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STARTUP

How Mumbai-based after-sales service startup Onsitego scored 6 million customers

Founded in 2010, after-sales service startup Onsitego partners with retailers and service centres to provide repairs and maintenance for personal devices, gadgets, and small and large home appliances.

By Thiruvaiyaa Pragathy

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Smartphone, television, microwave, air-conditioner, refrigerator, water purifier... **what would our homes be without electronic devices?** But ensuring that these devices stay in tip-top condition needs work - and continued servicing.

> **Mumbai-headquartered startup Onsitego was founded in 2010 by Kunal Mahipal as a pick-and-drop service for repairing mobile devices and laptops. Ten years down the line, it has metamorphosed into a customer service startup for personal devices, gadgets, and home appliances.**

Onsitego founder and CEO Kunal Mahipal

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Initially, Kunal, an alumnus of IIM-Bangalore, **did not have much knowledge about repair or after-sales service** of electronic or consumer devices, but he decided to venture into this segment after looking at consumption trends.

> **"It was the time when people were buying or selling' many electronic goods, and companies were looking at how they could expand the market. I started thinking about what happens to those products once their warranty period expires," Kunal says.**

However, he remembered an earlier experience when he was into the apparel industry and said to himself that he would '**never start a company that is heavily dependent on external capital**'.

How it began

Bootstrapped, **Onsitego began by providing after-sales service to mobile phone users** where they would pick up the device from the customer's location and deliver after the job was done. But the team quickly realised that it was not a capital-efficient model **as the cost of going after customers and returns were not in sync.**

Onsitego then quickly pivoted **towards partnerships with various** retailers, offering after-sales service. This ensured that **the startup got instant access to a larger number of customers.**

> **"We ran with this for three to four years, but then we figured out that we needed to do more," Kunal says.**

People were buying expensive devices and were **keen to get extra protection**, in case something went wrong. It was around the year 2014-15 that Onsitego got into **device protection services** and offered plans such as an **annual maintenance contract**.

"**We do not ask too many questions** when there is a problem with the device. **We just pick it up and deliver after service**," Kunal claims.

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Tie-ups with retailers

Onsitego has tied up with various retailers across the country, including Amazon **India, Croma, and Vijay Sales**. It has also tied up with **regional speciality stores like Sanket, Great Eastern, Value Plus, and Viveks.**

> **To reach out to a wider customer base, the startup has entered partnerships with consumer finance companies such as ICICI, Axis, HDB, and Kotak.**

However, Kunal is very clear that they are **not competing with any dealers or brands.** "We are **supplementing and complementing existing brands** through our services," he says.

Onsitego has always focused on maintaining an **asset-light model.** Today, it has a **team size of around 400 members**, majority of them customer-facing. The startup works with a network of service centres where the jobs are done.

> **"Today, the industry does not suffer from lack of technical expertise, and we have partnered with authorised service centres of various brands," Kunal says.**

Onsitego has, over the years, developed its own expertise on **identifying high-quality** service centres **through a combination of customer feedback and internal metrics.**

According to Kunal, **customers have three key needs: speed of service, transparency on the parts being used, and no complaint whatsoever** after the job is done.

> **"We have built automated systems to decide which device or case should be given to which service centre," Kunal says.**

Onsitego's growth plans

The founder of Onsitego claims that it has around **six million customers, and wants to further expand its customer base**. This startup provides **services for a wide range of consumer or electronic goods,** but the **top demand comes from four categories: televisions, air-conditioners, water purifiers, and mobile phones**.

As part of its strategy to expand its reach, Onsitego has undertaken numerous initiatives. "Today, **our warranty segment is a very stable business** where we have built the technology capability and network of service centres. But now, **we want to talk to customers directly**," Kunal says.

Onsitego has **so far been a B2B2C company,** providing services to end customers through an indirect route - **customers come in through brands or retailers.**

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This startup now wants to be **a one-stop shop for all kinds of customer service requirements for electronic devices**, and plans to directly reach out to them.

> **"There are many things we are doing, like AMC, on-demand service, home warranty, and one single umbrella plan to take care of all products," Kunal says.**

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Funding and the future

In February, Onsitego raised $19 million in Series B funding, led by **Zodius Growth Fund** with participation from **existing investor Accel.**

> **Prior to this, the startup had raised $2 million in 2015 from Accel; Kunal claims it was an "incoming request". The new funding will be primarily used for expansion, branding, and marketing initiatives.**

The numerous initiatives Onsitego is planning include **Internet of Things (IoT) products like** Amazon's Alexa, which Kunal believes is capable of much more than merely streaming music.

"We want to **create a high-quality team of engineers who will help customers in understanding technology**," he says.

Extending reach and scope

All these steps go into creating a brand where customers come directly to them, whether it is for **after-sales service, warranty, installation, or buyback**.

> **"This financial year itself we have added 1.25 million new customers," Kunal claims.**

Onsitego says it **services almost every pincode of the country,** and that its business is not restricted just to large metros alone. There is **demand from rural and semi-urban locations**, he says.

Kunal claims Onsitego has always been a **cash-positive and** profit-making **company**. In the last four years, it has recorded a **compounded annual growth rate of 99.7 per cent**.

The startup has its own set of challenges. "In our earlier strategy of attracting customers indirectly, **the cost of acquisition was fairly manageable, but in B2C it is high**," Kunal says.

> **He adds, "Typically I would not like to have a customer who does not make a profit for me, but as an entrepreneur I have started to think about targeting a wider audience where we can bring as bouquet of services to all products at home."**

This would also require a **reorientation within Onsitego where the entire organisation rallies** to create a brand with certain values as they would now be directly dealing with retail consumers.

Kunal says, "We are not a sales and services company. **Our mission is to become a customer-obsessed company**."

(Edited by Javed Gahlot)

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