

# **A COMPARATIVE STUDY ON UBER AND OLA CABS**

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## **ABSTRACT**

Every other day in India, there is a new start up offering efficient cab service to the citizens operating in urban and rural lifestyles. In today's customer centric repeatedly changes in business and service environment effectively managing customer is visualized as essential key to success. Both manufacturing and service organizations have realized that the profitability and growth is routed through the quality of services they provided to their customers. Further past researches also highlighted that service quality and customer satisfaction, customer loyalty, revisit intention, repeated business and profitability are positively connected. As a result the organizations have started measuring and monitoring the quality of services delivered by them. In this paper, an attempt has been made to do comparative study of two of such taxi aggregators that have radically changed the way "the great Indian middle class" commutes daily- OLA and UBER. Currently, both OLA and UBER cabs are following the strategy of expanding their operations and building customer base in key metropolitan cities across India.

## **1. OBJECTIVES**

- To know the service quality offered by Uber and Ola.
- To know the customer satisfaction towards Uber and Ola.
- To know customer preference on Uber and Ola.
- To study about the marketing strategies used in Ola and Uber.

## **2. STATEMENT OF PROBLEM**

The online cab industry uses apps for their work. Now it is a part of digital India wherein all people are not aware of the growing technology. Even the car agencies and owners find it difficult to adopt with the technological changes and hence they hesitate to move to these online cabs. The online cabs provide services only through mobile application for which the users must have smart phones and mobile data.

Pre booking system is provided by Ola whereas it is not provided by Uber. The customers are allowed to book their cabs well in advance. This is one of the marketing strategy used by Ola. Recently Uber has also introduced this facility but it is not applicable for all location. Hence this paper also discuss about the various marketing strategies used by Uber and Ola to sustain themselves in the market.

### 3. RESEARCH METHODOLOGY

Research is an organized systematic and logical enquiry having its aim as the discovery of new facts or the verification of existing one. Research methodology is the specific procedures or techniques used to identify, select, process, and analyze information about a topic. In a research paper, the methodology section allows the reader to critically evaluate a study's overall validity and reliability. It is an academic activity and the term is used in a technical sense of defining and refining problems, formulating hypothesis or suggested solution, organizing and evaluating data and testing the solutions to determine whether they fit the hypothesis.

### 4. REVIEW OF LITERATURE

- **Hanif and Sagar (2016)** had stated that there was demand for Call-a-Cab service offered by Meru Cab. The cab services are proving security through global positioning system (GPS) and women taxi drivers for women passengers especially during night times.
- According to **Harding et al (2016)** the auto-rickshaws (three wheelers) are more popular in urban transport before the advent of cars and cabs.
- **Horsu and Yeboah (2015)** had argued that driver behavior have negative impact on customer satisfaction in Ghana. The variables like continuous service, comfort, reliability and affordability have an impact on customer satisfaction with regard to minicab taxi.
- According to **Lu et al (2015)** the self- service mobile technologies helps the commuters to access lot of data about cab services and such technologies had changed the role of both customers and companies. The adoption of call taxi app (CTA) is impacted perceived usefulness, perceived ease of use, subjective norms and perceived playfulness.

- **Chen (2014)** had explained that mobile apps help both drivers and passengers to find each other. At present the mobile apps are helps the customers to find cabs. In the recent years the car rental industry is growing constantly especially in metropolitan cities in India (Rahman, 2014)

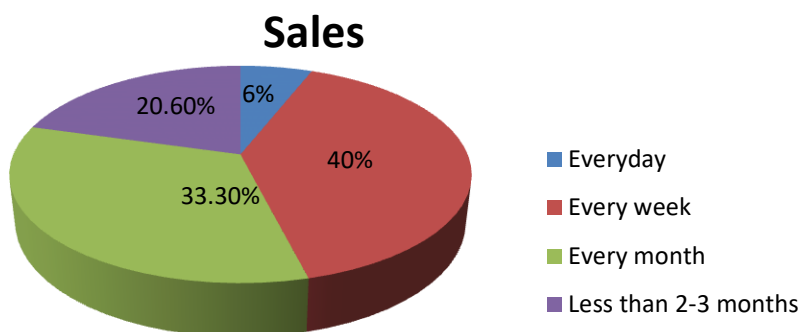
## 5. RESULT AND DISCUSSION

The results obtained from the analysis of the data by using the various statistical tools are discussed below:

### 6.1. PREFERRED USAGE OF TAXI BY THE CUSTOMERS

#### 6.1.1. TABLE SHOWING THE USAGE OF TAXI

USAGE	NO.OF RESPONDENTS	PERCENT AGE
Everyday	9	6%
Every week	60	40%
Every month	50	33.3%
Less than 2-3 months	31	20.6%
<b>TOTAL</b>	<b>150</b>	<b>100</b>



#### ANALYSIS:

The table and chart shows that 6% of the respondents use the taxi everyday and 40% of the respondents use every week and 33.3% use taxi every month and 20.6% of the respondents use taxi less than 3-3 months.

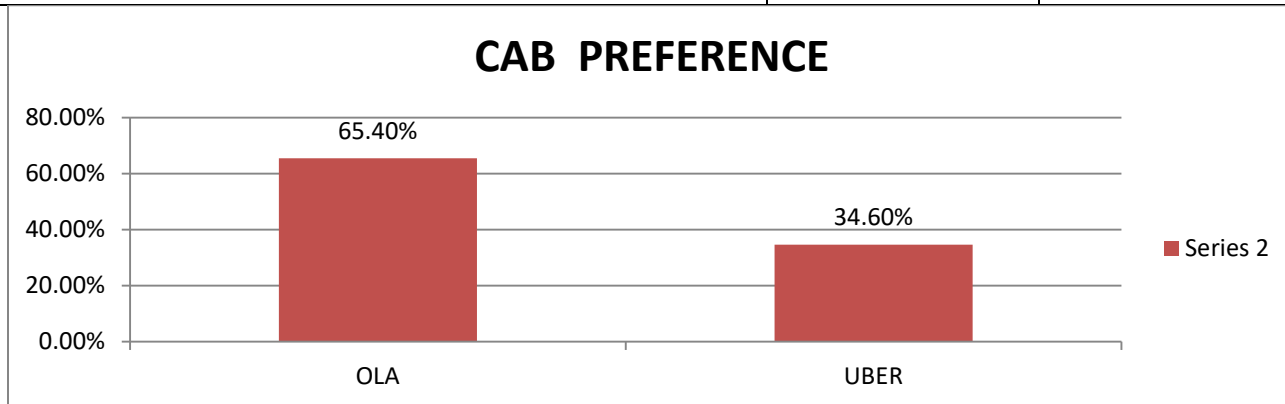
#### INTERPRETATION:

Majority of the respondents use online taxi service every month.

## 6.2. PREFERENCE OF TAXI DURING THE PEAK HOURS

### 6.2.1. TABLE SHOWING THE PREFERENCE DURING PEAK HOURS

CABS	NO.OF RESPONDENTS	PERCENTAGE
OLA	98	65.4%
UBER	52	34.6%
<b>TOTAL</b>	<b>150</b>	<b>100</b>



### ANALYSIS:

From the above table and chart it is clear that 65.4% of the respondents choose ola cabs and 34.6% choose uber cabs.

### INTERPRETATION:

Majority of the respondents choose Ola cabs during their peak hours.

## 6.3. RANK ANALYSIS

A ranking is a relationship between a set of items such that, for any two items, the first is either 'ranked higher than', 'ranked lower than' or 'ranked equal to' the second. In mathematics, this is known as a weak order or total preorder of objects. It is not necessary a total order of objects because two different objects can have the same ranking. The ranking themselves are totally ordered.

### 6.3.1. TABLE SHOWING RANKING OF THE BASIC FEATURES OF OLA CABS

OLA	R1	R2	R3	R4	TOTAL	RANK
SAFETY	15	3	2	1	31	3
PRICE	34	26	18	12	188	1
OFFERS	16	10	7	3	69	2
QUALITY	2	1	-	-	4	4

#### INTERPRETATION:

The above table depicts that the most important criterion for the respondents to choose the Ola cabs is the price feature and the lacking factor is the quality of the cabs.

#### 6.4. CHI-SQUARE ANALYSIS:

A CHI-SQUARE is a statistical tool commonly used for testing the independence and goodness of fit. Testing independence determines whether two or more observations across two populations are dependent on each other. Testing for goodness of fit determines if an observed frequency distribution matches a theoretical distribution.

#### FORMULA:

$$\text{CHI- SQUARE VALUE}(\Sigma) = \frac{(\text{OBSERVED VALUE} - \text{EXPECTED VALUE})^2}{\text{EXPECTED VALUE}}$$

$$\text{EXPECTED VALUE} = \frac{\text{ROW TOTAL} * \text{GRAND TOTAL}}{\text{GRAND TOTAL}}$$

$$\text{DEGREE OF FREEDOM} = (\text{ROW}-1) * (\text{COLUMN}-1)$$

## HYPOTHESIS

**H<sub>0</sub>:** There is no significant relationship between dependent variable and independent variable.

**H<sub>1</sub>:** There is significant relationship between dependent variable and independent variable.

Significance value for chi-square is 5% (i.e., 0.05). if the calculated value is less than the value, it is accepted. Else in other situation it is rejected.

### 6.4.1. Table showing the relationship between the occupation and usage of the taxis.

OCCUPATION	USAGE OF TAXI				
	EVERYDAY	EVERYWEEK	EVERY MONTH	<2-3 MONTHS	TOTAL
STUDENT	5	27	18	25	75
BUSINESS	4	20	12	1	37
EMPLOYEE	-	9	16	3	28
HOUSEWIFE	-	4	4	2	10
<b>TOTAL</b>	9	60	50	31	150

O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
5	4.5	0.5	0.25	0.055
4	2.22	1.78	3.16	1.42
27	30	-3	9	0.3
20	14.8	5.2	27.04	1.82
9	11.2	-2.2	4.84	0.43
4	4	0	0	0
18	25	-7	49	1.96
12	12.33	-0.33	0.108	0.008
16	9.33	6.67	44.48	4.76
4	3.33	0.67	44.48	13.35
25	15.5	9.5	90.25	5.82
1	7.64	-6.64	44.08	5.76
3	5.78	-2.78	7.728	1.33
2	2.06	-0.06	0.003	0.001
<b>TOTAL</b>	<b>147.69</b>	<b>2.31</b>	<b>324.41</b>	<b>37.01</b>

$$\text{CHI- SQUARE VALUE } (\Sigma) = \frac{(\text{OBSERVED VALUE} - \text{EXPECTED VALUE})^2}{\text{EXPECTED VALUE}}$$

$$= 324.41/147.69$$

$$= 2.19$$

$$\text{DEGREE OF FREEDOM} = (\text{ROW} - 1) * (\text{COLUMN} - 1)$$

$$= (4-1)*(4-1)$$

$$= 9$$

$$\text{CALCULATED VALUE } X^2 = 2.19$$

$$\text{TABLE VALUE} = 16.92$$

### **HYPOTHESIS:**

**H<sub>0</sub>:** There is no significant difference between the occupation and usage of taxi of the respondents.

**H<sub>1</sub>:** There is significant difference between occupation and usage of taxi of the respondents.

Level of significance = 5% or 0.05

Degree of freedom = 9

Chi-square value  $X^2 = 2.19$

Table value = 16.92

### **INTERPRETATION:**

In the above analysis, the calculated value (2.19) is less than the value (16.92) at the level of 5% significance. Hence, null hypothesis is accepted, thus there is no significant relationship between the occupation and the usage of taxis.

## **7. FINDINGS**

The objective of the study was to know the service quality offered and to know the customer satisfaction and to know customer preference on Uber and Ola and also to study about the marketing strategies used in Ola and Uber cabs. The study has been carefully analyzed using techniques of percentage analysis, rank analysis, weighted average score analysis and chi-square analysis.

## **8. SUGGESTIONS:**

1. Most of the respondents suggest that ola cabs are better than uber cabs

2. Almost 60% of the respondents suggest that it is good to fix a base fair for the ride.
3. The respondents suggest that both the cabs must improve in the customer service.

## 9. CONCLUSIONS

The study clearly states that most of the people in Coimbatore city are aware of ola and uber cabs. Majority of the customers prefer ola cabs more than uber cabs. Though uber cabs have better customer service than ola cabs, most of the people use ola cabs atleast once in a week. It is mostly used by the students .Almost majority of the respondents spend around Rs.500 to Rs.1000 for a ride in these cabs. Though there are many pros and cons, most of the cutovers prefer ola than uber. The only aspect in which the ola cabs has to improve is the HR management. The major suggestions is that the extra cost that most of the drivers get from the customer and denial of duty by most of drivers are major problems in ola cabs. Though uber cabs excels in quality and service , ola cabs are being preferred and used because of its availability and easy access to the application.

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