Marketing & PR: Uber

Student Name

Course

Date

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**Introduction**

The purpose of this project is to understand what the Uber company is, and whether to pursue a business path similar to theirs or go a different route (Uber, 2019). Uber began as a ride-sharing app that linked drivers to passengers (Uber, 2019). With such a simple concept, Uber has grown to 100 million worldwide users and provides food delivery and freight services along with offering ride-sharing in boats and helicopters (Uber, 2019). The company directly competed with taxi cab companies and private taxi services to link licensed drivers to passengers that would otherwise call a cab. The Uber app provided an alternative to passengers seeking greater access to transportation in areas with and without a large taxi cab presence. Initially, this was a challenge to Uber due to a lack of legal right to operate in major cities where taxi companies paid regulatory and registration fees. Ultimately, Uber continued to operate mainly as an unregulated ride sharing company that relied on local drivers to service demand.

**Marketing & PR**

Uber is a company representative of the digital age, where they exist to interact with consumers on the app platform. Uber is a service company providing ride-sharing as a service to its user base. The marketing strategy identifies the product to its consumer base through its app. The app is the product by Uber that connects riders with drivers using GPS through smart phone applications (Pullen, 2014). The main form of marketing is the promotion of the service by customer referrals. The marketing strategy relies on the consumer experience linking actual value of the product against the cost of the service. The marketing efforts have resulted in 436,000 Uber rides per day within New York City as of August, 2018 (Iqbal, 2018).

Uber’s marketing efforts are directly linked to its product and service quality. The product is the simple to use Uber app (Lobel & Bamberger, 2017). The product must work properly and have wide availability for consumers to have access to the app. The app must not malfunction or have issues with facilitating payment and the ride. The quality is based on ensuring the correct driver arrives with the location information the passenger requires. The consumer is expected to have an easy and comforting experience after using the product and the service. The word-of-mouth (Miller, 2016) marketing efforts Uber relies on from its consumer base would have to agree that experiences after using the Uber app have been positive and are recommended.

The geographic and demographic process as the framework for its marketing strategy has been integrated through the use of its social media identities. These identities provide its main digital marketing presence to allow its consumer base and potential consumers to identify the company and understand its business. The social media presence also allows consumers to contact the company where the response the company gives will either encourage or discourage consumers from using the product and service. The combination of the geographic and demographic process is linked to the company’s brand equity. The company also promoted its referral marketing program that provided benefits to advocates of its services along with launching a customer loyalty program (Miller, 2016). Additionally, Uber used stunts or ploys for promotional events and facilitated alliances with major companies to gain more customers (Miller, 2016). Further, the use of ratings and reviews for service along with the omni-channel approach established its seven step marketing strategy (Miller, 2016).

The PR efforts of Uber are based on the effectiveness of its marketing campaign and the issues the company had with providing service to consumers, and how its resolved them given the company’s public perception. Incidents involving the company contracted drivers have led to PR issues for Uber. These incidents involve the safety of the passengers and the public at-large. These issues present a PR problem for Uber due to the nature of its business as a services-oriented company. Much of its PR presence is the company chief executive and the media relations between the CEO and the public. The company will assist the chief executive to address prominent issues the company experienced that reflect negatively against its PR efforts to promote itself in a positive way.

The PR efforts are supported by the marketing strategy to lead its brand identity after incidents that reflect negatively on the company. Promotion of its brand equity through omni-channels allows greater outreach to consumers after PR issues. The company can respond through social media as well as conventional communication and marketing channels to address safety concerns and related issues that reflect negatively on the company. The promotion of the product and service through its marketing strategy is the main function of its PR efforts when quality and safety issues are not pending. The use of PR for Uber remains an issue when drivers and passengers present quality problems that enter into the public space. Media releases of video from the cabin of the vehicle or reports filed by drivers or passengers become public knowledge and result in negative publicity for the company.

Uber must continue to ensure its marketing efforts are able to address shortcomings in its quality and service. The ratings and reviews are one area that can impact the company’s profitability and future growth while the influence of negative publicity can negatively impact its PR presence. The social media efforts can reflect the overall stance the company has with its customer base and any shift can become noticeable on its social media pages and related accounts.

**Recommendations & Conclusions (2pgs)**

Uber is an example of a company that began with a concept and a small distribution network for its services and expanded coverage using a network of independent contractors to service demand. The practice is likely how many companies that would enter the ride-sharing business would begin operating. Companies with thinner profit margins and high cost structures will attempt to limit costs by any means possible. The use of independent contractors is a way to limit costs for the company. States have forced Uber to transition its workforce from independent contractors to employees at a higher expense to Uber. Companies that would consider mimicking Uber or finding another path into running comparative business operations will likely experience the same result. The higher cost structure is an important reality to consider when being reminded of the customer’s preference for pricing and the demand for services.

Uber provides a competitive service model for brands that would like to compete with them directly. Their underlying operations presents an opportunity to understand how the company handles internal and external issues that impact its stakeholders. An analysis of its underlying operations shows the use of independent contractors or employees do present potential issues in comparison to taxi cab drivers. The overall reliability of Uber can become susceptible when using independent contractors turned employees if these employees are not properly vetted before representing the company as drivers. Alternatively, the company needs enough drivers to satisfy customer demand in its core markets. These issues will be present with any company entering into the ride-sharing space whether or not the company elects to apply Uber’s operational strategy.

Uber’s business path has established its presence as a growing company in the ride-sharing, food delivery and freight services space. Its approach is based on cost control and service quality. Therefore, the marketing strategy would also be bare bones and reliant on cost effective measures that enable the company to grow organically. These marketing measures are susceptible to new market entrants that can improve on the marketing strategy by integrating innovative approaches to directly compete against companies including Uber.

The recommendation is to identify the best practices and Uber and improve upon the service delivery by targeting the most conspicuous issues with its service quality and its PR approach. The methods to improve service delivery can be as simple as identifying the Uber drivers with the best ratings and target them to switch companies. The cost associated with this strategy can be cost prohibitive for new market entrants but can also allow them to migrate from start-up to growth at a faster rate. The issue of limiting exposure is also an important cost measure that can factor into the effectiveness of business operations. Being too overexposed in the market by having too many drivers or attempting to service too many consumers can present operational difficulties that would result in much higher costs and more pressing issues regarding profitability.

Uber’s social media presence is an example of a marketing strategy that new market entrants can adapt and improve upon. The effectiveness of Uber’s social media and Web presence is also based on its ability to address customer issues that are brought to the company’s attention through the platform. New market entrants would approach this as an opportunity by identifying Uber as too large and ubiquitous of a presence within the ride-sharing space to have much concern for individual consumers. New market competitors would identify this as an opportunity to provide improved customer service and to also improve quality based on customer feedback received through social media.

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