

**INTERNATIONAL BACCALAUREATE
IB BUSINESS & MANAGEMENT
EXTENDED ESSAY**



Diversification as a Growth Strategy

**To what extent has Uber's food delivery
diversification strategy helped Uber
sustain itself during COVID-19 in the USA ?**

Session: May 2021

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INTRODUCTION

With continuous advancement in IT and connectivity, number of smartphone users in the USA has continued to grow. Every 12 mins, an average American checks their phones with 88% phone time spent on apps.¹ An average user uses 9 apps on a daily basis.² In the USA, app store downloads grew by 5% in the last 5 years.³ With this boom, various industries have benefited, including the app based Ride-Hailing Industry. Ride-sharing apps continue to be popular across the world as they are safe, convenient and, provide affordable transportation options. The ride-sharing industry has recently been growing rapidly across the world as seen in figure 1.



Figure 1: Global Ride-Sharing Market Revenue Size, 2017-2019 ⁴

¹ "Mobile App Download and Usage Statistics (2021) - BuildFire." <https://buildfire.com/app-statistics/>. Accessed 16 Feb. 2021.

² "Mobile App Download and Usage Statistics (2021) - BuildFire." <https://buildfire.com/app-statistics/>. Accessed 16 Feb. 2021.

³ "Mobile App Download and Usage Statistics (2021) - BuildFire." <https://buildfire.com/app-statistics/>. Accessed 16 Feb. 2021.

⁴ "Ride Sharing Market Share | T4." 16 Aug. 2020, <https://www.t4.ai/industry/ride-sharing-market-share>. Accessed 5 Feb. 2021.

Uber founded in 2009, continues to be identified as a ride hailing company that allows users to use app based services to help mobility. Over the years they have built a brand along the lines of their mission statement “We ignite opportunity by setting the world in motion”⁵ - with movement, transportation and mobility being at the core of their business model. Globalised Uber, continues to provide ride hailing services in over 900 cities all across the world.⁶ They also continue to be the most dominant ride-hailing app across the world in most of their markets. (Figure 2)⁷

Uber's Global Reach

Uber has emerged as the dominant ride or taxi hailing app in 108 of 171 countries analyzed

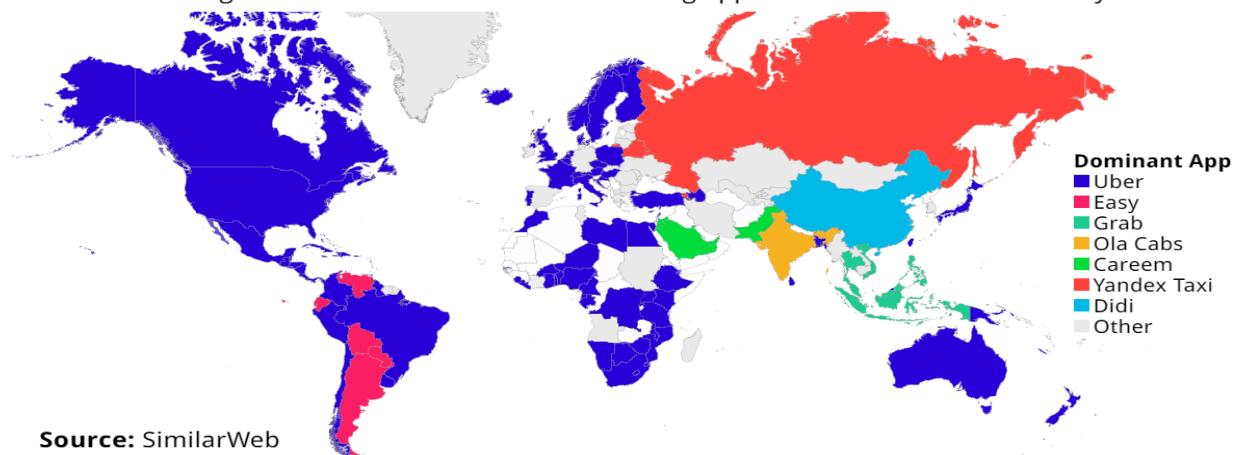


Figure 2: Uber's dominance around the world ⁸

⁵ "About Us | Uber." <https://www.uber.com/us/en/about/>. Accessed 5 Feb. 2021.

⁶ "Uber Cities - Rides Around the World | Uber." <https://www.uber.com/global/en/cities/>. Accessed 5 Feb. 2021.

⁷ "The Most Popular Ride-hailing Apps in Each Country." 24 Aug. 2016, <https://pointmetotheplane.boardingarea.com/popular-ride-hailing-apps-country/>. Accessed 5 Feb. 2021.

⁸ "The Most Popular Ride-hailing Apps in Each Country." 24 Aug. 2016, <https://pointmetotheplane.boardingarea.com/popular-ride-hailing-apps-country/>. Accessed 5 Feb. 2021.

The transportation, trade and warehousing industry contributes to 14.7% of the USA's total GDP⁹ as shown in Figure 3.

The industry that makes up Wall Street (finance, insurance, and real estate) is the biggest contributor to GDP

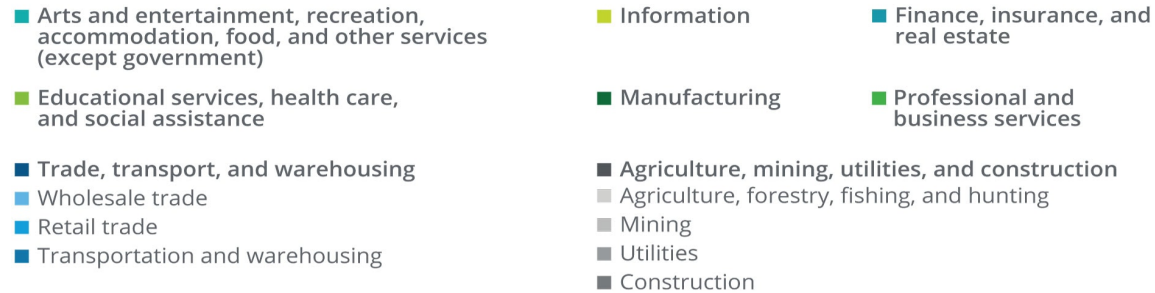


Figure 3: US GDP per industry ¹⁰

⁹ "Industry contribution to US GDP | Deloitte Insights." 24 Jul. 2019, <https://www2.deloitte.com/us/en/insights/economy/spotlight/economics-insights-analysis-07-2019.html>. Accessed 5 Feb. 2021.

¹⁰ "Industry contribution to US GDP | Deloitte Insights." 24 Jul. 2019, <https://www2.deloitte.com/us/en/insights/economy/spotlight/economics-insights-analysis-07-2019.html>. Accessed 5 Feb. 2021.

The US service industry has been growing at a rate of 5.4%.¹¹ The USA is also the 6th country to have the largest percentage of people using apps for mobility services.¹²

Uber went public in 2019 and their financial quarterly and annual reports indicate the United States and Canada region generates 59% of their revenue (2019-2020 average)¹³ out of which the USA is their bigger market¹⁴. Uber in the USA holds a market share of 65% as of 2019 ¹⁵ as shown in Figure 4.

¹¹ "What Are the Causes of Rapid Growth in the Service Industry?." <https://smallbusiness.chron.com/causes-rapid-growth-service-industry-16007.html>. Accessed 5 Feb. 2021.

¹² "The US may be home to Uber, but another country is" 9 May. 2017, <https://www.weforum.org/agenda/2017/05/hailing-a-ride-china-leads-the-way-on-mobility-apps/>. Accessed 21 Jan. 2021.

¹³ "Uber Technologies, Inc. - Financials - UBER's Investor Relations." <https://investor.uber.com/financials/default.aspx>. Accessed 5 Feb. 2021.

¹⁴ "Uber To Focus On Emerging Markets | PYMNTS.com." 22 Oct. 2019, <https://www.pymnts.com/news/ridesharing/2019/uber-focus-on-emerging-markets-road-to-profits/>. Accessed 5 Feb. 2021.

¹⁵ "Lyft Revenue and Usage Statistics (2020) - Business of Apps." 29 Mar. 2019, <https://www.businessofapps.com/data/lyft-statistics/>. Accessed 22 Jan. 2021.

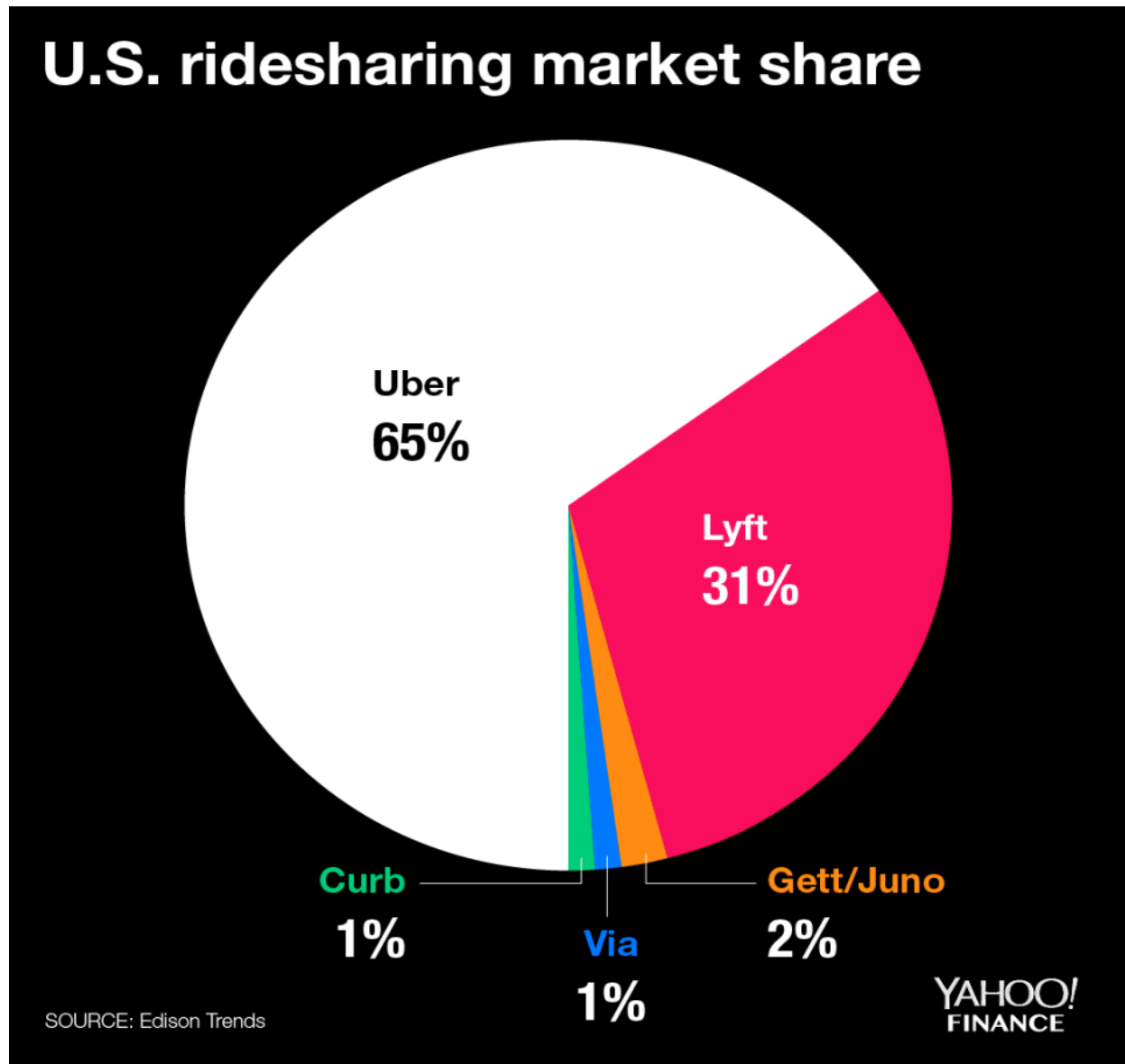


Figure 4: U.S. Rides-haring market share¹⁶

The ride-sharing industry was one of the fastest growing industries in USA and had been moving up the trade curve at an aggressive rate. Rising urbanization, fall in car ownership and environmental consciousness continue to add to the reasons for the ride hailing industry to flourish in the US.

¹⁶ "Lyft Revenue and Usage Statistics (2020) - Business of Apps." 29 Mar. 2019, <https://www.businessofapps.com/data/lyft-statistics/>. Accessed 22 Jan. 2021.

Uber's product portfolio: "Rides, Eats, Freight, Other Bets, Advanced Technologies Group and Other Technology Programs".¹⁷ (Appendix 2) from which Rides contributed to 76% of their overall revenue in 2019 (Figure5).

2019 Uber breakup per segment

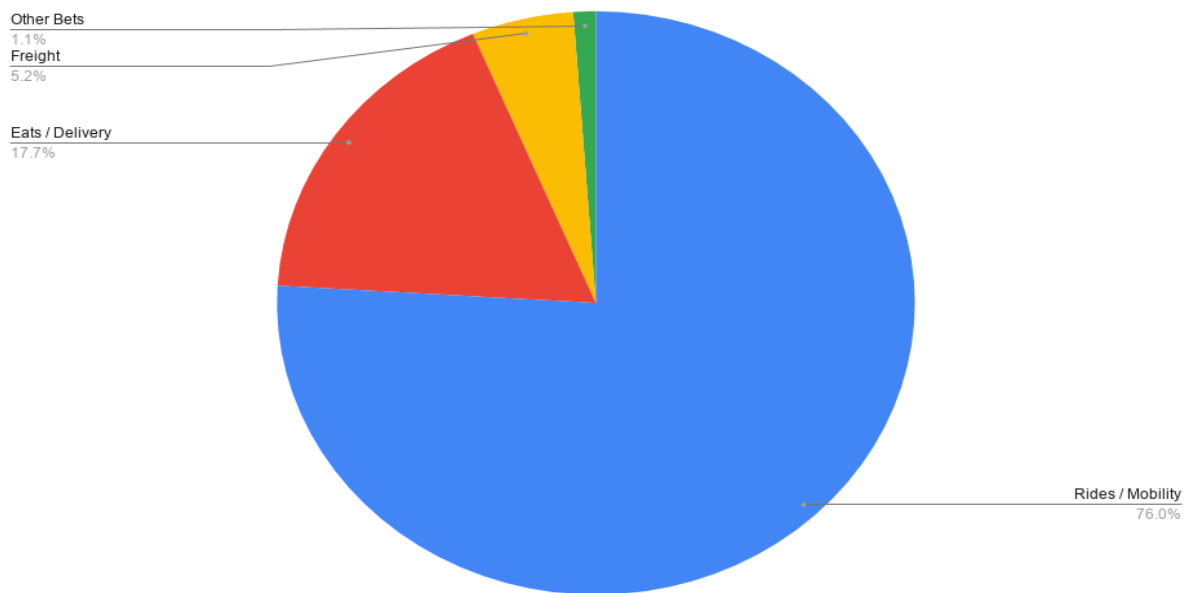


Figure 5: Uber overall breakup of their revenue per segment ¹⁸

During COVID-19 due to lockdown guidelines and safety concerns, Rides sales in USA went down rapidly (Figure6).

¹⁷ "Uber Apps, Products, and Offerings | Uber." <https://www.uber.com/us/en/about/uber-offerings/>. Accessed 22 Jan. 2021.

¹⁸ Appendix 8

To what extent has Uber's food delivery diversification strategy helped Uber sustain itself during COVID-19 in the USA?

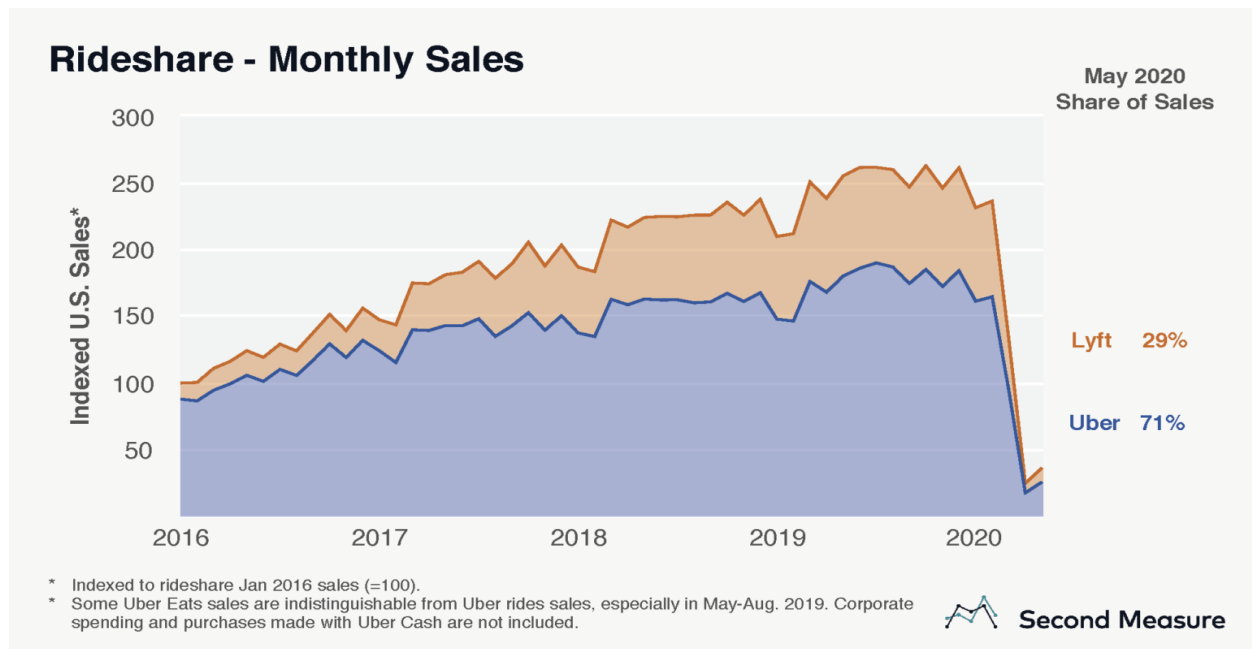


Figure 6: 2016-2020 Uber US Rideshare Sales ¹⁹

As per an analyst report (figure7) before COVID 19, worldwide ride sharing market was projected to grow at 20% from 2018 to 2025 with a market size of \$218 billion.²⁰ This is inaccurate due to the pandemic as shown in Fig. 6

¹⁹ "The U.S. Rideshare Industry: Uber vs. Lyft - Second Measure." <https://secondmeasure.com/datapoints/rideshare-industry-overview/>. Accessed 22 Jan. 2021.

²⁰ "Ride Sharing Market Size, Share, Trends & Industry Forecast by 2025." <https://www.marketsandmarkets.com/Market-Reports/mobility-on-demand-market-198699113.html>. Accessed 6 Mar. 2021.

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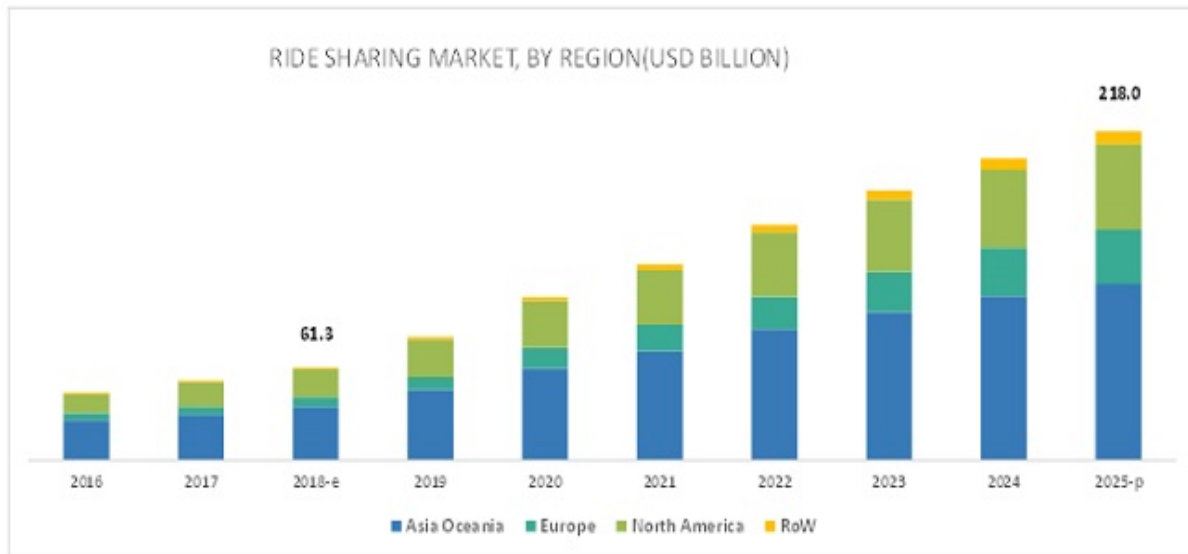


Figure 7: Projected growth of the ride hailing industry before the pandemic hit ²¹

Similarly, the researcher has extrapolated the current figures of Uber's US ride-share sales before the pandemic hit, it is seen that the line of best fit predicted a positive increase in sales for Uber as well. The drop between the actual sales and predicted sales made the researcher question Uber's ability to sustain during the COVID-19 pandemic.

²¹ "Ride Sharing Market Size, Share, Trends & Industry Forecast by 2025." <https://www.marketsandmarkets.com/Market-Reports/mobility-on-demand-market-198699113.html>. Accessed 6 Mar. 2021.

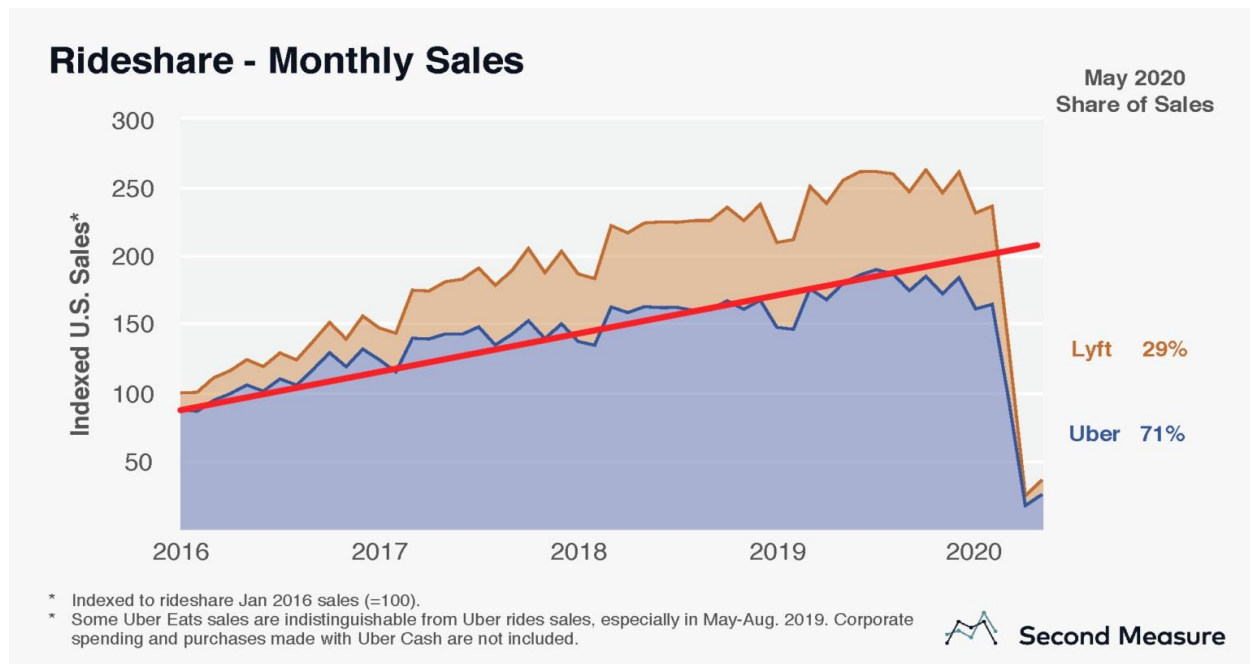


Figure 8: The red Line indicates the line of best fit used to extrapolate sales if COVID-19 pandemic did not hit

In order for Uber to continue to sustain in its most prominent region, it needs to focus on being market oriented and developing innovative product and services and not fall into mouse trap fallacy. Diversification is an important strategy as it involves a business selling a new product in a new market resulting in having a wider product portfolio, spreading risks and promoting growth.²²

Since COVID-19, demand for the food delivery industry including UberEats surged. This was mainly due to the change in lifestyle of not being able to visit restaurants physically, playing in favour of Uber due its food delivery diversification strategy and made the researcher curious, resulting in formulation of the research question, **“To what extent**

²² Hoang, Paul. *Business Management*. IBID Press, 2018.

To what extent has Uber's food delivery diversification strategy helped Uber sustain itself during COVID-19 in the USA?

has Uber's food delivery diversification strategy helped Uber sustain itself during COVID-19 in the USA?" after a decline in demand for their product, Rides.

METHODOLOGY

Secondary sources used for this research were obtained from a variety of sources such as books, articles, websites and videos. Best attempts were made to access the credibility of these varied sources.²³

The research question was formulated to dive into knowing the reasons for the sustainability of Uber during COVID times. Various sources included qualitative and quantitative data to critically analyse the importance of diversity in the food industry for Uber US to sustain during COVID19.

The finding of the varied secondary sources was critically analysed with aid of business tools. Examining external factors is a paramount in answering the research question hence PEST as a tool was used to examine the impact on the diversification strategy of Uber. Growth strategic tool Ansoff was used to analyze and evaluate the impact of risk involved in adopting diversification. Porter five forces model was used to analyze weather adoption to the growth strategy has helped Uber gain competitive advantage in the ride sharing industry. In order to conclude the research more convincingly, a quantitative tool involving a financial aspect has been used to know the change in the revenue of Uber during COVID19.

Every research is subjective to limitations, information collected from online portals can be biased towards or against Uber and thus would have to be verified from other

²³ Appendix 1

sources. Financial data provided by Uber may be manipulated in favour of their stakeholders especially investors, to attract them. Furthermore, there was no financial US data available on Uber's official website that provided a break up of their products therefore the extrapolated data calculated is an approximation and may not be 100% accurate. Lastly, This report was made before the launch of vaccination, when there was a lot of uncertainty. If there is a change in the external environment, the validity of this report is subject to change.

DISCUSSION AND ANALYSIS OF TOOLS

PEST

PEST analyses major external factors including COVID-19 that influenced operation of UberEATS in the USA.

Political

USA is one of the biggest economies in the world, it imports a total of \$133 billion worth of food and food products.²⁴ Unlike most countries due to coronavirus, USA did not opt for food trade restrictions, complementing the US food industry. The restaurant industry in USA continues to boom with over 1 million restaurant locations and a \$900 billion annual turnover²⁵ but the coronavirus outbreak prompted many states in the USA to ban dining in restaurants.²⁶ This worked in favor of UberEATS because this political decision increased demand for food delivery services. Prior to Covid, USA food delivery businesses continued to flourish - but the lockdown helped intensify the growth trajectory, especially UberEATS. (Figure9)

²⁴ "Countries Most Dependent On Others For Food - WorldAtlas." 5 Dec. 2017, <https://www.worldatlas.com/articles/the-countries-importing-the-most-food-in-the-world.html>. Accessed 26 Jan. 2021.

²⁵ "National Restaurant Association: Home." <https://restaurant.org/>. Accessed 12 Feb. 2021.

²⁶ "Coronavirus outbreak prompts states to ban restaurant dining." 16 Mar. 2020, <https://www.cnbc.com/2020/03/16/coronavirus-outbreak-prompts-states-to-ban-restaurant-dining.html>. Accessed 26 Jan. 2021.

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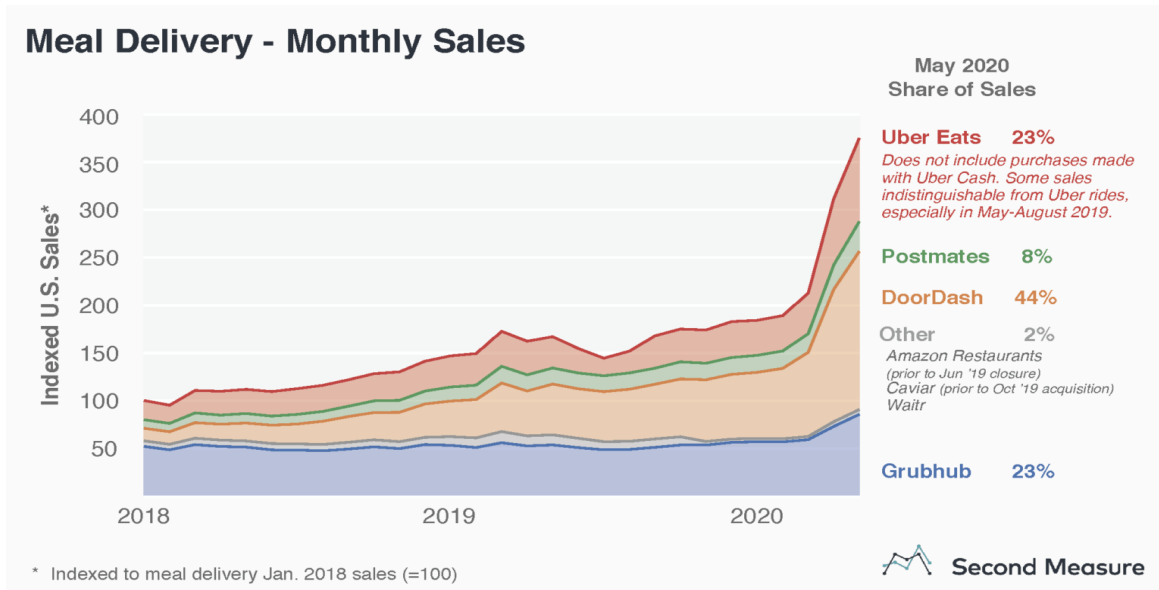


Figure 9: UberEATS US indexed sales 2018-2020 ²⁷

US FDA released best practices for food delivery services related to food delivery cleanliness, social distance etcetera during COVID-19 Pandemic.²⁸ Due to Ubers quick adaptability qualities, UberEATS abided by FDA's safety precautions²⁹ and was considered one of the safest options during the pandemic.

²⁷ "Which company is winning the restaurant food delivery war" 19 Jan. 2021, <https://secondmeasure.com/datapoints/food-delivery-services-grubhub-uber-eats-doordash-postmates/>. Accessed 12 Feb. 2021.

²⁸ "Best Practices for Retail Food Stores, Restaurants, and Food" 21 Apr. 2020, <https://www.fda.gov/food/food-safety-during-emergencies/best-practices-retail-food-stores-restaurants-and-food-pick-up-delivery-services-during-covid-19>. Accessed 26 Jan. 2021.

²⁹ "Helping move what matters - Uber." <https://www.uber.com/in/en/coronavirus/>. Accessed 26 Jan. 2021.

Economic

In 2018, analysts estimated the food industry to be at \$80+ billion and expected to double in just 7 years - 14% annual growth rate.³⁰ US economy is the largest economy having a GDP of \$19.48 trillion as of 2020.³¹ Revenue for Online Food Delivery segment for 2020 was US \$26,527m ³² and has been growing year on year at a 18%+ growth rate. ³³

The below chart (figure10) illustrates revenue forecast of the food delivery market in USA - when predicting, the forecast was adjusted keeping in mind the expected impact of Covid-19. It illustrates year-on-year growth on how share of platform-to-consumer delivery segment is increasing. This indicates that post pandemic, growth in the app based food delivery business will continue to flourish. This states the US economy is in favour of Uber sustainability during COVID-19 and will recover itself because of its food delivery diversification strategy.

³⁰ "The Soon To Be \$200B Online Food Delivery Is Rapidly Changing" 9 Sep. 2019, <https://www.forbes.com/sites/sarwantsingh/2019/09/09/the-soon-to-be-200b-online-food-delivery-is-rapidly-changing-the-global-food-industry/>. Accessed 12 Feb. 2021.

³¹ "Top 15 Countries by GDP in 2020 | Global PEO Services." <https://globalpeoservices.com/top-15-countries-by-gdp-in-2020/>. Accessed 26 Jan. 2021.

³² "Online Food Delivery - United States | Statista Market Forecast." <https://www.statista.com/outlook/374/109/online-food-delivery/united-states>. Accessed 26 Jan. 2021.

³³ "Food Delivery Apps Investing: Growth vs. Costs | Morgan Stanley." 21 Feb. 2020, <https://www.morganstanley.com/ideas/food-delivery-app-profits>. Accessed 12 Feb. 2021.

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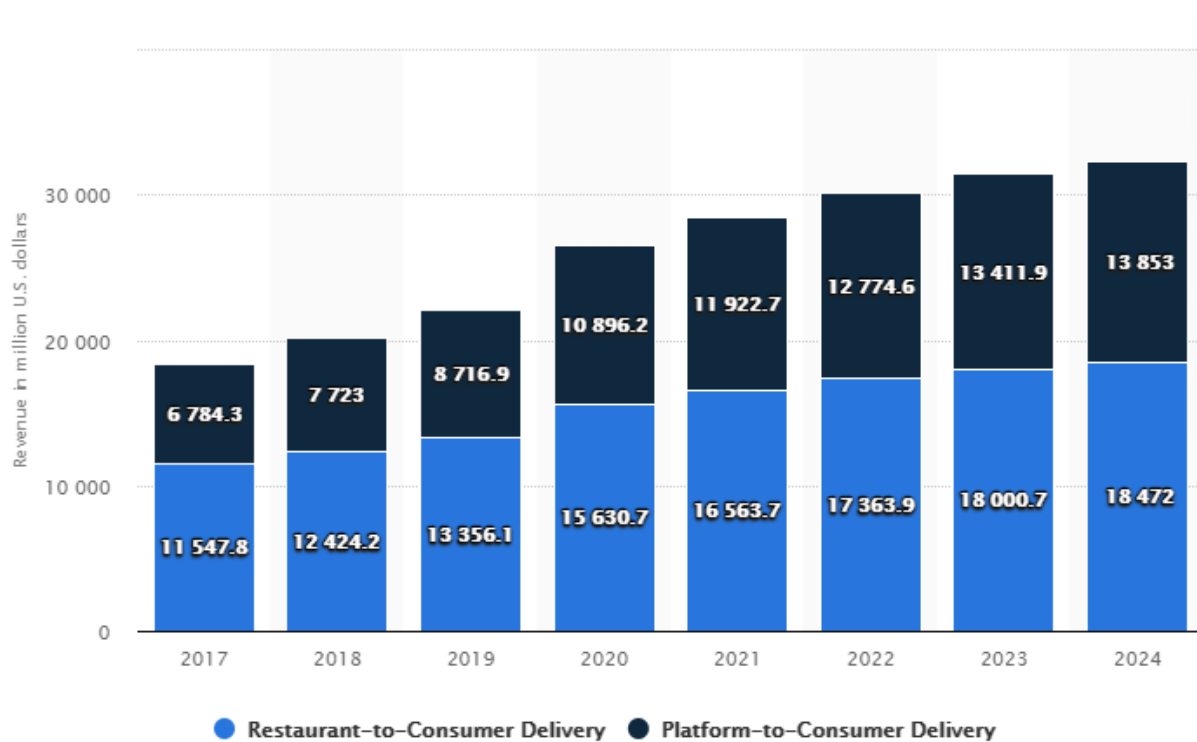


Figure 10: Revenue forecast for the Online Food Delivery market in United States until 2024 ³⁴

Social

56% Americans said before the pandemic, they dined at a restaurant, got taken out or had a meal delivered 2 to 3 times a week.³⁵ This indicates the food industry was very prevalent in the USA. The COVID-19 US safety precautions and lockdowns have brought a humongous behaviour and lifestyle change, altering their shared values. Visiting traditional restaurants is now considered unethical, promoting food delivery services like UberEATS. Furthermore, Food delivery apps are expected to gain momentum. A recent survey showed that 26% US citizens use these services at least

³⁴ "• Revenue in the Online Food Delivery market in United States 2024" 11 Aug. 2020, <https://www.statista.com/forecasts/891082/online-food-delivery-revenue-by-segment-in-united-states>. Accessed 12 Feb. 2021.

³⁵ "Survey Shows How Often Americans Dine Out – WCCO | CBS" <https://minnesota.cbslocal.com/2019/05/16/survey-shows-how-often-americans-dine-out/>. Accessed 26 Jan. 2021.

once a week, while 24% have used it 2-3 times per week indicating that the industry is growing fast.³⁶

Companies like Deliveroo³⁷ and UberEATS are also now deliberately working with healthy food options to adapt to cultural shifts. The public used to have a perception that takeaway food is only an unhealthy option but now see food delivery as a regular and convenient alternative to cooking. Eating healthy and building immunity is extremely important during the pandemic. As consumers continue to be more health conscious, UberEATS makes healthy options more accessible. An Uber press release highlights this regular feature in the app. (Figure11)

Uber Newsroom

NewsCompany infoLeadershipMedia assets

Healthy Affordable Meal Options on UberEATS

City Greens (salads, wraps, pressed juices, vegan, gluten-free) – Available daily 11am – 9pm

Share

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🐦

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...

We recommend the BBQ Chicken Wrap, the Southwest Salad or the 24 Carrot Gold juice.



³⁶ "The Business Benefits of Food Delivery Apps | Dinarys." 19 Jun. 2020, <https://dinarys.com/blog/food-delivery-apps>. Accessed 12 Feb. 2021.

³⁷ "Deliveroo." <https://deliveroo.co.uk/>. Accessed 27 Feb. 2021.

Figure 11: Healthy Meal Options at UberEATS ³⁸

Lastly, UberEATS app requires no contact, communication and has mask verification technology features³⁹ which are very important during the pandemic, just a few press of buttons makes the experience more convenient. As customers enjoy the easy access platform, they use technology to post (Word of mouth) about their experience on social media, spreading awareness quickly, promoting UberEats.

Technological

As of 2020, 275.66 million people in the US own a smartphone ⁴⁰ and this number is expected to only grow. (Figure12)

³⁸ "Healthy Affordable Meals Delivered With UberEATS | Uber Newsroom." 2 Mar. 2017, <https://www.uber.com/newsroom/healthy-affordable-meals-delivered-ubereats/>. Accessed 12 Feb. 2021.

³⁹ Appendix 5

⁴⁰ "• Number of smartphone users in the U.S. 2010-2023 | Statista." 21 Apr. 2020, <https://www.statista.com/statistics/201182/forecast-of-smartphone-users-in-the-us/>. Accessed 26 Jan. 2021.

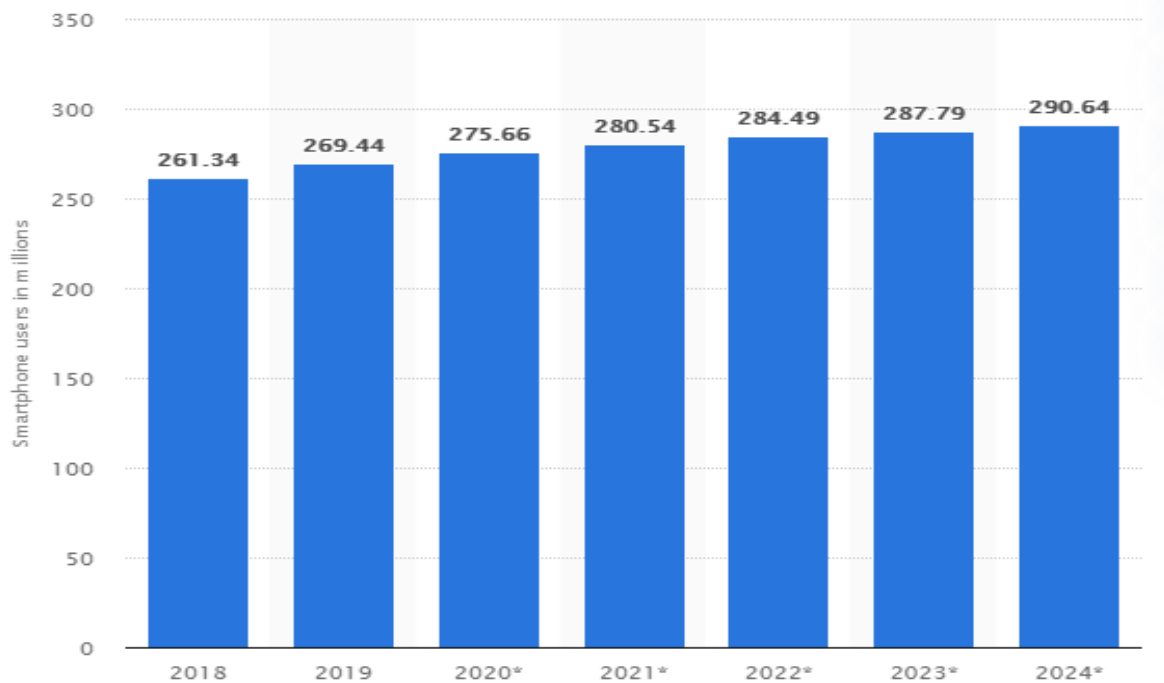


Figure 12: US Smartphone users ⁴¹

Smartphone usage in USA during COVID-19 has increased by 40% ⁴² and technological advancements of GPS smartphone connectivity have resulted in increased consumer demand for the food delivery industry, therefore the demand for UberEATS in USA is booming.

Innovations in custom apps have helped UberEATS effectively communicate to its low maintenance workforce via a single app. This has contributed to a decline in traditional delivery service set-up costs. Additionally, The UberEats application is very user friendly

⁴¹ "• Number of smartphone users in the U.S. 2010-2023 | Statista." 21 Apr. 2020, <https://www.statista.com/statistics/201182/forecast-of-smartphone-users-in-the-us/>. Accessed 12 Feb. 2021.

⁴² "• Coronavirus impact: global device usage increase by country" 18 Jun. 2020, <https://www.statista.com/statistics/1106607/device-usage-coronavirus-worldwide-by-country/>. Accessed 26 Jan. 2021.

and easy to use, customers just need a smartphone to download and install the UberEATS app and register. 10% of Americans are using food delivery services on a weekly basis and 7/10 Americans order food for delivery - indicating deep population penetration.⁴³ An average American has at least two food delivery applications installed on their cellphones, always looking for new entrants, deals and competitive pricing. Other interesting facts include 78% of orders are placed by restaurants itself with the rest using 3rd party services - but this trend continues to change due to the boom of smartphones and app based services.⁴⁴ Moreover, UberEATS offers digital payment methods like Credit Card, Debit Card and PayPal ⁴⁵ which promote no contact, a necessity during the COVID-19 pandemic.

This research leads to an insight to reflect the effectiveness of each analysis to come to a comprehensive conclusion. Above factors have proven PEST external factors were in favour of Uber's food delivery diversification strategy and therefore helped them sustain during COVID-19. But due to the pandemic and social distancing/safety regulations, more competitors in the food delivery business are likely to emerge in the immediate future to take advantage of the surge in demand because of favourable PEST factors. Uber now will need to keep a close watch on possible new entrants and existing competitor strategies which might make the market share less, making it difficult for

⁴³ "2021 Food Delivery Service Statistics You Need to Know | Beambox." 5 Oct. 2020, <https://beambox.com/townsquare/food-delivery-service-statistics>. Accessed 12 Feb. 2021.

⁴⁴ "2021 Food Delivery Service Statistics You Need to Know | Beambox." 5 Oct. 2020, <https://beambox.com/townsquare/food-delivery-service-statistics>. Accessed 12 Feb. 2021.

⁴⁵ "My payment method is not working | - Uber Help." <https://help.uber.com/ubereats/article/my-payment-method-is-not-working?nodeId=ff38eae4-698a-43a2-be5d-da2153a33ef5>. Accessed 26 Jan. 2021.

Uber to sustain itself. Furthermore, With the Covid situation normalising, the growth trajectory of UberEATS is unpredictable, the PEST analysis is subject to rapid and unforeseeable change, this can therefore reduce the chance of accuracy of the analysis despite what was initially revealed. In conclusion according to the current situation, PEST external environmental factors make the UberEATS food delivery diversification a viable strategy to sustain itself during COVID-19 but this business strategy has further been analysed in depth using the Ansoff matrix.

ANSOFF MATRIX

The Ansoff Matrix applied to Uber⁴⁶ is an analytical tool that helps determine Uber's food delivery product and market strategy depending on whether it is selling a new or existing product in a new or existing market, measuring the level of risk.

As seen in figure 3, delivery is an important industry contributing significantly to the US GDP. Uber may have seen this as an upcoming industry when they initially started UberEATS. Furthermore, as seen in figure 2, Uber has a wide market base and US being their home country, they would use their overall diversified profits to internally expand in the USA. The launch of UberEATS is a good example of diversification. UberEATS is different from existing ride-hailing offerings (Uber Rides) and caters to a new market (high risk) within the broader confines of the same industry, hence leveraging existing deep experience at developing and promoting app-based consumer services.

⁴⁶ Appendix 6

To what extent has Uber's food delivery diversification strategy helped Uber sustain itself during COVID-19 in the USA?

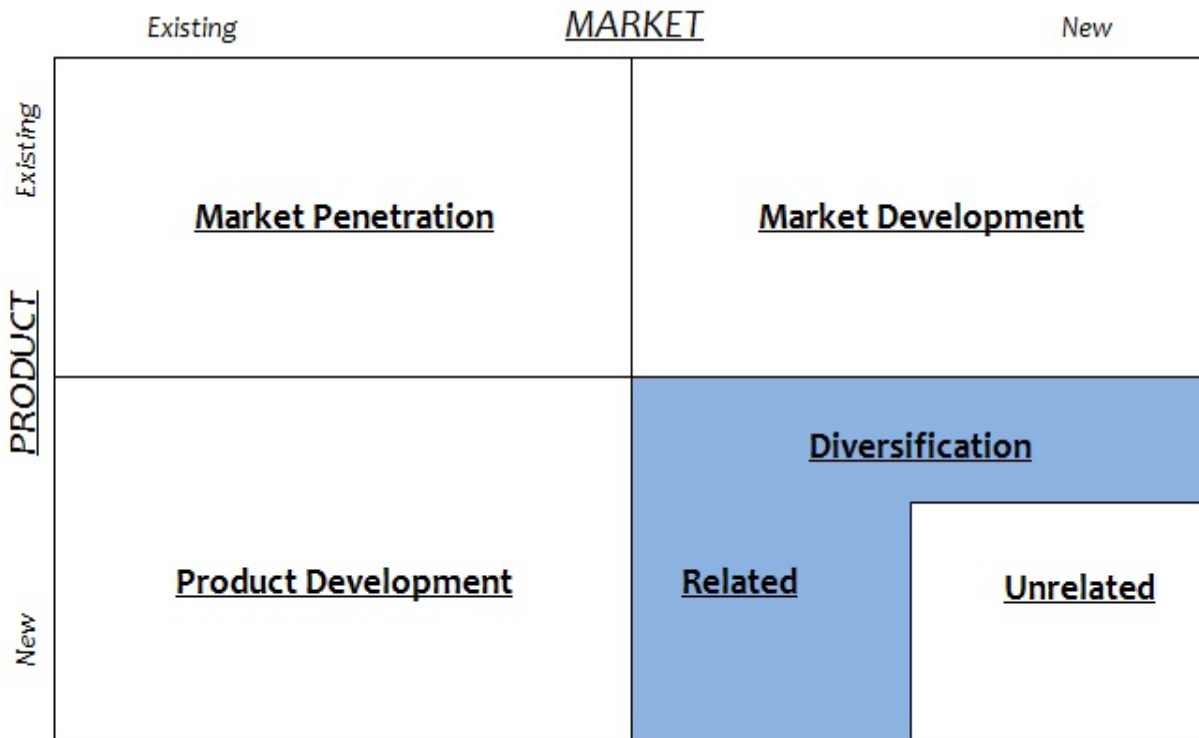


Figure 14: The Ansoff Matrix ⁴⁷

There are many advantages of Uber's food delivery diversification strategy which helped them sustain in the US during the COVID-19 pandemic.

Having a diverse product portfolio (appendix 2) helps spread risks into different industries therefore minimising the risk of loss. Uber initially launched itself as a taxi / ride-hailing company. Due to COVID-19 Uber Rides sales dropped by 5% in the first quarter, 75% in the second quarter and 53% in the third quarter (2019-2020).⁴⁸ (Figure15)

⁴⁷ "Aero: Related diversification | the Marketing Agenda." 13 Dec. 2014, <https://themarketingagenda.com/2014/12/13/aero-related-diversification/>. Accessed 24 Jan. 2021.

⁴⁸ "Uber Technologies, Inc. - Financials - UBER's Investor Relations." <https://investor.uber.com/financials/default.aspx>. Accessed 5 Feb. 2021.

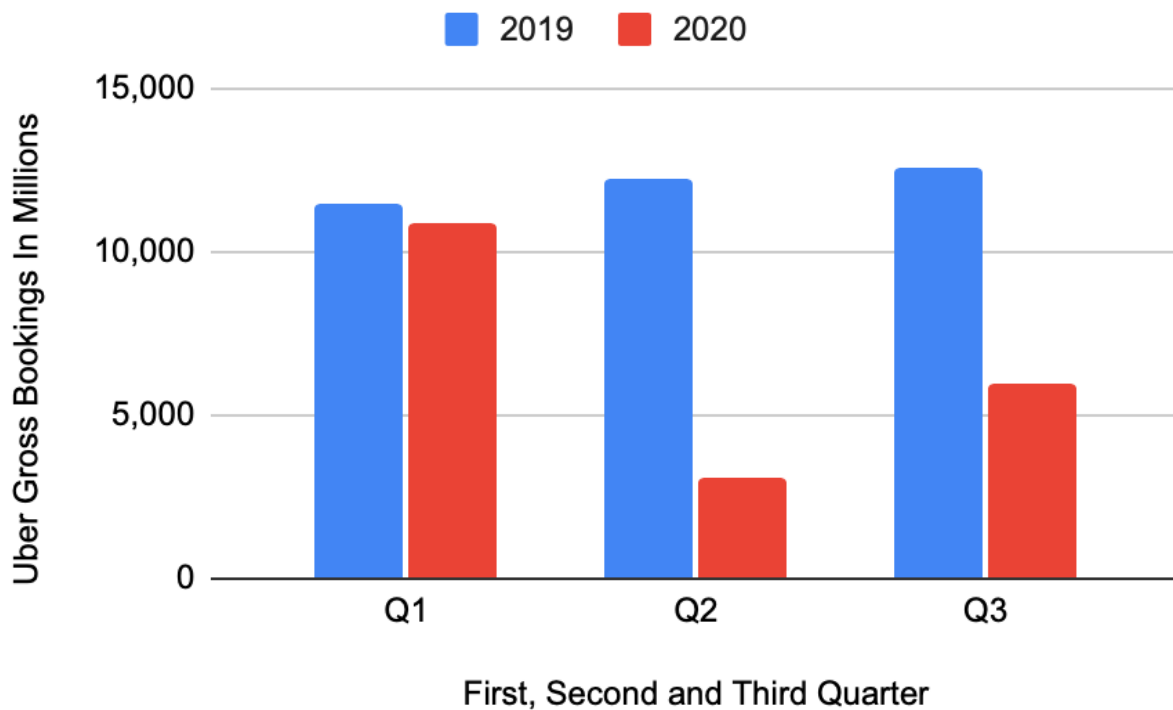


Figure 15: 2019 and 2020 Uber Rides Gross Bookings Per Quarter(1-3)^{49 50}

If the ride hailing giant did not enter the food ordering and delivery segment, looking at the above decline in gross bookings, Uber would not have been able to sustain itself during the COVID-19 times. Therefore Uber's food delivery diversification strategy was a huge success. Uber may have launched UberEATS in August 2014, with the purpose of it being a growth strategy but it actually helped them sustain themselves during times of COVID-19. UberEATS in 2020 quarter 1 contributed to 30% of their overall gross bookings, 68% in quarter 2 and 58% in quarter 3. (Figure16)

⁴⁹ Appendix 7

⁵⁰ "Uber Technologies, Inc. - Financials - UBER's Investor Relations." <https://investor.uber.com/financials/default.aspx>. Accessed 5 Feb. 2021.

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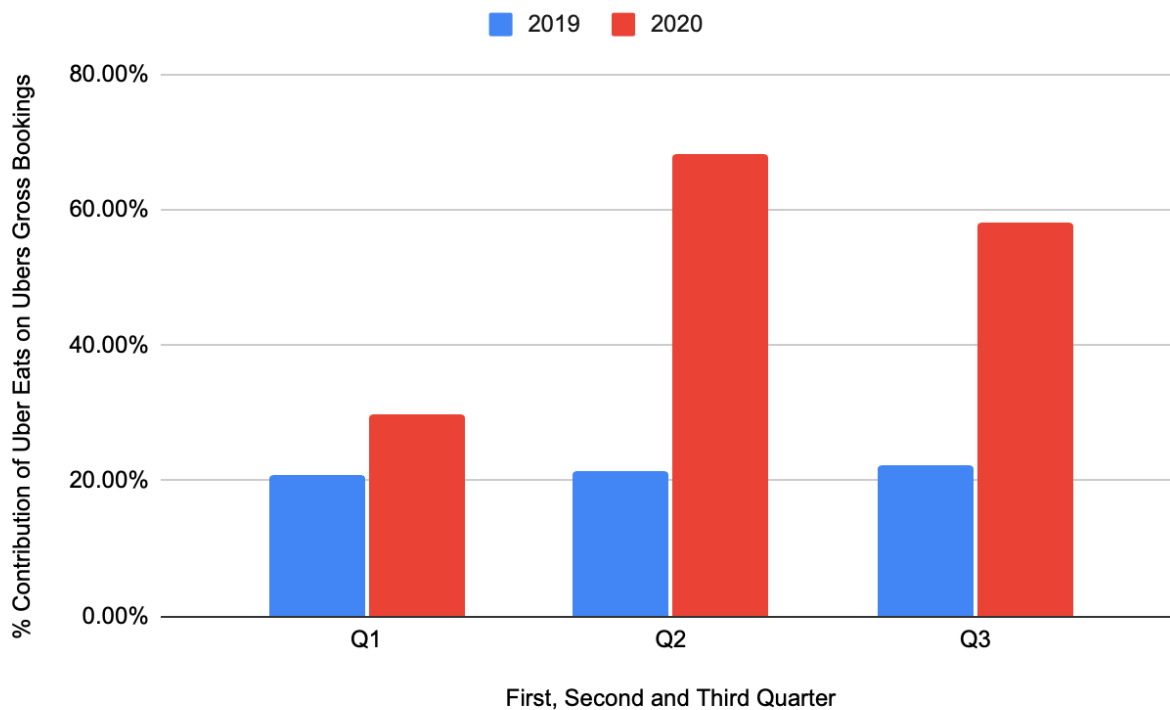


Figure 16: 2019 and 2020 % Contribution of UberEATS on Ubers Gross Bookings Per Quarter(1-3)⁵¹

Uber adopted to riskiest strategy of diversification which was worth it due to dip in their star product, rides, as observed in Figure 6. This saved Uber from drowning into deep loses. Uber used it as a way to survive and sustain. The diversification strategy seemed to benefit Uber but is limited as the trends in the market are subject to change, especially during a pandemic so the diversification strategy does not ensure sustainability. Furthermore, as seen in Figure 1 the ride hailing business was thriving but due to the pandemic demand for the ride hailing sector has drastically fallen for Uber and its competitors (figure 6). Other competitors may have also thought of diversifying in some sort of way which might pose problems for Uber. Porter 5 forces

⁵¹Appendix 6

To what extent has Uber's food delivery diversification strategy helped Uber sustain itself during COVID-19 in the USA?

model will help to clearly understand whether diversifying has helped Uber to gain competitive advantage.

PORTER'S 5 FORCES

To provide insights about external factors that influence UberEats sustainably during COVID-19 in the United States, Michael E.'s Porter's Five Forces model will be used to evaluate five forces affecting Uber: customers, suppliers, substitutes, new entrants, and competition.⁵²

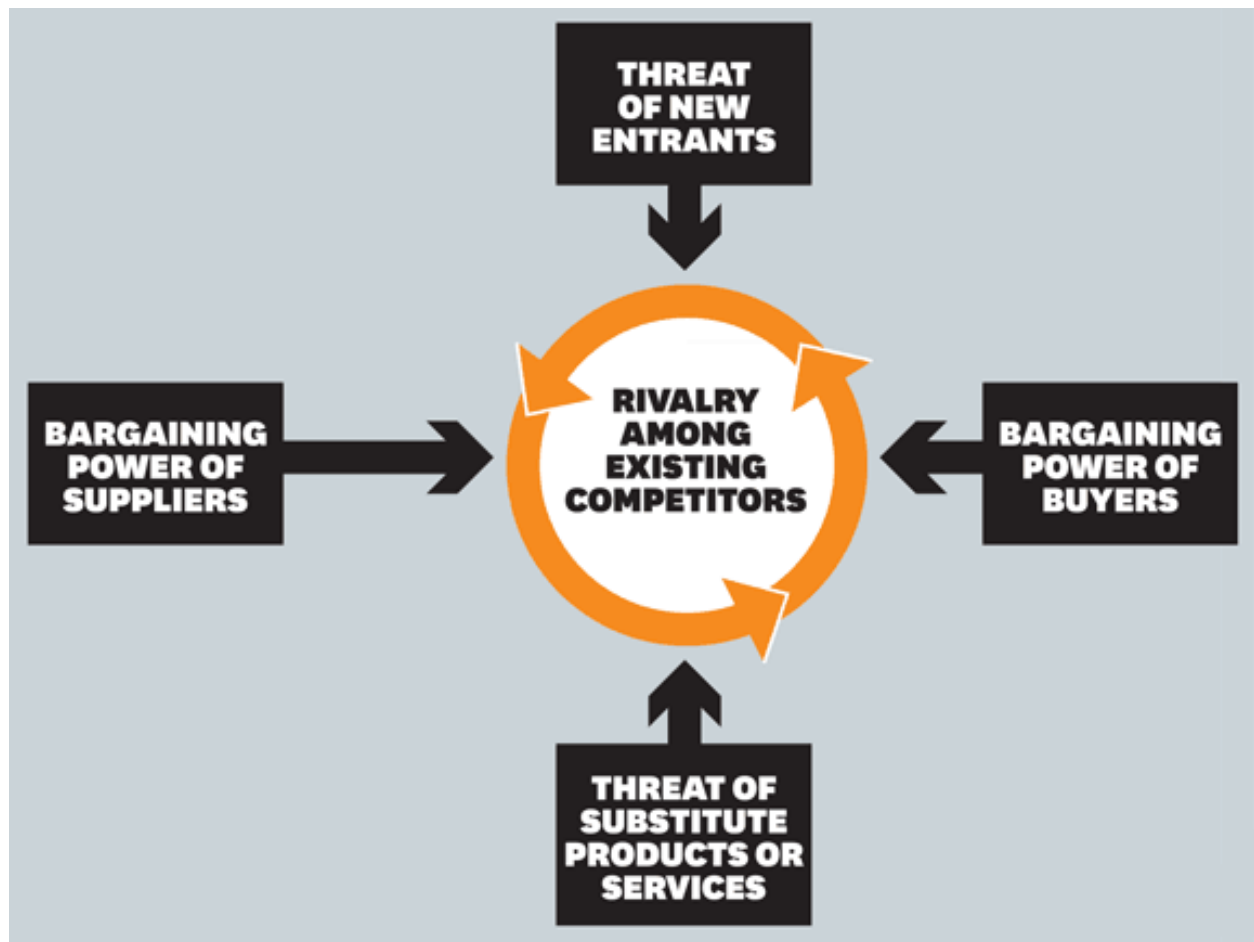


Figure 17: Porter's 5 forces diagram⁵³

⁵² Kotler, Philip. *Marketing Management*. Pearson Education France, 2009.

⁵³ "The Charts That Changed the World" <https://hbr.org/2011/12/the-charts-that-changed-the-world>. Accessed 5 Mar. 2021.

Threat of new entrant

UberEATS experiences a weak force of "threat of new entrants" entering the food sector during pandemic even though all PEST factors are in favor of the food delivery sector. This is based on the following external factors; "high capital" (weak force), "high cost of brand development" (weak force) and "capacity of potential new entrants" (weak force).

New entrants will not be able to enter as the capital requirements would be high as they might not have fleet of cars which was advantage to Uber being in the ride hiring industry, along with higher brand recognition across the globe which is also a barrier to new entrant as they would have to spend huge amount during pandemic in promoting themselves. More so, Industrialist during pandemic are more concerned with sustaining rather than taking higher risk in entering the area unknown to them. High capitalisation also exerts a barrier for the new entrant in order to compete with well-established firm like Uber.

Uber's brand, thanks to its ride hailing services is strong in the United States which was advantageous to UberEats. Historical loyal Uber ride customers are also enjoying food delivery services. Hence Uber is able to optimize and take advantage of this business model effectively. Uber also continues to look for acquisitions to strengthen its market

position. In December 2020, it completed the acquisition of Postmates⁵⁴ to focus on innovation in the United States. ⁵⁵

Big firms with good financial capacity might look to diversify and potentially compete directly against UberEATS. But due to pandemic many are unlikely to enter the market unknown to them. Thus, overall threat of new entrant is moderate for Uber.

Bargaining power of UberEATS's customers/buyer

The buyers have a strong bargaining power affecting Uber USA's business sustainability during times of COVID-19. Uber's buyers' have strong bargaining power due to "Low switching cost" (strong force), "Small size of individual buyers" (weak force) and "High buyer information" (strong force).

It is convenient for UberEATS's consumers in the USA to switch brands because of many other available options like Doordash⁵⁶ and Grubhub⁵⁷. On the contrary, the purchase of each customer is minimal relative to the overall total sales of the business, making consumers weak at an individual basis. Furthermore, the availability of extensive comparative information about rival food delivery companies allows buyers to

⁵⁴ "Postmates." <https://postmates.com/>. Accessed 9 Mar. 2021.

⁵⁵ "Uber Completes Acquisition of Postmates - Uber Investor Relations." <https://investor.uber.com/news-events/news/press-release-details/2020/Uber-Completes-Acquisition-of-Postmates/default.aspx>. Accessed 12 Feb. 2021.

⁵⁶ "DoorDash." <https://www.doordash.com/>. Accessed 27 Feb. 2021.

⁵⁷ "Grubhub." <https://www.grubhub.com/>. Accessed 27 Feb. 2021.

conveniently switch from one company to the other. This external factor allows buyers to employ a heavy force on UberEATS.

Bargaining power of UberEATS's supplier

The bargaining power of UberEats suppliers is a strong force based on "high number of suppliers" (weak force) and "high overall supply" (weak force).

The number of restaurants in USA is increasing, in fact the number of jobs in the industry grew by 84% from 2010 in just 8 years - 3 times faster than in the overall economy.⁵⁸ Uber's revenue is directly proportional to the number of restaurants that are added on its platform, so this boom will help UberEats. Restaurants tend not to substitute such providers, but prefer to provide their services through multiple delivery platforms.

Uber continues to have a bargaining power over suppliers because their footprint is increasing and is one of the best brands in the market. Uber customers trust Uber and its safety delivery standards. More restaurants are joining the platform for a fee and have observed a 15% increase in sales.⁵⁹ The dependency on Uber's food delivery platform and technology (unique offering) is essential for an increase of restaurant customer base and their own growth. This ensures that restaurants are not able to put

⁵⁸ "National Restaurant Industry Facts at a Glance." <https://restaurant.org/research/restaurant-statistics/restaurant-industry-facts-at-a-glance>. Accessed 12 Feb. 2021.

⁵⁹ "The Business Benefits of Food Delivery Apps | Dinarys." 19 Jun. 2020, <https://dinarys.com/blog/food-delivery-apps>. Accessed 12 Feb. 2021.

pressure on Uber asking for deviation in the terms and conditions like discounts, quality standards and prices for their own benefit.

Threat of substitutes

In the case of Uber, substitutes plays a weak role because of the following external factors: "Low availability of substitutes" (weak force), "Moderate performance of substitutes" (Weak force) and "Low buyer propensity to substitute" (weak force).

UberEATS substitute products are not readily available in the COVID oriented market. Normally a substitute would be to visit a restaurant but during a pandemic the only other option is to use food delivery services. However, the substitute therefore has a low performance because people try to avoid it. This makes threat from substitutes a weak force having a low propensity to substitute for UberEat's business and buyers .

Extent of Rivalry

Uber is presented with a strong force of competitive rivalry. This element reveals intensity of the influence that competitors have UberEats. This influence is due to the following external factors: "High aggressiveness of firms" (strong force), "Low differentiation of products" (strong force) and "Low switching cost" (strong force).

Doordash⁶⁰ belligerently competes against UberEats where Doordash holds 44% and Uber holds 23% of the market share (figure 9)⁶¹. Even though this is a disadvantage, it is the contrary too as it won't initiate price wars. Additionally, in terms of product differentiation, products available are similar to fulfilling the same purposes. The delivery service and app interface is almost similar within all companies which create a strong force make it easy for customers to turn to other providers. On the contrary, low switching cost factor makes its even easier for customers to switch from UberEATS to other providers based on functionality, accessibility and price.

The above analysis of PEST, Ansoff and Porter 5 forces overall seems to help Uber sustain during the times of COVID-19 as they are mostly in favour of the diversification strategy but to come to a rational consultation to the research question the financial aspects have been analyzed as well.

⁶⁰ Appendix 4

⁶¹ "Which company is winning the restaurant food delivery war" 19 Jan. 2021, <https://secondmeasure.com/datapoints/food-delivery-services-grubhub-uber-eats-doordash-postmates/>. Accessed 12 Feb. 2021.

FINANCIAL ANALYSIS

To analyze financials, 2019-2020 (before and during COVID) quarterly/annual data from press releases, supplemental information, annual reports and investor presentations is compiled in a single view to help extrapolate data effectively. Trends in revenue will be analyzed as it is directly proportional to "Gross Bookings", "MAPCs" and "Trips".

In Millions	2015	2016	2017	2018	2019	2020 Q1	2019 Q1	2020 Q2	2019 Q2	2020 Q3	2019 Q3
Revenue (GAAP)	\$1,995	\$3,845	\$7,932	\$11,270	\$14,147	\$3,543	\$3,099	\$2,241	\$3,166	\$3,129	\$3,813
Gross Bookings			\$34,409	\$49,799	\$65,001	\$15,776	\$14,649	\$10,224	\$15,756	\$14,745	\$16,465
Trips			3,736	5,220	6,904	1,658	1,550	737	1,677	1,150	1,770
MAPCs			68	91	111	103	93	55	99	78	103

Table 1: Revenue, Gross Bookings, Trips and MAPCs ⁶²

In Millions	2017	2018	2019	2020 Q1	2019 Q1	2020 Q2	2019 Q2	2020 Q3	2019 Q3
Rides / Mobility	\$7,278	\$9,437	\$10,745	\$2,470	\$2,418	\$790	\$2,376	\$1,365	\$2,895
Eats / Delivery	\$587	\$1,460	\$2,510	\$819	\$536	\$1,211	\$595	\$1,451	\$645
Freight	\$67	\$356	\$731	\$199	\$127	\$211	\$167	\$288	\$218
Other Bets		\$17	\$161	\$55	\$18	\$29	\$28	\$25	\$55
Total	\$7,932	\$11,270	\$14,147	\$3,543	\$3,099	\$2,241	\$3,166	\$3,129	\$3,813

Table 2: Revenue by type of business ⁶³

⁶² "Uber Technologies, Inc. - Financials - UBER's Investor Relations." <https://investor.uber.com/financials/default.aspx>. Accessed 12 Feb. 2021.

⁶³ "Uber Technologies, Inc. - Financials - UBER's Investor Relations." <https://investor.uber.com/financials/default.aspx>. Accessed 12 Feb. 2021.

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In Millions	2020 Q1	2019 Q1	2020 Q2	2019 Q2	2020 Q3	2019 Q3
USC	\$2,142	\$1,895	\$1,250	\$1,967	\$1,674	\$2,407
LATAM	\$497	\$450	\$232	\$417	\$320	\$527
EMEA	\$552	\$487	\$401	\$506	\$641	\$534
APAC	\$352	\$267	\$358	\$276	\$494	\$345
Total	\$3,543	\$3,099	\$2,241	\$3,166	\$3,129	\$3,813

Table 3: Uber's revenue by geography ⁶⁴

Figure 6 and 9 could not be exacted and as Uber has not shared breakup for type of business by geography, using previous tables US and Canada (USC) revenue by business has been extrapolated using ratios.

In Millions	2019 Q2/Q3	2020 Q2/Q3	2020 Q1	2019 Q1	2020 Q2	2019 Q2	2020 Q3	2019 Q3
Rides / Mobility	US\$3,304	US\$1,171	US\$1,493	US\$1,479	US\$441	US\$1,476	US\$730	US\$1,828
Eats / Delivery	US\$777	US\$1,452	US\$495	US\$328	US\$675	US\$370	US\$776	US\$407
Freight	US\$241	US\$272	US\$120	US\$78	US\$118	US\$104	US\$154	US\$138
Other Bets	US\$52	US\$30	US\$33	US\$11	US\$16	US\$17	US\$13	US\$35
Total	US\$4,374	US\$2,924	US\$2,142	US\$1,895	US\$1,250	US\$1,967	US\$1,674	US\$2,407

Table 4: Uber's extrapolated revenue for USC ⁶⁵

UberEATS in 2019 Q2&3 contributed to 17.8% but at the peak of the pandemic (2020 Q2&3) contributed to 49.6% of USC revenue. Furthermore, if they did not use their food delivery diversification strategy, then their revenue in 2019 and 2020 Q2&3 would have been \$3,597 million and \$1,472 million respectively. As mentioned before, between

⁶⁴ "Uber Technologies, Inc. - Financials - UBER's Investor Relations." <https://investor.uber.com/financials/default.aspx>. Accessed 12 Feb. 2021.

⁶⁵ "Uber Technologies, Inc. - Financials - UBER's Investor Relations." <https://investor.uber.com/financials/default.aspx>. Accessed 12 Feb. 2021.

USC, USA is Uber's bigger market.⁶⁶ Both of these are objective evidences that Uber USA's food delivery diversification strategy did help them sustain during the difficult and unprecedented times of COVID-19.

Because of the paucity of words, only one aspect of revenue has been approximate and analysed for US&C. This could be better analyzed by profitability ratios if the individual breakup of the US is given for rides and Eats.

⁶⁶ "Uber To Focus On Emerging Markets | PYMNTS.com." 22 Oct. 2019, <https://www.pymnts.com/news/ridesharing/2019/uber-focus-on-emerging-markets-road-to-profits/>. Accessed 5 Feb. 2021.

CONCLUSION

Even after decline in demand for Uber's start product, rides, analysis through both qualitative and quantitative research revealed that Uber sustained itself in the USA during COVID-19 due to their adopting to diversify into food delivery services.

This research indicates though diversification is the riskiest strategy, it increases the survival rate in the business world as it spreads risks. Even if one section of a business gets hit, the other is likely to cover up. Uber's food delivery service was the right product at the right time with minimum amount of investment.

PEST Analysis concludes that changes in external environment did impact the Uber's business activity but also gave them opportunities to capitalize by its delivery services. Potential costs and benefit analysis of this strategy reveals that benefits outweighs the cost more, so cost of investment was way less as Uber already had strong network as shown in Fig 2. This diversification strategy further helped Uber gain a competitive advantage as discussed by Porter's five force model. The app of Uber is innovative and user friendly. Uber being the dominant player in USA with market share of 65% (Figure4) was advantage to be capitalized and the idea of Uber delivery was a good answer. The extrapolated quantitative analysis revealed, USC Uber earning a total of 1,472 million dollars as of 2020 Q2&3 if they did not diversify into UberEATS. (Actual total contribution \$2924 million). This shows Uber's high dependance on its delivery product.

This also means business like Uber should have diversified portfolio in order to sustain themselves in competitive dynamic world as cash cow, stars, dogs and question marks of firms keeps changing their position due to changes in external environment.

Now that Uber is on the right track, will it start making high profits? According to figure 10, it is predicted that the food delivery business would grow exponentially year by year but this is only if the external factors stay the same or within what the researcher thought. Is it that after the COVID vaccine is available to the general public or when the coronavirus comes to an end the demand for food delivery will continue to increase? It actually may fall as there would be a high threat of substitutes physically going to restaurants. This is subject to further research and It is now for us to see whether Uber will be able to sustain themselves in the long run.

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APPENDIX

Appendix 1: Source, Purpose and Limitation

Source	Purpose	Limitation
Books • IB Business and Management Course Book by Paul Hoang • Marketing Management Book by Philip Cottler.	To gain a good understanding of business tools, concepts and strategies which can be made applicable in the context of the research topic and Uber Inc.	None
Internet Sources • Press releases • Uber official website - investor, financial and press release sections • Statistical information available from sources like Statistica • News / Articles • Blogs	For research purpose of this essay and to gather information about the food delivery business, history of Uber, competitors, growth prospects, pandemic impact and key business strategies	Contradictory information from various websites and unreliable if information is not picked from an authentic source.
Financials of Uber Inc. • Uber's corporate website - investor relations / financial section for Annual and Quarterly reports • SEC website and archives	To gather revenue, gross booking and trip and MAPC financial data used for analysis. This includes a breakup by region and type of business to understand the revenue contribution made by region/ business type.	As Uber is a publicly traded company, due to SEC compliance and guidelines the data is expected to be accurate on the corporate web site, but a company may report inflated numbers to attract further investments.

To what extent has Uber's food delivery diversification strategy helped Uber sustain itself during COVID-19 in the USA?

Appendix 2: Uber Apps, Products and Offerings

Uber's technology offerings

Changing how people can request rides and get from point A to point B is just the beginning.

[Download the app](#)

Uber apps, products, and other offerings



Ride options

Access to rides on demand.

[Learn more](#)



Uber Eats

Food delivery on demand.

[Learn more](#)



Earning with Uber

Opportunity is everywhere.

[Drive or deliver with Uber](#)



Moving cities forward

Helping to improve public transportation and access to care for those in need.



Helping businesses move ahead

See how Uber Freight and Uber for Business help organizations across the world.



The future of transportation

From autonomous vehicles to urban air mobility, learn how Uber is changing the future of transportation.

Uber's most popular ride options

Request a ride, hop in, and go.

[Download the app](#)

[See more ride options](#)



UberX

Affordable rides, all to yourself

[Learn more](#)



Uber Pool

Shared rides, door to door or with a short walk

[Learn more](#)



Uber Comfort

Newer cars with extra legroom

[Learn more](#)

To what extent has Uber's food delivery diversification strategy helped Uber sustain itself during COVID-19 in the USA?

Uber's most popular ride options

Request a ride, hop in, and go.

[Download the app](#)

[See more ride options](#)



Uber Black

Premium rides in luxury cars

[Learn more](#)



Scooters

Electric scooters to help you get around your city

[Learn more](#)



Uber WAV

Rides in wheelchair-accessible vehicles

[Learn more](#)

Food delivery on demand



Uber Eats

Order from your favorite restaurants, online or with the Uber app. The restaurants will prepare your order, and a nearby delivery person will deliver it to your door.

[Visit Uber Eats](#)



Restaurants

Uber Eats makes a real impact on your restaurant business. When your food is featured in the app, new customers can discover it and loyal customers can enjoy it more often. Delivery people using the Uber app deliver the food fast, maintaining the best possible food quality.

[Partner with Uber Eats](#)

To what extent has Uber's food delivery diversification strategy helped Uber sustain itself during COVID-19 in the USA?

Helping businesses move ahead



Uber Freight

Uber Freight is a free app that matches carriers with shippers. Shippers tap a button to instantly book the loads they want to haul. And thanks to upfront pricing, carriers always know how much they'll get paid.

[Visit Uber Freight](#)



Uber for Business

Whether it's employee travel or customer rides, Uber for Business gives you an easy way to manage your ground transportation needs. Built for work, it offers a clear view into employee trip activity with automated billing, expensing, and reporting.

[Visit Uber for Business](#)

Earn money with Uber



Drive with Uber

Make the most of your time on the road on the platform with the largest network of active riders.

[Sign up to drive](#)



Deliver with Uber

Make money by delivering food orders that people crave, and other items using the Uber Eats app—all while exploring your city.

[Sign up to deliver](#)

To what extent has Uber's food delivery diversification strategy helped Uber sustain itself during COVID-19 in the USA?

Moving cities forward, together



Helping to improve public transportation for all

Uber is committed to helping cities around the world make public transportation more accessible, equitable, and efficient.

[Learn more about Uber Transit](#)



Providing access to care for those in need

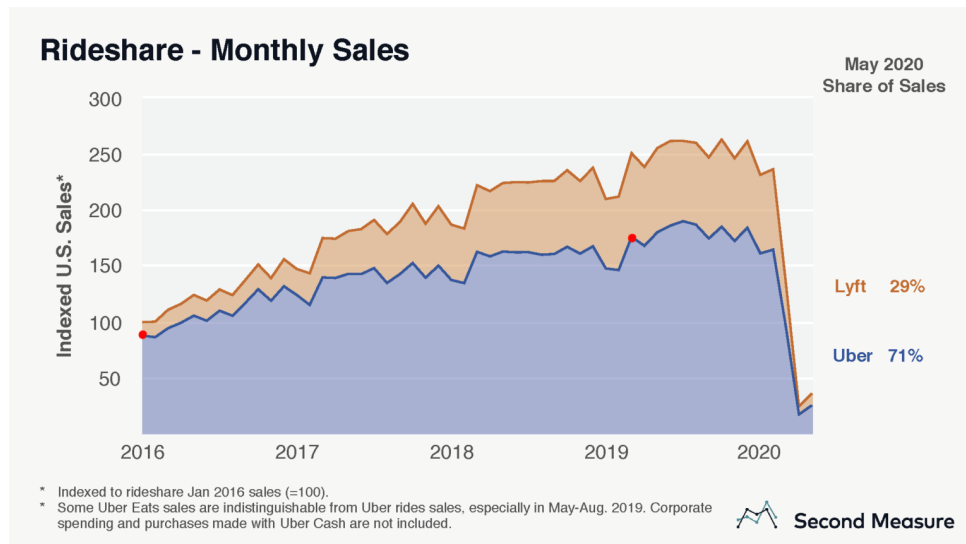
We've partnered with healthcare organizations to provide their members and patients with access to care by offering them flexible ride-scheduling options. Healthcare professionals can schedule rides for patients and caregivers going to and from the care they need, all from a single dashboard.

[Visit Uber Health](#)

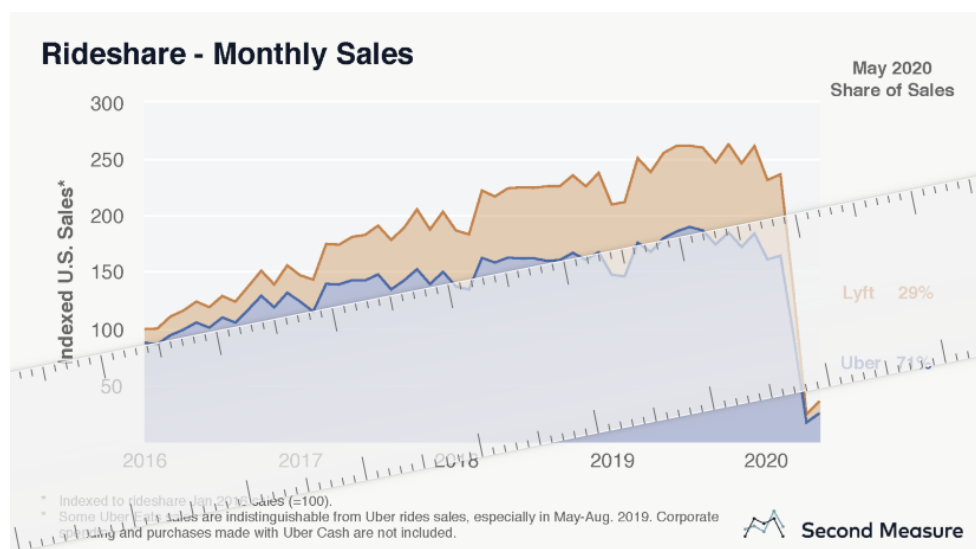
To what extent has Uber's food delivery diversification strategy helped Uber sustain itself during COVID-19 in the USA?

Appendix 3: Process of Uber's 2016-2020 Uber US Rideshare Sales extrapolation if the COVID-19 pandemic did not hit

Firstly the start of the graph and the start of the time when the pandemic hit was approximate and marked with a red dot:

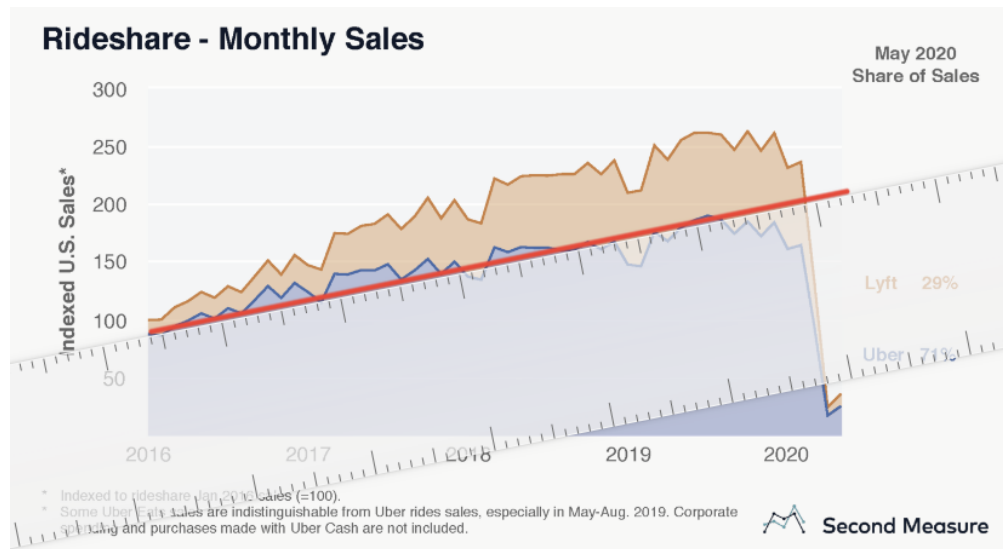


Then a digital scale was used to place the scale on the two dots:



To what extent has Uber's food delivery diversification strategy helped Uber sustain itself during COVID-19 in the USA?

And lastly, the line of best fit was drawn with the support of the digital scale.



To what extent has Uber's food delivery diversification strategy helped Uber sustain itself during COVID-19 in the USA?

Appendix 4: SWOT Analysis of Uber

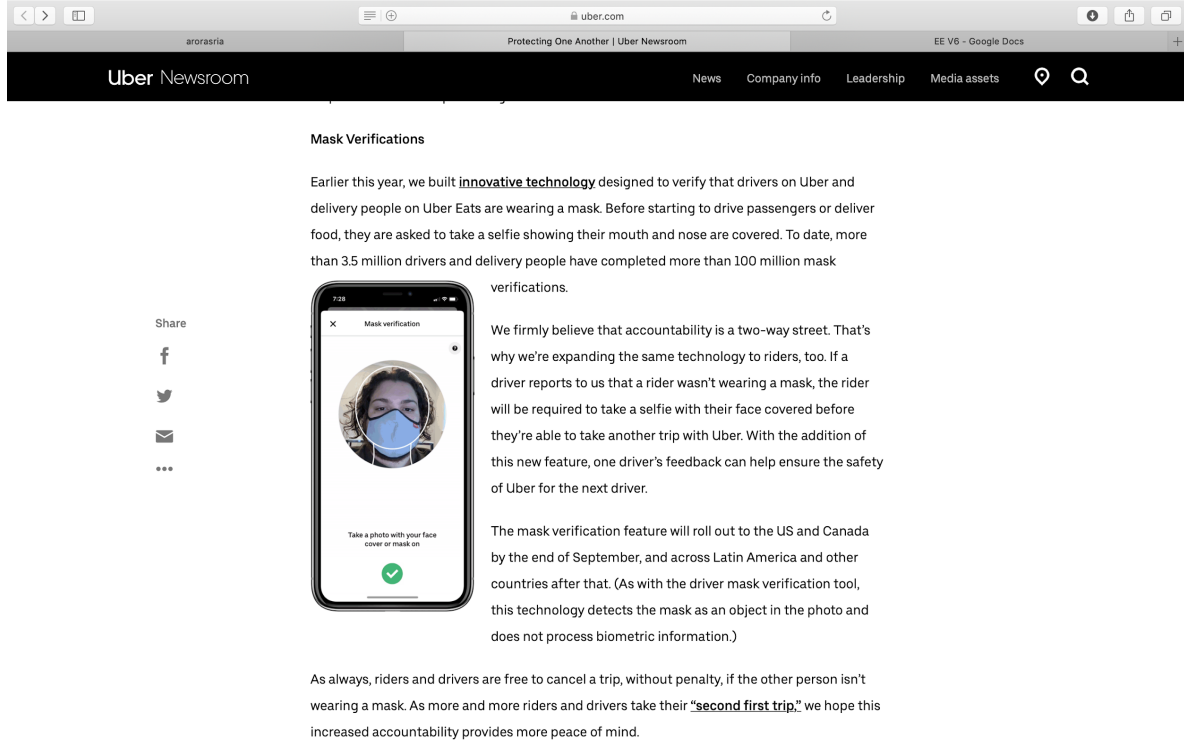
Uber SWOT Analysis

Source: BRANDONGAILLE.COM

	INTERNAL FACTORS	EXTERNAL FACTORS
POSITIVE	STRENGTHS - Global brand recognition - As a first mover, largest ridesharing company - strong market position. - Diversification and forward-thinking are things Uber does well. - Dynamic pricing helps its drivers' morale and Uber's availability for riders. - Customers are loyal to Uber because it offers a great customer experience. - Its operational costs are low. - The company has a high valuation and can secure additional financing easily to fund its growth.	OPPORTUNITIES - The Covid-19 Pandemic has seen a drastic increase in food delivery service, resulting in a 125% increase in year-on-year revenue for Uber Eats. - Toyota, alongside Denso and Softbank, invested \$1 billion into Uber to develop autonomous vehicles. - Uber's digital freight brokerage service, Uber Freight, accounts for 1% of the group's bookings, but 4% of the group's net revenue.
NEGATIVE	WEAKNESSES - The Uber vetting process has historically shown to be inadequate to ensure rider/driver safety. - Gender inequality has proven to be persistent in Uber's driver makeup, both in prevalence, and pay gap. - Uber's disruptive nature has resulted in action from policymakers. - Driver wages are reported to be repeatedly under Uber's estimates. - Uber's competitor, Lyft, remains the leader in terms of driver satisfaction.	THREATS - Fierce competition - will need to work hard and creatively to retain its customer base. UberEats faces competition from GrubHub and DoorDash. - Employee retention will increasingly be an issue due to Uber's competition. - Its low prices for riders means Uber's profit margins are also low. - Local laws, makes it difficult for Uber to make sure it is complying everywhere it operates. - Frequent lawsuits have diverted time & money away from core businesses.

To what extent has Uber's food delivery diversification strategy helped Uber sustain itself during COVID-19 in the USA?

Appendix 5: Safety measures taken by Uber to adapt to new social norms



The screenshot shows a web browser displaying the Uber Newsroom page. The article is titled "Mask Verifications" and discusses Uber's innovative technology for verifying that drivers and delivery people are wearing masks. The article includes a photo of a smartphone screen showing the mask verification process, where a user is prompted to "Take a photo with your face cover or mask on". The article also mentions that more than 3.5 million drivers and delivery people have completed more than 100 million mask verifications. The article is dated "Earlier this year" and mentions that the technology will roll out to the US and Canada by the end of September, and across Latin America and other countries after that. The article is written in a professional, informative tone and includes social media sharing options (Facebook, Twitter, Email, and a share icon).

Mask Verifications

Earlier this year, we built **innovative technology** designed to verify that drivers on Uber and delivery people on Uber Eats are wearing a mask. Before starting to drive passengers or deliver food, they are asked to take a selfie showing their mouth and nose are covered. To date, more than 3.5 million drivers and delivery people have completed more than 100 million mask verifications.

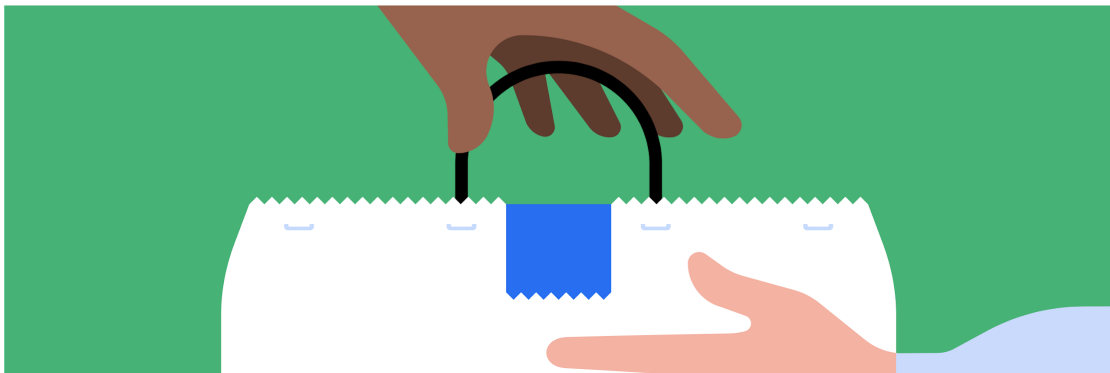
We firmly believe that accountability is a two-way street. That's why we're expanding the same technology to riders, too. If a driver reports to us that a rider wasn't wearing a mask, the rider will be required to take a selfie with their face covered before they're able to take another trip with Uber. With the addition of this new feature, one driver's feedback can help ensure the safety of Uber for the next driver.

The mask verification feature will roll out to the US and Canada by the end of September, and across Latin America and other countries after that. (As with the driver mask verification tool, this technology detects the mask as an object in the photo and does not process biometric information.)

As always, riders and drivers are free to cancel a trip, without penalty, if the other person isn't wearing a mask. As more and more riders and drivers take their **"second first trip,"** we hope this increased accountability provides more peace of mind.

Handle Uber Eats orders safely

These guidelines help make every order a great one. They also help build trust among delivery people, customers, and your favorite neighborhood restaurants.



Proper handling of orders

Restaurants are expected to meet all relevant licensing requirements and to follow regulations—including food safety regulations—and industry best practices. Restaurants must maintain valid restaurant licenses and/or permits.

Tips for restaurants +

Proper delivery of orders

Restaurants may outline certain delivery guidelines that promote food safety, adhere to regulatory guidance, or accommodate customer dietary restrictions. For example, restaurant notices to keep halal and non-halal food separate should always be followed.

Tips for delivery people +

Provide a safe space for pickups

Restaurants should provide a safe area for order pickups that make delivery people feel welcome.

Appendix 6: Uber Market penetration, product development and market development ⁶⁷

Market Penetration

Market penetration is the growth strategy suggested by Ansoff matrix. This strategy motivates the company to increase the sales of the current products and services in the current markets. This strategy helps the company in increasing the market share in industry. Furthermore, there are number of ways for achieving this. Companies can do aggressive marketing to penetrate deeply in the market. They can opt for competitive pricing strategies to gain more consumers. Uber has successfully adopted this strategy. It engages itself in markets through different sales promotion techniques. It provides promotion codes to the loyal customers and enable clients to markdown their next ride as Uber VIP. This provide the access to most valued drivers to clients. Moreover, Clients can access for free rides if they invite any of their friends to ride and join Uber. Uber has affordable and reasonable rates as compare to Careem which helps it in gaining more consumers (Eduzaurus, 2020).

Product Development

Product development is the strategy suggested by Ansoff matrix. This strategy encourages the company to introduce new product for the current market. This is also called product expansion strategy as this expands the product portfolio of the company. the company can either introduce completely new product or different version of existing products. Uber is providing services in number of different countries. It has adopted this strategy on different levels. The company advanced in providing international transportation technology and increasing its services continuously. Currently, it is providing number of services like Uber X, Auto, Go, XI, Access, Rush, Premium, and Moto. It also offers Uber KIDS in which car will be provided with child safety seat. The Uber BLACK is also a service provided by the company where the black luxury car will be provided to the clients (Eduzaurus, 2020).

Market Development

Ansoff matrix also suggests the market development strategy to the companies. This strategy

⁶⁷ "Ansoff Matrix of Uber - Ansoff Matrix." 22 Feb. 2020, <https://ansoff.com/ansoff-matrix-of-uber/>. Accessed 17 Feb. 2021.

motivates the company to expand itself in new markets and attract new customers for the existing products. This strategy also known as market expansion, as companies have to explore new markets and start their operations. This expansion can be either geographically or demographically. Uber adopted this strategy by expanding itself geographically. The company started its operations from San Francisco initially and now serving in more than 760 area across the globe. Uber is looking forward to expanding itself in other countries also as a global transportation technology. The company did not limit the users demographically. It provides services to every gender, age groups, working groups, individuals, etc. (Dudovskiy, 2018).

Diversification

Diversification is the strategy suggested by Ansoff matrix. This strategy is the riskiest strategy as companies have to enter in the new market with a new product. Companies have to do lots of research and innovate the product according to the target market's demand. Uber has adopted this strategy successfully. It was a riding service business, diversified itself in food industry. It also started its operations in food delivery area. Moreover, it has bought few ice-cream trucks and also sell ice-creams, which is completely different service line for the company (Consumer value creation, 2016).

Appendix 7: Raw Data for Figure 16 and 17

Uber Gross Bookings In Millions Q1-3 2019 and 2020

Quarter	2019	2020
Q1	11,446	10,874
Q2	12,188	3,046
Q3	12,554	5,905

% Contribution of UberEATS on Ubers Gross Bookings 2019-2020 Q1,2 and 3

2020 Q1	2019 Q1	2020 Q2	2019 Q2	2020 Q3	2019 Q3
4,683	3,071	6,961	3,386	8,550	3,658
15,776	14,649	10,224	15,756	14,745	16,465

	2019	2020
Q1	20.96%	29.68%
Q2	21.49%	68.08%
Q3	22.22%	57.99%

Appendix 8: Raw Data for Figure 5

2019 Uber breakup per segment

Rides / Mobility	75.95249876
Eats / Delivery	17.74227751
Freight	5.167173252
Other Bets	1.13805047

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