




# GCI: UBER

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# AGENDA

- Situational Analysis
- Complication
- Question
- Recommendations
- Conclusion
- Q&A

<b>KEY PARTNERS</b>  1. Drivers 2. Restaurants 3. Technology Partners 4. Cities / communities 5. Commercial Partners 6. R&D Partners 7. Investors / Venture 8. Capitalists 9. Lobbyists	<b>KEY ACTIVITIES</b>  1. Reduce safety risk 2. Improve technology 3. Improve the App 4. Keep and stimulate customer participation 5. Expand domestically and internationally 6. Continue improving value proposition 7. Develop new products 8. Add complementary value propositions 9. Reduce churn on driver and rider side 10. Deal with regulatory issues	<b>VALUE PROPOSITION</b>  1. Customized ride 2. On-demand 3. Efficient and timely order 3. Affordability (Low prices) 4. Ease and convenience (fast matches) 5. Rate and report system 6. Flexible work hours 7. Driver rewards program 8. Easy to join	<b>CUSTOMER RELATIONSHIPS</b>  1. Riders 2. Drivers 3. Cities / Communities and the broader stakeholder environment around them 4. Legislators / Regulators  To offer safe, convenient, visual, and efficient ride-sharing services to both drivers and passengers	<b>CUSTOMER SEGMENTS</b>  1. Drivers: - The Pros (Currently drive UberBlack) - Crossovers (UberX driver-partners who previously drove taxis or black cars) - New Regulars (No previous pro-driving experience & now driving UberX > 30 hours/week) - Part-timers (No previous pro-driving experience & now driving UberX < 30 hours/week)  2. Passengers who want quick drive pickup and convenient payment  Segmentation based on: 1. Geographic 2. Demographic 3. Behavioral 4. Psychographic
<b>KEY RESOURCES</b>  1. Network effects 2. Active users and drivers 3. User data 4. Algorithms and technologies 5. Brand 6. Digital assets 7. API partnership companies	<b>CHANNELS</b>  1. Word of mouth 2. Media coverage 3. Campaigns (free vouchers etc. while entering a new market) 4. Social Media 5. Digital ad campaigns 6. App stores			
<b>COST STRUCTURE</b>  1. Cost of Revenue 2. Sales and Marketing 3. Research & Development 4. G&A Expenses 5. Depreciation and Amortization 6. Miscellaneous costs including interest expense			<b>REVENUE STREAMS</b>  1. 20% of the trip fare 2. Advertising post fees 3. Cancellation and service fees	

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# SITUATIONAL ANALYSIS

*Does Uber have a sustainable Value Proposition and Business Model with its core business?*

**YES!**

# SITUATIONAL ANALYSIS

## *Uber's Pricing Strategies and Marketing Communications*

*Does Uber have a sustainable value proposition and business model with its core business? - Yes*

*Differences in Business Model Canvas and Value Proposition in both offerings:*

	'UberX'	'UberBlack'
Price rank	Least expensive option (Base Fare = \$0.75)	Second expensive option (Base Fare = \$7)
Vehicle type	Four-door sedan	Black sedan, crossover SUV, full-size SUV
Driver type	Professional and unprofessional drivers	Professional drivers
Requirements	21 years of age or older In-state driver license In- state car insurance	Commercial car insurance Transportation charter permit Airport permit
Value Proposition	Price-centered	Experience-centered

*Which is a better fit with Uber's core offering? – UberX*

*Which represents a stronger source of competitive advantage of Uber over time? – UberBlack*

# COMPLICATION

*Regulatory and Competitive issues faced by Uber*

*Are regulatory issues a real threat to growth domestically and internationally to the UberX business model?*

- Yes, Uber is regularly found in courtrooms around the world due to their business practices.
- Government regulatory agencies and taxi unions are standing their ground for market share, wage rights, etc.
- Uber is lucky to win most legal battles and should tread carefully moving forward.

*Are competitive pressures and increased industry rivalry causing the ride-sharing market to become less attractive?*

- No, the growing competition is in fact causing the ride-sharing market to be more attractive (more players, healthy and competitive market).
- Increased regulation in ride-sharing services makes the market less attractive.

*Is Uber losing momentum and differentiation in its core "e-hail" business due to competition?*

- No, Uber is not losing its momentum in its core business due to competition.
- Uber continues to differentiate from its core business with introduction of complementary services such as UberEATS and UberRUSH.

# QUESTION

*Decisions to make to create, deliver and capture optimal value*

- Improve surging price algorithm to compete with *Lyft*.
- Keep growing secondary businesses, e.g. UberEATS & UberRUSH.
- Expand global market for its core businesses without comprising growth in the US market.
- For new service market, e.g. UberEATS, UberRUSH, etc.:
  - Not a first-mover in the U.S. market.
  - But can be one in a growing international market.

<i>North America</i>	195
<i>Central and South America</i>	27
<i>Europe</i>	71
<i>Middle East</i>	11
<i>Africa</i>	11
<i>East Asia</i>	30
<i>South Asia</i>	29
<i>Southeast Asia</i>	14
<i>Australia and New Zealand</i>	13

49% of geographic markets are in the North America



# RECOMMENDATIONS

*Segmentation, Value Proposition, and 4P's Strategies*

1. Generation Z (**UberZ**) – “You are the future, and we are here to support you” – (Price, Place, Promotion)
2. **Uber for Women** – “Your travel safety is our priority” – (Product, Place, Promotion)
  - Female drivers for female passengers
3. **UberQuick** – “We value your time more than anyone else” – (Price, Promotion)
  - For people who value time the most
  - Price is higher than UberX but cheaper than UberBlack, and calls any nearest car driver (all car models Uber offered)

# CONCLUSION

*Should GCI invest in Uber?*

With the adoption of our recommendations:

- Uber would continue to secure its leading place in platform business in US.
- Uber's market share would increase both domestically and internationally.
- Uber would attract new customer segments with its catalogue of services that cater to different customer needs and demographics, differentiating it from its competitors.

**YES, GCI SHOULD INVEST IN UBER!**





QUESTIONS / COMMENTS / CONCERNS