

Introduction to Marketing

# Uber Technologies Inc

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## Table of Contents

Executive Summary.....	2
1 Introduction to the Company.....	2
2 SWOT Analysis.....	3
2.1 Strengths.....	3
2.2 Weaknesses.....	3
2.3 Opportunities.....	3
2.4 Threats.....	3
3 Recommended Strategies.....	4
3.1 The service delivery Process.....	4
3.2 Pricing Strategy – “Adoptive Pricing”.....	4
3.3 Firms Physical Evidence.....	5
3.4 Service Communication Strategy.....	5
3.5 People.....	5
4 References.....	6

## Executive Summary

Uber Technologies Inc. is a global corporation spread over 93 countries all around the world providing services mainly transport, delivery services for foods and other essential items. In Sri Lanka, they have established strongly and now has expanded to main cities in the country. Main weaknesses of the Uber services are over dependency on the services providers since the quality of their services will be depended upon the behavior of their riders and these riders can be contacted through the application without any restrictions. In addition, Uber Sri Lanka is currently facing a severe competition and facing lot of problems with the ongoing economic crisis in Sri Lanka. Since the Uber drivers have to wait for long queues to pump fuel for their vehicles, most of the drivers has left from providing the services. Another critical issue is the rising prices of fuel continuously and with that, charges for the services are changing. With this situation, demand for Uber services has dropped with the reduced consumer confidence with the Uber service and reduced disposable income. However, there are some opportunities as well since most of the customers are willing to travel using Uber services since they don't want to wait for long queues to pump fuel for their vehicles. Considering all strengths, weaknesses, opportunities and threats, some recommendations are providing in the final section of this report.

## 1 Introduction to the Company

Uber Technologies Inc. is an American based company and their main operation is to providing ride-hailing services through "Uber" mobile application and through their website (Uber Technologies Inc. , 2022). Main reportable segments of Uber are Freight Revenue, Mobility Revenue, Delivery and ATG (Uber Technologies Inc. , 2022). Uber Application provides the platform to services providers and customers to connect each other and get the service through the application (Uber Technologies Inc. , 2022). Currently, Uber services has expanded more than 93 countries including Sri Lanka and in the Sri Lankan market, they have established well while giving a strong competition to their main rival "Pick Me". In addition to provide rides for customers, it provides to deliver foods and essentials to door step. Within Sri Lanka, Main services they provide through the "Uber" Application are delivering baby care items, convenience goods, electronic goods, grocery items, personal care, pet supplies, pharmacy and mainly food items (Uber Technologies Inc. , 2022).

Main advantages of using Uber services are door-to-door convenience, safety, and reliable quality (Investopedia, 2021). However, there are some advantages also like surge pricing and the bad effects of replacing steady jobs with gig work (Investopedia, 2021). Target Audience of Uber services are customers between age group of 20 to 40 (Aditya, 2022). In addition, target market will be bachelors who don't have time or facilities to cooking, and shopping for essentials and occasionally everyone beyond that (Aditya, 2022). That target customer group include the people who don't have a car, don't want to drive or want a cost-efficient cab to participate occasional event (Aditya, 2022).

## 2 SWOT Analysis

### 2.1 Strengths

- Uber has established as the biggest ride sharing technology in the world and has expanded over 93 countries with a user base more than 103 million (Business Strategy Hub, 2022).
- Uber has a strong brand name and in 2022, their brand name value around 75 billion dollars and this enable them to compete with their main competitors. In Sri Lanka, their main competitor is Pick Me and competing well through the quality of the service rather pricing strategy (Business Strategy Hub, 2022).
- Only requires low fixed investment to establish in any country since they don't have an exact physical place or equipment to provide the service (Business Strategy Hub, 2022).
- Dynamic pricing strategy enable them to change their prices with the changes in fuel prices and demand for Uber services (Business Strategy Hub, 2022).

### 2.2 Weaknesses

- Multiple scandals have already existed for their services such as sexual harassment, targeted attacks (Business Strategy Hub, 2022).
- Quality of the services will be depended upon the service providers and company cannot supervise each and every service provider since anyone can registered via the mobile application (Business Strategy Hub, 2022).
- Some orders through the mobile application can be cancelled without approval of the customer. This might will negatively impact to the customers' trust (Business Strategy Hub, 2022).

### 2.3 Opportunities

- Growing in the high-class society and tend to use mobile app to book a taxi rather using the normal taxies available in that area
- Trend in the corporate society to use Uber Application to provide the services for their employees to get a quality and continues services.
- Increasing demand for using mobile application to get delivered home essentials with the ongoing fuel crisis in Sri Lanka rather going for shops using their own vehicles.

### 2.4 Threats

- Revenue & Hiring charge policies of the company will be changing continuously with the changing fuel prices with the current ongoing crisis
- Higher rates per KM in Sri Lanka with the fuel price increase due to the economic crisis and this cannot be bear to many customers
- Decreasing the number of service providers with the reduced demand for the services and the difficulties to get fuel on time with long ques in fuel stations
- Minimum Wage Laws in Taxi industry
- Drivers not having taxi licenses
- Current criticisms against Uber in Sri Lanka saying their unfair competition with the other existing taxi services

- Reducing house hold income, reducing disposable income, high inflationary situation in Sri Lanka are the most critical threats that this company is currently facing.
- Increasing manpower cost is another threat that Uber Technologies Inc. is currently facing.

### 3 Recommended Strategies

#### 3.1 The service delivery Process

Four stages—available for service, journeyman, distinguishing competencies attained, and delivery of world-class services—can help an organization become operationally competitive. The company's brand is synonymous with service excellence in the stage of world-class service delivery, and competitors find it difficult to compete with the creative and adopting technology (Melbourne Polytechnic, 2021) . Uber's service delivery procedure is currently at the fourth step, as far as we can assume

- ❖ Increasing consumer involvement - Uber needs to hear from customers about the quality of its services. As a result, services can be improved depending on customer feedback (Melbourne Polytechnic, 2021).
- ❖ Shifting the demand period- Should concentrate on the high demand period and shift with the high demand periods (Melbourne Polytechnic, 2021).
- ❖ Penetration Positioning Strategy: This form of blue printing allows for communication between operations and marketing. In order to increase complexity and increase market share, more services must be added to the existing ones in order to improve them (Melbourne Polytechnic, 2021).
- ❖ Niche positioning approach - This tactic can be utilized to increase divergence, earning more flexibility for service personnel to customize the customer experience (Melbourne Polytechnic, 2021).

#### 3.2 Pricing Strategy – “Adoptive Pricing”

Given that demand for their services changes over time, adoptive pricing is the best pricing model for Uber (eCommerce, 2021). Segmented pricing, time-based pricing, changing market conditions, and penetration pricing are the primary sorts of pricing methods that Uber can use as part of its pricing strategy (eCommerce, 2021).

#### 3.3 Firms Physical Evidence

The Stimulus-Organism-Response (SOR) model, which has three parts—a set of stimuli, an organism component, and a set of reactions and outcomes—explains how the service environment affects consumer behavior (Melbourne Polytechnic, 2021). Given that Uber interacts with clients face-to-face, touch appeals are more pertinent to the company (Melbourne Polytechnic, 2021).

### **3.4 Service Communication Strategy**

Uber is advised to use social media, word-of-mouth marketing platforms, TV advertisements, posters, and banners in specific locations. Additionally, free transportation, loyalty programs, and other sales promotions can be used.

### **3.5 People**

One of the most crucial components of Uber's service marketing strategy is this. Apathy, dismissal, coldness, robotism, rule-following, and other behaviors that are frequently reported by customers concerning service providers are understood to be part of a "fight for control." The three major suggestions for managing service staff are to empower the frontline, hire the best candidates, and inspire the frontline (Uber Technologies Inc. , 2022).

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