



EdTech Landscape in India : What Changed in post pandemic years

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Introduction

The last 24 months have been the most pivotal for the Indian edtech space since the Jio revolution in 2016, providing cheaper mobile devices and internet connection that brought online learning to students' mobile phones in the most remote corners of the country. Study provides a look at what changed and how that impacts stakeholders.

Key Highlights

- In 2021 Unacademy became 1st unicorn in Blume portfolio. Of 35 unicorns in edtech industry, 6 are based in India.
- Covid-19 had larger impact than expected: Lockdown pushed even old school digitally unsavvy educational institutes to shift online. As safeguard measures diluted, even though core education shifted offline, digital traces will continue to remain in peripheral services like administration, assessments, communication etc.
- Edtech startups were able to gain traction globally leading to higher demand, larger funding for platforms that were earlier seen as niche premium markets.
- Large edtech companies like BYJU's, Unacademy became even larger. Period saw one of the largest consolidation in Indian Higher Education wherein upGrad(no.1) acquired Talentedge(no.4 player). Similarly BYJU's acquisition of Aakash Education is largest edtech acquisition in world by a venture capitalist backed company.
- One factor that benefitted India was the ban imposed by China on for profit services focused on school curricular and entrance exams. India thus attracted huge investments which were earlier flowing to Chinese edtech wherein funding increased by 60% from 2020 to 2021.
- As Covid effect wears off, the hotness around edtech reduced along with subsequent funding boom capitalizing on it. It became challenging for companies who were not monetizing or focusing on outcomes to sustain. Edtech fatigue is ensuing.
- Sudden upsurge has led to extreme crowding. Edtech perhaps commands the highest share of startups across sectors. Thus in 2 years, aggressive spending especially on marketing became norm. Other challenges included a tough talent market, battling for time and mindspace and gaining trust from customers. Since all types of investors are deep into the ecosystem, it is also becoming difficult for edtech founders to gather backers for their journey.
- Global edtech market is expected to grow from \$101b in 2022 to \$300b in 2029. While 1st generation unicorns fell into core education sector, upcoming 2nd gen. are likely to fall into supplemental learning space acting as catalysts like coding classes. Edtech founders today are infact building in the shadow of giants.
- Learning and personal development, college financing, upskilling and imparting 21st century skills, community and mentorship are some of the largest opportunity areas in EdTech today.

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