Reflections on launching and operating a transit start-up in a challenging competitive and regulatory environment

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Average occupancy of private vehicles in Mexico City is 1.5 passengers.

Vehicular congestion is consistently ranked among the worst in the world.

35 million workday trips:

- 7.2 million trips/day on private vehicles.
- 1.4 million trips/day on taxis and 156.4 thousand on ridesourcing platforms.
- 4.5 million trips/day on subway
- 1 million trips/day on BRT
- 11.5 million trips/day on jitneys
90% of people polled in Mexico City report feeling insecure while riding on transit.

22% of women stopped using public transport to reduce risk of becoming a victim of a crime.

National Survey of Victimization and Perception of Public Safety (ENVIPE ’15)
How can government make collective mobility more attractive than private mobility?

(especially when they are not willing to make politically unpopular choices and have little wiggle room in the public budget)
What should be the government’s goal as planner and regulator of public transportation?

- Accessibility?
- Affordability?
- Contain negative externalities?
  - Congestion, Pollutant emissions, fatalities?
- Harness positive spillovers?
  - Economic development, urban planning?
- Equity?
  - (Peñalosa’s “City and Equality”)?
- All of the above? A few of the above?
We deliver a **safe, comfortable, reliable** and **affordable** transportation alternative...
... in a city where most public transit is dangerous, uncomfortable, unaccountable and unsubsidized.
A good trip. Always.

Buen viaje. Siempre.
What is Jetty?

A TNC?
- Uber
- Cabify

Microtransit?
- Cariot
- Bridj

Bus aggregator?
- Shuttl

Other?
Our service

We connect our users with transportation operators that meet our quality standards:

- Trained and well incentivized drivers.
- Well maintained vehicles equipped with cameras and GPS.

We monitor every trip establishing bidirectional communication with passengers, providing immediate feedback to our transportation suppliers about: 1) Driver performance, 2) Passenger feedback, 3) Ridership, 4) Revenue trends.
Subway and BRT network
Our coverage area
How Jetty works
Jetty is more affordable than private mobility and faster, safer and more comfortable than public transportation.

*Mundo E - Av. Santa Fe 695 (23 km) leaving at 6:30 am*
Challenges prior to our launch (Aug’17)

1. Creating a minimally viable app -> Technological partner
2. Obtaining a permit to operate -> Ride-sourcing permit
3. Recruiting transport operators to supply rides -> Small transport operator bet on the model.
Business Model

Users → JETTY

Revshare: % % % %

Vendors
- Transportista 1
- Transportista 2
- Transportista 3
- Transportista 4

OpEx

Drivers
Our launch
and a few regulatory complications...

Reglamento de la Ley de Movilidad, published September 17, 2017

Article 59: “Private chauffeured passenger transport services is hereby prohibited, when generated through two or more requests and serviced with the same vehicular unit offering the same trip to different persons, in the same path, journey or route.”
Users queuing for a seat, before implementation of Jetty

Users who booked their seat, after implementation of Jetty
Confirming our hypotheses

After relaunching we confirmed the following:

Our users choose to pay more for:

1. Comfort.
2. Safety.
3. Security with their time and with their money.

Our transport operators love:

1. Having more control of their operation and revenues with Jetty.
2. Regaining a market they had already lost.
Scaling up: Partnering with new operators

Jetty has partnered so far with 4 different jitney associations, and is in negotiations to add several more to our network.
Not “on demand.” Demand responsive experimentation
Collective Taxi

Electric Shared Taxi
Our impact

120,000 seats sold in 13 months

Last month
Our impact in numbers

- The number of seats sold has grown at a **70%** CMGR for the last 6 months.
- **20%** of our users have already used our service more than 20 times.
- **80%** of our users continue using our service 15 weeks after first trying it.
- Our Average customer rating **4.96/5.00** 🌟🌟🌟🌟🌟

Excellent as always. On time and without inconveniences. Thank you Jetty.
Eunice García

Great option, affordable and safe. Really improves my commute. I recommend it!
Natalia Martínez Rodríguez

A very professional driver. Excellent trip: comfortable and fast. Thank you.
Andrea Díaz
Our impact according to our users

- **49%** claim that they would have traveled by private car, taxi or ride-sourcing services if Jetty wasn’t available.

- **90%** suggested that Jetty has improved the quality of their daily trips, over their preferred alternative.

- **87%** of our users consider Jetty better than their other transportation alternatives.
Conclusions

1. The quality of service provided by the industry can be dramatically improved by (a) properly incentivizing its drivers and owners, (b) enforcing tight standards and (c) responding to passenger feedback.

2. It is possible to improve the quality and increase the coverage of public transit without making massive capital investments or committing to operational subsidies.

3. A significant number of commuters are willing to forego less sustainable, individual transport modes, if a safe, comfortable, fast and reliable shared-ride alternative is available.
Our ask to regulators:

Please don't impose standards on startups that you do not enforce on the incumbent industry.

Please craft a framework that protects the public interest without denying us the opportunity to try new things.

Please give the public -especially the public that can't afford ridesourcing- an opportunity to try better mobility alternatives.
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Thanks
Our team

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Market size (Mexico City Metropolitan Area)

35M of trips / day

Jitneys + Private Vehicle: 19M of trips / day

0.5M of trips / day
Business Model

We take a 20% fee on each trip.

0.5M of trips / day → $9.8 pesos → $4.9M pesos

$4.9M pesos x 254 business days = $1.245M pesos = US$ 66.2M

Potential Annual Revenue