

Inc4Plus

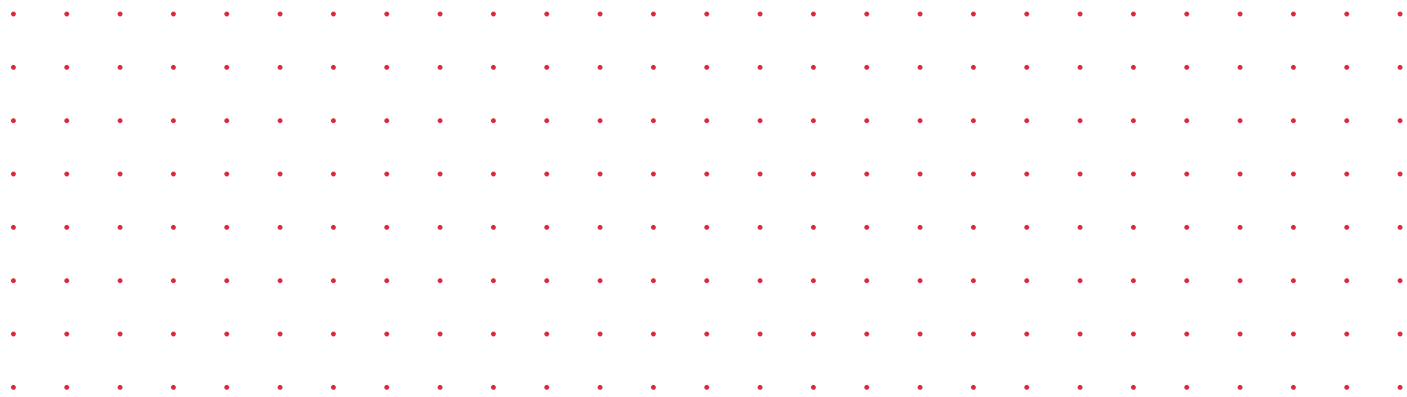
THE FUTURE OF EDTECH IN INDIA

Decoding The \$10 Bn
Market Opportunity
Report 2020

POWERED BY 
zendesk



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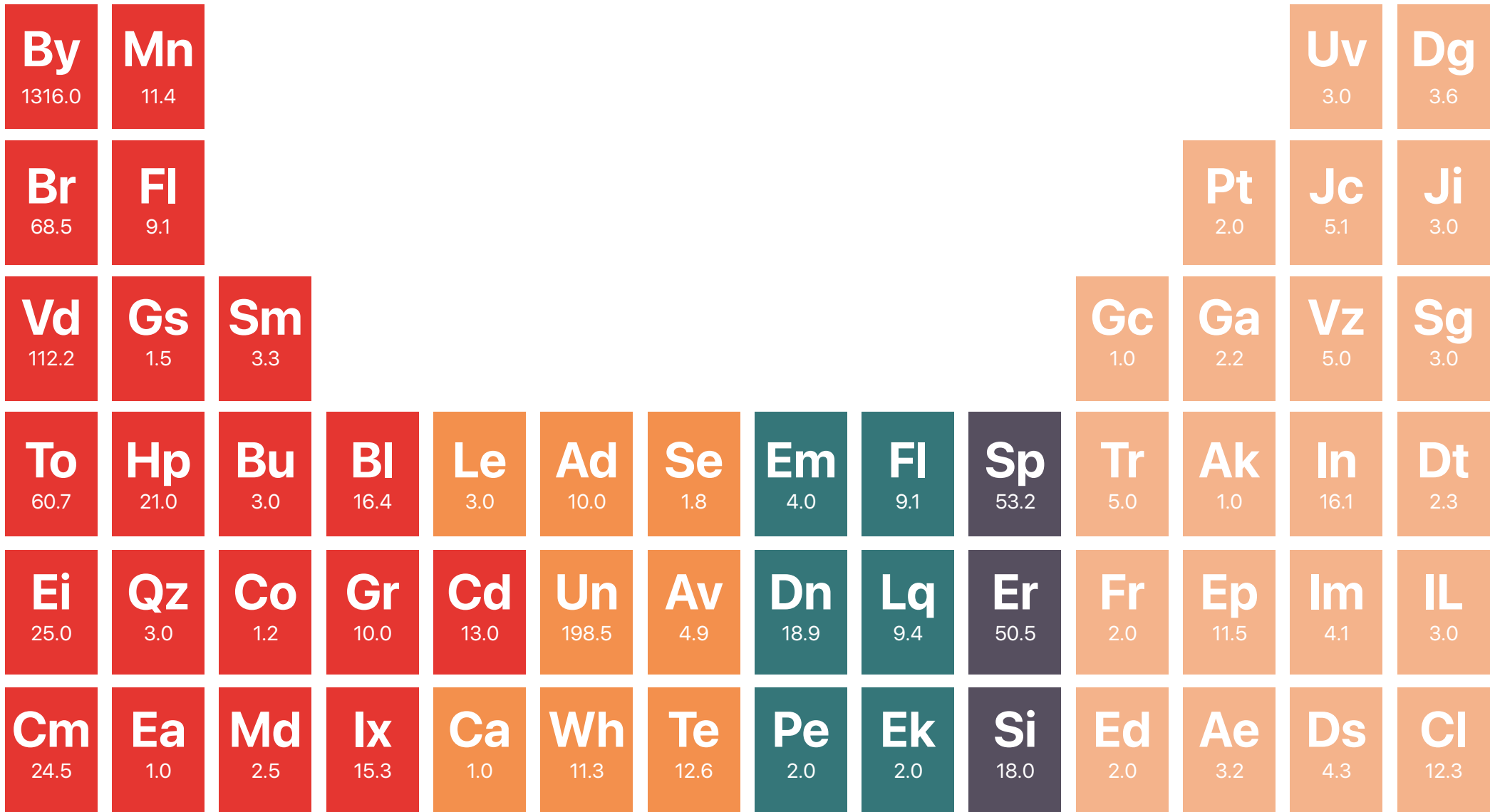
Executive Summary



- **4,450**
Edtech Startups In India
- **37 Mn**
Paid Users By 2025
- **8 Out Of 38**
Edtech Startups Are EBITDA Positive
- **2**
Unicorns
- **43**
Indian Edtech Startups Acquired
- **153%**
Surge In Test Preparation Revenue
FY18-FY19
- **Test Preparation**
Subsector With Highest Maturity
- **\$2.9 Mn**
Median Annual Revenue In FY19
- **Word Of Mouth**
Most Effective Purchase Catalyst
- **39%**
CAGR Of Market Size (2020-2025)
- **Blume Ventures**
Most Active Edtech Investor In India
- **\$10 Bn**
India's Edtech Market Size By 2025
- **475+**
Investors Who Backed Edtech Startups
- **\$2.2 Bn**
Funding Raised By Indian Edtech Startups
(2014-H1 2020)
- **\$159K**
Average Ticket Size Of Funding In H1 2020
- **78%**
Median Revenue Surge (FY18-FY19)

Learning Landscape: The Periodic Table Of India's Edtech Startups





























- Despite the launch of several startups in the education domain, their share in the overall \$100 Bn education industry in India has remained low.
- The Indian market has witnessed the launch of 4,450 edtech startups (although more than 1,150 had been shut down), and more entities are coming up in this space.
- Investors have also remained bullish, going by the multiple big-ticket funding rounds in companies such as BYJU'S, Vedantu, Embibe, Toppr, Testbook, Unacademy and Eruditus over the past three-four years.



Total Funding Between 2014 And H1 2020 (In \$ Mn)

Source: Inc42 Plus

Sub Sector Wise Classification

Test Preparation	Certification	K-12	Skill Development	Enterprise Solution
				
				
				
				
				
				
				
				
				
				

Test Preparation: It is the evergreen category in India, thanks to the country's obsession with grades, admission to engineering courses and government jobs. Startups are helping Indian students ace almost any test out there, with the focus on IIT-JEE, CAT, UPSC, SAT and medical entrance tests.

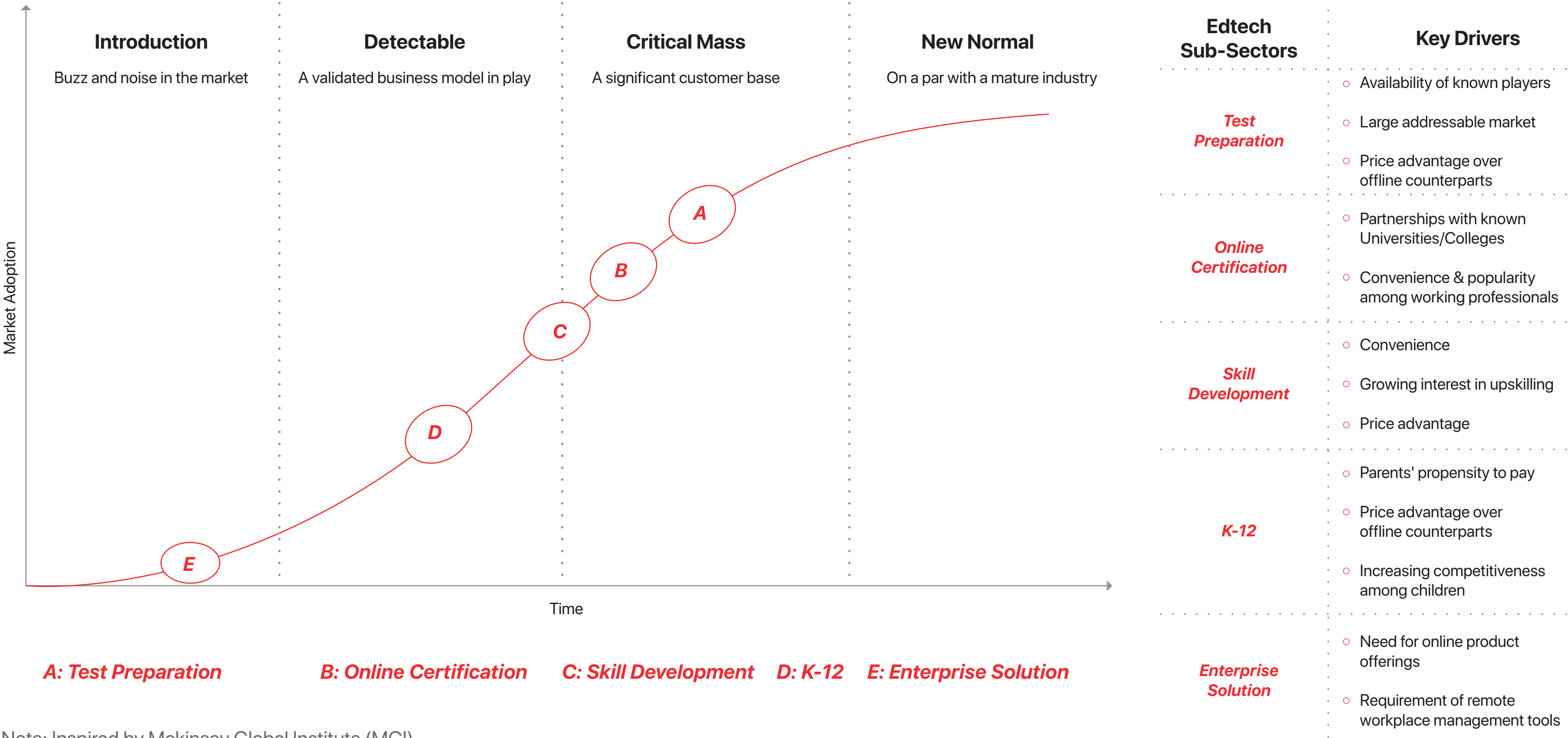
Online Certification: For a long time, certificates have validated specific skill sets, and the trend is likely to continue. As a result, this segment has witnessed an unprecedented surge in terms of user adoption and partnership building with colleges and universities.

K-12 Learning: The K-12 segment offers online learning materials which supplement school curriculums. Targeting students up to Grade 12, these apps have seen the widest adoption in India.

Skill Development: Skill advancement is essential in today's world. Edtech startups are enabling faster skill development and further upskilling and reskilling gig economy workers and those in entry-level technology roles. Additionally, they are bringing engineers and software developers up to speed with the latest and most adopted technologies.

Enterprise Solution: This segment has witnessed maximum growth as companies are integrating such solutions to stay sustainable in a pandemic world. Traditional educational institutions are mostly reluctant to adopt new technologies, but now this has become a primary tool for trade.

Sub Sector Maturity Cycle Of Edtech In India



Note: Inspired by Mckinsey Global Institute (MGI)
Source: Inc42 Plus

THE EDTECH

Market Size In India



India's Internet Economy In A Nutshell

743.19 Mn (As Of March 2020)

Total Number Of Internet Subscribers

4.5% (As of July-September 2019)

Surge In Total Internet Subscribers Compared To Previous Quarter

1.39 Hours (2020)

Average Time Spent On Digital Media

1.3 Hours (2019)

Surge over the past year

\$161 (As of Q2 2020)

Average Selling Price Of Smartphone

 **xiaomi** (29.4%)

Smartphone Company With The Highest Market Share

696 Mn (2020)

Total Smartphone Users

12.08 Mbps (July 2020)

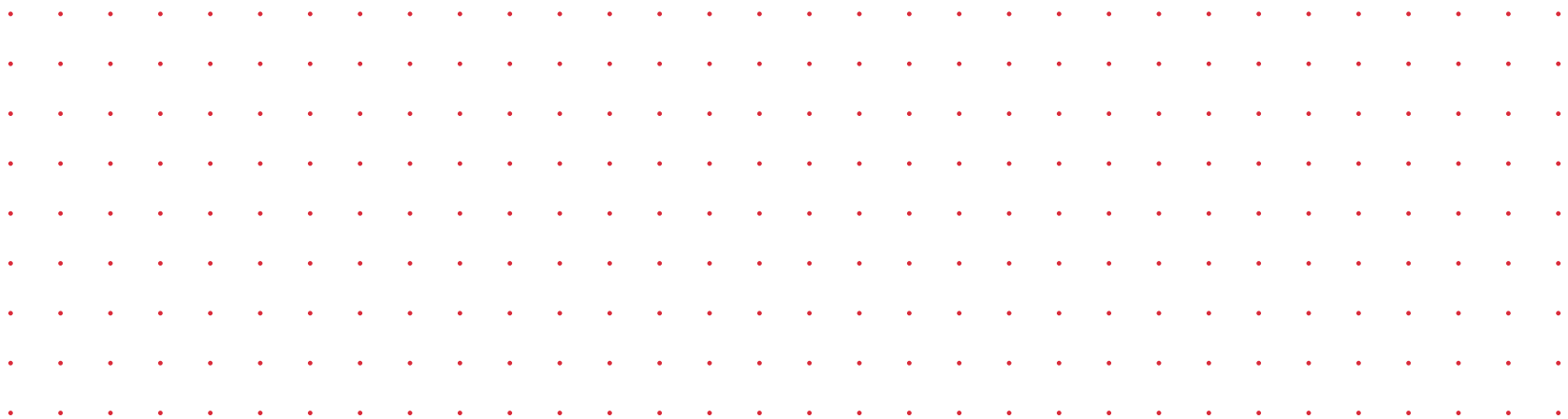
Average Mobile Internet Speed

9.8% (2019)

Surge In Average Mobile Internet Speed Compared To Previous Quarter

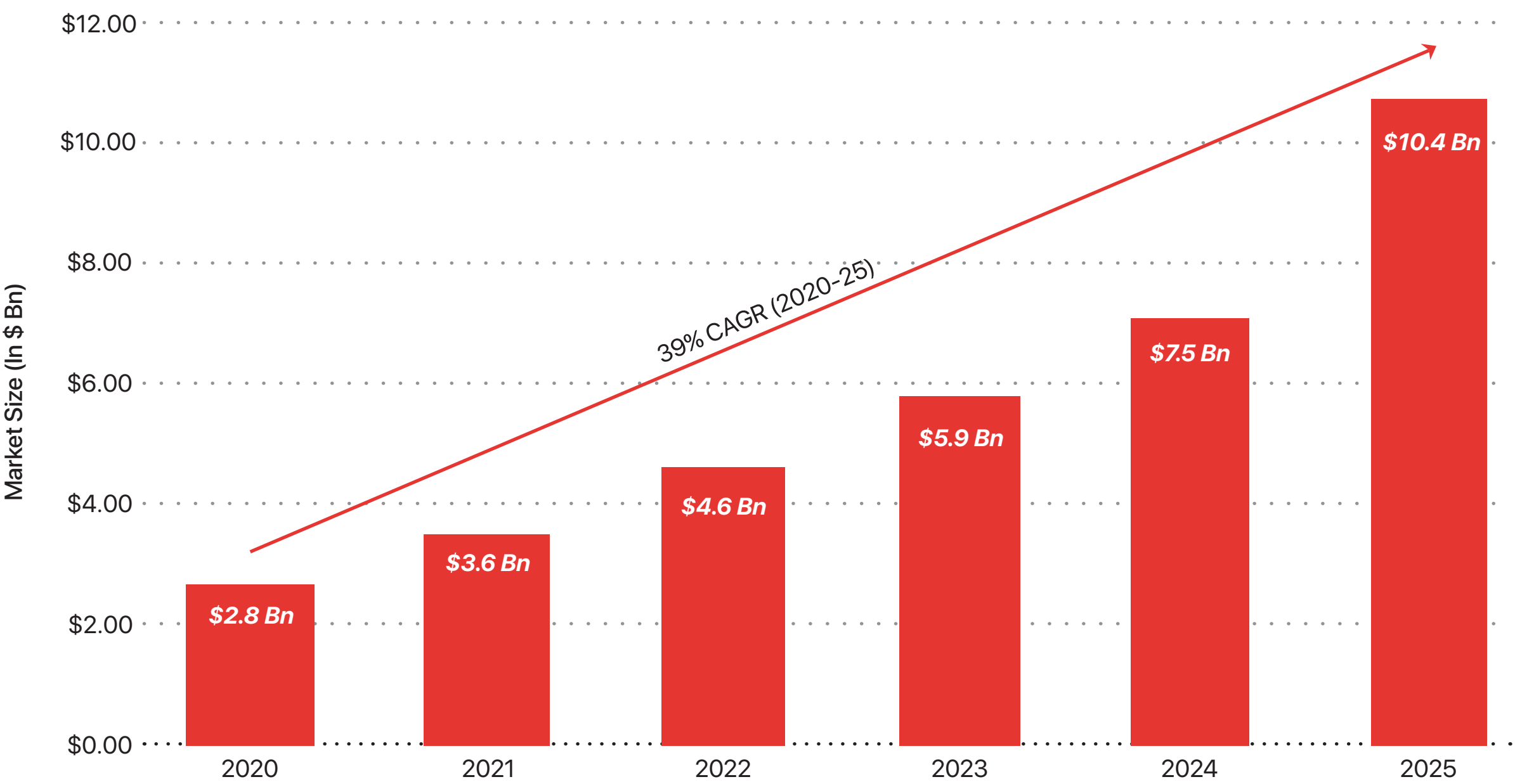
40.45 Mbps (July 2020)

Average Fixed Line Internet Speed



The \$10 Bn Edtech Opportunity By 2025

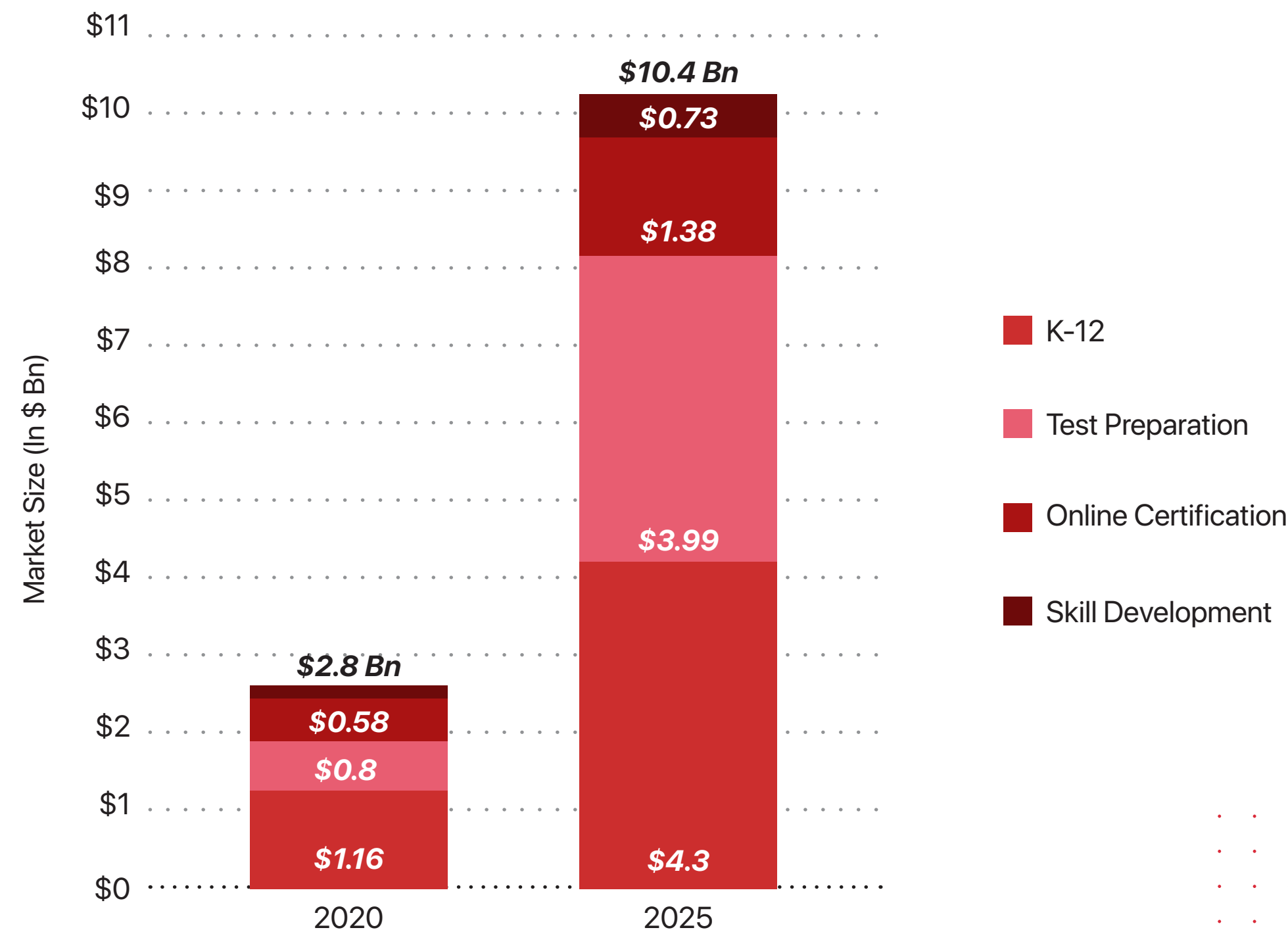
Convenience and low cost will be the driving factors for mass adoption of online education in India



Note: The market size is a calculated as (number of users* average ticket size of payment). Both the numbers are calculated using KPMG calculations for the same as the base.
Source: Inc42 Plus

- Convenience and cost efficiency are the two primary drivers of online education in India.
- A National Sample Survey (NSS) on Household Social Consumption stated that there is a 26% surge in out of pocket expenditure on education between 2014 to 2018.
- In the urban region, the course fee surged 47% from Rs 5,544 in 2014 to Rs 8,152 in 2018. This statistics involved an average of (2,000 or 20,000?) Indian students spread across pre-primary to college levels.
- The income elasticity on education is estimated at 0.93 compared to 1.95 in healthcare. This indicates that at any income level, an Indian consumer will prefer investing more on education than healthcare.

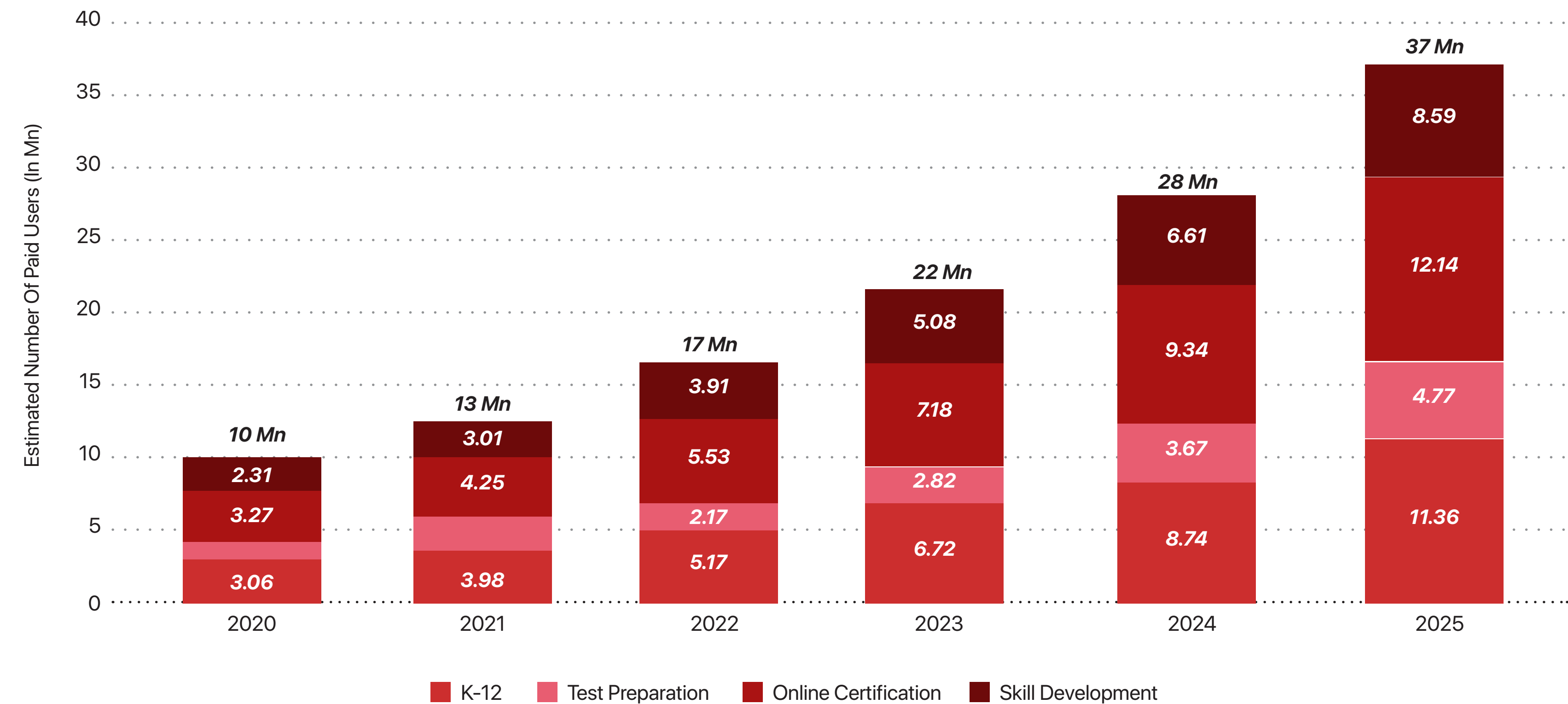
India To Witness 3.7X Growth In Edtech Market Size In The Next Five Years



- K-12 learning solution will account for 41% of the total edtech market size by 2025.
- The market size of K-12 learning solutions is estimated to surge 3.7x between 2020 and 2025.
- 11.3 Mn could be the total number of paid users in the K-12 learning solutions space by 2025.
- Skill development is one of the most lucrative market opportunities in the K-12 space. Coding and other STEM-related skills are currently witnessing a massive adoption.

Note: The market size is a calculated as (number of users* average ticket size of payment). Both the numbers are calculated using KPMG calculations for the same as the base.
Source: Inc42 Plus

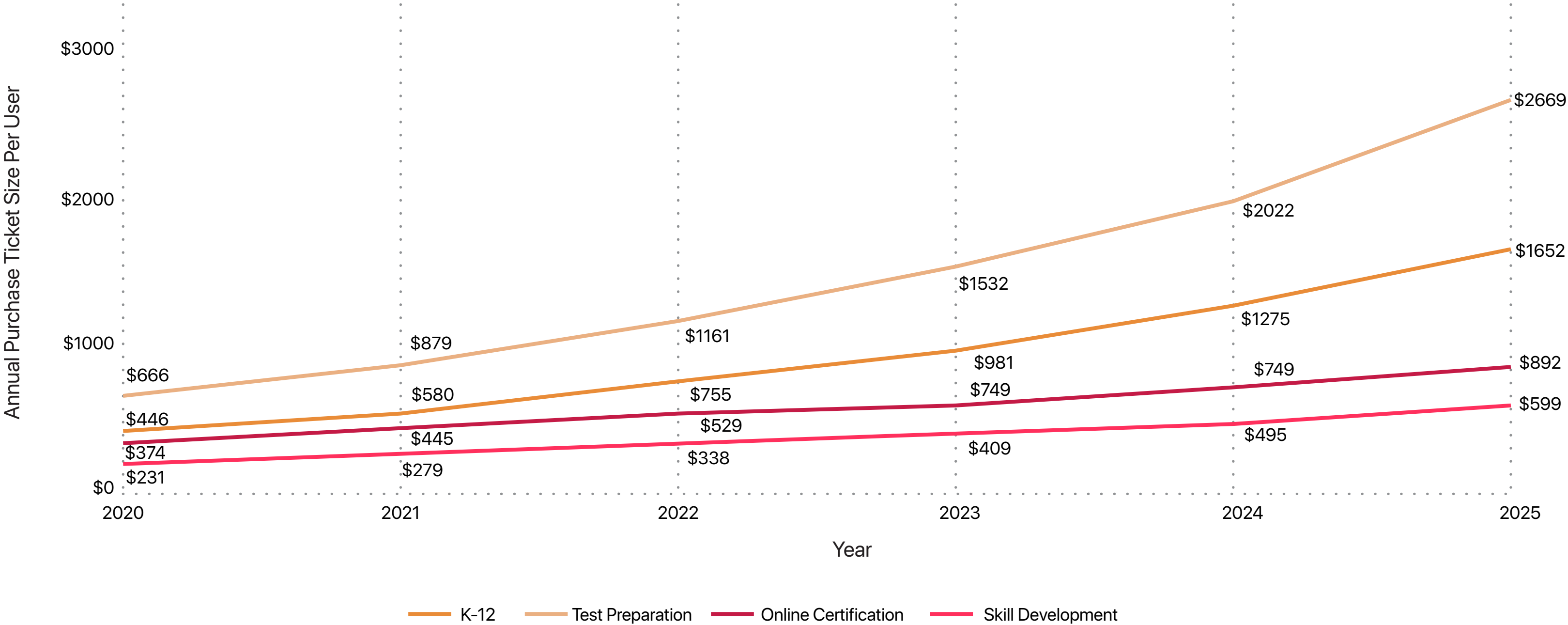
India To Have 37 Mn+ Paid Edtech Users By 2025



Note: The forecast is based on KPMG analysis
Source: Inc42 Plus

Ticket Size For Test Preparation And K-12 Edtech Solutions To Rise Exponentially By 2025

Although India has seen increased adoption of online certification and skill development platforms, the ticket size for the same will witness nominal surge



Note: The market size is a calculated as (number of users* average ticket size of payment). Both the numbers are calculated using KPMG calculations for the same as the base.
Source: Inc42 Plus

The best customer experiences are built with Zendesk

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 coursera

 Udemy

 Khan Academy

 slack

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 Uber

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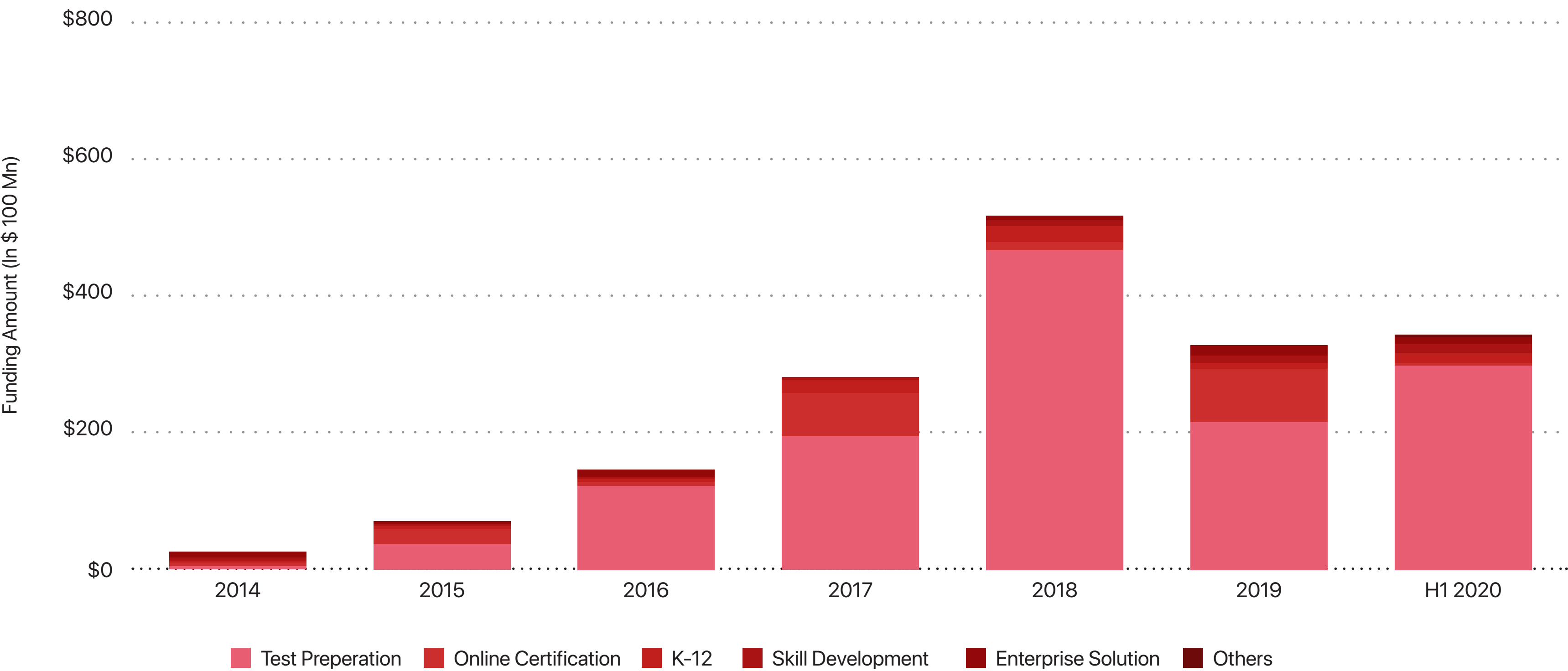
THE EDTECH

Investment Trends



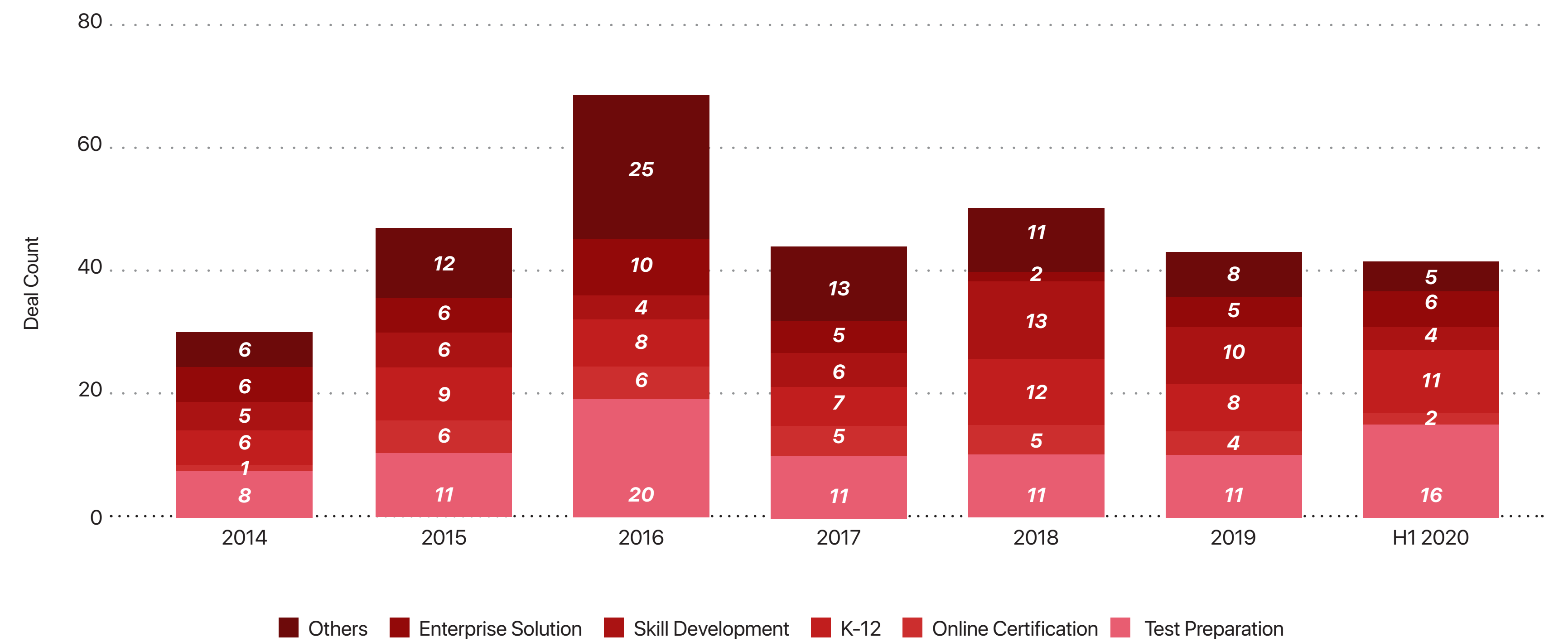
Indian Edtech Startups Secured A Total Funding Of \$2.2 Bn Across 346 Deals

Between 2014 and H1 2020, nearly 79% (\$1.7 Bn) of the funding went into online test preparation startups



India Recorded 346 Edtech Funding Deals Between 2014 And H1 2020

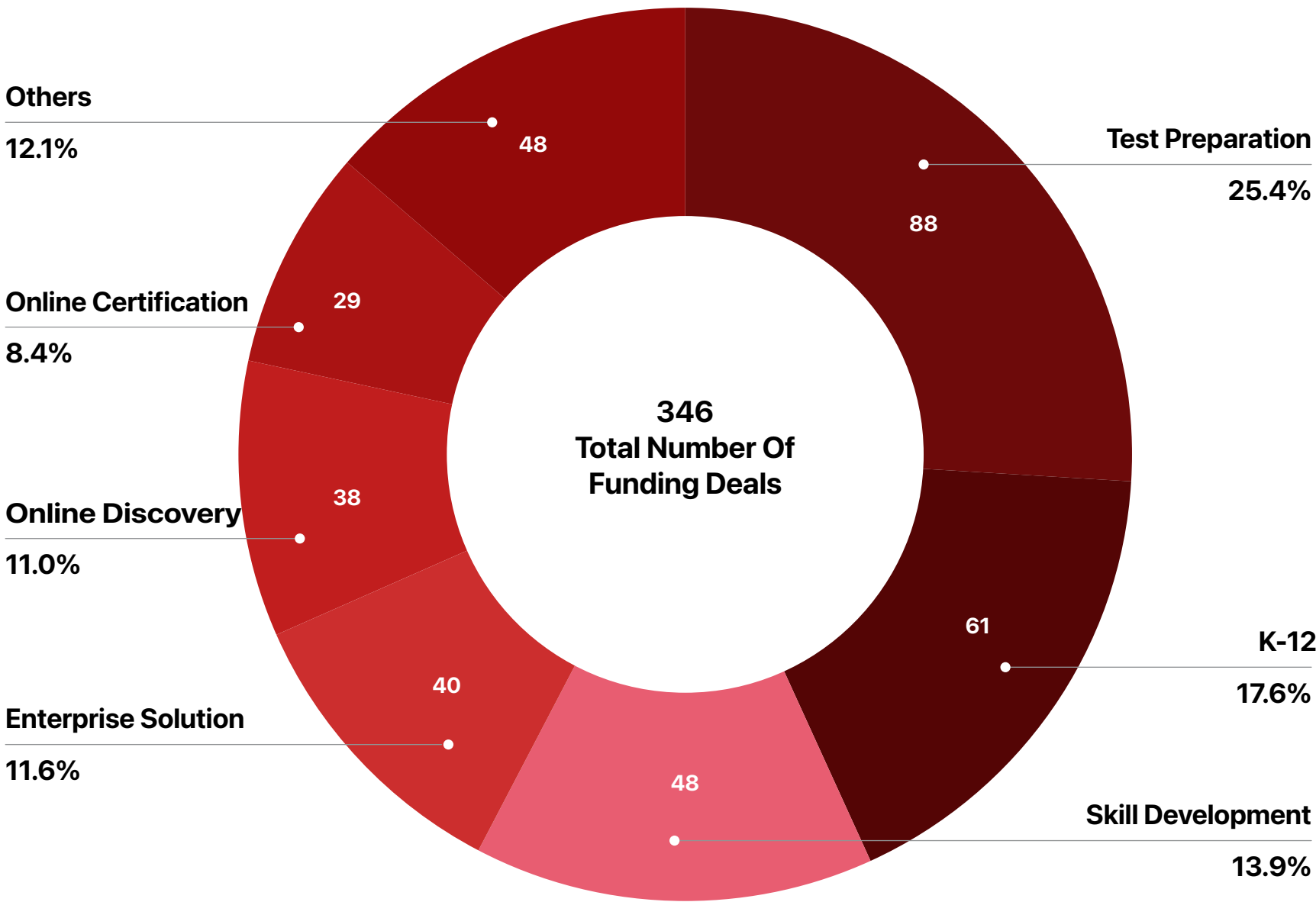
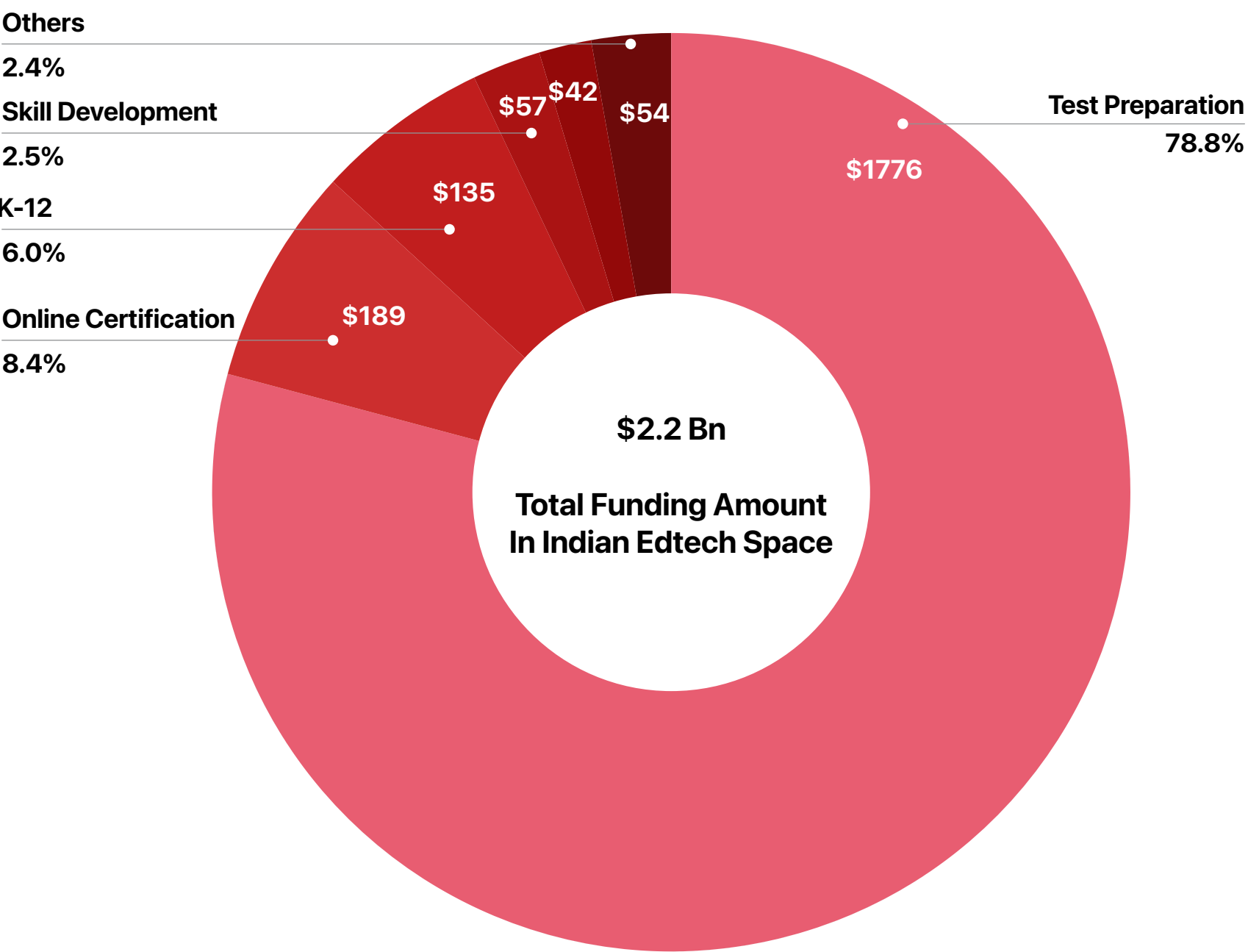
Online test preparation startups bagged 25% of the total edtech funding in the country



Source: Inc42 Plus

Online Test Preparation Startups Captured The Majority Share In Total Edtech Funding

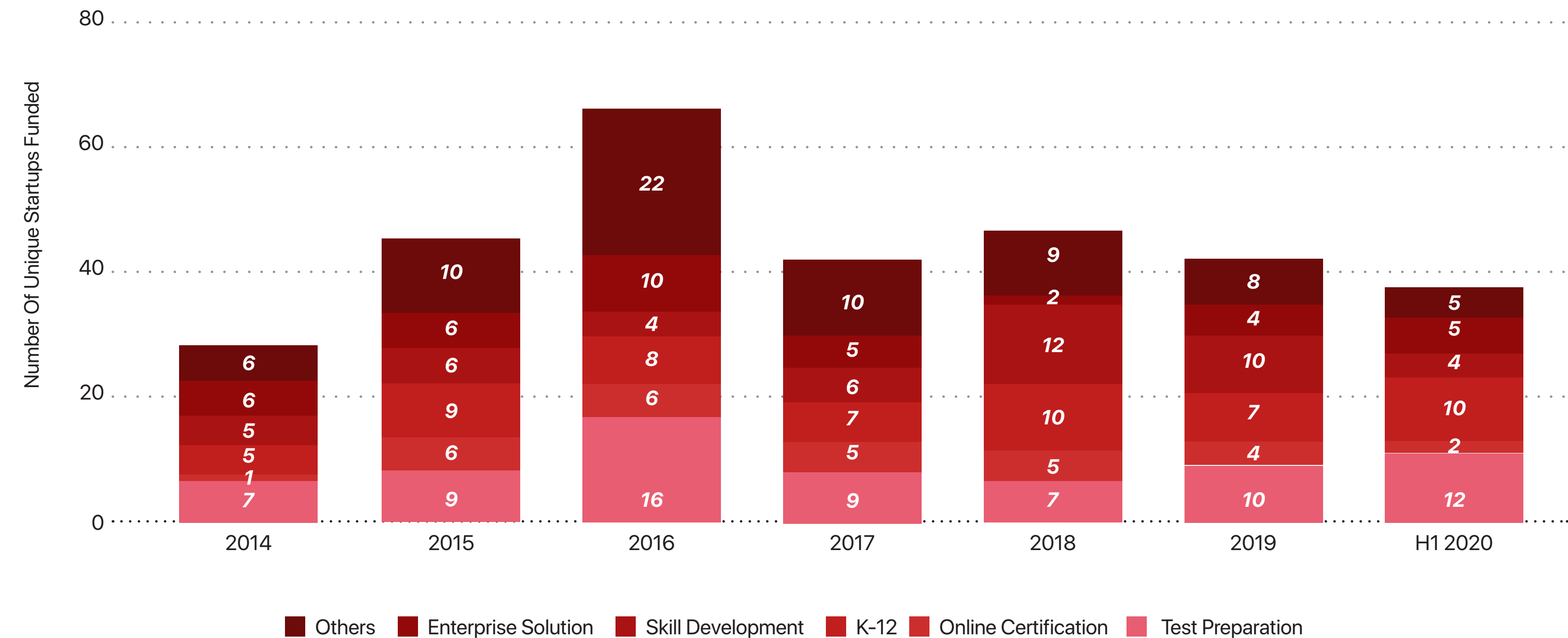
India’s edtech startups secured \$2.2 Bn funding between 2014 and H1 2020, out of which online test preparation startups grabbed 79%, followed by online certification startups (8.4%)



Note: Funding amount in each sub-sector is in \$ million
Source: Inc42 Plus

219 Unique Edtech Startups Funded Between 2014 And H1 2020

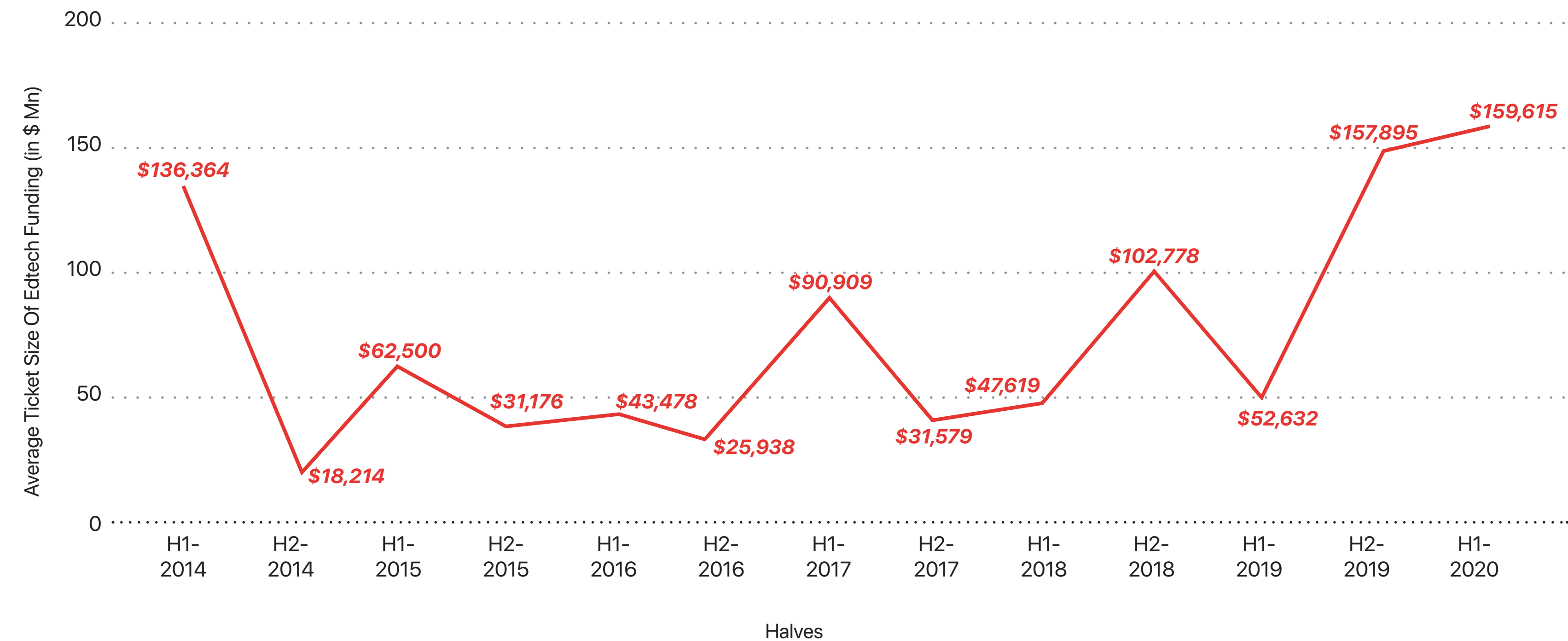
The K-12 segment recorded the highest number of funded edtech startups, accounting for 20%



Source: Inc42 Plus

Average Ticket Size Of Funding In Edtech Startups Surged Exponentially After H1 2019

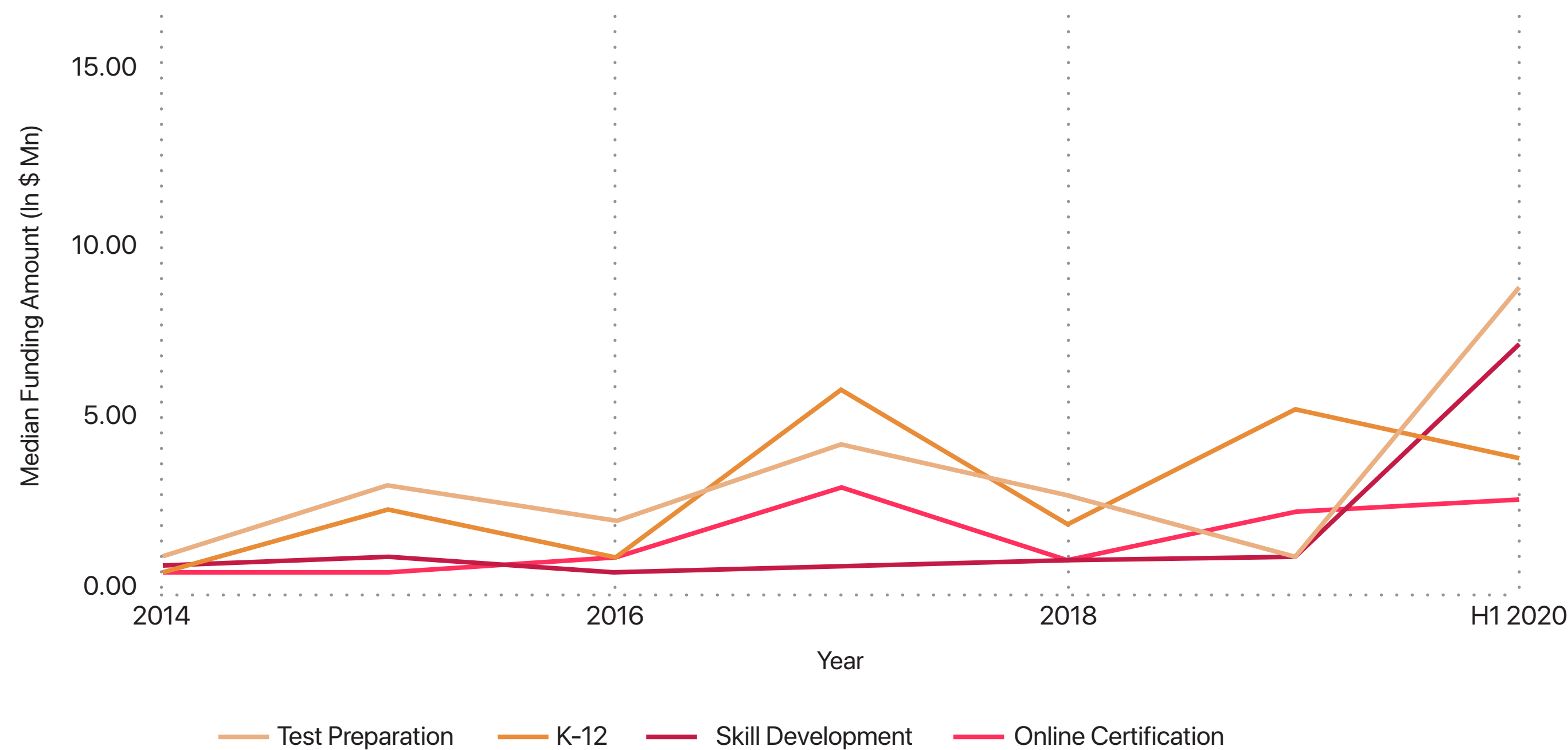
Compared to H1 2019, the average ticket size of funding in H1 2020 surged by 3x



Source: Inc42 Plus

Test Preparation And Skill Development Startups Had Highest Median Funding Amount In H1 2020

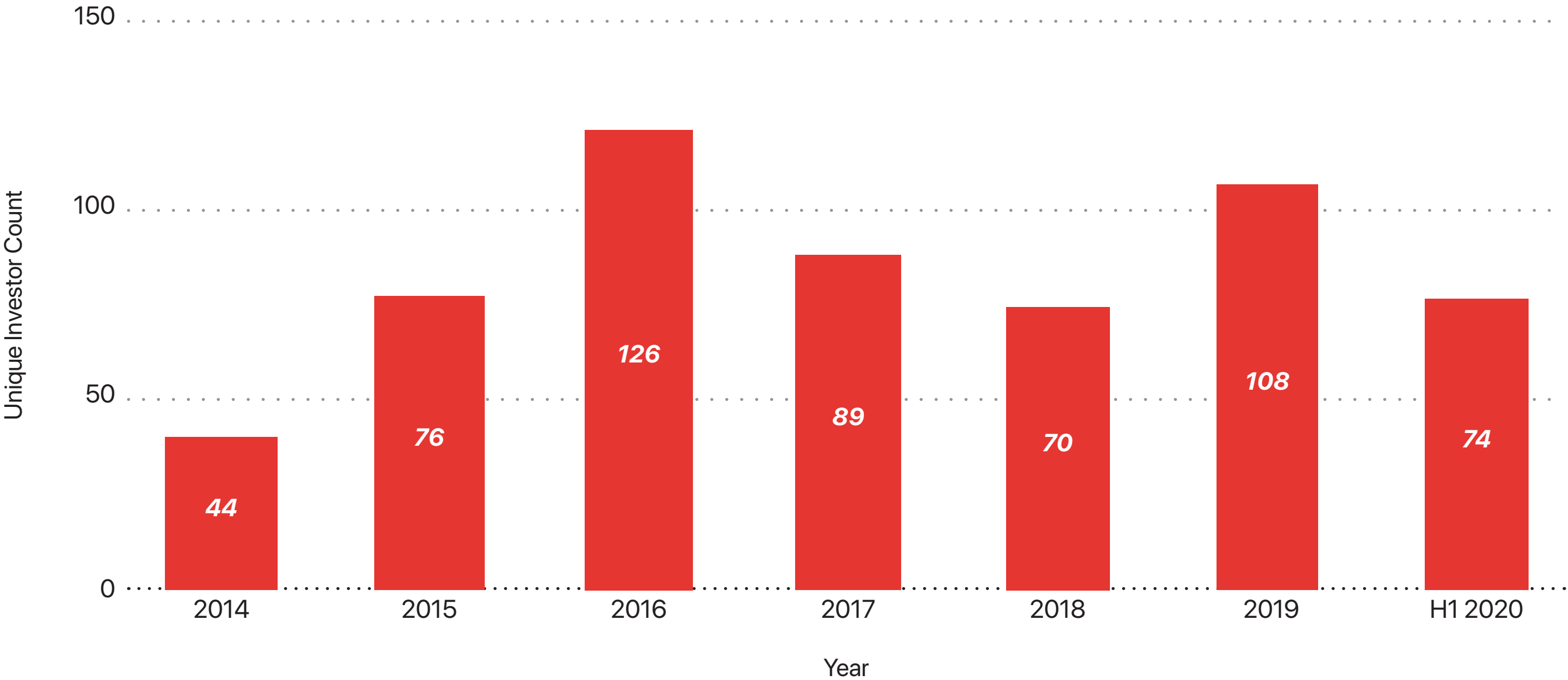
For test preparation startups, the median funding amount was \$12.5 Mn; for skill development companies, the amount stood at \$10.2 Mn



Source: Inc42 Plus

More Than 475 Investors Have Backed Indian Edtech Startups

The unique investor participation in edtech is growing at a CAGR of 9% (2015-2019)



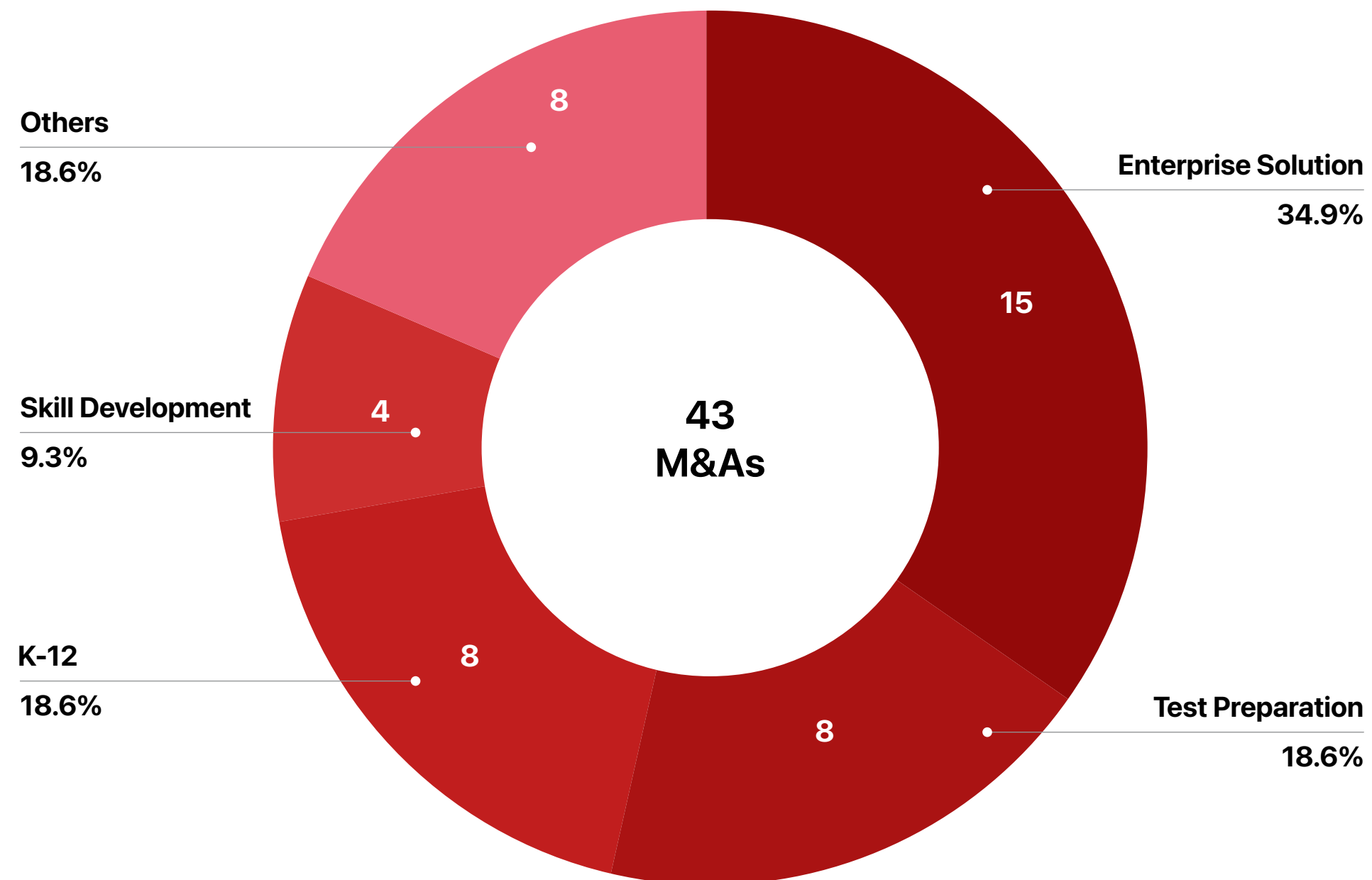
Source: Inc42 Plus

Top 10 Edtech Funding Rounds Recorded In H1 2020

Top Funded Startups	Funding Amount (In \$ Mn)	Investor(s)	Sub Category
	200.0	Tiger Global, General Atlantic, Bond Capital	Test Preparation
	110.0	Facebook, Sequoia India, Blume Ventures	Test Preparation
	43.3	GGV Capital, Legend Capital, Omidyar Network	Test Preparation
	20.0	Sequoia India, Tiger Global, Global Founders Capital	Skill Development
	15.0	Tencent, Omidyar Network, Sequoia India	Test Preparation
	12.6	Reliance Industries Limited	Test Preparation
	10.7	Blume Ventures, Kunal Shah, Alvin Tse	Enterprise Solution
	10.5	BAce Capital, Picus Capital, Madhur Deora	K-12
	8.3	Iron Pillar	Test Preparation
	5.2	Info Edge	Online Certification

Mergers And Acquisitions In Edtech

Edtech Enterprise Solution Companies Have The Highest M&A Potential

































- BYJU'S \$300 Mn acquisition of WhiteHat Jr. is the biggest edtech M&A deal in India as of now.
- The year 2015 saw the highest number of M&A deals in edtech (a total of nine) followed by 2020 (a total of eight as of September 2020).
- As investor interest in edtech continues to grow, more M&A deals are expected in 2020.

Biggest Acquirers In The Indian Edtech Space

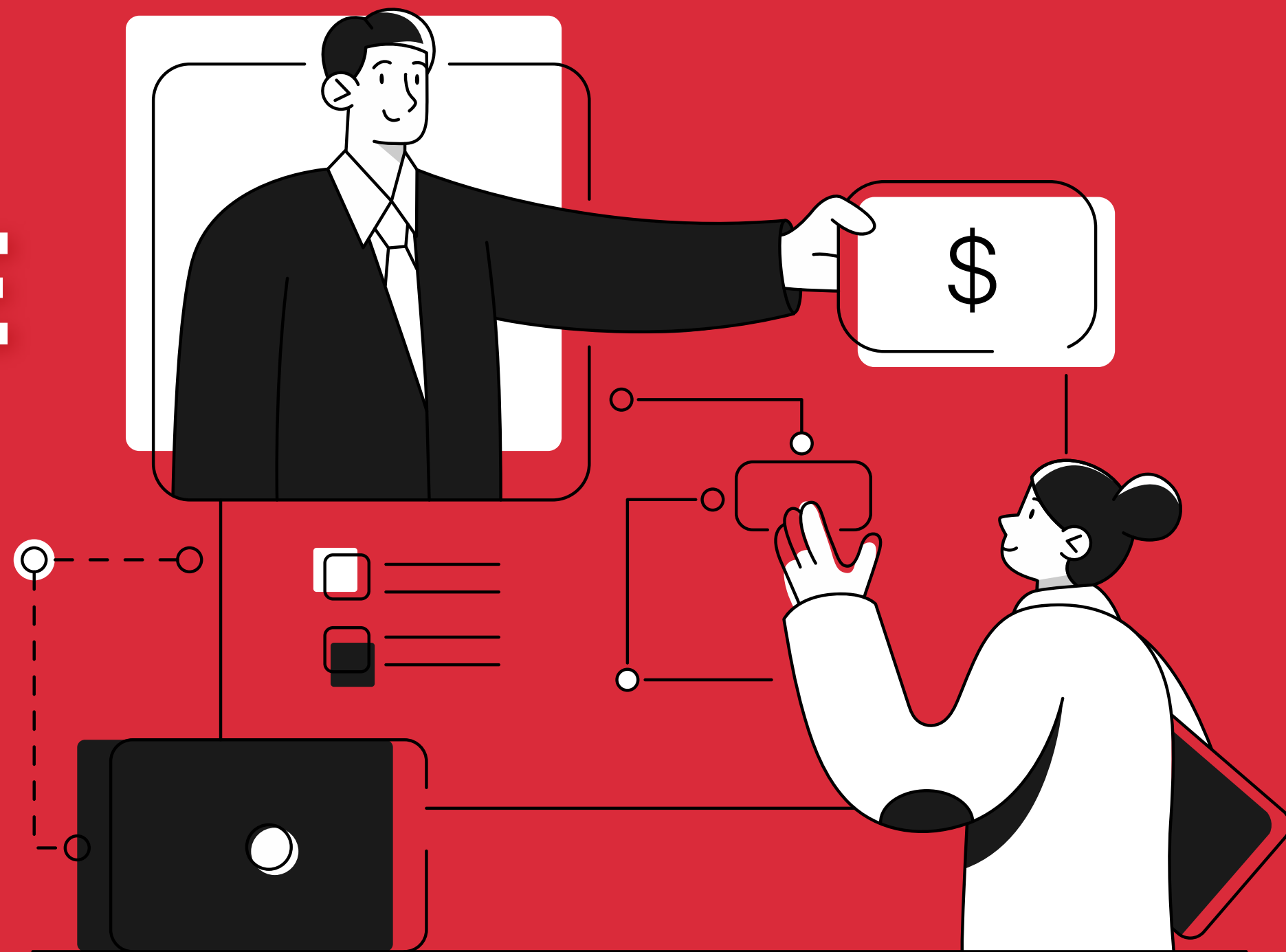


Top Edtech Investors In India

Investor	Deal Participation	Preferred Sub Sector	Notable Startups	
	14	Test Preparation & Online Discovery		
	14	Test Preparation & Enterprise Solution		
	11	K-12 & Test Preparation		
	8	Agnostic		
	7	Test Preparation		
	6	Agnostic		
	6	Skill Development, Test Preparation		
	5	Agnostic		
	4	Agnostic		
	2	K-12		

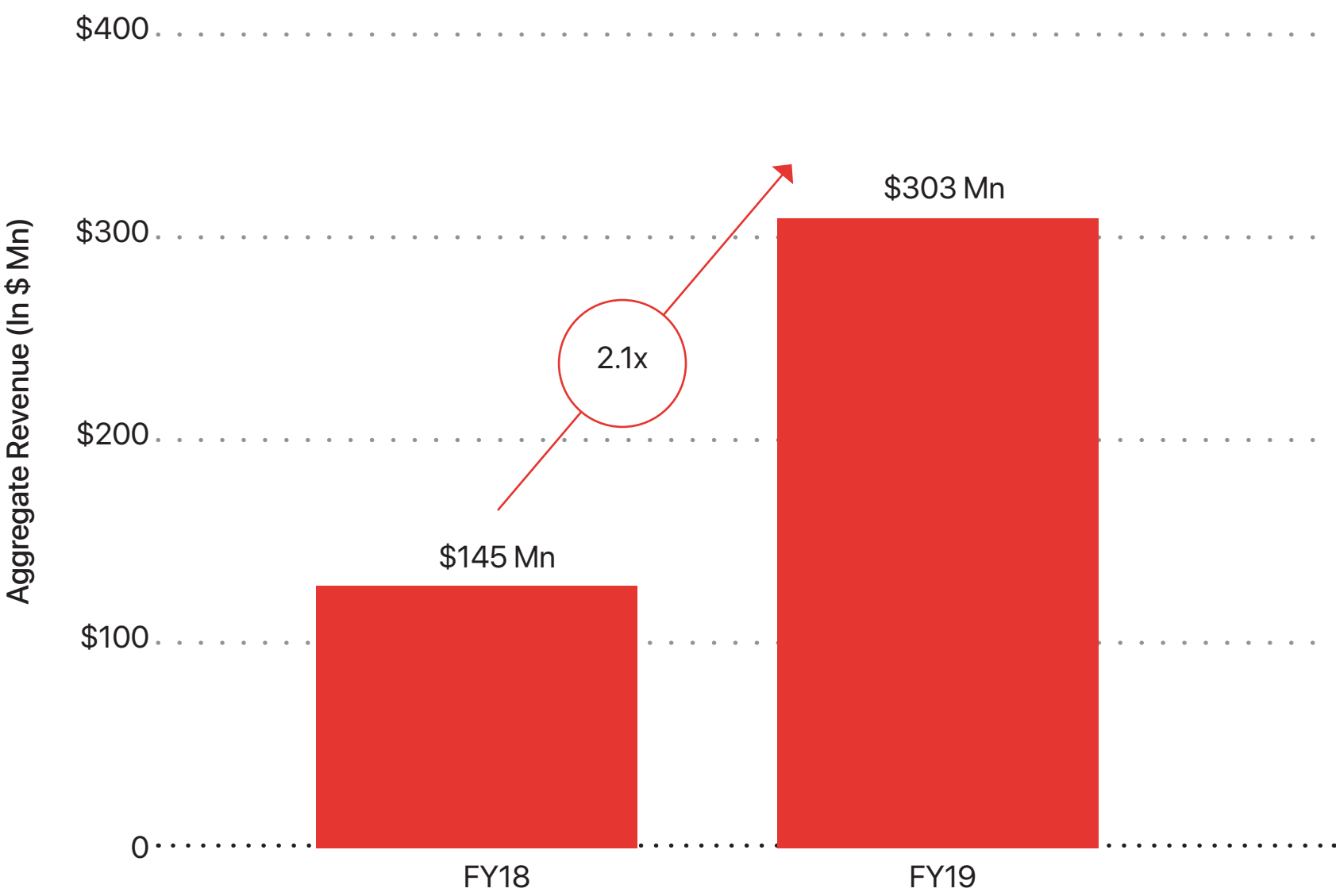
Note: Data from 2014 to H1 2020

FINANCIAL PERFORMANCE OF INDIA'S TOP EDTECH STARTUPS



The Aggregate Revenue Of Indian Edtech Startups Doubled

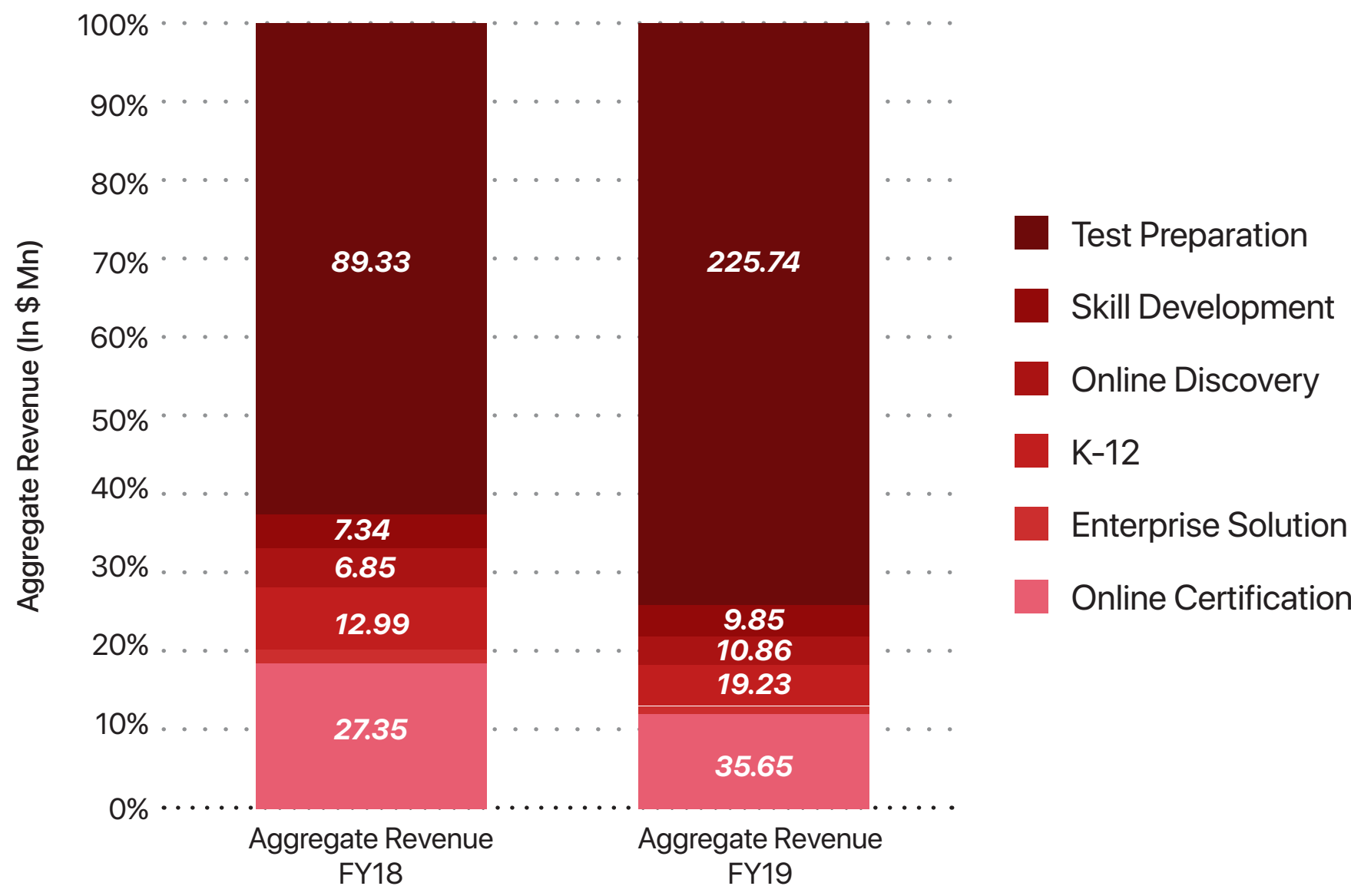
Between FY18 and FY19, the aggregate revenue surged 2.1x



Note: The analysis is based on the financial data of top 38 edtech startups in India
INR to USD Exchange Rate: 69.4
Source: Inc42 Plus

Test Preparation And Online Discovery Startups Witnessed The Highest Surge In Revenue Over The Year

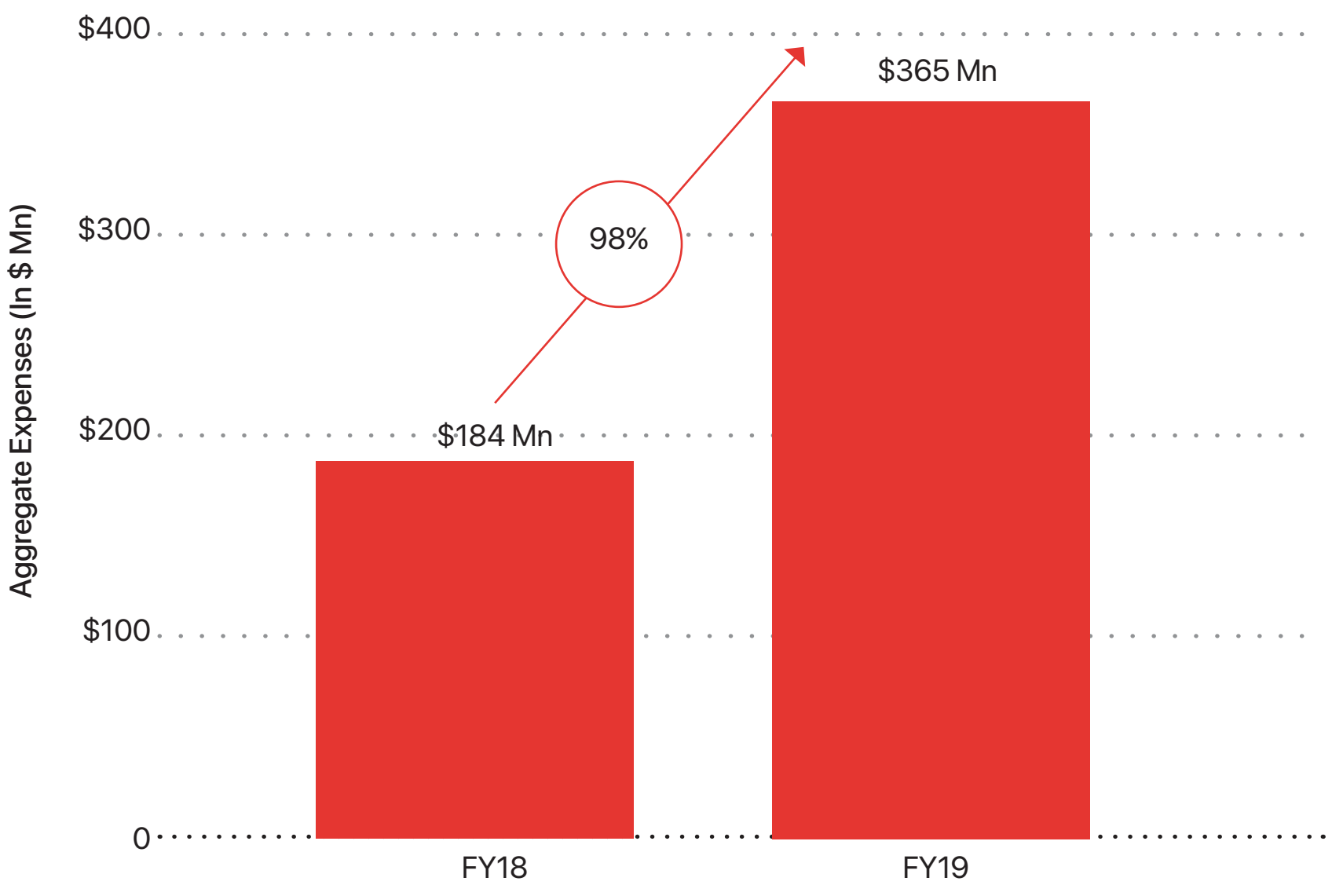
Test preparation and online discovery startups saw the highest revenue surge — 153% and 58%, respectively



Note: The analysis is based on the financial data of top 38 edtech startups in India
INR to USD Exchange Rate: 69.4
Source: Inc42 Plus

Indian Edtech Startups' Expenditure Nearly Doubled In FY19

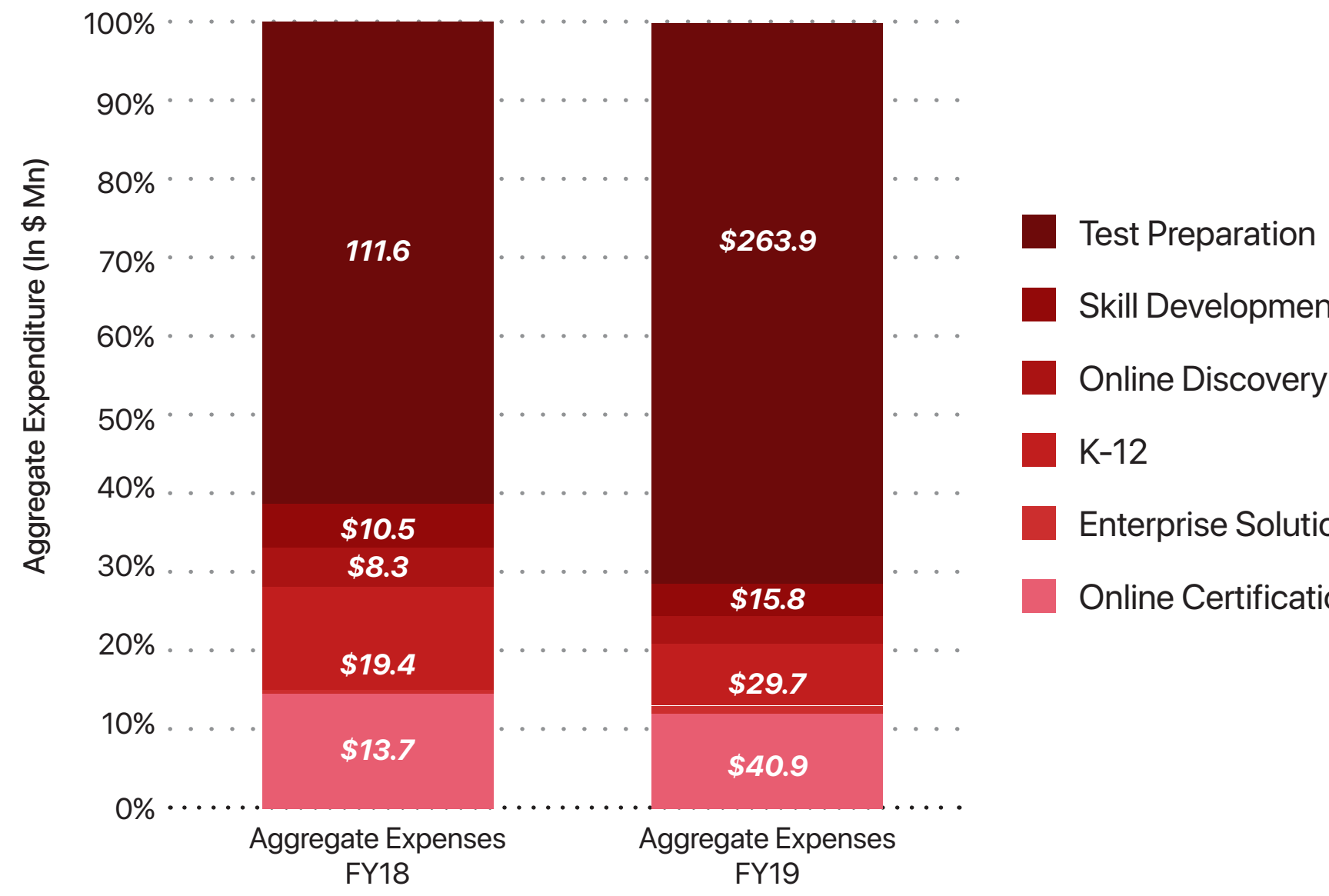
The expenses of Indian edtech startups saw a 98% spike between FY18 and FY19



Note: The analysis is based on the financial data of top 38 edtech startups in India
INR to USD Exchange Rate: 69.4
Source: Inc42 Plus











Test Preparation And K12 Startups Witnessed The Highest Surge In Aggregate Expense Over The Year

Test preparation startups and K-12 startups witnessed the highest surge in their revenue 136% and 53% respectively



Note: The analysis is based on the financial data of top 38 edtech startups in India
INR to USD Exchange Rate: 69.4
Source: Inc42 Plus

Revenue Of India's Top Edtech Startups

Startup Name	Total Revenue FY19	Total Revenue FY18
	\$193,345,029	\$70,585,908
	\$18,268,458	\$13,932,579
	\$9,920,245	\$7,680,000
	\$8,784,841	\$3,698,055
	\$7,644,438	\$5,920,403
	\$6,970,490	\$4,875,648
	\$6,810,634	\$5,010,432
	\$5,057,983	\$4,729,568
	\$4,316,081	\$3,077,176
	\$3,954,092	\$2,540,879

Startup Name	Total Revenue FY19	Total Revenue FY18
	\$3,864,539	\$4,576,571
	\$3,155,360	\$752,911
	\$2,903,429	\$1,427,536
	\$2,628,963	\$2,744,294
	\$2,531,398	\$1,330,893
	\$2,525,749	\$1,425,000
	\$2,311,816	\$1,114,395
	\$2,242,205	\$754,524
	\$2,242,205	\$754,524
	\$1,970,706	\$1,105,101

Note: INR to USD Exchange Rate: 69.4




Revenue Of India's Top Edtech Startups











Startup Name	Total Revenue FY19	Total Revenue FY18
	\$1,793,271	\$810,591
	\$1,390,504	\$615,965
	\$1,233,228	\$1,011,311
	\$1,160,447	\$651,196
	\$1,155,274	\$827,147
	\$1,050,591	\$591,297
	\$996,902	\$453,674
	\$899,524	\$926,585
	\$616,787	\$166,470
	\$452,133	\$240,893

Startup Name	Total Revenue FY19	Total Revenue FY18
	\$312,277	\$120,144
	\$229,323	\$151,326
	\$219,323	\$187,968
	\$147,695	\$20,980
	\$138,919	\$57,161
	\$84,885	\$33,530
	\$25,259	\$6,671
	\$21,916	\$19,971

Note: INR to USD Exchange Rate: 69.4

Expenses Of India's Top Edtech Startups

Startup Name	Total Expense FY19	Total Expense FY18
	\$190,439,280	\$74,714,640
	\$22,251,239	\$12,324,481
	\$20,135,778	\$14,894,366
	\$16,162,911	\$4,154,035
	\$10,429,035	\$7,501,715
	\$9,451,311	\$6,033,343
	\$8,403,473	\$6,633
	\$8,140,908	\$6,153,429
	\$7,671,066	\$6,091,455
	\$7,056,729	\$3,418,300

Startup Name	Total Expense FY19	Total Expense FY18
	\$6,515,101	\$4,641,326
	\$6,337,594	\$4,743,905
	\$5,684,063	\$3,647,983
	\$5,553,329	\$5,924,496
	\$4,151,081	\$3,285,576
	\$3,874,957	\$2,357,695
	\$3,629,179	\$2,546,628
	\$3,374,323	\$2,335,231
	\$3,277,666	\$1,836,888
	\$3,245,605	\$2,912,349

Note: INR to USD Exchange Rate: 69.4

Expenses Of India's Top Edtech Startups

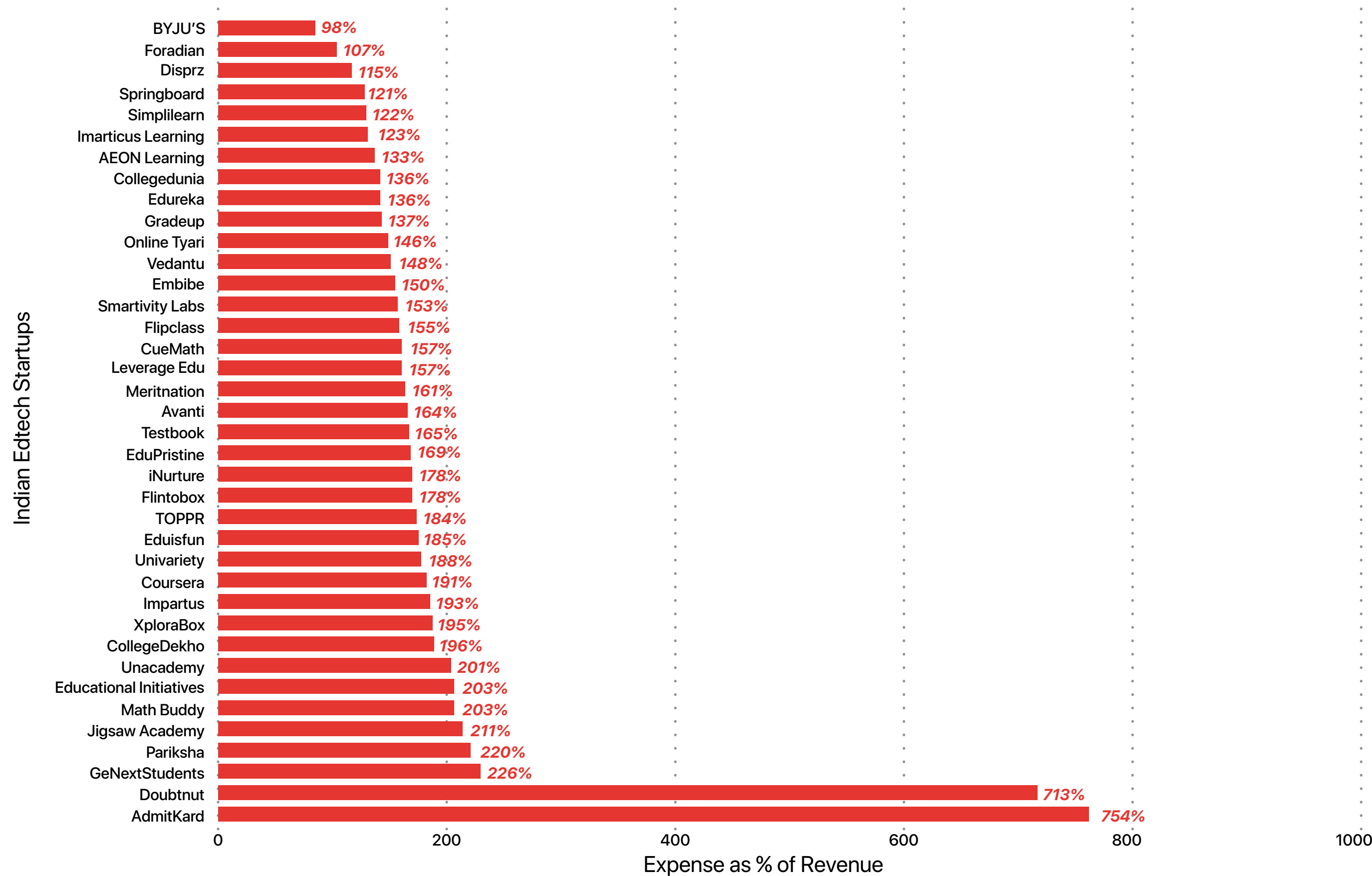
Startup Name	Total Expense FY19	Total Expense FY18
	\$2,654,179	\$2,326,282
	\$2,654,179	\$2,326,282
	\$2,382,810	\$1,314,885
	\$2,183,343	\$1,190,461
	\$1,530,764	\$999,712
	\$1,209,179	\$535,663
	\$1,206,585	\$1,499,496
	\$958,055	\$394,135
	\$845,432	\$1,049,899
	\$712,046	\$278,559

Startup Name	Total Expense FY19	Total Expense FY18
	\$705,418	\$262,262
	\$466,427	\$564,121
	\$338,862	\$257,478
	\$288,444	\$43,314
	\$257,075	\$84,020
	\$186,715	\$170,317
	\$180,043	\$64,928
	\$47,767	\$41,700

Note: INR to USD Exchange Rate: 69.4

BYJU'S Emerged As The Most Frugal Edtech Startup In FY19

BYJU'S expanded its revenue by \$123 Mn over FY18 to FY19 whereas the the expense grew by \$116 Mn

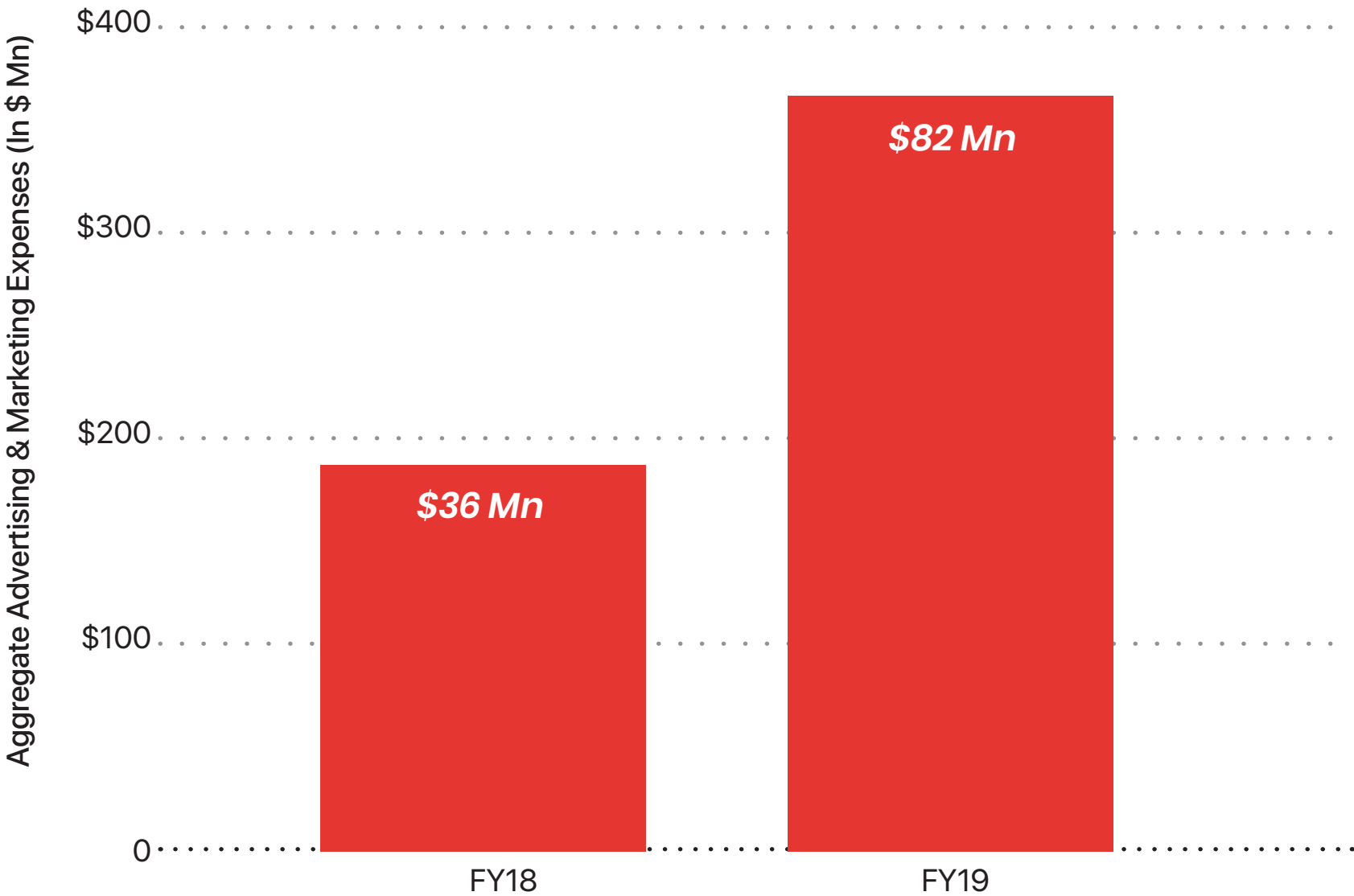


Note: A number greater than 100% signifies that the company has higher expenditure than total revenue

Note: The analysis is based on the financial data of top 38 edtech startups in India | INR to USD Exchange Rate: 69.4
Source: Inc42 Plus, MCA

Indian Edtech Startups' Total Advertising Spend Stood At \$82 Mn

Indian edtech startups recorded a 2.3x hike in advertising and marketing spends between FY18 and FY19



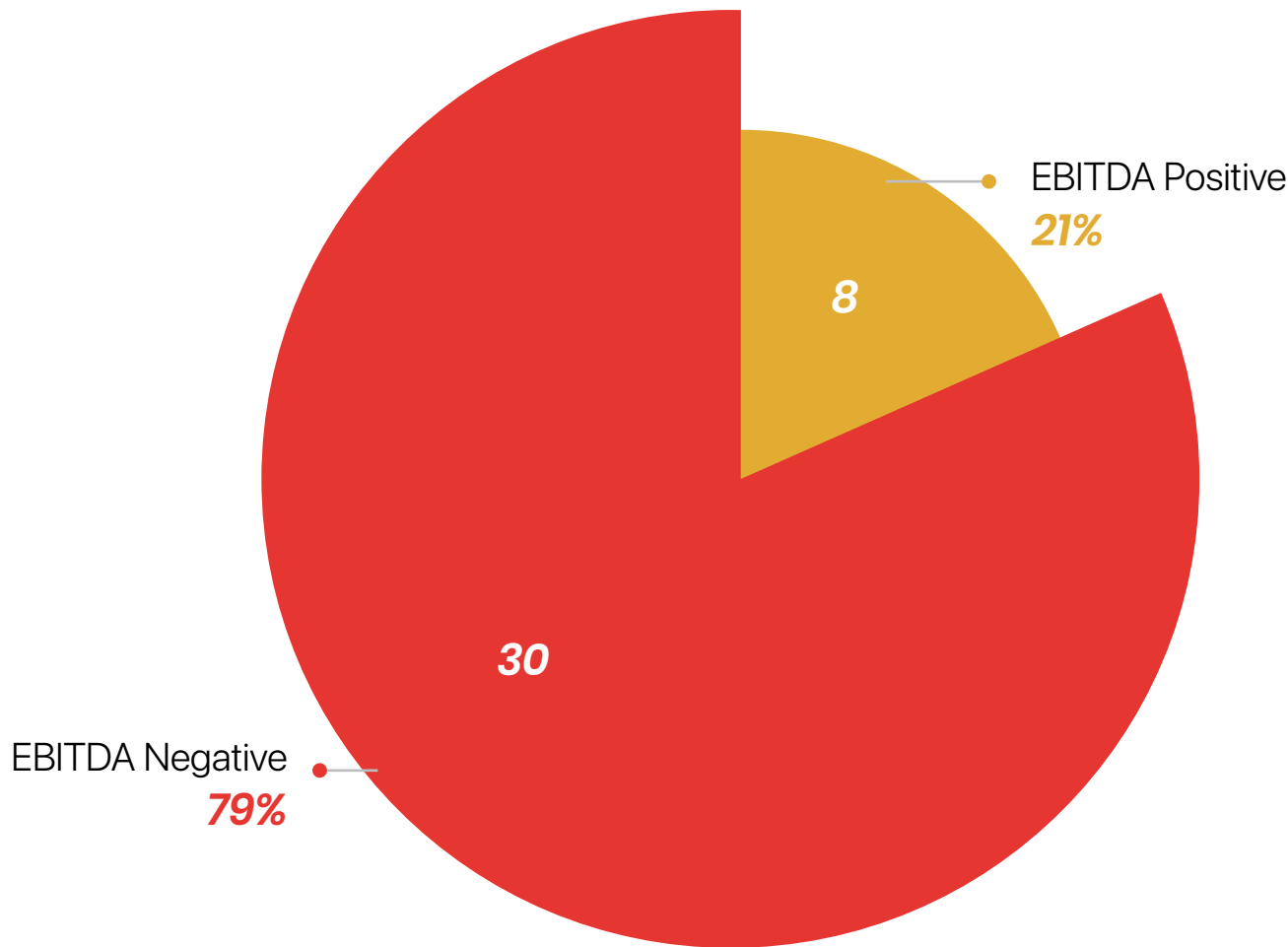
Note: The analysis is based on the financial data of top 38 edtech startups in India
INR to USD Exchange Rate: 69.4
Source: Inc42 Plus, MCA

Top Advertisers In Indian Edtech Ecosystem

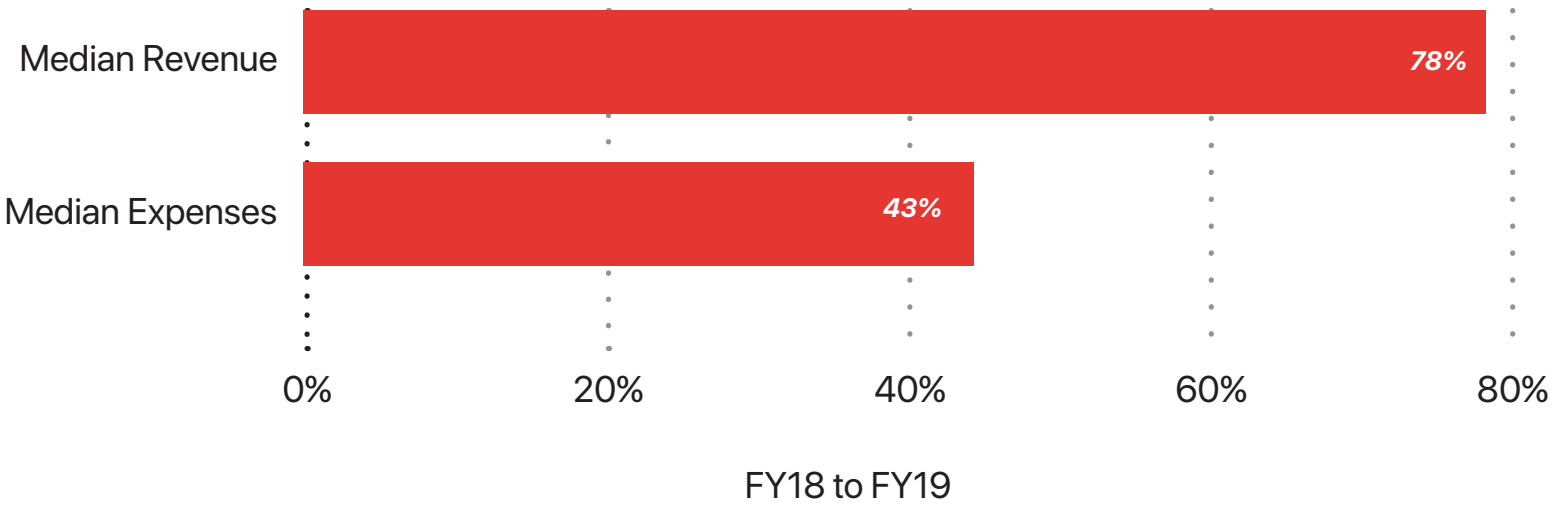
Startup Name	FY18	FY19	Times Surge (x)
 BYJU'S The Learning App	\$26,343,818	\$63,533,833	2.4
 toppr	\$1,174,900	\$2,936,347	2.5
 simplilearn your pace, your place	\$1,473,737	\$2,403,683	1.6
 cuemath making kindergarten at math	\$952,687	\$2,295,370	2.4
 edureka!	\$1,421,901	\$1,833,411	1.3
 leverage edu	\$30,481	\$1,360,933	44.6
 Flintobox	\$724,086	\$1,218,946	1.7
 IMARTICUS LEARNING	\$523,425	\$1,171,033	2.2
 Vedantu LIVE ONLINE TUTORING	\$457,262	\$746,358	1.6
 testbook.com ONLINE CENTER	\$338,477	\$610,597	1.8

Financial Performance Snapshot

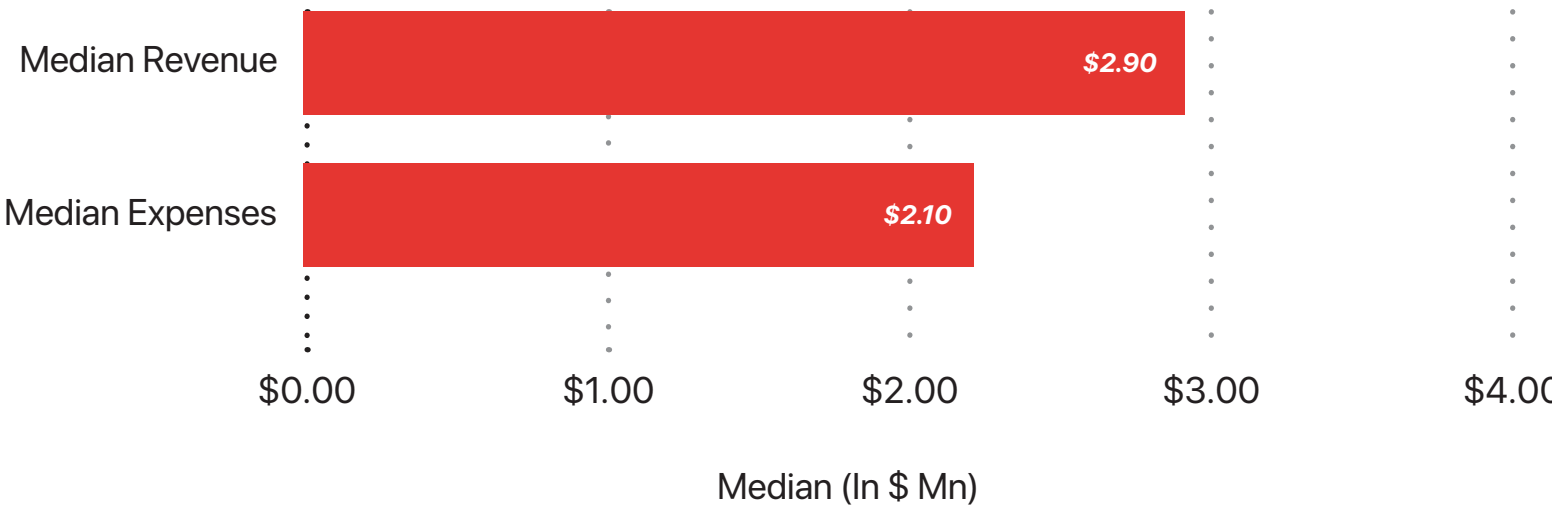
Only 8 Out Of Top 38 Edtech Startups Were EBITDA-Positive In FY19



Median Revenue Surge Is Higher Than Expenses For Indian Edtech Startups












In FY19, The Median Revenue Earned By Edtech Startups Was \$2.9 Mn While Expenses Stood At \$2.1 Mn



Note: The analysis is based on the financial data of top 38 edtech startups in India
INR to USD Exchange Rate: 69.4
Source: Inc42 Plus, MCA

EBITDA Of Top Indian Edtech Startups

Startup Name	EBITDA FY19	EBITDA FY18
	\$12,514,409	\$393,372
	\$1,832,853	\$1,560,519
	\$997,118	\$453,890
	\$597,983	\$342,939
	\$559,078	\$296,830
	\$211,816	\$80,749
	\$118,718	-\$396,254
	\$77,939	-\$71,499
	-\$11,643	-\$30,476
	-\$40,072	-\$111,268

Startup Name	EBITDA FY19	EBITDA FY18
	-\$84,726	-\$67,738
	-\$140,014	-\$22,320
	-\$151,297	-\$1,203,170
	-\$157,061	-\$44,755
	-\$170,029	-\$49,265
	-\$208,934	-\$340,058
	-\$236,311	-\$19,611
	-\$247,839	-\$155,620
	-\$295,389	-\$2,157,061

Note: INR to USD Exchange Rate: 69.4

EBITDA Of Top Indian Edtech Startups

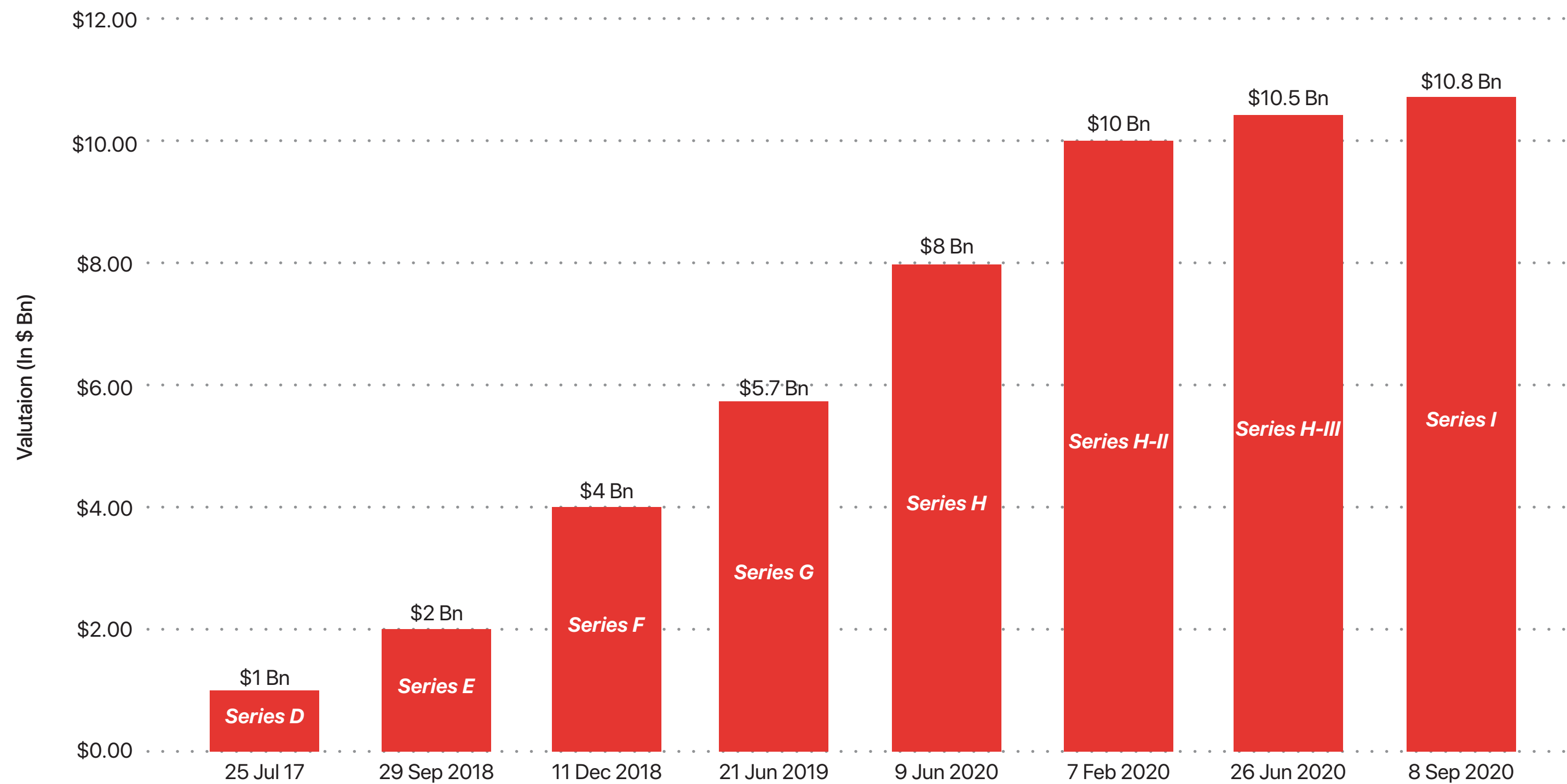
Startup Name	EBITDA FY19	EBITDA FY18
	-\$329,971	-\$311,239
	-\$478,386	\$69,611
	-\$560,519	-\$291,066
	-\$681,556	-\$1,086,455
	-\$923,631	-\$537,464
	-\$1,123,919	-\$962,536
	-\$1,123,919	-\$805,476
	-\$1,462,536	-\$2,230,548
	-\$1,612,392	-\$414,986
	-\$1,654,179	-\$51,556

Startup Name	EBITDA FY19	EBITDA FY18
	-\$1,727,666	-\$1,132,565
	-\$2,680,115	-\$2,585,014
	-\$2,917,867	\$838,617
	-\$3,041,787	-\$1,570,605
	-\$3,740,634	-\$2,688,761
	-\$7,675,793	-\$6,048,991
	-\$12,311,239	-\$8,304,035
	-\$12,874,640	-\$3,360,231

Note: INR to USD Exchange Rate: 69.4

10.8x Surge In BYJU'S Valuation In A Span Of Three Years

As of 2020, BYJU’S is the most valuable edtech startup in the world

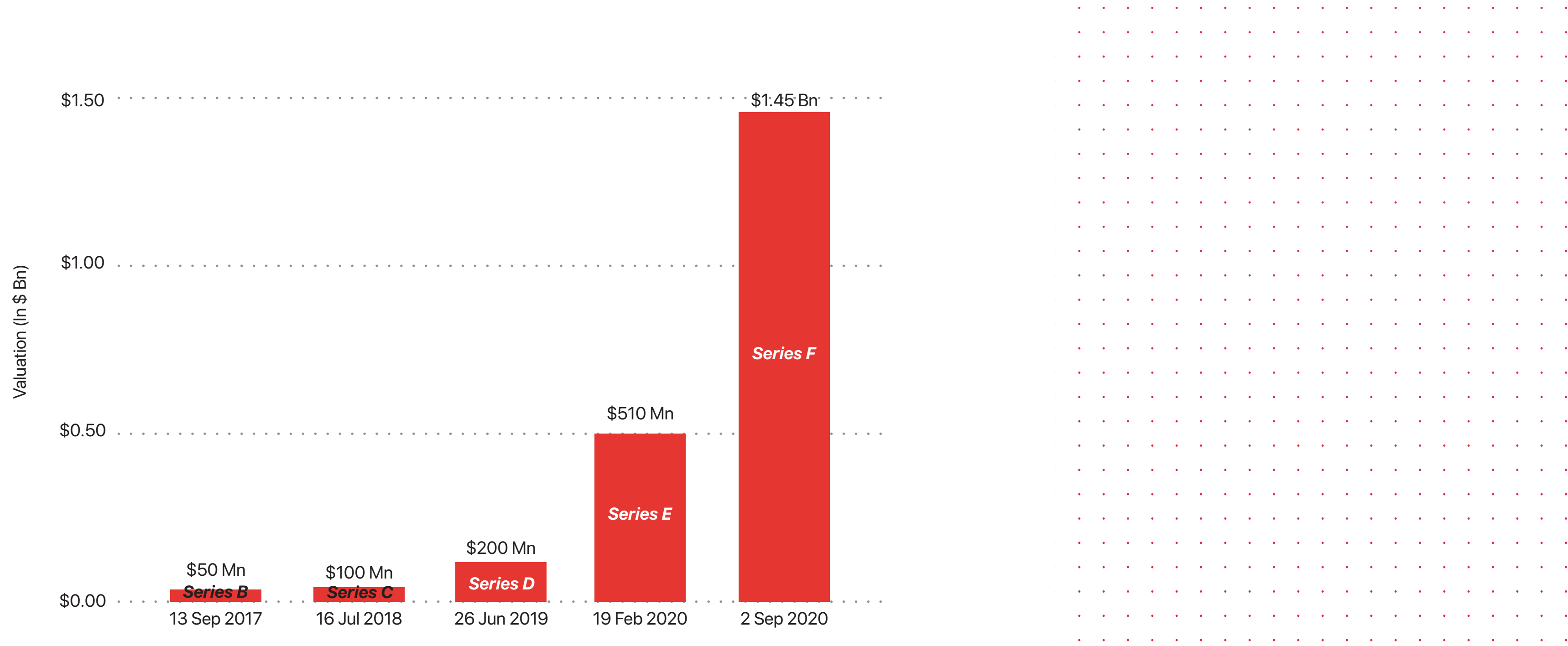


Source: CB Insights

Note: This does not include all funding rounds of the copy

Unacademy's Valuation Surged 2.8x In A Span Of Six Months

From \$510 Mn in February 2020 to \$1.45 Bn in September 2020

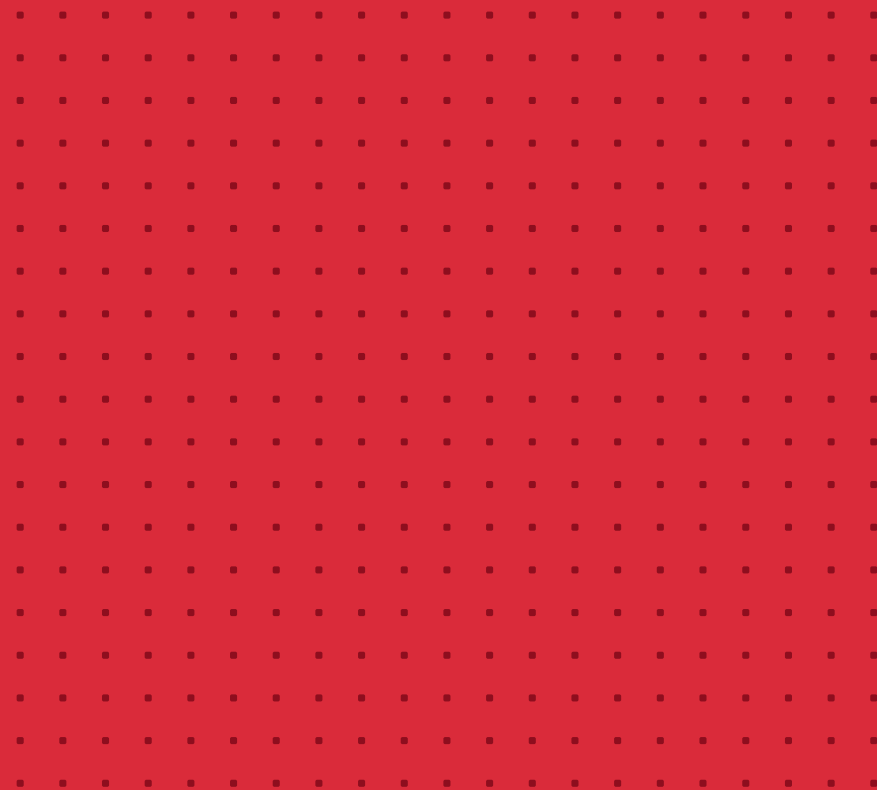


Note: This does not include all funding rounds of the company

EMERGING TRENDS IN CUSTOMER EXPERIENCE



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*KT Prasad
MD and RVP Sales, India &
SAARC, Zendesk*

How Edtech Startups Can Build Competitive Edge With Customer Experience

The year 2020 will undoubtedly go down as a year to remember. The pandemic has changed the way we understand and interact with the world and going back to the pre-COVID lifestyle seems nearly impossible. It has also hindered the progress of certain industry segments but accelerated others' growth.

Edtech startups, across the globe, are witnessing a growing demand, not only from students whose classes have been shifted online but also from those who now have enough time for reskilling and upskilling, given the unprecedented circumstances.

Earlier this year, Khan Academy's online traffic grew more than 2.5 times almost overnight. The company reported over 1,200% increase in parents contacting the platform and more than 750% increase in contacts from teachers. By leveraging automation, self-service and its vibrant community, Khan Academy built a resilient support operation that could handle the accompanying spike in support volume. Similarly, Teachable took to adding chat seats and turned on the Answer Bot to handle nearly 80% increase in support volume in post-COVID times.

Given the volatility and shifting customer demands, businesses need to adopt a data-centric and agile approach to build a competitive edge through customer experience (CX). Although there is no magic formula for faster growth, our Startup CX Benchmark Report, which looked at more than 4,400 startups worldwide, found a clear link between better CX and faster growth.

Of course, good service alone cannot guarantee success. But continuous engagement with customers often results in a product that fits their needs. What's more, good customer service can earn you loyal customers for years to come.

Edtech startups should remember the following when it comes to customer support:

It Pays To Start Early

Timing is important. According to our Benchmark data, early-stage startups should think about adding support within 9-10 months of their first fundraising round. The report also highlights that fast-growing startups are quicker to adopt support. They utilise more tools and communication channels and ensure a seamless omnichannel experience.

As a result, they can respond to customers faster and more efficiently. Moreover, live chat can be an effective way to offer help and answer customers' questions. Investing early in chat support can go a long way in emphasising that your customers are at the centre of your business.

Work Smarter, Not Harder

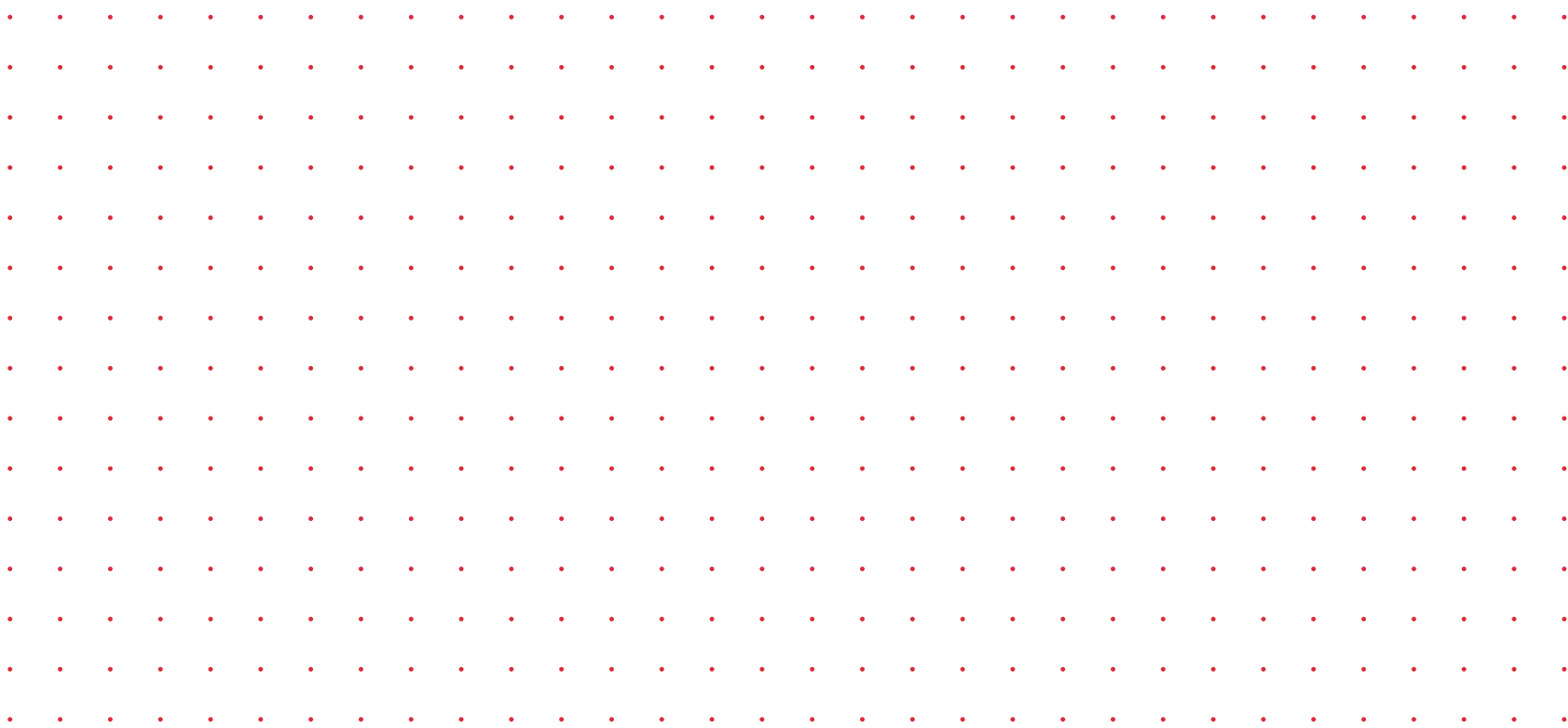
Customisation and protocols which help streamline operations across the workflow can play a crucial role in stretching existing resources by working smarter. This may include collecting more customer data by raising tickets, developing views to prioritise incoming requests and defining goals. APIs, apps and automation tools will also help manage tickets more efficiently and add greater functionality.

Put Your Customers First

As a startup, investing in customer experience early on will lead to increased productivity and shorter wait times -- a better experience for both customers and agents. This is possible by putting your customer in the centre and being on the channels they prefer to provide them with reactive, proactive and pre-emptive support.

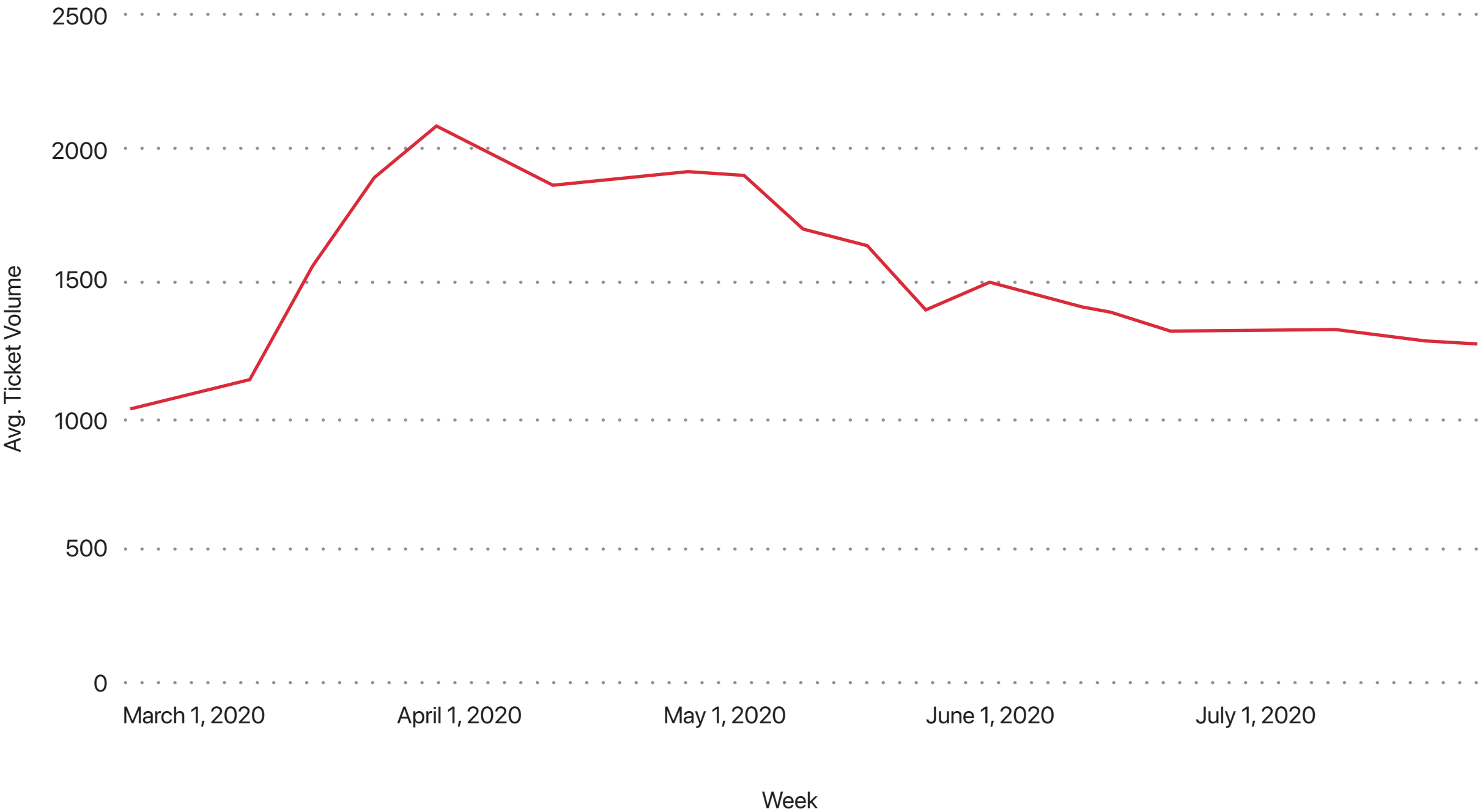
Plan For Future Growth

Every startup seeks to grow its business. That means having the right technology and tools in place from the get-go that can grow with you and meet your needs right now and also in the future. Udemy, for instance, had one person handling support for 2.5 million students, aided by automation tools. Now, flash forward a few years to 14 million users worldwide. The company has been able to scale its global operations while factoring in the added complexities and the need for localisation that comes with scale -- with the help of Zendesk.



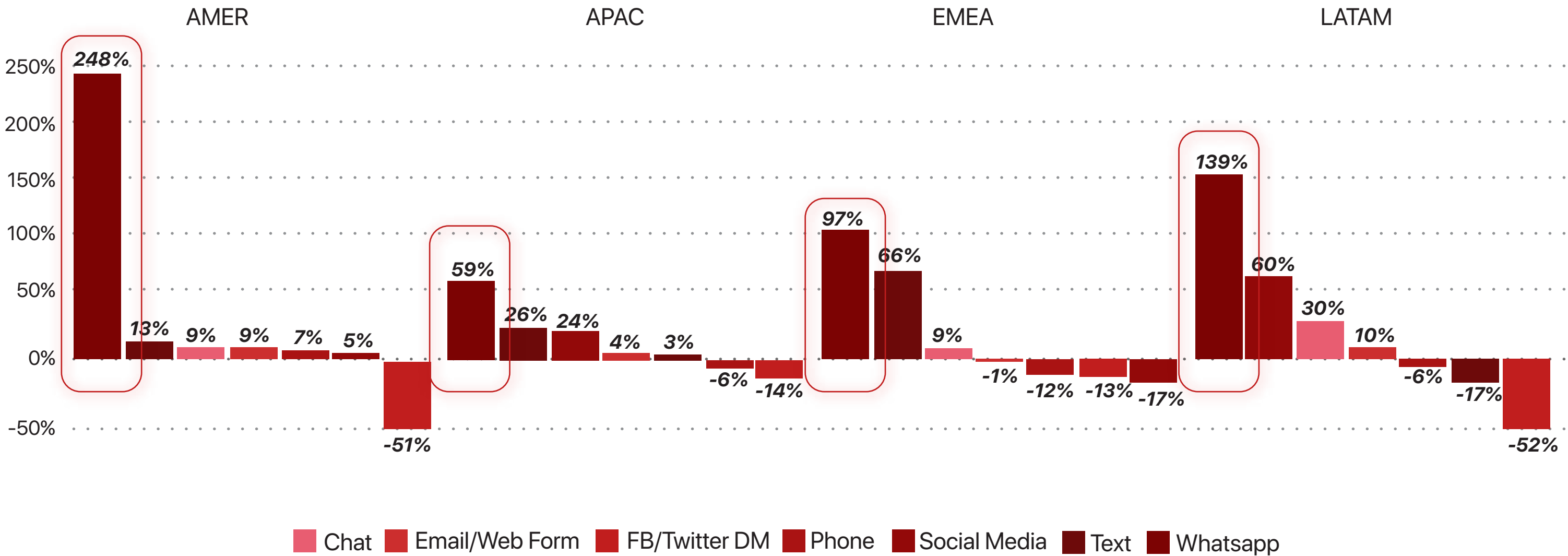
2x Surge In The Support Ticket Volume For Queries In Education And Remote Work

At 24% above pre-pandemic levels, average ticket volume in the education and remote work sectors remains quite high. However, the average hike across all sectors is just 16%



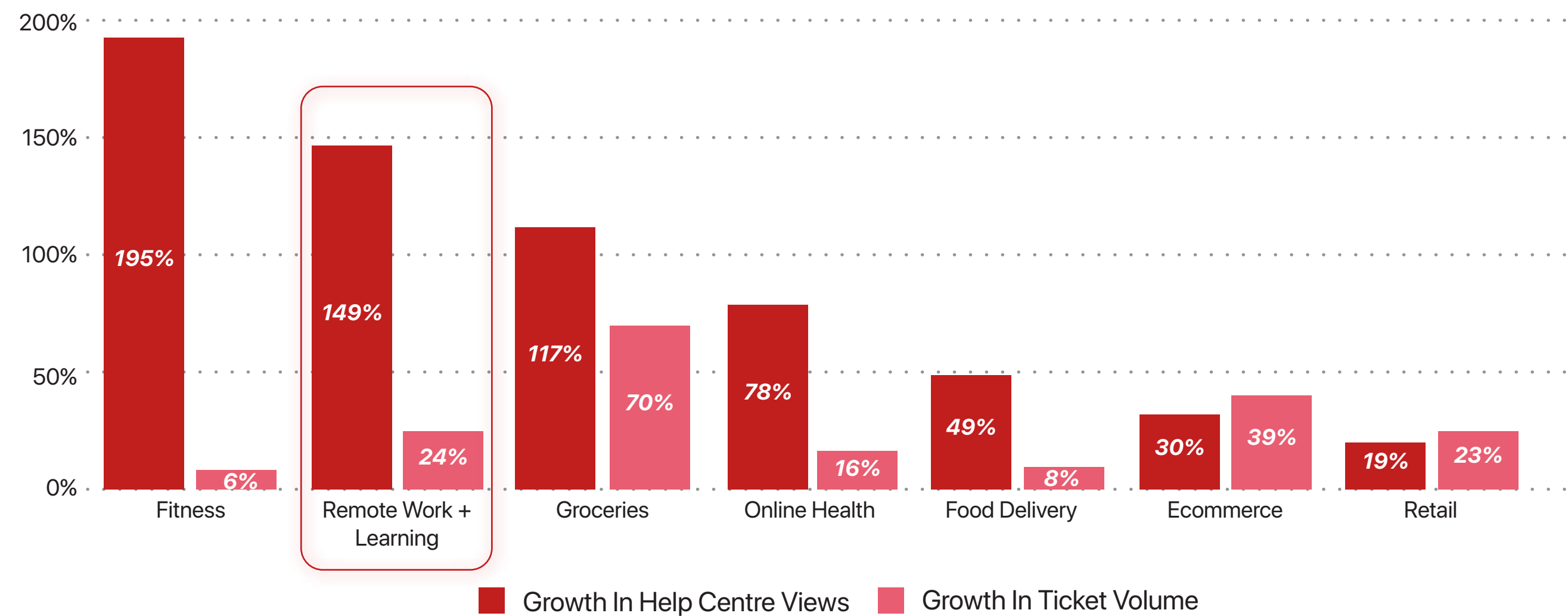
WhatsApp: The Next Big Customer Support Channel

Global growth in WhatsApp support conversations currently stands at 111% since February, followed by text/SMS (a distant second at 15%), social media (up 11%), and chat (up 10%)



Self Service: The Future Of Customer Support

Help centres tame spiking tickets by empowering customers to find quick answers



- With higher-than-normal ticket averages seemingly here to stay, many companies are finding success with help centers.
- This is especially prominent in sectors such as education, remote work and fitness. Both remote work and education (learning) platforms saw a 149% rise in help centre views. During the same period, tickets rose only 24%.

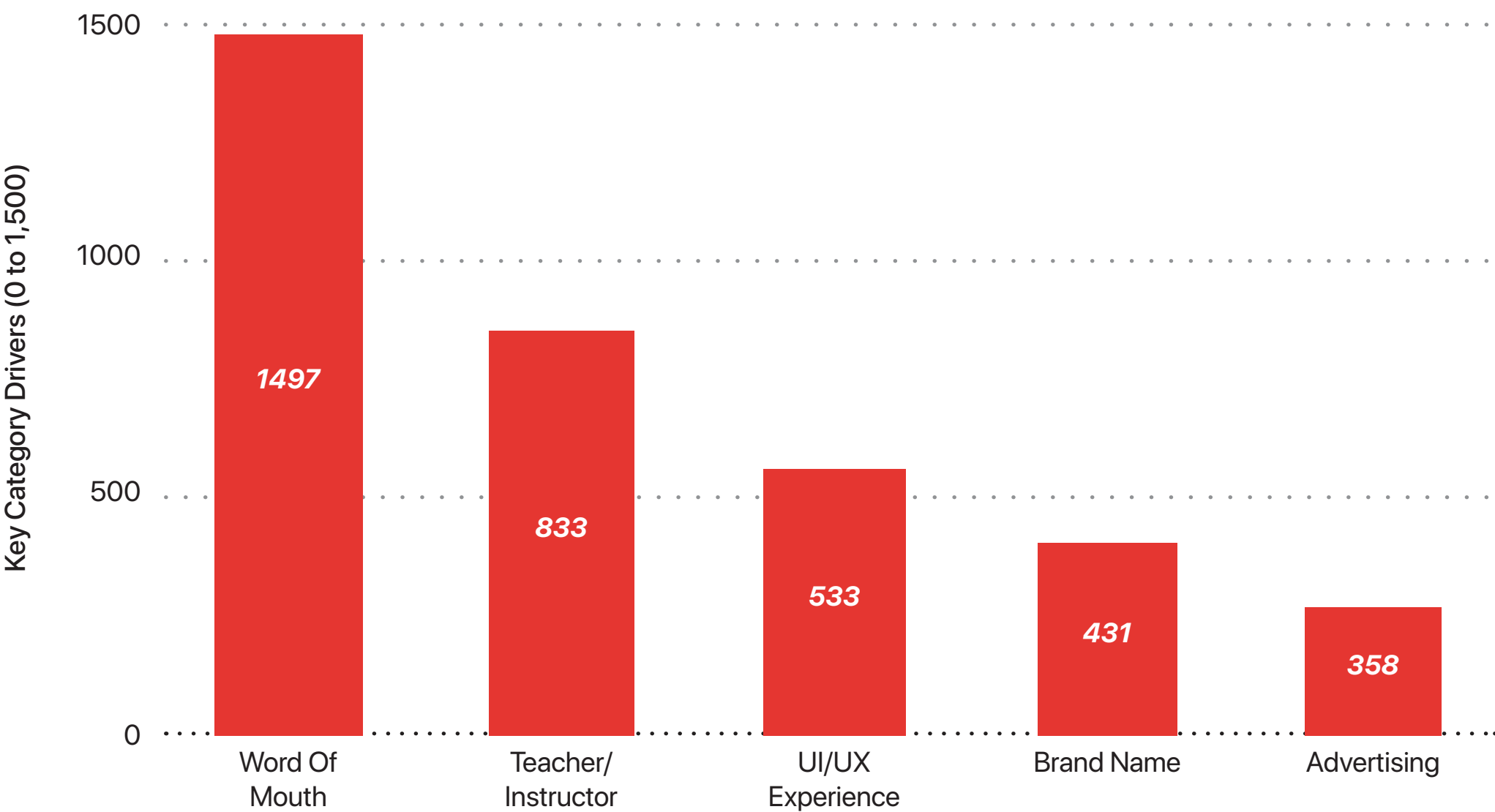
Source: Zendesk

CUSTOMER PERCEPTION ANALYSIS



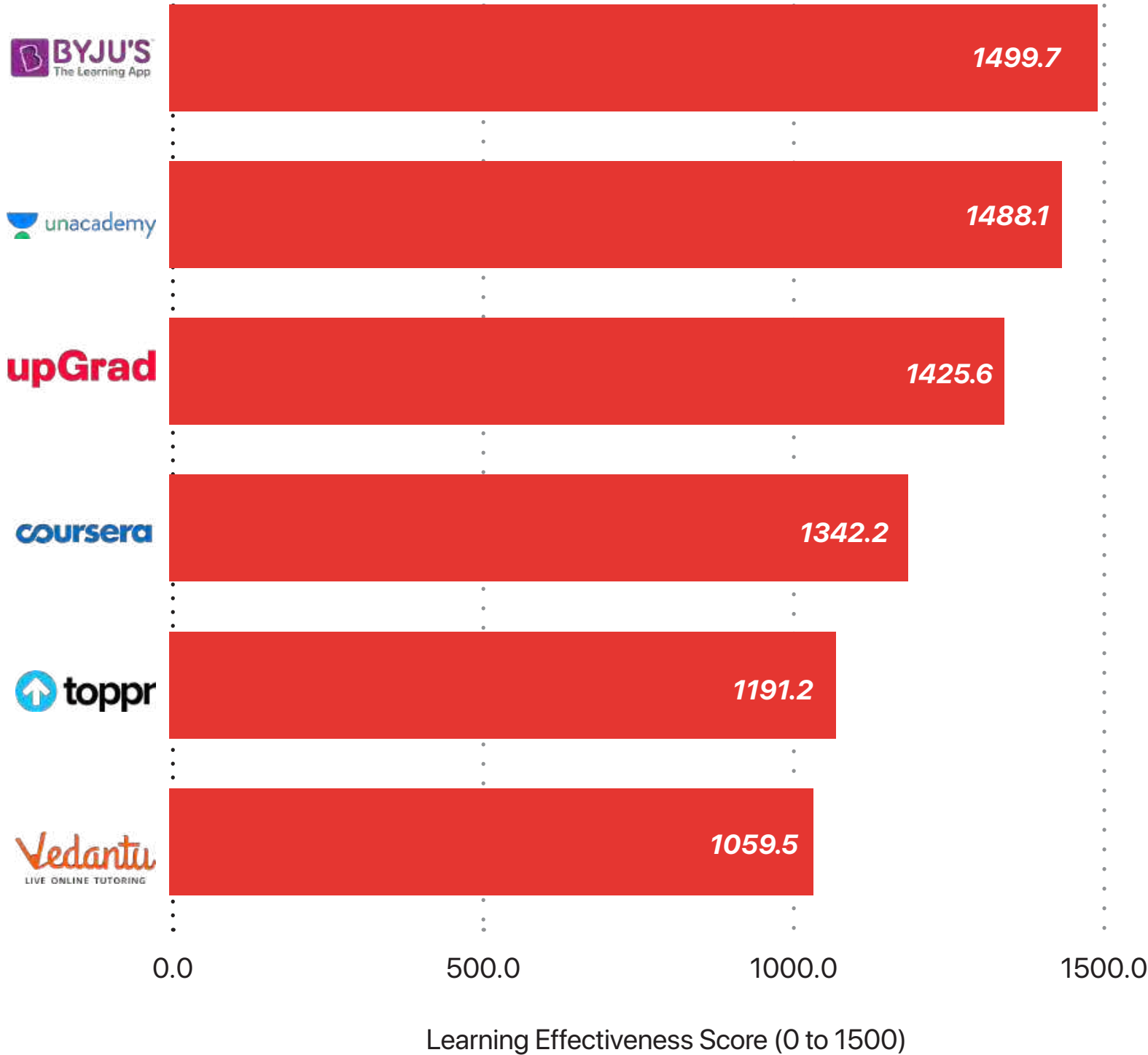
'Word Of Mouth' Is The Key Driver Of Edtech Adoption

In addition to reviews, the quality of a teacher or an instructor plays a vital role in consumer decision-making



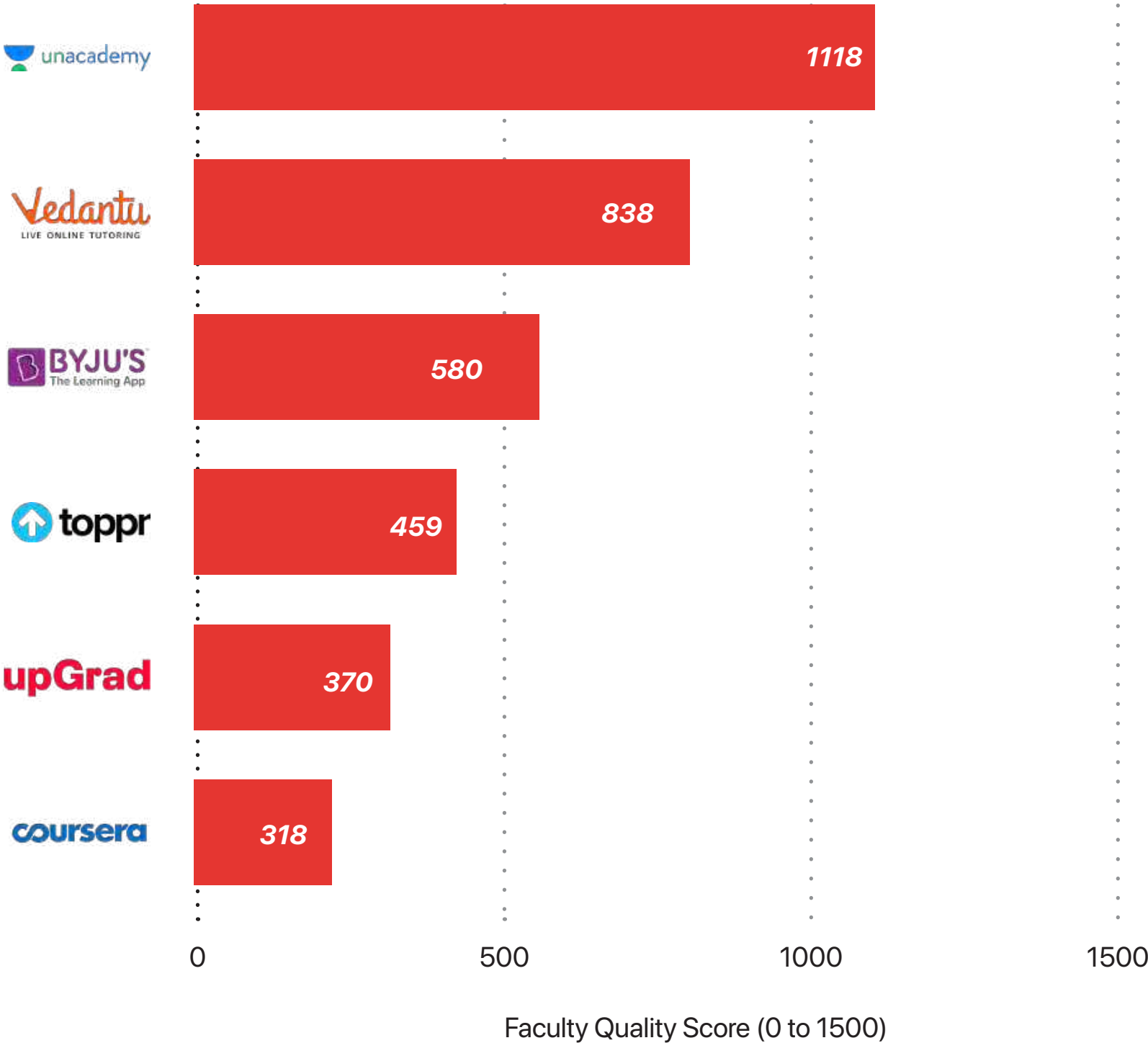
Note: Based on survey of 90,591 people, including teachers, students and parents
Source: Cloutrack, Inc42 Plus

BYJU'S Paramount In Delivering Superior Learning Effectiveness



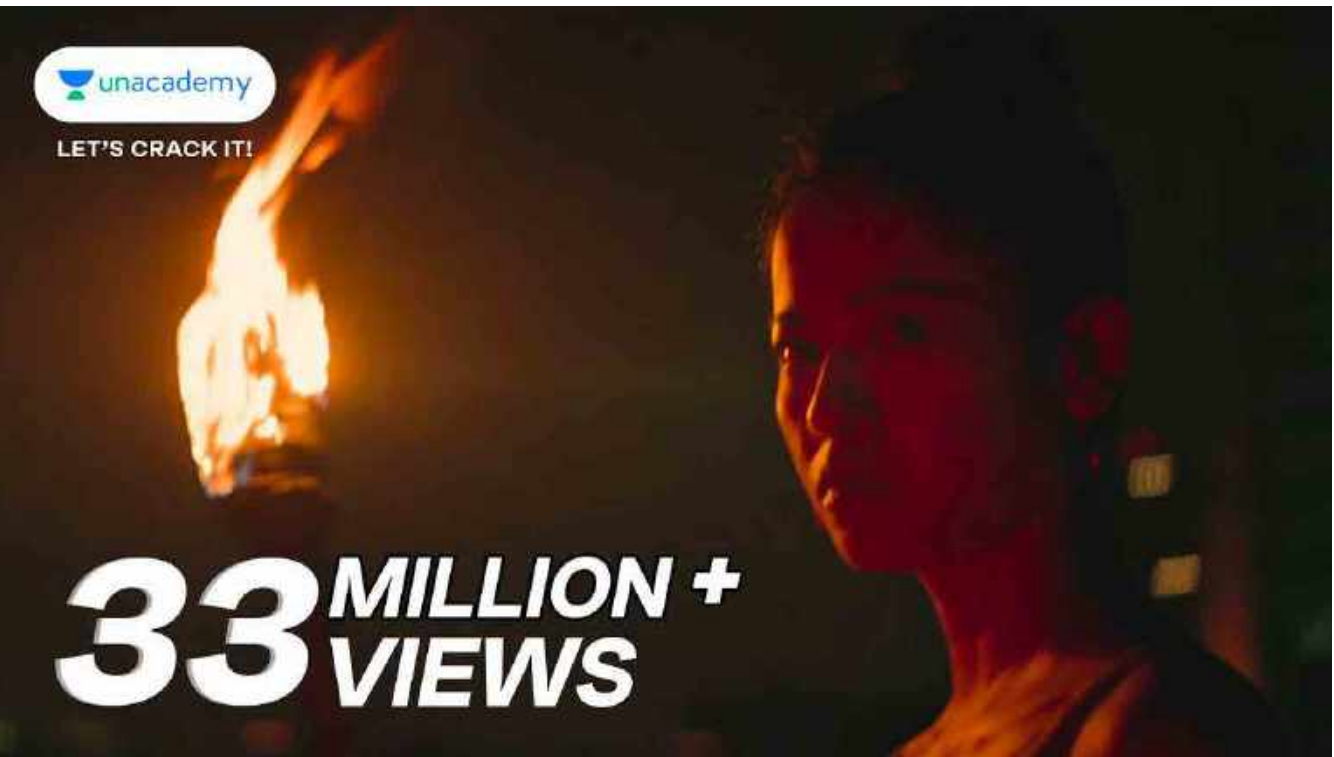
Unacademy's Teaching Faculty Scored Highest On Quality

At Unacademy, the faculty is always at the core when it comes to marketing its courses

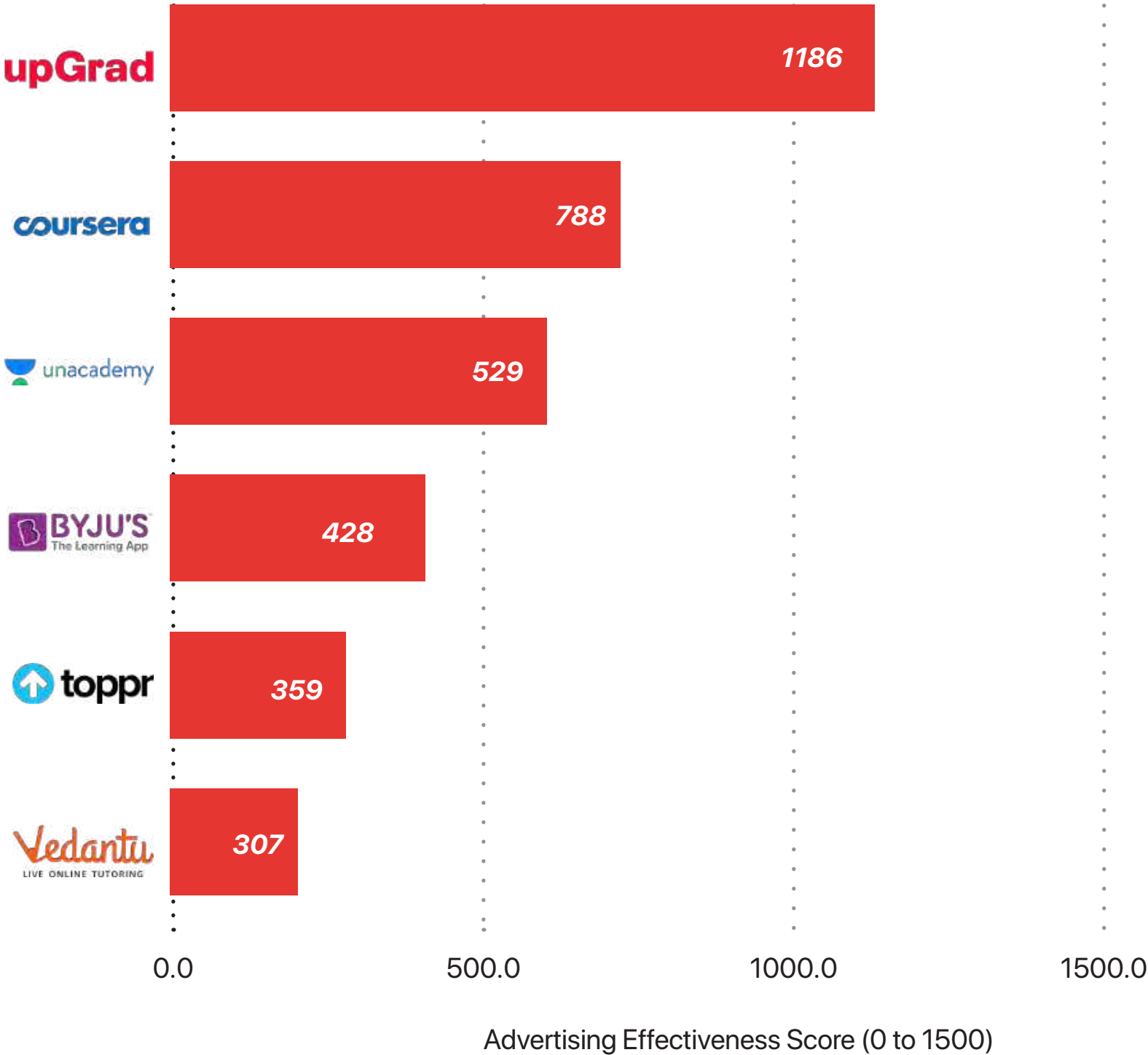


Note: Based on survey of 90,591 people, including teachers, students and parents
Source: Clootrack, Inc42 Plus

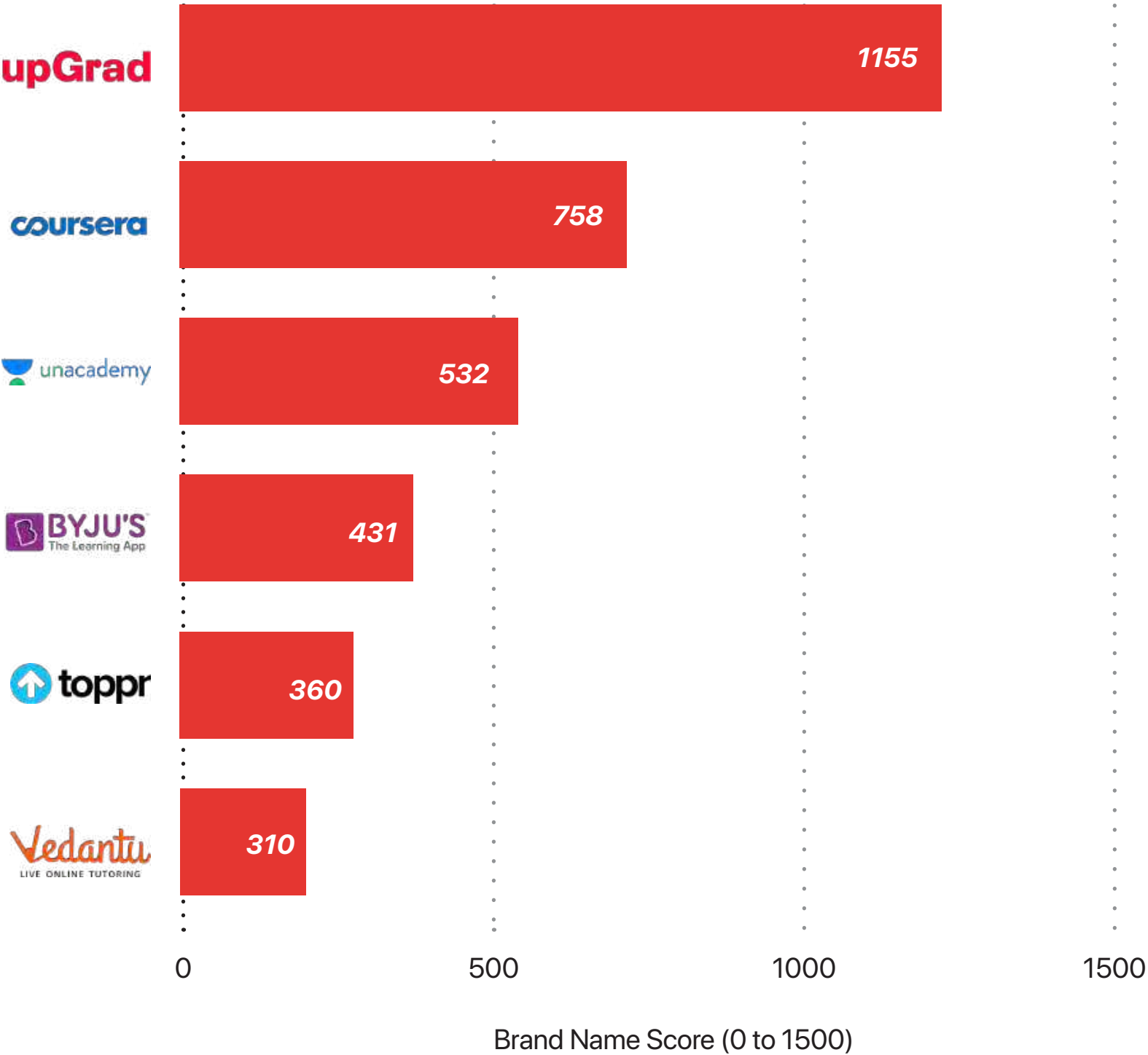
Unacademy's Advertising Campaigns Primarily Focusses On Its Educators' Efficiency



upGrad's Messaging In Advertisements Turned Out To Be Most Effective



Brand Name Has Been The Biggest Conversion Driver In Online Certification Courses

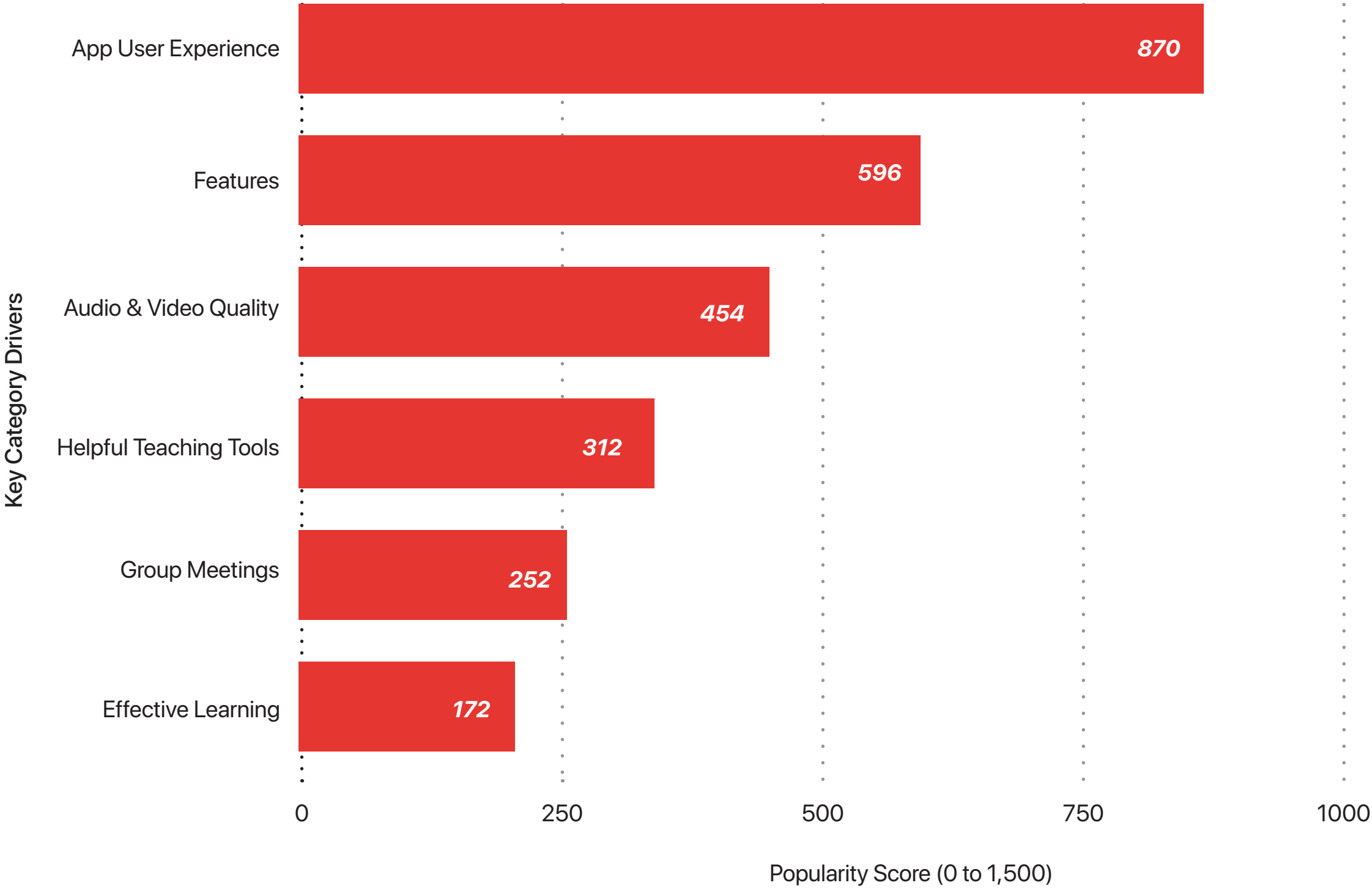


Note: Based on survey of 90,591 people, including teachers, students and parents
Source: Clootrack, Inc42 Plus

The Core Message Of upGrad's Campaigns Focusses On Course Value Creation And Adding Value To Its Certification Partners



User Experience Emerged As The Top Driver Of Virtual Classroom Solutions

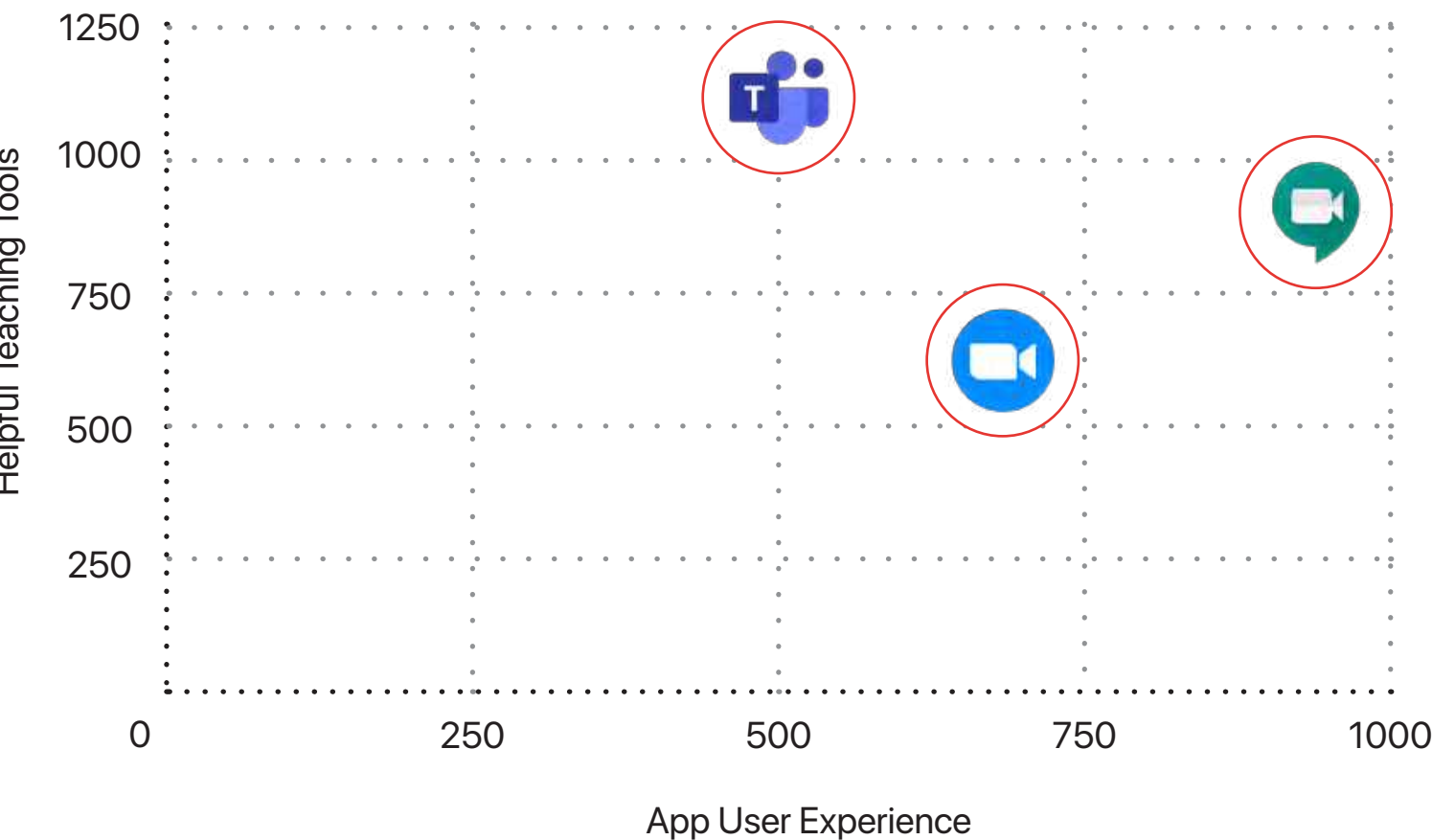


Note: Based on survey of 90,591 people, including teachers, students and parents
Source: Cloutrack, Inc42 Plus

Microsoft Teams Vs Google Meet Vs Zoom: Online Learning Experience

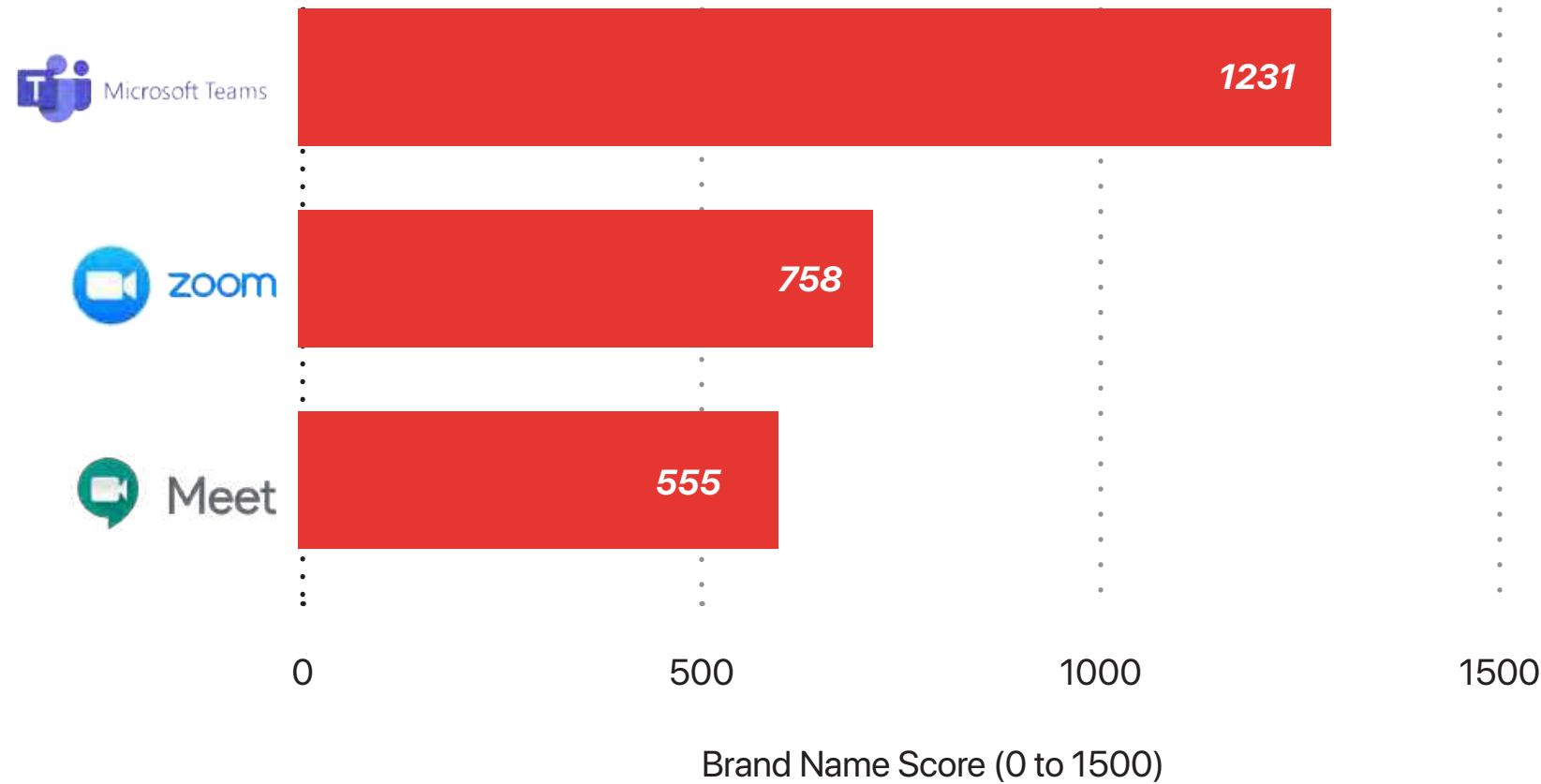
Microsoft Teams' Online Teaching Tools Emerged As Most Helpful




Google Meet's user experience ranked the best



Microsoft Teams Emerged As The Top Solution Among Educational Institutes

Compared to Google Meet and Zoom, Microsoft Teams has wider reach among institutions



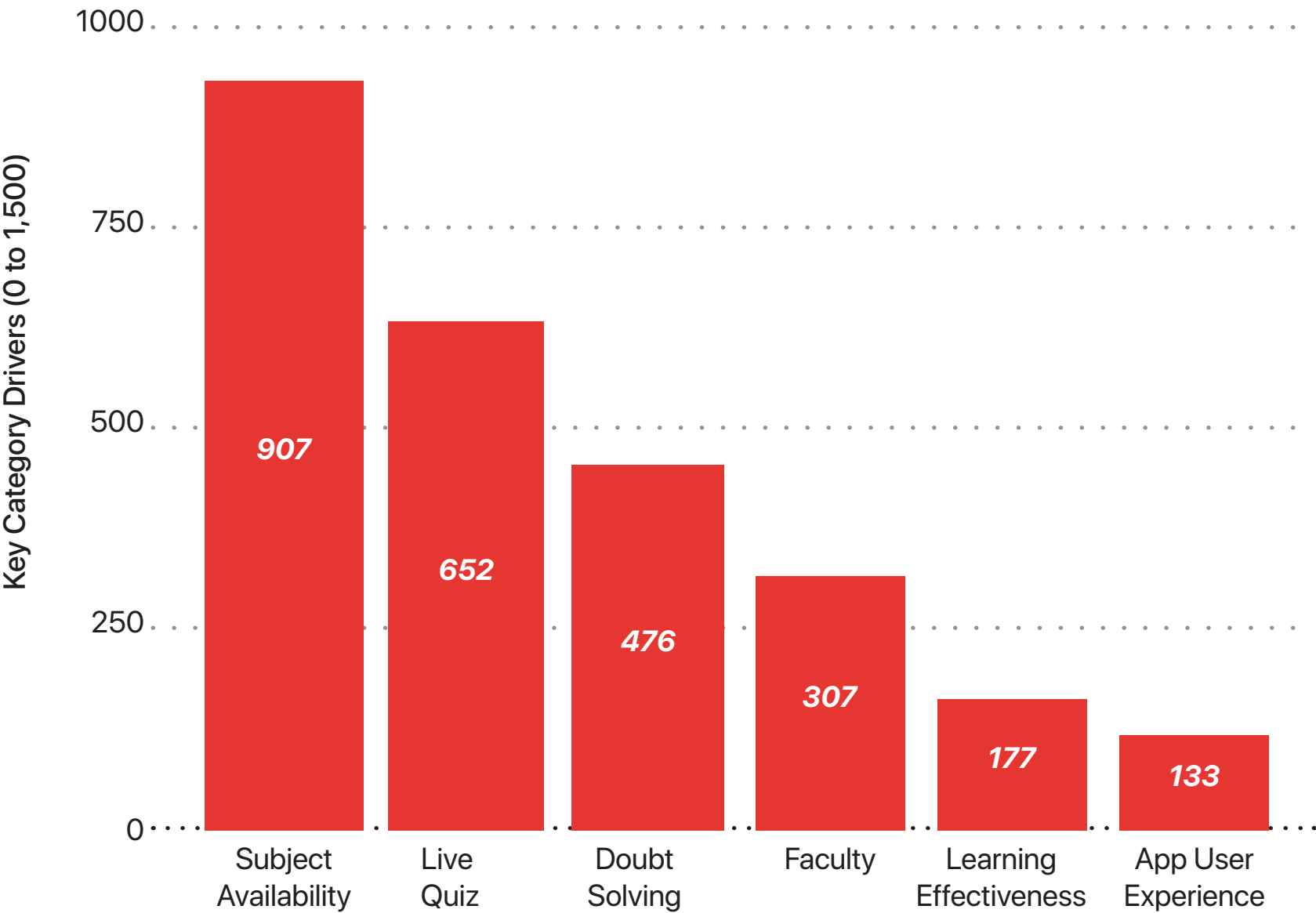
	Positive Feedback Score	Brand Value Score
 Meet	1498	555
 zoom	1467	758
 Microsoft Teams	1260	1231

Note: Based on survey of 11,283 people, including teachers, students and parents
Source: Clootrack, Inc42 Plus

What Matters Most In Adoption Of K12 Edtech Platforms?

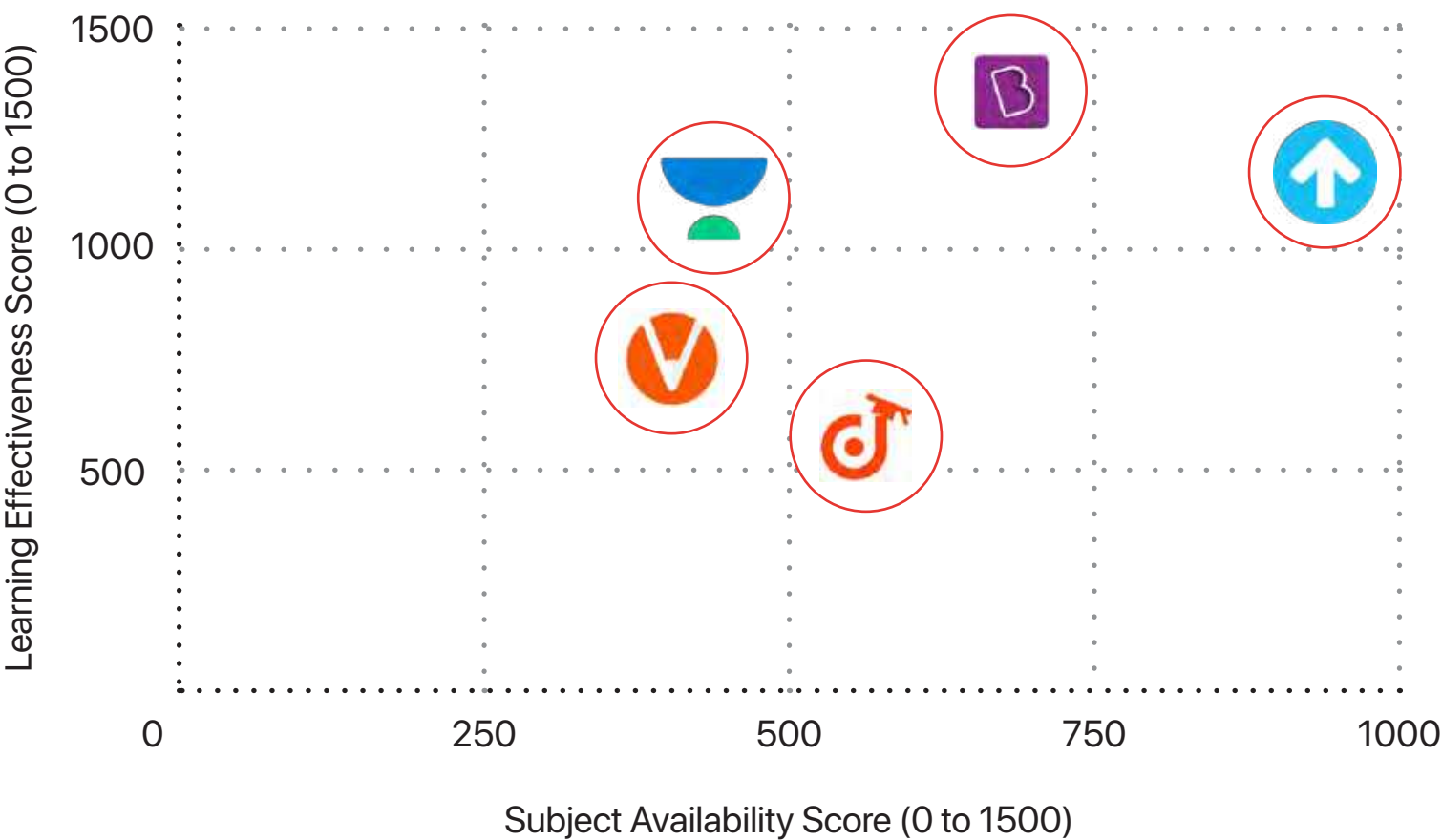
Availability Of Subjects Plays A Key Role In Influencing Customer Decision To Pay For K-12 Solutions

Besides subject matters (as per school syllabus), new-age skills such as coding and graphic design are picking up momentum among students and parents



BYJU'S Most Effective In Online K-12 Learning

On both parameters, user sentiment for BYJU'S and Toppr are superior compared to their peers

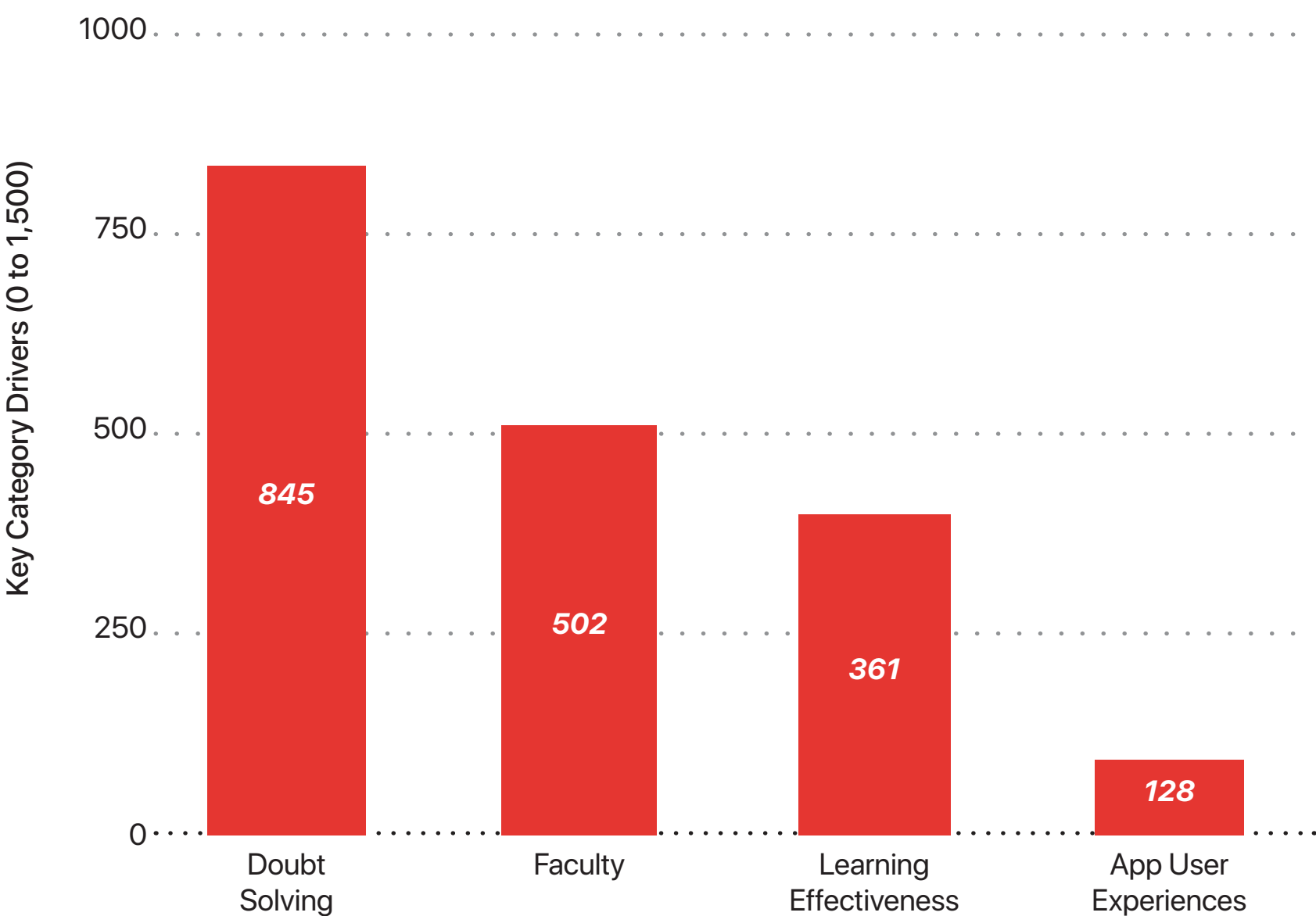


Note: Based on survey of 27,447 people, including teachers, students and parents
Source: Clootrack, Inc42 Plus

Online JEE Learning: What Matters?

What Drives Purchase Of Online JEE Learning Solutions?

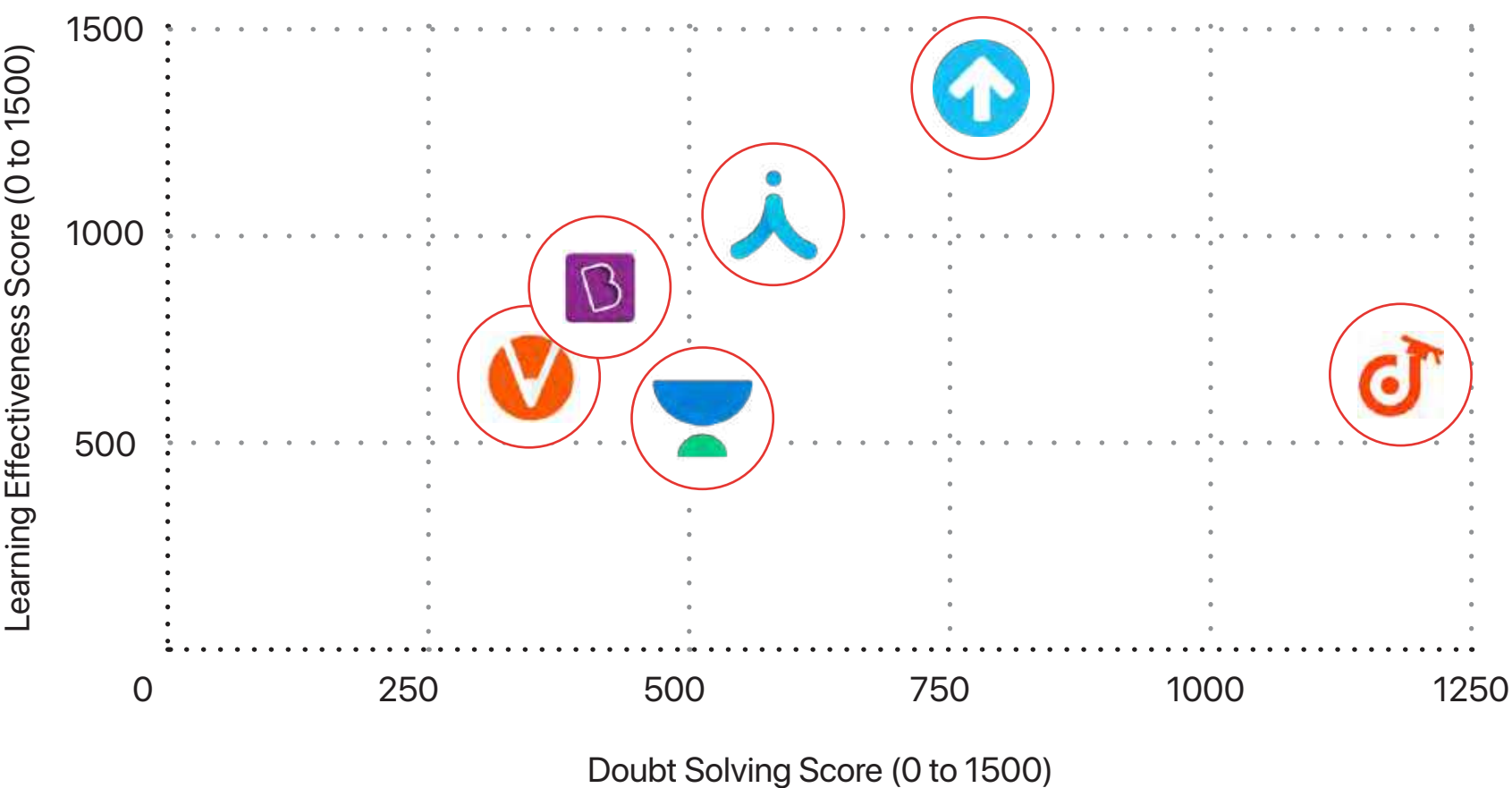
Factors such as doubt solving, faculty are the key drivers for customers when choosing online JEE learning solutions



Note: Based on survey of 10,734 people, including teachers, students and parents
Source: Cloutrack, Inc42 Plus

Toppr Tops Learning Effectiveness Score In Online JEE Learning

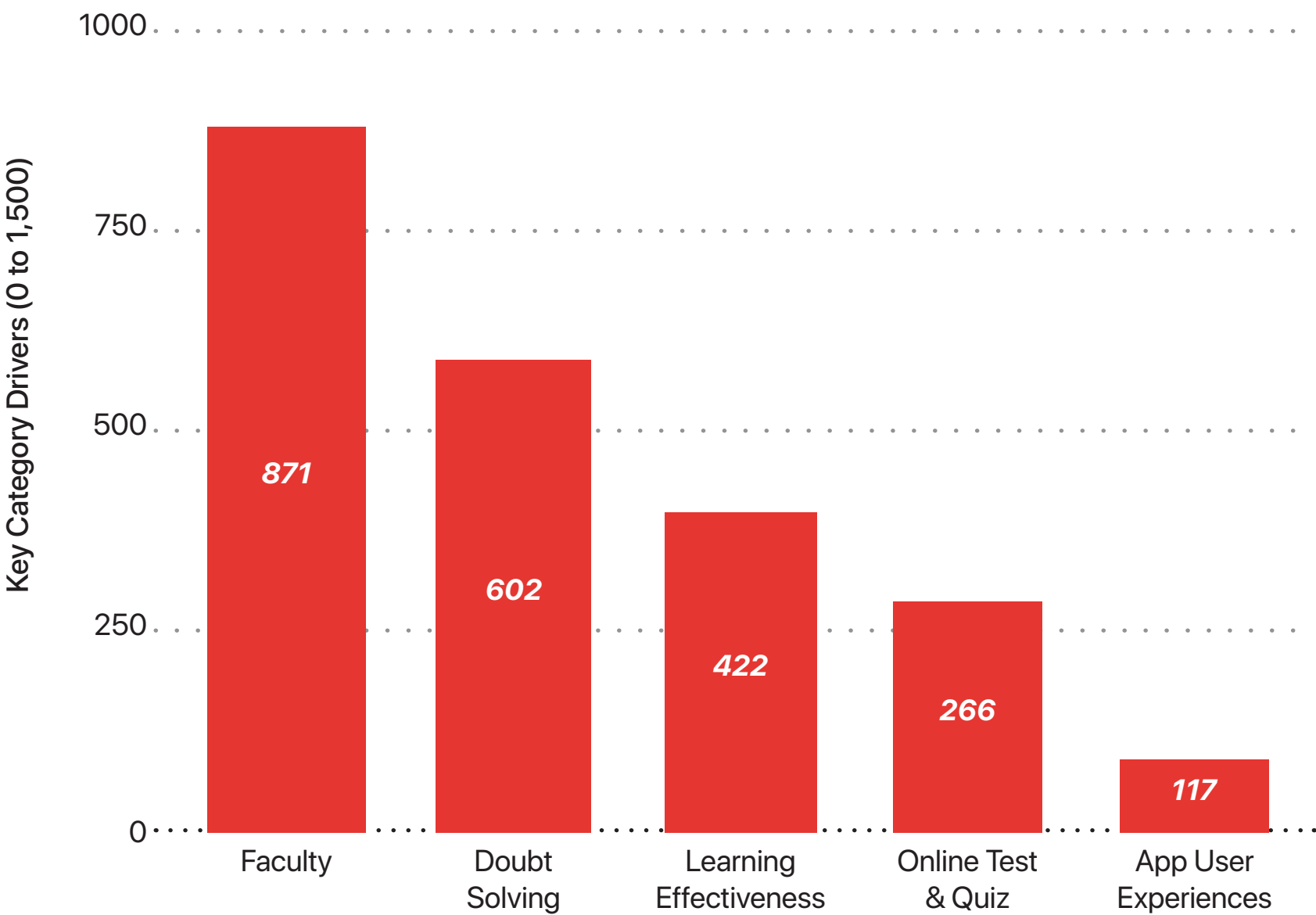
Doubtnut tops doubt solving in online JEE learning solutions



Online NEET Learning: What Matters?

The Quality Of Faculty Has Driven Online NEET Learning Adoption

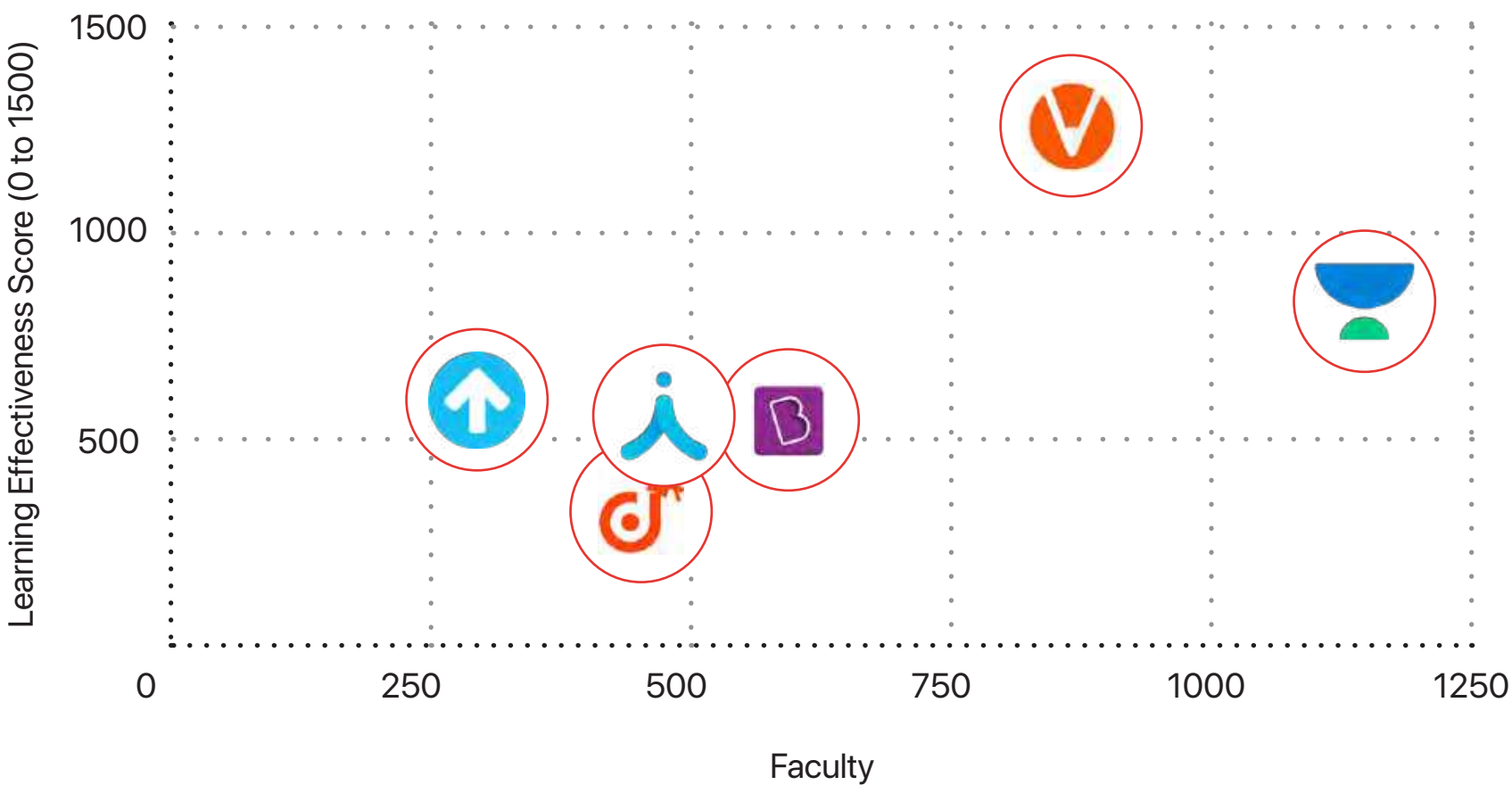
Doubt solving and learning effectiveness also play a significant role for medical aspirants in India while choosing platforms for online NEET learning



Note: Based on survey of 5,042 people, including teachers, students and parents
Source: Cloutrack, Inc42 Plus

Vedantu Most Effective For Online Medical Entrance Preparation In India

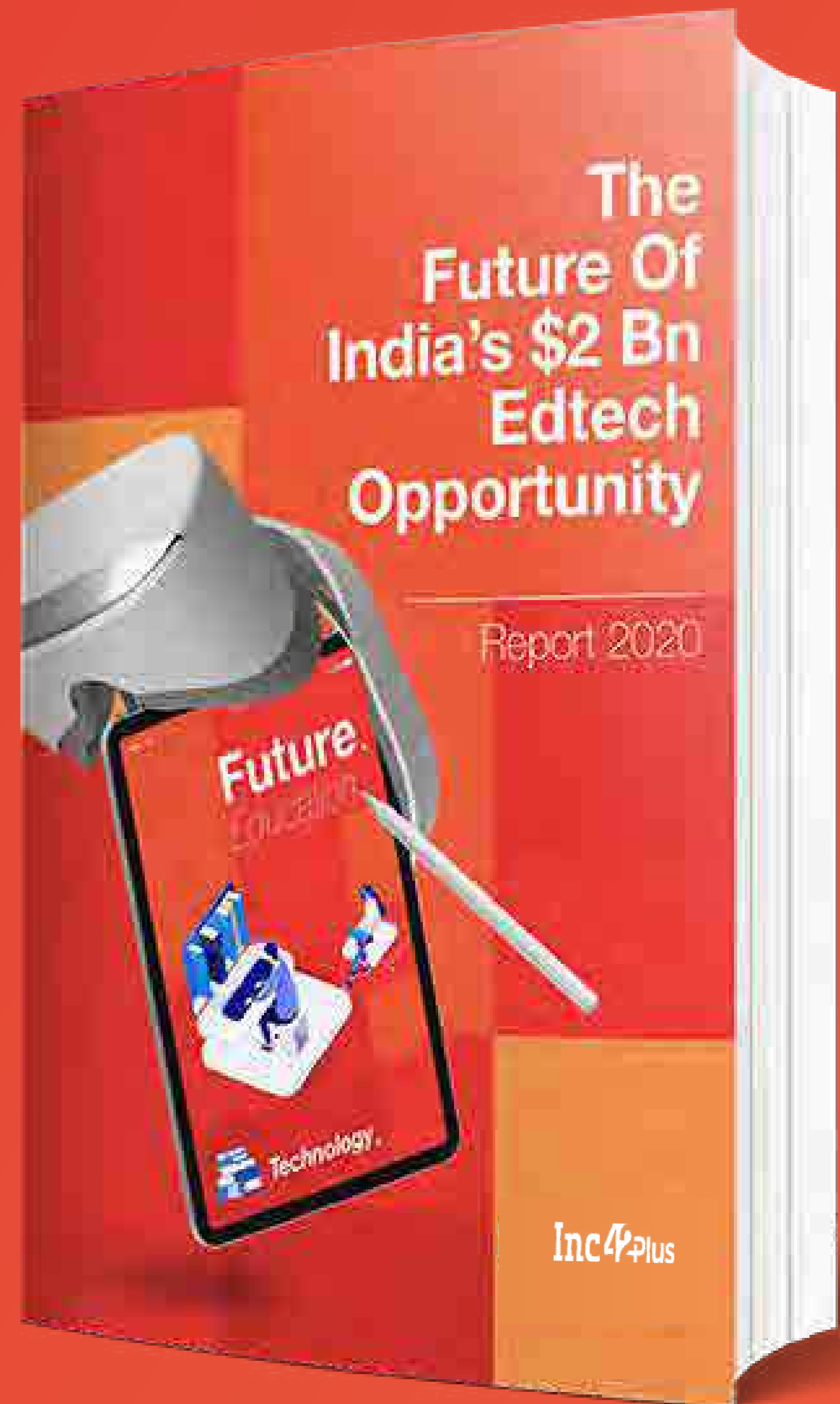
Vedantu tops the charts in terms of learning effectiveness, Unacademy is perceived to have a superior faculty



Education Or Healthcare: Where Does A Typical Indian Family Spend More?

“Unravel The Consumer
Side Of The Indian
Edtech Market”

[READ THE FULL REPORT](#)



Challenges And Risks

Lack Of Digital Infrastructure

- **Digital Divide In India:** Online learning requires high-bandwidth Internet and digital devices such as laptops, desktops, tablets and smartphones. But technology has not yet penetrated many remote and rural areas, thus creating a digital divide, especially between rural and urban areas.
- **Low Internet Speed:** In terms of mobile Internet speed, India's ranking dipped from 109 in 2018 to 121 in 2019. According to a report by the World Economic Forum, only 15% of Indian households have access to the Internet while very few can access mobile broadband. Only 5.5 subscriptions are there for every 100 people.

Absence Of Formal Recognition And Accreditation

- **Lack Of Government Regulations:** Before the UGC Regulations 2018, the country had no guidelines regarding online courses for higher education. Moreover, certain segments such as reskilling are still lacking in structured statutory measures.
- **Abundance Of Free Content:** India offers too many open educational resources (OER) in various formats -- text, audio and video. Most of these teaching/learning materials are free but often lack a standardised approach.

Lack Of Digital Literacy And Skilled Workforce

- **Lack Of Skilled Workforce:** An edtech platform requires professionals such as course developers, course designers, technology experts, graphic designers and subject matter experts to develop an online course. But the lack of qualified professionals and skilled manpower results in poor quality online courses and acts as a major hindrance to market growth.
- **Lack Of Digital Literacy:** Digital literacy in India has a long way to go in spite of several government-run schemes such as the National Digital Literacy Mission (NDLM), Digital Saksharta Abhiyan (DISHA), Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA).

Lack Of Awareness And User Engagement

- **Uncertainty About Outcomes:** Even now, learners are uncertain about course outcomes in terms of recognition, validity and placement opportunities.
- **Lack Of 360-degree Development And Learning:** Online courses often lack the elements of interactivity, personalisation, collaboration and instant feedback, which hinder user engagement and may lead to frequent switching of course providers.

Emerging Trends

Collaboration Of CBSE With Facebook

Facebook collaborated with the Central Board of Secondary Education (CBSE) to launch a certified curriculum on digital safety and online well-being, as well as augmented reality (AR). The social media behemoth aims to reach around 40,000 students through this partnership.

- The curriculum will be introduced in phases. In the first phase, as many as 10,000 teachers will be trained so that they can educate their students in the second phase.
- A three-week training will be conducted in batches to cover the fundamentals of AR and the innovative ways to create AR experiences using Spark AR Studio.
- Facebook has partnered with the Bengaluru-based Startup Village Collective Digital Learning Platform to introduce the AR curriculum.

Growth Of Hybrid Learning Platforms

Online learning platforms lack real-time interactions between instructors and students, which may hinder the adoption of online education.

- To overcome this challenge, edtech players are shifting to hybrid channels of learning, a combination of online and offline.
- Most online players are developing their offline businesses and offline players are broadening their offerings to provide value-added services to improve the overall learning experience.
- Training institutions such as Career Launcher and T.I.M.E, and top B-schools like IIM-Ahmedabad and IIM-Kozhikode offer hybrid courses in the test preparation segment.

Gamification To Improve User Experience

Gamification is one of the prevalent trends among online education providers to encourage learning through immersive experiences.

- Simulation of concepts, level advancement badges and incentive-based learning are driving user engagement on platforms.
- Edtech players are investing in improved interfaces to enhance user experience and thus ensure better knowledge acquisition.

Value Added Services With Regular Courses

Online learning platforms are in a tough race and they constantly offer differentiated products to their target audience, mostly by providing value-added services with regular courses.

- Value-added services such as group discussions, live projects, career counselling sessions and internships are now offered to enhance user experience.
- Personalised dashboards, accurate performance tracking and skill mapping are a few advanced features mostly provided to users.
- As mentioned before, premium institutions are offering these services to gain traction.

Methodology

This report presents the study of datasets related to Edtech (which means the application of technology in educational products and services both on B2B and B2C fronts), the datasets are collected from both primary and secondary sources. The financial analysis in the report is based on a sample set of top 38 startups in the edtech domain based on their funding amount and prevalence in the market. For financial analysis, only India registered entities are taken into consideration.

The market size and audience size is formulated on the basis of time series forecasting based on the data provided in a KPMG and Google report titled— Online Education In India 2021.

Glossary:

Seed Stage: Early stage startup at funding stage lower than series A

Growth Stage: Startups at Series A and B funding stage

Late Stage: Startups at funding stage Series C and above

Average ticket size of funding: Total disclosed funding divided by number of deals



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