



HAREESH NANDIGRAMA PRESENTS

A UNIQUE EDTECH STARTUP

Indian Institute of Technology, Guwahati



THE GOAL?

The goal is to setup a new startup in Edtech platform. But before we dive into the logistics of how to do it, and what services to provide, we need to look into what EdTech sector actually is? What it consists of? How it is growing and will it continue to grow? How are investors looking in this industry?



THE BARRIERS?

Before entering any new industry, we must analyze how our competitors are performing and why customers are choosing them. It will help us understand what are the customer needs and what we must do to differentiate our products from the rest

Overview - Indian EdTech Industry

What Is Edtech?

Edtech is the practice of introducing IT tools into the classroom to create a more engaging, inclusive and individualized learning experience.

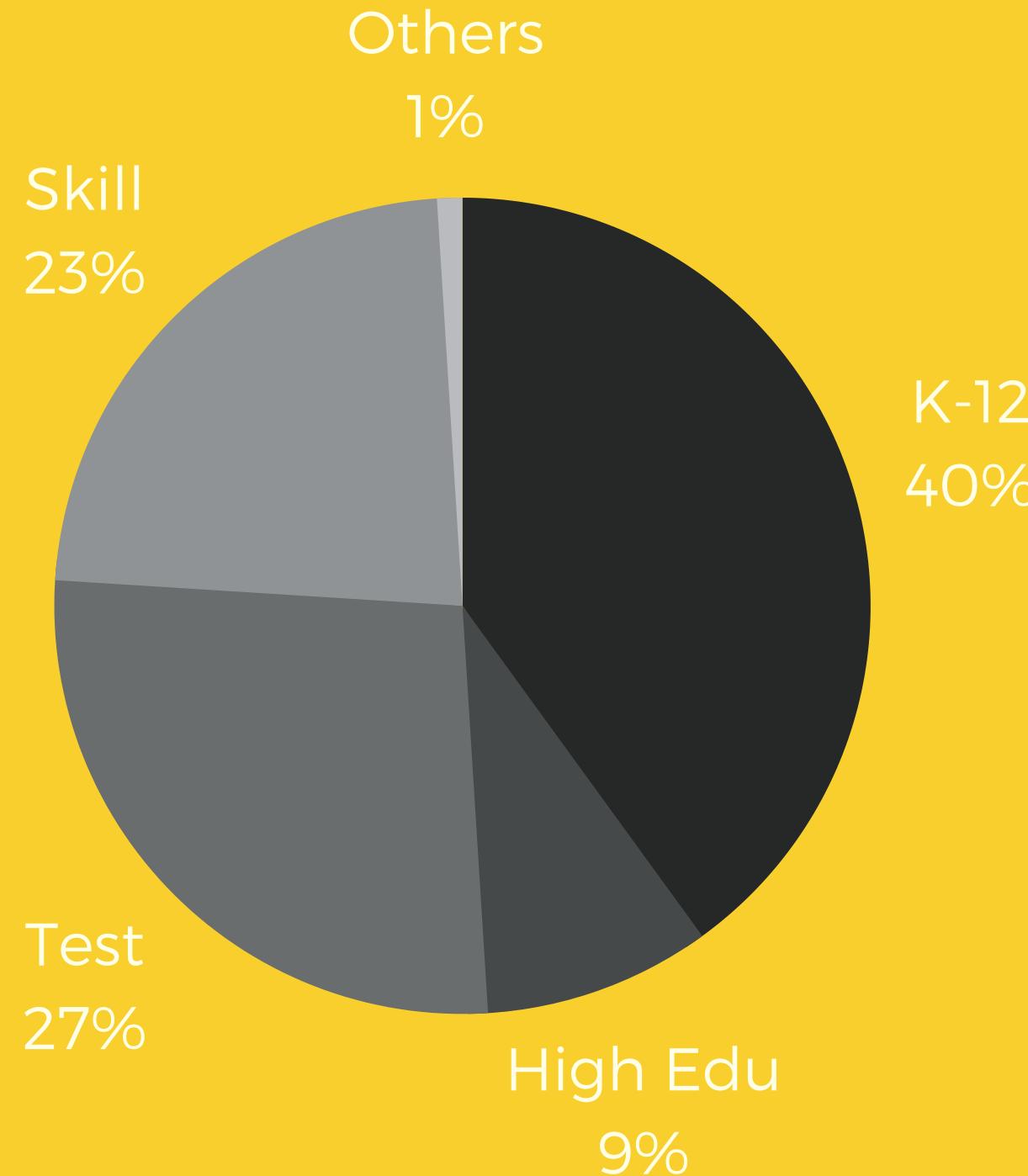
Historically, education has been about quality in India. Parents are willing to walk that extra mile, or relocate to reach better schools for their children.

But with growing awareness and increased availability of internet in India, many online startups have boomed to success and one of them is -Edtech. The market spans target audience from early learners who are in pre-school to continuous learners looking to gain more industry relevant skills.

The Covid-19 pandemic has fast-tracked the adoption of technology in India's education sector, a traditionally slow-moving space. Once was one of the least funded sectors in India until 2019, but the rise of remote learning during the COVID ridden 2020 has given a new set of wings to this otherwise ignored segment and was the leading

Most of the Edtech sector is broadly classified into 5 categories

Key categories in EdTech



OTHERS

Non academic courses in fields like languages, music, arts,dance etc

HIGHER EDUCATION

An alternate way to complete traditional higher education coarses

K-12

Supplement to school learning for students in primary and secondary schooling

TEST PREPARATION

Online coaching aimed at coaching students for competitive exams like JEE, NEET, GATE, CAT etc..

SKILL CERTIFICATION

Certified courses designed to assist users in developing skills prevalent in industry like coding, design, consulting, accounting etc

Key drivers of growth

What factors contribute to growth in market?

Low Price

Owing to less infrastructure costs distributed over large students, the price is relatively less

Internet access

Rising internet access to all people in India drives EdTech to all people in community

Jobs

High demand for industry relevant training among youth increases the demand for skill certification

Availability

Areas where quality offline education is hard to access like north and eastern India are likely to adopt online learning

Safety

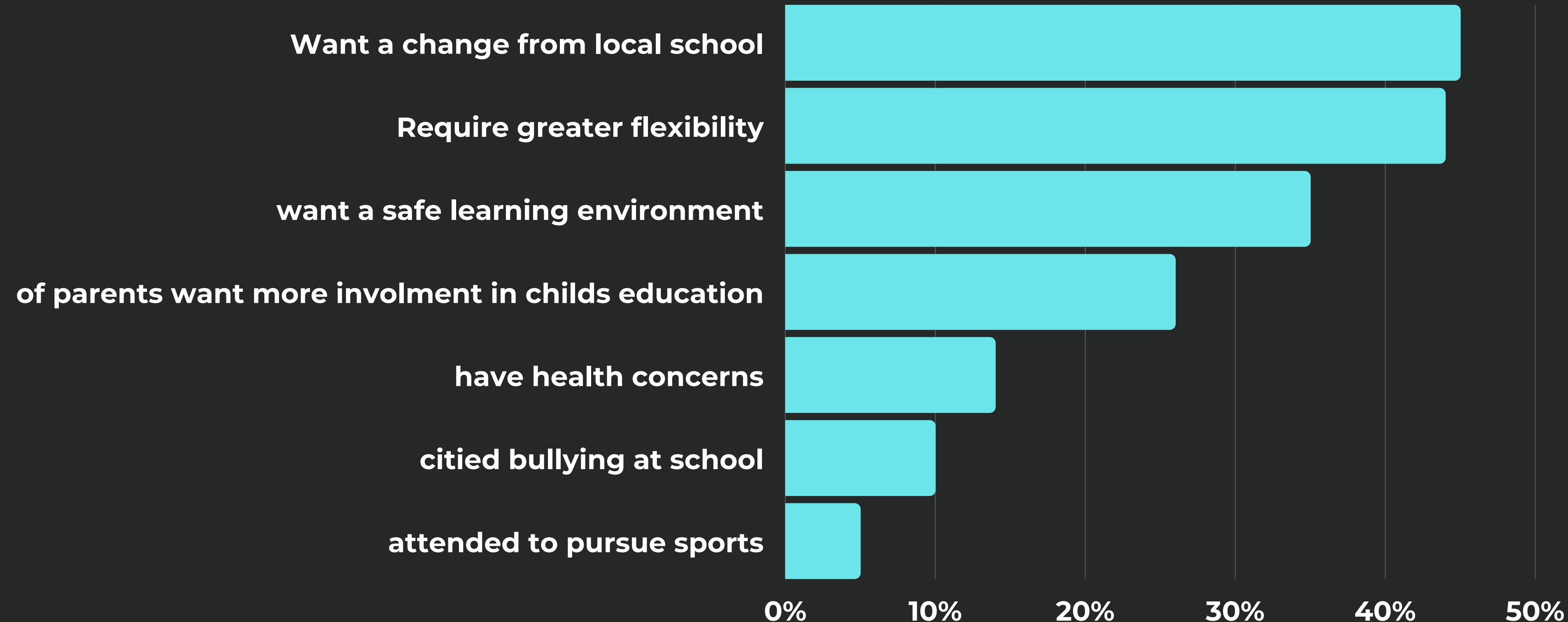
Growing concern among parents about the safety of kids health in the current scenario

Competition

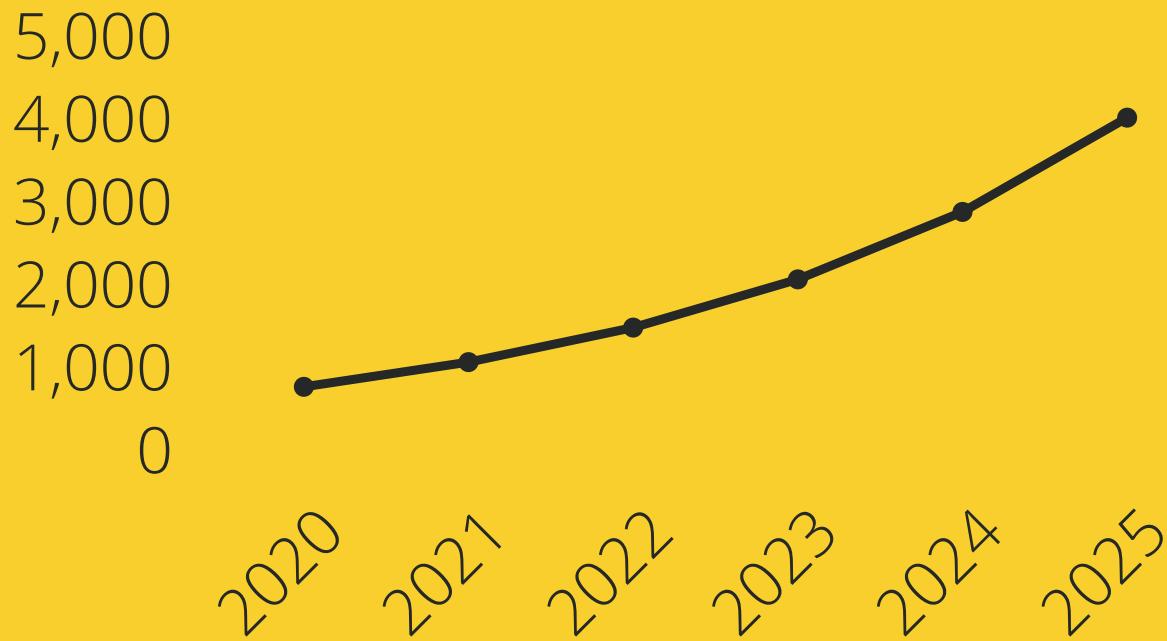
As more number of people appear for competitive exam every year, the demand for additional training increases

SURVEY

A survey conducted in pre-covid era revealed the following facts on why people would prefer online learning over traditional learning



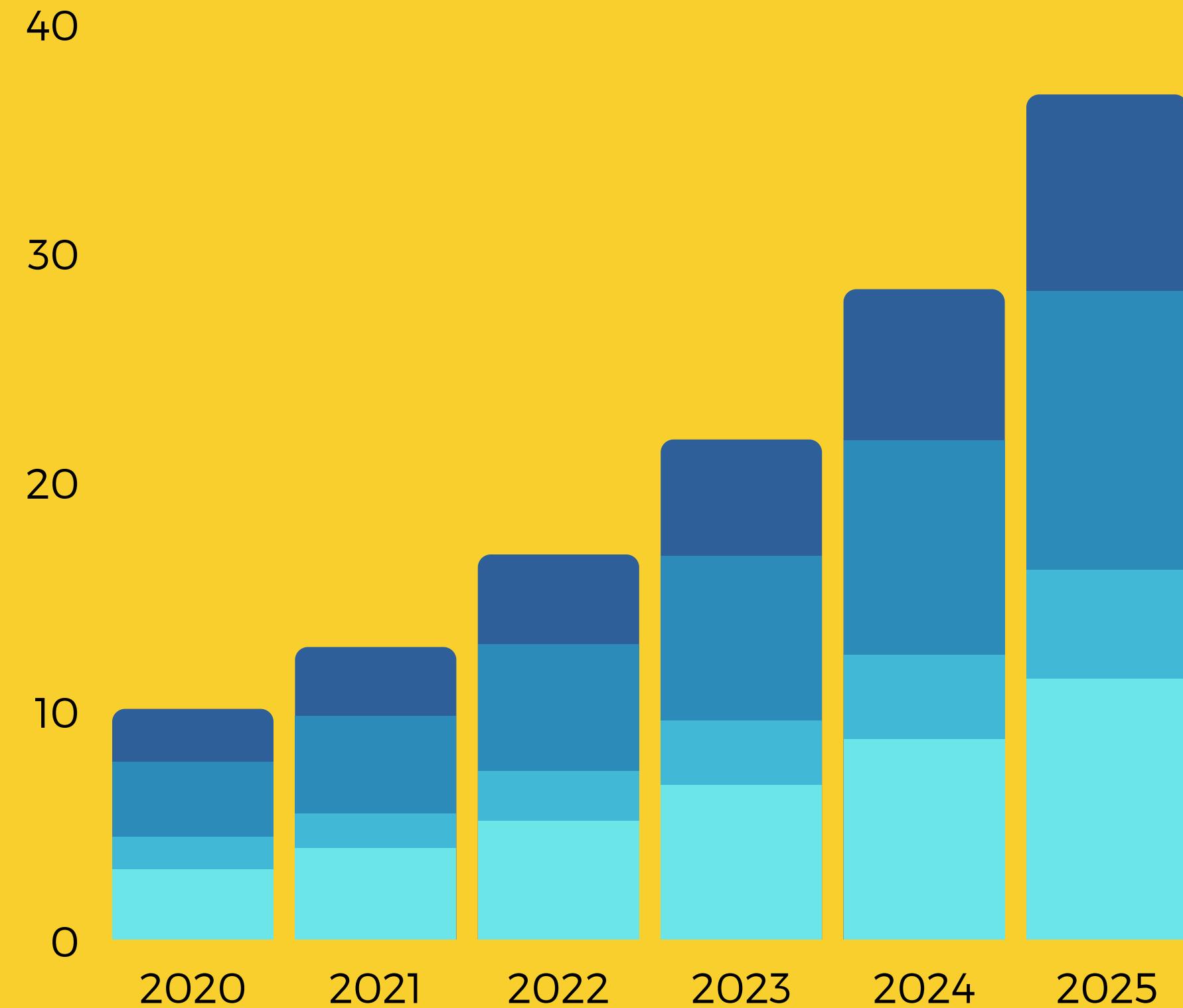
In Numbers - Market Value and growth



Estimated market value of EdTech Industry(US\$ Million)

The Indian EdTech industry stood at US\$ 247 million in 2016 and is currently standing at an astonishing estimate of 1 billion in 2020 and market value is expected to reach 4 billion by 2025 at a CAGR of 39.77%. It is estimated to reach \$30 billion in 10 years as per transaction advisory firm RBSA Advisors. **It was the most funded sector in India in 2020.**

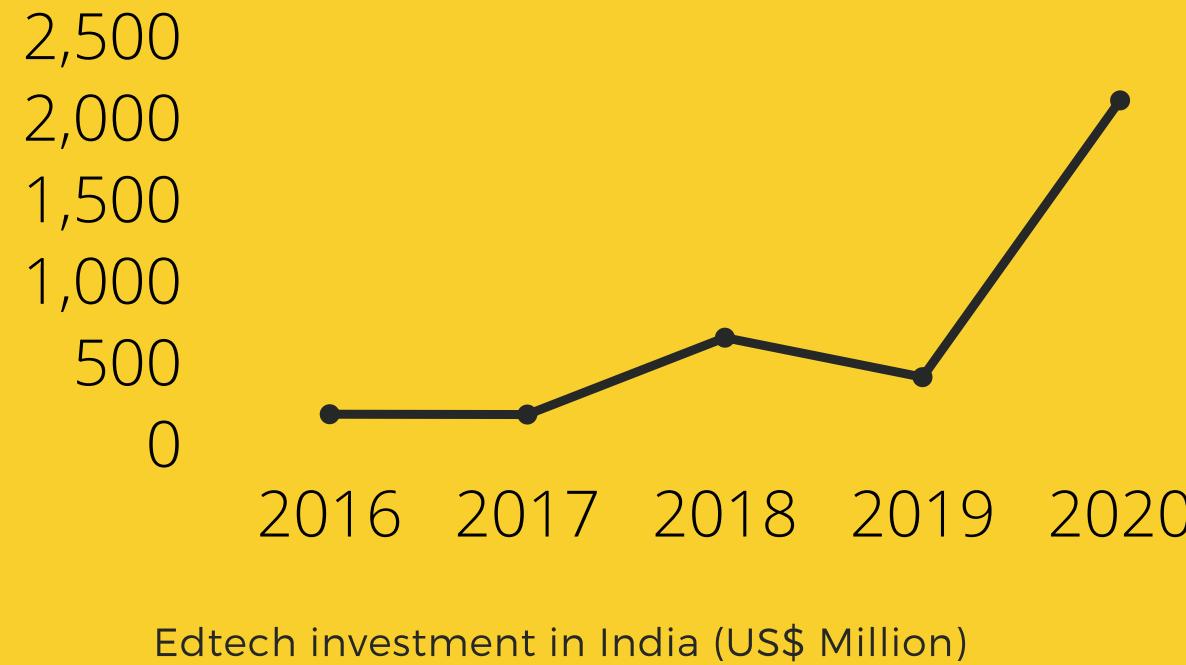
we will analyze the profits during the case study of top competitors



Estimated paid users of EdTech Industry(Million)

K-12, Higher Education and others, Skill Certification and Test Preparation shown respectively

In Numbers - Investments



Indian ed-tech startups have received a total investment of \$2.22 billion in 2020 alone, compared to \$553 million in 2019

90

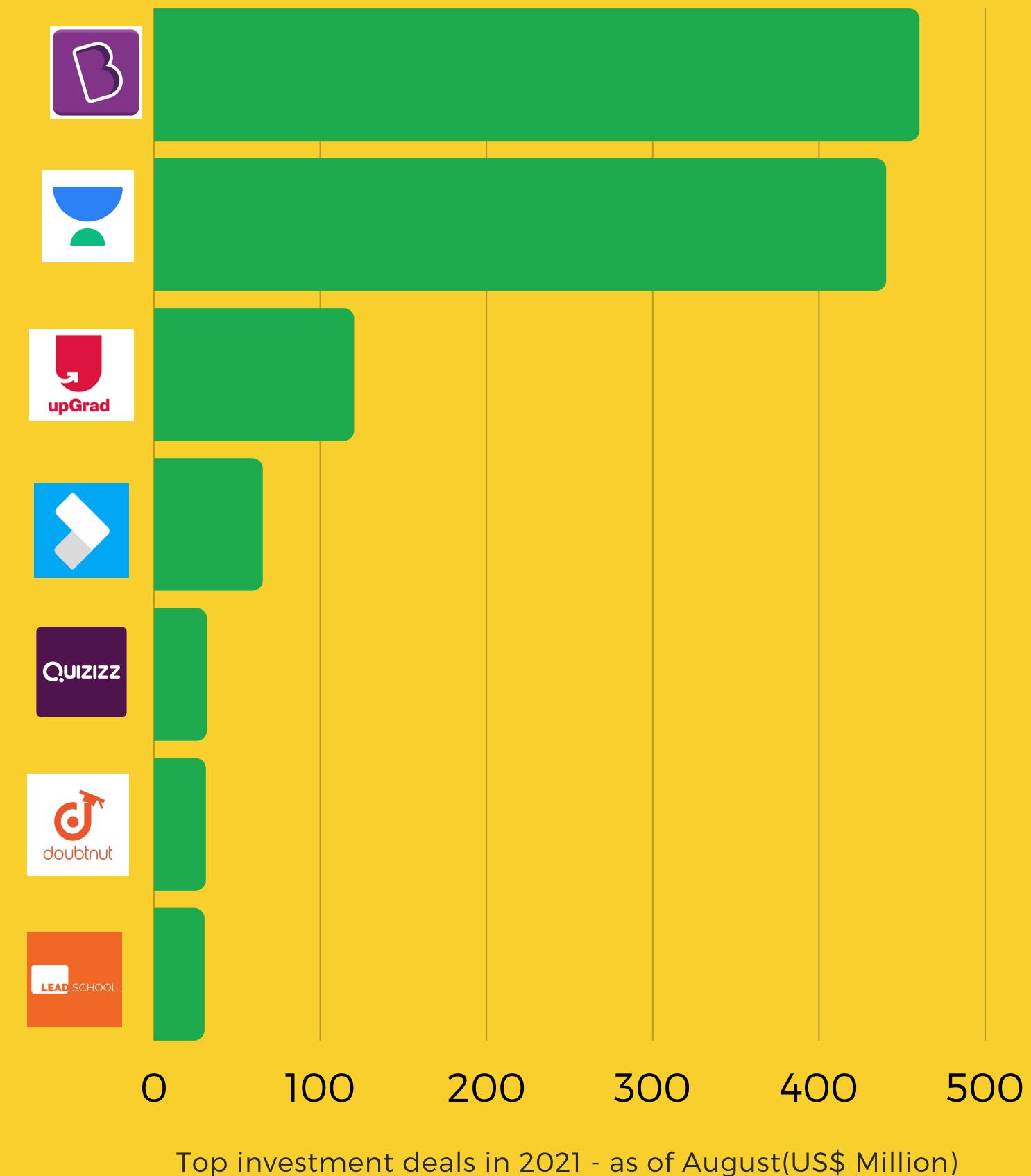
Over 90 ed-tech players have received funding in 2020, out of which 61 players received seed funding. In a total 346 deals have been made since 2014



Between January and August 2021, edtech players have garnered a whopping \$3.81 billion in funding



India has emerged to be among the top three countries in the world after China and the USA to get venture capital funding in the edtech sector



Market Competition

Who are the big players in the market??

At present over 4,530 Edtech start-ups are operating in India, out of which 435 have come about in the past 24-months alone. Since 2020, India has seen four EdTech start-ups turn into unicorns (Unacademy, UpGrad, and Eruditus and Vedantu) and one into a decacorn (Byju's).



BYJUS

Pre Covid : 8 billion
Post Covid: 21 billion



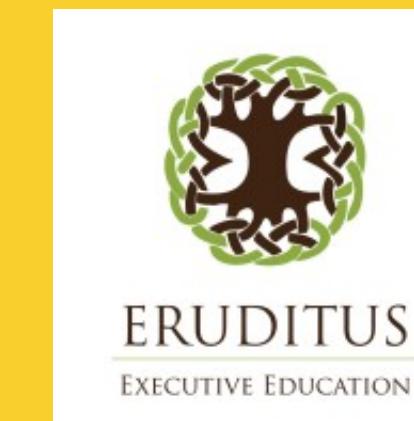
UNACADEMY

Pre Covid : 400 million
Post Covid: 3.44 billion



VEDANTU

Pre Covid : 280 million
Post Covid: 1.6 billion

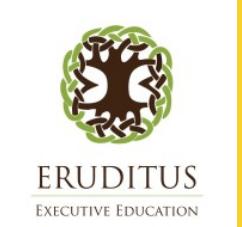


ERUDITUS

Pre Covid : 410 million
Post Covid: 3.2 billion

STATS

Company

	Finance	Userbase	Media presence	Products and Services offered
	BYJUS Revenue: \$193,345,029 Expenses: \$190,439,280 Advertising: \$63,533,833 EBITDA: \$12,514,409	Users: 57 million Subscribers: 2.4 million Popular among: School students, NEET, JEE, UPSC & Bank Exams.	FaceBook: 1,196,680 Instagram: 212472 Twitter: 12,648 Playstore: 10cr	Classes 1-3 early learning programme(3333/month), Classes 4-10 Maths and science(26000), Online tutoring for classes 4-10(35000), Live classes for JEE/NEET(100000), Tablet Programme for JEE/NEET, UPSC, GATE, CAT courses(35-50000)
	UNACADEMY Revenue: \$3,155,360 Expenses: \$16,162,911 Advertising: \$569,300 EBITDA: -\$12,874,640	Users: 30 million Subscribers: 350,000 Popular among: Applicants for UPSC, SSC, IIT JEE, CAT and other exams.	FaceBook: 1,120,473 Instagram: 972123 Twitter: 138811 Playstore: 5cr+	Classes 6-12 tutoring and classes, JEE/NEET/CAT/GATE, Govt Exams, Defense Exams, Foreign Studies, Competitive programming, Full Stack development. (Subscription ranges from 325-1080/month)
	VEDANTU Revenue: \$1,793,271 Expenses: \$5,684,063 Advertising: \$746,358 EBITDA: \$77,939	Users: 25 million Subscribers: 75,000 Popular among: CBSE, ICSE students and applicants for Olympiads, IIT JEE.	FaceBook: 155,390 Instagram: 93639 Twitter: 8882 Playstore: 1cr+	Free material for Classes 1-12, 1-1 tutoring, Courses on JEE/NEET/NTSE, Introductory coding for kids(Pro subscription starts from 5000-100000 for complete course access)
	ERUDITUS Revenue: \$6,810,634 Expenses: \$3,206,585 Advertising: \$1,171,033 EBITDA: \$597,983	Users: 21 million Subscribers: 50,000 Popular among: Popular amongst: Professionals opting for MBA courses	FaceBook: 49,154 Instagram: 3011 Twitter: -- Linkden: No App	Offers key courses on Leadership and management, Data Science, Digital Transformations, Banking and Finance. (Course prices range from \$5000 to \$40000)

HIGHLIGHTS



majority of the players like BYJUS, Unacademy and Vedanthu all offer coaching in Competitive exams like JEE/NEET/GATE/CAT, making the test preparation sector highly competitive



All of unacademy, vedanthu and byjus provide supplementary coaching to classes 6-12 but byjus goes one step further giving tutoring to classes 1-5 as well. Making it the single player market dominator in primary EdTech sector



In the rising sector of coding and full stack development, unacademy stands at the top, with byjus trying to enter this field after the acquisition of whitehatJr while vedanthu focusses only on introductory programming to kids



In terms of Skill certification, Eruditus leads the roost along with players like coarsera, udemy etc where byjus, unacademy and vedanthu are yet to conquer

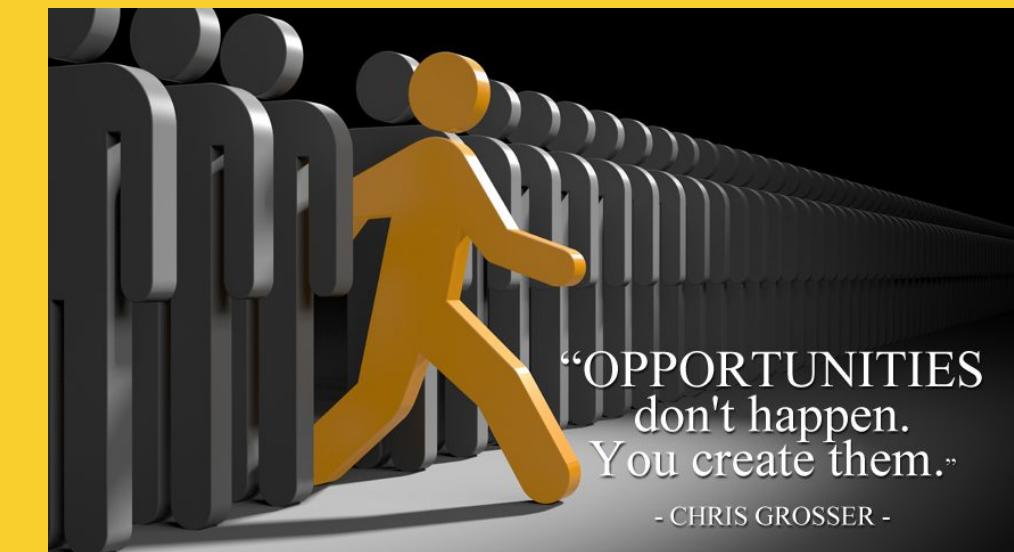
What: The Opportunities?

What sectors are yet to be explored or developed in the EdTech sector?

While most of the EdTech companies only provide supplement to already existing studies. There is scope of providing a complete package where they do not need to enroll in school, rather complete their entire study on the Edtech platform



Based on sector research, Test preparation and secondary education and Skill Certification has many players while the primary education sector is yet to be explored with only Byjus making significant lead.





The Startup Idea

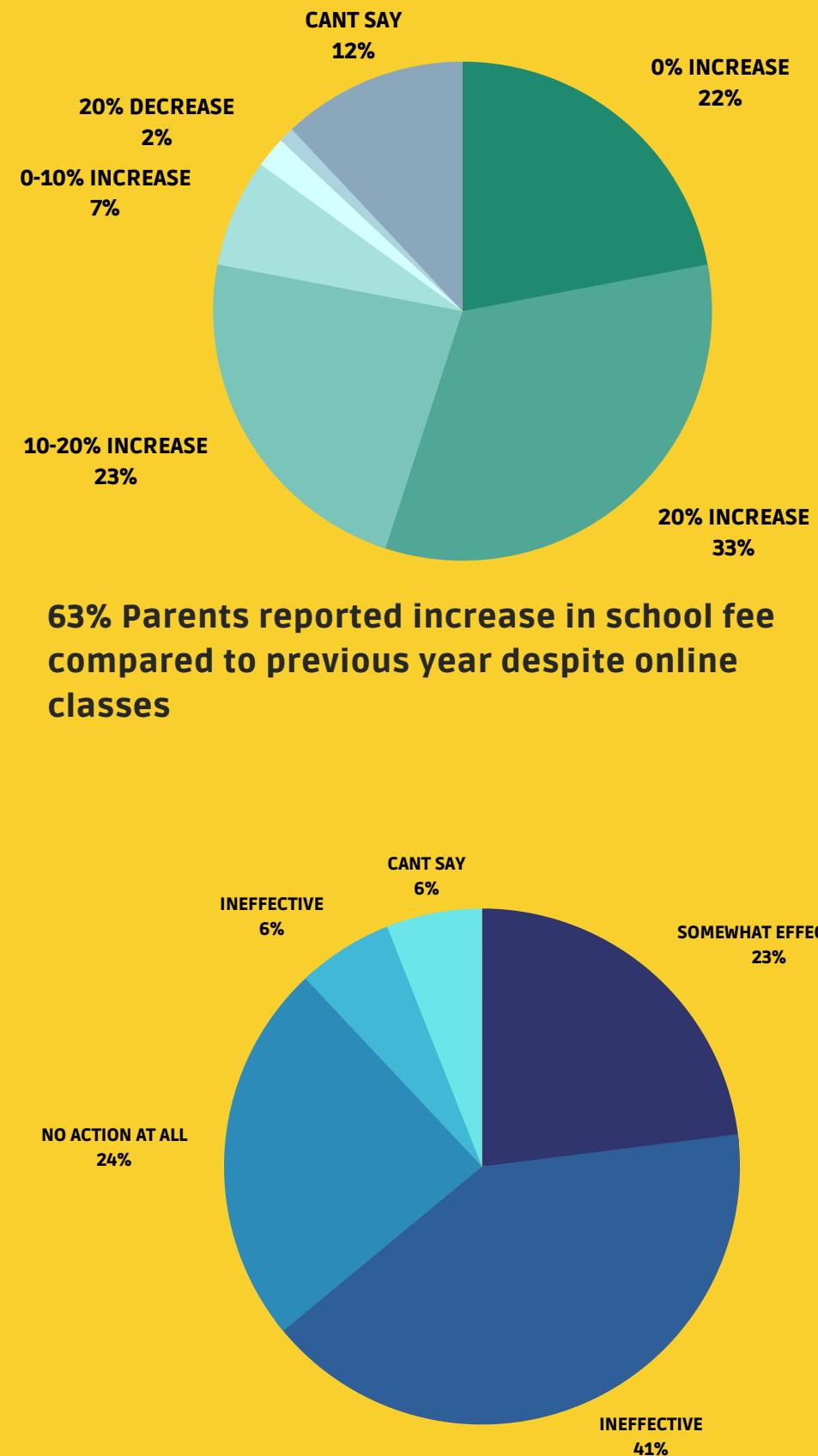
So far we've looked into what the EdTech market consists of, how it is valued and who are competitors are and what they offer.

Based on the research, the sector of primary education is quite open and can be explored upon, so I wish to setup my startup in that area.

The idea is to start a online platform where primary and middle school students can enroll and complete their education in a fun and informative way at a reasonable price. All their evaluation would be done online and they need not go to school.

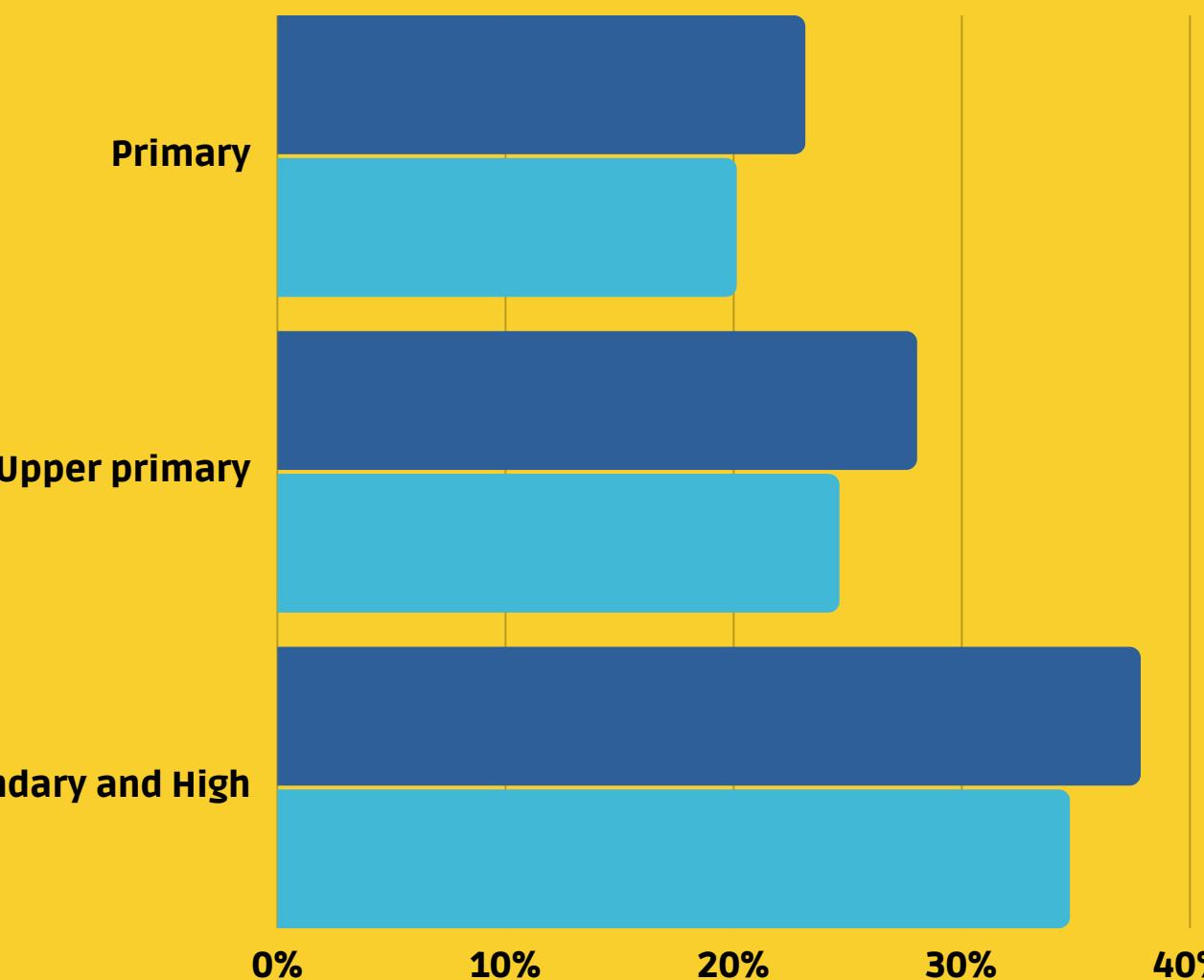
The primary difference is that unlike other platforms, my startup does not offer a supplement to their schooling rather offers the complete academic package.

As the startup gains popularity, we will expand to secondary students and also areas like test preparation etc.



Why a new startup?

Will customers be attracted to our product?



Percentage of parents who prefer online classes for their kids below 15 years since the nationwide lockdown
Survey conducted in October 2021

Percentage of students who took private tuition in India due to dissatisfaction at school(Male and Female in Dark and light legend respectively)

Product description

The product will be an App where parents can enroll their kids.

All the academic activities like classes, doubt sessions, material distribution and assessments will be carried out using the app



The app will offer education to students of classes 1-8 in STATE/CBSE syllabus



Classes will be offered live to a class of students with regular one-to-one interaction sessions and doubt clearing sessions



All the classes would be recorded and can be accessed later on in case anyone has missed. All class material will also be posted



All students would be having interactive sessions among themselves so that they get along with each other and have fun



Regular assessments will be carried out and the results will be conveyed to the parents frequently



Continual feedback would be taken from students and parents which would be analyzed to fine-tune the system



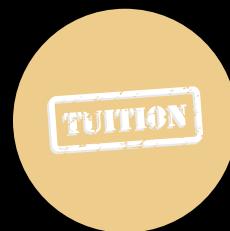
Faculty

Top-notch faculty will be teaching your children



Pricing

Unlike other platforms, all the products are offered at the best price



Assurance

Assurance that you will not need to send your child to tuition again



Technology

Latest technology will be used to help children visualize all concepts easily



Co-curricular

We also have co-curricular activities like art, music and dance to let your child explore all fields equally





Putting It All Together

Blueprint for Success

MARKET ENTRY STRATEGY

Parts of a Business Plan

TARGET AUDIENCE

Identifying the target audience for our product is the first and foremost thing to do before launching any product

MARKETING

After identifying the target audience, it is essential that they know about our brand and product, hence marketing is one of the most important part of any new business

LOGISTICS

Once customers are aware of the brand and they want to make purchases, we must be ready to satisfy their needs in all aspects, therefore it is important to know how to run all the business operations beforehand and rope in the necessary staff

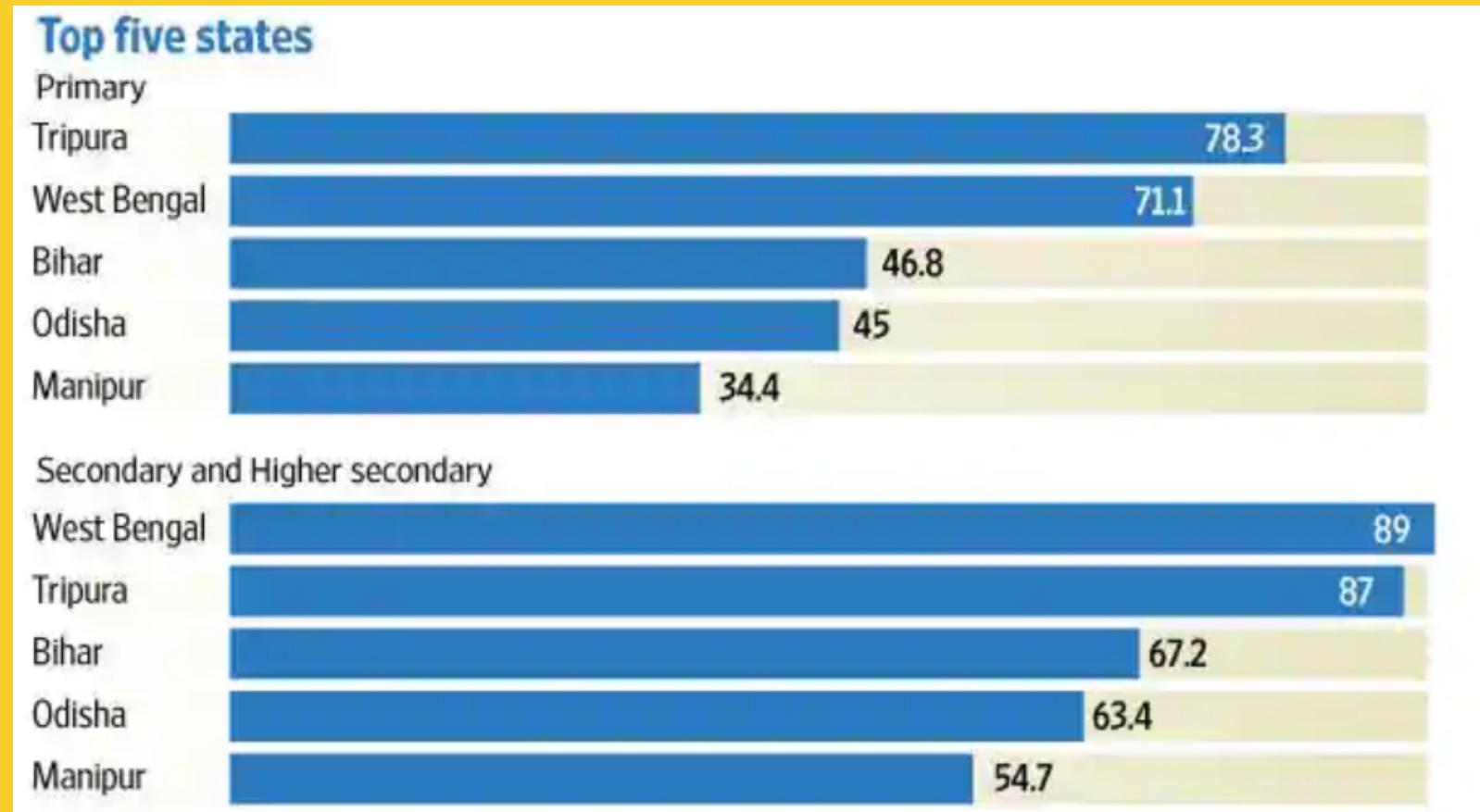
FINANCIAL PLAN AND PROJECTIONS

As the saying goes, as long as you make profits, you have a successful business and hence financial planning is also an important aspect

Target audience

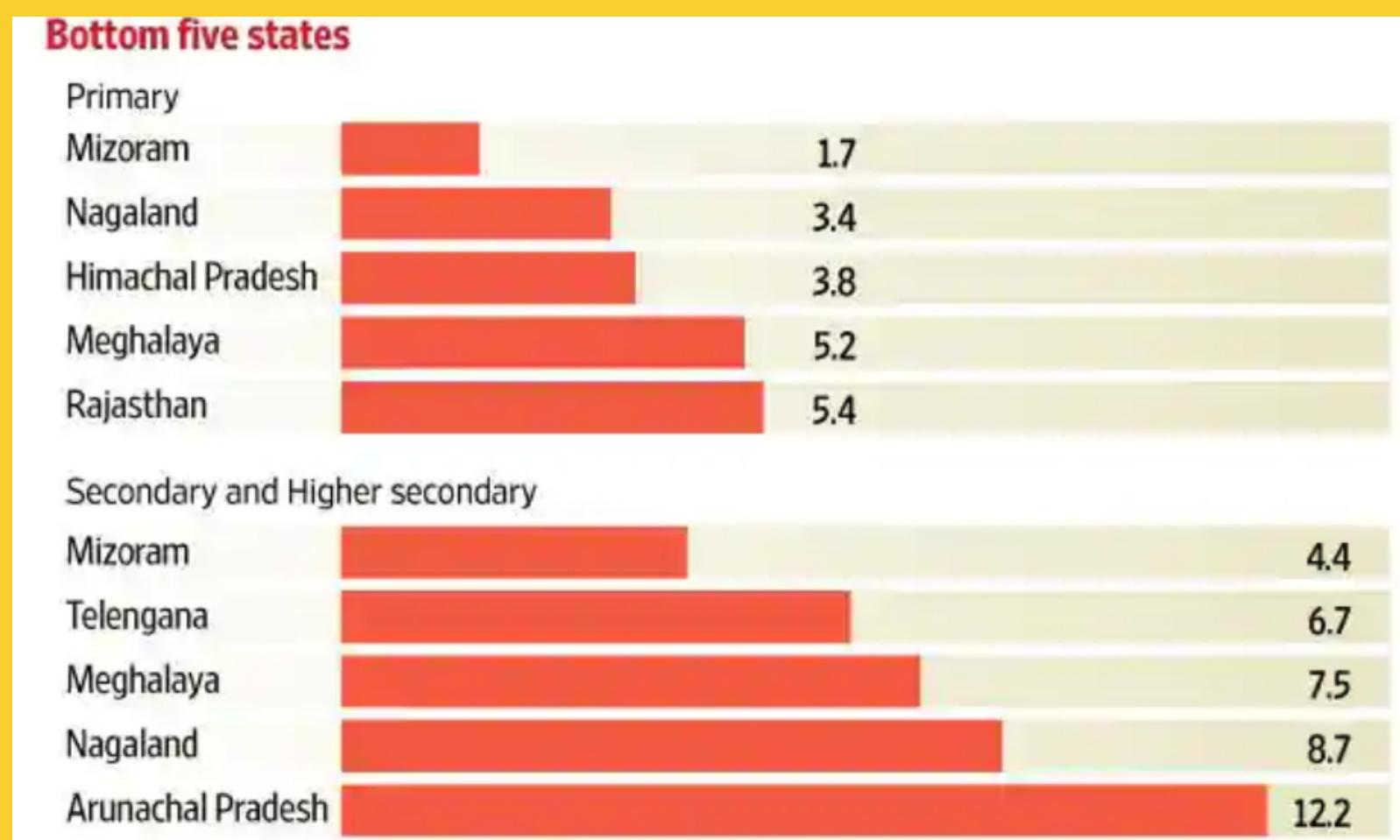
BY STATES

Based on the data below on which states has max users of E-learning platforms, we understand in which states can we get more customers by marketing



BY AGE GROUP

As our startup offers education to classes 1-8, the audience are expected to be in the age group 5-12



BY LIVING AREAS

Most of the EdTech customers are from Tier II and III cities, towns and importantly rural areas where quality education is scarce

Marketing: Make it stand out

SOCIAL MEDIA

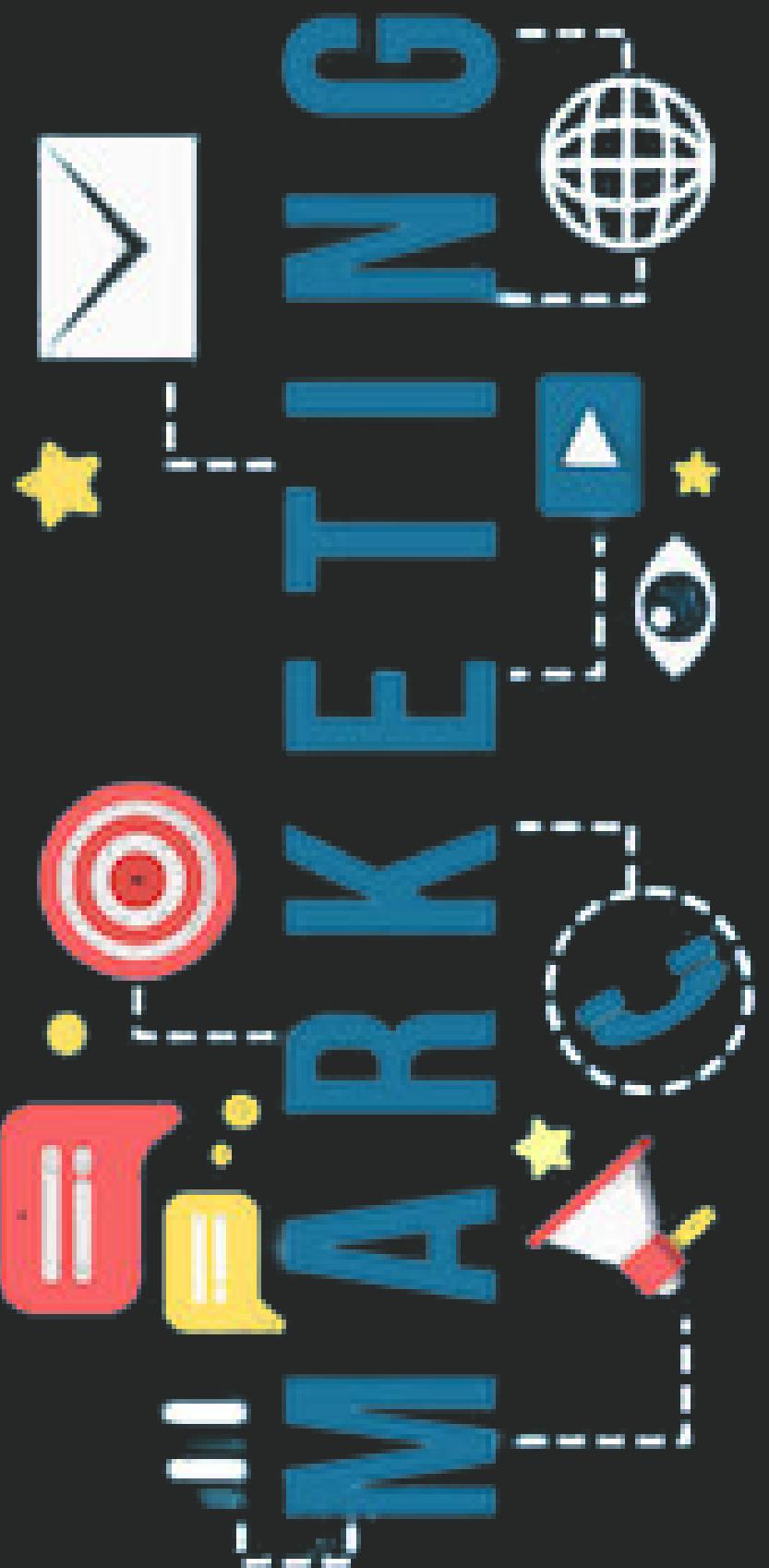
Having social media accounts and posting regularly is an important part of branding especially when the audience are from cities and towns

TV AND STREAMING ADS

To grab childrens attention, the best way is to advertise on kids channels like Pogo, CartoonNetwork etc and streaming platforms like Disney+, Amazon

INTERNET ADS

What does a person do when they want to find out about something? GOOGLE. Thats right folks, google ads are also a good way to reach customers who are searching for edtech.



Logistics - The Brief Plan

Beginning	Offering	Offers	Staff	Expansion
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HOW DO WE START?

We will start marketing, beginning February and attract customers to enroll their students in our app and begin classes to the first batch of students by June 2022

INITIAL OFFERINGS

As it is difficult to offer all the ideated features in a single go, we will initially offer classes only in CBSE syllabus to primary school in the academic year 2022-2023 and tuitions for primary school and later expand to middle school and SSC and ICSE syllabus

ATTRACT USERS FASTER

The best thing that can happen to a startup is a fast growing user base.
How to do that?

We can offer discounts for people who register early, people who pay full amount in advance or provide discounts to those who refer our services to others(like how PayTm gives 100 cash back for every user registered)

HUMAN RESOURCE

No matter what the startup, having a good team is a must.

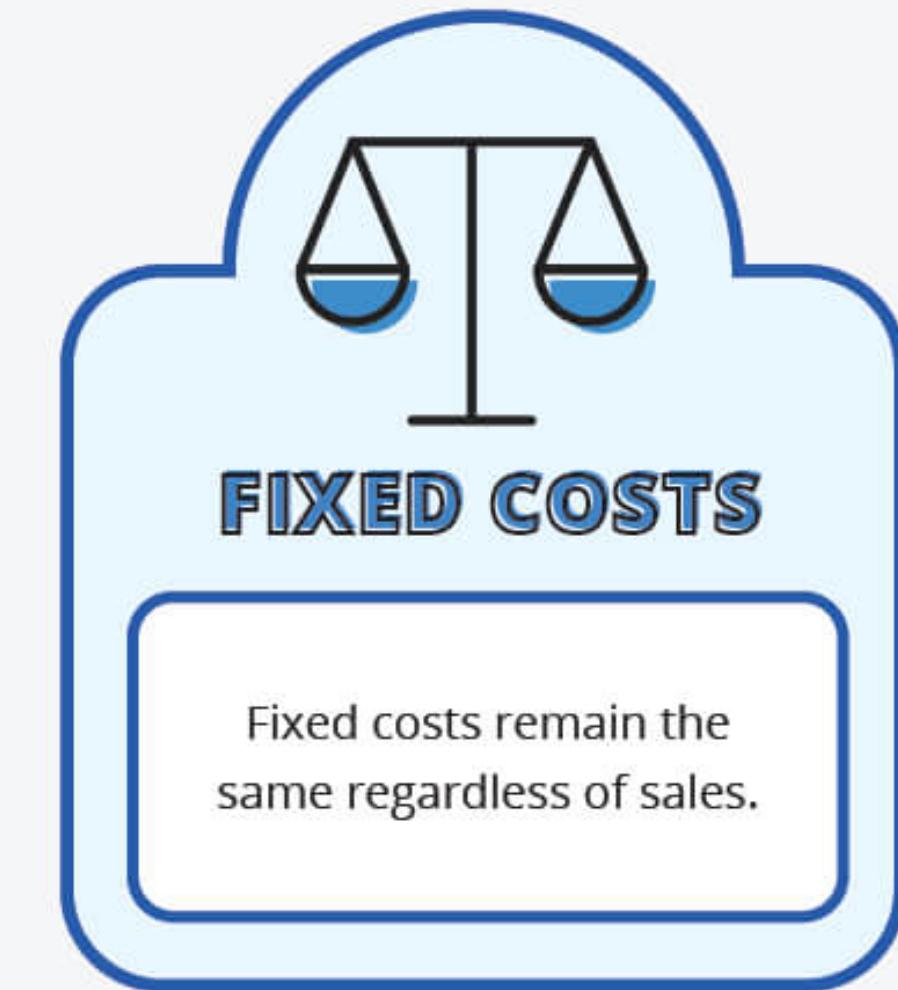
So before the first batch of students arrive, we need to recruit app creators, customer help members, administrative members, and importantly experienced teachers

WHAT NEXT?

If the first academic year turns out to be successful, we will expand business to higher classes and in variety of syllabus
Else if the first year turns out to be a failure, it is essential to do a research on why we failed, take customer feedback and analyze what we can do to improve in the next year

Fixed costs

App creation, Government permissions, Head office infrastructure, Database costs.



Fixed costs remain the same regardless of sales.



VARIABLE COSTS

Variable costs change based on your sales activity.

Variable costs

Teacher salaries, Technical support team salaries, Administrative staff salaries, marketing expenditure, support staff salaries, customer care salaries

REVENUE OPTIONS

PRIMARY REVENUE

Most of the revenue is expected to flow in from the annual fee of the enrolled students

FEE STRUCTURE

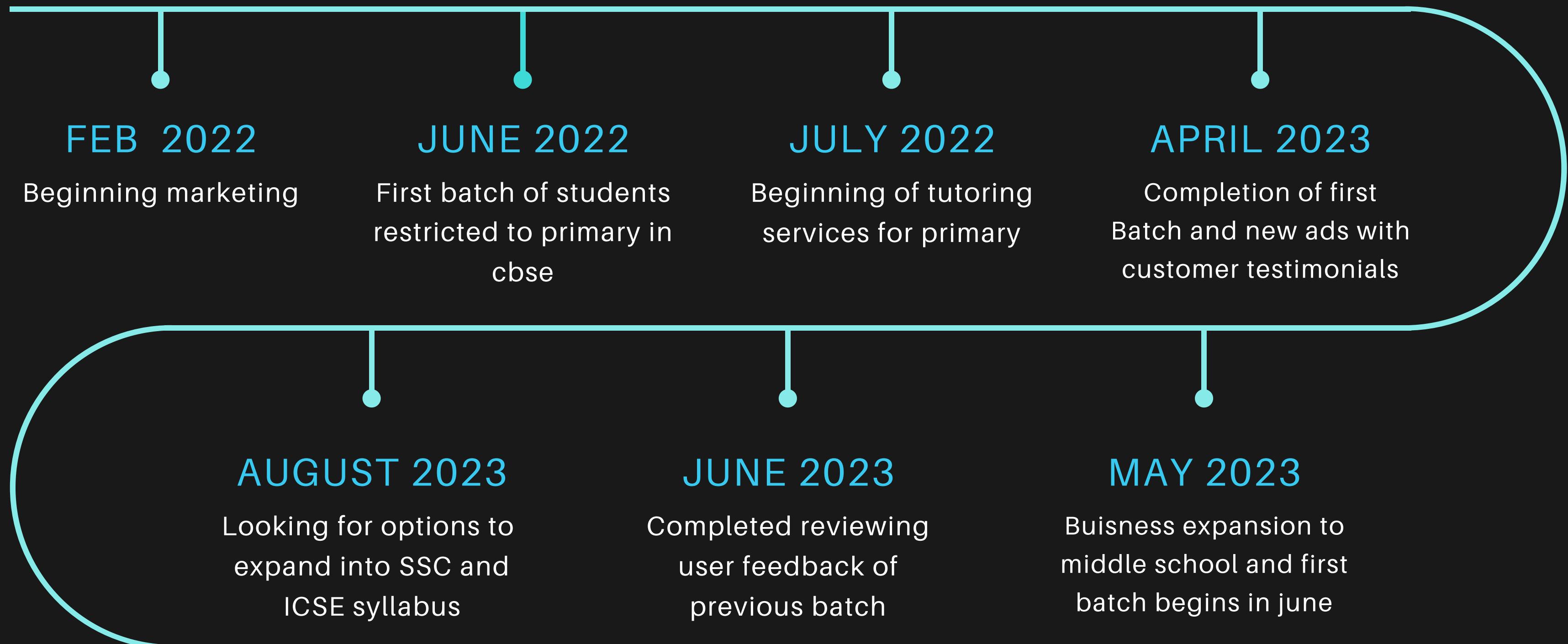
The average fee of a class 1 student ranges between 30k to 500k annually in most cities. So to generate necessary income, we need to charge anything around 20k to 30k



SECONDARY STREAMS

It is always good to have a back-up plan, so we will offer additional doubt clearing sessions to those who have not enrolled in our academic programme. In this way the user base is more diverse and we can avoid a huge loss in case the primary revenue model fails

Product Timeline



RESOURCES

<https://economictimes.indiatimes.com/tech/technology/indian-edtech-industrys-market-size-to-reach-30-billion-in-10-years-report/articleshow/82295097.cms>
<https://www.statista.com/statistics/255146/number-of-internet-users-in-india/>
<https://www.cbgaindia.org/opinion/the-booming-edtech-industry-in-india-should-we-be-worried/>
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<https://timesofindia.indiatimes.com/blogs/voices/is-the-edtech-bubble-in-india-about-to-burst/>
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<https://techcrunch.com/2021/09/29/indian-online-learning-platform-vedantu-becomes-unicorn-with-100-million-funding/#:~:text=The%20Bangalore%2Dbased%20startup%20says,in%20an%20interview%20with%20TechCrunch.>
<https://techcrunch.com/2021/08/01/indian-edtech-unacademy-valued-at-3-44-billion-in-440-million-fundraise/>
<https://inc42.com/buzz/with-6-5-mn-paying-users-byjus-banks-on-two-teacher-model-to-bolster-growth/>
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<https://www.fortuneindia.com/enterprise/edtech-juggernaut-2-unicorns-38-bn-fund-raise/105740>
<https://www.financialexpress.com/brandwagon/indiass-edtech-industry-to-become-30-billion-industry-by-2032/2241935/>
<https://inc42.com/reports/the-future-of-edtech-in-india-decoding-the-10-bn-market-opportunity-report-2020/>
<https://www.businessinsider.in/business/startups/news/from-byjus-to-unacademy-competition-in-india-fast-rising-online-education-sector/articleshow/78228490.cms>
<https://www.businesstoday.in/entrepreneurship/news/story/year-ender-2021-byjus-worlds-13th-most-valuable-start-up-bytedance-and-spacex-the-only-hectocorns-315533-2021-12-14>
<https://timesofindia.indiatimes.com/business/india-business/vedantu-raises-100-mn/articleshow/86625973.cms>
https://www.business-standard.com/article/companies/edtech-startup-unacademy-gets-440-mn-funding-valuation-crosses-3-44-bn-121080200287_1.html
<https://economictimes.indiatimes.com/tech/funding/eruditus-closes-650-million-funding-led-by-accel-softbank-valuation-jumps-four-fold-to-3-2-billion/articleshow/85264151.cms>
<https://shop.byjus.com/>
<https://unacademy.com>
<https://www.vedantu.com/>
<https://eruditus.com/>
Private tuition thrives in India: NSSO survey (livemint.com)
63% parents say schools have increased fees despite online classes (localcircles.com)