

# A Quick Insight of – Investment Management at UBER

Pabba Shravya

*MBA II YEAR, Sridevi Women's Engineering College*

**Abstract - Uber Technologies, Inc. is an American Multinational Transportation Network Company (Tnc) Offering services that include Peer-to-Peer Ridesharing, Ride Service Hailing, Food Delivery, and a Bicycle-Sharing System. the Company is Based in San Francisco and as Operations in 785 Metropolitan Areas Worldwide. Its Platforms can be accessed via its Websites and Mobile Apps. This Project Includes the Evolution of Uber, Its working and Management Strategy, Success Stories, Financial Statistics, Swot and Pestle Analysis, Set Back Faced and Updated Polices, Based on the Studies Conducted in This Field.**

**Index Terms – Investment, Management, Diversification and Portfolio.**

## INTRODUCTION

in Recent Years, a Concept Known as the “Sharing Economy” Has Taken the Market by Storm, Giving Rise to Several Truly Revolutionary Businesses. While a Number of Companies Have Cashed in on This Trend, the Sharing Economy’s Undisputed King is Uber as a Ride-Sharing Company That Empowers Any one to Start Earning Money with Their Vehicle and Enables Those Needing a Lift to Quickly and Affordably Find a Ride. the Amount of Success Uber Has Been Able to Achieve in Their Short History is Remarkable.

Uber’s Disruptive Technology, Explosive Growth, and Constant Controversy Make It one of the Most Fascinating Companies to Emerge over the Past Decade. the Almost Ten-Year-Old Company Soon Grew to Become the Highest Valued Private Start-Up Company in the World.

Objectives of Investment Management:

- To Conduct a Detailed Study on Investment Management at Uber
- To Study the Sources and Uses of the Investment.
- To Analyse the Liquidity Position Through Different Investment Related Ratios.

- To Analyse the Investment Components, Like as Receivables Accounts, Cash Management, Inventory Management.

## RESEARCH METHODOLOGY

Collection of Data

Secondary Data

Secondary Data is Already Available Information Collected by Someone Hence for Their Own Study Purposes and It is the Published Sources of Information. the Secondary Data Sources Got This Study Purpose Are.

Textbooks

Websites

Documents and Materials

## REVIEW OF LITERATURE

Dr R. P. Rastogi’s Principle (Officiating) Shri Ram College of Commerce, University of Delhi. He is M.Com and Mphil from Delhi School of Economics, University of Delhi and a Fellow Member of the Institute of the Company. Secretaries of India - New Delhi. He Obtained Doctorate from Jiwaji University, Gwalior. He Has Been Teaching Accounting and Finance at Shri Ram College of Commerce for More Than 40 Years. He is Also Associated with Post Graduate Teaching in University of Delhi.

Investment Management is to Explain the Investment Decision Making and Investment Process. It Focuses on the Investment Analysis. to Link the Theory and Practice, the Entire Investment Process Has Been Discussed in the Indian Financial System.

The History of Uber:

According to the Uber Archives, the Company’s Founding All Came from a “Simple Idea” – What If You Could Request a Ride Right from Your Phone?

The Infamous Snowstorm Incident Took Place in Paris, in December 2009. Experiencing the Common

Urban Woe of Not Giving a Cab in a Storm, Travis Kalanick and Garrett Camp Soon Brainstorm an Idea for a New Company Called Ubercab.

the Name Uber is Derived from the German Word Meaning “Above All the Rest”, a Bedrock Principal Kalanick and Camp Wanted for Their Fledgling Company.

With Uber Cab, the Origin of the Connectivity Portion of the Company-Client Dynamic was Introduced-All a Rider Had to Do was Open Their Mobile Phone, Tap a Button, and Find an Affordable Ride in Minutes.

Within Months, Uber Dropped the “Cab” Portion of This Company Name, Opting to Stick with Uber and Uber Alone- the Company’s Founders Reasoned That Uber Really Wasn’t a Taxicab Company in the Traditional Sense, So There was No Reason to Attach the Term “Cab” to Its Name.

Uber Timeline:

Uber Has Taken an Interesting Path in Its 10 Years in Business. Here’s a Brief Timeline Underscoring Its Biggest and Most Noteworthy Moments.

- March 2009. Kalanick and Camp, Along with College Buddies Oscar Salazar and Conrad Whelan, Create the “Black Car” Ride Service Model That Would Ultimately Become Ubercab.
- June 2010. Ubercab is Launched in San Francisco, and the Ride Service Immediately Connects with the City’s Tech-Heavy, and Car-Ownership Averse, Urban Professionals.
- October,2010. Ubercab is Renamed Uber, and the Company Snares \$1.25 Million in Capital Funding to Expand. Former Napster Co-Founder Shawn Fanning is an Early Investor. Two Months Later, Ceo Graves Steps Down and is Replaced by Kalanick.
- May,2011. Uber Rolls Out in New York City, and is Met with Heavy Resistance from the City’s Massive Taxicab Industry. Six Months Later, Uber Launches in Paris.
- December,2013. Uber Drives Join Up to File a Lawsuit Against to Be Designated as Employees, and Not Contract Workers. It’s the First of Multiple Showdowns Between Drivers and Uber.
- August 2014. Uber Introduces Uber Pool, a Ride-Sharing Model That Enables Riders to “Pool” Their Rides and Spilt the Fare Between Multiple Parties.

- April 2015. Uber Eats is Launched in Los Angles. Chicago and New York, Giving Consumers the Uber Experience with Food Delivery. the Service Immediately Catches on with Young Millennials Too Busy on the Job to Cook Dinners-Giving Uber Another Profit Line in the Process.
- February,2017. Uber is Hit with Its First of Several Charges of Sexual Harassment in the Workplace. a Blog Post from a Former Company Engineer Lights the Fuse with Charges of a Sexist Workplace Culture at Uber. Management Responds to the Resulting Outcry by Hiring Former U.S. Attorney General Eric Holder to Investigate the Matter, and to Investigate the Company’s Workplace Culture. Five Months Later, Kalanick Resigns as Ceo After Strong Pressure from the Company’s Board of Directors. He is Replaced by Dara Khosrow Shahi, the Former Ceo at Expedia (Expe).
- May,2019. Uber Goes Public on the New York Stock Exchange, with an Initial Share Price of \$45, and a Market Capitalization of \$75.5 Billion.

## DATA ANALYSIS AND INTERPRETATION

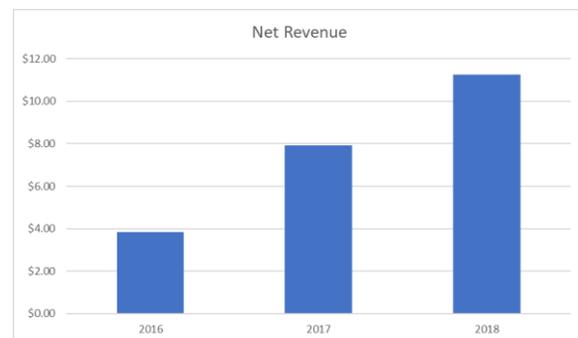
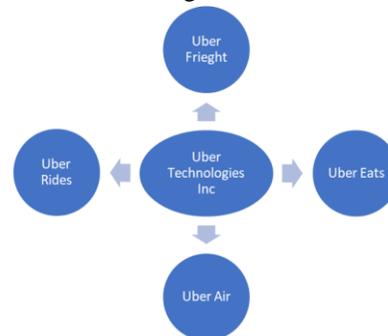


Figure 1



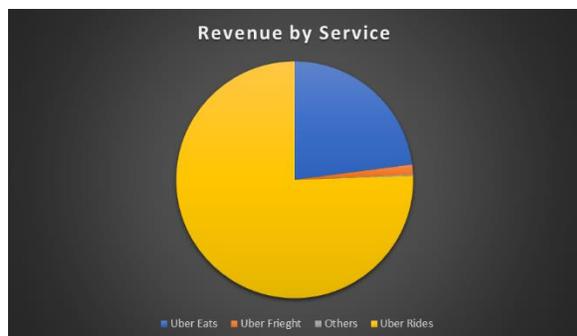


Figure 2

## FINDINGS

- Investors are mostly like to invest in the Uber rather than other securities
- Investors choose the less risky schemes
- Most of the respondents have the knowledge about Uber and have the knowledge about how to invest in it.

## UBER CONTROVERSIES

Uber certainly has experienced its share of controversies, with long-time executives leaving the company as a direct result. First up are the lengthy battles Uber has fought in big Urban centres like New York and San Francisco, mainly lining up against big taxi interests who received Uber as a major threat. In 2010, San Francisco's Metro Transit Authority delivered a "cease and desist" letter to Uber, charging them with running a taxi service company without proper licensing. The regulatory wrangling took three years to sort out, and a deal was reached to allow Uber to continue to operate on the streets of San Francisco in 2013.

Uber was also embroiled in a class-action lawsuit filed by 35,000 company drivers in 2013, who claimed their independent contractor status was unfair. The drivers sought full employment, and the better wages and benefits that go with being full-time employees. The company and its drivers settled out of court, and today Uber drivers are still deemed contractors in most U.S. states, although the company has taken steps to boost pay and perks on the job. In 2014, Uber ran into more trouble when then-CEO Kalanick drew scrutiny after calling his own company "Boober" in a GQ magazine interview, in discussing the ride-sharing company's popularity with female consumers. The issue grew

prominent after former Uber staffer Susan Fowler's blog post on what she said was the company's toxic and sexist workplace culture.

The resulting report from holder backed Fowler's view of the company and led directly to the resignation of 20 company employees and new rules on staff behaviour in the workplace going forward.

## UBER'S STOCK PERFORMANCE

After going public with its first initial public offering in 2019, at a stock price of \$45, Uber stock is currently trading in the same price range three months later. The company's market cap remains strong at \$74 billion, and Wall Street analysts expect the Uber's share price to rise to \$53 in a year, bolstered by continued demand for ride-sharing services and a consensus that the company will emerge from its workplace behaviour scandals relatively unscathed and put its other controversies in the rear-view mirror. The company should also benefit from the burgeoning strength of its Uber Eats food delivery service and is expected to become an industry leader in the use of driverless vehicles down the road.

There are some financial roadblocks for investors, however. Uber stock does not pay a dividend, and thus is not a big attraction to income-minded investors. Meanwhile, more aggressive investors seeking capital appreciation are no doubt disappointed in Uber's share price, which has remained lastly mired in the mid-\$40s since its IPO and shows no significant sign of taking off in the coming months, even as the overall stock market continues its robust ascent. Consequently, while there's much to like about Uber's growth prospects as a company, its meandering share price isn't generating much enthusiasm among investors- at least in the summer of 2019.

## UBER PROMISES 100 PERCENT ELECTRIC VEHICLES BY 2040, COMMITS \$800 MILLION TO HELP DRIVERS SWITCH

Uber said that vehicles on its ride's platform in the United States, Canada and Europe will be zero-emission by 2030, taking advantage of the regulatory support and advanced infrastructure in those regions. New York: Uber Technologies inc on Tuesday said every vehicle on its global ride-hailing platform will be electric by 2040, and it vowed to contribute \$800

million through 2025 to help drivers switch to battery-powered vehicles, including discounts for vehicles bought or leased from partner automakers.

Uber, which as of early February said it had 5 million drivers worldwide, said it formed partnerships with General Motors and the Renault, Nissan, Mitsubishi alliance. In addition to the vehicle discounts, Uber said the \$800 million includes discounts charging and a fare surcharge for electric and hybrid vehicles, the cost of which would be partially offset by an additional small fee charged to customers who request a “green trip”.

#### UBER EYES A BIGGER SLICE OF ELECTRIC VEHICLE SPACE

Prabhjeet Singh, president, mobility, Uber India and south Asia. The ride-hailing platform has partnered with green technologies services start-up such as Lithium to deploy over, EVs across Delhi-NCR, Mumbai, Bengaluru, Hyderabad, and Pune.

Ride-hailing platform aims to induct 3,000 EVs in its fleet by 2021-end

Uber India plans to have 3,000 electric vehicles (EV) in its fleet by end of 2021, a top executive at the ride hailing company said, in line with the trend in the mobility sector which is taking rapid strides in green technologies. Uber plans to partner with original equipment manufacturers (OEMs), EV infrastructure firms for charging and battery swapping, and fleets and financiers to make green-powered automobiles both ‘accessible and affordable’.

#### UBER MARKETING CONDITIONS

SWOT Analysis

1. Strengths:

- It is a pioneer and market leader in its category.
- Uber has a strong network effect
- It has strong platform governance procedures for its users.

It has a low operating cost.

2. Weakness:

- Its overreliance on the drivers on its platform to make its service plausible
- Broken and weak work culture
- Overreliance on internet
- Overreliance on data for running smooth open

3. Opportunities:

- New technology: self-driving car
- Finding growth in emerging
- Inefficiencies in the Taxi market around pricing and waiting period

4. Threats:

- Government policy
- Overreliance on customer’s data
- Taxi union association
- Bad customer service experience with its drivers

#### SOCIAL

Uber’s Disruption to the Traditional Taxi Industry is in Itself Social Change to Many People. It Alters the way We Work and Makes It Something of Social Status to Some Sets of People, Especially the Working Class. While on the Other Hand, Its Reputation was Recently Attacked from Allegations and Offence. Such as, Unauthorized Driver Using Its Platform the California Law.

#### TECHNOLOGY

The Internet Has Made It Possible to Be Scale Its Business Model with Ease. Its Mobile Application That is Primarily Used for Running the Service Wouldn’t Have Been Possible Without the Internet Connectivity Unbale to Connect Passengers with Drivers on Its Platforms.

#### LEGAL

The Sharing – Economy Business Model is a New Phenomenon to Deal with for Government and Regulators and Hence They Move to Put Regulations in the Market. This Has Recently Sparked a Law Called California Law Where Uber was Compelled to Treat Its Drivers as Employees Whereby Uber Has to Cater for Them. Uber was Fined in France over Illegal Driving and Its Licence was Revoked in the UK over Allowing the Unauthorised Driver to Continue Using Its Platform.

#### ENVIRONMENT

Uber is Not Left Out in the Sustainability Topic. It Has Introduced Sustainable Efficient Cars in Some

Advanced Countries Like Germany Where Users Are Giving the Option of Ordering a Sustainable Powered Car Called Uber Green.

#### CONCLUSION

Uber Has a Lot of Potential to Solve Humongous Problem in the Transportation Industry with Technology. But Based on Careful Analysis of Uber's Marketing and Business Environment with How Its Struggling to Mitigate Some Issues. Uber Should Engage in Tactical Empathy to Solve Some of Its Problems on Its Platform. It Needs to Listening Well and Quickly Come up with Solutions That Can Alleviate These Problems. It is Better to Be the Driver of How These Problems Are Solve Rather Than Wait for External Bodies Such as Regulators/ Courts to Pass a Law on Its Business That Could Have Serious Consequence. Uber Should try to Become a Profitable Company and Expand Them. It Should Take a Second Look at Its Expansion Plan by Focusing on Some High Impact Emerging Economy to Find Growth.

#### REFERENCES

- [1] <https://www.uber.com/in/en/about/>
- [2] <https://www.garyfox.co/uber-business-model/>
- [3] <https://www.crunchbase.com/organization/uber>