Analysis of Safety & Pricing Issue in Grab’s Car & The Solutions

Umairah Binti Buruhanutheen¹, Daisy Mui Hung Kee², Nurul Afiqah Binti Malik³, Sunita A/P Kuson⁴, Teh Yen⁵, Siddhi Karlekar⁶
University of Science, Malaysia¹
umairahburhan@gmail.com
Universiti Sains Malaysia²
daisy@usm.my
University of Science, Malaysia³
afiqahmalik69@gmail.com
University of Science, Malaysia⁴
sunitakuson@student.usm.my
University of Science, Malaysia⁵
doremifasotehyen233@gmail.com
University of Amity Mumbai⁶
siddhi.karlekar1997@gmail.com

ABSTRACT

The following is a proposal for ride-hailing transport service, Grab. The proposal is done to assist them with the problems they face every now and then. Grabs’ Facebook page reveals myriad complaints about its services. Many app designers and even users have been facing several issues regarding their grab app. Since a lot of people rely on grab as their main transportation to go to places it is important for Grab to consider the criticism to improve their service.

The main objectives definitely would be managing a good relationship with existing customers with a focus on creating loyalty towards their business. There are several solutions and recommendations that are included in this proposal to encourage Grab for their service enhancement.

Keywords: Assist, Grab app, Price Issues, Safety, Good Relationship, Customers, Solutions

Introduction

Grab Taxi Holding Pte. Ltd. mainly known as Grab is a Singapore based technology company that offers ride-hailing, ride sharing, logistic services and food delivery service through its app in Singapore and other countries in Southeast Asian including Indonesia, Thailand, Philippines, Malaysia, Myanmar and Cambodia. As time goes by Grab Taxi Holding Pte. Ltd is increasingly developing to get a fairly high profit.¹

This company was founded in 2012 and legend has it, a few friends were enjoying some tea together. As is common with Southeast Asians, Grab Taxi started ranting about how hard it was to get a taxi. But afterwards, they did something uncommon. They decided to solve the problem. They started “Grab” then “My Taxi”. Pretty soon, their simple goal had transformed into something bigger to make Southeast Asian a better place while people using their services.
Background

The idea of creating taxi mobile booking mobile apps similar to those in United State first came from Anthony Tan also the founder of Grab Taxi. Antony Tan who is the youngest of three brothers of the family that operates Tan Chong Motors, the authorized distributor for Nissan Cars in Malaysia. When a friend visited him in Malaysia, Anthony heard his friend complaining about the horrible experience of riding taxis in the country. In particular, his friend was concerned that his taxis may be taking an incorrect route or overcharging him. He decided to take this problem up as a project and successfully present the services to eight countries across the region.¹

Grab mobile apps assigns to nearby commuters through a sharing location system. The services provided such are Grab Taxi, Grab, Grab Remorque, GrabBike, GrabHitch GrabPay, and GrabFood in 168 cities across seven countries. Grab Taxi said it had more than 1.2 million mobile apps being download and claimed to be doing one booking every eight seconds or 10,000 booking a day. While in November 2017, the data collected shows that Grab reached one billion rides with 66 rides in one second across eight countries. Grab Taxi Holding also occupied 97% of the market share in the third-party taxi hailing market and 72% in the private vehicle hailing market. The company also claimed to have more than two million driving partners with 68 million mobile app downloads and 3.5 million daily rides. In December 2018 itself, Grab claimed to have served 920 million kilometres worth of rides to its users that year. While it originally competed with Uber, Grab’s acquisition of Uber’s Southeast Asian operations in March 2018 has turned it to become the only major rideshare service in the region.

In 2015, Grab opened a development facility in the central business district of Singapore worth of USD 100 million². The new facility houses about 200 engineers and data scientists over the next few years. Recent hires including the Chief Technology Officer Wei Zhu, ex-Facebook Engineer and creator of Facebook Connect who left the company in August 2015 for expansion of Grab³. In 2016, the largest ride-hail service in Southeast Asia is opening an engineering centre in Seattle in a bid to improve its mobile platform by taking advantage of the deep pool of tech talent in that city.

In the Philippines, Grab has already been accredited upon meeting all government requirements and fully legalised as a Transportation Network Company (TNC) by the Land Transportation Franchising and Regulatory Board (LTFRB) in 2015⁴. The following year, Malaysia approved plans that legitimized Grab and Uber services, as well as to transform their taxi industry. On 4th April 2017, the Malaysian government tabled amendments to existing transport laws that would regulate transport application services and protect drivers from harassment. Malaysian government approved plans to legitimise Uber and Grab services, as well as to transform the taxi industry. The amendments were passed by the Parliament of Malaysia on 28th July 2017, which directly legalised both services to operate in the country⁵. In Singapore, Grab Taxi has also been legalized and the driver need to register and follow all the rules. Since it’s started, Grab received majority votes of 45% from 600 of total votes in an online poll conducted by Singapore’s Straits Times as the taxi hailing apps of consumer’s choice.

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Challenge

After the acquisition of Uber’s Southeast Asian operations, Grab become a ride-hailing leader in many Southeast Asian countries. However, there were reveals many new coming issues & complaints about its services. Thus, we plan to research & solve the hottest Grab complaint issues to enhancing its’ leader position. The following issues will discover deeper in this survey:

(1) Safety Issue

Passenger safety issue

Passenger safety issue in TVNS rides is a similar concern issue in the world such as Grab in many parts of the world & Didi in China. In June 2017, a single mother was allegedly raped by the Grab driver. In August 2018, a female ride-sharing passenger in China was raped and killed by a driver for China’s largest ride-hailing firm, Didi. If the victim knows the complaints and review about the driver, the victim may not get into the carpool vehicle. We should take warning even this incident happened in China ride-sharing services.

The safety issue of a female driver being assault by a male passenger

Based on an incident happened on 20 January 2017, Petaling Jaya, a female driver of Grab being sexually harassed by male passengers. Consequently, this had raised concerns among prospective drivers. There are not safe even for male drivers or passengers.

Attitude of Grab drivers

There are some incidents happens on passengers and Grab drivers. On 2016, a female passenger alleged that creepy Grab driver exposed his private parts and sexually harassed her while she was on the ride over the weekend.
In 23 October 2018, a male driver intentionally missed her drop-off point, normal 30 minutes ride took her to one and half hour and ask about the sexual things or rather was implicating that he should be the first one to do the victim. After the victim post the story on Twitter and Grab, the male driver even called the victim at night to let her know that this is the first time he was banned from Grab. This makes the victim angry about Grab not mentioned the banned record from the Grab.

Besides, based on the post on Twitter, Grab’s social media handler has quickly apologized for the posts. Grab only take actions to ban the driver after the victim send the management a direct message first and file a report on its official help centre. However, the action taken by Grab is not right. At least, they should file a police report on behalf of the victim.

(2) Price Issue

Grab’s fares higher than before

Many customers complained that Grab’s fares were higher nowadays, as the demand is higher. After the merger of Grab with its competitor Uber, Grab has gradually become a monopoly which was not advantaging to the public. Some drivers will intentionally prolong the ride to charge a higher fare.


Lack of transparency about surging pricing

After the merging of Grab and Uber in 2018, there were many numerous complaints received by Grab and one of them is about pricing. This issue result Grab losing customer and change to another ride-hailing service such as MyCar & the taxi. Thus, it’s important to solve this issue & satisfy the customer. Besides, Grab users also complaints there often have drastically priced in Grab services. Even the Grab explain that the implements surge pricing is because the demand is high. The higher the demand, the lack of driver supply, the higher price.

Research Objectives

The objectives of the survey are:

a. To find the idea to guarantee the safety of passenger in Grab service even at early morning & late evening hours.
   The risk of undergoing dangerous, sexual harassment or attack, violence become a critical factor in passenger’s decision making. Prevention is better than cure. The sake of this survey is to make Grab made the passenger feel safe during the ride home nonetheless midnight or dusk.

b. To find the idea to solve the increased fares and commissions fees after the merge.
   The are many complaints regarding the price issues in Grab. Sometimes, the taxi is cheaper than Grab.

c. To find the risk & impact of each generated accessible idea.
   To evaluate the effectiveness ranking, costing ranking & risking of each idea.
Solution

Based on the challenges faced by Grab’s users and passengers, these are the solutions:

The solution for Issue 1: Safety Issue

The way the Grab not serious see sexual harassment is a big deal. Sexual harassment is a criminal. In 2016, a female passenger alleged that creepy Grab driver exposed his private parts and sexually harassed her while she was on the ride over the weekend. She couldn’t get out of the car as the car is driving. After she arrived the destination, she calls Grab hoping to figure out what to do about the driver. However, the telephone operator cannot do & don’t know what to do, just told her to email them.

Grab has a zero-tolerance policy to any crime and serious misconduct by drivers and will immediately remove the driver from their platform after victim report it. However, police will not take any action if the victim feels embarrassed to report to the police. While mean, there are limit legal action can take by Grab. Meanwhile, a finance blog advises passengers to access Grab’s in-app feature called “Share My Ride” for further safety. With this, you can share the details of your commute, including the name of the driver and the car’s plate number, to someone you trust. This person can then track your whereabouts until you arrived at your destination.

To solve the safety problem, we introduce the concept of “CCTV in the car”. Only the vehicles have dash cams & car panic button can register as a driver. Grab can rent the dash cams & car panic button to the driver that didn’t have the following application. With the application of auto online streaming of the dash cams to oversee the ride-hailing situation. Once have a dangerous situation, the passenger can press the panic button at car or an emergency button at their app. It’s will alarm Grab office in Grab Centre, they should check the monitor screen and see what currently happen on the car.

According to a study called “Passenger Safety in Ride-Sharing Services,” the researchers recommended the use of dash cams and a distress alarm on the car to increase the security of the passenger and the driver throughout the ride. After all, this will contribute to customer satisfaction in TVNS rides. Besides, Grab should improve the emergency button inside the application. The emergency button should improve in term of the current destination of Grab customers. Moreover, Grab can strictly driver screening, the vehicle has dash cams & panic button can be will get the extra incentive. Moreover, moral is the more essential soft quality to select the driver. Respect female is one of the most important moral to training in Grab driver, whoever can’t pass the training cannot be the Grab driver. The driver training should be more professional and emphasize more driver moral value.

Furthermore, to solve the safety issue, Grab can give passenger option of selecting same gender driver. This matter is important to select the gender of drivers especially for female customers during night time because of safety. Based on complaints by Grab users, some of them even get different driver than stated in the application. Grab’s user only can see the driver service ranking ranked by the customer & can’t see the driver complaints. Grab also should add a new function to transparent the complaint of the driver to assurance the passenger. It’s double insurance to make the user feel safety.
There was a case in the year 2016 in Malaysia, which a male driver of Grab whipped out his penis on the way to the female passenger destination. Consequently, Grab Malaysia has since removed the driver from its platform. Grab advised victim to lodge a police report, but the victim reluctant as not any photographic proof. She also worried the driver could track her down based on the personal details he had access. The victim feels helpless and have pretend like nothing was happening as she nothing can do without proof. Even a legal advisor told her not to report as it was not worth the harm this person could inflict on the victim & victim’s family. Based on the story, Grab should help in fighting on behalf of customer’s right against the plaintiff by on behalf of victim passenger report the case happened in Grab to the police.

Solution for Issue 2: Increased pricing after the merge

After the merging of Grab and Uber in 2018, there were numerous complaints received by Grab and one of them is about pricing, which the driver often increased fares and commission fees.

A Based on an article from TodayOnline.com Singapore, with the title “Numerous complaints’ about Grab over increased fares and commission fees, says competition watchdog”, mentioned that Grab would be able to raise fares for riders and commission rates for drivers, lower the quality of its services and reduce innovating its product offerings, without sufficient competition post-Transaction,” said the Competition and Consumer Commission of Singapore (CCCS), which noted that Grab and Uber’s customers and competitors had also raised such concerns.

Regarding the increment of the price after the merge, the Grab becomes low in quality but high in prices, the service provided is unsatisfied. There are many taxi industries grab the opportunity to improve their services at cheaper price, good services, intently to make the taxi as one of the competitors for Grab. Thus, Grab should continuously improve their hiring driver’s procedure and training them great in providing good services and have driver morals. Moreover, as there may raising many competitors in the future, so Grab should often do promotion & discount to the loyal customer.

Besides, Grab can do a good favour to retain the user loyalty. For example, Grab can provide the promotion code to university students as there does not have financial income. Grab can auto-generate a quick route to a destination to prevent the driver intently miss their location or use a longer route to gain more fares.

To solve the surging price of Grab. The Grab should use performance-based rewards for drivers who given incentives to maintaining a high acceptance rate & low cancellation rate. To avoid there are many drivers stand by during the most peak period area. At the same time, Grab should also improve the services provided. As the driver of Grab, they had to always think from the customer’s point of view. If they like his services, they will continue to use Grab no matter how the price is. So, it is important to understand the customers’ expectations.

Grab implements surge pricing when demand is high. Riders who willing to pay the higher fares will get a ride, while others can wait till the demand calls off. However, the Grab also which clearly tell the user the amount of surge in fares and requires the customer to acknowledge the multiplier effect before the rider book their ride. The riders need to know how much prices have risen in order to make an informed choice about their rides, which it's could be detrimental to its users.
Ride-hailing service usually sticks to a formula: a booking fee, a base fare, a per-minute charge, a per-mile charge, and then a variable service fee or minimum fare. However, the price set for Grab is based on a non-transparent route. They should apply the pricing transparency. It's mean Grab have to indicate whether any amount of surge pricing was under effect by displaying a multiplier to the normal base rate. Much of its struggle with getting customers to accept this type of dynamic pricing revolved around making them acknowledge the additional price multiplier ahead of time⁹.


After the merge of Uber with Grab, the ride fares of Grab now more expensive. Many Grab users worried that the monopoly of Grab in offered the higher ride fares. Sometimes, the taxi is cheaper than the Grab's service over the same duration of a trip. The cost of Grab in some rural area is more expensive than a taxi. A spokesman from Grab said that the attributions of the higher rates are due to the company's implementation of dynamic pricing, which sees prices fluctuating according to the demand and supply in high traffic areas during peak hours, especially in public holiday. There are many shortages of cars¹⁰.

Benefit

To solve the safety issue among passenger & driver, the most efficiency & applicable protection ways is to improve the function inside Grab's app. The cost of implement for this solution is lower compared to provide the online dash camera (CCTV) inside the driver car.

To implement the online synchronize & monitor the car inner if an emergency button pressed by the passenger or driver, grab need to develop an application which can support by the dash camera.

However, there are many brands of dash camera with different features provided in the market. It's impossible for Grab to develop an application which suitable & support by all dash camera in the market.

Generally, a dash camera with high video quality, larger memory capacity & can enable online GPS tracker will costing RM 2,500/ USD 400 & above. It's even more expensive after adding the online monitoring function.

By the way, to implement this dash cams project, Grab have cooperated with one of the dash camera brands to make sure they support the online emergency monitor function & enable to synchronize with the Grab Centre. The estimated price of final dash camera which fulfil the project requirement estimate unbearable by the mostly Grab driver.
In conclusion, this project is difficult to implement and generate many risks after rent high-quality dash cameras to the driver. Thus, we can remark this solution is an inefficient & most unfavourable option. Furthermore, we look at the option to improve the app function by adding the gender selection inside the app. The estimated cost of this project is not more than RM 50,000, which the larger component of the cost is the wages paid to the expert programmer.

The feature in the Grab application which can improve the safety issue as per mentioned before is adding the gender selection option for the passenger to select the driver’s gender & for the female drivers to select the passenger’s gender. It's a transparent option for female driver & passenger to review the driver & passenger gender for their safety purpose especially at mid-night or dusk. By the way, Grab should transparent the complaint about driver to assurance the passenger. It’s double insurance to make the user feel safety.

Besides, Grab should improve the function of the emergency button/SOS button inside the application. There are many interviewees feel the emergency button inside the application is useless. The Grab introduces the emergency button by the statement: “just one tap, the emergency button will key 999 into your phone, to connect you directly with the police or notify their emergency contacts”. However, the interviewee responds it's unsafe as they are hard to explain to the police their current location just through the telecommunication and police won’t instantly believe their statement. They have fight with the villain by their own effort and unsatisfied with Grab did not support any help in the emergency situation. They also comment on the emergency button should direct contact to Grab help centre, let’s Grab tracking their current location and behalf report the case to the police. The Grab even can call the driver telephone & warn the driver. Eventually, the Grab should have cooperation with police to get the emergency pathway so the police can quickly respond to the emergency case regarding Grab passenger.

Besides, the Grab should update its application by adding the feature which an artificial intelligence in GPS navigation systems can help to generate most fast & cheap ways to the location for the driver & location. The transparency of the route which controls by Grab system...
can solve the problem the immoral driver intentionally selects the long route to claim higher ride fares to the passenger.

Furthermore, Grab should strictly select the driver & put the moral as the first crucial criterion to select the driver. Grab should enforce the regulation to restricting the immoral action among the drivers & serious deal with the customer complaints issue among the certain drivers. Thus, more transparency and more control of Grab could be ways to achieve better and happy rides.

The idea of auto-generate a quick route to a destination is inapplicable as this project estimate costing a large amount. To retain the customer, Grab can give the promotion & discount for students as they need Grab to attend their class.

Lastly, the most effective way is to use performance-based rewards for drivers who given incentives to maintaining a high acceptance rate & low cancellation rate. Grab should reward the excellent drivers in the term of fuels and etc.

Result

In conclusion, we can see Grab has positioned itself as one of the top companies that offer not in just ride-hailing but also in ridesharing, logistic services, food delivery service and many more. In just a few years we can see there is development in Grab in many countries. The Grab are used by customers from around the world. This shows the company have very good strategies and good teamwork among them. Unfortunately, although the company are famous in many countries, there are also some problem arise in every aspect. For example, from customers views, services, customer benefits and driver benefits.

Firstly, based on the research that we have done, there are issues arise in Grab. Most of the issues are based on the customers’ complaints. The first issue that most reported is the safety issue. Safety issue not only important to females but for everyone. Safety issues that frequently happens to customers when using Grab are sexual harassment and unprofessional drivers. That is the reasons for some women customer lacking to use Grab. They more prefer to ask their friends for help. So, from the research we include some of the solutions that can be applied to the Grab such as installing dash cam camera in the car, having emergency button in the Grab mobile apps, strictly driver screening and training, and having special choice for the passenger to choose the gender of driver & can see the complaint of driver while select it.

Next, the second issue is the price. From our research, many customers complained that Grab fares were higher nowadays as the demand is higher and the increasing number of users used grab to go to their selected destination. After the merge of Grab and Uber, Grab have gradually become a monopoly. This brings some effect to the public. Some drivers will intentionally prolong the ride to charge a higher fare. To solve the problem Grab can apply pricing transparency. Grab need to indicate whether any amount of surge pricing was affected by displaying a multiplier to the normal base rate. Moreover, Grab can lower the price to attract their customers to use their service instead of other competitors.

Since Grab is one of the top ride-sharing companies especially in Southeast Asia country, the problems and challenges face by Grab give a huge impact on customers’ satisfaction and their business. To increase their customers’ satisfaction on services provided by Grab, by improving their strategies gives a lot of advantages. The point is to fit with their motto “whatever we do, it’s to drive all of us… forward together”.

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