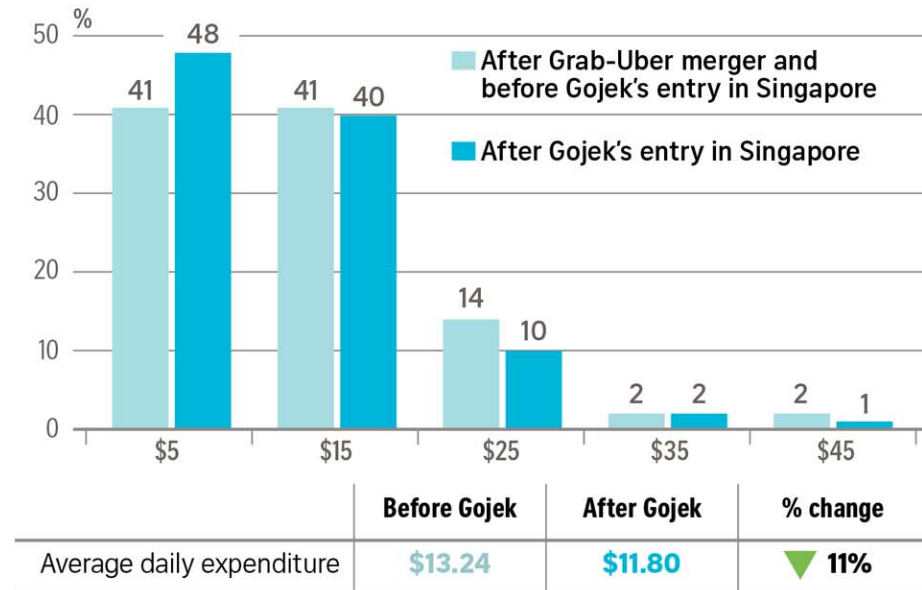
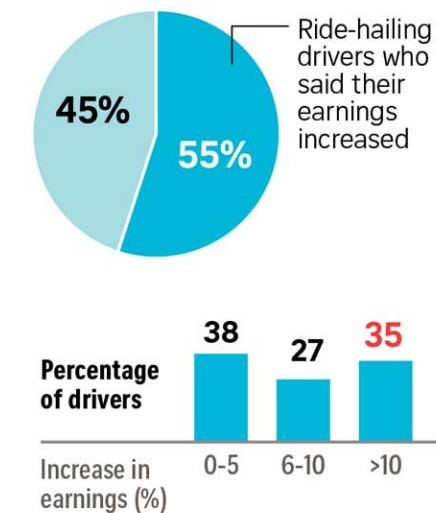


Drivers, commuters gain from competition

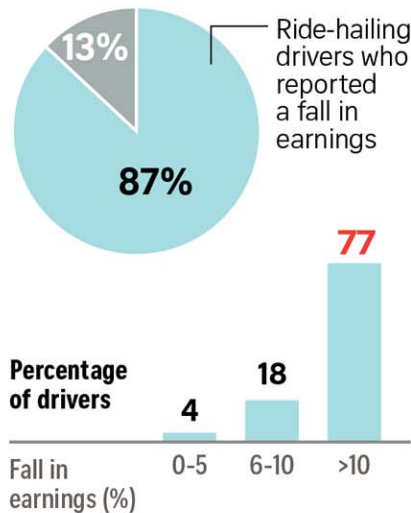
Lower fares for commuters



Drivers reported higher income after Gojek's entry



Drivers saw income fall after the Grab-Uber merger



NOTE: 500 commuters and 500 drivers were polled using an online questionnaire for each group from July to Aug 2019.

Source: NUS BUSINESS SCHOOL STRAITS TIMES GRAPHICS

Fall in ride-hailing fares in past year, study shows

Private-hire drivers also see higher income following Gojek's entry here last November

Aw Cheng Wei

It has been cheaper to book a ride on Grab over the past year, with competition in the ride-hailing sector heating up, according to a study released today.

Average daily fares fell 11 per cent to \$11.80, down from \$13.24, after Indonesian start-up Gojek started operations here last November, researchers from the National University of Singapore found.

Private-hire drivers also reported higher earnings as companies dangled more rewards to get them to stick with their apps, researchers said in the study commissioned by Grab's closest rival, Gojek.

The study examined the Grab-Uber merger's effects on 500 riders and 500 drivers.

The findings were made public a year after the Competition and Consumer Commission of Singapore slapped a \$13 million fine on Grab and Uber in Singapore for infringing anti-competition laws after they merged.

American ride-hailing giant Uber sold its operations in South-east Asia to local start-up Grab for a 27.5 per cent stake in Grab and a seat on the company's board in March last year.

The competition watchdog said the merger had led to reduced competition on the ride-hailing scene.

Investigators found that effective fares for commuters had risen between 10 per cent and 15 per cent after the deal.

But now, these fares have dropped to levels before the Grab-Uber merger took place, said Associate Professor Lawrence Loh, who

worked on the study.

Rewards for drivers, which include fuel vouchers and minimum guaranteed payouts, also returned to pre-merger levels after Gojek started operations here, he said.

The study found that 55 per cent of the drivers polled noted that their earnings have increased after the new player entered the market.

In contrast, the merger had lowered the earnings of 87 per cent of the drivers polled.

Drivers polled during the study also said that they are more satisfied with the incentives offered by Grab and Gojek, compared with pre-merger days.

Researchers had asked the drivers about fuel incentives, minimum guaranteed payouts and insurance coverage, among other benefits.

Private-hire drivers and commuters told *The Straits Times* that they have benefited from stronger competition between the ride-hailing apps – Grab, Gojek, Tada and Ryde.

The companies' reward schemes are drivers' top priority as they rely more on driving incentives than commuter fares for their income, said a private-hire driver who wanted to be known only as Ms Lee, 46.

Ms Lee, who has been driving for about two years, said that Grab changed its rewards scheme for drivers earlier this week, and she is monitoring how the changes affect her earnings.

"It's harder to earn points (which can be converted into rebates) with the change," she said, adding that its rental rebate programme had been replaced as well.

Commuter Patrick Ho, 32, said that he often checks fares on Grab and Gojek before committing to a ride. "I always go for the cheaper option if I'm not in a rush," he said, adding that he is sometimes worried about the seemingly shorter supply of Gojek drivers, which may result in a longer waiting time.

awcw@sph.com.sg