

The Rise of Online on-demand services – Awakening of Giant in Service Industry

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Abstract: On-demand solutions have proven to be a blessing for everyone in our fast-paced environment. In addition, the technologically advanced younger generation demands everything to happen instantly, anywhere, at any time. People want everything at their doorsteps, whether it's house cleaning or renovation, plumbing assistance, appliance repair for electric appliances, furnishings, or fitness coaches who come to them. Methods of service delivery changed as a result of changes in customer demands. In response to evolving customer needs and technical improvements, on-demand app development emerged. On-demand services are different from planned services in that they enable customers to meet requests as they come up. It's critical that demand is satisfied quickly. These services preserve the balance between supply and demand. In the current environment, on-demand services have become more significant in major cities. People from tier 1 and tier 2 are drawn to these services because of advantages including quick availability, convenience, and affordability.

In response to increasing smartphone usage and consumer demand, utility companies had created a variety of applications including taxi booking, online shopping, beauty services, online meal delivery services, etc. Sincerely speaking, the applications are increasing consumer confidence and helping businesses make more money. Online on-demand service providers register a number of knowledgeable pros in numerous home service categories. Service industry workers have the chance to increase their earnings during their free time, which contributes to the creation of jobs. Through commission or service fees, the service providers make money for themselves. An on-demand economy promotes social and economic advancement by boosting consumption and promoting economic expansion as a whole.

Keywords: On-demand services, online marketing, consumer satisfaction, sustainability, OLODHS.

1. INTRODUCTION

The speed at which technology has advanced in recent decades is astounding. The use of cellphones, the internet, cloud computing, and other digital tools has completely changed human life. Without numerous technologies, we are unable to envision our lives. Online technology expansion and innovation has created a new breed of businesses in practically every industry, including business, communication, transportation, services connected to finance, agriculture, viewing various OTT programmes, etc. The ability of the on-demand economy to make everyone happy—including service providers, service providers, and customers who receive the essential service at their convenience—is a major factor in its success. The home services sector is growing in popularity because it directly connects local services to consumers while maximising the benefits of technology.

The expanding e-commerce and m-commerce platforms are what are driving the market for on-demand home services. The online on-demand home services industry is growing as a result of widespread smartphone and internet usage. Millennials are using the internet more and more to access information and use services. The OLODHS fills the gaps left by offline services and frequently serves as a middleman to effectively deliver services to customers when they need them. What was once a luxury is now a need. This on-demand service sector has greatly benefited from high income and workplace stress. The market for on-demand services has now surpassed that of the companies where we currently work.

On-demand services have undergone significant change throughout time, just like human life. People want to complete daily tasks quickly, which is why these services have gained so much popularity. A few examples include meal delivery, on-demand cab service, and personal care. Services help consumers avoid waiting around and travelling. Because they are convenient and free up time for personal needs, maintenance services are also well-liked. Applications for on-demand services help people since they help them do a variety of activities. On-demand services are applauded throughout the world as time savers due to the ease of access to information.

Numerous individuals and businesses gain from the on-demand economy on numerous levels. It mainly offers a wide range of possibilities for businesses. In addition, consumers obtain their goods and services more quickly and for less money than they would via conventional means. There are only a few significant actors in the on-demand economy, despite the fact that it spans many different businesses.

The on-demand industry had its most significant change in 2020. 23 of the 310 companies having a market valuation of \$1 billion or more, according to CBInsights, are in the on-demand sector. In addition, 22.4 million additional customers chose on-demand services annually, paying a total of 57.6 billion dollars, according to Harvard.

Numerous services are provided in a variety of categories. Generally speaking, these can be divided into the following categories:

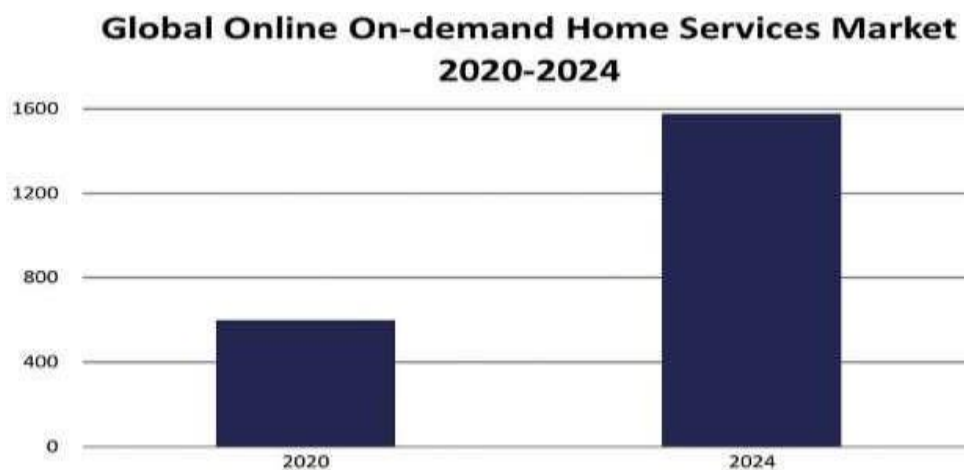
- Transportation
- Home Care (Repair & Maintenance, Cleaning) & Design
- Health, wellness & beauty
- Food Delivery
- E-Learning & Home Tutors, etc

2. ONLINE ON-DEMAND HOME SERVICES SCENARIO

In addition to being the largest Internet users, the nuclear family-based urban environment that exists today is a key factor in the quick development of e-services. To sustain their busy, fast-paced lives, they urgently need aid. They don't want to spend their weekends doing chores like cleaning or fixing things. Today's families view physical searches for needs as a waste of resources, in contrast to their forebears. These folks use the internet, especially with the aid of practical mobile applications, to hunt for immediate solutions. If they can find affordable, practical services that show up on schedule, they are happy. The efforts of the Indian government to demonetize currency, as well as the days that followed, highlighted the advantages of e-services in India. The fast Internet helped the Indian people realise for the first time that they might live in a cashless society! And this quick shift was made possible through e-services.

Global scenario

In a market research analysis released in November 2019 by Technavio, it was predicted that the global internet on-demand home services market would expand at a CAGR of more than 53% between 2020 and 2024. The study estimates that the global internet on-demand home services market might grow by \$1.574.86 billion between 2020 and 2024. The market will expand at a rapid rate between 2020 and 2024 as a result of the steady yearly increase. Early in 2020, the COVID-19 pandemic spreads over the planet. Both the mindset of the market and consumer purchasing habits will be impacted globally. The global OLODHS market is now anticipated to expand at a CAGR of 38.6 percent over the forecast period, taking the effects of the pandemic into account.



Source - <https://medium.com/techtic-solutions/on-demand-home-service-app-features-functionalities-and-cost>

Indian scenario

The Indian economy has expanded quickly. Although the GDP of the nation has been rapidly increasing, there is currently a high rate of unemployment and poor consumption in the economy. All of this points to a serious downturn for our economy. The government is making decisions that will support the expansion of the economy and the country. To encourage entrepreneurship in the nation is one of the steps.

Startups like OYO, Urbanclap, Swiggy, and OLA, among many others, have drawn a lot of international investment while also employing a sizable population. In addition to assisting with the situation at hand, they are also boosting consumption, creating jobs, and promoting the economy's overall expansion.

India is home to one of the largest and fastest-growing populations of Internet users worldwide, according to a report by IAMAI and BCG research. The population reached 500 million as of June 2018 and is growing swiftly. According to projections, there will be more than 512 million internet users in India by 2022. According to e-marketer, a research firm, e-commerce sales in India are projected to grow from \$14 billion in 2015 to \$71.94 billion in 2022. In the Asia-Pacific area, India has the fastest-growing retail e-commerce market. Nearly 40% of India's population is predicted to live in cities by 2030, and this enormous urban population will increase its current GDP contribution from 63 percent to up to 75%. This growing urban middle class is transforming the tech industry by creating more opportunities for new start-up businesses to flourish. By 2030, Delhi, the capital of India, is predicted to surpass Tokyo as the world's most populous metropolis, while 68 other cities in the nation are anticipated to reach the million-person mark.

Aggregation Model

Using a network approach, this unique business collects data about a particular service provider, partners with the experts, and markets the professionals' services under its own brand. The aggregator must provide services that are consistent in terms of quality and cost because it represents a brand. They reach an understanding with the partners to achieve this. The experts continue to be the business owners of their company and never work for the aggregator. An organisation simply supports them in marketing in this sector, creating a unique win-win scenario (Pahwa, 2019). Startups are all vying to organise the unorganised transportation business, including Oyo, Urban Clap, and Ola.

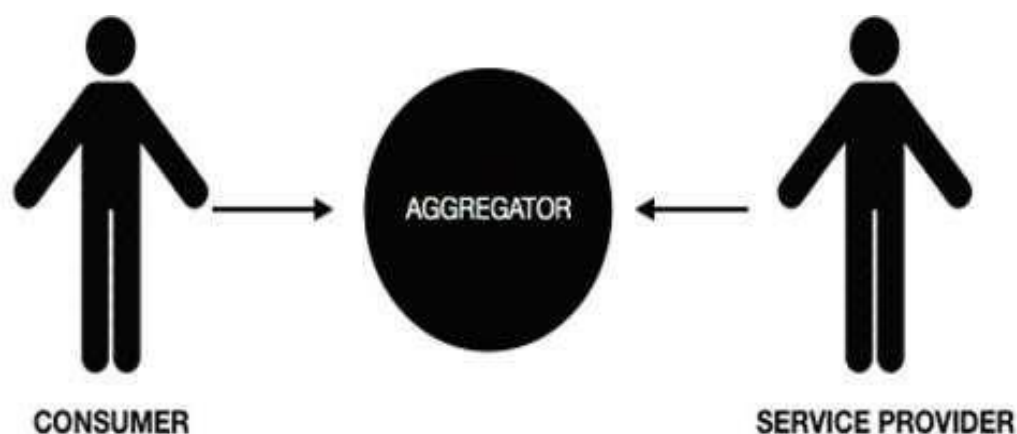
For instance, Oyo has over 12000 properties and is the world's largest network of branded hotels (Pahwa, 2018). They focused on the uniform quality of the service offered as well as the partners' discoverability among users. On the other side, Swiggy is a marketplace for food delivery services that serves as a go-between for clients and merchants. By simplifying consumers' lives, they add value. Urban Clap is a different start-up company that offers residential services. They provide low-cost, high-quality service at the homes of their clients. They provide low-cost, high-quality service at the homes of their clients. By doing away with them and allowing experts to register directly on their website, they have dismantled the middleman paradigm (Agarwal, 2016).

Due to the millions of people they have given employment opportunities to, all of these companies contribute to the economy. Their organisation of the unorganised sectors of the economy is their first thing in common. Second, they have a

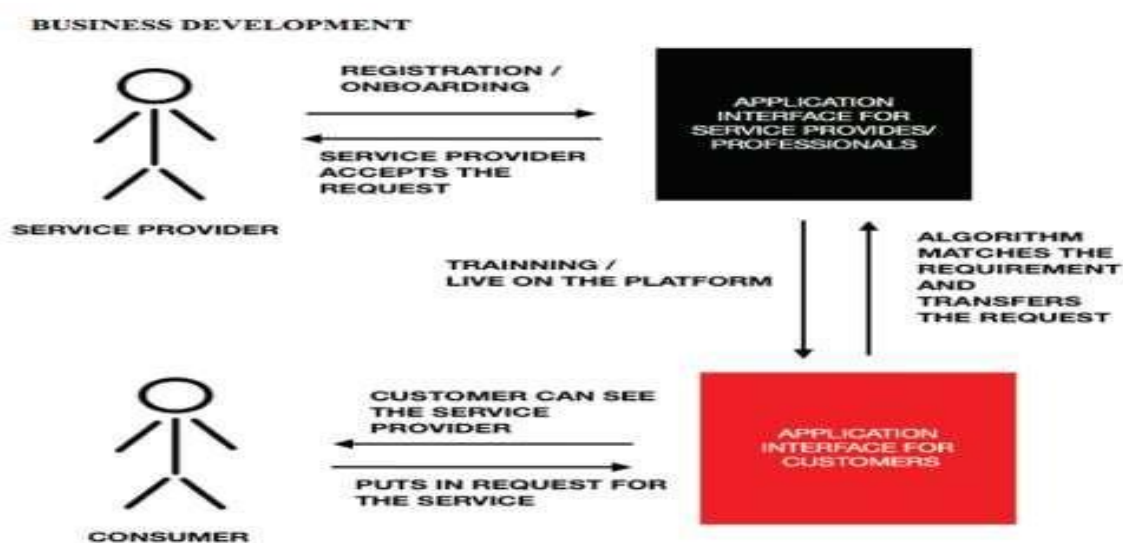
sizable customer base thanks to their millions of registered users. This helps them maintain a regular supply. These businesses are increasing the pace of consumption despite the economy's dropping level of consumption by concentrating on creating jobs for the unemployed. This strengthens the economy and the spending power of consumers. Thirdly, they are all held to high standards, guaranteeing that the customer is happy with the service. Thirdly, they are all held to high standards, guaranteeing that the customer is happy with the service. They aim to provide convenience along with reliable quality.

The fact that these companies foster win-win relationships with both their partners and their clients is another crucial element in their success. The dynamic models used by these businesses act as an intermediary between individuals and services. A specialist in the field is informed at the same time as users register on their app and book the service they require. As a result, customers will find it simple to quickly choose a skilled professional by simply pressing a button (Venkatesiah, 2017).

The question of how they maintain such a sizable user and service provider database is still open. The platforms of these companies draw customers in a number of different ways. They have a substantial marketing and sales budget. In order to persuade a user to join up and use their services, they also invest a lot of money in customer acquisition. This is due to the fierce competitiveness in the economy.



Source - Aggregation connections. Source – Chetan Panse et al. (2019)



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For instance, it can be demonstrated that the discounts provided by these programmes typically result in a cash burn of the investors' funds. Rarely is it questioned whether spending money would bring in repeat business and devoted customers!

Referral programmes are one more technique that businesses use to attract clients. For instance, Swiggy provides a discount on some hotels' meal menus in the event of delivery. In contrast, Oyo provides a referral bonus of up to Rs (Pahwa, 2018). With the use of the app, Urban Clap offers a discount on the first service.

The prices charged for the services are fairly reasonable compared to other providers on the market, which helps them attract more clients. Additionally, they favour carrying out regular quality inspections and upholding strict standards of excellence. Additionally, they have a very efficient after-sales team, which increases their user base and makes them extremely customer-centric. The supply and demand sides of every service that businesses in the service sector try to offer to their clients must be balanced. In order to satisfy the significant demand of the Indian market, the on-boarding process is essential. The on-boarding process, which is a thorough funnel process, begins with cold calling. Few service providers on the market are ready to expand their offerings online or through an application platform. Due to a lack of information, people are unaware of the benefits of these organisations and also want to reduce the risk associated with a small investment.

For instance, Ola makes an investment in the car and its upkeep, whereas Urban Clap makes an investment in the supplies required to provide the services. These companies need to make sure the products their service providers use to give services to clients are standardised. Startups like Oyo and Urban Clap are aware that there will eventually be a lack of qualified service providers or hotels (in the case of Oyo) and that these companies will not be fully prepared to handle this situation. Although Swiggy's cloud kitchen and Oyo's transition to self-construction have had some success, it would be difficult for businesses like Urban Clap to overcome this issue (Russell, 2018). At this point, prosperous businesses like Uber have already made the decision to target those who are poor and train them to fill the growing demand for their services (Laidre, 2015).

The quality of the service is crucial for customer retention in the service industry because there are so many client touchpoints. One unfavourable customer review will reduce demand due to viral marketing. As a result, these companies uphold quality by hiring experts to train their employees (Pradhan, 2018). These experts will cover a variety of topics, including customer service, fundamental manners, and contemporary service delivery methods. Given how specific Indian consumers are about the services they receive and how they want to get the most for their money, the transfer of knowledge from the expert to the service professional stands out as a crucial element in maintaining quality.

The only way to monitor the quality of the services offered by the App or online platform is through customer reviews and ratings. Due to the fact that there are two distinct frameworks for consumers and service professionals, organisations constantly watch these service providers. Due to the fact that these companies are responsible for both security and privacy, two distinct frameworks help to protect both service providers' and users' personal information.

India is one nation where the start-up economy is flourishing. The aggregation approach, which standardises services and increases the visibility of specialised service providers, is being created to handle the nation's numerous unorganised industries. These companies' distinctive business methods enable them to balance supply and demand while still offering top-notch customer service. They successfully accomplish their objectives by integrating human and technological resources.

3. CONCLUSION

OLODHS apps are a lifesaver for people who require help with a range of duties. Only when we are in need and services are offered can we truly appreciate its actual worth. They are also quickly catching up with market trends because they are viewed as a superior option to other services. The primary factors in their attractiveness are their specialised functionality and easy accessibility to the resources. Industry experts have determined the requirements. They are also all working to bridge the gap between the vendor and the buyer.

One can access a range of services if you take a look around your home. There are many different services provided, including furniture installation, plumbing, painting, pest control, and electrical work. One of the most recent advancements in these home services is making your house a smart home. With so many options, developing an app that offers home-based services on demand might be a very profitable business concept. The popularity of meal delivery apps indicates that people don't have time to organise their homes. The time when people could call a plumber, an electrician, or a carpenter in their neighbourhood and request that they come to their home and finish the tasks is long gone.

With more people relocating and less time to build trust, demand for on-demand home services will unavoidably rise. Convenience and cost savings are the key reasons why people are drawn to on-demand services. Venture capitalists are drawn to this industry due of the rapid growth of these services.

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