

# Pestle analysis of uber

Business



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Uber has been in the news frequently. It's regarded as the fastest growing app taxi-sharing company.

But it has also seen various controversies regarding the taxi industry, minimum wage complications, and bannings in worldwide countries.

However, it's still continues to grow. Here is the PESTLE analysis of Uber.

### **Political factors: Endless controversies**

Uber has faced controversy. In its initial development, Uber didn't have clear regulations. It was difficult to pinpoint insurance lie in — if there is an accident, is the Uber driver at fault, or the company itself?

They have faced additional scrutiny worldwide; France filed charges based on advertising, the Netherlands ruled against Uber for their drivers not having Taxi licenses, cease and desist orders from Portland, with additional ban considerations in Asian countries.

Additionally, there were political discussions about minimum wage laws in the taxi industry, and whether Uber was abiding by these rules. The government requires commercial licenses as well, requiring Uber to provide that documentation.

### **Economic factors:**

The industry that Uber operates in is the sharing economy. It means that this economy is based on sharing physical or intellectual resources. In this case, Uber hires drivers to respond to customer and drive them to a location. It's often deemed cheaper than taxis and easier to schedule an appointment.

Uber has grown exponentially since its initial launch. But countries have banned or restricted its services due to Uber having an unfair competition against regular taxis. Other companies in this industry face debate, but Uber's fast development has led them to be the focus point.

People are studying whether this type of economy brings new career opportunities or takes them away from existing positions (Uber vs. traditional taxi driving). Or bringing in new opportunities but for lower pay.

One thing is certain, Uber has grown at an alarming rate — showing there is economic potential in this market. But as Uber grows larger, other platforms like Lyft must fight to stay relevant.

### **Social factors: Easy availability**

Customers of Uber enjoy its easy to access platform.

Choosing an appointment and pick-up time is easy using the app on smartphones. It requires no communication rather than a few presses of a button. The cheaper price is enticing to many, which has led to the explosion of Uber's growth all over North America.

As consumers enjoyed their rides, they posted about their experience on social media sites. Word of mouth spread awareness quickly. But with the popularity increase, prices in major cities rose too. Good for Uber, but not welcome by riders.

Still, because of the ease of use, customers choose Uber frequently. The more accessibility Uber provides, the more people will use its services rather than taxis or even public transportation.

<https://assignbuster.com/pestle-analysis-of-uber/>

## **Technological factors:**

Uber spread like wildfire through social media. People explaining their riding experiences online spread and share stories. It encouraged new users to do the same. Buyers are searching for cheaper transportation options and Uber fulfilled this need.

Consumers make appointments through the app. An estimate for the ride cost can appear in the app — it depends on many factors like drop off location, traffic and weather. They can pay for the ride up front through the app too. And drivers who are on duty respond and pick up the passengers to take them to their destination.

The app is incredibly important to Uber. It can't function if the app goes down or suffers difficulties. The company must ensure everything is working, reliable and ready to go. Many drivers use 4G networks to connect to the app — it's deemed critical to do their jobs.

## **Legal factors: Bannings**

Legal factors were touched on under the political factor part of this analysis.

Uber faces much criticism, bans and attempted bans in locations worldwide. The company must follow technical usage laws, copyright laws, labor and employee safety laws.

## **Environmental factors: Questionable responses**

Uber's effect on the environment is ever shifting. Many believe it increases traffic congestion and fuel usage. But studies have shown Uber hasn't increased congestion.

People may use Uber instead of public transportation. Analysts will have to compare Uber fuel usage versus public transit versus own transportation for a thorough analysis of Uber's environmental impact. As many different factors can contribute to the final number.

### **In conclusion...**

Uber is a big-shot in the shared economy. It's known for its cheapness, ease of use, and controversies. Countries around the world have been open about whether they support or don't support Uber. The company has been banned and restricted in many parts of the world.

But its popularity continues to grow. Even when the prices rise, it still stays competitive against taxis. Consumers enjoy using the app to book rides and may even choose it over public transportation because of the experience. But how much or little the company hurts the environment requires more investigation.

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