



case 1-430-479
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Uber and the Sharing Economy: Global Market Expansion and Reception

Alexander Cooper,ⁱ head of Asia expansion for Uber Technologies, Inc., was sitting in a Tesla that he did not own. The Tesla showed up for his Uber ride to the meeting he was about to have with Travis Kalanick, Uber's CEO, and Ryan Graves, head of Global Operations. It was morning in San Francisco, California, but the sun was setting in China where the action had occurred. Cooper checked for updates on the new petition they had launched to keep Uber running in Hong Kong, where days before five Uber drivers and three office staffers had been arrested in a police raid.¹ Hong Kong was a new market for Uber, and its success or failure there could define the company's next move, not only in Asia, but globally. Uber had posted bail to release the drivers and employees, but the situation was still developing. The drivers would be due in court in several months on charges of operating without car permits. For Cooper, this represented another challenge to Uber's growth. As he mentally prepared for his meeting, he knew that Kalanick and Graves, while concerned about the situation in Hong Kong, would have broader and more significant questions related to Uber's quest for global expansion and leadership role in growing the sharing economy. What should be Uber's next move? How would the company handle the challenges presented by their competitors around the world? What strategies should Uber implement? Should it leave its challenging global markets and simply focus on the U.S. market?

The Sharing Economy

Evolution and History

Broadly speaking, the sharing economy, also referred to as collaborative consumption, can be defined as an economic model that allows individuals to borrow or rent assets owned by other individuals.² The concept of the sharing economy had existed for thousands of years, but the development of the Internet allowed the peer-to-peer rental market to expand hugely,³ and in 2011 collaborative consumption was identified by *Time Magazine* on its list of "10 Ideas That Will Change the World."⁴ By 2015, the sharing economy had emerged as a serious economic model; five key sectors using this model were travel, car sharing, finance, staffing, and music and video streaming. A PricewaterhouseCoopers report projected that these five key sharing sectors would likely increase global revenues from \$15 billion in 2015 to \$335 billion by 2025.⁵

ⁱ Alexander Cooper is a pseudonym and a fictional character created for class discussion purposes and is not meant to depict a specific person within the Uber organization.

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