
ORGANIZED SECTOR RADIO TAXI OPERATOR IN GUWAHATI - A CASE STUDY ON “PRIME CAB”

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ABSTRACT

According to the industry sources, unorganized operators dominate about 85% of the market. The car rental industry grew from ` 30bn in FY03 to ` 200bn in FY11 notching up an annual average growth of 30%. 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 setting the wheels rolling under the Mega Cabs brand in cities such as Bangalore, Mumbai, Calcutta, Chandigarh, Ludhiana and Amritsar. Guwahati also is not laying back in this regard. Private luxury taxi operators in Guwahati are also planning to expand their fleets in the absence of a state-owned service and the shift by most commuters to the economical yet comfortable mode of transport. The Northeast is a prime destination for tourist, so the demand for car rental services can only get bigger. In the absence of a state owned radio cab service in Guwahati, the private players are eyeing big business.

My Taxi has the pioneered private taxi operators (not radio taxi) to hit the road in 2010 followed by Prime Cabs. Prime Cabs launched in 2012 has emerged as the first organized Radio taxi service provider. Prime Cabs offers a cab service that emulates the best taxi service norms across the world. Their endeavor is to ensure that customers need for commuting is met every time they need to commute and in as hassle free a manner as possible.

The prime objective of this study is to understand the customer perception and customer satisfaction level on Radio Taxi services with special reference to the city of Guwahati and to offer suggestion to improve the performance of the services

Key Words: Radio cabs, taxi operators, Northeast, Guwahati, Prime Cabs

SCENARIO OF ORGANIZED RADIO TAXI OPERATORS IN INDIA

The Radio cabs business has emerged as one of the fastest growing businesses in the Indian transportation sector. Till 2003, the point-to-point taxi market in India's big metropolitan cities was completely unorganized. It was served either by unorganized, inconsistent and somewhat expensive private operators or by state government controlled pre-paid taxis offering a standardized but low quality service. The concept of 24-hour radio cabs caught up in the country about a decade back with Delhi-based Mega Corp setting the wheels rolling under the Mega Cabs brand in cities such as Bangalore, Mumbai, Calcutta, Chandigarh, Ludhiana and Amritsar. Today, 15,000 plus professionalized air-conditioned taxis are available to customers in 6 big cities in a largely reliable, convenient and affordable manner. These services are fast spreading to other cities and the sector is seeing an active interest from new entrants and financial investors alike. Despite the glitches in the model, the underlying value of this service is undeniable. New models are emerging with innovations on cost and technology in a bid to make these services rapidly accessible to more and more customers. Delhi currently has over 5,000 AC radio cabs and 3,800 economy radio taxis plying on its roads. Mumbai based Meru Cabs has also done brisk business since it started operations in 2006-07 to become one of the largest service providers in the country.

Private luxury taxi operators in Guwahati are planning to expand their fleets in the absence of a state-owned service and the shift by most commuters to the economical yet comfortable mode of transport. The Northeast is a prime destination for tourist, so the demand for car rental services can only get bigger. In the absence of a state owned radio cab service in Guwahati, the private players are eyeing big business. Radio taxis are all set to do booming business here as private operators of the service go on an expansion spree, bolstering their fleets to meet the mounting transport needs of the growing city. In North East and in particular, Guwahati, My Taxi was the pioneered private taxi operators (not radio taxi) to hit the road in 2010 followed by Prime Cabs in 2012 and both appear upbeat about what the future holds for them. My Taxi started with 12 vehicles; today have a fleet of 75, which bears testimony to a substantial increase in demand for the service with over 400 trips a day. It has posted a month-on-month growth of 12 to 15 per cent. The Assam Tourism Development Corporation Ltd is also planning to start a dedicated airport radio taxi service. Prime Cabs the first organized Radio taxi service launched services in Guwahati in 2012.

ORGANIZED RADIO TAXI OPERATORS IN GUWAHATI

Prime Cabs started its operation in July 2012. It is the first organized premium radio taxi service company launch metered "Radio cabs" in Guwahati, Assam-the gateway to North East India. Prime Cabs offers a cab service that emulates the best taxi service norms across the world. Their endeavor is to ensure that customers need for commuting is met every time they need to commute and in as hassle free a manner as possible. They ensure availability and the onboard technology ensures that a customer pays a fair fare with a printed receipt for each transaction. Its aim is to quality ride to the destination; ensure that each cab is well maintained as well as the chauffeur driving the cab is well trained. The cabs equipped with GPS (Global Positioning System), immobilizer buttons, making it easier to keep things in place. Prime Cabs is perhaps the first and the only player to offer complete 360 degree solutions to completely transform the Guwahati personal transportation industry into an organized business. At Rs 17 per km, the firm claims to offer the lowest fare on a radio cab ride in Guwahati and offering a comfortable and safe ride than any other service, be it a taxi or an auto. On an average, it conducts 250 trips a day with call centre open for bookings 24 hours.

OBJECTIVES OF STUDY

The prime objective of the study is to understand the customer perception and customer satisfaction level on Radio Taxi services with special reference to the city of Guwahati and to offer suggestion to improve the performance of the services. The paper has following objectives:

1. To analyse the demographic profile of the customers and overall satisfaction.
2. To understand the measure of satisfaction amongst the Respondent
3. To identify various components contributing towards the Customer satisfaction.
4. To find the correlation between different variable and overall job satisfaction
5. To understand the factors leading to Customer dissatisfaction
6. Propose suggestion for improvement.

RESEARCH METHODOLOGY AND SAMPLE

Research methodology used during the study conducted in this research paper is based upon real data – primary as well as secondary. The primary data are collected from 100 Prime Cab customers of Guwahati city by using questionnaire method. Secondary data are collected from books, journals, newspapers, company manuals, company website and informal talk with the officers and the employees.

LIMITATIONS OF THE STUDY

Getting information from respondents becomes problematic as we had to interview individuals who are quite busy to give proper thought to the questions. Indifferent attitude of some respondents could have

affected the final findings. Respondents were less cooperative and were more conscious for getting their identity disclosed. Respondents may be biased and may not be sincerely responding to the questionnaire survey.

ANALYSIS AND INTERPRETATION OF DATA

Table 1 : Demographic Profile of Respondents

Sr. No	Demographic Factor	Details	No. of Respondents	Percentage
1	Age Group	Below 25 years	8	8
		25 – 35 years	19	19
		35 – 45 years	42	42
		Above 45 years	31	31
2	Gender	Male	71	71
		Female	29	29
3	Marital Status	Single	23	23
		Married	77	77
4	Education Qualification	Upto School Level	13	13
		UG & PG degree	39	39
		Professional degree	48	48
5	Occupation	Student & Home maker	9	9
		Professional (Pvt. / Public)	56	56
		Businessman	35	35
6	Income Group	Below 2 Lakhs	4	4
		2 – 4 Lakhs	9	9
		4 – 6 Lakhs	29	29
		Above 6 Lakhs	58	58

Table 1 exemplify the demographic analysis of the respondents participated in the study. This includes age, gender, marital status, education qualification, occupation and income groups. Age as an important demographic variable not only determines an individual's physical and mental maturity but also depicts his or her life experiences shows that 42% of the respondents are in the age group of 35 – 45 years and 31% belongs to age group of above 45 years. In gender wise distribution of the respondents the table revealed that among the total respondents, 71 percent of the respondents were male and 29 percent were female. In short, majority of the respondents were male in the study area. 77% of the respondents were married. The another important variable education-wise classification of respondents shows that 48% respondents belongs to the education group of professional degree and 39% belongs to the educated group of UG / PG degree. It is clear from the above table that out of 100 respondents surveyed, 56% belongs to the occupation group "Professional", 35% belongs to the occupation group "Businessman" and the remaining 9% belong to "Student & Home maker". The table also reveals that out of the 100 respondents,

58% belong to the income group “above 6 lakhs”, 29% belong to the income group “4 - 6 lakhs”, 9% belong to the income group “2 - 4 lakhs” and rest 4% belong to “below 2 lakhs”.

Table 2 : Sources of Information for Prime Cab Service

Sr. No	Factors	No. of Respondents	Percentage
1	Newspaper / Display Advertisement	8	8
2	Friends / Relatives	45	45
3	Other sources	18	18
4	Display on Cab	29	29

A customer is exposed to a number of stimuli in his daily routine that helps him/her in selection of services. In order to study consumer's perception it is very important to know about the source of information from which the customer has obtained the information about the service. Table 2 exhibits that 45% of the respondents got information about Prime Cab service from Friend / Relatives, 29% of the respondents got information about the service from Display on Cab and remaining from other sources.

Table 3 : Factor Influencing the Selection of Service

Sr. No	Influencing Factors	No. of Respondents	Percentage
1	Customer Support & SMS system	16	16
2	On Time Reporting	55	55
3	Cleanness of Cab	9	9
4	Comfort & Big Luggage space available in Cab	16	16
5	Driver Behavior	4	4

In the competitive market it is very important to satisfy the customer needs. Selection of a service is influenced by a number of factors. The importance given to a factor by a person may not be same as in case of another. Some of them are satisfied with one aspect but dissatisfied with the other aspect. It was found that in case of Prime Cab service Customer Support & SMS system, On Time Reporting, Cleanness of Cab and Driver Behavior have been the influencing factors. Table 3 revealed that 55% of the respondents preferred the services because of On Time Reporting and 16% of the respondents preferred the services due to customer friendly service like 24 hours call center, cab and driver information via SMS and another 16% of the respondents preferred the services for comfort journey and big luggage space.

Table 4 : Customer Pattern for Prime Cab Service

Sr. No	Detail of Customer Pattern	No. of Respondents	Percentage
1	First Timer Customer	31	31
2	Repeat Customer	69	69

From the table 4 it can be interpreted that, 69% of the respondents are repeat customer and 31% of the respondents are using the service for the first time. Majority of the customers are using the service repeatedly due to its customer friendly service and On Time Reporting.

Table 5 : Frequency of Using Service Per Month

Sr. No	Frequency	No. of Respondents	Percentage
1	Rarely	32	32
2	2 – 3 times	42	42
3	Above 4 times	26	26

From the table 5 it can be interpreted that, 42% of the respondents used the service about 2 – 3 times in a month and 32% of the respondents are rarely using the service.

Table 6 : Customer Pattern for using of Prime Cab Service

Sr. No	Service Used Pattern	No. of Respondents	Percentage
1	Airport Pick Up / Drop Out	46	46
2	Railway Station Pick Up / Drop Out	13	13
3	ISBT Pick Up / Drop Out	8	8
4	Whole Day Local Tour	4	4
5	Short Trip within City	29	29

Table 5 illustrates the customer pattern for using the service revealed the 46% of the respondents are using the service for Airport pick up / dropping, 29% of the respondents are using the service for short trip within city, 13% of the respondents are using the service for Railway Station pick up / dropping.

Table 7 : Satisfaction Level of Respondents

Sr. No	Satisfaction Level	No. of Respondents	Percentage
1	Highly Satisfied	17	17
2	Satisfied	74	74
3	Not Satisfied	7	7

From the table 8 it is evident that 74% of the respondents are satisfied with the service, 17% of the respondents are Highly Satisfied and only 7% of the respondents are Not Satisfied with the service. Majority of the respondents, who are Not Satisfied with the service are due to high fare rate and waiting charges.

FINDINGS

Following are the major finding of the present study:

- 73% of the respondents are in the age group of 35 – 45 years and above 45 years. Majority of the respondents were male in the study area and 77% were married.
- Around 91% of the customers were belonging to Professional and Businessman travelling for official or business trip. Majority of the Professionals belong to public sector companies.
- 87% of the respondents have higher education qualification like graduation or above.
- 58% respondents belong to the income group of “above 6 lakhs”, 29% belong to the income group “4 - 6 lakhs”.
- It was observed that word of mouth have played a major role in expanding the services and demand. 45% of the respondents got information about Prime Cab service from their Friend / Relatives.

- To sustain in the competitive market it is very important to satisfy the customer needs upto their expectation level. 55% of the respondents preferred the services because of On Time Reporting and 16% of the respondents preferred the services due to customer friendly service like 24 hours call center, cab and driver information via SMS. The study also revealed that 69% of the respondents are repeat customer due to above mentioned customer centric services.
- 46% of the respondents used the service for Airport pick up / dropping, which is growing very rapidly.
- The satisfaction level of the customer is very high, which is a very good sign for growth. 91% of the respondents are satisfied with the services.

RECOMMENDATIONS

- Guwahati is the 10th largest domestic airport with more than 2 mn traffic in FY12. Currently Prime Cab does not have a counter at the airport, due to which almost 50% of the vehicles that go to the airport comes back empty, which results in higher fuel cost and idle run. They should open a counter at airport, which will result in better fuel efficiency and revenues.
- A huge number of people commuting through rail and deluxe buses use radio taxi services, Prime Cab should open a counter at Guwahati railway station and ISBT, Lokhora.
- Prime Cab should maintain one type of fuel efficient car to minimize the spare inventory and maintenance cost.
- Prime Cab should maintain minimum education level for it driver as matriculation and pay special attention to soft skills training of drivers like personal Greeting to customers, dealing with difficult customers, handling money, hygiene and being On time.
- Customer feedback form should be provided in each cab to gather Customer experience and to improve service quality.
- Presently only cash mode of payment is accepted. Company should accept credit / debit card.
- Magazine and English and regional newspaper should be made available in each cab for customers.

CONCLUSION

The Prime Cabs has a tremendous potential for growth in North East as the transport needs of the corporate world and even of middle-class and affluent class is growing day by day. With Guwahati 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. This option scores higher points over wasting time in search of parking space for own vehicle, or negotiating treacherous snarls on a leisurely weekend. The study shows that its customer satisfaction level is very high, which is a positive point for its growth and expansion.

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