Quizlet Raises $20 Million to Bring More Artificial Intelligence to Its Study Tools

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Big numbers are nothing new to Quizlet, one of the most widely-used digital study tools in the United States. The San Francisco-based developer behind the platform claims more than 30 million monthly users, including 1 in 2 high schoolers, and 1 in 3 college students, in the United States. And according to one website tracker, it is among the most visited sites in the country (besting LinkedIn and Spotify).

But there's another number that also has the company excited. This week Quizlet raised an additional $20 million in a Series B round led by Icon Ventures. Other investors include Union Square Ventures, Costanoa Ventures, Owl Ventures and Altos Ventures. The company has now raised $32 million in total.

Founded in 2005, Quizlet is probably best known for its digital flashcards, built by a then-high schooler, Andrew Sutherland, who is still with the company as its chief technology officer. For the first 10 years the company remained small, and had been profitable since 2009. That was a rare feat, given that the company had not taken on any outside funding at that point.

Then in 2015, the company decided to accelerate down the venture capital route, raising $12 million in its first round of financing. At the time, Sutherland told EdSurge that he wanted to the company to "move beyond memorization" and text-based flashcards.

This latest fundraise, along with new product additions, will help the company realize those ambitions, claims Quizlet CEO Matt Glotzbach. To date, Quizlet currently has more than 200 million study sets, which are user-generated collections of flashcards, games, quizzes and other interactive activities.

A major focus of Quizlet's current efforts is an artificial intelligence-powered offering, Quizlet Learn, that creates a customized study plan, for free, for any user. Once a learner selects a study set and chooses the date by which he or she wants to master the materials, the tool then generates a unique sequence of study materials and quizzes (ranging from multiple choice to open-ended questions).

Here's where the artificial intelligence comes in. Quizlet Learn makes its recommendations based on an analysis of billions of anonymous study sessions previously done on that topic. Each week, the company processes up to 2 billion learning "transactions," defined as a sequence of question-and-answer interactions between the Quizlet program and a user, according to Glotzbach. "That's an enormous wealth of data," he adds, that informs the different learning pathways created by Quizlet Learn.

Refining the precision of this AI-powered tool will be a priority for the company says Glotzbach, who wants to "continue building our machine learning and data science team to build out models of learning that are domain-specific" to a variety of subjects, from foreign languages and chemistry to non-traditional ones like art and welding. The company plans to grow its staff from 70 to upward of 120 employees by the middle of the year.

Not all the new hires will be technical. The company is also gearing to expand its overseas presence, particularly in Western Europe and Asia, with the help of new partnership and marketing staff in these areas. Today, U.S. visitors make up about 75 percent of all of Quizlet's users, although international growth will be a focus for the company in the months ahead.

Quizlet's global ambition was one of the things that attracted Glotzbach to Icon Ventures, which traces its origins to a Tokyo-based venture capital and private equity firm, Jafco Ventures. Jafco is the biggest limited partner in Icon, and "what comes with that capital is a dedicated business and development team in Japan" along with distribution partners, says Jeb Miller, a general partner at Icon Ventures, in an interview.

Miller adds that this Series B deal is "one of the largest investments we've made in our history." Icon Ventures typically focuses on making Series B investments in the $10 million to $15 million range, in companies that are generating up to $20 million in revenue.

Like most private companies, Quizlet kept mum when pressed about its financials. Glotzbach did confirm that the company is currently not cashflow positive, despite claiming that revenue from Quizlet's subscription business "more than doubled" in 2017 from the previous year. The company offers two subscription plans for individual users (at $1.99 and $19.99 per year) as well as a $34.99 annual plan for teachers that offers additional features,

customizations and an ad-free experience.

Last year, the company unveiled a new content revenue strategy whereby content publishers pay Quizlet to make their study materials available via the platform. Glotzbach [told EdSurge last September](#) that he expects this "Verified Creators" partner program to make up 20 to 30 percent of the company's overall revenues by 2020. It is not at that level yet.

That the company is still in the red doesn't concern Miller yet. "As an investor we love that there is a diversity of revenue streams depending on which one is most effective for different segments" of Quizlet's users, he says. The company "isn't trying to monetize from younger students, but as they move onto college and continuing education there are more appropriate ways that make sense."