

# OLA

## Report 2023



**Project**

**Hambrik and Fredrickson Strategy Model case study of Ola Cabs**

In the dynamic landscape of urban transportations, Ola has emerged as a trailblazer, redefining ways people move within cities. Founded on the principles of innovation, accessibility, and efficiency, Ola has become synonymous with convenient and reliable rides across various corners of the globe.

Established with a vision to revolutionize the traditional taxi-hailing model, Ola has grown into a comprehensive mobility solution provider. The company's commitment to technological advancement and customer-centric services has propelled it to the forefront of the ride-sharing industry.

This introduction delves into the key facets of Ola's journey, exploring its inception, evolution, and the transformative impact it has had on urban mobility. From its humble beginnings to its current status as a global player, Ola's story encapsulates the spirit of adaptability and foresight in the ever-evolving realm of transportation services. Join us as we navigate through the remarkable narrative of Ola, a company that continues to reshape the way we navigate our cities.

Ola, beyond being a mere transportation service, has successfully transformed itself into a comprehensive lifestyle brand that goes beyond the traditional boundaries of ride-hailing. The company's offerings, ranging from cabs to rentals, fleet services, and strategic acquisitions, collectively contribute to a lifestyle ecosystem that resonates with modern urban living.

In the annals of contemporary business strategy, Ola, the pioneering ride-sharing and transportation juggernaut, stands as a captivating subject for analysis through the prism of Hambrick and Fredrickson's Strategy Diamond. This case study embarks on a journey to dissect Ola's strategic landscape, meticulously examining how the company's success is intricately woven into the five facets of the Strategy Diamond - Arenas, Vehicles, Differentiators, Staging, and Economic Logic.

Ola's strategic narrative unfolds as a compelling exploration into the choices made at each strategic vertex. From defining the arenas where it competes to selecting the vehicles that propel its success, establishing unique differentiators in a crowded market, strategically staging its forays, and anchoring its operations in a robust economic logic, Ola's trajectory mirrors a conscious orchestration of competitive moves.

# Hambrik and Fredrickson Strategy Model

## ARENAS

Urban Transportation (Ola Cabs)  
Electric Mobility (Ola Electric)  
Short-Term Vehicle Rentals (Ola Rentals)  
International Expansion (India, UK, New Zealand, Australia)

## VEHICLES

Phased Market Entry  
Service Diversification (Cabs, Auto, Bikes)  
Technology Integration  
International Expansion  
Electric Mobility Emphasis

## ECONOMIC LOGIC

Commission-Based Revenue Model  
Dynamic Pricing (Surge Pricing)  
Ola Money and Digital Payments  
Subscription Services (Ola Select)  
Partnerships and Advertising  
Expansion into Adjacent Markets (Ola Electric)  
Ongoing Innovation and Cost Optimization

## STAGING

Market Entry and Ride-Hailing Focus (Arenas and Vehicles)  
Phased Expansion in India  
Service Diversification (Vehicles)  
Technology Integration (Differentiators)  
International Expansion (Arenas and Staging)  
Strategic Acquisitions (Differentiators and Staging)  
Focus on Electric Mobility  
Ongoing Innovation and Adaptation (Differentiators and Staging)

## DIFFERENTIATORS

Service Variety (Vehicles Component)  
Ola Money (Economic Logic Component)  
Ola Play (Differentiators Component)  
Ola Select (Differentiators Component)  
Technology Integration (Differentiators Component)  
Strategic Acquisitions (Differentiators Component)

## ARENAS

1. **Urban Mobility Services (Ride-Hailing):** Ola competes in the arena of urban mobility services, providing ride-hailing solutions for customers within cities. This includes various vehicle options such as Micro, Mini, Prime, Lux, Auto-rickshaws, and Bikes, catering to diverse transportation needs.
2. **Short-Term Vehicle Rentals (Ola Rentals):** Ola has expanded its services into the arena of short-term vehicle rentals through Ola Rentals. This allows users to rent vehicles for specific durations, providing a flexible and convenient transportation option beyond traditional point-to-point rides.
3. **Electric Mobility (Ola Electric):** Ola has entered the arena of electric mobility through its subsidiary, Ola Electric. This move involves the development and promotion of electric vehicles (EVs), aligning with the growing global focus on sustainable and environmentally friendly transportation solutions.
4. **Delivery Services (Ola Dash):** Ola Dash, Ola's quick delivery service, represents the company's presence in the arena of logistics and delivery. Leveraging its extensive network, Ola Dash offers quick and efficient delivery services for a variety of items.
5. **Financial Services (Ola Money):** Ola has entered the financial services arena with Ola Money, its digital wallet. Ola Money provides users with a convenient and secure way to make cashless transactions not only for ride payments but also for various services within the Ola ecosystem.
6. **Bicycle Rentals (Ola Pedal - Limited Presence):** While not as prominent, Ola has experimented with bicycle rentals in some markets, entering the arena of micromobility. Ola Pedal allows users to rent bicycles for short trips, contributing to a more diverse range of mobility solutions.
7. **Public Transportation Integration (Ridlr - Limited Presence):** Through the acquisition of Ridlr, Ola has extended its presence into the arena of public transportation integration. Ridlr provides real-time information about buses and trains, enhancing Ola's offerings as a comprehensive urban mobility platform.
8. **International Expansion:** Ola expanded its operations beyond India, entering markets such as Australia, New Zealand, and the United Kingdom. In each new market, Ola adapted its services to meet local regulations and cater to the unique preferences and demands of the local population.

## VEHICLES

1. **Phased Market Entry:** Ola adopted a phased approach to entering markets. The company initially focused on establishing a strong presence in the Indian market before expanding internationally. This approach allowed Ola to refine its business model and adapt to diverse market conditions.
2. **Service Diversification:** Ola has strategically diversified its services over time. The initial focus on ride-hailing expanded to include services such as Ola Rentals (short-term vehicle rentals), Ola Auto (auto-rickshaws), Ola Bike (two-wheelers), and Ola Electric (electric vehicles). This phased introduction of services reflects a strategic sequencing in response to evolving customer needs.
3. **Technology Integration:** Ola has continually integrated technological advancements into its services. The introduction of features like Ola Money (digital wallet), Ola Play (in-car entertainment), and Ola Select (loyalty program) represents a staged implementation of technology to enhance the overall customer experience.
4. **Expansion Plans:** Ola strategically expanded beyond its home market in India to international markets like Australia, New Zealand, and the United Kingdom. The decision to enter these markets was likely influenced by careful consideration of market conditions, regulatory environments, and potential for growth.
5. **Electric Mobility Emphasis:** Ola's foray into electric mobility with Ola Electric represents a strategic move aligned with evolving market trends and environmental considerations. The phased introduction of electric vehicles reflects a deliberate strategy to promote sustainable transportation solutions.
6. **Strategic partnerships:** Ola has engaged in several strategic partnerships to enhance its services, expand its offerings, and strengthen its market position.
7. **Sustainability Initiatives:** If applicable, analyze any sustainability initiatives undertaken by Ola, especially in the context of electric mobility (Ola Electric). Understand how these initiatives align with broader environmental and social goals.
8. **Acquisitions and Partnerships:** Consider Ola's strategic acquisitions and partnerships. Assess how these moves contribute to Ola's overall strategy, whether it's acquiring companies for technological capabilities, entering new service segments, or building strategic alliances.

### Strategic Partnership

- **Uber (2018):** Ola entered into a strategic partnership with Uber in India.
- **Microsoft (2019):** Ola partnered with Microsoft to build a new connected vehicle platform.
- **State Bank of India (SBI):** Ola collaborated with the State Bank of India (SBI) to offer a range of digital financial services to its customers.
- **Hyundai and Kia Motors (2019):** Ola Electric, collaborated with Hyundai and Kia Motors to develop electric vehicles and charging infrastructure.

- **Indian Oil (2018):** Ola partnered with Indian Oil to set up a network of charging stations for electric vehicles.
- **Fleet operators:** You can become an Ola Fleet Operator by attaching multiple cars owned by you or your company.

#### Acquisitions

- **Ridlr (2018):** Acquired to integrate real-time information about public transportation, including buses and trains, into the Ola app.
- **Pikup.ai (2019):** An artificial intelligence startup acquired to strengthen Ola's capabilities in developing advanced technology solutions.
- **Etergo (2020):** The Dutch electric scooter company was acquired to contribute to Ola's plans for entering the electric mobility space.
- **GCabs(2017):** Ola bought Delhi-based radio taxi service provider GCabs, owned by Apra Cabs India Pvt. Ltd. Which it renamed to Ola Fleet Technologies, two years ago.
- **Zipcash (2015):** OlaMoney is your gateway to a cashless world. OlaMoney powered by Zipcash is a pre-paid instrument issued by Zipcash in co-branding with Ola, as per RBI guidelines.
- **Foodpanda (2017):** Acquisition Foodpanda to mark Ola's entry into the food delivery segment.
- **TaxiForSure (2015):** Acquisition aimed at strengthening Ola's position in the competitive ride-hailing market in India.
- **Avail Finance (2017):** Acquisition aimed at strengthen and integrate it with OLA Money

## DIFFERENTIATORS

1. **Service Variety (Vehicles Component):** Ola offers a diverse range of vehicle options, including Micro, Mini, Prime, Lux, Auto-rickshaws, Bikes (Ola Bike), and Electric Vehicles (Ola Electric). This extensive range allows Ola to cater to different customer preferences and needs, providing a variety of transportation options.
2. **Ola Money (Economic Logic Component):** Ola's digital wallet, Ola Money, serves as a differentiator in the economic logic component. It enables cashless transactions and provides users with a seamless and convenient payment experience. Ola Money extends beyond ride payments to facilitate transactions for various services, enhancing the overall user experience.
3. **Ola Play (Differentiators Component):** Ola Play, an in-car entertainment system, serves as a unique differentiator. It provides passengers with access to music, videos, and other entertainment options during their rides, creating a differentiated and enjoyable experience compared to traditional taxi services.
4. **Ola Select (Differentiators Component):** Ola Select is a loyalty program that offers premium benefits to frequent users. This includes benefits like priority booking, free in-cab Wi-Fi, and exclusive discounts. Ola Select enhances customer loyalty and provides an additional layer of differentiation.
5. **Strategic Acquisitions (Differentiators Component):** Ola's strategic acquisitions, such as Ridlr for public transportation integration and Etergo for electric scooters, contribute to differentiation by expanding the range of services and addressing emerging trends in the mobility sector.
6. **Ola's ecosystem:** which may include features like Ola Play (in-car entertainment), Ola Money (digital wallet), and loyalty programs, can be considered as differentiators. These elements enhance the overall customer experience and set Ola apart from competitors.
7. **Technology Integration:** Technological features within the Ola ecosystem, such as the Ola app and Ola Play, can be considered as differentiators. Ola integrates technology into its services, allowing users to book rides through a mobile app, track the location of their ride in real-time, and make cashless payments. They enhance the customer experience and contribute to Ola's competitive advantage.

## STAGING

1. **Market Entry and Ride-Hailing Focus (Arenas and Vehicles):** Ola started its journey by entering the ride-hailing market in India, focusing on densely populated urban areas where there was high demand for convenient transportation.
2. **Phased Expansion in India (Staging):** Ola initially concentrated on establishing a strong presence in its home market, India. The phased expansion involved entering new cities and refining its business model based on local market dynamics.
3. **Service Diversification (Vehicles):** Ola diversified its services by introducing various vehicle options, including Micro, Mini, Prime, Lux, Auto-rickshaws, Bikes (Ola Bike), and Electric Vehicles (Ola Electric). This expansion broadened Ola's offerings to cater to diverse customer preferences.
4. **Technology Integration (Differentiators):** Ola integrated technology into its services, allowing users to book rides through a mobile app, track their rides in real-time, and make cashless payments. Technological features like Ola Play (in-car entertainment) and Ola Money (digital wallet) were introduced to enhance the overall customer experience.
5. **Strategic Acquisitions (Differentiators and Staging):** Ola strategically acquired companies like Ridlr for public transportation integration and Etergo for electric scooters. These acquisitions were staged moves to enhance technological capabilities and expand the range of services.
6. **International Expansion (Arenas and Staging):** Ola expanded its operations beyond India, entering international markets such as Australia, New Zealand, and the United Kingdom. The international expansion was likely a strategic move to diversify Ola's geographic footprint.
7. **Focus on Electric Mobility (Arenas, Vehicles, and Staging):** Ola emphasized electric mobility with the acquisition of Etergo and the introduction of Ola Electric. This move reflects a staged approach to addressing environmental concerns and adopting sustainable transportation solutions.
8. **Introduction of Ola Rentals and Ola Auto (Vehicles and Staging):** Ola introduced services like Ola Rentals (short-term vehicle rentals) and Ola Auto (auto-rickshaws), providing users with more diverse transportation options. These introductions represent staged moves to meet evolving customer needs.
9. **Ongoing Innovation and Adaptation (Differentiators and Staging):** Ola continues to innovate and adapt its services to changing market dynamics. This ongoing process involves the staged introduction of new features, partnerships, and technological advancements.



## ECONOMIC LOGIC

1. **Commission-Based Revenue Model:** Ola primarily operates on a commission-based revenue model. Drivers who use the Ola platform pay a percentage of their earnings as a commission to Ola. This model aligns with the overall economics of the ride-hailing industry.
2. **Dynamic Pricing (Surge Pricing):** Ola incorporates dynamic pricing, also known as surge pricing, during peak demand periods. This economic strategy allows Ola to adjust prices based on demand and supply, optimizing revenue during high-demand periods.
3. **Ola Money and Digital Payments:** Ola's digital wallet, Ola Money, plays a significant role in its economic logic. It encourages cashless transactions, streamlining the payment process for users. Ola Money is not only used for ride payments but also for various services within the Ola ecosystem, contributing to additional revenue streams.
4. **Subscription Services (Ola Select):** Ola Select, a subscription-based loyalty program, represents an economic strategy aimed at fostering customer loyalty. Users pay a subscription fee to access premium benefits, and this recurring revenue stream contributes to the economic sustainability of the business.
5. **Partnerships and Advertising:** Ola explores partnerships and advertising as additional revenue streams. For example, Ola might collaborate with brands or local businesses for promotional tie-ins within the app, generating revenue through advertising and partnerships.
6. **Expansion into Adjacent Markets (Ola Electric):** Ola's expansion into the electric mobility sector, such as with Ola Electric, can be seen as a strategic move aligned with evolving economic and environmental considerations. While the specifics of the economic model for Ola Electric may differ, it contributes to Ola's overall economic sustainability.
7. **Ongoing Innovation and Cost Optimization:** Ola's economic logic involves ongoing innovation to optimize costs and enhance operational efficiency. Investments in technology, data analytics, and artificial intelligence contribute to a sustainable economic model.
8. **Customer Loyalty Programs:** Explore Ola's customer loyalty programs, such as Ola Select. Understand how these programs are designed to retain and attract customers. Consider the benefits offered and how they contribute to customer retention.
9. **Financial Strategies:** Elements of the Ola ecosystem, such as Ola Money (digital wallet), can be analyzed within the "Economic Logic" component. Understanding how these financial strategies contribute to Ola's revenue model and economic sustainability is crucial.

