



## CHALLENGES FACED BY THE UBER DRIVERS AND CONSUMERS SATISFACTION IN PUNE CITY

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### ABSTRACT

Uber is the best example of sharing economy. Technology has enabled taxi services to be an easy way for hassle-free experience. Uber has redefined the taxi industry. Uber in a very short span has gained recognition across geographies. The taxi service is well known for its sophisticated services and affordable prices for rides. This study focuses on the challenges the Uber drivers face providing their services to the consumers and the satisfaction derived by the consumers after the ride. The tool used for analysis is descriptive statistics – mean, median, mode and standard deviation. It was found that

**KEYWORDS** : Uber, Challenges, Customer Satisfaction, Pune City, Uber Drivers

### Introduction:

In the past decade there has been a tremendous rise in the taxi services all across the world. The new technology enabled taxi services have proven to be the easiest way for a hassle-free experience for various reasons. The reasons for a taxi ride can either be a leisure ride or a ride to work. This major transformation is a result of the powerful technological advances. Mobile devices have helped the masses to book a cab with just a click. The internet has provided this platform to avail powerful location specific services for booking a cab. We have seen an increased competition in the taxi service market because of the changes taking place in the technology. This competition is observed particularly in the domestic and foreign company. The local taxi companies are facing new competitors which are OLA, Uber, Meru etc. With a range of options available the consumers have become wiser to choose their ride and require high quality, good reputation as well as good services.

### Conceptual background:

Uber technology Inc. is a global taxi service company with its headquarter in San Francisco, California, United States. Uber is operating in 633 cities worldwide. It started its service in India in 2014 in Bengaluru. Uber has a software or a mobile application which the driver as well as the customer has to download on their smart phones. The drivers can use their own cars or can buy or hire a car from Uber. The consumers are quoted before requesting a ride. The rider or the customer is charged on the basis of time and distance of the ride. At the end of the ride, the rider can either pay through cash or Paytm wallet. After the ride, the rider is given the option to provide a rating to the driver through the mobile application or website.

### Literature review:

<sup>5</sup>Kumar Kishore and Kumar Ramesh (2016), studied that because of the presence of many competitors in the taxi service industry it is important for organization to motivate consumers through coupons. The result of this study states that price conscious consumers redeem coupons. The consumers in this time period are modern, innovative and price sensitive. Hence coupon redemption helps for customer retention.

<sup>7</sup>Surie Aditi and Jyoti Koduganti (2016), in their study stated that drivers indicate satisfaction and stability with respect to earnings. This stability and satisfaction is not experienced by traditional drivers who are not associated with Uber or Ola. The drivers associated with these modern and new companies have a changed perception of security and strategies of income like daily incentives which add to their satisfaction level. It is all because of the changing attitude of the drivers towards the modern taxi services in India.

<sup>8</sup>Mr. Sarrepalli Sai Kalyan Kumar and Dr. Prakash N. R. Mohan (2016),

studied the current scenario and the issues faced by the companies as well as the consumers. The main player in the industry, Ola and Uber changed the face of the industry. The study says that the innovations of these companies should target basic and comfort demands which will attract the masses. Companies that change according to the needs demands of the consumers will sustain and survive in the market.

<sup>2</sup>McGregor Moira, Brown Barry, Mareike Gloss and Airi Lampinen (2016), in this paper studied the new work life of a set of Uber drivers, contrasting this with the existing world of cab driving. Their goal has been to examine the changing life world of a very old profession—that of the taxi driver. There is much controversy ahead concerning broader regulatory policy around on-demand mobility. Balancing the needs of different groups of consumers as well as both new and established workers will present considerable challenges to regulators in the future. In an effort to look beyond the changing everyday practices, they concluded with issues regarding labour conditions, surveillance, and exclusion. On-demand services have implications beyond the experiences of those directly involved, and as such, they are not solely a matter of private consumption.

<sup>3</sup>Khuong Mai Ngoc and Dai Ho Quang (2016), researched on the factors affecting customer satisfaction and customer loyalty of taxi companies in Vietnam. The research found four variables which had direct effects on customer loyalty namely reliability, responsiveness, price and customer satisfaction. In addition, there were two variables directly affect customer satisfaction, namely comfort and price. Simultaneously, these variables caused indirect effects on customer loyalty. The study also recommended suggestions to improve customer satisfaction and customer loyalty.

<sup>6</sup>Hall Jonathan and Krueger Alan (2015), research was the first comprehensive analysis of Uber's driver-partners, based on both survey data and administrative data. A large driver population chose Uber over traditional taxi service because of the flexibility in timing. The drivers joining Uber did not decline even after the economy had strengthened and employment increased. This proves that drivers were attracted towards the flexible work hours and the incentives provided by Uber. The presence of sophisticated Uber application and lower prices attracted consumers and Uber taxi service was opted over traditional taxi service.

<sup>4</sup>Kholid Farah, Abdullah Syazwani, Kamly Khairunnisa and Abdul Syed Jamal (2015), studied that with regard to the level of the taxi drivers' attitudes, the dimensions which are mostly neglected by them are safety, empathy, hygiene and courtesy. The other major factors that lead towards drivers' poor attitudes include financial problems, family commitment and low education level. In this research strategies have been outlined to improve the situation of taxi industry.

**Objectives:**

- To study the challenges faced by Uber cab drivers in Pune City.
- To find out the satisfaction level of Consumers using Uber cab facility in Pune City.

**Research Methodology:**

A Descriptive research design is followed in this research work. Descriptive research is used to describe characteristics of a population or phenomenon being studied. It does not answer questions about how/when/why the characteristics occurred. The characteristics used to describe the situation or population are usually some kind of categorical scheme also known as descriptive categories. Questionnaire for data collection. Mean-The statistical mean refers to the mean or average that is used to derive the central tendency of the data in question. It is determined by adding all the data points in a population and then dividing the total by the number of points. The resulting number is known as the mean or the average. Median- The median is a simple measure of central tendency. Mode-The mode of a set of data values is the value that appears most often. Standard deviation- Standard deviation is a measure of the dispersion of a set of data from its mean.

**Sampling Method** -Convenience sampling method

**Sample size** - 100 respondents were drivers and 100 respondents were consumers.

**Sampling area** - Respondents were from various part of Pune city.

**Data collection**- Primary data collection was collected by Questionnaire method. 2 Questionnaires were made. One for the drivers group and other for the consumers group. Secondary data collection was done from various books and research papers.

**Tools Used** - Google forms, MSWORD, MS EXCEL.

**Data Interpretation and Discussion:**

**Table: 1. Demographic analysis of drivers**

Age	Percentage
20-30	50
30-40	36
40-50	14
Education	Percentage
School dropout	11
SSC	17
HSC	25
Graduate	47

Table-1 shows the demographic analysis of drivers, out of 100 respondents 50% of the drivers are in the age group 20-30. 14% are in the age group of 40-50 and 36% are in the age group 30-40. All are males. According to this pie chart out of the 100 respondents 47% of them were graduates from various fields like BA, B.Com & B.Sc. 25% of them had cleared their HSC and 17% of them had given their SSC exams. Almost 11% of the respondents were School dropouts.

**Table: 2. Trip and Earning Analysis of Uber Drivers per day/month**

Particulars	Parameters			
	1000-2000	2000-3000	3000-4000	4000-5000
<b>Earnings per day of Drivers (in Rs.)</b>	5%	61%	34%	0
<b>Trips taken per day by Drivers</b>	5 - 10	11 - 15	16 - 20	>20
<b>Frequency of empty trips per day</b>	1 - 2	2 - 3	3 - 4	4-5
<b>Frequency of cancelled trips per day</b>	1 - 2	2 - 3	3 - 4	4-5
<b>Amount spent on maintenance of the cab per month (in Rs.)</b>	1000-2000	2000-3000	3000-4000	4000-5000
	12%	15%	43%	30%

Table-2 shows trips and earnings analysis of Uber drivers. 61% earn Rs 2000-3000 and only 5% earn Rs. 1000-2000 per day. 57% drivers accept 11-15 trips and only 3% accept trips between 16-20. 54% get 1-2 empty trips per day from the destination. Each driver has atleast 1-2 trips cancelled per day. For instance, delay in arrival, vehicle break down; traffic jam etc. 43% drivers have to spend Rs. 3000-4000 for repairs and maintenance per month. The more the number of trips the higher is the cost of maintenance.

**Table: 3. Challenges Encountered by Uber Cab Drivers**

Questions	Mean	Median	Mode	Standard Deviation
How long you are associated with Uber?	1.66	1.5	1	0.75
Are you satisfied with the working conditions of Uber?	1.66	1	1	0.97
Is working with Uber financially advantageous to you?	3.88	4	4	0.97
Are your work hours hectic for you?	2.88	3	2	1.07
Do you face problems using the application of Uber?	2.12	2	2	0.70
Do you have job security as a driver working with Uber?	1.93	2	1	0.83
Do you have any health issues because of your job?	2.1	2	2	0.71
Are you satisfied with your earnings?	1.76	1	1	0.95

Table: 3 depicts that most of the drivers are associated with Uber for 1-2 years. Those associated with Uber for more than a year are satisfied with the working conditions. The drivers find their job to be financially advantageous. The daily or weekly earnings derive regular income for the drivers. The drivers show disagreement for the working hours being hectic. The drivers do not find any difficult in navigation and usage of the Uber application. Most of the driver does not have any health issues due to stress. The drivers agree that it is difficult for them to maneuver in the traffic during the peak hours of the day i.e 8:00 AM to 10:30 AM and 5:00 PM to 8:00 PM. Thus, the drivers tend to lose trips mostly during peak hours.

**Consumer Satisfaction:**

Further the researchers have studied the customer satisfaction and service quality of the Uber cab. The total number of respondents were 100. Out of which 53% were Females and 47% were Males. 50% of the consumers are graduates and 50% of them are post graduates. 66% of them are working in private service, 7% are doing business and 27% are either students or housewives.

**Table: 4. Preferences of Consumers for Cab**

Preferences	Percentage
<b>Optional Cab Services Preferred</b>	
OLA	65
MERU	9
TRVELTIME	15
RADIO	5
EASYRIDE	6
<b>Category of Uber Rides Preferred</b>	
UBER X	21
UBER GO	50
UBER POOL	26
UBER XL	3
<b>Frequency of Usage of the Cab Services</b>	
Daily	13
Sometimes	87
Do not use	3
<b>Purpose of Cab Demand</b>	
To and Fro Airport and Railway Station	30
Work and Return	47
Weekend Outing	21
Non-availability of City Transport	2

Table: 4 depicts that most of the consumers prefer OLA cabs because of cheaper fares. While Uber is preferred for brand. Other services like Travel time and Easy ride are not preferred by the consumer as they prefer the UberGo category. The second highest usage is of UberPool as it is a sharing ride. The least preferred ride is UberXL. 87% of the respondents use UBER Cab to travel to and fro

from the airport or railway station which results into 47% using it sometimes. 13% of the consumers use the cab services on daily basis for work and return leading to 47% of the total consumers. 21% of the consumers use UBER cab service for their weekend outing. Only 2% prefer Uber cab services where city transport is not available.

**Table: 5. Level of Consumer Satisfaction**

Questions	Mean	Median	Mode	Standard deviation
Have you experienced any issues with the Uber app while booking the cab?	1.90	2	2	0.68
Have you ever been overcharged by the Uber cab driver?	2.01	2	2	0.67
Has any Uber driver behaved unprofessionally during your trip?	2	2	2	0.70
How would you like to rate Uber cab service?	3.8	4	4	0.71
How would you rate Uber customer service?	3.45	3	3	0.75
How would you rate cleanliness of Uber cabs?	3.91	4	4	0.73

The consumers do not face any problems using the Uber app for booking the cab. Consumers are satisfied with the Uber fares as feel that they are not over charged. Most of the consumers have not experienced unprofessional behavior by the Uber drivers. The

consumers have rated the Uber service as good and satisfactory. The rating for the customer care service given by consumers is also satisfactory. The cleanliness of the Uber cab service is rated above satisfactory level by the respondents.

**Table: 6. Gender-wise Study of Consumer Satisfaction**

Questions	Males Consumers				Females Consumers			
	Mean	Median	Mode	Standard deviation	Mean	Median	Mode	Standard deviation
Have you experienced any issues with the Uber app while booking the cab?	1.91	2	2	0.65	1.88	2	2	0.71
Have you ever been overcharged by the Uber cab driver?	2.08	2	2	0.61	2.00	2	2	0.72
Has any Uber driver behaved unprofessionally during your trip?	2.10	2	2	0.75	1.88	2	2	0.63
How would you like to rate Uber cab service?	3.80	4	4	0.64	3.74	4	4	0.78
How would you rate Uber customer service?	3.40	3	3	0.77	3.40	3	3	0.76
How would you rate cleanliness of Uber cabs?	3.80	4	4	0.79	4.00	4	4	0.67

In Table-6 the researcher also tried to analyse gender-wise satisfaction of the Uber cab services. But could not find any difference in the level of satisfaction. Thus, overall consumers are satisfied with the Uber services.

To conclude that the challenges faced by drivers are manageable and overall they are satisfied by the facilities provided by the company. On the other hand, consumers are also satisfied due to efficiency of Uber management. Thus, Uber has emerged as a leading player in the cab industry. The services provided by Uber has gained customer loyalty.

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