



Loss-making Uber has its eyes on London's £4bn courier market

The taxi App Uber is moving beyond delivering people, and delivering packages as well. It's a move that could mean war on the streets over London's lucrative same day and express courier industry.

Forget cab rides, Londoners could soon be getting all their shopping and parcels delivered and picked up by Uber! It's estimated there are over a 1,000 couriers in the Greater London area, from man and van to national chains, and the value of the London same day and express courier market is thought to be over £4bn annually.

Now the London-based international parcel broker [ParcelHero](#) has released a report saying Uber has its eyes on this £4bn prize: as the company loses money on its global taxi App services. ParcelHero claims Uber and could launch 'an Uber for things as well as people' as early as this summer.

Following Uber's elbowing in to the London taxi market, over 500 black cabs have disappeared from London's streets. And the impact on its local same day and express couriers could be even greater. Says ParcelHero's Head of Consumer Research, David Jinks MILT: 'Uber's UK General Manager, Jo Bertram, has never disguised her plans for Uber in London. Our new report, [The Uberfication of Deliveries](#), reveals why Uber is now muscling in to the courier market. Londoners can expect to see their packages delivered in the same vehicles they may well have journeyed home in.'

Last year Uber's UK boss, Jo Bertram, told The Drum: 'We've done some experiments partly as a marketing stunt but partly to see how the technology works. I think there's a lot more we can do beside transportation in the future.'

And Stephanie Smart, head of marketing for Uber London, added that she was eager to develop Uber in London by introducing courier deliveries. Said Stephanie 'Los Angeles and New York are great examples of cities where Uber is pushing the boundaries – with courier service UberRUSH, for example, and food-delivery service Uber Fresh [now UberEATS], which I am really keen to replicate here.'

With UberRUSH successfully stealing market share in New York, Chicago and San Francisco, it's small wonder the company has cast its eye over the pond. ParcelHero's report reveals exactly why Uber needs to invest in new markets to deliver on the full potential of its crowdsourcing App technology. Says David: 'Why would Uber want to move into logistics? The answer is simple: Uber is the most funded start-up in the world, valued at \$50bn; but runs at a loss. The worldwide taxi industry is worth \$22bn in revenue; but that's tiny compared to the domestic global courier and parcel sector, which generates around \$246 billion in revenue, a far more lucrative market. Our analysis reveals Uber is likely to capture at least 10% of this market globally, earning it an extra \$24.6bn annually. Uber needs to expand into these new markets to reach its potential.'

Building on its successful US operations Uber is expected to work with London's big name and local stores to offer the speedy delivery of items; which means consumers will experience near real time deliveries. And if Uber brings its New York-style courier service to London, existing couriers will have to compete with the customer-friendly instant App bookings and driver ratings – or die. Uber has already seen off many traditional small courier firms and even well-funded delivery services like Sidecar in the US.

Read the full report at: <https://www.parcelhero.com/blog/news-updates/the-uberfication-of-deliveries-parcelhero-industry-report>

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