



UBER IN SOUTH AFRICA – NEW ROADS

EDGE CONSULTING



ISSUE IDENTIFICATION

- ▶ How can Uber modify its operations to remain competitive with Zebra Cabs?



ISSUE

ANALYSIS

OPTIONS

SOLUTION

IMPLEMENT

RISKS

SUMMARY



SOLUTION

- ▶ UBER IS LEKKER
 - ▶ Increase safety
 - ▶ Invest in South Africa
 - ▶ Meet customer payment demands
 - ▶ Competitive



ISSUE

ANALYSIS

OPTIONS

SOLUTION

IMPLEMENT

RISKS

SUMMARY



Assumptions

- ▶ Uber / Driver takes : 70 / 30
- ▶ Uber costs 30% less than traditional taxi
- ▶ Market is big enough for 2 competitors
- ▶ Car for hire market is growing at 5% per year

ANALYSIS

Strengths

- Entrepreneurial
- Uber + Uber Eats

Weaknesses

- Foreign Company
- Undercutting

KEY TAKE AWAY: Major opportunities in South Africa

Opportunities

- Economic growth
- High use of public transport

Threats

- High crime rates
- Poor media coverage

ISSUE

ANALYSIS

OPTIONS

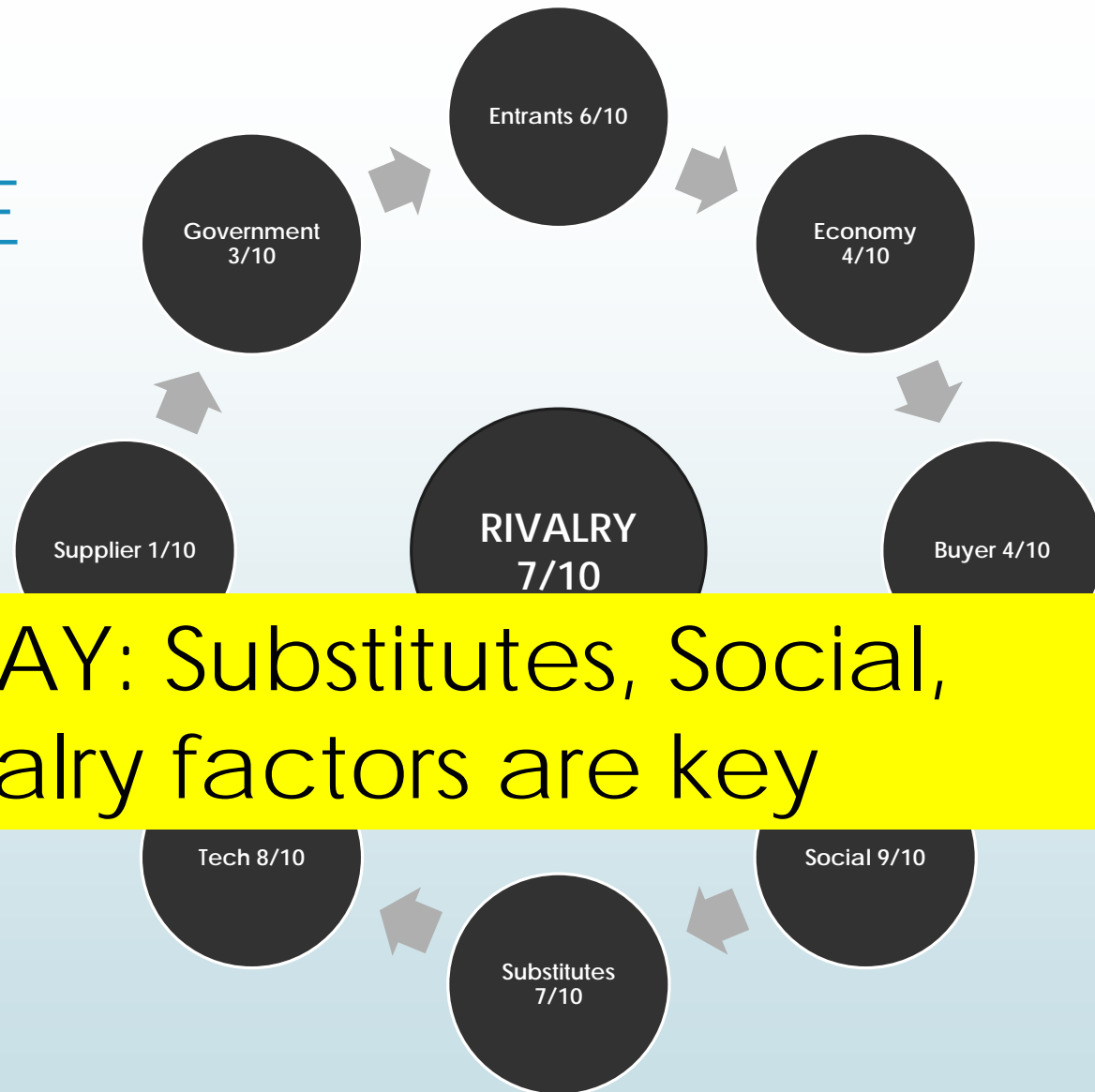
SOLUTION

IMPLEMENT

RISKS

SUMMARY

CURRENT COMPETITIVE SPACE



KEY TAKE AWAY: Substitutes, Social, Tech and Rivalry factors are key

ISSUE

ANALYSIS

OPTIONS

SOLUTION

IMPLEMENT

RISKS

SUMMARY

CUSTOMER EXPERIENCE UBER

- Lower Cost
- Foreign Brand
- Pay without credit

Think and Feel

KEY TAKE AWAY: Customer needs require attention

Say and do

- Uber may not be for me

ISSUE

ANALYSIS

OPTIONS

SOLUTION

IMPLEMENT

RISKS

SUMMARY

CUSTOMER EXPERIENCE ZEBRA

- Higher fares
- Safe, proud, local

Think and Feel

KEY TAKE AWAY: Expensive but positive public sentiment

Say and do

- Promote to friends/family

ISSUE

ANALYSIS

OPTIONS

SOLUTION

IMPLEMENT

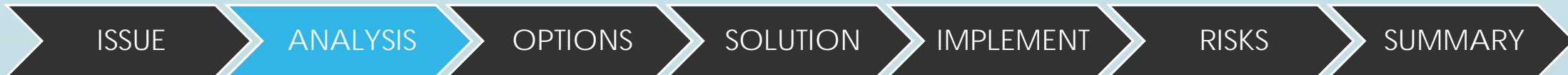
RISKS

SUMMARY

ANALYSIS

Household quintile		Main mode							Other	Total
		Public transport			Private transport		Walking all the way			
		Train	Bus	Taxi	Car driver	Car passenger				
Lowest income quintile	Number	154	648	1712	38	87	98	13	2753	
	Percent	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	
	Percent	7.0	22.4	60.7	1.8	5.0	2.2	0.5	100	
Quintile 3	Number	275	1000	2775	100	1000	100	100	775	
	Percent	10.0	36.0	100.0	3.7	36.0	3.7	3.7	100	
Quintile 4	Number	300	1000	2000	1000	1000	100	100	813	
	Percent	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	
	Percent	4.9	8.7	25.4	33.1	27.3	0.4	0.3	100	
Total	Number	1048	2528	7075	1375	1500	256	58	13838	
	Percent	7.6	18.6	51.1	9.9	10.8	1.9	0.4	100	

KEY TAKE AWAY: Focus on the 3 lower quintiles



ALTERNATIVES

Option	Consumer	Driver	Competition
1. Business as usual	Yellow	Yellow	Red
2. Change business strategy	Green	Green	Green
3. Completely withdraw	Red	Red	Red

ISSUE

ANALYSIS

OPTIONS

SOLUTION

IMPLEMENT

RISKS

SUMMARY

ALTERNATIVE 1: Business as usual

PROS	CONS
<ul style="list-style-type: none">- No immediate cost- Economies of scale- Does not affect profit margin	<ul style="list-style-type: none">- No adaptation- Negative public sentiment- Not addressing competition

ISSUE

ANALYSIS

OPTIONS

SOLUTION

IMPLEMENT

RISKS

SUMMARY

ALTERNATIVE 2: Change business strategy

PROS	CONS
<ul style="list-style-type: none">- Adapting as needed- Build up reputation- Appeal to local sentiment	<ul style="list-style-type: none">- Cost- Implementation is important- Change management is key

ISSUE

ANALYSIS

OPTIONS

SOLUTION

IMPLEMENT

RISKS

SUMMARY

ALTERNATIVE 3: Completely withdraw

PROS	CONS
<ul style="list-style-type: none">- Quick- No overhead costs	<ul style="list-style-type: none">- Loss of revenue- Strengthens competition- Not consistent with Uber strategy

ISSUE

ANALYSIS

OPTIONS

SOLUTION

IMPLEMENT

RISKS

SUMMARY

RECOMMENDATION

UBER IS LEKKER

Awareness
Campaign

Strategic
Shift

Community
Investment

ISSUE

ANALYSIS

OPTIONS

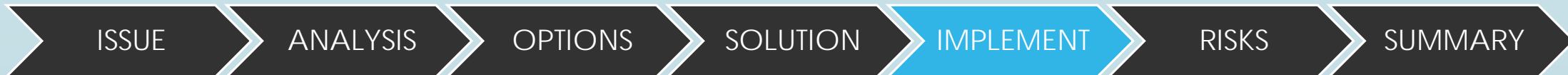
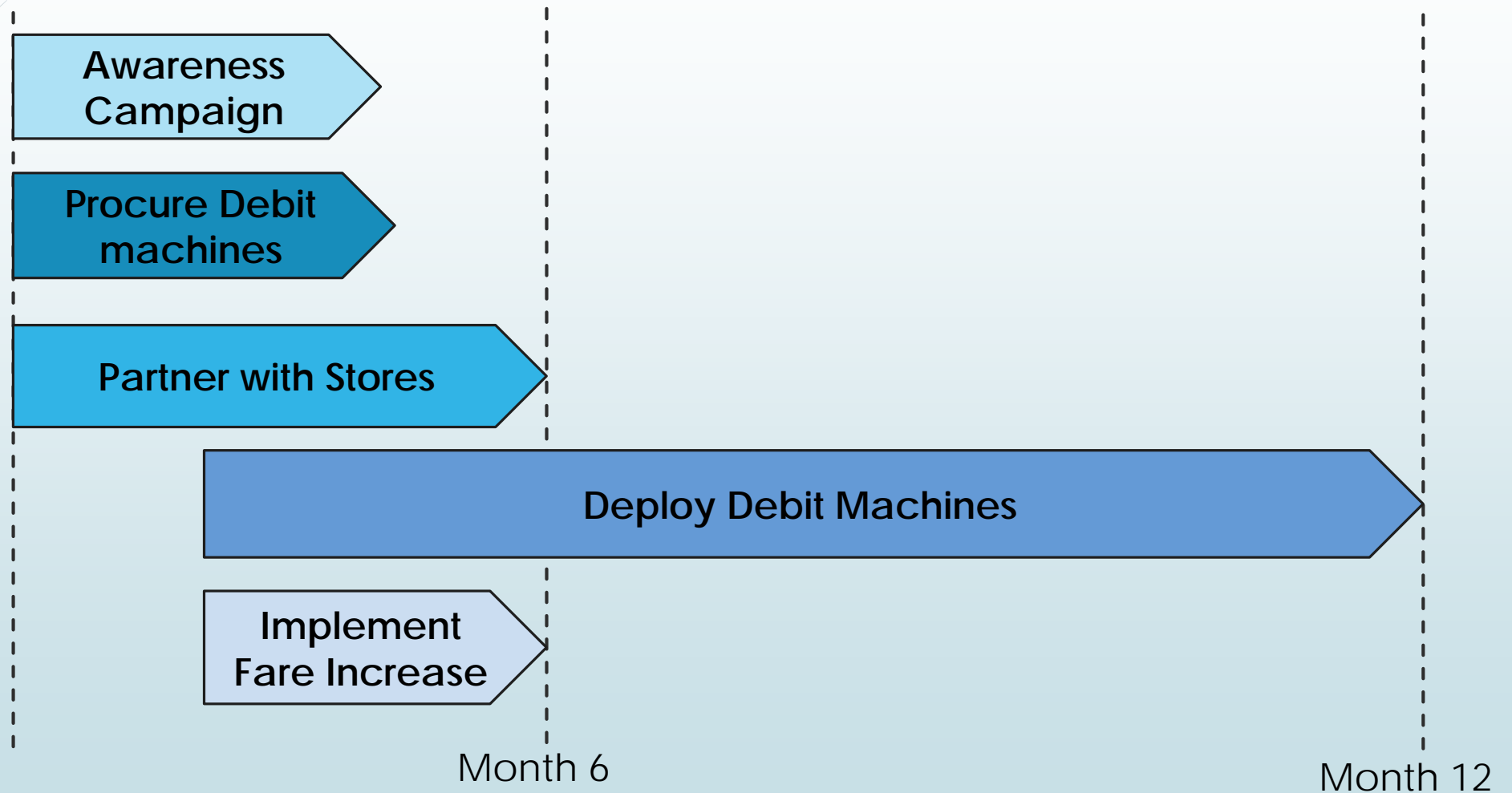
SOLUTION

IMPLEMENT

RISKS

SUMMARY

IMPLEMENTATION



IMPLEMENTATION PLAN

Action	Timeline	Key Performance Indicator(s)
Awareness campaign "Uber is lekker"	1 – 3 months	Current customer awareness 100% by Month 3 General awareness 60% by Month 3
Procure debit machines for smart phones	1 – 3 months	Partnership with Cube payment system
Partner with stores for Uber Pay Card	1 – 6 months	Available in 50% of major stores
Deploy debit machines	3 – 12 months	100% deployment by end of year
Implement fare increase	3 months +	20% fare increase by Month 3

ISSUE

ANALYSIS

OPTIONS

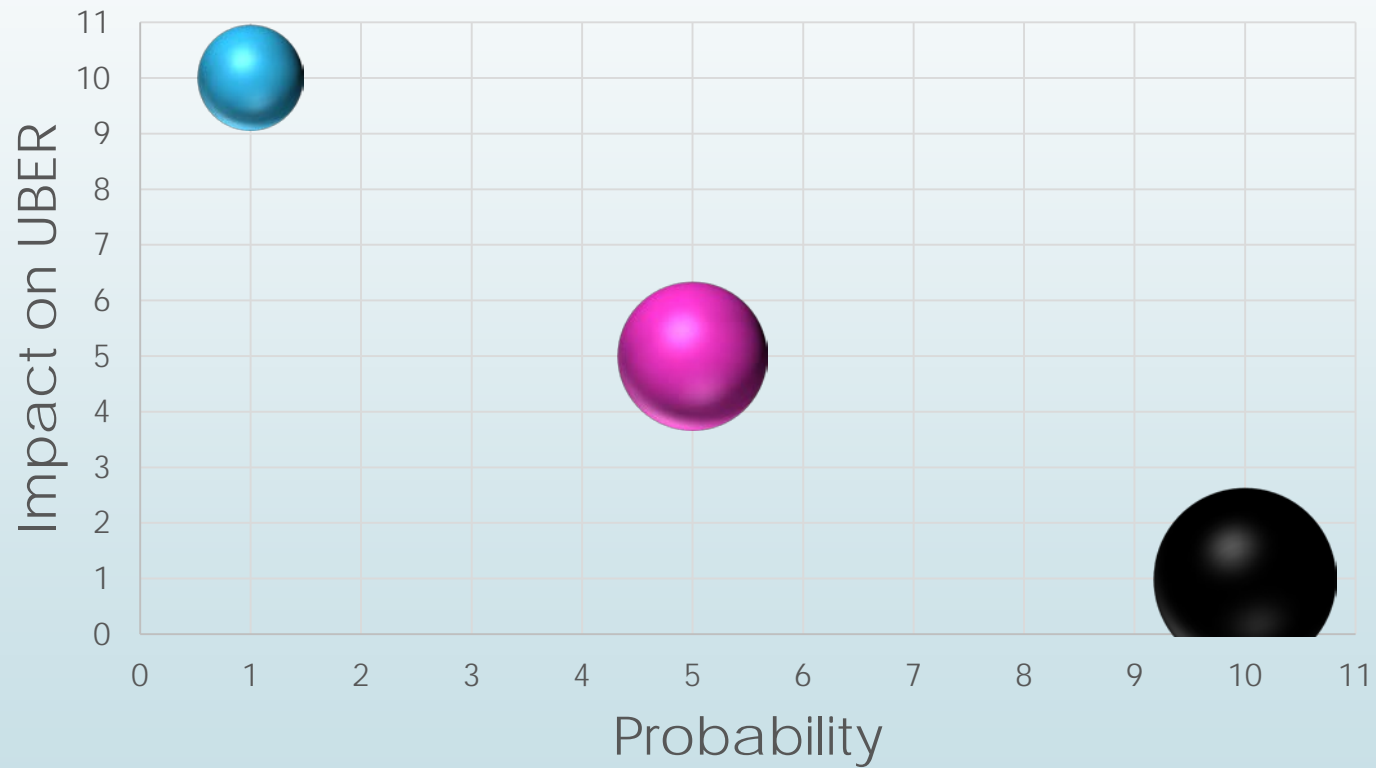
SOLUTION

IMPLEMENT

RISKS

SUMMARY

OBSTACLES



- Customers
- Security
- Competition

ISSUE

ANALYSIS

OPTIONS

SOLUTION

IMPLEMENT

RISKS

SUMMARY

MITIGATIONS

Obstacle	Mitigation
Losing customers	Increase awareness Poll customers through app (1 question)
Security of drivers and customers	Introduce panic button in app Introduce messaging in the awareness campaign
Competitors' actions	Leverage economies of scale Lower fares and donate to drivers Giving back to the community

ISSUE

ANALYSIS

OPTIONS

SOLUTION

IMPLEMENT

RISKS

SUMMARY

SUMMARY

Increased safety

Giving back

Meeting customer needs

ISSUE

ANALYSIS

OPTIONS

SOLUTION

IMPLEMENT

RISKS

SUMMARY

APPENDIX

	ZEBRA		UBER
✓	Cash	✓	Cash
✓	Women Exclusive	✗	Women Exclusive
✓	Local	✗	Local
✓	Mobile App	✓	Mobile App
✓	Credit in Cab	✗	Credit in Cab
✓	Debit in Cab	✓	Debit in Cab

ISSUE

ANALYSIS

OPTIONS

SOLUTION

IMPLEMENT

RISKS

SUMMARY

APPENDIX : MAIN MODES OF TRANSPORT

