

BYTE-SIZED LESSONS

Technology startups are realising what the best teachers have long known – that it pays to interact with students not lecture them, find **Krithika Krishnamurthy & Malavika Murali**

Why Ed-tech is on a High in India

- Greater smartphone and internet penetration
- Greater need among professionals to re-skill themselves
- Low public education standards
- Advancement of hi-tech concepts like gamification that make education fun

Potential in the Sector

According to University Grants Commission

700* Degree-granting institutions
20 million* Students enroll into higher ed annually

₹12k crore Was raised globally across 350 deals, according to CB Insights data.

*FIGURES ARE APPROXIMATE

Guru Gyan from experts to retain students

- K12** – Use games and edutainment
- Test prep** – Create communities to have a peer network
- Professional certification** – Show prospects for career with every new skill added

Roadblocks so far

- K-12 is a tricky sector, as parents are buyers and children are consumers
- Hard to recover payments from schools in the K-12 space
- Incremental innovation coming through from startups

Recent Acquisitions in India

- Toppr acquired EasyPrep
- Embebe acquired 100Marks
- XSEED acquired Pleolabs

VC Funding between 2012 and 2015

- K-12** – ₹66 crore
- Test prep** – ₹41 crore
- Professional certification** – ₹300 crore

SOURCE: TRACKIN



The Learning Curve

First there were books...



...Which the desktops & laptops overtook...



ANIRBAN BORA

...And now there are smartphones to learn on the go

"It's like the release of a new film," says Latha Selvan, a junior school math teacher, describing the rush of students outside the computer lab once every week. Bengaluru's Parikrama Humanity Foundation school happens to be a customer of CoBELS, a Mangaluru-based education tech startup that helps students learn concepts through its repository of 250 games. Selvan says her students are more attentive in class and do their homework because otherwise they don't get to play. The games reinforce classroom learning. So instead of merely learning about fractions on paper, the students experiment with the concept online: Pour water in a bucket, fill it to three-fourths, empty the bucket a little, fill some, let the water spill. The games encourage the students to try, make mistakes, and correct themselves.

"I don't have to shout or monitor them. They now listen intently. That's saving 90% of my energy," said the 44-year-old teacher, adding that the animated games helped her students score 15% over the previous batch.

CoBELS is one of many startups in the education sector that happen to be in the right sector at the right time, as infrastructure – high-speed internet connectivity, cloud-based software, advanced analytics capability, and smartphones and tablets – now exists to support newer education formats for an attention-deficit and highly competitive generation Y. The complex kindergarten-to-class 12, or K-12, segment isn't without deterrents, but it's not easy for education entrepreneurs to resist the potential to address India's

more than 250 million school students, larger than the populations of the United Kingdom, South Africa and Japan put together.

"There is a generational shift taking place in the student community – the way the current generation lives their life, thinks, engages and spends their time – which has not happened over the last three generations," said K Ganesh, one of India's most successful education entrepreneurs, who sold his online tutoring company Tutorvista to British firm Pearson for over ₹1269 crore (\$200 million) two years ago. "The next 25 years will be the golden era of education," he said. Education startups are teaching students the way they like to be taught: in small, bite-sized, 10-minute videos that can be watched on the go; fostering peer-to-peer learning through games or quizzes; and providing customised training, among other things. In doing so, they are able to engage and retain students' attention far more effectively than early e-learning firms such as Khan Academy and Coursera, which continue to offer lengthy video lectures online.

This, combined with increasing demand from marks-obsessed Indian parents for such services, is reviving investor interest in a sector that has remained tepid so far. Investors poured in ₹190 crore (\$30 million) in ten education startups in just the first four months of this year, compared with ₹152 crore (\$24 million) in 24 deals in all of last year, according to startup data tracker firm Traxn.

Broadly speaking, education startups in India fall into three categories: those that help school students get more marks; those that help them get admission into premier institutions; and those that help professionals get or advance in jobs. The first category, the K-12 segment, is the

biggest, pegged at about ₹1.27 lakh crore (\$20 billion) in market size. The Indian test prep market is at about ₹50,000 crore (\$8 billion) and the professional training market at ₹6,300 crore (\$1 billion), according to various sources.

The last category is gaining traction among

Winds of Change

There is a generational shift taking place in the student community – the way the current generation lives, thinks, engages and spends their time

K GANESH Partner, seed incubator Growth Story

investors. As processes and functions in technology become automated and new technologies emerge, professionals constantly seek ways to re-skill themselves, a trend the likes of Simplilearn and Jigsaw Academy are capitalizing on. Five-year-old Simplilearn has about 18,000 people take its certification courses every month, and is growing at 200% every year in terms of revenue.

"When the economy, from a tech-industry perspective, slows down, people invest in their careers," said Gerald Jaldeep, chief operating officer of Simplilearn, which has become one of the largest certification platforms globally in technology, projects and processes.

"These are early days, but we have enough conviction in this space," said Rahul Chowdhri, partner at Helion Venture Partners, an investor in Simplilearn. But he also said Helion is picky about education startups. "It's not an easy space to be in. Unlike buying a dress on an e-commerce site, here it is about taking a call on your career," Chowdhri said.

The K-12 segment is still an open playing field as it entails long sales cycles and a fragmented decision-making framework, and startups are still figuring out the perfect business model. While a school principal typically gets to decide which startup to work with, the trustees have financial control, and the teachers vet the content.

"In academic circles it is very difficult to bring in change," said Mohandas Pai, chairman of Manipal Global Education, which has partnered with about five education startups for students of its universities and engineering and medical colleges. "You can't impose change. There are a bunch of processes involved and the regulations are stifling innovation."

"The difficult part is to figure out a slot in the school's curriculum for students to use your product," said Sampadh Menon, chief executive of CoBELS. Unlike in the United States or Northern Europe, where schools are mostly government-funded, the Indian education market is driven by parents like Nanditta Kapoor. The mother of 13-year-old Vanya Kapoor swears by Learnhive, a technology portal that teaches concepts through flashcards and videos.

"This eliminates the six to seven tuitions that I would otherwise have to put my child in. The best part is, she can learn from anywhere, whether she's at play (drama) practice or getting ready for a tournament," said Kapoor, whose daughter studies at Primus Public School, Bengaluru.

Mumbai-based Toppr, a test-preparation platform that only sought to tutor IIT and medical college aspirants, has expanded its syllabus to cater to students in grades five to eight. The company's product identifies a student's weak spots, customizes questions, and helps show where she or he ranks relative to peers. IProf. Vedantu, Testbook and Embebe are a few up-and-coming test prep startups in India.

The sector is not without glitches. For one, there exists a pervasive disconnect between the users of education products and the makers. Ajeet Khurana, former CEO of IT Bombay's Society for Innovation and Entrepreneurship, likens the current phase to the wave of commercial computer education in the 1980s. Almost anyone setting up a computer institute would make a profit. But most of these perished, and few like NIFT and Aptech survived as they delivered quality and content.

"The current wave is being led by technologists," said Khurana. "I am waiting for the next wave: the time when technology and domain expertise comes together. That will soon happen."

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