**SCE REPORT**

**ON**

FINTECH APPLICATIONS IN EDUCATION SECTOR

VISHWAKARMA INSTITUTE OF INFORMATION TECHNOLOGY, PUNE

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SUBJECT - FINTECH

BY

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**What is Fintech**

* The term “fintech company” describes any business that uses technology to modify, enhance, or automate financial services for businesses or consumers.
* FinTech (financial technology) is a catch-all term referring to software, mobile applications, and other technologies created to improve and automate traditional forms of finance for businesses and consumers.

**Effects of Fintech in Education**

1. Education providers increase productivity and improve the management of inbound and outbound international payments such as student tuition fees, agent commissions, refunds and other offshore supplier invoices.
2. There are multiple payment options for transferring the amount like net banking, credit card, debit card,etc. Now-a-days, new and easier payment methods are adapted. For eg:- google-pay, apple-pay, paytm.
3. Fintech companies analysis, which course is in demand and what people want from it. After analyzing, companies give heavy discount on the course to attract the mass and maximize their profit.

**CASE STUDY ON BYJU’S**

BYJUs is a platform which was created by Byju Raveendran. BYJU’S app was developed by Think and Learn Pvt Ltd in 2011. It is a platform and a way for the teachers to teach and students to learn, different educational concepts through the app and understand them better. It mainly focuses on mathematics and science.

* **Founder**

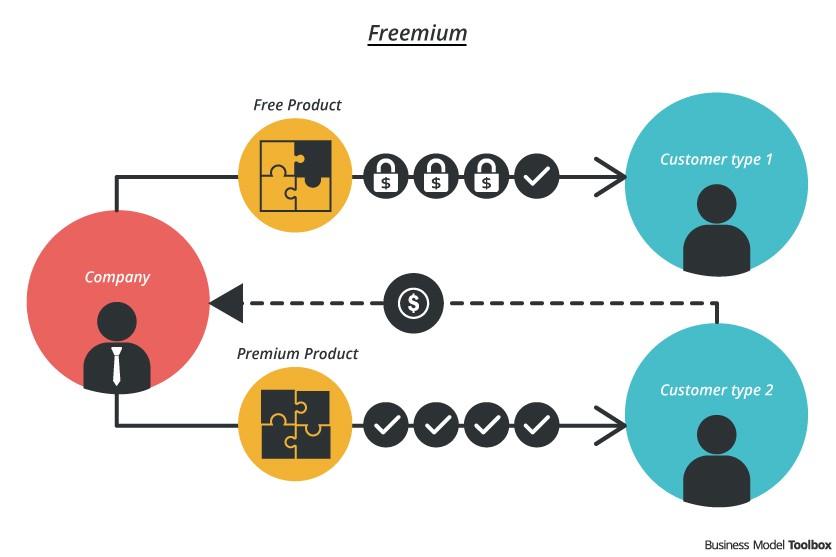
Byju Raveendran is basically an Indian and belongs from Azhikode, a small coastal village in Kerala. He was initially working in UK based shipping company as an engineer. He became quite famous among his group of friends when he helped them crack the IIM entrance exams using his shortcuts. Though he achieved a hundred percentile in the entrance tests, he rejected the IIM. Maybe he was not ready to settle for the IIMs and thought he deserved the best by giving people the best.

## **How it works**

Initially, the student has to provide all the personal details. Then a free trial period of 15 days is given to the users in order to try the services. After the trial period, if the payment is done, the students get access to more advanced levels of learning.

## **Understanding its business model**

The business model o BYJUs is a freemium business model where the communication is done from business-to-consumer (B2C).



## **Future Plans**

BYJUs has just captured the Indian market with his impressive teaching and marketing techniques on education. It now has greater goals, greater challenges, and greater team support. It is looking to expand its market to the US, UK, South Africa and other African and Commonwealth markets. It is already present in the Middle East.

## **Key Partners**

Key partners are the relationships that you have with other business, governmental, or non-consumer entities that help your business model work. Several companies such as Tencent, Chan-Zuckerberg initiative, LightSpeed Venture Partner were impressed by BYJU’s and have become key partners in it by investing huge amount of money in it.

## **Key Activities**

Key activities consist of the activities that lead the company towards their goal with ease. The key activities of BYJU’s include platform development, data center operations management, IT infrastructure operations and managing the learning community.

## **Key Resources**

Key Resources act as a building block describing the most important assets needed to make a business model work. The technology infrastructure, interactive graphics technology, lecturers, servers, IT infrastructure are some of the key resources of BYJUs.

## **Value Propositions**

Value Propositions are the services or features or their innovations that make their product look attractive to the customers. Access to good quality education, bringing quality teachers to very student, video delivery model, engaging content and retention are some value propositions of BYJUs.

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## **Customer Relationships**

Customer Relationships describe the ways that a company will engage with its customers to improve the customer experience. BYJUs establishes customer relationships through a mobile app, online virtual classes, direct meetings, and calls.

## **Cost Structure**

Cost structure refers to the types and relative proportions of fixed and variable costs that a business incurs. BYJU incurs the cost of web development, maintenance, data center, business development and operations, marketing and sales, general and administrative and media development costs.

## **Revenue Streams**

A revenue stream is a source of revenue of a company or organization. In business, a revenue stream is generally made up of either recurring revenue, transaction-based revenue, project revenue, or service revenue. BYJUs follows a freemium business model, so most of the revenue is incurred from the subscription amount which is paid by the students for learning. BYJU also earns from product purchase from its website, offline career counseling, offline coaching, and revenues from API.

**CASE STUDY ON UNACADEMY**

Unacademy is an online education hub which has its base in Bangalore. It was first started as a YouTube channel and then was officially established as an education company. It provides study material for civil services, bank jobs and for other competitive exams and entrance exams. With over 12000 educators it is running successfully.

* **Founder**

Unacademy started in 2010 as a [YouTube](https://en.wikipedia.org/wiki/YouTube) channel by Gaurav Munjal. In 2015, Unacademy was officially registered as an education company in Bengaluru. A privately held company, Unacademy has secured funding through a series of offerings. As of December 2020, Unacademy was valued at US$2.0 billion.

## **How it works**

Unacademy is a “platform” where anyone can pitch to start a course. After a basic screening, the educator is given tools to design a course into a set of video lessons. The videos are in presentation-like format accompanied by a voice-over.

# **Business model**

Competition is increasing day by day. Everyone is trying to achieve success and wants to be popular. With this thought, a group of students started something new useful to students. Unacademy is an online education company that provides notes, sample papers, and offers students to prepare for their entrance exams, bank jobs, and other professional courses.

# **Marketing Strategies**

* Social Media
* Financial strategy
* Treating students as a family and solve their all problems
* Doubts are cleared
* Ads are shown on various sites, internet, social media platforms.

# **Challenges faced**

* High competition among others.
* Donation for unacademy.
* To provide more quality over quantity.
* Supporting team.
* Patience in growth.
* Affordable education.
* Lack of staff members.

## **Key Activities**

The Company's platform provides content for major competitive examinations including UPSC CSE/IAS, SSC CGL, IBPS/SBI, CAT, GRE, GATE/IES, CA, CLAT, JEE, Pre-Medical and Railways Examinations.

# **Successive factors**

* Flexible schedule according to students.
* Tutors teach in various languages such as English, Hindi, Malayalam and many more languages.
* Easy to study online.
* Unlimited practice papers.
* Unlimited live classes.
* Learning by experts.
* **Unacademy Funding**

In February 2020, Unacademy keeps $110 million funding from US private equity company General Atlantic, social networking giant Facebook, Nexus Ventures, Blume Ventures, Flipkart CEO Kalyan Krishnamurthy among others, and grew to $510 million in assessment.

Sequoia India, Nexus Investment Partners and SAIF Partners $21 million (July 2018).

Sequoia India and SAIF Partners: $11.5 million (September 2017).

$4.5 M (January 2017).

Unacademy is now a part of the prestigious Unicorn club, which means that the company has surpassed the valuation of $1 billion. In fact, it was Gaurav Munjal’s dream to achieve this milestone before turning 30. Notably, the company became a unicorn club member just 6 days before his 30th birthday.

**Let’s take a look at the various funding rounds that have taken place so far:**

* January 2017: Raised $4.5 million in a funding round led by Blume Ventures and Nexus Venture Partners.
* September 2017: Raised $11.5 million in Series B funding led by Sequoia India and SAIF Partners.
* July 2018: Raised a combined $21 million from Sequoia India, SAIF Partners and NEXUS Investment Partners.
* February 2020: Raised a combined $110 million from Facebook, Blume Ventures, Nexus Ventures, Flipkart CEO Kalyan Krishnamurthy, and private equity company General Atlantic.
* September 2020: Raised $150 million through Soft Bank Group led funding which saw all existing investors participate
* November 2020: Raised an undisclosed amount from Tiger Global and surpassed the valuation of $2 million.

**Case Study of UpGrad**

### **The Founders of upGrad :**

UpGrad was launched in the year 2015 through a combined effort of three co-founders who are now heading different divisions within the organization. The three co-founders are:

* **Mayank Kumar**

An IIT-Delhi alumnus, Mayank looks at the overall growth, strategic partnerships and team building at upGrad. He has 10+ years of experience in the field of education as an investor and an advisor

* **Phalgun Kompalli**

Phalgun heads the company’s growth operations and university relations wing. He, too, is a former IIT-Delhi student and a proud part of the Forbes 30-under-30 cohort.

* **Ronnie Screwvala**

You may have heard this name in regard to cinema and Bollywood. Well, Ronnie Screwvala is an entrepreneur as well. At upGrad, he is presently serving as the executive chairman.

### **UpGrad Courses :**

The courses offered on the platform are ideal for graduates, first-time job seekers, professionals looking to enhance their skill set and knowledge and those looking to switch to other job profiles. It offers specialization programs primarily in the following categories:

* MBA
* Data Science
* Artificial Intelligence
* Digital Marketing
* Machine Learning
* Blockchain

The platform also boasts a few programs with guaranteed job opportunities post the successful completion of the course. Also, working professionals can go back to the university – not literally – without quitting their jobs. Once their course is complete, they become the alumni members of the respective partner universities.

Furthermore, upGrad also provides complete solutions to enterprises looking for personalized courses for the upskilling of their employees. In 2019, the edtech platform also entered into a partnership with India’s two leading IT firms namely Infosys and Wipro.

* **UpGrad Revenue Model and Marketing Strategies :**
* Simply putting, upGrad is primarily a B2C company. The professionals who wish to enrol for a course pay the fee upfront. Only a fraction of the company’s revenue comes from employers who get personalised courses developed according to the needs and size of their team of employees.
* In an interview with Business Insider, upGrad India CEO Arjun Mohan said that the company spends most of its marketing budget on TV ads and digital marketing, which includes Google Ads, Social Media ads, promotional guest posts, etc. In 2020, for example, the company set a total marketing budget of INR 175 crore, out of which 100 crore was spent on TV and the rest 75 crore on various digital marketing mediums. Aggressive promotion during IPL 2020
* UpGrad entered into an aggressive marketing deal with Star Network India for the promotion of its platform during the IPL ad breaks of the 2020 edition of the game that was being broadcasted from UAE.
* This was upGrad’s first major association with any sports-related event. The commercial caught the eyes of many enthusiasts for its controversial slogans such as “Don’t be a Chaatu”.

### **UpGrad’s future plans :**

By the end of the year 2025, upGrad plans to cross the milestone of 5 million alumni members, including working professionals who would be enrolling for upskilling and staying industry-relevant. Meanwhile, the company is working hard to launch more specialization programs curated by top global universities, the degrees of which have international recognition.

UpGrad doesn’t face any direct competition from other home-grown K-12 players such as [Vedantu](https://www.ciim.in/vedantu-success-story/) and Byju’s and is thus presently enjoying a monopoly in the Indian market.

**Case Study of Vedantu**

## **What is Vedantu?**

Vedantu is an online intelligent teaching platform where educators can guide students in a LIVE virtual learning environment. It’s an in-house tech made by Vedantu called Whiteboard Audio Video Environment (WAVE). Vedantu productive, redid encouraging approaches to incorporate 2-way sound, video, and white-boarding advancements to upgrade the learning results with live student-teacher associations. It obliges students for competitive examinations and co-curricular modules as well. The helpful meetings keep the understudies connected with the speed of the lecture, an angle that is missing in recorded video talks and homeroom training.

## **Vedantu Founder**

**Vamsi Krishna, Saurabh Saxena, Pulkit Jain, and Anand Prakash** are the founders of Vedantu.

Vedantu is founded by IITian companions who have been educators themselves with more than thirteen years of teaching experience and have instructed more than 12,000 students.

**Vamsi Krishna** is the CEO and Co-Founder at Vedantu. Also, Vamsi Krishna has had 1 past work as the Co-Founder at Lakshya Forum for Competitions Pvt Ltd. He finished his B.Tech from IIT Bombay in 2005 and helped to establish Lakshya (an instructive undertaking that prepares students for medical selection tests and engineering).

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## **Vedantu Business Model**

The business model of Vedantu rotates around Edtech, distance schooling, and m-learning administrations. Vedantu provides online teaching services and also offers free lectures and other teaching material all in the online form. Educating on the internet was the most helpful mode for Vedantu to make his services accessible for those out of luck.

Evaluated as the Most Promising and Innovative Live Online Tutoring Platform in India, Vedantu provides the best LIVE interactive virtual learning environment called WAVE (Whiteboard Audio Video Environment)

**Vedantu Revenue Model**

Vedantu revenue system can be called freemium. It implies that a portion of the content is accessible free of charge, while more content requires membership. This strategy pulls in numerous students. When they become acquainted with how great the application and the content are, they consequently feel the requirement for buying into the paid services. It offers memberships going from INR 100 to INR 5000 for various evaluations and furthermore gives courses to competitive assessments like **NEET, JEE, PSA, NTSE, IMO, KVPY, and more.**

Recently, the company recorded $10 million in revenue. The income expanded by 97% from INR 5.3 crores in Financial Year 2018 to INR 10.44 crores in Financial Year 2019.

According to the latest report, Vedantu has revealed a 6x expansion in its losses to Rs. 157.5 Crore while its income remained at Rs. 34.8 Crore in the FY19 that finished in March 2020. The organization spent about Rs. 194.4 Crore to procure an operating revenue of Rs. 24.8 Crore in FY20.

**Vedantu Funding**

Vedantu has brought around $190.9 million in funding to date. Vedantu had 3 rounds of funding in 2020. The company saw exponential growth because of the lockdowns and growing adaptation of online education.

The company got funding of $7 million in an all-inclusive Series C round from KB Global at a valuation of $280 million.

Vedantu has raised $100 million up in its Series D financing round, only five months after it shut its Series C funding round esteeming the organization at $600 million.

**Vedantu Growth**

Vedantu claims that it recorded a massive 220% growth during the lockdowns between March and June 2020, with in excess of 20 lakhs students going to its live classes and teachers conveying 80 lakhs long periods of live meetings.

The organization likewise accepted the open door to enter the beginning phase student fragment with its coding program called Vedantu Superkids, focusing on kids somewhere in the range of 6 to 12 years. It additionally plans to add more projects to this classification.

Vedantu said in a statement that *“We’re targeting to recruit 2,500 workers between June and August 2021, taking its representative tally from 6,000 as of now to 8,500.”*

**Vedantu Awards**

* In 2016, Vedantu was named as one of the champs of “KINSES2016 EduAwards”.
* In 2016, Vedantu was additionally named among the main “100 Startups To Watch” by SutraHR.
* In 2015, the company was also granted the “Online Education Start-up of the Year” by Elets World Education Summit.
* In 2015, Vedantu was also given the honor of “Most Promising and Innovative Live Online Tutoring Platform in India” by Praxis Media.

## **Vedantu Competitors**

Vedantu’s major competitors are ***BYJU’s, Unacademy, Doubtnut, Toppr, Khan Academy, Simplilearn, GradeUp, Coursera,*** and more.

## **Conclusion**

Online studies have gotten the new typical for students and instructors during the COVID-19 pandemic. Understudies currently speak with educators over video-conferencing platforms to study and stay up with the latest with their course distantly. If we talk about India, the large market is captured by BYJU. Vedantu and Toppr are some big platforms that are competing with BYJU’s.

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