

Discover your edge

Thursday, 14 December 2017

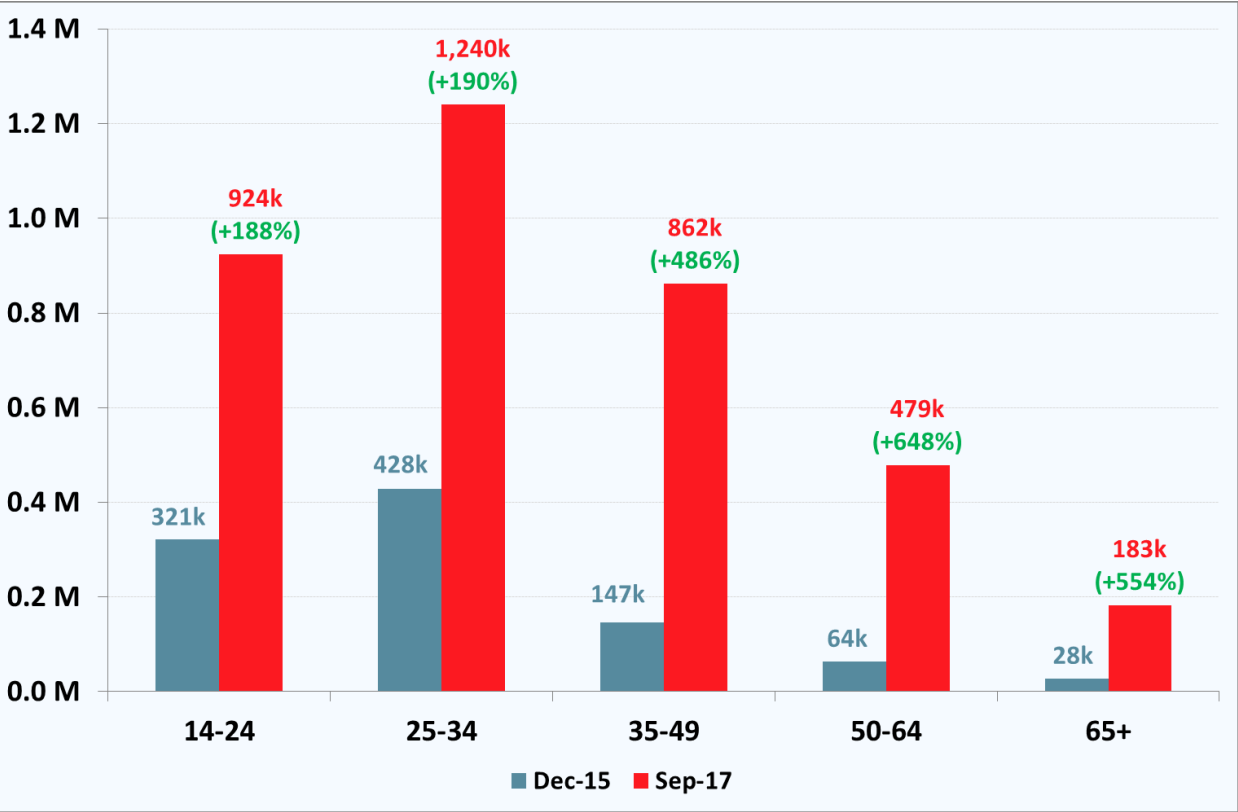
Uber soars and well-placed to tackle rising competition

Uber has now notched up five years in Australia and there's no sign the mobile ride-hailing app's growth will slow down anytime soon with nearly 3.7 million Australians 14+ (18.4% of the population) travelling by Uber in the last three months according to research conducted over the last six months – up from just under 1 million (5.1%) less than 2 years ago.

In contrast to our first major release on the 'Uber phenomenon' just under two years ago, Uber is now a phenomenon for all ages, and the strongest percentage growth since 2015 has been among older age groups 35 and over although all age groups have experienced incredible growth.

However, despite the exceptional growth of Uber particularly amongst older age groups a clear majority of 58.7% of Uber users are still aged under 35, either 14-24 (25.1%) or 25-34 (33.6%) with a further 23.4% aged 35-49 and 17.9% aged 50+. These proportions represent a significant percentage change from 2015 when over three-quarters of Uber travellers were aged under 35.

Growth of Uber users by age group (2015 v 2017)



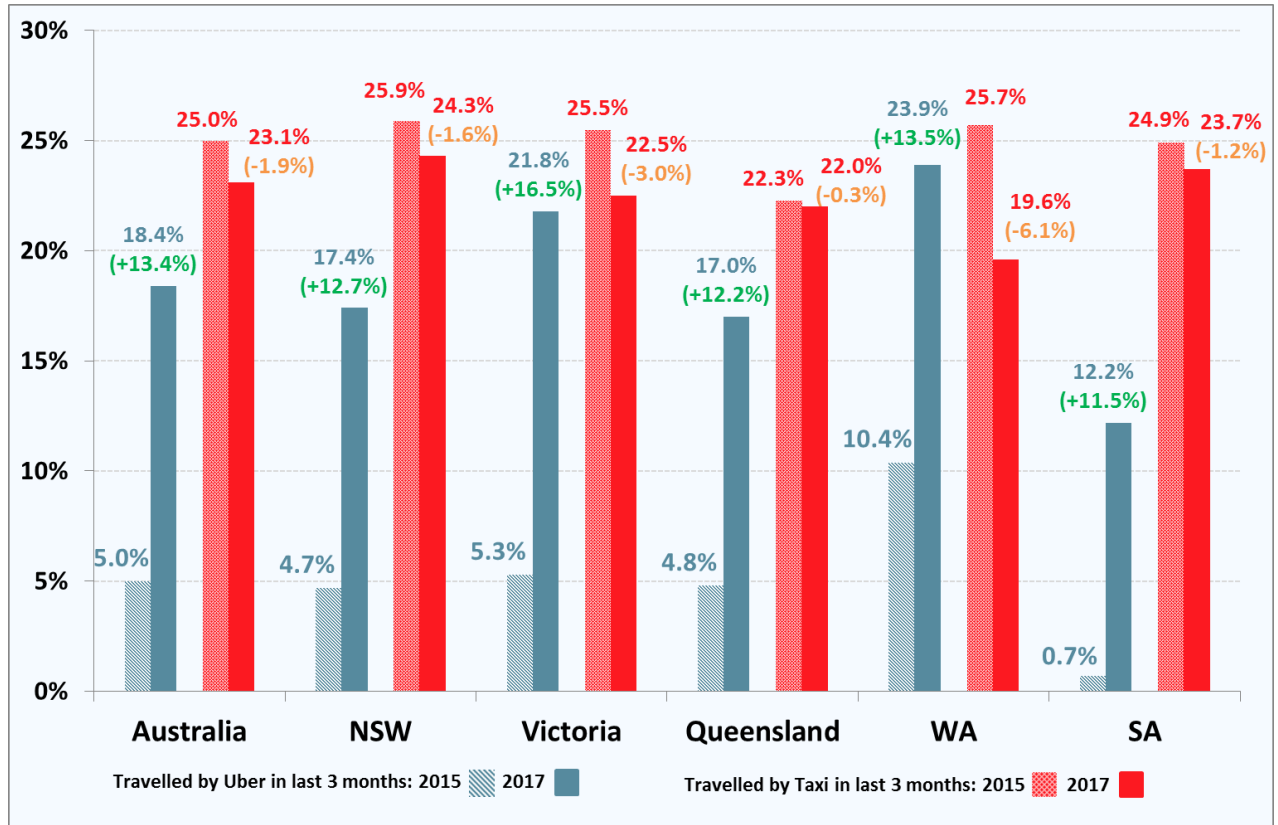
Source: Roy Morgan Single Source (Australia), July-December 2015, n=7,427 and April-September 2017, n=8,030. Base: Australians 14+.

One interesting change from two years ago as Uber has become more widely used throughout society is that in 2017 clearly more Australians have travelled by Uber (3.7 million) than the 3.25 million Australians (or 16.2%) that have ever downloaded the Uber app. In 2015 these figures were reversed: (5.2% had downloaded the app cf. 5.0% had ever travelled by Uber).

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The rising number of Australians travelling by Uber without ever downloading the app is an example of 'network effects' as more people download the app, it's more likely than when out with friends, family member or a partner that someone is able to utilise the service through others without ever actually downloading the app themselves.

Growth of Uber eats into Taxi market shares Australia-wide with WA leading the way



Source: Roy Morgan Single Source (Australia), July-December 2015, n=7,427 and April-September 2017, n=8,030. **Base:** Australians 14+.

Of course the industry with most to fear from Uber as demonstrated by several high-profile protests in recent years is Australia's state-based taxi services and the growth of Uber, and entry of new ride-hailing apps, has had a definite impact on the level of taxi patronage around Australia.

Once again, as it was revealed two years ago in 'Uber phenomenon' it is Western Australia that leads the nation in Uber adoption with residents of Australia's most isolated State the only one in which more residents have travelled by Uber in the last three months (23.9%) than via a taxi (19.6%) – also the lowest rate of taxi patronage in the nation.

Despite the precocious rates of adoption in WA other States are following close behind with patronage of Uber at 21.8% in Victoria and just under 20% in both New South Wales and Queensland. South Australia has come off a very low base in 2015 with Uber finally accredited just over six months ago while Uber usage in Tasmania is still well below the mainland States after entering the island State under a year ago.

Michele Levine, CEO, Roy Morgan, says the incredible success of the Uber mobile ride-hailing app is finally attracting competitors to the field as the market matures:

"The 'Uber phenomenon' has taken Australia, and much of the rest of the world, by storm in recent years and today's analysis of the Australian Uber market reveals stunning growth for

the mobile ride-hailing app in the last two years as the service has rolled out progressively around Australia. Although Uber entered the Australian market late in 2012, the service was only extended to Tasmania less than a year ago and only accredited in South Australia a few months ago in April 2017.

“The success of Uber in Western Australia is particularly instructive for traditional taxi driving industries around Australia with 23.9% of West Australians reporting they’ve travelled by Uber in the last three months compared to only 19.6% that have used a taxi. Although taxis are still preferred in all other States the trends revealed over the past two years suggest this is likely to change in the near future.

“Although usage of Uber still skews younger (nearly 60% of Uber travellers are aged under 35), this is down significantly from 2015 when over three-quarters of Uber travellers were aged under 35. The growth in the Uber market is coming across all age groups but as the app finds more widespread appeal older age groups are increasingly recognising the value and savings available via the service.

“It is also this ease of service that is finally attracting credible competitors to take on Uber and this month European ride-sharing company Taxify has launched in Sydney with a reported 4,000 drivers already on its platform and plans to roll out in Melbourne in the coming weeks. Taxify, which claims over 4 million customers in 20 countries worldwide, is vowing to cut costs for consumers and appeal to drivers by offering a larger cut of each fare.”

For comments or more information about Roy Morgan’s transport data, please contact:

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Related research findings

View our range of [Transport Users](#), including [Public Transport Users](#) and [People who travel by taxi](#).

Compiled with data from Roy Morgan’s Single Source survey (the largest of its kind in the world, with 50,000 respondents p.a), these ready-made profiles provide a broad understanding of the target audience, in terms of demographics, attitudes, activities and media usage in Australia.

About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 75 years’ experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

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