BLOGGER'S PARK P2
BRANDS WHO SHATTER THE NORM CONNECT BETTER WITH MILLENNIALS, SAYS THE SOCIAL STREET'S MANDEEP MALHOTRA

REVIEW CORNER P3
V Mart's new ad with its tongue-in-cheek storyline and celebrity starcast connects well

FACE OFF P3
'WE WANT TO CREATE ENDLESS AISLES'
Amit Sinha on how Paytm Mall is working on the offline-online divide and creating seamless experiences for retailers

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IN THE NEWS

Walmart invests in Flipkart

Walmart will pay approximately $16 billion for an initial stake of 77% in Flipkart, subject to regulatory approvals. While Flipkart's co-founder Sachin Bansal has sold his 5.5% stake to Walmart and exited the company, Binny Bansal will stay.

Swati Mohan joins Netflix India

Having worked previously at National Geographic and Fox Networks Group as country manager, she joins the video streaming platform as director, marketing.

Wavemaker gets Rabe Iyer aboard

Set to join as MENA CEO from June 10, Iyer will relocate to Dubai. Prior to this, he was MD, Motivator. GroupM India is yet to announce his successor at Motivator.

Kantar Analytics Practice launched

WPP has combined the analytics teams from Kantar and GroupM in India to form this combined practice. Sunder Muthuraman will take over as CEO, APAC and global chief client officer, Kantar.

Havas Media bags Netmeds.com

The account will be handled out of the agency's Bengaluru office led by Saurabh Jain, VP — South, Havas Media India.

Vikas Purohit elevated as CEO, Tata CliQ

He takes over from Ashutosh Pandey, who is set to join Mahindra Group. Prior to this, Purohit was COO at Tata CliQ.

Sunil Kumaran to lead Thwink Big

Big FM has appointed Sunil Kumaran as country head of Thwink Big, the content studio and talent incubator. Prior to this, he was with DAN's The Story Lab.

SPN's upcoming Marathi GEC gets Ajay Bhalwankar

Prior to joining the upcoming channel as business head, he was creative director at Sony Entertainment Television. He had joined SPN in 2014.

Bang in the Middle bags ResMed

The agency will handle the brand's digital communication.


Riding the corporate route

To counter pop culture aggregators like Ola and Uber, local cab rental companies are going beyond great price deals to keep customers, particularly corporate, from straying

SHINMIN.BALI
@expressindia.com

IT IS ONLY recently that mobility as a sector has become a hot topic in the market. In earlier times, the reliance on privately-owned vehicles used to be high and public transport was the only fall-back option. A taxi service was called in only for 'rich' moments, trips to and from the airport or when one had to travel at odd hours. This remained the case until ride-hailing tech companies like Ola and Uber entered the scene a few years back with the proposition of highly attractive prices, ease of use and convenience.

Many local players such as TabCab or City CoolCab, for example, were caught napping for the large part. Consumers quickly adapted to the attractive offerings and highly competitive prices of tech cab fleets. However, the B2B operation of local players was hard to disrupt, with their long-term relationships with clients and a systematic movement of people versus the unpredictable booking spectrum that can be seen on the B2C side. But the threat from the Ubers of the world is real. So how are traditional cab service providers gearing up for survival in the midst of intense tech-led competition?
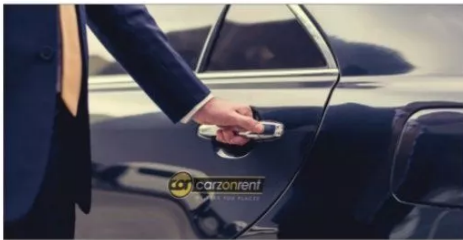
Treating them right

Meru Cabs, for one, has ramped up its focus on B2B operations, which currently contribute 30% of revenue for the company (estimated to cross 50% over the next 12-18 months). But if combined with the revenue contributed by Employee Transportation Services from its group company Vlink Fleet Solutions, the B2B revenue ramps up to about 40-45%.

Another car rental company Carzonrent's business is rooted in the B2B space, with it contributing 85% of the revenue. Within this, airport is a significant business accounting for 20-23%. Realising the importance of the role that technology will play in making mobility services accessible and easier to use, Carzonrent acquired RidingO (a cloud-based ride-sharing platform) about three years ago. The company has since then increased the tech team strength at RidingO to 35 engineers.

"Our annual expenditure is about $3-3.5 million on building technology," provides Rajiv Vij, MD and CEO, **Carzonrent**. "The industry has been grow-

ing at 14-15% annually (B2B). At Carzonrent, we have had a CAGR of 24% over the years." Carzonrent is currently investing 2.5% of its revenue in training its chauffeurs — the driver-partner aspect where tech companies have usually faced a lot of issues.

What Uber and Ola did in the B2C segment in terms of their pricing strategy, in a race to grab the bigger chunk of the market, is not the strategy that can be adopted in a sustainable fashion in the B2B space. Price alone does not guarantee clients to consider one player over another, as factors of quality and reliability gain priority.

Nilesh Sangoi, CEO, **Meru Cabs** points out that clients are willing to look beyond price. "For B2B clients, our biggest strength is transparent pricing, honest billing and overall efficiency in services," he says. "Clients see a significant saving in their transportation spends, even though our rates may be higher than other service providers."

Going beyond the price wars

Players like Uber and Ola are realising that the product will need to suit client needs and a price war is nowhere near sustainable. Some challenges are where companies say they would rather have a secretary book the cab for a senior executive instead of the executive doing it herself/himself. To serve this, Ola's Dashboard allows a guest booking where a secretary or an administrator from the employer's office can book the ride on an executive's behalf.

Similarly, the Uber for Business platform was revamped last year to incorporate user feedback. Now, group-based access levels can be created along with customised programs, depending on the travelling employee's needs.

Traditional methods versus technology

IN PERSPECTIVE
JASPAL SINGH

THE OVERALL SIZE of the taxi market in India is approximately $10 billion and is expected to reach $40 billion by 2030. The corporate or B2B space, such as employee transportation, bus services, car rental services or intercity travel, is the largest segment of this market.

There are more than 2.1 million registered taxis in the top 100 cities in India, out of which 80-90% vehicles operate in the B2B space.

New technology players like Uber and Ola have revolutionised the taxi market in India. Both companies have deployed over $2 billion in the Indian market and have created an inventory of over seven lakh cabs. They have achieved a combined run rate revenue of $1.5 billion, catering to three million trips per day. It is expected that the number of trips will increase to 10 million in next 12 years in the taxi segment alone, mainly due to rising urban population, rising disposable income and increase in per capita trip rate. However, these players are still trying to establish a foothold in the B2B space and devising new strategies to modify their services.

In India, more than 95% of mobility solutions in the B2B space for services are largely handled by regional players, which are highly fragmented and relationship-driven, leading to inefficiencies and leakages in the system. Corporations are looking for smarter solutions rather than just a dedicated vehicle with a driver.

The future of mobility in the B2B space will transition to companies that can offer tech-enabled customised solutions for corporate customers.

ANIRBAN.ROYCHOUDHURY
@expressindia.com

The action-packed hinterland

With rising competition in the regional GEC space, investment across local content has gone up significantly. How are broadcasters upping their game and how is the programming shaping up?

THE REGIONAL BROADCAST space is as dynamic today as its Hindi counterparts, with viewers now having a wide range of vernacular offerings to choose from. India loves its local dialect; about 59% of Indians communicate in regional languages while 40% prefer Hindi — which speaks for the potential of local language programming on TV. National broadcasters are also broadening their horizons beyond Hindi channels by providing quality content in the regional space.

Viewers can see Mahesh Manjrekar hosting the Marathi version of the reality show *Bigg Boss*, while Kamal Haasan gears up for the second edition of its Tamil version. Or consider cricket icon Sachin Tendulkar, who was recently seen in the grand finale of the Sourav Ganguly-hosted Bengali show, *Dadagiri Unlimited*.

The local landscape

General entertainment channels contribute 54% of the total TV viewership of which 30% comes from regional channels, as per BARC India. "National broadcasters forayed into regional markets with tried and tested formats which caught immediate attention," notes Rajiv Dubey, head — media, Dabur.

Then there's Viacom18's acquisition of Prism TV, which owned and operated five regional channels and then rebranded them as Colors Kannada, Colors Marathi, Colors Bangla, Colors Odia and Colors Gujarati. The joint venture between the New York-headquartered

(Clockwise) Stills from *Bigg Boss*, *Enga Veetu Mappillai* and *Potol Kumar Gaanwala*

media giant Viacom and Mukesh Ambani's TV18 followed the acquisition with organic launches — Colors Super (Kannada) and Colors Tamil.

"Regional is a very exciting place to be in because it gives you a lot of liberty to experiment at a fraction of the cost compared to a Hindi GEC," says Ravish Kumar, head — regional entertainment, Viacom18. Regional broadcast currently

contributes about 25% to Viacom18's total revenue. There are several factors that have contributed to this growth.

"Since BARC India came in and meters went deep, a justifiable moneti-

sation started happening across the board, and that resulted in an increase in demand for content," explains Abhishek Rege, CEO, Endemol Shine India. The rise in demand has resulted in a rise in investment too. Primetime, which used to start at 6:30 pm earlier and ended at around 10-10:30 pm, has now gone up to 11:30 pm in most markets.

It's all about the money

The scale too has gone up. Viacom18 is doing the remake of *Shani* for the Kannada market, for which it is using the same sets used by the Hindi show.

Sun TV, the leader in the Tamil market, charges between ₹45,000-60,000 for a 10 second ad slot during primetime while other regional leaders Colors Kannada and Star Jalsha command around ₹22,000 and ₹20,000, respectively.

While broadcasters are spending on producing quality content, print media still commands a larger pie of ad dollars. But the onus is on broadcasters to bring print advertisers to TV. "The moment you will move the metrics towards gross viewership in millions is when we will see print advertisers moving to TV," says Kumar.

Dubey agrees that regional television is cost effective for a brand. Dabur is the title sponsor of the Marathi version of *Bigg Boss* and despite the huge overlap with Hindi in Maharashtra, he sees merit in the association. "In Maharashtra, if you leave out Mumbai and Nagpur, Marathi is the primary language and viewers love to consume content created in the local language which features local stars," Dubey says. Endemol-produced *Bigg Boss* is the most expensive property in the regional market.

Roti, Kapda, Makaan... What's next?

Marketers need to become enablers for new-age consumers who design their lives based on what they love

THEY ARE DEFINED by digital. They fight for their freedom. They seek experiences that enrich life. They live in the moment and for the moment. They don't break boundaries because they aren't limited by them. Call them millennials or new-age or by any other tag, it doesn't matter. They drop the tags for cool hashtags. For they define themselves and design their lives based on what they love.

So, for this generation, *roti, kapda, makaan* will not work as a formula. We need to dig deeper and see what motivates them and how they see their future. Brands, employers and other providers need to go beyond their products, services and offerings, and bring about fulfilment of life purpose beyond survival for this lot.

Driven by their individualistic expression and aspirations, they will not stop at something just because it has not been done before. They go all out, have a huge appetite for risk and a fiery passion in their hearts. All set to make the 9 to 5 job a relic of the past, this generation will fearlessly choose workplace flexibility over salary and savings; a disposable income that allows them to spend over what they love and enjoy is way more important than chalking out an insurance plan.

Their identity comes above all else. From the shoes they wear and multiple careers they juggle to social scenes they are a part of, or the people they follow on social media — this generation knows what it wants and is not bothered by the fact that these wants are constantly changing. They craft their own lifestyle based on what brings them fulfilment.

Real, distinct and relatable

They do not look up to celebrities or conventional stereotypes. They want something that is real and distinct. Brands that break the clutter, like Nike and Airbnb, connect with this generation effectively. What's more, their brand of politics is also different. Netas and bureaucrats are passé; bring on the Justin Trudeaus and Shashi Tharoors of the world because these guys are distinct and challenge the status quo without hesitation.

They like Alia Bhatt and DJ Khaled alike, because these icons are real and relatable. With the mammoth growth of internet purchases over the last five-six years, e-commerce created an explosion of wealth for a host of new and very young entrepreneurs. All around the world, self-made millionaires below the age of 30 who built new businesses with revenues in millions of dollars have become their new role models. They like people who shatter the system. A new-found purpose is what grabs their attention.

A generation that has grown up with digital technology at their fingertips, they welcome

> MY ADVICE TO ALL BRANDS WOULD BE TO GET THE YOUNGER LOT TO CREATE YOUR BRAND STORY. GET THEM TO WRITE ON THE WALLS OF YOUR STORY

digital currencies and blockchain technology with open arms. Cryptocurrencies are now a household name and no longer synonymous with just bitcoin anymore. The digitally advanced generation fuelling this trend has inspired new-age entrepreneurs to educate themselves, create start-ups and thereby generate opportunities for themselves.

Speaking of which, another visible change in the era of digital disruption is a highly mobile workforce. While a trend that is still nascent in India, the traditional job market is seeing a gradually increasing number of highly-skilled young professionals opting for independent work gigs by choice — be it freelancers, consultants or contractors.

Setting the trend

For brands to target these folks, there is no one-size-fits-all model. Niche experiences, stories, interactions and openness are what work more than any theory. The game has changed and is continuing to change by the minute because they are comfortable with constant change. They embrace it and are agile enough to adopt it. Traditions are archaic; setting trends is trending. There are communities within the community.

From short lingo to a seamless fusion of languages, the way they speak has changed. As brands and agencies, we need look at them from a fresh lens. We need to talk to them through visuals and videos. Give them the platform to make their dent in the universe, from something as simple or funny as a meme. They are savvy and curious, and that is a great blend to work with. The digital medium is an open ground to tap into this audience. They will consume your content, process your message and take it to the next level if they find it inspiring. So, fuel your brand with purpose, enable the younger lot to change the world, and you have their attention and loyalty.

It's the era of the next hippie movement. This lot is ready to challenge the status quo. The era of the '60s and '70s is back. They are rebelling current choices available without being impolite. Doctors/engineers and professionals are being challenged by newly created opportunities. They aren't chasing the next house or the next car but the next experience.

My advice to all brands would be to get the younger lot to create your brand story. Get them to write on the walls of your story. Give them the open hand to contribute and make them inclusive in totality to create. Crowdsourced product and identity has faster chances of acceptance than outward monologues. Instead of shouting aloud, "I am a brand which resonates" and force your brand ethos on them, I recommend that you let them see you as a platform of enablement.

When I asked my teenage son which car he would like to own when he grows up, he turned around and asked me which one I would like so that he can buy it for me! So what's next after *roti, kapda, makaan*? It will be, without doubt, difference, dialogue and disruption.

The author is CEO and co-founder, The Social Street

'I hate the word 'hate''

THE JOB

I LOVE THE freedom and the people at IKEA. I hate the word 'hate'.

THE WEEKDAYS

MY DAY BEGINS with a good coffee and a fruit. My work begins in the car, on the way to office.
I love constructive, energetic meetings and workshops where there is an exchange of creative thoughts and ideas. What I do not enjoy much are information-heavy meetings that show PowerPoint presentations with Word documents pasted in.

THE WEEKEND

WEEKENDS ARE MADE up of long breakfast or brunch sessions, followed by some exercise and swimming. The weekend finally ends with some interesting conversations over dinner with good wine and friends.

THE TOYS

I CANNOT DO without my iPhone and a daily dose of Netflix, which helps me unwind after a hard day's work.

THE LOGOS

MOSCOT GLASSES AND Mossa Clothes in Sweden. Among brands here in India, I love the clothes and accessories from Shades of India — it presents quite an interesting interplay of colours, forms, materials and textures.

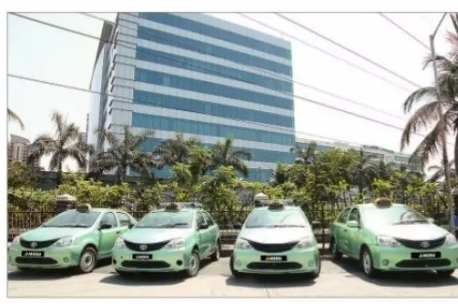*— As told to Ananya Saha*

Riding the corporate route

Rahul Maroli, VP — rental, corporate distribution, **Ola** points out that mobility as a service has largely been a legacy business and even services like holding placards at airports was a market necessity at one point in time. He adds, "With mobile penetration, increased data usage and a new breed of employers emerging, there is a different take on how companies' mobility needs to be addressed. That is where Ola Corporate comes in."

Maroli provides that Ola Corporate brings down absolute costs by 20-25%, and currently commands a 20% market share in the corporate rental mobility market (executive mobility). In the past year, the company has seen significant business coming from Ola Rental where the cab remains with the user from anywhere between two to 12 hours with no limit on the number of destinations. This is more for senior executives where cost is not as high a concern as quality of service and convenience. Ola Rental currently forms about 35% of the entire corporate business.

Picking your battles

RedSeer's engagement manager Ujjwal Chaudhry is of the opinion that tech players may not be able to take on the B2B mobility space as a whole and will have to pick their battles. "Mid size corporates will be a large enough segment for tech companies to pick up. It would then play out segment by segment," he says. In theory, it could be easier to serve the mid size corporate segment where quality might not be high on the priority list. Large size clients typically like to arm-twist vendors to get scale benefits which they won't be able to do with the Olas and Ubers.

While tech players are increasingly making the process simpler, clients have certain preferences that have been longstanding and are easily fulfilled by cab rental players. Ola continues to see customers still demanding a placard at the airport. "It is a hard-sell to tell them that a bottle of water or a copy of a newspaper in the cab is no longer a complimentary service. This is where we find resistance in the system," Maroli notes.

Or say, some IT companies prefer having a guard in the cab for a lone lady passenger travelling after 8 pm. This has perhaps been an Achilles heel for the likes of Ola and Uber.

RAHUL MAROLI
VP — RENTAL, CORPORATE DISTRIBUTION, OLA

Ola Corporate brings down absolute costs by 20-25%, and currently commands a 20% market share in the corporate rental mobility market

RAJIV VIJ
MD & CEO, CARZONRENT

The industry has been growing at 14-15% annually (B2B). At Carzonrent, we have had a CAGR of 24% over the years

Traditional vs tech

Companies that adapt technology quickly, and offer shared and connected services that are efficient, cost effective, transparent and safe will eventually see their businesses growing at a faster rate than others. Eventually, four to five large players will emerge that will have a larger share of the pie depending on the segment they focus on. Some radio taxi players like Meru are shifting their focus on the corporate sector as the profitability matrix is better and competition is less in the organised space. Business models of companies like Uber and Ola are not carved out for corporate mobility solutions. In order to service corporate customers, they will have to carve out a separate fleet with different terms for drivers, and that could lead to confusion and dissatisfaction amongst them. Due to these constraints, it might make sense for them to focus on the retail segment as that is a much larger opportunity and also their strength now. In the initial phase, local players with better technology platforms shall gain, but will require investment in technology to maintain their edge.

A customised tech-based solution that meets corporate customers' requirements on various parameters will have a better chance of scoring over their traditional and regional counterparts.

All said and done, tech companies have an edge with much deeper pockets and can offer unprecedented scale with a potential merger on the horizon (Uber and Ola). But understanding client sensibilities and crafting a solution for more professionally delivered services may be the key to cracking the code for corporate mobility or even B2B mobility as a whole.
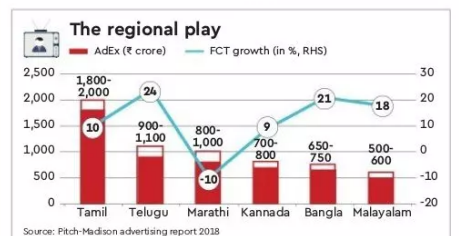
The author is partner, Valoriser Consultants

🐦 @shinminbali

The action-packed hinterland

The regional play

	AdEx (₹ crore)	FCT growth (in %, RHS)
Tamil	1,800-2,000 / 10	24
Telugu	900-1,100	
Marathi	800-1,000	-10
Kannada	700-800 / 9	
Bangla	650-750	21
Malayalam	500-600	18

Source: Pitch-Madison advertising report 2018

Colors Marathi is spending about ₹20 crore to produce the first edition while Star Vijay's project cost for *Bigg Boss Tamil* is estimated to be around ₹25 crore. The per episode cost of programming in all six major regional markets is estimated to be ₹1.5 lakh, and can reach ₹2.5 lakh in case of VFX heavy-fantasy dramas. "The viewership and channel segmentation in the regional space are following the exact same pattern as Hindi channels," opines Indranil Chakraborty, CEO, Big Synergy.

SunTV, Star, Viacom18 and Zee lead in most regional markets and the programming includes remakes of popular Hindi shows, local adaptation of reality formats, original shows for the particular market and dubbed content. Earlier, dubbed content was very prominent on regional channels but gradually, it has been replaced by either original content or remakes. "When viewers are given the option to pick between dubbed content with subtitles and original content with local faces, they are choosing the latter," asserts Kumar.

Mahendra Soni, founder, Shree Venkatesh Films, shares that the production house had created *Bhootu* for

> **EARLIER, DUBBED CONTENT WAS VERY PROMINENT ON REGIONAL CHANNELS BUT GRADUALLY, IT HAS BEEN REPLACED BY ORIGINAL CONTENT OR REMAKES**

Zee Bangla, the Hindi remake of which is now airing on Zee TV. "Another Bengali show on Star Jalsha, *Potol Kumar Gaanwala*, is now airing on Star Plus as *Kulfi Kumar Bajewala* which is a great sign," he says.

While the regional broadcast space is growing faster than Hindi and investment in content is growing substantially, Soni feels broadcasters are starting to follow the 'Hindi pattern' which can result in viewers moving to the VoD space. Perhaps another challenge is to move from a mass production model to an on-demand model. Broadcasters need to perhaps explore genres beyond ubiquitous VFX heavy-dramas.

🐦 @anirban90rc

FINANCIAL TIMES

December 9, 2015 2:28 am

Uber steps on the gas pedal in South Asia

James Crabtree in Mumbai

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Uber is set to enter a new phase of international expansion targeting South Asia's teeming megacities, launching initially in Sri Lanka and Pakistan as it moves to accelerate global growth and head off competitors.

The US-based ride-sharing group will start offering services in the Sri Lankan capital Colombo on Wednesday, followed by Lahore, Pakistan's second most populous city, in the early months of 2016.

Founder Travis Kalanick has staked much of his group's $62.5bn valuation on an aggressive growth drive in Asia, with the company launching in more than 70 cities around the region over the last two years.

In South Asia, Uber has so far focused solely on India, where it operates in 25 locations, its largest market by cities outside the US.

"We have India and now Sri Lanka, and we will soon be live in Lahore," said Varun Mundkur, a member of Uber's regional launch team. "We are seeing potential in many other adjacent countries [to India], so in time we will be exploring opportunities there as well."

In east Asia, Uber grew by targeting major urban areas rather than particular countries. It launched first in Singapore, followed by Kuala Lumpur in Malaysia, Manila in the Philippines, and Bangkok in Thailand.

A number of other cities in countries bordering India fit a similar demographic and economic profile — notably Karachi in Pakistan, Dhaka in Bangladesh, Kathmandu in Nepal and Yangon in Myanmar — suggesting they are potential future targets for the American group.

Its Asian expansion has pitched San Francisco-based Uber into an fierce battle with regional competitors. Didi Kuaidi in China, Ola in India and GrabTaxi in Southeast Asia have joined with US-based Lyft in a formal anti-Uber alliance.

Uber's latest move is an attempt to dominate select major cities in less developed markets around South Asia ahead of rivals, avoiding the expensive investment drives it has been forced into in both China and India, its largest growth markets, as it tries to catch up with market leaders Didi Kuaidi and Ola.

In a sign of its increasingly global ambitions, Didi on Tuesday named Yahoo co-founder Jerry Yang a senior advisor and board observer.

Analysts view Uber's expansion in one of the world's most populous regions as part of a wider plan to reassure investors about its growth potential, at a time of heightened scrutiny of so-called unicorn technology companies with valuations of more than $1bn.

"To justify more funding and higher valuations they need to increase their users, and all these megacities in South Asia have huge populations and virtually no public transport, so the potential is huge," said Jaspal Singh, an India-based analyst at transport consultants Valoriser.

Particular challenges are likely to be involved in expansion into markets such as Pakistan, however, where cities are subject to occasional terror attacks, underscoring the complications of pushing into more complex developing Asian markets.

"Their [Uber's] experience in India will have given them an insight into what it will be like in Bangladesh or Pakistan, but these countries are still not as easy to operate in as somewhere like Singapore, so there are bound to be complications," said Mr Singh.

Additional reporting by Leslie Hook in San Francisco

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Tough times at Anglo American   Hotels disrupted   Serco — mopping up the mess

October 20, 2015 10:38 am

India Uber rape case: Court finds driver guilty

Amy Kazmin in New Delhi and James Crabtree in Mumbai

Police escort Shiv Kumar Yadav following his court appearance in December 2014

A former driver for US-based Uber has been convicted of raping a 25-year-old female passenger in New Delhi last December — the culmination of a case that highlighted the taxi-hailing group's lack of effective driver background checks in India.

A special fast-track court on Tuesday convicted Shiv Kumar Yadav, 32, of rape, kidnapping, assault and criminal intimidation. He was found by police in a town 160km away from the capital after the attack.

The victim, an employee of a multinational finance company, had hailed an Uber vehicle after a Friday night dinner with friends. She said she fell asleep in the cab and awoke to find herself being assaulted in a secluded area.

The crime triggered an outcry against Uber in New Delhi, a city with heightened concerns about women's safety after the lethal gang rape of a young woman aboard a bus in 2012.

The verdict on Tuesday comes at a critical time for the regulation of India's rapidly expanding taxi-

app industry, following the circulation this month of long-awaited central government guidelines for the sector.

Many Indian states are now expected to follow suit with tough new laws to regulate companies such as Uber and Bangalore-based Ola, its larger local competitor, with a particular focus on problems of rider safety.

In a statement praising the conviction, Amit Jain, president of Uber in India, said the company had strengthened security protocols after the incident, which resulted in the company being banned temporarily in New Delhi.

"Safety is a priority for Uber and we've made many improvements — in terms of new technology, enhanced background checks and better 24/7 customer support — as a result of the lessons we learned from this awful case," he said.

Analysts said Uber and Ola had stepped up safety mechanisms to the extent that most of the features suggested in the government's guidelines, such as virtual in-app emergency buttons, had already been implemented by both companies.

"The companies have taken steps, but it is still easy to forge documents like drivers' licences, so it is hard to know if these third-party verification will be reliable, especially with drivers from remote areas," said Jaspal Singh, an analyst at Valoriser Consultants.

While Uber's high-tech interface created the impression that it offered women a safe mode of transport, the 2014 incident raised public doubts over the effectiveness of the company's procedures.

Following the attack, it emerged that Yadav had a criminal history and had been the subject of previous accusations of sexual assault. He evaded Uber's earlier security checks by providing a fake police reference letter.

Uber and Ola's newer safety systems are likely to come under particular pressure as both companies race to expand their platforms, adding hundreds of thousands of new drivers over the next few years.

Uber plans to invest $1bn into India by the middle of next year, making it one of the company's two most important global growth markets, alongside China.

"There will be a lot of strain on these systems as they grow so quickly," Mr Singh said. "Until the whole underlying mechanism to make documents secure and link companies to the police is improved and automated, it could remain a problem."

October 13, 2015 10:32 am

India to roll out national taxi app regulations

James Crabtree in Mumbai

India has issued tough new legal guidelines aimed at bringing order to its chaotically regulated taxi-app market, which has seen US-based Uber and local rival Ola hit by temporary bans and rising concerns over the safety of female passengers.

The guidelines have not been published, but a copy seen by the Financial Times suggests that all ride-hailing services should be fitted with "emergency safety buttons" and in-app features allowing passengers to call the police in an emergency.

They also require services such as Uber and Bangalore-based Ola, which plan to bring hundreds of thousands of new drivers on to their platforms over the coming years, to conduct exacting criminal background checks, including verifying that drivers are "of good character."

The guidelines make India the latest country to grapple with updating traditional taxi rules to cover services such as Uber. They follow the publication of draft national regulations in China last week.

Passenger safety has been a particular worry in India, after a woman in New Delhi reported last year that she was raped by an Uber driver, resulting in the service being temporarily banned.

Uber is investing about $1bn in a rapid expansion in India — which is already its largest market outside the US, measured by the number of cities in which it operates — but has often found itself operating in grey areas under Indian law.

In particular, the San Francisco-based company has struggled in the face of a mish-mash of outdated taxi regulations. Few Indian states or cities have issued new taxi-app rules; those that have, such as New Delhi, have often sparked legal battles or threatened to ban the services.

India's states are not obliged to follow the new guidelines but analysts said the regulations were likely to usher in a more uniform national approach.

"This is a significant step. Most of the states have been waiting for these before issuing their rules," says Jaspal Singh, a transport analysts at Valoriser Consultants. "This should stop Uber and Ola facing different or out-of-date laws around the country."

India's guidelines are favourable to taxi-app operators in the sense that they recognise ride-sharing as a distinct type of transit service. They also do not seek to impose taxi-style rules, for instance by requiring cars to display a visible meter.

Uber welcomed the guidelines, calling them "a big leap towards recognising sector-specific regulations for technology-based ride-hailing services in India."

However, the rules do suggest conditions that could impose new costs, such as a requirement that taxi-app companies "must have a 24/7 call centre."

Ola and Uber are also both investing heavily in car-leasing schemes, but the rules say companies cannot restrict drivers from working for their competitor even if they have helped to fund the purchase of a driver's vehicle.

Mr Singh says other issues, such as the question of whether the taxi-app operator or the driver is ultimately liable for the safety of passengers, remained ambiguous under the new guidelines.

"It isn't clear how companies like Uber can verify whether a driver is of 'good character', or how they are liable for this if something goes wrong, so there are still plenty of things to be worked out," he said.

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Five years ago, hardly anyone had heard of a chief digital officer, yet demand for their skills is now so great that they can command salaries of £500,000 plus generous benefits. A shortage of people with the right credentials has led to a talent war, says Steven Zuanella, chief digital officer at Zurich Insurance. "Some organisations are offering crazy compensation packages as they bend over backwards to attract these people." See more...◍

December 30, 2014 4:01 pm

Uber rejects rule changes from Delhi authorities

Avantika Chilkoti in New Delhi

Uber has rejected new rules introduced by the authorities in New Delhi which would allow the driver hailing service to resume business as a taxi operator in the Indian capital.

The amended regulations allow taxi aggregators, companies which do not own vehicles, to apply for a licence alongside groups that own a fleet of taxis. But Uber sees itself as a technology company and has suggested it will not be applying for a licence under the new rules which would push the company to abandon its model of operating purely as a platform to connect drivers with riders.

"Uber is not a radio taxi company, therefore the Transport Department's amendments to the radio taxi scheme do not help us serve our riders and partner drivers in Delhi," the company said.

It insists that its operations fall under India's IT laws rather than the new transport regulations, which include detailed requirements on the recruitment of drivers and the type of vehicles used.

Uber has been on the defensive in India, which had been its second-biggest market in terms of the number of cities in which it operates, after a 25-year-old female passenger accused a driver of sexual assault earlier this month. The service had been seen as a safe and reliable option for tech-savvy urban India, but Delhi authorities banned it after the allegations.

Ahead of a hearing at the Transport Department on Monday, the company had started a petition to "bring Uber back" that has been signed by almost 8,000 people. It has also introduced a slew of new safety measures in India. These included a "ShareMyETA" button on the app that allows riders to send their trip details to friends and family.

Delhi's new regulations include further safety requirements for taxi services, pushing them to hire female drivers and offer regular training on gender sensitisation.

Yet Jaspal Singh, a partner at New Delhi-based Valoriser Consultants, which specialises in transportation, said such measures were unlikely to ensure safety as public infrastructure makes it difficult for any company to conduct reliable background checks. India has no national database of criminal records and the police service is widely criticised for corruption.

"The supporting infrastructure in the city remains the same," he said. "I don't think a private company can take the full ownership and do all the verification."

The safety of women in India has become a highly emotive issue after the lethal gang rape of a young student on board a New Delhi bus almost exactly two years ago.

Uber remains suspended in Delhi, where users logging on to the app receive a message saying: "We will come back better and stronger".

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Can Uber make it in India?

Avantika Chilkoti Dec 15 14:57 Comment

This month, the FT interviewed a senior executive at Uber in India about the US taxi-hailing company's plans for rapid expansion in the country. But later that week, a 25 year-old woman said she had been raped by her Uber driver in New Delhi. The government banned the service from operating in the capital and asked state governments to ban all unregistered web-based taxi services.

Swept away by its bold ambitions, it seems Uber has fallen foul of local circumstances in its rush to recruit new drivers. The company declined to discuss this and related issues followed the alleged rape. But are Indian taxi services any more cautious in selecting their drivers? And assuming Uber gets past the rape case, can it go on to succeed in India?

New Delhi's decision to ban services like Uber's has been criticised for failing to tackle the root problems, such as the disturbing number of crimes against women and the difficulty of doing proper background checks in India.

The issue creates a conflict for Narendra Modi, the prime minister, who swept to power in this year's general election promising to foster technology and foreign investment and to improve women's safety.

Uber, 15 months after it launched its service in India, has been growing at a rate of 35 to 40 per cent a month in terms of rides and operates in 11 Indian cities.

This has meant pulling out all the stops to sign up new drivers to meet the service's key metrics, such as the time it takes for a car to get to a user, which Uber has brought down to less than 10 minutes in 10 cities.

But Uber and other operators find it difficult to run background checks on those they recruit.

"There is no system of checking the antecedents of the driver and, as the government doesn't require it, so the companies just don't bother," says Preeti Sharma Menon of Viira Travels & Logistics Private Limited, a Mumbai based women's cab service.

To encourage drivers to sign up, Uber set up in India its only vehicle financing programme outside the US, using deals with lenders and carmakers to offer drivers a car in return for a downpayment of as little as Rs60,000 ($965).

While that model may work in the US, critics doubt whether it can easily be adapted to India, where skills, infrastructure and government support are all in short supply.

"They're lending their brand name to this individual and his taxi," says Menon. "This is not how business can be done in India."

Uber's competitors claim to have an edge in terms of local knowledge.

"We think being far more local and relevant to the customers and drivers of India matters more – that's where we gain a very sharp edge over Uber," says Anand Subramanian, spokesperson for Ola Cabs, a home grown taxi-hailing service founded in 2010.

That may be true. Where Uber runs two-hour training sessions for new drivers, Ola gives one or two days of training known as 'on-

boarding' followed by quarterly 'refreshers'. Another local player, Meru Cabs, requires four days of training for new drivers with an exam at the end.

None of these services runs satisfactory background checks, however, and mimicking their powerful US competitor hasn't helped.

"I would not blame any one company," says Jaspal Singh, a partner at Valoriser Consultants, a Delhi based consultancy that specialises in transport. "All the companies, to get more and more drivers, they are a bit relaxed."

Meru Cabs has upped its game to compete with Uber, with good and bad results. It began as a business that owned its own cars and employed drivers, before turning to the 'asset light' model using an arm's length relationship with drivers. It has also introduced a mobile app alongside its call centre, which now takes just 40 per cent of its bookings.

"Since the time that Uber has come our technology has become even more sharper and our sales are growing," says Siddharth Pahwa, chief executive of Meru. "They're creating demand and we're servicing that demand."

How Uber will react to New Delhi's clampdown is not yet clear. But India seems unlikely ever to be an easy market for the company. Before the alleged rape, it had resorted to offers of free rides in a bid to coax customers into signing up for a new pre-paid wallet. Uber's credit card payment system was banned by India's powerful central bank, a move the US company labelled 'antiquated'. It has lost some loyal customers in the transition to its new payment system.

"India is a cash economy," notes Subramanian at Ola Cabs. "Indians are comfortable paying by cash and we think cash will remain a major mode of payment."

Even if safety concerns dissipate and prepaid wallets catch on – which they may, given that many Indians are used to topping up mobile phones on prepaid plans – the margins Uber can generate in India may not justify the efforts needed to adapt. For example, it has created a super cheap 'UberGO' option especially for thrifty Indian customers, adding to the range of premium and standard services it offers in other markets.

"There's probably more localisation for Uber in India than there is anywhere else in the world," says Singhal.

UberGO rides have a minimum fare of just Rs80 (about $1.25). So users can get about cheaply – even if Mumbai's traditional black and yellow cabs are cheaper, with a minimum fare of just Rs21. Many women argue that the cheap and uniquitous public taxis are their best option in India, given the established networks of drivers in every neighbourhood with a strong reputation to maintain.

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