

UpGrad Product Management Competitor Analysis

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Your Submission

Direct Competitors	1. Ola 2. Uber 3. Mega Cabs
Indirect Competitors	1. Zoomcar 2. ZipGo 3. Justride

In further slides the competitive analysis of the direct competitor **OLA** with **Meru** is done under following headings:

1. Background Analysis
2. Business Model Analysis
3. Strength, Weakness and Pain Points Analysis
4. Product Benchmarking
5. Future Initiatives Analysis

Background Analysis

	OLA	Meru
Mission	To ensure convenient, transparent and quick service fulfilment using technology to make transportation hassle free for everyone. To empower hundreds of thousands of driver-partners as entrepreneurs, by building an ecosystem encompassing financing institutions, car manufacturers, service providers etc. for drivers to grow professionally and personally as well as a consistent earning opportunity for them on the Ola platform.	The Hindu and Jain mythology refer to Mount Meru as the centre of the universe, the abode of Lord Brahma and a pantheon of gods and goddesses. Meru, the brand wants to synonymise itself to commitment to unshakeable reliability- the heart of our promise to our customers.
Goals	To expand in the Indian market, with highly local product.	To become a radio taxi de facto standard for Indian market
Strategies	- Expanding operations and gaining customer base in as much Indian cities as possible to become largest market share holder. - Not looking to be profitable in short term but looking to be a household name. To bring people onto its platform Ola is ready to bear losses and give high discounts and achieve economies of scale. - Provide as many transport options as possible, to the people onto its app such including cabs, auto, shuttle etc., to make it a habit for customers	- Meru is looking into making every city profitable - Meru has fleet of about 20,000+ cars, of which about 6,000 are owned by Meru, with the rest on an aggregator business model - Meru is looking into increasing its revenue by adding more tier-II cities in its list, without compromising a lot on the profit.
Number of employees	6000+	4000+

Background Analysis....(continued)

	OLA	Meru
Funding	US\$1.75 Billion in 12 Rounds from 24 Investors including soft bank firms, Sequoia Capital, Tiger Global Management, Taken Capital, Vanguard, Falcon Capital, GST Global, ABG Capital, Accel Partners etc. .	US\$75 Million in 2 Rounds from 2 Investors viz. Brand Capital and True North.
Revenue details	Revenue of Rs 758 crore, and losses of Rs 758 crore in 2015–2016	Revenue of Rs600 crore in 2015-2016 - in profit
Acquisitions	Three – Qarth, Geotagg and Taxiforsure.com	None
Number of Cabs	600,000	20,000+ (6,000 company owned)
Number of Cities served	110	24
Founders’ and Present CEO profiles	1. Bhavish Aggarwal Co-Founder and CEO an alumnus of IIT - Bombay and worked with Microsoft Research for two years, where he filed 2 patents and published 3 papers in international journals. He started Ola (formerly Olacabs) in December 2010, along with Ankit Bhati, a fellow IIT Bombay alumnus, with a mission to build mobility for a billion Indians. 2. Ankit Bhati Co-Founder and CTO An alumnus of IIT – Bombay, Ankit founded Ola in December 2010, along with Bhavish Aggarwal, a fellow batch mate with a mission to build mobility for a billion Indians. At Ola, Ankit leads product, engineering, and data sciences, ensuring a strong back-end system that powers the experience of riders and driver partners alike.	1. Mr. Neeraj Gupta Managing Director and Founder teamed up with India Value Fund to create the finest radio taxi service in India under the Meru brand name. Under his guidance, now, Meru has become a synonym to radio taxi. 2. Mr. Nilesh Sangoi Chief Executive Officer Nilesh is responsible for spearheading the growth of the company towards digital transformation in a dynamic radio taxi industry. He brings with him over two decades of experience in product design, innovation and in developing mobile enabled software platforms with robust back end processes that ensure quality and seamless services to customers.

Business Model Analysis

	OLA	Meru
Cities of Operation	- OLA operates in 110 cities which includes all the tier-I cities such as Mumbai, Delhi-NCR, Bangalore, Chennai, Hyderabad and Kolkata etc. It covers most of the tier-II cities along with few even lower tier towns. - Ola share is offered in 26+ cities - Ola Outstation is offered in 63+ cities	- Meru operates in 25+ cities. It covers all the tier-I cities such as Mumbai, Delhi-NCR, Bangalore, Chennai, Hyderabad and Kolkata etc as well as few of the tier-II cities such as Pune, Lucknow and Jaipur etc. - Ola share is available only in Delhi-NCR - Provides intercity cab options amongst major cities
Target market of operation	With its offering such as city taxi, outstation, auto, shuttle Ola is targeting at a wide spectrum of markets including - Daily office going and normal In-city commuters of both high (through Mini and Prime) and low income (Shuttle, share, micro) groups. - Very short distance commuters with Ola auto - People commuting outside the city with Ola outstation	With its offering such as Hatchbacks, Sedans, SUVs and Radio Taxis Meru is targeting - Middle class and upper middle class customers coming from middle to high income groups - Only in Delhi-NCR, ride sharing available to attract cost sensitive customers - Meru intercity cabs target people moving outside the city
The revenue model	Ola has several revenue schemes such as: - Commission from trips – percentage commission depends on car and the city - Vehicle leasing to drivers with fixed fee instalments - In-Cab Advertisements - Ola Money – digital wallet revenue model - Corporate Tie-ups	Meru has following revenue schemes: - Commission from Trips - percentage commission depends on car and the city - Vehicle leasing to drivers with fixed fee instalments - In-cab Advertisements

Business Model Analysis....(continued)

	OLA	Meru
The shifts in the business model	• When Ola started it used to be a taxi rental fleet business, in which it owned the cars but later it became app based aggregator. • Ola wanted to shift their business model adding new revenue schemes such as Ola café (food delivery) and Ola Store (grocery delivery), which didn't workout for them and finally got shut down. • Around 2015, Ola again started buying cabs and lending them to drivers	• Initially, all cars belonged to Meru, however, from 2011-12, they started a scheme "Chaalak se Maalak", under which drivers could own the car. Now only about 6000 cars are owned by the company out of 20,000+ cars working with Meru. • In 2012, after the entry of Ola and Uber Meru started its mobile app, until then they had a website and a call center. • Meru launched Genie a low cost taxi service in 2014.

Strength, Weakness and Pain Points Analysis

	OLA	Meru
Strength	1. Highly funded and backed by the best investment agencies including Tiger Global, Softbank etc. (Total 24 investors) 2. A very rich fleet of vehicles with all the options available for the customer from all segments of the market 3. Technologically Adept	1. Meru has been able to follow all most regulatory norms and hence has been able to avoid legal problems 2. Drivers in Meru are very well trained and It has a very efficient system to train them 3. Meru has a very efficient system to monitor and repair the cars in their fleet
Weakness	1. Ola has been facing legal problems due to license issues related various state transport departments 2. It has been a little challenging for Ola to vet their drivers properly. 3. Cars in Ola's fleet are not as good condition as expected	1. Hasn't been able to attract more investors (Backed only by Brand Capital and True North.) 2. Not a very rich list of vehicle options available. Number of vehicles, is also substantially less. 3. Meru hasn't been able to refine its front end technology, its app is not as good as it needs to be.
Pain points Analysis	1. Server drivers have been reported misbehaving (source: link1, link2, link3) 2. One user, on 11th Aug. 2017, has reported on google play about the inefficiencies of the Ola Share and hence the problem faced by the user. 3. Ride cancellation by the driver without any reason has also been reported as major problem on google play 4. Users being blocked without being told the exact policy violation that they did. This has been shared by few of my colleagues and friends.	1. There are complaint on complaintborad.in, about not receiving the bill via e-mail. 2. People have reported problems with exactometer on google play. 3. The cabs are frequently not available while booking via app has been reported by my friends using this app.

Product Benchmarking

Product Details and Functionalities	OLA	Meru
Sine Up	Quick and Smooth	Quick and Smooth
App Rating	Google Play - 4.1, from 761,215 reviews	Google Play - 3.8 from 53,013 reviews
App downloads	Google Play- 10 million	Google Play- 1 million
Cab Tracking	Available	Available
Payment Option	Cash or Ola money	Cash or in-app wallets (Paytm/ Mobikwik/ FreeCharge/ Citrus/ JioMoney)
Advance Booking	Available	Available
Taxi Options	Micro, Mini- hatchback, Sedan, Prime-Free Wi-Fi	Hatchbacks, Sedans, SUVs and Radio Taxis
Ride cost estimated	Available	Available
Surge Pricing	Involved	Fixed Fares
Outstation	Available in 63+ cities	Available in few Major cities
Ride Share	Available in 26 cities including (Delhi, Bengaluru, Mumbai, Hyderabad and Kolkata are top 5 cities for Ola Share)	Available only in Delhi-NCR
Partnership with local players	1. Kaali Peeli in Mumbai 2. Yellow Cab in Kolkata	None
Auto on the app	Available	Not- Available
Invoice	Email	Email
Corporate Option for B2B	Available	Not- Available
Service for specially-abled	None	Meru Enable in Mumbai
Messenger Bot	Ola-money bot	Meru messenger bot

Product Benchmarking....(continued)

	OLA	Meru
User Experience	Ola app is a delight to use. It has a very good user interface design. It is great to look at and intuitive to navigate in.	Meru Cab needs some work to be done on its app. User interface requires a little improvement. The look of the app needs revamping.

Future Initiatives Analysis

Ola is good with technology and backed by deep pocketed investors. It has its own payment wallet. All these things indicate that Ola is ready to expand itself in as many verticals as possible.

Ola has already tried adding new business models in the past such as Ola café and Ola store, it means it is not afraid to reinvent itself if the need be.

According to me Ola might do following in future:

1. It may allow people to lend their cars to it.
2. It may start providing cars for people who want to drive themselves, and come in direct competition to its indirect competitors such as Zoomcar, Justride etc.
3. It may try again to enter into logistics business.
4. It may partner with video-streaming services (Netflix, amazon-prime etc) and provide these in its luxury car segment or in luxury outstation long-haul taxis
5. It may partner with online hotel booking services and in its outstation option it may provide hotel booking as well.