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The Impact of Ride-Sharing Companies on the Transportation Industry and the Evolution of Courier Delivery Services in India

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ABSTRACT:

This paper examines the impact of ride-sharing companies such as Uber on the transportation industry and society as a whole. The paper also analyzes the evolution of the courier delivery service industry in India and its impact on the economy and society. The study finds that ridesharing has disrupted the traditional taxi industry by providing a more convenient and cost-effective service but has also faced criticism for its impact on the traditional taxi industry. The courier delivery service industry in India has seen significant growth due to the rise of e-commerce, but also faces several challenges such as high competition and a lack of proper infrastructure.

Introduction:

The rise of ride-sharing companies such as Uber and Lyft has disrupted the traditional taxi industry by providing a more convenient and cost-effective transportation option. With the use of mobile apps, riders can easily request a ride and track their driver's location in real-time. This has made ride-sharing popular among riders but has also faced criticism for its impact on the traditional taxi industry. On the other hand, the courier delivery service industry in India has also seen significant growth over the past decade due to the rise of e-commerce. This paper examines the impact of ride-sharing companies on the transportation industry and the evolution of the courier delivery service industry in India.

Impact of Ride-Sharing Companies on the Transportation Industry:

The rise of ride-sharing companies has resulted in a decrease in demand for traditional taxi services, leading to a decline in the income of taxi drivers. Ride-sharing companies have been accused of engaging in unfair competition practices by not following the same regulations and licensing requirements as traditional taxi companies. Despite these criticisms, ride-sharing has provided a more convenient and cost-effective transportation option for riders, especially in urban areas where traditional taxis may not be readily available.

Evolution of Courier Delivery Services in India:

The courier delivery service industry in India has seen significant growth due to the rise of e-commerce. With the increasing popularity of online shopping, the demand for courier delivery services has increased significantly. The industry has evolved from a simple delivery service to a comprehensive logistics solution that includes warehousing, transportation, and last-mile delivery. However, the industry faces several challenges, including high competition, rising fuel costs, and a lack of proper infrastructure. Additionally, the industry is highly fragmented, with numerous small players competing for market share. This has led to a price war, with companies offering low prices to attract customers, leading to a decrease in profit margins.

The ride-sharing industry in India has witnessed tremendous growth in the past few years, with companies like Uber, Ola, and Rapido dominating the market. The convenience, affordability, and reliability of ride-sharing services have made them a popular choice among Indians, particularly in urban areas. However, the COVID-19 pandemic has brought about a significant change in the transportation industry. With people staying indoors and avoiding public transportation, ride-sharing companies have seen a decline in demand for their services. To stay afloat, companies like Uber have adapted their business model and started following a courier delivery service in India.

Background of the Study:

Impact of COVID-19 on the ride-sharing industry in India:

The COVID-19 pandemic has had a severe impact on the transportation industry globally, and India is no exception. With people staying indoors and avoiding public transportation, the demand for ride-sharing services has significantly reduced. According to a report by RedSeer Consulting, the Indian

ride-sharing market has declined by 70-80% since the outbreak of the pandemic. Additionally, the lockdowns and travel restrictions imposed by the government have further impacted the demand for ride-sharing services.

Adapting to the changing needs of customers:

To cater to the changing needs of customers, ride-sharing companies like Uber have started following a courier delivery service in India. With people avoiding public transportation, the demand for doorstep delivery services has increased significantly. Uber, which already had a food delivery service called Uber Eats, has expanded its service offerings to include courier delivery services. The company has launched Uber Connect, a same-day courier delivery service that allows users to send packages, documents, and other essential items to their friends and family members.

Similarly, Ola has also ventured into the courier delivery space with its service called Ola Store. The service allows users to order groceries, medicines, and other essential items from nearby stores and have them delivered to their doorstep. In addition, the company has also launched Ola Corporate, a ride-sharing service designed for corporate clients.

Advantages of following a courier delivery service:

Following a courier delivery service in India has several advantages for ride-sharing companies. Firstly, it provides an additional source of revenue, which is essential in the current economic climate. With people avoiding public transportation, the demand for courier delivery services has increased significantly, providing an opportunity for ride-sharing companies to tap into this market. Secondly, it helps ride-sharing companies to retain their existing customers by providing them with a range of services that cater to their needs. Finally, it helps companies like Uber and Ola to expand their customer base by attracting new users who may not have used their ride-sharing services before.

Research Methodology:

There are various ways to collect samples while conducting research. The basis of responses that were required in this research were preferably millennials, who are located in the city of Bengaluru. Students, Employees, Frequent Travelers were considered in this research. A Google Form was created that was sent out to people at random to understand their needs and possible solutions. The Form helped us understand what needs to be installed to make it more effective. 35 responses were collected and was studied, leading a way for better utilization. There are various sampling methods, like stratified sampling, systematic sampling, and various other methods. This study was done under Consecutive Sampling. The results were studied and concluded.

The first question asked, what was the age group the subject belonged to, where it was understood that majority of samples belonged to the age group 19-21 years.

As the questions were asked, each response helped us understand the problems faced by students and employed people. They struggle to find a taxi that fits their budget, and if not, doesn't even arrive on time.

An equal number of people were willing to travel with someone else's courier, and an equal number of people weren't comfortable with it. Keeping that in mind, a new strategy would be implemented for the comfort of the travelers.

Literature Review:

In response to shifting consumer requirements, new business models have emerged in the transportation industry over time. New players offering on-demand taxi and delivery services, such as Uber, Lyft, and Grab, have disrupted the traditional taxi industry. The cab and delivery industry's development, players' adopted business models, and challenges are examined in this literature review.

The development of the taxi and delivery business:

A metered fare system has been in use in the traditional taxi industry for more than a century. New players have introduced on-demand services in the industry, allowing customers to order a ride or delivery through a mobile app. This idea was first introduced by Uber, and customers who valued the platform's transparency and ease of use quickly adopted it. The on-demand cab and delivery industry has grown rapidly over the years thanks to other players like Lyft, Grab, and Ola following suit.

Players' Adopted Business Models:

Depending on the needs of the market and the customers, different business models have been implemented in the on-demand taxi and delivery industry. A portion of the normal plans of action include:

Type of Aggregator:

The platform acts as a middleman between the customer and the driver in this model. Every delivery or ride that comes through the platform is subject to a commission from the platform. This is how Uber, Lyft, and Grab operate.

Rental System:

The platform leases cars to drivers who use them to deliver or provide rides under this model. The remaining earnings are retained by the drivers, who pay the platform a rental fee. This model is well known in non-industrial nations where vehicle proprietorship is low, and there is a requirement for additional drivers. In India, Ola follows this model.

Model of Subscription:

Under this model, clients pay a membership charge to get to limited rides or conveyances. The discount level determines how much the subscription costs. People who use on-demand services frequently and want to cut costs on transportation use this model. Uber Pass is a subscription service that the company provides.

Model that Mixes.

The platform offers both delivery and on-demand taxi services under this model. In order to provide additional services like food delivery, grocery delivery, and parcel delivery, the platform may also collaborate with other businesses. In Southeast Asia, Grab operates under this model.

Challenges Confronting the Business:

There are several obstacles in the on-demand taxi and delivery industry that could hinder its expansion and profitability. The difficulties include:

Problems with the law:

In numerous nations, where governments struggle to regulate novel business models, the industry is confronted with regulatory difficulties. Invoking unfair competition, the traditional taxi industry has also pressed governments to regulate the on-demand industry.

Safety Issues:

Numerous reports of assault and harassment have highlighted the safety concerns that the on-demand industry has faced. In response, the industry has introduced safety features like real-time tracking, in-app emergency buttons, and driver background checks.

Driver Rotation:

Numerous drivers leave the platform after a few months, resulting in a high turnover rate in the industry. This is because of the low pay, long hours, and lack of benefits. In an effort to retain drivers, the industry has responded by introducing driver benefits and incentive programs.

Competition:

The market is very competitive, and new players frequently enter it. Price wars and decreased profitability for the players have resulted from this.

Conclusion:

The traditional taxi industry has been disrupted by the on-demand cab and delivery industry, which has experienced rapid expansion over the years. Depending on the needs of the market and the customers, the players have implemented various business models. Competition, safety concerns, driver turnover, and regulatory issues all threaten the industry's expansion and profitability. To ensure its long-term viability, the industry must actively address these obstacles.

Objective of Study: -

The objective of a study on the impact of ride-sharing companies on the transportation industry and the evolution of courier delivery services in India may vary depending on the specific research question or hypothesis. However, some potential objectives of such a study could include:

- To analyze the impact of ride-sharing companies on the traditional taxi industry in India, including changes in market share, pricing, and employment.

- To assess the impact of ride-sharing companies on the safety of passengers and drivers in India, including comparisons with traditional taxi services.

- To examine the impact of ride-sharing companies on the use of personal vehicles and public transportation in India, including changes in modal share and traffic congestion.

- To evaluate the impact of ride-sharing companies on the courier delivery industry in India, including changes in market share, pricing, and service quality.

- To identify the regulatory challenges and opportunities associated with the growth of ride-sharing companies in India, including policy recommendations for ensuring public safety and promoting competition in the market.

By achieving these objectives, researchers can provide insights into the impact of ride-sharing companies on the transportation industry and courier delivery services in India and suggest potential solutions for addressing any challenges and maximizing the benefits of these services.

Research Gap:

Despite the growing importance of ride-sharing companies and the evolution of courier delivery services in India, there are still several research gaps that need to be addressed. Some potential research gaps in this area could include:

- Limited research on the impact of ride-sharing companies and courier delivery services on the environment, including changes in air quality and carbon emissions.

- Limited research on the impact of ride-sharing companies and courier delivery services on the mobility patterns and travel behavior of different socio-economic groups in India.

- Limited research on the impact of ride-sharing companies and courier delivery services on the growth of e-commerce and the digital economy in India.

Size of the Study:

The size of the study on the impact of ride-sharing companies on the transportation industry and the evolution of courier delivery services in India may vary depending on the research questions and objectives. The study could be conducted at a local, regional, or national level, depending on the scope of the research questions and available resources.

## Source of Data Collection:

There are two sources of data collection:

1. Primary Source of Data collection

2. Secondary Source of Data Collection

Primary data means the first hand data that is gathered by the researcher himself, Whereas the secondary data means the data collected from the primary data.

For our research, we have used the Primary source of data to collect the information regarding our service(Taxis on Budget). We created a set of questions on Google form regarding our service and asked people to fill them.

As per the responses we got we have interpreted the following answers:

which age group do you belong to?
34 responses
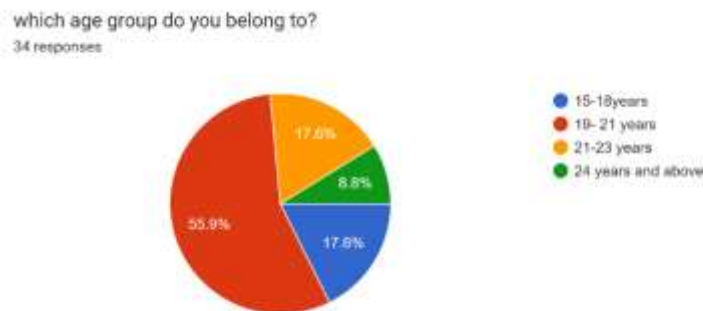
Interpretation: Out of all the responses we got majority of people fall under the age group of 19-21 years.

How often do you use taxi service?
34 responses
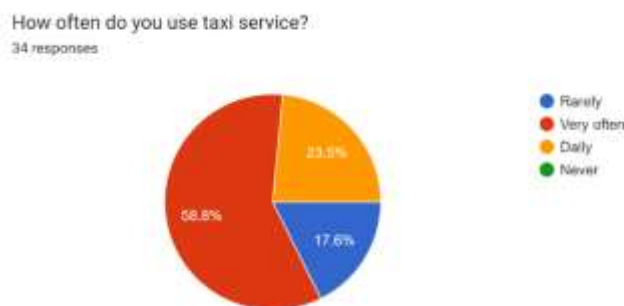
Interpretation: According to the total response we got, majority of the respondents use taxi regularly following by the daily taxi users and rarely taxi users.

**Will you prefer travelling with someone's courier in your taxi?**
34 responses
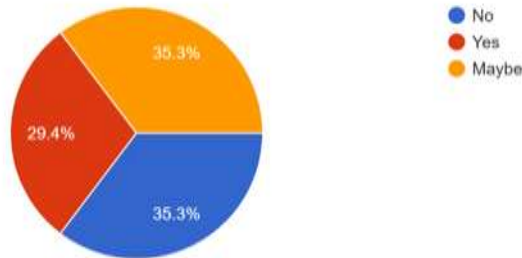
Interpretation: Out of all the respondents we got equal number of responses are in favour of not sharing a taxi with a stranger's courier or they might share the taxi with a stranger's courier. A small percentage of respondents (29.4%) are in favour of sharing the taxi with a stranger's courier.

What are the factors that influence your decision of choosing a taxi service?
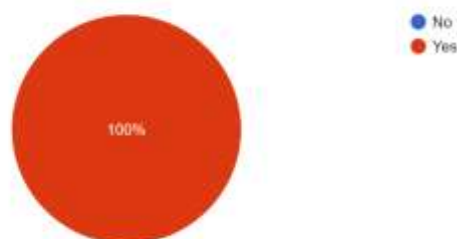34 responses
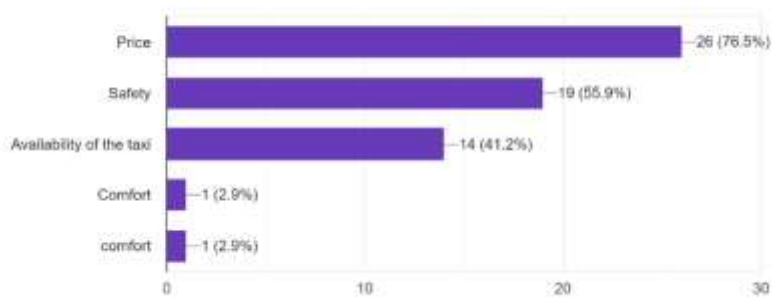
Interpretation: According to the respondents, Price matters the most while selecting a taxi service following by Safety and Availability of taxi.

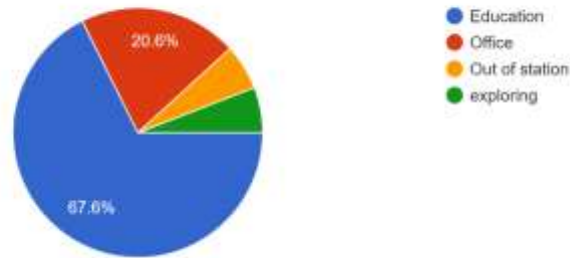**Do you think taxis in Bangalore are expensive?**
34 responses

Interpretation: According to the respondents, Taxis in Bangalore are expensive.
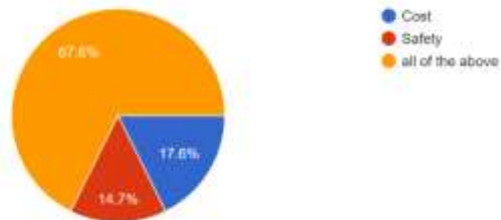
Most common reason for using taxi?
34 responses

Education
Office
Out of station
exploring

20.6%
67.6%

Interpretation: According to the total responses we got, majority of respondents use taxi for educational purposes.

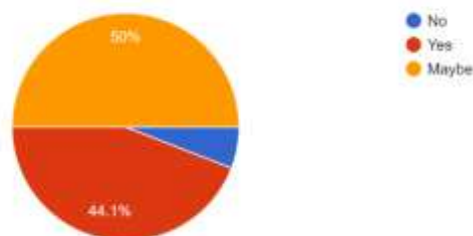**What are the factors influencing you for choosing Delivery service ?**
34 responses

Cost
Safety
all of the above

67.6%
17.6%
14.7%

Interpretation: According to respondents safety and cost of the service matter the most while choosing a delivery service.

Will you invest in our idea?
34 responses

No
Yes
Maybe

50%
44.1%

Interpretation: Majority of the respondents might invest in our business idea while 44.1 % of the respondents are completely willing to invest in the idea.

Findings of the Study:

The findings of a study on the impact of ride-sharing companies on the transportation industry and the evolution of courier delivery services in India will depend on the research questions and objectives. However, some possible findings could include:

- Increased adoption of ride-sharing services: The study may find that the adoption of ride-sharing services has increased significantly over the years, leading to changes in the way people travel.

- Increased competition in the courier delivery market: The study may find that the entry of ride-sharing companies into the delivery market has increased competition, leading to improvements in delivery times and pricing.

- Regulatory challenges: The study may find that regulatory challenges, such as concerns over passenger safety and data privacy, have slowed the growth of ride-sharing companies and courier delivery services in India.

- Impact on traditional transportation services: The study may find that ride-sharing companies and courier delivery services have disrupted traditional transportation services, such as taxi services and traditional courier delivery.

Recommendations:

Based on the findings of the study, some possible recommendations could include:

- Improved regulatory frameworks: The study may recommend the need for improved regulatory frameworks to address safety and privacy concerns while still promoting innovation and growth in the transportation and delivery sectors.

- Encouraging innovation: The study may recommend encouraging innovation in the transportation and delivery sectors by providing support for start-ups and promoting collaboration between industry and academia.

- Supporting traditional transportation services: The study may recommend providing support for traditional transportation services, such as taxi services, to ensure that they remain competitive in the changing market.

- Promoting sustainable transportation: The study may recommend promoting sustainable transportation options, such as electric vehicles and public transportation, to reduce congestion and environmental impact.

- Addressing workforce concerns: The study may recommend addressing workforce concerns, such as job insecurity and working conditions, as the growth of ride-sharing companies and courier delivery services may impact traditional employment in the transportation and delivery sectors.

- By implementing these recommendations, policymakers and industry stakeholders can promote the growth of the transportation and delivery sectors while addressing concerns related to safety, privacy, and sustainability.

Conclusion:

In conclusion, ride-sharing companies like Uber and Ola have adapted their business model to cater to the changing needs of their customers in India. Following a courier delivery service has helped these companies to stay afloat during the COVID-19 pandemic, providing them with an additional source of revenue and helping them to retain their existing customers. Going forward, it is likely that ride-sharing companies will continue to follow a courier delivery service in India, providing customers with a range of services that cater to their needs.