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Your On-Demand Customers, Our On-Demand Apps.

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ARE YOU SCARED OF STARTING A COMPLETELY NEW BUSINESS MODEL?

DO YOU HAVE THE BEST BUSINESS IDEA IN MIND?

HOW BADLY DO YOU WANT TO SUCCEED?

DO YOU BELIEVE IN YOUR PLAN?

HOW MANY SLEEPLESS NIGHTS DID YOU SPEND THINKING ABOUT THAT ONE PERFECT BUSINESS PLAN?

You are not the only one with questions like these popping in your mind.

What is Uber for X?

Uber for X is a catchphrase based on the idea of providing Uber-like services for other business verticals and niches. Whatever your business idea is, the Uber for X Business Model is one business model that can help you draw customers, generate revenue, and make it big in the on-demand industry.

"Uber for X" is like a new idea for using an Uber-like platform to connect consumers with various on-demand services like food delivery, grocery delivery, beauticians, housemaids, plumbers, and security guards.

The number of "Uber for X" implementation stories show that you are in a growing world. You know how Uber has changed the way people used to commute, and you may be aware that it is a successful business model for that type of business. To create an app like Uber in another industry, you should first understand how Uber works. An Uber driver can be anyone who has a valid license, access to a car, who owns a smartphone, and who can pass a background check. Riders flag down the driver via a mobile app, which connects to the Uber dispatch and payment platform on the backend. A user's credit card details are stored on the platform to facilitate the transaction at the end of the ride. Drivers and riders are connected through Uber's platform.

What technology has to do with your on-demand business idea?

Mobile applications play a significant role in Uber for X services

On-demand mobile applications have changed service offerings scenarios. The idea is to provide Uber-like on-demand services for other daily needs, like meals on-demand, laundry on-demand, groceries on-demand, and salon services on-demand. Plenty of other on-demand apps have surfaced been developed recently to fulfill the needs of consumers.
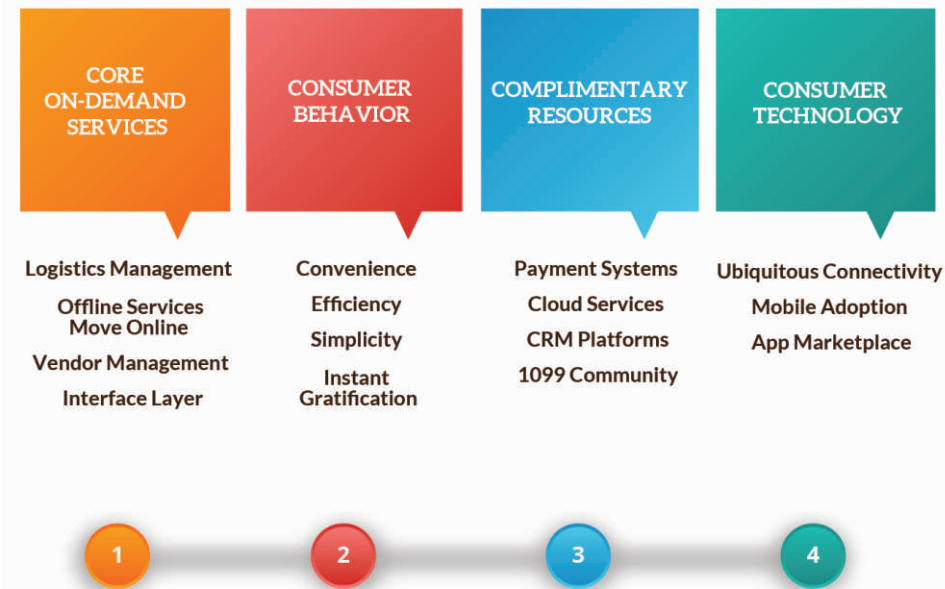
Mobile applications provide an interface through which customers can interact with service providers. If you are offering excellent services and your mobile application has the worst user interface design, get ready to lose customers.

On the contrary, if you have a good UI Design, you are most likely to retain more customers. Your app needs to be simple, easy to use, and engaging and an integral part of your business idea development.

"Your Mobile App acts as a fuel on which your On-Demand Business Idea will run."

The On-Demand Business Framework

CORE ON-DEMAND SERVICES

Logistics Management

Offline Services Move Online

Vendor Management

Interface Layer

CONSUMER BEHAVIOR

Convenience

Efficiency

Simplicity

Instant Gratification

COMPLIMENTARY RESOURCES

Payment Systems

Cloud Services

CRM Platforms

1099 Community

CONSUMER TECHNOLOGY

Ubiquitous Connectivity

Mobile Adoption

App Marketplace

1 2 3 4

"Building an excellent mobile application is as important as you think reaching out to your customers is."

Uber for X is an already developed business plan that can lead you to success. This doesn't mean you should copy the exact business model. Analyze the already existing business model and then blend your business idea with it. For instance, if you are working on an Uber for Meals business model, you need to have a robust solution that brings the best of your business in front of your customers in the most intuitively possible way.

Mobile applications are developed with immense potential as they help you grow your company to various parts of the world. This means that before you reach out to a customer, the customer already knows about you. You often only have one first impression to make to your customers, and that is via your mobile application.

Think of how Uber had to think while they were designing their app. It needed to be simple enough that people can book a ride while walking or doing other tasks. The app had to be developed with real-time monitoring, and its design needed to be minimalistic because it was going to be used on a variety of high-end to basic spec devices.

Application designing and development takes a lot of intellectual efforts, benchmarks, test cases, and most of all "Time". Many entrepreneurs' think mobile applications aren't critical enough to spend their time and money on from the start, yet that mindset can easily lead to a drastic failure of a business just starting. Your mobile application needs to stand out even more than your business idea.

To find out what your customers are expecting, roll out a Beta version first

You do not want to deliver a mobile application that does not fulfill the customer's needs the way it should be. Therefore, develop a prototype and then create a Beta testing version of your application and roll it out for public testing. Let people play with your application and don't be afraid to let them be disappointed. Those disappointments create space for opportunities. Just remember to ask for suggestions that will make them happy. Don't forget to make sure that you roll out the beta version well in advance so that you have enough time left to make improvements.

What will keep your customers engaged?

If people like your app and it fulfills their needs, they will share the app with their friends and family. However, if you don't have a referral system, you're losing an avenue to grow. Remember, the brand value can only make you download and install the app, not stay on it and use it.

How Google payments made their entrance into the Indian Market?

First, they released their payment application named as 'Tez' (now Google Pay), which in the Indian language means 'Fast' and represented how it was going to help people make faster transactions.

To popularize the Google Pay app, Google created a referral system. A user is paid a specific amount when someone installs the app with his/her referral code. This mode of referring the app to someone and earning real money brought the Google Pay app into the mainstream when digital wallets and payment apps, such as PayTm, were already famous.

"You need to learn how to use your mobile app to engage new users and stay one step ahead of your competitors."

72% of consumers trust online reviews as much as personal recommendations from real people
SEARCH ENGINE LAND

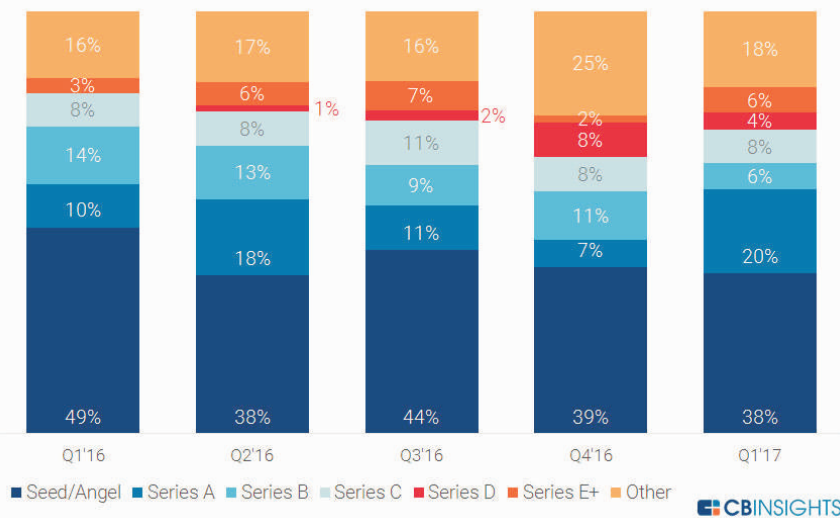**68%** of consumers go to social networking sites to read product reviews
VOCUS

90% of consumers say that positive online reviews influence their buying decisions
DIMENSIONAL RESEARCH

ON-DEMAND GLOBAL DEAL SHARE BY QUARTER
Q1'16 - Q1'17

	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17
Other	16%	17%	16%	25%	18%
Series E+	3%	6%	7%	2%	6%
Series D				8%	4%
Series C	8%	8%	11%	8%	8%
Series B	14%	13%	9%	8%	6%
Series A	10%	18%	11%	11%	20%
Seed/Angel	49%	38%	44%	7%	38%

1% 2%

■ Seed/Angel ■ Series A ■ Series B ■ Series C ■ Series D ■ Series E+ ■ Other

CBINSIGHTS

Get ready to learn from bad reviews and be motivated by good ones.

We live in a review-based society, and you need to listen to your target audience if you want to grow your business. You not only have to respond to the reviews, but you need to understand what those reviews are implying.

What are the different issues? How can you improve your mobile application? What features are appreciated, and which are criticized by the users? When you go to the app store to download and install an app, you often read at least a few reviews first and download it only if it has ratings above four stars. If it is not to your liking, you will likely install another similar one. Those reviews matter a lot to a business and that is why your app needs to stand out and make an impact. You also need to create hype about the service you are bringing on the market through your app. This will eventually lead to more downloads and more user reviews.

Staying up-to-date is going to result in much faster growth

Your mobile application is one of the most important intangible assets that you need to manage to provide tangible services. Technology changes almost every second because it focuses on improving the user experience. Thus, you need to stay up to date and embrace today's technology when developing your app to deliver outstanding services.
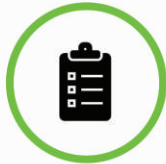
Booking Module

Scheduling a delivery

Ordering on-the-go

Tracking the delivery status

In-app Payments

Keeping track of the shopping list

Real-time calls and messages

Geo location integration

Why following the Uber for X business model brings in a profit.

With the Uber for X business model, customer acquisition is easy and hassle-free. However, you need to make sure that your on-demand solution is integrated with features and functionalities that suits customers as well as the service providers. The Stakeholders in the Uber Business Model are:

Service Providers

Service providers receive two things from an on-demand business. First is money by associating themselves with the business. Second is the flexibility to work as they can work full-time or part-time, and they can decide when they want to work.

Customers

Customers receive the convenience of having the service delivered to them wherever they are. For instance, with Uber, you can hire a driver in just a few clicks to meet you at your doorstep, whether you are at a restaurant, work, or friend's house. No need to walk to a bus stop or take other public transportation.

When quality is assured, customer retention is easy

The review-based model for both customers and service providers is the best part of Uber for X businesses and helps to identify quality customers as well as quality service providers. These reviews are most likely what lead to gaining customers' trust. The customers are allowed to review the services based on different aspects.

For example, Uber rewards its customers by giving discount coupons if they review and share their experiences. Based on the reviews that cab drivers get, they receive a bonus. If the reviews are bad, and their average rating isn't maintained within company requirements, they can be suspended. You see how closely Uber watches their drivers.

Service providers are also able to rate their customers. Similarly, with an Uber for X business, you should work towards areas that you can apply similar methods so that your customers feel appreciated and your service providers feel motivated to provide great services.

Have a solid revenue model

The opportunity to earn money through an on-demand business model is enormous. Other than the fixed revenue generation model, you can include other avenues as well, such as:

Commission Earning:

You can always earn some commission from both the ends, i.e., from the customers and the service providers. However, be sure that you do not charge too much else your customers will not stay, and your service providers will not be too excited to work for you.

Subscription Fees:

Subscription methods are a great way to earn some extra revenue from your customers as well as your service providers. This can be divided into two models:

Service-based subscription model:

In this model, service providers can be restricted to a number of services they can provide in a month, such as a fixed number of rides in this package, and more. It gives a real-time stat that how much does your service providers rely on your business model.

Membership-based subscription model:

In the membership-based subscription model, service providers can choose the membership plan consisting of a number of services they can serve. Make sure, when you introduce the subscription model, the commission model is eliminated from the scenario.

Service Category Based Pricing:

You can divide your service into different categories and charge according to the type of service that is chosen. For example, you are providing a service related to beauticians. Different beauticians have certifications from different institutes. If a customer books a beautician from a more renowned institution, then the customer will be charged more.

Another way is by rating. First, allow your customers to rate the beauticians. After a specific period that allows you to gather a larger sampling of clientele, create a bifurcation of skilled, highly skilled, or any other category to rate the beauticians. This way, you can charge your customers accordingly and make a little more money. You can even pass on some of the extra income to the beauticians for motivation, splitting it.

Cancellation Fee:

A cancellation fee can be charged when either of the customer or the service provider cancels the service. Business owners keep track of such activities, and a cancellation fee can be charged to service providers if they cancel any request made by the customer. Similarly, if customers keep canceling requests, they are charged a fee the next time they cancel a request. This can help you to create a few rules to curb misuse, avoid losses, and build a strong brand image.

Surge Pricing Helps Earn More:

The niche that Uber chose took a lot of thinking. It had to be well thought out, and you must do a lot of thinking before deciding what yours will be. You cannot easily change this one thing later. Surge charging comes into play when there is a sudden increase in the demand for your services. It is a temporary situation in which prices change according to the demand of the service. If demand is high, then the prices are high. If demand is low, then the prices are lower. If your service is irresistible, then surge pricing can do wonders for you. However, work on the customers' complaints as well; playing with the customers' trust is not ethical and it could give a potential competitor room to move in.

Reaching out to your customers leads to customers reaching out to you

Uber left nothing behind when it came to marketing their ride-hailing services. It adopted various marketing models, including:

Promotional Offers: For promoting their services, Uber gives away promo codes, free rides, credits, and discounts.

Referral Model: Word of mouth still tops the list of marketing. The referral model allows the existing stakeholders to refer the mobile app to their friends and families, plus earn some credits or discounts when they sign up. This way, it provides a two-way benefit for both the users and the new customers.

You have to reach out to your customers if you want your customers to reach out to you. The more you market yourself, the more people know about what you offer and will look to you for the services you offer. The ways of reaching people can vary; you can use digital marketing techniques, place ads in newspapers, advertise at events, create TV commercials, or use special lower introductory pricing, launch promotions, placing these offers where they are visible to your target audience.

Start local and then move global

Your business should have a wide possibility for global acceptance. If you have a powerful niche, a heavy number of service providers on-board, and highly satisfied customers, all that remains is the market analysis at the global level and launching in the locations of your choice. The basic idea behind your own on-demand business should be the high demand in the marketplace at a global level, too. Only then your business can reach the level of Uber or rise even higher.

UBER FOR X BUSINESSES

- Uber for Taxi
- Uber for Tow Truck
- Uber for Courier
- Uber for Handyman
- Uber for Plumber
- Uber for Dog Walker
- Uber for Massage
- Uber for Mechanic
- Uber for Tutor
- Uber for Food Delivery
- Uber for Cleaner
- Uber for Doctor
- Uber for Mobile Repair
- Uber for Laundry

Your on-demand business idea should be unique

This field is very competitive with lots of options available. Your idea, however, should be unique and not repetitive. Keep in mind that if you want to start a business on an existing Uber for X model, you need to have strong analytics and in-depth research first. However, you should always think about expanding your business. If you succeed in one service that you were providing, try moving to another and then another. You have to think innovatively to expand.
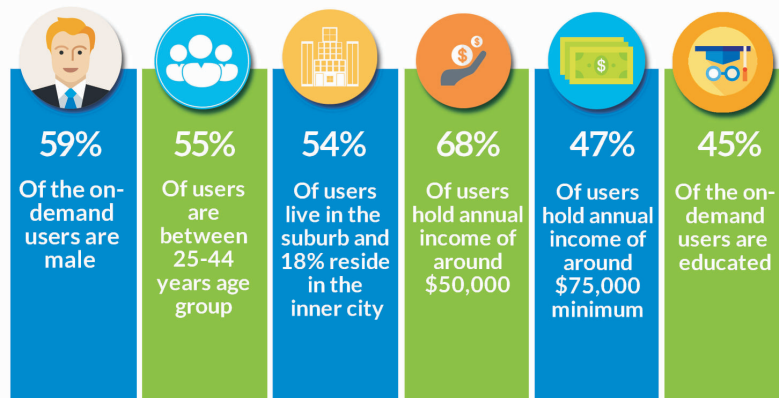
Failure stories can teach you more than success stories

The statement is true for nearly all businesses, including on-demand startups as well. Not everybody succeeded with the Uber model. There have been some Uber clone businesses who were not fortunate enough to meet the heights of even an average business. Learn from them, do some research why they failed, learn what their weak points were, and find out where could they have used a different approach. After analyzing this, make a list of what the outcomes were when their specific step was taken. Now, all you have to do is not to make the same type of mistakes.

"The internet makes human desires more easily attainable. In other words, it offers convenience. Convenience on the internet is basically achieved by two things: speed, and cognitive ease. If you study what the really big things on the internet are, you realize they are masters at making things fast and not making people think."

— Ev Williams, Twitter co-founder.

On-Demand Users Category

| 59%	55%	54%	68%	47%	45%
Of the on-demand users are male	Of users are between 25-44 years age group	Of users live in the suburb and 18% reside in the inner city	Of users hold annual income of around $50,000	Of users hold annual income of around $75,000 minimum	Of the on-demand users are educated

Worldwide Statistics

The On-Demand Economy is defined as the economic activity created by technology companies to fulfill consumer demand by providing people with immediate goods and services. The number of companies, the categories represented, and the growth of the industry is expanding at an accelerating rate. The businesses in this new economy represent the investment of years of technological innovation and the evolution in consumer behavior.

People have seen impressive results by applying the "On-Demand Economy" model. That is one reason why it is so popular:

The typical consumer's behavior is changing. Immediate access to messaging, e-mail, media, and other online functionality through smartphones has generated a sense of entitlement to fast, simple, and efficient experiences.

A survey of 250 Whole Foods and Trader Joe's customers conducted by The On-Demand Economy highlights that the "convenience of delivery" was the overwhelming determinant in consumers' decision to purchase groceries online.

Reasons For Trying Online Grocery Shopping
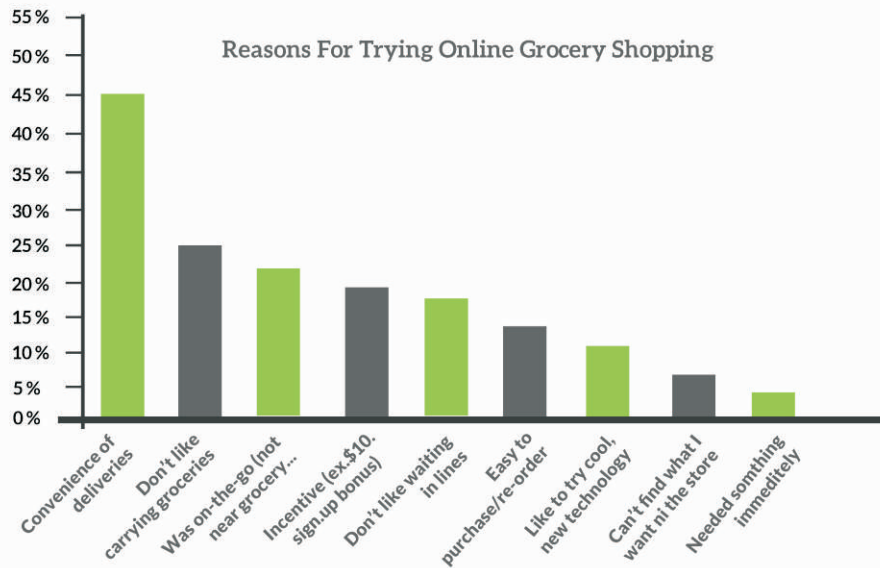
The factors that shape the future of the on-demand apps are:

- **Convenience** – Services that are convenient to choose and order quickly

- **Nearby Availability of Services** – Services within reach to access swiftly

- **Time Punctuality** – Availability of services within the given time

- **Quality of product or services** – Quality services win the trust of people

- **Cost-efficiency** – Services that are affordable to common people will become more popular

- **Quick and Easy Payment Mode** – Trouble-free payment option enhances the user experience in buying products or services, pleasingly

- **Awareness of Services** – People should be aware of the accessibility of on-demand services to make it reachable to everyone who is looking for such services

Whether it is the ease of scheduled deliveries or the corresponding reduction in the time required, the study showed that the on-demand economy's growth is a product of increasing demand in greater convenience, speed, and simplicity.

User Journey on an On-Demand Platform

Source: JungleWorks
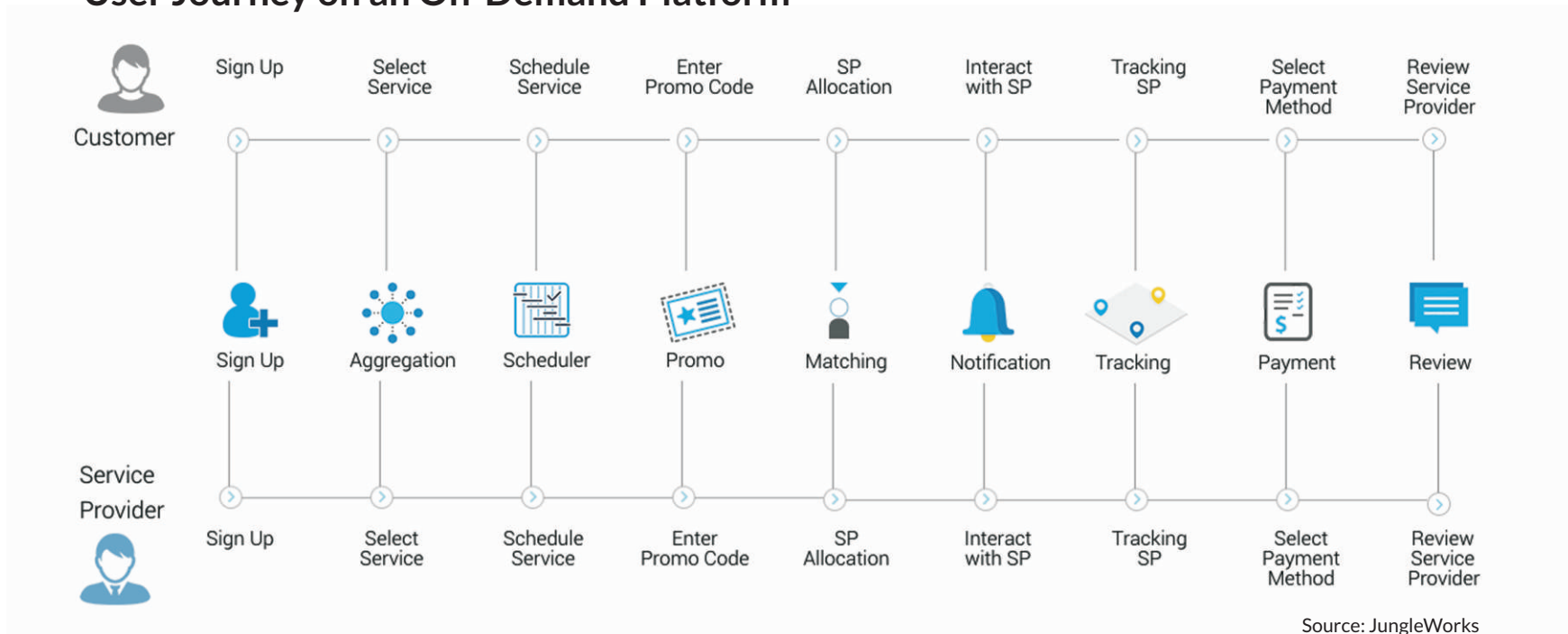
The on-demand concept is not new. Companies like Webvan and Kozmo attracted significant funding and interest as far back in the 1990s. Today's on-demand market leaders have created successful business models, which can satisfy the needs of consumers in a far more cost-effective, scalable, and efficient manner.

New on-demand businesses have more advanced technology along with the existing infrastructure. The always on, always connected "smartphone revolution" has made convenience, efficiency, and simplicity critical ingredients in purchasing decisions. Smartphone usage first became popular via messaging services, news, and gaming, and now, mobile commerce is following suit.

Purchases driven through smartphones will result in one of the most transformational shifts in consumption patterns in history. Earlier, consumers were not able to buy what they wanted at any time or with such ease. Despite the relative youth of on-demand businesses, the growth of the companies competing in this space is promising.

"The scope of On-Demand businesses is bound to scatter to various industries in the near future."

In a survey conducted by The On-Demand Economy of 18 high-profile industry, *"Influencers in grocery, home services, and local events were the most likely to experience explosive growth over the next three years."*

"It's still Day 1 for eCommerce and the on-demand economy represents the most sophisticated application of eCommerce seen to date".

-Jeff Bezos, Founder, Chairman, and CEO of Amazon

"I feel like so many existing experiences can be reinvented with the right simple gestures on mobile, and the needs and wants of Generation T (Generation Touch) are going to become the foundation of many massive companies of the future."

— Josh Elman, partner, Greylock Partners.

The model of on-demand startups seems to be highly efficient. After observing the way it has changed consumer behavioral and buying patterns, the on-demand economy lead to more startups catering other needs by offering essential services like water, delivering gas cylinders, and repairing the damaged electronic equipment.

However, the four values required to grow the already growing economy at a faster rate are speed, accuracy, convenience, and quality. It is made feasible by the genuine efforts of mobile app development companies to retain the user-friendly nature of mobile applications and provide customers with a highly satisfying experience.

What events would lead to a change in the On-Demand Economy?

Larger, more established on-demand businesses will expand their concepts into new markets while separate service providers will seek to target specific customer segments in more mature markets. Aided by the playbook of GrubHub/Seamless, Uber, and Airbnb, service providers in newer categories are anticipated to reach scale rapidly. As proven by the mergers of GrubHub/Seamless in food delivery and Handybook/Exec in-home services, consolidation will accelerate as competition grows. This trend is underscored by on-demand industry leaders who cited "new competition" as their largest concern.
(Source: https://www.businessinsider.com/the-on-demand-economy-2014-7?IR=T)

The On-Demand Economy is here to stay. It will represent the fastest and most significant shift in spending since the advent of internet commerce. This new industry and its ability to satisfy consumers increasing demand for simplicity, efficiency, and convenience is a novelty today. Tomorrow, it will be the expectation. Mobile technology, the remote controls we use to navigate our daily lives, are transaction engines that never leave our pocket. Never before consumers had this simple way to transact — and never before businesses been equipped to satisfy this mounting demand.

Case Studies
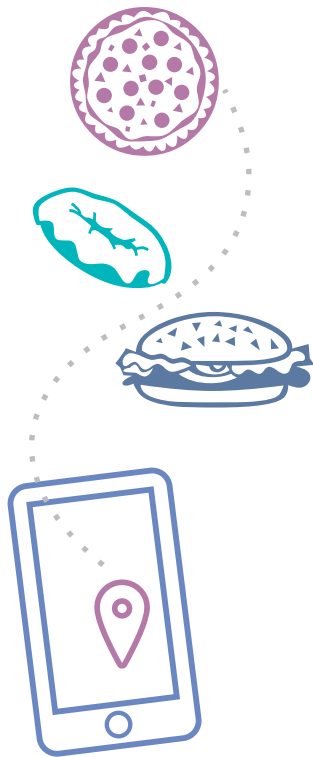
Craving food? Get it Delivered.

GrubHub:

The lion's share of this market now belongs to the Grub Hub monopoly. Started in 2004 as a restaurant meals delivery, it has quickly doubled (and then tripled) in size, acquiring the same-field players like Seamless, MenuPages, and AllMenus. GrubHub won its place under the sun due to a carefully selected target audience and strategic business model.

GrubHub's Target Audience: people who enjoy freshly cooked meals, have some extra money but do not have extra time to go out to get those meals.

Business Model: follows a less or without ownership business model. GrubHub does not own any restaurant themselves as they collaborate with the already existing ones.

Monetization: a delivery fee for each order (included into the commission 5-15% GrubHub charges for every order) + an opportunity for restaurants to advertise on their platform (featured listing option).

GrubHub is not just the only US-based on-demand food delivery app. Postmates and UberEats launched a few years later and are the main competitors on the battlefield.

Love Your Home Again.

On-demand home services now cover a wide range of household chores on which people would waste numerous hours. However, that was yesterday and yesterday is over; nowadays, we can enjoy the following conveniences through Uber for X business models. For example -

Plowz and Mowz:

The professionally trained people will take care of your backyard in the summer (mowing your lawns), in the autumn (removing the fallen leaves) and in winter, getting rid of snow. Their business model is pretty much without ownership, as they collaborate with plowmen and landscapers, providing them a stable 24-hours source of income to help in expanding their customer base.

Get Maid:

New York-based startup that finds you a professional to clean your apartment in no time. One of the main advantages Get Maid has is the security that they provide through background-checked house cleaners who are also vetted for quality. The service charge is $45 per hour and has a limit - if the cleaning was finished in 1 and a half hours, you would not be charged for the 2 hours, just for the time the worker has spent at your place.

Doctors or Spas at Your Doorstep.

Currently, you can place an order for someone to come to your home or office for services that haven't been deliverable for years. From a massage and a blow-dry to a visit from a doctor, health and beauty spheres are now accommodating the on-demand economy model as well.

"Healthcare in a Click" The Rise of Mobile Healthcare — Created by: CB INSIGHTS
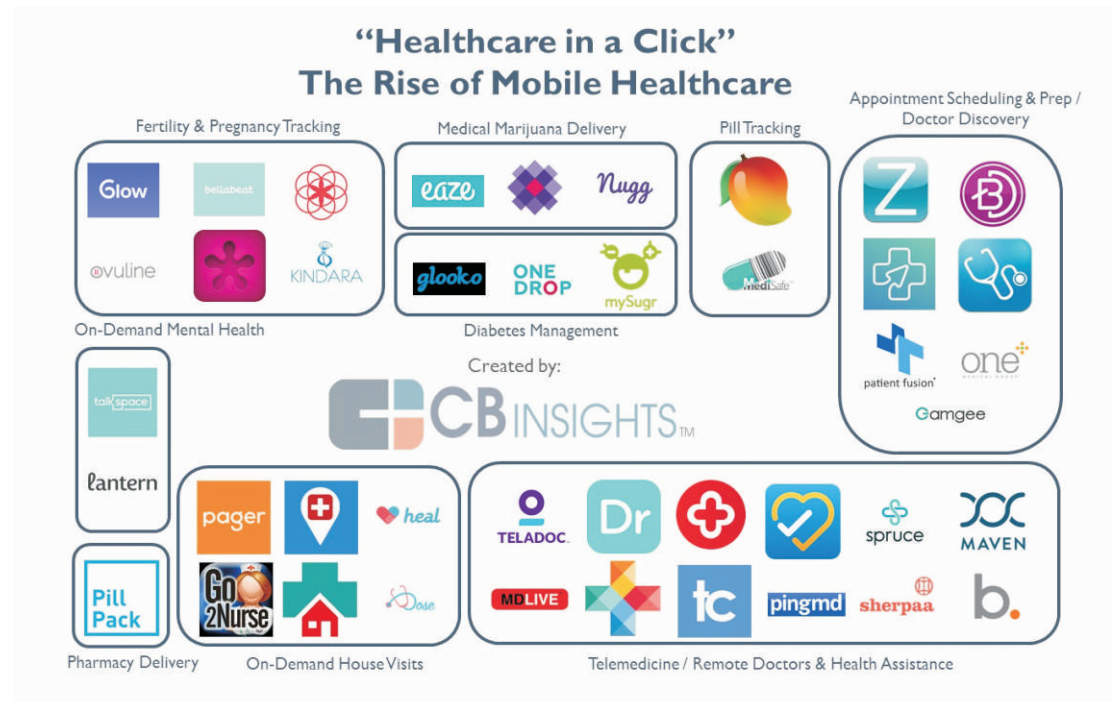
**Among the most famous on-demand health apps:**

Soothe:

This service offers on-demand massages for big companies' employees. It's not just for employees either. If you feel like having a massage, all you need to do is to open the app, place a request, and meet a qualified massage therapist at your door, often within an hour. A massage costs from $99, in which $70 goes to the therapist directly. Soothe's business model is useful for many spa therapists as they can earn thrice as much as they would while working in a brick and mortar spa. Besides, the commission they charge for their on-demand services leaves them well monetized too.

StyleSeat:

This app lets users order beauty procedures, like a haircut, blow-dry, waxing, manicure, and more, to be done at a salon, or to hire a stylist freelancer to come to them. The company's revenue streams are similar to what most of the on-demand businesses use: StyleSeat takes a commission for the booking you make, and they charge stylists for advertising on the platform. The company also earns half the price of the first client for a stylist. Despite StyleSeat being the first startup to occupy this niche, several others are invading the market these days. StyleBee, GlamSquad, and Stylisted are some of the top players.

Heal:

Heal is an on-demand doctor app where you can have a doctor head to your house when you need it, such as when your 5-year old is consistently coughing. The business model Heal adopted allows doctors to make the same money they make on seeing 40 patients in an emergency by seeing just 12 a day. The commission users pay for a "doctor call" is the type of monetization Heal stands on.
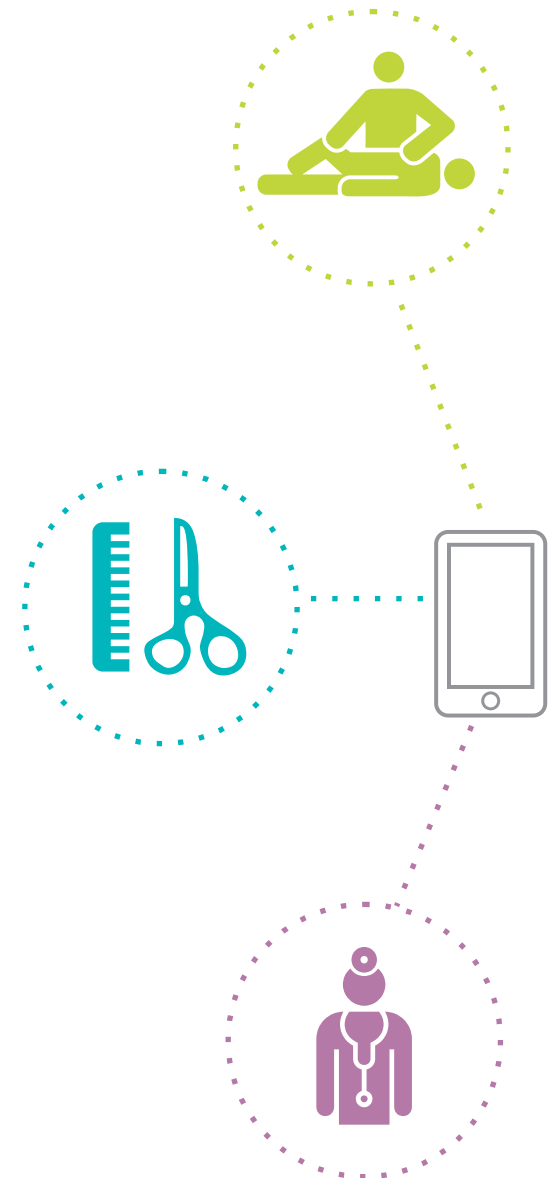
Additional Popular On-demand Business Apps

Airbnb, online rental service

Careem, a transportation network company

DoorDash, online food delivery

Lyft, a transportation network company

Postmates, delivers goods locally

TelaDoc, patients consult doctors through audio/video channels

Drizly, an alcohol delivery service

Homejoy, online maid company

ClassPass, fitness company

GrubHub, online food delivery

Handy, an online home services company

Deliveroo, an online food delivery service

Hotel Tonight, an online hotel app

Instacart, an Internet-based grocery delivery service

GoPuff, a convenience store delivery service

Frequency of services

Skills of provider

Client conversion

Client retention

Transparency

Responsiveness

Client satisfaction

Key points to keep in mind while working on your business model

We hear it quite often: "I'm building an Uber for X."

It worked great for local transportation services, so why shouldn't it work across all types of industries? Anyone should be able to get services from a service provider, and service providers should be able to get paid for what they are offering.

The problem, however, is in the execution of this idea. That is to say, technologists have been trying to use the Uber product as the exact roadmap to disrupt the entire service economy. We see this happening in an ever-increasing number of industries, from tutoring to dog walking, from home cleaning to lawn care and more. However, something is amiss since we are also seeing an increasingly growing number of "Uber for X" failures.

How skilled service providers will you need?

When you boil it all down, there are just two core attributes that need to be evaluated before building an Uber-like product for the consumer.

1. Skill: How skilled does the provider need to be to perform the services requested by the client? For example, the skill it takes to drive a passenger from point A to point B is not that demanding. Driving is something that many over the age of 18 know how to do, and as a result, the cost per mile drove does not vary depending on how extraordinary the driver is. Thus, to provide the best quality of services, you would need service providers with relevant skills, experience and the potential of a visionary.

2. Schedule: When (and how often) do the services need to be rendered to the client? There is a notion of immediacy when one says the word "on-demand." In reality, the meaning of on-demand is not necessarily "now," but "when I want it." In the taxi business, instant service (i.e., the "now") is fundamental to the service itself. Transportation services are needed when requested, and it is typically something that occurs in short spurts multiple times a day (think not just taxi, but bus, subway, and metro rail.). Uber's "tap a button for service" execution is instrumental in reaching this goal.

Utilizing the maximum potential of an entrepreneur

Every business wants the same thing: to make more money.

The most direct route to achieving that goal is to maximize utilization rates. That means ensuring that the business' calendar is full as much as possible with the highest number of customers. It is important to note that for professionals who are true entrepreneurs and want to build businesses, max utilization must be economical. If not, then they end up being part of the on-demand/sharing economy with time spent on work and income earned not being sustainable. There is a fundamental difference between an entrepreneur and a full or part-time on-demand participant. Therefore, for delivering skilled services, optimizing max utilization boils down simply to conversion and retention of customers.

How to convert your potential customers into paying ones?

The focus here must be on transparency for the service provider of (a) the service request and (b) their customer. A service provider would need quick and easy access to the details of the service request coming from the client. This leads to not only responding but the substance of their response. The response could require follow-up questions, a quote, a duration estimate, and an introductory call request. That initial response, in many cases, is the first impression a business can give to the consumer. This is very important when attempting to communicate the competency of their skillset, which ultimately leads to getting the consumer to convert to a paying client. **The response of the service provider also depends not just on the job, but also on the customer.**

- Would you be giving a lower rate if a new customer requests for a service in order to increase the likelihood of conversion?

- Will you fit a returning customer in an earlier slot on the calendar to make him happy?

- Does the service provider bypass the request in the hopes of finding a higher quality customer to fill up the time slot when encountered with a slow-paying customer?

Your brand value and market reputation will mostly depend on how the service providers cater to the end customer. If the customer is satisfied, they will spread the word about your brand name, not the service provider in specific.

"Did you investigate the on-demand startups?"

Before you start the business, be sure to do your research

Before you go ahead and start building the next "Uber for X" product, make sure you have thought through some basic variables. On the consumer side, think through what type of service industry you are trying to disrupt and where the particular said industry falls on the skill vs. urgency graph.

This will steer you towards focusing on maximizing client convenience the correct way. As for the service provider side, think through customer acquisition & retention needs and identify what balance would be needed to be optimized for the highest and most economical utilization rates. At the end of the day, if you spend more time focusing on strengthening the customer-service provider relationship, the chances of your platform's success increases manifold.

Copying the exact business model is not the solution

It is good to take inspiration and bring together multiple stakeholders in a similar fashion that Uber does, but it is not a good idea to copy it completely. Uber has its unique business model, market to target, and the audience. Whereas, your market's insight, customer problems, and the audience may be completely different from Uber. This is one of the main reasons you should not simply copy their business model, simply pick and choose various parts of it. Consider your market, target audience, and their needs and then offer a solution that suffices their needs. Moreover, you should be creative and try creating a unique one that yields results beyond your expectations.

Be scalable; else you might fail

Once you decide to choose an on-demand app for your startup, you need to be scalable, or your business may fail. However, it is also good to mention that increasing at an uncontrolled pace can lead to a business failure with tragic outcomes. For example, it would be clever to pay attention to end-users and attract more of them from different parts of the world. It is also essential that your startup is performing well in the existing market.

Are you thinking of building your own Uber for X?

Business is not about thinking of an idea, doing a bit of research and jumping in by copying the exact same business model as of Uber, No! Every Business is Unique. You can take help from other business models but you cannot succeed by merely copying them. This is not how it works. Your highest priority should be to the value that you are offering, adding something to your customers' life. We always felt a sense of security, genuineness, and care whenever we travel with Uber and this is what we mean by delivering vadding value tofor your customers and earning their trust.

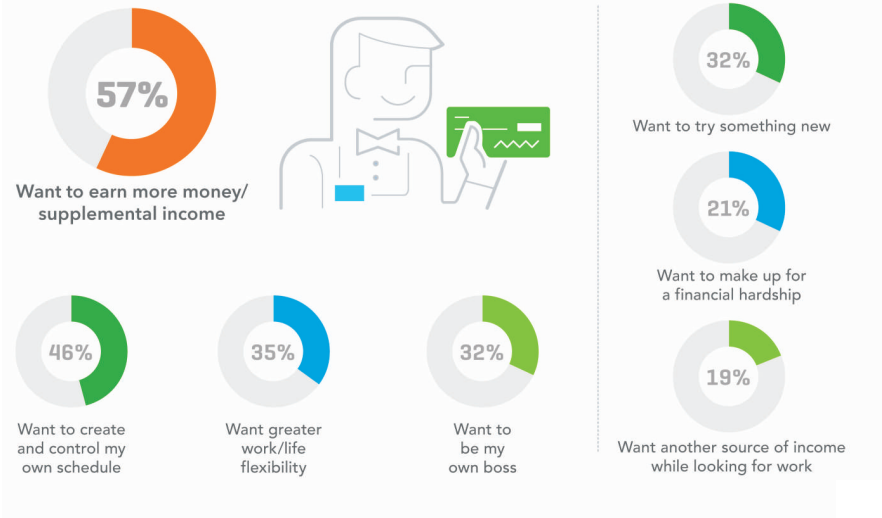**The basic principle on which Uber has defined its business model is:**

- There are two separate mobile apps - one for customers and one for service providers

- Customers request the service online and receive it offline or online.

- Service providers choose whether they will provide the service or not to specific customers, the same way customers decide whether they want the service from a specific service provider.

What are various areas to explore while working on an Uber for X Model?

- Here is the most important part of figuring out if your idea can follow this business model to achieve success or not. First, choose the category of your Uber for X idea -Uber for Delivery - deliveries from restaurants, groceries, and courier services. This is probably the widest category following the Uber model.

- Uber for Home - home care (cleaning, laundry), repair services, babysitting, dog walking and more.

- Uber for Health - a lot of apps have been appearing in this sector - specifically doctor appointments and remote consultations

- Uber for Accommodation - the biggest example for this is Airbnb.

In an Uber for X business, you should keep in mind that it is important to look both ways. Here, your customers are both the service providers and the customers who will avail of those services. You cannot cater to just one of them and keep doing business. The important part is to manage the supply and demand properly. If you do this, the work is half done.

REASONS FOR WORKING IN THE ON-DEMAND ECONOMY

57%
Want to earn more money/
supplemental income

46%
Want to create
and control my
own schedule

35%
Want greater
work/life
flexibility

32%
Want to
be my
own boss

32%
Want to try something new

21%
Want to make up for
a financial hardship

19%
Want another source of income
while looking for work

Source: Intuit Quickbooks

Why would customers be interested in your idea?

If your idea is unique and adds value to the customer as well as the service provider, people will be interested in your business idea.

How would you reach the targeted audience?

Your business is of no use if people are not aware of it. In simpler words, spreading a word about your business is very important. You can use various methods and platforms like a website, mobile app, word-of-mouth, and social media marketing to spread awareness about your business. It is important that you should somehow try to be in the limelight once or twice; it just creates the required hype of your service and increases the reach.

What would be your interaction strategy?

It is important that you decide how you are going to interact with the customer. This will be a contributing factor in deciding the cost and infrastructure setup. Here, automation is one method until and unless physical interaction is very important or unavoidable.

When you get your on-demand mobile app developed at BizzSmartz, the platform allows you to interact with the customers and update them at every step in the process of delivering your services. Utilizing high-end technology to automate simple tasks like requesting the service, accepting the requests, confirmation emails and messages for orders, payments, shipment, returns, and delivery are some of the advantages.

ON-DEMAND ECONOMY PROVIDER INCOME

On-demand economy providers report working an average of **37.3 hours per week** with about **11 hours per week** working for their primary on-demand economy partner

41%

of on-demand economy providers have either a traditional full-time job (27%) or part-time job (14%) in addition to their on-demand economy work

Additional Activities Workers Currently Engage In

33%	Work with another on-demand service provider that connects me with customers
26%	Employed in a traditional full-time job (receive a W-2)
26%	Run my own business and have no employees
19%	Care for my family
14%	Employed in one or more traditional part-time jobs (receive a W-2)
13%	Sell goods in online marketplaces
11%	Run my own business and have at least one employee or partner besides myself
9%	Full- or part-time student
5%	Work through a temporary or talent agency
5%	Retired
5%	No other sources of income

Source: Intuit Quickbooks

What revenue structure you should follow?

Your revenue structure should be feasible, for both your customers and the service providers. Don't depend on just one direction to earn money, look for opportunities where something can be done to earn a bit more. For instance, Uber has the basic idea of earning money by calculating the fare for the passenger and considering the miles or kilometers he has traveled. However, it has divided its fields into other categories as well, like Uber Go and Uber Premium, and charges accordingly. One more thing that Uber uses is the concept of surge charging, where prices change according to the demand of the service. You need to come up with some unique strategies that allow you to make some extra profit along with the basic revenue.

Realize and act upon key activities

Key activities of any business take a little time to define. The key activities of an Uber for X business would include:

- Platform development & maintenance. This is probably the most cost-intensive and important part of the business.

- Sales & marketing (including customer acquisition).

- Getting services providers & customers onboard.

INDUSTRIES	ON-DEMAND	SERVICE
Food	On-demand in-store reservations - Online table bookings	OpenTable
	Grocery delivery	Instacart
	Recipe and ingredients delivery	Blue Apron
	Hire freelance chefs to cook and deliver with delivery staff	Munchery
Healthcare	Doctor visits the patient at his location	DoctorOnDemand
Logistics	Local goods deliveries using crowdsourced workers	Postmates, Deliv
	Outstation cargo deliveries by hiring drivers who own trucks	TruckBuddy, GetWagon
Services	Temporary staffing	TaskRabbit, Shiftgig
Transportation	Cabs on demand	Uber
	Ridesharing platforms or carpool	Lyft
	Transport vehicles on demand like trucks and vans.	Cargomatic
	On-demand valet parking	Luxe

What are the key resources for your business?

The major key resource an on-demand business would need is the platform through which the consumers and the providers can connect. Keep in mind that quality matters more than you may think. Your providers should be high-end professionals who know what they are doing and are very transparent. While developing your on-demand mobile app and business website, do not copy your previous algorithms. You must come up with something new, something creative so that it helps you in building a brand that is different from others.

What does it cost to build an app like Uber?

"An app like Uber does not mean a business industry like Uber's".

You cannot calculate the exact amount that can be defined when developing an on-demand app solution for your business idea. You will have to include the cost of the design, the features included as well as the backend technologies used. Let us find out a ballpark figure to develop an app like Uber.

Remember, Uber is two apps.

To have an app like Uber you need two apps, not one – the driver app and the passenger app. This and the need for an API already increases the costs of an MVP (Minimum Viable Product). The Uber app is not very complex and scales easily, and the data is local, so you are always requesting a very limited subset from the whole database. No need for complex, Facebook-level big data algorithms and solutions.

The biggest challenge with these kinds of services is usually reliability. There are many cases when something unexpected might happen, like what would you will do if a driver or customer loses network connectivity. What if the GPS sends the wrong data (0, 0 coordinates)? What happens if a device runs out of battery or an accident occurs?

Mobile payment integration is required.

If you want to process debit or credit card payments directly from your clients, you need to be PCI-compliant or use a service such as Stripe or Braintree that partially does the job for you. You must also integrate other payment modes that are widely accepted and used by the customers such as digital wallets, online banking, and scan & pay.

> "The price of building an app like Uber's will depend on the features required, functionalities integrated, and the platform on which it will run."

Once you are past that, developing your Uber-like app moves to the next operations:

- Designs and mockups – with the storyboard feature, this can very often be done at the same time in the form of a clickable mockup.

- API – required communication between apps and passing messages to and from the "call center", aka people who supervise the operation. Needs to be developed just once for all kinds of operating systems: iOS, Android, Windows.

The cost of developing the mobile apps

The price of building an app like Uber's will depend on the features required, functionalities integrated, and the platform on which it will run. Designing the app and mock-ups is important.

- USA: $20,000 to $40,000. The hourly rate is up to around $200.

- Eastern Europe (Ukraine, Russia, Bulgaria, Czech Republic): €5,000-€10,000

- Western Europe (Switzerland/Norway/Germany): €5,000-15,000

- Asia (India, Pakistan, China, and Vietnam): Probably it is around $800-$1500.

Developing an iOS app like Uber is a tough job and quite costly

- USA: The average rate is $100-150 (the majority of these are mid-sized agencies under 50 people) but can go up to as high as $200 per hour in some cities (like Chicago).

- Eastern Europe: $25-150, with an average of $35 per hour.

- Western Europe: ~$50, it depends on factors like company size and specialization.

- Asia: Anything between $10 and $75 per hour.

It's actually 2 Apps

Service Provider's App

Customer's App

$

Payment Gateway Integration
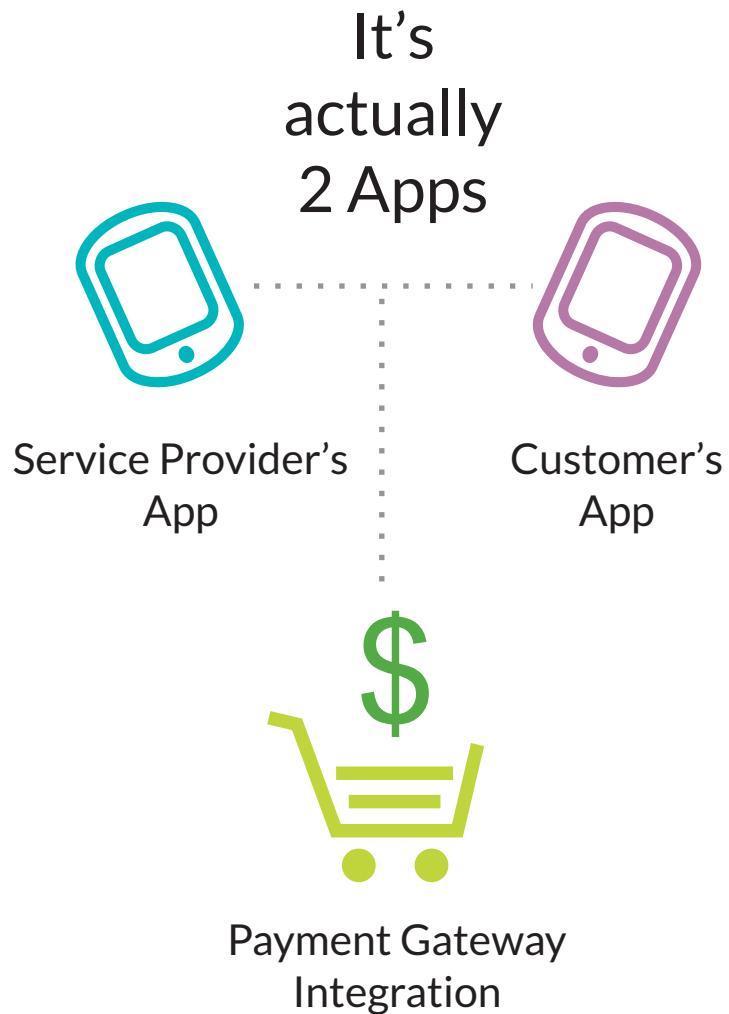
Only estimating one application is not quite right, though. There is a lot of backend magic going on behind the scenes in apps like Uber.

Rigorous Testing is also required.

Considering you need two apps, not one, and you need to be 100% sure they work before launching them for the clients, expect the total to be in the ballpark of USD $150-200k if you don't use a super-expensive agency. Keep in mind, you still need to maintain the Uber-like app, apply changes related to new interfaces, bugs fixes, rolling out new versions, SDKs, and handle client requests – so the development cost after a couple of years will be certainly much more than that.

Also, remember: – it is all about the execution, not the tech.

It is often the best salespeople with a feature-rich working product who win – not hardcore techies with cutting-edge technologies. The key to remember is that there are several variables associated with finding a feasible estimate to make an app like Uber.

Drones and driverless deliveries would be a reality

What does the future hold for the On-Demand economy?

The initial impressions of the on-demand economy were of a bubble that might burst soon. However, the number of entrepreneurs jumping into this shows that this is here to stay.

Companies attract nearly 22.4 million customers annually who spend $57.6 billion on the on-demand services, according to Harvard Business Reports from October 2015.

It is estimated that around half of the on-demand services requests are from millennials and around 30 percent fall are from people between 35 - 55 years old. This clearly shows that the on-demand economy is set to grow exponentially going nowhere. For instance, the Indian logistics industry is set to rake in around $307 billion by the year 2020.

This On-demand Economy is just a glimpse of what is yet to come. To understand the future of the On-Demand economy, it is important that we understand the past and present of it.

Uber has changed how people get around. Just 20 years ago, you couldn't get a car to your door fast and inexpensively. These days, it's no longer a dream to have such quick and easy access. As more and more people get used to quick service, they expect more of such facilities to be introduced across many other industries.

This is the best time to come up with a new Uber for X niche, as there are many people ready to invest in such businesses. In addition, you do not have to create the demand for these services; there is already a demand for On-Demand applications that can get what customers want, fast. Now is the best time; the best opportunity for you to get out there. All you need is a unique and relatable On-Demand Service idea that helps people add value or ease to their day-to-day lives.

Which new markets and businesses will be disrupted by on-demand apps?

TECH SUPPORT

VEHICLE REPAIR

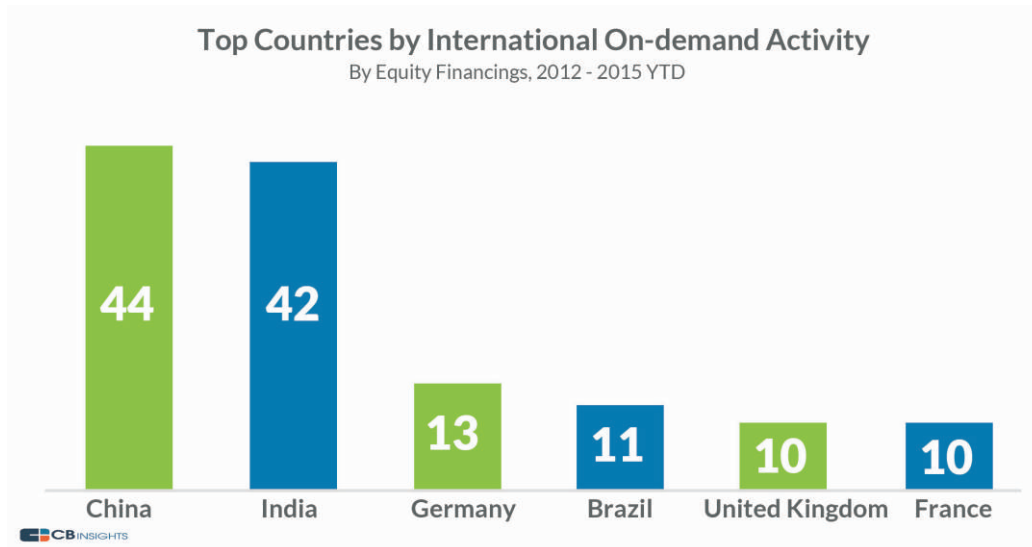**ON DEMAND APPS**

CAR SHARING

SELF-STORAGE

This business, if done right, can bring in a lot of profit. If you have been considering getting into the market, now is the time. You may face fierce competition in your chosen industry shortly if you wait too long. The services can be provided in a faster, cheaper and more client-oriented way than what you offer. Sure, many customers may stay loyal to you for a while, but word gets out. They may hear from others that there is a great platform out there to get the services they want fast. If you do not want to see that happen, you need to come up with some awesome customer retention schemes and proposals. To put it simply, On-Demand Businesses are going to be a bigger hit in the future. The later you start the more competition you have to fight. So, start working on your Uber for X business plan today to reap the rewards.

"Airbnb is poised to become more valuable than Marriott, Starwood, and Expedia."

China and India Lead the Way

China and India dominate international on-demand financing with 40+ deals each and a combined $4B in equity financing raised since 2012.

Top Countries by International On-demand Activity
By Equity Financings, 2012 - 2015 YTD

Country	Value
China	44
India	42
Germany	13
Brazil	11
United Kingdom	10
France	10

CB INSIGHTS

Source: CBInsights.com

VC Investors that are Most Active in the On-Demand Economy

VC Investor	Select On-Demand Investments			
SV Angel	washio	DOORDASH	HOMEJOY	Instacart
SHERPA VENTURES	MUNCHERY	shyp	LUXE	Alfred
ANDREESSEN HOROWITZ	airbnb	Instacart	Lyft	DogVacay
First Round CAPITAL	BLOOM THAT	Boxed	Hotel Tonight	UBER
SLOW VENTURES	handy	LUXE	StyleSeat	Wag!

Source: CBInsights.com

Pains of the On-Demand Economy.

In 2015, the on-demand economy attracted over 22.4 million consumers and generated more than $57.6 billion in revenue. Additionally, 16.3 million consumers spent more than $36 billion across online marketplaces. Plus, 7.3 million consumers spent $5.6 billion using on-demand platforms like Uber and Lyft. However, in 2016, venture funding for the on-demand startup businesses fell by 35%, even after the growth in consumer spending.

Source: Harvard Business Review

According to BIA/Kelsey, the total US transaction value (fees paid by consumers) of the on-demand economy grew from $22 billion in 2015 to $34 billion in 2016 and reached $57 billion in 2017.

People like on-demand transport, healthcare, and grocery delivery apps because they make their lives easier. However, on-demand businesses are always on the verge of disappearing due to an unexpected circumstance or decision. Since 2010, $9.4 billion has been invested in the on-demand economy, yet it has also seen instances of failure like any other startup. The on-demand companies have thin profit margins. However, when a huge number of customers are utilizing their services, the revenue generated through every transaction is enormous.

Challenges of the on-demand industry

Regulation Acceptance

The on-demand industry has to abide by industry standards and comply with the rules & regulations imposed by applicable government bodies. This can trickle down from country-wide to city-wide laws. It can pose hurdles in running a business.

"When you own a "Normal Old School" company, work hours are typically from 9 to 5, and your employees work for a fixed amount of time. The same scheme does not work for on-demand businesses."

Business Competition

The on-demand industry is very competitive. As a result, it can limit the reach of individual businesses to their target audiences. Customers will often select the merchant that offers the same products or services for less cost.

Pricing Model

Due to the lack of a set revenue generation method, on-demand businesses can find it difficult to make a profit. Something that works for one business or industry to increase sale does not yield the same results when followed by another.

Trust is difficult to build and maintain.

The world is not always the safest place to live in, and there have been reports that some on-demand cab drivers misbehaved with their passengers. Because of those workers, the reputation of the service has been compromised.

There were instances when a few cab drivers requested the rider to pay in cash at the end of the ride and they did notpunch in the correct amount into the Uber platform.

The same might happen with other on-demand delivery services and - when (or if) - something happens to the delivered goods.
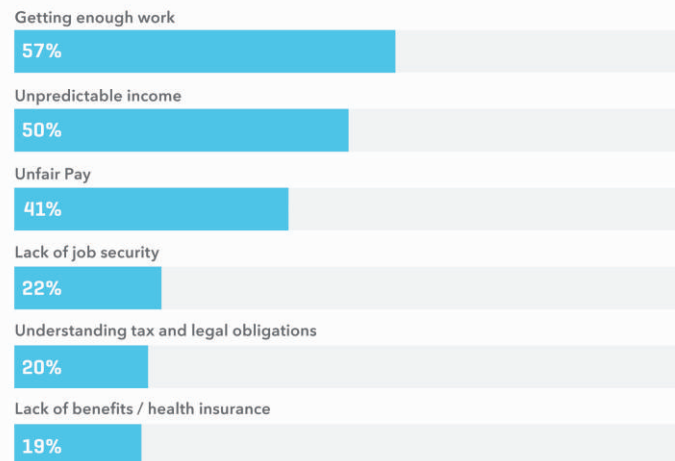
Dynamic jobs are difficult to manage

When you own a "Normal Old School" company, work hours are typically from 9 to 5, and your employees work for a fixed amount of time. The same scheme does not work for on-demand businesses. You cannot predict the work duration and the number of orders that will be completed within the time.
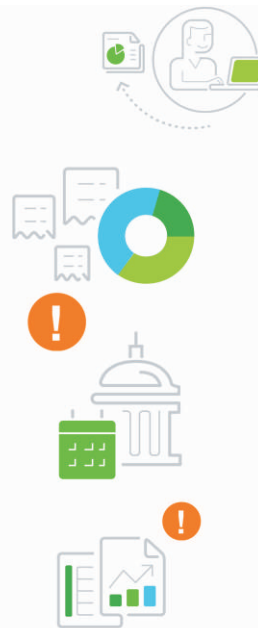
"Hear the bell ringing out before it is too late."

ON-DEMAND PROVIDER CHALLENGES

Top challenges:

Getting enough work
57%

Unpredictable income
50%

Unfair Pay
41%

Lack of job security
22%

Understanding tax and legal obligations
20%

Lack of benefits / health insurance
19%

Source: Intuit Quickbooks

The business issue and peer rivalry

Plenty of taxi businesses dislike Uber for a variety of reasons:

- Uber is much less expensive, sometimes even half the cost of a taxi.

- Uber frequently reaches their customer faster than an ordinary taxi does.

- Uber lets you track where your driver is.

- Uber providers don't have the same type of insurance or licensing responsibilities, depending on the location, that taxis are required to have.

All of these benefits make Uber's value proposition much more popular than casual taxis – this is what makes taxi owners despise them even more. As a result, the extremes that taxi entrepreneurs are using include:

- Public demonstrations

- Requests for company shutdowns

- Continuous cyber attacks

- Driver poaching

- Damaging cabs and assaulting drivers

None of this makes Uber's life easier, especially with the continuous court meetings and charges being pressed.

ON-DEMAND ECONOMY IMPROVES FINANCIAL STABILITY

Many people are turning to flexible on-demand work to weather financial challenges, such as:

20%

1 in 5 turned to on-demand work due to a financial hardship.
- 41% reported experiencing a financial hardship over the past year
- 51% said the financial hardship was the primary reason (19%) they are working independently or one of the reasons (32%)

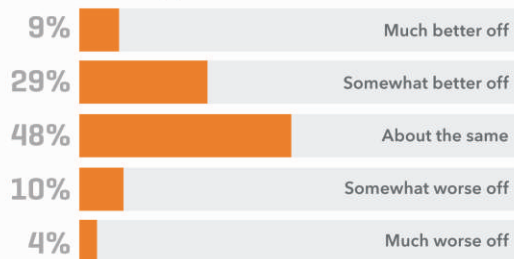### Top Hardships

36% — Unexpected Major Expense

31% — Job Loss

29% — Health Emergency

26% — Work Hours Cut

On-demand work has improved the financial position for many on-demand economy providers

%	
9%	Much better off
29%	Somewhat better off
48%	About the same
10%	Somewhat worse off
4%	Much worse off

Almost one third of online on-demand economy providers who also have full-time jobs say they see their on-demand work as a backup in case something happens to their regular job

Source: Intuit Quickbooks

Conclusion

The conclusion has two sides. Either the idea is brilliant, or it is not even worth trying. Researches have already proved that the on-demand economy is here to stay. The customers' demand for fast, simple, and efficient experiences will increase and entrepreneurs are looking for startup opportunities by leveraging the Uber for X business model. The stats are promising and "Uber for X" has a great scope, as many start-ups are copying this business model to succeed.

Keep in mind that Uber was not built in one day; patience and constant effort to improve are the keys to success. You must believe in what you are doing to create a unique business model that works brilliantly for both your customers as well as your services providers. Once you have gotten that far, you can come up with new ideas for generating more revenue from your on-demand business.