

# Uber's e-Scooters

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## Feasibility Study

**DEI 627**

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# Executive Summary

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Expanding Uber's transportation and mobility reach into the e-scooter market



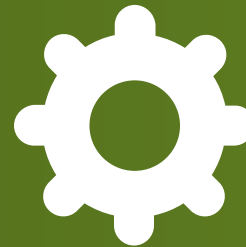
## PURPOSE

- Highlight overall project feasibility to expand Uber's transportation and mobility reach into the e-scooter market



## OPPORTUNITIES

- Seek environmentally friendly ways to navigate city centers
- Alternatives to owning a car, bus taxi
- Hassle free
- Affordable option



## OUTCOMES

- Feasibility study stakeholders
- Design user-friendly app for a new e-scooter option (pilot city in Ottawa)
- Develop a strong and functional app to provide a ride-sharing option
- Maintain the e-scooter app to promote customer loyalty and brand recognition



## TIMELINE & COST

- 1 year to implement
- 5 years ROI

# Service Description

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# e-Scooter

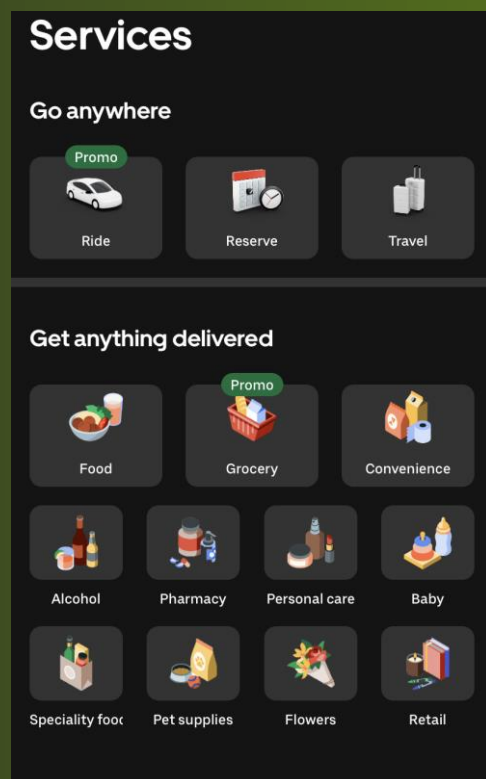
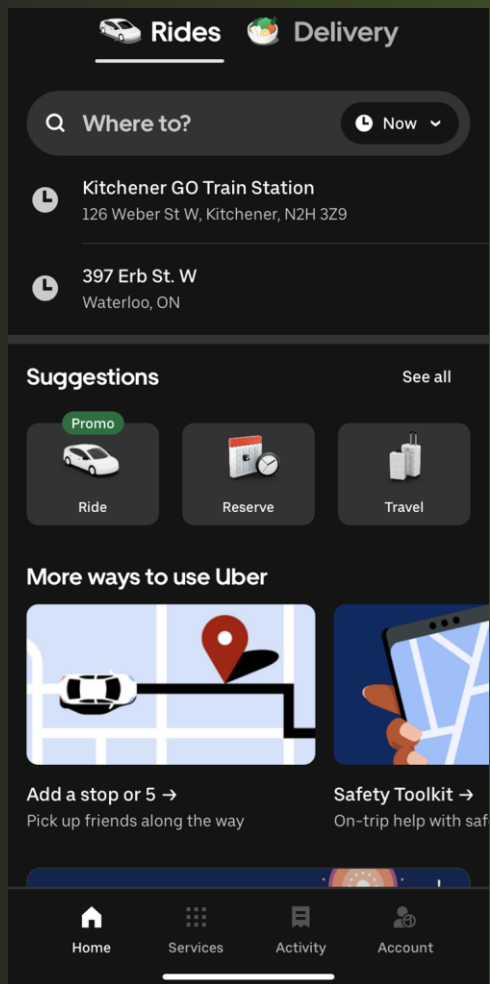


## **New service provided by Uber**

- Battery powered scooter
- 25km/h for approximately 30km
- Independently operated by Uber customers
- No Uber drivers required
- Found and parked in a variety of locations across the city
- Start and stop as customer pleases
- Third-party company required for maintenance and repairs

# Technological Considerations

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# Technological Considerations

## ← Key Insight

We would be adding an integration to Uber's existing mobile application.

### Factors contributing to technological feasibility:

- Success of existing Uber app
- Existing technological infrastructure for transport services
- Directly transferable existing technology (booking system, location services, e-payment, etc.)
- Large company with internal access to financial support for further R&D, if needed

► The verdict: highly feasible ✓

# Marketplace for the Service

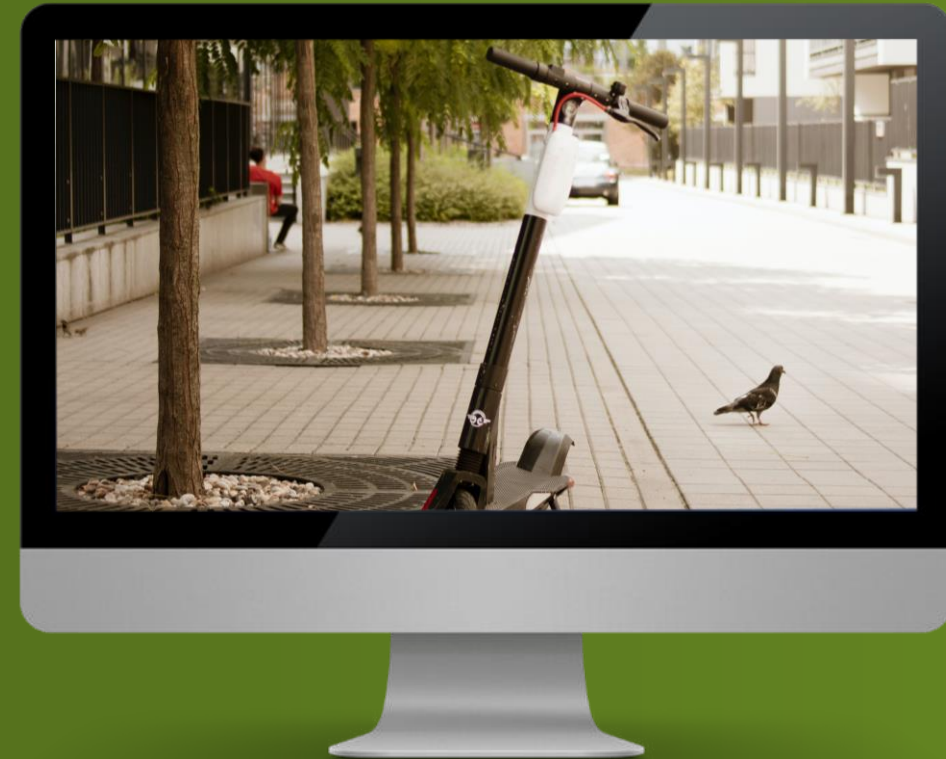
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# Marketplace for the Service

- Market for sustainable and affordable urban transportation
- Growing due to concerns about air pollution, traffic congestion, and urbanization
- Factors impacting market potential: regulatory frameworks, weather, and competition
- Low competitive landscape due to ease of substitution
- High buyer power due to multiple service providers

Image Source: pexels.com



# Specific Market Specifications

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Image Source: pexels.com



- Social media research indicates a high interest in ride-sharing programs and green transportation options in Canada.
- Google Trends data show a steady increase in search interest for electric scooters in Canada.
- Although "electric scooter" has higher search volume than "Uber scooter," the trend of electric scooter search volume indicates a growing interest in this type of transportation in Canada.
- Regulations regarding electric scooters on public roads and sidewalks may impact the feasibility of this product in Canada.

# Customer Analysis

# Market Survey



Image Source: pexels.com

## Market Segmentation

The market in Ottawa is somewhat volatile, with bidders changing from year to year.

In 2022, Bird and Neuron were the only two approved companies operating in Ottawa, with a total of over 80,000 rides between them.

Using a partnership model, Uber would automatically occupy a 50% market share (dictated by the city) in fleet size, with real ridership also representing roughly half of market share.

## Market Analysis

Electric scooter rental services have gained tremendous popularity, with Uber potentially expanding its reach to other cities in Canada.

The global market for electric scooters is projected to cross the \$42 billion mark by 2030.

Factors such as regulatory frameworks, weather conditions, and competing transportation options may impact the market potential for Uber scooters.

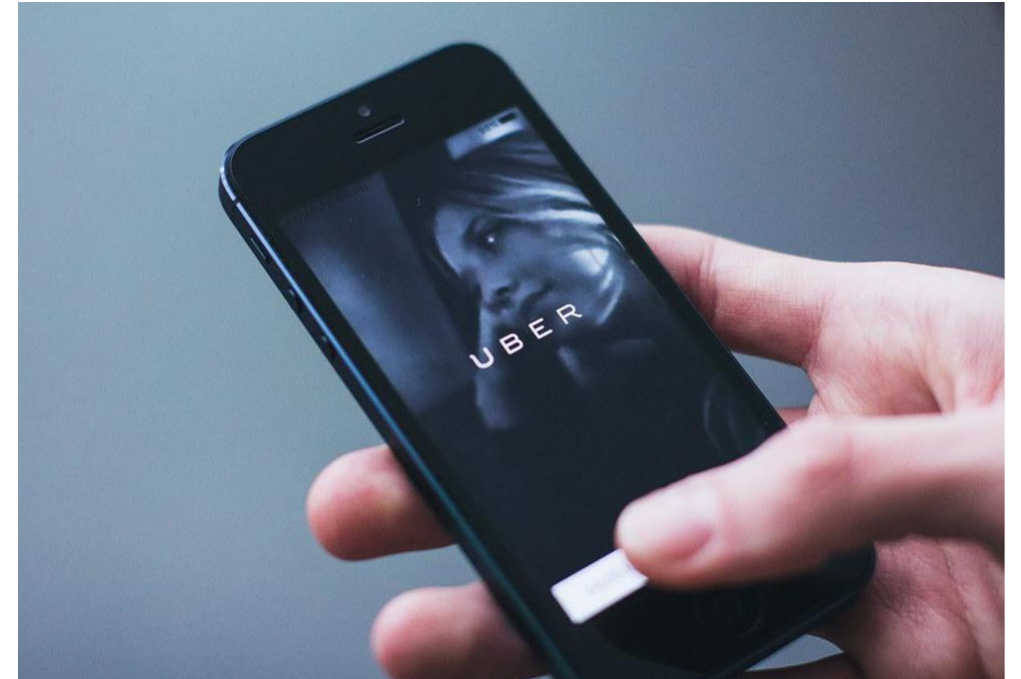
# Strategy for Marketing Efforts

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# Marketing Efforts

As this is a mostly complimentary product launch, some simple steps should be considered for a potential marketing effort.



01

Create Onboarding Experience on the Uber App

After the feature is released and the users update the app, they should be greeted by an onboarding experience explaining how to find scooters.

02

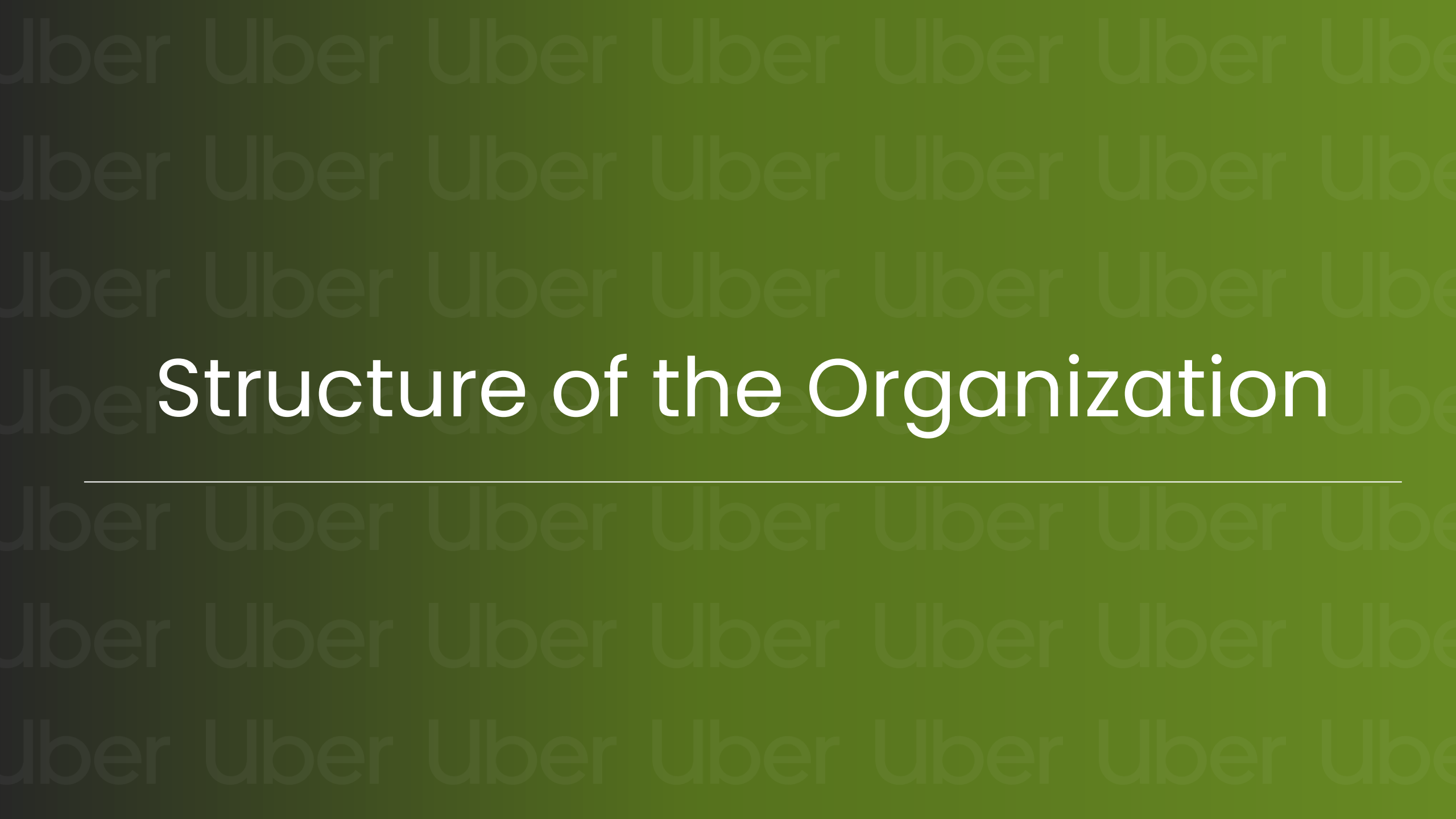
Add Dedicated Tile to the App Home screen

From now on, there should be a dedicated space on the app to let users know they can book scooters.

03

Create Posters to be shown at bus stops (and other locations) to promote the new feature

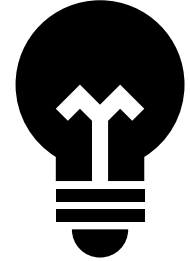
Create advertisements and posters to be shown at bus stops and other locations near scooter nests



# Structure of the Organization

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# Organizational Structure



## Goal

Without over investing, feasibly adapt Uber's existing organizational structure to incorporate Uber Scooters to determine the long-term value of this industry as another revenue stream in Canada.

### Operative Core

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Outsourced to partner.

### Strategic Apex

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No new position needed;  
middle line director will  
update regularly.

### Middle Line

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- Director of Micro-mobility
- Territory Account Manager
- Other current multi-disciplinary employees.

### Technostructure

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Assemble small project team of product engineers and developers to deliver and support e-scooter integration (16 Total).

### Support Staff

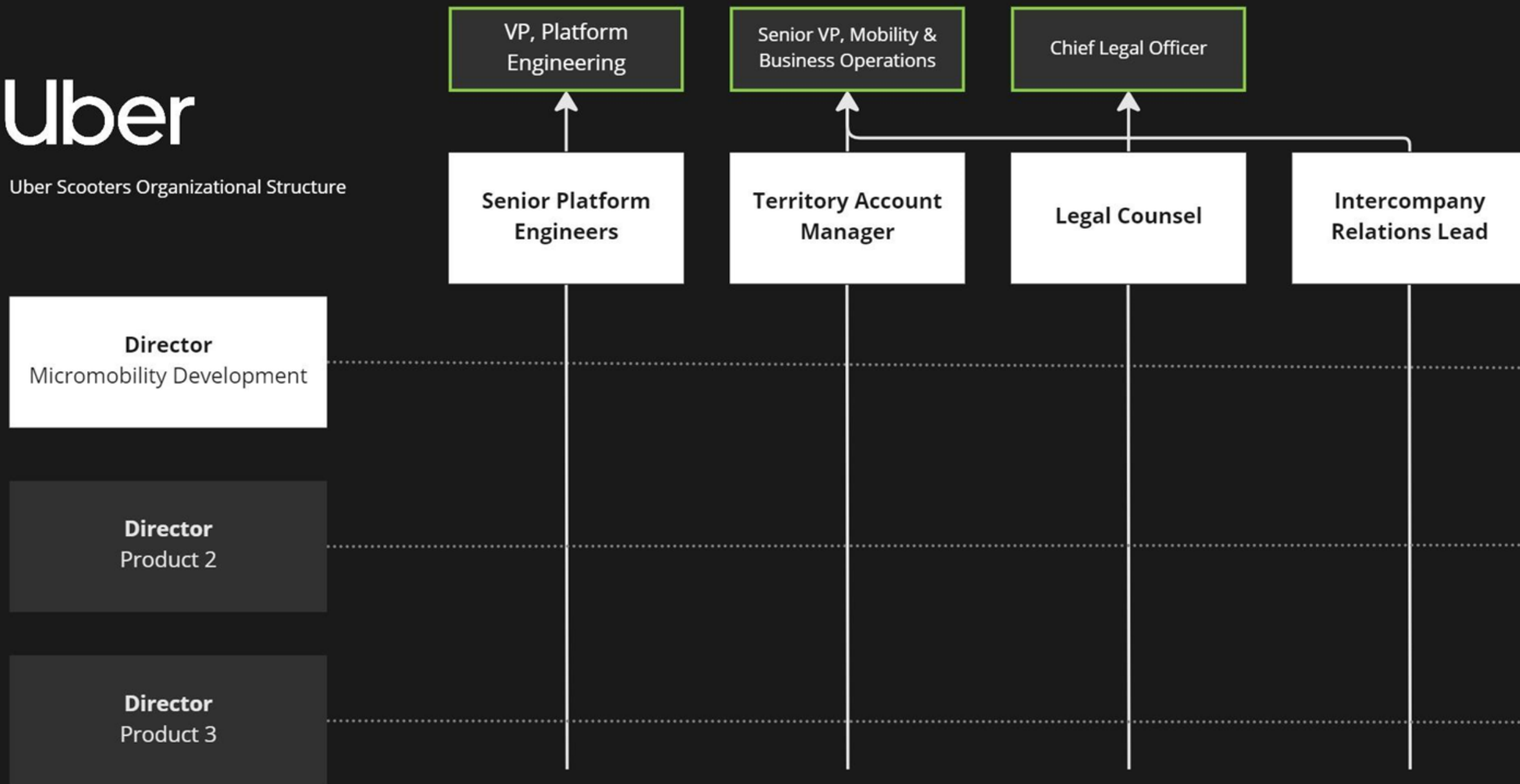
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Consult Uber's legal team for local regulations and partnership specifics.





## Uber Scooters Organizational Structure

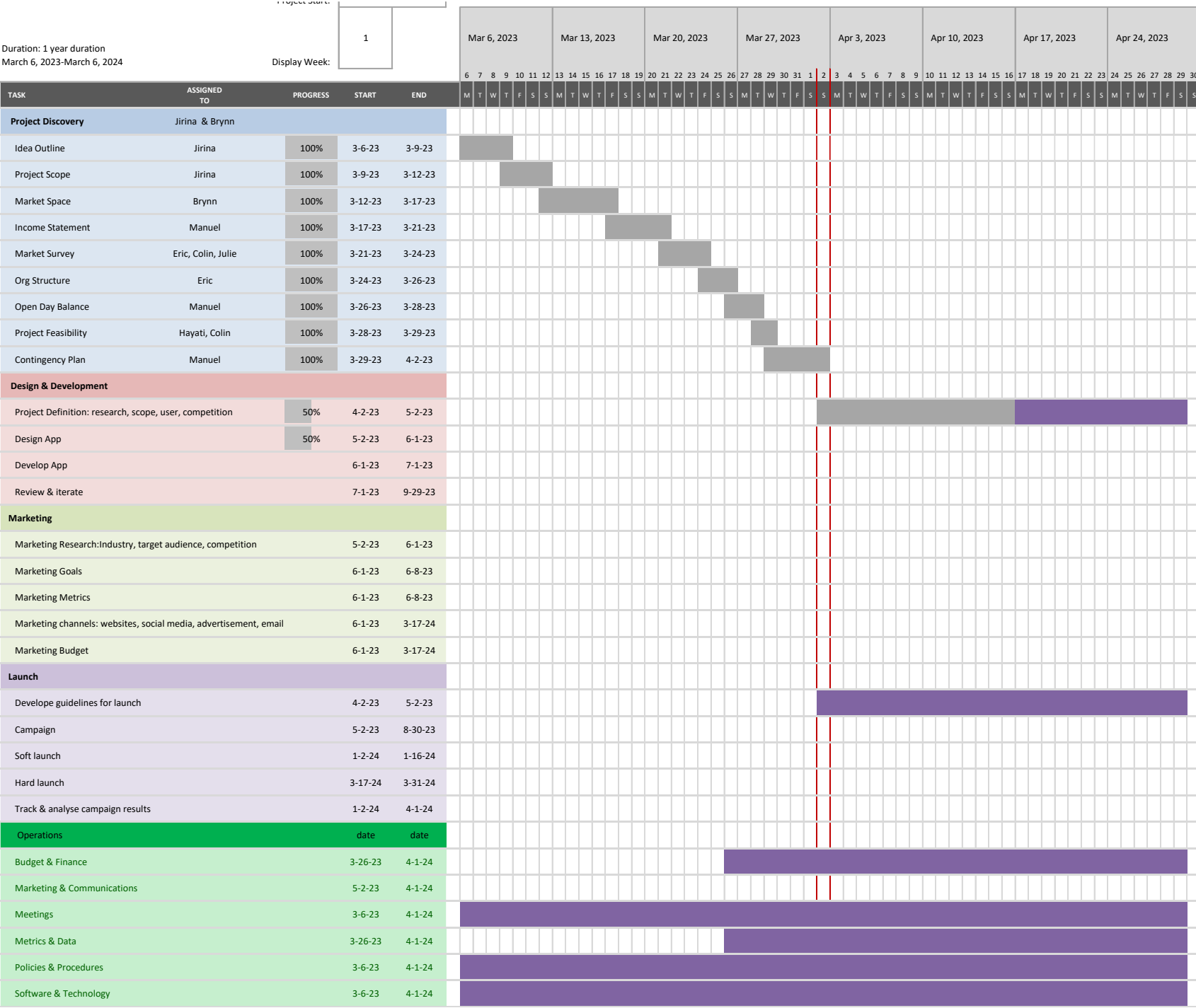


# Project Schedule

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52 Weeks | March 2023 –2024



# Financial Projections

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ROI = 4.12%

Assuming a discount rate of 5%

NPV = \$4,664,089

Calculated by subtracting the total discounted benefits from the total discounted costs.

PAYBACK YEAR = 5

Implementation takes place in the first year and year 2 to 6 are benefit-generating years.

# Project's Costs & Benefits

## ► Projected Costs

Projected Costs												
Year	1		2		3		4		5		6	
Operating costs												
Payroll	\$	2,100,000	\$	2,184,000	\$	2,271,360	\$	2,362,214	\$	2,456,703	\$	2,554,971
Rent	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Marketing	\$	1,000,000	\$	1,052,729	\$	1,396,770	\$	1,876,249	\$	2,532,191	\$	3,422,149
Utilities	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
E-scooter third party costs												
Implementation	\$	50,000	\$	-	\$	-	\$	-	\$	-	\$	-
Rides and maintenance	\$	-	\$	9,621,870	\$	12,989,524	\$	17,535,858	\$	23,673,408	\$	31,959,101
Legal costs	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000
Sub-total costs	\$	4,150,000	\$	13,858,599	\$	17,657,654	\$	22,774,321	\$	29,662,302	\$	38,936,221
Contingency (10%)	\$	415,000	\$	1,385,860	\$	1,765,765	\$	2,277,432	\$	2,966,230	\$	3,893,622
Total Startup Cost	\$	4,565,000	\$	15,244,459	\$	19,423,420	\$	25,051,754	\$	32,628,532	\$	42,829,843

## ► Projected Benefits

Projected Revenue (Benefits)												
Year	1		2		3		4		5		6	
Total sales	\$	-	\$	15,038,983	\$	19,953,858	\$	26,803,559	\$	36,174,151	\$	48,887,837



Thank You

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