UBER - SWOT analysis

THE LIST OF FEATURES

1.1 STRENGTHS

- Scalable solution, high potential for international operation – market for taxi services exists everywhere. 30 points

- Cash-less payments; ability to track and choose highly rated drivers; getting a car with a single tap; clear pricing - ability to check how much money you will pay up front and what the price includes. 25 points

- High valuation of Uber, large amounts of money from investors are available for expansion of the company. 20 points

- Low operational costs. The service is based on customer-to-driver interaction through the application; no need for a dispatcher or similar services. 15 points

- Low prices compared to traditional taxi operators (uberPOP - in Poland prices are 10-20% lower than a regular taxi). 10 points

- No full-time drivers. Uber does not hire drivers, hence they do not have traditional responsibilities as a company toward employees. UNSELECTED

- Still relatively small amount of competition from similar types of services. UNSELECTED
Trust and safety: accountability of drivers and clients (dual rating system).

Convenient for the drivers: flexible hours, ability to serve Uber as a part-time employee. Ability to reject unwanted clients.

Well recognizable brand

Potentially an unlimited fleet of vehicles. Traditional Taxi service limits/regulations do not apply to Uber.

High standard of service (or very high: mostly with Uber Black), verified drivers and cars.
**1.2 WEAKNESSES**

- Ethically questionable relationships between Uber and its drivers. Lack of real connection/loyalty between Uber and its drivers. **40 points**

- Unpredictable business model. Uber is operating in highly regulated market, constrained legislation and regulations. **30 points**

- Lack of bond between the company and its customers. For a large number of clients the incentive to stay with Uber is low. **20 points**

- Low driver earnings in comparison to the high costs of operating vehicle. **10 points**

- Privacy issues. Uber records where client gets the cab and where he goes with it. **UNSELECTED**

- The idea is easily copied; there is nothing which prevents competition from building the same product with, e.g., lower prices. **UNSELECTED**

- Arrogance on the part of the executives, which can lead to unjustifiable business decisions, which can then lead to losses. **UNSELECTED**

- Weak knowledge of local markets around the world (such as in Poland). **UNSELECTED**
1.3 OPPORTUNITIES

- Dissatisfaction with cab companies due to high prices or long waiting time (especially in the U.S.).  **35 points**

- Growing number of Uber’s drivers will lower the ETA (Estimated Time of Arrival) and make Uber service more popular and more profitable for drivers (shorter time when the taxi is vacant).  **25 points**

- New, big, exploitable markets in countries where taxi services are expensive or inconvenient (e.g. India).  **20 points**

- Increasing valuation, which can attract more investors and provide Uber with more money to operate.  **10 points**

- Additional services: transporting children to school, transporting older patients to hospital, transporting pets to the vet.  **10 points**

- Growing markets in small towns or in suburban areas where there are no taxi services available.  **UNSELECTED**

- Cheaper electric cars, which will reduce the cost of working as a driver and increase the driver’s profit margin.  **UNSELECTED**
Drivers unhappy with lower profit margins will cause bad publicity and discourage new drivers from joining Uber. 45 points

New legal regulations which will ban Uber from operating in certain countries (Germany). 40 points

Conflicts with local authorities, which can lead to a number of fines imposed on the company (as in Germany) and potentially bad PR. 10 points

Growing competition will cause a decrease in prices, which may discourage drivers from joining Uber in new markets and will cause loss of some customers and eventually dilute the company's revenues. 5 points

Because of growing number of markets and drivers, scandals and fraud harmful to the brand are much more probable (rape case in India).

Potential overvaluation can lead to over-investment in countries where there is no room for more businesses of a similar types (see: case of eBay which opened its office in Poland).

In the distant future: self-driving cars (e.g. Google Cars) will completely eliminate the need of having Uber or a taxi.
# THE CONNECTIONS

## 2.1 STRENGTHS AND OPPORTUNITIES

**WHETHER**

<table>
<thead>
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**WHETHER**

High valuation of Uber, large amounts of money from investors are available for expansion of the company.

**STRENGTH:**

ALLOWS FOR THE USE OF OPPORTUNITY:

- Dissatisfaction with cab companies due to high prices or long waiting time (especially in the U.S.).
- Yes
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- New, big, exploitable markets in countries where taxi services are expensive or inconvenient (e.g. India).
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- Growing number of Uber's drivers will lower the ETA (Estimated Time of Arrival) and make Uber service more popular and more profitable for drivers (shorter time when the taxi is vacant).
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- Additional services: transporting children to school, transporting older patients to hospital, transporting pets to the vet.
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- No
Low operational costs. The service is based on customer-to-driver interaction through the application; no need for a dispatcher or similar services.

**ALLOWS FOR THE USE OF OPPORTUNITY:**

- Dissatisfaction with cab companies due to high prices or long waiting time (especially in the U.S.).
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- Growing number of Uber's drivers will lower the ETA (Estimated Time of Arrival) and make Uber service more popular and more profitable for drivers (shorter time when the taxi is vacant).
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### WHETHER

Low prices compared to traditional taxi operators (uberPOP - in Poland prices are 10-20% lower than a regular taxi).

### STRENGTH:

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## 2.2 Strengths and Threats

** WHETHER **

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** LIMITS THE IMPACT OF THREAT: **

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Cash-less payments; ability to track and choose highly rated drivers; getting a car with a single tap; clear pricing - ability to check how much money you will pay up front and what the price includes.

Dissatisfaction with cab companies due to high prices or long waiting time (especially in the U.S.).

New, big, exploitable markets in countries where taxi services are expensive or inconvenient (e.g. India).

Growing number of Uber's drivers will lower the ETA (Estimated Time of Arrival) and make Uber service more popular and more profitable for drivers (shorter time when the taxi is vacant).

Increasing valuation, which can attract more investors and provide Uber with more money to operate.

Additional services: transporting children to school, transporting older patients to hospital, transporting pets to the vet.
WHETHER

High valuation of Uber, large amounts of money from investors are available for expansion of the company.

LIMITS THE IMPACT OF THREAT:

Dissatisfaction with cab companies due to high prices or long waiting time (especially in the U.S.).

New, big, exploitable markets in countries where taxi services are expensive or inconvenient (e.g. India).

Growing number of Uber's drivers will lower the ETA (Estimated Time of Arrival) and make Uber service more popular and more profitable for drivers (shorter time when the taxi is vacant).

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Additional services: transporting children to school, transporting older patients to hospital, transporting pets to the vet.
**Low operational costs.** The service is based on customer-to-driver interaction through the application; no need for a dispatcher or similar services.

**LIMITS THE IMPACT OF THREAT:**

| Dissatisfaction with cab companies due to high prices or long waiting time (especially in the U.S.). | Yes | No |
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| Increasing valuation, which can attract more investors and provide Uber with more money to operate. | Yes | No |
| Additional services: transporting children to school, transporting older patients to hospital, transporting pets to the vet. | Yes | No |
### Strengths:

- Low prices compared to traditional taxi operators (uberPOP - in Poland prices are 10-20% lower than a regular taxi).

### Limits the Impact of Threat:

- Dissatisfaction with cab companies due to high prices or long waiting time (especially in the U.S.).
- New, big, exploitable markets in countries where taxi services are expensive or inconvenient (e.g. India).
- Growing number of Uber's drivers will lower the ETA (Estimated Time of Arrival) and make Uber service more popular and more profitable for drivers (shorter time when the taxi is vacant).
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- Additional services: transporting children to school, transporting older patients to hospital, transporting pets to the vet.
2.3 **WEAKNESSES AND OPPORTUNITY**

**WHETHER WEAKNESS:**

Ethically questionable relationships between Uber and its drivers. Lack of real connection/loyalty between Uber and its drivers.

**LIMITS THE USE OF OPPORTUNITY:**

- Dissatisfaction with cab companies due to high prices or long waiting time (especially in the U.S.).
  - [ ] Yes
  - [ ] No

- New, big, exploitable markets in countries where taxi services are expensive or inconvenient (e.g. India).
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- Growing number of Uber's drivers will lower the ETA (Estimated Time of Arrival) and make Uber service more popular and more profitable for drivers (shorter time when the taxi is vacant).
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- Increasing valuation, which can attract more investors and provide Uber with more money to operate.
  - [ ] Yes
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- Additional services: transporting children to school, transporting older patients to hospital, transporting pets to the vet.
  - [ ] Yes
  - [ ] No
Unpredictable business model. Uber is operating in highly regulated market, constrained legislation and regulations.

**LIMITS THE USE OF OPPORTUNITY:**

- Dissatisfaction with cab companies due to high prices or long waiting time (especially in the U.S.).
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- Additional services: transporting children to school, transporting older patients to hospital, transporting pets to the vet.
Lack of bond between the company and its customers. For a large number of clients the incentive to stay with Uber is low.

**LIMITS THE USE OF OPPORTUNITY:**

- Dissatisfaction with cab companies due to high prices or long waiting time (especially in the U.S.).
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- Additional services: transporting children to school, transporting older patients to hospital, transporting pets to the vet.
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  - No
**WHETHER**

Low driver earnings in comparison to the high costs of operating vehicle.

**LIMITS THE USE OF OPPORTUNITY:**

- Dissatisfaction with cab companies due to high prices or long waiting time (especially in the U.S.).
  - Yes [ ]
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- New, big, exploitable markets in countries where taxi services are expensive or inconvenient (e.g. India).
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  - No [ ]

- Increasing valuation, which can attract more investors and provide Uber with more money to operate.
  - Yes [ ]
  - No [ ]

- Additional services: transporting children to school, transporting older patients to hospital, transporting pets to the vet.
  - Yes [ ]
  - No [ ]
2.4 **WEAKNESSES AND THREATS**

**WEAKNESS:**
Ethically questionable relationships between Uber and its drivers. Lack of real connection/loyalty between Uber and its drivers.

**INTENSIFIES THE IMPACT OF THREAT:**

- Dissatisfaction with cab companies due to high prices or long waiting time (especially in the U.S.).
  - Yes
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**WHETHER**

Lack of bond between the company and its customers. For a large number of clients the incentive to stay with Uber is low.

**INTENSIFIES THE IMPACT OF THREAT:**

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Low driver earnings in comparison to the high costs of operating vehicle.

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SUMMARY
Below you can find the report based on the provided data.

3.1 OVERALL IMPACT OF STRENGTHS AND WEAKNESSES
The graphs below present the summarized impacts of strengths and weaknesses on both your opportunities and threats.

![Strengths Impact vs Weaknesses Impact](chart)

- **Strengths Impact**: 51.8%
- **Weaknesses Impact**: 71.5%

3.2 DETAILED IMPACT OF STRENGTHS AND WEAKNESSES
The charts below show what the impact is of strengths and weaknesses separately on opportunities and threats.

- **Strengths allow for the use of Opportunities**: 74.0%
- **Strengths allow you to overcome Threats**: 27.2%
- **Weaknesses limit the use of Opportunities**: 62.8%
- **Weaknesses intensify the impact of Threats**: 81.3%
## IMPACT OF SPECIFIC FEATURES

The table below presents strengths with the biggest positive and weaknesses with the biggest negative impact on opportunities and threats.

<table>
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<th>STRENGTHS IMPACT</th>
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