Uber

For Chile

Goal

Build a launch plan for Uber to dive into the Latin American market

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Problem discovery

Country	Does Uber Exist in the market?	Market Share	GDP (Nominal USD in Billions) (India $3,416)	GDP Per Capita (Nominal USD) (India $2,410)	Internet Penetration (%) (India 46%)	Urbanisation (%) (India 36%)	Income Inequality (Gini coefficient) (India 34.2)	Unemployment Rate (India 7.3%)	Intentional homicides (India 3)	Population living in slums (India 49)	Political Stability	Legal Rules and regulations
Nicaragua	No	No major player, small players like Aventon, ray, indriver	$15	$2,255	57%	60%	46.2	5.6%	8	67	High crime rate and poor rule of law	Poor laws and regulations
Suriname	No	No app based ride hailing service present	$3	$5,858	66%	66%	57.9	8.6%	6	14		
Mexico	Yes	Uber (95%)	$1,465	$11,496	76%	81%	45.4	3.3%	17	18		
Argentina	Yes	Uber (70%)	$631	$13,650	87%	92%	42	6.5%	7	16		
Colombia	Yes	Uber (50)	$343	$6,624	73%	82%	51.5	10.7%	27	10	Recently stable	Riide-sharing apps still face regulatory hurdles
Guatemala	Yes	Uber (10%)	$95	$5,473	51%	53%	48.3	2.6%	5	38		
Bolivia	Yes	Not available	$44	$3,600	66%	71%	40.9	4.4%	5	47	Political instability	
Paraguay	Yes	Uber (50%)	$41	$6,153	77%	63%	42.9	6.9%	10	18		
El Salvador	Yes	Not available	$32	$5,127	63%	75%	39	3.8%	107	16	Stable	
Honduras	Yes	Uber (50%)	$31	$3,040	48%	60%	48.2	7.1%	33	32		
Brazil	Yes	Uber(50%)	$1,920	$8,917	81%	88%	52.9	9.5%	28	15		
Ecuador	Yes	Uber (25%)	$115	$6,391	76%	65%	45.8	4.0%	6	58		
Chile	Yes	Uber(30%)	$301	$15,355	90%	88%	44.9	7.80%	4	7	Stable	
Peru	Yes	Uber(60%)	$242	$7,125	71%	79%	40.2	3.7%	7	34	Political instability	
Costa Rica	Yes	Not available	$69	$13,365	83%	82%	48.7	11.5%	11	5		

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Problem discovery

And the winner is **Chile** 🇨🇱
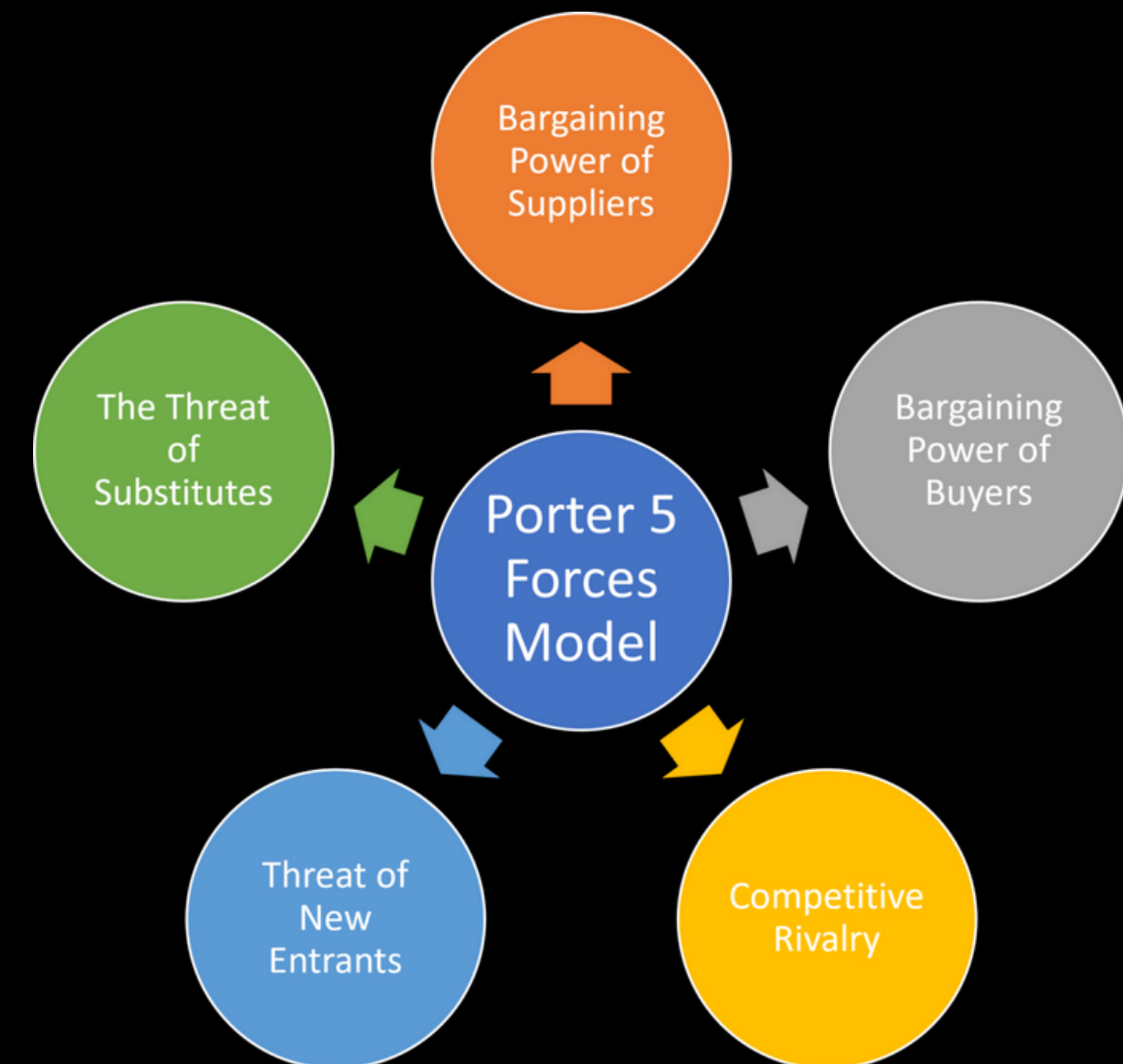
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Competitor Discovery

Market Analysis

- Geography
- Economy
- Social Landscape
- Political Landscape
- Legal Landscape

Detailed Link -
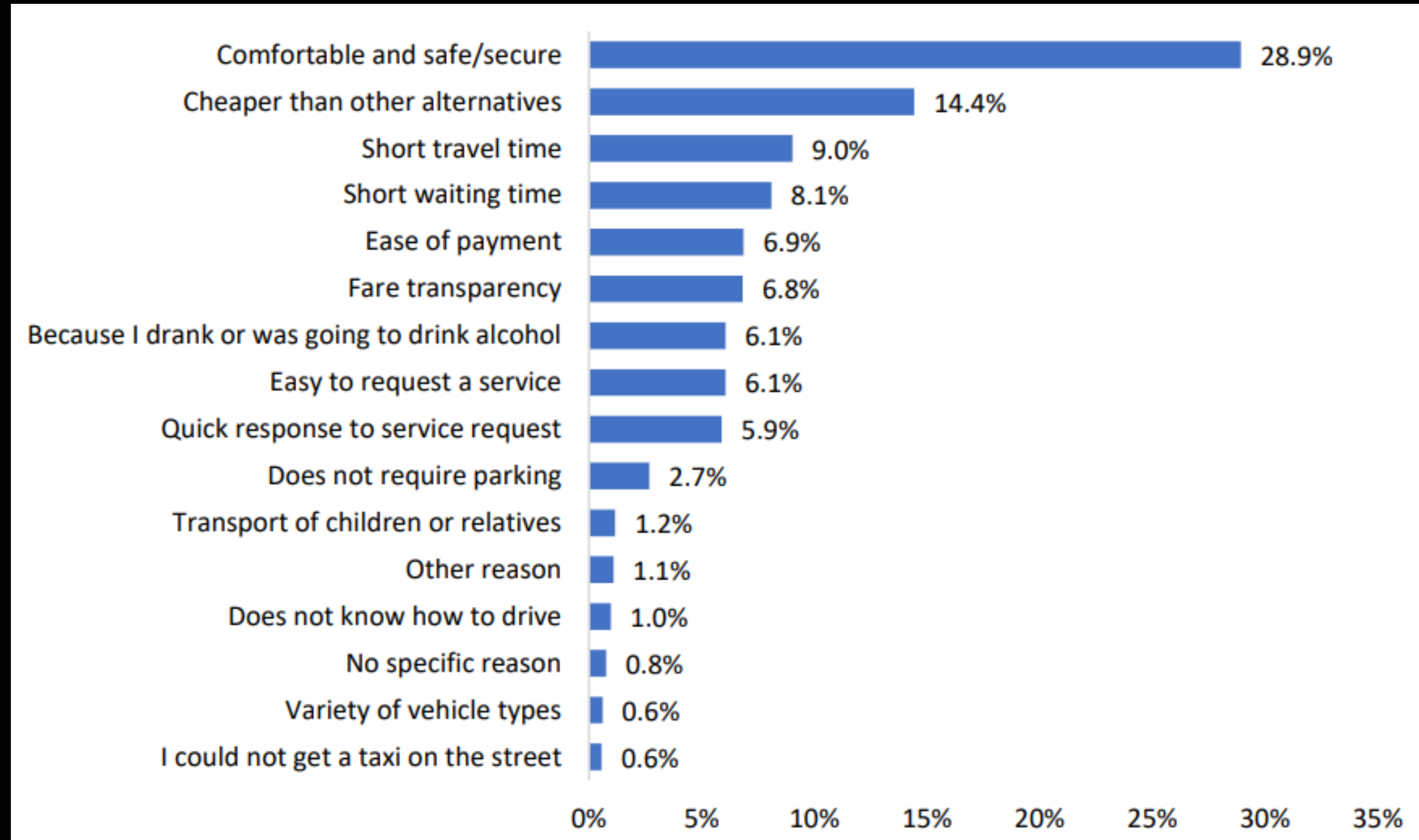https://docs.google.com/document/d/1LDU9LWnVyD21UHF8sj4o86rBsJW7Jy4O2wWBWZlQhuk/edit

Industry Analysis
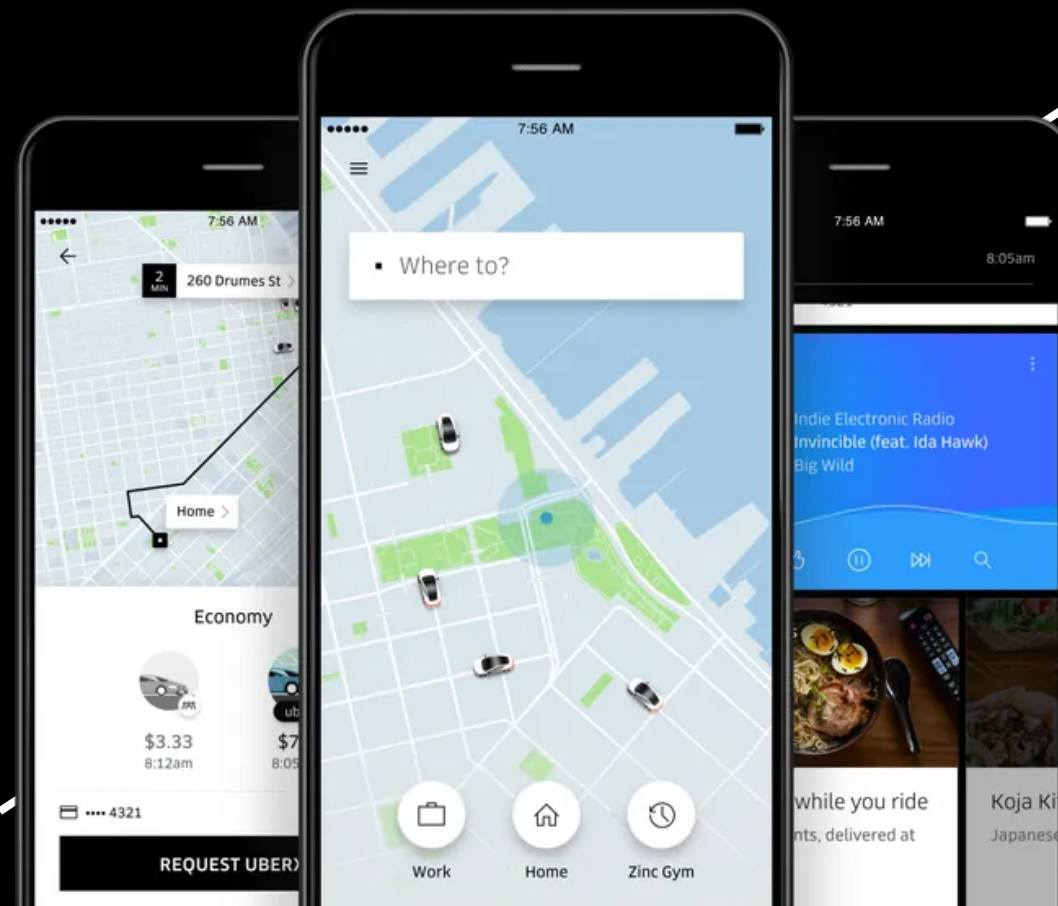
- Chile Porter's 5 forces framework

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Pain Points

- **General Pain Points**

Comfortable and safe/secure	28.9%
Cheaper than other alternatives	14.4%
Short travel time	9.0%
Short waiting time	8.1%
Ease of payment	6.9%
Fare transparency	6.8%
Because I drank or was going to drink alcohol	6.1%
Easy to request a service	6.1%
Quick response to service request	5.9%
Does not require parking	2.7%
Transport of children or relatives	1.2%
Other reason	1.1%
Does not know how to drive	1.0%
No specific reason	0.8%
Variety of vehicle types	0.6%
I could not get a taxi on the street	0.6%

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User Persona

Rider

Driver

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Pain Points

Rider

Working Professional & Students

- Do not feel safe while traveling to work
- It is expensive to commute daily in cab.
- Need to wait longer for cab during surge time
- Reaching late due to traffic congestion

Housewives

- Fear about the co-passenger while traveling alone

Business Trip

- Not many 'on demand' professional VIP cab services available

Tourists

- Need to change multiple transportation while exploring the country
- Need to maintain multiple apps separately for Maps,ride hailing,food,etc

Old Age

- Need assistance while getting in and out of a car

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Pain Points

Driver

- Drivers feel unsafe driving in odd hours

- Women drivers feel uncomfortable to give ride to male passengers

- Feels a need to earn more

- Feels threatened by the Traditional Taxi drivers

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Solutions

- 4 Major cities contribute to 63% of Chile population
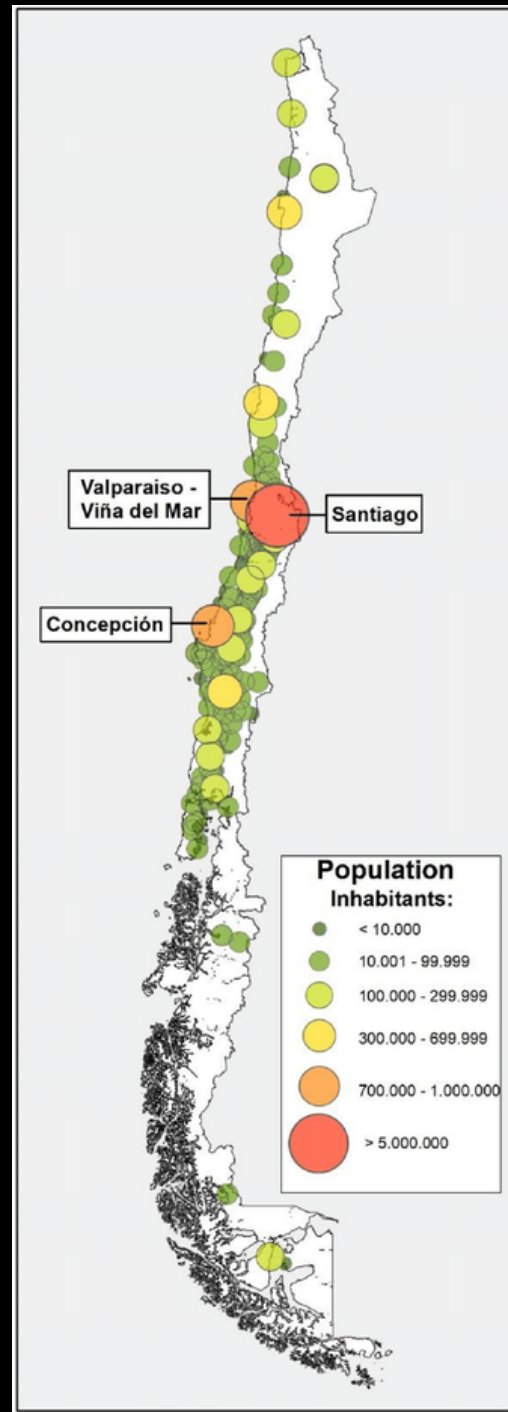
Region	Population	Contribution to total chile Population	Area (km2)	Density
Santiago Metropolitan	7,036,792	37.94%	15 403,2	461,77
Valparaíso	1,790,219	9.65%	16 396,1	110,75
Biobío	1,556,805	8.39%	23 890,2	112,08
Maule	1,033,197	5.57%	30 296,1	34,49

POPULATION DENSITY MAP OF CHILE 2020
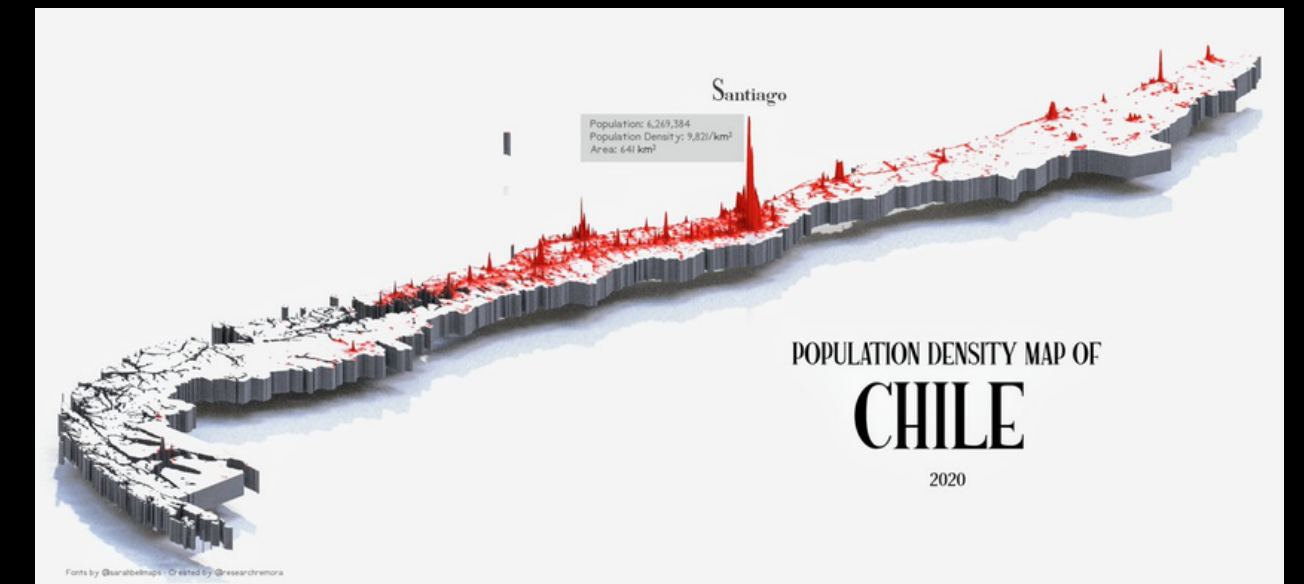
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Proposed Solutions

1. Integrate DashCam for safety

2. Integrate information about "Public Transformation" in the app to better plan the Trip.

3. Subscription Model for Riders

4. Intercity Cabs

5. Uber Pools for better affordability

6. Free Wifi for Luxury Vehicles

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Solutions

Subscription Model

- **Implement a Subscription model for riders for better accessibility and affordability:**

- The subscribed users will have the following benefits -

  - Priority customer. Less waiting time

  - No surge price

  - 10% off on every ride

  - Drivers' high rating and safety features equipped

- The subscription model is available for 30 days

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Solutions

Dashcams

- The safety of passengers and drivers is of major concern

- We aim to solve this by introducing *dashcams*

- Before and after footage of the dashcams with the location is to be shared with the city police department or Uber help centre who will further inform concerned government authorities.

- Triggers

  - User/Driver clicks on SOS help.

  - The car meets with an accident.

- It will also help us compete with 'Cabify' which is operating in the premium segment with safety features as its key USP

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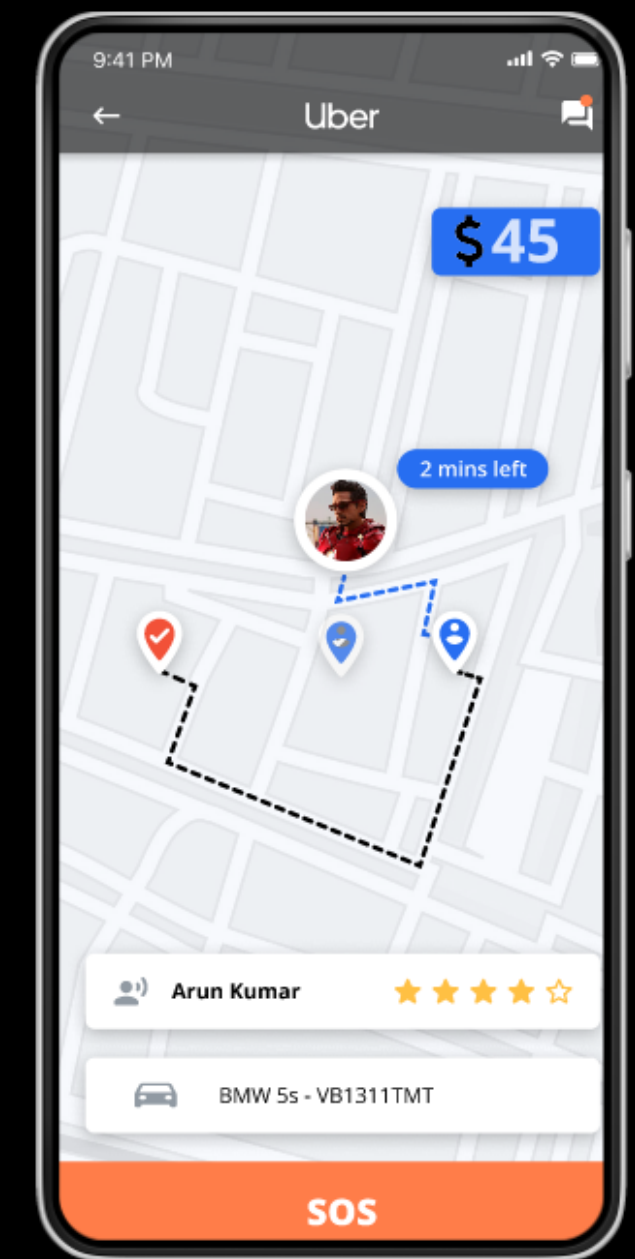
Solutions

Accessibility & Affordability

- Chile has a robust public transportation system but First & Last mile connectivity is a challenge.
- So we propose a hybrid transportation system incorporating Public Transport as the backbone of the travel journey with the convenience and affordability of Uber rides covering the First and last-mile connectivity challenge
- The feature will show the public transportation routes, real-time departure and arrival times of the metro, etc.
- This feature will help riders compare the time taken & ride cost for different alternatives
- With this hybrid transportation model, per KM cost of travel for a rider would be the cheapest in the ride-hailing industry and would help us aggressively compete with 'Didi' whose price is the main USP.

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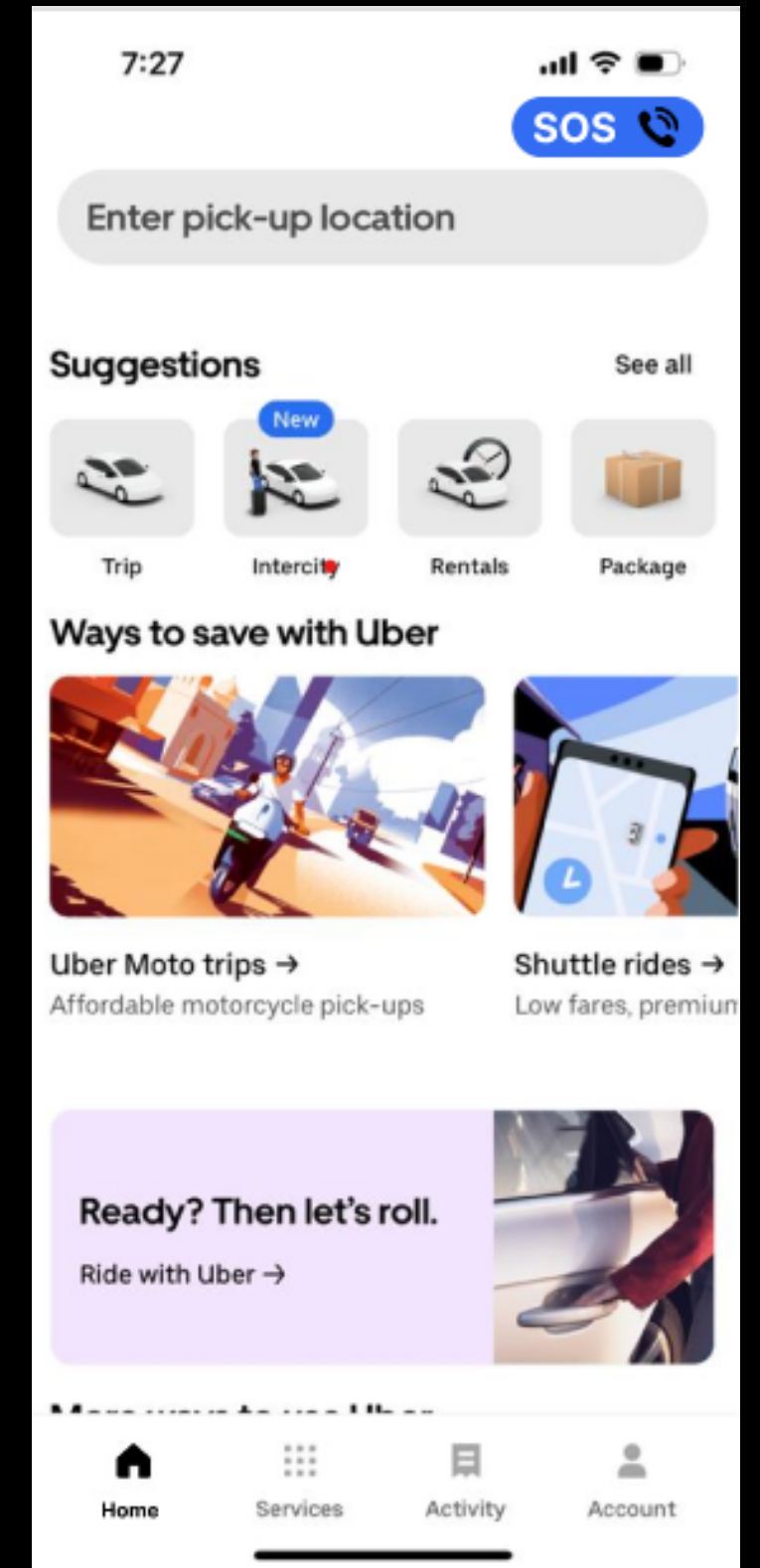# Solutions

Accessibility & Affordability
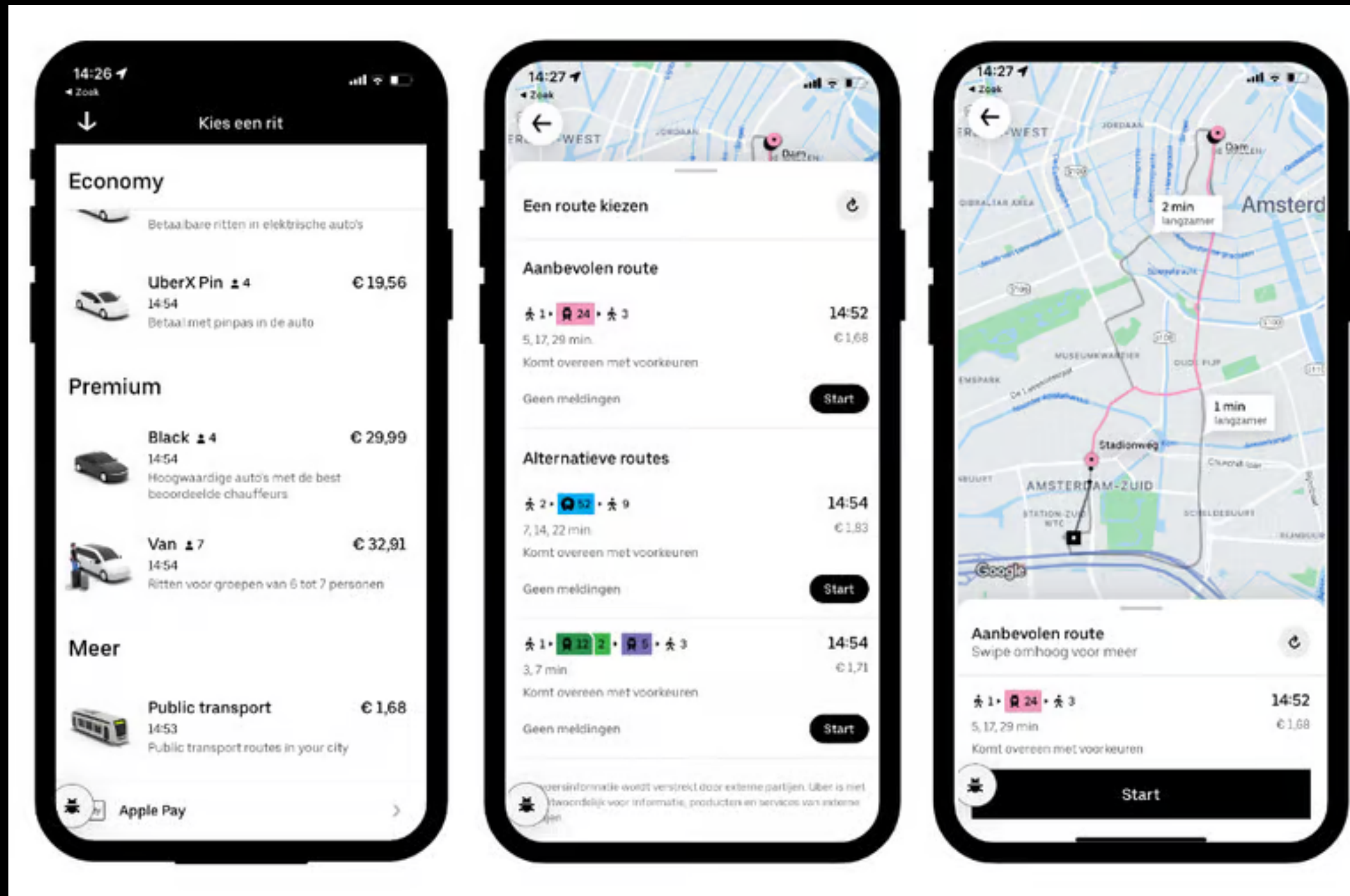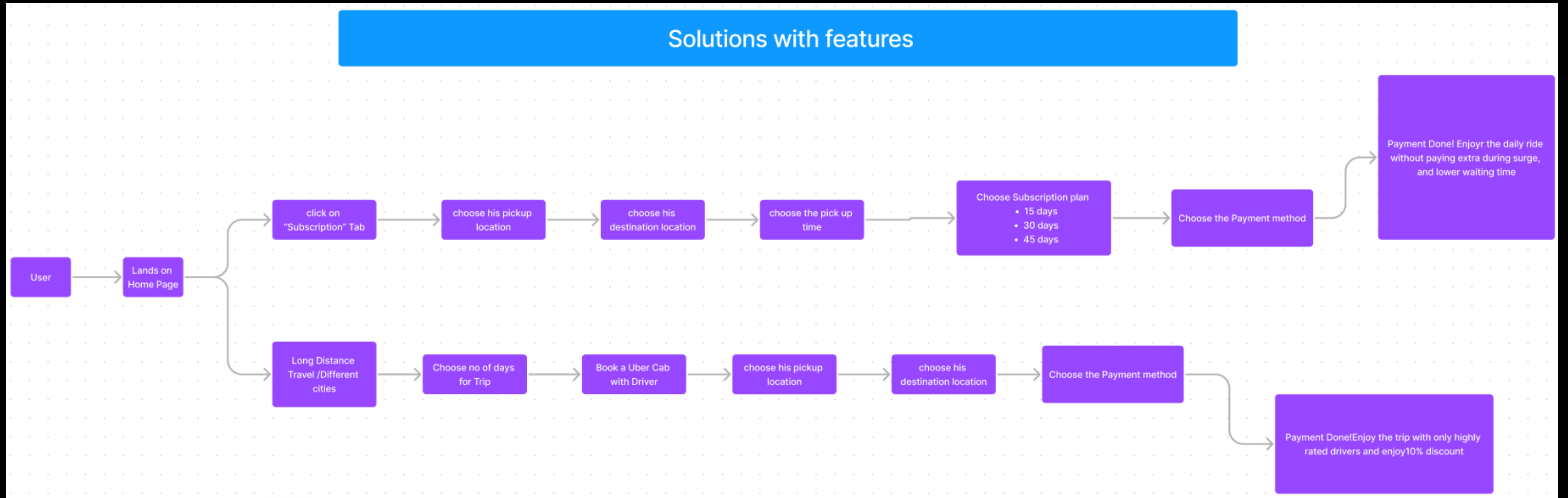

This was the Pilot Program of Uber in Amsterdem

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Solutions

Driver

- **Introducing *Dashcams***
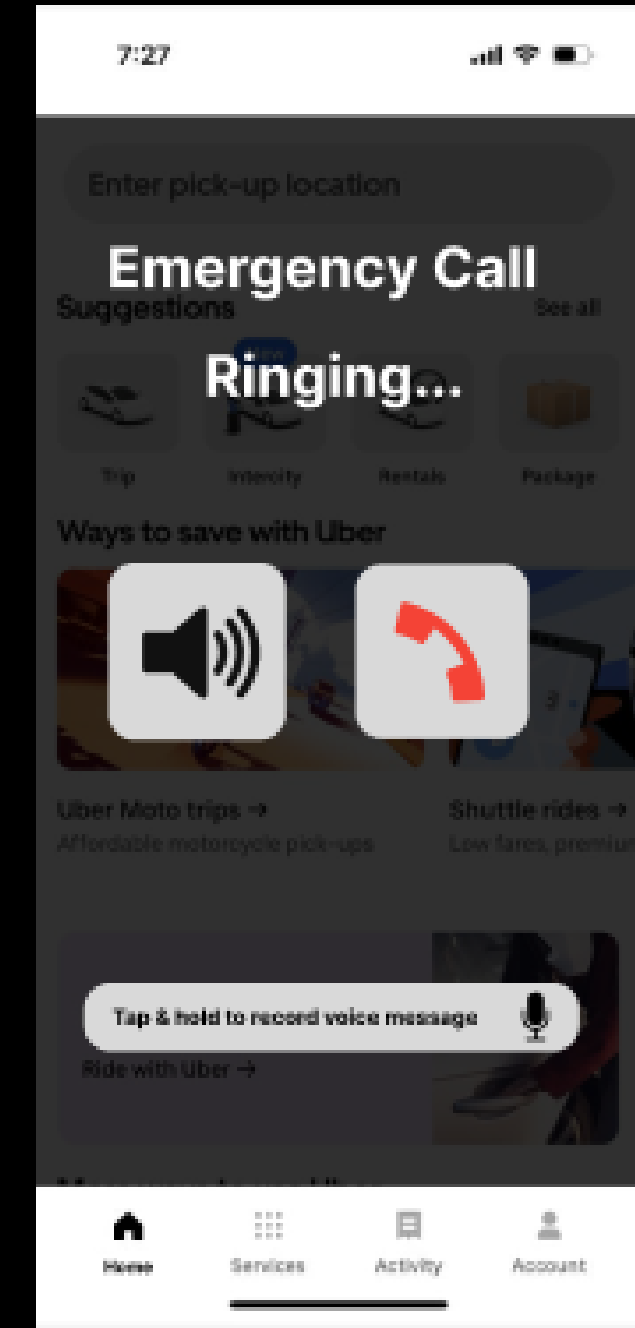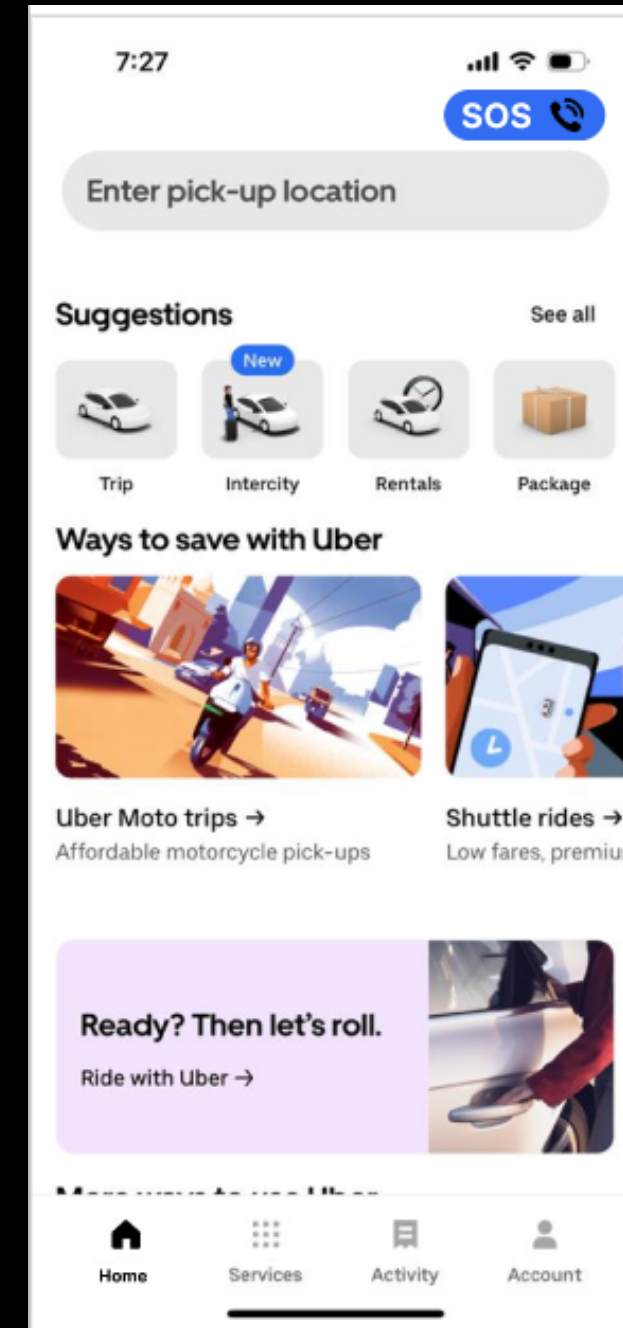
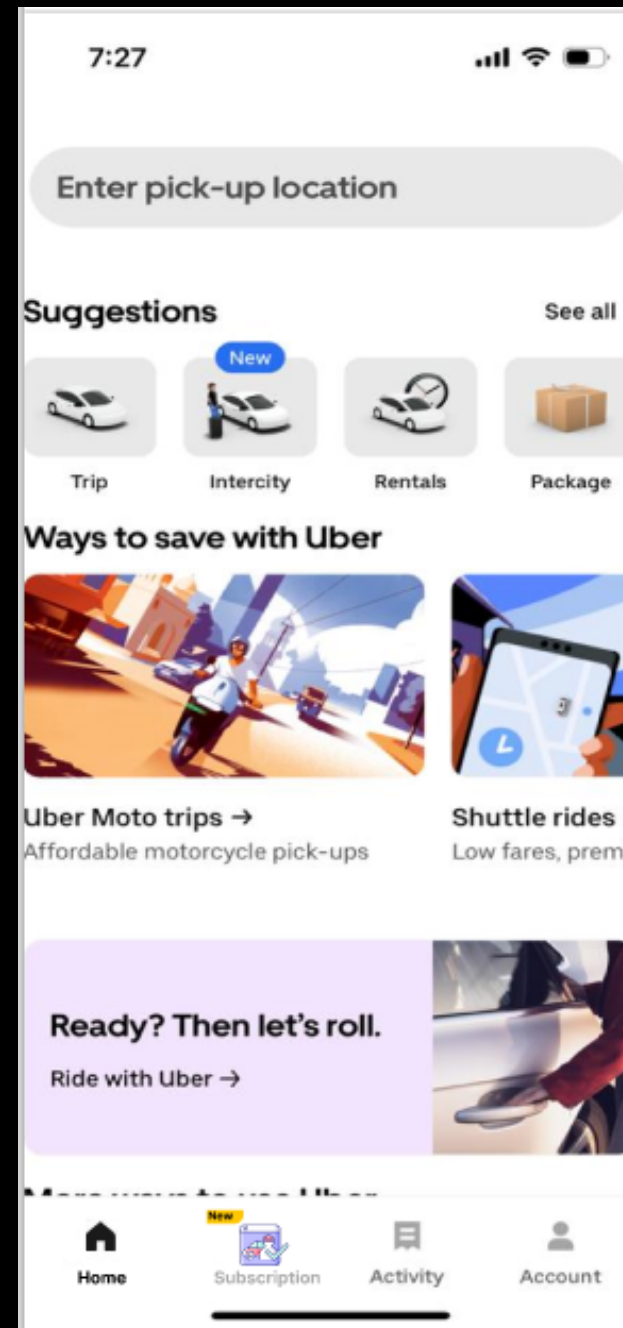- **Introducing SOS button for driver's safety**

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User Flow/Journey

Solutions with features

Design Mockups

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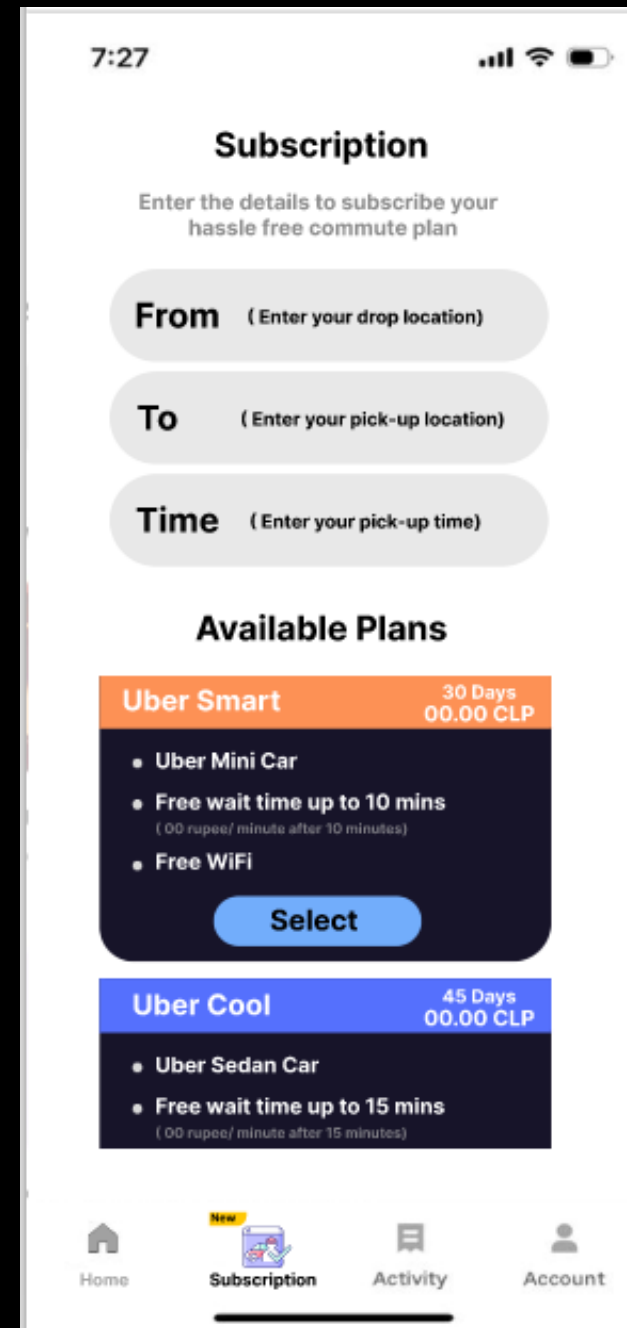
Business Model

With Calculations

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Business Model

Operational Calculation

Total amount Rider Pays (for 5KM)	$1.00
Fuel Charge	$0.50
Driver profit	$0.13
Maintenance	$0.19
20% uber charge	$0.19
ARPU	$0.19
CAC	$10.00
No. of ride required per user to get Uber profitable	10

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Business Model

Subscription Model

Subscription price is $1.99

- Uber's operating margin per ride on Avg. is $0.19
- The margin hit due to the subscription discount (10%) = 50% of Uber's operating margin per ride ($0.2) = $0.1
- Uber will remain profitable as long as the user takes less than 19 rides per month
- Even if the user takes more rides, the margin hit the Uber will be compensated by the positive network growth loop that this subscription will generate
- For calculation refer appendix

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Business Model

Saftey equipment - Dashcams

- Cost of Dashcams is $60
- Avg. remaining useful life left of the car = 6 years
- Amortising the cost over 6 years = $10/year
- Uber's operating margin per ride on Avg. is $0.19
- Number of uber rides done by Uber driver per day = 6
- Uber Margin per driver per day = 6*0.19 = $1.14
- So the cost of serving safety features will be covered = 10/1.14 = ~9 days
  - Thus starting the 10th day we are operationally profitable

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Group 6

Meet our team!

Nikhil Patel	Somi Singh
Dev Yadav	Mayur Kulkarni
Paramjeet Singh	Deepika Agarwal
Swapnil Kale	Shahid Iqbal
Kazim Ali	Bhawana Soni (Mentor & Guide)

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