Report On

Relationship of Loyalty Programs with Customers' Purchase Quantity and Frequency

By

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An internship report submitted to the **BRAC Business School** partial fulfillment of the requirements for the degree of
Bachelor of Business Administration

BRAC Business School
Brac University
April, 2022

Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.

2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.

3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.

4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Ariful Islam

ID - 18304027

Supervisor's Full Name & Signature:

Sang H Lee, PhD
Professor & Dean, Brac Business School
BRAC University

Letter of Transmittal

Sang H Lee, PhD

Professor & Dean

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report.

Dear Sir,

It was of great privilege to have your guidance throughout my Internship program and pleasure to submit the Internship report on Pathao LTD as a requirement of BBA program. I have prepared this report in accordance with the instructions given by you and the guideline & training provided by BRAC Business School. I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

Therefore, I hope that you would be kind enough to accept my Internship Report & oblige thereby. I would be glad to furnish you with any clarification or further query if required.

Sincerely yours,

_____

Ariful Islam

ID - 18304027

BRAC Business School

BRAC University

Date: May 22, 2022

Non-Disclosure Agreement

This agreement is made and entered into by the undersigned student at BRAC University, BRAC Business School.

Student's Full Name and Signature

_____

Ariful Islam

Acknowledgement

Successfully completing an internship program has offered me a tremendous deal of satisfaction in my life. None of this would have been possible without the effort, perseverance, and guidance supplied by everyone who aided me in completing my Internship report, which was necessary as part of the prerequisites for my Bachelor of Business Administration degree.

To begin, I'd want to express my gratitude to Dr. Sang H Lee, Professor and Dean of Brac Business School, who served as my Internship Supervisor and gave continual guidance and patience throughout my Internship Program and the writing of this report.

My gratitude and respect also go to Md. Abu Sufian Rony, Assistant Manager of Pathao LTD's Marketing Department, for assigning me tasks and projects that have provided me with great insight into the company's operations. I was able to successfully complete my Internship at Pathao LTD because to his consistent mentoring throughout the duration of my Internship.

Above all, I want to express my thankfulness to God for giving wisdom and understanding onto us, as well as for listening and responding to my prayers.

Executive Summary

This paper summarizes my internship experience at Pathao LTD's marketing department and is intended to provide a summary of the firm and my research topic, " Relationship of Loyalty Programs with Customers' Purchase Quantity and Frequency"

The report also evaluates and explores the organization's many verticals, within which it conducts business and activities. Additionally, the study evaluates the financial state of a comparable organization using a variety of financial ratios. Porter's Five Forces Model and SWOT Analysis were used to conduct an in-depth analysis of the industry's competitiveness and the company's strengths and weaknesses.

Additionally, the research discusses thoroughly how a loyalty program can influence customers' purchase quantity and frequency at Pathao LTD. Specifically, this study project aims to demonstrate how businesses may use customer loyalty programs to enhance purchase quantities and frequencies in today's competitive business environment, as well as how they can be used to make decisions that result in optimized operations. The research also includes recommendations on how to improve loyalty programs and their use.

Keywords: Loyalty Programs; Consumer Purchase Quantity; Consumer Purchase Frequency

Table of Contents

List of Tables

List of Figures

List of Acronyms

SO   Specific Objective

BDT   Bangladeshi Taka

LTD   Limited

E-commerce   Electronic Commerce

F-commerce   Facebook Commerce

km   Kilometer

CRM   Customer Relationship Management

GPS   Global Positioning System

Chapter 1

Overview of Internship

1.1 Student Information

I, Ariful Islam, am now enrolled in the Bachelors of Business Administration (BBA) degree at Brac Business School, Brac University, with the Student ID: 18304027. My undergraduate degree began in the summer of 2018, and I plan to finish with a dual major in Finance and Human Resource Management in 2022.

1.2 Internship Information

1.2.1 Period, Organization Name, Department & Address

I am delighted to have gotten the opportunity to work as an Intern in the Marketing department at Pathao LTD for three months starting from 1st February, 2022. Pathao LTD, which has established itself as one of the reputed and fastest-growing startups in Bangladesh. Their head office is currently located at CWN (A) 3A, Road# 49, Kemal Ataturk Avenue, Gulshan Model Town, Dhaka-1212

1.2.2 Internship Organization Supervisor's Information

At Pathao LTD, I worked as an intern in the marketing department. Mr. Md. Abu Sufian Rony, who is currently serving as an Assistant Manager in Pathao LTD's marketing department, was my supervisor and I was accountable for reporting to him.

1.2.3 Job Scope

Work hours for me as an Intern in the marketing department of Pathao LTD began at 10 am and ended at 6 pm, five days a week (excluding Fridays and Saturdays). After being assigned

to my internship for the first month, I was given ample opportunity to become acquainted with the firm and its working culture. My organizational supervisor played a crucial role in this process, since he introduced me to my colleagues and assigned me with my roles and responsibilities from the beginning. This enabled me to gain a better understanding of the core functions of the marketing department, as well as how the various units within the department collaborate to successfully execute the responsibilities.

The following are the primary responsibilities that I was assigned and fulfilled effectively while working as an intern in the marketing department under the supervision of my organizational supervisor.

Regular Responsibilities:
- Ideation and content preparation in support of Pathao's loyalty program called "Pathao Points"   - Creating leads for future collaborations with other businesses   - Contacting new partners and persuading them to join in exchange for Pathao Points   - Maintaining contact with partners and arranging meetings with them   - Generating and collecting required files for partner activation on our platform   - Documentation and constant communication with partners regarding performance   - Following up with Pathao Tong and Pathao Pharma's vendors   - Supply side campaign research, idea formulation, and execution
Additional Responsibilities:
Assisting the Pathao Food and Rides team with data reporting

- Conducting research and preparing reports in support of Pathao's geographical expansion strategy

- Preparation of presentation slides and a proposal for potential cooperation and campaign opportunities

- Compiling minutes of meetings for specific meetings

- Contacting influencers to invite them to join in Pathao's campaigns

Projects Completed:

- Prior to Eid, onboarding a specified number of partners.

- Preparation of a report on Pathao's expansion strategy

- Proposals for Pathao Pharma, Supply Side Campaigns, and other possibilities

Table 1: Marketing Intern's Roles and Duties at Pathao LTD.

1.3 Internship Outcomes

1.3.1 Student's Contribution to the Organization

The majority of the time throughout my internship, I was assigned critical chores and responsibilities that required me to complete them in a short amount of time. I believe that by successfully completing these tasks, I have contributed to the smooth operation of the organization as a whole. I was tasked with several difficult tasks, including the development of a proposal and the launch of "Ride Diye Bikepoti 2022," because they intended to increase supply-end loyalty while also ensuring partner satisfaction, all while meeting the organization's objectives. As a result, any sort of inaccuracy

Figure 1: Static Content for Ride Diye Bikepoti 2022

3

was intolerable, regardless of whether it was caused by the modality or the participant. As part of my responsibilities on this project, I was needed to connect with the partner on a regular basis and to ensure that their feedback was incorporated into our campaign. It was also necessary for me to physically visit the showrooms in order to learn more about the motorcycle. The successful completion of this campaign enabled me to verify that everything was completed correctly, which satisfied both management and our strategic alliance partner.

Aside from that, I've successfully onboarded a large number of partners into our loyalty program and ensured that those partners obtain the results that were promised to them. I met my goal before Ramadan, which allowed us to accommodate a diverse variety of fashion companies and launch a successful Eid campaign as a result of my efforts.

Pathao Points has evolved into a comprehensive offering for Pathao's dedicated clients, thanks to collaborations with fashion and electronics companies, as well as entertainment and media enterprises for the business collaborations. As a result, loyal consumers are able to enjoy shopping and meet their leisure demands at a lesser cost as a result of the discount.

Figure 2: Static Content for Pathao Points Eid Campaign 2022

1.3.2 Benefits to the student

In just a few years after its founding in 2015, Pathao LTD has risen to become Bangladesh's largest digital platform, with more than seven million subscribers. Having the opportunity to

work as an intern in such a fast-growing organization was really beneficial in terms of learning more about my area of interest and obtaining practical experience.

As students seeking specializations in fields such as Finance, we were taught how to validate an investment decision by calculating the return on the investment (ROI) we made. At Pathao LTD, I was required to regularly evaluate the partnership and campaign recommendations in terms of their true financial worth and forecast their return on investment to the company's management in order to obtain approval for them from the higher authority. Even after the completion of the campaigns, I was compelled to assess the expected and actual financial outcomes of the undertaking.

The roles and projects that were entrusted to me also provided the opportunity to collaborate directly with a range of internal departments, including operations and accounting as well as administrative services and business analytics to name a few examples. Being able to communicate with such a diverse variety of departments that perform vital duties inside the organization enabled me to gain a thorough understanding of their various responsibilities as well as the critical role they play in maintaining the smooth running of the organization. This working experience in a range of divisions has provided me with a comprehensive understanding of how a technology company operates, serves its customers, and ensures supplier satisfaction, among other things.

More than that, this internship gave me the opportunity to hone specific skills, such as time management, communication, quick decision-making, and work-life balance, among others, that will benefit me in my future career.

1.3.3 Problems/Difficulties

Despite the fact that my internship experience at Pathao LTD was enjoyable and educational, I encountered a few roadblocks.

Due to the fact that my classroom studies concentrated primarily on manufacturing organizations and banks, it was difficult for me to connect portions of what I learned to a technological company that controls a digital platform that works as a conduit between the supply and demand sides of services like ride-sharing, food delivery etc.

The second difficulty I encountered was my inability to comprehend the technical and business jargon that was frequently employed, particularly by stakeholders, while working on projects.

Finally, data sharing constraints were a significant disadvantage for me because they prevented me from sharing internal corporate data during the report's creation.

1.3.4 Recommendations

Through this internship opportunity, Pathao LTD has provided me with the opportunity to learn more about my areas of interest, which include finance and marketing. However, I feel that providing future interns with sufficient training in engaging with the stakeholders and familiarizing them with the technical jargon commonly used in the sector will enrich their experience.

Additionally, a more receptive attitude toward sharing business data may assist interns significantly increase the quality of their research reports. On the other hand, expanding access to primary sources of knowledge may be beneficial in this area.

Finally, I believe Pathao LTD should expand its internship program for more undergraduate students. Only a few organizations in the country provide actual duties to interns, and Pathao LTD is one of them. By bringing in additional interns in this manner, the company will have a well-trained workforce that they can maintain in the long run.

Chapter 2

Organization

2.1 Introduction

2.1.1 Objective

To provide a complete grasp of Pathao LTD, I must first present a thorough description of how the company is currently operating and performing. This motivates me to examine the organization's strengths and weaknesses through study. It would be beneficial to share qualitative and quantitative data about the company in order to examine the company's overall success in the industry and then pave the way for the third chapter of the report on consumer buying behavior and its relationship with the company's loyalty program.

2.1.2 Methodology

In order to produce this report and to have a thorough understanding of the company, I had to collect and evaluate both qualitative and quantitative data in order to fully understand it. The information in this report was gathered from both primary and secondary sources. This was a situation where my organizational supervisor played a critical role in assisting me in gaining access to such resources.

It was necessary for me to interview my colleagues who work in various areas of the company in order to gain a better understanding of how the departments functioned. Furthermore, I was required to read through the various company reading materials produced by Pathao LTD in order to have an understanding of the firm's management and marketing processes. However, because Pathao is a private limited company, it is not required to publish its annual report. So,

the financial overview of a proxy company was thoroughly examined in order to have a better understanding of the financial health of a typical company in the same industry.

2.1.3 Scope

This report contains comprehensive information about Pathao LTD and its current practices in the areas of management, marketing, finance and accounting, operations, and information technology. The report's readers will obtain a full grasp of how Pathao LTD's operations are now managed and the overall impact.

2.1.4 Limitation

The only issue I had encountered during the course of putting together this report was a restriction on the sharing of data. While researching Pathao LTD and its operations, I came across many pieces of information that were not available for public use.

2.1.5 Significance

Preparing this report provided me with the opportunity to have a comprehensive understanding of how the many departments of Pathao LTD work together to reach a single vision and create most significant impact. This assisted me in gaining a better understanding of the organization's strengths and limitations. The report also assisted me in understanding how technological service sector operations differ from those of a conventional firm, while also providing me with the opportunity to learn and explore more about my areas of interest.

2.2 Overview of the Company

2.2.1 Company Background

Pathao is a digital start-up established in Bangladesh that specializes in multiple verticals including ride-sharing, courier, parcel, food and grocery delivery. The company was founded

in 2015. The company has seen significant growth within a few short years after its inception. According to Noman (2019), the company's success was based on a business plan that capitalized on a market with a supply-demand mismatch in terms of urban transportation infrastructure. This is a significant accomplishment in a country where millions of people are trapped in traffic on a daily basis. However, the company's introduction into the Bangladeshi ride-sharing market, which has evolved at a quick pace in tandem with Pathao's expansion, has significantly expedited the company's growth. According to any measure, the most essential factor in the success of the company was the beneficial impact it had on commuters in Bangladesh's megacities and other metropolitan areas. Many city residents, particularly those who rely on public transportation, have been forced to wait for hours or even days as a result of the city's horrendous traffic congestion. Providing this new form of relief from this hurdle had such a significant impact that Pathao went from being only a company name to being regarded as an actual verb by the locals, much as Google is now regarded as an actual verb by the whole global population. This is an example of a circumstance in which the quantity of innovation and the time of its introduction were both perfectly on target, with these two parameters deciding the outcome of the situation. The company's remarkable growth and success can be attributed to a consistent emphasis on service quality development, effective branding, the company's socioeconomic surroundings, and the unwavering dedication of the company's founding trios.

2.2.2 Brief History

Pathao, Bangladesh's fastest-growing technology business, began in the nation as a logistics service. Pathao's new offerings include bike ridesharing, vehicle ridesharing, food delivery services, and courier services, many of which are fueled by the growth of e-commerce. The ride-sharing firm, headquartered in Dhaka, has over seven million customers and is developing

at a rapid pace. It is one of Bangladesh's fastest growing enterprises. The firm has evolved from a staff of 30 to over 500 personnel in a few of years. The firm claims to have over 100,000 bike riders, car captains and delivery persons distributed around Bangladesh as part of its ecosystem, which is detailed on the company's website. According to the company's website (April, 2022), it presently handles over a million journeys and over 500,000 deliveries each month. Due to the company's expansion over the years, it has developed into a digital lifestyle platform, or "super-app," that provides a variety of services to aid consumers in overcoming everyday obstacles. Pathao expanded its operations beyond of Bangladesh's borders in September 2018, establishing a presence in Nepal. Additionally, this is the first time a Bangladeshi ride-sharing firm has expanded outside the country in which it was founded.

2.2.3 A look into the Pathao app

Passengers are linked to available rides using peer-to-peer technology on Pathao, for the company's ridesharing service. Peer-to-peer ridesharing is an internet service that enables users to schedule one-time shared transportation on short notice (also known as dynamic ridesharing or on demand ridesharing). It is a digital interface that links on-demand drivers and passengers through a variety of platforms, including mobile applications and websites (Geron, 2013). This word encompasses the concepts of shared economy and shared mobility in their totality. When it comes to conducting their business, they use the most cutting-edge technological solutions accessible. GPS navigation systems are used to control the actual travel, beginning with the computation of the driver's route. Because the firm delivers services to customers even in areas where public transportation is unavailable, GPS is a critical component of the entire strategy and execution of the operation. Smartphones act as intermediary devices, facilitating the exchange of information between users. This is only possible with the support of an effective optimization technique (Zhang et al., 2020).

The Pathao program is guided by a five-step process, which is discussed in further detail below. These are the fundamental steps: downloading and registering in a rider app, choosing a preferred location, and specifying the kind of trips desired. A neighboring motorist is contacted in the aftermath and offers to bring up the passenger for a fee. When customers arrive at the pick-up spot and begin their journey, the platform gives route alternatives that are both efficient and safe. When the passenger arrives at his or her destination, he or she pays the driver using the means of payment set in advance. The journey concludes with a portion in which the rider conveys his or her thoughts about the platform experience.

2.2.4 Business Model

Using the following business canvas model, we can see how Pathao's business model is organized:

Key Partners	Key Activities
• Drivers using motorcycles, automobiles, and bicycles • Restaurant proprietors • Processors of payments • Shareholders	• Development and management of products • Acquiring new customers • Employing drivers and delivery personnel • Payout management • Branding and marketing activities
Value Propositions	Customer Relationships
Customers: • Affordably priced transportation service	• Social networking sites • System of rating • System of instant feedback

- Minimum wait time due to a large number of riders

- Deliveries made quickly at a minimal cost

Drivers & delivery men:

- Schedules that are adaptable

- Incentives and bonuses for achieving goals

- Simple payment process

- Customer care

Customer Segments	Key Resources

Customers:

- Those without a car or motorcycle

- Those who wish to avoid traffic congestion

- Those that lack sufficient time to prepare foods at home

- Those who wish to enjoy restaurant cuisine in the comfort of their own homes

- Individuals that wish to distribute parcels as quickly as possible

Supply Side:

- People with vehicles willing to earn

- Drivers with expertise

- Technology

- All-in-one service application that is simple to use

• Individuals interested in working part-time and earning money	
Channels	**Cost Structure**
• Android mobile application • iOS mobile application • Website	• Salary payments to employees • Costs of marketing and promotion • Technological infrastructure
Revenue Streams	
• Motorcycle/car journeys are charged on a per-kilometer basis • Pricing escalation • Food, parcels, and other items are subject to delivery charges	

Table 2: Business Canvas Model of Pathao

2.3 Management Practices

2.3.1 Decision Making

Pathao was founded by three notable entrepreneurs: Fahim Saleh, Hussain M Elius, and Shifat Adnan. The Team Titans are the highest-ranking members of Pathao's executive management. The team includes the CEO, CFO, and vice presidents, as well as senior executives from marketing, operations, strategy, product, data science, and business development.

Each business decision is first debated by the officers and managers responsible for that department or function. After that, it must be approved by the department head before it can be implemented. When making significant decisions, such as the introduction of a new SKU into

an established category, the CEO's consent may be required. Due to Pathao LTD's rapid growth, many decisions are made without concern for hierarchy, and judgments are made more quickly through the usage of a flat organizational decision-making architecture. As a result, several decisions are taken quickly, which improves the organization's overall performance. Due to the current business climate, the company's policy of enabling employees to make swift decisions is crucial to its survival.

2.3.2 Employment Policy

Pathao LTD employs a right and logical recruiting policy that assures that all candidates are treated fairly, appropriately, and impartially during the employment process. During the recruitment process, the organization places a strong focus on equality and the respect for differences among applicants. Regardless of age, ethnicity, gender, or financial status, it employs and rejects people based on their performance and does not discriminate.

2.3.2 Recruitment Process

To fill a job position, the human resources department must first obtain a requisition from the department that will be filling the position. This request form must include a job description and a list of the required minimum qualifications. This enables the human resource department to do the job analysis more quickly than was previously possible. Following that, the human resources department consults with the relevant department to determine whether to seek external selection or hire from within the existing workforce. Alternatively, if they already have competent personnel, they contact the prospective employee and offer them job following one

to two interviews. They publicize the position on social media platforms such as LinkedIn, Bdjobs.com, and Facebook to attract external candidates.
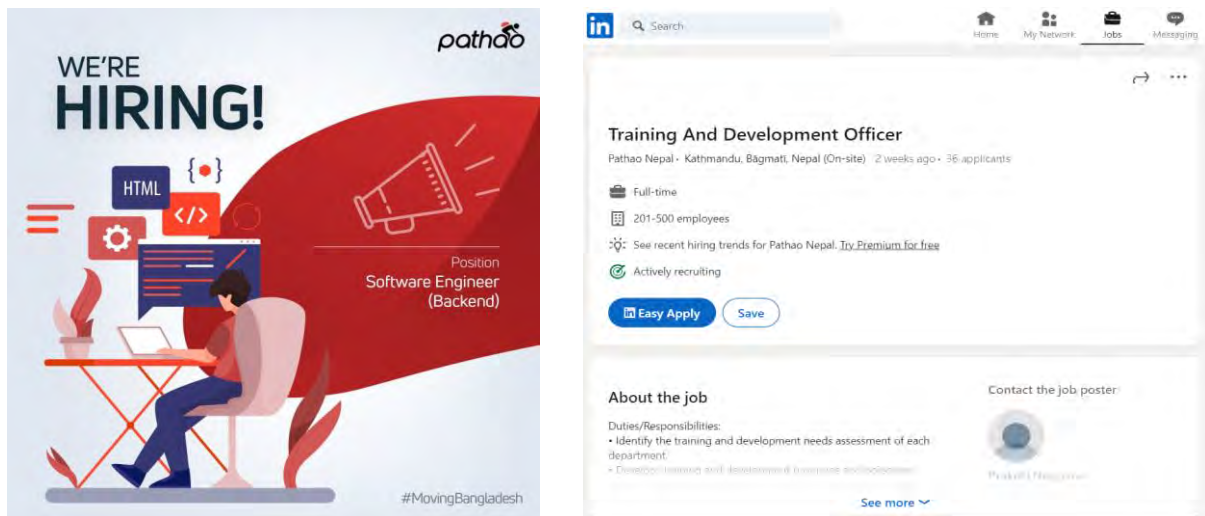
Figure 3: Job Circular Example

Prospective candidates are invited to participate in a written examination after their resumes have been reviewed. Candidates that meet the qualifications are be invited to the interview stage, where they will be evaluated by a panel of three to four people. After receiving clearance from the departmental director, a candidate is finally hired for the specified role.

2.4 Marketing Practices

The marketing division of Pathao LTD is the company's one of most vital divisions. This division is primarily responsible for the organization's branding and promotional planning and execution. After upper management has accepted the plans, the marketing division determines how they will be implemented. They determine the direction in which the various verticals will travel, the prices, the quantity of money that should be allocated to each vertical for marketing purposes, and other pertinent considerations and judgments. Additionally, promoting services take into account the many stages of a vertical's life cycle as well as the techniques utilized to improve the vertical.

2.4.1 Key Functions of Marketing

- Obtaining information and evaluating demand in the market

- Putting different verticals' market offerings in their proper context

- Product offers and verticals are being watched over by the department

- Creating a framework for appraising campaigns and projects

- Keeping an eye on advertising channels

- Managing public relations, business development, and advertising campaigns

- Increasing consumer loyalty and retaining existing customers

- Partnerships with other businesses to launch campaigns and promote their products and services

2.4.2 Segmentation and Targeting

Pathao joined a market that was extremely complex and became competitive eventually. They have gone through the process of market segmentation quite thoroughly. Due to the fact that the company operates in several different verticals, the segmentation and targeting are not uniform across all of the verticals.

When it comes to Pathao Courier, the company's business targets all of the e-commerce businesses in the country.

Pathao's market segmentation and targeting for the other verticals is depicted in the following graphic.

Geographic Segmentation	Area	Dhaka	Chattogram	Sylhet
	Age	16 and above		

Demographic Segmentation	Social Class	Middle Class to Upper Class
	Gender	Male and Female
Behavioral Segmentation	Loyalty	Low to High
	Smartphone	Light to Heavy
	Benefit Sought	Medium to High

Figure 4: Segmentation and Targeting of Pathao LTD.

2.4.3 Target Group Analysis

Pathao's courier services are targeted at the entire country, taking advantage of the country's burgeoning e-commerce and f-commerce businesses. Pathao Courier is a service that helps small and medium-sized enterprises send their goods all throughout the country. Even huge firms, such as Walton and Minister, have partnered with Pathao to effectively ship their products across the country.

Because Dhaka, Chittagong, and Sylhet have the largest population density in Bangladesh, Pathao focused its geographic segmentation efforts there. Despite the fact that Dhaka has a huge number of public bus services, they are in bad condition. In addition, these cities are at transportation risk. In these cities, Pathao aimed to provide better help. Pathao has also started operating in Kathmandu. Because there was little competition in the market at the time, Kathmandu was chosen. Because Kathmandu is a major tourist destination, there is also traffic congestion there.

They have picked the demographic segmentation of adults. This is because Pathao uses their platform to connect their riders with their users. As a result, Pathao serves both riders and users at the same time. The age restriction applies only to Pathao riders. Pathao is aimed towards

persons in the top and middle segments of the socioeconomic spectrum. This two-social-class system is gaining ground at a high rate in Bangladesh. Pathao is a gender-neutral service, which implies that both men and women can use it.

Smartphones are required to use Pathao's service. Their target market includes people who owns a smartphone. They're also concentrating on people who are looking for any service from Pathao's multiple verticals, which will help the company flourish in the future. The new target group is the one in search of any benefit.

2.4.4 Positioning

Pathao is now offering a variety of services, including courier, bike rides, vehicle rides, mail, food delivery, grocery delivery, and medicine delivery, all through their mobile application. There is no other company that offers this one-of-a-kind and dynamic service through a single mobile application. Pathao positioned themselves in the minds of their clients as a one-stop solution for their everyday needs.

2.4.5 Marketing Mix of Different Verticals

2.4.5.1 Pathao Courier

Pathao was initially founded to provide logistical support to businesses engaged in e-commerce and direct marketing operations. Customers are growing more acquainted with the online store as a consequence of the company's commitment to expeditious delivery. Numerous modes of transportation were employed to do this, including motorcycles and bicycles. With a presence in the country's 64 districts, it has shown a firm commitment to the courier industry, as seen by its rapid growth in this sector. Since this organization promises same-city delivery within 24 hours and intercity delivery within 72 hours, it has been able to collaborate with over 30,000 businesses around the country. Additionally, the Pathao courier firm offers cash on delivery

and reverse logistics services, which enable clients to return items purchased through the company. Pathao courier differentiates itself from competitors by providing these services. Pathao has always placed a premium on cost-effectiveness when it comes to keeping ahead of the competition. According to the company's website, a 500-gram package sent inside the same city would cost BDT 60, while a 500-gram box dispatched beyond the city will cost BDT 100. The following figure illustrates the cost of Pathao Courier Services.

Pricing Plan

Select Service Type

Same City Delivery   Inter City Delivery

Delivery Time	Upto 500 gm	500 gm to 1 Kilo	1 Kilo to 2 Kilo
24 Hours	BDT 60	BDT 70	BDT 90

- 1% COD charge will be applicable
- This price/plan is exclusive of any VAT/TAX.
- For weight more than 2KG, additional 15TK/Per KG (SAME CITY) will be applicable.

Pricing Plan

Select Service Type

Same City Delivery   **Inter City Delivery**

Delivery Time	Upto 500 gm	500 gm to 1 Kilo	1 Kilo to 2 Kilo
72 Hours	BDT 100	BDT 120	BDT 150

- 1% COD charge on the price of the product.
- This price/plan is exclusive of any VAT/TAX.
- For weight more than 2KG, additional 25TK/Per KG (INTER CITY) will be applicable.

Figure 5: Cost of Courier Service in Bangladesh (Pathao, 2022)

2.4.5.2 Pathao Rides

Pathao's ride-sharing service was formally introduced in Bangladesh for the first time with the tagline "Moving Bangladesh." There were just 100 motorcycle aficionados when the country was created. With over 100,000 passengers, ride-sharing has risen in popularity, making it a

more accessible method of transportation for the general population (Nasdaq, 2018). Passengers may use Pathao's ridesharing services to avoid traffic and get at their destinations on time and at a fair cost, saving them both time and money on their trip. Uber and Shohoz Ride, two ride-hailing technology companies, launched operations in Dhaka within 2014 to 2016, marking the early such businesses entered the Bangladeshi market. On the other hand, Pathao's sound business model has aided in the company's quick growth and broad exposure. Uber seems to have taken notice of Pathao's success, as the business debuted UberMoto, a motorbike hailing service comparable to Pathao's, in the fourth quarter of 2017 (IDLC, 2018).

	UberX	Uber Premier	Uber Moto	Pathao Bike	Pathao Car
Base Fare	BDT 40	BDT 80	BDT 30	BDT 50	BDT 25
Per minute	BDT 3	BDT 3	BDT 1	BDT 2.5	BDT 1.5
Per km	BDT 18	BDT 22	BDT 12	BDT 20	BDT 12

Figure 6: Cost Comparison of Ride Services

2.4.5.2.1 Pathao Bike

With clients able to access it using the company's smartphone app, the company's motorcycle sharing service has proved to be its most popular to date, according to the company. Due to its superior efficiency in negotiating the city's notorious traffic congestion, the company has surpassed taxi and CNG auto rickshaw rental services in the megacity of Dhaka. A motorcycle taxi culture did not exist in the region prior to the creation of Pathao. According to Nahid et al. (2017), during the morning rush hour, automobiles may reach speeds of up to 18.3 kilometers per hour, while during the evening rush hour, they can only reach speeds of 10.7 kilometers per hour. As a consequence, it is possible to calculate an average speed of 14 kilometers per hour. As a form of transportation for short distances, the bike is the most efficient, capable of

attaining higher speed. A commuter who utilizes a bike ride sharing service may get to their destination much quicker than a commuter who takes the bus, drives a vehicle, or CNG vehicle. Using a ride-share bike and having a relatively hassle-free experience results in a customer spending less than BDT 150 each trip (IDLC, 2018). Pathao, a motorbike sharing service, is available in three major cities in Bangladesh, as well as in Kathmandu, and it is cheap to use.

Average Distance 7.5 km		
Uber Moto	Pathao Bike	Non-app bike (on hire)
195	158	180

Figure 7: Cost Comparison of Bike Rides

The ride-hailing apps Pathao and UberMoto are currently facing competition from non-app bike riders who provide rides on demand. Some people are taking advantage of these rides despite the fact that there is a high level of risk involved because the bike riders are unknown and not affiliated with any reputable firm. Frequently, news of accidents, hijackings, kidnappings, and even assassinations are reported from such unlicensed transportation.

Figure 8: News of Non-app Rides Accident (Dhaka Tribune, September 2nd, 2019)

2.4.5.2.2 Pathao Car

Pathao's ridesharing services in Bangladesh are ideal for individuals want to travel in style, while Car Lite is ideal for those on a tight budget looking to travel quickly and affordably. A ride-sharing car client pays around BDT 300 for each journey. Pathao Car has established itself as a market leader in its industry among competitors, according to IDLC (2018). Pathao's automobile service is presently only available in two major cities in Bangladesh, namely Dhaka and Chattogram. The following graphic illustrates the cost structures of two industry titans: Uber and Pathao.

Average Distance 7.5 km			
UberX	**Uber Premium**	**Pathao Car**	**Uber CNG**
BDT 295	BDT 365	BDT 282	BDT 196

* Whereas the average asking price of CNG for this distance is BDT 250

Figure 9: Cost Comparison of Car, CNG Services

2.4.5.3 Pathao Food

Pathao meal service has grown in popularity as a result of its extensive coverage across the city. According to Islam (2019), Pathao is one of the industry leaders in meal delivery services, with an 40% market share, along with industry giants such as HungryNaki, Food Panda, and Uber Eats. The business, which works with over 8000 restaurants in the city, offers one-hour delivery. Between 20,000 and 30,000 orders are delivered daily across Dhaka. On average, each delivery would cost between Tk 50 and Tk 70. As a result, the distribution channels earn a minimum of BDT 1 million every day. Each year, the number of orders increases by a factor of ten.

2.4.5.4 Pathao Parcel

According to Pathao's website (April, 2022), Pathao Parcels is a package delivery service established in 2017, guarantees three-hour delivery inside the Dhaka metropolitan zone. The submitted products must measure 12 inches by 12 inches by 12 inches and weigh no more than two pounds. Users must choose the items they desire to provide from a provided list of categories. For BDT 135 (up to 7 kilometers) and BDT 15 (up to 15 kilometers) (for each additional kilometer), a qualified Pathao rider will come to the client's residence to collect the things and deliver them within three hours.

2.4.5.5 Pathao Pay

When it comes to technical innovation and execution, Pathao has always been one step ahead of the competition. Pathao launched its Digital Payments platform in 2018, enabling customers to pay through a number of ways, including credit cards and mobile banking (Pathao website, 2022). Pathao has benefited from an edge in its business model thanks to bKash and card issuing banks, which has given readiness in the market. Individuals who choose not to pay in cash may use one of the following alternatives. Pathao Pay was initially intended to serve as a digital wallet into which users could deposit funds and then use those funds to purchase Pathao items and services. Bangladesh Bank, the country's central bank, has categorically declined their request for an extension of time. As a consequence, the wallet was quickly shut down and rebuilt as a cashless-only payment system. On the other side, the Pathao Pay team is working feverishly to get Pathao Pay back up as soon as possible.

2.4.5.6 Pathao Tong & Pharma

During the pandemic in 2020, Pathao Tong & Pharma launched as an online shopping platform, letting Pathao patrons to order anything from beverages to sanitary napkins to everyday

supplies and have them delivered to their homes. Consider it to be a transaction marketplace for e-commerce. Clients can purchase products through the same app they use for transportation, delivery, and package pickup. Suppliers are organized into categories, with some additional internet shops included.

2.4.6 Promotional Channels

Their external consumers are the people who use their products. Pathao communicates with their consumers in a variety of methods, including the following:

- **Push App Notification:** When an app sends a notice to the user's phone, this is referred to as a push notification. They distribute it to a lot of different receivers for a variety of reasons. For example, in the morning, the app notifies the user that breakfast can be ordered using the "Pathao food" application. In the evening, the app suggests that you rent a car to your destination. Push notifications are used to send general messages and promotional offers to the user base. In addition to being clickable, the push notifications now include a function that links customers to the precise page that the notification is about.
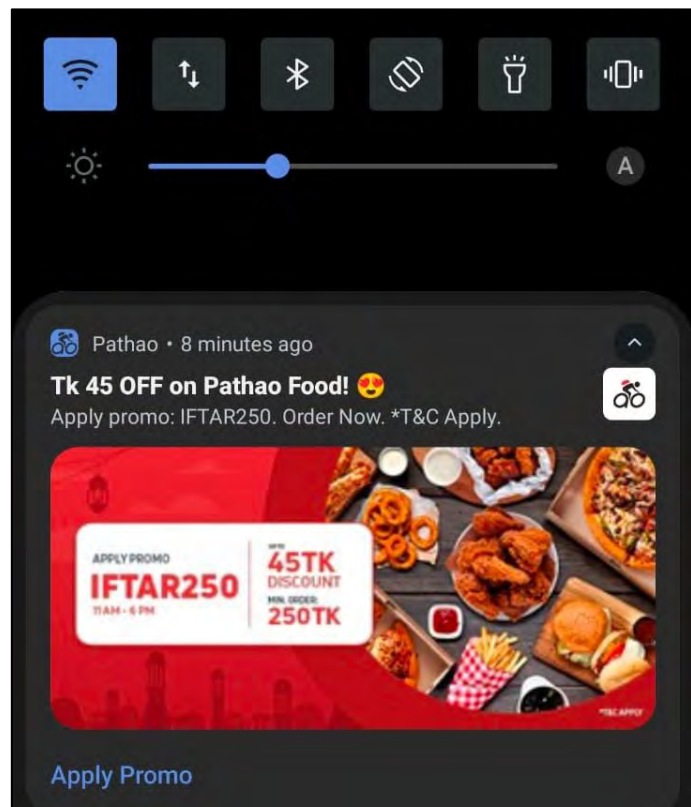
Figure 10: Push Notification Example

- **In App Pop-up:** In-app notifications, alternatively referred to as in-app messages, are notifications that appear while a user is interacting with your software. In-app notifications are displayed as full-screen pop-ups or small overlays that are suited to the Pathao app's user experience and are easily readable. Aside from that, the user is provided with the Pathao messages and relevant offers each and every time the Pathao application is opened.
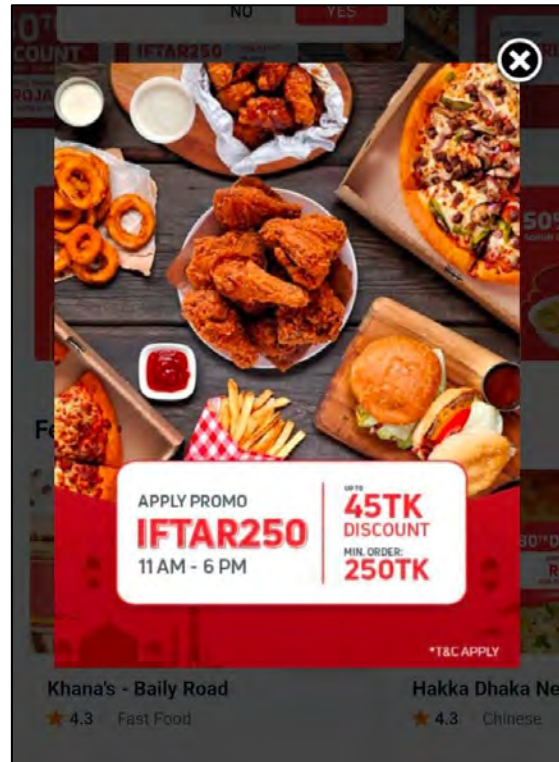
Figure 11: In App Pop-up Example

- **App Card:** The application card is located on the landing page or on the home page. Pathao Bike, Pathao Car, Pathao Food, Pathao Parcel, Pathao Points all have their own sections on the app card. The user can then access trending offers or communications related to the vertical in which he or she is interested.
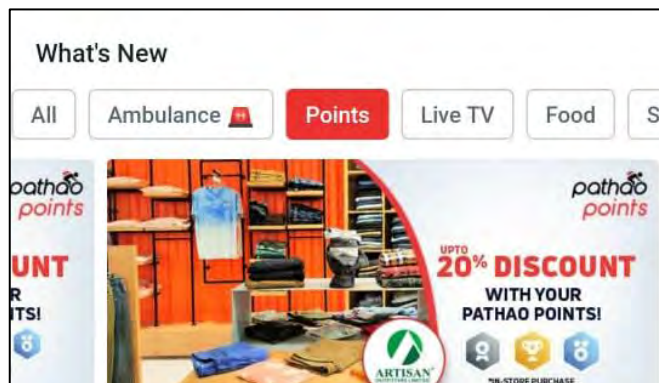
Figure 12: Pathao App Card Example

- **SMS:** Pathao communicates with its clients on a regular basis through text messages. The bulk of the time, they give discount codes to customers by SMS. A nice welcome message is also sent to all new Pathao users who join up for the service. SMS are also sent to inform about the upcoming and running campaigns to both the demand and supply sides.
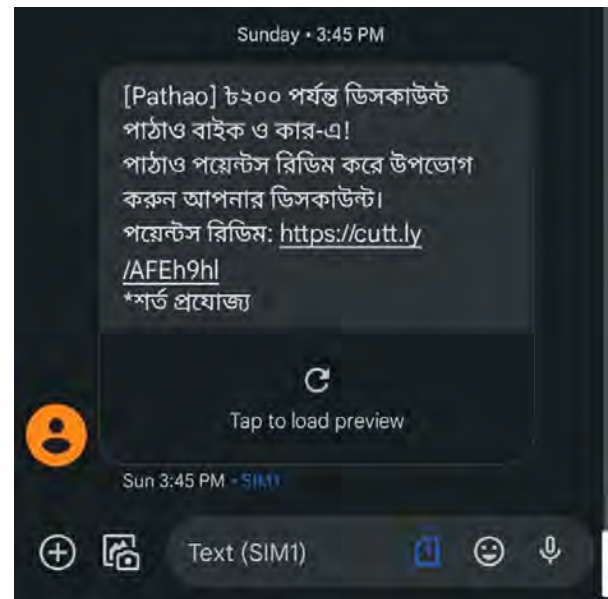
Figure 13: SMS Example

- **Email:** Email marketing, a hybrid of direct and digital marketing, is a highly effective marketing medium for Pathao. It is utilized to promote the company's numerous services and serves as an effective marketing channel for the business. By combining it into Pathao's marketing automation efforts, it can assist the company in informing customers about current items or specials. The usage of various types of marketing emails contributes significantly to the success of a marketing plan by assisting in the generation of leads, creating brand awareness, strengthening customer relationships, and engaging customers between transactions. Some mass emails contain business updates and change in

Figure 14: Email Communication Example

regulations too. Emails are also used to communicate with the merchants and restaurants about the periodic order updates.

- **Social Media:** In the present era, customers are more drawn to social media sites such as Facebook, Twitter, and Instagram, among other things. Those who are interested in interacting with Pathao about any difficulties or feedback they may have can do so through the company's verified Facebook page. Their purpose is to announce special offers, upcoming features, and promotions that are only available for a limited period. Throughout the duration of special events, Pathao keeps updating their social media
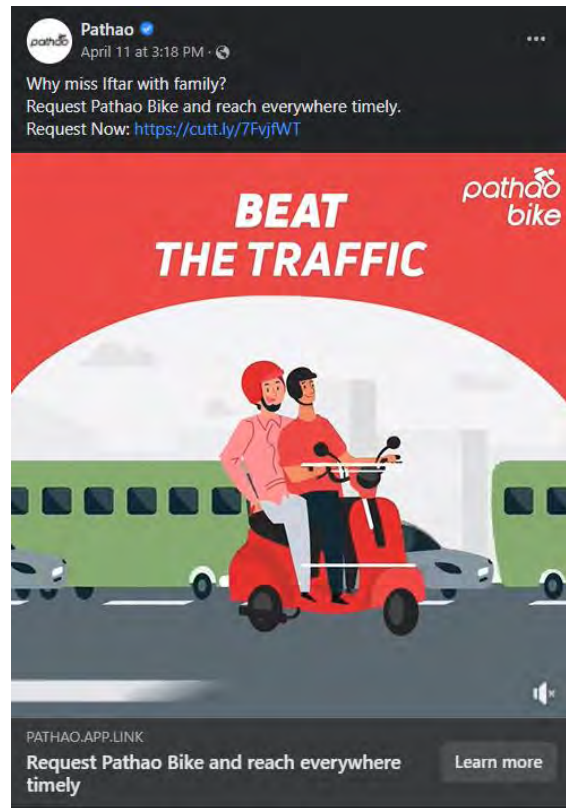
Figure 15: Social Media Post Example

handles with new event details. Pathao also runs "Pathao Users Bangladesh" Facebook community. Its users can get help from the Facebook group, which is run by volunteers from the company.

- **Website:** Pathao has its own website, which they use to help stakeholders learn more about the company. The organization's website contains a wealth of information and offers numerous opportunities for people to become involved. It has all of the components and pieces that people require in order to obtain the information they seek. Blogs and other forms of media can be found under the section devoted to relevant pages. The website includes option to chat with Pathao Customer Care Executives.

2.5 Accounting Practices and Funding

2.5.1 Accounting Practices

Accounting concepts applied correctly can also aid management in identifying the critical areas in which the firm should concentrate its efforts in order to maximize operational efficiency and profit margins in order to ensure long-term financial sustainability.

Pathao LTD is no exception. The Finance & Accounts Department of Pathao LTD is critical in boosting operational efficiency and assisting management with decision-making processes. Currently, the Chief Financial Officer is in charge of the department, which implies it is under his supervision.

The organization conducts two types of audits in order to ensure the highest level of accuracy and transparency.

- Internal Audit
- External Audit

Generally, the Internal Audit and Compliance is in charge of performing audits on behalf of the organization. An external audit is carried out on a yearly basis. The Ministry of Commerce has approved three profiles of auditing companies for consideration. The CEO then selects a single enterprise to execute the audit, which is overseen by the Ministry of Commerce and Industry. A financial and management audit of the company's financial and management information can then be conducted as a result of this arrangement. Pathao LTD complies to the International Financial Reporting Standards (IFRS), which have been certified by the International Accounting Standards Board (ICAB), and are compliant with Bangladesh Accounting Standards (BAS) and International Accounting Standards (IAS).

2.5.2 Fund Raising

Pathao was successful in raising the vast majority of the startup capital required to launch the company. The top personnel were in charge of an undisclosed sum of money, which had been raised from domestic and international investors. In order to attract venture capitalists, they ran into a number of barriers, as successful indigenous enterprises are hard to come by in Bangladesh. Pathao has raised an estimated $2 million in Series A funding from Go-Jek, an Indonesian bike-hailing firm, as part of its expansion plans. Later, Go-Jek revealed that it had begun investing in Pathao's second round, which it described as a Pre-Series B investment for around $10 million (Russell, 2018). Another investor, Openspace Ventures, which has recently changed its name from NSI Ventures, was a part of this current round of funding. As well as money from the Osiris Group, which owns Go-Jek, and Battery Road Digital Holdings. In a discussion with the researchers, the company's chief financial officer revealed that Pathao is valued at more over $100 million, according to the company's CFO. These primary objectives will be achieved with the revenues of this Pre-Series B fund, which will be utilized to accomplish the following:

- Bangladesh is working on enhancing its transportation infrastructure, which is now under investigation by Pathao. Pathao hopes to achieve this by expanding into previously undiscovered cities and integrating an ever-increasing range of modes of transportation, including motorcycles and automobiles, into its operations.

- A varied selection of lifestyle brands and products/services are available on the same app platform, making it simple to compare and contrast different options. The goal of Pathao is to give users with a diverse selection of offers through which they may redeem points gained through usage for a variety of deals and discounts.

- By utilizing online wallet technology, Pathao may decrease the need for manual financial transactions in the organization. Riders can pay for their fares and top up their

wallet balances using credit cards or mobile banking, thanks to the advancements in wallet technology.

- As a result of the utilization of this cloud-based money storage, Pathao is currently in negotiations with financial institutions to enable cashless payments. This cloud storage for money will be used to make cash free payments and Pathao is developing partnerships with banks to achieve this goal.

Sep-2015	Emergence of Pathao with Logistics Services
Jun-2016	Launch of Pathao Bike
Dec-2016	Launch of Pathao App
Nov-2017	Launch of Pathao Car
Nov-2017	Series A Funding of USD 2 Million from Go-Jek
Jan-2018	Pre-series B Funding of USD 10 Million from Go-Jek
Apr-2018	Pathao's Digital Payment
Sep-2018	Venturing into Nepal

Figure 16: Pathao Fund Raising Timeline

2.6 Industry and Competitive Analysis

As an early mover in the industry, Pathao had to compete with companies that came before and after them. Their proactive business model, on the other hand, has given them an advantage over their competitors, as they were able to anticipate market needs after thorough research. Pathao's goal is to become a one-stop service for all of a customer's demands. Pathao's

innovative and proactive business plan has let them compete with global behemoths like Uber, and they've successfully contributed to Bangladesh's transit solution.

2.6.1 Porter's 5 Competitive Forces Analysis

2.6.1.1 Rivalry Amongst Competitors

Only a few years ago, Bangladesh had a few couriers, ride-sharing, and food delivery services. However, since the outbreak, a rush of new businesses has sprung up to provide courier and other services. Existing company competition represents the number of competitors who provide a low to moderate threat to Pathao. Pathao may encounter substantial rivalry from competitor enterprises, which may limit each other's prospects for expansion. Profitability in these organizations is moderate as a result of the competition between aggressive targeting, price approaches, and marginal commission tactics.

The moderate rivalry in this industry is basically a result of -

- On the market, there are only a few competitors.

- The sector is expanding at rapid speed.

- There is no such thing as a market leader who is universal.

- Pathao, on the other hand, has specialist leaders in each of the verticals in which it operates.

- Each market participant focuses on the same sub-segments, and things aren't all that different.

- Consumers' switching costs are low, both financially and psychologically.

- Departure barriers are high, implying that enterprises cannot easily depart the industry without incurring significant losses.

Similarly, several variables increase competitiveness among established businesses. For example, because market players are not strategically varied and target the same industry, the company confronts competition from existing competitors. Clients are not loyal to established brands, and because switching costs are low, it is easier to recruit customers from other businesses. Competitors in the same industry who sell similar products and are experiencing significant industry growth are more likely to use aggressive techniques against one another. Pathao's current commercial rivalry is a severe strategic problem for all of these reasons.

2.6.1.2 Supplier Power

The Porter 5 force model depicts supplier bargaining strength as the pressure suppliers apply on enterprises through various techniques such as limiting product supply, reducing quality, or raising pricing. When suppliers have a lot of bargaining power, it costs the buyers a lot of money. Furthermore, Pathao's profit and growth potential may be harmed by strong supplier negotiating strength. In contrast, a lack of supplier power may make the market more appealing due to its high profitability and expanding potential.

Bargaining power of suppliers for is low for Pathao because:

- Suppliers are not concentrated in one place, and their concentration is far lower than that of their buyers.
- Because moving suppliers is extremely inexpensive for Pathao, this influence is particularly modest.
- The suppliers' position against Pathao is strengthened since there are so many providers and so much demand for what they have to give.
- Pathao's position is bolstered by the suppliers' incapacity to forward integrate and compete in that market.

- Due to the suppliers' lack of knowledge, market competency, and price sensitivity, Pathao's position against them is soon reinforced.

2.6.1.3 Buyer Power

Buyer negotiating power refers to the pressure that customers apply to businesses in order to obtain high-quality items at reasonable rates while also receiving great customer service. This aspect has a direct impact on Pathao's capacity to meet its commercial objectives. Strong negotiation power reduces profitability and increases industry competition. When buyer power is low, the industry becomes less competitive, which improves Pathao's profitability and expansion possibilities.

There the bargaining power of buyer for Pathao is high because:

- Their bargaining power against Pathao has increased as a result of their concentrated consumer base.

- Buyer power is high because there are so many buyers, but there are also so many sellers (business entities).

- Buyers' negotiating power rose due to low switching costs (both financially and psychologically).

- The capacity of corporate clients to perform backward integration strengthens their market position. Backward integration demonstrates purchasers' capacity to develop their own courier services rather than relying on Pathao.

- Consumer bargaining power was boosted by price sensitivity, extensive market knowledge, and standardized products.

2.6.1.4 Threat of Substitutes

Pathao and other established firms face a challenging competitive environment as a result of the availability of substitute products or services. Customers can substitute products/services from other industries to satisfy their needs, indicating a high risk of replacement. The severity of the threat to Pathao is influenced by a number of factors. Pathao faces a slew of challenges. Because of the lack of a tactile sensation, public transportation, CNG and taxi services are their primary replacement, which poses a significant threat. The majority of these alternatives are less expensive and more commonly available. Pathao customers can easily switch to these competitive products. As a result, replacements have a significant effect on the organization.

The threat of substitute products for Pathao is moderate due to;

- There is a less expensive option available.
- Switching from industry to non-industrial items has negligible psychological costs.
- The alternative product is of lower quality and performs worse than Pathao's.
- Items that can be substituted are plenty.
- Substitutes are low-cost.

2.6.1.5 Threat of New Entrants

If the industry is profitable and entry barriers are low, it will attract more participants, posing a significant threat from new entrants. Pathao is being attacked by newcomers or newcomers with a tiny army. Pathao works in an industry where starting a new firm requires a low-budget approach. Even a small courier or delivery service might compete with the firm. Newcomers have a good chance of success since they can easily lure clients away from established businesses such as Pathao. As a result, the threat of new entrants exerts a significant influence on the firm.

The threat of new entrants for Pathao is moderate due to;

- Businesses are seeking for methods to capitalize on the expanding industry.

- To get into the market, you'll need to commit a significant amount of money and time. When product differentiation is high and clients place a high value on the unique experience, this force lessens.

- Pathao will face a low danger of new entrants if the existing regulatory environment imposes unique restrictions to new enterprises seeking to enter the industry. In this instance, new entrants will be subjected to onerous, time-consuming regulatory procedures, which may deter some from entering the market.

- Because customers have a low psychological switching cost and incumbent enterprises do not have a devoted customer base, the threat is significant.

- Access to distribution channel is not restricted, therefore new entries will be welcomed.

2.6.2 How Pathao is Dealing with Porter's 5 Forces

Being a dynamic company, Pathao consciously scans for the power of the competitive forces and takes steps that are both proactive and reactive in nature. Pathao is reaching four objectives with a strategy that emphasizes differentiation from competitors and early movers to new businesses:

i. Providing additional reasons for existing Pathao users to continue using the app.

ii. Creating a strong moat

iii. Strong focus on revenue per client growth

iv. Advancement in product and service quality

2.6.2 SWOT Analysis

2.6.2.1 Strengths

2.6.2.1.1 Identifying Hidden Demands

Pathao has done well for itself by seizing the opportunity to enter the market at the right time. They were the first company in Bangladesh to advertise a motorcycle hailing platform, a distinction they retain to this day. Nothing like it had ever existed in Bangladesh, and the general public needed to be informed about it. Collecting data and increasing user willingness to utilize the service were significant challenges to overcome during the service's development. Pathao, on the other hand, was successful in completing his assignment. When compared to other non-public modes of transportation, the Pathao bike was extensively adopted as the most cost-effective (IDLC, 2018). The fact that it was so easily accessible was, however, the most critical factor. At an average speed of 16 kilometers per hour, Pathao bikes are Dhaka's fastest, most inexpensive, and most convenient mode of transportation. Pathao was the first firm to realize and act on this market opportunity, giving them a distinct competitive edge.

Additionally, the Pathao team announced the start of their food delivery business, a big accomplishment. They expanded their activities into the food delivery business following a deal with Go-Jek. They have established a reputation as a disruptor in the food sector as a result of their innovative meal delivery system. Prior to Pathao's introduction, a variety of online meal delivery services were available, including Food Panda, HungryNaki, Harriken, and a few more (Siddiky, 2017). Almost all of them appear to have developed ties with neighborhood restaurants, allowing them to list their products on the delivery service's website or mobile app.

2.6.2.1.2 Making both Sides of the Equation are Balanced

Pathao's business, like the business of any other ride-hailing service, is significantly dependant on consistent demand and supply to operate successfully. It was a motorcycle hailing service that was Pathao's first and most memorable business venture. Motorcycle ride providers were only available if there was an acceptable number of motorcycles on the road, and they were earning a sufficient amount of money to operate their businesses. Creating such a company would have been extremely difficult if there were not enough bicycles available in the city and if the company's business strategy did not guarantee a large income for the ride providers. Prior to 2015, the motorbike market was seeing a slump. Following the tax review that took place in 2016, the industry witnessed a resurgence of sorts. Motorcycle sales increased from 0.25 million in 2015 to 0.44 million in 2016, an increase from 0.25 million in 2015. This represents an almost 100 percent increase over the previous year's total (Sakib, 2018). As a result, the industry has continued to expand at a steady pace since then. Vehicle market penetration was expected to increase as the gross domestic product (GDP) of a country rises by more than 6 percent, according to conventional wisdom (Sakib, 2018). It was only possible for Pathao to survive because of the constant stream of motorcycles.

Buyers of motorcycles were asked whether they would welcome the new Pathao model now that the country's motorcycle supply has reached its maximum capacity. A CNG auto rickshaw, which is the most widely available and least expensive mode of motorized transportation in the city, costs on average 250 taka per trip, whereas a Pathao bike costs only 150 taka per trip (Sakib, 2018). Consequently, Pathao's margin range was increased right from the start of the game. A lot of people should be interested in this lucrative earning platform because it is quite lucrative (Siddiky, 2017). It has been reported that the income of a Pathao driver is twice that of the average wage in the area (Future Startup, 2018). Pathao, on the other hand, was excellent

at communicating what needed to be stated. It was their goal from the start to help people understand how this may benefit them financially, and the circumstances described above provided adequate support for this.

At the moment, the ride-hailing industry is a significant contributor to the continued expansion of the motorcycle industry. As part of their unique selling proposition, Pathao has created a motorcycle hailing culture and solidified their supply chain through a systematic strategy that has resulted in one of the most successful motorcycle hailing companies in the world.

After Pathao has completed its responsibility for assuring an adequate supply of transportation, the key challenge will be ensuring that the voyage is as safe as possible.

Annual ride fitness and other documentation of riders are reviewed on a regular basis to ensure their safety. Furthermore, the evaluation system requires drivers to connect with clients in a professional manner; otherwise, if they receive a poor rating, they will not be offered enough opportunities to travel.

Drivers will be compensated in full for the distance traveled and the time spent waiting, despite the fact that Pathao only receives 10 percent to 15 percent of ride income (depending on the hours) and that promotional discounts will not be provided by Pathao. Because of this, the drivers became more alert, and they began to provide proper service, motivated by a strong sense of responsibility. Additionally, drivers were compensated with bonuses if they completed specific objective trips within a specified time range. The fact that many of those who worked on it were able to meet or surpass expectations when it came to ride providers has become a source of pride for them. Ultimately, Pathao gains one important asset: the company's "brand image" on the supplier side as a result of this process.

Keeping up with peak hours, particularly early in the morning when offices and educational institutions open and late in the afternoon when they close, is another challenge for Pathao. Similarly, Pathao uses a similar technique, rewarding employees with an additional percentage and incentive if they exceed peak hour targets. It was a success, and both riders and providers were pleased with the results, which were supported by a sufficient supply of vehicles during peak hour traffic.

2.6.2.1.3 Getting People's Attention

For a long time, Pathao's slogan has been "Moving Bangladesh." Pathao capitalized on ethnocentrism to promote their uniqueness. While the promotional trend in the business was restricted to "promo codes," Pathao provided a referral discount. They immediately began working with their primary target groups, college and university students, after receiving their funding. They began by recruiting campus ambassadors to help spread the word about Pathao to their individual universities' students. It was a huge success not just on the demand side, but also on the supply side.

The user base of Pathao has expanded to include senior citizens who became familiar with smartphone apps. Pathao has accomplished something very remarkable. They established contact centers to track passenger demand for bikes and automobiles through the app. In the meanwhile, consumer education and outreach efforts have been established. As a result of their constant exposure, a good portion of them were acquainted with the app and understood how to use it. The customer-centric strategy used by Pathao has proven to be beneficial.

Their efforts to improve safety have garnered widespread praise. The campaign's objective was to raise passenger and rider awareness of the importance of road safety. Pathao had previously been involved in a number of motorcycle accidents, making the campaign a public relations win.

Additionally, holiday promotions were sent. For instance, advertising during major national athletic events or during the Eid season, to name a few. The top Pathao users were treated to a helicopter ride back to their homes over the Eid holidays as part of their "Uthao" campaign.

2.6.2.1.4 Strategic Alliance

Pathao established their strategic alliance with Go-Jek after receiving funding from them. Go-Jek is considered one of Indonesia's unicorn firms due to its rapid growth. They started with ride hailing and quickly developed by using their local experience, eventually establishing a service eco system that meets a wide range of daily needs. (Kader, 2017). Despite stiff competition from Grab and Uber, Go-Jek has effectively covered the whole Southeast Asian region. (Freischlad, 2017). Go-Jek aimed to penetrate India, one of the largest markets in the world, however the pilot experiment did not proceed as planned (Sfenrianto, 2018). When OLA and Uber India, two well-known ride-hailing companies, launched bike-hailing services in their respective regions, they encountered similar challenges. Despite its loss in India, Go-Jek's million-dollar investment in Pathao demonstrates the company's commitment to Southeast Asia and worldwide growth. Pathao is a significant player in Bangladesh, has a sizable presence in Nepal, and is interested in expanding into Sri Lanka, Bhutan, and maybe India. As a result, Pathao's strategic partnership with Go-Jek may pave the way for both companies to achieve market dominance in Southeast Asia. With Go-Jek's investment, Pathao expanded its services and entered the food delivery business, in addition to building a mobile wallet later (Sharma, 2018). Another significant change was made to the user interface, which now seems to be much more fluid and manageable, resulting in a more pleasurable user experience (Dhaka Tribune, 2019). This alliance has the potential to rise to new heights while also overcoming obstacles.

Following the launch of its ride-hailing service, Pathao established ties with the other two taxi companies. Pathao's current fleet was expanded by 350 full-time service providing vehicles, reviving the country's nearly-dead taxi industry.

Pathao has also entered the Bangladeshi market in partnership with "Grameenphone," a Telenor affiliate. Pathao benefited enormously from this purchase since it provided the firm with direct access to Grameenphone's around 70 million consumers, whom it had acquired earlier. Grameenphone subscribers are compensated with one-of-a-kind Pathao incentives. Without a doubt, this is a win-win situation.

2.6.2.1.5 Getting the Best Workers

Pathao's "Bar Raised" initiative has been very successful in retaining its employee resources. The program incorporates a step-by-step recruitment strategy (Future Startup, 2018). Since its inception, Pathao has aspired towards a customer-centric and innovative business culture. On-campus recruitment events have been organized to lure talent from Bangladesh's leading private and public universities.

Pathao has developed a non-hierarchical, informal culture of communication organically. 500 employees and 20 supervisors engage in a relaxed environment where appropriate training is provided. There is an established decision-making structure that fosters creativity (Future Startup, 2018). Pathao has developed into one of the most desired places to work in Bangladesh.

2.6.2.2 Weaknesses

2.6.2.2.1 Dependency on a Single Partner

Go-jek, Pathao's only investor, is accountable for the investment and subsequent operational growth of the firm. While the relationship benefited the firm, it also poses a significant threat.

Pathao's business decisions may be jeopardized if it is dependent on a single partner. As a result of this one-sided reliance, factors such as investor relations have become critical to Pathao's long-term viability. If the connection with the investor deteriorates, the company's growth potential may be jeopardized.

2.6.2.2.2 Proper Safety Assurance

Bangladesh's ride-sharing sector is in high demand, due to the population's size and density in Bangladesh's megacities. The demand for car and bike rides has increased significantly over the last years as a result of businesses such as Pathao. In 2010, around 210,000 motorcycles were registered in Dhaka. (Antara, 2019). However, the number has increased significantly after the introduction of ride-sharing services such as Uber and Pathao in Bangladesh in 2015. By 2018, the figure had risen to 616,641 (Antara, 2019). Dhaka's traffic is famed for its gridlock. Traffic congestion nearly invariably results from lengthy tailbacks.

The immense number of vehicles have resulted in severe traffic congestion and disorganized administration in the megacities. Despite the fact that traffic restrictions force passengers to suffer, motorcyclists choose to avoid congested routes. Additionally, several passenger buses operate throughout the day and night in Dhaka, and late at night and early the morning, trucks and trailers may be seen. Numerous collisions between motorcycles and buses have occurred in Dhaka over the last years, resulting in numerous deaths and countless injuries.

According to Masum (2018), the Accident Research Institute documented 53 deaths and 19 injuries in just 48 motorcycle collisions in 2017. Between July 2018 and April 2019, four deaths were linked to Pathao motorbikes. In these circumstances, all of the passengers died, and one of them also killed the rider. In these cases, commuters as well as irresponsible bus drivers have been prosecuted for violating traffic laws. To capitalize on the growing demand, a large number of Pathao drivers have been fired.

According to the Dhaka Tribune (2019), the majority of motorcycle riders did not get sufficient training, and those who did were unaware of safety practices. This incident has heightened public hatred against ride-hailing services, posing a clear risk of Pathao's brand being negatively associated. Pathao will have a tough time attracting professional and experienced riders with such an increase in demand. Pathao offers insurance coverage up to 1 lakh taka in the case of an accident. However, extensive public knowledge of this insurance coverage is necessary for ride-sharing to be promoted as a safe means of transportation for passengers.

2.6.2.2.3 Encouraging Women to Use Pathao

Despite the fact that Bangladesh has a roughly equal demographic distribution of men and women, female riders account for only 10% of Pathao's customers (Freischlad, 2017). To ensure the company's long-term profitability, it must reach out to female consumers in Bangladesh more successfully.

2.6.2.2.4 Digital Payment

Pathao needs a solid digital payment option in order to function as a complete platform or super application. Despite the proliferation of digital payment options, the user interface is often sluggish. Riders are often averse to accepting digital money since it cannot be used to pay for gas or other retail-based services. The aim should be to migrate corporate transactions to more secure and digital payment methods.

Pathao has encountered significant roadblocks in this regard, since the necessary transition in terms of adequate law compliance has yet to occur (Antara, 2019). If Pathao is to become a super platform, it will need a unified digital payment system that is knit into the fabric of its business plan. The organization should be able to overcome this in the near future as a result of the development of Pathao Pay.

2.6.2.3 Opportunities

2.6.2.3.1 Creating Differentiation

Pathao can focus on the implicit demands and expectations of its customers in order to improve the company's differentiation basis. By cultivating long-term client relationships, it is possible to reduce switching costs. As a result of these investments, the company is conducting research and development to identify new client segments. In some cases, collaborating with competitors can be advantageous. This is something the organization should take into account as well. Pathao has also raised the stakes in the rivalry by, among other things, launching the Tong service and collaborating with Shwapno. They're attempting to establish digital connections. The total amount of money spent on the internet is influenced by customers' digital interactions. They discovered two key factors regarding the impact of the six primary digital links on shoppers: email, websites, instant messaging, social networks, mobile applications, and online shopping, during their research. The number of digital connections a customer had with the store was proportional to his or her level of satisfaction with the store. A customer's digital interactions with the company increased their chances of becoming one of the store's core primary shoppers for the second time. They've discovered that using their digital connections to send out relevant information – information that makes using the service easier – through their platform is one of the most effective ways to boost sales.

2.6.2.3.2 Dealing with Bargaining Power

Pathao is expanding and diversifying its customer base in order to manage buyers' bargaining power. To accomplish this, introduce new facilities, target new market niches, and use product diversification approaches. Marketing and promotional initiatives may also be effective in this case. Pathao can employ a range of tailored marketing strategies to ensure that the correct clients receive the right information at the right time. They can simultaneously increase

switching costs, reducing their bargaining power, while attempting to build client loyalty by embedded innovation and providing an exceptional customer experience. Pathao should employ these techniques to strengthen its market position.

2.6.2.3.3 Dealing with Competition and Substitutes

In order to handle with competition and substitution threats, Pathao can focus on excellent quality. Furthermore, in order to attract customers, the organization periodically gives discounts. Pathao can mitigate the threat of substitute products or services by emphasizing how its specific product or service outperforms the alternatives presently available to customers. It should persuade customers by, among other things, giving a better experience and a good value for money. It is possible that focusing on client loyalty will boost switching costs. Finally, Pathao can improve product quality, maximize value for money, and provide a strong differentiation basis to deter customers from using a substitute.

2.6.2.3.4 Research and Development

Pathao focuses on producing high-quality products in order to attract and retain clients. Pathao is working hard to improve customer relationship management in order to boost brand loyalty. As a result, the psychological costs of transferring will be amplified. It is capable of forming long-term contractual relationships with the supply-side in order to increase its market share. Pathao may also invest in R&D, acquire massive amounts of user data, and provide unique products and services to build a solid differentiated foundation for the company.

2.6.2.4 Threats

2.6.2.4.1 Consumer Focus Shifting to Quality Service

Consumers' preference for price reductions above quality service, according to Mr. Omer Sharif, Head of Operations at Shohoz Rides, a local competitor, is a big barrier for ride-sharing companies (IDLC, 2018). Using finances to provide extra price promotions in order to remain competitive is not an option for a company growing at such a rapid pace as Pathao. It will be tough to achieve this shift in customer mentality.

2.6.2.4.2 Dodgy Riders and Car Captains

It has been observed that some riders have abandoned driving in favor of bike sharing apps in recent years. Instead, they're making do with improvised waiting places and informal arrangements with consumers to commute them to other locations. Pathao is dealing with this major problem. Because the company's primary source of revenue is its bike-sharing network. These unofficial arrangements allow the company to limit the amount of money it makes from its bike-sharing service.

2.6.2.4.3 Not Creating a Micro-service-based Architecture

Pathao opted to transition from a monolithic design to a micro-service-oriented architecture in early 2018 in order to handle the massive amounts of data generated everyday by each of their numerous services. While the move resulted in a more manageable database, it also created another important difficulty for the company: coherence and scalability. To be comprehensive, the platform's services must be unified and scalable. Additionally, they must be compatible with a variety of different devices.

2.7 Recommendations

2.7.1 Driver-rider Training

Pathao has grown at a breakneck pace during the last several years. "Motorcycles" and "taxi" have been replaced by "Pathao bike" and "Uber" respectively. Pathao will continue to set a high standard for product and service acceptance. The seller's promise and the seller's performance have an effect on the consumer's perception of service quality (Grönroos, 1984). These two elements are critical to the brand's overall image. As a result of the accidents and the riders' lack of professionalism, Pathao's brand image has worsened. Pathao provided helmets to both riders and passengers to maintain its reputation as a caring service. The Rider training program, on the other hand, did not get the same level of attention. This is a fundamental need. Pathao's riders need a comprehensive training regimen. The table below contains a recommended module for the training program.

Week No.	Topic
1	Evaluating the driving skills and relevant knowledge
2	Learning about the vehicles
3	Emergencies, accidents

Table 3: Module for Training Program

The training program must encompass both current and prospective motorcyclists. Each week will conclude with a comprehensive evaluation program. The driver who earns the best score on the assessment exam will get a badge to display on their Pathao app driver profile. Apart from passenger feedback, the rider training evaluation findings should be included into the

rider's overall performance. Along with the passenger's input, the app should track the rider's training progress. A mrotocyclist may be presented with a badge. The table below illustrates a possible method for evaluating training performance.

Score	Awarded Badge
90% ++	Perfectionist
80% ++	Great
70% ++	Good

Table 4: Suggestions for Rider Training Rating

Pathao can introduce a program called 'Rider Hero'. Similar to Uber Premiere, a customer may be paid a premium for a Hero trip. Unlike Uber, this model, on the other hand, places a premium on the service provider above the vehicle's performance. The Rider Hero masterclass system is detailed in a suggested way in the table below.

Status	Rating from Customer	Performance at Training
Titan	90% ++	Perfectionist
Boss	80% ++	Great
Professional	70%++	Good

Table 5: Suggestions for Masterclass Scheme of Rider Hero

According to Grönroos (1984), this improvement in service provider performance will result in the establishment of a favorable brand image. As a result, Pathao will be able to improve consumer perceptions of service quality. Clients place a premium on the process of value co-creation above the end result of value co-creation service delivery.

2.7.2 Product Developments

The Pathao user interface is difficult due to the fact that it combines all Pathao services. Everything is contained inside a single application. When self-service technologies such as ride hailing are used, substantial research is necessary to determine how customers perceive the service's quality. This is definitely a novel field of investigation. On the other hand, academics have already established several aspects of such acceptance and expansion. Innovation is critical in the framework for achieving competitive superiority in terms of consumer perception (Rogers, 1985) . Yang and Park (2011) underlined two critical components of value generation in their paradigm: customizable flexibility and transactional efficiency. To compete with global leader Uber, Pathao's app must place a premium on these two features. Additionally, there were instances when the program would freeze and refuse to work. The rider's specific location seemed to be out of sync with the app's location. The most current version of the app (as of March 22, 2022) addresses some of the issues, however further work is necessary to improve the user experience.

2.7.3 Encourage People to Visit the App for More Reasons

Gamification is the most recent trend in the study of self-service technology (SST) and digital interfaces.

The concept is to use of game design concepts in non-gaming situations (Deterding et al., 2011). Pathao may use Gamification principles in order to provide a number of app features that encourage users to use the app more often. The design of the servicescape has a significant impact on client buying decisions. (Reimer & Kuehn,2004). For ride hailing service companies, the app is the most critical point of contact in order to increase client engagement. As a result, Pathao's user experience should be more engaging in order to persuade users to utilize the app. Pathao's apps may contain the following components to increase user engagement:

49

Information Services

- Traffic change updates in real time

- Route change announcements from the traffic police department

- Restaurant locations and menus

- Breaking news or special featured news for the day

- Weather forecasts

Entertainment Services

- Cricket match scores that are updated in real time

- Updates on upcoming cultural/entertainment events

- Music, fashion, and technology live blogs that are reviewed by specialist reviewers

E-commerce Schemes

- Pathao can partner with local e-commerce sites to enable users to shop directly from Pathao while still enjoying the Pathao user experience

- Pathao may collaborate with Motorcycle and automobile manufacturers to provide unique deals to Pathao's bike riders and car captains

2.7.4 Employer Brand Building

Pathao has quickly established itself as a household name. The rapidly growing ride-hailing industry is deserving of much praise. Pathao has benefited enormously from country of origin relations, since it is the only indigenous ride hailing company that has achieved widespread global recognition. Local graduates choose to work for multinational corporations in Bangladesh because they provide better salaries and advancement opportunities. Pathao has recently captured the interest of the neighborhood's recent grads. It is, however, far from ideal. There is little doubt that employees have a significant impact on long-term brand

differentiation. How employees foster a positive attitude across the organization has an effect on the quality and excellence of a business's customer service (Mosley, 2007). Mosley (2007) suggests that Pathao, as an employer, should consider the following to enhance their image as a successful employer brand:

- Hiring

- Compensation and rewards

- Public recognition

- Communication

Pathao will need to implement a comprehensive recruitment strategy that includes web-based pre-employment testing, simulation-based job-specific pre-employment testing that evaluates cognitive ability and work experience, as well as customized personality and intelligence assessments. Pathao's accolades and recognitions should be comparable to those bestowed upon graduates by significant worldwide and local firms throughout the years. Additionally, Pathao should endeavor to improve its business image and communications. Pathao must be actively recruiting and promoting on-campus. A strategic positioning statement is required under Pathao's human resources policy. They do not possess any as of now. Pathao aspires to establish a reputation as a diverse and capable employer. They must organize nationwide recruitment tournaments to attract the top graduates. Similar programs, such as those sponsored by Unilever Bangladesh and Grameenphone, have established a strong following among qualified graduates.

2.8 Conclusion

As can be seen, Pathao's success is the consequence of a smart idea coupled with a business model that places a premium on product quality. Additionally, this highlights how firms may avoid sliding into the chasm by focusing early on innovative solutions to pressing concerns.

The company's crowning achievement in 2017 was successfully transforming Pathao's business model and converting its target population from early adopters to early majorities.

This report presents a paradigm for responding to latent demand in the market that may be employed elsewhere based on a comprehensive examination of Pathao's success. Pathao revealed that it could combine a significant number of on-demand services via peer-to-peer technology without requiring complex operating structures. It is feasible that integrating idle resources to build low-cost solutions will serve as a model for practitioners in disadvantaged areas seeking new customer-focused solutions.

Pathao faced a range of challenges, which the study examined in greater detail. Practitioners must be aware of new challenges that have occurred as a result of the sharing economy's expansion in order to be effective. Throughout the research process for Pathao, it became clear that there was a significant issue, as the author was unable to identify a sufficient number of scholarly publications on the dynamics of the ride-sharing economy. The author's evaluation rekindles debate regarding the company's excessive dependency on Go-Jek, as well as the company's inability to produce sustainable value in this competitive environment.

The section on suggestions is extremely valuable to Pathao's practitioners looking to enhance their practice, as it covers a number of essential advice backed up by research. There is currently no literature available on developing an employer brand strategy in the ride-sharing business. Managers and practitioners will surely profit from the author's novel methodology, which provides valuable insights into how their firms create value through human resource development. The effort made a big contribution by incorporating gamification components into the Pathao user interface. Digital interface design is critical for delivering a great user experience.

On digital platforms, the consumer's perceived value is critical (Sunila et al., 2019). As a result of these considerations, the author focused his efforts on creating a more engaging digital interface for Pathao, which had previously been chastised for its poor digital interface design.

Finally, the study's findings show that while improving driving conditions, the effects of training should be considered. This technique is founded on the value creation literature, which argues that service providers should be evaluated on the basis of the quality of the services they deliver to their clients. As platform developers (such as Pathao and Uber) aim to hold service providers accountable for providing high-quality service in an industry that has yet to reach its full potential, this is the only way to assure high-quality service is supplied.

Chapter 3

Project Part: Relationship of Loyalty Programs with Customers' Purchase Quantity and Frequency

3.1 Introduction

My internship with Pathao LTD is described in this paper. Pathao is a Bangladesh-based digital firm that focuses on a variety of verticals, including ride-sharing, courier, parcel, food, and grocery delivery.

During my internship, I worked with the relationship team in the marketing department. I spent a lot of time working on Pathao's loyalty program. Despite the fact that many businesses use loyalty programs, their usefulness is little unknown. As a result, I evaluate the association between loyalty programs and parameters like purchasing volume and frequency in this portion of the report.

Pathao's customer loyalty program is tiered. Pathao divides its consumers into four tiers based on the number of points they accumulate by utilizing its numerous services. The tiers are, in

ascending order, bronze, silver, gold, and platinum. The points-based tier allocation is given in the table below –

Accumulated Pathao Points	Tier
0 - 499	Bronze
500 - 2999	Silver
3000 - 6999	Gold
7000 - above	Platinum

Table 6: Pathao's Categorization of Customers Using Pathao Points

3.1.1 Problem Statement

Digital platform business is a challenging venture. Every day, the level of competition between corporations and other organizations increases. The loyalty of one's consumers can be advantageous to a vast array of different types of enterprises. If confidence returns to prior levels, the established alliance with the company will be preserved. Active multinational firms in this sector are investing a bigger proportion of their resources to brand promotion. These businesses recognize the significance of providing exceptional customer service in order to cultivate a loyal consumer base. In order to increase consumer loyalty, loyalty programs are becoming increasingly popular as a powerful approach to relationship marketing, according to Roking (2005). Customers and businesses can both benefit from the use of customer loyalty programs, according to the American Marketing Association. Customer loyalty is crucial for the success of any business, as it is widely understood that recruiting new customers is more expensive than retaining existing customers (Singh & Imran, 2012). Many businesses have customer loyalty programs and spend a large amount of money on them; nevertheless, it is still uncertain whether these programs have relationships with customers' buying quantitates and frequencies.

The utilization of loyalty programs and relevant expenses can be meaningless if the relationships are unknown.

3.1.2 Research Questions

a) What is the relationship between loyalty program tiers and customers' buying quantities?

b) What is the relationship between loyalty program tiers and customers' purchase frequencies?

3.2.1 Literature Review

Customer loyalty programs are gaining popularity in the technological industry due to their ability to provide clients with loyalty incentives such as points that can be redeemed for a reward or a discount (Jang & Mattila, 2005). As more businesses open their doors, it's evident that clients will have a broader selection of service providers. According to Lewis (2004), due to the high cost of client acquisition, businesses must rethink their marketing techniques in order to maintain current customers while attracting new ones. As Kotler and Armstrong (2001) note, doing business with new customers is much more expensive than doing business with existing customers. A growing number of service organizations have realized in recent years that losing a single client results in the loss of the client's entire stream of transactions for his or her lifetime (Reichheld, 2001). Effective loyalty programs benefit organizations by providing a competitive advantage and enabling them to meet their sales targets and objectives. Customer loyalty programs, according to O'Malley (1998), are advantageous in saturated and competitive marketplaces because they boost client retention. Due to the enhanced customer awareness brought about by information technology, corporate success is no longer only judged in terms of product pricing and quality (Lewis, 2004). Businesses that place a premium on long-term customer connections have greater long-term success (Ou et al., 2011). Customer loyalty programs, which are a critical component of every firm's customer relationship

management (CRM) strategy, are designed to reward customers for their business. These initiatives are designed to increase repeat business for participating businesses while also gathering valuable consumer data for future customer relationship management efforts. Since 1981, when American Airlines launched the world's first modern consumer loyalty program, the industry has expanded to encompass a varied range of industries, including retail, travel, and financial services. According to statistics, the majority of adults in the United States, more than half, are members of at least one customer loyalty program (Kivetz and Simonson 2003).

When compared to advertising, which requires a one-time payment, the empirical analysis discovered that using loyalty programs to promote a business leads in a reduction in marketing expenses (Reiccheld, 2001). Through the implementation of customer loyalty programs, business owners can see immediate results from their efforts to establish direct contact with their clients. As a result of the strong relationship that the program has formed between the business and its customers, clients are more inclined to suggest the business to others via word of mouth (Divert et al., 2003). As a result, developing appealing and beneficial loyalty programs to accompany unique core products and services may have an effect on client purchase behavior. Loyal consumers are less likely to switch and are more likely to make further purchases than unfaithful customers. According to Subways' Electronic Sub Club, the average reward member pays $7.85 per visit, compared to $7.85 per visit for non-members (Frequency Marketing Inc., 2003).

While customer loyalty programs are extensively used, their effectiveness is not fully understood (Bolton et al., 2000). Certain industry professionals cast doubt on the efficiency of client loyalty programs. According to Dowling (2002), a loyalty program does not always generate loyalty and is not always cost effective, and extending loyalty programs is a "me-too" marketing strategy. According to Lewis (2004), loyalty programs have a favorable effect on

consumers' repurchase decisions and share of wallet, rather than the reverse. Despite a dearth of factual evidence to the contrary, the argument about the effectiveness of consumer loyalty programs remains. The range of perspectives indicates that a more comprehensive understanding of these activities is necessary. This is critical from a strategic sense, as such projects are costly and need a firm's commitment over an extended period of time. Before providing funding to support these projects, managers must determine their viability and effectiveness.

3.2.2 Objectives

3.2.2.1 Primary Objective

The study's major purpose is to assess the relationships with loyalty programs on consumers' buying quantities and frequencies.

3.2.2.2 Specific Objectives

a) Finding out the relationship between loyalty program tiers and customers' buying quantities
b) Finding out the relationship between loyalty program tiers and customers' purchase frequencies

3.1.3 Significance

Despite the fact that customer loyalty programs have been employed in a wide variety of businesses, relatively little research has been undertaken and published on their effectiveness, benefits, applicability, and evaluation (Lewis, 2004). To avoid this, many loyalty programs either fail to launch or meet difficulties during the design and implementation stages of their development. According to Rigby et al. (2003), a 5% increase in customer retention has the potential to enhance a company's earnings by 25% to 95%. As a result of this conclusion, it was established that genuine customer loyalty programs, such as, must invest more in their

clients. Additional expenditures should be made for program components such as people and technology, as well as for other critical aspects of loyalty program operation such as logistics. As a result of recent advancements in consumer software management, management may be able to leverage this skill to develop and strengthen relationships with key customers, for example, as the business grows (Rigby et al., 2003). As a result, businesses should examine how to establish loyalty programs correctly throughout their development process, especially during the early stages of conception and execution. According to Ashley et al. (2011), some customers favor simple-to-use reward systems. Customers participate in loyalty programs due to the convenience with which they can access, register, and create accounts, as well as the ease with which they may use and benefit from their accumulated purchases or regular use. Another factor that encourages customers to join loyalty programs is the ease with which they may access, register for, and create their own personal accounts. That a result, corporations and their executives should commit to initiatives with the same level of commitment as they do presently to their customers. Simply said, for loyalty programs and consumer engagement to succeed, all parties involved must be completely committed to the process, which is one of the most challenging obstacles to overcome (Mulhern & Duffy, 2004).

Customer loyalty programs, according to the American Marketing Association, can benefit both businesses and their customers. To be successful, a store must develop client loyalty. It is well accepted that obtaining new consumers is generally more expensive than retaining existing customers. Numerous organizations have client loyalty programs and invest significant funds in them. However, it is unknown if these initiatives have a major impact on consumer purchasing behavior or whether the revenues created by them are adequate to cover their operating costs.

Customer loyalty programs have been widely adopted as one of the most effective customer relationship marketing methods accessible to organizations since the early 1990s. They support the firm by assisting in maintaining loyal consumers and also strengthening customer-supplier relationships by retaining switched customers or even reactivating dormant customers (Alshurideh, 2016).

Academics in low- and middle-income countries have rarely examined the performance of loyalty programs in detail, whereas researchers in high-income countries have conducted numerous studies on the subject. According to Humby (2007), Sainsbury's and Tesco's loyalty programs both have eight million members and a database of 12 million users. There are around 2250 different loyalty programs in the United States (US), creating a $6 billion industry. According to Berman (2006), 92 percent of customers in the United Kingdom are members of at least one loyalty program, with around 78 percent being members of two or more. Bangladeshi programs are also developing and implementing client loyalty strategies. Despite the fact that businesses invest a significant amount of money to implement these initiatives, it is critical to properly examine the financial outcome and other critical variables to determine their success or failure.

3.2 Methodology

The research technique used in this study necessitates the examination of qualitative and quantitative data derived from primary and secondary sources.

The basic data was gathered while working at Pathao LTD. The primary data source was the "Loyalty Program Benefit Tracker," which tracks and retains consumer activity data for Pathao LTD's loyalty program.

The study analyzed the data of 100 Pathao users. In order to make sure that the sample represents all 4 tiers, 25 customers have been taken from each tier on a random basis. The following is the 100-user distribution.

a) 25 Bronze Users

b) 25 Silver Users

c) 25 Gold Users

d) 25 Platinum Users

While performing the one tail tests, the client tiers were numbered according to the following table. The numeric values have been assigned in ascending sequence to correspond to the tier order.

Tier	Numeric Assigned
Bronze	1
Silver	2
Gold	3
Platinum	4

Table 7: Addressing Tiers Using Numbers

3.3 Findings:

3.3.1 Hypothesis Test for SO1:

A one tail test has been performed to find out the relationship between loyalty programs and customers' buying quantities. Here, "loyalty tiers" has been considered as one variable and "basket size" has been considered as another variable. Basket size indicates the monthly average expenditure of a customer on Pathao's platform. So, it reflects the buying quantity.

Null Hypothesis, H0: There is no positive or negative relationship between loyalty tiers and average basket size.

Alternate Hypothesis, H1: There is a positive relationship between loyalty tiers and average basket size.

Step 1: The average basket size (in BDT) of the sample base has been collected.

SL	Tier	Average Basket Size (BDT)	SL	Tier	Average Basket Size (BDT)	SL	Tier	Average Basket Size (BDT)	SL	Tier	Average Basket Size (BDT)
1	1	123	26	2	114	51	3	240	76	4	406
2	1	142	27	2	132	52	3	325	77	4	665
3	1	131	28	2	119	53	3	301	78	4	521
4	1	138	29	2	106	54	3	284	79	4	540
5	1	129	30	2	128	55	3	322	80	4	308
6	1	182	31	2	447	56	3	336	81	4	324
7	1	181	32	2	309	57	3	339	82	4	133
8	1	162	33	2	409	58	3	264	83	4	141
9	1	150	34	2	388	59	3	320	84	4	103
10	1	165	35	2	329	60	3	103	85	4	209
11	1	212	36	2	342	61	3	100	86	4	424
12	1	236	37	2	311	62	3	116	87	4	385
13	1	232	38	2	441	63	3	118	88	4	548
14	1	222	39	2	450	64	3	134	89	4	414
15	1	206	40	2	432	65	3	312	90	4	698
16	1	238	41	2	309	66	3	407	91	4	729
17	1	232	42	2	332	67	3	463	92	4	488
18	1	296	43	2	379	68	3	421	93	4	479
19	1	271	44	2	290	69	3	449	94	4	762

20	1	286	45	2	333	70	3	651	95	4	678
21	1	287	46	2	337	71	3	417	96	4	579
22	1	268	47	2	341	72	3	726	97	4	501
23	1	307	48	2	334	73	3	687	98	4	619
24	1	328	49	2	269	74	3	535	99	4	647
25	1	302	50	2	126	75	3	612	100	4	796

Table 8: Tier Data with Average Basket Size

Step 2: A regression analysis at a confidence level of 95% has been run.

Regression Statistics	
Multiple R	0.542859054
R Square	0.294695952
Adjusted R Square	0.287498972
Standard Error	151.0560799
Observations	100

ANOVA

	df	SS	MS	F	Significance F
Regression	1	934329.992	934329.992	40.94716798	5.38429E-09
Residual	98	2236158.048	22817.93927		
Total	99	3170488.04			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	122.72	37.00103182	3.316664265	0.001278763	49.29265657	196.1473434	49.29265657	196.1473434
X Variable 1	86.456	13.51086652	6.39899742	5.38429E-09	59.64412511	113.2678749	59.64412511	113.2678749

Figure 17: Regression Analysis Output

Step 3:

From the output, we can see,

R = 0.54 > 0

P-value = 0.0012 < 5%

We reject null.

Based on the output, it can be stated, "there is a positive relationship between loyalty tiers and average basket size."

62

3.3.2 Hypothesis Test for SO2:

A one tail test has been performed to find out the relationship between loyalty programs and customers' buying frequencies. Here, "loyalty tiers" has been considered as a variable and "average repurchase gap in days" has been considered as another variable. Average repurchase gap indicates the buying frequencies of a customer on Pathao's platform.

Null Hypothesis, H0: There is no positive or negative relationship between loyalty tiers and customers' buying frequencies.

Alternate Hypothesis, H1: There is a positive relationship between loyalty tiers and customers' buying frequencies

Step 1: The average repurchase gap (in days) of the sample base has been collected.

Sl	Tier	Average Repurchase Gap (Days)	Sl	Tier	Average Repurchase Gap (Days)	Sl	Tier	Average Repurchase Gap (Days)	Sl	Tier	Average Repurchase Gap (Days)
1	1	133	26	2	85	51	3	63	76	4	2
2	1	236	27	2	96	52	3	2	77	4	20
3	1	262	28	2	33	53	3	76	78	4	20
4	1	209	29	2	172	54	3	13	79	4	9
5	1	69	30	2	57	55	3	8	80	4	20
6	1	66	31	2	33	56	3	64	81	4	11
7	1	86	32	2	119	57	3	1	82	4	13
8	1	189	33	2	79	58	3	35	83	4	9
9	1	193	34	2	64	59	3	30	84	4	5
10	1	334	35	2	234	60	3	47	85	4	12
11	1	189	36	2	155	61	3	50	86	4	5

12	1	315	37	2	38	62	3	62	87	4	6
13	1	313	38	2	110	63	3	61	88	4	12
14	1	75	39	2	138	64	3	0	89	4	1
15	1	269	40	2	81	65	3	71	90	4	9
16	1	41	41	2	99	66	3	51	91	4	6
17	1	36	42	2	56	67	3	35	92	4	17
18	1	247	43	2	92	68	3	3	93	4	7
19	1	260	44	2	263	69	3	53	94	4	5
20	1	301	45	2	294	70	3	76	95	4	0
21	1	90	46	2	86	71	3	21	96	4	10
22	1	33	47	2	255	72	3	3	97	4	16
23	1	68	48	2	292	73	3	2	98	4	11
24	1	242	49	2	175	74	3	71	99	4	2
25	1	247	50	2	178	75	3	1	100	4	2

Table 9: Average Repurchase Gap (in Days)

Step 2: A regression analysis at a confidence level of 95% has been run.

Regression Statistics	
Multiple R	0.715300827
R Square	0.511655273
Adjusted R Square	0.506672164
Standard Error	67.10182698
Observations	100

ANOVA

	df	SS	MS	F	Significance F
Regression	1	462323.232	462323.232	102.6779118	6.22697E-17
Residual	98	441260.208	4502.655184		
Total	99	903583.44			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	241.2	16.43652369	14.67463586	1.77695E-26	208.5822537	273.8177463	208.5822537	273.8177463
X Variable 1	-60.816	6.001769861	-10.133011	6.22697E-17	-72.72631696	-48.90568304	-72.72631696	-48.90568304

Figure 18: Regression Analysis for SO2

Step 3:

From the output, we can see,

R = 0.72 > 0

P-value = 1.77695E-26 < 5%

We reject null.

Based on the output, it can be stated, "there is a positive relationship between loyalty tiers and customers' buying frequencies."

3.4 Financial Performance Analysis (Proxy Company)

As a private corporation, Pathao LTD does not make its financial information available to the public.

As a result, I investigated Uber as a possible competitor in the same business. To assess Uber's financial performance during the last five years, a specific set of statistics was analyzed, with the ratios concentrating on liquidity, asset management, debt management, and the organization's profitability. The ratios that reflect the most of a digital platform service are analyzed in the following sections.

3.4.1 Return on Assets (ROA)

The return on assets (ROA) is a profitability ratio that indicates the earning potential of a business's assets (Coulon, 2019). That is, it measures a business's efficiency in terms of profit generation from its total assets. The higher the ROA, the more profitably a company's overall assets are managed.
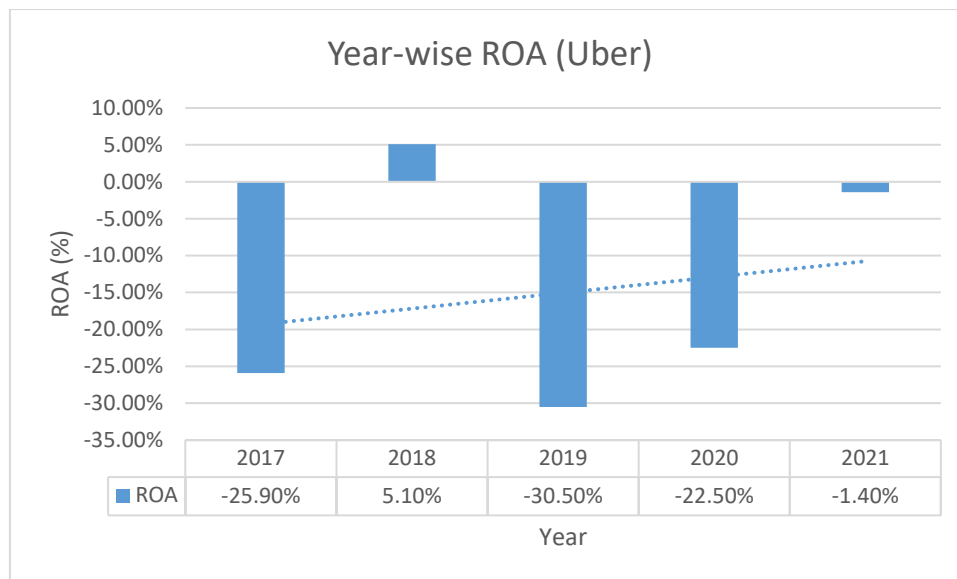
Figure 19: Year-wise ROA (Uber)

The company's profitability in 2017, 2019 and 2020 is exceedingly low, according to the ROA calculation, as the years' ROAs are highly negative. Return on assets is only favorable in 1 year, profitability is strong in 2018. The company's assets aren't generating enough money to make it profitable. The company's return on assets (ROA) was negative in 2017, but it improved dramatically in 2018, with its ROA improving from negative 25.9% to positive 5.1% in only one year. This is due to the company's large loss in 2017, which resulted in a negative return on assets (ROA). The company's operating expenses outstripped its overall sales and other revenues, resulting in a significant net loss. In 2018, the company made a profit after producing more money than it spent on operating costs. Since a result, the company's return on assets (ROA) was positive, as it earned income efficiently from its assets. In 2019, the corporation's performance dropped considerably, with a negative 30.5 % return on assets (ROA). This was due to the massive operational expenses spent, which far outweighed the revenues produced, resulting in a net loss and a poor return on investment (ROI). The company's revenue decreased in 2020, which was followed by a decline in operational and interest expenses. The lower interest expense is a result of the banks' flexible loan repayment options during the pandemic.

In comparison to the prior year, the company's overall ROA increased. In 2021, the company's revenue surged while expenses remained stable. As a result, the ROA improved significantly this year but remained in a net loss position.

3.4.2 Earning Per Share (EPS)

The earning per share (EPS) is a ratio that measures the amount of net income earned for each share of its stock, and it is mostly used to estimate corporate value. A higher EPS indicates the more excellent value and the more profitable a company is considered to be.
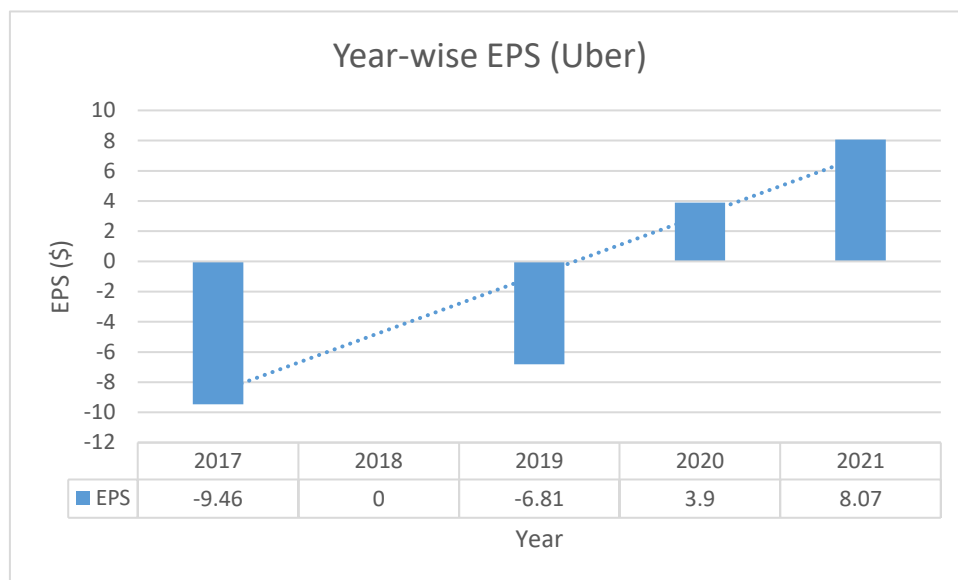

Figure 20: Year-wise EPS (Uber)

The company experienced a negative EPS in the year 2017 due to the massive losses incurred. In 2018, no EPS was declared since the small profits earned were issued to preferred shareholders, who received cash dividends referred to as preferred dividends. This value of preferred dividends must be deducted from net income when calculating the EPS. In the year 2019, the company incurred a negative EPS due to extreme net losses suffered. Generally, the company over the three years has a bad EPS, which means the company was not profitable at all during these three years. Overall, Uber's profitability was in bad shape due to its

considerable costs to sustain its operations. Competitive advantage is measured by profit share, a company's share of an industry's profits. This definition means that competitive advantage is impossible if an industry lacks profitability (Coulon, 2019). In 2020 and 2021, however, the corporation was able to gain control of their operational costs while simultaneously increasing their revenue resulting into better EPS.

3.4.3 Liquidity Ratios

According to Coulon (2019), short-term liquidity ratios are crucial in determining a company's ability to pay down short-term liabilities with available resources. Liquidity ratios are used to analyze and assess a company's financial health and to indicate its ability to convert assets into cash. The two most common short-term liquidity ratios are the current ratio, and quick ratio. The current ratio measures a company's ability to repay all current obligations using current assets. The quick ratio measures a company's ability to pay off short-term creditors solely with cash and cash equivalents.
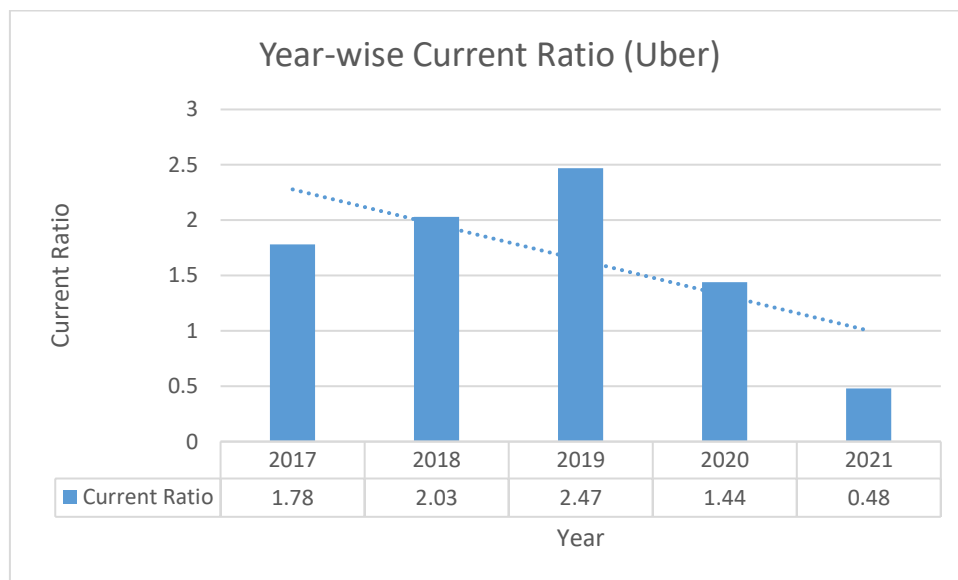

Figure 21: Year-wise Current Ratio (Uber)

A healthy current ratio ranges between 1.5 and 2, indicating that the company's current assets are sufficient to cover its debts. In 2017, Uber's current ratio of 1.78 was good and above the

industry average of 1.34 (Finbox, 2018). The current ratio improved considerably in 2018 and 2019, reaching 2.03 and 2.47, respectively. As indicated by this, Uber could easily satisfy its short-term obligations because it has sufficient current assets. In 2020, however, the company's current assets decreased by 29.03 percent while its current liabilities increased by 21.74 percent, resulting in a reduction in its liquidity. This tendency persisted until 2021, resulting in a negative current ratio. This situation is mostly attributable to the fall in liquidity and absence of short-term investments (zero short-term investments in 2021).
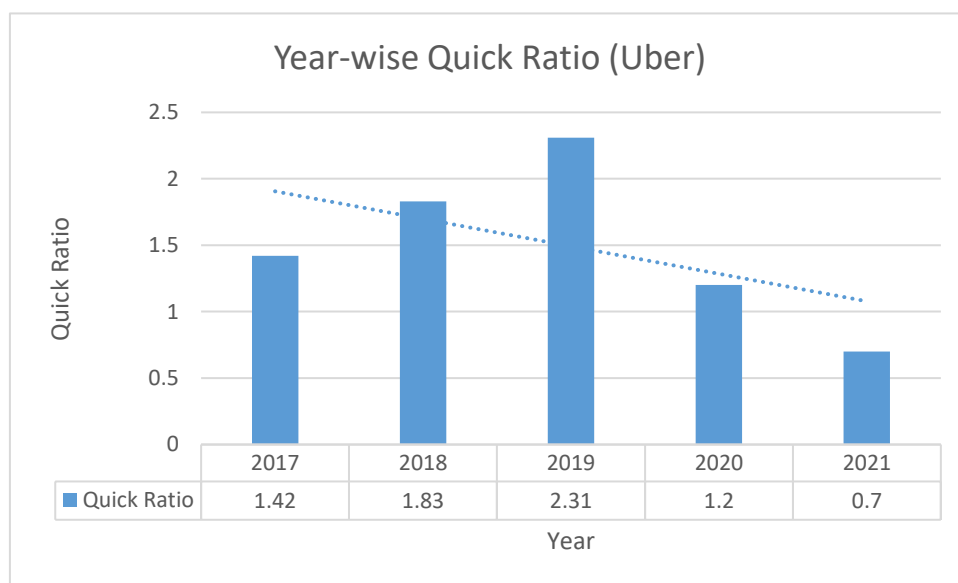

Year-wise Quick Ratio (Uber)

	2017	2018	2019	2020	2021
Quick Ratio	1.42	1.83	2.31	1.2	0.7

Figure 22: Year-wise Quick Ratio (Uber)

A healthy current ratio is between 1.5 and 2, suggesting that the company's current assets meet its debts. Uber's current ratio of 1.78 in 2017 was good and above the industry average. In 2018 and 2019, the current ratio increased significantly, hitting 2.03 and 2.47, respectively. As a result of having sufficient current assets, Uber can easily meet its short-term obligations. During 2017 to 2019 Uber had enough liquidity based on the short-term liquidity ratios that were analyzed. It demonstrates that the company is financially stable and is unlikely to face financial issues. Higher ratios imply that the corporation has a robust and substantial safety buffer to deal with any short-term obligations that arise. In 2020, the ratio fell by 48.06 percent,

primarily due to a reduction in current liabilities and an increase in current assets such as cash and short-term investments. The combination of circumstances caused the quick ratio to fall outside of the acceptable range. This trend continued in 2021, and the company's quick ratio reached an even worse level.
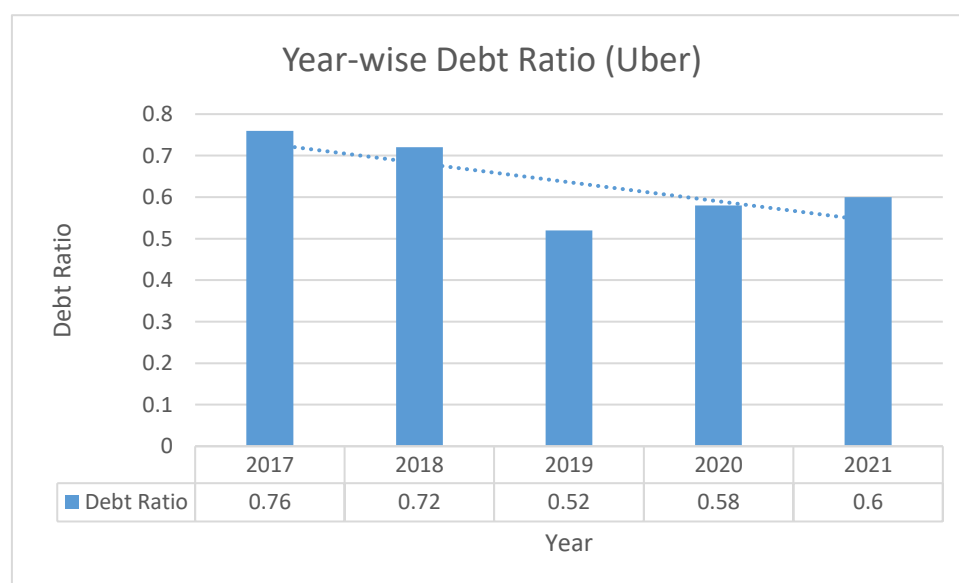
3.4.4 Leverage Ratios

Figure 17: Year-wise Debt Ratio (Uber)

The debt ratio is a measure used to evaluate a company's leverage. It displays the amount of debt a company has to fund its assets as well as its ability to meet its liabilities with assets. The ideal rate is often 0.4 or less. Uber's debt ratio in 2017 was 0.76, which was much higher than the industry average of 0.57, showing that debt is utilized to fund the bulk of its assets. Uber's debt ratio fell slightly to 0.72, but it remained higher than the recommended percentage. In 2019, Uber's debt-to-equity ratio improved substantially from then onwards. The result of 0.58 to 0.6 was within the industry standard, indicating that the debt-to-equity ratio was balanced. In other words, Uber has a balanced optimal capital structure, which means it has the

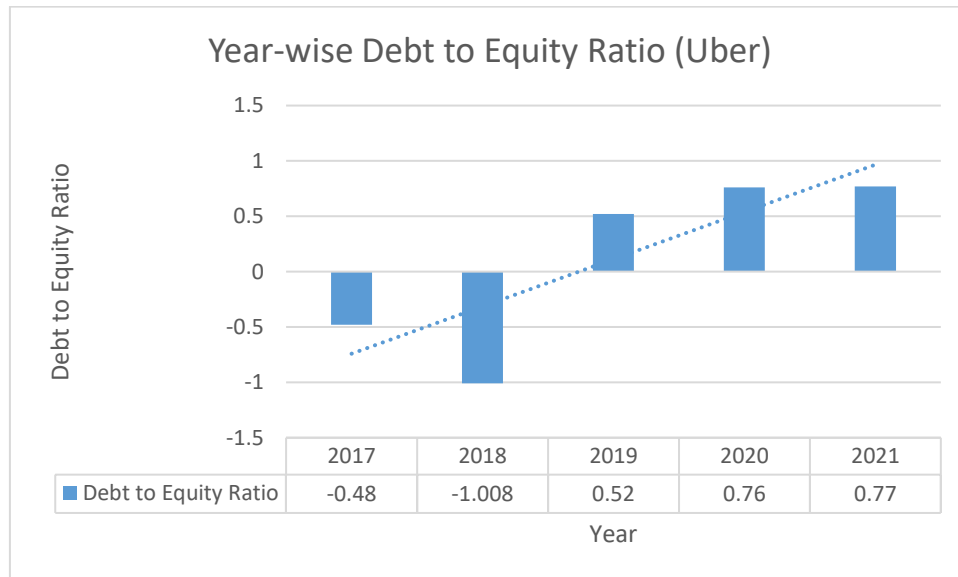appropriate mix of equity and debt financing to maximize market value while minimizing capital expenses.

Figure 18: Year-wise Debt to Equity Ratio (Uber)

The debt-to-equity ratio compares the total debt of a firm to its total equity. It shows how much debt a corporation has taken on to fund its activities. A debt-to-equity ratio of less than one is expected. A higher ratio is typically seen as high risk because it suggests that the company relies heavily on debt rather than equity to fund its expansion (Coulon, 2019). Uber had a negative debt-to-equity ratio of -1.38 in 2017 and -2.33 in 2018. This happened mainly because the the corporation had negative shareholder equity. However, the corporation was able to acquire this beginning in 2019. Although the company's obligations expanded in subsequent years, it was also able to enhance its equity.
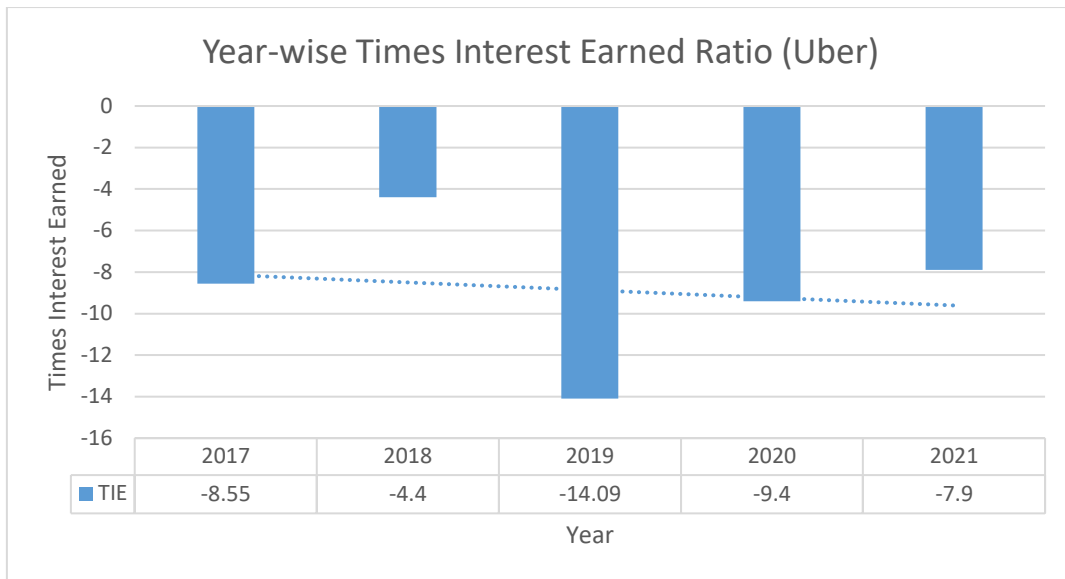
Figure 19: Year-wise TIE Ratio (Uber)

The times interest earned ratio, calculated using current net income, is a measure of a company's ability to meet its debt obligations. A high ratio more than 2.5 is considered an acceptable risk, indicating that the company will be able to meet its interest commitments due to increased earnings. Uber's times interest earned ratios for the 5 years showing that the company is in serious financial trouble. In other words, the company is losing money and is unable to pay its debts or interest payments. Uber's times interest earned ratio was -9.4 in 2020, representing a considerable improvement over 2019. However, it does not denote that the company's earnings were sufficient to meet interest and debt servicing.

3.4.5 Predicting Bankruptcy Risk (Proxy Company)

Altman's Z-score model is used to calculate and forecast a company's financial difficulties (Altman & Hotchkiss, 2010). It can predict whether a company will go bankrupt within the next two years. The model forecasts a company's likelihood of going bankrupt in the following two years by combining five financial ratios. The years 2018 and 2019 have been considered for the calculation since the pandemic started in 2020.

The Z-score mode formula: 1.2A + 1.4B + 3.3C + 0.6D + 1.0E

Z-score Ratios	Formula	2018	2019
A	$\dfrac{Working\ Capital}{Total\ Assets}$	0.0907	0.2609
B	$\dfrac{Retained\ Earnings}{Total\ Assets}$	0.1951	0.5152
C	$\dfrac{EBIT}{Total\ Assets}$	0.1951	0.2479
D	$\dfrac{Mareket\ Value\ of\ Equity}{Total\ Liabilities}$	4.46133	3.0794
E	$\dfrac{Working\ Sales}{Total\ Assets}$	0.335	0.4454

Bankruptcy Ratio	Formula	2018	2019
Altman Z-score Ratio	1.2A+1.4B+3.3C+0.6D +1.0E	3.54	1.07

Distress Zones - 1.81 < Grey Zones < 2.99 - Safe Zones

Uber's bankruptcy risk in 2019 was significant, according to the forecasted Altman Z-score ratios. This is because 1.07 was less than 1.81, indicating that Uber was experiencing financial difficulties and was on the verge of going bankrupt. However, the corporation performed admirably in 2018, with a score of 3.54. This number is greater than the safe level of 2.99. This indicates that the company's financial status was stable and that it was unlikely to fail.

3.5 Analysis of Findings

The findings of this study lend credence to our pre-research hypothesis by providing empirical evidence that customer loyalty programs have a positive impact on the quantity and frequency of customers' purchases. According to the findings of our investigation, a customer's level of tiers in loyalty program is positively correlated with the typical size of their basket purchases. This suggests that a client's loyalty tier is proportionate to the possibility of the customer making more purchases from a digital platform service provider. On the other hand, given the diverse audience to which the sample data is distributed, there is a distinct likelihood that additional interpretations will be offered. A lack of interest in the service, for example, or a lifestyle that prioritizes activities unrelated to using a digital platform may limit a correlation between loyalty programs and the number of products that are purchased by users. Another possibility is that there is no association at all. It's also possible that people don't know about loyalty programs because they don't consider themselves to be under any sort of obligation to participate. In situations like these, people try to alleviate the difficulties associated with purchasing decisions by reducing the number of service providers they deal with and maintaining a consistent level of commitment to a single service over a lengthy period of time. In other words, they stick with the same service for as long as possible. People are more likely to spend more money, which can lead to an increase in buy volume, if they disregard sales in order to simplify their purchasing alternatives by continuing to use the same service providers. This reduces the number of options available to the customer. This results in fewer options available from which to select a vendor. As a result, the relationship of loyalty programs with customers' purchase quantity and frequency cannot be considered as a causal one.

Our research has shown that participation in a loyalty program has a tendency to alter the purchasing behavior of certain consumer categories once those consumer categories become members of the program, despite the fact that certain repeat customers were rewarded for the

established purchasing behaviors they had developed over time. Despite the fact that some devoted consumers were awarded bonuses for their consistent spending patterns, this remains the situation in spite of the fact that the bonuses were offered. This continues to be the case in spite of the fact that other clients who had demonstrated devotion in the past were rewarded for their actions. Customers who have reached a higher loyalty tier are frequently barred from altering the patterns of behavior that got them there, such as increasing the number of services they use from competitors. Alternately, the loyalty program may have the effect of encouraging customers to concentrate their spending on the primary service offered by the program. This hypothesis could explain why a big proportion of multi-loyal customers who already use a variety of services join up for all accessible programs in order to benefit from the incentives that are supplied by those programs. These customers already use a variety of services.

It is anticipated that various client subsets will have varying levels of participation in loyalty programs, much like it is anticipated that various customer groups will have varying levels of participation in marketing efforts (Mela et al.,1996). Customer factors such as a consumer's tendency to seek variety, purchasing preferences, and susceptibility to sales discounts all have an impact on the degree of influence that loyalty programs have on repurchase behavior, as well as the direction in which that influence is exerted. Because of this, it is necessary to conduct additional in-depth research into the factors that influence individuals' levels of loyalty, as well as the consequences of these individuals' various levels of loyalty. This kind of customer segmentation would make it possible to conduct a more in-depth analysis of the degree to which customers are responsive to activities designed to foster customer loyalty and to arrive at an accurate estimate of the potential future worth of individual customers.

The results of our research will have a substantial impact on the management of client portfolios as well as the lifetime values of portfolios. To begin, these findings point to an intriguing possibility regarding the extent to which the implementation of a loyalty program

can raise or drive consumer share and the length of their customer lifetime. Specifically, the extent to which it can increase the customer's likelihood of remaining a customer for a longer period of time. When it comes to the planning and monitoring of the effectiveness of marketing initiatives aimed at influencing the behavior of customers, this kind of data is absolutely essential for business owners. Second, although losing customers is an inescapable part of conducting business in this day and age, it is possible to make predictions regarding customer retention by employing quantitative indicators. Service providers are able to collect information such as the basket size, lifetime duration, and loyalty tier portfolios of their customers. In addition, it is possible to evaluate how easy it is for customers to make use of the service. As a consequence of this, they are able to categorize customers according to customer vulnerabilities including customer attrition risks, deal propensity, pricing sensitivity, and lifetime value. In order for businesses to recoup their previous level of revenue and market share, they can put this data to use by developing individualized strategies and incentives that would appeal to particular subsets of their customer base. As a consequence of this, loyalty programs have the potential to become key strategic tools for the management of the number of customers since they may locate, select, and reward people who are loyal to the brand.

In addition to dividing customers into various groups, marketing procedures can also be modified, which enables these processes to be tailored to each individual customer's needs and improves overall efficiency.

According to the findings of our investigation, customer loyalty programs might investigate the possibility of rewarding consumers based on forward-thinking qualities such as an evaluation of the client's lifetime worth in addition to an assessment of the quantity of goods purchased.

In a similar vein, Kumar and Shah (2004) present a theory in which they argue that businesses are able to expand their revenue streams while simultaneously expanding and maintaining the

behaviors and attitudes of their customers. According to their two-tiered strategy, the first level of managing client loyalty involves treating all consumers the same and rewarding them based on the overall expenditures they make in order to push larger spending. This is done in order to generate larger spending. This will ensure that the customers' loyalty to the company is maintained over time. Putting in place customer loyalty programs at the primary level is one of the best ways to guarantee that each and every customer is satisfied with the level of service they receive. The second level of customer data draws attention to customer distinctions and enables the service provider to determine whether or not a particular client is eligible for further benefits. As a result of the process of choosing being predetermined and organized,

One technique for a firm to generate customer loyalty is by offering higher-quality second-level rewards to the consumers who are the most important to the company (as determined by purchase quantities and frequency). This strategy is applicable only if the company already has the necessary customers (e.g., personalized relationships, privileged services).

3.6 Conclusion

From the hypothesis testing conducted above, we reach to the following conclusions –

a) There is a positive relationship between loyalty programs and customers' buying quantities

b) There is a positive relationship between loyalty programs and customers' buying quantities

According to the current study's findings, tier-based loyalty programs are beneficial and necessary in digital platform-based services for increasing sales and retaining customers. This means that all loyalty program initiatives benefit from a client retention perspective.

3.7 Recommendations

To retain clients and convert them into long-term customers, marketers must master the art of creating unique loyalty programs that reflect their customers' purchasing habits and lives.

To accomplish this purpose, the following proposals are made:

i. Marketers should continue to utilize all types of customer loyalty programs indefinitely because they have been demonstrated to improve client retention. This is particularly true when it comes to the tier-based loyalty programs like Pathao Points.

ii. Marketers must continue to look for new and unique methods to differentiate their loyalty programs, attract new consumers, and increase the amount of money spent on their products and services by existing customers.

iii. Due to the requirement to think economically for each individual firm, marketing professionals must focus on the balance of expenses and revenues associated with any particular loyalty program.

iv. Given that customers vary in their qualities and interests - even though this is not the subject of this study - various customer loyalty programs should be classified according to the target customers' characteristics and preferences, as depicted in the diagram.

v. A straightforward method for redeeming points and benefits earned through loyalty programs must be in place. As a result, marketers must establish a consumer loyalty program in which members may exchange points for merchandise, discount coupons, and other perks.

vi. Keep clients informed about all available incentive programs and how to use them.

vii. Establish a transparent feedback platform that encourages customers to offer feedback on the several loyalty schemes already available.

viii.   Increasing public awareness of the company's multiple customer loyalty programs and the perks they offer to members.

ix.   It is vital to construct a plan for making loyal clients feel privileged when they use loyalty programs, which may include the establishment of a separate charging counter, enough attention from sales staff, and other measures.

x.   Customer loyalty programs will be built in response to how frequently customers use them and how much money they spend on a consistent basis.

xi.   It is critical to assist consumers who have a loyalty card during the shopping process. While acquiring and redeeming points, educating the consumer on the value of earning and redeeming points

xii.   Through the use of database technology, marketers may engage in targeted dialogues with clients, resulting in greater client loyalty.

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