A STUDY ON ONLINE CAB SERVICES WITH SPECIAL REFERENCE TO TRIVANDRUM DISTRICT

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Abstract :   The emergence of online taxies is a recent advancement for the taxi industry in India. Even though both ordinary cabs and online cabs provide the same utility to customers, the preference of online cabs among customers in urban is increasing. The mode of operations of online taxies is quite different from ordinary cabs. Adoption of innovative technologies for rendering quality services has helped cab aggregators to attract more customers. In fact a wide variety of online cab services are available nowadays. So, it is very relevant to have an understanding about the different cab services and business strategies adopted by various cab aggregators. There is a need to evaluate the customers' perception and preference for these services and to identify the factors influencing them

Index Terms - **Online taxi, cab aggregators**

I. INTRODUCTION

A taxicab, also known as a taxi or a cab, is a type of vehicle for hire with a driver, used by a single passenger or small group of passengers, often for a non-shared ride. A taxicab conveys passengers between locations of their choice. This differs from other modes of public transport where the pick-up and drop-off locations are determined by the service provider, not by the passenger, although demand responsive transport and share taxis provide a hybrid bus/taxi mode. Every other day in India, there is a new start up offering efficient cab services to the citizens operating in urban and rural life styles. Currently most of the cab aggregates are following the strategy of expanding their operations and building customer base in key metropolitan cities across India. The motive is to increase market share and achieve economies of scale and at the same time providing customer satisfaction. This seeks to understand the dynamics of India's taxi market by studying various factors like the pricing, market share, revenue models, etc..

Kerala is one of India's most progressive states in terms of social welfare and quality of life. The State boasts of highest literacy rates and life expectancy, lowest infant mortality rates and world-class health care systems in the country. The literacy rate for women is one of the highest in all of Asia. Enjoying a unique cosmopolitan viewpoint, the people of Kerala, at all levels of society, have greater access to services and opportunities.The online taxi was initially flagged off at Kochi followed by Kozhikode and Thiruvanathapuram.. Being the capital city of the state, it would be very important to look at the reception of this new service in Thiruvananthapuram.

II. STATEMENT OF PROBLEM

Taxi services acts as a medium of transportation. They provide convenient and safest mode of transportation. Even though taxi services were available from the past days, people opted it only in case of emergencies. All other times, they use normal means such as buses, and autos. But nowadays, there is a growing trend among people to avail online taxi services to travel even the shortest distance. As it is relatively a new concept, there has not been a much formal study or documentation regarding this subject.

The strategies adopted by cab aggregators may also play an important role in this changing mind set of people. Hence, a study based on online taxis in Trivandrum will be helpful to evaluate the overall perception of customers towards online cab services to certain extend

III. OBJECTIVES

➢ To study customers' preference towards online cab services.

➢ To identify the factors influencing the customers for choosing the preferred cab service.

➢ To identify the problems encountered by the customers while availing the services.

IV. RESEARCH METHODOLOGY

*Research Design: The study is analytical as well as descriptive in nature.

*Sample Design: Online cab users from the Trivandrum city constituted the population for the study. The sample size for the study consisted of fifty respondents. Purposive sampling method was adopted to select the sample.

*Data Collection: The study was based on both primary and secondary data.

*Data Analysis: The data collected for the study was scrutinized, analyzed and tabulated using statistical tools like percentages and charts.

V. THEORETICAL FRAMEWORK

The Big 5 Cab Services In India

1. Meru Cabs

Meru Cabs is a taxi aggregator company based in Mumbai, India. It provides cab booking facilities through calls, website or through their mobile application and payment through cash, card or wallet Meru Cabs integrated their cab service with Google Now which will send passengers remainders for cab pickups, alerting them if they wish to book a cab based on their location and other information through Now Cards within the Google app.

Meru cabs was founded by Neeraj Gupta in Mumbai on April 2007 and with the help of India Value Fund (IVF), which is a private equity fund that took an equity stake in the company raising funding over US $ 1.4 Billion. April 2015, Meru cabs received fresh funds of $50 million (Rs 300 crore) from existing investor India Value Fund Advisors. Another $100 million (Rs 600 crore) is expected by the end of this month.   Siddhartha Pahwa, chief executive, has confirmed the development.

2. Carzonrent

Carzonrent (India) Private Limited (CIPL) is an Indian car rental company with its headquarters in New Delhi, India. Carzonrent operates a fleet of over 6500 cars in India covering New Delhi, Mumbai, Bangalore, Hyderabad, Ahmedabad, Chennai, Gurgaon, Jaipur, Kolkata, Noida, Pune, Ghaziabad and Faridabad.

The company was founded by Rajeev K.Vij in year 2000 and caters to over 6,000,000 customers annually. Offering a fleet of cars from brands such as Toyota, Mahindra, Hyundai, Ford and Maruti, the company provides corporate and personal car leasing and rental services 24X7. EasyCabs and COR- Car

Rentals are also radio taxi service units from Carzonrent. The company offers a variety of rental services, including car leasing facilities for major cities throughout the country. Corporate leasing program is also available, along with airport transportation services. Apart from outstation and local car rental services, the company also provides self_drive services, called MYLES along with EasyCabs_ Radio taxiservices and international services through tie ups with other countries.

3. Savaari car rentals

Savaari Car Rentals is an online cab booking aggregator that aims to provide affordable and safe taxi services to travelers. With operations across 60 cities in India, Savaari is uniquely placed as the largest car rental company in terms of geographical reach. Savaari provides competitive Airport transfers which includes toll, parking and waiting charges, cabs for outstation travel as well as intra-city local cabs.

Travelers can opt for various taxi booking packages like 4 Hr/40 kilometres and 8 Hr/80 Kilometers for local travel. Do look for special packages that we have to offer in select cities like Bangalore where you can travel unlimited kilometres for 8Hrs/10 Hrs without any restriction on the kilometres travelled. The unlimited travel km package can be booked for airport pickups in Bangalore.

4. Ola Cabs

OlaCabs is an online cab aggregator based out of Bengaluru and among the fastest growing taxi hiring firms. Taxi booking facility can be availed through app, website or through calls. It was founded on 3rd December 2010 by BhavishAggarwal (CEO) and AnkitBhati. By 2014, the company has expanded to a network of more than 18,000 cars across more than 65 cities. Today, Ola has more than 1,50,000 plus cabs registered on its platform and is present in more than 100 cities across the country . It claims to clock an average of more than 150,000 bookings per day and commands 60 percent of the market share in India..

On April 9, 2015, OLACabs raised $315 million in series G funding from ABG Capital, Accel Partners, Mauritius Investments, Tiger Global Management & two other investors. The newest funding rounds have been led by DST Global which has pumped about $40mn in Olacabs at a valuation of $3.5bn. OlaCabs bought TaxiForSure on 1st March 2015 for about $200 million.Ola leads the cab industry in India. Rising from the bottom since 2010, it acquired funding successively in the past 6 years and now are the biggest cab service providers in India.

5. Uber

Uber is an American international company headquartered in San Francisco, California. It develops, markets and operates the mobile-app-based transportation network also called Uber. The Uber app allows consumers to submit a trip request, which is routed to crowd-sourced taxi drivers. Uber was founded as "UberCab" by Travis Kalanick and Garrett Camp in 2009 and the app was released the following June. Beginning in 2012, Uber expanded internationally. In 2014, it experimented with carpooling features and made other updates. It continuously raised additional funding, reaching $2.8 billion in total funding by 2015. It is estimated that Uber will generate 10 billion dollars in revenue by the end of 2015.

The Cab Aggregators Business Model in a Nutshell:

➢ **The Taxi Driver**

Anyone with a driving license and a car can apply for a Cab Aggregators driver in any Cab Aggregators covered cities. After screening, the driver is enlisted in the Cab Aggregators system and given a

Cab Aggregators iPhone. This provides a steady income to anyone with a car without additional hazard or investment.

➢ **The Passenger**

Registered Cab Aggregators users download the Cab Aggregators app to their phones and if they need a taxi, they call a taxi via the Cab Aggregators app. They can also track the taxi on their phone as it approaches. This service is convenient for the passengers, provides them relatively low cost comfortable service.

➢ **Fare and Payment**

Cab Aggregators set the taxi fares as premium fare during peak hours and flat rate for off peak hours. Passengers pay through their credit cards and don't have to pay any cash to the drivers. The fare is based on car type, distance and peak hour. Payment is secure because passengers pay only via credit card using Cab Aggregators app.

➢ **Dividing the Profits**

Cab Aggregators divides the fare, usually 80% to the driver and 20% to Cab Aggregators. Even after a 20% pay cut, the taxi drivers earn more than the traditional taxi services. It is estimated that Cab Aggregators have to lower its profit in all the cities it operates in coming months.

VI. RESULTS AND DISCUSSION

TABLE 6.1
REASONS FOR PREFERRING ONLINE CABS

REASONS	NO. OF RESPONDENTS	PERCENTAGE
Convenience	15	30
Time saving	13	26
Cost effective	3	6
Safety	4	8
Others	1	2
Time saving and cost effective	5	10
Convenience and cost effective	8	16
Convenience and time saving	1	2
Total	50	100

Source:-primary data

On analyzing the above table it can be inferred that 15 respondents, constituting 30 percent prefer online cabs for convenience, 13 of the users constituting 26 percent choose online cabs as they find it time saving, 3 of the respondents nearly 6 percent prefer the service as it is cost effective, 4 of

the users about 8 percent choose as it is safe to travel by online cabs and 2 percent prefer due to some other reason, which they do not specify. On the other hand, 5 of the respondents nearly 10 percent thinks that online cabs are time saving and cost effective, 8 of them constituting 16 percent use online cabs as online cabs are convenient and cost effective while another 2 percent feel that it's convenient and time saving to travel by online cabs. On the whole, majority of the users prefer online cabs over traditional means of transportation, as they find it more convenient.

TABLE : 6.2
PREFERENCE OF ONLINE TAXI

OPTION	NO. OF RESPONDENTS	PERCENTAGE
Uber	44	88
Ola	1	2
Uber and fast track	3	6
Uber and ola	2	4
Total	50	100

Source :-primary data

It is evident from the above table that 44 respondents constituting 88 percent travel by Uber online taxi, while only 2 percent prefer to travel by Ola cabs. It is also seen that 3 persons that is 6 percent prefer to use both Uber and fast track, on the other hand 2, constituting 4 percent use Uber as well as Ola cabs. Majority of the respondents choose Uber taxis for travelling.

TABLE : 6.3
FACTORS DETERMINING CHOICE DECISION

OPTIONS	NO. OF RESPONDENT	PERCENTAGE
On-time pick up	14	28
Quality of services	10	20
Discount offers	6	12
Cost fare	2	4
On time pick up and cost fare	4	8
On time pick up and 24x7 availability	1	2
24x7 availability and discount offers	1	2
24x7 availability and quality of services	6	12
On time pick up and discount offers	3	6
Quality of services and cost fare	3	6
Total	50	100

Source:-primary data

While going the above table, it can be seen that 14 respondents constituting 28 percent look for on time pickup while 10 of them nearly 20 percent look for the quality of services ,6 users that is around 12 percent look for the discount offers and 2 customers about 4 percent give preference to the taxi fare. It can also be found that 8 percent of the total respondents give weight to both on time pickup and taxi fare, 2 percent to on time pickup and 24x7 availability, 2 percent to 24x7 availability and discount offers and 12 percent to 24x7 availability and quality of services. On the other hand, 3 of the respondents constituting 6 percent look for on time pickup and discount offers and another 6 percent for the quality of services and the taxi fare. On the whole, most of the respondents give due preference to on time pickups.

TABLE : 6.4
REASONABLE TAXI FARE

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
Yes	48	84
No	8	16
Total	50	100

Source:-primary data

It's clear from the table that, 84 percent that is 48 of the respondents are of the opinion that the taxi fare is reasonable while the remaining 8 constituting 16 percent feel that it's not reasonable.

TABLE : 6.5
PROBLEMS FACED BY THE USERS

OPTIONS	NO. OF RESPONDENTS	PERCENTAGE
Delayed pickups	10	20
Rash driving	6	12
Fake offers	5	10
Fake taxi fare	4	8
Any other	14	28
None	11	22
Total	50	100

Source:-primary data

While analyzing the above table, it's clear that 10 of the users, around 20 percent have faced the problem of delayed pickups, while 6 people that is 12 percent said that rash driving is the problem they have faced and 5 constituting 10 percent have come across fake offers. On the other hand, 4 users, nearly 8 percent are of the opinion that cab providers show fake fare estimates, while 14 of them around 28 percent faced other kinds of problems which they do not reveal. It's also to be noted that 11 respondents haven't faced any kinds of problems till that time. So on the whole, people are of the opinion that delayed pickup is the most important problem which they have faced.

TABLE :6.6
LIMITED AREA OF SERVICE

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
Yes	23	46

| No | 27 | 54 |
| Total | 50 | 100 |

Source:-primary data

From the table it's evident that 23 nearly 46 percent users agree that the area of service is limited while the remaining 27 constituting 54 percent are of the opinion that area of service is not that limited. Majority say that the area of service is not limited.

VII. FINDINGS

1. 30 percent of the respondents prefer to use online cabs over the traditional means of transportation as they find it more convenient.

2. Out of the total respondents, 88 percent of them choose the online taxi services provided by Uber.

3. 28 percent of customers take advantage of on time pickups and it's the factor that supports their decision regarding choice of online cabs.

4. Out of the total respondents, sample constituting 28 percent have faced some problems while availing online cab services which they do not disclose

5. 54 percent of the respondents say that the area of service is not limited.

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