



Rapido was formed after recognising the need for clients to have access to economical, convenient, and safe transportation options. Rapido offers the finest alternative to a costly four-wheel drive for solo passengers.

The three entrepreneurs who founded Rapido as a startup are Aravind Sanka, Rishikesh SR, and Pavan Guntupalli.



Business Model

What Is The Business Model Of Rapido?

Rapido's business model is B2C (business-to-customer), which means they service their customers directly as a business entity. In addition to passenger drop-off, they use vehicle storage to provide a carriage service. Their B2C concept allows users to hire a bike taxi directly from the app.

Revenue Model

What Is The Revenue Model Of Rapido?

Rapido's income model comprises two main components. One is based on commission. The company makes money by serving as a mediator between two parties: the drivers and the passengers. The firm charges a fee of 20% of the total fare.

The other commission is for business-to-consumer transactions. B2C logistics is a significant source of revenue for firms in this area, with a focus on supporting logistics providers in delivering their goods.

Meanwhile, the company's losses continue to grow. According to Entrackr, Rapido's losses increased by 53.76 per cent in 2022-23, reaching Rs 675 crore in FY23 from Rs 439 crore the previous year. The company's revenue from operations tripled during FY23, reaching Rs 443 crore from Rs 145 crore in FY22.



Who Are The Competitors Of Rapido?

Rapido's competitors can be divided into two categories.

Bike service companies: OLA and Uber are two of the most prominent bike taxi service providers. Even though they are more focused on four-wheeler help and long-distance commuting, they do offer bike service

Bike Rental companies: Vogo and Bounce are the top Bike rental companies, meaning that they will provide you with the bike for a fixed duration wherein you are any other person will be responsible for driving wherever you like, without their drivers..

Recently, Rapido has extended its SaaS-based zero-commission model to auto drivers.

Rapido is expanding its Software-as-a-Service (SaaS)-based zero-commission approach to auto drivers. Unlike the commission-based approach, the new model allows auto drivers to accept zero-commission payments from customers in exchange for a dynamic fee to the platform.



Under this model, Rapido plays no role in deciding the price point, making the service transparent and inclusive for all stakeholders.

The Rapido Cabs had a zero-commission model through a SaaS platform. It has been extended to auto services as well.

This model is different from most of Rapido's competitors, like Ola and Uber, where the drivers pay a commission per ride.

THINK AS A BUSINESS ANALYST

- How will Rapido's zero commission-based business model impact its profitability and sustainability in the ride-hailing industry?
- What is Rapido's current market position as determined by its SWOT analysis, highlighting its strengths, weaknesses, opportunities, and threats in the ridesharing industry?