

# Ola Cabs

Team: AlphaX

Sourabh Kumawat sourabhk2023@email.iimcal.ac.in

#### **Situation**

Increasing trend of undercover rides

Increase in ride cancellation

Drop in ride commission revenue

#### Goal



We, as a product manager of Ola, need to come up with a solution (or set of solutions) to reduce the total number of undercover rides while retaining the total number of driver

Retain the driver base

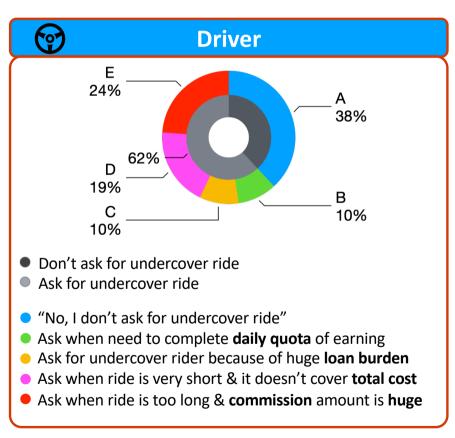
Decrease the undercover rides

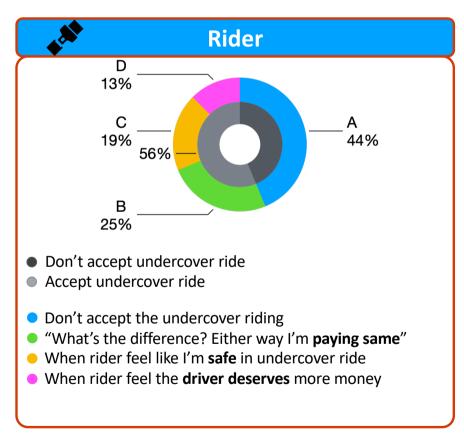
#### **Approach**

Undercover ride happens when driver asks for it and the rider accepts their proposal We would be building strategies and features that by keeping both the parties in mind so that we could influence their decision of undercover riding.

## User Persona 💒

Following personas are given based on consumer research done on **150+ riders** and **20+ riders**. The insights from market research are given below:





## Selecting user persona 🤐

Individual persona refers to a use case. We prioritized these use cases in such a way that we can address major % of the drivers and riders to decrease the number of undercover riding

Use cases		Description	Priority	Reason	
	<b>B:</b> To meet daily earning quota	Driver has a pre-determined quota of earning given by boss and they lag behind to meet it.	Low	<ul> <li>Low % of driver from total driver pool</li> <li>Behavior will not change even after addressing their need as they are looking forward to earn more</li> </ul>	
<b>Oriver</b>	<b>C:</b> Huge loan burden	Drivers tend to behave unethically and ask for undercover when they have huge loan to pay	Low		
	<b>D:</b> Ride is too short	Need more money to compensate high cost of reaching to pickup	Low	- Total revenue would not improve significantly as	
	E: Ride is too long	Do not want to pay too much commission fee They feel like it's unfair	High (	- Commission revenue will increase significant - High % of driver from total driver pool	
Rider	<b>B:</b> Indifferent of undercover ride	Don't want to get bothered much and want to reach the destination on-time	High (	<ul><li>Efforts in addressing them will be low</li><li>High % of rider from total rider pool</li></ul>	
	C: Accept if they feel safe	If they feel safe and secure about the ride (i.e. day-time, safe route) and want to reach the destination on-time	Mid <b>(</b>	<ul><li>Efforts in addressing them will be low</li><li>High % of rider from total rider pool</li></ul>	
	<b>D:</b> Want to help driver	When rider feels that driver deserve more money or deserves to keep whole ride fare	Low	<ul><li>Low % of rider from the total rider pool</li><li>Might affect riders' experience with service</li></ul>	

# Feature/ Strategy

#### If we

- 1. build features which leads to increase perceived benefit of not asking/accepting undercover ride
- 2. address the needs of drivers and riders in such a way that they incline towards the proper ride booking without any undercover riding

Then we would be able to cope-up with the current situation.

Use case		Proposed Feature/ Strategy	Feature description	
<b>Oriver</b>	E: Undercover riding because ride is too long and commission is huge	Give extra benefits	Give extra benefits (Discount on next ride, cashback points, etc.) when commission amount cross a certain threshold.	
		Educate & Penalize	Run <b>analytics</b> based on pick up & cancellation location, drop & coming back online location, estimated ride time & time duration of offline to online. Based on these data point <b>penalize</b> & <b>educate</b> driver and educate rider.	
Rider	B: Indifferent of undercover ride	Increase cancellation price	Increase cancellation price so that the total cost to rider increases. As there is a loss, rider will not cancel the ride.	
		Pop-up (during cancellation) to show extra benefits of booking	Ola have benefits (Insurance, safety, share details with family, live tracking, emergency, etc.) in place. It just need to show these <b>perceived benefits</b> to the riders when ride gets cancelled for undercover ride	
	C: Accept if they feel safe	Pop-up (during cancellation) to show extra benefits of booking	Ola have benefits (Insurance, safety, share details with family, live tracking, emergency, etc.) in place. It just need to show these <b>perceived benefits</b> to the riders when ride gets cancelled for undercover ride	

## Solution and Tradeoff

Proposed Feature/ Strategy		Reach(+)	Impact(+)	Confidence(+)	Efforts(-)	Total score
Driver	Give extra benefits	60	<b>00000</b> 2	50%	3	40
	Educate & Penalize	70	3	<b>7</b> 0%	<b>•••••</b> 3	114
Rider	Increase cancellation price	70	<b>00000</b> 2	0 60%	2	105
	Pop-up to show benefits during cancellation	80	<b></b> 4	80%	<b>••••</b> 3	150

## Estimates +-

Fact:

weekly bookings = 14 lacs Avg ride charge = ₹300

Avg commission to Ola = 30%

Calculation

Average ride per day = 14/7 = 2 lacs

Total ride charge = 300\*2 lacs = 6 Cr

Revenue to Ola = 30%\* 6 Cr = **1.8 Cr/Day** 

Undercover riding % = 2 lacs \* 62% /2 \* 56 /2%

= 8.65%

Loss due to undercover ride = 300\* 2 lacs \* 8.65%

= **51.9** lacs

Estimated decrease in undercover ride = 8.65%\* 2 lacs \*19%

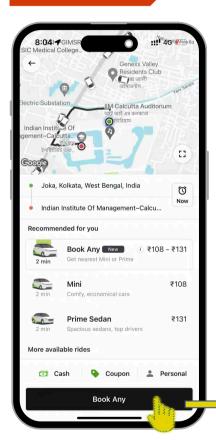
= 3287

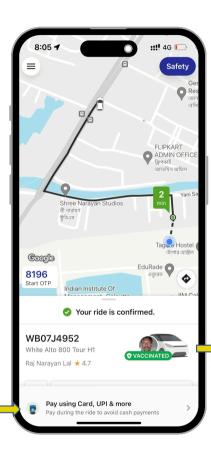
Estimated revenue increase = 300\*3287\*30%

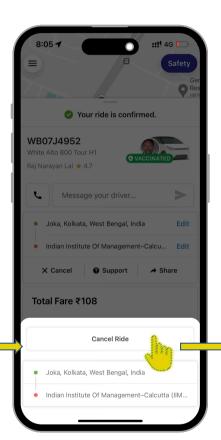
= 2.96 lacs/day

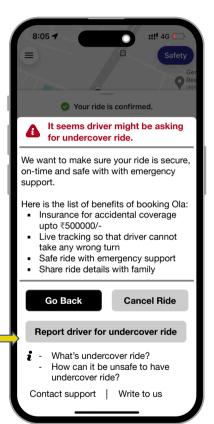
Estimated yearly revenue increase = 10.8 Cr

### Wireframe









# Product Roadmap

Research & insights

Deciding of the feature

Creating Wireframe of the features

POC, Initial Development IT & UAT

A/B Testing, Feedback & update

### **Performance Metrics**



Analysis of following metrics would indicate the performance of the proposed strategies/ features:

**North Star Metric** 

% Decline in Undercover Rides

**Other Metrics** 

Monthly Revenue Growth

Change in total cab booking

No of rides being not cancelled after pop-up shown

Monthly costs for providing rewards and coupons

**Negative Metrics** 

Rider Churn Rate

Poor rating and reviews

Continuous increase in no of penalties

#### Reference:

https://entrackr.com/2020/02/uber-ola-market-share-rivalry-in-india/

https://www.vumonic.com/blog/ola-uber-marketshare-state-by-state

https://www.livemint.com/companies/news/ola-market-share-no-1-ceo-bhavish-aggarwal-on-market-

<u>leadership-in-electric-2-wheeler-brand-11651551384413.html</u>

## **Thank You**