Uber in South Africa

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Opportunity Statement

In order to achieve success in South Africa,Uber must determine how to best meet commuters' transportation needs, while ensuring the safety of both drivers and passengers.

Recommended Solution

R.I.D.E
Safe!

We recommend that Uber establishes a safe and appealing brand position within the competitive transportation industry of South Africa by implementing the "R.I.D.E. Safe" Strategic approach.

R Request and Reassure

I Implement Compliance Standards

D Debit System

E Emergency Protocols

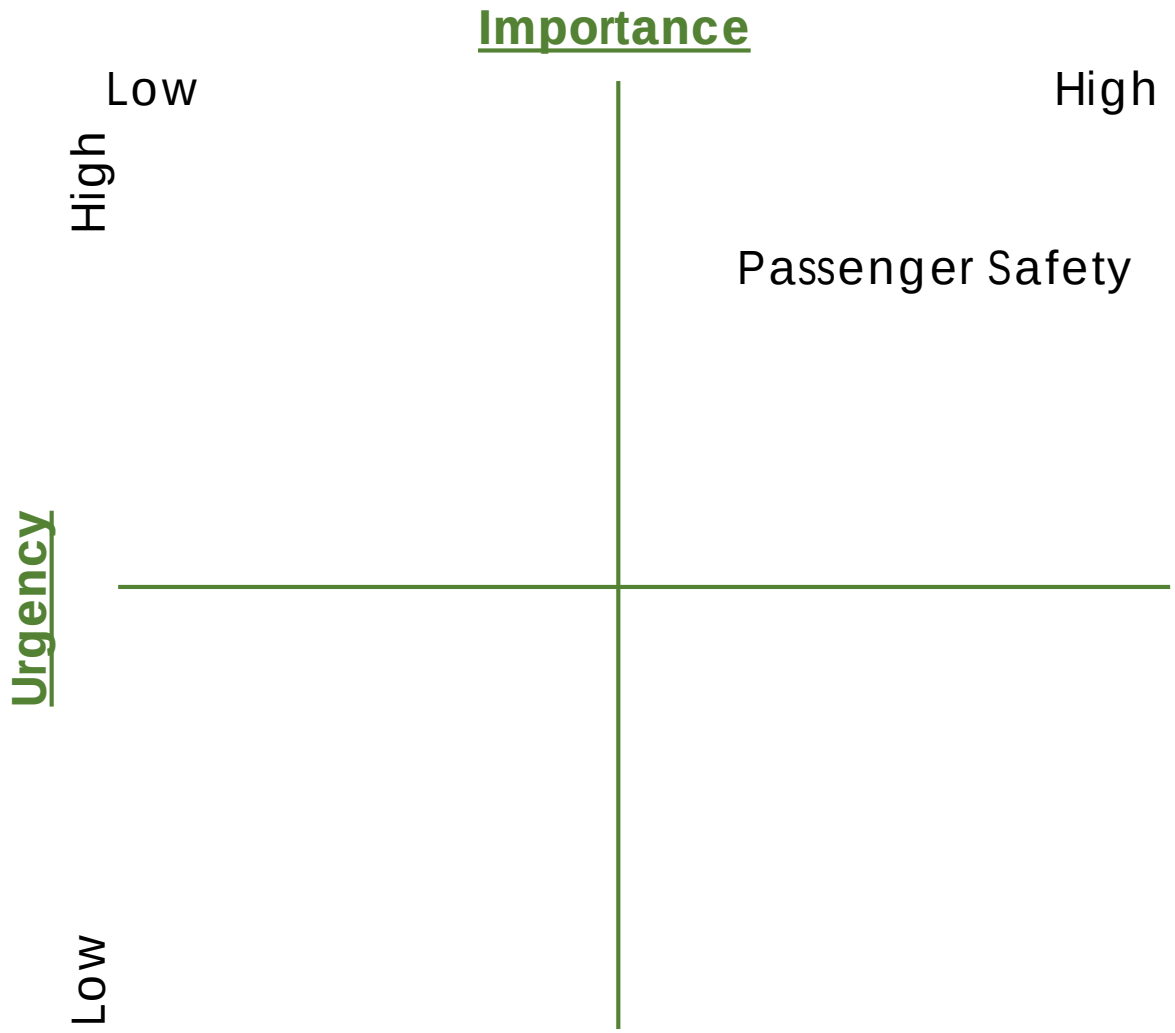
Key Considerations

Key Considerations

R.I.D.E Safe!

Passenger safety

- Drivers are not regulated and some passengers fear for their safety

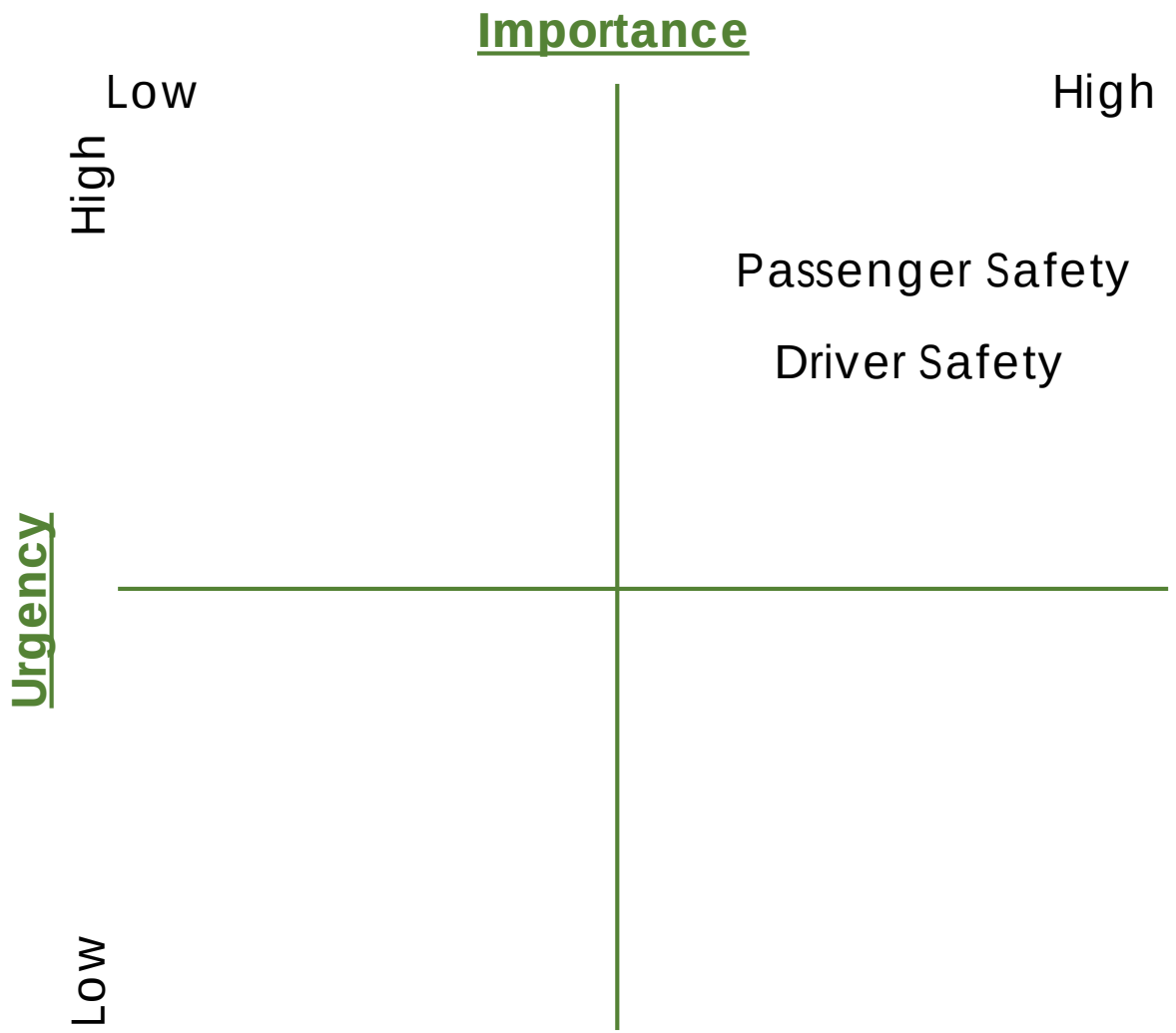


Key Considerations

R.I.D.E Safe!

Driver safety

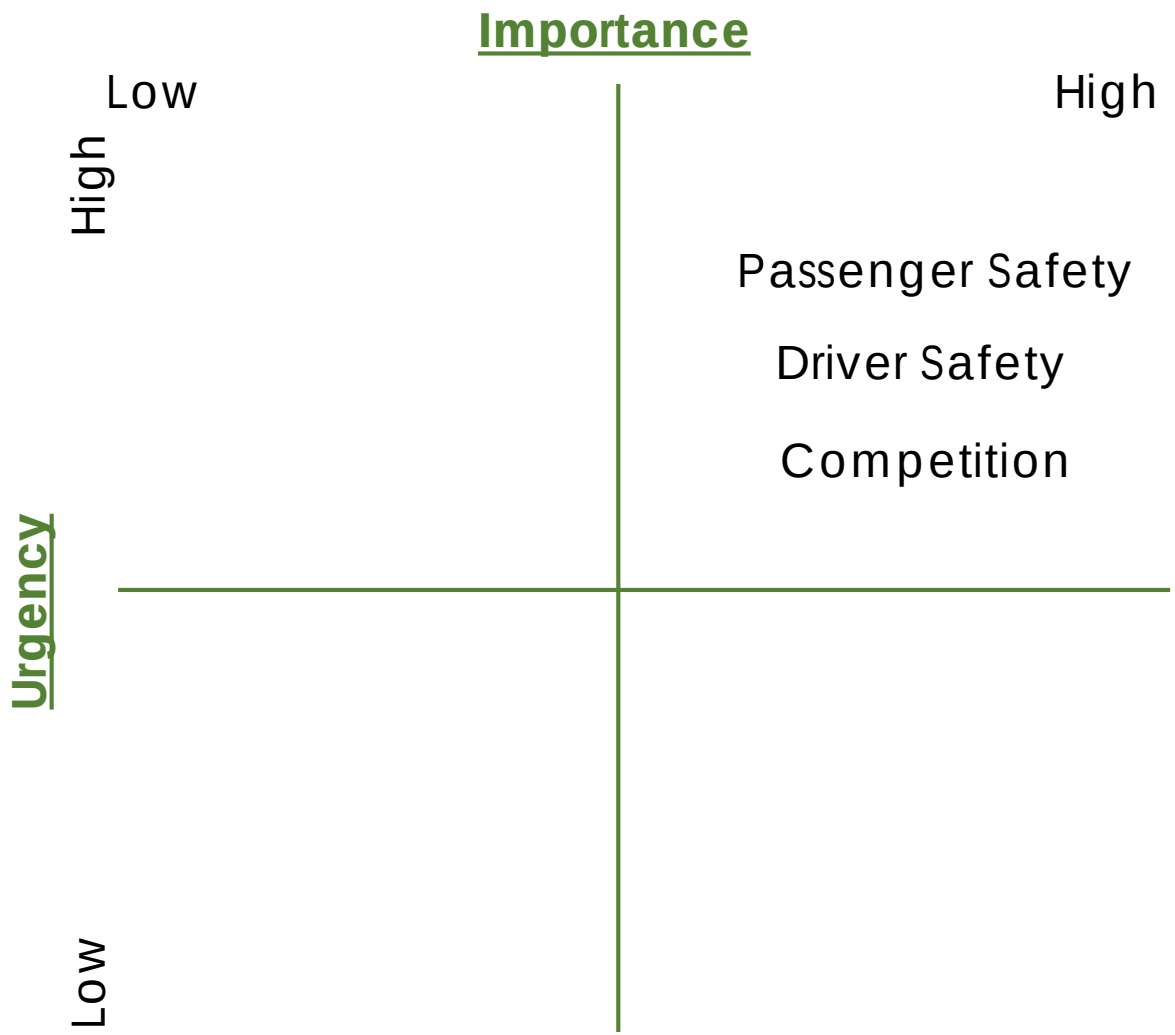
- Negative PR – Uber driver murdered in South Africa
- Cash on hand; drivers fear getting robbed
- “Taxi turf” wars may incite harassment from taxi drivers



Key Considerations

Competitive Landscape

- Introduction of new competitors such as Zebra Cabs
- Uber drivers must be cheap, convenient, but not priced so low as to appear to be undercutting

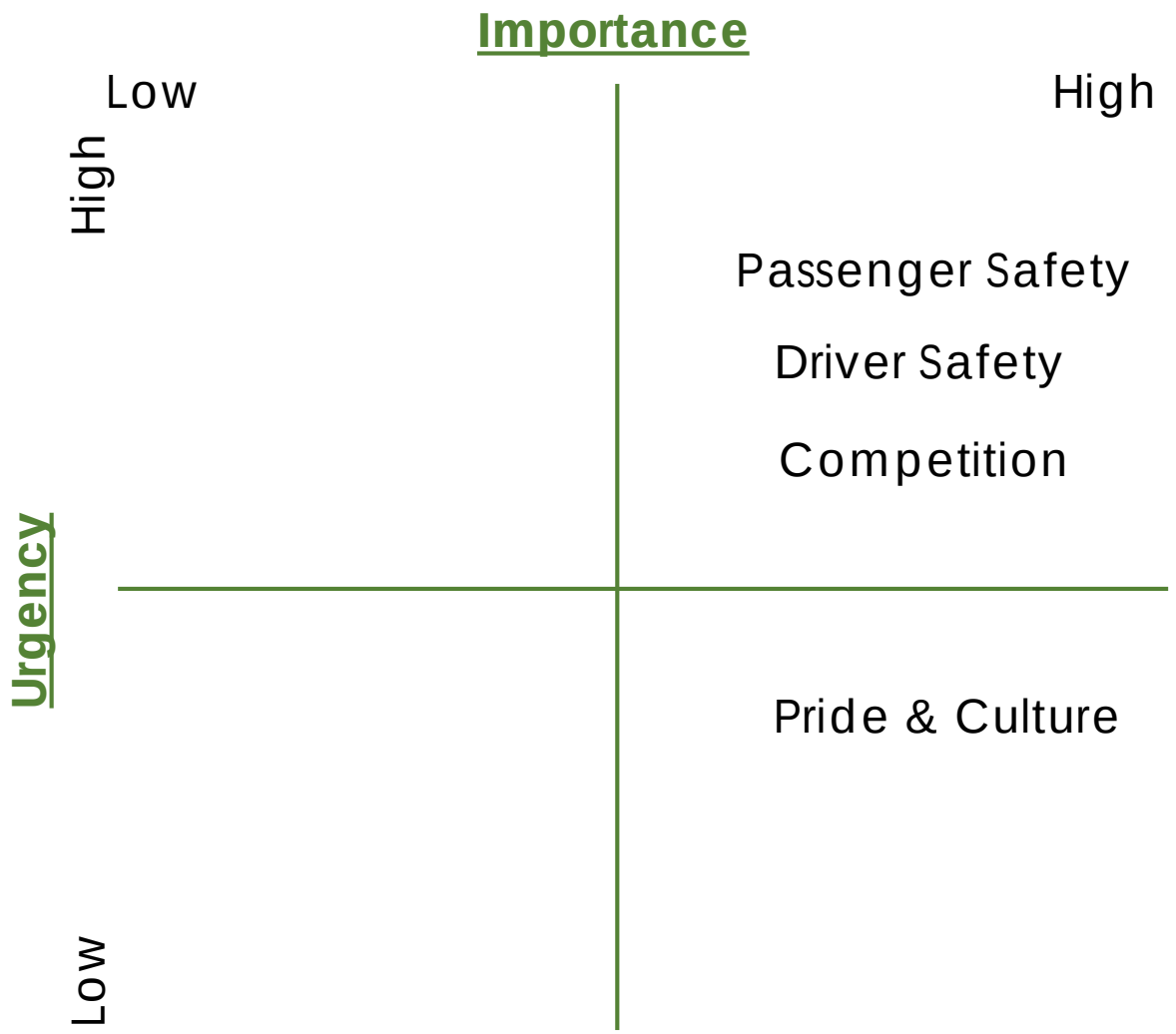


Key Considerations

R.I.D.E
Safe!

South African Pride and Culture

- South African customers have high levels of national pride
- There is a strong movement to support nationally and locally driven industries and companies



Key Considerations

R.I.D.E
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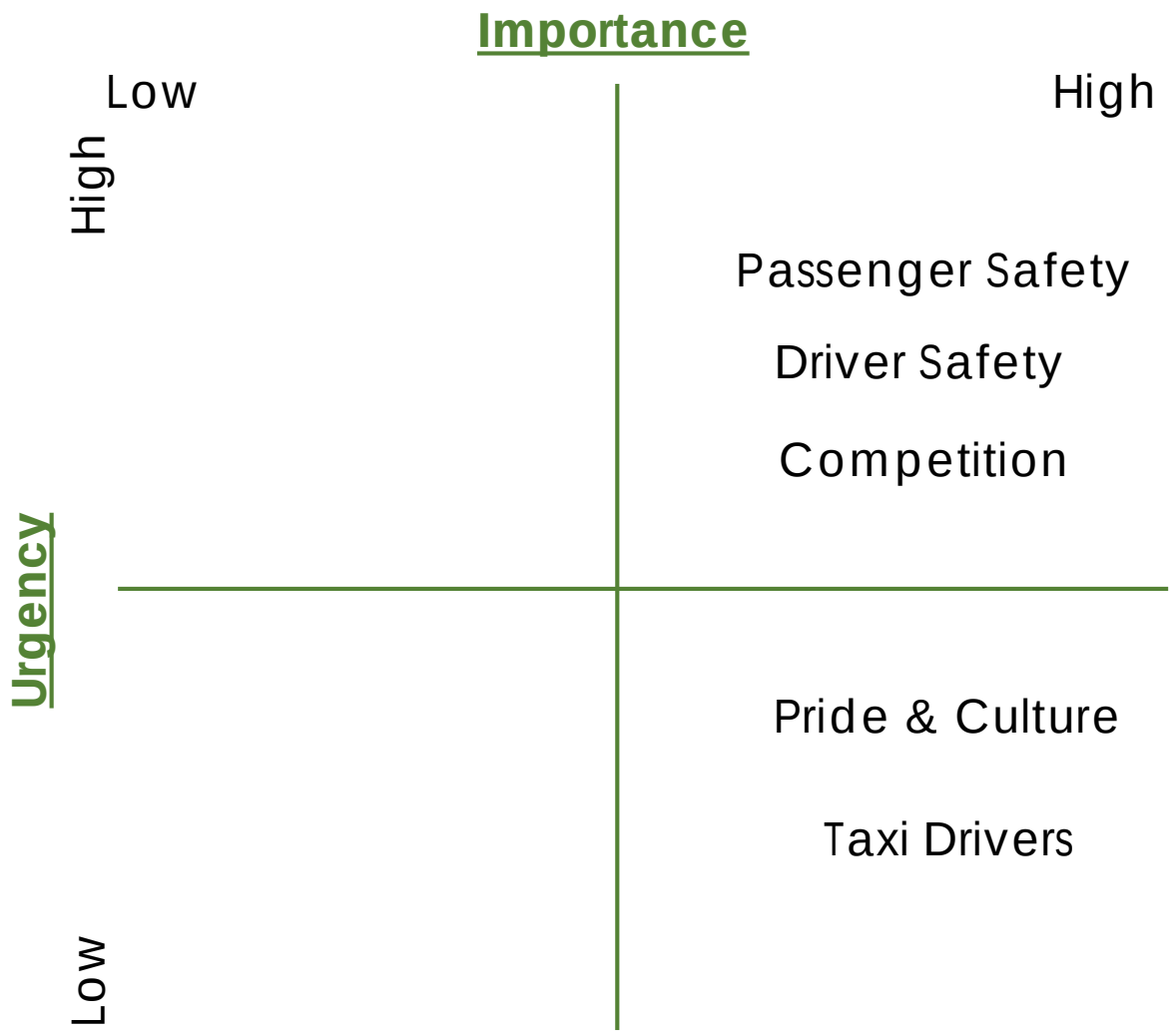
Disgruntled Taxi Drivers

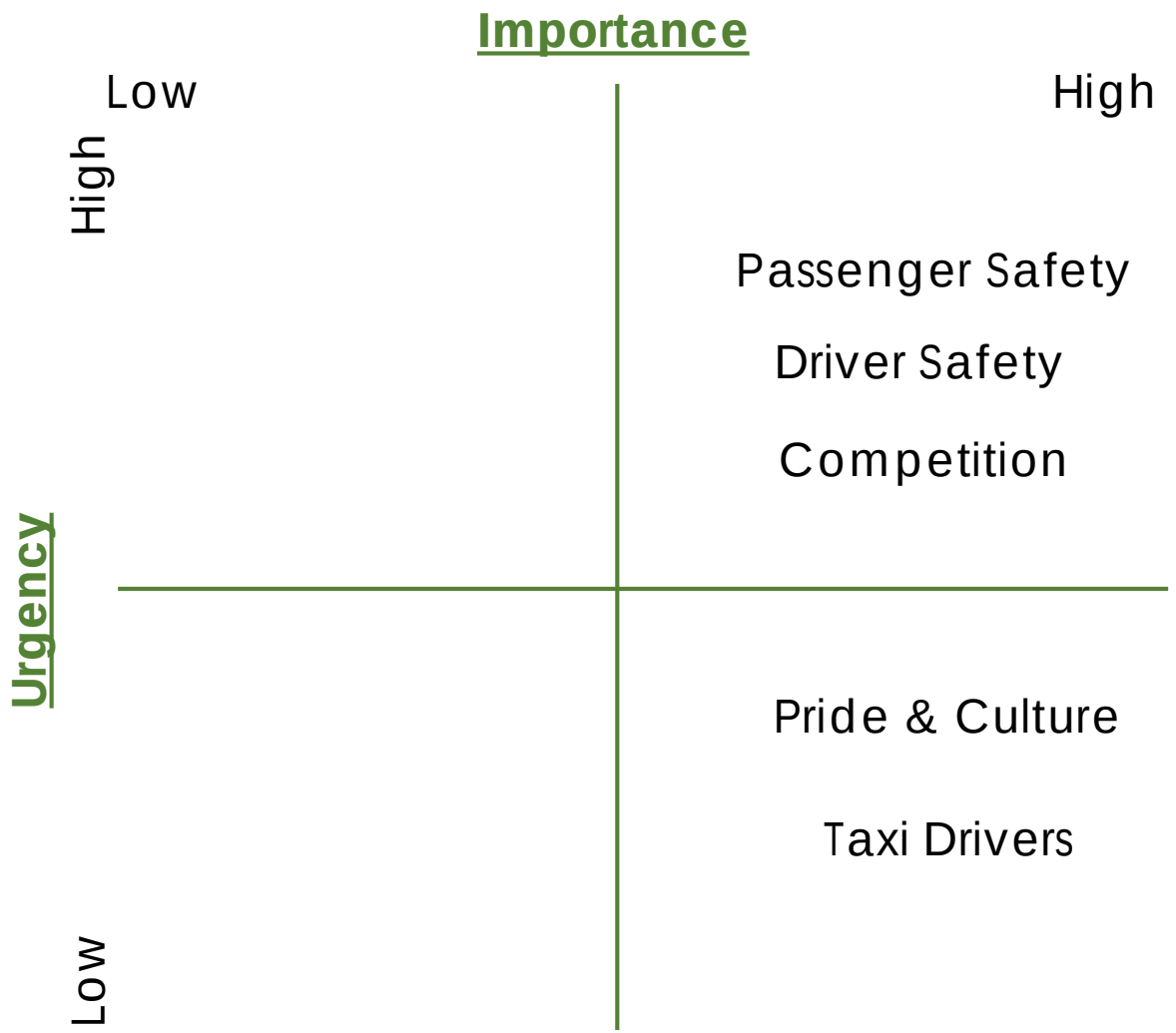
- Many South African taxi drivers dislike Uber; they feel that it is “under-cutting” their business
- Disgruntled taxi drivers could lead to protests, harassment, and bad press



Key Considerations

R.I.D.E Safe!

Key Takeaway: Uber must cater to the safety needs of its drivers and consumers, while maintaining a competitive position in the South African transportation market.



Analysis

Current Situation – SW Analysis

No matter how many other companies come into their competitive landscape, the ability for Uber to generate capital exceeds that of its competitors.

Strengths

- **Multinational operation**
- "Techy" and "trendy"
- Private method of public transportation; it is appealing to consumers and user-friendly
- **Provides accessible and self managed employment opportunities**
- **Higher safety standards than taxis (GPS tracking)**

Weaknesses

- **Perceived to have a threatening and disruptive brand image**
- **Minimal flexibility in payment methods**
- Negative media image (PR challenges – driver shootings)
- **Cannibalization of taxi profits is causing "noise"**
- Undercutting price model is not conducive to South African culture

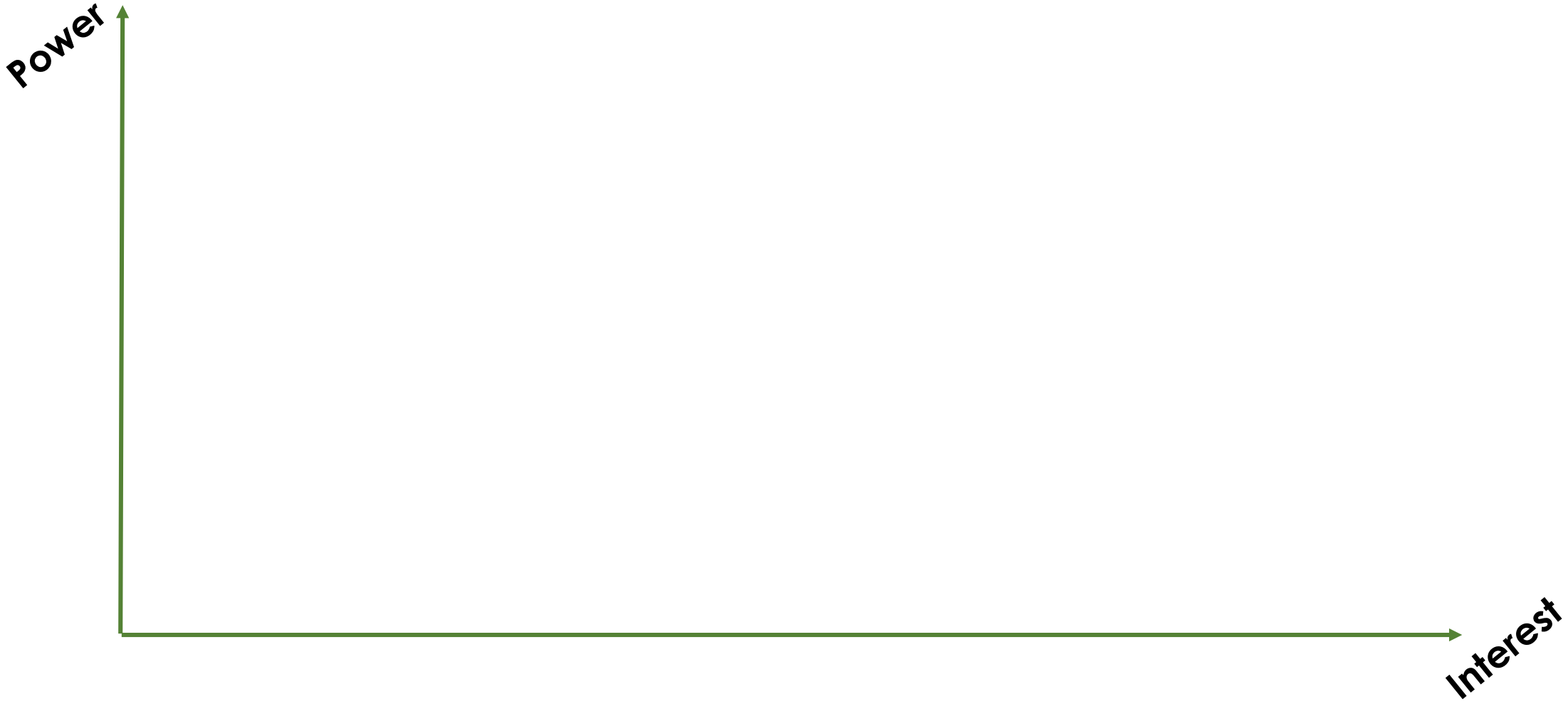
Stakeholder Resolution

	Low	High
High	Keep Satisfied	Key Stakeholders
Low	Monitor	Keep Informed

Power

Interest

Stakeholder Analysis



Stakeholder Analysis

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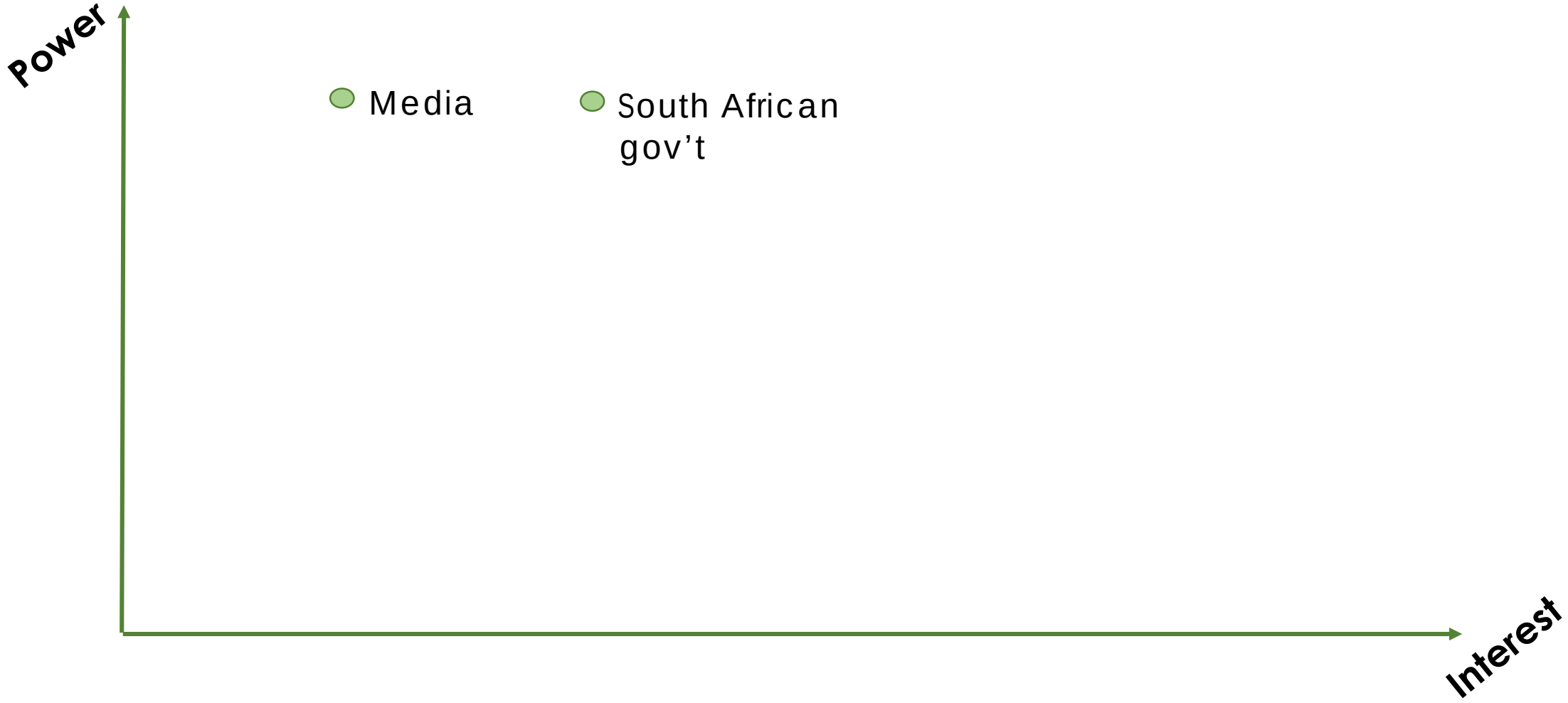

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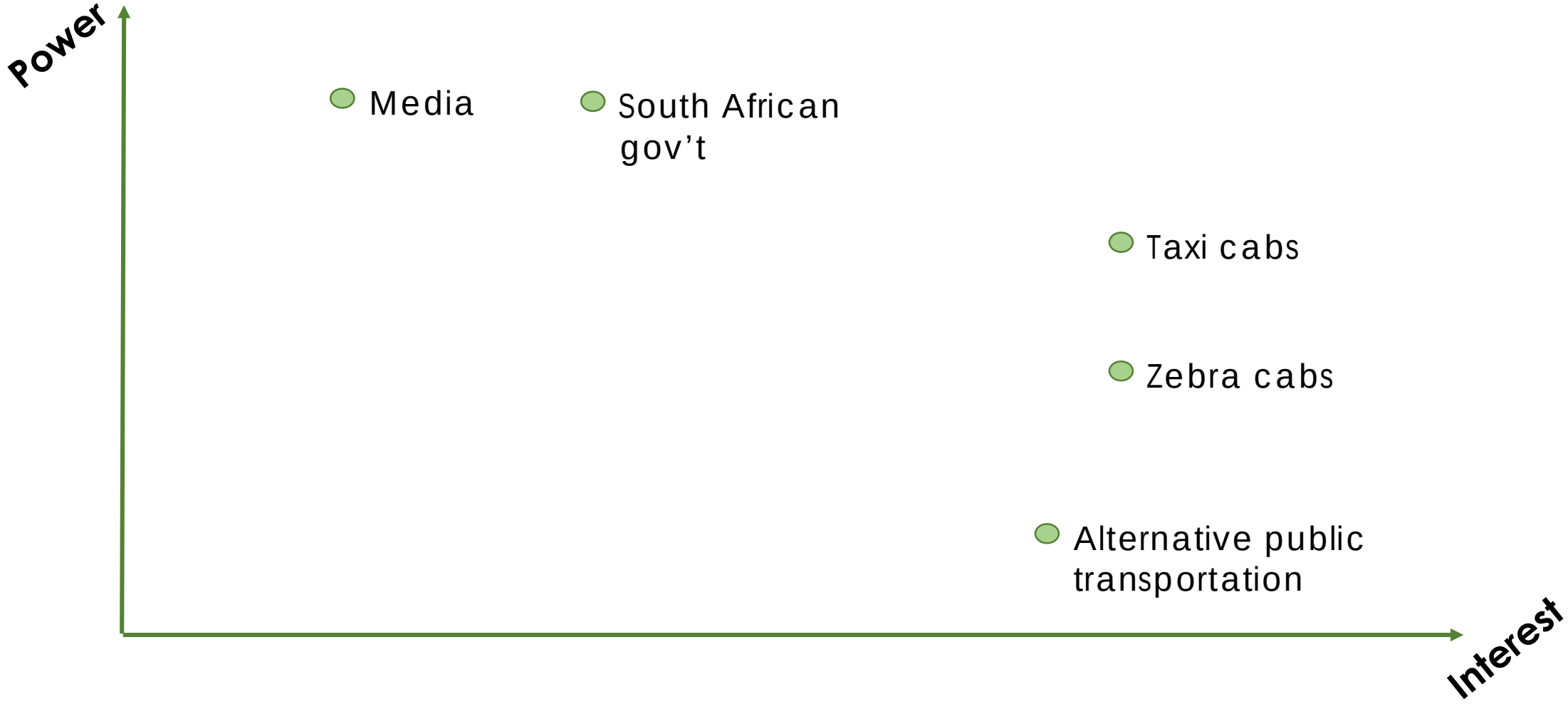

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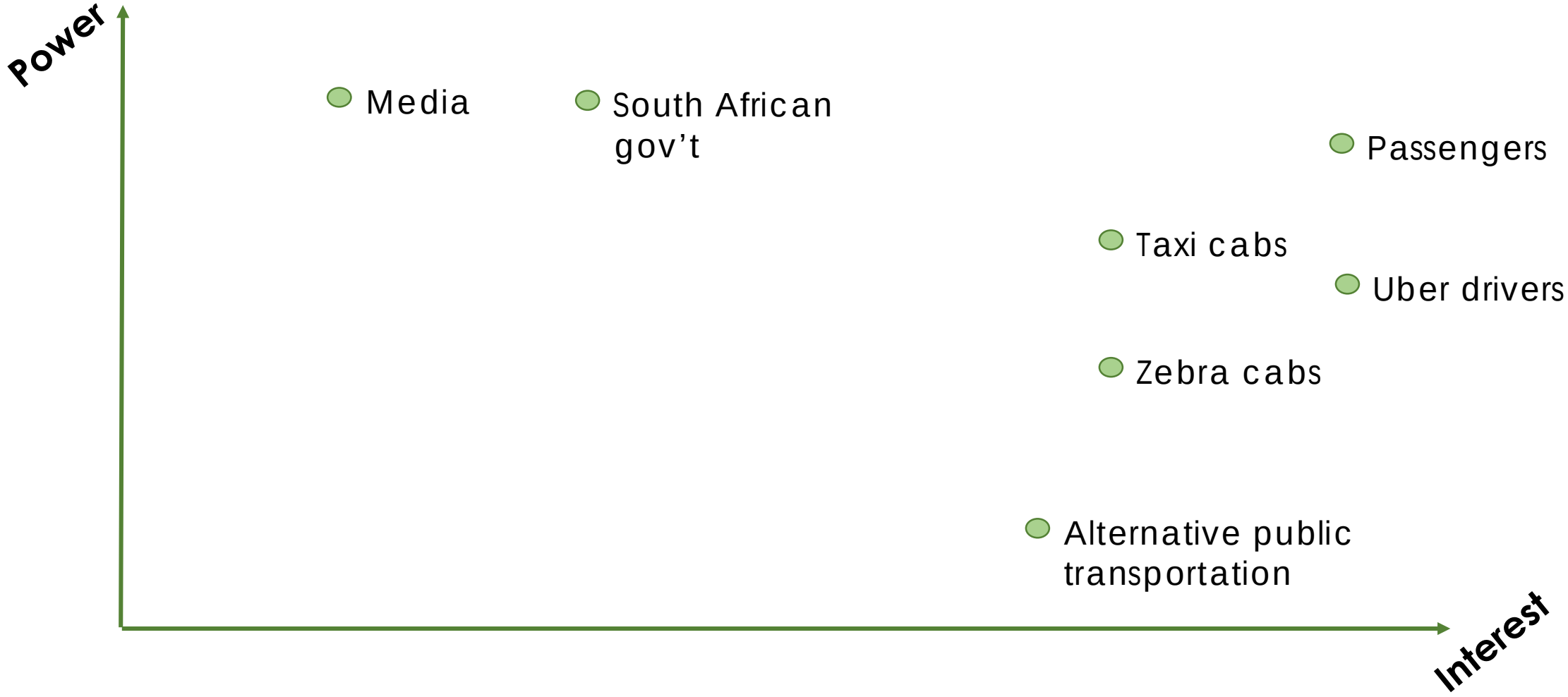

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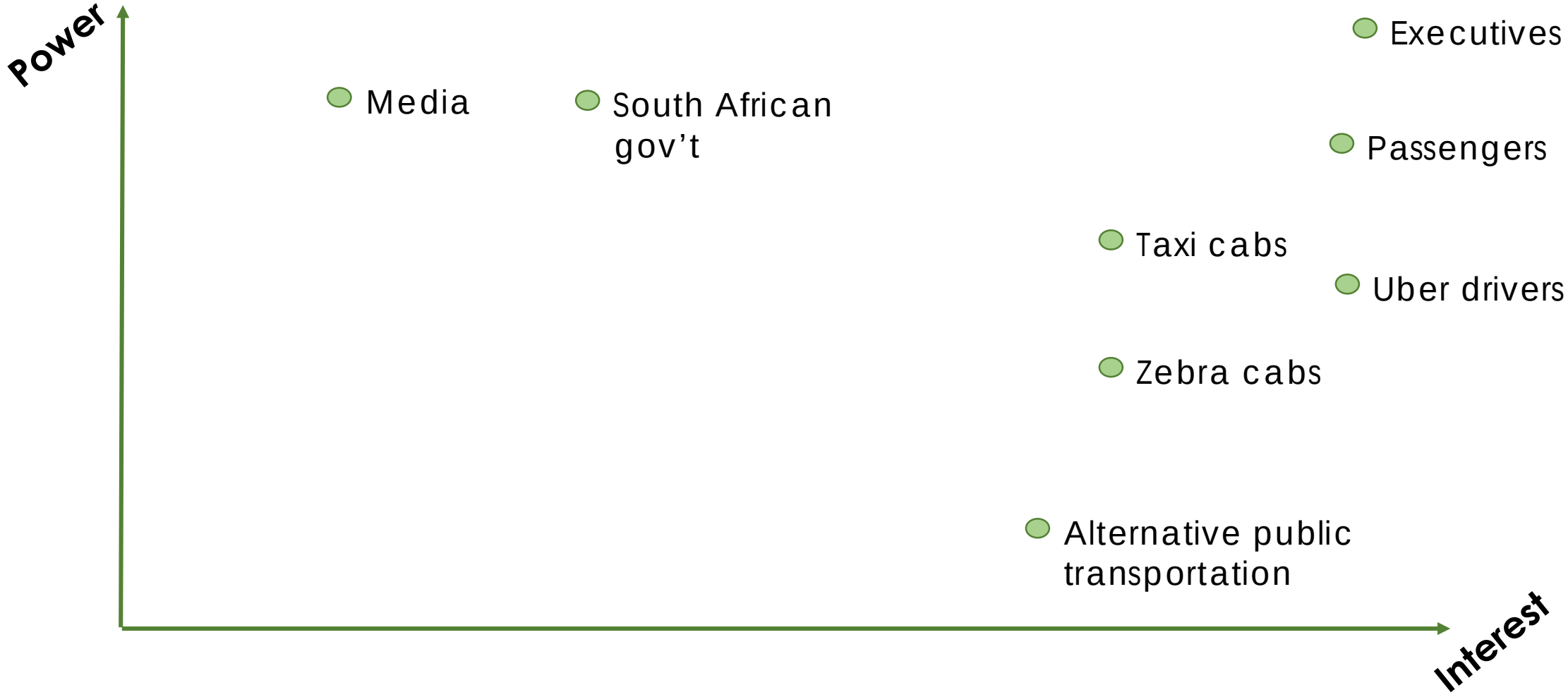

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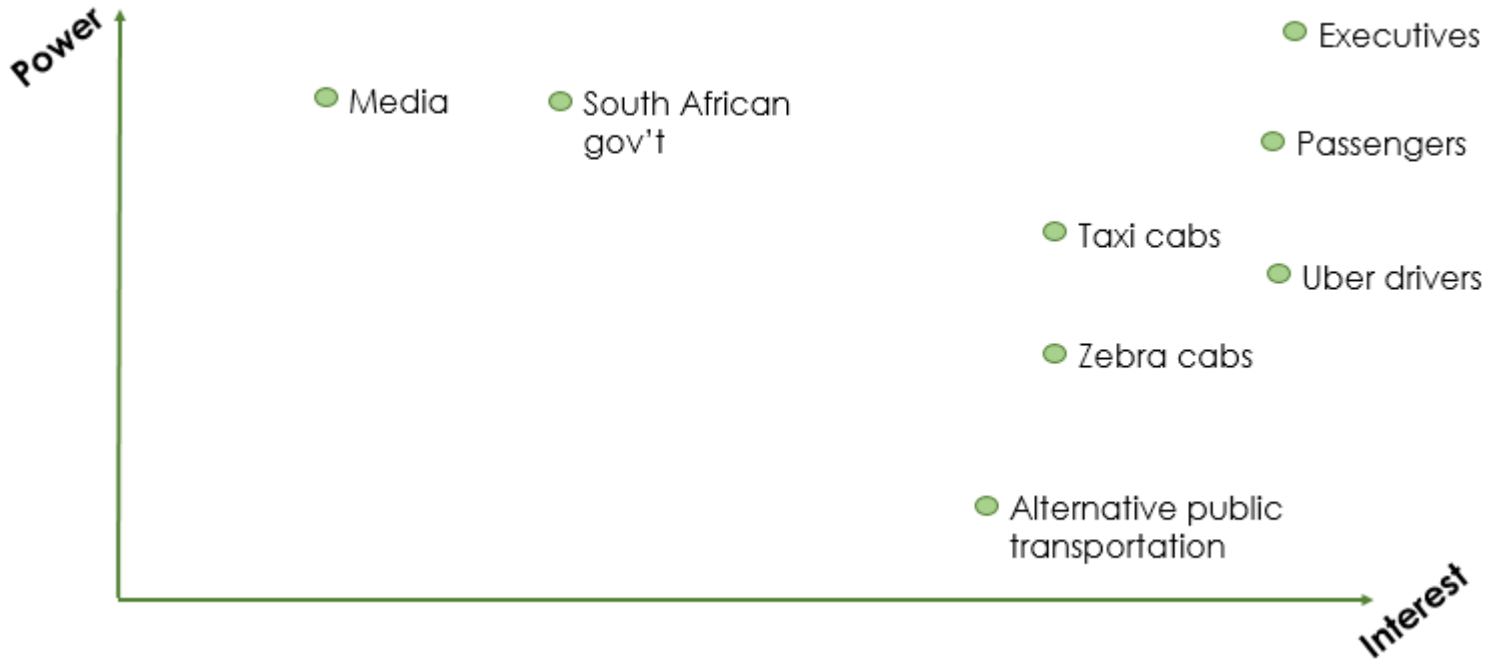
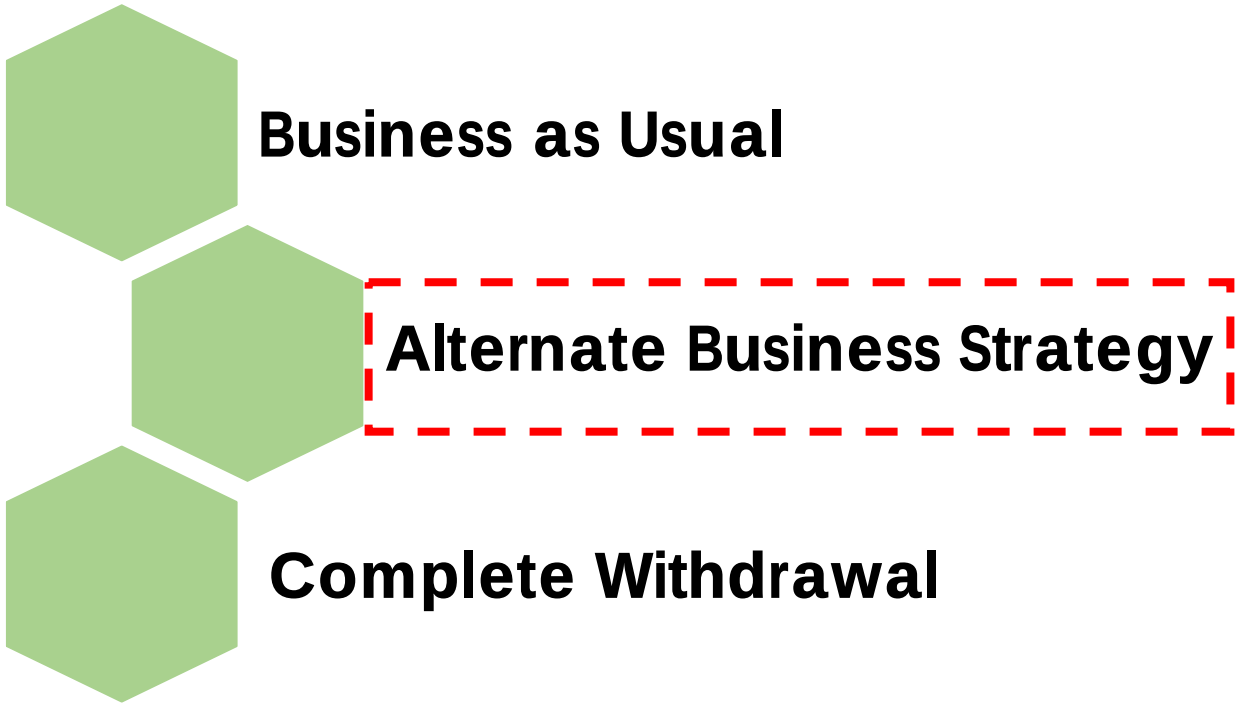


Key Takeaway: There are many stakeholders' needs that must be met when determining a new strategic direction for Uber in South Africa.

Alternatives

Alternatives



Recommended Solution

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R Request and Reassure

I Implement Compliance Standards

D Debit System

E Emergency Protocols

Implementation Plan

Implementation Plan

R.I.D.E
Safe!

R Request and Reassure

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Implement within 60 days

Implementation Plan

R

Request and Reassure

- Implement a new feature on the Uber application for both drivers and riders
  - Requests a gender type that they feel most comfortable driving
- Provides a more reassuring platform as perceived by both drivers and passengers
- Educate passengers on the rating system currently in place
  - Add the “what made your ride special?” feature to the Uber application
- Reassures passengers that Uber is looking out for their best interests

Implementation Plan

R.I.D.E Safe!

Implement Compliance Standards

- Assumption: drivers have not been regulated in South Africa, thereby fueling negative perceptions by taxi drivers
- Work with insurance companies to develop insurance specific for Uber drivers
- Negotiate with South African gov't to develop strict safety standards for Uber drivers
- Implement compliance standards timeline to have all drivers reach compliance deadline within 30 days of registering
- Implement a price ceiling and floor to ensure undercutting is a non-issue (~10% of taxi fares)

Implementation Plan

D

Debit System

- The cash on hand system is a safety concern
- Passengers require cell phones to summon Uber vehicles
- Create a “debit system” that is entirely **cash free**
  - Link online bank account to Uber Wallet (within app)
  - Customers can pre-load money into their Uber Wallet without a credit card
  - At the end of their ride, it is debited from their Uber Wallet
- Implement Uber gift cards

Implementation Plan

E

Emergency Protocols

- Promote GPS tracking feature (relative to taxi industry) for safety purposes
- Implement a “call for help” button within the app
  - Goes to the Uber team, who know where the car is via GPS, and can alert the authorities
- Require that drivers add a large sticker on the dashboard, so that passengers are aware that the cars are “Uber” cars

Community Involvement

R.I.D.E Safe!

- Combats local heritage of the Zebra taxi company
- Demonstrates that Uber, as a brand, is committed to the South African community
- Steer resources towards community involvement initiatives:
  - Ex. Rugby tournament sponsorships, Rugby for kids program – sports align well with millennial customer interests
  - Ex. Diversity – ensures that everyone is being recognized

Costs and Budget

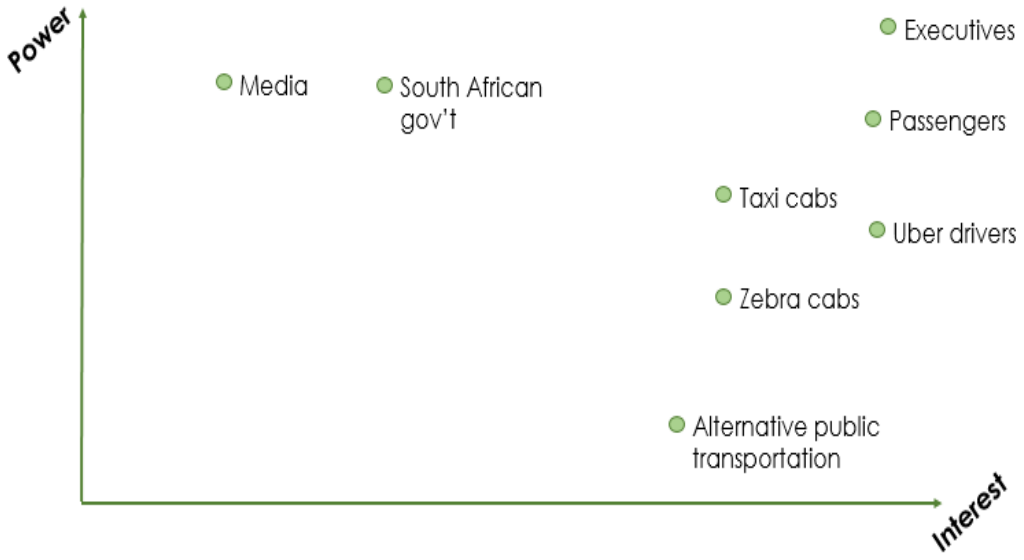
R.I.D.E Safe!

R Component	
Request genders	5,000
I Component	
Compliance standards	10,000
D Component	
Uber - wallet	25,000
E Component	
Call for help Button	10,000
Compliance standards	5,000
Community Involvement	
Rugby Sponsorships	100,000
Rugby for Kids program	50,000
Total	205,000

Assumptions	
Households	13,838
# of people per household	4
Total Pool	55,352

Stakeholder Analysis

R.I.D.E Safe!



Stakeholder	Strategy	Solution
Uber Executives	Key Stakeholder	Uber remains in profitable market.
Passengers & Drivers	Key Stakeholder	Feel safer and more secure.
Taxi Cabs/Zebra cabs	Keep Informed	Do not gain desired market share.
Alternative Public Transportation	Keep Informed	Do not gain desired market share.
Media and Government	Keep Satisfied	Prioritizes safety of citizens.

Risks and Contingencies

Contingencies and Risks

R.I.D.E Safe!

Situation	Trigger	Likelihood	Solution
Government could side with taxi industry	Legislation introduced that will negatively impact Uber operations	Medium	Replicate historical successes in other countries (public support)
Harm is caused to passenger or driver of Uber	Injury or death occurs	Low	Double down on emergency team and pursue relationships with Police
Uber is not supported by community	Uber is not reaching volume thresholds for drivers or passengers	Low	Increase relationship management within community, and pursue more localized strategy

Key Questions & Resolutions

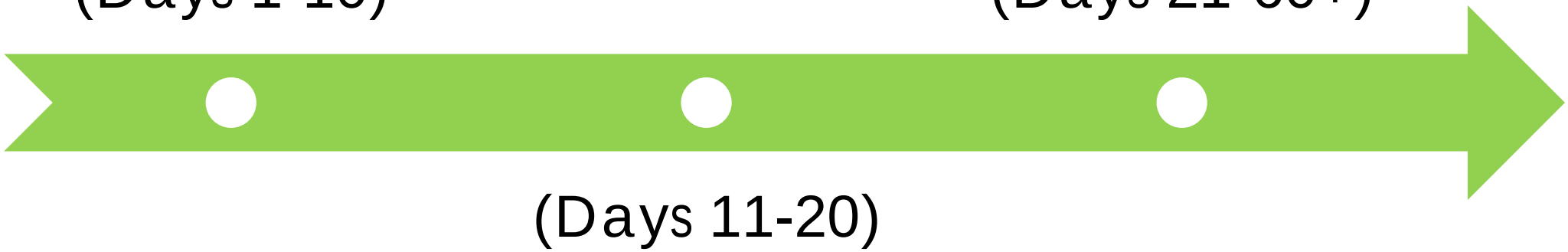
R.I.D.E Safe!

Question	Solution
How can Uber operate in the competitive public transportation space in South Africa where undercutting is not welcome?	Implement price ceiling and floor; invest in community involvement initiatives
Is there an alternative way that Uber could have catered to the needs of customers without putting the drivers at risk with the introduction of cash payments?	Introduce debit system
Is there a strategic approach that would have supported the new cash payment plan whilst safeguarding the Uber driver?	Introduce debit system
What can Uber do to reassure drivers and passengers of their safety?	Request a gender and call for help features
What can be done in the wake of competition from Zebra Cars?	Implement price ceiling and floor; invest in community involvement initiatives; work with gov't and insurance companies to set compliance standards
What is the recommended overall strategy for Uber going forward in the South African market, i.e, business as usual, an alternate business strategy or complete withdrawal?	Alternate business strategy!

Appendix

Implementation Timeline

R.I.D.E Safe!



- Brief Uber Team on new safety protocols (particularly call for help button)
- Begin gov't conversations for safety standards
- Approach insurance companies

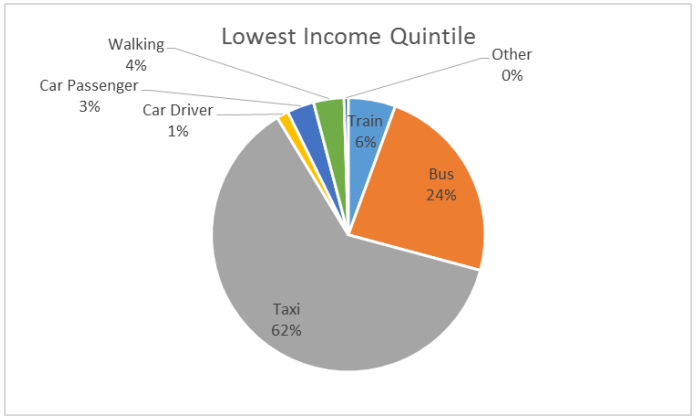
- Begin development of new app features: Call for Help, gender request, what made your ride special
- Begin development of cash free system

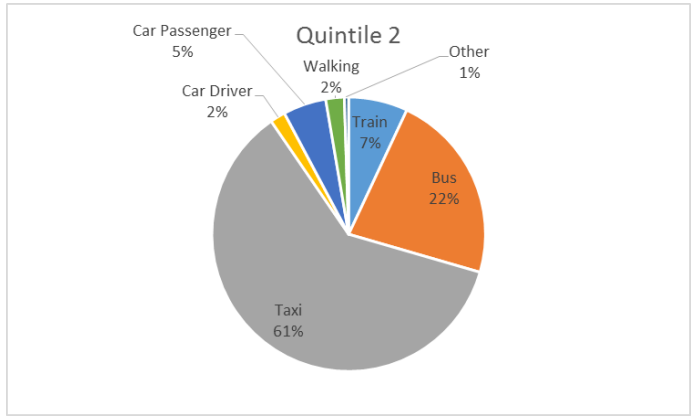
- Implement cash free system
- Inform public of changes via marketing campaign
- Begin implementing safety protocols as perfected

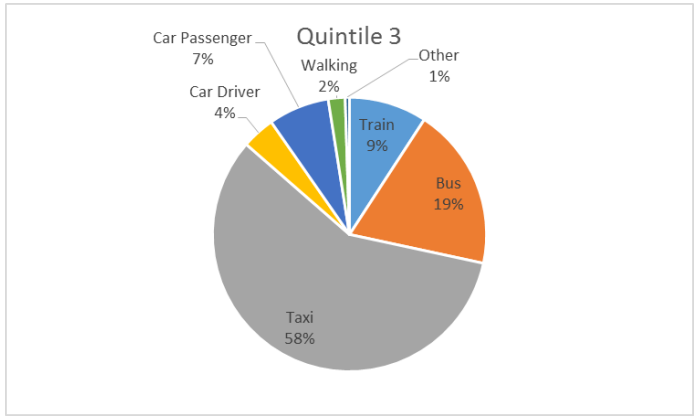
KPIs

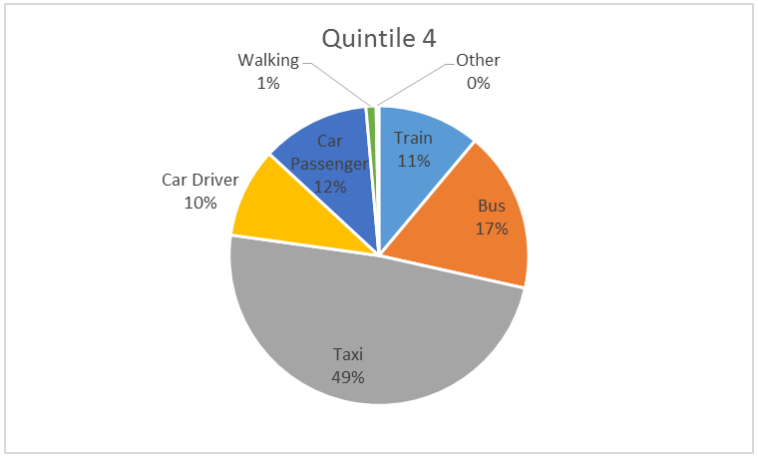
- Driver applications
- Rides requested
- Completed trips
- Negative press
- Community perception
- Driver ratings

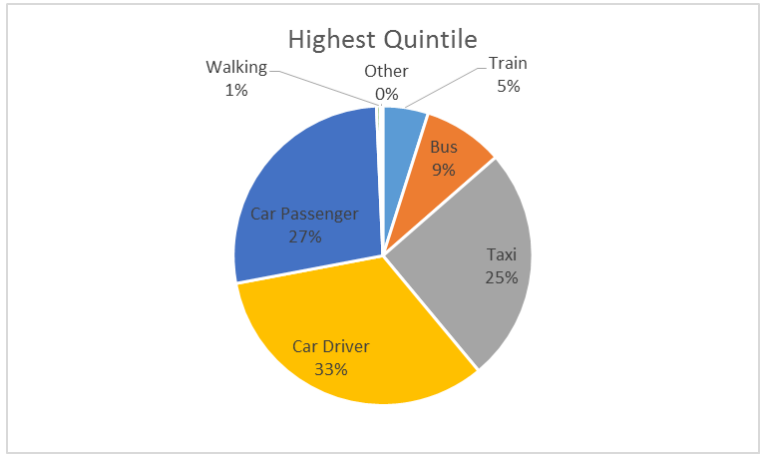
Transportation Breakdown











Transportation Analysis

Household income Quintile		Public Transportation			Private Transportation				
		Train	Bus	Taxi	Car Driver	Car Passenger	Walking	Other	Total
Lowest Income Quintile	Number	154	648	1713	38	87	98	13	2753
	%	5.6	23.6	62.2	1.4	3.2	3.6	0.5	100
Quintile 2	Number	193	621	1688	50	140	62	14	2768
	%	7	22.5	61	1.8	5.1	2.2	0.5	100
Quintile 3	Number	254	532	1612	109	200	55	13	2775
	%	9.2	19.2	58.1	3.9	7.2	2	0.5	100
Quintile 4	Number	312	490	1370	273	329	30	9	2813
	%	11.1	17.4	48.7	9.7	11.7	1.1	0.3	100
Highest Income Quintile	Number	134	237	692	903	745	10	8	2729
	%	4.9	8.7	25.4	33.1	27.3	0.4	0.3	100
Total	Number	1048	2528	7075	1373	1500	256	58	13838
	%	7.6	18.3	51.1	9.9	10.8	1.9	0.4	100