

# **A Comprehensive Business Analysis of Udemy.com: Model, Markets, and Monetization Strategies**

## **Executive Summary**

Udemy.com stands as a prominent global online learning platform, distinguished by its marketplace model that connects a vast network of independent instructors with an expansive base of learners. This report provides a comprehensive overview of Udemy's business, dissecting its operational framework, diverse revenue streams, and strategic market positioning. As of Q1 2025, the platform boasts 79 million learners, 85,000 instructors, and approximately 250,000 courses, underscoring its significant scale and reach.<sup>1</sup>

Udemy generates revenue primarily through course sales, employing a variable revenue-sharing model with instructors, and increasingly, through its robust Udemy Business (B2B) segment. The B2B arm, which provides subscription-based corporate training solutions, has demonstrated substantial growth, contributing 60% of total revenue in 2024 and projected to reach 75% in the near future.<sup>3</sup> This strategic pivot towards enterprise clients signifies a move towards more stable, recurring revenue streams.

The platform targets a broad demographic, including individual students, professionals seeking skill enhancement, companies, and government agencies. Its agility in responding to market trends, particularly the accelerating demand for digital and skill-based learning, and its proactive integration of AI-powered features, are pivotal to its sustained relevance. Analysis of profitable course categories reveals a strong emphasis on professional development skills (e.g., Development, IT & Software, AI/ChatGPT), which yield significantly higher instructor earnings compared to hobby-based topics.<sup>4</sup>

While the average instructor earnings are modest, a small percentage of top instructors achieve substantial income by leveraging strategies such as market gap identification, external marketing, high-quality content, and, critically, inclusion in the Udemy Business catalog. This report illuminates the dynamics of this "winner-take-all" environment, detailing the patterns that drive success on the platform and Udemy's strategic responses to the evolving online education landscape.

## **1. Introduction to Udemy.com**

Udemy.com has established itself as a leading global online learning platform, fundamentally operating on a marketplace model. This structure serves as a digital

intermediary, efficiently connecting a vast pool of independent course creators, referred to as instructors, with a diverse global audience of students, or learners.<sup>6</sup> Unlike traditional educational institutions that develop their own curricula, Udemy's core strength lies in its user-generated content (UGC) model. This framework allows any qualified individual to create, upload, and sell courses across an extensive array of subjects, ranging from technology and business to marketing, personal development, and design.<sup>6</sup> This open approach fosters a rich and constantly expanding library of specialized and niche content, catering to a wide spectrum of learning needs.

The platform's scale is a testament to its widespread adoption and global footprint. As of the first quarter of 2025, Udemy reported an impressive 79 million learners actively engaging with its content.<sup>1</sup> This substantial learner base is supported by a community of 85,000 instructors, who collectively contribute to an expansive catalog of approximately 250,000 courses.<sup>2</sup> These courses are available in 75 languages, further underscoring Udemy's commitment to global accessibility. The platform has facilitated over 900 million course enrollments to date, indicating its significant market penetration and the high demand for its offerings.<sup>8</sup> From a financial perspective, Udemy reported robust total revenue of \$786.6 million for the full year 2024. A significant portion of this revenue, specifically \$516.9 million, was attributed to its Udemy Business Annual Recurring Revenue (ARR), highlighting the growing importance of its enterprise solutions.<sup>2</sup>

The sheer volume of learners, instructors, and courses on Udemy is not merely a quantitative measure; it is indicative of a powerful network effect that underpins the platform's enduring success. In a marketplace setting, value increases exponentially with the participation of more buyers and sellers. A larger instructor base attracts more learners due to the increased diversity and depth of available content, while a growing learner base, in turn, incentivizes more instructors to join the platform, seeking to monetize their expertise. This creates a self-reinforcing, virtuous cycle that continually enhances the platform's appeal and utility. This established scale and the resulting network effect serve as a formidable competitive advantage. New platforms entering the online learning space would face significant challenges in replicating Udemy's extensive content library and its vast, engaged audience. The presence of a large existing user base also makes Udemy an inherently attractive proposition for new instructors aiming to reach a broad market, thereby continually enriching the content available and reinforcing the platform's overall value proposition. This dynamic solidifies Udemy's market position and acts as a substantial barrier to entry for potential rivals.

## 2. Udemy's Business Model and Revenue Generation

Udemy's operational framework is built upon a versatile business model that primarily revolves around its online learning marketplace, supplemented by a rapidly growing enterprise segment and other ancillary revenue streams.

### 2.1. Marketplace Model (B2C)

At its core, Udemy functions as a digital mediator, akin to e-commerce giants like eBay, facilitating transactions between independent course instructors and individual learners.<sup>7</sup> Instructors maintain autonomy in setting the prices for their courses, which typically range from \$9.99 to \$199.99.<sup>8</sup>

The primary source of income for Udemy stems from course sales, with revenue shared between the platform and the instructor. The specific revenue split is highly dependent on how the sale is initiated:

- **Udemy Organic/Marketplace Discovery:** When a student discovers and purchases a course directly through Udemy's website or mobile application without any specific promotional link from the instructor, the instructor typically receives 37% of the course price, while Udemy retains 63%.<sup>6</sup> Some reports indicate a 50/50 split for organic sales not involving coupon codes or referral links.<sup>7</sup>
- **Instructor Promotion:** If an instructor successfully drives a sale through their personal marketing efforts, such as direct affiliate links or unique coupon codes, they receive a substantial 97% share of the revenue, with Udemy collecting a minimal 3% platform fee.<sup>6</sup>
- **Paid Acquisition (Udemy's Paid Ads):** When a course sale originates from Udemy's paid advertisements on external channels (e.g., Google, Facebook), Udemy's share increases to 75% of the course revenue, with the instructor receiving 25%.<sup>7</sup>
- **Affiliate Sales:** In scenarios involving external affiliate partners, the revenue is distributed among the instructor, Udemy, and the affiliate partner.<sup>7</sup>
- **Mobile App Sales:** Sales conducted via Android and iOS devices incur an additional 30% charge from Google or Apple, which is deducted before the revenue split between Udemy and the instructor.<sup>8</sup>

This varied revenue-sharing structure is a critical component of Udemy's monetization strategy. A detailed breakdown is presented in the table below:

**Table 1: Udemy's Revenue Sharing Model**

Revenue Channel	Instructor Share (%)	Udemy Share (%)	Notes/Conditions
Instructor Promotion	97%	3%	Instructor drives sale via personal marketing/coupon code
Udemy Organic/Marketplace Discovery	37% or 50%	63% or 50%	Student finds course directly on Udemy (varies by source/coupon use)
Paid Acquisition (Udemy's Ads)	25%	75%	Sale driven by Udemy's paid advertisements (e.g., Google, Facebook)
Mobile App Sales	Varies	Varies	Subject to 30% Google/Apple charge before Udemy/instructor split
Affiliate Sales	Varies	Varies	Revenue shared with affiliate partner
Udemy Business Instructor Pool	Share of 20% pool	80%	Based on course engagement within monthly subscription revenue (reducing to 17.5% from Jan 2025) 8

Udemy's pricing strategy is characterized by its flexibility and frequent promotional campaigns. The platform regularly offers deep discounts, sometimes reducing course prices by up to 90%.<sup>6</sup> This aggressive discounting strategy is designed to drive high-volume sales, particularly during peak seasons or global events, making content highly accessible and appealing to a broad, price-sensitive audience.<sup>6</sup> While this approach maximizes market penetration and broadens the customer base, it also presents a nuanced challenge. Instructors, for instance, might earn as little as \$3 per sale on deeply discounted courses<sup>10</sup>, necessitating a significantly higher volume of

sales to achieve substantial income. This situation can also train consumers to anticipate and wait for discounts, potentially reducing full-price sales. The platform's 2016 attempt to homogenize prices and increase the average sale price initially led to a revenue drop for instructors<sup>11</sup>, highlighting the delicate balance required to manage this pricing strategy without alienating its content creators or negatively impacting overall revenue. This dynamic underscores a fundamental trade-off: the platform's desire for a "mass market" and "affordable" learning experience<sup>10</sup> versus the potential for higher per-unit earnings that instructors might achieve if they self-hosted their courses and sold them at full price.<sup>10</sup>

For learners, Udemy offers compelling value propositions, including lifetime access to purchased courses, enabling self-paced learning and the flexibility to revisit content at any time.<sup>6</sup> Upon successful course completion, students receive a certificate of achievement.<sup>7</sup> The availability of a mobile application further enhances learning flexibility, allowing users to access courses on the go from anywhere at any time.<sup>6</sup> For instructors, Udemy provides a significant opportunity to share their expertise and generate income without incurring upfront charges for course creation or uploading.<sup>7</sup> They gain access to a vast global audience and maintain full control over their uploaded content. The platform also supports instructors by providing free design tools and a dedicated instructor support team.<sup>7</sup>

While instructors are positioned as independent content creators with control over their material and the ability to earn a high share from self-promoted sales, Udemy's revenue model subtly guides their behavior and success. The varying revenue splits, particularly the lower percentages for organic and paid acquisition sales driven by Udemy, inherently incentivize instructors to either cultivate their own external audience (for the 97% share) or, more significantly, to create content that aligns with Udemy's internal promotion algorithms and, crucially, its B2B catalog. The substantial financial benefits associated with Udemy Business inclusion<sup>5</sup> compel instructors to tailor their content to meet the quality and relevance standards preferred by enterprise clients, which Udemy actively curates. This dynamic means that despite the "independent instructor" model, the financial viability for many instructors is heavily influenced by Udemy's internal mechanisms, including its algorithms, promotional strategies, and the selective process for Udemy Business. This provides Udemy with a significant degree of control over the platform's content direction and quality, ensuring that content aligns with its most profitable strategic objectives without the direct costs of employing content creators.

## **2.2. Udemy Business (B2B/Enterprise Solutions)**

Udemy Business represents a strategic enterprise-focused, subscription-based solution designed for companies to train and upskill their employees.<sup>6</sup> Organizations pay a recurring subscription fee, typically based on the number of users, granting their workforce access to a curated library of courses specifically tailored for corporate training and professional development.<sup>6</sup>

This segment has demonstrated remarkable growth, underscoring its increasing strategic importance to Udemy. In 2024, Udemy Business revenue surged by 18% year-over-year, reaching \$494.5 million.<sup>3</sup> Crucially, this segment accounted for 60% of Udemy's total revenue in 2024, a significant increase from just 18% in 2019, and is projected to contribute 75% of total revenue moving forward.<sup>4</sup> This divergence in growth rates and stated strategic intent signifies a fundamental re-prioritization. Udemy is clearly executing a deliberate and significant strategic pivot towards its Udemy Business segment, driven by the inherent stability and recurring nature of B2B revenue, which offers a more predictable and potentially higher-margin income stream compared to the transactional and often heavily discounted B2C marketplace. The COVID-19 pandemic further accelerated this trend, as companies recognized the critical need for scalable employee upskilling solutions in a rapidly changing work environment.<sup>12</sup>

For businesses, Udemy Business offers compelling value propositions, including on-demand access to highly-rated courses, 24/7 customer support, and robust administrative tools that enable companies to track employee progress, create user groups, and assign or manage courses efficiently.<sup>7</sup> This directly addresses the growing imperative for workforce upskilling and reskilling, particularly in the context of rapidly evolving demands driven by emerging technologies like generative AI.<sup>12</sup>

A portion of Udemy Business's monthly subscription revenue, specifically 20%, is allocated to an "instructor revenue pool".<sup>8</sup> An instructor's share from this pool is determined by the level of engagement (e.g., watch time) their course(s) generate within that month.<sup>8</sup> It is important to note that this revenue share for instructors is slated to decrease from 20% to 17.5% starting January 2025.<sup>8</sup> Courses that are selected for inclusion in the Udemy Business catalog earn significantly more for instructors, averaging \$2,795 per year, compared to just \$963 per year for courses not included.<sup>5</sup> Inclusion in Udemy Business is an invite-only process.<sup>5</sup> This strategic shift has profound implications for instructors and content development. Since courses included in the Udemy Business catalog earn significantly more for instructors<sup>5</sup>, there's a strong incentive for instructors to create content that aligns with corporate training needs and quality standards. This, in turn, strengthens Udemy's B2B offering, creating a positive feedback loop that further solidifies the enterprise segment's

growth and profitability.

### 2.3. Other Revenue Streams

Beyond its primary marketplace and B2B segments, Udemy diversifies its revenue through additional channels. **Udemy Pro** is a monthly subscription service priced at \$19.99 per month, specifically designed for students seeking IT certifications, providing them with unlimited access to a dedicated library of subscription content.<sup>7</sup> Additionally, Udemy generates revenue through **affiliate marketing and partnerships**. External affiliate marketers and partners promote Udemy's courses, earning a commission for every sale generated through their unique affiliate links.<sup>6</sup>

## 3. Target Market Analysis

Udemy's expansive business model is supported by a broad and diverse target market, meticulously segmented to address distinct learning needs and professional development objectives.

### Detailed Breakdown of Key Demographics

- **Students:** This forms the foundational demographic for Udemy, encompassing individuals across a wide range of age groups, educational backgrounds, and professional stages. These learners are primarily motivated by a desire to expand their knowledge in various subjects, from academic pursuits to practical skills for personal enrichment.<sup>14</sup>
- **Professionals:** A significant and rapidly growing segment comprises working professionals who leverage Udemy for continuous upskilling or reskilling. Their objectives are multifaceted: staying competitive in their current fields, exploring new career opportunities, or adapting to evolving industry demands. This demographic demonstrates a particularly strong interest in technology and business skills, which collectively account for a substantial 74.6% of all Udemy enrollments.<sup>14</sup> This indicates a clear demand for practical, career-oriented learning.
- **Companies (Udemy for Business):** Udemy actively caters to organizations of all sizes, from small businesses to large corporations, that seek to provide comprehensive training and development opportunities for their employees. Over 7,000 companies globally rely on Udemy for Business to address their workforce development needs.<sup>7</sup> This segment represents a critical shift towards enterprise-level learning solutions.
- **Government Agencies:** Another important segment of Udemy's customer base includes government bodies and agencies. These entities seek to provide



continuous learning and specialized training opportunities for their staff, aiming to enhance employee skills and capabilities in line with public sector requirements.<sup>14</sup>

### **Udemy's Market Positioning and Broad Appeal**

Udemy has successfully positioned itself as a leader within the online learning industry. Its market standing is characterized by a user-friendly platform and an exceptionally diverse course catalog, making it a go-to destination for anyone seeking to acquire new skills or enhance existing knowledge. A core strength of Udemy is its ability to cater effectively to this broad audience, serving individuals, businesses, and governments alike with tailored learning solutions.<sup>14</sup> This broad appeal is a key factor in its extensive market penetration.

### **Impact of Market Trends**

Udemy's business model is inherently agile and exceptionally well-suited to capitalize on major, accelerating shifts in the global education and workforce landscape. The platform's ability to quickly adapt to these trends is a significant competitive advantage.

- **Shift towards Online Learning:** The widespread advancement of technology and the proliferation of remote work models have driven a significant global shift towards online learning. Individuals increasingly seek flexible and convenient methods for skill acquisition, making platforms like Udemy highly popular.<sup>14</sup> Improved internet connectivity, particularly with the rollout of 4G, 5G, and broadband infrastructure, has further facilitated easier and quicker access to instructional content, breaking down geographical barriers to education.<sup>16</sup>
- **Focus on Skill-Based Learning:** Traditional education models are often insufficient to meet the dynamic demands of the modern workforce. Employers are increasingly prioritizing candidates with specific, practical skills and expertise. Udemy directly addresses this trend by offering a wide array of courses focused on high-demand skills that are immediately applicable in professional settings.<sup>14</sup> The rapid pace of technological development and industry transformation also necessitates lifelong learning, for which Udemy provides a practical and accessible means for professionals to continuously update their competencies.<sup>16</sup> This indicates that Udemy is more than just a platform for individual learning; it functions as a vital component of global workforce development infrastructure, providing a flexible, cost-effective, and on-demand solution for organizations and governments to adapt to new technologies and market demands, which traditional educational systems often struggle to provide quickly. By focusing on practical, in-demand skills<sup>14</sup> and offering solutions like Udemy Business, the



platform directly contributes to enhancing economic productivity and facilitating individual career mobility on a global scale.

- **Personalized Learning Experience:** Contemporary learners expect a personalized educational journey tailored to their individual needs and preferences. Udemy leverages data analytics and Artificial Intelligence (AI) to deliver personalized course recommendations and learning paths, thereby enhancing the overall learning experience and keeping learners engaged.<sup>14</sup>
- **Rise of Microlearning:** Microlearning, which involves delivering content in small, digestible "bite-sized" chunks, has gained popularity due to its proven effectiveness in knowledge retention. Udemy incorporates these principles into its course design, making information easier for learners to consume and retain, aligning with modern attention spans and learning preferences.<sup>14</sup>
- **Emerging Technologies (e.g., AI, VR, Data Analytics):** These advanced technologies are actively reshaping the online education landscape by improving student engagement and enabling more personalized learning experiences.<sup>16</sup> Udemy is at the forefront of this, highlighting its AI-powered features for organizations, such as AI-optimized learning paths that accelerate skill building and an AI Assistant that offers personalized guidance, breaks down complex topics, and generates quizzes.<sup>17</sup> The user-generated content model provides a crucial advantage in a fast-evolving job market. When a new technology or skill (like ChatGPT, which saw a 4,419% surge in 2023 <sup>18</sup>) emerges, instructors can quickly develop and publish relevant courses. This agility ensures Udemy remains highly relevant and attractive to its diverse target market, from individual learners seeking career advancement to large enterprises aiming to future-proof their workforce.<sup>17</sup>

## 4. Profitable Course Categories and High Sales Volume

Understanding the most profitable course categories and those with the highest sales volume is crucial for comprehending Udemy's market dynamics and for instructors seeking to maximize their earnings.

### Analysis of Top-Performing Categories

Udemy's platform data consistently points to several categories as top performers in terms of learner engagement and sales volume:

- **Development:** This category consistently ranks among the top performers, encompassing critical areas such as Web Development (with over 14 million learners), Mobile Development, Game Development, and Data Science (attracting over 7 million learners). Programming Languages are particularly strong, with

Python standing out with an impressive 48.8 million learners, indicating immense and sustained demand.<sup>19</sup>

- **IT & Software:** This category demonstrates high demand, particularly for IT Certifications, which are often sought by professionals for career advancement. Popular certifications include AWS Certified Cloud Practitioner, AWS Certified Solutions Architect - Associate, CompTIA Security+, and AZ-900: Microsoft Azure Fundamentals.<sup>19</sup>
- **Business:** A robust category covering Entrepreneurship, Business Analytics & Intelligence (e.g., Microsoft Power BI with over 4.7 million learners, Project Management with over 4 million learners), General Management, Sales, and Project Management Professional (PMP) certifications.<sup>19</sup>
- **AI/ChatGPT:** Artificial Intelligence, particularly ChatGPT, has emerged as a "top skill" with over 4 million learners and experienced a phenomenal 4,419% surge in 2023, making it the fastest-growing skill on the platform. The demand for Generative AI courses is rapidly evolving as learners shift from conceptual understanding to practical application, indicating a critical and timely area of growth.<sup>18</sup>
- **Finance & Accounting:** This category includes Personal Finance, Investing & Trading (e.g., Short Selling, Financial Statement Analysis), and Finance Certifications. Courses on "Passive Income" are notably popular, attracting over 1.7 million learners, reflecting a strong interest in financial literacy and wealth generation.<sup>19</sup>
- **Marketing:** Key areas within marketing include Digital Marketing, Search Engine Optimization (SEO), Social Media Marketing, Branding, and Affiliate Marketing, all essential skills in the modern business landscape.<sup>19</sup>
- **Personal Development:** This category covers broad self-improvement topics such as Personal Transformation, Leadership, Career Development, and Stress Management, appealing to individuals seeking holistic growth.<sup>19</sup>

### Insights into Profitable Niches and Low-Competition Opportunities

While broad, high-demand categories like Development and IT & Software attract massive audiences, they are also highly competitive, making it challenging for new instructors to gain visibility. Research indicates that specific, less saturated sub-niches within these broader categories can be highly profitable. Examples of identified low-competition niches include Research Paper Writing, Guitar Chords, Etsy, Tax Preparation, Unreal Engine Blueprints, Speed Reading, Passive Income, and Night Photography.<sup>25</sup>

The strategy of finding a "niche of a niche" is particularly effective. For instance,

"Whatsapp for Business" is highlighted as a successful sub-niche within the broader "Whatsapp" topic, and "Regression Analysis" is a focused area within the highly competitive "Data Analytics" field.<sup>25</sup> The "Etsy" niche is cited as an excellent example where instructors can achieve success by offering a slightly different focus or unique value proposition compared to existing competitors.<sup>25</sup> Other related niche examples include eBay Selling and eBay Dropshipping, demonstrating that a specialized approach can yield significant returns.<sup>25</sup> This approach underscores that simply being in a popular category is insufficient for standing out; instructors must conduct thorough market research to pinpoint underserved areas of demand, analyzing existing competition, understanding keyword search volume on the platform, and identifying unique angles or target audiences.<sup>10</sup> By strategically focusing on a specific niche that has high demand but relatively low supply, instructors can significantly increase their course's visibility and attract a more dedicated and targeted learner base, leading to higher enrollment conversion rates, better course ratings, and ultimately, more consistent sales, even within a crowded market. This "differentiation" strategy<sup>26</sup> is crucial for new instructors to gain initial traction and for established instructors to maintain relevance and profitability.

### Average Instructor Earnings by Course Category

A significant and clear earnings disparity exists among different course categories for instructors on Udemy. This highlights the varying market value and demand for different types of skills.

- **Development** courses yield the highest average annual earnings for instructors, at approximately \$2,339.<sup>4</sup>
- **IT & Software** courses follow, with an average annual earning of around \$1,494 for instructors.<sup>4</sup>
- In stark contrast, categories such as **Music, Health & Fitness, and Lifestyle** generate significantly less, averaging only about \$350 per year for instructors.<sup>4</sup>

This pronounced difference in average instructor earnings across categories strongly suggests that courses offering directly applicable, high-demand professional skills are perceived as higher value and, consequently, generate substantially more revenue for instructors. This disparity implies that learners are more willing to pay higher prices or enroll more frequently in courses that promise tangible career advancement, improved job performance, or solutions to critical business problems. These courses are often viewed as investments with a clear return on investment. Conversely, hobby-based or general interest courses, while popular in terms of learner count, may be more susceptible to deep discounts and impulse purchases, leading to lower average revenue per enrollment. This pattern provides a clear strategic directive for

instructors: to maximize their income on Udemy, they should prioritize creating high-quality courses within high-demand technical or business categories. This strategy is further reinforced by the fact that these professional skill courses are more likely to be included in the lucrative Udemy Business catalog <sup>5</sup>, which is a key driver of instructor earnings. For Udemy, this trend validates its strategic focus on the B2B segment, as these higher-earning categories directly align with corporate upskilling needs.

**Table 2: Top Course Categories by Learner Count and Average Annual Instructor Earnings**

Category	Key Sub-Topics/Skills	Learner Count (Approx.)	Average Annual Instructor Earnings (Approx.)
Development	Python, Web Development, Data Science, Game Development	Python: 48.8M+ <sup>19</sup>	\$2,339 <sup>4</sup>
IT & Software	AWS Certifications, IT Certifications	Varies by cert	\$1,494 <sup>4</sup>
Business	Project Management, Power BI, Entrepreneurship, ChatGPT	Project Mgmt: 4M+ <sup>19</sup>	Not specified per category, but high demand
AI/ChatGPT	ChatGPT, Generative AI, Machine Learning	4M+ <sup>19</sup>	High, as a trending skill
Finance & Accounting	Passive Income, Investing & Trading, Financial Analysis	Passive Income: 1.7M+ <sup>20</sup>	Not specified per category, but strong demand
Marketing	Digital Marketing, Social Media Marketing, Affiliate Mktg	Varies	Not specified per category, but strong demand

Personal Development	Personal Transformation, Leadership, Career Development	Varies	Not specified per category
Music	Instruments, Music Production	Varies	\$350 <sup>4</sup>
Health & Fitness	Fitness, Nutrition, Yoga	Varies	\$350 <sup>4</sup>
Lifestyle	Arts & Crafts, Home Improvement	Varies	\$350 <sup>4</sup>

## 5. Notable Instructors: Earnings and Success Strategies

While Udemy provides a platform for anyone to teach, the financial success of instructors is highly concentrated, reflecting a "winner-take-all" dynamic common in digital marketplaces. The average annual earning for an instructor on Udemy is approximately \$3,306.<sup>5</sup> However, this average masks a significant income disparity: a large majority (75%) of instructors earn less than \$1,000 per year.<sup>5</sup> Only a small fraction, specifically 1% of instructors, manage to earn a full-time income (defined as over \$50,000 per year), and merely 4% surpass the U.S. poverty line (over \$14,500 per year) from their Udemy earnings.<sup>5</sup> This disparity is further highlighted by the fact that the top 1% of instructors collectively capture over 50% of all Udemy earnings, while the bottom 50% of instructors share less than 1% of the total earnings.<sup>5</sup> This indicates that while Udemy offers an accessible platform for anyone to teach, achieving significant financial success is highly competitive and concentrated among a small elite. Factors like early entry (instructors who joined before 2020 earn more on average, \$5,400 vs. \$2,100 for new instructors <sup>5</sup>), a strong pre-existing external audience, relentless marketing efforts, and, critically, inclusion in the Udemy Business catalog are key differentiators that allow these top instructors to dominate earnings. This dynamic creates both aspiration and potential discouragement among the instructor base. It incentivizes new instructors to rigorously emulate the strategies of the top earners, but it also implies that for the majority, Udemy will likely remain a "side hustle" <sup>9</sup> rather than a primary income source, highlighting the intense competition for visibility and sales on the platform.

Crucially, courses that are included in the exclusive Udemy Business catalog yield significantly higher average annual earnings for instructors (\$2,795) compared to those not included (\$963).<sup>5</sup> This exclusivity and significant earnings differential mean

that instructors are heavily incentivized to produce content that meets the specific quality and relevance standards required for the B2B segment. The criteria for invitation (e.g., "first creator to publish a long (ideally 10+ hours) course on a brand-new topic" <sup>5</sup>) guide instructor content strategy. This creates a powerful feedback loop: instructors strive to create high-quality, enterprise-relevant content to gain access to the higher-earning B2B pool. This, in turn, strengthens Udemy's curated B2B offering, making it more attractive to corporate clients. Consequently, Udemy, through its selective inclusion process, effectively steers content creation towards its most profitable business line, directly impacting which instructors achieve substantial financial success.

### Case Studies of Successful Instructors

Several instructors have achieved remarkable success on Udemy by employing distinct strategies:

- **Phil Ebner:**
  - **Background:** A highly successful, top-rated instructor with over 3 million students.<sup>27</sup> He was featured in Forbes for his rapidly increasing earnings, reportedly pulling in \$500,000 in a previous year (prior to 2020), and was among several hundred instructors earning six figures annually in 2020.<sup>9</sup>
  - **Course Topics:** Ebner specializes in creative and technical skills, offering courses in video production, photography, art, design, digital marketing, Artificial Intelligence (AI), ChatGPT, and various Adobe software (e.g., Premiere Pro, After Effects, Lightroom, Illustrator). He also covers cloud computing platforms like Microsoft Azure and Amazon AWS, Docker, writing, and social media.<sup>27</sup> His teaching philosophy emphasizes "learn by doing" through step-by-step tutorials and project-based learning.<sup>27</sup>
  - **Strategies:** Ebner's success is attributed to his **volume and consistency**, having worked with top experts since 2012 to create numerous online courses and continuously releasing new content.<sup>27</sup> He maintains a strong **quality focus**, aiming to teach skills that enable students to "stand out from the crowd".<sup>27</sup> He also prioritizes **student support** and expands his global reach through **language translation** of his courses.<sup>27</sup>
- **Joe Parys:**
  - **Background:** Joe Parys is another top-rated instructor with over 950,000 students<sup>29</sup> and is cited as an example of Udemy's top 1% of earners.<sup>9</sup> He is the founder of "The Joe Parys Academy" and has co-authored over 97 courses.<sup>29</sup>
  - **Course Topics:** His expertise spans teaching, coaching, public speaking,



personal development, personal transformation, understanding the human mind, maximizing human potential, motivation, and goal setting.<sup>30</sup> He also offers courses in technical areas such as Web Development, Mobile Applications, and Microsoft Access Business.<sup>30</sup>

- **Strategies:** Parys emphasizes **passion and purpose-driven teaching**, aiming to help students achieve "real results" and "change your life today".<sup>29</sup> He frequently engages in **collaboration** with freelancers who possess in-demand skills, supervising course creation to ensure quality and market relevance.<sup>28</sup> A key strategy is **leveraging his external audience**, particularly his substantial YouTube following, to direct traffic to his Udemy courses, thereby reducing reliance on Udemy's internal marketplace for sales.<sup>9</sup> His **high course volume** (over 90 courses) also contributes to his broad reach and earning potential.<sup>9</sup>
- **Louise Croft (Digital Nomad Girl):**
  - **Background:** Louise Croft has developed over 40 courses, generating significant passive income from Udemy.<sup>10</sup>
  - **Course Topics:** Initially focused on fashion, makeup, and lifestyle topics, she strongly emphasizes the importance of strategic topic selection for profitability.<sup>10</sup>
  - **Strategies:** A crucial part of her strategy involves thorough **market gap identification**, researching existing courses to identify underserved niches or unique angles (e.g., shorter, more detailed, more professional, or targeting a different audience) where her courses could stand out.<sup>10</sup> She meticulously conducts **keyword research** to assess realistic ranking potential, targeting keywords with less than 1,000 results and around 30 reviews for top search positions.<sup>10</sup> Her primary objective is to generate **passive income** while ensuring her courses remain mass-market and affordable globally.<sup>10</sup> Her **high course volume** contributes to her substantial passive income.<sup>10</sup>
- **Maggie (Computer Scientist & Marketer):**
  - **Background:** Maggie successfully transitioned from an advertising employee to an entrepreneur through Udemy. Her initial earnings were modest (\$200 per month after her second course), but her determination led to significant growth. She now has over a dozen courses and nearly 39,000 learners.<sup>31</sup>
  - **Course Topics:** After initial courses, she found significant success with courses on Adobe After Effects, which provided the necessary boost to her earnings.<sup>31</sup>
  - **Strategies:** Maggie's success is a testament to **persistence and hard work**, overcoming initial self-doubt, anxiety, and fluctuating income through relentless effort.<sup>31</sup> She actively **sought advice and engaged with the**

**instructor community**, reaching out to best-selling instructors for tips and encouragement.<sup>31</sup> She diligently pursued **continuous learning and research**, reading Udemy articles and taking Udemy courses herself to learn about optimizing her courses using Search Engine Optimization (SEO).<sup>31</sup> She developed and executed a comprehensive **proactive marketing strategy**, including cross-promotion of her courses to existing learners and launching a YouTube channel with free tutorials, where she offered coupons to subscribers.<sup>31</sup> She also understands the importance of regularly **updating and maintaining courses** to ensure their relevance and quality.<sup>8</sup>

### Patterns that Indicate What Sells Well on the Platform and Why

Several patterns emerge from the success stories and market data, indicating what drives sales and profitability on Udemy:

- **High-Demand Professional Skills:** Courses in Development, IT & Software, and Business, particularly those addressing emerging technologies like AI/ChatGPT, consistently demonstrate high learner counts and significantly higher average instructor earnings.<sup>4</sup> This pattern arises because these skills directly contribute to career advancement and address critical business needs, making them valuable investments for both individual learners and corporate entities.
- **Inclusion in Udemy Business:** Being selected for the curated Udemy Business catalog is a powerful indicator of profitability. Courses in this catalog generate substantially higher earnings for instructors<sup>5</sup>, highlighting that corporate demand for high-quality, relevant, and vetted content is a major driver of revenue.
- **Niche Specialization within Popular Categories:** Success often comes from identifying and targeting specific, less saturated sub-topics within broader, high-demand areas (e.g., "Regression Analysis" within Data Science, "Whatsapp for Business" within general business communication). This strategy allows instructors to capture a dedicated audience and achieve higher visibility despite overall category competition.<sup>25</sup>
- **Quality and Engagement:** High-quality courses that maintain strong learner engagement (e.g., watch time, positive reviews) are fundamental for success. Quality is crucial for inclusion in Udemy Business and for achieving higher visibility in search results. Udemy is increasingly stringent on quality, even removing courses with less than a 4-star average rating.<sup>8</sup>
- **Instructor's External Marketing:** Instructors who actively promote their courses outside the Udemy platform (e.g., via social media, email marketing, personal websites, YouTube channels) can significantly boost their earnings due to the highly favorable 97% revenue share for self-driven sales.<sup>6</sup> This strategy allows

instructors to capture a larger portion of the revenue generated from their own marketing efforts.

- **Volume of Courses:** While quality is paramount, successful instructors often build a large portfolio of courses. This increases their overall presence on the platform, enhances their authority, and multiplies their potential for enrollments across different topics.<sup>9</sup>
- **Continuous Improvement and Responsiveness:** Regularly updating course content, incorporating new information, and actively responding to learner feedback are vital strategies. This ensures courses remain relevant, maintain high ratings, and continue to attract new enrollments over time.<sup>8</sup>

**Table 3: Summary of Notable Instructor Earnings and Key Strategies**

Instructor Name	Estimated Earnings/Success Metric	Primary Course Topics/Niches	Key Success Strategies
Phil Ebner	\$500,000+ per year (pre-2020) <sup>9</sup> , 3M+ students <sup>27</sup>	Video Production, Photography, AI, Adobe Software, AWS, Docker	Volume & Consistency, Quality Focus, Student Support, Language Translation <sup>27</sup>
Joe Parys	Top 1% earner <sup>9</sup> , 950,000+ students <sup>29</sup>	Personal Development, Coaching, Public Speaking, Web Dev, Mobile Apps	Passion-driven Teaching, Collaboration, Leveraging External Audience (YouTube), High Course Volume <sup>9</sup>
Louise Croft	Significant passive income, 40+ courses <sup>10</sup>	Fashion, Makeup, Lifestyle (strategic topic choice)	Market Gap Identification, Keyword Research, Passive Income Goal, High Course Volume <sup>10</sup>
Maggie	Started \$200/month, now 39,000+ learners <sup>31</sup>	Adobe After Effects (found success), Computer Science,	Persistence, Seeking Advice, Continuous Learning (SEO), Proactive External

		Marketing	Marketing (YouTube), Course Maintenance 31
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## 6. Market Dynamics and Competitive Landscape

Udemy operates within a dynamic and increasingly competitive online education market. Its strategic positioning and inherent advantages allow it to navigate this landscape effectively.

### Udemy's Competitive Advantages

- **Scale and Content Diversity:** With over 250,000 courses in 75 languages, taught by 85,000 instructors, Udemy offers unparalleled breadth and depth of content.<sup>2</sup> This vast library caters to an exceptionally wide range of learning needs, from highly specialized professional skills to diverse hobbies and personal development interests.<sup>6</sup> This extensive catalog is a significant draw for learners and a formidable barrier for competitors.
- **Affordability and Accessibility:** Udemy's flexible pricing model, characterized by frequent and deep discounts, makes learning accessible to a global audience, particularly in emerging markets where price sensitivity is higher.<sup>6</sup> The provision of lifetime access to purchased courses and a robust mobile application further enhances flexibility and convenience for learners, allowing them to learn anytime, anywhere.<sup>6</sup>
- **User-Generated Content Model:** This decentralized content creation model is a core strategic advantage. It allows for rapid content creation and exceptional responsiveness to evolving market trends and skill demands, as independent instructors can quickly develop and publish courses on emerging topics without extensive institutional overhead.<sup>6</sup>
- **Strong B2B Focus:** The rapidly growing Udemy Business segment provides a stable and increasingly dominant revenue stream. This focus on corporate upskilling addresses a critical and expanding market need, offering a more predictable and higher-value revenue base compared to individual consumer transactions.<sup>3</sup>

### Response to Emerging Trends like Generative AI

Udemy has proactively positioned itself to capitalize on the transformative impact of Artificial Intelligence. The platform is actively marketing itself as an "AI-powered reskilling platform" <sup>1</sup>, recognizing AI not just as a popular course topic but as a fundamental driver for its future growth and a core component of its value

proposition. There has been a significant surge in demand for AI, IT, and leadership training on the platform.<sup>18</sup> Notably, ChatGPT was the fastest-growing skill in 2023, experiencing an astounding 4,419% surge in enrollments.<sup>18</sup>

Udemy's response extends beyond merely hosting AI-related courses. The platform is actively integrating AI features into its learning experience to enhance its capabilities for personalized learning, skill mapping, and efficient skill building for organizations.<sup>17</sup> This includes AI-optimized learning paths that help employees gain skills faster, an AI Assistant for personalized guidance and quiz generation, and tools like "Role Play" for practicing communication skills within hundreds of courses.<sup>17</sup> This indicates a proactive strategy to leverage AI to improve its core offering and address the "global reskilling imperative".<sup>1</sup> The platform is observing a shift in learner behavior, with workers moving from simply trying to understand generative AI to actively learning how to apply it, evidenced by growth in skills like LangChain (109%) and chatbot development (56%).<sup>18</sup> This strategic focus on AI positions Udemy to capture a significant share of the evolving workforce development market. By providing AI-powered tools and content, Udemy aims to differentiate itself and reinforce its value proposition to both individual learners and enterprise clients who are grappling with the impact of AI on their workforces.

### **Comparison with Competitors (e.g., Coursera, LinkedIn Learning)**

Udemy employs a hybrid competitive strategy, combining a low-cost, high-volume B2C marketplace with a premium, curated B2B enterprise solution. This allows it to compete effectively across different segments of the online learning market. This dual approach enables Udemy to capture a wide individual learner base through affordability and variety, while simultaneously securing higher-value, recurring revenue from corporate clients. This strategy mitigates the risk of relying solely on the volatile B2C market, especially given recent consumer revenue declines.<sup>3</sup>

When compared to key competitors:

- **Udemy vs. Coursera:**
  - **Focus:** Udemy primarily focuses on online video courses taught by industry experts, emphasizing practical professional skill-building and hobby exploration through a broad marketplace.<sup>32</sup> Coursera, in contrast, partners with universities and institutions for accredited education, offering more structured learning paths, including degrees, professional certificates, and guided projects.<sup>32</sup>
  - **Course Volume & Affordability:** Udemy boasts a significantly larger course catalog (over 250,000 courses compared to Coursera's 10,000+) and

generally offers courses at lower price points, frequently with deep discounts.<sup>32</sup>

- **Free Content:** Coursera provides more free courses (18 times more than Udemy) and offers the unique ability to audit many courses without payment.<sup>32</sup>
- **Accreditation:** Coursera's courses often lead to recognized certificates or university degrees, whereas Udemy's typically do not, though some may count towards skilled trade certifications.<sup>32</sup>
- **Instructor Model:** Udemy operates an open instructor model where almost anyone can create and sell courses, in contrast to Coursera's reliance on partnerships with universities and companies for content provision.<sup>32</sup>
- **Overall Competitive Strategy:** Udemy's model allows it to be more agile in responding to market demand for practical skills, especially with the rise of AI, by leveraging its vast instructor base to quickly create relevant content.<sup>6</sup> This positions Udemy uniquely to address both individual upskilling and large-scale corporate reskilling needs. While Coursera focuses on academic rigor and accreditation, Udemy emphasizes accessibility, practical application, and a broad, demand-driven content library. Udemy's strategic pivot to focus resources "upmarket" to better serve large enterprise customers is on track<sup>3</sup>, aiming to be the "learning company for businesses".<sup>12</sup> This differentiates it from platforms primarily focused on individual learners or traditional academic pathways.

## 7. Conclusion and Future Outlook

Udemy has solidified its position as a leading force in the global online learning landscape, driven by a robust marketplace model and a strategic pivot towards enterprise solutions. The platform's core strengths lie in its massive scale, boasting 79 million learners, 85,000 instructors, and 250,000 courses, which collectively create a powerful network effect that fosters content diversity and learner engagement.<sup>1</sup> Its flexible and affordable pricing, coupled with lifetime access and mobile accessibility, ensures broad market appeal and high sales volume.<sup>6</sup> Critically, the rapid growth and increasing revenue contribution of the Udemy Business segment (60% of 2024 revenue, projected to reach 75%<sup>3</sup>) represent a strategic shift towards more stable, recurring, and higher-value revenue streams. This agility in responding to evolving market trends and skill demands, particularly in high-growth areas like technology and AI, further reinforces its competitive advantage.<sup>18</sup>

The future outlook for Udemy appears strategically sound, with a clear prioritization of its B2B segment for sustained profitability and growth. The company's financial performance, as evidenced by its Q1 2025 results showing continued revenue growth



and significant Adjusted EBITDA expansion, indicates disciplined execution of its strategy.<sup>1</sup> The explicit declaration of a "strategic pivot to focus resources upmarket to better serve large enterprise customers"<sup>3</sup> underscores this commitment. This is not merely about expanding; it is about achieving profitable growth. Enterprise clients offer more stable, higher-margin, and recurring revenue streams compared to individual course purchases, which are often heavily discounted. This shift is critical for Udemy to achieve its financial targets, including its previously stated aim to reach adjusted EBITDA breakeven.<sup>13</sup>

Udemy will likely continue to invest heavily in curating content for Udemy Business, developing advanced AI-powered features for enterprise clients, and expanding its sales and customer success teams dedicated to the B2B side.<sup>12</sup> The consumer marketplace will remain an important channel for content acquisition and brand visibility, serving as a fertile ground for identifying popular topics and emerging instructors. However, the primary driver of future profitability will undoubtedly be the enterprise segment. This also means that instructors who align their content with enterprise needs and quality standards will find greater success and financial reward on the platform, reinforcing a symbiotic relationship between Udemy's strategic objectives and instructor incentives. As the demand for online learning and continuous skill development continues to grow globally, particularly in the era of generative AI, Udemy is well-positioned to expand its reach and profitability in the edtech market by leveraging its unique combination of marketplace scale, enterprise solutions, and AI-powered capabilities.<sup>1</sup>

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