

CHAPTER II

THE RISE OF ONLINE RIDE-HAILING IN INDONESIA AND GRAB'S MARKETING ACTIVITY

With the development of internet that nowadays are become more important, a lot of improvement when it comes to transportation and marketing are the pinpoints of this edge. The example for that is by looking out of how many people that are now familiar with online ride-hailing and used it for their daily needs. In much more than that, the competitive market between each of online ride-hailing are happened in order to show which of them that are engaging enough to guiding more user or consumers. In this chapter, it helps to describe in depth more about online ride-hailing in Indonesia until the Grab's marketing strategies that are uniquely interesting.

2.1 Online Ride-Hailing

Online ride-hailing, according to Feeney (2015), is a method of transportation where users can connect with service providers in a peer-to-peer setting. Currently, the types of transportation used in Indonesia, including car-hailing, bike-hailing, and carpooling, have been categorized as online ride-hailing services (Rainaldo et al., 2017).

As a result, online ride-hailing is a part of the sharing economy business model (Cohen & Kietzmann, 2014). The sharing economy operates when the owners

of resources, such as vehicles and employment, may grant clients temporary access to those resources. Online ride-hailing services serve as an example of how innovation in the transportation sector combined with the sharing economy principle has established a new service industry sector (Wibawa et al., 2018). Online ride-hailing businesses serve as a middleman by offering a marketplace platform that connects the owners of these resources with clients. Although online ride-hailing plays a significant part in the urban transportation cycle, the costs are far lower than those of traditional transportation services, and access is not restricted by time or location (Irawati & Ezrani, 2018).

Since their introduction in Indonesia in 2010, online ride-hailing services have grown in popularity with the public (Pratama et al., 2017). The industry for online ride-hailing services in Indonesia is currently dominated by two businesses. Gojek and Grab are the two online ride-hailing businesses. Nadiem Makarim, an Indonesian, started Gojek in 2010, while Anthony Tan, a Singaporean, founded Grab in 2012. On this chapter, the focused of the applications is on the point of view of Grab as an Asian number one apps for online ride-hailing applications that also applicated a lot of engagement with customer.

2.2 Grab's Profile

As the one of applications that are mostly integrated by technology, Grab is the answer to this. The most well-known example of the latter in Southeast Asia is app-based driving, particularly ride-hailing and food delivery. The most recognizable platform is the regional juggernaut Grab, which has its headquarters in Singapore and whose green logo has spread throughout the subcontinent's cities. Both governments and customers in the area hail Grab as a representation of digital progress, modernization, and the "smart city" because of its ubiquitous green emblem.

In all of Southeast Asia, Grab continues to dominate the markets for both ride-hailing and food delivery. Singapore, Malaysia, Cambodia, Indonesia, Myanmar, the Philippines, Thailand, Vietnam, and Singapore are the eight countries where the business is active. Grab has developed into a "super-app" that offers banking services, grocery shopping, hotel reservations, and financial services in addition to its core ride-hailing and delivery services.

Grab offers a wide range of services, including ride-hailing, food and package delivery, as well as mobile payments via GrabPay (GrabxOvo for the Indonesian Region). In the second half of last year, lockdowns were made available. Traffic has increased significantly. People are returning to the workforce, beginning to travel, and so on, according to Peter Oey, chief financial officer of Grab, in an interview with CNBC prior to the results call. The firm announced that it is shifting

its group adjusted EBITDA breakeven forecast to the fourth quarter of 2023, which is six months earlier than its previous forecast.

Because of that situation, the development of each business has made a lot of improvements to Grab itself, by trying to adapt to the covid-19 cases until the current digitalization. This show how impactful the voice of customers and of course it is beneficial to Grab itself. This collaborative communication attitude permeates all of Grab. Town hall-style meetings are held regularly in each vertical and region, with their unique agendas. The company may have expanded, but communication hasn't improved, according to Hanief Meinanda, Head of Strategy and Planning for Grab ID.

A bestselling author of numerous books on marketing and business strategy, Carla Johnson (2022) says, "If your digital marketing strategy doesn't take into account that it delivers to the customer—the user experience of the brand—then the time and budget you invest in digital marketing will never live up to its potential.



Figure 2.1

Grab Product Development Cycle (August 2011)

Observing how intricate the Grab cycle is for a single advertisement, commodity, or service. It backs up the claim that Grab's vertical teams have strong, healthy communication among themselves. Without realizing it, one of the reasons why the Grab application may be helpful to everybody who needs it is the significance of the marketing team.

2.3 Grab's Promotion Activity

Grab is accessible to all users and has excellent crowd adaptability. For both clients and drivers, Grab offers significant social advantages. Grab uses social media and even email blasts to make it event-based advertising to convince its clients that it is doing everything in its power to meet user convenience needs and that it aspires to assist them in all facets of life as demand for its services grows. Some of these advertisements were obtained from their official website to provide users with reliable content.

2.3.1 Social Media Marketing

Grab uses a range of social media marketing techniques in order to prosper in Indonesia's highly competitive online ride-hailing sector. One of their methods for staying in

touch with third parties or effective marketing campaigns for Grab itself is through social media marketing. These are some of their tactics based on their insight:

2.3.1.1 Grab's Campaign

Grab uses campaigns as a means of staying up to date with activity on its social media platforms each month. This includes the recently popular hashtags #PercayaPangkalBisa, #SIKAATSquad, #AntiNgaret and #KeepKalem. When #PercayaPangkalBisa is the current campaign activity, #SIKAATSquad is the group or squad that diligently promoted all Grab business, which was also included in #PercayaPangkalBisa campaigns, and the #KeepKalem & #AntiNgaret is the recycling campaigns that have always been used for Grab transport businesses on a quarterly basis.



Figure 2.3.2

*An active campaign of Grab within the last three months
which are #PercayaPangkalBisa, #SIKAATSquad and #KeepKalem
(Instagram of @grabid)*

These three campaigns served as the foundation for all Grab product and service offerings as well as the drive to increase public awareness of Grab's offerings. Every Brand Ambassador, as seen in the poster above (Figure 2.1), is a representative of every vertical business of Grab Products. Here, the main goal is to use significant items like a motorcycle (for Grab Transport), food (for Grab Food), and other things to highlight their mission in marketing the services that Grab provided.

2.3.1.2 Grab Brand Ambassadors & Celebrity Endorsement

Even though Grab's campaign was eye-catching and entertaining, they also employed brand ambassadors (BA) and well-known celebrity endorsements to keep people interested to Grab applications throughout the month. For the current BAs Grab had been called a #SIKAATSquad which includes these five Brand Ambassadors. Rina Nose, frequently appears in Grab Logistics (Grab Express) advertising. Ikhsan Lemon, who is frequently featured in advertisements for Grab's finance B2B partners, Haruka Nakagawa, who frequently appears in ads for Grab Food, Devina Hermawan, who frequently appears in ads for Grab Mart, and Refal Hadi, who frequently appears in ads for Grab Transport (Grab Bike and Grab Car) round out the top. Grab also streamlined Rafi Ahmad and Nagita Slavina for their BAs campaign, supporting the viewpoint. Additionally, they can only be viewed in previous Grab campaigns like #KeepKalem and have mostly been used in the

previous year (2022), which are visible on Youtube Ads and other social media platforms.

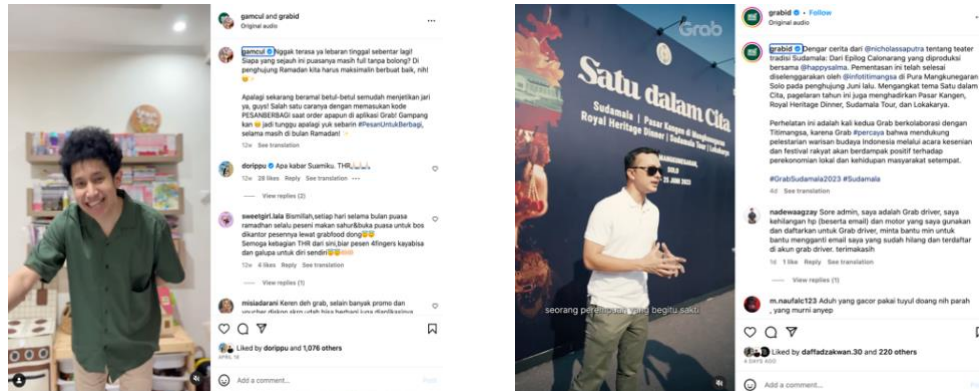


Figure 2.3.3

An example of celebrity endorsement that Grab had within the last three months which are ##PercayaPangkalBisa, #SIKAATSquad (Instagram of @grabid)

Grab leveraged a variety of local influencers, ranging from minor to prominent, for celebrity endorsement views. The majority of them, including Inul Daratista, Doripuu, Gamcul, Nicholas Saputra, and others, have been spotted on the Grab official Instagram account (@Grab.id). Nearly every artist and influencer that is well-known in Indonesia has been collaborating with Grab to further the promotions of campaigns that have been running during that time. In particular, the marketing team side of the Grab business benefits greatly from the utilization of celebrity endorsements. Celebrity endorsements aid in raising awareness of certain of Grab's products and services that consumers can utilize right away to meet their needs in addition to promoting the ongoing campaign.

2.3.1.3 Catchy Tagline

To remind customers about the various goods Grab offered. Each product or service marketing from Grab had an intriguing catchphrase. The campaign itself has previously referred to the hashtags #PercayaPangkalBisa and #SIKAATSquad, which they employed. The hashtag #PercayaPangkalBisa is a representation of the users' trust in Grab as one of their go-to apps, and both taglines have an underlying message. The squad, or a group of BAs, whose job it is to present and promote each product and service that Grab offers to consumers—whether Grab users or people who are unaware of Grab applications—goes by the hashtag #SIKAATSquad (Figure 2.3). The tagline is fairly simple to remember and is clear in all of Grab's advertisements.



Figure 2.3.4

An example of the uses of the tagline

which are the #PercayaPangkalBisa and #SIKAATSquad on one of Grab BA's

(Tweeter of @Grab.id)

These taglines have a big impact on the choices that customers make because they subtly advise them to "SIKAAT" all of the goods and services that Grab offers and "Percaya" to ensure that everything is supplied with accuracy, well-kept, and secure.

2.3.1.4 Common Promotions and Discounts

Grab always pays attention to any sales and discounts they may be doing every month, week, and day. The most well-known Grab promotions include Grab Hemat, YukGrab, Promo Gajian, and the top promotion of them all, Grab Unlimited. Grab is an online ride-hailing service that has consistently offered discounts and promotions to its subscribers.

These exclusive offers and discounts are available every day and on all occasions. The promotions and discounts referred to Grab Transport, Grab Food, and Grab Mart also apply to Grab Hemat and YukGrab. Grab Food frequently offers discounts and promotions, which are what Promo Gajian is known for. And Grab Unlimited obviously applies to all of Grab's products and services (Figure 2.3.5).



The image shows a promotional banner for Grab Unlimited. The banner has a green background with a white and orange circular graphic. It features the text: "Paket Langganan", "GrabUnlimited", "Modal Gratis, Untung Berkali-kali", "Diskon 15% Tiap Jalan & Gratis Ongkir Tiap Jalan", and "Harga berlangganan Rp44.000/Minggu GRATIS*". A small note at the bottom left says "*Untuk pembelian pertama". To the right of the banner is a white text box with the following content: "GrabUnlimited, Modal Gratis Untung Berkali-kali", "Passenger Blog, Promotions", "GrabUnlimited, GRATIS untuk pertama kali berlangganan. Nikmati diskon jalan & gratis ongkir berkali-kali.", and a green "Read More" button.

Figure 2.3.5

An example of Grab Unlimited promotion

(Source: Grab.com Home Page Website)

The unique feature of Grab Unlimited is that it is only available through the Grab application for those who have already subscribed to it, indicating that they are "loyal" Grab users or clients. By purchasing it for just Rp1.500, all of Grab's products and services are then instantly eligible for discounts and special offers. This Grab Unlimited campaign and discounts are meant to increase people's knowledge and awareness of Grab products and services as a whole.

2.3.2 Email Marketing

As a powerful online marketing technique, email marketing is becoming more widely accepted (Rettie, 2002). Email marketing makes it feasible to communicate directly with customers via email (Kaur & Singh, 2017). Email marketing is a popular method used by businesses to reach their customers. While conventional methods can be used to send and receive messages, professional technology marketing uses the most recent tools to execute email marketing campaigns.

Knowing the fact that a lot of business are common in using these methods, these are to represent the business point of view version of implementing E-Marketing to increase their market share. Particularly important for Grab Indonesia. These are their tactics:

2.3.2.1 The Usage of Email Blast

Knowing that E-marketing is one of the most effective ways to engage and communicate with users privately, this strategy of blasting all message nor information to users are being utilized by Grab too. Email campaigns, broadcast emails, mass emails, bulk emails, and e-blasts are other names for email blasts. Originally, the goals in using this email blast method as a highly effective strategy to get more sales, and bloggers use these blasts to get more website traffic. Grab uses email blasts to announce the release of new products, a brief promotion, or merely general policy updates. An effective call to action button is used in the email blast to compel the reader to take action. This might be to get people to sign up for their newsletter, read the review of their most recent product, or direct people to their online store. The call-to-action button doesn't have to be a "buy now" button. Instead, it can entice the recipient to read a blog post, review a recently purchased product, or watch a tutorial video to learn more about what they signed up for.

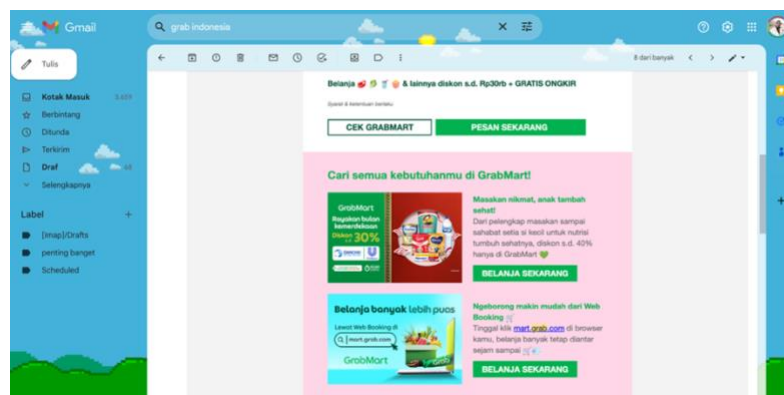


Figure 2.3.3.1

An example of Grab's Email Blast

(Source: Authors' E-mail)

As for example, the call-to-action button in the picture above (Figure 2.3.3.1) mentioned "Belanja Sekarang" means that Grab indirectly said user can get 30% discounts if they click the button of "Belanja Sekarang" and used Grab Mart. If the user clicks that button, it automatically direct to Grab Mart page and those ways are being authorized and calculated as a website traffic for Grab itself.

2.3.2.2 **The Content of The Newsletter**

The most popular kind of email used in email marketing is newsletters. As their name suggests, they frequently provide news and updates in an effort to keep viewers interested. They are also made to gently nudge users in the direction of conversion. To keep its subscribers up to date on fresh news and updates, brands send email newsletters. These emails are not intended to make sales; instead, they aim to increase customer loyalty by providing them with relevant information. Email newsletters are a common delivery method for both traditional and digital news sources.

A different degree of gatekeeping is represented by the newsletter, but little study has been done to determine which stories pass through the "gate" of an email newsletter to reach subscribers' inboxes. Although most outlets encourage their newsletter subscribers to link to their website's full-length online content, others don't make an effort to engage with their subscribers personally. The newsletters often follow the format of their full-length equivalents and are predominately made up of

stories about politics and government that are largely national in scope (Seely and Spillman 2021).

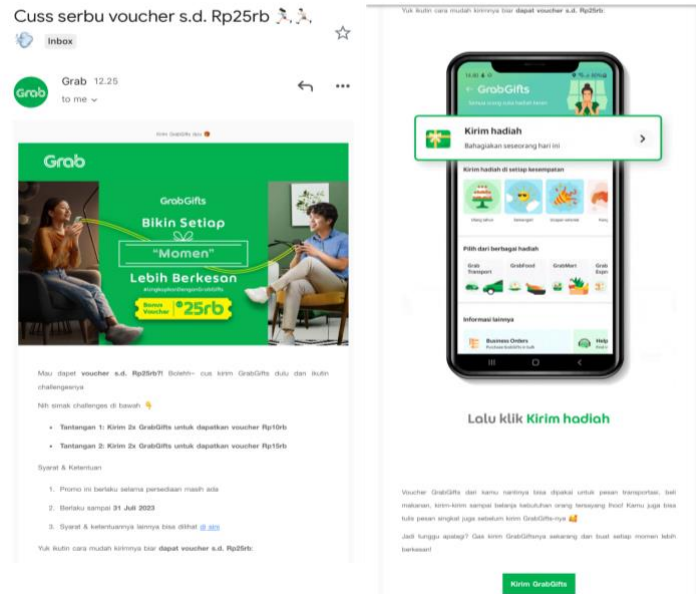


Figure 2.3.3.2

An example of Grab's Newsletter

Source: Authors' E-mail

The newsletter is basically about information and message that are packed virtually pleasing, engaging, and informative. The contents of the newsletter that Grab used and is still, blasting to every user of Grab, are mostly about Grab Unlimited, and the other promotion & discounts of the month. An example of it is stated in (Figure 2.6), Grab tried to promote their service which is called Grab Gift which you can afford only for Rp 25.000. And this message is evenly blasting to every Email of Grab user. They mostly served it with a direct message and what kind of information they want to tell the users about.