

# [Funding Alert] After-Sales Service Provider Onsitego Raises \$19 Mln In Series B Funding

The Mumbai-based company said the new funds would be used for consolidating its market position in the device protection market, and expanding into annual maintenance contracts, home protection and on-demand services.



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Image credit: Onsitego

Onsitego Founder and CEO Kunal Mahipal



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Onsitego, a start-up that provides extended warranty services to electronic devices, has raised \$19 million in a Series B round by Zodius Growth Fund, the company said on Monday. The round also saw the participation of existing investor Accel Partners.

Founded in 2010, the company initially provided after-sales services for mobile phones before expanding their services to include more consumer electronics as well as extended warranty.

According to the company, the current after-sales ecosystem is fragmented and has high friction owing to multiple touchpoints, with problems of accessibility, quality and transparency.

Mumbai-based Onsitego said the new funds would be used for consolidating its market position in the device protection market, and expanding into annual maintenance contracts, home protection and on-demand services.

## Started With Mobile Phones

“We started with a fairly simple idea: can we isolate the customer from the experience that the brand provides to him?”, said founder and chief executive officer Kunal Mahipal in an interview with *Entrepreneur India*.

In 2013-14, realizing that the opportunity size was much larger, the company began to offer more services.

“We realized that customers are buying mobile phones which are far beyond their affordability and so we began to offer extended warranty and damage protection,” Mahipal said.

Mobile phones currently contribute about 23-24 per cent to their business, with television, air conditioners and washing machines now forming a major chunk.

Its first big customer was Croma and that's when they began to operate on a business to business to consumer model. Since then, the company has on boarded the likes of Amazon, Quikr as well as those in the financial domain such as ICICI Bank and Bajaj Finserv.

It claims to have served more than six million customers so far.

## How It Works

Mahipal said they currently service almost all cities in India and how they are able to cover such a large area is with the combination of its own people at 176 locations across the country and working with major logistics players who pick up and send the devices to one of its eight hubs.

Separately, the company has also partnered with over 450 service centers in several different locations to provide at-home services.

“The interesting thing is that as we continue to work with service centers, we get very good data in terms of what quality of service they have been able to provide a customer. This is a self fulfilling model, the better the quality of service provided by a center, the more work I give them.”

If any of these service centers don't perform as per the company's internal benchmarks, they are removed immediately.

## Using the Funds

In the next 12 months, the company plans to acquire anywhere between 2.5 and 3 million customers.

Mahipal said the company is profitable and that he expects the topline to grow 60-65 per cent on a year-over-year basis in the next financial year.

“We are expanding our distribution significantly, instead of only partnering with large format retail, we are now going out and opening a lot of partnerships in the general trade space, the idea is, by the end of the next financial year, to be present in more than 2,000 small stores directly,” said Mahipal.

Another reason why they needed the funds, according to him, is that in the AMC business, they still need to figure out a cost of acquisition and that process would require a significant amount of money.

“We invested in Onsitego five years ago as an early investment. The company has grown exponentially since then, without burning any capital. This round is a testament to the strong customer franchise, unique business model, great team and superlative execution,” said Prayank Swaroop, partner at Accel.

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