Two-sided marketplace start-ups

Caselet 1: MediLink — Forecasting Marketplace Transactions and Revenue

Background

MediLink is an online healthcare marketplace that connects patients with certified doctors for online and in-clinic consultations. The platform operates in major Indian cities, focusing on outpatient consultations across general medicine, dermatology, pediatrics, and gynecology.

Patients use MediLink to search for doctors, view availability, and book appointments. Doctors list their profiles and pay MediLink a commission on each completed consultation.

Current Operating Metrics (Month 0)

- Monthly active patients: **120,000**
- Monthly active doctors: **6,000**
- Patient-to-booking conversion rate: **8%**
- Average consultation fee: **₹800**
- Platform commission rate: **15%**

Growth Assumptions

- Monthly patient growth: **4%**
- Monthly doctor growth: **3%**
- Conversion rate remains constant
- Pricing and commission unchanged

Management Objective

MediLink's management team wants a **5-year projection of marketplace activity and revenue** to support fundraising discussions.

Student Tasks

1. Project monthly consultations over 5 years
2. Estimate **Gross Merchandise Value (GMV)**
3. Compute **platform net revenue**
4. Identify the most sensitive growth driver

Caselet 2: MediLink — Liquidity and Supply–Demand Balance Challenge

Background

Despite strong growth in patient traffic, MediLink has observed that many appointment requests in high-demand specialties remain unfulfilled. Internal data suggests that **doctor availability, not patient demand**, is increasingly constraining growth.

Specialty-Level Snapshot (Monthly)

Specialty	Active Patients	Active Doctors	Avg Capacity per Doctor
General Medicine	50,000	2,500	40
Dermatology	30,000	900	35
Pediatrics	25,000	700	30
Gynecology	15,000	400	25

- Patient booking intent rate: **10%**
- Average patient tolerance: waits >5 days lead to drop-off

Key Issue

In some specialties, doctors reach full capacity early in the month, causing lost bookings and lower realized GMV.

Management Objective

The operations team wants to understand whether MediLink should:

- Acquire more doctors, or
- Moderate patient acquisition in constrained specialties

Student Tasks

1. Identify **supply-constrained vs demand-constrained** specialties
2. Estimate **lost transactions due to capacity limits**
3. Recommend an optimal expansion strategy

Caselet 3: MediLink — Unit Economics of a Two-Sided Marketplace

Background
MediLink has scaled rapidly but continues to report operating losses. The CFO believes the problem lies in inefficient acquisition spending across both sides of the platform.

Monthly Acquisition & Cost Data

- Patient marketing spend: **₹24 lakh**
- New patients acquired: **12,000**
- Doctor onboarding spend: **₹18 lakh**
- New doctors onboarded: **900**

Economics per Transaction

- Average consultation fee: **₹900**
- Platform commission: **14%**
- Variable platform cost per booking: **₹40**

Definitions

- **CAC (Patient)** = Marketing spend ÷ New patients
- **SAC (Doctor)** = Onboarding spend ÷ New doctors

Management Objective
Assess whether MediLink's **unit economics justify continued scaling**, and estimate the transaction volume required to break even at the contribution level.

Student Tasks

1. Compute **CAC and SAC**
2. Estimate **contribution margin per transaction**
3. Calculate monthly **break-even transactions**
4. Evaluate sustainability of the current growth strategy

Caselet 4: MediLink — Competitive Pressure and Take-Rate Strategy

Background
A well-funded competitor has entered MediLink's key markets, offering doctors lower commission rates and faster payouts. Several high-volume doctors have begun listing on both platforms.

Current vs Alternative Commission Scenarios

Scenario	Commission Rate
Current	15%
Moderate Cut	12%
Aggressive Cut	10%

Management expectations:

- A **10% commission cut** reduces doctor churn by **30%**
- Lower commissions marginally increase patient prices due to doctor price adjustments

Management Objective
Determine whether reducing commission rates improves **long-term platform revenue and stability**, despite lower take-rates.

Student Tasks

1. Model revenue under different commission scenarios
2. Identify the **profit-maximizing take-rate**
3. Discuss strategic trade-offs between growth and margin

Caselet 5: MediLink — Valuation of a Healthcare Marketplace

Background
A listed healthcare technology company is evaluating the acquisition of MediLink to strengthen its digital outpatient ecosystem. Industry deals suggest valuations based on either **GMV multiples** or **Net Revenue multiples**.

Forward Estimates (Next 12 Months)

- Projected GMV: **₹1,200 crore**
- Projected Net Revenue: **₹180 crore**
- GMV multiple range: **0.8× – 1.5×**
- Net Revenue multiple range: **4× – 7×**

Qualitative Considerations

- Strong patient growth
- Moderate doctor churn
- Liquidity challenges in select specialties
- Competitive pressure on take-rates

Management Objective

Establish a reasonable valuation range and assess whether MediLink is a viable acquisition target.

Student Tasks

1. Estimate valuation using the **GMV multiple**
2. Estimate valuation using **Net Revenue multiple**
3. Compare both approaches and justify the preferred metric
4. Comment on acquisition attractiveness