

Applying “Distribution channels and Customer relations” to Lyft



Need a ride? Get a Lyft!



Content

- Introduction
- Distribution Channel
- Customer Relation
- Expansion
- Discussion Questions



Introduction

- On-demand ridesharing
- Founded in 2012 by John Zimmer & Logan Green
- 30,000 ride each week
- 180 employees
- 19 cities
- More than 100,000 registered users





Atlanta

Chicago

Los Angeles

Sacramento

Seattle

Baltimore

Dallas

Nashville

St. Paul

Silicon Valley

Boston

Denver

Orange County

San Diego

D.C.

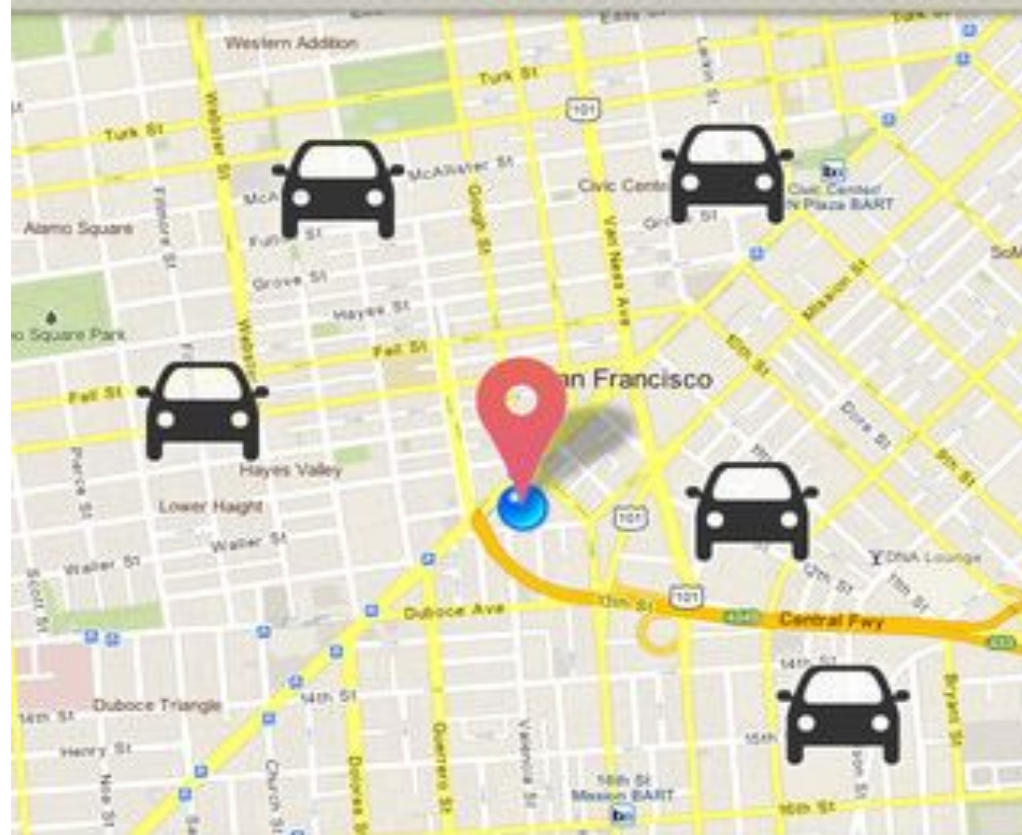
Charlotte

Indianapolis

Phoenix

San Francisco



[Support](#)

Nearest driver is 5 minutes away

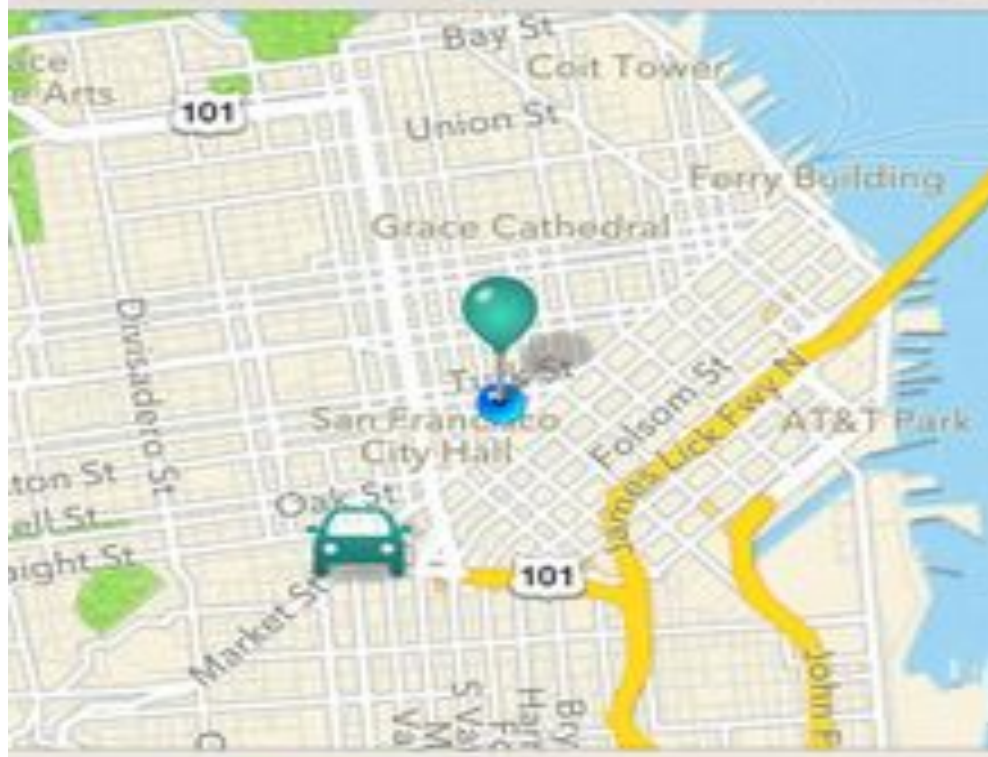


262 Valencia St.



Request pickup here

Cancel



Cindy ★ 5.0 will arrive in 5 mins

Call Driver



\$12 *Donation*
Tip included



Awful

Awesome!

Submit

Rating

- Mutual rating
- Reputation within the network
- 5 stars scale
- Safety precaution





6:39P PT

STOSSEL

FOX 50

UPS (UPS)

88.70 ▲ 0.85

OIL 95.98

FOX
BUSINESS

291 ▲ 0.0024

CAD/USD (CADUSD=) 0.9714 ▼ 0.0

GOLD 1344.40

THE POWER TO PROSPER

NAS FUT 3023.50

Distribution Channels



Who are our customers ?

- Budget Conscious Smartphone users who need to commute around.
- Commuters who want to experience a more entertaining ride than traditional taxi.




Distribution Channel used

- Smartphone App





lyft

Driver Login




Your friend with a car

 Download for iPhone

 Download for Android

or

Sign up to be a driver



Benefits/Strengths

- Massive reach in a fast growing distribution segment.
- Increased brand awareness and loyalty.
- App usage statistics can be generated from app.
- Building and launching apps on this platform are considerably cheap.



Drawbacks / Weaknesses

- Unable to target budget conscious customers, who cant afford data plans and smartphones.
(Missed opportunities)
- Operational complexity (some customers may not be willing to submit credit card information on the app, in fear of potential fraud)



Alternative channels of distribution

- Use Facebook, Television as an important tool for advertising
- Offering Perks to drivers as a way of attracting more drivers



Weakness of mobile channels distribution

- Company has to bear all the cost of traffic building and converting potential customers into buyers
- On site promotion and marketing can get costly



How does Lyft drivers get paid ?

Lyft drivers usually get paid through commission which is almost 80% of the donation sent by passenger



How to channel economies of distribution ?

- In app advertising

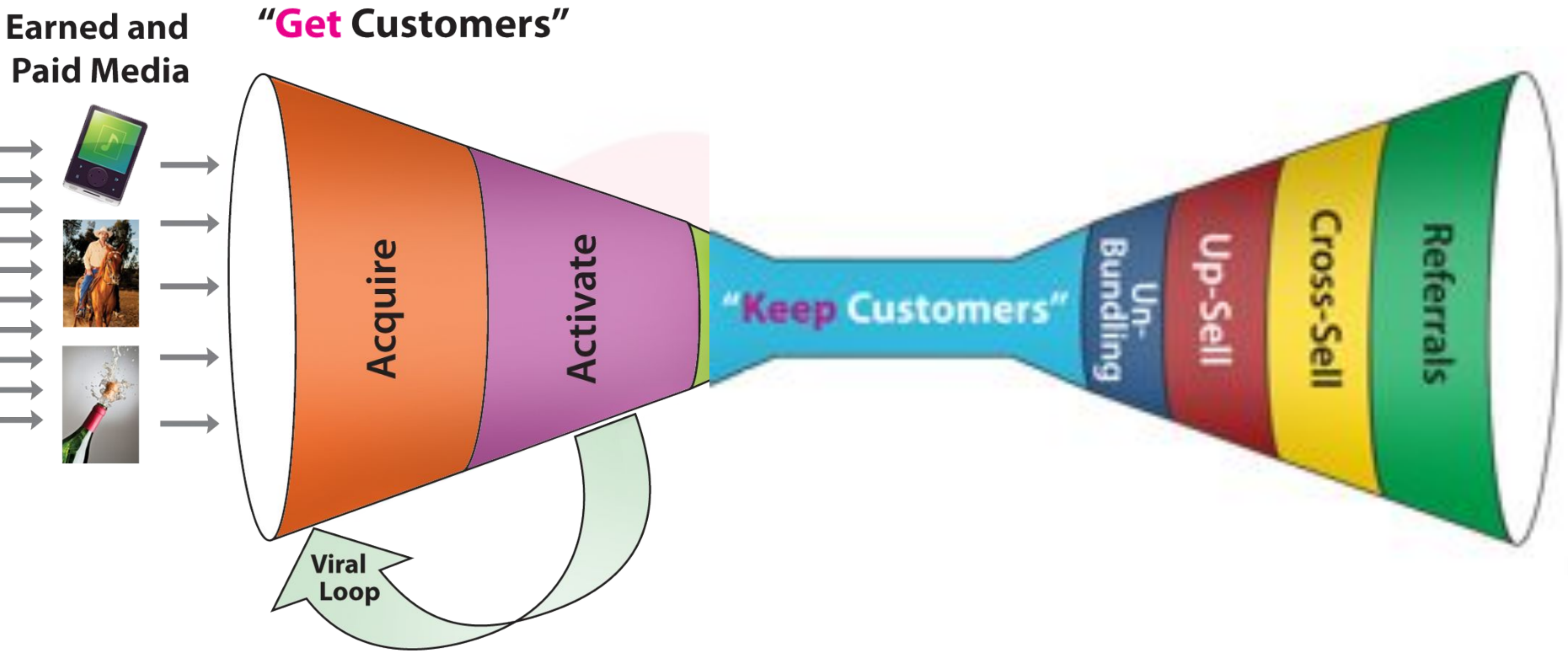
- They can cut down the percentage of donation given to drivers and can provide them alternative incentives e.g. free gas, as provided by Uber



Customer Relationships



Content



Get

How do people engage with the product?

1. Need a ride but don't want to pay full price for it.
2. Lyft= affordable convenient way of travel
3. Visibility of App in app stores/mustache/
word of mouth



GET

Acquire

- *App Store*
- *Social Newtorks*
(Facebook & Twitter
mainly).

Activate

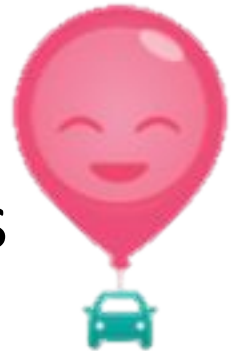
- HOW?

Facebook login

Credit card details.

- INCENTIVES for
activation:

Coupons,
promotional codes



Get recommendation

- Affiliate marketing

- Capture customer's e-mail address and get permission to follow up



Keep

- New customer experience
- Cheaper
- Lyft Culture & community
- Offer good and alternative service.
- Passenger/Driver ratings
- Feedback
- Track-down of customers using the service.



VIDEO

The image shows the Lyft logo, which consists of the word "lyft" in a white, lowercase, rounded sans-serif font. To the right of the logo is the hashtag "#lyftcreatives" in a smaller, white, lowercase sans-serif font. Both are centered on a solid teal background.

lyft #lyftcreatives

In the Long term....

Cost to Acquire a Customer (CAC)

- Providing attractive incentives to drivers , who are the service providers, for receiving positive customer feedback
- (this would lead to drivers being more creative in keeping customers entertained)

Monetization (Life Time Value LTV)

- Increased number of satisfied customers.
- repeat purchases (high customer retention)
- motivated drivers (service providers)



Keep recommendations

- Loyalty programs
- Personalized customer service and support
- Free trials and promotions on the actual app.



Grow

Get current customers to spend more

- Good service and convenience will make them come back
- Customer referrals

Get customers to send more customers to the company.

- Facebook likes
- Tweets
- Marketing techniques- Mustache, events
ex: Sundance.
- Discounts

Grow recommendation

- Higher ends produts
- Next-selling programmes
- Viral products



Expansion

- In the last quarter of 2013 Lyft cofounder discussed about plans of expanding Lyft both domestically and internationally.
- Lyft recently secured a funding of \$60 million its largest yet



Discussion Question

In a hypothetical case that legislations and laws do not favor this business model therefor Lyft entering a wider market and competing with already established transportation companies and taxis, how and what would Lyft do to its current business model ?

Would you consider this a new form of transportation that could be adaptable to any market? What are its limitations?

How could Lyft maintain and attract the required number of drivers to satisfy the present and possible growing demand?



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