

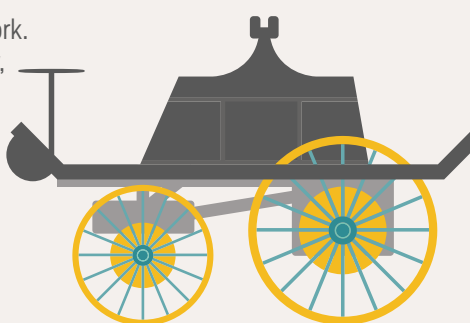
# THE BUSINESS of the BACK SEAT

The business of the back seat – encompassing taxi, limo and chauffeur services – employs more than **170,000** people in the United States and has rapidly grown as ridesharing services enable everyone to turn a vehicle into a moneymaker. In New York alone, taxis serve **236 million** passengers every year.

Ridesharing businesses are on the rise, with companies like Uber, Lyft and Sidecar recently seeing infusions of record levels of investment capital. But competition in the business of the back seat is fierce. Let's take a look at how we got here, and how the rideshare wars are heating up.

## 1890s

Taxicabs begin to appear on the streets of New York. Electrobat, a car built by Electric Vehicle Company, is the first vehicle designed as a taxi. Up to **12 passengers** can ride on a wooden bench in the back of the horseless carriage.



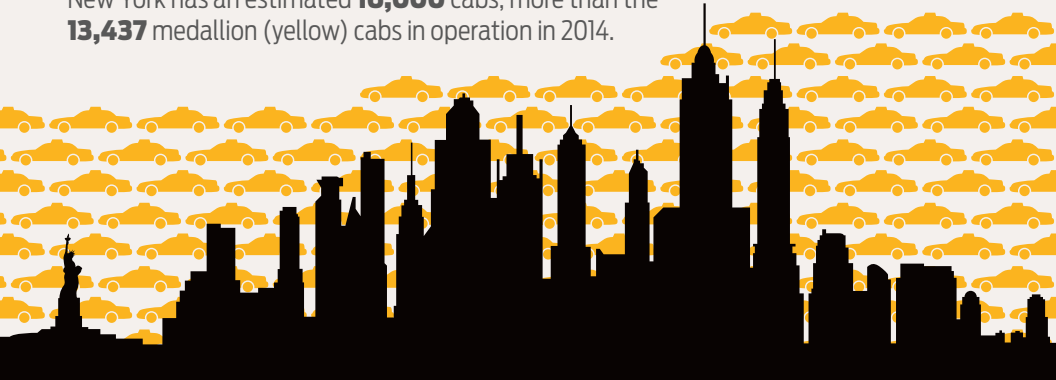
## 1907



Angered after being charged **\$5** for a three-quarter-mile taxi ride, Henry Allen starts New York Taxicab Company. But with rides costing **50 cents** a mile, cabs are a mode of transportation only the relatively wealthy can afford.

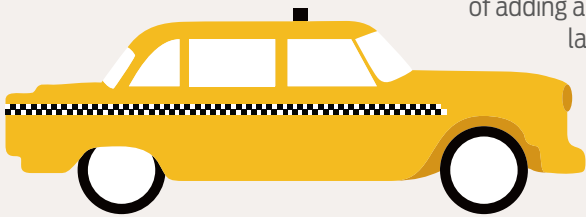
## 1920s

Taxicabs rise sharply in popularity. As demand for cars booms, automobile manufacturers, including Ford Motor Company, begin operating fleets of cabs. By the Great Depression, New York has an estimated **16,000** cabs, more than the **13,437** medallion (yellow) cabs in operation in 2014.



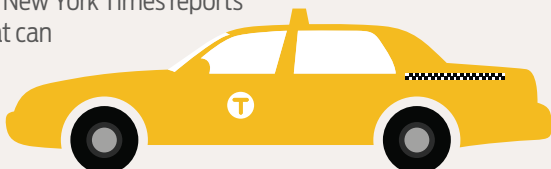
## 1956-1982

In 1956, Ford becomes the first automaker to offer safety belts in the back seats as an option for the Fairlane Crown Victoria. The Checker taxi is produced and becomes an icon of midcentury transportation. The tank-like car is marketed as a no-frills "tough taxi." The most popular Checker model, a sedan called Superba, has the option of adding a pair of jump seats in front of the large back bench for carrying up to **eight passengers**. Cupholders become standard in vehicles in the 1980s.



## 1990s-2000s

In 1990, lap and shoulder belts are federally mandated for the back seats of cars. Ford Crown Victoria becomes a staple of taxi fleets, and Lincoln Town Car is the go-to "black car" for livery drivers. Unlike the Checker taxi's utilitarian design, Crown Victoria and Town Car are designed for **passenger comfort**. The New York Times reports Crown Victoria's "plush leather back seat can resemble a sofa on wheels."



## 2007



After learning **80 percent** of vehicle seats on American highways are empty, John Zimmer and Logan Green start Zimride on the campus of Cornell University. Zimride enables students to connect with others via social networks to arrange for carpooling in their own vehicles, sharing the cost of fuel.

## 2009

Calling the taxi industry a "protectionist scheme," Travis Kalanick starts low-price black-car company Uber in San Francisco. Uber allows drivers of luxury vehicles like Lincoln Town Car to **earn money in their off-hours** through a mobile application, providing black-car rides at an affordable price.



## 2011



After more than **30 years**, Ford ends production of Crown Victoria and Lincoln Town Car. The models are still ubiquitous, but taxi companies look to diversify their fleets, and customers look for new ways to get around.

## 2012

Sunil Paul and Jahan Khanna start rideshare company Sidecar in San Francisco. And John Zimmer and Logan Green start Lyft as a low-cost alternative to Uber also in San Francisco. Lyft, much like its predecessor Zimride, **allows car owners to operate their own vehicles** as taxis. Uber responds by launching UberX, a low-cost service that relies on personally owned everyday cars.

## 2014

In New York alone, taxis make **485,000** trips per day. With the comfort of back seat passengers in mind, automakers add luxury features like massaging seats, LED reading lamps and inflatable safety belts.

With all of the competitors in ridesharing putting pressure on each other, as well as on the services taxis have traditionally delivered, only time will tell how different models of for-hire transportation will coexist. No doubt the right combination of superior customer service, value and creature comforts will help determine what the future of the business looks like.

