

The Role of Marketing & Competitive Intelligence In Industrial Revolution 4.0

by

Made Vera Kristanti Dewi ⁽¹⁾
Gede Sri Darma ⁽²⁾

Multimatics Jakarta (PT. Life Long Learning) ⁽¹⁾
Universitas Pendidikan Nasional ⁽²⁾

verasarah27@gmail.com ⁽¹⁾
sridarma@undiknas.ac.id ⁽²⁾

ABSTRACT

This study aims to examine the role of marketing and competitive intelligence in the industrial revolution 4.0, mapping the corporate strategy to be able to compete globally. This research use Grab as the research subject because of its ability to compete with Go-Jek in Indonesia particularly, and succeed in mastering Southeast Asia.

The methodology was descriptive qualitative by using purposive sampling technique, interviewing several drivers and corporate grab partners (Managing Director of Grab Indonesia and Communication Manager Grab CEO's Office), observation, secondary data from several TV station interviews, and other publicly available data. The data analysis technique was data source triangulation (confirmatory) and theory triangulation.

The results of this study indicates that Grab chose the expansion country by looking at the similarities that existed in the previous country, so that the duplication process could run easily, for example Grab Bike in Vietnam to be copied to Indonesian market. Grab understands to be accepted in a country, it has to understanding the needs of the country, because the needs are different in each country. To be able to compete with existing local products, the Hyperlocal and local partnership approach is carried out. Grab believes that only with approaches and local partnerships will make it easier to understand local needs and accelerate.

To accelerate the development process, Grab has made a partnership with several companies that have the same goals. Grab's ability to adapt the changes will requires the right talent whom understand the context, and is supported by the right and mature technology.

This research is expected to provide an overview of corporate strategy in entering global markets in the industrial era 4.0 by using competitive intelligence and marketing 4.0, and is able to compete with international companies. In the future, further research is expected to present a more in-depth analysis of marketing strategies as a form of corporate strategy implementation.

Keywords : *competitive intelligence, corporate strategy, international business, marketing 4.0, ride hailing industry, Grab, online transportation, marketing intelligence.*

INTRODUCTION

The rapid advancement of information technology causes the growth of various industries quickly without being able to be prevented and stopped. The limits are very easy to penetrate. The industry incumbent players, both small and big, must be prepared to face invisible competitors. The digital world that is in the grip that is freely accessed via smartphone provides an opportunity for someone to get information quickly and her/his desire for needs can be met fast and in real time (Darma, 1999; Lo and Darma, 2000; Darma, 2019). The use of this asset is seen in the field of ride hailing industry that works with motor vehicle owners to provide transportation for goods, people and other services (Darma, 2019).

Grab is a Malaysian application company based in Singapore, Grab was born in 2011, under the name MyTeksi to overcome taxi problems in Malaysia, by providing taxi services at low rates. It only took 2 years for Grab to decide expanding to several countries, and within 6 years Grab had succeeded in expanding to 8 countries in Southeast Asia with a company value of more than US\$ 10 trillion.

Indonesia is one of the largest countries in the South East Asia. The country is the three largest population in Asia. Grab saw this opportunity and been very focused on working on it, despite the fact that there's already Indonesia's unicorns such as Go-Jek, and UBER who entered Indonesia earlier. Grab and Go-Jek battles become fierce when UBER leaves and hands over his assets to Grab. Grab currently has 65% market share in Indonesia. GoJek's founder Nadim Makarim in Youtube broadcasts invited Grab and Uber drivers to switch to Gojek for free, simply by exchanging the attributes of the old provide, to be the GoJek's attributes by launching the red and white program, but this caused negative comments from netizens. How did this happen?

Grab has brought the changes in the economy of the Indonesia community. The entrance strategy of Grab to the Indonesian market and its ability to be the market leader has become the subject that needs to be reviewed academically and practically so that it can be implemented in the practical world. Grab's strategy in dealing with agile competition and VUCA will provide an example of how a company can survive in the era of industrial competition 4.0 through a competitive intelligence approach and marketing 4.0 that Grab's done.

PREVIOUS RESEARCH

Cynthia A. Bulley (2014) in the journal of *Competitive Intelligence Information : A Key Business Success Factor* concludes that top management involves in specifically address

personal and Competitive intelligence (CI) activities. As many as 66.67% of respondents agreed that the company used CI reports as decision –making tools and considered CI as an important tool to create a decision. Sources used to be able to produce data formal or informal. The data will be analyzed strongly, relevantly and reporting system is created facing rapid competition.

To remain in the online transportation business, UBER needs to keep drivers and clients satisfied. Uber must still need to create creative ideas through its marketing strategies in the form of *Early Adopter Advocacy, Referral, Reviews, Stunt, A Loyalty Program and An Omni-channel approach* (SARIT PRAVA DAS, 2017).

Chan (2015) in GrabTaxi's Strategy In South East Asia Context describes that Grab has been mastering South East Asia by partnering with the taxis, the company characteristic is friendly, the strategy that been used in accordance with the local conditions, the cooperation with the regulators, taxi operator and communities, working relationships with other taxis and private cars. Grab faces the challenges, namely the large availability of similar services for customers. Other challenges are indicated by the new entrance and the technology usage.

The concept of Competitive Intelligence and Marketing Intelligence is strongly connected. Both are the process of providing information needed in managerial support for a modern company. The data obtained will be processed and implemented for the company purpose. Competitive intelligence as a level in a corporate strategy which will be described as an objective of Marketing Intelligence. Both of these processes work together (Jamil, 2013; Kanten dan Darma, 2017; Darma, 2019).

In the Journal of *A Strategic Framework For A Profitable Business Model in The Sharing Economy*, the researchers proposed a strategic framework for the development of service providers and customers by considering the multigenerational aspects taken from several aspects that sharing economy services were widely adopted by the Y generation, while the previous generation was still in the early stage adoption (Kumara, 2017 and Darma, 2018).

CONCEPTUAL FRAMEWORK

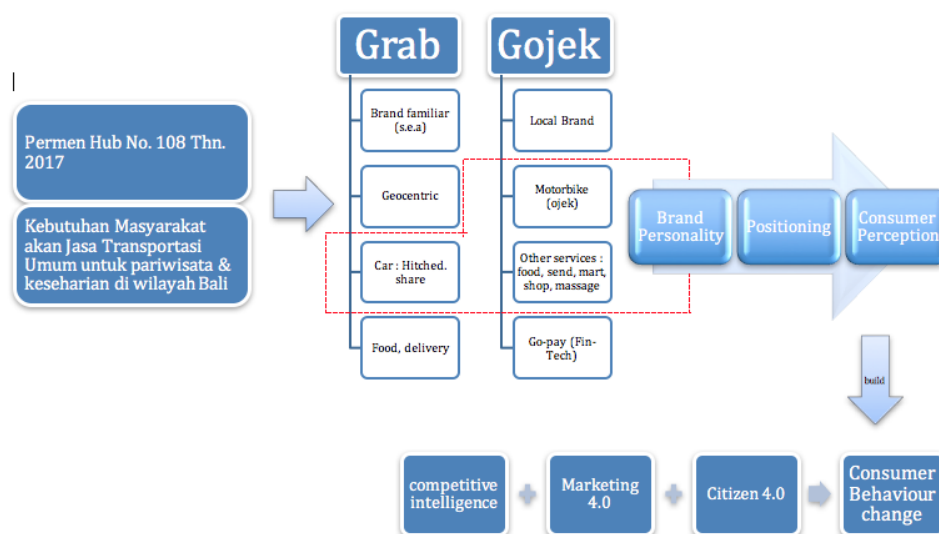


Table 1. A Conceptual Frame Work

RESEARCH METHOD

This study uses a qualitative descriptive research methodology. The subject of this research is Grab, located in Jakarta, Surabaya, Bali. The data collection techniques were purposive sampling through interviews aimed at the driver partners, Managing Director of Grab Indonesia and the Communication Manager of Grab CEO's Office (Singapore) and by using secondary data available in public, as well as Observation in the programs that is conducted by Grab. Validity test of the data used triangulation of data sources by comparing the results of informant interviews as well as theory triangulation.

RESULTS AND DISCUSSIONS

The results of this research that been done, Grab can be classified in the type of business digital disruption model "The Access-over-ownership Model". As written by (Marsden, 2015) which he took from Jo Caudorn and Dado Van Peteghem in the Digital Transformation book, that what is meant by The Access-over-ownership Model is disrupting by providing temporary access to traditional goods / services only available through sales by taking commissions from people who use their assets by lending them to borrowers. This type of business disrupts the existence of conventional taxis by utilizing invisible assets, Grab cuts partner commissions by 20% of the price of each route.

In its development, Grab changed the pattern of its digital business model to The Pyramid Model by recruiting other affiliates to grow rapidly, for example by partnering with Happy Fresh, OVO and KUDO. Grab chose Indonesia because Indonesia has a large and potential market, increased of the economic growth, the availability of human resources, a cheaper currency than Singapore, and a positive investment atmosphere from Indonesia government encouraging Grab to conduct Foreign Direct Investment. CEO Grab, Anthony Tan is very focused on working on the Indonesian market. Ridzki Krmadibrata, Managing Director of Grab Indonesia explained that there are important points in introducing Grab in Indonesia:

- Observing pain point, Out-serving our customer and become the problem solver by using the strength point (technology). This technology will be very useful for both users and driver partners.
- Implementing the Hyperlocal Strategy
- *We care about Indonesia, MORE.* By understanding the market better than competitor and addressing the needs factors.

These strategies are suit to the marketing 4.0 pattern which is oriented to the customer path and 5A's by understanding the pain point and collaborative customer care (Phillip Kotler, 2017).

Grab is fully understood the risk in International Business: Cross Cultural Risk, Country Risk, Commercial Risk and Currency or Financial Risk (S. Tamer Cavusgil, 2014). Cross Cultural miss understanding can ruin and damage the company. This was anticipated by Grab by applying the Geocentric Orientation approach that is applied differently in each country. For Indonesia itself, the people are more likely to use two-wheeled transportation, so in its development, Grab chose to develop two-wheeled transportation, known as GrabBike. This Geocentric term in Grab is known as Hyperlocal, means that Grab needs to understand what local needs and local characteristics need. The team that was formed regionally SEA, and there is also a team for each country to the smallest scope of each city. For example, the Bali team was formed from the Balinese themselves, the Jogja team by Jogja people and others. This is so that Grab can truly understand, connect and meet local needs.

The Collaboration between Grab and National University of Singapore in developing Artificial Intelligence in finding a way out of urban problems, namely congestion and assisting the cities in Southeast Asia become smart cities ("Grab dan NUS hadirkan laboratorium AI atasi kemacetan kota," 2018). This is an important part of Marketing 4.0, which affects the connectivity between machines and artificial intelligence to improve marketing productivity,

while connectivity between humans to strengthen customer engagement (Phillip Kotler, 2017; Darma, 2012).

Responding to the changes, Grab applied a strategy in dealing with digital disruption using The Invest In Disruption Model and The Disrupt the Current Business Strategy (Marsden, 2015; Darma, 2006; Darma, 2004). Grab actively invested in disruptive threats in the form of technology, the digitalization process and even acquired companies with these attributes. This strategy is sought to continue to be active in the VUCA era, which requires higher business competitiveness. Grab turned itself into an open source platform.

Grab's transformation to be a company that provides everyday needs, namely SEA Everyday SuperApps. It provides a platform that aims to provide products/services needed every day so that it can compete with other disruptors. It should be noted this is a platform for daily needs, not a platform for all types of products or services.



Picture 1. Grab Logo (before-after)

Grab's logo and Brand had been transformed many times. The current logo and brand is transformed to be a Human-Centric Brand by launching South East Asia Everyday Super Apps. This is the new concept of branding in marketing 4.0 : *Physicallity, Intellectuality, Sociability, Emotionality, personability, dan Morality* (Phillip Kotler, 2017).

Intellectuality for Grab is the ability to be something creative and innovative and a problem solver for customers (driver partners, business owners, service users, and KUDO agents). Grab becomes a problem solver for driver partners to increase revenue: GrabCar, GrabBike, GrabDelivery, hosts for business owners to be able to introduce their business and trade through Grab Food and GrabFresh which will automatically increase the seller's income. Grab has become a problem solver for the community to provide safe and convenient public transportation services, and a platform to meet daily needs for the people of Indonesia. Grab provides an open source platform for its partners to develop better, such as: HappyFresh (partner for groceries), KUDO (partner for sales and recruitment), and OVO (payment partner).

Sociability and Emotionality Grab in distributing interesting content is created according to the daily lives of the local community, both regional and regional. The advertising approach that is carried out also evokes the emotional side of the audience. In accordance with the characteristics of marketing 4.0, that ad content plays an important role. The advertisements

are made in the form of stories that are more touching to humanity, especially for TV commercials, and online advertising on YouTube. Grab uses integrated channel information on all fronts (Phillip Kotler, 2017; Pranata dan Darma, 2014; Dewi dan Darma, 2014).

After identifying the touch point and pain point of the customer, Grab is concerned with utilizing Omni-channel marketing to always be close to customers. One of them is to facilitate access to services to get Grab, the company provides Grab Tablets in shopping centers and cafes. This is to facilitate introducing and ordering Grab. This is also to accommodate the older generation which is not familiar to the technology (Kumara, 2017; Supit and Darma, 2018).

Grab's Person-ability was revealed through the CEOs and Managing Directors of Grab for Indonesia, that Grab will continue to improve all its shortcomings by learning more about what the driver and customer partners need so that it is beneficial for all parties. Grab always answer and clarify issues that are running in the public, negative and positive issues that are significant for Grab's brand image itself.

Brand Morality of Grab in an ethical business model by presenting transparency to drivers in terms of cutting incentives and bonuses. Ethical business that is upheld for mutual convenience between driver partners and service users. The number of accounts that are bought and sold causes the driver's partners to be required to do face recognition at certain times. The business ethics that have been agreed upon when joining Grab at the beginning.

Grab finalized its support system, which is technology and also people. In accordance with the industry era 4.0 concept that everything is technology-integrated, internet of things are characteristic of human-centric brands and marketing, and utilize omni-channel marketing.

In the year 2017, Grab prepares its support system by finalizing the technology itself, recruiting professionals in the IT field, and other fields that are in line with their competencies, learning what the market needs, and what is the strength of the competitors themselves. Grab owns very experienced and talented team. Choosing the right people and expert in their field, supporting Grab accelerate faster.

Answering the challenges in era 4.0, Grab implemented a partnership strategy. Grab opens many opportunities for start-ups to submit their proposals and ready to present at Grab when they are selected later in early 2019. Partnership is a form of collaborative venture that must be considered well because otherwise it will endanger Grab itself. This can be caused by confusion about the purpose of the business, the agreement being violated (S. Tamer Cavusgil, 2014). Partnership was chosen because Grab believes that partners who have capability, and expertise in their field will be easier to be invited to collaborate together. Grab, it seems that

people have that expertise. Grab believes in capability in synergy, because of its synergy with the mutual benefit thing.

The ability to adapt the changes needs a fast analysis. In the field of Competitive Intelligence, we are required to be able to know a managerial process systematically in dynamic situations because the business environment is constantly changing. Therefore Grab conducts research on a *cycle* to the market or its customers. CEO Anthony jumps to the field to find out the insights of the product itself, what was a threat, obtain the data directly and factually so that obtaining information was valid (*establishing competitive intelligence need - information and collection*). Hooi-Ling Co-Founder processes data in the data bank in the form of a data base, and then with the help of technology and the team, the data is presented in the form of dashboards to be discussed at the strategic level internally and externally (*information processing, intelligence dissemination and information analysis*). At this level all committees actively participate in discussing strategies. After the decision is made, every talent in Grab is obliged to implement it, through the culture set by Grab (*organizational awareness and culture*). For Grab cultures, it is very important that all have similarities in spirituality and also in terms of what must be pursued. Grab has 7 performance and cultures that must be followed.

To ensure that UBER's case will not happen with Grab, Anthony Tan (CEO) applies the servant leadership. Each committee must play an active role in checking and balancing all aspects related to their field. Anthony is ready to listen and not hesitate to go directly to the field to find out what are the problems faced by partners and customers in the field.

In order to increase the driver's income, Grab understands which are the important points for the driver's partners and works with relevant agencies to make it easier for partners to get orders, such as airports, stations and shopping centers. The results of interviews from several driver partners showed that being a partner of Grab greatly helped improve the family's economy. Grab's existence creates business opportunities and reduces unemployment. Grab Finance provides assistance to the driver partners. Grab Food and Grab Delivery is one of the supporters of SME businesses heading online. Grab Venture is US \$ 250 million by working with the Ministry of Research and Information Technology and BEKRAF in empowering creative economy and working with the Ministry of Tourism to increase tourism in Indonesia, through the Wonderful Indonesia program.

Grab calls the driver, kudo agents and warriors who are members of Grab as micro-entrepreneurs. An entrepreneur must have a creative and innovative spirit and high motivation to start, run and grow his business. Jean Baptista Say (1803), an economist, to describe entrepreneurs who are able to increase economic resources from low productivity levels to high

productivity levels. When a person feels prosperous, the needs can be fulfilled, then efforts to fulfill other higher needs will motivate. This is in accordance with Maslow's theory, Maslow's hierarchy of needs theory. Grab strives to create a sustainable platform that can be used for the whole family, to maximize family income through the KUDO program.

CONCLUSION

Grab is as a foreign company has been able to compete regionally and even has a 65% market share in Indonesia. The Geocentric approach is done by Grab, known as Hyperlocal helps Grab understand faster of user's needs and also the driver's partner. This is because Grab's ability to adapt the changes, know how to respond to the pain points, and ability to provide services to its assets: users, driver partners and business owners, agents and partners.

Grab has succeeded in applying the principles of marketing 4.0 through a human-centric Brand image by combining technology, talent, and marketing 4.0 patterns using online-offline channels (known as omni-channel marketing). Grab applies the process of competitive intelligence to answer the agile competition and VUCA in creating and processing the corporate strategies.

Grab's presence has a positive impact on the Indonesia's economic development, by providing jobs (driver partners) and also playing an active role in developing SMEs and Start Ups through the Grab Venture program. Grab contributions to the Indonesian government by collaborating in several levels of government events by developing the Indonesian economy, for example: the Ministry of Tourism with a co-branding program "Wonderful Indonesia" and also the Ministry of Research and Technology in distributing the "Start Up" financing through Grab Venture program.

CONTRIBUTION

The theoretical contribution of the writing of this thesis is to provide an academic contribution to the description of the mapping a company strategy to enter foreign markets in the industrial era 4.0, with various marketing approaches 4.0 and efforts to analyze competitors regarding competitive intelligence approaches.

The practical contribution of this research is very important to understand what becomes the pain points, and understanding customer needs so that we know how to be a problem solver. The selection of right partners, right talents and supported by the technology, will help us to accelerate faster.

FUTURE RESEARCH

Due to the limitations of the research time and the ability of the researcher, and it is not possible to examine everything at the same time, the next researcher is expected to examine in more depth about the marketing strategies that are undertaken to implement the corporate strategy that has been described in this paper. In the scientific field, Information Technology field can discuss further about the technology used in competitive intelligence in processing corporate data to create a decision.

REFERENCES

- Chan, V. (2015). *GrabTaxi's Strategy In South East Asia Context* [Press release]
- Cynthia A., and Bulley, K. (2014). Competitive Intelligence Information: A Key Business Success Factor, *Journal of Management and Sustainability*, **4**. doi:10.5539/jms.v4n2p82
- Darma, G.S. (1999). *Information Technology and Organisational Performance: A Study of the Hospitality Industry*, Southern Cross University, Lismore New South Wales Australia.
- Darma, G.S. (2004). Improving the Aligment of Business and Information Strategies, *Jurnal Ekonomi & Bisnis*, **16** (1): 1-28.
- Darma, G.S. (2006). *Mobile Marketing: Sebuah Strategi Keunggulan Bersaing Online*. Denpasar: Undiknas Press.
- Darma, G.S. (2006). The Impact of Information Technology Investment on the Hospitality Industry, *Jurnal MAKSI*, **6** (1): 1-22.
- Darma, G.S. (2012). *100 Konsultasi Praktis Strategi Bisnis*. Denpasar: Undiknas Press.
- Darma, G.S. (2018). *Seuntai Pesan, Menjawab Zaman*. Indonesia: Pustaka Larasan Press.
- Darma, G.S. (2019). *Kacamata Media, Kesuksesan Bersyarat*. Indonesia: Pustaka Larasan Press.
- Dewi, C.R., and Darma, G.S. (2014). Website Usability, Satisfaction, Loyalty, Security Perception, Trust, and Word of Mouth in e-Commerce Business, *Jurnal Manajemen & Bisnis*, **11** (2): 1-30.
- Anonim, Grab dan NUS hadirkan laboratorium AI atasi kemacetan kota. (2018), *Money & I*, **104** (2).
- Jamil, G. L. (2013). Approaching Market Intelligence concept through a case analysis: Continuous knowledge for marketing strategic management and its complementarity to competitive intelligence, *Procedia Technology*, **9**: 463-472. doi:10.1016/j.protcy.2013.12.051
- Kanten, I.K., and Darma, G.S. (2017). Consumer Behaviour, Marketing Strategy, Customer Satisfaction, and Business Performance, *Jurnal Manajemen & Bisnis*, **14** (2): 143-165.
- Kotler, Phillip., H. K., Iwan Setiawan. (2017). *Marketing 4.0* (Vol. 1). Canada: John Wiley & Sons, Inc.
- Marsden, P. (2015). *The 10 Business Models of Digital Disruption (and how to respond to them)*. Retrieved from <https://digitalwellbeing.org/the-10-business-models-of-digital-disruption-and-how-to-respond-to-them/>

- Lo, B., and Darma, G.S. (2000). Employee Perception of the Impact of Information Technology Investment in Organisations: A Survey of the Hotel Industry, *Australasian Journal of Information Systems*, **7** (2): 32-51.
- Pranata, I.M.A., and Darma, G.S. (2014). Strategi Penerapan E-Commerce Dalam Meningkatkan Keunggulan Bersaing, *Jurnal Manajemen & Bisnis*, **11** (1): 69-81.
- Tamer Cavusgil, G. K., John R Riesenberger. (2014). *International Business The New Realities* (Third Edition ed.). England: Pearson Education Limited.
- SARIT PRAVA DAS, D. B., SAILAJA RATH. (2017). Transformation Of Urban Transportation - Strategic Perspective A Case Of Uber Technologies, Inc. *International, Journal of Research in Business Management*, **5** (3): 69-78.
- Supit, H.A.M., and Darma, G.S. (2018). Enhancing User Experience in Forex Mobile Trading Application to Support Customer Relationship Management, *Jurnal Manajemen & Bisnis*, **15** (3): 51-63.
- Kumara, A. L., and Orhan Bahadir Dogana. (2017). A Strategic Framework For A Profitable Business Model In The Sharing Economy, *Industrial Marketing Management*.