

# 12 The Future of Mobility According to Uber: Current dynamics, immediate challenges and future prospects

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## Introduction

Populations are increasingly becoming urbanised, and this had led to widespread traffic congestion in all major towns. Resolving the traffic congestion challenge in major urban cities is of paramount importance. Taxi services have been a monopoly market, created to ensure that demand is always above supply. The introduction of e-hailing services by Uber has increased competition for the metered taxis, which were the monopoly. E-hailing services by Uber brought better public transport within our major cities with the use of technology which improved service quality and met customers' expectations. This sharp increase in technologically driven transport innovation comes during a period in which decades-long transport trends are beginning to change. Moreover, innovations introduced by Uber make things much easier for riders, attracting business away from less-innovative taxi companies. The global auto industry's transformation has far-reaching implications for how we move from point A to point B and, in turn, affects carmakers, energy companies, insurers, health care, government funding, and more. Innovations by Uber have created a whole new market which is changing urban mobility, through research and development investments. Uber has successfully tested self-driving cars that would bring disruption to Uber drivers. Uber is an example of a present-day multinational that has benefitted from technology, innovation and globalisation.

*One of the basic human needs is transportation. Mobility allows us to take advantage of life and its possibilities. However, mobility does have its drawbacks, particularly in urban environments, where plenty of people utilize mobility options simultaneously. Poor air quality, traffic congestion and lack of parking are a result of growing mobility needs, (Hardt & Bogenberger, 2019: 155)*

It is hard to determine exactly what the future will look like as transportation dramatically transforms. Vehicles are becoming electrified, automated and shared at the same time, but any of these three revolutions could happen more quickly and more slowly than the other, causing various environmental effects. There is a critically important dialogue going on across the extended global automotive industry about the future evolution of transportation and mobility. This debate is driven by the convergence of a series of industry-changing forces and mega-trends (Corwin et al., 2015). The disruption that has been brought about by the entrepreneurship of Uber within the transport industry has been revolutionary, particularly to the metered taxi industry, everywhere Uber operates. The transport sector is at the beginning of a period of significant disruption, with new technologies, products and services fundamentally shifting customer expectations and opportunities. Tam et al. (2018) noted that a ride-hailing company would be confronted with many unprecedented problems, e.g. regulatory control, as compared to traditional taxi industry. Contemporary society has entered a period of transport innovation beyond anything experienced in living memory. Apps that are able to summon rides at the tap of a screen, solar powered or battery operated cars that can drive themselves, GPS connected public bikes; these were once fanciful or even unimaginable ideas that have, in one form or another, arrived in many of our cities, all at various stages of development and adoption. In addition, the world of work has changed as innovation such as the gig economy and the Night-Time Economy (NTE) have meant unstructured working hours, which may be during weekends and after hours. The paucity of reliable transport providers, with transparent pricing and the built-in security system, is a gap that disruptors such as Uber have exploited to gain market share and brand preference.

## **Theoretical framework: Lifestyle entrepreneurship**

A theoretical framework grounds the research on a particular body of knowledge, which is the basis for analyzing the objectives and aims of the research to be conducted. Lifestyle entrepreneurship had been chosen as the theoretical framework that would be how Uber expanded opportunities for multiple-income streams and expanded economic opportunity through the built-in system that had encouraged Uber entrepreneurship. Tourism entrepreneurship is closely associated with lifestyle entrepreneurship, a form of entrepreneurship where lifestyle interests supersedes the growth of the business. As noted by Dias et al. (2021) lifestyle entrepreneurs have specific characteristics that differentiate them from other entrepreneurs in other sector.

*Lifestyle entrepreneurship are focused more on their quality of life rather than pure financial outcomes. They means they emphasise how they can earn a respectable income while pursuing a passion. (Ratten, 2020: 2054)*

Supporting the desired lifestyle is more important than business growth and that is the defining feature of lifestyle entrepreneurs. They would naturally keep their business small, instead of seeking rapid growth that would require extensive investment in time, financial and other resources. Uber has created an entrepreneurship platform for millions of people, using vehicles to offer services and attain an income. The asset, in the form of a vehicle, could be used to generate passive income for others, whilst providing partner drivers entry into employment. The sharing economy has created a platform for people to become lifestyle entrepreneurs and develop a 'side hustle', to earn an additional income stream either full-time or part-time.

### **Uber's value proposition**

*That Uber has put its stamp on the taxi industry is without discussion. It has created a shift in the way that we think about personal transportation. Whatever the future of Uber will be, one thing is obvious: we are never going back to the old situation. (Mensing, 2020: 1).*

The Uber advantage can be regarded as a unique value proposition. According to Slone (2017) the unique value proposition (UVP) of a company is what it sounds like, the first thing the public sees and learns about a brand. UVP is also called the unique selling proposition. As noted by Fox (2020) the Uber business model has the following value propositions:

- On-demand cab bookings.
- Real-time tracking.
- Accurate estimated arrival times (ETAs).
- Cashless rides.
- Low wait time for a ride.
- Upfront pricing.
- Multiple ride options.

Tobias (2016) noted that Uber has all three components of the Value Proposition Canvas:

- Delivering 'jobs-to-be done': They solve practical everyday problems like effortlessly finding a ride.
- Relieving pains: They flip poor customer experiences on their head, like the impersonal and sometimes gruff service you can get in taxis .
- Creating gains: They include delight factors that create a 'buzz' around the service, like free mints and water during your ride.

For Uber customers:

- Customers pay less to ride in an Uber than in a taxi.
- Customers don't have to hunt for taxis on the street.
- Customers get free rides and promotions for being loyal users.
- Customers get to use a slick app with features like fare splitting with friends and playing your own music on Spotify.
- Customers can choose the quality of both their car and their drivers.
- Customers get free mints and water and a driver that talks to them.
- Customers never pull out their wallets and payments happen magically in the background.

For Uber drivers:

- Drivers can make additional income at a time that suits them.
- Drivers can make money from a car that usually costs them money.
- Drivers get paid to be online, even if they don't get any ride requests.
- Drivers get paid without a minimum of fuss.
- Drivers that love to drive can earn money while pursuing their passion.

Slone (2017) noted that the some of the tons of benefits about Uber, include the following:

- Be honest, it's cool: You want to ride up somewhere in a car with a personal driver.
- Great for special occasions, too. Weddings, parties, etc
- A fantastic alternative to drunk driving. There have been studies that prove and disprove this, but it's a way safer bet to get an Uber.

Uber has able to replace the taxi business by having data driven information premised on technological transactions and lean processes. According to Mensing (2020) Uber is built on information-based services, backed by the technical platform to distribute the data, which makes it extremely scaleable. These advantages makes it possible to supply and demand seamlessly and to be replicated in geographical markets with ease.

*Paying for a lift is certainly not a new concept, but when Uber announced its new cashless taxi system they were an instant hit. They based the app on innovative Artificial Intelligence (AI) technology to completely take away the stress inducing elements of travelling via taxi for the user such as carrying cash, reliability and frequency. (Law, 201:39).*

The built-in security systems further secures the guests about trip requested. As noted by Fox (2020) the Uber business model relies on ease of use for value proposition.