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Varna Colors: Challenges of meeting customer expectations in the platform business segment

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Synopsis

Varna Colors was a popular Indian paint company. It had more than 70,000 dealers across Indian states and territories. The paint company had a platform business segment to connect dealers with customers who need paint services. Varna Colors did not charge money to facilitate this service. The primary aim of the platform business model was to increase sales of its painting products and customer base. The model worked so that once a potential customer agreed to avail of paint services from the company, it would connect to an executive (lead) through a mobile app. The lead would visit the customer's house to provide an estimate of the project and connect to a dealer (contractor). After that, Varna Colors ceased its presence on the scene. The entire project execution depended on the contractor, who hired local painters. The lack of connection of Varna Colors with the customer and lack of control over the whole process executed by the paint contractor generated serious questions about meeting customer expectations and attracting new customers through the existing platform business model.

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