



**OLA's
Bumpy ride**

Business Case Study of OLA FAILING in INDIA?

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Source: Think School

OLA is in Trouble

- At least 16 top executives have left OLA in last 2 years.
- OLA losses accumulate to Rs 17453 crores as revenue shrinks 63% in FY21.

Four Phase Framework

- Cash Drain
- Trust Building
- Dependency
- Control

Cash Drain

- Insane discounts and ultra cheap rights to tempt to download the app.
- Drivers were giving very very lucrative incentives because of which both customers and drivers were super happy.

Trust Building

- People in the lower economic status started leaving their job.
- Applied for loans.
- Wanted to become OLA drivers.

Dependency

- People's dependence and trust on OLA.



Control

- After getting the powerful and irreversible ecosystem, OLA started to decrease the driver salary.
- Imposed surcharge fee on customers.

After Effects

- With increase in income, drivers were having better lifestyles.
- Drivers started to get lesser salaries.
- Fuel cost rises.
- Due to increase of cars, drivers income reduced.

OLA Business Model



Pandemic Effects

- Many drivers lost their savings, went to villages to find work, thousands of cars started to getting seized by the bank due to default in payments.
- Drivers went to car lenders. Profit split: 60% (driver), 40% (owner).
- The numbers of OLA drivers joining in got affected, no more interested to join OLA.

More Troubles for OLA

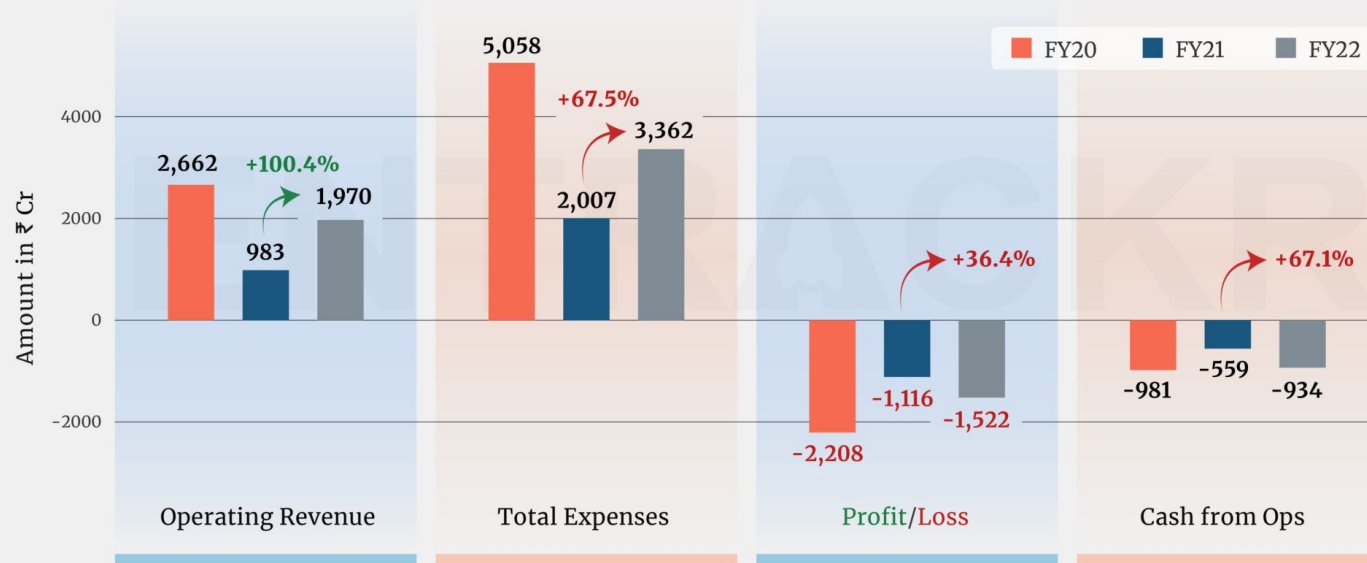
- Drivers of OLA become very very choosy, premium customers took private drivers and self owned cars become popular.
- Surprising of OLA don't benefit the most idea regular customer.
- Owning a car is more economical than taking an OLA cab.
- OLA fires 1400 drivers, says revenue plunge 95% in two months.

More Troubles for OLA

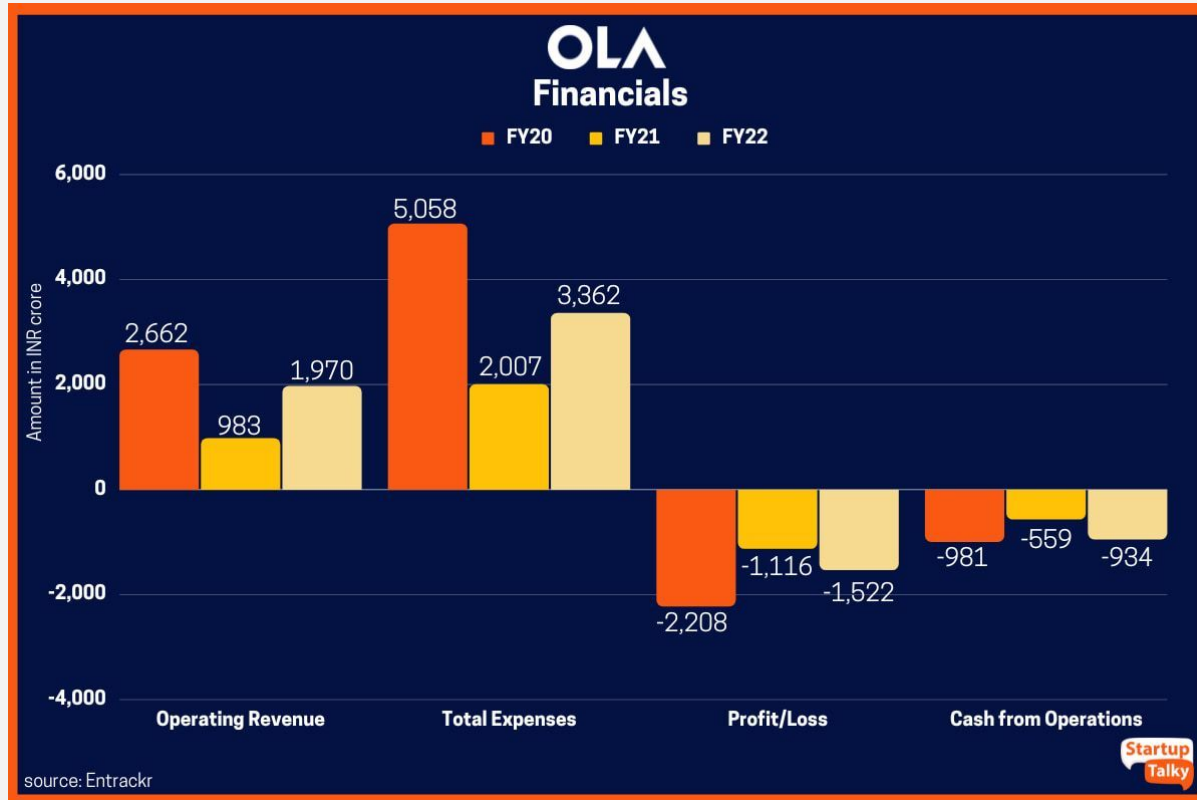
- Drivers don't make enough money in spite of working for long hours.
- Drivers are leaving for better job opportunities.
- Cost of owning a car cheaper than taking OLA cabs.
- Charging customers so much.
- Paying drivers so less, yet the company is in loss.

OLA Financial Crisis

OLA Financials FY22



OLA Financial Crisis



OLA SWOT Analysis

SWOT ANALYSIS OF OLA



Challenges of OLA

- The number one competition for OLA is not Uber. It's private service companies that are offering stable jobs to drivers and convenience for customers.
- Irregular low ticket customers are way more in number and way more in terms of value of transaction than the regular office going premium customers.
- These customers will go where discounts take them and won't have the highest purchase power.

Challenges of OLA

- Cost benefit ratio for the most regular customer is one of the most important aspects they have to consider.