This mobile app might save cabs from Uber

By James Covert

March 6, 2016 | 10:00pm

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Karhoo -- a new mobile app -- might save cabs from extinction. Photo: Christopher Sadowski

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Karhoo — a new mobile app that works like a search engine for taxis and black cars — says it will be bigger than Uber when it launches in the Big Apple next month.

The deep-pocketed startup has cut a deal to add 66,000 cabs across 60 US cities, casting itself as a high-tech savior for old-school cab companies that are pitted against Uber in a battle for survival.

London-based Karhoo said it aims to go live in New York within the next six weeks, when its users will instantly have access to 14,000 yellow and green taxis as well as 17,000 other licensed and regulated cars, according to the company.

Those numbers would dwarf the Gotham ranks of Uber cars, which last year numbered 16,000 by some estimates.

“We’ll have more than 30,000 cars out of the gate, and that puts us in a very strong position,” Karhoo founder and Chief Executive Daniel Ishag told The Post.

The fleet-by-fleet growth strategy — as opposed to Uber’s driver-by-driver approach — is poised to put 1 million cars on Karhoo’s platform worldwide by the end of 2016, Ishag says.

Other cities launching in the coming months include London, Singapore, Chicago and San Francisco.

In New York, the three-year deal with Verifone, a mobile transaction middleman, includes yellow cabs that have also gone live on the Way2ride and Curb mobile apps. Black car companies being added to Karhoo’s platform include Carmel, Dial 7, Elite, CTG and La Puma.

“I love the whole concept,” says Berj Haroutunian, CEO of Vital, which operates 300 black cars in the metro area. “It goes through us in central dispatch,” instead of directly to drivers like Uber does.
Karhoo’s search engine finds and ranks traditional taxis and car services according to real-time proximity, like Uber. Drawing on a wide variety of cab dispatchers, it can also sort by name and price, much like travel sites find and rank flights and hotels.

The app charges a commission of about 10 percent a ride, while Uber charges between 25 and 30 percent.

Karhoo has raised upwards of $250 million to fund its expansion, sources said. Ishag anticipates the total will reach $1 billion over the next 12 to 18 months.

Karhoo’s ambition to serve as a “universal platform” for the patchwork of legacy taxi companies could make the difference, says Matthew Daus, a former commissioner of the New York City Taxi and Limousine Commission.

“Uber never would have gotten any traction if all these cab companies were on the same platform,” Daus said.

An app promising immediate access to cars without surge pricing is a powerful idea, he added.

“If they do the advertising correctly and get the word out it’s going to be what Coke is to Pepsi,” he said.