

Airmule



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# Background

- Founded in 2015 in Los Angeles, California by Rory Felton, Allan Teruel and Sean Yang. Its motto is “Ship with people, not boxes.”
- A small startup with 5 employees and a total funding of \$1.2 million by Chinese venture capitalists Young Song, Marc Liu, and 10 Fund.
- Allows shippers to see itineraries of travelers and request them to carry their items to a recipient located in the traveler’s destination.
  - The app lists the nearest travelers in the shipper’s area that will be going to the shipping destination or a close location, allowing a shipper to contact travelers, showing the goods to be shipped, its estimated value, and its weight.
  - Facilitates a group chat between the shipper, the traveler, and the recipient for transparency.
  - All shipments are insured up to \$200.
  - Users can upload their U.S Passport or I-20 document to Airmule privately to gain the “Verified” status.
- Currently supports international travel only between U.S and China.



Verified User



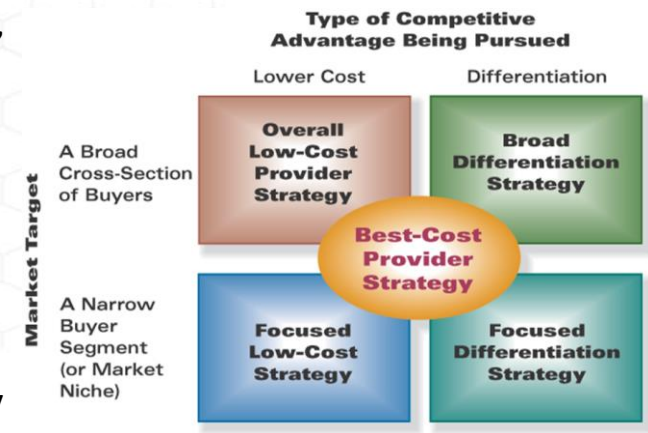
## Business Model

- Leverages business model in allowing shippers to **find people near** them traveling to their item's destinations, while **formalizing** the entire bargaining process and increasing transparency (the app records item value, size, weight, volume). The app also confirms the traveler's itinerary and its associated distance traveled.
- **QR codes** are used to make sure that the shipper is giving their package to the right traveler, who will scan it using their smartphones, ensuring **security**.
- Main income from **20% of the pickup fee and shipping fee** the traveler obtains. The app also charges \$1 for every transaction to the shipper.
- The sender is charged \$5 plus \$0.60 for every mile the traveler has to drive (calculated by Google Maps) to pick up the package.
- The traveler is responsible to carry a luggage scale to the pickup to make sure that they are not carrying more than they were promised.
- Airmule estimates that a full luggage space can get a traveler \$150 per one-way trip.
- The company works with the TSA-certified shipping companies to deliver packages from shippers to travelers in the Los Angeles area and will pick up shipments from travelers arriving in Beijing and Shanghai to complete the final leg of the shipment process.



# Airmule and the Value Network

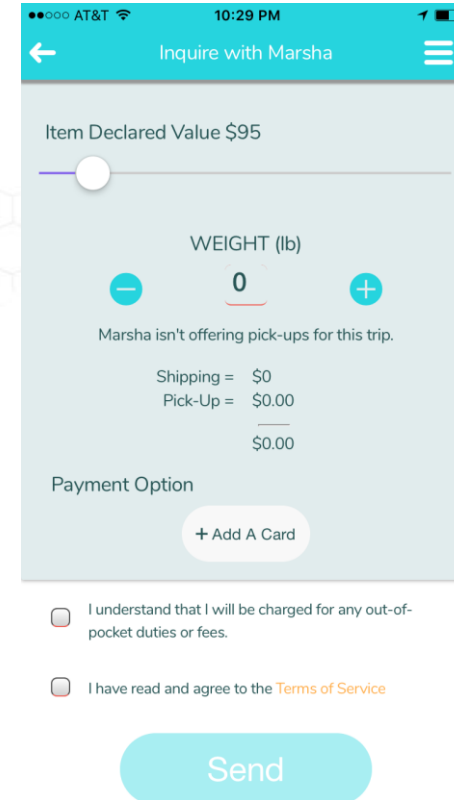
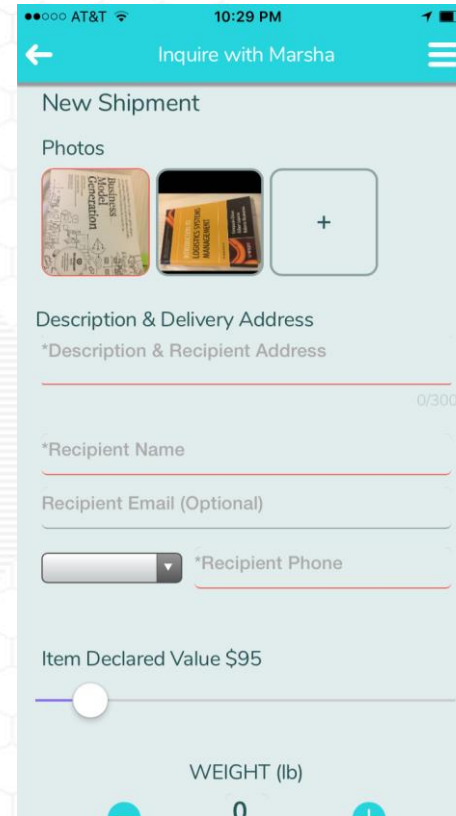
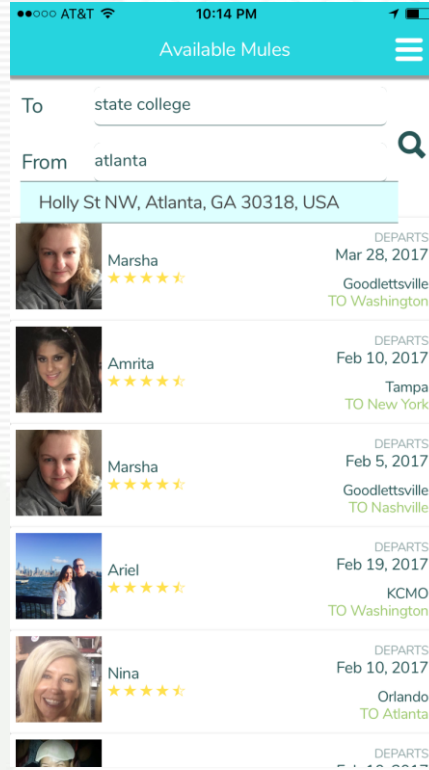
- Value proposition: the company adds value by providing a platform to match shipper demands and traveler itineraries. They facilitate bargaining by recording key information and setting main prices, though some parts can be negotiated with the travelers.
- Complementary assets: Airmule’s main assets are its app and its office, where it maintains the app and expands its connections to more retailers worldwide.
- Position within value network: Airmule claims that their app makes shipping cheaper, faster (when itineraries perfectly match), documented, and beneficial for travelers (who can gain more money compared to other crowdshipping apps).
- Complementary industries: Airmule works with local shipping companies in Los Angeles, Beijing, and Shanghai to reduce travelers’ burden. They also establish a mutualistic symbiosis with the airlines industry, which helps travelers carry the shoppers’ products and are more inclined to do so when ticket prices are cheap.
- Competitors: They indirectly compete with similar international crowdshipping apps as well as delivery (mostly parcel) services that the shippers use, such as UPS or FedEx.
- Competitive strategy: Airmule’s approach focuses much less on price but more on transparency and expanding its network to make things convenient for travelers, providing them more money (cost differentiation) and easier pickup / delivery methods (broad differentiation). The strategy towards shippers leans to best-cost provider strategy, charging them based on flight distance and weight and allowing them to negotiate traveler pick-up places closer to them for more money.



Porter’s competitive strategy matrix.

# Shipping Items

- Enter shipping destination.
- Pick traveler based on destination, demands, and availability.
- Upload photos of items.
- Fill out form, credit card information, and send inquiry to travelers.
- Discuss package pickup with the accepting traveler, or mail/drop it off to their place.
- Present provided QR code for traveler to scan, hand over package.



# Traveling / Delivering Items

- Register as a traveler.
- List and verify trip itinerary, along with available weight and rate.
- Accept inquiries from senders.
- Discuss package pickup with the shipper, or wait for them to drop off /ship it to your address.
- Arrange meetup with recipient before the trip via the app.
- Upon delivery, scan the QR code provided.
- Wait to receive money on your U.S bank account.

Traveler Registration

Travelers are required to have an US Bank Account and address to receive payment.

STREET ADDRESS  
251 10th Street NW Bld E Apt 204A

CITY  
Atlanta

STATE  
Georgia

POSTAL CODE  
30318

COUNTRY  
United States

DATE OF BIRTH --   
Apr 20, 2000

**FINISH**

List Your Trip

Available Capacity 29 lbs

You Could Earn \$228

Verify Ticket PNR#

Airline

WHERE ARE YOU TRAVELING?  
Destination

WHERE CAN SENDER DROP OFF?  
Your detail address

**You Trip Schedule**

ALL TIMES ARE LOCAL

**DEPARTURE** Jan 31, 2017, 10:32 PM

**ARRIVAL** Jan 31, 2017, 10:32 PM

OFFER PICK-UP  
EARN EXTRA: \$5 + \$0.60/MI.

**LIST TRIP**



List Your Trip

you trip schedule

ALL TIMES ARE LOCAL

**DEPARTURE** Jan 31, 2017, 10:32 PM

**ARRIVAL** Jan 31, 2017, 10:32 PM

OFFER PICK-UP  
EARN EXTRA: \$5 + \$0.60/MI.

RESTRICTIONS & COMMENTS  
e.g. No live plants or liquids

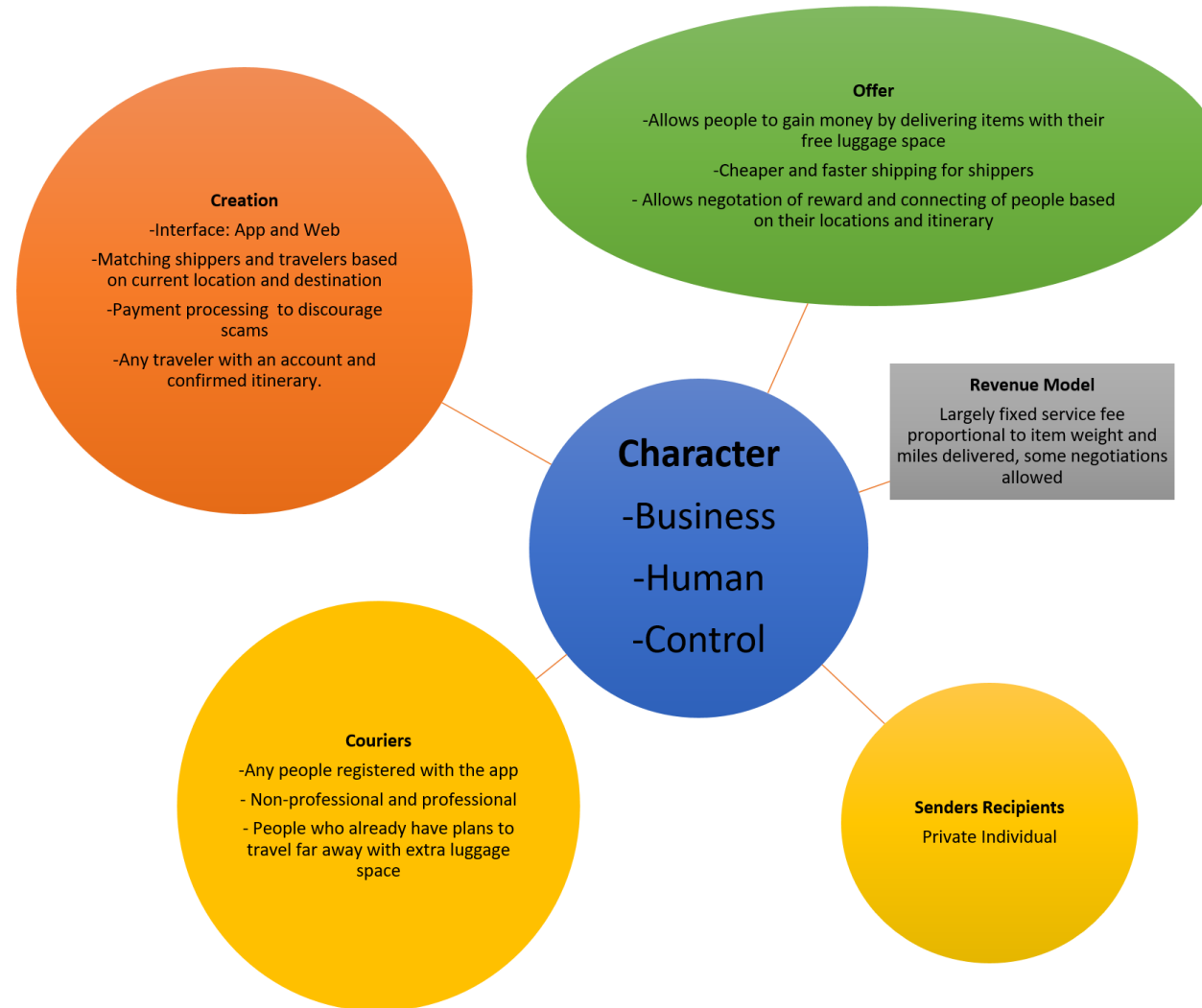
I HAVE READ AND AGREE TO THE **TERMS OF SERVICE**

**LIST TRIP**

**CANCEL**

SHIPERS AGREE TO PAY ANY OUT-OF-POCKET DUTIES OR FEES UPON DELIVERY.

# Business Model Components



## Airmule in the News

- Airmule has been covered predominantly by travel websites, highlighting it as a way to make money while traveling using extra luggage spaces much more than its capabilities as a delivery service. Conde Nast highlighted that there are many cases where the money from delivering can fully cover the costs of airline tickets.



**Airmule: The New App Where You Can Score Free Flights**



**New Apps Allow Air Travelers To Sell Unused Luggage Space**

- Rory Felton, Airmule's co-founder, is on multiple articles citing Airmule's business model to be similar to those of air couriers in the 1980s and the 1990s.
- Airmule has also been in news for presenting at a recent travel innovation summit in Los Angeles (sponsored by Phocuswright), where audiences bombarded the company with how should travelers respond if TSA asked whether the traveler have packed the baggage themselves. Felton advises them "not to lie."



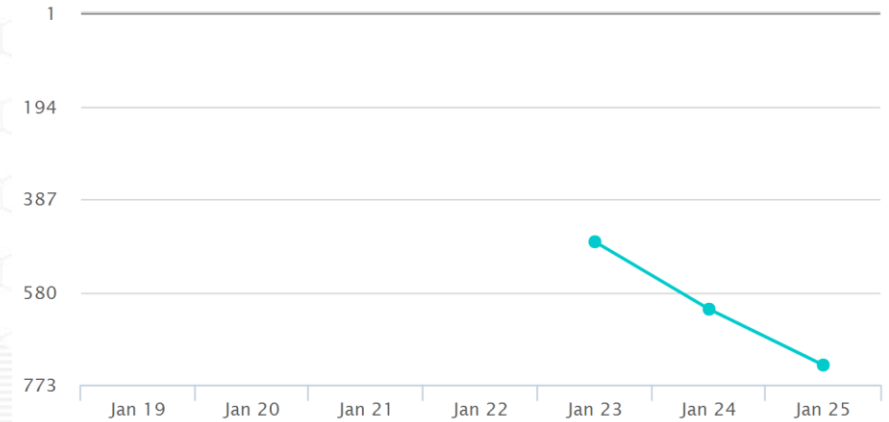
**Airmule's Mobile Service Pays Travelers to Fly, as the Sharing Economy Takes on the Shipping Industry**

Travelers Make Money From Unused Baggage Allowance, While Shippers Send Goods Virtually Anywhere at Half the Price of FedEx



# Business Performance and Market Traction

- Currently ranked between 700-1500 each week for shopping apps by App Annie for downloads.
- Gains popularity among developing countries all over the world, but APPLYzer places it in around 400<sup>th</sup>-700<sup>th</sup> most popular shopping apps by downloads.
- Received of **US\$1.05 million** investments from Chinese Venture Capitalist firm 10Fund after receiving \$150,000 startup fund from angel investor Young Song, who became Airmule’s mentor and adviser.
- Advertisements are predominantly done online on social media websites such as Facebook and Twitter.
- Airmule are currently looking for investments to expand their international shipping network, and is trying to attract customers by waiving the \$1 processing fee for each transaction.



Country	Shopping
Uganda	+42 424
India	-230 581
Namibia	+52 589
Bahamas	+267 598
Czech Republic	+352 600
Iceland	+127 649
El Salvador	+57 674
Greece	-101 681
Uruguay	+72 696

# Business Performance and Market Traction



- Review by customers: Airmule's current rating in the iTunes App Store is 2.5/5 stars from 10 reviews.
  - Commenters are concerned by the hassles travelers face should the shoppers' package contain a contraband, or if it is damaged, or if the flight is delayed. This is especially important as the traveler pays for their own trip and has their own money deducted until the delivery is conducted.
  - The best reviews came from China, praising the app's delivery speed and relative price. The company looks to focus on pricing in China as re-imported items there are taxed up to 38%, making Airmule a way to avoid import taxes and expensive shipping.
  - Users are frustrated by the signing up process, persistent bugs, and the inability to change components in a listing once it is activated.

We have not received enough ratings to display an average for the current version of this application.

All Versions:

★★★ 10 Ratings



Airmule - Ship with people, not boxes.  
Air Mule Inc.

★★★★★  
2.4 from 10 trusted reviews

Free  
No in-app purchases