Abstract

Transportation Industry has been undergoing drastic changes in the recent years with introduction of mobile application based taxi hailing system using smart phone based technology. With the Introduction of Technology based companies (Taxi Aggregators) like Uber, OLA Cabs and Meeru cabs, have changed the unorganised taxi industry from the same old fashion that the customer need of Taxi having to either physically wait for Taxi at the street corner or to call local car service companies to book a car at least one hour before pickup time. Taxi companies have tied up with the mobile wallets companies like PayTM, Mibikiwiki, Airtel Money, Freecharge, and OLA Money etc. to provide the hassle free ride, easy payment, along with offers and discounts to engage the customer for a long time. Mobile wallets have become easiest payment for paying your ride where user need not carry cash and look for ATMs when does not have cash. This paper focuses on mobile wallets usage in the Taxi companies and Problems and challenges in the organised Taxi industry and analyses different aspects of mobile wallets and also suggests possible Improvement areas and suggestions to improve the industry over all. The study has been conducted based on the sources from review articles and materials from internet.

I. INTRODUCTION

Over the past years technological advancements have led to new business models resulting from disruptive innovation. New Technology companies have developed a better cost model by utilizing smart phone enabled apps to offer simpler and less expensive products and services. Uber and Ola cabs services has demonstrated that its innovative model can disrupt
the market. Taxi companies like Uber, an on-demand ride sourcing service that connects passengers to local drivers in real time using smart phone technology. Ride seekers have a more reliable and faster alternative. Drivers get higher hourly earnings through the avoidance of costly regulations. This has severely disrupted the taxi service industry. Companies like Uber, Ola Cabs, Meeru Cabs and Easy Cabs, are called Taxi Aggregators. The Indian taxi market has been estimated at around $9 billion. Out of this, only 4-6% is really organized. In order to capture the market Taxi service Companies has exclusively partnered with mobile wallet companies for seamless payment experience. For Instance, Uber Partnerd with and PayTM and also with Airtel Money letting user to pay for cab rides on the service with PayTM wallet and Airtel Mobile Wallet [6]. And Ola cabs tied up with the Ola Money wallet for cab rides and many other cab companies are tied up with other wallet companies.

II. OBJECTIVES OF THIS STUDY
This study focuses the following Objectives.
• To Present an Overview of the Mobile wallets payments in Taxi Industry in India
• To examine problems and challenges of Mobile wallets in Taxi Companies.

III. REVIEW OF LITERATURE

Au and Kauffman: A study that is the most relevant to the current research has been performed by Au and Kauffman (2008). Researchers have developed a theoretical framework for analysis of mobile payment industry and its stakeholders. They specify the following mobile payment stakeholder categories: (i) technology producers; (ii) sellers (merchants) or business intermediaries; (iii) end-users, consumers, buyers; and (iv) government and regulators.

Lidén and Edvardsson (2003): One study of expectations of some groups of stakeholders – in this case mainly customers – it that of. The authors investigated customer expectations on service guarantees in public transport in Stockholm. The study confirmed that consumer expectations are affected by the situation in the industry, service characteristics, and the service guarantee. The main contribution of the reviewed literature lies in insights about the expectations of different stakeholders. This was used and applied in the development of our research framework

Marta Campos Ferreira (2014): General adoption of mobile devices and their increasing functionality allow their use to make payments. This wide-spreading reality is being applied to several sectors, including transport. In fact, there are several advantages of mobile payment over traditional systems, such as queue avoidance, ubiquitous and remote access to payment, and the lack of need to carry physical money [2].

IV. MOBILE WALLETS IN INDIA
Mobile wallet is the latest trend and rapidly growing concept in the mobile payments industry. Since major population of India does not use Credit-cards, majority of population
are started using mobile wallets and happy with that. The simple reason is mobile wallets helps to create cashless society and ensure payment process seamlessly and you can pay from your mobile for any transaction seamlessly. A mobile wallet is a virtual wallet is to a traditional wallet. The wallets work through apps that you can download on your smart phones. Some of the mobile wallets popular are PayTM, Oxiygen, Airtel Money, Mobiwiki, Freecharge. Consumer can create an account on any mobile wallet; add money in it using your credit/debit card or through online banking. Some of these wallets can be loaded by giving cash at specified retail stores or ATMs. You can then use this money for various transactions, which include both online and offline payments. However, the only requirement is that the user who is paying through the mobile wallet must be listed with it.

V. MOBILE WALLETS USAGE IN TAXI COMPANIES IN INDIA

In our early days, when we take a taxi, we normally look at the meter and driver tells you the amount that you pay. The customer were skeptical about the over charges, security and quarrelling with taxi drivers etc. Now the technology companies like Uber, OLA, and Meeru cabs who are new entrant in the industry have changed the way we book taxi and pay. They made the life of common man very easy for booking taxi. These companies have a Mobile App that will be used by customer to book a taxi ride, and taxi driver will be signalled with the location of customer, the taxi driver reaches the customer location to pick him and drop him. These companies have integrated their Mobile App with the mobile wallets companies that offer the mobile wallet feature that can be used for payment of the trip. Basically, customers need to load money in the wallet, a debit card, credit card or net banking, and the amount can be used at the click of a button to make payments. As the customer ends his ride, Customer will be logging into the Mobile App, customers key in the cab driver's mobile number and the amount to be paid before hitting the "pay" button on their smart phone. The driver immediately receives a text message on his phone confirming the money transfer into his account. Even some taxi companies have also introduced zero-click checkout system that works in tandem with the system integrated with the cab. This means you can simply book a cab, and walkout without have to pay or even flash your mobile as the amount will be directly debited from your mobile wallet.

Paytm was, in fact, one of the few ways via which customers could pay for Uber before it started accepting cash. Uber's increasing popularity in India also helped Paytm's user base swell. The mobile wallet, which is currently accepted at over 80,000 merchants, eyes a further growth and aims to reach 10 million merchants by end of 2016. Paytm is India’s largest payment platform which has 16 million users and doing $600mn+ Annual GTV run rate. For Uber, PayTM offer the largest reach and best user experience of one touch mobile payments. Uber needed wallet to offer other payment options to consumers beyond credit cards. Paytm wallet can be loaded using debit cards, net banking and in store cash too. It gives uber reach to non-credit card users in India. India has about 18 Mn Credit cards only while there are more than 350 million debit cards. Uber also had to use India payment
option for credit cards as mandated by RBI and we use Indian payment gateway for loading wallet using credit cards.”

Uber has a strong backing of companies like Goldman Sachs and Google Ventures. Last year, the cab service had clocked over $1 billion in gross bookings globally. Uber currently has its presence across 200 cities.

Benefits of mobile wallets

The benefits mobile wallets offer consumers make the payment process simpler. The entire idea of going down to the ATM to withdraw cash seems old school when you can pay with just a few taps on your smartphone. Also, the mobile wallet market is still very new and competitive, each of these companies offers various kinds of rewards and rebates to its consumers in the form of coupons, cashbacks or discounts. Actually using a simpler way of payment and getting a reward for it. The customer prefers to use OLA or Uber cab rides instead of conventional cabs to avoid hassle of paying exact amount by cash. PayTM associations with Uber and OLa Money by Ola have perpetrated the “get in – get out” phenomenon in the taxi industry. Though the payments are back ground activities while focus stays on making user experience seamless. Whenever we use a mobile wallet, we put our information on risk, just like we do each time we use any online service. Given the rise in the number of cybercrimes, it is foolish to think that a service cannot be hacked. The mobile wallet companies must ensure that their systems are secure and customers’ information is well protected.

VI. CURRENT SCENARIOS OF TAXI COMPANIES

Uber

Uber announced its partnership with Bharti Airtel, letting users pay for cab rides on the service with Airtel's mobile wallet, Airtel Money. In addition, Airtel will be providing free 4G Internet to riders in Mumbai, and says the service will soon be rolled out for all Uber riders pan-India. Uber will roll out this feature in phases, starting first with users in Delhi and Mumbai, followed by other Indian cities. Airtel will also become Uber's official telecom partner across India and offer mobile, data, and device plans to Uber driver-partners.

Uber will also offer exclusive promotions, discounts and experiences to Airtel customers - as a limited time promotional offer, new Uber riders who top up their Airtel Money wallet can earn up to Rs. 500 for free. "We are excited that Uber has chosen Airtel to fulfill its telecom needs, and look forward to supporting the company's rapid growth across India," said Srini Gopalan, Director - Consumer Business at Bharti Airtel.

"This unique partnership is built on our shared visions and strengths of broad, reliable networks and connecting people to their world, anytime, anywhere," said Amit Jain, President, Uber India, in the accompanying press statement. The development follows Reserve Bank of India’s approval to 11 entities to set up payment banks, which included telecom players like Vodafone and Airtel. Uber had tied up with Pytm in late 2014 to
comply with RBI regulations, and began accepting credit cards in July this year after, while continuing to use Paytm as a mode of payment.

**Meru Cabs**

Meru Cabs [Mumbai, 2007]: India’s leading cab services provider Meru Cabs started as a taxi operator in 2007 and moved to Taxi aggregator model in 2012. It has an Android app where most of the bookings happen through the mobile application. It has tied up with Paytm for payments. It claims to have a fleet of 12,000 cars, out of which it owned 6,000. Company plans to raise close to $150 to $200M for expansion and carpooling services. Meru Cabs also partnered with Citrus Wallet last year for e-wallet payments, has now tied up with Paytm and Mbeki digital wallet services for letting its customers pay via any wallet of their choice. With this move, Meru Cabs has become the first cab service provider to offer 3 e-wallet payment options to its customers. These digital wallets will let the travellers pay for their trip without any cash. Meru Cabs also offers zero-click checkout system integrated within its cab services which debits the fare from the associated mobile wallet of the customers automatically.

This would enable the customers to book a cab and reach their destinations as quickly as possible as now they won’t have to waste even a single second for making the payment manually after the cab ride. Meru Cabs also supports payment via hard cash along with popular wallet services like Citrus, Paytm, and Mbeki. Meru Cabs has already integrated the new wallets into its mobile app and is available for Android devices, phones, Windows Phones, and Blackberry phones. According to a statement issued by Meru Cabs CEO Siddhartha Pahoa, Meru Cabs gets more than 70% of its revenue from mobile apps, and has digitized itself by offering unique features in its mobile app.

**Ola Cabs**

Ola cabs [Bangalore, 2011]: Aggregator of point-to-point and long distance cab rental services. Offers city taxi, outstation and hour-based rental services. Also introduced Auto rickshaw booking feature in late 2014 has mobile apps on Android, iOS and Windows platforms that connects the consumer to the cab. Switched primary payment gateway from Zappy to Pay in March 2015 received 50% of its bookings from mobile. Also has an Ola, India’s homegrown rival to Uber, is branching out into a totally new vertical after it made Ola Money, its in-app payment service, available as a standalone app. The Ola Money app, which landed on Android, iOS and Windows Phone, can be used to make peer-to-peer payments and also recharge mobile phone credits. In that respect, it is similar to PayTM, Snapdeal-owned Free charge and others — although Ola has also teamed up with a number of third parties for payments after it opened Ola Money up to third parties in August.

Beyond convenience, the app could act as a funnel for attracting new users, and for keeping Ola’s existing customer base — which it says is 25 million users and one million daily bookings — more closely held within its ecosystem. If you use Ola Money to pay bills, hotel stays or music services, then the chances are that you will keep your account healthily topped up. Having that balance is a factor that could sway you into booking an Ola taxi when you need a ride, rather than grabbing a taxi from the street or turning to Uber’s app.
VII. THE PROBLEMS AND CHALLENGES OF MOBILE WALLETS IN TAXI COMPANIES

Mobile wallets are not accessible to all, because a considerable percentage of our population doesn't own smart phones or live in areas with no internet connectivity. These are early days, however. Of many cab owners, barely 10% accept electronic payment. But the number of transactions is expected to shoot up in the coming months as more drivers adopt the technology. There are about 200 million mobile wallet accounts in India, although not all of these will be active and many people have multiple accounts which becomes problems for commuter to use mobile wallets. Security of your data is concern where all your bank details are stored with mobile wallet companies which needs to ensure security. Sometimes billing errors occurs and refunding process is not transparent among taxi companies. There incidents that security of commuters are at risks, sometimes drivers misbehaves to the commuters which needs to be addressed.

VIII. CONCLUSION

This paper discusses about overview of using mobile wallets usage in Taxi companies or Taxi aggregators. Mobile wallets were initially used for recharging the mobile phone, eventually it has exploded as viable and easy payment options like Paying for Taxi as other services when the Taxi Industry is grown exponentially. Taxi companies like Uber who holdes market share of 25-35% handles around 5.8 lakhs bookings per day, OLA which holdes 65-75% market share, handles 7.5 lakhs are dominant player. These companies have tied up with more than one wallets companies who are established in the market for seamless customer experience and also to grab the customer base of wallet companies which would increase the revenue of the wallet companies. Uber has tied up with PayTM and Airtel, OLA has its own Wallet Ola Money, Meeru tied up with PayTM, Mobikiwii, and Citruspay. Cab companies are burning lot of cash in-terms giving discounts, free rides and loyalties and driver incentives in the process of expansion, this may not be viable at the long run, which needs to be waited and see. But as of now, mobile wallets are predominantly used by the cab users, taxi user and autorickshaws users who are most urbanized community to pay for the ride. But still the untapped population in India who uses the regular public transports, where Mobile wallets based on the NFC (Near Field Communications) promises to put passengers in control, reducing stress and making is travelling by public transport a more pleasurable experience. This easy-to-use contact less technology makes it straightforward for passengers to just pay for ticket by tabbing or scanning mobile phone which will be depended on a strong ecosystem and collaboration transport operators, mobile wallets companies to understand the requirements of customer.

IX. REFERENCES


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