

report

by Pppp Ppp

Submission date: 31-Jan-2020 01:04AM (UTC-0500)

Submission ID: 1249185689

File name: Uber_2.docx (34.78K)

Word count: 3016

Character count: 15952

Uber

Varinder Sidhu

Athabasca University

30/01/2020

Executive Summary

The discussion focuses on the uber company that has, for long, been the pride of many in the many countries the company is offering its ride services since the year 2009. Uber has, for long, navigated past the economic political and the technological challenges in the industry to keep the survival gene within them industry-beating most of the competitors who end up quitting the market. For the company to keep on surviving, it must induce the best of the strategic plans that will help it surpass the challenges that exist day in day out in the business.

Uber, the international ride-sharing organization that relies on smartphone application for shipment and interest cost, has become the most recognized option to traditional taxicabs. Some like Uber, established in the America in 2009, because of its reasonable prices, quality standards, and comfort. This idea has moved globally. Uber desires to influence the business sector in Africa, but it faces tight competition from local corporations. Unintentionally, Uber sparked the distribution of mobile and mapping technology for gathering geospatial information from the mobile vehicle. And the conclusion is that Africa's local tech corporations are making their own apps that offer various types of services to improve business (Laptev, et al. 2017)

Understanding the economics of drive hailing is important to Understanding that Uber is not competing with public transportation. Since its foundation in 2009, Uber has systematically extended its emphasis from contending with limousines to disrupting the existing at the cab business, delivery companies, transportation, and even public transit. Its purpose is not to be a competition, but to attain the dominant market position in the business sector by providing lower costs to take its competitors out of business (Anwar, 2018).

Introduction/Company Overview

An idea for an Uber application came through a joke between the co-founder that how convenient and safer it would be to be able to call a taxi with the push of a button. Uber started ⁵in 2009 by Travis Kalanick and Garrett Camp. Uber has dominated ¹the industry and made path for other companies. Uber began operations in San Francisco as a private car service application providing, premium, reliable, and easy to order transportation. In 2010, demand for ride for hire car services increased which allowed uber to expand over 65 countries worldwide, employing more than 16,500 people to become the most profitable companies in the service sector.

Uber has revolutionized the way consumers hire transportation but also created a flexible way for people to earn money. Uber has brought down the taxi services including, bad drivers, unreliable transport etc. Uber uses vigorous screening process where each employee is subject to criminal record check. Uber also ensures that potential drivers are not known sexual offenders to ensure safety of the passengers. Drivers for Uber are required to use their own vehicles and provide Uber with a copy of their drivers abstract. These methods allow Uber to prove to customers that their best interests in mind.

The purpose of this report is to look at Uber's mandate, external/internal analysis and to provide analysis of how Uber has become the leading ride-for-hire company and how they can stay at top.

Mandate

Uber¹ mission statement is to “ignite opportunity by seeking the world in motion”. Uber’s¹ main goal is to get their customers from their designated point to another. Through their mission, Uber is dedicated to trying to solve big problems faced within the transportation industry from the safety of the riders to ensure drivers are properly compensated. Uber is known for selecting potential employees of all races, ages, and backgrounds. The vision is much the same as their mission statement¹ to “ignite an opportunity by setting the world in motion, taking on the big challenges to help all those affected within the transportation industry. (Uber, n.d.)

The core values of Uber show that one of the top priorities is customer service and safety of all drivers and riders. This makes Uber attractive to potential customers as well as potential employees; the team at Uber cares about people more than money. The Uber model is built around technology and as it evolves it can help us feel safer and happier, through the dedication of the Uber team the ride-for-hire process is made as stress-free and safe as possible for all users. Uber strives themselves on their belief for reliability, safety, and affordability.

⁴ Uber is in the growth phase and is experiencing increasing competition from Lyft who offer similar services. The biggest challenge Uber faces is regulatory concerns in the ride-for-hire industry. Uber has faced a backlash from many governing bodies since penetrating the market in many countries and cities.

Stakeholder Analysis

Uber is made up of two key stakeholders; the internal and external employees and their customers. Uber's customers are a diverse group and bring some unique challenges with them. With the use of the effective feedback system within the application Uber is able to bring their customers together with their employees. This feedback system is only possible due to the outstanding work from on Uber's key internal stakeholders; the R&D team, the knowledge, the expertise these employees have has helped to grow uber into a multimillion-dollar company that is trusted by thousands of people.

The internal team is made up for the R&D team and HR. The Human resource team is responsible for the hiring of the drivers; they are to ensure that Uber hires right people for the jobs they offer. The HR team is the most important stakeholders for Uber as they are to ensure all other stakeholders embrace the Uber Mandate ⁶ in order to provide the best services for customers.

The external stakeholders for Ubers are the drivers. The application devised by the Uber team makes it possible for the drivers to be paid fairly, quickly and electronically. The application also enables the drivers to the customers they pick up and vice versa.

External Analysis

Uber has become the favorite and 1st choice in the ride-for-hire industry. Uber is a first mover for the new era of the ride-for-hire industry, however there are many obstacles Uber must overcome. They are listed in SWOT analysis in the appendices.

Throughout Uber's lifecycle there continues to be endless controversies surrounding the political factors. There are still ¹ no clear regulations for companies like Uber to operate throughout the world. They leave a lot of uncertainty as to what regulations will be enacted and just how bad could these impact ride-for-hire companies. This makes it difficult for Uber to make plans for their future operations.

Socially and economically Uber has become acceptable for a taxicab or town car which can be expensive. Uber has created new employed opportunities as drivers do not require taxi license; just a clean abstract, clear criminal background check and valid drivers license. However, this has created some backlash with many established taxicab drivers. Through Uber's reliability, they have now established themselves in many of the bigger cities around the world and can focus on creating ¹ more customer loyalty in small cities and town to make uber the preferred transportation choice.

Uber's dedication to safety is the strongest social factor they possess. Uber's goal is to ensure safety of all drivers and customers for the most enjoyable experience. The company has dedicated themselves to conduction internal safety reviews to ensure all aspects are up to the required standards; focusing on three main aspects: operational. Technical, and organizations. In

conjunction with external safety reviews, this has enabled uber to keep themselves ahead of the competition and up to date with all health and safety regulations.

In today's world technology changes on daily basis. Uber's team is great at keeping up. Uber saw a need for an application-based system and through lots of research they made the first ride-for-hire application which has been given them the competitive edge. However, applications can easily be copied therefore Uber needs to ensure they are continuously researching and developing ways to stay ahead of its competition.

Uber is a first in ride-for-hire industry but there is a lot of new competition which also increased the threat of new entrants. Since operations began, Lyft, Curb have positioned themselves within the market using similar models to Uber. There is also ongoing rivalry with the current taxicab services. This increasing the threat of substitutes for Uber, every country that Uber operates in has its own taxicab service for the public. Taxicab services may not be most reliable, but consumer will look at those substitutes should pricing be slightly higher for Uber or should there be no uber service available. The bargaining power of suppliers indirectly affects Uber as oil and gas prices fluctuating may influence their driver's decisions to operate. As prices increase the supply of drivers will decrease and as prices decrease, the supply of drivers will increase; however, the demand for services will not change and therefore this could potentially have a negative impact on the operations of Uber. The bargaining power of buyer is relatively low as the switching costs are minimal. If customer decides to switch back to tax services or carpooling there are no direct costs associated with this switch, just the potential to spend more money on services or perhaps save some money through carpooling.

¹ Internal Analysis

An internal analysis of Uber will highlight the strengths and weaknesses of the company. it will also determine how their core competencies achieve and sustain competitive advantage.

¹
The Uber business model revolves around the application develop for smartphones. The entire premise of Uber is based around technology, and technology changes every year. ¹
The research and development team of Uber will continuously commit themselves to ensure Uber stays up to date with the lasts technological trends to ensure the application is always up to date and user friendly. The executive team at Uber consists of only the best with many holding bachelor's degrees in engineering and computer sciences. The R&D team at Uber is a core strength of the company as though research and innovation Uber has enabled the name to transfer into the food delivery service, freight services, and business services.

¹
The use of licensed drivers who own and operate their own vehicles is an advantage for the Uber model. Standard licensing for ride-for-hire ¹
companies is expensive and often hard to come by.

Using drivers who already carry their own licenses and vehicles allows Uber to keep the start-up costs low as well as the ongoing operating costs. This helps Uber to enter new markets much quicker and cheaper than competition. With the use of the user-friendly app to locate the services in conjunction with the low operational costs and ease of finding licensed drivers. Uber can gain competitive advantage over the competition.

¹
The commitment to safety is a strength that has helped Uber to grow and dominate the ride-for-hire market. An unfortunate incident with the development of self-driving vehicles set the motion

for thorough research into how to make the experience safer for all parties involved and dhow to decrease the risk for uber. After extensive development of the application, there is ¹ a built-in emergency assistance button for both riders and drivers to ensure that everyone feels safe. Uber has also developed a way to ensure that each trip is covered by insurance for all parties by partnering with leader insurance providers. Uber is continuously ensuring that safety reviews are performed and documented to ensure that all current and potential stakeholders feel confident with their decision to become part of Uber.

Uber does not serve a particular market segment they appeal to all consumers looking for a reliable and safe alternative to taxis. Uber has achieved growth in many aspects of the market including the expansion of services offered to luxury consumer by Uber Black (luxury cars and SUV's). Uber has managed to broaden their scope of operations through having no specific target market. You can find Uber services in many cities around the world as well as in some urban areas. Consumers demand has enabled Uber to operate in other industries such as freight delivery and food delivery services though special applications designed to make the process easier and more reliable for the sender and end user.

A major weakness of the Uber is the lack of marketing tools. The company does not invest anything into marketing tools and operations which will not help mitigate any negative reviews and media releases towards Uber, The lack of marketing could be costly to Uber especially with the increased competition from Lyft, should these companies be investing in marketing strategies to promote and mitigate negative issues they can use Uber's weakness to gain more control of the market segment. Currentm the media portrayal of Uber is very mixed; on one hand, Uber

has proven to be a solution to unreliable, expensive and unsafe ride-for-hire companies. On the other hand, Uber through the negative relationships with governing bodies has been presented as at time be unethical and challenging to current legislation for the ride-for-hire market sector.

The negative relationship Uber has with the governing bodies has led to some legal controversies in some of the countries and cities that Uber has established themselves in. Uber has been sued for the execution of illegal practices within the industry; such as; ignoring the standard contracts that are to be held between a car service provider and the city they are operating in an not fully complying with other laws set for ride-for-hire companies. These legal issues could make it harder Uber to expand into more markets and to continue to operate in some countries and cities.

Strategic Options

Option 1: Global Expansion

Uber has faced many challenges already throughout their life cycle, especially with venturing into international markets. Nevertheless, Uber has continued to attempt to penetrate the global markets by ignoring the different demands consumer have in other countries. In many countries, Uber has clashed with authorities in order to attempt to succeed in an industry that was primarily dominated by taxicabs. The strategies that Uber has been taken to penetrate the global market have been aggressive by bulldozing the market ignoring the city demands and aggressively recruit drivers offering big bonuses. This has had a negative impact on Uber, having the company banned in some countries and creating tension with the already established ride-for-hire companies. If Uber was to differentiate themselves from their competitors, they will be able to

increase its market share and successfully penetrate the global market. There is a currently a high demand for more reliable modes of transportation and delivery services which open doors for Uber. By introducing Uber Helicopter and Uber boat, the Uber brand can serve the needs of even more consumers by offering all modes of transportation.

Option 2: Working with regulators

¹ Since beginning operations, Uber has connected with the transportation regulating authorities in many countries and cities worldwide. Uber has been sued multiple times for being unethical and not adhering to the current regulations. ¹ These conflicts begin with the lack of license that is possessed by the Uber that ultimately allows them to prove the ride-for-hire services and extends into insurance for vehicles for the company to operate within the industry. ¹ If Uber was to lobby for new regulations and work with regulators to allow them to continue operations legally, they would keep regulators happy ¹ and continue to grow their business around the world. It would be in Uber's best interest to collaborate with the local governments to meet the minimum requires for operations. Uber team should do some research into city/country rules and regulations to ensure they are meeting the minimum requirements. This research could also help them work with governments to adopt legislation or create new legislation to enable Uber to continue their operations.

Appendix 1

SWOT ANALYSIS (SWOT FOR UBER, n.d.)

Strengths:

- First in the segment
- Brand awareness
- No product costs
- Customer satisfaction
- Strong commitment to research and development
- Commitment to safety

Weaknesses:

- ¹ Legal issues – litigations, some issues with legislation
- Easily imitated – business model that other companies can easily adapt
- Highly dependent on stakeholders

Opportunities:

- Expansion into big and small cities.
- ¹ Potential to enhance their current price model.

Threats:

- Drivers are under no obligations- they could be working for Lyft and Uber and nothing Uber can do to stop them.
- Competition

-

Appendix 3

³
Uber Core Values (Uber Core Values, n.d.)

- We build globally, we live locally: We harness the power and scale of our global operations to deeply connect with the cities, communities, drivers and riders that we serve, every day.
- We are customer obsessed: We ²harness the power and scale of our global operations to deeply connect with the cities, communities, drivers and riders that we serve, every day.
- ²We celebrate Differences: We stand apart from the average. We ensure people of diverse backgrounds feel welcome. We encourage different opinions and approaches to be heard, and then we come together and build.
- We act like owners: We seek out problems and we solve them. We help each other and those who matter to us. We have a bias for action and accountability. We finish what we start, and we build Uber to last. And when we make mistakes, we'll own up to them.
- We persevere: We believe in the power of grit. We don't seek the easy path. We look for the toughest challenges and we push. Our collective resilience is our secret weapon.
- We value ideas over hierarchy: We believe that the best ideas can come from anywhere, both inside and outside our company. Our job is to seek out those ideas, to shape and improve them through candid debate, and to take them from concept to action.
- We make big bold bets: sometimes we fail, but failure makes us smarter. We get back up, we make the next bet, and we go!

Bibliography

Anwar, S. T. (2018). Growing global in the sharing economy: Lessons from Uber and Airbnb. *Global Business and Organizational Excellence*, 37(6), 59-68.

SWOT FOR UBER. (n.d.). Retrieved from <https://pestleanalysis.com/swot-analysis-for-uber/>

Uber. (n.d.). Retrieved from <https://www.uber.com/ca/en/about/>

Uber Core Values. (n.d.). Retrieved from <https://www.uber.com/newsroom/ubers-new-cultural-norms/>

report

ORIGINALITY REPORT

24%

SIMILARITY INDEX

9%

INTERNET SOURCES

0%

PUBLICATIONS

24%

STUDENT PAPERS

PRIMARY SOURCES

1

Submitted to University of Technology, Sydney

Student Paper

14%

2

d18rn0p25nwr6d.cloudfront.net

Internet Source

7%

3

Submitted to University of Southern California

Student Paper

1%

4

Submitted to Southern Wesleyan University

Student Paper

1%

5

Submitted to Middlesex University

Student Paper

<1%

6

Submitted to Elite Education Institute

Student Paper

<1%

7

Submitted to Buena Vista University

Student Paper

<1%

Exclude quotes Off

Exclude bibliography On

Exclude matches Off

