(New, rural) business models, their mechanisms and impacts

<table>
<thead>
<tr>
<th>BM name</th>
<th>Social or smart ride-sharing</th>
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<tbody>
<tr>
<td><strong>Type</strong></td>
<td>Sustainable mobility</td>
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<tr>
<td><strong>Sector</strong></td>
<td>Services / Transport</td>
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<tr>
<td><strong>Organisational scale</strong></td>
<td>Public-private joint venture</td>
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**Short description**
Social or smart ride-sharing is a public-private joint venture that is to contribute to sustainable mobility in rural areas. It builds on the idea that transport services in particular in rural areas are a form of public goods provision that should be supported by society, and that other forms of passenger transport can and ought to be connected to these same transport services. Ride-sharing can be organised together, and vehicles that are already in use in the rural areas can be used for various transporting jobs, e.g. the carrying of parcels. There are plenty of transport service providers in rural areas. The objective of the joint venture is to increase the number and efficiency of transport trips provided by these entrepreneurs. The profitability of current taxi service providers will improve, and additional business opportunities will become available for new transport entrepreneurs.

**Mechanism**
Combining public and private passenger and goods transport in rural areas with new models of a sharing economy. The needed coordination is facilitated through a technology platform and applications that integrate all mobility modes and makes them available to customers in an easy way.

**Innovativeness**
The main innovations are the new ways of providing sustainable mobility services in rural areas, the automated service of bringing all modes of transport together, the creating of a service that lies between traditional public transport and taxi services, and the smart/ICT-based networking and coordination of offers and demand. Innovative is also the emphasis on communality in smart ride-sharing.

**Value creation**
Mixed

**Customers, product/service, revenue streams and main cost items**
Customer(s): public sector (municipalities), private customers
Product(s)/service(s): transportation of passengers and goods
Revenue stream(s): Public operators are obliged to organise several transport services e.g. based on the Disability Services Act and the Social Welfare Act, the Health Insurance Act, and school transport. Other forms of (private) passenger transport will be connected to these same transport services.
Main cost items: salaries, vehicles and their maintenance, fuel.

**Societal impact**
Beneficial:
- New jobs (for rural entrepreneurs)
- Less pollution
- Improved accessibility in rural areas
Negative:
- Some (perceived) loss in flexibility

**Rural-urban synergies**
Improves the accessibility of both areas. Facilitates enhanced connections between urban and rural areas.
<table>
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<tr>
<th>Connections with labour market and employment effects</th>
<th>Improves the business of existing transport enterprises, creates opportunities for new businesses and jobs in transportation.</th>
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</table>
| Enabling factors                                      | • Demand for more sustainable transportation  
• Cost reduction (both public and private)  
• Strong communality in rural areas  
• More effective use of existing vehicles in the area |
| Limiting factors                                      | • Lacking communality in rural areas  
• Limiting regulations and legislation  
• Lack of entrepreneurs |
| Key partners and actors directly involved             | Individual businesses  
Consumers  
Civil society (NGOs, CSOs)  
(Local) government (incl. administration) |
| Role of (local) government                            | Customer  
Facilitator  
Regulator |
| Connections with the institutional / policy environment| Regulations on transport services may need to be liberalised, e.g. tractors might not be allowed to be used for some transport purposes.  
Regulations on what kind of services can be used and combined when it is a matter of a public policy (e.g. disability, welfare, school transport) |
| Internal/network governance arrangements              | In practice this BM can a technical platform, which connects public and private customers with the transport enterprises. Public funding can take place e.g. in the form of public vouchers. |
| A typical example                                     | The Finnish case ALL ABOARD is based on a cooperation of an NGO, the Central Union of Agricultural Producers and Forest Owners (MTK), and two start-ups, the Kyyti Group and Coreorient. There have been several municipal trials to develop regional mobility services funded by Sitra (Finnish public innovation fund), testing new ways of organising mobility services in sparsely populated areas.  
On-demand public transport Kyläkyyti in Finland  
and Postauto Kollibri in Switzerland: https://www.postauto.ch/de/kollibri  
Marko Mäki-Hakola, Director of Business Development, MTK |
| BM references                                         | https://www.kaikkikyytiin.fi/en/ |
| Name                                                  | Hilkka Vihinen |
| Date                                                  | 7.7.2020 |