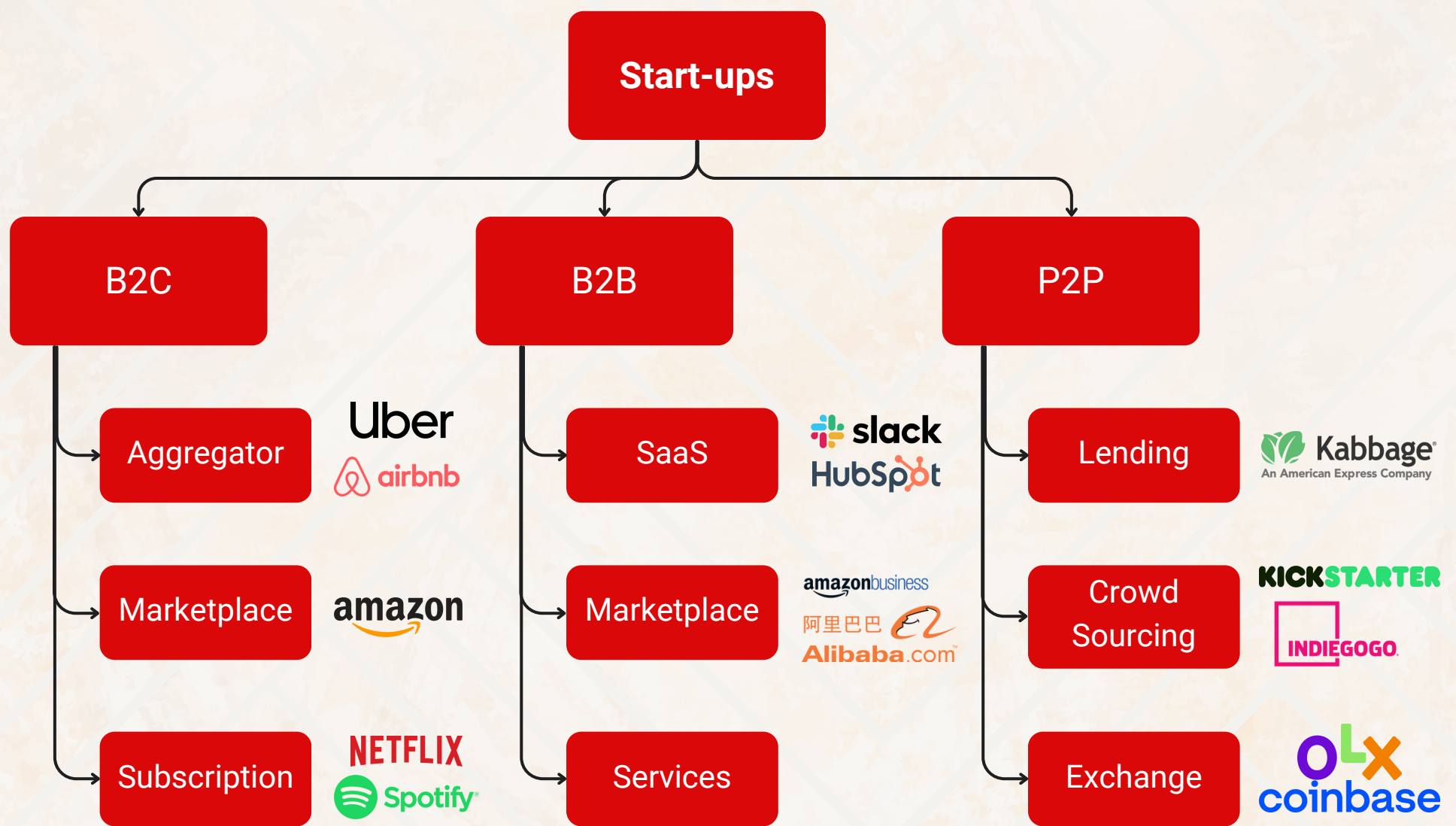


# 31 Startup Business Models You Must Know (With Brand Examples)

## Types of Startups

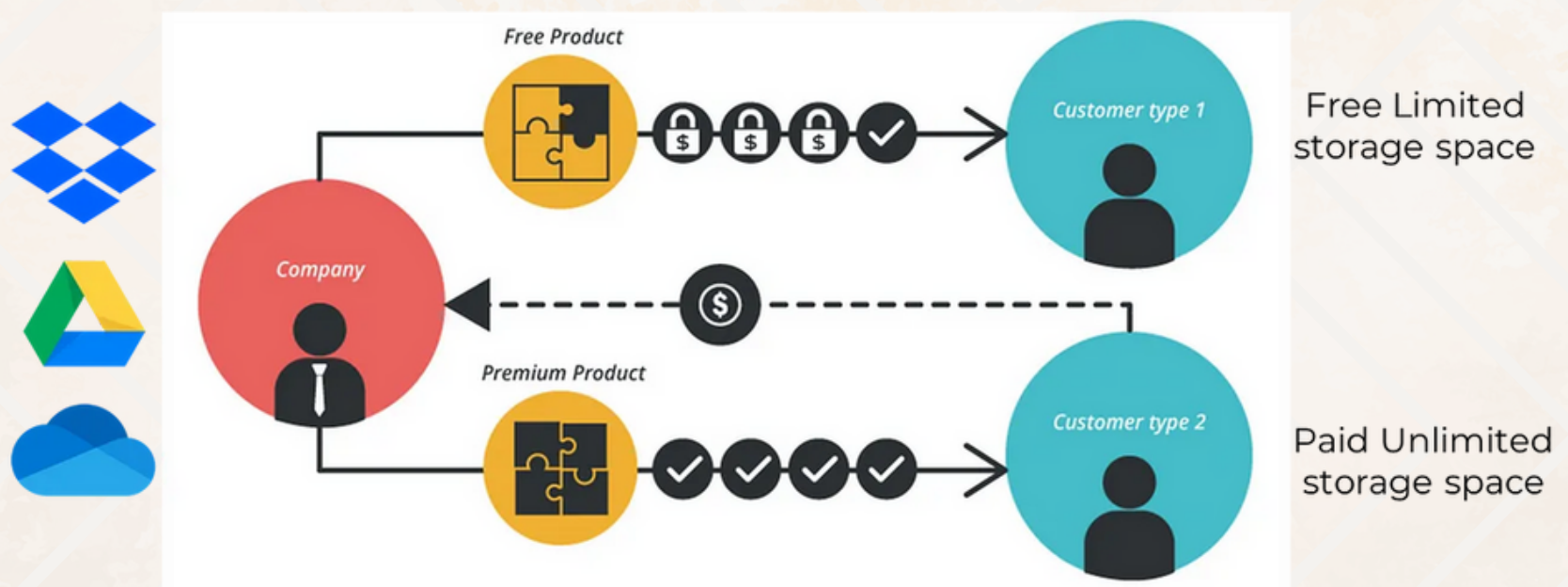


Credit:

Navdeep Yadav

# Freemium Business Model

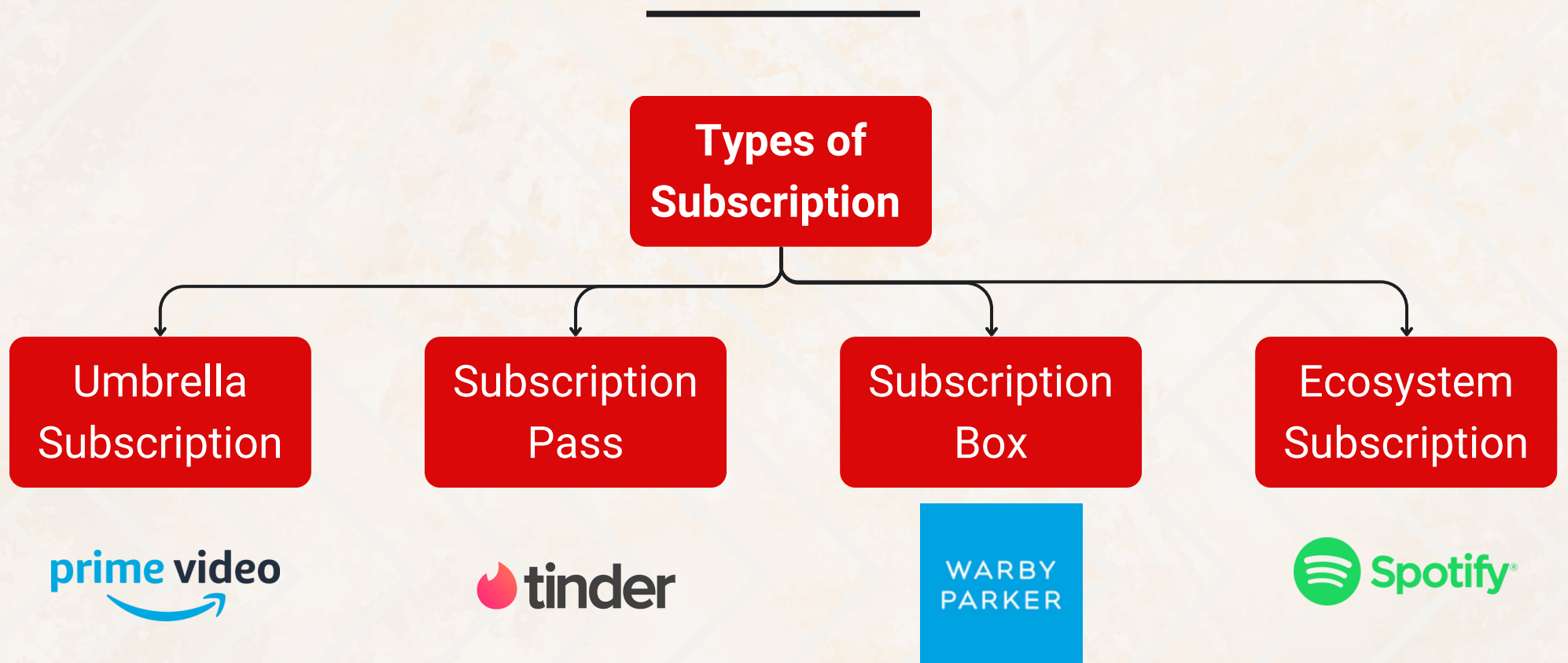
Freemium = Free + Premium



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:**

# 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.

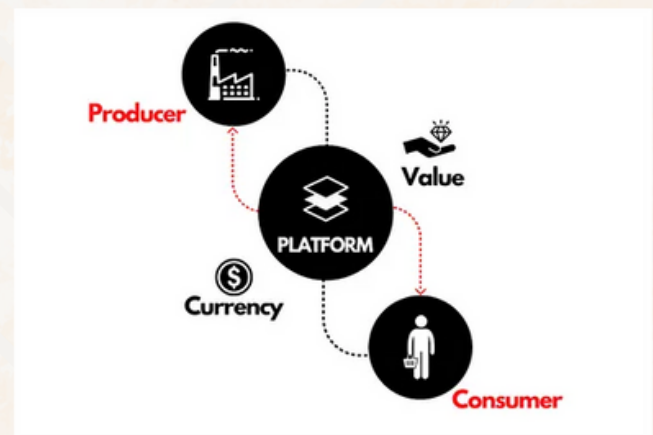
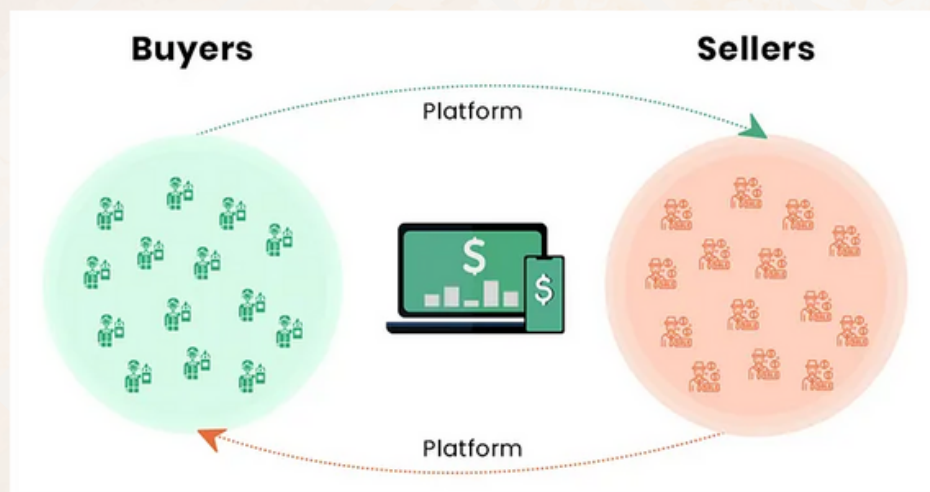
**Examples:**



**NETFLIX**



# Marketplace Business Model



**fiverr.**

**amazon**

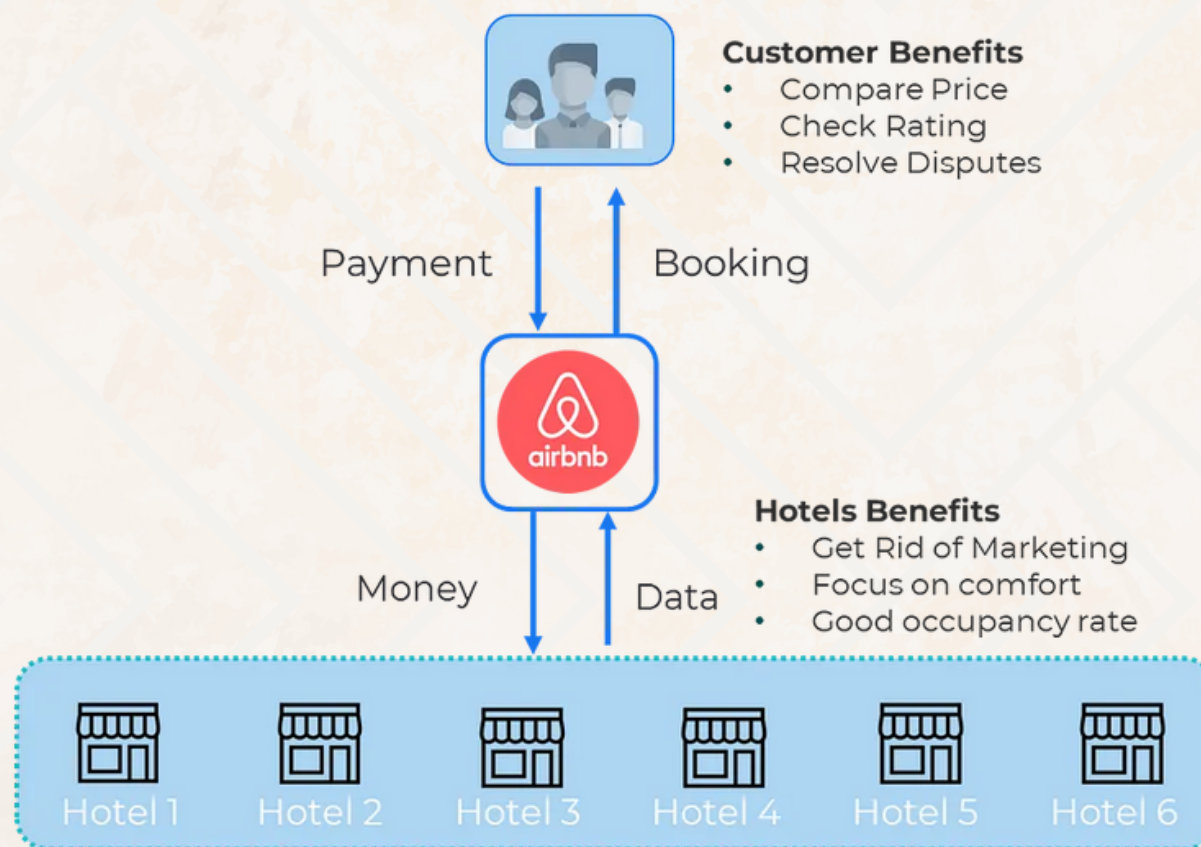
A marketplace is a platform (e-commerce site or mobile app) where products or services are sold to customers by third-party sellers.

**Examples:**

**amazon**

**fiverr.**

# Aggregator Business Model



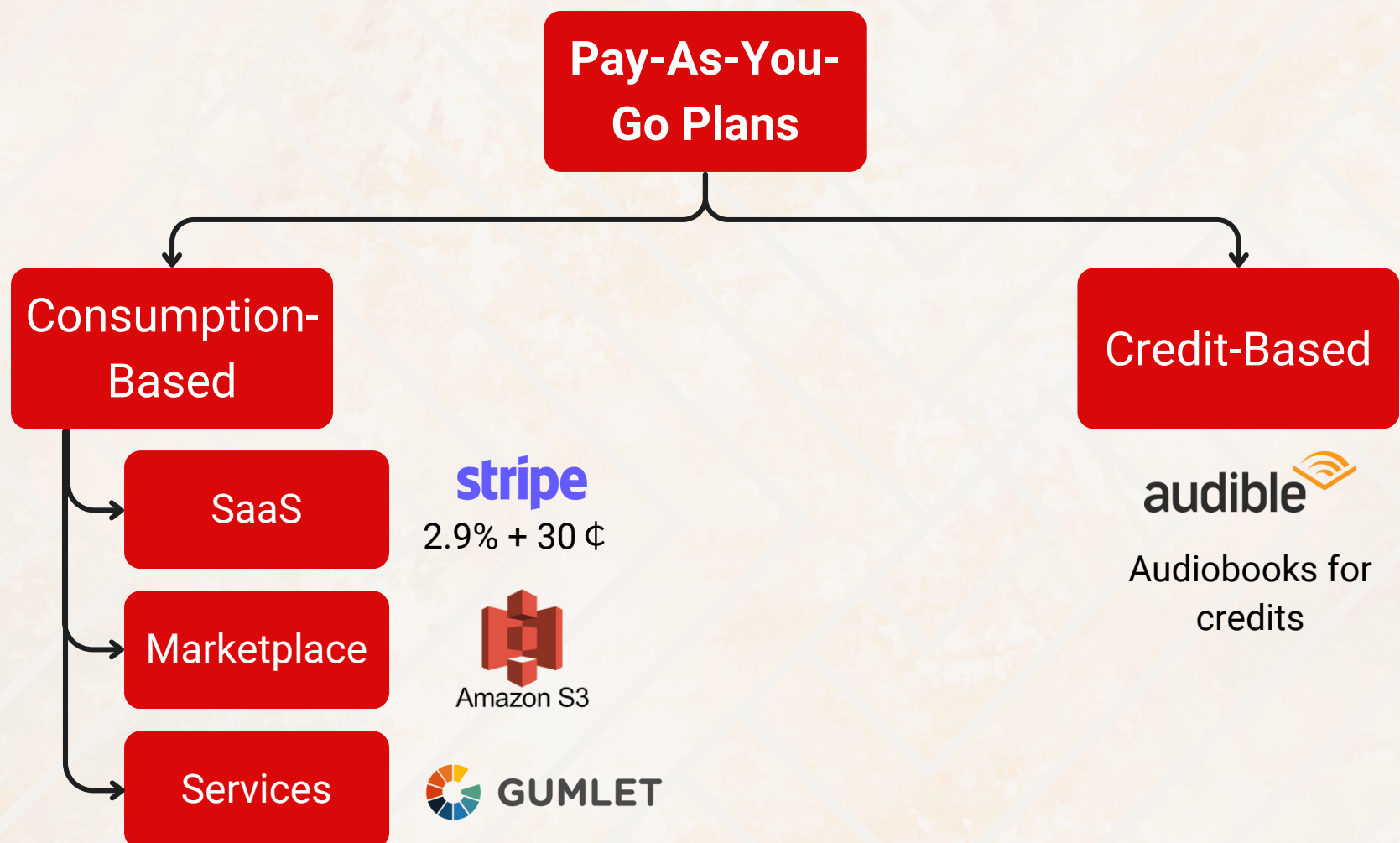
In the aggregator business model, the service is delivered to customers under their brand name.

**Examples:**

Uber

airbnb

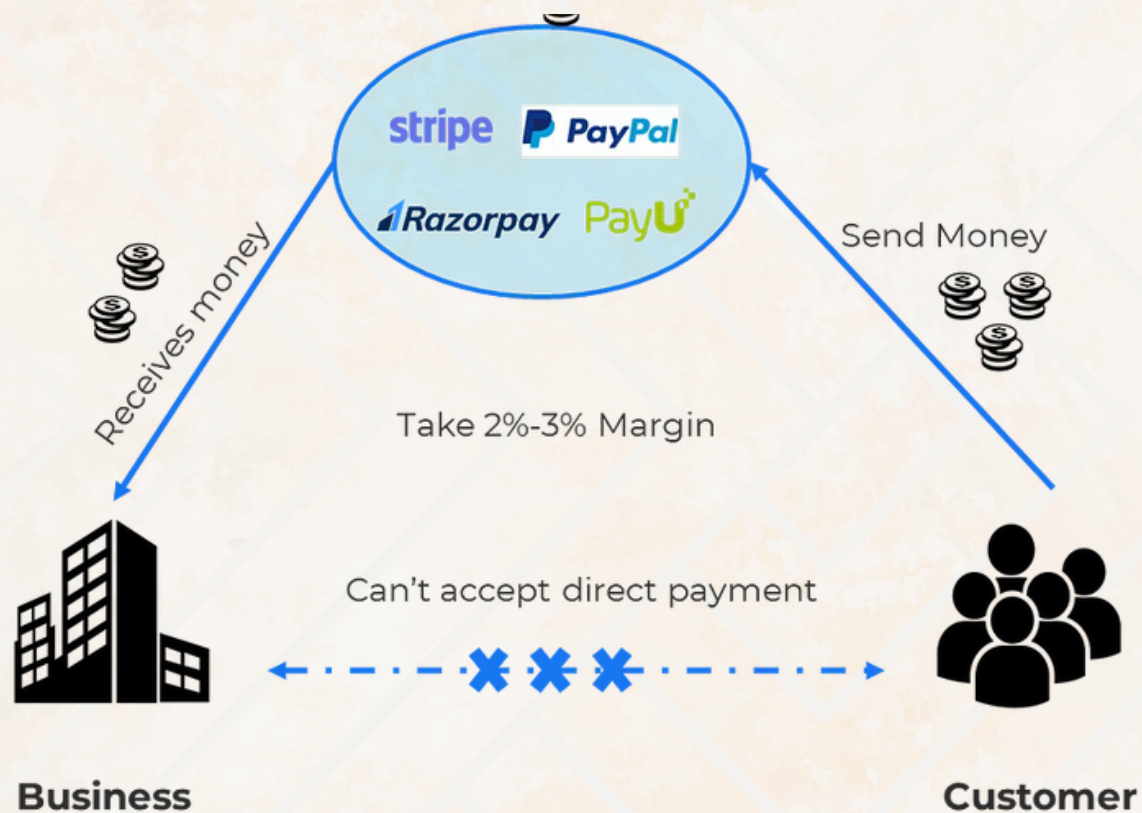
# Pay-As-You-Go Business Model



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

## Examples:

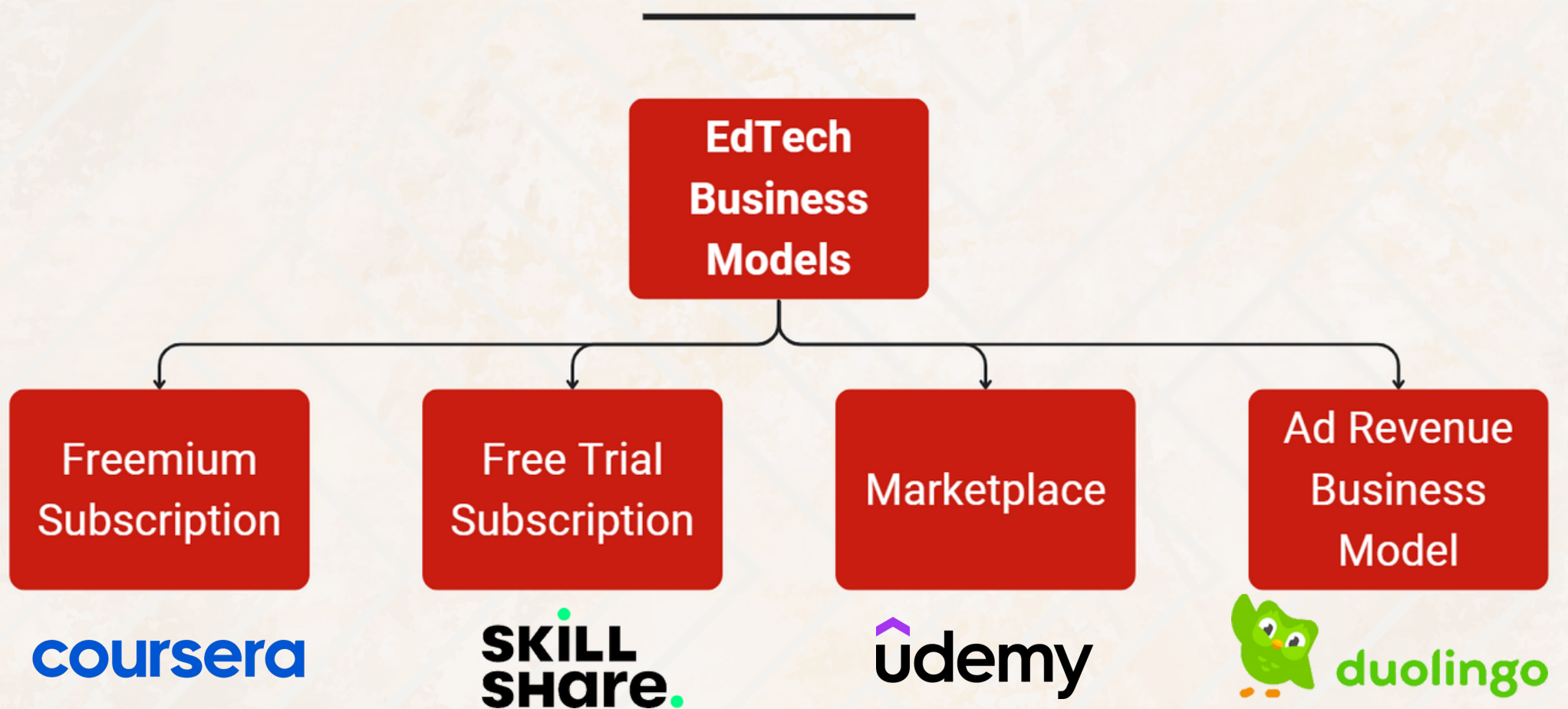
# Fee-For-Service (FFS) Business Model



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

**Examples:**

# 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.

**Examples:**



# Lock-in business model

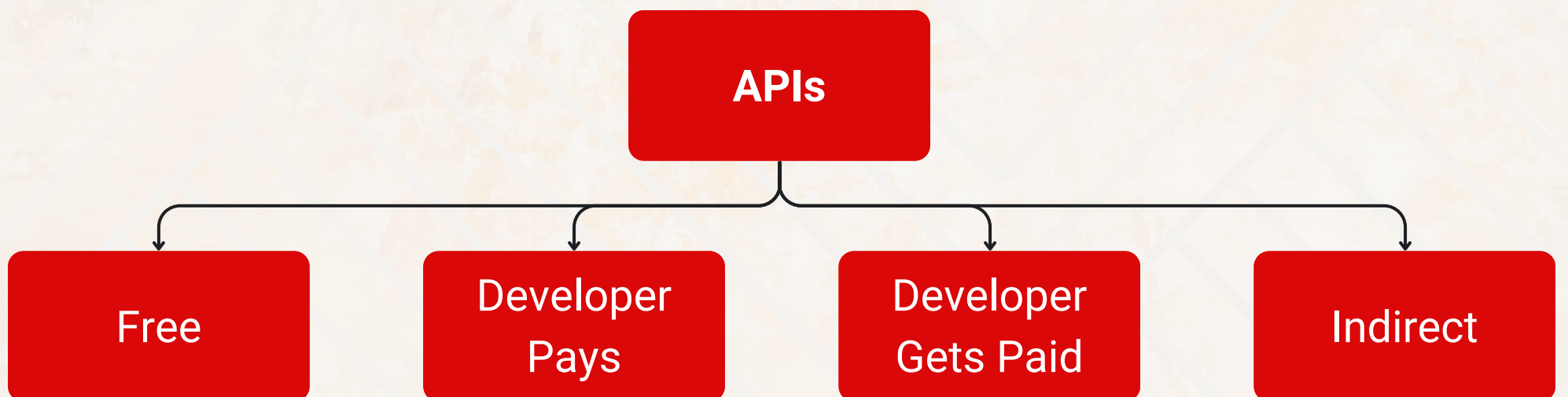


The 'lock-in' strategy aims to keep customers from switching to competitors by increasing switching costs or the effort to transfer, or by offering a better brand experience or incentives.

**Examples:**



# 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.

**Examples:**



# Open-Source Business Model

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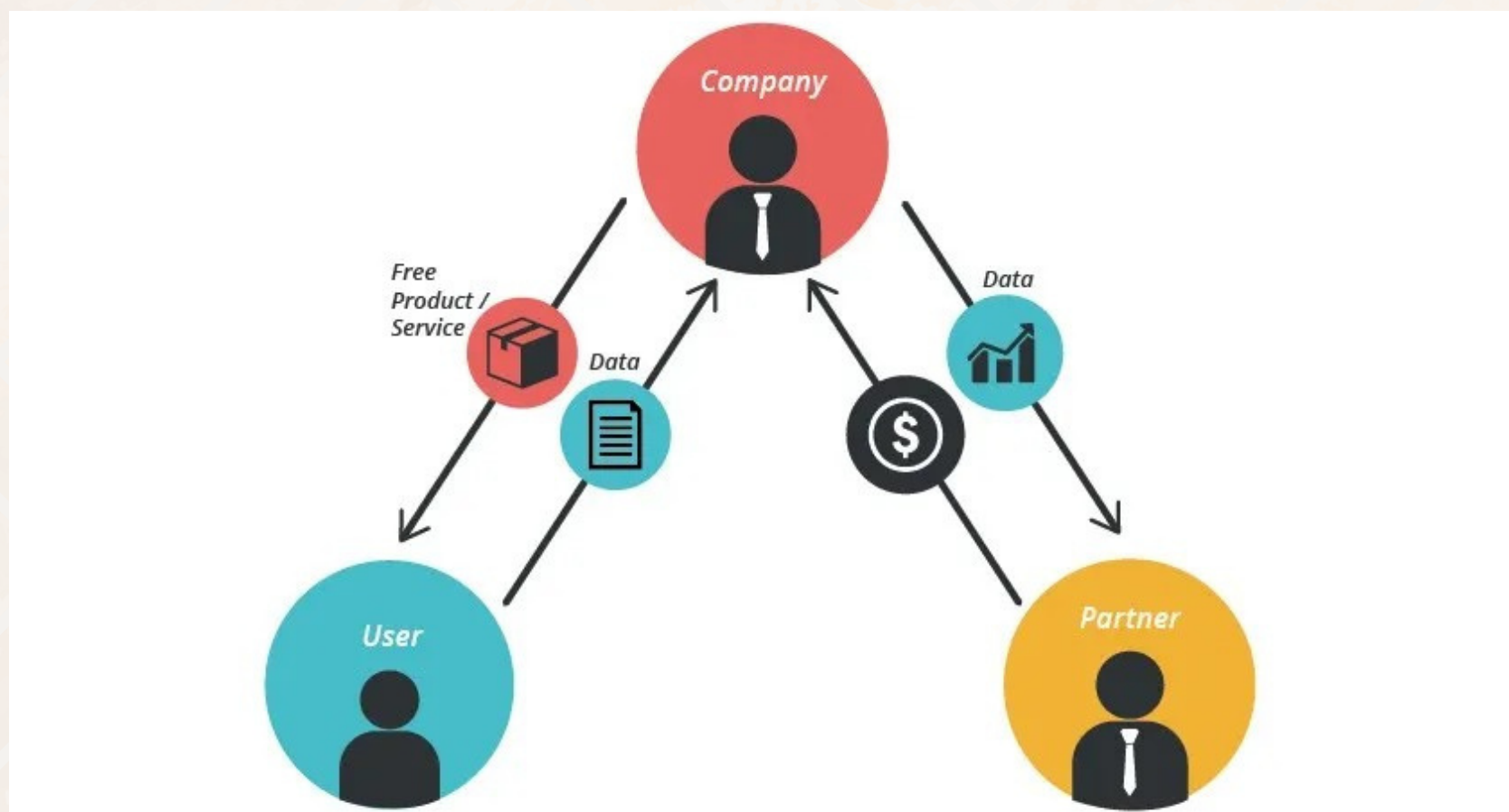
Open-source software is software with source code that anyone can inspect, modify, and enhance for personal use.

**Examples:**



# Data as a Business Model

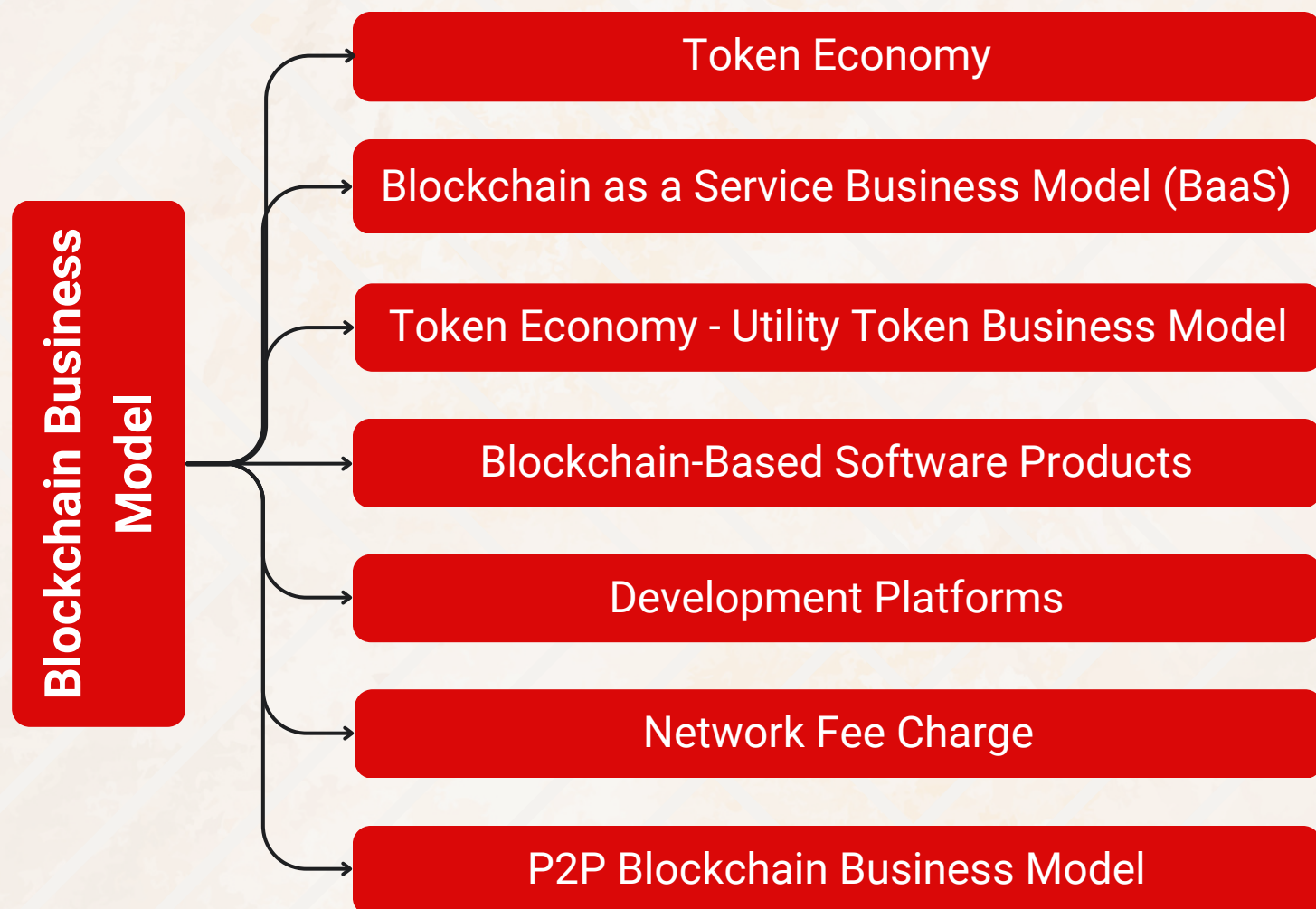
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The app or algorithm collects data from customers to improve the system or monetize it by adding value to other companies.

**Examples:**

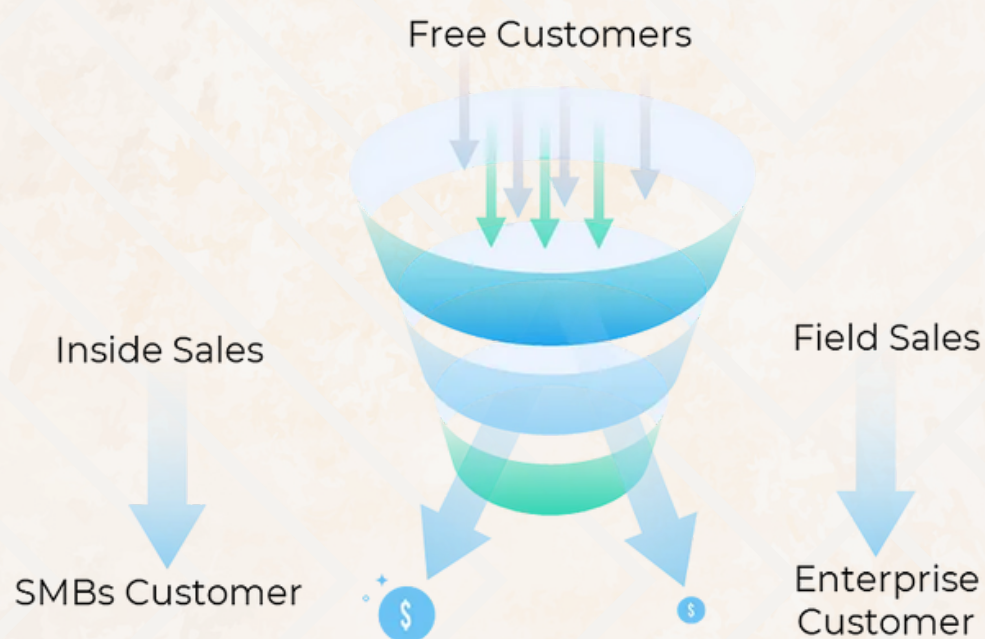
# Blockchain Business Model



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:

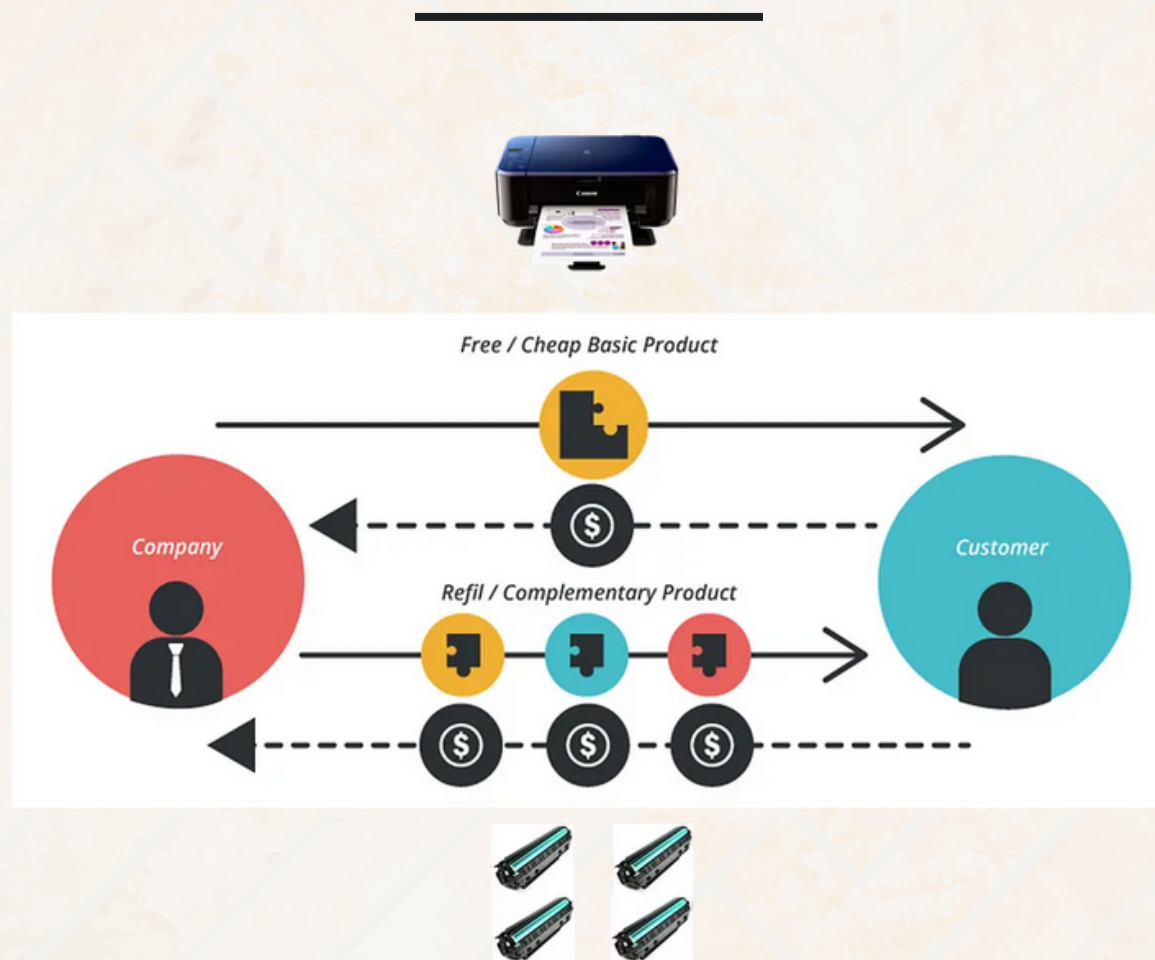
# Freeterprise Business Model



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:**

# 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:**

# Direct-To-Consumer (D2C) Business Model

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## Traditional Retail



## D2C brand

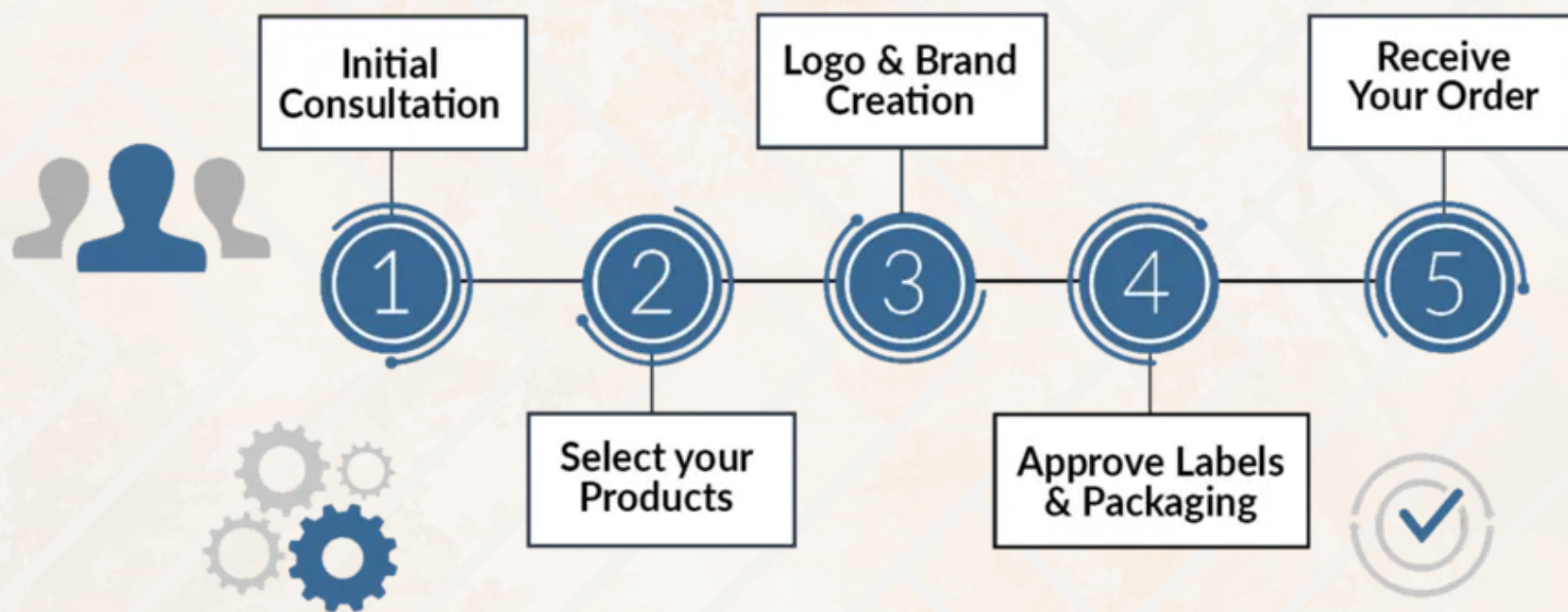


In the D2C business model, the brand cut out the middleman and sells its product directly to the end consumer from its website using a third-party logistic partner.

## Examples:



# Private Label vs. White Label Business Model

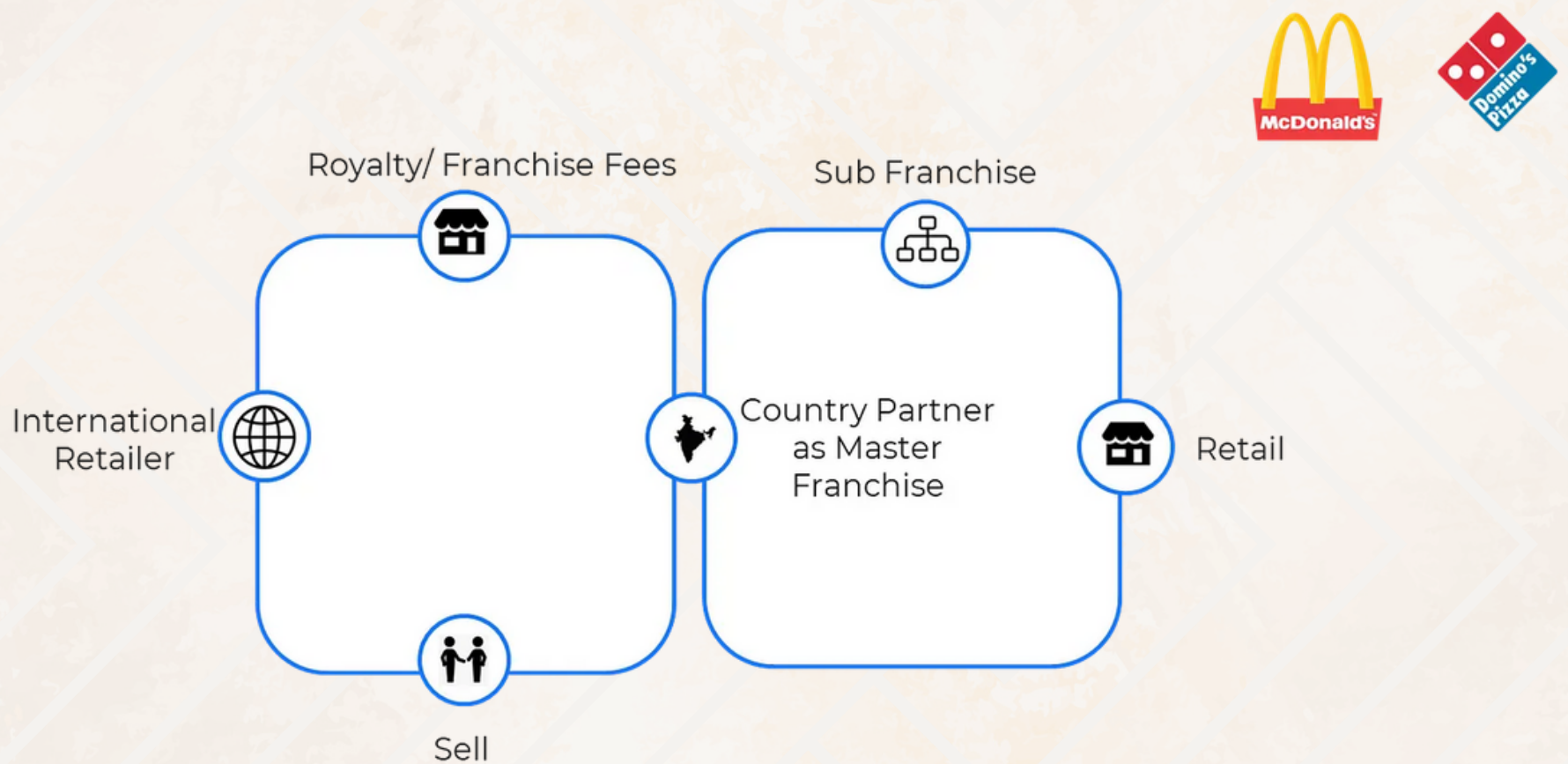


A private label/white label product is manufactured by a contract manufacturer or a third-party supplier and sold under the brand name.

**Examples:**

**amazonbasics**

# Franchise Business Model

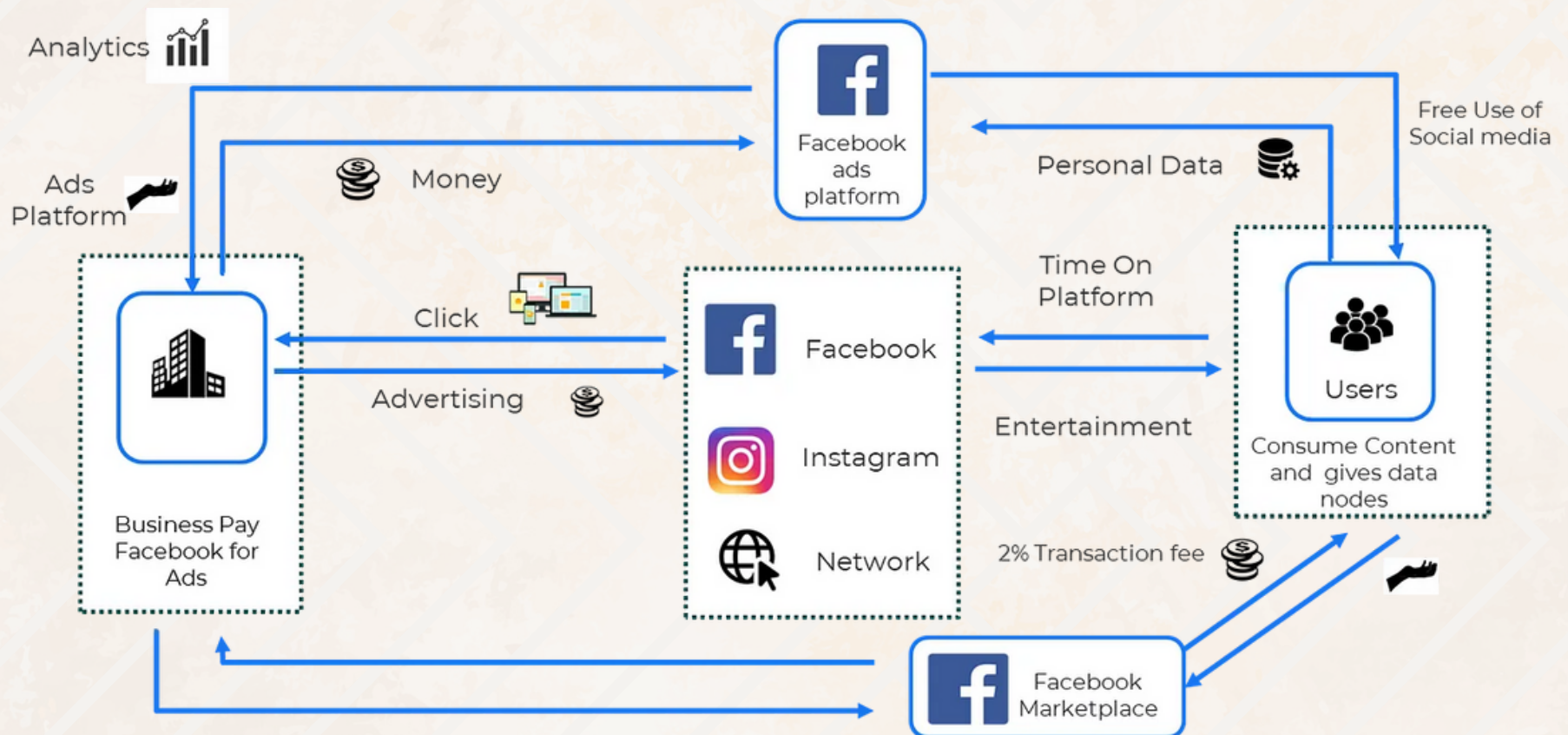


Here, the franchisee (store owner) uses the brand, branding and business model of a franchisor (company).

**Examples:**



# 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:**



# Octopus Business Model

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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.

**Examples:**

**OYO**

# Transactional Business Model

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**GYMSHARK** 

**goli**  
NUTRITION



**boAt**  
plug into nirvana

**mamaearth**<sup>TM</sup>

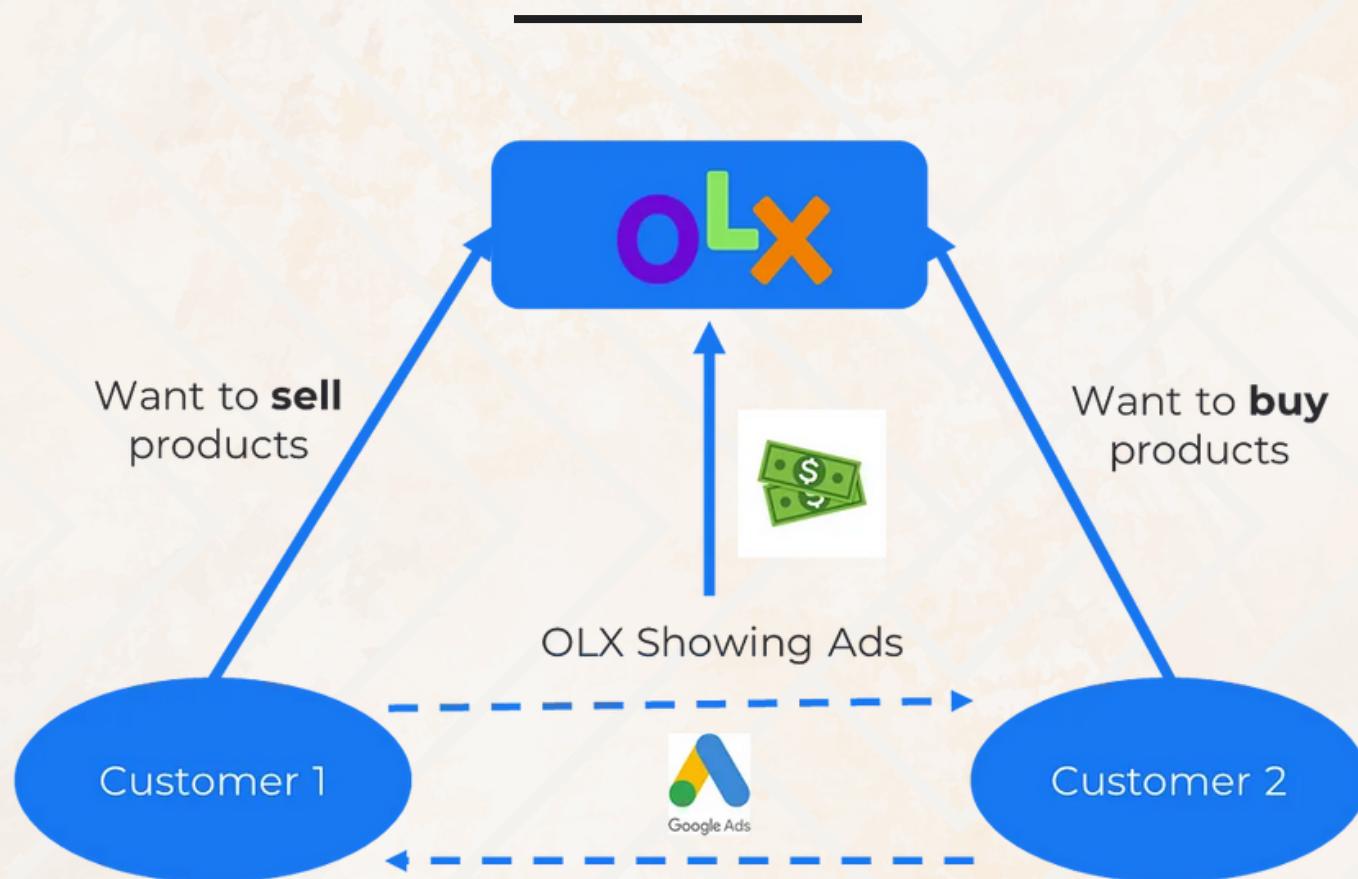
The revenue is generated by directly selling an item or a service to a customer. Widely used by e-commerce sites or any other product you purchase online.

**Examples:**

**GYMSHARK** 

**goli**  
NUTRITION

# Peer-To-Peer (P2P) Business Model



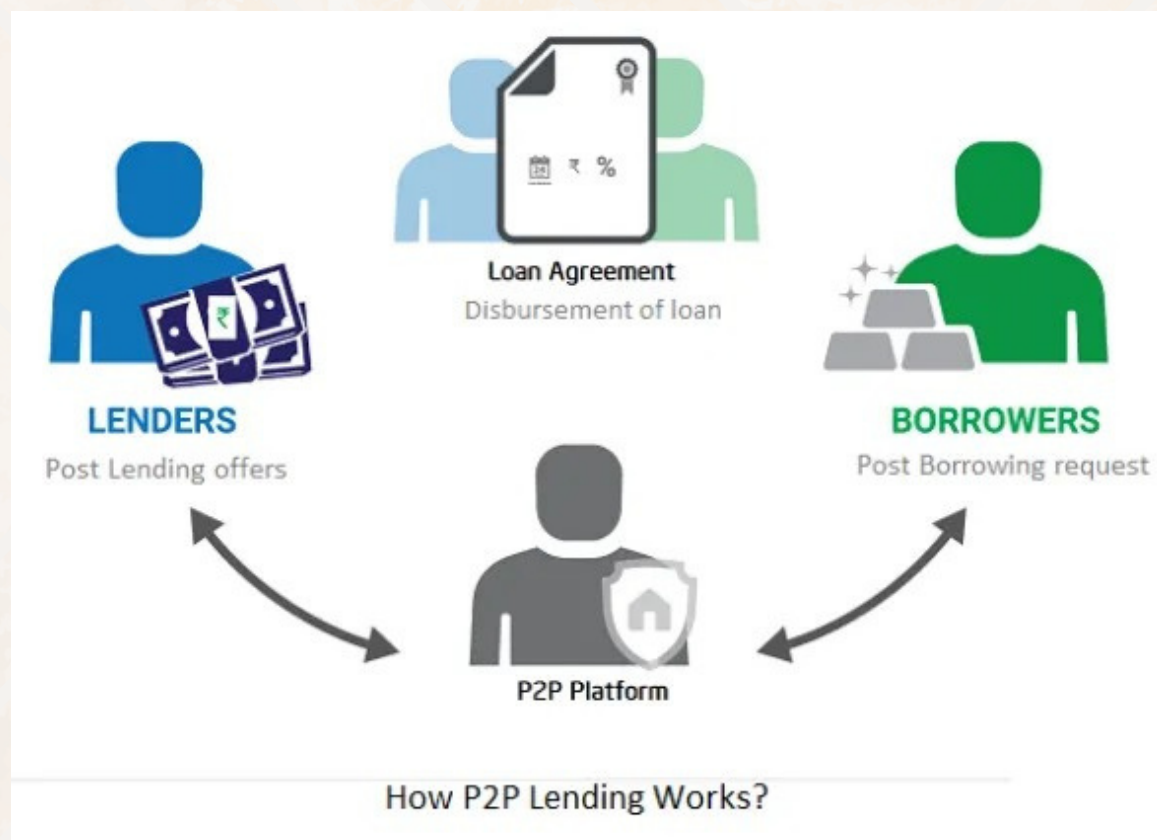
In a P2P business model, two individuals interact to buy and sell goods and services directly with each other without a third party or using a platform.

**Examples:**



# P2P Lending as a Business Model

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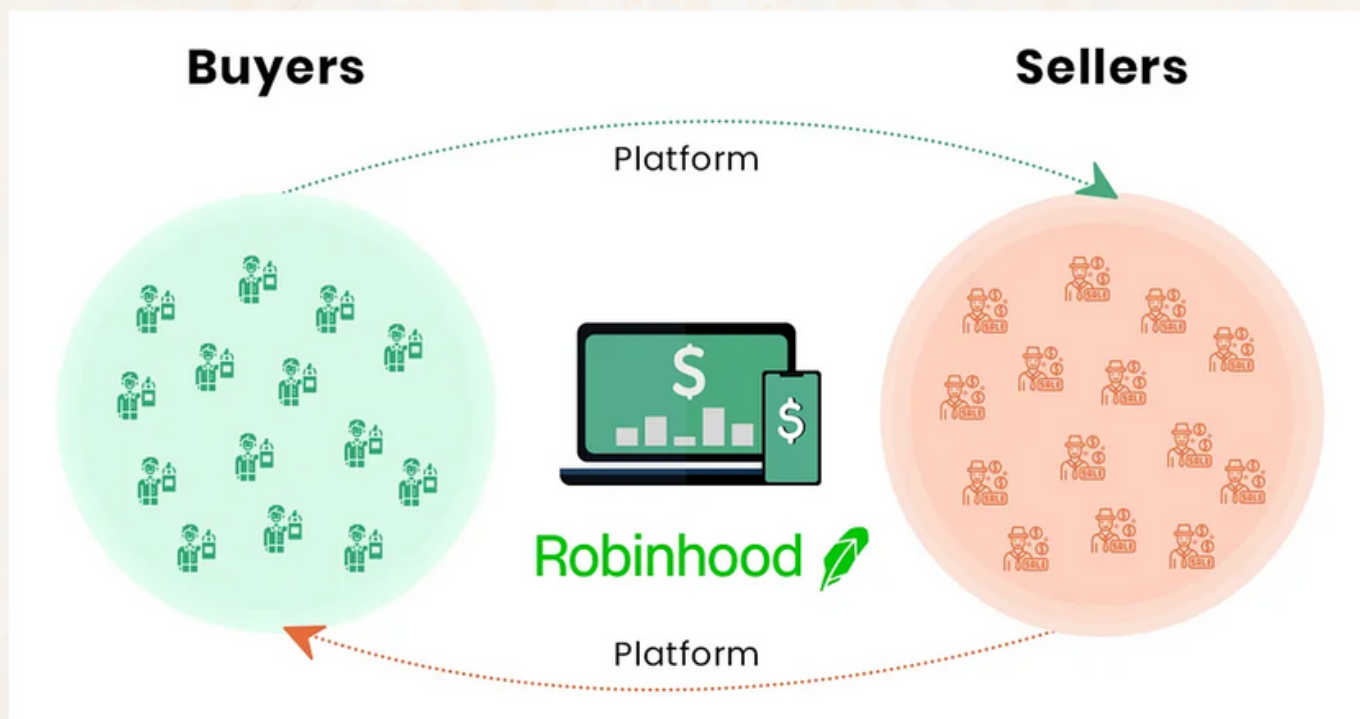


In the peer-to-peer (P2P) lending business model, a private individual ("P2P lender") lends/invests or borrows money from another private individual ("P2P borrower").

## Examples:

# Brokerage Business Model

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

**Examples:**

coinbase

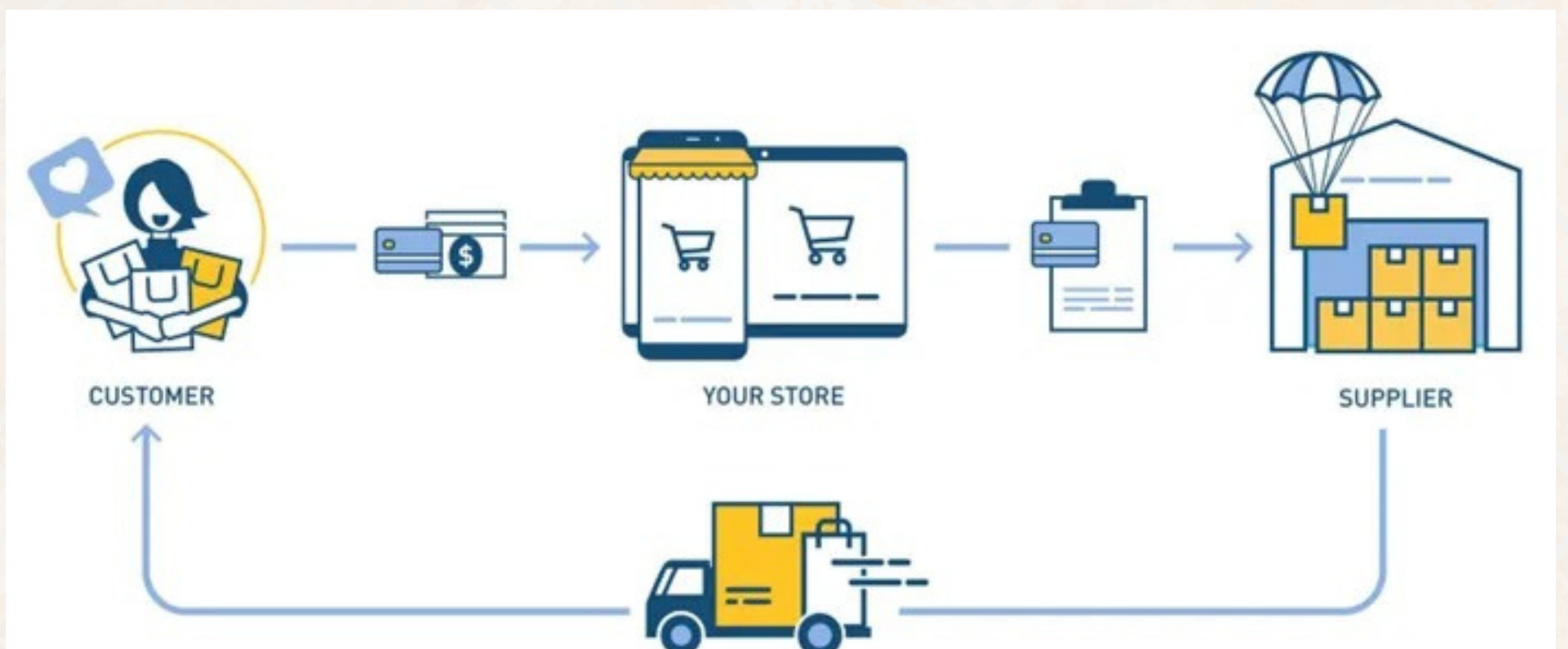
ebay

Robinhood 



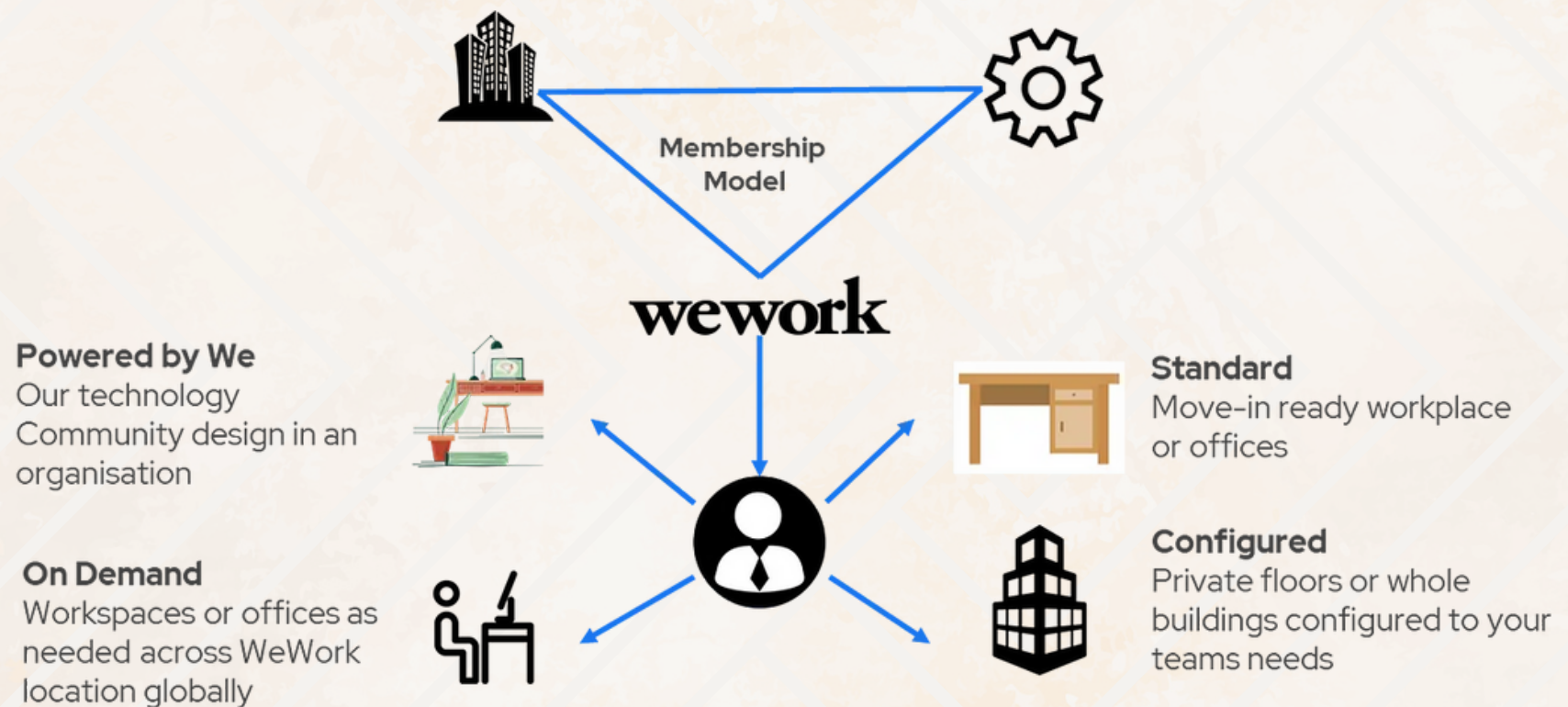
# Dropshipping Business Model

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

# 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:**

# 3rd Party Logistic (3PL) Business Model

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## 1. Connect

Connect your store, import your products, and then send us your inventory



## 2. Store

We store your inventory in any combination of our fulfillment centers.



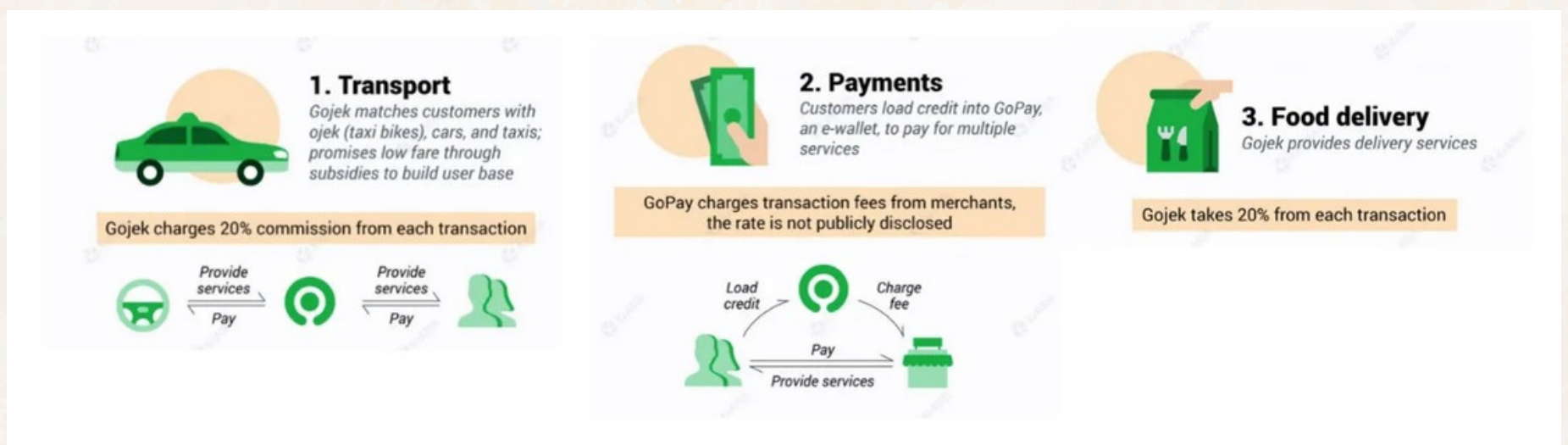
## 3. Ship

As soon as a customer places an order, we ship it from the nearest fulfillment center.

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.

## Examples:

# 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:**



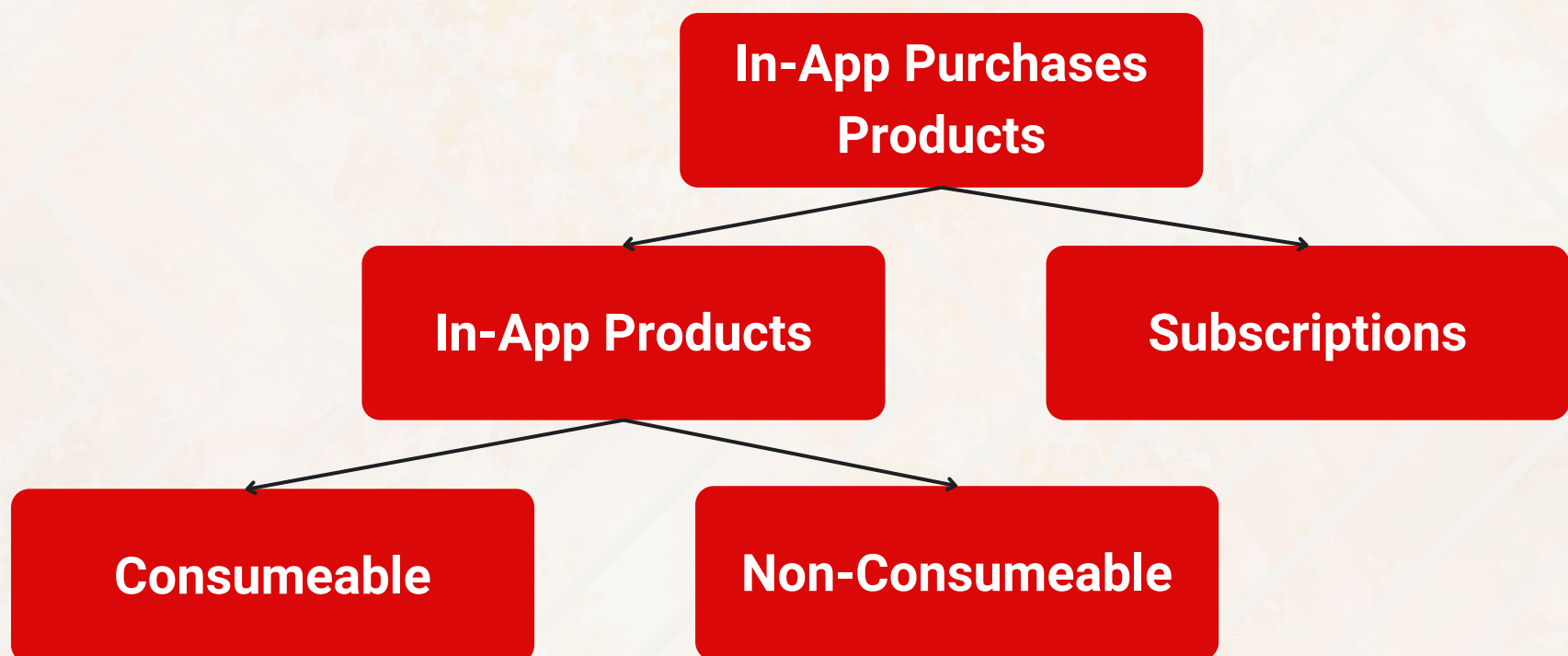
# Affiliate Business Model



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

**Examples:**

# The Virtual Goods Business Model



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

**Examples:**

# Cloud Kitchen Business Models

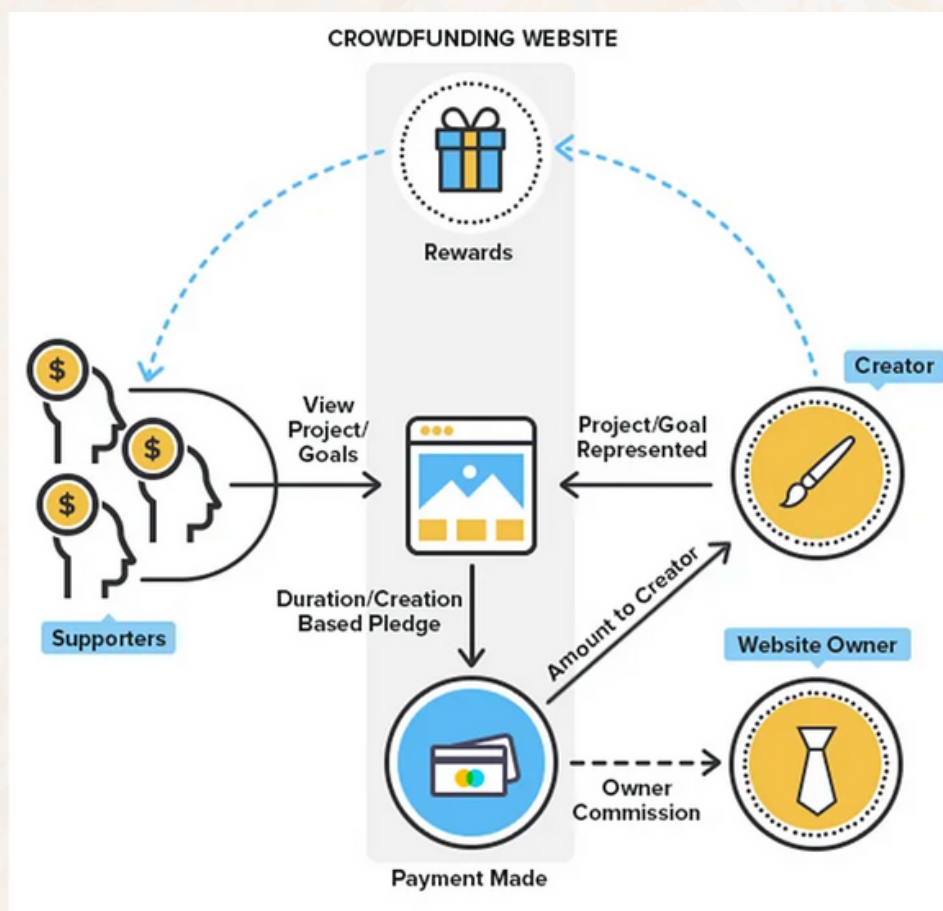
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Ghost Kitchens, also known as Dark or Black Box Kitchens, are restaurants that exclusively sell meals for home delivery, with no dine-in service.

**Examples:**

# Crowdsourcing Business Models



**KICKSTARTER**

**INDIEGOGO**

**patreon**

**Ketto**

**ilaap**

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

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