

HEB

## Radio Taxi Services in India: Enablers of Success among Indian Women

CASS

*Pooja Sehgal Tabeck & Sunetra Saha*

Research Scholar, Amity Business School, Noida, AUUP

*Address for Correspondence: [editojohp@gmail.com](mailto:editojohp@gmail.com)*

**ABSTRACT:** - Women constitute around 48.5 percent of India's population as per the 2011 census and are the precious human resources. Wealth is becoming more concentrated at the top of the income scale. The income of the highest earning households has shown an exponential growth while the gap in household income between top earners and middle earners has widened. There are 50.69 lakh working women in the organized sector in India, of these, the central government employees about 6 lakh, the state government employ; the state government and bodies under the state government employ about 17lakhs.

Women are more independent than in past, with changing scenario they accepted different roles and job profiles in Industry. Their different roles played by women demands more travelling at different locations. The present study tried to focus on factors affecting success of Radio taxi services in India. For present study 200 women were interviewed with the help of structured questionnaire. The results of analysis shows factors affecting success of Radio taxis are brand image & Reputation, Affordability & Acceptability, Security Concerns, Easiness to book taxi and Role of Drivers.

**Keywords:** - *Women, Radio taxis, Security, Affordability, acceptability*

*Access this Article Online*

<http://heb-nic.in/cass-studies>

Quick Response Code:

Received on 20/02/2019  
Accepted on 25/02/2019 © HEB All rights reserved



**INTRODUCTION: -**

Women constitute around 48.5 percent of India's population as per the 2011 census and are the precious human resources. Wealth is becoming more concentrated at the top of the income scale. The income of the highest earning households has shown an exponential growth while the gap in household income between top earners and middle earners has widened. There are 50.69 lakh working women in the organized sector in India, of these, the central government employees about 6 lakh, the state government employ; the state government and bodies under the state government employ about 17 lakhs."(Guha,2013).

Women are more independent than in past, with changing scenario they accepted different roles and job profiles in Industry. Their different roles played by women demands more travelling at different locations. The present study tried to focus on acceptance of Radio taxis by women.

The business of the radio taxis in India is emerging very quickly, in which many private and other government operator are being investing a huge sum of money in building the call centers, acquiring fleet of the new cars that have the latest gadgets like GPS etc. Demand for radio taxis in India is increasing especially in the metros and other large cities as various companies, their executives, other national and international tourists opt for travelling in well maintained and modern taxis.

The customers do not mind paying a slightly higher fare to travel in comfortable, clean and air- conditioned taxis. Several start-ups and other entrepreneurs had started the radio taxi business in metro cities like Delhi and Bangalore. With changing lifestyle, advancement of technology, education and awareness of expanding middle class, the radio taxi market in the country has continued to grow and survive. The Radio Taxi market has observed a tenfold increase between the year 2009 and the year 2013. This exponential growth has been witnessed in metro cities. 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. The radio taxis has a tremendous potential for growth in India as the transport needs of the corporate world and even of middle-class and affluent class is growing day by day. With metro city facing enormous parking problems, many residents would prefer to call up a radio taxi for the purpose of visiting a shopping mall, a beauty saloon, or even to attend a late-night party". (Rahman, 2014)

**RADIO TAXI BUSINESS MODELS**

There are various functions on which the radio cab business operates, hence the different business models. The latest innovation is seen in the GPS tracking system which is managed individually by all the radio taxi companies now. The companies have thus become more popular and profitable by incorporating and following the below discussed models.

**Franchise Model: -** In the **franchise model**, the radio taxi driver is the owner of the radio taxi and he is generally associated with the radio cab company to get the brand name and enhance his business plus the earnings. It's the driver duty to pay a certain daily or weekly or monthly fee to the radio cab company for which he is working. According to the model, the radio cab company doesn't hold any responsibility of

maintaining the vehicle, and the parking area costs. It's the driver duty to keep his vehicle well-maintained and clean. Also, the fee paid by the drivers is used by the company to train and support the franchisees (drivers), market and advertise the brand (radio cab company) improve the quality of goods or services, and widen the market

**Attached Vehicle Model:** - According to the **Attached vehicle model**, every cab is associated with the cab company and is supposed to get at least some minimum business per day as per the company's rules and regulations. In return the company pays a certain fee weekly or daily or monthly to the driver. The vehicle which works under this procedure is known as "**attached vehicle**". Also, the cab company ensures some minimum fixed number of trips to the cab drivers for the paid duration. In order to get the attached vehicle, driver has to enter into a contract with the company for certain period of time and also with some fixed amount of investment. Only then the driver is allotted one of the 500 registered cabs by the company

**Rent a Cab Model:** - Under this model, the cab driver have to pay a security deposit of approximately Rs.20,000 to the company. Also, the driver should have a commercial driving license. The driver is supposed to pay a daily rent to the company of approximately Rs.1100 per day for the cab.

**LITERATURE REVIEW:** - Taxi market in India is an emerging and booming sector of the transport industry (Singhal, 2008). This is evident from the fact that in out of every 5 cars on Indian roads, two are for sure taxis. The journey of taxi cabs industry started in the year 1910. The first taxis launched were the traditional Ambassador which were painted black and yellow and were meant to serve the Indians for daily commuting business. These were metered taxis and had spread over to various cities like Mumbai, Delhi, and Bangalore etc. Presently, the cab industry has changed from the traditional black and yellow metered taxis to the hi-end technology driven machines. Taxis are an important part of the Indian automotive market especially in metros like Delhi, Mumbai, Bangalore and Chennai.

The changing lifestyles have led to an excessive reliance on private cars in today's markets. Various Public transportation services are important for civic life. In many countries, especially in the Middle East, attention has been diverted towards developing and improving the public transport systems. Several reasons behind this initiative and growth are problems like traffic congestions in cities, low mobility, high individual costs. This research paper reveals people's perceptions of public transport in India and helps to identify facilitators and barriers to such services." (P.S Kharola, 2010)

Guha (2013 ) stated, The working women have significantly transformed and influenced the modern marketing concept in present world. In this research paper the changing perception of both working and non-working women in Urban India is highlighted. It states that women because of their multiple roles have influenced their own and of their family members perception. The study also reveals that working women are price, quality and brand conscious. Price, competitiveness, quality assurance and customer service has thus become vital components of marketing now. For the business firms, this has become the way to their growth and survival. A company's business therefore, depends on its ability to create and retain its customers. Thus, a company, which wants to increase their market share has to think of customers and act

customer (especially women in this changing scenario). The role of customer perception, women especially cannot be ignored when we discuss the public sector and its services in India. In their research paper Dunckel-Graglia(2013) examined analyzed, and evaluated the women-only transportation which focuses on the roles of culture and public opinion. Local feminist groups have advanced this system by putting forward their argument - Violence in regular public transit is gender discrimination. It has been well depicted that women's fear of using public transportation due to several reasons has led them to change their travel behavior. The strategic tool which helps to enhance customer relationship in today's world is known as Technology. The radio taxi company, Meru Cabs, started their operations in April 2007 at Mumbai and was one of the firsts to provide "radio taxi" service in India. Meru Cabs have always been delivering a reliable taxi service by paying key attention and concentrating on three C's, namely customer, call centre and chauffeur. All this forms an integral part of customer satisfaction and acceptance on a larger scale." (Sridhar Vaithianathan,2013)

New technology and innovation have led to growth and survival for several taxi companies now. Global positioning systems (GPS) are used by taxi companies now. The implementation and usage of gps technology has exceptionally changed the traditional approach of the taxi company management in India. Also, if we compare it to the older radio-paging systems, the satellite- based dispatch systems have considerably enriched and enhanced the accuracy, communications, and productivity of taxi operations on a large scale. Also, the reengineering of operations and the training of end-users are vital to the improvement of service quality and the development of sophisticated public transport systems." (Council, 2001)

The role of emerging technology which has helped to create a competitive advantage within the Indian radio taxi industry. According to the research it can be concluded that competitive advantage from emerging technology can be created when certain conditions exist.

"Innovation"- the firm has the foresight to see how the technology could be used.

"Opportunity"-the technology is able to exploit a condition in the industry that makes a competitive advantage possible.

"Timing"- To exploit a relatively short window of opportunity between the technology becoming economically viable and mainstream. (Skok,2005)

The relationship and effects of service quality on customer satisfaction plays a key role in the success of radio taxis in India. Also, another important variable is Driver Behavior. White (2002) defined taxi as "all modes of transportation which is available to the public, irrespective of who owns it". The research paper focuses on customer satisfaction with radio taxi acceptance. In total there are major six (6) variables; reliability, continuous service, safety, comfort, affordability and driver behavior which affects the relationship with customer satisfaction of the taxi company. In the words of Pearson, all the variables had a positive and significant relationship with customer satisfaction. Lastly, we understand the importance of taxi service operations and the relationship and effect of service quality on customer satisfaction. (Horsu, 2015)"

G. S. Hariramani(2016) in her research stated that due to stress at office, urbanization, urge for luxuries and unavailability of parking space people are trying to bring convenience in their lives. This has led to the growth of taxi hiring services in India.

### RESEARCH METHODOLOGY:-

For this research a questionnaire is prepared and filled by women (only) availing the taxi services in India, it's a descriptive research and judgmental sampling has been done. The demographic data was obtained to generate a profile of the respondents. A total of 200 complete questionnaires were obtained. A structured non-disguised questionnaire was prepared to collect the responses.

**1. DATA ANALYSIS, INTERPRETATION AND DISCUSSION OF RESULTS:-**The demographic profile of the respondents is presented in Table 1. About 48 per cent of the respondents between 21 years - 25 years old and 37 per cent of them had monthly household income in the range of Rs 40,000 and above. Majority of respondents were postgraduate.

TABLE 1:- Demographic Profile of the Respondents

GENDER – FEMALE		
AGE GROUP		
15-20	14	7%
21-25	96	48%
26-30	57	28.5%
31 and above	33	16.5%
PROFESSION		
Business	49	24.5%
Service	73	36.5%
Student	78	39%
INCOME		
10,000-20,000	31	18.2%
20,000-30,000	28	16.5%
30,000-40,000	47	27.6%
40,000 and above	64	37.6%

**Security issues while using Taxi:-**Around 41% customers feel reasonably secure of using a taxi. Around 28% customers are neutral about their security and 17% women (customer) feels very secure. Only 12 feels insecure and a minor percentage is very insecure about their overall security related to using a taxi.

**Travelling Distance :-**Out of the total respondents, 36% women cover a distance of about 25-50 km when

travelling in a taxi. Around 29 customers travel a very minimum distance that is 10-25 km. Only 14% women (customers) travel the distance of 80 km and above.

**Factor Analysis Of Success of Radio Taxi Services :-** Bartlett's test of sphericity and Kaiser- Meyer-Olkin test was conducted to find out whether it was feasible to use factor analysis. Bartlett's test was found significant (Refer Table.1) with  $p = 0.000$  measure of sampling adequacy was carried out using Kaiser-Meyer-Olkin test. KMO value of 0.867 indicates that factor analysis was appropriate.

TABLE2 : KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.867
	Approx. Chi-Square	1247.696
Bartlett's Test of Sphericity	Df	153
	Sig.	.000

The next step in a factor analysis was to determine the number of factors to extract from the dataset. It was decided to follow the convention in selecting the factors with a variance less than one or no better than a single variable, since each variable has a variance of one (Hair, Anderson, Tatham, & Black, 1995).

TABLE 3 : Pattern Matrix

	Factor				
	1	2	3	4	5
1) I prefer choosing a taxi company which has good reputation	.867				
2) I usually prefer travelling by that taxi company which is recommended by my friends/family	.819				
3) I usually prefer travelling through the same taxi company	.612				
4) I donot travel in taxis which are associated with controversies	.527				
5) I usually book a taxi using application	.525				
6) I travel in big brand name taxis only	.472				
7) The discounts given after using coupon codes are generally added in the bill		.739			
8) I use taxi for work related purpose		.528			
9) I prefer to take taxis owned by private company only		.501			
10) I check if the taxi has panic button or not			.756		
11) When I travel by taxi, I check if the cab number is visiblydisplayed			.630		
12) When I travel by taxi, I usually check whether Drivers id card is visibly displayed or not			.614		
13) I usually inform someone about my route			.301		
14) I usually book taxi by making a phone call				.717	

15) I prefer taxi before/after alcohol consumption (including going out)			.501	
16) The driver was a safe driver (ethical behavior)	.311			.710
17) The driver had an excellent knowledge of the route				.580
18) I usually check if the vehicle was clean				.320

In the light of the factor loadings depicted in Table2, the following interpretations are offered:-

Factor (% Variance)	Factor Interpretation	Loading	Variables included in the factor
F1	Image & Reputation	0.867	Good Reputation
		0.819	Recommended by friends/family
		0.612	Same taxi company
		0.527	Not associated with controversies
		0.525	Booking through application
		0.472	Big brand named taxis
F2	Affordability & Availability	0.739	Discounts already added in the bill
		0.528	Work related purpose
		0.501	Travelling by private company only
3	Precautions & Security	0.756	Availability of panic button
		0.630	Taxi number is visibly displayed
		0.614	Drivers id card is visibly displayed
		0.301	Informing someone about the route
F4	Easiness	0.717	Book taxi by making a phone call
		0.501	Travelling Before/after alcohol consumption (including going out)
F5	Role of Driver	0.710	Safe driver (ethical behavior)
		0.580	Excellent knowledge of the route
		0.320	Clean Vehicle

Factor 1: Brand Image & Reputation

Factor 1 have loading of five factors namely (0.867); Good Reputation, (0.819); Recommended by friends/family, (0.612); same taxi company, (0.527); Not associated with controversies, (0.525); Booking through application and (0.472); Big brand named taxis .All variables in the factor reflect brand image & reputation of the Radio taxi service provider.

Factor 2: Affordability and Availability:-This component includes 3 factors (0.739); Discounts already added in the bill, (0.528); Work related purpose and (0.501); travelling by private company only.

Factor 3 : Security concerns :-This component consists of 4 factors (0.756); Availability of panic button, (0.630); Taxi number is visibly displayed, (0.614); Drivers Id card is visibly displayed and (0.301); Informing someone about the route.

Factor 4 includes 2 factors (0.717); Book taxi by making a phone call and (0.501); travelling Before/after alcohol consumption (including going out). This factor is related with Easiness to book taxi.

Factor 5 have loadings of three(0.710); Safe driver (ethical behavior), (0.580); excellent knowledge of the route and (0.320); Clean Vehicle, hence this factor is related with Role of driver.

## CONCLUSION

It has been found from the study that the demand for radio taxis in India is increasing and their acceptance is visible on a large scale among the women. For women, safety and security is the priority and they don't mind paying a slightly higher fare to travel in a comfortable, clean and air-conditioned taxi. The fact that women feel secure availing the taxi service can be seen from the efforts put in by the company to narrow the relationship between themselves and the customers.

A lot of factors play an important role here like the affordability and availability, easiness, role of driver considering the ethical behavior and knowledge of the area. All the percentages above show that women feel reasonably secure travelling in taxis, they do complaint for any inconvenience caused to them in their travel and there are specific reasons for the same

## REFERENCES

1. Chintakayala, P. a. (2010). Modeling Generalized Cost of Travel and Its Application for Improvement of Taxis in Kolkata. *Journal of Urban Planning and Development* , 42-49.
2. Council, I. T. (2001). Taxi dispatching via Global Positioning Systems. *IEEE Transactions on Engineering Management* , 342 - 347.
3. Dempsey, P. S. (1996). Taxi Industry Regulation, Deregulation, and Reregulation: The Paradox of Market Failure. *Transportation Law Journal* , 73-120.
4. Dunckel-Graglia, A. (2013). Women-Only Transportation: How "Pink" Public Transportation. *Journal of Public Transportation* , 85-105.
6. Express, I. (2016, february 4). [www.newindianexpress.com](http://www.newindianexpress.com).
7. Retrieved from [www.newindianexpress.com](http://www.newindianexpress.com).
8. Guha, D. S. (2013). The changing perception and buying behaviour of women. *IOSR Journal of Business and Management (IOSR-JBM)* , 34-39.
9. Guha, D. S. (2013). The changing perception and buying behaviour of women consumer in Urban India. *IOSR Journal of Business and Management (IOSR-JBM)* , 34-39.



10. Hariramani, S. G. (2016). Acceptance of cab service and popularity of cab brands (a case study of Ahmedabad city). *International Journal of Research in Social Sciences*, 6(10), 889-900.
11. Hellofs, L. J. (1999). Market share and customers' perceptions of quality: When can firms grow their way to higher versus lower quality? *Journal of Marketing* .
12. Horsu, E. N. (2015). INFLUENCE OF SERVICE QUALITY ON CUSTOMER. *International*
13. *Journal of Economics, Commerce and Management* , 1451-1463.
14. KokkuRandheer, A. A.-M. (2011). Measuring Commuters' Perception on Service Quality.
15. *International Journal of Marketing Studies* , 22-32.
16. Lauren Redmana, M. F. (2013). Quality attributes of public transport that attract car users: A research review. *Transport Policy* , 119-127.
17. Morris, A. G. (1993). *Changing Demographics of the Taxi Workforce*
18. Nagu, V. K. (2010). Winning Customers through Service Innovation-CAB WISE. *Indian Journal Of Marketing*
19. P.S Kharola, G. T. (2010). A Study of Public Perceptions. *Journal of Public transportation*, 63- 92.
20. Rahman, D. T. (2014). Organized sector radio taxi operator in Guwahati - A CASE *International Journal of Advance and Innovative Research* , 19-25.
21. Roseb, G. C. (2008). Growing Patronage - Challenges and What has been found to work. *Research In Transportation* , 5-11.
22. Singhal, P. S. (2008). Priyadarshni Taxi Service: Steering the Wheel. *Journal of Case Research* , 91-107.
23. Skok, W. B. (2005). Strategic Use Of Emerging Technology- The Indian Tax Cab Industry. 295-306.
24. Sridhar Vaithianathan, K. P. (2013). Meru Cabs: past perfect and future tense. *Emerald Emerging Markets Case Studies* , pp. 1-12.