

A STUDY ON RAPIDO'S STRATEGIES TO ENSURE SUCCESS AND SUSTAINABILITY

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ABSTRACT:

Travelling has always been a necessity and in today's era its importance has grown enormously. One of the major issues faced by the travel industry is sustainability. In today's time, being a successful and sustainable firm at the same time is very difficult. Rapido, founded in November 2015, came up as one such firm in a highly competitive market by ensuring quality services to its customers and maintaining sustainability. It has added value to the passenger commuting sector. This study aims to analyse the factors involved in Rapido's success and the firms' level of sustainability.

Keywords: *Travelling, Passenger commuting, Rapido, Aggregators.*

INTRODUCTION:

Travelling plays a significant role in today's life. People learn about other cultures through travel. The relationships and connections formed while travelling are among the many wonderful advantages of travelling. Travelling also adds on to mental health and knowledge of an individual. In today's era, travelling has become a necessity of day-to-day life and its importance can not be neglected. Travelling from home to workplace, to schools or colleges, to meet friends, family and relatives are some examples that comprise of a modern man's daily routine. Some factors that influence commuters selecting behaviour of mode of transport include Speed of travel, Cost involved, Comfort and Flexibility. Some of the commonly used modes of transportation are public transport, Taxi or Cab services, Vehicle Rentals and Private Vehicles. With rapid growth of technology, new modes of transport and their business models. One major revolution in travel industry is introduction of Aggregator business model. The aggregator firm gathers data on specific service providers, enters into agreements with them, and markets their services under its own brand in the aggregator business model.

The offering providers never become aggregator's employees and continue to be the owners of the product or service provided. Aggregator just helps them in marketing in a unique win-win manner. Such a model is used to organise unorganised sectors such as Hotels, Groceries, Taxis, food etc. Swiggy, Zepto, Ola cabs, Oyo rooms are some of the examples of aggregators in Indian market.

Following are some features of Aggregators:

Organizing the products or services: The same industry produces all of the goods and services. They are simply arranged under a single brand.

No employability agreement: Never are the partners employed. They are free to accept or reject the aggregator's suggestion.

Two-sided marketplace: Not only the users of app are customers but also the partners themselves as they must receive benefits from the aggregator in order for them to select this platform over others.

More spending on marketing: Most of the money earned is used to create and market a brand. Quality, trust, affordability, and anything else that can draw in partners and customers are required for this brand.

Rapido is one such aggregator which operates in passenger commuting services. This new player had brought a revolutionary change in this sector by becoming the first firm to provide Bike-Taxi services. Bike-Taxi or a motorcycle taxi is an authorised mode of transportation where, typically, one person " pillion rider " sits behind the motorcycle driver in the taxi. Such taxis can be availed through an app and usually operates at intra-city level. Being the first firm to utilize the two-wheeler segment of Indian market, Rapido disrupted the duopoly of Ola and Uber.

The two-wheeler market in India is the biggest in the world, and the proportion of two-wheelers in the market in India is the highest among all other segments when it comes to commuting. Rapido, by doing comprehensive research on this undiscovered market, tapped on the opportunities available and utilized this sector in an efficient manner. This efficient utilization included creation of new job opportunities and new sources of travelling to customers by using two-wheelers that are already in use. Also, it helped Rapido to achieve sustainability by using its current fleet of vehicles to create new jobs. By doing so, Rapido is practicing social sustainability. Likewise, it is practising economical sustainability by providing cheaper rides to its commuters and partial employment to its riders. Currently Rapido is India's largest bike taxi service provider.

Its services are accessible in more than 100 cities. Although there exist some competitors of Rapido in the segment such as Bikxie, Yulu, Snapbikes, etc. But they are no potential threat to the firm's dominance. This paper illuminates the reasons and strategies adopted by Rapido to emerge as one of the biggest aggregator and market player in passenger commuting sector.

LITERATURE REVIEW:

After studying the business model of Rapido and the potential of its competitors, Panigrahi, C. M. A., Darda, M., & Ahmed, I. (2021) had mentioned that Rapido has an enormous extent of development in the current market. They also added that the as on-request bike taxi administration is by all accounts a fascinating model. The factor that the Rapido follows severe checks and exacting punishments to guarantee safe likewise makes it more dependable. (Cheng, B., Li, J., Su, H., Lu, K., Chen, H., & Huang, J. (2022) in their study had found, through the data collected that Bike-sharing has shown its potential to improve irrational urban transportation structures and significantly reduce greenhouse gas emissions. The findings from their study highlighted the environmental benefits of Bike-sharing.

OBJECTIVES:

The study focuses on the following objectives:

1. To study the reasons of Rapido's success in the passenger commuting sector
2. To study the sustainable practices adopted by Rapido.

RESEARCH METHODOLOGY:

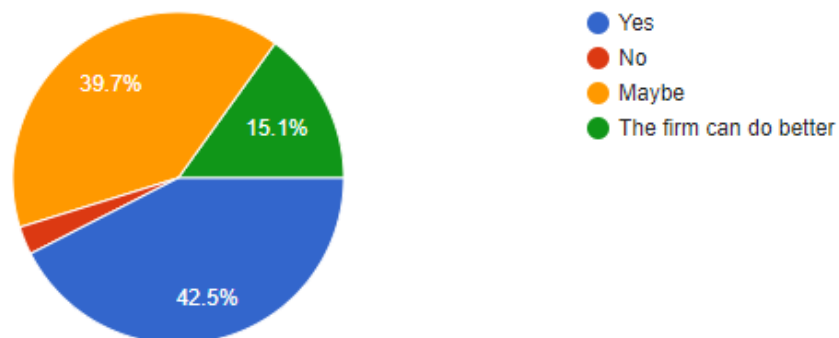
A survey was conducted by the circulation of an online google form. The form was prepared with respect to the knowledge and awareness of respondents between the age of 18- 60 years regarding Rapido's aggregator business model. Such form was shared across through WhatsApp. The responses were received from the respondents residing in Mumbai and Thane Districts. The nature of Questions was simple in order to avoid ambiguity and generic responses are received from the respondents. Also, throughout the course of this study, data from numerous reliable sources, including newspapers, published records, websites, journals, and other articles, was used.

DATA ANALYSIS:

Over the course of the research questionnaire's distribution, 73 responses were gathered from men and women within the age bracket of 18-60 years. Mumbai and the Thane district were the only areas of study. The convenience sampling method was employed, in order to collect the data.

Q.1 Do you think Rapido is Exercising enough sustainable practices?

73 responses



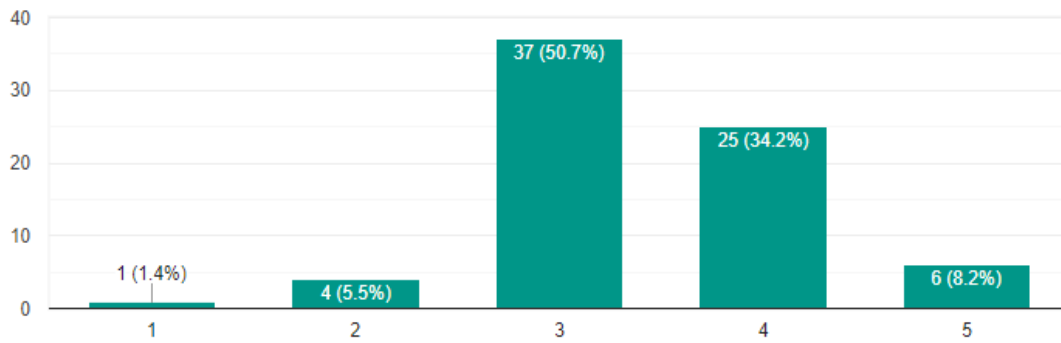
Options	Number of Responses
Yes	31
No	02
Maybe	29
Can do better	11

The aim of this question was to gauge the awareness of Rapido's sustainable practices among general public. 31 respondents out of 73 agreed that the firm is exercising enough sustainable practices. 29 respondents believed that the practices exercised May or May not be enough,

while 11 respondents expect that it can do better. Only 2 respondents believe that these practices are not enough.

Q.2 Rate your confidence regarding the success of Rapido in the sector. (5 being the best)

73 responses



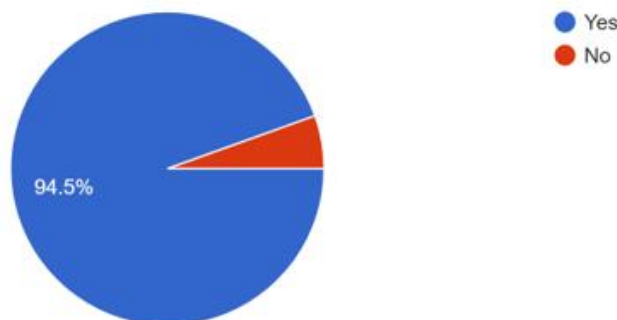
Ratings	Number of responses
5	6
4	25
3	37
2	4
1	1

This question was asked to understand the respondent’s confidence in the growth and development of the firm on a scale of five. 37 Out of 73 respondents rated 3 as their confidence level in the firm’s growth. 25 people rated 4 as their level of confidence, where as 6 respondents rated 5 as their level of confidence. Only 5 respondents who rated 1 and 2 have poor confidence in the firm’s success

Q.3 Do you think Rapido is practicing a sustainable business model by utilizing existing vehicles rather going for new ones?

Do you think that Rapido is practicing a sustainable business model by utilizing existing vehicles rather than going for new ones ?

73 responses



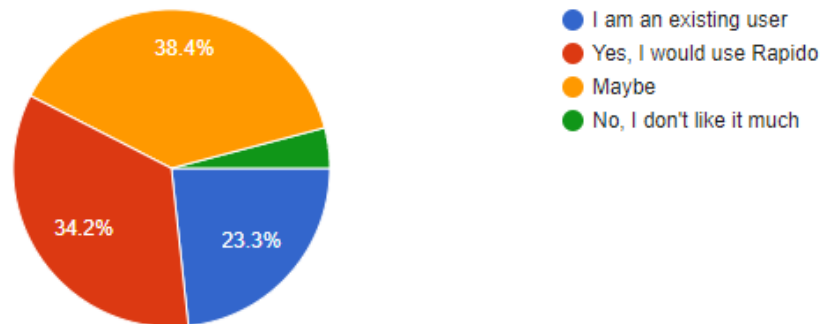
Options	Number of Respondents
Yes	69
No	04

This was question was aimed to understand overall take of respondents regarding Rapido's business model and its sustainability. 69 out of 73 respondents believed that by utilizing existing vehicles the firm is ensuring sustainability. However, 4 respondents did not find the model sustainable.

Q.4 By knowing its advantages, would you prefer using Rapido? Or are you an existing user?

By knowing about its advantages, would you prefer using a Rapido? Or are you an existing user?

73 responses



Options	Number of Responses received
I am an existing user	17
Yes, I would use Rapido	25
Maybe	28
No, I don't like it much	3

By providing information about Rapido's economic and social sustainability this question was asked. 17 out of 73 respondents are existing user of Rapido, and 25 respondents showed confidence to become its customers. 28 respondents are still sceptical, and they may or may not become its customer while, 3 respondents clearly didn't want to become a customer.

FINDINGS:

- It has been observed that majority of the respondents give a higher degree of attention to the time involved and convenience of travelling before choosing the mode of travelling.

- There exists a higher degree of expectations among the customers regarding firms' sustainability.
- It was also observed that individuals are not completely aware about the firm as 7% of the respondents still have not heard anything about the firm.
- Also, 38 out of 73 respondents found the firm as a sustainable firm and they are willing to be a customer of such a firm.
- It has also been observed that there is a lack of awareness among individuals regarding the aggregator business model and bike-taxi service, thus many of them still could not avail the benefits of such a business.

RECOMMENDATIONS:

- **Changing customers perception:** One of the biggest obstacles to be resolved by Rapido is to change their perception towards the safety standards of travelling by Rapido. This problem in the way of acquiring new customers is one potential obstacle that has effected its growth is to be resolved. Promotional campaigns regarding the safety ensured, creating awareness about the safety measures taken, providing required education regarding the service, etc. will do the required in order to change customers perception towards the services.
- **Ensuring competitive advantage:** Government regulations in the Bike-Taxi segment had helped Rapido to maintain entry barriers in the sector. However, due to relaxation in regulations and by reiterating Rapido's innovative strategies a lot of new entrants can ensure their share in the sector. Thus, the firm has to ensure activities that provide competitive edge over others as number of competitors are likely to increase.

CONCLUSION:

With changing time and growing population there has been a tremendous change in the way man used to travel. The introduction of the Aggregator business model is one significant revolution in the travel industry. The largest two-wheeler market worldwide is found in India, and it is also known that, the proportion of India's Two wheeler segment in the travelling market is the largest among all other segments. It is also the most underutilized sector of Indian transportation. Rapido became a pioneer of passenger commuting in the two-wheeler sector by studying the need of the market and resources available. The most important factor which led to the success of the firm is its extensive study about the two-wheeler segment. This research and study of market done by Rapido made it stand out of the competition and enabled it to provide services in the most efficient manner possible. Talking about the success of Rapido, one cannot ignore the role of sustainability in it. It ensured economical and social sustainability by utilizing the underutilized sector.

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