

BUSINESS MODEL CANVAS

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Submission: A business plan for Lyft's expansion into the Indian market, and represented it using the Business Model Canvas template and the value proposition of Lyft's product considering the Indian market and represented it using the Value Proposition Canvas template.

This would be 0 -> 1 product stage of Lyft curated for **India** and the initial launch would target **Tier 1 cities** and have **limited services**.

All the points are based on analysis and understanding existing market trends in India, and operational dynamics of Lyft (USA).

Considering two personas for two types of end users: Customers and Drivers

CUSTOMER PERSONA	DRIVER PERSONA
<ul style="list-style-type: none">▪ Arjun▪ 24 years old▪ Software Engineer▪ Bangalore▪ Does not own a car▪ Travelling by bus or cab everyday to work▪ Feels public transport is tough▪ Does not like to spend premium▪ Chooses affordable comforts	<ul style="list-style-type: none">▪ John▪ 28 years old▪ Senior Engineer▪ Bangalore▪ Owns a car▪ Drives to work▪ Does not mind sharing ride with strangers▪ Would like to earn some extra income▪ Likes to make new friends

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Brief description about BMC parameters:

#1

• Customer segments

Target ground for Lyft or end users of Lyft's service.

End users are differentiated into two types:

1. **Customers:** Ride Hailing users and
2. **Drivers:** Ride Sharing users

Users are the people who needs a ride.

In general, users can be defined based on purposes and some of them are as follows:

- Office going people who want to hail a ride to their everyday commute to work.
we already see this trend in India, with applications like "quick ride"
- Corporates (e.g. slack) offering pickup/drop facility to their employees.
- Businesspeople who do not want to drive and save time doing work while travelling.
- Regular commuters to/from specific locations, like students.
- Anyone who wants to travel within the city limits at comfort

Drivers are people who want to make money while driving

Drivers can further be described as

- Office going people who want to share a ride on their everyday commute to work.
we already see this trend in India, with applications like "quick ride"
- People who own a car and want to earn money

BUSINESS MODEL CANVAS

The classification of the Target Group or end users of the app/service can be structured by classifying based on the following:

I. Customer behaviour:

The group of customers that are to be targeted are those who would use the app/service on a regular basis and with constant frequency from their initial sign-up / usage from day 1. There are the customers that we can also call as “Repeat Customers”.

Majority of this segment constitutes of everyday commuters who would like to share their ride or would like to hire a ride to travel to school/college or work.

II. Geographic:

Customers who use the app/service from locations and based on this location information and usage stats, we can know the opportunity in and around the specific location as the customers are more on any given time. In India we see the availability of services like Ola, Uber, QuickRide etc. are limited to Tier 1 cities (most of the working population in terms of technological usage contribution).

We can consider the locations such as IT parks, colleges, malls, pubs etc. where probability of usage is high.

III. Technological traits/Device type:

We know that India is a mobile first country, that means most people tend to use mobile as their first choice of preference for a defined objective. From the statistics(<https://www.statista.com/statistics/262157/market-share-held-by-mobile-operating-systems-in-india/>) we see that “Android” users contribute 90% and “iOS” is ~ 3%.

Targeting android application users would help in Product Adoption.

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#2

▪ Value proposition

The assessment of Lyft's offerings and other competitors in the market.

For Customer:

- Hailing a ride at any convenient time and place
- Less hassle in terms of waiting and booking compared to traditional taxi services

For Driver:

- Flexible working schedules
- Source of Income

Also, specific trends in the travelling options and its implications – (we could perform market research and draw actionable insights)

#3

▪ Revenue streams

The primary source of revenue that Lyft would generate from their customer segment.

- % Commission on the ride transactions

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#4

▪ **Channels**

The touchpoints of the customer segment with Lyft.

- Facebook, twitter, Instagram etc. could be used for Social Media Marketing
- Set up physical marketing pop-ups in key areas across the city
- On road hoardings / boards etc.
- Lyft's website.
- Google Play store or Apple store for mobile Applications
- Word-of-mouth

#5

▪ **Customer relationships**

The aspects of building and maintaining a good relationship with the customers.

- Sign-up rewards could help user incubation faster.
- Referral bonus could help in growth of number of users of the application.
- Loyalty points could help in transforming users to repeating customers.
- Customer Support could help maintain the connection between the company and users.

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#6

• Key activities

The everyday activities that ensures the business runs per satisfaction by measuring the customer activities.

- Could provide a feedback survey for both the users and drivers at the end of a ride and getting those inputs and drawing insights from those and converting them into actionable items, could help in solving problems (if any).
- Providing information about happenings in and around the places could help in chance of people thinking to step out and go.
- Having a proper analytical understanding of the geography (specific), making sure the availability of rides at the right time and the right place.
- Product research, development, support, and management.
- The application usages, problems, network-oriented issues etc.
- Could help both users and customers by aiding round the clock.

#7

■ Key resources

The required resources to run your business, such as people, knowledge, money etc. that are optimally used.

- Having a strong systematic and technological platform.
- Having efficient technical gear and brilliant team

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#8

■ Key partners

The valuable partnerships that are to be created to run a successful business.

- Users, who use the application.
- Drivers providing the service.
- Technology partners for payments, navigation system that are very crucial in running this business.
- Backend team working on the technology platform and making sure everything works fine.
- Business partners

#9

■ Cost structure

The cost structure segments such as sales, marketing, operations, human resources.

- Both hardware and software infrastructure as this would be basically a technology backed company.
- Marketing would be the most spending part in the Lyft's introduction to India.
- Employees and their salaries.
- Everyday operations.

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Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<ul style="list-style-type: none"> - Customers - Drivers - Payment gateways - Navigation system - Organisational support (public & private) 	<ul style="list-style-type: none"> - Marketing - Platform development - Analytics and R&D 	<p>For customers:</p> <ul style="list-style-type: none"> - Better availability of rides - Less waiting time - Affordable travel <p>For Drivers:</p> <ul style="list-style-type: none"> - Flexible work hours - Source of income 	<ul style="list-style-type: none"> - Rewards (sign-up & referral) - Loyalty Points - Assist/Support team 	<ul style="list-style-type: none"> - Customers - Drivers
	<p>Key Resources</p> <ul style="list-style-type: none"> - Effective technology platform - Skilled and motivated team - Leadership 		<p>Channels</p> <ul style="list-style-type: none"> - Social Media - Mobile applications - Website 	
<p>Cost Structure</p> <ul style="list-style-type: none"> - Tech Infrastructure - Marketing - Manpower 		<p>Revenue Streams</p> <ul style="list-style-type: none"> - % commission on rides 		

VALUE PROPOSITION CANVAS

Brief description about Customer Segment:

Considering two personas each for **customer** and **driver**.

Customer jobs:

Persona – background and behaviour.

Customer	Driver
booking a ride via mobile app, wait for the driver to accept then pickup after which a safe travel to the destination and finally the payment and feedback.	accepting a ride on driver-app, reach the pickup point and wait for the customers then pickup after which a safe travel to the destination and finally the payment and feedback.

Customer pains:

The pain points of the customers.

Customer	Driver
The major pain point would be unavailability of a ride at any given time troubles the customers or any booking related issue and if the ride gets delayed for any reason that is also considered here and lastly if there is any kind of surge in price.	For drivers, to get bookings and their frequency would matter most and other pains include like waiting for the customer and if there is any issue with accepting bookings on application or any other in-app functionality is non-working.

Customer gains:

The goals and expectations of the customers.

Customer	Driver
Customers would be happy if the arrival time is quick and at the location. Customers expects to pay in their choice of payment mode and its availability.	Flexible working hours and no boss.

VALUE PROPOSITION CANVAS

Brief description about Value Proposition:

Considering two personas each for **customer** and **driver**.

Products and services:

The product/service offerings to the customers.

Customer	Driver
The App is the most valued offering that serves as the tool to book rides, navigation, payment gateway and customer support.	The Driver app that serves as the tool to accept rides, navigation, payment gateway and customer support.

Pain relievers:

The ideas to relieve the pain points of customers.

Customer	Driver
There would not be any hidden charges or any cancellation charges in case if a scheduled ride is cancelled.	If a feature introduced to limit the wait time that would help the drivers as wait time is considered as their major pain point.

Gain creators:

The ideas to fulfil the goals and expectations of customers.

Customer	Driver
Better availability of riders at different locations and flexible times with affordable prices compared to cabs.	Would be income generator.

VALUE PROPOSITION CANVAS

