

# On-demand Business Guide

## Chapter 2:

### How to pick your On-demand vertical

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## **Approaches**

To select your vertical

## **Validating your business vertical**

Set goals by asking the right questions

Identify target audience


Market segmentation

## **5 ideas to start your on-demand business**

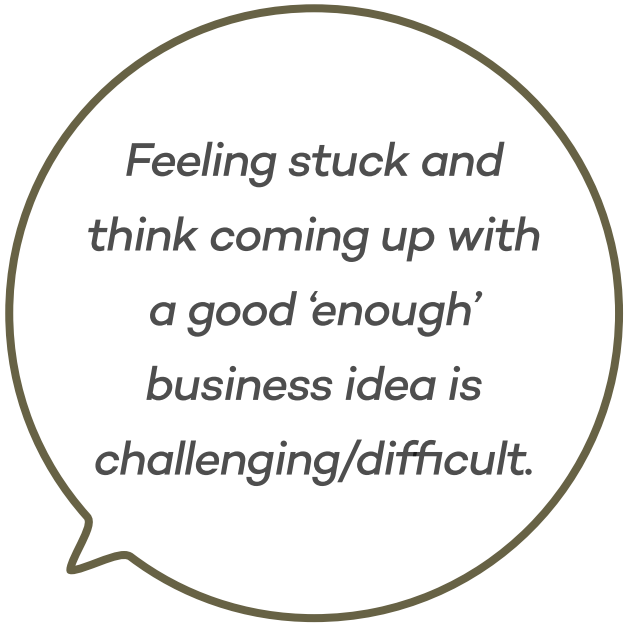
# There are multiple approaches to come up with an on-demand business idea. But to choose a vertical that warrants your long-term commitment should be your focus.

The first part of the chapter focuses on the '**0 to 1**' that is the spark coupled with quick analysis to determine whether the problem is worth solving or iterate to define a new opportunity.

We've curated some frameworks that will get you thinking if you're



*A systematic approach to develop and test startup ideas based on their unique situation (skills, connections, resources, etc.)*



*Feeling stuck and think coming up with a good 'enough' business idea is challenging/difficult.*

## Find a problem that is intolerable to you.



Make a list of all things that annoy you frequently



Discuss it with people who would face the same problems



Validate if on-demand technology could solve the problem

**BookMyShow** is an example that originated from difficulties faced by founders.

## Take a luxury and make it into a commodity.



Find what potential users or businesses find expensive but necessary for their survival or are habitual to using.



Come up with an alternative that can do the same 'job' less expensively or significantly easier to use



Creates enough value for the business or individual to switch over

**Uber and Ola** are two fantastic examples that made taxi rides accessible and affordable.

# Testing your business idea

## Ask the right questions.

To get the answers you need before you start, you must ask yourself the right questions. These questions are the basics of what you should think about before you choose your vertical.



You can document your thoughts. Once you answer the overall questions, you can begin the next steps in testing your business idea.

# Know your competition

To create those unique offerings, you need to know who your competitors are and what they are bringing to the market. Here are five steps you can follow to conduct your competitor analysis.

## Identify your competitors

01

### Direct

*(same product or service)*

### Indirect

*(slightly different product or service)*

### Substitute competitors

*(different products or services)*

## Gather information

02

- Product/Service
- Pricing
- Positioning and branding
- Market reputation

## Analyze strength and weakness

03

- Popularity
- Visibility
- Quality
- Features

## Identify your competitive edge

04

A competitive advantage should ideally be a great strength that is distinctive and can appeal to your target clients.

## Talk to your competitors directly

05

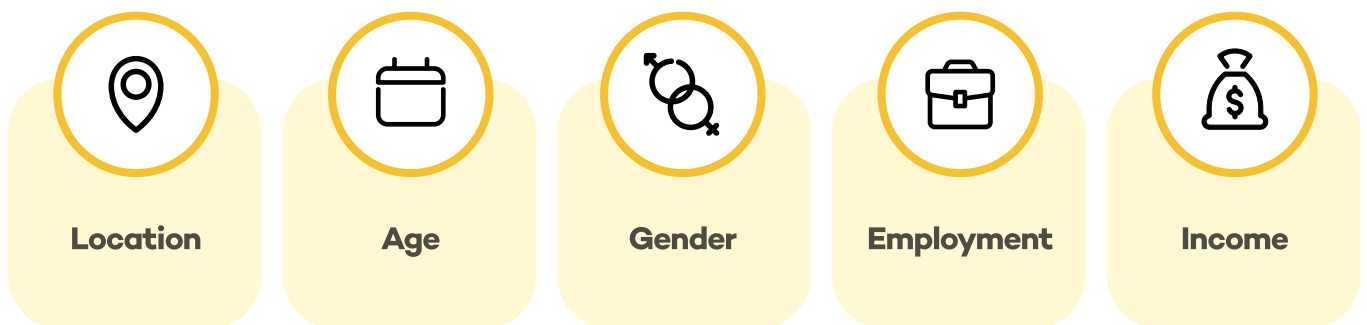
Taking that first step can often lead to a relationship that's beneficial for both sides. For example, a competitor may be willing to refer customers to you if they don't serve a particular market niche.

# Find your target audience

Every on-demand business has a unique set of customers. It is crucial to understand who your potential customers are.

**For instance, if you are about to start an on-demand laundry, keep in mind the target audience's age, location, and income before you launch.**

Target audiences are the most critical pillar of on-demand businesses for marketing strategy. Decisions like spending money on ads, appealing to customers, and even what improvements to build next will be influenced by customer persona. Some of these demographics and behavior areas are:



This information helps understand the customer and how they make purchase decisions. Targeting a specific audience will also help your marketing campaigns reach the correct people who will relate most to your company's messaging.

# Market Segmentation

## Behavioral Segmentation

### Examples

Benefit(s) sought from product or service  
Readiness to buy or purchase  
Usage-based segmentation  
Common characteristics



## Demographic Segmentation

### Examples

Occupation  
Marital status  
Race/ Religion  
Living status  
(if your subject is a homeowner or renter)



## Psychographic Segmentation

### Examples

Habits  
Hobbies, activities, or interests  
Personality or attitude  
Lifestyle & Status



## Geographic Segmentation

### Examples

City/State  
Country  
Population density  
Economic status





# Evaluate Your Business Plan and Capital

## Create a Detailed Business Plan

Describe the products and services you will be offering and the strategies you intend to deploy to introduce them to the market.

Revenue projections will help you estimate how much money you will need to get your business off the ground and operate it during year one.

### BUSINESS PLAN OUTLINE



*Executive Summary*



*Company Description*



*Market Analysis*



*Organization and Management*



*Service or Product Line*



*Marketing and Sales*



*Funding Request*



*Financial Projections*




*Appendix*

# Evaluate software solutions needed for an on-demand business idea (doordash like business, how they become successful, with right tech)

Uber grew to be one of the best on-demand service providers because it adapted the evolving technologies to its business plan

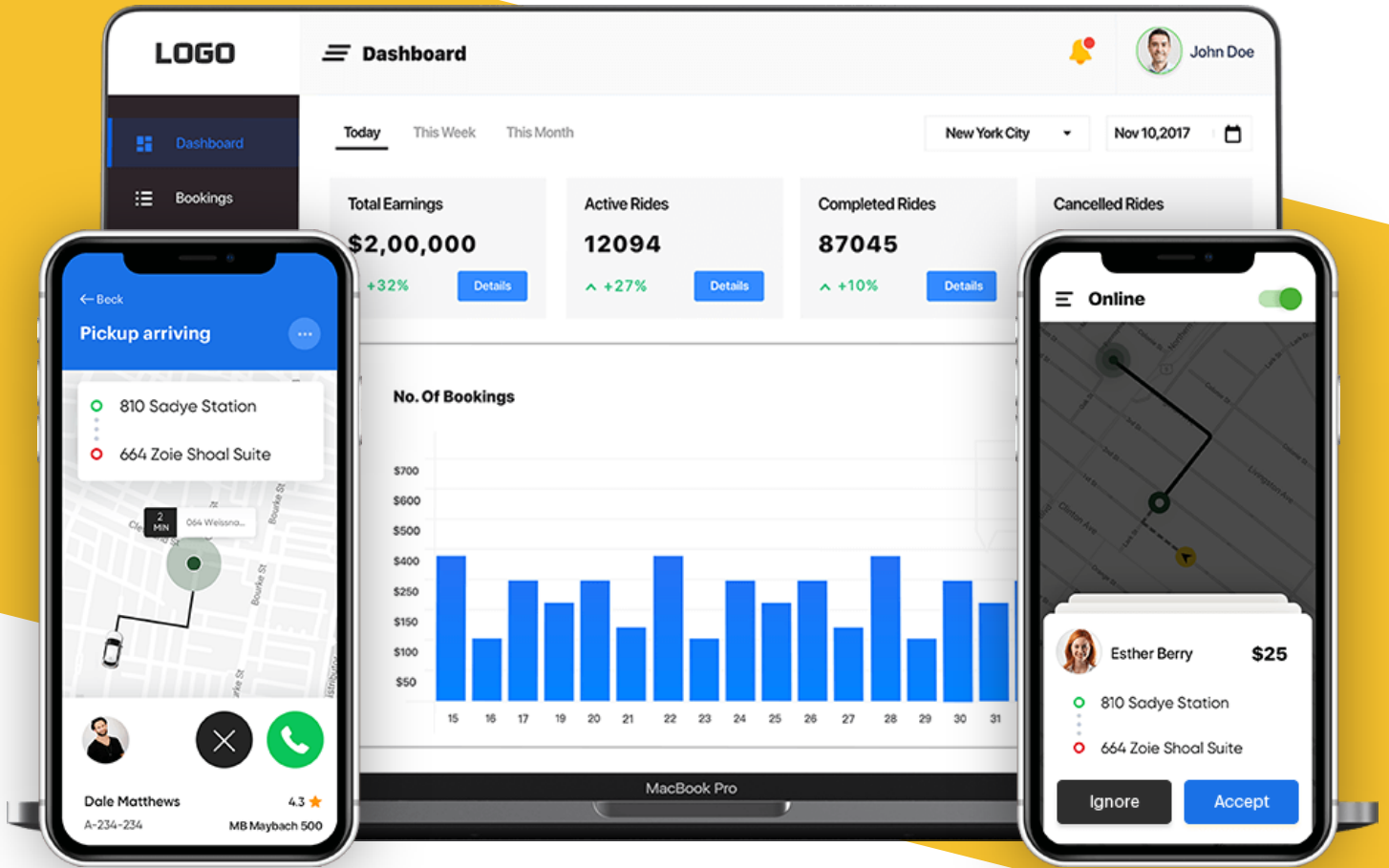
To start an on-demand business like Uber, you need a technically advanced mobile application and website to back you up.



Choose a tech stack that matches your business needs.



Use readily available solutions that'll reduce development time and costs.



Building your business with the right tech stack will boost your productivity and give you a competitive advantage.

Go with the best uber clone app made with **Code Brew** that helps to launch your product in no time. The Uber-like app is 100% customizable to match any of the on-demand businesses listed above.

# Five ideas to start your successful on-demand business in 2021

## 01. On-demand beauty service

According to a report, the spa and beauty salon market in **2017 was valued at \$128.59 billion**. And this is expected to reach **\$190.81 billion in 2024**.

Understanding this immense potential, several investors have invested in popular beauty services. This is clear from **GlamSquad, a New York-based startup's whopping amount of funding raised**.

## 02. On-demand home service

**Technavio** market research analysts forecast that the on-demand home services market will grow by **\$1,574.86 billion during 2020-2024**.

Throughout North America and Europe, people rely on them to book quality home service pros across 500 categories, from repairing and remodeling to cleaning and landscaping through ANGI Homeservices Inc.

### 03. On-demand learning app

The worldwide e-learning market is projected to be worth **\$325 Billion in 2025**.

**BYJU'S learning app** is the most valued startup of India, surpassing Paytm. The Bangalore-based startup raised **\$350 million** in the recent round of funding.

### 04. On-demand food delivery services

With an increasing number of customers opting for on-demand food delivery services, the food industry is witnessing **exponential growth**.

Success stories of Grubhub, Zomato, Just-eat have revolutionized the food delivery industry and continue to set standards.

### 05. Pharmacy/medicine delivery

The global drug delivery market size stood at **USD 1,021.29 billion in 2018** and is projected to reach **USD 1,801.54 billion by 2026**. The pharmaceutical industry is evolving at a rapid rate.

PharmEasy aims doorstep delivery of everything related to healthcare has received \$328.5 million in funding to date. PharmEasy nearly doubled its revenue in FY20 to Rs 637 crore.

# To start an on-demand business, you need more than just a dream.



## Identify a new business idea.

It can be a personal interest, a market opportunity, a bad experience.



## Validate your business idea.

Check your viability. Are customers willing to spend money on this?



## Make a business plan.

Your business plan is crucial for tracking your business growth, securing partners, investors, lenders, and more.



## Understand business finances.

Plan your revenue, capital, and secure funding, and ensure good bookkeeping processes.



### **Develop your product or service.**

Bring your unique solution or product, or service idea to life.



### **Research licenses and regulations.**

Your business is subject to the laws governing businesses in your area, as well as laws and regulations specific to your industry.



### **Select your software systems.**

You'll need an entire tech stack to run your business. Make sure you pick the right one.



### **Find a business location.**

If you plan to do all of the work yourself, you're limited by the time you have available to invest.



### **Plan workload and team size.**

If you plan to do all of the work yourself, you're limited by the time you have available to invest.



### **Launch your business.**

Leverage your network, build buzz with promotions, and test paid ads to get the word out about your newly launched on-demand business.

# Let's Fire Up Your Business!

Team Up With Us Today For An  
Unforgettable Service Experience



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