Various Management Frameworks And Tools On The Context Of Uber

Discussion

This section discusses various management frameworks and tools in the context of Uber Technologies, Inc. to assess the effectiveness of its business strategy and identify the changes that it underwent throughout its operations.

Business strategy of Uber

Before talking about the business strategy of the company, it is primarily important to discuss its mission statement. The mission statement will indicate the areas where they have been more focused. Therefore;

Mission Statement of Uber

A mission statement outlines and mentions the strategic approaches, which the management team exploits to be able to take the company towards its set of goals and the vision statement. The mission statement of Uber is,

“Transportation as reliable as running water, everywhere for everyone” (Uber 2020)

The mission statement shown above has many notable components. These are (Pandey, Kim, and Pandey 2017):

- Improved lives – The Company through its effective principles is trying to change the lives of the people, the community, and the world around the business. For example, Uber through its ‘Global Citizenship Programs’ tries to improve the lives of customers as well as the drivers. The changes could be seen along with the socio-economic life states of the people, which have changed notably. For instance, drivers of Uber are being empowered to earn more money consistently. Getting access to customers on a regular basis was not that easier and certain as well before the advent of Uber. However, it all changed when Uber entered the market and guaranteed that the drivers have continuous access to customers in and around the cities across the globe. Customers, on the other hand, have received enormous benefits through having Uber to their access. Their hassle to wait for a cab and being also refused service in some parts of the world had remained a common headache for the customers until Uber entered the market and changed it all. With Uber, customers can now easily book a cab as per their preference for the fare and capacity. Riding with Uber became a joyful event for many customers. There had been a few moments when Uber was criticized for its security on the ride. Despite that being a fact, Uber still is a very convenient and must-have service option for a huge population of the customer worldwide.
- Even crossing the boundaries of expectations – The service offerings of Uber is not limited to transport, which is also the primary objective of the company. It is expanded to

a much-diversified portfolio of services. For example, Uber delivery services fulfill the needs of the customers to get food while sitting at homes and offices. It also provided a huge earning opportunity for many drivers. It was such a concept, which perhaps nobody had ever thought about.

- Everywhere for everyone – Uber ride services, Uber delivery services, Uber health services, etc. are a few services in the service portfolio of Uber. These services tell about the excellence of Uber in connecting one person with another. For instance, Uber delivery services connect the food service provider, the delivery driver, and the customers on one single platform.

The mission statement of Uber as outlined and explained above in the bullets indicates that its business strategies are for the betterment of the customers, the drivers, and the service providers. Below is a detailed outline of the business strategy of Uber:

- More rides in more places

Uber has always been focused on increasing the number of rides in more places. In doing so, the company is trying to stab its competitors in every way possible (Teece 2018). For instance, Uber slashes its pricing aggressively to attract more customers and increase the count for rides. Uber sometimes does not even think of its profit and goes aggressively for the competition despite earning a loss of money. To ensure that the drivers are not at loss from this strategy of Uber, it covers the marginal difference in the profit on its own (Teece 2018). In this way, Uber desires to compete even at a significant loss of money.

The business strategy of Uber as outlined in the above paragraph is not new for a technology start-up company as popularity is more important for them than profitability. However, whether Uber can sustain this strategy, in the long run, is a big question. In the long run, Uber may not afford to go into losses to entertain an aggressive competition as this will affect the earnings of the drivers. It is to be noted that Uber’s drivers are not its employees. They are independent contractors. Therefore, the drivers are not eligible for numerous employment benefits and perks as given to an employee like minimum wage, health insurance, paid vacations, etc. (Rosenblat and Stark 2016). The only motivation that the drivers have to work with Uber is constant access to a huge number of customers and the opportunity to earn a healthy amount to effectively take care of their homely and personal financial matters.

From the perspective of the customers, the attractive pricing strategy of Uber, as part of its aggressive competitive strategy, is a good thing to have. They can avail themselves of a ride at the best price offered. Nothing could be more satisfying to customers than this because what they only expect is a secure, entertaining, and much affordable ride experience (Bashir, Yousaf and Verma 2016).