CORPKEEDA

CASE PROBLEM

Two dejected TAC aspirants were wondering what life has to offer them after being successfully rejected by a dozen of institutes. After a lot of toiling and rejections they realised lack of exposure was the issue and not knowledge. While the country-wide lockdown spelled trouble for almost every individual and made majority of the companies stop dead, Syju Pivendran and Bunder Richai, the two brainy adults came up with the idea of starting up CORPKEEDA- one stop edtech startup that focuses on upskilling higher education students through Virtual Experience Projects. The Covid Outbreak sparked them this idea as there was a significant shift towards online learning and this change in consumer behaviour prompted them to come up with their own startup.

COMPANY BACKGROUND

Corpkeeda, started in May 2021, offers Virtual Experience Projects to college students preparing for employment in marketing, finance, consulting, and other fields, as well as future aspirations such as CA, MBA, and other advanced degrees. The projects are meant to mimic real-world industrial operations while also providing students with hands-on exposure using industry-standard measurements and technologies. On the app, one can find projects in three categories: finance, consulting, and marketing. A typical Virtual Experience Project has the following features:

• "Tasks" for users to do - Tasks that are like those performed by experts daily. These are usually on Microsoft Excel, Microsoft PowerPoint, SQL, and other professional applications.
• Pre-recorded video and text information to assist students in comprehending ideas, metrics, business models, and assignment solutions.
• Live sessions with domain experts – Interaction with specialists and know about their skilling experiences & career pathways.

VIRTUAL EXPERIENCE PLANS

Free Virtual Experience Plans	Premium Virtual Experience Plans
The platform's free plans are intended to provide users with a comprehensive overview of the platform's capabilities and content. Corpkeeda provides free projects in each vertical (for example, finance, marketing), with one per sub-vertical. For example, one free performance marketing project, one free equity research project, and so on.	Premium virtual experience plans are more in-depth and elaborated versions of the free projects. These include modules covering diversified verticals and professions, and users may work on progressively to improve their skills.
Features	
• 5 Tasks • 3 Hours of pre-recorded video content • 1 Live session with an industry expert	• 5 tasks • 8-10 Hours of pre-recorded video content • 3 Live sessions with industry experts • Access to videos showcasing best practices of resume making
Existing Projects	
• Equity Research – 1 Project: Level 1 • Management Consulting	E-Commerce Client – 1 Project: Level 1 • Management Consulting	SaaS Client – 1 Project: Level 1 • Product Management – 1 Project: Level 1	• Equity Research – 2 Projects: Level 2 & Level 3 • Management Consulting	E-Commerce Client – 1 Project: Level 2 • Performance Marketing – 1 Project: Level 2

TRACTION

The table below shows the traction seen by Corpkeeda since its inception.

	May'21	Jun'21	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'21
No of logins	380	420	500	690	740	880	1150	1250	1420
Cumulative logins	380	800	1300	1990	2730	3610	4760	6010	7430
% Converted to MAU	42.1	52.38	60	40.57	36.48	43.18	45.21	44	41.54
% Of users converted from MAU to Paid Users	42.5	40.9	37.33	42.85	41.48	38.94	43.26	39.09	39.32
Customers lost per month	110	130	188	160	158	232	295	335	358

- Any user who works on at least 1 free project in the given month (irrespective of whether the user completes it or not) is considered an active user.
- Any user who works on at least 1 premium project in the given month is considered a paid user, hence a customer.
- CCR is calculated annually and initial MAUs were the total customers at the start.
- Daily Active Users account for approximately 60% of the no of logins per month.
- Average Revenue Per User amounts to ₹299.

Concerned about the rising competition in the edtech sector and their inconsistent performance, Syju and Bunder decided to first evaluate their key performance indicators and then choose the order for the implementation of different customer acquisition strategies. They decided to calculate the following parameters and select the relevant ones for their evaluation:

- **AVERAGE REVENUE PER USER PER MONTH (ARPUPM)**

Annual revenue generated is one of the easiest units to break down revenue into for strategizing purposes. The start-up can keep a track of their annual revenue per user (ARPU), which can be derived by dividing the summation of revenue generated with the summation of users. To calculate it for per month, ARPU is supposed to be divided by no of months for which the business operated. Bunder is of the opinion that every user has the capacity to bring at least two users for the free projects offered.

The greatest validation for a start-up comes from its customers. Corpkeeda's erratic performance made the founders wonder about the projects they offered under different domains. They realised that if the users were actively engaged with their product, they had created something that fulfils their needs. Syju while scrolling down Betaverse realised social media platforms are a potential source to increase their reach.
A couple of good metrics that quantify this aspect are monthly active users (MAU) and daily active users (DAU). The relevant metric that can be derived from MAU and DAU is the stickiness ratio, which measures the number of customers that continue using the platform after the first time.

Stickiness Ratio = DAU / MAU

For instance: If the stickiness ratio comes out to be 0.5 or 50%, it means that in a 30-day month, customers used the app for 50% of the days, i.e., 15 days.

- ## LIFETIME VALUE (LTV)

The other major component of unit economics is the lifetime value or LTV. The goal of every startup is to extract the maximum possible revenue out of its customers over time. The logic is straightforward- the longer the customers stay with a brand, the more valuable they will be for the company.
LTV measures the average revenue a customer brings in during the course of their
relationship with the brand. The lifetime value is affected by multiple variables, including gross margins, product lifetime, and customer stickiness.
The formula for LTV is:

LTV = Average Customer Sale Value x Average Customer Lifespan

- ## CUSTOMER CHURN RATIO

Many users, who are mostly college students, have a combination of behaviour and motivation. Some students take their job search seriously from the start of college, devoting time to academics and creating a professional presence. Some students are enthusiastic but unable to perceive the immediate relevance of academic courses, so they network with college seniors to learn about the pathways they took to develop strong profiles and placement prospects.
Student-run bodies are an important group to target. Corpkeeda's ultimate objective is to
build a loyal group of users and retain its users, which at present was a major issue. The churn rate or rate of attrition here measures the percentage of customers that it lost in a given period owing to different factors. The startup is free to determine the period over which it seeks to determine its churn rate.

Customer Churn Ratio = (Customers Lost in a Period / Total Customers at the Start of the Period)

It is critical to monitor the churn rate and develop strategies to encourage customers to do business with the company for a longer time. Strategies must be in place to ensure that customers are retained as much as possible.

The duo decided to give the following weights to the parameters. The table below shows the weights assigned by them to different parameters.

Parameters	Weights
ARPUPM	0.29
Stickiness Ratio	0.34
CCR	0.37

CUSTOMER ACQUISITION STRATEGIES

Corpkeeda has been continuously applying new acquisition techniques to expand its user base. The following are some of the new strategies that they are planning to implement after the evaluation of the relevant parameters.

1. Referral System
Every student who completes any one of the free experience projects receives an invite coupon code, which they may use to invite up to two friends to participate in experience Projects.

2. Media Ambassadors
Existing members of the Corpkeeda Community might opt to become Media Ambassadors through this referral system. All they have to do is spread the word about Corpkeeda's services through various social media handles.

3. Collaborating with Placement Committees
Corpkeeda is attempting to create a link with other universities' Training & Placement Cells, as both have the same aim of preparing students for employment. This is accomplished through cold emailing and enlisting the assistance of the Corpkeeda Student Community, which may assist the firm in contacting the Placement Cells of their various institutions.

WHAT'S EXPECTED FROM YOU

1. While Corpkeeda's free experience projects are well-known, the number of paid members (those who sign up for premium experience projects) is quite low. How can Corpkeeda boost its Premium Experience Project Conversion Rate? You'll have to evaluate the different key performance indicators and then decide the order in which the strategies have to be implemented by

associating them with the parameters stated. You can also advise adding services to the Projects to make them more appealing, or you might offer ways for converting existing members into premium users.

2. The cost of acquiring a new customer is now approximately 40 INR. How will Corpkeeda be able to reach 5000 students per month while keeping its acquisition costs around INR 20? (In the preceding question, we are addressing current students). On the other hand, the focus here should be on attracting new students).

3. What tactics can be used to reach out to the lesser-known Tier-2 and Tier-3 cities and institutions, given their low social media presence?

4. What are the several other ways that Corpkeeda may make money off of its platform?

CASE SOLUTION

Problem Statement 1)

While Corpkeeda's free experience projects are well-known, the number of paid members (those who sign up for premium experience projects) is quite low. How can Corpkeeda boost its Premium Experience Project Conversion Rate? You'll have to evaluate the different key performance indicators and then decide the order in which the strategies have to be implemented by associating them with the parameters stated. You can also advise adding services to the Projects to make them more appealing, or you might offer ways for converting existing members into premium users.

Solution:

(i) Increasing **MAU**(Monthly Average Users)
   ● Efficient in onboarding: Keeping customers engaged by helping them clearly understand and experience the value they'll get from your product, interactive UI to guide through the entire signing up process, no credit/debit card information required while signing up, shorter forms which ask for less information and time.
   ● Offers and incentives
     Example-

1. Access to 1 premium project after completing all the free courses.
2. Certificate after completion of premium modules (level: 3)

(ii) Increasing the **DAU** (Daily Active Users)
- Optimizing the customer's success efforts: Consistent communication and empathizing with the customer helps in understanding their end goal, and then allows one to optimize their experience with the platform. If the right support is provided for the customer, usership will increase.
- Focusing on retention: In order to increase the daily active users, one needs to identify the kind of activities and characteristics that lead to retention and device strategies around those.

(iii) Decrease in the number of users lost per month, i.e. Customer Churn Ratio(CRR)

Analysing the probable reasons like:
Price: If customers find a more cost-effective solution to the problem they want to solve, they may churn. Keeping the pricing model at par with the competitors, will make Corpkeeda more appealing to the customers.

Product: Poor product/market fit is a common reason for customer churn and speaks to the need for close sales and customer service alignment. Corpkeeda needs to analyze if they are pitching their product to the right fit of customers, if not, the result will be churn within a few months of purchase when the customer realises they can't achieve their goals using their solution.
A right fit of target customers for Corpkeeda would be:
Age group: 18-25
Income levels: Upper middle class, rich class
World view particularities and values:
- Want to save up time and resources while studying
- Optimize all the life processes in order to free time to travel for self development and personal life
- Have big ambitions and goals in life

User experience: If the user experience with software or applications is buggy, glitchy, or otherwise difficult for them, they'll be less likely to use it on a regular basis and build expertise with it.

Customer experience: Customers want to feel welcomed and valued by communities they support, and if they don't have positive experiences

interacting with your company, they won't indulge in long lasting memberships. This makes it important for Corpkeeda to maintain its marketing content, social media channels, customer support team, and account managers.
This can be done through feedback/survey, regular check in with teams, offers and incentives.

(iv) Increase in conversion rate of **MAU** to **paid users**
- Introducing more features in the premium projects

In order to retain customers, new features can be added to the existing model of Corpkeeda:

Free Virtual Experience Plans	Premium Virtual Experience Plans
Videos that include advertisements	Ad-free videos
No certificate of completion	Certification of completion
No access to mentorship from industry professionals	Access to mentorship from industry professionals
No access to specialization courses.	Access to specialization courses in the selected domain.

Projecting advertisements on free Virtual Experience plan videos would be an additional source of revenue for Corpkeeda.
- Diversifying in services that are currently being provided, by delving into specialization for the existing domains:

Existing projects	Specialisations
Finance	Equity research, Corporate finance, Security analysis, Portfolio management and Risk management
Management Consulting	Strategy, operations, implementation and IT

Problem Statement 2)

The cost of acquiring a new customer is now approximately 40 INR. How will Corpkeeda be able to reach 5000 students per month while keeping its acquisition costs around INR 20? (In the preceding question, we are addressing current students). On the other hand, the focus here should be on attracting new students).

Solution:

- **Using the data of existing customers, as statistics to attract new customers:**
  For instance, data consisting of region, schools, and the courses taken of the existing customers can be useful in analyzing the kind of customers we are getting and whether or not there is a pattern. Data can also comprise the responses of the feedback form in which customers can tell the convenient points for them.

- **Analysing the competitive landscape:**
  For instance, Byju's is one ed tech company that is already taking care of the needs of the high school students. It is now a giant and we need to analyse the price and selling point in comparison to ours. Also, we need to understand that they might not be assisting in job specific skills for high school right now, but with the kind of monopoly they have, they can start doing that too. Similarly, for Upgrad.

- **Collaborating with student led organisations** that are constantly looking for sponsorship opportunities. You can have a webinar session to promote your brand.

- **Drip Marketing:** Sending Bulk emails through a database that comprises of all the information and features of the premium plan with testimonials.

- **A strong social media presence** that highlights the company's growth, number of students placed, etc:
  - ➔ Paid marketing is a great start to get customer insights on track. Furthermore, we also need testimonials to be showcased in a way that are not brand centric but customer centric i.e focusing on the needs of the customers and making it relevant.
  - ➔ In terms of organic marketing, regular posts can go a long way in making a meaningful impact.
  - ➔ Make use of Instagram trends like reels in the best way possible.

➔ The founders or the team can also have live sessions wherein they can discuss with the potential customers about their queries.

➔ A webinar or a live with industry experts can also be held regularly which will be of interest to the students and indirectly promote the brand.

➔ Showcasing the diversity of customers and creating an image of an 'inclusive brand' with the use of proper aesthetics.

- **Collaborating with renowned institutions** like Deloitte, KPMG and delivering a program that teaches kids about the current corporate world responsibilities.
  For instance, you can collaborate with renowned institutions like ISB or Wharton to get partnership based content that is useful for the learners.

- **Have discounts as per the festival season**: 'New Year New You 'Discount, etc

- **The best performers incentives:** The best performers of the premium course get a chance of interning with the startup.

- **Connecting on LinkedIn with industry experts** and getting them on board as 'mentors' and have a Masterclass on a weekly basis to discuss real corporate problems depending upon their speciality.

Problem Statement 3)

What tactics can be used to reach out to the lesser-known Tier-2 and Tier-3 cities and institutions, given their low social media presence?

Solution:

- Collaborating with organisations, maybe educational centres (eg- tuition/coaching institutes, career counsellors) who already know the audience.

- Advertising through traditional means like newspapers and television.

- Making the content of the app available in regional languages.

- Pricing should be apt. Underselling massively can have a negative impact since the consumers might think the product isn't of quality. Similarly, overpricing might make the product unattractive for the consumers. Therefore, a balanced pricing strategy needs to be followed. A pricing strategy is dependent on the satisfaction of both-the customers and the sellers. Use consumer response to see what new they expect from our app and incorporate it into our model. As we already have a freemium payment method, our premium subscription should be justified through our innovative features.

- The user interface as well as the functioning of the app can be restructured and more simplified if possible. Incorporate technologies which will require less internet bandwidth for the usage of our app. Like Netflix, our videos can be made available in the AV1 format for the android devices. As also followed by Netflix, AV1 format can be incorporated in a few videos since it is not compatible on all devices. Due to av1 , lesser mobile cellular data will be consumed during the usage of our app. This may enable people from lower tier cities/ rural areas to make use of our app since Internet restrictions can act as a barrier to them. An option of downloading the videos so that they can be viewed in the offline mode can also be provided to the users.

- Understanding the needs of consumers belonging to different regions. Some consumers might be very new to the idea on which our product runs. It's important to research properly and include content which is introductory and beginner friendly.

- Make use of word of mouth. This can be done through the usage of referral incentives. Offer a cash back of 20-30% to the user if they get a new user on board.

Glossary-
- Pricing Strategy: is a tactic used by companies to appropriately price their products in a way which increases their sales and maximises their profits.
- User Interface(UI): is the space where humans interact with a computer/application.
- AV1- video coding format initially designed for video transmissions over the internet.

Problem Statement 4)

What are the several other ways that Corpkeeda may make money off of its platform?

Solution:

- **Paid advertisements**- Offer ads in between the videos. These ads can be in the form of promotion of other companies, and in return take money from those companies in helping them promote their product. Like YouTube, our startup can also further ask the users to switch to a premium paid model to avoid ads, which will help in increasing revenue.

- **Sponsored courses**- In order to make money through free courses, we can collaborate with and ask a third-party (universities or professionals) to sponsor our courses. Since free courses will almost always have a high demand and will be more attractive to users, the third parties will be able to reach more eyes and will be willing to sponsor the course for us.

- **Buy now Pay later**- Taking into account the willingness of consumers to buy a product but the disinterest in getting into the hassle of online payments/card verification, a buy now pay later method can be adopted. Simpl is one such app which follows this method. It facilitates the idea of buying anything on the internet with just 1 tap, and then paying later. This will potentially help in retaining customer base and growth in business.