



Strategic Recommendation

Rapido has transitioned from rapid growth to sustainable profitability by leveraging its user base, captain network, and multi-modal system. The Rapido Shuttles pilot introduced affordable, reliable, app-based fixed-route rides, validating user adoption and viability while strengthening Rapido's position as India's everyday urban mobility platform

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Product Brief

Rapido is an **Indian mobility and logistics platform** connecting commuters to **verified captains** via a mobile app. It solves **last-mile transport challenges** by offering quick, low-cost rides (Bikes, Auto, Cabs etc.), especially in congested cities. Its user segments include **students, professionals, and urban commuters** who need reliable, affordable travel.

Rapido's revenue comes from a **subscription / SaaS model** for captains, **ride commissions for selected services, parcel & delivery services**, and **in-app advertising** / partnerships. By blending mobility and logistics, Rapido aims for high asset utilization and diversified income streams.

Category Analysis

Industry Overview:

The sector is expanding rapidly, driven by urban congestion, rising fuel prices, and increasing digital adoption. India's ride-hailing market was valued at around **USD 950 million in FY2024** and is projected to reach **USD 3.8 billion by FY2032, growing at a CAGR of nearly 19%**. This growth reflects the strong shift toward shared, app-based mobility as a preferred mode for urban commuters.

Evolution and Growth Trends:

When Rapido launched in 2015, bike-taxis were still new to India. Today, they have become mainstream in major and Tier-2 cities, driven by **affordability, speed, and flexible captain earnings**. The category is now shifting toward multi-modal mobility, as Rapido integrates autos, cabs, and delivery services, creating a full-stack commute and logistics platform.

Macro Forces Shaping the Category:

- **Technology:** High smartphone and UPI adoption, along with GPS-based routing and real-time tracking, have improved reliability and convenience.
- **Regulation:** While some states like Delhi permit bike-taxi operations, others, such as Karnataka, have imposed bans pending clear regulations, making compliance essential.
- **Consumer Behaviour:** Urban commuters prefer quick, affordable, and reliable options, driving growth in app-based ride-hailing and short-distance travel.
- **Sustainability:** The emergence of EV two-wheelers and green incentives is shaping future fleet choices and partnerships.

Focus on Change:

The sector has transformed from unorganised local transport to a **tech-enabled, transparent mobility network**. Earlier, commuters depended on autos or local taxis with uncertain fares / bargaining-based fares, limited safety, and no digital visibility.

Today, platforms like Rapido, Ola, and Uber offer **real-time tracking, transparent pricing, safety ratings, and cashless payments**, making urban travel far more data-driven, reliable, and user-centric.

Product Lifecycle

Current Stage:

Rapido is in the **Growth-to-Maturity phase** of its lifecycle. After years of rapid expansion and service diversification, the company is now focusing on **profitability and user retention**.

Supporting Evidence:

Operating in 150+ cities with 10+ million monthly users, **Rapido's FY24 revenue reached ₹650 crore**, with **losses reduced by 45%** year-over-year. The launch of Rapido Auto, Cabs, and parcel delivery highlights continued innovation and scale, typical of late growth.

Challenges at This Stage:

The urban mobility space in Tier-1 cities faces price pressure, regulatory hurdles, and competition from Ola and Uber, making captain satisfaction and quality control critical.

Opportunities Ahead:

Expanding into shuttles and shared vans for office commuters, along with EV adoption, fintech tools for captains, and subscription models, can drive retention and steady growth.

Strategic Priorities:

Rapido should focus on retention and profitability, led by corporate commute offerings that create steady demand. Complementing this with EV integration, captain engagement, and loyalty programs will further strengthen user stickiness and long-term growth.

Competitive Landscape

Key Competitors in India:

Rapido competes with Ola, Uber, and Namma Yatri in India's growing ride-hailing market. Ola and Uber dominate cars and autos, while Namma Yatri, backed by ONDC, is expanding rapidly in metros through its driver-first, zero-commission model.

Competitor Focus Areas:

- 1. Ola & Uber:** Offer multi-modal rides with a focus on convenience, reliability, and scale.
- 2. Namma Yatri:** Competes on low fares & transparency, appealing to drivers and users.

Rapido's Differentiation:

Rapido stands out with affordable short-distance rides, strong presence in Tier-2/3 cities, and a localized app experience. Its mix of bikes, autos, and cabs provides flexibility unmatched by competitors.

Market Positioning:

Rapido aims to be India's everyday commute solution, combining speed, affordability, and accessibility across multiple mobility modes.

Strategic Focus

Overview of Focus:

Rapido's strategy focuses on expansion, retention, and monetisation, diversifying through Auto and Cab services to shift from rapid growth toward sustainable engagement.

AARRR Lens (Pirate Metrics):

- **Acquisition:** Rapido continues to attract new users through referral discounts, first-ride offers, and campus ambassador programs, particularly effective among college students and young professionals.
- **Activation:** The app's simplified onboarding, real-time captain tracking, and UPI-based payments improve the first-ride experience and drive habit formation.
- **Retention:** New features like Rapido Wallet, Rapido bike pass, ride history, and customer support chatbots have increased repeat-ride rates. Localised campaigns in vernacular languages also build stronger user stickiness in Tier-2 and Tier-3 cities.
- **Revenue:** Rapido has begun piloting subscription and SaaS models for captains, reducing dependency on per-ride commissions. Parcel and delivery integrations add additional revenue streams.
- **Referral:** Rapido's referral system incentivises both captains and riders, encouraging word-of-mouth growth. The app also pushes "invite & earn" campaigns across festivals and local events.

Recent Evidence of Focus:

In 2024, Rapido launched Rapido Cabs and announced plans to expand into food and grocery delivery, indicating a strategic shift toward **multi-modal mobility and ecosystem monetisation**. The company's communication and partnerships highlight a balance between **acquisition (expansion) and retention (loyalty and engagement)**.

Summary:

Rapido's strategic focus today lies in retaining existing users, building a sustainable supply network, and broadening its product portfolio. By leveraging its large two-wheeler base and introducing new categories, Rapido is transitioning from a high-growth startup to a stable, multi-service mobility platform.

Recommendations

Rapido has now enabled metro ticket booking on its app, **signaling its move toward integrated urban mobility**, combining intercity travel with last-mile connectivity. **Building on this, Rapido should enter the mini-bus shuttle space for office commuters in metro and Tier-1 cities.** Operating on fixed routes during peak hours, Rapido Shuttles would offer an affordable, comfortable, and time-bound alternative to crowded metros and costly cabs. Unlike metros, they ensure **point-to-point convenience and seating**, and unlike cars, they are **cost-efficient and eco-friendly**. This **service leverages Rapido's logistics network, requiring minimal new infrastructure**. It can **boost daily app usage and diversify revenue**. Over time, integrating EV shuttles will enhance unit economics and reinforce Rapido's commitment to sustainable mobility.

Key Risks

User Adoption Risks

- **Low adoption** due to limited awareness and marketing
- **Mismatch in user expectations** around punctuality or comfort may cause drop-offs
- User **resistance to fixed pickup** points versus flexible door-to-door rides

Feasibility / Cost Risks

- **High capital** or leasing costs for shuttles and maintenance
- **Operational costs** may outweigh revenue in low-density areas or during non-peak hours
- **Difficulty maintaining high occupancy** rates without dynamic route optimisation

Market Timing Risks

- **Lower demand** from ongoing remote and hybrid work models in some sectors
- **Regulatory restrictions** or delays in permits for operating shuttle services in cities

Channel or Execution Risks

- **Inefficient routing** or driver training may reduce service quality and occupancy
- **Challenges in integrating shuttles** into the existing app without creating user confusion
- **Technical glitches** (e.g., real-time tracking inaccuracies) could erode user trust early on

Next Steps

Goal

Validate whether urban commuters will adopt Rapido Shuttles over existing daily options

Testable Hypotheses

- A **pilot shuttle on a high-density route** will reach 50%+ occupancy in two weeks
- If the service stays punctual, 40% of first-time users will rebook within a week

Experiments & Data Points:

- **Conduct a 2-week pilot** on fixed routes near tech parks or university clusters
- **Track** occupancy, bookings, cancellations, and user feedback through in-app surveys
- **Measure** cost per ride vs. revenue & on-time performance to assess operational viability

Who to Talk To / Observe:

- **Office commuters**, students, and blue-collar workers in pilot areas
- **Shuttle operators** and urban transport authorities for regulatory guidance
- **Observe peak-hour congestion** and informal shuttle patterns to validate demand

Success Metrics:

- **Activation Rate:** % of app users who book a shuttle at least once.
- **Retention Rate:** % of first-time users returning within 7 days.
- **Average Occupancy:** $\geq 70\%$ by week 4.
- **On-Time Performance:** $\geq 90\%$ punctual trips.
- **NPS** (User Satisfaction): ≥ 30 during pilot phase.