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What is New-Market Disruption?

When a business develops a new segment inside an already-existing market to address untapped or underserved customer needs, a new-market disruption occurs.
Identifying untapped opportunities is at the heart of innovation. No matter what field you are in, doing this can help you plan for long-term success in a competitive environment.

Unmet needs are the center of a new market disruption, according to non-consumersBy providing new technology that either simplifies their task or makes it a more affordable alternative to something more expensive, you can strive to attract new sorts of clients to your product.
For example, consider the iPhone, while you have to pay a lot of money for the new iPhone, which is faster and more functional, but many people may not have the financial ability to buy the new Apple product, while the demand for buying a product is high. There is a cheaper one, but it is not supplied by Apple, in this case a new market will be created in which companies can enter and have their own customers.

DIFFERENT TYPES OF INNOVATION

There are three different sorts of innovation, according to Harvard Business School Professor Clayton Christensen:

1. Sustaining Innovation

Businesses that look for an existing product and expand and improve it for their current customers are called sustainable innovation. Because they listen to their current customers and apply their ideas to create better products and services, incumbent CEOs often succeed in sustaining innovation. But in doing so, they open doors for new businesses to enter the bottom end of the market.

2. Low-End Disruption

Here comes low-end disruption, where companies enter the market at the bottom with a "good enough" product at a lower price. This is what Christensen refers to as "disruptive innovation," where a smaller company with fewer resources advances upmarket and eventually captures the clients of the incumbents who have accepted it into the mainstream.

3. New-Market Disruption

Businesses that want to target underserved clients often create new segments within an existing market. They transform goods and services that were previously pricey and out of reach into something that is now affordable and available to a wider range of people through the use of a new measure of performance.

UBER as Disruptive Innovation

Uber is an American multinational company headquartered in San Francisco. Uber is actually a transportation network company that develops, markets and manages the Uber mobile application. This application allows the user to register his trip request in the application and on the other hand, the application sends this request to the nearest driver to the user. The interesting thing is that Uber drivers all use their own cars and are not taxi drivers.

In addition to helping to find the driver and passenger, the Uber application also calculates the cost of the trip, and since payment is made electronically with credit cards, after the passenger pays Uber, the driver's share is automatically credited to his account. Deposits Since its inception, Uber has had many problems with governments and taxi companies. Taxi companies and some governments believe that because Uber drivers are not licensed to drive taxis, traveling with them can be dangerous and against the law.

Uber is undoubtedly a disruptive innovation and a disruptive technology, but to confine it to that category would be unfair. It is a necessary development that exemplifies how creative destruction operates. Uber has effectively opened up the taxi industry to ride sharing, breaking

the global monopoly on the transportation industry. Through technology, a dated business saw significant advancements. Although some may argue that technology is replacing qualified employees' jobs, the truth is that once GPS became available, the necessity for complete local knowledge in taxi drivers was eliminated.

The Disruption Dilemma

"Disruption" is a business term that has gotten out of control. Today, it seems like everyone and everything is disruptive. Or, if they aren't now disruptive, it won't be long before they start to be.

this is in reference to the notion that successful, established businesses occasionally lag behind less established rivals in the face of disruptive innovation.

UBER has encountered many legal problems and ethical quandaries. Here are a handful of the highlighted ethical issues:

1. Safety of passengers
2. Driver security
3. Privacy

Safety of passengers

According to The New York Times, numerous UBER drivers have engaged in sexual harassment and assault. UBER's poor background check is one method of achieving this.

Driver Security

Recent reports regarding passenger assaults, driver mistreatment, and other occurrences that endanger the safety of UBER drivers have been widespread.

Privacy

Uber has recently come under fire for tracking passengers. Apart from that, Uber actually has access to details such as location and messages with the driver and contact information.

Business Analysis of UBER

Despite the great success that Uber has had, there may also be problems and conflicts. One of them happened to Uber in 2017, and before that Uber declared the drivers as its business partners, while the drivers did not receive any compensation based on this claim, and since then the court considered the drivers in Uber as employees.

Everyone believes that Uber is a profitable company, but contrary to public opinion, one of the major problems that Uber is facing is its huge losses.

Currently, Uber pays 80% of the money to drivers, which it needs to reduce in order to increase its profit margin, but on the other hand, competitors like Lyft can take more share of the market with this move.

SWOT analysis of UBER

SWOT analysis is one of the simple yet powerful tools for formulating strategies for different companies. A SWOT analysis helps you formulate a strong strategy for your organization by considering all the strengths and weaknesses of your business, as well as the opportunities and threats you face in the market.

Strengths of UBER

With a program to find the use of drivers and customers and estimate the cost, it has simplified the work, while it does not require investment, and they use their cars, which is not included in the maintenance cost of the company, and on the other hand, all the work is done from It is done through the program. Therefore, Uber needs a low fixed capital due to its income generation and the scope of its large activities.
A total of 5 million drivers will provide Uber services to 103 million monthly users in 93 countries and more than 900 cities by the year 2020.

Weaknesses of UBER

In 2016, hackers stole the information of 57 million drivers and customers, who had to pay 100,000 to the hackers, which had a bad impact on The reputation of Uber after it became public.On the other hand, the behavior of Uber drivers has a great impact on the company's finances. Some drivers were convicted of sexual assault on customers, which is very bad and unpleasant for Uber.

Other drivers, however, have been accused of raping or abusing clients sexually in a number of countries, including the United States and the United Kingdom (Samuels, 2016). Several Uber employees were the targets of similar accusations. Unacceptable and detrimental to Uber, this.

Opportunities for UBER

Uber can determine the top drivers with the system of monitoring the performance of drivers and taking the opinion of customers.
Also, Uber has a lot of growth opportunities in other countries.
Uber's plans to introduce driverless cars have a very high profit potential. By eliminating the need for drivers, which may be the company's biggest expense, this helps the company's cost-cutting efforts. Uber has already conducted road tests of its self-driving cars in Toronto, Arizona, Pittsburgh, San Francisco and Arizona.

Also, Uber has cooperated with Hyundai to enter the electric air taxis or flying cars, which is expected to reach 1.5 trillion dollars by 2040.

Threats to UBER

The SWOT analysis of Uber concludes with a discussion of threat.
With increasing competition in this market, keeping customers and even drivers can be a challenge for Uber. Even competitors have the motivation to steal Uber's customer database and use it, as it happened once.

Although drivers' lawsuits against Uber over its minimum wage policy were settled out of court, it was enough to hit Uber's public image. In a country like India, competitors like Lyft and Ola have had a great impact on this company.

Governmental constraints and legal issues may significantly hurt Uber. The question of whether Uber should be categorized as an IT firm or a typical taxi service is still up for debate. Transport for London (TfL), who indicated in 2017 that Uber will not be granted a new private hire license, determined that Uber is unsuitable to hold a London private hire operator license. But it's crucial to remember that Uber was given permission to carry on with operations in London when a judge approved its appeal against TFL.

Conclusion and Recommendation

There is no doubt that Uber is one of the biggest startups in the world, but there are also many opportunities and threats. I hope the recommendations below will help the company grow and improve.

It is better to consider in the Uber application that it increases the safety of the riders in cases where they are harassed by the driver.

Even for drivers, there have been cases of beatings by advisors, which Uber has done little about.

There is also a need for more monitoring of the data that the company has. Because it can be justified as far as the travel of the passenger is concerned, but the company needs to provide legal reasons for the cases that are not justified.

It seems that the company has a ten-minute training program, which is a short period of time, although by voting for drivers, it can make a good contribution in identifying reliable people, but this does not solve the need for more training.

It would be good if Uber could consider better programs for its loyal customers and provide loyal customers with services such as discounts or rewards.

On the other hand, local and event-based advertising can have a great impact on attracting customers.

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