

G-Lab 2018

FLEET MONETIZATION



PRICING AND STRATEGY Jakarta, Indonesia

THE TEAM



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Jose is an MBA candidate at MIT Sloan Management. He is an Industrial Engineer and spent 4 years as a Real Estate analyst at one of Chile's biggest insurance companies, reaching the role of Head of Real Estate Financing and Investments.

COMPANY BACKGROUND

Initial Screening: Customer

Customers

GO JEK GO & RIDE GO 🗪 CAR

GO ! FOOD GOTFOOD

GO@SEND GO⊪₽BOX GO 🎟 TIX GO&MED

GOODEALS

Passenger Transportation

Delivery

PROJECT BACKGROUND

What products do they use? How do they use them? Why do they use them?

Existina

Contact points Engagement techniques
Product bundling?

Attraction techniques What are they looking for?

New products Promotions

GO 💼 PAY GO 💼 PAY

that led to successful

GO■BILLS GO POINTS GO 🖫 PULSA

GO ALIFE

GO **≪** CLEAN GO.**⊗** AUTO GO 🖣 GLAM

Passenaer **Transportation**

field

GO € RIDE GO € CAR

Direct Competition

- Grab • Ilher*
- Lyft*
- Zipcar*

Car rental*

Indirect Competition

- Taxi* Subway*
- Public Transp.*
- Bicycle*

Delivery

GOTFOOD GOTFOOD GO®SEND FESTIVAL GO MED GO DEALS

Direct Competition

- Uber Eats*
- Rappi* Amazon*

Opportunities

- . Use channels to expand the mix o products.
- Trends

Examples presented analyzing the US market. Subject to change when analyzing the specific Jakarta market.

Replication

Opportunities

Driver **Passenger** GO lek y GOÄLIFE

SOCIAL

Advertiser

OBJECTIVES



Diagnose, benchmark and design of a pricing strategy for the fleet monetization products. Individual products and bundling alternatives

Design a plan to increase the attractiveness of the products for the drivers, while increasing their incentives to use the GoJek platform



Insights from our visit to Vietnam



Provide an overview of the main ideas/opportunities that we see on how the FM initiative car benefit from the overall Golek platform

RESULTS AND RECOMMENDATIONS

Key actionable recommendations for the near future

- 1. Understand advertiser added value in GoICE: Experiment with own product to asses channel efficiency
- 2. Move towards targeted advertisement: Integrate with GoJek app is key to generate targeted advertisement
- 3. Bundling pricing efficiency: Demand elasticity experimentation
- 4. Adapt to the advertiser's needs: Customizable digital solutions, for example focus groups, channels



- 5. Never forget who your customer is: Define, track and monitor correct metrics to measure interaction with GoICE
- 6. Add the rider into the equation: Rethink FM as initiatives that can improve the rider's experience



- 7. Show a path to your main asset: Build a driver engagement and development online initiative + special campaigns
- 8. Share the vision: Align the incentives for advertisers and GoJek for FM products

9. FM profit centered mindset: Charge an internal transfer price for own advertisement GOJEK 10. Internalize broader FM KPI's: Continuously track and differentiate driver performance (with and without FM)

Conclusions

PRICING

- should be offered to the best performing drivers in order to be profitable
- By targeting the consumer GoJek can charge up to a 60% premium
- benefit by shifting to a hybrid or programmatic advertising model

BUNDLING

- Bundling should be seen as a value proposition to the
- Further need of testing for parameter estimation will increase the accuracy of the
- exclusive bundling of products when supply maximizes the value of standalone

ENGAGEMENT

- By improving driver engagement, GoJek would offer a better proposal for advertisers, improved driver performance and a
- Drivers will continue to have incentives as they reach new levels of engagement, and not settle after one milestone

EXPANSION

- Monetization now in Vietnam is important, as GO-VIET already built the driver's network and is
- with GoldSun, due to its existing advertising license and its relationships with advertisers