

AUTOMOTIVE

## Land Rover brings Jaguars to Lyft's fleet, suggesting luxury-ridesharing crossover

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*Land Rover's investment into Lyft also comes with partnered research on autonomous cars. Image credit: Bonhams*

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By DANNY PARISI

Ridesharing app Lyft has just secured a huge investment from Land Rover to the tune of \$25 million, suggesting that the relationship between luxury automotive brands and popular ridesharing services could expand.

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Land Rover's investment made up a significant portion of Lyft's \$600 million total funding round. In addition to money, Land Rover will also be supplementing Lyft's fleet of cars with Jaguar and Land Rover vehicles as well as helping to test autonomous driving.

### Ridesharing luxury

The ridesharing industry, while unbelievably popular since its major inception a few years ago, is not one traditionally associated with luxury.

For one, most luxury consumers are wealthy enough to have their own cars or even their own drivers.

Additionally, there are already luxury car services available in most major cities.

But the disruptive nature of mobile ridesharing apps is extending even to the luxury sector, if the recent partnership between Land Rover and Lyft is anything to go by.



*A Lyft car. Image credit: Lyft*

While the funding contribution is not the most earth-shattering news, the fact that Land Rover is supplying its own luxury cars to Lyft's services suggests that there is a market for combining luxury transportation with relatively common ridesharing apps.

Land Rover is also potentially getting a fertile testing ground to run trials and research on developing autonomous cars, which are likely to be a popular service among luxury consumers far sooner than among average customers.

By investing so much in Lyft, Land Rover will be able to pool its resources with the ridesharing service to continue developing new autonomous driving technology.

Lyft's huge funding round is another blow to the embattled Uber, which has faced both internal and external controversies relating to company culture, the actions of its CEO and questionable decision making related to protests against President Donald Trump's travel ban.

#### Autonomous cars

Land Rover's investment in autonomous vehicles is consistent with industry predictions on the major effect these cars will have on the roads when they start to become more commercially available.

BCG predicts that by 2030, 25 percent of all miles driven in the U.S. will be in shared, self-driving electric vehicles. For consumers in large cities, this will offer one of the cheapest and least environmentally damaging methods of travel possible ([see story](#)).

Some major competition Lyft and Land Rover may face in the future includes Tesla, which teased its own ridesharing service last year.



*Tesla's Model X. Image credit: Tesla*

The service originally mentioned in founder Elon Musk's master plan was named in a disclaimer about self-driving capabilities on Tesla's Web site, which barred against using the autopilot features for commercial purposes. A number of automakers are turning to the lucrative ridesharing sector to reach consumers who seek alternatives to car ownership ([see story](#)).

Other research has shown that the use of ridesharing services can affect a customer's decision to purchase a

vehicle.

One in five millennials claim that the use and availability of alternative transportation impacts their decision to purchase vehicles.

Automotive brands need to increase their presence in alternative transportation, instead of competing with the industry ([see story](#)).

Land Rover is embracing this strategy in partnering with Lyft, potentially bridging the gap between the luxury market and popular ridesharing services.

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