

**OLA'S STRATEGIC TRANSITION FROM TRADITIONAL TO DIGITAL
MARKETING IN INDIA**

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Abstract

The period between 2014 and 2017 was a transformative phase for India's cab-hailing industry, influenced by the quick uptake of digital technology, the increase of investor capital, and the growing rivalry between domestic and foreign firms. A notable instance of how innovative, digital-centric strategies can successfully substitute conventional marketing is Ola, the leading mobility startup in India. The company quickly transitioned to mobile-first marketing, app-based referrals, social media initiatives, and cause-driven branding after initially relying on conventional methods like radio ads, print marketing, and billboards. Using secondary data based on industry analyses and contemporary case studies, this research outlines Ola's growth from 2014 to 2017. It situates the enterprise within the broader Indian radio taxi sector, evaluates the outcomes of its bold marketing and financial strategies, and compares its approach with that of Uber and TaxiForSure. The results show that Ola intentionally traded off immediate profits to gain scale, and its capacity to tailor campaigns while adopting digital changes played a crucial role in obtaining market dominance.

Keywords: Ola Cabs, Disruptive Marketing, Aggregator Model, Taxi Industry India, Traditional vs Digital Marketing, Customer Acquisition Strategies

I. INTRODUCTION

During the mid-2010s, the Indian taxi industry provided a vibrant atmosphere for innovation. The market, valued at \$6–9 billion in 2014 and growing at an annual rate of 17–20% (figure 1), was large yet highly fragmented, as the organized sector represented a minimal share of the overall supply (YourStory, 2014). By 2017, it was expected that around 30,000 taxis would populate the organized market; however, dissatisfaction among consumers with unreliable local operators allowed technology-based mobility services to emerge. Ola (founded in 2010), TaxiForSure (2011), and Uber (2013) became frontrunners in this sector, competing not solely on cost but also on consumer trust, innovative marketing, and scale of operations.

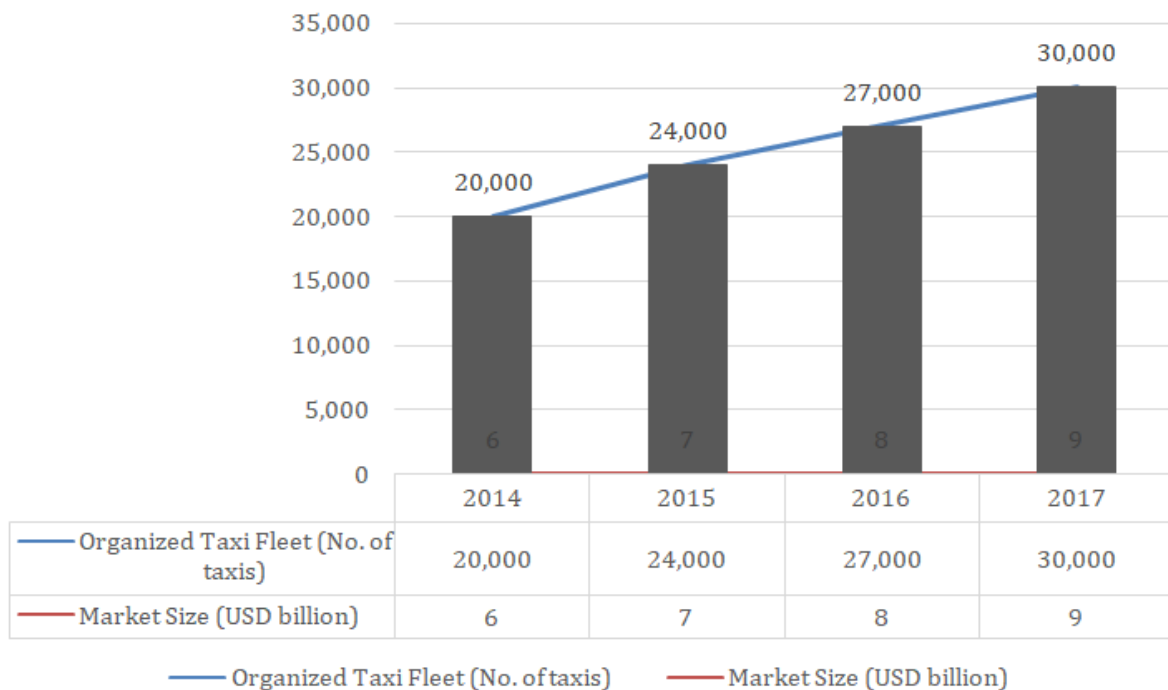


Fig 1. Indian Cab Market Growth (2014-2017)

1.1 Indian Cab Market Context (2014-2017)

In 2014, Meru, EasyCabs, Savaari, and BookMyCab were part of the various firms functioning in India's taxi sector. Nevertheless, regarding client satisfaction, timely arrivals, and innovative marketing, Ola, TaxiForSure, and Uber excelled (YourStory, 2014). A major industry change occurred when companies transitioned from owning fleets to using aggregator models that allowed independent drivers. By organizing Driver Melas in Pune and Bangalore and offering cars at discounted rates to potential driver-partners, Ola reinforced this idea and assisted them in becoming entrepreneurs. TaxiForSure launched promotions like "Magic Trip," whereas Uber utilized promo codes, referral credits, and prominent campaigns like "UberStud" and "Uber Chopper," enabling passengers to experience helicopter rides. These initiatives demonstrated how marketing emerged as a crucial factor in influencing customer adoption during the early stages of app-based mobility in India.

1.2 Ola's Early Marketing Base

Ola was mostly dependent on conventional advertising during its early years. Initial brand recognition was established via hoardings and billboards in large cities, and Ola was positioned as a dependable and reasonably priced substitute for local taxis and autorickshaws through print ads and radio jingles (Sharma, 2015). Ola targeted tourists who were not familiar with

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app-based mobility services by distributing free ride tickets at train stations, malls, and airports to promote first-time adoption (ET Bureau, 2015). The business positioned itself as being both economical and customer-friendly by implementing fixed-rate airport drops and lowering fares during vehicle strikes (YourStory, 2014). In 2014, when smartphone use in India was still less than 20%, these tactics were crucial (IAMAI, 2014). Ola's later shift to a digital-first strategy was made possible by the trust that offline marketing fostered in a young market.

1.3 Financial Growth and the Aggressive Push

Ola's ambitious objectives are reflected in its financial results during that period. According to Livemint (Chakraborty, 2016), Ola's revenue rose eight times in just one year, jumping from ₹51.05 crore in FY 2013–14 to ₹418.25 crore in FY 2014–15. Losses rose from ₹34.21 crore to ₹754.87 crore during this timeframe, showing that this rapid growth incurred significant expenses. A significant portion of funds was directed towards marketing subsidies, referral credits, and incentive programs. The necessary capital was sourced from funding inflows: in October 2014, Ola completed a landmark round led by SoftBank, following a \$41.5 million raise in mid-2014 from Tiger Global, Matrix Partners, and Sequoia. Ola managed to sustain high prices and regular promotions due to this funding, which was a strategic choice to quickly draw in customers and counter Uber's aggressive international growth strategy.

1.4 Transition to Disruptive Marketing (2015–2017)

By 2016, over 300 million smartphones were in operation (IAMAI, 2017), prompting Ola to take the audacious step of adopting a disruptive, digital-first marketing strategy. Through gamification elements such as loyalty rewards, location-based notifications, and tailored promotions, the organization's mobile application became the main engagement platform. Ola was marketed as a lifestyle choice rather than merely a transportation solution through initiatives like #ChaloNiklo, which emphasized convenience. Referral programs were essential. Ola created a self-sustaining loop for acquiring clients by offering ride credits to both existing and new customers (Saxena&Wadhwa, 2016). These initiatives were enhanced by social media platforms. Campaigns such as #PeekeMatChala, launched on New Year's Eve, promoted responsible behavior and connected Ola to values that resonate with the youth (Nair, 2016). Ola's advertisements were tailored to local contexts and often linked to Indian festivals or specific cultural nuances, unlike Uber's consistent global approach. Ola's brand identity was enhanced even more through causevertising. Initiatives such as Ola Guardian emphasized passenger safety, particularly for women, while Ola Share focused on ride-sharing to promote environmental sustainability (EY, 2016)

1.5 Ola vs. Uber and TaxiForSure

The competitive environment was defined by the competition among Ola, Uber, and TaxiForSure. Uber made its debut in India in 2013, but its premium positioning at first hindered its growth in lesser cities. Through localized campaigns and low-cost products, TaxiForSure expanded quickly. However, in 2015, Ola purchased the company, enhancing Ola's size and market share. By 2017, Ola held between 60 and 65 percent of the Indian ride-hailing

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business, while Uber held between 30 and 35 percent (Statista, 2017). The primary distinction was Ola's capacity to pinpoint disruptive marketing. Uber prioritized technology-driven branding and slick international marketing, while Ola responded to Indian consumer behavior by providing value-driven pricing, festival discounts, and local language communication. This not only increased uptake in urban areas but also sped up entry in developing nations where Uber found it difficult to establish a presence.

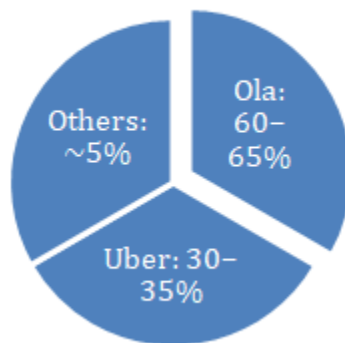


Fig 2.Ola vs Uber Market Share (2017)-Company market share (%)
Source: Statista (2017)

II. CHALLENGES DURING THE TRANSITION

Ola's bold strategy faced several challenges. Consumer anxiety linked to high-profile incidents with ride-hailing firms occasionally harmed its brand reputation (Economic Times, 2016). Additionally, a "race to the bottom" emerged from dependence on discounts, which undermined long-term brand value and trained consumers to expect subsidies. Risks linked to digital saturation involved push notifications and marketing messages that, while initially effective, led to customer fatigue and disengagement when used too much (Deloitte, 2017). These challenges highlighted the delicate balance in marketing strategy that needs to be maintained between disruption and sustainability.

III. RECOMMENDATIONS

To achieve lasting leadership, Ola needed to enhance its strategy based on the viewpoint of 2017. Prioritizing brand storytelling and loyalty programs over dependence on discounts would facilitate better customer engagement. Expanding cause-focused marketing may enhance differentiation and credibility, particularly concerning sustainability and women's safety. Ola's hyperlocal approach could be enhanced by leveraging local influencers in Tier II and III cities, and long-form branded content for digital storytelling might provide more engagement compared to transactional advertisements. Finally, maintaining customer trust in a competitive landscape necessitated ensuring transparency and reliability in service provision.

IV. CONCLUSION

The years 2014–2017 marked a pivotal moment in Ola’s evolution from a conventional advertising-focused startup to a groundbreaking, digital-first frontrunner in India's ride-hailing sector. Through a combination of bold financial investment with mobile-centric strategies, referrals, influencer initiatives, and cause-related advertising, Ola outperformed global competitors and achieved market leadership. Embracing disruption and tailoring it—aligning initiatives with Indian cultural and social frameworks—played crucial roles in the company's achievement. Despite ongoing concerns about trust and sustainability, Ola's strategy illustrated how local companies could leverage disruptive marketing to compete with global competitors and influence consumer habits in emerging markets.

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