



How Uber effects local business

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Utilizing technology to exploit a gap in the market, Uber scaled quickly and evolved rapidly from tech startup into a way of life for millions of people in cities across the globe. It has also changed the way tourist visiting those cities get around.

Since the rise of Uber, The W Scottsdale Hotel has seen a 15 percent drop in the number of cars valeted on weekends, a drop in the number of visitors who rent cars and a drop in business for AZ Limo, the house transportation company for the W, according to Mike Aley, an account manager.

But Uber and Lyft have had a minimal economic impact on Phoenix-based transportation service provider The Driver Provider, according to CEO and President Jason Kaplan. He attributes this to the fact that 50 percent of his fleet is made up of larger vehicles, like full-size passenger vans, mini buses and 57-passenger motorcoaches. Uber doesn't yet compete in this space.

But that doesn't mean Uber hasn't changed the transportation industry. Ride-hailing companies have succeeded by testing government regulations. To make competition fair, lawmakers and regulators should work towards deregulating the taxi industry, said Matthew Feeney, a policy analyst at the Cato Institute, an American libertarian think tank.

"If Uber or Lyft started an airline, they certainly would have to comply with FAA standards," Kaplan said. "Traditional chauffeur companies simply want the same."