Driving growth in multi-sided markets
Reliable transportation everywhere, for everyone.
It started with connecting drivers and riders... inspired by customer needs
...followed by Uber Eats to connect restaurants with delivery partners and customers.
Uber customers are on all sides of the marketplace.

2-sided platform

- Riders
- Drivers

3-sided platform

- Eaters
- Delivery Partners
- Restaurants
...and we’re adding new modalities to an already complex platform
Uber is not just a local platform, but a HYPER-LOCAL one...
...and not just a temporal platform business, but a **HYPER-TEMPORAL** one
Managing a hyper-local, hyper-temporal, multi-sided platform business is complex and poses unique challenges:

- Spatial
- Temporal
- Human
- Real-time
- Scale
Uber leverages network effect to stimulate a growth flywheel...

MORE DRIVER HOURS → LOWER ETAS → MORE RIDER REQUESTS → EARNING OPPORTUNITIES FOR DRIVERS

LOWER ETAS & MORE CHOICES

MORE COURIER HOURS → MORE EATING ORDERS → EARNING OPPORTUNITIES FOR COURIERS & RESTAURANTS

MORE COURIER HOURS → MORE EATER ORDERS → EARNING OPPORTUNITIES FOR COURIERS & RESTAURANTS
...and leverages Uber’s Family of Platforms: the cross-platform network effect

Drivers can become Couriers, and vice-versa

Riders can become Eaters, and vice-versa
Minimum requirements
Anybody can drive with Uber, although there are a few minimum requirements:

- Be at least 21 years of age
- Have at least one year of licensed driving experience in the U.S. (3 years if you are under 23 years old)
- Have a valid U.S. driver’s license
- Use an eligible 4-door vehicle

Required documents
Before hitting the road, share the following documentation:

- A valid U.S. driver’s license
- Proof of vehicle insurance
- A driver profile photo
  - Must be a forward-facing, centered photo including the driver’s full face and top of shoulders, with no sunglasses
  - Must be a photo only of the driver with no other subject in the frame, well-lit and in-focus and cannot be a driver’s license photo or other printed photograph

Driver screening
After signing up, you can complete a screening online. It will review your driving record and criminal history.

READ MORE ABOUT SAFETY
...and balancing utilization of hours and customer satisfaction while driving growth is incredibly hard.

Driver Hour = Driver Idle Time + En-route time + On-trip time

Influenced by market balance, market concentration, market density

Rider Session = Time to Request + Wait time + On-trip time

Not Earning

Earning

TRIPS

Not Riding

Riding

UBER
Achieving this balance is critically important to our platform’s reliability and growth.
How we drive growth and address marketplace balance
The Uber Marketplace is a complex ecosystem - we use a number of methods to try to manage it...

- Driver Positioning
- Forecasting
- Dynamic Pricing
- Fares
- Intelligent Dispatch
- Driver / Rider Pricing
- Marketplace Health
- Marketplace Platform & Data
In our Marketplace, there are the models that describe the world and the decision engines that act on those models
Forecasting across time in a multi-sided marketplace is difficult...

- Driver hours are unpredictable but less volatile
- Rider sessions are more volatile
- Balancing the two across time is the challenge

![Graph showing trips over time with lines for Today and Future, and markers for Target, Forecast, and Actuals.](image)
...and even if we forecast well, it is not easy to know how to respond to a future imbalance.

How should we respond??
We also continually forecast at a very granular level for a given space and time horizon.

- **Supply**: Open Cars / Available Drivers
- **Demand**: App Views / Sessions
- **Other quantities**: Request times, Arrival Times, Airport Demand, etc.
We use a set of acquisition and engagement levers to address current and future market imbalance...

**Acquisition Levers**

- New Drivers and Riders
- Existing Drivers and Riders

**Engagement Levers**

- Retention
- Engagement

\[
\text{Retention} \times \text{Engagement} = \text{Driver Hours or Rider Sessions}
\]
...our acquisition levers drive growth and add new customers to our platform

Top of Funnel Acquisition
- Paid Marketing
- Organic - SEO
- Referrals

Onboarding
- Support
- Personal Outreach

Sign-up Incentives
- Guarantees
- Promos

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New Drivers and Riders
...some of our acquisition levers focus on acquiring new, high value sign-ups...

Top of Funnel Acquisition
- Paid Marketing
- Organic - SEO
- Referrals

Onboarding
- Support
- Personal Outreach

Signup Incentives
- Guarantees
- Promos

New Drivers and Riders
...while others focus on converting those sign-ups into high value customers

**Top of Funnel Acquisition**
- Paid Marketing
- Organic - SEO
- Referrals

**Onboarding**
- Support
- Personal Outreach

**Sign-up Incentives**
- Guarantees
- Promos

**New Drivers and Riders**
Targeting the right high value customers for our top of funnel acquisition is critical...
...while predicting high lifetime value in our two-sided marketplace is very hard

<table>
<thead>
<tr>
<th>LTV Definition at Uber</th>
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<tbody>
<tr>
<td>LTV = 24-Month Gross Bookings Projection x Marginal Contribution Margin x Market Balance</td>
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We also use certain levers to engage our existing customers to drive marketplace balance...

**Acquisition Levers**
- New Drivers and Riders
- Existing Drivers and Riders

**Engagement Levers**
- Retention
- Engagement

\[ \text{Retention} \times \text{Engagement} = \text{Driver Hours or Rider Sessions} \]
...these levers come in many different shapes and sizes...

**Pricing**
- Dynamic pricing
- Subscriptions

**Incentives**
- Guaranteed surge
- Do X, Get Y

**Marketing**
- Engagement
- CRM

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Incremental Driver Hours and Rider Sessions
...and are deployed across a number of geo and temporal levels.
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Long-Term Sustainable Differentiation
In addition to our acquisition and engagement levers, we differentiate our product by...

...standing for Safety

...innovating to deliver the lowest cost offering

...and earning our customers’ love
Standing For Safety

Safety Center

Trusted Contacts

911 Assistance
Earning our Drivers’ Love

Real-time Earnings Tracker

More Trips Nearby

Showcase Yourself!
Earning our Riders’ Love

Save a Lot! Express Pool

More Transportation Options - Bikes

Seamless Pickup Chat Ahead
Innovating to deliver the lowest cost offering

uberX includes down time where drivers could be earning while reducing riders ETA.

uberPOOL matches riders heading in the same direction, so the ride and cost are shared.
Questions?