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Lisa chow and Zoe are discussing surge pricing. In the discussion surge pricing is connected with Uber Company. The business of Uber Company is to charge people more than normal costs for a cab ride. The company overcharges people when they are in desperate situations, like when it is snowing, sleeting or during rush hours. Also when it is difficult to get a cab, or when demand is high. They see an opportunity to make money from people who have to do something that can’t wait for long. For instance, Uber Company charges four times the typical charge and sometimes up to nine times the normal charge.
There are many examples given here about people that were found in such situations and then forced to pay more than the regular charge. Jacob tells his story about what happened when his wife was about to deliver their second daughter, Baby Olivia. It occurred in summer on a Friday evening when his wife called him. His wife was working until she went to labor pains. She worked next to his office, and she was coming to meet him so they could go to the hospital. They went to the road to flag down a vehicle. It was hot, and the cabs were moving fast without stopping but, fortunately, one stopped, and they were heading to the hospital. Jacob was surprised when the driver told him that he was to pay four times the normal charge. He was very furious, but the condition of the wife left him no other option but to pay what the driver wanted (Planet Money 2014).
Another example is where a young couple were forced to pay seven times the normal charge. It was December in the New York City. It was raining, snowing and sleeting, a cold weather and cabs were sliding on the road. The young couple aged around 25 years had waited for one and a half hours without finding a car. They even tried to call service vehicles in vain. The lady was wearing a short skirt in the chilly weather. Then came a driver from Uber Company and they ended up paying seven times the usual charge. Liza Chow was also caught in the snow and paid $192 instead of $65 for a 5-mile car ride by Uber Company.
Lisa chow and Zoe make an argument that surge pricing may benefit everyone. They define the argument by saying if Uber Company does not charge more than the standard cost drivers will not be motivated. They will not go out struggling in the snow. Surge pricing will help the people out in the snow or when it is sleeting as the drivers will be available knowing the pay is more. Hence surge price will benefit the drivers and the people caught in the snow and the rain and some difficult situations like rush hours.
However, other companies like home depot do not take advantage of their customers when they are in desperate needs. For instance, they don’t surge the salt price when they realize their salt is in high demand during the winter. The salt is used in melting the snow, and even though it is in high demand the prices are constant. Though surging is good as it may appear to business people, it may have a long-term adverse effect on potential customers.
Home depot values its clients and, therefore develops a long-term relationship that is good. The aim of businesses is to create profits. Companies should asses their customers as they are the one making the profits possible. All corporations should put their customers ahead before anything else. Uber Company as much as it aim at making profits should value its customers by making them aware of their operations.
Work cited.
Planet Money. “ Episode 516: Why Paying $192 For A 5-Mile Car Ride May Be Rational The Economy Explained.” February 07, 2014. Web. March 07, 2015. Retrieved from http://www. npr. org/blogs/money/2014/02/07/273060341/episode-516-why-paying-192-for-a-5-mile-car-ride-may-be-rational.