



# Cracking the Code: *Unlocking the Potential of Home and Personal Services Marketplaces*

OC&C's Annual Marketplaces Report 2025: 4th Edition



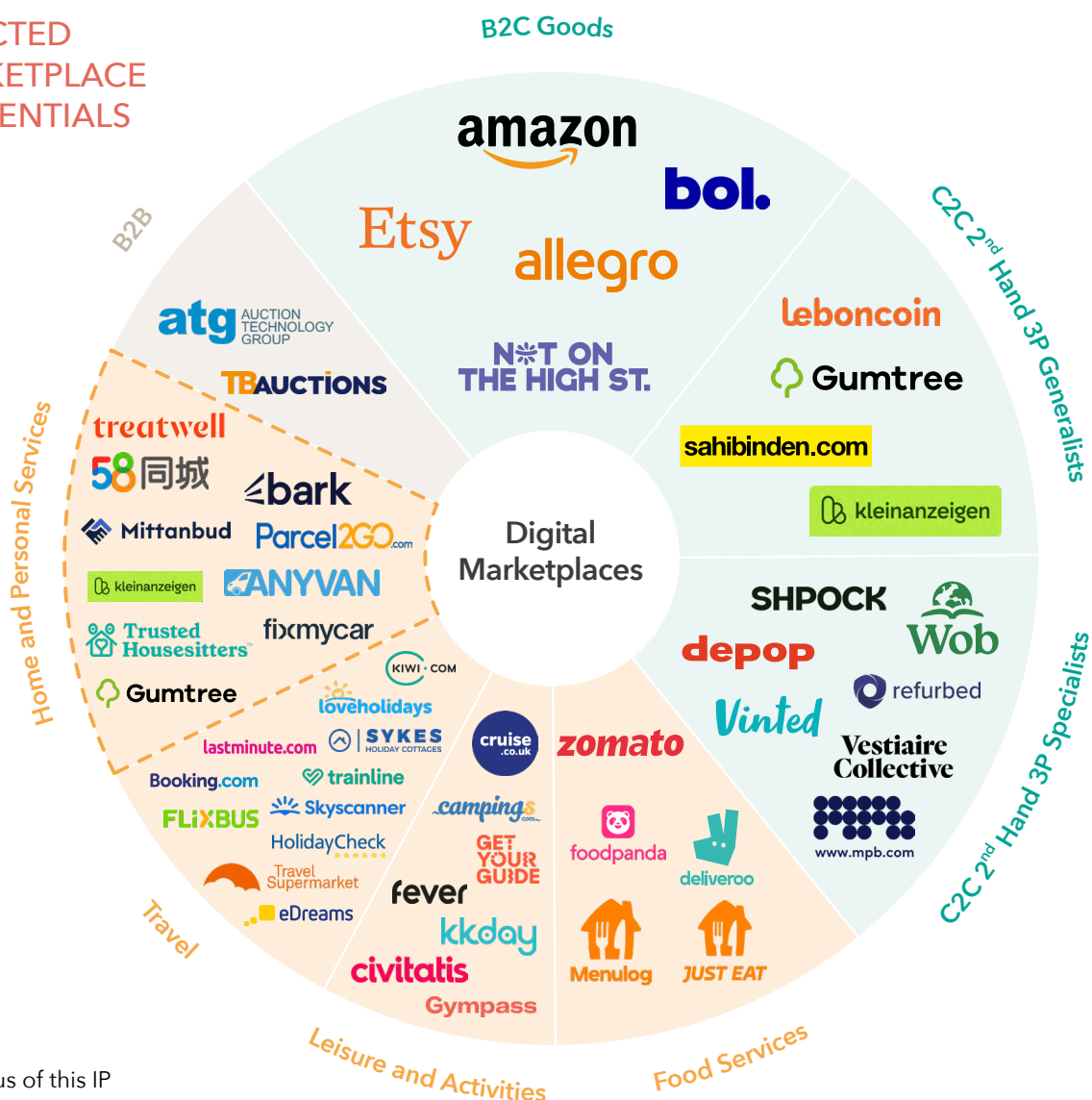
**OC&C**  
Strategy consultants


uncommon sense™

# Summary

HOME AND PERSONAL SERVICE BASED MARKETPLACES ARE ONE OF SEVERAL VERTICALS WITHIN THE DIGITAL MARKETPLACE SPHERE WITH EXCITING DYNAMICS AND INTERESTING PLAYERS TO KEEP AN EYE ON.

## SELECTED MARKETPLACE CREDENTIALS



 Focus of this IP



HOME AND PERSONAL SERVICES MARKETPLACES MUST GRAPPLE WITH CONSUMER TRUST BARRIERS AND SUSTAINABLE MONETISATION MODELS, BUT THERE IS AMPLE OPPORTUNITY IF SOLUTIONS CAN BE FOUND.



Home and personal services is a vast market with latent demand for marketplace solutions

- **Clear market opportunity:** Global spend on home and personal services exceeds \$2trn, with <1% sourced via online marketplaces today.
- **Latent demand:** Consumer experience is very poor compared to other purchase categories - finding, qualifying, selecting and booking a supplier is a painful and daunting experience - much of which is still offline today. Some (but not all) suppliers are also hungry for solutions to help find new work and fill up excess capacity.
- **Attractive frequency & AOV:** Many services are recurring (with varying frequency/time period), and given time/skill requirements are often higher AOV than other marketplace categories e.g. 2nd hand apparel.

But kickstarting flywheel and unlocking penetration has proved challenging

- **Fundamental model issues:**
  - Low “on-platform” consumer conversion due to lack of trust in sites/suppliers, and desire to discuss/haggle.
  - High supplier churn due to tendency to disintermediate platform and build direct relationship with consumer offsite following initial intro.
- **Monetisation dilemma has also been a challenge:** Charging too much post initial lead results in suppliers being incentivised to churn or move off platform, and charging buyers creates an additional barrier to transaction on top of trust.

We see a number of routes to success - many of which are gaining traction

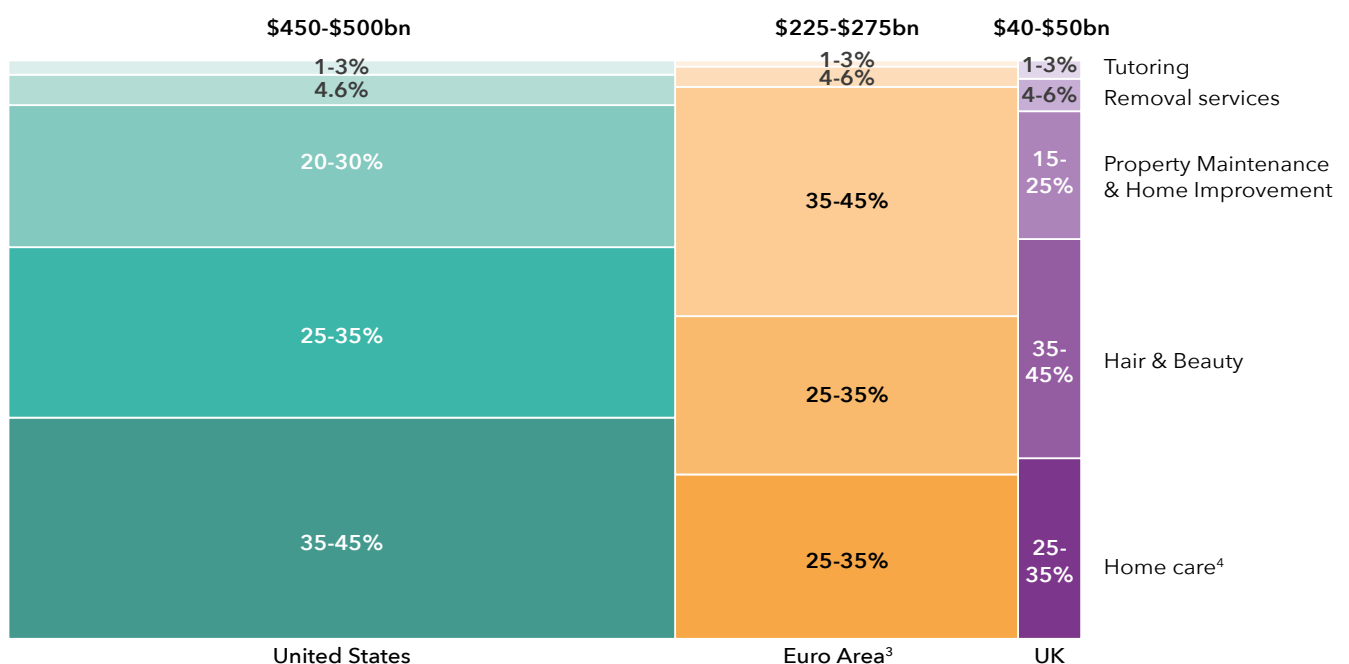
- **Recurring and standardised jobs:** Achieving positive CAC:LTV ratios is easiest in verticals with recurring but not regular demand, and easy standardisation of service required (e.g. window cleaning, removals or basic handyman jobs).
- **(Sub)Category killers:**
  - Specialising in specific niches allows platforms to deploy the right proposition to unlock demand - e.g. appointment scheduling tools to onboard hairdressers or trust verification and reviews for pet sitters.
  - Innovative monetisation choices: providing some services for free to solve for scarcity and fix retention, and monetising where there is no risk to marketplace vibrancy.

# Significant *market opportunity*

ACROSS THE KEY HOME AND PERSONAL SERVICE CATEGORIES, TOTAL ADDRESSABLE MARKET POTENTIAL IS VERY LARGE.

First and foremost, the size of household spend on home and personal services globally is massive at over \$800bn across the US and Europe alone...

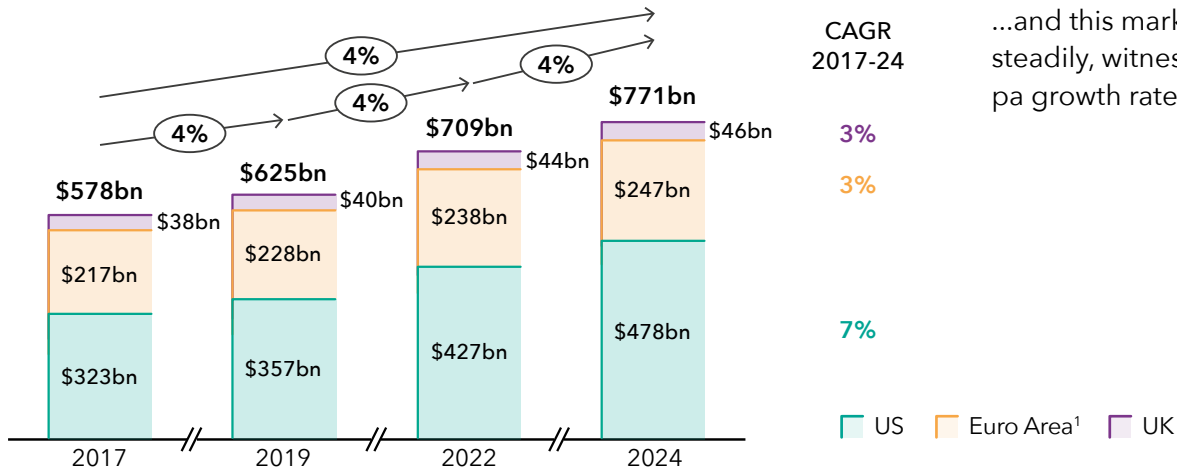
## GROWTH IN HOME & PERSONAL SERVICES<sup>1</sup> SPEND 2017-24 (\$bn<sup>2</sup>)



1. Excludes Vehicle maintenance & repair.  
2. Converted at average annual exchange rates (2022; GBP =0.85 Euro, 0.81 Dollar).  
3. Includes 20 countries within the Euro Area.  
4. Home Care includes home help & childcare.  
Source: INSEE, ONS, Eurostat, Bureau of Labour Statistics, OECD, OC&C analysis



## GROWTH IN HOME & PERSONAL SERVICES SPEND 2017-24 (\$bn<sup>1</sup>)

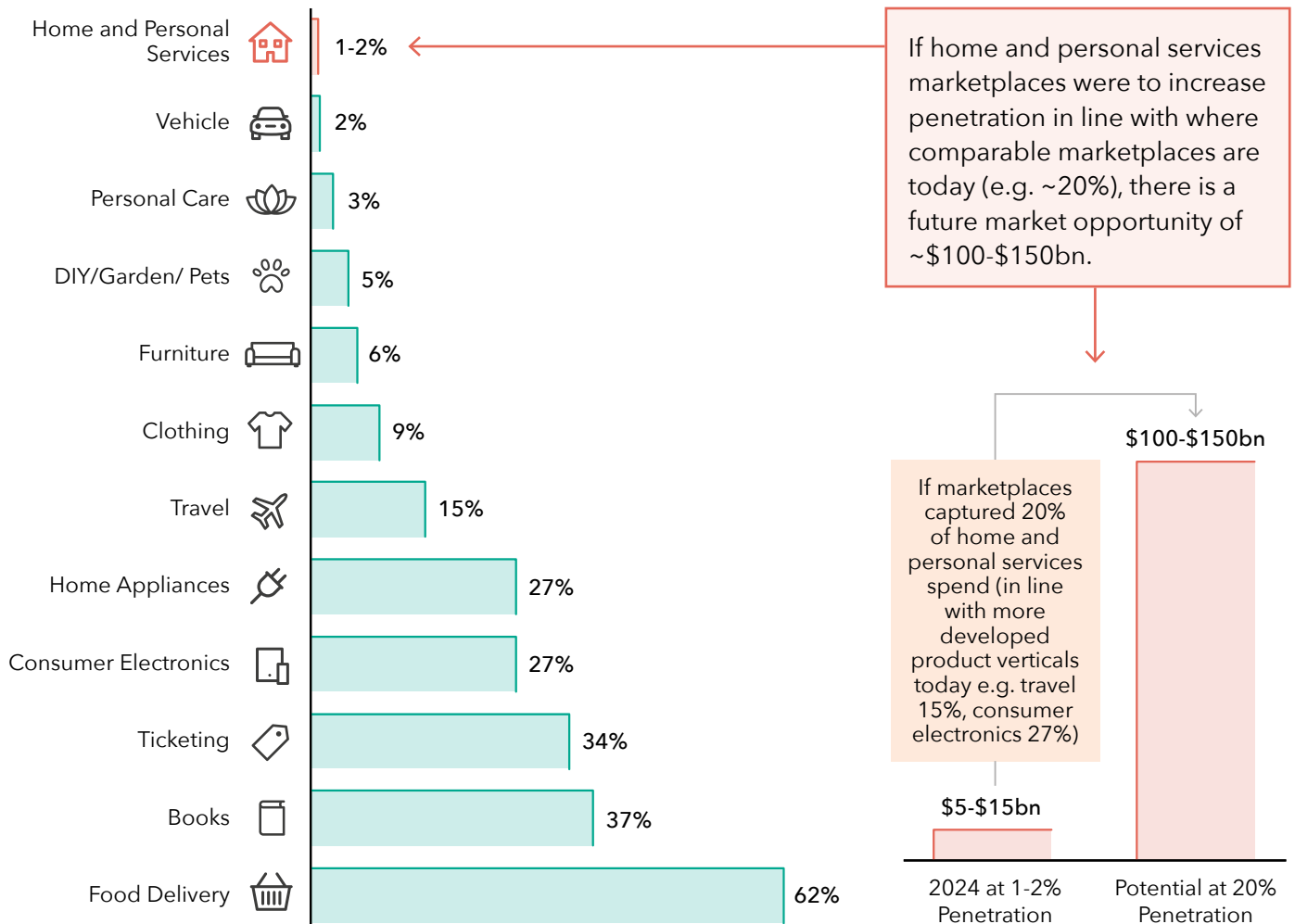


...and this market is growing steadily, witnessing a ~4% pa growth rate 2017-24.

1. Converted at average annual exchange rates (2017: Euro = 1.13 USD, GBP = 1.29 USD; 2019: Euro = 1.12 USD, Dollar = 1.28 USD; 2022: Euro = 1.05 USD, GBP = 1.28 USD).
  2. Includes 20 countries within the Euro Area.
- Source: INSEE, ONS, Eurostat, Bureau of Labour Statistics, OECD, OC&C analysis.

Relative to other verticals, home & personal services remain extremely underpenetrated by online marketplaces at <2% ...

## ESTIMATED SHARE OF SPEND THROUGH MARKETPLACES BY CATEGORY (\$BN, %)





# Home and personal Services *are ripe for marketplace aggregation*

ON THE SURFACE, HOME AND PERSONAL SERVICES HAVE A VARIETY OF ATTRIBUTES THAT INDICATE HIGH POTENTIAL FOR MARKETPLACE MODELS.





## Supportive Supply Structure

|                                            | Attractive Criteria for Marketplaces                                                                                                                                                                                                                                                                                                                                             | Applicability to home and personal services marketplace                                                                                                                                                                                                                                                                           |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fragmented Supply                          | <ul style="list-style-type: none"> <li>Fragmented market - allowing for sufficient scale - with some challenge in matching supply and demand (e.g. Geo constraints).</li> </ul>                                                                                                                                                                                                  | <p><b>High</b></p> <p>Most home &amp; personal services have fragmented supplier bases.</p> <p><b>Checkatrade</b></p>                                                                                                                                                                                                             |
| Suppliers with excess or scalable capacity | <ul style="list-style-type: none"> <li>Suppliers need or want to generate demand: they have excess capacity, or the ability to scale capacity, beyond what can be filled through their established book of business.</li> <li>Limited alternatives to acquire customers cheaply.</li> <li>Suppliers achieve profitability that enables spend on customer acquisition.</li> </ul> | <p><b>Medium - Category Dependent</b></p> <p>Highly relevant to low skilled services performed at home (e.g. removal vans, furniture building). Challenging in higher skilled, on-premise services with intrinsic employee/space constraints e.g. childcare, hair &amp; beauty.</p> <p><b>ANYVAN</b></p> <p><b>TaskRabbit</b></p> |



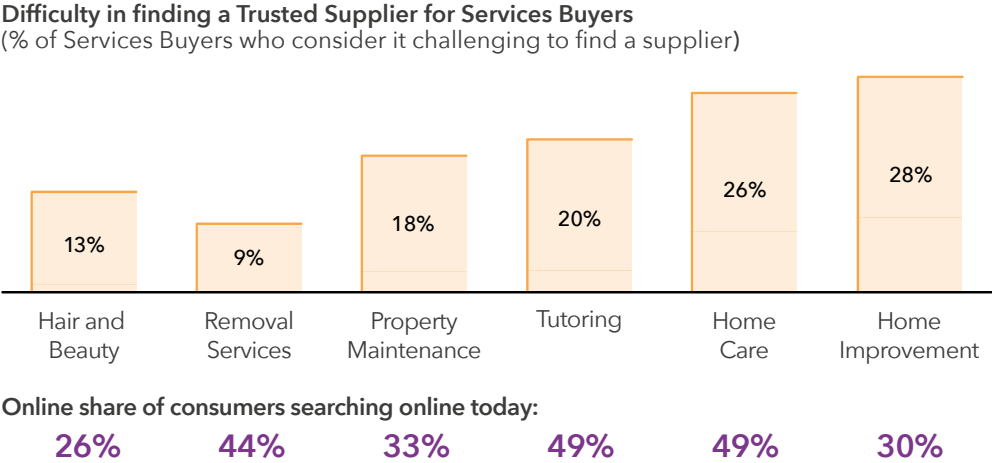
## Supportive Demand Dynamics

|                                | Attractive Criteria for Marketplaces                                                                                                                                                                                                                                                                                                                                                                       | Applicability to home and personal services marketplace                                                                                                                                                                                                                                                          |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| High Degree of Standardisation | <ul style="list-style-type: none"> <li>Commoditised, 'easy to describe' services that can be compared across a set of objective attributes - where a marketplace can add value by enabling that comparison.</li> <li>However, specialist, less commoditised services typically generate higher AOV - potentially offsetting investment required to drive conversion.</li> </ul>                            | <p><b>Medium - Category Dependent</b></p> <p>Highly relevant to removal vans, handyman/repairs. Challenging in larger jobs like home renovations.</p> <p><b>treatwell</b></p> <p><b>fresha</b></p>                                                                                                               |
| Low(er) Importance of Trust    | <ul style="list-style-type: none"> <li>Buyer doesn't have significant concerns around the reliability or quality of the service, or the payment mechanism itself.</li> <li>Marketplaces can add value through building trust e.g. reviews, verification etc..</li> </ul>                                                                                                                                   | <p><b>Medium - Category Dependent</b></p> <p>Highly relevant to simple jobs taking place outside the home e.g. removals, but challenging where direct personal relationships required e.g. child/adult care, or high skill (e.g. professional services) required.</p> <p><b>Thumbtack</b></p> <p><b>TAKL</b></p> |
| Repeatability & Stickiness     | <ul style="list-style-type: none"> <li>Services account for large share of household spend due to regularity e.g. cleaning, or price e.g. plumbing.</li> <li>Services either result in formal contracts enabling marketplaces to effectively monetise 'introduction'...</li> <li>... or services are required frequently, but are not regular or identical - ensuring consumer returns to site.</li> </ul> | <p><b>Challenging - Category Dependent</b></p> <p>Applicable for a few services (e.g. bridal services for contained period, beauty) - but a significant challenge faced by many service marketplaces.</p> <p><b>betterhelp</b></p> <p><b>italki</b></p>                                                          |

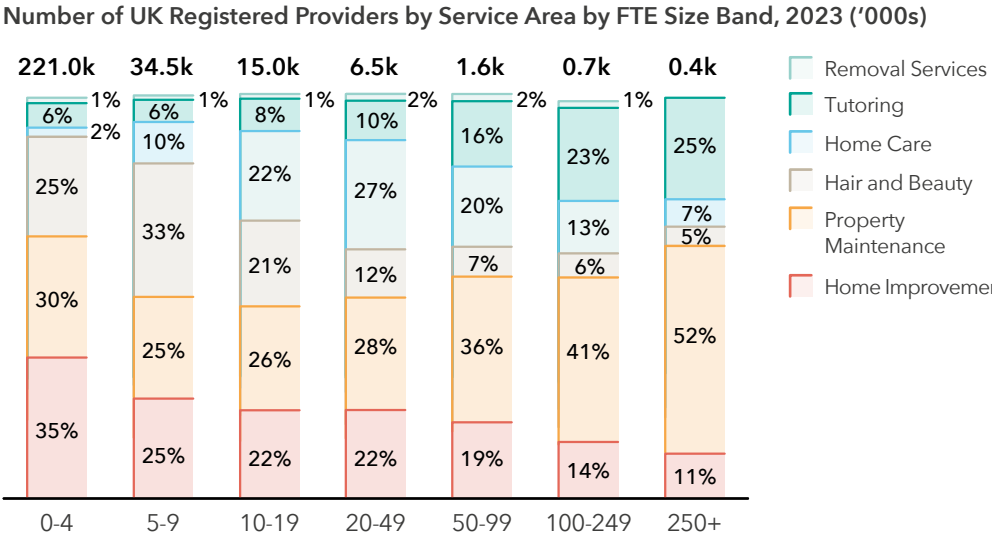
And we have seen these characteristics play out in markets such as the UK.

HOME AND PERSONAL SERVICES CATEGORY MARKETPLACE RATIONALE

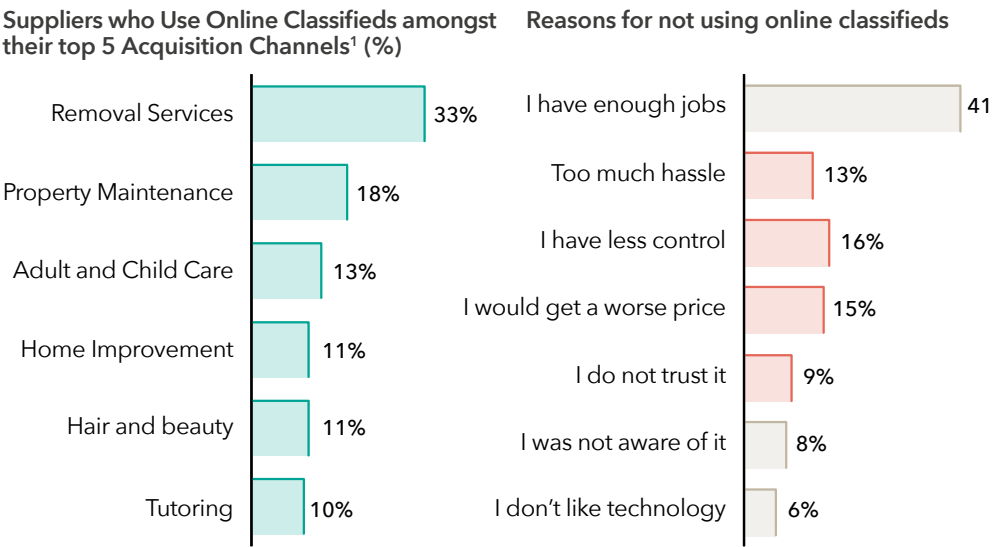
1 Consumers are searching online (largely through google), but struggle to find the right suppliers in largest categories



2 The supplier landscape is highly fragmented, with 80% of providers in the UK with <5 FTEs



3 And of the large proportion of suppliers that do not use classifieds today, c.60% would benefit from additional jobs

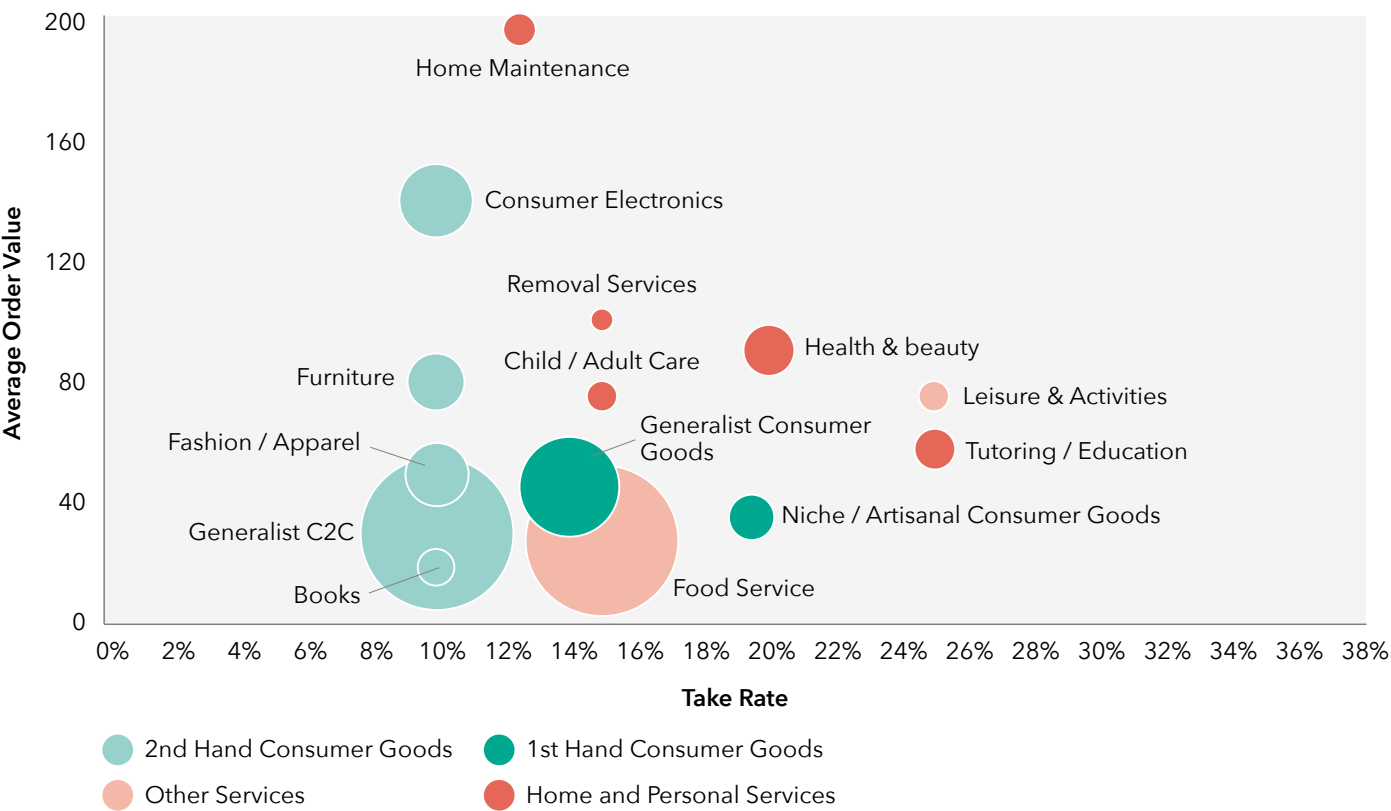


Source: OC&C analysis.



The potential to monetise is also high, particularly where a transactional model can be applied given the combination of either high order value or often demonstrably high take rates.

MARKETPLACE TAKE RATE, AOV, AND GMV BY CATEGORY (INDICATIVE)



Source: OC&C analysis.

HOWEVER, THE REALITY IS SOMEWHAT MORE CHALLENGING WITH HIGH AVERAGE ORDER VALUE RAISING THE BAR OF TRUST AND SUPPORT REQUIRED BY CONSUMERS TO CONVERT, AND HIGH TAKE-RATES PROVIDING INCENTIVE FOR SUPPLIERS AND CONSUMERS TO MOVE OFF-PLATFORM IN SEARCH OF HIGHER MARGINS AND DISCOUNTS RESPECTIVELY





# There are *complexities* *to overcome*

THERE ARE FOUR KEY CHALLENGES THAT NEED TO BE  
OVERCOME TO UNLOCK PENETRATION GROWTH FOR  
HOME SERVICES MARKETPLACES...



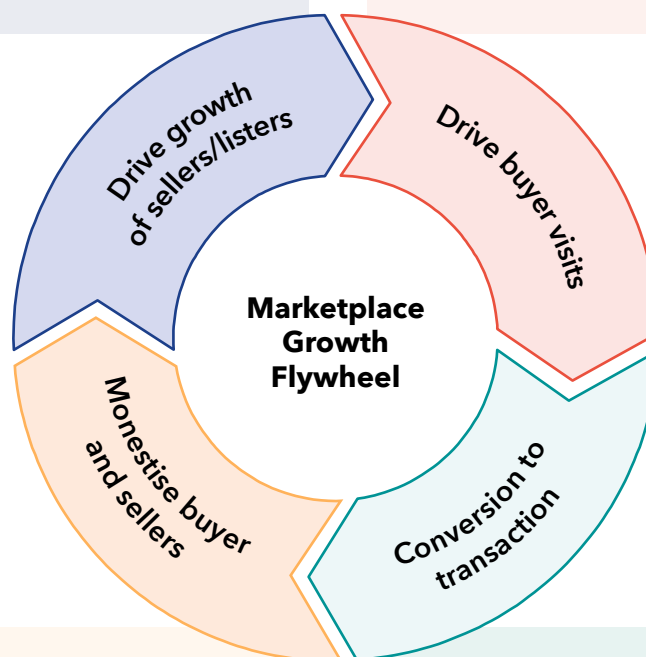
## MARKETPLACE FLYWHEEL: BARRIERS TO GROWTH

**D** Challenge: Attracting and retaining quality suppliers

- **Sufficient volume and quality of supply critical** to enable platform growth – particularly in **high skilled, less commoditised verticals**.
- Risk of skewing to **contractors who struggle to get work (i.e. new or poor quality)** – with implicit churn risk among the strongest providers.
- Where suppliers are not **clear on value add of marketplace quickly** (e.g. see an immediate uplift in utilisation) they will quickly churn.

Challenge: Creating a “hook” to attract buyers to site **A**

- Consumers typically source providers through **direct online search or offline through recommendations** (particularly given the rise of google LSA – the latter is particularly important in verticals with high trust/skill needs).
- **Identifying the ‘hook’** to encourage consumers to engage with a marketplace **without physical products** is particularly challenging.



• **Risk of platform leakage:** consumers seek out suppliers directly after initial sourcing on platform, creating challenge of pricing LTV into initial transaction.

• **Building transactional capabilities** is hard given variation /personal nature or services...

• ...but **value based lead monetisation is also challenging** when home and personal services are negotiated and evolve off platform.

• Even in transactional models, **high-take rates may serve to encourage off-platforming** as suppliers offer consumers compelling discounts.

**C** Challenge: Monetising while keeping buyers & sellers on platform

Translating consumer visits to ‘transactions’ remains a challenge due to:

- The **‘trust’ barrier** – particularly where **service requires direct contact with provider** – particularly for ‘in home’ services.
- **Challenge in codifying searches** i.e. services are more likely to require ‘bespoke’ instructions – harder to search for and select.
- **Ensuring consumer satisfaction challenging** given outcome of a job is challenging to capture as a platform (and often subjective).

Challenge: Driving (Repeat) Purchases **B**

Source: Desk research, OC&C analysis.



## Case Studies

WE HAVE OBSERVED, AND WORKED WITH, A VARIETY OF INTERESTING COMPANIES ADDRESSING THE FOUR KEY CHALLENGES TO WIN IN THIS MARKET...

### Monetizing while keeping buyers and sellers on the platform



Effective monetisation requires a platform to facilitate 'matching' of service providers and consumers for high value services, and/or facilitate services being employed regularly in a way that adds value to both suppliers and consumers. Mittanbud, a Norwegian home and personal services marketplace with a particular strength in home maintenance and improvement work, has solved this problem effectively through a 'consumer first' approach.

By optimizing the consumer experience, including investing in propositions to build consumer trust in the platform and encourage high value services to be transacted through the platform, Mittanbud ensures that suppliers are sure to see ROI from the platform. This, coupled with strategic subscription and loyalty plans for suppliers, disincentivizes offplatforming – and allows Mittanbud to monetise high and low value services sustainably.



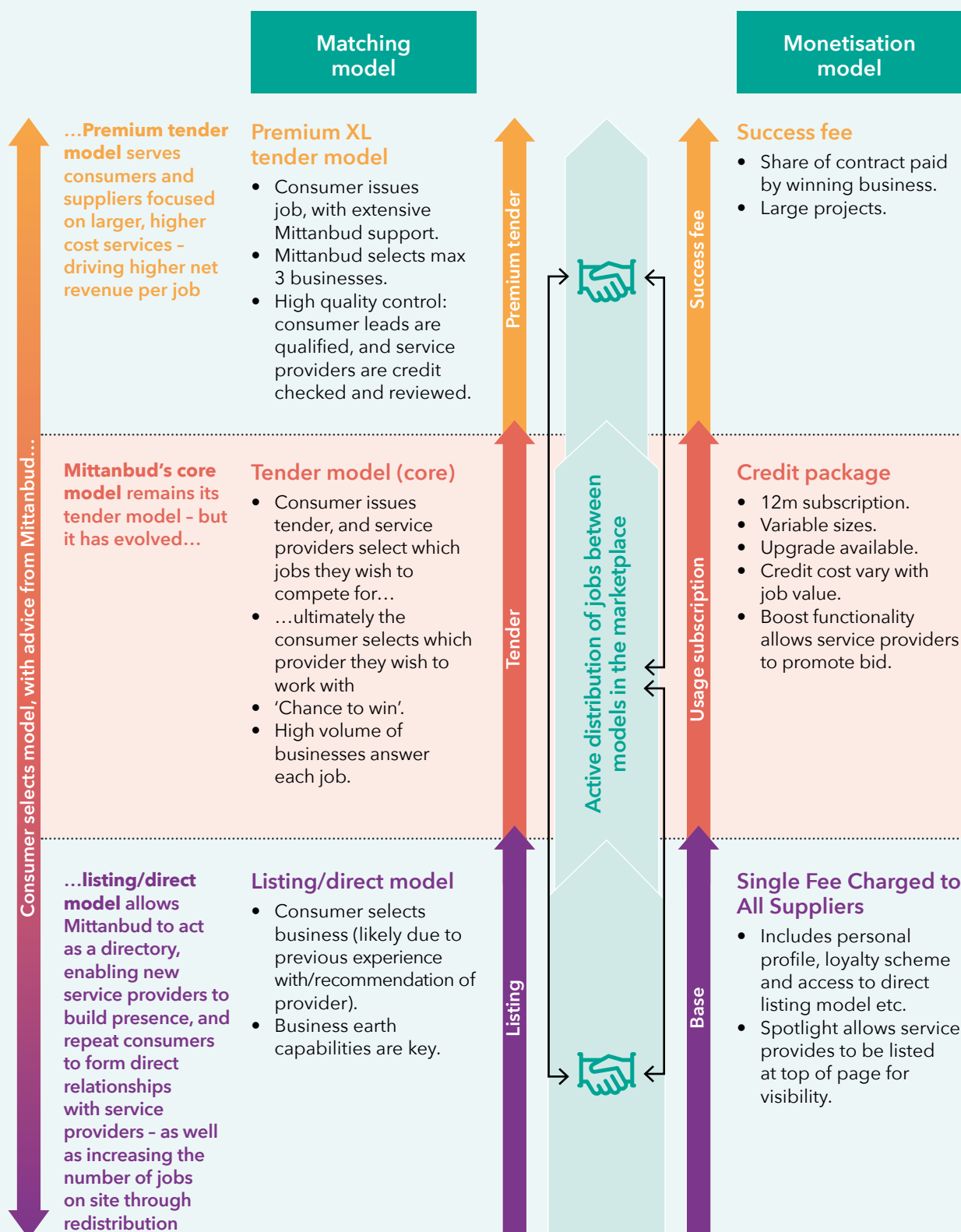


## CASE STUDY



# Mittanbud

## Mittanbud matching and monetisation model



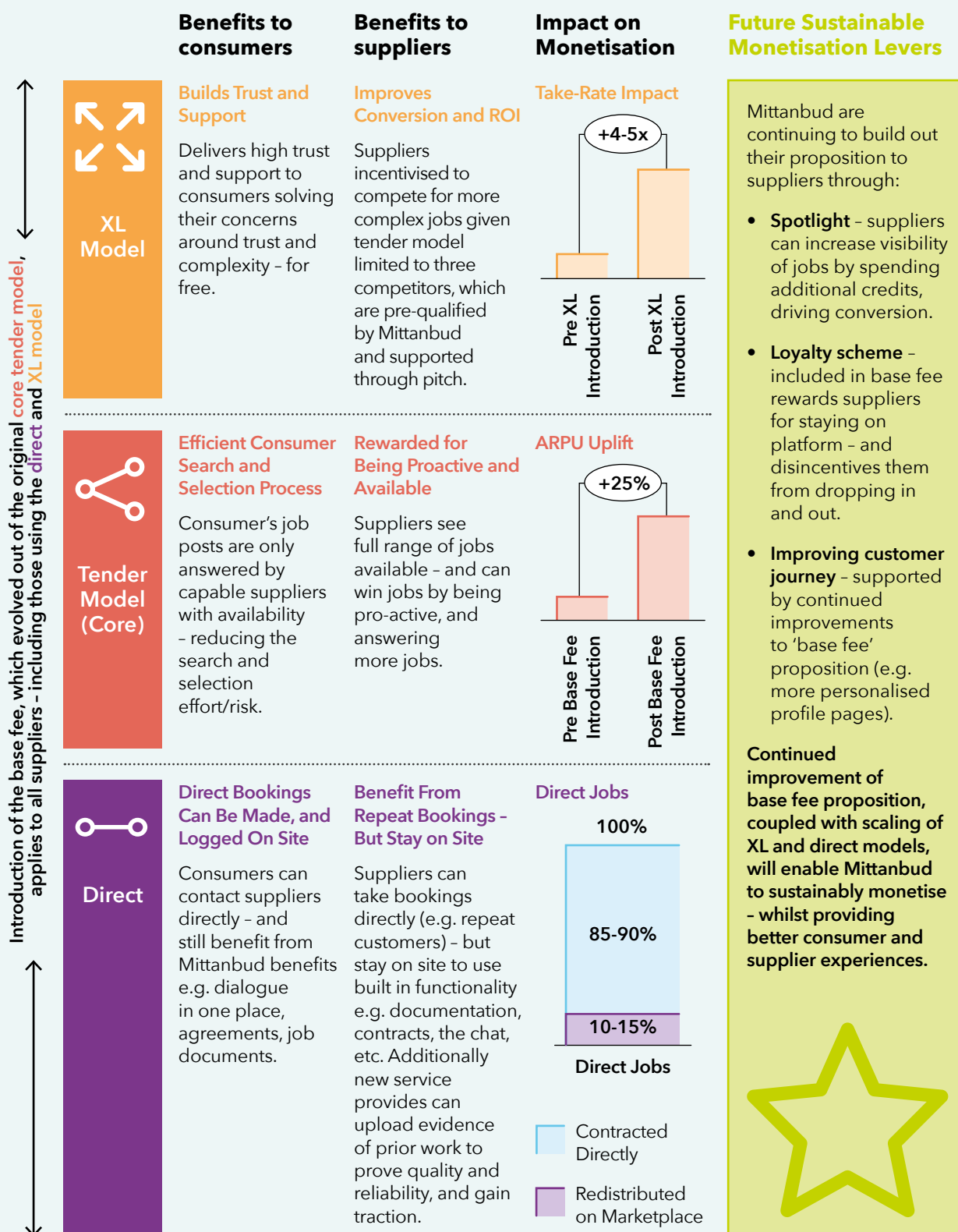


## CASE STUDY



# Mittanbud

## Mittanbud matching and monetisation model





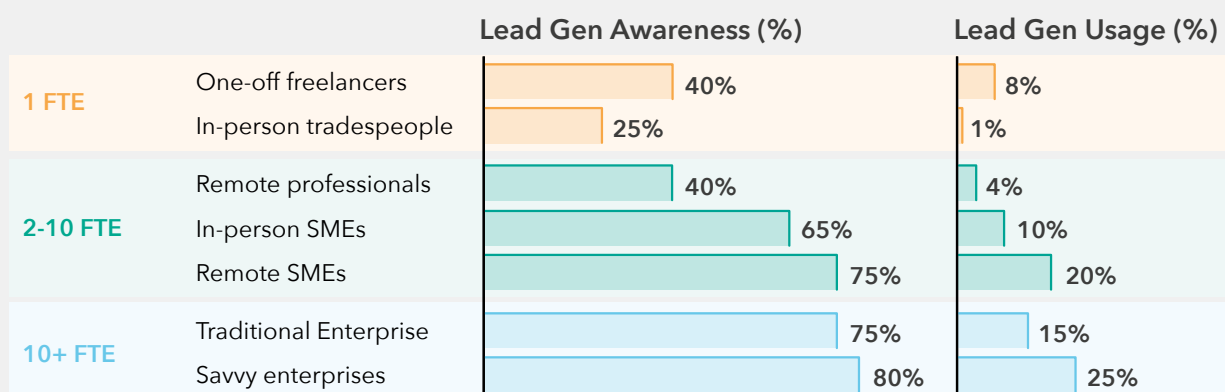
## Attracting and Retaining Quality Suppliers

Bark is a UK based services marketplace matching suppliers to consumers and small businesses. Founded in 2015, it now spans 1000+ service categories, 5m+ registered users and >10,000 registered suppliers – and is increasingly active in the US and Australian markets.

Bark's research of suppliers highlighted that whilst awareness of lead generation platforms is high among suppliers of all sizes, usages of the sites is very low – peaking at 25% among the largest suppliers. The barriers to usage are typically concerns over high cost and insufficient volume of leads – neither of which are recognised pain points among actual users.

### Supplier Awareness and Usage of Lead Generation Sites

**Awareness of lead generation sites is high, but usage remains low...**



**...due to (unfounded) concerns over cost and volume of leads**

| What are the main barriers that stop you from using lead generation platforms more? |  | #1 Barrier                 | #2 Barrier                                                | #3 Barrier              |
|-------------------------------------------------------------------------------------|--|----------------------------|-----------------------------------------------------------|-------------------------|
| 1 FTE                                                                               |  | Too high cost per lead     | Low quality leads and upfront investment                  |                         |
| 1-10 FTE                                                                            |  |                            | Low quality leads and upfront investment                  |                         |
| 10+FTE                                                                              |  | Not enough volume of leads | Lack of time to engage with enquiries (and too high cost) | High upfront investment |

Small companies tend to capture lower lead volume, and therefore high conversion per lead is critical...  
...whilst larger players accept lower conversion (c.3-5%) in return for high volumes.

**THERE IS SUBSTANTIAL HEADROOM FOR HOME AND PERSONAL SERVICES MARKETPLACES TO CAPTURE SHARE OF MARKETING FROM OTHER CHANNELS; EDUCATING SUPPLIERS ON THE ADVANTAGES OF LEAD GENERATION (CONSISTENT LEAD VOLUME, HIGH LEAD QUALIFICATION, AND LEAD MANAGEMENT SOLUTIONS) WILL UNLOCK SIGNIFICANT REVENUE POTENTIAL.**

Where sellers are using multiple paid marketing channels, there are clearly distinct reasons: lead generation channels are mainly used to enable sellers to select leads (ideally based on pre-qualification criteria) and receive a higher quality of leads – whereas most other paid channels are seen as pure volume generators...

### What motivates you to use paid marketing channels for your business?<sup>1</sup>

|          | #1 Motivator                                       | #2 Motivator                       | #3 Motivator                   |
|----------|----------------------------------------------------|------------------------------------|--------------------------------|
| 1 FTE    | Gain more customers (similar to current customers) | Fill gaps in the schedule          | Fill 'off season' capacity     |
| 2-10 FTE |                                                    | Gain <b>new</b> types of customers | Diversify sources of customers |
| 10+FTE   |                                                    | Gain <b>new</b> types of customers | Fill 'off season' capacity     |

### What motivates you to use lead generation for your business?<sup>1</sup>

|          | #1 Motivator                       | #2 Motivator                                | #3 Motivator                          |
|----------|------------------------------------|---------------------------------------------|---------------------------------------|
| 1 FTE    | Ability to 'pick and choose' leads | Direct interaction with potential customers | Specific Targeting                    |
| 2-10 FTE |                                    |                                             |                                       |
| 10+FTE   | Lead Qualification                 | Ease of Use                                 | More control over budget and spending |

1. Bark Seller Survey 2024; 2. Too high cost cited by one 10+ FTE segment: Traditional Enterprises.  
Source: Bark Sellers Survey (2024), Bark Sellers Panel Interview (2024) OC&C analysis.

Lead generation channels provide much more information on a given lead, augmenting contact details with buyer data that enables supplier to be more specific in their targeting and follow ups – increasing conversion as a result. This is a key driver of lead generation in as a choice of marketing channel over more generic channels (e.g. paid search, google LSA).





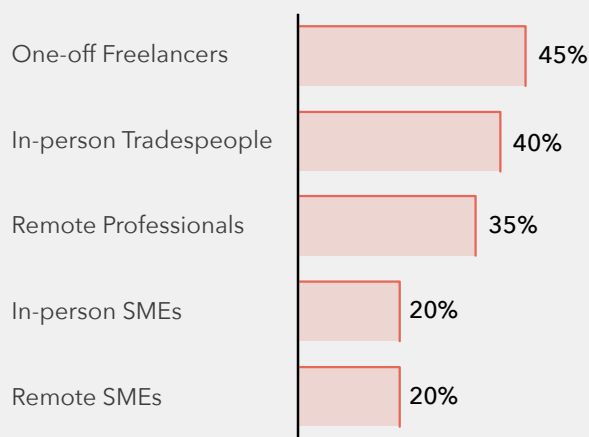
## CASE STUDY



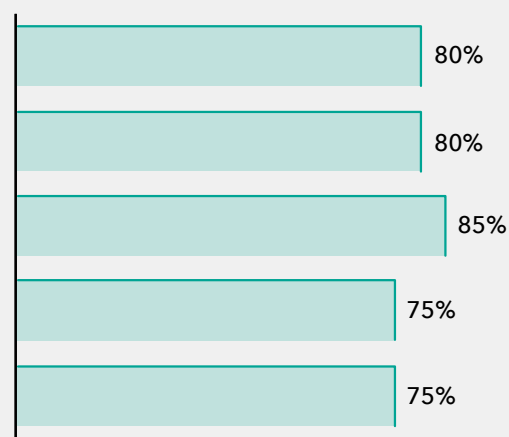
Bark has built effective lead qualification and automated lead management, which ensures suppliers receive high quality leads – and allows them to engage with the leads in a tailored way, further increasing conversion rates.

As a result, Bark captures a high share of wallet of suppliers vs other Lead Gen sites – but has potential to capture considerably more from other marketing channels if able to further prove out superior ROI.

### Bark Share of Wallet, Paid Marketing



### Bark Share of Wallet, Lead Generation



### Bark has effectively driven high usage among engaged sellers through...

#### Lead Qualification

- Bark pre-vets leads effectively by gathering key data points to infer intention, saving time and money for suppliers.

*"Bark is a really trusted partner for us because it generates cost-effective, high-quality leads."*

**Bark Seller**

#### Automated Lead Management

- Bark automatically categorises leads, and provides insight into job characteristics – which allows suppliers to follow up on leads more effectively.

*"Leads are always packaged up into categories without us doing anything, this allows us to tailor the customer experience effectively."*

**Bark Seller**

Bark attracts and retains home and personal services suppliers by delivering on its promise of high quality leads, with automated lead management to help sellers allocate their time effectively – and opportunity to capture marketing spend from other channels given quality.

Source: Bark Sellers Survey (2024), Bark Sellers Panel Interview (2024) OC&C analysis.





# So what do *you need to do?*



## If you are a marketplace...

### Find a hook for your buyers

Initiate consumer engagement with the app in innovative ways (e.g. through free tools) - and then prompt targeted services propositions.

### Invest in building trust with your audience

Concerns over trust and credibility are one of the biggest barriers to on platform conversion. Verification of suppliers and easily comparable qualifications/accreditations can help customers trust (and purchase from) a supplier, and rewards suppliers for investing in their credentials.

### Be pragmatic in monetisation to foster long-term partnerships

Monetising services marketplaces in a sustainable way is more challenging than consumer goods counterparts; monetising the initial interaction and then prioritising cross-selling or varying monetisation models by sub category or customer type can be effective solutions.

### Offer suppliers more than just leads

Retaining sellers can be a major challenge after the first sale; incentives to stay such as providing them with 'freemium' business support tools can drive retention - and offer a path to further monetisation.



## If you are an investor...

### Identify the right segment with...

- Fragmented demand and supply.
- Evidence of (or opportunity for) leadership in specific niches/sub-verticals where consumers struggle to find suppliers e.g. renovations, weddings, removals.
- Recurring, non-standardised transactions e.g. home maintenance.
- Unique ways the marketplace adds value, like trust or ability to tailor the service.

### ...and within those segments consider whether the target

- Knows their niche and serves it well, rather than spreading themselves too thinly across areas with minimal cross-sell potential.
- Builds long-term relationships with customers and suppliers while ensuring a path to profitability.
- Is innovating to build a defensive moat against competitors and differentiate themselves from generalist platforms.







## OFFICES

Belo Horizonte<sup>1</sup>

Boston

Düsseldorf

Hong Kong

London

Melbourne

Milan

Munich

New York

Paris

Rotterdam

São Paulo<sup>1</sup>

Shanghai

Sydney

Warsaw

uncommon sense™

occstrategy.com



If you would like to discuss any of the themes covered in this report, we'd be delighted to talk.

**Mostyn Goodwin, Partner**

mostyn.goodwin@occstrategy.com

**Toby Chapman, Partner**

toby.chapman@occstrategy.com

**Zee Ashraf, Partner**

zeeshan.ashraf@occstrategy.com

**Ankul Wangoo, Associate Partner**

ankul.wangoo@occstrategy.com

**Caitlin Bailey-Williams, Associate Partner**

caitlin.bailey-williams@occstrategy.com



**OC&C**  
Strategy consultants



1. The B Corp certification does not extend to our alliance with Advisia OC&C Strategy Consultants in Brazil.

© OC&C Strategy Consultants 2025. Trademarks and logos, including 'Uncommon Sense', are registered trademarks of OC&C Strategy Consultants and its licensors.