

TLAC Limousine Amendments Research

Executive Summary Report of Telephone Survey



Prepared for The City of
Calgary by:

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Context and Objectives

Context:

The Taxi and Limousine Advisory Committee (TLAC) is a volunteer committee of Council responsible for making recommendations to Council on all matters pertaining to the taxi and limousine industry in Calgary. TLAC works in equal partnership with The City of Calgary administration (Livery Transport Services). A Sub-Committee of TLAC has been formed, the 'Fleet Utilization Subcommittee', and part of its mandate is to seek public input on potential amendments to the regulations for sedans and limousines.

The Fleet Utilization Subcommittee is currently looking at the following potential amendments to the regulations pertaining to sedans and limousines.

- Eliminate the 30 minutes pre-arranged time for sedans/limousines
- Eliminate the minimum hourly rate for sedans/limousines
- Permit sedans/limousines to accept street hails during peak demand periods
- Redefine the taxi meter rate as the maximum; allow taxis to offer consumers a rate lower than the taxi meter rate
- Modify (decrease) the minimum hourly rate for sedans/limousines
- Take no action, Administration to continue enforcing existing regulations.

Objectives:

In order to make an informed decision on the potential amendments, the subcommittee required research on the opinions of the general public, limousine users, and peak period taxi users.

Research was conducted in two phases to achieve the overall objectives of the project

- **Phase 1: 4 Focus Groups**
 - Explore support/opposition
 - Better understand information needs in order to form opinions
 - Inform the survey design
- **Phase 2: Telephone Survey**
 - Measure support/opposition
 - Evaluate attitudes towards potential amendments and their implications
 - Profile results by user types

This report focuses on the results of the telephone survey. The focus group findings have been provided in a separate report.



Methodology

Sample Size	n=500 (including 246 peak period users)
Target Audience	Random representative sample of Calgarians aged 18+
Survey Method	Random digit dialing using both landline and cell phone telephone exchanges via a Computer Assisted Telephone Interviewing system
Interview Duration/Dates	20 minutes: July 30 to August 17, 2015
Margin of Error	+/- 4.4%, 19 times out of 20
Data Analysis	Data were weighted to be representative of Calgarians 18+ by age and gender

Summary of Survey Results

Usage of Vehicles

Over the past year, 65% of Calgarians have used a taxi/accessible taxi, 14% have used sedans and 10% have used a stretch limousine or specialty SUV.

- Among taxi users, most (78%) have used taxis during peak periods, either during the holiday season from late November to early January (62%), during Friday or Saturday evenings after 7:00pm (59%), or during Stampede (24%).
- Taxi users are primarily using taxis to attend social functions (65%) and to get to and from the airport (54%).
- When obtaining taxis this past year, taxi users most commonly phoned a dispatch telephone line for immediate service (74%) or pre-arranged their ride (56%). Some also hailed taxis (40%), used taxis stands not located at hotels (20%), called drivers directly to arrange a ride (19%), booked a taxi online or via an App (18%), or used a hotel taxi stand (18%).

Requirements for Vehicles

When asked to identify the extent to which they support or oppose having specific requirements in place for vehicles that accept street hails or requests for immediate services, Calgarians express strong support for all requirements evaluated. Specifically, strong support is expressed for:

- Payment options such as cash, credit or debit are available (98%)
- Drivers having a City-approved Taxi Driver License, which includes a criminal background check (96%)
- The driver's license, including a photo, being displayed in the interior of the vehicle (96%)
- The vehicle being covered by adequate commercial automobile insurance (95%)
- Having meters in the vehicle to track the price of the trip (93%)
- Having cameras in the vehicle to record driver and passenger behaviours (93%)
- The vehicle having a GPS tracking indicator to locate the vehicle if required (92%)
- The exterior of the vehicle identifying it as a City-approved vehicle for hire (91%).

If sedans and limousines were allowed to accept street hails or requests for immediate service, Calgarians firmly agree that all of these requirements should be expected.



Summary of Survey Results

Eliminating Pre-Arranged Sedan/ Limo 30-Minute Booking Time

Slightly more than six-in-ten (62%) Calgarians agree that the requirement to pre-arrange sedan/limousine services at least 30-minutes prior to pick-up should be eliminated. Conversely, 31% disagree and 7% are undecided.

- Sedan/limousine users are notably more likely to agree with the elimination of this policy (72%).
- If the requirement was eliminated, 19% of Calgarians forecast that they would use sedan/ limousine services more often, especially among sedan/limousine users (33%).

Allowing Sedans/Limos to Accept Street Hails during Peak Periods

Seven-in-ten (70%) Calgarians support allowing sedans/limousines to accept street hails during busy times, 25% oppose this change and 5% are undecided.

- Sedan and limousine users are notably more likely to agree with this proposed amendment (79%).
- If street hails were allowed, 34% of Calgarians predict that they would use sedan/limousine services more often, especially among sedan/limousine users (54%).
- Two-thirds (65%) believes that all types of vehicles should be allowed to accept street hails, 19% feels that all vehicles except stretch limos should be allowed, and 10% prefer to only have sedans/town cars.

Eliminating/Modifying the Minimum Hourly Rate

A total of 74% of respondents support eliminating the minimum hourly rate for sedans/limousines, and 70% express support for decreasing the minimum hourly rate.

- If forced to choose, Calgarians are split as to supporting the elimination (49%) of the rate versus decreasing it (46%) and 6% are undecided.
- If eliminated, 44% believe they would use sedans/limousines more often. If decreased, 50% would use these services more often.
- If the minimum hourly rate is decreased, Calgarians suggest a range of \$50-\$60 as the modified rate.

Setting Taxi Meter Rates as the Maximum

Overall, 71% of Calgarians support redefining the taxi meter rate as the maximum, 23% oppose this change and 6% are undecided.

- Support for this policy amendment increases slightly under the scenarios of either eliminating (74%) or decreasing (74%) the minimum hourly rates for sedans/ limousines.
- If this change occurred, 45% of Calgarians would use taxi services more often.

Summary of Survey Results

Preferred Payment Structure

Should sedans/limousines be allowed to accept street hails and provide on-demand service, there is no strong consensus about the payment structure that could be offered.

- 39% would prefer flat rate zone pricing
- 29% would prefer a regulated sedan fare using a meter, much like in a taxi, but at a somewhat higher price
- 20% would prefer a flat fee negotiated with the driver at the beginning of the trip
- 8% would prefer a minimum hourly rate
- The remaining 5% are undecided.

Impact of Allowing Sedans/Limos to Offer On-Demand Services

The impact of allowing sedans/limousines to offer on-demand services can be both positive and negative in nature.

Calgarians agree that there are certain benefits, such as allowing customers to have more choice in the type of “for hire” transportation service they want (95% agree). As well, 93% agree that on-demand sedan/limousine services would help provide better customer service to citizens, especially during busy times, and 91% agree that this would help create a more open competitive market for the industry.

Calgarians also agree that there could be some drawbacks associated with allowing sedans/limousines to offer on-demand service. A total of 58% of respondents agrees that this could decrease the status of sedan service over taxi service if obtained in the same manner. Further, 57% agree that it could decrease the ability of sedan and limousine services to guarantee the pick-up time of pre-arranged bookings. Almost half (47%) express empathy for drivers feeling that this could take business away from current taxi drivers.



Strategic Observations

There is a clear desire for change.

The majority of Calgarians express support for all of the proposed policy amendments driven at times by a price-sensitive market in a difficult economic climate, by a desire to improve customer access to vehicles of their choice, and by the notion that the industry should be more competitive.

Hesitancy to embrace change will arise.

Some citizens are protective of their valued sedan/limousine and fear that the luxury guaranteed trip that they currently experience will be negatively impacted should policy changes occur. Any possible amendments should carefully contemplate such potential outcomes to reassure the market.

Citizens expect consumer protection in vehicles.

Safety is highly important to Calgarians. If sedans and limousines are allowed to provide on-demand service, citizens will expect them to adhere to all requirements that taxis must deliver. Sedan/limousine owners who wish to provide on-demand service will need to be prepared to make modifications to their vehicles, and if new operators such as Uber wish to enter the market, citizens will also expect them to adhere to the same requirements.

Prepare for a sizeable uptake in sedan usage if policies are amended.

Monetary factors (i.e. eliminating/decreasing the minimum hourly rate for sedans/limousines) would incent a sizeable proportion of citizens to increase their use of sedan/limousine services. Convenience and accessibility factors will also incent an uptake in use, but to a lesser extent. The existing fleet of vehicles in Calgary will need to be prepared to respond to an uptake in customer demand.

The availability of vehicles during peak periods would likely improve.

A considerable amount of peak period taxi users are amenable to using sedan/limousine services more often if they offered on-demand services, especially if they were available to accept street hails during peak periods and if the minimum hourly rate was eliminated.