The sharing economy: Uber and its effect on taxi companies

Abstract

The popular ride sharing service Uber has undoubtedly affected the taxi industry by offering lower prices, faster and more quality service, as well as a higher degree of transparency in terms of choosing drivers and determining fares. A question arises inevitably: does Uber present loyal or unloyal price competition to taxi companies by offering significantly lower prices, cutting fixed costs and bypassing middlemen? Is there a tax loophole at play? The hypothesis this paper aims to examine is whether Uber is a new way of providing transportation services, thus bringing more transparency and fair competition to the industry, or it is a disruptor on a previously fair market. If the second case is correct, not all hope should be lost - perhaps with the right amount of regulation, Uber could become a new standard in service transportation.

This paper is divided into three parts. The first part briefly explores the concept of the sharing economy; a relatively new term and even newer foundation for business models of contemporary startups. Special significance is given to the reduced costs in companies which operate based on the sharing economy versus the so-called traditional companies. The second part of the paper examines Uber’s business model through costs, the
pricing system, driver earnings and working conditions. Finally, the third part of the paper estimates the present and future impact of Uber on traditional taxi companies, taking into account its legal status, competition and the changing labor market.

Key words: Uber, the sharing economy, transportation, competition, taxi, ride-sharing services.

Introduction

With the advent of the Internet in the 1990s, its accelerated development in the early 2000s, and the recession beginning in 2007, new forms of businesses began to develop. "Information and communications technologies (ICTs) have enabled the rise of so-called ‘collaborative consumption’: the peer-to-peer based activity of obtaining, giving, or sharing access to goods and services, coordinated through community-based online services" (Hamari, Sjöklint, Ukkonen, 2015). Collaborative consumption, more widely known as the sharing economy, is important because it cuts costs of coordination among members of an organization, and when talking about taxi services, it cuts costs of middlemen needed to bring consumers and drivers together. Since its official launch in 2011, Uber has spread to more than 630 cities around the world, and provided over one billion rides as of 2015. Not long after Uber began offering its services across the United States, taxi companies began to realize the possible consequences of a new, cheaper and faster transportation service. The entire traditional taxi industry could be in a serious danger of a new, unmatched competitor. A deeper look into Uber’s price policy, also known as the dynamic pricing system, revealed that Uber offers much lower fares than taxis most of the time. It could be argued, then, that traditional taxi companies could protect their market share merely by finding a way to offer more competitive pricing. However, further research in this paper shows that competitive prices are only one factor that contributes to Uber’s success over taxi companies. Other things, such as speed and the quality of service, as well as availability, are more difficult to replicate and those give an even bigger competitive edge to Uber.

The problem of possible tax evasion, although not illegal tax evasion because it only takes advantage of legal loopholes, gives Uber’s critics the upper hand. Their stance is that Uber is capable of offering lower prices because it doesn’t pay as much tax as the local taxi companies do. Indeed, a complex tax scheme exists and it is set up outside the United States. Supported by two daughter companies located in the Netherlands and in Bermuda, the tax scheme ensures that Uber pays a minimal amount of tax. The issue of legal tax evasion is far too complex to
be explored more deeply in this paper, especially taking into account that many leading global companies also use the same technique to reduce their tax burden. The question remains whether it is better for these companies to continue paying minimal tax, reducing their costs in favor of greater efficiency and productivity, which might lead to greater employment and profits, or the companies which engage in such practices should be obliged to pay tax in the countries where they operate.

To determine the exact price difference between Uber and traditional taxis, a simple model is shown to compare taxi and Uber prices in the city of Zagreb, Croatia, where Uber has been operating since 2015. Three taxi companies are compared to Uber, taking into account the particularities of Uber’s pricing system: dynamic pricing and a fare that depends not only on the distance, but also on the time needed to reach the destination, as opposed to taxi fares which only depend on the distance between the starting point and the end point.

Next, the effect of Uber on the job market is examined, based on statistical data and economic research in the United States. The questions answered in this section are the following: does Uber affect the unemployment rate among taxi drivers in a given city, and if so, in what way? Are there any changes in salaries? What are the possible long-term market outcomes in a given city after Uber is introduced? Finally, competition is analyzed as the most controversial element of Uber’s market presence. It is argued that, although adequate regulation is still missing, Uber represents a healthy competitor needed in the industry which hasn’t changed for many decades. As every novel idea, transportation services developed on the base of collaborative consumption are going to take some time to become accepted by everyone, and taxis may or may not come out as winners, but they definitely need to change their business models, especially with the digital age being taken into account.

1. The sharing economy

It is not exactly known when the term “Sharing Economy” first came to use, although most authors ascribe it to Benkler in his paper Commons-based peer production (Benkler, 2002). This concept of “peer production” implies coordinated cooperation among many individuals facilitated through the usage of the Internet and other shared resources. Another differing characteristic of this type of production as opposed to traditional organizations is a relatively flattened hierarchy among organization (community) members. However, commons-based peer production is not a synonym for the sharing economy, a term fully developed in the wake of the recession in 2008. Following a global recession and a growing unemployment rate, many individuals resorted to utilizing the only remaining
resources they had besides their skills. Goods and services that were expensive to obtain, but were sought after on the market, began to be offered for (usually short-term) rent on the Internet. An obvious example is AirBnB: instead of paying for an expensive hotel, or even buying real estate, customers now had an online platform where they could rent apartments, rooms or houses under flexible conditions. Significant costs that usually appear in the hospitality industry, such as marketing and supporting staff, are eliminated and the price is much lower.

Besides that, another important aspect of the sharing economy attracted many users: a time-saving online “booking” system which quickly satisfies supply and demand. In industries which employ traditional business models, such as mainstream hotel and taxi companies, those who seek and those who supply the service or product usually need to coordinate their requirements in terms of time, price, availability and administrative processing. Companies based on the sharing economy rely heavily on online systems where customer needs are met very quickly and prices are usually agreed upon at the time of reservation.

In addition, most companies based on the sharing economy, among them also Uber, employ an online rating system for their employees as well as for customers. Since most of the communication between the customers and companies is online, it’s very simple to implement a rating system where customers are encouraged to leave their rating after receiving their product or service. Companies then find it easy to analyze feedback and quickly improve their weaknesses and capitalize on their strengths. Traditional hotels, for example, had books of impressions (guestbooks) but those were not used by the majority of customers. Today, however, traditional hotels also have online rating systems where customers can rate the service they received. On the other hand, the situation with traditional taxi companies is different. Customers view their experience as a one-time event, and usually do not bother to go online and leave feedback. However, Uber users are more willing to leave ratings because they do not consider their experience as a one-time event, and want to see the service improve over time. Uber also employs a rating system which works the other way around: in order to protect its drivers, they are also encouraged to rate passengers. If a passenger has a bad rating, he or she might have a hard time getting a ride, or even might be completely excluded from Uber’s services. This two-way rating system promises, at least in theory, a mutual respect between drivers and passengers and assures both driver and passenger that most rides will be safe and enjoyable. It is difficult for traditional taxi companies to make this kind of a guarantee, and passengers and drivers are usually in the hands of coincidence when it comes to the riding experience with typical taxis.

The downside of a company based on the sharing economy is the existence of a much lower barrier of entry for new employees. This is because fewer re-
sources are mobilized to do new employee screenings, and because of high demand for the company's services, many potential employees are accepted if they satisfy only the minimum criteria. This might mean that passengers don't often feel secure knowing that it is not required to pass a professional exam of any sort in order to become an Uber driver.

Even further, a decentralized model of doing business inevitably results in a slower response to customer complaints. Because of a high volume in requested and finished rides (Uber) or requested and booked accommodation (AirBnB), very large investments in human resources would be needed to provide adequate and timely customer support.

Taking into account the positive as well as the negative properties of companies based on the sharing economy, it is evident that a strong demand for their services exists. Since these companies are not going anywhere anytime soon, we are forced to examine the effect of their presence on the traditional markets in given industries. Competitive pricing, mass employment with flexible working conditions and a real possibility of a future monopoly are factors that need to be explored in the following sections.

2. Uber’s business model

As already noted, Uber is a service similar to a taxi service, founded on the idea of the sharing economy, or collaborative consumption. Headquartered in the United States of America, it operates in 82 countries around the world, including the USA (data from Q1 2018). Figure 1 shows a world map with orange areas which represent countries where Uber is currently present. Uber has some fundamental differences that set it apart from classical taxi companies, although they are starting to offer services similar to Uber.

The first difference is the dynamic pricing system, powered by computer algorithms which work with user data collected from Uber’s mobile app. In times of a surge in demand, for example on a Saturday night or a rainy day, there is an excess of demand. Consequently, there is a lack in the supply of available vehicles. Based on the number of users who open the app (but not necessarily ask for a ride), Uber’s algorithm calculates a percentage price surge which causes a lower demand and a higher supply. In that way, a certain portion of users decides not to ask for a ride because the price surge makes it too expensive, and a certain portion of drivers decides to make themselves available for a ride because the price surge is high enough. A price surge that doubles the fare is expressed as 2x, a 20% price surge is noted as 1.2x, and so on. Further analysis shows that, even with a certain price surge, an Uber ride is cheaper than a taxi ride.
Taxis usually offer only one type of vehicles in standard colors and car models. Uber, on the other hand, has many different forms of service. UberX is the most widely used type of service because it is the cheapest. It features a classic sedan with no color preferences available. Other services include Uber Eats, a cooperation between Uber and local restaurants for food delivery, UberBOAT for cities with maritime traffic, Uber services that offer luxury black cars, and many, many more. To a customer looking for a specific type of service, Uber offers many convenient options.

The quality of service is incrementally improved by employing a two-way rating system, where customers rate drivers after finished ride, and vice versa. Customers also have a real-time insight in the vehicle’s location as it’s approaching them, so they know when and where exactly they can expect it. All of these features make Uber an objectively better transportation service than taxis. Other factors, such as speed of service, familiarity with the app, and the in-app payment system also make it a more competitive option than taxis.

Uber’s international expansion strengthens its market power. People who use Uber in their home country can expect to receive similar service in any other country they visit which Uber covers. This type of universal service has been proven to retain a large percentage of customers, similar to a chain of hotels which look exactly alike and offer identical service worldwide.
2.1. Uber’s pricing system

Since Croatia is the only country in the Western Balkans where Uber operates without many restrictions, Uber’s pricing system for UberX will be compared to three Croatian taxi companies in the city of Zagreb – Radio Taxi, Eko Taxi and Cammeo Taxi.

Table 1. 
Fare comparison between Uber, Radio Taxi, Eko Taxi and Cammeo Taxi.

<table>
<thead>
<tr>
<th></th>
<th>Uber (1)</th>
<th>Radio Taxi (2)</th>
<th>Eko Taxi (3)</th>
<th>Cammeo Taxi (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting fare[HRK]</td>
<td>6.00</td>
<td>10.00</td>
<td>8.80</td>
<td>6.00</td>
</tr>
<tr>
<td>HRK/km</td>
<td>3.00</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
</tr>
<tr>
<td>HRK/min</td>
<td>0.40</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: uber.com, http://radiotaxizagreb.com/hr/, http://www.ekotaxi.hr/, https://cammeo.hr/hr/gradovi/zagreb

Table 1 shows three elements present in the price equation of a typical taxi company: a starting price which is fixed and does not change during the ride, a fare expressed in Croatian Kuna (HRK) dependent on the distance travelled in kilometers (km), and a fare dependent on the time it took to reach the destination in minutes. Note that only Uber employs the third fare element, whereas the traditional taxi companies in Zagreb only charge a fixed starting fare combined with a fare charged by the kilometer.

The prices of these four transportation services could be represented by the following functions:

\[ f_u(x) = 6 + 3d + 0.4t \]  
\[ f_r(x) = 10 + 6d + 0t \]  
\[ f_e(x) = 8.8 + 6d + 0t \]  
\[ f_c(x) = 6 + 6d + 0t \]  

Mathematically, as well as from the table itself, we notice that Radio Taxi, Eko Taxi and Cammeo Taxi have equal fares per kilometer. The only difference in their price functions is the fixed factor, or the starting price. Therefore, to further simplify the analysis, we can disregard Radio Taxi and Eko Taxi since they are both inherently more expensive than Cammeo Taxi and Uber.

To have an approximate estimate of the price of an average city ride in Zagreb, the average velocity of the vehicle driving through Zagreb needs to be factored in, because of Uber’s time-dependent fare element. After some thought, the speed of 25 km/h is taken as the average speed, and the analysis was done for distances up to 20 kilometers. The results of the analysis are shown in Table 2.
To see if the analysis is correct, the results of Uber’s ride prices were compared to the estimates on the Uber’s website for UberX in Croatia. Factoring in a possible (slight) price surge, uber.com estimates a ride in Zagreb to amount to 35-46 HRK for a 7.5 kilometer ride. The calculation from Table 2 estimates the price of that ride (25 km/h, no price surge) to be 35.70 HRK. Therefore, Table 2 can be taken as an approximate guide for comparing the price of Uber and other taxi companies.

The column “Taxi/Uber” shows how much in percentages a taxi ride is more expensive relative to Uber ride for the given distance. A ratio of 1.29 means that Uber ride will be cheaper than Cammeo Taxi ride until the price surge surpasses 1.29x. Note that Uber has a minimum ride price of 10 HRK, which only changes the first row to 10 instead of 9.96 HRK.

The analysis clearly shows that UberX is cheaper than taxis in the city of Zagreb, even with significant price surges. Taking into account that sometimes less time will be needed to reach the destination and that the quality of service is assumed to be better in UberX, customers have strong reasons to choose UberX over local taxis.
2.2. Driver earnings and working conditions

Data from Croatia show that the average Uber driver can earn up to 5000 HRK per month and even 10000 HRK per month, which makes these earnings comparable with the average Croatian monthly wage of around 8000 HRK before tax (Croatian Bureau of Statistics, 2017). Uber drivers are paid per ride, and 20-25% of the ride earnings go directly to Uber, and the driver is left with 75-80% of the fee, for which he pays tax.

There is a low barrier of entry for new Uber drivers in Croatia: a valid driver’s permit older than a year is needed, along with attending a short online course created by Uber. Uber Croatia, a division of Uber, has a wide network of employees responsible for handling potential drivers who streamline the hiring process and help with any legal issues. Flexible working hours, a low barrier of entry and the possibility to use one’s own vehicle for the job makes Uber an attractive employer, especially for young adults. Many cases of professional taxi drivers switching to Uber have been noticed, as well as taxi drivers who work both for Uber and a taxi company. A big difference between taxis and Uber is that Uber drivers are treated as independent contractors and because of that, they cannot exercise their rights as usual workers can. Paid sick leave, health benefits, minimum wage and other rights do not apply to them. This causes some concern around Uber and similar services, and is currently a subject of discussion, at least in the United States.

Despite the data on the large earnings of Croatian Uber drivers, the reality might be different, especially as time goes by. Since drivers earn per ride, and their earnings depend on the demand (for example, that day) as well as on the time and distance needed for a ride, it is logical to conclude the following:

1) As Uber’s popularity rises, and as more people start working for it, fewer and fewer drivers will have many customers daily, which means their daily wage will reduce over time,

2) Drivers in smaller cities, and those with a lower frequency of traffic will also earn less because of the time- and distance-dependent fare.

On the other hand, there could be a market equilibrium effect here, since fewer drivers will work for Uber when they hear that earnings are stagnating, and competitors such as Lyft are also taking a piece of the workforce.

3. Uber’s impact on taxi companies

3.1. Legal status and tax

A complicating factor in studying the case of Uber is that it now operates in so many countries around the world, and each of these countries has its own distinct legal system. Uber has so far argued that, legally, it shouldn’t be registered
as a taxi company, but as an IT company, or even a service (intermediary) for connecting clients and drivers. According to data from Q1 2018, Uber Croatia is registered as a rent-a-car service, which means that Uber drivers in Croatia don’t need a taxi driver’s license to work for Uber. That is a controversial topic in the Croatian traditional taxi industry, as well as in any other country where there is a limited number of taxi licenses issued annually. Uber drivers are capable of starting their work a few months or even weeks after applying, whereas taxi drivers take much more time to earn their licenses, which are also limited in supply and usually expensive.

However, in December 2017, the European Court of Justice (ECJ) has ruled that Uber be treated as a transportation company, which means it will face stricter EU regulations. Being a member of the EU, Croatia will also have to change its treatment of Uber. Possible consequences of this ruling might be that new drivers (and current ones) will need to provide a taxi driver’s license in order to work for Uber. It could cause a reduction in the labor supply, but on the other hand, professional and experienced taxi drivers might flock to Uber.

There have also been allegations of Uber avoiding tax in Europe by using multiple subsidiaries located in the Netherlands and the Bermuda islands, and by taking advantage of tax loopholes in the European countries where it operates. If true, such tax evasion still isn’t illegal, but it is worth discussing since it may be the primary factor behind Uber’s lower prices than taxis. An ethical question also arises here: since Uber is using given country’s infrastructure and not paying tax there, it seems there is a zero-sum game at play where Uber is on the winning side and the country and its citizens on the losing side.

Stricter regulation, which should be due to take place after ECJ’s verdict, is assumed to be a potential solution for the problem of Uber’s alleged tax evasion.

3.2. Labor market

Research done in the United States has shown that there are relatively more drivers under 30 working for Uber (19%) than for taxi companies (9%) (Hall, Krueger, 2015). Results from the same paper show that 48% of Uber drivers has a college degree, as opposed to 18% of taxi drivers. This implies that college-educated Uber drivers probably have a primary source of income, and their work for Uber is a source of additional (secondary) income. Another reason why a high percentage of Uber drivers is college-educated might be that they are currently unemployed and searching for a job while driving for Uber. Since arriving to Los Angeles, New York and San Francisco, Uber hasn’t significantly influenced the unemployment rate of local taxi drivers (Berger, Chen, Frey, 2017). Perhaps Uber could be viewed as an innovative company which is going to revolutionize the transportation service industry. If so, the criticism it is facing is natural and expected, as it
was with all new technologies and inventions in human history. In the long term, professional taxi drivers could completely switch to working for Uber.

Media outlets all around the United States began reporting in late 2017 that Uber is taking over taxi transportation in major US cities, i.e. it getting more rides than taxi companies. This information could be regarded as bad for taxi drivers, but it could also be seen as the beginning of a transitional period which is beneficial for the unemployment rate and the economy in the long term. In the short term, we might expect a reduction in traditional taxi companies’ profits, a rise in unemployment of taxi drivers and a speeding momentum in Uber’s market share growth, as well as its competitors. In the long term, the expansion of services such as Uber and Lyft, where there is a low barrier of entry, could mean that former taxi drivers can easily switch to working for Uber, Lyft and similar companies.

We live in the digital age which, similar to the industrial age, brings innovation, paradigm shifts, as well as new technologies, services and products. Old industries and practices are being replaced with new ones. In this process, an asymmetry is inevitable in the form of a discrepancy between the type of labor supplied and demanded. Such conditions on the labor market are perceived as fatal and permanent by most people, who fail to notice that in the long term, the economy must adapt to the new technology, product or service. Adaptation is not an abstract process, or a natural (automatic) occurrence. It is an emerging effect where new generations have a different educational direction, current generations switch jobs or start entirely new careers, and companies embrace the innovation over a period of time.

3.3. Competition

Observed from a microeconomic standpoint, Uber could be seen as a better substitute for taxis. Besides competitive prices, Uber offers quick service by employing their own smartphone apps, better quality of service, possibility of choosing the vehicle type, drivers etc. Taxi companies are under strict control of local and central authorities, and as such have little influence on ride tariffs. Uber, on the other hand, has complete freedom in choosing its price policy. It only takes into account factors such as the geographical location, elasticity of demand, type of service, etc. Most taxi companies hold some sort of monopoly in the cities where they operate. Even more, when viewed together, all of the taxi services in a given city have similar quality of service. For example, taxi customers cannot choose the car they’ll ride in, nor the driver in most cases. Uber usually offers vehicles of better quality, even luxury cars, which attracts many customers and in some cases even justifies a higher price than regular taxis. All of the features that Uber offers and taxis don’t, imply that the rational consumer will choose Uber over
taxis. This new standard in quality and speed of service which Uber introduced to the market may be a positive incentive for taxi companies. A healthy dose of competition benefits customers in the long run.

The nature of 21st century technology startups which become large companies must be taken into account. These kinds of companies have a high probability of developing a monopoly on their respective markets. Many factors create this climate, among which a lack of a good substitute (for example, Facebook or Google) because of the uniqueness of the product or service, acquisitions of competitors in early stages, and an ever-increasing market share because of increasing marketing budgets, brand recognition and customer loyalty. A monopolized taxi market is a scenario nobody wants, so some form of regulation regarding competition must be employed. It is already an issue, though, considering the fact that Uber has spread around the world and it is buying international startups, even those not directly related to transportation.

The analysis in this paper has shown that Uber Croatia does offer lower prices most of the time. The reason is that Uber has lower fixed costs (it does not own vehicles), fewer employees because the mobile app serves as a middleman, a low entry barrier for employees and therefore a greater supply of labor, and finally a lower tax burden. This fact puts Croatian taxi companies in an uncomfortable position. They are taking measures to ensure that their service is competitive to Uber: mobile apps, for example, as well as rating systems and better vehicles.

**Conclusion**

The sharing economy has brought changes to many industries, but Uber has been one of the frontrunners in market disruption. Traditional taxi companies are already forced to change their services, and new ways of obtaining a competitive edge will be further needed. Thanks to its orientation towards online payments, GPS tracking, rating systems and a wide network of drivers, Uber offers a greater degree of transparency and flexibility. It is up to governments and other legal subjects to appropriately regulate Uber and ensure its price policy is fair and not founded on tax schemes or predatory pricing.

The impressive expansion of Uber has happened thanks to customers, who have been choosing Uber many times over traditional taxis. The market is driven by the individual consumer’s decisions, and many advantages of Uber over traditional taxi companies are driving demand for their services. Therefore, from an objective standpoint, Uber offers better conditions for both customers and employees. Customers receive faster and more quality service, and employees have the flexibility they would not most likely have if they worked in the traditional taxi industry.
Uber has a clear advantage by being one of the first companies on the market with a business model based on the sharing economy in the transportation sector, but many competitors such as Lyft are there to secure there is no monopoly. Therefore, even if the traditional taxi is destined to disappear in a few years or decades, having a non-monopolized transportation industry is crucial and will allow for a smooth transition from taxis to app-based services based on the sharing economy.

However, to ensure long-term benefit, regulators must concentrate on the short-term by paying close attention to Uber’s tax policy, and not only with Uber but also with every other multinational corporation. Uber is special in this case because its service is not free (as opposed to Facebook, which is also said to have an elaborate tax scheme) and a lighter tax burden means unfairly price lowering. In conclusion, a new type of service is always welcome if it is better in most aspects and as such recognized among consumers. But competition must remain fair and employees must be protected.

References
Croatian Bureau of Statistics report for December 2017, ([https://www.dzs.hr/hrv/system/first_results.htm](https://www.dzs.hr/hrv/system/first_results.htm))

Резиме
Популарни сервис за превоз „Убер” је несумњиво утицао на такси индустрију тако што је понудио ниже цијене, бржу и квалитетнију услугу, као и виши степен транспарентности у смислу одабира возача и цјеновне понуде. Неизбјежно се јавља сљедеће питање: да ли Убер представља лојалну или нелојалну цјеновну конкуренцију такси компанијама својом понудом нижих цијена, које су великим дијелом омогућене нижим фиксним трошковима и елиминацијом посредника? Да ли се ради и о рупи у пореским законима? Циљ овог рада је испитати хипотезу да ли је Убер нови начин да се обезбиједе услу-
ге превоза, који доноси више транспарентности и конкурентности у индустрију. Уколико је хипотеза нетачна, и Убер заправо уноси пометњу на претходно равноправно тржиште, није изгубљена сва нада – са адекватном регулативом Убер би могао постати нови стандард у сектору услуга превоза.

У раду су коришћене сљедеће методологије: индуктивно-дедуктивна метода, аналитичка метода испитивања цијена између конкурентног превоза, дескриптивна метода. Рад је подијељен у три дијела. Први дио укратко истражује концепт економије дијељења; релативно нов израз и још новији темељ за пословне модели савремених стартапа. Посебан значај дат је сниженим трошковима у компанијама које функционишу по принципу економије дијељења. Други дио рада испитује Уберов пословни модел кроз трошкове, систем цијена, зараду возача и услове рада. На крају, трећи дио рада процењује садашњи и будући утицај Убера на традиционалне такси превознике, узимајући у обзир правни статус, конкуренти и промјене на тржишту превоза.

Резултати рада су показали да Убер у Хрватској заиста нуди ниже цијене, и самим тим представља цјеновну конкурентију. Цјеновна конкурентност Убера омогућена је због више фактора, од којих су најважнији: снижени фиксни трошкови јер Убер не посједује своја возила, самим тим и већа искориштеност капацитета, мањи број заосталих јер је елиминисан људски посредник за спајање возача и путника захваљујући мобилној апликацији, универзалност услуге која превазилази географске границе, и на крају конфликтан правни статус и нижи порезни терет због легалне евазије. Досадашња истраживања инсатираних аутора показала су да Убер није имао значајан утицај на запосленост таксииста, међутим исти је могућ у будућем року, будући да Убер у САД-у постоји тек од 2011. године, а још краће у осталим дијеловима свјета. Уколико је неизбјежна замјена традиционалних таксија предузећима као што су Убер и његови директни конкуренти, потребно је осигурати адекватну регулативу која ће спријечити монополизацију тржишта, избјегавање пореза и искориштавање радне снаге.

Кључне ријечи: Убер, економија дијељења, превоз, конкурентија, такси, услуге превоза.