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Subject: **Entrepreneurship**

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Section: **4B**

Assignment # 3: **Secondary Research**

Bestrav Application

Bestrav is an app that will help to develop contact between commuters that have the same route at the same time so they can travel on one vehicle. Hence, sharing the expenses. At first, it comes into one's mind that how would the safety be made sure especially for women. Simple solution is that female driver will preferably pick up female client. Customer will be able to share their live location with family members who could watch out their journey.

The competitive advantage of this idea over competitors like Uber and Careem is that it will be much more economical for people who travel more on the same routes often. They can share routes and hence find a person who also travels the same way and share expenses by sharing a vehicle with somebody for a long period of time.

Advantages of Ridesharing

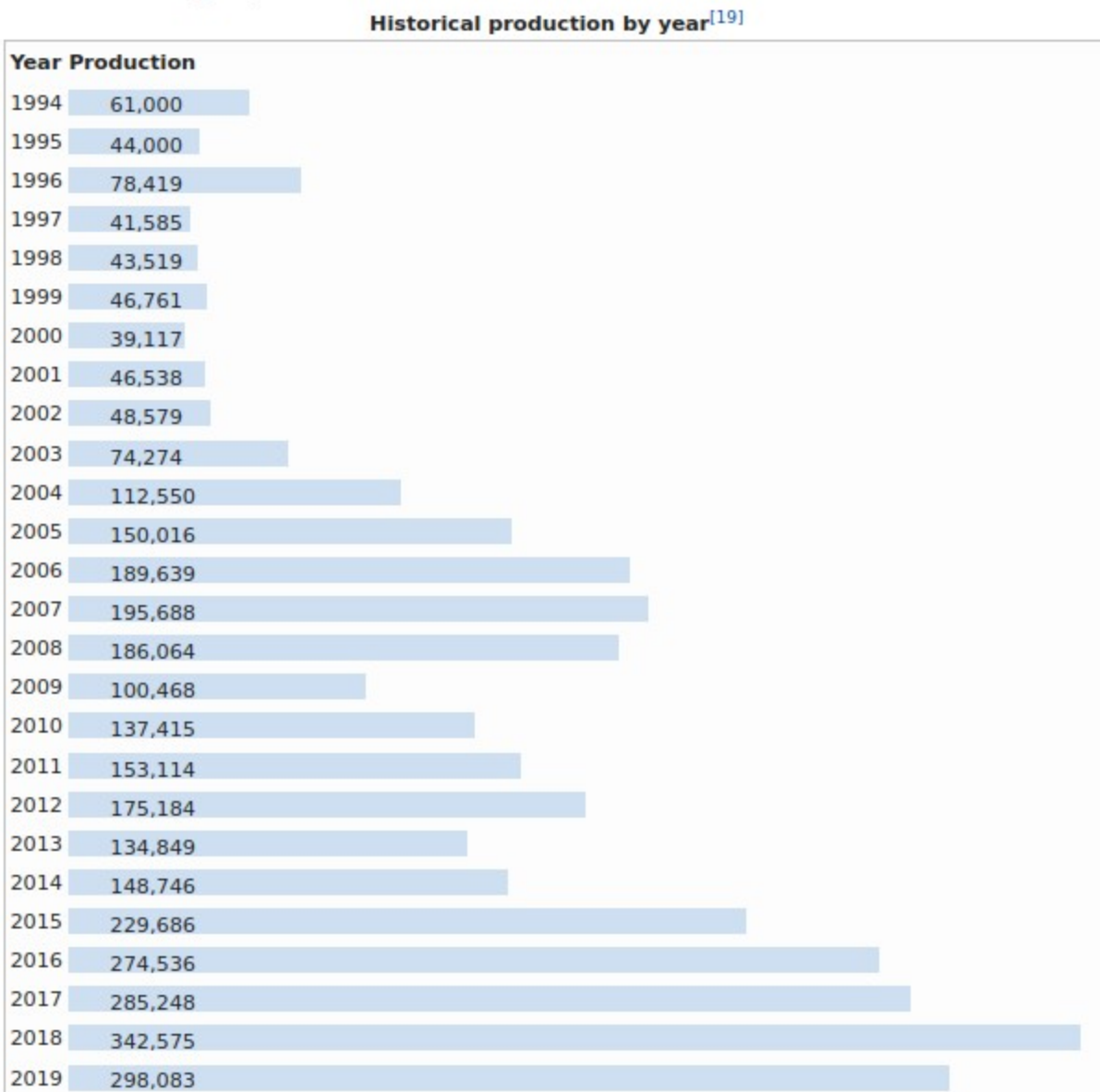


Before launching this project, there is an intense need of secondary research to test its feasibility.

Feasibility: Product/service

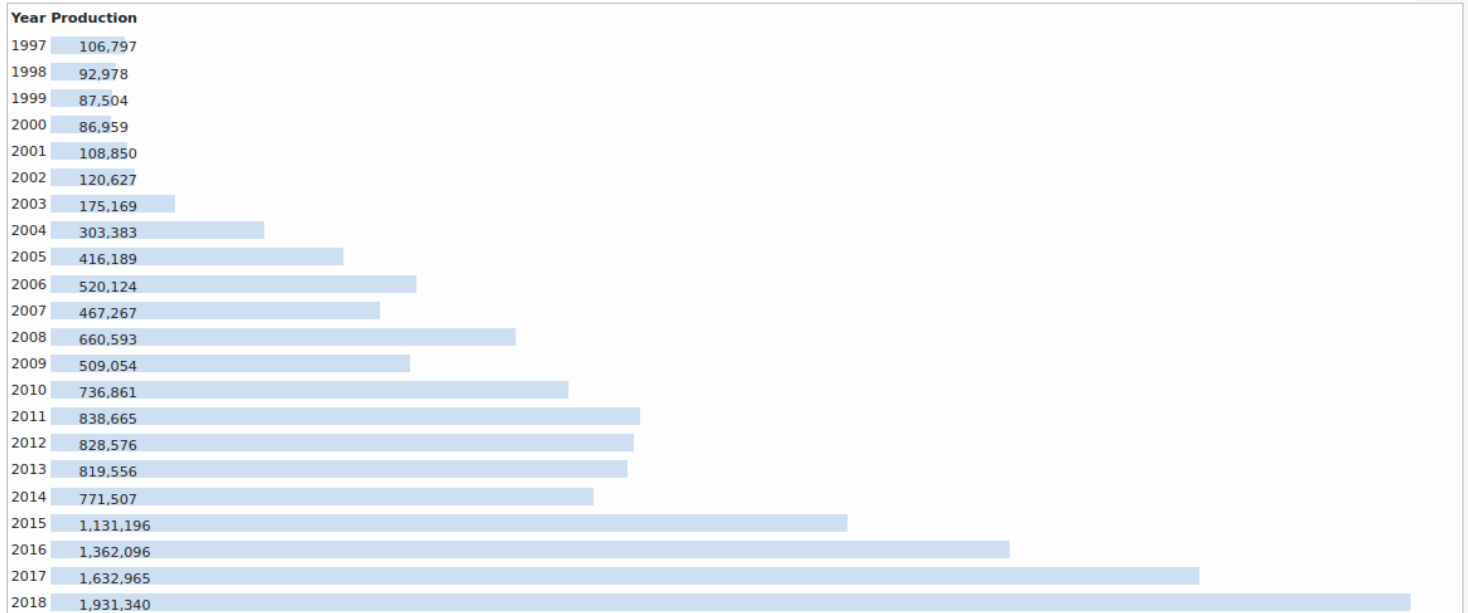
- **product/service desirability**

Millions of people drive alone and bear the cost of fuel and wear and tear of their vehicles. Consequently, there is tremendous growth in vehicle production over past years which is becoming concern for global warming, environmental damage and depletion of resources.



Motorcycles [edit]

Historical production by year^[19]



The increasing number of production of automobile looks a great concern from above graph. These images are taken from Wikipedia (https://en.wikipedia.org/wiki/Automotive_industry_in_Pakistan).

As technology has advanced, people are almost on same platform and have less hesitation to communicate with each other. Since, past few years, there is a trend of sharing a ride sharing¹. For instance, uber and creem introduced this concept and people welcomed it. It is growing famous at small scale. But I want it push on large scale with few modifications. But as far as desirability is concerned, it has already been proved.

Future trend of ride sharing is increasing with the need of protecting environmental damage and optimum yield from automotive industry.

1 <https://www.uber.com/us/en/ride/uberpool/>

Ride-sharing, otherwise called carpool, vanpool, dynamic ride-sharing, and moment ride-sharing, is a method of going in which a solitary ride is shared by more than one unknown travelers going along a similar course. This strategy includes picking various travelers from better places and shipping them to same or various objections. Ride-sharing is an old idea that has entered in the market since 1907². In the mid twentieth century, the strategy was known as ride sourcing in which the area of vehicles was obscure. Quicker organization speed, Global Positioning System (GPS), and cell phones have changed the substance of the worldwide ride-sharing industry, which empowered clients to book a ride at whatever point they need and knowing the specific area of the vehicle, which thus has improved the security of travelers.

The worldwide ride sharing business sector is basically determined by the failure to possess a vehicle transcendentally among mid-and lower-pay bunch populace. Asia Pacific and Latin America represent a fundamentally lower number of vehicles per 1000 people. Ride-sharing offers the clients a feeling of claiming a vehicle at a much lower cost than possessing one. Along these lines, purchasers are favoring ride-sharing administrations. High instability in fuel costs, rising gridlock, expanding average populace requests for every day drive in metropolitan spaces of significant nations, enhanced by restricted arrangement of public travel support in certain nations and strong government drives for extension of ride-sharing exercises are powering the worldwide ride-sharing business sector. Furthermore, factors, for example, ascend in every day drive to work places in metropolitan regions and expanded need to save fuel, which is squandered in such clogs, by giving a ride to suburbanites and partners heading along a similar course are expected to fuel the worldwide ride-sharing business sector.

- **product/service demand**

ride sharing concept is common in public and private sector. Both public and private agencies offer ride sharing through trains on dedicated route, metros(orange train, metro train, green line) and other private buses which pick and drops customers from stop to stop. Still there is an intense need to utilize the personal vehicles to their optimum level.

2 <https://www.transparencymarketresearch.com/ride-sharing-market.html>

Demand is expected to rise as people so far have no better substitute as compared to bestrav.

Current & projected Number of Ridesharing Users, Globally

Numbers are in Millions Of People.



Above diagram clearly shows the increase in demand. This diagram was taken from the following link³.

Technical Feasibility

Technically it is already feasible as there are millions of application in market. In the era of internet and advanced technology, design and structure of such application and its execution is not a rocket science. However, there are still some areas where technical feasibility can further give insight.

Extension of significant automobile producers is probably going to offer rewarding freedoms for the worldwide ride-sharing business sector. Worldwide automakers are stressing on the arrangement of independent and electric vehicle armadas across the ride-sharing and ride hailing industry, which is relied upon to lessen the voyaging cost for shared rides, conspicuously. Independent vehicles are being tried for their security and effectiveness. Uber Technologies Inc. has collaborated with the Volvo Group to add

³ <https://www.cmarix.com/blog/unique-ridesharing-apps-the-possibility-scope-ideas-and-opportunities/>

24,000 self-sufficient vehicles into its armada sooner rather than later. China is seeing a flood in reception of electric vehicles. Ride-sharing firms across China have an essentially higher number of electric vehicles in their armadas.

Industrial analysis (global perspective)

Asia Pacific contains quickly agricultural nations like China and India. Interest for ride-sharing and ride-hailing administrations is at its top across these countries and is required to flood sooner rather than later. Presence of driving worldwide specialist co-ops, essentially lower number of vehicles per 1000 individuals, lower GDP per capita, and adaptable laws by governments are moving the ride-sharing business sector across the district. Asia Pacific represented about 40% of worldwide market, as far as income, in 2017. Latin America and Africa have essentially lower number of vehicles per 1000 individuals; consequently, the interest for ride-sharing and hailing exercises is ascending across these locales. Development of key worldwide players across Latin America and Middle East and Africa and consolidation and securing exercises saw in these districts are relied upon to fuel the of ride-sharing business sector in these areas.

Vital participants working in the worldwide ride-sharing business sector incorporate Uber Technologies Inc., ANI Technologies Pvt. Ltd. (OLA), Lyft, Inc., Grab, Careem, Taxify and Gett. The worldwide ride-sharing business sector is seeing a critical expansion in consolidation, securing, and joint endeavor

Competitor analysis

When considering ride-flagging down or taxi applications, the principal thing that presumably strikes a chord is Careem or Uber. In any case, things have changed a great deal on the transportation scene since 2015 and you some more and quick organizations that have moved in to settle the transportation issues of Pakistan:

Siayara

Siayara is another online taxi administration that will take into account individuals searching for economical vehicle in Karachi. At first, they have begun with 2,000 vehicles separated into four classes – eco-little, eco-, eco-in addition, and eco-business with sensible admissions and 24 hours administration. The organization intends to present a cruiser administration also.

Buraq

Looking at on the potential vehicle market, Timesaco, a Chinese organization is good to go to dispatch its online taxi administration in six major urban communities of Pakistan

including Karachi, Lahore, Faisalabad, Islamabad, Rawalpindi and Peshawar and it is stretched out to other metropolitan habitats.

The organization has an open-entryway strategy as individuals could enlist their vehicles, bicycle, carts, pickups, Qingqi loaders, and trucks with the organization and get various ways for procuring. Buraq drivers will get 97% portion of their procuring and friends will get just 2% from drivers while one percent would be put resources into Drivers' Club for giving wellbeing and schooling administrations to groups of drivers.

Swvl

Swvl, a Cairo-based firm, which is because of move its central command to Dubai in November, dispatched in Nairobi around a half year prior and started activities in Lahore in July.

Pakistan is the subsequent worldwide market for Swvl. It has been effectively dispatched in Lahore, Islamabad and Rawalpindi and has as of late dispatched in Karachi.

Airdrop

With fixed courses, timings and costs, Airlift is a day by day drive ride application that allows clients to hail and track top caliber, very much kept up with small transports. Airdrop is application based innovation startup that offers a brilliant transport administration customized for day by day workers. With a charge of only 50 PKR, a saved seat in a cooled small transport and many courses spread all over Karachi and Lahore. Airdrop is continuously turning into the main alternative of working experts and understudies who need to go toward the beginning of the day and return the evening.

Daewoo

The Daewoo Express has been giving its transportation administrations since the most recent 12 years to the group in Pakistan.

A portion of the other mainstream ride hailing applications are:

Shahi Sawari (Rickshaw hailing application)

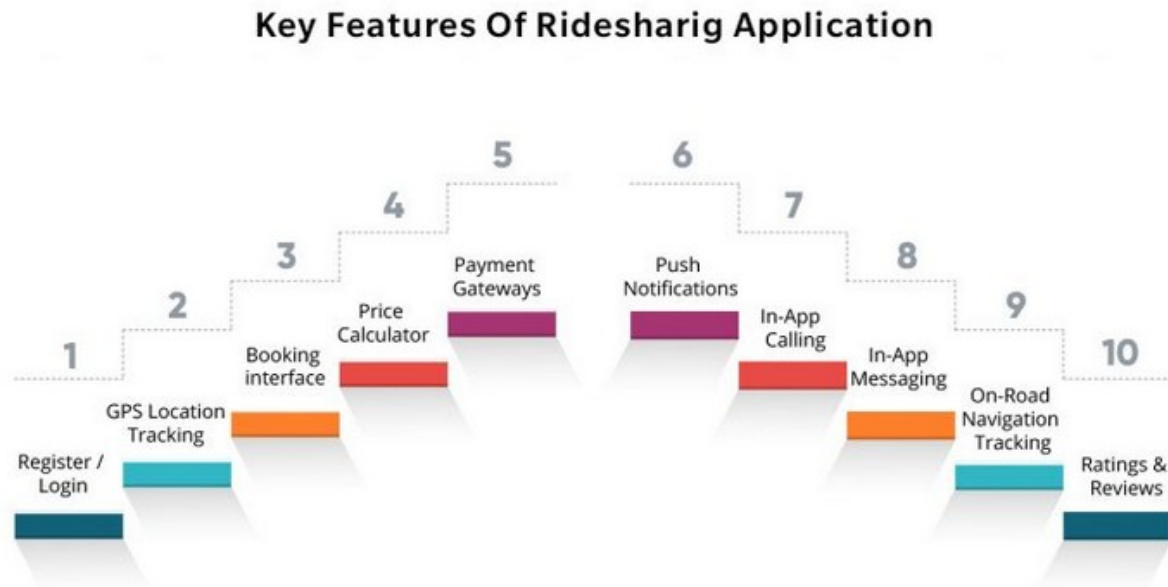
A-Taxi (Turkey based organization)

Paxi (First female taxi administration)

Recently, government has launched 'Orange Train' and 'Green Train' is under construction. 'Metro train' is already serving successfully. The railway is already cheapest solution of traveling.

Even though there are many competitors around but bestrav will introduce some advance features which all other competitors have not introduced yet.

These are the following features what we want to implement.



The best feature would be advanced booking, optimized matching customers with client, calculation of shortest paths.

target market

At initial stage, we would start for students who regularly come to university. Once it is tested at small stage, then it would be extended to large scale if things went smoothly.

At first, it comes into one's mind that how would the safety be made sure especially for women. Simple solution is that female driver will preferably pick up female client.

Best client will be those who travel on the regular basis. Both those who have either their conveyance or who don't have their conveyance.

Initiative will be taken from cities where there good ratio of car owners and travelers. It can extended to other areas when a car owner has to go outside the city. The ultimate aim is to fully utilize the vehicles to their full potential.

We know, uber, dewoo, faisal movers, public buses and trains are direct competitors but there is major difference between quality travel in luxury cars and third class vans almost with same fares.

Similarly, **Ridely** Pakistan is rideshare services in Pakistan. This *carpooling app* allows its users to select rides based on the route match between two cities of Pakistan.

Over the past few years, mobility startups have become the undisputed drivers of the local ecosystem with all imaginable variants manning the space, be it ride-hailing, smart buses, car rentals (by the day or the hour). Now add to that mix a carpooling platform.

Download the app, enroll utilizing number, title etc and select to either get a ride or offer one. On the off chance that you go for the previous, select the course (as of now as it were between Lahore and Islamabad) and it'll appear you all the recorded rides with information just like the advertisement distributor, car, cost, date, time, choose and drop focuses. Tap on it to discover other specifics such as gear measure, smoking and book (it). The blurb at that point gets a pop-up alarm and can select to acknowledge or dismiss it. In case you need to offer a ride at that point include all those points of interest and have your post listed. The startup was established in Walk 2018 by Junaid Lashari and Bilal Zahid, two engineers working within the telecom industry, and were at that point joined by Abeer Hamza to supervise operations and M. Abid for tech.

(<https://www.jugnoo.io/carpool/system>)

Organizational feasibility

In Pakistan, expertise and professionalism in almost every field of life is mature enough to handle this sort of business. So far the safety of women is concerned, there is good news out there. **“The number of female car drivers in the city has increased by 60 percent over the past two decades, Pakistan Today has learnt. City Traffic Police report shows that in the first quarter of the current year, 1,102 driving licences were issued to women. Traffic Police (Licensing) Deputy Superintendent of Police Ali Iftikhar Jafery characterized women drivers ‘responsible’ as compared to men drivers⁴”.** This ratio is encouraged to increase so that women can pick women.

There will be set some preferences that same age of people will be more likely to pick up of their age and same gender will be preferred for same gender.

4 <https://archive.pakistantoday.com.pk/2011/06/07/number-of-women-car-drivers-rises/>

Management and structure of an organization plays an equal role as other factors do. The structure besttrav will follow the following method and process given in the following diagram.

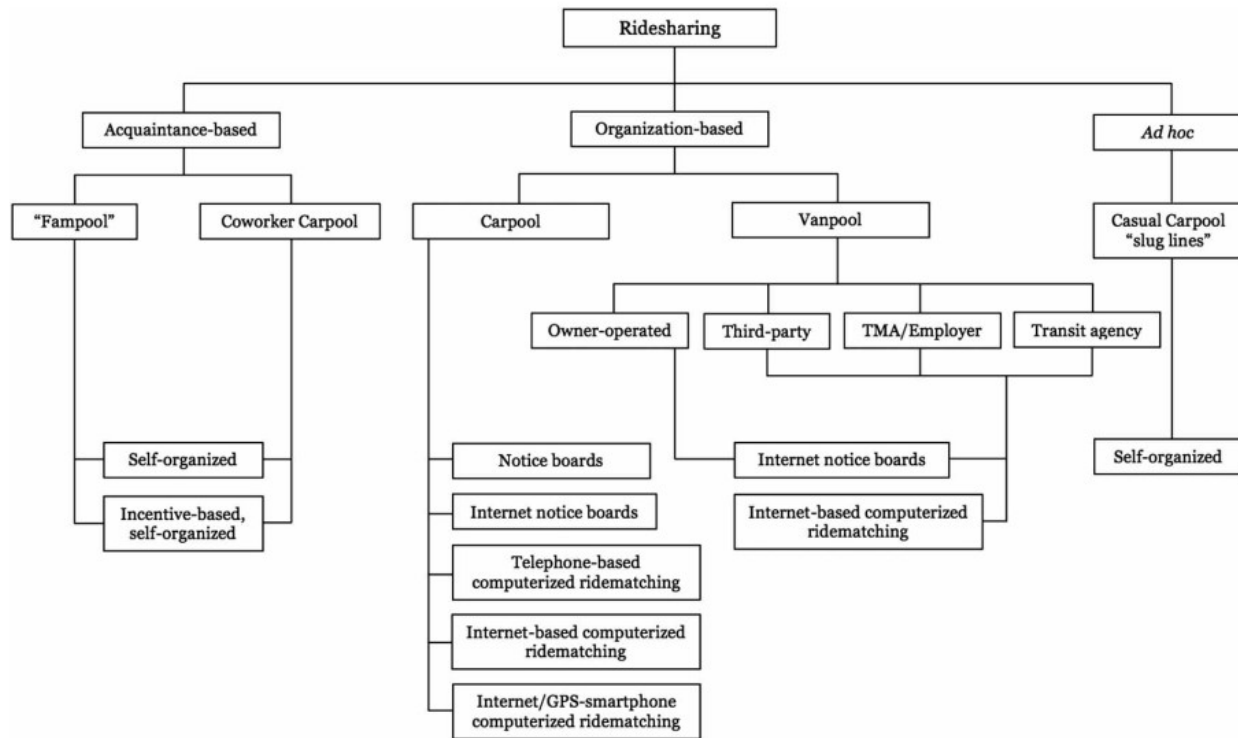


Figure 1. Ridesharing classification scheme.

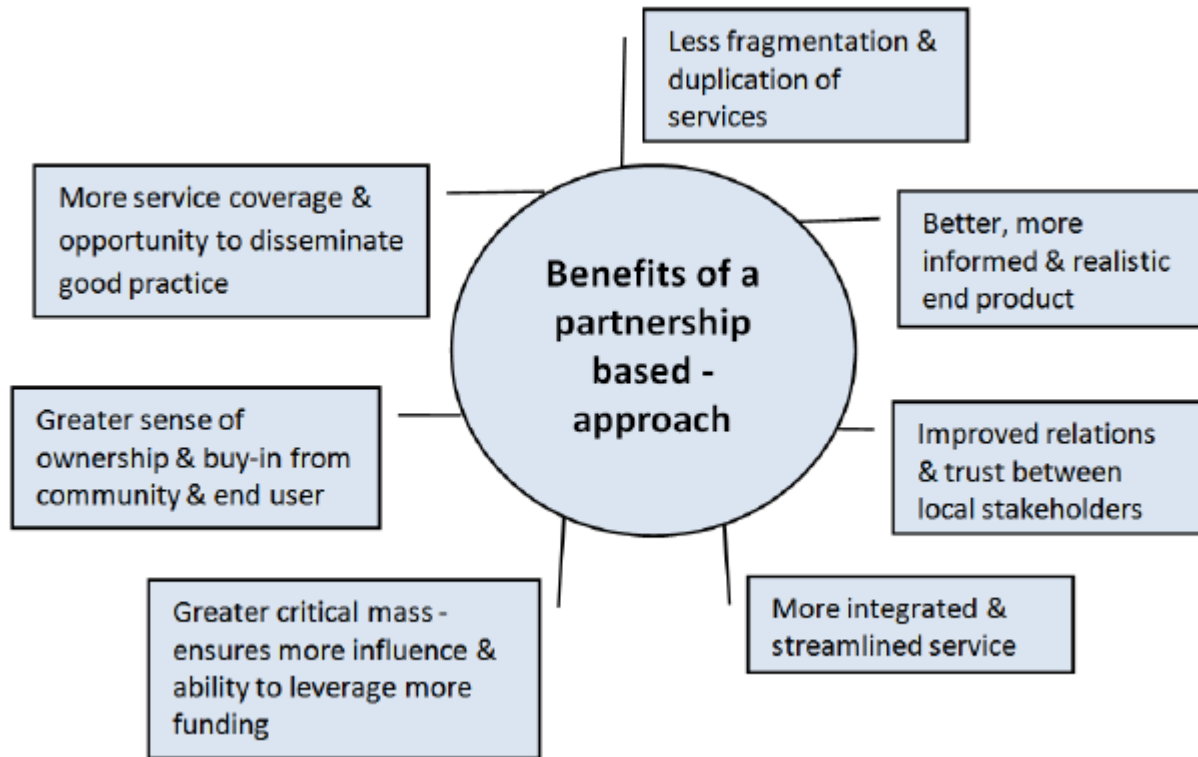
Ownership

Since, a great budget and wide range of management is required, sole proprietorship is bit risky. Therefore, we will prefer a partnership and lay down a private limited company(Bestrav pvt). Corporation is another option but then there will be required more budget. Each active partner will be preferred instead of sleeping partner who will take headache themselves on their own responsibility. Even uber, a multinational company took initiative as firm. **“The US firm, founded by Garrett Camp and Travis Kalanick in March 2009, attracted large investments from around the world before becoming a public company in 2019⁵”.**

Partnering with someone can give you access to a wider range of expertise for different parts of your business. A good partner may also bring knowledge and

5 <https://www.edinburghnews.scotsman.com/business/who-owns-uber-ownership-of-ride-hailing-company-explained-and-why-uk-drivers-will-now-be-paid-minimum-wage-3168855>

experience you may be lacking, or complementary skills to help you grow the business.



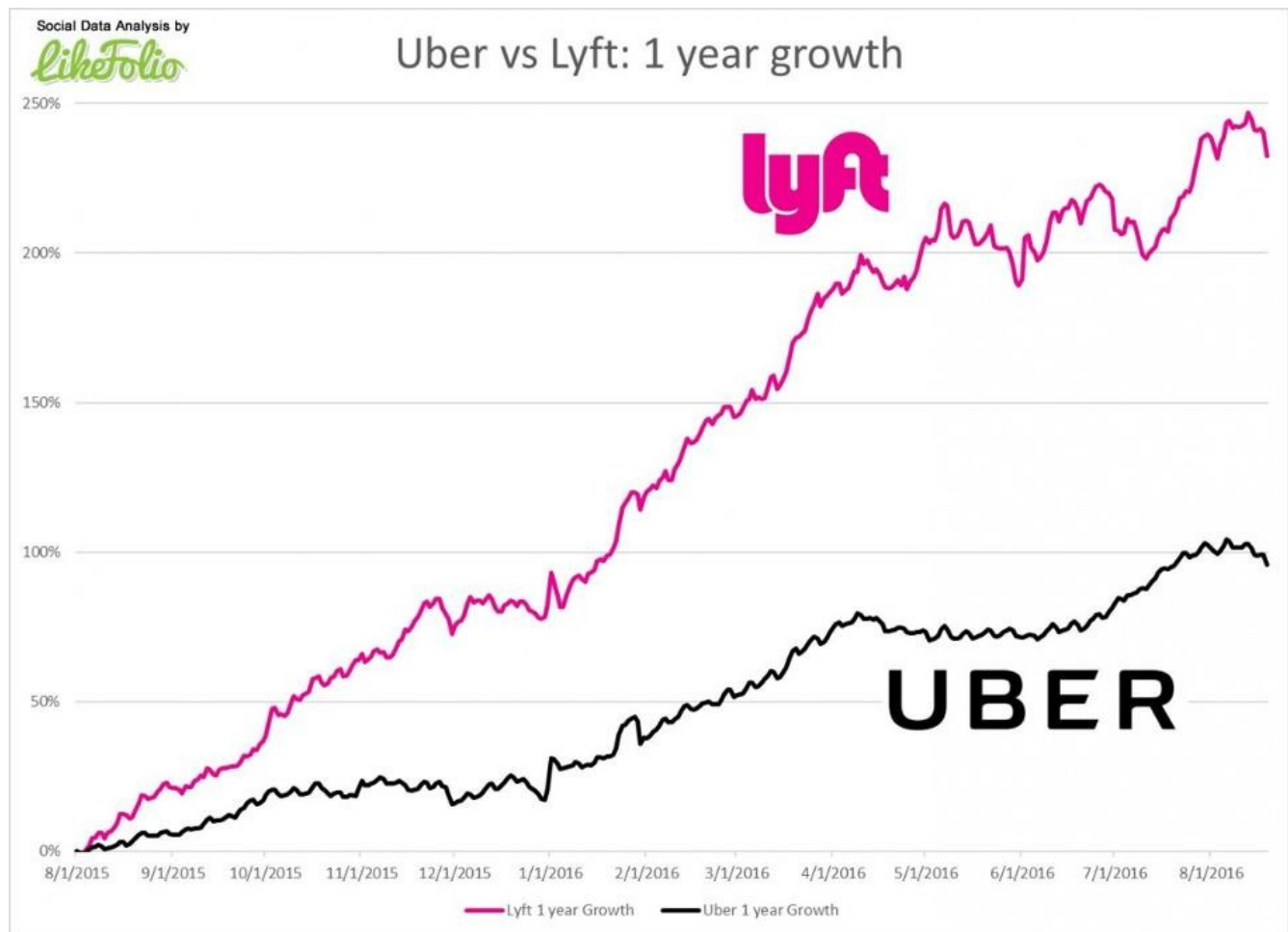
financial analysis

More partners means more financial assets for start up of bestrav. Each partner will contribute finance. To further run the business, finance system will become much complex and there will be many costs to be taken into consideration. Borrowing can also be performed from banks and sleeping partners who will earn interests in reward.

Since, the idea seems very successful, there will be enough loans and participants interested in this sort of business. By the way, there is no much money required for start up business. The major finance is required for **bestrav application** and running business offices which would not a big deal. Once application is developed, people will start communicating with each other. Customer will be encouraged to pay on daily bases so that a fraction of profit might be reserved from each transaction which would boost up finance.

Uber and lyft has already used this technique and proved successful. Following image shows the growth rate of each company. (<https://1reddrop.com/2017/07/07/lyft-crosses-one-million-rides-per-day-uber-continues-unabated-growth/>)

The company has shown 100 percent growth over the last four years, with its presence in 160 new cities so far. With this, the company reaches 360 communities and 80 percent of the US population, while its bigger competitor Uber is in more than 70 countries and 460 cities. Though Lyft has shown steady progress, it still has a long way to go before it catches up with Uber.



Fixed assets will include buildings, computer equipment, software, furniture, land, machinery, and vehicles. Some of these types of assets can be moved from one location to another, such as furniture and computer equipment. These assets will be required before launching full scale project.

Current assets would include cash, cash equivalents, account receivable, stock inventory, marketable securities, pre-paid liabilities, and other liquid asset Current assets may also be called current accounts.

To calculate **working capital** compare a company's current assets to its current liabilities. Current assets listed on a company's balance sheet include cash, accounts

receivable, inventory, and other assets that are expected to be liquidated or turned into cash in less than one year.

Conclusion

After gathering potential information regarding ride **sharing service**, we are much confident to precede our idea of Bestrav application. Information was gathered to qualify **feasibility tests**. **Product/service** feasibility was tested well in first paragraph. **Industry and market analysis** was performed to multinational companies working in Pakistan and as well as local services by both private and public sector. Though they offer almost same service but we have some **additional features** for some specific customer base. **Specific features include advance planning (customer will be free to plan with car driver and they can continue for years while uber and creem offers weak bond of customer and services)**. We know, uber like companies have **specialization** in other areas like picking random customers and they are comfortable with that while customer has bit difficulty whether he/she finds the drive or not. But Bestrav will offer **strong bond which will last longer**. It is also feasible with financial perspective as we have selected partnership which will bring both finance and expertise and in long run it might transform into corporation. According to outcomes of secondary research, we are much hopeful to carry this idea soon. But before that, Business plan need to well crafted to gain the attention of potential partners.