CRACK-ED: CUSTOMER JOURNEY OF AN EDUCATIONAL TECHNOLOGY START-UP

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It was the afternoon of December 17, 2020, and Debojit Sen had just gotten off a call with his mentor and seed capital provider, Amit Jain, chief executive officer (CEO) and co-founder of CarDekho Group (CarDekho), an online platform to sell old and used cars. The conversation had bothered Sen a lot. His worry was that although his start-up, Crack-ED, had been based on a good business idea and the disruption of the education industry from physical to digital learning during the COVID-19 pandemic had proved to be a silver lining for Crack-ED, the road ahead seemed to be blurred and difficult. Several other start-ups in the educational technology (EdTech) industry had started to flourish and fill emerging gaps in the current education system in India. This had led to enhanced customer expectations. Crack-ED faced two challenges: differentiating its service against competitors in the Indian EdTech market and promoting its relatively new brand of EdTech service platform in a highly competitive market with stronger players such as Scalar Academy and Upgrad Education Private Limited.

Most EdTech companies were aggressively promoting their brand digitally. There were various methods available for digital promotion—such as search engine optimization, video marketing, and social media promotion—each having its own pros and cons. Sen wondered which digital promotion strategy would be the best fit for Crack-ED as the company's promotional budget did not allow him to choose all options available. Though there was clarity regarding the target market segment, Sen's challenge was about designing digital promotion strategies to build an effective and sustainable brand in a highly competitive environment.

In March 2020, COVID-19 had struck and normal life came to a sudden halt for humankind. It was a difficult time for the student community as education moved from the physical to the virtual mode. Anticipating an economic slowdown, corporations put on hold the hiring of fresh talent from business schools (B-schools), and several B-schools faced difficulty in placing their management graduates. Sen identified the gap, and in May 2020 founded Crack-ED, an EdTech company based in Gurugram, Haryana, India. Fresh management graduates from top B-schools in metropolitan cities in India were able to secure good employment packages; however, new talent from Tier 2 and 3 cities failed to find placements. This was primarily due to a lack of good communication and articulation skills. Sen therefore started Crack-ED to upskill these management graduates and help them secure jobs in the competitive, post-COVID-19 marketplace.

Sen had been excited to see the growth of his organization in the previous five months (see Exhibit 1). Contrary to his own expectations, he had been able to break even and was already profitable. He knew that

the journey ahead was not easy. Ensuring constant enrolment from students aspiring to a career in the corporate world required raising awareness about the Crack-ED brand. With this problem continuously on his mind, Sen braced himself for the upcoming meeting with his marketing team.

ABOUT THE COMPANY

The brainchild of Sen and his wife Palak Narang, Crack-ED initially provided a platform for professionals to network with industry leaders to eliminate the gap between their capabilities and those needed by employers and to cope with the environment of negativity that had built up due to the pandemic. These interactions took place in regular online sessions that were livestreamed on social media and were very well received. Soon, Sen saw a clear gap emerging in the market where young professionals were falling short of industry expectations in their careers. They invariably struggled due to poor communication skills (including writing and articulation) and lack of sufficient practical knowledge. They found themselves sidelined as they were unable to achieve the impact required to clear the interview process. Additionally, with the changing job market and recession due to the COVID-19 pandemic, such candidates were competing not only with the fresh graduates from other B-schools, but also with candidates with prior experience who had lost their jobs during the pandemic. Companies were expecting new recruits who were skilled enough to deliver outcomes from day one of their employment, which would save or reduce the cost of training new employees.

Crack-ED focused on the neglected segment of young college graduates from locations in Tier 2 and 3 cities in India. Though such candidates had a degree, they were stumbling in the job market and unable to make the final cut due to a lack of practical exposure owing to location constraints, curriculum gaps, and their upbringing. Sen found that these candidates were barely able to keep afloat in their company if they had been placed, or else were still unemployed. Thus evolved the business model of Crack-ED.

Sen himself was a young management graduate from S. P. Jain Institute of Management and Research in Mumbai, a top B-school in India, and an alumnus of the National Institute of Technology Rourkela. He was aware of the challenges of facing the final corporate placement opportunity processes. With such intense competition and limited seats available in the handful of top institutes, most of the candidates who appeared for entrance examinations had to settle for lower-grade undergraduate and post-graduate institutes. They lost confidence and focus and were unable to extract value from their courses. Additionally, most such colleges located in small cities in India followed age-old teaching methods of disseminating knowledge. With the changing trends in education and digital technology gaining importance, management education from lower-grade institutes was losing relevance. Though their graduates had the theoretical knowledge, they lacked the expertise to sustain careers in the corporate world. Students failed to get jobs and became anxious and depressed at the beginning of their careers. Sen had travelled this road in the past, as he himself had risen from the ground up and was therefore passionate about helping the younger generation of his country. With the intention to use the skills and expertise he had acquired, Sen embarked on the journey of building Crack-ED.

A major hindrance that young graduates faced in converting an educational placement opportunity to employment was poor communication and articulation skills. The Crack-ED curriculum thus centred around training MBA graduates to improve their communication, interview, and interpersonal skills and increase their confidence. The program structure revolved around listening, speaking, reading, and writing, and the importance of body language, storytelling skills, negotiation, and personal branding. The key differentiator that Crack-ED stressed was its linkage of these training modules with on-the-job training (OJT) and its guarantee of an entry-level final job placement opportunity to its students. The post-pandemic scenario was very conducive to its online delivery process as students had developed a high comfort level with online learning platforms such as Zoom, Microsoft Teams, and Google Classrooms.

Crack-ED's target market was management graduates from small cities. This proved to be a competitive advantage for the company as this was an untapped segment since not many EdTech companies were operating in that space. Crack-ED caught the attention of Amit Jain, founder of CarDekho. Like many digital companies in the start-up space, CarDekho was constantly dealing with the challenges of a high attrition rate at the entry level and finding industry-ready graduates who were ambitious and adaptive to a dynamic business environment. CarDekho was the first organization Sen collaborated with to hire the talent prepared by his company. CarDekho provided the platform for short internships, OJT, and even final placements to the candidates trained by Crack-ED. Besides CarDekho, Crack-ED also spread to other industries, especially in the retail, automobile, finance, education, information technology, and insurance sectors where there was always a demand for entry level professional candidates.

THE INDIAN EDTECH MARKET

EdTech in India had grown phenomenally since 2019, making it the EdTech capital of the world. The industry was valued at US$750 million[1] in 2020 and was expected to reach $4 billion by 2025 at a compound annual growth rate (CAGR) of 39.77 per cent (see Exhibit 2). This growth was due to the growing demand and preference for customized non-academic courses. The sector had witnessed $4 billion in private investment in the previous five years.[2] There was an emergence of market leaders such as Byju's, which became a decacorn, Unacademy, upGrad, and Vedantu.com, which turned into unicorns (see Exhibit 3). With a market size of $700–$800 million in 2021, the EdTech industry was expected to become a $30 billion industry in the next ten years.[3] The pandemic catalyzed the development of online education, as students and parents had a growing propensity for digital education from home through online educational platforms.

The growth could be attributed to a growing middle-class population and the availability of mobile devices with Internet access. According to the Internet and Mobile Association of India's *IAMAI-Kantar ICUBE 2020* report, India had 622 million active Internet users in 2020 (see Exhibit 4). This number was expected to increase by 45 per cent and to reach 900 million by 2025, due to higher adoption rates in rural India. According to the *ASER Centre's Annual Status of Education Report 2020, Wave 1*, smart phone ownership among government school student families increased from 30 per cent in 2018 to 56 per cent in 2020, whereas smart phone ownership among private school student families rose from 50–74 per cent.[4]

In 2020, India had more than 1,000 universities, 42,000 colleges, and approximately 40 million students. The educational system, however, needed to bridge the gap between facilities, academic resources, and industry requirements. Among the key EdTech segments in India were kindergarten to grade 12 supplemental education, early childhood education, language learning, higher education, test preparation, vocational training and skilling, digital marketing, and coding, and learning software like R, Python, Excel, and AMOS that could aid in market research and analysis. Increasingly, EdTech learning was being preferred over conventional learning both by students and parents due to its reach and ability to customize its offerings. Educators, parents, and students had complained about the one-size-fits-all model of conventional institutes imparting online education during the prolonged pandemic period of two years. EdTech players gauged the gap and provided customized services and access to content based on student requirements. Students received personalized recommendations based on data about their previous learning patterns and performance.[5]

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[1] All currency amounts are in US dollars unless otherwise specified.
[2] McKinsey and Co. "Demand for online education is growing. Are providers ready?" Article, July 20, 2022, https://www.mckinsey.com/industries/education/our-insights/demand-for-online-education-is-growing-are-providers-ready#/.
[3] India Brand Equity Foundation, "India to Become the Ed-Tech Capital of the World," IBEF Blog, November 26, 2021, https://www.ibef.org/blogs/india-to-become-the-edtech-capital-of-the-world.
[4] India Brand Equity Foundation, "India to Become."
[5] India Brand Equity Foundation, "India to Become the Ed-Tech Capital of the World," IBEF Blog, November 26, 2021, https://www.ibef.org/blogs/india-to-become-the-edtech-capital-of-the-world.

EdTech provided access to quality education to students from low-income households. Students who previously had been unable to afford high-quality education were now able to afford these services. The cost-effectiveness of EdTech allowed students to overcome the paywall between them and premium educators, as the virtual nature of this learning erased geographical constraints. In August 2022, there were over 4,450 EdTech start-ups in India that were assisting over three hundred million school students. Of these, forty million were students pursuing higher education whose studies had been disrupted by COVID-19. Learners abroad were enrolling with Indian EdTech firms because they delivered world-class content.[6]

THE BRAND CRACK-ED AND SERVICE DIFFERENTIATION

Crack-ED focused on developing communication and articulation skills in its programs. It was an online experiential learning portal that trained young professionals, especially in Tier 2 and 3 cities in India. Its target market was undergraduate and post-graduate students in small cities. This segment had been relatively neglected by most EdTech start-ups as they concentrated on upskilling working professionals with the latest technology such as data analytics, data programming, predictive analytics, and developing machine-learning algorithms. However, Crack-ED's competitive advantage of upskilling new graduates from untapped market segments and bringing their careers on track was an easily replicable business model. To further enhance differentiation, the company emphasized a standardized delivery process using the latest artificial intelligence tools. It partnered with the best Enterprise Resource Planning organizations to ensure this standardization of processes and classroom delivery. All faculty members were trained to ensure standardization, and real-time faculty feedback was ensured. Faculty feedback was taken seriously with due focus and action taken based on the same approach.

The challenge was to ensure that the students who enrolled felt connected with the brand. Though students were the ones who took advantage of and paid for the service, Crack-ED's customers were also the corporations that recruited this talent. For a service platform service like this, the key performance indicators were whether the students placed after completing the course were able to meet the industry demand. Its tagline "Engage, Network, Showcase" became a brand mantra that was followed by the Crack-ED team, who ensured that the same was endorsed and absorbed by their students. The customer journey for the Crack-ED student was critical (see Exhibit 5), and Sen wanted to ensure that every interaction with the brand during it resulted in satisfaction and reinforced confidence in their choice. Students had an enormous sense of gratitude toward the brand because Sen and the staff were personally invested in and passionate about teaching the students critical success factors at the beginning of their career. However, it was important for Sen to ensure that the touchpoints from start to finish of the customer journey were well designed and effectively contributed to brand building.

Crack-ED raised a round of initial investment from Amit Jain, founder of CarDekho, who also collaborated with the company to take on the professionals it had trained for entry-level jobs. The start-up was still in its nascent stage and creating brand awareness—the first stage in the customer journey—was crucial for Sen and his team. Sen could clearly visualize that his company needed marketing inputs to create an effective brand. With the ongoing pandemic situation becoming better, in late 2022 Crack-ED wanted to establish itself as a brand in the skill development space. The company was on a steady growth trajectory and had been able to tap markets in northern India. Sen's focus was now to expand to the eastern markets and reach a turnover of $10 million per year by the end of fiscal year 2023–24. However, Crack-ED's brand awareness was low. Sen was aware of this, but at this stage, he was unable to make large investments in marketing. With his bootstrapped start-up, digital marketing (being a cheaper medium with excellent reach in his target segment) was the obvious choice.

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[6] Newspaper Article in Mint "The Indian Ed-Tech industry is taking India to the world" Business News August 10, 2022. https://www.livemint.com/opinion/online-views/the-indian-edtech-industry-is-taking-india-to-the-world-11660148523819.html.

ROAD AHEAD

The company was planning to partner with the Government of India skill development initiative under the Ministry of Skill Development & Entrepreneurship as another important milestone. The government had announced plans and systematic changes to improve the EdTech industry and enhance the remote learning experience for students. For instance, in May 2020, it announced the PM e-VIDYA initiative, allowing the top 100 universities in the country to start online courses. The National Education Policy 2020, accessibility to education and teachers, and demand for upskilling and remote learning would accelerate the growth of the Indian EdTech industry.[7]

Upskilling those people who were unable to benefit from opportunities due to lack of exposure and training and providing them meaningful job placements was the long-term vision of Crack-ED. However, building a strong brand in a highly competitive post-COVID-19 environment posed a challenge to Sen. He wanted to build a strong service brand that was well accepted, preferred, and sought after by students. Additionally, another challenge that Sen faced was assuring the constant placement of Crack-ED's trained students in a recession-prone post-COVID-19 market.

Sen was considering which promotion tools would be effective for Crack-ED as the company moved from the introduction to growth stage of its product life cycle. It had tasted success in the past with the regular below-the-line advertising undertaken to build the brand. The company had acquired eight thousand organic followers on LinkedIn in a span of merely six months. In Tier 2 and 3 cities in India, this had reaped good results as the brand grew organically through positive word of mouth. However, it could not continue to rely on earned media and would need to strengthen its digital marketing strategies by undertaking paid media marketing initiatives, as the highly competitive EdTech space required any company to always check the pulse of its target market on a regular basis.

Sen was planning to meet with Crack-ED's marketing team the following week. The heated brainstorming sessions he had had with them regarding the future marketing plan of the company made him go back to the drawing board and apply his theoretical and practical knowledge of marketing a service brand as complex and personalized as Crack-ED. He was passionate about his start-up and did not wish to apply a one-size-fits-all digital marketing strategy that had vast reach but low impact, but his decision was constrained by the available promotional budget, which did not allow him to use all the marketing options available, such as search engine optimization, social media promotion, and video, pay-per-click, and influencer marketing. All these alternatives were beneficial, but a diluted effort would not provide good results. He needed to identify which were the most effective solutions or combination of solutions for his situation at this time in order to devise an effective digital marketing strategy that could help him build a strong brand with top-of the mind recall. He quickly opened his drawer and drew out a planner to jot down the points to be discussed with the marketing team in the coming week.

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[7] India Brand Equity Foundation, "Future of Ed-Tech in India," IBEF, January 2021, https://www.ibef.org/research/case-study/future-of-ed-tech-in-india.

EXHIBIT 1: CRACK-ED'S GROWTH OVER THE FIVE MONTHS FOLLOWING AUGUST 2022

Months	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023 (P)	Total (6 Months)
Students Trained	0	30	40	70	86	130	341
Revenue (US$ Projected)	0	600,000	800,000	1,400,000	1,720,000	3,000,000	6,120,000
Trainers	0	1	5	8	12	20	20
Partner Colleges	2	4	7	12	20	30	30
Partner Corporations	0	1	2	4	7	12	12

Trend analysis of our progress to date:

- We have grown from strength to strength after re-launching in August 2022 with a commercial model.
- Student base has grown from 0 to 130.
- Trainers have grown to over 20, which includes soft skill and functional trainers.
- We have also partnered with over 30 colleges and more than a dozen corporations in the past six months.
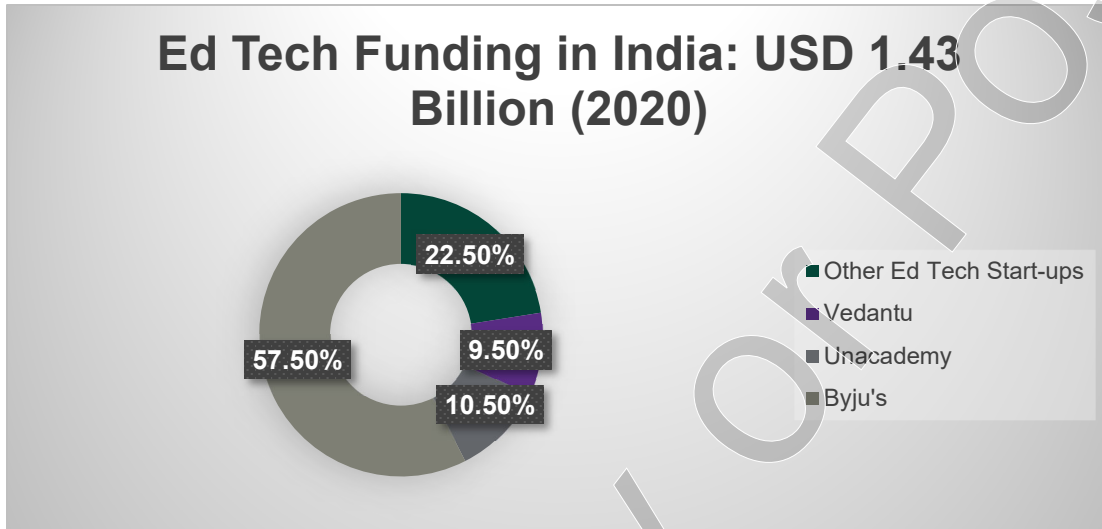
Notes: P = projected
Source: Compiled by the case authors based on company documents.

EXHIBIT 2: VALUE OF THE INDIAN EDTECH INDUSTRY PROJECTED TO 2025
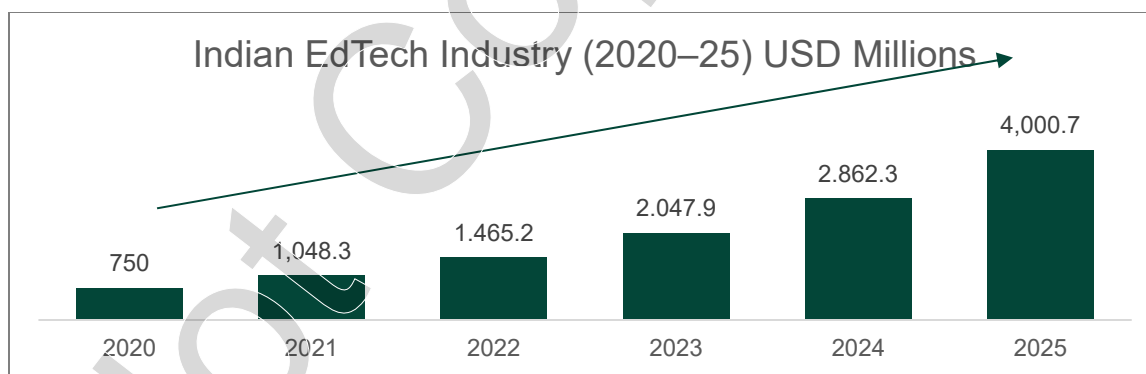
Note: EdTech = educational technology
Source: India Brand Equity Foundation, "India to Become the Ed-Tech Capital of the World," IBEF Blog, November 26, 2021, https://www.ibef.org/blogs/india-to-become-the-edtech-capital-of-the-world.

EXHIBIT 3: EDTECH FUNDING IN INDIA, 2020

Ed Tech Funding in India: USD 1.43 Billion (2020)

- Other Ed Tech Start-ups
- Vedantu
- Unacademy
- Byju's

22.50%
9.50%
10.50%
57.50%

Note: Ed Tech = EdTech = educational technology
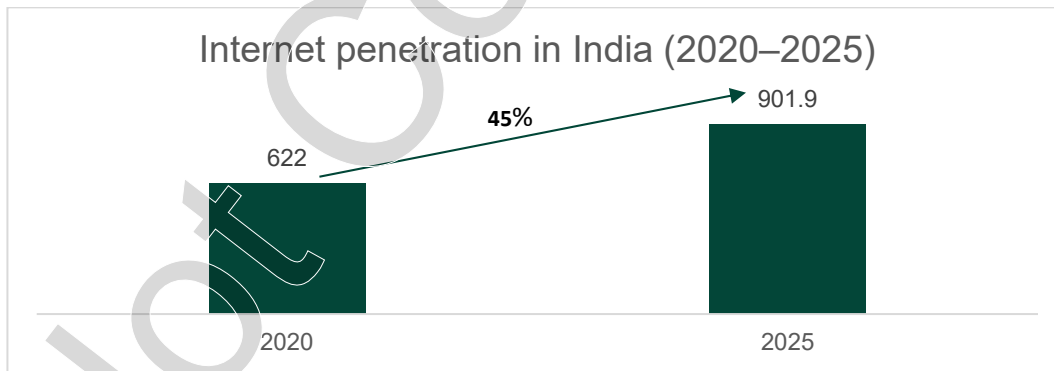Source: India Brand Equity Foundation, "India to Become the Ed-Tech Capital of the World," IBEF Blog, November 26, 2021, https://www.ibef.org/blogs/india-to-become-the-edtech-capital-of-the-world.

EXHIBIT 4: INTERNET ACCESS IN INDIA—ACTIVE INTERNET USERS, 2020–2025 (IN MILLION)

Internet penetration in India (2020–2025)

45%
622
901.9
2020
2025
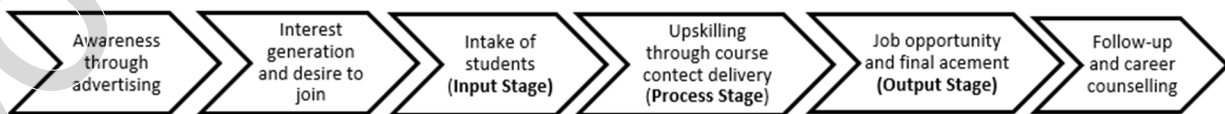
Source: India Brand Equity Foundation, "India to Become the Ed-Tech Capital of the World," IBEF Blog, November 26, 2021, https://www.ibef.org/blogs/india-to-become-the-edtech-capital-of-the-world.

EXHIBIT 5: THE CRACK-ED CUSTOMER JOURNEY

Awareness through advertising → Interest generation and desire to join → Intake of students (Input Stage) → Upskilling through course contect delivery (Process Stage) → Job opportunity and final acement (Output Stage) → Follow-up and career counselling

Source: Compiled by the case authors based on company documents.

Semester: Jan – Mar 24			
Maximum Marks: 50 **Examination: ETE Exam**		**Date: 02.04.24**	**Duration: 3 Hours**
Programme code: 01 **Programme: MBA-Minor-Marketing-VI** **(BATCH 22-24)**		**Class:** SY	**Semester/Trimester:** VI
College: K. J. Somaiya Institute of Management		**Name of the department/Section/Center:**	
Course Code: 217P01M618		**Name of the Course: Digital & Social Media Marketing**	
Instructions: Read all questions and elaborate answers with relevant examples. Case study printout to be shared separately.			

Question No.		Max. Marks
1.	The legacy hospitality brand – Taj Group Hotel Company - in India is losing share to global hotel majors, boutique properties/resorts promising experiential stays and new age competition from platforms like Airbnb. Exploratory research reveals loss of share is due to changing consumer preferences and brand irrelevance. Use the POEM framework to elaborate on the digital marketing strategy for the legacy hospitality brand to drive higher relevance and engagement with its target audience.	8
2.	Explain Edge Rank Algorithm of Facebook, define its factors and how is Edge Rank computed. What's the 3E strategy for organic content on Facebook	6
3.	Write Short Notes on any 3 of the following – a) Intent Targeting, Remarketing and Lookalike Targeting b) What are Weblogs and 3 key challenges of Weblogs c) Sitemap, Breadcrumbs and Robots.txt d) 4 Blackhat SEO practices with examples e) Coverage, Cost, Coaction and Congruity in Digital Marketing IMC	12
4.	In Search Advertising, comment on High Impression High Bid Keywords vs. Low Impression Low Bid keywords. As a brand optimizing its search keywords, what would be an appropriate keyword strategy.	5

5.	Your website is in place with your product proposition, price and communication. You need to solve for poor traffic to your website. What are the best ways to increase website traffic?	5
6.	Read the case given below on educational technology start-up Crack-ED and answer the following questions based on the case facts–	Total 14
6a	Who are Crack-ED's customers and how is the company creating value for its customers through its service offering	3
6b	Based on case facts, how is Crack-ED different from its competitors. What are the opportunities and threats faced by Crack -ED	3
6c	Which digital marketing strategies would be the most appropriate for Crack-ED at different touchpoints in the customer journey	8