

Byju Livemint

How Byju's built its brand

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13-17 minutes

"I believe when you take sessions in auditoriums, you're creating a kind of fan following. You can't do a math class in a stadium. It has to be a math performance," says Raveendran, 36.

His performances have served him exceedingly well. His company Byju's, run by Think and Learn Pvt. Ltd, is India's best-funded education start-up, having raised \$204 million from venture investors Aarin Capital, Chan Zuckerberg Initiative, International Finance Corporation (IFC), Lightspeed India Partners Advisors, Sequoia Capital India Advisors, Sofina SA, and Times Internet Ltd and Brussels-based family office Verlinvest SA.

The beginning, in 2007, was uneventful.

Our product is built on that strong belief that when students learn on their own, where they take the initiative, whatever you call learning, that counts for 50%. Unfortunately, today it's 100% spoon-feeding in a lot of students' cases, 100% learning for exams and not the other way around - Byju Raveendran

Raveendran, who was then working as an engineer for a UK-based shipping firm Pan Ocean Shipping Ltd, helped a few friends who were working in the information technology industry in Bengaluru prepare for the Common Admission Test (CAT), which opens the doors to India's best management institutes.

"They came to me for help in CAT because they knew me as someone who's good in cheating in exams. They don't use the word but they knew me as someone with short-cuts and exam hacks," says Raveendran.

He then "casually" took the exam with his friends too, just to see how it went.

"They were taking it like this is the end of it. For me, it was just like another Sunday afternoon. Went and took the exam and that's the reason I think I did well, just like how I used to do well in almost all the other exams," he recalls.

When the results were announced, Raveendran's friends had done well. He himself scored 100 percentile.

Thinking big

Raveendran got interview calls from all the Indian Institutes of Management (IIMs), but chose to return to his job. A couple of years later, more of his friends sought his help, informally, and he started teaching them too.

He took the CAT again, and scored 100 percentile once more. He was hooked to the respect he was getting and decided to take six months out to see what would happen if he taught with a structure.

Raveendran started conducting workshops on the weekend, with the classes growing in popularity. When one classroom wasn't enough to accommodate students, he booked an auditorium with a seating capacity of 1,200.

"If you are copying someone, maybe thinking big is not that important because you need to copy it very well and you need to execute it well but if you're doing something new, thinking big is 50%. From a classroom of 40 I thought of going 30x without ever worrying... I was sure that if I'm booking 1,200 I will fill it. Sixth or seventh week the auditorium was full. Then I never looked back," says Raveendran.

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Byju's team of 200 has grown to 1,000 in the past year. Photo: Hemant Mishra/Mint

At this point, students from various cities were coming to Bengaluru to attend his classes, so Raveendran decided to go where the students were.

"Then, my schedule used to be something like this—Saturday morning in Bangalore, evening in Chennai, Sunday morning in Bombay, evening in Pune," he says.

From 2007 to 2009, he travelled to nine cities to take classes and says he got "addicted" to this.

"I did all this almost alone. In between, some of my best students started joining me. Some of them went to IIM and came back; some of them even after getting into IIM decided to follow my path because maybe they were inspired with what I was doing. And then, by 2009, five of my top students joined me. They helped me to scale up business, scale up content, and then we scaled up using video format and started offering all these sessions through video. 2011 is where we formed this company," he says.

Growing up

Raveendran self-assuredly rattles off the story of how the company came to be (speaking an average of 138 words per minute during the course of our hour-long interview) while repeatedly insisting that he's not trying to be boastful.

He grew up in Azhikode in Kannur district of Kerala. His parents were teachers at the Malayalam-medium government school he attended, but always made sure he wasn't in any

of their classes. It would have been awkward, you see. Raveendran had a habit of bunking classes to play football, cricket, badminton and table tennis.

“From 7th class onwards, I spent a lot of time outside, playing games. Played multiple games at university level. Almost all of them at college level and school level. Represented state at school level and university level, captained most of the teams. It’s all those things, if you ask me, the reason for what I am able to do today,” he says. “I just capitalized on two of my strengths—the logic which I got from my love for math. Math is still my first love, and the real life skills, that extremely positive attitude which you learn from games.”

Potentially vast market

Byju’s initial offerings were all centred around test-preparation, and these were much more low-key than the jazzy, high-production-value videos and content that it currently generates for the K-12 (kindergarten-Class XII) segment, with more than 500 members in the research and development team.

This content is what’s helping Byju’s accelerate growth and be one of the top education start-ups in the country.

There are about 20 million children between Classes VI and XII in India who have access to the Internet and take private coaching classes, which translates to an addressable market opportunity of about \$2.5 billion, according to research by consulting firm RedSeer Consulting.

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Since launching in 2015, Byju’s claims its app has had more than six million downloads. It had 320,000 active users as of November last year. The number of people who buy its premium service is growing every month, claims the firm.

“A great company will be converting anywhere around 8-12% of people who try out their app. 8-12% is a fairly high number given the fact that in education your ticket sizes are larger as well. You’re no longer selling a Rs500 product or a Rs200 product, you’re selling a product which runs into thousands of rupees. Also, with education, unlike most of the sectors, the repeat rates are very high. For example, a student would start with Byju’s in the sixth standard or seventh, so Byju’s is looking at a four-year or seven-year timeline in certain cases, where they can continue to tap into the same user,” says Kunal Walia, founder and managing partner at Khetal Advisors, a Bengaluru-based investment bank that has worked with multiple education start-ups.

Byju’s has grown exponentially in the last year. Its team of 200 has grown to 1,000.

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Raveendran says he trusts the core team he put in place, and the culture that the company naturally has, to take the message forward. Most of the top management, which includes his wife Divya Gokulnath who is also a director in the firm, were his students.

Raveendran's management style is to praise his employees a lot.

"You encourage them, and kids get lot more excited about that. That's why if you want to do something positive, you need to appreciate them lot more than what they deserve. This is something which I believe, because it has worked for me and I see that working with my kid, and I see that working with people who are close to me now as part of my team," he says.

Cracking the B2C market

Raveendran's experience outside the rigours of a structured education system, or spoon-feeding, underpins much of Byju's product strategy today.

"Our product is built on that strong belief that when students learn on their own, where they take the initiative, whatever you call learning, that counts for 50%. Unfortunately, today it's 100% spoon-feeding in a lot of students' cases, 100% learning for exams and not the other way around. The other way around is you learn such that exams are taken care of. They are just part of the process and not the end of it," he explains.

Byju's has made progress in cracking the business-to-consumer (B2C) market, one typically thought to be very tricky because it involves not just engaging children, but convincing parents that an app is a suitable substitute for real-world coaching, and trusting the company with their child's education.

A big part of this, it claims, is its focus on content and designing personalized learning through what it calls a "knowledge graph". With this, the app learns which concepts a student may need more practice at, and adjusts learning plans accordingly.

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Since launching in 2015, Byju's claims its learning app has had more than six million downloads. Photo: Hemant Mishra/Mint

"The average time spent on our app is 40 minutes. When parents see children using smartphones for something other than fun, they immediately get convinced, because they themselves end up wasting a lot of time on phones. Our TV ads are completely targeted at students. Lot of agencies have told us to target parents because they are the ones who will pay for it," says Raveendran.

"Our product and go-to-market are both targeted at students. B2C is our only channel. We're not trying to change the system. It can easily coexist with the system. It's not a replacement of teachers," he adds.

Getting people to pay

Ultimately, it also depends on the commerce behind the offering, says Vinod Murali, managing director at venture-debt provider InnoVen Capital India.

“What Byju has done really, really well and why he is getting all this love from the market is because he cracked the commerce part of the question very, very successfully. To get people to pay at a \$150 price point, almost Rs10,000 and get them to pay for this annually was a bold move, because this is not your primary offering to parents. You have school, you have your regular classes and this is the extra step that you take,” says Murali. Byju’s is a part of InnoVen’s portfolio.

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“It’s not like other people are not doing this, but they are doing it at a different level. Byju’s is maybe more than a year ahead in terms of business volumes, and that’s showing,” he adds.

The fact that Byju’s had an offline presence has also helped in gaining parents’ trust in the brand.

“There is deep learning and deep brand visibility that gets built when you are an offline company to begin with. For you to transition to online, it becomes that much more simpler because there is some recall factor there and people view that as one of the experts in the domains. That brand elasticity of moving from offline and expanding to online is what served Byju’s considerably, along with obviously the content,” says Walia of Khetal Advisors.

Byju’s has its sights set on the overseas market too, what with investors like the Chan Zuckerberg Initiative and IFC on board.

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“There are things which we need to do exactly like this to go global. We have to create things which students like, they are the influencers. We know that it’ll work. Almost 15% of our students are already coming from outside India, but we have to change some of the layers—the style, the teachers, the accent. The underlying thing can and will remain the same. The foundation is the content,” says Raveendran.

The specific international markets that Byju’s will focus on will depend on the traction it gets, he says, and adds: “It’ll take us 18-24 months based on our current bandwidth and then we will go very strong.”

‘No short-cuts’

There is a lot of work ahead for Byju's in the coming year to sustain the momentum it's built up so far. The Times of India reported in January that it made its first acquisition by buying Vidyarthi, a career guidance and academic profile-builder.

"From a product point of view, we are adding more grades. We have just started working on languages, that might take more time. We will go deeper and deeper in India. We need to create awareness not just about the brand. Challenge is to create awareness about a segment where students learn and not just memorize," says Raveendran.

While the focus so far has been on teaching students mathematics and science, Raveendran says he believes that every subject can be taught better with the aid of technology.

"We started with math and science but we are also working on other subjects coming out in the mid-to-long term. Every hour of content we do it's like we are creating a movie. We can't do short-cuts. But all subjects can be taught," he adds.

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Deconstructing Byju's Marketing Strategy

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(Image - Courtesy Byju's)

What makes Byju's an interesting case in marketing and branding principles?

The first rule of thumb when you're coming up with a marketing plan is to know your target audience. But what if you have **two sets of target consumers that are vastly different from one another**? Like, millennials or the Gen-Z and their parents. Bridging the gap in their ages, preferences and consumption patterns is no easy feat. And yet, one brand has not only managed to achieve this but also emerged as a market leader.

As the world's most valued EdTech company, Byju's engages with students but needs parents to pay for the subscription. **Naturally their marketing construct needs to speak to them both.** And they've actually managed to crack the code.

Understanding Consumption Patterns

For one brand to speak two lingos in the same breath appears to be a challenge. But Byju's has managed to understand the environment and factors that drive decision-making among their consumers. This has enabled them to figure out a way to communicate effectively with both sets of people.

i) What Millennials Want

Millennials and the Gen-Z are driven by the experience of a product. They are not concerned about what problem is solved by the product but about how it makes them feel. Their opinions and perceptions about a brand are driven by their experience of the brand and once formed, these opinions are hard to change.

In order to connect with the Gen-Z, Byju's has also come up with an early learning app. Partnering with Disney and with Shahrukh Khan as their brand ambassador, the company aims to catch them young. Interactive learning videos, educational games, digital worksheets and the trademark Disney stories creates a winning product for that age group.

For the more grown up children, Byju's played on the tensions that arise between parent and child in the teenage years. Remember this campaign?

This was a phenomenal approach in this category to build a closeness between parent and child. Because while Byju's is for the children, it needs the parent's buyin for a very high involvement product. And in addition, it gives "technology in the hands of your child" a whole new meaning altogether.

But what's in it for the parents?

ii) What Parents Want

Knowing how glued kids are to their phones these days, most parents are happy to have avenues that can involve them constructively on a digital platform. However, they do form their perceptions very differently. While the experience comes first for the children, in case of parents, they require information and reviews about the product. A perception is already formed to a degree and experience of the product is only to confirm or reject that perception.

Byju's has managed to bridge this obvious generation gap with the help of their 'consultants'. Once the company has your details, thanks to the information you feed into the app, the consultants get in touch for a home visit. It is here that the product is actually sold to the

parents. So while the commercials and the product itself is targeted at the students, the final push to the parents comes in the form of in-person communication. The company makes it clear that the app does not dilute the need for teachers or personal tutoring. But it is that extra mile, the supplementary coaching you give your child, to excel.

Clearly, this two-pronged strategy is working well for the company. They have grown from 200 employees to 1000 and are now set to enter the global market too. The success of Byju's once again demonstrates how vital it is to understand your target audience in order to develop a marketing strategy that pushes your sales.

- <https://www.livemint.com/Companies/zKivq8QkR5jiYhzRNrhspK/How-Byjus-built-its-brand.html>
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