U.S. & Australian Experience with Surveys of Ridesharing Markets

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Overview:
The shared economy is growing around the world, enabled by web and smart phone technology. It is a phenomenon where owners rent out use of something they are not using, such as a car or house. Sometimes these are assets that are rented, like traditional car rental or furnished rooms and sometimes these are assets and services such as a car and driver, or a furnished room with breakfast provided.

Australian approach to using ridesharing to establish transport as an on-demand service

Mobility as a Service (MaaS) sees transport or mobility as a single service available on demand and incorporating all transport services from cars to buses to rail rather than as a physical asset to purchase (e.g. a car) (Transport Systems Catapult, 2015). Technology, providing both front-end and back-end services to support MaaS, has been a driving force.

This paradigm change in transportation which has three principal characteristics:

1. **Transport on Demand.** MaaS offers tailor-made transport on demand within the context of a subscription service.
2. **A Subscription Service.** Users have no need to buy travel tickets or sign up for separate transport accounts. A MaaS account provides the freedom to choose the mobility you need, for an agreed period or pay-as-you-go subscription.
3. **Potential to create new markets.** For transport providers MaaS offers new sales channels, access to untapped customer demand, simplified user account and payment management, as well as richer data on travel demand patterns and dynamics.

MaaS is a new concept: How will it be taken up and what are people willing to pay? Will it involve using the TNCs more than at present? Investigating the unknown future requires a stated preference approach.

This poster presents:

- How one slice of the shared economy - transportation network companies (ride sharing) is growing at the expense of other modes
- How TNCs are transforming transportation from asset-based car ownership to a service that is hired, which in turn can become part of an overall *mobility package* purchased by households
- The current and future implications of role of the shared economy in passenger transportation

Suggested Future Research

- Will the shared service market continue to expand at the expense of conventional transport?
- What are the implications for ownership models? Will it only work if the barriers of ownership are broken down?
- What market segments might find this particularly appealing? The young segment where technology is second nature and expense of conventional transport?

In the first column is the current spend of respondents to compare with two mobility packages and one pay-as-you-go option

- Respondents can reveal whether mobility packages are likely to be effective
- Responses will reveal willingness to pay for the different attributes – this can be compared with costs to ascertain viability.

Findings

- In practical terms Mobility as a Service means swapping a low marginal cost model where ownership has many upfront costs but use is low cost for a model where the marginal cost is higher but there are no on-going fixed costs.
- TNCs affect the market share of all ride modes, not just taxicabs. In combination, all other ride modes are declining when faced with TNC competition
- Income and density appear to be major factors in explaining the differing levels of growth of TNC service
- Trip shares of commercial rides and drop offs are growing faster than passenger growth, presumably at the expense of “drive & park” and possibly car rental.
- Current evidence from one source (airport pickups and drop-offs) and the stated preference experiment set the stage for understanding the future role of the shared economy in passenger transportation

Sources: U.S. Bureau of Economic Analysis and U.S. Census Bureau

Note: Study areas for both airports are slightly larger than the MSA geography.

Suggested Future Research

- Will the dramatic growth of ride-sharing result in significant changes in capital investment outlooks, including reducing needs to construct (or maintain) parking structures and parking lots?
- If the growth in ride sharing brings about trade-offs between on-street parking spaces and structured pick-up and drop off locations, how will municipal and airport parking revenues be affected?