

"Uberisation"

FACTS AND FIGURES

- Created in 2009, Uber is an app-based transportation company headquartered in San Francisco, and operates in about 10,000 cities worldwide and more than 80 countries. It is a ride sharing company which employs 3.5 million drivers worldwide (2020). It had 9 million users in 2020. Uber processed \$26.61 billion in gross bookings from its ridesharing business in 2020. The platform's income from ridesharing dropped by 42.99% between 2019 and 2020. The total number of quarterly Uber trips decreased by 24.21% in the 2020 as a result of the pandemic.
- Uber has a 68% share of the US ride-hailing market. Uber's market share peaked as high as 91% in 2015 and has been steadily declining ever since.
- Uber consists of a series of innovative processes - phone-enabled geo-location, payments and driver management and distribution - gathered into an app-accessible service.
- 1/5 jobs was performed by a part-time independent contractor or freelancer (2015). That is a 60 % rise in 15 years.
- Airbnb is a peer-to-peer online homestay network founded in 2008 enabling people to list or rent short-term lodging. The company receives service fees from both guests and hosts. 150 million people worldwide use Airbnb, in 200 countries (2020). The average nightly rent is \$185.00. The average stay is 4.3 nights. There are 4 million hosts worldwide. Airbnb includes listings from over 100,000 cities.

VOCABULARY: socio-economic models

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| ◦ Available : disponible | ◦ Peer-to-peer = P2P: d'individu à individu |
| ◦ Competitive edge : avantage concurrentiel | ◦ Provider : fournisseur, prestataire |
| ◦ Convenience economy: économie de la commodité | ◦ Rate = fare: tarif/ taux |
| ◦ Geo-location: géolocalisation | ◦ Realtime data: données en temps réel |
| ◦ Gross bookings: volume d'affaires | ◦ Reliable : fiable |
| ◦ Groundbreaking = innovative | ◦ Ride : trajet |
| ◦ Growth : croissance | ◦ Sharing economy: économie du partage |
| ◦ Homestay-accommodation: logement chez l'habitant | ◦ Side effects: effets secondaires |
| ◦ Income = revenue | ◦ Surge pricing: prix de surtension |
| ◦ Network : réseau | ◦ To commute: faire la navette |
| ◦ Notification : alerte | ◦ To pick sb up: venir chercher |
| ◦ On demand : à la demande | ◦ To rent = hire : louer |
| ◦ One-on-one : individuel | ◦ To shatter: ébranler / faire voler en éclat |
| | ◦ To threaten = jeopardise : menace |

Tips for referees – Uberisation

PROS

- Enable peer-to-peer transactions: save time; simplify services; availability of rides or services.
- Flexibility: get whatever you want whenever you want: really convenient.
- Reduce costs and expenses; provide more specialised services.
- Use of a rating system to assess the quality of a service and keep the best.
- Good for the environment: share rides: reduce the carbon footprint left by driving alone; relatively new, less polluting, fuel-efficient cars.
- A reliable extra source of revenue for homeowners (Airbnb).
- Attract tourists reluctant to spend too much on hotel accommodation. Boost local economy with their spending.

CONS

- Undermine existing corporate models (hospitality, taxi industries): threaten jobs.
- Disputes over the accountability of the provider of services to corporate regulations and tax obligation.
- Abuse: overwork, underpay: poor working conditions and maximisation of profits at the workers' expense.
- Hard for employees to move on to other companies (can't sell a portion of their shares to pay the tax on them).
- More accidents (rush to get customers; drive a lot to get money). Risk for personal data transferred between users and operators. Risk of deterioration.
- Reduce purchases: users reluctant to buy cars, homes, music, luxury goods...

Questions

- Who is most likely to use Uber?
- Why does the Uberisation of the economy shatter traditional industries?
- What positive and negative changes may Uber bring to the economy?
- Why is it called collaborative consumption or the sharing economy?
- What has made its fast development possible?

Possible answers

- Younger people probably use this service as they are constantly connected to their phones and don't necessarily have a car; tourists may be frequent customers too.
- Traditional industries, like hotels or taxis, may be surpassed and dismantled by these new on-demand rivals who may steal market shares at their expense.
- It may bring innovation, flexibility and competition, diversification of the economy and proliferation of small business. But it may also create a land of part-time, low-paid jobs and increase job insecurity.
- It is based on the shared production or consumption of goods and services.
- It must be social media, mobile technology and the current economic crisis.

Essay - Uberisation

Launched in 2009, Uber, a ride sharing company, has revolutionised transportation and initiated a surge of peer-to-peer online services. Based on a series of innovative processes - phone-enabled geo-location, payments and driver management and distribution, Uber has made on-demand rides easier. Yet, although it has seen great success, it has also raised controversy.

The first advantage of Uber is that it enables peer-to-peer transactions. Clients can save time by ordering an Uber at the last minute. It simplifies services by making rides available more immediately and it increases flexibility as you can get whatever you want whenever you want.

Moreover, it is often cost-saving in major cities where taxi rides are quite expensive. Increased competition also benefits clients by offering them more specialised services.

A rating system enables the company to ensure a quality service.

The environment also benefits from Uber, as it reduces the number of privately owned cars and incites to share rides; therefore it decreases the carbon footprint left by driving alone. Moreover, drivers use relatively new, less polluting and fuel efficient cars. In March 2017, Uber had a fleet of 50 electric Nissan Leaf cars in London and considered expanding it to fight growing air pollution in the city.

The Uberisation of society offers homeowners and people with unexploited assets the possibility to make extra revenues. This may boost the local economy by attracting more tourists so far reluctant to spend too much on hotel accommodation and transportation.

But this Uberisation is often blamed for disrupting entrenched interests and undermining existing corporate models in hospitality, taxi industries and soon maybe restaurants. It threatens jobs and creates unfair competition. Not to mention the disputes over the accountability of the provider of services to corporate regulations and tax obligation. Another criticism made to Uber is drivers' overwork and low salaries; the company's main target of maximising profits at the expense of workers leads to extra pressure, stress and risk-taking: drivers have to work a lot to get money, so they rush to get customers. Another risk may be linked to the digital transfer of personal data between users and operators.

Finally, by making cars, homes, music and luxury goods more available and easier to share, the system may contribute to an economic slowdown as people will be more inclined to use these services rather than purchase them.

All in all, it is clear that Uber and Airbnb have revolutionised the service industry and largely benefited customers; Uber has created jobs and cut prices, but its impact on traditional industries may backfire and create a society of transient services and fragile businesses.

Marking scheme: the referee takes away points out of a count of 15.

- Each participant needs a catchphrase (2 points)
- Each participant needs 3 arguments minimum, illustrated with examples and/or references (6 points)
- Each participant needs a powerful conclusion (2 points)
- Each participant needs to use at least 6 words from the word bank (2 points), 3 expressions imposed by the referee (2 points) and make one attempt at complex grammar (1 point)
- Every time a student asks for help either from you, the teacher or AI; you need to take away a point ; -)