

## **Taxi and Limousine Services in Canada Industry Market Research Report from IBISWorld has been Updated**

*The industry's structure is not expected to fundamentally change; however, technological innovations will facilitate connectivity between drivers and customers, potentially helping profit margins. For these reasons, industry research firm IBISWorld has updated a report on the Taxi and Limousine Services industry in its growing industry report collection.*

New York, NY ([PRWEB](#)) October 24, 2014 -- Increased consumer spending and impressive growth in corporate profit over the past five years have helped the Taxi and Limousine Services industry out of a rough patch. The industry is highly reliant on discretionary spending, and when the economy faltered during the recession, demand for nonessential segments of the industry, such as luxury limousine and town car services fell heavily, as many consumers traded down to relatively less-expensive taxi services. Spending by consumers and the corporate sector have been responsible for the industry's rebound since the recession and revenue is expected to somewhat expand over the five years to 2014. The industry is expected to continue to grow, boosted by the rising prominence of transport network companies such as Uber that are taking advantage of omnipresent smartphone use, with revenue marginally increasing in 2014.

The industry is mature and has become saturated in some markets. According to IBISWorld Industry Analyst Andy Brennan, "There is market acceptance of taxi and limousine usage in major metropolitan areas, however limited economies of scale mean the industry will never grow in outlying regions with low population densities." Strict regulation has also limited the industry's growth, as the number of taxis in major metropolitan areas is essentially fixed. However, the industry has been helped recently by technology innovations as transport network companies that connect customers with drivers has led to an influx of new owner-operators that are not affiliated with a broader limousine or town car company. This new technology makes it easier for customers to order and pay for town car services and, hence, has expanded the pool of customers.

The [Taxi and Limousine Services industry](#) is highly fragmented, owing to the large number of small-to-medium sized businesses in operation. The industry is further fragmented due to the large number of self-employed drivers and independent contractors, which account for over half of the primary revenue earned in the industry (the remainder of revenue is earned directly by companies that own fleets). The four largest companies are estimated to account for a relatively small percent of total industry revenue, providing the industry with a low level of market share concentration.

"Due to the regional nature of the industry it is difficult for any one operator to command a significant percentage of market share," says Brennan. Some taxi operators are dominant in certain cities and effectively hold a monopoly on passenger transportation in their area, however, this rarely extends beyond a certain geographic locale. The industry is expected to retain its low level of concentration for at least the next five years.

The Canadian economy is expected to enjoy a period of relative stability over the next five years, as consumers and businesses continue to regain confidence and ramp-up spending. The industry's structure is not expected to fundamentally change, however, technological innovations will facilitate connectivity between drivers and customers, potentially helping profit margins. Transport network companies like Uber, TAG and Hailo have already made an impact in Toronto and Montreal, and operators will continue seeking competitive advantages to help them stand apart from the crowd. Industry revenue is expected to grow moderately, partially restricted

by regulatory barriers.

For more information, visit IBISWorld's Taxi and Limousine Services in Canada industry report page.

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### IBISWorld industry Report Key Topics

This industry provides passenger transportation by taxi and limousine. Taxi services are not operated on regular schedules or routes and limousine services are rented or hired with a driver. This does not include transporting passengers to or from hotels and airports using buses or vans.

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