Consumer Attitudes and Preferences Towards Ride-hailing Services: A Comparative Analysis of Ola and Uber

Shilpa Thakur [a++*] and Naresh Sachdev [a#]

[a] Department of Business Management, Punjab College of Technical Education, Ludhiana, Punjab, India.

Authors' contributions

This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.

Original Research Article

ABSTRACT

Urban transportation has been completely transformed with the introduction of ride-hailing services. This study explores how customers view and prefer Ola and Uber, two well-known companies in the Indian industry. This study examines several aspects of service quality, such as dependability, price, safety, and customer assistance, using a thorough survey technique and statistical analysis. The results show that although the two systems provide comparable basic services, elements like pricing policies, driver conduct, and app layout have an impact on user preferences. Additionally, the study looks at how demographic variables like age, gender, and occupation affect the decisions made by consumers. Ride-hailing businesses can improve consumer pleasure and loyalty by customizing their methods by comprehending these subtleties. This research offers insights into the dynamics of consumer behaviour in the digital age, with implications for the larger subject of service marketing. The study, based on a survey of 200 respondents, reveals that affordability and availability are critical factors favoring Ola's preference over Uber in Ludhiana.

_____

[++] *Assistant Professor;*
[#] *Director;*
Corresponding author: E-mail: shilpathakur@pcte.edu.in;

Keywords: Ride-hailing services; ola; uber; customer behavior; demographics.

1. INTRODUCTION

The need for effective and practical transportation options has increased due to the fast urbanization and growing dependence on individual mobility. Ride-hailing services have become a disruptive force in the urban landscape, thanks to the efforts of companies like Ola and Uber. These services provide a practical substitute for more conventional forms of mobility like public transportation and taxis. These systems have simplified the ride-hailing and booking process by utilizing technology, allowing consumers to request a car at the push of a button. The quick uptake of ride-hailing services can be attributed to this convenience, reasonable price, and a large selection of vehicles.

Understanding customer preferences and impressions, however, is essential for businesses to keep their competitive advantage as the market gets more and more crowded. With an emphasis on Ola and Uber, this research study attempts to explore the complexities of consumer behaviour in the setting of ride-hailing services. This study looks at a number of variables, including convenience

safety, cost, and service quality, in an effort to determine what influences user preferences and loyalty to these platforms. Furthermore, the study will investigate how demographic variables like age, gender, and occupation affect the decisions made by consumers. For ride-hailing businesses to create successful strategies, they must have a thorough understanding of customer preferences and views (Rajesh et al., 2018).

Businesses can improve the overall customer experience by implementing targeted enhancements in key areas of satisfaction and discontent. Additionally, future corporate decisions about pricing, service offerings, and marketing efforts can be influenced by insights about consumer behaviour. This study will add to the corpus of information already available on service marketing and consumer behaviour. This study will give researchers, policymakers, and industry practitioners important insights by offering a thorough examination of consumer preferences and attitudes in relation to ride-hailing services.

2. LITERATURE REVIEW

Vatal A;(2023) The autorickshaw sector has been greatly influenced by Uber's introduction into the Indian market, especially in Pune. Uber has boosted competitiveness by providing cashless payments, dependable service, and real-time tracking, which has compelled autorickshaws to raise the caliber of their offerings.

Pillai S;(2023) Uber is preferred by customers because it is convenient, flexible, and reasonably priced. Uber is popular for many reasons, however lengthier wait times are a disadvantage. Its rising popularity portends future growth in demand.

Gupta A; et.al. (2022) Modernization has been brought about by India's expanding taxi business, especially by app-based services like Ola and Uber. These services nevertheless have issues that affect the user experience even when they provide advantages like comfort and convenience. The purpose of this 275-respondent study is to pinpoint these difficulties.

Akhi RA;(2021) For ride-sharing services like Uber and Pathao, the study discovered a strong relationship between ride fare and vehicle availability. Although Pathao and Uber had different rates, it was discovered that Pathao's fares were more expensive. The study also found that Dhaka residents like Uber because of its superior service and greater automobile availability.

Rode A;(2021) Ola and Uber, two of India's top taxi booking applications, compete to draw and keep users while satisfying the country's expanding demand. In order to better understand and meet the needs of Indian users—both drivers and passengers—this study investigates their behavior, preferences, and difficulties.

Anirvinna C;(2020) Despite confronting consumer and regulatory issues, Ola and Uber have taken advantage of India's market potential by employing surge pricing as a tactical tactic. The study also looks at alternatives such hidden surge pricing and how it affects driver incentives and the supply- demand relationship for taxis.

Lal, N., Kumar, S., & Chaurasiya, V. K. (2020) According to the study's findings, safety is the

main factor driving the use of Ola and Uber in India, and their future looks bright. Their success is largely due to their advantages over traditional transportation, GPS tracking, and round-the-clock availability.

Godbole, H. R., & Charpe, R. C. (2021, May). The demand for quick, easy, and safe transportation options as well as growing disposable incomes have propelled the taxi industry's growth since Uber's 2013 founding.

Arora M; et.al. (2019) With rising internet usage and a rise in demand for private transportation in major cities, India's transportation infrastructure has undergone significant change. One of the sectors with the quickest growth is the taxi industry, which is dominated by firms like Ola, Uber, and Meru.

Velmurugan JS; et.al. (2019) This study looks at user impressions and possible enhancements for Ola, highlighting how digital technology in smart cities has increased international cab-hailing services. Consumer insights are the main emphasis of the 120-person sample.

Yamuna SM; et.al. (2019) Radio cabs were surpassed in popularity by on-demand taxi services like Ola, Uber, and Meru, which provided reasonably priced, smartphone-based door-to-door rides to cover transportation shortages in cities. These tech-based brokers don't own cars; instead, they make money by charging commissions.

Velmurugan JS; et.al. (2019) This study looks at user impressions and possible enhancements for Ola, highlighting how digital technology in smart cities has increased international cab-hailing services. Consumer insights are the main emphasis of the 120-person sample.

Goel R; et.al. (2018) In order to identify their advantages and disadvantages, this study contrasts the quick expansion and logistics of Ola and Uber, concentrating on operational variations, connection, availability, and route optimization.

Kashyap R; (2018) Ola and Uber's contributions to India's sharing economy are highlighted in this report, along with the advantages they offer to both drivers and urban users. However, there are still issues with ecological sustainability and taxi owners' disruption of driver opportunities.

Rajesh R;(2021) This survey focuses on labor professionals and makes a distinction between Ola and Uber customers in Mumbai. According to statistical analysis, women favored Uber, but Ola users felt more secure.

Thomas T; (2018) With an emphasis on driver behavior, discounts, and marketing in Ernakulam, the study investigates the transition to online taxi platforms. Reliability, comfort, driving style, safety, and customer satisfaction are all strongly positively correlated, according to regression research.

Jacob PM; et.al. (2017) With the emergence of online services like Uber and Ola, the $8–9 billion taxi sector in India is expanding quickly. Based on variables like responsiveness, dependability, safety, comfort, price, and driver behavior, this study assesses client satisfaction.

Kumar, P. K., & Kumar, N. R. (2016). The popularity of smartphone-based taxi booking is the main subject of this study, which looks at how technology is affecting cab-hailing services globally in smart cities. It examines consumer opinions and possible enhancements to Ola's offerings.

Kumar K; et.al. (2016) According to the report, while choosing taxi services, customers are interested in using coupons and are at ease using mobile apps to do so. In any service industry, service providers are also very important.

3. RESEARCH METHODOLOGY

3.1 Research Objective

o   To investigate the factors influencing Ola and Uber customers' overall satisfaction levels.
o   To determine how Ola and Uber's pricing policies impact customer preference.
o   To determine which of the Ola and Uber apps is easier to use.
o   To evaluate Ola and Uber's accessibility in various Ludhiana regions.

Sampling Plan: Two hundred people who use taxi services in Ludhiana will be chosen at random from the public. We may make inferences about the opinions and preferences of the larger population of Ludhiana's taxi service users thanks to this sample.

Data Collection: Using a questionnaire and the survey method, data for the study was gathered with the primary goal in mind. Therefore, primary data was used to achieve the goals, while secondary data was used to create the literature.

Data Analysis and Tools: Bar diagrams and other diagrammatical representations. The information is displayed using pie charts.

4. DATA ANALYSIS AND INTERPRETATION

Demographic Analysis

Out of the 200 responders, 95 are men and 105 are women, according to the pie chart above.

Male respondents make up 47.5% of the sample, while female respondents make up 52.5%. From above it can be interpreted that majority of the respondents are Female and male respondents are little less than females. It demonstrates that both sexes utilize taxi services.

The aforementioned graphic indicates that a greater proportion of survey respondents are between the ages of 17 and 25. 75 responders, or 37.5% of the total, are between the ages of 17 and 25. Additionally, 61 responders, or 30.5% of the total, are between the ages of 25 and 35. Additionally, 64 out of the 200 responders, or 32% of the total, are over the age of 35. It is possible to infer from the above that people of all ages use taxi services. Regardless of their age, from young to old. All age groups that use taxi services are included in the poll.

It can be seen from the above graphic that 95 out of the 200 respondents are employed. Of the total number of responders, 33% are college students and 47.5% are employed. Additionally, 19.5% of people do not even have a job or education. Given that the majority of respondents are from the working category, it can be inferred from the above that individuals who are employed typically had to use taxi services, which explains why there are more respondents from this group. College students also make regular use of taxi services. Additionally, those who fall within the group of unemployed people use these services and rarely venture outside.

According to the analysis of the above graphic, 99% of people use taxi services for their own purposes. It can be inferred from the above that

the majority of respondents use taxi services. Only 1% of people do not reserve a taxi for themselves; instead, they do so for their loved ones and other people. These two individuals essentially reserved the taxi services for other people. However, the 198 responders were individuals who reserve or utilize taxi services for themselves.
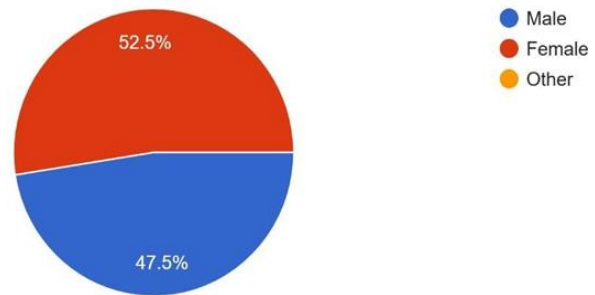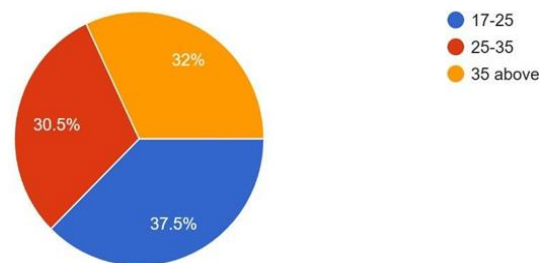

Fig. 1. Showing the gender of the respondents

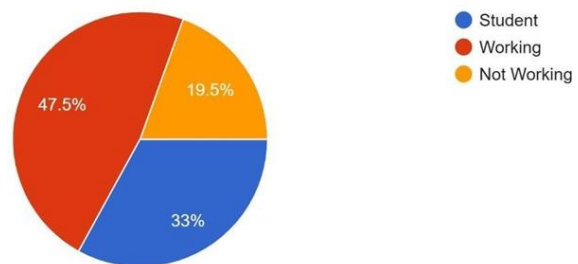**Fig. 2. Indicates the Age of the Respondents**

**Fig. 3. Indicates the Occupation of the respondents**

According to the analysis of the aforementioned discussion, 36% of people utilize taxi services two to three times each week. 31% of people use taxi services 1-2 times per month, 24% use them infrequently or sporadically, and only 9% use them every day. In terms of statistics, out of the 200 respondents, 72 use taxi services two to three times per week, 62 use them once or twice per month, 48 use them infrequently, and 18 use
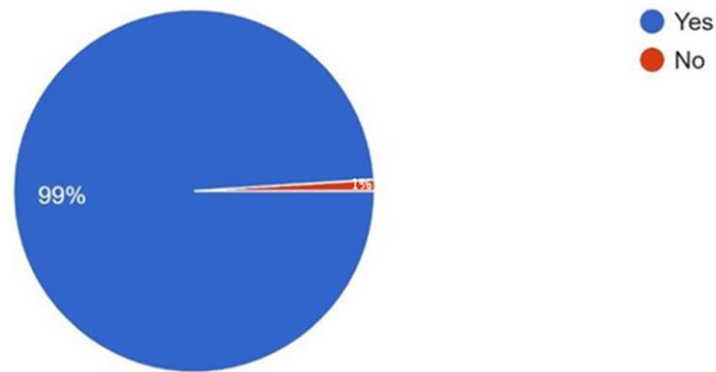
Fig. 4. Showing the use of Cab Services
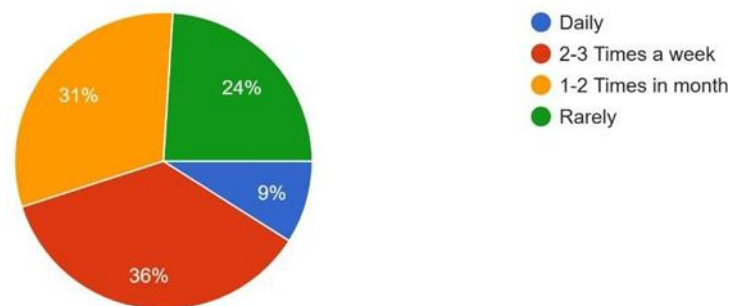
Fig. 5. Showing the frequency of using Cab Services
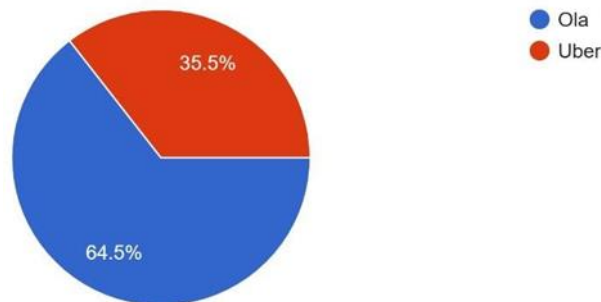
Fig. 6. Indicating Preference in Customer between OLA and UBER

them every day. The aforementioned indicates that 9% of respondents use taxi services every day. Given that this study included college students and working people, some of them often use taxi services instead of alternative modes of transportation. Furthermore, most only use it two or three times a week or month, so when they travel, these individuals might also use other modes of transportation. Additionally, these are the people that don't travel often, since 24% of respondents stated they only use it occasionally. The poll indicates that people without jobs may travel less or perhaps infrequently.

According to the pie chart above, 129 out of 200 respondents said they preferred Ola services.

Of the entire number of consumers in Ludhiana, 64.5% favour Ola, while just 35.5% prefer Uber Cab. According to the aforementioned research, the majority of individuals in Ludhiana choose OLA taxi services. This could be because of a variety of variables that influence consumer preferences, as indicated by the survey's next question. Thus, data suggests that OLA has a dominant market share in Ludhiana and a favorable consumer perception.

According to the pie chart above, 133 out of 200 respondents believe Ola is more reasonably priced than Uber. Of all taxi consumers, 66.5% believe that Ola is more cost-effective and less expensive than Uber. However, 33.5% of

respondents disagree, believing that Uber is more cost-effective. According to the aforementioned survey, more cab consumers in Ludhiana believe Ola is more reasonably priced than Uber. Since more people use Ola's service than Uber, as indicated by the previous question, Ola's reasonable prices are another major factor in the popularity of OLA Cab Service. It is also necessary to offer quality services at reasonable prices in order to increase market share.

Cab availability is the top priority for most respondents (41%) followed by price (27.5%), safety (21%), convenience, cleanliness, and driver behavior (10.5%). According to the analysis, Ola is preferred by clients in Ludhiana because of its increased availability, affordable

prices, and emphasis on safety, particularly among women.

According to the pie chart above, 65.5% of customers are satisfied with Ola Cab Service. Additionally, 34.5% of customers say they are happy with the Uber taxi service. According to the aforementioned analysis, the majority of Ola Cab Service customers are satisfied. Since most people like and use Ola Cab, this may also be the reason why the majority of people use Ola Cab. However, 34.5% of respondents say they are happy with the Uber Cab Service, and 35.5% say they prefer Uber in one of the aforementioned questions. Therefore, 34.5 out of those who were not satisfied with Uber Cab can be interpreted as follows.
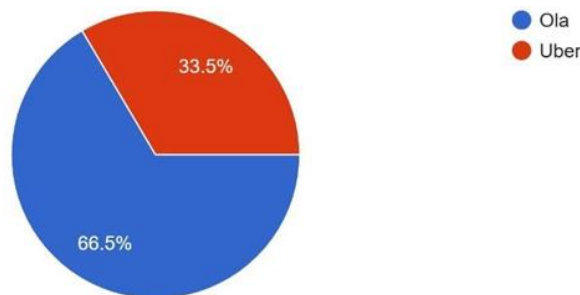

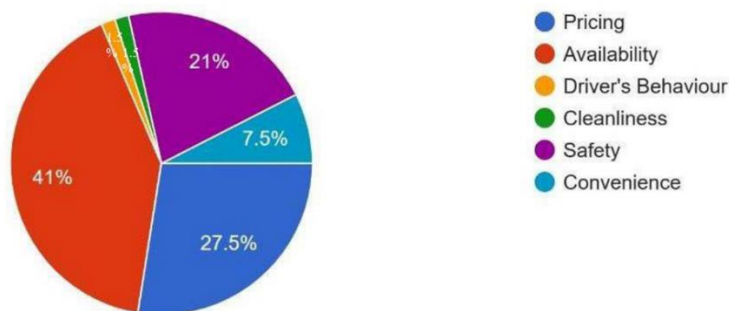**Fig. 7. Showing more affordable Cab Service between Ola and Uber**

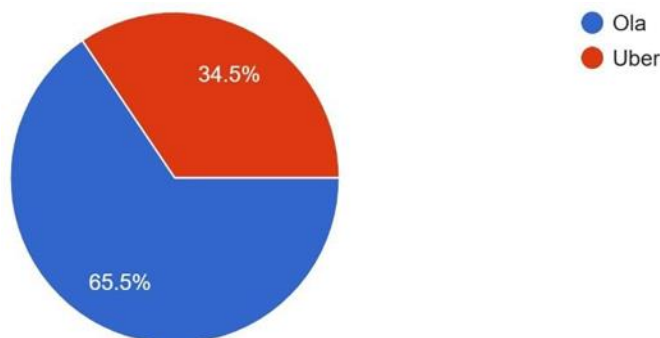**Fig. 8. Showing Major factor impact the decision of choosing Cab Service?**

Fig. 9. Showing that which Cab Service is Satisfying the majority of customer

Analysis of the preceding chart shows that 106 out of the 200 respondents prefer cash payments. UPI (Google Pay, Phone Pay) is preferred by 87 people. According to the aforementioned analysis, the majority of individuals in Ludhiana still prefer cash payments, while 43.5% utilize online payment systems. This information is useful for businesses creating new models. The purpose of this survey question is essentially to learn how customers behave when making payments.

According to the above chart, 65% of respondents believe that the Ola App is easier to use and more user-friendly. Additionally, 35% think the Uber app is user-friendly. According to our examination of the data, 130 out of the total indicate that the Ola app is easier to use, while another 70 believe the Uber app is easier to use. The majority of taxi users believe that the Ola App is more feature-rich and easy to use, according to the data above. Thus, it may also be the primary factor behind the majority of taxi passengers' preference for Ola Cab Services. A smaller portion of all respondents believe that using the Uber Cab App is simple.

Above Chart shows that from the total 52% respondents respond that Ola cab service is easily available in their area. And 24.5% are those who feels that Uber is conveniently available. However, 23.5% of respondents believe that both are equally accessible. Thus, Ola and Uber will be included. The majority of people believe that Ola service is readily available in their location, according to the data above. According to one of the aforementioned questions, the majority of respondents indicate that the availability of the taxi service influences their choice of taxi. In this instance, Ola prevailed because it was more accessible than Uber. In the case of the client base, it results in a larger market share.

According to the above chart, 47% of respondents indicate they are a member of Ola's loyalty programs, 16.5% say they are a part of Uber's loyalty and reward programs, and 30% say they are not a part of any loyalty programs offered by either Ola or Uber. According to the aforementioned data, the majority of people have received discounts or other loyalty rewards from Ola. These can be those who are the regular users of the Cab Service who are Students or Workers. Due to their infrequent usage of taxi services, 30% of respondents reported having no loyalty rewards.
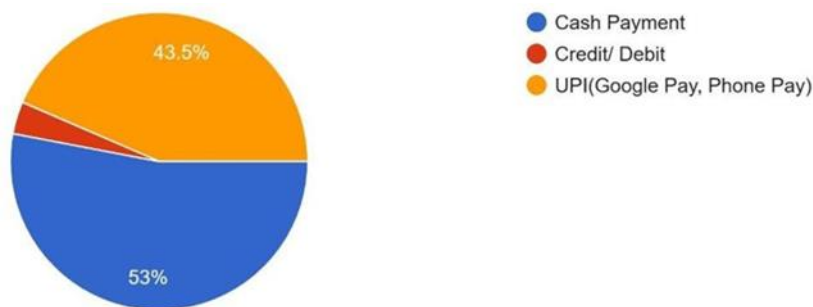

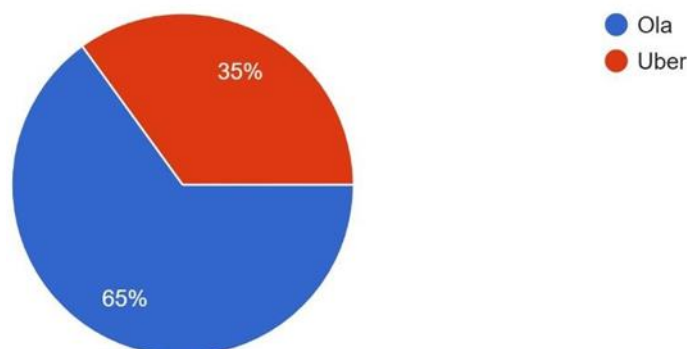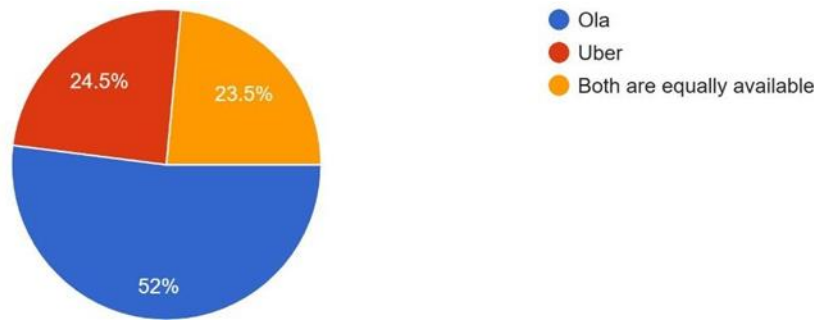**Fig. 10. Showing the payment method that majority prefer**
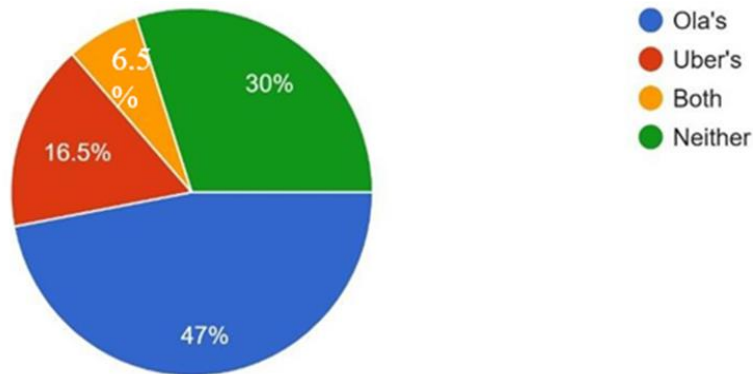

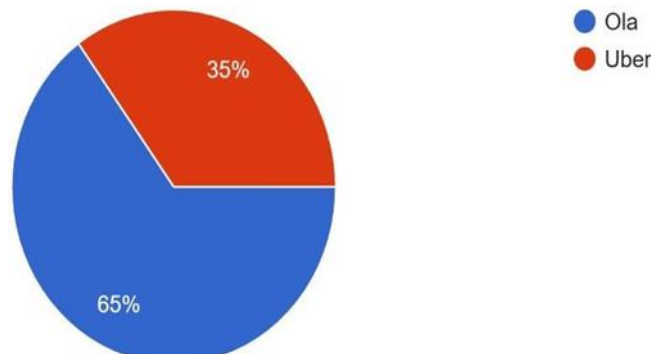**Fig. 11. Showing User friendliness of the app between OLA and UBER**

Fig. 12. Showing the Availability of Cab Service in Ludhiana Region

**Fig. 13. Indicating the Customers who are the part of loyalty programme**

Fig. 14. Showing the recommendation of the brand to others

According to the above chart, 35% of respondents say they would rather use Uber than other customers, while 65% say they would rather use Ola. If we look at the data, 130 people will suggest Ola to others, and 70 will suggest Uber. According to the aforementioned data, the majority of people are happy with Ola's services and are willing to suggest them to others, which will help the company's clientele grow. Conversely, Uber consumers are likewise willing to suggest the same to others.

Out of all respondents, 53% were faithful to Ola, 25.5% were committed to Uber, and 21.5% were willing to use both services interchangeably, according to the pie chart above. Out of 200 respondents, 106 are faithful to Ola, 51 are committed to Uber, and 43 are willing to use both taxis interchangeably, according to a numerical study. It can be inferred from the above that Ola users would rather stick with Ola exclusively. In this case, Ola's availability and affordability are crucial because customers are so satisfied that they don't need to switch services. Conversely, 25.5% of respondents wish to remain faithful to Uber. These individuals will undoubtedly favor Uber if its services are offered. Additionally, 21.5% of people are prepared to use both services interchangeably; availability and cost are the only
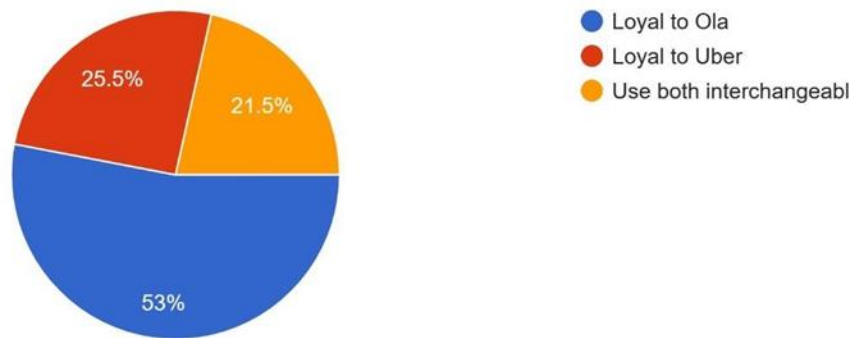
Fig. 15 Showing the Loyalty of Customer towards OLA and UBER
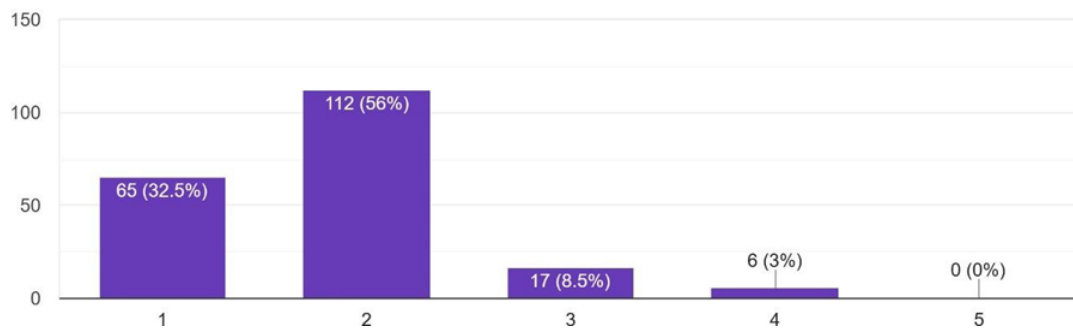
Graph 1. Showing the Satisfaction Level

factors that need to be considered. Thus, these are the clients who are prepared to switch.

According to the pie chart above, out of all responses, 32.5% are extremely delighted with their preferred taxi service in Ludhiana, while 56% are content. From the aforementioned, it can be inferred that the clients are happy with the taxi service they prefer, be it Uber or Ola.

5. FINDINGS AND CONCLUSION

A survey of Ludhiana residents, including males and females of various ages and occupations, was conducted. The majority use cab services 2-3 times a week or month. Ola is the preferred service due to affordability and availability. Respondents find Ola's app more user-friendly and are generally satisfied with the service. However, some are open to using both Ola and Uber interchangeably. This research found that Ola is more popular in Ludhiana due to its service quality, availability, and affordable pricing. Understanding customer preferences, including quality, price, availability, and safety, is crucial for service providers to succeed. This research highlights the importance of these factors in the cab service industry.

DISCLAIMER (ARTIFICIAL INTELLIGENCE)

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc) and text-to-image generators have been used during writing or editing of this manuscript.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

REFERENCES

Akhi, R. A.;(2021) Comparative Analysis between Ride-Sharing Services: An Empirical Study from Emerging Market.

Anirvinna, C., & Deshmukh, A. K. (2020). Pricing strategy of cab aggregators in India. *Journal of Revenue and Pricing Management*, *19*, 248-254.

Arora, M., & Shukla, D. (2019). To study the factors influencing consumers in selection of cab services using AHP. *Advance and Innovative Research*, 112.

Godbole, H. R., & Charpe, R. C. (2021, May). Analysis of Construction Readiness

Parameters for Highway Projects. In *Techno-Societal 2020: Proceedings of the 3rd International Conference on Advanced Technologies for Societal Applications— Volume 1* (pp. 805-817). Cham: Springer International Publishing.

Goel, R., Jain, P., Singhal, R., Jhunjhunwala, R., & Doshi, R. (2018). Operation analytics: Uber and ola logistics optimization. *International Journal for Advance Research and Development*, *3*(10), 33-38.

Gupta, A., Patel, B., & Patel, D. (2022). Study on individual's preference about online cab booking services.

Jacob, P. M., & Benedict, J. A study on Customer Satisfaction towards Online Taxi Services. *Vaidakthya-2017*, 15.

Jayaprakash Pillai, S. R. E. E. L. A. K. S. H. M. I., Samir Ashraf, F. I. D. H. A., & Fatima MA, A. F. R. I. N. (2023). *Customer preference towards uber cabriolet services in Ernakulam City* (Doctoral dissertation, St Terasa's (autonomous) Ernakulam).

Kashyap, R., & Bhatia, A. (2018). Taxi drivers and taxidars: a case study of Uber and Ola in Delhi. *Journal of Developing Societies*, *34*(2), 169-194.

Kumar, P. K., & Kumar, N. R. (2016). A study on factors influencing the consumers in selection of cab services. *International Journal of Social Science and Humanities Research*, *4*(3), 557-561.

Lal, N., Kumar, S., & Chaurasiya, V. K. (2020). A road monitoring approach with real-time capturing of events for efficient vehicles

safety in smart city. *Wireless Personal Communications*, *114*(1), 657-674.

Rajesh, R. (2021). Study Of Customer Experience and Uses of Uber Cab Services In Mumbai. *International Journal of Application or Innovation in Engineering & Management*, *10*(6), 050-061.

Rajesh, Rupali & Chincholkar, Snehal. (2018). A Study on Consumer Perception of Ola and Uber Taxi Services. 3. 25-31. 10.17010/ijcs/2018/v3/i5/138779

Rode, A., & Bhutkar, G. (2021). Contextual Inquiry Related to Cab Booking: Using Uber and Ola Cabs in India. In *Digital Literacy and Socio-Cultural Acceptance of ICT in Developing Countries* (pp. 31-52). Cham: Springer International Publishing.

Thomas, T., & Rajeev, S. (2018). Customer Satisfaction on "Online Taxi System"-A Regression Model. *Xaverian Research Journal*, *6*(1), 1-14.

Vatal, A. (2023). Impact of Uber on the Autorickshaw Industry–Consumer Perspectives in Pune. *International Journal of Research in Engineering, Science and Management*, *6*(3), 135-143.

Velmurugan, J. S., Shruthi, R., & Rajkamal, S. V. (2019). Customer perception and problems towards OLA services in smart cities with reference to Salem. *Rupkatha Journal on Interdisciplinary Studies in Humanities*, *11*(3).

Yamuna, S. M., & Shiji, R. (2019). A Study on Customer Preference towards Online Cab Booking Facility with Special Reference to Coimbatore City.