# Nudging Ride-hailing Platform Users to Book a Ride when Fares are Low: A Large Scale Natural Field Experiment[1]

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## Abstract

Grab, the largest ride-hailing company in South-East Asia, introduced a dynamic-pricing scheme to match on-road demand and supply. The scheme causes fares to fluctuate over time creating uncertainty for its users with regards to the best timing to book a ride. Users are often unsure about how low the low fare should be at the time of checking, and this makes them hesitate to book a ride. We conducted a large-scale natural field-experiment involving around 2.5 million Grab users in different countries across South-East Asia where Grab operated to investigate whether low-fare information pop-ups would increase the likelihood to book a ride every time users use the app to check for the fare. Users were randomly assigned to four between-subject treatments consisting of one control treatment and three nudge-treatments with varying low-fare pop-up messages. Specifically, users in the nudge treatments would receive a real-time information pop-up whenever they encountered a low fare at the time of checking. We show that the effectiveness of these pop-ups depend on the way they are phrased. The most effective pop-up is the one that contains a direct reference to the low fare and urges users to make an instant booking.

**Keywords**: Ride-hailing Platform, Behavioral Nudges, Low-Fare Information Pop-Ups, Natural Field-Experiment

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