

Favorable PESTLE Factors for Uber Entry to China

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As seen through the perspectives of the PESTLE framework, several factors influenced Uber's decision to venture into China. For instance, from the sociology perspective, China was an attractive place for Uber because of a growing need for transport services. According to Šepel'ová et al. (2021) for instance, in big cities such as Beijing and Shanghai, people find it hard to keep up with their motorcycles or cars simply because of the heavy traffic and high populations (Singh et al.,2020). The increasing disparity in the availability of transport supplies amid a rise in demand provided a good chance for Uber to provide a better and more affordable option.

Furthermore, China's significant pollution issues greatly influenced the decision to introduce Uber. Nevertheless, the Chinese government had already implemented several measures to combat pollution, such as "no-drive" days and removing approximately 5.3 million highly polluting vehicles from the roads (Liu et al.,2021). Uber has responded to the issue of motor vehicles being the primary source of air pollution by introducing eco-rider shares and hybrid-powered taxis, thus promoting environmental awareness.

Moreover, political factors that affected this regulatory environment in China included the fact that it varied from city to city. Some cities were unregulated, and while some regions had laid down rules, their enforcement was limited. Diversity in regulatory oversight, or its absence, made Uber think it could succeed in poorly controlled areas (Singh et al.,2020). Uber viewed these locations as relatively easier and favorable for entering the market, hence being able to do so and outrun the competition in general.

Reasons for Joint Ventures

Uber employed the JV approach in China for two specific reasons. Besides, it offered them critical indigenous knowledge of China and contacts while allowing them to go through China's intricate environment and regulation system. The second point ensured that Uber could tap into Baidu's resources and financial backing, which were imperative for effectiveness in an intensely competitive industry. Uber's joint venture aimed to merge its technological and global expertise with Baidu's local knowledge and financial power.

Factors In PESTLE That Presented Challenges to Uber's Attempt to Expand In China

The operating environment in which Uber was presented with some challenges in China represents a clear reference to the PESTLE framework. While Uber met tough rivals, such as Didi, that had public confidence, most sociological issues offered strong obstacles. Trust was problematic because Chinese passengers felt more comfortable with taxi cabs than riding in unknown cars (Liu et al.,2021). Moreover, China's attributes necessitated the development of alternate tactics, while Uber faced strikes by more than one thousand conventional taxi cabs that disapproved of their establishment.

Regarding technology, Uber encountered problems concerning electronic payments and location-based applications. The flaws were manipulated by scammers who caused some real clients' rides to be called off (Šepel'ová et al.,2021). It was difficult for some users, hence the subsequent preference changes from the credit card payment system to Alipay. However, Uber's reliance on Google Maps created problems in China where there were inaccuracies, and a strategic partnership with Baidu had to occur, as well as a significant effort in software and mapping adjustments had to take place.

However, Uber faced political difficulties because of its status as an alien entering into formidable legal restrictions of the political environment (Liu et al.,2021). In 2016, the Chinese government developed new rules like criminal checks and a minimum of one year's driving experience, affecting Uber's operation. Support from the government favored domestic companies, while Uber faced political pressure.

Despite its legal ambivalence, Uber operated in gray areas that were punishable, for instance, having their iPhones confiscated. Anti-monopoly laws also caught up with the Uber-Didi merger. However, Uber decided to form a merger with its biggest rival, Didi, when the Chinese government announced new regulations in the taxi-sharing market and found that it would be nearly impossible to survive within a changing laws environment.

Recommendation

Uber can employ various crucial recommendations to enhance its prospects of success in the Chinese industry. Initially, it is imperative to establish a brand identity. Uber's global triumph did not seamlessly extend to China, where Didi already had a stronger reputation and customer confidence due to word-of-mouth and local presence. Developing a distinctive and robust brand identity that deeply connects with the Chinese market is paramount.

In addition, it is important to have greater knowledge of the Chinese market. Uber should carry out thorough market research before gaining entry into the country so that it can know what the

customers prefer and what is unique about the country's culture, among others (Šepel'ová et al., 2021). This will enable them to customize services, pricing, and marketing approaches towards the demands and expectations of the Chinese consumer market. Uber had a chance to learn from their mistakes within the Chinese market and adapt to it better.

References

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