Skillshare's Subscription Learning Model

Idea In Short

Skillshare turns short, project-based video classes into a subscription business rather than a per-course marketplace. Founded in 2010 by Michael Karnjanaprakorn and Malcolm Ong, the New York company lets anyone teach and charges learners a monthly or annual fee for unlimited access, betting that volume and retention beat per-transaction pricing. Instructors earn from watch-time royalties instead of direct sales, which keeps the catalog growing without Skillshare negotiating individual course prices. The company has raised more than $235 million from investors including Union Square Ventures, Spark Capital and OMERS Growth Equity, and by 2024 it reported roughly $78 million in annual revenue. This article traces how Skillshare built that model, what keeps subscribers paying and where the format runs into limits against rivals like Coursera and Udemy.

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A platform built on teaching anyone, anything

Michael Karnjanaprakorn and Malcolm Ong launched Skillshare in 2010 with a simple premise: let anyone with a skill teach a class, and let anyone curious enough sign up to learn it. The site opened to the public in beta in April 2011, starting with art-focused classes in painting, photography and sketching before expanding into business, technology and entrepreneurship as its user base grew. That open-teaching structure meant Skillshare never had to build or license a curriculum from scratch. It simply had to recruit instructors and give them tools to publish video lessons.

The company crossed 100,000 enrolled users by 2012 and raised $6 million the following year to expand its team and launch a mobile app. 1 By 2015 it had introduced the subscription model that now defines the business, moving away from one-off class purchases toward a flat monthly fee for unlimited access. Registered users passed 2 million by 2017 with more than 17,000 classes live on the platform.

Turning a course marketplace into a subscription business

Skillshare's core decision was to price access, not content. Members pay a recurring fee and can take as many classes as they want, which changes the unit economics compared to competitors that charge per course. Skillshare typically offers a free trial to get new users into the habit of browsing and completing classes before the payment prompt arrives.

> The subscription model gives Skillshare a predictable revenue base that doesn't depend on convincing a shopper to buy one specific class.

This approach also shifts how instructors get paid. Rather than setting a price and collecting sales revenue directly, teachers earn royalties from a pool tied to how many minutes members watch their content. That system rewards instructors who keep students engaged over a whole course rather than those who simply attract a first click.

Instructors, not employees, build the catalog

Skillshare's content strategy relies on recruiting outside instructors rather than producing courses in-house at scale. The company vets and onboards teachers, then leaves course design largely to them, which keeps content production costs far lower than a platform that pays staff to build every class. Skillshare Originals, introduced as a smaller internally produced tier, gave the company a way to guarantee a baseline of polished content alongside the broader user-submitted catalog.

This structure has a trade-off. Because almost anyone can apply to teach, quality varies more than on platforms like Coursera that only host university-vetted material. 2 Skillshare addresses some of that variance through its own curation and by highlighting top-performing instructors, but it does not offer academic accreditation, which limits its appeal to professionals who need credentials rather than skills.

Corporate training and partnerships extend the revenue base

Skillshare for Teams, launched in 2018, opened a second revenue channel by selling bulk

subscriptions to employers who want to offer professional development without building their own training content. 3 This enterprise program lets companies license access to the existing consumer catalog rather than commissioning custom material, which keeps the sales motion closer to a software subscription than a corporate training contract.

Skillshare also partners with brands to co-create sponsored classes and content, a smaller but growing income stream that connects companies with an audience of self-directed learners. A referral program rewards existing subscribers with a free month for every paid signup they generate, a low-cost acquisition channel that leans on word of mouth instead of paid advertising.

Funding, ownership and the push for scale

Skillshare has raised more than $235 million across multiple funding rounds, including a 2020 round of $66 million led by OMERS Growth Equity. 4 Earlier backers include Union Square Ventures, Spark Capital and Amasia. The company remains privately held, with founders and investors sharing ownership rather than any single controlling shareholder.

By 2024, Skillshare reported approximately $78 million in annual revenue, up from about $68 million the year before, with more than 13 million registered users and roughly 500,000 paying subscribers. That gap between total registered users and paying subscribers illustrates the funnel challenge every freemium-adjacent subscription business faces: converting free browsers into recurring payers.

Acquiring Superpeer to keep instructors engaged

In March 2024, Skillshare acquired Superpeer, a platform for creator monetization through live sessions and digital products. 5 The deal gave Skillshare a way to let instructors host live one-on-one sessions and sell additional digital products directly to their audience, adding monetization options beyond the standard royalty pool. For a platform whose entire catalog depends on outside teachers choosing to publish there instead of on YouTube or a personal site, giving instructors more ways to earn matters for retention.

The acquisition also reflects a broader trend among subscription education platforms toward creator-economy features, where the platform's job shifts from just hosting content to actively helping instructors build an audience and income around it.

Where the subscription model runs into limits

Skillshare's biggest weakness is the same feature that makes it distinctive: charging one flat fee regardless of how much a member actually uses the platform. A user who wants a single course on a specific software tool has to pay for a full month of access, which can feel like a poor deal compared to Udemy's per-course pricing. The company also lacks the university partnerships and degree programs that let Coursera charge premium prices for credentialed outcomes.

Because Skillshare depends heavily on subscriber retention, any slowdown in new signups or increase in cancellations directly threatens the revenue base in a way that Udemy's per-course model doesn't experience as acutely. 6 The company has responded by diversifying into enterprise sales and creator tools, but its core proposition, unlimited creative learning for a flat fee, remains tied to convincing casual learners that ongoing access is worth paying for every month.

Key Partners

Skillshare's key partners include the instructors who create and publish courses, without whom the catalog would not exist. The company also works with corporate clients through its Skillshare for Teams program, brand partners who co-create sponsored content and investors including OMERS Growth Equity and Union Square Ventures who fund expansion. Referral partners, meaning existing subscribers who bring in new members, function as an informal but important extension of the partner network.

Key Activities

Skillshare's core activities center on recruiting and vetting instructors, curating the course catalog and maintaining the platform's video hosting and delivery infrastructure. The company also runs continuous marketing and user acquisition campaigns to convert free trial users into paying subscribers. Managing the royalty payment system that compensates instructors based on watch time is another ongoing operational task, as is developing new product features like live sessions following the Superpeer acquisition.

Key Resources

The platform's technology, including its video hosting, recommendation and payment infrastructure, is a foundational resource. Skillshare's instructor network and the course catalog they have built represent another core asset, since the breadth of content is what justifies the subscription price. The Skillshare brand and its community of engaged learners and teachers also function as a resource that would be costly for a new entrant to replicate.

Value Propositions

For learners, Skillshare offers unlimited access to a broad course catalog for one predictable monthly or annual fee, letting them explore creative and professional skills at their own pace. For instructors, the platform provides an existing audience and payment infrastructure so they can earn from teaching without building their own distribution. For corporate clients, Skillshare for Teams offers a ready-made professional development library without the cost of commissioning custom training content.

Customer Relationships

Skillshare maintains its relationship with learners primarily through the platform experience itself: course recommendations, community discussion features and instructor feedback on class projects. The company uses targeted email and app notifications to re-engage lapsed subscribers and highlight new content. For enterprise customers, account management supports the ongoing relationship, while instructors interact with the company mainly through the royalty and payment system introduced through Superpeer.

Channels

The primary channel is Skillshare's own website and mobile app, where users browse, enroll in and complete courses. Search engine optimization and content marketing drive organic discovery, particularly for specific skill searches. The referral program acts as a peer-to-peer distribution channel, while partnerships with brands and corporate clients extend the platform's reach into audiences it would not otherwise access directly.

Customer Segments

Skillshare serves individual learners pursuing creative and professional skills, including hobbyists, career changers and freelancers looking to build marketable abilities.

Entrepreneurs use the platform for business, marketing and finance courses relevant to running a company. Corporate clients form a separate segment through the Skillshare for Teams program, purchasing bulk access for employee development. Instructors themselves constitute a segment on the supply side, using the platform to reach students and earn royalty income.

Cost Structure

Skillshare's largest costs include instructor royalty payments tied to watch time, platform development and video infrastructure maintenance and employee salaries across engineering, content curation and sales. Marketing and user acquisition spending is a significant recurring cost given the company's reliance on converting free trial users into paying subscribers.

Revenue Streams

The dominant revenue stream is subscription fees from individual members paying monthly or annual rates for unlimited course access. The Skillshare for Teams enterprise program contributes a second stream through bulk corporate licensing. Brand partnerships for sponsored content and courses add a smaller but growing revenue source alongside the platform's referral-driven acquisition economics.

- 1Skillshare Company History And Funding Rounds
- 2Coursera's Model Of University-Partnered Courses
- 3Skillshare Expands Into Enterprise Learning
- 4Skillshare Raises $66 Million Led By OMERS Growth Equity
- 5Skillshare Acquires Superpeer To Expand Creator Tools
- 6Udemy's Per-Course Marketplace Pricing

Summary

Skillshare's wager was that people would rather pay a flat fee for breadth than shop course by course, and its subscriber base suggests enough learners agree to sustain the business. The 2024 acquisition of Superpeer, which added live sessions and direct creator payments,

signals an attempt to give instructors more reasons to stay exclusive to the platform. Still, the company competes against Coursera's university credentials and Udemy's pay-per-course flexibility, neither of which it can easily replicate without diluting its own pitch. Its bet on user-generated content keeps costs lower than accredited competitors but leaves quality control uneven across categories. Whether Skillshare expands beyond hobbyist and creative learners into more credentialed corporate training will likely determine if its growth continues at the pace investors have funded.