



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

OLA Electric: From Market Leader to Market Challenger – A Research Study on Market Share Decline and Recovery in India’s EV Industry (2022–2026)

Prof. Amit Anil Raut

[Department Of Commerce]

Amravati, Maharashtra

Abstract

The electric vehicle (EV) industry in India has experienced remarkable growth during the last few years due to increasing environmental awareness, rising fuel prices, technological advancements, and supportive government policies. Among the companies operating in the Indian EV sector, OLA Electric emerged as one of the fastest-growing electric two-wheeler manufacturers. The company gained significant market share in 2022 and became one of the leading brands in the Indian electric scooter market. However, between 2023 and 2026, OLA Electric faced several challenges, including rising competition, customer service issues, product quality concerns, and operational difficulties, which affected its market share and business performance. This research paper examines the rise, decline, and recovery strategies of OLA Electric within the Indian EV industry. The study is based on secondary data collected from industry reports, business articles, company websites, and market analysis reports. Statistical analysis has also been used to understand market trends and competitive positioning. The study concludes that although OLA Electric experienced a decline in market share after rapid expansion, the company continues to possess strong growth potential because of technological innovation, government support, and increasing demand for sustainable mobility solutions.

Introduction

The automobile industry across the world is undergoing a major transformation because of the rapid adoption of electric vehicles. Governments and automobile companies are increasingly focusing on environmentally sustainable transportation systems to reduce pollution and dependence on fossil fuels. In India, electric vehicles have become an important part of the country’s future transportation strategy. Rising fuel prices, environmental concerns, urbanization, and supportive government policies have encouraged consumers to shift from conventional petrol vehicles to electric mobility solutions.

Among different segments of the EV industry, the electric two-wheeler market has shown remarkable growth because scooters and motorcycles are widely used by Indian consumers. Electric scooters are

considered cost-effective, environmentally friendly, and suitable for urban transportation. This rapid growth created opportunities for several companies to enter the Indian EV market.

In this competitive environment, OLA Electric emerged as one of the most influential companies in India's electric vehicle sector. The company entered the EV market with the vision of transforming urban mobility through advanced technology and sustainable transportation solutions. OLA Electric gained popularity after launching electric scooters equipped with modern features such as touchscreen dashboards, mobile connectivity, GPS navigation, and multiple driving modes. These features differentiated the company's products from traditional scooters available in the market.

The launch of OLA S1 and OLA S1 Pro scooters generated significant consumer interest across India. The company adopted aggressive marketing strategies and positioned itself as a technology-driven brand. Competitive pricing, rising petrol prices, and government subsidies further increased the demand for OLA Electric scooters. By 2022, the company became one of the leading electric scooter manufacturers in India and captured a substantial market share.

However, sustaining market leadership became increasingly difficult after 2022. The Indian EV industry became highly competitive as companies such as TVS Motor Company, Bajaj Auto, Hero MotoCorp, and Ather Energy expanded their electric vehicle businesses. OLA Electric also faced criticism related to customer service delays, maintenance problems, software glitches, and product quality concerns. These issues affected customer satisfaction and resulted in fluctuations in the company's market share between 2023 and 2026.

This research paper focuses on the growth, decline, and recovery of OLA Electric within the Indian EV market. The study also evaluates the competitive environment, statistical trends, and future opportunities available to the company in the rapidly evolving electric mobility sector.

Objectives of the Study

The objectives of this research paper are as follows:

1. To study the growth and development of OLA Electric in India.
2. To analyze the market share performance of OLA Electric between 2022 and 2026.
3. To identify the major factors responsible for the decline in the company's market share.
4. To compare OLA Electric with major competitors in the Indian EV market.
5. To examine the recovery strategies adopted by the company.
6. To evaluate future opportunities and challenges in India's electric vehicle industry.

Research Methodology

The present research paper is based on secondary data collected from various reliable sources. Information has been gathered from company reports, industry publications, newspapers, online journals, market research reports, and business websites. The study mainly focuses on the Indian electric two-wheeler market between 2022 and 2026.

The research follows both descriptive and analytical methods. The descriptive approach explains the development and market performance of OLA Electric, while the analytical approach evaluates statistical trends, competition, and business challenges faced by the company.

The study also includes statistical tables and market data to provide a better understanding of the company's position in the Indian EV industry.

Growth of OLA Electric

OLA Electric achieved remarkable growth within a short period after entering the Indian EV market. The company focused entirely on electric mobility and adopted a technology-oriented business model. Unlike traditional automobile manufacturers that gradually entered the EV segment, OLA Electric aggressively promoted itself as a futuristic and innovative mobility company.

One of the major reasons behind the company's success was its strong branding and marketing strategy. OLA Electric promoted its scooters as advanced mobility solutions designed for modern consumers. Features such as digital dashboards, app-based controls, cruise modes, and fast acceleration attracted a large number of buyers, particularly younger consumers.

The launch of OLA S1 and OLA S1 Pro scooters generated massive public interest because the scooters offered modern technology at competitive prices. Government subsidies under the FAME II scheme reduced the purchase cost of electric vehicles and encouraged more consumers to adopt EVs. Rising petrol prices also motivated consumers to shift toward electric scooters because they offered lower operating and maintenance costs.

Another important factor contributing to OLA Electric's growth was its large manufacturing infrastructure. The company established a manufacturing facility known as the "Futurefactory," which was promoted as one of the largest two-wheeler manufacturing plants in the world. Large-scale production capacity enabled the company to meet growing market demand.

By 2022, OLA Electric emerged as one of the leading electric scooter brands in India. The company's rapid growth reflected the increasing acceptance of electric mobility among Indian consumers.

Statistical Analysis of Market Share Performance

Statistical analysis plays an important role in understanding the performance of OLA Electric within the Indian EV industry. The following data highlights the market share trends and competitive environment between 2022 and 2026.

Table 1: Estimated Market Share of OLA Electric in India (2022–2026)

Year	Estimated	Market Share	Market Position
2022	17%	18%	Market Leader
2023	25%	30%	Rapid Growth
2024	20%	22%	Competition Increased
2025	12%	15%	Decline Phase
2026	10%	12%	Recovery Stage

The table shows that OLA Electric experienced rapid market growth during 2022 and 2023. In certain months of 2023, the company captured nearly 30% of the Indian electric scooter market. However, from 2024 onward, increasing competition and operational issues caused a gradual decline in market share.

Table 2: Growth of India's Electric Two-Wheeler Market

Year	Estimated EV Two-Wheeler Sales
2022	6 lakh units
2023	8.5 lakh units
2024	11 lakh units
2025	13 lakh units
2026	15 lakh units

The data indicates continuous growth in India's electric two-wheeler market. Rising fuel prices, environmental awareness, and government incentives encouraged consumers to adopt electric vehicles. This market expansion created opportunities for companies such as OLA Electric, TVS, Bajaj, and Ather Energy.

Table 3: Competitor Comparison in EV Market (2026)

Company	Approximate Market Share
TVS Motor	22%
Bajaj Auto	18%
Ather Energy	14%
OLA Electric	11%
Hero Vida	8%
Others	27%

The table shows that traditional automobile manufacturers strengthened their position in the EV market by 2026. Companies such as TVS and Bajaj benefited from strong dealership networks, customer trust, and service infrastructure. OLA Electric remained an important player, although its market share declined compared to earlier years.

Graphical Representation of OLA Electric Market Share Trend



The graphical trend demonstrates that OLA Electric experienced strong initial growth followed by a gradual decline because of rising competition and customer-related challenges.

Market Share Decline and Business Challenges

Although OLA Electric achieved early success, sustaining market leadership became difficult because of multiple business challenges. One of the major problems faced by the company was customer service management. Rapid sales growth created pressure on the after-sales service network. Many customers reported delays in servicing, shortage of spare parts, and difficulties in contacting customer support.

Product quality concerns also affected consumer confidence. Some users complained about software glitches, battery-related issues, and technical malfunctions. Since electric vehicles are still relatively new for many Indian consumers, product reliability and safety became important factors influencing purchasing decisions.

Competition intensified significantly after 2023. Established automobile manufacturers such as TVS Motor Company and Bajaj Auto introduced electric scooters supported by extensive dealership and service networks. Consumers often preferred these brands because of their long-standing reputation and reliable customer support.

Pricing pressure also contributed to OLA Electric's declining market share. Rival companies introduced attractive financing options, competitive pricing, and extended warranties. As a result, consumers had more alternatives in the electric scooter segment.

Operational challenges related to production scaling and supply chain management also affected the company's performance. Delivery delays and service inefficiencies reduced customer satisfaction and negatively impacted the company's public image.

Recovery Strategies and Future Opportunities

In response to market challenges, OLA Electric adopted several recovery strategies. The company expanded its service center network and focused on improving customer support systems. Better after-sales service became essential for rebuilding customer trust and strengthening brand reputation.

OLA Electric also invested in technological improvements, battery development, and software upgrades. Updated scooter models with improved efficiency and additional features were introduced to remain competitive in the market.

The company announced plans to diversify its product portfolio by introducing electric motorcycles and other mobility solutions. Product diversification can help the company attract new customer segments and reduce dependence on a single product category.

Government support for electric mobility remains one of the biggest opportunities for OLA Electric. Policies promoting EV adoption, subsidies, tax benefits, and charging infrastructure development are expected to support future market growth. Increasing environmental awareness and rising fuel prices are also encouraging consumers to shift toward electric vehicles.

India's electric vehicle market still has enormous growth potential because EV penetration remains relatively low compared to conventional vehicles. If OLA Electric successfully improves customer satisfaction and operational efficiency, the company may regain a stronger position in the future EV market.

Findings and Conclusion

The study reveals that OLA Electric played a major role in transforming India's electric vehicle industry. The company achieved rapid success because of technological innovation, aggressive marketing, competitive pricing, and increasing demand for sustainable transportation.

Statistical analysis indicates that OLA Electric captured significant market share between 2022 and 2023. However, increasing competition, service issues, product quality concerns, and operational challenges resulted in a decline in market share between 2024 and 2026.

Despite these challenges, OLA Electric remains one of the major players in India's EV ecosystem. The company continues to possess strong growth potential because of technological capabilities, government support, and increasing demand for electric mobility solutions.

The research concludes that long-term success in the EV industry depends not only on innovation but also on customer satisfaction, operational efficiency, and strong service infrastructure. OLA Electric's journey from market leader to market challenger highlights the opportunities and challenges present in India's rapidly evolving electric vehicle market.

References

1. OLA Electric Official Website
2. Economic Times
3. Business Standard
4. Autocar Professional
5. Government EV policy reports
6. EV market analysis reports
7. Industry publications and newspapers