

WOMEN EMPOWERMENT

THROUGH TRANSPORTATION

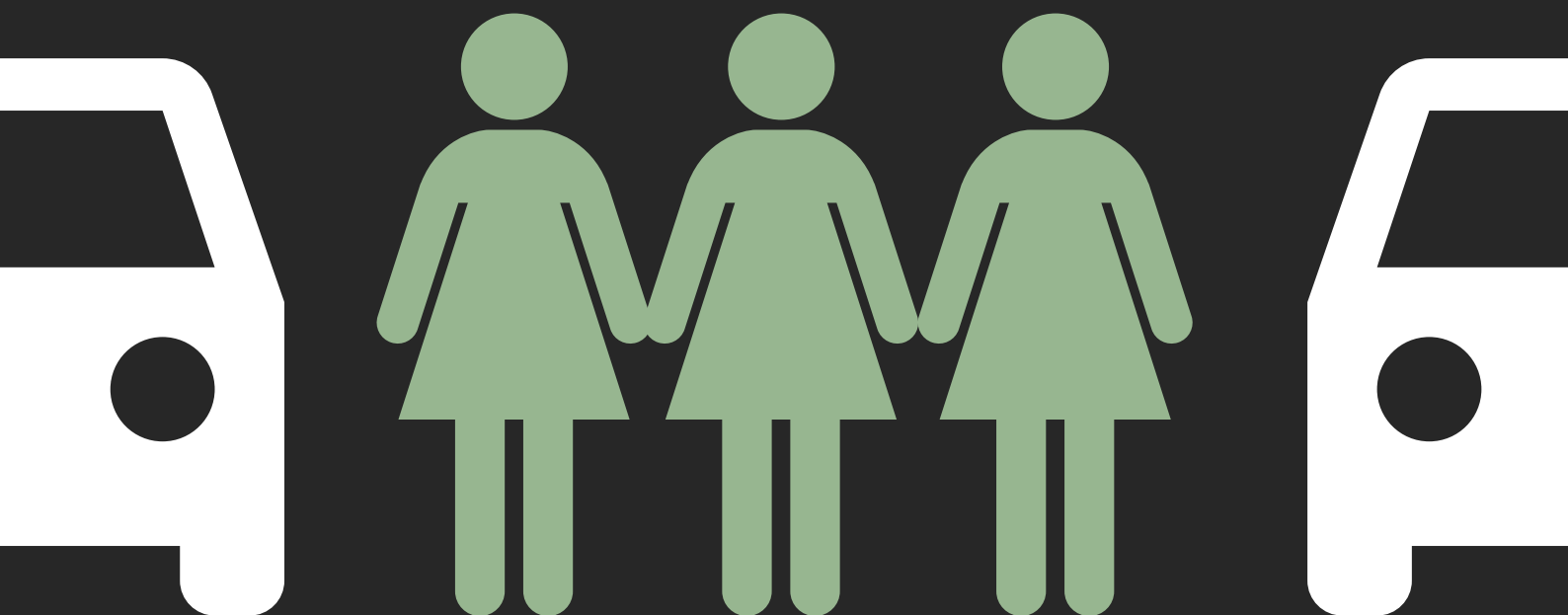


TABLE OF CONTENTS

01

Introduction

02

Pestle Analysis

03

Industry Analysis

04

Porters 5 Forces

05

Blue Ocean

06

Synthesis

07

Alternatives

08

References

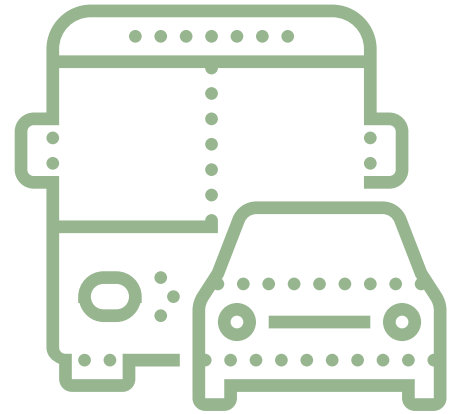


INTRODUCTION

Looking into the trends and industry of ride-sharing or taxi-hailing applications, a gap reveals itself that some have tried tackling but not as effective as it should be. This report goes through the transportation industry, ride-sharing industry and attempts to relate it to the Ethiopian market as there has been an influx of foreign investment into the country, a massive growth potential, and women who are discriminated by culture and have no opportunities to work in a safe environment.

Going through frameworks to assess the potential and opportunities, reveals both obstacles and potential entrant points.

By the end of the report, a rough idea of a solution should appear on how ride sharing application can empower women in Ethiopia and also be a successful venture.



PESTLE ANALYSIS



Political

- First ever Ethiopian Transport investment summit 2021 held.
- Transport sector has taken priority under the 10 years Perspective Plan. This includes expanding transport infrastructure and safer transport .
- Instability due to internal recent internal conflict



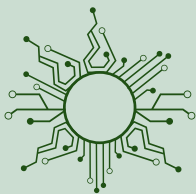
Economical

- Inflation increased to 20.6% in 2020 due to pandemic disruptions.
- Foreign investors face strict regulations, such as companies only being able to convert up to 90% of investments back into foreign exchange.
- GDP per capita for 2020 was \$936, a 9.42% increase from 2019



Social

- Ride-hailing helps improves women ability to travel to places that were previously inaccessible to them.
- Low literacy levels form a key part of the informal workforce in the country and the use of multiple languages such as Amharic, Oromo, and Tigrigna are factors that make the building of inclusive platforms challenging.



Technology

- Mobile phone penetration of 32% in Ethiopia.
- Ethiopia's will improve Internet access from the current penetration to 95 percent by 2022.
- Hybrid of mobile app/SMS and call centre to engage customers due to unstable internet.



Legal

- Despite the lack of clear legislation, governments have taken a "wait and see" approach to taxing the gig economy.
- Limitations on profits have resulted in global digital gig platforms staying out of Ethiopia.
- Investments are allowed but require a minimum of 51% local ownership.



Environment

- Ambitious goal to be carbon neutral by 2025.
- Introducing a no car day.
- Pushing for walking and bicycle infrastructure use to reduce CO2 emissions.

INDUSTRY ANALYSIS

TRANSPORTATION INDUSTRY AND EXISTING SEGMENTS BRIEF

The transportation industry has been changing rapidly and drastically due to climate change and sustainability. Some segments that exist within the industry are delivery of goods and passenger services



MARKET SIZE

- Companies in the digital finance, ride-hailing, and digital media space could see Birr 1bn (\$20,824,760) valuations in a few years.
- Global ride sharing market size is expected to be worth around at US\$ 344.4 bn by 2030.



MARGINS

- Ride has a network of more than 20,000 drivers and a gross booking value of 5mn to 6mn birr per day.
- Margins are becoming narrower with time due to external factors such as fuel prices.



GROWTH

- Digital economy space in Ethiopia is entering a "liftoff phase."
- According to some surveys, a total of 15 million ride-hailing trips happen each day, which is expected to increase and hit a 100 million mark by 2030 gigantically.
- Addis Ababa is among the fastest-growing cities in the world. The number of private vehicles in the city is rapidly increasing, contributing to traffic, pollution, and traffic fatalities.



SHIFTS

- Sustainable options will be prioritized such as walking infrastructure and cycling within Ethiopia.
- Massive shift on how the current population uses transportation as internet is still at 35%-40% penetration rate.

PORTERS 5 FORCES

Power of Buyer: High

Customers have different options to go with when it comes to transportation, such as mini buses, trains and taxis that are not in the "ride hailing app" environment

Power of Supplier: Low

Drivers can use different apps simultaneously to look for customers. By not being dependant on one application, transportation services do not hold any power over the drivers.

Competition Rivalry: High

Local ride hailing applications already own majority market share with a lead advantage

Threats of Substitutes: Medium

Over 10 substitutes exists excluding other modes of transportation that does not fall under ride hailing applications. This increases the competition that exist within the market.

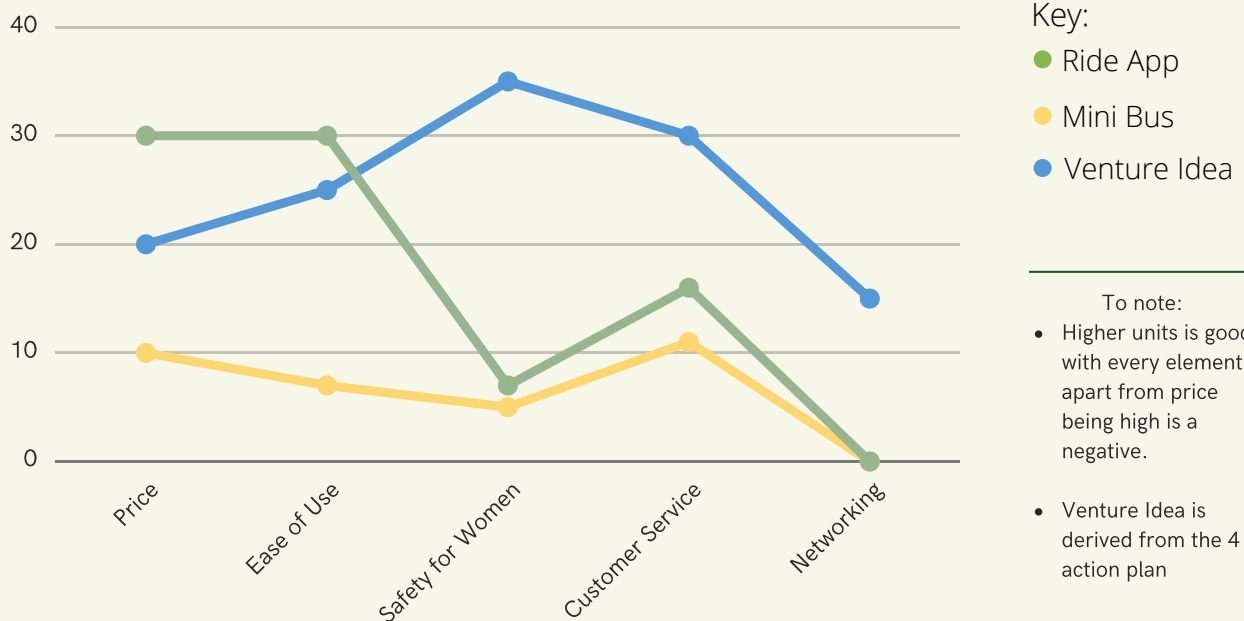
Threat of New Entrants: Medium

Local ventures have less obstacles in comparison to foreign ventures. This creates difficulty if a venture is not started by a national.

Blue Ocean

Using the 4 action plans, a venture idea is born named Inihdi ("Lets Go" in Amharic). A brand that leverages software applications to empower women by providing employment and safety through ride-hailing services.

STRATEGY CANVAS



4 ACTION PLAN

Reduce

Price: Reduction of price can be achieved by introducing new revenue streams such as advertisements on the application and within the vehicle.

Create

Networking: With a female only ride hailing app, comes opportunity to provide safety and create networking within the female community.



New Value Curve

Raise

Women Safety: Increase by innovating processes, such as having a female driver, drop off at specific "safe zones" and providing services to reinforce safety.

Eliminate

None: Other elements such as quality of vehicle is highly dependant on external macro forces such as politics and legal factors.

CONCLUSION/SYNTHESIS

The gap found in the East African region including Ethiopia is that women are facing a high rate of sexual assault/harassment. To fight this, a women only ride hailing application has been ideated which has enormous growth potential as a developing country, but as it stands there are major barriers making foreign investors reluctant. Meaning if a foreign investor takes the risk to penetrate the Ethiopian market, there is a high potential reward that comes with a high risk.



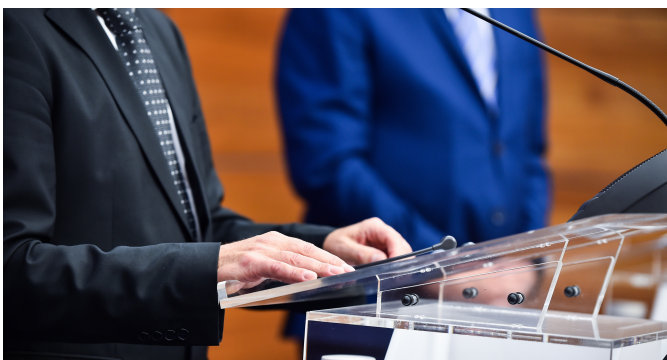
WOMEN EMPOWERMENT

- Women are receiving positions in government and corporations in Ethiopia, this introduces a great time to empower women with transportation



RIDE HAILING MARKET

- The market has a high potential for growth
- Governments sustainable agenda falls in line with ride sharing services



POLITICS AND POLICIES THREAT

- Barriers for foreign investors due to policies can be tackled but an exit strategy is needed to mitigate risks involving political unrest



DIRECTION

- By leveraging technology to create a safe space for women through transportation
- Extra services will be ideated to provide features such as networking to women using the application



Alternatives

The alternatives are mainly region-based, as the most significant barrier is policies and political unrest in Ethiopia. While Kenya, Tanzania, Nigeria, and Rwanda are growing rapidly with fewer barriers and are more stable.

In terms of industry, freight, sustainable agriculture/food supply, and technical consultancies within Ethiopia would be alternatives. These alternatives are in demand as Ethiopia is self-developing.

Ethiopia is still an attractive market as it is also located strategically in Eastern Africa. By creating a new venture to empower women in a country where they are primarily dismissed in a cultural context and getting a foot in its economy. We would be taking an advantageous position as first movers.



References:

Africa.itdp.org. 2020. [online] Available at: <<https://africa.itdp.org/wp-content/uploads/2020/06/Ethiopia-NMT-Strategy-EN-200529.pdf>>.

African Development Bank - Building today, a better Africa tomorrow. 2021. Ethiopia Economic Outlook. [online] Available at: <<https://www.afdb.org/en/countries/east-africa/ethiopia/ethiopia-economic-outlook>>.

Aga, M., 2021. 10 Best Uber-Like Ride & Taxi Service Companies in Ethiopia — allaboutETHIO. [online] Allaboutethio.com. Available at: <<https://allaboutethio.com/10-best-uber-like-ride-and-taxi-service-companies-in-ethiopia.html>>.

Business Daily. 2021. Ride hailing app Little set to enter Ethiopia market. [online] Available at: <<https://www.businessdailyafrica.com/bd/corporate/companies/ride-hailing-app-little-enter-ethiopia-market-3481410>>.

Cepheuscapital.com. 2019. Ethiopia's Digital Economy. [online] Available at: <<https://cepheuscapital.com/wp-content/uploads/2019/01/Ethiopias-Digital-Economy.pdf>>.

Hailu, H., 2021. Ethiopia: Modernizing Transport Sector to Achieve the National Growth. [online] allAfrica.com. Available at: <<https://allafrica.com/stories/202103310531.html>>.

Institute for Transportation and Development Policy. 2021. Ethiopia. [online] Available at: <<https://www.itdp.org/where-we-work/africa/ethiopia/>>.

Institute for Transportation and Development Policy. 2021. In Ethiopia, New Leadership Embraces Transport Solutions to Fight Climate Change. [online] Available at: <<https://www.itdp.org/2020/09/01/in-ethiopia-new-leadership-embraces-transport-solutions-to-fight-climate-change/>>.

International Trade Administration | Trade.gov. 2021. Ethiopia - Roads, Railways and Logistics. [online] Available at: <<https://www.trade.gov/country-commercial-guides/ethiopia-roads-railways-and-logistics>>.

Linkedin.com. 2021. The Opportunities in the Transport Sector in Ethiopia. [online] Available at: <<https://www.linkedin.com/pulse/opportunities-transport-sector-ethiopia-yoseph-getachew/>>.

Mercycorps.org. 2020. OPERATING DIGITAL GIG PLATFORMS IN DIFFERENT REGULATORY ENVIRONMENTS. [online] Available at: <https://www.mercycorps.org/sites/default/files/2020-09/Youth-Impact-Labs-report-operating-digital_gig-platforms-different-regulatory-environments.pdf>.

Mordorintelligence.com. 2021. Ride Hailing Market | 2021 - 26 | Industry Share, Size, Growth - Mordor Intelligence. [online] Available at: <<https://www.mordorintelligence.com/industry-reports/ride-hailing-market>>.

Tang, Y., Guo, P. and Wang, Y., 2021. Gender-Related Operational Issues Arising from On-Demand Ride-Hailing Platforms: Safety Concerns and System Configuration. [online] Available at: <<https://onlinelibrary.wiley.com/doi/10.1111/poms.13444>>.