

CASE STUDY

BEHIND BYJU'S DECLINE AND HOW PHYSICS WALLAH LEARNED FROM ITS MISTAKES

Why Byju's Stumbled and Physics Wallah Thrived



This case study highlights key mistakes made by Byju's, through its unsustainable practices, and how Physics Wallah avoided these pitfalls through focused operations, affordability, and customer trust, emphasizing lessons for sustainable growth in EdTech.

NOTE : This study focuses not on Physics Wallah's success but on the mistakes Byju's made, that PW skillfully avoided to sustain its growth in EdTech.

By - SRIJAN MALLICK

National Institute Of Technology Agartala

BYJU'S

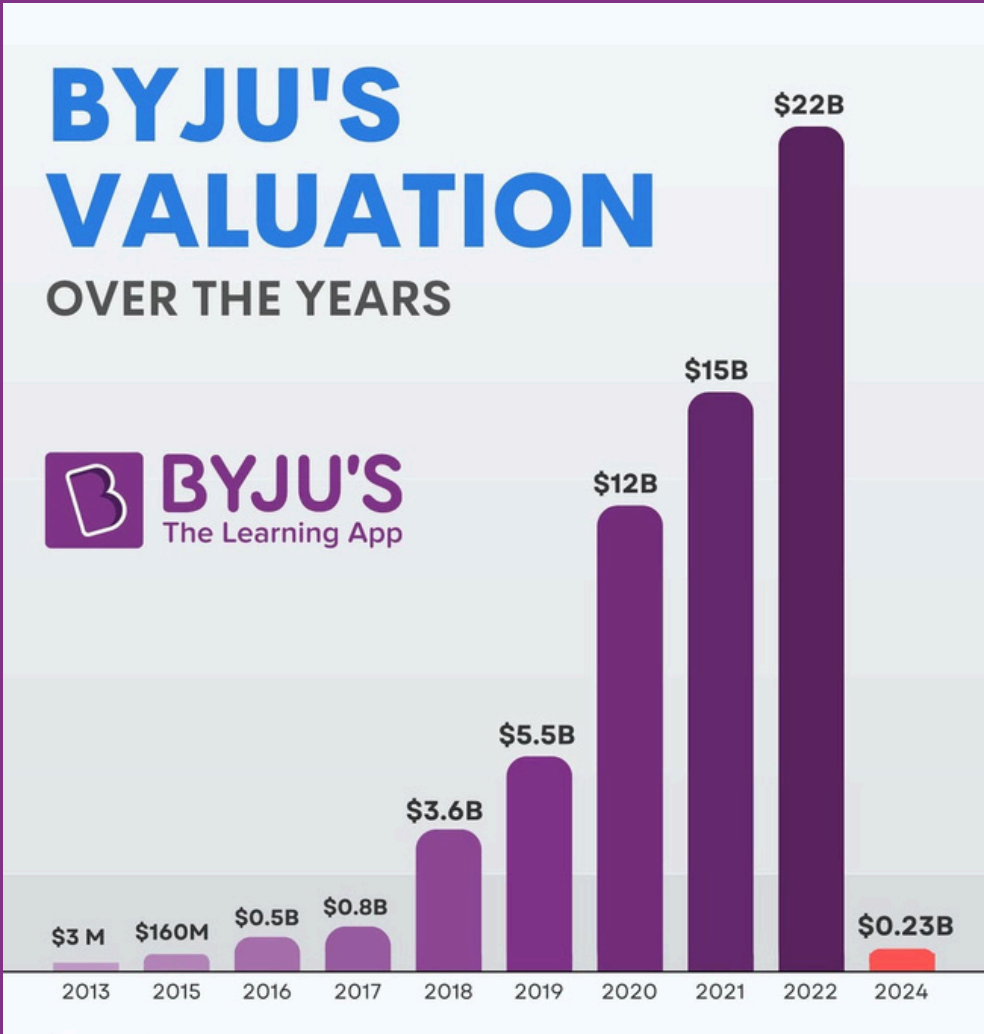


- **Founded : 2011**
- **Founder(s) : Byju Raveendran , Divya Gokulnath**
- **Type : EdTech**
- **Revenue : ₹2,428 crore (March 2023)**
- **Valuation : \$0 (Current) ; \$22B (Peak)**
- **Funding Received : \$5.97 Billion**
- **No. of Users : 100M Registered Students**
- **No. of Offline Students : (No Official Data)**
- **No. of Employees : 10,000+**
- **Revenue Model : Subscription + Course Sales**
- **Global Reach : 100+ countries**
- **No. of Offline Centres : 262 centres**
- **Target : Tier 1 cities**

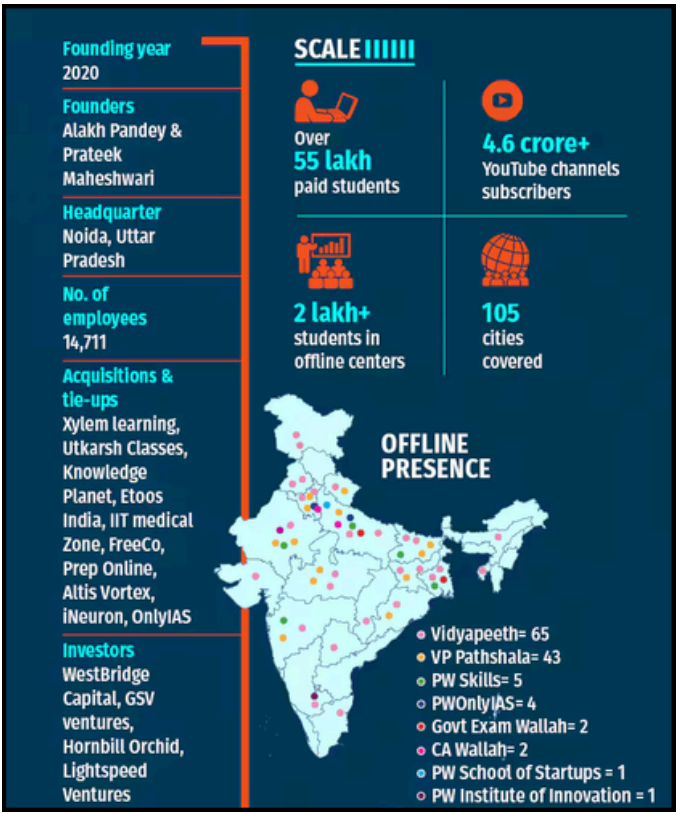
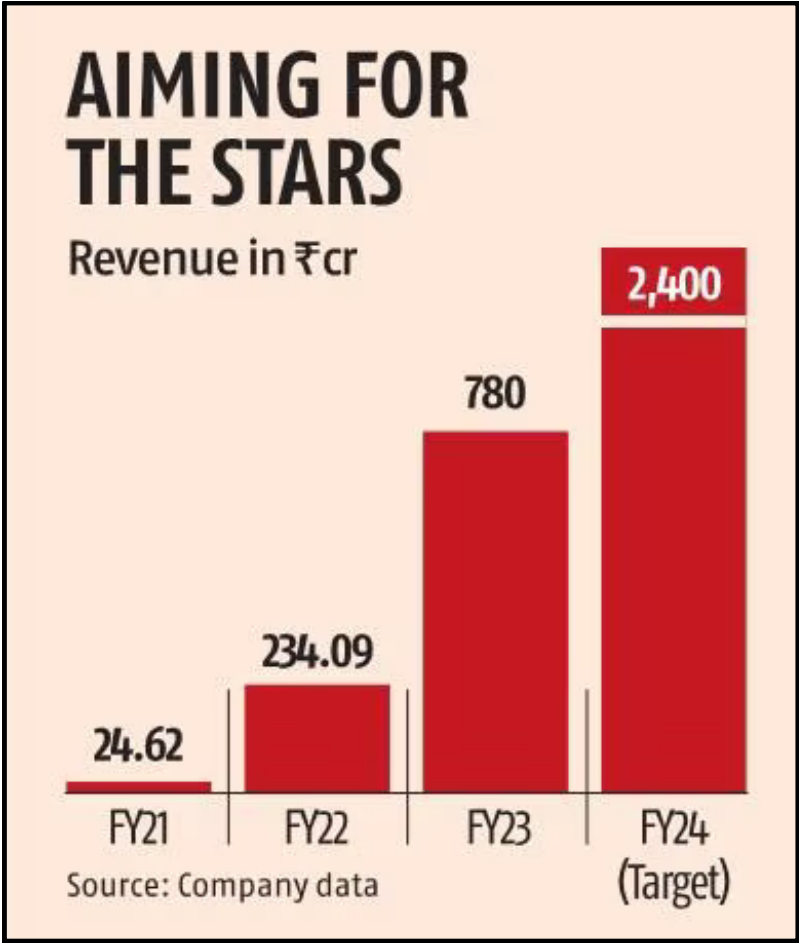
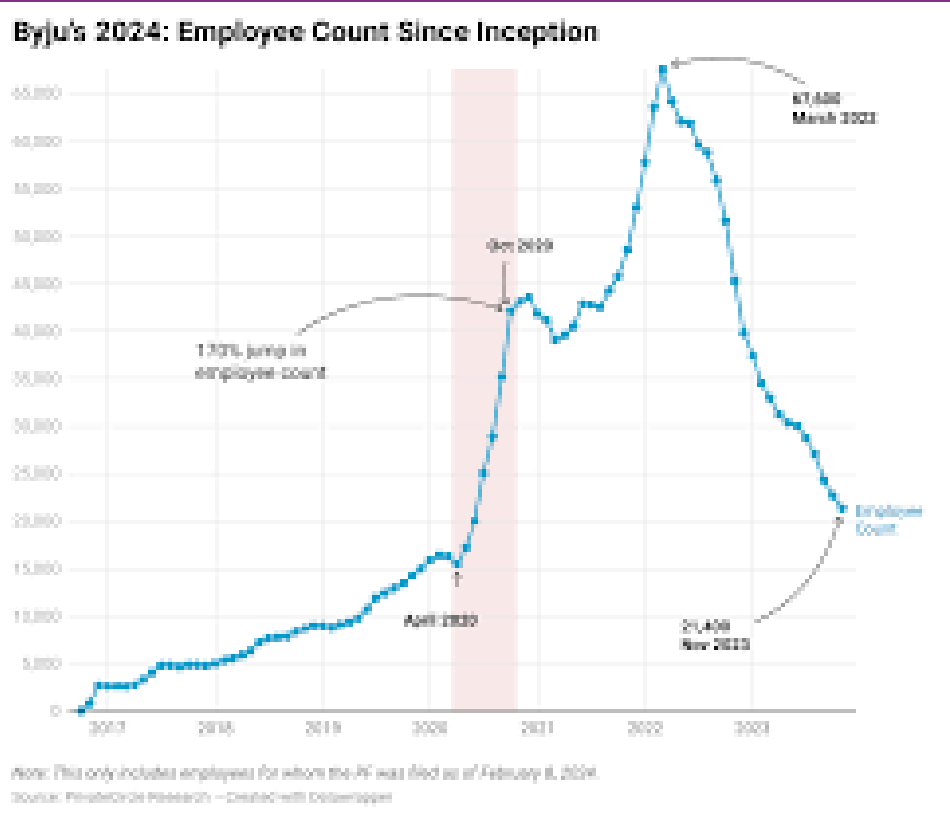
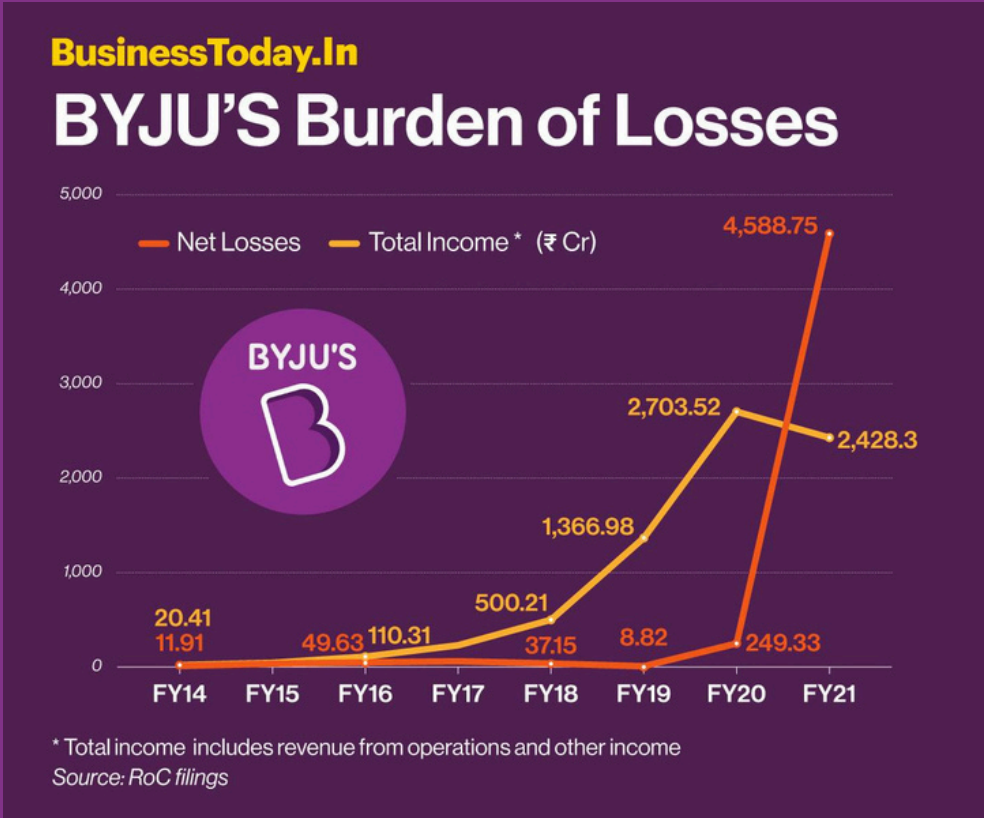
PHYSICS WALLAH



- **Founded : 2016 (YouTube) ; 2020 (EdTech Platform)**
- **Founder(s) : Alakh Pandey , Prateek Maheshwari**
- **Type : EdTech**
- **Revenue : ₹2000 Crore (approx.)**
- **Valuation : \$2.8 Billion**
- **Funding Received : \$210 Million**
- **No. of Users : 3.5M Registered Students**
- **No. of Offline Students : 140K**
- **No. of Employees : 14,000+**
- **Revenue Model : Low-cost course sales**
- **Global Reach : Primarily India + Middle East**
- **No. of Offline Centres : 100+ centres**
- **Target : Tier 2 & 3 cities**



PhysicsWallah's Growing Edtech Empire



Innovation Model

BYJU'S redefined education with engaging video lessons, interactive animations, and gamified content. This unique model made complex subjects accessible and enjoyable, appealing to millions of students across diverse age groups.

Technology Integration

BYJU'S became one of the earliest EdTech platforms to reach Indian kids. It used AI and data analytics to make study plans for each student. This personalized teaching helped students learn at their own speed, ensuring better understanding and long-term retention of concepts.

COVID-19 Lockdowns

COVID-19 lockdowns forced a global shift to online learning, significantly benefiting BYJU'S. The company saw unprecedented growth in users and revenue as students turned to digital platforms for uninterrupted education. They saw a huge rise in students during this period.

Acquisitions & Expansion

The company acquired firms like WhiteHat Jr., Osmo, and Aakash Institute to diversify offerings. These moves strengthened its global presence and widened its customer base from K-12 to competitive exams.

Strong Leadership

Founder Byju Raveendran's relentless focus on quality education and scalability turned his dream into reality. His passion for teaching and innovation positioned BYJU'S as a leader in digital education globally.

| Flawed Scaling | Investor's Pressure | Marketing Missteps | Weak Governance | Brand Decline |
|---|--|--|---|---|
| BYJU'S prioritized rapid expansion through costly acquisitions, straining resources. Poor integration and unsustainable growth strategies caused inefficiencies, hindering its ability to maintain operational stability and long-term success. | BYJU'S raised over \$2.5 billion from investors, creating high expectations. However, inefficient capital utilization and failure to meet growth targets led to mounting losses, eroding investor confidence and significantly affecting its financial stability and operations. | While initially successful, BYJU'S marketing shifted to highly expensive ads & overpromising outcomes, leading to consumer dissatisfaction. Aggressive sales tactics and inflated claims damaged trust, driving question on company's credibility. | BYJU'S faced criticism for delayed financial reporting, internal disputes, and management controversies. These governance issues eroded investor confidence and exposed leadership gaps, amplifying challenges during critical growth phases. | Once a symbol of innovation, BYJU'S became associated with high-pressure sales, layoffs, and controversy. This shift tarnished its reputation, making it harder to regain trust and maintain market leadership. |

Smart Scaling

Physics Wallah prioritized steady growth over rapid scaling. By focusing on building a robust in-house team and creating affordable, high-quality content, it avoided overextension and maintained operational efficiency while expanding its reach effectively.

Investor's Independence

PW avoided heavy reliance on external funding, choosing a bootstrapped approach initially. This strategy allowed it to grow sustainably without the burden of meeting unrealistic performance expectations from investors, ensuring financial stability.

Authentic Marketing

With Alakh Pandey as face of the brand, PW relied on his personal teaching style and YouTube presence to build trust and a loyal audience. By avoiding costly endorsements like Shah Rukh Khan or Team India, it focused on organic, cost-effective marketing that resonated directly with students.

Strong Governance

Led by Alakh Pandey & Prateek Maheshwari, PW emphasized accountability and transparency. Clear financial reporting, employee-centric policies, and efficient management practices helped it avoid governance-related controversies and ensured smooth operations.

Student's Alakh Sir

Lower middle class students feel connected with Alakh Pandey's struggle & success. He understood their problems and kept his courses cheapest while maintaining high-quality education, he ensured learning remained accessible, fostering loyalty and trust among students.



Byju's initially gained prominence with over 150 million users globally and achieved a peak valuation of \$22 billion in 2022. Its revenue for FY22-23 was reported at ₹2,428 crore, but operational losses escalated to ₹4,588 crore, highlighting inefficiencies. The company made high-cost acquisitions like Aakash Educational Services for \$1 billion and WhiteHat Jr. for \$300 million, which strained resources. Aggressive marketing and pushy sales tactics further eroded customer trust. By 2024, Byju's valuation declined significantly, with major investors like Prosus writing off stakes worth \$493 million, the company faced potential bankruptcy.

In contrast, Physics Wallah avoided Byju's key mistakes by focusing on affordability, a lean business model, and niche targeting for JEE and NEET exams. With minimal marketing costs and no costly acquisitions, PW built trust with Alakh Pandey as its face, through transparent operations and maintained operational efficiency. This approach allowed PW to scale sustainably while Byju's struggled with over-expansion and high costs.



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Research, Content & Design by - **SRIJAN MALLICK**
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