



WHAT TAXI WARS TEACH US

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ABSTRACT

Ola cab service, founded in Mumbai, on 3rd December 2010 has been expanding very fast and is now active in more than hundred Indian cities. The study tempts a SWOT analysis of the Ola cab service and through primary research ascertains the mindsets of a set of Mumbai consumers about the service.

KEY WORDS: taxi, pricing, taxi drivers, efficiency.

INTRODUCTION: The Rise of Ola

Ola cab service was founded in Mumbai on 3rd December 2010. It has expanded to a network of more than 220,000 cars across more than a hundred Indian cities. The cabs booked only through app. Cash payments accepted everywhere/wallet option. Ola cabs aggregates cars from small tour individuals. The drivers are on a fixed salary plus incentives Ola has its own technology and was the first to introduce a mobile app. Last minute cancellations are almost negligible as Ola made it in policy of not saying 'no' to the customer. Ola acquired 'Taxi For Sure' and expanded its business horizon. Its advertising strategy has been innovative with concepts like Happiness week etc

On the other hand, Meru owns its cabs and the drivers are franchise who rent the car at a certain rate from the company. Meru cabs booking could be done through phone calls. Last minute cancellations had become a routine for Meru. It also underestimated Ola and was doing a monopoly pricing for cabs industry which hit them badly when Ola did its pricing.

SWOT Analysis of Ola cabs

STRENGTHS

- ⇒ First mover advantage
- ⇒ Acquiring Taxi For Sure
- ⇒ Great marketing
- ⇒ Increasing customer base
- ⇒ Rapid expansion and online application
- ⇒ Financially strong brand
- ⇒ Takes good care of its drivers
- ⇒ Ola café and wifi

WEAKNESSES

- ↯ Bad behavior of drivers may be dangerous for the company
- ↯ High amount of cash burning

OPPORTUNITIES

- Untapped potential of this market is very great
- Use of the internet penetration and smart phones
- High and rising incomes of the middle class
- Consumers today prefer convenience
- Can buy off smaller players

THREATS

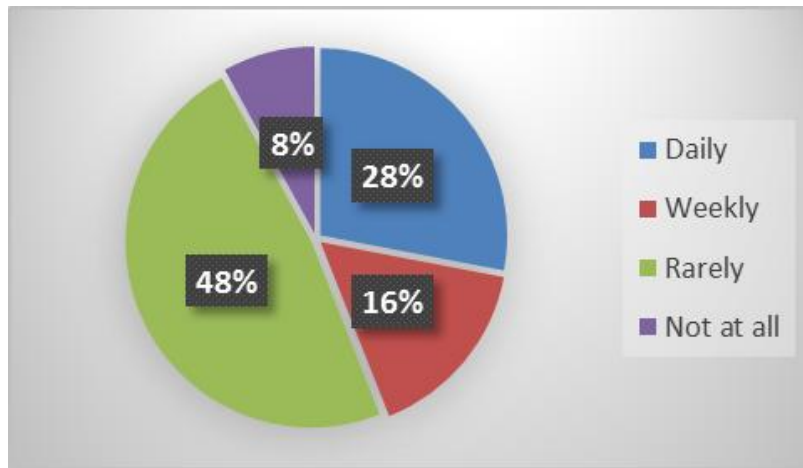
- ↗ Too much competition
- ↗ Presence of new entrants
- ↗ No clear government framework
- ↗ More regulations could be imposed
- ↗ Shifting customer preferences

RESEARCH METHODOLOGY

The primary data was collected with the help of a structured questionnaire sent to friends and others and 74 usable responses were obtained. The secondary data was collected from the internet. The primary survey involved only residents of Mumbai city.

DATA ANALYSIS AND INTERPRETATIONS

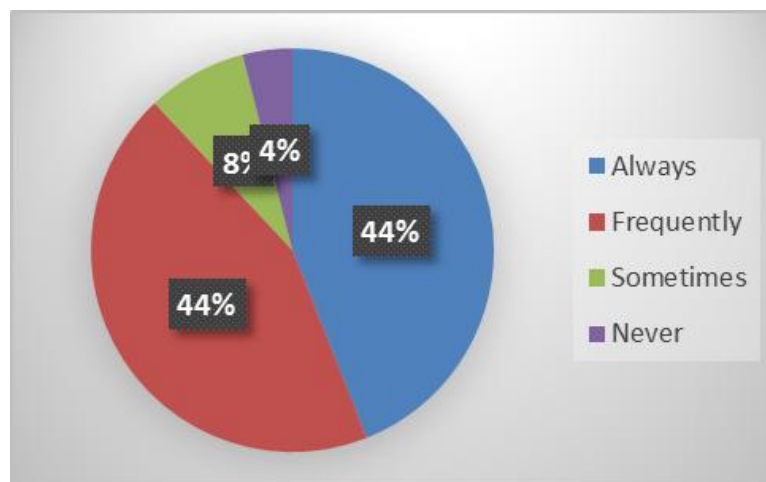
Fig. 1- Frequency of using Ola cabs



In India, a large percent of the population belongs to the middle class and so every 2 persons out of 3 prefer travelling by public transport like buses, autos, trains etc. However Ola can be afforded by certain people on daily and weekly basis as it is reasonable compared to other radio cab services like meru and uber.

A very small percent of people do not use ola at all. The reason can be they aren't satisfied with the service and strictly prefer their own private vehicles or they cannot afford it at all.

Fig. 2-Whether the Ola cabs arrive on time



Ola cabs frequently arrive on time. This study reveals that the drivers are well trained and there is proper time management and the drivers arrive on the given time

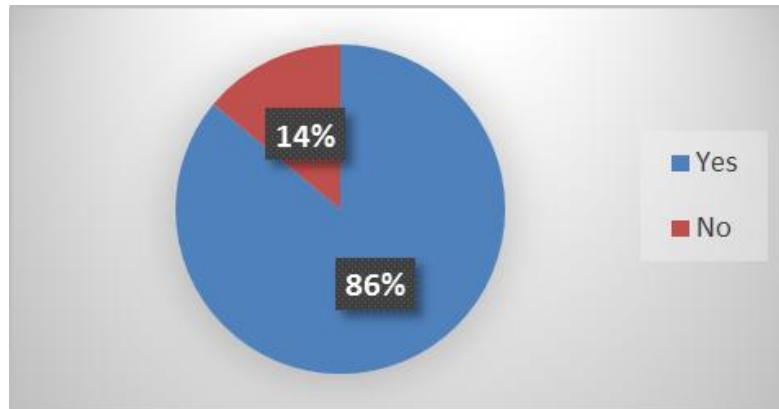
The given time(mentioned in the mobile app while booking the cab) is estimated by checking the traffic

and distance(on google maps) and calculating the approximate time to reach the pick up destination.

However sometimes the cabs may get late due to unforeseen incidents like car breakdown or accident etc.

Also one of the many drivers may be laid back, however in case of ola drivers, this is a rare case.

Fig. 3-Whether the Ola cab mobile app is user friendly



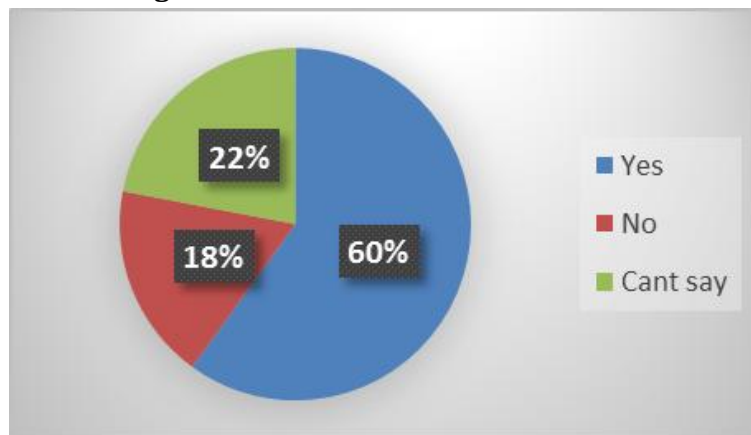
A larger percent of people find the mobile app user friendly. The ola cab app allows a passenger to ride now or ride later unlike uber, tab cab etc. The passenger can check past rides, the rate card, offers and discounts etc.

Users can set their emergency contact's name, number and email id on the app which can be used in

case of any emergency. The ola café can be accessed through the app and food can be ordered from the menu.

However there are few people who do not find the app easy because of their low technical know how or poor internet speed etc.

Fig.4 -Whether the Ola cabs are affordable



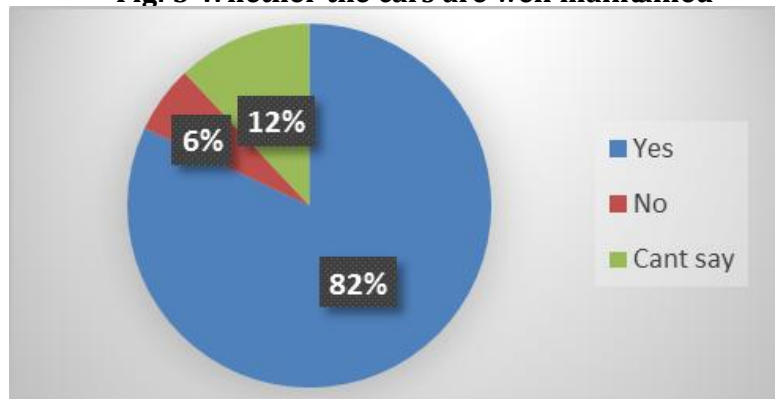
Larger percent of people say ola cabs are affordable. Ola fare rates are comparatively cheaper as compared to TAB cab, Meru ,Uber etc

Ola cabs services have different cars like mini, sedan and prime at different prices. So people can book

cabs according to their affordability.. Also one can book a normal non air conditioned taxi.

Share a cab option is also available, so per head contribution becomes less. Also offers and discounts are available which makes rides cheaper.

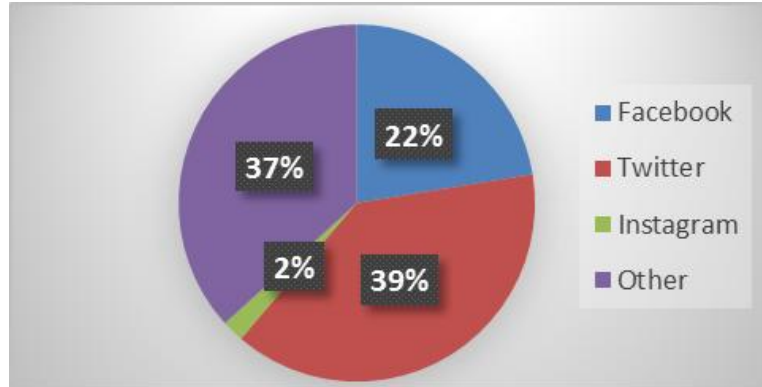
Fig. 5-Whether the cars are well maintained



A larger percentage of people say the ola cars are well maintained. There are air freshners to remove bad odour.

The cars are maintained by regular servicing. However there can be major breakdowns which is a rare case in case of Ola. Meru cabs are comparatively not as well maintained as ola cabs.

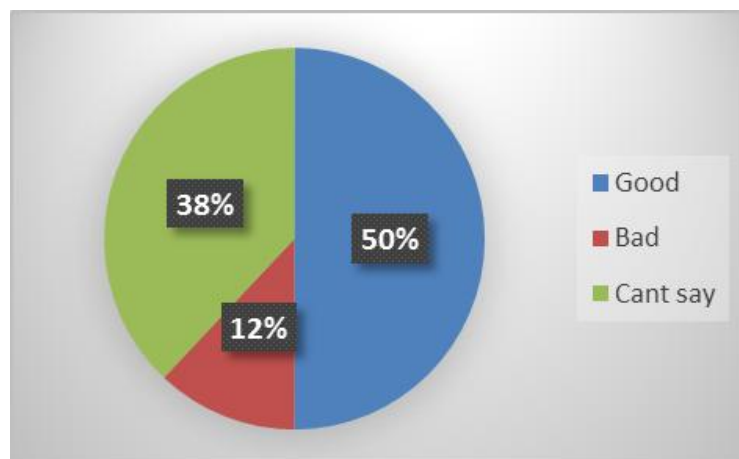
Fig. 6-On which social media Ola cabs are followed



The study shows that Ola is mostly followed on twitter(32.8k followers, @ola_supports)#ChaloNiklo is their hashtag. They reply to your tweet all round the clock. It is

least followed on Instagram. Ola is also followed by people on Facebook and other social media for recent updates and offers

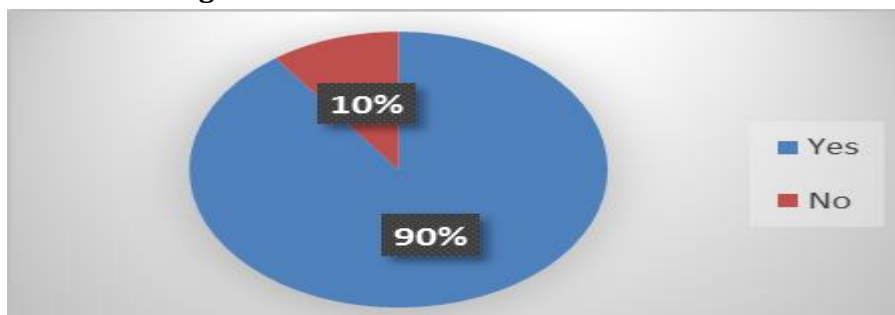
Fig. 7-Opinion on Ola car pooling



Ola car pooling or ola-share has recently been introduced and so many people are probably not aware about it as yet. However a large percent of people claim it serves a useful purpose since it is more economical and ola pooling is used especially by college students and corporates travelling to the same destination.

At times because of some certain people the ride may get annoying or unsafe so there are people who do not prefer Ola-share-a-cab. Hence more marketing initiatives should be taken by ola and also more safety measures should be undertaken for the benefit of the customers.

Fig. 8-Whether Ola should hire female drivers

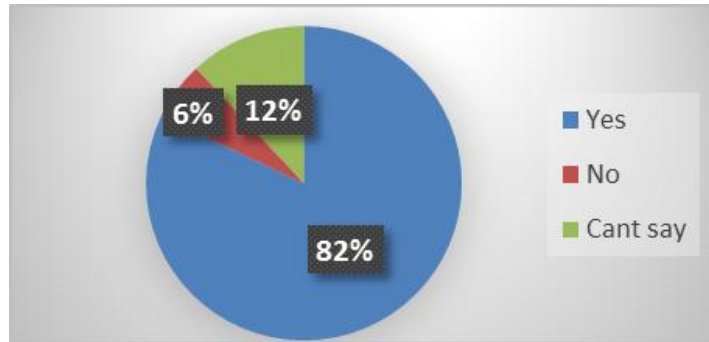


Maximum percent of people are in favour of hiring of female drivers as it is safer for the women passengers to travel particularly in the light of the recent increase in rape cases. Safety of women is very essential.

Also it provides jobs to women leading to women empowerment.

Ola has recently launched the idea of 'Pink ola'. Pink ola allows women passengers to avail taxis driven by women drivers. In many parts of India the pink ola is being tested to check if the idea works out.

Fig. 9-Whether passengers feel safe travelling in Ola cabs

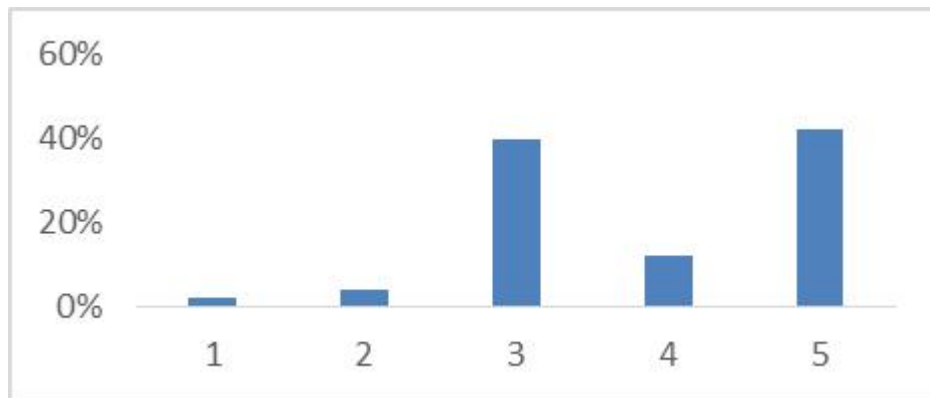


A large percentage of people feel safe travelling in Ola taxis. Users can set their emergency contact's name, number and email id on the ola cab mobile app which can be used in case of any emergency.

The ola drivers are perceived as being very kind and helpful are seem to be well trained.

All cars have GPS and are being tracked by the Ola head office. Also, all details like gthe driver's name, driver's number, photo, car number etc are displayed on the mobile app.

Fig. 10- Rating of the Ola cab drivers



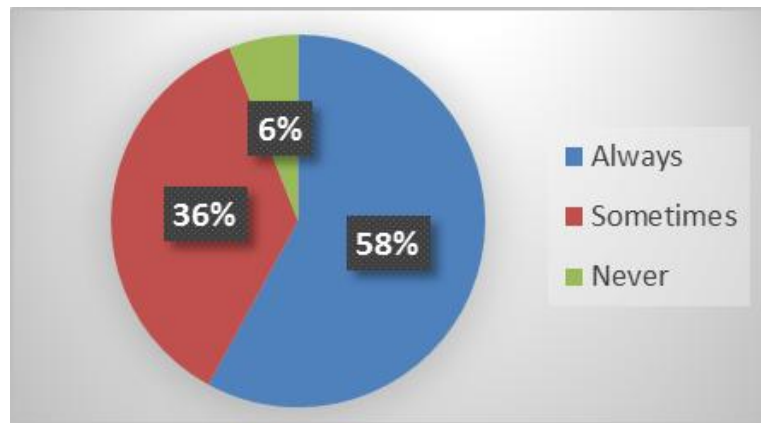
When the respondents were asked to rate the ola cab drivers from 1 being the least professional and 5 being the most professional, the following picture emerged:

In the diagram, Y-axis represents percentage of people, X-axis represents ratings from 1 to 5

In the diagram, Y-axis represents percentage of people, X-axis represents ratings from 1 to 5. The ola cabs are rated very well as compared to other taxi services. Hence it is concluded that the drivers are professional

and are encouraged to work well. It seems that the management offers full training to ensure drivers are equipped to deliver a quality and safe experience for passengers. Ola provides free family medical insurance for all drivers on its platform. Also Ola works towards better education for driver's children. Hence the drivers are loyal to the company and take their responsibilities seriously.

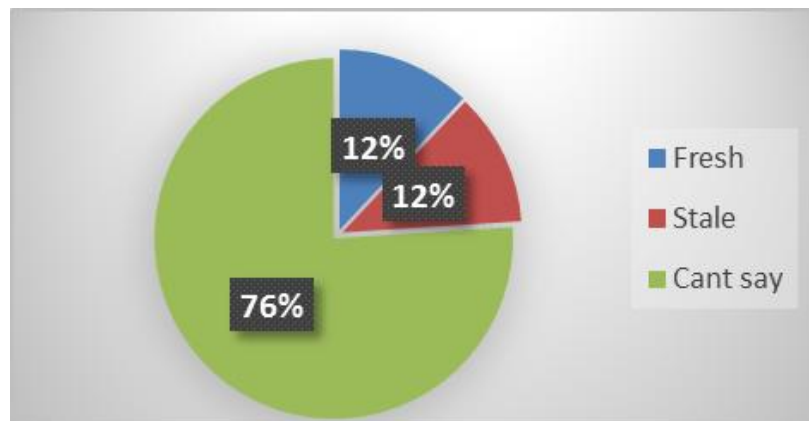
Fig. 11-Whether the Ola cab drivers are disciplined in their driving habits



The overall picture which emerges from this study is that the ola cab drivers are well disciplined and trained. But sometimes the drivers behave in an awkward

way and do back answer and action needs to be taken for that or else Ola will lose out on passengers. At times the ola cab drivers themselves cancel the ride

Fig. 12-Opinion on the quality of food by the Ola café



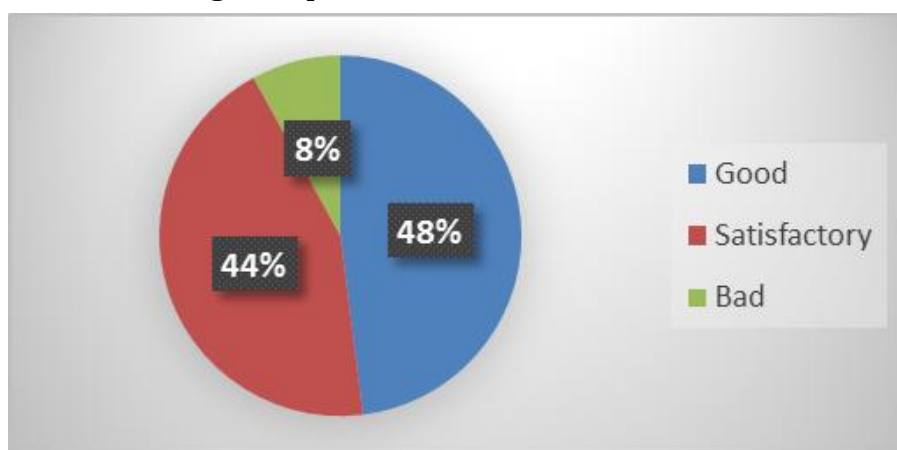
Ola café claims to deliver in 20 minutes. After placing the order the app will notify the passenger the name and contact number of the delivery person and also the total bill amount.

responses given whether it is fresh or stale. But in case of items Cadbury chocolates or packed foods, the expiry date can be checked.

The menu changes everyday. As far as the quality of food is concerned it is difficult to conclude from the

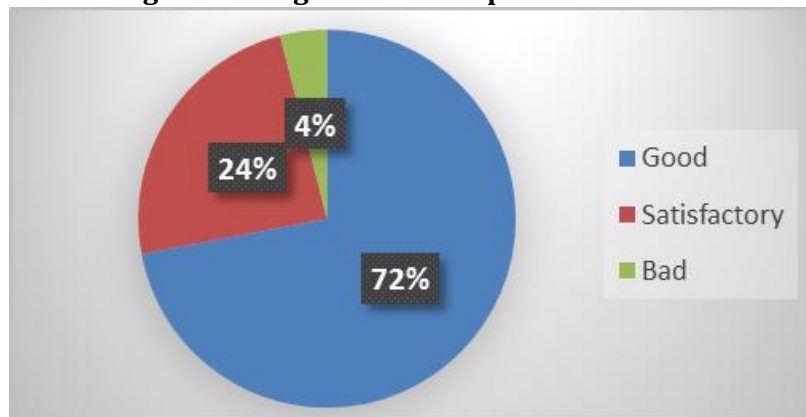
The ola café has recently been started and not many of persons have used its services as yet, as per the study.

Fig. 13-Opinion on the ola wifi service



As per study people prefer uber wifi service over ola wifi service . Uber wifi is airtel 4G dongle which provides a speed of 10 to 15 mbps

Fig. 14-Rating of overall experience with Ola



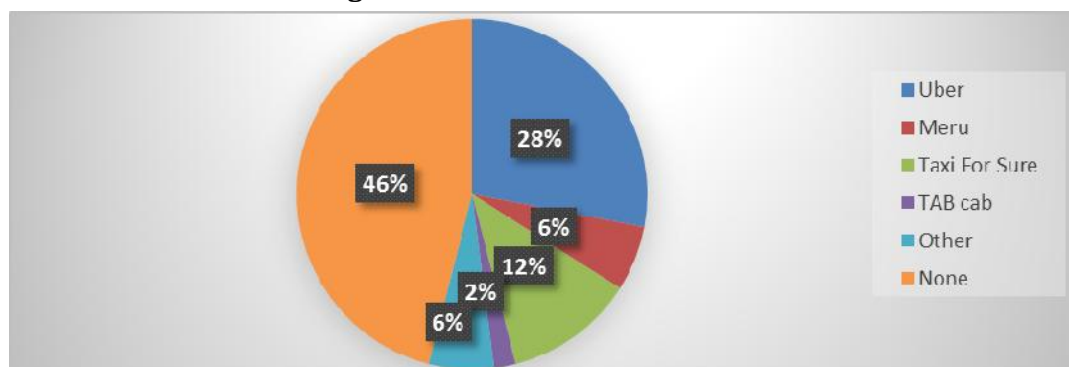
The maximum percentage of people had a good experience with Ola. As per this study, Ola rides are better than Meru, Tab cab etc because of better cars and royal treatment of ola prime.

Also Ola cabs are easier to book rather than Meru,Tab cab etc. Ola provides services like Ola wifi, Ola

café, benefits from Ola’s partner brands like Myntra, Snapdeal and Cleartrip.

However a fraction of the respondents have had some bad experience with Ola. The reasons cited are late arrival of the cab or rude behavior of driver

Fig. 15-Preference of cab service over Ola



Almost half of the people surveyed are very clear that would chose Ola over any other cab service. Their second choice seems to be Uber. Less people seem to prefer other cab services like Meru, Tab cab etc.

Uber and Ola have tough competition in the market since they have similar services: like UberGo is similar to Ola sedan, UberX is similar to Ola mini, Uber and Ola both provide Royal treatment unlike Meru, Taxi for sure, Tab cab etc

When those repondsents for whom Ola was not their first choice were quizzed why they would you chose another cab service over Ola, the following responses were noted:

- Uber has better cars
- Taxi for sure has lower prices
- Uber has affordable rates compared to Ola

-Meru is more trustworthy

-In case of an emergency a black and yellow cab is faster to get

-Because the drivers are honest in other cab services unlike ola who cheat

CONCLUSION AND RECOMMENDATIONS

India’s organized taxi market is dominated by Ola. It is the most followed taxi service provider on Twitter, At Google Play Store Ratings, though Uber has the highest rating, it also includes its international users. EasyCabs does not have Android App on Play Store. However regular users have some suggestions. There is no easy option to book an innova vehicle , and instead it books a sedan. The cbs could be better maintained. Ola should hire the drivers who know the correct routes and are from the local area.

While the overall record of punctuality is good, it could be further improved. Ola Prime should have more offers. The drivers sometimes themselves cancel the ride. This needs to be rectified. The wifi could be better and Ola café needs to improve and establish itself.

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