

DIGITAL SKILL AND RESEARCH METHOD

WHY ARE TAXI FIRMS CLOSING DOWN

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1. Introduction

1.1. Introduction

Due to the huge change in the transport industry, the online transport industry changed drastically which lead to the new innovation of various applications for automobile or car system. With the help of these applications, customers enjoy several benefits and also can afford better availability from these online services. In this introductory chapter, there includes detailed description about research aim, objectives along with problem statement.

1.2. Research aim

The research aim of this research is to focus on impacts of UBER and other online transport facilities on taxi industry to shape customer service and satisfaction. The ever increasing demand for the online application, the most prominent among them is UBER which is considered as the biggest online car application (Qing and Hao, 2018, p, 15). Due to certain problems with the taxi industry, new online application came into existence.

1.3. Problem statement

In the present era, the increase in online services is gaining profit. The online measures in today's world are increasing excessively regarding the normal taxi industry is deteriorating frequently. It caused a huge loss of about 20% to taxi industry (Telegraph.co.uk, 2018). With the ever-increasing demand for UBER and other online application, the taxi industry is decreasing on a daily basis.

1.4. Research objective

- To identify the theoretical framework to understand the customer's needs and behaviour
- To evaluate advantages and disadvantages of using online applications
- To analyse the factors for which the taxi industries are closing down
- To suggest the measures for taxi industries regarding customer satisfaction

1.5. Research questions

- Which theoretical framework will be effective to understand the customer's need and behaviour?
- What are the advantages and disadvantages of using an online application?
- What are the factors for the closing of taxi industries?
- What are the suggestive measures for taxi industries regarding customer satisfaction?

1.6. Structure of the research

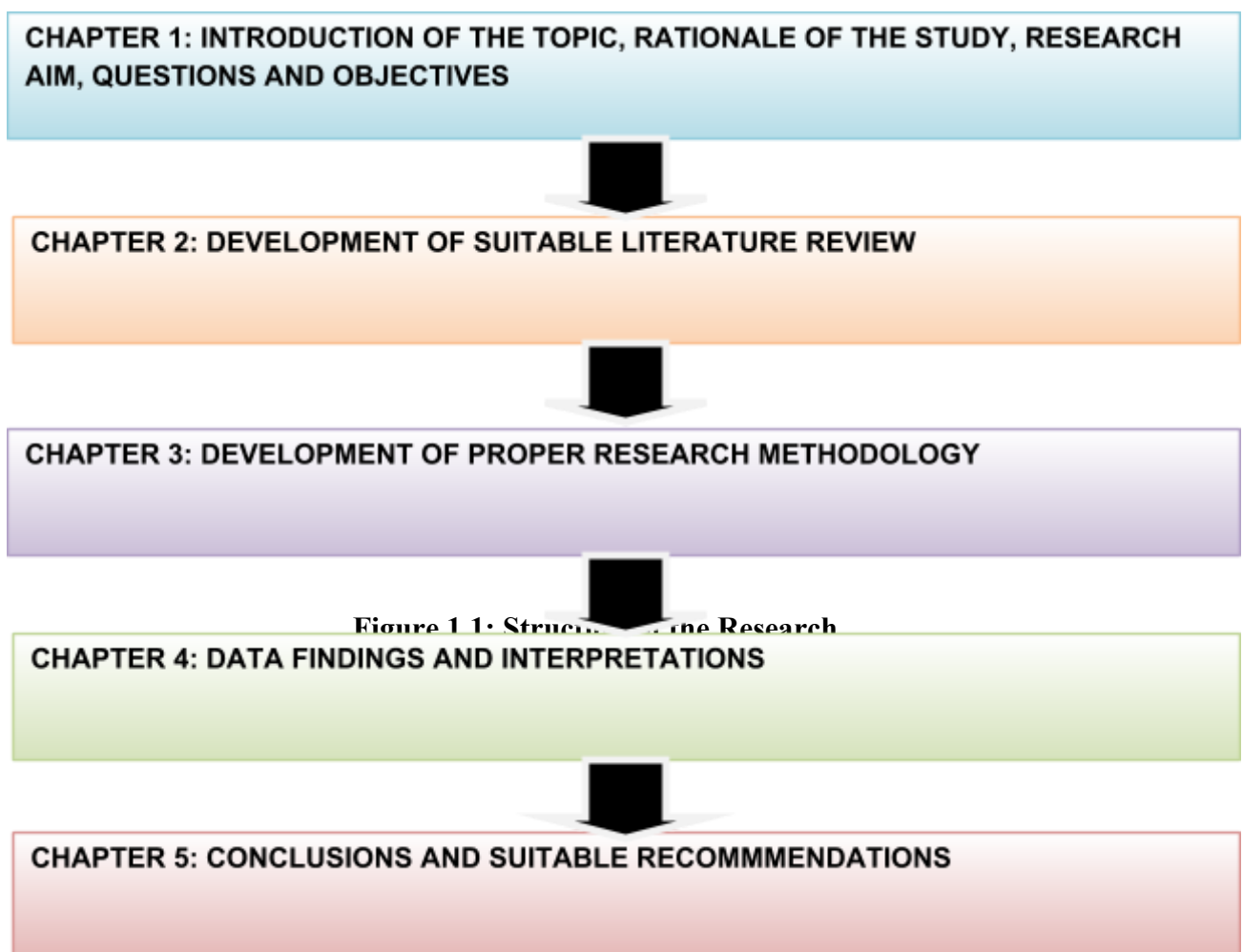


Figure 1.1: Structure of the Research

2. Literature review

2.1 Conceptual framework

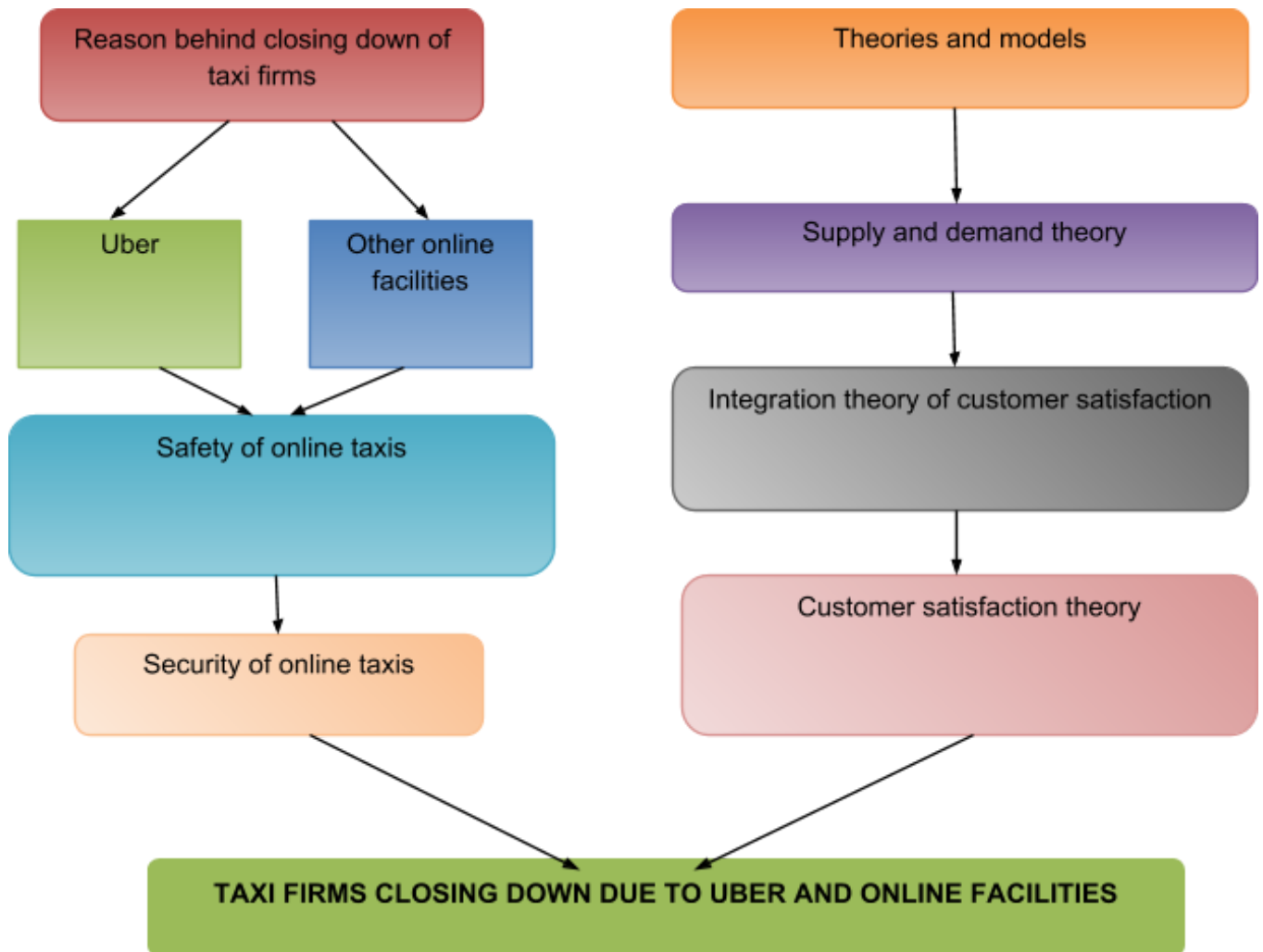


Figure 2.1: Conceptual Framework

(Source: Created by author)

2.2. Reason behind closing down of taxi firms

The main reason behind the downfall of the firm is the excess growth of the online car applications. It is very quickly available to customers and in online car service the customers' comfort is taken into consideration (Dudley *et al.* 2017, p. 495). Due to this reason, the taxi firms are decreasing and the taxi drivers are running under a great loss. Another reason for closing these firms is that drivers charge a huge amount which may not be possible for the customer to afford. In comparison with this, the online applications provide the desired amount after selecting their destination.

2.3. Uber and other online facilities

Worldwide online facilities increased the graph of online applications in car industry. With the help of these online applications, human beings lead a very luxurious life which may account for excess profit for these online applications (Wyman, 2017, p. 1). Uber is the biggest online application in a car which is spread worldwide. Due to this facility, the customers are getting benefits as their lifestyles are changing with such increase in graph of online car applications. With the help of Uber and other online facilities, the rate of online car applications is increasing as they are getting a huge amount of profit and good feedback from the customers (Werbach, 2017, p. 887).

2.4. Safety and security of online taxis

The online taxis like Uber is very trustworthy for the customers as according to them they feel safe and secured when they avail of these taxis. These taxis are available at any time of the day and the customers reach their place safely. The safety is not only for the customers but also for the drivers as depending on the customers there safety is considered (Qian and Ukkusuri, 2017, p. 1619). Sometimes customers create problem with the driver which can affect the journey and maybe safe neither for the driver nor for the customer. Thus the online application is available for safety and security to both the driver and the customer.

2.5. Theories and models

2.5.1. Supply and demand theory

The supply and demand theory is based on the nature of rising and fall of the market price in every aspect. This theory also distinguishes between the market of the taxi drivers and the Uber drivers. Due to the excess rise of online car, the demand for online application had increased and on the other side rate of taxi drivers decreased which led to the fall of the supply-demand curve. The supply-demand curve mainly depicts the excess supply of Uber cars and various ways about how demand of this supply increased with time. The taxi drivers demand decreases because of the excess supply of online applications.

2.5.2. Integration theory of customer satisfaction

This theory is based on the performance of the customers' satisfaction and how fast they are able to meet the required demand of the customers. Based on the increase of the brand the company or organization decides to increase or decrease the value of the brand.

3. Research design and methodology

3.1. Research philosophy

Research philosophy can be divided into two parts namely Positivism and Interpretivism. In this research, the analyst has focused on Positivism as this philosophy mainly deals with the facts and proof done during the research. In this research, positivism philosophy lays emphasis on the vital and analytical research based on the topic.

3.2. Research design

Research design is divided into three parts exploratory, descriptive and explanatory. The descriptive research design mainly focuses on the formal and structure base research and gives enough space for an improvised survey (Dudley, 2018 p, 682). Thus, in this research, this design helps the analyst to gather relevant information regarding the topic. This research mainly focuses on the limitation of the research topic.

3.3. Research approach

Research approach can be divided into two parts deductive and inductive. The deductive approach is considered important as the researcher may deduct some information which is not required in this research. This also sometimes deducts the not required theories and other ideas based on this research

3.4. Sampling method

This research includes two sampling methods non-probability sampling and probability sampling. The analyst used both the method survey and interview in this research. In this research, the survey is done on the basis of Uber customers approximately 37 customers and 2 drivers for the interview was taken as a topic of research in this method.

3.5. Data collection method

The data collection method is mainly two types of secondary and primary methods. This research is mainly focused on primary qualitative and quantitative collection method (Investopedia.com, 2018). The qualitative analysis is mainly based on the personal research

and interview taken by the researcher on the topic. The quantitative analysis depicts the mathematical data, charts, graphs and tables. This helps the analyst to collect a large number of data in order to complete the research.

3.6. Ethical consideration

In the research, some ethical consideration is given. This is an important research as this helps to keep the document secure so that the researcher may not find any trouble in trouble in keeping the document. The analyst need not collect data for the survey. The questions asked by the researcher are not done with any intention. These interviews and surveys related questions are not powerful.

3.7. Timeline



Figure 3.1: Timeline

(Source: Created by author)

4. Research analysis and discussion

Quantitative Analysis

Q1. How satisfied are you with the services of Uber?

Options	Percentage	of Respondents	Total Respondents
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	Respondents		
Not all satisfied	13.51	5	37
somewhat satisfied	18.91	7	37
Satisfied	27.02	10	37
Very satisfied	24.32	9	37
Delighted	16.21	6	37

Table 4.1: Customer satisfaction with Uber

(Source: Created by author)

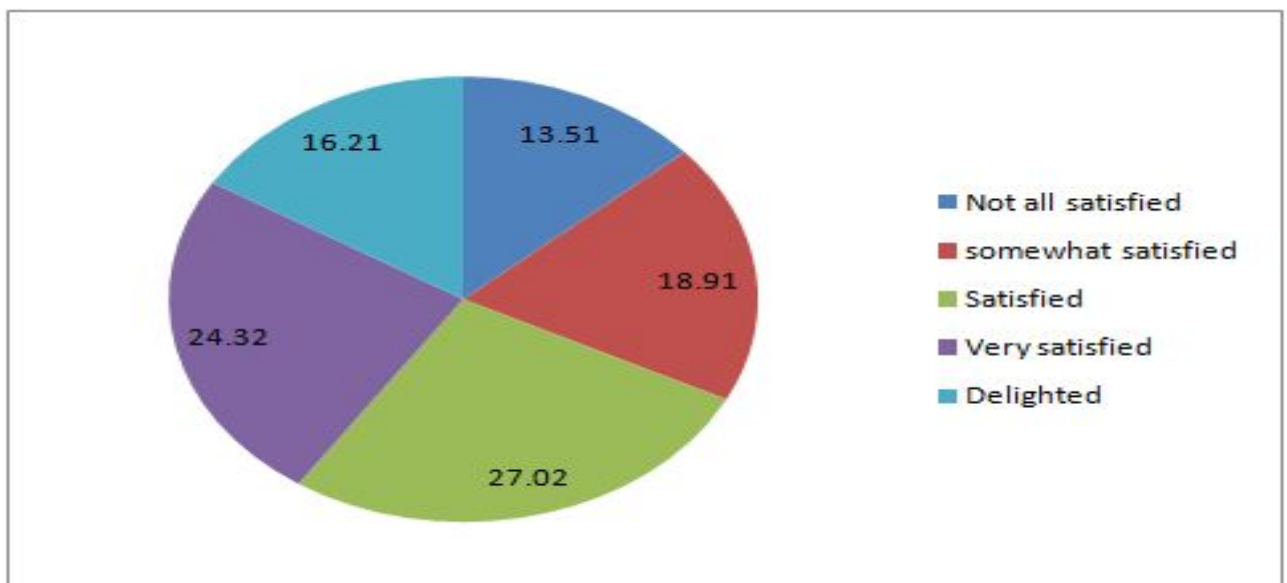


Figure 4.1: Customer satisfaction with Uber

(Source: Created by author)

The above survey explains the extent to which customers are satisfied with Uber services. Around 13% is not at all satisfied with the services of Uber and around 18% is satisfied with service. Around 16% is delighted to use Uber and 24 % is very satisfied because of facilities provided like Wi-Fi facilities in car and air conditioners which is not available in normal taxis.

Q2.How often do you use Uber services?

Options	Percentage of Respondents	Respondents	Total Respondents
Daily	8.11	3	37
Weekly	40.54	15	37
Monthly	45.94	17	37
Do not use	5.40	2	37

Table 4.2: Frequent use of Uber

(Source: Created by author)

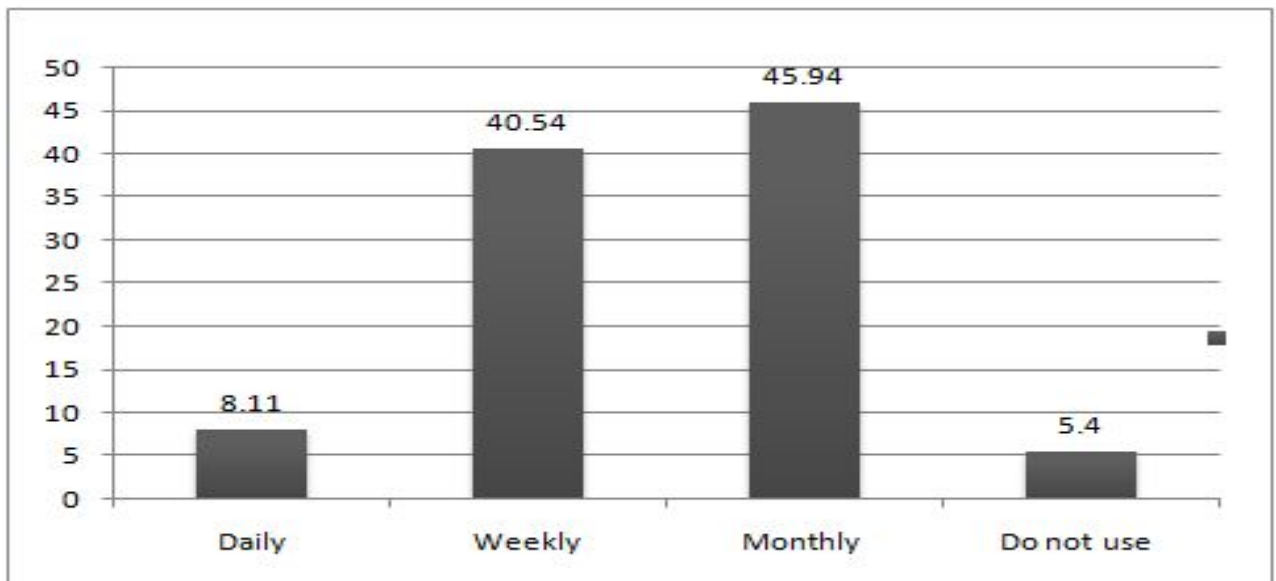


Figure 4.2: Frequent use of Uber

(Source: Created by author)

Around 8% uses Uber daily and 40% uses weekly when they face different issues like total consumption of fuel or due to parking facilities not available. Around 45% use Uber monthly and around 5% do not use Uber because of them have cars

4.1. Primary research

Qualitative Analysis

Q1.Do you use mobile phones while driving?

According to the first driver he used to mobile phones sometimes while driving. He responded positively and said that he followed all rules while driving. He also said whenever he used his mobile phone he used to park his car on one side and then used his mobile phone either for talking or texting.

According to the second driver he never used his mobile phones while driving car. In case of emergency, he parked his car inside and then used his mobile phone. He never used his mobile for personal use while driving but for professional use.

First Manager	<i>"I never use my mobile phone while driving and follow all rules while driving. I also park my car inside while talking or texting on my mobile phone"</i>
Second Manager	<i>"I do not use my mobile phone while driving and in case of emergency I park my car inside and then use my mobile phones"</i>

Q2. Are you satisfied with the salary given by Uber?

According to first driver, the salary given by uber is inadequate and he is planning to leave Uber. He is not being able to satisfy his needs of his family as the company is paying very less and he needs to depend on tips provided by customers who book cars.

According to second Driver, the salary given by Uber is satisfactory. In addition, Uber is also providing different facilities like health facilities and insurance facilities and fund children education. So he is going to continue working with Uber.

First Driver	"I am not satisfied with salary being given to me as I am not being able to satisfy needs of my family. Moreover, I am also not satisfied with the work pressure and need to depend on a customer tip".
Second Driver	I am satisfied with salary and facilities provided like health facilities, insurance and I

	am not planning to leave Uber".
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5. Conclusion and recommendations

5.1. Conclusion

The taxi industry's decline and Uber's upliftment focused on the online application industry. The Uber online industry is gaining high profit in the industry. With the help of the increase of online application like Uber customers use of online application is increasing which creates a heavy loss in the taxi industry which leads to the closing down of this industry and the Uber application is considered to be safe and secured for the customer.

5.2. Linking with objectives

- To identify the theoretical framework to understand the customer's needs and behaviour

The prior objective is to meet the demand of the customer and to fulfil the required information based on the theoretical framework of customer.

- To evaluate advantages and disadvantages of using online applications

The advantages of online application are that it helps to avail cars very frequently and disadvantages of availing these applications can sometimes lead us to danger if the application is not secured.

- To analyse the factors for which the taxi industries are closing down

The main factors which deliberately affect the closing down of taxi industries are the excess increase in online car application like Uber which is gaining profit.

- To suggest the measures for taxi industries regarding customer satisfaction

The various measures that the taxi industry can use in order to fulfil the customer satisfaction is to decrease the price rate and make sure that the availability of the taxis are frequent for the customers and it is safe and secure for them to travel.

5.3. Recommendations

The major aspect of improving the taxi and Uber industry is that in case of taxi the price rate can be decreased.

SMART	Descriptions
Specific	Taxis should lower rate, Uber should increase the number of cars.
Measurable	The amount of car availability can be increased.
Accessibility	The accessibility of the industry can be modified in order to keep pace for the customers.
Reliability	Taxi drivers are not quite reliable with the customers due to the increase in amount. Uber is very reliable as it is an online application and which can be easily affordable for customers
Timeline	4 weeks need to implemented in order to increase the demand

Table 5.1: Recommendation

(Source: Created by author)

5.4. Research limitation

With the help of this research, the analyst faces some restriction. The analyst mainly focuses on the amount of space and the amount of time taken (Lee, D., 2017 p, 25). The analysis has certain obstacles regarding finance that turned out to be a pressurised work.

5.5. Future scope

The research was not able to give certain diversified and descriptive outcome; the reason can be because of space-time and money. Thus researchers in future can get enough time in dealing with the research topic.

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Appendices

Appendix 1: Questionnaires for Survey

Q1. How satisfied are you with the services of Uber?

Options	Percentage of Respondents	Respondents	Total Respondents
Not all satisfied			
somewhat satisfied			
Satisfied			
Very satisfied			
Delighted			

Q2.How often do you use Uber services?

Options	Percentage of Respondents	Respondents	Total Respondents
Daily			
Weekly			
Monthly			
Do not use			

Appendix 2: Questionnaires for Interview

Q1.Do you use mobile phones while driving?

First Manager	
Second Manager	

Q2. Are you satisfied with the salary given by Uber?

First Manager	
Second Manager	