



Rapido is an Indian bike taxi aggregator and logistics service provider based out of Bangalore.

Funding and Growth

As per Crunchbase, Rapido has received total funding of \$120+ Million so far. Its revenue from bike taxi services grew 7.2x year-on-year to Rs 49.4 crore in FY20, while income from delivery services shot up 11x to Rs 33.8 crore for the same period. Rapido's revenue from operations grew 9.4x to Rs 92.2 crore in FY20 from Rs 9.82 crore in FY19, according to RoC filings.

Stakeholders

The main stakeholders of Rapido are the Users and the Captains (Bike Riders). Now that it has expanded to Auto rides as well, we can also include Auto Drivers.

Revenue Growth

The company makes money by performing as a bridge between the two - captains/auto drivers and the ride seekers. The company charges 20% of the total fare as its commission.

Revenue = 20% of Average ride fair X Number of total rides

Problems & Solutions

Imagine you're the product manager at this company —what problems are you bound to face? What will prevent you from hitting 10x growth in the next 2 years?

☐ **Target Audience/Demand**

1. **New Users for Bike Rides:** The number of users preferring a bike ride to reach their destination in harsh weather and also the aspect of safety as compared to normal cabs/autos, would be less. There would definitely be more users but an exponential growth cannot be predicted for bike rides, even though it's cheap.

Solution: Since nothing much can be done when it comes to harsh weather, the safety aspect can be addressed. Just like the Dunzo delivery boy graphic with a mark to represent covid safety precaution the company takes, Rapido can also use gamification in the app to ensure that each of its rides will be safe and accident-free.

It can also tie up with any insurance provider, to give the option of a minimal per-ride fee-based insurance as a checkbox.

2. **Retaining existing users against competition:** Due to increasing competition from Ola, Uber and now BluSmart undercutting other with cheaper rides with electric cabs, there is always a chance of users getting wooed away by the competitors.

Solution: As mentioned in their mission, Rapido's aim and USP is cheap, fast transport. This needs to be highlighted in the app, website and advertisement via gamification and comparison of time and price taken by other competitors.

☐ **Supply of more vehicle/riders/drivers**

3. **Auto cab competition with Ola and Uber:** With more number of users preferring auto for short distance travel and also Ola and Uber leading the race to provide maximum autos to its users, it would be difficult to add more rikshaws to its portfolio of available vehicles.

Solution: While Ola and Uber also takes 20% commission, and Rapido

being relatively new in this space it's not possible to undercut it's competitors by reducing the commission. Instead, it can address the other issue of real-time payouts to the drivers. Ola and Uber has been trying to figure this out and has significantly reduced the payout period.

Rapido can give "Pay the Driver post ride" option that shows the modes of payments that the driver accepts including cash and UPI (Most rikshaw drivers have UPI accounts these days). The drivers can later pay the portion they owe to Rapido directly by the end of the week. This can lead to quick bookings since the user does not have to pay up-front, attract rikshaw riders due to direct payments. Rapido can also arrange for direct account payout via NEFT/UPI from it's end to the drivers' account for mobile valet/card payments.

4. **Competition from 2 wheeler-rentals:** With Bounce and other 2 wheeler-rental firms increasing more traction via allowing any user to rent out their 2 wheelers via Bounce, more 2 wheelers are being rented out and users are also increasing.

Solution: Rapido can also have a 2 wheeler rent-out policy where anyone can rent out their unused two-wheeler to Rapido and any rider who doesn't own a 2 wheeler will be given a vehicle by Rapido. The commission to the rider will be less since a cut needs to be taken out to be given to the person who rents out the vehicle. This can attract more riders and more vehicle, AND more users since the word-of-mouth marketing by the people who rent out their vehicles will play a part.

☐ **Expansion**

5. **Other Cities:** Rapido has expanded to multiple cities mostly Tier 1 and a few Tier 2, but for acquiring significant market share/users in new cities,

will the current commission and pricing model might seem to be expensive.

Solution: In smaller cities, there used to be Jeep and Auto pooling system where the driver would take-in as many users in their vehicle in the same route. While Uber and Ola has cab-sharing system, they never tried the same with Autos. This can be tried by Rapido via Autoriskhaws in smaller cities in the main routes by accommodating a maximum of 3 users and hence can further lower the price for them. Depending on the city, this feature can be enabled in the app. This along with the attraction of more drivers discussed in points 3 and 4 can boost easy expansion to other cities.

6. **Corporates:** Ola and Uber has got corporate subscription whereby many firms subscribe to their cab service for their employees, thus forming an additional revenue stream.

Solution: Rapido can also start a corporate/government partnership program where it can provide its fast transport service in terms of 2 wheelers or Autos to corporates for their employees. A recent news said Chennai Metro has tied up with Rapido for their Auto-services. A different app similar to Move-in-sync can be launched just for these partnerships/corporate subscriptions thereby enabling the employee/user to mention their login/logout time and address and the ride will be ready accordingly.