

# Uber: Riding on Responsibility or Irresponsibility?

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**Abstract.** The cultural components, such as norms, values, beliefs and practices, of the host culture significantly influence the strategy and decision making of international businesses. Thus, understanding the cultural dynamics of any given business environment is indispensable for a marketer<sup>2</sup> conducting business in multinational and multicultural space. Normally, the cultural components and attributes of ethics are intertwined with each other. Therefore any attempt to evaluate an ethical issue pertaining to business operation in one culture through the lens of another culture can lead to deleterious consequences. This case examines one such incidence of decision making by the president of Uber in Asia. The case attempts to bridge the gap between theoretical understanding of ethical frameworks and cultural components on one side and international market – the domain of pragmatization – on the other.

**Keywords:** international market, ethics, culture, justice, responsibility.

## 1. Introduction

In the late evening of December 5, 2014, a young woman was allegedly raped by an Uber taxi driver that she had hired to return home from a dinner party. The incident took place in the National Capital Region of Delhi (the capital of India). Its impact was so high that it caused uproar not only across India<sup>3</sup> but also in other parts of the world. In response to the countrywide stir caused in India, Uber was banned and its license for the operation of its taxi service in Delhi and NCR areas of Delhi<sup>4</sup> was cancelled.<sup>5</sup> Further to this, Uber's operation in other (political)

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1. This case has been developed based on secondary data, solely as a basis for class discussion to orient the students to reflect on the issues in an international market having a different socio-cultural set up.
  2. Marketer refers to any organization that is involved in value creation.
  3. <https://www.theguardian.com/world/2015/jan/15/delhi-woman-alleged-rape-uber-driver-sue-us> (accessed on July 19, 2021)
  4. NCR of Delhi includes Ghaziabad, *Noida, Faridabad, Gurgaon*, Kundli and Sonipat.
  5. <https://time.com/3623001/uber-delhi-rape-ban-driver/> (accessed on July 20, 2021)

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states of India and in the metropolitan cities was also banned. Following this, Uber was banned in cities of other countries, including Germany (Berlin and Hamburg), Thailand, Vietnam, South Korea (Seoul).<sup>6</sup> Concurrently, the victim filed a lawsuit against Uber-India in the USA District Court for the Northern District of California. Given the quick spread and impact of the news about the incident across India and globally, Uber executives were seriously pondering over the ways to deal with the crisis in India and searching for a viable way out of the crisis.

## 2. About the Organization and Its Growth

To provide a smartphone-based ride-sharing service to commuters, Uber was founded by Mr. Travis Kalanick (Co-founder and CEO of Uber) and Mr. Garrett Camp (Co-founder and Chairman of Uber) (see Exhibit: I) on March 1, 2009,<sup>7</sup> in San Francisco, USA under the name *UberCab*. To make the service instantly available to commuters at their doorstep, the company offered Google Inc. based UberCab taxis. In July 2010, Uber went live for the first time in San Francisco, and in October of the same year, the company renamed itself *Uber*. After spreading its reach across various cities in the USA, such as Seattle, Boston, Chicago, and Washington DC, Uber expanded its operations to Paris, France,<sup>8</sup> as its first outing in the international market in 2011. In an endeavour to expand its product-line in July 2012, Uber announced UberX – a more affordable service that used hybrid vehicles. In September 2013, California became the first state to regulate ride-sharing services, which benefited UberX along with other ride-service providers such as Lyft, Sidecar, and Instantcab.<sup>9</sup> Gradually, Uber expanded into different countries across the globe. In July 2013, Uber went into Asia, namely Taipei, Taiwan.<sup>10</sup> In the course of four years, it emerged as one of the most popular ride-service providers in the world with its seamless spread across more than 200 major cities in 54 countries ranging from North America to the Asia-Pacific region.<sup>11</sup> Its climactic phrase “everyone’s private driver”<sup>12</sup> caught people’s attention worldwide. In April 2014, under its brand extension, Uber launched its courier service under the name *Uber Rush*<sup>13</sup> and with this, the

6. <https://www.nytimes.com/2014/12/09/world/asia/new-delhi-bans-uber-after-driver-is-accused-of-rape.html> (accessed on July 20, 2021)

7. <https://www.crunchbase.com/organization/uber#/entity> (accessed on November 18, 2020)

8. <https://techcrunch.com/gallery/a-brief-history-of-uber/slide/17/> and <https://techcrunch.com/2011/12/05/uber-launches-its-first-international-efforts-in-paris/> (accessed on November 18, 2020)

9. <http://thenextweb.com/insider/2013/09/19/california-becomes-first-state-to-regulate-ride-sharing-services/> (accessed on November 18, 2020)

10. [https://en.wikipedia.org/wiki/Timeline\\_of\\_Uber](https://en.wikipedia.org/wiki/Timeline_of_Uber) (accessed on November 19, 2020)

11. <https://www.uber.com/cities> (accessed on February 1, 2021)

12. <http://bgr.com/2015/01/02/uber-safe-ride-checklist/> and <https://meraki.cisco.com/blog/2013/03/uber-gets-on-board-with-meraki-systems-manager/> (accessed on February 2, 2021)

company marked its beginning in the logistics sector. In 2016, Uber's reach was to 536 cities across the globe including San Francisco, London, Los Angeles, Washington DC, Mexico City, and Sao Paulo.<sup>14</sup> More information on Uber's growth can be found in Exhibit: II.

This prolific expansion caused waves among the media. The most high profile piece of news about Uber's growth was found in the *Wall Street Journal* when on December 5, 2014, a reporter announced that the value of the company had reached \$41 billion. The growth was termed as "easily the highest for any private start-up."<sup>15</sup> In addition, the reporter asserted that Uber had been backed by "venture capitalists and more than twice the value investors placed on Uber just six months ago."<sup>16</sup> Uber's prominence was further heightened when it became clear that the increased reach and growth of mobile apps and mobile technology would transform the transport and logistics industry<sup>17</sup> significantly, thus motivating competitors to follow the "uberfication"<sup>18</sup> way.

#### EXHIBIT I:



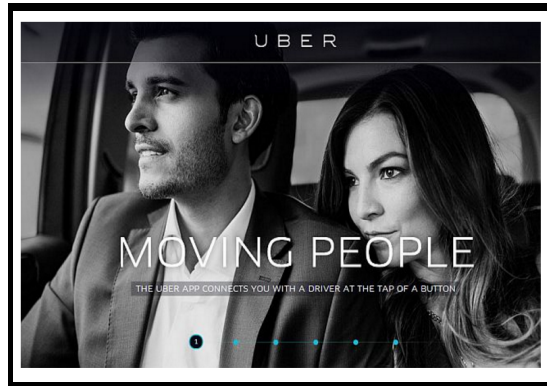
Uber CEO Travis Kalanick on a Mumbai bus.

<https://officechai.com/startups/uber-india/#sthash.kK4GH06u.dpbs> (accessed on November 17, 2020)

13. <https://techcrunch.com/gallery/a-brief-history-of-uber/slide/30/> (accessed on November 19, 2020)
14. <https://www.uber.com/en-IN/our-story/> (accessed on November 18, 2020).
15. [http://blogs.wsj.com/digits/2014/12/05/ubers-investor-club-adds-two-hedge-funds-qatars-sovereign-wealth-fund/?mod=WSJ\\_Opinion\\_LatestHeadlines](http://blogs.wsj.com/digits/2014/12/05/ubers-investor-club-adds-two-hedge-funds-qatars-sovereign-wealth-fund/?mod=WSJ_Opinion_LatestHeadlines) (accessed on February 2, 2021)
16. [http://blogs.wsj.com/digits/2014/12/05/ubers-investor-club-adds-two-hedge-funds-qatars-sovereign-wealth-fund/?mod=WSJ\\_Opinion\\_LatestHeadlines](http://blogs.wsj.com/digits/2014/12/05/ubers-investor-club-adds-two-hedge-funds-qatars-sovereign-wealth-fund/?mod=WSJ_Opinion_LatestHeadlines) (accessed on February 3, 2021)
17. <https://meraki.cisco.com/blog/2013/03/uber-gets-on-board-with-meraki-systems-manager/> (accessed on February 1, 2021)
18. <http://schlaf.me/post/81679927670> and [http://www.huffingtonpost.com/michael-boland/apple-pays-real-killer-ap\\_b\\_6233828.html?ir=India](http://www.huffingtonpost.com/michael-boland/apple-pays-real-killer-ap_b_6233828.html?ir=India) (accessed on February 1, 2021)



[http://www.huffingtonpost.ca/2015/11/28/richest-canadians-2016\\_n\\_8666610.html](http://www.huffingtonpost.ca/2015/11/28/richest-canadians-2016_n_8666610.html) (accessed on November 17, 2020)



<http://gadgets.ndtv.com/apps/news/uber-comes-to-india-secretly-rolls-out-its-cab-on-demand-service-in-bangalore-411999> (accessed on November 17, 2020)