PRODUCT TEARDOWN

PhysicsWallah product teardown

Why daily users are up 26% while paid users are up 2.4%, and what to test about it.

Existing product · Lens: free-to-paid conversion · Data: FY26 and Q1 FY27 (to June 2026)

01 · PRODUCT

An existing product, a narrow lens

PRODUCT	Test-prep and exam-learning platform: app, website, YouTube and 366 offline centres
STAGE	Listed in November 2025; Q1 FY27 revenue of ₹1,054 crore
LENS	Growth, specifically how free online learners become paying students
OUT OF SCOPE	Offline centres, acquired brands such as Utkarsh and Xylem, and the FinZ loans arm

+26%

Growth in daily active users in Q1 FY27, to 40.3 lakh

Paid users +2.4% to 24.9 lakh

Online payers +2.4% to 21.5 lakh

Source: Inc42, PW Q1 FY27 results (April to June 2026).

Fast growth, smaller losses

₹3,900 cr
FY26 revenue, up 35%

5.34M
paid users in FY26, 4.87M online and 0.47M offline

40.3 lakh
daily active users in Q1 FY27, up 26%

+2.4%
growth in paid users in Q1 FY27, to 24.9 lakh

₹24 cr
FY26 net loss, down from ₹243 cr in FY25

366
offline centres in June 2026, up from 303 a year earlier

02 · MARKET

Price is the edge, share is unpublished

Player	Model	Public data
PhysicsWallah	Free YouTube funnel, app, centres	₹3,900 cr revenue, FY26
Allen	Offline coaching	None used here
Aakash	Offline coaching, now in Byju's	None used here
Unacademy	Online test prep	None used here
Byju's	Premium online packages	Packages cost tens of thousands of rupees
Test-prep market	All players	About ₹1 lakh crore (estimate)

PW's courses often cost under ₹1,000. ₹3,900 cr is about 4% of the market, an upper bound (my calculation). Source: Finshots.

03 · PROBLEM

Daily users are growing faster than paying students.

Daily active users rose 26% to 40.3 lakh in Q1 FY27, but paid users rose only 2.4% to 24.9 lakh, after 20% growth in FY26.

HOW MIGHT WE

help a free learner pick the right paid batch and keep learning, without leaning on discounts?

04 · USERS

Four learners, one to serve first

SERVE FIRST · 18 OF 20

Free-First Aspirant

Watches free lectures and hesitates to pay. The largest group, with the most room to convert.

SECOND · 15 OF 20

Drifting Subscriber

Paid for a batch, then logs in less each month. Likely not to renew.

THIRD · 13 OF 20

Anxious Parent

Pays, wants proof of results and quickly asks about refunds.

LATER · 11 OF 20

Offline Upgrader

Online user ready for a centre. A good phase 3 audience.

Scored on size, headroom, fit with the fix and strategic value (my judgement, to validate with interviews).

05 · JOURNEY

Where the journey breaks, and where to act

Stage	Pain point	Opportunity
Discover and use free	Free lectures are enough, so there is no reason to pay	Show what a paid batch adds
Consider	Many batches across 13 segments; unclear which fits	Recommend one batch from a short diagnostic
Decide and enrol	Price, faculty and trust are hard to compare	One card with price, faculty and refund terms
Learn	Doubts wait; progress is unclear	Weekly progress and fast doubt replies
Renew or leave	Students drop quietly	Spot drift early and offer a catch-up path

Journey is inferred from public data and PW's funnel description; validate with learner interviews.

Five pain points, two worth fixing first

#	Pain point	Evidence	Score
1	Free is enough	Daily users +26%, paid users +2.4% in Q1 FY27 (NEET timing is part of it)	18
2	Learning drift	33,769 dropouts in Q1 FY26 (46,019 in all FY25)	16
3	Batch choice	13 education segments; JEE, NEET and foundation are 57% of enrolments	14
4	Faculty trust	30% faculty attrition; grievance tickets near half of last year's total	12
5	Support and refunds	Complaints on public sites (anecdotal)	10

Score out of 20 on reach, severity, evidence and fit with PW's goals (my judgement). Source: Inc42.

07 · SOLUTIONS

Five ideas, one to build first

ID	Solution	How it works	Pain
A	Batch Finder	Short quiz and 10-minute diagnostic that recommend one batch on one card	1, 3
B	Starter plan	Low-priced first month for heavy free users	1
C	Drift alerts	Weekly progress, nudges and fast first doubt replies	2
D	Faculty continuity	Show the teacher; let students switch if the teacher changes	4
E	In-app help	Refund terms and request tracking in one place	5

Pain numbers refer to the pain-point table on slide 9.

RICE says build the Batch Finder first

Rank	Solution	Reach	Impact	Confidence	Effort	Score
1	A. Batch Finder	60	1	80%	3	16.0
2	B. Starter plan	50	1	60%	2	15.0
3	C. Drift alerts	40	1	70%	3	9.3
4	E. In-app help	20	0.5	80%	1	8.0
5	D. Faculty continuity	30	1	50%	4	3.8

Reach in % of monthly users; effort in person-months. Illustrative inputs, not PW data.

B scores close, but it relies on price, so it waits for phase 2.

09 · MVP

MVP: one Batch Finder, four weeks, one number

In the MVP

+ Five-question quiz: exam, class, target year, language, budget
+ 10-minute diagnostic test with a score and gap summary
+ One batch card: price, faculty, schedule, refund terms
+ Entry on the app home screen and YouTube end cards

Left out for now

– Machine-learned recommendations
– Starter plan or any new discount
– Drift alerts and faculty switching
– Offline-centre routing

09 · MVP

Test design and success criteria

Test

50/50 A/B test

Free users with 5+ sessions a week

Class 11 JEE and NEET, 2 to 3 cities

About four weeks

Win

Payment conversion up 10% or more, relative to control

Quiz completion as a leading sign

Guardrails

Refund rate

30-day retention of new payers

Average discount per order

Support tickets

Every extra 1 lakh online payers is about ₹43 crore of collections at the reported ₹4,311 per user.

Collections, not profit. ₹4,311 is PW's Q1 FY27 average collection per online user; the period it covers is not stated.

10 · GO TO MARKET

Roll out in four gated phases

PHASE 0 · 1 WEEK

Internal

Employees and a small beta group

Gate

No quiz or checkout bugs; normal load speed

PHASE 1 · 4 WEEKS

Test

Class 11 JEE and NEET users in 2 to 3 cities

Gate

Conversion up 10% or more; guardrails flat

PHASE 2 · 4 WEEKS

Expand

All JEE and NEET users, then state-board and vernacular

Gate

Lift holds across exams and languages

PHASE 3 · ONGOING

Launch

All users, with centre routing for those who fit

Gate

Weekly review of conversion, retention, refunds

To learners: “Not sure which batch? Find yours in two minutes.” In-app and on YouTube only.

10 · GO TO MARKET

Risks and when to stop

Pushes the priciest batch	Keep a price filter and show cheaper options
Students game the diagnostic	Use the score as a hint, not a gate
Rivals copy it	The edge is PW's free audience and its test data
Stop if	Refunds or support tickets rise, or conversion lift is under 3% after four weeks

TAKEAWAYS

Three things to remember

1. PW's daily users grew 26% in Q1 FY27 while paid users grew 2.4%.
2. The break is at the choice: a learner who cannot pick a batch rarely pays.
3. Test a Batch Finder first. A win is +10% conversion with refunds and retention flat.

What would you test first?

SOURCES

Sources and caveats

Sources

Inc42: Q4 FY26 and Q1 FY27 results; IPO analysis

Outlook Business: FY26 results and paid users

Storyboard18: FY25 users, YouTube reach

Finshots: IPO explained, pricing and market size

Caveats

Paid and daily-user figures come mainly from Inc42; Q1 growth is partly NEET timing

Persona, pain-point and RICE scores are my own estimates

Figures as of 13 October 2026. FY26 = April 2025 to March 2026

Thank you

Questions, or a different ranking? I'd like to hear it.