JUMPing Into Pittsburgh

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Executive Summary

Micromobility is the utilization of small scale transportation options such as bicycles and scooters, and has enormous potential in urban markets. One of the current leaders in shared micromobility is JUMP, an electronic pedal-assist bicycle company owned by Uber. Our plan is to bring these bicycles to the Pittsburgh area through government subsidies and a partnership with UPMC, the region's premier health care provider. Between $3 and $4 million would be needed to introduce the 1000 electronic bikes and scooters to the city. Funding from public and private investors would not only help the initial costs, but would keep the product price down to remain competitive. The Uber and UPMC brand names, along with ads on social media, public transportation, and college campuses, will make an impact on our target market of young professionals.

Market Overview

Social Bicycles was founded in 2011 and launched its pedal-assist bikes in 2013. By 2018 it had deployed over 15,000 bikes in six countries. This was also the time that they began doing business as JUMP. A pilot program with Uber, allowing San Franciscan Uber users to access the electronic bike fleet through the Uber app, began in February 2018. In April, Uber announced that they had purchased the company for $200 million. Through 2018 and 2019, JUMP focused on improving their bike design and expanding their market to Europe.

Pittsburgh is a booming market for the tech industry. Not only do we have an Uber headquarters here, but Google, Carnegie Mellon, and UPMC are each young, tech-focused employers. It also has a very diverse market, covering many demographics, psychographics and sociographics. After the success of JUMP in other cities, Pittsburgh seems like a logical next step. The current market for JUMP is growing more and more as it expands across the world, and its history in other US cities has given us insight to where we can go.

The consumer segments we are most interested in are the young professionals currently flocking to Pittsburgh. Between 18 and 30, these consumers are technologically proficient, rely heavily on social media, and prioritize economic and environmental health. They live in areas like the East End (Shadyside, Squirrel Hill, Regent Square, East Liberty), the Penn-Liberty corridor (Polish Hill, Strip District, Lawrenceville, Bloomfield), the North Side (Allegheny West, Mexican War Streets, Troy Hill), and the greater Oakland area. All of these are well connected to one another as well as to Downtown, our JUMP network hub. If they don't drive their own cars to work, most will take the bus. The Oakland area is currently served by over ten different bus lines traveling the Fifth-Forbes corridor, with fewer reaching further east and north.

Pittsburgh's unique geography is one of the biggest unchanging barriers to current bike-sharing companies. Its steep hills, tunnels, numerous bridges, and large stretches of industrial zones have kept many from transitioning to bicycles. JUMP's pedal-assist technology gives it a distinct advantage over conventional bikes and would be a key marketing point in Pittsburgh.

Our primary competitor is Healthy Ride, a docking bike share system sponsored by Highmark. Users download the Healthy Ride app, upload cash, and can rent bikes using the app and PIN pads located on each bike. While numerous and somewhat convenient, the Healthy Ride bikes suffer from fixed speeds, chunky design, and limited docking stations. The company has multiple partnerships across the city, including most recently the University of Pittsburgh. Despite the competition, Healthy Ride has kept detailed documentation on ride data, something indispensable to our team.

Market History

After the steel industry collapse of the 1980s, Pittsburgh was on the brink of an economic collapse that seemed impossible to rebound from. Workers in Clairton, Homestead, Lawrenceville, and the rest of Pittsburgh were left with no income, shrinking options, and a rising cost of living. This pattern repeated itself throughout the 1990s and mid-2000s and plunged many Pittsburgh neighborhoods into major decline and disrepair.

This began to change in as 2010 came and went. Carnegie-Mellon University in Oakland was drawing many young students into its highly selective programs; the University of Pittsburgh was doing the same with its prestigious dental, law, and medical programs. With this influx of intelligent youngsters, tech companies began to eye the city as a potential market. Google, Duolingo, Uber, Amazon, and countless others have planted offices in the greater Pittsburgh area. Another employment factor has been the growth of the healthcare industry. UPMC and Highmark have been longtime employers in Pittsburgh; with the recent introduction of Allegheny Health Network, healthcare is one of the largest sectors of employment here. Downtown is also home to financial powerhouses like PNC and BNY Mellon, chemtech companies like PPG, and offices focused on advertising, marketing, engineering and design, among many others.

All of these companies share the common theme of being tech reliant, and as such have begun shifting to a generally younger workforce. Part of this young workforce lives by their work Downtown, but the cost of living and a limited geography have led many to seek homes in Pittsburgh's numerous neighborhoods. With a good bit of disposable income and more conscious, refined tastes, this migration has led to the outpricing of many areas such as Lawrenceville. Hand in hand with these refined tastes is a certain disdain for public transportation. Granted, Pittsburgh's public transit system has been struggling and is in need of major overhauls to modernize and compete with similar cities. How does Pittsburgh get to work then?

According to this article, the majority of Pittsburgh residents drive alone to work. The overall number of single riders increased between 2010 and 2016, which Karina Ricks, director of Pittsburgh's Department of Mobility and Infrastructure, attributed to rising economic standings among residents. Improved fortunes mean more Pittsburghers are comfortable with the pricier option of driving to work. The article, which analyzed US Census data on modes of transportation, noted that the use of public transportation also declined in the same time period. Although there have been updates to the system overall, there is still much that could be improved.

Of all commuters in the Pittsburgh region and within the city proper, 77% and 56% drive alone to and from work, respectively. This has caused difficulties in traffic, parking, and pedestrian and bike safety. And despite Pittsburgh being a relatively good city to live without a car, the numbers have continued to rise. INRIX, founded in 2005, is a data analysis company focused on innovating urban transportation and mobility. In a recent study, they found that almost 39% of all car trips in Pittsburgh were under 2 miles. Using these percentages, the city was ranked eighth in the nation for potential introducing micromobility options. Micromobility, including shared bikes and scooters, allows people to avoid traffic, save money, and be more flexible in their trips.

Current Market

There is a very limited micromobility market currently in Pittsburgh. The most popular is HealthyRide, a docking bike share system sponsored by Highmark. Users download the Healthy Ride app, upload cash, and can rent bikes using the app and PIN pads located on each bike. There are over 100 docks for 650 bikes in the Pittsburgh region. As seen on their station map, there is a high density of docks in Downtown and Oakland, and a medium density in the South Side, the Strip District, Lawrenceville, and Bloomfield. There are noticeable areas with little to no stations at all, such as Squirrel Hill, Shadyside, the Hill District, and the North Side.

Healthy Ride has kept detailed record of ride data since 2015 to better understand how its customers were traveling. The most highly frequented docking stations in 2018 were, in order: Liberty Ave and Stanwix St (Downtown), 27th St and Sidney St (South Side Works), Ft. Duquesne Bridge at the North Shore Trail (North Side), Forbes Ave and Market Square (Downtown), and 21st St and Penn Ave (Strip District). For station-to-station trip data, it was found that 2018's top routes were between Downtown and the Strip District, between different stations in Oakland, and from Oakland to the South Side. Using this data, we can better plan for the deployment of the fleet of JUMP bikes.

Healthy Ride currently uses a 3-tier pricing structure. The standard price charged for rides is $2 for every 30 minutes. This is paid via the Healthy Ride app at the end of every ride. A $12 monthly subscription is available and offers unlimited 30 minute rides. The subscription is renewed automatically at the end of every month. A $20 monthly subscription is also available and includes unlimited 60 minute rides. The system has also partnered with PortAuthority, Pittsburgh's public transportation company. Users can link their ConnectCard to the app and receive unlimited 15 minute rides for free. For rides that exceed the unlimited time, the standard rate of $2 for 30 minutes is applied.

One of the distinct challenges of the Healthy Ride bikes in Pittsburgh is the city's unique topography and geography. The area's high number of hills is adverse for riders of normal pedal bicycles. This is compounded by Healthy Ride's single gear system, which keeps riders in the same constant speed. Many of Pittsburgh's neighborhoods are located partially or entirely on these hills and haven't seen the same kind of growth in bicycle use as the rest of the area. The pedal-assist technology in JUMP bikes has huge potential in these and all neighborhoods in the area.

One such example of this is the hill separating Lawrenceville from the area of Bloomfield-Garfield-Friendship along Penn Avenue. This area is the home of AHN's West Penn Hospital and UPMC Children's Hospital, two of the largest hospitals in the region. Both hospitals sit directly on the edge of the hill down to Lawrenceville, which has seen fast growth of its residential occupancy. Transportation up this hill is limited. The 93 is the only bus going from Lawrenceville and only crosses Penn Avenue at 40th Street, almost a mile from the hospitals. Residents would be much more likely to bike to work knowing the effort would be alleviated with the help of the electric boost in JUMP bikes.

The particular placement of UPMC Children's Hospital inspired a deeper look into the locations of Pittsburgh's healthcare giant. A significant portion of its locations in Oakland and Uptown are on hills, including its popular Oakland hospitals Presbyterian and Magee-Women's. UPMC is one of the largest employers of the region and has locations across the city. These among other factors are why we are exploring partnership with UPMC.

UPMC Partnership

A partnership with UPMC is currently being explored as part of our expansion into Pittsburgh. This will help alleviate our costs, boost our reach, give us access to a large market of young workers, and align our bikes with the region's largest healthcare provider. And this will be no one-sided assist; this is a mutually beneficial scenario for many reasons. For one, UPMC's biggest competitor has already established itself as a partner in Pittsburgh's first micromobility jaunt. Highmark rolled out its docked fleet of Healthy Ride bikes in 2015 and its popularity has only grown. A partnership strategically aligns us against each of our competition.

Another factor in this partnership is the positioning of UPMC's hospitals and administrative centers within Pittsburgh topography. As mentioned in the previous section, most of its Oakland campus is located on the hill above Pitt, its Uptown hospital is uphill between Forbes and Boulevard of the Allies, and Children's Hospital is at the crest of the hill separating Lawrenceville from Bloomfield. These hills are a critical barrier against biking to work with conventional bicycles. The pedal-assist technology in JUMP bikes is already one of its most marketable assets, and would directly address this geographical problem. Knowing they wouldn't have to pedal uphill would be a distinguishing factor in the average UPMC worker's commute decision. This also lessens the burden on parking garages and lots surrounding UPMC locations.

As a healthcare provider, UPMC is constantly seeking to cater to the personal health and well-being of its employees. Teaming up with JUMP would be another positive step for UPMC and its mission to improve the health of Pittsburgh. Personal health is consistently brought into focus when deciding to ride a bike over driving. With so much of the city driving to and from work, riding bicycles is a healthier and cheaper alternative. The household name of UPMC would be a boost not solely in brand recognition and interest, but would also give JUMP a marketable health platform.

SWOT Analysis

JUMP's biggest strength would be their pre-established reputation. Uber has become the quintessential ride-service, so much so that they are often used simply to refer to any ride service. Much how the brand of tissue Kleenex became interchangeable with the word tissue, people will often reference uber to simply mean a ride hailing service. With massive stake in the market they have become synonymous. Uber's reputation, while not flawless by any means, is well established and most would consider it reliable. Additionally, because of this, JUMP will have the strength of exposure, as any existing customer or potential customer that utilizes Uber or Uber Eats will have direct exposure to JUMP, assuming it is located in their region.

One of JUMP's initial weaknesses in the testing phase has been its battery inefficiency. Initially, bike and scooter models had to be swapped out by employees every three days to be charged, which created higher labor costs that translate to higher fees for customers. However, in June of this year, Uber announced a new type of battery for its JUMP bikes as well as a new more advanced scooter model. The highlight of the new batteries is that they can be swapped out by anyone, including riders (Rapier, 2019). This reduces the amount of labor needed for bikes to be swapped out and taken to the warehouse to be charged. Uber's new head of mobility, Rachel Holt, noted that this battery switch "saves us a ton of time, allowing us to keep more bikes charged and on the road for users." She also stated that by 2020 the company aspires to have battery kiosks located throughout the available cities, where anyone, including riders, can swap out dying batteries (Rapier, 2019).

Additionally, JUMP''s pricing structure can be considered an ongoing weakness as it has yet to find a stable price and has jumped around with the fluctuating start up process. The pricing strategy of JUMP (as well as Uber) has been perhaps the biggest complaint on the end of customers, many referencing their dissatisfaction with the hike in prices. JUMP's price hikes are part of a larger trend seen across the sharing economy. Services considered to be on-demand are often substantially subsidized by investors as a way to offer low prices to attract more customers. This trend has been seen across the ride hailing market. However, Uber and Lyft have both recently gone public with their stock and are now under more public pressure from shareholders to make a profit, meaning these subsidies are ending and customers are being asked to pay the true cost of what it takes for companies to provide them with on-demand transportation (Semuels, 2019).

The notion of the sharing economy was a trendy and cost-efficient new way for consumers to utilize goods at varied frequencies without forking out the full price. Some primary examples include cars/bikes/scooters, clothes, air bnb, movies and literature. The sharing economy caught on as many people have shown they are willing to relinquish ownership in exchange for what they consider to be a low or insignificant cost to their lives over time. One customer noted that he had no problem paying an extra $2 to ride an electric JUMP bike the mile he use to walk to work as it saved him considerable time on his commute, but when prices were raised and it was costing him $4, he started bringing his bike with him to the subway instead of using the JUMP service (Semuels, 2019). Consumers began opting for Uber and Lyft instead of purchasing vehicles and began switching to shared bikes and scooters to save time and money on shorter distance commutes. However, many of the companies promoting a sharing economy were funded by huge venture capital investments. The initial goal was to lure in customers and saturate the market by offering unsustainably low prices. After the investment money stopped coming in and stocks become public these companies raised prices to the dismay of their customers who had gotten accustomed to using their services at a lower and more stable price. (Semuels, 2019).

JUMP also has a number of opportunities that set them apart and help them market to less targeted groups. Uber offers several subscription services including Ride Pass, Boost Plan, and a full package subscription. JUMP implemented the Boost Plan to help Sacramento residents that are living below the poverty line. Eligible customers can pay $5/month and receive an hour of daily bike use. Its estimated that Boost could potentially save riders around $100 a month, which is said to be a quarter of the disposable income for many of the Sacramento residents who are eligible. (Shannon, 2018). Additionally, Uber is piloting a new subscription service which offers customers discounts on cab rides, free JUMP rides, and free Uber Eats delivery for a cost of $24.99 a month. They started testing this subscription in Chicago and San Francisco in June of this year (Hanburry, 2019).

While Uber is relatively stable, several threats exist that make it difficult to create stability within their newly acquired company. Lawsuits and headlines serve as a potential threat to Uber's business, but thus far have seemed to cause only minimal damage despite some of the controversial issues. Perhaps the biggest threat to JUMP during this initial period of stabilizing would be the local government. The local government, which varies in every state, has already placed bans on aspects of JUMP's bicycles/scooters and has made it difficult for them to continue providing services in certain regions (Betz, 2019).

Recently the city of Chicago, where Uber tests many of their new ideas out, passed a 2020 budget that will hike up costs by increasing taxes on ride hailing services like Uber and Lyft. "The budget raises the tax on single rides from 60 cents a trip to $1.13 a trip, and for rides downtown it's even higher: $1.75 a ride" (Betz, 2019). Additionally, regulations regarding the use of JUMP and safety have been under speculation by the government and caused Uber to withdraw from certain test cities.

Budget

Uber went public with their stock when it hit roughly $76 billion. In comparison, Uber acquired Jump for a mere $200 million. In the spring of 2019 Uber was reportedly about to become a part of the small group of public U.S. companies worth $50 billion that reported a loss last year. Uber reported a loss from operations in 2018 of three billion and only recorded a net income because it sold a business (Griswold, 2019).

There are several key drivers of Uber's operating expenses. Uber's total expenses grew from about $7 billion in 2016 to about $14 billion in 2018, driven primarily by higher cost of revenues. Cost of revenues is the biggest driver of Uber's expenses, accounting for a little over 40% of total operating expenses. This includes insurance expenses, credit card processing fees, data center expenses and mobile and service expenses. "Cost of revenue rose from around $2.5 billion in 2016 to about $6 billion in 2018" (Team, 2019). Forbes expects it to rise to about $9 billion by 2021.

The second key driver is general and administrative expenses, which accounts for about 15% of total operating expenses. This includes compensation for management and administrative employees, such as human resources, finance, lawyers, etc. "This increased from around $1 billion in 2016 to about $2 billion in 2018" (Team, 2019).

The third key driver is sales and marketing expenses, which encompasses advertising, discounts, promotions, refunds, and credits and related expenses. "This cost has increased from around 1.6 billion in 2016 to 3.2 billion in 2018" (Team, 2019). Forbes expects it to exceed $5 billion by 2021.

The fourth key driver is research and development expenses. "This cost has increased from around $0.9 billion in 2016 to about $1.5 billion in 2018, and is expected to rise to over $2 billion by 2021" (Team, 2019). These expenses include aspects such as Uber's platform improvement investments and other endeavors such as self-driving cars.

The fifth key driver is operations and support expenses, this includes elements such as driver operations, community management, and customer support. "Expenses have increased from around $0.9 billion in 2016 to $1.5 billion in 2018" (Team, 2019). They are projected by Forbes to grow about $1.9 billion by 2021. "Revenues are projected to exceed $20 billion by the year 2021.” Forbes believes that it’s possible that Uber will break-even by 2021, as revenue has been growing faster than operation costs.

JUMP currently is currently being testing in 19 cities across the U.S., with about a third of them being solely in the state of California. Of the 19 cities across the U.S., two of the cities, Austin and Nashville, had very comparable cost of living indexes to Pittsburgh. Pittsburgh was projected to have a cost of living index of 94, Nashville of 95.5, and Austin 96.7 (Newpoff, 2017). We referenced JUMP’s start up in Nashville to help us estimate our budget and costs.

When JUMP started up in Nashville, they purchased 500 bikes and 500 scooters for the test run. Uber pays $1000 per electric bike. There was no data available on how much they spend on their electric scooters, but for estimation purposes we projected it to cost the same as the bikes even though scooters tend to run a bit less. At 1000 units (500 bikes + 500 scooters), costing $1000 per unit, it would cost a million dollars just to purchase the riding equipment alone (Alund, 2019). Some other expenses that could be encountered in our startup are employee expenses, facility fees, the cost of charging all of the batteries, city permits to put up bike docks/battery kiosks, etc. The operating expenses would be less than that of uber ride hailing when you consider driver payment and benefits are not a factor. JUMP is, however, still subjected to card and service fees and other broader operational expenses.

We are hopeful to partner with UPMC when bringing the JUMP service to Pittsburgh. We estimate that our startup will need funding of around $3-4 million with UPMC covering roughly ¼ of that. This could prove beneficial to JUMP as an additional source of funding. When JUMP started up in Nashville, their bikes and scooters were free to unlock and cost 15 cents per minute after that (Alund, 2019). Additional funding could help to counter the recent spike in the cost of ride hailing and on-demand transportation seen in the sharing economy. UPMC is worth an estimated $20 billion compared to Ubers worth of approximately $76 billion. We estimate that the cost of the startup would be split accordingly with UPMC helping to fund around ¼ of the venture being that it’s worth roughly that of Uber. We believe this venture would also be beneficial to UPMC for reasons of publicity and public health awareness.

Marketing Strategy (Target Market & Positioning)

With JUMP being mostly self service, it will be difficult to have face to face communication with the customer base. WIth this being the case, we will have to try to find ways to build customer relationships and provide customer service through the application. The best way to do this is to test small market regions and what better market than the diverse one here in Pittsburgh? Our target market would be college students and workers around the city, residents of urban areas like Lawrenceville and Shadyside, people attending the many sporting events without the convenient means to public transportation, and the party folks in south side and Oakland. Since it will be fairly reasonably priced, the service would appeal to all social classes.

With Uber already being a well known name, especially in Pittsburgh, appealing to new customers would not be difficult because they are familiar with the company. The JUMP app would be integrated into one master Uber app which would also include Uber Eats and the main Uber ridesharing program for convenience. JUMP also provides an eco friendly alternative to driving, taxis, and public transportation which would appeal to the rising environmentalist population in Pittsburgh.

Our main competitors in the city would be Scoobi, Zagster, and Healthy Rides. Uber's biggest advantage over these competitors is the brand name, Uber, which already has a strong presence in the city with its self driving car services. The issue with these other options is that the customer has to find a kiosk and unlock the bike or scooter themselves which could lead to the problem of: What if there isn't any available bikes at the time? With the Uber app, all the customer has to do is select the JUMP option and from there it shows the exact location of any available scooters. There will be no need to unlock it or find a kiosk, just pick it up and ride and the app will charge it to your account. JUMP will also compete with public transportation and taxi services provided here in the city. Public transportation is only so limited with which areas its serves and the schedules the buses and rail systems run on. Taxi services can be very expensive compared to the JUMP service.

Marketing Objectives and Issues

Our marketing team at Uber is dedicated to communicating with each and every Uber customer or soon to be customer and providing insight into the latest innovation that our company has to offer. Our newest launch, JUMP, is an extension of our transportation services that hopes to provide customers with easy access to technologically advanced bikes that will make their lives easier. This project continues to develop, and the Uber marketing team is determined to push this newest launch to its best potential. Our marketing plan is rooted in Uber's values and dedication to the consumer as well as the innovation and convenience of JUMP. Although JUMP originated as its own independent transportation service, we at Uber saw the great potential in this product and integrated it into our own services. Our primary objective through this plan is to expand JUMP by integrating the bikes into the Pittsburgh market. This market is large and diverse enough to be the perfect fit for our JUMP bikes.

The objectives marketing plan include instituting JUMP into the Pittsburgh market, increasing awareness of this latest technological advancement in transportation access, working towards more product recognition, using the Uber brand to promote alternative modes of transportation and increase brand opportunities, improving current models, decreasing outside modes of interference with the program (including vandalism and tampering with the product) and putting our brand above the competition.

The JUMP program has been initiated into some major cities as part of its incorporation into the Uber transportation services system. We use the placement of this new program not only to test the strengths and weaknesses of JUMP, but to provide our customers with personal insight and experience into our new program. We hope that even with the product still being relatively new, our customers can still make positive memories through our product. By instituting JUMP into Pittsburgh, we are ready to promote strengths and eradicate weaknesses. Integrating the JUMP bikes into Pittsburgh will also provide us with more feedback and diverse results, which is something Uber strives for when launching our newest programs.

Another one of our marketing goals is increasing any current and future customers of any technological innovations brought about by those who create and innovate our Uber products. As a brand, we at Uber are constantly striving to improve communication between ourselves and our customers. With this launch, we have experienced both technological positives and negatives. Uber is always working to improve the quality of our products and we wish to have a clear communication of our goals to those who would wish to try and experience our products. So we are working on improving any problems encountered by initial launches of the product. Advancements happen every day at Uber thanks to our excellent customer feedback and dedicated employees; so our goal is to communicate our faith in the Uber brand, honesty in any improvements and encountered issues, and work to gain even more loyal customers so they can make memories through Uber.

Uber is well-known for being a transportation agent, and our notoriety is an advantage for the launch of new products and technology. Our goals include increasing this recognition nationwide and internationally. We can continue to use our recognition in the launch of this product, but our goals always include expanding and innovation, and our name recognition is no different. We are dedicated to reaching a larger audience and sharing our products with them. With this already existing name brand recognition we are working towards the goal of using that recognition to promote our technological advancements and access to a diverse mode of transportation. This be a driving goal behind the growth of the JUMP program, as JUMP itself is a convenient and innovative mode of transportation that should be accessible to any willing customer.

As discussed earlier, one of our most passionate goals is to continue improving and innovating for the sake and safety of our customers. One of the earliest issues faced by the JUMP program is outside interference in the use of the product. The JUMP bikes have experienced vandalism and tampering in some cities. We would like to focus on resolving this issue in Pittsburgh in order to improve the quality of the product and the safety of the customer. The customer is the driving force behind our new products, and we are dedicated to keeping the experience safe and enjoyable. This is one of the ways we will set ourselves apart and above the competitors. We are constantly working to improve and adjust our programs to suit the needs of our customers. The Uber brand is one of convenience and compassion, we are here to provide quality transportation of all varieties to our customers. The JUMP Pittsburgh program will reflect these values.

Distribution Management/ Objectives

The presence of Uber is already thriving in over 40+ countries around the world, which serves as an advantage for JUMP by allowing us to reach out to our customers in a different way. Our JUMP bikes and scooters will be distributed through our application. Customers will then have the option of selecting a bike at one of our many bike stations. Our bike headquarters will be located in Downtown Pittsburgh, but there will be several other bike stations throughout the main neighborhoods such as Oakland, Shadyside, South Side, North Shore, and Lawrenceville. This allows customers to be able to drop off the bikes and scooters almost anywhere. We are also working on partnering with UPMC in hopes of pulling in more customers. UPMC is a $20 billion world-renowned health care provider (UPMC). They have over 40 different hospitals around the country, which is why partnering with them is in our next steps.

Our ultimate goal is to provide a healthy and active way of getting around for everybody. Our objective is to expand and reach as many customers as possible, so the best way to do that is by reaching out to UPMC and their millions of clientele. UPMC has several buildings around Pittsburgh that could potentially serve as a convenient bike station. By promoting our bikes with UPMC, we hope to be able to continue to expand and parent with different Pittsburgh companies and businesses throughout.

Promotional Mix

Our promotional mix will include a variety of plans and methods that will ultimately increase the recognition of this new Uber and JUMP launch and push for the market integration of the product in Pittsburgh. In relation to advertising, our strategies include using our Uber brand recognition to stand out amongst competition and criticism and promoting the values of the product (including fitness, convenience, making memories, saving time, having the best option). Our promotional objectives include implementing the use of coupons (preferably digital), special offers and potential technological connections (including special features on the app and health objectives being recorded via the app). Direct marketing tools to be utilized by our team will include social media advertising on the most popular platforms, ads on travel sites (to promote use through tourism), ads through our main Uber brand products and apps, YouTube ads and ads on college campuses (University of Pittsburgh, Carnegie Mellon, Point Park University, etc.) and office environments.

As previously mentioned, Uber is at an advantage in terms of brand recognition. We strive to be the best option for our customers, and our passion in reaching this goal has increased our notoriety. Our marketing team is committed to using this advantage to provide the best product to consumers. Our brand recognition will allow us to best reach all consumers and communicate to them our values and dedication to their happiness with the product. Another one of our objectives with the promotional mix is emphasizing the benefits of this product. With the JUMP bikes, customers receive a variety of positive outcomes, including fitness benefits, convenience and the end-goal of making positive memories.

In order to provide an affordable experience to our customers along with a convenient one, we would like to implement the use of coupons into our promotional mix. We can target our specific demographics with use of these, including advertising the coupons on websites that would catch the attention of our intended audiences. Some of these websites include tourist and travel websites, college websites and campuses, and apps such as Groupon, which can reach an even more all-encompassing audience. Making the experience more affordable for our customers is one of our main promotional objectives. By implementing coupons we can accomplish this goal as well as reach a larger audience.

Our promotional goals also start with an easily usable and highly efficient app. Our aim is to gain and retain customers through the technology many already know and love, and improve it to add convenience and simplicity. The JUMP app will make it easy for customers to use the JUMP bikes. The app will also be an extension of the already pervasive Uber app, which will appeal to current Uber customers who are already satisfied with the Uber app. We would like to include unique features on the app that correspond with the benefits of the JUMP bikes. This app could be made to potentially record and store fitness objectives and goals of the customers. The app will also be a convenient location for discounts and apps, and potentially include easy to access rewards programs for loyal customers. This technology will be a quick and convenient way to reach our customer base and hear their feedback on the program.

Advertising for this campaign will be done mostly through social media, as the platforms we intend to use reach the widest range of our customers and potential customers. Our company has already utilized social media for our programs and we believe that JUMP will be no different in terms of operation and success. For our younger demographics we would choose to focus on platforms such as Twitter and Instagram, and for a broader range of demographics we would choose Facebook. Overall we want to utilize the YouTube platform, as this allows a broad scope of potential riders to witness the workings of the JUMP bikes and show how the experience will best benefit their individual goals. Utilizing social media will be the largest portion of our advertising goals, as our demographics have been shown to react well through the platforms with our brand. Uber has an advantage in this field also, in that we have always been an innovative and up-to-date brand. We will use this advancement to help fuel the fire of our own advertising campaign for JUMP.

In terms of public relations, our marketing team is determined to follow a high standard of moral and ethical solutions that will best emphasize the trust our customers should have in our brand. We intend to perform this through clear and direct communication to consumers and investors, clarity on any issues the program faces, communication with the consumer about the newest innovations and advances with the product and direct involvement with city officials where we plan to launch the program. By using these standards to conduct our marketing models, we will ensure that our company earns the trust given to us by consumers and that we operate with our company's values in mind.

Price Management

With different mobility companies going public, stockholder pressure has led to a recent rise in pricing. As discussed in the SWOT analysis, the absence of investor money leads most companies to pass more costs off to the consumer. This has become an increasing issue, but one that is being encountered and addressed across the industry. With subsidies from UPMC and the city, the pricing of JUMP bikes in Pittsburgh could be kept low in order to draw more consumers and compete with Healthy Ride, whose standard rate is $2 per 30 minutes.

JUMP’s parent company, Uber, offers several subscription services that include the bikes. When JUMP implemented Uber’s Boost Plan in Sacramento, eligible customers paid $5 every month for an hour of daily bike use. It’s estimated that Boost could potentially save riders $100 a month, a quarter of the disposable income for eligible Sacramento residents (Shannon, 2018). Additionally, Uber is piloting a new subscription service which offers customers discounts on cab rides, free JUMP rides, and free Uber Eats delivery for a cost of $24.99 a month. They started testing this subscription in Chicago and San Francisco in June of this year (Hanburry, 2019).

Control

The Uber application will integrate a feedback system that can keep track of customer satisfaction and any complaints. Also it will include an optional survey as most apps nowadays have for any specific feedback customers may have. The application will also monitor the supply and demand of the scooters and can adjust accordingly to provide the best customer service at the lowest cost. This will allow us to apply any necessary updates to improve the application. We will occasionally have to incorporate surge pricing if the demand exceeds the supply at the current time. However, if we monitor the supply levels, we can add more bikes and scooters to locations to prevent these surge prices leading to an increase in customer satisfaction.

Links/Sources

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