A COMPARATIVE STUDY ON OLA AND UBER

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Abstract

Ridesharing systems have transformed urban transportation, with Ola and Uber dominating the worldwide industry. This study provides a detailed comparison between Ola versus Uber, with a focus on service quality, market penetration, and consumer happiness.

This study investigates many variables, such as pricing strategies, regional coverage, technology developments, and user experiences, using a synthesis of previous literature and empirical data. In addition, the research takes into account regulatory obstacles, driver-partner satisfaction, and company governance.

This study employs a mixed-methods approach, which includes quantitative surveys and qualitative interviews, to provide a comprehensive picture of Ola and Uber's competitive landscape. The findings highlight each platform's unique strengths and weaknesses, as well as areas of divergence and convergence in operational methods.

This research has ramifications beyond the ridesharing sector, providing insights into the dynamics of platform-based business models and their influence on urban transportation. Policymakers, industry practitioners, and researchers may use these insights to drive strategic choices, regulatory frameworks, and future research efforts in the rapidly changing urban transportation context.

Keywords:-Ridesharing, Comparative Analysis, Market Penetration, Platform-Based Business Models, Pricing Strategies

OLA

Bhavish Aggarwal introduced olatrip.com, a travel planning company based in Delhi, in 2010. In response to the growing need for immediately cab services, Aggarwal and co-founder Ankit Bhati launched Ola Cabs, a taxi aggregation firm, in January 2011. Before launching its application for mobile devices in June 2012, customers could schedule appointments over the phone. Ola appears to have the most market share in early 2015, followed by TAXIFORSURE, Meru Cabs, and Uber, which began in 2013.

Ola acquired Food panda is India, a having trouble food tech company, in December 2017 with the goal of capitalising on the rising food delivery industry. In the month of April 2018, Ola purchased Ride a public transport ticket provider. Later, in August 2018, Ola backed the Series A investment of scooter rental business Vogo, and in December, it invested another $100 million.

Before the launch in London, almost 10,000 drivers applied online as well as offline early 2019. Ola started taxi-hailing services in london in the month of February 2020 with around twenty-five thousand registered drivers.

In 2020-21, Ola captured its first operational earnings of ₹90 crore.

In addition to the ride-hailing business Ola Cabs, ANI Technologies also owns ola Fleet, ola Financial Services, and ola Foods. As of September 2019, it also owns a 6% stake in ola Electric, which produces electric scooters..

Ride hailing

Uber's CSR programs in India focus on road safety, environmental sustainability, and driver welfare. These efforts include driver training programs, assistance for female drivers, and cooperation with non-governmental groups and government agencies to promote safe and responsible driving practices.

Uber remains committed to expanding and strengthening its service offerings in India, despite challenges. The organization is still exploring for methods to grow, such as forging partnerships with local businesses, investing in new technologies, and branching out into adjacent fields like food delivery and logistics.

In March 2016, it launched its platform for marketing bike taxi services. Ola has faced legal problems in certain regions where running bicycle taxis is prohibited.

Ola Fleet

Ola bought an undisclosed sum for wireless taxi company cabs in January of 2015 and rebranded it as Ola Fleet Technologies. Ola Fleet rents taxis to its linked drivers.

Ola Foods

Ola also announced that it would invest as much as two hundred million dollars in its food delivery business. While the number of users and deals surged by 2018 due to promotions and incentives, they decreased drastically beginning of 2019.

Ola Financial Services

OlaMoney, the company's mobile payment and wallet service, was launched in November 2015. OlaMoney is owned by Ola Financial Services, which also offers buy now, pay later, insurance, co-branded credit cards, and automobile loans in partnership with other financial institutions.

Ola Dash

Ola introduced Ola Store, a service that delivers food in the city of Bangalore, in the month of July 2015, however it was suspended in March 2016.Ola Store will be back in the month of November 2021, with fast groceries and basic delivery, starting with a test launch in Bangalore. By the beginning of 2022, Ola had installed 201 dark stores in nine cities and redesigned the service as Ola Dash. Ola Dash will downsize its operations from nine to three locations in April 2022, laying off around 2,100 contract workers. Ola Dash will be phased off across all cities in June 2022.

Ola Cars

Ola Cars, a new and previously owned automobile marketplace, will launch in 30 cities in October 2021, with the goal of selling new Ola Electric and other brands. By May 2022, the company's operations had been limited to just 17 cities. It terminated Ola Cars in all cities in June 2022, noting that the company's "infrastructure, technology, and capabilities will now be repurposed to grow Ola Electric's sales and service network."

Billing and Payment Issues

Ola Cabs' refund policy has come into fire due to billing concerns caused by technological challenges. Customers have complained about Ola's surge pricing, which is designed to minimise competition by decreasing costs before raising prices. The fact that the same journey can cost different amounts depending on the time of day, as well as the profiles, history, and ratings of the driver and passenger, has aroused controversy.

Charges include:-

A base fare (predetermined amount).

The distance fee is paid per kilometre.

The cost of the ride (paid for the time spent travelling).

Peak price (a direct proportion dependent on taxi demand).

GST (5%)

Toll charges (if crossing a toll junction)

UBER

Uber India Systems Pvt. Ltd., is a foreign company's subsidiary founded on the 16th of August the year 2013. It is a private, unlisted firm that is classified as a "company limited by shares".

The company's authorised equity capital is Rs 365.0 lakhs, and the amount paid in capital is Rs 363.18 lakh (99.5%). Uber India Systems Pvt Ltd., most recent annual meeting of shareholders (AGM) was on the 29th of December 2017. According to the Ministry of Corporate Affairs (MCA), the company's most recent financial report was on the last day of March 2017.

Uber India Systems Pvt. Ltd., has been in the corporate services business for 11 years and keeps on running. Rohit, Karen, Mohd, Francis, and Saurabh K. are the company's current board of directors.

The company is registered with the Registry of Companies in Mumbai (Maharashtra). Uber India Systems Pvt. Ltd., registered office is situated at Regus Business Platinum Centre Pvt. Ltd., Level 13, Platinum Techno Park, Plot No.17/18, Sec-30A, Vashi Navi Mumbai Thane MH 400705 IN.
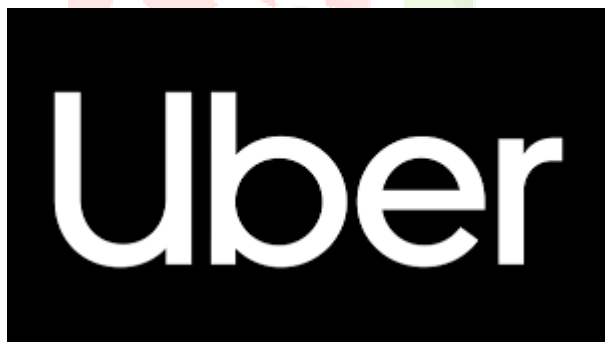

The company has two directors and one key management employee.

Kailash Sharma, who was elected on the last day of May 2019, has been the longest-serving director on the board. Kailash Sharma has been a board member for four years and ten months of service. Pooja Arora was the latest director to be appointed, taking office on the first of May in 2023.

Kailash Chand Sharma holds the most other directorships, with 14 seats in various companies. The corporation is affiliated with 16 additional firms via its directors.

Travis K. and Garrett C. started Uber in 2009, and the company initiated operations in India in the year 2013. The company's unique business concept, which connects riders and drivers through a smartphone app, swiftly gained traction in cities across the country.
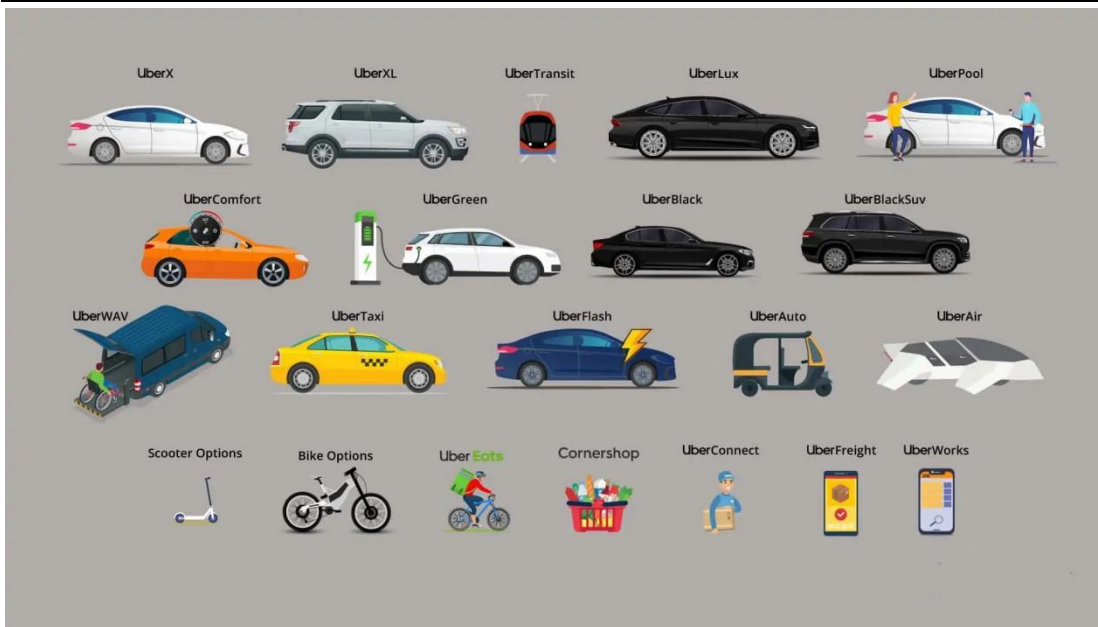
Services Offered:

Ride-Hailing:
Uber primarily provides on-demand ride-hailing services, with consumers booking rides using the mobile app. Customers may select from a variety of car options, including economy, premium, and shared journeys.

Uber Auto:
Recognizing the significance of auto-rickshaws in Indian cities, Uber added auto-rickshaw services to its platform, offering handy short-distance transportation choices.

Uber Moto:
Uber Moto, like Ola Bike, provides two-wheeler taxi services that allow for faster navigation through crowded areas.

Uber Rentals:
Users may rent Uber vehicles for a set period of time, making as many stops as they require.

Uber Intercity:
Uber facilitates intercity travel by offering long-distance rides between cities.

Uber Eats:
Aside from transportation, Uber expanded into food delivery with its Uber Eats platform, which allows customers to order meals from a variety of restaurants.

Geographical Presence:
Uber operates in various major cities in India, including but not limited to Delhi, Mumbai, Bangalore, Hyderabad, Chennai, Pune, and Kolkata. Its services include both urban and suburban regions.

Technological Innovation:
Uber is now available in several Indian cities, like Delhi, Mumbai, Bangalore, Hyderabad, Chennai, Pune, and Kolkata. It serves both urban and suburban communities.

Funding and Investors:
Uber's backers include venture capital firms, private equity funds, and sovereign wealth organisations. Its key supporters are SoftBank, Toyota, and Saudi Arabia's Public Investment Fund.d.

Challenges and Competition:
Uber faces strong competition in India from Ola, traditional taxi services, and other ride-hailing startups. Regulatory issues, including as licensing and compliance, have also slowed its growth.

Corporate Social Responsibility (CSR):
Uber has implemented CSR programs in India, focusing on road safety, environmental sustainability, and driver welfare. These efforts include driver training programs, assistance for female drivers, and cooperation with non-governmental groups and government agencies to promote safe and responsible driving practices.

Future Outlook:
Uber aims to expand and improve its services in India, despite challenges. The company is still exploring for methods to grow, such as forging partnerships with local businesses, investing in new technologies, and diversifying into adjacent industries such as food delivery and logistics.

Objectives Of The Study
The following are the main goals of this comparison between Ola and Uber:

To Analyse Operational Models:
Understand and compare Gujarat, Ola, and Uber's operational models in terms of driver recruiting, fleet makeup, and service offers.

To Assess Pricing Strategies:
Analyze Ola and Uber's pricing methods, paying special attention to tariff structures, dynamic pricing, and how these effect passenger and driver incentives.

To Investigate User Experience:
Analyze the Ola and Uber user experience in Gujarat, including reservation processes, wait times, ride quality, customer service, and overall satisfaction ratings.

To Analyse Regulatory Interactions:
Examine how Ola and Uber deal with regional and local regulatory agencies, with a focus on labor and safety rules, as well as the ramifications for their businesses.

Hypotheses

Pricing strategy To evaluate each hypothesis, suitable statistical tests will be performed:
The pricing strategy hypothesis may be investigated using the t-test or the ANOVA.

Let's say one of our hypothesis is related to pricing strategy. Hypothesis: Uber's pricing strategy is considered superior than that of Ola.

Null Hypothesis (H0): Uber and Ola have comparable perceived pricing.
Alternative hypothesis (H1): Uber has higher perceived pricing than Ola.
Price Strategy Hypothesis Test: T-statistic: -1.2369590111139936; P-value: 0.2229742131573948.
The p-value (0.2229) indicates no significant difference in satisfaction ratings between Uber and Ola depending on pricing approach, supporting the operational model hypothesis.

Research Methodology:
To ensure the collection of reliable data and the generation of meaningful insights, the research strategy for an Ola vs. Uber comparison study should be thorough and demanding. A summary of the research design is given below:

Research Type:
This study will collect and evaluate numerical data that can be compared and quantified. Certain qualitative components will be included to collect information on user and driving experiences.

Data Collection Method:
The study's aims will be achieved using both primary and secondary data.

Sampling Technique:
Random sampling will be used to choose a representative sample of Ola and Uber drivers, users, and key stakeholders.

Data Analysis:
While qualitative data will be theoretically evaluated, quantitative data will be statistically analyzed using tools such as SPSS or R.

Suggestions
Based on our findings, we provide many solutions for Ola and Uber to improve their services and keep their competitive advantage in the market:

Invest in Driver Welfare:
Ola and Uber should prioritize initiatives aimed at improving driver welfare and pleasure. This may be accomplished through the revision of commission structures, enhanced incentives, and support programs for driver education and skill development, to name a few.

Enhance User Experience:
Regularly updating and refining mobile app interfaces to make them more intuitive and user-friendly may significantly improve the overall user experience. Adding features like as in-app chat, real-time monitoring, and simple payment options may increase client satisfaction and speed up the booking process even further.

Expand Service Coverage:
While Ola may concentrate on expanding its service coverage to more cities and places inside India and other potential markets, Uber has a larger global reach. Strategic partnerships and cooperation with local transportation authorities can help to ensure regulatory compliance and market penetration while also enabling this expansion.

Promote Sustainability:
Uber and Ola should explore ways to reduce their environmental effect and promote sustainability. This might include encouraging the use of hybrid or electric vehicles, promoting ride-sharing and carpooling, and investing in environmentally friendly infrastructure and technology.

Embrace Innovation:
Maintaining a competitive advantage in the ride-hailing industry necessitates remaining on the cutting edge of innovation and technology. Uber and Ola should continue to spend in R&D to explore cutting-edge technologies such as self-driving cars, artificial intelligence (AI) predictive analytics, and alternative modes of transportation.

Conclusion

Finally, by analyzing and contrasting two key organizations, Ola and Uber, this study sheds light on how the ridesharing industry operates. We have gained a large grasp of both organizations' methods and functions by a detailed research of numerous factors such as cost, level of service, technological innovation, and market share.

Although Ola and Uber have similar business philosophies and ambitions, they differ dramatically in how they approach market possibilities and challenges. While Uber's aggressive global expansion strategy has propelled it to become a dominant force in a variety of international markets, Ola's emphasis on adapting to local tastes and legal frameworks has enabled it to establish a substantial influence in its home market of India.

This study also underlines the importance of customer satisfaction and technological innovation in influencing the competitive climate in the ridesharing industry. Uber and Ola have both made considerable investments in cutting-edge technological development and improved user experience, showcasing their commitment to staying ahead in a rapidly evolving sector.

To summarize, Uber and Ola continue to compete for market share and domination, but in the end, customers gain from their cohabitation and rivalry since it provides them with more alternatives, convenience, and affordability for urban transportation. It will be fascinating to witness how these two industry heavyweights navigate difficulties and grab new opportunities to affect the direction of mobility as it evolves.

PREFERENCE

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A case study of Ola and Uber. A considerable section of the population today wants to live in urban areas due to the vast range of advantages they provide, such as enhanced professional opportunities, superior educational facilities, and easy access to everything. Residents regularly migrate from rural to semi-urban and metropolitan locations.

Nigotiya, S. (2020).
Scope of Cab Aggregators in India, including a Comparison of Ola and Uber. Issue 6, International Journal of Management and Humanities, 3, 386.Taxis are a popular means of transportation in several places across India. Taxis are needed for a variety of reasons, including traveling from work to home or vice versa, bringing family out when they do not want to drive intoxicated, and many more reasons. The key point is that this industry is still unstructured. And the demand is increasing.

Chaurasia, A.
Why do people utilize Uber and Ola? Amit Chaurasia. A taxi is a type of vehicle with a driver that a traveler or group of passengers hires, usually for a non-shared journey. A taxi transports passengers between their preferred destinations. This differs from other modes of public transportation in which the pick-up and drop-off sites are determined by the contractor, not the traveler. In India, the middle class lifestyle evolves with time. People began to place greater importance on their valuable time and comfort.

Rode, A. & Bhutkar, G. (2021).
Contextual Analysis of Cab Booking: Using Uber and Ola Cabs in India. In Digital Literacy and Socio-Cultural Acceptance of ICT in Developing Countries (pp. 31–52). Cham: Springer International Publishing. Ola Cabs and Uber are India's most popular cab requesting mobile applications, offering cab booking, sharing rides, and delivery of food. To meet expanding customer demand and broaden their horizons, these tech behemoths are constantly battling for new users while also retaining current ones.

Saran, S. (16):
How to govern ride-sharing services like Uber and Ola. On October 31, the Central government plans to release guidelines on "surge pricing" by cab aggregators like as Uber and Ola, reigniting a long-running debate over the regulation of India's digital economy. The reasoning for surge pricing is founded on the

idea that raising prices will draw cab drivers to a certain area, therefore balancing demand for trips with supply of taxis. If traditional commodity markets like oil and tourism see price rises based on output and seasons, demand-driven technology models have a good basis.