Situation 12: inconsistent pricing in ride hailing services during peak hours

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1.Introduction, making inconsistent peak-hour pricing an important issue to examine. : Ride-hailing services such as Uber, Lyft, and similar platforms have transformed urban transportation by offering convenient, on-demand mobility through mobile applications. A key feature of these services is dynamic or surge pricing, where fares fluctuate based on real-time supply and demand. While this pricing model is intended to balance rider demand with driver availability, users frequently experience inconsistent and unpredictable pricing during peak hours, such as rush hours, weekends, or special events. These price variations often raise concerns related to affordability, transparency, and fairness

2. Observation: During peak hours, ride-hailing users often observe sudden and significant increases in fare prices for the same route

fare may double or triple during high-demand periods, even when distance and travel time remain unchanged. Additionally, prices may vary between users in the same area or change repeatedly while a user is booking a ride. This inconsistency can lead to frustration, reduced trust in the platform, and uncertainty for riders who rely on these services for daily commuting or time-sensitive travel. Drivers may also experience inconsistency, as higher prices do not always translate into stable or predictable earnings.

3. Stakeholder Analysis

A) Riders (Customers):

*Riders are directly affected by inconsistent peak-hour pricing.

otection, fair pricing, and market transparency.

* Inconsistent peak-hour pricing may prompt regulatory scrutiny, policy interventions, or fare-control discussions to ensure fair practices.

* High and unpredictable fares can limit affordability

b) Drivers (Service Providers):

*Drivers benefit from surge pricing as it can increase earnings during busy periods

c) Ride-Hailing Companies:

*Companies use dynamic pricing to manage demand, maximize profits, and ensure enough drivers are available during peak times.

* inconsistent pricing may damage brand reputation and lead to customer complaints or user attrition.

d) Regulators and Government Authorities:

*Regulators are concerned with consumer pr

e) Society and Urban Communities:

Ride-hailing services play a role in urban mobility.

* Excessive or unpredictable pricing during peak hours may push users back to private vehicles .

4.Interview / Survey Questions

The following questions are designed to understand user experiences, perceptions

User Experience & Awareness

1. How often do you use ride-hailing services during peak hours (e.g., rush hour, weekends, holidays
2. Have you noticed price increases during peak hours compared to off-peak times?
3. How clearly do ride-hailing apps explain the reason for price changes?

Perception & Trust

Behavioral Impact 7. What do you usually do when prices are unusually high? (Wait, cancel, choose another service, use public transport, etc.) 8. Are you more likely to check multiple apps before booking a ride during peak hours?

Driver Perspective (if applicable)9. Do you think surge pricing benefits drivers adequately? 10. How do you think pricing could be improved to satisfy both riders and drivers?

Timestamp	What is the main reason for surge pricing in ri	During which situation is surge pricing most l	Which stakeholder directly benefits financiall	What is the most common emotional respons	Which of the follow
27/01/2026 10:06:30	To balance demand and supply	When fuel prices drop	Regulators	Frustration	Lack of trust in com
27/01/2026 10:06:33	To balance demand and supply	High demand and low driver availability	Drivers	Frustration	Anxiety while booki
27/01/2026 10:07:18	To reduce fuel costs	High demand and low driver availability	Drivers	Frustration	Anxiety while booki
27/01/2026 10:09:18	To balance demand and supply	Late night with low demand	Passengers	Excitement	Feeling exploited
27/01/2026 10:10:47	To balance demand and supply	High demand and low driver availability	App designers	Satisfaction	Sudden increase in
27/01/2026 10:17:51	To balance demand and supply	High demand and low driver availability	Drivers	Frustration	Sudden increase in
27/01/2026 10:28:24	To balance demand and supply	Late night with low demand	Drivers	Excitement	Sudden increase in
27/01/2026 10:29:19	To balance demand and supply	When the app is updated	Drivers	Frustration	Anxiety while booki
27/01/2026 10:30:46	To reduce fuel costs	High demand and low driver availability	Regulators	Satisfaction	Anxiety while booki
27/01/2026 10:39:36	To increase app downloads	High demand and low driver availability	Drivers	Satisfaction	Sudden increase in
27/01/2026 11:19:14	To balance demand and supply	When the app is updated	Regulators	Satisfaction	Anxiety while booki
27/01/2026 13:07:39	To balance demand and supply	High demand and low driver availability	Regulators	Satisfaction	Anxiety while booki
27/01/2026 19:00:44	To balance demand and supply	When the app is updated	Regulators	Frustration	Anxiety while booki
27/01/2026 19:12:12	To balance demand and supply	When fuel prices drop	Regulators	Frustration	Anxiety while booki
28/01/2026 22:02:21	To balance demand and supply	High demand and low driver availability	App designers	Frustration	Anxiety while booki

Form responses 1

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5.Pain Point Analysis:

For Riders:

- Sudden and unpredictable price increases
- Lack of transparency in how prices are calculated
- Feeling exploited during urgent situations (emergencies, bad weather)
- Difficulty budgeting for transportation

For Drivers:

- Inconsistent earnings despite high demand
- Confusion over how much of the surge pricing they actually receive
- Increased pressure from customers during peak hours

For Platforms:

- Loss of customer trust and loyalty
- Negative public perception and media backlash
- Increased churn to competitor platforms

6.Root Cause Identification:

* Demand-Supply Imbalance: High demand and limited driver availability during peak hours

* Algorithmic Complexity: Dynamic pricing algorithms that are not easily understood by users

* Lack of Transparency: Minimal explanation of how surge multipliers are calculated

6.Wicked Problem Understanding

* There is no single definition of what “fair pricing” means

* Stakeholders (riders, drivers, companies, regulators) have conflicting interests

* Solutions that benefit one group may disadvantage another

* The problem evolves with changes in technology, regulation, and user behavior

7.Reflection:

*Inconsistent pricing highlights the tension between efficiency and fairness in digital platforms.

* While dynamic pricing helps balance supply and demand,

* it often leaves users feeling frustrated and powerless.

* Personally encountering extreme surge pricing can lead to distrust and avoidance of the service altogether.

This issue emphasizes the importance of ethical algorithm design and transparent communication in technology-driven

8.Conclusion:

* inconsistent pricing during peak hours remains a significant challenge for ride-hailing services.

* Although surge pricing is economically rational, its unpredictable nature creates dissatisfaction among users and uncertainty for drivers.

* Addressing this issue requires greater transparency, improved communication, and a balanced approach that considers all stakeholders. Ultimately, while the problem may never be fully resolved, thoughtful design and policy decisions can reduce its negative impact and improve overall user trust.