Uber Sub-Saharan Africa: Contextual leadership for sustainable business model innovation during COVID-19

On 15 May 2020, Alon Lits, Director and General Manager of Uber Sub-Saharan Africa[1] was getting ready for his next Zoom session to share the latest business model innovation ideas with yet another news station. He considered his dilemma of how to adapt their business model to the demands of COVID-19, without losing their core business model as a multi-sided technology platform business. Lits was contemplating how countries could balance health risk with the need to get the economy moving?

Zoom sessions had become the norm for communicating during COVID-19 lockdowns. Investigative journalists were finding Uber innovations too good to be true. The journalists were astonished that a company could have discouraged its customers to make use of their service and therefore Lits was in high demand to discuss their business model innovations. Uber did indeed ask their riders to stay home, to ensure social distancing during the lockdown, rather than to book a ride with Uber. The question was how they could support drivers, while they were discouraging riders to make use of Uber.

The disruption and uncertainty caused by COVID-19 was being felt by everyone around the world. The health and wellbeing of the Uber communities were the highest priority during this time. Their primary focus was quickly adapting their technology to meet the evolving needs of communities and companies. Uber globally operated across 70 plus countries around the world and the COVID-19 situation was different in each country. In the Sub-Saharan Africa region, Uber operated in seven different countries, and again the situation differed from country to country.

Generate social and financial value during unprecedented times

As a leader, Lits believed implicitly that Uber should contribute to the Sub-Saharan countries in which they had a presence. Lits grew up in South Africa and it gave him intimate knowledge about what Uber Sub-Saharan Africa's customers and driver partners perceived as important. He worked closely with his executive team of Sub-Saharan Africa and the various managers in the countries in Sub-Saharan Africa to find ways to leverage the company's technology and resources, such as their logistics technology and the driver network. Lits had an acute awareness of the Zeitgeist or 'the spirit of the time', for instance to emphasise safety and health, as well as the environmental impact awareness. He realised that the sharing economy was important for the environmental awareness campaigns.

Lits purposefully led his team to do the right thing and look for opportunities to make a difference during the challenging times of the COVID-19 pandemic. He felt particularly proud of the collaboration between Uber and the Bill & Melinda Gates Foundation[2] to deliver chronic medicine to patients in the Western Cape, who could not travel to hospitals and pharmacies. The Uber drivers delivered 40 000 parcels in this manner during March and April in South Africa. They had scaled this offering to KwaZulu Natal province too.

How it worked was a driver would go to a central distribution hub, collect a pack of five to ten packages for a community health care worker, and the community health care worker would then distribute the packages to the community. This was so important because these were mainly vulnerable individuals, with TB, HIV, or diabetes, and were at risk if they had to travel to the hospital. The partnership alleviated a need for that travel.

Initially, when the lockdown started, Uber adapted their technology to provide new ways to get necessities delivered to consumers' doors quickly via the Uber Eats app, while ensuring social distancing was adhered to with contactless delivery. Businesses had also been exploring how to better serve their customers from afar. Uber therefore accelerated their delivery efforts beyond food and groceries, to provide on-demand and scheduled last-mile delivery solutions for consumers and businesses alike to help people stay at home while still getting essential items. They purposefully adapted their technology to meet the evolving needs of communities and companies.

Safety as top priority

Uber was determined to take the necessary safety precautions to keep drivers on the road, keep them safe and also keep riders safe. Uber had actively advised people not to ride and to move only when absolutely necessary. They included a number of recommendations to riders in the app before confirming a trip and had encouraged people to use trips only for essential travel, putting safety first.

Uber had been rolling out a number of policies and new features in the app to help drivers and riders' stay safe and keep well while operating across their platform, they included information in-app and no-contact delivery, as well as providing sanitiser and personal protective equipment (PPE) reimbursements to drivers and couriers. Safety was, as always, a top priority, and Uber regularly provided their community with information to help them stay safe and to make it compulsory for drivers and riders to wear a face covering. As part of a new in-app safety checklist, before drivers and couriers went online, they would be asked to take a selfie to verify they were wearing a mask or face covering using new object recognition technology. Any driver or courier not wearing a mask or other face covering would not be able to go online.

In South Africa, Uber specifically partnered with the Youth Employment Service (YES), a non-profit organisation, to provide cloth masks to Uber drivers across South Africa. Uber wanted to ensure that riders and drivers were safe, especially as lockdown measures were eased and more

people had to move around. It was important for South Africa and other countries, and for the world, to get the economy moving.

Support for drivers

With few people moving around, which was the right thing to do given the social distancing directives, it had been incredibly tough on the Uber drivers, who were also known as partners. Uber had looked to create additional revenue streams for drivers. Uber also utilised both the courier and the Uber X sedan vehicles for delivery.

Uber had been speaking to the Government in South Africa around understanding the various stages of the lockdown measures in terms of the driving hours for drivers and provisions to give drivers more flexibility. Uber hoped that increased movement of people going back to work would be allowed while taking suitable safety precautions.

Driver partners were purposefully independent contractors and thousands of South Africans had chosen to use Uber and other similar transport apps to provide transport services as drivers, because they had been totally free to choose if, when and where they drove. For example, in case they felt uncomfortable with going into a particular area or accepting a particular trip, they were completely free to decline.

Uber continuously managed supply and demand very closely to ensure this was balanced, and this also applied to partners who owned fleets. Uber always ensured that drivers who used the Uber app, whether frequently or only occasionally, were doing well and thriving. Uber's technology was open and a free choice, allowing other transport operators, such as Boda-Boda drivers in Kenya, who were already operating in the market, to use the Uber app as well as continue with their existing businesses. Across Uber support and operations teams, they conducted around two thousand calls to driver partners, to ask them about their immediate concerns. This gave Uber a better understanding of the problems that drivers faced and how they could assist them to address these issues.

Uber across the globe was providing up to 14 days of financial assistance to drivers and delivery people diagnosed with COVID-19 or ordered to self-quarantine, including where they had a pre-existing health condition, such as diabetes, that had placed them at higher risk. Drivers who provided proof of a pre-existing condition, were also able to receive compensation equivalent to their average earnings over a previous 14-day period.

Uber created an in-app hub with the latest government financial relief resources, ensuring drivers stayed informed directly though the driver app. Prior to COVID-19, in many cities drivers had access to face-to-face support centres called Greenlight Hubs and these had been fully operational across all the countries, with in-app support being available 24/7. During the pandemic, Uber had

decided to temporarily close the Greenlight Hubs in specific countries to encourage social distancing.

However, Uber's support teams worked closely with drivers to ensure that they were well-supported while using the app and over the years the teams had built great relationships with the drivers. For cities that did not have Greenlight Hubs, Uber provided virtual support which they were always building and scaling to better assist drivers, and ensure that even without face-to-face assistance, support was still fully available.

Supporting businesses and communities through partnerships

Uber quickly adapted their technology to offer Uber Direct[3] to businesses struggling with high delivery demands so that they could use the Uber network of drivers and delivery partners to move goods within their supply chain, between locations and to customers. This unlocked further economic opportunities for drivers and couriers. See Exhibit 1 for an illustration of the various initiatives of Uber to support their drivers during the pandemic.

As restaurants were required to close their doors, delivery options like ordering through Uber Eats helped to keep their businesses going. Uber in Kenya and South Africa waived activation fees for new restaurants and made it quicker and easier for new restaurants to join Uber Eats, aiming to reduce wait times to less than 24 hours for new sign-ups. Uber Eats also launched a new feature, giving restaurants the option to receive daily (rather than weekly) pay-outs, in order to help with cashflow reliability during those uncertain times. Uber also partnered with various stores to offer customers essential items such as Over-the-Counter medicines, toiletries and essential household items.

In addition, Uber Sub-Saharan Africa partnered with organisations to transport food parcels to those most vulnerable. For instance, Lits purposefully led his team in Sub-Saharan Africa in partnering with SA Harvest, a food rescue organisation helping to feed those most impacted by the lockdown and with Afrika Tikkun to provide food vouchers to loyal drivers and couriers across South Africa.

Many women and children were experiencing increased domestic violence risk during this time. Therefore, Uber was partnering with domestic violence organisations to provide 50,000 free rides, across the globe, to shelters and safe spaces. Uber ensured that organisations, such as the Nissa Institute for Women's Development in South Africa, had access to free rides if they needed to get any victims to a safe space during this period.

Frontline workers' support across the African continent

In Kenya, Uber had teamed up with the Nairobi Hospital and Gertrude's Children's Hospital to provide trips at a discounted fee. This helped medical professionals move around, ensuring that

frontline workers had a reliable and efficient way of getting to and from their workplaces. To support the Kenya COVID-19 Emergency Response Fund, Uber provided 5000 free trips and 2000 free deliveries from Uber Eats as they coordinated all coronavirus efforts in the country. Uber also provided free rides to the National AIDS and STI Control Programme (NASCOP) and Ministry of Health staff.

In Ivory Coast, Uber partnered with Ivorian Ministry of Health and SOCIDA, Ivory Coast's leading automobile dealers and distributors of the Renault, Suzuki, Isuzu and HELI brands, to provide free transportation to health workers in Abidjan.

Moving forward beyond COVID-19

Lits realised that there were many unknowns around the virus. For example, the true fatality rate, the true infection rate, how long it would take for a vaccine to be developed, and how social distancing would continue and for how long. All of these things would determine what return to work would look like, and what the 'next normal' would look like.

Lits believed that COVID-19 was going to be around for a while and that things were not going to return to the pre-COVID world in the short term. He was thinking about the world in three-month intervals. So, for the immediate three months there would be adjustments to a way of operating, before things would gradually adapt. While another service, Uber Elevate was not currently available in Sub-Saharan Africa, Uber envisaged that it would be an important part of the future of transportation, a future which Uber hoped to lead, especially around drone transportation. While Uber had not been focusing on competition, other service providers would of course replicate their new offerings, which would increase competitive rivalry amongst firms.

While the progress that Uber had made in the past few years was exciting, self-driving cars would enable them to fast forward to this mobility of the future. Certainly, the success of self-driving cars would depend on further technology developments, and it was still very early days. In the COVID-19 era, self-driving cars could have assisted with social distancing, but it was not yet available.

During the COVI-19 'new normal' or the so-called 'next normal', the remote working or working from home phenomenon had been increasingly evident. It was therefore expected that the demand for Uber Eats would also increase, as well as the delivery of documents and parcels to and from office workspaces. Uber endeavoured to offer a greater variety of solutions at consumers' fingertips and make it increasingly easy to live without a car or to stay home while still getting all the essentials they needed. Uber would provide alternatives to personal car ownership by bringing together multiple modes of transportation right to the consumers' app.

Despite these future opportunities, Uber Global had reported that they had been hit hard by the ongoing pandemic and experienced a loss of $2.9 billion for the first quarter of 2020 as COVID-19 took its toll. Uber Global also announced that they would cut 3700 jobs, due to the slump in

ride booking[4]. Nonetheless, the Chief Executive, Dara Khosrowshahi reported that he saw encouraging signs in markets beginning to open up after lockdowns.

The question remained, how might Uber across Sub-Saharan Africa further adapt their business model to the circumstances of COVID-19, while remaining committed to be a multi-sided technology platform business and their mission of providing reliable transportation, everywhere for everyone. Lits was contemplating how the countries, across Sub-Saharan Africa in which Uber operated, could balance health risk with the need to get the economy moving? And within this context what were the decisions he needed to take to ensure that Uber continued to adapt its business model to service its customers as the future unfolded.

EXHIBIT 1:
TIMELINE OF SUPPORT INITIATIVES OF UBER SUB-SAHARAN AFRICA
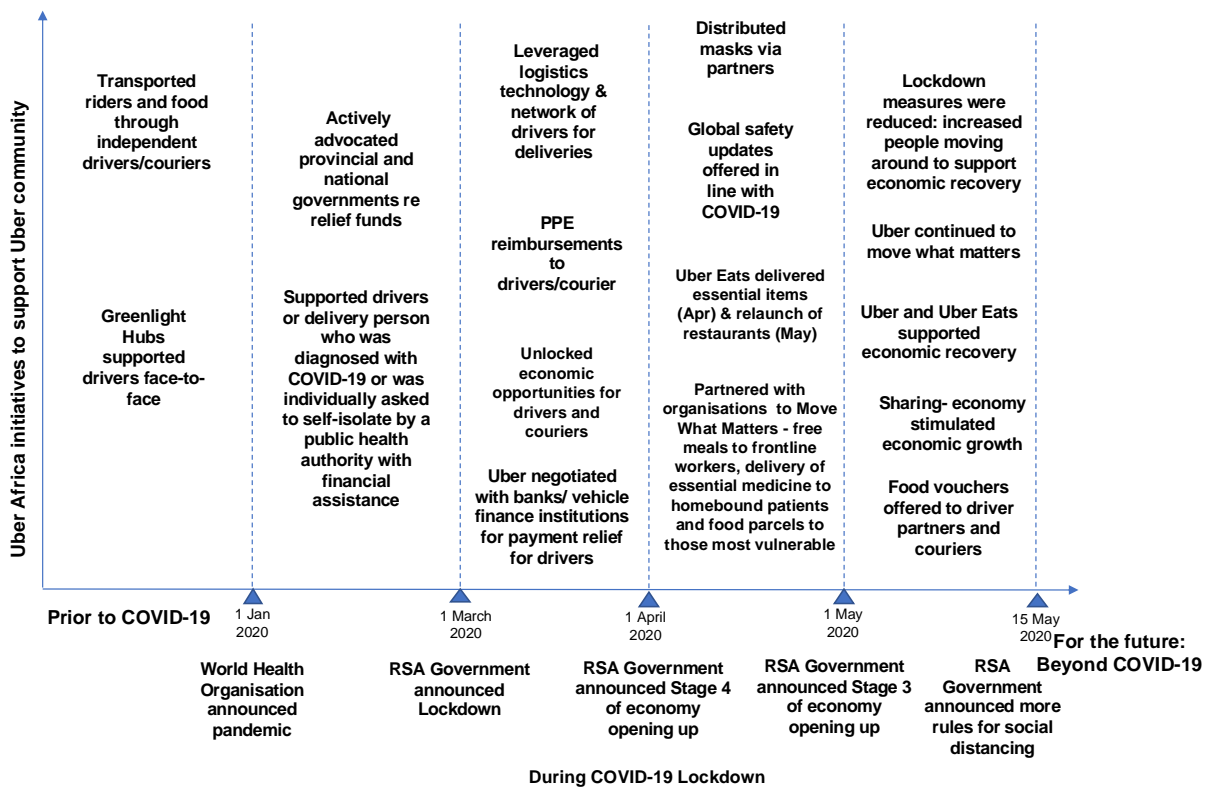
Source: Authors' own compilation from interview data

[1] Uber was a multi-sided platform technology business - a ride-hailing company, based on the sharing-economy trend. See their strategy as formulated on their website on moving what matters.

Uber. (2020). *Moving more of what matters with delivery*. Retrieved from https://www.uber.com/newsroom/moving-more-of-what-matters-with-delivery/

[2] The Bill and Melinda Gates Foundation. Retrieved from https://www.gatesfoundation.org/

[3] Uber Direct experienced an increase in the on-demand delivery offering and also had a user-friendly application process for businesses.

Uber. (2020). *Moving more of what matters with delivery*. Retrieved from https://www.uber.com/newsroom/moving-more-of-what-matters-with-delivery/

Uber Direct. (2020). *Uber Delivery Sign-up guide*. Retrieved from https://drive.google.com/file/d/1w1IPdB9Y5hY6Og88aCwe4YGX5gnyKoNh/view

[4] Ford Rojas, J-P. (2020). Coronavirus: *Uber plunges to $2.9 Bn loss but encouraged as lockdown ease*. SkyNews. Retrieved from https://news.sky.com/story/coronavirus-uber-plunges-to-29bn-loss-but-encouraged-as-lockdowns-ease-11984992