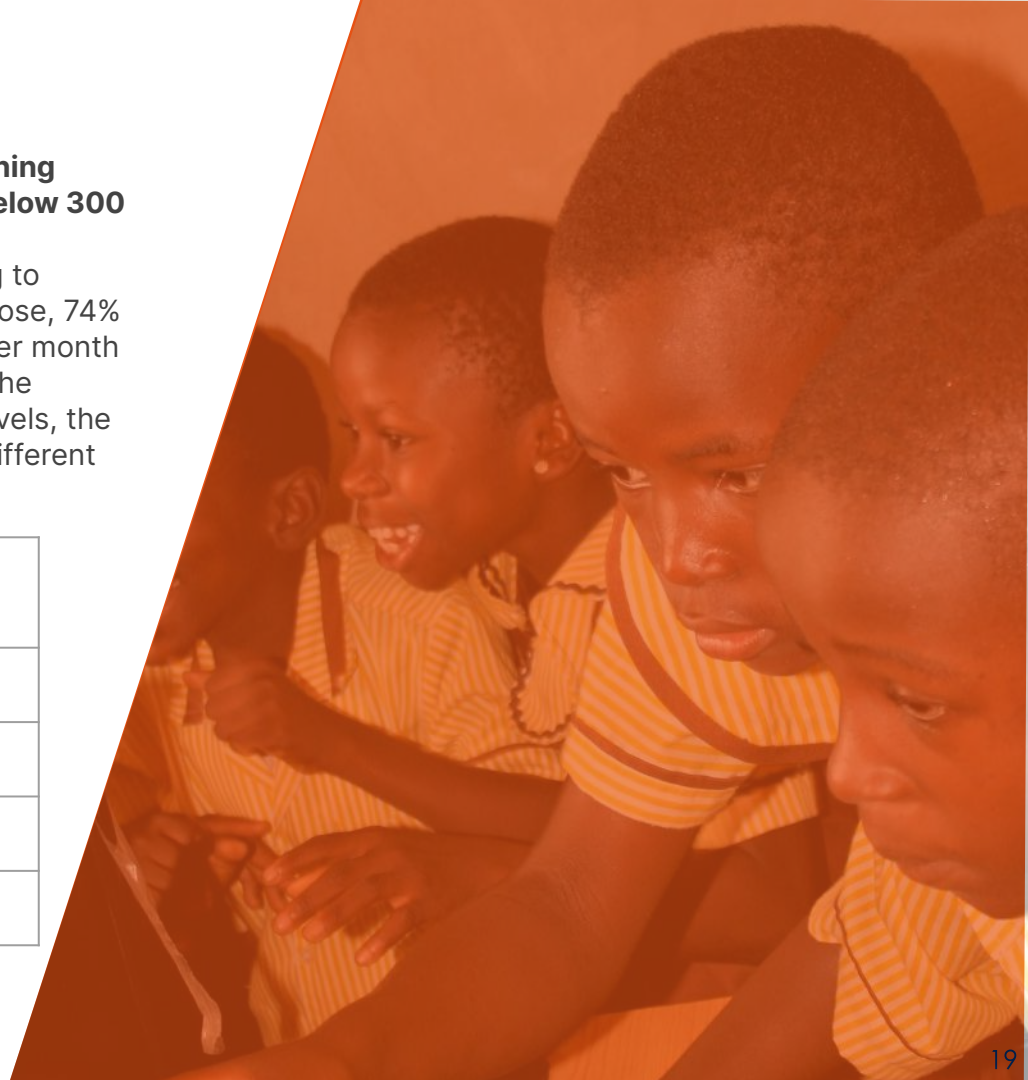
**Majority of parents are willing to pay for supplemental learning products but want their monthly contributions to remain below 300 kes per month.**

70% of parents surveyed indicated that they would be willing to invest in supplemental learning products at some level. Of those, 74% said they would spend either 100-300 kes or 300-500 kes per month per learner on products and services. If extrapolated out to the learner community at pre-primary, primary and secondary levels, the total addressable market for B2C products and services at different price points can be seen below.

Amount (KES)	% pop	Est. # of learners*	Estimated Total Addressable Market**
100-300	70%	12.6M	45B KES (413M USD)
300-500	34%	6.1M	37B KES (334M USD)
500-1000	18%	3.2M	39B KES (354M USD)
1000+	7%	1.3M	15B KES (138M USD)

\*Based on ~18M learners at pre-primary, primary and secondary levels.

\*\*Calculations based on upper end of price scale.





# RECOMMENDATIONS

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# Recommendations: Entrepreneurs

**1/ Recognize that you will sometimes need to educate the market**

- If they don't understand your product, customers will use their money elsewhere. Make time to educate them on how your product can help them achieve their goals. Speak their language.
- Compute a clear ROI to pitch to customers. Consult with your pilot customers as to what ROI metrics will most resonate with their peers.

**2/ Aim for product pricing that is less than 300 ksh per learner per month for maximum reach, but factor in your costs**

- Explore the balance between your costs and reaching the largest market possible. Don't underestimate the costs associated with product rollout and support as you do these calculations. Don't change the prices based on the income-level you are serving.
- If selecting a higher price point, you'll need to convince customers of the value of your product/service.

**3/ Expect to package your product with change management processes**

- Understand the internal systems that your product will impact a school or home, and determine how you will address this necessary adaptations as you develop your product. Understand the associated costs and incorporate this into your product pricing as well.

**4/ Understand the influences on your decision makers and use these to your advantage**

- Design a referral strategy for local geographies and build it into your sales and support processes. Intentionally map out and direct the process for engaging teachers as influencers on parents and school owners.

## Recommendations: Entrepreneurs

**5/ Understand the sales cycles and invest your team's time effectively**

- Know the timing of customer purchases, including the seasonality of buying for your particular product. Intentionally design engagement for those involved in the decision making process. Focus on other lead generation activities during low sales times so you can boost sales during high times.

**6/ Expect to always be getting to know your customer**

- Your customers are not static nor simple. Be obsessed with understanding the nuances. Use many ways to get feedback. Do it over and over.
- Understand what behaviour change is required for your customers to use your product/service

**7/ Know that the education entrepreneurship is a long, difficult journey and connect with others for support.**

- There is no single right or easy answer. Figuring out your right path is an experiment and an iterative process. Be open to change and ask for support from your community. Practice grit.

## Recommendations: Investors

**1/ Finances tops list for challenges at all fee levels.**

- Invest in companies that provide access to additional funding and design innovative supports around school fee collection products

**2/ Help educate school owners about how non-traditional investments can impact their long-term sustainability**

- Consider funding the creation of materials that make the case for non-traditional investments. This would remove the burden from the entrepreneurs to create and manage the messaging of these market education efforts.

**3/ Be willing to support testing of experimental sales strategies**

- Work with entrepreneurs to test innovative strategies such as geographic clusters of schools for sales and support, or engaging education sales agents across collaboratives of companies. Understand that education sales has a seasonality and explore this with your investees. Don't expect consistent month over month growth. Support generation of sales benchmarks for the ecosystem.

**4/ Be ready to walk the arduous path with your entrepreneurs**

- Understand that their plans will shift, there will be unexpected delays and they will get frustrated. Help them see the bigger picture and provide them with guidance or connections that can help them ride out these stormy times. Help them build or integrate into education communities so they can learn from and support one another.

# Future Ecosystem Opportunities

**1/** Based on feedback from school owners and entrepreneurs, there is an opportunity to create efficiencies by creating geographic clusters of schools.

- According to interviews with school owners and entrepreneurs, there is an opportunity to cluster schools in a geographic location for sales and support of implementation of education products. Schools are already interacting with one another in a variety of ways, and creating these clusters can further create networks of support. According to one school owner, “If we had something that would unify schools within one area, we could coordinate and help one another.” One entrepreneur also suggested that this would streamline sales processes when selling to schools. Explore working with regional associations where they exist.

**2/** Health and wellness has become top of mind for school owners, teachers and parents since the pandemic, but they don’t know where to turn to address this need.

- Entrepreneurs shared that they are consistently hearing stories of distracted teachers and learners who have not yet healed from the traumas associated with the pandemic. This is disrupting learning as schools reopen and threatens to continue to impact the learning experience beyond the pandemic. 15% of parents surveyed believe that health and wellness resources would help their children’s learning and selected this option as their top need. Specifically in reference to mental health, 34% of teachers said that socio-emotional supports for learners would help them in their role. In one interview, a teacher said in his dream school he would “have a trained counselor to take care of the learner’s psychological needs” and “would also engage parents more in their children’s well being.”





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# APPENDIX

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# SCHOOL OWNERS DEMOGRAPHICS

## GENDER



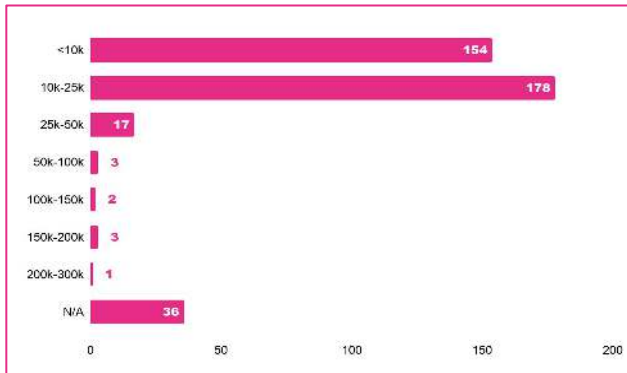
49.7%



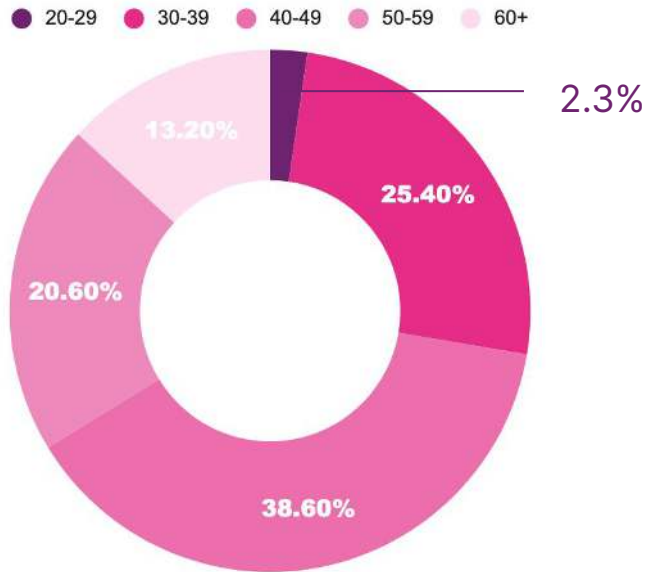
48.7%\*

1.5% preferred not to say

*Number of respondents according to fee range paid per term in Ksh*



## AGE DISTRIBUTION OF SCHOOL OWNERS



## GEOGRAPHY



NAIROBI 59.4%

OUTSIDE NAIROBI 40.6%

## SCHOOL TYPE

SCHOOL TYPE	Percentage
PUBLIC	11.7%
PRIVATE	88.3%

# TEACHER DEMOGRAPHICS

## GENDER



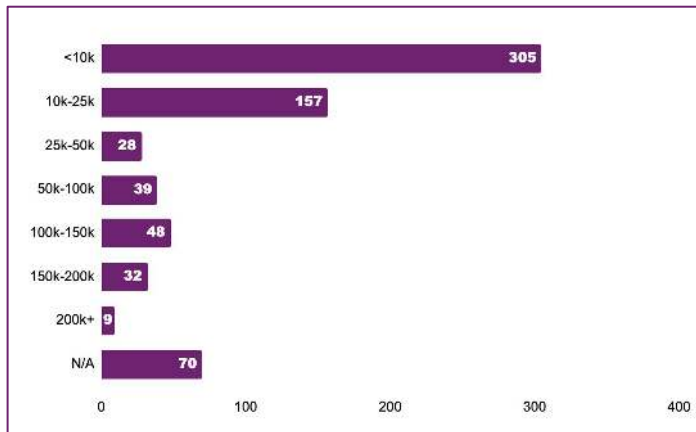
40.3%



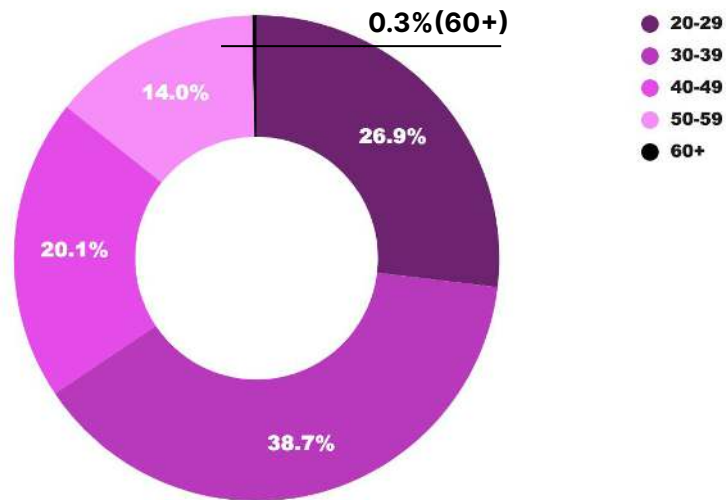
58.2%\*

1.5% answered prefer not to say

Number of respondents according to fee range paid per term in Ksh



## AGE DISTRIBUTION OF TEACHERS



## GEOGRAPHY



NAIROBI

31.3%

OUTSIDE NAIROBI

68.7%

## SCHOOL TYPE

PRIVATE

51.8%

PRIMARY TEACHERS  
% respondents

84.3%

PUBLIC

48.2%

SECONDARY TEACHERS  
% respondents

15.7%

# PARENT DEMOGRAPHICS

Number of respondents according to school fees per term

## GENDER

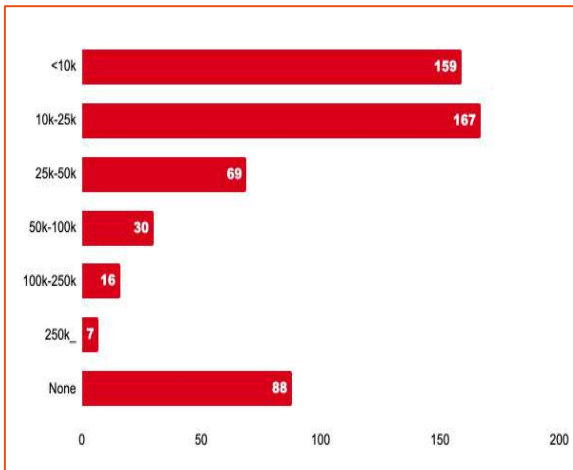


56%

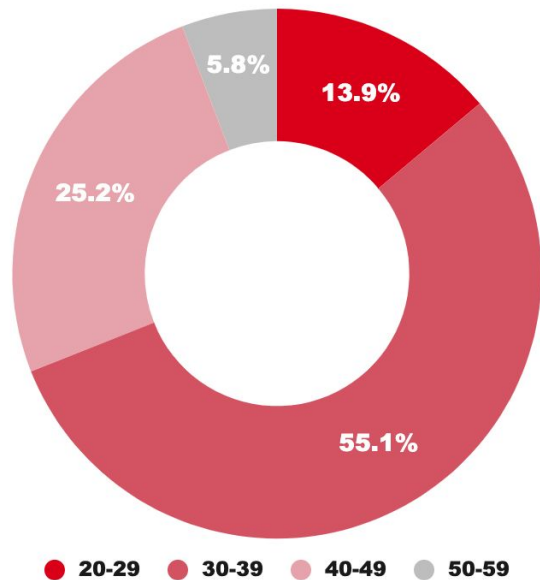


40.5%\*

\*3.5% answered prefer not to say



## AGE DISTRIBUTION OF PARENTS



## GEOGRAPHY



NAIROBI

53.5 %

OUTSIDE NAIROBI

46.5%

## SCHOOL INFO

	PUBLIC	PRIVATE	BOTH
	38.6%	40.3%	21.2%
	PRIMARY	SECONDARY	BOTH
	60.8	9%	30.2%