

BUSINESS MODEL CANVAS FOR EXPANSION OF Lyft

What is Lyft?

Lyft is an online leading ride sharing Platform in US and Canada established in 2012 with a mission of providing world's best transportation to the people of US and CANADA.

Lyft has been one of the largest and fastest growing transportation network. It also takes responsibility towards protecting environment and also has a target to have 100% electric vehicle by 2030 through **Express Drive Program and Path to Zero Emissions: 100% Electric Vehicles by 2030.**

Apart from US and Canada, **Lyft** is also planning to have a business expansion of transport platform in India

India is having 1.3 billions of population and majority of population is from middle class background who wants comfortable trip in affordable price. It would be a **win-win** situation for India and **Lyft**. **Lyft** can enter into Indian market and ultimately can become a profitable organization. In order to execute this mission, **Lyft** needs to have a strong **Business Model Canvas** and **Proposition Value Canvas** which would fit as per the Indian Market. Initially focus is to start in all **metro cities** and then gradually enter into the other urban areas of India.

Lets go through all 9 building blocks of **Business Model Canvas** that can be applied for **Lyft** in Indian Market.

1. Key Partners – **Lyft** can have the following Key partners.

- **Car Owners/Drivers** – This is major partner of any taxi service. Car owners and skilled drivers are the **HEART** of any transportation platform. Without this it can not function at all. They will bring their own cars into the value proposition for which **Lyft** does not have to outlay any capital costs. Without a critical mass of drivers, this mission can not be kicked off at all.
- **Payment Partners** – **Lyft** needs a strong established payment partner which can help to manage providing various payment options like (**Credit card , Debit card, wallet and Cash Payments**) given to Customers, Drivers and other ground staff.
- **Navigation Partner**– **Lyft** to work with **Google Maps** or any other strong Mapping Technology partner in order to consume their APIs for the trip navigation. Consuming existing Technology partner would be a cost saving.
- **Insurance Partners** – **Lyft** to collaborate with strong Health insurance Provider so that it can provide effective Term Insurance program for Driver and Rider.
- **Investors** - Currently below mentioned companies are major investors for **Lyft** in US and Canada. Either all these Investors can invest in this expansion along with some other Companies which all are well settled in India and well familiar of the Indian Market.
Rakuten,General Motors,Fidelity, Andreessen Horowitz(Netscape), Alphabet(Google), Co-founder of Lyft (John Zimmer and Logan Green),Valerie Jarrett
- **Lobbyists** – **Lyft** also needs to have a strong group of Lobbyists who is well aware of govt rules and how decisions are made, and be adept at cultivating relationships within government and influence the higher authority personnel in favor of organization.

Key Activities:- The mission of **Lyft** is to reduce the distance and make it hassle free. Also to connect with people and communities through better transportation. It can have the following key activities at the initial level in India for its expansion.

➤ **Product Development and Management**

- ✓ **Lyft** application is hosted on cloud. Its using tools and framework like GitHub,Python,Git,Google Analytics ,Dockers,JAVA,MongoDB, Andriod SDK etc.
- ✓ It also uses AI and ML for accurate network and route capturing..
- ✓ It has web app and mobile app. Since most of the users are having Smart phone, so Mobile app is widely used.
- ✓ For India expansion the same product can be used with some customization and rectification which is well suited for Indian Market.
- ✓ Cash payment should also one of the mode of payment in Indian market as most of the people prefer to cash payment. This feature needs to be added for Indian Market.

➤ **Branding and Marketing of new driving partner in India** – Branding is one of the factor which influence people a lot. Since **Lyft** is new to India, It also needs strong branding partner.

- ✓ Strong collaboration with a famous personality in India to make this brand more popular.
- ✓ Branding through Social Media
- ✓ To be part of Popular Hashtags
- ✓ Step out n the streets
- ✓ Using Surroundings with big hoardings, balloons with **Lyft**
- ✓ To be part of some contests
- ✓ To be part of some reality shows and programs which are having high TRPS

- **Customer Acquisition - Lyft** can also think of some acquisition of existing Taxi Service in India.
 - ✓ There are some other taxi Services (Ola Cabs, TaxiForSure, Bookmycab, Savaari, TaxiPixi, Your Cabs) available in India.
 - ✓ **Lyft** can also think acquiring the existing cab service which is having low revenue so that it can use the existing Infrastructure and also utilize the existing customer at the initial days.
- **Hiring Drivers and background checking-** Hiring Drivers and Background check is one of the critical part of any organization.
 - ✓ A strong Background check for all drivers to be done for Public safety.
 - ✓ **Lyft** can collaborate with TPA for this activity. Top 20 companies mentioned below for the reference.
<https://hr.siliconindia.com/ranking/background-verification-companies-2019-rid-597.html>
- **Adding new rider options-** Currently **Lyft** is giving below mentioned rider options to customer in US and Canada. The same options can also be introduced in India. This can be a USP for **Lyft** in India. Other Taxi services are not offering all of these services as of now. By doing this **Lyft** can reach out to maximum number of Customers.

Economy

- ✓ **Lyft** : Standard **Lyft** car for up to 4 riders
- ✓ **Shared**: Share a car with riders headed in the same direction at a discounted price
- ✓ **Shared Saver**: Walk a short distance to a Shared ride pickup location for the lowest price
- ✓ **Preferred**: Standard **Lyft** ride for up to 4 riders; take a ride with a top-rated driver in a newer, spacious car. Preferred is currently a pilot and is not available in all markets.
- ✓ **Wait & Save**: Lock in a lower price when it's busy — it's our most affordable personal ride. Once you book, there's a longer wait so we can pair you with the best driver for your route and pickup spot. Wait & Save is currently a pilot and is not available in all markets.

Luxury

- ✓ **Lux**: Luxury car for up to 4 riders
- ✓ **Lux Black**: Premium black car service with leather seats for up to 4 riders

Extra seats

- ✓ **Lyft Lux Black XL**: Premium black SUV with leather seats for up to 6 riders

Other modes

- ✓ **Scooter:** Compact scooter for a single rider
- ✓ **Bikes:** Reserve and rent single rider bikes
- ✓ **Car Seat:** Vehicle fitted with a child's car seat
- ✓ **Wheelchair accessible:** Set your app to enable accessibility needs.

- **Strategy to gradual increment of number of rides per day-** This is one of the key area where **Lyft** has to focus at the initial days .
 - ✓ Close monitoring of no of rides
 - ✓ To monitor the trend of the ride booking
 - ✓ To check the areas where no of booking is high and taking corresponding action plan for availing sufficient number of taxis.
 - ✓ To check the if safety parameters are correctly measured
- **Customer Support-** **Lyft** needs to have strong customer support with below mentioned key elements.
 - ✓ How immediate help can be provided to Driver/Rider
 - ✓ Minimum Turn around time for resolving any issues related to Rider /Driver
 - ✓ Measuring the safety aspect
 - ✓ Call to the female customer post completion of ride if ride was booked between 6 pm to 6 am.

Key Resources:-

- **Technology Platform-** **Lyft** application is hosted on cloud.
- ✓ It uses tools and framework like GitHub,Python,Git,Google Analytics ,Dockers,JAVA,MongoDB, Andriod SDK etc.
- ✓ It also uses AI and ML for accurate network and route capturing..

- ✓ It has web app and mobile app. Since most of the users are having Smart phone, so Mobile app is widely used.
- ✓ For India expansion the same product can be used with some customization and rectification which is well suited for Indian Market.
- ✓ Cash Payment option is not available which can be developed for Indian Platform

➤ **Skilled Licensed Drivers**

- ✓ Efficiently Transporting Passengers
- ✓ Valid driver's license and state permit documents
- ✓ Ensured that customer arrived safely and timely to their destination while creating customer satisfaction.
- ✓ Ability to deal peacefully with unforeseen circumstances or delays and use advanced driving techniques to better improve time management and safety
- ✓ Assured that the vehicle is maintained in excellent condition and is cleaned regularly and In-depth knowledge of vehicle maintenance is applied
- ✓ Drive V. I. P. to various destinations upon request, with knowledge of various cities and efficient routes
- ✓ Neat and smart appearance, customer friendly and intellectual individual with desire to exceed expectations
- ✓ Maintain a clean and inviting vehicle for passengers
- ✓ Communicate with passengers, offering a safe and welcoming ride to their destination
- ✓ Assist with loading and unloading luggage
- ✓ Choose best routes to destinations by using maps and GPS

➤ **Efficient Staff**

- ✓ Efficient ground staff
- ✓ High level of integrity within organization
- ✓ Skilled staff with Route Tracking and CCTV surveillance
- ✓ Security experience
- ✓ Customer service-focused
- ✓ Experienced and expertise in Badging Officer/Customer service
- ✓ Fluent in Hindi and English
- ✓ Experience in Microsoft office experience and other analytics reports
- ✓ Strong organizational skills

- **Data Capturing through ML and AI** –Currently **Lyft** is already using ML and AI for data analysis and capturing. The same framework can be utilised in India as well.
 - ✓ To solve all these problems related to ETA, accurate payments
 - ✓ To capture the real time data to avoid fraudulent cases
 - ✓ To Stop Phishing attack

Value Propositions:-

A **value proposition** is a promise of value to be delivered, communicated, and acknowledged. Creating a value proposition is a part of business strategy. Satisfying customers is the source of sustainable value creation.

For Customers

- **Minimum Waiting Time** – There should be a minimum waiting time for the customer and customer doesn't have to wait for the cab.
- **Cashless Ride** – Currently in US and CANADA **Lyft** is taking Cashless Ride. In India , the same can also be continued but Customer should also be given with more options like integrating Paytm and other wallets. Most of the people prefer payment through Wallet.
- **Fare charges lesser than the competitor** – Currently in Indian market, there is other taxi services (Ola,Uber, Private Rentals) available . There should be a price comparison and need to make sure that **Lyft** charges lesser than the other competitor in the Market. It will attract the customer to take maximum rides through **Lyft** .
- **Accurate ETAs and Real time tracking of cab** - Wise uses of ML and AI to monitor the trend of the bookings and trip completion time so that necessary action plan can be taken for rectifying the process. It will benefit the customer.
- **Availing round trips:-** There are cases where customer has to spend 5-10 minutes of work and has to return back. In that case Customer prefers the same cab. **Lyft** doesn't have round trip available right now. By giving this facility, it will attract the customer.

- **Multiple ride options:-** By giving various type of Ride options(like Share/XL/LUX etc) , customer would get a chance to opt the best suited one. In that customer doesn't have to compromise.

For Drivers

- **Flexible work schedule**
 - ✓ It will give the user to work in flexible hours apart from his normal work schedule.
- **Smooth Payments, easy income and additional incentives**
 - ✓ It will give driver to earn some extra income.
 - ✓ Working in the Odd hours also give the driver to earn some extra incentives.
- **Training Sessions**
 - ✓ Training sessions to be provided to the driver for effecting using of App and how to behave with Customers.
 - ✓ Always to learn for the drivers as well.
- **Better Trip Allocations**
 - ✓ Flexibility to the driver in terms of his location.
- **Express driving Program**
 - ✓ **Lyft** can also initiate Express driver Program which is organized in US and CANADA for the betterment of the drivers. It will give a platform to the drivers.
 - ✓ Also how to maintain the Customer Relationships as they are the face of **Lyft** .

Customer Segments:-

For Customers

- ✓ Customers who don't own a car would always prefer to take rides.
- ✓ Customers who don't want to drive themselves would always prefer to take rides in affordable price.

- ✓ People who want to be picked up from doorstep would always prefer to take rides.
- ✓ People who need premium and quick ride at affordable price would always prefer to take rides.
- ✓ People who want to travel areas where there is no commutation through metro trains

Drivers

- ✓ People who own a car and want to earn money .
- ✓ People who love to drive
- ✓ People who don't want to be treated as a drivers but to be treated as partners

Channels:- There are various channels through which promotional events can be done.

- ✓ Channels for the initial awareness and customer acquisition can be:
- ✓ One of the best visible customer relations channel is **Lyft**'s Facebook page (approx. 1m+ followers) with an almost instant response to most direct queries, remarkable (check for yourself)
- ✓ Most transactions are managed fully automatically through the app
- ✓ Webpages allow for sign-up and address the biggest obstacles to joining (the process of joining, how it works, any safety concerns and the collaboration with cities/communities – see above)
- ✓ **Lyft**'s help pages
- ✓ **Lyft** uses emails & notifications to engage, stimulate participation; reinvigorate/recover (special offers, reminders, etc)
- ✓ Tiered customer support channels (via Zendesk)
- ✓ Automate customer support for high-volume, low severity issues (e.g. forgotten items) to be rapid
- ✓ Multi-tiered customer support (ability to contact a human) for more severe issues

Cost Structure:- Cost Structure is to included for the following things

- ✓ Ontime hassle free payments to drivers and employees
- ✓ Weighted average cost of capital, WACC
- ✓ Development of new features, ongoing fine-tuning of algorithms, etc
- ✓ Driver costs (but none of the other drivers)
- ✓ Legal cases and settlement costs
- ✓ Lobbying, regulatory compliance
- ✓ Transaction fees (credit card charges)
- ✓ Salaries for staff and share-based compensation
- ✓ Expansion to more cities and countries
- ✓ Customer support
- ✓ Insurance costs
- ✓ Research & development, e.g. autonomous vehicles
- ✓ Strong technological cloud infrastructure
- ✓ Infrastructure costs, computing power, bandwidth
- ✓ Operational and maintenance Cost

Revenue Streams:-

- ✓ Car ride per mile/Km basis – A minimum amount can be fixed on travelling the minimum distance or lesser than that.
- ✓ Type of car options selected by Customer (Lyft Standard, Lyft Lux, shared) – Price varies based on the type of ride selected by Customer.
- ✓ Surge Price- Surge price can be one of the way through which revenue can be increased. Areas can be tracked through Heatmap
- ✓ Cancellation Fees – Setting up cancellation fees on cancelling a ride beyond grace period.
- ✓ Brand Partnerships/Advertisings – Lyft can also charge for supporting other brandings.

Value Proposition Canvas

A value proposition is a promise of value to be delivered, communicated, and acknowledged. It is also a belief from the customer about how value (benefit) will be delivered, experienced and acquired. Developing a value proposition is based on a review and analysis of the benefits, costs, and value that an organization can deliver to its customers, prospective customers, and other constituent groups within and outside the organization. It is also a positioning of value, where $\text{Value} = \text{Benefits} - \text{Cost}$ (cost includes economic risk).

$\text{Value} = f(\text{Pain Relief} + \text{Gain Creation} + \text{Product/Service Customer Roles})$

Customer Gains:

➤ Accessibility in a matter of minutes and Advance Schedule

- ✓ Accessibility is one of the many perks of these services.
- ✓ Users from all around the world can request a ride in a few taps.
- ✓ Easy navigate the app to request a trip.
- ✓ No wait in line or wave down a taxi, or call dispatch.
- ✓ Availability of Drivers within minutes, especially in dense urban markets.
- ✓ Schedule rides days in advance.
- ✓ Sharing trips with others

➤ More Privacy and secured travel

- ✓ User can travel with privacy.
- ✓ Secured Trip
- ✓ Avoid Public Transport
- ✓ Can also travel any season and protect from rain, dust, summer, winter
- ✓ Can also take a Nap while travelling

➤ Rewards and Discounts for regular customers

- ✓ There can be extra discount for regular customers

- ✓ Pass can be issued with lesser price for regular customers

➤ **Less Pollution**

- ✓ Can protect the traveller from pollution.

Customer Jobs – Focus is to accomplish a specific customer segment. Through this focus is to solve the issue customer is going to be satisfied.

- ✓ Do not have to self drive to avoid accident
- ✓ Can work on laptop while travelling.
- ✓ On-board payment
- ✓ No tension of Parking
- ✓ Can track the location. Less anxiety.

Customer Pains- Focus is to understand the exact customer Pains.

- ✓ Difficult to change pick up point once en-route
- ✓ Difference in arrival time than the arrival time mentioned in App
- ✓ Surge Pricing
- ✓ Rush Hours problems due to high demands and wait for long time
- ✓ Car Cleanliness

Gain Creators- To focus how Lyft and its services can create customer gains. This will explicitly outline outcomes and benefits that your customer expects, desires, or would be surprised by, including functional utility, social gains, positive emotions, and cost savings.

- ✓ Track Cab location
- ✓ Sharing trips details with friend/relatives
- ✓ Attractive Discounts
- ✓ One Click booking/cancellation
- ✓ Trusted Driver
- ✓ Zero time for payment

- ✓ Auto payment through several payment options
- ✓ Can change the location
- ✓ Introducing Cash payment option in Indian Market

Pain Relievers – To focus exactly products and services can reduce specific customer pains and problems. They will explicitly outline the intend to reduce/eliminate specific pains or problems through the use **Lyft** as a taxi service.

- ✓ Waiting Time < 5 Mins
- ✓ No rush hour problems
- ✓ 24*7 cab availability
- ✓ Accurate predictions of arrival/Travel time
- ✓ Auto Payment

Products & Services- To focus how Lyft can be simple enough to use for Customers and how easily it services can be availed. It also aims to have a safe ,comfortable and satisfied trip.

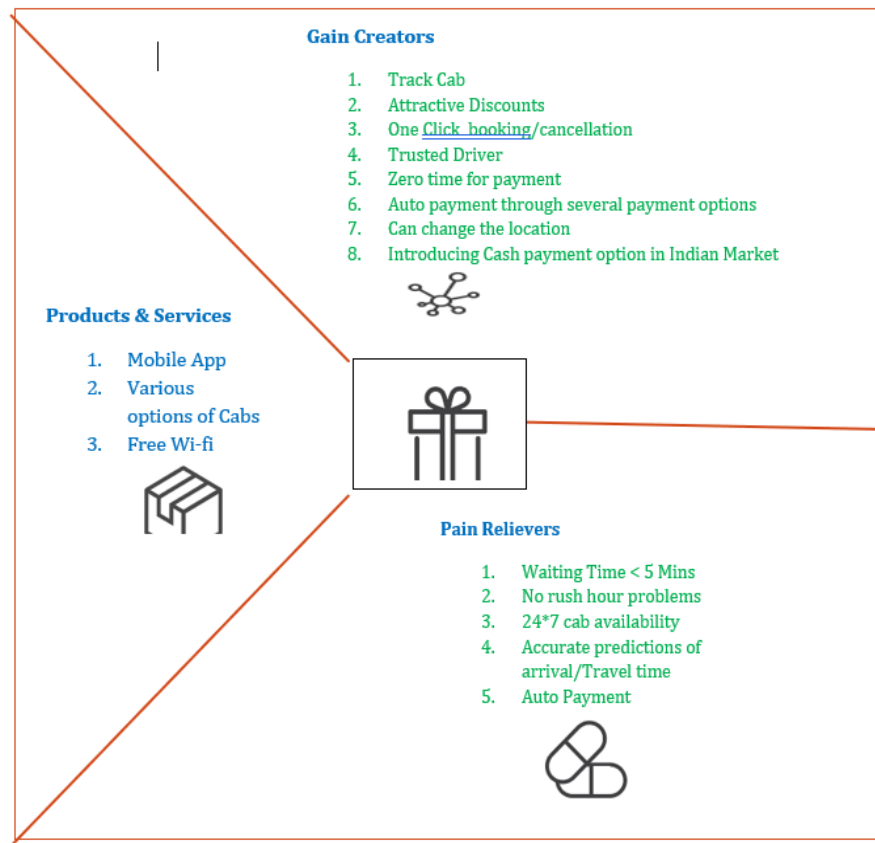
- ✓ Mobile App for easy booking
- ✓ Various options of Cabs to provide more options to book a cab
- ✓ Free Wi-fi can also have one of the services which will give satisfaction to customer.

BUSINESS MODEL CANVAS for LYFT

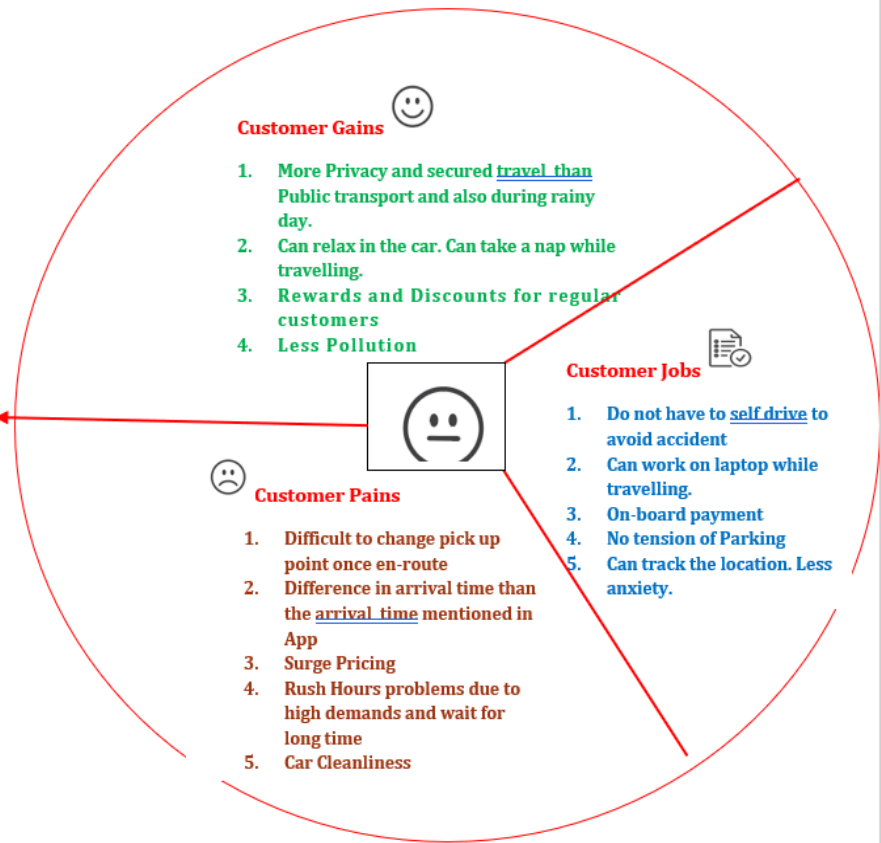
Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<ol style="list-style-type: none"> 1.Car Owners/Drivers 2.Payment Partners 3.Navigation Partner (Map) 4.Insurance Partners 5.Investors 6.Lobbyists 	<ol style="list-style-type: none"> 1.Product Development and Management 2.Marketing of new driving partner in India 3.Customer Acquisition 4.Hiring Driver and background checking of them 5.Managing driver's payments 6.Adding new rider options 7.Strategy to gradual increment of number of rides per day 8.Branding 9.Customer Support 	<p>Customers</p> <ol style="list-style-type: none"> 1.Minimum Waiting Time 2.Cashless Ride 3.Fare charges lesser than the competitor 4.Accurate ETAs 5.Real time tracking of cab 6.Availng round trips 7.Multiple ride options <p>Drivers</p> <ol style="list-style-type: none"> 1.Flexible work schedule 2.Smooth Payments, easy income and additional incentives 3.Training Sessions 4.Better Trip Allocations 5. Express driving Program 	<ol style="list-style-type: none"> 1. Social Media 2.Customer Support 3. Reviews, Ratings and Feedback System 4. Highly Automated 5.Meeting with Govt regulations 	<p>Customers</p> <ol style="list-style-type: none"> 1.Customers who don't own a car 2. Customers who don't want to drive themselves 3.People who like to make new friends while travelling 4. People who wants pick up from doorstep 5.People who need premium and quick ride at affordable price. <p>Drivers</p> <ol style="list-style-type: none"> 1. People who own a car and want to earn money . 2.People who love to drive 3. People who don't want to be treated as a drivers but to be treated as partners
	<p>Key Resources</p> <ol style="list-style-type: none"> 1.Technology Platform 2.Skilled Licensed Drivers 3.Efficient Staff 4. Data Capturing through ML and AI 		<p>Channels</p> <ol style="list-style-type: none"> 1. Website 2. Mobile App for android and IOS 3. Social Media 4.Word of mouth 5. Online and corporate advertising 	
<p>Cost Structure</p> <ol style="list-style-type: none"> 1. Ontime hassle free payments to drivers and employees 2. Strong technological cloud unfractured 3.Marketing Cost 4.Insurance Cost 5. Legal Activities 6. R&D 		<p>Revenue Streams</p> <ol style="list-style-type: none"> 1. Car ride per mile/Km basis 2. Type of car options selected by Customer (Lyft Standard, Lyft Lux, shared) 3. Surge Price 4.Cancellation Fees 5.Brand Partnerships/Advertisings 		

Value Proposition Canvas for LYFT

Value Proposition



Customer Profile



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