**Case study:**

**SWVL, an innovative transport mobile app.**

SWVL is an app that offers an alternative to expensive taxi rides and long walks. The idea for the service stemmed from increases in urban traffic, mounting fuel costs and the rising price of on-demand transport services – all of which were making it harder for people to move around.

SWVL connects a city’s minibus network with commuters by creating fixed and dynamic daily lines that can be booked via mobile. This new mass transit service is available in three cities in Egypt and Kenya, with plans to expand into eight further cities this year.

As an entirely new concept, SWVL needed to gain exposure for their mobile app and reach mobile users who commute on a daily basis. The team used Google Ads with strong calls to action to motivate people to download the app, sign up for the service and make bookings. Meanwhile, SWVL’s YouTube ads were designed to raise brand awareness.

As a startup, it was important to generate demand with the lowest possible budget. By combining the power of Google Analytics with Big Query, Data Studio and Firebase, the team made intelligent use of digital information to get the very best performance out of every ad.

For instance, SWVL segmented the audience by demographic, location and operating system in order to drive the highest conversion rates with the lowest cost. By carefully optimizing the budget according to the segment and placement, the team could systematically improve conversion rates across the entire funnel. Post-install, SWVL’s targeting quality then helped the team optimize the cost of in-app actions.

SWVL’s strategy has enabled the startup to achieve a 90% growth in customer acquisition with higher quality of sales, which continues to contribute to a higher conversion rates across all funnel segments. Since launching Google Ads three quarters ago, the brand has gone from 80 employees to more than 350 – and they’re still growing. The brand owns the largest fleet of buses in MENA and controls more than 80% of the market share.

As the team looks to the future, their objective is to penetrate new markets, expand their services and generate demand in new countries. To underpin the brand’s ambitious growth, integrations with Google Maps and Cloud are planned.

**Actionable takeaways for Marketers**

* Ensure to clearly define your business objective and to cascade it to set your media objectives; in SWVL’s case user acquisition translated to app downloads.
* A cross-platform media campaign helps in reaching consumers more effectively, SWVL was able to achieve great results through utilizing Search, Display, YouTube and Apps.
* As a startup, being data-driven is critical to ensure high ROI. Using cost-effective solutions like Google Analytics, Big Query and Data Studio helps in creating well-informed campaigns.

**Learning From Swvl, The Egyptian Startup That Is Challenging Uber In North Africa and The Middle East**

When Venture Capital firm Vestox New Ventures participated in Swvl ’s last Series B-2 $42 million funding, little did it know that it was becoming part of a never-before-seen future in the African transport ecosystem. If Egypt’s Swvl continues in the manner with which it has been known in recent times, it would most probably be the only African startup in the transport sector to reach a unicorn status in the next 7 years or more. At the last count, Swvl, the Egyptian ride-sharing startup, is now over $160 million in value, beating any known Africa-owned transport or logistics startup both in funding and rate of expansion. First in Egypt, then quickly in Kenya and Uganda, before shooting off to Pakistan, with hopes of sealing off 2020 with major expansion to the Philiphines, Bangladesh, Indonesia or Nigeria, Swvl is finally home to roost. In the highly fragmented and chaotic African transport sector, if Swvl gets it right, it would care less about fintechs or other short-term money-spinning initiatives.

‘‘We believe the overall target of $1 billion in Gross Merchandise Value by 2023 is achievable,’’ notes Vestox, [in a recently published financial report](https://afrikanheroes.com/2019/08/19/egyptian-statup-swvl-now-valued-at-157-million/). ‘‘Egypt alone could become worth at least $500 million and, if successful in Lahore, Karachi, Nairobi, Lagos and Johannesburg, this upside obviously multiplies,” the report further reads.

The report is further optimistic given that overall total addressable market in emerging markets’s transport sector is estimated to be at some $150 billion, with Swvl’s cohorts and bus lines in Cairo reaching a 60%+utilization rate, Swvl is headed for a clear path to gross margins which is close to 30% over time, higher than taxi-hailing at roughly 20%. This would likely warrant higher multiples for this type of business, says the report.

It is however not rocket science that the startup has come this far. Swvl’s success rate could be attributed to the following factors:

#### A Compelling Product That Adjusts To The Cultural Behaviour Of A City

‘‘Better than a public bus  
- Cheaper than an Uber  
- WiFi equipped  
- Comes on time, every time.

#### In A Crowded Ecosystem, Startups Need Enough Funding To Stick Out

To further show that Swvl’s team was mindful of power of funding in confronting industry giants in the likes of Uber and Careem, of the total amount of about $686.4 million [raised by African tech startups](https://www.businessinsider.com/uber-careem-transportation-in-middle-east-fight-local-competitors-2019-2/) in 2018, Egypt got a share of $68 million. Out of Egypt’s share, SWVL got about $38 million backed by some of top regional VCs including BECO Capital, Raed Ventures, Oman Technology Fund, and global names like Endeavor Catalyst, making the startup the most-funded Egyptian startup.

#### There Is Something About Swvl’s Partnerships

What makes Swvl different from its competitors is because of its series of partnership deals. The startup recently [signed](http://www.arabnews.com/node/1503831/corporate-news) an agreement with Ford motor company, to deploy more cars on the road. The agreement will combine the brilliance of the Ford Motor Transit, world’s best-selling van brand, with an app-based mass transit system that enables commuters in Egypt’s major cities to enjoy an affordable, convenient, safe and reliable alternative to existing transportation services. Ford Transit, which the startup intends to use is already the third [best selling van of all time](http://www.parkers.co.uk/vans-pickups/best/2015/top-20-best-selling-vans-of-all-time/)s. SWVL is [already](http://www.menabytes.com/trukkin-3-5-million/) in possession of about 100 Ford Transits. Hazem Taher, SWVL’s Head Marketing Manager, [said](http://www.menabytes.com/trukkin-3-5-million/) the vans were ready to go and they’re excited to push them on SWVL’s routes.

This agreement not only gives SWVL an advantage within the Egyptian private transport market, it also, by some distance, allows it to broaden its reach in the MENA (the Middle East and North Africa) market.

Resources:

<https://afrikanheroes.com/2019/11/21/learning-from-swvl-the-egyptian-startup-that-is-challenging-uber-in-north-africa-and-the-middle-east/>

<https://www.thinkwithgoogle.com/intl/en-145/marketing-strategies/app-and-mobile/how-mena-startup-raised-customer-acquisition-90-low-budget/>