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TAXI SERVICES IN INDIA

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ABSTRACT

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. In this, you can able to learn about the top 5 call taxi services In India and their evolution in the Indian taxi market. It is also revealed from the study that consumers are comfortable to redeem coupons through mobile apps while booking cab services. This is ensured by the fact that there are multiple cab service providers and the customer has the opinion to pick the one providing best services for the lowest price. By this, we conclude that Ola cab is more superior than other cab services in India.

KEYWORDS: *Cab Service, Hackney Carriage, App based Cab services, Transportation, Cab Aggregator, Quality Service*

I. INTRODUCTION

In the past decade the transportation facilities in urban areas have undergone tremendous changes. Among various modes of transportation the taxis have become important mode of transportation in metropolitan and urban cities in India. The growth organized car rental industry is continuously growing with support technology. The customers in the present era are using mobile apps to book a cab at any time and from any place in urban areas. The pricing strategy of cab operators had been positively

influencing customers to book a cab instead of traditional mode of transportation like autos and local buses etc. Like most of the industries the car rental industry had underwent lot of transportation with internet technology. The consumers are able to access book cabs at competitive prices because of tough competition among the organized cab operators.

II. HISTORY

Call taxis first appeared in Chennai and were described as 'no nonsense' in comparison to regular

taxi cabs. In Bangalore, Call taxis gained prominence after the opening of the Information Technology sectors. Horse drawn for hire hackery carriage services began operating in both Paris and London in the early 17th century. The first documented public hackney coach service for hire was in London in 1605. In 1625 carriages were made available for hire from innkeepers in London and the first taxi rank appeared on the Strand outside the Maypole Inn in 1636. In 1635 the Hackney Carriage Act was passed by Parliament to legalise horse-drawn carriages for hire. Coaches were hired out by innkeepers to merchants and visitors. A further “Ordinance for the Regulation of Hackney-Coachmen in London and the places adjacent” was approved by Parliament in 1654 and the first hackney-carriage licences were issued in 1662. A similar service was started by Nicolas Sauvage in Paris in 1637. His vehicles were known as fiacres, as the main vehicle depot apparently was opposite a shrine to Saint Fiacre 2

The hansom cab was designed and patented in 1834 by Joseph Hansom, an architect from York as a substantial improvement on the old hackney carriages. These two-wheel vehicles were fast, light enough to be pulled by a single horse (making the journey cheaper than travelling in a larger four-wheel coach) were agile enough to steer around horsedrawn vehicles in the notorious traffic jams of nineteenth-century London and had a low centre of gravity for safe cornering. Hansom's original design was modified by John Chapman and several others to improve its practicability, but retained Hansom's name. These soon replaced the hackney carriage as a vehicle for hire. They quickly spread to other cities in the United Kingdom, as well as continental European cities, particularly Paris, Berlin, and St Petersburg. The cab was introduced to other British Empire cities and to the United States during the late 19th century, being most commonly used in New York City.

The first cab service in Toronto, "The City", was established in 1837 by Thornton Blackburn, an ex-slave whose escape when captured in Detroit was the impetus for the Blackburn Riot.

Electric battery-powered taxis became available at the end of the 19th century. In London, Walter C. Bersey designed a fleet of such cabs and introduced them to the streets of London on 19 August 1897.

Taxicabs proliferated around the world in the early 20th century. The first major innovation after

the invention of the taximeter occurred in the late 1940s, when two-way radios first appeared in taxicabs. Radios enabled taxicabs and dispatch offices to communicate and serve customers more efficiently than previous methods, such as using callboxes. The next major innovation occurred in the 1980s when computer assisted dispatching was first introduced.

III. REVIEW OF LITERATURE

M. Dachyar and A. Rusydina (2015) The high demand of urban transportation services has become an opportunity for companies to gain customers. The important key for company in maintaining and improving customer relationship is customer satisfaction. The samples of this research are 1200 taxi users of BB taxi, EX taxi, and TX taxi which rush in and around Jakarta City. Structural equation modelling is used for data processing and analysing. The result of this study indicates the company image has the strongest impact. Thus, companies needs to consider company image and other several significant factors to increase customer satisfaction and earn customer loyalty.

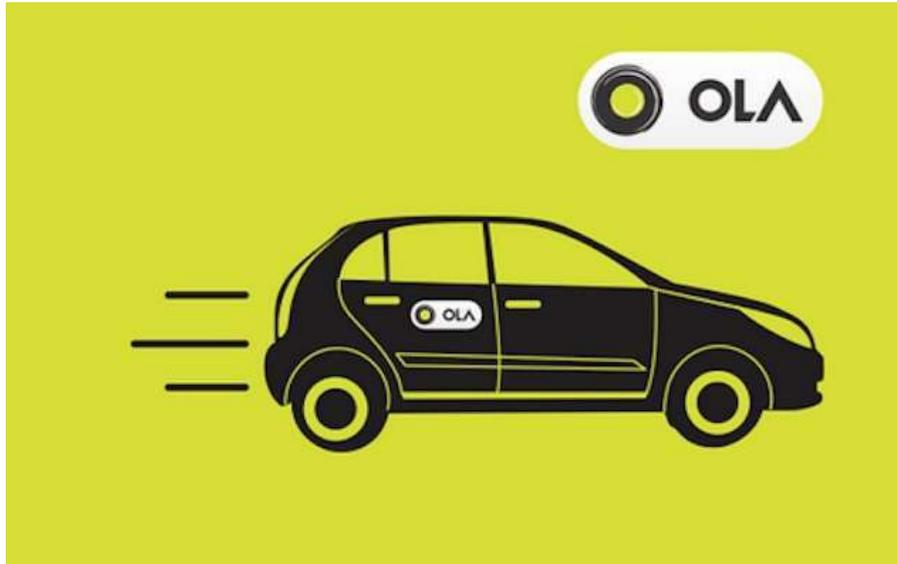
Prof. Manjunath. G (2015) The first dimension of Brand Knowledge is Brand Awareness. Customer satisfaction is “an emotional response to the experiences provided by, associated with particular products or services purchased. This research paper is an attempt to explore the brand awareness and customer satisfaction towards Ola Cabs in Bengaluru region (South and North regions). Convenient Data Sampling method is used for Data collection. The study uses both primary data and secondary data. The primary data was collected by using a well-structured questionnaire from 276 respondents and are entered into the sub-tables by using the simple percentage analysis. The tools like simple percentage analysis and Chi-Square Analysis were used. To conclude, Ola cabs has positioned its brand and has created a good brand image in the minds of customers concerned with personal transportation services compare to Uber and Meru cabs in Bengaluru.

IV. TOP 5 TAXI SERVICES IN INDIA

Leading call taxi providers in India for the year 2019 are given below:

- OLA
- UBER
- MERU
- CARZONRENT
- SAVAARI CAR RENTALS

Ola Cabs:



Ola Cabs 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 Bhavish Aggarwal (CEO) and Ankit Bhati. 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.

It raised \$330k in its initial round of funding on April 21, 2011. The company received Series A funding of \$5 million from Tiger Global Management; Series B funding of USD 20 million from Matrix Partners and Tiger Global; Series C funding of \$41.5 million from Steadview Capital, Sequoia Capital and its existing investors. Ola Cabs bought Taxi For Sure 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.

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 “Uber Cab” 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 company received venture funding in late 2010 from First Round Capital and a group of super angel investors in Silicon Valley that included Chris Sacca. In early 2011, Uber raised more than

US\$11.5 million in Series A funding led by Benchmark Capital. In late 2011, Uber raised an additional \$32 million in funding from several investors, including Goldman Sachs, Menlo Ventures, and Bezos Expeditions, bringing its total funding to \$49.5 million. Google Ventures invested \$258 million in 2013. In December 2014, some successful investors the names of which Uber did not disclose, participated in a competitive bidding process that lasted several weeks, and their investments meant that Uber was worth US\$41 billion. There are huge speculations about an impending Uber IPO. the company is expected to be valued at \$41 billion. This will make Uber the most valued start up ever.

Uber has also been embroiled in a number of controversies due to flak from an executive’s inappropriate comments about women journalists and its questionable oversight of drivers.

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 christened Cab Wallet. Meru Cabs integrated their cab service with Google Now which will send passengers reminders 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.

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. Easy Cabs 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 Easy Cabs- Radio taxi services and international services through tie ups with other countries.

In 2005, Carzonrent India first received Rs 6 crore from SIDBI Ventures, for a 10% stake. In 2006, Sequoia Capital invested \$6 million into Carzonrent for a little less than 20% stake, which has fallen further this week. BTS India's portfolio comprises of Caravel Logistics Private Ltd., Mantri Metallics Private Ltd., Microqual Techno Private Ltd., Parabolic Drugs Ltd., QAI India Ltd., Reliable Auto tech Private Ltd. and Sai Sudhir Infrastructures Ltd, and invested Rs.36 crore, a part of the Rs.100 crore deal made during Jan 2011.

Carzonrent being one of the oldest cab start ups in India has good amount of experience and hence in the race to become the lead.

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. Savaari was founded in 2006 to fill the gap where you can get quality car rental services at nominal rates irrespective of which city in India you want to hire car rental services, thus ensuring that you get the best value for your money at all times.

The car rental market in India is expected to be Rs.12,500 crores. It has grown pretty much at

15% in the past few years except for 2008 and 2009 when it grew less because of the economic slowdown. It is expected to grow at the same rate in coming years as well and they expect the market to be around Rs.15,000 crores in 2011. They plan to increase the number of cities where they provide their services and increase the number of local transporters in their existing cities.

V. CONCLUSION

The cab service is a booming sector in the Indian market. Ola, Uber, Meru, Carzonrent, Savaari Car rental companies are providing better facilities than auto – rickshaws and buses. People considered cab services as a luxurious necessity and feel justified for the tariff charged. The lack of any initiative from the Government sector in venturing into the cab business, the competition among private players can lead to better services to the passengers. Employment opportunities for drivers will increase with the rise in the number of taxis in India. There are still many areas in which the application can be improved. Feedback system can be made better and some features can be added in future to benefit long time users and customers. We would like to conclude this by saying that in present day, Ola cab services is considered to be superior than other taxi services in India. It is found that price conscious consumers are likely to redeem coupons. The modern consumers are innovative and at the same time they are price sensitive therefore coupon redemption helps for customer retention.

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