

Start-up looks to solve freight market information asymmetry, raise funds

Lobb connects freight demand with supply for long-distance routes

MAMUNI DAS

New Delhi, May 23

Varanasi-based Ashwani Kumar Singh, who drives a truck between Delhi and Uttarakhand, for transport firm Omax, has started doing seven round trips a month instead of four a few months ago. Increased trips means more asset utilisation and more money for the company as well as the driver.

Thanks to his company signing up for an App named Lobb, Singh has been able to make more trips as his company is now able to discover return cargo to Delhi faster than earlier, when he had to search around for return cargo after offloading it in Uttarakhand.

The app, which went live five months ago, connects freight demand with supply for trunk or long-distance routes on Indian roads. "After

using GPS-based smartphone with Lobb, I have seen two clear benefits. First, I do not get disturbed by phone calls asking me for my location. Second, after I reach Uttarakhand with diesel gensets from Delhi, I don't have to spend the day looking for cargo," Singh told *BusinessLine*.

Lobb, a one-year old company, which was in beta-testing phase till December, has transporter clients, such as Prakash Basu Services, Southern Cargo, East India Corporation and Indo Arya, Venu Kondur, CEO of Lobb, told *BusinessLine*.

About 1,500 trucks, belonging to 300 large transporters and 200 truck-owners, are using the app.

The app helps improve the net margin by 20-30 per cent for transporters and truckers, claims Kondur. From truckers, Lobb charges 2 per cent of the



About 1,500 trucks, belonging to 300 large transporters and 200 truck-owners, are using the app BLOOMBERG

freight charge per transaction as fee.

Singh, who is paid a salary by his transport company and lives in his truck except during his home visits to Varanasi once every 4-5 months, says he makes more money by saving the allowances provided per trip. Also, there are 120 manufacturers from the coffee, textile and automobile space, who can register free and use the app to track the automobiles.

"We help truckers with

route navigation, en-route service stations, including ATMs, service stations and *dhabas*," said Kondur, who co-founded the company with Jayaram Raju. The company is now in talks with venture capitalists to raise Series A funds.

Blackbuck is another start-up in this space looking to balance information asymmetry between cargo availability and truckers in the Indian freight market and has already raised \$50 million from Tiger Global, Flipkart and Accel.