Agenda

1. Challenge
2. Recommendation
3. Background
4. Analysis
5. Strategy
6. Financials
7. Risks & Mitigations
Uber is facing challenges in their South African operations and must decide to continue “business as usual”, pull out, or change their strategy.
Recommendation: Uber should compete in the South African market should adapt to the local market with an alternative business strategy

1. Offer a safer prepayment system
2. Develop an innovative driver recruitment strategy
3. Acquire Zebra Car for mutually beneficial growth
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The history of riding with Uber

Past
• Founded in 2009 by Travis Kalanick & Garrett Camp
• Technology platform connecting driver-partners with riders
• Rating based system
• Rapid growth

Present
• Worldwide service availabilities
• Increased service offerings, UberEats, etc.
• Disrupting taxi industry

Future
• Growing by offering service availability in developing nations
• Disrupting multiple industries
To continue to operate in the South African market, Uber must adopt to the following challenges...

**P**
Politically stable, although challenging market.

**E**
History of taxi-turf warfare. High use of public transportation. One of the most economically developed countries on the African continent with economic divide between rich and poor.

**S**
Strong movement to support national and local industries, 'Proudly South African'. High crime and low employment opportunities encourages entrepreneurial individuals to enter the public transportation sector.

**T**
Lower use of credit cards.

**L**
Uber has a large legal team to lobby and fight against competitors.
Uber in South Africa makes sense because of South Africa’s economic and social growth.

South Africa is the most economically developed in the continent.

Africa has potential for a huge market.

Over 50% use taxi’s as a transportation method, representing a great opportunity.
Uber’s new competitor, Zebra Cabs, has capabilities that are complementary to Uber

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<tr>
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<th>Uber</th>
<th>Zebra Cabs</th>
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<tbody>
<tr>
<td><strong>Company</strong></td>
<td>Incumbent, global player facing challenges in South Africa</td>
<td>New entrant, but strongly promotes local</td>
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| **Strengths and Capabilities** | • Internationally recognized brand  
• High liquidity  
• Proven technological system  
• Strong lobby/legal team | • Proudly local  
• Increased safety for women |
| **Weaknesses**   | • Little to no support for local heritage                            | • Low cash as new business                     |
Strategy Overview: Compete in the South Africa market by providing safe transportation and empowering the local community

1. Offer a safer prepayment system
2. Develop a robust driver recruitment process
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Strategy Overview: Compete in the South Africa market by providing safe transportation and empowering the local community

1. Offer a safer prepayment system
Cash payment is currently a major safety concern for Uber in South Africa

- South African customers aren't using credit cards
- Drivers at the risk of being robbed when they carry cash
- Drivers risk not being paid when they accept cash
Establishing a prepaid method will be more inclusive for riders and address safety/payment concerns for drivers.

- Inclusion for customers without credit cards
- Improves safety for both drivers and passengers
- Removes the need for drivers to collect cash from passengers
How prepaid will work

Customer purchases Uber credits at local kiosk
Customer inputs code in app and credits are automatically loaded onto account
Customer orders Uber and payment is automatically deducted
Alerts are sent when account is running low (user can set alert amount in settings)

Resources & capabilities required:
1. Local stores and partnerships for kiosks
2. App adjustments, superior tech
3. Recognized international brand and strong lobby
Strategy Overview: Compete in the South Africa market by providing safe transportation and empowering the local community

2. Develop a robust driver recruitment process
Uber can turn the tides on local drivers and riders

<table>
<thead>
<tr>
<th>Taxi drivers are currently dissatisfied and riders feel unsafe in the Uber driving environments.</th>
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<td>Leverage the local taxi talent and recruit them to join Uber</td>
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<td>Uber pays a higher commission</td>
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<td>Local taxi drivers help support national pride and employment</td>
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How to encourage drivers to become partners

Through a nine step recruitment process we will be a loyal base of driver-partners

1. Establish a dedicated driver acquisition team
2. Develop an incentive package to attract existing taxi drivers (additional market research required)
3. Driver Acquisition Team (DAT) promotes package
4. Interested driver applies
5. DAT conducts interview and background check
6. DAT approves driver
7. Driver receives Uber stamp on profile
8. Meet with driver-partners quarterly to update new service offerings, training protocols, and build a community
9. Remove drivers who fall below a certain rating
How we will make riders feel safe with Uber

Uber is well equipped to execute a rigorous recruitment process to ensure the safety of its riders.

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<th>Requirements</th>
<th>Resources &amp; Capabilities</th>
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<td>DAT</td>
<td>High liquidity</td>
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<td>High demand for Uber jobs</td>
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<td>Screening process</td>
<td>Local connections with government (background checks &amp; lobbying)</td>
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<td>Platform update for approval stamp</td>
<td>Superior technology</td>
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Strategy Overview: Compete in the South Africa market by providing safe transportation and empowering the local community

1. Offer a safer prepayment system
2. Develop a robust driver recruitment process
3. Acquire Zebra Car for mutually beneficial growth
Zebra poses to be a threat to Uber’s market share in South Africa

Local heritage: “Proudly South African”

Offers a range of payment options, including in-car debit systems

Exclusive service for women
Uber can gain market share and Zebra’s strengths through an acquisition.

- Empower successful entrepreneurs
- Promotes and supports local pride
- Leverages local knowledge and talent
Uber will acquire Zebra Car by:

1. Establish deal and valuation
2. Hiring all the current Zebra Car employees
3. Transfer taxi drivers to Uber platform
When conducting a valuation of Zebra Cab:

- Ensure net present value price is positive
- Consider cost of capital
- Assumed growth rates
- Projected revenues
- Brand value
- Costs
- Synergies
- Current market share
- Multiples
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<td><strong>Pre-payment System</strong></td>
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<td><strong>Driver Recruitment Process</strong></td>
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Risks & Mitigations

Pre-payment services are slow to lift off
- Revise offerings to align with local customs
- Meet with banking officials to determine alternative options

Locals are less interested in joining the driver-partner system
- Offer higher incentives for the short run
- Drive competitors out of business then raise driver fees / profit margins

Zebra refuses to sell
- Lower rates for customers
- Increase marketing efforts
- Drive Zebra out of business
Summary: Uber will win in the South Africa market by providing safe transportation and empowering the local community.

1. Offering a safer prepayment system
2. Developing a robust driver recruitment process
3. Acquiring Zebra Car for mutually beneficial growth
Thank you.

We welcome your questions.