

# Will young startups cease to idolize Uber in the light of sexism at its workplace?

Younger startups could refrain from calling themselves - an Uber of xyz, a connotation very popular among companies trying to aggregate local businesses.



**Priyanka Sahay**

**Moneycontrol News**

Amitabh Kant, the chief executive of NITI Aayog, in a recent event narrated how he had to rescue Uber's co-founder and CEO Travis Kalanick and get him an access into India after he landed in the country without a valid visa. At 2:30 am, he had to wake up the home secretary and the director of Intelligence Bureau to ensure his entry into India.

Kant was speaking at a welcome function for the Uber CEO in New Delhi organised by an industry chamber.

During last year's Startup India event, Prime Minister Narendra Modi invited Kalanick to share the dais with him, despite the company having been banned in New Delhi in 2015 by courts after the rape of a woman executive by a Uber driver partner.

Kalanick continued to enjoy a clout with top bureaucrats across the world even in countries which had blocked Uber or where it was facing massive opposition from local courts.

At the event with Kant, Kalanick talked about the company's value of principled confrontation in front of several government officials – a value which professed confrontation with local laws to what the company thinks is right.

So much so that during the conversation Kant had to agree that innovation will always be ahead of regulations and that the government had to be receptive to change.

Despite all the clout it enjoyed, not all was fine within Uber's workplace. Behind the curtains of overly focused, work centric environment, soon emerged cases of sexism. Multiple issues involving the driver partners came to light with a video of Kalanick himself being involved in a heated argument with a driver going viral.

A former engineer at Uber called Susan Fowler wrote a blog-post enumerating incidents of harassment she suffered in the workplace.

The most recent incident of allegation of a senior executive possessing medical record of the rape victim involving a Uber driver, proved to be a final nail in the coffin.

The developments finally pushed the much celebrated founder and chief executive to resign from the company.

**Rivals could gain with Uber's internal strife**

While operations of the company may not or least be marginally affected specially in the US-headquartered Uber's second biggest market -- India, the brand image is likely to go for a toss, according to experts.

According to communications consultant Dilip Cherian, there are two things to be considered in Uber's case. One is operations in terms of customer satisfaction, services offered etc. The other thing is how the regulator, law enforcement agencies and policy makers look at the company.

"Companies which have caused sectoral disruptions globally tend to suffer a lot of damage (to image)," Cherian said adding that a lot will depend on who is brought by the company as the new chief executive officer and if the person is able to make sure that the company's image is reformed.

Uber will also be in a vulnerable position while competing with local rivals across respective markets.

According to Jaspal Singh, co-founder of transport advisory firm Valoriser Consultants, the immediate focus of the company now will be more on correcting things than targeting growth.

"Players like Didi are quite aggressively looking to expand in different markets. Similarly Ola too is getting aggressive when it comes to expanding into newer categories such as electric vehicles. Grab in South East Asia is also playing very aggressive now too. Whereas Uber is drastically looking at improving things internally. When you do things like that, it impacts your partners and stakeholders," he said.

Analysts however unanimously agree that the recent incidents are unlikely to have much impact on the business, provided there are no further rabbits coming out of the hat.

"India is not a politically correct market," said Harish Bijoor, chief executive officer of brand and business strategy firm Harish Bijoor Consults Inc. He added that the key issue is the size of the business and the way it touches the common man.

According to him, if at all there will be any effect on the consumers, it will solely be if there is a degradation of the services and not from the immediate developments.

According to a recent report in tech blog Recode, Uber's Asia Pacific head Eric Alexander had allegedly obtained confidential medical records of the rape victim, which were passed around in the company up to CEO Travis Kalanick.

The report also stressed that Uber's executives spread rumours that rival Ola was trying to sabotage company's image through an incident that involved a sexual assault on the woman passenger.

"Based on facts in public domain, it's possible that Travis' resignation could have been avoided if it was proven that he didn't look at the medical report of the victim or other goings on or had acted swiftly against the executives involved," said Avimukt Dar, a partner at law firm IndusLaw.

### **Startups could stop identifying with Uber**

Uber was looked up as the holy grail of successful startups globally. It has raised close to USD 10.7 billion since its launch in 2009 making it as world's most valued startup at over USD 70 billion.

Launched in 2009, Uber has raised over USD 10.7 billion, making it as one of the highly successful startups valued at over USD 70 billion. Brand consultants say the recent incidents could damage the company's image in eyes of those who idolised the company.

Younger startups could refrain from calling themselves -- Uber of xyz, a connotation very popular amongst companies trying to aggregate local businesses.

"Events like this do change the perception of savvy founders who don't want to then take on any of the negative rub-off of a company that is affected by problems of its own," said Cherian.

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**TAGS** #Amitabh Kant #CEO #Modi #Ola #Travis

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# Why high attrition of drivers is no cause of worry for Ola, Uber

Ola and Uber were left with 3,80,000 vehicles associated with them in the March quarter, from the peak of five lakh vehicles in December quarter, a sharp drop of 24 percent, a report by Redseer said.



**Shubham Raj**  
**Moneycontrol News**

A decline in fleet of Ola and Uber should be no cause of worry for the taxi hailing companies or their users, say transportation experts.

According to research and consulting firm RedSeer, the number of affiliated cars with these two companies has declined by one-fourth of its total strength in December last year. It was reported first by Livemint [here](#).

Jaspal Singh, an auto industry analyst and co-founder of Valoriser Consultants, opined that there is no need to sound an alarm as of now. "The sector already had a high attrition, so even if there is a

reduction in the number of cabs it is not going to affect much. If it affects in future, they (Ola and Uber) will increase the incentives again or come up with something else," he said.

The report, citing figures from a market consulting firm RedSeer Management Consulting Pvt. Ltd, says that due to falling incentives for drivers working under Ola and Uber, around 1,20,000 of them have opted out to explore other job options.

"As Ola and Uber claim, they have more than one million registered cabs with them combined but at one point of time only about 35 percent of the associated drivers are active on road. Particularly during summers and holidays, the drivers chose to go to interstate rides," Singh added.

Ola and Uber were left with 3,80,000 vehicles associated with them in the March quarter, from the peak of five lakhs vehicles in December quarter, a sharp drop of 24 percent, the report said.

COMMENT: [Uber CEO's argument with cabbie in US reveals similar worries here](#)

However, drivers are clearly unhappy with a fall in earnings. "With 50 percent reduction in base fares and 60 percent drop in fares per kilometre, earnings have more than halved," said Jamuna Das, a driver associated with Uber India. Drivers are unhappy with the ride aggregators as the demand is mostly seasonal with summers being a lean period. Demand for cabs rises during the festive season around Diwali.

Delhi and Bangalore have seen drivers protests this year against falling incentives from both companies. The report also stated a drop at least 5 percent in the number of rides for the drivers, further reducing their earnings.

Incentives, over and above the share in fares, were initially offered to the drivers to lure them to associate themselves with these startups. Now, as both companies are targeting for profits, they have started cutting down on such spends.

Ola and Uber have also started leasing cabs to have a greater control on the demand and supply in the market.

Read also: [\*Not worried about Ola's claims on market share: Uber\*](#)

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Dec 20, 2016, 09:20 AM | Source: Moneycontrol.com

# Why Uber CEO is leaving no stone unturned to woo Indians

India is the second largest market for the over USD 60 billion firm, after it exited from China, early this year.



**Priyanka Sahay**  
Moneycontrol

On a visit to India, Uber CEO Travis Kalanick met the 'god' of cricket Sachin Tendulkar, schmoozed Bollywood actor Salman Khan, praised Indian weddings, had tea with cab drivers and met with the country's President.

In a nutshell, the 40-year old chief executive did everything he could to make Indians at ease with his San Francisco-based firm Uber.

Playing the domestic card, rival Ola is asking the government for protectionist measures to prevent foreign companies like Uber 'dumping capital' and obliterating home grown entrepreneurship.

Uber CEO went ahead to the extent of remarking (in amusement) that he would apply for an Indian citizenship, just to get over the hump to operate in India, if needed.

### Why India is important for Uber

India is the second largest market for the over USD 60 billion firm, after it exited from China, early this year.

"The battle in China had become global. We had sovereign wealth of China being invested in our competition globally. We had American tech companies that were being compelled to invest in our competitor in China," said Kalanick adding that Uber was losing USD 200 million a month in China.

In contrast, about the Indian market, he said, "We are losing in India, but we see a path towards profitability. We are optimistic that we will be here for the long run."

According to him, the bigger thing about India is car ownership. The aim is to ensure that Uber becomes so reliable that people stop owning cars to ride on Uber.

Uber was founded in 2009 in California. Its genesis lay in a snowy Paris evening in 2008, when Kalanick and his friend Garrett Camp had trouble finding a cab. They had a chat about a wishful app where one could just press a button to get a ride.

Back in California, the duo started turning their wish into a reality. The company started off as an app providing cabs across select metros in the US. It now operates across 500 cities globally.

The taxi hailing app entered India in August, 2013, at a time when the cab hailing market was fairly nascent, being largely operated by two startups - Ola and TaxiForSure (acquired by Ola in 2015).

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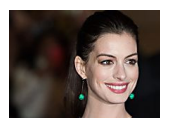
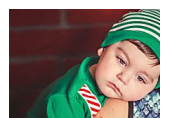
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However, India has now surpassed the US to become world's second largest internet market after China, with over 277 million internet users, according to the Internet Trends report by Mary Meeker, partner at venture capital firm Kleiner Perkins Caufield & Byers.



As per transport research firm Valoriser Consultants, the Indian urban transportation market is worth over USD 10-12 billion. The size of this market is lucrative enough to stay put for both Uber and Ola.



Post its exit from China this year, the entire focus of the company has shifted to India. Didi Chuxing acquired Uber's China business in August.

In the Indian market, Didi Chuxing invested in Ola last year in the USD 500 million Series F round.

Ola is the only major competitor for Uber in the country. Smaller and existing cab service providing players such as Meru Cabs, Easy Cabs, Mega Cabs, AHA Taxis, WTi Cabs and Savaari have either been wiped off from the consumer market or finding hard to match prices with heavily funded Ola and Uber.



*(Travis Kalanick with Law and IT Minister Ravi Shankar Prasad)*

"We are very excited about the future of Uber in India. With hundreds-thousands of driver opportunity and jobs we have come here with, we couldn't be more excited to serve India and to work with sons and daughters of India who run Indian corporations," Kalanick was quoted after his meeting with the Law and IT Minister.

At the TIE Global Summit held last week, Kalanick added that Uber's exit from China meant that Indian drivers and riders be served far better. At another event, he had tea with cab drivers and signed a MoU with retired Indian armed forces personnel for an alternate career choice.

### **regulatory challenges ahead**

Uber was banned in the Indian capital in December, 2014, following a rape incident by an Uber driver. The Indian authorities had rejected Uber's licence application and had started impounding its vehicles that were still plying.

Later, the Delhi High Court revoked the ban imposed by the government in 2015.

It was also on the receiving end after the state transport department found the company operating diesel cabs for point to point transportation, which is banned in the city.

Uber subsequently converted its fleet into CNG-based clean fuel. It is yet to obtain a legal permit to operate in Delhi as well as most other Indian cities.



*(Uber CEO Travis Kalanick with President Pranab Mukherjee)*

According to Kalanick, the firm was okay with rules as long as they were bending towards people and products.

The company also announced Uber bike taxi service, UberMOTO in Hyderabad, last week.

Uber had to shut down its bike taxi service in Karnataka last year, since the state government had no provisions for granting permissions for the same.

The country also had issues with the cab hailing firms putting surcharge on their pricing.

According to the Centre's new guidelines for taxi operators the aggregators will be allowed to charge up 3-4x of the minimum fare.

Competitor in the cab services space, Meru has also expressed its discontent. "In relation to fares we believe that the new taxi guidelines are not consumer friendly.

This could push entire market to move out of government price control and rather controlled by one or two large corporations," said Nilesh Sangoi, CEO, Meru Cabs.

#### **| Ola prove to be a worthy rival?**

According to reports, Ola is in talks to raise about USD 600 million for some time now.

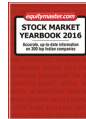
According to multiple people, who declined to be quoted, the market share of both the firms seem to be neck and neck, giving that a majority of the business for ride hailing firms currently comes from 25-30 cities only.

"For Ola, it will help them to further expand the market. The only challenge being if it is not able to raise the next round of funding," said Jaspal Singh, a partner at Delhi-based transportation consultancy, Valoriser Consultants.

Another challenge in the Uber versus Ola story will be the level of maturity of the business structure of a domestic firm as compared to a global player.

At a time, when an Indian player is still crystallising this model and innovating on their products, international players are customising their models to suit India. A lot of senior management time will thus be available for customer strategy.

"India is a consumption market for future. It is part of the global strategy of every international company out there. There is no captive audience of such a large population elsewhere," said Sreedhar Prasad, Partner, at consultancy firm KPMG.



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Nov 04, 2016, 05:47 PM | Source: Moneycontrol.com

# Bringing cab aggregators on par with city taxis: Will it fly?

*Last month, the Maharashtra Transport authority released a draft of the Maharashtra City Taxi Rules, 2016 that aims to put cab aggregators under the ambit of local taxi licence in the state. If proposals are accepted then life will change for cab aggregators.*



**Deepak Kumar**  
Moneycontrol

Last month, the Maharashtra Transport authority released a draft of the Maharashtra City Taxi Rules, 2016 that aims to put cab aggregators under the ambit of local taxi licence in the state. If proposals are accepted then life will change for cab aggregators.

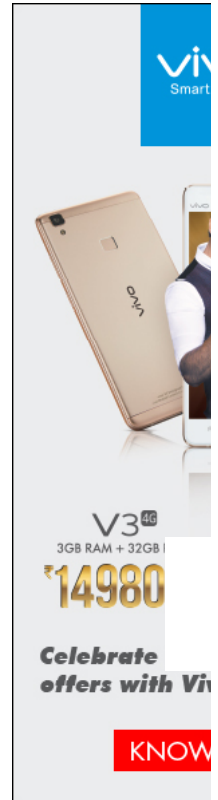
According to the draft, cab aggregators will have to adhere to a cap on minimum and maximum fares. They have to ply with a city taxi permit. A car under 1400cc will be charged a one-time permit fee of Rs 26,000. Cabs with an engine capacity of 1400cc or above will be charged a staggering Rs 2.61 lakh. More importantly, every cab aggregator will have to maintain an equal number of cars below and over 1400cc engines. And cabs with only cleaner fuels can ply.

## ....at Doesn't Work

The clause requiring 50 percent of the aggregator's cabs to be over 1400cc does not make sense and is illogical, says Debi Goenka, environmentalist from Conservation Action Trust. City taxis all have small engine sizes, well below 1400cc. The aggregator should have the right to choose which car they want to run, he says.

Jaspal Singh, Partner of Valoriser Consultants, believes this 50:50 rule would discourage cab aggregators from introducing smaller vehicles as they would to compensate it with an equal number of bigger ones.

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Surge pricing, a mechanism that allows cab aggregators to hike up prices on peak hours, has become the bête noir of government. But Shailesh Sawlani, General Manager, Uber (West) feels that fares should be determined by the market. "It (surge pricing) at the end of the day improves the service for commuters. They would rather pay a higher fare than not have any options available to commute."

#### Support for Ola & Uber

Among the reasons cited for regulating cab aggregators, the Motor Vehicle Department, Maharashtra refers to ride-hailing cabs' absolute control over fares as a big negative. The driver doesn't know the fares which is set by a software nor does he know the destination. Hence, the government has offered to make cab aggregators fall in line.

Singh feels the effect of these laws will not be long-lasting and won't be a major cause of concern for drivers of Ola and Uber. "When the diesel ban happened in Delhi, there was similar confusion amongst the drivers. But when they started realising that they have to live with this, they settled down."

The new regime, if it comes into force, will mean more costs for cab aggregators. But they will still have an edge over the city taxis, says Rajkumar Dham, Joint-Secretary of Jan Ekta Taxi Union. The reason being the city taxis will never be able to offer the kind of service cab aggregators provide which includes pick-up from home service and air conditioning, says Dham.

#### Pushback Against Regulations

Sawlani of Uber has a different take -- why not relax rules for city taxis instead of regulating the cab aggregators? "It would be better to relax regulations on taxis and autos as well," he says.

The new policy, many believe, is an arbitrary way to bring the ride-hailing cab services under government oversight. Singh of Valoriser Consultants says it is a haphazard way to integrate the existing operators.

The cab aggregators until now have been plying on tourist taxi permits. The Tourist Taxi Permit Regulation is governed by Central Government but the permit is issued by the states. It was introduced with an aim to support tourism activities. No fare meter is installed as fare is mutually decided between the driver and the customer. Unlike a local taxi permit, getting a tourist taxi permit is very easy in Maharashtra. Also, tourist cars can run on diesel.

"They (the new taxi rules) don't solve Mumbai's transportation problems. Incumbents [city taxis] may be facing pressure but we need to do what's best for the citizens and the drivers. If this is what the public likes, why not change the entire system?" says Sawlani of Uber.

# Regulatory Structure – Taxi Permits

There are broadly three types of Taxi Permits in India and the registration is done by State Government



### Local Taxi – Black & Yellow

- Black and Yellow are also known as City Taxis or Hail taxi
- Fitted with fare meters and can operate Intra city
- Available in Few Cities
  - Mumbai – 44,820
  - Kolkata – 14,901
  - Delhi – 7,209
  - Chennai – 481



### Tourist Taxi – State / National

- Tourist Taxi permit Regulation is governed by Federal Government but the permit issued by the states
- Introduced with an aim to support tourism activities
- No fare meter is installed as fare is mutually decided the driver and the customer



### Radio or Call Taxi

- Radio Taxi regulation was issued to provide comfortable taxi services to citizen
- Currently, Only 17 states out of 29 states in India has regulation for radio taxi
- Fare is regulated by the government

PC: Valoriser Consultants

## What the Taxi Unions want

The Unions have a completely different view. Swabhiman Taxi Union member KK Tiwari says Ola and Uber should have their own cars and should be only luxury cars which would cater to the rich and would be above 2000cc.

"Our country is divided into several classes based on income, from the people on the footpath to the people living in high rises and bungalows. Just like that taxis should also be differentiated. We should be able to cater to the lower-middle class while these aggregators should cater to upper middle to upper class," he says.

The government issues tourist permits to promote tourism and these cars should not be used as local cabs, says Tiwari.

The government's objective to regulate cab aggregators will be better served if it undertook measures to reform the entire taxi ecosystem, feel experts.

The screenshot shows the Uber app interface. At the top, there is a hamburger menu icon and the word "UBER". Below that, there is a search bar with a magnifying glass icon and the text "PICKUP LOCATION Go To Pin". The main content area features a blue background with a white car icon on the left and a white document icon with a checkmark on the right. Below this, the text reads "Your voice matters" followed by a paragraph: "The Government of Maharashtra has proposed new rules for apps like Uber, that will mean the end of the Uber you know today. The government needs to hear from you: riders should come first. Over 1,00,000 supporters have signed the petition against these rules - have your voice heard too." At the bottom, there is a blue button that says "SIGN THE PETITION" and a hashtag "#UberMovesMumbai" in the footer.

Uber has gone on to write a letter to Maharashtra CM Devendra Fadnavis saying the new rules are regressive and must not be imposed. The company has also started an online petition for which more than one lakh individuals have already signed up.

The taxi and autorickshaw drivers have asked the public to sign a petition to completely ban surge pricing and to allow cab aggregators to only run on clean fuel.

While the tug-of-war seems never-ending, Maharashtra's proposal to bring cab aggregators on par with city taxis will go some distance in resolving a few issues.

The Maharashtra Transport Authority has sought the feedback of the public and the stakeholder by November 5.

- Tags** Maharashtra Transport Maharashtra City Taxi Rules 2016 cab aggregators local taxi license cab-hailing apps Kaali-Peelis  
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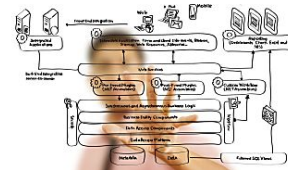
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