

# Is Uber's 911 App Button an Admission of Guilt?



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*Wendy Glavin, Founder & CEO, Wendy Glavin Agency*

Ride hailing companies are undecided on how to balance relationships with car rentals, traditional ground transportation, and ride sharing suppliers. The Global Business Travel Association (GBTA) of New Jersey hosted an event in Kenilworth to explore the differences.

“Ridesharing and Corporate Travel in 2018” was an educational and lively examination about the lack of understanding from consumers and business executives about transportation and limousine services. “After years of resisting changes, Uber announced upgrades aimed at keeping its U.S. ride-hail customers safe. While the changes are billed as proactive, the

announcement effectively represents an admission that Uber has been falling short on passenger safety.” – *Washington Post*, April 2018.

On June 20, 2018, limousine services, business executives, leaders from the Limousine Association of New Jersey (LANJ) and the Global Business Travel Association gathered at the Kenilworth Hotel to discuss their insights and recommendations for consumers and business travelers.

The panelists included, Bob Friedman, Vice-President of Sales and Partnerships at Enterprise Holdings, Inc., Tarbinlam Lafon, Executive Director, Travel, Meetings and Payments Strategy, Strategic Sourcing & Enterprise Services at Merck & Co., Kevin Chang, Strategic Partnerships at Uber for Business, and Diane Barbera, Director of Sales at EmpireCLS.

## **What do Ride Sharing and Ride Hailing Mean?**

Mike Daly, Vice-President of Travel and Car Services at Deem moderated. “What does ride share actually mean?”

**Bob:** There’s a lot of confusion. We’re not a sharing car. A car-pool is a car-share. Uber and Lyft are ride-hailing.

**Kevin:** They can be used interchangeably. We also have a group pool for people going to the same location.

**Tarbinlam:** “Ultimately, it’s what it means to the end-user. People want different things. Ground transportation covers several options, such as black car, rental car, taxi and other services. We see all these options belonging to an eco-system or suite of choices... and the introduction of ride hailing services only increases the choices available within that eco-system.”

**Diane:** Empire CLS is a luxury brand chauffeured service. It’s a different experience.

## How can we provide consistent safety, security, and reduce risks?

**Bob:** Uber and Lyft are ride-hailing. I've been disturbed about Uber and concerned about its 911 app. I don't know how they've been vetted? Preferred services always had to provide a minimum level of insurance.

When Uber first came into the business they didn't do anything. They never talked about background checks or undergoing drug testing. Uber is only reacting, and now, catching-up. How does Uber insure drivers have insurance? Quite a lot of Uber drivers don't have enough insurance, vetting, or cars that are maintained.

**Kevin:** We've had to evolve within the corporate space and learn how to get in-touch with drivers. Drivers need to be insured themselves, then we give them \$1M in insurance through companies and employee partnerships.

**Bob:** Is \$1M in coverage enough?

**Kevin:** We're trying to figure out what to do with corporate partners.

**Tarbinlam:** We want to provide consistent options that are safe, secure and reduce risk. Healthy discussions create more innovation. It's an ecosystem.

**Diane:** For public transportation, you must exercise vigilance and common sense. We do background checks, purchased cyber insurance as one of the other duties of care to protect our customers.

**Bob:** We spend a lot of money on people and hire college graduates. You can always find a lower price but it will be a lower product. You need to look beyond price.

Attendees discussed gender, location, and age as reasons why people choose ride hailing and ride sharing services. Several

women in the audience said they were afraid to take Uber alone. Others said, if Uber isn't in your town, you can't take it. Some of the panelists agreed, and highlighted generational differences, such as, younger people are more apt to take Uber.

In CNN Tech's article, "A first Uber ride ends in sexual assault charge. Uber vows again to improve passenger safety" it discussed Uber's email to its app users about driver screening and safety. "This comes after CNN reported the company had approved thousands of drivers with disqualifying criminal histories per state agencies and lawsuits.

Monday's email did not include other forms of driver screening called for by some state regulators and attorneys who are suing Uber, such as in-person interviews, additional government oversight, or fingerprint-based background checks performed on all potential drivers.

Uber also said in May it will no longer force into arbitration passengers who allege they have been sexually assaulted or harassed by drivers. But Uber and rideshare companies Lyft, Juno, Curb, and Via faced additional questions – after the initial CNN report – from nine members of Congress who asked that they detail their protocols related to complaints about sexual assault or harassment and driver training on the topics."– CNN Tech, June, 2018.

The ride-hailing market is becoming more competitive with Lyft, and apps like Via, Juno and Curb. But, with Uber there's the image problem. "It's arguably irreparably damaged after the relentless string of scandals that followed the company around like a cartoon cloud over the last few years.

Uber's recent moves show that the new CEO Dara Khosrowshahi understands the urgency to go public. That's good for current shareholders, because there is an urgency. Here are several reasons Uber's IPO may experience dwindling demand:

- If Uber miss-times the market and hasn't gone public by the time the U.S. economy softens next, things could get ugly. As we enter the 10th year of a bull market, investors are starting to remember risk again. Companies losing \$1.1 billion a quarter may not be in vogue much longer.
- With increasing competition, the self-driving car remains Uber's best hope for long-term dominance. Given there are dozens of other companies – many with greater resources, institutional knowledge, or partnerships – working on this same thing, why buy Uber stock and pray it wins the autonomous lottery?
- The quicker the Uber IPO, the less diluted the ride-share market. Silicon Valley and Detroit have autonomous vehicles, right there with electric vehicles, as a top priority on their to-do list. If Amazon.com (AMZN) makes free ride-hailing another Amazon Prime benefit, would Uber even survive?

By the time the Uber IPO rolls around in 2019, the public may do better to think of the once-mighty startup as mostly an index of market-leading ride-hailing companies across the world. As for the Uber part of the business, that's become something almost unimaginable as recently as two years ago: a turnaround story." – *U.S. News and World Report* , February, 2018.

Howard Gogel CEO of My Limousine Service, Inc. and Board Member of LANJ said, "The requirements for the limousine industry are much higher, and the federal government requires every company to carry \$1.5 million dollars of liability insurance. All of our New Jersey drivers must be fingerprinted and pass background checks run by the state police. None of this is required for Uber. Why does Uber get a pass?"

Prior to attending the event, I did a lot of research about Uber in the *Wall Street Journal*, "Grabbing an Uber? Now You

*Can Buy Your Own Insurance for the Ride," **Crain's New York Business**, "The Other Uber Fight: Unions Brawl to Rep Drivers," Employment Screening Resources (**ESR**) "Congress Members Send Letters to CEOs of Transportation Network Companies Asking about Safety Practices," and many more in leading news publications.*

What I don't understand is why the public is still uninformed? What do you think about Uber's 911 button addition to its app? I'd love to hear your thoughts.

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**About the Author:** *Wendy Glavin is Founder and CEO of Wendy Glavin, a NYC full-service agency. Wendy is a 30-year veteran of corporate, agency, consulting and small business ownership. She specializes in B2B2C marketing communications, PR, social and digital media. Her website is: <https://wendyglavin.com/>. Contact her at: [wendy@wendyglavin.com](mailto:wendy@wendyglavin.com).*