



## RIDE HAILING APPS: THE BATTLE OF SUPREMACY

Ride-hailing services such as Uber and Ola are causing a dramatic shift in the way the urban commuter views public transportation. Air conditioning, competitive pricing, better quality vehicles, and value-added services like free internet and entertainment are just some of the reasons why riders leave their cars at home and opt for a cab.

Now you can have a chauffeured luxury vehicle, at only a fraction of the cost of owning one. Say goodbye to navigating through hours of traffic. Say hello to kicking back and catching up on a book, movie, work—or just take a nap while somebody else does the driving.

But despite the ubiquity of ride-hailing services over much of urban India, data on these services and the consumer who ride in them has been relatively scanty.

The urban commuter is changing the way he travels—and Kantar IMRB's 30,000 e-commerce panel reveals some interesting nuggets about the state of the ride-hailing marketplace.

**6.5mn** APP USERS | **INR 5.2 Billion** ESTIMATED MARKET SIZE

Today over **6.5 million** users of ride hailing app services in India. With a market size estimated at **INR 5.2 Billion** - OlaCabs and Uber account for over 99% of the ride hailing market.<sup>1</sup>

### HOW THE GIANTS COMPARE?



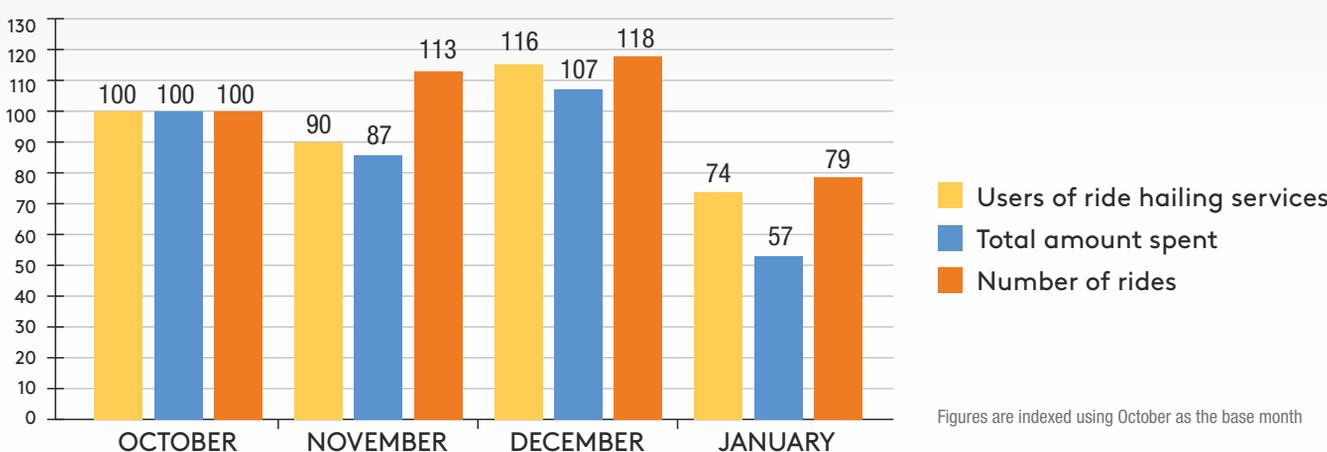
	OLA	UBER
NO. OF CITIES OPERATING IN	102	26
NUMBER OF VEHICLES	4,50,000	2,50,000
NUMBER OF USERS	49%	60%

When it comes to fleet-size - Ola is the clear leader operating with 1.8x as many vehicles as Uber, deployed in as many as 4X the number of towns<sup>2</sup>. The large difference is in part due to the introduction of Ola Auto which allows bookings for auto-rickshaws.

But when it comes to taxi-cabs, Uber has the upper hand. **6 out of 10 cabs booked online are through the Uber app.** While less than half are booked on Ola.<sup>3</sup>

### THE IMPACT OF DEMONETISATION

The industry witnessed a drop in the number of commuters in the initial days of demonetisation (Nov 8th-31st), with cash-paying customers being the most impacted. However momentum picked up again by December as riders switched to alternate modes of payment like e-wallets and debit/credit cards.

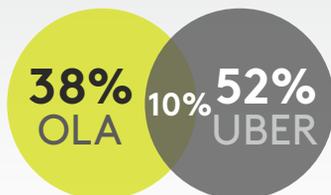


The total amount spent on the cab services also saw a fall in the months of November (demonetisation) and January (driver strikes, currency availability) as a result.

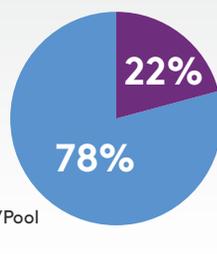
The number of rides taken on both platforms showed steady growth post-demonetisation, with riders ditching traditional modes of transport and opting for the cashless options that both Ola and Uber provided.

But the reintroduction of currency coupled with low cab availability due to driver strikes caused a significant dip in the number of rides being taken in January.

### THE RIDE HAILING CONSUMER

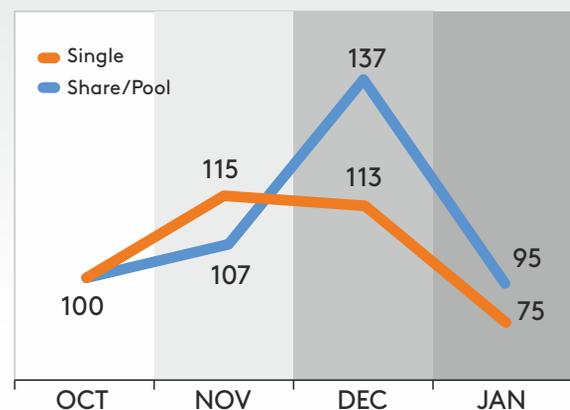


**Consumer loyalty a strong influence**  
Consumers tend to demonstrate a strong preference for either Ola or Uber with only 10% of riders switching between services.



**I prefer my own cab...for now**  
Non-share/non-pool rides accounted for nearly 78% of all the rides in taken. Only 1 in 5 ride-hailing commuters opted to take a shared ride.

● Shared/Pool  
● Single



However, share/pool services have been growing at a much faster pace as commuters who switched from cheaper modes of transport looked for ways to reduce expenses. Ride-hailing services were also quick to respond to the changing market dynamics as they introduced a range of offers to entice new riders with affordable fares.

New services like Ola Share Pass give riders the option to travel anywhere for just 40 per ride. While Uber Pool offers rides in a larger more comfortable sedan at the cost of riding in an economy cab.

**'Ola Share Pass': Pay just One Fare, anywhere!**  
With Ola Share Pass, you can now travel at just ₹40 per ride. This first of its kind subscription feature is currently in beta and will be rolled out to Ola Share users across India, in the coming weeks.

**uberPOOL: Share your ride and save**  
You're not the only one going your way. Share your uberX car and driver with other riders, and you'll share the cost. So everyone gets a guaranteed fare that's the cheapest Uber option.

### ECONOMY RIDES MOST POPULAR. BUT OLA RIDERS MORE LIKELY TO OPT FOR A PREMIUM RIDE



	OLA	UBER
ECONOMY	82%	92%
PREMIUM	18%	8%

Economy rides were by far the most popular option among commuters. But Ola riders are 2.25 times more likely to upgrade compared to Uber.

The introduction of new features like Ola Select and Ola Play are likely to be influencing the growing premium-isation among Ola customers.

**Ola Select**  
No peak pricing, priority booking and additional benefits.

**Ola Play**  
Make your ride fun with the music you love. Watch HD episodes of your favourite TV shows.

### SUMMARY

The strong preference demonstrated by commuters for either one of the brands underscores the importance of keeping your customers happy. Despite their success over the past few years, ride-hailing services are not content to rest on their laurels. By continuously innovating, they're addressing the pain points of existing customers (peak pricing, scheduling rides) – while coming up with even more economical options to attract new riders.

### ABOUT

Kantar IMRB's e-commerce panel consists of 30,000+ online transactors and is India's only e-commerce panel covering spends across consumer categories. Contact [Akhil.Almeida@imrbint.com](mailto:Akhil.Almeida@imrbint.com) to know more.

1 Excludes data for Rickshaw services offered by ride-hailing providers  
2 Source: <http://www.forbes.com/sites/krnkashyap/2016/09/21/its-uber-vs-ola-for-the-battle-of-supremacy-in-the-indian-market/#2971a4e1cd21>  
3 Data: Oct'16-Jan'17