



IMPACT OF OLA CAB SERVICES ON THE CUSTOMERS PERCEPTION IN BANGALORE

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ABSTRACT

Bangalore is the fastest-growing city; hence it is inevitable to develop taxi services to commute within the city. Uber and Ola are perceived to be the two main competitors that have captured this market, backed by venture capital funds, and plans of rapid expansion. Cab services started with online services to disrupt technology in the transportation and communication business. In India, initially, OLA Cab Services were popular in the market but when Uber started its services customers got the option. OLA and Uber introduced innovative ideas for taxi booking services in the transportation sector. It is important to see that they don't have their own cars but just with the help of technology and the backend to link drivers, they are getting connected in the transportation and communication sector just like Car and Bike Rental services came into the Online Cab Business as the new disruption. Today other online cab service providers came with rental services like Zoom Car, Bounce, Drivezy, Lithium, etc. as a competitor for OLA. The objective of the study is to analyze the impact of Ola Cab Services on Customers' Perceptions in Bangalore.

The study had a sample size of 200 Respondents and the data collection method was a Personal Interview through online mode.

KEYWORDS: Taxi Services, Transportation, Communication, and Online Cab Business.

INTRODUCTION

India is a developing country and it is found that with this development, middle-class people have slowly raised their standards of living which led to an increase in their wants and needs. In India, there is a huge demand for taxi services accordingly travelers' lifestyles are getting changed with the increasing disposable income of consumers.

In the past decade, there was a revolution in the cab industry, with the emergence of organized car rental systems using modern technology. Technology played the lead role in this transformation by providing us with Location Based Tracking Technology along with GPS, helping to get its latest coordinates and scheduling based on live traffic feed.

Today customers have applications installed on their mobile phones so they can easily book a cab anytime and anywhere. An increase in the use of smartphones and better penetration of the internet has helped cab service providers to reach the masses. Other Cab Service providers like Meru Cabs, Carzonrent, Savaari Car Rentals, Fastrack Taxi App, Mega Cabs, Tab Cab, NTL Taxi, My Taxi India, and Zust Go, etc., are following OLA and Uber strategies. These service providers also have their own apps compatible with Android, Windows, and iOS. Ola and Uber are the leading Cab operators in India and have captured 96% of the Indian market. Ola Cabs started its operations in 2010 in Mumbai, under the name of ANI Technologies Pvt. Ltd. There are 30 lac cars registered and operating in India, and started with Ola auto rickshaws, and Ola bikes also. They have more than 20000 employees and provide services in Australia and New Zealand. Uber Technologies has been incorporated in the state of Delaware, US, and started its operation in India from Bangalore. Uber operates in 80 cities, having 10 lac registered cars, with a market share of 39.6% (Ola – 56.2%),

The passengers are getting benefited from the quick cab service, even they can check the driver's profile before and after the ride, and leave feedback, after using the service.

Today customers can book a cab at a later date, by setting the date and time and there is a provision for finding back their lost items with the help of the app. Today cab service providers are attracting customers by offering discounts, and discount coupons which can be redeemed. Fare for the trip can be paid in different modes like cash, OLA money, UPI, credit and debit card, etc., in the case of Uber, payment can be made through cash, credit or debit card, Paytm, etc. About OLA Company

Ola company started as a small website venture Olatrip.com to offer weekend trip packages. It was started as a start-up business by two IIT Mumbai graduates Bhavish Aggarwal and Ankit Bhati.. Ankit and Bhavish with their bad experience during a car rental, decided to innovate the car rental system which is the initiation of Ola cabs. Ola cabs are now referred to as Ola. Ola is a Spanish term that means Hello! That means hiring a cab at Ola services is easy and friendly as con-

veying hello. Ola Cabs services were introduced by Bhavish Aggarwal and Ankit Bhati. Ola operated its taxi aggregator service from Mumbai. Now it has shifted its head office to Bengaluru and works efficiently from there. In the year 2014, the company expanded to a widely distributed network comprised of 200,000 cars across 85 cities. In the year 2014, Ola introduced auto services along with the car rental scheme on a trial basis in Bengaluru. Gradually it was introduced in Delhi, Pune, and Chennai followed by auto services in Chandigarh, Indore, and Jaipur and two-wheeler services in Bengaluru as a trial venture. Taxi for Sure was acquired by Ola in March 2015 for \$200 million. The company averages a total of about 150,000 bookings per day and has the highest market share in India at 75%.

TAXI SERVICES IN INDIA

With rapid urbanization and the migration of people from rural areas to cities, the geographical area coverage of Indian cities is expanding. The usage of modern accessories helps people to get updated with the available taxi facilities in the market. The middle-class population in India rose from 15 million in 1991 to 160 million and more in 2016. Rapid economic growth in the infrastructure development and the emergence of the Business Process Outsourcing (BPO) car rental industry has grown in India before the point-to-point taxi in metropolitan cities was completely unorganized.

TAXI SERVICES IN METROPOLITAN CITIES

People migrate within the intra-cities and prefer cab services which give them comfort and a luxurious journey through quick means of transportation, known as a commuter belt, and extending beyond the urban zones.

TAXI SERVICES IN SMART CITIES

Bengaluru is the second state to hold the largest number of smart cities nominated in the list of smart cities in India. People in Smart Cities are utilizing technologies and getting connected with the data sensors to enhance. Today different transportation modes are popular because of the advantage of door-to-door service and with technological advancement customers are able to book cabs at competitive prices in just one click using smartphones. App-based cab services are growing with potential and even parking is a major issue due to lack of space during peak hours. A study throws light on the perspective of customers towards Ola cab services in Bengaluru city and the level of perseverance to throw some light on the factors which help a customer to make his choice among Ola application services available.

SCOPE OF THE STUDY

Today consumers have several options for hailing a taxi and the researcher wants to identify the reasons and needs why people choose OLA services in particular and their perception towards online app taxi services. Below mentioned are a few reasons why the researcher has chosen this study,

- Ola has made the highest turnover in the last four years. Ola is attracting the customer's attention by providing various additional features apart

from cab services like Food Panda where they take food orders.

- Ola has installed an emergency button in their app which when clicked by a customer an automotive trigger goes to their rapid response team takes an immediate report on the incident and resolves it.
- Ola has tied up with an insurance company to give ride insurance at just rupees 1 per ride.
- Ola developed a new strategy, prime play which provides in-cab entertainment for longer rides with the families.

Due to the competitive market scenario, a detailed study about this helps to analyze consumer needs and improvise the future scope. This study will help the researcher to know the customer's satisfaction with respect to comfort, convenience, tariff, service quality, staff courtesy, etc. Also, we can have input and ideas to improve the services to meet the customer's expectations in the near future.

OBJECTIVES OF THE STUDY

- To understand the customer's perception towards cab services.
- To know the satisfaction level of the customers while opting for Ola services.
- To study the various factors influencing customers while selecting cab services.
- To analyze the impact of Ola Cab Services on Customers' Perceptions.

REVIEW OF LITERATURE

Mukund H. Khupse (2017)

A study was conducted on passengers' motives for using mobile app-based cabs and found the different reasons for passengers' preferences towards app-based taxi services and also checked whether the reasons as stated by the passengers were strong enough for building their opinion about app-based taxi services. The study showed that the quick availability of cabs, safety, low cost compared to traditional taxis, attractive cashback and discounts on rides were the most important reasons for using app cabs. The passengers did not give much importance to Wi-Fi connectivity, negotiations and bargaining, and a cashless system. These benefits made the app cabs popular not only in the metro cities of India but also in urban areas.

Uthira. D (2018)

A diagnostic study of the cab aggregation industry using the Servqual Gap Model aimed to find the gap between the perception and expectation of customers towards app-based cab services. The analysis revealed that cleanliness of the cab, availability of first aid kit, maintenance of apps by service providers, proper GPS usage by the drivers, provision for non-smartphone users to book cabs, the response time between booking a cab, acceptance of rides by the drivers on rainy days, surge pricing, refund of cancellation money and confirmation are the areas where the customers' expectations exceeded their perceptions. Shanti D et. al. (2018)

A study was conducted to identify the factors that influence consumers while selecting app cab services and aimed to understand their innovativeness while selecting cab services. respondents. The analysis revealed that the price consciousness of consumers motivated them to redeem their discount coupons. Modern consumers are innovative and also price conscious, so coupon redemption may help to retain customers. The brand image also played a vital role in customer retention.

Kumar & Kumar (2016)

A Study is about to know the factors influencing consumers while selecting cab services in Hyderabad. The analysis revealed that consciousness towards price and coupon redemption behavior was positively and significantly related. The study also revealed that respondents in the middle age group were consuming cab services more than the other age groups. The innovative behavior of consumers motivated them to download cab booking mobile apps and also to redeem their coupons while booking. Thus, in order to survive this tough competition in the app cab services industry, organizations need to motivate consumers to select their services, by providing them with coupons.

Dr. Ashok Kumar Panigrahi, Shambhavi Shahi, and Amar Singh Rathore (February, 2018)

In their paper explain Ola now has shifted its focus to target markets and is focused on providing desired services to the people in the target market. The key element in making Ola a successful brand is the efficient and quick accessibility that is offered by the firm. On one hand, Ola promotes its brand by traditional methods and on the other hand it also uses modern techniques of promotion. At the same time, it does not forget to highlight its name in social safety, creating social awareness and promoting acts of humanity.

STATEMENT OF THE PROBLEM

Today cab services have become inevitable in all the cities to travel with pride and ethics. It is becoming a crucial service. The problem of the study focuses on how Ola Cab Services affects customers' perception and what will impact on their business. This paper provides a solution to this problem.

HYPOTHESIS

The hypothesis was formulated and tested at a 0.05 level of significance.

H0: Ola Cab Services will not have a positive impact on customer perception in Bangalore.

H1: Ola Cab Services will have a positive impact on customer perception in Bangalore.

RESEARCH METHODOLOGY

This paper is based on the empirical research, and techniques adopted and used for the study with the aim of achieving the research objectives. Data was collected from a sample from the customers surrounding Bangalore to determine their perception of Ola Cab Services. However, the study was restricted to Bangalore City's primary data as well as secondary data which consist of items in a well-structured and non-disguised questionnaire that was administered to and completed by the respondents. The respondents returned 200 questionnaires personally administered. In the end, the data was analyzed with the help of chi-square.

DATA ANALYSIS

Areas	Jayana gar	Banash ankari	Basavan agudi	Shivajin agar	Total
Commercial areas	26	18	28	36	108
Non-Commercial areas	20	22	32	18	92

TABLE 1: Showing observed frequency for computation of hypothesis H0

Areas	Jayanagar	Banashan kari	Basavanag udi	Shivajinagar
Commercial areas	26	18	28	36
Non-Commercial areas	20	22	32	18
TOTAL	31	53	44	57

TABLE 2: Showing the expected frequency computation of hypothesis H0

Fo	Fe	Fo-Fe	(Fo-Fe) ²	(Fo-Fe) ² /FE
26	16	10	100	6.25
18	28	-10	100	3.57
28	22	6	36	1.63
36	32	4	16	0.50
20	15	5	25	1.67
22	25	-3	9	0.36
32	22	10	100	4.55
18	25	-7	49	1.96
			X ²	20.49

TABLE 3: Hypothesis (H0) Chi-Square Computation

N/B

Degree of freedom = DF = 3

Significant Level = 0.05

Calculated X² = 20.49

Table - Value X² = 7.815

We reject H0 and accept the H1; hence to conclude we can say that Ola Cab Services will have a positive impact on the Customer's Perception in Bangalore.

FINDINGS:

- Around 95% of the respondents are extremely happy with Ola Cab Services.

- It is found that out of 200 respondents, 50 respondents spoke English, 80 respondents were Kannada, 60 respondents spoke Hindi and the remaining 10 respondents spoke other.
- Among the respondents using OLA cab services, 120 of the respondents said very good, 55 of the respondents said good, 25 of the respondents said average and none of them gave a bad review.
- The majority of the respondents 66% are skilled workers in the organization and 10% of the respondents are unskilled.
- Regarding the OLA cab drivers' empathy towards customers, 114 of the respondents said very good, 36 of the respondents said good, 50 of the respondents said average and none of them gave bad reviews.
- The majority of customers prefer OLA services frequently.
- Around 66% of respondents agreed that OLA cab drivers are skilled, 24% of the respondents said that they are semi-skilled and 10% of the respondents said that they are unskilled.
- It is found that only 20 of the respondents opined that cash payment is best when they obtain service, 170 of the respondents prefers payment through mobile apps and only 10 respondents felt the difficulty of using mobile wallets using mobile applications to obtain service and to make payment.
- It is also found that Ola Cab Service providers are also associated with various organizations to provide prompt and uninterrupted services to its employees.
- Even employees are highly appreciating Ola Cabs because of its quick and reliable commuted service.
- Majority of the respondents said OLA Cabs services are highly reliable.
- Majority of the respondents like Ola cab services because of the communication of cab drivers.
- Majority of respondents are extremely happy with the marketing strategy of OLA.

SUGGESTIONS:

- The app cab companies should design their system in such a manner so that the drivers are charged accurately and also, they may achieve their targets and earn incentives.
- Company should have to provide adequate information to the passengers regarding the norms of the cab service and their expected behavior with the drivers.
- Sometimes drivers face the issue of being allocated long-distance rides. proper care should be taken by allocating short-distance trips and nearby pickup points, thus helping them to achieve their trip targets.
- It is imperative for the companies to verify the ratings given by the passengers before taking actions (like blocking accounts, allocating long-distance trips as a penalty, etc.) against the drivers.
- It is very important for the companies to allow the drivers to have their lunch on time, without forcefully allocating trips during that period.
- Drivers should be provided with insurance, certain retirement benefits, and increased incentives with bonuses and festival advances.
- Cab drivers' pay scales should be revised and effective safety mechanisms should be provided while driving at odd hours.
- It is suggested to train the cab drivers with mobile application usage and also maintain proper time management when they provide service to customers.
- If any changes in the cab number it should be specified and intimated to customers immediately.
- Charges on tariffs should be properly fixed, especially during peak hours.
- The vehicles should be properly maintained.
- It is advised to provide offers and discounts during the festival seasons to customers.
- The company should have a promotion strategy for those who effectively reach target customers in Bengaluru.
- It is suggested to the company to provide special offers to young customers like students, sportsmen and the physically disabled at a discount or free of cost during an emergency.
- The customer care should deal with more empathy and listen to the drivers' issues and try to resolve them so that they can work comfortably.

CONCLUSION

- Ola has seen tremendous growth in the taxi market sector. Revenue of Ola has increased almost 40 folds over the past four years.
- Today, it is the largest cab service provider in the country. Ola has successfully achieved public support and has created a buzz about its brand in the market.
- Ola now has shifted its focus to target markets and is focused on providing the desired service to the people in the target market.
- The study however concludes that, due to a large number of benefits provided to travelers, app-based taxis are being very popular day by day, not only in the metro cities of India but also in other urban areas. However, consistency in quality will make them able to survive in the future.
- OLA has been and will be a great technology platform for transportation and offering flexible options of booking and payment to customers and flexible timings and facilities to drivers. And soon, we are going to experience a big boom and great facility for getting groceries delivered to us with ease.
- It was found after conducting a survey customers' responses are reliable

and is free from any bias. There is no significant relationship between age group and overall satisfaction.

- It may be concluded that meeting riders' expectations and earning satisfaction have a high influence on the overall satisfaction of the app cab drivers.

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