5 Ways to Increase Automation in Your Taxi Business Today

Transport is changing rapidly with the development of electric and driver-less vehicles as well as the planned Hyperloop with people and goods travelling at high speed in pods levitating inside tubes.

This may sound highly futuristic but even now the drive towards automation, in its early stages as it is, is using software to cut time and money spent on completing numerous business processes. By automating back-office processes traditional labour intensive activities are reduced and even replaced while providing customers with the ability to self-serve through digital channels such as computers, Smartphones and telephones.

In the taxi and private hire industry the power of automation and the time and cost-saving benefits it brings can be distilled down to an automation ecosystem of 5 integrated technologies: booking and dispatch system, phone system, passenger app, driver app and business analytics package.

1. The Booking and Dispatch System

The time-honoured process of booking a private hire vehicle starts with a customer telephoning a local cab firm and speaking to a telephone operator in a call centre. This sets off a chain of events that ends with the customer reaching their destination on time having paid for their ride. In fact the process doesn't fully end there; the driver needs then to move off to the next booking or at least go to where more work is likely to be found ready for new bookings. Today the only element of the process that cannot be replaced by booking and dispatch automation software is the driver.

Driver-less cars notwithstanding, the area of greatest cost saving is arguably the booking and dispatch automation software which takes the strain of administering 'manual' booking processes, while front-line staff focus on activity that adds value to the business. Here, booking and dispatch software allows you to respond instantaneously to changing market conditions, or peaks and troughs in demand, without having to recruit or drop staff in the call centre. It also integrates your back-end systems and processes so that bookings are taken, dispatched to drivers and tracked up until job completion. The most technically sophisticated systems will even provide integrated accounts, cashiering, invoicing and 2-way driver payments – the user will configure these processes to automatically process all transactions in a way that suits their own accounts, HR and marketing functions.

2. Driver App

To companies in the private hire taxi industry, success is defined by the ability to recruit and retain drivers. Drivers are the main income stream, and driver satisfaction – which is created by fulfilling numerous aspects of their needs and desires – is a crucial part of ensuring commercial viability.

Consequently, whatever interface exists between the company and its drivers needs to send them information on how to make more money while delivering a better journey experience to their passengers. In the past this interface would have been a 2-way radio, which was time consuming and prone to error, or even, more recently, a fixed terminal in the vehicle. But today the device is

more likely to be an app installed on the driver's Smartphone that integrates with the operator's booking and dispatch software.

Drivers' apps do not necessarily reinvent the wheel when it comes to receiving specific commands that help the driver complete the journey. How they have changed the world of booking and dispatch automation is to have vastly streamlined it, removing inefficiencies and mistakes from the process. In fact, for every one of the variety of interactions a company has with its driver fleet there is an automated feature via the driver's app; from recruitment onboarding and payments to interactive reports that let drivers track their up-to-date earnings and performance.

The leading driver apps will even provide information on upcoming jobs allowing drivers to bid for work – a totally new concept for the taxi industry only made possible through app algorithms - and data on missed earning had a driver worked in specific zones at particular times. All this is intended to raise knowledge, performance and efficiency while at the same time reduce dead time and wasted miles; the net effect of which is that average driver earnings increase as do driver satisfaction, loyalty and retention.

3. Phone System

There are many exciting ways phone software can be used to facilitate communication between a company and its customers. Anyone that has ever dialled their bank to check on an account balance will recognise the process of being asked to follow a series of automated prompts by a computerised operator. The 'operator' is called IVR (Interactive Voice Response) and it takes the place of human operators in many instances where an inbound call is received.

In the private hire taxi industry the 3 key tasks that telephone operators do are: 1. answering calls, 2. taking bookings and 3. confirming to booking enquirers where their vehicle is and its ETA – all of which are human interactions that can be replicated by software. The latter task, in particular, is an especially complex one for software to achieve and hard to do at scale, but if achieved is sure to save time and drive down costs.

If the caller is an existing customer the IVR phone answering software will recognise their number and ask them whether they would like to be picked up from the same location as their previous journey (which is the case more often than not). Thereafter IVR will follow logical menu branching to ask for the required pickup time and destination location and any further questions required to fulfil the job. After the automated phone system software receives the details of the journey, it enters the booking into the dispatch system, and as it is software, the process is automated and instantaneous; multiple calls can be handled at once, waiting times decreased, customers promised 24/7 self-service, call centre staffing levels reduced and a consistently high level of call quality provided each and every time. Of course callers should be offered the option to speak to a live operator but only when they have an issue that can only be resolved by a human interaction.

4. Passenger App

Today there are few business-to-consumer functions that do not have at least one process that is fulfilled via a Smartphone app, so trying to convince customers of the problem solving capabilities of apps or that they are a mainstream solution is now no longer the issue. It was only a few years ago

that the idea of passengers booking taxis via Smartphone apps was unconventional at best. Now it is part of everyday modern life and consequently, local taxi operators are faced with competition not only from other firms but technology platforms.

Private hire taxi operators therefore need to present a value proposition that their customers desire and find useful and valuable, providing solutions to people's transportation needs. Ideally it will set them apart and help them to generate more bookings and customer loyalty. The good news is that as new booking technologies have come into the market they have forced traditional players to focus on their customers' needs as app technology becomes more widely engrained in our lives. Having an own-branded passenger app is now no longer an option – it is essential.

5. Business Analytics

Business analytics lets organisations take advantage of the data they generate and use its power to make better commercial decisions. It has the potential to be game-changing in the private hire taxi industry. Business analytics software automatically interrogates data from a number of systems through statistical analysis, quantitative analysis, data mining and predictive modelling to identify trends and understand the information that can drive enhanced performance and support sustained successful business practices. An example of how Business Analytics may be applied in the taxi industry is the ability to identify previously loyal passengers or drivers who are in danger of leaving. With this kind of knowledge at their fingertips and the right integrated marketing tools to take appropriate action such as 'value reminders', companies can take action in real time to reduce churn of customers and drivers.

Conclusion

These 5 technologies can individually bring great benefits to the taxi industry. While every system has its own discrete function, combining these individually tested software components into a fully integrated whole means private hire taxi companies can receive multiple benefits that enable them to automate processes and achieve business objectives whilst remaining cost-effective and competitive.