

Jennifer Van Grove: Lyft tests new subscription option in several cities

May 16 2018, by Jennifer Van Grove, San Diego Union-Tribune

Ride-hail service Lyft is offering select customers a way to save money on their daily trips with a new pre-paid option meant to test the viability of a monthly subscription service.

The company is testing an "All-Access Pass" option in San Diego, Los Angeles, Atlanta, Miami and Sacramento, Calif. Offered on an invitation-only basis, the trial monthly plan will allow customers to pre-purchase 30 rides for \$200. Each of the 30 included rides is limited to \$15 in value, based on standard city time and distance rates, with additional costs per ride passed on to the passenger.

"The audience for this pass is high-frequency passengers; it's geared toward people who already use Lyft a lot," said Hao Meng, the company's market manager for San Diego. "We are not aiming to generate revenue from non-usage. We want passengers to use it.

Ultimately, we're thinking about (this in a way that would see) subscriptions replace car ownership."

Should riders take full advantage of the pre-paid plan, they can save as much as \$250 each month (or more than \$8 per ride), the company said. Lyft is currently only allowing would-be subscribers to join a waitlist, with the program expected to officially hit the road in the coming weeks.

The program competes with rival Uber's "Ride Pass," a similar [subscription](#) offering that first debuted in 2016 and is only offered to

select riders.

In San Diego, Uber appears to be the dominant service, which could explain Lyft's interest in launching the All-Access Pass option. Subscriptions could attract more repeat business, albeit at a potential loss in revenue per ride as drivers are paid at standard rates.

Uber touts more half a million monthly riders in the city and 14,000 monthly drivers. Lyft doesn't disclose comparable numbers. Rather, Lyft says it contributed \$73 million in revenue to San Diego's economy in 2017, based on its own regional economic impact report.

©2018 San Diego Union-Tribune
Distributed by Tribune Content Agency, LLC.

Citation: Jennifer Van Grove: Lyft tests new subscription option in several cities (2018, May 16)
retrieved 23 April 2024 from
<https://phys.org/news/2018-05-jennifer-van-grove-lyft-subscription.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.