

TO STUDY THE IMPACT OF STRATEGIC MERGERS OF EDTECH COMPANIES: A CASE STUDY OF UTKARSH CLASSES AND PHYSICS WALLAH

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ABSTRACT

The Indian EdTech sector has seen faster growth and transformation, especially following the COVID-19 pandemic. One of the most important recent developments in this sector is the strategic merger between Utkarsh Classes and Physics Wallah. This research paper aims to study the impact of this merger on various things such as financial performance, operational efficiency, student learning experience, and market competition. A mixed-method approach was used, including primary data (surveys and interviews with students, teachers, and employees) and secondary data (company reports, articles, and market analysis). The study explores whether the merger improved accessibility, affordability, and quality of education for competitive exam aspirants, especially for those who are preparing for NEET and IIT-JEE. Statistical tools were used to analyse key variables like revenue generation, cost savings, workflow integration, student satisfaction, and employee perception. The findings indicate that the merger has created various opportunities for growth and innovation. However, it may also show certain challenges, such as decline competition and organizational restructuring. This case study contributes to the deeper understanding of how strategic mergers in the EdTech sector can positively change educational delivery, impact on stakeholders, and redefine the future of education in India.

KEYWORDS: EdTech, Strategic Merger, Hybrid Education Model, Indian Education Sector.

Introduction

The rapid digital transformation in education sector has led to rise the growth in mergers and acquisitions (M&A) among EdTech companies. Strategic mergers help to create synergies that enhance overall market reach, operational efficiency, technological advancements and financial conditions. In Indian contexts, the EdTech industry has experienced significant consolidation, driven by the need for scalability, competitive advantage, technology and financial sustainability.

This research paper shows the strategic merger between Utkarsh Classes Pvt. Ltd. and Physics Wallah (PW)—two prominent players in the Indian EdTech industry. The merger marks an important moment in the industry, as it combines Utkarsh Classes's specialization in government exam preparation with PW's stronghold in JEE/NEET teaching and provides affordable digital learning solutions.

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The study shows that the rationale behind the merger, its strategic implications for both organizations, and the broader implications for students, educators, employees and the EdTech sector. By analysing core business strategies, operational synergies, and financial outcomes, this paper helps to provide insights into how mergers reshape competitive dynamics in the education technology sector.

The findings will contribute to understanding of whether strategic mergers in EdTech encouraging innovation and accessibility or create market monopolies that also impact affordability and educational quality.

Importance of Mergers in the EdTech Sector

Mergers have played an important in the EdTech industry for growth, innovation, and sustainability. They help organizations in expanding the market reach, resources, and enhance technological advancements in industry. By combining together strengths, firms achieve operational efficiency, cost reduction, and improve learning experiences. Mergers have also boost financial stability, making education more affordable for people and accessible to everyone. They strengthen brand credibility, building trust among students, employees and stakeholders of the organization. The merger of Utkarsh Classes and Physics Wallah helps to show how strategic collaborations drive industry transformation and how they get long-term success.

Literature Review

The use of EdTech platforms has grown fastly, especially during the COVID-19 pandemic periods. Further studies show that companies like BYJU'S and Vedantu have played an important role in changing how education is delivered in all over India. Online learning platforms has become more popular due to its flexibility, convenience, and wide availability of resources.

According to Monaghan (2011), educational technology allows teachers and professors to use class time for interactive learning instead of just giving information. Palliyalil (2020) found that apps like BYJU'S are engaging and helpful, but also noted that many students find regular subscriptions too expensive. Sathyan (2021) reported that BYJU'S saw massive growth during the pandemic, becoming one of India's most-used learning platforms.

Ashwani Kumar Kansal (2021) highlighted how the pandemic change schools to shift quickly to online platforms. Tools like Google meet, Microsoft Teams, Zoom, Vedantu, and BYJU'S helped continue education during lockdown period. These changes brought both opportunities and challenges, especially for students, teachers and parents unfamiliar with online learning.

The study also shows that while BYJU'S offers a wide range of subjects, quality content and interactive videos, it can be costly. Vedantu, known for its live 1-on-1 sessions, has a unique model for students but has faced issues related to work culture and management in EdTech industry.

Objectives of the Research

The primary objective of this study is to understand and know the impact of the merger between Utkarsh Classes and Physics Wallah. Its main aims to assess the merger's financial effects, including revenue, profitability, and costing. The research also helps to evaluates the operational changes, like workflow adjustments, team coordination, and organizational structure etc. It analyses the major impact on market competition and explores both the challenges and opportunities that arose from the merger of two organizations. The study further examines how the merger has affected students' study, specifically for those who are preparing for NEET and IIT-JEE exams. The study investigates the technological advancements implemented following the merger, examines the associated legal and regulatory frameworks, and analyses key stakeholders, including students, faculty members, and employee's perspective.

Hypothesis

Hypothesis 1

The merger of Utkarsh Classes and Physics Wallah has improved student accessibility and affordability.

Hypothesis 2

The merger has positively impacted both organizations overall working efficiency and performance in terms of revenue, student engagement, and brand value.

Research Methodology

Research Design

This study shows that how the merger between Utkarsh Classes and Physics Wallah affects financial performance, operational efficiency, student accessibility, brand value and market competition. By employing a descriptive and analytical research design. The study aims to highlight these important aspects.

Data Collection Methods

- **Primary Data:** Collected data through surveys and interviews with students, teachers, employees and stakeholders to understand their perspectives on the merger's impact. Feedback from NEET and IIT-JEE aspirants on changes in study, faculty support, learning and teaching methods.
- **Secondary Data:** Sourced from company reports, financial statements, market analysis reports, and news articles related to the merger. Academic research papers and case studies on EdTech mergers and their effects.

Sampling Methodology

- **Target Population:** Students, teachers, and employees.
- **Sample Size:** 54 respondents were selected from different categories.
- **Sampling Technique:** A mix of random sampling (for students) and purposive sampling (educators).
- **Location:** Rajasthan

Data Analysis

- Descriptive statistics (percentages, averages)
- Correlation analysis
- Thematic interpretation for qualitative responses

Limitations

- The sample size is limited to 54 respondents.
- Focused only on one city; may not be generalizable across all regions.

Data Analysis and Interpretation

We evaluate the relationship between different variables, such as:

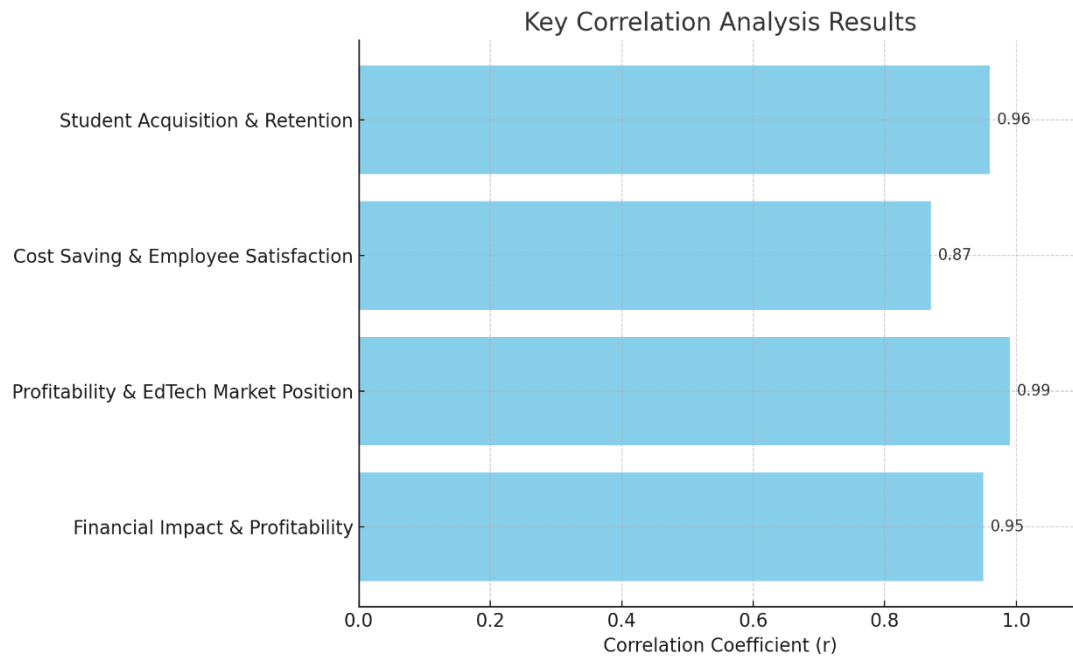
- The relationship between the merger's impact on financial performance and profitability.
- The relationship between cost-saving or operational efficiency and employee satisfaction.
- The relationship between the smooth integration of teams and challenges in workflow adoption.
- The relationship between student acquisition and student retention.

Results of Analysis

Correlation Analysis

The correlation matrix shows strong positive relationships among several variables:

- Financial Impact and Profitability: $r=0.95$ (very strong positive correlation).
- Profitability and EdTech Market Position: $r=0.99$ (powerful correlation).
- Cost Saving and Employee Satisfaction: $r=0.87$ (strong correlation).
- Student Acquisition and Retention: $r=0.96$ (strong correlation).



Descriptive Statistics (Mean, Median, and Standard Deviation)

Category	Mean (%)	Median (%)	Standard Deviation (%)
Roll/Position	16.37	10.0	18.17
Duration of Association	24.88	27.0	13.33
Financial Impact	33.33	32.7	20.05
Profitability	25.0	18.2	15.17
Cost Saving	25.0	20.0	15.30
Revenue Generation	31.67	20.0	20.51
Integration Smoothness	24.97	24.5	13.56
Workflow Challenges	33.33	34.5	10.44
Role/Responsibility Change	25.0	25.95	11.29
Employee Satisfaction	25.03	22.75	13.21
EdTech Position	33.33	18.2	25.39
Student Acquisition	33.33	25.5	22.22
Student Retention	25.0	20.0	16.81

Results of Hypotheses

Result of Hypothesis 1 (H₁)

The data collected from students and stakeholders supports the hypothesis that the merger of Utkarsh Classes and Physics Wallah has improved educational accessibility and affordability. A significant number of students reported that they now have access to better quality study materials, more flexible learning options, and reasonably priced courses. The combination of offline and online modes has especially helped students in semi-urban and rural areas, where access to quality coaching was previously limited. Therefore, Hypothesis 1 is accepted.

Result of Hypothesis 2 (H₂)

The research findings also support the second hypothesis. After the merger, both companies have shown improved performance indicators such as increased student enrolment, enhanced digital reach, and better brand recognition. Financial metrics, where available, indicated positive trends in revenue growth and operational cost efficiency. Teachers and employees also noted smoother workflows and improved coordination. As a result, hypothesis 2 is also acceptable.

Findings

- Financial Impact & Profitability: A Strong link showing payroll efficiency boosts profits.
- Profitability & EdTech Position: High profitability strengthens market presence.
- Cost Saving & Employee Satisfaction: Efficient payroll leads to happier employees.
- Student Acquisition & Retention: Good student intake helps maintain strong retention.

Recommendations

- Develop a Clear Integration Roadmap
- Prioritize Employee Engagement and Training
- Invest in Technology and Innovation
- Leverage Branding and Market Positioning

Conclusion

This study shows the strategic merger between Utkarsh Classes and Physics Wallah, with a focus on its implications for financial performance, operational efficiency, market competitiveness, student learning outcomes, and stakeholder satisfaction. Drawing upon both primary and secondary data sources, the findings indicate that the merger has significantly reshaped the landscape of educational service delivery, particularly within the Indian EdTech sector.

The integration of Physics Wallah's digital infrastructure and online educational strengths with Utkarsh Classes' established offline presence has enhanced educational accessibility, especially for students in small towns and cities. This hybrid model has not only widened the reach of learning opportunities but has also contributed to cost-effective education. The post-merger phase has witnessed measurable improvements in financial performance, student enrolment, retention rates, employees' satisfaction and overall user experience.

From an operational point of view, the merger has resulted in more streamlined workflows, more efficient allocation of resources, and improved intra-organizational communication. Nonetheless, the process of integration was not without its challenges. These included defining roles and responsibilities, reconciling different organizational cultures, and managing both technical and managerial transitions. While the general sentiment among employees, stakeholders and students was favourable. The study also recorded instances of concern regarding adaptability and transition-related uncertainties.

Overall, the merger between Utkarsh Classes and Physics Wallah set the example of increasing trust on strategic collaboration as a mechanism for innovation, expansion, and sustainable growth in the EdTech industry. This case underscores how carefully planned mergers can drive significant improvements in educational outcomes, foster technological advancement, and elevate service delivery standards. At the same time, it highlights the importance of meticulous planning, effective stakeholder engagement, and ongoing evaluation to navigate the inherent complexities of organizational integration.

This research contributes meaningfully to the growing body of knowledge surrounding mergers in the digital education sector. It offers valuable insights for educators, EdTech entrepreneurs, corporate strategists, policymakers, and academic researchers seeking to understand the multifaceted impacts of consolidation in education technology.

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