Uber’s Operation in the Middle East and South Africa

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Transportation has taken a different shift in modern society. Uber, a web-based application launched in 2009 and headquartered in California, replaces taxis with the ability to offer services to remote customers. The system banks on a location-based app to connect customers with drivers in over 60 countries. Even though the service is widely accepted in various parts of the world, South Africa remains a challenging market to enter. Ideally, that arises due to the level of national divide, economic divide, as well as the high crime rate experienced in the region. Nevertheless, Uber strives to bank on its brand name and reputation in scaling operations within the premises. The core competencies give the organization leverage in organizing drivers as well as vehicles, most of which belong to third parties. This case study explores Uber’s operations in the Middle East as well as South Africa, includes the barriers to scalability as well as the existing opportunities, and summarises the future of the industry in such locations.

Background

Uber emerged as the first web-based network to improve transportation and delivery in the 21st century. Being the first mover, Uber has a competitive edge over other companies, and that is the main reason for its scalability. Ideally, an understanding of the business model, as well as customer problems, makes it possible to improve service delivery. Every company that is customer-centric is likely to grow, and that is the case with Uber. Even though allegations of price discrimination currently surface, the company is still at the top due to proper customer service as well as the level of security depicted (Cramer & Krueger, 2016). The current business model requires the best approaches to remain relevant. Uber banks on economies of scale to meet internal logistics and provide the best service to its customers. The company is less than ten years old and has managed to achieve a net worth of over $70 billion (Rayle et al., 2016). Since very few had the idea, the company used the first profits to grow critical operations and stay ahead of competitors such as Taxify. Initially, Uber operated as a tech firm. That makes it possible to bank on advancements in technology when expanding. Establishing a transport company could have limited expansion.

Business culture is imperative and makes it possible to attract a talented workforce. Moreover, it is possible to improve productivity as well as operational efficiency. That is the case with Uber, and the company currently enjoys smooth operations. The ability to formulate a customer-centric as well as data-driven culture is the main reason for growth. Customers always provide positive reviews of the

company's products. The company also strategizes and partners with other companies to create awareness. In fact, the company has emerged among the top results in Google searches.

Business In The Middle East

Maybe you have not experienced Uber in the UAE. The service is top-notch, and all you need to do is download the application and link it to your credit card. The service came to the Middle East in 2013, and since then, it has experienced tremendous growth. The car will find you everywhere, and that avoids the frustrations of looking around for help. Uber's revolution, just like any other technological advancement, has some impact on users, and it is prudent to have a clear understanding of these aspects (Cramer & Krueger, 2016). According to the company's spokesman, the Middle East stands as one of the regions with the fastest growth, and it is possible to achieve an even wider margin shortly. The company plans to invest more in the area to meet the rising demand and foster customer loyalty. Ideally, the success of every company relies on how well it meets the needs of the end users. One instance that thwarts operations in the region is the existing government regulations, which make it an uphill task to operate freely. Uber, as well as other taxi services, stated that they are willing to lower costs once the government provides the best incentives. Such instances will improve the welfare of the population. In the Middle East, it stands out that businesses are always brisk, and Uber has managed to traverse over 15 cities in the region, including Beirut, Doha, and Cairo, among others. That brings the need to increase the level of investment and foster productivity in the area.

It is apparent that Uber is not the only company involved in the transportation process. However, the company strives to invest where the returns are better, such as in the Middle East. It is possible to focus and ensure growth in the most effective manner. Competition still exists, and Uber managed to cut the fare in Abu Dhabi to remain relevant. It stands out that Careem is the main competitor and failed to follow suit. As a consequence, Uber still manages to dominate the market and improve on critical aspects of the industry. According to the spokesman, Uber is still the leading app in the region. In fact, the app gets downloaded more than any other application in the area.

Business In South America

It is apparent that some of Uber's key battlegrounds include the United States, the Middle East, and most parts of South Africa. Even though the emergence of Careem offered such a level of competition, it emerges that Latin America is also a space to watch out for, and the management should provide the best methodologies to address concerns in the region (Rayle et al., 2016). The existence of SoftBank, as well as Didi's dollars, is the leading cause of rivalry in the region, and Uber should understand that retaining the existing customer base is still a daunting experience apart from scaling operations in the area. That posits that Central, as well as South America, should be the next consolidation effort to achieve the best out of the region. Uber managed to merge with Grab. That is an instance that makes the future organic rather than banking on M&A. Even though the market is

promising, it is mandatory to implement the most effective strategies to gain a competitive edge.

Conclusion

From the case study, Uber managed to achieve greater scalability, but that still calls for the implementation of the best strategies to ensure growth. It is evident that the company currently dominates the Middle East and will continue to thrive in the region. However, the competition existing in South Africa is stiff and calls for better marketing strategies as well as operational effectiveness to achieve growth. The management should learn how to use the latest technology to gain a competitive advantage over other premises. Moreover, it is crucial to diversify since that will provide a wider customer base.

References

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