

Socio-Economic Analysis of Uber Taxi Drivers in Kerala- A Study with Special Reference to Ernakulam District

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Abstract

We are living in the times where many transactions are done and requirements met online like in the sectors of banking, shopping, advertisement, etc . Among these, of great influence is the use of taxi service done online. With the help of smartphones, arranging and using cab service has become easy and cheap. One of the most popular brands in the sector is Uber. Due to its convenience, many users opt for it than the taxi service available at the conventional taxi stand even when there are vehicles available in abundance. It is highly surprising to note that even when Uber has a wide network across the globe, they do not own even a single car. All this is possible by the use of a location-based app (software) capable of linking the drivers and the users efficiently, which also brings down the cost of travel. The network of users and drivers along with geographical location made available through GPS make it easy for the user to locate the nearest taxi available to take him efficiently even through heavy traffic to his destination. The present article focuses on the socio-economic conditions of the drivers, the problems faced by the drivers and the users, customer satisfaction, etc.

Keywords: Uber, Taxi Service

Introduction


Automobile taxis have been available in India for a long time. Private cars have been prevalent relatively from later time. Though private cars became more, the relevance of the regular taxis didn't diminish. The regular taxis remained the conventional mode of transport for those who needed private travel at their convenience. The regular taxis were available in their point of availability called the taxi stands. In the early days, customers had to physically go to the taxi stands to avail their service. They had to wait in a queue at a taxi bay or do the booking over phone. And the payment was made by cash or cheque in case of higher charges. Later as the technologies in telephony grew, it became more convenient to avail them. The ease of availing the taxi services have grown to such a state today that it can be called to the place of location of the user with just the click of a few buttons on his smartphone. Such services have come to be called online taxis. Users have recognized and accepted the convenience of such services and have embraced it to such a level that users would think first of such services for any length of local travel before getting themselves to a bus shelter or a taxi stand. The payment also could be made conveniently through online payment methods.

The recent years has shown the rapid growth of online taxi and its establishment as a new mode of transport. Its leverage on technology has since then become a trend in the public transport industry. There are many online taxi services are in Kerala like Ola, Uber, etc. Among the brands available, Uber has emerged as very popular mode of transportation.

Uber manages its taxi service by using high-speed data and the internet by giving accurate information of the available transport in the user’s vicinity. Features like traffic in the area, waiting time for the taxi to arrive, details of the driver, available payment methods, etc. are easily available to the user. The advantage for the user is that he gets an easy ride as per his convenience. The benefit for Uber is it can manage the rides in a efficient way by identifying the proximity of the user and the available cars and thus bring the cost down. The cost reduction can be passed on to the user in the form of a low-cost ride. The free time resulting from the shared information available to Uber of the car and user locations is the edge it has in the form of flexibility in managing the rides.

Uber has over 500 employees and it is growing fast. Their growth was seen as a threat to the costly and highly unionized conventional taxi service.

Current scenario in Kochi

Geographical Area	632 Sq. km	
National Highways	NH47, NH17 & NH49	
National Waterway	NW3	
Registered Vehicles	1.467 M	
Road Length (km)	948.7 km	
City Buses	Close to 1500	
Public Transport Share (Declining at 3.6% per annum)	49% (2015) 60.2% (2013)	
Average Trip Length	NMT - 3.78 km	

Uber is available through out the day in Ernakulam, Vytilla, Kochi, Kakkanad, Aluva to Ernakulam stretch including Edappally. But it’s rather difficult to find Uber in Perumbavoor, Paravur, Mulamthruthy even during the daytime.

Statement of the Problem

Kerala is a major internationally renowned tourist location with well-connected roads to its beautiful and attractive locales. Taxis, which are transportation services provided in return for payment are a major means of transport for the tourists who visit the various tourist spots in the state. Generally, the taxis, which are various brands of cars with varying convenience features of comfort, are grouped at locations called taxi stands and the customers get their services from these locations. However, with the advent of high-speed data services on mobile phones and taxi services – called the online taxi services - through the phones, the sector has become more prevalent and its use has grown.

The growth of the sector justifies a study of the various social and economic conditions of the car drivers. The study would also have an evaluation of the satisfaction of the consumers of the services.

Objectives

- To analyze the socio-economic conditions of Uber taxi drivers in Ernakulum district.
- To study the problems of Uber taxi drivers in Ernakulum district.
- To analyze the satisfaction level of the consumers by using online taxi in Ernakulum district.

Methodology

The required data for study is collected through primary and secondary sources. To get the information regarding the Uber taxi cabs, problems of drivers and customer’s satisfaction a primary survey was conducted through questionnaire method. The secondary data collected from various journals, newspapers and internet. In this study, a sample of 50 drivers and 50 customers were selected randomly in Ernakulam District.

Results and Discussions

Social Factors

Age

Majority of the respondents belongs to the age group 20-30. Out of the 50 drivers sampled, the majority are seen to be young than other age group. That is, 46% of drivers are in between the age of

20-30 and 38% of drivers between the age of 30-40. Only 16% of drivers are aged above 40. That means, in the high age group (above 40), they are not opting the modern Uber taxi occupation.

Educational Qualification

Majority of the respondents are highly qualified; that is B.A or M.A. Only 6% of drivers have poor qualification level. The other 14% have SSLC and 21% of respondents have a higher secondary education. There is a considerable level for unemployment for the educated in the Ernakulam district. So respondents choose other occupations like driving.

Economic Factors

Work Experience

Majority of the drivers have 1-3 years of working experience. 58% of drivers have 1-2 year of experience as an Uber driver and 22% of drivers have below 1 year experience. Recently there is an increase in the number of Uber drivers. Most of the workers are full-time workers and their main occupation is these type of driving. Majority of the respondents use their car.

Income

Majority, i.e., 88% of drivers get their salary on a weekly basis. Only 12% get their salary on a daily basis. They were getting salary on the basis of the trip. The higher number of trips or loner trips mean more returns (income). One week they get minimum amount of Rupees 5000. They give 25% of their income to the agency of Uber, which is 20% in the case of Ola.

Expenses and Savings

Majority of the drivers have more expenses than their savings. 46% of drivers have savings from their earnings and 54% of respondents of them doesn't have any savings. The price of commodities are showing a rising trend. Most of the respondents have 2 or 3 children in their family. So they find it difficult to balance between their expenses and income and manage the family needs. The drivers say Ola is more profitable to them than Uber because they were giving less portion of their income to

Ola as commission. Majority of the respondents were satisfied with the earnings they make from the services. A few were dissatisfied due to reasons such as non-availability of insurance, bonus, etc.

Problems Faced by the Drivers

The problems faced by the drivers are increasing fuel price, low fare quarrels with ordinary taxi drivers, no government support and increasing road taxes, etc. The most important problem identified is the increasing fuel price. Petrol and diesel prices are increasing day by day. Presently, one liter of petrol costs around Rupees 80/- and the diesel price is Rupees 75/-. Another important problem is low fare. Comparing to the other taxi drivers, this is very low and the respondents mention lack of insurance facilities, high road taxes, and no Government supports, etc.

Majority says that Uber has good reliability. Uber taxi provides greater comforts to the respondents or its customers. Customers in the Ernakulam District are found to have choice for comforts. The Uber taxi has greater convenience compared to other taxis since it is easily available and there are no undue delays faced. Uber provides good interactive drivers according to the opinion of its customers. Majority of its customers opined that Uber provides great security and safety for their customers.

Suggestions

1. To provide insurance facilities to the drivers.
2. Reduce the companies commission from 25% to 20% or 19% as like the commission provided by Ola.
3. Provide rest room or leisure room facilities for Uber drivers for spending their free time.
4. Company should provide leisure trips for the drivers with their families as a way for relaxation.
5. Provide special benefits like car washing, free fuel filling, etc. for the Uber drivers who earn more than the companies target.
6. Provide some additional amount for the maintenance of vehicle.

Conclusion

Uber continues to enjoy the benefits of first-mover advantage and its market presence using its application software. However, the technology involved and market is very dynamic and Uber needs to be very cautious and aware of such changing environments in order to keep up its place in the market. The facilities available in its application software has to be continually improved with added and user preference centered features. A holistic and proactive approach conforming to changes in legal and other requirements would be most desirable.

Uber operates like any other online taxi service provider but has a special quality to make the customer feel as though he is enjoying the benefits of having his private car. Although Uber has a negative perception from the ordinary taxi service drivers, it provides the impression of a good and useful service provider with its customers. It has the edge over other service providers through effective information dissemination and provides, through technological advancements in GPS and software and performance conscious drivers, facilities like efficient booking.

The most significant disadvantage with Uber is its surge pricing method of pricing. Otherwise, customer satisfaction with Uber is very high, which is also due to its availability round the clock.

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