

ANALYST REPORT

GrammarlyGO




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About Company



Grammarly was developed in 2009 as a tool to check digital grammar. The company has evolved to offer Grammarly as a desktop program, smartphone keyboard application, iPad app and web browser extension. The platform has developed to check for spelling, clarity, punctuation and grammar. Grammarly is used by over 30 million people daily and has application for personal use, business and education. Grammarly has over 900 employees with headquarters in San Fransisco California and offices in New York, Berlin, Kyiv and Vancouver.



Grammarly

Founders



Max Lytvyn
Co Founder ,
Head of Revenue



Alex Shevchenko
Co Founder, Product



Dmytro Lider
Co Founder

Product Overview: GrammarlyGO



This analysis is going to look at the newly developed (2023) generative AI writing tool GrammarlyGO. The tool is currently available in the Beta stage to Grammarly users. GrammarlyGO goes beyond proofreading to offer users prompts to write emails based on the context of personal style, tone, voice or purpose. GrammarlyGO has the ability to summarize long emails and develop its own emails with a few clicks of prompts. The ability for the tool to compose, ideate and reply based on user preference and a few clicks creates a personalized experience and can contribute to improved productivity.



Market Growth



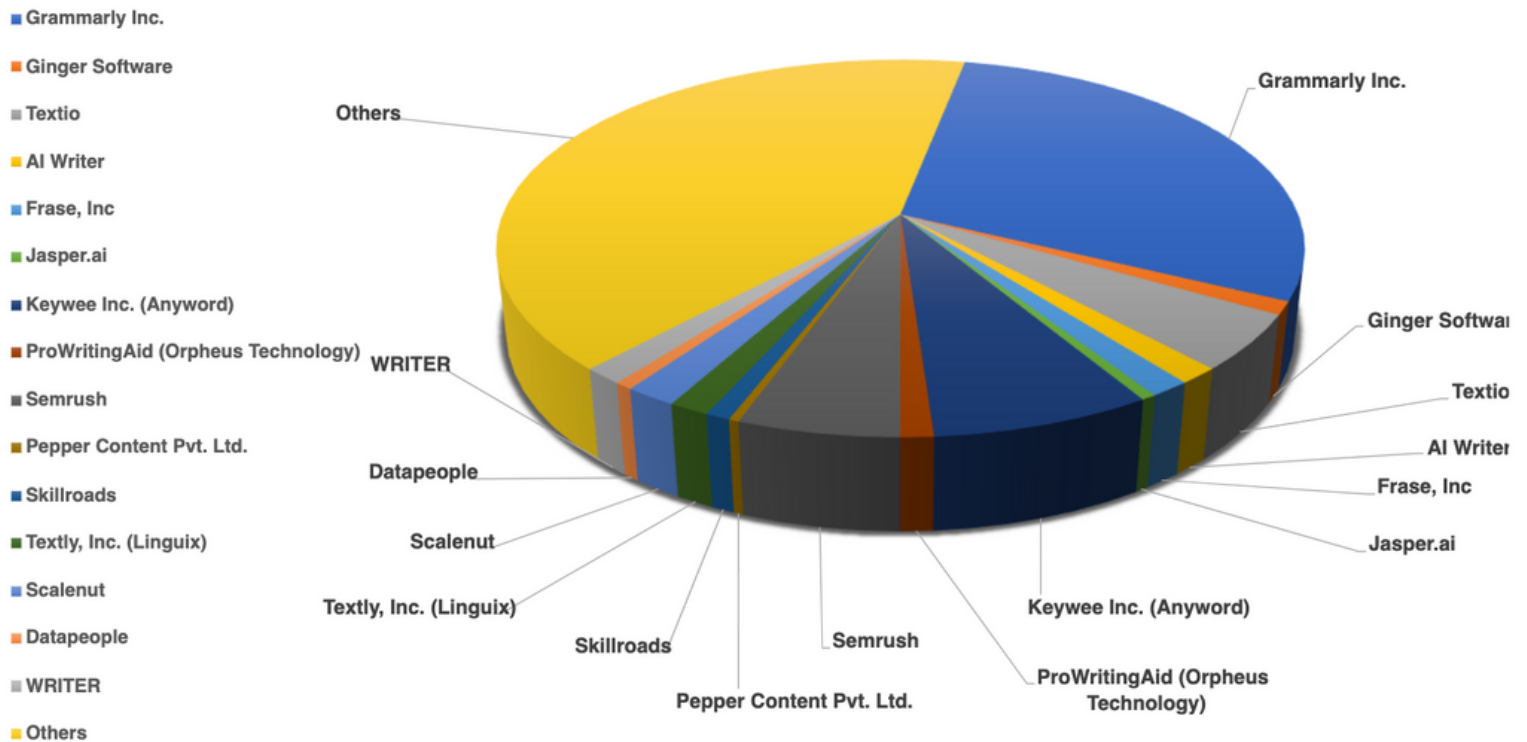
The AI Writing Assistant market is growing rapidly with a compound annual growth rate of 26.94% making this a very high-growth market. The market has an \$818 million valuation in 2021 and is projected to increase to 6.5 billion by 2030.



Market Analysis

Market Share

Global AI Writing Assistant Software Market Share Analysis, 2020



Source: Growth Market Reports

Grammarly had three rounds of private investments in 2017, 2019 and 2021 and raised a total of \$400M.

They are currently valued at \$13 billion dollars.

Grammarly holds the highest market share in the industry.



Market Analysis

Business Model

Grammarly uses a freemium model that allows users to sign up for the core functions for free. They then need to pay subscription fees to open full services.

Grammarly has 3 main customer segments including:

- Individual
- Business
- Education

Business subscriptions can be bought by an organization and provide free-to-use accounts for employees. Educational institutions can purchase accounts and make them available for students free of charge.

Grammarly also makes additional revenue by offering professional writing services by real people.

Free

Some AI text generation, basic writing suggestions, and tone detection

[Create Account](#)

Premium

10x more AI text generation, plus targeted suggestions for clarity, vocabulary, and tone

Starting at

\$12.00 USD
/ month

[Get Started](#)

Business

Everything in Premium, plus features for teams like centralized billing and style guides.

Starting at

\$15.00 USD
/ member / month

[Get Started](#)

Rationale

AI is developing at a staggering pace and influencing many parts of life including education, business and personal productivity. In 2021, approximately 4.2 billion devices used AI voice assistants with that number projected to reach 8.4 billion in 2024 (Woodward, 2023). Businesses are in a race to empower their employees with the best tools to improve their work performance and productivity. This is a big market and one that matters.

The development of Chat GPT allowed for support with writing content and summarizing lengthy emails. What sets GrammarlyGO apart is its ability to be integrated into all platforms whether an employee is writing in an internal email system, web browser or Word document. Furthermore, GrammarlyGO is built to write content from scratch, allowing an employee to power through an inbox full of emails in a fraction of the time compared to writing personal responses. GrammarlyGO is also able to identify gaps in writing, generate new ideas and improve the overall voice.

Businesses are interested in AI even more than daily consumers, “About 33% of consumers can think of AI technology they use daily, compared to 60% of business buyers” (Salesforce Research, 2019). Businesses investing in generative AI writing tools such as GrammarlyGO can help support employees by improving their productivity and giving them confidence in their professional writing ability. Based on the rapidly growing market and improvement in AI writing capabilities, I recommend an investment into this exciting and growing market opportunity.



Reflection

I had no prior experience with Grammarly or GrammarlyGO and downloaded it for the purpose of this assignment. I found it really helpful and it picked up on many errors that Microsoft Word spell check did not. I see it as useful for my personal needs but also see the benefits in commerce. The ability to quickly reply to emails in a way that is personal to the user will improve the lives of many whose task of cleaning out an inbox is a daily chore. I see this as a valuable project worth the investment when you consider the time spent communicating in the workplace.

This project did make me reflect on Grammarly for education and how AI writing tools can complicate the ideas around plagiarism. GrammarlyGO allows for pieces of writing that are composed of prompts rather than original ideas developed by the user. I think it is an excellent support tool, but see the need for proper training in educational institutions to make sure students are following proper guidelines around original work.

The advancement in AI is coming at an alarming rate and I believe the daily use of AI for most people is not far off. As far as an investment, the growth of the AI writing assistant industry is rising and Grammarly is a market leader. The implementation of GrammarlyGO makes me confident they are advancing their products to meet the needs of productivity in the workplace, education and personal lives.



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