

This is a transcript of Episode 111: Alison Griswold on Why Juno Failed. You can find show notes, comments and more by [clicking here](#). You can also listen to the podcast in [iTunes](#), [Stitcher](#) or wherever you get your podcasts.

Harry Campbell: So I was dismayed to hear the news of Juno shutting down recently, but the writing has been on the wall for a long time now. Juno was a rideshare company out of New York city and they're supposed to take on Uber and Lyft and change the ride share world for the better. And to the company's credit. They entered the market as a hopeful beacon for drivers across the country and they really capitalize on the drivers dissatisfaction that we saw at the time and really continues to play Uber and Lyft. But where did it all go wrong? What started with a lot of promise ended up as a company that kind of screwed over drivers when they were sold to get for \$200 million and now the Juno brand is no more. So today we're going to dive into how it came to be the promises they made to drivers and passengers and ultimately how none of that really mattered at the end. So if you're ready, let's get moving.

Announcer: Welcome to the Rideshare Guy Podcast where you will learn about the Rideshare and mobility industry straight from Harry Campbell, who's got over five years experience covering the industry and has talked to thousands of drivers. There's no better place to stay up to date, entertained and educated. So let's dive in.

Harry Campbell: Today we talking with Alison Griswold of Quartz about Juno. Alison has been covering the sharing economy in a lot of these gig economies for about as long as I've done it and she's one of the people that I respect most. As you'll see in this interview, she actually does a lot of real reporting. So I think when you combine that with my knowledge of the industry and sort of the specifics from the driver's side, we make a pretty good team and a good duo for this podcast to talk all about Junos. So I think you guys are really gonna enjoy this. And Juno is a company that, as I mentioned in the intro and they burst onto the scene and really offered a lot as we'll talk about, they did their homework, they did their research and it seemed like, Hey, if anyone's going to have a chance, Juno's going to have a chance. But ultimately it wasn't meant to be. And so we'll discuss that kind of their messaging and marketing to drivers, passengers and whether it worked or not, and kind of what that means for the competition. Not only Uber and Lyft, but other companies that might be looking. I think Juno is a very good case study. I think that, I feel like this is a podcast. If you're a business student right now, this is something you're going to want to listen to. So if you know someone working on their MBA, definitely forward this to them and I think they'll get a ton of value out of this. So we'll dive into all those details and more.

And before I get started, I do give a little shout out in the episode to George Gramma who we've actually interviewed on the podcast before. And what he does is actually white label Rideshare software apps and over the years I've had hundreds of people reach out to me about starting a rideshare company and so he kind of comes up naturally in this conversation, but I just want to mention him just in case there's anyone listening at this point or in the future who's thinking about starting a ride share company or just curious about what it really takes. He's the guy that you want to talk to since he's building software, has white-label software, driver apps, passenger apps and I've actually connected hundreds of people to him over the years. Yes, that's how many people have reached out to me about starting a ride share company and he's really the first person that I send people to just because you need an app and you need a few other things, but you really need an app first and the branding and the logo and all that. So if you're interested, definitely go back and listen to that podcast that I did with George Gramma.

That podcast with George was episode 50 so you can give that a listen and if you're curious in reaching out to him or chatting with him, just shoot me an email harry@therideshareguy.com and I can intro you to him over the years. I, like I said, I think I've enjoyed hundreds of people in two people have actually started real rideshare companies. So that's been kind of cool that we were sort of able to help with that process. So without further ado, this episode and show notes can be found @ therideshareguy.com/episode111 and that's 111 awesome. And if you guys want to learn more about Ali's work, definitely recommend you subscribe to her newsletter. It's great. And you can get updated updates on the sharing and gig economy every single week. All right, let's hit the road.

Harry Campbell: Alison Griswold is a reporter for Quartz covering the sharing economy and other startup things and she also runs a popular newsletter on the sharing economy called oversharing, which I've been subscribed to for I think years now. And it's one of the only newsletters that I read each and every single week. So, Alison, how are you doing today?

Alison Griswold: I'm doing great. How are you?

Harry Campbell: I'm doing well. I'm excited to have you on and chat about Juno. This is a company that had kind of, I don't know if I would call it like an epic rise and fall, but it definitely had a rise and a fall. Right?

Alison Griswold: Oh, for sure.

Harry Campbell: So before we get started though, I'm curious just to sort of set the background a little. I know you're living in London now, but when you were in New York city, I'm curious to know what was your default rideshare apps since there were a few options, right?

Alison Griswold: Yeah, we had Uber first, then I think Lyft then get, which later acquired Juno, but then Juno, which was separate from Great for All Time and Via, which is civilly shared rides. And my real answer to this question is that I am a dedicated taker of public transit.

Harry Campbell: Copping out of the answer.

Alison Griswold: I'll give you an answer. When I took rides, my default was Via, because via, in terms of shared rides is actually significantly better than a UberPool or Lyft Line. It works really well in a city like New York because what they do is they have you walk to the nearest corner, so they essentially snap everyone to a grid. And because New York is a grid, it works really, really well. It's significantly faster than any of the sort of, you know, you go round and round on UberPOOL, like trying to get each person's door. But usually I just took the subway.

Harry Campbell: Gotcha. Yeah, I think that that definitely has been the feedback we've heard from Via and I think they also did a good job sort of ingraining in passengers at, Hey, this is a shared model, so you're going to walk a little bit, you know, so that it's more convenient for everyone. And actually with the news of a Juno's sort of going under. That was one of the things we recommended to drivers is that, you know, consider working for via, I know at least according to Via, they say that their drivers are earning more than Uber drivers. So

Alison Griswold: Yeah, there was a whole study, you probably saw it, there was a study by the city when they were looking into their minimum pay legislation and they looked at the hourly average hourly earnings in each company and via was by far the highest. And I think it was also the only one that cleared the threshold. The city plan to set in therefore was essentially unaffected by the legislation.

Harry Campbell: Interesting. Okay. Well before we start spending a whole hour on via, let's talk about the company at hand. Juno, I'm curious to know from you, I have always liked your perspective on Juno since you were in New York city and kind of also covering not only the rideshare but also the sharing economy and other companies here. So I was really excited to have you on and kind of chat about Juno, but what was

your first impressions? Do you remember when you first started hearing about them or when they even launched? Maybe?

Alison Griswold: Gosh, I want to say I first started hearing about Juno, maybe like early 2017 but don't, don't quote me on that.

Harry Campbell: It was early 2016. The only reason I know is because I just pulled, I just pulled up my article that we wrote, so I'm sort of cheating, but

Alison Griswold: Great. No, I'm glad you're cheating because my memory is not good on these things. Um, yeah. So, so then I, I remember it being the winter, so I guess it was winter 2016 and what happened was, you know, when I would take rides occasionally, as I'm sure you do, I would just talk to the driver and ask them how it was going. And I started hearing about this new company, Juno, that drivers were really, really excited about because they had invites and you know, it was doing all the things it was giving them phones. I think for a while Juno was just essentially paying drivers to drive around with the app on not even pick up any passengers cause they were just gathering sort of like data and intelligence. And they were paying really well. And then when Juno did eventually launch, I think they had sort of like a beta mode in that time. You know, the thing they did was they took a much lower commission than Uber, which at the time was probably taking around 30%, I want to say. So much lower commission and also a higher wage. So the differential is that the driver kept was significantly greater. And then they also subsidized it on the rider side and they were very explicit that they weren't going to do any shared rides.

Harry Campbell: Yeah, no, I don't remember that part. But yeah. Yeah, I think that makes sense. Right. They didn't want to share rides. I know at that time, again, I'm cheating because I'm reading my article right now, but they also said that they were going to allow for tipping and have a 24/7 support line for drivers, which at the time Uber obviously didn't obviously, but Uber didn't have tipping and they didn't have phone support yet and Lyft had tipping but no phone support. So I feel like that was my first impression of them too, is that wow, this company there are at least underneath this, they still have a lot to execute on, but wow, they really did a good job kind of going out and like the number one through six pain points for drivers. They sort of addressed all of them. And then I guess also they said that they were looking at giving a, or they were going to try and get equity to drivers too. So I do feel like that was kind of my first impression of them. And I know that, I don't know if you remember, but there was a, I think the initial story that broke about it. I don't know who wrote it. I might have to look it up and put in the show notes, but it was, I think it was more around kind of the

privacy issues or it was more about this company that's like paying drivers in New York city to put tablets in their car. Do you remember that story?

Alison Griswold: Yeah, I do remember that. Yeah.

Harry Campbell: I remember a few weeks before that story broke someone, one of my, one of my buddies sent me an email and he sent me a link to, it wasn't quite a story, it was either like a Reddit thread, but it was before it had been published. I basically knew about Juno before anyone else, but I didn't think it was that big of a deal. And to be honest, if we would have written about it, we're not real journalists anyways, so I don't know if anyone would have cared, but it was just interesting that I remembered this huge story blew up and I was like, Oh, I knew about that a few weeks ago, but I didn't think it was that important or it didn't seem like we should write about it. Okay. So Juno came along and kind of really did a good job, I guess listening to drivers and sort of highlighting all the things that they cared about. Right.

Alison Griswold: That was what was interesting. The reason I mentioned the no shared rides is that my impression was always that saying there would not be shared rides was more of an appeal to drivers than tick customers because Juno figured out that drivers really did not like the experience of something like UberPool. And so it was less a talking point for customers. Like you don't have to share with other people and more and appeal to drivers. You don't have to deal with this.

Harry Campbell: Yeah, that makes sense. And I mean I guess we should also say, right, they were pretty well funded and they had an experienced founder Talmon Marco who I didn't know before Juno, but you know, apparently he had started a Viber and sold it for \$750 million or something like that. So that was the other thing that stood out to me, which, you know, just to kind of paint the scene that I've seen a lot of companies are, you know, what I call landing pages come and go that offer a lot of great things for drivers. But to me this sort of seemed like the first legitimate, not threat but kind of competitor that might have a chance. What did you think about their actual chances?

Alison Griswold: I would say I was skeptical early on. Um, mostly mostly because I felt like they were still following an Uber like playbook. I think we've seen a lot of companies come in and sort of make promises, pay well at the beginning to gain market share and sort of loyalty. And then over time as the unit economics become unsustainable, the cash becomes less available, sort of dial back what they've initially given. And so I guess when I first saw Juno doing all these things, my first thought was like how long will this last?

Harry Campbell: And even as far as how much, like they were giving discounts to passengers and things like that or just, it seems like they were spending a lot of money. Right,

Alison Griswold: Exactly. It seems like they were, they were spending a lot of money and making a lot of promises. I mean, I also, I remember I went to one of their driver educational meetings when they were first getting started and it was like a recruitment meeting. I think I went over the summer and at the meeting, you know, it was very, the whole framing was this is why Juno is good for drivers. They, they emphasize that Uber doesn't care about drivers and we're going to help you. And they really played up the stock thing, which you mentioned, which was that Juno essentially said, you know, at Juno we'll give you a share in the company so that even one day if there are self driving cars, like you'll still be profiting from Juno's success. And that's a very nice thing to say. But, um, you know, as a reporter I found that my questions about the specifics of this doc program were often sort of evaded and it was hard to get details on the mechanics of how it was going to work. And the one thing that became clear to me early on about this stock program was that in a way it was just a mechanism designed to keep drivers working full time for Juno without actually having to employ them. Because there was, there were terms in the contract, I believe that said you had to, you had to work a certain amount of time for Juno to be eligible to receive the stock options. And it basically limited your ability to work for like an Uber or Lyft. Here it is. It's to get together restricted stock unit plan. You had to work at least 120 hours a month for 24 out of 30 consecutive months,

Harry Campbell: 120 hours a month. So that's basically 30 hours a week and then 24 to 30 months. So it's basically you have to spend most, if not all your time working for Juno

Alison Griswold: Two and a half years. Yeah, exactly. So it was sort of, it would always seem to like this thing where it was a nice thing to say. Especially, you know, I feel like a lot of drivers probably haven't encountered a stock option program before and wouldn't, it's very confusing stock if you've never seen one, you wouldn't even really know what to ask or what to look for. I mean I, I only know some of these things now because I've had to deal with them a bunch of times in reporting. And the first time I came across one I was like, what is this?

Harry Campbell: Yeah. But I mean I guess you're right. It sounds good. It's a great talking point. If you're a driver.

Alison Griswold: Exactly. It sounds good. And then you drill down on the details and you're like, okay, well but like a, will they be worth anything? And B, is this doing more than sort of functionally locking the driver in to this company?

Harry Campbell: Interesting. So this is why we have you on the podcast right now as a real reporter because you really are someone who's digging into all the details and kind of looking beyond the catchy marketing. Right. Yeah. Interesting. Well, and I mean I guess I would say though, even though it sounds like there are a lot of issues with the RSUs, I mean it kind of work on the driver's side. , do you think that Juno was really able to pretty easily or successfully recruit a lot of drivers and I guess even passengers, what do you think about, you know, kind of when they were up and rolling, what do you think about there? What did you think about their actual service?

Alison Griswold: Yeah, so that's the thing. I think it was a very effective campaign. Most drivers I talked to were really happy with Juno and I think that was a fair response because at the time Juno was giving up these RSQs, um, it was paying better. It was taking a smaller commission. It wasn't doing shared rides. Like in the beginning, Juno did everything it said it was going to do, do you know also launched at a time when there was acute frustration with Uber in New York and Lyft to some extent but like a lesser extent like do you know is very smart. They knew that this was a good moment and that drivers were extremely frustrated with Uber and if they presented them sort of a better option that they could get a following.

Harry Campbell: Well so you said there was a cute frustration from drivers. Was there anything specific in your mind? Cause I also would look to like a time like Oren right now and still say that there's a lot of frustration for drivers, you know, and that, you know, that kind of leads me to like, could now also be a good time for a company like Juno de longe. You know, I guess like do you think there was anything different than, than there is now?

Alison Griswold: Wasn't Uber still doing its January price cuts in 2016 ?

Harry Campbell: That's true. They were still kind of cutting prices every January. They didn't have a tipping option. They didn't have phone support.

Alison Griswold: Yeah. So I think it was just, it was that moment when the company and its policies toward drivers were like even more in flux than they are now.

Harry Campbell: That's a nice way of putting it.

Alison Griswold: Yeah. You had more disparity and what felt like instability with the company and the entire situation. And I think by the time like you know, the 2016 price cuts came around, people were just really fed up.

Harry Campbell: Yeah. Yeah, that's a good point. And it's funny, that seems like so long ago, but it was really only a few years ago, huh? Yeah.

Alison Griswold: So 2016 right. That was only about a year after the whole New York scandal where Uber said that its average driver was, or its median driver was earning \$90,000 a year. Right. So like that feels like ancient history now. But at the time I, it was probably still fairly fresh in people's minds. So you had that sort of like deception from Uber as well.

Harry Campbell: Speaking of New York, it is a pretty atypical market. I think most, some, maybe some or most of my listeners know that, you know, it's really the only market in the U S where it's kind of an Uber and Lyft are related like taxis. So the rates are much higher because drivers need commercial insurance and TLC licensing. So you can't really just be someone like me and just decide one day to sign up and go drive. What affected, , the market dynamics in New York have on Juno and maybe why they picked their to launch?

Alison Griswold: You're right, New York is, it is more onerous to become a ride hail driver in New York than basically any other market in the country. I like to think about it as that if as a driver you have to put in a lot more time, money registration work to become a driver, then you also want a greater return on that investment. That's sort of what Juno was offering, right? Like if you switch to us and either you switch from already existing in the system or you come in, we will give you a greater return, right? We will pay you better. We will give you stock options that will last beyond your tenure here as a driver. And I think that's probably a better pitch in somewhere like New York where you're, you really have to go all-in then to just sort of like a more like you have a car and you decide to start driving in your spare time.

Harry Campbell: Yeah, definitely the drivers are more invested. So the thought of stock options in this company that you're sorta putting your blood, sweat and tears into it has a lot more value than someone who maybe is doing a few hours and they get a share of the company here and there. So I mean, I guess it is, you know, one of the recurring themes that I'm getting to is I guess from kind of a business strategy or business case study they did. It sounds like they did a lot of the right things to set them up and set themselves up for success. Do you agree?

Alison Griswold: Yeah. Yeah. Also like related to the stock options and New York as a market, right? What is the statistics most driver, like 90% of drivers do less than 10 to 15 hours a week. Is that right?

Harry Campbell: Yeah, it sounds right.

Alison Griswold: But in New York it's completely different. Right? In New York, the typical driver is doing like 30 or 40 hours a week. It's basically full time, so it's a very different market in that sense too.

Harry Campbell: Now I think we're going to talk about the fun part. Where did it all go wrong? Any ideas?

Alison Griswold: I'm not even sure there was necessarily a moment at which it all went wrong. I, if I'm going to give you my really contrary and take, I think from Juno's perspective it all went right, which is a little bit cynical, but so this guy Talmon Marco who founded Juno, I met him once, we had an interview and he just seemed like he had it all mapped out and I wouldn't be surprised if he already had sort of foreseen like what has happened and even like you were saying, he had a proven record as an entrepreneur, which is true. If you dig a little deeper into that record, I would say the thing he had been really successful at was sort of making copies of companies and then flipping them. So Viber is sort of like a Skype knock off in a way. And he sold that very successfully to Rakuten for \$900 million. And I believe his previous company had a similar outcome. So this was a guy with a pattern of sort of like identifying market opportunities, creating a competitor in the space and then like turning it over for a profit. And so I guess I sort of thought that's what he was trying to do with Juno all along. And that part of the whole creating a reputation of being good to drivers and getting a big following. And that's almost why it didn't matter that they were spending so much money because the goal, as far as I understood it wasn't even necessarily like to be a profitable company in the long run. It was just to like be a sexy company that someone might buy.

Harry Campbell: I mean, that's kind of what ended up happening, right?

Alison Griswold: Yeah. So, and again, I want to be clear that this is mostly my opinion. , no one told me this.

Harry Campbell: Well, I think what, , what I'm seeing too is you've done a good job sort of kind of going beyond the surface. Like someone like me, I looked at Viber and I said, Oh wow, sold for 900 million to a Rakuten but I didn't really go in and look,

you know, I sort of knew what Viber was, but I never used it. But it does seem like at least there's a little bit of a pattern there and kind of what he was doing. And so yeah, we may never know, but I think it's definitely a plausible theory.

Alison Griswold: Yeah. And I would, I would also note, I believe he left Juno not too long after the sale. So I guess we should talk about the sale. That's probably a good milestone. So basically Juno, is in the New York market for a handful of years and then, or not even a handful about a year. Right?

Harry Campbell: Yeah, it wasn't very long.

Alison Griswold: He said it was like basically in beta mode in early 2016 and so then a year later in April, 2017 Juno sells to get, which is another ridehail company. It's mostly a B to B business at this point, but when it entered New York, it was also trying for sort of like a consumer play. So Juno sells to get for a deal that's reportedly priced at around \$200 under the terms of the deal, like Talmon Marco and his co-founders get to run it's New York team. Yeah. Which has never really gained a following in New York, merges with Juno and refers all its writers to Juno. So if you opened yet and now tells you like, Oh, please see Juno by guests. And that's what the Juno app becomes. So that happens immediately. Juno sends out an email to all drivers saying that they are joining forces and toward the bottom of this email it also says the stock program has been terminated effective immediately sort of buried in the footnotes on this email. It notes that actually the stock program may never have been approved by the SEC in the first place. So we're going to like uphold our word and pay you whatever you've accrued. But like we didn't really need to do this. And so then drivers are paid these sort of nominal amounts based on whatever their RSQs have have accrued. Like one, one person I talked to I think had about 6,000 restricted stock units at the time and he received like \$100.

Harry Campbell: Yeah, I remember pretty much every driver I talked to received pretty nominal payouts and you know, regardless of the amount, it was a lot less than they thought it was going to be for, you know, \$200 million sale.

Alison Griswold: And so to me this moment was sort of, this was when the sentiment started to change a bit in that, like you're saying, I think Juno had been built up as you're gonna make a lot of money through this stock option and then not only was it canceled, but like the thousands of shares that people had of stock units that people had accrued actually translated to like \$100, you know? But, but despite that, I think people still tended to prefer Juno to Uber and Lyft.

Harry Campbell: Drivers or passengers or both?

Alison Griswold: Both. Both. I think. And that was what was so smart about Juno's whole strategy. I would be curious for your thoughts on this. I have found in reporting that companies that spend a lot of time building out the idea that they are a good company that pays a lot of dividends. So I distinctly remember when Uber was having, you know, it's really terrible year and there had been deleted Uber and then all the scandals were coming out. Drivers would tell me unsolicitedly that they were driving for Lyft because it was better. And I would say I would like press them on details for why that was to see if they like were referring to a specific scandal that had changed their mind or if they were getting paid better or what and more often than not, it just, it came down to this like sentiment that Lyft was a good company and Uber wasn't and that was really interesting to me because at that time they were functionally the same. Right. Setting aside the corporate mess at headquarters, the experience to like the driver and the rider, I would say it was like a commodity. There were not major differences and yet Lyft had somehow managed to really like cement this branding of itself as the company that treated drivers well. Whereas Uber failed to ever do that.

Harry Campbell: There's definitely something to sort of the initial impression that you're making on people. Right? Even with the Lyft and Uber example, I think Lyft's big advantages kind of came many, many years ago. You know when they had a tipping option, when they were encouraging passengers to sit in the front seat, when they had the, they were the first one to offer this thing called a power driver bonus where if you hit certain trip pressure olds or they would give you 10% of your commission back and then maybe even the full 20 and eventually Uber and Lyft, you know now they all offer basically the same stuff and I kind of joke but also not joke that they're basically the same company but definitely you know even that sentiment still exists. But I think it's gotten smaller drivers still feel, you know, more satisfied. I'm actually looking at the survey results from this year and Lyft has a higher percentage of satisfied drivers. It's only by 5% I think it used to be a lot higher, but even though drivers often get paid higher on Uber versus Lyft just because it's busier and you can make more money that way, the satisfaction numbers, it still feels like people look beyond a lot of the more important metrics like pay that they care the most about. And just think about like, Oh no, Lyft, they care about me and they're a good company. And I think Lyft has lost a bit of that or even some or most of that over the years. But it seems like Juno definitely had that going for them too.

Alison Griswold: Exactly. So I think it's very instructive. So the Juno case, because they in a different way did the same thing. They spent a lot of money, a lot of time and a

lot of effort on their brand image of them as a company that treated drivers well and even after the sale and the changes, I think that persisted both with drivers and with writers.

Harry Campbell: Yeah, I mean even after they kind of screwed over dry or you know, did screw over drivers, the drivers didn't stop working for them in mass and they still had, you know, numbers. You can look at a, I think a Todd Schneider, you probably, I think you referenced him, but he keeps all the TLC data in a nice handy format and graphs and charts and so you can sort of look at the actual numbers. I'm curious though on the, on the passenger's side more, what did you think about, you know, what passengers thought about Juno? Cause I know this is one area where we were discussing and I think we had a, a little bit different viewpoints about what passengers thought about. Know

Alison Griswold: In my experience passengers had also absorbed the pro Juno branding.

Harry Campbell: Like we treat drivers better and you know, we like Juno because they treat their drivers better and pay them a livable wage. Okay.

Alison Griswold: Yeah. That I firmly believe passengers tend to take whatever is cheapest and less. The other option like really isn't available. You know, there are no cars, it's going to take 10 minutes, something like that. So I think Juno was sort of a nice option for the New York passenger because it usually was cheaper and they could also be like, well, it's cheaper. And I also know it treats its path, it treats its drivers better. So this is just like a win-win, you know? And, but you know, as a passenger it was, it was a good experience. It was not noticeably different from Uber or Lyft, I would say other than the absence of shared rides.

Harry Campbell: Yeah. And I mean, I guess what, what I saw and sort of what my biggest question always was, was I thought they would have no problem attracting drivers. I was just curious how are they going to, I mean acquire passengers. Okay. Their strategy was pretty simple. It was just to be cheaper and pay for, you know, pay for the difference and spend a lot of money there. But how are they going to keep those drivers? Cause I mean in my mind I think, you know, from a consumer's point of view, Uber and Lyft work pretty damn well and you know, some people and many are raving fans of, you know, taking Uber and Lyft, especially at that time. So I just didn't feel like there was much that they could distinguish themselves on other than price. And it seems like to me it just wasn't sustainable for that long to be cheaper than Uber or Lyft.

Alison Griswold: Yeah. And then the other thing is Juno was never very big in New York, especially compared to Uber. And to Lyft, just like if you look at, it's in touch Snyder's data, right? If you look at the trip count and they're just so much smaller in terms of drivers, I do like to be fair, I do think part of the reason they kept drivers around and happy is because they were paying more like, again, that study that the city did about hourly earnings for drivers when they're sort of debating how to set a wage floor. So via, like I said, was far and away the best. I'm looking at the numbers now. And they found, they found the Via paid a median net hourly earning. So sort of like after commission, but before like major expenses of 20.99. So about \$21 an hour. , and then Juno was next at like 15.70 an hour. So, you know, a lot lower than Via. But Uber was after that at 14.17. So Juno is paying about a dollar 50 more than Uber per hour. And then Lyft is the lowest at like 13.85.

Harry Campbell: Yeah. And I think also, just to put things in context, since, , we're, we're now adding a lot of good data to our discussion and doing real analysis. , I just pulled up, Uber is doing over 400,000 trips a day right now in New York city. Lyft is at 150 and Juno is at 20,000 trips. So you can even see, you know, kind of Uber and Lyft compared to Juno. I mean, they're like not even in the picture on this graph basically, but I mean, I guess in, in that context like Juno really like punched above its weight, right? If, if they're like doing that many more, that fewer trips, right?

Alison Griswold: Yeah. And so then what happens is right, Juno sells and that's over the spring of 27, 2018, right? 2018 2017. I'm getting all my years confused. We're close enough, you know, sells to get in April, 2017 so then sort of a year and a half goes by. And then earlier this year, around March, it's reported that Juno is up for sale. Um, and so it's reported that Juno is up for sale at a quote unquote nominal price and that it is losing \$1 million a day. Whether you believe that number, I don't know, it's a very large number to be losing every day. But that's what , do you know in the meantime has sent around this pitch deck, which I'm looking at, I brought up for article which says unique opportunity to consolidate NYC market. So that's how they're pitching it. Like by Juno consolidate the New York city market. They point out that they are the number three player in New York. They have highly attractive unit economics because everything is relative. And you know, some other like statistics about Juno, how they have, how they represent 16% of non pooled rides in New York. Anyway. So basically this deck goes around, everyone knows that the Juno is trying to sell and that's in March. And this is the point. Enrich rich, right? They're already owned by get but yet is trying to unload, you know, so you know something, something isn't working because Juno wants to get rid of them. And all this is happening right around the same time that New York city has implemented this wage legislation, the goal of which is to have drivers have like a

take home wage after all the sorts of adjustments for expenses and like benefits that you would get as a regular employee of \$50 an hour. And Juno has claimed that this legislation is hurting it. And so these things are all all presumably connected, right? Like presumably Juno was already losing money, but now because the city has put these restrictions on pay is losing even more money and it's coming under pressure.

Harry Campbell: Yeah. And it seemed like that was sort of, you know, in their announcement it seemed like they were more blaming the city's regulations. But it seems like it was a combination of factors. I don't know. In my opinion, even the, the regulation, the regulation issue was kind of like a very small piece of it.

Alison Griswold: The truth is as it usually is, probably somewhere in the middle. So Juno's CEO like filed an affidavit in March earlier this year. Yeah, earlier this year. And he said that Juno had quote encouraged significant increased costs to comply with the city's payrolls. And he also said crucially that both ridership on Juno and average hourly paid to drivers fell. So Juno's argument was sort of like, you're making us pay people more. And because of that, I think if you can connect the dots, because of that, we've had to raise prices and people are taking Juno less. So there's actually less money to go around. There's less jobs to go around and like we're in this downward spiral.

Harry Campbell: That was kind of the end of them, I guess, right?

Alison Griswold: Yeah. And so then, you know, they were still around, but they were much quieter. I will say they sent many, many discount offers.

Harry Campbell: So they weren't given up on the discounting.

Alison Griswold: No, I'm in London, but I'm still on their list. And in SEPTA, I'm just looking at it now in my inbox in the month of September, do you know, sent me four different promotional offers, take rides, earn discounts, take rides, save up to \$30 take rides or in discounts. A discount has been applied to your account. They told me in August, I was very surprised because I was like, I'm in the UK, my account's not even active. So you know, you, you've probably seen this too often when a company starts pushing a lot of discounts in a short period of time, that is not a good indicator for the company

Harry Campbell: Trying to show, look how many rides we're doing, ignore, you know, how much

Alison Griswold: Trying to boost their numbers so they can raise funding or they're trying to boost their numbers for another reason, which is even worse.

Harry Campbell: Yeah. And that's the history of Juno. So I think we did a good job. , did we miss anything covering it in a just over 30 minutes?

Alison Griswold: No, I don't think we really did. What, what is your takeaway after this conversation?

Harry Campbell: I mean, I think my takeaway is that like you and I discussed, they did do a great job sort of with that initial branding. And something that I learned is that, you know, that initial branding really matters and can kind of stick with you all the way to the very end, even if you make kind of big missteps later on in the process. Like, you know, kind of screwing over drivers with the RSUs. But I think ultimately this is a very expensive and very just tough business to, you know, I've talked to a lot of the folks running things at these companies and it's like a very intense business to run. It's not like a chill, easy, fun business to operate and it's very, very, you know, every business is tough. But I think that among businesses, this is one of the tougher areas. So I think that it will end up, you know, I guess less competition is usually a bad thing for drivers. Cause when I look at it, right, Uber and Lyft off, you know, ended up copying a lot of the features that Juno had. So in some ways, you know, Juno did kind of push things forward and that competition was good for both drivers and riders. But I just don't know at this point if driver-friendly company or really any other company can kind of come in and unseat Uber or Lyft. I think that might be a good final question to ask you. Kind of going forward, do you think that they're going to be any competitors to Uber, Lyft in the future, like a Juno or maybe similar model or are we going to be stuck with Uber and Lyft and maybe some via shared rides going forward?

Alison Griswold: I sort of think there will always be a competitor popping up because as they say in the tech industry, the the quote unquote and barriers to entry are not high. Right. My understanding is if you have even sort of basic technological abilities and you could create an Uber like app.

Harry Campbell: Yeah, I mean we've, we've interviewed a guy on the podcast who white labels, rideshare software, George Gramma, so you can definitely do it very easily.

Alison Griswold: Exactly. And so, so the advantage that a lot of these companies have is sort of scale and then some, and then operational expertise and customer loyalty. But none of those things prevent another company from popping up. Like right in the UK right now. A Bolt recently arrived and they have been doing similar things like offering fairly aggressive discounts to writers offering higher pay to drivers. And this is all going on in London. It looks, it looks, I'm not saying it will turn out the same

way as Juno, but on the surface right now it looks quite similar. I think a difference with Bolt is a seem to have like a much more targeted strategy and broader ambitions than Juno ever did. Like it doesn't look like a cell play in the same way, but it's that classic thing, right? There's almost this natural state of either monopoly or duopoly, I think in many cities and ride hailing with sort of like a dominant number one and then a fairly large number two. And you see this not just in the U S but globally, but as long as you have an app, some money, some time, there's nothing really preventing a number three from coming in and saying like, maybe we can take a piece of this market. And even if none of them have succeeded yet, it doesn't mean that they won't keep trying.

Harry Campbell: Yeah, definitely. I think that's sorta the scary thing for an Uber or Lyft is that Juno did really show that it really isn't, I mean it's hard, but it does require just a few things and if you're willing to spend the money at certain times, you could definitely apply a lot of pressure. I was, I guess always impressed at how easily writers would switch over from Uber or Lyft to this brand new app, Juno, just because it's cheaper. Right?

Alison Griswold: Yeah. And my last point I would say on that is you've probably done similar things, but I have this memory of one time I was talking to a class of business school students at NYU. The class was on like the sharing economy, right? And I was talking about that the ride hailing was essentially a commodity and one of the students raised their hand and they were like, it's not a commodity brand is really important. Like Lyft has established a much better brand than Uber. And I was like, okay, like let's test that. And so I said like, raise your hand if you've ever taken Uber. And everyone raised their hand and I said, raise your hand if you've ever taken Lyft. And like most people raise their hands and I said, raise your hand if you've ever opened both of your ride hailing apps and then taken whichever one is cheaper and everyone raised their hand because that's at the end of the day, that's what it comes down to you, right? If you're a rider.

Harry Campbell: Yeah. Especially considering you know that a lot of the drivers do all three services. In some cases

Alison Griswold: It's the same car, it's the same person, it's just a different app in a different price.

Harry Campbell: All right, well you showed those business school students and they learned a thing or two from you that day and I learned quite a few things from you

today, so really appreciate you coming on Ali. And if people want to learn a little bit more about your work, where should they go and where can they find your stuff?

Alison Griswold: Yeah, , you can either go to Quartz, which is qz.com or you can sign up for my newsletter. Oversharing. It comes out roughly once a week, depending how busy I am. And that is that <https://oversharing.substack.com>.

Harry Campbell: Very cool. Yeah, and as I mentioned, I am a, I think probably a subscriber almost from day one. I don't know. We might have to check the records, but yeah. Perfect. Well I'm right up there with your mom and it's one of the, just the only read a few newsletters every week. I always enjoy yours because you've got a great wit, in addition to the great reporting, so I appreciate it. Allie. We'll chat again the next time we see,, the next Juno.

Alison Griswold: Yeah, sounds great.

Harry Campbell: All right. Take care

Harry Campbell: Thanks to you, Ali for coming on the podcast. I had a lot of fun with her and she told me that she didn't have a ton of time and I kind of kept her longer than I said I would. So, really appreciate her coming on and she was a good sport about it. And definitely, you know, one of the reasons why I love interviewing people like her is you can sort of tell there were a couple instances during that interview, I was like, wow, you were doing some real reporting. Here I am on the surface, you know, looking at things and seeing how things sound on the surface. But, , you know, people like Ali are great to have in this industry since she's taking it to the next level and using all of her skills that she honed, as a journalist or as a journalist and a really kind of doing some extra in depth reporting. So I think we made a good combo on this. I actually recommend it to Allie after this that she started her own podcast. So hopefully she'll take me up on that offer and not that I'll be included in it, but maybe I'll be a guest on her future podcast someday. So if you guys do have any questions about Juno, don't hesitate to reach out. And as I mentioned, if you are interested in starting a ride share company, I have a feeling this might be an episode that you listened to in your research. So I'm happy to connect you with George Gramma who, white-labels rideshare software. Just shoot me an email, harry@therideshareguy.com and as always, if you have any questions, don't hesitate to reach out to me on email, social media. I'm all over the place. All right? Yeah. Thanks for joining me on today's ride and we'll chat again next time.

This is a transcript of Episode 111: Alison Griswold on Why Juno Failed. You can find show notes, comments and more by [clicking here](#). You can also listen to the podcast in [iTunes](#), [Stitcher](#) or wherever you get your podcasts.