

Uber Makes Big Changes to Improve Customer Trust,
But Could Face New Risks

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Abstract

This paper revolves around the company Uber and how they are trying to create a better image for themselves using five sources to prove that. The articles “8 Ways Uber's New CEO Is Changing Its Image” and "Uber is working to win you back. (But it also needs you to pay more.)” explains how the change of Dara Khosrowshahi as new CEO, is helping win back customers through his humility, compassion and dedication shown through his Twitter account. The article comparing Uber to Lyft titled "The Ultimate Lyft vs. Uber Comparison (for drivers and riders)” shows the key differences between the two ride sharing companies while also explaining how Uber’s scandals has affected riders choosing one over the other. Lastly, Uber expressed interest in possibly going into the electronic scooter/rental market, but that interest could lead to potentially damaging the image they have worked hard to heal over time. The risks of going in that market are included in the articles “CDC says there’s an epidemic of e-scooter injuries that could easily be prevented” and “Uber warns its big push into scooters and e-bikes is creating unusual new headaches and risks for the company”.

Do you believe that using marketing and public relations will help restore a favorable image of Uber?

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Uber is definitely trying to ignite change in their image in a positive way and it is certainly working. Dara Khosrowshahi, Uber's new CEO, made several public attempts to help improve the image of Uber to its customers through the use of social media. An example that Sonya Mann mentioned in her 2017 article, "8 Ways Uber's New CEO Is Changing Its Image" was that Khosrowshahi actively used his Twitter account to display positive changes happening within the company. One tweet involved showing the diversity of both minorities and women in the work place. In fact before Khosrowshahi, that article states, "The diversity of Uber's work force--or rather, lack thereof--and the treatment of women and minorities who work at the company, has been among the most contentious issues plaguing Uber's public image." (Mann 2017) By having the new CEO display that they are working on improving the workplace, it shows that he cares not only for the consumers, but the employees as well.

Another example of how Khosrowshahi has helped improve Uber's image online is by repairing broken relationships with countries around the world and its own customers. Peter Holley wrote in his 2018 article "Uber is working to win you back. (But it also needs you to pay more.)," that "Khosrowshahi has attempted to repair damaged relationships in places like London and Brasilia and India, where the company had been accused of attempting to discredit the victim of a widely publicized sexual assault." Khosrowshahi also made sure to help with lawsuits "instead of prolonging a high-profile courtroom showdown over allegations of stolen intellectual property, Khosrowshahi in February personally negotiated behind the scenes to reach a settlement. The compromise struck many as refreshingly low risk and drama free." (Mann 2017) He has already struck a chord with many consumers that believe he "will shape a new kind of Uber. One with a softer touch and a little more sensitivity." (Mann 2017)

Why do you think that Uber now has the same favorability rating, among consumers, as Lyft?

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Uber and Lyft present a stark contrast of image for consumers to choose. Robert Farrington compares the two in his 2018 article, "The Ultimate Lyft vs. Uber Comparison (For Drivers and Riders)." Uber's image was first presented as "heavily geared towards businesspeople." (Farrington 2018) Uber had a prestigious and professional aura to give its riders giving "the rider a full service experience." (Farrington 2018) Uber has many options for more professional looking cars as well, fully immersing the consumer into a high class experience. Its competitor Lyft on the other hand is known for being "playful and approachable," (Farrington 2018). Farrington notes that "Lyft promotes an image of community and friendliness, which extends to how drivers are expected to interact with passengers." Lyft gives its customers a more friendly environment that encourages passengers to interact with their drivers which will help "Time will fly by as you sit in front seat and have a nice chat with your driver." (Farrington 2018)

The reason that Uber is not seen as prestigious as mentioned before, is because of the many scandals the company has been the center of. Lyft on the other hand has mainly stayed out of the negative spotlight, Farrington said that "As the number of scandals continues to rise for Uber, many riders are switching to Lyft." (2018) Consumers want to spend their money on a company they can't trust, if a company is becoming involved in numerous scandals, the consumer may feel ashamed to support and hesitant to give their money to. Although Lyft isn't seen as prestigious as Uber, it is giving consumers the safety and security they need. It all comes down to the image the company gives its readers. Lyft gave consumers the friendly and safe choice they needed when Uber couldn't deliver.

As Uber goes into the electronic scooter/rental market, does this pose risks that could potentially damage its brand?

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With Uber going into the electronic scooter/rental market, it does pose some risks that could potentially harm the image that they have been working hard to repair. One example of a potential risk is the liability when it comes to safety of the rider. Mark Matousek in his 2019 article, “Uber warns its big push into scooters and e-bikes is creating unusual new headaches and risks for the company” notes that Uber noted the risks they face “include rider incompetence, failure to use protective gear, and careless steering.” If a rider hurts themselves fatally while riding an Uber licensed scooter, the company could face a lot of damage to its image. Uber has already worked hard to repair the mistakes their previous CEO made so by investing in this, the company could possibly go back to square one. Uber CEO Khosrowshahi flat out said, “Incorporating dock-less e-bikes and e-scooters into our platform will result in increased costs and liability” during a prospectus for Uber’s IPO. (Matousek 2019) Yasmin Khorram notes in her 2019 article, “CDC says there’s an epidemic of e-scooter injuries that could easily be prevented” that “since electric scooters began populating streets of some of the country’s biggest cities last year, there has been a surge in emergency room visits for fractures, dislocations and head trauma, the CDC found in a study.”

Uber also faces the potential risk of “poor maintenance and faulty manufacturing from third parties.” (Matousek 2019) If something was faulty on an Uber licensed scooter, the blame will fall immediately onto Uber and not the third party company. Uber would publicly deal with the mistake and have to take credit for it, which will definitely help ruin their image. By investing into a trend that could possibly hurt many people could damage the company terribly.

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