



Exploratory study of consumer issues in online peer-to-peer platform markets

Task 4 – Case study: BlaBlaCar

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Task 4 – Case study: BlaBlaCar

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CONTENTS

| | | |
|-------|--|----|
| 1 | INTRODUCTION..... | 7 |
| 1.1 | Platform overview..... | 7 |
| 1.2 | User experience | 7 |
| 2 | ASSESSMENT OF THE PLATFORM..... | 12 |
| 2.1 | Evolution of the platform business model..... | 12 |
| 2.1.1 | Development of the platform..... | 12 |
| 2.1.2 | BlaBlaCar today | 14 |
| 2.2 | Current business model..... | 15 |
| 2.2.1 | Business model and pricing | 15 |
| 2.2.2 | Payment | 18 |
| 2.3 | Consumer experiences | 19 |
| 2.3.1 | Satisfaction with overall experience and likelihood to use the platform again..... | 19 |
| 2.3.2 | Frequency of problems encountered on the platform | 20 |
| 2.3.3 | Knowledge of rights and obligations | 21 |
| 2.4 | Transparency aspects..... | 22 |
| 2.4.1 | Information to platform users (clarity, easy accessibility)..... | 22 |
| 2.4.2 | Terms and conditions | 25 |
| 2.4.3 | Data protection..... | 26 |
| 2.5 | Trust building and verification of information..... | 28 |
| 2.5.1 | Peer reviews and ratings..... | 28 |
| 2.5.2 | Verification of peer information by platform..... | 31 |
| 2.6 | Complaints, redress and insurance..... | 33 |
| 2.6.1 | Complaints handling mechanisms | 33 |
| 2.6.2 | Access to redress | 33 |
| 2.6.3 | Access to Insurance | 34 |
| 2.7 | Cross-border dimension..... | 35 |
| 3 | CONCLUSIONS | 36 |
| 3.1 | Main findings: | 36 |
| 3.1.1 | Contribution to the business model typology | 36 |
| 3.1.2 | Consumer experiences..... | 36 |
| 3.1.3 | Transparency of the platform, including information provided to peers..... | 37 |
| 3.1.4 | Trust building and verification of information | 38 |
| 3.1.5 | Access to complaints, redress and insurance | 38 |
| 3.1.6 | Cross-border issues..... | 38 |
| 3.2 | Good practices | 38 |
| 3.3 | Elements of concern..... | 39 |
| 3.4 | Future developments | 39 |

TABLES

| | |
|---|----|
| Table 1: BlaBlaCar - availability of local languages..... | 7 |
| Table 2: Summary of BlaBlaCar geographical expansion & acquisitions..... | 13 |
| Table 3: Summary of BlaBlaCar Venture Capital Funding Rounds..... | 14 |
| Table 4: Business model canvas for BlaBlaCar..... | 15 |
| Table 5: Summary of BlaBlaCar model (payment services) by country as of 2016..... | 16 |
| Table 6: BlaBlaCar business models | 17 |
| Table 7: Summary of BlaBlaCar transaction fees by country as of August 2016 (excl. taxes) | 18 |
| Table 8: Transaction fee in Germany..... | 18 |
| Table 9: Summary of BlaBlaCar payment system by country..... | 19 |
| Table 10: Overview of BlaBlaCar suggested "Cost Contribution" per kilometre | 23 |

FIGURES

| | |
|--|----|
| Figure 1: Registration options on BlaBlaCar (web version) | 8 |
| Figure 2: Search results (Android and IOS version)..... | 9 |
| Figure 3: Public question to the peer provider | 10 |
| Figure 4: Offer a ride on BlaBlaCar (Android and IOS Version) | 10 |
| Figure 5: Satisfaction with overall experience and likelihood to use BlaBlaCar again in the future | 20 |
| Figure 6: Problems experienced on BlaBlaCar – Frequency breakdown (Peer consumers)..... | 21 |
| Figure 7: Knowledge of rights and obligations | 22 |
| Figure 8: Example of prices for a trip from Milan to Bologna..... | 23 |
| Figure 9: Booking ride and relative costs and fees (web version) | 24 |
| Figure 10: BlaBlaCar rating..... | 29 |
| Figure 11: BlaBlaCar anonymous rating..... | 29 |
| Figure 12: Peer profile rating and feedbacks | 30 |
| Figure 13: BlaBlaCar Experience level | 31 |
| Figure 14: verification page (web version) | 32 |

1 Introduction

1.1 Platform overview

BlaBlaCar is a **long-distance ridesharing platform**¹ which connects people who need to travel between cities (peer consumers) with drivers who have empty seats (peer providers). The platform is available via web and app (IOS and Android).² As of 2016, the platform has more than **40 million members** across **22 countries**; it **moves 12 million peers per quarter**³ and so far, has allowed peers to share more than 3 billion Km.⁴

In the EU, the platform is available in 15 EU countries: France, Spain, United Kingdom, Italy, Portugal, Poland, Netherlands, Luxembourg, Belgium, Germany, Hungary, Croatia, Romania, Slovakia and Czech Republic. Outside the EU the platform is also available in Ukraine, Russia, Turkey, Serbia, India, Mexico and Brazil. The platform is available in 17 languages as summarized in Table 1 below.

Table 1: BlaBlaCar - availability of local languages

| BlaBlaCar platform languages | |
|----------------------------------|-----------|
| French (France and Belgium) | Croatian |
| Spanish (Spain and Mexico) | Romanian |
| English (UK and India) | Slovak |
| Italian | Czech |
| Portuguese (Portugal and Brazil) | Ukrainian |
| Polish | Russian |
| Dutch (Netherlands and Belgium) | Turkish |
| German | Serbian |
| Hungarian | |

Originally launched in December 2003 by the founder Frédéric Mazzella⁵, BlaBlaCar started operating in 2006 in **France** under the name Covoiturage.fr.

1.2 User experience

For peer consumers and peer providers to access the service they need to create an account. To register as a member, peers can either use a Facebook account or create an account by using their personal e-mail, personal information (gender, name and birth date) and a password. The peer has to agree with the Terms and Conditions and confirm his mobile number before getting access to BlaBlaCar's services. The platform only allows people above 18 years of age to become a member (even though BlaBlaCar does not verify the peers' official identity documents elsewhere than in France and the United Kingdom on a voluntary basis).⁶

Being a member of BlaBlaCar enables peers both to provide rides (peer provider) and to accept rides (peer consumers). There is therefore no distinction between the two profiles.

1 Wauters, R. (14 January 2015). "BlaBlaCar brings its city-to-city ridesharing platform to India". Tech.eu.

² Within the scope of this case study, desk research and the mystery shopping exercise were carried up until December 2016. Some minor clarifications regarding the core research results were sought until February 2017.

³ Interview with BlaBlaCar, 13/12/2016.

⁴ Information available at : <https://www.blablacar.co.uk/about-us>, accessed on 09/02/2017.


⁵ Hickey, S. (13 April 2014). "BlaBlaCar is to car hire what AirBnB is to the hotel industry". The Guardian.

⁶ Information available at: <https://www.blablacar.co.uk/faq/question/what-age-restrictions-apply>, accessed on 09/02/2017.

Figure 1: Registration options on BlaBlaCar (web version)

Not a member yet? Sign up for free

In just 2 seconds

 Connect with Facebook

We don't publish anything without your consent.

or

In just 30 seconds

Male Female

First name Last name

Email

Password (min. 8 characters)

Confirm password

Year of birth

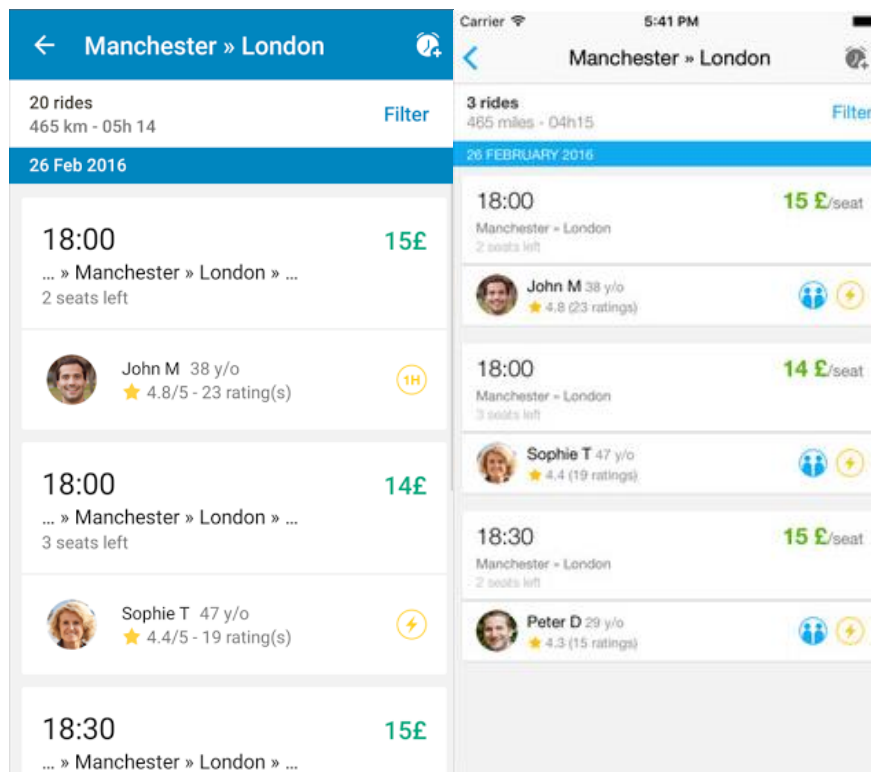
Send me vouchers, travel ideas, innovation updates & invitations to exclusive events!

By signing up with email or Facebook, you accept the [T&Cs](#) and [Privacy Policy](#).

The service offered by the platform varies depending on the country. The main difference lies in whether the trip is booked and paid online, or booked online and paid offline in cash.

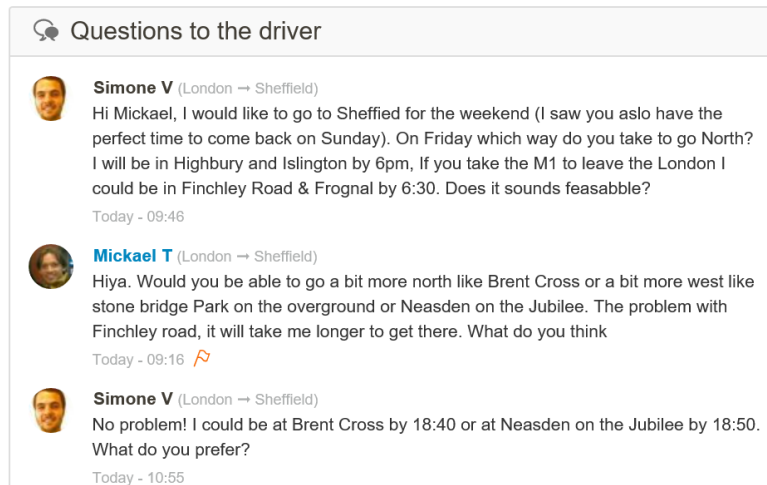
Booking is made online, via the website or the app. The platform actively matches demand and supply through search functions. To book a trip, **peer consumers** have to first enter "from" and "to" which city they would like to travel and the travel date. The consumer can then choose a provider to travel with from a list of available rides presented on the platform app or website. The list includes the price, information about the peer provider (rating, feedback, activity on the platform, experience, preferences), information about the number of free places in the car, the space available for luggage, pick-up and detour possibilities.

Figure 2: Search results (Android and IOS version)



If more information is needed, it is possible to post a public question to the peer provider, or to contact him through the online messaging system (before he accepts the transaction).

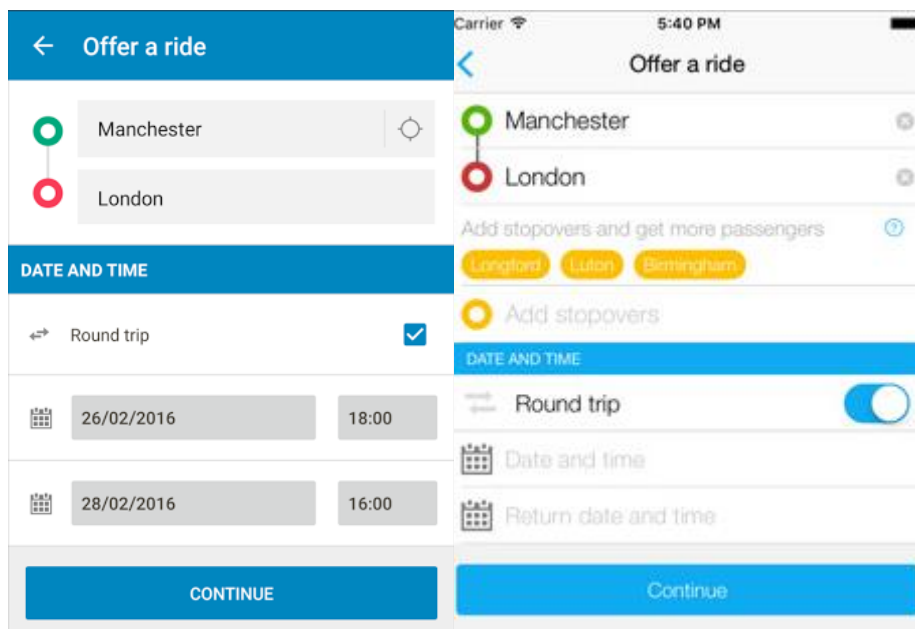
Figure 3: Public question to the peer provider



Once a provider has been selected, the peer consumer can book the ride.

To offer a ride, **peer providers** have to enter a pick-up and a drop-off point, choose the date and time, select a price per passenger and choose between "manual approval" (to approve manually individual booking requests) and "instant approval" for immediate confirmation of bookings. The platform gives guidance for posting listings. For instance, the platform automatically proposes potential additional drop-off points along the selected route that the peer provider can accept to offer.

Figure 4: Offer a ride on BlaBlaCar (Android and IOS Version)



Peer providers can offer a total number of four seats, except in the United Kingdom where this number is limited to three. In all countries except the United Kingdom, peer providers can also limit the number of seats to three by selecting the "MAX two seats in

the back” option⁷. With this option, the peer provider can charge slightly more (since the cost of the ride will be shared by fewer people) in exchange for additional comfort.

Once a peer consumer has requested a booking in their car, the provider is automatically notified by the platform by email, app and SMS. For the transaction to take place, the peer provider has to accept the booking online, via the website or the app, unless he has selected the “instant approval” option when offering the ride – in this case, the booking is automatically confirmed to the peer consumer by the platform. The booking process ends with the exchange of mobile numbers between the peers to arrange final details.

The payment process differs depending on the business model in place in the country; either in cash, during or after the ride, or online through the platform (see section 2.2.1).

The total price of the ride is taken from the peer consumer’s account as soon as the booking is confirmed. The money is held by BlaBlaCar until the ride has taken place. This system is further explained in the business model and pricing section 2.2.1.

BlaBlaCar offers a “lady only” option on its platform. The option allows female peer providers to post rides that only female peer consumers can see. Female peer consumers are notified that the ride is “lady only” and they can search for “lady only” rides. Female providers can post a “lady only” ride also if they travel with male children up to 12 years of age⁸.

7 Information available at : <https://www.blablacar.it/faq/domanda/che-cosa-significa-l-icona-max-2-sui-sedili-posteriori-e-che-cosa-comporta>, accessed on 09/02/2017.

8 Information available at : <https://www.blablacar.it/blog/viaggio-rosa>, accessed on 09/02/2017.

2 Assessment of the platform

2.1 Evolution of the platform business model

2.1.1 Development of the platform

As mentioned above, Frédéric Mazzella launched the first version of the platform in 2006 with the name “Covoiturage.fr”. The prototype was listings website advertising ride-sharing opportunities, characteristic of the **first type of business model identified in the Final Report of this study (“hosting” platforms)**. There were no peer profiles. Instead, drivers were simply asked to submit their email addresses and phone numbers. No remuneration was involved.⁹ In the same year BlaBlaCar’s future CTO, Francis Napez, started optimizing the website for mobile access.¹⁰

In 2007, Mazella and Nicolas Brusson, BlaBlaCar’s future CEO, participated in an INSEAD business venture competition with a P2P platform and a booking system that resembles the system BlaBlaCar uses today. They finished 4th as the business model was considered unsustainable.¹¹

After trying to set up a B2B model that focused on serving corporate clients (which won the 2008 INSEAD competition),¹² version 2.0 of Covoiturage.fr was launched in August 2008. It was a P2P platform that included profiles to identify users.¹³ The introduction of this trust-building mechanism marked the beginning of a **shift from the first to the second type of business model identified in the Final Report (“active management” platforms)**. The use of the platform was free and based on a cash-for-rides model (see section 2.2 for further details).¹⁴ In 2011, the platform introduced a transaction fee based model in France.¹⁵ This model is now available in 9 countries (see section 2.2 for details).

Over time the platform underwent a series of changes: it **focused exclusively on P2P**, it **rebranded** to adopt the name BlaBlaCar and it **expanded operations** across Europe and globally.

Today, BlaBlaCar’s growth model relies on entering new markets, often by acquiring smaller start-ups who already operate in these markets. In 2009, the platform expanded from France to other major EU markets, in 2014, the company started to expand into European countries outside of the EU. In 2015, the company went global by opening in India, Mexico and the year after in Brazil.

9 Wired, 14 April 2015, “BlaBlaCar has turned ride-sharing into a multi-million-euro business”, available at: <http://www.wired.co.uk/article/blablacar>, accessed on 09/02/2017.

10 Ibid.

11 Ibid.

12 Ibid.

13 L'Expansion: Covoiturage.fr wants to blow up car sharing brakes

14 Wired, op, cit, available at: <http://www.wired.co.uk/article/blablacar>, accessed on 09/02/2017.

15 L'Express/L'Expansion, Covoiturage.fr prepare son passage au payant, available at: http://lexpansion.lexpress.fr/high-tech/covoiturage-fr-prepare-son-passage-au-payant_1334100.html, accessed on 09/02/2017.

BlaBlaCar expansion over the years

The company expanded into **Spain** in 2009, more than six months before their first investment: a seed round of 1.2 million euros from French VC ISAI¹⁶. In 2011 the company launched in the **UK** and secured a larger funding round of \$10 million with Accel Partners to pursue further international expansion¹⁷.

In March 2012 BlaBlaCar entered the **Italian** market by acquiring PostoinAuto.it, the biggest Italian ridesharing platform at the time¹⁸. In October of the same year the company expanded into **Netherlands, Luxembourg, Belgium, Portugal** and **Poland** (by acquiring Superdojazd's team, a local car sharing network that was just about to launch)¹⁹.

In April 2013 BlaBlaCar launched in **Germany**, where its biggest European competitor, Carpooling.com, was based²⁰.

In 2014 the company expanded beyond the EU: in **Turkey**²¹ and **Ukraine** and **Russia** by acquiring Podorozhniki, a Ukrainian platform²². Over the course of the year the company also raised \$100 million in venture funding²³.

In 2015 the company consolidated its position in Germany by acquiring carpooling.com²⁴ and continued European and international expansion thanks to newly acquired funds. It expanded into **Hungary, Croatia, Romania** and **Serbia** through acquiring AutoHop²⁵. In the same year the company launched the platform in **India** and entered the **Mexican** market by acquiring Aventones²⁶.

At the beginning of 2016 BlaBlaCar launched its service in **Brazil**²⁷ and in **Czech Republic** and **Slovakia** with the acquisition of jizdomat²⁸.

BlaBlaCar has officially stated that entering the US market is not a priority²⁹, since it is focused on countries with relatively high cost of petrol and a good system of local transportation that allows users to reach meeting points. BlaBlaCar's expansion strategy focuses on countries where there are many cities within a few hundred kilometres radius since the platform believes that to be the distance that most people are willing to drive before they switch to planes³⁰.

Table 2 below summarizes the geographical expansion and the series of acquisitions made by BlaBlaCar.

Table 2: Summary of BlaBlaCar geographical expansion & acquisitions

| Year | Country | Website | Acquisition |
|------|----------------|-----------------------|------------------------------|
| 2004 | France | covoiturage.fr | |
| 2013 | | renamed BlaBlaCar.fr | |
| 2009 | Spain | Comuto.es | |
| 2012 | | Re-named BlaBlaCar.es | |
| 2011 | United Kingdom | BlaBlaCar.com | |
| 2012 | Italy | BlaBlaCar.it | PostoinAuto.it ³¹ |
| | Portugal | BlaBlaCar.pt | |
| | Poland | BlaBlaCar.pl | Superdojazd ³² |
| | Netherland | BlaBlaCar.nl | |

16 "3 Steps To Making Your Internet Business Go Global". Forbes.com.

17 "3 Steps To Making Your Internet Business Go Global". Forbes.com.

18 Ohr, T. (22 March 2012). "BlaBlaCar acquires Italian competitor PostoinAuto.it". EU-Start-ups.

19 "P2P ride sharing shifts gears: BlaBlaCar goes to Benelux, Portugal & Poland". Whiteboardmag.com. 23 October 2012.

20 Boogar, L. (9 April 2013). "Ridesharing marketplace BlaBlaCar launches in Germany - already 3 Million registered users in Europe". Rudebaguette.com.

21 Wauters, R. (30 September 2014). "BlaBlaCar hits 10 million members, launches in Turkey". Tech.eu.

22 Rigby, S. (25 June 2014). "French car-sharing service BlaBlaCar expands to Ukraine and Russia". Ukraine Digital News.

23 Divac, N. "France's BlaBlaCar Buys Two Carpooling Rivals <http://blogs.wsj.com/venturecapital/2014/07/02/french-company-blablacar-raises-100m-to-make-ride-sharing-easy/>

24 Ibid.

25 Ahmed, M. (15 April 2015). "BlaBlaCar buys ride-sharing competitors to lock in European lead". FT.com.

26 "French BlaBlaCar buys Mexican start-up Aventones". NXT Labs. 24 April 2015.

27 "BlaBlaCar moves into Brazil". the star.

28 Information available at: <http://www.jizdomat.cz/>, accessed on 09/02/2017.

29 Information available at: <http://money.cnn.com/2015/11/10/technology/blablacar-ridesharing/>, accessed on 09/02/2017.

30 Wired, op. cit. available at: <http://www.wired.co.uk/article/blablacar>, accessed on 09/02/2017.

31 Ohr, T. (22 March 2012). "BlaBlaCar acquires Italian competitor PostoinAuto.it". EU-Start-ups.

32 "P2P ride sharing shifts gears: BlaBlaCar goes to Benelux, Portugal & Poland". Whiteboardmag.com. 23 October 2012.

| Year | Country | Website | Acquisition |
|------|----------------|------------------|-------------------------------------|
| 2013 | Luxembourg | BlaBlaCar.fr | |
| | Belgium | BlaBlaCar.be | |
| | Germany | BlaBlaCar.de | Carpooling.com (2015) ³³ |
| 2014 | Ukraine | BlaBlaCar.com.ua | Podorozhniki ³⁴ |
| | Russia | BlaBlaCar.ru | Podorozhniki |
| | Turkey | BlaBlaCar.com.tr | |
| 2015 | Hungary | BlaBlaCar.hu | AutoHop ³⁵ |
| | Croatia | BlaBlaCar.hr | AutoHop |
| | Serbia | BlaBlaCar.rs | AutoHop |
| | Romania | BlaBlaCar.ro | AutoHop |
| | India | BlaBlaCar.in | |
| 2016 | Mexico | BlaBlaCar.mx | Aventones ³⁶ |
| | Slovakia | sk.BlaBlaCar.com | Jizdomat ³⁷ |
| | Czech Republic | BlaBlaCar.cz | Jizdomat |
| | Brazil | BlaBlaCar.com.br | |

Expansion based on acquisition has been possible due to the amount of capital accumulated over the course of four funding rounds³⁸ (see Table 3 below). After the last round in September 2015 the company was estimated to be worth 1.4 billion euros³⁹.

Table 3: Summary of BlaBlaCar Venture Capital Funding Rounds

| Year | Amount | Round | Number of Investors |
|-----------|------------------------------|-----------------|---------------------|
| Sep. 2015 | \$ 200 million ⁴⁰ | <i>Series D</i> | 6 |
| Jul. 2014 | \$ 100 million ⁴¹ | <i>Series C</i> | 4 |
| Jan. 2012 | \$ 10 million ⁴² | <i>Series B</i> | 3 |
| 2010 | € 1.2 million ⁴³ | <i>Series A</i> | 1 |

2.1.2 BlaBlaCar today

Today, BlaBlaCar shares characteristics with the **third type of business model identified in the Final Report (“platform governed peer transactions”)**. Indeed, the platform controls the terms of the transaction by setting caps on prices and standardised Terms and Conditions that define the interactions between peers (see details in the following sections). Under the transaction fee based model, the platform governs the transaction by, for instance, managing payments, setting cancellation rules to manage complaints and refunds of P2P transactions, or providing insurance covering both peers (see details in the next sections).

BlaBlaCar has kept features of the **second type of business model (“Active management”)**. The platform matches demand and supply through search functions; offers an online instant messaging system; provides guidance for posting listings, and

33 Divac N. (15 April 2015) "France's BlaBlaCar Buys Two Carpooling Rivals". wsj.com

34 Rigby, S. (25 June 2014). "French car-sharing service BlaBlaCar expands to Ukraine and Russia". Ukraine Digital News.

35 Ahmed, M. (15 April 2015). "BlaBlaCar buys ride-sharing competitors to lock in European lead". FT.com.

36 "French BlaBlaCar buys Mexican start-up Aventones". NXP Labs. 24 April 2015.

37 <http://www.jizdomat.cz/>

38 Information available at: <https://techcrunch.com/2015/12/08/frances-singular-unicorn-blablacars-secret-to-scaling-fast-globally/>, accessed 09/02/2017.

39 Information available at: <http://www.forbes.com/sites/liyanchen/2015/09/16/meet-europes-newest-unicorn-blablacar-raises-200-million-at-1-4-billion-valuation/#67973f3e158a>, accessed 09/02/2017.

40 Scott, M. (16 September 2015). "BlaBlaCar, a French Ride-Sharing Start-Up, Is Valued at \$1.6 Billion". The New York Times. Retrieved 17 September 2015.

41 Information available at: <https://techcrunch.com/2014/07/01/blablacar-raises-a-massive-100-million-round-to-create-a-global-ride-sharing-network/>, accessed 09/02/2017.

42 Information available at: <https://techcrunch.com/2012/07/26/carpooling-daimler-carwars/>, accessed 09/02/2017.

43 Information available at: <http://www.wired.co.uk/article/blablacar>, accessed 09/02/2017.

non-binding pricing guidance; checks user information through email or social media, and conducts optional pre-screening of peer providers in France and the UK; monitors user activity and controls the access to the platform; offers peer review and reputation system, and monitors reviews before they are released on the platform (see the following section).

2.2 Current business model

2.2.1 Business model and pricing

The platform's business model can be represented through a **business model canvas** (Table 4), which graphically captures the current strategic landscape of the company.

Table 4: Business model canvas for BlaBlaCar

| | | | | |
|--|--|--|---------------------------------------|---|
| <i>Key Partners</i> | <i>Key activities</i> | <i>Value proposition</i> | <i>Customer relationship</i> | <i>Customer segments</i> |
| - community - investors | - product development/ Management (server maintenance, product optimization, innovation) - network and trust building - payment/ insurance - customer service | - price - cost reduction - resource optimisation - accessibility (matching service) | - co-creation - automated services | - mass market (mostly personal but also business travellers) - multi-sided platform (targeting both providers and consumers) |
| | <i>Key resources</i> | | <i>Channels</i> | |
| | - community - technology | | - direct online: web & apps | |
| <i>Cost structure</i> | | <i>Revenue streams</i> | | |
| - fixed costs - variable costs - advertising/PR (online marketing) | | - transaction fee - investors | | |

BlaBlaCar transactions are based on cost sharing between peers. The platform imposes a pricing mechanism that forces providers to keep the price low, and – in principle – does not allow peer providers to make a profit. The platform automatically suggests a price per seat to the peer provider, which can be increased or decreased by +/-50%. In each country, there is a maximum amount that can be charged per km, which is usually based on governmental guidelines⁴⁴. The fact that the platform caps prices is characteristic of “**platform governed peer transactions**”. It leaves limited freedom for peers to influence the terms of the transaction, including the price.

BlaBlaCar has different business models/payment services depending on the country.

44 Information available at: <https://www.blablacar.it/blog/condizioni>, accessed 09/02/2017.

- In countries where the **transaction fee model** applies (9 out of the 22 countries where BlaBlaCar operates), the trip is paid online through the platform. The total price includes a transaction fee (called “booking fee”) for trips over a certain distance, which varies between countries (for instance, 50 miles in the UK).⁴⁵ When the booking is confirmed by the peer provider (“manual approval”) or the platform (“instant approval”), the peer consumer receives a booking code. There are then two ways for the payment to be executed:
 1. The peer consumer can give the booking code to the peer provider at the end of the ride. The peer provider then uses the code to request payment from the platform; or
 2. Both the peer provider and consumer confirm that the ride has taken place and the payment is made by the platform without exchange of booking code.
- In the **“cash-for-rides” model**, present in 12 countries out of 22, the trip is booked online through the website or app, but paid offline, in cash, during or after the ride. In this case, the platform does not charge a transaction fee.

In Poland, a mixed model called “booking fees” model is in use since March 2016. The platform asks peer consumers to pay a fee to the platform to book a ride, and to pay the remaining cost directly in cash to the peer provider⁴⁶. According to the platform, one of the reasons for not implementing a full transaction fee model is the Polish regulation on payment intermediation (i.e. the fact that BlaBlaCar holds the passenger’s money until the trip has been completed before transferring it to the peer provider)⁴⁷. Table 5 below offers a summary of business models by country. The list is sorted by year of establishment of the platform in that country.

Table 5: Summary of BlaBlaCar model (payment services) by country as of 2016

| Year of establishment | Country | Business Model |
|-----------------------|--------------|--------------------------------|
| 2004 | France | Transaction fees |
| 2009 | Spain | Transaction fees |
| 2011 | UK | Transaction fees |
| 2012 | Italy | Transaction fees |
| | Portugal | Transaction fees |
| | Poland | Booking fees ⁴⁸ |
| | Netherland | Transaction fees ⁴⁹ |
| | Luxembourg | Transaction fees |
| | Belgium (FR) | Transaction fees |
| | Belgium (NL) | Transaction fees ⁵⁰ |
| | 2013 | Germany |
| 2014 | Ukraine | cash-for-rides model |
| | Russia | cash-for-rides model |
| | Turkey | cash-for-rides model |
| 2015 | Hungary | cash-for-rides model |
| | Croatia | cash-for-rides model |
| | Serbia | cash-for-rides model |

46 Information available at: <https://www.blablacar.pl/blog/oplaty-serwisowe-informacje-dla-pasazerow>, accessed 09/02/2017.

47 Since this model is an exception, and it has only been implemented because a transaction fee model was not possible in Poland, it will not be analysed in detail in the case study.

48 The peer consumer books and pays the transaction fee online to BlaBlaCar. The respective amount for the peer provider is exchanged cash at the delivery of the service.

49 The platform still allows peer providers to be paid cash by peer providers in case they haven’t added bank account information into their profile. In that case peer providers will only pay the transaction fee to BlaBlaCar and the rest cash to the peer provider.

50 Idem.

| Year of establishment | Country | Business Model |
|-----------------------|----------------|----------------------|
| 2016 | Romania | cash-for-rides model |
| | India | cash-for-rides model |
| | Mexico | cash-for-rides model |
| | Slovakia | cash-for-rides model |
| | Czech Republic | cash-for-rides model |
| | Brazil | cash-for-rides model |

In countries with an established community and a critical mass of users, the platform tends to operate via the transaction fee model. Indeed, this model is preferred because under cash-for-rides, since payment only takes place at the time of the ride, cancellations by peer consumers and overbooking by peer providers are relatively frequent.⁵¹ In contrast, under the transaction fee model, peer consumers have an incentive to show up and not to overbook because they pay online before the ride takes place, and they can be charged a cancellation fee (more information in section 0). Indeed, according to the platform, the cancellation rate dropped by 90% following adoption of a transaction fee based model⁵². A further advantage of the transaction fee model is that, in the online booking system, available seats are automatically updated and the profile of the person booking is displayed to other peer consumers. Finally, electronic payments also reduce risks linked to cash transactions.

Despite these advantages of the transaction fee based model, in newer markets, the platform operates on the cash-for-rides model until a critical mass has been reached. The platform confirms that *"as the concept of long distance (not for profit) ridesharing is a new one in most countries where BlaBlaCar starts to operate, there is not only a need to explain our model but also a need for flexibility. In order for passengers and drivers to meet, they need to leave at the same time, from the same place to the same destination. Therefore, in most countries, BlaBlaCar launches its service for free (investing money) to create the marketplace and its liquidity in order for drivers and passengers to be able to find each other. There are some criteria that we use to decide when to switch models: liquidity of the marketplace, size of the community, maturity of the market, habit of paying online for e-services, etc. Each country is different and has its own specificities."*⁵³

In both the cash-for-rides model and the transaction fee model, there is a monetary transaction between peers, the so called **"Contribution Cost"**⁵⁴. In the transaction fee model, there is also a **transaction fee**. Table 6 summarises this information.

Table 6: BlaBlaCar business models

| Business Model | Transactions involved | Payment System |
|-----------------|---|----------------|
| Cash-for-rides | Contribution Cost (Peer to Peer) | Cash |
| Transaction fee | Contribution Cost (Peer to Peer) Transaction fee (Peer consumer to platform) | Online payment |

The transaction fee is the monetisation model for the platform. The fee varies depending on the country, but it usually includes a fixed amount, plus a variable amount depending on the value of the ride. Rides below a certain distance are not subject to transaction fees (the minimum distance for transaction fees to apply varies by country).

51 <http://www.wired.co.uk/article/blabla-car>

52 Information available at: <https://www.blabla-car.nl/blog/online-reserveren-bestuurders>, accessed 09/02/2017.

53 Interview with BlaBlaCar 26/07/2016

54 Information available at: <https://www.blabla-car.co.uk/about-us/terms-and-conditions>, accessed 09/02/2017.

Table 7 below summarises the transaction fees charged in countries where the platform operates this model (as of August 2016). Fees are charged for each seat booked. Both fixed and variable transaction fees are shown excluding taxes. The total transaction fee is limited to a maximum of 20% of the amount charged by the peer provider: as a result, if the total amount composed of the fixed and variable part exceeds 20% of the sum per seat paid to the peer provider (which can happen for short trips), the transaction fee is reduced. In France, Spain, Portugal and Belgium (French website only) there is a fixed fee of € 1.6 (VAT included) for all Contribution costs up to € 8⁵⁵.

Table 7: Summary of BlaBlaCar transaction fees by country as of August 2016 (excl. taxes)

| Country | Fixed Fee | Variable Fee | VAT |
|------------------------|-----------|--------------|-----|
| France | € 0.99 | 11.90% | 20% |
| Spain | € 0.89 | 9.90% | 21% |
| United Kingdom | £0.89 | 9.90% | 20% |
| Italy | € 0.55 | 6.60% | 22% |
| Portugal | € 0.89 | 9.90% | 23% |
| Netherland | € 0.99 | 11.90% | 21% |
| Belgium* ⁵⁶ | € 0.99 | 11.90% | 21% |

Source: BlaBlaCar

In Germany, the transaction fee model was introduced only in January 2016, and information on the cost structure is not publicly available. However, upon request the platform indicated that in Germany, the transaction fee is a fixed fee, it includes VAT and it depends on the price range as summarized in Table 8 below.

Table 8: Transaction fee in Germany⁵⁷

| Price range | Transaction Fee |
|--------------------|-----------------|
| $X \leq €5$ | € 1 |
| $€5 < X \leq €14$ | € 2 |
| $€14 < X \leq €26$ | € 3 |
| $€26 < X \leq €38$ | € 4 |
| $€38 < X$ | € 5 |

2.2.2 Payment

Payment methods vary between countries and between the different business/monetisation models.

The **cash-for-rides model works exclusively on cash**; the platform does not manage the payment online and does not receive any remuneration for the service provided. Peer consumers must pay peer providers after the ride in cash. No guarantee against cancellation is given to peer providers and no insurance or add-on services are included.

Under the **transaction fee model**, the **platform manages the payment**. The peer consumer is charged for the booking instantly if the peer provider has activated the "Instant Approval" mode, or after the peer provider's confirmation in case of "Manual Approval" mode.

55 Information available at: <https://www.blablacar.fr/faq/question/a-quoi-correspondent-les-frais-prelevés-sur-chaque-reservation>, accessed 09/02/2017.

56 The Belgian website in French charges the € 1.6 (VAT included) for all Contribution costs up to € 8

57 Interview with BlaBlaCar 26/07/2016

The platform **monitors success of the transaction before releasing the payment to the peer provider**: it holds the payment until it receives confirmation that the ride has been executed. Either the peer provider enters the booking code on the website or mobile app, and requests the money transfer via the payment method available in the country at hand, or the money is automatically transferred if both peers confirm the successful conclusion of the ride (by clicking on “I travelled with...” on the booking page of the website or mobile app) within seven days (or five days in some countries).⁵⁸

The peer provider receives the payment from the platform by bank transfer or PayPal. Table 9 below summarizes the payment systems available in countries with a **transaction fee model**, plus Poland (for the transaction fee paid by peer consumers to the platform).

Table 9: Summary of BlaBlaCar payment system by country

| Country | Payment System Peer Consumer | Payment System Peer Provider |
|----------------|------------------------------|------------------------------|
| France | CC, PC, P | BT (IBAN), P |
| Spain | CC, DC, P | BT (IBAN), P |
| United Kingdom | CC, DC, PC, P | BT, P |
| Italy | CC, DC, PC, P | BT (IBAN), P |
| Portugal | CC, P | BT (IBAN), P |
| Poland | CC, PC, Dotpay | - |
| Netherland | CC, DC, P, eMaestro, iDEAL | BT (IBAN), P |
| Belgium | CC, DC, PC, P, eMaestro | BT (IBAN), P |
| Germany | CC, PC, P, SOFORT | BT, P |

Note: CC= Credit Card; DC= Debit Card; PC= Prepaid Card; P= Paypal; BT= Bank Transfer

All sums received by BlaBlaCar as Cost Contributions and transaction fees are held in a designated deposit bank account with the company Arkéa/Adyen until they are due and payable to either the peer provider or BlaBlaCar. No interest is paid on the funds held in this account.⁵⁹

2.3 Consumer experiences

2.3.1 Satisfaction with overall experience and likelihood to use the platform again in the future

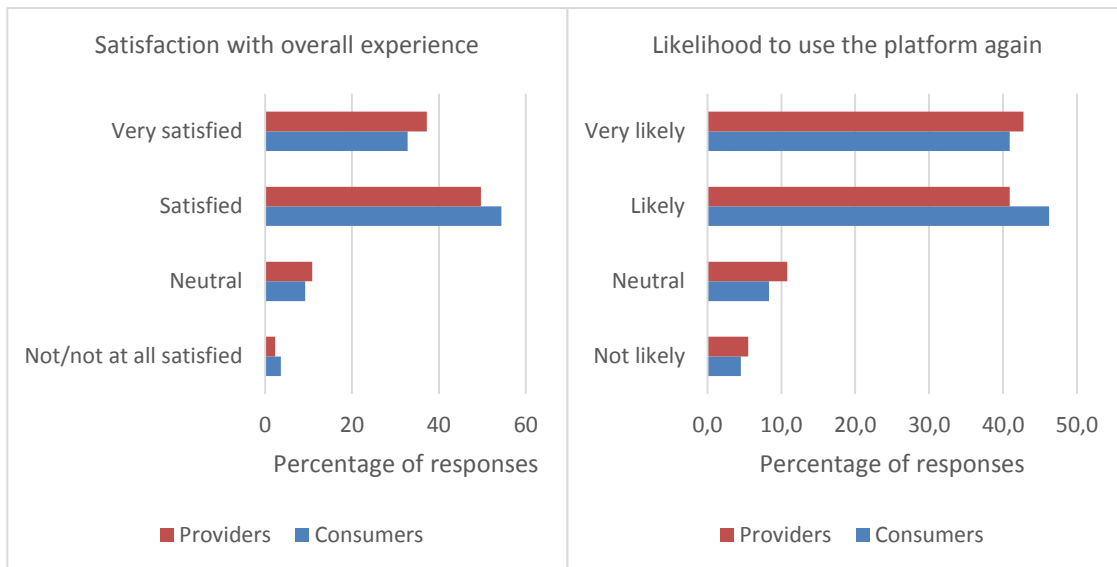
According to the survey conducted in Task 2 of this study, **user satisfaction with BlaBlaCar is highest**, both among Sharing/Hiring ride platforms and across all P2P platforms covered in the survey. 87.2% of peer consumers and 86.9% of peer providers are satisfied or very satisfied with their overall experience. These figures compare with 83.4% and 77.2% for all P2P platforms and 86.8 % and 82.9% for all Sharing/Hiring Rides platforms.

The same picture emerges when participants were asked whether they were likely to use the platform again in the future: 87.2% of peer consumers and 83.7 % of peer providers indicated that they are likely or very likely to use BlaBlaCar again. This is more than the average of 86.6% for peer consumers and 82.4% for peer providers across all P2P platforms and 86.3% and 79.4% for all Sharing/Hiring Rides platforms.

⁵⁸ Information available at: <https://www.blablacar.es/faq/pregunta/como-cobro-mi-saldo-disponible>, accessed 09/02/2017.

⁵⁹ Information available at: <https://www.blablacar.co.uk/about-us/terms-and-conditions>, accessed 09/02/2017.

Figure 5: Satisfaction with overall experience and likelihood to use BlaBlaCar again in the future



Source: GfK survey, Task 2 (sample of 902 respondents, of which 435 peer providers and 467 peer consumers)

2.3.2 Frequency of problems encountered on the platform

Task 2 survey asked users of BlaBlaCar whether they had experienced problems when using the platform, and, if so, what kind of problems (ranging from problems in using the platform, to problems with concluding the transaction, price or problems with the product or the service itself).

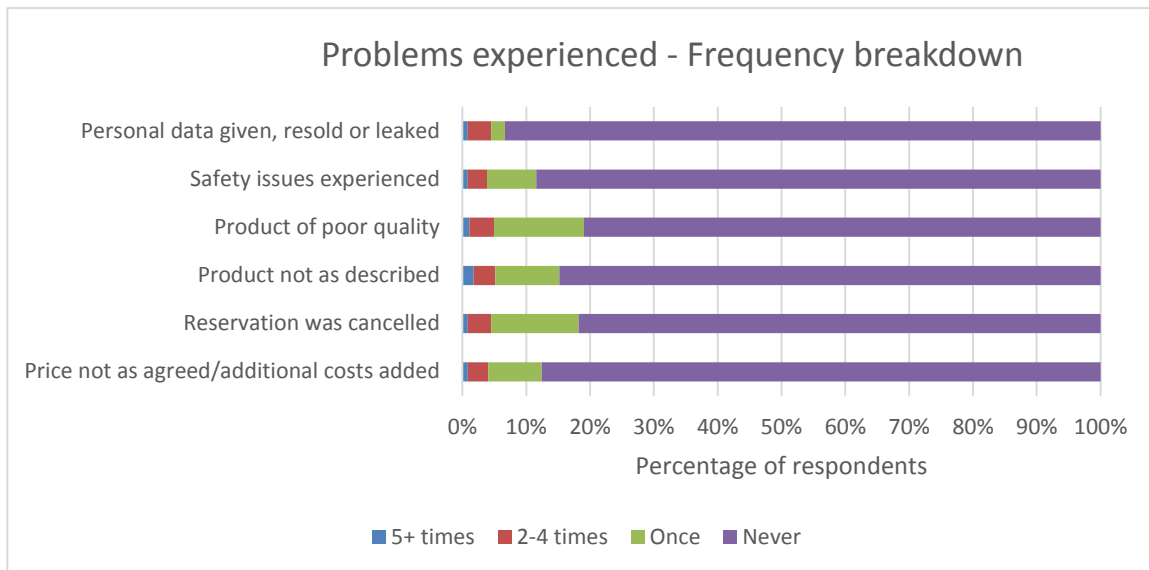
Less than half (46.8%) of the users of BlaBlaCar had experienced one or more of these problems at least once. This is less than the average figure reported for all sharing/hiring rides platforms (54.4%) and for all P2P platforms (55%).

As indicated in

Figure 6, the most frequent problems on BlaBlaCar related to the poor quality of rides (19.1% of cases), cancellation of the ride (18.2% of cases) or the ride not being performed as described (15.2% of cases). This compares favourably to the 25.1% of poor quality rides, 25.9% of cancellation cases, and 19.4% of rides not being as described on the other Sharing/Hiring ride platforms surveyed. Figures are also lower than on all P2P platforms (28.7% of poor quality rides and 27.8% of rides not as described), except regarding cancellation where problems are less frequent than on BlaBlaCar (17.6% on all platforms, versus 18.2% on BlaBlaCar).

There are fewer problems related to price (12.4%) and safety (11.6%) on BlaBlaCar, compared to the average of the Sharing/Hiring ride platforms surveyed (respectively 17.4% for price and 17.1% for safety issues). Price problems are less frequent on BlaBlaCar than on all P2P platforms (12.4% on BlaBlaCar versus 15.5% on all P2P platforms), but figures are the same regarding safety (11.6%). Data problems only concerned 6.6% of BlaBlaCar peer consumers, versus 11.5% on Sharing/Hiring ride platforms and 9.9% on all P2P platforms.

Figure 6: Problems experienced on BlaBlaCar – Frequency breakdown (Peer consumers)



Source: GfK survey, Task 2 (sample of 467 peer consumers)

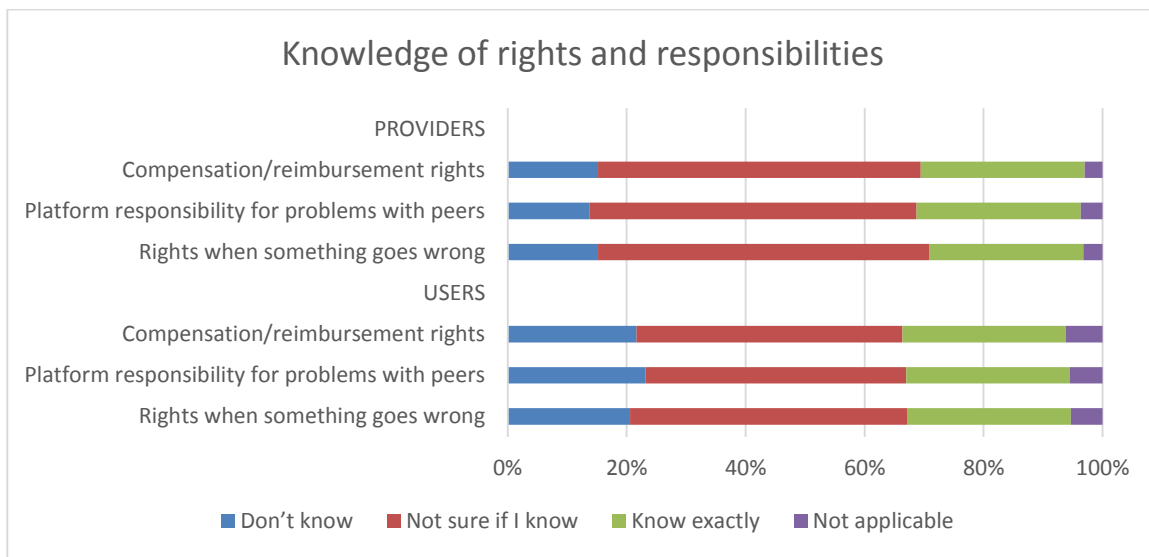
2.3.3 Knowledge of rights and responsibilities

Task 2 survey shows that peers on BlaBlaCar are not entirely aware of their rights and obligations, or the platform’s responsibilities in case something goes wrong. Furthermore, providers are less often aware of their rights than consumers.

Respectively 66.4% of peer consumers and 69.4% of peer providers are not sure about their compensation/reimbursement rights. These figures rise to respectively 67.2% and 70.8% for peer consumers and peer providers as regards their rights when something goes wrong, and amount to 67% and 68.7% as regards the platform’s responsibility in case of a problem with a peer.

The level of knowledge on BlaBlaCar is lower than the average of all P2P platforms, where about 59% of peer consumers do not know or are not sure about their rights when something goes wrong and their right to be compensated/reimbursed, and about 63% the responsibility of the platform for problems with peers. But it is higher than the other Sharing/Hiring ride platforms, where 70% of peer consumers do not know or are uncertain about their rights when something goes wrong, 67.9% about the responsibility of the platform in case of a problem with the peer provider, and 67.1% about their rights to be compensated/reimbursed.

Figure 7: Knowledge of rights and responsibilities



Source: GfK survey, Task 2 (sample of 902 respondents, of which 435 peer providers and 467 peer consumers)

2.4 Transparency aspects

2.4.1 Information to platform users (clarity, easy accessibility)

BlaBlaCar is a for-profit company headquartered in Paris in 84 avenue de la République, 75011. The platform has been registered since 2006 as Comuto SA (Société anonyme, RCS Paris 491904546, capital € 106,752,20)⁶⁰. Comuto SA manages the platform's international sites as well as its partners or group or associated companies.⁶¹ This information is clearly stated in the Terms and Conditions, although at the very end of the page.

Peer information is based on the information provided by peers themselves in their profile, except in France and the UK where the platform can verify official identity documents as an option (see Section 2.5.2). They can register using their Facebook account, or with their email address. Profiles show whether the peer's email, phone number, and official identity documents (where applicable – see section 2.5.2) have been verified, as well as the number of social media connections (when applicable – see section 2.5.2). They may or may not include a photograph, a short presentation written by the peer, and travel preferences.

BlaBlaCar aims to connect peer providers acting in a private capacity to peer consumers. This information is clearly indicated in the Terms and Conditions stating that *"The Site and the Service are strictly limited to providing an online platform that connects Drivers and Passengers to car share in a **private capacity**. The Site and the Service may not be used to connect Drivers and Passengers to car share, offer or accept ridesharing for profit or in any commercial or professional context"*, and *"Drivers must not profit from any Trip. The Service and the Cost Contribution may only be used to discharge the Driver's costs and may not be used to generate any profit for the Driver."*⁶²

60 Information available at: <https://www.blablacar.it/blog/condizioni>, accessed 09/02/2017.

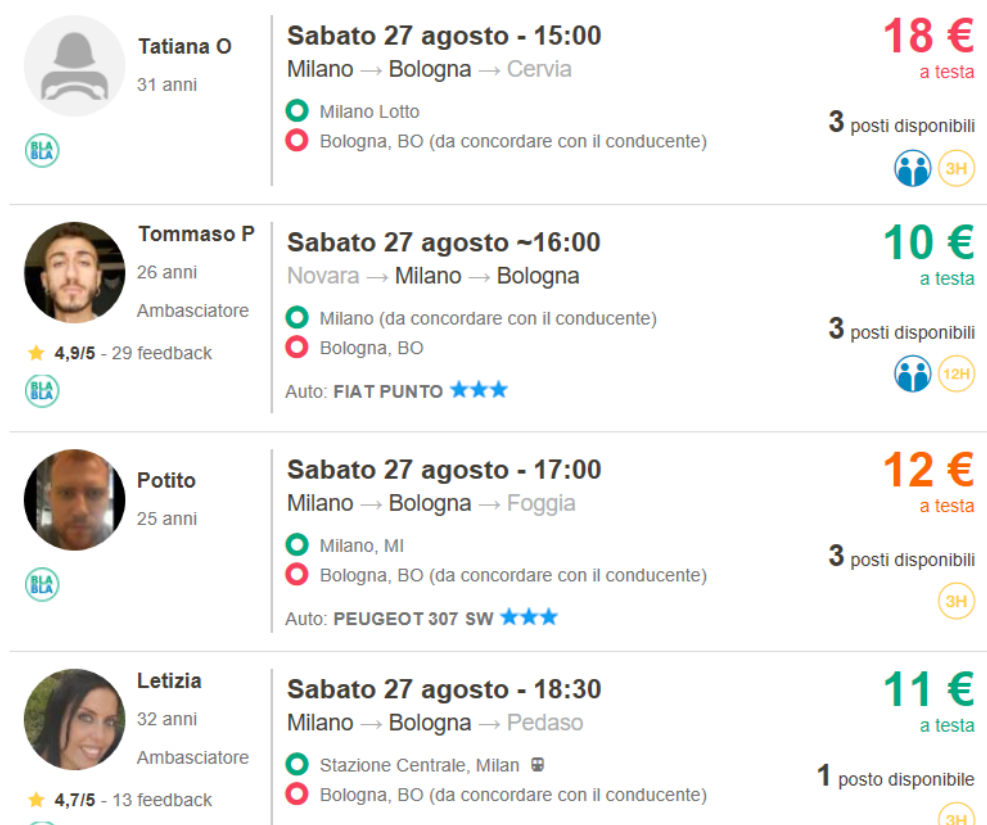
61 Information available at: <https://www.blablacar.co.uk/about-us/terms-and-conditions> and <https://www.blablacar.fr/faq/question/qui-gere-blablacar>, accessed 09/02/2017.

62 Information available at: <https://www.blablacar.co.uk/about-us/terms-and-conditions>, accessed 09/02/2017.

However, **BlaBlaCar denies responsibility for peers acting in a commercial capacity on the platform**, considering that “it is up to Users to be vigilant in ensuring that ridesharing related services are not provided on a commercial basis.”⁶³

Information about prices on the platform is fairly transparent. First, the peer consumer can see if the peer provider has raised or lowered the price suggested by the platform (shown in a different colour next to the ride offer - see Figure 8). Prices can be shown in green, orange or red and it creates an incentive for peer providers to keep prices low, as a non-binding pricing guidance⁶⁴.

Figure 8: Example of prices for a trip from Milan to Bologna



Second, **the platform publishes cost estimates by distance in 15 out of the 22 countries where it operates.** Table 10 below summarizes the cost per kilometre per seat in some of the countries where BlaBlaCar operates. Countries with prices in parenthesis are those for which no public information is available but the data was provided in the platform interview. The platform stated that: “the pages of our local sites have been or are in the process of being updated to include that information.”

Table 10: Overview of BlaBlaCar suggested “Cost Contribution” per kilometre

| Country | Suggested “Contribution Cost” per passenger (€ cents/Km) |
|---------|--|
| France | 6.5* (highway) 4.8 |
| Spain | NA (6) |

63 Information available at: <https://www.blablacar.co.uk/about-us/terms-and-conditions>, accessed 09/02/2017.

64 While this was the case in all countries at the time of writing this report, changes have been made since the research was carried out and these are not covered by this case study.

| Country | Suggested "Contribution Cost" per passenger (€ cents/Km) |
|----------------|--|
| United Kingdom | 11* (pence/mile) |
| Italy | 5.5 |
| Portugal | NA (5) |
| Poland | NA (0,13 PLN/km) |
| Netherland | 6.5 |
| Belgium (FR) | 6.5* (highway) 4.8 |
| Belgium (NE) | 6.5 |
| Germany | 5 |
| Hungary | NA (13 Ft/Km) |
| Croatia | NA (0.32 Kn/Km) |
| Romania | NA (0.13 Lei/Km) |
| Slovakia | NA (3.3) |
| Czech Republic | 0.8* (CZK/Km) |

Source: BlaBlaCar websites; interview with the platform

According to the platform, the suggested cost contribution or price proposed by the platform is calculated on the basis of estimates of the distance, fuel consumption, maintenance cost of the vehicle and highway tolls. Where available official scales for reimbursement of cost per kilometre, such as the "barème kilométrique" published once a year by the tax administration in France, are used for calculating cost estimates for trips.⁶⁵ No further details are available on this calculation.

In countries where transaction fees apply, the prices shown to peer consumers in the list of rides on offer do not include the transaction fee taken by BlaBlaCar⁶⁶. The transaction fee is only shown once a peer consumer tries to book a specific ride; at that stage, the platform clearly states the total price, the transaction fee and the "cost contribution" for the peer provider.

Figure 9: Booking ride and relative costs and fees (web version)

The screenshot shows a booking summary and a payment method selection screen. The summary table is as follows:

| | |
|---------------------------|--------|
| 1 seat x £18 | £18 |
| Booking fees [?] | £3.20 |
| ^ Total | £21.20 |

Below the summary, the user is prompted to "Choose your payment method" with a "Secure payment" lock icon. The "Card" option is selected, showing logos for VISA and Mastercard. The form fields are:

- Cardholder name:
- Card number:
- Expiry date: MM YYYY

65 Interview with BlaBlaCar 26/07/2016

66 Since this research was carried out, in France, the platform has change its policy to include the transaction fee in the prices displayed with the list of rides on offer. There is no information about whether this practice will become common to all national versions of the platform. See <https://www.blablacar.fr/blablalife/nouveautes/nouveautes-blablacar/nouveau-tout-est-compris-dans-le-prix>

Information about cancellation policies and fees is shown in a dedicated section of the platform's T&Cs, but not at the time of booking. The platform gives **information about taxes** in a dedicated FAQ section. It indicates that peer providers do not make taxable profits as the platform does not allow for-profit activities.⁶⁷ A dedicated section about safety gives information regarding **safety issues and rules**. The website suggests consumers to choose carefully who they travel with by checking their ratings and mini-biography. The platform also suggests getting in touch with the other peer using the platform's secure messaging system, to get to know the other peer before the ride and to arrange where to meet. In the same way, a dedicated section about insurance specifies the insurance provider and coverage, indicating specific amounts.⁶⁸ Finally, the Help section contains Frequently Asked Questions, and information on how to contact customer service via email. The platform does not have a hotline in case something goes wrong.

2.4.2 Terms and conditions

BlaBlaCar's T&C regulate the relation between peer and platform, and the interactions among peers.⁶⁹ By accepting the T&C with the platform, the peer also accepts to comply with the guidelines regulating the interactions among peers set out in the "Member's Agreement". Please note that BlaBlaCar's T&Cs vary depending on the country. The following paragraphs and references made to BlaBlaCar's T&Cs will take the United Kingdom as an example, unless stated otherwise.

The T&Cs contain nine main sections of interest to this case study:

1. "Registration on the platform and creation of an account" explains the registration process. It indicates that all peers must be aged over 18. However, no formal identity verification is performed other than in France and the United Kingdom.
2. "Use of the service by the peers" describes the process of posting adverts for rides, booking a seat, and the review system (see section 2.5).
3. "Financial conditions" details the pricing (cost contribution and transaction fees) and payment system, as mentioned in section 2.4.1.
4. "Non-commercial and non-business purpose of the service and the platform" contains the provisions on the non-profit activity of the peer provider, as mentioned in section 2.4.1.
5. "Cancellation policy" explains the different cancellation possibilities. It gives the right to both peers to be reimbursed in certain circumstances, and sets out both peers' right of withdrawal, as will be detailed in section 2.6.2.
6. "Behaviour of users of the platform and Members" sets out "driver and passenger obligations". These provisions are summarised in the **Member's agreement**, also available on a separate page, which focuses on six main points:
 - Give genuine information.
 - Follow the rules of the road and take care of myself and others.
 - Give fair ratings.
 - Be reliable in terms of time and details agreed.
 - Be considerate and welcoming.

67 Information available at: <https://www.blablacar.co.uk/faq/question/will-car-sharing-affect-my-insurance-or-taxes>, accessed 09/02/2017.

68 Information available at: <https://www.blablacar.co.uk/insurance-ridesharing>, accessed 09/02/2017.

69 Information available at: <https://www.blablacar.co.uk/car-sharing-charter>, accessed 09/02/2017.

- Try to make the ride enjoyable and do not bother other peers.

7. "Suspension of accounts, limitation of access and termination" specify that, in the event of a breach of the T&Cs, BlaBlaCar can limit access and use of the platform, and suspend user accounts.

8. "Role of BlaBlaCar" indicates the nature of the platform and its associated liability provisions, as follows. The platform states that it provides the following services:

- A matching service that brings together peer providers willing to share the costs of a trip with peer consumer that need a ride in the same direction.
- An online booking service (transaction fee and models) and payment management system (transaction fee model only).
- A management service in case of cancelled reservations (transaction fee model only).
- Assistance to facilitate settlement of any differences between peers in relation to services rendered through the platform.

Apart from the services offered, **the platform accepts no liability for the rideshare**, as the ride offered on the platform is based exclusively on an agreement between the peer consumer and the peer provider. In this regard, the T&Cs state that *"BlaBlaCar's liability is limited in accordance with these Conditions and in particular BlaBlaCar is not liable in respect of any breach of any agreement or arrangement between Users or breach by a User of these Conditions"*.

BlaBlaCar also **denies liability for peers submitting false information**, stating that *"BlaBlaCar will not be liable to any User in the event that any information provided by a User (including for the avoidance of doubt another User) which is incomplete, inaccurate, misleading or fraudulent."* While this exclusion of liability includes drivers acting in a commercial capacity, the T&Cs also indicate that the platform *"may close or suspend the account of any Member using a professional (FHV, taxi, etc.), a company or a service vehicle considering that Member would be generating a profit through the services we offer on our Platform"*.

9. "Applicable law – dispute" indicates potential dispute resolution schemes available to peers (see section 2.6.2).

Finally, the T&Cs also mention provisions about privacy and intellectual property referring to the dedicated Privacy Policy page; operations, availability and functioning of the platform; and legal notices. They confirm that users will be notified of any modifications of the T&Cs.

2.4.3 Data protection

BlaBlaCar provides a specific Privacy and Data Protection Policy. By using the platform, the peers agree to the **collection, use, and disclosure** of the information collected.

The platform **collects** the following user information:

- E-mail address and a password;
- Mobile phone number;
- A record of any correspondence between the peer and the platform;
- A record of any booking or advertisement performed by a peer;
- Peer replies to any surveys or questionnaires that the platform may use for research purposes

- Details of accounting or financial transactions including transactions carried out through the platform. This may include information such as peers credit card, debit card or bank account details, details of Trips or Legs peers have booked or offered through the Platform;
- Cookies and platform's internet traffic (both in terms of User's usage and IP address);
- ID, Passport, Provisional Driving Licence, Full Driving Licence (only when provided by peers to be able to offer rides on the platform)

While BlaBlaCar guarantees **not to resell data** and information to any third party, the platform may use some of the information above to:

- Ensure that the content of the Platform is presented in the most effective manner;
- Make general improvements to the Platform;
- Carry out and administer any obligations arising from any agreements entered between the platform and the peer;
- Allow the peer to access certain services;
- Contact the peer about changes in the services offered;
- Collect/transfer payments from/to peers;
- Analyse the use peer makes of the platform for internal marketing and research purposes;
- Ensure compliance with T&C, Rideshare agreement and applicable law;
- For the purpose of verification by a third-party service provider of the information contained in the passport, Full Driving Licence, Provisional Driving Licence and other identity documents that may be collected from the peer at the time of registration or at any other time during your use of the Platform as may be required. Third party service providers will process data under BlaBlaCar's control and will be bound by the same degree of security and care as BlaBlaCar's under this Privacy Policy.

Further, the platform may **disclose** information in the following circumstances:

- When charging fees or collect any money in relation to any services delivered on the platform, including any sponsorship money, credit or debit card payments will be collected by the payment processor;
- During the booking process contact information will be disclosed with the other peer involved in the matching;
- To comply with any legal obligation (for example, if required to do so by a court order or for the purposes of prevention of fraud or other crime);
- In case the company, or part of it, is sold;
- To protect the rights, property, or safety of Comuto SA, the platform's users, or any other third parties. This includes exchanging information with other companies and organisations for the purposes of fraud protection and credit risk reduction.

To sum up, BlaBlaCar gives detailed information about:

- Non-commercial status of the peer provider and nature of the transaction (although the platform denies responsibility in case of false information provided by the peers);
- Prices (colour codes allow to compare the price set by the peer provider with the price suggested by the platform);
- Cancellation policies and insurance;

- Data collection, use and disclosure, including when information is shared with third parties, and indicates not to resell data to third parties.

However, there is no information on how suggested prices are calculated, and the amount of the transaction fee is not always shown on the platform's website. Also, the fact that the platform denies responsibility if peer providers act in a commercial capacity can lead to uncertainty for the peer consumer. This is particularly interesting in view of the results in Section 2.3 which showed that over two thirds of peer users do not know their rights on the platform (see Figure 7). This indicates that further efforts need to be made to enhance information availability and clarity.

2.5 Trust building and verification of information

2.5.1 Peer reviews and ratings

The trust tools used by the platform - including its peer reviews and ratings system - are the result of a gradual evolution in the way that the platform operates⁷⁰. This evolution can be summarised in 5 main steps.

1. **Declarative information:** Removing anonymity was the first step in building trust within the community. In the early stages the platform allowed peers to upload a photo and a name. "*A stranger with a name and a face is simply more trusted.*"⁷¹
2. **Verification:** the first type of "verification" to be implemented by the platform was mobile number confirmation through SMS verification. This ensured the possibility to communicate directly between peers in case of need.
3. **Ratings:** The next step included the adoption of user ratings
4. **Booking system:** the transaction fee model (where available) reduced overbooking and cancellations.
5. **Two-way ratings:** recent changes mean that ratings received by a peer are only disclosed after they have left a rating in return within 14 days. This process aims to improve the quality of ratings by reducing the risk of retaliation in response to a negative rating by the other peer.

The rating is made up of three parts. In the first part, the peer indicates the relationship: whether the other peer was a driver, passenger, and if they travelled together. In the second part, the peer can rate the experience, choosing between:

70 Information available at: <https://www.blablacar.com/trust>, accessed 09/02/2017.

71 Information available at: <https://www.blablacar.com/trust>, accessed 09/02/2017.

Figure 10: BlaBlaCar rating



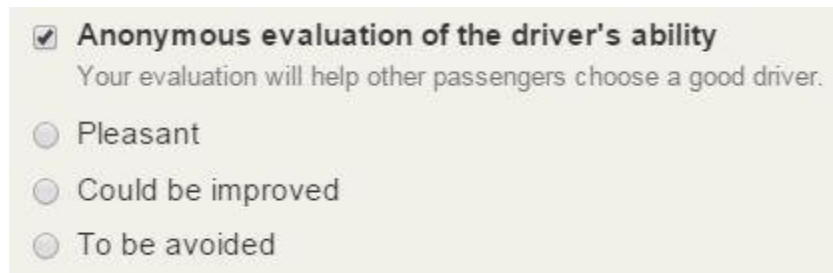
How was your experience?

- Outstanding
- Excellent
- Good
- Poor
- Very disappointing

In the final part, the peer can leave an additional comment.

When evaluating a peer provider, peer consumers can also anonymously evaluate their driving skills. This feedback will not be directly visible. Only after three anonymous driving evaluations, an average will be displayed on the peer provider profile. This extra level of feedback aims to ensure the safety of ridesharing on BlaBlaCar. The anonymous evaluation allows peer consumers to choose between the following options:

Figure 11: BlaBlaCar anonymous rating

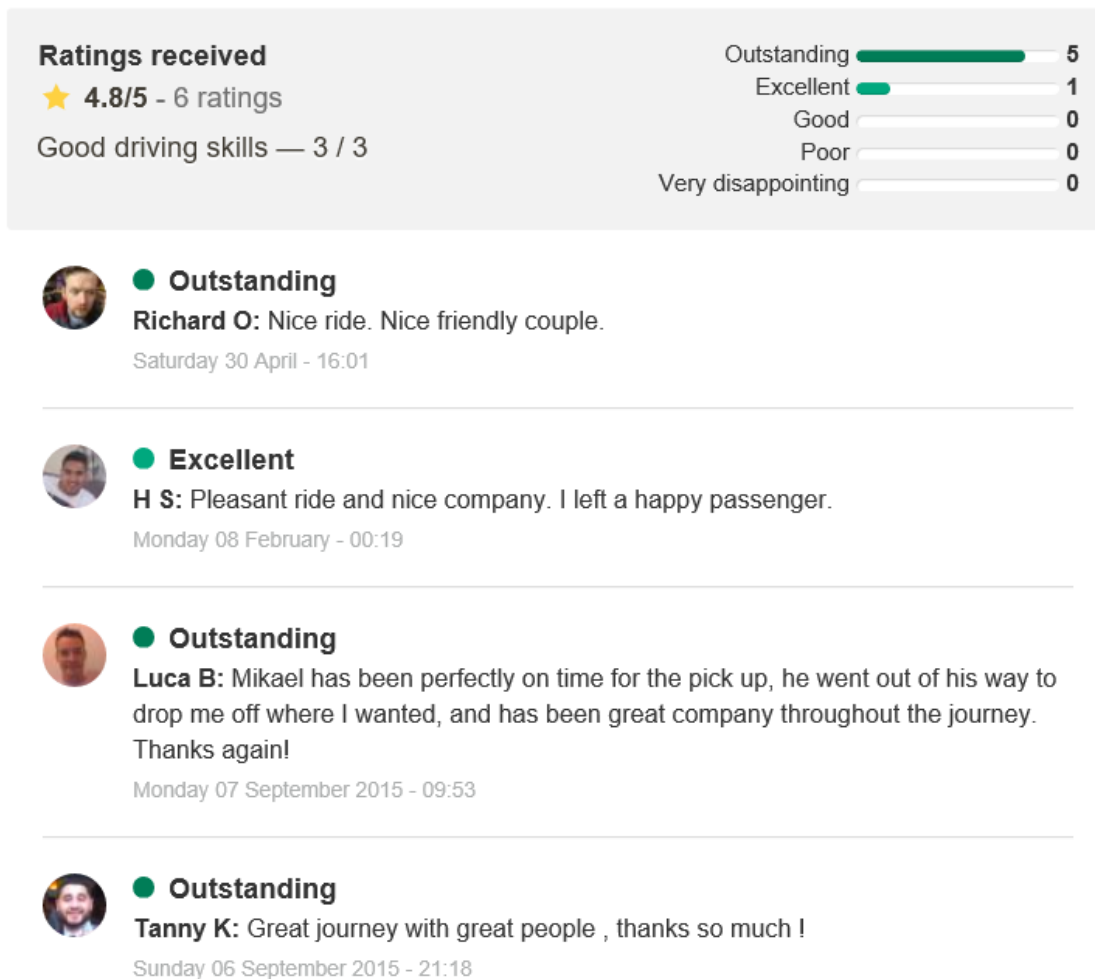


Anonymous evaluation of the driver's ability
Your evaluation will help other passengers choose a good driver.

- Pleasant
- Could be improved
- To be avoided

Figure 12 below illustrates the comments received by a peer on the platform together with the anonymous evaluation of his driving skills.

Figure 12: Peer profile rating and feedbacks



BlaBlaCar monitors feedbacks before they are released on the platform, as put in the terms and conditions: "You recognise and accept that BlaBlaCar reserves the right not to publish or to delete any review, any question, any comment or any response if it deems its content breaches these T&Cs."⁷²

Peer providers and consumers are also rated by the platform according to their "experience" level. There are five experience levels in total and to move through the levels, users must improve five indicators. Figure 13 below summarizes the experience level system.

⁷² Information available at: <https://www.blablacar.co.uk/about-us/terms-and-conditions>, accessed 09/02/2017.

Figure 13: BlaBlaCar Experience level

| | Newcomer | Intermediate | Experienced | Expert | Ambassador |
|--------------------------------|----------|---------------|----------------|----------------|-----------------|
| Verified email and phone | Welcome! | ✓✓ | ✓✓ | ✓✓ | ✓✓ |
| Preferences set | | ✓ | ✓ | ✓ | ✓ |
| Profile photo added | | | | ✓ | ✓ |
| # of positive ratings received | | ★ 1 rating | ★ 3 ratings | ★ 6 ratings | ★ 12 ratings |
| % of positive ratings received | | ★ >60% | ★ >70% | ★ >80% | ★ >90% |
| Seniority | | 📅 1 month | 📅 3 months | 📅 6 months | 📅 12 months |

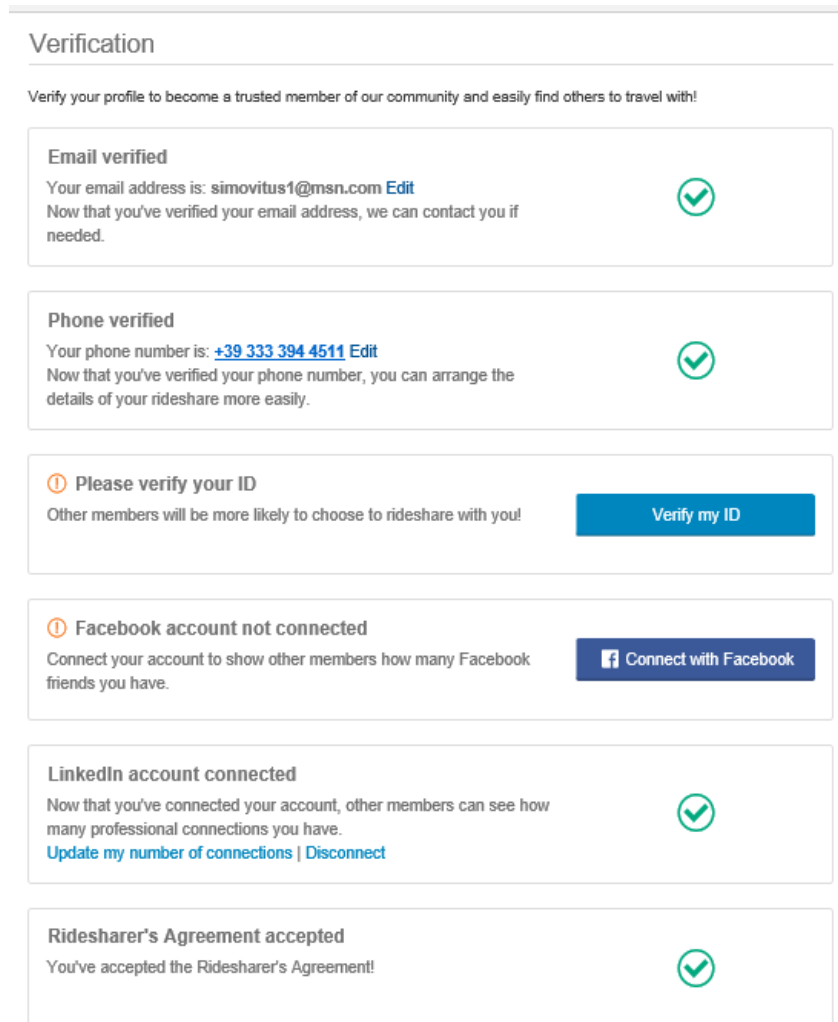
2.5.2 Verification of peer information by platform

BlaBlaCar verifies user information through the following process. When creating an account, peers have the option to confirm their mobile number via SMS to access the services. To do so, the peers enter their mobile number on the “verification page”. An SMS is instantly sent to the number with a four-digit code, which the peer enters on verification page. After accepting the Rideshare Agreement, the peer then has access to BlaBlaCar services.

The verification page contains several options for steps that the peer can take to increase their trustworthiness. The additional options are:

- Submit identity documents, i.e. ID card, driving licence and/or passport (UK, France, India and Brazil)
- Connect to Facebook profile (publicly displays number of friends)
- Connect to LinkedIn profile (publicly displays number of connections)

Figure 14: verification page (web version)



As clarified in the T&Cs, the use of the term "verified" on the website or in the app does not mean that the platform has verified the authenticity of the data provided, but only that a peer has completed a "verification procedure" on the platform: *"You recognise and accept that any reference on the Platform or the Services to "verified" information, or any similar term, means only that a Member has successfully passed the verification procedure existing on the Platform or the Services in order to provide you with more information about the Member with whom you are considering travelling. BlaBlaCar cannot guarantee the truthfulness, reliability or validity of the information subject of the verification procedure."*⁷³

Pre-screening of peer providers by the platform is currently performed only in the United Kingdom and in France on a voluntary basis. This is done through a verification of identity documents (process called "ID verification" at BlaBlaCar). Identity documents (ID card/driving license) can be submitted by taking a photo of the documents using the app's camera function or by uploading a good resolution photo of the Driving licence on the website. The documents provided by peers are verified by the platform against an open database.

73 Information available at: <https://www.blablacar.co.uk/about-us/terms-and-conditions>, accessed 09/02/2017.

This mechanism was first implemented as a pilot project in the UK and it has been implemented in France in 2016. According to the platform, the objective of the pilot project in the UK was to find the best way to perform verification, i.e. to find a balance between the need to increase trust and the need not to create too much of a burden for the members. The platform notes that: *the ID verification process must be as convenient and fast as possible [and] we may decide to expand ID verification to other countries in the future.*⁷⁴

To sum up, BlaBlaCar operates several trust building tools including reviews and ratings, a reputation mechanism with “experience levels” and verification of peer information in the UK and in France.

2.6 Complaints, redress and insurance

2.6.1 Complaints handling mechanisms

BlaBlaCar has an email address through which peers can contact the platform. Each peer who writes a message receives a personalized answer from one of the 115 agents of the member relations team based in Paris. The team is composed of 34 nationalities and each agent speaks on average 3 languages⁷⁵. All interactions happen by email and there is no telephone hotline but the platform states that “if the situation requires it, the team may also call the peers”.⁷⁶

2.6.2 Access to redress

Regarding the right of withdrawal, the T&Cs state that the user cannot withdraw “*from the time of Booking Confirmation provided the Contract between you and BlaBlaCar consisting of putting you in contact with another Member has been fully executed.*”

Further, in countries with a transaction fee model, the platform sets out a specific **cancellation and reimbursement policy**, including a cancellation fee. In case the ride is cancelled by the peer consumer, the platform always charges them a cancellation fee. For cancellations done more than 24h before departure, the platform refunds the peer consumer the price of the ride minus the transaction fee paid at the time of booking. For cancellations made less than 24h before departure, the platform refunds 50% of the price of the ride minus the transaction fee. If the cancellation occurs after departure or if the peer consumer does not show up, the platform does not issue a refund. The transaction fee is kept by the platform, and the price of the ride that is not refunded to the peer consumer is transferred to the peer provider. In case the ride is cancelled by the peer provider, the peer consumer is reimbursed fully, including the transaction fee.

To conclude, BlaBlaCar has clear policies in case of cancellations by peer consumers, or in case of non-performance of the ride by the peer provider. There is no indication of any assistance for passengers/peer consumers in case of last minute cancellations and no telephone hotline is available for emergencies. In case of other types of problems, the platform reserves the right to retain payments and may offer help with resolving disputes at its discretion.

74 Interview with BlaBlaCar 26/07/2016

75 Interview with BlaBlaCar 26/07/2016

76 Written feedback from BlaBlaCar, 13/12/2016.

2.6.3 Access to Insurance

In France⁷⁷, Spain⁷⁸, United Kingdom⁷⁹, Italy⁸⁰, Belgium⁸¹ and Germany⁸² where the transaction fee model is in place, BlaBlaCar also offers insurance, notably against non-completion of a ride and guaranteeing onward travel free of charge, as part of the transaction fee. The insurance is provided in partnership with the insurance company AXA⁸³. As mentioned in section 2.4.1, the coverage of the insurance is clearly explained on the platform.

While the insurance cover changes depending on the country, in all countries, peers have **breakdown cover and onward travel insurance**. This cover applies in the following cases during a ride:

- a mechanical breakdown;
- an accident;
- vandalism;
- a fire;
- a theft or an attempted theft;
- a flat tyre;
- a flat battery;
- running out of fuel;
- incorrect fuelling of the car; or
- the driver falling ill.

All persons in the vehicle are covered and (where necessary), the cover includes:

- Roadside repair and/or towing to the nearest garage
- Transport to the planned destination or back to the pick-up point
- Overnight accommodation if required

In the UK, Germany, Spain and Italy the insurance covers also **legal protection**: In case of an incident during a ride, drivers can call a 24-hour hotline for legal advice. In the UK, Italy and Spain legal fees are also covered: up to £100,000 in the UK, €10,000 in Italy and Spain. Legal fees are covered specifically for:

- Claims for damages
- Disputes Claims
- Prosecution defence cover if the driver is fined for passenger non-respect of regulation

In the UK, Germany and Spain the insurance also includes **personal accident cover**: this means that in case of a serious accident leading to death or permanent disability, the driver or their beneficiaries receive an extra £50,000 in the UK, €50,000 in Germany and €25,000 in Spain.

In Germany, Belgium, Spain and Italy the insurance covers the **return shipment of lost objects** in case a peer consumer forgot an item while travelling in the insured car.

77 Information available at: <https://www.blablacar.fr/assurance-covoiturage>, accessed 09/02/2017.

78 Information available at: <https://www.blablacar.es/seguro-compartir-coche>, accessed 09/02/2017.

79 Information available at: <https://www.blablacar.co.uk/insurance-ridesharing>, accessed 09/02/2017.

80 Information available at: <https://www.blablacar.it/assicurazione-viaggi-condivisi>, accessed 09/02/2017.

81 Information available at: <https://www.fr.blablacar.be/assurance-covoiturage>, accessed 09/02/2017.

82 Information available at: <https://www.blablacar.de/>, accessed 09/02/2017.

83 Information available at: <https://www.axa.com/en/newsroom/press-releases/blablacar-insurance-ridesharing>, accessed 09/02/2017.

In France, the insurance allows to **extend the coverage guarantee to other drivers** in addition to the main driver. This additional coverage is used in case the insurance of the peer provider does not cover other drivers (exclusive driving clause), or if it covers other drivers except for young drivers (with a driving license less than 3 years old). As part of the additional insurance provided by BlaBlaCar, AXA refunds the amount of the deductible the car insurer would be responsible for in case of an incident caused by a driver other than the main driver.

Similar coverage is also offered in Belgium, where any deductibles for damages caused by the peer provider or by a peer consumer (driving the car with a driving license more than 3 years old), is covered up to 600€.

Complaints handling and insurance are characteristic of the “platform governed transactions” business model. It should be noted that cancellation, reimbursement policies and insurance only apply to peer transactions in countries with a transaction fee model.

2.7 Cross-border dimension

BlaBlaCar offers its service in different EU countries and routes between countries are available on the platform.⁸⁴ The platform advises peer providers to check that the peer consumer is allowed to travel across borders⁸⁵. Rides can also be offered into countries where BlaBlaCar does not have a national website.

84 Information available at: <https://www.blablacar.co.uk/faq/question/can-i-use-blablacar-abroad>, accessed 09/02/2017.

85 Information available at: <https://www.blablacar.co.uk/faq/question/cross-border-rides-precautions-and-necessary-documents>, accessed 09/02/2017.

3 Conclusions

3.1 Main findings:

3.1.1 Contribution to the business model typology

Transactions between peers on BlaBlaCar are based on cost-sharing between the peers, but BlaBlaCar is a commercial company and it aims to make a profit from the transactions it facilitates.

BlaBlaCar adapts its business model to the countries where the platform operates in function of the size of its membership, carpooling habits and levels of acquaintance with the platform: generally, the platform starts with a free service and cash-for-rides model before shifting to a transaction fee model with booking and payments managed online through the platform once a certain critical mass has been achieved. BlaBlaCar is therefore a clear example of a combination of different business models that evolve over time as the platform grows.

In the scope of this study, BlaBlaCar exhibits features of the second business models ("**active management**") as the platform:

- Actively matches demand and supply through search functions/filters and instant messaging system
- Provides guidance for posting listings
- Provides user information checks (through email or social media)
- Facilitates optional pre-screening through verification of identity documents (France and the UK only)
- Monitors user activity and control over access to platform
- Provides non-binding pricing guidance
- Offers guidance for P2P interactions
- Manages peer review and reputation system (ratings and badge)
- Monitors peer reviews with the right to delete them

In the transaction fee model, BlaBlaCar exhibits features of the third business model – **platform governed peer transactions** as the platform:

- Sets standardised T&Cs that define interaction between peers
- Imposes rules and fees for cancellations
- Sets prices (caps the price to prevent peers from making profit)
- Manages payments and monitors success of transaction before releasing payment to peer provider
- Manages complaints and refunds of P2P transactions.
- Provides insurance for both peers as part of the transaction fee.

3.1.2 Consumer experiences

User satisfaction with BlaBlaCar is highest, both among Sharing/Hiring ride platforms and across all P2P platforms covered in the survey.

- 87.2% of peer consumers and 86.9% of peer providers are satisfied or very satisfied with their overall experience.
- These figures compare with 83.4% and 77.2% for all P2P platforms and 86.8 % and 82.9% for all Sharing/Hiring ride platforms.

The same picture emerges when participants were asked whether they were likely to use the platform again in the future.

- 87.2% of peer consumers and 83.7 % of peer providers indicated that they are likely or very likely to use BlaBlaCar again.
- This is more than the average of 86.1% for peer consumers and 82.4% for peer providers across all P2P platforms, and 86.8% and 79.4% for all Sharing/Hiring ride platforms.

The most frequent problems on BlaBlaCar related to the poor quality of rides (19.1% of cases), cancellation of the ride (18.2% of cases) or the ride not being performed as described (15.2% of cases), which compares favourably to the average of Sharing/Hiring ride platforms and all P2P platforms. There are fewer problems related to price (12.4%) and safety (11.6%) on BlaBlaCar than on Sharing/Hiring ride and all P2P platforms, except with regard to cancellation, where figures are the same as on all P2P platforms. Data problems only concerned 6.6% of BlaBlaCar peer consumers, versus 11.5% on Sharing/Hiring ride platforms and 9.9% on all P2P platforms.

Peers on BlaBlaCar are not sufficiently aware of their rights and obligations, or the platform's responsibilities in case something goes wrong, and the platform performs below the average of all P2P platforms in this area.

- More than two thirds of both peer providers and peer consumer either do not know or are not sure what their rights are.
- 66.4% of peer consumers are not sure about their compensation/reimbursement rights, against 59.8% for all P2P platforms.
- This rises to 67% for peer consumers as regards the platform's responsibility for problems with peers, and rights when something goes wrong (compared with an average of 62.6% and 59.8% for all P2P platforms).
- However, BlaBlaCar performs better than other Sharing/Hiring ride platforms.

3.1.3 Transparency of the platform, including information provided to peers

Although differences exist between national versions of the platform, in general, the information provided to peers is quite detailed and transparent, notably regarding:

- The non-commercial status of the peer provider, and therefore, the nature of the transaction;
- Suggested prices with different colour codes, and the amount of transaction fees;
- Rules on cancellation and reimbursement;
- The insurance coverage; and
- Data collection and data (re) use.

On the other hand, it is not clear how suggested prices are calculated, and transaction fees are not shown until the final booking stage.

The platform also denies responsibility in case the peer gives false identity information. The platform verifies identity documents only in the United Kingdom and France. The use of the term "verified" when the platform confirms the peers' email, social media account or mobile phone is misleading, as it cannot be considered a thorough identity check.

Finally, peers continue to have insufficient knowledge of their rights on the platform, as evidenced by the results of the Task 2 survey for this study.

3.1.4 Trust building and verification of information

Trust is ensured through a comprehensive set of tools. It is worth highlighting in particular:

- The two-way peer review system aims to increase objectivity in reviews. The system is divided into three parts, with the last part on driving skills completely anonymous.
- BlaBlaCar monitors reviews and reserves the right not to publish or to delete them.
- A reputation scheme presented as the user's "experience level".
- User information checks at the time of registration.
- A pre-screening of peer providers in France and the UK including verification of identity documents.

3.1.5 Access to complaints, redress and insurance

BlaBlaCar provides an electronic customer service which handles complaints through its member relations team. In countries with a transaction fee model, the platform also sets out clear rules for reimbursement in case of cancellations.

BlaBlaCar offers breakdown cover in case of an incident during the ride in all countries where the transaction fee model is in place. This is included in the transaction fee. In some countries, the insurance cover is broader and includes legal protection, personal accident cover, return shipment of lost objects, or it covers additional drivers, other than the main driver. Information on insurance cover is clear and available on the platform.

3.1.6 Cross-border issues

The platform can be used for cross-border transactions which can raise issues regarding passenger documentation. The platform advises peers to take the necessary precautions, but as of today it does not offer further advice.

3.2 Good practices

At the platform level, the following good practices can be highlighted:

- BlaBlaCar is clear about the non-profit nature of the P2P transactions it facilitates. Its T&Cs state that peer providers cannot make a profit from their BlaBlaCar rides, and prices and numbers of seats per car are capped to prevent for profit activity.
- The platform shows the total price, including transaction fees, directly in the search results, but only in France;
- In addition to two-way reviews and feedback, peers also have an "experience" level rating, which further enhances trust;
- The platform monitors all reviews before publication to spot inappropriate, unfair, incorrect or fraudulent reviews;
- There is a high level of transparency about data use and reuse;
- The platform excludes explicitly sale of data to third parties;
- Price caps ensure that transactions remain not for profit and they reduce the incentive for peers acting in a commercial capacity on the platform;
- Rating of driving skills of peer providers enhances safety and transparency;
- Identity documents of peer providers are verified in the United Kingdom and in France.
- BlaBlaCar offers a very inclusive insurance that protects both peer providers and peer consumers.

3.3 Elements of concern

At the platform level, the following elements of concern can be pointed out:

- The platform does not assume responsibility for the accuracy of information provided by peers, including information on their identity or legal status,
- There is a discrepancy between the exclusion of liability for the transaction between the peers and platform practices governing those transactions;
- Despite various safety precautions and trust mechanisms put in place by the platform there are reports of physical aggression⁸⁶, drug trafficking⁸⁷ or other illegal behaviour;
- There is no systematic verification of official identity documents of peer providers, except in the United Kingdom and France, nor of full identity of peer consumers;
- The use of the term “verified” may mislead users who assume the platform verifies the authenticity of data. This is clarified in the T&Cs, but could be mentioned more clearly on the website or different wording should be used by the platform.

3.4 Future developments

The platform aims to make the service available in more countries and to improve the service based on its community’s needs.

86 Information available at : http://www.lexpress.fr/actualite/societe/fait-divers/il-droquait-ses-passageres-en-covoiturage-avec-du-chocolat-pour-les-agresser_1623000.html, accessed 09/02/2017.

87 Information available at : http://www.lemonde.fr/m-perso/article/2016/04/09/a-qui-appartient-ce-sac-de-coke-les-aleas-du-covoiturage_4899259_4497916.html, accessed 09/02/2017.