



FOUNDER'S REDEMPTION

NEXUS 2024

Building Bridges in Businesses

Team CASE CREW

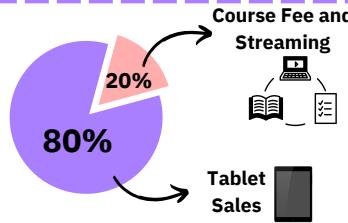
-  Mahi Shah
-  Ansh Kyal
-  Avni Katarey

Ambition Overdrive: The Rise and Strain of BYJU'S

How Bold Moves in Marketing, Acquisitions, and Strategy Triggered a Valuation Downfall

Cracking the Code to Customer Loyalty: BYJU'S Retention Challenges

- Original Mission:** Revolutionize online education with interactive tests and video lectures.
- Strategic Shift:** Transitioned focus to selling hardware items, diverging from its core educational value.
- Impact on Customers:** Dilution of core value proposition led to customer alienation, weakened brand trust, and reduced loyalty.



Focus on New Users Over Existing Ones:

- Expensive marketing campaigns prioritized acquiring new users.
- Failed to engage and retain existing customers, and saw its user retention rate drop from 60% to 45% over two years.

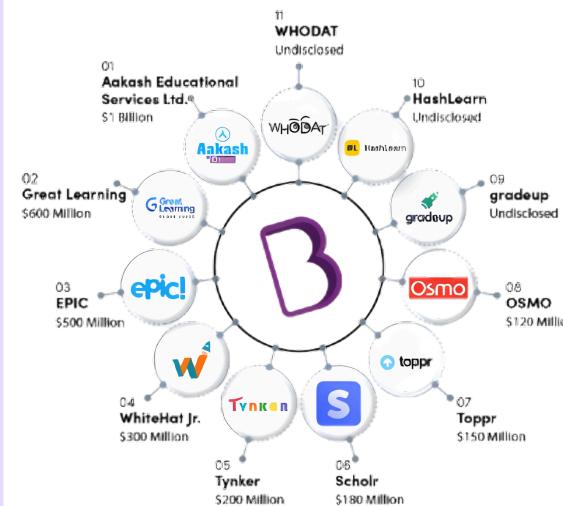
Heavy use of promotional offers attracted short-term users but discouraged long-term engagement.

Financial Mismanagement

Byju's aggressive expansion led to significant financial challenges, including cash flow issues, substantial debt, and loan defaults, which affected investor confidence. Key points include:

- Acquisition of Whitehat Jr** for \$300 million in 2020, contributing to **45% of total losses** in FY22.
- Purchase of OSMO** for \$120 million in 2019, also accounting for **45% of total losses** in FY22.

Overall, Byju's acquired 17 companies over four years, spending around \$3 billion.

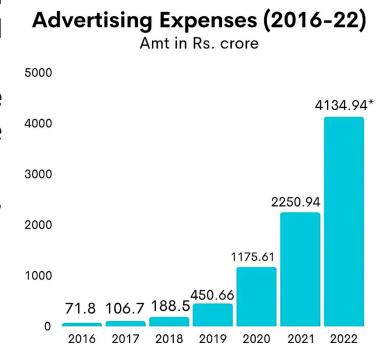


Analysis of Startup

High Stakes, High Costs: Marketing's Role in Byju's Decline

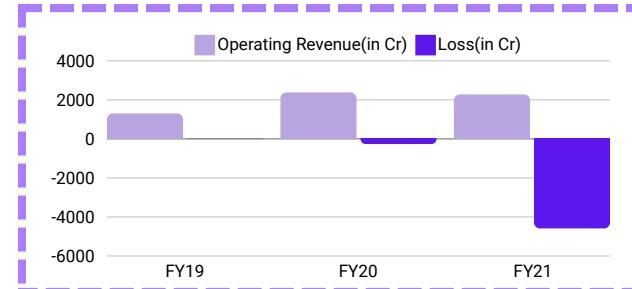
- Massive Marketing Expenditures:** Spent ₹8,029 crore on advertising between FY16-FY22, constituting 69% of its total operating revenue.
- Celebrity Endorsements:** Engaged Shah Rukh Khan at ₹4 crore annually and Lionel Messi for \$5–7 million annually during the 2022 FIFA World Cup.
- Sponsorship Costs:** Extensive high-profile sponsorships, including IPL and FIFA tie-ins, added to the financial strain.

Focused on acquiring new users through aggressive campaigns but failed to engage and retain existing users. This imbalance diminished ROI and reduced lifetime value of customers.



Revenue Recognition Challenges

Byju's faced a significant revenue decline in FY21 due to **accounting issues**. An auditor required deferring **40%** of revenues, leading to a **67% reduction** in reported income. Firstly, the auditor pointed out that **revenue can be recognised in the subscription business model only after the service is delivered** and Byju's also acted as a **guarantor for loans taken by customers** to pay for courses, making them **liable for defaults**.



Byju's maths: the rise and fall in valuation



Byju's, once valued at \$22 billion, faced a sharp decline, raising investor concerns about its viability. Mounting debts, cash flow issues, and delayed financial reporting further strained relationships with creditors.

Market Analysis

Proposed Strategies

Sustainability Plan



Breaking the Foundation: BYJU'S Operational and Reputational Struggles

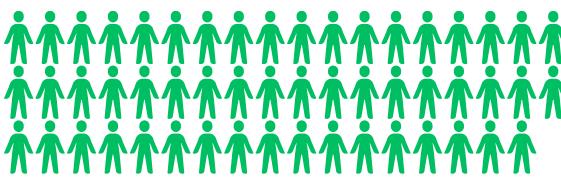
Unpacking Legal Setbacks, Employee Concerns, and the Burden of Controversial Practices

Harsh Work Conditions

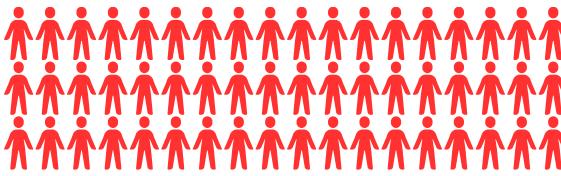
BYJU's sales strategy was characterized by an aggressive work culture which put immense pressure on its sales team. Employees were subjected to unrealistic weekly sales targets of 1.5 lakh rupees per salesperson, with the constant threat of being fired if they failed to meet at least 50% of their goals.

Legal Issues

Byju's faced major legal challenges and reputational damage from complaints by customers, employees, and competitors. Multiple lawsuits, particularly one from Redwood Global Investments for breach of contract and fraud, exacerbated these issues, resulting in reduced public confidence.



53 people
aware of
taking a loan



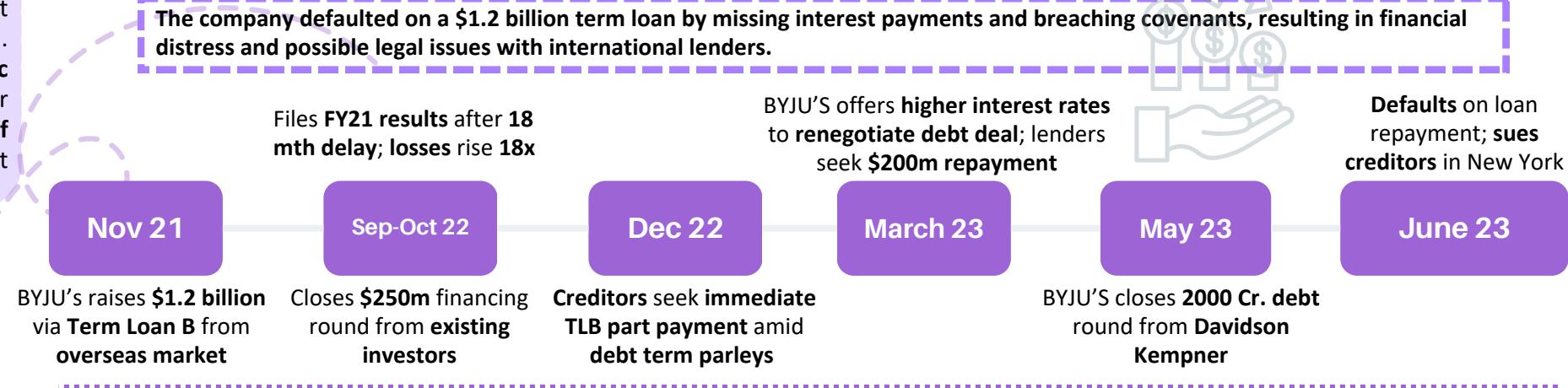
54 people
unaware of
taking a loan



3 people not sure

Findings of 110 consumer complaints

Term Loan B Saga



The making of a loan crisis

- Miscommunication about loan terms and trial periods prevents parents from canceling subscriptions or getting refunds.
- Defaults occur as parents are forced to continue payments for unwanted loans.
- Strains relationships with third-party lenders, creating a bad loan problem that contributed to BYJU's downfall.



Manipulative Sales Tactics

- Instills fear through aggressive sales tactics, such as deliberately asking students difficult questions.
- Presents their products as the solution to parents' concerns about their child's education.
- Uses extensive user data to pressure low-income parents into costly subscriptions and loans.

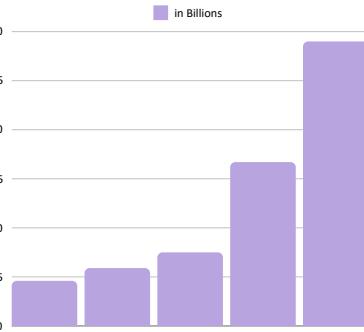
Governance and Ethical Concerns

The loss of trust from auditors, board members, and stakeholders dealt a significant blow to Byju. Deloitte's resignation and the departure of three board members in 2023 highlighted internal governance issues, signaling deeper management and transparency problems that eroded stakeholder confidence.

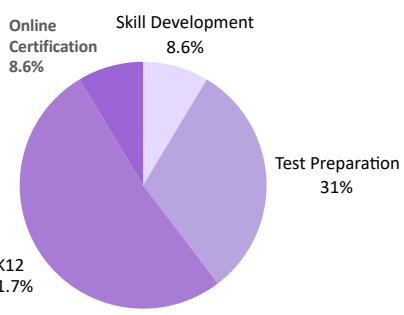
Transforming Learning Globally: The Dynamic EdTech Market

Exploring Growth Opportunities, Competitive Pressures, and Evolving Consumer Needs

Market Size of Edtech Sector



Sub Sectors of Edtech Industry



Edtech Unicorn And Their Hybrid Play

Unicorn	Online Play	Offline Play
Vedantu	<ul style="list-style-type: none"> ● Online Tutoring Platform ● Early Years Learning ● Class 4-12 	<ul style="list-style-type: none"> ● Test Preparation
PHYSICS WALLAH	<ul style="list-style-type: none"> ● Online Tutoring Platform ● Classes 6-12 ● YouTube Channel ● Educational Content in 9 Regional Languages 	<ul style="list-style-type: none"> ● Test Preparation ● Mobile App ● PW Skill - Upskilling platform
unacademy	<ul style="list-style-type: none"> ● Online Test Preparation Platform ● Acquired Active Platforms ● CodeChef - Coding ● WiFiStudy - Online Learning 	<ul style="list-style-type: none"> ● Experience Stores ● Centers for IIT, JEE, NEET UG
BYJU'S	<ul style="list-style-type: none"> ● Online Tutoring Platform ● Early Years Learning ● Classes 1-12 ● WhiteHat Jr - Coding, Music, Math 	<ul style="list-style-type: none"> ● Mobile App ● Test Preparation ● Great Learning - Upskilling ● BYJU'S Tuition Center (Grade 4-10) ● Acquisition of Aakash - Offline coaching centers (Grade 10 & above, competitive exams) ● Home tuition

CONSUMER BEHAVIOUR

TRIGGERS

PUSH (Influence: 88%)
Purchase consideration via 'recommendation/reach out'

FEAR (Influence: 60%)
Not clearing the exams

PRUDENCE (Influence: 60%)
Balancing screen time, staying actively engaged in learning.

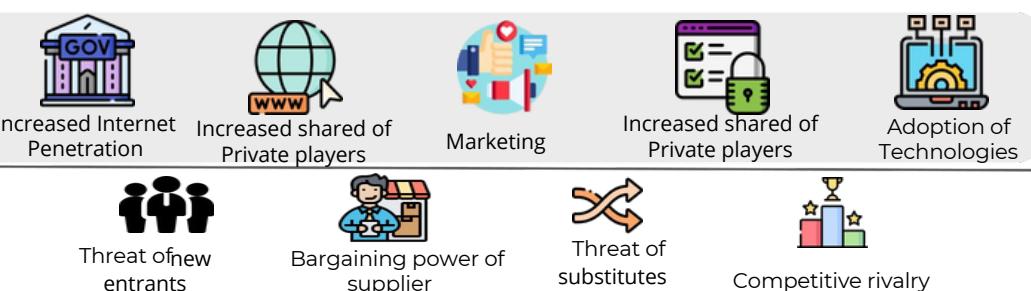
CUSTOMER PERSONA

SLAYING SARAH (Age 16)
Prioritize her education with proper guidance

SAGE SID (Age 16)
Don't pay much attention to study but have a high calibre

SAVY SURAJ (Age 47)
Single parent with work commitments and wants to shape her son's future

Market Drivers



Target Market

Edtech Market Size in India
2023: 5.13 Billion USD
2030: 29 Billion USD

K to 12 Grade

Chapterwise Paid Content

IMO, NTSE and Other Olympiads

Weekly/Monthly Subscription

Analysis of Startup

Market Analysis

Proposed Strategies

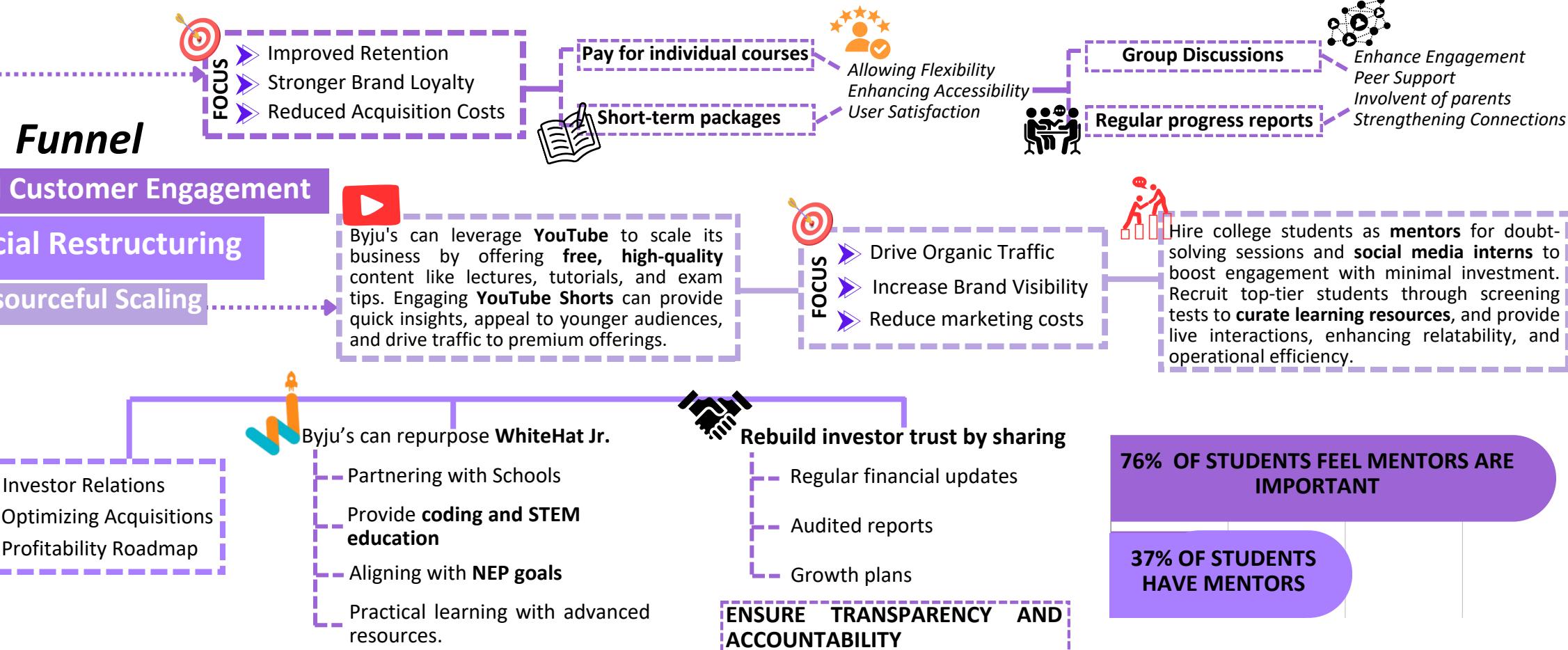
Sustainability Plan

Revitalizing BYJU'S: Strategic Solutions

Leverage Leadership Strengths, Overcome Challenges, and Foster Sustainable Growth



Vineeta Singh is the CEO and co-founder of **Sugar Cosmetics**, one of India's leading beauty brands. With her expertise in **resourceful scaling**, **customer engagement**, and **sustainable growth**, she has successfully shaped the brand's growth trajectory. Her strategic approach has helped Sugar Cosmetics connect with a diverse, young audience, driving the brand's success in a competitive market.





Revitalizing BYJU'S: Innovative Pathways

Enhancing Marketing Impact and Driving Skill-Based, Engaging Learning Experiences

Promote innovative K-12 ed-tech solutions effectively in India with:

- Gamified challenges
- Peer learning networks
- Expert sessions
- Teacher workshops
- VR field trips

This will put our platform out in the market more evidently



We aim to **collaborate with leading schools** across **70% of Indian districts**. By leveraging online platforms and hosting educational events, we plan to reach **India's 500K+ private K-12 schools**, rapidly embracing digital learning.

BYJU'S leverages **AI-driven personalization** and **NEP-aligned modules** to offer interactive learning tailored to CBSE, ICSE, and state boards. With **advanced coding, critical thinking, and skill-building programs**, it ensures holistic academic and real-world readiness for K-12 students in India.

Tailored Pricing Models: McKinsey's market research indicates that **affordable subscription plans, pay-per-course options, and freemium models**, accommodate preferences in the Indian markets. India sees a **25% uptick in edtech spending**, signaling growth.

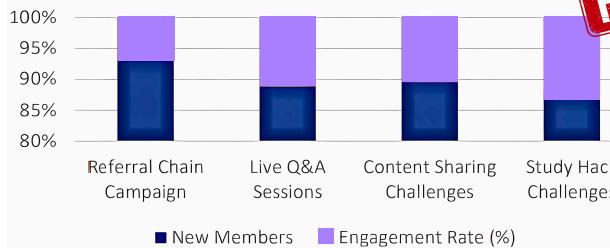
SkillSphere Initiative: Empowering K-12 Students with Essential Skills

An innovative platform for K-12 students to build **critical skills** like **Abacus, Designing, Ms Excel and communication**. Students progress through structured modules, earning a **professional certification** upon completion, and enhancing their academic and professional readiness.



- **Unique Value:** Combines academics with essential skill-building to stand out.
- **High Engagement:** Gamified learning keeps students active and motivated.
- **New Revenue:** Certification and skill modules create monetization opportunities.
- **Boosted Credibility:** Certifications position Byju's as a trusted, all-in-one education partner.

Community Growth Metrics vs. Engagement Rate



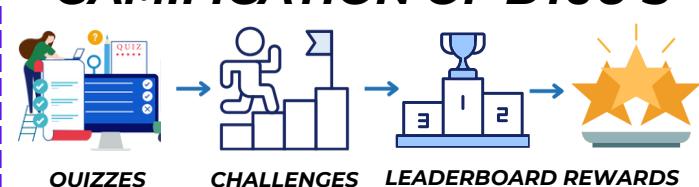
Enhancing Accessibility and Engagement through Strategic Initiatives

FREE

Transitioning to a **freemium model** can expand Byju's user base by offering free access to core content like video lessons and quizzes. **Premium features**, such as live classes and **personalized mentoring**, can be provided at a subscription fee, creating a **natural pathway to convert free users into paying customers**.

Launch a **podcast series, Byjus Radio**, focusing on exam-specific revision strategies, motivational talks, and tips for better time management during exams. Enable students to access audio content for **on-the-go learning** and revision, allowing them to **optimize study time** through multitasking.

GAMIFICATION OF BYJU'S



65% ↑ USER ENGAGEMENT



Immediate Priorities: BYJU'S Road to Stability

Addressing Urgent Challenges with Targeted Solutions for Rapid Recovery

Financial Restructuring

- Review and reduce debt through negotiations and refinancing.
- Set strict performance metrics for future investments.
- Build cash reserves to manage market fluctuations.

1

FREE

Freemium Model

- Offer a free trial class, allowing students to pay only if satisfied.
- Introduce single-subject courses for learner flexibility.
- Establish trust with transparent, student-focused policies.

2



Foster a Collaborative Approach

- Launch region-specific meet-ups and mentor groups in top cities.
- Partner with institutions, NGOs, and tech companies to strengthen the EdTech ecosystem.
- Establish a student ambassador program.



KEY FEATURES AND FORECASTED IMPACT OF THE STUDENT AMBASSADOR PROGRAMME :

- Assuming 10% of current student community can be addressed as 'Byju's' student ambassadors based on location, performance amid response after proper screening.

FORECASTED STUDENT COMMUNITY:

- Assuming each student ambassador can onboard 10 new students every month in return for additional services such as career guidance or reward points.

7X STUDENT COMMUNITY WITHIN 180 DAYS

FREE

Freemium Model

- Offer a free trial class, allowing students to pay only if satisfied.
- Introduce single-subject courses for learner flexibility.
- Establish trust with transparent, student-focused policies.

3



Conversion to Paid Model

- Gamification 2.0 with social features, collaborative challenges, and motivation through points and badges.
- Cohort-based courses for interactive, community-driven learning.
- Bite-sized modules for flexible, on-the-go study.

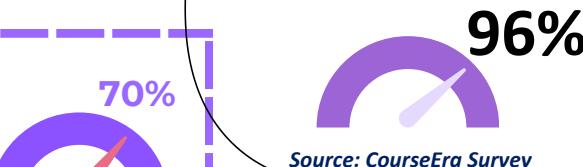
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Boost User Retention

- Enhance content to align with curriculum standards and fill learning gaps via audits and feedback.
- Track user engagement, content completion, customer satisfaction, and brand sentiment to assess progress and refine strategies.

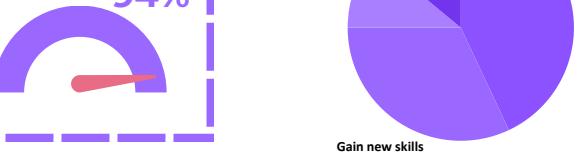
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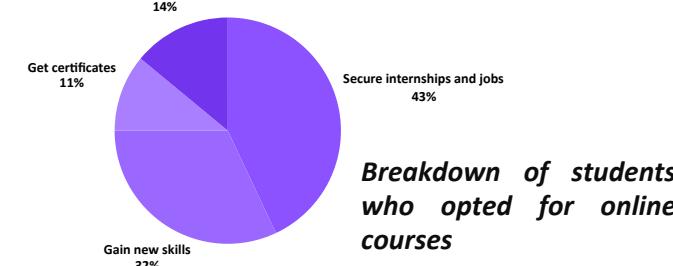
Indian students believe that professional certificates will help them stand out to employers and get jobs.



Cohort-based learning is increasingly popular, with over 70% of learners appreciating the importance of peer interaction and accountability in these models.



Bite-sized learning modules are preferred by 94% of learners as they provide flexibility and fit into busy schedules, enabling multitasking





Future-Ready: BYJU'S Vision and Risk Mitigation

Crafting a Sustainable Growth Strategy While Anticipating and Managing Risks

Source: HolonIQ

75%



claimed that AI improving learner outcomes is the top reason to adopt the technology.

Launch a **podcast series** providing **last-minute exam tips and subject-specific guidance** during **exam periods** to help students **enhance** their preparation.

Use AI to analyze **learning styles, strengths, and weaknesses** to create a **truly individualized journey** for students

60%



A purple gauge meter showing 60% completion. To its left is a purple icon of a microphone inside a circular frame.

audiences said they pay attention to content in podcasts over most other media

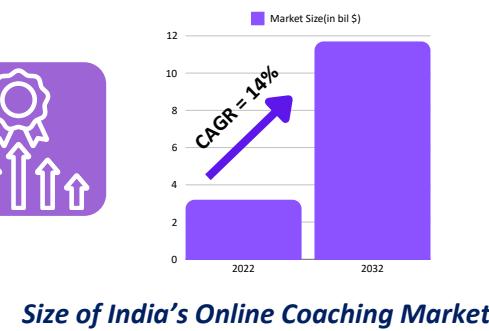
Digital reading in K-12 schools has surged by **286%**

74.6%
students prefer e-books for their portability



In the long run, strategically expand into JEE/NEET prep once BYJU's achieves **financial stability** and regains the trust and **credibility** of both consumers and stakeholders.

Offer a curated **digital library** with all the necessary **resources** for various exams, including **study guides, practice tests, and e-books** to enhance preparation at no cost.



Analysis of Startup

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Risk Assessment

Risk

Increased competition from emerging EdTech startups

Difficulty in regaining customer trust and credibility

Regulatory scrutiny or compliance issues in education sector

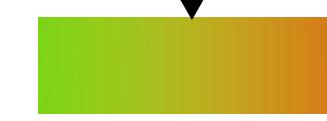
Delays in achieving financial sustainability

User churn due to shift from aggressive sales to product-focused approach

Likelihood



Impact





THANK YOU!

REFERENCES

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