Case Study 1

Raye7: Carpooling as a solution to Cairo's traffic challenges

Founding year	2015
Geography	Egypt
Founding team and GSMA grant manager	Samira Negm – Co-founder and CEO Ahmed Negm – Co-founder and Public Relations Officer
Tweet pitch	Raye7 is a culturally sensitive carpooling platform that helps people find convenient and affordable rides while reducing the number of cars on the road. **www.raye7.com**

Cairo is one of the most congested cities in the world. According to a 2014 World Bank report, the yearly direct cost of traffic congestion in Cairo is estimated at USD 2.5 billion, or 1.4 per cent of GDP.[1] While promoting public transportation—and fewer private vehicles—seems like a worthy effort, public transportation is not always a safe alternative, particularly for women and girls. According to a UN survey, 83 per cent of women in Egypt feel insecure in the street because of high levels of harassment.[2]

In response to this situation, Raye7 was commercially launched in December 2015 as a culturally sensitive ridesharing solution that matches people ('riders' and 'drivers') in the same social communities, such as work colleagues or friends, for their daily commute. The start-up recognised that security and safety should be at the forefront of ridesharing in Egypt, hence its community-focused approach (as opposed to the typical ridesharing model).

Raye7's solution also takes social norms into account when it comes to payments. For instance, the fact that people are generally uncomfortable accepting money from friends or colleagues. Raye7 runs a cashless, point-based payment model that allows riders to purchase points using credit cards or mobile money to pay for their rides. Drivers earn these points for every ride they share and can convert these points into cash once they reach the minimum payout limit of EGP 500 (USD 28).
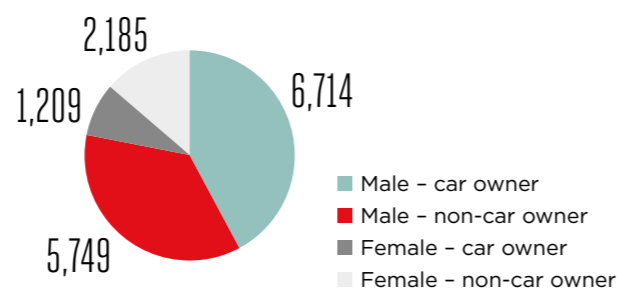
ESTIMATED SAVINGS FOR EVERY 100 PEOPLE USING RAYE7 ON A WEEKLY BASIS FOR ONE YEAR	
	- $130,000 saved per year on fuel costs
	~72,000 hours saved per year for riders
	~262 tonnes of CO2 emissions saved per year

As of February 2018, Raye7 had reached 15,857 registered 'ride sharers' (both drivers and riders), 5,440 of whom are active and had completed more than 116,000 trips since the service launched in late 2015. More than 20% of the ride sharers are women.
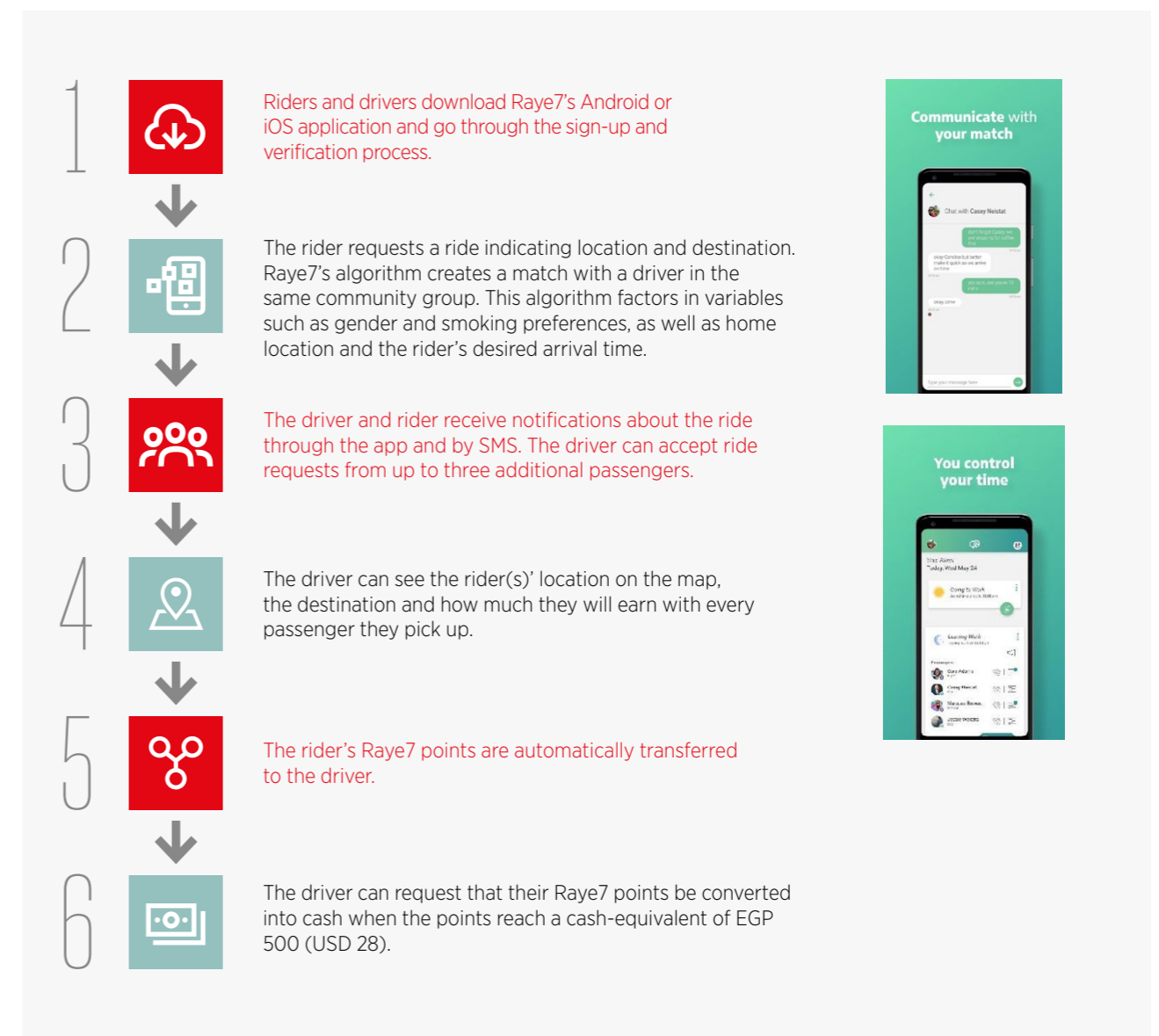
FIGURE 1

Raye7: Registered users

889	12,941	15,857
Dec 2016	Dec 2017	Feb 2018

FIGURE 2

Raye7: Ride sharers (Feb 2018)

2,185
1,209
6,714
5,749

- Male – car owner
- Male – non-car owner
- Female – car owner
- Female – non-car owner

How the service works

When a new user signs up to its platform, Raye7 begins the verification process by automatically asking for information on where the new user works and lives. It then verifies their identity, phone number, work email and LinkedIn and/or Facebook profile. Riders and drivers are only matched when they are in the same networks and communities (e.g. companies, universities or social circles).

VERIFIED CLOSED COMMUNITIES

People working in companies

Students going to Universities

People doing Activities

1 Riders and drivers download Raye7's Android or iOS application and go through the sign-up and verification process.

2 The rider requests a ride indicating location and destination. Raye7's algorithm creates a match with a driver in the same community group. This algorithm factors in variables such as gender and smoking preferences, as well as home location and the rider's desired arrival time.

3 The driver and rider receive notifications about the ride through the app and by SMS. The driver can accept ride requests from up to three additional passengers.

4 The driver can see the rider(s)' location on the map, the destination and how much they will earn with every passenger they pick up.

5 The rider's Raye7 points are automatically transferred to the driver.

6 The driver can request that their Raye7 points be converted into cash when the points reach a cash-equivalent of EGP 500 (USD 28).

1 World Bank Group, Open Knowledge Repository, 2013, "Cairo Traffic Congestion Study: Final Report," https://openknowledge.worldbank.org/handle/10986/18735
2 The Economist, 21 November 2015, "Slapping back", https://www.economist.com/news/middle-east-and-africa/21678788-women-still-face-constant-harassment-more-being-done-about-it-slapping

Working with mobile operators

At the end of 2017, Raye7 entered a partnership with Dsquares, which runs Vodafone's local loyalty programme. The Vodafone Sherkety platform is a marketplace that provides discounts and offers to Vodafone Business customers. Raye7's partnership with Dsquares and Vodafone allows companies that are Vodafone clients to give their employees access to Raye7 services. In exchange, Raye7 is paid with Vodafone Red Points through the Sherkety platform.

In addition, Raye7 has been integrating with Orange Egypt's SMS API to send customised messages and notifications to ride sharers when a match is found, such as estimated arrival time, pickup details and changes to their trip. Thanks to the API, Raye7 sends out up to 6,000 SMS to its users every month.

orange™

"SMS API enables start-ups to purchase the required number of SMSs simply through their Orange lines in a pay-as-you-go model. Raye7's use of Orange SMS API will surely enable them to communicate easily with their customers and ease their business operations. We believe that the integration of SMS API is just a start of many initiatives between Orange Egypt and Raye7 to deliver a very unique service to both Orange Egypt's and Raye7's customers and to work coherently to solve, at least part of, Egypt's traffic problems."

— **Peter Kaldas
Marketing Sr. Supervisor, Core
VAS, Orange Egypt**

Changing lives

8 DECENT WORK AND ECONOMIC GROWTH
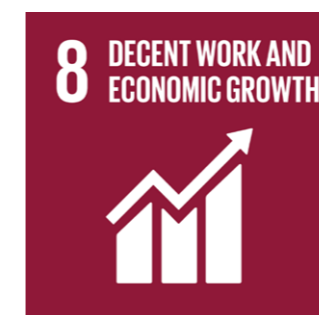
Raye7's solution allows car owners to generate extra income from their daily commute while providing a high-quality, cost-effective and safe transportation solution to riders. In January 2018, the average monthly earning for active drivers on Raye7's platform was EGP 1,634 (USD 92).[3]

11 SUSTAINABLE CITIES AND COMMUNITIES

Private cars are not being fully optimised. It is estimated that over 70 per cent of cars in Cairo are privately owned with less than 1.6 people per car, on average.[4] By creating an incentive for people to carpool, Raye7 is helping to increase this ratio while also lowering CO_2 emissions and contributing to a more sustainable, eco-friendly Cairo where residents can commute effortlessly, safely and securely.

"I have been using Raye7 for two months now as a driver. I am using Raye7 every day to organise carpooling trips with colleagues from the same community. This service is helping me financially with the cost of consumed car fuel."

Omar, Cairo, Engineer

"I have used Raye7 for carpooling since June 2017. I use it mainly because it is the most convenient to me in comparison to other means of transportation where I have to compensate my time, effort, or money. With Raye7, I don't have to do so actually. It helps me now to keep a planned daily commute, less costly, and in a comfortable car."

Diaa, Cairo, Student at Arab Academy for Science and Technology

Working with the GSMA Ecosystem Accelerator

Raye7 received a grant from the GSMA Ecosystem Accelerator Innovation Fund in April 2017 to increase its user base by offering the service to those in large homogeneous communities (e.g. universities, business parks) who work far from residential areas.

With this project, Raye7 is planning to unlock USD 96,000 in additional income (or savings) for users—both drivers and riders—and reach about 178,000 total beneficiaries by the end of the grant in October 2018. Beyond the funding, GSMA also supports Raye7 by helping it strengthen its relationship with Egyptian mobile operators.

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3   This is comparable to Egypt's current minimum monthly wage of EGP 1,200 (USD 68)
       http://www.cairoscene.com/Buzz/Egypt-Plans-to-Raise-the-Minimum-Wage-From-EGP-1-200-to-2-000-in-The-Private-Sector
4   Glen Dalakian II, 14 September 2012, "Egypt's Tech Community to Conquer Cairo's Traffic", Wamda,
       https://www.wamda.com/2012/09/egypt-s-tech-community-to-conquer-cairo-s-traffic