

GO-JEK: REGULATORY RESTRICTIONS AND LOCAL WISDOM'S CHALLENGERS FACED BY THE UNICORN

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ABSTRACT

The digital revolution cannot be resisted or even avoided. Indonesia and its 263 million population (The World Bank Group, 2018) are now transitioning into the digital transformation era. Many sectors have been transformed, one of it is transportation industries. Go-Jek is one of Indonesia original startup that offers ride-hailing online transportation services. Its competitor, Grab, Singapore-based ride hailing online transportation services, is competing the same market in Indonesia. Moreover, they already penetrated through the Southeast Asia market.

Today, Go-Jek is already dominating the Indonesian ride-hailing transportation with its 79.20% market share, compared to 21.80% owned by Grab. Leading the market is not the real definition of satisfaction, instead, they should maintain their current users while maximize their businesses to unlock the overall Indonesia potential, moreover, the Southeast Asia. The existence of Go-Jek on its origin country is not without challenges, there are so many pros and cons on each stratum. The conventional transportation organization drivers are seeing Go-Jek as their biggest threats to earn their living, while government is seeing Go-Jek from both advantages and disadvantages sides.

Go-Jek could decrease the number of Indonesia unemployment, contributes to taxes, and positioned Indonesia as a competitive country that could competes globally in terms of digital economics. But on the other hand, the uncontrolled expansion of Go-Jek across Indonesia could lead to social conflict, both verbal and physical, which is must be avoided and prevented. In conclusion, there are several challenges that Go-Jek should face to guard and expand their businesses.

Keyword :

Digital Transformation, Go-jek, Grab, Government Involvement, The profit-sharing system, Competition

ABSTRAK

Revolusi digital tidak dapat dilawan atau bahkan dihindari. Indonesia dan 263 juta penduduknya (Kelompok Bank Dunia, 2018) kini sedang dalam transisi menuju era transformasi digital. Banyak sektor telah berubah, salah satunya adalah industri transportasi. Go-Jek adalah salah satu perusahaan rintisan asli Indonesia yang menawarkan layanan transportasi online. Sebagai pesaing Grab yang berbasis di Singapura, bersaing dengan pasar yang sama di Indonesia. Apalagi Grab sudah merambah pasar Asia Tenggara.

Hari ini, Go-Jek sudah mendominasi transportasi online Indonesia dengan pangsa pasar 79,20%, dibandingkan dengan 21,80% yang dimiliki oleh Grab. Memimpin pasar bukanlah definisi sebenarnya dari kepuasan, sebaliknya Go-Jek harus mempertahankan pengguna mereka saat ini sambil memaksimalkan bisnis mereka untuk membuka potensi Indonesia secara keseluruhan, terlebih lagi untuk ekspansi ke Asia Tenggara. Keberadaan Go-Jek di negara asalnya bukan tanpa tantangan, terdapat begitu banyak pro dan kontra pada setiap strata. Pengemudi organisasi transportasi konvensional melihat Go-Jek sebagai peluang terbesar mereka untuk mencari nafkah, sementara pemerintah melihat Go-Jek dari sisi keuntungan dan kerugian.

Go-Jek dapat mengurangi jumlah pengangguran Indonesia, berkontribusi pada pajak, dan memposisikan Indonesia sebagai negara kompetitif yang dapat bersaing secara global dalam hal ekonomi digital. Tetapi di sisi lain, perluasan Go-Jek yang tidak terkendali di seluruh Indonesia dapat menyebabkan konflik sosial, baik secara verbal

maupun fisik, yang harus dihindari dan dicegah. Sebagai kesimpulan, ada beberapa tantangan yang harus dihadapi Go-Jek untuk menjaga dan memperluas bisnis mereka.

Kata kunci:

Transformasi Digital, Go-jek, Grab, Keterlibatan Pemerintah, Sistem bagi hasil, Persaingan

INTRODUCTION

1.1. Welcoming Transportation Industries Digitization Age in Indonesia

Indonesia, an archipelago consists of 263,991,379 population (The World Bank Group, 2018), is currently rank distance-first place populous nation across Southeast Asia and fourth-ranked populous nation in the world. This also marked Indonesia as an attractive market for assorted business fields, especially transportation industries. Transportation industries grows massively in response to the populous, high-level of people, goods, and services mobility from one place to another. What triggers the growth most is the fact that time is being critical. Time is a parameter of productivity and being productive means earning more values. Today, any transportation businesses that could resolve escalation in time efficiency will swiftly gain support from the societies.

Thus far, traditional transportation organizations are battling the digitally-minded competitors to preserve their current markets and to tap into fresh markets. Industry players sure will take many benefits from the transportation digitization transformation. Such transformation could provide cost optimization, innovative pricing models, supply chain processes improvement, ease in mobility, and lots of distinct offerings. Serving as B2B and B2C companies, digitally-minded competitors will continue to expand their businesses through delivering more values for their current and potential future customers.

Digitally-minded transportation companies are also competing each other to produce novel technologies for the sake of delivering advantages for their customers, and of course such actions burn huge amount of money, especially on the research and development stage. They need sufficient tools, high-caliber human resources, and large-continuous amount of investment to cope the fast-paced competition environment in return of economies of scale. What happen to the traditional transportation organizations that could not cope the digital competitive atmosphere is clear enough, it creates distance-gaps. They are clearly left far behind. The incapability on adjusting the digital transformation will contribute to their lower profitability due to switch on their customer's preferences as well as the behaviors, sooner or later.

Nadiem Anwar Makarim, CEO of Go-Jek, "When we began, everyone told us that you have to be only good at one thing, because if you're not super good then no one will use your product or other people will come and circumvent you with better technology, more money, etc." (The British Broadcasting Corporation, 2016). Having grown up in Indonesia, Nadiem Makarim had seen first-hand how important motorcycle taxis, known locally as ojek, were to the country's economy. And yet, the market was hampered with inefficiencies in pricing and reliability. So, while studying for his MBA, Makarim decided to do something about it, teaming up with co-founders Kevin Aluwi and Michaelangelo Moran,

they established Go-Jek (NBC Universal News Group, 2018). Back in 2010, Go-Jek was initially a motorcycle ride-hailing phone service. Until today, it has evolved into an on-demand mobile platform and a cutting-edge app, providing a wide range of services that includes transportation, logistics, mobile payments, food delivery, and many other on demand services (PT Aplikasi Karya Anak Bangsa, 2017).

Overshadowed by Anthony Tan's Grab, its rival, who recently acquired Uber's Southeast Asia ride-share and food delivery businesses (The British Broadcasting Corporation, 2018), sure will heat-up the Indonesia market competition, moreover, the Southeast Asia market competition. Anthony Tan, CEO of Grab, "Well let me be clear, we are in close to 120 cities in Indonesia. We are clearly leading in transportation. And now as we continue to invest in Indonesia we are very confident now with the Uber eats assets will also become the number one food player in this region. And then as we continue to expand Grab pay, Grab financial that will expand throughout the region." (NBC Universal News Group, 2018).

On August 2016, KKR, Warburg Pincus, Farallon Capital, and Capital Group Markets invested a total of IDR 7.2 trillion on Go-Jek. Throughout year 2017, Tencent and JD.com invested a total of IDR 3.3 trillion. In the early 2018, Google and Tencent invested a total of IDR 16 trillion. PT Astra International Tbk did not want to overlook the investment opportunity and successfully invested a total amount of IDR 2 trillion on Go-Jek. Through the overall mentioned and unmentioned investment activities from the early launch up until now, the total investment on Go-Jek has reached approximately IDR 53 trillion, but this is still lower than Grab's total valuation that has reached approximately IDR 80 trillion (PT Republika Media Mandiri, 2018). On 24th May 2018, Go-Jek announced a \$500m expansion into four south-east Asian countries, including Singapore – the market where its main rival Grab is based (Reed, 2018). Therefore, the competition between Go-Jek, Grab, and traditional transportation organizations will become more exciting to witness in the near future.

1.2. The Rise of Social Jealousy and Indonesia Government Involvement

In between 11st to 14th August 2015, Go-Jek held four days open recruitment for hiring drivers (as their partner or so called "mitra") at Gelora Bung Karno, Jakarta. Thousands targeted to gather and register over the event. Go-Jek expected to hire 16,000 new drivers from the event itself (PT Media Televisi Indonesia, 2015). Once candidate passed the selection stage, they will receive two Go-Jek helmet, one Go-Jek jacket, and an android hand phone in which the Go-Jek apps has been installed in (Putera, 2015). If the candidate did not meet Go-Jek requirement, such as not having sufficient official documents, going back home is the only option they should choose.

Go-Jek drivers earn their basic daily profits from the profit-sharing system between Go-Jek Company and the drivers. Furthermore, drivers are covered by the protection and safety insurance on their duty. Moreover, one could gain additional earning bonuses as if one could reach the daily targeted objectives activities, and having high time as well as location flexibility while doing their daily duty are the benefits that is not available amongst its rival's drivers, especially the conventional transportation organizations such as Angkot, Kopaja, conventional

taxi, Bajaj, and conventional ojek. Inequity and economical welfare gaps in the competition sparking social jealousy amongst them. "Intergroup phenomena of conflict and conflict are having historical, cultural, economic, as well as psychological roots." (Dovidio, Gaertner, Esses, & Brewer, 2003).

Following gaps issues between transportation industries rivalries, Go-Jek faced rejection on many Indonesia region. Back on 20nd September 2017, Go-Jek office that is located in Padang City was forced to close by Padang City's Local Transportation Offices following the recommendation of West Sumatera's Local Transportation Offices. This tragedy happened following the demo that was held by Angkot drivers in Bukittinggi, West Sumatera (PT Republika Media Mandiri, 2017). On 8th August 2017, several Go-Jek driver representatives visited Magelang City's Local Transportation Offices following the operation rejections recommendation of Go-Jek by the City Government of Magelang (Fitriana, Ditolak, Giliran Pengemudi Ojek "Online" Datangi Dishub Magelang, 2017). The rejection also came from the Government Officer in Charge of Garut Regency, Rudy Gunawan, due to considering the conditions of conventional ojek, delman, becak, and other public transportation in Garut. He realized that technological advancement could not be avoided, such as the presence of technological-based company like Go-Jek. But, this kind of public transportation company temporarily could not be applied in Garut Regency (PT Republika Media Mandiri, 2017). Moreover, there are no agreement made between Go-Jek and other conventional transportation modes (Fitriana, Alasan Pemkot Magelang Tak Beri Rekomendasi Ojek "Online", 2017). Rudy Gunawan, Government Officer in Charge of Garut Regency, "By considering the aspects, we have not been able to give permission to Go-Jek to operate in Garut Regency, even though the benefits (from their presence) are very tempting." (PT Republika Media Mandiri, 2017). Rudi Agan, Field Coordinator of PMOC, "In essence, we (PMOC/Conventional Ojek Cianjur Regency Community) sue the elimination of online transportation for any reason. Because, transportation such as ojek pangkalan and angkot have an important role even before online transportation has established."

The country's President, Joko Widodo, has clearly recognized the economic benefit and political opportunity that comes with embracing the tech industry. President Widodo views tech as critical to the country's economic fortunes and he has been anxious to demonstrate Indonesia's openness to foreign investment in the nation's tech sector. He even appointed Jack Ma to sit on his e-commerce steering committee (Moore, 2017). Joko Widodo, President of Indonesia, "Our traditional economy needs technology to get fast information. I think Go-Jek is good and very creative." (PT Media Televisi Indonesia, 2015).

Decision from Djoko Sasono, Transportation Minister of Indonesia on 17th December 2015 was to ban application-based taxi services like Go-Jek for motorcycle taxi. While previously on 4th August 2015, President Widodo supported this industry as a model for Indonesian digital economy (PT Media Televisi Indonesia, 2015). These two testimonials are contradictory and triggers polemic in public. Transportation Ministry of Indonesia realize that ride-hailing mobile platforms are now part of Indonesia's societies. But, ease in ordering transportation and 35% cheaper price compare to the public transportation during promotion period may cause friction with other modes of transportation. Problems arise between conventional motorcycle taxi drivers, Go-Jek, Grab Bike, and other modes of transportation are concern on the income discrepancy, security issues, and safety issues (Syatiri, 2015). In response, President Widodo called the

Transportation Minister of Indonesia on 18th December 2015, the day after the revocation of ride-hailing digitalized company's operating license, to do the regulations arrangement and training in order to guarantee Ojek passenger's protection.

Ministerial Regulations No. 32 Year 2016 that has been signed by the Minister of Transportation, Ignasius Jonan, and will be officially valid by 1st October 2016 was the answer to the confusion faced by Go-Jek and Grab all this time. Moreover, government decided not to manage the minimum and maximum tariffs for the ride-hailing digitalized companies (The British Broadcasting Corporation, 2016).

Table 1.1 Price comparison between Go-Jek and Grab

Go-Jek		Grab	
Min. Fare	IDR 4,000	Min. Fare	IDR 7,000
Short Trip	IDR 2,200 – 3,300/ Km	Short Trip	IDR 2,300/ Km

Joko Widodo, President of Indonesia via Twitter Post, "I will immediately call the Minister of Transportation. Indonesian need Ojek. Don't let rules burden the societies. Instead, it should be well-arranged." (The British Broadcasting Corporation, 2015). But on 12nd March 2018, central government decided to stop online transportation driver's recruitment in form of moratorium. The amount of drivers boost significantly and has reached 175,000, increasing by 9,000 drivers since the past three weeks from the moratorium release date. This number has exceed the maximum of 36,510 total driver's quota that has been regulated by the Indonesia's Ministry of Transportation. Not without a single reason, limiting numbers of online drivers were done for the sake of creating health competition atmosphere amongst online transportation drivers themselves (Kompas Gramedia Group, 2018).

1.3. The Battle Over Online Transportation Market Across Southeast Asia

PT Go-Jek Indonesia will invest US\$500 million to expand its operations in Southeast Asia, revving up competition in a fast-growing consumer market just two months after Uber Technologies Inc. reached a landmark deal to exit from the region. It plans to enter Vietnam, Thailand, Philippines, and Singapore. They plans to offer motorcycle-hailing services in Vietnam, Thailand, and Philippines while provide traditional taxi services in Singapore (Dow Jones Institutional News, 2018). Nadiem Anwar Makarim, CEO of Go-Jek, "Consumers are happiest when they have choice and at the moment, people in Vietnam, Thailand, Singapore and the Philippines don't feel that they're getting enough when it comes to ride-hailing," (Dow Jones Institutional News, 2018)

On early August 2018, ride-hailing brand Go-Viet of Indonesian firm Go-Jek will begin operations in 12 districts in Ho Chi Minh City, Vietnam. Go-Viet will provide Go-Bike and Go-Send services in Districts 1, 2, 3, 4, 5, 6, 7, 10 and 11 as well as in the Tan Binh, Phu Nhuan and Binh Thanh districts in Ho Chi Minh City. Go-Viet had also offered a free test of its services to 500 customers from July 18 to 25 through a program themed, pioneering the discovery of Go-

Viet (Asian News Monitor, 2018). Meanwhile, ride-hailing brand GET of Indonesian firm Go-Jek, brands that introduce to Thailand, is currently underway consultation with various local stakeholders including the government, driver partners and consumers (PT Aplikasi Karya Anak Bangsa, 2018).

On Monday, 12nd November 2018, Indonesian ride-hailing operator Go-Jek will "within the coming weeks" start piloting its service in Singapore, challenging main rival Grab on its home turf. It seems that Singapore will become the second overseas market that will be entered by Go-Jek, since GET Thailand is still underway consultation with its various stakeholders. Go-Jek had announced the regional strategic partnership with Singapore's DBS Bank together with other payment services in the city-state and other Southeast Asia countries, such as Go-Viet that has yet to launch its payment service in Vietnam, which it plans to do with VietinBank, as it is waiting to be granted the relevant license. It could be well-observed that the partnership with various Banks is a signal of the importance Go-Jek places on payment services (Global Data Point, 2018).

Whereas Grab, its main competitor, has already entered eight countries across Southeast Asia, including Indonesia, Cambodia, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam (PT Grab Taxi Indonesia, 2018). 144 regencies and cities has been entered by Go-Jek (Kompas Gramedia Group, 2018) and its competitor, Grab, has entered 135 regencies and cities across Indonesia (PT Grab Taxi Indonesia, 2018). In terms of services offered in Indonesia, Go-Jek has offered 17 services, including Go Ride, Go Car, Go Food, Go Send, Go Box, and etc. Meanwhile, Grab only offered eight services, including Grabbike, Grabtaxi, Grabcar, Grabcourier, Grabfood, Hitchcar, and etc. Backed by SoftBank and Didi Chuxing as their notable investors, Go-Jek will continue its growth over Southeast Asia (Rexaline, 2017).

1.4. Study Objectives

Every cities has its own local wisdom and regulations. Online transportation companies should be adapt to these issues in order to gain societies and government trust. As an Indonesia-born digital startup company, Go-Jek has its own advantages and disadvantages over its competitor, Grab.

Several big challenges that Go-Jek should immediately resolve in order to win the markets located on its capability to maximize their current and future advantages over its competitor, transforming their current and future potential disadvantages into strengths, as well as having high-adaptability over various societies and governments at the same time. Following these, questions that arise along the discussions are:

1. What internal and external factors that Go-Jek had and what strategy that they should use in order to gain maximum advantages/lessen the disadvantages from the factors?
2. How Go-Jek define their marketing strategy and its implementation in order to smoothen their growth and expansion?
3. How Go-Jek could benchmarked its success in Indonesia for its overseas targeted market?

2. METHODOLOGIES

Authors will initially identify Go-Jek’s strengths, weaknesses, opportunities, and threads that is related to its business competition in Indonesia and overseas targeted markets by using SWOT analysis. Next, TOWS matrix will be used to combine and examine the internal and external factors in order to develop TOWS strategies. Author will also consider segmenting, targeting, and positioning for Go-Jek. Lastly, marketing analysis for the overseas targeted market will be overviewed by benchmarking Indonesia’s marketing strategy.

3. KEY RESULT ANALYSIS

3.1. SWOT Analysis and TOWS Strategy

3.1.1. SWOT Analysis

Table 1.2. Gojek SWOT analysis

<u>Strengths (S)</u>	<u>Weaknesses (W)</u>
<ol style="list-style-type: none"> 1. First to shift into Android OS and iOS in Indonesia 2. First to acquire three financial tech company and registered its ex co-founders into the team 3. Currently runs 17 services 4. Had entered 144 regencies and cities 5. Acquired two Indian tech muscle and registered its ex co-founders into the team 6. Price transparency, support both cash and cashless 7. 200+ engineers over 1 million+ drivers 8. Holding 79.20 % local market share 9. US\$ 3.3 billion total funding amount 	<ol style="list-style-type: none"> 1. Fluctuate driver’s tariffs 2. Consumer’s high-subjectivity when rate the services 3. Go-Jek consumers are prone to rainfall 4. Dependent to driver’s mobile phone quality and internet speed 5. Cannot choose drivers 6. Cannot change destination once booking has been accepted 7. Misused consumer data by the driver 8. Low driver’s safety-riding knowledge 9. Apps undergo error, booking problems 10. Go-Ride is still unprofitable
<u>Opportunities (O)</u>	<u>Threads (T)</u>
<ol style="list-style-type: none"> 1. Born and raise amongst ± 250 million Indonesian 2. Has been downloaded 10 million+ times on Google Play 3. Has built strong driver communities 4. Decreasing unemployment in Indonesia 5. No final strict regulations and 	<ol style="list-style-type: none"> 1. Bank spot them as their competitor through Go-Pay floating fund 2. Drivers do not want to take long-distance trip 3. Driver hack the application by using fake GPS and other methods 4. Go-Car still stuck due to traffic

<p>punishments yet for the companies</p> <p>6. Regulations are being made and improved by the company</p> <p>7. President Widodo being supportive</p> <p>8. Plentiful merchants that can be partnered-up with, B2B potential</p> <p>9. On the spot booking method</p> <p>10. Many events for doing mass campaign</p> <p>11. Competitor have not provide raincoat and annual</p> <p>12. Competitor is still developing its features</p>	<p>jam</p> <p>5. Threat from conventional transportation drivers, verbally and physically</p> <p>6. Operations denial in many regions</p> <p>7. Grab has expand on more countries across SE Asia with more valuation</p> <p>8. Government slowly interfering through regulations limitation</p> <p>9. Consumer rarely bring cash</p>
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By finishing SWOT analysis, author could reach full understanding about Go-Jek's current state, internally and externally. Such analysis could be beneficial to reinforce its strengths, guard against its weaknesses, seize its opportunities, and mitigate its threats. It can be concluded as below:

1. On January 2015, Go-Jek became the first ride-hailing transportation company to shift into mobile apps. Meanwhile, Grab became Gojek's proportionate competitor four months later. During the gap, Go-Jek had already entered Bandung and Bali. Moreover, Gojek had already launched Go-Food and Go-Mart at the time Grab registered its bike-hailing into the competition. These what made Go-Jek penetrates the market earlier than Grab.
2. Go-Jek had acquired Kartuku, Midtrans, and Mapan as their cashless payment solutions and merchant partnership medium on late 2017. This acquisitions were done in order to strengthen Go-Pay. Meanwhile, GrabPay that has been liquidated by The Central Bank of Indonesia on October 2017, changed its name into OVO Cash as of December 2017.
3. On early 2016, Go-Jek acquired C42 and CodeIgnition as their tech muscle. This decision was made due to its incapability to control over the apps bugs, moreover, superb-growth rate that could not be balanced by its tech capacities.
4. Even though the trip tariffs is transparent, the calculation of the tariffs is not. Moreover, drivers are sometimes rejecting long distance-trips. They need solutions on how to dampen driver's protest due to the tariffs dynamicity.
5. Consumers are given subjectivity authority when giving rate and comment to drivers. To prevent driver's misvaluation, Go-Jek could well-observed the driver's track record at the first place before suspending driver's account or unfreeze driver's account.
6. Since Go-Ride drivers are the most populist squad and unprotected to rain. Go-Jek should overcome the issue that giving win-win solution both the drivers and the consumers.
7. Misused consumer's data by the drivers should be severely penalized, ex: account suspension.

8. Go-Ride is still unprofitable but it is the most influencing media of promotions, since the drivers are wearing Go-Jek attributes and goes around the town.
9. Born and grew in the middle of 250 million Indonesian, Go-jek had earned its reputation as the most influencing local online ride-hailing company and received faith from the president.
10. Go-Jek should immediately tackle denial issue on several Indonesia regions. This could be a good exercise to strategize their current and future overseas expansion.

3.1.2 TOWS Strategy

Table 1.3 TOWS matrix Go-jek

<u>Strengths-Opportunities (SO)</u>	<u>Strengths-Threads (ST)</u>
<p>S2O1: Increase floating and circulating money on Go-Pay S3O1: High probability that services are equally well-used by Indonesian and overseas tourists S4O3: Strengthen national drivers communities bond S5O8: On the spot booking feature is feasible to made S7O4: Contributes to Nation prosperity, high influencing company S7O6: Request government backup on local and overseas business expansion S7O7: Merchants all over operating regions could be accommodated by all drivers S9O9: Sufficient funds for doing mass campaigns</p>	<p>S3T8: Creating more innovative services to rule over various market, no strict regulations yet regarding the market limitation S8T1: Earn high reputation among market, could request partnership to banks S9T2: Give bonuses for certain trips S7T3: Utilizing engineers to maximize the platform security S6T9: Tackle cash issue by providing cashless payment method S9T6: Utilizing its funding to acknowledge societies by joining Go-Jek</p>
<u>Weaknesses-Opportunities (WO)</u>	<u>Weaknesses-Threads (WT)</u>
<p>W1O5: there aren't any minimum tariffs set by the government, gain control on the pricing W3O10: Could provide official raincoat to drivers W4O6: Request government for internet speed upgrading W5O11: Provide filtration features for fitting driver's criteria W6O11: Provide change in location</p>	<p>W1T2: Provide more bonuses for drivers W2T3: Conduct annual review for both drivers and consumers, blocked both account if there found any irregularities W2T7: Should maintain and strengthen their Indonesian market trust by fast responding on consumer's complaint</p>

<p>features accepted upon driver's agreement before riding the vehicle</p> <p>W7O6: Should make strict regulations regarding to driver's data misused</p> <p>W8O6: Conducting ride test for the candidate driver</p> <p>W9O12: Both Go-Jek and competitor are still underdeveloped their platform into high advancement</p>	<p>W5T4: Go-Car consumers could choose Go-Ride alternatives in the midst of traffic, handled by the driver in-charge, tariffs will be adjusted</p> <p>W10T7: Persuade competitor's drivers to use multiplatform apps.</p>
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By finishing TOWS matrix, author could combine and examine the internal and external factors in order to develop TOWS strategies. The TOWS strategies are present as below:

1. By partnering up with three financial tech companies, Go-Jek could strengthen its Go-Pay services. Huge amount of floating money will leads to huge interest rate. This opportunity could be seized in order to maximize their capital return. Go-Jek could also tackle the cashless purchasing behavior issues as well as partnering up with the banks.
2. In the engineering scope, Go-Jek could made it possible for "on-the-spot" booking, utilizing its engineers to maximize the platform security, providing filtration features to let consumers choose their driver's criteria, providing change in location feature before riding the vehicle, providing change in transportation mode feature when consumers are stuck in the traffic jam and moreover, developing and launching their new services on the fast-paced, earlier than its competitor.
3. Since Go-Jek born and raised in Indonesia, there are high probability that their services are equally use by Indonesian as well as the tourists. In order to defend and grow its market share, Go-Jek could utilize its funding to develop new features, acknowledge communities through Go-Jek appearance benefits, and to do mass campaign (ex: Picking up 10 influencer from each Indonesia Province to ride Go-Jek and upload their riding experiences with Go-Jek on Youtube in return on Go-Pay wallet bonuses).
4. The innovative issue to tackle rain season on Indonesia is that Go-Jek could provide its official raincoat for free to the drivers. This could be act as media of promotions for Go-Jek themselves,

Table 1.4 Rain season on several countries, 1991 - 2015 (*The World Bank Group, 2015*)

Month	Indonesia	Vietnam	Singapore	Thailand	Philippines
Jan	✓	-	✓	-	-
Feb	✓	-	-	-	-
Mar	✓	-	-	-	-
Apr	✓	-	-	-	-
May	✓	✓	-	✓	-
Jun	-	✓	-	✓	✓

Jul	-	✓	-	✓	✓
Aug	-	✓	-	✓	✓
Sep	-	✓	-	✓	✓
Oct	✓	-	✓	✓	✓
Nov	✓	-	✓	-	-
Dec	✓	-	✓	-	-

5. In order to strengthen national driver communities, Go-Jek could held national regional gathering events where drivers could meet up and share their experiences. Moreover, Go-Jek could persuade its competitor drivers to join Go-Jek through this event. By applying this strategies, Go-Jek could boost its B2B and B2C businesses.
6. It is well-known that Go-Jek could help tackle the unemployment issue on Indonesia and could potentially boost national prosperity. By bringing this fact, Go-Jek could gain support from government and request on several things such as government rules that could adapt the industry's growth instead of becoming a burdensome, as well as on providing sufficient internet speed.
7. Go-Jek could give extra bonuses to the long-trip journey in order for the drivers not to refuse. To maintain and improve the quality of their services, Go-Jek should make strict regulations regarding the consumer's data misused by the drivers (ex: Any data misused could leads to account suspension), conduct annual review for both drivers and consumers (drivers and consumers who caught doing fraud), conduct in-house driving test for its drivers (ensuring safety), fast response on consumer's complaint, and bonuses for the consumer's whom promote Go-Jek to others (bonuses give in form of referral usable code).

3.2. STP Strategy

Indonesian is The most populated countries across Southeast Asia, with its 263,991,379 populations, followed by Philippines and Vietnam sequentially.

Table 1.5 Southeast Asia population by country, 2017
(The World Bank Group, 2017)

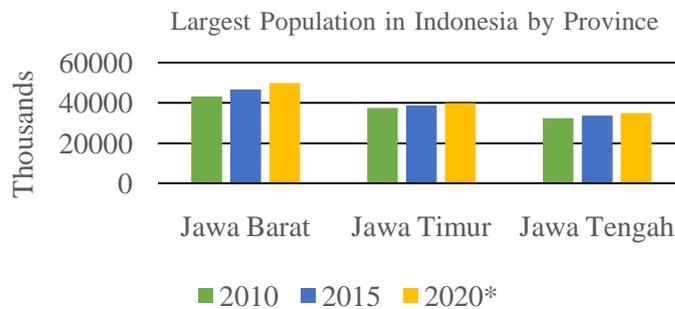
Rank	Country	Population
1	Indonesia	263,991,379
2	Philippines	104,918,090
3	Vietnam	95,540,800
4	Thailand	69,037,513
5	Myanmar	53,370,609
6	Malaysia	31,624,264
7	Cambodia	16,005,373
8	Lao PDR	6,858,160
9	Singapore	5,612,253
10	Timor	1,296,311
11	Brunei Darussalam	428,697

Indonesia had 76,110,000 mobile phone internet users and 104,960,000 total internet users.

Table 1.6 Mobile phone internet and total internet users on several countries(*Ströer Content Group GmbH, 2017*)

Country	Mobile Phone Internet Users	Total Internet Users
Indonesia	76,110,000	104,960,000
Philippines	37,650,000	48,784,225
Vietnam	42,180,000	53,860,000
Thailand	25,770,000	38,910,000
Singapore	3,550,000	4,470,000

Jawa Barat Province was predicted to maintain its title as the most populated province in Indonesia within its 49,935,700 population by 2020.



There are 2,198,444 non-public four-wheel vehicles and 13,725,590 non-public two-wheel vehicles.

Table 1.7 Number of non-public and public land transportation in Jawa Barat, 2018 (*Badan Pusat Statistik Provinsi Jawa Barat, Updated on 19 May 2018*)

Transportation Type	Non-Public	Public
Minibus*	1,239,693	70,903
Buses	9,326	19,890
Four-Wheels	2,198,444	161,086
Motorcycles	13,725,590	None

*2015 data

Jawa Barat population age above 15 years old divided into two categories, employment and unemployment. The number of employment population reach 20,550,000 against 1,840,000 unemployed. 82.40% employments are male against 32.89% female. 8.00% unemployment are male against 8.62% female.

Table 1.8 Employment data in Jawa Barat (*Badan Pusat Statistik Provinsi Jawa Barat, 2017*)

Status	Amount
Population > 15 years old	

Employment	20,550,000 population
Unemployment	1,840,000 population
Employment based on gender	
Male	82.40 %
Female	43.89 %
Unemployment based on gender	
Male	8.00 %
Female	8.62 %

With its 263,991,379 population and 104,960,000 total internet users, it was found that 159,031,379 population are yet to expose to the internet. For current situation, the total market that could potentially seized by Go-Jek valued 104,960,000 population. There are 28,850,000 population that is not using mobile phone as their internet medium, this may due to the utilization of personal computer or laptop only. If Go-Jek did not soon expand its online services into the web-based, they could lost their 28.8 million potential users. Although the use of PC and laptop is not feasible to do online ride-sharing booking, it still found useful for the potential consumers to order Go-Jek's Go-Food service, Go-Mart service, and such. Benchmarking Jawa Barat, the most populated Indonesia Province, non-public four-wheel and two-wheel vehicles totaled 15,924,034 units. This number of vehicle units are almost reaching the Cambodian population in total (16,005,373 population), or even exceeding the Lao PDR, Singapore, Timor, and Brunei Darussalam population in sum (14,195,421 total population).

On age above 15 years old, the total male unemployment are reaching 147,200, while the total male employment are reaching 16,933,200. Both results in 17,140,400 males in total. According to Kodrat Wibowo (PT Republika Media Mandiri, 2018), Go-Jek had owned 79.20% marketshare. Meanwhile, according to Herman (Trans Media, 2018), there are approximately 20,000 drivers across Jawa Barat Province. If author assume that the overall mobile internet percentage against the total Indonesian population is constant through every Province, then there will be 28.83% mobile internet users on Jawa Barat Province which are equal to 14,936,462 current and potential Go-Jek app users, both drivers and consumers.

Assume that every people on Jawa Barat will ride transportation twice a day on an average of 4 km per trip. Then the calculation of potential revenues from Go-Ride in Jawa Barat Province as if Go-Jek could maximize the potential are shown as below:

8 km total trip \times 14,936,462 current and potential users \times IDR 2,200 = IDR 262.8 billion a day

79.20% Go-Jek market share: 79.20% \times IDR 262.8 billion = IDR 208.2 billion a day

20% goes to Go-Jek (20:80 scenario): 20% \times IDR 208.2 billion = IDR 41.6 billion a day

Meanwhile, Grab maximum potential revenues are shown as below:

8 km total trip \times 14,936,462 current and potential users \times IDR 2,300 = IDR 274.8 billion a day

79.20% Go-Jek market share: 79.20% \times IDR 262.8 billion = IDR 59.9 billion a day

20% goes to Grab (20:80 scenario): $20\% \times \text{IDR } 208.2 \text{ billion} = \text{IDR } 11.9 \text{ billion a day}$

If author assume that the overall non-mobile internet percentage against the total Indonesian population is constant through every Province, then there will be 71.17% non-mobile internet users on Jawa Barat Province which are equal to 35,539,237 population. Also, from the total of 15,924,034 units of non-public four and two-wheeler, the number of Go-Jek drivers are still approximately 200,000 person. So, there are still enormous opportunities for Go-Jek to take over the remaining 15,724,034 potential drivers, by assuming one driver per vehicle at a time.

3.2.1. Targeting

Due to the local wisdom's conflict regarding to social jealousy, Go-Jek needs to target the rural-conservative segment. Rural-conservative segment defines as Indonesian, age above 15 - 65 years old, blocked themselves to technological advancement or did not prioritize mobile tech as their daily needs, including the conventional transportation organization drivers that did not have sufficient driving licensing documents. By targeting this segment, Go-Jek could potentially recruit the remaining 15 million potential drivers, reaching 35 million populations that yet being touched by mobile internet tech, as well as maintaining its current drivers and consumers in terms of their services loyalty.

3.2.2. Positioning

There are several product positioning that Go-Jek should delivers to public. "An ojek for every need" as Go-Jek original hashtag could be delivered on several other ways in order to seized all communities' elements. Go-Jek could add "safest and most reliable services to be chosen" to represent its services and innovation quality by implementing the above TOWS strategy. They could also add "Moving nation into advancement and prosperous" to represent the willingness of Go-Jek to add life qualities of the communities. Last but not least, Go-Jek could add "Indonesia natural-born company amongst the world business competitiveness" hashtag to deliver its originality to the Indonesian and to illustrate that Go-Jek is always think locally but could act globally.

3.3. Southeast Asia Expansion Planning

"Xe Om", cheaper and more interesting alternatives for local and tourists, serving Vietnamese and tourist from north to south, covering mountainous and metropolitan area to get around when travelling sure will be future Go-Viet heavy competitor. Moreover, Aber, local online ride-hailing company was already initiated by group of young Vietnamese engineers and had offered six services including Aber Bike, Aber Car, Aber Truck, Aber Travel, Aber Business, and Aber Travel will heat up the competition atmosphere. Grab had already entered the competition as well. Vietnam Competition Authority (VCA) claimed that Grab has already took over 50% of the market (The Nihon Keizai Shinbun, 2018). In Thailand, the traditional transportation mode such as Tuk-tuks and motorbike taxi will be one struggle that will be faced by GET. Moreover, Grab has already held 95% market share of third-party hailing and 72% in private vehicle-hailing (Forbes Media LLC, 2018). Benchmarking from Indonesia situation, it is nearly

possible that Go-Jek will face the same issues. The collaboration with Vietnam and Thailand local company to build and operate Go-Viet and GET were the wisest decision that Go-Jek had took. Because, by giving Vietnam as well as Thailand local company the authority over their countries, under the supervision of Go-Jek Indonesia, they could adapt to their countries' local wisdom's as well as their government regulations. Lastly, Go-Jek could adapt the above TOWS strategy to be benchmarked overseas.

4. CONCLUSION AND RECOMMENDATION

Go-Jek are facing pros and contras on its existence in Indonesia due to the government regulations and local wisdom's challenges. The issues are related to the digital transformation age transition happened in Indonesia, social jealousy over the drivers, and government involvement on the business activities. The online ride-hailing company, such as Go-Jek, offering time-efficiency and flexibility on accessing the app that the conventional transportation organizations could not offer to their drivers and consumers. Go-Jek is also giving health insurance, bonuses, and such easiness for the drivers which are way more beneficial than the conventional ojek driver's employed system. Finally, the government are slowly involved on regulating the digital transportation business sector, advising driver's limitation number, lengthen the administrative procedure for supervision purposes, control purposes, restrictions to operate on several regions due to preventing social conflicts, and such.

Go-Jek should implement the push and pull marketing strategy sequentially through educating societies on the impact of digital to life improvements, especially the untouched population, as well as promote the services steadily to them who had been educated by Go-Jek once. Lastly, by creating societies demands, Go-Jek could ask government to adjust the regulations based on the digital businesses progress and keep being supportive to the competition instead of controlling and limiting the competition, especially with the presence of conventional transportation organizations. By implementing these strategies, Go-Jek could approach both government side through supportive regulations and society's side through creation of demands.

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