

# MERU CABS: PHOENIX OR FAILURE?

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## ABSTRACT

*Indian Radio Taxi Service pioneer Meru Cabs was losing market share and making losses for several years now. The company was acquired by an automobile major and deep-pocketed Mahindra & Mahindra (M&M). Their entry brought in the much necessary cash lifeline for it, averting a potential collapse for now. However, the newly appointed CEO of the company has to deal with multidimensional issues to bring the company back on track.*

*This strategic management case digs into the underlying causes that lead to the failure, potential turnaround strategies, failed negotiations with drivers, and the concept of managerial myopia. It discusses some perennial long-term issues such as market leadership, the need for innovative business strategies, and HR practices.*

**Keywords:** Business Model, Turnaround, Marketing Strategy, Market Share, Radio Cab Service, Expansion Strategies, Competitive Strategy, Managerial Myopia

## INTRODUCTION

The transportation modes available in India have changed significantly over the last few decades, and cabs have become an important mode of transportation in the metropolitan cities in India. The Indian taxi market stood at around 6.4 billion in 2016 and is estimated to reach 14.3 billion in 2022, growing at a CAGR of 13.7%.

Increased household income and the changing traveling lifestyle were the principal drivers for the growth of Ride-Hailing Services. Experts opine that the increased access and affordability of internet and smartphones, willingness to travel by cab services though own a car are the reasons which aggregated the taxicab business India. The growth in the taxi industry led the market with strong competitors with a robust and hybrid business model by Ola cabs, Uber India.

Meru Cabs was incorporated as a radio cab operator in December 2006. Customers initially had a feeling that it is an expensive cab service. But those who experienced their services enjoyed the clean, air-conditioned taxi rides. The key difference between Meru and other taxi services is that the former does not use a dynamic pricing strategy. Meru's business model targets both B2C and B2B segments. The company has grown exponentially in terms of fleet size and geographical presence since its inception, but its lack of profitability has been a problem that the management over the years could not address.

### Immediate & Underlying Issues

1. Examine the causes of failure of Meru Cabs
2. Failed negotiations between the management and the drivers.
3. Suggesting Rebranding/Turnaround/revival strategies for Meru Cabs
4. Managerial Myopia

## Basic Issues

1. Market Leadership
2. Business alliances
3. Turnaround strategies

## Prerequisite Conceptual Understanding

1. Basic business strategy models
2. Awareness of aggregation model in business
3. Marketing strategy for the service sector

## Learning Objectives

1. To analyze the business model adopted by Meru
2. To identify managerial myopia in Meru Cabs
3. To assess the strategy for the turnaround of the business of Meru Cabs
4. To assess the feasibility of success of the company's turnaround plan

## Target Participants / Potential Audience

This case has been written for classroom discussion for MBA/MS students as a part of the Strategic Management curriculum as mentioned here (Table 1).

Program	Course	Section of the Course
MBA/MS	Strategic Management	Building Business Strategies

## Protagonist

Indian Radio taxi pioneer Meru Cab lost its market share to newer and stronger players such as Ola and Uber over time. The company was acquired by automobile major Mahindra & Mahindra in 2019, which is setting up its team on board to run the company. This case introspects the start and past glory of Meru Cabs, issues it was facing (the flawed business model, HR issues both with employees and drivers, change in market dynamics, marketing perspectives, and financial losses), and the challenges that the new CEO will have to take up.

## Context

The case poses two broad questions for management students to examine – how and why the pioneer became an insignificant loss-making cab sharing service and how the infusion of funds by M&M may impact the future of Meru, and what options the new CEO will have to revive the company.

This case uses secondary data from various websites and research journals available in the public domain.

## The Start of Meru's Journey

Meru's journey began in 2000, when its founder, Mr. Neeraj Gupta, established a Staff Transportation business under the name 'V-Link' with a single bus contract with Tata Infotech

Ltd. What started out as a humble beginning was soon to revolutionize mobility in India. By the year 2006, V-Link became the Largest Staff Transportation Company in India with a fleet of over 1500 vehicles across seven cities. A year later, Meru was launched with the first fleet of cabs integrated with electronic meters and GPS/GPRS systems.

A world-class ride-hailing service – a radio taxi service Meru Cabs (Meru) was started in April 2007, by Neeraj Gupta, in association with True North (previously known as India Value Fund Advisors) with a modest number of 45 cabs. It was the first company to launch metered "Radio cabs" in India. The goal of the company was to provide reliable, safe, and transparent transport solutions to its customers. The term "Meru" is derived from the symbolic mountain of the gods, an icon of unshakeable reliability and character - a core value that lies at the heart of Meru's promise to its customers.

Neeraj Gupta, Meru Cabs' MD, was inspired by similar services in London and Singapore, where he would often travel with his wife. Gupta sensed an opportunity in running a fleet of air-conditioned, GPS-linked, electronic metered taxis in Mumbai when the Maharashtra government invited tenders for such a service for 10,000 cabs, replacing the old black-and-yellow taxis in 2006. His confidence stemmed from running taxi services for BPOs and corporate clients. He was certain such a service would be an instant hit in India if a service provider could cash in on urban Indians' aspirations.

The mundane task of dropping his wife at her workplace in the Mumbai airport was the trigger for businessman Neeraj Gupta to come up with one of the most successful business ideas, which was ahead of its time in the concept and quality of its service.

Neeraj bought about 50 Maruti cars and started the company. Meru's was not the first player in the segment. There were Easy cabs and others even before, but the concept of radio taxi service was pioneered by Meru. The radio taxis used to have a Motorola walkie talkie allowing communication between the company and the cab driver so that the cab can be instantly sent for customer pickup.

Each cab was equipped with a mobile data terminal. Drivers were alerted over the terminal and had to press a button to accept the job. This eased the communication with drivers. An algorithm-driven GPS triangulation system is used in selecting a cab.

Meru reached out to the State Governments in Delhi and Mumbai to get a distinct green color of cars. This helped them distinguish themselves from the typical black-and-yellow cabs. Marketing campaigns were started to tell the public that they are not only an Airport-only cab service. They also tried providing some customizations.

Over the years, new CEOs who joined had shifted their focus from customers to profitability. There was a failed attempt to get the company listed as well. Chasing size and volume became the driver, and quality went out of the window.

Clearly, Meru is stuck with Managerial Myopia. It aimed only for the short-term goals and to achieve profits compromising the quality that will hurt it in the long run.

## **Business Model**

1. Technology-driven
2. Quality focused
3. Niche segment

Meru Cabs was incorporated as a radio cab operator in December 2006 with a very good backup of technology to provide services like IVR, real-time booking on the website, cab and cabbie details, vehicle tracking, assured service, and many such features which were a game-changer in the cab-hailing market at that time.

The cab can be booked from multiple channels- mobile app, website, call center, or hail a cab on the road. Meru Cabs delivers a reliable taxi service by concentrating on each touchpoint with its customers and devising systems, processes, or technologies that will deliver a reliable interface. Meru Cabs used GPS/GPRS-enabled technology in all of the cabs to ensure complete

passenger safety. Customers benefit from a relaxed commute in a Modern, air-conditioned cab, running on clean green fuel, which is readily available 24/7. The company believes in "Fare is Nothing but Fair." An e-bill receipt at the end of the ride assures the customer of tamper-proof billing. It also offers various e-wallet payment options. 'Fare Exactometer' is considered to be its USP.

The 5 Cs which was the differentiators for the company were:

- Customer: Meru was the pioneer Indian company to automate the service processes and standardize customer experience by providing a high-quality service
- Chauffeur: Meru reinforced its commitment to providing world-class service to its customers by actively training the drivers to be focused on what the customer wants.
- Cab: All cabs were clean, air-conditioned, and ran on green fuel. Also, they were of distinctive green color. They all provided printed bills and were tracked by backend technology.
- Call Centre: In 2009, Meru had an Interactive Voice Response (IVR) system providing a 24×7 Customer Service Center with negligible call waiting, and two years later, they launched their real-time website for live bookings and getting cab and driver details
- Company: The vision of providing the best in class service necessitated very heavy investment in the asset base and high ongoing running costs. Despite being the third-largest taxi service operator in the world and the largest in India, even by 2011, Meru had not been able to break even financially. There were several constraints to Meru's growth – internal inefficiencies, long cab downtime, lack of qualified drivers, driver strikes, rapidly expanding operations, and competition from other players.

### Flaws in the Business Model

1. Fluctuating strategic business model
2. The very rapid expansion of business
3. Lack of financial prudence
4. Strained relations with business partners

When Meru was launched, it owned the fleet. Meru drivers had to pay Rs. 1,200-1,300 per day to the management and were promised at least 25 assignments a day. This did not work out as planned. However, the strike by drivers in 2012 forced Meru to rethink its business. Now, 50 percent of the cab drivers themselves own the cabs across all the three product brands of the company - its flagship Meru, Meru Plus, and Genie. Meru believed that owning cars makes the drivers more responsible for the service. Meru accepts a 15 percent share of the fares from each driver. Besides bringing in passengers, Meru facilitates bank loans for the drivers to buy the cars. Some of the factors for its continued inability to break even for many years and then working towards positive EBITDA are as follows:

- Large capital expenditure to begin with and later lightening the asset base
- Equation shifts with drivers- employee to a lessee to franchisee. So, the revenue models kept changing
- Frequent strikes by drivers and damages to assets led to a loss of revenues and high costs of maintenance
- Unjustifiable remuneration to top management and high administrative costs. Meru in 2012 shifted gears and adopted an aggregation model at regulated prices
- The policy of avoiding surge pricing to beat the competition to adopting a marketplace model enabling its enrolled drivers to set dynamic fares in a bid to attract more customers.

### Disruption in the Segment

Ola and Uber, backed by global venture capitalists, used their abundant funds to offer incentives to drivers and discounted fares to riders. When these players entered the market, Meru had the second-largest share at 16 percent, while Uber just had five percent of the market. Ola expanded its share, and the combined market share of Ola and TaxiForSure grew to 80

percent. Meru's share dropped to 12 percent while Uber was four percent. All other taxi companies together have the rest.

Once a leader in the space, Meru came down to single-digit market share in app-based cab space ever since Ola and Uber started dominating the market. To win back its position, Meru allowed drivers to set dynamic fares to attract more commuters as it moved towards a marketplace model. In its old model, Meru charged riders as per rates regulated by the government, but in the marketplace model, drivers can set the fares. In October 2017, Meru Cabs had filed complaints against Ola and Uber, alleging that the cab aggregators were misusing their position in the market and prompting anti-competitive practices.

## **Revival and New Initiatives**

Meru's fleet of vehicles ranges from pocket-friendly hatchbacks, sedans, and MUVs to premium sedans, SUVs, and electric cars (EVGO).

Meru has over 35,000 owned and attached cars under its pan-India network that offers an array of services to individuals and corporates across India. It also earned revenue through C advertisements.

Apart from providing car rentals, local city, and intercity rides, Meru also maintains a long-standing relationship with the five major airports of India and has been their official airport cab service provider for over a decade. For weekend getaways, business outings, and so on, 'Meru Outstation' has been established recently and currently covers over 7000+ destinations across 100 cities.

MeruBiz is a one-stop solution to business travel that manages the end-to-end mobility of resources in a structured and reliable, tech-driven environment. MeruBiz also allows businesses to remotely manage and control both individual and team travel with a smart, smooth, and cost-effective travel management system that can be customized to accommodate the unique travel needs of any organization. Its admin dashboard delivers actionable insights into the overall travel behavior of an organization with access to all company rides, spends per group, download reports, allocation of budgets, and setting up of rules and restrictions – all this and more on a single platform. MeruBiz offers business travel management services for employee commute, car rentals, airport transfers, city rides, outstation business rides, events, and conferences, alongside other customizable corporate travel solutions like coach services, electric vehicles (EVGO), nodal transfers, and more.

Offers and coupons are the most often form of attracting customers to install the mobile apps and start using a cab riding service. Meru partnered with Citrus, Paytm, and MobiKwik for digital wallet services. Meru gets as much as 70 percent of its revenue from the bookings done on its own mobile app. The wallet partnerships help customers to top up their wallets with any of these wallet providers. During the COVID-19-led lockdown, Meru car services were used by SBI and Kotak Mahindra Bank for the transportation of its bank employees. Similarly, a tie-up with Flipkart helped it deliver essential commodities. It has also been active in tying up with various brands for activations, such as with Kellogg to give passengers a breakfast box with cornflakes, milk, and a bowl to have the meal while in cabs. Meru has also renewed agreements with all leading airports. MakeMyTrip has partnered with Meru to provide sanitized cab services across all major airports in India.

On February 2, 2014, Meru Cabs announced a partnership with Google Now to provide instant alerts to customers. Meru Cabs also partnered with French taxi service provider Taxis G7 to provide taxi services globally. In 2018, Meru was planning to earn a competitive advantage by shifting from a B2C business to a B2B business. In December 2019, Mahindra acquired a 36.63 percent stake in Meru. Flipkart, India's e-commerce firm, tied up with Meru to deliver grocery and essential items to customers during the nationwide lockdown due to COVID-19.

Over the years, Meru launched several new initiatives, including a ride-sharing option and carpooling service. It also launched Meru Enable, wheel-chair accessible taxi service in

Mumbai. It also tied up with Facebook Messenger to tap into its 100 million-plus customers in the country and enable them to book cabs *via* the social networking site. It planned to expand its network by adding more tier-II cities which have good potential.

Meru Mobility Tech, in which Mahindra & Mahindra now holds a majority stake, has introduced several measures to enable customer safety during the ongoing Coronavirus pandemic. Meru Cabs have introduced a unique "Ozone Treatment"™ to sanitize the cabs at designated hubs in the city. This process helps by releasing Ozone (O<sub>3</sub>) air inside every cab and, in the process, reducing the extent of viruses and bacteria. The O<sub>3</sub> air easily permeates through vents, far seats, under-seat upholstery fibers and reaches all the nooks and crannies in the vehicle, which are usually hard to reach. This Pan India initiative of Meru has so far been carried out for over 1,000 cabs and counting.

Doing its bit to help during the lockdown period, Meru Cabs deployed 800 sanitized vehicles to be used by bank employees who do not have a personal vehicle to travel between their homes and their workplace.

### **Acquisition by M&M**

There is a growing interest of traditional carmakers in ride-hailing start-ups because automobile firms today realize that selling cars is not the only way to sustain growth. To sustain their business profitability, they are looking at horizontal integration of shared mobility companies, logistics solution providers, and businesses that operate vehicle rental services, amongst others.

Indian automobile major acquired a 55 percent stake in Meru Cabs in September 2019 for a cash consolidation of Rs. 201.5 crores. This is the second such stake bought by M&M. The company earlier bought a stake in car rental service Zoom cars. These are in line with the shared mobility businesses that M&M is planning as a part of the broader picture.

In 2019, Mahindra and Mahindra acquired a 55% stake in Meru Cabs. With this merger, Meru expanded its product offerings and added electric vehicles to its fleet. Meru ran a pilot project with 200 electric cars in Mumbai and Delhi. By 2020, Meru grew to become the second-largest ride-hailing service to include Electric Vehicles (EV) in its fleet, establishing itself as EV led tech Mobility Company providing end-to-end transportation solutions for personal travel and for corporate travel.

Today, the global leader, Mahindra, and Mahindra is a majority stakeholder in Meru as they continue to offer a wide array of mobility services to individuals as well as corporate and business houses across India. In collaboration with Mahindra and Mahindra, they are moving towards adopting an electric ecosystem starting with Mahindra's eVeritos in Mumbai, and our electric fleet will soon be present in all the other major metro cities of India. Meru, with its undeterred promise of reliability and trusted service, shall continue to evolve, innovate, and rise as a Mahindra group company.

Meru Cab's objective is to build a profitable, Electric Vehicle-led (EV-led) business mobility platform to capture the leadership position in the corporate commuter segment. The focus of this segment shows that the users of ride-hailing services are company employees, and they hardly used it for personal commuting. Meru Cabs launched a business mobility application on August 15, 2020, which has a new feature called "Meru Switch" in the application with a slide icon that helps the users to switch between work commute and personal travel.

### **Challenges for the CEO**

With this acquisition, Meru has become a subsidiary of the company with effect from December 5, 2019. Also, subsidiary companies of Meru -- Meru Mobility Tech Private Limited, V-Link Automotive Services Private Limited, and V-Link Fleet Solutions Private Limited have in turn become subsidiaries of M&M. Meru Cabs agreed to allow M&M to put in a majority of

Board of Directors. Meru is too small a player to actually compete with Ola and Uber, but with a cash-rich and managerial-experience-driven company such as M&M behind it, Meru could reposition itself in the booming mobility space.

### Questions for Discussion

1. Why did the radio taxi market pioneer turn into a loss-making insignificant aggregator in the cab sharing industry?

### Business Model - Changes in the Last Decade

Neeraj Gupta, Meru Cabs' MD, was inspired by similar services in London and Singapore, where he would often travel with his wife. Gupta sensed an opportunity in running a fleet of air-conditioned, GPS-linked, electronic metered taxis in Mumbai when the Maharashtra government invited tenders for such a service for 10,000 cabs, replacing the old black-and-yellow taxis in 2006. His confidence stemmed from running taxi services for BPOs and corporate clients. He was certain such a service would be an instant hit in India if a service provider could cash in on urban Indians' aspirations.

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Over the years, Meru launched several new initiatives, including a ride-sharing option and carpooling service. It also launched Meru Enable, wheel-chair accessible taxi service in Mumbai. It also tied up with Facebook Messenger to tap into its 100 million-plus customers in the country and enable them to book cabs *via* the social networking site. It planned to expand its network by adding more tier-II cities which have good potential. The company's aggregator model grew at over 20-30 percent every year, while it planned to continue to add about 2,000 vehicles every year to its own business, some of which would be the replacement of old vehicles.

Started low fare service line *i.e.*, Meru Genie which aims to offer value for money cab services Meru has its own Training Academy where it has made a significant investment in training its chauffeurs Meru facilitates bank loans for the drivers to buy the cars and around 10 percent already have the cars in their name, while most of the rest pay EMIs to Meru which forwards it to the banks to repay the loans.

Meru was more of venture investment for India Value Fund, the majority investor. The company started as a fleet-owning enterprise that employed drivers. It then shifted to leasing its vehicles to drivers against a fixed and variable payment model. Later it introduced Meru Plus, where it will not own any cabs but will simply extend its brand and technology backbone to drivers who will own the cabs. This was an attempt to make the business asset-light and move to profitability. It has always struggled to define and freeze a strategic business model, and the management myopia has resulted in multiple measures which kept on changing as the times changed.

Today, Meru is a holding company, and with its subsidiary companies, it provides cab ride services and corporate transportation solutions space. Its subsidiary - Meru Mobility Tech Private Limited, provides metered Radio Taxi Services in the cities of Mumbai, Delhi, Bangalore, and Hyderabad. This is the company that pioneered metered "Radio Cabs" in India. V-Link Automotive Services Private Limited caters to the travel and tourist cab services in various Indian cities. V-Link Fleet Solutions Private Limited looks into end-to-end transportation solutions to leading companies in various sectors such as BPOs, KPOs, Banking, IT, ITES, Media & TV companies, Airlines Industry, Financial Services, etc.

Meru Mobility Tech, in which Mahindra & Mahindra now holds a majority stake, has introduced several measures to enable customer safety during the ongoing Coronavirus

pandemic. Meru Cabs have introduced a unique “Ozone Treatment”™ to sanitize the cabs at designated hubs in the city. This process helps by releasing Ozone (O<sub>3</sub>) air inside every cab and in the process, reducing the extent of viruses and bacteria. The O<sub>3</sub> air easily permeates through vents, far seats, under-seat upholstery fibers and reach all the nooks and crannies in the vehicle which are usually hard to reach. This Pan India initiative of Meru has so far been carried out for over 1,000 cabs and counting.

Doing its bit to help during the lockdown period, Meru Cabs will deploy 800 sanitized vehicles that will be used by bank employees who do not have a personal vehicle to travel between their homes and their workplace.

To make travel more accessible to everyone, Meru has reduced its fares by a flat 40 percent, and the company says riders can use the cabs at fares starting at Rs 39 in select cities, which will include Mumbai, Delhi, Bangalore, and Hyderabad. It can be seen that in Meru Cabs, the heart is in the right place though the business model is a wavering one.

### **The 5 Cs that made it a Niche Player**

The 5 Cs which was the differentiators for the company were:

- Customer: Meru was the pioneer Indian company to automate the service processes and standardize customer experience by providing a high-quality service
- Chauffeur: Meru reinforced its commitment to providing world-class service to its customers by actively training the drivers to be focused on what the customer wants.
- Cab: All cabs were clean, air-conditioned, and ran on green fuel. Also, they were of distinctive green color. They all provided printed bills and were tracked by backend technology.
- Call Centre: In 2009, Meru had an Interactive Voice Response (IVR) system providing a 24×7 Customer Service Center with negligible call waiting, and two years later, they launched their real-time website for live bookings and getting cab and driver details
- Company: The vision of providing the best in class service necessitated very heavy investment in the asset base and high ongoing running costs. Despite being the third-largest taxi service operator globally and the largest in India, even by 2011, Meru had not been able to break even financially. There were several constraints to Meru’s Growth – internal inefficiencies, long cab downtime, lack of qualified drivers, driver strikes, rapidly expanding operations, and competition from other players.

### **Driving in Losses**

When Meru was launched, it owned the fleet. Meru drivers had to pay Rs 1,200-1,300 per day to the management and were promised at least 25 assignments a day. This did not work out as planned. However, the strike by drivers in 2012 forced Meru to rethink its business. Now, 50 percent of its cars are owned by the drivers themselves, across three brands - its flagship Meru, Meru Plus, and Genie. Owning the cars makes the drivers more responsible for the service. Meru accepts 15 percent share of the fares from each driver. Besides bringing in passengers, Meru facilitates bank loans for the drivers to buy the cars. Some of the factors for its continued inability to break even for many years and then working towards positive EBITDA are as follows:

- Large Capex to begin with and later lightening the asset base
- Equation shifts with drivers- employee to a lessee to franchisee. So, the revenue models kept changing
- Frequent strikes by drivers and damages to assets led to a loss of revenues and high costs of maintenance
- Unjustifiable remuneration to top management and high administrative costs. Meru in 2012 shifted gears and adopted an aggregation model at regulated prices
- The policy of avoiding surge pricing to beat the competition to adopt a marketplace model enabling its enrolled drivers to set dynamic fares to attract more customers.

## **2. How will fund infusion by M&M in 2019 impact the future of Meru Cabs? How can the new CEO revive the company?**



## **Business Partnership**

Offers and coupons are the most often form of attracting customers to install the mobile app and start using a cab riding service. Meru partnered with Citrus, Paytm, and MobiKwik for digital wallet services. Meru gets as much as 70 percent of its revenue from the bookings done on its own mobile app. The wallet partnerships help customers to top up their wallets with any of these wallet providers. During the COVID-19-led lockdown, Meru car services were used by SBI and Kotak Mahindra Bank for the transportation of its bank employees. Similarly, a tie-up with Flipkart helped it deliver essential commodities. It has also been active in tying up with various brands for activations, such as with Kellogg to give passengers a breakfast box with cornflakes, milk, and a bowl to have the meal while in cabs. Meru has also renewed agreements with all leading airports. Make My Trip has partnered with Meru to provide sanitized cab services across all major airports in India.

## **Disruption by Cab Aggregators**

Ola and Uber, backed by global venture capitalists, used their abundant funds to offer incentives to drivers and discounted fares to riders. When these players entered the market, Meru had the second-largest share at 16 per cent while Uber, just had five per cent of the market. Ola expanded its share, and the combined market share of Ola and TaxiForSure grew to 80 percent. Meru's share dropped to 12 percent while Uber was four percent. All other taxi companies together have the rest.

Once a leader in the space, Meru came down to single-digit market share in app-based cab space ever since Ola and Uber started dominating the market. Meru allowed drivers to set dynamic fares to attract more commuters as it moved towards a marketplace model to win back its position. In its old model, Meru charged riders as per rates regulated by the government, but in the marketplace model, drivers can set the fares. In October 2017, Meru Cabs had filed complaints against Ola and Uber, alleging that the cab aggregators were misusing their position in the market and prompting anti-competitive practices.

## **Auto Manufacturers' Interest**

There is a growing interest of traditional carmakers in ride-hailing startups because automobile firms today realize that selling cars is not the only way to sustain growth. To sustain their business profitability, they are looking at horizontal integration of shared mobility companies, logistics solution providers, and businesses that operate vehicle rental services.

## **Funds Infusion by M&M**

Indian automobile major acquired a 55 percent stake in Meru Cabs in September 2019 for a cash consolidation of Rs. 201.5 crores. This is the second such stake bought by M&M. The company earlier bought a stake in car rental service Zoom cars. These are in line with the shared mobility businesses that M&M is planning as a part of the broader picture.

With this acquisition, Meru Cabs will become a subsidiary of M&M. At the same time, subsidiaries of Meru - Meru Mobility Tech Private Limited, V-Link Automotive Services Private Limited, and V-Link Fleet Solutions Private Limited will also go under the umbrella of M&M. Meru Cabs agreed to allow M&M to put in a majority of Board of Directors. Meru is too small a player to compete with Ola and Uber. However, with a cash-rich and managerial-experience-driven company such as M&M behind it, Meru could reposition itself in the booming mobility space.

## Suggested Teaching Plan

<b>Topic</b>	<b>Suggested Time to Spend</b>
Introduction to Meru Cabs	5 minutes
Dynamics & Growth of cab sharing services	5 minutes
Problems faced by the CEO	5 minutes
Franchisee model	5 minutes
Cab aggregation model- pricing, profitability	5 minutes
Difference between the B2B & B2C segment	5 minutes
B2B partnerships of Meru Cabs	5 minutes
Innovations adopted	5 minutes
Meru's handling of market disruptions	10 minutes
Meru's subsidiaries	5 minutes
Owning - Franchising - M&M Subsidiary - tracing the business model journey	10 minutes
Future prospects for Meru	5 minutes
Summary	5 minutes
Total	75 minutes

### Additional Material for Facilitators

### Suggested Reading

1. Corporate Strategy by Colley, Doyle & Hardie, McGraw-Hill Executive MBA Series
2. Tilt: Shifting Your Strategy from Products to Customers by Niraj Dawar
3. Good Strategy Bad Strategy: The Difference and Why It Matters by Richard Rumelt

### Multimedia Viewing Suggestions

1. <https://youtu.be/X711Id3WL0k?t=119>
2. <https://youtu.be/TTG82sLpiMw?t=7>
3. <https://youtu.be/rn7gKH0z2iI?t=204>
4. <https://youtu.be/BNLubJ2clOs?t=235>
5. <https://youtu.be/K9tVYFhanDw?t=710>

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