Uber

Background - Uber Technologies (India), Inc. provides ride-hailing services, freight transport through 3 wheelers, Cabs in 127 cities.

Objective - Enhancing the Rider Experience and minimize ride cancellation through Product Innovation.

Reasons for Stakeholders

Customer

- ❖ Possible reason for the ride cancellations is the demand for AC.
- ❖ Better offers from competitor.
- ❖ Delay in Booking Time.
- ❖ Surcharges are high (3x.)

Drivers

- ❖ Cab is booked for a location that is a bit confusing for the driver.
- ❖ Customer does not come on time.
- ❖ Destination in a traffic prone area.
- ❖ Total fare below expectation.

Aggregator (Uber)

- ❖ User interface too complicated and cluttered.
- ❖ Better pricing by Competitors.
- ❖ Lack of Safety.

Understanding the market (Research)

❖ Indian Market is a duopoly between Ola and Uber.
❖ Overall 97% of reviews had negative sentiment for ride cancellation for both the aggregators.
❖ Uber perceived safer than Ola among consumers.
❖ People likely to recommend Uber over Ola to family and Friends.
❖ Uber fares over Ola in customer satisfaction, they have received similar reviews on their User Interface.
❖ 90% of the rides are cancelled by drivers due to various reasons, 10% by the customers.
❖ The commission for both the apps has increased from 5% to 25%, the limit for surcharge is 3X by the government.

Major Pain Points of Uber Drivers

1. Increase in oil prices overall, maintenance of cost of vehicles have risen substantially in recent years.
2. Increase in traffics, increases the overall cost, time while commuting through peak hours and important locations in the city.
3. High Commission rates in recent years (25-30%), overall profit percentage in cab industry - (35-40%).
4. Cab is booked for a location that is a bit confusing for the driver, as most parts of the cities in India are unplanned and the streets are narrow/ wrong location of GPS, increases the wait time for both the parties.

Customer Choosing own Driver Feature

❖ Customer can choose the driver from the app, according to their ratings.

❖ Driver with lower cancellation gets the highest priority in the list.

❖ Drivers with Uber Professional trainings will have a badge of their own, to improve their visibility.

❖ They can see a number representing out of 10 their acceptance rate.
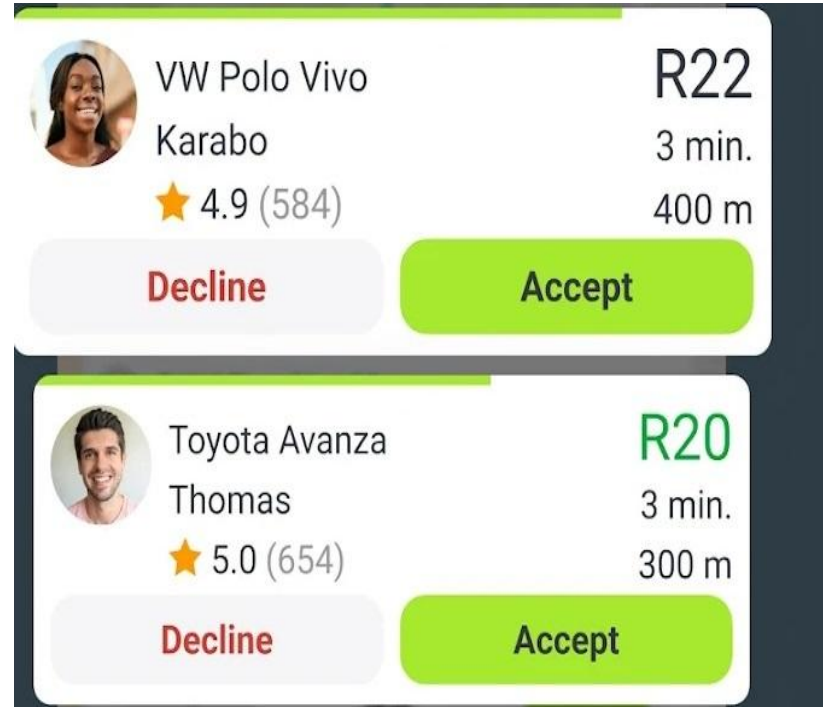
Recommendations

❖   **Original Price Calculation (Uber)**
[**Shortest Distance** from Origin to Destination + Demand Patterns for route + tolls + taxes + surcharges.]

❖   Recommended Changes

❖ [**Feasible Distance** from Origin to Destination + Demand Patterns for route + tolls + taxes + surcharges.]

❖ Cost of Ride Proportional to Time Required after a certain Threshold of Estimated time(Covering the charges of Fuel in Traffic for Drivers).

❖ Local Rides should be commissioned and capped between 5 to 15 percent depending upon the route, the busier the route Lower the commissions.

❖ Higher commission rides should be for Intercity or on high order value rides which leaves a decent share for both the stakeholders.

Recommendations

- ❖ Including the cost for ACs i the cost price.

  Distribution of AC and Non-Ac rides as it is an extra cost for the drivers.

- ❖ Black listing drivers with maximum cancellations for a given period of time.
- ❖ Distribution of vehicles of drivers according to fuel used and commission can be varied for different fuel types.
- ❖ CNG - Higher Commission Rates , Petrol/Diesel - Lower Commission Rates.
- ❖ Penalty for Excessive Cancellations:
- ❖ Implement penalties for drivers who excessively cancel rides without valid reasons. This can include temporary suspensions or other measures to deter cancellations.
- ❖ Additional training programs on professionalism, courtesy, navigation to drivers.

Incentivisation

Drivers

- ❖ Rewarding cab drivers with the lowest cancellation rates with higher exposure.
- ❖ Rewarding 2 zero commission(From Uber) rides per week, if had no cancellation in prior week.
- ❖ Quality Check for the new drivers, and categorizing the drivers according to areas in which they are willing to commute, greater the coverage by driver higher the priority.

Customers

- ❖ Rewarding punctual customers with exclusive benefits and coupon codes to incentivize the behaviour.
- ❖ Implement safety features, such as sharing trip details with friends or family, to make passengers feel more secure and reduce last-minute cancellations due to safety concerns.