

UCAR: Transportation Service Design

EPAM Continuum helped UCAR establish itself as a trail-blazing service provider within the ride-hailing industry.

Challenge

The ride-hailing service industry had no shortage of competitors. In 2015, Uber announced its completion of a billion rides since 2009. And yet, in China, a billion rides was many miles behind the country's ride-hailing giant, Didi Kuaidi, which completed 1.43 billion rides in 2015. Breaking into the Chinese ride-hailing market, especially after Lyft and Didi's partnership, seemed harder than ever.

In January 2015, China's biggest car rental company, China Auto Rental (CAR), decided to join the battle, with its new start-up: UCAR. Its mission? To provide an on-demand car-hailing service that would stand out against the competition. UCAR distinguishes itself from its competitors with a team of professional drivers who are UCAR employees, and a fleet of standardized vehicles which are all rented from CAR – a self-controlled, closed system with in-house fleets and drivers.

As the UCAR brand emerged, however, the company fell short in two key areas: span of coverage and response speed. They provided steep discounts, but could not service the resulting increased demand with their limited fleet.

How would UCAR establish itself as a trail-blazing service provider and increase its market share and company valuation, in a space crowded with well-financed players, all providing homogenous services at below-cost rates? UCAR decided to turn to EPAM Continuum.

Research & Insights

UCAR's significantly low prices flooded the company with business it couldn't yet handle. Lower-tier customers were unreliable, willing to use whatever service offered the lowest price. UCAR's higher-tier customers (business travelers, high-income travelers, etc.) were left



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without car service when they needed it. Acquiring and maintaining a loyal customer base would allow UCAR to increase its rates, and eventually weed out its lower-tier customers.

Our research showed that comfortability with a service provider influences loyalty, especially in high-stake scenarios (taking children to school, pregnancy check-ups, business meetings, etc.) We identified trust and safety as the key factors to a customer's loyalty. UCAR's unique control over every vehicle in its fleet plays a major role in enhancing user trust.

UCAR's strict driver recruiter criteria helped guarantee quality service, but narrowed down the drivers to a relatively young demographic with less driving experience, compared to professional chauffeurs or taxi drivers. Route optimization and customization, we saw, would be key to supporting inexperienced drivers and improving service quality.

UCAR's initial order fulfillment system was chaotic and inefficient. Drivers found themselves making long trips for

short-distance orders, and often needing to cancel orders, due to insufficient gap time between user requests. UCAR's system would need to take into account all factors that could determine a trip's length, and organize accordingly.

Solution

We developed signature features to reinforce the brand and help UCAR stand out from a swarm of competitors. With UCAR's IT department, we installed on-board diagnostic devices, which take user preference data and recommend individualized routes and pickup/drop off preferences.

The "cloud driver" model we developed doesn't just rely on an estimated time to arrival, but takes into account the many factors that can determine trip length (such as road conditions, driving directions, and gap time between orders), increasing the bandwidth of UCAR drivers. We also created a unique look-and-feel for the new UCAR app, which integrates UCAR's signature features with upmost usability and simplicity.



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Results

On July 22, 2016, UCAR became a listed company on China's NEEQ with a valuation of 36.9 billion RMB, or over \$5 billion USD, making UCAR the first internet hailing service in the world to be listed. "The experience strategy provided by EPAM Continuum, including branding, service design and app design, is life-or-death critical to a traditional company looking to transform itself," says Yaxiao Liu, former CIO of UCAR. ■