

Help-for-hire Internet startups clicking with customers

July 3 2013, by Andrea Chang

Dawn McCoy used to have to call a handyman for home repairs, a taxicab for a ride to the airport, a caterer to help out at a dinner party.

Now, she turns to [mobile apps](#) and websites that quickly connect her with folks who complete the tasks for a fraction of the price charged by professional services.

"You feel like it's your peers helping you out," McCoy, 35, said. "And you don't have to be a millionaire to have someone help you."

In a city filled with personal assistants and others willing to do odds-and-ends jobs, it's no surprise that a slew of help-for-hire startups are taking off in Los Angeles.

Such companies are built on the premise that most people have things they need done - pet-sitting, a car ride, a place to stay, house cleaning, errand runs - and the assumption that there's probably an average Joe nearby willing to do it for a price. The startups are bridging the two sides with simple ways to find, book and pay for such services, making it easy for users to never have to call a professional.

Going out of town for the weekend? With Santa Monica, Calif., Internet [startup](#) DogVacay, you can drop off your pooch at the home of a fellow dog lover; hosts watch your pet and set their own rates, starting at \$15 a night.

From there, you can hitch a ride to the airport via a ride-sharing app such as Lyft, Uber or Sidecar. Once you get to your destination, you can crash in a stranger's spare bedroom that you booked on Airbnb, a popular website that people use to temporarily rent out their apartments or homes to travelers.

Forgot your toothbrush? Hire someone on TaskRabbit to run to the nearest grocery store and pick up one for you.

The startups are disrupting long-standing [business models](#), catching some business owners and even city officials off guard. But techies say the trend known as collaborative consumption or the sharing economy isn't a fad.

"At its core, it's access trumping ownership and sharing underutilized assets," said Johnny Brackett, a spokesman at TaskRabbit in San Francisco.

McCoy, a Los Angeles writer and actress, uses TaskRabbit as often as five times a month, setting her own prices for tasks she needs done; users can also accept bids from TaskRabbits who want the job.

She has hired people to give her rides, hang photos and install kitchen cabinet knobs in her home, design her website, wait on guests at a party, put up and take down Christmas decorations, and pick up food.

"I end up using it for everything," she said.

More than 12,000 people have signed up to be "TaskRabbits" who run errands such as delivering a sandwich, assembling furniture or waiting in line for the latest iPhone, and the company is adding 1,000 new TaskRabbits a month, Brackett said.

Such startups are catching on with busy, tech-savvy consumers who want things done efficiently and cheaply. In many cases, the prices are much lower than what one would spend for the same task or service through a conventional company thanks to low overhead costs and an on-demand, Web-based business model.

For those worried about hiring a stranger they met on the Internet, the start-ups conduct background checks on hosts and task completers and strongly urge both sides to review each other after every transaction. Payment is done online so users don't have to deal with cash, and the companies typically take a cut of each transaction.

Users say hiring regular people from sharing companies has also resulted in friendlier service and more comfortable interactions. Drivers for Lyft - whose motto is, "Your friend with a car" - drive around town with a giant pink mustache affixed to their cars and greet passengers with a fist bump; pet owners say they feel more comfortable knowing their dogs are staying in a real home instead of caged up at a pricey kennel.

On the other end, the startups are enabling people with time on their hands to make some extra cash and work flexible hours.

As they've grown in popularity, the companies have, intentionally or not, pushed aside conventional businesses such as taxis and hotels. In some cases, the startups have butted heads with local governments and business owners.

Last week, the Los Angeles Department of Transportation sent cease-and-desist letters to Uber, Lyft and Sidecar, accusing the "rogue taxi apps" of illegally operating in the city without the proper permits and licenses and ordering them to stop picking up passengers. The next day, taxi drivers drove around City Hall to protest the companies.

Airbnb, which has become a hit among travelers, has encountered similar challenges. In May, a judge in New York fined an Airbnb host \$2,400 after he temporarily rented out his apartment to a traveler via the site. The judge ruled that the host violated a law designed to dissuade landlords from operating their buildings as illegal hotels; the decision is being appealed. Officials in San Francisco, where Airbnb is based, have also voiced concerns about the service.

Business owners, too, have expressed skepticism that the new players can provide the same level of service as an old-school company.

One of the newest service startups to launch in L.A. is Homejoy, a maid service that charges \$20 an hour for a house cleaning. Co-founder Aaron Cheung said he and his sister, Adora, came up with the idea for the company - which uses professional cleaners - when they ran into logistical hurdles trying to hire a cleaner.

"There was literally no way to book a house cleaning online," Cheung said. "If you Google 'house cleaning in West Los Angeles' and you call up the first 10 cleaning services, 8 out of 10 won't even answer their phone on a Wednesday afternoon when they should. There's a lot of friction on the consumer end."

The duo were also turned off by the pricing quotes they received - as much as \$40 an hour - which Cheung said was too high, considering most companies pay their maids close to minimum wage. By using an online booking system and implementing a loyalty program, Homejoy was able to cut prices by about half.

That mystified Jennie Lim, owner of the L.A.-area franchise of The Maids, a traditional cleaning service that charges \$40 an hour per cleaner.

"It just doesn't make sense. It does not," Lim said of Homejoy. "I don't know how they can stay in business charging \$20 an hour."

But for many users, the days of scouring Craigslist for help or waiting on hold for a taxi operator are behind them.

Eileen Morouse, 27, a frequent user of TaskRabbit, recently signed up to try Lyft and also uses Uber, an on-demand car service booked via a mobile app.

"I'm definitely transitioning into the less-traditional services that are available, especially as they keep coming up with more ideas that make things easier," the sales operations manager from Marina del Rey, Calif., said. "It's more niche, and that's what the customer wants."

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Citation: Help-for-hire Internet startups clicking with customers (2013, July 3) retrieved 19 September 2024 from

<https://phys.org/news/2013-07-help-for-hire-internet-startups-clicking-customers.html>

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