

# A Study on the Effect of Ola/Uber Taxi Services over the Local Taxi Services in Kerala

R. Anand, Jyothis B Das, K. Krupa, Prateek P Kurup and  
C.V. Durgalakshmi

**Abstract---** A study was conducted regarding the effect of Ola/Uber taxi services over the local taxi services in Kerala. There are various types of taxi services operating in our state. Among them, traditional taxi and Uber/Ola are common. Public are interested mostly in Uber and Ola services because their services are very convenient and reasonable in cost wise. Uber taxi drivers are ready to work more hours than traditional taxis. Traditional taxi drivers are mainly operating from their authorized taxi stand whereas Uber taxis operate from the point where they drop their last customer. Most of the traditional taxi drivers are aware of the route and location where the customer has to go. This is because of their long experience in this field. In today's modern world people use google maps in which they get the exact location, name of place and the exact distance. Most of the traditional drivers are not willing to operate in the night as they must reach their home to look after their family. Some of the traditional drivers charge more than the prescribed govt rate. This creates a bad impression among the customers.

**Keywords---** Local Taxi, Uber, Ola, Kerala, Google Maps.

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## I. INTRODUCTION

This topic was selected with the aim to investigate how the introduction of app driven taxi offerings like Ola and Uber which has motivated the clients in Kerala. As all of us recognize, the cell apps are playing a first-rate function in our everyday life and its influence is quite massive. The utilization of mobile apps has been constantly increasing because of the supply of large sort of smartphones. Similarly, the chance to discover enterprise opportunities has additionally accelerated unexpectedly. As being the two main app driven taxi services in India, Ola and Uber has caught the eyes of the people because of its very convenient and consumer-friendly apps currently to be had in every phone. Ola and uber is a taxi hailing provider offering services like peer-to-peer ridesharing, trip service hailing, taxi and meals delivery. (BLYSTONE, 2019) Uber, being the oldest one most of the is a US primarily based multinational trip-hailing organization which was founded in the year 2009 has operations in over 785 metropolitan regions international.

(Wikipedia, 2020) Uber began their services in India in the year 2013. Ola Cabs changed was founded on December 3rd, 2010 as a web cab aggregator in Mumbai and is now based in Bangalore. As of 2019, the organization has extended to a network of more than 1,500,000 drivers across 250 towns. In November 2014, Ola

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R. Anand, Department of Commerce and Management, Amrita School of Arts & Sciences, Amrita Vishwa Vidyapeetham, Clappana, Kollam. E-mail: anandr411@gmail.com

Jyothis B Das, Department of Commerce and Management, Amrita School of Arts & Sciences, Amrita Vishwa Vidyapeetham, Clappana, Kollam. E-mail: jyothis123das@gmail.com

K. Krupa, Department of Commerce and Management, Amrita School of Arts & Sciences, Amrita Vishwa Vidyapeetham, Clappana, Kollam. E-mail: krupagrace1999@gmail.com

Prateek P Kurup, Department of Commerce and Management, Amrita School of Arts & Sciences, Amrita Vishwa Vidyapeetham, Clappana, Kollam. E-mail: prateek18.otaku@gmail.com

C.V. Durgalakshmi, Department of Commerce and Management, Amrita School of Arts & Sciences, Amrita Vishwa Vidyapeetham, Clappana, Kollam. E-mail: durgalashmicv@am.amrita.edu

assorted to include vehicle rickshaws on a test basis in Bengaluru. After the test section, Ola Auto extended to different towns like Delhi, Pune, Chennai and Hyderabad. This study is to assess how the e-taxi affected the conventional taxis/cabs.

## II. LITERATURE REVIEW

Call taxi services in India has developed substantially and it resulted in the development of infrastructure, middle class's standard of life, increasing disposable earning and developing GDP. (Rahman, 2014) says that the upward thrust of the BPO industry is one of the reasons for the development of this area and also due to peculiar working hours. This increase may be visible greater in metropolitan cities of India where there is very tough rivalry amongst several operators like Ola, Uber, Radio cabs, Yellow cabs and Meru and so forth. So, to preserve in this aggressive industry it is essential to apprehend the customers of the rental taxi service. (Malik, 2017) studied various elements of changes of Indian taxi markets which includes pricing, revenue models, market proportion and so forth. (Utsav Pandya, Rishi Rungta, 2017) found technology traits, security and rates, availability, easement and price alternatives impacting public taxi service. (SARIT PRAVA DAS1, 2017) found comfort, quality services, lucidity and security as most vital constraints for choosing pre reserved taxis. (Kumar and Dr. N. Ramesh Kumar, 2016) showed that customers have involved in reclaiming coupons while choosing taxi services and have been cozy to reclaim coupons via mobile apps even as reserving taxi offerings. (Malik, 2017) says with clients, service providers are also vital in any service industry, on this regard a experimentation recognized that preserving drivers through initiatives like financial awards influences customer's choice .Ola is using praise structures to propel their drivers as a consequence and propelling them as well as including them in determining the consumer's complaints to construct a devoted foundation of drivers. On other aspect Uber gives prizes and discounts underneath the CLUB application of Uber. This application isn't always only layout that affect drivers but is likewise developed to help their family by way of offering them lots of offers related to vehicle coverage, car protection, lifestyle, health and well-being to their ordinary life. Currently, there are three classes such as Silver Class, Gold Class and Diamond Class, primarily based at the excellence and performance of each driver. (Rupali Rajesh , 2018) says that the Uber offerings are preferred by women over Ola due to protection. (Steven Rahe, 2016) says that the taxicab has been one of the dominant types of transportation in cities all over the globe. Since the past 1980's, nearly all US cities have chosen to regulate their taxi enterprise. However, a new generation referred to as ride-sharing applications, inclusive of Uber and Lyft, has triggered a main disruption to the traditional taxi industry. (Schneider, 2018) presents an in depth description of Uber's commercial enterprise version as a two-sided platform that offers plenty of services and that differs extensively from conventional taxi organizations related to pricing, generation, and advertising and marketing. (Josh Barro, 2014) says that the foremost cities in the US, Taxi permit fees are falling down as taxis face opposition from automobile-service apps such as Uber and Lyft. (Venkatesh and Easaw, 2015) the taxi aggregator offerings have emerged as popular in the previous few years in India. The groups dealing with these services name themselves as generation companies. One of the fundamental reasons for the triumph of OLA and UBER in India is their capacity to meet supply and demand digitally due to successful deployment of technology.

### III. RESEARCH METHODOLOGY

For our paper, the sources of data we used are both primary and secondary. The primary data was collected through structured schedule interview method, where 25 taxi drivers were interviewed, and data was collected through survey from 312 customers from Trivandrum and Kochi respectively. The sampling technique used is simple random sampling. Secondary data was collected from the journals, google scholar and other websites.

### IV. DATA ANALYSIS

Table 1: Level of Satisfaction of Customers in Local Taxi Services

Options	Frequency	Percentage
Very Satisfied	28	9.0%
Satisfied	184	59.0%
Neutral	88	28.2%
Dissatisfied	6	1.9%
Very Dissatisfied	6	1.9%

The 9% of respondents are very satisfied with the local taxi, 59% of respondents are satisfied with the local taxi, 28.2% of respondents are neutral with the local taxi, 1.9% of respondents are dissatisfied with the local taxi and 1.9% of respondents are very dissatisfied with the local taxi.



Figure 1: Level of Satisfaction of Customers in Local Taxi Services

Table 2: Level of Satisfaction of Customers in Uber/Ola Taxi Services

Options	Frequency	Percentage
Very Satisfied	44	14.1%
Satisfied	210	67.3%
Neutral	44	14.1%
Dissatisfied	8	2.6%
Very Dissatisfied	3	1.0%

The 14.1% of respondents are very satisfied with the Uber/Ola taxi, 67.3% of respondents are satisfied with Uber/Ola taxi services, 14.1% of respondents are neutral with the Uber/Ola taxi, 2.6% of respondents are dissatisfied

with the Uber/Ola taxi and 1% of respondents are very dissatisfied with the Uber/Ola taxi.

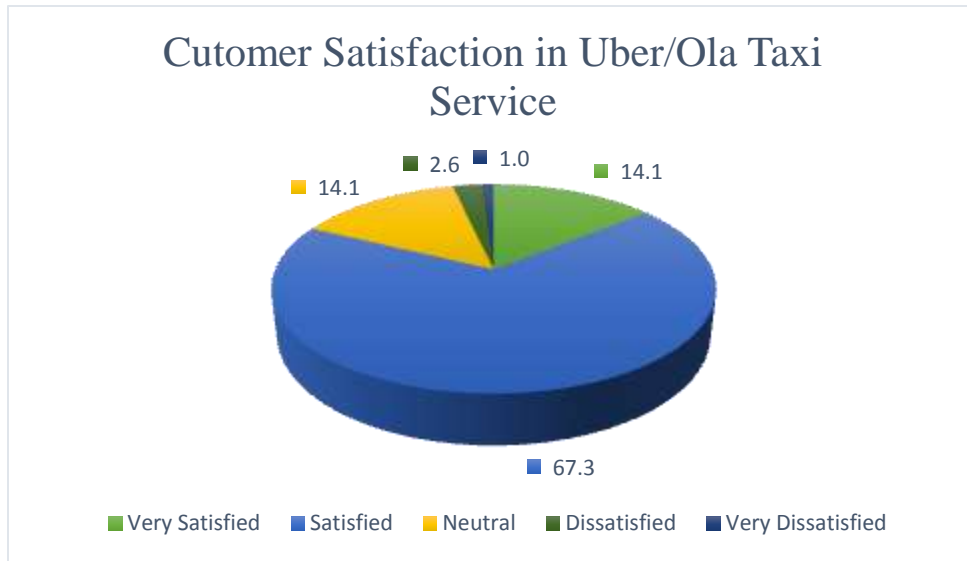


Figure 2: Level of Satisfaction of Customers in Uber/Ola Taxi Services

Table 3: Purpose of Using Taxi Services

Options	Frequency	Percentage
Personal Purpose	150	48.1%
Professional Purpose	85	27.2%
Both	77	24.7%

Most of the customers use taxi service for personal purposes, 48.1% used for personal purposes, only 27.2% of customers used taxi service for professional purposes and 24.7% of customers use taxi service for both purposes.

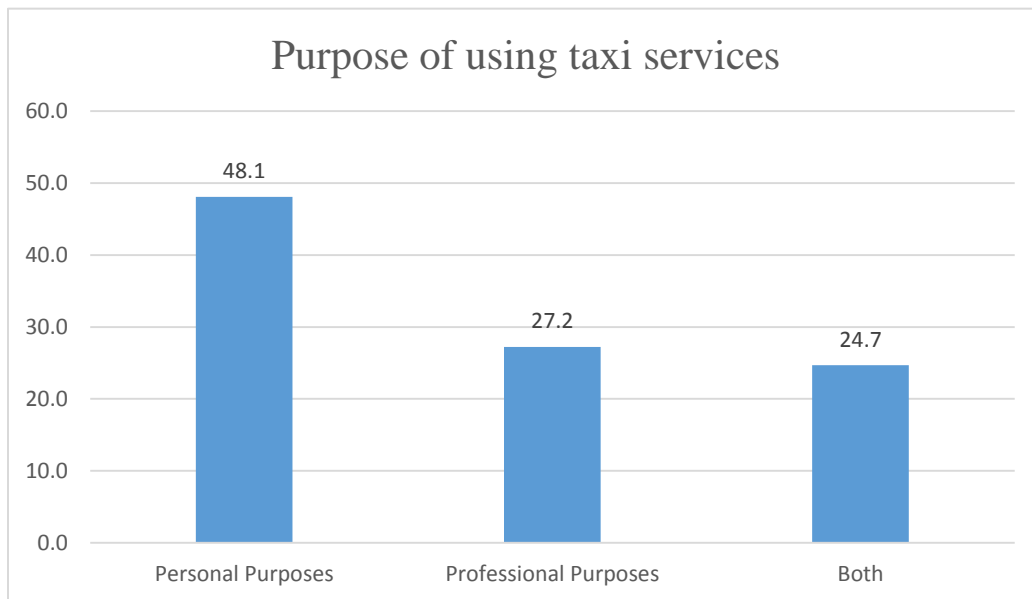


Figure 3: Purpose of Using Taxi Services

Table 4: Factors of Choosing Taxi Services

Options	Frequency	Percentage
Pricing	25	8%
Safety	100	32.1%
Driver's Punctuality	17	5.4%
Ease of use	14	4.5%
All of the above	156	45%

On the basis for reason for choosing the taxi services 8% of customers choose taxi service on the basis of pricing, 32.1% of customers choose on the basis of safety, 5.4% of customers choose taxi service on the basis of drivers punctuality, 4.5% of customers choose on the basis of ease of use. 45% of customers choose a taxi based on looking at all options like pricing, safety, punctuality and ease of use.

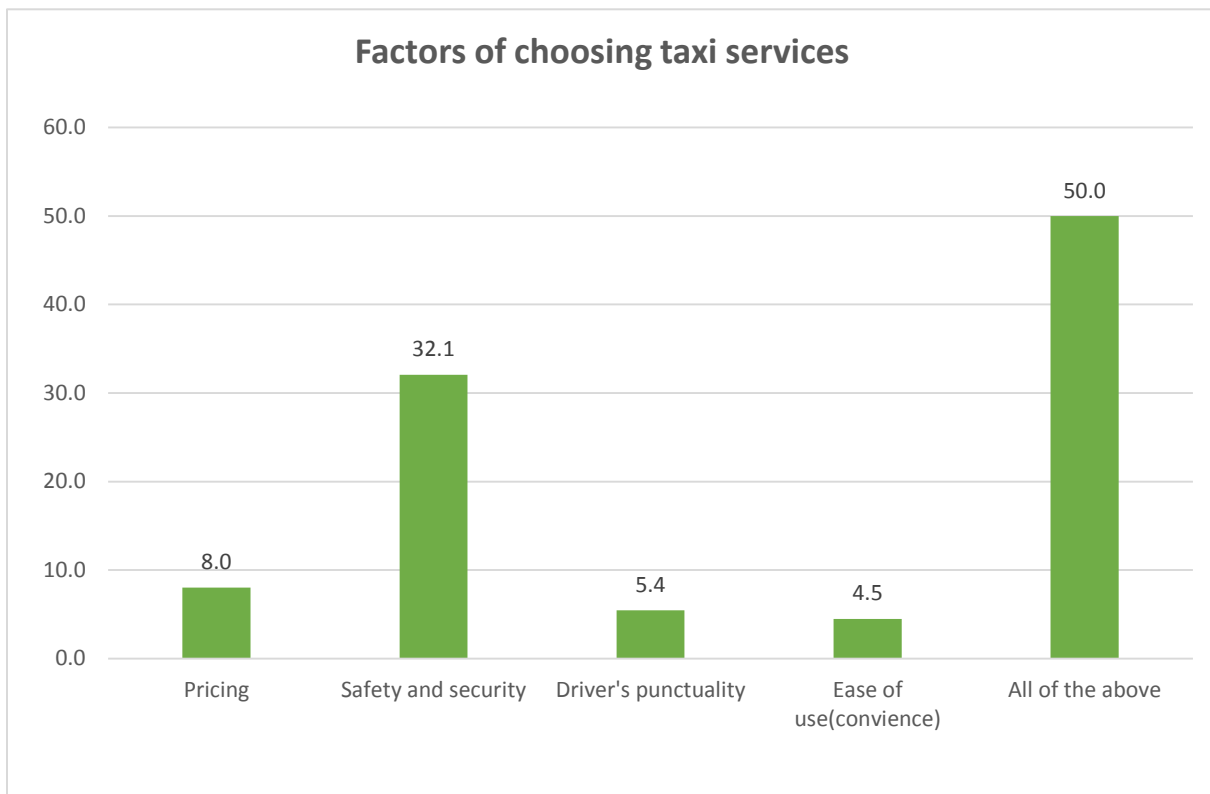


Figure 4: Factors of Choosing Taxi Services

Table 5: Level of Impact on the Income of Local Taxi Drivers after the Establishment of Uber/Ola Services

Options	Frequency	Percentage
Yes	50	100%
No	0	0%

As per the data we collected, it is safe to say that all the local taxi driver's income were affected after the introduction of Ola/Uber taxi services in the cities.

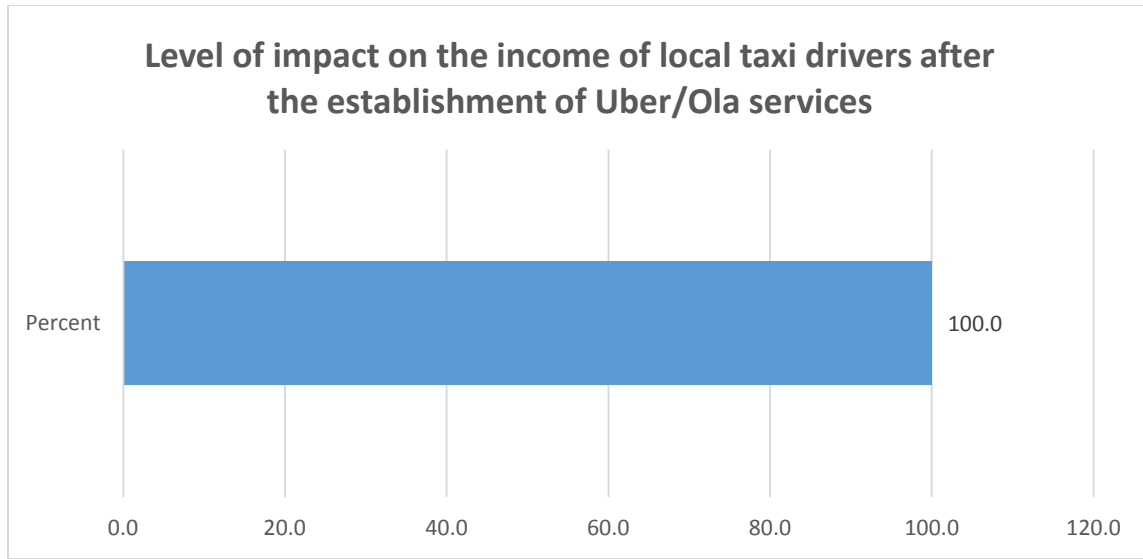


Figure 5: Level of Impact on the Income of Local Taxi Drivers after the Establishment of Uber/Ola Services

Table 6: Level of Change in Customer’s Numbers in Local Taxi Service after the Introduction of Uber/Ola Services

Options	Frequency	Percentage
No change	8	8%
Decrease in customers	42	92%

After the introduction of e-taxi there a great difference in the number of customers using traditional taxi services. The 92% of taxi driver says there is a decrease in the number of customers and 8% taxi drivers say there is no change in customer number.

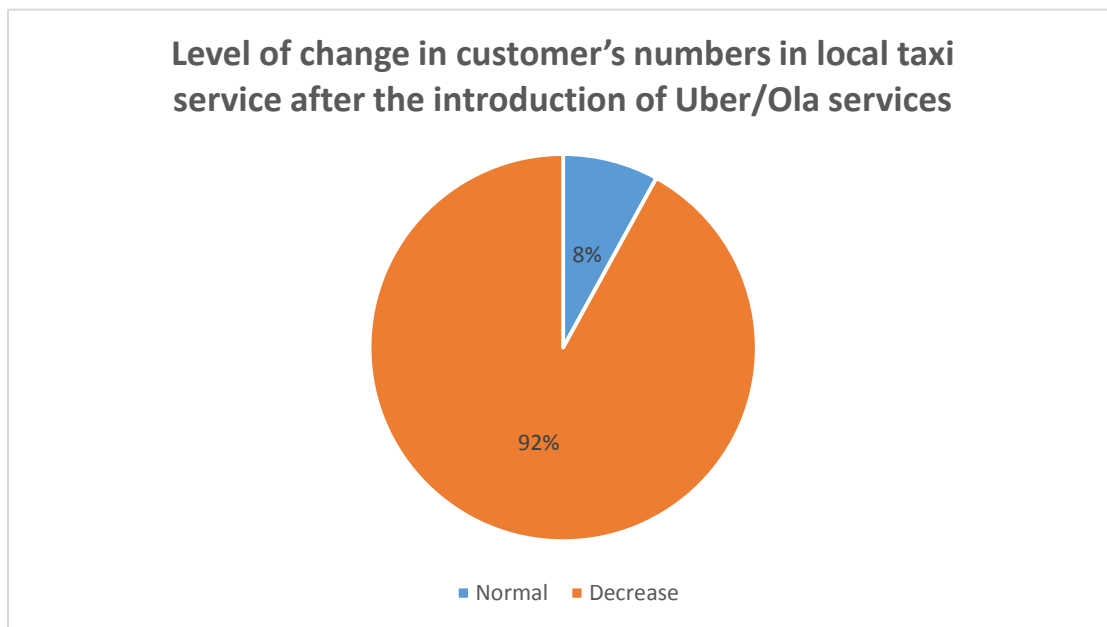


Figure 6: Level of Change in Customer’s Numbers in Local Taxi Service after the Introduction of Uber/Ola Services

Table 7: Analysis of Satisfaction of Ola/Uber Taxi Using One Sample t Test

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Satisfaction level of customers in Ola/Uber taxi services	309	2.0809	.68608	.03903

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Satisfaction level of customers in Ola/Uber taxi services	-23.549	308	.000	-.91909	-.9959	-.8423

The study proposes that the customers are satisfied with APP driven cab/taxi services like Ola and Uber in the cities (table 3). The hypothesis supported the significant (Mean=2.0809, t-value=23.549,  $p < 0.01$ , Cohen's  $d = 1.339$ ). Thus, it is inferred that customers are satisfied with APP driven cab/taxi services like Ola and uber.

Table 8: Analysis of Customer's Satisfaction Level with the Locally Available Cab/Taxi Services

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Satisfaction level of customers in locally available taxi/cab services	312	2.2885	.73506	.04161

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Satisfaction level of customers in locally available taxi/cab services	-17.098	311	.000	-.71154	-.7934	-.6297

The study proposes that the customers are satisfied with traditional taxi services in the cities. The hypothesis supported the significant (Mean=2.2885, t-value=,  $p < 0.01$ , Cohen's  $d = -0.967$ ). Thus, it is inferred that customers are satisfied with APP driven cab/taxi services like Ola and uber.

Since the effect size of the Ola and Uber(Cohen's  $d = 1.339$ ) is greater than traditional taxi ( $d = -0.967$ ). It is to be concluded that the customers are more satisfied with APP driven cab/taxi services than the locally available cab/taxi services in the cities.

## V. CONCLUSION

Cab/taxi services is one of the most common profession in the world. If we go back 10 years, taxi stands in the cities were filled with at least 15-20 taxis, eagerly waiting for their customers. But with the establishment of app driven cab/taxi services such as Ola and Uber in the recent years, there is hardly 5-6 taxis visible in the taxi stands. This is because cab/taxi hailing customers are more interested in app driven cab/taxi services like Ola and Uber rather than the local taxi/cab services in the cities. With the introduction of Ola and Uber, customers can avail taxi/cab from the point of their location just by a touch of few options in their smartphone. It's very easy and

convenient for the customers provided that they have the basic knowledge in using smartphone and the app. The major point of difference between the two services is that the app driven cab/taxi services can get their next customer from the point of location where they dropped off their last customer unlike the local cab/taxi driver who has to go back to his taxi stand and wait for the next customer. This single difference costs a lot for the local cab/taxi drivers in the cities whose income has been severely affected after the introduction of Ola and Uber. Study was conducted in Trivandrum and Kochi where Uber and Ola cab/taxi services are flourishing. The study was successful in finding that government has taken very little to no steps to support such local cab/taxi drivers who are deeply struggling to earn minimum income to make up for their very basic expenses.

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### About the Authors

R. Anand (18/12/1997) is a final year B.Com student at Amrita Vishwa Vidyapeetham, Amritapuri, Kollam. He completed his schooling at Sacred Heart High School, Changanassery, Kottayam, Kerala.

Jyothis B Das (13/08/1999) is a final year B.Com student at Amrita Vishwa Vidyapeetham, Amritapuri, Kollam. He completed his schooling at Sabarigiri Residential School, Anchal, Kollam, Kerala.

K. Krupa (20/06/1999) is a final year B.Com student at Amrita Vishwa Vidyapeetham, Amritapuri, Kollam. She completed her schooling at Sree Buddha Central School, Karunagappally, Kollam, Kerala.

Prateek P Kurup (13/08/1999) is a final year B.Com student at Amrita Vishwa Vidyapeetham, Amritapuri, Kollam. He completed his schooling at KRKPM BHS & VHSS, Kadampanad, Pathanamthitta, Kerala.

C.V. Durgalashmi (30/09/1980) is an Asst. Professor in Department of Commerce & Management, Amrita Vishwa Vidyapeetham, Amritapuri, Kollam.