A STUDY ON FACTORS INFLUENCING CONSUMERS FOR SELECTING OLA SERVICE

Ekta Kumari
Student, IIIT-Allahabad, India
Dr. Vineet Tiwari
Asst. Professor, IIIT-Allahabad, India

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Abstract: Customer satisfaction is key factor behind success of any organizational strategy. It is often used as an important component in marketing concept. Ola's business strategy revolves around customer and that is why it's important to study its journey and measure success from customer perspective. Hence this study is an attempt to study factors influencing consumers for selecting Ola service. This study revolves around personal transportation service that Ola provides and what other better alternatives customer can opt for.

To achieve the objective of the research, a survey was conducted through a structured questionnaire to understand the Ola's Journey from customer perspective and study factors influencing consumers. For this a theoretical model consisting of three independent variables- Convenience, Quality and Security is considered to measure their dependency on Ola service from customer perspective. The response of 140 respondents were analyzed out of which approx 59% were satisfied with their experience of using OLA service though approx 52% respondents found prices of OLA costly.

To find reliability of study value of cronbach alpha was calculated. Further descriptive analysis and correlation value was calculated to find the variable with greater impact and correlation among them respectively. Also linear and step wise regression model was used to remove the weakest correlated value. All these calculations are performed on SPSS. Hence results conclude that OLA provides quality of service.

Keywords: Customers, Survey, Working Model, Business Model, Influence, Convenience, Security, Quality.

Introduction: Ola founded in December, 2010 by Bhavish Aggarwal and Ankit Bhati started operating as Ola cabs. It is headquartered at Bengaluru, Karnataka facilitating Ola taxi services in tier 1 & tier 2 cities across country. It is registered under parent company ANI Technologies Private Limited. Ola operates on on-demand services with the use of mobile application on smartphones.

Ola which is India's first Taxi aggregator flourished with its smart phone App which is most convenient nowadays because of strong network effect and increasing mobile user. It serves three sectors of market- city taxi, outstations and local rentals by providing range of services such as Ola prime, Ola sedan, Ola mini, Ola pink, Ola auto, rentals, bike etc. Furthermore, providing Ola mini price equivalent to auto fares contributed an extra edge to its customer's acquisition. Customers are at center of any strategy by Ola. That's why Ola provides customer convenient journey from meters

to kilometers. Ola explored the cab service market in the country and aims to achieve large number of driver partners in the country with the help of innovative technology to enjoy competitive advantage among the other market players. Further they target audiences who fall under the category of 20 to 25 years of age group and were also targeting at working corporate through social media platform and AD campaign. Finally it captured large customer segment comprising of families tour, corporate pick - ups, office going, college and market areas etc.

Ola Working Model: Ola app is convenient to use, deliver quick response and transparency in information exchange. The customer needs to open Ola app on his mobile device and turn ON the GPS location. Now the customer decides accordingly and selects the category of car choice by tapping on the button of ride now. The request generated reaches to Ola cab driver's mobile phone after which the driver accept the ride followed by a confirmation message on the user's mobile screen with all the required details.

Ola Business Model: Ola provides an interface between Ola drivers and their customers by running two apps simultaneously on their mobile device. Business model involves Ola cab drivers, customers and Ola. The revenue generated is based on commission out of the total fare charged for every ride. This model works on a trip based Commission in which a percentage of total fare is given to the driver and a percentage of service charges are retained by Ola. Also every driver is required to complete a certain no. of rides daily on an average to earn incentives.

Customer Perspective: Discount offers and coupons are always easy method to acquire a customer but the most challenging task is to retain a customer. For this it is important to know the customer perspective and what they describe Ola's journey till date. The feedback and customer experience will create the required base for building the future of Ola by mitigating the drawbacks & challenges.

Timeliness: Suppose a customer is running late for office or some important work, books a cab on Ola app which shows that it is 3 minute away but finally driver arrives late & takes more than 10 minutes to reach at the pickup point. Because of this delay, a customer is not able to reach on time let say for a corporate meeting or at the airport which would cost much more price than what it could be to book an Ola.

Comfort Assurance: Usually around midnight customers face bad experience when they need to reach home on time for which they book an Ola cab but because of odd time or the driver misbehavior, the Ola Cabs are cancelled about 5 to 10 no. of cancellation resulting in wastage of time & a bad experience in return.

Driver Perspective: Ola Understand the need of Ola drivers and have motivated them providing facilities such as family medical insurance, education assistance for children, providing car service at discount, fuel saving card and grocery vouchers. Still some drivers are not happy to retain & prefer to switch their jobs.

At Ola, on an average a driver earns a monthly income of 30k to 40k. This may be because of fewer bookings via Ola app during off seasons. So a driver can any time switch to Uber or other

alternative in the market. The commission charged by Ola is also higher than other competitors in the market which may take away drivers interest in the Ola cab service. After a long duty of 10 to 12 hours on an average per day and making only 30 to 40 thousands monthly income is something that drivers are not happy about & not willing to work for.

Therefore to retain drivers, Ola has partnered with NSDC National Skill Development Corporation of India for training programs to support the drivers to become entrepreneur. Also Ola partnered with Mahindra and Mahindra with an initiative to offer hundred percent financing to their driver partners on purchasing of vehicles.

Research Problem: This research aims to study factors influencing the consumers and quality of services being offered by Ola. It is an attempt to study the customer perspective about Ola and find out gaps which still lies in Ola service and customer satisfaction. This study revolves around personal transportation service that Ola provides and what other better alternatives customer can opt for.

Research Objective:

1. To study influence of convenience on consumers while selecting Ola service?
2. To study influence of Quality on consumers while selecting Ola service?
3. To study influence of security on consumers while selecting Ola service?

Hypothesis Development:

H1: Convenience has significant influence on service of Ola.
H2: Quality has significant influence on service of Ola
H3: Security has significant influence on service of Ola
H4 a: Quality & Security has significant influence on service of Ola
H4 b: Convenience & Security has significant influence on service of Ola

Methodology: To achieve the objective of the research a survey was conducted through a structured questionnaire to understand the Ola's Journey from customer perspective and study factors influencing consumers for selecting Ola service. For this the sample size of 140 was taken which consist different age groups. Approx. 48% were of age group between 21 to 25 years. Convenience sampling techniques is used and hypothesis test applied are Correlation, Linear Regression & Step wise regression.

Theoretical Model: The theoretical model is devised to study factors influencing consumers for using Ola service. It consists of three independent variables Convenience, Quality and Security to measure their dependency on Ola service. There are various elements associated to these variables to justify how they are contributing in achieving Ola's service standards. Also safety, security and comfort of customer are taken into consideration to make this study more effective. It is always important to measure performance of service you are providing so that informed decisions can be made and gaps in the performance can be rectified. One of the important performance attribute is reliability which is the measure of the total number of bookings cancelled, time taken for booking the cab and associated waiting time.

Results: The response of 140 respondents were analyzed out of which approx 59% were satisfied with their experience of using OLA service though approx 52% respondents found prices of OLA costly. To find reliability of study value of cronbach alpha was calculated. Further descriptive analysis and correlation value was calculated to find the variable with greater impact and correlation among them respectively. Also linear and step wise regression model was used to remove the weakest correlated value. All these calculations were performed on SPSS.

Findings & Conclusion: Initially cronbach alpha value was less than 0.6, so booking rate variable was excluded which resulted in cronbach alpha value of 0.604 as shown in fig.1. After this descriptive analysis was performed which indicates that security variable makes greater impact with higher mean and std. deviation value as shown in fig.2. Further to study correlation among variables, the result as shown in fig.3 indicates that all values are moderate to low and are interdependent variables. Hence condition of multi-colinearity doesn't exist. Security has highest correlation among other and convenience variable have negative correlation. The value of linear regression was also insignificant as shown in fig.4, so stepwise regression was done. The result as shown in fig.5 clearly indicates that convenience is excluded and was insignificant. Also, security and quality have greater impact on OLA service and customer satisfaction.

Reliability Statistics

Cronbach's Alpha	N of Items
.604	10

Fig 1: Reliability Statistics

Descriptive Statistics

	N	Mean	Std. Deviation	Variance
Convenience	140	2.37	.650	.422
Quality	140	2.27	.492	.242
Security	140	3.15	.981	.963
Service_Satisfaction	140	1.98	.754	.568
Valid N (listwise)	140			

Fig 2: Descriptive Statistics

Correlations

		Convenience	Quality	Security	Service_Satisfaction
Convenience	Pearson Correlation	1	-.003	-.133	-.160
	Sig. (2-tailed)		.976	.117	.059
	N	140	140	140	140
Quality	Pearson Correlation	-.003	1	.079	.171*
	Sig. (2-tailed)	.976		.354	.043
	N	140	140	140	140
Security	Pearson Correlation	-.133	.079	1	.325**
	Sig. (2-tailed)	.117	.354		.000
	N	140	140	140	140
Service_Satisfaction	Pearson Correlation	-.160	.171*	.325**	1
	Sig. (2-tailed)	.059	.043	.000	
	N	140	140	140	140

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Fig 3: Correlation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.076	.411		2.620	.010		
	Security	.229	.062	.298	3.703	.000	.976	1.024
	Quality	.225	.122	.147	1.846	.067	.994	1.006
	Convenience	-.139	.093	-.120	-1.495	.137	.982	1.018

a. Dependent Variable: Service_Satisfaction

Fig 4: Linear Regression

Hence we can conclude that OLA provides quality of service and also ensures customer security. Therefore hypothesis H1 is not accepted that is Convenience has insignificant influence on service of Ola. Hypothesis H2 is also not accepted that is Quality has insignificant influence on service of Ola. Hence hypothesis H3 is accepted that is Security has significant influence on service of Ola. Also hypothesis H4a is accepted that both Quality & Security has significant influence on service of Ola. Hence it is necessary to respond to customer query at earliest through an effective customer grievances team. For the same, separate transportation facilities for educational institutions should be launched the same way as Ola corporate is serving business units.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.384	.298		4.640	.000		
	Quality	.262	.128	.171	2.038	.043	1.000	1.000
2	(Constant)	.711	.332		2.143	.034		
	Quality	.224	.123	.146	1.825	.070	.994	1.006
	Security	.241	.061	.314	3.920	.000	.994	1.006

a. Dependent Variable: Service_Satisfaction

Excluded Variables[a]

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
						Tolerance	VIF	Minimum Tolerance
1	Convenience	-.160[b]	-1.920	.057	-.162	1.000	1.000	1.000
	Security	.314[b]	3.920	.000	.318	.994	1.006	.994
2	Convenience	-.120[c]	-1.495	.137	-.127	.982	1.018	.976

a. Dependent Variable: Service_Satisfaction

b. Predictors in the Model: (Constant), Quality

c. Predictors in the Model: (Constant), Quality, Security

Fig 5: Step Wise Regression

Limitations: This research work could be further extended by conducting a survey on Ola's Journey from Ola driver perspective. This will result in broader understanding of overall scenario Ola's drawback and gaps to be mitigated. Also, this survey is limited to college students only and can be conducted on few more samples representing different demography and geographic areas. The sampling frame could be increased with focus on cross-sampling. The study is limited by time and financial resources. The respondents may be casual while answering the query. The consumer behavior is dynamic in nature and is tough to make robust conclusions from the study.

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