

Grab Marketing Strategy, Research & Development

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ABSTRACT

Grab is a Singapore-based company providing transportation applications available in six countries in Southeast Asia. It utilizes smartphone cloud-based technology to provide ride-hailing and logistics services, food delivery, and courier service. This study proposes to determine and analyze the problems that exist in the Grab company. One of the problems in a company is a competition between companies. One of the competitors is GO-JEK. This research is expected to provide solutions to problems that exist within the company. How to stand out from competitors, attract more customers and drivers, and various training courses for drivers? What should the company decide on the price? In different countries, how should companies operate under different government policies?

Keywords: Application, Grab, Marketing, Strategy, Transportation

INTRODUCTION

Grab Holdings Inc. formerly known as MyTeksi and GrabTaxi, it is a Singapore based transportation company that was originally founded in Malaysia and moved its headquarters to Singapore. Grab is an Uber-like service that offers rides, and on-demand taxi service with flat rate fees based on the city. Grab allows the customer to quickly book a ride from the app, wait for the grab car, and pay the fare through app or by using cash. Grab provide safety rules that can make foreigners safer in traveling because they would not have to worry about an illegitimate taxi. Furthermore, Grab also vets all the drivers and with the flat rate payments, the customer would not be charged more than owe. The company that operates a ride-hailing platform which offers a car booking service. It focused on the development of new commuting and payment alternatives for drivers and passengers. Grab promote many services to satisfy the needs of the customers such as private car services, motorcycle taxis, cycling services, bus and shuttle service, and others.

In 2011, Anthony Tan, create an idea for an Uber-based taxi app after his friend complained about transportation in Malaysia. Anthony Tan create a taxi booking service that wins at second place in the 2011 Harvard Business Plan Competition which helped him to earn investors. This booking service then launched in 2012 as MyTeksi and expanded as GrabTaxi, and as a Grab. Then, Anthony Tan's classmate, Tan Hooi Ling create a business plan to promote the mobile app. In 2012, Grab began as a taxi-hailing app but has extended its product platform to include private car

services (GrabCar & GrabShare), motorcycle taxis (GrabBike), social carpooling (GrabHitch), food delivery (GrabFood), last-mile delivery (GrabExpress) as well as a mobile payments services (GrabFinancial Services Asia).

Grab company that provides online-to-offline services in the most number of cities across Southeast Asia, with a presence in over 500 cities and towns. Grab is present in 8 countries across the region such as Malaysia, Singapore, Indonesia, Myanmar, Vietnam, Cambodia, Philippines, and Thailand. The mission of the Grab is to create a safer every day for the customers and partners, as well as the community as a whole. Grab app that serves the customer's daily needs, ensuring the safety and security of the customers in every experience with them is the top priority while the customers using the app. The app also provided feedback to customers to rate their experiences in the services.

Further, the Grab app also offers food delivery called GrabFood and digital payment services via mobile app. The GrabFood satisfies customers' food cravings by getting the food from customers' favorite restaurants whenever the customer is. GrabFood is first available in Klang Valley then expand to Melaka, Penang, Johor, Kota Kinabalu, and Kuching in April 2019 where customers can order from select food and beverage outlets.

Background of Idea

Service

Grab has unique types of services include car services and food delivery. Grab car is one of the transportation that carries passengers from one place to another place. Grab car is to cater to every passenger's needs. There are several requirements accepted as Grab such as the car model, and the driver's performance. The car models that will be rejected include Perodua Kelisa, Perodua Viva, Perodua Kancil, Perodua Kembara, Perodua Kenari, Inokom Atos (Old model 2007-2010), Inokom Matrix, Renault Kangoo, Proton Wira, Proton Iswara, Proton Gen 2, Proton Savvy, Proton Satria Neo (2 Doors), Proton Waja (Only rejected in Sabah), Kia Spectra/Naza Spectra, Kia Sutera/Naza Sutera, Kia Picanto/Naza Picanto (Old model 2007-2010), Honda CR-Z (2 Doors), Hyundai Getz (Old model 2007-2010), Hyundai i10 (Old model 2007-2010), Chevrolet Aveo (Old model 2007-2010), Changan Era CM8, Pick-up trucks (Only rejected in West Malaysia), 2 Doors Vehicles, and Taxi vehicles / Personal Advertised vehicles. Grab will accept the car models that do not include in the rejected cars list. Grab only accept the vehicles that manufactured less than 9 years until further notice from the relevant parties. Existing driver-partners may also continue with their current registered vehicles until further notice. Grab is a fixed-fare on-demand service that a passenger books a grab car will be assigned the nearest vehicle. The minimum fare for Grab car is RM5, the base fare is RM2, RM0.70 per km and RM0.20 per minute. Moreover, GrabFood is to deliver the food to satisfy the customer's needs. GrabFood is available in Klang Valley and has recently expanded to selected areas in Melaka, Kota Kinabalu, Penang, Johor, and Kuching. GrabFood delivers at 9 am and runs as late as 12 am. The price is the order's total cost which includes the price of the menu items and a delivery fee.

RESEARCH METHOD

Market opportunity analysis

For people, Grab has excellent crowd adaptability. 62 years old senior, on to the new cohort elderly, down to feeding children, women, young and old people can use the grab. For culture, most of the countries do not have any convenient transportation system. It means that most countries need taxis and then Grab was born. Grab has many social benefits for customers and drivers. Therefore, Grab becomes the biggest company.

- Political Environment

Grab is the biggest taxi company in Asia. For the government, Grab is in a monopolistic company in Asia. Most customers have some options for Grab. Singapore's Government will launch an investigation into Grab monopolistic practice and implement new regulations: drivers need to apply for a license, passengers must also take real name certification. They make some rules for Grab to adapt. From March 11th, if the customer cancels the reservation within 5 minutes after receiving the driver, or does not appear within 5 minutes after the driver arrives, he will be fined 4 Singapore dollars.

- Economic environment

The presence of Grab companies in the community is supposed to impact economic growth in the country. It is out after the Grab company entered a country; the country experienced high economic growth. It does not stop there, the unemployment also fell since Grab always opens job vacancies, especially for drivers.

- Social

In this modern era, everyone wants to be fast and easier. Everything must be accessible by cell phone and therefore grab comes to answer the problems that occur in the community. Grab also always adapts to changes and developments that occur. For instance, Grab Taxi, has provided not only shuttle services but also Grab Food.

- Technology environment

Grab is a company based in Singapore. It is an online platform that provides delivery and pickup services for its customers. With an internet connection and assisted with Google Maps services, Grab can find out where passengers' pickup positions. Grab also has a Ride hailing system, the availability of accurate map data. With that accurate map, service providers can provide travel time information to a more transparent cost calculation.

RESULTS AND DISCUSSION

In addition, Grab provide quality customer service which is "speed, safety and certainty" to all the customers. This can make sure the customers enjoy the brief journey and their services. The details of the drivers such as name, phone number, photo, and fees are provided to the passenger to ensure transparency. Grab provide the passenger to share the location with others. This can protect the safety of the passengers. The passengers can rate the service of the driver after the trip. This can

help the Grab gets the feedback from the customer and improve the experience for both driver and customer. The quality of customer service can build up the loyalty of customers.

Grab offers promo code to the passengers to interact with the customers. The customer prefers a lower price. Grab offers the promo code with the partner to give the opportunity to scale their business. This is a win-win situation for the Grab and the partner. Grab also has partnered with consumer brands in Southeast Asia such as Baskin Robbins, Coffee Bean, Tea Leaf, and others to market the services. Grab provide another way for the drivers and the partner to earn more income. The driver can reduce idle time and maximize earning opportunities by delivering the groceries between passenger trips. Grab use the partnership to make sure the company's future growth and see itself as a facilitator.

Grab is the front-runner. It operates in more markets than Gojek and holds e-payment licenses in the region's six largest markets. Gojek only provides such services in Indonesia and the Philippines.

To compete with a wide enough market, Grab companies require creativity and innovation in creating products and ability to maintain consistency in supporting product quality. One of the problems that Grab and Gojek are facing is pick-up points. This can be an opportunity for Grab. The download can upgrade map quality on Google Map so pickup is more accurate than Gojek application. In line with being consistent with the quality of the product, they must also be consistent with the price given. Price is one factor that is highly favored by consumers. However, consumers could experience a drastic price increase. To resolve this problem, Fetch can set the tariff provided.

Besides maintaining product consistency, Grab should improve service quality. One of the services that customers want is fast-responding customer service. Good service does not only come from Grab companies but also the drivers. The problem that is regularly faced by consumers is the driver. Poor attitude and lack of knowledge of finding the trip route is the problem. Grab should improve the system and the applicable SOP, so it can be very useful for drivers and passengers. If the company cannot offer a lower price, then the company can provide good service to its customers, which is a competitive advantage.

Another competitive advantage is product differentiation. With the uniqueness that exists in the product, it will be very easy for consumers to move from other products to the products we have. One of the efforts that Grab has taken is to create a Grab Gerak (which exists in Indonesia) intended for people with disabilities. A very good innovation from Grab and not owned by the Gojek company. The innovations that Grab can do are like the Bajaj Grab, where the delivery service uses Bajaj, which will be very useful for delivering people who have just finished shopping from the market. It will help the local people and can improve their economy.

After a competitive advantage, the steps the company must take is to do the marketing. So far the quality of marketing that Grab has done is only limited to reminders. The message given is only about Grab - passengers - and Grab services and looks less attractive. It would be more interesting if Grab used a theme that was trending on the

Internet, such as the theme of Avengers or even the Joker. Thus, advertising will be more interesting. The more themes that are adapted both from existing films and stories, the easier for companies to hook on existing customers.

Grab has made improvements to its ride app, which now includes features like hotel, meal ordering, and reservation. It gives a convenient and perfect customer experience. Grab is also offering an uncommon point feature that allows us to exchange coupons for different prices, including food, hotels, taxis, clothes, cosmetics, and even a contract with game company Garena. Grab aims to optimize customer satisfaction, maximize it and comfort by improving its functions for distinct groups.

Grab has also set up some departments to handle after-sales services. As is known to all, some passengers tend to lose things in the car, it is important to send an email or make a phone call to the after-sale department at this time, and then they just need to wait quietly for the driver.

Grab issues ride coupons from time to time to let passengers take a taxi. And grab is quick and doesn't calculate by time. As we all know, there are serious traffic jams in some parts of Southeast Asia during the peak period. Grab doesn't take a taxi during the peak period. The price increases or the journey is calculated by time. Grab is suitable for all ages. For women, grab sets up a coupon to buy clothes or cosmetics. For students, grab sets up food or game coupons, etc.

After all, aspects already exist, the company only needs to expand marketing reach. Grab companies are active in ASEAN only, and it will be if Grab can also operate in the ASIA region. Then a lot of marketing teams are needed and sufficient. Grab must cooperate and establish relationships with several countries in ASIA so that Grab's products can be accepted in the community. It should be underlined, that not all countries in ASIA must be lectured because there are several factors such as economic conditions, government regulations, technology, and social conditions in the country. If all aspects are beneficial as is, formerly Grab can carry out executions in the country.

CONCLUSIONS

We know that Grab is very popular in Southeast Asia and many people use it. One of Grab's rivals in Southeast Asia is Gojek. If Grab extends to develop its products and reach minor cities in Southeast Asia even Asia, formerly Grab will be far more exceptional and can win the competition with Gojek.

Consistency

Grab is expected to settle consistently with the quality of their products. Not only consistent in their products but also with the prices given. This is the same problem faced by Gojek, but if Grab can be more consistent by presenting consistent prices to passengers, this will be an advantage. Grab should also pay attention to the consistency of the number of drivers and passengers, train or find more drivers to ensure the probability of successful travel. Grab should also make a corresponding cost assessment and budget including the driver training costs and other travel costs. Meeting the consistency of costs and expenses, and the consistency of the number of

passengers and drivers is the key to the success of Grab as a shared transportation company. It matters in winning the top spot among other competitive companies.

Risk

The risk that can befall to Grab is driver's protests. Drivers can go on strike, reducing the company's income. This happens because the driver feels the money earned is not worth the expenses and economic changes that befall.

Today, with the rapid development of information technology, more and more competitors continue to appear threatening the position of Grab in the shared public transportation. To maintain its position, Grab should constantly come up with new passenger methods and means. However, other competitors will do everything they can to attract passengers and drivers. Grab's own unique approach may also be that risk, passengers will be "visually tired" while using Grab, making other companies' promotional tools more attractive to passengers.

Price is the most important factor in attracting passengers to use Grab, so giving passengers more discount coupons will increase the fastest way for passengers to use Grab, but it is also threatening grab's revenue. The more coupons, the less revenue the company will earn. So this is a tough problem for companies and passengers to overcome.

Service quality

Grab is also expected to improve the quality of the service. To gain competitive advantage, Grab should always maintain its quality and uphold its brand image to capture positive customers' perceptions. It is also imperative for Grab to improve its service quality to meet customer satisfaction which will lead to a positive perception, and attracting more potential customers. Gojek has the same aim to meet customers' needs, but Grab should focus more on customer satisfaction. Trust and perceived risks are still an issue in online transportation services in Indonesia such as Gojek. Therefore, Grab should maintain the trust of its customers to win the competition.

Risk

The risk that Grab will take is by the rating system. The customer satisfaction impacts the driver's rate that leads to the driver's performance. If the drivers get only 1 star for the service rate, the driver will be fired immediately. The rate is given by evaluating the service of the grab such as customer safety, responsiveness, and trust towards customers. The customers will give a lower rate when they feel unsafe or uncomfortable on the vehicles. This is the risk that the drivers will face and it is difficult for them to solve these problems.

Product Differentiation

The company must provide the uniqueness of products to drive the consumers' choice. If Grab makes Bajaj Grab, it will facilitate the community in the markets. Not only it is easier for passengers to carry a lot of luggage but also helps the Bajaj drivers to attune to technological developments.

Risk

There will be many rejections from traditional society. The community prefers to use traditional methods. It will be very difficult for companies to disseminate to the

community to move forward. The company will pay a large budget or also make these innovations.

Unique Marketing

Grab design the app by using the characters in the movie to attract more customers in the market. They can make a video about the Grab services and ask the customers for sharing the video to get the offer bonus points. Customers can redeem some rewards.

Risk

By using characters in movies such as Iron Man from Marvel and Joker from DC, it takes special knowledge about the origin of the characters and must be the same as told in the film, otherwise, a new problem will not arise from the company that film alone, but can come from their fans.

Recommendation

There are a few recommendations for Grab to improve and deliver the best version for the customers.

Grab should improve the Telematics apps, which is the combination of machine learning and predictive analytics. This app can identify unsafe driving habits or any problems that come from vehicles. For example, It can detect the speed of the vehicles, swerving, and hard brake or speeding up. Car damage such as car engine problems causing car accidents could be also recorded. As a result, this app can educate drivers to improve their driving experience.

Grab should also fix the price to make sure the customers will not choose other competitors such as Gojek and Mula. The price is higher when there is outrageous demand, especially after work. Therefore, customers will change their minds to choose Mula cheaper than Grab. It is good if the price is fixed and cheap compared to other competitors.

Next, Grab should provide the best quality of customer service. Grab should make sure the customers feel safe and trust the drivers by shows the driver's details such as name, phone number, and plate number. If anything happens to the customers, they can report to the police immediately by using their details. Grab should provide more flexible payment methods such as cash, credit card payment, GrabPay (OVO), touch 'n go eWallet and online banking. As a result, customers can pay the fare easily and quickly.

Last, the drivers should be trained to improve their communication skills so that the customers will feel comfortable riding with them. It also can enhance better services for customers.

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