



The influence of knowledge-based factors on taxi competitiveness at island destinations: An analysis on tips



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HIGHLIGHTS

- Taxi drivers need a good command of English.
- Knowing other languages can result in lower tips.
- Tourists prefer driver who drive calmly and without abrupt turnings.
- Being creative regarding taxi elements (decoration, etc.) entails higher tips.

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ABSTRACT

Mobility at the destination is an important element of the tourism system on islands. Tourists have mobility needs that are often met by trains, buses, taxis and other means of transport there. The competitiveness of the taxi industry can be strategic for destinations because it is an industry with a traditional high proportion of entrepreneurs and SMEs. The knowledge-based view has contributed to understand firm performance better, and knowledge-based factors can be crucial for taxi competitiveness. The impact of taxi drivers' knowledge-based aspects on tips are analysed, since this last factor is an interesting proxy for competitiveness due to its link to tourist satisfaction and potential loyalty. The empirical approach of this work is based on a survey in Gran Canaria, Spain. Knowledge of foreign languages (with mixed results), driving knowledge and knowledge creation seem to exert a significance influence on tips and play a relevant role in taxi competitiveness.

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1. Introduction

Transport is inherently paramount in tourism activities. In order to reach a destination, tourists have to travel from their homes or other destinations; therefore transport infrastructure is key (Khadaroo & Seetana, 2008). But intra-destination mobility is also very relevant at the destination (e.g., Prideaux, 2000), since roads and transport facilities determine the perceived image of the tourist destination and can influence repeated visits and loyalty (Beerli & Martin, 2004; Meleddu, Paci and Pulina, 2015). On islands, because tourists may be faced with the barrier of not being able to access with their own vehicles and sometimes rented cars are not a preferred alternative, the need for mobility options at the

destination is generally high. In order to visit attractions or enjoy their spare time, tourists have mobility needs that are often met by trains, buses, taxis and other transport means. Since the investment required for offering taxi services is not as high as other transport possibilities many entrepreneurs and small firms provide those services. At island destinations, taxis are generally a widespread transport form in the tourism industry. In some cases, taxis are in fact the only means of reaching an attraction.

The literature on taxi services from a tourism perspective is rather scarce. The role of transport in tourism destinations appears to have suffered from some degree of conceptual neglect in tourism development models and frameworks (Hall, 1999; Page, 2005; Prideaux, 2000). Most research on transport has been devoted to analysing the effects of the development of transport linking source markets and tourist destinations (Albalade & Bel, 2010). Thus, the specific role of taxis at tourism destinations has not been addressed except in some emerging research lines (e.g., Bae, Dong, Chick, &

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Kerstetter, 2014), despite the fact that they are an indispensable mode of transport in large cities (Qian & Ukkusuri, 2015) and at many other destinations.

Firm competitiveness is a relevant aspect associated with profitability and survival. Competitiveness is about producing more and better quality goods and services that are marketed successfully to consumers (Newall, 1992). As taxis can be an important element at island destinations, their competitiveness is of interest for firms and public administrations. Thus, with the emergence of new ways of ridesharing and carpooling the study of competitiveness is even more acute. Scholars who have modelled taxi systems have focused on the relationships between taxi supply, demand, pricing, and efficiency (Anderson, 2014) and some of those aspects deal with competitiveness in the taxi industry. Several variables could be used in this sector to evaluate performance and competitiveness, but for some studies the amount of tips given is the primary outcome of interest (e.g., Haggag & Paci, 2014). It can be linked to taxi competitiveness as a voluntary expense which customers give in order to evaluate and reward a positive experience.

Knowledge-based factors of the key agents in the industry (i.e., taxi drivers) are crucial in developing such competitiveness. Knowledge-based resources are emphasised in the development of competitive advantages for firms (e.g., Davenport & Prusak, 1998; Nonaka & Takeuchi, 1995). A low level of competitiveness can have very negative consequences not only for taxi drivers but for other agents at the destination as well since mobility needs affect many other subsectors and this can result in lower levels of tourist satisfaction and loyalty. The knowledge-based-view can contribute to understanding taxi competitiveness as factors relating to the taxi driver's knowledge may lead to a higher or lower amount of tips being offered, an indicator of competitiveness. The research question that this problem statement suggests is: What are the taxi drivers' knowledge-based aspects that increase tips and hence strengthen the competitiveness of the taxi industry at island destinations? There is a gap in academic literature on this topic since the number of scientific studies about the influence of knowledge-based factors on taxi competitiveness is very limited and their findings are fragmented. Due to the centrality of this problem, taxi drivers and taxi associations, policy makers at the destination level and academics and experts on transport systems at destinations could benefit from the results of this work.

This study analyses the influence of taxi drivers' knowledge-based factors on tips as a proxy for competitiveness. Specifically, six aspects directly related to the taxi driver's knowledge have been identified and their potential relationship with tipping is discussed with academic background leading to the presentation of six research hypotheses. With an empirical approach based on a survey to taxi drivers conducted at an island destination (Gran Canaria, Spain), these research hypotheses are tested.

2. Taxi competitiveness at tourism destinations

2.1. Taxis in the intra-destination mobility system

Transport supply comprises a broad range of modes and it is an essential utility for tourists as they move around a city, visiting urban attractions, returning to their accommodation, and so on (Albalade & Bel, 2010). Four general spatially expressed roles can be identified regarding the supply side of tourism transport: "(a) linking the source market with the host destination; (b) providing mobility and access within a destination area/region/country; (c) providing mobility and access within an actual tourism attraction; and (d) facilitating travel along a recreational route which is itself the tourism experience" (Hall, 1999:181). Many tourism trips involve a degree of transport inter-modality (Lumsdom & Page,

2011), since the combination of transport options is usually required to reach and leave the destination with a high degree of satisfaction, and it also eases the mobility within the destination. Private and public options can be used for such mobility services.

Transport infrastructure and services are key for a local economy. Residents have mobility needs and most businesses and public administrations also require transport services. Cross and Bolumole (2015) assert that regional economic growth and development depends on producer and customer market access, which is based on a solid transportation system infrastructure. Such local needs are fundamental in the design and consolidation of the transport system in a particular territory. But tourism activities and demands also impact on the configuration of the transport system of a destination. Since tourists feel obliged to visit primary attractions even if they are located in relatively out of the way places (Lew & McKercher, 2006), the intervention of transport authorities or the incentives for private providers tend to modify the transport system subject to the size of the demand. According to Tapachai and Waryszak (2000), economic and good local transport is a relevant aspect for potential tourists when choosing the destination to visit. In the context of urban destinations, Israeli and Mansfeld (2003) indicate that an area with high demand for tourism that suffers from acute transport problems is seen by the tourist as having a low service quality and being an undesirable residential area for the locals. The effectiveness and efficiency of the global transport system at the destination can be seen as paramount for its tourism outcomes and not only for the residents.

At the destination level, transport is a relevant element of the supply network for tourism (e.g., Lew & McKercher, 2006; Page, 1999). Intra-destination transport services are generally required to reach attractions, food and drink outlets and leisure activities from the accommodation place. The existence and characteristics of the mobility option at the destination significantly impact on the tourists' decisions to visit and enjoy those places and activities. Thus, transport becomes a complement for those tourism products that increases their value and impacts decisions concerning the extent of the area to visit (e.g., Masiero & Zoltan, 2013).

Lew and McKercher (2006) mention four basic transport modes that are available at local destinations: automobiles (either owned or rented), commercial company transportation (especially for organised tours), public means (buses, trams, trains, ferries, and taxis), and walking. Page (2009) extends the transport possibilities in his framework about transporting the tourist in the destination, where he distinguishes two broad categories: self-planned transport and organised transport. Self-planned transport encompasses public transport (bus, train, tram, rapid transit), taxi, car/motorbike hire, cycling and horse-riding/adventure tourism, whereas organised transport comprises mass-organised (coach/bus) and niche operators which include the options of walking tours, adventure activities, cruises, and small scale activities (Page, 2009). In selecting between these different transport modes, and the potential combination that inter-modality favours, travellers consider a number of criteria, such as cost, travel time, flexibility (ability to adapt to changes in schedule), convenience (such as the location of the pick-up and drop-off points, the ability to listen to music, or privacy), reliability, and perception of security (Furuhata et al., 2013). The different available transport options also outline the high degree of substitutability (Page, 2009) in the transport network at the destination.

Island destinations present several particularities. Due to distance, lack of infrastructure (e.g. bridges or tunnels), or restricted transport options (e.g. lack of ferry services), tourists often access an island destination without their own vehicle. Then, in order to move around a destination and visit its attractions, they either rent vehicles (Palmer-Tous, Riera-Font, & Rosello-Nadal, 2007) or rely on

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