

Report On
Preference of Generation-Z towards Ride-Sharing Service vs Mass-
Transportation in Dhaka; Future Target Group of Pathao

By

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

Brac Business School
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[1]

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.

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Letter of Transmittal

Rahma Akhter

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Subject: Submission of Internship Report.

Dear Mam,

I am thankful to the Almighty for allowing me to complete the internship and submit this report to you.

I am also extremely appreciative for your assistance and advice in preparing this report. I am extremely fortunate to have you as my internship supervisor. This report includes a summary of my internship at Pathao Ltd, an overview of the organization, and research on the topic "Preference of Generation-Z towards Ride-Sharing Service vs Mass-Transportation in Dhaka; Future Target Consumer Group of Pathao."

Hence, I sincerely hope that you will accept my Internship Report and be so kind as to comply. If clarification or additional questions are necessary, I would be happy to provide them.

Sincerely yours,

Anisul Islam

ID - 18104014

BRAC Business School

BRAC University

Date: May 16, 2022

Non-Disclosure Agreement

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

Student's Full Name and Signature

Anisul Islam

Supervisor's Full Name and Signature

Syed Abrar Ahmad

Manager, Marketing Department

Pathao LTD.

Acknowledgement

I am indebted to Allah, the All-Powerful, for His grace in assisting me throughout my internship experience. Without His direction, my efforts would have been inoperable.

I would also want to thank the management team of Pathao Limited for selecting me as an intern. As an intern, I was able to learn a great deal from the program's novel format.

Next, I would like to express my gratitude to Mr. Syed Abrar Ahmad, Manager, Marketing Department, Pathao Limited, for his assistance and advice throughout my internship.

Working under him in the digital marketing division made me feel like a member of the Pathao Marketing team during my three months there; not as an intern only.

Lastly, I'd like to thank Ms. Rahma Akhter, Lecturer at Brac Business School, for her consistent help throughout the internship. I was able to produce this report in an organized and effective manner only because of her methodical approach.

Executive Summary

This paper is a summary of my internship in the marketing department of Pathao LTD and is intended to provide an overview of the company and my research topic, " Preference of Generation-Z toward Ride-Sharing Service versus Mass-Transportation in Dhaka; Future Target Group of Pathao."

In addition, the report assesses and investigates the organization's diverse business and operational verticals. This report also identifies new target markets for the rapidly expanding Pathao company.

In addition, the research investigates in detail the preferences and spending patterns of the aforementioned target audience. Any business that wishes to capture the attention of an entire generation must conduct exhaustive research. Understanding how a generation behaves, thinks, and acts at the point of purchase in relation to a specific brand's product or service is necessary.

This paper examines in depth Generation Z's behavior, current spending habits, concerns, and expectations regarding Pathao. It will assist the Pathao team in identifying the needs of their target audience and developing more targeted marketing strategies to attract their attention and satisfy their requirements.

Keywords: Spending habit, Mass-Transportation, Ride-Sharing Transportation, Preference.

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Chapter 1

1.1 Overview of Internship

I, Anisul Islam, am currently enrolled in the Bachelor of Business Administration (BBA) program at Brac Business School, Brac University, and my Student ID is 18104014. My undergraduate education began in the spring of 2018, and I intend to graduate in 2022 with a double major in Finance and Human Resource Management.

1.2 Internship Information

1.2.1 Period, Organization Name, Department & Address

I am glad to have been given the opportunity to serve as an Intern in the Marketing department of Pathao LTD for three months beginning on 1 February 2022 and ending on 30 April 2022. Specifically, I worked as an intern of Digital Marketing Division of the Marketing Dept., Pathao Ltd. Pathao LTD, which has become one of the most reputable and rapidly expanding firms in Bangladesh. The current address of their headquarters is CWN (A) 3A, Road # 49, Kemal Ataturk Avenue, Gulshan Model Town, Dhaka-1212.

1.2.2 Internship Organization Supervisor's Information

As an intern at Pathao LTD, I worked in the marketing department. Mr. Syed Abrar Ahmad, who currently serves as Manager, Digital Marketing Division, in the marketing department of Pathao LTD, was my supervisor and I was responsible for reporting to him.

1.3 Job Scope

The office was open Monday through Thursday from 9:00 AM to 6:00 PM, excluding Fridays and Saturdays. During the first two weeks, I had many opportunities to forge relationships with the crew. My supervisor and coworkers helped me feel at ease and acclimate to the work environment.

My supervisor talked me through every application and platform I would need to do normal tasks. Digital marketing duties are exceedingly sophisticated, and there is no tolerance for error in this field. Pathao's stakeholders will be negatively impacted by even the smallest inaccuracy. Consequently, he permitted me three weeks to become acquainted with all the necessary data and software. Then, he assigned me tasks and demonstrated every part of digital marketing activity.

1.4 Responsibilities of the Internship

Day to Day Responsibilities

- ❖ Uploading promotional contents in social media sites
- ❖ Taking advice from supervisor and allocate budget for boosting contents according to his instruction.
- ❖ Boosting all the contents.
- ❖ Calculating CPM (Cost per Impression), CPE (Cost Per Engagement), CTR (Click through Rate) on a regular basis.
- ❖ Report any uneven result or cost to my supervisor and find out the reason of those uneven results.
- ❖ Uploading contents for In-App pop-up.
- ❖ Making database for record of every details.
- ❖ Making weekly report to present in front of the Head of Marketing Dept, Pathao Ltd.

Additional Responsibilities

- ❖ Doing primary research for any new project.
- ❖ Negotiation with influencer about content creation.
- ❖ Setting up agenda list for the meeting with the stakeholders.
- ❖ Assisting the Operations and Supply team for compiling digital database.
- ❖ Taking small interviews of different personnel of other departments in order to collect data for designing upcoming marketing campaigns.
- ❖ Assisting the supervisor and taking notes during his meeting with other departments employees.

1.5 Internship Outcomes

1.5.1 Making Post-Campaign Reports

Being an intern of digital marketing division, I was responsible for making digital outcome reports of the marketing campaign run by Marketing department.

I was assigned to make this kind of report for the campaign named “দাওয়াত পান নাই?” (*Dawat Pan Nai*). In this report I have to mainly consider 5 things. They are:

- Pre-Campaign Regular/Loyal Number of Customer
- Average Basket Value/ Order Value of the loyal customer during the campaign
- Customer Acquisition during the campaign
- Average Basket Value of the new customers.
- Overall Success Rate / Profit Generation from the campaign.



Figure 1: "DAWAT PAN NAI" Campaign Content

1.5.2 Identifying Discount Modality & Special Restaurants for Campaigns

I was also responsible for proper discount modality for campaigns. For example, how much Pathao need to offer as discount during a particular campaign. In these cases, I have to consider the competitors regular price and their regular / campaign discount modalities.

To specify, I have listed all the top fried chicken selling restaurants for the “Fry Chai” campaign. In this campaign, I have to make a list of all the top restaurants of the hot zones of Dhaka and then analyze all the discount modalities of Foodpanda and Hungrynaki.



Figure 2: "FRY CHAI" Campaign Content

Moreover, I had to also make a post-campaign report similar to Dawat Pan Nai campaign which depicted overall success of the campaign.

1.5.3 Benefits of the Student

Pathao LTD was founded in 2015, and in just a few short years it has expanded to become the most popular digital platform in Bangladesh, with over seven million users. As an intern at such a large firm, I was able to learn more about the topic that most interested me and gain practical experience.

While doing major, in preparation for a career in finance, I learnt how to calculate the return on an investment to determine whether it was a good idea or not (ROI).

Pathao LTD's management wanted me to evaluate my ideas for partnerships and campaigns in terms of their actual financial value and anticipate the return on investment these ideas would generate. Even though the project was complete, I was tasked with analyzing the variance between anticipated and actual financial outcomes. I was able to collaborate directly with a number of company departments due to the tasks and responsibilities I was assigned. Operations, Accounting, Administrative Services, and Business Analytics, to mention a few, are examples of these divisions. It was quite beneficial for me to be able to communicate with so many departments inside the organization that perform vital work. This offered me the opportunity to learn a great deal about the numerous jobs they perform and the crucial role they play in ensuring the seamless operation of the business. Because I've worked in numerous industries in the past, I know a great deal about how a technical firm operates, how it serves its clients, and how it ensures the satisfaction of its suppliers, among other things. In addition, the internship provided me with the opportunity to hone skills that would be useful in my future job, such as time management, interpersonal communication, decision-making under pressure, and maintaining a healthy work-life balance.

1.5.4 Problems & Difficulties during Internship

As a result of a well-planned internship curriculum, I had a wonderful experience. Confidentiality was maintained even though I was given data to analyze. Data analysis becomes more difficult as a result.

1.5.6 Recommendations

This internship at Pathao LTD enabled me to understand more about my financial and marketing interests. Even so, I feel that teaching future interns how to interact with suppliers and the most frequent technical jargon will increase their learning experience.

In addition, intern research reports would be significantly improved if more individuals were ready to share firm data with them. In this profession, streamlining access to authentic sources of knowledge could be advantageous. In conclusion, I believe Pathao LTD should offer more internships to college-aged individuals.

Pathao LTD is one of the few companies in the country that provides interns with practical job. If the organization employs this technique to recruit interns, it will have a well-trained and enduring workforce.

Chapter 2

2.1 Organization Overview

2.1.1 Brief History

Pathao started out as an idea, a little bit of work. The people who made Pathao set up a private Facebook group where they told all of their friends that they could use our delivery service if they needed to. For them, it was a test. From that point on, it got a lot bigger. They wanted to know if they could use our motorcycles to make deliveries in a more efficient way. Would people in Bangladesh be interested in riding motorcycles as a way to get around?

This question led to the creation of a second MVP that focused on the idea. Bangladesh does not have a motorbike culture like Vietnam and Indonesia do. Through Pathao, entrepreneurs have helped bring this culture into being. They saw that there was a need for a service that saves time and energy that wasn't being met.

They started out in a simple way. They only had five bikes, and everyone called their own number, which the founders used to schedule trips on an Excel spreadsheet. Everything had to be done by hand. It went on and on. When they put our mobile app out in December 2016, everything changed. When that happened, things went wrong, and they had to change their whole business plan around the app.

2.1.2 Company Background

In 2015, Hussain M. Elius, Fahim Saleh, and Adnan Shifat founded Pathao with the goal of tackling one of the most pressing issues affecting businesses and people in Dhaka City: transportation. Hussain M. Elius is the founder of the company. In addition to providing delivery and cash collecting support to businesses through their Pathao Fulfillment service, the company

also offers transportation services comparable to Uber but utilizing motorcycles through their Pathao Rides service. Pathao intends to leverage the same underlying infrastructure across numerous market categories in order to expand into additional delivery services, including food delivery (Frieschlad, 2017).

Prior to forming their cooperation, the three individuals had worked independently on their various projects, but they had identified a massive problem and produced an inventive solution to one of the most important issues affecting small companies and commuters in the city. They came up with a fantastic way to solve the problem without spending a big amount of money. Its motorbike drivers and bicycle messengers deliver packages to consumers in and around Dhaka. Due to the increasing demand for dependable e-commerce delivery in Bangladesh, the company's popularity continues to rise. In contrast, Pathao's Ride services have grown popularity despite the absence of motorcycle taxis in the country prior to its launch. To get things rolling, the company initially engaged a fleet of 100 drivers (Waliullah & Islam, 2017). According to the company, over 50,000 vehicles are registered in the United States. In 2015 and 2016, Battery Road Digital Holdings LLC gave around \$1 million in starting money to Pathao. Later in the year, GO-JEK contributed \$2 million to Pathao's Series A investment round. Pathao has successfully finished a \$10 million Series B funding round with GOJEK in 2018. Currently, there are five investors in Pathao, with three serving as lead investors. (2018, Russell)

Pathao Fulfillment is a logistics platform that connects online retailers and customers. Domestic e-commerce enterprises such as daraz.com.bd and ajkerdeal.com rely on Pathao Fulfillment to ship products directly to their customers. This division of the corporation offers cash-on-delivery (COD) services, reverse logistics (return to sender/origin support), and 24-hour customer care. Consumers receive the added convenience of not having to pay expensive delivery rates, while

businesses earn by delivering a valuable service to clients. The mobile-friendly design of the application enables customers to access services from any platform, including the web, a computer, or a mobile device, allowing consumers to resolve difficulties at any time of day or night. In addition, a 24-hour customer service center ensures that issues may be resolved at any time of the day or night. In addition, because the majority of the company's deliveries are made on motorcycles and bicycles, they have the advantage of being more environmentally friendly than their competitors, which helps them reduce their carbon footprint and improve their brand reputation.

The company's website indicates that it manages over one million journeys and over one hundred thousand deliveries each month (Russell, 2018). As a result of the company's continued expansion, it has transformed into a digital lifestyle platform, or "super-app," that provides a variety of services to assist individuals in overcoming daily obstacles. Pathao expanded its operations outside Bangladesh's borders in September 2018 by establishing a presence in Nepal. In addition, this is the first time a Bangladeshi ridesharing company has expanded outside the country.

2.2.3 Valuation of Pathao

Pathao has undergone many transformations since its inception. Changes include business expansion, a strategic alliance with one of the world's largest bike-sharing organizations, etc. The following table represents the evolution of the company from its inception to the present.

Timeline	Description
September, 2015	Pathao's Origins with Courier Services
Mid 2016	Pathao Bike's launch—a ground-breaking ride-sharing service
December 2016	Pathao App Launch
November 2017	Pathao Car Launch
November 2017	Go-Jek invested US \$2 million in a series A round.
January 2018	Pathao Food Launch
April 2018	Go-Jek invested US \$10 million in a Pre-series B round.
April 2018	Pathao's Digital Payment Launch
September 2018	Venturing at Nepal
February 2019	Pathao's founder gets named to Forbes Asia's 30 under 30 list.
April 2019	Series B Capital Raising (targeting US \$30-50 million)

Table 1: Milestones of Pathao

2.2.4 Venturing in Nepal

During the fourth quarter of 2018, Pathao expanded their operations to Kathmandu, Nepal. Pathao first focused on its bike-sharing business to establish a community ecology. Pathao's debut in Nepal was a success, partly due to the fact that Bangladesh is the biggest exporter of motorcycles to Nepal. Pathao implemented a strategy similar to that employed in Bangladesh in order to build demand for their bike ride-sharing service in Nepal. Cultural similarities made the technique suitable. Go-Jek, the primary partner of Pathao, has helped the company establish a presence in the Nepalese market in South Asia.



Figure 3: Promotional Content by Pathao Nepal (Source: Pathao Nepal Blog)

2.2.5 At a Glance of Pathao “Super” App

Pathao is a network that brings together individuals who are interested in sharing rides in a carpool. Peer-to-peer ridesharing, also known as dynamic ridesharing or on-demand ridesharing, is a

service that enables users to arrange journeys with other users at the last minute. Other names for this type of ridesharing are on-demand ridesharing and on-demand ridesharing. On-demand drivers and riders are connected to one another to build a digital network through the use of digital interfaces such as smartphone applications and websites (Geron, 2013). It is a metaphor for the collaborative economy as well as mobility in all of its forms.

They are able to operate their organization successfully by utilizing the most recent and cutting-edge technologies. GPS navigation gadgets allow the driver to determine the route and ensure that they have full control of the car at all times. In addition to this, its services routes that are not served by public transit, highlighting the necessity of having a GPS device. Smartphones function as information gateways, making it easier for the flow of data to take place in an efficient manner. To achieve this goal, an optimization method that is both extremely effective and comprehensive must be implemented (Ecosummit, 2011).

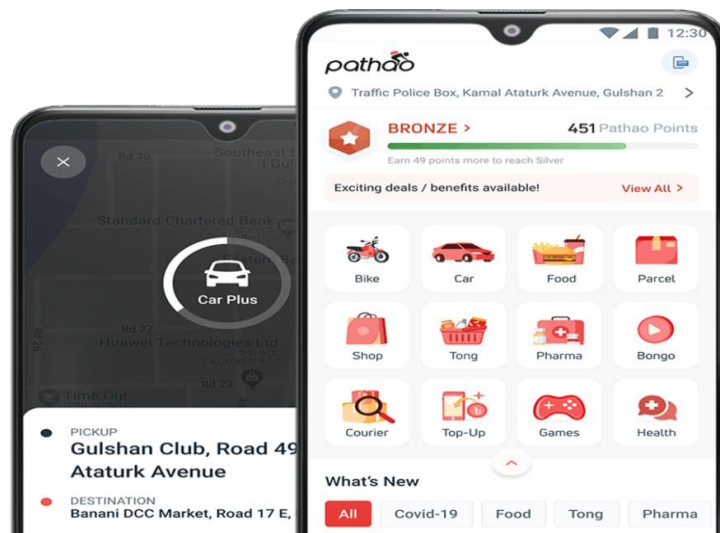


Figure 4: Pathao App UI

Pathao has devised a strategy that consists of five steps to accomplish its goals. In order to use the app, the user must first type in their intended destination and then choose the type of ride they want to take. The remaining portion of the trip is going to be managed by a driver who is located nearby. After that, they initiate communication and go out on their quest. Customers are provided assistance in determining the shortest and most secure paths to their desired location via the platform.

It is up to the rider to decide which kind of payment they will utilize in order to reach their destination. The final stage of the journey consists of the rider sharing the thoughts and experiences they have gained along the trip on the platform.

2.2.6 Business Model Canvas of Pathao

<p>KEY PARTNERS</p> <ul style="list-style-type: none"> ❖ Investors ❖ Riders (Drivers of Motorcycle) ❖ Captain (Drivers of Cars) ❖ Restaurant Owners ❖ Deliveryman ❖ Payment Partners (Bkash, Nagad & Commercial Banks & other payment gateway companies) 	<p>KEY ACTIVITIES</p> <ul style="list-style-type: none"> ❖ Design and management of products and services ❖ Obtaining new customers ❖ Employing chauffeurs and delivery personnel for courier services ❖ Pay-out Management ❖ Activities of marketing and promotion 	<p>VALUE PROPOSITION</p> <p>Customers:</p> <ul style="list-style-type: none"> ❖ Reasonably priced transportation service ❖ Due to the vast number of riders, the wait time is kept to a minimum. ❖ Rapid delivery at a low cost <p>DRIVER AND DELIVERY:</p>	<p>CUSTOMER RELATIONSHIP</p> <ul style="list-style-type: none"> ❖ The Internet of Things (IoT) ❖ Social Media Platforms (Instagram, Facebook & YouTube) ❖ System of evaluation ❖ System for real-time response 	<p>CUSTOMER SEGMENTS</p> <p>CUSTOMERS:</p> <ul style="list-style-type: none"> ❖ Individuals who do not possess a car or motorcycle. ❖ Those who wish to avoid traffic congestion ❖ Those who do not have enough time to prepare their own meals at home ❖ People who want to send parcels as quickly as feasible <p>DRIVERS & DELIVERY MEN:</p> <ul style="list-style-type: none"> ❖ Individuals that own a motorcycle or automobile and wish to make money. ❖ People looking for part-time work to supplement their income
	<p>KEY RESOURCES</p> <ul style="list-style-type: none"> ❖ Technology-savvy drivers ❖ All-in-one service application that is simple to use ❖ Tech Experts ❖ Partnership with Numerous Restaurant & other parties 	<ul style="list-style-type: none"> ❖ Schedules that can be changed ❖ Goal-attainment incentives and bonuses ❖ Payment procedure is straightforward. 	<p>CHANNELS</p> <ul style="list-style-type: none"> ❖ Android-based mobile application ❖ Apple's iPhone and iPad software ❖ Website 	

COST STRUCTURE	REVENUE STREAM(S)
<ul style="list-style-type: none"> ❖ Employees' Remuneration ❖ Promotional and marketing costs ❖ Incentive & Commission for the Riders ❖ Infrastructure for the digital infrastructure regarding Super App 	<ul style="list-style-type: none"> ❖ Motorcycle/car journeys are charged on a per-kilometre/mile basis. ❖ Surge & Waiting Time Charges ❖ Food, packages, and other goods Fees for delivery

2.3 Management Practices

2.3.1 Hierarchy & Decision-Making Process

Pathao is comprised of a large number of departments. Within the organization, in addition to the completely functional departmentalization of the core of the business, there are a number of subdepartments that are based on processes or services. Pathao has implemented functional departmentalization, and as a result, the company now has departments dedicated to Marketing, Human Resources, Information Technology, and Finance and Accounts. Since we are concentrating on Pathao Rides and their organization in particular, we have established a great deal of sub-divisions inside the Management and Administration department of Pathao Rides. These sub-divisions include: This area is broken down into many different subsections, such as Walk in Support, Rider Support, Customer Care, Field Force, Retail Service Management, and Training Team. Because of the kinds of services they offer, these departmentalization absolutely have to be referred to as being service-oriented. In contrast to the Chief Executive Officer, the majority of organizational decisions are made by middle and lower-level managers. A hierarchical structure, in which decisions are made starting at the highest level and working one's way down, is diametrically opposed to a flat organization. The data from the sources indicate that there is a

substantial degree of decision making, both formally and informally, both of which contribute to the organic aspect of the organization. Any member of management, regardless of level, is required to take immediate action in the event that a rider is engaged in a collision while on the road in order to prevent mayhem.

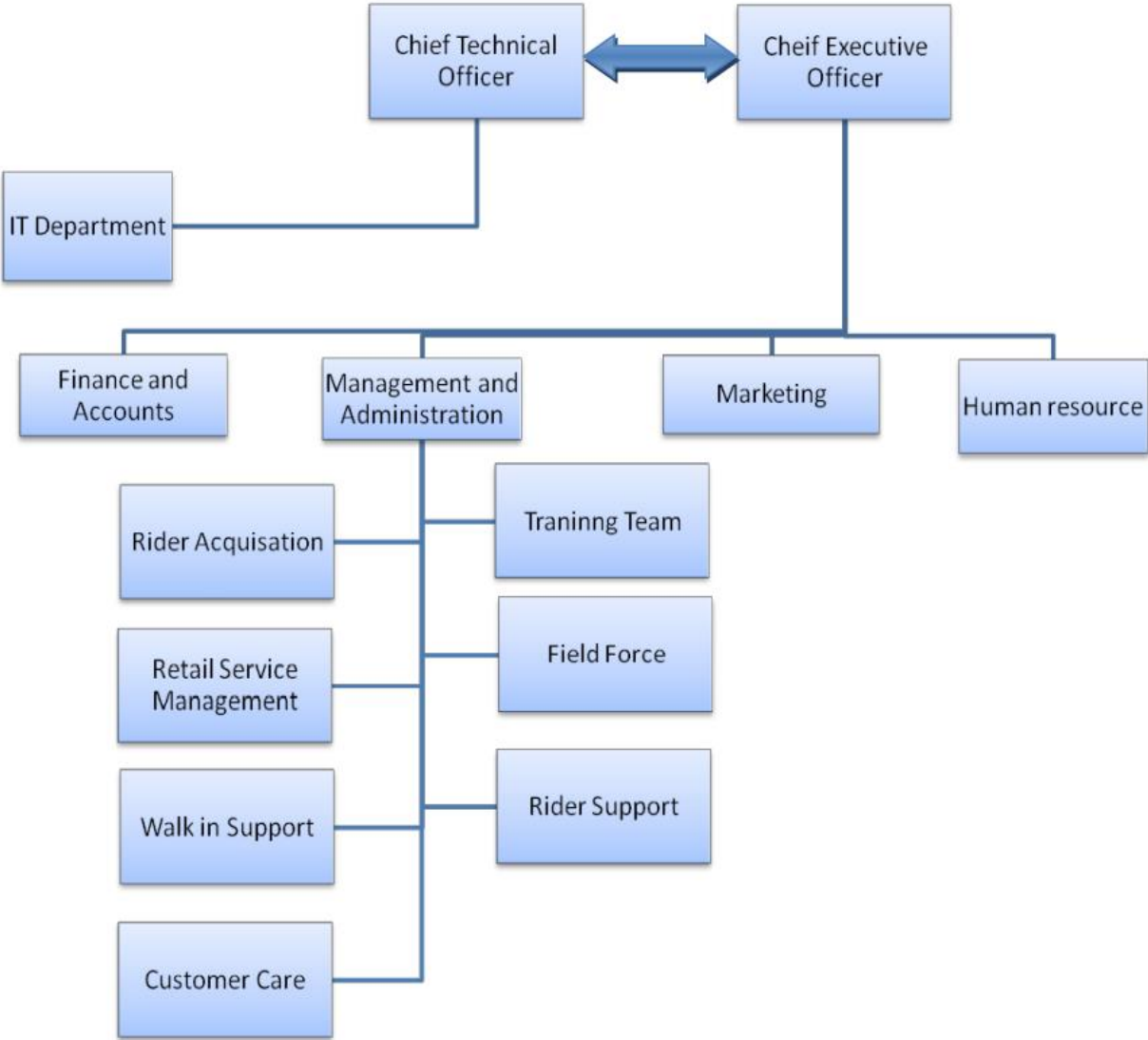


Table 2: Hierarchy Table of Pathao

2.3.2 Human Resource Management

2.3.2.1 Employee Recruitment

The employment process at Pathao is open and accountable, and candidates are evaluated only on the basis of their prior experience and qualifications. If a department requires additional staff, the director or head of that department must submit a request to the human resources department. After that, the HR division will carry out an analysis of the job market. The Human Resources department will not start looking for a new employee unless they are convinced that they are needed. When looking to fill mid-level positions, Pathao HR first looks for qualified applicants from within the firm. If they are unable to find enough qualified employees within the company, they will look for candidates elsewhere. They often announce job openings on social media platforms like Facebook, LinkedIn, and Bdjobs when they are looking to hire someone from outside of Pathao. After going through all of the applications, those individuals who fulfill the criteria for employment are then invited in for testing, which may include focus group discussions and other types of evaluations. After conducting interviews with the remaining candidates, we choose the person who is the most qualified to fill the post.

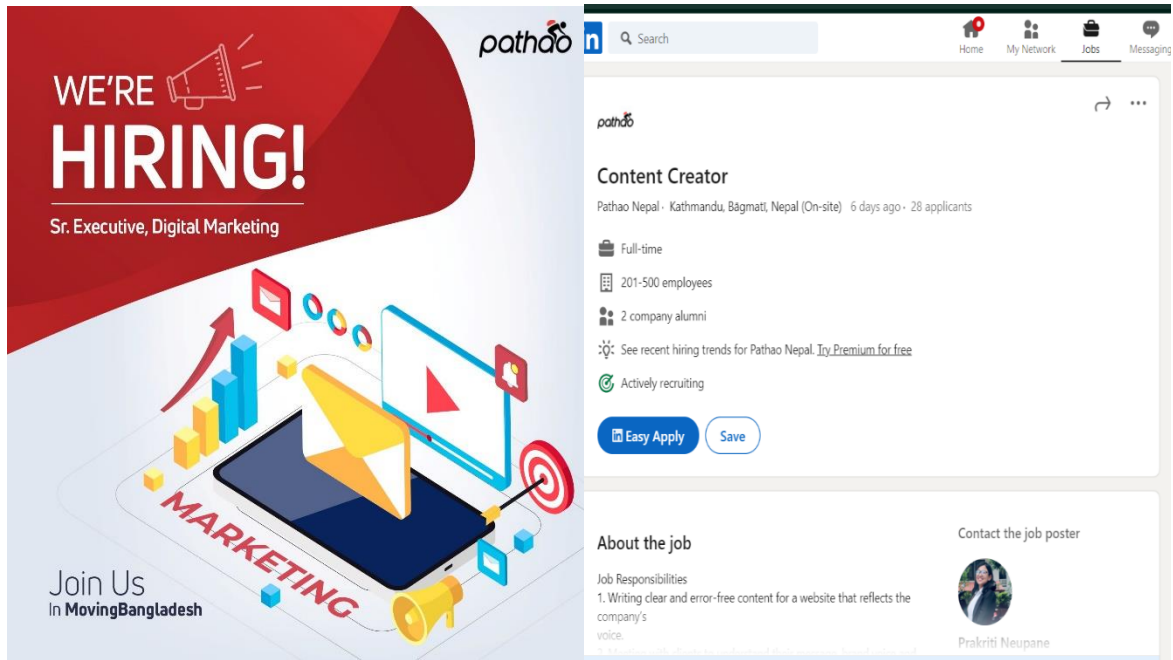


Figure 5: Recruitment Post in Social Media Sites

2.3.2.2 Training & Development Process of Employees

Pathao is an organization made up of young people who are both thinkers and doers. They provide on-demand innovative solutions by means of a fantastic app that we all adore, thereby assisting millions of people and opening doors to new chances. They rely heavily on "On the Job Training" as a consequence of this fact. The vast majority of the time, they desire to work with circumstances or procedures that the majority of people are unaware of. They believe that the only way a person can comprehend what is being taught to them is if they learn by doing it themselves. The company employs a process that is known as "trial and error." The majority of the new employee's education comes from his manager, the members of his team, and his colleagues in the department.

Pathao enables people to learn and develop in a variety of various methods and at a number of different stages.

1. On-the-job Training
2. Formal In-House Training
3. Training by Expert Professionals

For internship or entry-level jobs, On-the-job training is the most effective way for an employee to understand the ins and outs of his work. He will work on his task repeatedly, and as a result, he will become a perfectionist in his professional function. Moreover, he will be directly supervised by his line manager and the employee will report to him during his whole trainee period. Pathao's work method is shown below:

1. After the induction procedure, the Pathao team will welcome a new employee to the department.
2. His managers and coworkers will then instruct him on how to conduct himself on the job and achieve success.
3. In the subsequent stage, the employee will be assigned demonstration tasks to complete with the assistance of their colleagues.
4. He may commit a lot of errors. On the other side, the line manager would not stop urging him to comprehend the notion.
5. If he does not succeed the first time, he will continue until he does.
6. This individual is capable of determining the most efficient approach for him to do his tasks and communicating this information to the team. Because Pathao thinks that all employees are like members of a family who support one another's growth.

2.4 Marketing Mix of Pathao

One of the most important aspects of Pathao LTD's business is the company's dedicated marketing department. This department is primarily accountable for the organization's branding and marketing strategy, as well as its planning and execution, as those responsibilities fall under its purview. The marketing team is responsible for putting the ideas into action once they have been sanctioned by higher management. They, along with a number of other important factors, decide how the different verticals will evolve, what the rates will be, and how much marketing should be spent on each vertical. The different stages of a product's life cycle as well as the various endeavors undertaken to better the product are sometimes included in marketing services.

2.4.1 Significant Function of Marketing Dept.

- ❖ Evaluating data and interpreting what the consumer intends to accomplish
- ❖ Creating an environment that is conducive to the different vertical market offerings.
- ❖ Constantly monitoring the products and markets.
- ❖ Incorporating an evaluation framework into current work
- ❖ Paying strict attention to media relations
- ❖ Maintaining and growing the company's public image and market share.
- ❖ Retaining and increasing the quantity of customer loyalty
- ❖ Collaboration with external entities on the creation of campaigns and the marketing of their products or services

2.4.2 STP Analysis

Pathao entered a business that was notorious for its high level of competition and difficulty. They did an outstanding job of dividing the market into different segments. Because the company is involved in such a wide variety of markets, it is challenging to determine exactly

who the company should target with its marketing efforts. It is essential to emphasize that Pathao Courier is willing to collaborate with any and all e-commerce businesses operating within the country.

Segmentation	Category				
Geographic Segmentation	Area (Division)	Dhaka	Chattogram	Sylhet	Khulna
Demographic Segmentation	Age	16 to 55			
	Gender	Both Male & Female (Young Generation Mostly)			
	Social Class	Middle Class (Both Upper & Lower Middle) to Upper Class of Society			
Behavioral Segmentation	Brand Loyalty	Low to High			
	Tech-Knowledge	Medium Level of Knowledge to Tech Savvy			
	Benefits Sought	Mid-Level to High Level			

2.4.4 Target Consumer Group Analysis

Due to the growth of the country's e-commerce and f-commerce sectors, Pathao's courier services now encompass the entire nation. Pathao Courier can transfer things for small and medium-sized businesses throughout the Bangladesh. Thanks to Pathao, Walton and Minister have been able to ship their items across the country efficiently and fast. Pathao focused its efforts on the three main cities in Bangladesh: Dhaka, Chittagong, and Sylhet. Presently, public transit is unavailable. In spite of the quantity of public transportation in Dhaka, the most of it is in poor condition. Under a same manner, these cities are in danger.

Pathao is resolved to be the finest in these cities, as they require his services. Pathao has only recently commenced operations in Kathmandu. Kathmandu was chosen as the host city since no other choice was available. Kathmandu, a popular tourist destination, is plagued by traffic issues.

The intended audience for this inquiry was adults. Using Pathao, drivers and customers are able to converse. Pathao is advantageous for both its users and those who ride on its back. Only Pathao riders must adhere to the age limit. Pathao has the potential to help both the elite and the middle classes. In Bangladesh, it is becoming increasingly usual to have two classes. Pathao is accessible to both men and women because the service does not discriminate based on gender. Pathao's service requires the use of a smartphone. Smartphone owners are the company's major target market. Pathao will grow in the future if it employs employees who are invested in the company's goals. The new audience must take something away from the performance. With an app, Pathao has far more to offer its users.

2.4.5 Marketing Mix of Business Portfolio

2.4.5.1 Pathao Bikes

Pathao Bikes is a thriving sub-division of Pathao that operates in a manner analogous to those of motorcycle taxi services such as Uber Moto and Go-Jek. You can access it by using the official Pathao app, which is compatible with mobile devices running either iOS or Android. To request a ride, one need only use the appropriate app and specify the locations at which they would like to be picked up and dropped off. The app will display a map with the pick-up and drop-off locations, as addition to providing an estimate of when the ride will conclude and the total cost of the trip. The user enjoys how simple it is to select the precise position, as the UI is straightforward and easy to navigate. In addition to the fact that passengers save a significant amount of time, the costs are acceptable and far lower than those of autorickshaws (Mahbub, 2016). 2016 according to Mahboob. The first two kilometers of the journey cost Tk. 25, and each additional kilometer cost Tk. The prices may appear to be expensive at first look; nevertheless, the benefits of being able to drive more quickly and avoid traffic make them more than worthwhile (Pathao, 2020)

	Initial Fee	Cost Per Minute	Cost Per Km	Service Fee
Pathao Bike	25	0.5	12	0
Uber X	40	3	18	0
Uber Premium	80	3	22	0

Table 3: In-Detail Pricing Chart of Pathao & Uber

When compared to other ridesharing and taxi services, Pathao Rides' per-mile rates are more affordable. Even though there is only room for one passenger at a time on a Pathao Ride, the decreased pricing and increased convenience of this mode of transportation more than makes up for the fact that there is only one seat available. This theory was backed by the fact that Pathao was able to recruit recurrent customers without resorting to expensive advertising initiatives, which lent credence to the first part of the statement. Uber is continuously running promotions in an effort to keep their customers, however issues with their contracted drivers make it tough for Uber to keep its customers. On the other hand, Pathao Rides drivers often only transport a small number of general public clients.

2.4.5.2 Pathao Car

Pathao's Car Plus service is perfect for travelers to Bangladesh who want to travel in the utmost luxury, while Pathao's Car Lite service is ideal for those who want to travel in style but are on a tight budget. A ride in a vehicle that operates on the ride-sharing model costs approximately BDT 300 per trip (IDLC, 2018). When compared to its competitors, Pathao Car stands out for its ability to offer rides that are both comfortable and affordable. At the moment, the Pathao car service is only offered in two of the most important cities in Bangladesh, namely Dhaka and Chattogram.

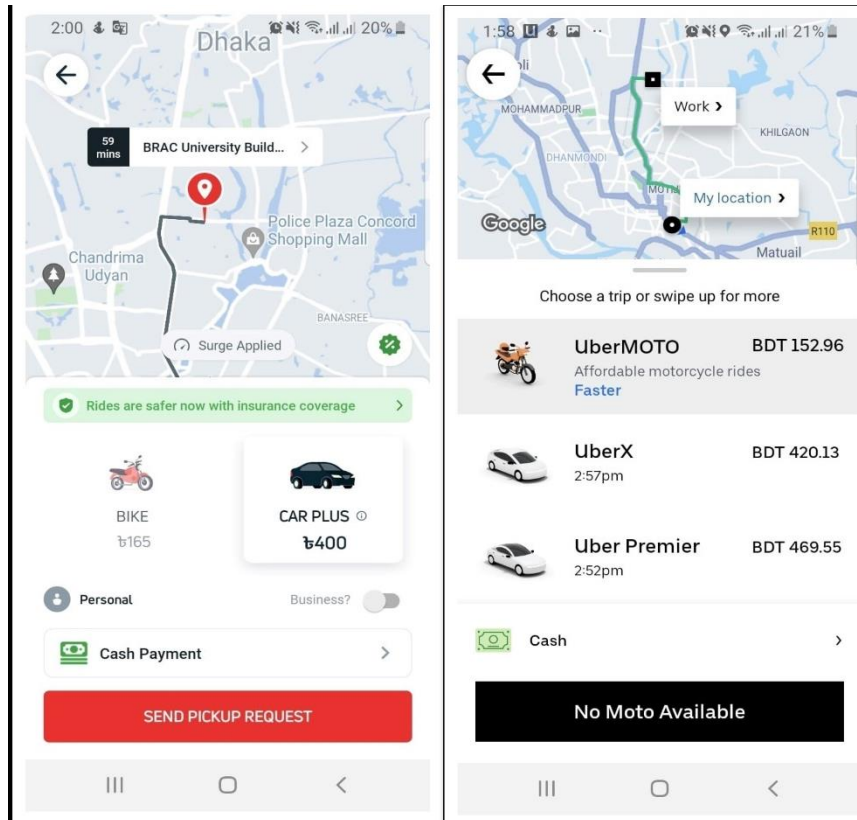


Figure 6: Price Comparison of Uber & Pathao for Same Distance

In figure 3, it is clearly visible that Pathao is charging almost 20-50 taka than Uber X & Uber Premium for same distance.

	Uber X	Uber Premium	Pathao Car
Base Fare	40	80	50
Per Minute	3	3	2.5
Per Km	20	22	19

Figure 7: In-Detail Pricing of Pathao Car & Uber Car

2.4.5.3 Pathao Food

The food delivery service offered by Pathao, which is now available over the entirety of the city, is attracting an increasing number of customers. Pathao's market share is greater than 80 percent, whereas Food Panda, Uber Eats, and Hungrynaki each hold fewer than 20 percent. Pathao holds an eighty percent share of the market for services related to meal delivery (Islam, 2019). The organization, which boasts same-day delivery, collaborates with more than three thousand of the city's dining establishments. In Dhaka, each day sees the delivery of between 20,000 and 30,000 different orders. The typical range for the cost of shipping one item is between tk 50 to tk 70. Every single day of the

year, the distribution networks bring in at least one million Bangladeshi Taka (Islam, 2019). The quantity of orders has been increasing by a tenth of a factor each and every year.

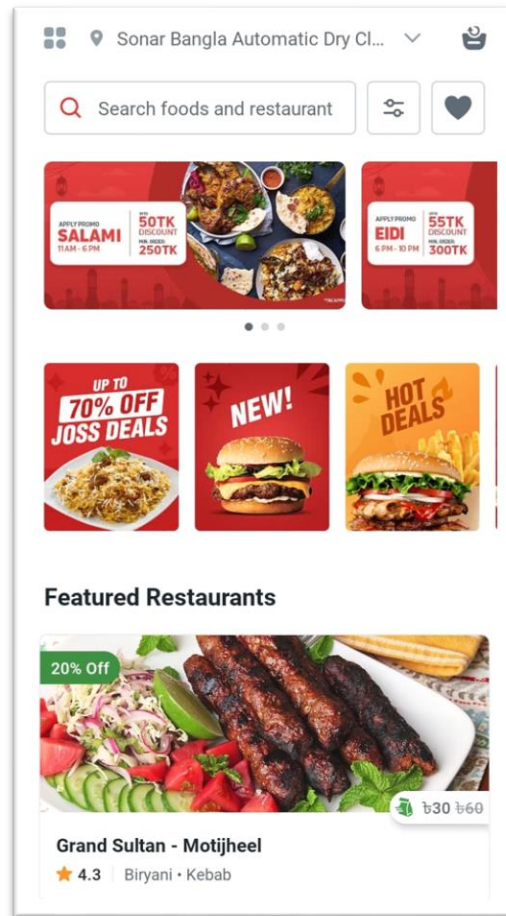


Figure 8: Pathao Food App UI

2.5.4.4 Pathao Parcel

In 2017, Pathao started its "Pathao Parcels" service, which delivers packages in Dhaka in three hours. The biggest package that can be delivered is 12 inches by 12 inches by 12 inches and weighs 12 pounds. Users must choose the products they want from a list of categories that have already been set up. Within three hours, a Pathao rider will show up at the door of the recipient to pick up and deliver the product for BDT 135 (up to 7 kilometers) or BDT 15 (up to 15 kilometers) (for every extra km). When people in a crowded city heard about Pathao's service, they let out a sigh of relief. The service is open from 9 a.m. to 7 p.m., Monday through Friday (except on government holidays).

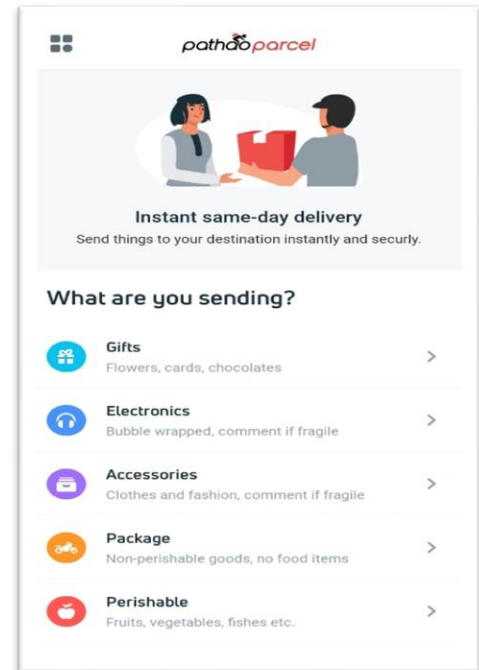


Figure 9: Pathao Parcel App UI

2.5.4.5 Pathao Pay

Pathao has consistently been one step ahead of its competition in terms of its utilization of new technologies ever since the company's founding in 1997. The credit card, ipay, and bKash payment options are now available to users of Pathao's Digital Payments platform, which was released in 2018. Pathao claims that the success of its business strategy can be attributed to the strong relationships it maintains with bKash and card-issuing institutions (2018). Customers have the option of choosing one of the following payment methods in addition to cash:

Pathao Pay was first conceived of as a digital wallet that would allow users to deposit dollars to their accounts as well as pay for Pathao services using the credits they had accumulated. But that

did not turn out to be the case. However, they were not accepted by the Bangladesh Bank, which serves as the central bank for the country. As a result of this, the wallet was temporarily rendered inoperable before being enabled again as a form of cashless payment for a brief period of time. After Pathao Pay has finished meeting all of its obligations under the law, it is anticipated that the service will be restarted.

2.5.4.6 Pathao Tong

Pathao Tong was at first conceived as a shopping service that would enable Pathao consumers to get anything from beverages to sanitary napkins to everyday supplies and have it delivered to their homes. Eventually, however, the scope of the service was expanded to include more than just shopping. It is very comparable to what one may discover in an internet shopping mall. The company brings together sellers of a wide variety of products, some of which are sourced from other online marketplaces, through the use of the same software that it employs for other services, such as transportation, deliveries, and the delivery of packages. The same app that customers use for things like transportation,

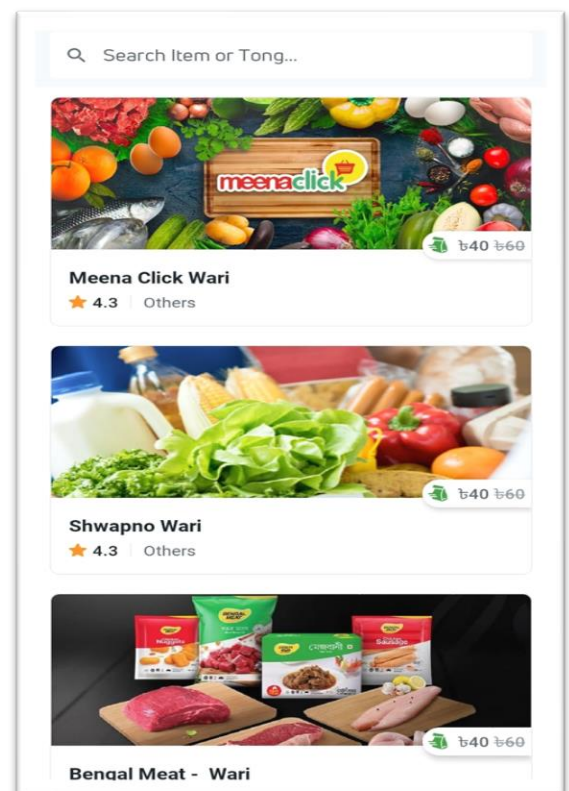


Figure 10: Pathao Tong App UI

deliveries, and package delivery can also be used for shopping by those customers. Pathao is able to simultaneously achieve the following four aims by utilizing this strategy:

1. Providing an additional reason for current Pathao users to continue using the software.
2. Increasing the strength of a channel

3. Increase in the average revenue per customer

4. Expansion

Despite the fact that Tong's operations are currently limited to Dhaka and Chattogram, the company intends to expand the service to additional cities once an e-commerce ecosystem has been established in other major cities of Bangladesh (Kader, 2018).

2.5.6.7 Pathao Courier

Pathao was first established with the goal of assisting businesses engaged in e-commerce and f-commerce with their logistics. Their online retail business became more well-known as a direct result of their unwavering commitment to delivering products to clients in the shortest amount of time possible. They were successful in this endeavor because they relied on uncomplicated means of transportation such as motorcycles and bicycles. The fact that Pathao can now be found in 54 of



Figure 11: Pathao Courier Content

Bangladesh's 64 districts is

evidence that the company is committed to expanding its courier services over the entirety of the country. During the course of the previous year, they worked together with more than 3000 businesses from all over the country to guarantee delivery within 24 hours within the same city and within 72 hours between cities. Pathao courier has differentiated itself from its other competitors in the industry by providing services such as cash on delivery and reverse logistics,

which enable customers to return items that they have purchased. Since the company's inception, Pathao has placed a significant emphasis on providing customers with affordable costs, which is critical for retaining a market advantage. It will cost BDT 60 to deliver a package weighing 500 grams inside the same city, but it will cost BDT 100 to send it to any other part of the country. The difference in weight between the other product groups is only forty to sixty taka.

2.4.6 Promotional Channels

2.4.6.1 In-App Notification

In-app notifications are messages that developers of an app can send to users while they are using the app. They are often used to send people to the right places to increase user engagement, retention, and lifetime value (LTV). When done right, in-app notifications help users find information and make their experience more enjoyable. If you don't use them right, they could make people delete your app.

Pathao sends regular notifications inside the app based on an analysis of how people use purchase points. In-app notifications are usually how customers find out about promo codes, new deals, and discounts. When customers open the app, they will

see this pop-up. Notifications are set up vertically in the Pathao app. For example, if a customer goes to the Bike vertical, he will only see the pop-up for the Bike vertical's promo code. Also, if he clicks on "Food," coupon codes for food will pop up.

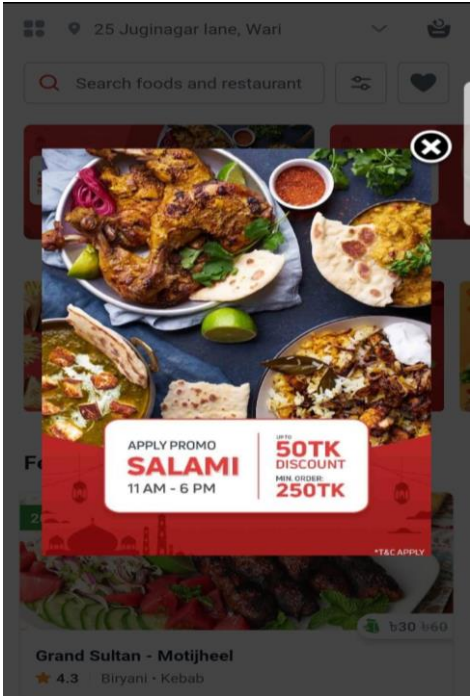


Figure 12: In-App PopUp

2.4.6.2 Push Notifications

Push notifications are pop-up messages that users can click on and that appear on their browsers no matter what device or browser they are using. They are a fast way for businesses to get in touch with their customers and send them messages, special offers, and other information. Subscribers can be anywhere on the browser and still get these messages as long as they are connected to the Internet or have browsers running on their mobile devices.

The Pathao Marketing team sends these push notifications to the mobile devices of clients on a regular basis. All promo codes are shared with customers right away. One benefit of push-app alerts is that users can use promo codes right away by clicking on the push notifications. Most of the time, the title of these push-apps is what gets people to sign up for the service.

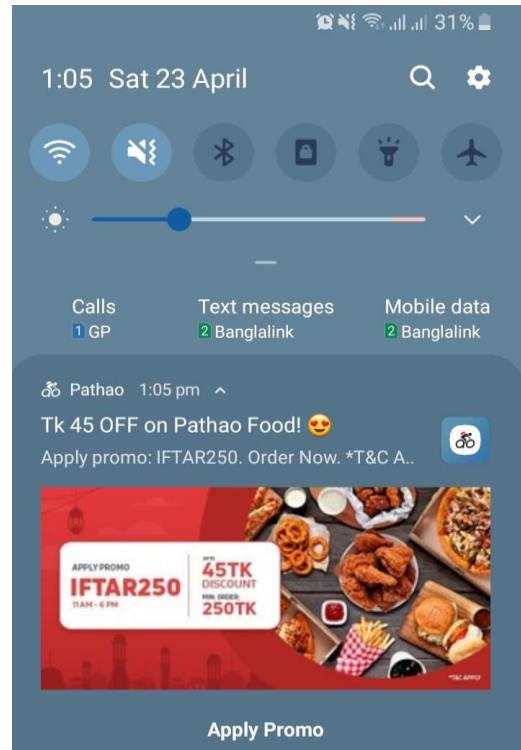


Figure 13: Push Notification

2.4.6.3 SMS Marketing

Text message marketing, also known as SMS marketing, is a form of marketing in which promotional campaigns or transactional communications are sent through text messaging (SMS). The dissemination of time-sensitive information, alerts, and offers to persons who have consented to receive these messages is the fundamental purpose of these communications.

The vast majority of the time, Pathao's customers communicate with one another via

text messaging. The organization routinely sends text messages to customers that contain discount coupons. These communications are transmitted via SMS. A kind welcome is sent to the new Pathao user whenever that person first logs into the software. SMS messages are also given to both the supply side and the demand side in order to keep them abreast of new and ongoing activity. This is done in order to keep the parties informed.

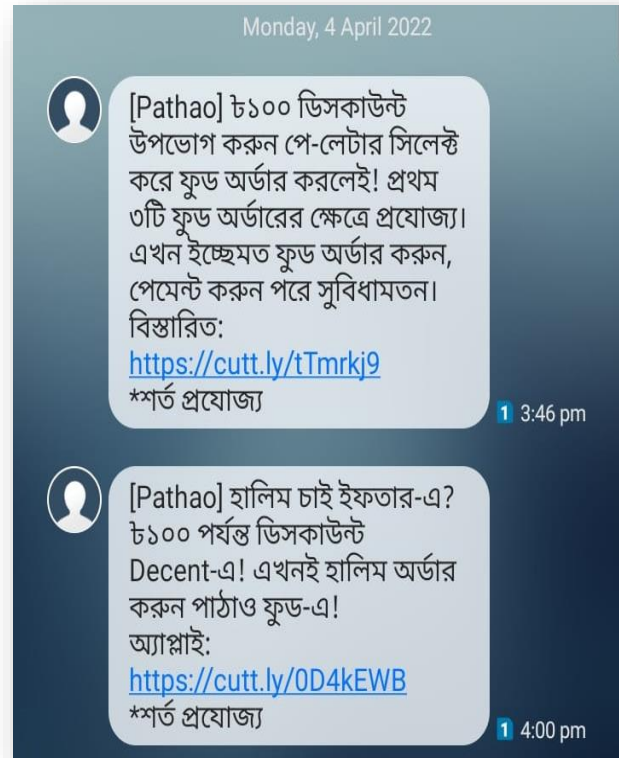


Figure 14: SMS Marketing

2.4.6.4 App Card

When a user searches for offers within an app, the page that displays all of the available discounts and deals at once is called the App Card. Therefore, he will be provided with a list of all of Pathao's suggestions, along with illustrations next to each one. A user has the option of viewing all of the available vertical deals at once or only the discount codes for a single vertical at a time.

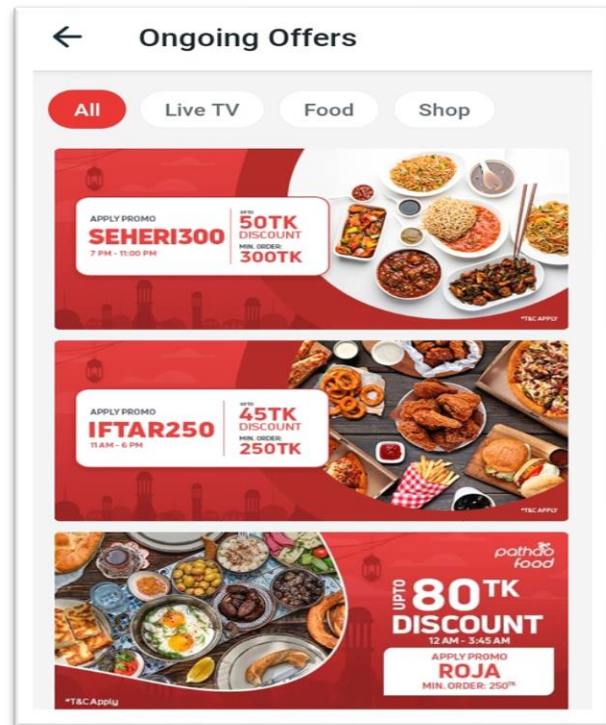


Figure 15: App Card

2.5 Competitive Analysis

2.5.1 SWOT ANALYSIS

2.5.1.1 Strengths

❖ Strategic Partnership

In Indonesia, Go-jek is considered a unicorn startup because to its rapid growth. Pathao's Future After Pathao, Go-Jek Strategic Marriage, 2017; Pathao's Future After Pathao, Go-Jek Strategic Marriage, 2017; Pathao's Future After Pathao, Go-Jek Strategic Marriage, 2017; Pathao's Future After Pathao, Go-Jek Strategic Marriage, 2017). Pathao derives the majority of its funds and strategic counsel from Go-Jek. Despite the fact that Grab and Uber are formidable competitors,

Go-Jek has nearly covered the entirety of South East Asia (Freischlad, 2017). India is one of the greatest marketplaces in the world, and Go-Jek attempted but failed to enter it (Shankar, 2018). Both OLA and Uber India, two well-known ride-sharing firms, experienced challenges with their identical bike-sharing systems. Even if the corporation was unsuccessful in India, its investment in Pathao demonstrates that it remains optimistic in its aspirations to expand in Southeast Asia. Pathao was founded in Bangladesh, where it has become the most popular brand. The company has already established a significant foothold in Nepal, and is currently expanding in Sri Lanka, Bhutan, and even India. In this sense, the agreement between Pathao and Go-Jek could facilitate the expansion of both companies in Southeast Asia. Pathao entered the food delivery industry and created a mobile wallet as a result of Jek's GoFundMe effort (Sharma, 2018). Its user interface has undergone significant changes, and is now much more fluid and less cumbersome. This has improved the whole experience of using it (Dhaka Tribune, 2019). This coalition is poised to break new ground, which is imminent.

Pathao contacted the other two taxi companies immediately after launching their car-sharing company (Corporate News, 2018). Pathao revitalized the taxi industry in the nation by incorporating 350 full-time service provider vehicles into their network.

Pathao and Grameenphone, the Bangladeshi affiliate of Telenor, have agreed to collaborate. This agreement facilitated Pathao's access to over 70 million Grameenphone consumers, which was extremely beneficial. As a result of this partnership, Grameenphone consumers have access to exclusive Pathao promotions. Clearly, this circumstance benefits all parties involved.

❖ **Business Portfolio**

Pathao has created at least 11 different verticals, including ones for cars, bikes, food, parcels, couriers, tongs, and pharmaceuticals, among others. Pathao also offers a mobile application for several mobile platforms. They hold a solid position of dominance across the board in each of these domains. To provide a more in-depth explanation of the scenario, Pathao benefits from having a wide supply and demand base, which enables them to compete favorably with their rivals on the market. In addition to concentrating on the food industry as a whole, Pathao is pouring a significant number of resources into marketing in an effort to maintain its position as a market leader.

The Parcel and Courier service offered by Pathao is one of the company's verticals that has proven to be the most successful and profitable. Pathao Parcel & Courier provides a service that is vastly superior in quality, both in terms of speed and reliability, when compared to its rivals such as RedX, Paper Fly, and E-Courier. It is simple to see how Pathao has been able to distribute its risk across a number of different verticals in a way that is both secure and effective using this method.

❖ **Attract Customer Interest**

From the start, Pathao used the slogan "Moving Bangladesh" to promote their business. Pathao were very proud of being ethnocentric, which was a trait that made them stand out. Pathao offered a referral discount on top of the regular discount, but "promo codes" were the only type of discount that was popular in the industry at the time. After getting money, they went right to work with their main target groups, which included college and university students. To tell students at their different schools about Pathao, they first chose people to be "campus ambassadors." From both the supply and demand points of view, it was a huge success.

The people they want to reach aren't just kids in elementary school. By showing Pathao to older people who don't know much about smartphone apps, the company has made them more appealing. Pathao was able to do something amazing this time. They set up call centers to keep track of how many people were using the app to request bicycles and cars, which they did. During this time, programs to educate consumers are being put in place. After being shown the app more than once, participants became more familiar with it and learned how to use it. Pathao's customer-centered business strategy has helped it make a lot of money.

Most of the people they talked to liked what they did to keep them safe. The program was started to make people more aware of how to stay safe on the road. Pathao was having trouble because of a lot of motorbike accidents, but the public relations for this campaign helped it get back on its feet. Also, marketing campaigns and sales were done based on the seasons. Promotions during big national sports events and around the holidays are two examples. Their "UTHAO" advertising campaign and slogan came from a competition in which the most active Pathao users were given a helicopter ride home during the Eid holidays.

❖ **Recognizing Unmet Demands**

Pathao had good fortune when they were allowed to enter the market. They were the first to share motorcycles in Bangladesh. The year 2016 was chosen since it was the best year ever for motorcycle sales in the United States. Bangladeshis were required to learn about the service because it was novel there. This made it difficult for individuals to learn about and become interested in the service. Pathao, on the other hand, was able to accomplish his goals. In reality, compared to other non-public modes of transportation, the Pathao bike was the most economical option for many individuals (IDLC, 2018). Despite being a significant factor, it was also quite

useful. Pathao bicycles are the quickest, most affordable, and most convenient method to go throughout the city. Average velocity is 16 kilometers per hour.

Pathao was the first company to recognize the market's potential and establish a strong presence.

When the Pathao team launched its food delivery business, they also hit a significant milestone. After partnering with Go-Jek, they rapidly expanded their operation to include meal delivery. They've put themselves in a position to disrupt the food distribution sector with their radically unique method of meal delivery. In 2014, after Food Panda, Hungrynaki, and Harriken went out of business, Pathao was founded. (2017) (Siddiky) Each of them made arrangements with local eateries to promote their products on the website or app of the delivery service provider. An employee of the delivery business picked up the food and delivered it to consumers who ordered it through a mobile app. Each meal delivery company had its own fleet of trucks and employees responsible for delivering clients' orders. In contrast, Pathao has followed in Go's footsteps. Jek's Similar to ridesharing, a nearby interested rider who is willing to deliver the food for a fee based on the cost of delivery is utilized. Pathao's originality and effectiveness propelled the company to the top of the market in less than three months (Future Startup, 2018). Utilizing fewer fixed assets and extending service coverage geometrically allowed them to save expenses and enhance service coverage.

As with any other ridesharing service, Pathao's profitability is highly dependent on the number of users and drivers that are willing to participate. Pathao's earliest and best-known enterprise was motorcycle rental. It was also the most lucrative. The number of individuals who provided motorcycle rides depended on two factors: the number of available motorcycles and the amount of money earned by those individuals. It would have been difficult to operate a business like this if

the city lacked sufficient bicycles and their business plan did not guarantee that ride providers would earn enough money.

Prior to 2015, the motorbike market was declining. After the 2016 tax review, the economy flourished. In 2016, 0.44 million motorcycles were sold, nearly four times the amount sold in 2015. Only 0.25 million motorcycles were sold in 2015. (Sakib, 2018). Thereafter, the sector continued to expand gradually. When a country's gross domestic product (GDP) exceeds 6 percent, auto penetration is generally predicted to increase (Sakib, 2018). The continuous flow of motorcycles provided Pathao with vital oxygen.

Now that there were sufficient motorcycles in the country, the only remaining question was whether or not customers of motorcycles would go for the new Pathao model. Since a CNG auto rickshaw, which is the most common and least expensive mode of transportation in the city, costs an average of 250 taka per trip while a Pathao bike costs just 150 taka per trip (Kamal & Ahsan, 2018), the profit margin for Pathao has always been higher than for CNG auto rickshaws. Pathao drivers earn around twice as much as local workers on average (Future Startup, 2018). We believe this is a lucrative opportunity, and we anticipate your interest. Pathao was able to facilitate the communication necessary for this to occur. They worked diligently from the outset to convince people that doing so would be beneficial to the economy, and the aforementioned circumstances greatly aided them in this endeavor.

❖ **Maintaining a Perfectly Balanced Equation**

Ride-sharing programs are becoming more and more popular, which is helping the motorcycle industry grow steadily (Ahmed, 2018).

Pathao has built and maintained a culture of sharing motorcycles, which is one of the things that makes it stand out from its competitors (USP).

Now that Pathao has enough ways to get around, the most important thing is to make sure everyone gets there safely.

There must be skilled drivers and good public transportation options, and the options must be easy enough so that drivers don't feel like they have to drive every day or lose motivation to do so. Pathao has set up a lot of registration and training centers in Dhaka. After making sure that their car works well and that they have a valid driver's license, drivers are given training on how to use the platform and how to talk to customers.

To keep everyone safe, reviews of ride fitness and other documents are done every year. Also, the review system requires that drivers talk to customers in a professional way. If they don't, they won't get enough trips because their rating will be too low.

Pathao used to pay drivers a big chunk of the ride revenue. Now, Pathao only gets 20% of the ride revenue, and drivers will no longer be able to get promotional discounts. Instead, they will get full payment based on how far they drove and how long they had to wait for a ride. So, the drivers started giving great service with a lot of heart.

Also, drivers were given bonuses if they met certain goals within a set amount of time. This method led to the best word-of-mouth among transportation companies, and it was later found that drivers

were happy when they reached their goals. Because of this, Pathao has one major benefit: it has built a "brand image" on the supply side.

Pathao has a hard time keeping peak hours, which are very important in the morning when schools and offices open and in the evening when they close. Pathao uses a similar method, giving customers an extra percentage and an incentive if they meet certain requirements during peak hours. Riders and service providers were both happy with how things turned out because there was enough supply during peak times.

2.5.1.2 Weaknesses

❖ Rely on One Single Partner

Pathao's most recent organizational shifts and investments are almost entirely reliant on Go-jek, which is the only investor in the company, and the success of Pathao is contingent on Go-jek's. The firm has benefited from the partnership, but it is also riddled with risks and should be approached with caution. Due to the fact that Pathao is dependent on just one partner, it is highly likely that the band will not be able to proceed (Hall, 2011). Pathao is dependent on a single source of revenue, hence investor relations play an increasingly important role in the company's overall growth plan. If the relationship with the investor is broken, it is possible that the company will not be able to grow.

❖ Dubious Riders

A number of bikers have made the decision to give up their vehicles in favor of using bike sharing programs. Instead, they are developing unofficial waiting areas and reaching unofficial agreements with customers over how to traverse the system. Pathao has a big challenge that must be surmounted before he can achieve success. This is due to the fact that the revenue generated by

the company comes mostly from its bike-sharing program. These unofficial agreements are meant to set a maximum revenue cap for the company's bike-sharing program so that it can better forecast its financial future.

❖ Assuring Adequate Safety

Bangladesh's ride-sharing industry is in high demand, all the more so given the city's dense population. The establishment of companies such as Pathao has resulted in a dramatic increase in demand for motorcycles and motorcycle drivers over the last two years. In 2010, Dhaka had approximately 210,000 motorcycles registered (Antara, Shoddy helmets put ride-sharing passengers at risk, 2019). However, since 2017, when ride-sharing services such as Uber and Pathao began operating in Bangladesh, the number has increased dramatically. The figure increased to 616,641 in 2018. (Antara, 2019; Shoddy helmets endanger ride-sharing passengers). The traffic in Dhaka is infamous for its disorganization. On a regular basis, lengthy tailbacks result in gridlock. The implementation of Pathao in Dhaka has resulted in an increase in traffic congestion and unruly management.

Given the city's population, it's not surprising that the ride-sharing industry in Bangladesh is quite popular. Since the inception of companies such as Pathao,



Figure 16: News Report on The Daily Star

the demand for motorcycles and riders has increased dramatically. In 2010, approximately 210,000 motorcycles were registered in Dhaka. (Antara, Defective helmets endanger ride-sharing users, 2019) Since 2017, when ride-sharing services such as Uber and Pathao began operating in Bangladesh, however, the number has increased dramatically. In 2018, there were 616,641 individuals. (Antara, 2019; Poorly constructed helmets place ride-sharing service users in danger.) Dhaka's notoriously hectic traffic is well-known. Long tailbacks nearly invariably result in traffic congestion. Since Pathao was implemented in Dhaka, traffic has worsened and administration has become more disorganized.

When there are many automobiles on the road, bikers frequently disobey traffic laws, causing conflicts amongst motorists. In addition, passenger buses operate day and night in Dhaka, while trucks and trailers are visible from dusk till dawn. In Dhaka, there have been numerous collisions between motorbikes and buses during the past two years. Hundreds have been injured and dozens have perished. According to the Accident Research Institute, 53 people died and 19 were injured in 48 motorbike incidents in 2017. (2018). From July 2018 to April 2019, four fatalities using Pathao motorcycles occurred. In each of these collisions, the passengers perished, and in one, the rider perished as well. In addition to risky driving, Pathao riders have also been found to have violated traffic regulations.

Pathao will have difficulty finding professional and experienced motorcyclists to hire now that demand is so high. In the coming years, Pathao will have to exert significant effort to maintain its high level of service.

2.5.1.3 Opportunities

❖ **Developing Industry**

The Gross Domestic Product of Bangladesh is Currently Expanding at a Rate of 7.86 Percent Per Year (GDP). In addition, an article from 2018 published in the Dhaka Tribune stated that the country's total output was made up of 56 percent of the services sector. The transition to a digital economy is currently taking place in Bangladesh, with the nation's aim being to be entirely digital by the year 2021. More and more businesses are turning to the assistance of third-party logistics providers in order to transport their wares to the end consumers and clients. As a consequence of this, it is anticipated that the ride-hailing industry will experience significant expansion in the robust economy of Bangladesh in the not-too-distant future. As part of its strategy to expand across the globe, the Indian ride-hailing startup Ola is interested in entering the market in Bangladesh. An article titled "The Indian ride-hailing app Ola has entered the Bangladesh market" was published by Future Startup in the year 2018. There is a significant amount of room for improvement in Pathao's services by investing more money in the development of new technologies.

❖ **Increasing Demand for Ride-Sharing**

When traffic is at its worst, between the hours of 8:00 a.m. and 11:00 a.m. and 4:00 p.m. and 9:00 p.m., motorcycles are the most effective mode of transportation for avoiding congestion. During these times of increased activity, there is a surge in the demand for ride-sharing services. It is anticipated that the unemployment rate will continue to decline in Bangladesh, which is a nation

where the economy is thriving. Because of this, there will be a rise in demand for ride-sharing services in the future as a result of the growing prevalence of their use by service providers.

❖ **Strategic collaboration with E-Commerce companies.**

As was just mentioned, companies are increasingly relying on third-party logistics to deliver their wares to end users. This is the case with traditional stores as well as those that are run entirely online. Pathao is currently collaborating with a number of well-known e-commerce companies to develop strategic alliances, one such company being Kiksha.com. More than \$17 billion was generated in sales by the e-commerce business as a whole in 2017, and it is anticipated that the industry will continue to experience expansion in the years to come. Therefore, Pathao has a great deal of potential to increase its share of the market for logistics services.

❖ **Promoting the Adoption of Pathao by Female Consumers**

Given that the proportion of males to females in Bangladesh's population is quite close to being equal, just 10% of Pathao's users are female (Trading Economics, 2016). During the year 2016, (Trading Economics) the current year is 2017; (Freischlad) The company needs to do a better job of targeting female clients in Bangladesh if it wishes to continue on its current path of success.

2.5.1.4 Threats

❖ **Strong Competition**

There are a number of companies that compete with Pathao, such as Uber, Foodpanda, Hungrynaki, and OBHAI. If there is more competition in the industry, the rates that are paid by the sector could eventually go down. When there are more platforms available to drivers and

passengers, the overall cost of transport will go down, making it more accessible to more people. To keep one step ahead of the competition and preserve its position as the industry leader, Pathao will need to make substantial efforts. As a result of increased industry rivalry, Pathao will find it increasingly challenging to keep both their customers and their employees happy. This action may put Pathao's ability to generate income and maintain its position as the industry leader in the ride-sharing industry in jeopardy.

❖ **Not Developing a Microservices-Oriented Architecture**

Because each of Pathao's products generates enormous amounts of data on a daily basis, the firm made the decision at the beginning of 2018 to move away from a design that consisted of a single piece. The transformation not only made the database easier to use, but it also made data coherence and scalability, two issues that had previously been inevitable, a primary concern for the company. In order for the platform to reach its full potential, each service needs to be unified and scalable. Aside from that, they have to be able to work with a very wide variety of different devices.

❖ **Legal Obligations by Regulatory Authority**

The Bangladesh Road Transport Authority (BRTA) took a long time to draft the "Ride-Sharing Business Act" in Bangladesh. Concerns have been raised about a number of aspects of this legislation. Dhaka's new app-based ride-sharing services are being regulated more than supervised, according to drivers, owners, and even some entrepreneurs. Regulating the sector has also undermined the competitive environment and led to the establishment of an oligarchy dominated by the largest firms. Passengers and businesses alike are dissatisfied with many aspects of this law. Customers have also called for more measures to protect their personal information. As a result, Pathao will face serious threats from all of its stakeholders as a result of their concerns.

2.5.2 Porter's Five Force Analysis

2.5.2.1 Rivalry Among Competitors

The degree to which enterprises within an industry exert pressure on one another and restrict one another's profit potential is referred to as the intensity of competition among competitors. When competitors are fiercely competitive, they will strive to deprive one another of profit and market share. As a result, the profit potential of all industry businesses is diminished.

Rivalry among competitors in the ride-sharing industry is so high. Though Pathao has 12 verticals but mostly the company is concentrating on 5 verticals; Bike, Car, Food, Parcel and Courier. So,

- The main competitor for bike and car vertical is Uber. Uber is multi-national company and it has a strong brand presence in every country. So, Pathao has to participate in a strong competition with Uber in these verticals.
- On the other hand, Foodpanda and Hungrynaki are dominating the food delivery business industry and spending a huge amount of money in promotional activities.
- Also, courier companies like RedX and Paperfly are also performing really well. As a result, the level of competition in all verticals is so high for Pathao.

Customers who are dissatisfied with well-known brands are an easy target for competitors because there are relatively minimal costs associated with switching brands. When rival enterprises are operating in the same market, offering items that are comparable to one another, and profiting from rapid industry expansion, there is a greater likelihood that aggressive conduct may emerge. In light of all of these concerns, Pathao's existing commercial competitiveness presents a formidable obstacle to overcome from a strategic standpoint.

2.5.2.2 Supplier Power

Businesses can be put under pressure by their suppliers when those suppliers raise prices, lower product quality, or reduce the quantity of products available. The capacity of the buyer to generate a profit is directly proportional to the degree to which the supplier possesses strong bargaining power within the industry. A powerful supplier has the potential to exert pressure on purchasers by raising their prices, lowering the quality of their products, and reducing the quantity of those things that are available. The power of Pathao's supply is unparalleled. The reasons are:

- The supply side are not recruited on contract basis rather they work on freelance basis. So, Pathao does not bear any legal binding on them. As a result, it is often seen that drivers or riders start to protest with their unjustified claims.
- Moreover, they have alternative workplace to work on. For example, they can easily want to register themselves in Uber or give food delivery in Foodpanda platform.
- The suppliers' opposition to Pathao is bolstered by their sheer numbers and considerable demand for their wares.
- Pathao's position is bolstered by the suppliers' initial failure to integrate and compete in that market.
- Pathao's position against suppliers is rapidly consolidated as a result of the suppliers' lack of experience, market competency, and price sensitivity.

2.5.2.3 Buyer Power

Buyer negotiating power is the amount of pressure that customers put on businesses to get high-quality products at fair prices and good customer service. This factor has a direct effect on how well Pathao can reach its marketing goals. Strong negotiating power lowers profits and makes the

market more competitive. When buyers don't have enough power, there is less competition in the market, which is good for Pathao's growth and ability to make money.

There, the buyer has great bargaining power over Pathao, for the following reasons:

- It is considered in the ride-sharing industry that customers rarely care about the price rather they care about the time. So, they will choose that platform which connects him/her with the rider as soon as possible.
- Moreover, a general tendency among users has been observed by me during working at Pathao that is any user does not get connected with a rider in a few minutes, he will switch to competitor platform and he becomes a churn customer because he starts to use only the competitor platform for future rides.
- Their bargaining power against Pathao has risen as a result of their concentrated consumer base.
- Buyer power is great because there are so many buyers but there are also so many sellers.
- Buyers' negotiating power improved when switching costs decreased
- The capacity of corporate clients to perform backward integration strengthens their market position. Through backward integration, customers can demonstrate their potential to build their own courier services rather than relying on Pathao.
- Consumer bargaining power was reinforced by price sensitivity, thorough market information, and standardized products.

2.5.2.4 Threats of Substitutes

The presence of an alternative product in the market that customers can buy in place of the one that the industry now provides is an example of a threat of substitute. A product that is

manufactured by a different industry but provides benefits that are comparable to those provided by the product produced by the firms in the original industry is considered to be a substitute product.

The competition that Pathao faces from similar dishes is significant. The reasons are:

- The substitute of ride-sharing can be public transports like bus, minibus and water-taxi. Also, there are options for autorickshaw, rickshaw and taxi. So, users can easily switch to substitute product.
- The price of existing substitute product is really low. So, any kind of disrupt in ride-sharing platform will switch the users to substitute products.

2.5.2.5 Threat of New Entrance

The possibility that new companies will enter an industry and pose a threat to the existing companies in that industry is known as the "Threat of New Entrants." As a direct consequence of this, a prosperous industry will draw an increased number of competitors who are eager to cut into the profits. Existing players are at risk in a market where there are few or no barriers to entry for new competitors. This type of market is characterized by low barriers to entry. Reduced profit margins are the result of increased competition or an increase in production capacity that is not accompanied by an increase in consumer demand.

The threat of new entrance is low for Pathao. The reasons are:

- The ride-sharing industry is already a red-ocean industry. Uber and Pathao are the market dominators in this industry. So, any new company will not be interested to invest.
- The existing companies like Uber and Pathao have already created a strong loyalty among others. Turning this loyalty to any new company will be really hard.

- The required investment amount to enter into this market is so big. Any small company cannot afford to invest this huge sum of money to enter into this market.
- Pathao will see limited competition from new entrants if the existing regulatory environment imposes one-of-a-kind entry obstacles on new enterprises. In this instance, new entrants may face onerous, time-consuming regulatory procedures, deterring some from entering the market.

2.6 Accounting Principles & Financial Performance

Using accounting principles correctly can also assist management in identifying the critical areas in which the company should concentrate its efforts in order to maximize operational efficiency and profit margins in order to ensure the organization's long-term financial viability and sustainability.

Pathao LTD is not an outlier when it comes to the world of business. In order to improve operational efficiency and assist management in decision-making processes, Pathao LTD's Finance & Accounts Department is critical. Currently, the department is under the supervision of the Chief Financial Officer, who has complete control over the organization and its operations.

In order to achieve the highest level of precision and transparency possible, the company conducts two types of audits:

- Internal audits
- External audits.

Every year, the Internal Audit and Compliance department is in charge of conducting operations audits for the organization's various departments and divisions. A yearly external audit is carried

out to ensure that everything is running smoothly. Three auditing company profiles have been submitted to the Ministry of Commerce for consideration, and they will be considered by them. Following that, the CEO selects a single business to be subjected to the audit, which is overseen by the Ministry of Commerce and Industry (MOCI). Because of this structure, it is possible to conduct a financial and management audit on the company's financial and management data. So Pathao LTD follows International Financial Reporting Standards (IFRS), which have been approved by the International Financial Reporting Standards Board (ICASB), as well as Bangladesh Accounting Standards (BAS) and International Financial Reporting Standards (IFRS) as a result (IAS).

Financial Ratio Analysis (Proxy Company: UBER)

As a privately owned company, Pathao LTD does not disclose its financial information to the general public.

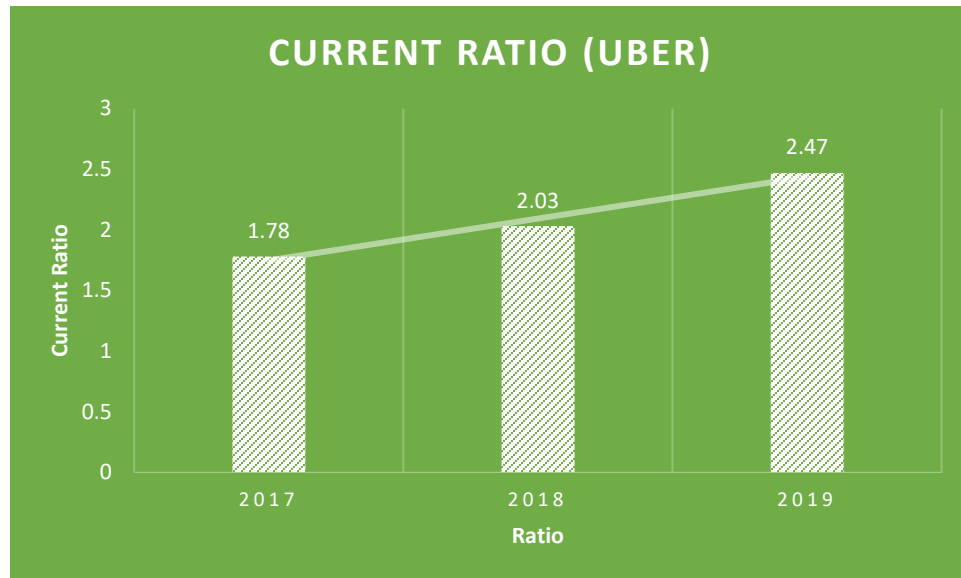
As a result, I explored Uber as a potential competitor in the same industry. Uber's financial performance over the past three years was evaluated using a precise set of parameters focusing on liquidity, asset management, debt management, and profitability. In addition, I included the years 2017 through 2019 in the ratio analysis, since the pandemic did not begin until 2020. To evaluate performance, the following ratios were calculated:

2.6.1. Liquidity Ratios

2.6.1.1 Current Ratio

Current ratio, also known as working capital ratio, is a financial statistic that gauges a company's ability to satisfy its annual short-term financial obligations. This ratio compares the overall weight of current assets to the overall weight of current liabilities. It is calculated using the following

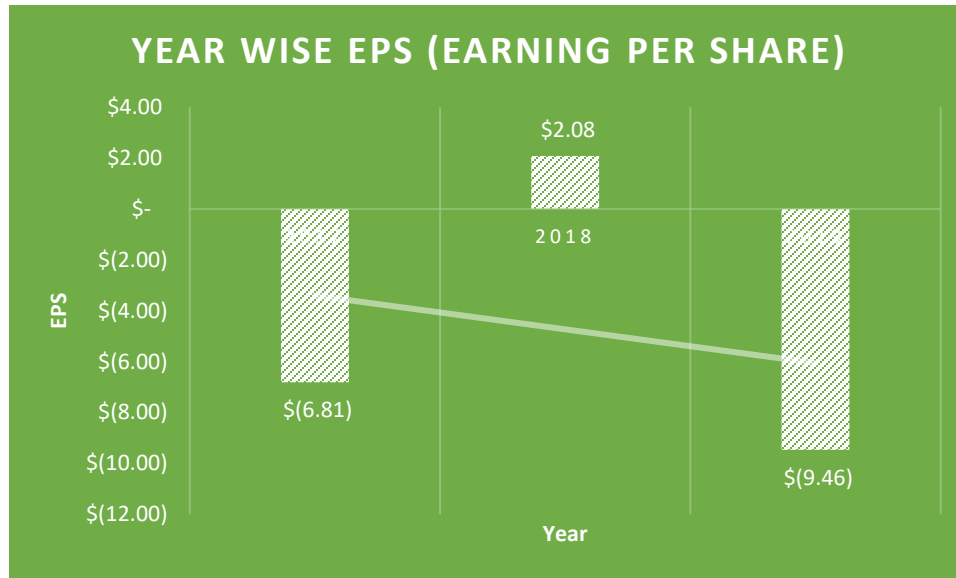
formula: It illustrates a company's financial health as well as how it might maximize the liquidity of its existing assets in order to pay off its debts and payables in the most efficient manner.



In general, a current ratio of 1.5 to 2 indicates that a company's current assets are sufficient to meet its current liabilities. Its current ratio of 1.78 was positive and higher than the industry average in 2017, indicating that the company was doing well. In 2018 and 2019, the current ratio increased significantly, reaching 2.03 and 2.47, respectively. Uber has sufficient current assets to cover its short-term obligations, as evidenced by this figure.

2.6.2 Earnings per Share (EPS):

Earnings per share (EPS) is a ratio that measures the amount of net income earned per share of a company's stock, and it is often used to estimate the worth of a company. The bigger a company's EPS, the greater its profitability and worth.

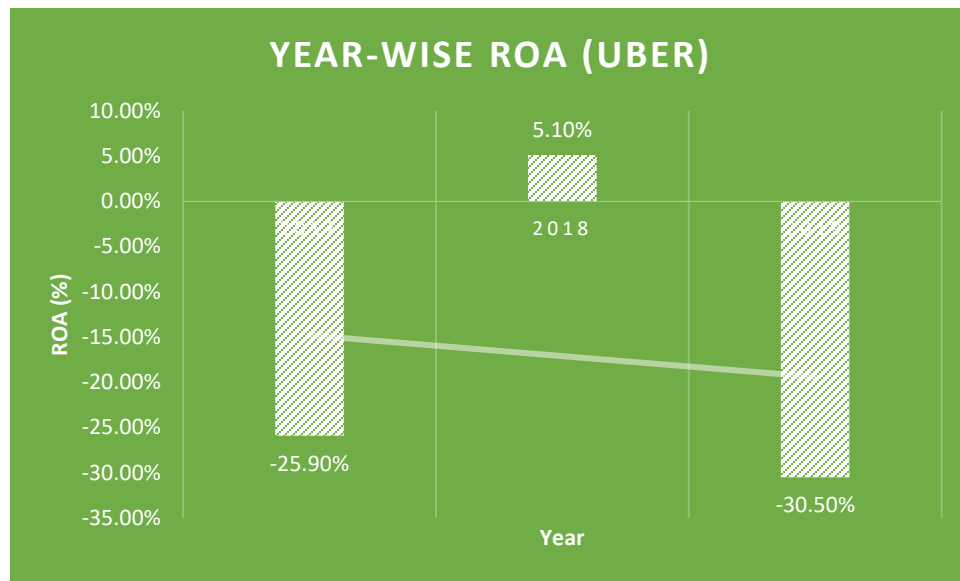


The company's earnings per share (EPS) was negative in 2017 as a result of significant losses. The preferred dividends paid to preferred owners in 2018 were made up of the minor profits generated in the year. In order to calculate earnings per share, this amount must be subtracted from net income. The company's earnings per share (EPS) for 2019 were negative as a result of significant net losses. Over the last three years, the company's earnings per share (EPS) have been consistently low, indicating that it is not profitable.

Due to high operating expenses, Uber's overall profitability is suffering as a result of these expenses. An indicator of competitive advantage is profit share, which is a company's share of overall industry profits. According to this concept, if an industry is not profitable, gaining a competitive advantage is impossible (Coulon, 2019).

2.6.3 Return on Assets

Return on assets (ROA) is a profitability ratio that gauges the earning potential of a company's assets (Coulon, 2019). In other words, it compares the profitability of a corporation to its overall assets. The greater a company's ROA, the more profitably it manages its total assets.



According to the ROA calculation, the company's profitability in 2019 and 2017 is exceptionally low, as both ROAs are negative. The return on assets is only positive for one year, and profitability is robust in 2018. The corporation's assets are unprofitable. In 2017, the company's return on assets (ROA) was negative, but in 2018 it increased significantly from negative 25.9 percent to positive 5.1 percent. This is because the company experienced a significant loss in 2017, resulting in a negative return on assets (ROA). Operating expenses exceeded sales and other income, resulting in a significant net loss. In 2018, the company's revenue exceeded its operating expenses. Therefore, the company's return on assets (ROA) was positive, since it earned income efficiently from its assets. In 2019, the return on assets was negative by 30.5%. (ROA). This was due to

substantial operational expenses exceeding revenues, resulting in a net loss and a poor return on investment (ROI).

2.6.4 Leverage Ratios



The leverage of a firm is determined by its debt ratio. It represents the amount of debt a company has to support its assets as well as its ability to meet its liabilities with assets. Frequently, the optimal rate is 0.4 or below. In 2017, Uber's debt ratio was 0.76, significantly higher than the industry average of 0.57, indicating that the majority of its assets are financed by debt. Uber's debt ratio reduced to 0.72, but remained above the recommended level. In 2019, Uber's debt-to-equity ratio improved considerably. 0.52 suggested that the debt-to-equity ratio was acceptable. In other words, Uber has the optimal mix of equity and debt finance to raise market value while minimizing capital expenditures.

2.6.5 Predicting Bankruptcy Risk

The financial woes of a corporation can be predicted using the Altman Z-score model (Altman & Hotchkiss, 2010). It has the power to predict a company's demise in the next two years. With five financial ratios, the model calculates a company's insolvency risk within two years.

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

Ratio of Z-Score	Formulas	2018	2019
A	$\frac{\text{Working Capital}}{\text{Total Assets}}$	0.0907	0.2609
B	$\frac{\text{Retained Earnings}}{\text{Total Assets}}$	0.1951	0.5152
C	$\frac{\text{EBIT}}{\text{Total Assets}}$	0.1951	0.2479
D	$\frac{\text{Market Value of Equity}}{\text{Total Liabilities}}$	4.46133	3.0794
E	$\frac{\text{Working Sales}}{\text{Total Assets}}$	0.335	0.4454

Table 4: Z-Score Table

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

Table 5: Probability of Bankruptcy Table Ratio

Recovering Zones - $1.81 < \text{Grey Zones} < 2.99$ - Safe Zones

Uber's insolvency risk in 2019 is unprecedented, according to Altman Z-Score ratios. 1.07 was less than the closing price of \$1.81, signaling that Uber was on the edge of bankruptcy. Despite this, the organization achieved a 3.54 score in 2018. This result is alarming because it exceeds the allowed limit of 2.99. Due to the company's financial stability, there was no possibility of bankruptcy.

Chapter 3

Project Part: Preference of Generation-Z towards Ride-Sharing Service vs Mass-

Transportation in Dhaka

3.1.1 Introduction

Sustaining economic and social growth demands a suitable infrastructure and services for transportation. Globalization necessitates the development of more efficient transportation networks to reduce travel times and costs. One of the integration initiatives mentioned in the 2013 National Integrated Multimodal Transportation Policy (NIMTP) is to promote more sustainable travel options and to minimize travel demand through coordination of transportation and physical planning at the national, regional, and local levels (NIMTP, 2013). One of the key characteristics of is that it uses less expensive solutions to ease traffic congestion that are effective immediately (RSTP, 2015).

In Bangladesh, demand responsive transportation (DRT) services, more commonly referred to as ridesharing services, are a relatively new concept. While traditional on-demand forms of transportation such as automobile or truck rental have long been available in Bangladesh, ride-sharing services powered exclusively by technology did not become available until 2016. Numerous domestic and foreign ride-hailing businesses are now operating in Dhaka and Chittagong, Sylhet and other large district areas including Pathao, Uber, Obhai (Daily Star, 2019)

The metropolitan region of Dhaka divided into various precincts - the old downtown, newly developed places, developing areas, and satellite towns – each with its own particular social and cultural traditions and income discrepancies. These factors affect demand for (or transportation

services) and, as a result, the proliferation of various vehicle types. The lowest income group is heavily reliant on low-cost modes of transportation, which include non-motorized vehicles.

The expansion of mass transit has been limited to bus service, which has been unable to keep up with the Dhaka's rapidly rising transportation demand. Since its inception in the pre-independence era of Bangladesh, the government-owned public transportation bus service BRTC has steadily declined in terms of both quality and quantity due to management and maintenance concerns. Additionally, private sector bus operators were unable to provide required public transportation services due to fragmented ownership, a lack of coordinated control, poor maintenance, traffic congestion, and excessive overcrowding, among other factors that resulted in excessive wear and tear and premature failure.

3.12. Statement of the Problem

Generation Z (or Gen Z), which is included in the youthful age profile of the consumer segment, spans the years 1996 and beyond. Generation Z, who will be the most dynamic actors in the retail industry over the next five to ten years, can be defined as an unaffected mass by traditional sales and marketing operations. As a result, it is critical to comprehend the definitions and characteristics of these individuals in each sector, as this generation will dominate the future.

All marketers expect that the Gen Z lifestyle emphasized living fully. They embraced the philosophy of spending more and conserving less while remaining present-oriented. When their wallets are examined, it can be observed that they frequently spend on entertainment, fashion, and similar items.

Ride Sharing Services is a new invention in the private sector that utilizes mobile applications via digitalization. It was launched in Dhaka in late 2016. Due to the ease of using Ride Sharing

services, people are becoming interested in them due to the city's lack of appropriate public transportation and hassle-free and smooth mobility. However, the pandemic has compelled them to abandon this way of life. Gen Z has begun to take financial matters more seriously, as evidenced by increased spending on healthcare, insurance, savings, and investing. So, it remains vague whether the gen Z will fully embrace a bit expensive ride-sharing business for enjoying comfort? Or, will they embrace traditional bus transportation service like Gen X or Y as a money-saver option? What will be the future of bus transportation service after 20-30 years if the usual over spending and less save behavior of Gen Z remains same?

3.1.3 Objective of the Study

3.1.3.1 Primary Objective:

- ❖ To assess the degree of usage of the ride-sharing service and bus transportation system by the Generation Z in the upcoming years.

3.1.3.2 Specific Objectives:

- ❖ To find out how much Gen Z will be interested to spend their hard-earned money on transportation.
- ❖ To find out whether Gen Z will follow the Gen Y's money saving tendency or continue with their current less savings tendency.
- ❖ To assess the current opinion and preference of Gen Z regarding the current bus transportation and ride-sharing service especially Pathao.
- ❖ To assess how much expensive Pathao's services are according to the Gen Z current consumers.

3.1.4 Literature Review

Online-based businesses are gaining popularity due to their global acceptance, ease, and distance reach, as well as their capacity to verify products and pricing with real-time replies and operations. The adoption of e-business tools and strategies has enhanced this sector's success rate (Lal, 2005). Additionally, ride-sharing app-based services have reduced the number of automobiles and traffic, resulting in a reduction in workforce productivity hours (Giampapa, et, al. 2017). Ride-Sharing businesses have incorporated mobile phone internet and other forms of social networking into their real-time customer service (Chan, N. D., & Shaheen, S. A. 2012).

At the moment, dynamic and online-based ride-sharing has brought service holders and providers together on short notice, resulting in a slew of benefits such as decreasing the stress of owning an excessive number of personal automobiles, maintenance, congestion, and cost. Additionally, this is beneficial in terms of creating new employment opportunities, particularly on a part-time basis, for students and college-going masses (Agatz, et, al. 2012). In recent years, various ride-sharing businesses have led the road for entrepreneurs to investigate the prospects and benefits associated with the internet and online marketing. The public transportation sector is extremely vulnerable, and many people suffer greatly as a result (Andaleeb, Haq, and Ahmed, 2007). However, with the progress of contemporary transportation systems, the current picture has shifted. Uber contributes positively to the growth of huge popularity among the young and middle-aged generations, hence altering the transportation landscape in Bangladesh (Kumar, Jafarinaimi, and Bin Morshed, 2018). Lewis (2014) forecasts a decline in mainstream markets as purchasers seek exclusivity in his study of Generation-Z. This is because the internet and mobile communications enable both market exclusivity and fragmentation, as well as business access. According to Hellen Katherina, Executive Director, Head of Watch Business, Nielsen Indonesia, Generation-Z has radically

different habits than previous generations, and even at a young age, they exert a significant influence on family purchasing decisions.

3.2 Methodology

A survey on 50 Gen-Z respondents has been conducted on their daily usage of transportation and transportation cost. To specify, 20 respondents belonged to Dhaka, another 20 respondents from Chattogram and rest of 10 were from Sylhet. They were be asked about their current transportation spending and future preference when they would enter their professional career and start to earn money. The responses were collected via a online response collection form of Google platform (Google Form).

The primary data has be collected while employed at Pathao in the Marketing department, specifically in the Digital Marketing team. The primary data sources were as follows:

- A summary of the survey responses.
- Limited use of current demographic program usage data from the company
- Personal observations and analysis

Profile of the Respondents

Variable	Category	Frequency	Percentage
Year of Birth (Generation-Z)	1997 - 2000	21	42%
	2001 - 2004	12	24%
	2004 - 2006	6	12%
	2007 - 2009	4	8%
	2010 - 2012	7	14%
Present Address (Division)	Dhaka	20	40%
	Chattogram	20	40%
	Sylhet	10	20%

Start of Professional Career	Yes	32	64%
	No	18	36%
No. of Times Travel Daily Outside of Home	1	7	14%
	2	20	40%
	3	20	40%
	4	1	2%
	4+	2	4%

Table 6: Respondents Profile; At a Glance

To figure out the spending habit and preference regarding transportation system by Gen-Z,

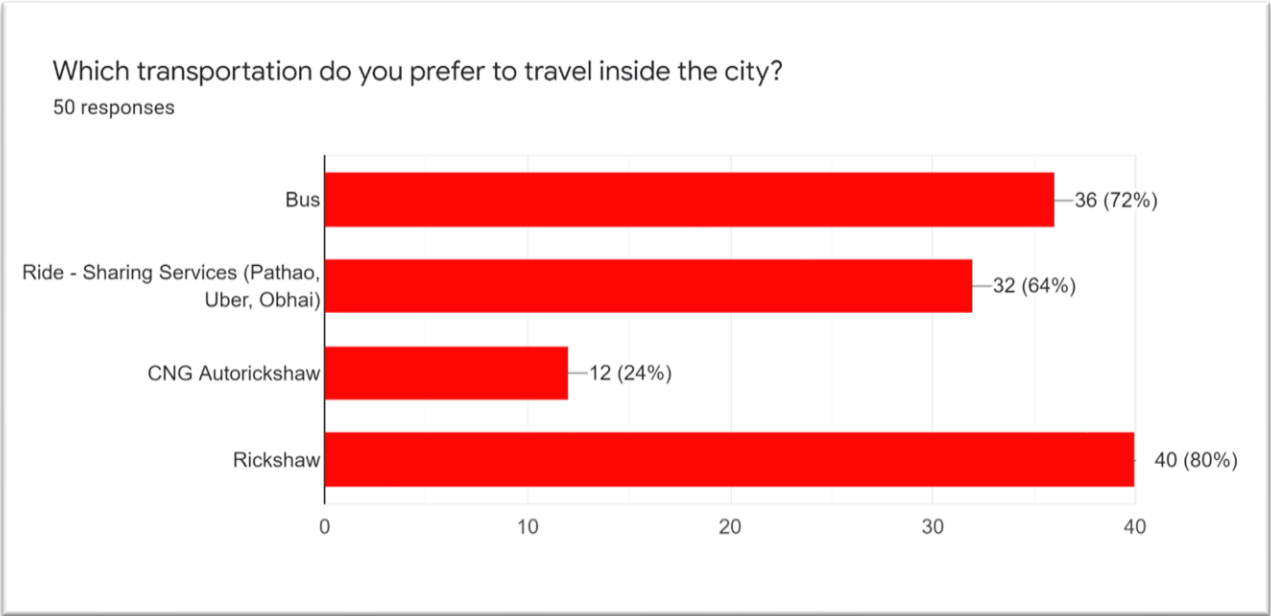
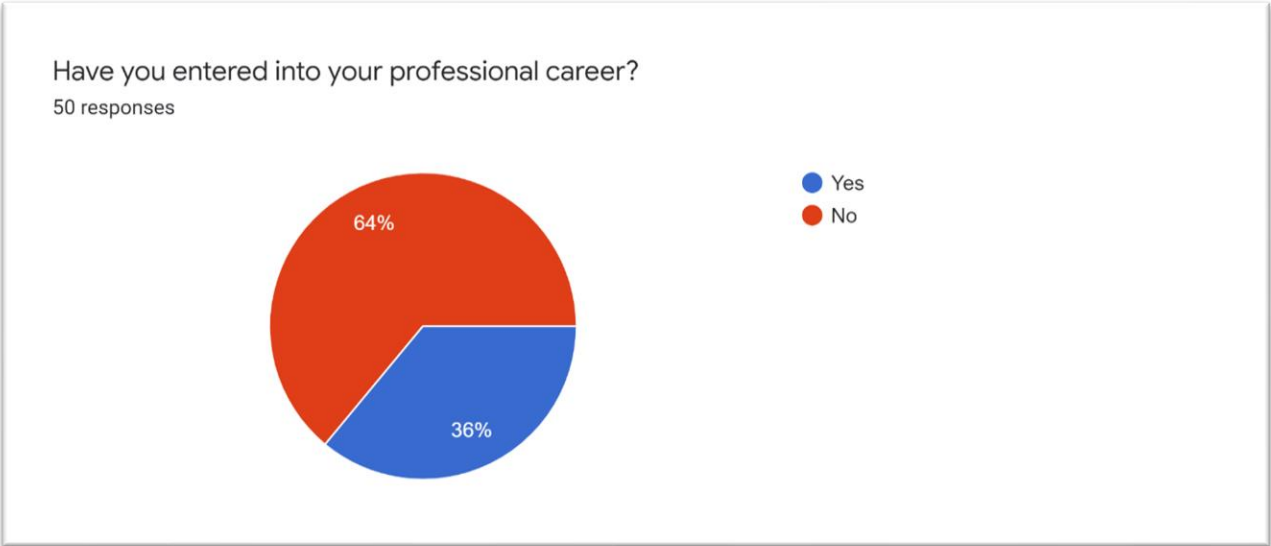
- Based on the customer profile and their spending amount on daily transportation, interest, market readiness data has been provided.

The survey has depicted some key insights. Combining the insights will help to understand the future spending habit and preference of the Gen-Z consumers.

3.3 Findings & Analysis

3.3.1 Current Situation Analysis

To make the most accurate prediction regarding the preference of a certain consumer group, it is better to analyze how they are reacting right now. So, a holistic scenario analysis is mandatory to get an overall picture.

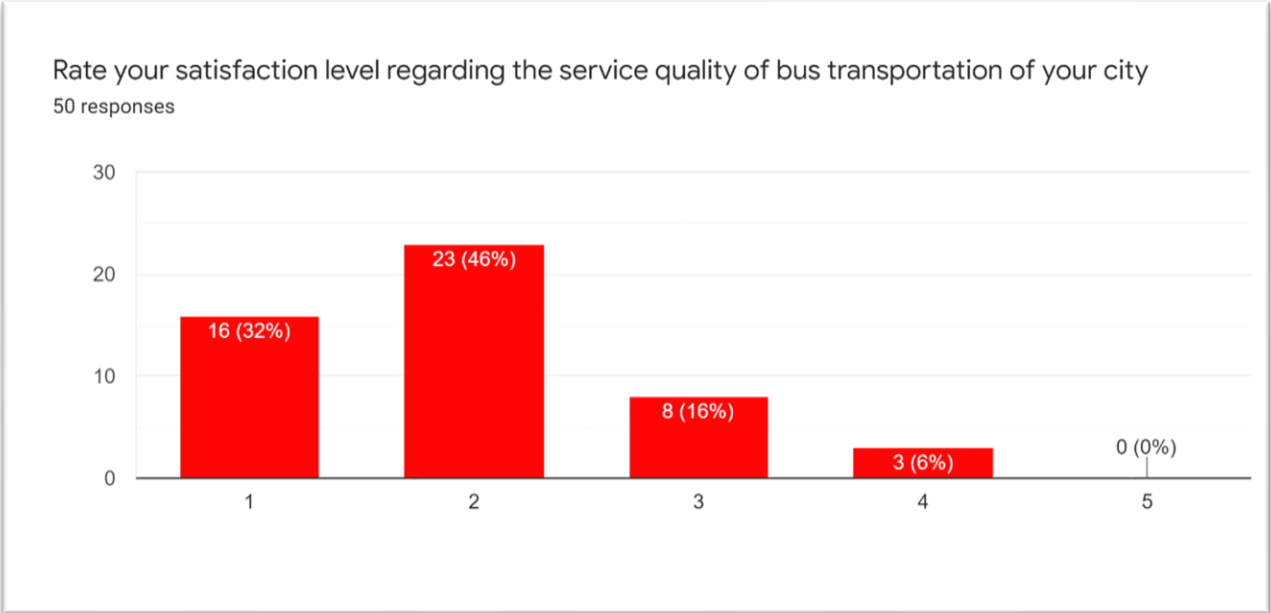


According to the responses to the two questions above, there is a substantial correlation regarding the spending attitude. 32 of the fifty respondents have not yet obtained a job and begun earning money. This effect can also be observed in their mode of transportation. Approximately 80% of them prefer to go by rickshaw or bus. However, as anticipated, 64 percent of them selected ridesharing as their mode of transportation. Many respondents to the survey are unemployed, yet

they still enjoy ridesharing. This demonstrates that this generation prefers to spend money over investing or saving it.

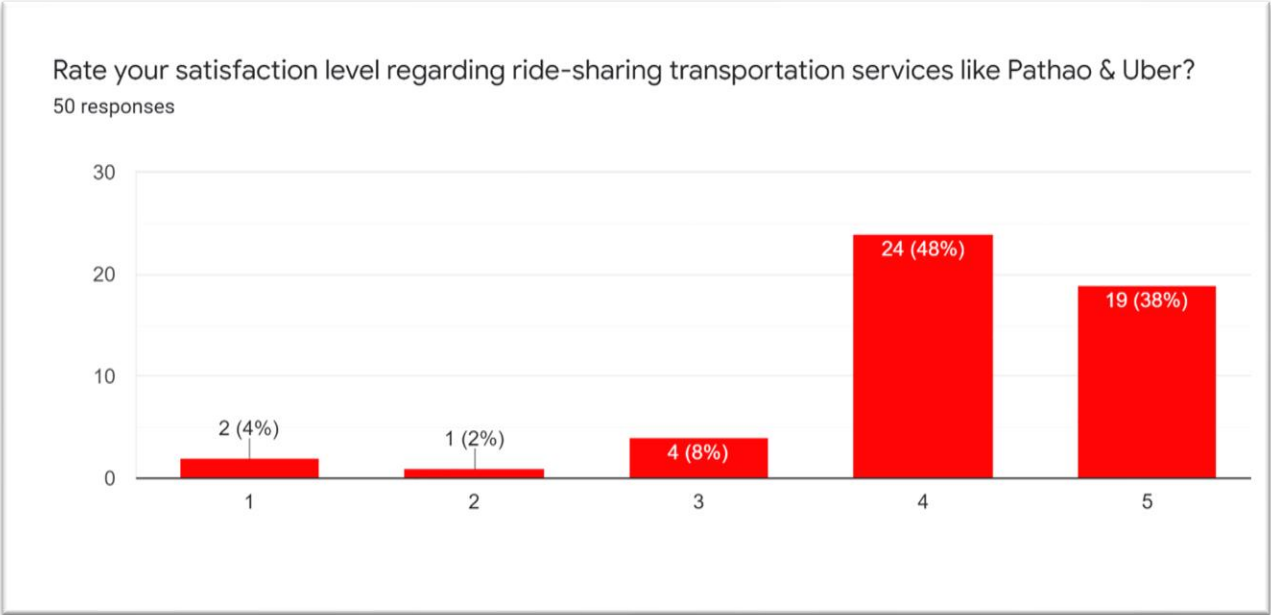
3.3.2 Satisfaction Level

Respondents were asked about their satisfaction level regarding both the bus transportation and ride-sharing transportation because it is important to know how they perceive value towards both the services. The respondents were asked by providing a Likert scale question in which rating-1 was the worst and rating-5 was the best.



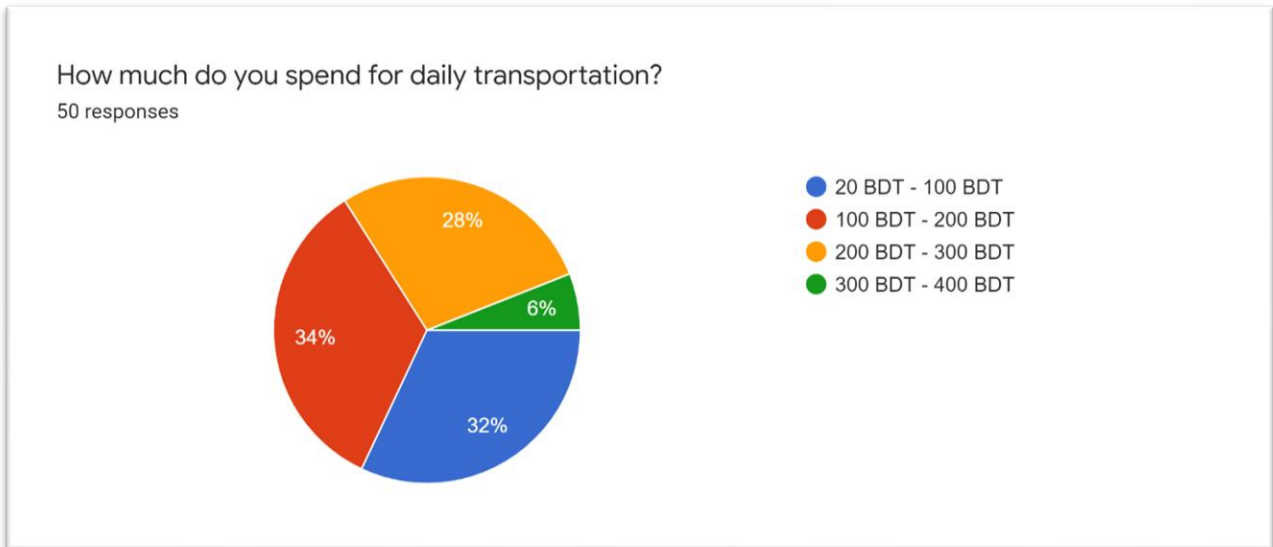
More than 90 percent of respondents rated bus transportation as a 1 or 2, indicating that they are not completely satisfied with the service. Less than 10 percent of respondents were indifferent and chose a good service. Possible causes for this lopsided outcome include an insufficient number of buses, poor service quality, a lack of comfort, and higher bus fares. Frequently, we observe that passengers are unhappy with the quality of the bus and that there is no air conditioning on board.

In addition, the bus owners disregard the price set by the BRTA and set their own prices. Therefore, passengers do not receive the expected service when compared to the fare charged.



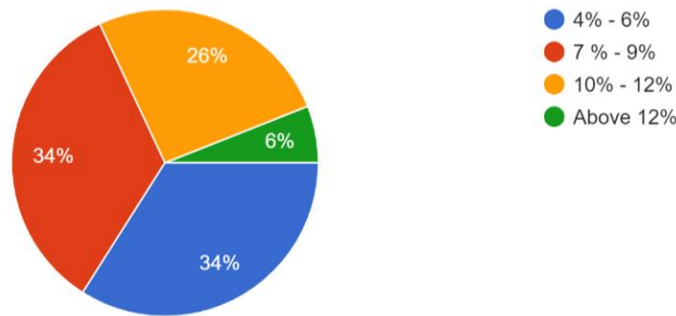
Regarding Gen-Z customers' satisfaction with ride-sharing transportation services, the opposite result is observed. The fact that 43 out of 50 respondents rated ride-sharing transportation as good or excellent indicates that major ride-sharing companies in Bangladesh, such as Pathao and Uber, are providing customers with comfortable services. The vehicles are of decent quality and are well maintained. Prior to registering on the platform, Pathao conducts rigorous inspections of the vehicles' condition and drivers' competence. Therefore, the customers are extremely satisfied with the service.

3.3.3 Spending Attitude



As noted in earlier questions, nearly 64 percent of respondents are still unemployed, and they continue to travel primarily by bus and rickshaw. Nonetheless, Generation Z's daily expenditures are astounding. Even though the majority of respondents utilize bus and rickshaw transportation, 34% still spend between 100 and 200 BDT per day, which is a significant amount. The remaining 28 percent spend between 200 and 300 BDT daily. The majority of respondents who meet this criterion have already started earning money, and they prefer to use ride-sharing services and CNG autorickshaws most often. 32% of respondents, on the other hand, maintain a frugal lifestyle, spending between 20 and 100 BDT per day. Again, it reveals their extravagant spending habits rather than their frugal lifestyle.

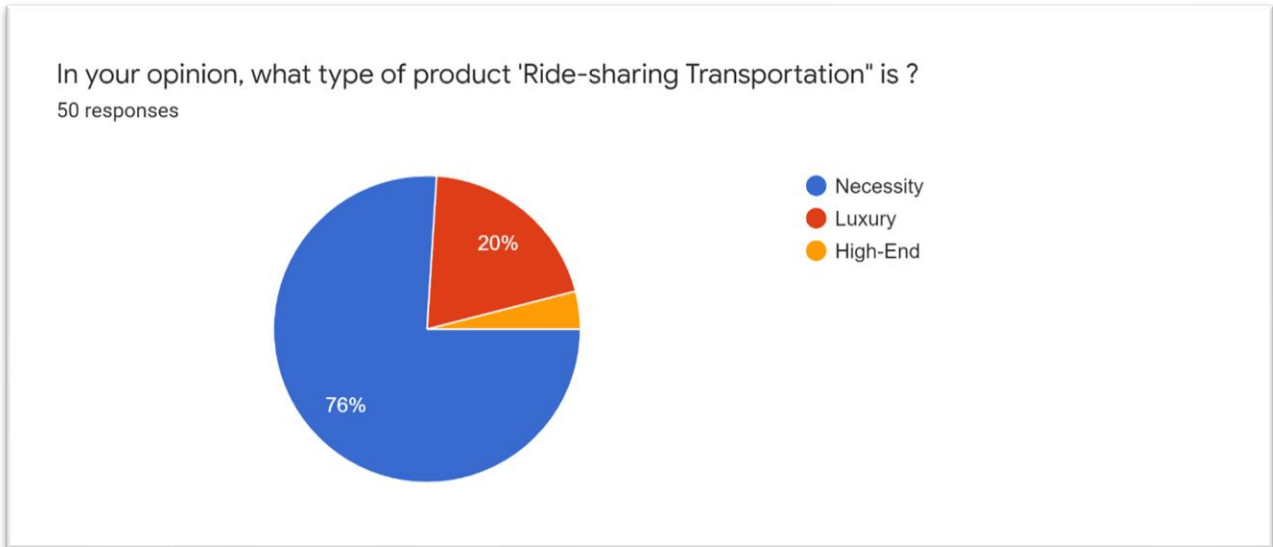
Generally, a person spend 9%- 12% on average as transportation cost from total earning in a month. How much percentage you are or will be inte...our total earning if you use buses on daily basis?
50 responses



In numerous international studies, it has been determined that 9 to 12 percent of a person's total income is spent on transportation. So, using a range of 9 to 12 percent as a benchmark, respondents were asked how much they are or will be willing to spend daily on bus travel. Even in this question, there is a strong correlation between satisfaction and response. 34 percent of respondents of Generation Z did not even want to spend the benchmark amount of money on bus travel. They are only interested in spending 4 to 6 percent of their total earnings on bus travel. In addition, another 34% reported spending between 7% and 9% of their total income, which is the minimum rate of the cutoff percentage. 10 to 12 percent of individuals chose the benchmark percentage. This statistic indicates that Bangladeshi consumers of Generation Z are extremely dissatisfied with the bus service.

3.3.4 Preference Towards Ride-Sharing Transport

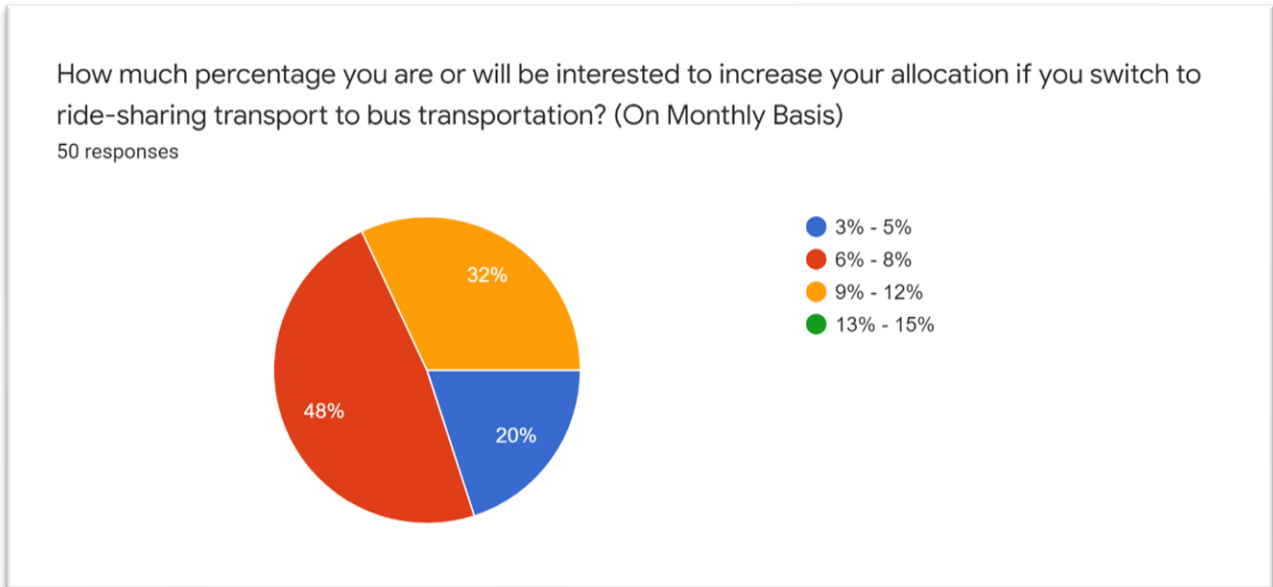
3.3.4.1 Gen-Z Consumer Psychology



Respondents were asked their thoughts on the service type of ride-sharing transportation. Primarily, respondents were asked whether they still consider this mode of transportation to be a necessity, a luxury, or a high-end product.

More than seventy-five percent of respondents believe ride-sharing is no longer a luxury product, but rather a common mode of transportation comparable to buses and rickshaws. Therefore, the Gen-Z consumer base is already prepared to utilize Pathao, Uber, and other ride-sharing services on a regular basis. The primary reason for this perfect market readiness may be that this industry has been operating in Bangladesh for an extended period of time and consumers can afford to utilize the service.

3.3.4.2 Spending Attitude towards Ride-Sharing Transport



In this question, the respondents were directly asked about how much they will add with their regular transportation cost if they want to use ride-sharing transport on a daily basis. The interest towards ride-sharing transport by Gen-Z customers can be observed also in this statistic. 48% respondent want to add more 6% - 8% with their regular transportation cost allocation. Another 32% want to add 9% - 12% consumers add more than 10% of their regular allocation only to use ride-sharing transport. So, it is obvious to say that they are desperate to use Pathao or Uber ride when they will be entering into their professional career.

During my internship, I have come to know that Pathao ride consumers' average basket value is *150 taka* for bike ride (*fabricated amount*) and *260 taka* for car ride (*fabricated amount*). On the other hand, it is observed from the responses that most of the consumers Gen-Z consumers are already spending 100-200 taka and 200-300 taka on a regular basis.

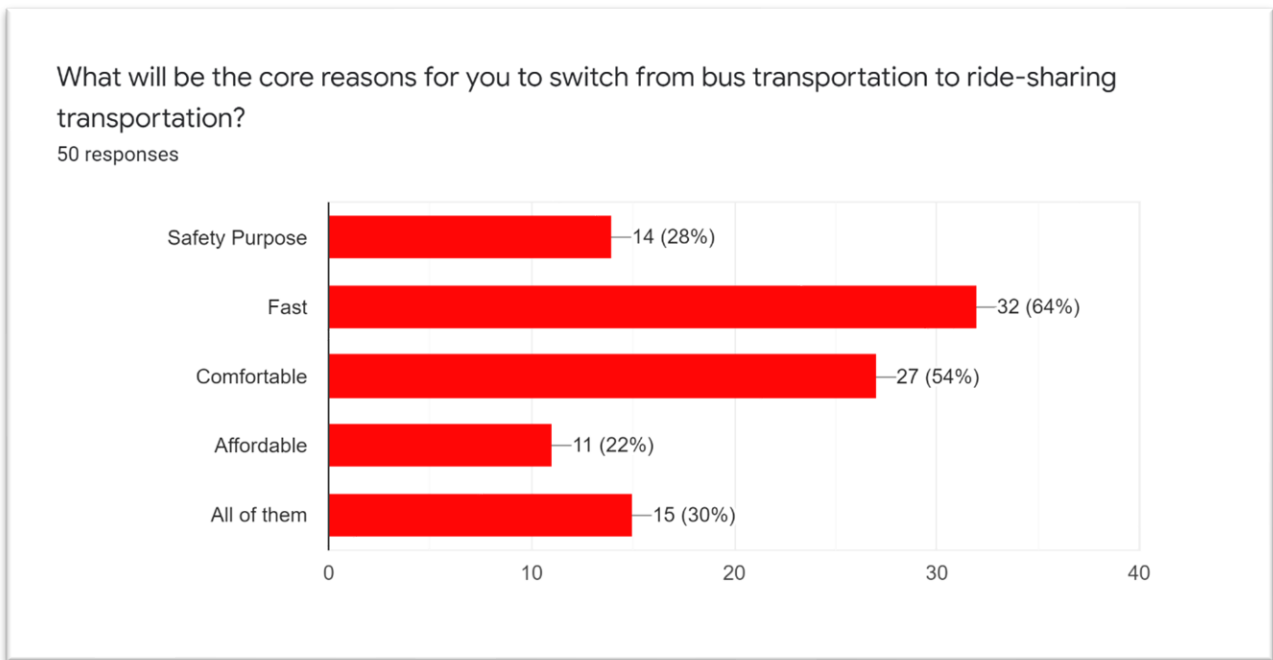
Hypothetically, if a consumer of 100-200 taka category is spending 140 taka and he is willing to add 7% of 140 taka, the cost will be $\{140+(140*7\%)\} = 149.8$ taka. So, he can easily afford a Pathao ride on daily basis.

Hence, it is evident that consumers can easily afford a Pathao ride with their expected amount of increased money.

3.3.4.3 Core Reason of Shifting Towards Ride-Sharing Transportation

The above statistics can be much astonishing that bus transportation is a traditional mode of transportation system but the Gen-Z consumers are losing interest to use this vehicle gradually.

So, respondents were asked why they are shifting towards ride-sharing transport.



The respondents were given the option to select either the safety purpose, the fast to reach destinations option, the comfortable journey option, the affordable ride option, or all of these options. The vast majority of respondents were of the opinion that this particular mode of

transportation is significantly quicker than the others. The second most popular choice is that the vehicles provide comfortable rides. It is not surprising to get a response like this given that rides on bicycles are almost always enjoyable and that the cars registered for car rides are all in excellent condition. As a result, passengers have a pleasant experience while utilizing ride-sharing transportation, which allows them to get to their destinations more quickly.

On the other hand, it is concerning that only 28 percent of respondents believe that ride-sharing transportation is safe, and only 22 percent of respondents believe that this mode of transportation is affordable. Both of these statistics are low. It is reasonable for customers to be concerned in light of the numerous incidents that have been caused in the past by drivers. In addition to that, the price is still a little bit steep. If companies that provide ridesharing services want to break into the market, they will need to lower their prices to a point where customers from all income brackets will be able to afford to use their services.

3.4 Summary

Numerous studies indicate that Gen-Z consumers are opting to spend money on a lavish and comfortable lifestyle rather than saving for their retirement or the next generation. The same trend and the current state of public transportation such as buses have compelled consumers of Generation Z to switch to ride-sharing services. By analyzing the aforementioned statistics, it can be concluded that the majority of Gen-Z consumers have not yet entered a professional career or begun earning money, but they have already decided that they will primarily use Pathao or Uber when they begin earning money.

3.5 Recommendations

Keeping these concerns of respondents in mind, I have come up with some recommendation which ride-sharing companies like Pathao or Uber need to come up:

- ❖ Sudden Drug-Screening Test need to be done for the drivers so that Pathao can ensure that any drug addicted drivers are not giving any kind of ride.
- ❖ Pathao should take help of the law-enforcing agencies so that they can verify the background or past record of any drivers who is interested to get registered in Pathao platform.
- ❖ Due to heavy traffic in major cities like Dhaka and Chattogram, Pathao should take initiative to set up WIFI network in their registered cars so that passengers can entertain themselves or do their necessary office works while sitting at the car.
- ❖ The waiting charge or surcharge need to reduce by Pathao as the traffic jam in cities like Dhaka is becoming heavier. So, high amount of waiting charge per minute becomes a huge burden for a passenger.
- ❖ Any sort of special device for women passengers needs to installed in the cars as a safety feature by which they can call police by just a tap.
- ❖ Increased customer loyalty can be achieved by using database technology to have targeted dialogues with customers.
- ❖ Different customer loyalty programs should be divided into categories based on the attributes and interests of the customers, given that they have distinct characteristics and preferences.
- ❖ Driving Training Program can be initiated by Pathao so that more drivers can empower themselves by registering at Pathao and start to earn money.

- ❖ Pathao need to expand its marketplace apart from two big cities; Dhaka & Chattogram as the current ongoing infrastructural developments are enabling other division to become more business and tourism friendly.
- ❖ Special moto service for women passengers need to initiated by Pathao so that women passengers feel comfortable and enjoy hassle free rides.

3.6 Limitation of The Study

During the survey administration, it was difficult to locate the appropriate respondents. Certain requirements for survey participation were stringent. For example, many of the respondents were not interested to express their budget allocation for transportation. Also, some respondents were too young to answer that their responses were not taken into the consideration.

Moreover, the busy schedule of the regular job of internship also limited me to take responses from a small audience. On the other hand, the respondents belonged to Sylhet were comparatively low than Dhaka and Chattogram.

3.7 Scope for Future Research

Further studies can be conducted with a large number of respondents from Generation Z. Additionally, more research can be conducted after 5 to 6 years, when over 70 percent of the population of this group will have entered the workforce. At that point, a true picture of their preferences and expenditures can be obtained. In addition, it is necessary to identify any shifts in their demand, preference, or opinion regarding ride-sharing transportation systems.

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