

Uber extends on-demand service to trucking

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Ridesharing service Uber , whose San Francisco headquarters is seen here, has announced an expansion into trucking with cargo deliveries via smartphone app

Uber is expanding into a new field with a version of its on-demand ride application that lets truckers book cargo hauls with simple taps on smartphones.

Uber Freight rolling out in the US was touted by the company as an app that matches truckers or trucking companies with loads, and streamlines

payments.

"We take the guesswork out of finding and booking freight, which is often the most stressful part of a driver's day," Uber said in a blog post available online Friday.

"What used to take several hours and multiple phone calls can now be achieved with the touch of a button."

San Francisco-based Uber made no mention of its efforts in self-driving vehicles, particularly trucks for cargo or deliveries.

Uber acquired commercial transport-focused tech startup Otto late last year as the company pressed ahead with its pursuit of self-driving technology.

Giants watching

Some \$7.7 billion in funding was pumped into supply chain and logistics companies last year, according to industry tracker CB Insights.

UPS and FedEx were described as the two most active big logistics corporates investing in or acquiring private companies involved with applying new technologies to the trucking business.

"Uber's new Freight app more directly targets the trucking brokerage market, although logistics couriers like UPS and FedEx are surely watching with interest," said CB Insights senior research analyst Kerry Wu.

The convoy of companies investing or acquiring trucking technology included Lineage Logistics; XPO Logistics, and C.H. Robinson Worldwide, according to CB Insights.

"Investment to the industry can broadly be explained by the potential for efficiencies gained via structured processes and digitization," CB Insights analyst Alex Paci said in comment provided by email.

"The industry has repeatedly been described as a 'pencil and paper' business, and disorganization exists from procurement to freight-forwarding to last-mile delivery."

Amazon some time back launched its own fleet of cargo trucks and rumors began buzzing that the online retail colossus was making moves to become a full-scale logistics company, controlling movement of goods every step of the way.

Brakes on brokers

Uber Freight offered to spare truckers from needing to go through brokers or other middle-men for cargo-hauling jobs. A video ad online showed Uber smartphone applications being used to sign-on for loads, track cargo in real-time, and get paid.

"Uber appears to be pitching Freight heavily towards carriers and truckers themselves, citing increased earning potential and greater flexibility," said analyst Wu.

"The company certainly has the reach and capital to become a contender, although it will need to grapple with its ongoing image crises and allocating resources across its growing range of initiatives."

While Uber did not disclose how much it charges to match drivers with loads, it is likely to undercut typical broker commissions to build its business the way it took on the taxi industry with low-priced on-demand car rides.

A number of US startups including Cargomatic and Convoy have gotten a jump on Uber Freight, while established big companies have begun using mobile or desktop computer applications to smooth the road with truckers.

"All the companies in this space are hoping they can upend a traditionally-run, relationship-driven business," said Wu.

"Trucking as a whole has become a hot tech space."

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