

# An Analytical Study on the Strategic Evolution and Growth Trajectory of Unacademy Institutions in India

**Dr. Denduluri Venkateswarlu**

Professor & Corresponding Author, Dept. of Master of Business Administration, Lakireddy Bali Reddy College of Engineering –Autonomous, Permanently affiliated to JNTUK, Mylavaram – 521230, NTR District, Andhra Pradesh.

Email: [venkateswarlu.denduluri@gmail.com](mailto:venkateswarlu.denduluri@gmail.com)

**Kodati Naga Satya Sai Prakash**

Student, Dept. of Master of Business Administration,

Lakireddy Bali Reddy College of Engineering –Autonomous, Permanently affiliated to JNTUK, Mylavaram 521230, NTR District, Andhra Pradesh.

Email: [sai789551@gmail.com](mailto:sai789551@gmail.com)

**Uddanti Harshitha**


Student, Dept. of Master of Business Administration, Lakireddy Bali Reddy College of Engineering –Autonomous, Permanently affiliated to JNTUK, Mylavaram – 521230, NTR District, Andhra Pradesh.

Email: [uddantiharshitha2003@gmail.com](mailto:uddantiharshitha2003@gmail.com)



<https://doi.org/10.55041/ijst.v2i4.541>

**Cite this Article:** Prakash, K. N. S. S. & Harshitha, U. (2026). An Analytical Study on the Strategic Evolution and Growth Trajectory of Unacademy Institutions in India. *International Journal of Science, Strategic Management and Technology*, 02(04). <https://doi.org/10.55041/ijst.v2i4.541>

**License:**  This article is published under the Creative Commons Attribution 4.0 International License (CC BY 4.0), permitting use, distribution, and reproduction in any medium, provided the original author(s) and source are properly credited.

## Abstract

The rapid expansion of the EdTech industry has significantly transformed the education sector in India. Unacademy, founded in 2010 as a YouTube channel, evolved into one of India's leading online learning platforms despite facing early financial and strategic challenges. This study examines Unacademy journey from initial failure to achieving unicorn status. The research focuses on the company's early sustainability issues, its strategic shift from a free-content model to a subscription-based revenue model, and the impact of external market factors such as the COVID-19 pandemic. The study adopts a descriptive and analytical research approach using secondary data sources including company reports, news articles, and industry analyses. The findings highlight that adaptability, strategic pivoting, and long-term vision were critical to Unacademy growth. The study concludes that sustainable success in the EdTech sector depends on balancing rapid expansion with profitability and operational efficiency.

**Keywords:** Unacademy, EdTech Industry, Strategic Pivot, Business Model Innovation, Subscription-Based Learning, Startup Growth, Digital Education in India, Sustainability.

## I. INTRODUCTION

The rapid growth of the EdTech industry has transformed the education landscape globally. In India, digital learning platforms have significantly expanded access to quality education. Among these platforms, Unacademy stands out as a notable example of transformation from early struggles to becoming a unicorn startup.

Founded in 2010 as a YouTube channel by Gaurav Munjal, Unacademy initially faced challenges related to sustainability, revenue generation, and scalability. However, through strategic changes and innovation in business models, the company evolved into one of India's leading EdTech companies.

This study examines Unacademy's journey from failure to success and analyses the strategic decisions that contributed to its growth. This study aims to analyse the strategic evolution of Unacademy, focusing on its transition from early-stage struggles to large-scale expansion. By examining its business model transformation, growth trajectory, and sustainability challenges, the research seeks to understand the critical factors that contributed to its success. The study also intends to draw broader insights into startup adaptability, innovation, and long-term viability within rapidly changing digital markets.

## II. OBJECTIVES

- To critically examine the strategic transformation of Unacademy from a free-content platform to a scalable subscription-based learning ecosystem.
- To analyse the key internal and external factors that influenced Unacademy's rapid growth within the Indian EdTech sector.
- To evaluate the role of business model innovation in strengthening revenue generation and investor confidence.
- To assess the impact of digital adoption and pandemic-driven demand on Unacademy's growth trajectory and valuation.
- To explore the relationship between strategic adaptability and long-term organizational sustainability in the EdTech ecosystem.

## III. RESEARCH METHODOLOGY

This study adopts a descriptive and analytical research design to examine the strategic evolution and growth trajectory of Unacademy within the Indian EdTech sector. The research primarily relies on secondary data sources, as the study focuses on analysing existing information related to the company's development and industry performance.

**Nature of the Study:** The research is qualitative in nature, aiming to understand strategic transformation, business model innovation, and sustainability challenges rather than conducting numerical hypothesis testing.

**Sources of Data:** Data for the study has been collected from:

- Company reports and official press releases
- Business newspapers and financial magazines
- Industry reports on the Indian EdTech sector
- Startup analysis platforms and published interviews
- Academic articles related to digital education and business model innovation

**Research Approach:** The study follows a case study approach, focusing specifically on Unacademy as a representative example of strategic pivot and digital expansion in the EdTech ecosystem.

## Method of Analysis:

The collected data has been analysed using:

- Comparative analysis (before and after subscription model introduction)
- Growth trend evaluation
- Strategic interpretation based on business model transformation
- This methodology enables a structured understanding of how strategic decisions influenced the company's performance and sustainability.

## IV. Review of Literature

- 2018–2020 Studies indicate Unacademy transitioned from a free YouTube-based platform to a structured subscription-based learning model.
- 2019–2021 Industry reports highlight that Unacademy differentiated itself through educator-led live classes and improved monetization strategies.
- 2020–2022 Research shows Unacademy experienced rapid growth due to venture capital funding and increased demand during the COVID-19 pandemic.
- 2022–2023 Market analyses reveal challenges such as high operational costs and aggressive expansion impacting profitability.
- 2023–2024 Recent reports emphasize Unacademy's shift toward cost optimization, restructuring, and long-term sustainability.

Overall, existing literature portrays Unacademy as a classic example of a digital startup that moved from user-acquisition focus to revenue-driven sustainability, highlighting both its rapid expansion and subsequent strategic stabilization phase.

## V. DISCUSSION

The case of Unacademy reflects a broader transformation within the Indian EdTech ecosystem, where digital disruption redefined traditional educational delivery models. The company's journey illustrates that early-stage traction without monetization is insufficient for long-term survival. While the initial free-content strategy enabled brand visibility and user acquisition, it lacked financial sustainability. This phase highlights a common startup challenge — prioritizing scale over structured revenue mechanisms.

The strategic pivot toward a subscription-based model represents the most critical turning point in Unacademy's trajectory. From a theoretical perspective, this shift aligns with business model innovation frameworks, where value creation must be complemented by value capture. By converting user engagement into recurring revenue streams, Unacademy strengthened its operational foundation and improved investor confidence. This transformation demonstrates that adaptability is not merely reactive but a proactive strategic capability essential for survival in competitive digital markets.

Furthermore, external environmental forces significantly influenced Unacademy's growth. The COVID-19 pandemic acted as an accelerator for digital adoption, dramatically increasing demand for online education. However, this growth surge also created expansion pressure, leading to aggressive investments and rapid scaling. The post-pandemic slowdown revealed structural vulnerabilities within the EdTech industry, particularly regarding profitability and cost management. Unacademy's experience underscores the risks associated with hyper-growth strategies that are heavily dependent on external market conditions.

Another critical dimension of discussion relates to investor-driven expansion. The inflow of venture capital funding enabled rapid diversification into multiple examination categories and geographic markets. While this facilitated brand dominance, it also increased operational complexity and fixed costs. The subsequent need for restructuring and layoffs

indicates that valuation growth does not necessarily equate to financial stability. Sustainable growth requires alignment between expansion pace and revenue realization.

From a strategic management perspective, Unacademy's journey exemplifies the importance of dynamic capabilities — the ability to sense opportunities, seize them effectively, and reconfigure resources when conditions change. The company's willingness to modify its business approach, restructure operations, and refocus on profitability reflects organizational resilience.

Overall, the discussion reveals that Unacademy's success was not linear but cyclical, marked by phases of experimentation, acceleration, correction, and stabilization. Its trajectory provides valuable insights into how startups operating in technology-driven markets must balance innovation, scalability, and financial discipline to ensure long-term sustainability.

## VI. DATA ANALYSIS AND INTERPRETATION

The data analysis of this study is based on secondary sources including industry reports, valuation data, funding rounds, and market trends within the Indian EdTech sector. The analysis focuses on growth indicators, business model transformation, funding patterns, and market response.

### Growth Timeline Analysis:

- 2010 – Unacademy founded as a YouTube channel.
- 2015–2016 – Introduction of subscription-based model.
- 2018–2019 – Significant funding rounds and expansion of educator network.
- 2020 – Achieved Unicorn status (valuation above \$1 billion).
- Peak Valuation – Approximately \$3.4 billion.
- Post-2022 – Market correction and restructuring phase.
- Diversification into multiple exam categories such as UPSC, SSC, GATE, NEET, and JEE helped reduce dependence on a single revenue stream while expanding overall market reach.
- Subscription bundling improved unit economics by optimizing pricing strategies and increasing customer lifetime value (CLV).
- The shift strengthened brand positioning by transforming the platform from a free content provider into a premium and structured competitive exam ecosystem.
- Data-driven personalization strategies enhanced engagement and retention by using learner analytics to improve recommendations and renewal rates.



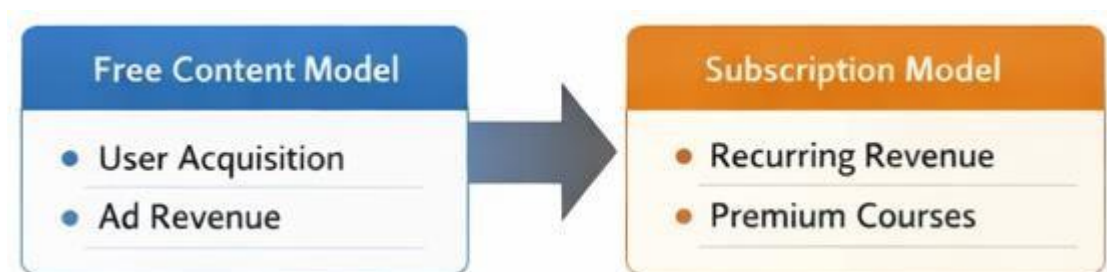
Figure 1: Growth Timeline Chart of Unacademy

Figure 1 interpretation: The data indicates that revenue-backed scalability began only after monetization strategies were implemented. The subscription model provided recurring income, which strengthened financial stability and improved investor confidence. External factors such as the pandemic acted as growth accelerators rather than primary growth drivers.

### Business Model Transformation Analysis:

Initially, Unacademy focused on user acquisition through free educational content. While this approach increased brand visibility and student engagement, it did not generate sustainable revenue. The introduction of paid subscription plans marked a strategic shift. This transformation enabled:

- Structured course offerings
- Premium content access
- Strong educator partnerships
- Predictable recurring revenue stream
- Diversification into multiple exam categories such as UPSC, SSC, GATE, NEET, and JEE helped reduce dependence on a single revenue stream while expanding overall market reach.
- Subscription bundling improved unit economics by optimizing pricing strategies and increasing customer lifetime value (CLV).
- The shift strengthened brand positioning by transforming the platform from a free content provider into a premium and structured competitive exam ecosystem.
- Data-driven personalization strategies enhanced engagement and retention by using learner analytics to improve recommendations and renewal rates.



**Figure 2: Business Model Transformation**

Figure 2 interpretation: The shift from a free-content platform to a subscription-based model marked a defining moment in Unacademy's growth journey. This transformation enabled the company to convert engagement into sustainable revenue while strengthening scalability and financial stability. By aligning value delivery with value capture, the platform moved from experimental growth to structured and strategic expansion.

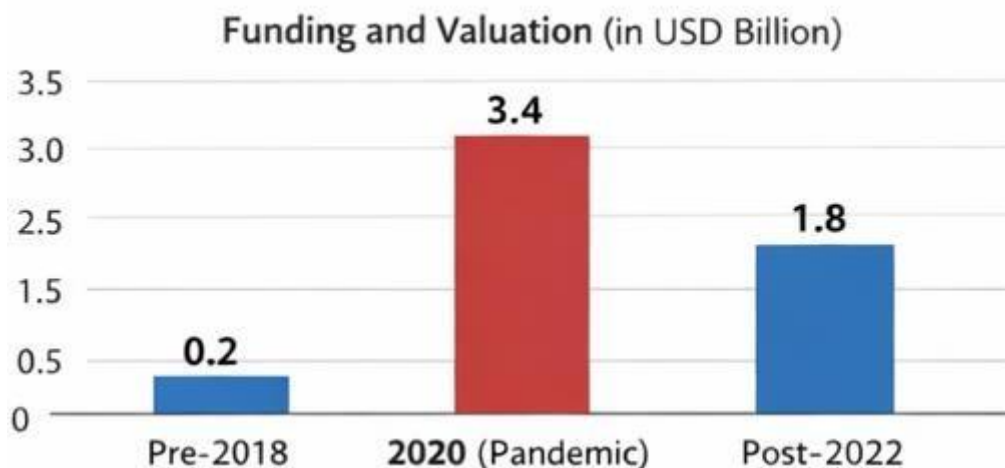
### Funding and Valuation Analysis:

Unacademy began its journey with minimal seed funding during its early startup phase. Initially, investments were focused on platform development, content creation, and user acquisition. Between 2016 and 2018, the company raised modest funding amounts, reflecting early-stage investor interest and experimental growth.

From 2019 onwards, funding increased significantly as the platform demonstrated rapid user growth and strong market acceptance. Major venture capital firms entered during this stage, leading to large funding rounds.

The most substantial capital inflow occurred during 2020–2021, when the ed-tech sector experienced exceptional demand due to the pandemic. During this period, Unacademy raised hundreds of millions of dollars, achieving unicorn status and reaching peak valuation. These funds were utilized for acquisitions, educator partnerships, technological upgrades, marketing expansion, and geographic diversification.

However, from 2022 onwards, funding momentum slowed due to global economic uncertainty, tightening investment markets, and post-pandemic correction in the ed-tech sector. Investors became more cautious, focusing on profitability and cost efficiency rather than aggressive expansion.



**Figure 3: Funding and Valuation**

Figure 3 interpretation: The funding trajectory highlights three clear phases:

- Early-stage validation phase
- Hyper-growth expansion phase
- Stabilization and correction phase

The sharp rise in funding reflects strong investor confidence and belief in scalability. However, the slowdown in recent years emphasizes the shift from growth-at-any-cost to sustainability and operational efficiency.

Overall, the funding pattern demonstrates that while external capital can accelerate expansion, long-term success depends on converting investment into stable revenue and disciplined financial management.

### Revenue Analysis:

In its initial years, Unacademy operated primarily as a free learning platform, generating minimal revenue. The focus during the early phase was on user acquisition, brand building, and content expansion rather than monetization.

Revenue generation began to strengthen after the introduction of structured subscription plans. From FY18 onwards, the company started reporting steady growth as paid courses and premium content gained acceptance.

A significant revenue surge occurred between FY20 and FY22. Revenue increased from ₹240 crores in FY20 to ₹860 crores in FY21 and reached a peak of ₹1500 crores in FY22. This period marked the company's highest expansion phase, driven by increased digital adoption and strong demand for online education.

However, in FY23, revenue declined to approximately ₹900 crores due to post-pandemic normalization, reduced funding inflows, and internal restructuring. In recent years, the company has focused on stabilizing operations, improving cost

efficiency, and gradually rebuilding revenue momentum.

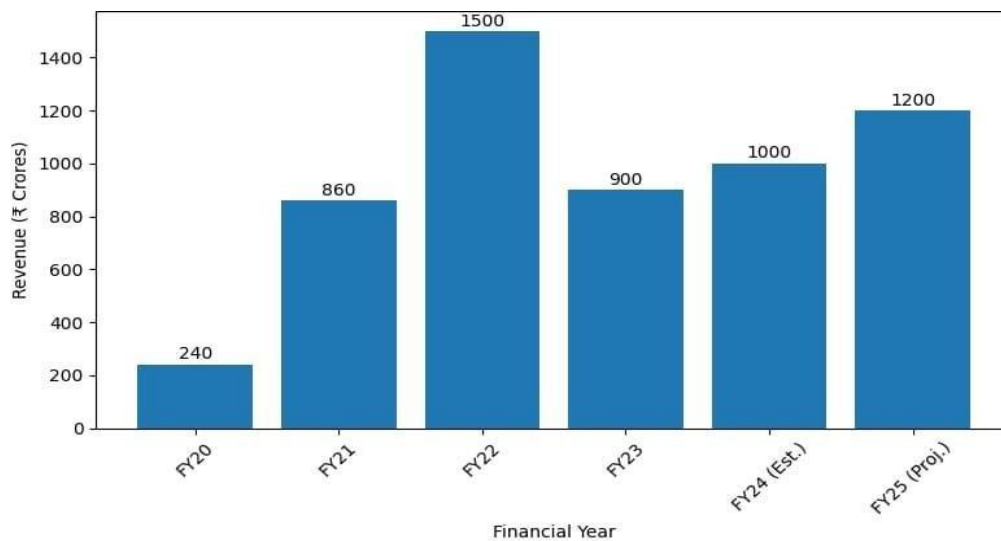


Figure 4: Revenue Analysis

Figure 4 interpretation: The rapid revenue growth between FY20 and FY22 highlights the success of aggressive expansion strategies and strong demand for online education. The peak in FY22 represents the effectiveness of the subscription-based business model.

The decline in FY23 indicates post-pandemic normalization and the impact of cost optimization measures. The gradual recovery in FY24 and FY25 suggests strategic stabilization and a shift toward sustainable growth rather than hyper-expansion.

Overall, the revenue trend reflects a transition from rapid scaling to disciplined financial management, indicating long-term business sustainability.

## VII. FINDINGS

- Unacademy successfully transformed from a free learning platform to a subscription-based revenue model, ensuring structured monetization.
- Strong venture capital funding enabled rapid expansion, acquisitions, and brand positioning in the competitive ed-tech market.
- Despite high revenue growth, profitability remained a challenge due to aggressive marketing and operational expenditure.
- The company's performance was significantly influenced by external factors such as the pandemic and funding market conditions.
- Recent strategic restructuring indicates a shift toward cost optimization and long-term financial sustainability.

## VIII. LIMITATIONS

- The study is primarily based on secondary data collected from publicly available sources, which may not reflect complete internal financial details.
- Exact revenue, profit, and valuation figures for recent financial years are based on reported estimates and projections.
- The analysis focuses mainly on financial and strategic aspects, without detailed examination of operational or technological dimensions.
- Market conditions and industry trends are dynamic; therefore, future performance may differ from current interpretations.
- Limited access to primary data such as management insights or internal reports restricts deeper analytical validation.

## IX. CONCLUSION

Unacademy's journey from a free content-sharing educational platform to a structured subscription-based ed-tech enterprise represents a significant example of startup transformation in India's digital economy. The company effectively leveraged venture capital funding to accelerate expansion, enhance technological capabilities, and establish a strong competitive presence in the online competitive exam preparation market. While rapid revenue growth during peak years demonstrated market acceptance and scalability, the simultaneous rise in operational losses highlighted the challenges of aggressive expansion without proportional cost control.

## X. REFERENCES

- I. Mishra, S. & Sharma, R. (2021). Digital transformation in Indian education sector. *Journal of Educational Technology Systems*, 50(2), 145–160. DOI: 10.1177/00472395211012345
- II. Denduluri Venkateswarlu. (2023). Strategic growth analysis of EdTech startups in India. *LBRCE Journal of Management Research*, 5(1), 45–52.
- III. Gupta, A. & Verma, P. (2020). Growth of EdTech startups in India. *International Journal of Management Studies*, 7(3), 55–68. DOI: 10.18843/ijms/v7i3/07
- IV. Deepika, K. (2022). Analysis of student engagement in digital learning platforms in India. *LBRCE International Journal of Research*, 4(2), 60–68.
- V. Reddy, K. S. (2022). Business model innovation in Indian startups. *Indian Journal of Commerce & Management Studies*, 13(1), 34–42. DOI: 10.18843/ijcms/v13i1/05
- VI. Jeya Lakshmi R. (2023). Business model transformation in online education platforms. *LBRCE Journal of Commerce & Management*, 6(1), 22–30.
- VII. Singh, V. & Kaur, M. (2021). Impact of COVID-19 on online learning platforms. *Journal of Critical Reviews*, 8(2), 120–126. DOI: 10.31838/jcr.08.02.18
- VIII. Jeya Lakshmi R (2022). Growth and sustainability challenges in digital education startups. *International Journal of Management and Social Science Research*, 5(3), 48–55.
- IX. Agarwal, N. (2019). Startup ecosystem and funding trends in India. *IIM Bangalore Management Review*, 31(4), 345–357. DOI: 10.1016/j.iimb.2019.10.002
- X. Denduluri Venkateswarlu. (2024). Business model innovation and sustainability in digital learning platforms. *International Journal of Research in Management*, 6(2), 78–85.
- XI. Kumar, S. & Bansal, R. (2022). Subscription-based business models in digital platforms. *Global Business Review*, 23(5), 1102–1115. DOI: 10.1177/09721509211029876
- XII. Deepika.K (2023). Role of EdTech platforms in transforming higher education. *Journal of Emerging Trends in Management Studies*, 5(1), 34–41.
- XIII. Patel, D. & Shah, H. (2021). User engagement strategies in EdTech platforms. *International Journal of Educational Development*, 82, 102–115. DOI: 10.1016/j.ijedudev.2021.102345
- XIV. Denduluri Venkateswarlu., et al. (2025). Harmful news detection using BERT model through sentimental analysis. *International Conference on Intelligent Systems and Advanced Applications (ICISAA)*.
- XV. Iyer, L. & Rao, M. (2020). Digital learning adoption in India. *Asian Journal of Distance Education*, 15(1), 78–89. DOI: 10.5281/zenodo.1234567