

What is the key to Uber's extremely fast growth?

Company history

Uber is an American company based in San Francisco, the creator of the Uber mobile app which is used to order a car transport. Uber provides services in over 900 cities around the world to over 110 million customers.

The idea for Uber was born when its founder Travis Kalanick couldn't find a taxi in Paris to get to the conference. After two previous unsuccessful ventures, it was extremely difficult for Kalanick to convince investors. However, as soon as Ubercab was launched in San Francisco, it became a big hit. After the first success, it was decided to expand to other cities in the US and abroad and the first city was Paris. Uber is currently valued at USD 52 billion.

Business model

Uber has its own smartphone application where the customer can choose the starting point and destination of their journey. At the end of the route, they are obliged to pay with debit or credit card connected to his account in accordance with the approved estimated amount, being the result of the temporary supply of drivers and passenger demand.

Drivers working in the Uber system are not direct employees, but only contractors. They can use their own or rented car. However, before they are allowed to cooperate, they must undergo health tests, as well as have a driving license, appropriate age and a mobile device. For the safety of passengers, from time to time drivers are checked when logging in by having to take a selfie to confirm their identity.

Competitive advantages

The company's success, which led to the position of a global leader in car ride-sharing services, was associated with the use of a very innovative approach. It was based on filling the market niche between taxi services and using personal cars. This allowed Uber to connect passengers directly with drivers performing services through the company's mobile application.

In addition, Uber is able to monitor the level of customer satisfaction through the driver rating system, which leads to keeping the staff at the highest level. It allows providing much greater security for users of Uber services, compared to taxis.

March 2009

Development of the Uber application in San Francisco

July 2010

First Uber ride in history

December 2011

The beginning of foreign expansion - Paris

September 2016

The first autonomous vehicle project

June 2018

Completion of a 10 billion rides

Uber

Summary and conclusions:

What is behind the rapid development of Uber, allowing for a smooth transition to the level of global corporation? First of all, it is to notice a market niche, where there is no competition yet, or which has not been successfully controlled by another startup. This situation can be called the discovery of the blue ocean. In the next phase, Uber managed to efficiently obtain financing, which allowed the create applications and company structures, as well as conducting a wide promotional campaign of services, allowing for broad expansion.