

Driver Loyalty Insights & Strategy

Last Updated: July 17, 2018

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Project Norway - 2018

Trial Exhibit No.

P-00178

Introduction

What is Norway?

Norway is the project name for the new driver experience that rewards commitment and quality service on Uber.

Our goal is to increase **total** driver hours from quality drivers, as well as total hours from quality drivers *specifically* at times and places riders need them most.

How does it work?

The program is a tiered program in which drivers earn status based on the number of trips they provide during a set time period, while meeting quality standards (rating, acceptance, cancellation). Higher status levels unlock differentiated benefits and rewards.

When does it launch?

MVP in Chicago, Seattle, Phoenix & New Orleans targeted for Q4'18.

Full U.S. launch & international expansion planned for 2019

Today's Problems

Problem

For Drivers: Drivers are not motivated to stay on Uber or provide consistent, high-quality rider experiences week-over-week.

Key Insights

Drivers today have few reasons to prefer Uber over the competition beyond rider demand. They feel [less respected & valued by Uber](#) and less [satisfied with earnings](#) the longer they drive with Uber. This effect is consistent for [today's high value drivers](#), who take [pride in the customer service](#) they provide. They see themselves as brand ambassadors for Uber. However, they do not feel recognized nor rewarded for the value they create. As a result, it is very [difficult to retain drivers](#) & [50% of today's high quality drivers dual-app](#).



Problem

For Riders: Riders face inconsistent experiences on trip; driver quality matters to them.

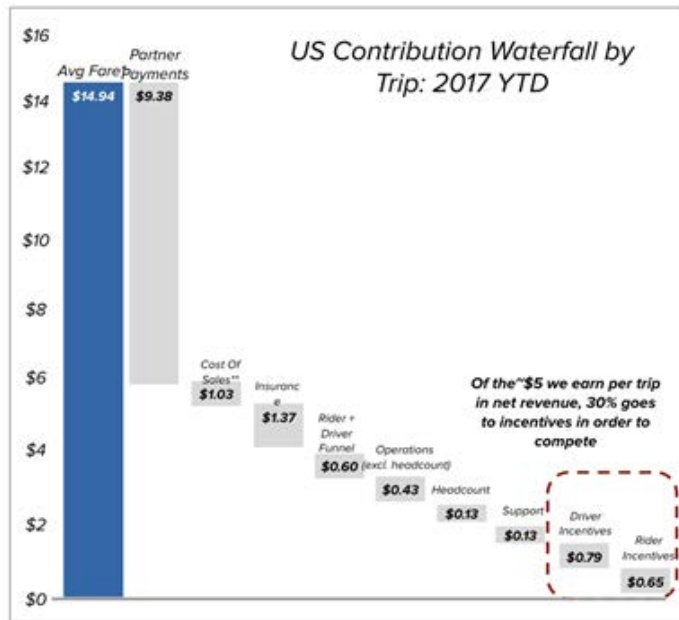
Key Insights

Riders regularly [report issues with driver quality](#), and these issues have a material impact on favorability. [Rider favorability declined](#) significantly last year and remains low. This is especially pertinent for the [top 15% of riders who contribute 60% of US trips](#), who [consistently dual-app](#) and have few reasons [to choose Uber long-term](#).



Problem

For Uber: Driver churn, insurance, support costs, and incentives are expensive to the business.



Key Insights

[US Only] At [\\$368 acquisition cost per driver](#), only 6 in every 20 new drivers will be active at the end of their first year driving. Only [1 of 20](#) retained is a high quality driver. Incentives cost Uber [\\$20M per week](#). Uber spends approx. [\\$218M per month on insurance](#) & [\\$280M per year in support costs](#) for all US drivers. This represents ~18% of GB annually for US.

Goals & Impact

Topline Goal

Increase total **quality**¹ driver hours, and total driver hours during **peak times**².

Topline Metrics

- Total number of quality driver hours
- Total number of quality driver hours during peak times
- Weekly online hours per quality driver

1. A “quality driver hour” is an hour on the Uber platform contributed by a driver with AR, CR, and rating above the quality baseline established by the program.
2. Peak times are specified by city; they are times of demand/supply imbalance (e.g., AM/PM rush hour).

Tracking Metrics

Growth of HVD cohort

- # of HVDs
- # of HVDs / # of Active Drivers
- % of trips completed by HVDs

Retention and Sentiment of HVDs

- DSat (overall and by pillar)
- Driver Hour 4-Week Retention
- Dual-apping propensity

Driver Quality

- Star rating
- Acceptance rate
- At-fault cancellation rate

Rider Experience and Favorability

- Rider Favorability Towards Uber
- Trip CP (overall and during peak hours)
- Rider Perception of Driver Quality

Long-term and Down-stream

- Insurance Cost
- Driver Support Ticket Volume and Cost
- Driver LTV
- % of Trips Profitable

Constraints

Total Available Supply

- Total # of driver hours stays neutral

Marketplace Health

- C/S does not decrease
- P90 ETA does not increase

Budget / Efficiency of Spend

- Total spend within budget

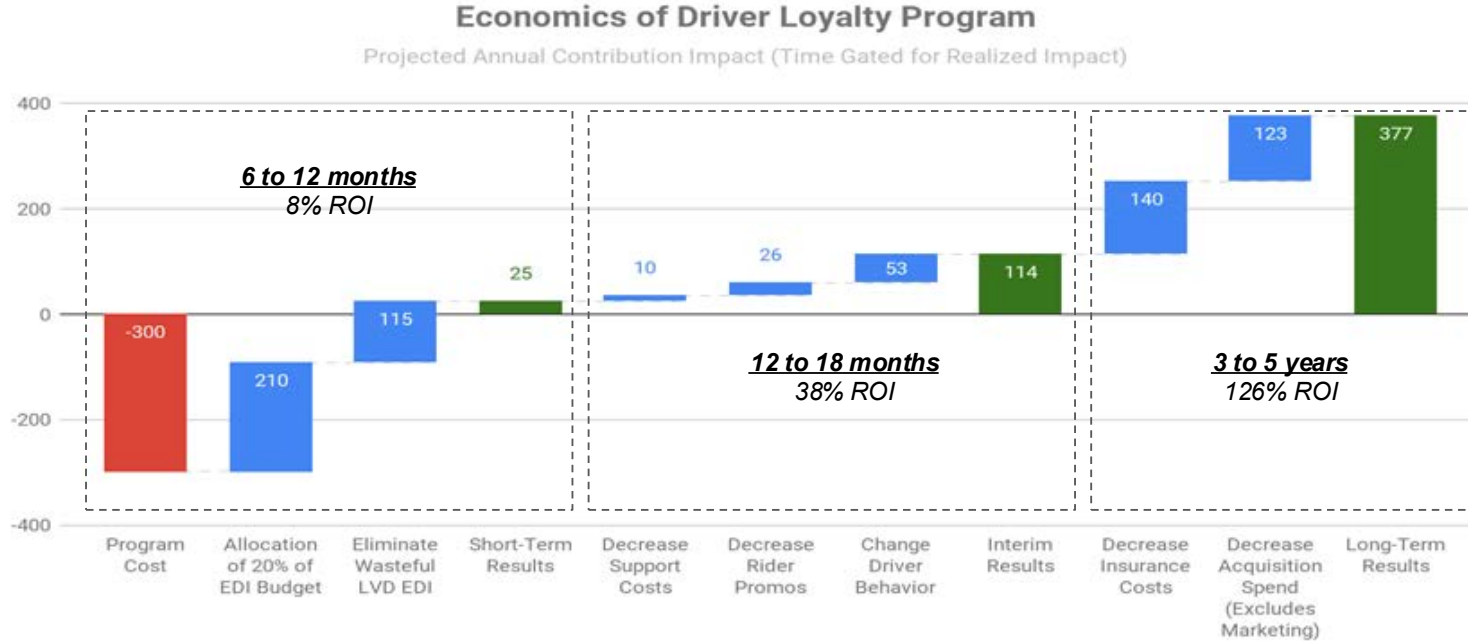
One Year Impact

WIP

	CURRENT	GOAL
US Drivers	2018	2019
Total Quality Hours, per Week	X	X
Total Quality Hours during Peak Times, per Week	X	X
Total Number of HVDs	61%	72%
% of Trips by HVDs	X	X
Driver Hour 4-Week Retention	4.85	4.92
Average Rating	3.70	4.00
Driver Sentiment (out of 5)	29%	32%
% of Uber SH During Peak Hours	46%	40%
% Dual-Apping	\$352	\$515
Lifetime Value Per Driver		



Upside (US): ~\$400M in annual incremental contribution margin (150-200 bps over \$22B GB)



[More Details](#)

High-Value Drivers

What Riders & Uber Need from Drivers

QUALITY



Reliability / Service

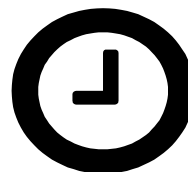
High levels of service result in greater rider engagement and differentiation.



Safety

Safer drivers cost us less in insurance and support, make our riders trust our platform, and solve a concern for new rider growth.

TRIPS



Peak Times & Places

Drivers are available in the times and places that riders need them.



Consistency

Consistent driving over a 3-month period keeps the marketplace healthy.

Today, these needs are not being fully met, because we're not fully meeting the needs of drivers.

Defining our High Value Cohort (US)

We will use a consistent definition to target efforts across Product, Ops, & Marketing.

Metric thresholds will be city-specific to account for competition, cultural differences, imbalances in supply & demand, and other dynamics.

QUALITY

SERVICE & SAFETY

Give **great service** and **safe rides**.

RELIABILITY

Accept and **complete rides**.

KPI

4.85+ average rating
Why?

KPI

Cancellation rate < 4%
(Driver at-fault)
Why?

Ratings measured for the past 500 trips, consistent with current evaluation period. A/R and C/R are measured on a R3M basis.

TRIPS

CONSISTENCY

Drive **consistently** (3-month trip points).

PEAK AVAILABILITY

Drive at the **peak times** and places riders need them.

KPI

600+ points (Good)
1200+ points (Better)
1,800+ points (Best)
Why?

KPI

Online during peak times
(AM/PM rush trips count as 3x)
Why?

[Sensitivity Analysis](#)
[Metric Distributions](#)
[A/R & C/R Detail](#)

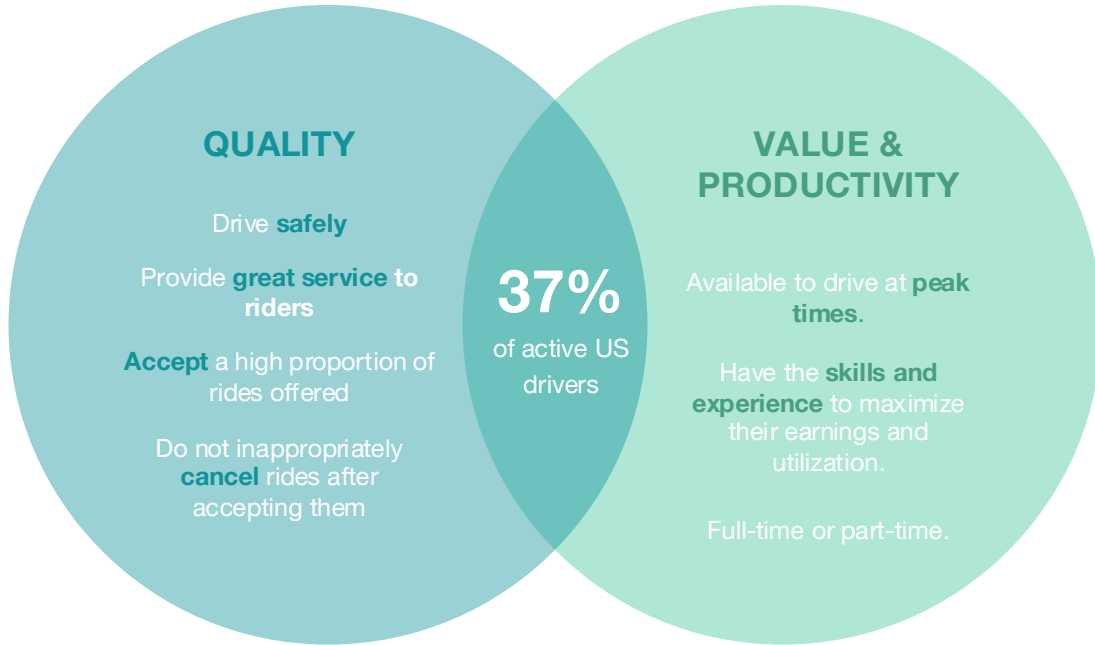
Defining our High Value Cohort (US)

Same quality baseline. Point thresholds for tiering set at the cluster level.

Cluster	AFCR (<=)	Rating (>=)	Lifetime Trips for GF into Tier 3 At Launch*	Tier 3	Tier 2	Tier 1
				L3M Trips Weighted*	L3M Trips Weighted	L3M Trips Weighted
NYC	4	4.85	3000	/	1600	2400
L				600	1200	1800
M-S				300	600	1200

- Acceptance Rate is not a requirement at the program level.
- Over 3 months. 3X for trips happen during peak hours: Mon- Fri 7-10 AM, 5-7 PM and 9 PM to 1 AM; Fri-Sun: 12 PM to 5 AM next day . Details on [Peak Hour Multipliers and Trip Weighting](#)
- Drivers with 3000 trips need to meet the quality thresholds as well. Details on [Grandfathering Policies](#).

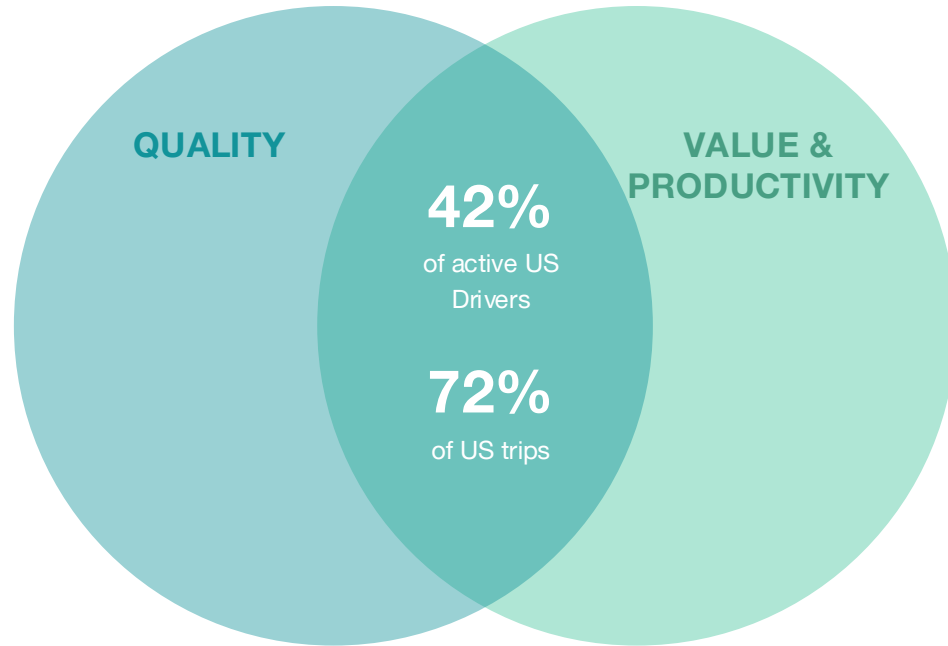
Today's HVDs (US)



Previously, we defined high value drivers solely in terms of productivity. However, highly productive, low quality drivers are costly to the business.

We must retain today's HVDs and increase the share of HVDs on Uber long-term to be successful

2019 High Value Drivers



We're comfortable with a small percent of drivers who drive destructively to chum to other platforms.

To be successful, we must motivate current high quality drivers to stay & high potential drivers to improve.

Vision



VISION

Motivate quality drivers to bring their best selves to work & to stay on Uber...

by rewarding their commitment and helping them build toward their future...

...wherever they want to go next.

DRIVERS PROVIDE...

Quality Trips

Quality = high ratings, low cancels, high trip acceptance, driving during peak hours

UBER PROVIDES...

Higher earnings

Better driving experience day-to-day

Protection from the financial risks of driving

Opportunity for you & your family

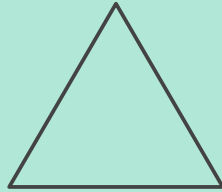
Strategy

2018-2019 Goals (US & CAN)

	2018	H1'2019	H2'2019 & beyond
US & CAN	Retain & Increase Engagement of HVDs	Improve Quality & Engagement Across Tiers	Stabilize
P0	Prevent churn of today's high-value drivers	Help Partner & New drivers move above quality & engagement baseline	Maintain & reinforce past improvements with new and existing high-quality drivers
P1	Identify high-potential driver segments (not current HVDs). Motivate them to improve quality & reduce dual-apping.	Reduce dual-apping within high-value drivers - especially at peak times	Reduce dual-apping with high-value drivers - especially at peak times

To be successful, we must achieve the above without making churn worse for high-potential Partner drivers

We will have a **two-part structure** that offers **powerful motivation** and moments of **delight and connection** for drivers at all levels.



Stated Tier Based Program (*Earned*)

Motivates drivers to provide more quality trips to achieve higher levels of status

Prod Mktg Ins



Unstated Program (*Given*)

Shows appreciation & provides drivers helpful guidance on how to improve.

Ops Prod Mktg BD

7

Program Principles

In order to for this initiative to be successful, we must uphold the following principles:

Sense of progression

The program makes drivers feel accomplished. Each status tier unlocks a suite of rewards and benefits that increases in value by tier. Drivers have differentiated experiences on the platform according to the value they add.

Simply understood

Tiering criteria and rewards are clear, transparent and specific. We'll help drivers advance, and will let them know how their efforts pay off.

Everybody wins

Drivers understand that Uber's goals align with their own. True partners have shared goals and reap rewards together.

Perceived value vs. cost

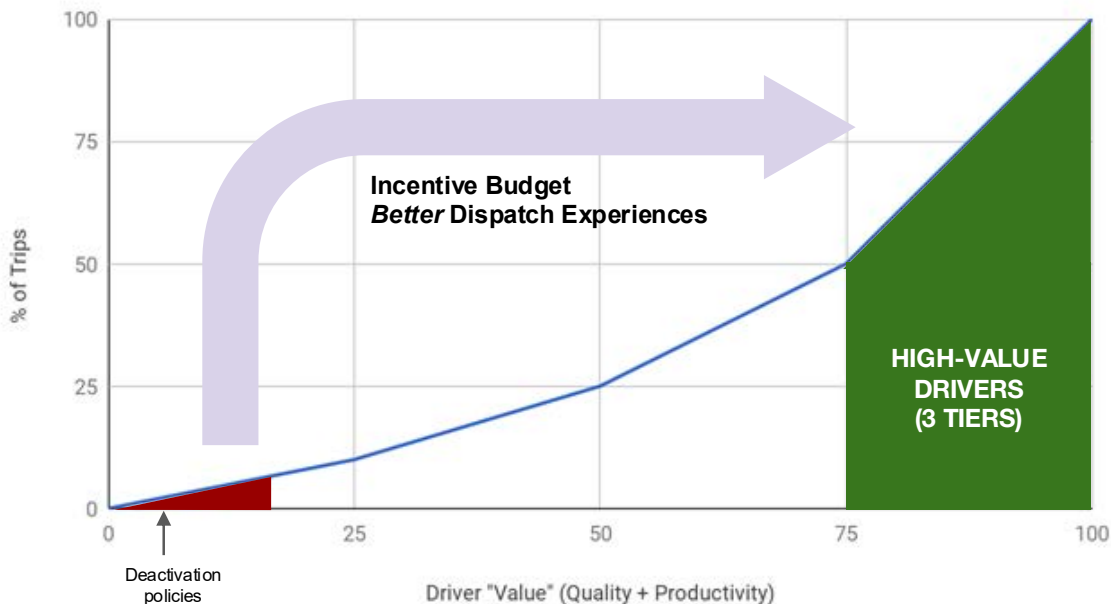
Loyalty rewards instill a sense of pride & purpose in our drivers, and enable them to build toward the future of their choice. Ideally, rewards should have higher perceived value than actual cost to Uber.

Fully integrated

Loyalty requirements and benefits are always visible - seamlessly added to existing experience at all product & in-person touch points. Loyalty itself is a framework for other teams to build into.

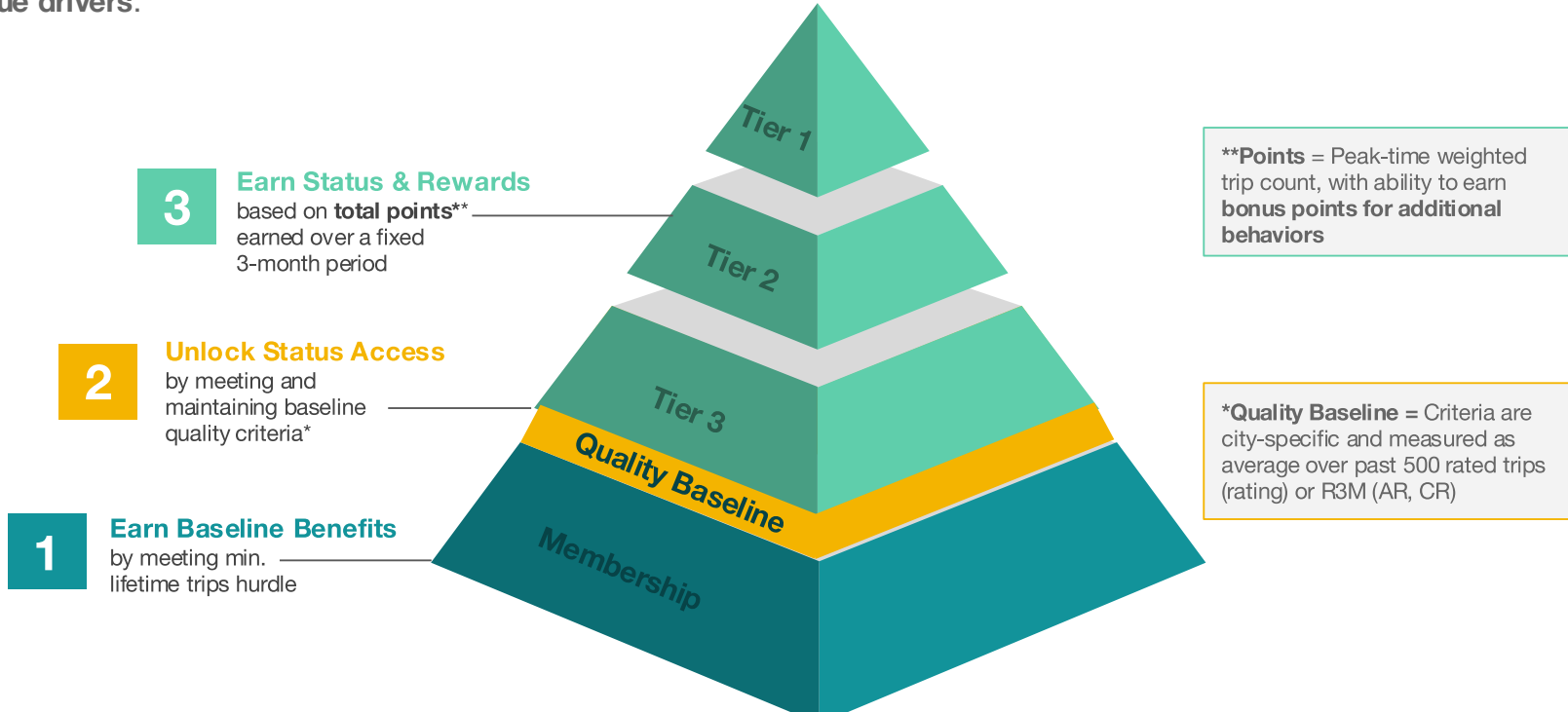
When implementing “zero-sum” features, we will degrade the experience for drivers who are doing more harm than good to our marketplace.

Illustration



Stated Program Structure

We will provide **baseline benefits for most drivers** and introduce motivating status tiers that offer **rewards for high-value drivers**.



This structure provides the transparency drivers crave, while enabling us reward other behaviors we deem important over time (e.g., long trips, referrals, quality above the baseline, providing feedback, etc.)

Proposal Overview

% Drivers (#)

At-launch* (currently eligible)

% Trips (#) | % GB

9%* (6%)

33% | 31%

13% (9%)

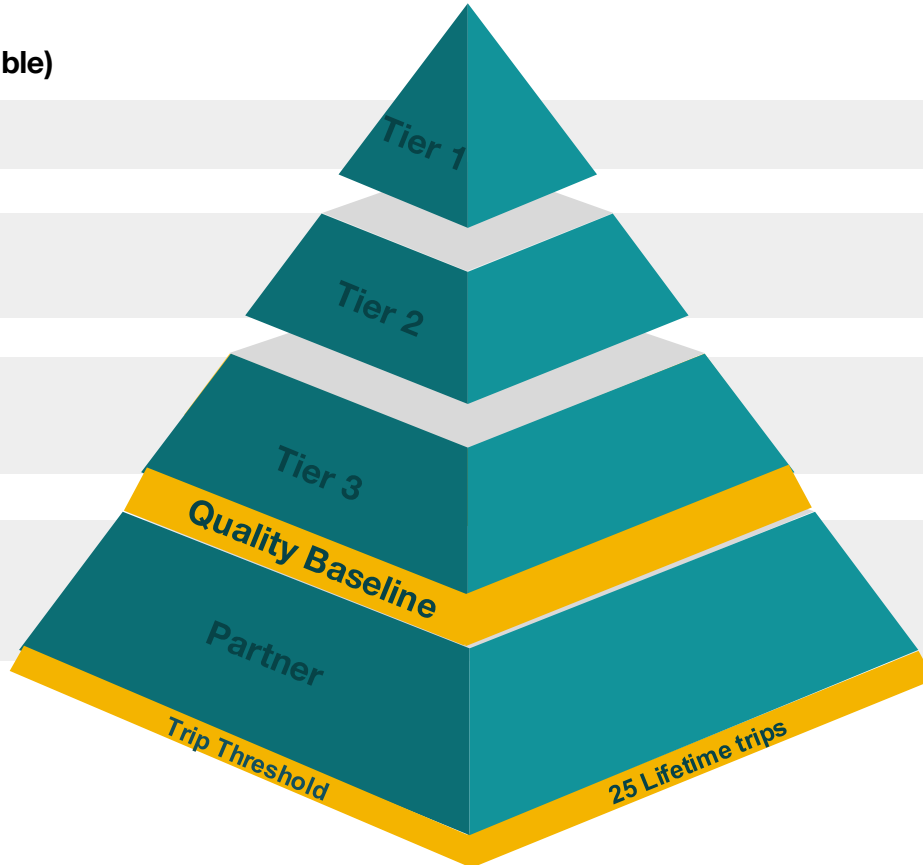
24% | 24%

17% (11%)

18% | 19%

61% (74%)

25% | 26%



[Sample Cohorting Query](#)

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We must deliver two types of benefits

Functional

Higher Earnings
More Flexibility
Better Driving Experience

Prod Mktg Ops

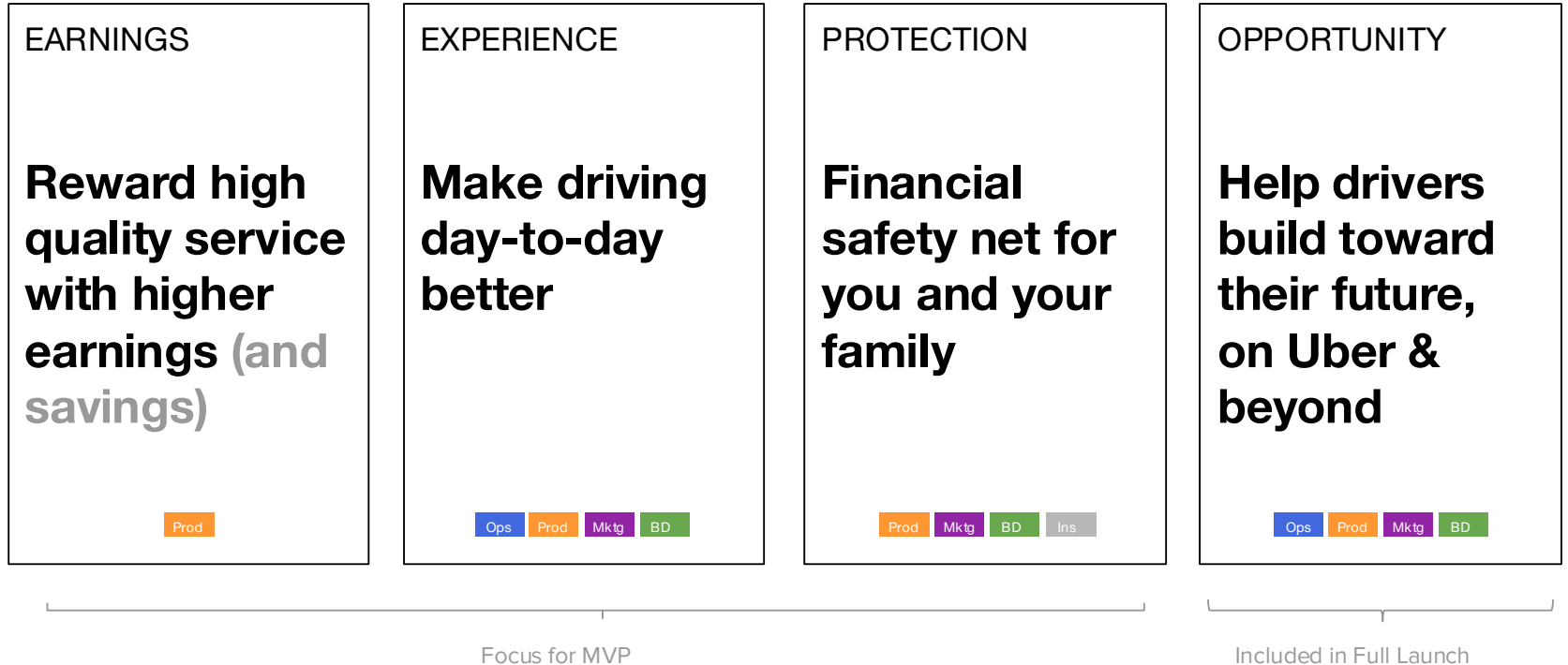
Emotional

Values my contributions
Helps me achieve my goals
Protects my family from the unexpected

Ops Prod Mktg BD Ins

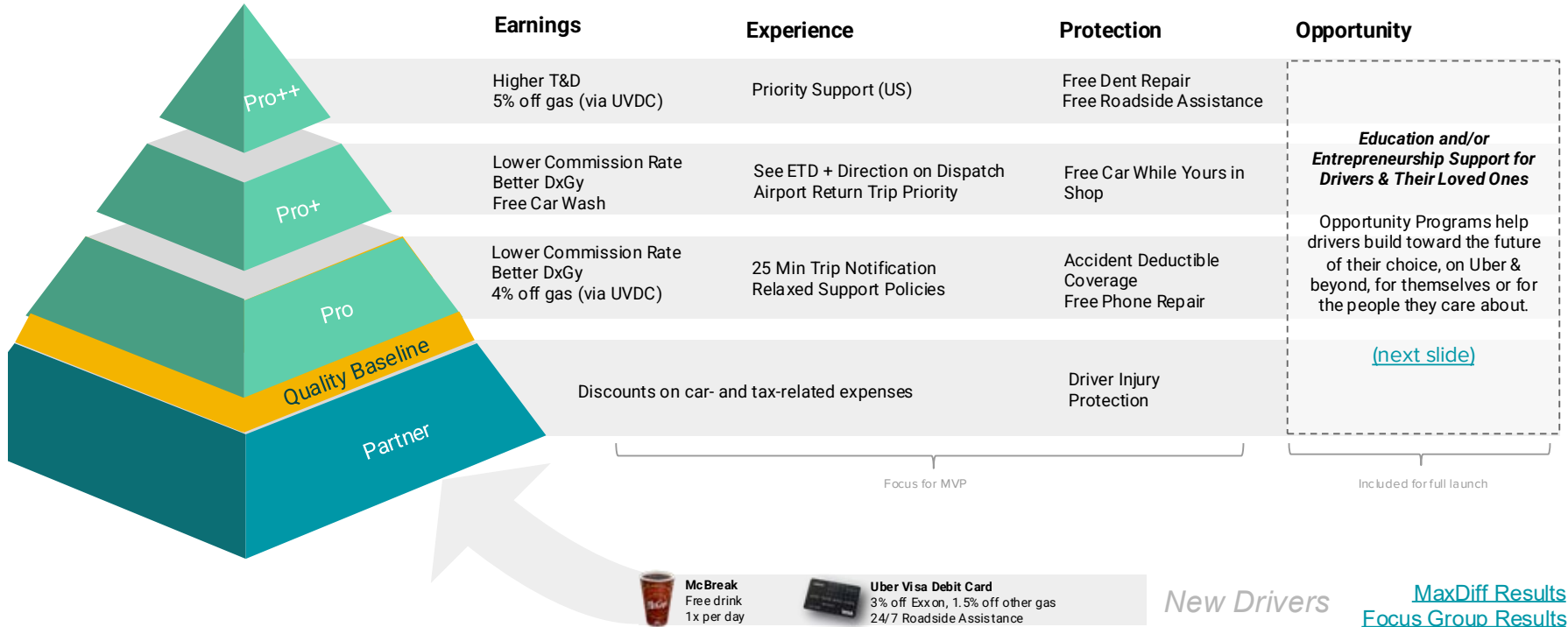
Our tiered program will offer 4 categories of benefits

This represents an opportunity for drivers to progress within Uber *and* toward their personal goals



Stated Rewards by Tier (US): H2'18 & H1'19

Drivers receive benefits in their current tier as well as those in the tiers below their current one. Tracker [here](#).

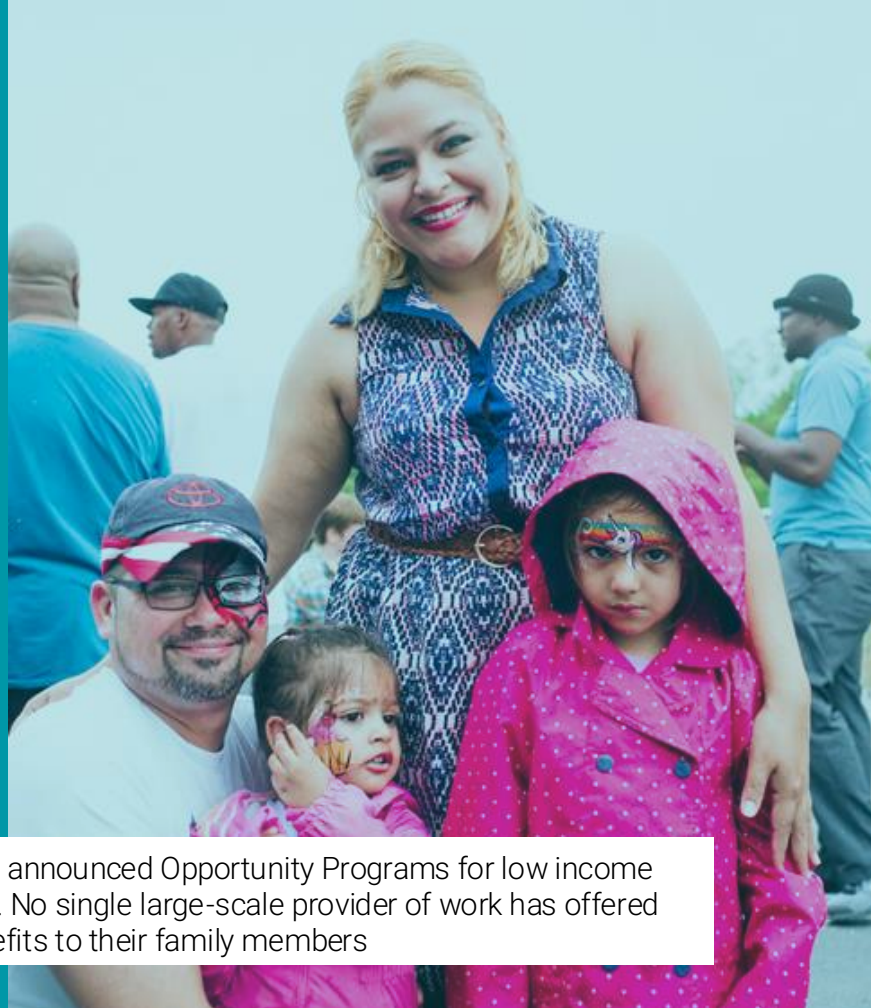


KEY STRATEGIC INSIGHT

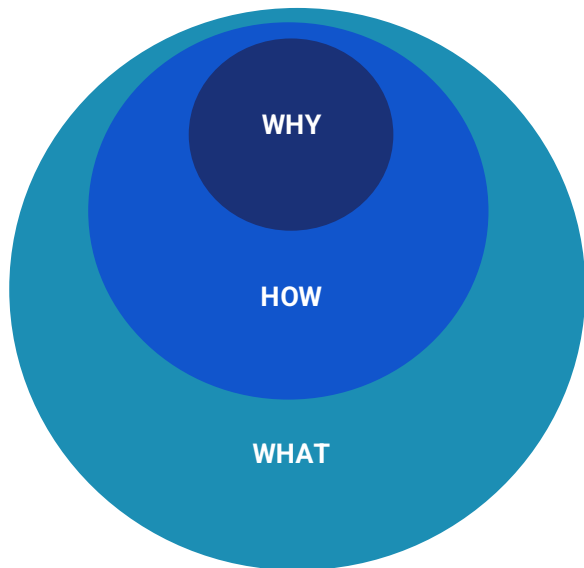
Today's top quality drivers are working hard to create opportunities for themselves *and for their families.*

Strategic Opportunity For Uber:

Employers like [Disney](#), [Starbucks](#), [Taco Bell](#), and [Walmart](#) have announced Opportunity Programs for low income and hourly workers to with significant retention improvements. No single large-scale provider of work has offered employees **the flexibility** to transfer Opportunity Program benefits to their family members



Driver Opportunity Programs



Why? Uber's purpose is aligned with driver's success

How?

Understand drivers' deep purpose and motivations. Be the brand that delivers on helping them realize these goals.

What?

Investments in drivers' growth and success -- on & off the platform.

[Vision](#) & [Work Plan](#)

Opportunity Programs

Based on research, we have identified 2 areas of focus to help drivers achieve their dreams off the road. These programs will resonate with HVDs, **motivate quality & long-term retention, differentiate** Uber vs. other work, and boldly demonstrate our **commitment to our mission**.

AREA	Education & Learning	Entrepreneurship Support
DRIVER PROMISE	<i>Drivers can access a range of quality, relevant education programs – and the flexibility to transfer their benefit to a spouse, partner, or child debt free.</i>	<i>Drivers can leverage the strength of Uber’s network to create & sustain successful new businesses while they drive.</i>
IMPACT	100K+ high quality drivers gladly drive an extra three years to provide high quality, debt free education for themselves or their loved ones	50K+ successful businesses built by High Quality Driver Alumni -- and thousands more come to Uber to follow in their footsteps.

The Uber Difference

- 1 Scalable, personal, cannot be replicated
- 2 Tailored programs that are flexible & customized to drivers & their earnings needs
- 3 Flexibility to drive and achieve at the same time **Or** to transfer the benefit to family

Impact & Reputational Shift

FOR DRIVERS

High Quality Drivers take pride in their service, safety, and skills, which is matched by recognition and gratitude from Uber. Drivers are motivated to bring their best self to work.

Being a High Quality Driver on Uber is viewed with a new culture of respect from riders and the wider world.

High Quality Drivers can unlock sufficient earnings opportunities to make driving with Uber a viable livelihood year after year, and pass even greater value on to future generations. It's more than a side-hustle.

Driving with Uber now makes it possible to access opportunities that were previously out of reach -- and even to share them with their loved ones.

On and beyond the Uber platform, Uber offers tailored experiences based on drivers' differing priorities and ambitions.

FOR UBER

As far as possible, we give High Quality Drivers control—treating them as fellow entrepreneurs and vital partners in our shared business.

Uber uses our scale and influence to give access to opportunities driver-partners could not find as traditional employees. When it comes to the big picture, we've got their back.

We are proud that Uber attracts highly motivated High Quality Drivers who dream big. In addition to immediate cash earnings, we now invest in programs that help them fulfill their ambitions, short-term and long-term.

We recognize that our High Quality Drivers work hard on behalf of their families and communities as well as themselves.

On and beyond the Uber platform, we break down the biggest barriers to opportunity for hard-working, low income families and position them to achieve sustainable, long-term growth.

Reputational Shift

[Link: Brand Campaign](#)

Unstated Relationship Program

Builds our relationship with current and potential HVDs via authentic moments of delight & connection.

In-Person Connection

Milestone Rewards

LISTENING

Facilitate two-way interactions around the driving experience

Ex): Driver Advisory Forum in San Francisco; Regional Advisory Forums

Ops Mktg

APPRECIATION

Connect, celebrate, and thank drivers for their partnership

Ex): Holiday parties for drivers and their families; surprise gift from Support

Ops Mktg BD

ACCESS

Provide access to exclusive local opportunities & experiences

Ex): VIP experience at MLB game; celebrity driving to red carpet events

Ops Mktg BD

MILESTONES

Celebrate milestones that both drivers and Uber value

Ex): Uber-branded coffee mug for 500th 5-star rated trip

Ops Prod Mktg BD

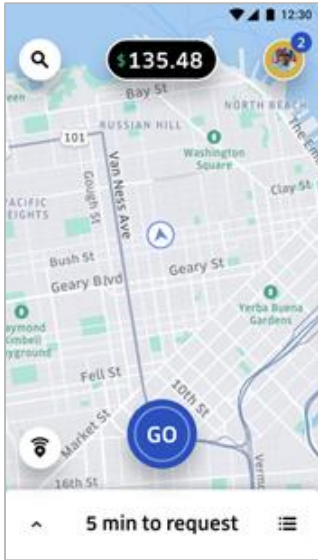
While we have fragmented efforts here today, we're developing a centrally-driven strategy in each category to deliver on the broader vision & KPIs

2018-2019 Long-Term, Cross-Functional Vision

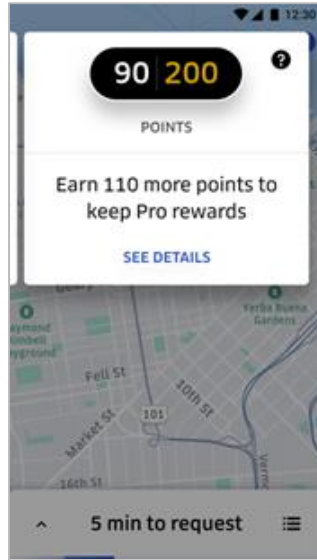
2018 WIP Roadmap

	STATED PROGRAMS (EARNED) <i>Motivate toward a specific goal, Instill pride upon achievement</i>		UNSTATED PROGRAMS (GIVEN) <i>Build relationships through authentic moments of delight & connection</i>	
	Status-Based Tiered Program Ops Prod Mktg BD Ins	Quality Recognition Ops Prod Mktg	In-Person Connection Ops Mktg BD	Milestone-Based Rewards Ops Prod Mktg BD
Rewards given based on:	Quality & Productivity (3M Weighted Trip Count)	Positive Rider Feedback (Compliments, Ratings)	Seasonality or Occasions	Point-in-time Milestones
High-Value Drivers ~35% total drivers Status Baseline:	Rewards that increase in value by status / tier : Higher Earnings Better Driving Experience Personal & Professional Opportunities	Recognition of Highest Quality drivers based on Rider feedback: Recognition Package with Exclusive Designation Uber-paid Appreciation Gift <small>*This is being developed as part of the Quality chapter of 'Moving Forward' rider campaign. Program Details</small>	Available to all drivers , with access priority, higher value or exclusive rewards for HVDs: Listening Appreciation Access	Available to all drivers , with access priority, higher value or exclusive rewards for HVDs: Lifetime Uber milestones Life Events (2019) Early Lifecycle (2019)
Experienced Drivers ~60% total drivers Membership Baseline:	Baseline benefits available to all members: Social & Financial Protection More & Better Savings			
Min. Lifetime Trip Count	Everyday Savings for Drivers			

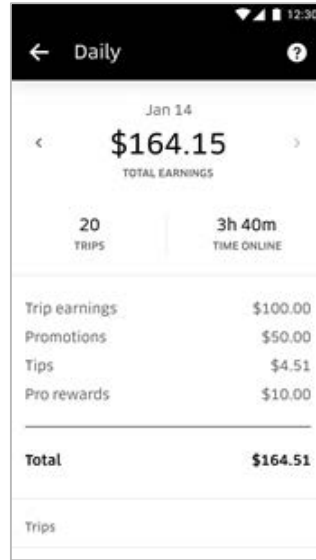
Recognition & reward for quality will weave throughout the driver and rider experience



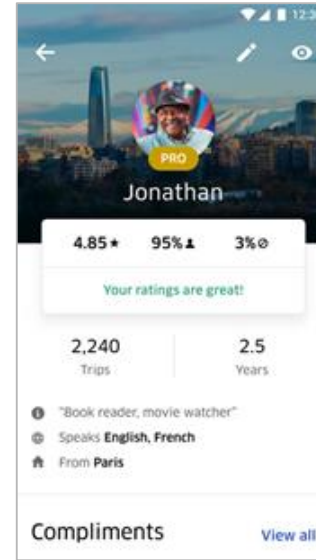
Carbon: Home
Tying loyalty status to identity on the home screen



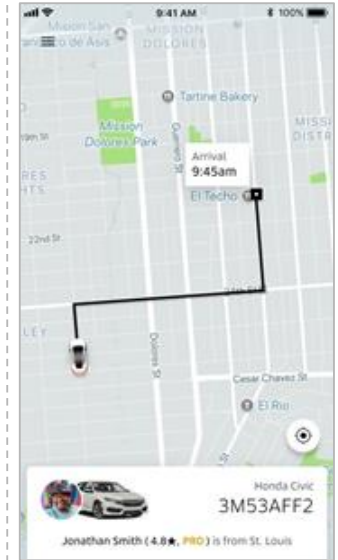
Carbon: Tracker
Awareness and tracking toward loyalty goals



Carbon: Earnings
Showing the financial impact of loyalty



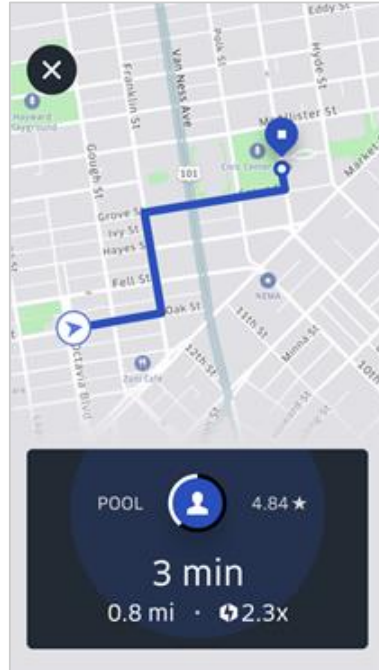
Carbon: Profile
Celebrating status and upleveling new quality metrics



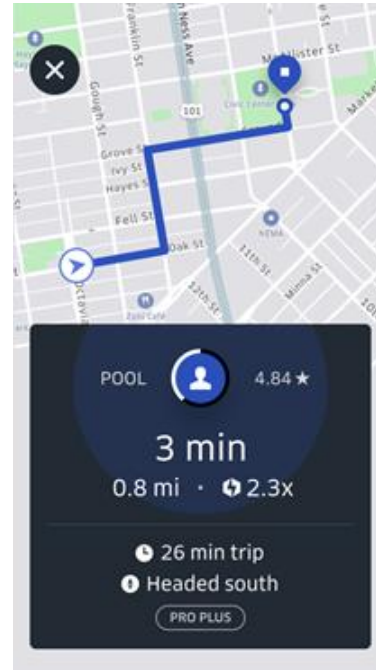
Helix: Dispatch
Extending status and pride beyond the driver app

Driving experience rewards will automatically integrate into Carbon

One of the most highly desired rewards among drivers in focus groups was “**see more information on dispatch screen**”



Carbon: Dispatch
Partner



Carbon: Dispatch
Pro+, Pro++
Including trip length and direction

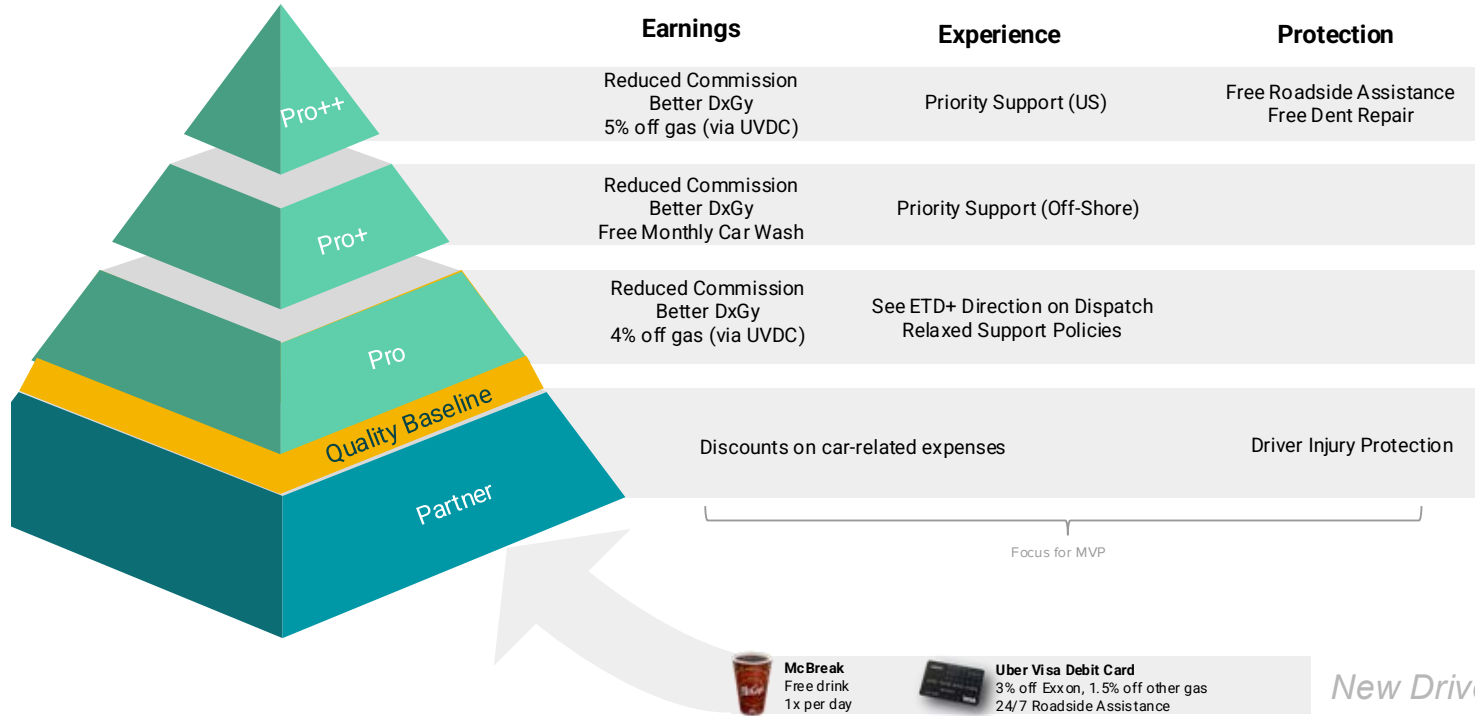


Roadmap

- H2 2018: US, Canada (MVP)
- H1 2019: Brazil, Mexico, UK, India
- H2 2019: Australia, France, Saudi Arabia

APPENDIX

Stated Rewards by Tier (US): MVP



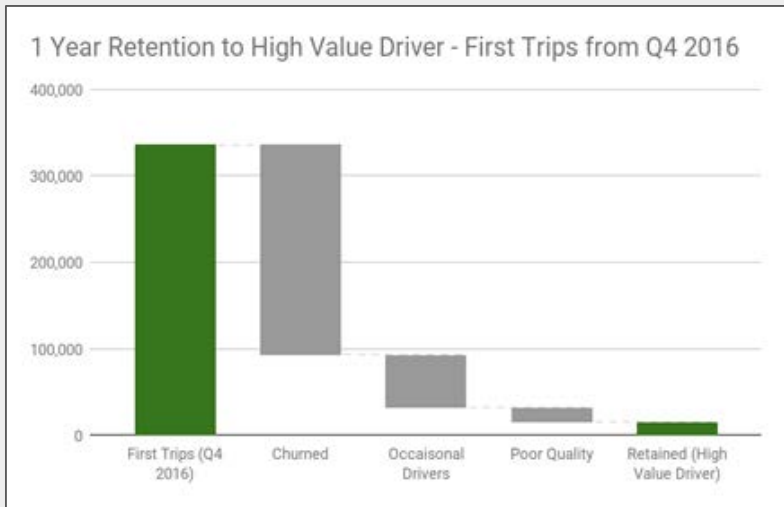
New Drivers

[MaxDiff Results](#)
[Focus Group Results](#)

Core Insights + Analysis

In the US, only 1 in 20 new drivers becomes a High Value Driver after a year on the platform.

[\[Source\]](#)



[\[Source\]](#)

Incentives come at a very high cost to the business.

In March, we spent over \$20 million per week in existing driver incentives aimed at keeping the driver base engaged. [\[Source\]](#)

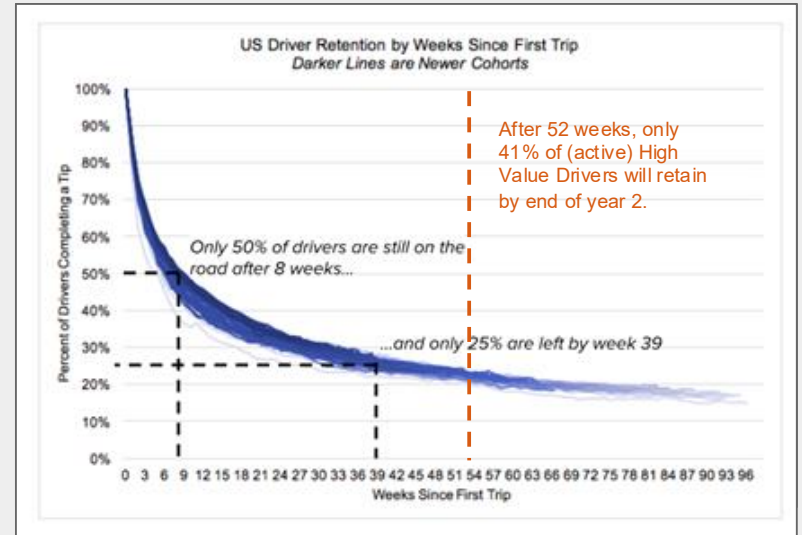
Incentives do not fully take into account individual **Driver Quality**. Uber is spending to retain drivers who have a positive *and* negative impact on the business from a contribution perspective.

\$20M

per week on existing driver incentives [\[source\]](#)

Despite this investment, High Value Drivers continue to churn between year 1 and year 2.

After 52 weeks, only 41% of (active) High Value Drivers will retain by end of year 2. [\[Source\]](#)



Churn curves are very similar between all US drivers and High Value Drivers.

Q: What do you expect to achieve on Uber?



[Source]

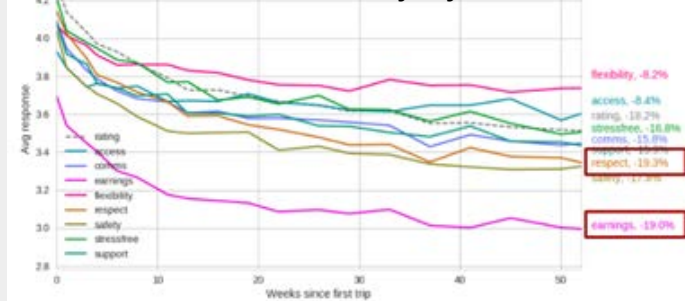
Why? High Value Drivers' dedication to excellence is not rewarded and jeopardizes their commitment.

High Value Drivers come to Uber for flexible earnings, autonomy, happiness, on-going growth and the enjoyment of driving [Source].

Their **dedication to excellence goes unrewarded** and earnings are unpredictable [source], which compromises their flexibility & time they can invest in priorities that brought them to Uber in the first place. This, plus lack of progression toward their goals, **puts their self-esteem at risk** [source].

In a highly competitive market with other options for flexible work, [source], these factors make it especially difficult to retain High Value Drivers.

Driver Satisfaction with Earnings & Respect decreases most dramatically in year 1



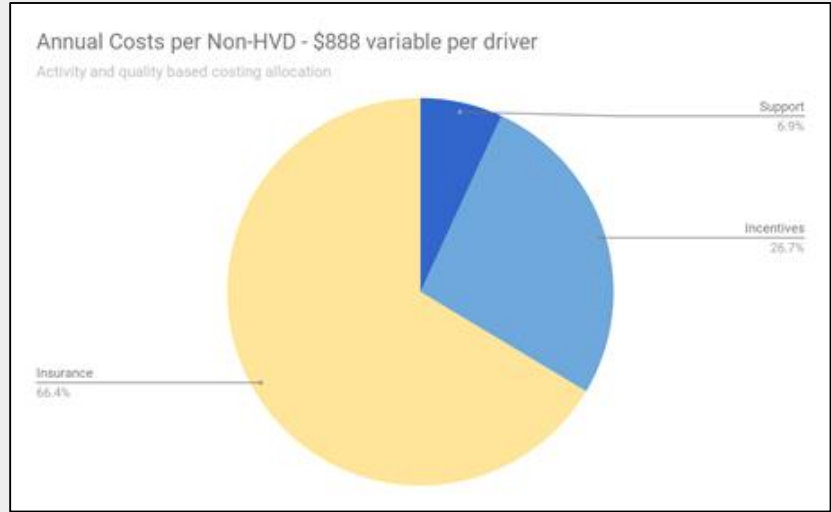
[Source]

And, drivers who never become HVDs add substantial cost to the business.

Uber loses **\$277M per year**¹ on non-high value drivers. Only 2 in 5 trips provided by non-HVDs is contribution positive [source].

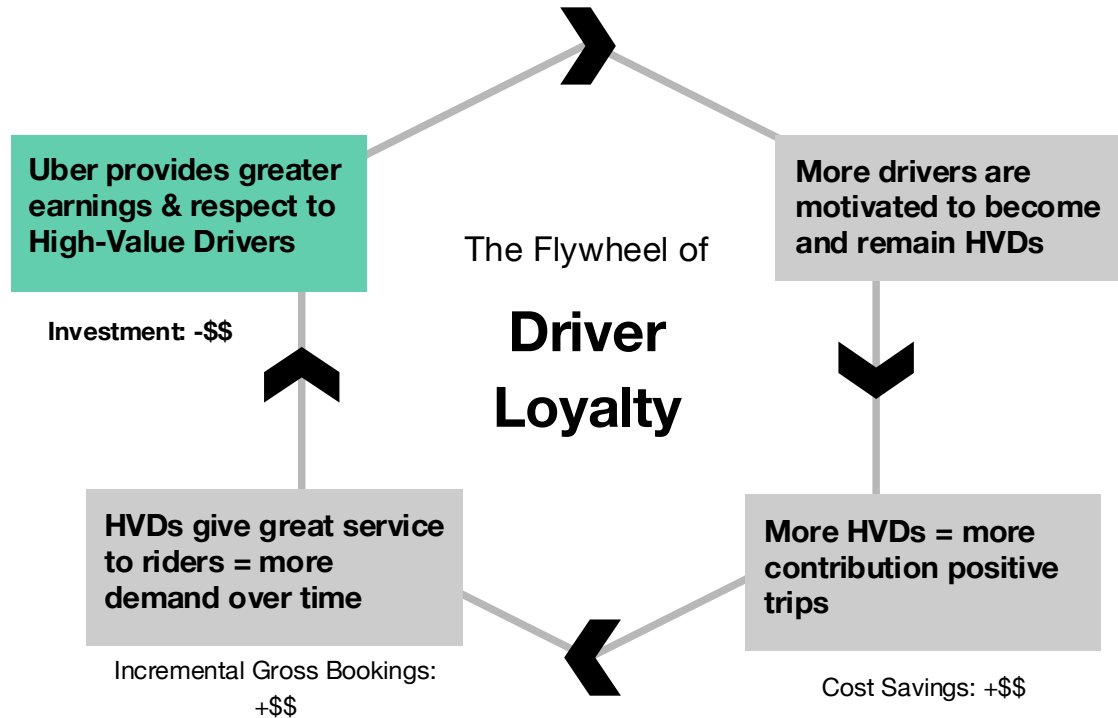
Improving these drivers' quality and intrinsic motivation is paramount to reducing costs associated with insurance, support, and incentives.

Non-HVDs: Financial Snapshot	
665K	Active non-HVDs [source]
\$368	Acquisition cost per driver [source]
\$839	Net revenue per driver per year [source]
\$888	Variable cost per driver per year [source]



1. Calculation: [Acquisition cost + (annual net revenue - annual variable cost)]*(# of Active non-HVDs)

To solve for this, we need to give the drivers who are most valuable to us more of what they care about.



More HVDs on Uber may improve rider favorability and demand...

Driver Quality has a material impact on Rider Favorability, with driver and car-related issues having the largest negative impact.

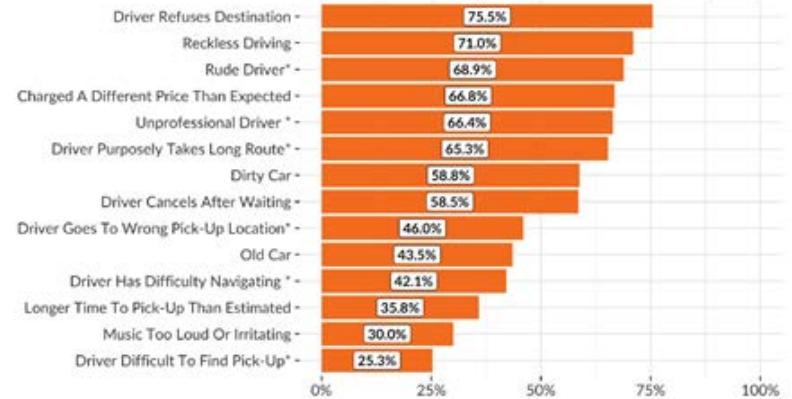
Rider Favorability is also highly correlated to CP, suggesting that meaningful improvements in driver quality could have a meaningful impact on demand and CP.

[Source](#)

Effect of Rider Experiences on Overall Topbox Favorability

How does this issue affect your favorability of Uber?

■ : Makes me much less favorable



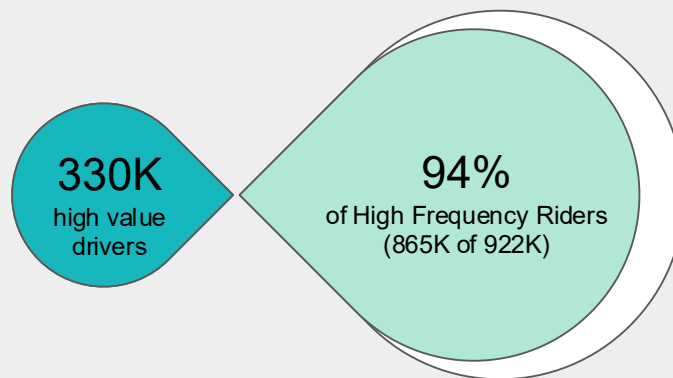
Responses of 2741 riders active within 3 months, surveyed between December 20, 2017 and January 8, 2018
*questions that were split 50/50 for respondents

+5 pt favorability → **\$21M** Annualized contribution

More HVDs on Uber may improve rider favorability and demand...especially with High Frequency Riders.

High Value Drivers provided trips to 94% of High Value Riders [\[source\]](#) in the last week. High Value Drivers see themselves as brand ambassadors [\[source\]](#), and they discuss Uber with their riders on [80% of trips](#).

High Value Drivers Provided Trips to 94% of High Frequency Riders in the Last Week (US only)



Timeline: US, April 15-22, 2018

[Source](#)

Program Funding Mechanisms

	<p>Define Initial Tolerance for Program Cost</p>	<ul style="list-style-type: none"> Start with an estimated annual program cost of ~1% of GB Layer in upside scenarios to determine what we need to believe for Loyalty to be long-term value accretive at 1% cost Adjust tolerance for cost given comfort with upside assumptions
<p>Short Term Funding (6-12mo)</p>	<p>EDI Shift and Reduction</p>	<ul style="list-style-type: none"> Shift overall budget from EDI to Loyalty Eliminate wasteful LVD EDI due to increased HVD retention
	<p>Decrease Support Costs</p>	<ul style="list-style-type: none"> HVDs deliver higher quality trips, which leads to an empirically lower rider support burden
<p>Medium Term Upside (12-18mo)</p>	<p>Decrease Rider Promos</p>	<ul style="list-style-type: none"> A higher quality driver base can reduce rider dual-apping because of an enhanced experience
	<p>Change Driver Behavior</p>	<ul style="list-style-type: none"> High potential drivers become high value drivers by improving their ratings, accepting more trips, cancelling fewer trips, and driving at peak times
<p>Long Term Potential (3-5yr)</p>	<p>Decrease Insurance Costs</p>	<ul style="list-style-type: none"> A mix shift towards higher quality drivers has a chance to materially reduce incident rates and insurance costs
	<p>Decrease Acquisition Spend</p>	<ul style="list-style-type: none"> As the HVD experience improves, long-term retention will improve. Our reputation among potential drivers may improve as well, increasing organic signups.

Near-Term Goal

Improve **supply hour retention¹** of our **high-value drivers** by **10% (rel.) 6 months post launch**

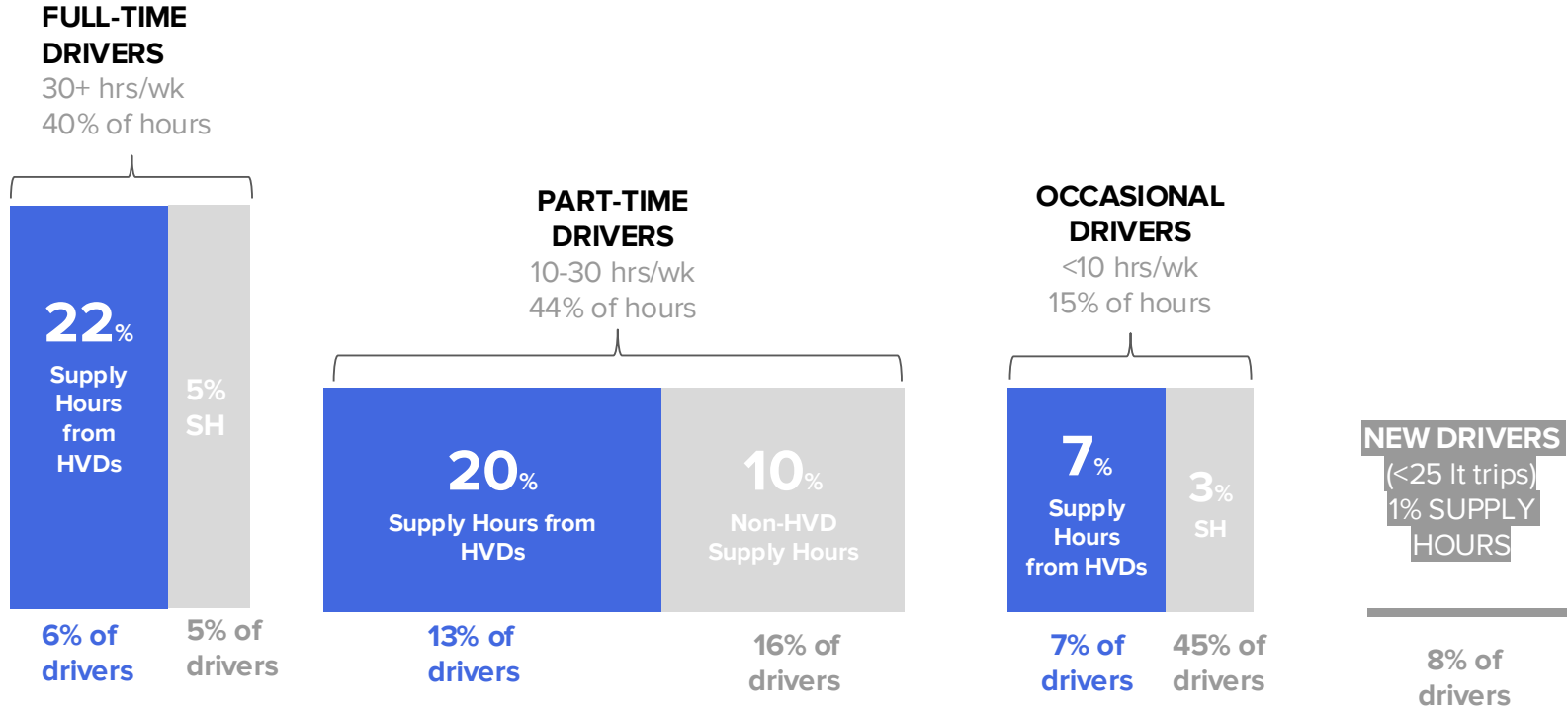
Constraints

- Total supply hours stay at least neutral
- Maintain marketplace health (C/S, P90 ETA)
- Budget

1. A.K.A “weighted retention”. Defined as total hours generated in the current 4-week period by drivers who were active in the previous period, over total hours they contributed in the previous period. Accounts for reduction in dual-apping.

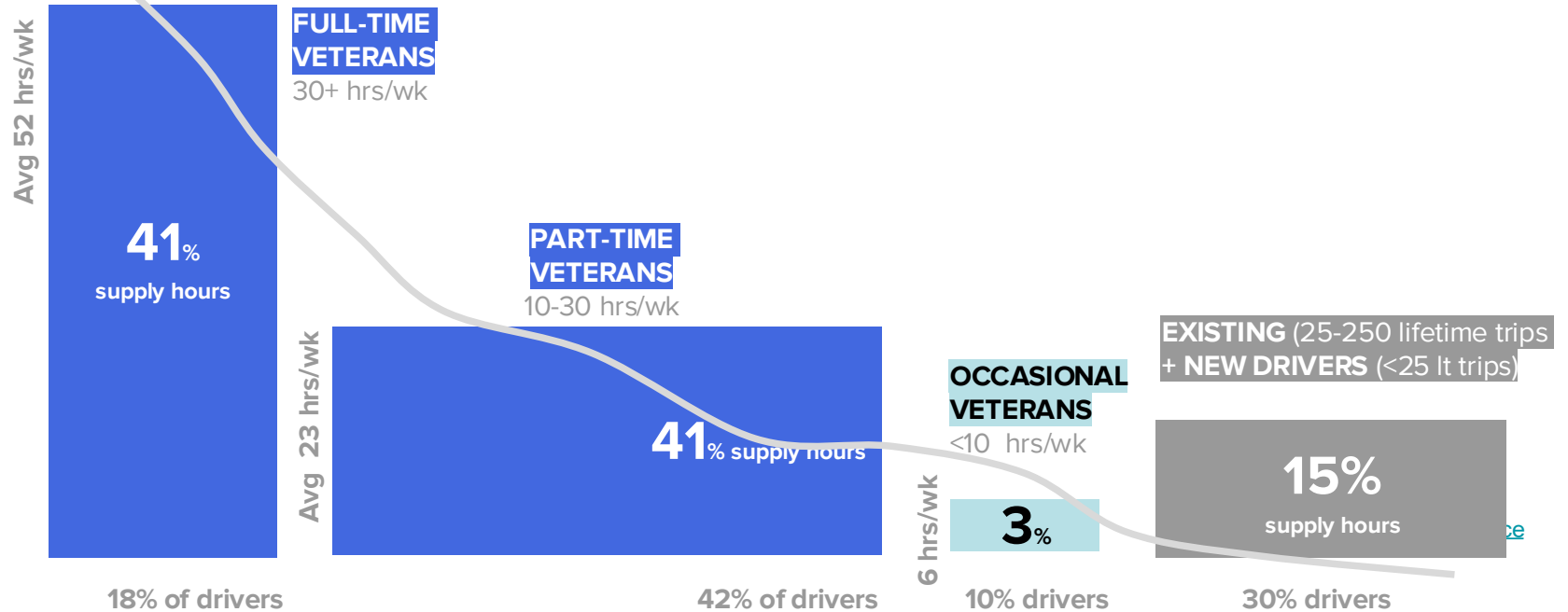
Driver Insights

Hours contributed by High Value Drivers are contributed equally between full & part time High Value Drivers



Note: Only includes supply hours provided by drivers rated 4.85 or higher, which account for 68% of supply hours.

Veteran drivers contribute 85% of US supply hours—with equal contributions from full-time and part-time drivers.



“Veteran” drivers = > 250 lifetime trips.

High Value Drivers (especially Pro++) have higher Earnings dSAT than average, and much lower dSAT on Stress-Free

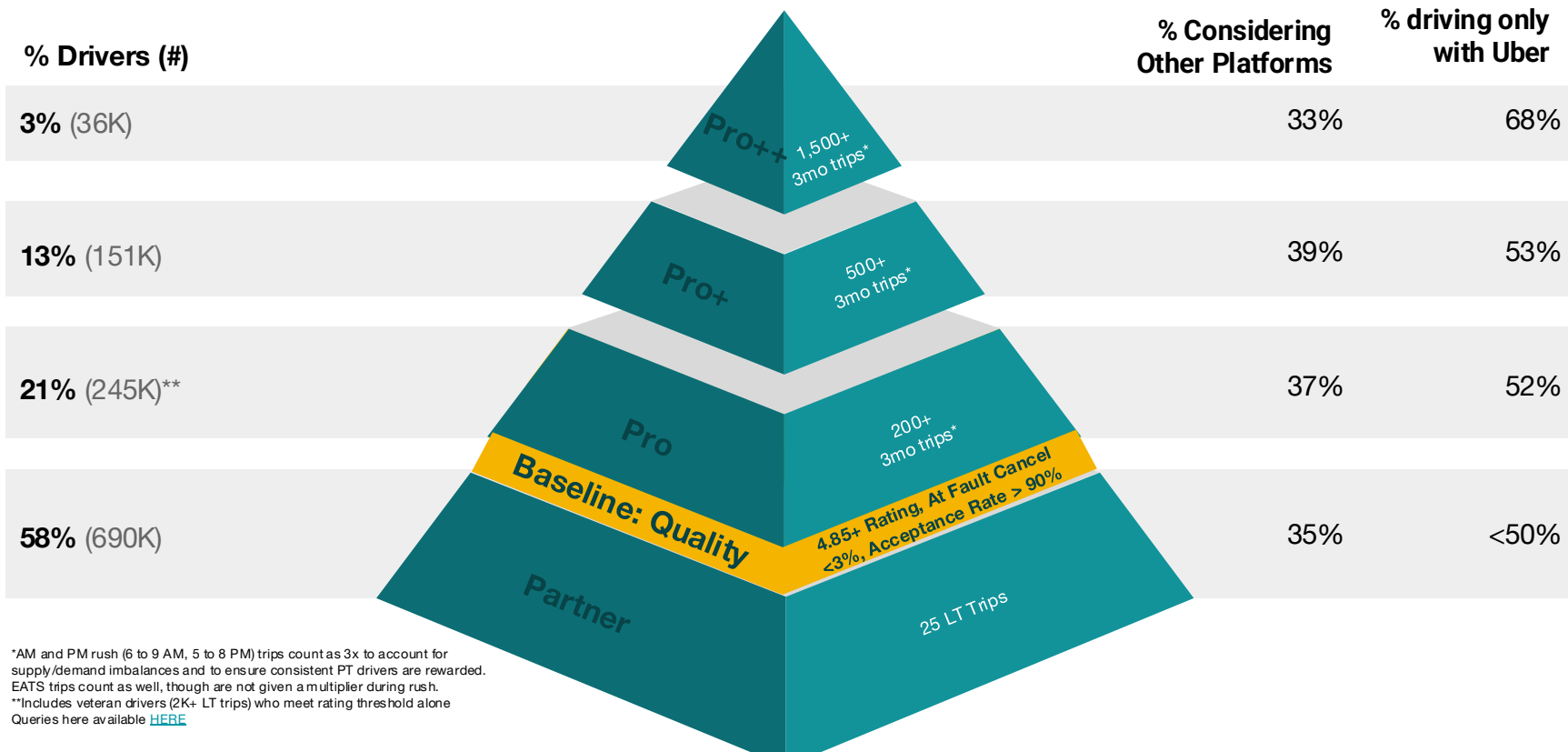
Sentiment Score by Loyalty Tiers



sentiment_type		overall	pillar_access	pillar_comms	pillar_earnings	pillar_flexibility	pillar_respect	pillar_safety	pillar_stressfree	pillar_support
driver_group										
Pro		3.67	3.93	3.57	3.37	3.79	3.45	3.81	3.82	3.58
Pro+		3.64	3.86	3.61	3.36	3.77	3.46	3.81	3.62	3.63
Pro++		3.69	3.85	3.73	3.54	3.85	3.57	3.83	3.45	3.73
other_L3M_active		3.73	3.87	3.70	3.46	3.88	3.61	3.85	3.79	3.69

[Source](#)

Churn Risk & Dual-Apping by Tier



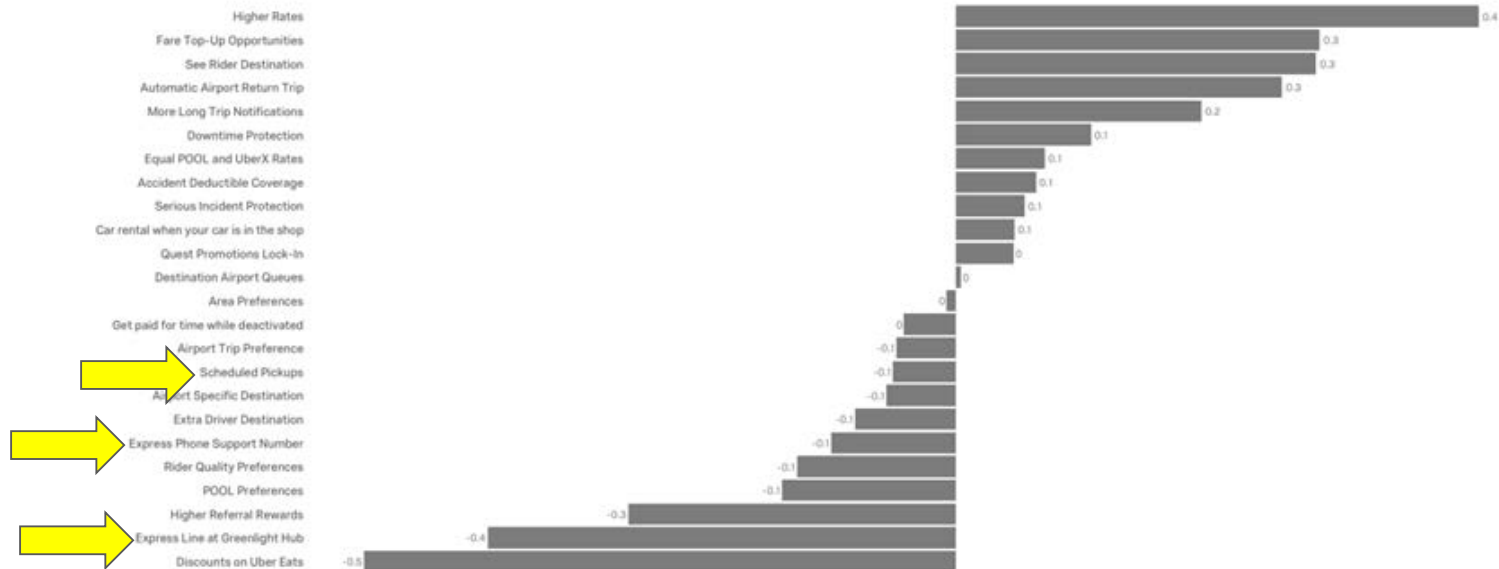
*AM and PM rush (6 to 9 AM, 5 to 8 PM) trips count as 3x to account for supply/demand imbalances and to ensure consistent PT drivers are rewarded. EATS trips count as well, though are not given a multiplier during rush.

**Includes veteran drivers (2K+ LT trips) who meet rating threshold alone

Queries here available [HERE](#)

Drivers prefer higher rates but discounts on Uber Eats are not appealing

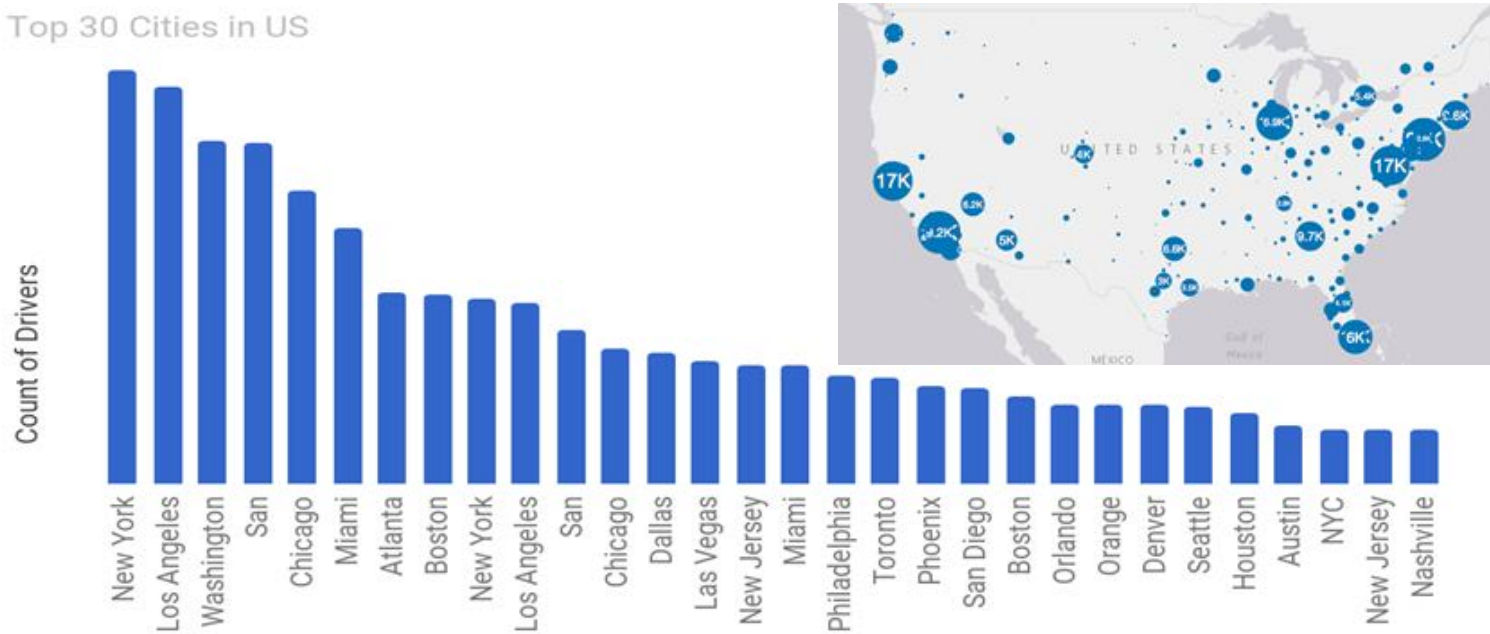
Average Utility



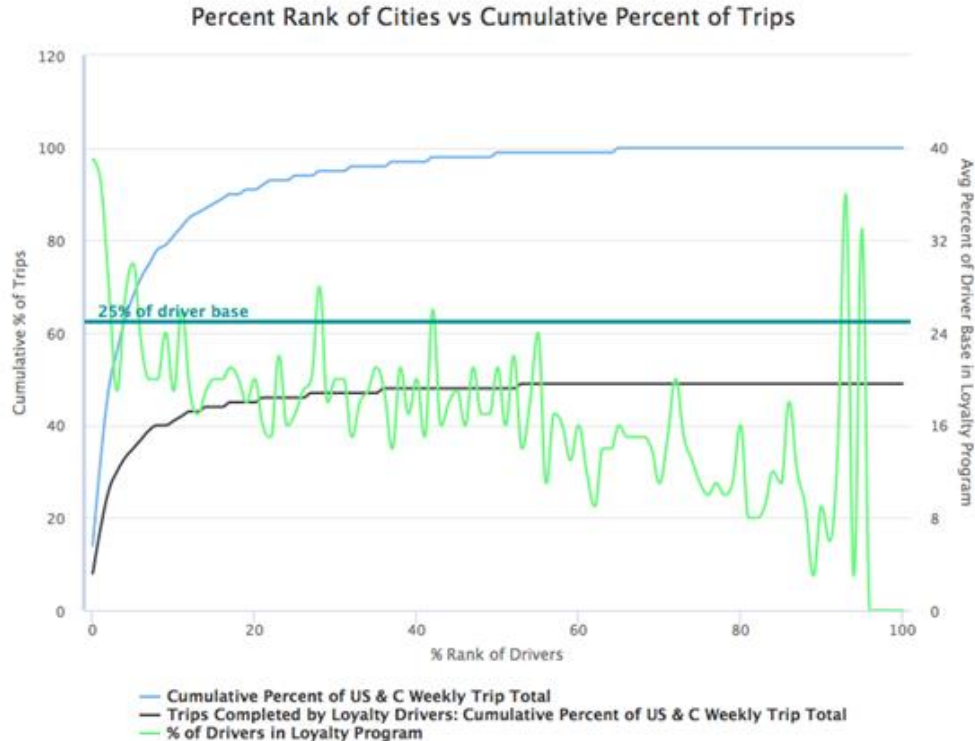
The geographic distribution of drivers in the US follows the trip and scale distribution of major cities

Geo Distribution of Loyalty Program Drivers

Top 30 Cities in US



Loyalty program drivers are concentrated in the markets where trips are concentrated

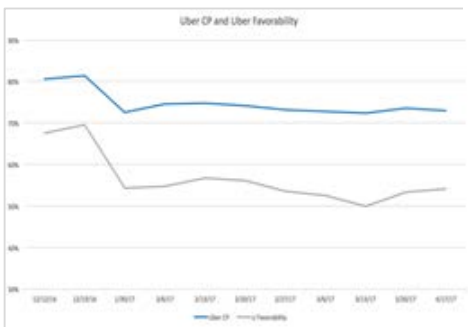
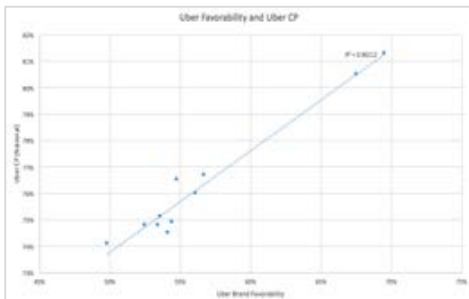


- The top 10% of US&C Cities (measured by weekly trip totals) produce over 80% of the weekly US&C trip total
- Drivers who qualify for the loyalty program produce 49% of the trips in the US & Canada
- The top 10% of US&C Cities produce over 80% of the loyalty program trips (40% of the overall US&C trips)
- Of the top 10% of US&C Cities, the number of drivers who qualify for the loyalty program averages 26%

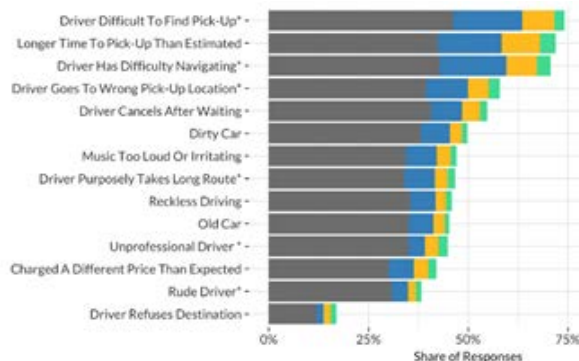
Rider Insights

Project Z | Why focus on quality?

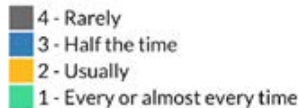
1. CP is highly correlated to rider favorability



2. Riders regularly encounter issues while using Uber [Details](#)



How frequently do you encounter this issue when using Uber?



3. These issues have a material impact on favorability [Details](#)



How does this issue affect your favorability of Uber?



+5 pt
favorability



\$412M

Annualized gross bookings

Project Z | Why focus on quality?

*“Uber has **lowered its standards recently** -- it's been **more focused on growing profit** than retaining quality”*

*“I have no visibility. I know your car needs to generally be nice, but **I don't know what the standards are.**”*

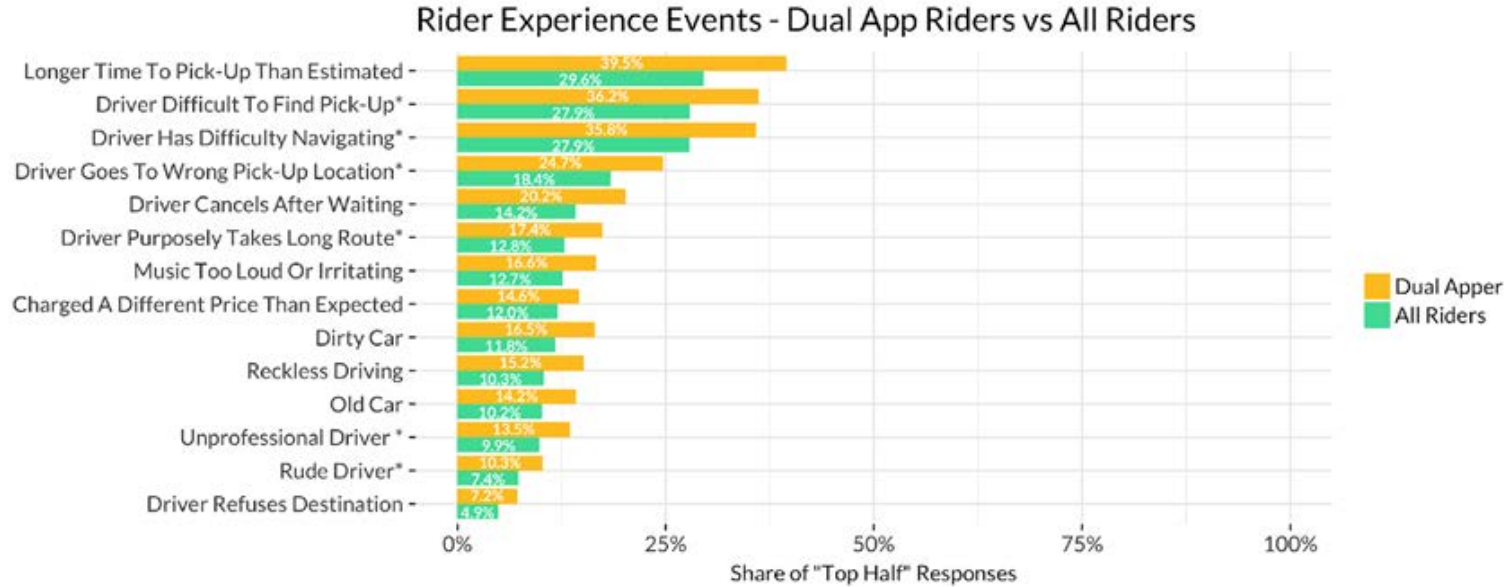
*“[Seeing quality standards] makes me feel like **there's a light at the end of the tunnel**”*

*“Setting a standard [is] more professional. **Really making sure that their customers are satisfied.**”*

*“They're trying to do better... **if I see quality improvement** and hear people talking about it, then **I'll want to use them more often**”*

White Cards	Intent to Use		Favorability	
	TB	TB2	TB	TB2
Quality	44%	78%	40%	80%
Stress Free	39%	75%	37%	73%
Uber 2016 H2 Campaign	38%	70%	33%	67%
Time is Valuable	35%	72%	30%	69%
Make Life Easier	33%	76%	31%	74%
Lyft 2016 H2 Campaign	32%*	78%*	33%*	79%*

Project Z | Rider pain points



Number of riders: 5281

Number of dual appers: 2150

"Top Half" means that a rider indicated that the event happens half of the time or more

Responses collected from riders active within 3 months, surveyed between December 20, 2017 and January 8, 2018

*questions that were split 50/50 for respondents

~30% of riders and ~40% of dual-appers experience issues on >50% of trips

[Source](#)

Technical Assumptions

Key Assumptions - Mapping to Driver Loyalty Program Assertions

Assumption	Slide	Loyalty Program Extrapolation	Divergence from Status Quo Viewpoint
<p>The unit economics of trips varies in our driver base because of differences in costs to insure each driver based on their risk rating.</p>	<p>Unit Economics: Insurance Adjustment Based on Rating</p>	<p>We can effectively reduce insurance and support costs by increasing driver quality/rating.</p> <p>Target drivers with over a 4.85 rating (P50 of the driver base)</p>	<p>Existing contribution margin assumptions per trip take total insurance costs and attribute them on a unit basis per trip.</p> <p>The key difference here is assigning insurance costs per trip based on the two activities that cause insurance cost rates to diverge: miles driven on a trip and the cost to insure the driver on the trip per mile</p>
<p>Engagement (measured in supply hours) and quality (measured in app rating) determine the level of contribution that an individual driver can achieve.</p>	<p>Driver Behavior and Contribution</p>	<p>The key difference between highly unprofitable drivers and highly profitable drivers is their quality. Both sets of drivers supply a significant amount of supply hours per week.</p> <p>Drivers who have significant potential (in terms of financial contribution) are characterized by high quality and a slightly lower level of engagement than our most productive drivers.</p> <p>Key loyalty program strategies:</p> <ul style="list-style-type: none"> • Retain high engagement and high quality drivers • Motivate high engagement and low quality drivers to improve their quality • Motivate high quality and medium engagement drivers to drive more • Churn low engagement and low quality drivers <p>Use trips AND quality criteria (rating, cancellation rate, and acceptance rate) as criteria for the loyalty program</p>	<p>Our current segmentation and incentive strategy prioritizes drivers based on engagement (supply hours and trips) alone.</p>

Key Assumptions - Mapping to Driver Loyalty Program Assertions

Assumption	Slide	Loyalty Program Extrapolation	Divergence from Status Quo Viewpoint
<p>Retention is closely correlated with earnings.</p>	<p>Retention: Shifted Beta Gamma Decay Curves Based on Earnings</p>	<p>To improve retention, we have to affect the distribution of earnings through a more purposeful allocation of incentives, dispatches, and preferences.</p>	<p>Our current incentives strategy and dispatch settings optimize for short-term incremental trips.</p>
<p>Some times and geos are more valuable than others with regard to supply hours (due to an imbalance in supply and demand). As a consequence, these times and geos are also less likely to cannibalize additional supply hours through retention or incentive measures.</p>	<p>Market value of supply hours - production function attribution</p>	<p>Use a trip multiplier to create a weighted trips criteria for drivers to be part of the loyalty program. The trip multiplier should reflect the relative value of supply hours (e.g., supply hours during our busiest times should be worth more than all other supply hours).</p> <p>Use a trip multiplier of 3x for AM and PM rush trips to allow for highly productive part-time drivers to participate in the loyalty program (they provide supply hours at the right times and places)</p>	<p>This assumption is consistent with our current incentives strategy.</p>

Key Assumptions - Driver Value to Uber

Contribution - financial and marketplace

Drivers provide value to Uber as a result of the following function:

$$\Sigma(SH^\beta * \text{Gross Bookings} * \text{Adj. Contribution Margin} * N_0 e^{-kt})$$

- SH^β - output elasticity of supply hours (during demand-constrained times, the Cobb-Douglas production function tells us that supply hours are worth more than at demand-constrained times); this number ranges from 0 to 1 and is an allocation method for determining the extent to which gross bookings should be attributed to a driver's behavior
- Gross Bookings - total gross bookings of trips completed by the driver
- **Adjusted Contribution Margin** - contribution margin of net revenue produced by a driver is driven by a combination of city factors (incentive budget, headcount, etc.) as well as driver-specific behavior (insurance costs, support costs, etc.). The finance contribution margin uses average costs for driver-specific behavior when assessing LTV, while our methodology uses actual allocations based on driver ratings band
- **$N_0 e^{-kt}$** - probability that a driver will be on the platform for a given week given our current churn rates (exponential decay curve from week 0 of trip production for drivers)

Assumptions listed in bold are the arbitrage opportunities to be exploited by a loyalty program that are not currently addressed by our acquisition or incentive channels.

High-Value Driver Definition

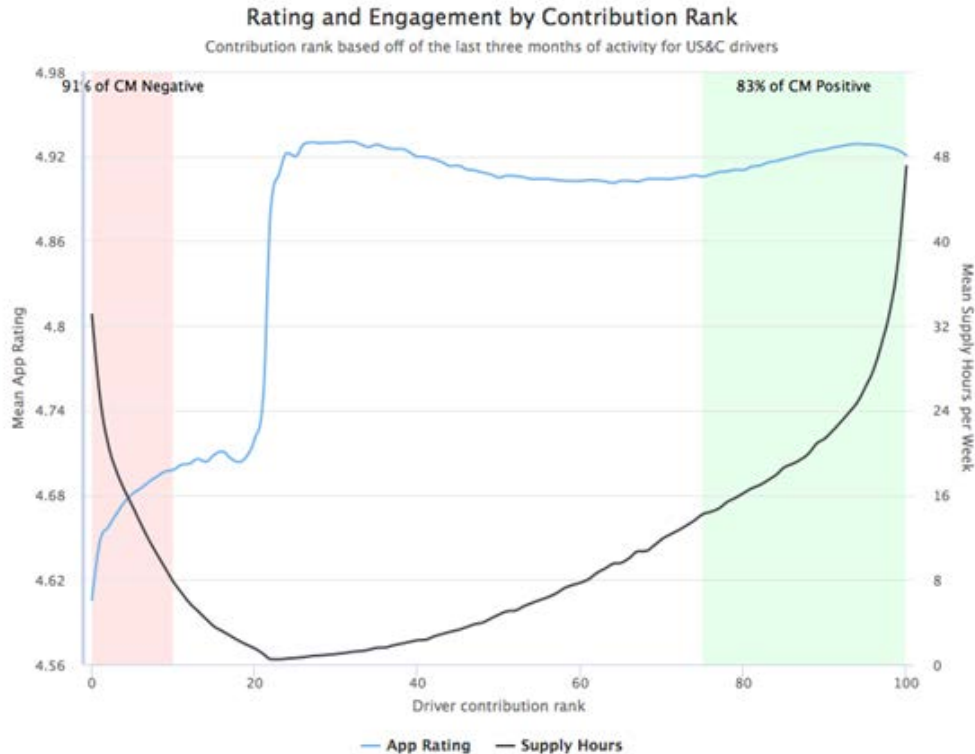
High-value drivers

A high-value driver is defined as a driver who is:

- **Marginally contribution positive:** Has unit economics that are contribution positive
- **Lifetime contribution positive:** Will be able to contribute at least their acquisition cost ([\\$368 average cost per first trip](#) per driver in 2017 when considering for costs like marketing, background checks, support, etc.)

Driver Behavior and Contribution

Contribution - financial and marketplace



- The most drivers who are responsible for the majority of our US&C contribution share two qualities:
 - High rating
 - High engagement
- These highly productive and high quality drivers are responsible for over 80% of US&C contribution
- Conversely, almost all of the US&C negative contribution by drivers can be attributed to the bottom 10% of the driver base. They share two qualities as well:
 - Low rating
 - High engagement
- Because our current incentives only cohort by engagement, the **extremely low contribution and extremely high contribution drivers have similar earnings** and therefore similar retention curves.

[Source](#)

Unit Economics: Insurance Adjustment Based on Rating

Contribution - financial and marketplace



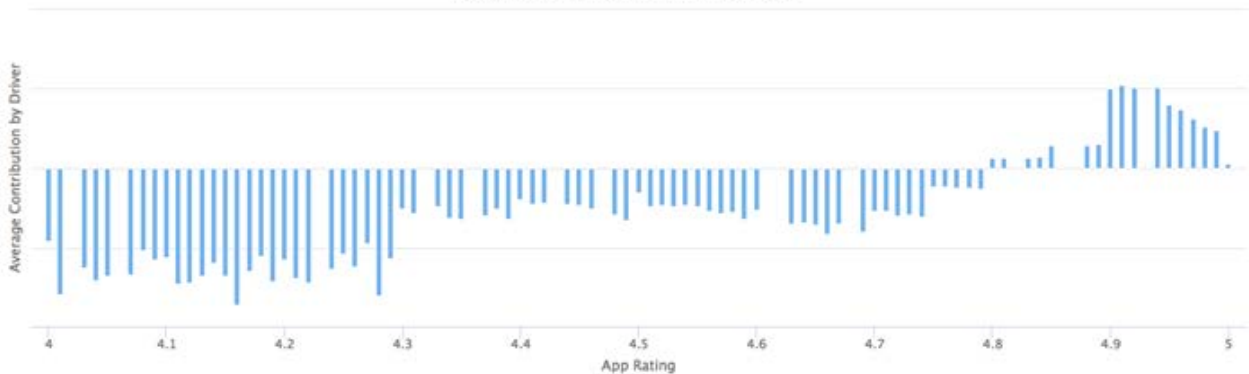
- About half of all drivers are below the mean insurance cost.
- Contribution estimates from finance do not consider individual driver insurance costs
- In order to account for quality and the effects of dangerous driving on long-term business economics, we replace the mean average cost per mile with the driver's actual cost per mile based on their rating band
- This is the largest assumption / deviation from the standard methodology for calculating contribution between driver loyalty and finance
- There are other costs associated with lower quality (rider churn, rider inbound support costs, driver support costs, etc.) that are not reflected with lower quality but that support the general directional assumption here.

[Source](#)

Distribution of Contribution

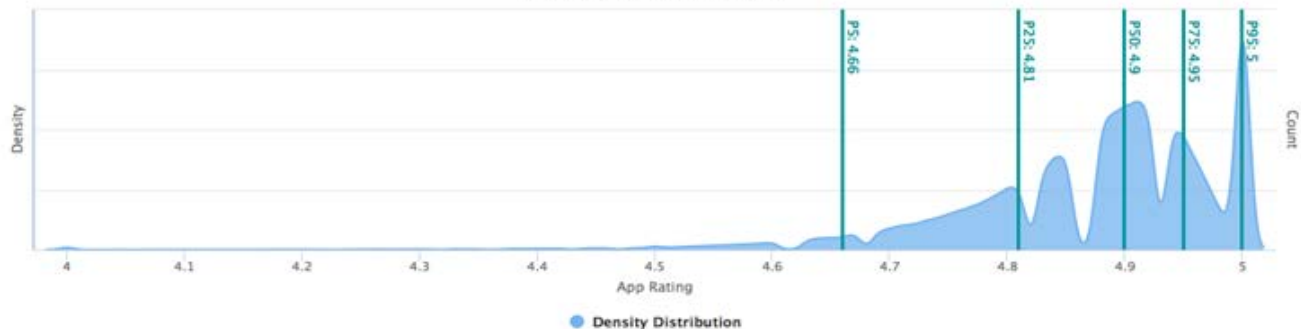
Three Month Contribution by Driver Ratings Band

Incorporates Cost of Insurance per Mile Completed



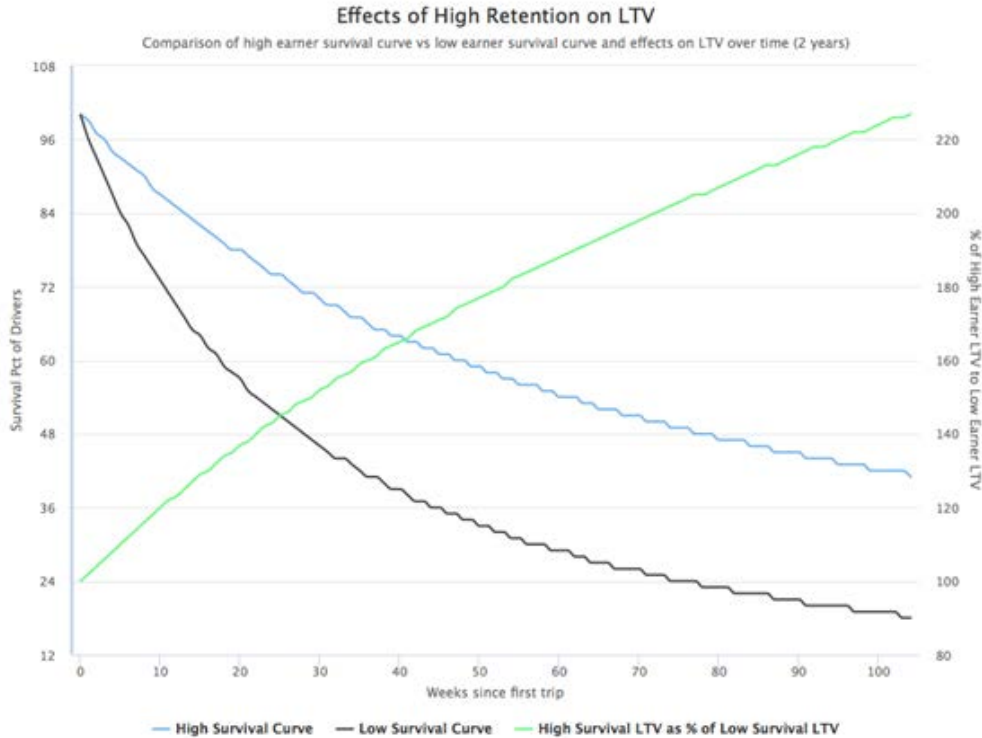
Driver App Rating Distribution

App Ratings Truncated at 4 and Above



Retention: Shifted Beta Gamma Decay Curves Based on Earnings

Retention as a result of earnings



- Earnings have been one of the only factors to consistently reduce churn that is controllable by Uber (through incentives).
- High earners (top quartile of earners - higher exponential decay curve on the chart) churn at a much slower rate than low earners (bottom quartile earners - lower exponential decay curve on the chart)
- Over time (two years is the standard period over which LTVs for drivers are measured), a change from a lower earner curve to a higher earner curve will double the size of the population (220%+ of the low earner population assuming that the starting population sizes are equal)

[Source](#)

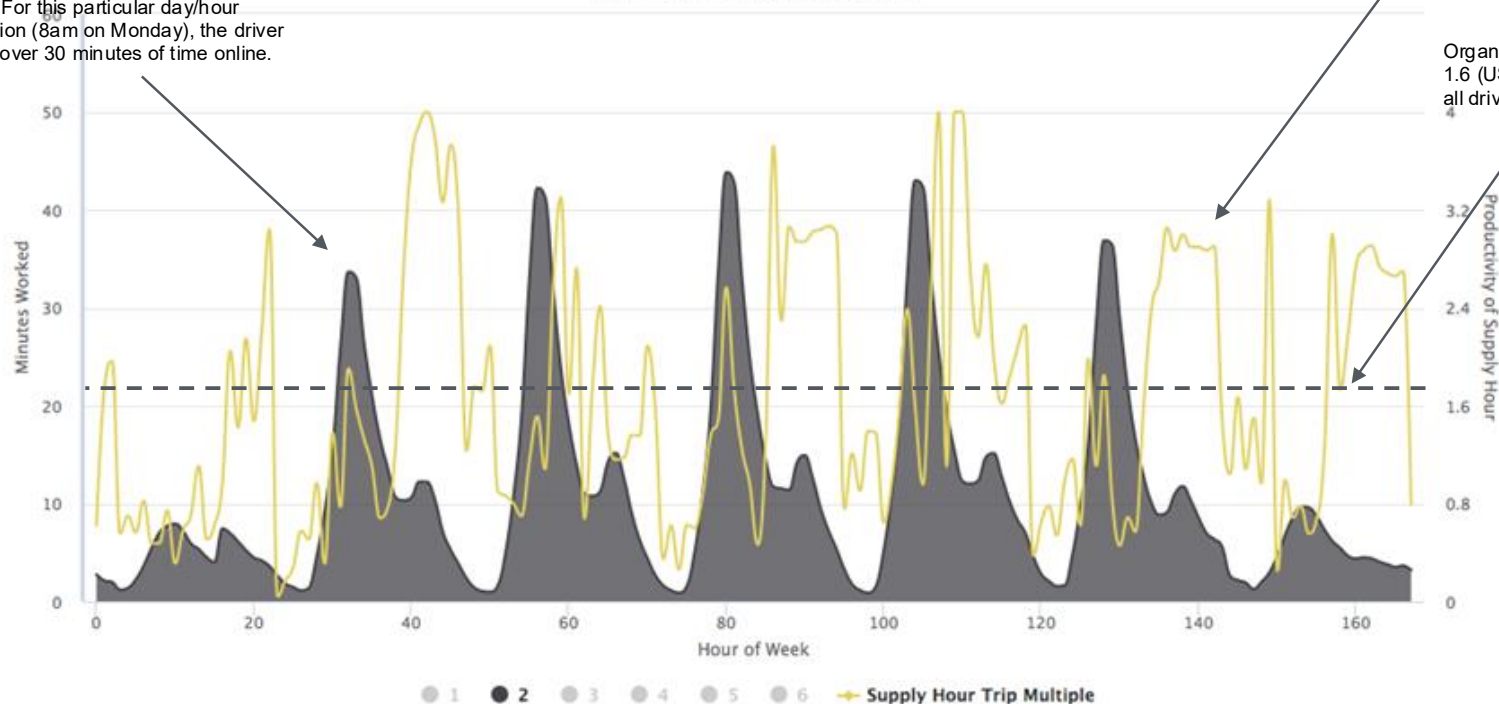
Market value of supply hours - production function attribution

Consistent with the Cobb-Douglas production function and assumptions by incentives team

The shaded area represents time online for the driver cluster (the behavior is representative of a single drive in the cluster). For this particular day/hour combination (8am on Monday), the driver provides over 30 minutes of time online.

Driver Clusters by Time Online vs Incremental Value of Supply Hours

Cohorts vs Productivity of Supply Hours



Productivity of supply hours: one supply hour here is worth about 3 trips because of the imbalance between supply and demand at this time and geo

Organic TPH is about 1.6 (US & C average for all drivers)

[Source](#)

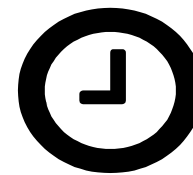
Defining Program Criteria

Defining the metrics that matter most to this program

Our criteria for segmenting drivers must:

- Positively impact marketplace and rider experience
- Not limit features we could offer drivers (if criteria are excluded)
- Be easy for drivers to control
- Be easy for drivers to understand and for us to track/communicate
- Enable us to reward part-time drivers who are consistent
- Sustain driver motivation over the longer term

Based on our principles, *time-weighted trip volume over a fixed period* is the optimal consistency metric



Productivity

Metric	Impact on marketplace & rider experience	Driver control & fairness	Driver understanding & tracking	Rewards consistent PT drivers	Enables sustained motivation
Time-weighted trips/3 mo					
Time & geo-weighted trips/3 mo					
Unweighted trips/3 mo					
Fares/3 mo					
Lifetime trips					
Lifetime fares					

Using our rubric, three quality criteria rise to the top: *acceptance rate, rating, and driver at-fault cancellation rate*



Quality

Metric	Impact on marketplace & rider experience	Driver control & fairness	Driver understanding & tracking
Dispatch acceptance rate ¹			
Rating			
Unpaid driver-initiated cancellation rate ²			
On-time arrivals and departures			
Cumulative tips			
Efficient routes			
Compliments			
“All Star” Nominations			

1. If we don't include acceptance rate, we can't offer features like showing rider destination upon dispatch, broadening long-trip notifications, and additional starpower tokens
2. We can't include acceptance rate without including cancellation rate . If cancellation rate wasn't included, as it allows drivers to accept all dispatches and subsequently cancel them without penalty

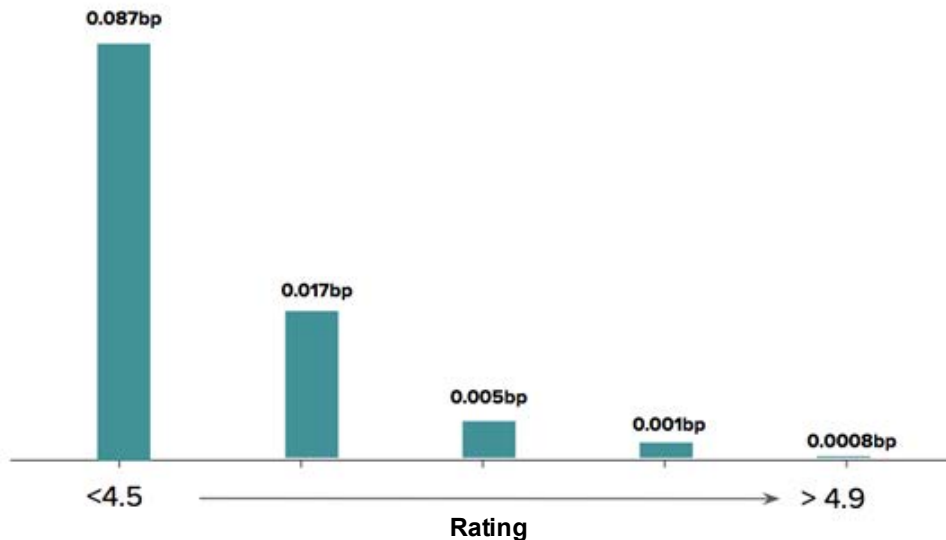
For simplicity, we will use *ratings* as the primary safety metric rather than incident volume and/or telematics score



Safety

Safety Incident Rate vs. Rating

Source: [Ratings Overview, Jan 2018](#)



Since high driver ratings are correlated with low incident rates, including rating in criteria makes it unlikely unsafe drivers will qualify

Setting the thresholds for criteria is part art & part science

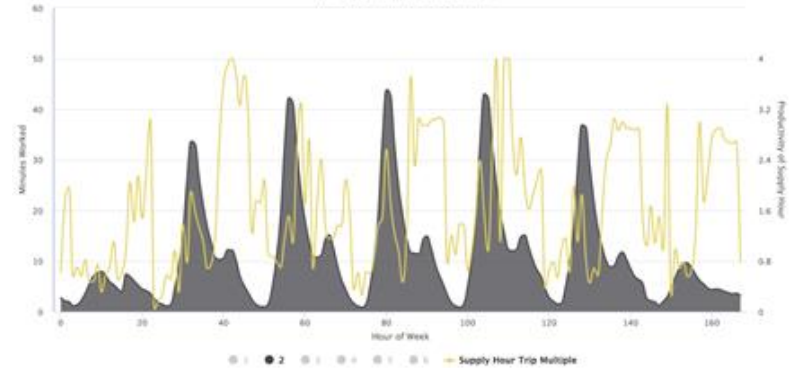
Illustrative Analysis

Determine which drivers are valuable to riders based on a combination of quality and when they are available (driving behavior relative to market demand)

Our guiding principles:

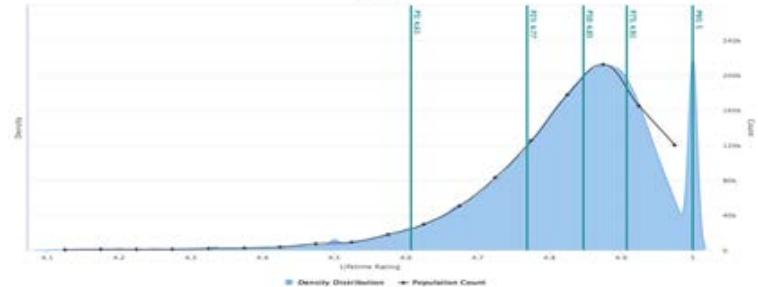
- Keep it simple by limiting criteria & using round numbers drivers can remember
- Make it exclusive, yet achievable, for **both** consistent PT and FT drivers
- Be mindful of competition (e.g., competition has A/R criteria of 90% for incentives)
- Leverage knowledge from our marketplace (e.g., supply/demand imbalance for trip weighting)
- Be mindful of metric imperfection (e.g., current cancellation rate policy)

Driver Clusters by Time Online vs Incremental Value of Supply Hours
Cohorts vs Productivity of Supply Hours



Look at distributions of drivers to ensure that standards are high, but achievable

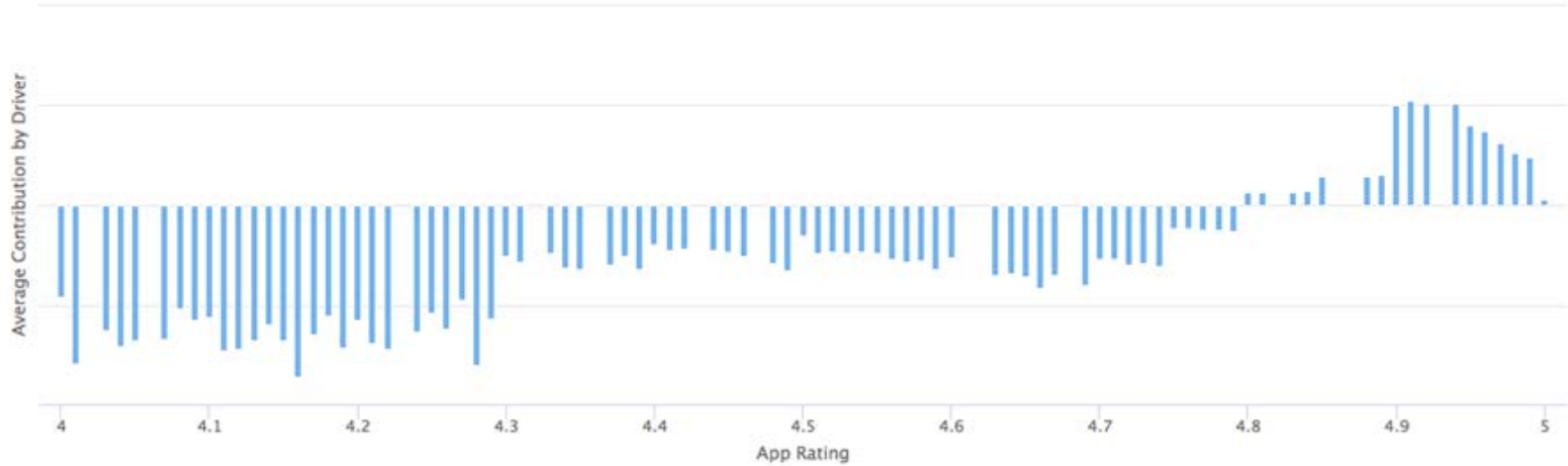
Lifetime Rating Distribution
January 2019



Distribution of Contribution

Three Month Contribution by Driver Ratings Band

Incorporates Cost of Insurance per Mile Completed



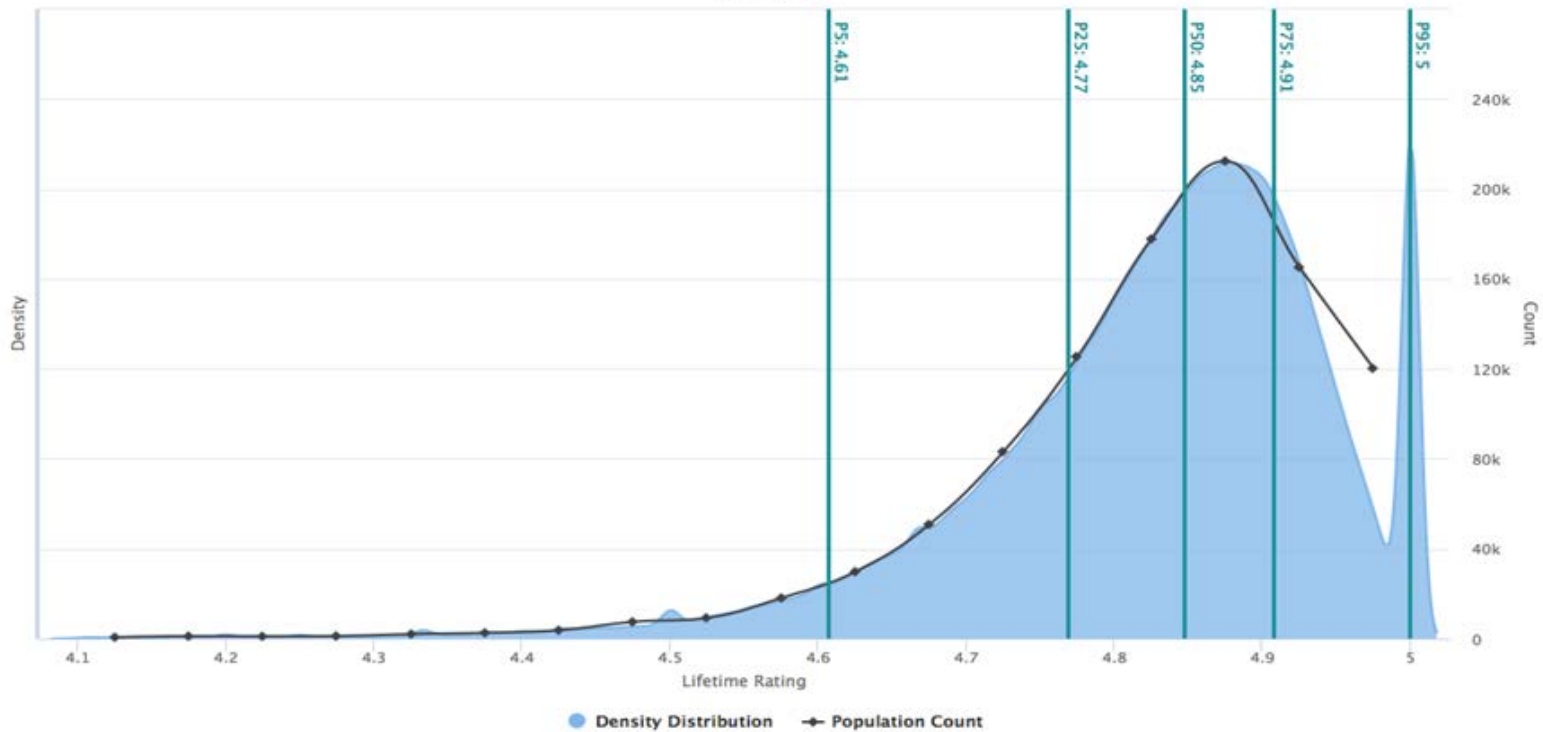
[Source](#)

Driver Distributions

Rating

Lifetime Rating Distribution

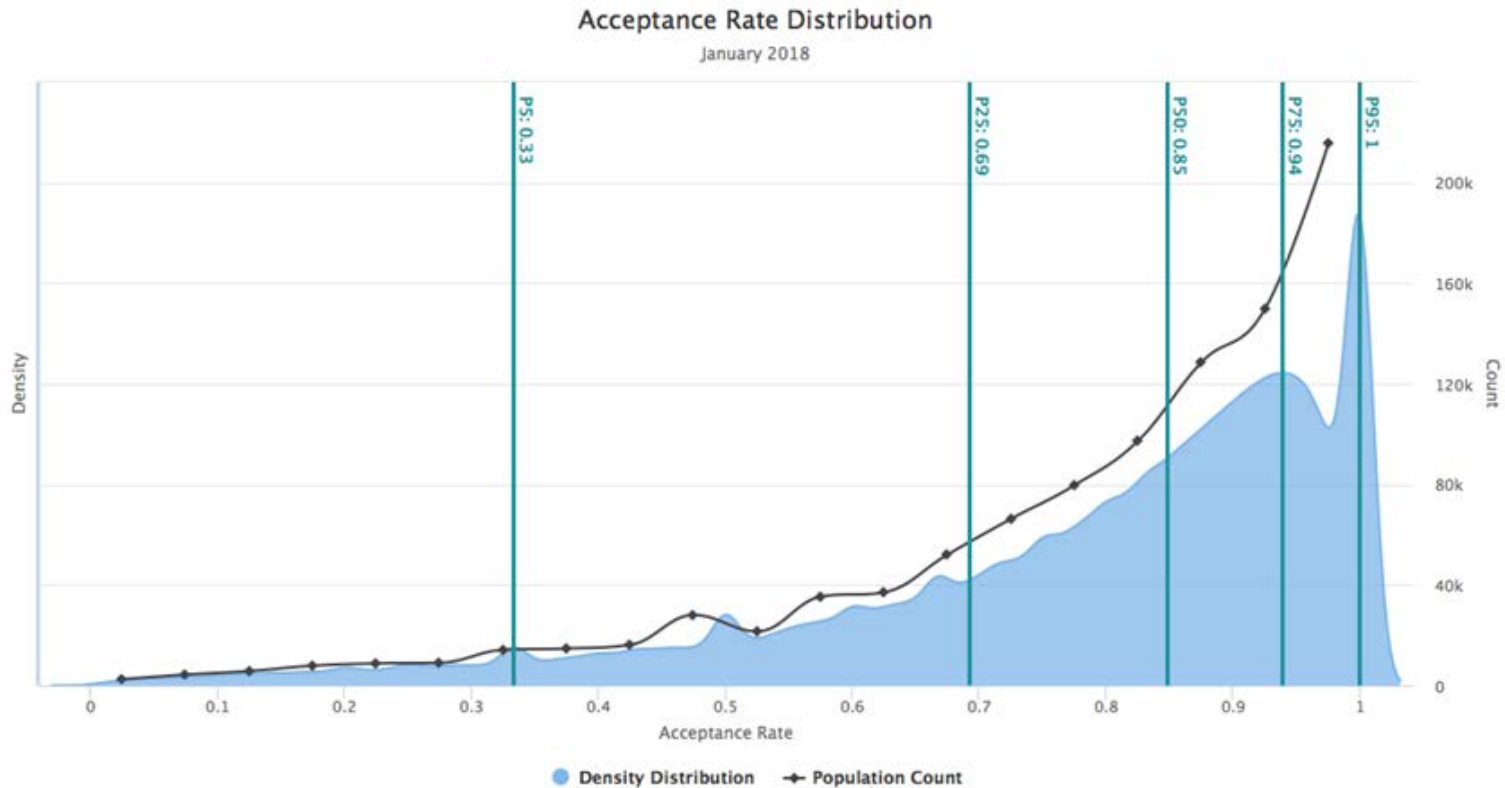
January 2018



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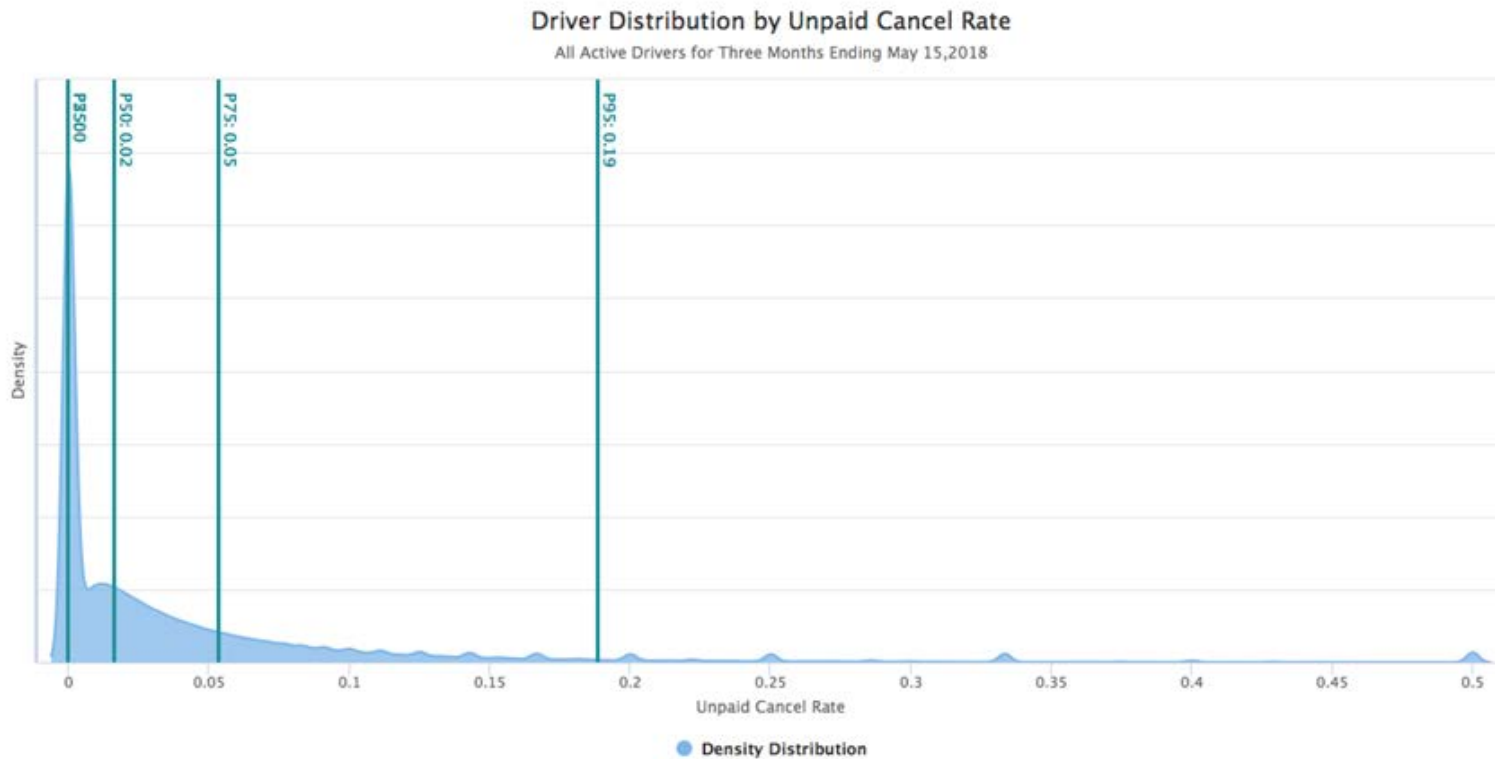
Driver Distributions

Acceptance Rate



At Fault Driver Cancellations

Artificially truncated at 50% (long tail)



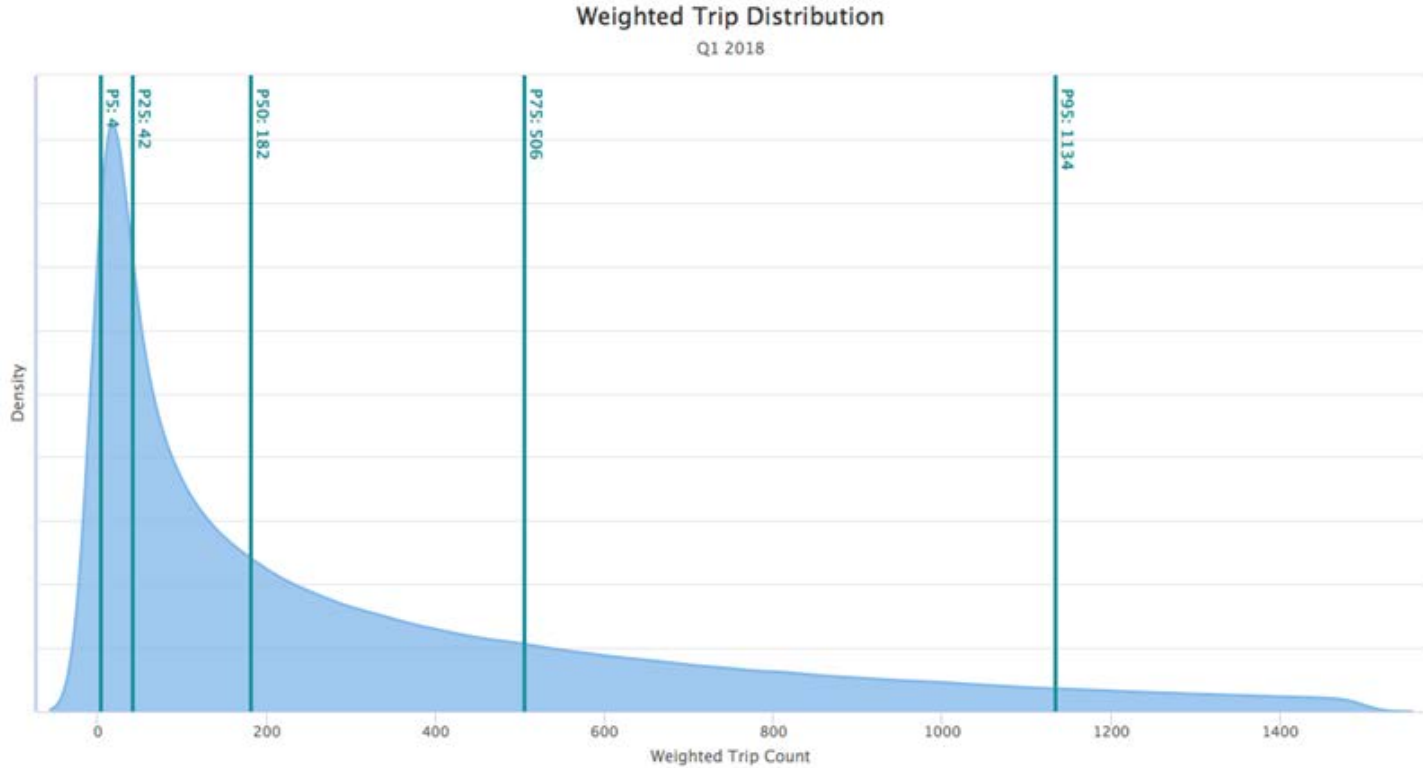
At Fault Driver Cancellations - High Probability Single Appers

80% + Confidence that these drivers are single appers



Three Month Weighted Trip Distribution

Artificially truncated at 1500 trips (long tail)



Program Dynamics: Deep Dive

How we'll determine the most effective mix of rewards

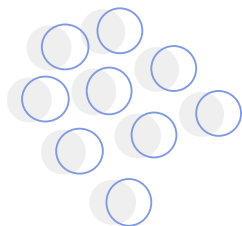
While driver rewards & status levels must be able to evolve over time, our ideal portfolio of rewards will:

1. **Motivate quality drivers to keep choosing Uber** day after day—and be willing to turn down short-term incentives elsewhere to do so
2. Clearly and publicly **deliver on our brand promises** of differentiated quality for Riders, and igniting opportunity for Drivers
3. Have a **total perceived value to drivers that outweighs costs** to Uber

We will design our portfolio of rewards by analyzing:

- Stated driver preferences and priorities
- Potential 90-day retention impact
- Potential DSat impact
- Costs to Uber vs perceived value to drivers
- Potential for differentiation and leadership
- Regulatory/policy goals, risks, and constraints
- Mission fit
- Brand and reputational impact

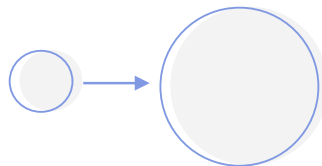
A tier-based program is easy to understand and balances achievement and aspiration.



POINTS

“Points are more nebulous and confusing... People get suspicious of points. They do points to save money and we know that. I don’t want 3,000 pennies, why would I want 3,000 points?”

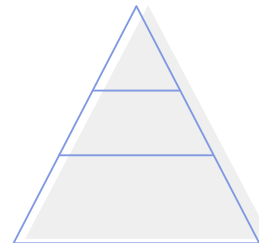
Jared
Research Phase 2, P04



VESTING

*“But I don’t see Uber in the long-term...
I don’t even know where I’ll be in a year. I can only use [vesting] some of the time.”*

Pablo
Research Phase 2, P02



TIERS

“Tiers are just as simple, but have more structure.”

Mohammed
Research Phase 2, P07

While not an exact science, the distribution of partners across tiers aims to **balance accessibility & exclusivity**.

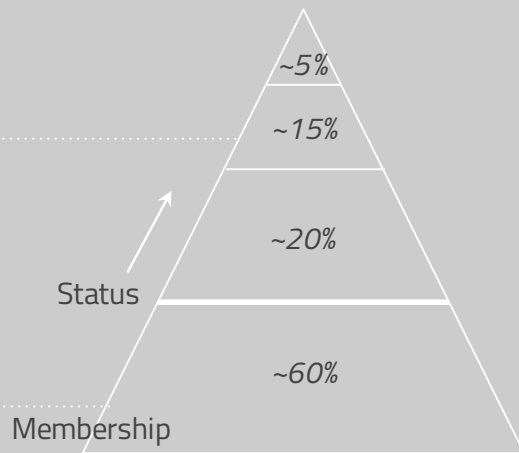
Entice the vast majority (~60%) of partners into the loyalty program with accessible, affordable rewards.



Reward the top ~20% of most valuable partners with exclusive & premium rewards despite their high cost.



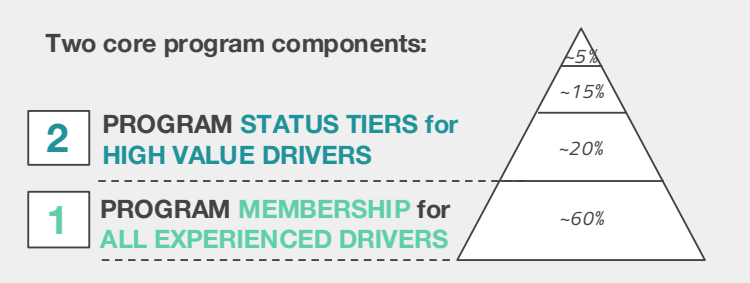
Recommendation:



Source: [Frog Design Readout - Uber Loyalty 2016](#)

Defining Stated Program Structure

Our proposed program will offer **membership with baseline benefits** to most drivers, with motivating **status tiers with incremental rewards** for high-value drivers.



1 MEMBERSHIP

ENTRY: Drivers earn membership after 25 lifetime trips*

BENEFITS: Access to robust baseline, low- or no-cost benefits, until further status earned

RATIONALE: Creates a sense of inclusion and belonging for majority of drivers, and creates a milestone for new drivers to work toward

2 STATUS TIERS

ENTRY: Drivers earn status by delivering on minimum criteria for High-Value Drivers (quality + productivity)

BENEFITS: Each status tier unlocks a suite of rewards and benefits that increases in value by tier.

ASSESSMENT: Status assessed over static 3-month intervals, with consistent start & end dates.

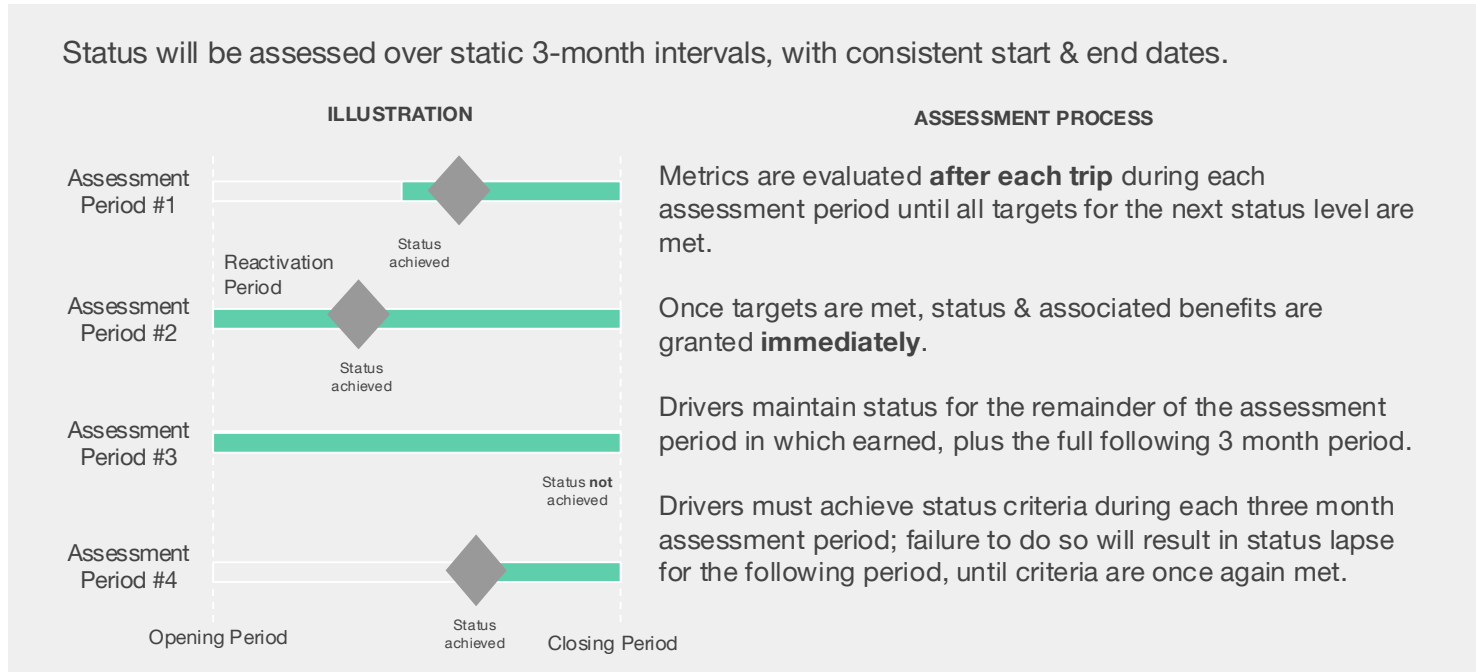
PROGRESSION: Drivers can unlock new tier status and rewards by meeting the criteria

RATIONALE: Strikes the right balance between flexibility and commitment, motivating our most valuable drivers to earn toward meaningful rewards.

*Once a driver reaches 25 trips, he is [more likely to stay on the platform](#) in the long-run

A 3 month assessment period strikes the right balance between flexibility and commitment, motivating our most valuable drivers to earn toward meaningful rewards.

Status will be assessed over static 3-month intervals, with consistent start & end dates.



We plan to grandfather certain drivers groups into status tiers at launch to ease the transition into our new program criteria.

DRIVER GROUP

PROPOSED ACTION

RATIONALE

1

All Veteran Drivers
with 3k+ Lifetime
Trips and 4.85+
Rating

Automatically placed in
Pro status tier, even if 3-
mo trip requirement is
not met

In the past, we've implied that tenure matters most when rewarding drivers, so we want to relax the trip consistency requirement for the first 3 months as a symbol of appreciation for their lifetime commitment

2

**All Drivers that don't
meet acceptance
rate criteria** but meet
all other criteria

Automatically placed in
appropriate status tier
based on 3-mo trip
count

We've previously told drivers that A/R didn't matter, so we want to relax this requirement at launch. A/R is also the most malleable metric, so it should be relatively easy to improve as needed to remain in the program in future periods.

Quality Recognition: Deep Dive

Quality Recognition - Pilot Program

Starting in June, we'll recognize an elite group of high-value drivers for top quality service, based on positive rider feedback.

Objectives

For Riders: Demonstrate Uber is using their feedback to invest in quality service and treating drivers well.

For Drivers: Make drivers feel valued and provide recognition and motivation for delivering a level of service above Loyalty quality baseline (4.85 rating)

Program Overview

Qualification & Selection: Top 1-2% of drivers in Top 30 markets with highest % of 5-star rated trips with compliment or Thank You note over most recent 6 month period. Drivers must also meet baseline 'high-value' driver criteria & 3000 lifetime trip minimum (to ensure durability).

- **Drivers** to receive a physical award package, including congratulatory letter and an in-car award badge, as well as in-app designation to share their high-quality status with future riders.
- **Riders** messaged (at launch to riders who have ridden with awarded drivers, and through triggered comms on future trips with awarded drivers) to show how we're acting on their feedback to invest in quality and to encourage continued feedback on quality.

Measurement:

- Stat sig. shifts in ridership and rider favorability for riders who have taken a trip with a recognized driver and received personalized comms to close the loop
- Retention, SHPD, and DSAT for recognized drivers vs. unrecognized peer set
- % of trips with a thank-you note, compliment, or 5-star rating

Estimated 2018 Budget:
\$1.6 - \$2.2MM

Timing

Launch in June with first group of drivers as part of Quality chapter of Moving Forward campaign, second group announced in December. **Ability to continue or adapt in 2019** as it makes sense in conjunction with broader Loyalty program strategy.

The Opportunity

To-date, Uber has failed to provide drivers with any meaningful incentive or motivation to deliver top quality service.

While riders can use compliments, thank you notes, and tips to recognize quality service, drivers expect Uber to recognize and reward them for providing great service as well.

At the same time, riders want to see that Uber is treating its drivers well, and doing more to invest in high-quality service.

Our Objectives

Develop an ongoing, scalable approach to recognizing and appreciating drivers for outstanding-quality service.

For Riders:

- Demonstrate Uber's investment in quality service and continued focus on treating drivers well

For Drivers:

- Make drivers feel valued and motivate drivers to provide high-quality service
- Showcase meaningful progress forward on our commitment to recognizing and celebrating great service

Drivers crave more appreciation & recognition from Uber.

Drivers' feel their dedication to excellence is not rewarded, which jeopardizes their commitment to Uber.



“There is very little motivation beyond pride to work toward a higher rating”

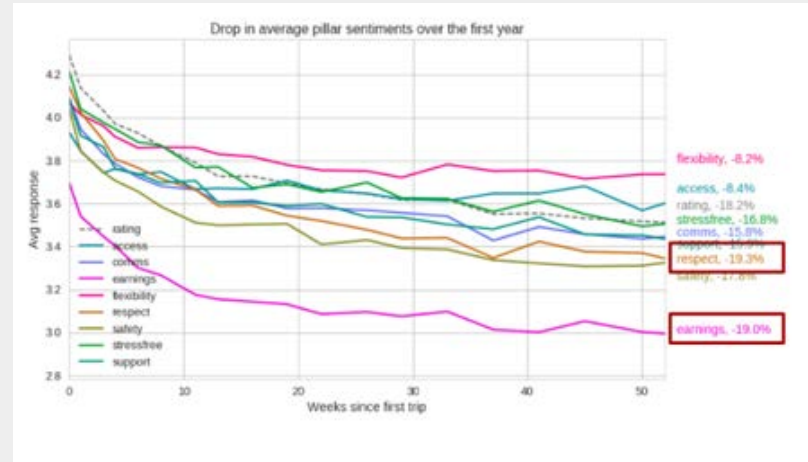


“When you show people you care, they’ll work so much harder for you, more loyal to you.”

Source: [March 2018 Project Bond Study](#)

This perceived lack of respect translates to lower driver satisfaction.

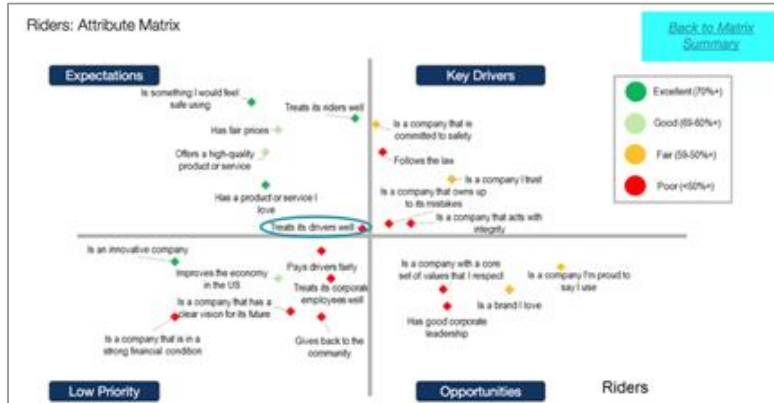
The “Respect” DSAT pillar score falls faster than any other DSAT pillar score over a driver’s first year.



Source: [2018 Driver Forward Insights](#)

Treating drivers well is a foundational input to favorability among riders

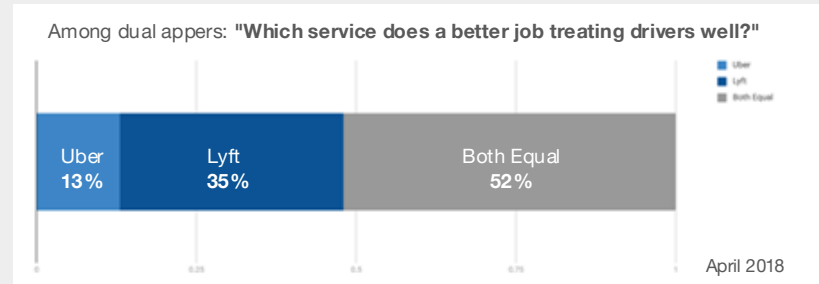
To feel favorable toward Uber, riders must perceive that we treat people well, including treating our drivers with respect.



Source: U.S. Reputation Survey 2017

But today, riders feel Uber cares about profits over people or quality.

This is a competitive weakness amongst our dual-app riders, they are significantly more likely to think Lyft treats its drivers better.



"Uber has **lowered its standards recently** -- it's been more focused on growing profit than **retaining quality**"*

- Rider, Los Angeles

Source: Rider Forward Research January 2018
April 2018 Brand Tracker Survey

Word spreads, because drivers talk about us a lot with riders.

Data suggests that riders and drivers have a negative conversation about Uber on a substantial percentage of trips.

% of drivers who often or sometimes have in-car conversations:

86%

What are they talking about, when they talk about us with riders?

% positive/negative balance of in-car conversations about Uber:



[Source](#)

THE IDEA

Riders' Choice Awards *(name TBD)*

Pilot a scalable program across US & CAN to recognize and award top-quality drivers based on rider feedback.

How it works:

1. **Collect:** Positive feedback in the app, via 5-star ratings, compliments, and thank you notes.
2. **Identify:** Use this feedback to identify a group of top-quality drivers to recognize and celebrate, 2x per year
3. **Award & Announce:** Announce winning drivers, and recognize with a physical award package that feels special and delightful. Notify riders to show how we're acting on their feedback to invest in quality.
4. **Reinforce:** Provide drivers with in-car award badges and in-app designation to share their high-quality status to future riders. Create triggered communications for Riders to bring awareness to and reinforce program on an ongoing basis.

Who's Involved:

Existing In-App
Feedback Loops

Ops + S&P +
Marketing

Marketing

Marketing +
Product



Program Overview: Selection Criteria

Goal is to **isolate quality** as core of qualification criteria, while **maximizing rider reach** and ensuring rewarded drivers are **active** and **committed** to driving with Uber

Baseline Qualification Criteria	Ranking & Selection Variable
<ul style="list-style-type: none">● Rating ≥ 4.9● >3000 lifetime trips● >200 trips over last 90 days● >50 Trips Last 30 Days*	% of 5-star rated trips with compliment or Thank You note over most recent 6 month period

- Baseline qualification criteria are aligned with our definition of High-Value Drivers (quality + productivity)
- 90% of funding allocated to Top 20 cities, with remaining 10% allocated to top-ranked drivers across remaining US & CAN markets

**Allows for both part-time and full-time drivers to qualify.*

Program Overview: Structure

	Program Details
Driver Recipients	~15K total drivers in 2018, representing ~1.5% of total active driver population
Award Details	<p>Budget of approximately \$150 per driver Total budget of \$1.6-2.2MM for 2018</p> <p>Winning drivers to receive an elevated, highly-branded award package, including (at a minimum) a congratulatory letter and high-quality award badge to display in-car</p>
Award Cadence	Awards given 2x per year in June & December (7,500 drivers each period). 2018 rollout structured as a pilot, with potential to continue as it makes sense.

Program Overview: Messaging Strategy + Estimated Reach

		Key Messaging	Primary Channels	Rider Reach Per Reward Cycle
1:1 Connections with Rewarded Drivers	Feedback loop from past trips	Personalized instances of closing the loop on past trips taken with and past feedback provided to winning drivers, championing power of positive feedback	Email In-app	~7 million riders (~15% of L6M active riders)
	Impressions on future trips	Rider awareness of Top Quality designation on future trips with awarded drivers	In-car In-app	~1.7 million monthly on-trip impressions (~1.5% of monthly trips)
Broad Awareness	Comms to all active riders	Storytelling around how Uber is using Rider feedback to recognize and reward drivers for excellent service	Email, In-app, Social, PR	100% of active riders

Rider reactions to 'Quality Rewards' concept were positive when tested in March 2018 focus groups

Focus Group Test Results

Feature / Initiative	POSITIVE REACTIONS	X's	Difference
	Total	Total	Pos-Neg
Quality Rewards	49	7	42
Trip Feedback Anytime	38	9	29
New and Improved Driver App	38	11	27
Car Cleaning Services	31	18	13
Improved Driver Support	29	14	15

Selected Participant Quotes

*"If you give them a little added incentive, they're gonna want to keep doing that over and over - **it's positive reinforcement**. That needs to happen, I think. Because overall, **the driver is what's gonna make that experience good**"*

*"If something small lifts morale up—even like a "thank you" or a Starbucks gift card—and **if the drivers are happier, I think the customers that ride will eventually be happier as well**"*

*"If passengers know that the quality of drivers is something Uber is really paying attention to, then they will be **more encouraged to rate** and do the things that highlight good drivers because then that will **create more good drivers in circulation** for passengers. So I think **that's a good way to incentivize having good drivers**"*

Riders only (n = 86). Participants were asked to circle up to 2 things they found most compelling and put an x next to anything that they strongly disliked.

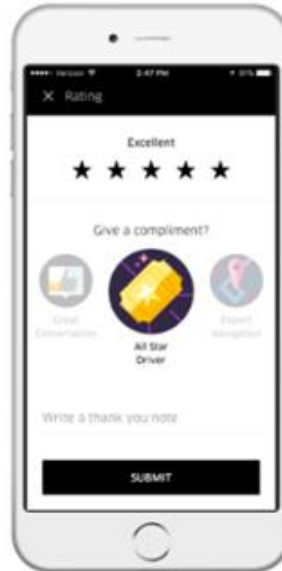
Case Study: All Stars Program

Program Description

Launched in 2017, the Uber All Star program enables riders to recognize drivers for outstanding service via compliments.

Riders can say thanks and nominate their driver for the ultimate fan experience by selecting the All Star Compliment after a trip.'

Uber then uses partnership assets from local sports teams to provide drivers with highest number of nominations with sports-related experiences, and shares those experiences with riders via blog post & email.



Key Results & Takeaways

Favorability was higher among Partners who know about All-Star (82%/57% T2B/TB) compared to those unaware (71%/42%).

Satisfaction with driving with Uber was also higher among Partners who know about All-Star than among those unaware (88% vs. 82% T2B)

Communicating with riders regarding how they can thank their drivers in a genuine way works (statistically significant)

- 19% increase in riders using the compliment
- 27% increase in trips with All Star compliment

Program Goals & Measurement

RIDER FAVORABILITY → DEMAND

Improve rider experience & perception of Uber

- ↑ In-app Sentiment: Driver Quality score
- ↑ “Treats Drivers Well” and “Proud to Use”
- ↑ Preference among dual-appers

EFFICIENCY

Decrease costs to create & retain top quality drivers

- ↑ Driver LTV (retention, Supply Hours/Driver)
- ↑ DSAT
- ↑ Driver Quality (avg. rating, support contacts)

Measurement:

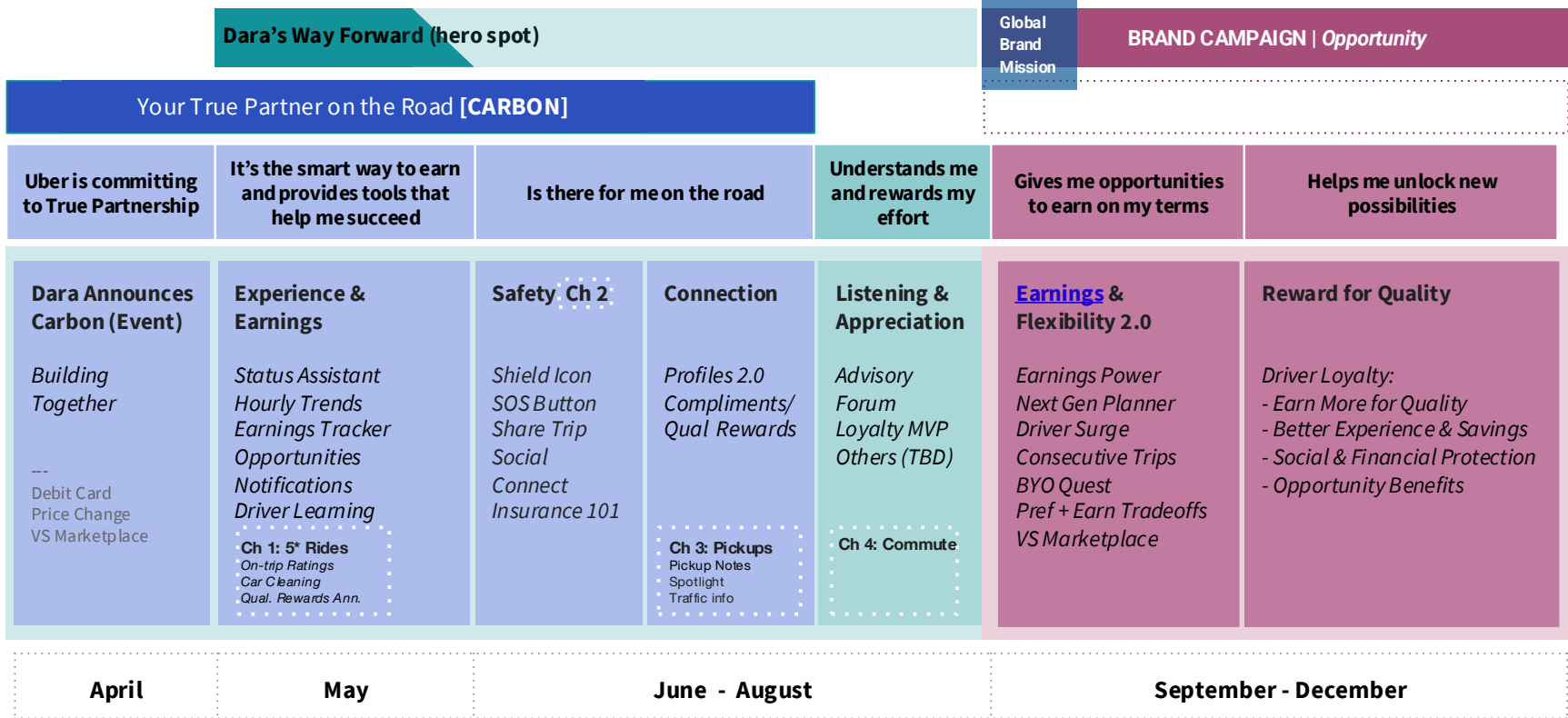
- Shifts in ridership and rider favorability for riders who have taken a trip with a recognized driver and received personalized comms to close the loop; explore holding back a control
- Retention, SHPD, and DSAT for recognized drivers vs. unrecognized peer set
- % of trips with a thank-you note, compliment, 5-star rating, or tip

Note: The above goals are aligned with our goals for our longer-term Driver Loyalty program

P-00178.00107

2018 Product & Marketing Strategy

2018: Unified Driver Product & Marketing Roadmap



2018 Strategy of True Partnership with Drivers

1

Aligned Interests

Match driver and rider interests and marketplace needs with precision

Attract and motivate the right mix of full- and part-time drivers to drive consistently when and where we need them.

Reframe driver pricing to align with actual costs and benefits to the network.

2

Earnings Leadership

Make Uber the most earnings effective option for drivers

Improve driver productivity, from day one.

Ensure earnings reliability and lower drivers' costs.

Deliver on flexibility to help more people earn with more of their hours.

3

Safe & Flawless Experience

Partner with great respect to deliver a flawless driver experience day after day.

Serve drivers through an accessible, guided and rewarding experience, continuously perfected across all touchpoints and at every moment that matters.

Keep our drivers safe.

Create differentiating experiences that make Uber a beloved first choice every time.

Stand by drivers for the long term, reward loyalty with loyalty and support their paths to opportunity on and off the road.

4

Driver Quality

Ensure that our drivers are the highest quality on the road

Ensure that our drivers are the safest, even at the expense of near-term driver growth.

Equip drivers to offer consistently great service that builds pride in their work.

5

Spend Optimization

Continuously optimize driver spend

Optimize acquisition costs, cost structures and marketplace levers and invest savings to generate more opportunity.

Source: 2018 Driver Strategy

INSIGHTS

STRATEGY

PLANNING

EXECUTION

P-00178.00110

This initiative brings key elements of True Partnership to life

1

Aligned Interests

Match driver and rider interests and marketplace needs with precision

Attract and motivate the right mix of full- and part-time drivers to drive consistently when and where we need them.

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Source: 2018 Driver Strategy

INSIGHTS

STRATEGY

PLANNING

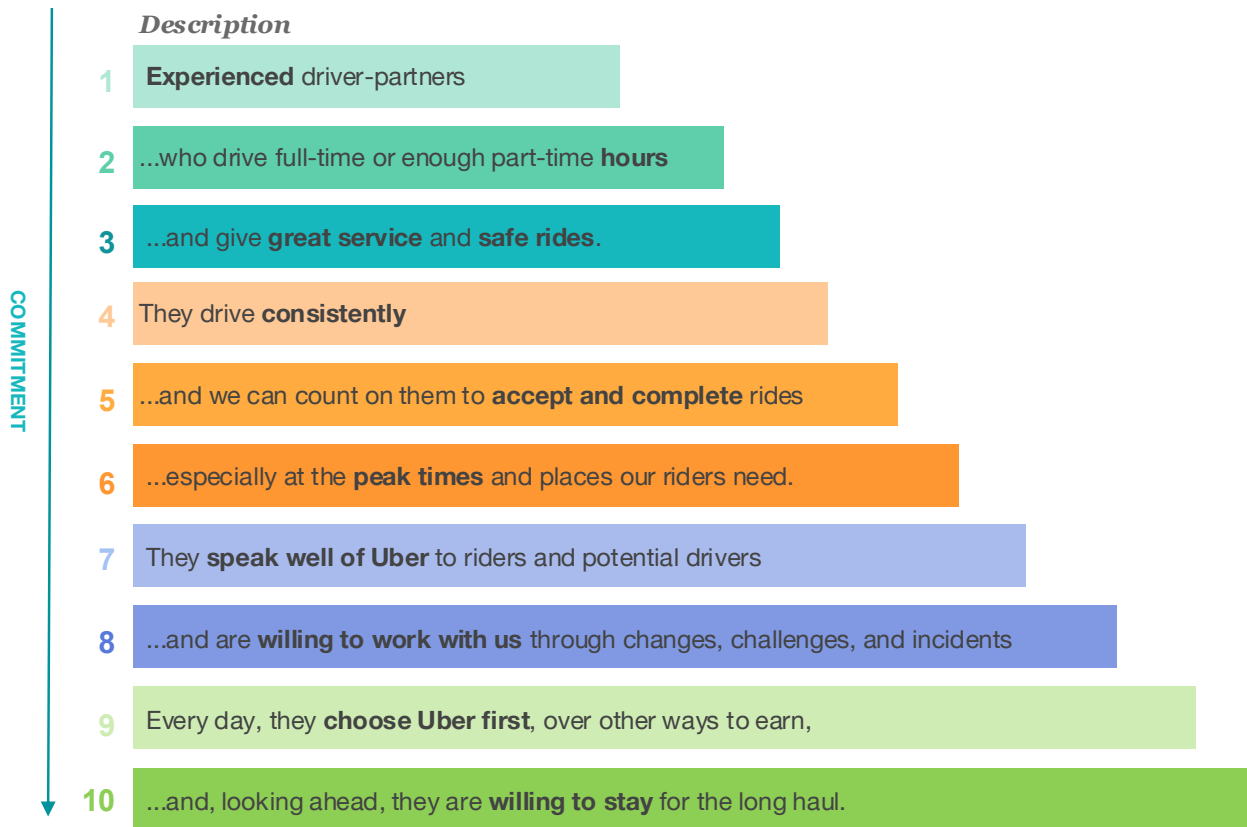
EXECUTION

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What we are building toward

What Driver Loyalty Looks Like

While our ideal partners would reach all these steps, in reality we have far more to do to earn this level of commitment from even our most valuable drivers today.



Measurement

<i>Criteria</i>	<i>Measured as</i>	<i>Description</i>
1. EXPERIENCE	25+ lifetime trips	Experienced driver-partners
2. WEEKLY HOURS	25+ hours p/w	...who drive full-time or enough part-time hours
3. QUALITY	4.85+ driver rating Low safety incidents	...and give great service and safe rides .
4. CONSISTENCY	200+ trips in past 3 months	They drive consistently
5. RELIABILITY	Acceptance rate > 85% Cancellation rate* < 15%	...and we can count on them to accept and complete rides
6. PEAK AVAILABILITY	Online during peak times Peak rides weighted 3x	...especially at the peak times and places our riders need.
7. ADVOCACY	High %ile DSat	They speak well of Uber to riders and potential drivers
8. PARTNERSHIP	Steady &/or improving DSat Decreased chum likelihood (TBD)	...and are willing to work with us through changes, challenges, and incidents
9. FIRST CHOICE	Highest % of hours worked vs other platforms	Every day, they choose Uber first , over other ways to earn,
10. LONG-TERM COMMITMENT	3+ years LTV	...and, looking ahead, they are willing to stay for the long haul.

How do today's core veteran drivers perform?

Today's drivers expect to be rewarded for long **hours, experience,** and ratings...

Our core veteran drivers are strong on 1, 2, and sometimes 3...

Tenure is a mixed blessing—core veterans are also often the most dissatisfied drivers, which affects rider experience.

- 1 **Experienced** driver-partners
- 2 ...who drive full-time or enough part-time **hours**
- 3 ...and give **great service** and **safe rides**.
- 4 They drive **consistently** week after week
- 5 And we can count on them to **accept and complete** rides
- 6 ...especially at the **peak times** and places our riders need.
- 7 They **speak well of Uber** to riders and potential drivers
- 8 ...and are **willing to work with us** through changes, challenges, and incidents
- 9 Every day, they **choose Uber first**, over other ways to earn,
- 10 ...and, looking ahead, they are **willing to stay** for the long haul.

But marketplace health requires **consistency and quality**, too.

Our core veteran drivers are strong on 1, 2, and sometimes 3...

Now we need drivers to improve on steps 3-6—by setting clear expectations, and offering motivating rewards.

- 1 **Experienced** driver-partners
- 2 ...who drive full-time or enough part-time **hours**
- 3 ...and give **great service** and **safe rides**.
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- 8 ...and are **willing to work with us** through changes, challenges, and incidents
- 9 Every day, they **choose Uber first**, over other ways to earn,
- 10 ...and, looking ahead, they are **willing to stay** for the long haul.

This mutually-rewarding partnership will earn deeper, lasting **commitment**—which builds a marketplace where everybody wins.

Our core veteran drivers are strong on 1, 2, and sometimes 3...

Now we need drivers to improve on quality and consistency at steps 3-6—setting clear expectations, and offering motivating rewards.

When drivers deliver on 1-6, we can unlock rewards & experience improvements that make them feel rewarded & respected, earning deeper commitment. (7-10).

COMMITMENT

- 1 Experienced driver-partners
- 2 ...who drive full-time or enough part-time **hours**
- 3 ...and give **great service** and **safe rides**.
- 4 They drive **consistently**
- 5 ...and we can count on them to **accept and complete** rides
- 6 ...especially at the **peak times** and places our riders need.
- 7 They **speak well of Uber** to riders and potential drivers
- 8 ...and are **willing to work with us** through changes, challenges, and incidents
- 9 Every day, they **choose Uber first**, over other ways to earn,
- 10 ...and, looking ahead, they are **willing to stay** for the long haul.

Project Bond Overview: Opportunity Benefits

Bond, Project Bond

Driver research to gain a foundational understanding of the driver's mental models for their careers and long term plans, identifying where Uber fits or could fit.

We covered:

1. **Drivers' relationships with Uber**
2. **Drivers' personal and professional goals**
3. **Challenges and opportunities** for Uber to become a co-pilot for drivers' progress and demonstrate Uber's commitment to our Independent Contractors.



Executive summary

Current Situation (things we must tackle today for all drivers, and *especially* for HVDs)

1. Despite their diversity, drivers' life goals are often universal human **needs**
2. When joining, drivers were seeking **flexibility** and **stability** but faced a rude awakening
3. Their relationship with Uber is transactional, lacking a **human touch**
4. High quality drivers lack appreciation **and progression with Uber**, putting their self esteem at risk

Beyond earnings improvements, we can **establish long-term relationships** by....

1. Recognize talented, dedicated, veteran drivers with choices for **career development**, on or off the road
2. Create **financial products** to support highly-rated partners' life goals
3. Commit to **human-centric communications** and customer service across the board

When joining, drivers sought flexibility and stability but faced a rude awakening



EXPECTATIONS

A short path to success in a well-oiled system ensuring good earnings for every hard-worker



Drivers wanted to achieve
peace of mind and stability

By gaining on 3 uncoupled benefits
better earning opportunities, freedom, and flexibility

They imagined the system would
naturally guide them to success



REALITY

A lonely road in a fast paced environment, with its own set of rules, and no guaranteed success



Success is not always at their fingertips
and can **requires new sacrifices**

Desired **flexibility** is somehow **limited**
(better to follow the higher inflows of hours to maximize earnings)

Freedom has a price: no safety net
no income replacement if unable to work, no guarantee for the banker or the landlord

Despite their diversity, drivers' life goals represent universal human needs.

Drivers' goals mirrored common human needs: owning a home (**shelter**) time with family (**love / belonging**) and professional progression (**self-actualization**).

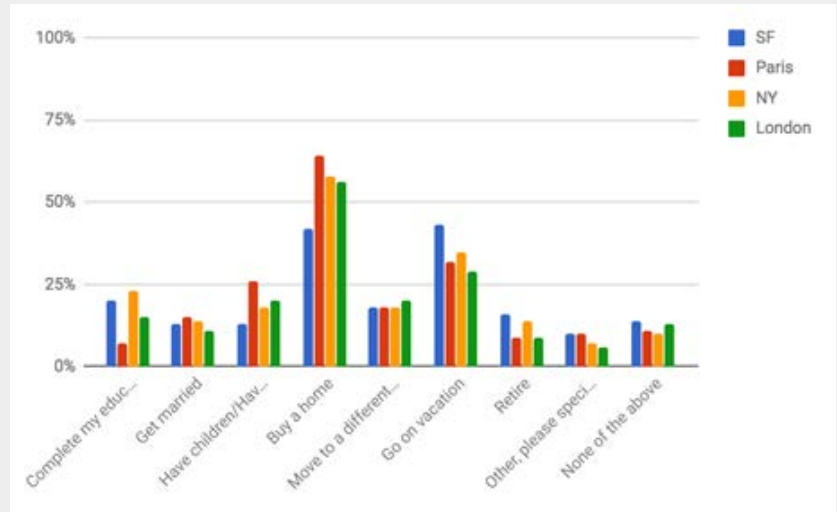


Common Driver Goals: Saving money, Buying a home, More time with family, Travel, Owning a business, Education, Growing with Uber, Financial stability and growth.

Buying a home is a personal goal most often reported by drivers

Going on a vacation, especially with family, was a close second, as decreased flexibility has meant that drivers have had to give up the holiday vacation time with family they are driving to support.

Q: Which of the following **personal** goals do you hope to achieve in the next 5 years? *Please select all that apply.*



Drivers' relationship with Uber is transactional

Most drivers see Uber solely as a **money provider, tool or workplace**. Their relationship with Uber is a pragmatic necessity to provide for their families.

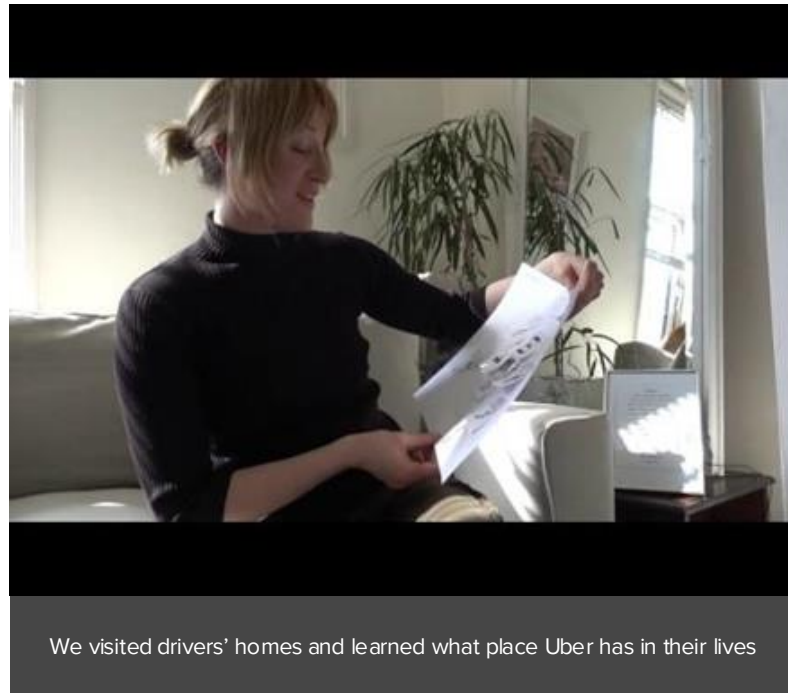
For some, this **transactional relationship** began from the onset: there was no bond between the drivers and Uber, no interview to learn from each other, no help during the first ride...

Some drivers are grateful that Uber was a **catalyst** to access a **new career** but they felt disappointed thereafter. They feel there are 2 "I"s but there are **no "WE"** aligned long-term interests.



"Uber is work, it is what I do to bring food to the table. It is not a relationship."

Corrina, 4.97*, 327 trips, LND

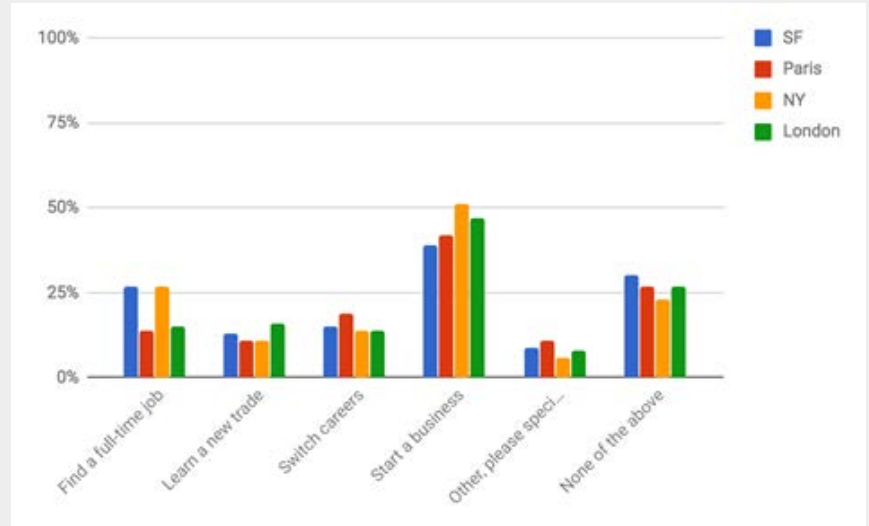


We visited drivers' homes and learned what place Uber has in their lives

Starting a business is professional goal most reported by drivers

Drivers cited “Money” as the key blocker to this professional goal, but when asked for more detail, it was clear that drivers did not actually know the steps to start nor the money required to start a business.

Q: Which of the following **professional** goals do you hope to achieve in the next 5 years? *Please select all that apply.*



**The most valued opportunities:
the long-term ones**

A TRUE PARTNERSHIP

MORE THAN A DRIVER

Drivers feel respected rewarded fairly for their service:

Pro

Pro Plus

Premium cars

Drivers feel cared for and proud of being an Uber partner. Their experience and loyalty are rewarded with unique access to opportunities:

Uber trainer
Uber employee
Experts network
Personal business
Education

TODAY

Rating, performance and loyalty are not rewarded.

1. Establish progressive career steps within Uber

Uber can give drivers a classification, an aspirational milestone to work towards:

- Exclusive benefits and rewards
- Unlocking unique opportunities



"In 5-10 years I will still be a driver, but what will be my achievement? There should be positions accessible to the best drivers"

Imran, 4.91 *, 324 trips, LND



"I would like to make grow my company by recruiting 2-3 drivers who will work for me. Apart from that, I don't see how I can evolve in the job"

Mahmoud, 4.93 *, 1456 trips, PAR 128



2. Facilitate access to a house mortgage

Demonstrate earnings ability to increase credibility and borrowing capacity by:

- Provide advice and financial statements to help drivers estimate their yearly income and maximum borrowing capacity
- Uber letterhead to banks describing driver's experience

Facilitate paying the mortgage deposit/downpayment by:

- Recommending banks and mortgage brokers
- Advancing some money that they would repay from their weekly earnings
- Offering micro-loans

Banks offer micro finance to Gojek drivers



Anton Hermansyah
The Jakarta Post

Jakarta | Wed, May 10, 2017 | 11:54 am

Grab, Uber's Southeast Asia rival, now offers micro-loans and other financial services

Jon Russell @jonrussell / Mar 13, 2018



3. Support their entrepreneurial spirit

Money is a huge barrier, but drivers don't always have the best tool kit and mindset.

Adapt Uber's role to match drivers' business mental models and embrace a new stance:

- FROM one that mostly speaks rational business advices
- TO one that also speaks personal / behavioural development

A specific proposal that Uber could explore:

- Entrepreneurial mindset training (cf [financial institutions](#))
- Access to trainings to develop (new) skills (online courses, University / Business school partnerships)
- Uber guidance "open hours"
- Help in funding (crowdfunding, ...)



4. Help them save for family holidays

Many participants struggle to give themselves a special treat. Most participants rated holidays as one of their top personal goals. They would like Uber to help them realize that goal, by **putting a fixed amount aside for their family holidays** directly from their Driver account. This is without a doubt a sign of trust in Uber.

- Partnership to provide travel discounts
- Uber could contribute an amount or an experience once the holidays are booked
- Uber ride to the airport or abroad could be complimentary
- Paid time-off based on performance



"I saved 4 years to have our first family holidays".

Sammad, 4.87*, 1624 trips, LND

**The customer journey:
Illustrating the ideal
end-to-end driver
experience**

(Stated rewards program)

Meet Roman.

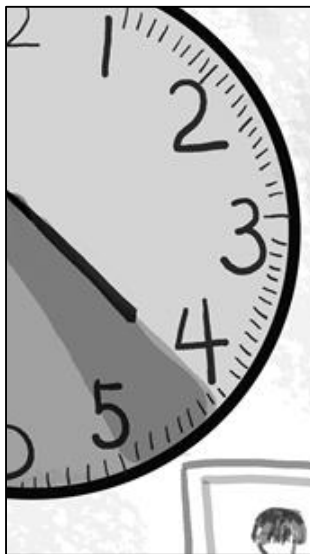
Roman drives between shifts as an English language instructor for immigrants like himself. With 12 months driving experience, he's learned to how to maximize his earnings on both Uber and Lyft. However, incentives keep going down as more drivers get on the road. Roman is irritated that he drives the same hours, but now he's making less money than before. He wonders if he should keep rideshare driving, or if he should look for work elsewhere. This morning he opened his driver app to learn of a new loyalty initiative. He's attracted to the benefits, but not yet eligible.





A loyalty planner helps Roman understand what he can do to meet the tiering requirements. He just needs to complete 5 more rush hour trips every week.

Loyalty Planning

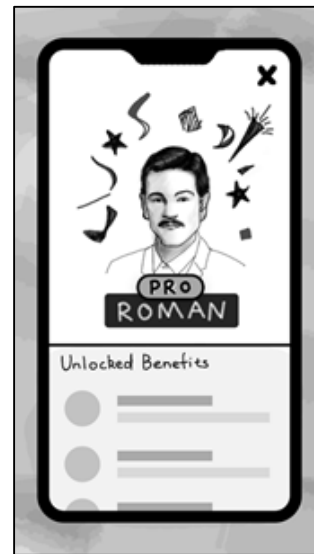


5 extra rush hour trips isn't hard. He starts driving a half hour earlier each day.

3x Rush Hour Trips



He accepts nearly every trip to meet the acceptance rate requirement, and tracks his progress in the app.



After 3 months, he's excited to unlock the first tier of loyalty and his new driving benefits.



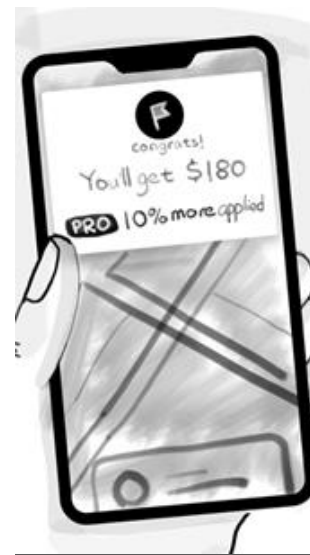
The next time he reviews his upcoming incentives, Roman sees that Uber will add 10% to all Quest bonuses.



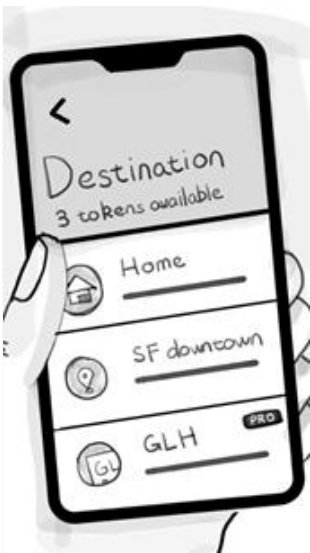
He can easily see the difference in earnings his new loyalty status can bring.



He tracks his Quest goals alongside his loyalty criteria, knowing both are important.



After hitting his Quest and earning an extra 10%, Roman starts to appreciate his new status.



Later, Roman needs help updating a document. He drives to a Green Light Hub using a loyalty enabled “GLH-starpower.”

Better Support



At check in, a welcoming face thanks Roman for being a loyal driver and guides him to the loyalty express line.



His agent helps him with his document and reminds him that his insurance premium was reduced by 33% due to his status.

Status and Recognition



Wrapping up, the agent hands Roman a loyal-driver decal. He applies the decal to his windshield, next to his Uber Beacon, then stands back with pride.



Roman's status shows up as more than just a decal. It's designated in the rider app as well.

Status and recognition

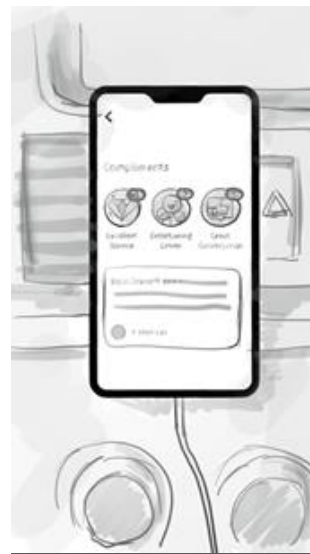


Some riders have told Roman that his status gives them comfort. They think loyal drivers provide better, safer service. They'll even cancel less if matched with a loyal driver.



Roman wants to live up to his new status, and he finds himself practicing more friendly and patient behavior with his riders.

Quality & Safety



When tips and compliments start to trickle in more, Roman can't help but grow even friendlier.



Unexpectedly, Roman suffers a serious toothache.



He's worried about cost, but a dental appointment is unavoidable. He checks his Uber enabled dental benefits and finds additional coverage for loyalty drivers.



He makes a dentist appointment and receives confirmation that Uber can help cover the cost up to \$1,000.



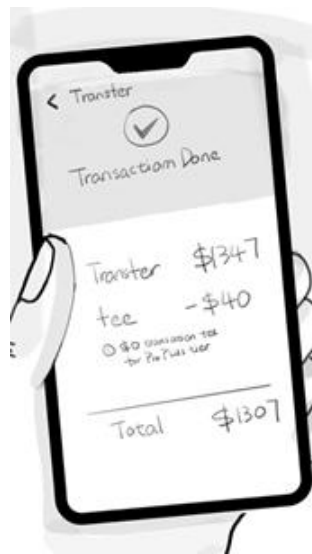
After a successful root canal, Roman is relieved, both physically and financially. He spreads the word to other drivers that Uber really does have you covered.



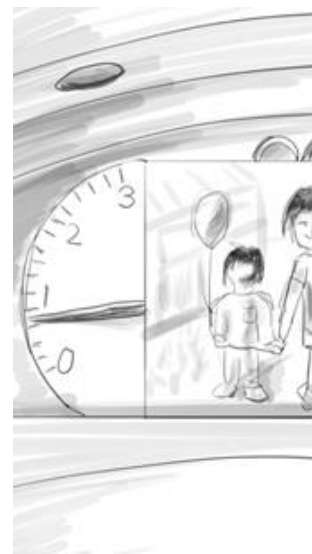
At the end of the month, Roman sends money to family abroad using Uber's international money transfer program.



Uber makes it easy for him to send money directly from his earnings to his international accounts.

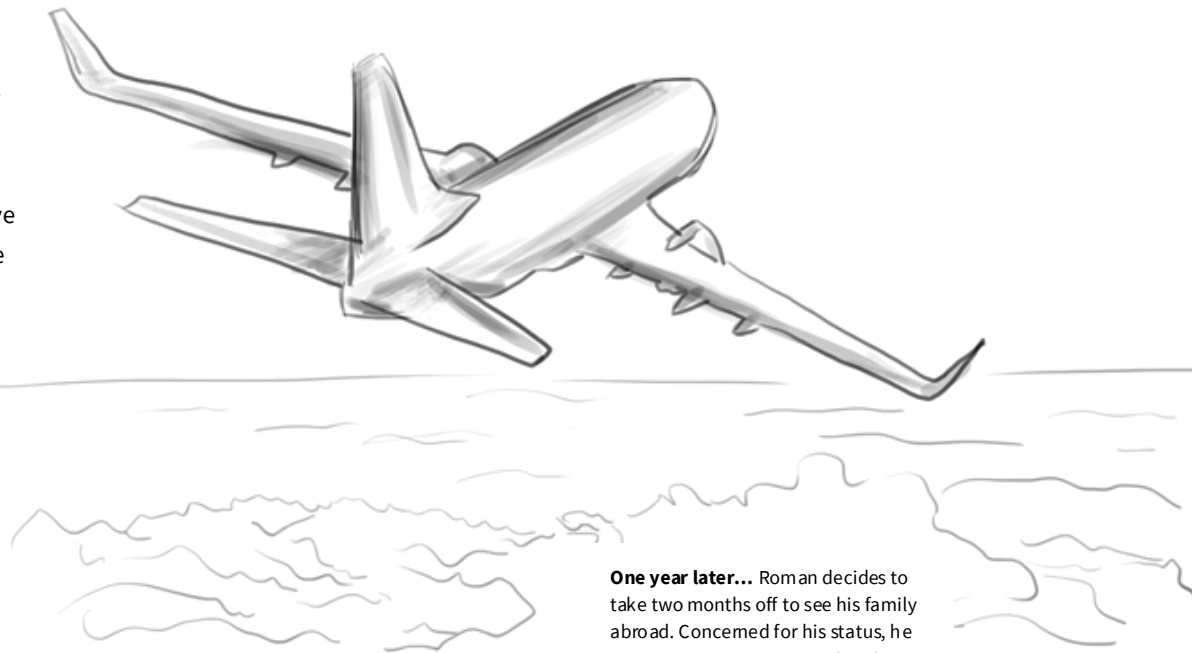


This time he pays a \$40 fee for the transaction. But, he knows that top-tier loyalty drivers receive this service for free.



Looking at a family photo on his dash, he determines to reach the top-tier.

Another schedule change and three months later, Roman becomes a top-tier driver. Edits to his driving experience, equal or slightly better earnings, and a frictionless way to support his family have resulted in deeper satisfaction in the role and real respect for Uber. He's stopped checking on Lyft incentives all together. "My top-tier status is worth more than that," Roman says.

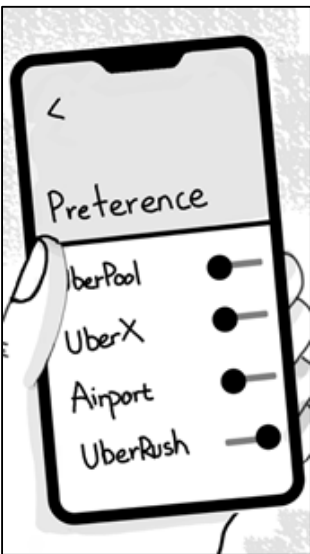


One year later... Roman decides to take two months off to see his family abroad. Concerned for his status, he contacts support. Because he's been a top-tier driver for 4 consecutive terms, the priority support agent secures Roman's status for this term and the next.

Meet Sally.

For the last three years, most days in Sally's week have begun with a 40 minute commute into San Francisco from Larkspur. She drives the morning hours into the early afternoon, and especially loves airport trips for the high fares and tips. When her friends ask, Sally says she prefers Lyft as a company, but she primarily drives with Uber because the incentives are better. The truth is that she avoids talking about Uber and her work life all together. One day, Sally opens her Uber Driver app to discover a new Loyalty initiative, and she's already in the top tier.





One of her new top-tier benefits is the Airport Trips preference. Sally turns it on immediately.

Airport Trip Preference



Now she's much more likely to get airport trips. And her top tier status gets her a return trip without waiting in the queue.

Automatic Airport Return Trip



She sees more consistent earnings due to her regular airport trips and the extra tips she receives for them.

Quality & Safety

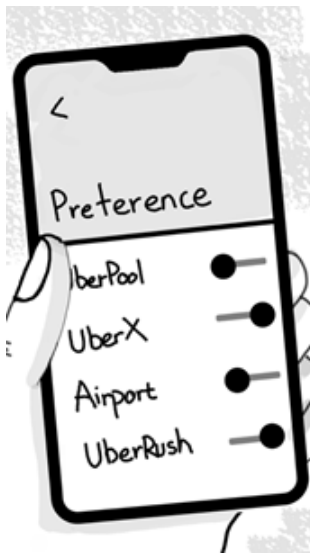


She's happier and calmer on the road, and pleased to spend less time in city gridlock.



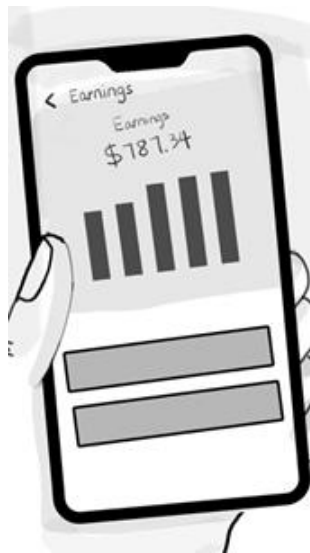
But city gridlock isn't as bad now that Sally gets equal base, time and distance rates for UberX and POOL trips. She's never understood why they were different.

Equal POOL and UberX Rates



Now she prefers POOL, especially during rush hour's 3x-trips toward her status. With more requests of higher value, Sally relaxes and slows down a bit on the road.

3x Rush Hour Trips



She reaches her quest goals faster, plus she sees a small bump in her earnings due to the equal rates.



It's much easier to be cheerful with riders when you feel you're treated fairly.



Even with her POOL preference turned on, Sally sometimes receives long trip requests.



She'd prefer short and local trips, but she knows her top-tier status depends on a high acceptance rate. She accepts the trip.



Despite the annoyance, her pleasant attitude and safe driving result in another 5-star rating. She's always been careful to keep a high rating, and now it impacts her status.



Fortunately, Sally has an extra starpower as a top-tier driver. She sets her destination and heads back to the city for more trips.

Acceptance Rate

Quality & Safety

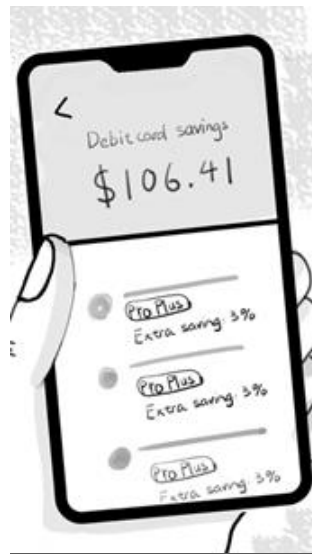
Extra Starpower



More POOL means more riders in and out. Sally takes pride in a clean car and wants a free car wash each month from Exxon - delivered on the **Uber Visa Debit Card**.



Sally gets the card, then the car wash and a lot more. Her status saves her 3% on gas, and she starts shopping at Walmart (instead of Safeway) for the 3% back on groceries.



At month end, a debit card cash back summary shows her the money she's saved using her card, and it breaks down the extra savings she gets as a top-tier driver.



She is happy about her top-tier earnings, savings, and privileges. *But, she still reviews Lyft's incentives in case there's something too good to pass up.*



Later that month, Sally gets in a fender bender on trip. It's a reminder that driving in San Francisco is not easy.



Unsure what to do, she calls support. A priority agent informs her that her insurance deductible is covered by Uber, and she won't need to pay anything.



Next, the agent forwards her information on car rentals. Her Getaround is covered for driving shifts while her car is in the shop.



Sally's upset about the wreck, but pleasantly surprised at how Uber has her back. Being a top-tier driver has real benefits.

Insurance coverage

Free rental if yours in the shop



After 6 months as a top-tier driver, Sally's confidence in Uber has grown and she decides to invest in her education through loyalty's **Strive** program.



She finds an online course in Communications that fits her schedule, but she'll need financial aid. She gets paired with a Strive mentor to help.



With help from her mentor, Sally applies for financial aid from numerous government agencies and institutions.



She's thrilled that financial aid can cover over 50% of her tuition. She never thought she could get that much.



But, 50% of tuition isn't enough for Sally who lives paycheck to paycheck. With encouragement from her Strive mentor, she applies for a **grant from Uber**.

Grants from Uber



Sally's driving history, new loyalty status, and compelling personal story win a grant for \$5,000 from Uber.



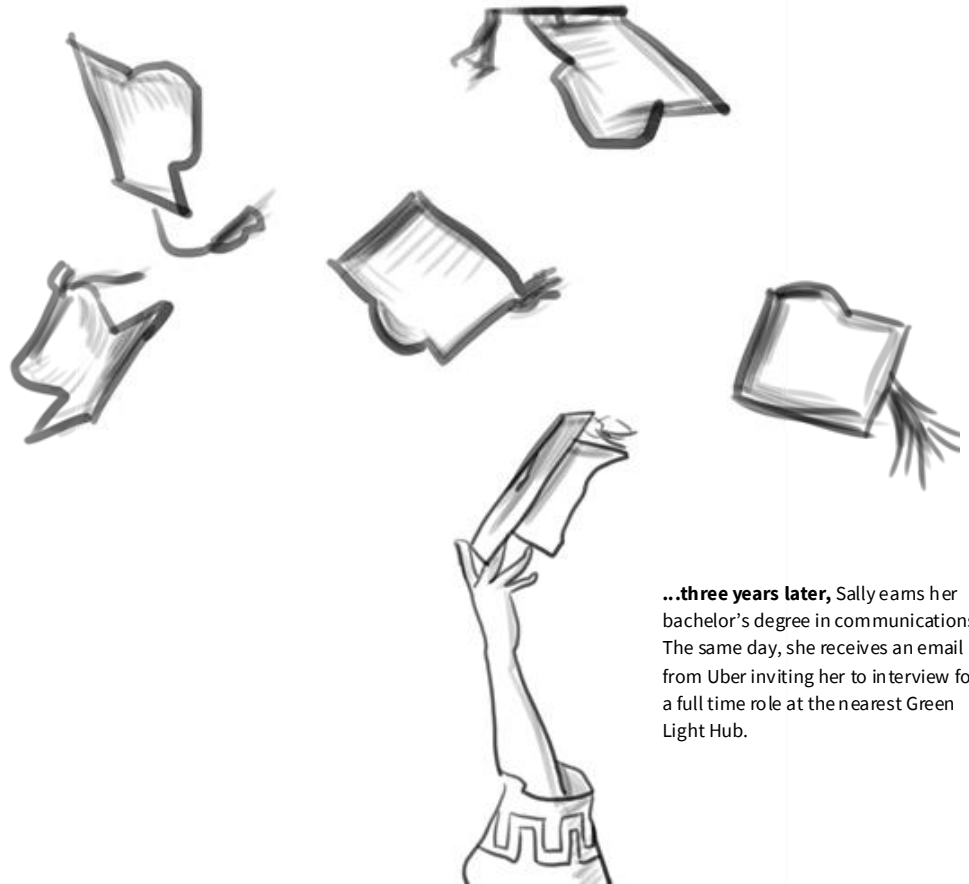
She enrolls in the communications program, but she continues to drive part-time in peak hours to maintain status.

3x Rush Hour Trips



Sally is deeply moved by Uber's contributions to her goals. *She stops reading her Lyft emails all together.*

Now when her friends ask how it's going, her response has changed. She feels justified identifying as an Uber driver.

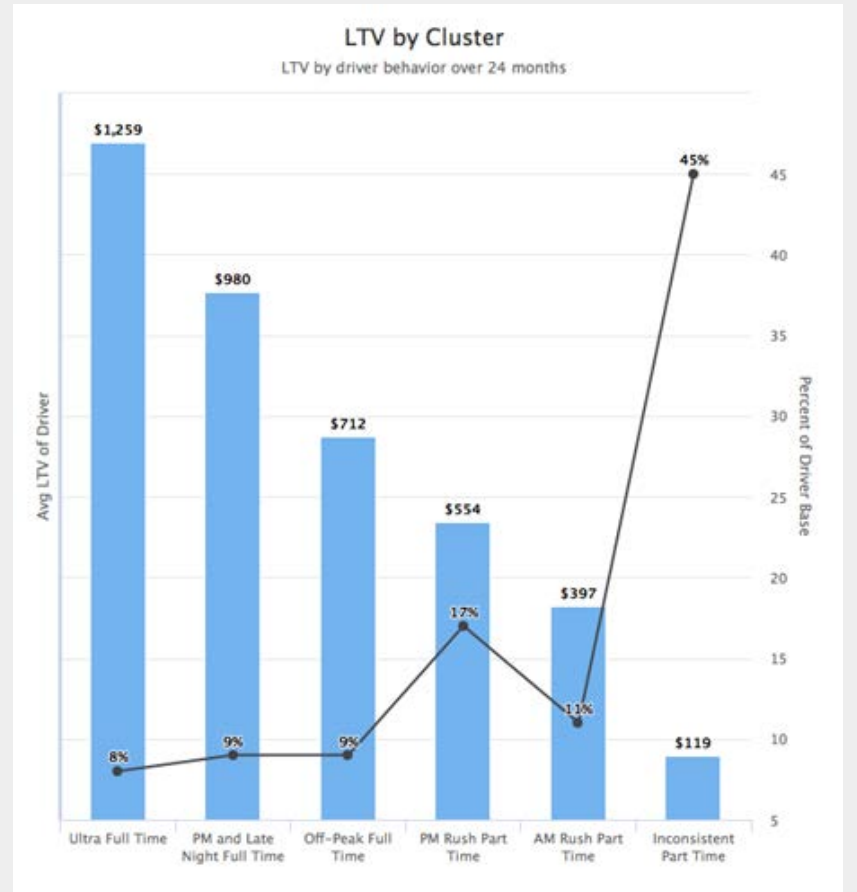


...three years later, Sally earns her bachelor's degree in communications. The same day, she receives an email from Uber inviting her to interview for a full time role at the nearest Green Light Hub.

Expected Behavioral Change & LTV Impact

Driver LTV varies widely by driving behavior

Our most valuable drivers are the smallest proportion of total drivers and our least valuable are the highest percentage of our driver base (by a wide margin).



Loyalty tiers are designed to retain the highest value drivers

Column chart or pie charts for each tier of loyalty program that shows driver composition based on sunclusters (driver behaviors); e.g., Pro++ is composed of 6.7% ultra full time, etc.

Status	AM Rush Part Time	Inconsistent Part Time	Off-Peak Full Time	PM and Late Night Full Time	PM Rush Part Time	Ultra Full Time	All.Drivers
Everyone Else	0.7	89.9	2.0	0.0	7.4	0.0	100.0
Partner	8.5	52.4	10.4	9.3	14.0	5.3	99.9
Pro	11.5	35.4	15.3	13.4	13.2	11.2	100.0
Pro +	7.2	57.7	8.2	7.7	17.0	2.1	99.9
Pro ++	16.7	6.7	20.0	16.7	33.3	6.7	100.1



Dual Appers

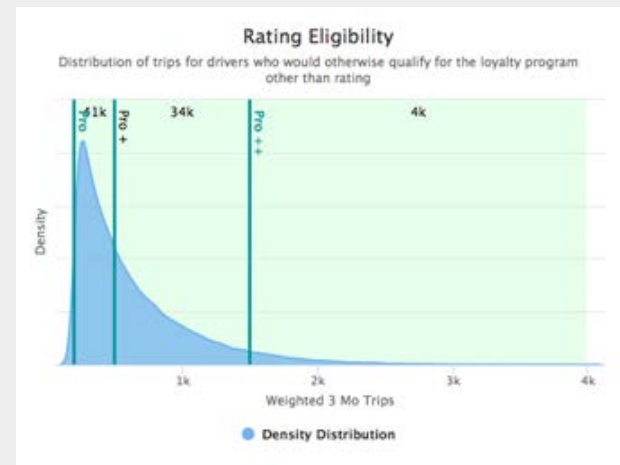
**The current LTV of our
loyalty tiers is ...**

Column chart of average LTV by loyalty tier

```
# A tibble: 5 x 2
  Status      LTV
<chr>      <dbl>
1 Everyone Else 165.
2 Partner      406.
3 Pro          542.
4 Pro +       352.
5 Pro ++      649.
```

Shifts in driver behavior will increase LTV as well as Loyalty tier sizes

Drivers just outside of the loyalty cutoff (under 4.85 rating but above a 4.75 rating) fluctuate trip ratings by about 0.4 over an average of 300 trips during a three month window.



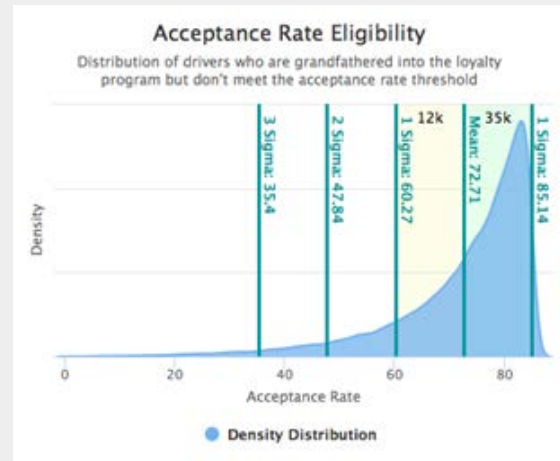
Shifts in driver behavior will increase LTV as well as Loyalty tier sizes

Similar phenomena as driver ratings



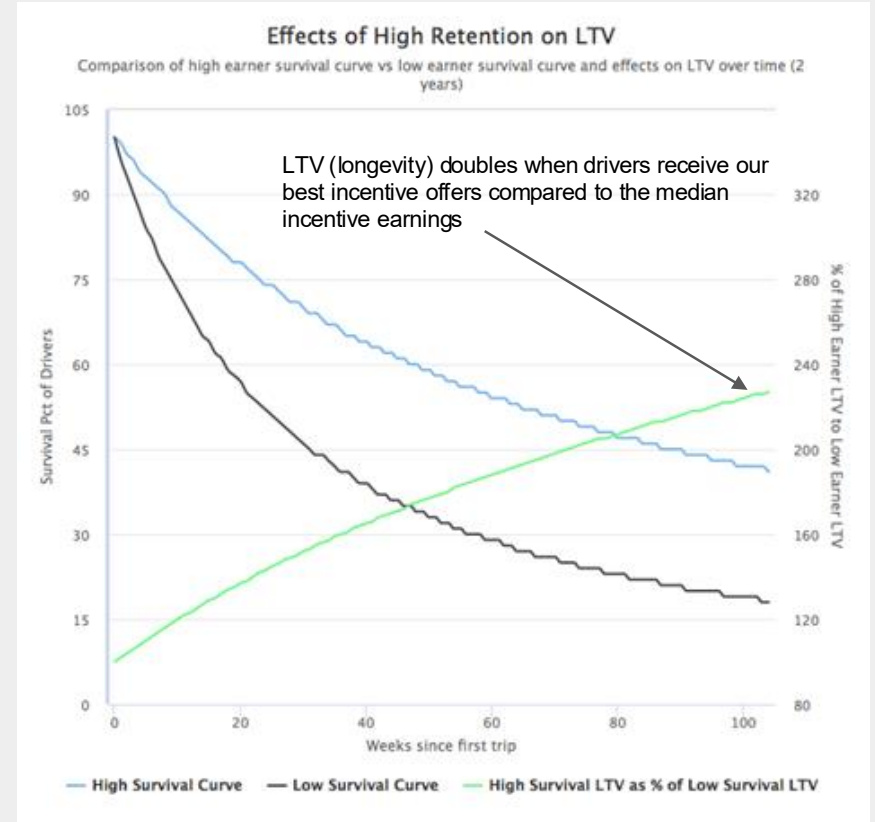
Most drivers will be able to meet acceptance rate requirements

At launch, we'll be grandfathering in drivers who would otherwise qualify for the loyalty program, but who don't currently meet the acceptance rate requirements



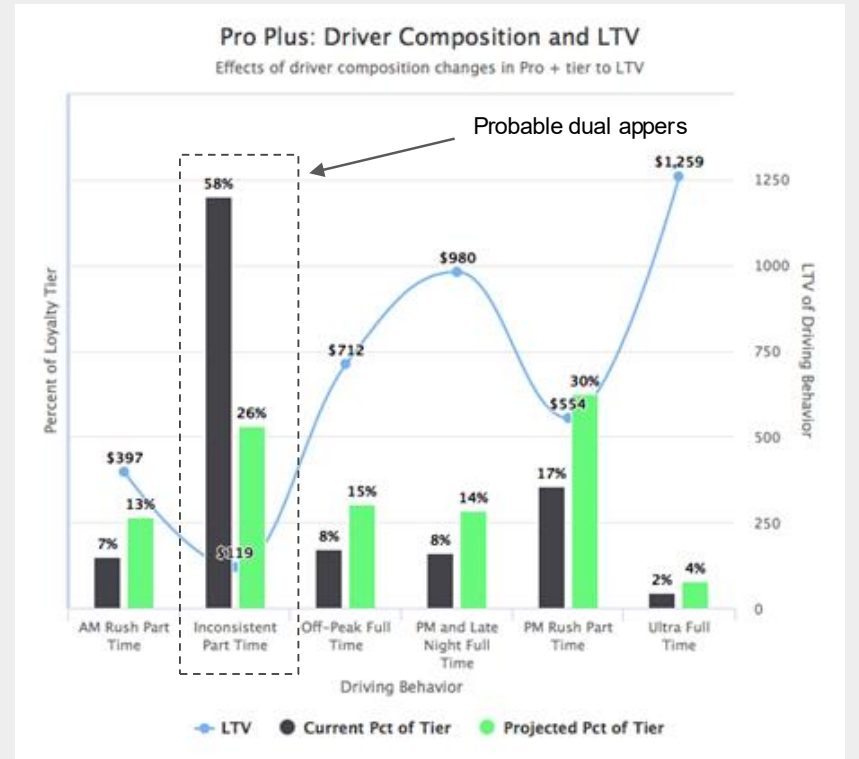
The opportunity for retaining our loyalty tiers and improving their LTVs is significant

Only 18% of our drivers remain on Uber two years after their start date (the length of our LTV measurement). This improves to 41% when drivers receive the top quartile of incentive offers.



Changes in dual-apping behavior will also improve overall LTV

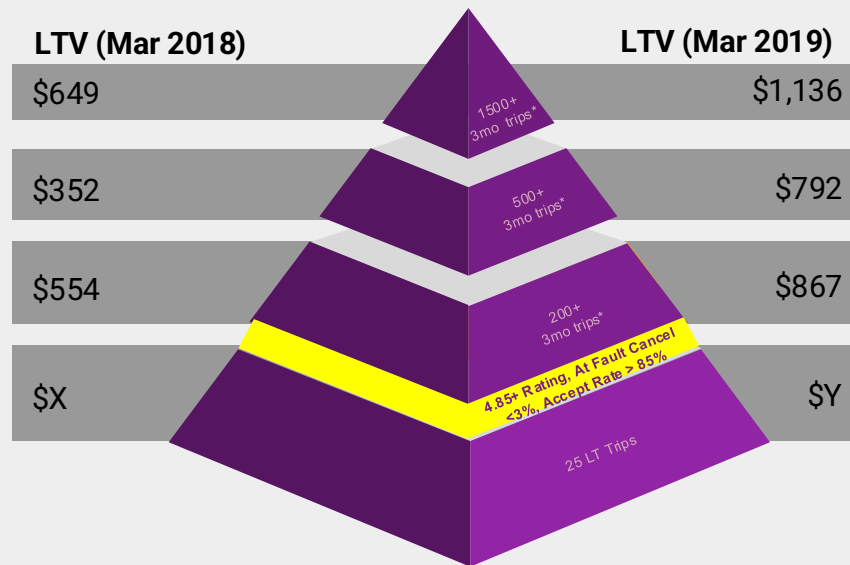
If we assume that dual-appers within a given tier decrease by 50% (and then either move to a higher tier or exhibit more consistent behavior), we see a corresponding 50% improvement in LTV (from \$352 per driver to \$530 per driver).



LTV for Uber's High Value Drivers is already high, and there is significant room to improve.

By improving retention and reducing dual-apping of our most valued drivers, we can increase LTV by nearly 1.75x across tiers.

Driver LTV by High Value Driver Tier
(Current & Forecast)



*AM and PM rush (6 to 9 AM, 5 to 8 PM) trips count as 3x to account for supply/demand imbalances and to ensure consistent PT drivers are rewarded

Queries

- [HVD targeting, by city / market](#)
- Quality Criteria
 - **Rating:** [Sample query](#)
 - **Acceptance Rate:** [Sample query](#)
 - **Driver At Fault Cancel Rate:** [Sample query](#)

Program Guidelines and Success Assessment

2018-2019 Strategy

	2018	H1'2019	H2'2019 & beyond
Goal	Retain & Motivate Quality	Improve Across Tiers	Stabilize
<u>Countries of focus</u> (for initial launch)	US, Canada	Brazil, Mexico, UK, India	Australia, Saudi Arabia, France, ROW
P0	Retain today's high-value drivers	Help Partner drivers move above Quality baseline	Maintain & reinforce past improvements with new and existing high-quality drivers
P1	Identify high-potential driver segments & help them improve	Reduce dual-apping within high-value drivers	Reduce dual-apping with high-value drivers

To be successful, we must achieve the above without making churn worse for high-potential Partner drivers

Ten Program Guidelines

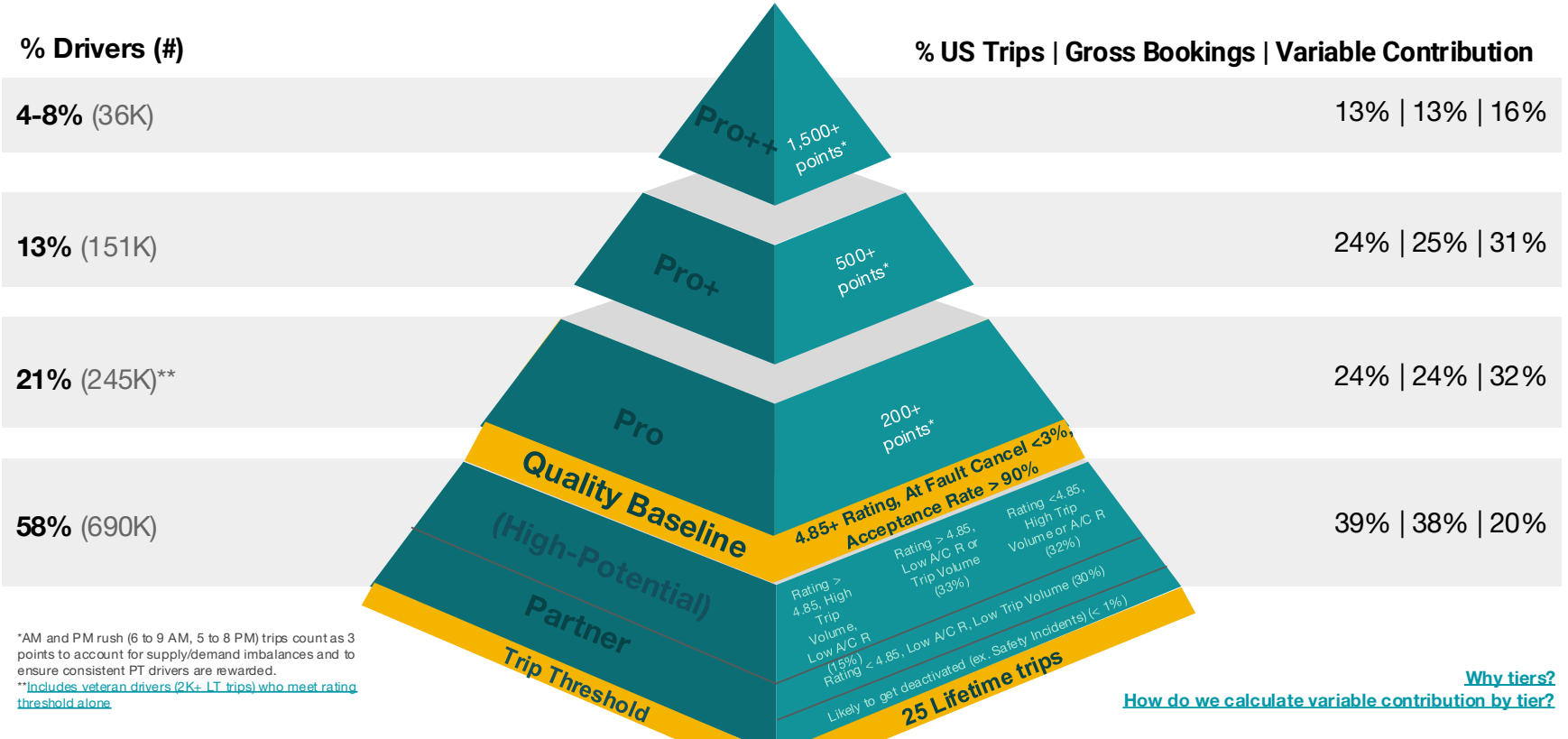
1. **Set new expectations clearly.** Tell drivers exactly what they're working for and toward.
2. Be as **transparent** as possible about about metrics, targets, status levels, and rewards. At the same time, maintain Uber's **room to evolve** targets, rewards, etc.
3. **Motivate** drivers to attain, maintain, and improve on each metric (using targeted interventions where needed.)
4. **Equip** them to do so (and remove conflicts and barriers).
5. Realign drivers' **time horizons** with longer-term rewards
6. Offer **enough total value** to convince drivers they will do better sticking with Uber over any 90 day period, regardless of shorter-term incentives elsewhere. Value is emotional as well as financial.
7. Rewards should have significantly **higher perceived value to drivers** than the cash cost to Uber.
8. Offer **graceful ways to re-enter** the program or restore lost status.
9. Mitigate gamification and marketplace **risks**—e.g., overall DSAT impact of restricted access to earnings opportunity
10. **Start and end with gratitude for drivers' contributions.**

Test: As a result of this program, action, message, or reward, will target drivers be more likely to:

- Stay committed enough to choose Uber even when they could make more money elsewhere that day or that week?
- Feel motivated to improve the quality of service they offer riders?
- Be willing to work with us through changes and give Uber the benefit of the doubt when challenges arise?
- Feel cared for? Valued? Respected? Believed in?
- Feel more secure and protected financially?

US Driver Segmentation & Distribution - Worksheet

Baseline: High Quality Rider Service. **The Variable:** 3mo trip count, with peak rides weighted 3x (*trip-based points*)



*AM and PM rush (6 to 9 AM, 5 to 8 PM) trips count as 3 points to account for supply/demand imbalances and to ensure consistent PT drivers are rewarded.

**Includes veteran drivers (2K+ LT trips) who meet rating threshold alone

[Why tiers?](#)

[How do we calculate variable contribution by tier?](#)

Long-term Goals

DRIVER

Motivate drivers to provide quality trips & stay on Uber

RIDER

Improve rider experience & increase demand

UBER

Decrease costs & increase driver lifetime value

Driver LTV = (Gross bookings)(Contribution percentage for driver's city)*(Insurance adjustment based on rating & miles driven)*(Expected weeks on platform). LTVs are measured on 2 year basis.

[Driver LTV Impact Waterfall](#)
[Cohort-Specific Impact](#)
[Full KPI List](#)

Topline Goal

Improve **supply hour retention¹** of our **high-value drivers** by **10% (rel.) 6 months post launch**

Constraints

- Total supply hours stay at least neutral
- Maintain marketplace health (C/S, P90 ETA)
- Budget

1. A.K.A “weighted retention”. Defined as total hours generated in the current 4-week period by drivers who were active in the previous period, over total hours they contributed in the previous period. Accounts for reduction in dual-apping.