

FEB 11, 2003

Tibs Taxis slashes booking fees

Tired of losing market share after it introduced differentiated rates, cab operator moves to match rivals' fares

By [Goh Chin Lian](#)

TIBS Taxis does not seem to be taking any chances. It is matching its competitors' fares and slashing booking fees as it tries to stay ahead of the game.

The new strategy is important as the nation's smallest taxi operator tries to remain relevant in the face of growing competition from Comfort and CityCab - whose parent companies are in the process of merging their operations.

When the new fares kick in next Tuesday, Tibs' flagdown rate will match the \$2.40 charged by Comfort and CityCab.

Previously, Tibs charged its customers three different rates - \$2.10 for normal hours, \$3.10 for peak hours and \$3.20 from midnight to 6 am. It introduced these fares in June 2000.

Booking fees will also be reduced by 40 cents to \$2.80 - the lowest in town.

The fare adjustments, explained Tibs managing director Tan Hup Foi yesterday, were necessary because many commuters were complaining that Tibs taxis were too expensive.

That perception, he said, was actually wrong since Tibs customers could end up paying up to \$1 less if they flagged a taxi in the Central Business District during peak hours.

But impressions count for a lot and since many commuters had the view that Tibs' meters jumped faster, the company had ended up losing market share.

As Tibs cabby Abdul Latiff, 46, a former part-time Comfort driver for eight years, puts it: 'Once or twice a day, someone hails my taxi, sees it's Tibs, says sorry and waits for another cab. It never happened when I drove a Comfort cab.'

With just 2,000 cabs plying the roads, [Tibs](#) is Singapore's smallest taxi company. Market leader Comfort has 10,000 taxis under its roof while CityCab has about 5,000.

With Comfort and CityCab planning to merge, Tibs' decision to realign its rates with the market leaders has dealt a blow to the spirit of competition, say market watchers who had been expecting some aggressive price competition.

Indeed, Mr Ong Kian Min, deputy chairman of the Government Parliamentary Committee for transport, said as much. Responding to queries from The Straits Times, he said: 'Comfort, being the largest operator, is the trendsetter here. This may not be good for competition as the others would toe the line and follow its lead.'

So what are the market leaders doing about the latest salvo from Tibs? They are adopting a wait-and-see attitude.

Said CityCab's spokesman: 'Tibs' booking fee is cheaper, but it's important too whether taxis are available.'

Commuters interviewed said they would be more willing to take a Tibs cab now.

Said project engineer Matthew Leong, 27: 'If you're in a hurry, you wouldn't care which taxi you take. But I'll be calling Tibs first instead of Comfort because a saving of 40 cents makes a difference.'