

The Company Dime

Dollar For Dollar

Car Services Struggle With Disconnected Tech In 'War' With Uber

By Jay Campbell | November 11, 2014

Atlantic City — No one in the fragmented and diverse ground transportation industry underestimates Uber anymore. For chauffeured car execs meeting here last week at a *Chauffeur Driven* magazine conference, “Uber” was the four-letter word everyone could not help but say. The rhetoric was dire, with operators described as being at “war” and destined to suffer many “casualties.”

Tristar Worldwide Chauffeur Services CEO Michael Fogarty described Uber’s impact. “Lead time on new reservations is shortening,” he said during a panel discussion. “Uber has reset customer expectations. If you don’t have the technology, you need to invest in it. Clients want reservations in an app. They want to see the vehicle approaching. They want immediate billing. There always were low barriers to entry in our business. Now they’re even lower, and it’s impacting our ability to attract and retain drivers. I’m sure there will be consolidation.”



Fogarty suggested operators double down on areas where Uber isn't competing, such as with high-touch clients, events, road shows, weddings and proms. "We need to maintain that share," he said.

Share in [corporate travel](#) is slipping.

Two travel management experts separately offered the example of a business traveler who schedules a pickup to the airport when traffic is heavy, but now uses Uber when it's light. Its easy to imagine how useful Uber can be when tooling around at a conference. A spokesperson said Uber is seeing "strong weekday daytime usage, in particular on Tuesday, Wednesday and Thursday."

Taxi and limo officials are attempting to counter Uber through [public relations](#), lobbying and support of [legal action](#). But nowhere does the industry need to compete with Uber more than on technology, and it may be too late.

'Politics And Agendas'

Technology in ground transportation is messy. Fragmentation in the industry keeps the dozens of booking systems used by different sedan providers from communicating. This limits operator capability to offer corporate clients greater coverage through affiliate relationships. Several providers in recent years have tried to integrate capabilities, but nothing has grabbed consumer attention like Uber.

Part-owned by Concur, Curb launched in 2007 aiming to connect consumers with both taxis and sedans. It offers an app-based hailing and payment experience that's a lot like Uber's. Curb attempts to distance itself from

“ridesharing” services by reminding users it “works only with fully licensed, insured, professional taxi and for-hire drivers.”

Making a similar distinction, GroundLink is an 11 year-old network of operators. It now provides an app including car tracking and, in New York City, a “ride now” service. Other aggregators like Limos.com and Limolink offer apps, and dozens of operators have their own.

The Atlantic City show last week featured a new industry platform. Called CoNext, this system connects the booking software of car service companies in large part to enable end-user and driver apps. It allows operators to share client information and car locations. It can free up drivers for on-demand pickups when they have excess capacity. Such “switch” technology to pass jobs to affiliates already exists, but has limitations that prevent an Uber-like experience.

CoNext’s first booking system participants included Livery Coach, Fasttrack Cloud, The Hudson Group and SedanMagic. These providers support more than 1,000 operators with 31,525 cars running 68 million rides a year, supporters claimed. The Ground Widgets system has since joined.

Software company Gridd Technologies invested about \$5 million to build CoNext during the past three years. It joined with strategy firm Drive Profit this summer to market the product. CoNext supports mobile apps developed by operators, but also will offer an off-the-shelf app. Officials expect next year to provide an interface for corporate travel departments. Gridd will charge transaction fees to operators or their tech partners. Cost-sensitive and skeptical operators are keen to find out specifics.

The effort is like what Limo Anywhere, a Groundlink subsidiary, offers to about 3,500 small and medium-sized operators in 46 countries. At the

conference, one attendee asked proponents whether CoNext connects Limo Anywhere. The answer was yes, but the speaker later corrected herself.

CoNext officials called their effort a “neutral platform.” They said Limo Anywhere participants risk exposing competitive information to GroundLink and its operators.

In another sign of competing interests, one operator during the CoNext presentation whispered to *The Company Dime* that his firm is developing its own switch technology to work with affiliates.

“The technology is the easiest part,” Gridd CEO Amir Zafar said. “The challenge is more about human politics and agendas.”

‘Not Enough Connectivity’

The car service operators who want to beat Uber, rather than join its UberBlack network, will need to cooperate if they hope to offer similar availability for services on demand. This includes funding for technology. Some speakers at the *Chauffeur Driven* show called on the industry to join up with taxi services to create a universal app.

“Unfortunately, we allowed someone else to do what we should have,” said EmpireCLS CEO David Seelinger. “We’re still somewhat of a cottage industry, with lots of small and medium-sized operators. There’s not enough connectivity. When a corporate travel manager comes to a limo company, it’s not easy to get all the assets under one roof.”

Speaking separately, GoundLink CEO Dean Sivley argued CoNext is not the answer for on-demand capability. “The challenge is on the supply side,” according to Sivley. “To make it work, all affiliate operators would have to

require that their drivers activate their GPS location data. Based on our two-year experience, operators are simply not yet willing to show their competitors where every one of their vehicles is located. With only 1,000 operators on the network, there really isn't adequate supply to deliver on demand on a consistent basis. It will be a huge challenge to gain consumer demand, because there is not a unified brand or marketing budget to drive it."

Deem Ground offers the Saturn reservation platform and connectivity to corporate booking tools and global distribution systems for Saturn and other software. It claims more than 1,900 corporate customers. Deem provides switching technology through its Affiliate-Connect and Transponet products. Rivals say the systems have limitations that do not allow for end-user apps.

"We'd encourage the industry to avoid recreating the wheel when we are here to help move everyone forward and quickly," according to an email from Deem CEO Patrick Grady. "The providers do not have time on their side and corporate customers are demanding innovation now." He acknowledged Deem's technology does not currently enable Uber-like apps. "We'll be rolling it out in 2015 along with additional location-based mobile capabilities," Grady indicated.

Richard Clowes is travel operations director at SAS Institute, which uses some Deem products. "We allow Uber as an alternative to a taxi. We don't normally allow black car services as they are so expensive, so I see this as a compromise. What I don't like about all these apps is they're not integrated."

Additional Info: Sources also included more than 100 corporate and university travel managers, Limo Anywhere, the New York Taxi and Limousine Commission and nearly a dozen ground transportation industry execs.

Category: Methods Payment Productivity Tags: CoNext, Deem, GroundLink, Limo Anywhere, Michael Fogarty, Premium, Tristar, Uber, Uber Technologies

About Jay Campbell

Jay Campbell in 2004 created travel business newsletter *The Beat*, in 2006 co-founded *Travel Procurement* magazine and in 2010 integrated them into Northstar Travel Media's BTN Group. He served as editorial director there until 2013. Jay made his travel industry media debut in 1993 at the *Air Travel Journal* of Boston. More on LinkedIn.

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