

CLIPPERTON

THE 'UBER-ECONOMY': HOW MARKETPLACES EMPOWERING CASUAL WORKERS DISRUPT INCUMBENTS

A man in a dark suit and tie is standing next to a black luxury sedan, opening the rear passenger door. The car's interior is visible, showing beige leather seats. The background is a blurred outdoor setting with green trees.

THE 'UBER-ECONOMY'

How to define the 'Uber-economy': from buzzword to economic reality

Key Success Factors for its participants and contenders

How incumbents of all sectors react

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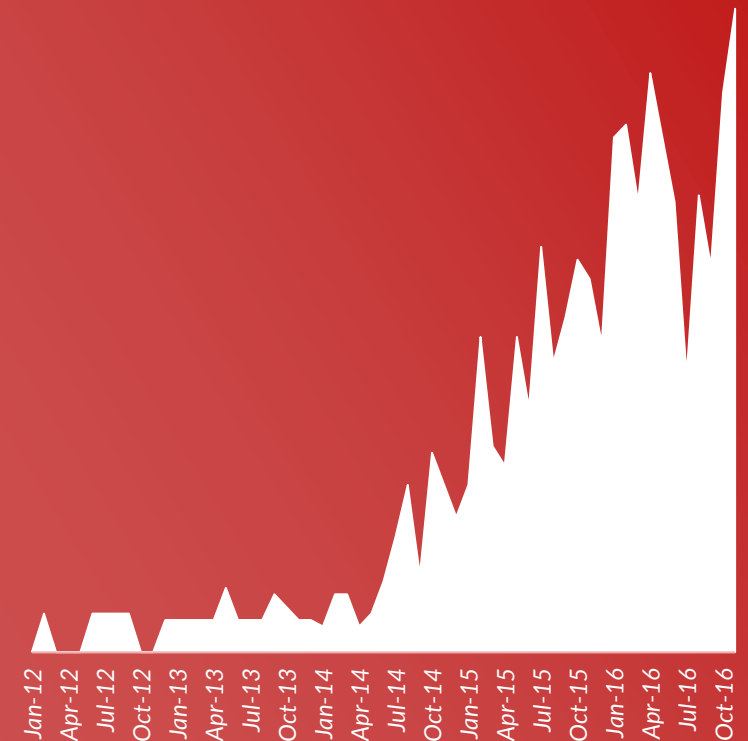
About Clipperton

Clipperton is a leading European corporate finance boutique dedicated to the High Tech and Media industries. Clipperton advises high-growth companies on mergers and acquisitions, financial transactions and capital increases. With teams based in London, Paris and Berlin and an international reach, Clipperton is a European leader in the sector.

EXECUTIVE SUMMARY (1/2)

- ▶ The 'Uber-economy' is at first a media-concept with a blurred scope. Finding an economic or business definition characterizing this new wave of digital companies is not a trivial task.
- ▶ However, this paper points out that 'Uber-economy' players can be seen as a sub-group of digital platforms with several cardinal properties:
 - They are generally **labor-centric platforms**, providing an income complement to the suppliers and sometimes becoming their main source of income. **Asset-centric platforms** that rely on physical assets are **more rare**: *Airbnb* is the obvious counter-example, which has interestingly given birth to a myriad of players focused on providing ancillary services linked to the platform (guest reception, cleaning...);
 - They target **large and established markets**: by providing a global solution to multi-local problems, they attack incumbents – either large corporations (hotel chains, logistic platforms) or multi-local regulated services provided by SMEs (e.g. taxis);
 - They are transactional platforms with **full control over the transaction**, beyond simple matchmaking. This is primarily enabled by real-time connected agendas that enable easy booking features.
- ▶ The primary sectors to be affected so far are Transportation (*Uber, Didi Chuxing, Drivy*), Accommodation (*Airbnb, Tujia, Onefinestay*), Home Services (*Helpling, Taskrabbit*) and Freelance & Micro-Jobbing (*Upwork, Gigwalk*).

GLOBAL 'UBER-ECONOMY' GOOGLE SEARCHES*



* Source: Google Trends, base index (100 in Nov-16)

EXECUTIVE SUMMARY (2/2)

- ▶ A winning recipe could be derived from successes and failures within the space:
 1. **Market characteristics:** **intrinsic high recurrence** on the demand side coupled with an **absence of *intuitu-personae*** between the user and the service provider. Users do not expect to have the same *Uber* driver for every ride, or the same flat for every touristic venue, but they will prefer to have the same person doing housekeeping on a weekly basis – which partly explains the difficulties of *HomeJoy* – or providing private tutoring to their child;
 2. **Data focus:** **control of the transaction / payment** to take a fee of the gross value and **data collection** to constantly improve the quality and increase the scope of the service;
 3. **Funding:** access to sizable rounds to finance aggressive development roadmap and expensive customer acquisition because of (i) high expected life-time value due to high repeat rates and (ii) local market share and awareness which are key to create network effects.

- ▶ What' next?
 - In today's context – less exuberance in technology funding, as evidenced by the declining investment value in the digital space in 2016, there is a high likelihood of a **cyclical change in the 'Uber-economy'**. A mitigating factor could be the appetite of corporates to fund 'Uber-economy' players. But one can expect fewer mega-rounds in the next 12/24 months in sectors where strong players have already emerged;
 - **New industries** should however be hit by the 'uberization' wave – incl. regulated sectors being 'uberized' by platforms relying on regulated players. We see a strong case in **Healthcare services** and in **Consulting / professional services**. Education – where *intuitu personae* (the tutor-student relationship) is key – is a big question mark;
 - Incumbents and large corporates cannot stay idle: **defensive deals and aggressive digital strategies will be high on the blue-chips agendas** in many sectors such as tourism (see *Accor's* recent M&A and minority investments), logistics and transport/automotive. **Consolidation among 'Uber-economy' players** is also on the rise: the merger between *Uber China* and *Didi Chuxing* is the most prominent example of the rationale of avoiding too-long and costly customer acquisition battles.
 - Finally, **the 'Uber-economy' is bound to become highly sensitive to the direct actions of regulators**. In October 2016, a UK court ruled in favor of the reclassification of a group of *Uber* drivers as 'workers', and in November, the Court of Justice of the European Union started assessing whether to consider *Uber* a 'digital platform' or a 'transport service' – a regulated activity in many countries. **Similar legal procedures have emerged worldwide and could have massive transversal consequences on all such labor-centric platforms.**

1 THE 'UBER-ECONOMY' IN THE MEDIA

2 PANORAMA OF THE 'UBERIZED' WORLD

3 WHAT IT TAKES TO 'UBERIZE' AN INDUSTRY

4 THE NEXT CANDIDATES FOR 'UBERIZATION'

MUCH HAS BEEN SAID ABOUT THE 'UBER-ECONOMY'

Media and public debates are flooded with 'Uber-economy' topics and its impacts on our world. Countless terms – more or less relevant – have been used to qualify these changes: disintermediation, digital economy, on-demand economy, sharing economy, access economy, gig-economy ... resulting in a seriously blurred definition and many questions raised.



"Everyone is starting to worry about being ubered. It's the idea that you suddenly wake up to find your legacy business gone..."

Maurice Levy, Head of Publicis Group, Dec. 2014



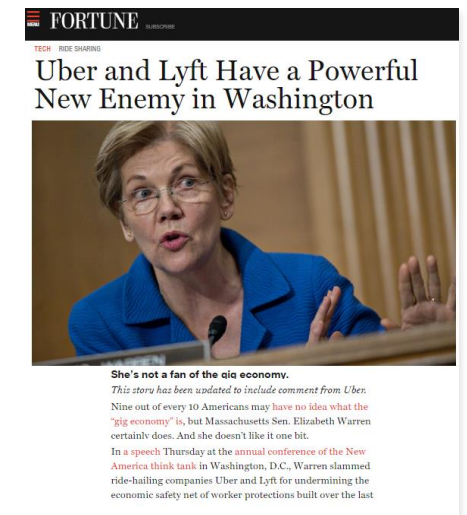
"Uber and Airbnb [...] provide large benefits to the economy, but governments need to ensure that both consumers and providers are protected. Hoping the services will just go away is not an option governments can afford to take."

The Guardian, Apr. 2016



"Is the company destroying full-time work, entrenching us in part-time purgatory, or empowering America's most independent workers? [...] The truth lives somewhere in the middle."

The Atlantic, Jan. 2015

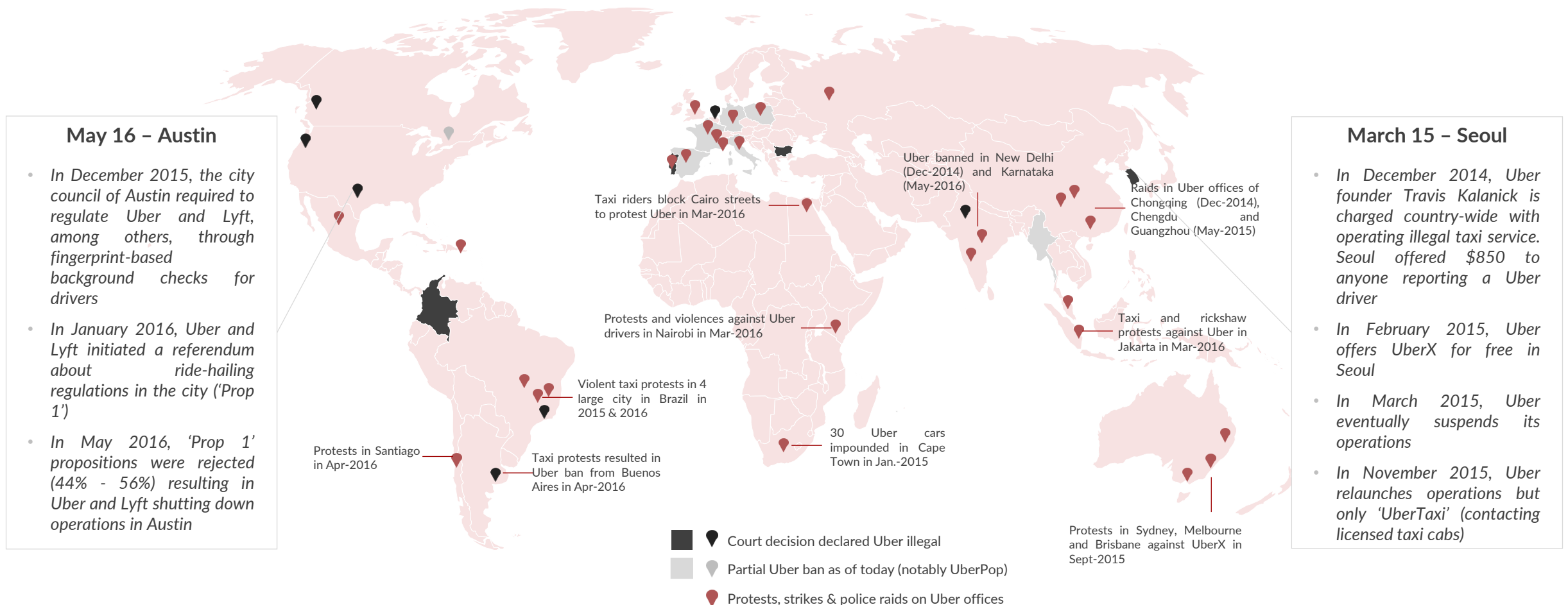


"While their businesses provide workers with great flexibility [...] their business model is, in part, dependent on extremely low wages for drivers."

Elizabeth Warren, Senator of Massachusetts, New America conference, May 2016

THE EXAMPLE OF UBER – A GLOBAL PHENOMENON ... FACING LOCAL LEGISLATIONS

Uber deals with highly sensitive topics, with major social and political impacts. Disrupting well-established professions and changing the work relationship does not come without strong reactions from all over the world.



USUAL CLAIMS ABOUT THE 'UBER-ECONOMY'

“All sectors are about to be ‘uberized’, and there is nothing you can do about it”

“The 'Uber-economy' redefines the concept of work, dragging us to a freelance-economy”

“Uber-like players come at full speed, threatening centenarian companies”

“Users benefit from new affordable and innovative services”

“The 'Uber-economy' is creating new monopolies, granting unrestricted power to digital champions”

“Uber-like revenues partly escape taxation, both on corporate & personal income taxes”



THESE STATEMENTS REQUIRE AN EXTRA LOOK – ECONOMIC IMPACTS

All sectors are about to be 'uberized', and there is nothing you can do about it



- ✓ Certainly true for transportation and accommodation
- ✗ All sectors are not affected, e.g. industries with sizeable tangible assets, services with strong *intuitu personae*...
- ✗ Being disrupted by digital start-ups does not necessarily mean being 'uberized'

'Uber-like' players come at full speed, threatening centenarian companies



- ✓ It only took five years for Uber to surpass the valuation of 107-year-old General Motors* ...
- ✓ ... and seven years for Airbnb to surpass the valuation of 97-year-old Hilton Group*
- ✗ 'Uber-like' players develop a global solution to multi-local problems: they are somewhat a bigger threat to local 'annuitants' (local taxis, hotels) than to large companies (although indirectly impacted)

The 'Uber-economy' is creating new monopolies, conferring unrestricted powers to start-up firms



- ✓ The amounts raised – \$18b for Uber, \$4b for Airbnb – give them undeniable advantage to quell competition
- ✓ 'Uber-like' players are seeking integrated offerings and global critical mass, which naturally leads to dominant situations
- ✗ Increasing power in the hands of 'too big to ban' new-comers relates more to digitalization than 'Uber-economy'



THESE STATEMENTS REQUIRE AN EXTRA LOOK – SOCIAL & ETHICAL TOPICS



The 'Uber-economy' redefines the concept of work, dragging us to a freelance-economy

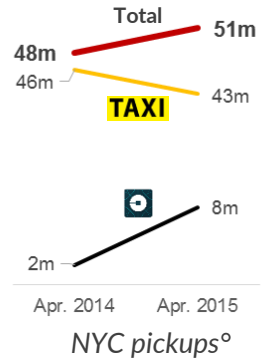


- ✓ The 'Uber-economy' undeniably 'commoditizes' work. Whether it is good or bad is not the subject of this study
- ✓ 50m+ of US workers are now freelancing*, and one third of Uber drivers in L.A. use it as supplementary income
- ✓ c.100 lawsuits were filed against US 'Uber-economy' companies in 2015, in order to reclassify workers as employees rather than independent contractors

Users benefit from new affordable & innovative services



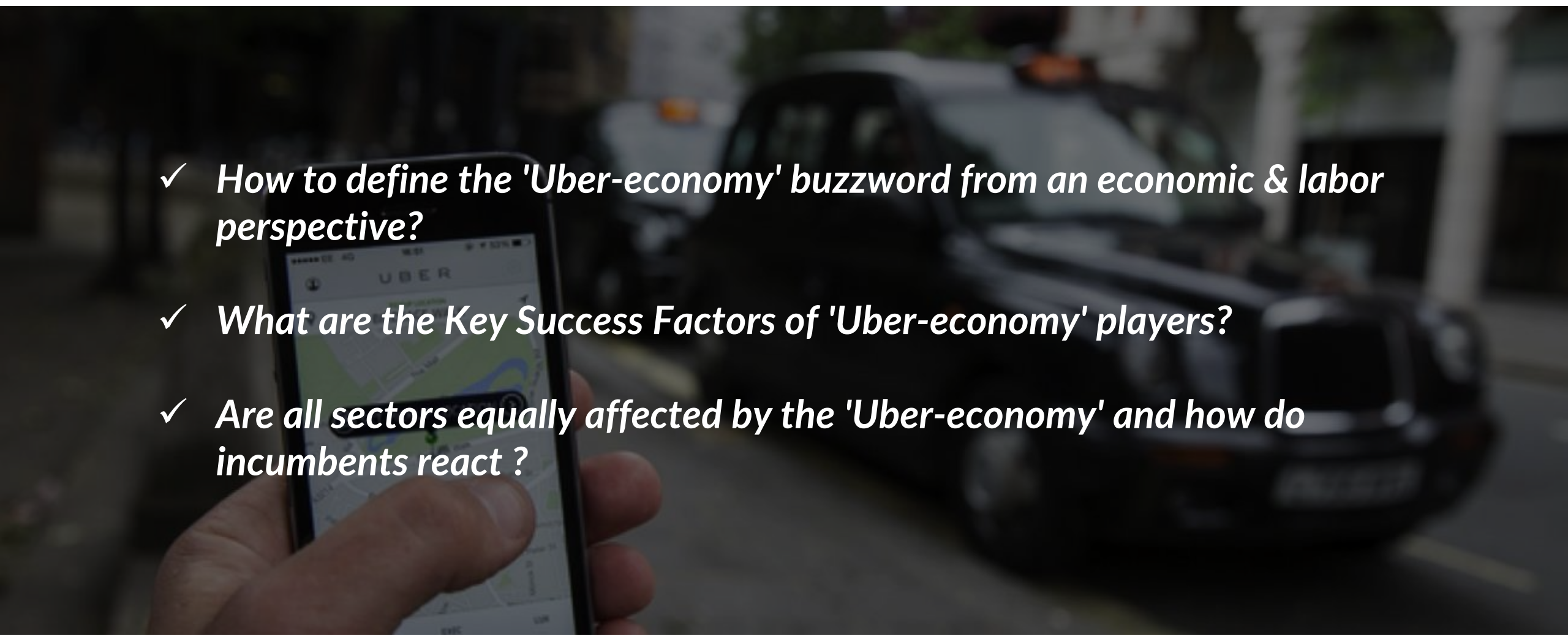
- ✓ Uber democratized transportation services, participating in the general increase of rides through affordable pricing policy and near-complete coverage of territory in targeted areas
- ✓ Airbnb revolutionized the hotel industry with authentic accommodation experience traditional hotels could not provide



'Uber-like' revenues & profits partly escape taxation



- ✓ Several large 'Uber-economy' players manage to pay limited taxes through tax optimization. But this has always been the case with international conglomerates
- ✗ Digitalization makes it even more complex, with grey areas around revenue recognition and transfer prices
- ✓ The 'Uber-economy' somehow broadens existing 'black markets'. Revenues earned through digital platforms are by nature easy to trace but websites are not responsible for their customers' behavior hence not always committed to link up with tax authorities

- 
- ✓ *How to define the 'Uber-economy' buzzword from an economic & labor perspective?*
 - ✓ *What are the Key Success Factors of 'Uber-economy' players?*
 - ✓ *Are all sectors equally affected by the 'Uber-economy' and how do incumbents react ?*

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HOW IS THE 'UBER-ECONOMY' COMMONLY DEFINED?

Disruption

The 'Uber-economy' relates to strong value shift to new-comers attacking established markets. Many markets are and will be disrupted, and not only B2C segments. Low-online-penetration & highly fragmented sectors are the most exposed to the 'Uber-economy'.

Digital platforms

'Uber-economy' players are digital platforms acting as new intermediaries and leveraging technology (mobile, geolocation, ratings, connected agendas...) to provide a seamless UX to end customers. It is a perfect fusion between 'people and software'.

Access & usage

'Uber-economy' players democratize the access to some goods & services leveraging both smart pricing & advanced tech. When the core offering is goods, the 'Uber-economy' facilitates the access to them to a point where access & usage tend to replace ownership.

Gig economy

'Uber-economy' players re-invent the work relationship, relying primarily on independent 'casual-workers' and freelancers. Work precariousness as well as social and legal abuses are often condemned as intrinsic to the 'Uber-economy'.

Sharing economy

The Peer-to-Peer and exchange components are undeniable within the 'Uber-economy'. However, the supply of work and/or idle assets is often one-sided and paid for, far from the ideology of a sharing economy.

Large financings

The 'Uber-economy' is generally characterized by significant cash-burn rates and private financing. Venture Capital funds are by definition the only investors willing to finance hyper-growth and accept the high risk / high 'unicorn-potential' tradeoff.

ESSENTIAL ATTRIBUTES OF 'UBER-ECONOMY' PLAYERS (1/2)

The predominance of labor-intensive start-ups in C2C markets appears as one of the primary characteristics of the 'Uber-economy'



▶ The resource provided can be split into:

- Labor / service



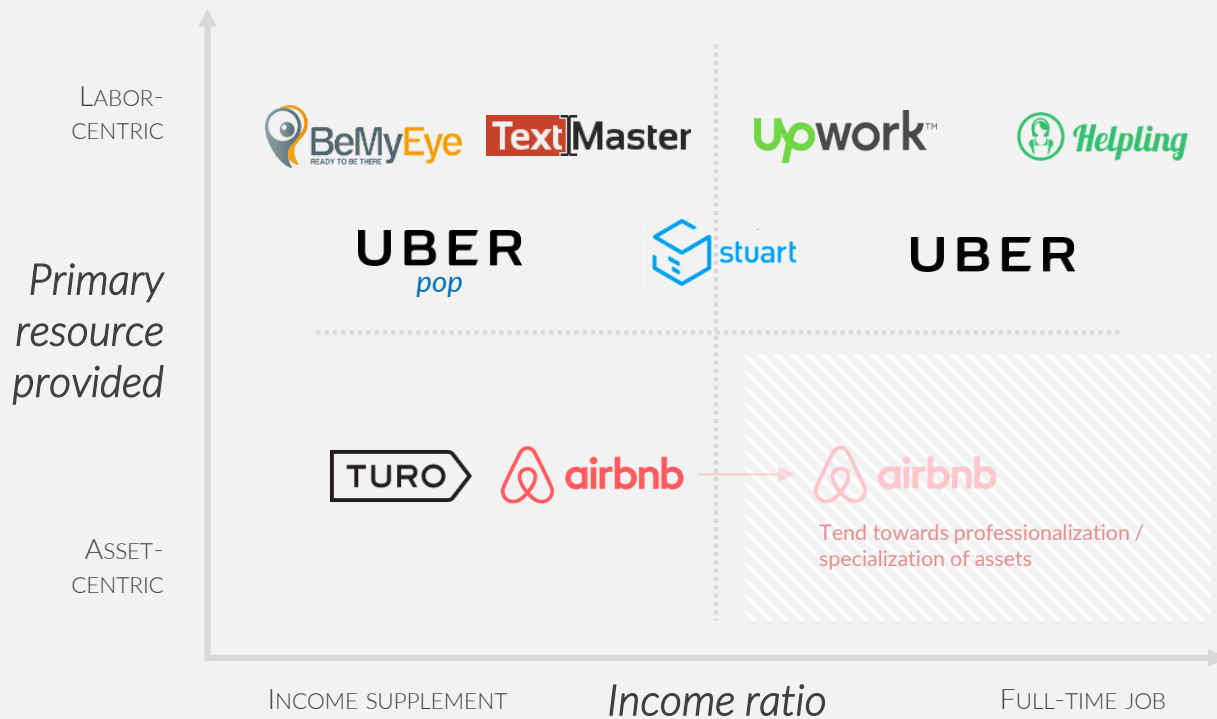
- Capital / physical asset



▶ There is a plethora of **C2B labor-centric companies** which digitalize traditional freelance jobs in various sectors: consulting (*TalMix*), market research (*Twentify*), tech (*Upwork*), design (*Creads*, *99designs*)...

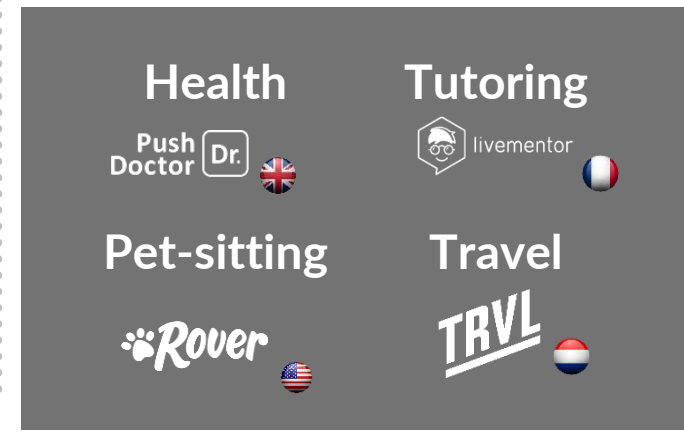
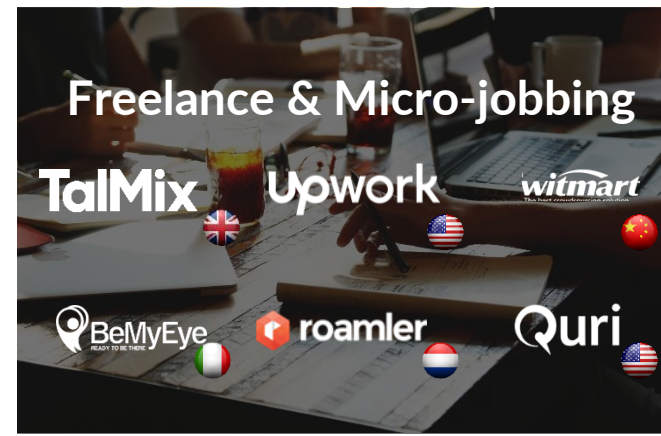
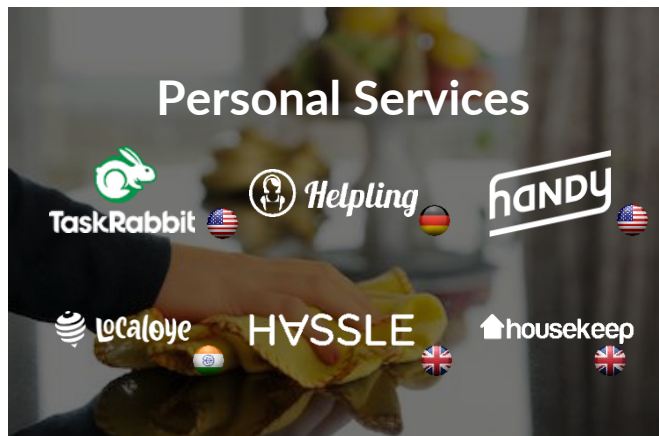
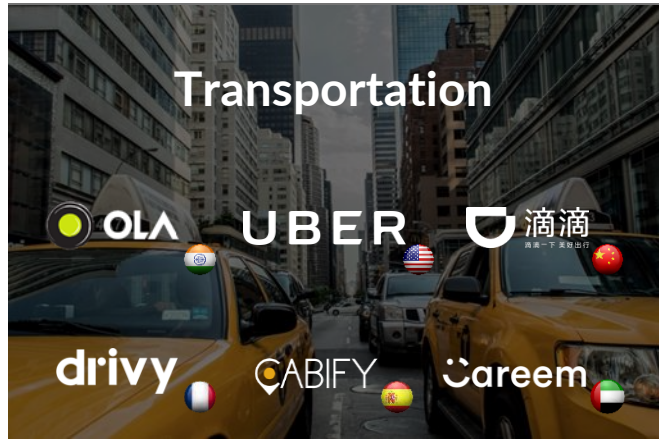
ESSENTIAL ATTRIBUTES OF 'UBER-ECONOMY' PLAYERS (2/2)

Most 'Uber-economy' start-ups are labor-centric: they traditionally offer income complements to 'casual workers' and can also be the main source of income for these workers



- ▶ **Asset-centric** platforms are more likely to be used for **income supplements**, while **labor-centric** platforms can provide both income supplements and **full-time job opportunities**
- ▶ *Airbnb*, originally meant to offer an income supplement to individuals, is also leveraged by professional real estate investors to improve returns/profitability

CURRENT SECTORIAL REACH OF THE 'UBER-ECONOMY' – SAMPLE ONLY



BREAKING INTO \$100B+ WELL-ESTABLISHED MARKETS

	 Transportation	 Accommodation	 Freelance & Micro-jobbing	 Logistics	
Incumbents	Taxis, car rentals & manufacturers   	Hotels, hostels, guesthouses...   	Professional staffing Market research    	Global courier, express & parcel companies (CEP)   	
Disrupters	      	     	     	   	
Est. global market size	\$100b+ ¹ (taxis only)	\$550b ² (hotels only)	\$90b ³ (outsourced services)	\$240b ⁴ (CEP only)	
'Uberization' degree					
Largest fundraisings*	   \$18b \$10.2b \$1.2b	   \$4.0b \$505m \$455m	 \$74m	 \$31m	   \$450m \$25m \$25m



Uber derivatives – along with P2P car rental start-ups – not only compete with taxis and traditional car rentals, but target the automotive market as a whole.

Competing
with
taxis



Founded: 2011

HQ: Madrid, Spain

Cum. funding: \$143m (\$120m Series C in Apr-16 led by Rakuten)

Int: Latin America & Spain

FTEs: 300

- Online cab & transportation services
- **Leading position in Spain** (20% of revenue) vs. *Uber* thanks to local legislation (*Cabify* uses a dedicated SPV to buy 'private driver' licenses, whose supply is limited)
- **Key expansion strategy towards Latin America** (13 countries to date), where *Uber* is not dominant
- **High-end & B2B positioning**, with 50% of revenue from corporates

Competing
with
car rental
companies



Founded: 2010

HQ: Paris, France

Cum. funding: : \$43m (\$35m in Apr-16)

Int: 5 countries, leader in Europe

FTEs: 60+

- Leading **car rental marketplace** in Europe, competes with *Ouicar* (SNCF)
- **Full mobile experience**, from booking a car to check-in and check-out, offers a self-service rentals technology
- **850k users**, 36k listed vehicles, **1.4m days of rental** in 5 years
- **\$43m raised** with *Via-ID*, *Bpifrance*, *Index Ventures*, *Alven Capital*, *Nokia Growth Partner*, *Cathay innovation*

65% fewer monthly trips per city taxi in San Francisco Bay Area

Source: San Francisco Municipal Transportation Agency – Jan-12 to Aug-14



€7b expected rev. losses to OEMs in 2021 due to car sharing

Source: Boston Consulting Group

ACCOMMODATION: ASSET-CENTRIC COMPANIES HAVE GIVEN BIRTH TO AUXILIARY PLAYERS



Airbnb is disrupting traditional hotel groups, while numerous auxiliary service companies cash-in on Airbnb's success and improve user experience

Asset-centric
Airbnb-like



+ countless derivatives

9flats.com		Airbnb-like generalist
WIMDU		Airbnb-like generalist
Bedya Casa		Local experience
HOUSE TRIP		Europe-focused
misterb&b		Gay-community centered
onefinestay		High-end rentals
Rqomlala		Student-focused
vaycayhero		Full-stack accommodation + services



Auxiliary services

<p>Pricing optimization</p> <p> Beyond Pricing</p> <p> SMART HOST</p>	<p>Full rental management</p> <p> Pillow</p> <p> METROBUTLER</p> <p> GuestReady</p>	<p> </p> <ul style="list-style-type: none"> Logistics management & concierge services for short-term rentals from €19.99 Includes customer support, payment & insurance 30,000 customers, works with: ... Raised \$2.5m with Cap Decisif & Fashion Capital Partners
<p>Cleaning</p> <p> MaidThis</p>	<p> </p>	

-\$2b Airbnb impact on lodging industry and NYC economy

Source: Hotel Association of NYC

10% increase in Airbnb supply

leads to

0.35% decrease in hotel revenue

Source: Boston University research paper



Full-time job:
for high-end
freelancers



Founded: 2005 (former oDesk)

HQ: Mountain View, US

Cum. funding: : \$74m, acquisition
of Elance in Nov-14

Int: US, UK, Canada & Australia

FTEs: undisclosed

- Online **freelancer marketplace** with strong focus on **digital & IT competencies**
- Provides a fully-integrated service offering with **end-to-end Freelancer Management** (contract, payment, reporting...)
- **12m registered freelancers**, 5m clients, \$1b job value posted every year
- **\$74m raised** with *First Mark Capital, Stripes Group, T.Rowe Price, NEA, ...*

Upwork disrupts the professional staffing industry, leveraging its fully-integrated service offering and its competencies on digital positions.

ALTRAN

Manpower*

Adecco

HAYS

expectra
groupe randstad

Supplementary
income:

empowering
any
smartphone
holder



Founded: 2011

HQ: Milan - Italy, London - UK

Cum. funding: : \$10.1m, acquisition
of LocalEyes in May-16

Int: Italy, UK, France, Spain &
Germany

FTEs: 60+ FTEs

- BeMyEye offers **on-demand field audits** via **mobile crowdsourcing**, empowering any smartphone user
- BeMyEye bypasses conventional merchandising research by directly connecting businesses who need data from the field with people with easy access to it
- **200k users, 200 clients**, 40k visited shops
- **\$10.1m raised** with *360 Capital Partners, Nauta Capital, P101, ...*

BeMyEye disrupts the market research industry through crowdsourced business insights on brick-and-mortar PoS.

GfK

nielsen

npd

Ipsos

DELIVERY START-UPS DO NOT ALL BELONG TO THE 'UBER-ECONOMY'



Two main models of delivery start-ups have emerged: start-ups focused on specific verticals – providing delivery as an 'auxiliary service' – and crowdsourced delivery platforms – for which delivery is the 'core service'

Delivery start-ups focused on specific verticals, like food, are not truly part of the 'Uber-economy'

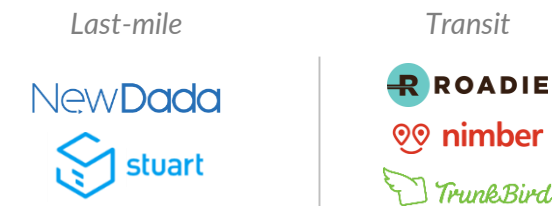
- On-demand delivery start-ups are **not disrupting existing players** but only partnering with restaurants/shops to increase their range
- Delivery is an **auxiliary service** empowered by digital & freelancers but **linked to other goods** (food, books, flowers...)
- Food delivery start-ups **'created' new markets** without challenging any large existing incumbent

Crowd-sourced delivery start-ups share the same model as other 'Uber-economy' players

- Disrupt **large & established market** by offering **crowdsourced alternatives** to Courier, Express & Parcel (CEP) incumbents



- **'Core' service** – from the clients' perspective – provided by 'casual workers' or freelancers



BORDERLINE CASES: BETWEEN 'UBER-', SHARING & ON-DEMAND ECONOMY

Bla Bla Car

Carpooling platform

BlaBlaCar should not be included in the 'Uber-economy' since drivers are not meant to make profit & are not working *per se*.

- Complements traditional transportation means and allows sharing of car-related costs
- All payments are made through the platform (online booking & payment compulsory since 2015)
- 25m members, 10m+ travelers per quarter in 22 countries & 50m+ trips shared to date

Founded: 2006

Int: 22 countries

HQ: Paris, France

FTEs: 500+ FTEs in 16 offices

Cum. funding: : \$330m+

BlaBlaCar's active M&A strategy – selected acquisitions



THE FOOD ASSEMBLY
LA RUCHE QUI DIT OUI!

Local fresh food circuit

The Food Assembly (La Ruche Qui Dit Oui!) is more a 'crowdsourced' new distribution channel for farmers & producers than a 'Uber-economy' player where anyone can sell fresh products/groceries.

Online marketplace for local farmers/food-makers organized around 'assemblies' ('ruches') – 1,000+ in France, UK, Spain, Italy, Belgium & Germany – managed by local hosts and where the delivery takes place.

- All payments are made online before the 'delivery'
- Hosts receive a ~8% fee for managing a community
- It competes with fresh products/groceries stores & traditional markets

Founded: 2011

Int: 6 countries

HQ: Paris, France

FTEs: 70+ FTEs

Cum. funding: : \$11m



is an e-commerce website for local food which experienced difficulties to scale: it is not built around communities but centralized & delivered through parcel

Only a limited number of 'Food-tech' companies can be considered as 'Uber-economy'

On top of 'traditional' food delivery, three categories of players are willing to substitute restaurants – a truly atomized industry with no large incumbent – to disrupt daily meals habits.

1 'P2P cooking' start-ups



- Online booking platform for meals prepared by 'casual cooks'
- No delivery, customers take the food away at the cooks' place

➔ 'Uber-economy', but very early stage

2 'On-demand' chefs platforms

- Online booking platform for private chefs
- Cooking is done at the customers' place



➔ 'Uber-economy', but on a niche market

3 'Online restaurants'



- Food delivery coupled with 'in-house' centralized kitchens: can be seen as 'restaurants without dining room'
- See productivity & economies of scale as key success factors

➔ 'Digitalized' restaurants, not 'Uber-economy'

OUR DEFINITION ATTEMPT

To narrow-down the definition, 'Uber-economy' players can be seen as

'digital platforms disrupting existing business models by empowering idle resources & profoundly changing existing market structures'

... but are certainly better defined through 4 essential factors:

- 1 Target large & established markets** where they **duel incumbents**
Highly regulated and fragmented industries seem to be the first in line (taxis, accommodation...)
- 2 Reliance on 'casual labor'/freelance** & sometimes also on **idle assets**
Profoundly changes labor market structure and relies on workers seeking profit (unlike the sharing economy)
- 3 Full control over the transaction**
The platform controls all flows, be it for data or payment, thanks to full-stack transaction management
- 4 Easier access** to goods/services & **extra service layer**
From on-demand services, generally powered by mobile & geolocation, to 'connected agendas'

CHANGING THE VERY MARKET STRUCTURE

Traditional B2X market	▶	C2X-counterpart platform
Taxis		UBER
Hotels		 airbnb
Car rental		drivy
Market research		Gigwalk
Postal services		NewDada 新达达
Ad agencies		fiverr

Beyond affecting market structure, Uber-like players also extend the original market through both supply & demand elasticities.

OUTLINE

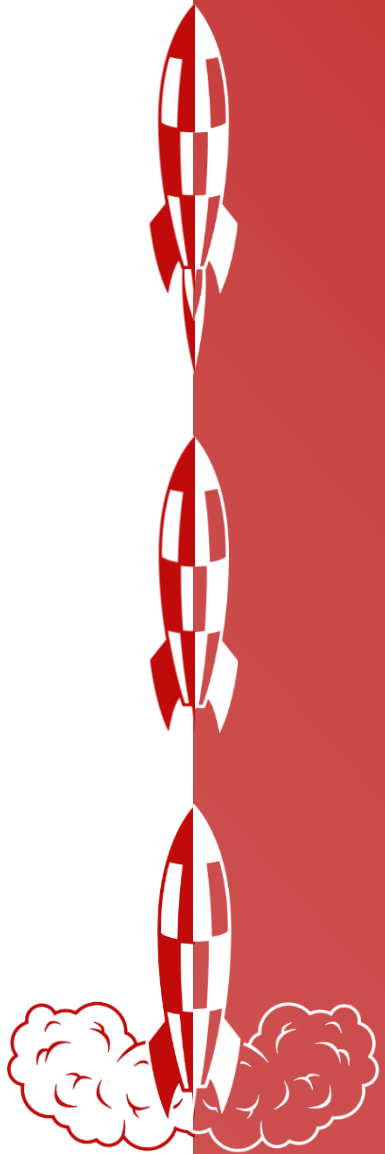
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FIRST VIEW ON 'UBER-ECONOMY' SUCCESSES & FAILURES

**Broadly 'uberized'
\$100b+ markets**

**Seems to quickly take
off but 'jury's still out'**

**Failed but could
take off again**



- TAXI SERVICES
- ACCOMMODATION

- CAR RENTAL
- LOGISTICS
- FREELANCE WORKERS

- HOUSE KEEPING

BUSINESS CASE – LESSONS LEARNT FROM *HOMEJOY*

The main cause behind *Homejoy*'s failure is often considered to be workers classification lawsuits, but **customer retention** seems to have played a larger role in its shut-down. This raises **three fundamental questions**:

1

WAS THE CUSTOMER ACQUISITION STRATEGY TOO AGGRESSIVE?

Homejoy used **massive couponing campaigns** as primary acquisition channel, onboarding first clients who are not necessarily 'core target' and likely not recurring clients. This led to expensive acquisition costs and **75% churn after 1 month & 90% churn after 6 months**.

2

CLEANING IS A TRULY RECURRING BUSINESS, WHAT IS THE VALUE-ADDED OF ON-DEMAND SERVICES?

Customers have either **one-off needs** (spring clean) or look for recurring cleaning services, hence are keen on **signing a bilateral long-term contract** with one trusted cleaner. How could *Homejoy* make its platform so essential for customers to **not be bypassed** for recurring cleaning services?

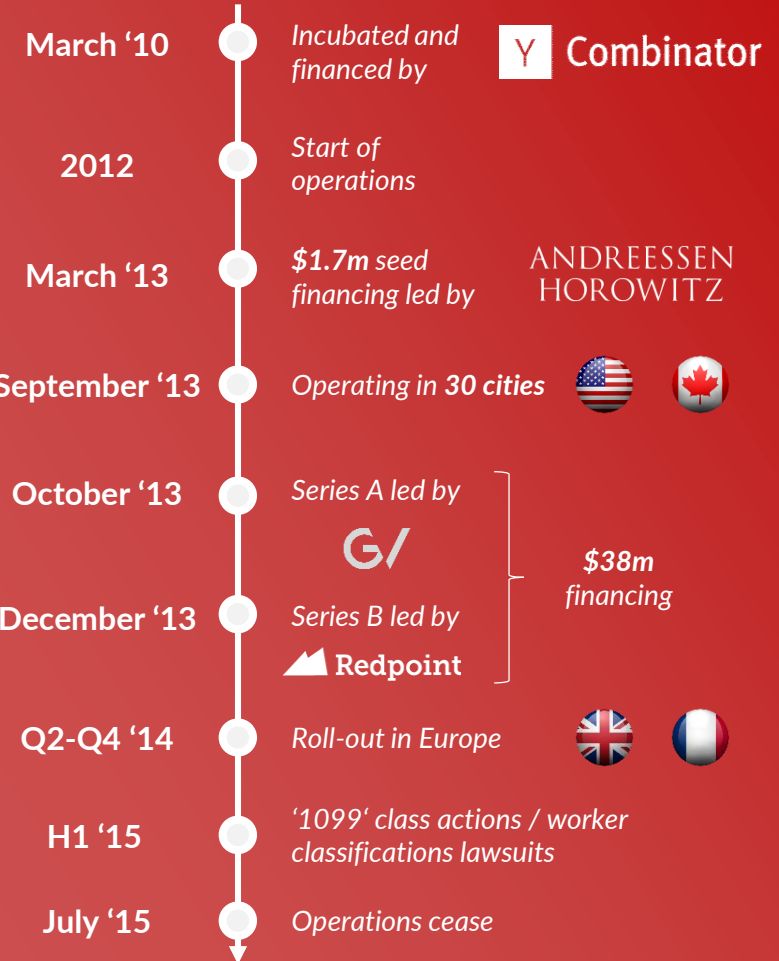
3

ARE TRUST & INTUITU PERSONAE REQUIREMENTS COMPATIBLE WITH THE 'UBER-ECONOMY'?

Customers seek consistent quality of service, while *Homejoy* cleaners were often late – underestimated transportation times – and not properly trained – *Homejoy* could not provide training for 'freelance' workers. **How to combine flexibility and building of a trust relationship with a 'non-substitutable' cleaner?**



Online platform for cleaning services



WHAT IS REQUIRED TO DISRUPT A MARKET & TO BE PART OF THE 'UBER-ECONOMY'

The company's perspective

Market & positioning prerequisites

- ✓ Position on a **global, multi-billion dollars fragmented market**
- ✓ Rapidly become a **strong category leader**, with critical mass or major markets
- ✓ Develop **scalable structure**, notably based on easy-to-find-and-retain freelancers
- ✓ **Position as an end-to-end player**, including **payment** management
- ✓ Capitalize on '**word-of-mouth**' and **network effect** to reach dominant position

	UBER	HOMEJOY
✓	✓	✓
✓	✓	✗
✓	✓	✓
✓	✓	✓
✓	✓	✓

The users' perspective

Key success factors

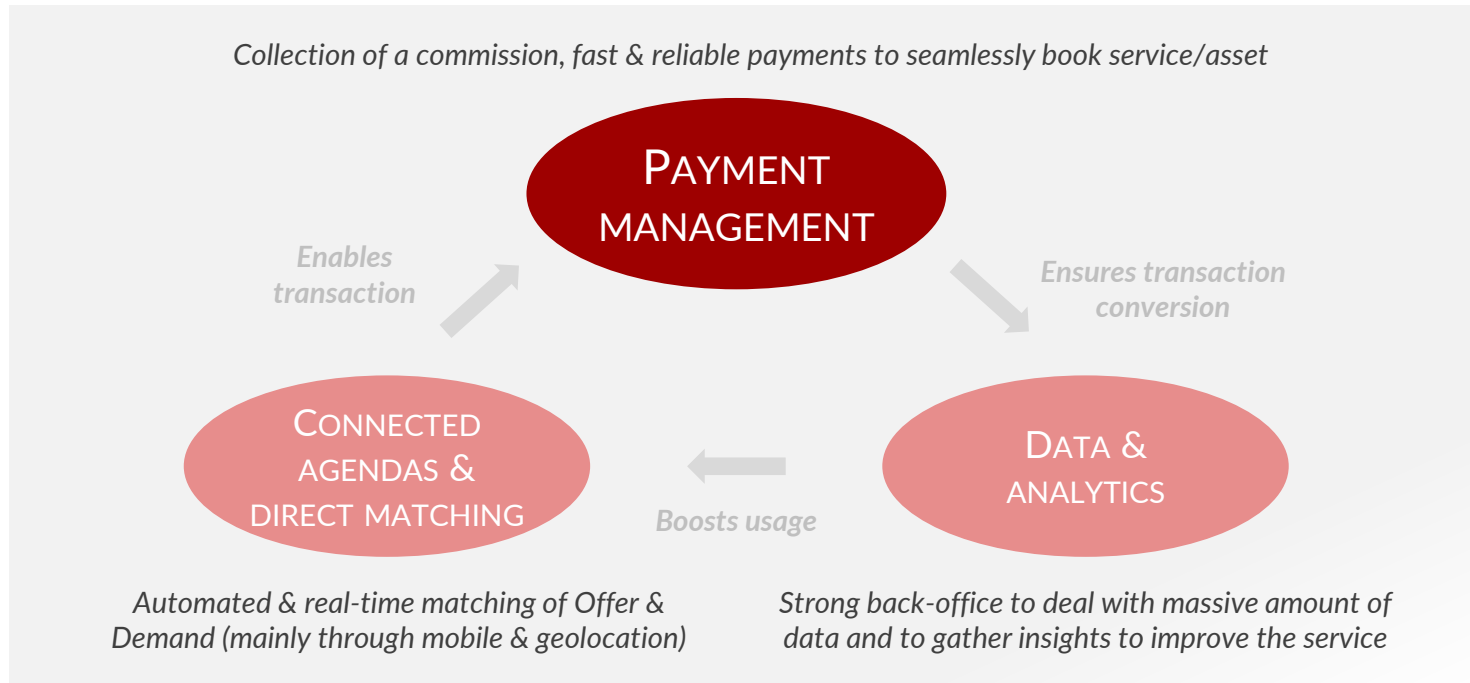
- ✓ On-demand offering, with **payment service included**
- ✓ Highly **recurring** need with strong customer loyalty
- ✓ **Substitutable** service provider, **without intuitu personae**
- ✓ **Mobile-first** geo-located & instantaneous experience
- ✓ **Frictionless user experience**, through easy-to-use application and **affordable** pricing

	UBER	HOMEJOY
✓	✓	✓
✓	✓	✗
✓	✓	✗
✓	✓	✗
✓	✓	✓

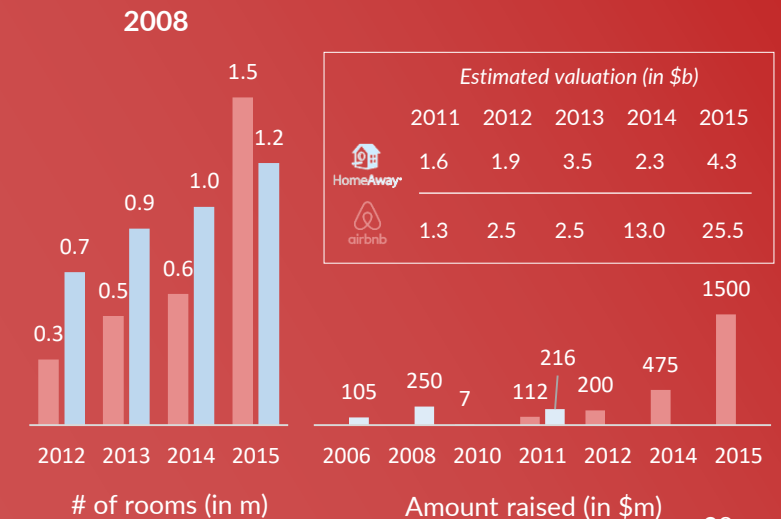
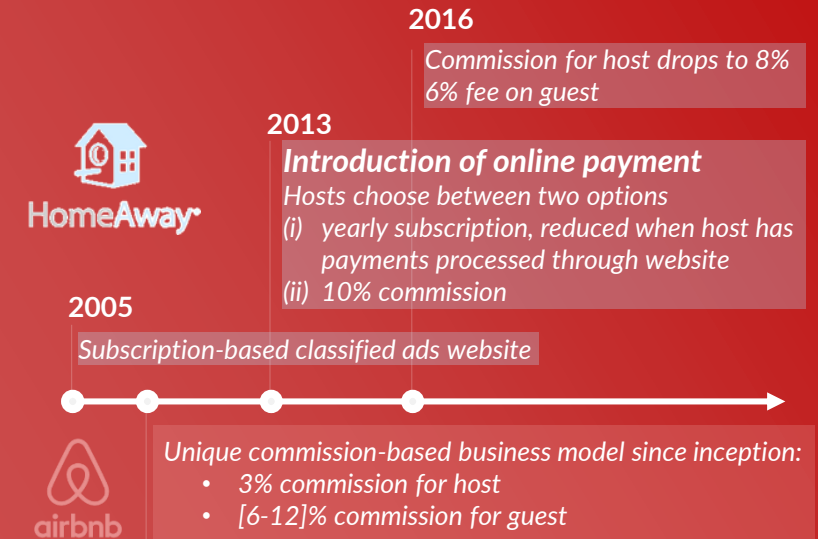
PAYMENT MANAGEMENT: A MUST-HAVE FOR UBER-LIKE PLAYERS

'Uber-economy' platforms intend to have full control over every transaction and managing the payment stack is at the core of their strategy:

- ▶ **Fully control user experience** and 'lock' customers & suppliers within the app from end-to-end through a turnkey solution
- ▶ **Implement business model**, by taking a cut on every transaction
- ▶ **Collect & process data** to constantly improve the range and quality of the services



HomeAway's pivot to cope with Airbnb: from classified ads to a fully-integrated marketplace



THE DATA LEVER: FROM RECURRING TRANSACTIONS TO VALUE GENERATION

Thanks to full control over the transaction stack, 'Uber-economy' players collect precious insights on their users. And the value of the high-recurring transactional data collected goes far beyond operational metrics.

The example of Uber

1

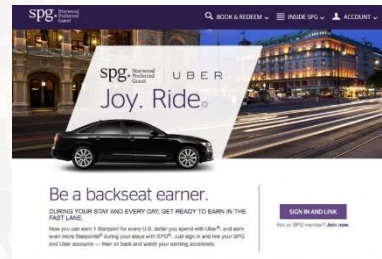
DATA TO OPTIMIZE CORE BUSINESS

- ✓ Improve product & communication with user
- ✓ Allow 'surge pricing' to maximize profit
- ✓ Optimize territory coverage by drivers, hence maximizing drivers' revenue & satisfaction

2

DATA TO DIVERSIFY REVENUE SOURCES

- ✓ Let other B2C companies tap into its proprietary data goldmine



3


DATA TO INCREASE RANGE OF ACTIONS

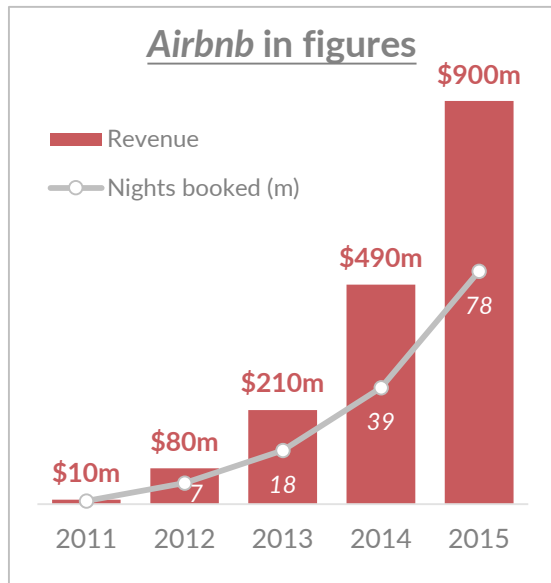
- ✓ Leverage its unique position of data owner to set foot in the smart cities ecosystem



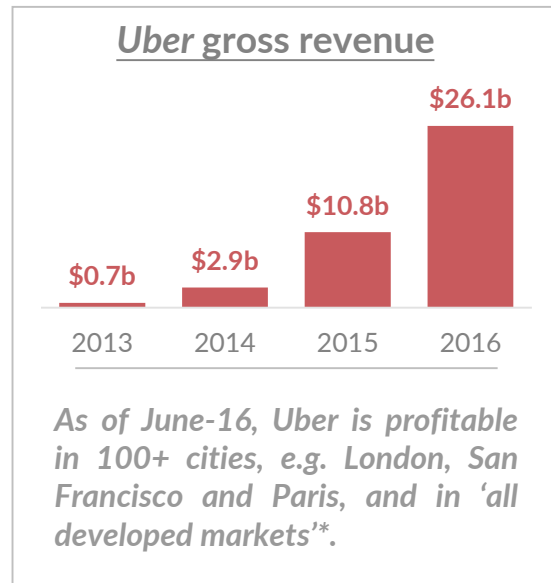
THE FINANCING LEVER: SUPER-CHARGED GROWTH ENABLED BY MASSIVE FUNDING ROUNDS

Hefty financing is required in most cases to gain critical mass rapidly, but the reward is substantial for the leader. Uber and Airbnb are sound examples in 'winner takes all' markets: exponential revenue growth rates go hand in hand with large financing rounds.

 **airbnb**
\$30b valuation (Aug-16 round)
\$4.0b cum. funding



UBER
\$66b valuation (Jun-16 round)
\$18b cum. funding



* North America, Australia and EMEA region (The Financial Times)

- A FAST-PACED GAME, WITH HIGH MARKETING EXPENSES
- UBER** 45% Sales & Marketing costs as % of net revenue^o

- LOOKING FOR LOCAL DOMINATION IN STRATEGIC CITIES



London

- Use of a carefully selected small team of launchers to recruit drivers
- Boost customer usage, through massive couponing campaigns
- Improve drivers' treatment, with guaranteed £25 wage / hour in the first weeks

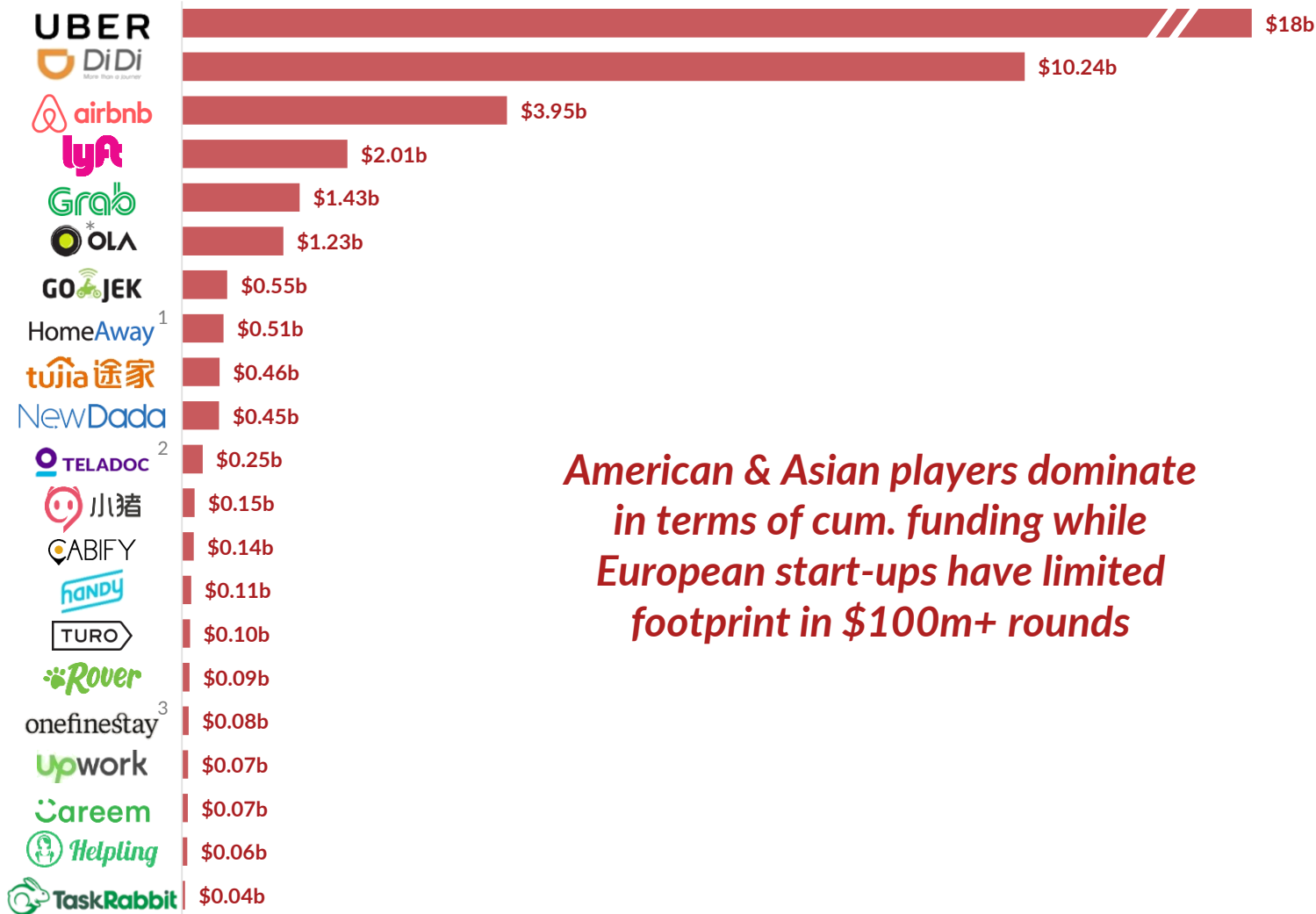
- CHINA – 'CEASEFIRE' DEAL WITH DIDI CHUXING

Vying with the local champion was too costly – Uber was reportedly losing \$1b/y. in China – hence the strategic deal signed in Aug-16, in which Didi Chuxing acquires Uber China in exchange of a c.18% preferred equity stake.

UBER INVESTS MASSIVELY IN LOCAL MARKETING CAMPAIGNS TO QUICKLY BUILD 'GLOCAL' MONOPOLIES

THE FINANCING LEVER: DOES THE 'UBER-ECONOMY' NECESSARILY IMPLY \$100M+ FUNDRAISINGS?

Selected large 'Uber-economy' players – cum. funding



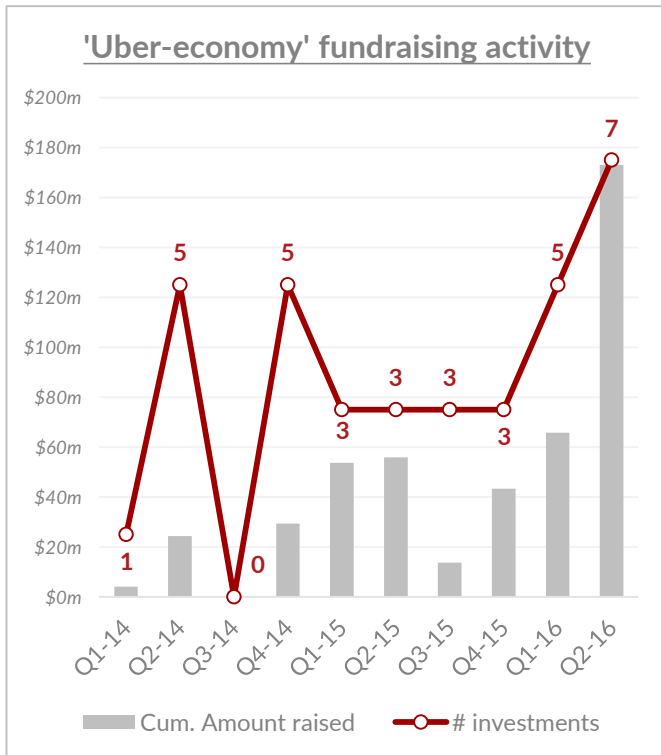
American & Asian players dominate in terms of cum. funding while European start-ups have limited footprint in \$100m+ rounds

- ✓ Massive fundraisings are required so as to exist in *de facto* global markets where reaching the critical mass is key;
- ✓ This is even more true when 'Uber-economy' players fight to capture portions of multi-billion dollar markets;
- ✓ No 'Uber-economy' player went public – except *Teladoc*, building their growth on private investments. Well-funded players stay private longer than 10 years ago (4y average IPO time in 1999* vs. 11y in 2014), leading to many \$1b+ pre-IPO valuations;
- ✓ No 'Uber-economy' player has reached overall profitable growth yet, leading to long private funding cycles, with profitability seen as a very long-term goal & raising the question of the sustainability of these models.

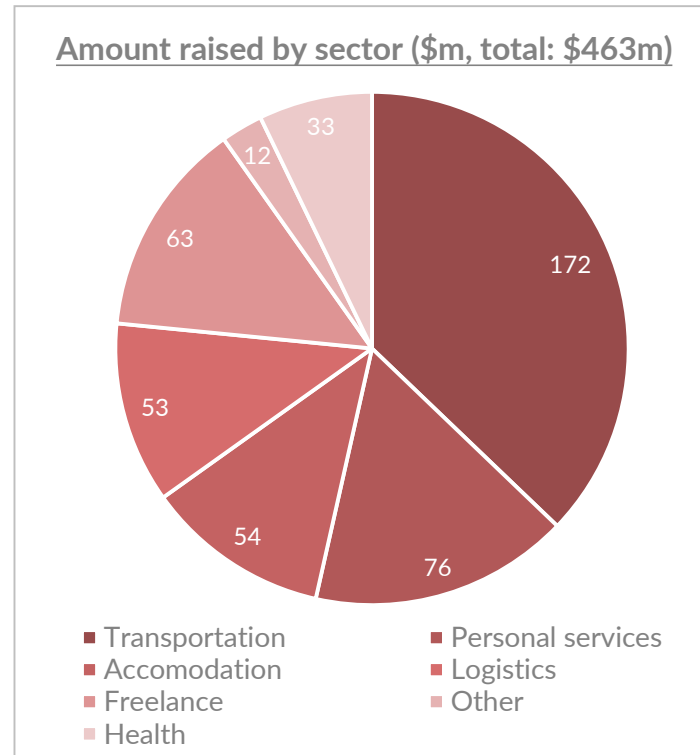
THE FINANCING LEVER: EUROPEAN 'UBER-ECONOMY' PLAYERS RAISED C. \$500M SINCE 2014

10 European 'Uber-economy' players have raised more than \$10m (cum.) since 2014.
 There is a clear dichotomy between 'American copy-cats' and European innovators (Drivy, Onefinestay, Stuart...).

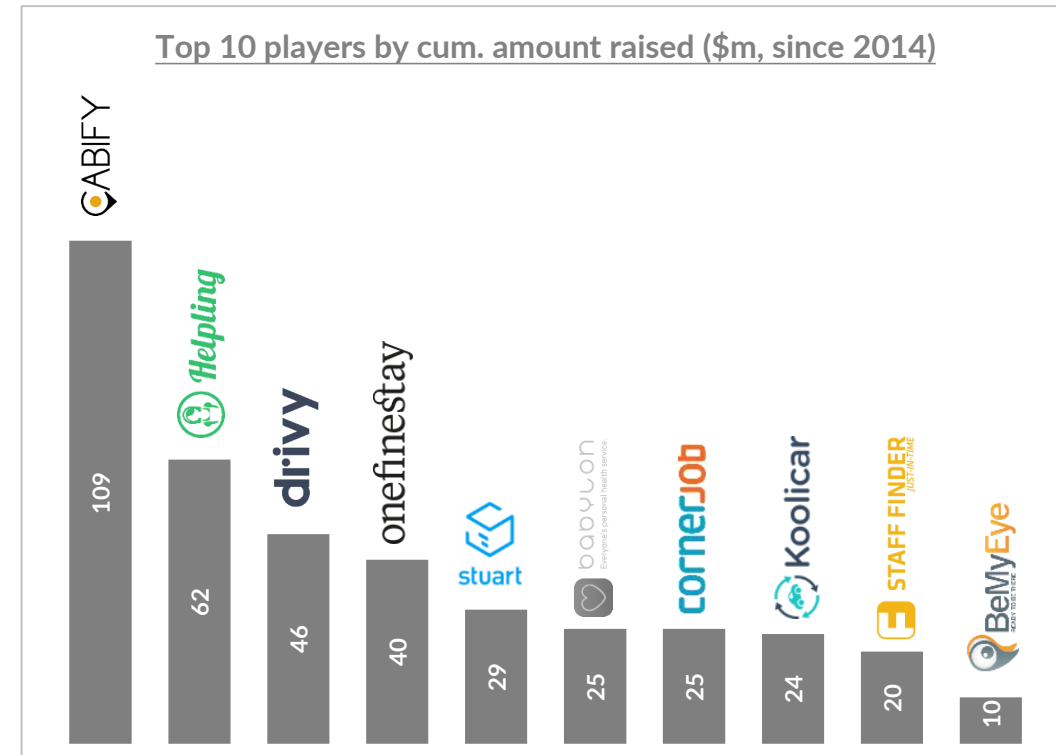
Both investments & average investment size seem to increase since 2014



2/3 of investments are concentrated in transportation, personal services & accommodation



A mix of 'American copy-cats' and of European innovators among the Top 15 European 'Uber-economy' players



OUTLINE

- 1 *THE 'UBER-ECONOMY' IN THE MEDIA*
- 2 *PANORAMA OF THE 'UBERIZED' WORLD*
- 3 *WHAT IT TAKES TO 'UBERIZE' AN INDUSTRY*
- 4 THE NEXT CANDIDATES FOR 'UBERIZATION'**

WHAT'S NEXT?

✓ *Who's at risk: a quick look at the next 'uberization' wave*



Health?



Consulting?

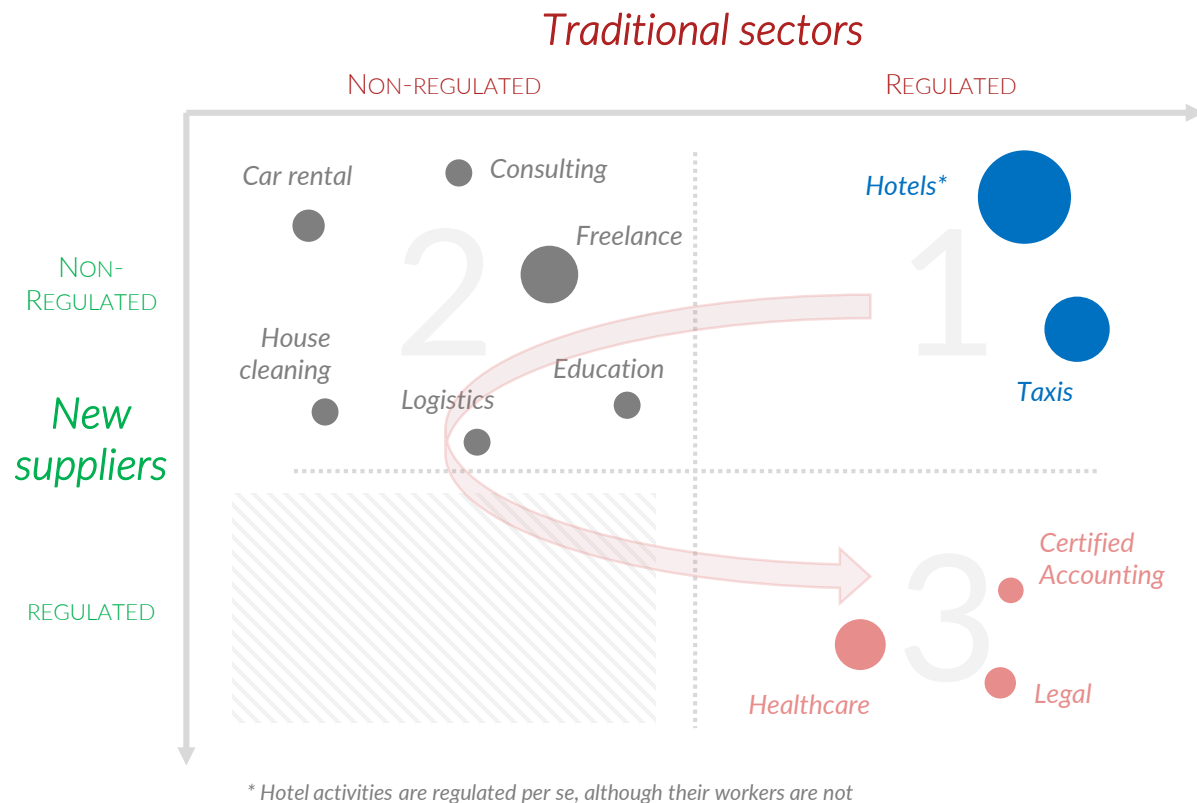


Education?

✓ *How will industry incumbents react?*

THE 'UBER-ECONOMY' TARGETS BOTH REGULATED AND NON-REGULATED SECTORS

Beyond non-regulated individuals attacking traditional regulated sectors (e.g. taxis, hotels...), Uber-like models increasingly rely on regulated new-comers competing with regulated traditional players (e.g. doctors, lawyers...)



PHASE I

- 1 Pioneer wave: **consumer-facing regulated sectors are attacked by new players relying on non-regulated workers (Uber) or assets (Airbnb)...**
- 2 ... also **extended to sectors with non-regulated professions, mostly in the B2B space: IT developers, designers, logistics workers etc.**



PHASE II

- 3 **Start of proliferation towards regulated sectors attacked by new players relying on regulated workers, e.g. healthcare online services relying on board-certified doctors. The 'uberisation' takes the form of digitally-empowered freelance (lawyers, accountants, doctors...) coupled with extra services & lower costs.**

HEALTH: WHERE WILL 'UBER-ECONOMY' PLAYERS MAKE THEIR MARK?



Digitalization in healthcare is inevitable: technical & practice innovations will allow the shift from a hospital-centric to a patient-centric approach. 'Uber-economy' players certainly have a role to play.

+

MOBILE & TELEHEALTH LOOK LIKE A FERTILE AREA FOR 'UBER-ECONOMY'...

- Doctors are in general a *liberal profession*, hence compatible by nature with the 'Uber-economy'
- *Home-health growth* will encourage the rise of digital platforms to connect patients and doctors, either through facilitated home visits or live chat & video consultations
- Real-time answers from professionals can drastically change the relationship between patients and physicians, especially for common illnesses

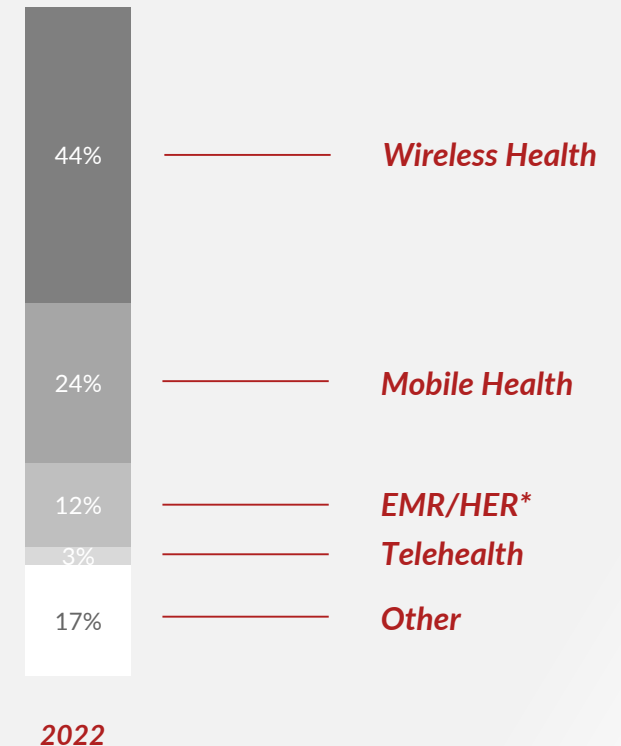
-

... WHILE *INTUITU PERSONAE* REQUIREMENTS COULD CURB THE PROCESS

- *Intuitu personae* is fundamental when it comes to regular medical follow-up and psychological illnesses
- Medical specialties which require *heavy and non substitutable assets* should remain fairly unaffected by the rise of mobile and tele-health

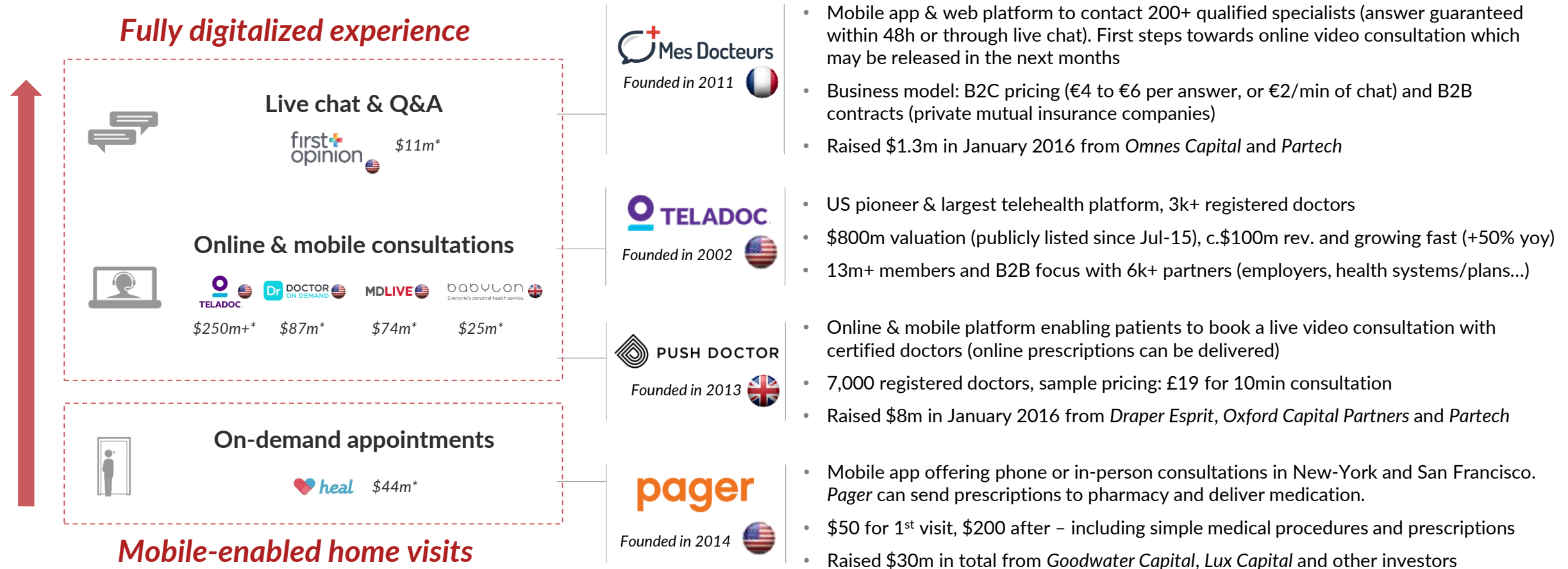
\$280b

Digital Health global market in 2022





'Uber-economy' start-ups set foot in digital healthcare, either by fully digitalizing medical consultations or by building on-demand platforms to empower and facilitate doctors' calls & visits. Online & mobile video consultation platforms seem to be currently favored by investors.





The rising number of freelancers may strongly drive the use of Uber-like platforms for consulting services, which are relevant to source experts on highly-specific topics. Major consulting firms are even entering the game, matching freelancers with their own clients, e.g. *PwC Talent Exchange* initiative.

+

'UBER-ECONOMY' CAN EMPOWER THE FAST-GROWING FREELANCE CONSULTING ...

- Consulting clients are looking for the expertise on **highly specific topics**, global coverage, lower prices and transparency Uber-like platforms can provide
- **Prospecting is time-consuming** and often not a priority for freelance consultants, a problem that online platforms could easily solve

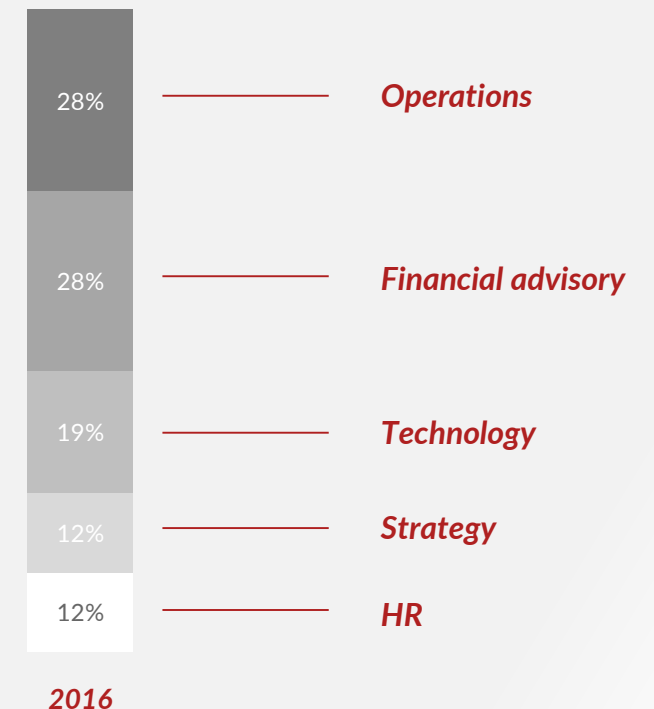
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... WHILE ESTABLISHED PRACTICES COULD PROTECT 'MAJORS' IN A RISK-ADVERSE MARKET

- High-end consulting is **a brand business**, where reputation is fundamental. Hence the Big Three should remain fairly protected and rather cooperate with new platforms, e.g. *McKinsey* already working with *TalMix* – see next page – to source highly specific freelancer profiles
- End-customers not only pay for intellectual services but also work with major consulting firms for **quality guarantee, project management abilities**, worldwide expert network
- Purchasing departments of large groups increasingly work with **suppliers of reference**, which could dampen the development of Uber-like platforms

\$250b

Consulting global market in 2016





On-demand workforce platforms have long been successful in North America where 'business', 'tech' or 'creative' consultant pools are made available to clients on online marketplaces. A few London-based peers have emerged and are now in the footsteps of US pioneers.

Business consultants on-demand covering the whole business scope

TalMix

Formerly MBA&Company

Founded in 2009
Raised \$6.2m (Piton Capital, MMC)



- Marketplace connecting companies and specialized business consultants with premium academic and professional background for one-off projects
- Comprehensive functional scope including Big Data, Change Management, Marketing, Strategy, Product development, ...
- TalMix takes a commission on every project (either fixed or variable daily fee remuneration)
- 25,000 consultants across 130 countries
- Clients include Pfizer, TPG, McKinsey and Linklaters

HOURLYNERD



\$34m financing

EXPERT 360



\$5m financing

WIKISTRAT



undisclosed

BTG



undisclosed

+

Highly-specialized tech, marketing or creative freelancers platforms

peopleperhour 

Founded in 2007 - Raised \$10.5m (Index Ventures)

- Marketplace connecting creative and IT freelancers with clients for every web project needs: design, development, content, marketing
- Freelancers can offer 'off-the-shelf' jobs with fixed price, respond to clients RFP or be contacted by clients in need of their talent
- Freelancers have been paid £40m in total between 2014-2016 by 150,000 clients

freelancer

upwork™

fiverr®

Consultant marketplaces are also complemented by expertise-sharing & business mentoring platforms connecting experts with professionals in need of assistance

Clarity



- Videocalls, billed under a pay-as-you-talk model
- Above 150,000 phone calls per year
- Acquired by Fundable in 2015



Private tutoring is a local & crowded freelance market, mainly served by online classifieds or marketplaces. The rise of online education relates thus more to 'digitalization' than 'uberization', the key question pending being time to market

+

ONLINE PLATFORMS BRING INSTANTANEITY TO PRIVATE LESSONS ...

- Online players offer *high-end user experience* with online tools (screen sharing, live video...)
- Platforms strongly facilitate customer acquisition and retention, allow *flexibility* and meet both needs for one-off immediate help and long-term relationship with favorite tutor
- Tutors are *easy-to-find*: a plethora of students is willing to earn supplementary income but struggle to find neighboring pupils

-

... BUT NO LARGE INTERNATIONAL DIGITAL PLAYER HAS EMERGED YET

- *Intuitu personae* is fundamental when it comes to regular tutoring
- Full-online solutions may not appeal to many students' parents (the main payers of such solutions) yet, who are not digital-native
- Google launched 'Google Helpouts' in 2013, an expert video chat service for online tutoring, and *shut it down two years later*. No major financing round have yet been closed by any of the online tutoring players.

\$130b

global Private Tutoring market in 2020

<5%

from Online Tutoring in 2015



Fully-digital private tutoring platforms with live video and screensharing features raised limited money to date. The better-funded independent player in the US raised \$20m+ to transition from in-person private lessons to hybrid model where both online and physical tutoring are available.

Promising yet under-financed full-online platforms with focus on User Experience



livementor 🇫🇷

- Live video & screensharing solution on IT and academic topics, 2,500 mentors. Also provides online masterclasses.
- Raised \$1m in September 2015 from ISA

MyTutorWeb 🇬🇧

- Live video & screensharing solution on academic topics
- 1600+ tutors
- Raised \$1.6m in October 2015

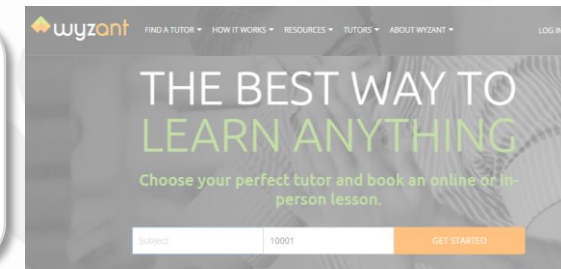
Studypool 🇺🇸

- Academic and homework help platform, providing Q&A, study notes bank and live tutoring sessions
- Raised \$2m in 2015 from 500 Start-ups & Great Oak

US leader transitioning to online tutoring



- *Founded: 2005*
- *Raised \$22m Series-A in 2013 Accel*



VS.

- Facilitates match-marking for in-person private tutoring both in-person and online, on all academic topics with video chat and shared whiteboard functionalities
- 2,000,000+ hours of tutoring, 1m students already used the platform with c. 100,000 tutors
- Managing payment with a degressive commission for Wyzant (40% for the first lessons, 20% after 400h given)
- Managed to bootstrap to \$100m+ in sales until 2013

WHAT'S NEXT?

- ✓ *Who's at risk: a quick look at the next 'uberization' wave*



Health?



Consulting?



Education?

- ✓ *How will industry incumbents react?*

INCUMBENTS' RECENT REACTIONS: FROM DEFENSIVE MOVES TO INTENSE M&A STRATEGY

Enthusiastic

'Uberize' oneself

Adapt model to 'uberize' one's core business: in 2016, PwC launched a 'Talent exchange' marketplace where freelance workers apply to work for PwC clients.



Learn from 'best practices'

In 2013, DHL experimented its crowdsourced delivery platform in Stockholm where individuals can deliver packages in the last mile & earn money using a dedicated mobile app.



Question legality of competitors

Taxis protest all around the world to alert public authorities about unfair competition and illegality of ride-hailing services such as UberPoP.



External growth strategy



acquires°

onefinestay



acquires



Invest to benefit from upsides



invests \$3m (Oct-11)



invests in



TOYOTA

invests in



Join forces to test new products

In January 2016, General Motors invests in Lyft and teams up to test self-driving electric taxis



Acquisitions

Minority investments

Defensive

Organic

Inorganic

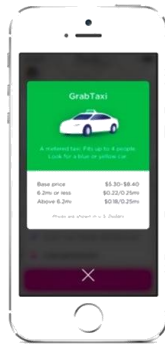
BUILDING ALLIANCE BETWEEN INCUMBENTS & GAME-CHANGERS: THE 'ANTI-UBER APPS'

In addition to taking legal actions, taxis can use transportation aggregation and comparison apps – which connect licensed taxis and black cars with customers – to confront Uber & peers

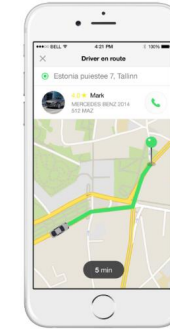


Cab booking app & tech (analytics, payment, back-office)

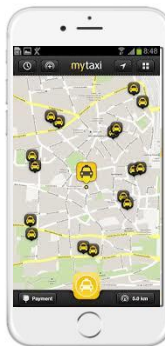
- ✓ Available in 4 countries (US, UK, Russia, Israel), 60 cities as at June 2016
- ✓ 50,000 taxis running on Gett technology, 50m+ passengers on all platforms
- ✓ 4,000 enterprise clients worldwide
- ✓ \$300m raised from Volkswagen which acquired a controlling stake (May-16), \$620m cum. funding



- ✓ Southeast Asia focus
- ✓ 620,000+ users
- ✓ Aggregator-like (roams other providers)
- ✓ \$750m raised in Sept-16, \$1.43b total funding to date



- ✓ \$1.8m raised to date
- ✓ Focus on loyalty & network effects
- ✓ Licensed cabs only



- ✓ Hailo sold 60% to Daimler in Jul-16, to merge with mytaxi (acquired by Daimler in 2014)
- ✓ Largest cab-hailing company in Europe with 20+ cities combined
- ✓ 10m+ users, 45k+ taxis registered



- ✓ Available in France and Belgium
- ✓ Cofounded by Taxis Verts and Taxis G7, leading Belgian and French taxi companies



A FORTHCOMING WAVE OF MERGERS & ACQUISITIONS?

Consolidation between 'Uber-economy' players is expected in the next few years. The network effects & economies of scale inherent to most of these marketplaces are expected to foster the emergence of local leaders.

Date	Acquirer	Target	Country	Target description	Valuation (or other information if not)
Aug-16	DiDi	UBER China		E-hailing app	Uber gets 18% stake in Didi now valued \$35b
Jul-16	HAIL	mytaxi		E-hailing app	n.a.
Jun-16	Fresko	Wipe		Online cleaner marketplace	n.a.
May-16	BeMyEye	LocalEyes		Crowdsourced micro-jobbing	Merger followed by \$6.5m fundraising
Apr-16	tripadvisor	HOUSE TRIP		Accommodation rental	n.a.
Apr-16	ACCOR	onefinestay		Luxury home rentals	\$170m
Mar-16	CAREEM	SAVAREE		Transportation app	n.a.
Mar-16	ifood	SPOONROCKET		On-demand food delivery	n.a.
Nov-15	deliv	zipments		On-demand logistics	n.a.
Oct-15	SnappCar	flexidrive		Car rental marketplace	n.a.
Jul-15	Helping	HVSLE		Personal services marketplace	\$32m
Jun-15	SNCF	OUICAR		Car rental marketplace	\$41m
Apr-15	drivy	buzzcar		Car rental marketplace	n.a.
Mar-15	OLA	TAXI FOR SURE		E-hailing app	\$200m
Feb-15	DiDi	快的打车 KUAI DADI		E-hailing app	Merger valued \$6b
Mar-14	upwork	oDesk		Freelancer marketplace	n.a.
May-13	TURO	Wheelz		Car rental marketplace	n.a.

○ CONSOLIDATION IS ONGOING

20+ deals identified between 2013 and 2016

50%+ of deals within transportation, a highly 'uberized' market

○ 2 RATIONALE FOR DEALS

- Consolidation between new-comers (e.g. Didi & Kuaidi)
- Acquisition by strategic players (e.g. Accor & Onefinestay)

○ EXTERNAL GROWTH TO BUILD LOCAL LEADERS

- Lots of deals between similar players
- Consolidation appears as a way to boost both demand & supply on a marketplace

○ THE FINANCING CYCLE FADES

- A cyclical change is expected in the 'Uber-economy', in particular with less favorable financings for high cash-burn players
- The appetite of corporates (both minority & majority deals) could mitigate the blow

APPENDIX

SCOPE & METHODOLOGY

- ▶ This study focuses on digital marketplace models, with strong impact on existing industries and labor organizations;
- ▶ The geographical focus of this study remains primarily Europe, followed by the US. Although some Asian start-ups are mentioned, an additional research paper would be required to account for the specificities of these markets and the diversity of local 'Uber-economy' players;
- ▶ Fintech companies –which would require a dedicated research paper given the specificity and wideness of the topic – have been excluded from the scope of this study;
- ▶ This analysis is partly based on publicly available data, which is not guaranteed to be fully accurate nor comprehensive;
- ▶ European fundraising data has been provided by *Digimind – WhoGotFunded*, complemented by internal analysis;
- ▶ Interviews have been conducted with start-ups from relevant industries, whose profiles can be found in the following *Appendix*. We would like to thank all the start-ups executives interviewed for providing us with valuable insights on the 'Uber-economy'.

BRIEF PROFILES OF COMPANIES INTERVIEWED DURING THE PROCESS (1/4)



BUSINESS DESCRIPTION:

Homestay booking platform build around community of global hosts.

MARKET / COMPETITION:

\$500b+ global market (hotels only), competing with traditional players & new comers (*Airbnb, Homeaway, Wimdu, Way to Stay...*).

KEY CHARACTERISTICS:

- **Enabler:** automated, convenient & economic travel accommodation
- **Full-control over transaction stack:** on-platform payment, reviews, community-based
- **'Casual work':** focus on non-professional & local renters

Interviewed on July, 4th

- *Inception:* 2007
- *HQ:* Montpellier, FR
- *Int'l:* 185+ countries

• *Funding:* \$3.5m

• *KPIs/financials:* 330k members, 250k nights booked



BUSINESS DESCRIPTION:

Online marketplace for users to locate, receive a quote & book mobile mechanics. It has built a automatic quoting system based on industry standard manufacturer labor times.

MARKET / COMPETITION:

The automotive repair industry is characterized by high mistrust. New competitors include *Yourmechanic* (US), *Otobots* (US), *Kalading* (CN), *InstaMek* (CA)

KEY CHARACTERISTICS:

- Easy access to an on-demand workforce
- Key importance of payment management

Interviewed on July, 6th

• *KPIs:* 20% average commission, 200k+ car service & repair quotes



BUSINESS DESCRIPTION:

Mobile crowdsourcing connecting businesses looking for location-specific information – such as presence, price and in-store promotion of products – with a crowd of real-world data gatherers with easy access to this info.

MARKET / COMPETITION:

Not limited to market research: lead generation, field operations, mystery shopping, data enrichment...

KEY CHARACTERISTICS:

- B2C DNA in B2B business: key focus on gamification of the crowd's experience to maximize engagement
- The business is necessarily international (cross-border missions) and leverages time, location & skills/talents in real-time

- *Inception:* 2011
- *HQ:* London, UK
- *Int'l:* 5 countries

• *Funding:* \$10.1m, acq. French *LocalEyes* (May-16)

• *KPIs/financials:* 320k mobile workers, 200+ clients

Interviewed on July, 6th



BUSINESS DESCRIPTION:

Crowdsourced creative/advertising agency 'uberizing' traditional communication agencies: acts as a trusted middleman & project manager between a company and creative freelancers.

MARKET / COMPETITION:

Competing against traditional players, directories & new marketplaces (*Fiverr, 99designs*). Key success factors include price, availability & offering build-up (getting the right designer at the right time however premium).

KEY CHARACTERISTICS:

- Data is key: proprietary algorithms & 8 years of data to match freelancers & clients
- Reviews & HR aspect taken care of (contract management...)
- True digitalization of a sector already strongly freelance

- *Inception:* 2008
- *HQ:* Paris, FR
- *Int'l:* 8 countries

• *Funding:* \$4.1m

• *KPIs/financials:* 60k+ designers on the platform

Interviewed on July, 5th

BRIEF PROFILES OF COMPANIES INTERVIEWED DURING THE PROCESS (2/4)



FRICHTI

BUSINESS DESCRIPTION:

Home-made food production and delivery company aimed at building the daily catering solution based on 3 criteria: good & healthy, convenient and affordable.

MARKET / COMPETITION:

Focus on recurrence and on changing daily food habits contrary to 'hot-meals' food-delivery start-ups (*Deliveroo, Foodora...*) that rely on traditional restaurants.

KEY CHARACTERISTICS:

- Aims at best value for money: economies of scales & cost optimization (both production & delivery) as key success factors;
- Internalized delivery: employees and not freelancers.

- Inception: 2015
- HQ: Paris, France

• Funding: \$14.5m

- KPIs/financials: 200 FTEs, 10k meals delivered / week

Interviewed on July, 7th



Glovo

BUSINESS DESCRIPTION:

'Uber for things': nearly any product delivered in less than 1 hour by independent contractors. 5k+ partner stores to date, 1k orders a day and €1m rev. in 2015.

MARKET / COMPETITION:

Similar to *Jinn* (UK), *Toktoktok* (FR) or *Postmates* (US). Not focused on API for e-commerce for the moment but rather on building a B2C courier service offering for individuals to order from any shop in large cities.

KEY CHARACTERISTICS:

- Non-food verticals amount to 50%+ of total orders & boost retention
- Business model: mix of kick-backs from partners (20-25% commission) & delivery fees

- Inception: 2015
- HQ: Barcelona, SP
- Spain, France, Italy

- Funding: \$7.9m, acq. Italian food-delivery start-up *Foodinho* (Mar-16)

- KPIs/financials: €6m 2016E rev.

Interviewed on July, 8th



Helping

BUSINESS DESCRIPTION:

Closed-loop marketplace for cleaning services: matches freelancers with cleaning demands, controls the transaction (billing, payment) & provides back-office features.

MARKET / COMPETITION:

- \$8b people care market in France alone, very fragmented
- 40% 'black market', 2 main agencies in France



KEY CHARACTERISTICS:

- Facilitates the booking of cleaning services, brings transparency & broadens both offering & demand
- Recurring business w/ key focus on client acquisition

- Inception: 2014
- HQ: Berlin, DE
- Int'l: 9 countries

• Funding: \$62m

- KPIs/financials: c.1,000 cleaners registered, 25% avg. commission

Interviewed on July, 1st



hopwork

BUSINESS DESCRIPTION:

Online marketplace for professional freelance workers. Matches companies projects with vetted and rated developers, designers etc.

MARKET / COMPETITION:

Freelancer matching platforms, online outsourcing (*Upwork, TopTal, Freelancer.com, ProFinder, PeoplePerHour...*)

KEY CHARACTERISTICS:

- Relies on an **independent workforce**
- Adds **service layers** (trust through insurance, ratings)
- Payments are integrated via escrow accounts

- Inception: 2013
- HQ: Paris, France
- Int'l: /

• Funding: \$2.4m

- KPIs/financials: 25k+ workers on the platform, 13k clients to date

Interviewed on July, 7th

BRIEF PROFILES OF COMPANIES INTERVIEWED DURING THE PROCESS (3/4)



BUSINESS DESCRIPTION:

Leading online booking platform for professional home cleaners in the UK.

MARKET / COMPETITION:

\$60B cleaning services market worldwide, \$6B in the UK.
Competition from local agencies and digital players such as *Helping* or *Hassle.com* in the UK.

KEY CHARACTERISTICS:

- Mobile, on-demand marketplace for labor
- Importance of ratings and hand-picking of workers

Interviewed on July, 7st

- *Inception:* 2013
- *HQ:* London, UK
- *Int'l:* /
- *Funding:* \$2m



BUSINESS DESCRIPTION:

Marketplace of independent consultants for commercial or research projects of all sizes, coupled with account management to outsource project-based work.

MARKET / COMPETITION:

Not directly competing with large consultancies: it is rather complementary & mainly positioned on specific & expert tasks.

KEY CHARACTERISTICS:

- The network, vetting & retention of premium consultants is key to ensure the quality of every work delivered
- Proprietary tech guarantees availability & speed (a few days on average to find a professional)

- *Inception:* 2009
- *HQ:* London, UK
- *Int'l:* 132 countries

- *Funding:* \$6.2m

- *KPIs/financials:* 25k+ consultants available in 100+ industries

Interviewed on July, 8th



BUSINESS DESCRIPTION:

Mobile & web platform providing personalized health advice & information: connects qualified specialists & patients through Q&A, live chat and in the near future through online video consultation.

MARKET / COMPETITION:

- Very regulated market (*Conseil National de l'Ordre des Médecins* in France), large barriers to entry & evangelization only starting on the patients' side
- Today: income complement for doctors/specialists but will tend to replace physical medical consultations

KEY CHARACTERISTICS:

- Certification for 'health data' hosting & protection (crucial in this sector)
- Already 180 certified doctors on the platform providing real-time answers

Interviewed on July, 18st

- *Inception:* 2016
- *HQ:* Marseille, FR
- *Int'l:* -

- *Funding:* \$1.3m
- *KPIs/financials:* 150 questions per day



BUSINESS DESCRIPTION:

Trusted intermediary between guests and home-owners focused on high-end accommodation: includes hotel-class services for guests and all turnkey services from marketing to managing their home for hosts.

MARKET / COMPETITION:

At the crossroad of the hotel industry, including digital players (*AirBnB*, *HomeAway...*) and of P2P lending management services (*Guesty*, *Airdna...*)

KEY CHARACTERISTICS:

- Fast expansion capabilities requiring infinitely lower CAPEX than traditional models
- Tremendous importance of value-adding services

- *Inception:* 2009
- *HQ:* London, UK
- *Int'l:* 4 countries

- *Funding:* \$81m total funding, acq. by Accor for \$170m (Apr-16)

Interviewed on July, 8th

BRIEF PROFILES OF COMPANIES INTERVIEWED DURING THE PROCESS (4/4)



BUSINESS DESCRIPTION:

Online marketplace for medium-term peer-to-peer accommodation traditionally targeted at students.

MARKET / COMPETITION:

\$500b+ global market (hotels only), competing with traditional players & new comers (*Airbnb, Homeaway, Wimdu, Way to Stay...*).

KEY CHARACTERISTICS:

- **Asset-based** peer-to-peer sharing
- **Ongoing integration of online rent payment**, crowdsourced reviews

- *Inception:* 2009
- *HQ:* Paris, FR
- *Int'l:* 40+ countries

- *Funding:* €1.2m
- *KPIs:* 1.4m matches made, 1m members

Interviewed on July, 1st



BUSINESS DESCRIPTION:

Buyer-focused, classifieds platform. *Stootie* has a strong emphasis on social features, allowing local peer-to-peer exchanges.

MARKET / COMPETITION:

\$100b+ market for online classifieds, dominated by large, historic players (*Ebay, Amazon...*) and crowded with smaller new-comers.

KEY CHARACTERISTICS:

- Importance of ratings to ensure trust between users
- Peer-to-peer mobile and web marketplace

- *Inception:* 2011
- *HQ:* Paris, France
- *Int'l:* /

- *Funding:* \$10.2m
- *KPIs:* 600k+ users, 200 requests / day, 150+ missions accomplished / day

Interviewed on July, 6nd



BUSINESS DESCRIPTION:

Integrated marketplace for professional online translation, content writing and proofreading: 'casual translators' (crowdsourcing & income supplement) and professionals. *TextMaster* is in charge of the selection and payment of translators and of managing projects.

MARKET / COMPETITION:

- \$40b annual professional translation market (growing +5-6% p.a.).
- 75%+ of the market monopolized by agencies

KEY CHARACTERISTICS:

- Proprietary tech & algorithms to assist translation
- Large network of 'translators': 100+ language pairs available

- *Inception:* 2011
- *HQ:* Brussels, BE
- *Int'l:* 4 offices

- *Funding:* \$8.4m
- *KPIs/financials:* 5k clients in 110 countries, 75% recurring

Interviewed on July, 7st



BUSINESS DESCRIPTION:

On-demand mobile workforce platform providing field operations and data collection to companies by leveraging the power of crowdsourcing.

MARKET / COMPETITION:

Not limited to market research: lead generation, field operations, mystery shopping ...

KEY CHARACTERISTICS:

- *Bounty:* mobile app focused on 'gamification' of gigs with users in Canada, US, Turkey, Mexico, South Africa, Thailand, Ukraine & Nigeria
- Scalable & reliable bridge between companies and smartphone users

- *Inception:* 2014
- *HQ:* Istanbul, TR
- *Int'l:* 5 countries

- *Funding:* \$1m
- *KPIs:* 200k mobile workers

Interviewed on July, 7th

GLOSSARY OF START-UPS (1/2)

Company	Country	Description
<i>99Designs</i>	US	Crowdsourced graphic design company
<i>9flats</i>	SG	Short-term accommodation rental marketplace
<i>Airbnb</i>	US	Accommodation marketplace
<i>Babylon Health</i>	GB	Mobile healthcare services
<i>Bedycasa</i>	FR	'Authentic' accommodation rentals
<i>BeMyEye</i>	IT	Field audits crowdsourcing
<i>Beyond Pricing</i>	US	Data-driven pricing tools for rental websites
<i>BlaBlaCar</i>	FR	Car sharing
<i>Bloomthat</i>	US	On-demand flower delivery
<i>BNB Sitter</i>	FR	Short-term rental management services
<i>Buzzcar</i>	FR	Car sharing
<i>Cabify</i>	ES	E-hailing app
<i>Careem</i>	AE	E-hailing app
<i>Clarity</i>	US	Over-the-phone business expertise & mentorship
<i>Cornerjob</i>	ES	Mobile hiring app
<i>Creads</i>	FR	Crowdsourced communication agency
<i>Dada</i>	CN	Crowdsourced logistics
<i>Deliv</i>	US	Crowdsourced same-day delivery service
<i>Deliveroo</i>	GB	Food delivery
<i>Delivery Hero</i>	DE	Food ordering websites
<i>Didi Chuxing</i>	CN	Transportation platform
<i>Doctor On demand</i>	US	Virtual medical consultations
<i>Drivy</i>	FR	Car rental marketplace
<i>Easy taxi</i>	BR	Taxi booking app
<i>eCab</i>	FR	Cab alliance app
<i>Edaixi</i>	CN	Online-to-offline laundry services mobile app
<i>Expert 360</i>	AU	Consultant marketplace
<i>FieldAgent</i>	US	Field audits crowdsourcing
<i>First Opinion</i>	US	Telehealth platform
<i>Fiverr</i>	US	Creative marketplace

Company	Country	Description
<i>Flexidrive</i>	SE	P2P carsharing
<i>Foodchéri</i>	FR	Online-only restaurant & food delivery start-up
<i>Foodpanda</i>	DE	Online food delivery marketplace
<i>Freelancer</i>	AU	Freelancing, outsourcing, and crowdsourcing marketplace
<i>Freska</i>	FI	On-demand online home cleaning services
<i>Frichti</i>	FR	Home-made food production & delivery company
<i>Gett</i>	US	On-demand transportation/delivery/logistics
<i>Gigwalk</i>	US	Crowdsourced workforces
<i>Glovo</i>	ES	On-demand delivery
<i>Go Jek</i>	ID	Motorbike taxi app
<i>Goodeggs</i>	US	E-commerce websites for fresh & local goods
<i>Grabtaxi</i>	SG	Taxi booking app
<i>Grain</i>	SG	Home-made food production & delivery company
<i>Guestready</i>	CH	Auxiliary services for Airbnb hosts
<i>Hailo</i>	GB	Taxi booking app
<i>Handy</i>	US	On-demand cleaning services
<i>Hassle</i>	GB	On-demand cleaning services
<i>Heal</i>	US	On-demand doctors
<i>Helpling</i>	DE	Household services marketplace
<i>HomeAway</i>	US	Vacation homes rental platform
<i>Homejoy</i>	US	Cleaning services marketplace
<i>Hourly nerd</i>	US	Marketplace for business consultants
<i>Housekeep</i>	GB	Cleaning services marketplace
<i>Housetrip</i>	GB	Europe-focused property rental marketplace
<i>iCarsclub</i>	SG	P2P car rental
<i>Jinn</i>	GB	On-demand delivery
<i>Josephine</i>	US	Home-cooked meals marketplace
<i>JustPark</i>	GB	On-demand parking spaces
<i>Koolicar</i>	FR	P2P car rental
<i>La Belle Assiette</i>	FR	Catering services booking

GLOSSARY OF START-UPS (2/2)

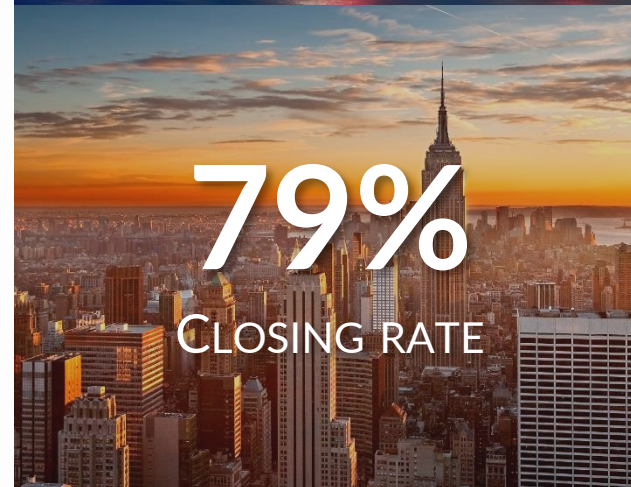
Company	Country	Description
<i>La Ruche Qui Dit Oui</i>	FR	E-commerce direct from local farmers
<i>Livementor</i>	FR	Online private tutoring
<i>Localeye</i>	FR	Instant mobile job marketplace
<i>Lyft</i>	US	P2P transportation app
<i>MaidThis</i>	US	Cleaning services
<i>MD Live</i>	US	Telehealth provider
<i>MenuNextDoor</i>	BE	P2P meals marketplace
<i>MesDocteurs</i>	FR	Telehealth platform
<i>Metrobutler</i>	US	Short-term rental management
<i>Misterb&b</i>	US	Gay-friendly accommodation marketplace
<i>Munchery</i>	US	Home-made dinners delivery
<i>My Taxi</i>	DE	Taxi booking app
<i>Mytutorweb</i>	GB	Online tutoring
<i>Nimber</i>	GB	Social delivery services
<i>Ola</i>	IN	Cab booking app
<i>Onefinestay</i>	GB	Handmade hospitality
<i>Ornikar</i>	FR	Online driving school relying on independent instructors
<i>OuiCar</i>	FR	Carsharing
<i>Pager</i>	US	Doctor house calls app
<i>Peopleperhour</i>	GB	Freelancer marketplace
<i>Pillow</i>	US	Hospitality platform for short-term rentals
<i>PostMates</i>	US	On-demand restaurants & stores delivery
<i>Push Doctor</i>	GB	Mobile data collection crowdsourcing
<i>Quri</i>	US	Crowdsourced retail intelligence
<i>Roadie</i>	US	P2P delivery
<i>Roamler</i>	NL	Field audits crowdsourcing
<i>Roomlala</i>	FR	Student-focused accommodation rentals
<i>Rover</i>	US	Pet setting app focused on dogs
<i>Savaree</i>	PK	Cab booking service
<i>Smarthost</i>	US	End-to-end rental management platform

Company	Country	Description
<i>Snappcar</i>	NL	P2P carsharing
<i>Spoonrocket</i>	US	Home-made meals delivery
<i>Staff Finder</i>	CH	Temporary jobs marketplace
<i>Stuart</i>	FR	Crowdsourced logistics
<i>Studypool</i>	US	Tutoring help
<i>TakeEatEasy</i>	BE	Food-delivery (<i>ceased operations in Jul-16</i>)
<i>TalMix</i>	UK	Project-based consultant marketplace (prev. <i>MBA&Company</i>)
<i>Taskrabbit</i>	US	On-demand chores services
<i>Taxi For Sure</i>	IN	Car rentals & taxis aggregator
<i>Taxify</i>	EE	Taxi booking app
<i>Teladoc</i>	US	Telehealth platform
<i>TextMaster</i>	BE	Online translation marketplace
<i>TrunkBird</i>	DE	P2P shipping platform
<i>TRVL</i>	NL	P2P travel booking platform
<i>Tujia</i>	CN	Vacation rental platform
<i>Turo</i>	US	Peer-to-peer car sharing
<i>Twentify</i>	TR	On-demand field operations
<i>Uber</i>	US	E-hailing app
<i>Upwork</i>	US	Freelancer talent marketplace
<i>Vaycayhero</i>	US	Full-stack accommodation & services platform
<i>Washio</i>	US	On-demand laundry service (<i>ceased operations in Aug-16</i>)
<i>Wheelz</i>	US	Car sharing platform
<i>Wikistrat</i>	US	Crowdsourced intelligence platform
<i>Wimdu</i>	DE	Accommodation rental
<i>Wipe</i>	NO	Cleaning services marketplace
<i>Witmart</i>	CN	Online freelance services marketplace
<i>WyzAnt</i>	US	Click-and-Mortar tutoring platform
<i>Xiaozhu</i>	CN	P2P short-term accommodation rental
<i>Zipdrug</i>	US	Medication delivery
<i>Zipments</i>	US	On-demand logistics platform

ABOUT *CLIPPERTON*

CORPORATE FINANCE ADVISORY FOR INNOVATORS.

WHO WE ARE



**WE FOCUS ON CRAFTING
FIRST-CLASS DEALS FOR
INNOVATIVE BUSINESSES
WITH INTERNATIONAL
AMBITIONS.**

WHAT WE DO

MERGERS & ACQUISITIONS

Over the years, Clipperton teams completed a large number of M&A transactions covering mergers, sell-side & buy-side deals, leveraged buy-outs, divestitures, secondary transactions & other restructurings. We have developed unique expertise in dealing with complex transaction structuring, intensive levels of due diligence and harsh negotiation processes.

FINANCING

Clipperton has been focused on delivering tailor-made financing solutions to fast-growing technology businesses. We have built longstanding relationships with investors looking to finance the growth of promising technology companies globally, from traditional venture capital, growth financing and private equity funds to strategic corporates and family offices.

LOYAL & CLIENT DRIVEN

SELECTIVE

INTUITU PERSONAE

SECTORIAL EXPERTISE

OUR VALUES

THEY HAVE DONE DEALS WITH US



FRED DESTIN
Partner - *Accel Partners*



DAVID JONES
Former CEO - *Havas*
CEO - *You & MisterJones*



CÉDRIC CIRÉ
Founder - *Webedia*



AMEDEO D'ANGELO
Chairman - *Inside Secure & Linxens*



BERNARD LIAUTAUD
Founder- *Business Objects*
Partner - *Balderton*



FRED WILSON
Founding Partner - *USV*



MARC READ
CEO - *WPP Digital*



ERIC CARREEL
Founder & CEO - *Withings*



GEORGE KARAM
Founder & CEO -
Sequans Communications



ANTOINE PAPIERNIK
Partner - *Sofinnova*



LEE FIXEL
Partner - *Tiger Global Management*



HAROLD MECHELYNK
Founder - *Ogone*

CATEGORY LEADERS

Dailymotion

\$168 million
Sell-side to Orange

webedia™

\$200+ million
Cum. transaction value

VESTIAIRE
[COLLECTIVE]

\$70 million
Growth financing

Withings
Inspire health

\$30 million
Growth financing

GLOBAL REACH

55 the
data
agency

Sell-side to
You & Mr. Jones

Vodeclic

Sell-side to Skillsoft

Learnship

Sell-side to Cartus

SEQUANS
COMMUNICATIONS

\$100+ million
Cum. transaction value

NETWORK OF MARKET MAKERS

Vestiaire Collective investors

eurazeo
croissance Balderton
capital

CONDÉ NAST

Cityvox sold to

yelp

Radionomy sold to

vivendi





























































And many others

EDMOND
DE ROTHSCHILD Alvencapital

USV HIGHLAND
CAPITAL PARTNERS

ELAIA PARTNERS PARTECH
VENTURES

SOLID & ESTABLISHED TRACK-RECORD

 Aramisauto Strategic Alliance PSA Peugeot Citroën Undisclosed	 BOXTAL Private Placement Idinvest, Cap Horn Invest €7 million	 Lydia Private Placement New Alpha AM, Oddo & Cie. \$8 million	 Adotmob Strategic Invest. Vente-Privée Undisclosed	 Greenwee Sold to Carrefour Undisclosed	 RealImpact Private Placement Fortino Capital, Endeit Capital, Gimv €12 million	 HITMEISTER Sold to Metro Group Undisclosed	 TASTY Private Placement Omnes Capital €5 million	 Kiss Kiss Bank Bank Private Placement Orange Digital Ventures €5.3 million	 55 Sold to You & Mr Jones Undisclosed	 NBS Sold to Oceanet Technology Undisclosed	 BOTIFY Private Placement Idinvest, Ventech €7 million
 meltygroup Private Placement Jaina Capital, Accor Hotels, BAs, €10.5 million	 leetchi Sold to Crédit Mutuel Arkéa Undisclosed	 Advize Private Placement Iris Capital, BPIFrance €14 million	 CHICTYPES Private Placement 360 Capital Partners €4 million	 VESTIAIRE [COLLECTIVE] Private Placement Eurazeo \$37 million	 Molotov TV Private Placement Idinvest, Business Angels \$11 million	 frontlineshop Acquired by Menlook Undisclosed	 Vodeclit Acquired by Skillssoft Undisclosed	 LIXENS Acquires KNL Group Undisclosed	 IDG ENTERTAINMENT MEDIA GMBH Acquired by Webedia Undisclosed	 zenchef Private Placement Edenred Capital Partners, Xange €6 million	 1001pneus.fr Private Placement Entrepreneur Venture €6 million
 ad2games Private Placement 3TS Capital Partners, Hitfox \$9 million	 méljoe Private Placement GIMV €9 million	 FINSECUR Private Placement EDRIP, BPIFrance €25 million	 SEAOWL Private Placement Cathay Capital €15 million	 Smallable Private Placement Sigma Gestion, Aurinvest €5 million	 Learnship interactive Strategic Alliance Cartus Undisclosed	 BrandAlley Acquired by Private Outlet Undisclosed	 MICHELIN Acquires Symbio FCell Undisclosed	 jeuxvideo.com Acquired by Webedia Undisclosed	 odoo Private Placement Xange, SRW, Sofinnova Partners \$10 million	 asgoodasnew Private Placement Munich Venture Partners, MCI Management €11 million	 photoweb Sold to Exacompta Clairefontaine Undisclosed
 SEQUANS COMMUNICATIONS PIPE NYSE \$26 million	 Teads Private Placement Partech Ventures, Elaia Partners €4 million	 webedia Sold to Fimalac €70+ million	 MENLOOK Private Placement Idinvest, BPIFrance, Marc & Laurent Grosman €23 million	 Cityvox Sold to Yelp Undisclosed	 Dailymotion Sold to Orange \$168 million	 sparkow Private Placement FSN, Capitalaria €7 million	 Greenwee Private Placement Promelys, Sigma Gestion, A Plus Finance €3.5 million	 appgratis Private Placement Iris Capital \$13.5 million	 leetchi.com Private Placement 360 Capital Partners, Idinvest, Kima Ventures €4 million	 diwane Acquired by Webedia Undisclosed	 secretsales.com Private Placement Pentech, Partech, Connect Ventures, LeoniSctei Group €6.3 million
 videoplaza Private Placement Qualcomm Ventures, Innovacom \$12 million	 VESTIAIRE [COLLECTIVE] Private Placement Balderton Capital €7.5 million	 kobojo Private Placement Endeavour Vision, Idinvest €5.3 million	 VESTIAIRE [COLLECTIVE] Private Placement Condé Nast, Idinvest \$20 million	 Withings Private Placement BPIFrance, 360 Capital Partners, Idinvest \$30 million	 E3link Private Placement Masseran Gestion €6 million	 McPhy Private Placement Sofinnova Partners, GIMV, Amundi €13.7 million	 SEQUANS COMMUNICATIONS Private Placement Serena, Kennet, Alcatel-Lucent, Motorola Ventures €70+ million	 wypay Private Placement Amundi Private Equity €9 million	 solairedirect Private Placement Demeter Part., Schneider Electric Vent., Techfund €20 million	 digitick.com Private Placement Partech, CIC Capital Privé, High-co Venture €8 million	 DiBcom Private Placement Alven Capital, Innovacom €24.5 million

+200 TRANSACTIONS SINCE 2003 (SAMPLE)

GET IN TOUCH.

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