



# THE CAB STORY CASE STUDY



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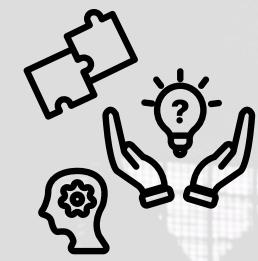
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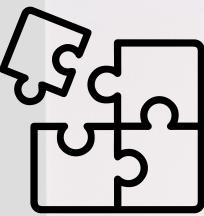
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Path To Profitability





# CORE ISSUES



Root causes of ride cancellations and revenue leaks due to driver malpractices:

## Subversion

Drivers try to coerce the customers to cancel the ride booked on the platform and instead pay them directly to avoid commissions.

## Repudiation

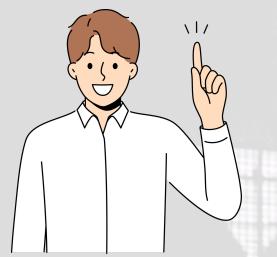
Drivers tend to often cancel rides citing lower than expected fare as the primary reason leading to customer dissent.

## Carpooling

Drivers often accept multiple rides at the same time via different means leading to illicit carpooling without customer consent.

## Dereliction

Drivers often do not maintain their vehicle in proper condition and behave rudely which leads to the customer losing faith in the platform.



# CORE ISSUES



Overlooked challenges affecting company's performance:

## Market Dynamics

Most of the times , the pricing plans of the platform do not take into account the market demand and supply leading to loss of revenue.

## Petroflation

The rising fuel prices are not subsidized by the platform and levied completely on the driver leading to discontent.

## CRM Inadequacy

Lack of proper response from Customer care to consumer complaints along with not up to date technology in the app leading to customer dissatisfaction.

# STRATEGIC SOLUTIONS

## 01 DYNAMIC PRICING

We aim to implement a new pricing system which studies the market trends and incorporates real-time supply & demand monitoring which will lead to a fair pricing scheme from both customer and driver perspective.

## 02 AI ASSISTED MONITORING

We aim to implement an AI-powered pipeline which monitors ride-cancellations and route manipulations so to detect any possible malpractices from both driver and customer side and call them on to provide appropriate explanations failing to do which would result in a fine.



# STRATEGIC SOLUTIONS

## 03 FUEL DIVERSIFICATION

To tackle the never ending issue of rising fuel prices we aim to implement a system where the marginal fuel price will be bared by the consumer, company and the driver. From an environmental perspective we will add an option for all drivers to later switch to CNG.

## 04 CUSTOMER-CENTRIC APP EVOLUTION

For any business in today's age, having a technology-centric approach is the optimal path to customer retention. So we aim to implement a refined UI interface which is consumer friendly and delivers priority customer support with the help of recent advancements in the field of technology.



# STRATEGIC ROADMAP

This is a plan of the various stages of implementation of our proposed solutions over the next 2 years with the targets of achieving both short term profitability and long term sustainability

## Project Initiation



## Review and Editing



## Implementation of The Idea



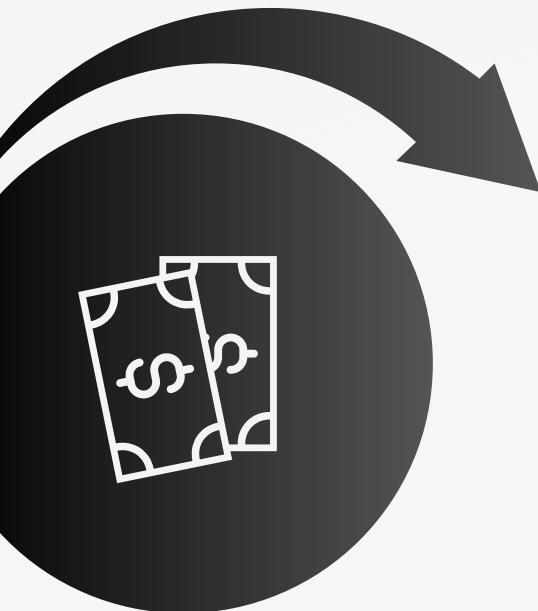
## 3 MONTHS

We will start new dynamic pricing. This includes predictive analysis of location specific demand and precise positioning of drivers. The pricing will be a function of demand & supply in the locality



## DAY 0

We will implement a technology centric approach by increasing investment in that domain and putting together a team of relevant experts.



## 6 MONTHS

We will start with Fuel Price Subsidization. This includes the equal splitting of marginal fuel price between company, customer and driver.

## 9 MONTHS

We will implement the AI monitoring and a new customer support system. This will help in customer retention and also help generate insightful analytics to drive marketing campaigns



## 15 MONTHS

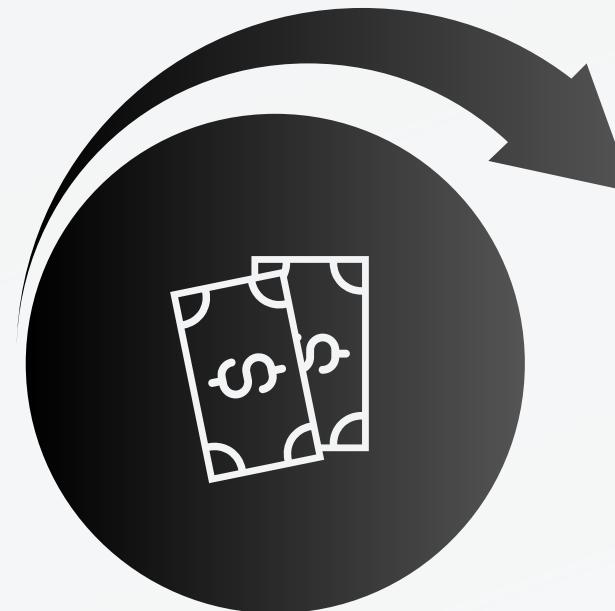


## 12 MONTHS

All the registered drivers will be given a chance to switch to CNG by signing a driver loyalty program. We will conduct sustainable marketing campaigns creating awareness about the brand to customers and drivers . Focus on reducing CAC



Customer Centric App development. This will include many features leading to customer satisfaction . We also will develop a wallet inside the app



## 18 MONTHS

CNG implementation commences. All the drivers will get the CNG kit installed and will have to pay the loan back within 6 months. Along with this/..... the fuel subsidization program will be halted.

## 24 MONTHS

The recollection of CNG installation funds will be completed with the end of the 6 month repayment period with majority of the drivers shifting to cng. Fleet Expansion Program will commence. Through marketing campaigns and partnerships, fleet will be expanded covering newer geographical regions.





FIXED



COST

VARIABLE

SUPPLY

PROFITABILITY

VOLUME

DEMAND

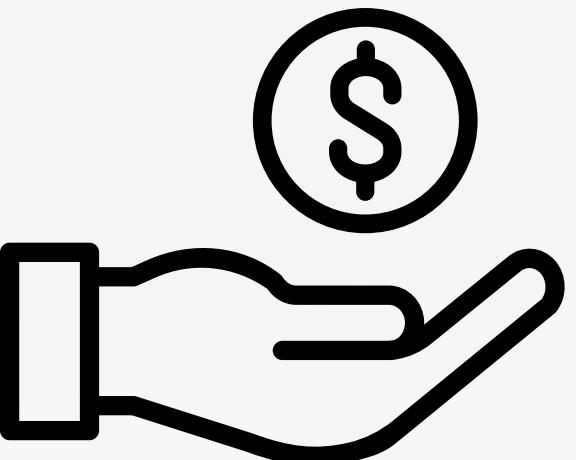
REVENUE

UNIT PRICE



# COST ANALYSIS

Fixed costs are the basic expenditures required to run the business such as office rents, software maintenance, taxes etc and will not be varying over the 2 year span in our plan.



We plan to reduce the variable cost by promoting organic marketing and improving the services which leads to positive word of mouth and this can be used to cut down the marketing cost as well as the CAC as they provide cost effective marketing.

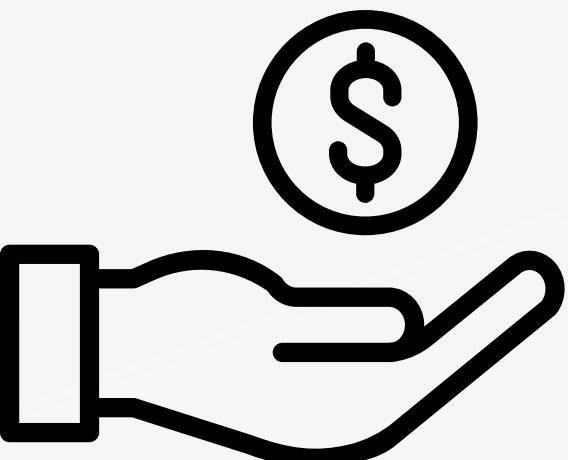


Variable costs are expenses that change depending upon the amount of service or product produced. Some of the typical inclusions in this are driver incentives, insurance, marketing costs etc.



# REVENUE ANALYSIS

Revenue has two parts which are unit price and volume, which further covers the factors of supply and demand. One of the major ways of improving revenue is by optimising the unit prices for best possible output.



Through out the 2 years multiple pricing strategies will be implemented (listed in Roadmap) which will increase the revenue per transaction thereby effectively optimising the unit prices. The other way to boost revenue is by regulating supply and demand in the market.



Supply can be managed by optimising capacity utilisation, which includes fleet size, driver retention, etc which are managed by loyalty program and fleet expansion strategy in our roadmap while demand can be increased for our platform by reducing competition via mergers and acquisitions.

