Customer Satisfaction towards Call Taxi Services A study with reference to Chennai

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Abstract

The phenomenal growth of passenger vehicle market is vitally backed by the domestic taxi segment. The Indian passenger vehicle industry is expected to have a strong growth potential in the near future, whereas medium to long term growth will be supported by low car penetration level and increasing income level of the consumers. This research paper focuses on the customer satisfaction towards the various brands of call taxi service providers in the southern hub Chennai. The study deals with the consumers mindset towards in utilizing the call taxi services, the level of comfort, ease of access, tariff system, promotion, safety and convenience, and overall satisfaction towards the service quality of the service providers. The reasons that support and influence their choice, ascertain their views in enhancement of service and reasons behind their dis-satisfaction are analyzed by conducting the Descriptive research, using Convenience sampling, the data so gathered are with appropriate tools and provided with feasible suggestions. The outcome undoubtedly emphasize on the extremely good growth in the future. Keywords: Call Taxi, Customer Satisfaction, Service quality.
1. Introduction

The consumer market is filled with opportunities and possibilities to develop. Every market place has a pivot point. In the case of e-tailers, it is the consumers whose appetite for discounts leads them to flame venture capitalists. The passenger vehicle segment is one of the most sought after and fast growing market in India. The customers are seeking the comfort, pride, and prompt service with safety. The increasing population and limited infrastructure adds to the opportunity to grow, especially attracting the foreign investors and the son of soil to invest in the competitive manner, which in turn leads to more attractive services at affordable rates to the customers. There is a mushroom growth of taxi service providers like, Bharathi, Golden, Ola, Uber, Meru, Yellow, Fast track, Friends Track, Royal friends, etc. In the case of on-demand taxi aggregators such as Uber, Ola Cabs and Meru Cabs, it is the drivers. Taxi aggregators typically don't own any cabs or employ drivers; they connect customers with drivers through a tech platform, the front-end for the customer being an app. According to the press release, nearly 1.6 million vehicles in India are licensed to run as cabs but there are not as many quality drivers. It is quite a task for aggregators to convince drivers - used to a mom-and-pop model or radio taxis - to work with them.

Securing the supply side has become a slugfest among India's top three on-demand taxi companies - ANI Technologies, which runs Ola, Uber and Meru - as they pour money to capture the market. Ola and Uber, particularly, backed by global venture capitalists, are threatening to make every other taxi company in India irrelevant. Meanwhile, big money is making this battle worth fighting for. According to the Association of Radio Taxi India, the taxi business in the country is growing at 20 to 25 per cent a year. The organized taxi sector accounts for just four to five per cent of the industry and totals $800 million. It is expected to grow to $7 billion by 2020.

Ola had a head start in the aggregation market, founded in Mumbai during December 2010 and active in 110 cities in India. TaxiForSure was founded a few months later, in June 2011. Uber founded in San Francisco, during June 2009, and entered India only in October 2013, active in 29 cities in India. Meru, of course, started much before, in Mumbai during 2007, but it mostly had owned cars - it bought cars and employed drivers, active in 23 cities in India. It began a shift to the aggregation model in 2011. Ola managed to raise money faster; its Series A funding came from Tiger Global in 2012 and Series B from Matrix Partners and Tiger Global in November 2013. Fast Track founded in Chennai during 2001 and active in 42 cities in India.

2. Need and Rationale of the Study

In the recent years of rapid growth on rental services, there is tremendous increase in the usage of call taxi services in all cities, especially in metros.
In every sphere of business, the service and quality should be matched with the perceived, expected and delivered. The big market players in call taxi services are keen in enhancing the products and services to tap the customer base. This study will help us to know the customers satisfaction with respect to the comfort, convenience, tariff, service quality and staff courtesy, etc. Also, we can have the input and ideas to improve the services to meet out the customer expectation in the near future.

3. Review of Literature

Geeta Kesavaraj (2013), reveals that “As global competition grows, communication and technology channels open up new markets, and products and services are translated into a wide array of choices for our audiences, companies must work harder than ever to gain and keep customers at a competitive cost. In this new age, companies must focus their strategy, energy, processes and budgets to improve their knowledge and commitment to customers. It is imperative that companies make it their priority to use innovative Customer Relationship Management methodologies and to know how to implement customer centric strategies, together with the use of adequate technologies to aid in this process”.

Tazyn Rahman (2014). According to the industry sources, unorganized operators dominate about 85% of the market. The car rental industry grew from ` 30bn in FY03 to ` 200bn in FY11 notching up an annual average growth of 30%. The Radio cabs business has emerged as one of the fastest growing businesses in the Indian transportation sector. The concept of 24-hour radio cabs caught up in the country about a decade back with Delhi-based Mega Corp setting the wheels rolling under the Mega Cabs brand in cities such as Bangalore, Mumbai, Calcutta, Chandigarh, Ludhiana and Amritsar. Guwahati also is not laying back in this regard. Private luxury taxi operators in Guwahati are also planning to expand their fleets in the absence of a state-owned service and the shift by most commuters to the economical yet comfortable mode of transport. The Northeast is a prime destination for tourist, so the demand for car rental services can only get bigger. In the absence of a state owned radio cab service in Guwahati, the private players are eyeing big business. My Taxi has the pioneered private taxi operators ( not radio taxi ) to hit the road in 2010 followed by Prime Cabs. Prime Cabs launched in 2012 has emerged as the first organized Radio taxi service provider. Prime Cabs offers a cab service that emulates the best taxi service norms across the world. Their endeavor is to ensure that customers need for commuting is met every time they need to commute and in as hassle free a manner as possible. The prime objective of this study is to understand the customer perception and customer satisfaction level on Radio Taxi services with special reference to the city of Guwahati and to offer suggestion to improve the performance of the services. Dipesh Bhawnani, et. al.,(2015), focuses on analyzing the cab company’s customer dataset which will help
Company to analyze its frequent customers: so that the company can understand its customers and can provide different offers to them. Demand of cabs of particular type and at particular location and time, so that the company could make necessary arrangement of particular cab like small cabs, luxury cars, buses etc. We have analyzed the possible cancellations of cab booking by the customer using data obtained from the company. The goal is to reduce the cost incurred by the company as a result of cab cancellations made by the customer. Cab companies will be able to manage its vendors and drivers by providing them with up to date information about Customer cancellations. We have also analyzed travel and package type used by the customer. Tableau is used to connect hortonworks hive data source and the data is analyzed and shown in graphical format for better visualization and understanding. Kumar, Kishore & Namavaram, Ramesh. (2016). The purpose of this paper is to study the factors influencing the consumers while selecting cab services. The dependent variable is ‘coupon redemption behavior’ and independent variables are innovativeness and price consciousness. The relationship between dependent and independent variables are empirically verified through statistical methods. The statistical tools like correlation, regression and descriptive statistics are used for data analysis. It is found from the study that consumers are interested to redeem coupons while selecting cab services. It is also revealed from the study that consumers are comfortable to redeem coupons through mobile apps while booking cab services.

Rexi A. (2016) states that “Call taxi have a greater value in the community, in the taxi industry is regulated in various ways by the state Governments through their respective Departments of Transport. Through this regulation the Government is able to exert some control over the activities of the industry, with the ultimate objective of providing a higher level of service (a complex construct in itself) to the public. In the current scenario the best and convenient way to travel to and from bus stands, railway stations, airports and to other places of interest in Coimbatore is by call taxi. There are as many as 40 to 50 call taxi service providers available in the Coimbatore city and its suburbs call taxi service is mostly available 4 hours within the day. And people regard it as the most convenient way to travel. this study is mainly used to identify the awareness towards call taxi services, factors influencing the choice of call taxi services, satisfaction towards the call taxi services, and the problem faced by people while using call taxi services.

Ruchi Shukla, Ashish Chandra & Himanshi Jain (2017) states that “Every other day in India, there is a new start up offering efficient cab service to the citizens operating in urban and rural lifestyles. This raises a question that is India going through a possible ‘Taxi Revolution’ In this paper, an attempt has been made to do comparative study of two of such taxi aggregators that have radically changed the way “the great Indian middle class” commutes daily-Ola and Uber. Currently, both Ola and Uber cabs 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 article seeks to understand the dynamics of India's taxi market by studying various factors like the pricing, market share, revenue models, etc. The paper is qualitative in nature and based on secondary data collected from different sources.

4. Objective of the Study

- To find out the customer satisfaction towards the call-taxi services.
- To find the level of convenience and comfort with call-taxi services.
- To know their opinion about the tariff system and promptness of service.
- To ascertain the customer view towards the driver behaviour and courtesy.
- To provide inputs to enhance the services to delight the customers.

5. Research Methodology

Research can be defined as the search for knowledge or any systematic investigation to establish facts. The primary purpose of Descriptive research is to provide an accurate description or picture of the status or characteristics of a situation or phenomenon and hence the same is adopted in this study. The Convenience sampling method is followed in-order to collect the data through the structured questionnaire from the respondents. The sample size so arrived at is 200 respondents forming part of customers of call taxi service in Chennai.

6. Results and Discussions

- Chi-square Test -1

H0: There is no significant relationship between gender and the satisfaction towards the call taxi services.

H1: There is significant relationship between gender and the satisfaction towards the call taxi services.

The test (Refer Table-1) shows that there is no significant difference between the gender and the satisfaction towards the call taxi services.
The values $\chi^2 = 2.65$, $p = 0.265$, denotes that since $p$-value is greater than $Hence$, it is concluded that there is no relationship between gender and the satisfaction towards the call taxi services.

Chi-Square Test -2

H0: The preference towards Taxi or public transport does not depend on the age of the respondents.

H1: The preference towards Taxi or public transport depend on the age of the respondents.

The test (Refer Table-2) shows that there is no significant difference between the preference towards Taxi or Public transport in terms with the age of the respondent.

Chi-square Table-2

<table>
<thead>
<tr>
<th>Preference Age (in yrs)</th>
<th>Taxi (Yes)</th>
<th>Public Transport (No)</th>
<th>Sometimes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 20</td>
<td>9</td>
<td>7</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>21 - 30</td>
<td>29</td>
<td>22</td>
<td>14</td>
<td>65</td>
</tr>
<tr>
<td>31 - 40</td>
<td>23</td>
<td>16</td>
<td>11</td>
<td>50</td>
</tr>
<tr>
<td>41 - 50</td>
<td>18</td>
<td>13</td>
<td>9</td>
<td>40</td>
</tr>
<tr>
<td>&gt; 50</td>
<td>11</td>
<td>7</td>
<td>7</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>65</td>
<td>45</td>
<td>200</td>
</tr>
</tbody>
</table>

The values $\chi^2 = 0.677$, $p = 0.996$, denotes that since $p$-value is
greater than

Hence, it is concluded that there is no relationship between age and the preference towards the type of transport.

7. **Findings**

- Most (32.5%) of the respondents are in the age group of 21-30 years.
- Majority (61%) are female. 35% of the respondents are with private employment.
- Majority (60%) are qualified with Under graduation. The income level is 6-9 lacs that accounts to 40%.
- Majority (56%) of the respondents felt that they are neither satisfied nor dis-satisfied with the call taxi services in Chennai, where 34% are satisfied.
- Majority (70%) feel that the taxi are easily accessible.
- 45% of the respondents feel that they prefer taxi rather than public transport.
- Majority (83%) feel that the taxi arrives stipulated time.
- 45% feel that the taxi services are reliable.
- Most (40%) of the respondents feel that the taxi reach the right place at the right time, which is closely followed by sometimes it reaches at the right time as opined by 38%.
- Majority (63%) of the respondents feel that the tariff are high for taxis.
- Majority (78%) of the respondents are not ok for paying high fare on peak hours, and 70% of them feel that the tariff system is clear and transparent.
- Majority (80%) feel that the drivers are respectable to the customers, and 60% of them are helpful and guide the customers to reach their place.
- Majority (86%) of the respondents did not face any embarrassing situation with the driver.
- Most (40%) of the respondents opined that, two of them used to travel normally, and 80% of them use to book with the Ride now/immediate option.
- Most of the respondents prefer the call taxi for Friends outing and official work, that share equal percentage of 32.5% each.
- Majority (75%) of the respondents feel safe while travelling alone, and 45% of them feel they can provide better infrastructure facilities.
- Most (90%) of the respondents feel that, they get the taxi through Mobile app.

8. **Suggestions**

- The young crowd is the major source of market for the call taxi
service provider. They are attracted towards the offers and cash discounts.

- The drivers and the call center executives are to be trained in well in communication and multi-linguistic proficiency to attract new markets.
- The service providers shall provide more facilities and for their privileged customers. They drivers are to be properly trained on various routes and driving efficiency, so that they maintain promptness in reaching the place and guiding the customers.
- The tariff rates are bit higher as felt by the customers, especially during the peak hours, they can follow competitive pricing strategy, and it should be made clear to the passengers.
- The customers are also to be educated with advance booking facility and privileges of booking in advance, instead of opting Ride now, as it leads to dis-pleasure at times.
- The infrastructure facilities are to be increased to give the passengers to pleasant travel.
- Some of the common suggestions provided by the customers from the survey are like, to maintain cleanliness of the vehicle, the vehicle has to be properly painted, proper grooming of the drivers, vehicle sticker (Brand), Well versed in route, Card payments, Discounts, etc.

9. Conclusion

The study reveal the customer satisfaction about the call taxi services, the factors they give importance in selection of the service provider, tariff, comfort, convenience, service quality and customer care rendered. This will help the service providers as an important input to understand about the customer satisfaction about their service, and to what extent they are with us by utilizing our services. The finding depicts the exact replica of the customer’s mindset and level of satisfaction towards the service providers operating the call taxi in the Chennai market. Appropriate suggestions were provided considering the facts and feasibility, if the market players take these outcomes into account and act, its sure to create fullest satisfaction rather delight the customers and expand the market base. This will also help the service providers full fill the customer expectation that fetches the goodwill and develop their brand image in the market.

References


