ACCEPTANCE OF CAB SERVICE AND POPULARITY OF CAB BRANDS (A CASE STUDY OF AHMEDABAD CITY)

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Abstract

Due to the rising levels of stress at work place and everywhere, urge for materialistic life, craze for automatic gadgets, luxurious lifestyle, heavy traffic on roads, no traffic sense in people, rising tariffs for parking etc. etc.; people are trying to bring comfort and convenience in their lives. To be with themselves, that means to spend time with oneself; people try to save themselves from the hassles of driving, reach comfortably at the destination. Some people have started hiring cab services instead of driving their own vehicles. This has led to the growth of taxi hiring services.

According to ROAD TRANSPORT YEARBOOK 2013 , there are 1.8million registered taxis functioning across different states of India. The above figure considers all types of taxis. Taxi market has witnessed a phenomenal growth over a period of last 6-7 years in India and approximately 3 years in Gujarat state and is growing at 15-20% per year. New companies are getting into the market and are expecting the market to grow by 30-40% per year in coming time. The objectives of the study were to know the acceptance of cab services, the factors that affect the passengers to hire a cab, the most preferred brand and the expectations of passengers from a cab service along with the demographics of passengers having any effect of their choice and preferences. The study found that there is very low level of acceptance of cab services in this city. Easy availability, comfort, convenience and easy booking procedures are some of the factors that attract people to hire a cab service instead of some other transport. Ola and Meru were the most preferred brands as per the study. The study found that there is no significant relation between the demographics of the passengers and their choice,

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preferences and expectations except one that youngsters preferred wi-fi facility in a cab and middle aged expected refreshments in a cab.

Keywords: Personalised Public Transport;Cab Services; Flexibility; Convenience; Acceptance and Popularity of Cab Services.

1. Introduction

Technology upgradation has brought many luxuries in life but at the same time it has brought a high level of stress among the people. Due to materialism, everywhere there is hue and cry for electronic gadgets, foreign vacations, sophisticated home appliances, smart phones, laptops etc etc. To get all these one has to have a lot of money. Earning money is not that simple, one has to work very hard to get this materialistic life. Rising levels of pollution, rising levels of stress, heavy traffic on roads, no traffic sense in people, rising tariffs for parking, time scarcity, urge of having easy life etc. etc. has led people to find convenience and peace. Rising stress levels at work has compelled some people to go for hiring cab services. They feel that at-least that time they can spend with themselves, they can save themselves from the hassles of driving, reach comfortably at the destination and that is the reason some people have started hiring cabs services instead of driving their own vehicles. New market segment is emerging in India where commuters are using taxis/cabs as Personalised Public Transport and are hiring vehicle for shorter or longer distance on daily basis.

According to "ROAD TRANSPORT YEARBOOK 2013" , there are 1.8 million registered taxis functioning across different states of India. The above figure considers all types of taxis. Taxi market has witnessed a phenomenal growth over a period of last 6-7 years in India and approximately 3 years in Gujarat state and is growing at 15-20% per year. New companies are getting into the market and are expecting the market to grow by 30-40% per year in coming time. The rising number of taxi hirers brought an idea to conduct a study to know the awareness & acceptance level of people regarding taxi hire and popularity of different brands offering taxi hire services in the city of Ahmedabad. The objectives of the study were to know the acceptance of cab services, the factors that affect the passengers to hire a cab, the most preferred brand and the expectations of passengers from a cab service along with the

demographics of passengers having any effect of their choice and preferences. The study found that there is very low level of acceptance of cab services in this city. Easy availability, comfort, convenience and easy booking procedures are some of the factors that attract people to hire a cab service instead of some other transport. Ola and Meru were the most preferred brands as per the study. The study found that there is no significant relation between the demographics of the passengers and their choice, preferences and expectations except one that youngsters preferred wi-fi facility in a cab and middle aged expected refreshments in a cab.

Literature Review

Very few studies have been conducted related to taxi hire services. While going through the literature, it was found that studies on shared taxi and a taxi system are conducted by many but a little thought has been put on the acceptance of a cab hire services for personal transport. A study on 'Taxi Friend: Innovation Application For Taxi Passenger' by Seesan Ramana et. al. (2012), with the objective of knowing the behavior of taxi passenger in Bangkok and their problems found that respondents agreed that they overlook the important data of a taxi in front of the car clearly and have quite good attitude to travelling with taxi, but not quite sure of safety. Normally taxi drivers have good manners but not good driving skill. Respondents usually not call or text to someone else while being passengers and usually cannot remember taxi number correctly. They didn't use location base service (such as check -in, foursquare, etc.) while travelling too. Their research found that respondents never forget their baggage on taxi, had not been cheated a taxi fare, had not been attacked by the taxi driver and had not been sexually abused by taxi driver. Another study by Nicholas Joshua (2012) investigated the relationship between mass transit facilities and taxi travel. Since taxis provide a complementary, yet competing public transportation service to mass transit, the study hypothesized that examining the proximity to transit options and the timing of taxi trips can provide insight to the perceived gaps in mass transit services. However, the results showed that simply examining geographic or temporal characteristics of taxi trips does not define clear relationships between transit facilities and taxi use, there are other variable also. A study by Wright S. and Nelson John D. (2014) On 'An investigation into the feasibility and potential benefits of shared taxi services to commuter stations' shows that commercially viable shared taxi services could be achieved by attracting between 5% and 10% of existing park and ride users. The combination of station parking

difficulties and high parking charges make this level of take-up more likely. The discussion highlights both passenger and service provider barriers and concerns over shared taxi use but identifies that the emergence of new technologies are offering solutions to many of these problems. Looking to the opportunity that none of the studies is conducted to know why people hire cab or why people don't use cab for their personal transportation, this study was undertaken with the below mentioned research objectives.

2. Research Method

Research Methodology is the blueprint of how research work is undertaken. It is the plan of conducting research. It includes research objectives, research design, sampling decisions, mode of communication and data analysis.

Research Objectives

Cab services have just gained access into the minds of the people of Ahmedabad. The study wanted to know:

- The customer awareness and acceptance of CAB Services and their usage.
- The customer preferences towards the CABS or the most preferred CAB Brand
- The customer preferences towards various facilities/services given in CABS.
- The factors that affect the choices of the customers while choosing CAB Brand.

Research Design, Scope of Study, Sampling Design and Data Collection

A descriptive study of a sample consisting of 100 people of 18 years and above age, who have used CAB Services; was selected using non-probability sampling technique of "convenience" from the following areas of Ahmedabad city:

1) Nava-Vadaj
2) Satellite
3) Bopal
4) Maninagar
5) Vastrapur

About 300 people were approached for this study and were asked have you ever used cab services in Ahmedabad? But only 100 responses replied positively, suggesting 33% response rate which is considered as low. The survey was considered to be a suitable research method for data collection in this study (Choudrie and Dwivedi, 2005). A self-administered questionnaire was the primary survey instrument for data collection and was selected because it addresses the issue of reliability of information by reducing and eliminating differences in the way that the questions are asked, and how they are presented (Fowler, 2002). Taking this into consideration, close ended questions were mainly included in the questionnaire. A structured schedule using 11 Likert Scale statements along-with other closed ended questions was presented to respondents for primary data collection. After cleaning and completing data, 100 responses were considered for data analysis. Initially the questionnaire was tested for its reliability on the basis of the responses from 50 respondents using Cronbach's α which was found to be 0.764 which indicates a fair reliability of the questionnaire.

Statistical Tools

To meet the objectives, simple techniques like Frequency Counts and Percentages were used for data analysis. Descriptive and Inferential Measures were used to analyse the data and meet the objectives of the study.

3. Results and Analysis

All the questionnaires were coded and checked for incompleteness and inconsistencies. After cleaning the data, tables were prepared and Frequencies and Percentages were derived.

The demographic profile of the respondents is as follows:

Table -1: Gender v/s Age

Gender	Age				Total No. Of Respondents
	18-25 yrs.	26-35 yrs.	36-45 yrs.	Above 45 yrs.	
Male	33	7	6	4	50
Female	12	17	11	10	50

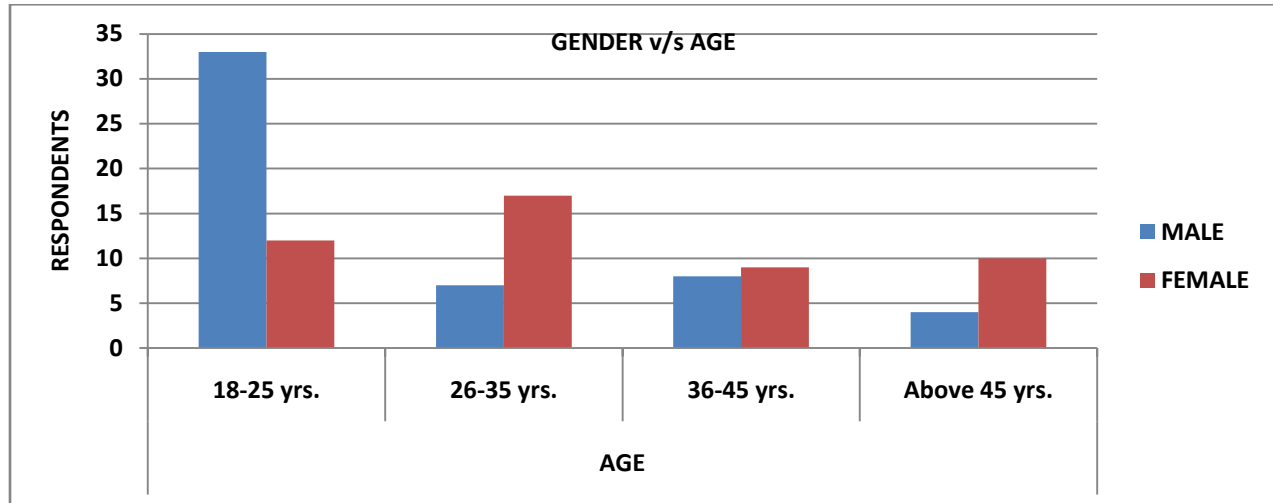| Total	45	24	17	14	100

Figure-1: Gender v/s Age

Chi-square test was run on cross tabulation to analyse the relationship between demographic variables and the cab services. Following hypothesis were framed:

Hypothesis
Hypothesis 1:

Ho: Age of the passengers do not have any significant relation with the perception of the driving speed of the drivers.
H1: Age of the passengers have significant relation with the perception of the driving speed of the drivers.

Table -2: Age v/s Perception Of Driving Speed Of Cab Drivers

Age	Perception Of Driving Speed Of Cab Drivers			
	Slow	**Safe**	**Rash**	**Total Frequency**
18-25	2	36	7	**45**

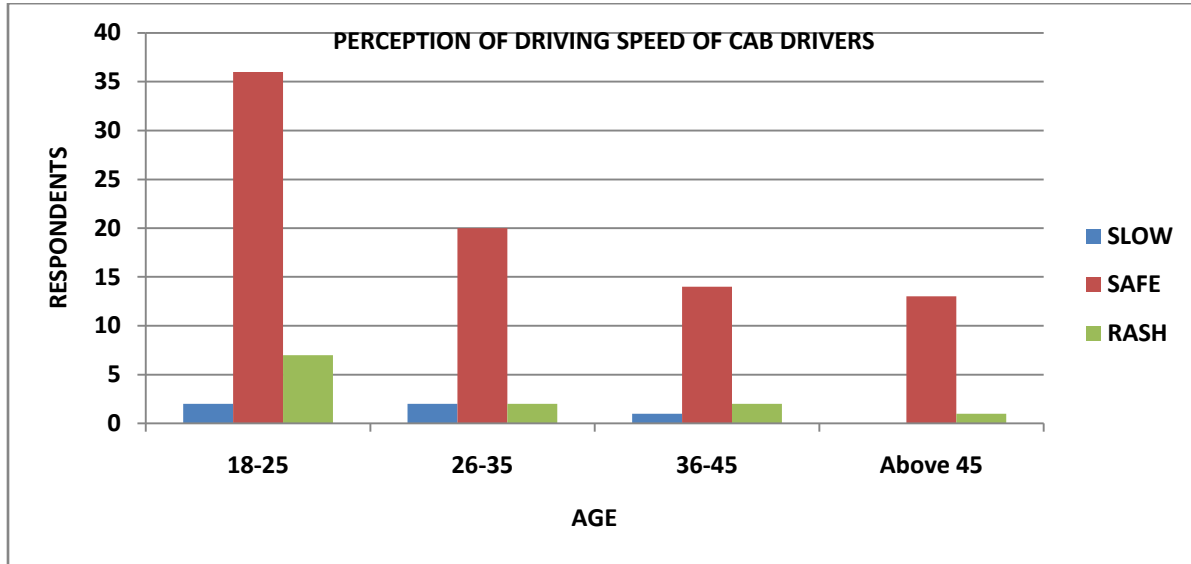|				
26-35	2	20	2	**24**
36-45	1	14	2	**17**
Above 45	0	13	1	**14**
	5	**83**	**12**	**100**

Figure-2: Age v/s Perception Of Driving Speed Of Cab Drivers

In order to test the above hypothesis chi-square statistics was calculated as:

$$\chi^2 = \sum_{i=1}^{n} \sum_{j=1}^{n} \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

Where $E_{ij} = \dfrac{R_i \, x \, C_j}{G}$

Where O_{ij} = observed frequency in the i-jth cell

E_{ij} = expected frequency of the i-jth cell

R_i = Row Total of ith Row

C_j = Column Total of the jth Column

G= Grand Total

The calculated value of chi-square statistic for Hypothesis 1 was found to be 2.9598 which is less than the corresponding chi-square table value of 12.592 at (4-1)*(3-1) = 6 degrees of freedom at 5% level of significance. Hence the null hypothesis is accepted thereby concluding that Age of the passengers do not have any significant relation with the perception of the driving speed of the drivers.

Hypothesis 2:

Ho: Age of the passengers don't have any significant relation with the preference of media type.

H1: Age of the passengers have significant relation with the preference of media type.

Table -3: Age v/s Media

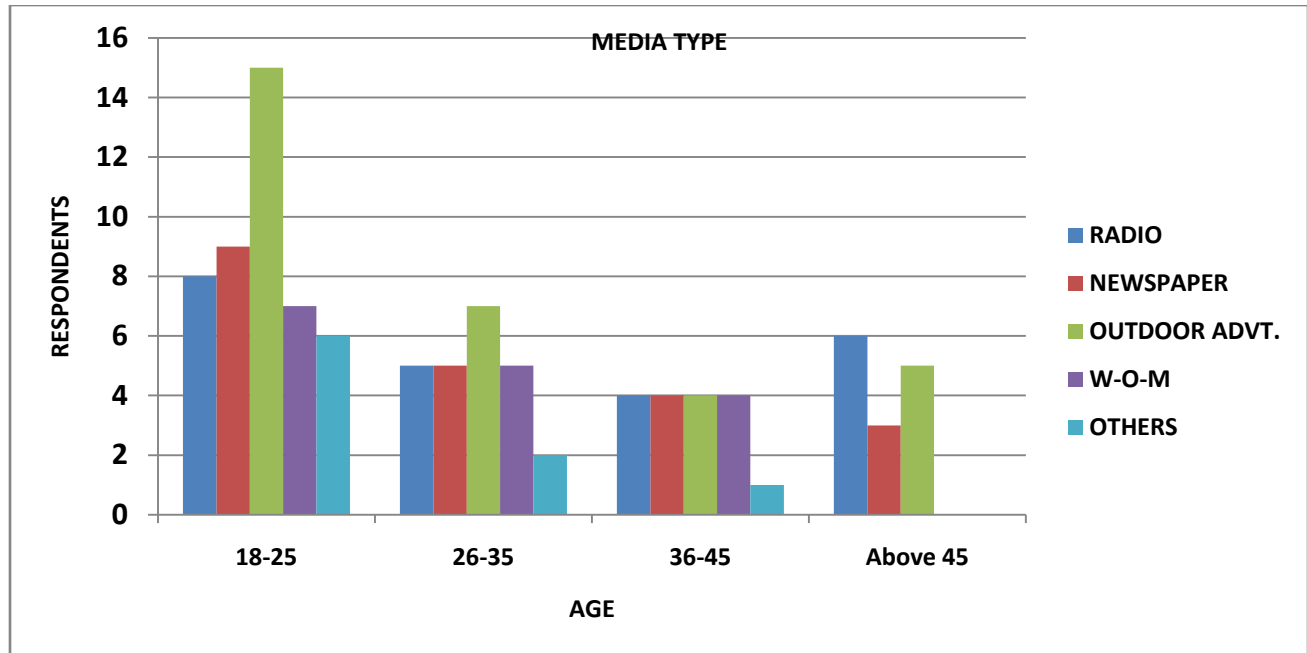| Age (in years)	Media					
	Radio	Newspaper	Outdoor Advt.	W-O-M	Others	Total
18-25	8	9	15	7	6	45
26-35	5	5	7	5	2	24
36-45	4	4	4	4	1	17
Above 45	6	3	5	0	0	14
	23	21	31	16	9	100

Figure-3: Age v/s Media

The calculated value of chi-square statistic for Hypothesis 2 was found to be 9.0774 which is less than the corresponding chi-square table value of 21.03 at (4-1)*(5-1) = 12 degrees of freedom at 5% level of significance. Hence the null hypothesis is accepted thereby concluding that age of the passengers don't have any significant relation with the preference of media type.

The Table below indicates the descriptive analysis of the scores obtained of 100 respondents on 11 variables under study:

Table -4: Descriptive Statistics

Sr. No.	Variables	Mean	Std. Deviation	Coefficient of Variation
1	EASY BOOKING	1.6200	.54643	33.73
2	CONVENIENCE	1.7200	.60436	35.1372
3	MAINTAINS PRIVACY	2.0000	.80403	40.2015
4	SAFE	1.8100	.61455	33.9530

5	SAVES TIME	1.8400	.72083	39.1755
6	ON TIME CAB SERVICE	1.9800	.85257	43.05909
7	MAINTAINS STATUS	1.9800	.87594	44.23939
8	COST EFFECTIVE	2.4800	.99980	40.3145
9	EASY CANCELLATION	2.4900	1.18488	47.5855
10	LAST MOMENT CANCEL	2.7200	1.13778	41.8301
11	HYGIENIC	1.9500	.75712	38.8266

The highest means score corresponds to variable no. 10 which indicates that majority of the respondents do not have faced last moment cancellation of cab from companies. The least mean score belongs to variable no. 01 which implies that very few people believe that cab bookings are not easy. The Coefficient of Variation of variable 1 is the least one which indicates that the responses for variable no. 1 are most consistent. The Coefficient of Variation of variable 9 is the highest one which indicates that the responses for variable no. 9 are most inconsistent.

Findings of the Study

The study revealed the following:

- This survey was restricted only towards those respondents who have already used Cab Services and are aware of Cab Services.

- Most of the respondents are satisfied from the services provided by the different Cab Brands.

- The study suggested that OLA CAB and MERU CAB are capturing largest market share comparing to other brands like TAXI FOR SURE and other brands. The respondents prefer Ola and Meru Cab Services and their growth rate is consistent in the city.

- The survey suggested that most of the knowledge about the different brands of Cab Services was either through outdoor advertising or radio.

- Most of the respondents use Cab Services for Airport pick up and drop service, due to easy availability of the service, high comfort level, convenience & they also think that Cab Services are faster as compared to other modes of transportation.

- Majority of the respondents preferred Cab services for travelling short distances.

- 42% of the respondents believed that their experience of travelling by Cab was good while 24% of people rated it as the best travelling experience.

- 49% of the respondents agreed that Cab Services are easy to book.

- Majority of the respondents agreed that Cab Services maintain privacy, saves time, have easy cancellation procedure, offer cost effective services, maintain hygiene and are safe to travel.

- The respondents of age group 18-25 preferred Wi-Fi facility in Cab whereas respondents of age group 45 and above preferred refreshments in Cab.

- The study also indicated that age of the passengers do not have any significant relation with the perception of the driving speed of the drivers and the preference of media type for getting information about different brands.

4. Conclusion

The study indicated that most of the people in the city of Ahmedabad do not avail the services of Cab. About 300 people were approached for this survey but only 100 responses were received as they have used cab services earlier. This suggests 33% response rate which is considered as low. This suggests that there needs to be more awareness among the people of Ahmedabad about the cab services. The companies offering cab services should take rigorous steps to make people aware about the convenience, safety, time saving, easy booking procedures and other benefits of using cab services. Those who have used cab services were found to be satisfied. Ola and Meru cabs are found more popular than other brands of the cabs. The youngster preferred Wi-Fi facility in Cab whereas respondents of age group 45 years and above preferred refreshments in Cab. The study found that there is lot; that companies can do to capture the untapped market in the city of Ahmedabad.

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