

Uber's Viability in the Chinese Market

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Political and Legal Risks in China

- Legal implications within the Chinese Communist Party (CCP).
 - Difficulty identifying laws in play
 - Corruption causing precautionary measures for intellectual property
- Relations between China and the U.S.
 - Doubts from American businesses in Chinese market
- Political risks involving the CCP
 - Debt exceeding 220% of GDP
 - Complex dynamics between US and China

Demand for Uber's Offerings

- Size of the market - One of the largest in the world
- Level of Competition and Unmet Demand
 - Primary Competition - Didi Chuxing
 - Uber's Advantages - First mover advantage and brand recognition
- Uber's exit - Caused by competition

Resources and Infrastructure Available in China

- Uber's Needs- local preferences and road conditions
- Labor and Supplies for Uber
 - Drivers- Chinese government restrictions
 - Fuel and electricity- Vehicles
- High Population Density- limited personal transportation
 - Railways and buses
- China's Informations and Communication Technology (ITC)
 - Uber's services through smartphones
- Telecommunications- E-payments

Strategic Importance of China

- Major global expansion - Belt and Road Initiative, Maritime Silk Road
- Largest ride-hailing market in the world
 - Complex, hard-to-enter market with local competitors
- Highly urbanized country, not many people own cars
- Innovation characteristics have prompted growth
 - Strong government, CCP, continuous learning
- China's ride-hailing user base is triple Uber's worldwide base

Final Recommendation

Uber should *not* re-enter China

- Factors that led to initial failure remain
 - Hostile Chinese government
 - Multiple strong competitors solidified in the market
- The Asia-Pacific Region offers few other potential markets
 - Regional consolidation
 - Merger with Grab