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GLOBAL RIDESHARING VENDORS

INTRODUCTION

Ridesharing services have grown at breakneck speeds over the past decade as an increasing number of people are using these services and bypassing conventional taxi services and other forms of public transport. The end goal for current ridesharing services is to disrupt and displace the much larger consumer vehicle ownership market through enhancement of their current services as well as the future application of driverless technology.

This study analyzes and compares the strength of the current leading ridesharing providers worldwide through an analysis of their innovation programs, strategies, and implementation achievement, as measured through verifiable metrics. A ridesharing service is defined by ABI Research as any company that allows independent drivers to operate on the company's mobility platform to provide on-demand transportation to the user. This study will also include ride-hailing providers—companies that do not utilize private drivers but instead partner with local taxi providers to provide on-demand transportation to the user. In addition, a global market share evaluation is also provided in the report and compares each vendor's share of global ridesharing passenger trips. The vendors assessed in this report are Cabify, Careem, Curb, DiDi Chuxing, Easy Taxi, Gett, Go-Jek, Grab, Kakao Mobility Corporation, Lyft, MyTaxi, Ola Cabs, Taxify, and Uber.

METHODOLOGY

OVERVIEW

After individual scores are established for innovation and implementation, an overall company score is established using the Root Mean Square (RMS) method:

$$Score = \sqrt{\frac{innovation^2 + implementation^2}{2}}$$

The resulting overall scores are then ranked and used for percentile comparisons.

The RMS method, in comparison with a straight summation or average of individual innovation and implementation values, rewards companies for standout performance.

For example, by using this method a company with an innovation score of 9 and an implementation score of 1 would score considerably higher than a company with a score of 5 in both areas, despite the mean score being the same. ABI Research believes this is appropriate, as the goal of these matrices is to highlight those companies that stand out from the others. All scores are measured relative to the market leader in that metric.

INNOVATION METRICS

Driverless Service Development: Development of Autonomous Vehicles (AVs) and related AV technologies. Evaluated by analysis of current stages of trials, current size of AV fleets, relevant partnerships, and timelines.

Ridesharing Service Development: Development of ridesharing services offered to consumer. Evaluated by analyzing the number of different car-based ridesharing services offered and by assessing additional ridesharing capabilities such as advanced ride scheduling, carpooling, and other key ridesharing features.

Service Optimization: Assessments are made by evaluating if the service uses dynamic pricing models as well any other efforts made toward the optimization of vehicle utilization and/or other trip optimization techniques.

Platform Development: Development of wider mobility platform. Evaluated by assessing the number of complementary non-car ridesharing services—for example, bike sharing and bus sharing. Platform development also considers the development of complementary on-demand services, such as food delivery, parcel delivery, and other such services.

IMPLEMENTATION METRICS

MAU: Monthly Active Users. The estimated number of unique users that used the associated ridesharing application within a 30-day period. The period selected was December 1–31, 2017.

Number of Trips completed: The total number of trips completed over the course of 2017.

Global Coverage: The number of countries in which the ridesharing service is currently available.

ARPMAU/ARPU: The average net revenue per monthly active user. The amount of net revenue generated from all offered services per monthly active user. Estimated using 2017 net revenue values and the number of monthly active users (MAU). This has not been adjusted for the number of one-time users.

Customer Satisfaction: User feedback of Android/iOS application and service.

COMPETITIVE ASSESSMENT

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VENDOR MATRIX

OVERVIEW

The ABI Research ridesharing vendor matrix finds there is one clear front-runner in the global ridesharing market—Uber. There are also a number of regional players, such as DiDi Chuxing, Grab, and Lyft, that have strong potential for market growth. The remaining players may have potential but currently are not as far along in the development of their ridesharing strategy.

The operations of the ridesharing companies could broadly be classified as: Peer-to-Peer (P2P) ridesharing, licensed taxi-driver ride-hailing, and companies that offered both services. The study found that those companies that focused on offering P2P or both ridesharing and ride-hailing services, rather than forming partnerships with traditional taxi services, generally scored much better across the innovation categories. The use of P2P ridesharing services enabled these ridesharing providers to offer more flexibility in vehicle types and services, such as carpooling. This in turn helped these services to offer additional mobility-related services, such as parcel delivery and food delivery, as well drive innovation in software development to ensure that these processes are all optimized. Companies that focused on traditional taxi services relied on the taxi service to provide the vehicle types available on the platform and to determine the price of rides. The latter limited the ridesharing service providers' ability to control price and demand response via software applications. Instead, they were reliant on more traditional taxi-metered fares.

In general, innovation scores were lower than implementation scores among most ridesharing providers. A large part of this was due to the lack of development of driverless ridesharing services. Besides Uber, Lyft, DiDi Chuxing, and Grab, none of the other 10 ridesharing providers have made any major developments in terms of driverless ridesharing services. Although not every company has the resources or personnel of Uber or DiDi Chuxing to develop this capability in-house, the other companies have failed to follow the approach of Lyft or Grab to partner with Original Equipment Manufacturers (OEMs) and/or driverless service development companies to make any sort of progress toward driverless ridesharing service development. As identified in a previous cost analysis of ridesharing services in ABI Research's Smart Mobility Maintenance report (AN-2601), driver elimination is the key for long-term survival and profitability of these companies. The current lack of any sort of research in this area had a significant impact on the overall innovation scores of many of the vendors.

Implementation scores were highly impacted by DiDi Chuxing and Uber's global dominance in global trips, resulting in high scores for both companies in the MAU and Trips Completed innovation categories and in much lower scores for the other vendors. Uber's global market share is a result of aggressive expansion and brand recognition in new regions. Although only currently present in China, DiDi Chuxing dominates the local market share of the largest ridesharing passenger market, resulting in a large overall global market share (52%), since China makes up over 50% of the total ridesharing market size in passengers. Low scores were also observed in the geographical reach for most of the

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