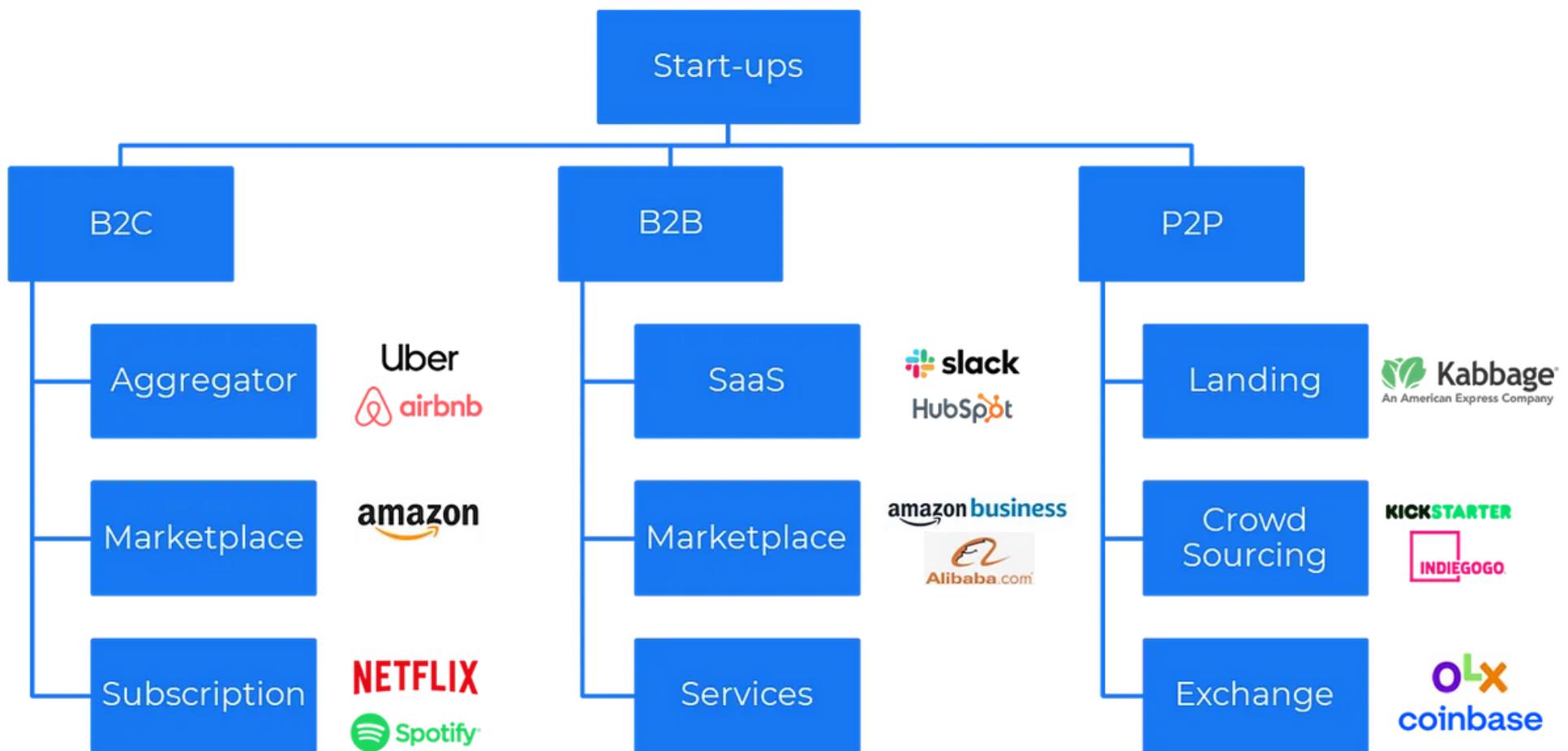


31 Startup Business Models You Must Know (With Examples)

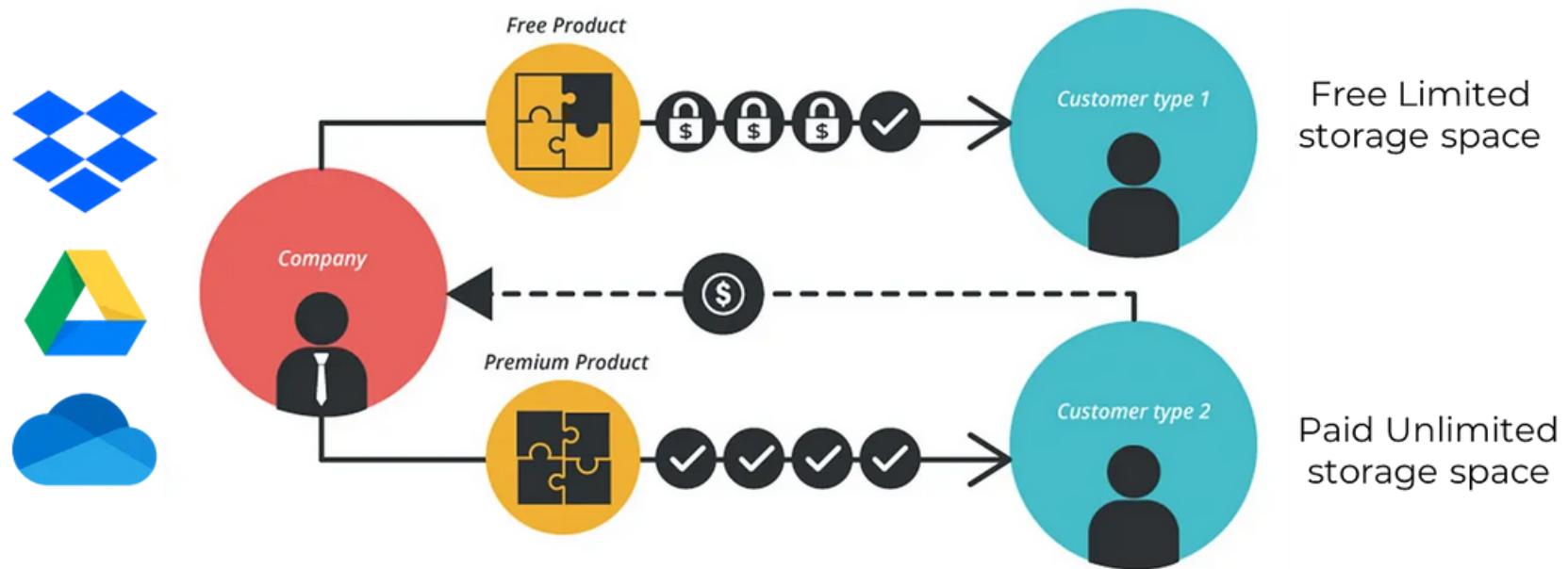


Types of Startup

Credit: Navdeep Yadav



Freemium Business Model

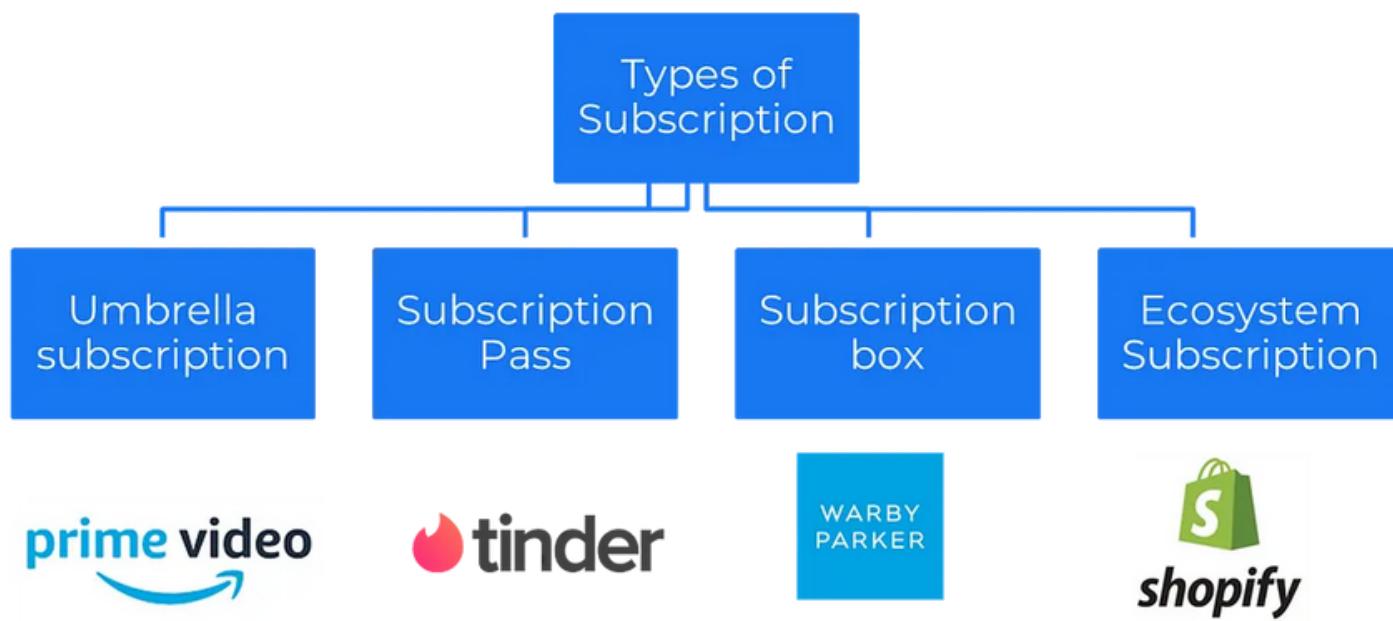


1. Freemium Business Model (Freemium = Free + Premium)

The **freemium business model** allows users to utilize basic features of a software, game, or service for “free”, and then charges for “upgrades” to the basic package.

Examples — Google Drive, iCloud, and Slack

Types of Subscription Business Model

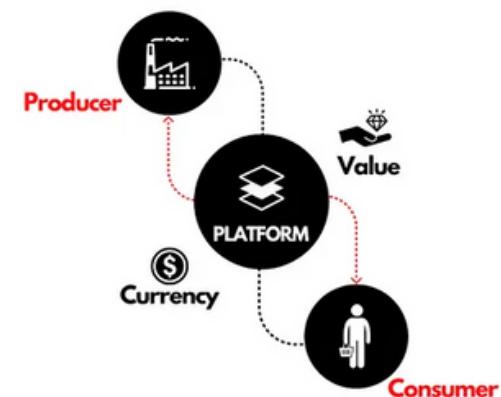
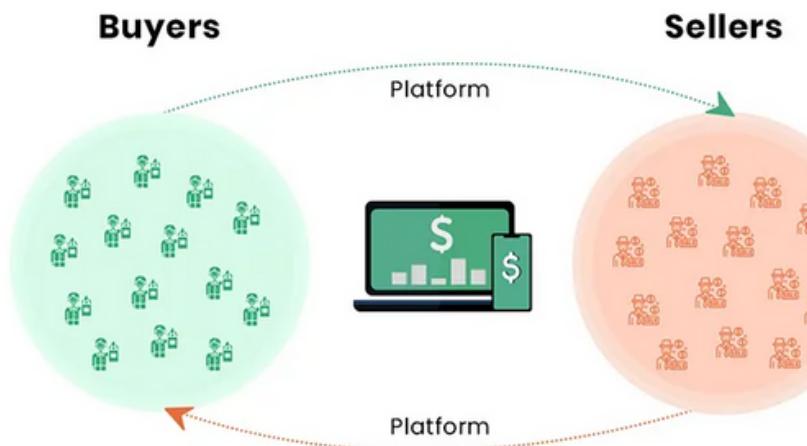


2. Subscription Business Model

Subscription business models are based on the idea of selling a product or service to receive monthly or yearly recurring subscription revenue.

Examples: Tinder, Netflix, and Shopify.

Market place Business Model



fiverr.

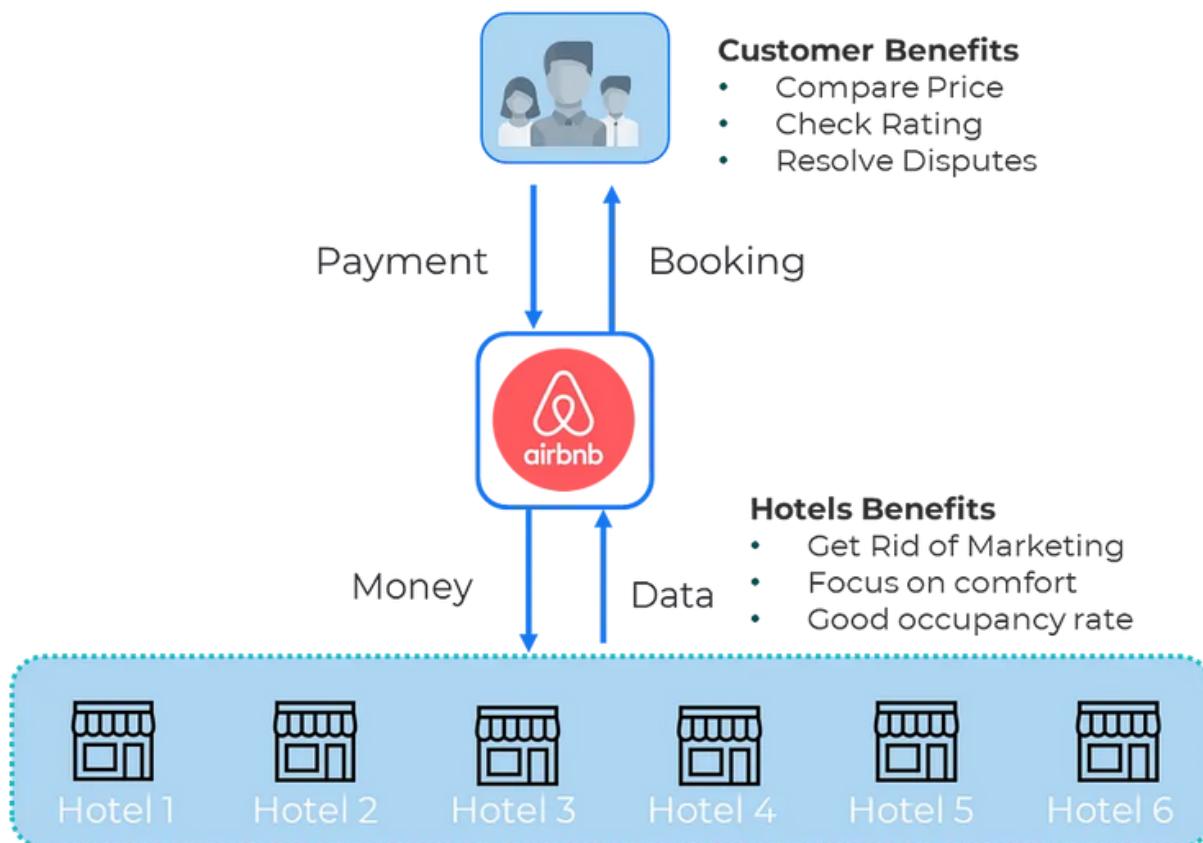
amazon

3. Marketplace business model

A marketplace is a platform (e-commerce site or mobile app) where products or services are sold to customers by third-party sellers.

Examples — Amazon, Fiverr.

Airbnb Aggregator Business Model

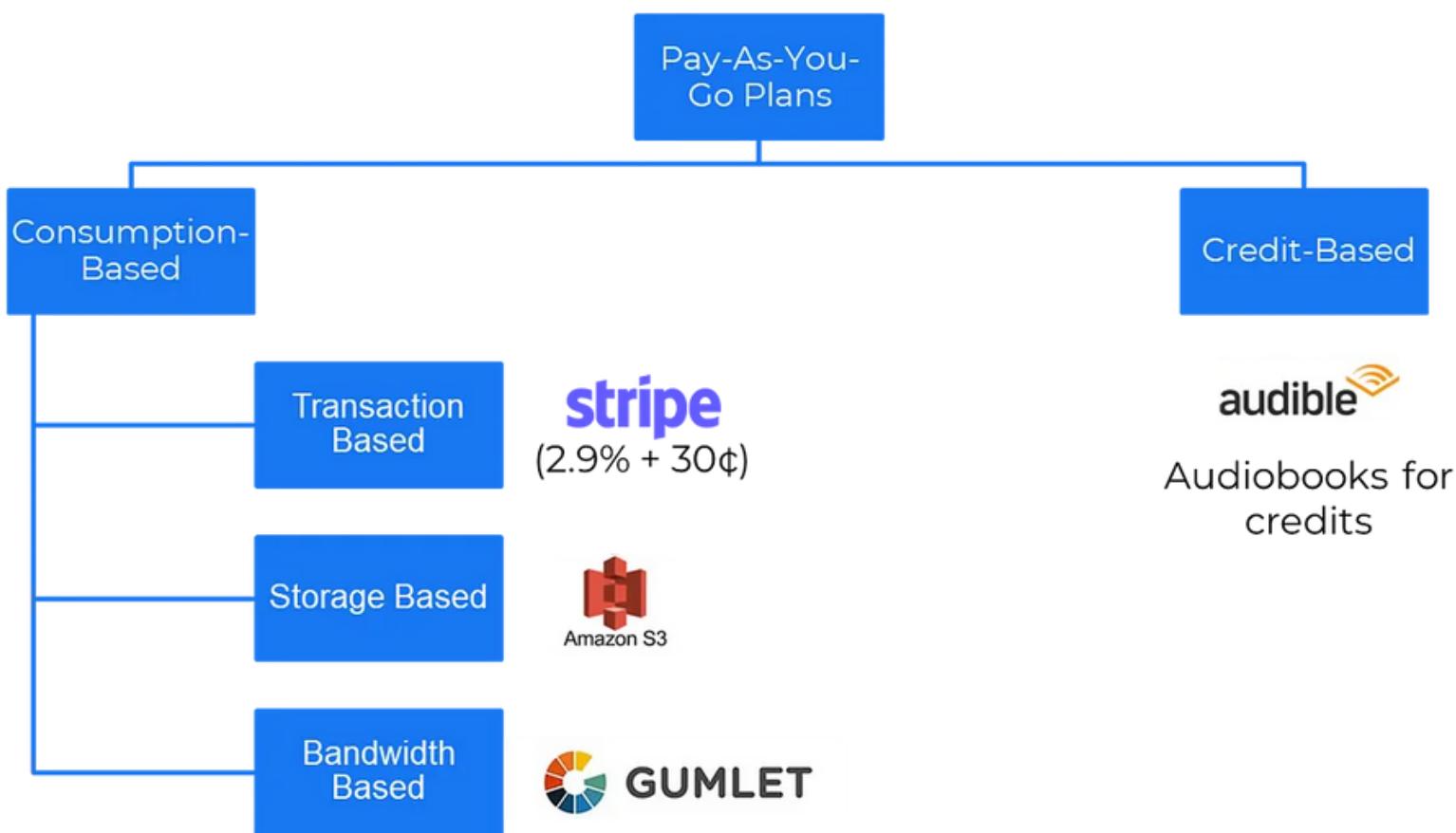


4. Aggregator business models

In the aggregator business model, the service is delivered to customers under their brand name.

Examples: Uber, Airbnb.

Types of Pay-As-You-Go Plans?

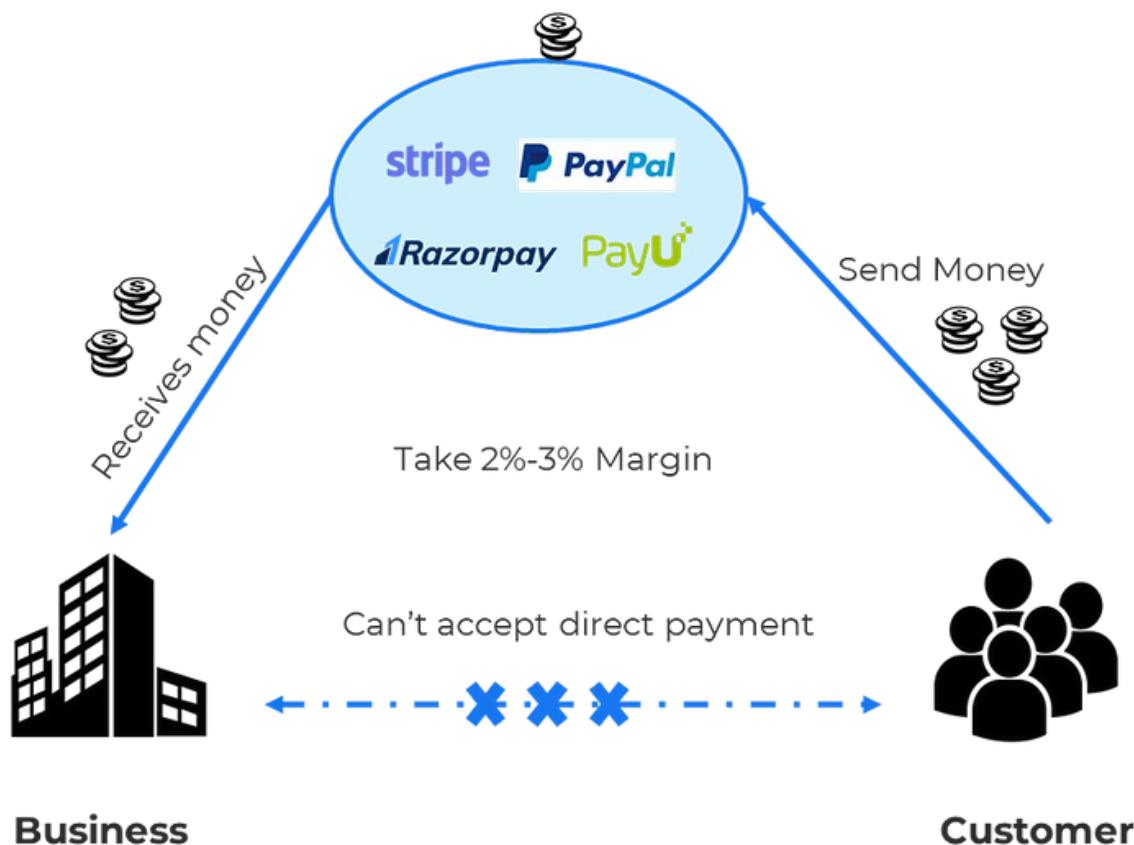


5. Pay-as-you-go business model

This is a pricing strategy where users pay based on how much they consume. It is widely used by cloud computing companies.

Example: Google Cloud Platform(GCP), Amazon Web Service (AWS)

Fee-for-service (FFS) business model

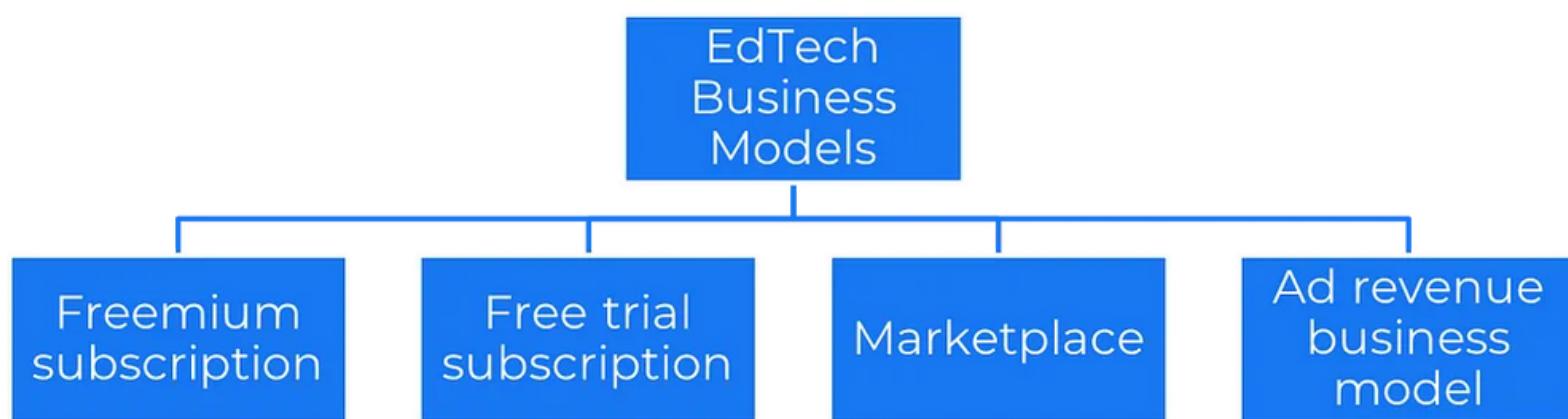


6. Fee-for-service (FFS) business model

FFS's business model is based on charging customers a fixed and variable fee for every successful payment.

Examples: Stripe, Paypal, and PayU

Most popular revenue model in EdTech



coursera

**SKILL
SHARE.**

udemy



7. EdTech business model

In the edtech business model, you make money either by selling content or providing teaching as a service to the end user.

Lock-in business model

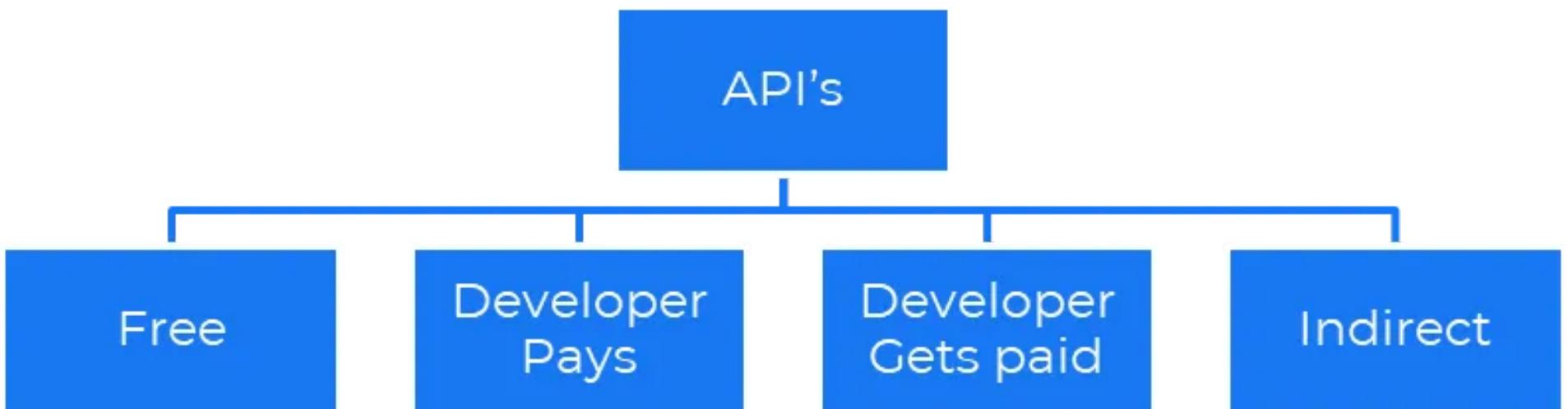


8. Lock-in business model

'Lock in' aims to create a barrier for customers to switch from your brand or offering and instead move to a competitor offering.

It uses a combination of increasing switching costs or the effort to transfer (soft lock-in) or the superior brand experience or incentives

Examples: Apple, SAP.



9. API licensing Business Model

An application programming interface, or simply an API, is a tool that allows third-party applications to communicate with your service.

Example: Twilio (SMS), Sendgrid(Email), Google Map APIs(Map)



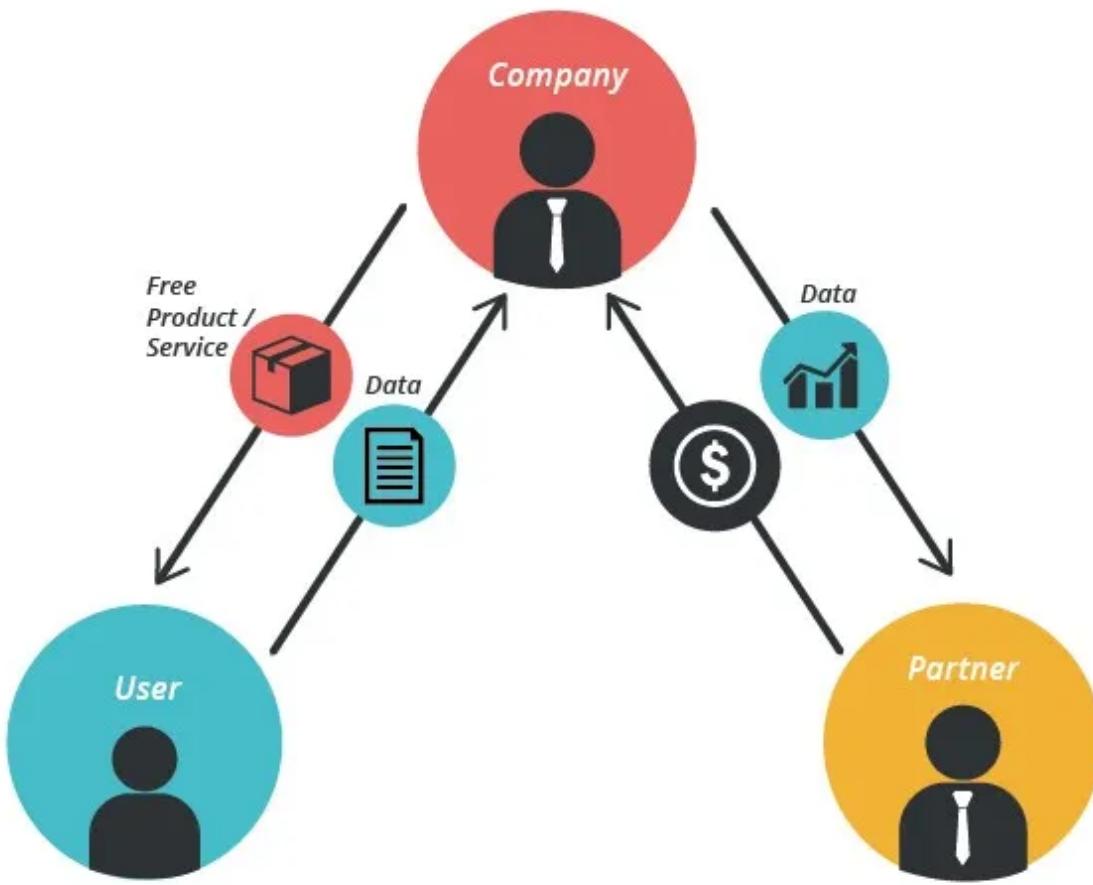
android



10. Open-source business model

Open-source software is software with source code that anyone can inspect, modify, and enhance for personal use.

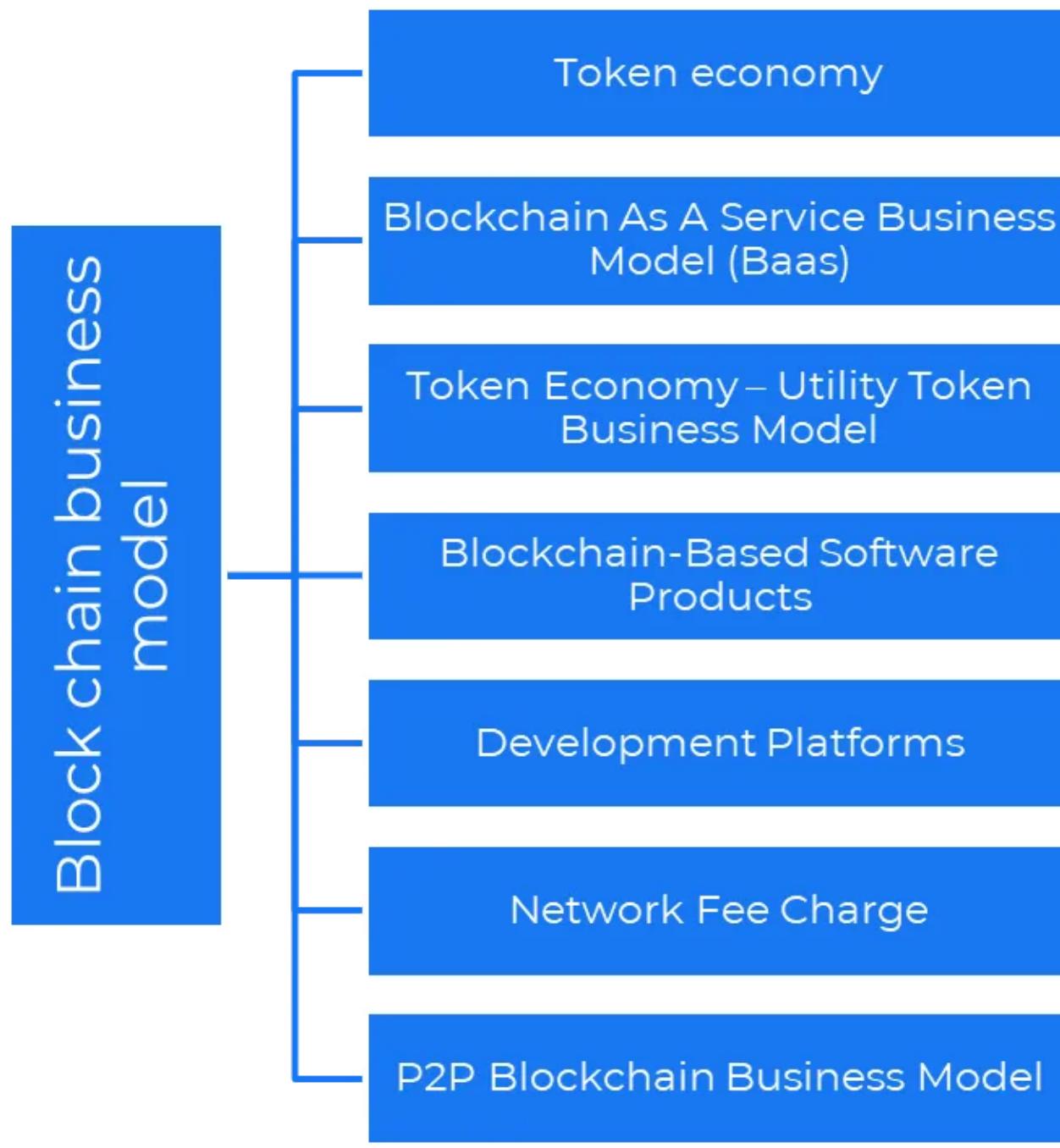
Example: Andriod, Java, Firefox.



11. Data as a business model

If the app or algorithm collects data from customers to improve the system or monetize it by adding value to other companies.

Example: Open AI GPT3 model becomes smarter as people use it.

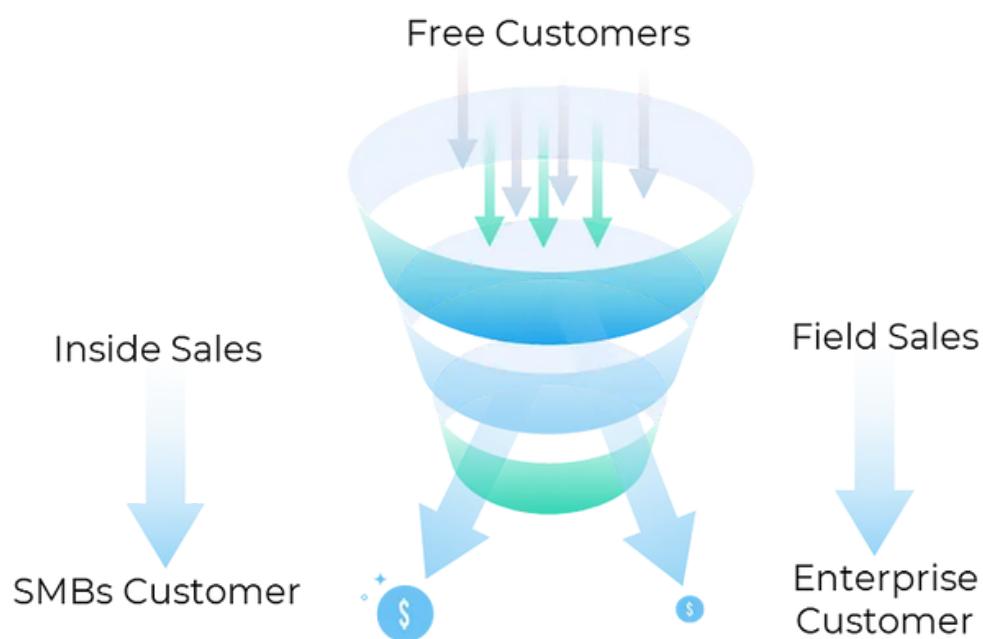


12. Blockchain Business Model

Blockchain is a distributed ledger technology that allows other companies and business to deploy their smart contract without any central authority like AWS, Digital ocean, etc

Examples: Ethereum, Solana, Alchemy.

Freeterprise business model

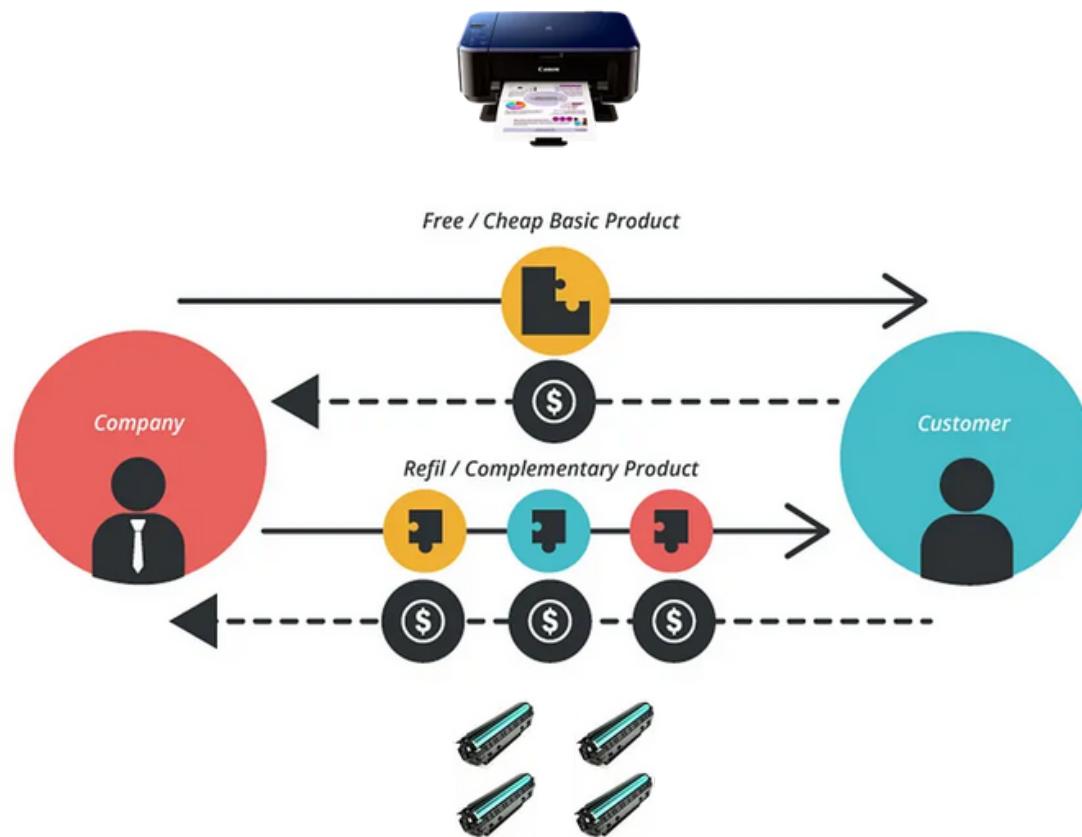


13. Freeterprise business model

In the freeterprise (free & enterprise) business model the free professional accounts are driven into the funnel through the free product and later convert into a B2B/enterprise account.

Examples: Slack and Zoom.

Razor blade/Bait and hook business model



14. Razor blade business model

This model is widely used in hardware items where one item is sold at a low price or at losses and generates profits from refills or add-ons.

Examples: Gillet razor & blades, Coffee machine & coffee beans, and HP Printer & Cartage.

Direct-to-consumer business Model

Traditional Retail



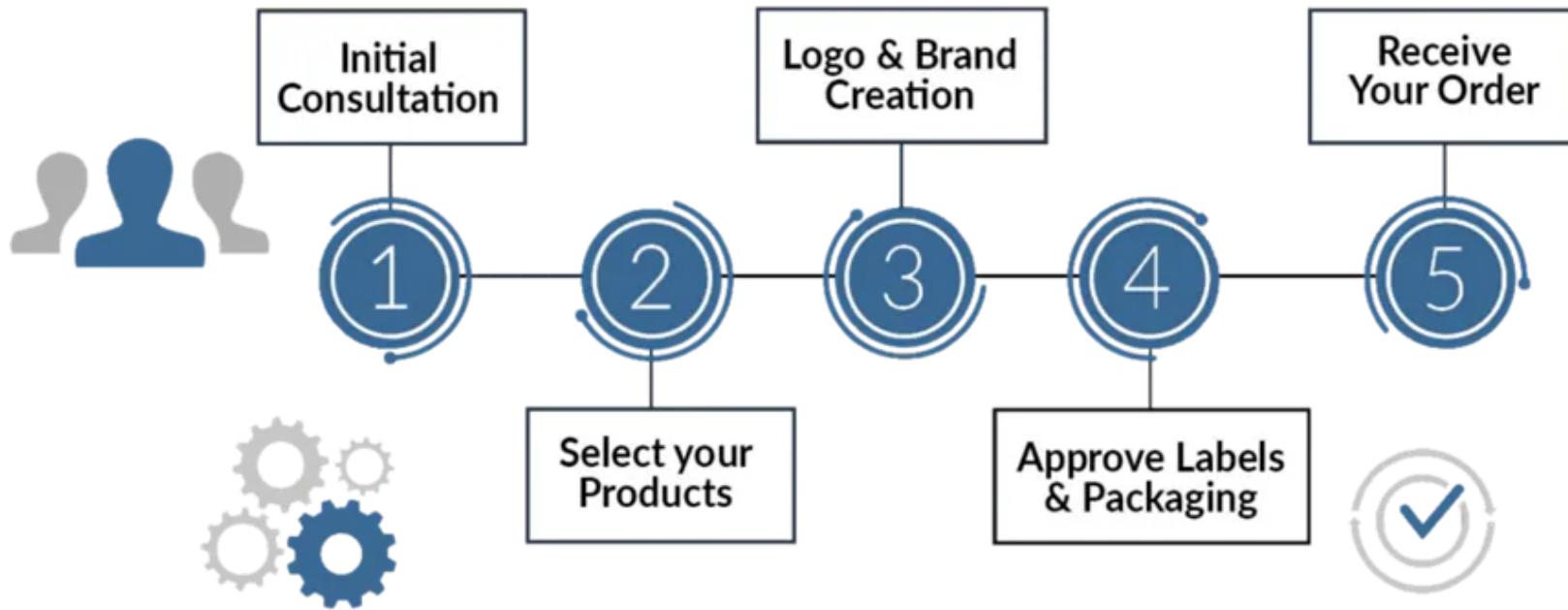
D2C brand



15. Direct-to-consumer (D2C) business model

In the D2C business model, the brand cut out the middleman and sells its product directly to the end consumer from its website using a third-party logistic partner.

Examples: GymShark, Kylie Cosmetics.

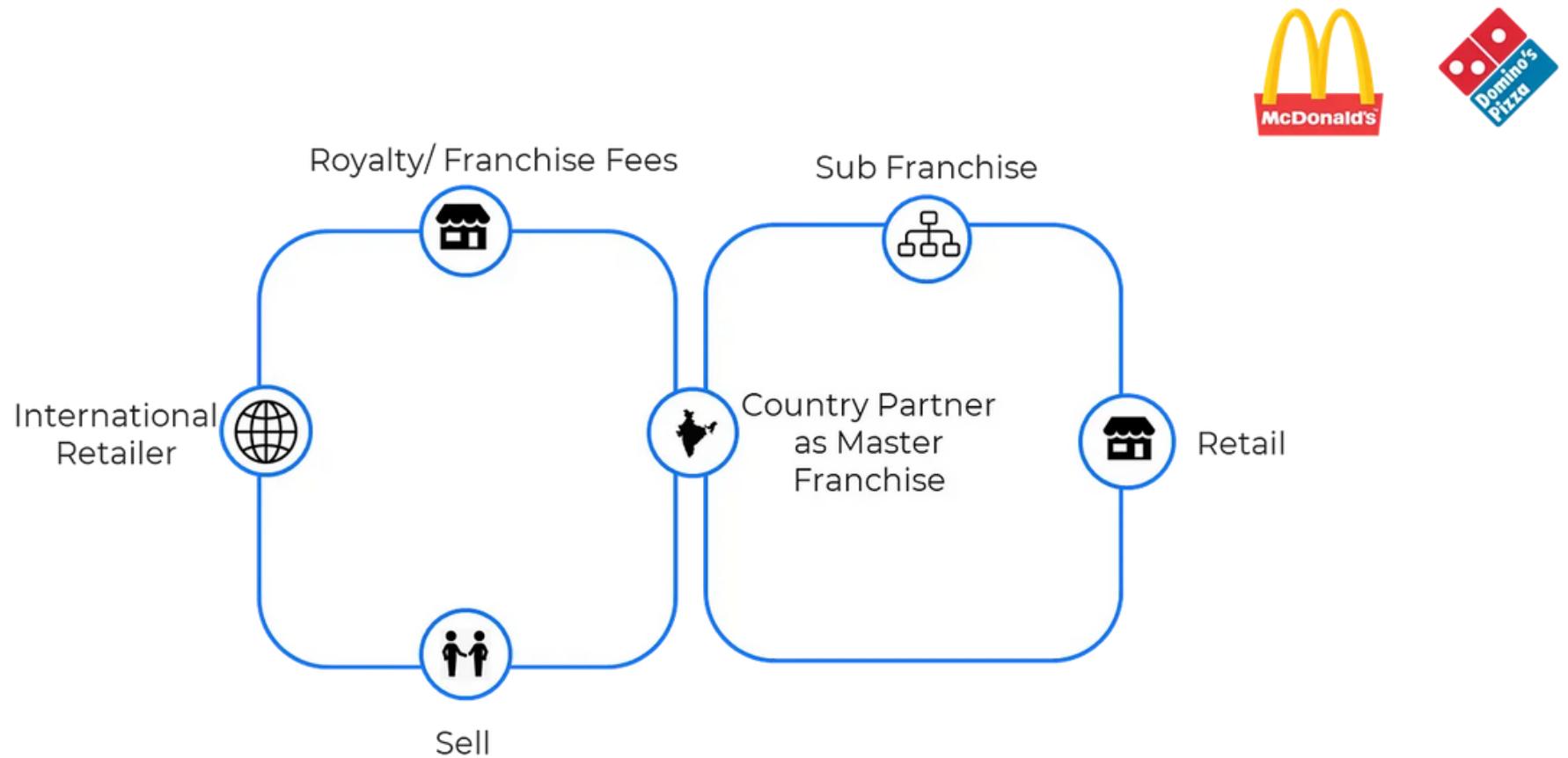


16. Private Label vs White Label business model

A private label/White label product is manufactured by a contract or third-party manufacturer and sold under the brand name.

Example: Supplements and electronic products on Amazon.

Master Franchise business model

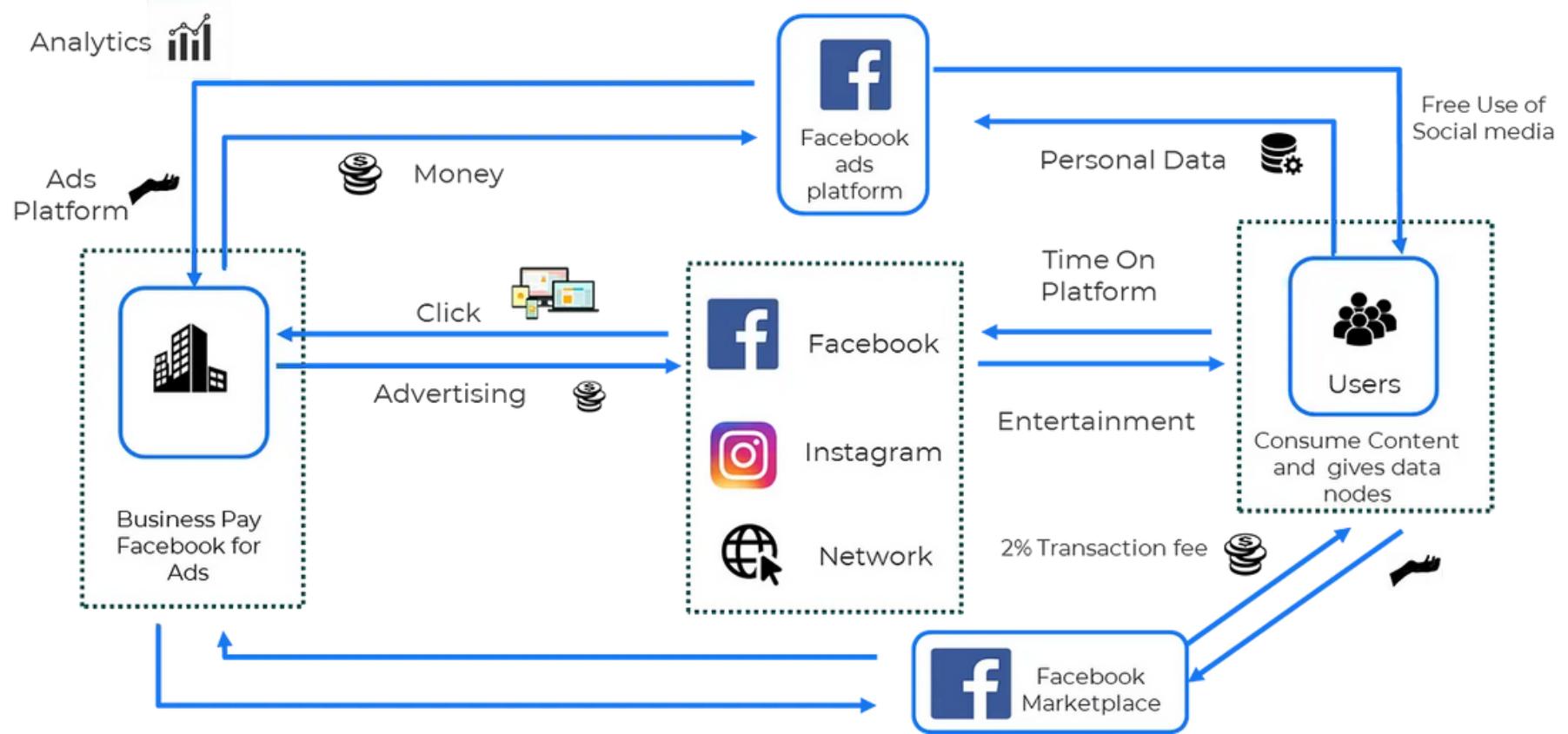


17. Franchise business model

Here the franchisee(Store owner) is using the trademark, branding, and business model of a franchisor (company).

Examples: Dominos, KFC.

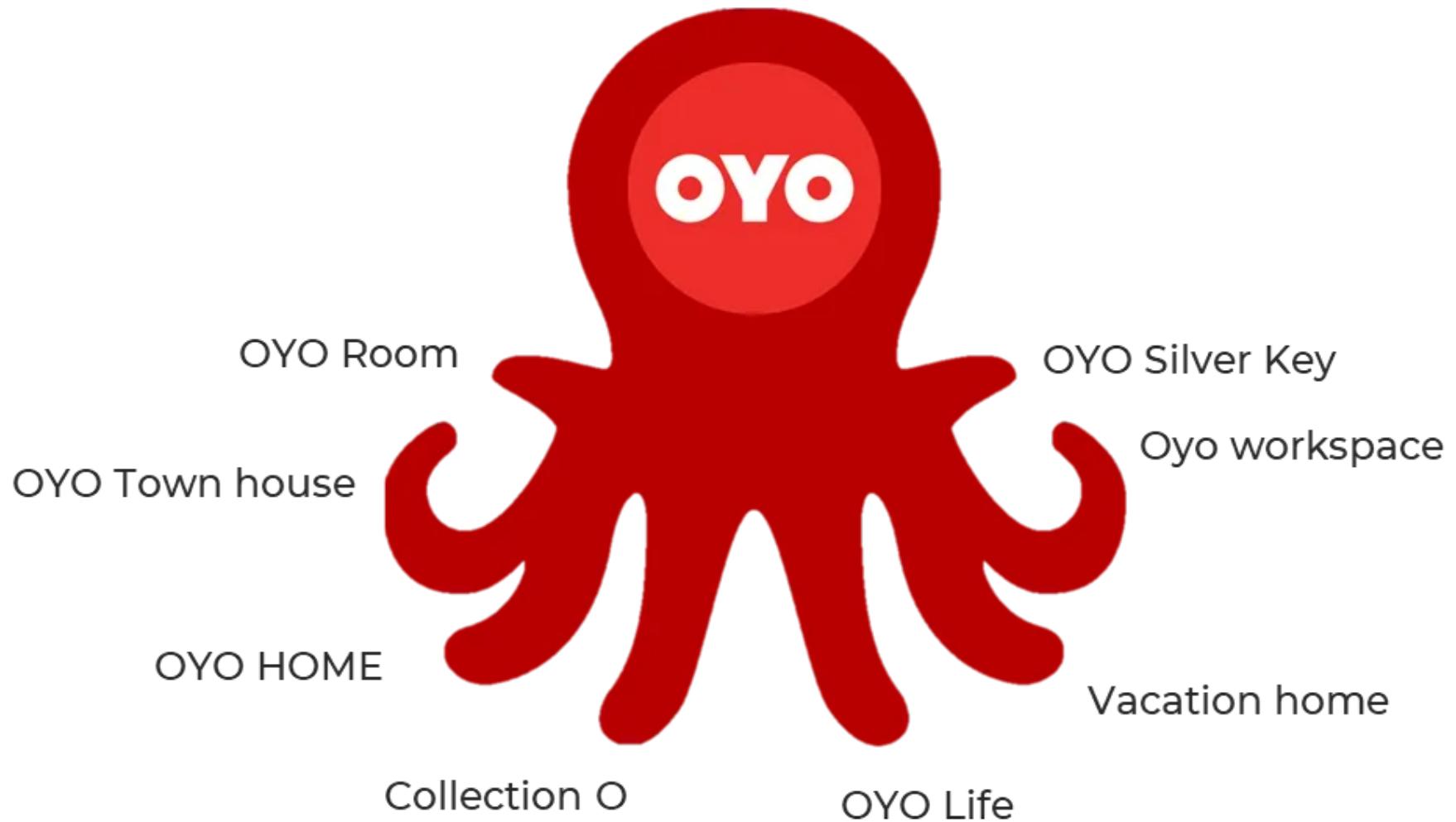
Facebook business model



18. Ad-based business model

This business model is used by social media and search engine giants who use your search engine and interest data to show ads.

Examples: Google, Meta, TikTok, and Snapchat.



19. Octopus business model

It's a diversification business strategy where each business unit like the tentacle of an octopus works independently but is connected to the main body.

Example: Oyo.

Transactional business model

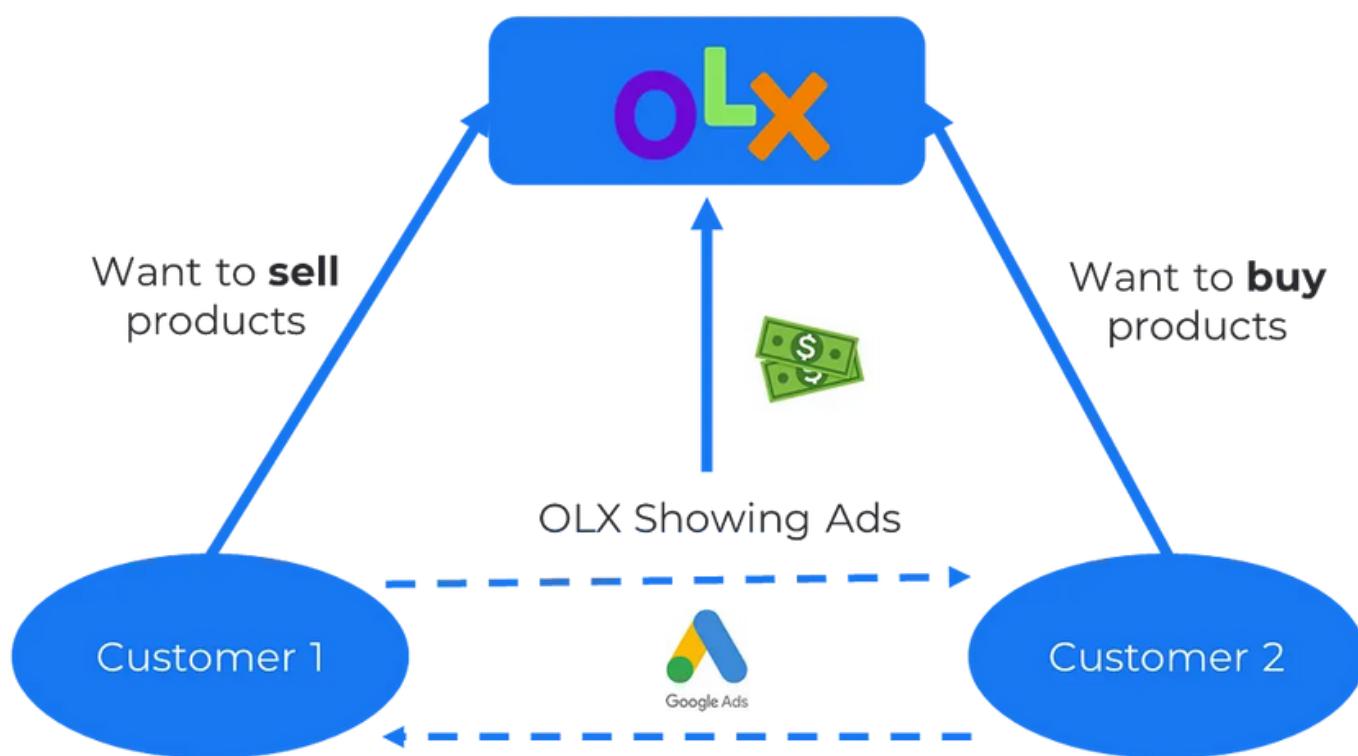


20. Transactional business model

The revenue is generated by directly selling an item or a service to a customer. Widely used by e-commerce sites or any other product you purchase online.

Examples: GymShark, Goli.

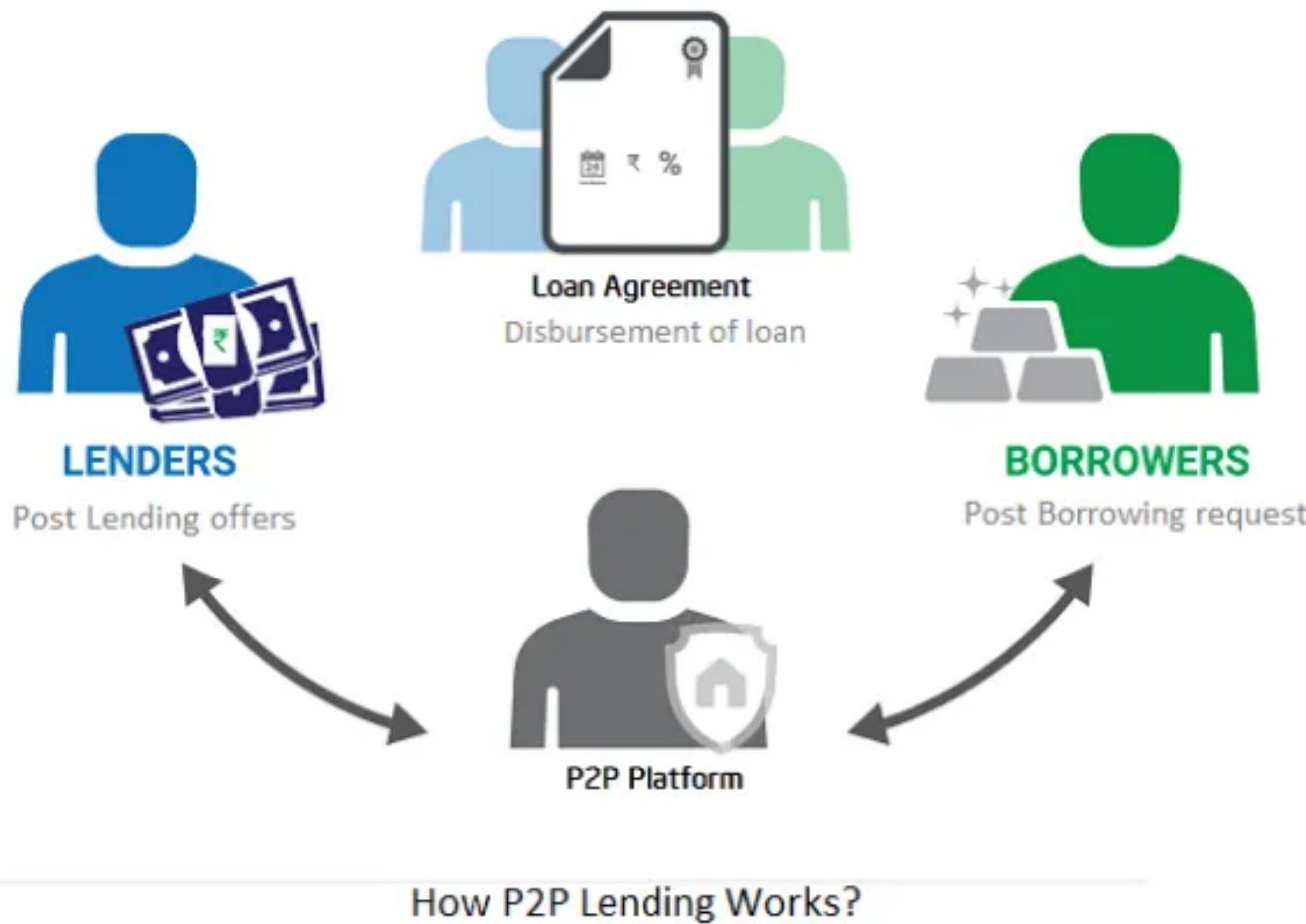
OLX P2P Business Model



21. Peer-to-peer (P2P) Business Model

In a P2P business model, two individuals interact to buy and sell goods and services directly with each other without a third party or using a platform.

Example: OLX.

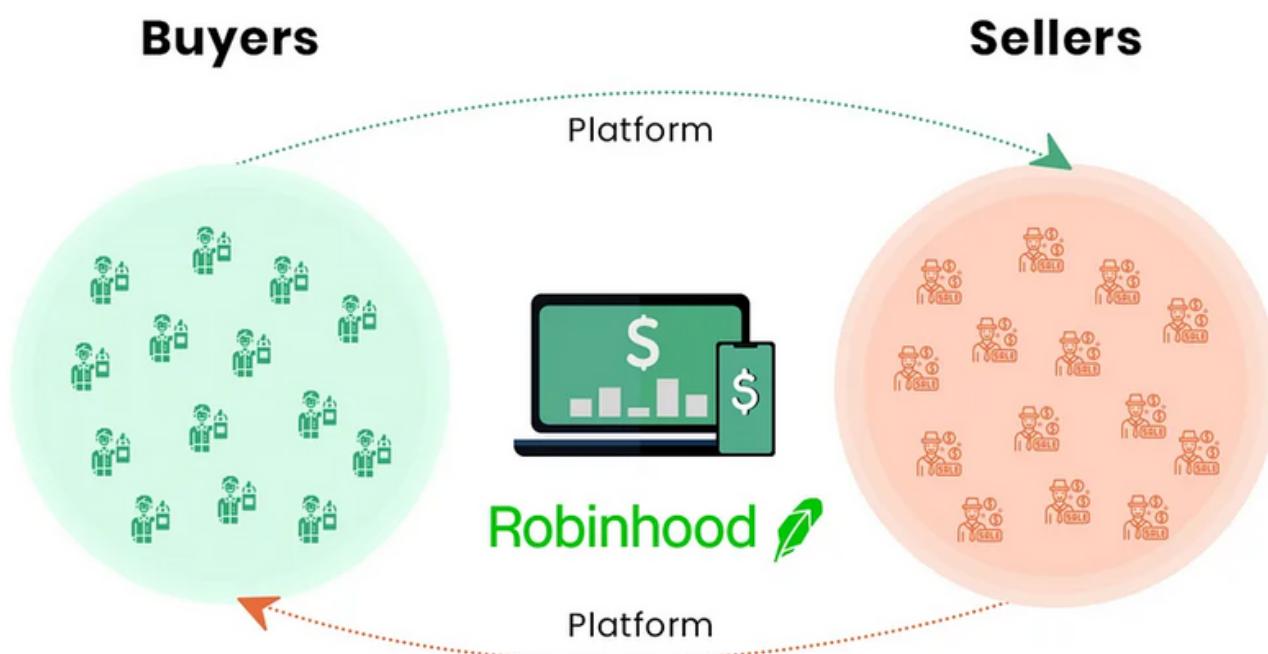


22. P2P Lending as a business model

In the Peer-to-peer (P2P) lending business model one private individual ("P2P Lender") lends/invests or borrows money from another private individual ("P2P Borrower").

Example: Kabbage.

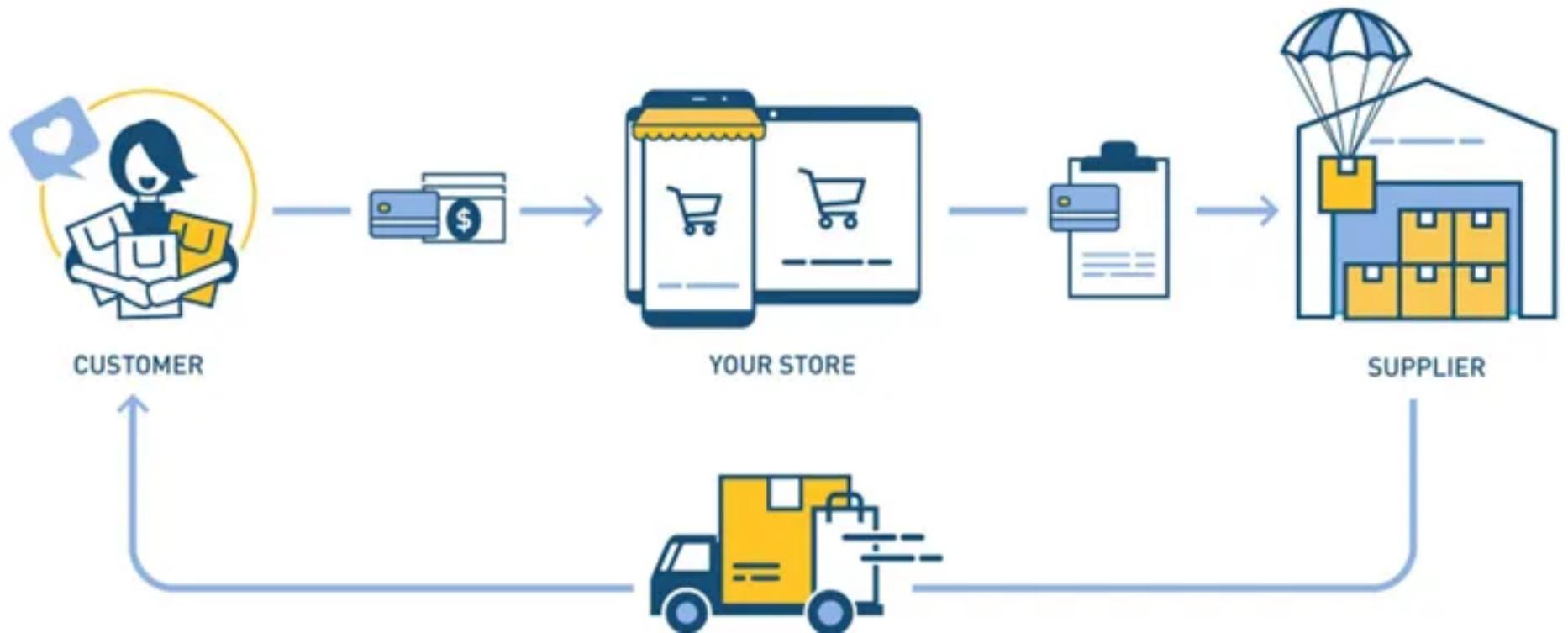
Brokerage business model



23. Brokerage business model

Brokerage businesses usually charge a commission or fee to one or both parties in exchange for services rendered.

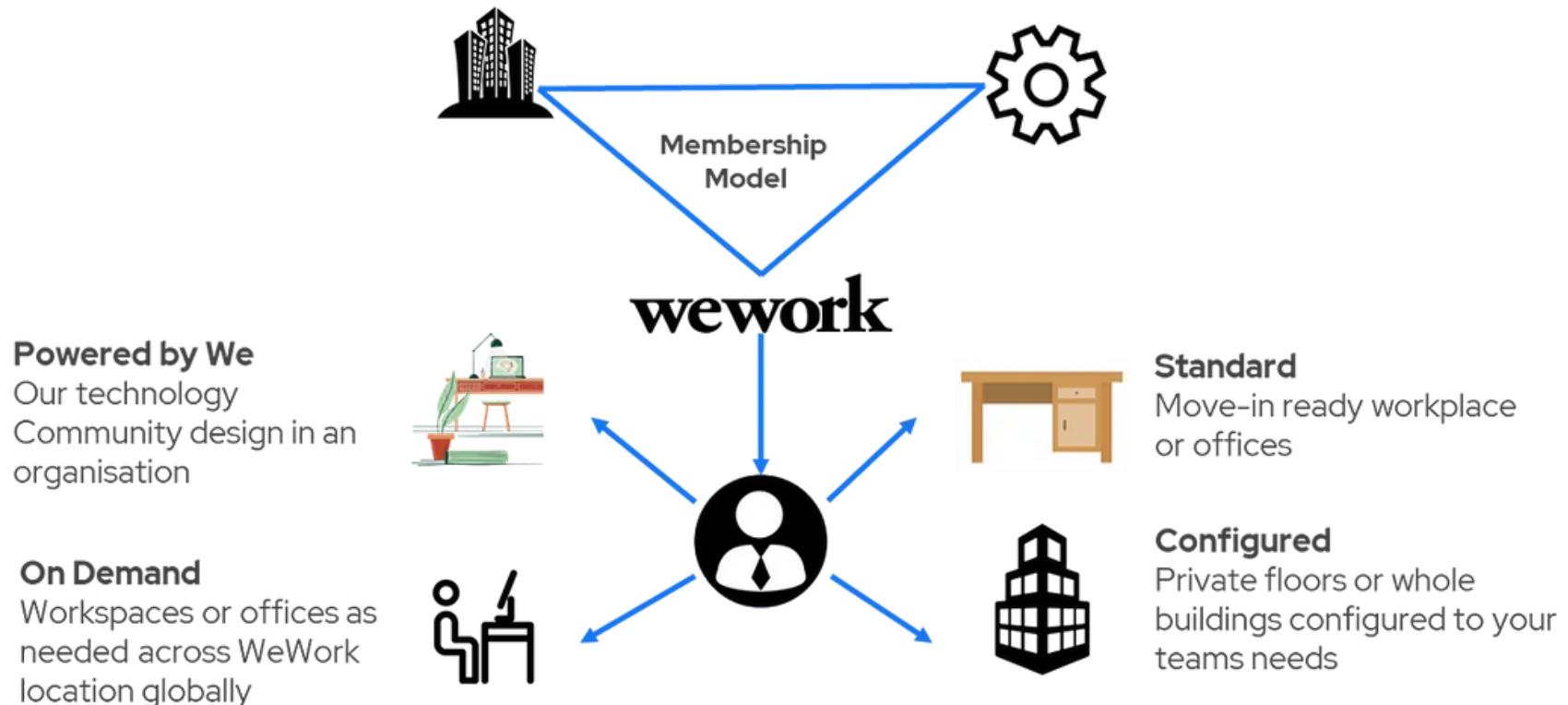
Examples: Robinhood, Coinbase, and ebay.



24. Drop shipping Business model

Dropshipping is an e-commerce retail model that allows stores to sell products without keeping any physical inventory.

WeWork Business Model



25. Space as a Service Business Model

It is based on the idea of a shared economy that provides millennials with the flexibility of living or working out of shared spaces without the headache of ownership or lease.

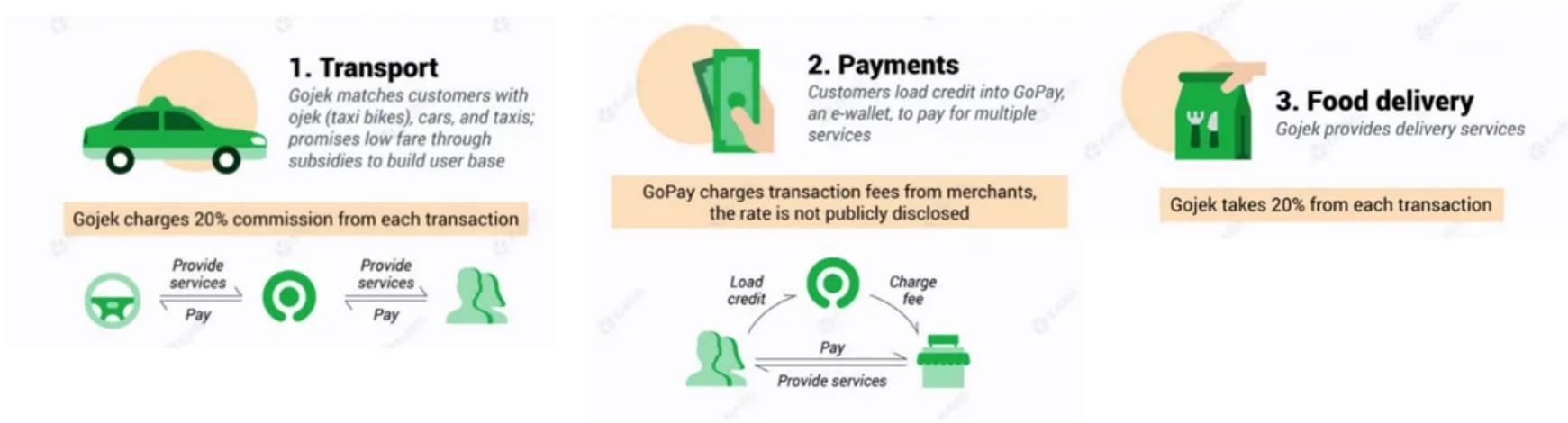
Examples: WeWork, Airbnb.



26. 3rd party logistic (3PL) business model

In the 3PL business model, the business outsources its products' distribution, warehousing, and fulfillment to an external logistics company that carries out these processes on its behalf.

Example: Fulfilment by Amazon and Ship Bob.



27. Last Mile delivery as a business model

Last-mile delivery consists of the set of activities in a supply chain that will bring the service and product to the final customer.

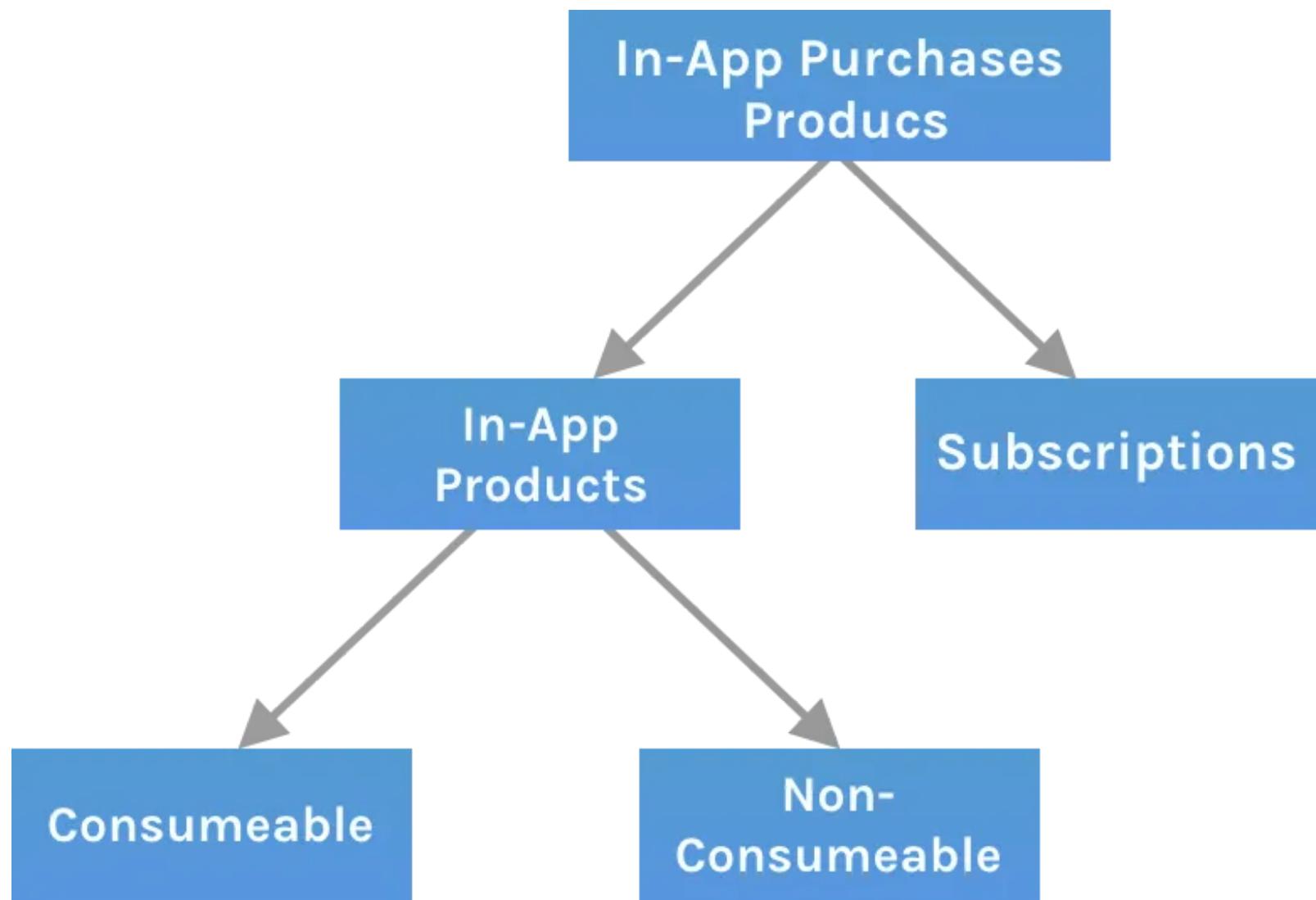
Examples: Gojek, Postmates and Rappi.



28. Affiliate business model

Affiliate marketing is a revenue-earning strategy of promoting other companies' products and charging commissions for every sale.

Examples: Amazon, Skillshare and Hubspot.



29. The virtual goods business model

This is also known as the in-app purchase where you were required to make in-app purchases for an intangible product.

Examples: Candy Crush, Roblox, PubG.



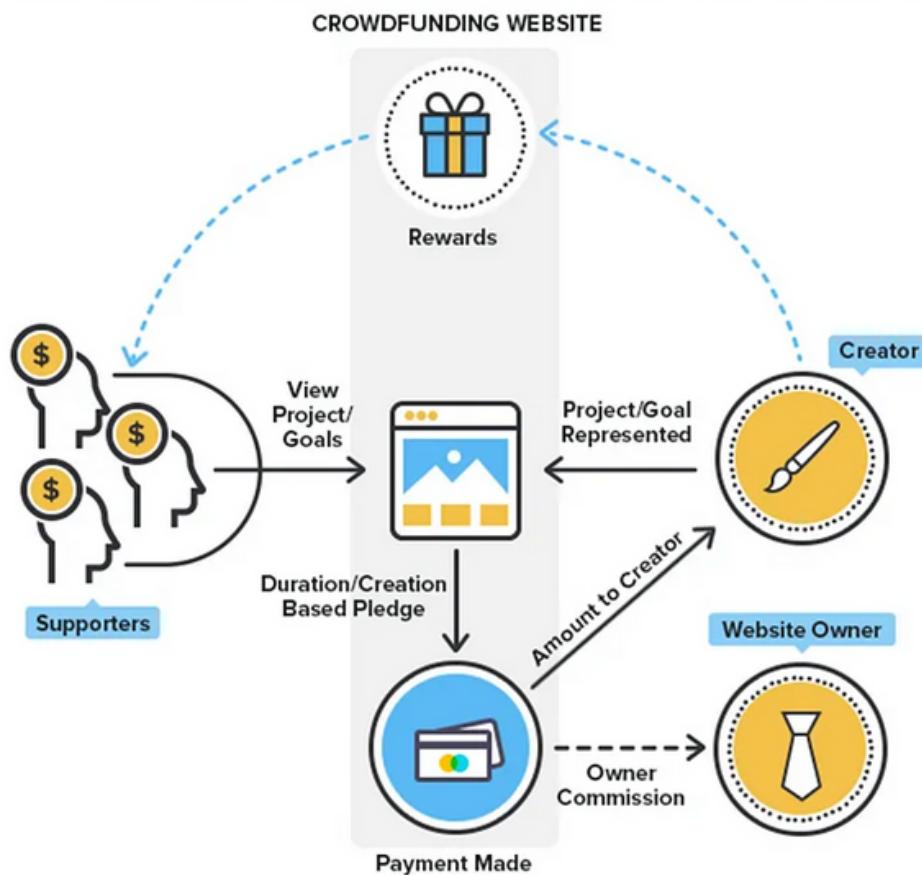
30. Cloud Kitchen Business Models

Also known as Ghost Kitchens, Dark Kitchens, Black Box Kitchens, etc. A restaurant that sells meals exclusively through delivery channels.

These restaurants offer no physical dine-in experience and instead cater only to customers eating meals at home.

Examples: NextBite, Faaso's.

Crowdfunding Business model



KICKSTARTER

INDIEGOGO

patreon

Ketto

Milaap

31. Crowdsourcing Business model

Crowdsourcing = Crowd acts as a source for a specific platform.

In a crowdsourcing business model, you voluntarily get help from people all over the world, without having to hire them as regular employees.