

Collaborative Design Project

Progress report

Week 4

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Recap of week 3

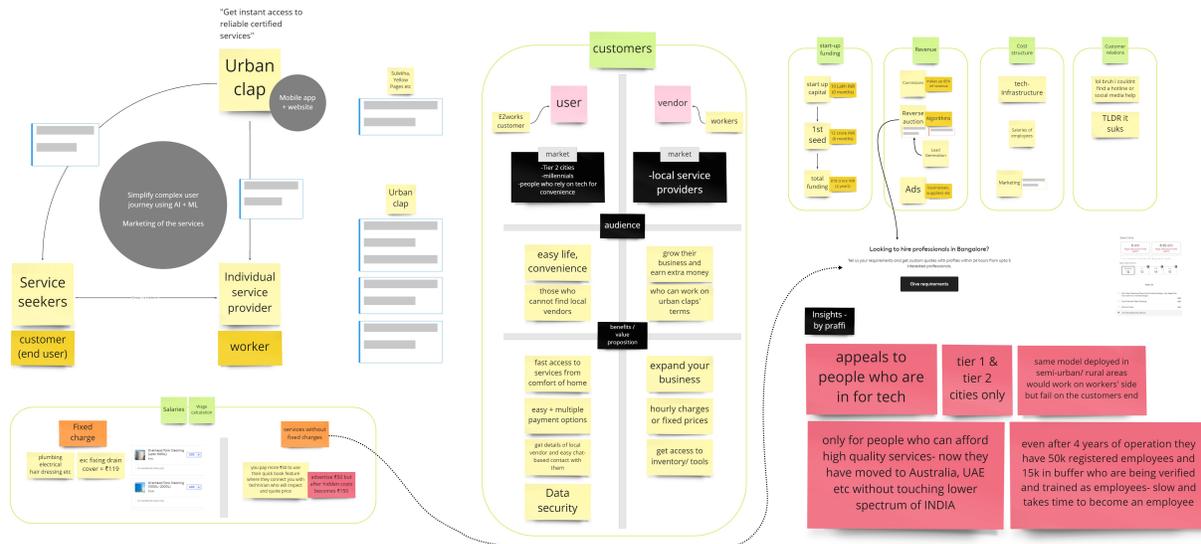
In the last 3 weeks, we were able to narrow down on an area of study, conduct in-depth research and interview the stakeholders. We identified numerous trends and issues after mapping our findings in affinities and extrapolated areas of design intervention.

We came up with a conceptual framework for a brand named 'EZwork' that would serve as a connection between customers requiring the service of Home workers (such as plumbers, electricians, carpenters, painters and general labour) and the workers themselves. We came up with numerous ideas in attempts to make this connection fluid.

We chose to leverage the informal relationship that already exists between workers and hardware stores. Potential customers visit hardware stores because of its physical presence. Workers recognise this trait and have come to make deals with hardware store owners to get clients and on occasions give commissions for the work they do. We came up with a preliminary model of working last week and have continued to refine the details and interactions between each of users.

Studying the Competition

Urban Company



Img 1. Urban Company structure

Urban Company provides a platform that allows skilled and experienced professionals to connect with users looking for specific services. All individual professionals are employed and trained by Urban Company before being enrolled onto the platform.

They provide standardised user experience, pricing and distribution to the customers (service seekers) and provide market access, credit, training and inventory of tools to the workers (service providers).

Urban clap is using Artificial intelligence and Machine Learning algorithms to train their model in better and convenient match making as time goes, so the more data they collect, the better the system gets. They use services such as Exotel to safeguard user privacy in IVR, OTP and phone based communications and authentications. So in case you want to talk to the worker on the phone, they use a

privacy mask and route the call through their servers so the number of the worker is not compromised while keeping the communication simple.

Urban Clap decides the wages for labour, this often results in a possible exploitation of labour, some of these companies lure workers in with guaranteed hourly wages, attractive pricing etc in order to win their participation but once they start to gain market share they switch to policies and changes in their business model that is more profitable to the corporation.

One Urban company carpenter explains the process of seeking work on the platform, and how he tries to negotiate prices directly with the customer, skipping the platform to earn decent money. An Urban Company employed carpenter in Aditi Surie's in '*On-demand platforms and pricing: how platforms can impact the informal urban economy, evidence from Bengaluru, India (2020)*' explains his wage status.

“For our time we get Rs 300 for the starting one hour, and then for an hour is 100 and another hour is 100. This doesn't work out for us past four hours. That's why if it is after four hours then we ourselves talk to the customer and work something out.” (p.93)

Standardising the rates for us means we have to deploy inventory management systems on our Hardware store partners and build up a huge library of rates, this would complicate our model to a point where we cannot deploy it in these tier 3 cities and suburbs where users are not comfortable using complicated tech infrastructure.

Even though we and UrbanClap share similar design statements i.e. design to overcome the challenges inherent in India's unorganised local services market, they mainly market their service as a convenience to millennials, and mainly big

tier 1 cities. They recently rebranded to Urban company and expanded to Australia, UAE etc.

We are different in attempting to target the big tier 2 cities, tier 3 cities and sub-urban localities in India, that Urban Company has yet not expanded to. We aim to leverage our physical presence and make each of our stakeholders; the customer, hardware store owner (field agent) and worker independent and happy.

Dunzo

A main reason Dunzo's digital platform is convenient and is growing rapidly is due to the inventory available in stores that is displayed on the app.

While many hardware stores do not keep a digital inventory and still use books to keep track of expenses, it would make it infinitely harder for us to try to create a system where customers could select hardware from their home. The nature of these products also contributes to a much less likelihood of people willing to purchase such goods through a digital platform.

Uber

Uber adopts a system where customers are linked to drivers based on proximity. Drivers have the freedom to accept or deny a ride, which in a sense, gives them a level of independence in their profession. Once a ride is completed, Uber calculates the amount based on a standard metric of time and distance.

We however, face a problem where labour costs are very hard to calculate and judge without having any presence in that job itself. Because we have no metric to calculate and standardise such labour fees, we faced a difficult time in drawing the line of how involved EZwork needs to be in the work done and prices quoted by the worker.

Defining the Target Market

Before moving forward to create our business plan and detail our product, we thought it was ideal to define the market our product was aiming to cater to.

Customers

We realised that we would be facing harsh competition from an already established brand like Urban Company that not only has a brand name, but a wide customer base as well. However, Urban Company existed in Tier 1 cities and a few tier 2 cities. They were completely absent or unheard of in the rest of India.

From the start, we chose to leverage informal work relations and communal growth to help workers. For our targeted market, we chose customers of tier 2 and tier 3 cities and as well as suburban areas of major cities as well. Customers here would be more open to a brand that was not limited to a digital interface. With the help of our partner stores, a more traditional population would be open to using our platform to their benefit.

Hardware Stores

Vendors that were already busy and booming with business would not be likely to join our brand, at least initially. We would target lower tier, small stores that would be open to a relatively secure way of increasing their sales. This would again be targeted at stores in tier 2 and tier 3 cities as well as suburban areas where they are more or less the only business of their nature in a locality.

Workers

While we catered to all Home Workers and specialised service providers, we didn't find any noticeable differences in the way we would cater to them through our platform. EZwork would be open to all home worker categories that would want to register with us.

Value Propositions

Before working towards creating a business model, we needed to understand what each of our users were getting out of being involved with EZwork. We mapped explicit and implicit benefits that each user was getting which in turn helped us create appropriate revenue streams down the line.

Customers

Our business revolved around the need of an easy way to connect service providers to the customers within their locality. Customers would get the convenience of not only finding a worker, but being a client of a transparent system where they would not be exploited with unwanted costs and hidden prices.

Customers would also be satisfied in having a connected hardware store for supplies for the job at hand. Payment of labour and materials would be conveniently done through our platform which would be one less point of hassle for the customer.

Hardware Stores

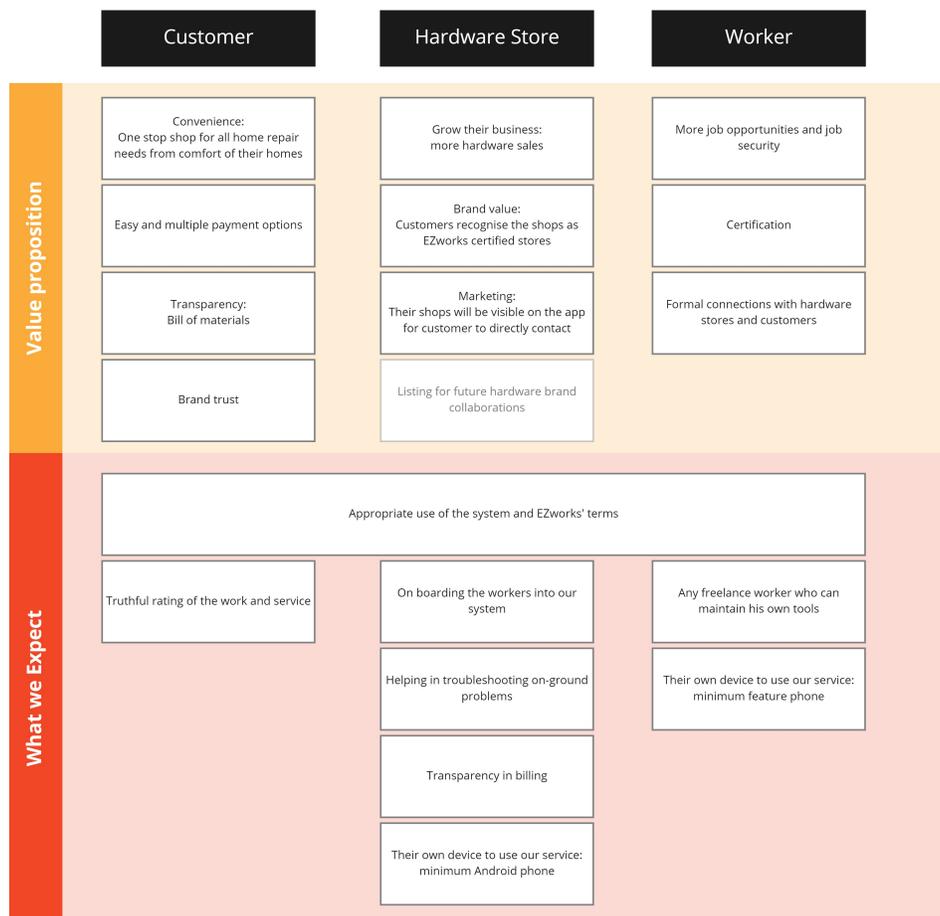
The physical presence of hardware stores on the field was something we felt was key to penetrate markets of tier 2 and tier 3 cities in India. Hardware stores would

benefit from more sales through a guarantee that all workers that get jobs through us would buy materials from their stores.

At the same time, the store would be renamed as an EZwork partner store which would not only mean constant marketing and brand growth but also being recognised by customers in the streets as a quality and trustworthy outlet.

Workers

Workers would get a higher sense of job security through our platform. However, workers will still hold a level of independence where they get to choose to accept or decline job opportunities. Workers would also get a form of identity as an EZwork worker, giving him a form of documentation for his profession.



Img 2. Incentive Value Analysis

Researching Financial Models

We realised that identifying revenue streams in a system as wide as ours was difficult and could have multiple issues if not thought out thoroughly. We researched to find a few business models that we could probably implement towards clients or our customers who would require work from the home workers.

Transactional Revenue Model

This is a model where our business would continuously charge a small fee to all the users for using our services. While this seems fairly straightforward, this model would create competition within ourselves and minimise revenue over time, making it hard to create profit in the long run.

Product is Free, but Services Aren't

This model peaked our interest in terms of on boarding and providing services to customers. While we would allow our users to use our platform and services for free, we would charge abundantly for services that would seem essential to our customers.

However, we did not feel this model was suitable for our business as it aims to create a simple flow for our users that requires minimal involvement and observation. If we did adopt such a system, we would only be backtracking on the primary notion of making it easy for our clients to reach required service providers for work.

Freemium Model

The freemium model is such that a company's basic services are free, yet users would need to pay an additional premium to use more extensive features. While

this is a more known model used by service providers in similar businesses like Zomato, we didn't feel we had many premium services to offer at the moment.

However, we did develop a version of this to create a model to onboard more workers and keep them attracted to the security of our platform.

We again spoke to a friend of ours, Shashwat Sriraj, an Economic major to help us figure out the details of how to make such decisions. Shashwat suggested two models that we could look deeper into with regards to freelance workers. Reverse auctioning or a subscription model.

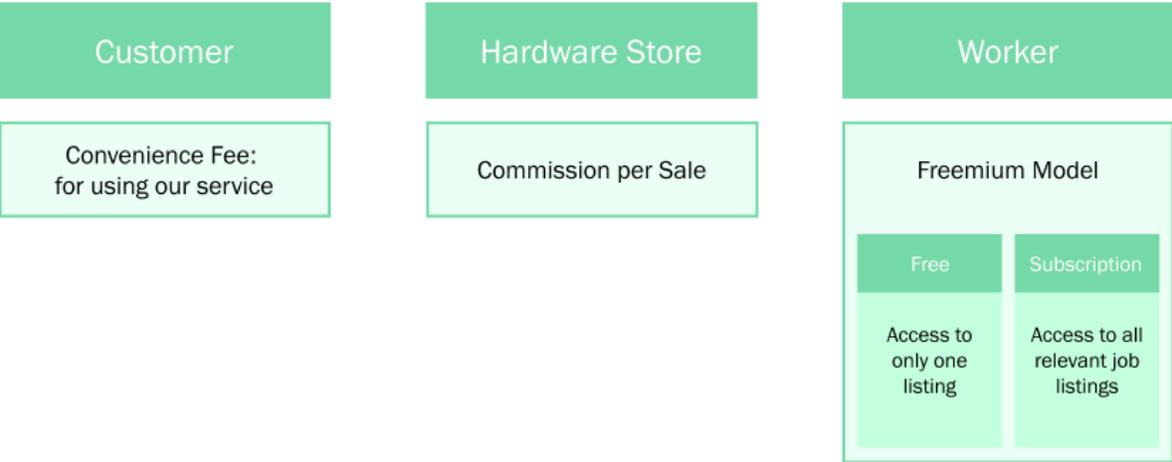
Reverse Auctioning

Reverse auctioning would create an open market for workers to bid on jobs each of them find appealing, creating competition and lowering prices for us as a company. However, we felt it was a different direction from the objective we set out with initially in our project. Workers would compete but ultimately end up losing out on business which would lower them further in economic turmoil.

Subscription Model

The subscription model was one where workers would pay a small sum of money over a time period to avail our services. While we did not directly implement this, a version of this was developed to help us create reliable sources of income for our business.

Revenue Streams



Img 3. Revenue stream model of EZwork

We finalised on different models that were specific to our different sets of users. For the clients, we adopted a transactional model where they would be charged a small convenience fee per job request. This seemed ideal as the nature of our business (repair/maintenance of household items) would not require the same customer to be back on our platform very often.

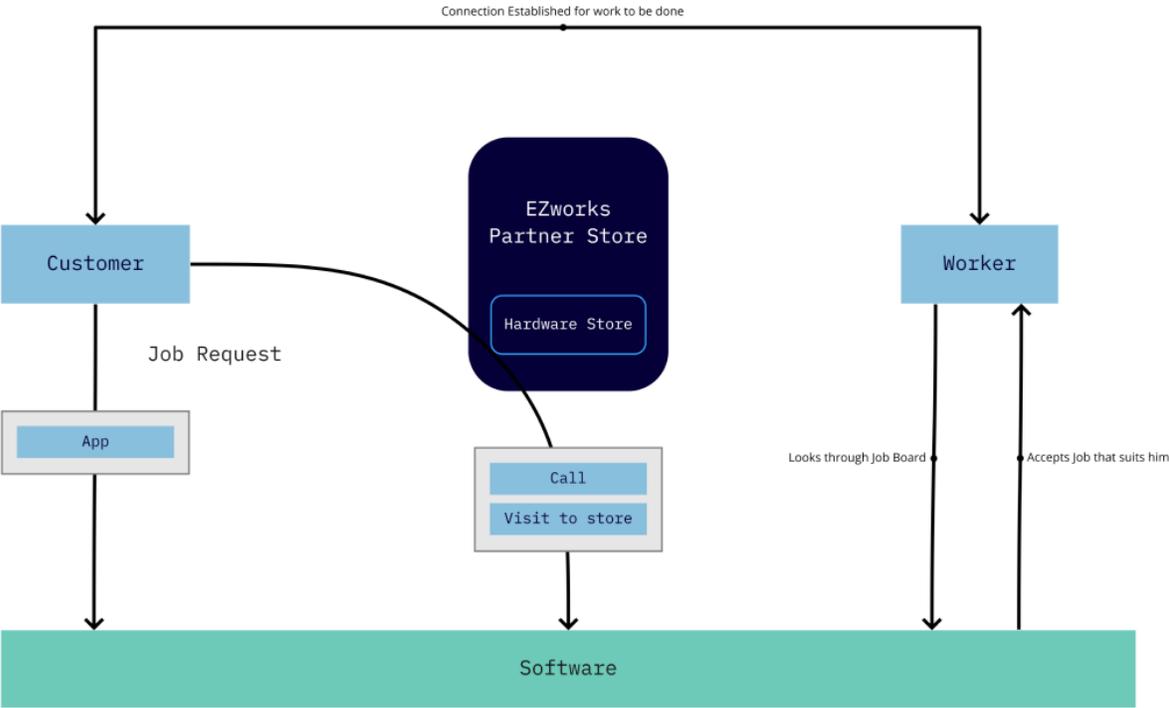
We decided to get revenue from hardware stores through a form of commissions per sale. Since their greatest benefit of our service is assumed to be increased product sales, we thought it ideal to take a cut of the revenue they receive as payment for using our service and brand name.

For our diverse group of workers that we would be linked to, we chose to create a version of the freemium model. Workers that register with us would continue to get job offers through a software and would have the opportunity to accept or decline based on their circumstance. However, by paying a small subscription fee, workers

would get access to our complete job list wherein they would be able to select their preferred jobs (with respect to pay, distance, implicit costs, etc) from a complete Job list they would have access to.

While this model could possibly create a divide in the type of jobs that are assigned to workers, we hope to reduce that through our digital system that would assign and publish such work. We hope that this model creates minimum imbalance or exploitation of workers while still allowing us to create a profitable business through the platform we create.

Revised System Plan



Img 4. Revised system plan

We revisited our Job request cycle to discuss how much power we give to our hardware store owners or Field Agents. We did recognise in our previous version that they could be a source of exploitation when selecting which worker should be appointed to which job.

We tried to reduce the hardware store's involvement in appointing jobs to workers and automated that process to a degree. With parameters such as distance to customer location, job expertise and worker rating, an artificial intelligence software would offer jobs to workers as they are requested by our customers.

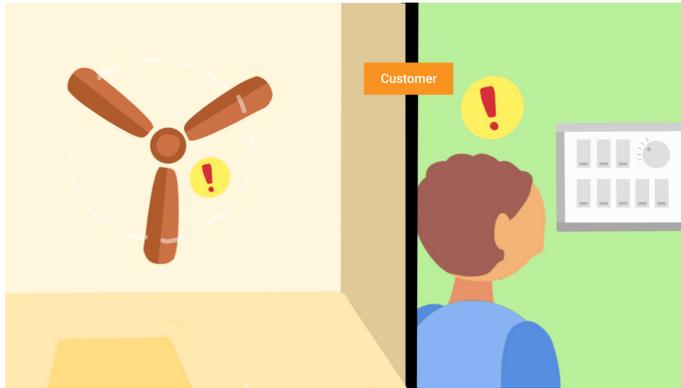
Workers would be able to sign up to a free service where they would be offered single jobs as they are requested and given the option to accept or decline. While on the premium service that would require a subscription fee, workers would be able to access a complete job list that would be updated in real time to choose one they find ideal.

The rest of the system would be fairly similar to our previous version. Customers would be able to fill in job requests individually through the app, or call or visit an EZwork partner store to get help from a field agent to do the same. Hardware stores would still provide the materials for the jobs and would be required to enter the material receipt onto the ongoing Job order. Workers, once the job is done, would also be required to enter the labour receipt onto the Job order.

The customer would finally receive a complete bill, inclusive of materials (from the EZwork partner store) and the labour costs (put in by the worker himself after negotiating) that can be paid through our app. The customer would also be able to rate the quality of work after the job and raise any complaints with us if he/she faced any troubles.

Scenario

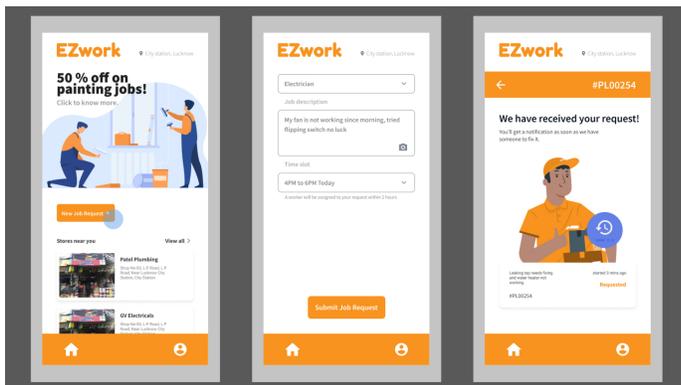
Mr. Aranjeet Sharma uses EZwork to repair his fan



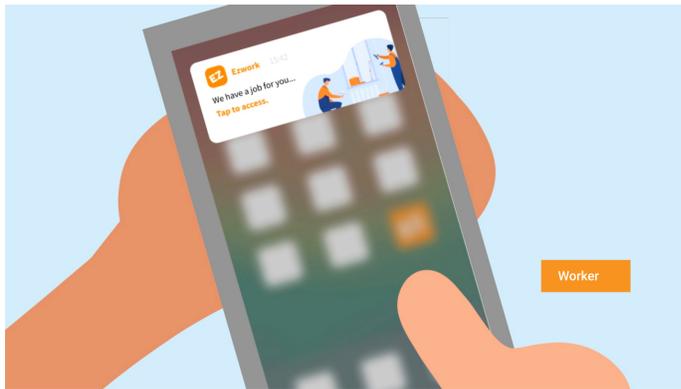
Mr Aranjeet Sharma's fan stopped working, so he thought of using the EZwork app he had known from a whatsapp forward to get help.



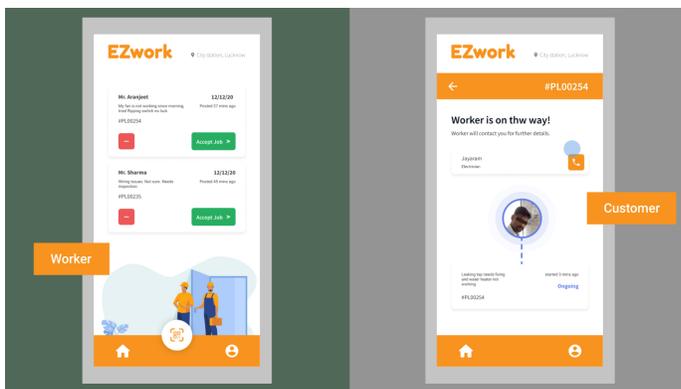
He goes to the EZwork app on his phone, he signs up using phone number- OTP based authentication.



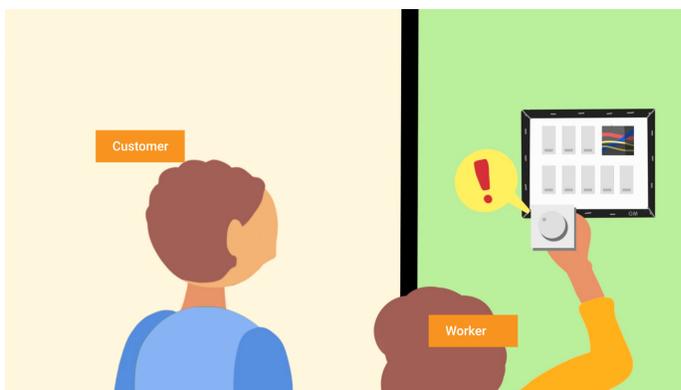
He selects the job type as "electrician" and enters a job query "my fan is not working since morning" and he specifies a time slot as 4PM today, and he submits a job request.



The app says "we have received your request, we'll inform you as soon as we have someone to fix it" on the customer side. Chand pasha who is our EZwork registered electrician receives a notification of the same job on his phone.



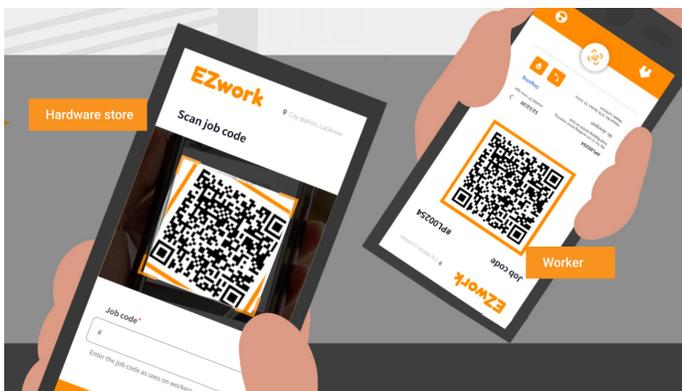
The worker accepts the job, and the status changes to connected to a worker.



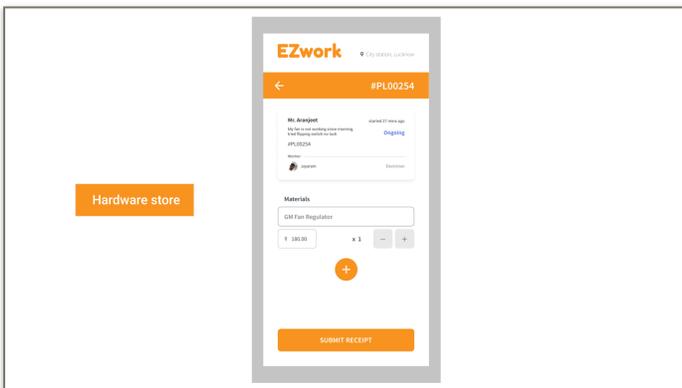
The worker approaches the customer, investigates the problem, and finds out it's the problem with the fan regulator, so he suggests the fan regulator should be replaced.



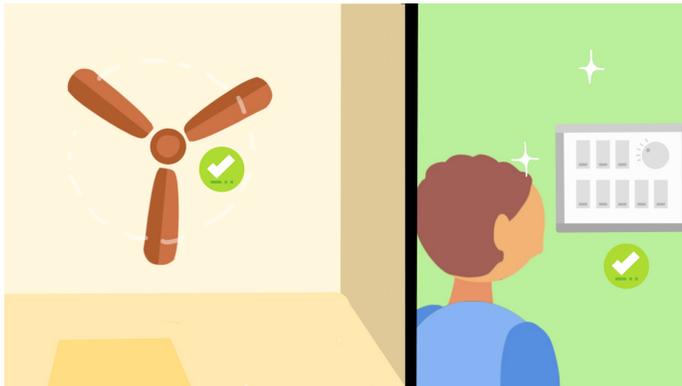
He goes to the EZwork store to get the materials.



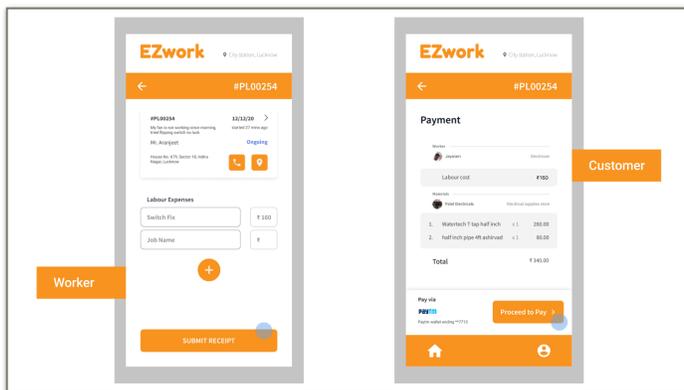
The field agent scans the barcode on workers phone to authenticate and connect with the job.



He then bills the materials into our system using our app.

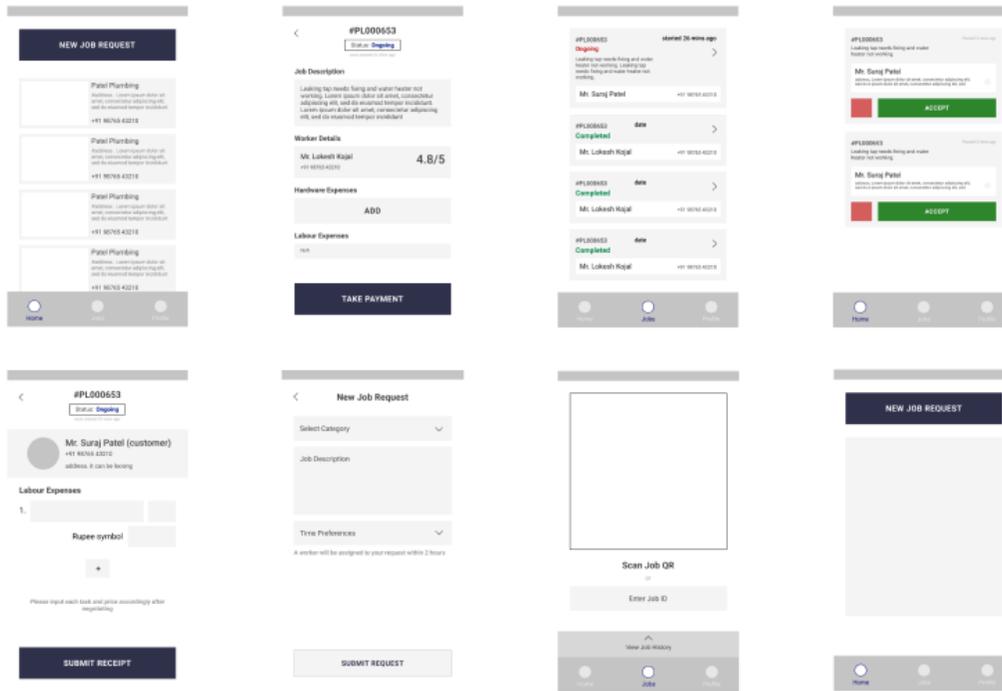
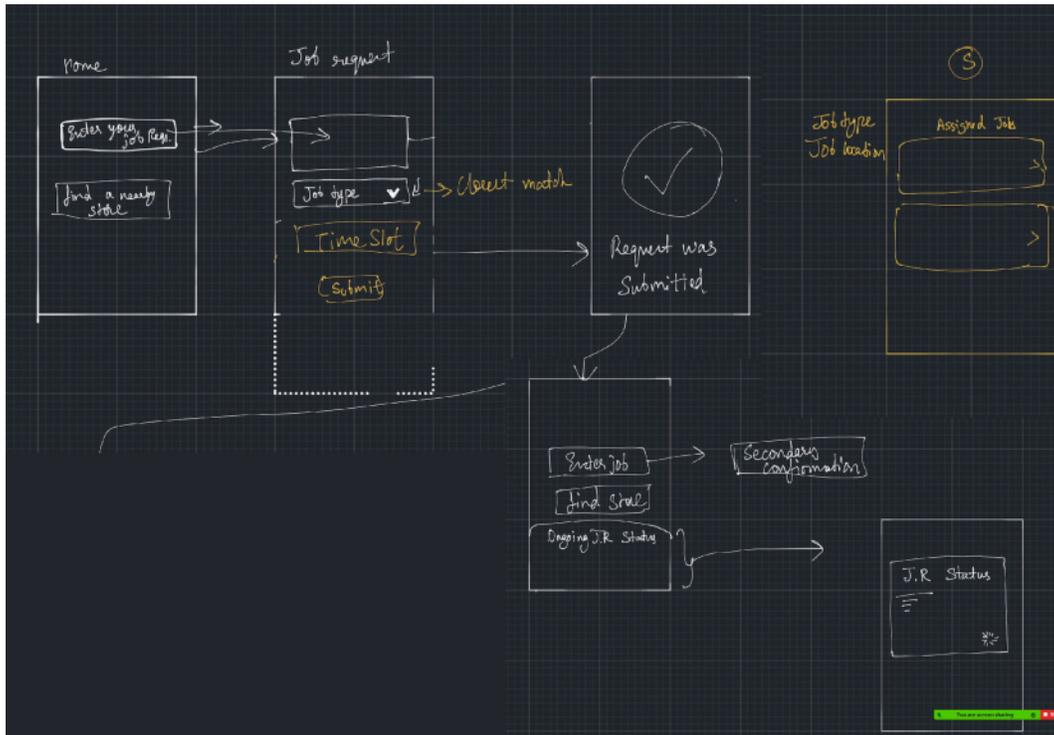


The worker finishes the job.



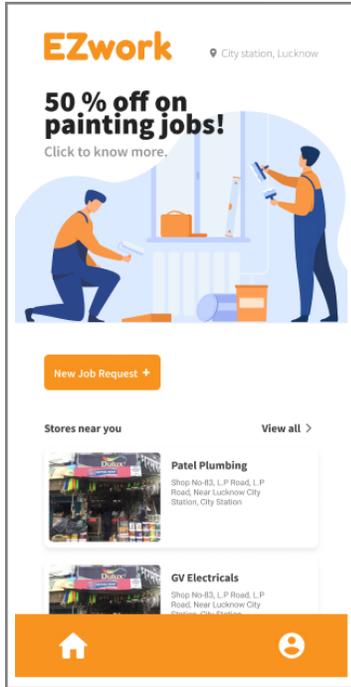
He negotiates the price with the customer and inputs in his app. Combined bill of our convenience fee, materials bill and labour will be shown, and the customer can pay through cash, net banking or UPI through the app.

Wireframes

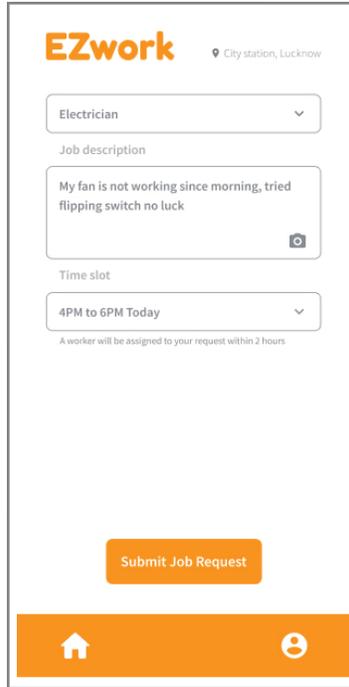


User Interface

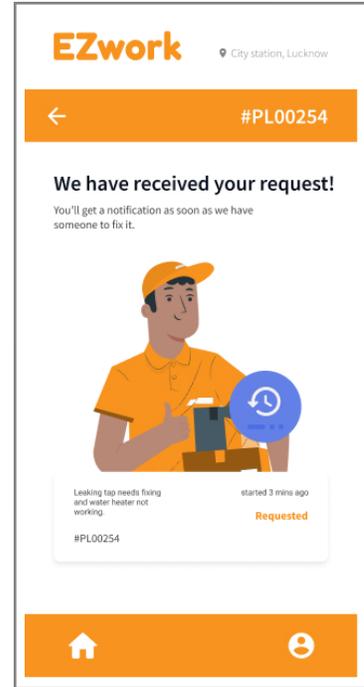
Customer Side Interface



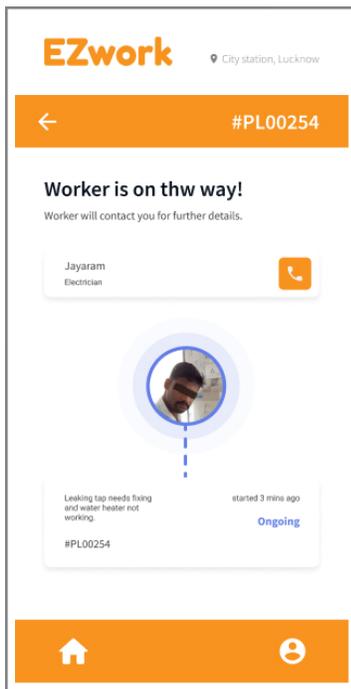
Landing Page



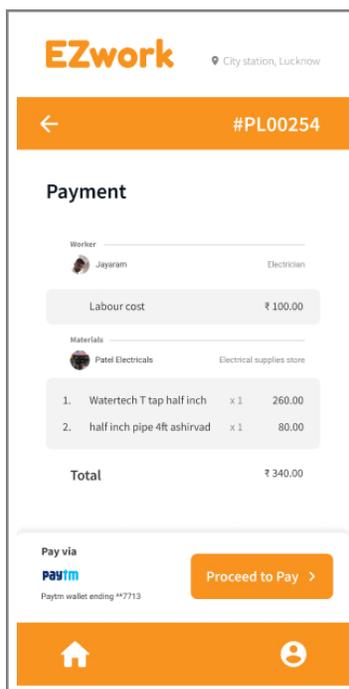
Job Request



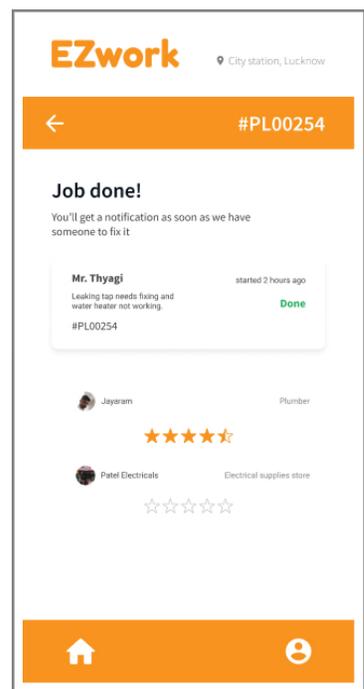
Job Request Confirmation



Worker Allotment & Details

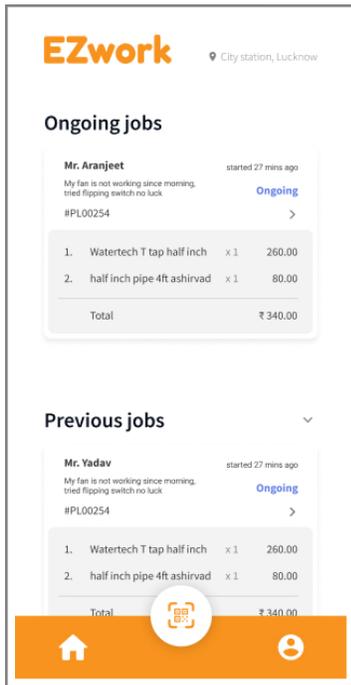


Payment Screen



Job Completion

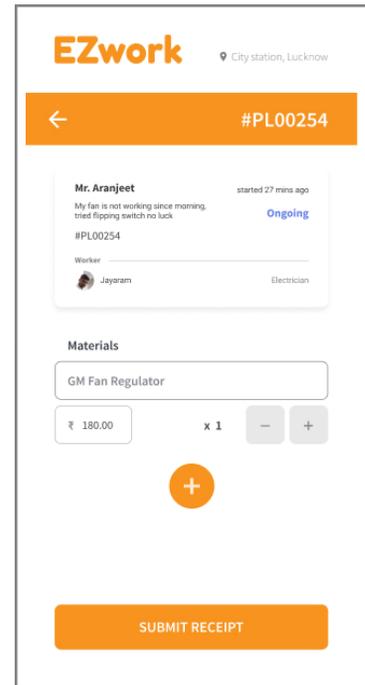
Hardware Store Side Interface



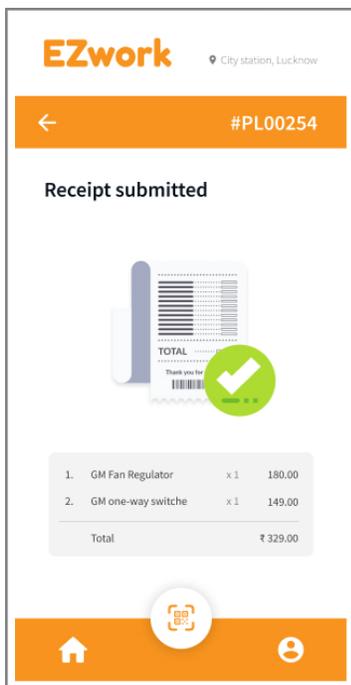
Ongoing Job List



QR Code Scanner

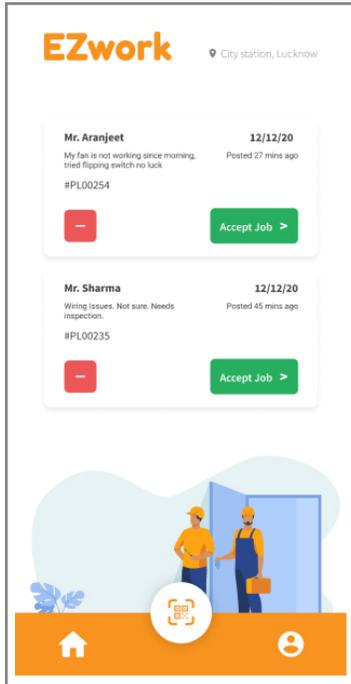


Material Bill Details

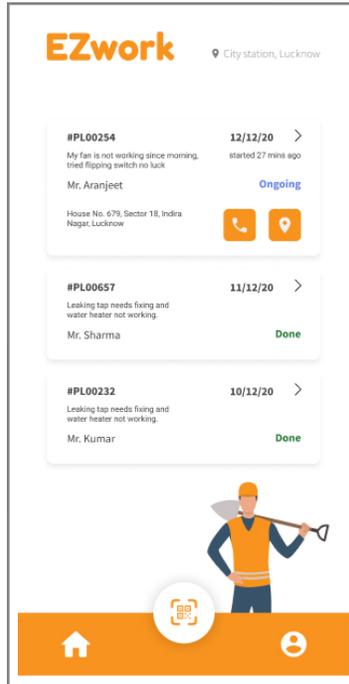


Bill Submission Screen

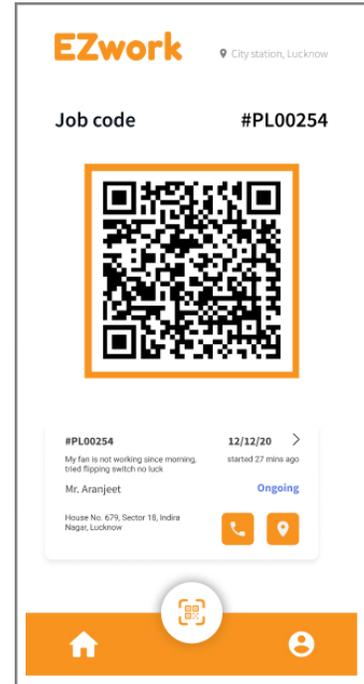
Worker Side Interface



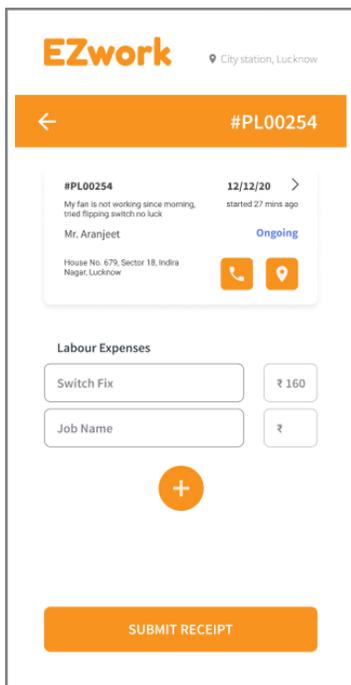
Incoming Job Requests



Ongoing jobs (Worker)



Job Code and Details



Job Details and Bill

Way Ahead

- We aim to use the SINE Pitch Template as a guide to detail out our business and fill in the gaps we may have missed.
- Taking our product idea out to the market and talking to real stakeholders and getting feedback will be one of our main goals.
- Talking to expert from the management and marketing fields to better understand the issues or problems we may or may not face if we choose to take this product to market.

References

<https://fi.co/insight/the-10-most-popular-startup-revenue-models>

On-demand platforms and pricing: how platforms can impact the informal urban economy, evidence from Bengaluru, India

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<https://oyelabs.com/urbanclap-business-model/>

Acknowledgement

Shashwat Sriraj
B.Sc Economics, Lucknow University
M.Sc Economics, Christ University