What Drives your Drivers: An In-Depth Look at Lyft and Uber Drivers (18-04644)

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Abstract

Lyft and Uber are two of the most well-known, on-demand ride-service providers in the current landscape of shared mobility. As monthly ridership for these two services grows, researchers are left wondering about the individuals giving rides: the drivers. This paper shifts the focus from on-demand, ride-sharing passengers to the drivers – a topic to which little attention has been paid. In August 2015, Kelley Blue Book provided a dataset from its nationwide survey of U.S. residents aged 18 to 64 that collected information on shared mobility awareness and usage, personal vehicle ownership, aspirations for future vehicle ownership, and attitudes and opinions on shared mobility and personal vehicle ownership. We estimate an ordinal logit to understand the willingness to be a driver for an on-demand ride-sharing service. We find that the individuals who report higher VMT and that have more children are more willing to drive for these services. Furthermore, vehicle ownership is positively correlated with the desire to drive for on-demand ride-sharing services owning a vehicle makes it possible for an individual to drive. The next step of this research is to develop a new survey that oversamples ride-sharing drivers to better understand who is driving for these services, rather than who is willing to drive for them.

Keywords: On-demand ride services, Shared Mobility, Uber/lift drivers, Ordinal Logit

Shared Mobility Experiences

Kelley Blue Book contracted a market research company to collect respondents for their survey. The average respondent in the dataset is 37 years old, female, Caucasian, married, has no children, has a household income of approximately $62,500, and has an average of 1.18 vehicles in the household.

Roughly 50% of respondents indicated they had prior knowledge of these services and 28% indicated no prior knowledge of these services. Although not shown in the graph to the right, women were less likely to use shared mobility services. In general, the youngest respondents were more likely to have had used shared mobility services. Surprisingly, the average age of those who had no prior knowledge of shared mobility was 36 years old, whereas the average age of those who had heard of the services but hadn’t used them was 40 years old. In terms of income, those from households with the highest average incomes were more likely to have used shared mobility services.

Background

With more than 40 million monthly riders, many ride-service researchers have focused their research on the riders. Some research focuses on driver safety and other research on driver wages. To date, there is very little research on driver characteristics.

Overall Research Questions

1. What sociodemographic factors influence the willingness to drive for a ride-sharing service? What motivates an individual to drive for either one or both of these companies?
2. What are the key reasons individuals choose to drive for ride-sharing services?
3. What factors influence the willingness to drive for ride-sharing services?

Content of the Survey

The online survey collected information on:

1. Socio-demographic information [introduction] Age, gender, ethnicity, marital status, parental obligations, child information, household location, and neighborhood type.
2. Vehicle ownership: Vehicle ownership, including the number of vehicles in the household, general vehicle characteristics, and the respondent’s future vehicle purchase timeline.
3. Travel attitudes: Beliefs and opinions about driving, personal transportation, and vehicle ownership.
4. Ride sharing and vehicle sharing information: Familiarity and usage of ride-sharing and vehicle sharing services.
5. Ride sharing attitudes: Ride sharing attitudes and acceptance of different pricing schemes for ride sharing services.
6. Vehicle sharing attitudes: This section collected similar information to the previous section but within the context of vehicle sharing.
7. Future transportation: Future travel intentions. Specifically, the survey asked about the situations in which respondents would use a certain mode of transportation. Furthermore, for those who indicated they had not used ride-sharing or vehicle-sharing, attention was paid to what would encourage them to use these services in the future.
8. Socio-demographics (conclusion): The final section collected information about shared economy usage (e.g., Airbnb, VRBO, Coahsurfing, etc.), in addition to employment status, daily UVM, home parking availability, number of people in the household, level of education, and annual household income.

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Socio-demographic variables:
- As shown in the model, the willingness to drive for an on-demand ride-sharing service decreases as age increases.
- Those who drive more, on average, are more willing to drive for an on-demand ride-sharing service.
- Women are less likely to drive for an on-demand ride-sharing service. This is consistent with literature on taxi drivers.
- Those who do not own their own vehicle are less willing to drive for an on-demand ride-sharing service. It should be noted that this survey was disseminated prior to vehicle rental programs made available by Uber or Lyft.

Model Specifications and Results

We estimated an Ordinal Logit Model on the unweighted sample. While other studies suggest that multinomial logit (MNL) is more appropriate, we argue that through understanding of the dependent variable, the authors believe that treating this variable as nominal would violate the ordinal relationship of the variable. We risked an IIA violation since MNL treats the response variable as purely nominal variables. While there are risks with an ordinal logit model, we argue that through understanding of the dependent variable, the authors believe that treating the variable as ordinal would violate the ordinal relationship of the variable.

As the age parameter increases, the willingness to drive for on-demand ride sharing services decreases. Older individuals are not as familiar with these services, perhaps because they have white collar jobs that would make driving appear less beneficial than it would to a person in his or her 20s or 30s. Women are less likely to drive for on-demand ride sharing services. Women, compared to men, may feel more uncomfortable or vulnerable driving or being alone with strangers in their vehicle. As VMT and the number of children at home increase, the willingness to drive for on-demand ride sharing services increases. Having children living in your home and being a parent means finding employment that is flexible and will work with your schedule: driving for a service such as Lyft or Uber provides that flexibility needed in that environment.

Results

Model

<table>
<thead>
<tr>
<th>Term</th>
<th>Estimate</th>
<th>Std Error</th>
<th>Chi Square</th>
<th>Prob &gt; Chi</th>
<th>Cut 1 (Not likely to drive)</th>
<th>Cut 2 (Somewhat likely to drive)</th>
<th>Cut 3 (Absolutely likely to drive)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>0.221</td>
<td>0.081</td>
<td>25.04</td>
<td>&lt;.0001</td>
<td>-0.958</td>
<td>0.602</td>
<td>1.074</td>
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<td>VMT</td>
<td>0.303</td>
<td>0.099</td>
<td>19.52</td>
<td>&lt;.0001</td>
<td>-0.466</td>
<td>0.654</td>
<td>1.060</td>
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<tr>
<td>Number of Children</td>
<td>0.008</td>
<td>0.003</td>
<td>15.23</td>
<td>&lt;.0001</td>
<td>-0.303</td>
<td>0.873</td>
<td>1.217</td>
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<tr>
<td>Female × VMT</td>
<td>0.194</td>
<td>0.104</td>
<td>45.07</td>
<td>&lt;.0001</td>
<td>-0.599</td>
<td>0.404</td>
<td>1.054</td>
</tr>
<tr>
<td>Number of Children × VMT</td>
<td>0.303</td>
<td>0.104</td>
<td>45.07</td>
<td>&lt;.0001</td>
<td>-0.599</td>
<td>0.404</td>
<td>1.054</td>
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<tr>
<td>Number of observations</td>
<td>1,016</td>
<td>122.3</td>
<td></td>
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</tr>
</tbody>
</table>

Conclusions

- As age increases, the willingness to drive for on-demand ride-sharing service decreases as age increases.
- Those who drive more, on average, are more willing to drive for an on-demand ride-sharing service.
- Women are less likely to drive for an on-demand ride-sharing service. This is consistent with literature on taxi drivers.
- Those who do not own their own vehicle are less willing to drive for an on-demand ride-sharing service. It should be noted that this survey was disseminated prior to vehicle rental programs made available by Uber or Lyft.
- Without access to a vehicle, it was nearly impossible to drive for these services; this has changed due to the successful vehicle rental programs.
- Those who do not own their own vehicle are less willing to drive for an on-demand ride-sharing service. It should be noted that this survey was disseminated prior to vehicle rental programs made available by Uber or Lyft.
- As VMT and the number of children at home increase, the willingness to drive for on-demand ride sharing services increases. Having children living in your home and being a parent means finding employment that is flexible and will work with your schedule: driving for a service such as Lyft or Uber provides that flexibility needed in that environment.

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