Drivers, commuters gain from competition

Lower fares for commuters

<table>
<thead>
<tr>
<th></th>
<th>$5</th>
<th>$10</th>
<th>$15</th>
<th>$20</th>
<th>$25</th>
<th>$30</th>
<th>$35</th>
<th>$40</th>
<th>$45</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before Gojek</td>
<td>41</td>
<td>48</td>
<td>41</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>After Gojek</td>
<td>14</td>
<td>10</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Average daily expenditure

Before Gojek: $13.24
After Gojek: $11.80
% change: 11%

Drivers reported higher income after Gojek’s entry

45% of ride-hailing drivers who said their earnings increased
55%

Drivers saw income fall after the Grab-Uber merger

13% of ride-hailing drivers who reported a fall in earnings
87%

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 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.

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 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.

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.