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Homeking: Disrupting LaboUr Markets

Chuang Chen, Ning Su, Wenjie Song, and Yifan Gao wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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Founded in 2010 by Li Bin, Homeking At Home Information Technology Co., Ltd. (Homeking hereafter) set the goal of transforming China’s home services industry in the coming digital age. Centred on an Internet-based operating model and a digital-first mindset, the company built its entire portfolio of value chain activities, from marketing and branding to sales, on its Internet platform. Homeking’s innovative business model enabled the company to quickly grow from a startup into a leading online labour platform for housekeeping services in China. Unlike many other players in this traditionally labour-intensive, highly fragmented industry, Homeking focused on leveraging digital technology, standardizing services, and building a high-quality, trusted brand. As Homeking emerged as a leading player among a new generation of online-to-offline business platforms disrupting and transforming housekeeping services for China’s increasingly affluent and technology-savvy consumers, the company’s founder and CEO started pondering the future strategies of Homeking.

Company History

Homeking was founded in Xiamen, China, in March 2010. The founder, Li Bin, served as the CEO. Within seven years, Homeking had rapidly expanded its business across the country by adopting Internet tools. Meanwhile, it had become the nation’s top-selling brand in hourly housekeeping services. As of December 2016, Homeking’s service covered 30 cities in China, with more than 6,000 employees and 1.2 million households as customers. Over 90 per cent of customers subscribed to its services through mobile channels, specifically, the company’s official account on WeChat, China’s top social mobile app. The remaining customers placed their orders on Homeking’s corporate website and at the company’s official flagship store on Taobao, China’s largest e-commerce platform owned by Alibaba. In addition, 28per cent of customers subscribed to the Five-Star Home year-round service package, which meant 336,000 households were long-term customers of Homeking.

Homeking’s total revenue reached RMB306 million[[1]](#footnote-1) (approximately US$ 43.7 million) in 2016. The annual operational costs were mainly spent on employee wages and marketing expenses. The company paid RMB377 million (approximately US$53.8 million) as wages to employees, accounting for 88.3 per cent of the total cost. It spent RMB50 million (approximately US$7.1 million) on marketing, accounting for 11.7 per cent of the total cost. Homeking obtained an “A” round of financing of over RMB10 million (approximately US$1.4 million) from CapitalNuts in July 2014 and Series B financing of RMB70 million (approximately US$10 million) in August 2015.

Unlike most traditional companies in this industry, Homeking invested in building its brand. The company actively and aggressively spent on advertising through a variety of channels, both online and offline. In 2017, Homeking signed a contract with a Hong Kong-based celebrity, who was well known in mainland China, as the company’s spokesperson or brand ambassador. In addition, Homeking sponsored several popular and high-profile TV programs in China. The message was clear: this was not a traditional labour agency.

The Labour Market LANDSCAPE

Since China’s economic reform and opening in the 1980s, Chinese residents’ income and quality of life had continuously improved, which had driven the growth and professionalization of home services. The country had about 640,000 home service enterprises by 2015. Among them, 140,000 were larger-sized enterprises, accounting for 21.9 per cent of the total; the remaining were 500,000 smaller-sized enterprises.[[2]](#footnote-2) The total revenue of all home service enterprises in China was RMB277.6 billion (approximately US$39.7 billion). The total revenue of larger-sized enterprises had increased by 24 per cent, reaching RMB151.2 billion (approximately US$21.6 billion) in 2015, and accounting for 66.5 per cent of the total revenue of all home service. The total revenue of all smaller-sized enterprises had increased by 16.5 per cent, accounting for 45.5 per cent of the total revenue of the industry, and had dropped 1.6 per cent compared to 2014.[[3]](#footnote-3)

Supply Side

On the supply side of the labour market, according to the company’s research, there were approximately 23.3 million employees working in the home services industry in 2015. However, there remained a shortage of workers in the housekeeping labour market. Most workers were women aged 40 to 50. Many were workers who had been laid off during China’s economic reform, migrant workers, and working women from the rural areas of China. While most workers had not received college educations, some had graduated with an associate degree in household maintenance concentration; some were college graduates with a management major.

Demand Side

On the demand side of the market, there were three categories of home services according to the level of skills needed. The basic category of services were simple labour-based services, such as meal preparation, laundry, appliance maintenance, and homemaking; the second category consisted of more knowledge-and-skills-based services, such as senior home care services, nutrition services, childcare, and tutoring; the third, and most advanced, category of services were management services provided by professionals, such as housekeeping and household management, social and entertainment arrangements, family finance management, and family spending optimization consulting.

Based on the frequency of services needed, housekeeping services fell into two types: hourly and long-term services. The hourly services mostly referred to one-time-only or short-term housekeeping charged on an hourly basis, while the long-term services referred to ongoing monthly housekeeping that charged a monthly fee for eight hours or a full-day service per month. Customers who purchased long-term monthly services needed less frequent but longer service hours. This group of customers usually had a higher level of trust in the homemakers and would constantly adjust their expectations in the service provision process.

Business Models Of Labour Organizations

Agency Model

The main business model for traditional home-service companies was the agency system, which meant that a home-service company was only an intermediary between home-service staff and customers. These home-service companies charged referral fees to both parties, but the companies typically would not be responsible for the ongoing management of homemakers. The biggest advantage of this business model was the low cost of operation because these agency-type companies were only a connector, or platform, between buyers and suppliers of services. They would not provide any onboarding training to employees or assume any responsibility after the labour contract had been signed. However, service quality could vary due to a lack of training, customer satisfaction could be limited, and disputes could arise between transacting parties.

Over time, a selection bias also arose. Usually, popular home-service workers and their satisfied customers would bypass the platform and privately arrange a labour contract after being introduced to each other through an agency. As a result, only homemakers of lower service quality and challenging customers who were not able to maintain a good relationship with suppliers would continue working with the agencies. To survive in the industry, these agencies needed to constantly recruit new staff members and attract new customers, which made it difficult for them to expand and scale up.

Employment Model

Some home-service companies started to adopt the employment model in 1994, which referred to offering full-time employment opportunities to homemakers. Homemakers would be on a company’s payroll, instead of being paid by customers directly, while a company provided training, staff management, and service coordination. This model had effectively overcome the issues of lack of management, oversight, and training and poor service quality. However, compared with the traditional agency model, the employment model involved a higher cost due to the cost of training and additional expenses, such as social security cost-sharing for employees. To support the growth of this new model, the national and local governments issued regulations, including business tax exemption policies.

Among the traditional home-service companies, according to the company’s research, Xiaoyujia Home Care Co., Ltd., a company listed on the New Over-The-Counter Market, was a typical example of this model. Founded in Xiamen in 1999, the company’s revenue mainly came from housekeeping services, including home cleaning, babysitting, care for newborns and new mothers, home appliance repairs, plumbing services, and moving services. In 2014, Xiaoyujia’s total sales revenue was RMB22.8 million (approximately US$ 3.3 million) and net profit was RMB1.1 million (approximately US$ 164,000). Housekeeping services accounted for 67per cent of total revenue, while moving services accounted for 33per cent.

THE INTERNET AGE

China’s Internet-based housekeeping model started to develop in 2005. As the concept of “O2O,” or online-to-offline—meaning using the Internet to entice and attract consumers who then made purchases offline—started to surge across the country, several Internet-based companies focused on this industry, and fuelled by venture capital, were founded, leading the housekeeping industry into a period of high-speed development (see Exhibit 1). China’s Internet-based housekeeping industry overall fell into two categories: the vertical model, in which housekeeping companies hired housekeepers as their employees and provided housekeeping services to customers directly, and the platform model, in which Internet housekeeping companies did not hire housekeepers as employees but instead connected them to customers.

The representatives of the vertical model included Homeking, Ayibang, and Guanjiabang. The main feature of this model was the employee management system, in which employee recruitment, training, supervision, and coordination were supervised by the company. Workers’ schedules and case assignments were coordinated centrally by the company. Companies also paid significant attention to building their brand.

The main representatives of the Internet platform model were Yun Jiazheng, 58 Home, and E-Jiajie. These companies positioned themselves as independent platforms serving other third-party housekeeping providers. The platform companies did not hire a single housekeeper as their employee. However, they filtered platform participants with their own criteria, such as only offering certified housekeeping suppliers (such as Yun Jiazheng) or directly connecting individual housekeepers with customers on the platform (such as 58 Home and E-Jiajie). These individuals could be full- or part-time workers based on their own choice.

In both models, a wide range of work was contracted. In 2016, the top five categories of subscribed home services included laundry services, curtain cleaning, and other heavy chore services (27.7 per cent); household maintenance, such as glass cleaning and kitchen cleaning and maintenance (26.5 per cent); regular homemaking and pre-moving cleaning of new homes (25.3 per cent); home appliance deep cleaning, including kitchen vent cleaning and air-conditioning cleaning (22.5 per cent); and babysitting (14.6 per cent). When asked why customers preferred to order housekeeping services online, the top five answers were convenience (68.7 per cent), schedule flexibility (56.2 per cent), affordability (41.5 per cent), security (35.2 per cent), and customization and diversity of services (29.4per cent). As for the factors that mattered to customers, the top five answers were professionalism of services (86.7 per cent), pricing (70.2 per cent), homemakers’ work efficiency (68.3 per cent), freedom to select homemakers (65.4 per cent), and responsiveness of the platform (50.2 per cent).[[4]](#footnote-4)

In part driven by the increasing adoption of the Internet and digital technologies, the housekeeping industry in China had evolved from a fragmented landscape, consisting of a large quantity of small-scale housekeeping companies scattering throughout the country, to a more consolidated industry. Meanwhile, as Internet-based housekeeping companies emerged, other established Internet giants—including GoGoVan (listed on the New York Stock Exchange with the code WUBA) and JD (listed on the NASDAQ with the code JD)—that had already gained extensive experience in operating Internet platforms, also stepped into this industry by establishing subsidiaries, such as 58 Home and JDtohome. These entrants intensified the competition. With the capital market also paying closer attention to the industry, the influx of capital accelerated the development of Internet-based home-service companies.

Homeking’s BUSINESS DESIGN

Li Bin, founder of Homeking, who majored in computer science in college, was passionate about technology and system development. Before Homeking, he had two entrepreneurial ventures from which he had built his system development team with members with professional IT experience in large corporations. These teammates later became the founding members of Homeking. Following a methodical approach in technology development, in the seven years since Homeking had been founded, Bin and his founding team had continuously developed and improved the company. (See Exhibit 2 for the company’s organizational structure.)

Product Portfolio

Homeking’s current leading products included House Cleaning Warrior (Zhaijieshi) and Star House (Xingjijia). By 2016, 45 per cent of Homeking’s annual revenue was generated by House Cleaning Warrior, while 55 per cent of revenue was from subscriptions to the Star House annual service packages. Among the 1.2 million annual household customers, 28 per cent were annual subscribers to Star House packages, with a high annual renewal rate of 92 per cent. The Star House annual subscribers, who represented 28 per cent of the customer base, generated 55 per cent of Homeking’s annual revenue.

The core cleaning product, House Cleaning Warrior, was designed to transform traditional homemaking services into a standardized service package. First, the time included in each service unit should be standardized. By ordering each unit of the House Cleaning Warrior product, consumers would receive a standard four-hour homemaking service.

Second, the content of the service was standardized. Compared to the tradition that homemakers and customers decided what to do during housekeeping services, Homeking reorganized the specific service into 40 items in 6 districts, depending on customers’ locations. Homeking also formulated a total of 108 service items in an optimized sequence, which could be customized by district.

Third, Homeking adopted a professional cleaning tool set and cleaning cloths from Japan and introduced the concept of section cleaning, which improved service efficiency and quality. Finally, evaluation of the service quality was standardized. Upon completing housekeeping assignments, housekeeping professionals and customers reviewed and checked the work benchmarked by the 108 service criteria; customers needed to sign a confirmation slip to complete the assignment.

In addition, Homeking set a standard unit size, which was typically around 80–120 square metres (approximately 860–1,291 square feet), as one unit of the House Cleaning Warrior service. For any order to clean an area larger than this, customers were charged extra by ordering multiple House Cleaning Warrior units for the assignment. These ordered service units could be provided by multiple homemakers simultaneously or by one homemaker on multiple occasions, depending on customers’ preferences. From the launch of the House Cleaning Warrior product in 2011 until 2016, Homeking’s customer base had increased by 750 times.

Star House was an annual service package in which each customer was assigned an exclusive homemaker to provide ongoing services over a fixed period. Service items and standards of a single unit of service were the same as a unit of the House Cleaning Warrior service. Depending on customers’ service frequency needs, Star Home provided the option of three packages: (1) the A4 package, which included 29 biweekly housekeeping services over a period of one year at a price of RMB5,199 (approximately US$ 743); (2) the A6 package, which included 59 weekly housekeeping services in a year at a cost of RMB9,999 (approximately US$ 1,428); and (3) the A8 package, which included 112 housekeeping services in a year at a frequency of twice a week and a cost of RMB18,999 (approximately US$ 2,714). Customers who chose the A8 package generally had a larger cleaning area of 180 m² (approximately 1,937 ft²) or more; in this case, Homeking would usually assign 2 homemakers at a time and provide 2 units of the Home Cleaning Warrior service.

The portfolio of products was well received by customers. Between 2010 and 2016, the percentage of Star Home package subscribers increased from 1.9 per cent to 28 per cent, showing an accelerating growth rate. The contract renewal rate also increased from 23 per cent in 2011 to 92 per cent in 2016, which indicated stronger customer loyalty over those years.

Staffing

Homeking’s product design was based on its employee management system. In the early days, Homeking adopted the traditional intermediary agency model like other companies in the industry. To be more competitive, Homeking provided a wide variety of core services—including the services of a traditional housekeeping company, such as babysitting, newborn and new mom care services, and hourly homemaking services—and niche services needed for rare but urgent occasions, such as a locksmith service, a moving service, a recycling service, and computer repairs. The company’s operational costs soared due to the cost of a fixed-salary system and training and management costs.

Under the pressure of a substantial cost increase in a short period, Homeking decided to adjust its value proposition to a “premium” model, narrowing the scope but improving the quality of services provided. Eventually, Homeking decided to focus its core business on hourly homemaking services for two reasons: it was easier to standardize the management of homemaking services, and homemaking services were the most frequently requested service.

When designing the Star House annual service package, Homeking considered both value for the customer and the company’s staffing and operational efficiency. By upgrading the traditional one-time-only homemaking service arrangement to an annual package, it became easier for customers to coordinate service schedules with homemakers due to exclusive homemaker assignments rather than having to contact a different homemaker each time a service was needed. It also resolved the issue of scheduling conflicts or lack of availability of popular homemakers, especially during the prime time of service demand. For Homeking, offering these annual packages made it easier to predict demand, prepare supplies, and increase order frequency and efficiency of staff assignments. Financially, sales of annual packages relieved pressure on the company’s cash flow turnover due to the package’s pre-paid model.

Pricing

In accordance with the premium services, the prices of Homeking’s services were set significantly higher than those of similar products of traditional housekeeping companies. The cost of a single unit of homemaking service (3 hours of service) offered by traditional homemaking companies was about RMB80 (US$11.50). In contrast, Homeking set the cost of a single unit of House Cleaning Warrior homemaking service (4 hours of service included) at RMB139 (approximately US$ 20), with an hourly rate nearly 30 per cent higher than its competitors’ services.

The rationale behind this pricing strategy was twofold: First, Homeking was perceived to be providing higher quality services compared to its competitors due to Homeking’s professional employee management system. While competitors mostly used the agency model and did not directly hire employees, at Homeking, homemakers were employees of the company and were assigned to provide services to customers on behalf of it. When customers were not satisfied with the service provided, Homeking would offer the customer a replacement unit of service at no cost to the customer. Second, Homeking purchased liability insurance for property safety for its customers as well as insurance to protect the personal safety of homemakers, which was helpful in reducing disputes between homemakers and customers.

Brand Building

For marketing and sales, traditional housekeeping companies usually opened physical stores in communities to attract nearby residents, rather than spending on advertising. In contrast, Homeking chose to invest heavily in advertising as its major marketing method from the beginning. Homeking distributed flyers in neighbourhoods near its office locations and launched video advertisements on buses, in taxis, in street lightboxes, on billboards, and on street signs in each city’s busy streets. These new approaches led to comments and discussions among its competitors and customers. Homeking’s marketing costs increased annually, from RMB15,000 (approximately US$ 2,143) in 2010, its first year, to RMB520,000 (approximately US$ 75,000) in 2014 and RMB53 million (approximately US$ 7.5 million) in 2016. In those 6 years, Homeking’s marketing costs increased more than 3,500 times.

 After the launch of the Star House package, Homeking began to use the telemarketing model to actively recommend the package to its existing customers, offering an additional four units of homemaking services at no extra cost if customers ordered the new package. After six months of promotion, Homeking found that nearly 90 per cent of customers who ordered the Star Home package were engaged through telemarketing, the majority of whom were repeat customers.

Digital Marketing

Homeking also embraced the Internet and digital technologies as drivers of growth. First, Homeking launched its official website on which customers could make appointments for services by filling out their home address and requested service hours. Second, Homeking launched online promotion activities on online platforms such as Baidu—one of China’s leading technology companies specializing in Internet-related services and products, with a business model analogous to Google’s—and Xiaoyu Community, the largest online community in the local city of Xiamen where Homeking was based.

In parallel, Homeking began to partner with other corporate clients and leveraged precision marketing to attract high-value customers. For example, in August 2011, Homeking offered a free trial of homemaking services to 300 gold card holders (VIP) of China Construction Bank to test the market for House Cleaning Warrior products with high-value customers. Of these 300 VIP customers, 95 per cent chose to participate in this promotional activity, and nearly 60 per cent of participants eventually ordered the House Cleaner Warrior services as new customers. After the pilot, Homeking completed a survey with each new customer, during which Homeking recommended the Star House service package, and a total of 30 per cent of these new customers ended up subscribing to a Star House package.

When expanding into different cities, Homeking heavily relied on multiple channels of Internet marketing, with minimal use of traditional media advertising.

Search Engine

Homeking used the optimized search engine approach by setting up a keyword recommendation function on the Housekeeping Channel of Baidu so that it was easy for potential customers to find Homeking Housekeeping. Homeking also added the booking function on its homepage to help customers book services online.

Online Marketplace

Homeking invested in promotional activities on Taobao, the largest online shopping platform in China, owned by the technology powerhouse Alibaba. For its initial appearance, Homeking launched a “one dollar” limited-time promotion of its House Cleaning Warrior product, which helped it quickly attract 1,000 to 2,000 new orders. During off seasons, Homeking promoted a discounted House Cleaning Warrior group-buying promotion on Taobao.

Out-of-Home Digital Advertising

In May 2015, Homeking started to expand its brand to first-tier cities in China, such as the megacities of Beijing, Shanghai, Guangzhou, and Shenzhen, where competition in this industry was extremely intense. Homeking decided to go head-to-head with some incumbent competitors. Homeking chose to invest heavily and continued to increase the visibility of its brand. It chose to partner with Focus Media, a major operator of digital signage screens for advertising, to promote its products with precise targeting of its preferred customer groups. Digital signage allowed potential customers to frequently see Homeking’s advertisements during their daily commute, directly strengthening brand recognition.

Social Media

Tencent’s WeChat was the leading social media platform in mainland China. Homeking launched its WeChat public account—a form of corporate portal hosted on WeChat’s platform—as a marketing and ordering tool to make it convenient for customers to make instant purchases. Homeking decided not to invest in developing a mobile app for marketing and sales purposes, but to continue using the WeChat public account for two main reasons: First, WeChat was extremely easy to use and already widely adopted by consumers. The WeChat public account could be followed by simply scanning the QR code, which everyone could do with ease, without the need to download, install, and operate the app on their mobile phones. Second, WeChat was a social platform on which customers tended to stay for extended hours daily; therefore, it would be easier and more effective to promote infomercials on WeChat. Overall, publishing advertisements through the WeChat public account, instead of self-developed apps, was a choice made by many businesses in China, including Homeking.

Information Systems

Homeking’s IT team independently designed and developed three major information systems for customer management, business management, and employee management. These systems played a powerful role in the management and control of Homeking’s core business activities, such as service assignments to remote teams, online payments, and customer and employee management. Among them, the customer relationship management system mainly helped record each customer’s information; the system categorized customers into groups based on the products they purchased so that the sales team could customize its service recommendations, such as annual subscriptions and renewals. The business management system offered online booking and online payment functions for customers’ convenience. The system offered the function of searching in the service inventory, while providing automatic matching between a homemaker and an order assignment according to the proximity of locations. Finally, the staff management system offered the functions of inventory management, order receiving and assignment, and service-quality evaluation. The information systems were the backbone of Homeking’s day-to-day operations.

Future Strategies

After seven years of operation, Homeking had become a nationwide brand. By adopting the employment model rather than the traditional labour agency model, while actively leveraging Internet and digital technologies, Homeking had effectively emerged from the traditional labour-intensive, fragmented housekeeping industry as a provider of high-quality, standardized, and trusted services to households across mainland China. Despite the company’s success and growth, several questions kept Bin awake at night: Was it a wise decision to continue with the current staffing model? How should the company improve its products to attract more new customers? How should Homeking sustain and further grow its business in the future?

Exhibit 1: Housekeeping FIRMS’ Financing Status

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | **Last Round of Financing** | **Financing Round** | **Financing Amount (RMB)** | **Investor** |
| Homeking | Aug, 2015 | B | 70 million | SAIF Partners\* |
| A-Yi Bang | Oct, 2014 | B | 10+ million(US$) | Vertex Ventures, Shunwei Capital, CeyuanVentures\*\* |
| Worry-free | Sep, 2014 | A | 10+ million | Unknown\*\*\* |
| Guanjia Bang | Jan, 2016 | C | 0.2 billion | Country Garden\*\*\*\* |
| Yun Housekeeping | Nov, 2015 | B | 12 million (US$) | SIG, BlueRun Ventures8 |
| E Jiajie | July, 2015 | C | 0.1 billion | Tencent, [DT Capital Partners](https://www.so.com/link?m=bf2%2Fvj7vlF%2FRsOpvC%2BkomMp9bNoV0AAiB7CtUaxev1Tk%2F%2Bwxt1cCw%2F4lgRBbidt8f9IDmUtAeKMaT%2FubgZmCanRVMIDVeVqpQZ7DONdrCey7vRzsvNJCjuMWFDeTaVY%2BhpTQumFcg3sozQMONiMN9p%2FYo8f90sHyEftTB0j%2BrBFD7%2FVkuoc7qNwcTrEQ%3D)8 |
| Super Aunt | June, 2016 | Pre-A | 6 million | Shenzhen Hengyu8 |
| Help Home Life | May, 2016 | Pre-A | 30 million | Unknown8 |
| Wash More | May, 2016 | A+ | 10+ million | Chengyang Capital8 |
| Monarch Clothing | Feb, 2016 | Angel | 5 million | Nanjing Tianxiao Investment 8 |
| Niu-Jia Bang | Jan, 2016 | A+ | 10+ million | OFC Dongfang Fuhai, Innoangel Fund, Colony New Yangtze (Shanghai) Investment8 |
| Rainbow Parenting | April, 2016 | Angel | 3.8 million | Jino Medical8 |
| Li Da Shi | Mar, 2016 | A | 30 million | Innovation Camp, Shanghai Zero2iop Pianzaihang Investment Management Center8 |
| Pulse Ryoko | Mar, 2016 | Pre-A | 30 million | FangFund Partners8 |
| Yisheng Home | Feb, 2016 | A | 50 million | Century Galaxy Group led the investment, Heyi Ventures8 |
| Flash | May, 2016 | Pre-A | 10 million | Success Create Capital led the investment; JD crowdfunding, Eleme No. 9 Employees followed8 |
| Recycling Treasure | May, 2016 | A | 0.1 billion | ChengWei Capital; CITIC followed8 |
| Easy Appliances | Jan, 2016 | A+ | 50 million | Thunderstorm VC led the investment; Hengtai Capital, Zeng Zhiwei followed8 |
| Antsmith Home Repair | Jan, 2016 | Angel | 10 million | E Bag Wash All the Gen Sharing Fund8 |
| Only Repair | Jan, 2016 | Pre-A | 40 million | Former Sequoia Capital Deputy Arbitrator Zhou Li led the investment8 |
| AUU | Jan, 2016 | Angel | 10+ million | Xinwang Global Investment8 |

Sources: \*itKer.com, “itKer Interview: "Homeking" Founder Li Bin - A Hundred Percent Self-Operated Model, Redefining the Homemaking Industry," itKer.com, March 30, 2016, accessed March 25, 2021, <http://www.itker.com/wx/itker/content/id/4460.html>; \*\* Guang Guo, "A-Yi Bang Received Tens of Millions of US Dollars in B-Round Financing Led by Vertex Ventures," iyiou.com, October 23, 2014, accessed March 25, 2021, <https://www.iyiou.com/news/2014102313995>; \*\*\* Jian Shi, "Homemaking O2O Trend: Worry-free’s Second Trial and Error," The 21st Century Business Herald, November 21, 2014. Accessed March 25, 2021, <https://business.sohu.com/20141121/n406231827.shtml>; \*\*\*\* BigData-Research, “China Housekeeping O2O Market in the First Half of 2016 Research Report.” Bigdata-research.cn, August 24, 2016. Accessed February 28, 2021, <http://www.bigdata-research.cn/content/201608/315.html>.

Exhibit 2: Organizational Structure of Homeking

Source: Produced by the authors based on company data.

1. RMB = Chinese renminbi. [↑](#footnote-ref-1)
2. Ministry of Commerce’s Service Trade and Business Services Industry Department, “2015 Home Economics Service Industry Development Report,” accessed December 1, 2020, http://images.mofcom.gov.cn/fms/201703/20170313111512950.pdf. [↑](#footnote-ref-2)
3. Ibid. [↑](#footnote-ref-3)
4. BigData-Research, “China Housekeeping O2O Market Research Report in the First Half of 2016”，August 24, 2016, accessed February 28, 2021, http://www.bigdata-research.cn/content/201608/315.html. [↑](#footnote-ref-4)