

# DeSoto cab company taking on name of mobile app Flywheel

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In this photo taken Feb. 9, 2015, DeSoto cab company shop worker Sal Albowyha applies decals to the first newly rebranded cab under the Flywheel name in San Francisco. The San Francisco taxi company is kicking its 82-year-old brand to the curb and renaming itself after the Flywheel smartphone app in the latest sign of how mobile technology is changing the way people get a ride. (AP Photo/San Francisco Examiner, Mike Koozmin)

A San Francisco taxi company is ditching its 82-year-old brand and renaming itself after a smartphone app in the latest sign of how mobile

technology is changing the way people get a ride.

The transformation dumps DeSoto Cab's Depression-era identity in favor of Flywheel, an app that helps traditional taxis compete against increasingly popular ride-hailing services such as Uber and Lyft.

"We think we are pioneering the way taxi cabs need to be in the future," DeSoto President Hansu Kim said in a Wednesday interview. "There is a perception that the taxi industry is backward so we need to recast ourselves as being technologically innovative."

The newly minted Flywheel taxis will be owned and operated independently from the Flywheel app, which is made by a 6-year-old startup in Redwood City, California, a suburb located about 25 miles south of San Francisco.

As part of their makeover, DeSoto's 220 taxis are being repainted from navy blue, turquoise and white to red, with the Flywheel name in white.

Flywheel isn't charging DeSoto for adopting its name, according to Flywheel CEO Rakesh Mathur. Instead, Flywheel hopes to profit from the additional exposure that it gains from cabs bearing its name.



In this photo taken Feb. 9, 2015, Flywheel stickers formed in the shape of an error point toward the entrance of the former DeSoto cab company in San Francisco. The San Francisco taxi company is kicking its 82-year-old brand to the curb and renaming itself after the Flywheel smartphone app in the latest sign of how mobile technology is changing the way people get a ride. (AP Photo/San Francisco Examiner, Mike Koozmin)

Like most of the other roughly 1,900 taxis licensed in San Francisco, DeSoto's cabs already have been using Flywheel's app to supplement the business that they get from people who hail taxis on the street or from phone calls to their dispatch centers.

The Flywheel app also works with cabs in several other cities, including Los Angeles, Seattle and San Diego.

The Flywheel app will continue to book rides for other San Francisco taxis, and won't give any special preference to its namesake cabs, Mathur

said. The ride-booking decisions will be based on whichever taxi is nearest the passenger.

Both Kim and Mathur are hoping that the ubiquity of Flywheel-branded taxis will help more passengers realize that they can use a mobile app to summon a traditional taxi just as easily as they can book a car driven by a contractor operating through Uber or Lyft. Flywheel collects a 10 percent commission on each taxi fare booked through its app and charges passengers an additional \$1.

Although Uber primarily works with cars driven by the vehicle owners looking for extra income, the service also can be used to hail a traditional taxi, too.

Uber, in particular, has put a major dent in the taxi industry as more people have embraced its smartphone app and its ride-hailing network of privately owned cars has expanded to more than 250 cities worldwide.

Taxi drivers and companies have lashed out at Uber's success, contending that the service has an unfair advantage because it doesn't play by the same rules as cabs, saving millions of dollars in regulatory fees.

Uber depicts its service as a breath of fresh air in a stale industry that had been treating passengers poorly for years.

The Flywheel cabs will still adhere to taxi regulations and pay about \$4 million annually for the medallions authorizing its cabs to operate in San Francisco, Kim said.

The rules prevent Flywheel's taxis from raising their fares when demand rises—a practice known as "surge pricing" that Uber regularly deploys during busy times.

Regulated taxis also are required to carry liability insurance and complete background checks on drivers. Safety concerns have become a bigger problem for Uber as cars booked through its service have gotten into accidents and its drivers have faced allegations of sexual assault and other abusive behavior, even though Uber says it also screens drivers.

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