

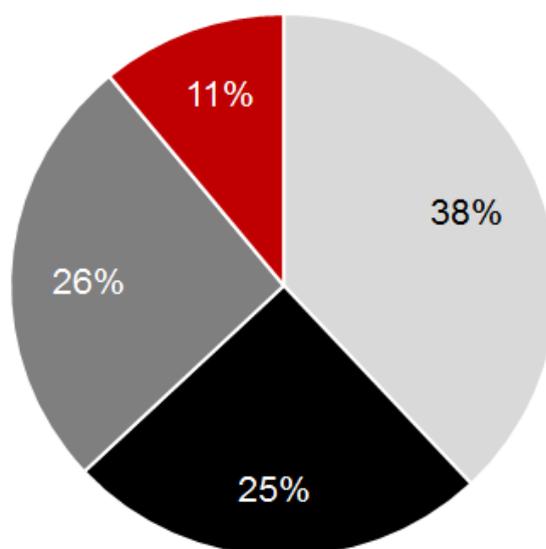


Ed-tech Stories:

Free users on an average use the service for 6-8 months before buying the paid versions

The EdTech industry takes time in converting free users to paid ones. This is due to the fact that parents do not want to buy a year-long subscription in the middle of a calendar year. Also, the unavailability of other options for parents makes the transition to becoming a paid user more challenging.

Time taken by free users to buy paid version



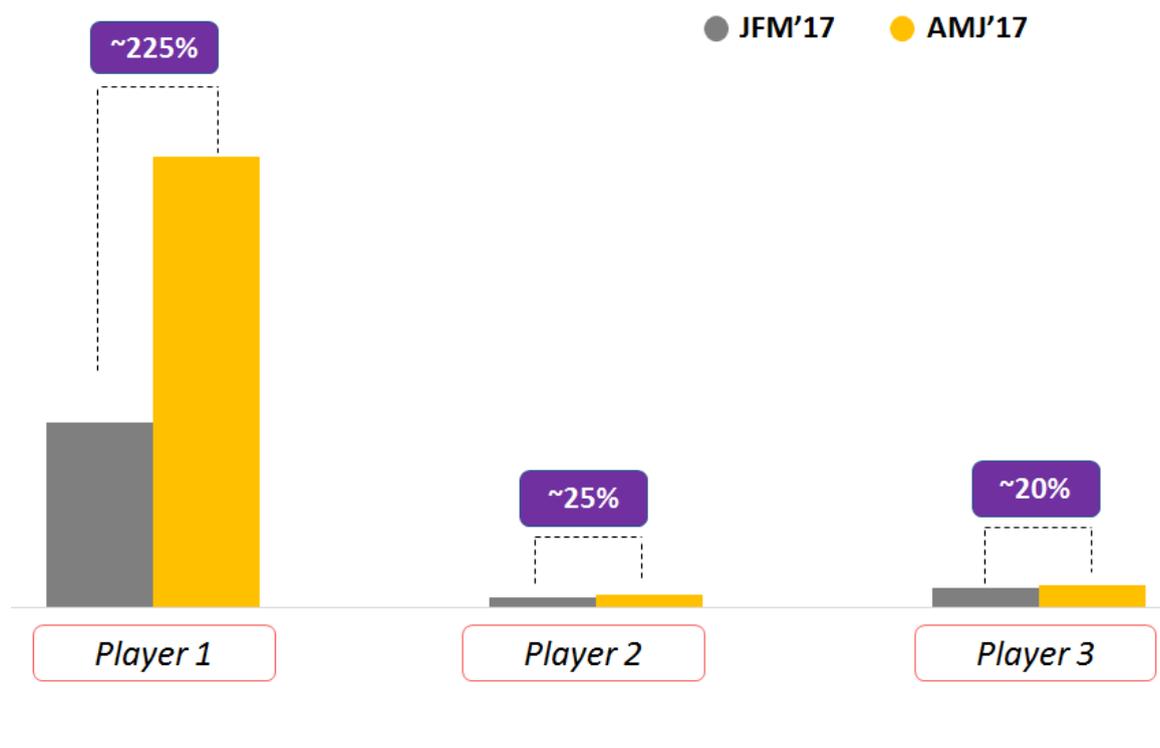
■ 1-3 months ■ 3-6 months ■ 6-12 months ■ >12 months

With the new academic year commencing in AMJ'17, all leading edtech players showcased a strong rise in revenue...

Across players, key driver of revenue growth was the cyclical increase in paid user base occurring on account of the new academic year. However, revenue growth was also propelled by strong growth in ticket prices - which points to growing consumer appetite for edtech programs.

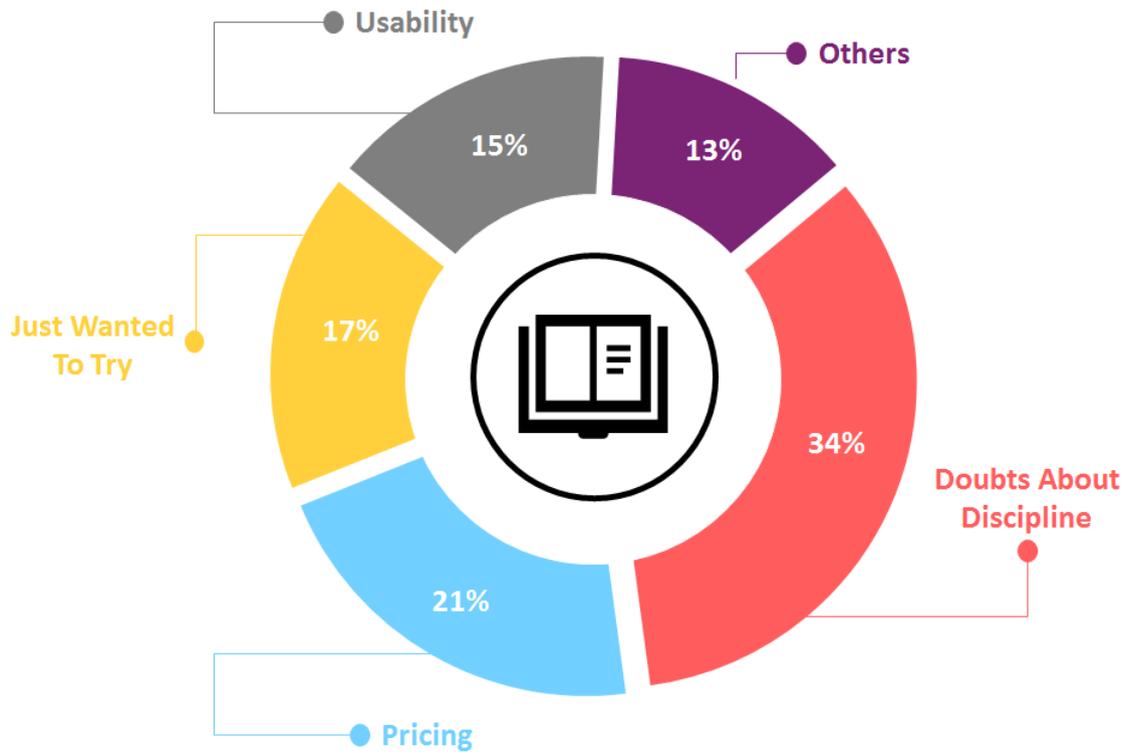
Q-o-Q Revenue growth trends

For top online supplementary education players



Doubts over disciplined usage of unsupervised internet is the key challenge: as reported by the Indian parents

[Reasons for not buying online educational services by free users](#)



Can players navigate the tricky road to monetization?

Consumers of free trials of online supplementary education platforms still need to be convinced of the value proposition of paid subscription: As of now, most of the subscribers going for Free Trials are primarily interested in getting access to material which is just an 'add on' to the material available on 100% free platforms (e.g. Youtube, Khan Academy). As a result, the benefit sought from Paid Subscription is not perceived to justify the cost.

However, consumers who go on to use the paid subscription report high satisfaction levels: RedSeer research shows that *more than half* of paid subscribers' report positives outcomes after using paid modules and intend to renew their subscriptions with online supplementary education players.

Industry needs to make the case of paid subscriptions stronger for consumers: Access to a wider set of contents in free material and better demos of the paid offerings is crucial to drive faster adoption of paid subscriptions amongst free users.

Know more on our methodology



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