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Language Learning Network busuu Raises $6.7M From McGraw-Hill Education

Posted Jul 15, 2015 by Mike Butcher (@mikebutcher)

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Last year busuu — the social network for language learning — signed a distribution partnership with Pearson English, a newly formed business unit of the world's largest education company, Pearson PLC. It was rumoured that the startup, which has over 55 million users, then went on a hunt for new institutional funding. But it appears the company prefers to deal with these big corporates for today it announces a $6.7 million funding round from McGraw-Hill Education, a learning science company in return for a minority equity stake.

But the deal is not just for cash. McGraw-Hill will now get exclusive global rights to distribute busuu to its B2B customers, including schools, private language institutions

and corporations. While on the flip-side, McGraw-Hill Education's has adaptive learning technology which could prove useful to busuu's products. The latter has spent around $100m in developing its adaptive learning technology which is seen by some as the next wave of online learning.

busuu has consistently followed a path of eschewing large fund raises, unlike it's main competitor DuoLingo, which has raised $83.3 million in four rounds from seven Investors, most recently last month when it took in a $45 Million Series D round from Google Capital (Lead), Ashton Kutcher, Kleiner Perkins Caufield & Byers, New Enterprise Associates, Tim Ferriss and Union Square Ventures

For its part busuu has stuck to its knitting, adding as many as 100,000 users each day (it claims), on a lower burn rate. The product has a strong market presence in Brazil, Russia, China, Turkey, Germany and the U.S. and offers free and paid audio-visual language courses for 12 languages and includes direct interaction with native speakers around the world. Approximately two-thirds of busuu's users access the platform via mobile devices.

All these companies are going after the global market for language instruction, which totals $60 billion annually and is growing rapidly as the developing world comes online.

Bernhard Niesner, CEO of busuu says he is "especially excited to explore adding McGraw-Hill Education's adaptive capabilities to our platform and believe this will revolutionise the way people learn languages."

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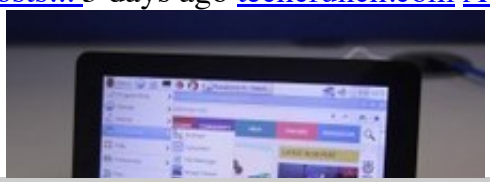

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