



Unicorn Start-Up in India: Byju's - An Economic Analysis

OPEN ACCESS

Manuscript ID:
ECO-2023-11036212

Volume: 11

Issue: 3

Month: June

Year: 2023

P-ISSN: 2319-961X

E-ISSN: 2582-0192

Received: 15.03.2023

Accepted: 10.05.2023

Published: 01.06.2023

Citation:
Jayaselvi, S., et al.
"Unicorn Start-Up in India:
Byju's - An Economic
Analysis." *Shanlax
International Journal of
Economics*, vol. 11, no. 3,
2023, pp. 37–42.

DOI:
<https://doi.org/10.34293/economics.v11i3.6212>



This work is licensed
under a Creative Commons
Attribution-ShareAlike 4.0
International License

S. Jayaselvi

*Assistant Professor of Economics, Department of Commerce
Jeppiaar College of Arts & Science, OMR Padur, Chennai, Tamil Nadu, India*

<https://orcid.org/0000-0002-0828-3709>

P. Naveen Kumar & S. Sankaranarayanan

*B.Com (CA) Students, Department of Commerce
Jeppiaar College of Arts & Science, OMR Padur, Chennai, Tamil Nadu, India*

Abstract

With digital penetration, EdTech start-ups are growing tremendously. One of the leading top-position EdTech start-ups is Byju's which emerged during the period of the Covid era, there were the lockdown days the need for Byju's services was immense. In the world, India (115 unicorns) is the largest unicorn start-up ecosystem which crossed the hundredth unicorn mark in 2022 after the USA (661 unicorns) and China (312 unicorns). Byju's unicorn Start-up is the leading one among all the EdTech start-ups in India. The start-up easily achieve the unicorn status in the pandemic era as the online education technology needed by all the students from schools, colleges, and universities. In a post-pandemic world, the enterprise optimised the productivity of the employees to maximise profitability. Byju's is an EdTech start-up that has unicorn status, extended not only in India but also in various countries. Since it was founded in 2011, many strategies followed to come up as the leading company in India. Recent data says, Byju's had a global rank of 14, and it is valued at US \$ 22 billion, with funding about \$800 million. Byju's attains a profitable EdTech unicorn start-up. As of April 2023, this giant EdTech start-up has over 150 million student registrations. An attempt was taken to analyse the role of Byju's EdTech start-up in economic growth, and how it tackles the challenges of the present era.

Keywords: Byju's, Venture Capital, Virtual Learning, Rank, Acquisitions etc.

Introduction

Nowadays, EdTech Industry is one of the grooming industries and emerged as the most significant sector in the world. Indian youth is also driven towards the use of EdTech applications not only to enhance their knowledge skills but also to plan for their future career development. The EdTech app is acting as a beneficial tool that overcomes the challenges of the traditional education system. In India, we have many EdTech unicorns comprising Byju's, Eruditus, Vedantu, UpGrad, Unacademy, and Lead School. Since the pandemic, Byju's has grown tremendously by adopting the strategy and now it holds the top position among all unicorn start-ups in India.

Start-Up Ecosystem in India

It is great news that globally, India stretched the third largest environment for start-ups, with more than 83000 start-ups recognised by DPIIT in most of the districts in the country in August 2022. We are very proud that, based on the quality of publications, especially in science and technology, India proved that it holds the 2nd rank in innovation quality among developing countries.

In India, innovations spread in very few sectors and promote start-ups for solving problems in certain sectors, such as industry, IT services (15 percent), healthcare and life sciences (9 percent), education (7 percent), professional and commercial services (5 percent), agriculture (5 percent), and food and beverages (5 percent).

The start-up culture in India started a few years back. Its immense growth is tremendous to date. Indian Unicorns are flexible, emerging strong and healthy competition in the growing market nowadays. The start-ups are increasing advanced solutions to the given problems, and technologies but are generating employment at large. As of March 2023, In India, we have 115 unicorn start-ups with a total estimation of \$ 350 Billion. The fifth industrial era is about to begin in India. The start-up ecosystem is thriving, with more than thirty thousand tech businesses using technologies in peak time like blockchain, artificial intelligence, machine learning, and data analytics. The notable sizable market, developing economic situation, changing consumer preferences, and technology capabilities combine to shape scalable location-based solutions.

Need for Study

Even India is adopting or depending on digital policy in education. So many favourable symbols for EdTech entrepreneurs like the provisions made in the New Education policy, the Acceptance of Massive Open Online program, National Eligibility Entrance Test (NEET for medicine and JEE for Engineering students. With digital penetration, EdTech start-ups are growing tremendously. One of the leading top-position EdTech start-ups is Byju's which emerged during the period of the Covid era, there were the lockdown days the need for Byju's services was immense. An attempt was taken to analyse the role of Byju's EdTech in economic growth, and how it tackles the challenges of the present era.

Objectives

- To examine the development of EdTech in India
- To analyse the economic status of Byju's EdTech Unicorn

Edtech in India: An Overview

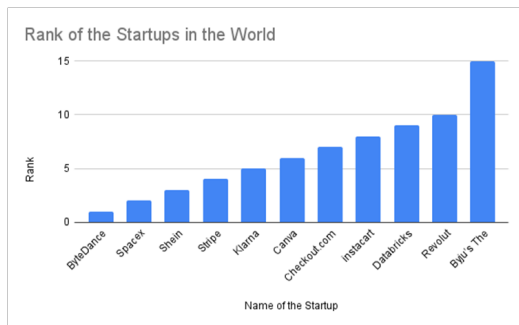
Educational Technology is known as 'EdTech' that embraces the internet based computer education and training for technology world-wide. The implementation of virtual learning facilitates teachers and students to impart and acquire education in a scientific way. Due to the numerous benefits it provides to both teachers and students, virtual learning is continuing to grow and be used more and more frequently. Worldwide school and college closures were prompted by COVID-19. A billion pupils were impacted by the worldwide closure of the schools. This rapid evolution encouraged teachers all around the world to make the switch to online learning using the Internet's convenience. The commitment between teachers and students may now be made as near to in-person interactions as possible through virtual classrooms. A more affordable and egalitarian educational system is made possible through technology-based education. EdTech is anticipated to continue being a very popular area for venture capital investment even in a difficult economy. Education institutions realised they needed to change their teaching strategies after the lockdown as the lockdown date was being extended, therefore they turned to the internet to continue the education of pupils.

'EdTech' is the third most funded sector in India \$4.7 billion in 2021, with the industry's market magnitude expanding to \$2 billion. The global EdTech market was appreciated with a value of \$88 billion and is predicted to grow to \$320 billion by 2029. A unicorn, in Start-up parlance, is a company valued at over one billion dollars. Physics Wallah is the primarily EdTech company to triumph over this milestone this year. As per the data dated Jun-2022, India's first EdTech Start-up, Byju's, valued at around \$22 billion, is among the most expensive Start-ups in the country. The sphere has more than a thousand start-up unicorns, with a total assessment of more than \$3000 billion. Table 1 states the top 10 precious start-ups in the world today.

Table 1 Top Start-ups in the World

Rank	Name of the Start-up	Country	Value	Industry
1	ByteDance	China	\$140 bn	AI
2	Spacex	US	\$100.3 bn	Space
3	Shein	China	\$100 bn	E-Commerce
4	Stripe	US	\$95 bn	Fintech
5	Klarna	Sweden	\$45.6 bn	Fintech
6	Canva	Australia	\$40 bn	Software
7	Checkout.com	UK	\$40 bn	Fintech
8	instacart	US	\$39 bn	Logistics
9	Databricks	US	\$38 bn	Data Management Analysis
10	Revolut	UK	\$33 bn	Fintech
15	Byju's The Learning App	India	\$22bn	Edtech

Source: <https://www.forbesindia.com/> (Apr 25, 2022)



Byju's Unicorn Start-Up: An Overview

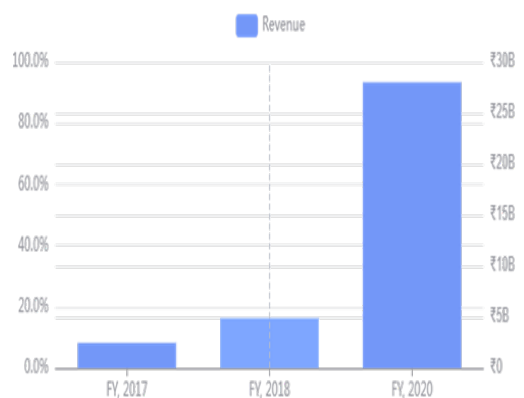
BYJU'S is an EdTech Unicorn Startup that operates a virtual education platform. Additionally, it develops a companion mobile app that provides pupils with a range of educational sessions. Additionally, classes for exam preparation are offered. Customers can access original information, films that teach as they watch them, in-depth animations, and interactive simulations on the platform.

Byju's Strategy

The gap in generation between youth and Gen Z is being closed. Byju's marketing plan enables communication across the idealistic and Gen Z eras. Owing to this EdTech, the Gen Z generation will enjoy a wonderful educational experience. Additionally, this provides top-notch material including animated Disney stories, interactive movies, and fun educational games.

Achievements

Byju's is an EdTech start-up that has unicorn status, extended not only in India but also in various countries. Since it was founded in 2011, many strategies followed to come up as the leading company in India. Recent data says, Byju's had a global rank of 14, and it is valued at US \$ 22 billion, with funding of about \$800 million. Byju's attains a profitable EdTech unicorn start-up. As of April 2023, this giant EdTech start-up has over 150 million student registrations.



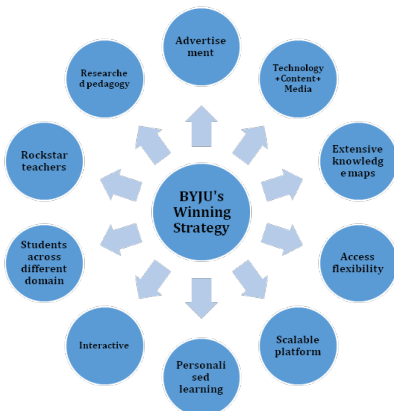
“EdTech start-up is growing day by day, and it has a great strategy of acquiring 17 organisations to expand its size and sales volume and to push its profits.

Table 2: Byju’s Acquisitions Status

Acquisition Date	Acquired Company Name	Acquisition Place	Founded Year	Details
Aug 04, 2021	Whodat	-	2013	Augmented reality
July 25, 2021	Great Learning	\$600 million	2013	Professional Skilling
July 25, 2021	Toppr.	\$150 million	2013	E-learning platform and Test preparation
July 21, 2021	Epic	\$500 million	2013	E-Books for kids
May 29, 2021	HashLearn	-	2013	Virtual Learning and Alliance
Feb 18, 2021	Schoir	\$2.5 billion	2015	Homework Assistance
Jan 12, 2021	Aakash Educational Services	\$ 1 billion	1988	Medical and Engineering entrance exams coaching
Sep 17, 2020	LabinApp	-	2014	3D Virtual Lab platform
Aug 05, 2020	WhiteHat Jr	\$300 million	2018	Online Coding tutoring for kids
Jan 19, 2019	Osmo	\$120 million	2013	Developer of hardware- based ipad games for Kids

Source: <https://www.vccircle.com>

Black Rock, Vitruvian Partners, and Sumeru Ventures are the top three investors in BYJU. In March 2022, the company increased its investment by \$800 million, and Byju’s fired roughly 4000 employees from its group as it struggled to become profitable. Being appointed as one of the official sponsors of the 2022 FIFA World Cup was an honour for Byju’s.



Winning Strategy

The startup’s success is largely attributed to its ability to pinpoint its ideal audience—students—and provide them with the freedom to learn at their own pace while simultaneously offering them better clarity

on the subjects that will help them pass the entrance exams in a simpler and more engaging manner with a single mouse click. The key to our success resides in the way these stages inspired pupils to want to learn. As a result, it has resolved an extremely challenging scenario where a student must pay the tutor’s expenses. The four-tier strategy, according to the start-up, introduces multiple checks to confirm users’ intent and agreement to buy a subscription. Before completing a purchase, all potential customers have to demonstrate that their family’s annual income is at least twenty-five thousand Indian rupees and pass an affordability test, according to Byju’s. The Start-up boasts that the reimbursement is also performed during a Zoom call.

Findings

In the world, India (115 unicorns) is the largest unicorn start-up ecosystem which crossed the hundredth unicorn mark in 2022 after the USA (661 unicorns) and China (312 unicorns). Byju’s unicorn Start-up is the leading one among all the EdTech start-ups in India. The start-up easily achieve the unicorn status in the pandemic era as the online education technology needed by all the students from schools, colleges, and universities.

In a post-pandemic atmosphere where EdTech companies are striving for survival, Byju's has let go of at least 1,500 personnel. The enterprise will optimise the productivity of the employees to maximise profitability. As it follows a unique business model which will help to overcome the challenges in the post-Covid era. At present Byju's hold the top most position among all EdTech in India.

Conclusions & Suggestions

In a variety of markets, Byju's has an advantage over its competitors. It has conducted experiments in a number of strategic areas. Byju's App was able to develop original strategies and solutions to reach untapped markets owing to the Strategy & Execution solutions & strategies. Strong Finance, High Customer Retention, Acquisition of competitors, and Customer Loyalty are strengths of Byju's unicorn start-up. EdTech decacorn BYJU'S, is India's top unicorn, according to the Global Unicorn Index 2023 by Hurun. India retained its position as the country with the third-largest number of unicorns in the world after the US and China. BYJU'S is also among the top 10 unicorn start-ups across the world that have seen a massive jump in valuations since the pre-COVID-19 era.

References

Abrar, Peerzada. "Byju's CEO Pumps 50% of \$800 mn in Latest Fundraise; Valuation Tops \$22 bn." *Business Standard*, 2022.

Ahmad, Samreen. "Byju's Raises \$200 mn in Fresh Funding; Valuation Surges to \$12 bn." *Business Standard*, 2020.

Anand, and Dearton Thomas Hector. "Why Edtech Startup Byju's will Build, Not Buy, for its Global Expansion." *TechCircle*, 2018.

Anupam, Suprita. "The Rise of India's Billion-Dollar Club: Edtech Startup Byju's Turns Unicorn." *Inc42*, 2018.

Bhatia, Gauri. "How this Start-up Shrugged off a Slowdown and Snagged Cash from Mark Zuckerberg." *CNBC*, 2016.

Bhushan, Ratna. "Byju's WhiteHat Jr. agrees to Withdraw ads after ASCI Flags Code Violation." *The Economic Times*, 2020.

Dash, Sanchita. "Byju's is Now a Decacorn with the Latest Investment from Mary Meeker's BOND." *Business Insider*, 2020.

ET Online. "Byju's ups Revenue to Rs 490 cr in FY 18, Drops Losses by Half." *The Economic Times*, 2019.

ET Tech. "Byju's Closes \$800 Million pre-IPO Fundraise at a Valuation of \$22 Billion." *The Economic Times*, 2022.

Fortune India. "Byju's Valued at \$22 bn After Fresh \$800 mn Funding." *Fortune India*, 2022.

IANS. "Byju's Named Official Sponsor of FIFA World Cup Qatar 2022." *The Times of India*, 2022.

Jose Hector, Darlington. "Byju's on Way to turn India's First Education based Unicorn, CEO Byju Raveendran on How He Turned It into Mammoth Online Venture." *The Financial Express*, 2017.

Mukhopadhyay, Sounak. "Thousands have Lost Jobs in India; These Layoff Numbers will Blow Your Mind." *Mint*, 2023.

Nair, Roshni. "Byju's Looking at Regional Languages and International Markets for Growth." *Best Media Info*, 2017.

Patwardhan, Nikhil. "EdTech Unicorns take the Acquisition Route for Growth." *Mint*, 2021.

Press Trust of India. "BCCI Announces Byju's as Indian Cricket Team's New Sponsor for Three-Year Period." *Firstpost*, 2019.

Rai, Saritha. "Saverin's B Capital, Others Invest \$1 Billion in India's Byju's." *Bloomberg*, 2021.

Sahu, Akshaya Kumar, and M. Abhishek. *A Study of Ed-tech Industry in India, with a Focus on the Growth of Byju's*. Indian Institute of Management Bangalore, 2018.

Sharma, Samidha, and Digbijay Mishra. "Byju's Losses Swell to Rs 4,588 Crore in Delayed FY21 Results." *The Economic Times*, 2022.

Sil, Debarghya. "Exclusive: Byju's Valuation Touches \$21 bn Post Chan Zuckerberg & Google Founder's Office Investment." *Inc42*, 2021.

Singh, Manish. "Mary Meeker's Bond backs Indian Online Learning Startup Byju's." *Tech Crunch*, 2020.

Sushma, U.N. “After Turning Exam Prep into a Booming Business, India’s Newest Unicorn is Going Global.” Quartz India, 2018.

Tyagi, Gaurav. “Byju’s Consolidated Revenue Grew 82% in FY20 while Losses Jump 30X.” *Entrackr*, 2021.

Author Details

Dr. S. Jayaselvi, *Assistant Professor of Economics, Department of Commerce, Jeppiaar College of Arts & Science, OMR Padur, Chennai, Tamil Nadu, India, Email ID: selvi.jaya23@gmail.com*

Mr. P. Naveen Kumar & Mr. S. Sankaranarayanan, *B.Com (CA) Students, Department of Commerce, Jeppiaar College of Arts & Science, OMR Padur, Chennai, Tamil Nadu, India*