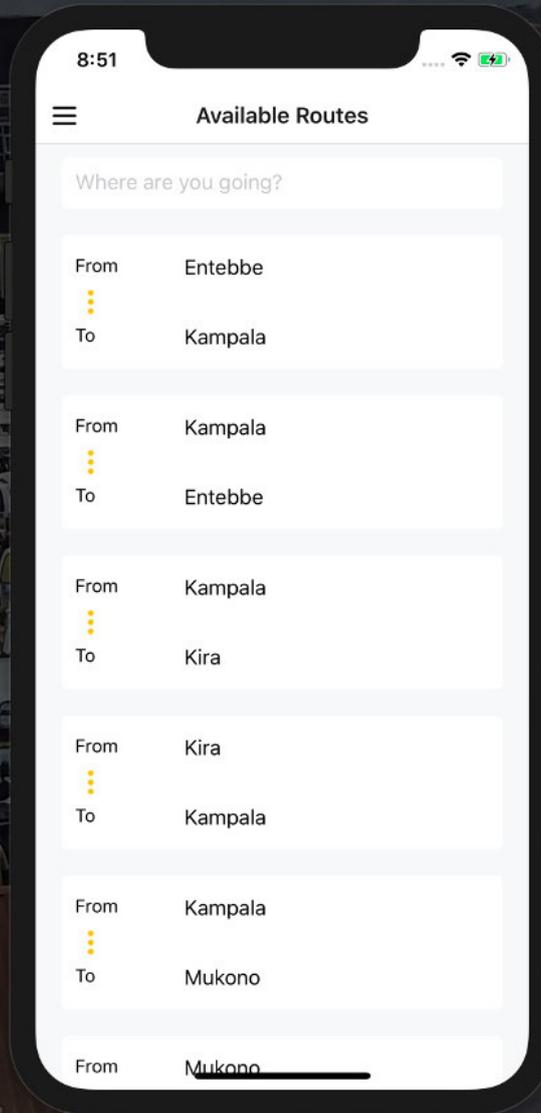




EASY MATATU

Travel made safer and faster



Learning Report



Introduction	3
Today's Minibus Taxi (Matatu) Industry	3
Aim of Report and Key findings	3
The Easy Matatu solution	5
Easy Matatu and reforming the status quo	5
Easy Matatu and the Commuter Experience	5
Easy Matatu and Minibus Taxi Operations	6
Easy Matatu and Government Regulation	6
Easy Matatu Survey Results	8
Design and Data Collection	8
Demographics	8
Characteristics of Easy Matatu's drivers	2
Commuting with Easy Matatu	3
Minibus taxis were the most common alternative before Easy Matatu	3
Commuters want reliable and safe journeys	3
Faster and more reliable journeys	4
Cost reduction and budgeting	5
Meet Melissa Mutoni – an Easy Matatu Customer	6
Driving for Easy Matatu	7
Drivers opinion about Easy Matatu	7
Working with Easy Matatu	7
Earnings with Easy Matatu	7
Safety with Easy Matatu	8
Meet John Magala – a Driver with Easy Matatu	8
Potential Impact and The Way Forward	9
Market challenges still needing addressed	7

Introduction

Today's Minibus Taxi (Matatu) Industry

Informal transport dominates transport in Greater Kampala. The backbone of this unofficial transport system is a fleet of over 16,000 14-seater minibus taxis which account for more than 50 per cent of all paratransit journeys in Kampala. They are preferred for their flexibility, extensive coverage and affordability. This informal system has contributed to the high traffic congestion seen along Kampala's roads. Despite their popularity, minibus taxis are often dirty and poorly maintained, risk of robbery is high around terminals and routes are also often inconsistent and unreliable.

These minibus taxis are privately owned and prior to the COVID-19 pandemic, were largely unregulated by the Government of Uganda. Prices are set by individual operators or fragmented associations and fluctuate frequently depending on market circumstances. Operators are also under no regulatory obligation to meet minimum safety and cleanliness standards. Operators, who are mainly drivers and conductors, usually have little or no formal education and must work long hours to meet the high running costs and make any profit in a highly competitive industry.

Among other costs, traffic congestion in Kampala costs the economy 2.5 trillion Uganda shillings (\$682m) annually. Through the Ministry of Works and Transport (MoWT) and the Kampala City Council Authority (KCCA), the government is seeking to reform the informal transport sector in a bid to better organize and decongest a rapidly growing city. Government proposals to introduce the new Bus Rapid Transit system and expand the existing Uganda Railway Corporation commuter service along major city routes are likely to cause the loss of more than 50,000 jobs in the paratransit economy. Any

external and government solutions have so far been challenging to implement and faced opposition from incumbent stakeholders, due to a lack of infrastructure in Kampala to support large-scale reforms and a powerful matatu industry, which employs upwards of 100,000 people.

Aim of Report and Key findings

This study aimed to understand the impact of formalizing the minibus taxi industry through Easy Matatu's service offering which introduces a mobile booking platform, scheduled rides, transparent pricing and pre-vetted and trained drivers. The key findings from this study include:

1. There is a clear need for more reliable and safer public transport in and around Kampala.
2. Scheduled rides can improve minibus taxi efficiency, reducing travel times and indirectly reducing greenhouse gas emissions.
3. More transparent and stable pricing in the minibus taxi industry can lead to significant transport cost savings for commuters.
4. Platform based paratransit can improve working conditions and incomes for minibus taxi operators.

The Easy Matatu solution

Easy Matatu and reforming the status quo

Established in 2019, Easy Matatu is a platform connecting commuters to safe, reliable and clean transportation in Kampala. It enables passengers to pre-book seats on scheduled rides operated by vetted and trained operators whilst providing minibus drivers an opportunity to increase their income and to work in a formal and less stressful environment. As of February 2021, more than 8,000 users have used an Easy Matatu taxi operated by one of 50 vetted and trained Easy Matatu drivers. Easy Matatu has received \$525,000 in grant funding from Total and Shell Foundation to support the business as it looks to refine and scale-up its service offering.

There is an opportunity to reform public transport in Kampala through transportation solutions that harness existing informal transport services whilst improving livelihoods and adequately meeting the growing demand for transport. The use of tech-enabled solutions is a scalable and efficient method to accomplish this, and while the minibus taxi industry has historically been resistant to reform, a solution that improves the system from within may cater to the interests of different stakeholders to open the path to change.

Easy Matatu's solution delivers benefits to several key stakeholders including commuters, drivers, owners, police and government.

Commuters

- scheduled and reliable rides**
- faster journeys**
- clean and comfortable rides**
- transparent pricing**
- trained and trusted drivers**

Drivers

- guaranteed earnings**
- improved working conditions**
- training and support**
- respect and community**
- automated record keeping**

Owners

- transparent revenue collection**
- assured driver payments**
- vehicle tracking**
- increased vehicle utilization**
- better vehicle maintenance**

Government and police

- solve public transport dilemma**
- compliance with government**
- licensing and dues collection**
- reduced road incidents & violations**

Easy Matatu and the commuter experience

Traditionally commuters access minibus taxis by standing on the side of the road and flagging one down, or by queuing at a minibus taxi stage or terminal which can take from 15 minutes to several hours depending on the time of day.

Commuters travelling with Easy Matatu download the Easy Matatu app and use it to reserve a seat on a scheduled ride. Easy Matatu harnesses data to schedule rides to effectively match demand with supply, and provides a toll-free number and USSD application for commuters.

Easy Matatu and minibus taxi operations

Informal minibus taxis usually operate specific routes with intermediate stages determined by users' destinations and individual requests along the route, with no formal timetable or route mapping. Drivers work long hours 6-7 days a week to meet high operational costs, whilst daily revenues fluctuate significantly due to external factors like weather, traffic conditions, as well as an extremely competitive environment.

Easy Matatu trained drivers accept and complete scheduled trips through Easy Matatu's digital platform. Drivers earn a fixed amount per trip irrespective of the number of passengers or any external market conditions, and do not have to pay any fees. Since commuters are pooled through Easy Matatu's platform drivers don't street-hail for passengers, thus shortening commuter times and improving fuel efficiency of journeys.

vehicle inspection to ensure roadworthiness. Drivers receive free road safety, customer care and vehicle maintenance training, mitigating traffic offences and other incidents. All journeys are digitally logged and trackable, helping to deter robberies and kidnappings. New measures have been proposed by the government to streamline activities in the minibus taxi industry, all of which Easy Matatu is already compliant with or is in process of implementing.

ACTION	Easy Matatu	Normal minibus taxi
Allocation of route charts	✓	✓
Registration and issuance of route number	✓	✓
Verification of PSV licence & driving permit	✓	✗
Booking system	✓	✗
Mandatory vehicle inspection at SGS	In progress	✗

Easy Matatu and government regulation

The minibus taxi industry remains largely unregulated with several unlicensed minibus taxis and drivers operating illegally. Ungazetted stages exist on nearly every major highway in and around Kampala, contributing to increased traffic and congestion. With more than 16,000 minibus taxis, enforcement of traffic rules and regulations has been difficult for an under-resourced Police Force.

Easy Matatu presents an opportunity to change this narrative for the government. To join the Easy Matatu platform drivers must provide valid identification and license documents and minibus taxis also receive a

Easy Matatu Survey Results

Design and Data Collection

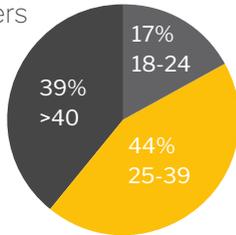
This study collected qualitative and quantitative data from Easy Matatu's users and drivers. A questionnaire was shared with more than 7,000 Easy Matatu users, and 352 responses were received. Two focus group discussions were held with randomly selected Easy Matatu users. Discussions were conducted virtually with 22 participants across two sessions. Six drivers were interviewed over the phone.

Demographics

Characteristics of Easy Matatu's users

Gender Minibus drivers are almost always male. Of the 100 drivers and conductors surveyed, only four were women.

Age The majority of drivers are between 25-39 years of age with a significant number of drivers over 40 years old, indicating it is a lifelong occupation.



Commuters want reliable and safe journeys

Over 60% of respondents indicated that reliability and safety drove them to ride with Easy Matatu followed closely by cleaner vehicles, demonstrating the value proposition of its service offering.

For commuters on Entebbe road, reliability is a major concern given it is a 35km journey to and from Kampala and there are fewer options for longer distance journeys compared to shorter routes.

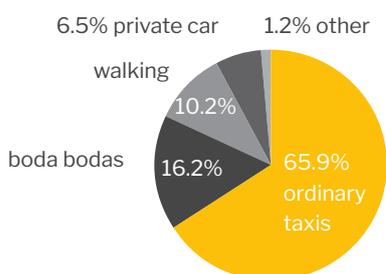
“The Kampala-Entebbe route has been a hell journey where people have had to fight for cars at Railway Station in the evening and the morning at Children’s Park which has been torture”

Easy Matatu user

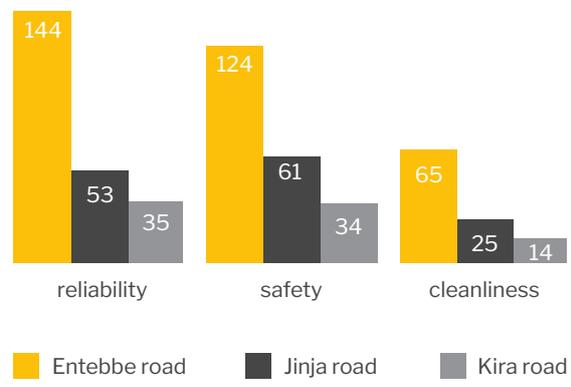
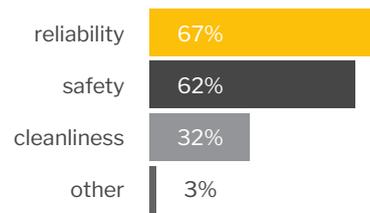
Commuting with Easy Matatu

Minibus taxis were the most common alternative before Easy Matatu

Prior to using Easy Matatu, over 65% of respondents travelled by minibus taxi. This indicates that the differentiation introduced by Easy Matatu has the potential to significantly impact commuters who have no choice but to use minibus taxis.



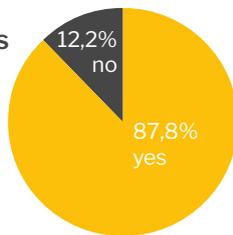
Reasons for travelling with Easy Matatu



Faster and more reliable journeys

Respondents agreed that Easy Matatu trips were faster than those with minibus taxis as all trips had defined pickup points which eliminated time wasted touting for passengers or unplanned stops. Furthermore nearly 20% of respondents found that journeys were faster by up to 30 minutes, which for some translated to improved quality of life and work performance.

Are Easy Matatu journeys shorter than normal minibus taxi journeys?



Average time saved by taking Easy Matatu



The study also found that the longer the journey the more time saved for passengers. As Kampala continues to grow, there will be a need to expand further from the city centre lengthening commutes and increasing the need for efficient public transport to reduce commuting time.

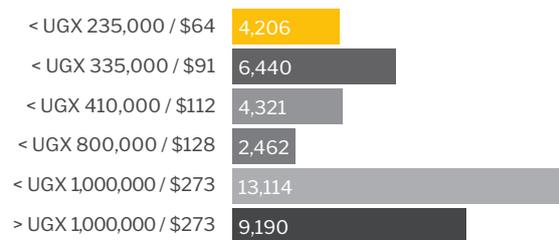
Travelling with Easy Matatu also improves the quality of life for commuters. Commuters have reported reduced stress due to the assurance and certainty that Easy Matatu brings to their commute, as well as having a positive effect on commuters' productivity and image at the workplace due to greater consistency in reaching work on time.

'It helps with my health because I used to have a lot of stress you know [when] coming, you have to connect [with other taxis] especially because I don't work in town, I work out of town'.

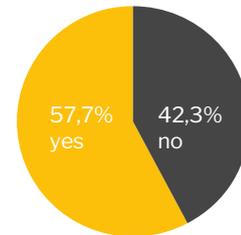
Easy Matatu User

Cost reduction and budgeting

Average transport cost reduction taking Easy Matatu, by monthly income



Does using Easy Matatu justify the higher cost to travel? (352 respondents)



Easy Matatu strives to remit to its drivers' fair market rates. More than 57% of respondents felt that the improved services introduced through the Easy Matatu platform justified this cost premium.

In addition, transparent pricing helped commuters to avoid on average 50-100% price fluctuations during periods of high demand.

"Easy Matatu removed the Boda Boda equation from my transport, and I am spending less." Easy Matatu user

Easy Matatu's transparent pricing also gives commuters a better control over their finances and allows them to financially plan for transportation. Respondents consistently exceeded their transportation budget before using Easy Matatu due to fluctuating and unpredictable prices of normal minibus taxis.

"Easy Matatu makes me spend less because I can predict the cost".

Easy Matatu user

Meet Melissa Mutoni – an Easy Matatu Customer

Melissa commutes to Kampala daily from Entebbe, a city 35 km away, for her work as a customer service agent at an Ecommerce start up. A single mother of one, she found travelling to and from work while raising a child very hectic. Every day she would have to board several minibus taxis to reach her work on time. On the return trip she often had to fight to get a seat in an Entebbe bound vehicle or walk several kilometres to the bus park where a minibus taxi was guaranteed but add 30 minutes to her journey and is 25% more expensive.

Since she started using Easy Matatu, she has become less stressed. She books a seat on an Easy Matatu in the morning which picks her up at a stage near her home and drops her off in the city centre, a stone's throw from her workplace. In the evening she no longer fights or walks several kilometres to get a ride. She is picked up in the city centre and takes an express ride home allowing her to get home early, to spend time with her little one. Journeys that took on average 2 hours now take on average 1 hour and 15 minutes.

“Easy Matatu has been a life saver.”



Driving for Easy Matatu

Drivers opinion about Easy Matatu

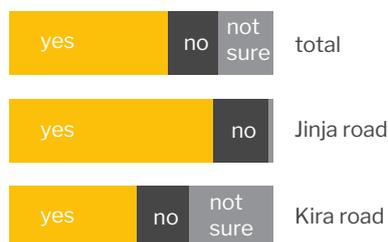
Over 64% of drivers surveyed are willing to use the proposed app due to the perceived benefits it brings.

Is Easy Matatu beneficial to drivers?



Drivers on Kira road are more enthusiastic about the benefits of Easy Matatu. This is likely because drivers are more open to tech-based mobility solutions given Kira road has several ride hailing apps like Uber and SafeBoda already operational.

Is Easy Matatu beneficial to owners?



Owners on the other hand are more optimistic about the impact of Easy Matatu on Jinja road where there is the largest volume of traffic, likely due to issues around transparency and remittance of target revenues to owners.

Working with Easy Matatu

All drivers found working with Easy Matatu quicker and less stressful, and the major reason for this is customers' punctuality due to Easy Matatu's scheduled rides model.

"I no longer hustle gathering or looking for clients as before, no pressure as before."

Easy Matatu driver

Earnings with Easy Matatu

Drivers' earnings have been severely affected due to the COVID-19 pandemic and its consequent disruptions like passenger restrictions and night-time curfew. However, drivers noted that trips done with Easy Matatu were fast. In the minibus taxi industry, time saved equates to more trips and more earnings. Also, drivers' earnings increase with Easy Matatu due to the absence of loading fees, fees which make up, on average, 13% of their daily income.

"If I am not driving for Easy Matatu and just go picking clients one by one, sometimes the trips differ. So when I am working for Easy Matatu, I am quick because taxis are all about the time when you are early enough, money is obvious, but if you are late, you expect a low output."

Easy Matatu driver

Safety with Easy Matatu

Only 6% of all minibus taxi drivers have ever received formal driving or road safety training and Easy Matatu's road safety training was the first formal road safety training for many of its drivers. No Easy Matatu drivers have

experienced any road safety incidents to date.

"Of course, I feel safe because I do not get that tired as before."

Easy Matatu driver

Meet John Magala – a driver with Easy Matatu

John Magala lives in Wakiso, a district in Central Uganda, where he is a minibus taxi driver plying the highway from Entebbe to Kampala. Before driving minibus taxis, John was a boda boda rider, working for 2 years before becoming a conductor.

Conductors are responsible for touting and collecting money from passengers in minibus taxis. He was later taught how to drive by a friend, the only training he has since received.

A father of 4, John makes 20,000 shillings (\$5.4 USD) on average each day but on a good day he could make up to 40,000 shillings (\$10.9). Before the lockdown, John worked 12-14-hour days, completing 6 trips each day.

However, since the end of the lockdown he can only complete 4 trips per day due to fewer customers and night time curfew.

Since becoming an Easy Matatu driver, he does 2 trips per day on the Easy Matatu platform, an experience he finds simple and straightforward because he doesn't have to tout for passengers and pay loading fees.

Having worked for Easy Matatu for 6 months he has learnt how to keep time, how to save, since he is paid through Mobile Money and how to always keep his vehicle clean.

"Working for Easy Matatu, I have gained extra money as opposed to working alone and branding the car has affected my life in a positive way."

John Magala

Potential impact and the way forward

More than one million people use minibus taxis to travel into Kampala every day, however the current minibus taxi system remains inefficient, creating challenges to commuters, drivers, and the sector as a whole. Easy Matatu is tackling these challenges by harnessing technology and working from within the sector by facilitating accountability, enhancing efficiency and bringing organization to an informal sector.

Based on the results of the study, it is evident that Easy Matatu has the ability to grow its existing business model to deliver significant impact at scale:

At scale, Easy Matatu will reduce CO2 on the road, bring down transport costs and increase savings, make commuting more reliable, less stressful and most importantly safer.

Easy Matatu trips are 15-30 minutes faster and cumulatively Easy Matatu could help commuters and drivers save an estimated 17,500 hours daily in transit.

Time savings can prevent more than 28 metric tons of CO2 being released into the atmosphere each year by Kampala's minibus taxis, the equivalent of 40 acres of forests.

By eliminating wasted time, it is estimated that Easy Matatu can save drivers 2-4

hours per day and enable them to increase their daily revenue by 25%.

Easy Matatu ensures that 100% of its trips are operated by pre-screened and pre-trained drivers and at scale can prevent more than 1,000 fatal and minor crashes annually.

In order to achieve this potential impact, Easy Matatu has identified a number of key areas of its business model that it sees as critical to allow it to successfully scale its offering and deliver interventions that positively impact the sector.

Over the next 2 years recruit and train at least 1,000 existing minibus taxi drivers on the Easy Matatu platform providing accredited road safety and defensive driving training.

Expansion to be focused along major routes connecting surrounding suburbs in order to target the low-middle income and business class that form Easy Matatu's key customer demographic.

Introduce new initiatives such as launching off peak hour trips, as well as leveraging economies of scale to reduce ticket prices by ~15%.

Fostering closer partnerships with relevant government authorities like KCCA and MoWT in order to properly represent its stakeholders in future strategy and policy formulation to reform public transport and decongest Kampala city.

Market challenges still needing addressed

There remains a clear need to strengthen and build platform-based communities that can help in administering and regulating minibus taxi operations. Despite the work of Easy Matatu and others in trying to reform the sector, there remain a number of key challenges in the market that need a coordinated effort to address.

In light of COVID-19, the need for regulation in the industry has never been more dire. Most minibus taxis have no social distancing, and with no fixed routes or ticketing systems make it impossible to do contact tracing.

Unstable and fluctuating prices comprise up to 30% of the transport budget for low to middle income earners. Some form of stable/regulated pricing structure could help commuters save between \$0.5-4 each day in an economy where 40% of households survive on less than a dollar a day.

Unsafe and unreliable minibus taxis affect the health and productivity of the city's workforce, and thus greater regulation and enforcement of minibus taxi standards is critical to both increase passenger safety and reduce emissions.

Digital mobility solutions currently operate in a regulatory "no-man's land", hampering their ability to achieve meaningful impact. Decisive government support and legislation to promote and nurture sustainable mobility start-ups can greatly scale their impact.

Impactful mobility start-ups (such as ridehailing, ridesharing and e-mobility) are important in shaping a sustainable future for Africa's mobility, yet they currently have inadequate access to funding. Funding and capacity support from investors, donors, and government are critical to supporting the ecosystem from infancy to scale.



EASY MATATU
Travel made safer and faster