Uber

UberCONFIDENCE:
Scheduled Pickup Reliability

Product Proposal

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Problem: *Returning Rider Journey Map*

	DECISION TO USE		**REQUEST RIDE**			**RIDE UBER**		**ARRIVAL**	
Task	Identify next destination	Open Uber app	Order Uber for immediate pickup	Schedule an Uber for future pickup	Await Uber	Locate and enter Uber vehicle	Interact with Driver	Exit Uber	Tip Driver and provide feedback
+ Experience									
- Experience									

There are opportunities to improve the Rider's scheduling and waiting experience, thus further research was conducted to identify current pain points in these areas.

Problem: *Research and Pain Points*

Uber Corporate Mission Statement Goal: increased reliability for Riders and higher income for Drivers

Discussion with Uber Riders and reviewing travel chat rooms

- If Driver cancels in low-Driver populated area or time of day, high risk of Rider missing arrival time
- Riders use other car services for essential arrival times due to Uber's perceived lack of reliability

Competitive assessment against Lyft, taxis, and private cars

- No guarantee for backup assistance if Driver cancels
- Assessment of pricing differences to determine pricing premium for car service

Pain Points

Riders

- Confidence that Driver will arrive at scheduled pickup time
- Availability of Drivers during unpopular travel hours and in suburban areas

Drivers

- Lack of opportunity for increased revenue
- Unpredictability of Ride Requests during unpopular travel hours or in suburban areas

Brainstorm: *Potential Solutions*

How might we provide Riders with complete confidence that a Driver will arrive at their scheduled pickup time?

1. Rider receives Uber credit if scheduled Driver cancels
2. Partner with local Taxi service to arrive if scheduled Driver cancels
3. Rider pays premium for guaranteed pickup via backup, on-call Driver

Uber credit is not a viable compensation for Rider inconvenience; thus **Idea 1** is not pursued.

Brainstorm: *Criteria for Assessment*

Business and Economic:

- Market Share Gain
- Revenue Gain
- Low Customer Acquisition Cost
- High Profitability
- Low Cost of Development

Customer Experience:

- Simplicity
- Reliability
- Satisfaction

Opportunity Assessment: Idea 2
Backup Taxi Service

Business and Economic

Market Share Gain	Variable	Risk of Rider introduced to competitive, reliable alternative
Revenue Gain	Variable	Potential revenue lost to offset Taxi service
Customer Acquisition Cost	Low	Leverage existing Rider base and Taxi service customer base
Profitability	Moderate	Associated cost to pay incremental fare for Taxi service
Cost of Development	Moderate	Contract with hundreds of regional Taxi services

Customer Experience

Simplicity	Moderate	Rider rides with on-call Taxi
Reliability	Variable	Dependent on Taxi service
Satisfaction	Variable	Guaranteed Driver, service quality not under Uber’s control

Opportunity Assessment: Idea 3
Paid Backup Uber Driver (UberCONFIDENCE)

Business and Economic

Market Share Gain	High	Capture current scheduled private car service customers
Revenue Gain	High	Increased Riders and higher Ride fees for backup service
Customer Acquisition Cost	Low	Leverage existing Rider base
Profitability	High	Rider pays premium that exceeds backup driver compensation
Cost of Development	Low	Internal development and launch stages

Customer Experience

Simplicity	High	Rider guaranteed a ride with an Uber Driver
Reliability	High	Guaranteed backup on-call Driver available
Satisfaction	High	Rider has confidence that a Driver will arrive

Idea 2 relies on an external Taxis and exposes Riders to alternative competitive services. **Idea 3** utilizes current Uber Drivers and Uber's quality standards; thus, **Idea 3** is pursued.

Feature Description: *UberCONFIDENCE*

UberCONFIDENCE provides Riders with assurance that a Driver will arrive at their scheduled pickup time during unpopular hours and in remote locations.

Rider

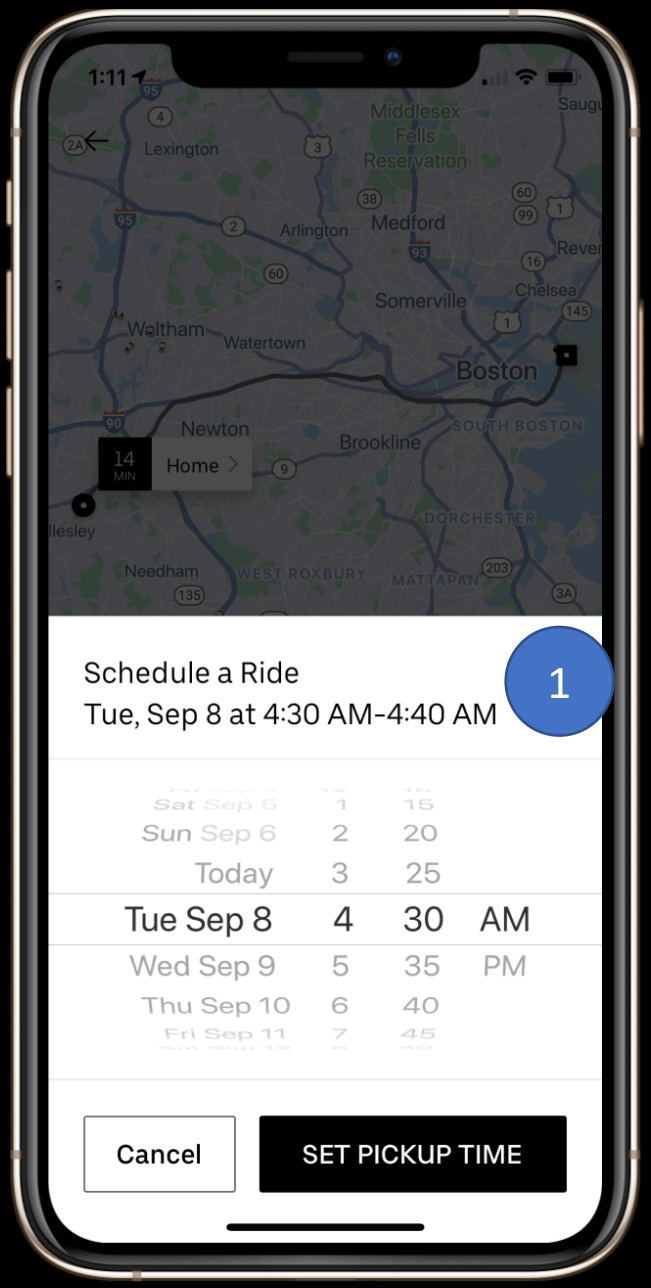
- Schedules a future Uber Ride pickup and purchases UberCONFIDENCE Premium Assurance Option
- Ability to request immediate backup Driver through UberCONFIDENCE Button if scheduled Driver does not arrive
- Assured that a Driver will be available

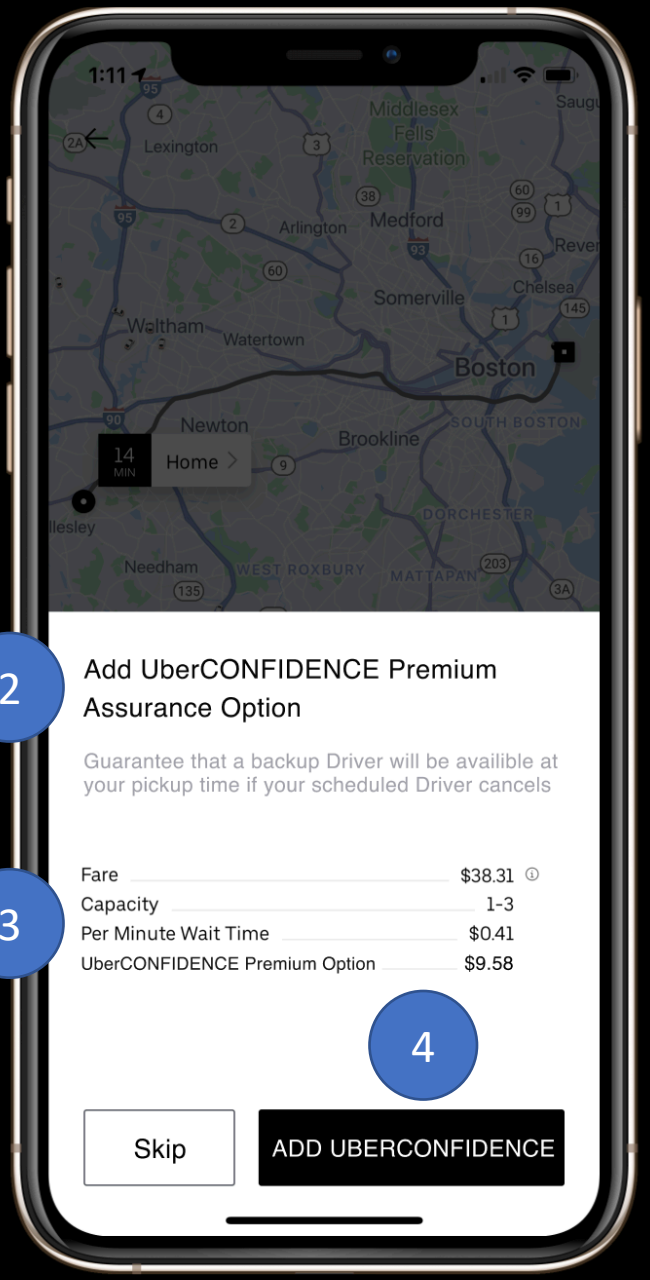
Backup Driver

- Paid a small fee to be backup, on-call Driver
- Transports the Rider if scheduled Driver cancels
- Receives fee even if not needed

User Flow: *Purchasing Plan*

1. Standard screen to Schedule a Ride
2. Description of UberCONFIDENCE features
3. Estimated fare and cost of UberCONFIDENCE Premium Option
4. Call to action to promote UberCONFIDENCE





User Flow: *Action and Notification*

5. Quickly find and request backup Driver if necessary
6. User prompted to contact current, scheduled Driver before requesting backup Driver
7. Easily request UberCONFIDENCE backup driver
8. UberCONFIDENCE backup Driver automatically initiated if scheduled Driver cancels

Pricing Models

Pricing Model	Basic Uber Rides Example Fare	UberCONFIDENCE Premium Option	Total Rider Cost	Cost of Backup Driver	Profit
Fixed Cost	$50	$30 Fixed Upcharge	$80	($10)	$20 + Normal Ride Profit
50% Increase Additional to Uber Ride Fare	$50	$25	$75	($10)	$15 + Normal Ride Profit
25% off Average External Private Car Rate by Region	$50	25% off regional private car rate*	$90*	($10)	$30 + Normal Ride Profit

* Estimated Private Car Rate Example = $120
  $120 – 25% = $90

Recommend **Model 3** as customer adoption will be dependent on delta versus regional pricing

Launch Plan: *Overview*

Release #1 (4 Months): Release UberCONFIDENCE in the US

- Start in suburban areas near Tier 1 busiest airports
- Target high income suburbs where price sensitivity is lowest
- Focus on early morning and late-night airport rides when reliability is essential

Release #2 (8 months): Launch into Tier 2 airport market areas while expanding Tier 1 areas

- Launch in suburban areas in Tier 2 busiest airports
- Expand timeframes in successful markets from Tier 1 areas
- Expand service areas in Tier 1

Launch Plan: *Key Performance Metrics*

Conversion to UberCONFIDENCE with existing Rider base

- Percentage of existing Riders adopting Premium Assurance Option
- Percentage of revenue generated from Premium Assurance Option versus standard Ride within UberCONFIDENCE adopters

Change in total revenue by region

- Percentage of revenue derived from Premium Assurance Option feature versus standard plan
- Total incremental increase in revenue per region

Acquisition of new Riders

- Number of new Riders participating in UberCONFIDENCE

Average Customer Lifetime Value

- Change in average CLV utilizing Premium Assurance Option feature 12 months after launch

Conclusion

- UberCONFIDENCE guarantees Riders that a Driver will arrive at their scheduled pickup time
- Increased Ride Fare exceeds cost of backup Driver thus improving profitability for Premium Assurance Option
- Captures market segment from private car services while leveraging existing Uber Rides service
- Opportunity to gain new Riders
- Solidifies Uber as a dependable mode of transportation