STARTUP NEWS & ANALYSIS

Uber rival Taxify raises $175 million as Daimler weighs in

MARTIN KOVACS / Tuesday, June 5, 2018

Taxify country manager Sam Raciti. Source: Supplied.

Uber rival Taxify last week raised $US175 million (around $231 million) in a funding round that has seen German multinational Daimler take a stake in the ride-sharing company.

The funding will deliver Estonian-founded Taxify further momentum as it seeks to expand its global network, with rival Uber firmly in its sights.

Taxify, which launched in Australia towards the end of last year with services now live in Sydney and Melbourne, recently said it had secured more than 350,000 riders over the first three-and-a-half months of its operations in Australia.

At the time, local country manager Sam Raciti described the company's Melbourne launch as the "most successful we've seen".

"Following our launch in Sydney, we had drummed up interest from riders who were keen to have a challenger in the market," Raciti told *StartupSmart*.

"We also were able to educate drivers in Melbourne on the benefits of driving with Taxify, which meant we had a significant number of drivers on board before launch."

As reported by Reuters, the latest funding was raised from a group led by Daimler, with Taxify stating it will use the investment for technology development and further penetration in its existing regional markets.

Taxify founder Markus Villig told Fairfax that with ride-sharing now accounting for about 2% of trips completed in Australia, Taxify anticipates strong local growth in the coming years.

"We think we can go from 2% to 10-15% in the next 10 years," Villig said.

"So there's huge growth ahead and for that we need to be investing heavily.

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"Currently the vast majority of the market here is still controlled by Uber, so both us and Ola Cabs have room to grow, without even taking into account the overall growth of the ride-sharing pool."

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Martin Kovacs is a journalist with experience covering the IT, consumer electronics, retail, finance and energy sectors.

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