

Case Study On

“Pathao’s Marketing Challenges of Sustaining Growth and Brand Trust in the Competitive Ride-Sharing Market”

Submitted By

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Title: Pathao's Marketing Challenges of Sustaining Growth and Brand Trust in the Competitive Ride-Sharing Market.

Abstract

This case describes the critical marketing challenges Pathao has in upholding long term brand trust amongst an intensely competitive ride sharing scenery. As a native market leader that constructively diversified into an excellent-app development, Pathao must strategically defend its position against big all-encompassing and local rivals. The main issues studied include striking a balance between competitive pricing and long-term driver incentives, guaranteeing constant service quality and rider professionalism, and resolving important user concerns about security and safety. To sustain in market Pathao needs to have focused investment in service reliability, proactive trust building protocols, and continuous technological enhancement to align with Pathao's value proposition.

Introduction

Pathao is a market leader in Bangladesh's ride sharing industry. Pathao was established in 2015 by group of young people who saw the dream of becoming successful entrepreneur. Pathao is has been the rapidly growing tech-based ride sharing platform who attained popularity by providing solution to the urban traffic problem and offering services in different verticals including ride sharing, food delivery, parcel delivery and courier service. An Indonesisa based ridesharing company Gojek provided funding to pathao in 2018, which led to pathao's expansion into other services beyond ride sharing.This funding allowed Pathao to establish a powerful appearance not only in Bangladesh but too in international markets. Ridesharing, food delivery, and courier services all experienced prominent progress as a result of Pathao's app-based parcel delivery services. As a result, Pathao was able to outdo its competitors and gain a substantial market share in the local markets. The brand's competitive pricing, successful communication tactics, and adherence to international operational standards are all responsible for its success.

The main issue for Pathao's decline in customer loyalty and brand equity due to the ongoing discrepancy between the ride-sharing service's operational realities and its marketing promises of dependability and convenience. Strong price wars with competitors (such as Uber) resulted in unsustainable subsidies, which put pressure on profitability and required a shift away from marketing that was solely focused on price. The customer experience was negatively impacted by low driver loyalty, high cancellation rates, and drivers' unwillingness to take short trips, all of which went against the marketing message of dependability. Urgent marketing and operational shifts were required because of repeated security events and insufficient driver vetting led to a negative brand perception, especially among female passengers.

Objective

The purpose of this case study is to critically inspect Pathao's vital marketing challenges in upholding growth and brand trust in the face of fierce price wars and unexpected service reliability issues brought on by driver behavior. The main purpose is to determine how the operational gap between promise and reality has shaken brand equity, and measure the effectiveness of its strategic diversification, and determine what steps have been taken to reconstruct consumer trust and safety perception. The report's ultimate goal is to develop practical plans that will help Pathao reach long-term profitability and maintain its standing as a reliable, superior urban mobility supplier.

There are many objectives of the case. One of them is to analyze the Marketing-Operation Gap: Examining the failure of Pathao's marketing promise of convenience and reliability due to internal operational issues, specifically high driver cancellation rates and quality control problems, is the crucial objective.

- Evaluate the effectiveness of Pathao's operational and marketing reactions following the post-incidents in order to improve rider safety and restore vital brand trust, especially among female passengers.
- Analyze the strategic measures towards non-ride-sharing verticals (super-app diversification) in order to gain profitability, as well as the feasibility of Pathao's pricing and subsidy strategy in the face of fierce competition.
- To Offer practical marketing and policy recommendations for lessening the gap between service promised and operational reality, and thus optimizing driver loyalty and acquiring long-term brand equity in the competitive ride-sharing market.

Despite having many safety features like SOS button, live location sharing and 24/7 customer service Pathao has many complaints of safety incidents, driver behavior, high price and ride cancellation which directly questions Pathao's marketing promises. In this case we will explore how Pathao's marketing promises clashes with the operational realities and questions the safety and trust issues of the users.

Significance Of the case Study

The case study on Pathao is of supreme importance because it is helping as a vital analytical tool for understanding the difficulties, challenges, and strategic requirements faced by technology-driven service platforms in fast evolving developing markets. This case study gives critical points of the marketing-operations gap. Pathao's struggles to maintain its core value proposition of convenience and reliability, challenged by internal operational problems like high driver cancellation rates and quality control gaps and these issues provide an existing image of how a service-based brand's equity can be rapidly eroded from within.

Additionally, the report's objective to assess the effectiveness of safety and trust-building actions, mostly following profound incidents and about female passenger safety which highlights its societal significance. In an era where in daily life digital platform are used regularly, this study will provide best practices for problem management, policy implications and necessary steps for rebuilding customer's trust and safety perception. The case also discusses how marketing promises clashes with contently occurring safety and operational challenges.

Case Part

Background of Pathao

Pathao emerged as not only as ride sharing app but also the story of pathao ride sharing app is a story of how a local innovation can solve the transportation problem of one of the most densely populated area. Pathao was founded by Hussain Elius, Shifat Adnan, Fahim ahmed in 2015. Pathao's service emerged to solve the problem of heavy traffic of Dhaka and gradually it expanded into other services.

Pathao first launched it's delivery service then it expanded it's business to ride sharing service. The city of Dhaka is loaded with traffic where everywhere we can see the road is exhausted with CNG, auto rickshaws, and slow-moving buses. Pathao introduced it's ride sharing service to solve the problem to heavy traffic in Dhaka. Motorbike is an easy solution of Dhaka traffic as it reduces the travel time for commuters. This innovation became famous among office goers and youth people of Dhaka. Then Pathao expanded it's service to cars in Dhaka and later it expanded it's service to Chittagong and Sylhet.

Later Pathao launced it's food delivery service and pathao also launched Pathao courier which helped in both B2B and B2C markets. That's how Pathao became "Super App" by being featured in Forbes Asia's "100 to Watch" list. However, Pathao did not come this far with just a blink of eye, it had to face many regulatory issues in the beginning because Bangladesh did not have a proper framework for ride sharing. Pathao had to do extensive dialogue sessions with government and then gradually they got the permission to introduce ride sharing service. Furthermore, the next challenge that hit Pathao was the COVID-19 situation where the pandemic became threat to Pathao due to heavy loackdown situation. At that moment pathao survived through food and grocery delivery service in Dhaka. And today Pathao is one of the most famous and successful company often considered has country's first"homegrown" tech giant. Pathao has made life good of thousands of "Pathao Captains" (drivers) as it provides flexible earning opportunities.

Service Categories

Pathao's app is designed in such a way that user can use the app conveniently. Pathao's service comes under one banner. Pathao app is a single point service delivery app where users can get all the service in one app. The figure 1 shows the service provided by Pathao.

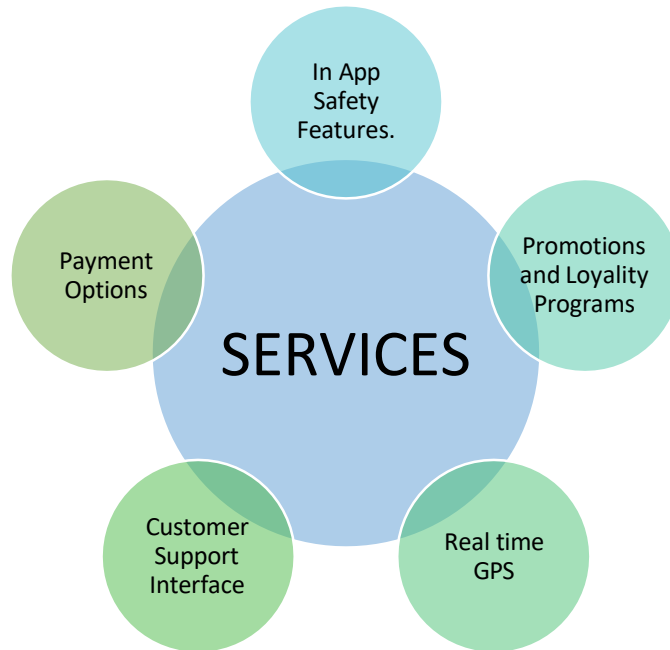


Figure 1

Real time GPS Tracker

Pathao has real time GPS tracker to track the rides. It has live tracking feature which shows driver's location. Based on distances customer gets fare estimates and travel time estimates. These features establishes trust among riders as they can see cost and time estimates. Drivers also can use these options as they can plan for shorter routes and save time.

In app safety features

Pathao has safety features in it's app. Once the ride sharing or trip starts customers can use emergency SOS button which connects customer directly to emergency helpline-999 number.

There is also a live location sharing option which allows users to share the live locations to friends or family. There is also a option to submit review of the driver's performance and behavior. Pathao does background check of the riders and while availing a ride there is also an option where it shows the review rating of the riders. Pathao 24/7 customer support for the assistance of it's users. These safety feature developed the trust among the users.

Promotion features

Pathao always has promotional offers to attract it's user. There are promo code options for both new and old users and these promo codes cover the cost of riding. There are referrals and rewards options through which users can invite their friends and families to use Pathao. There is an option of Pathao which is "points rewards" for regular users which can be cashed out for future rides. In the festive seasons such as Ramadan, national holidays, Eid there is promotional campaigns. These marketing efforts attract users of Pathao and make life easy of Pathao users.

Payment option screen

Pathao has payment options in its app. There is cash payment option and there is option of "Pathao Pay" in the app. Customers can avail payment by promo balances from refunds, referrals. These payment options make the app more user friendly to it's users.

Customer Support

Pathao has 24/7 customer service for it's users. They have chatboat system to solve user's problem. That's how Pathao is ensuring customer satisfaction through flawless customer support.

Significance of Society Positioning in Pathao and ride sharing services

In the ride sharing landscape of Bangladesh brand positioning is not just a marketing practice but also it is a societal integration. For industry like Pathao, gaining the youth people's attention requires strong societal positioning which should align with the culture, aspirations of new generations. Pathao has significantly outperformed the global competitors. Pathao has successfully understood the chaos of the Dhaka streets and come up with a solution which has given the

company a positioning of a “Local Hero” in the eye of people specially the youth society. Pathao has become a brand of stickiness because of the positioning of the “Local Hero” which competitors like Uber, Obhai can hardly imitate.

Pathao’s users measure pathao’s value by its emotional essence. Also, Pathao is a platform of employment which makes the company a national contributor. A brand must fit into it’s digital lifestyle to succeed in the demographic of 18 to 30. Pathao is not just about ride sharing it is also about cultural convenience for young people which creates a lifestyle ecosystem.

Market Analysis

Market Share and platform dominance: Pathao has significantly become the market leader as ride sharing platform in Bangladesh. Pathao has market share of 75% in Bike ride sharing and 35% in cars which gives Pathao a strong position in the market. Pathao has over 10 million users and has roughly 300000 “Pathao Heros” (drivers) which gives the company a prominent position in the market.

Demographic Trend and user behavior: Pathao user’s majority users are young professionals, students and youths aged from 18 to 30. Young people prefer ride sharing platform like Pathao than public transportation because of time efficiency and flexibility. Pathao is mostly famous among male users and while interviewed the female they said that they are mostly worried about safety while using ride sharing app instead of public transport. Pathao is seen as utility for efficiency instead of luxury according to users. Bike service is mostly preferred service because it is faster than cars.

Economic and employment effect: Pathao has become a giant as an employer in Bangladesh. Pathao has employed 300000 “Pathao Heros” (drivers). Pathao has created 500000 earning opportunities which includes riders, 200000+ merchants and 10000+ restaurents. Other than that, Pathao employed 500+ full time employees in tech, operation, and management roles.

Gender Inclusion and societal impact: According to the World Bank and private industry studies more than 300000 women will enter in Dhaka workforce by 2028. And in that situation ride sharing apps are key facilitators offering flexible and efficient travel service to users.

Ride sharing app like Pathao has successfully made this transition happen by introducing safety features like SOS alerts, real live trip sharing, driver identification, GPS tracker, live location sharing e.t.c. Likewise Pathao is planning SheRides which is in testing model that helps women use transport by matching female users with female drivers in Bangladesh.

Managerial Dilemma

Pathao is the most successful ride sharing startup in Bangladesh. Starting from delivery service the company gradually introduced ride sharing, food delivery, courier delivery service. Though it is the most successful startup in Bangladesh still it faced some managerial dilemmas.

The most significant managerial dilemma Pathao faced was choosing between rapid expansion and financial stability. Pathao spent a lot of money on availing discount for its customers and on providing high bonuses for riders for making travelling easy and to beat the competitors. These initiatives cost Pathao huge amount of money. However, at a point of time it became harder to get money from investors and at that point they had to choose between trying to get bigger and focusing on making money. By 2019 this for Pathao started going harder and they had to lay off 300 employees for saving money.

The second problem Pathao faced was “the gig economy”. Pathao does not own bikes and does not employ riders as full time employee since Pathao riders are “independent contractors”. This model is a wonderful model because it keeps the cost low. But it creates another managerial problem of how much responsibility should the company take for its riders. Riders of Pathao face long hours, no job security, and safety risks. Riders often protest or start to strike when Pathao lowers commission and changes algorithm. Managers need to balance between making the business profitable and making the riders happy. If Pathao provides too much benefit to the riders the business model may fail and if they provide low benefit the brand reputation may get damaged.

Another managerial dilemma of Pathao is the dilemma of operating in grey area. When Pathao first started the ride sharing service in Bangladesh there were no clear law for ride sharing service. Pathao first launched their ride sharing service in Bangladesh and they took permission later. Because of this Pathao got the chance to innovate more but it also put Pathao at odds with the government. For long time Pathao had to lobby the Bangladesh Road Transport Authority (BRTA)

for making rules that would make ride sharing legal in Bangladesh. Till today Pathao face problems regarding data and safety. To ensure safety the government wants more data and safety but Pathao must protect user privacy. For maintaining this relationship Pathao must ensure balance between a disruptive tech company and being a law abiding corporate entity.

Future Analysis

Pathao holds strong position as a ride sharing app in Bangladesh which is reshaping the urban mobility in Bangladesh. One of the major point of Pathao's growth is rapid urbanization. Traffic congestion is high in major cities like Dhaka, Sylhet, Chattogram. Demand for ride sharing app is expected to grow in future as ownership of private vehicle is less practical due to rising costs and infrastructure. Pathao has positioned itself well in ride sharing app to solve the issue of traffic contestation. In shaping Pathao's future technological advancement will play a vital role. Growing digital literacy, heavy use of smartphones, improved internet coverage will increase the user base of Pathao in future. Pathao is planning to strengthen its platform with the use of data analytics, artificial intelligence for route optimization, price estimation and user experience. As cities continuously grows the demand of ride sharing service will also grow. Pathao ride sharing service stands poised to play a strong role in transforming and shaping the future mobility of major cities in Bangladesh. Pathao's future growth depends on technological advancements, economic trends, societal shifts, and policy environment.

Pathao's early days were defined by heavy discounts and high costs to beat competitors. In future, Pathao will likely stop trying to grow by losing money and instead Pathao will focus on becoming "Super App". On the other hand, we know that Pathao's drivers often strikes and protests and this situation can not last forever in future. For avoiding bad PR and strikes, Pathao introduce better rider protection.

The core of Pathao's future will be the technological advancements. Pathao already has smartphone technology, GPS navigation, and real-time data analytics which helps both driver and passenger who uses Pathao.

Another key point in shaping the future of Pathao is the possibility of Pathao to grow horizontally and vertically. In more cities and towns Pathao can expand it's operation to grow horizontally. This

expansion can help the people of underserved areas of Bangladesh who does not get proper transportation facilities. Vertically Pathao can expand its operation by introducing subscription-based rider package, collaboration with public transit. These expansions will enhance the loyalty of the Pathao.

Overcoming the growth-stability dilemma: One of the major dilemmas of Pathao is the growth and stability dilemma. Like most of the startups Pathao initially came up with lots of discounts and high rider bonuses which was unsustainable for Pathao and as a result Pathao had to lay off 300 employees in 2019. But now the scenario is Pathao has evolved as “Super app” ecosystem where customers can get many services at one place and this model reduces the cost per acquisition which ensures long term financial sustainability for Pathao. So, the dilemma of growth and stability will not be in future and in future Pathao will have more financial strength.

Resolving Gig Economy Struggle: The gig economy system keeps the operational cost low but it should ensure rider welfare. In future because of the gig economy system the rider’s striking situation is likely not going to happen because Pathao is providing “Accidental Claim Support” and performance algorithm system for its riders and users. This insurance coverage will benefit the riders in case of any accidents and the performance algorithm system allows riders a system for bidding a fair price which will ensure Pathao riders get fair wage to earn a good living wage.

Growth of multi service platform: Technology has redefined how people work, live and interact in the modern digital area. One of the most effective advances of digital platform is the growth of multi service platforms which is known as super apps. Wide range of services are integrated into single platform in super app which allows users the use diverse services such as ride sharing, food delivery, logistics and digital payments. Pathao emerged in 2015 as motor cycle ride sharing app offering comfortable, convenient, affordable app-based transportation service. It succeeded as ride sharing app and later it expanded into other services. The growth of Pathao’s multi service platform is closely related to increasing smartphone use and internet accessibility in Bangladesh. Millions of people can connect to app-based service due to the increase in internet usage in Bangladesh.

One of the many factors contributing to Pathao's super app growth is urbanization and changing lifestyle of people. Reliance on traditional public transportation has declined as more people are migrating to cities. Urban people prefer faster, convenient, and affordable transportation service where they can avail transportation service and they more rely on the app if the app offers more services like food delivery, parcel delivery and digital payment service which is offered by Pathao. Pathao's super app fulfills all the demand of users who like to use a single ecosystem of multiple service. Pathao's multi service app does not only provides convenience but also in increases loyalty.

Expansion into Tier 2 and Tier 3 cities: Because of the uprising demand of ride sharing service Pathao has expanded in Chattogram and due to more demand, it is about to expand in Sylhet, Khulna, Rajshahi and Barishal. The expansion is at the same time strategic business step and also important driver of economic development, improved accessibility and social inclusion in the underserved parts of the country where digital transportation service is not available. Tier 2 and tier 3 cities generally referred to smaller cities like Rajshahi, Khulna, Barishal, and Sylhet. These cities have relied on the transportations like CNG, public and private buses, human powered vehicles. These transportations provide the basic needs but these services are not convenient. The emergence of Pathao in these areas will increase the mobility of these cities. Due to rising demand in tier 2 and tier 3 cities the expansion of Pathao is necessary as usage of technology driven mobile app and internet usage is increasing in these areas' day by day. In the tier-2 and tier-3 cities the number of office going professionals, school going youths is increasing which is why Pathao has good market opportunities in these areas.

Expansion in these areas will create significant economic opportunities. Pathao can generate income by onboarding local drivers in these areas. Thus, Pathao can generate employment opportunities in these areas.

Regulatory formalization: Pathao is the first ride sharing company that received government license from BRTA. This certificate is of great significance to operate legally in Bangladesh and it establishes the affiliation with government agencies to increase user safety and accountability. The government guideline ensures that ride sharing companies register with BRTA and confirms that transportations used in ride sharing have proper documentations including fitness certificates,

registration, and insurance. Drivers must have valid driving licenses. The government has helped ensure that the ride sharing services operate transparently and safely by creating a clear lawful guideline and licensing requirements. Because of this Pathao will have less regulatory crisis in future.

SWOT ANALYSIS: A SWOT analysis of Pathao has strengths, opportunities, threats and weaknesses which gives clear picture about pathao's possibilities, current position, and future risks. A SWOT analysis of Pathao is given in figure 2.



Figure 2

Strength: Pathao ride sharing service has strong local market knowledge which is a big strength for Pathao. Pathao understands the local traffic pattern, customer behavior and choices, price sensitivity better than other competitors of Pathao. This local knowledge allows Pathao to design services that align with Bangladeshi urban realities. **However**, Pathao is the first homegrown ride sharing company in Bangladesh. Such type of branding and positioning gives pathao competitive advantage. Pathao increased the familiarity and credibility of users by being the first ride sharing company of Bangladesh. Pathao's GPS tracking system, fare transparency, and rating system has built trust among users of Pathao. Another strength of Pathao is that the "super App" ecosystem of Pathao. By integrating services like ride sharing, food delivery, parcel delivery, and payments pathao makes life easier of the users and encourages users to stay in one platform.

Weakness: one of the many weaknesses of Pathao is it is heavily dependent on big cities like Dhaka, Chittagong. Market expansion is less due to it's operation in major cities. Rural or semi urban areas need Services that Pathao delivers. However, driver dissatisfaction is another big weakness of Pathao. Commission rate issue, fuel cost issue, incentive reduction issue creates tension between drivers and platform. On the other hand, Pathao has high operational and technology costs. Pathao is a multi service app and to provide it's super app facilities Pathao needs high operational and technology cost. Price sensitivity is an issue of Pathao. Increased price during pick hours creates dissatisfaction among customers.

Opportunities: Pathao's expansion into tier-2 and tier-3 cities is big opportunity of Pathao. The smartphone penetration and internet accessibility of Pathao is increasing demand of super app like Pathao. However, today is the age of AI integration and data analytics and these technological advancements are great opportunities for Pathao. Activities like route optimization, generating pricing accuracy, demand forecasting is can be done through AI integration and data analytics which will create satisfaction among users of Pathao. Furthermore, Bangladesh is getting developed and urbanized day by day which is a great opportunity for Pathao. Growing urbanization will increasing demand of Pathao which will give Pathao competitive advantage.

Threats: Pathao has intense competition with ride sharing platform like Uber,Obhai. These competitions create pricing pressure for Pathao. However,there were safety and security incidents

of Pathao despite many safety options in Pathao. These safety issues create doubts among users creating reputational risks of Pathao. On the other hand, economic instability and fuel price increase is one of the many weaknesses of Pathao. The ride cost and driver increase is affected by fuel price increase and economic instability. There are technological risks like data breaches, system failure etc. These risks threaten the safety of customer hampering the loyalty of the customers.

Brand Positioning Strategy: Pathao strong branding strategies which made the Pathao most liked brand in Bangladeshi youths. The branding and positioning strategies of Pathao is discussed below.

Evolution of brand positioning:

Pathao has branded itself in many ways such as daily newspapers, FM radio, leaflets, banners etc. Pathao regularly publishes advertisements on the “Daily Prothom Alo” and “The Daily Bangladesh Protidin”. Along with these advertisements Pathao publishes various advertisement contents on various social channels. Pathao’s one of the most liked brandings is the publication of the show “**Pathao Car-Adda**” where popular celebrities come and promote the upcoming projects of the celebrities and have fun filled conversation. Other than these pathao publishes weekly promotional contents, seasonal promotional contents in various platforms. Pathao continuously promotes it’s brand through influencer marketing. Pathao’s “Moving Bangladesh” tagline gives Pathao a good Positioning of the brand. Pathao’s use of slogans like “আমাদের পাঠাও আমাদের রাইড”, “Our Pathao, Our Ride” goes completely aligned with the brands purpose.

Differentiation from competitors

Pathao differ from it’s competitors in positioning it’s brand. Pathao uses local languages and humors in it’s branding which differs from the competitors. Pathao’s “Super App” name gives itself different positioning than it’s competitors. Other than that Pathao is a homegrown service provider which gives pathao different positioning than it’s international competitor like Uber.

Pathao uniquely branded it's driver the name "Pathao Hero" which gives Pathao different positioning. Pathao's this initiative shows how respectful Pathao is to it's service provider stakeholders (drivers) which makes Pathao unique from the competitors.

Most effective positioning

Pathao does many effective brandings which capture the attention of the users. Pathao brands itself through most liked youth influencers which is the most effective branding strategy of Pathao. Pathao rebranded itself in 2023 with the 'slogan "Here with you" which creates emotional bond with it's users as it is effective branding of Pathao ride sharing. This branding gives Pathao the image that Pathao is not only a brand that moves it's users from point A to point B but also it's a brand that gives companionship to it's users.

Consumer Perception Analysis Survey Insights (n=200, December 2025)

A consumer perception analysis gives a clear picture of how consumer perceives the brand. A recent study of 200 youth gives a picture of the brand perception of Pathao. About 70% youth prefers Pathao for trust and loyalty, about 75% youth choose Pathao for driver behavior. Because of ease of use 64% youth prefer Pathao and for service availability 68% youth prefer pathao.

Trust and Loyalty

Pathao has 70% respondents preferring in the trust and loyalty criteria as the platform has many safety features like SOS button, live location sharing and 24/7 customer service option. This shows clear picture of Pathao's brand perception about safety of Pathao. Despite safety promises and availability of SOS button, live location sharing and 24/7 customer service, there are safety issues faced by users. Pathao should do thorough background check and increase safety measure to capture brand trust.

APP	Percentage
Pathao Prefers	70%
Pathao does not prefers	30%

Driver Behavior

Driver behavior is an important aspect about service quality. For user satisfaction Pathao should ensure driver behavior. In driver behavior criteria about 75% youth has responded which shows that maximum number of people is satisfied with the Pathao's driver behavior. To increase this percentage Pathao should train people regularly and Pathao should work on the user ratings of driver as rest of the 25% people did not like Pathao in the driver behavior criteria. Asking people to cancel the ride, reckless driving, and misbehavior, taking the long route etc can be the reason why rest 25% people did not prefer Pathao in driver behavior criteria. Pathao should improve in this area.

App	Percentage
Pathao prefers	75%
Pathao does not prefer	25%

Ease of use

About 64% respondents has preferred the ease-of-use criteria of Pathao. The app is a super app and has multiple services integrated in the app which makes the life of users easy and increases the ease of use. This high response in ease-of-use criteria shows Pathao's success in localizing the digital experience in the Bangladeshi market.

App	Percentage
Pathao Prefers	64%
Pathao does not prefer	36%

Service availability

Pathao's dominance in the market presence is visible as 68% respondents highlighted the service availability criteria. The 68% response shows that majority of the users count Pathao as first choice due to the high probability of finding rides instantly. In the big city like Dhaka where time is lost

due to high traffic, the word “availability” resembles with reliability. Although Pathao has 68% user preference, it has 32% people who did not prefer the brand in service availability criteria. That means Pathao needs to work and improve in that area. Pathao has high cancellation rate, driver’s refusal to accept short trips which worsen customer satisfaction.

APP	Percentage
Pathao prefers	68%
Pathao does not prefer	32%

Key insights

Pathao has strongly built itself as more than just a ride sharing app by introducing as super app. The survey gives a clear picture of user preference as it provides insights of trust and loyalty, driver behavior, ease of use, and service availability criteria. In the digital era safety and loyalty is a primary concern for users where 70% of the respondents prefer Pathao for it’s safety and loyalty. This high level of trust is born due to availability of safety features in the app. On the other criteria like “driver behavior” about 75% respondents showed their satisfaction which gives a clear picture of how Pathao is successful as ride sharing platform. Increasingly 64% youth like Pathao in “ease of use” and 68% people prefer the app due to it’s service availability.

Marketing Campaign Impact on Brand Perception

Campaigns

Pathao’s campaigns are focused to attract local users as it is a homegrown app. Pathao’s effective campaigns show that Pathao is a brand of local identity, speed and local community. Pathao’s campaigns are most effective as it is done keeping local preferences in mind. Pathao’s most effective branding slogan is “Moving Bangladesh”. This slogan portrays that how Pathao is determined to solve Bangladesh’s one of the major problems which is traffic contestation. This branding shifted Pathao’s perception of “luxury” to “national necessity”. Pathao launched a month long bundle of offers and massive month long campaign to celebrate it’s one decade of service and named itself as “10 years of growing with you” in 2025. The key activities if this campaign was “

A treasure hunt” where users searched for digital rewards in the app and another activity “Wish Pathao” where Pathao fulfilled wishes of 10 users and 10 heros (drivers).

On the other hand, Pathao Bajimat campaign is designed to celebrate the hard work and dedication of the car captains. The campaign was designed to motivate the car captains of Pathao and to reward the top performers with various prizes. However, Pathao’s another effective marketing campaign was “Ektu Bhalo Cholo” which engaged both riders and drivers effectively. Pathao does its marketing through content marketing, influencer marketing, social media marketing, search engine optimization. Pathao reaches its target audiences through various digital marketing tactics. Pathao uses social media to engage with the youth market and it does collaborations with the influencers to promote its services.

Impacts

As a homegrown platform Pathao’s achievement is not only in its technology but also in its marketing strategy. Pathao has used a series of successful and impactful marketing campaigns by concentrating on local identity, speed and community.

The most impactful campaign of Pathao began with the slogan “Moving Bangladesh” which creates a brand image of flexibility and affordability within the local area of Bangladesh. Before the campaign ride sharing used to be considered as expensive alternative to public transport. Pathao’s this slogan messaged the platform and service to be a “National Necessity” in the highly and densely traffic congested area of Bangladesh. This slogan created an emotional bond with people as it provides a message that Pathao is a solution to traffic congestion of Bangladesh. The “Moving Bangladesh” slogan convinced the public of Bangladesh that Pathao is the only brand that understood the chaos of Dhaka streets, and successfully created a “homegrown” identity which was hard to imitate by the competitors.

The campaign “10 years of growing with you” was a celebration of shared history of Pathao between the brand and the people. The campaign played a prominent role to build trust and loyalty among the users. This campaign’s “Treasure Hunt” and “Wish Pathao” played a prominent role in humanizing the brand. The brand has positioned itself as community driven platform by fulfilling

the wishes of 10 users and 10 drivers. This campaign built an idea of shared growth where it is portrayed that Pathao's success was also their own.

A major challenge in a ride sharing platform is the driver behavior which Pathao was able to realize and that is why Pathao came up with campaigns like "Pathao Bajimat" and "Ektu Bhalo Cholo". "Pathao Bajimat" campaign rewarded 10 captains and "Ektu Bhalo Cholo" campaign motivated the good relationship between the driver and users. These campaigns encouraged the mutual respect which enhanced the brand image encouraging the drivers and users to become more professional and empathetic.

Teaching Notes

Case Summary

The objective of the case summary is to identify how erosion of brand equity and customer loyalty happened because of a persistent gap between market promise of convenience and reliability and failed operational realities of the ride sharing service. The case shows the youth perception of Pathao in the criteria of "safety and loyalty", "driver behavior", "ease of use", and "service availability". The case explores in the area of strengths, weaknesses, opportunities and threats. Though Pathao's marketing campaign promised affordability and convenience, still Pathao has several issues like -

- Price competition
- Driver behavior
- Safety and trust issues.

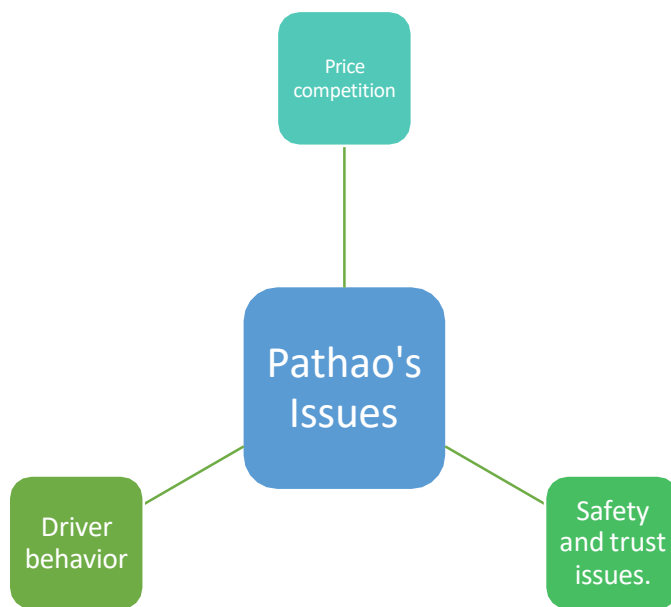


Figure 3

Pathao operates in highly price sensitive market. Pathao has global competitor like Uber and local competitor like Obhai and from these competitors Pathao has to face intense rivalry. Because of these competitors there is a “bidding” model where there is a opportunity to negotiate the price. Furthermore, there is government regulations of fare structure and there is increase in fuel price which is why it becomes difficult for Pathao to maintain a low price and that clashes with Pathao’s marketing campaign “Here with you” and “Moving Bangladesh” which offers affordability and convenience.

Driver Behavior and Quality Control is another issue of Pathao which clashes with it’s marketing promise. There is low driver loyalty, high cancellation rate, driver’s refusal to accept short trips which deteriorates customer experience and satisfaction. There are many drivers who pressure passengers to cancel the ride to avoid the company’s commission. Moreover, reckless driving and lack of adherence to traffic signals are common. Such behaviors are degrading the user experience of Pathao and also hampering the reputation of Pathao.

Safety and trust is continuously hampered by reports of harassments and accidents by untrained drivers. There is significant issue of “verification of riders” as sometimes the drivers who accepts the ride is not the person registered in the app. Pathao cannot enforce strict accountability because

of Pathao's freelancing nature. It is becoming hard for Pathao to hold its trust because of lack of background checks and transparency and immediate dispute resolution system. These issues questions Pathao's marketing promise which clashes with the operation realities.

Teaching Objectives

- Evaluate how the disconnection between Pathao's marketing promises and operational execution lead to the erosion of brand equity.
- Evaluate how Pathao navigates extreme competition with global competitor like uber and local competitor like Obhai while facing external challenges like fuel price hikes and government regulations.
- Describe how drivers avoiding the app to escape commissions deteriorates the platform's business model and hampers customer loyalty.
- Analyze how the high cancellation rates and driver behavior hampers the brand image.
- Describe if the fare "bidding" system is more sustainable or not.
- Suggest the operational improvements to regain the trust and loyalty of lost customers.

Teaching Audiences

- Undergraduate or graduate marketing students.
- Researchers
- Early career adopters.
- Branding researchers and professionals.
- Pathao and Uber users.

Questionnaire for Discussion

Question 1

How does the consistent gap between promised convenience and actual service performance contribute to the erosion of brand equity in ride-sharing services?

Answer:

When the delivery of brand promises occur, automatically the brand trust builds. Usually, the facilities offered by ride sharing companies are safety, reliability, speed, convenience and when users don't get these facilities, the expectations are not matched with realities and brand erosion occurs. In this case we previously discussed about how the erosion of brand occurs from continuous customer experience and contradicts marketing promises. Customers get unsatisfied if customers face continuous ride cancellation, long wait time, fare price fluctuations. These operation glitches overshadow the positive brand images. A brand's image turns into inefficient from reliable when a brand overpromises but underserves. And this mismatch hampers the brand's credibility. Once a brand image gets hampered, it takes a lot to compensate the loss.

Through word-of-mouth dissatisfaction spreads a lot. Negative online review, word of mouth etc. hampers brand image. If a collective negative image is built once, the brand image falls rapidly. Brand equity is closely tied to habit formation in ride sharing service. If a customer loses trust in a brand, they become price sensitive and switch the brand immediately. This arises competition with the competitors. In conclusion it can be said that the mismatch between the services promised and operational reality damages the customer's trust which damages the brand image and the recovery from the damage is costly and challenging.

Question 2

What operational failures most strongly influence customer dissatisfaction, and how do these failures weaken customer loyalty in ride-sharing services?

Answer:

Operational failure plays a vital role in keeping customer trust in ride sharing service. As ride sharing platforms heavily on real time service delivery, even minor disruptions can have negative effect on user mind.

One of the most common operation failures is service unavailability which occurs too often. Driver cancellation is a common scenario which creates frustration among customers. This problem is questions the marketing promise made by Pathao. Convenience and reliability are directly questioned by repeated ride cancellation by drivers. On the other hand, another major problem is poor driver behavior in ride sharing service. Poor driver behavior, lack of professionalism, unsafe driving, refusal to follow app map etc creates heavy dissatisfaction of

trust is negatively impacted by this kind of problems. Drivers are the frontline representatives of Pathao and their inconsistency directly hampers the brand image of Pathao.

However, another notable problem is surge in fare price of ride sharing service. Customers feel exploited when they see surge in price during peak hours or emergencies. Users see a brand to be opportunistic rather than customer centric if price transparency is weak. Additionally, app crashing, wrong GPS tracking, delayed customer support these are the technical issues which can negatively affect the brand image. Customers feel undervalued when technical and operational problem occur and their issues are not solved immediately. And also, technical issues such as app crashes, inaccurate GPS tracking, delayed customer support, and payment failures further exacerbate dissatisfaction. When operational problems occur and customer support fails to resolve issues promptly, customers feel ignored and undervalued.

Question 3

How does the mismatch between brand promise and operational reality influence customer and negatively affect emotional attachment to a ride-sharing brand?

Answer:

Brand equity is built on the emotional attachment that a customer feels with a brand. When customer do get dissatisfied with a brand and finds mismatch between expectation and reality this hampers the emotional attachment to the brand. Brand promises are the pillars of creating psychological contract between a company and it's users. When a ride sharing company like Pathao's services are continuously hampered in time efficiency, ease of access and dependable service, customer starts questioning the brand's credibility. This erosion of trust and emotional attachment to the brand does not occur in one day, rather it's a gradual problem that occurs repeatedly.

A brand becomes transactional option rather than preferred choice if the emotional attachment is broken. And negative reviews circulate through word of mouth which has collective negative impact on the brand. Customer become less forgiving if the emotional attachment is once broken to a brand. Social media and other platforms get bombarded with negative reviews which destroys the brand image. That is why customers should always feel emotionally attached to the brand.

Emotional attachment plays a vital role for a brand. A brand's success will be positively affected if customers are loyal and emotionally attached to the brand.

Question 4

What role does communication and customer support play in mitigating or accelerating brand equity erosion during service failures?

Answer:

Communication and customer support play a vital role in case of service failure. Operational issues are unavoidable and to back up in case of operational failures there should be strong communication and customer service. Effective communication reassures that the company cares about customer and is ready to solve customer's problem. Humble expiation of ride delay, fare discrepancies, bad driver behavior etc can reduce frustration of customers. When customers understand why the problem has occurred, they become flexibility and committed to the brand.

Customer support responsiveness is very important for the growth of the organization. Prompt problem solution, refunds, or apologies can preserve trust and [prevent emotional backlash. Customers judge a problem on the basis of how the resolution has occurred. Poor communication damages the brand image. Customers can not be retained if poor communication and customer service has occurred. Good communication and customer service regains the brand trust and mitigates problems.

Question 5

What are the common managerial dilemmas of Pathao ride sharing to build market? How the dilemma can affect the managerial decision point?

Answer: The major dilemma of Pathao ride sharing in building market is the supply vs. demand dilemma. For attracting drivers Pathao need high density of drivers so that the waiting time is less. The dilemma is if Pathao should spend more on rider discount or driver incentive. The dilemma is price vs. profitability. Pathao often keeps the fare price low to attract more customers. Since the fare is too low to cover everything, Pathao uses it's own savings (money from the investors) to pay for the rest. Because of that even the company has full of Pathao bikes on the road, the company is losing money in every trip. Because of this situation it has become very hard to make the

business profitable. However, the dilemma is speed of growth vs. the operational safety. Rapid expansion requires to onboard thousands of drivers quickly. We know that to onboard huge number of drivers it takes long time and huge amount of money. The brand image can be damaged because of choosing safety over speed.

The dilemmas discussed in the above has huge effect on managerial decision making. For example, huge demand and supply dilemma leads managers of Pathao to allocate resources properly. For example, during peak seasons like Eid, the managerial decision point shifts towards supply. Management may decide to cut rider promotion to ensure more supply to users during peak season. Another dilemma effect on managerial decision point is algorithm governance. When demand exceeds the supply, the algorithm increases it's prices. Another managerial effect is product diversification. When Pathao was struggling to raise more money due to low margin on ride sharing service, it expanded into food delivery service, and courier service to increase it's profit margin.

CBBE Model analysis:



Brand Identity (Who are you?)

Pathao has become the first homegrown tech giant and it has become the super app gradually. It has positioned itself as local hero and the major slogan of this company is “moving Bangladesh.

Pathao has become the first choice of the youth people who are aged between 18 to 30. From 2015, the goal of Pathao is to solve the problem of traffic congestion. Pathao did not just offer ride solution, it has brought solution to chaos. The depth of the brand is deep because it has positioned itself as the homegrown solution to traffic contestation. By integrating food delivery, courier service and payment service in one platform it has ensured that the user stays with the brand throughout the day.

Brand Meaning (what are you?)

This level of the pyramid describes about the “Head” (performance) and “Heart” (imagery) of the brand. Pathao performance is dependent on its features like GPS tracker, SOS button, transparent fare estimates etc. The feature of Pathao provides utility to the customers. Though Pathao promises convenient and reliable services, customer often face problems like ride cancellation, unsafe driving, surged fare price etc. these gaps fail to deliver what the marketing promises.

On the imagery side Pathao did excellent job in creting brand image that resonate with the local culture. It uses local humor and Bengali language in it’s marketing and addresses it’s driver as “Heros”. These initiatives give Pathao an image of being respectful and community focused brand.

The challenge of Pathao lies in these two. Pathao can have the best imagery but if the brand image gets worsen by “low driver loyalty” and “safety issues” the imagery becomes a lie. To get over from these imagery Pathao must turn into “reliable “from “fast”.

Brand Response

Once the customers understand what type of brand Pathao is they create rational judgment and emotional connection with Pathao. Rational judgements are biased on quality, credibility and superiority. As majority of the people trust in Pathao according to the survey, it indicates that Pathao is a credible brand. Pathao is the first brand to received liscence from BRTA and this status gives Pathao the image of formal authority which makes the brand credible.

However, how Pathao feels about the brand is subjective as there are female passengers who feel anxiety in using Pathao. Despite having SOS button Pathao users face safety incidents. When female users feel unsafe the brands equity drops immediately. Pathao should work on that so that these safety incidents do not occur in future.

Brand Resonance

In the top of the pyramid there lies “Brand Resonance” which represents the brand’s relationship with the customers. Pathao has gained high level of resonance with the “super app” ecosystem. When customers ride through Pathao and use Pathao, their trust is built automatically.

Resonance also involves sense of community. Pathao’s “Pathao car adda” and influencer marketing create a sense of community. With the slogan “Moving Bangladesh” Pathao users feel that they belong to the brand. A psychological bond is created with the status of “homegrown app”.

However true resonance lies in having “active engagement”. Pathao’s resonance is fragile due to safety incidents, high driver cancellation, price surge etc. To become high on resonance Pathao must turn into being “lifestyle partner” from being utility.

Conclusion

Pathao started its journey from startup to dominant super app. It’s major consumers are youth people. As a homegrown super app, the company has seen major growth. The company has become national necessity by positioning them from “local Hero” and by this slogan “Moving Bangladesh”. The company’s strength lies in understanding the demographic of Bangladesh. The super app ecosystem where food delivery, courier service and payment service is available and that has made the company a local hero. Pathao has grown as a brand by expanding tier 2 and tier 3 cities.

Though the company has become a local hero, the company has some negatives areas. The company’s marketing promises does not often match operational realities. High ride cancellation, driver misbehavior, wrong navigation, high price surge creates question on the marketing promise of convenience and affordability. Pathao should take steps to realize those customer issues and should take necessary steps to mitigate those problems.

Strategic Recommendation

Pathao should build a trust centred operational model to maintain it’s market leadership. Pathao has high cancellation rate, poor driver behavior, wrong navigation, high price surge issues. Pathao

should introduce driver training programs to mitigate the driver behavior problem. Pathao should build a captain reward system to encourage drivers to not cancel rides.

Poor navigation problem is another notable problem. Pathao sometime shows long routes and it has poor navigation problem. Pathao should do more up gradation on its app and solve the problem of poor navigation.

Women safety is another issue of pathao. There are few incidents which created women safety issue of pathao. Pathao should implement heavy laws to protect women and there should be zero tolerance policy in case of women safety.

Pathao sometimes face technical glitches. Pathao should employ strong and efficient people to solve technical glitches. Since it is an app-based service, it should more focus on the app's credibility and to do that it should hire strong technical people.

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