

New ride-hailing players boost Singapore drivers' earnings, cut fares: NUS study

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FIONA LAM ✉ fiolam@sph.com.sg 🐦 @FionaLamBT



Healthy competition in Singapore's ride-hailing market has been beneficial to both drivers and riders over the past year, according to research findings by the National University of Singapore (NUS) released on Wednesday. PHOTO: ST FILE

HEALTHY competition in Singapore's ride-hailing market has been beneficial to both drivers and riders over the past year, according to research findings by the National University of Singapore (NUS) released on Wednesday.

More than half (55 per cent) of drivers polled said their earnings have increased since the introduction of new players in the market. Of these drivers, more than one-third (35 per cent) reported a surge in earnings of more than 10 per cent, the study found.

Meanwhile, the average daily ride-hailing fares have fallen by 11 per cent for commuters, as reported by those who use more than one ride-hailing app.

Since the Grab-Uber merger in March 2018, the city-state has welcomed new entrants such as Gojek, RYDE and TADA.

The study analyses how the evolution of Singapore's ride-hailing scene in the past 12 months has affected stakeholders. Between July and August this year, it polled 500 drivers and 500 riders who used multiple ride-hailing services.

Commissioned by Gojek, the study was conducted independently by the Centre of Governance, Institutions and Organisations (CGIO) at NUS Business School.

The findings were released a year after the Competition and Consumer Commission of Singapore (CCCS) issued an infringement decision on the merger of ride-hailing giants Uber and Grab and [fined them more than S\\$13 million](#).

Last March, Uber sold its South-east Asian business to Grab for a 27.5 per cent stake in the latter, in a move believed to help it mitigate its losses from intense competition against Grab and Gojek in the region.

The competition watchdog said the deal infringed anti-competition laws and was detrimental to drivers and riders. For instance, effective fares had risen 10 to 15 per cent post-merger, according to CCCS.

Likewise, in the NUS study, 63 per cent of riders said their ride-hailing experience had been negatively affected as a result of the merger.

Drivers were particularly hard hit by the merger, the study found. Of the 87 per cent of them who reported a decrease in their earnings, 77 per cent saw a drop of more than 10 per cent.

In terms of incentives offered, 40 per cent of drivers polled were dissatisfied with them during the post-merger period, up from the 24 per cent who were dissatisfied with the incentives before the merger.

The proportion of drivers satisfied with incentives has also more than doubled since the post-merger period. They were most satisfied with the fuel incentives (43 per cent) and minimum guaranteed payout (31 per cent) after the entry of new players.

Among riders, eight in 10 said they now have more options thanks to the presence of new operators, while 52 per cent also reported improved availability of ride-hailing services.

During the post-merger period, the downward revision of customer rewards offered on the ride-hailing apps also adversely affected nearly two-thirds (64 per cent) of riders, the study found.

Lawrence Loh, director of CGIO at NUS Business School, said: "It is imperative that the ride-hailing market continues to be open, contestable and dynamic, as Singapore advances towards its 2040 vision of a car-lite, inclusive and even more well-connected transport system."

Of the polled riders, 68 per cent used ride-hailing apps frequently, from one to 10 times a week to more than 20 times a week. Almost half (47 per cent) of the riders surveyed were 20 to 30 years old.

Ride-hailing is the main source of income for more than half (56 per cent) of the drivers polled. Entrepreneurs, who are self-employed and supplementing their income with ride-hailing earnings, form the second-largest group of drivers at 26 per cent.