



# Final Project

Platform Design and Future Strategy  
for Skillshare

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## **45872-E3 Technology Strategy**

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## Current Firm and Product Analysis

### Firm Overview

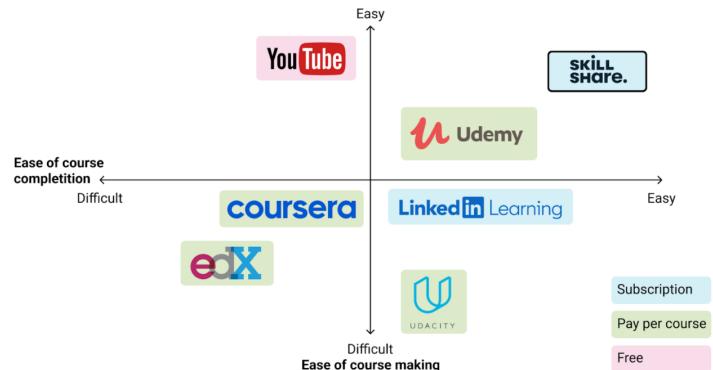
Skillshare is an EdTech platform for people who want to learn and teach online from the comfort of their homes. The problem Skillshare is trying to solve is to lower the hurdles of teaching and learning creative skills so the main course categories include creative arts, design, entrepreneurship, lifestyle, and technology. Skillshare's mission is to transform education by empowering teaching and democratizing learning.

- **Current Tech Stack**

They range from languages for running the website like PHP, jQuery, to tools for data analytics like Google Analytics. They integrate with TypeForm for taking teacher responses and use Google Suite for running their business.

- **Competitors**

The horizontal axis shows the difficulty level of completing the course (student's point of view), and the vertical axis shows the difficulty level of making the course (teacher's point of view). We also differentiated by the way customers pay, by using color coding - subscription, per course, or free.



### Current Business Model



Skillshare's business model is a simple subscription model including free trial. Students pay a monthly or annual fee for a Skillshare membership, which includes unlimited access to their entire catalog of classes and other membership features like offline viewing through the mobile app. Teachers earn money in two ways:

- **Royalty** - 30% of Skillshare's membership revenue goes to a royalty pool for teachers and they are paid from the pool based on their share of the paid minutes watched by students.
- **Referral bonus** - Teachers can use referral links for their classes on social media and can earn a bonus every time someone signs up for Skillshare using that link.

## Current Marketing Model

- **Platform (Value Units)** - For students, the value provided by Skillshare is the multiple creative explorations that further expression, learning, and application. The platform lowers the hurdle for students to learn and allows them to practice through hands-on projects. For teachers, the value provided by Skillshare is that they can teach with flexible time and it also lowers the hurdle to teach.
- **Price** - The annual subscription fee is \$216, while the monthly subscription costs \$40. Skillshare offers a one-week free trial for newly registered students, so they can enjoy the full learning experience before financially committing.
- **Promotion** - Skillshare provides discounts on other products (Adobe, Canva, etc.) and gives incentives for both teachers and students to invite other students.

## User Stories

- **Students** - A student user of Skillshare would be someone like Jared, who is currently studying CS and has a presentation coming up which needs design skills. He does not have enough time before the deadline and wants a quick hands-on

experience in graphic design. He uses Skillshare to do a quick hands-on project and ace his presentation.



The pros of the platform for students include that there are quick and short videos ranging from 10 minutes to 2 hours. Every course has a hands-on project. These are self-paced courses with no external pressure or fear of missing deadlines.

But there are also disadvantages including no accreditation for completing a course. Quality of videos is not on par with other EdTech platforms, and courses are in English only. The platform also lacks teachers from traditionally non-creative disciplines like CS.

- **Teachers** - A teacher user of Skillshare would be someone like Jake, who is working full-time for a production company as a motion graphics artist. He dreamed of launching his own freelance career, but his schedule with a full-time job didn't allow enough time to dedicate to freelance projects, nor did quitting his job seem financially viable. He uses Skillshare to build a side hustle and share his knowledge with enthusiastic students.



The advantage of Skillshare for teachers is that the platform is very teacher-centric and has monthly challenges to motivate and guide them while designing class. Anyone can shoot a

video. The disadvantage is that the tools for shooting the video have to be sourced by teachers themselves.

## Future Platform Strategies

Our platform strategies for Skillshare can be categorized into three parts: pull, facilitate, and match. The goal of pull strategies is to create stronger network effects to attract both teachers and students on board. Facilitate strategies focus on providing the necessary and easy-to-use tools to encourage the interaction between teachers and students and exchange of value on the platform. Furthermore, match strategies require Skillshare to utilize the data they collect to make the best possible match between what the students want to learn and what the teachers are offering. These strategies focus on short-term development in the next 1-2 years based on the current industry positioning of Skillshare.

### Pull Strategies

Since Skillshare is a platform that facilitates interactions for both producers (teachers) and consumers (students), it is important to attract as many users as possible from both sides to build up network effects for leverage. Thus, the pull strategies can be further divided into two sections based on the target user.

#### To attract students

- *Building more trust in teachers' qualifications*

Currently, students experience some difficulties understanding teachers' backgrounds and capabilities on the platform, which reduces their willingness to pay for subscriptions without much hesitation. Since trust is an important factor in the success of platforms, Skillshare should focus on improving students' trust in the teachers' qualifications. To achieve this, they can start by showing a list of top verified teachers on the main page. In addition, teachers can be encouraged to add

their awards, degrees, and certifications in a dedicated “qualifications” section on their bio page.

- *Improve the implementation of freemium pricing*

Skillshare has already implemented the freemium pricing strategy - students are allowed to view the first video of a course but need to pay for a subscription to get access to the entire content. But such freemium pricing strategy is not effective as the first video of most classes only includes a brief introduction on the topic without showing students what they can achieve specifically after learning. Therefore, if Skillshare allows students to view the first, the second, and the last videos (where final projects are discussed) of a class for free, students can gain a more comprehensive understanding of the goal before paying confidently for subscriptions.

- *Collaboration with targeted influencers*

Skillshare is also advised to establish strategic partnerships with influencers to help them set up relevant classes on the platform to attract their followers. This would be especially effective if Skillshare targets a specific audience group. For instance, they can invite influencers from the creative art community to set up classes and promote towards their followers on social media platforms including LinkedIn, Facebook, and Instagram. If students successfully sign up for subscriptions with the influencer's promotion, they can receive certain discounts as an additional incentive.

### To attract teachers

- *Adding exposure for new teachers*

Promotion and exposure are essential for new teachers to attract students to take their classes. Skillshare can help them by dedicating a section on the main page to introducing teachers who have just uploaded their first classes. By promoting new

teachers, there will be more potential teachers encouraged to start new classes on the platform.

- *Referral program for teachers*

Currently, Skillshare has implemented a referral program to invite new students to register new accounts with a one-month free subscription. A similar practice can also be applied to invite more teachers. As teachers seek to earn revenue from registration and making classes for the platform, Skillshare can consider providing financial rewards, such as sign-up bonuses, to both the referral and referee teachers.

- *Supporting teachers to make videos*

The making of some classes requires professional equipment or tools. Although teachers may already have the necessary tools, it would still be helpful to support teachers in the video-making process by lending or providing them with some selected tools. Since Skillshare is already partnering with creative software and design tool companies including Adobe, the support program is unlikely to incur high additional costs. For example, Skillshare can provide one-month free usage of professional cameras and Adobe Premiere Pro software for teachers to make videos more easily. Teachers who participate in this support program need to upload new classes and return the physical tools within one month, otherwise charges may incur. Such support helps teachers to generate high-quality content on the platform.

### To attract both user groups

- *Offering more incentives to share on social media*

Word-of-mouth is an important medium in promoting online platforms and expanding network effects. Skillshare can improve their integration with social media platforms to leverage word-of-mouth marketing in both teacher and student groups. Users should be able to connect the Skillshare account with their social

media accounts and share major milestones in their teaching or learning experience.

- *Language help & translation*

Language can be a barrier for teachers to make videos and for students to finish classes, so Skillshare can provide better language support in every part of their service. For example, the website can have multiple language options to cater to the needs of various language speakers. Speech recognition technology can be embedded in video processing to automatically add captions in different languages for translation.

## Facilitate Strategies

- *Encouraging completion of assignments*

To encourage interaction between teachers and students, before providing tools for them to better communicate with each other, it's more important to encourage students to finish their assignments as required in the class. Assignments are a perfect communication medium bridging teachers and students. By looking at the assignments submitted by students, teachers can know how well the student has absorbed the content in class and whether they should adjust the course to better fit the general situation of students. As for students, assignments are a good opportunity to practice and get feedback from teachers. The assignment provides a context to facilitate the communication. Also, since the course projects will also be shown to the public, it will facilitate communication among students taking the same course. Therefore, Skillshare should apply tactics to encourage more students to finish and upload assignments to the platform.

Firstly, Skillshare can provide a class schedule to every student to list out all the classes and corresponding assignment due dates on a weekly basis. With such schedule, students will be provided a more formal learning atmosphere and can be

reminded to finish the assignments. Then when students finish all classes and upload all required assignments to the platform, Skillshare can provide a course completion certificate to these students, congratulating them for finishing the course and allowing them to share the certificate the social media platforms. Also, considering students may be more motivated to do assignments when they know they have classmates working on the same assignment, Skillshare can also create cohorts for each course and gather assignments during a specific period.

- *Skillshare online community*

On top of the previous tactics to encourage communication around assignments, Skillshare can create a community for all users to share thoughts and exchange information. People who come to this platform have similar learning objectives, which could be either for career/academic development or personal interests, thus a community with different interest circles may help them find someone with similar interests or exchange learning insights. Although currently, Skillshare has a discussion zone for each class, the interaction is limited between teacher and student without breaking the silos of classes or user types. While in a platform-wise community, all users can not only share their learning notes and project results but also post questions such as challenges faced at work and industry insights to exchange information. By building up relations on the platform, users will be driven to stay, take more courses, and talk to more other users.

- *One-on-one guidance ("Remote Office Hours")*

Aside from broadening the scope for users to interact with each other on the platform, the foundational interaction between teachers and students can be more diverse and allow more in-depth communication. For example, Skillshare can collaborate with other video conference companies to provide one-on-one guidance (remote office hour) features to teachers and students. Compared with only using text and simple images to communicate in the discussion zone, a one-on-one

remote video call can better shorten the distance among users and help students better address their questions.

- *Competitions*

Another way of motivating students to take more courses and finish course projects is by peer effects and competitiveness. Skillshare can enable students to initiate competitions of finished courses or projects with other fellow students on the platform. If it's a project-based competition, other users including teachers and students can be invited to vote for the best project. The winner of the competition can be granted rewards, such as a one-month free membership.

## Match Strategies

- *Improving algorithm to push real-time personalized content*

The current onboarding process of students allows them to select their interested areas to personalize the course list - it has some level of personalization algorithm based on user input but no recommendation engine is built into the current tech stack. In order to better match the course offerings and student preferences, we suggest Skillshare should leverage artificial intelligence, especially machine learning models, to predict and recommend suitable courses. An unsupervised machine learning algorithm can be developed to tune the model and integrated into the platform in response to new data sources based on users' search, save, share, and watch history.

## Monetization Strategies

Building a community-led online learning platform is the way that Skillshare can sustainably monetize it. When considering how to design the platform to facilitate interactions (mentioned above), features such as allowing users to post questions and industry insights have been introduced to provide value-added benefits to users. The online learning

community can create access to quality interactions, build many-to-many relationships, and add much more value to both teachers and learners to share resources in the community. From the perspective of maximizing profits, Skillshare can expose restricted partial community services to all of the users, but enable users to unlock the full access by charging a subscription fee to users. Moreover, creating a meet-n-ask appointment booking feature to allow learners to ask questions to teachers can also foster beneficial interactions on the platform. Similarly, Skillshare can add restrictions to this feature for monetization.

## Launch Strategy

### *MicroMarket Strategy for platform launch*

Although SkillShare has diverse course selections ranging from design, business, technology, or creative writing, based on the existing content and course categories on the platform, most of the contents still focus on the art-making and creativity side such as design, fine art, music, video. There is less content for educating professional skills compared to what LinkedIn or edX is offering. Also, there is already a small market of users interested in art/creativity who have joined the platform. Therefore, when launching the improved platform, we suggest that Skillshare target users in this market to create a very active community first by enhancing quality interactions, and then leverage the word-of-mouth effect to gradually attract more users while expanding its content about professional skills at the same time to build more user segments and scale up user base who are interested in professional skill-building courses. What's more, the company is located in New York City where it is the world-renowned destination for art. Skillshare can take advantage of its location to launch a marketing campaign that targets the art/creativity community to arouse a fascinating influence in the first place.

## KPIs to Measure Success

Setting KPIs to measure the success of the platform is significant. As Skillshare would introduce new platform design including new community services and improve the recommendation algorithm, the following platform metrics can be used to measure the liquidity and the matching quality to assess the interactions:

- Percent of listings lead to interaction
  - Percentage of users who click on access control to unlock community service among the total number of users who click on the community page
  - Percentage of users who book the office hours
  - Percentage of users who initiate learning challenges with others
  - Percentage of users who share learning outcomes on social media
- User growth rate
  - Trend analysis of weekly and monthly active users
  - Predicted growth rate of active users vs. Actual growth rate of active users
- Time between interactions
  - Average time that users spend on the community service
  - Average time that users spend on the platform
- Transaction and Conversion rate
  - Page exit rate after search results (to assess whether contents are matched)
  - Percentage of users who subscribe to the platform after the introduction of community services
  - Number of clicks on the community services
  - Frequency of participation in the community