Which 4 technologies will transform my taxi business?

In towns and cities around the world, people are no longer ordering taxis by only phone, and payments are not just made by cash. An overabundance of app companies has transformed the way we book or "hail" a taxi.

The ability to hail a taxi using a Smartphone has been with us for several years now and has drawn the scorn of "traditional" cab drivers around the world along with stock market valuations in the tens of billions of dollars. But numbers aside, technology is clearly ushering in an ongoing transition to the experience of using a taxi.

However, despite the evidence that taxi-hailing apps are changing consumer behavior, passengers are overwhelmingly choosing to remain loyal to their local private hire taxi operator while at the same time demanding the convenience offered by new technologies.

According to research by the American bank Morgan Stanley, ride-hailing apps account for less than 4% of all kilometers driven globally, although that is set to rise to over 25% by 2030.

Technology continues to transform the taxi industry as private hire companies begin to automate their processes, accept mobile app bookings and mobile electronic payment methods. These digital requests and dispatches bring greater optimisation to independent taxi operations allowing them to compete more effectively with pure play taxi app operators.

But what are the key digital technologies that will allow a traditional taxi operator to compete? And how can they build a growing private hire business in a market that includes the taxi-hailing apps?

1. Dispatch software

In years gone by telephone operators would receive passenger enquiries and dispatch jobs to drivers via a two-way radio. They would have to assign jobs manually to the 'closest' drivers, but the process was slow and open to misuse, not to mention the fact that operations were often costly and inefficient. Innovations in dispatching software, GPS tracking, mobile communications and a host of Internet technologies have made possible a revolution in the booking and dispatch process and in every aspect of taxi operations management.

Today sophisticated dispatch software enables more than simple dispatch. Typically it will provide one resource that will run the management of:
- Client information;
- Customer enquiries;

- Customer bookings;
- Scheduling;
- Dispatch;
- Routing and tracking;
- Fleet management;
- Vendors;
- Estimates;
- Job cost management;
- Accounting;
- Invoicing;
- Payments;
- Driver subs payments;
- Marketing;
- Driver communications;
- Management reporting; and
- Business development.

It will also integrate with channels from which customers wish to book a taxi such as company passenger apps, websites, telephone and third party aggregators.

With such a powerful platform in place it becomes easier to make important decisions on the spot and predict planning for forecasting and future income and, therefore, growth. Additionally, modern cloud-based pricing models which charge a small fee per vehicle per month, allow private hire companies to grow and scale their operations without the need for large capital investments which were once the norm in the industry.

2. *Driver app*

More than just the way to receive dispatched jobs and navigate from pick-up to destination the driver app has become a communication tool drivers simply cannot live without. It is the power of smart technology to bring together any number of capabilities in one convenient device that has allowed taxi drivers to have all they need to deliver a service. All drivers need is a Smartphone; no expensive and disruptive radio installation, and the entire workflow – pre-job, in-job and post-job - is catered for.

For instance, outside peaks, taxi drivers can spend half their time trawling for fares, so a driver app that lets them see where the work is now and imminently helps reduce wasted time and fuel. Drivers can then bid for or reject jobs that are within their area. Depending on the features offered, the driver app may also allow drivers to view their own earnings and performance reports, pay subs and receive fares from account work directly, without having to visit the office.

Depending on the sophistication of the software on offer, the best driver's apps will do a lot more for the private hire operator's ability to drive up customer service standards and help drivers to improve their earning potential.

One example of this is the ability to show drivers their potential earnings had they bid for jobs rather than reject them, all within the driver app, having the effect that customer service levels are increased at the same time as helping drivers earn more.

3. White-label consumer app

You click a button to send your location and then watch on screen as a private hire vehicle makes its way towards you. That, in a nutshell, is what taxi apps allow passengers to do - allowing private hire cars to be "hailed" like taxis. Of course there is more to this incredible technology but essentially a passenger app works in a 3-way integrated system with the taxi dispatch software and driver app, thereby saving time for customers, drivers and operators. This has the effect of increasing booking volumes as customers are provided a preferred channel to book a taxi. Automation rates increase which saves time and costs, while customer loyalty is enhanced as customers are encouraged to use the app more often.

Customer loyalty can be further solidified through in-app marketing strategies. When coupled with Business Intelligence capabilities, which can identify what offers to make, to whom and when, the passenger app can become a cost effective engagement platform and source of repeat bookings.

4. Automated phone system

Automated phone-answering systems have been a feature of consumer-facing businesses for almost 3 decades. From your local GP surgery, to banks or the train station, whether checking in, checking out or placing an order or enquiry, we have become accustomed to the customer service benefits of the automated telephone answering system. The fourth related technology in the taxi operations ecosystem is the automated phone system or interactive voice response (IVR) system; the technology that automates telephone contact between passenger and dispatch system.

Automation is intended to make customers' experiences with a company better. Yet the dilemma many private hire business owners face is this: you want to answer every incoming phone call as quickly as possible to ensure that you never miss a booking, but you also want to provide the best quality experience to every caller. Modern taxi phone systems can and should provide both speed and good caller experience.

In the private hire industry the automated phone system will take a booking and automatically pass it to the booking and dispatch system. The software can be programmed to recognise and prioritise regular customers' phone numbers enabling the whole process to take place without any human interaction whatsoever.

Conclusion

When used together these 4 technologies can enhance what your core capabilities are and provide a platform for running a smooth and efficient private hire operation that is primed for growth.

FIND OUT MORE

If you would like to learn more about Autocab's dispatch system, driver app, passenger app or phone systems, you can request a demonstration at sales@autocab.com.