

Edaixi (eWash) (A) & (B) (2020, HBS)

- *Full Name of the Case:* edaixi (eWash): Digital Transformation of Laundry Services (A) and (B)
- *Teaching Note Available?* Yes
- Case is available through Harvard Business Publishing (product #: 617034-PDF-ENG and 617038-PDF-ENG)

Edaixi (eWash) is a Chinese on-demand mobile laundry app founded in 2013. It is a venture that was incubated by Rongchang, a large incumbent laundry company. Utilizing third-party laundry providers, as well as community freelancers (so-called “e-stewards”) who pick up and deliver laundry to users’ homes, eWash promises convenient and fast laundry turnaround. To date, the company has raised over \$132m in venture capital.

The case first provides some context on eWash, its parent company, and the laundry industry in China (including problems faced by traditional laundry firms in China, such as high rents and low turnaround times). Before founding eWash, parent company Rongchang introduced a first business model innovation in 2003, namely a hub-and-spoke model of laundry facilities and pick-up/drop-off points.

Rongchang’s second business model innovation was to develop an O2O (online-to-offline) model in 2013, which would become eWash. Because of how quickly eWash grew, the startup could no longer rely on Rongchang’s facilities, and switched to a platform model of outsourcing to other laundry companies, relying on freelance “e-stewards” to collect and deliver laundry from and to end-users.

The case encourages students to reflect on whether eWash should continue to rely on third-party laundry providers or build their own centralized laundry facilities; whether they should target a narrower segment of customers or keep providing laundry services for all; and how to best utilize its network of “e-stewards” for providing additional services such as pet care or home cleaning.

The case touches upon many of the central themes covered in our book: sources of value creation such as network effects and economies of scale (**Chapter 2**); business model innovation on all four dimensions, *What, How, Who, Why* (**Chapter 4**); value propositions for platform participants (**Chapter 8**); business model implementation in established and new firms (**Chapters 10 & 11**); and, finally, digital platform business models (**Chapter 12**). We therefore recommend the case as a capstone case for **Chapter 12**; the secondary use would be for **Chapter 2**.

From a student perspective, the case is appealing because laundry services are essential, and something everyone can relate to, but they can be a real pain point (imagine, for example, bringing a large pile of clothes to a laundromat or to the shared washing

machines in the basement of an apartment building). With its innovative business model, eWash created a service which tangibly tackles these issues.

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