Uber launches prepaid passes for frequent routes

Uber is still trying to chip away at the perception that its ridehailing service is too expensive by launching a new feature aimed at helping customers save money on frequently traveled routes.

Today, the company is launching prepaid passes, in which customers can pay a discounted price in advance on frequently taken trips. Passes will be offered in bundles of 5, 10, 15, or 20 rides, with the bigger bundle earning the bigger discount. Discounts range from 5-20 percent off the average cost of the ride, depending on the number of prepaid passes that are being purchased in advance.

Uber will market the passes to customers by comparing the single ride fare to a discounted fare when purchased in bulk. For example, a ride from Lower Manhattan to Midtown might cost around $19, but Uber will note that it can be as high as $30 with surge pricing. Customers who purchase passes in bulk won’t have to pay the inflated price, Uber says.

When buying prepaid basses, customers select a 1-hour request window in which they typically hail a ride. Uber will then display a countdown so customers know how many passes they have left. Uber is kicking things off by launching the new feature in 75 cities, including Baltimore, Chicago, Denver, Kansas City, Los Angeles, Miami, Orlando, Phoenix, Pittsburgh, Seattle, St. Louis, and Tampa Bay.

Uber is also expanding its new price-lock feature, in which a customer can lock in a certain price for up to 10 routes for a monthly fee of $2.99. If the upfront price is lower than the

locked-in price, customers will get that lower price. Kansal says the feature is for customers who use Uber frequently to make the same trip and would like some predictability in what they pay. After offering it in a few select cities, Uber is now making it available in every major US city, as well as in Brazil.

Taken together, prepaid passes and price locks are aimed at encouraging loyalty and more frequent trips with certain customers. If you're the type of person who would consider using Uber more than twice a week for a commute, then Uber wants to draw you further into its ecosystem by throwing discounts and other incentives at you.

The company has a few more announcements today, including ride passes for teen accounts, and Meal Deals, in which Uber Eats is offering bulk orders of popular meals from restaurants for $15 or less. The price is kept low by incentivizing restaurants to prepare these meals in batches — but expect longer delivery times when using.

https://www.theverge.com/news/782765/uber-prepaid-pass-bundle-discount-route