

Conference Paper

Evaluating the Effectiveness of Marketing Mix Used by Transport Network Vehicle Services

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Abstract

This research assessed the level of effectiveness of the 4Ps or the marketing mix employed by Grab Car using the Four Ps of Marketing—Price, Place, Promotion, and to identify if Grab Car really is living up to the expectations of the riding public in the NCR. Findings may have shown that passengers are satisfied with the services provided by Grab Car, focusing on the concerns of the commuters can still be used by Grab and other Transport Network Vehicle Services in improving their marketing strategies.

Keywords: Grab Car, Marketing Mix, Marketing Strategies, Transport Network Vehicle Services

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1. Introduction

Riding taxi is a convenient way to escape from pollution that plagues the busy streets of Manila. Cabs are essential to public commute especially when traveling from one place to another as it will lessen the hassle of hopping on and off a vehicle. As well as the irritability caused by crowded transportation such as bus, jeep, or even trains. However, a common problem that confronts many cab riders is being rejected by picky drivers special during rush hour. Also, many crimes are reported nowadays involving taxi drivers. Passengers are allegedly getting hurt, verbally assaulted, or cheated when it comes to fares. These are a few of the reasons why Transport Network Vehicle Service (TNVS) is booming in the country—they are found to give better security and protection to commuters since taxi drivers are compelled to perform better service as they are monitored by platforms under which they are registered. With this new trend in transport service, it is interesting to know the reception of commuters towards the service provided by the TNVS as revealed by its marketing strategies as well as their concerns.

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TNVS was introduced in the midst of scarcity, security, and safety concerns relevant to public commuting. The Grab Car has been one of the two major TNVS platforms in the Philippines with around 28,000 cars running around the metropolis on a daily basis [1]. As an on-demand car service, TNVS allows commuters to request for private driver through applications for Apple and Android devices. The service utilizes dispatch software to send the nearest driver to one's location. Thru private vehicle, the service provides a cash or cashless solution that charges the fare directly to one's credit card.

Using the 4Ps of Marketing—Product, Price, Place, and Promotion— which was refined by E. Jerome McCarthy from the Marketing Mix model of Neil Borden. The model is just fitting since marketing as an activity, involves a set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large [2]. Under the model, the four Ps were identified as Product, Price, Place, and Promotion. This widely-popular notion has been consistently utilized by marketing companies, branding agencies, and even web design companies worldwide. In the study, Product is represented on Grab Car's strategy of maintaining sanitation, safety, and sobriety among its drivers; Price is denoted by the different price schemes offered by Grab; Place is shown through the various areas where people can book Grab Car; and Promotion is represented by the different means of promoting the services of Grab.

2. Objectives of the Study

This study was purported to assess the level of effectiveness of the marketing strategies of Grab Car in the National Capital Region. This specifically sought to determine a) the profile of the respondents in terms of sex, age, type of commuters, civil status, car ownership, and frequency of using Grab; b) the respondents' rate on the level of effectiveness of the marketing strategies of Grab in terms of product, price, place, and promotion; c) if there is any significant difference in the level of effectiveness and the aspects of marketing activities when the respondents are grouped in terms of profile; and d) the problems encountered by the respondents of Grab Car.

3. Materials and Methods

Using the descriptive method and non-probability, accidental sampling, this study involved 241 commuters of Grab Car in the National Capital Region who are from the sectors of students and employees from both government and private institutions.

Questionnaires were distributed to selected Grab Car drivers who sought the help of their passengers in answering the instrument. The instrument used was divided into three (3) main sections: Part I of the questionnaire covers the demographic profile of the respondents; Part II was for the Level of Effectiveness of Marketing Activities; and Part III stated the problems commonly encountered by passengers. The study used consolidated points from the respondents’ answers to each item over a five-point scale.

Responses were computed using Percentage Distribution for the profile of the passengers, Weighted Mean for the level of effectiveness of Grab Car’s marketing strategy, as well as the level of seriousness of problems experienced, Weighted Means was applied. One-way ANOVA was also employed in testing the significant difference of the responses for the variables of age, type of commuters, type of institution, civil status, car ownership, and frequency of use of Grab Car; except for the variable of gender where paired T-Test was used.

4. Results and Discussion

TABLE 1: Frequency Distribution of the Respondents’ Profile.

Profile	Frequency	Percent
Sex		
Female	137	56.85
Age		
26-30	59	24.48
Type of Commuters		
Employed	177	73.44
Type of Institution		
Private	114	47.30
Civil Status		
Single	147	61.00
Car Ownership		
No	161	66.80
Frequency of Using Grab		
Special occasion	82	34.02

Table 1 shows the general findings of the respondents' profile. Of the 241 passenger-respondents, 137 or 56.85% are females; 59 or 24.48% are aged 26-30; 177 or 73.44% are employed; 114 or 47.30% are from private companies; 147 or 61% are single; 161 or 66.80% do not own a vehicle; and 82 or 34.02% are using Grab service only for special occasion.

TABLE 2: Level of Effectiveness of Product Marketing Activity of Grab Car.

Marketing Activity (Product)	WM	VI
Sex	4.35	E
Age	4.35	E
Type of Commuters	4.35	E
Type of Institution	4.37	E
Civil Status	4.35	E
Car Ownership	4.35	E
Frequency of Grab Use	4.35	E
General Weighted Average	4.35	E

As can be seen on the table, the ratings for the product marketing strategies of Grab Car a general weighted average of 4.35 is revealed when respondents are grouped in terms of sex, age, type of commuters, civil status, car ownership, and frequency of Grab use. All weighted averages are interpreted as effective.

TABLE 3: Level of Effectiveness of Price Marketing Activity of Grab Car.

Marketing Activity (Price)	WM	VI
Sex	4.13	E
Age	4.13	E
Type of Commuters	4.13	E
Type of Institution	4.14	E
Civil Status	4.12	E
Car Ownership	4.12	E
Frequency of Grab Use	4.13	E
General Weighted Average	4.12	E

The table shows that the ratings for the price marketing strategies of Grab Car when grouped based on profile has earned a general weighted average of 4.13 is obtained

when respondents are grouped when grouped by sex, age, type of commuters, and frequency of Grab use. All scores are interpreted as effective.

TABLE 4: Level of Effectiveness of Place Marketing Activity of Grab Car.

Marketing Activity (Place)	WM	VI
Sex	4.27	E
Age	4.27	E
Type of Commuters	4.27	E
Type of Institution	4.27	E
Civil Status	4.27	E
Car Ownership	4.27	E
Frequency of Grab Use	4.27	E
General Weighted Average	4.27	E

Table 4 reveals that the ratings for the place marketing activities of Grab Car when grouped based on profile has earned 4.27 general weighted average when respondents are grouped by sex, age, type of customers, type of institution, civil status, car ownership, and frequency of Grab use. All responses have been interpreted as *effective*.

TABLE 5: Level of Effectiveness of Promotional Marketing Activity of Grab Car.

Marketing Activity (Place)	WM	VI
Sex	3.93	E
Age	3.93	E
Type of Commuters	3.93	E
Type of Institution	3.90	E
Civil Status	3.93	E
Car Ownership	3.92	E
Frequency of Grab Use	4.27	E
General Weighted Average	4.27	E

As presented by Table 10, the ratings for the promotion marketing activities of Grab Car when grouped based on profile has earned 4.27 general weighted average when respondents are grouped by frequency of Grab use. On the other hand, the majority of the profile groups—sex, age, type of commuters, and civil status have a general weighted average of 3.93. When grouped based on car ownership, the general

weighted mean is 3.92 while the lowest general weighted average of 3.90 is obtained when respondents were grouped based on type of institution. All responses have been interpreted as effective.

TABLE 6: Test of Significant Difference in the Level of Effectiveness of Marketing Activities According to Sex.

Marketing Activity	t-value	p-value	Decision	Remarks
Product	.076	.940	Accept Ho	Not Significant
Price	-.838	.403	Accept Ho	Not Significant
Place	-1.778	.077	Accept Ho	Not Significant
Promotion	-1.237	.217	Accept Ho	Not Significant

The table presents the test of significant difference on the level of effectiveness of marketing activities of GrabCar when respondents are grouped in terms of sex. Product, with p-value of 9.40; price, with p-value of.403; place, with p-value of.077; and promotion with p-value of.217 are all above the 0.05 level of significance which means that hypothesis is accepted.

TABLE 7: Test of Significant Difference in the Level of Effectiveness of Marketing Activities According to Age.

Marketing Activity	t-value	p-value	Decision	Remarks
Product	.378	.915	Accept Ho	Not Significant
Price	1.066	.386	Accept Ho	Not Significant
Place	1.283	.259	Accept Ho	Not Significant
Promotion	.682	.688	Accept Ho	Not Significant

The table shows the test of significant difference on the level of effectiveness of marketing activities of GrabCar when respondents are grouped in terms of age. It can be seen that Product, with f-value of.387, and p-value of.915; Price, with f-value of 1.0066 and p-value of.386; Place, with f-value of 1.283 and p-value of.259; and Promotion with f-value.682 and p-value of.688 are all above the 0.05 level of significance which means that hypothesis is accepted.

As presented by the table, product, with f-value of.218, and p-value of.805; price, with f-value of.779 and p-value of.460; place, with f-value of 1.307 and p-value of.272; and promotion with f-value 1.062 and p-value of.247are all above the 0.05 level of significance which means that hypothesis is accepted.

TABLE 8: Test of Significant Difference in the Level of Effectiveness of Marketing Activities According to Type of Commuters.

Marketing Activity	t-value	p-value	Decision	Remarks
Product	.218	.805	Accept Ho	Not Significant
Price	.779	.460	Accept Ho	Not Significant
Place	1.307	.272	Accept Ho	Not Significant
Promotion	1.062	.347	Accept Ho	Not Significant

TABLE 9: Test of Significant Difference in the Level of Effectiveness of Marketing Activities According to Type of Institution.

Marketing Activity	t-value	p-value	Decision	Remarks
Product	2.070	.040	Reject Ho	Not Significant
Price	1.751	.082	Accept Ho	Not Significant
Place	.946	.346	Accept Ho	Not Significant
Promotion	-.488	.626	Accept Ho	Not Significant

The table reveals that product, with f-value of 2.070, and p-value of 0.040 is lower than the acceptable level of significance. This means that there is significant difference in the level of effectiveness of product marketing activities of GrabCar when respondents are grouped based on institution type.

As for the rest—price, with f-value of 1.751 and p-value of 0.082; place, with f-value of 0.946 and p-value of 0.346; and promotion with f-value -0.488 and p-value of 0.626 are all above the 0.05 level of significance which means that hypothesis is accepted.

TABLE 10: Test of Significant Difference in the Level of Effectiveness of Marketing Activities According to Car Ownership.

Marketing Activity	t-value	p-value	Decision	Remarks
Product	1.236	.218	Accept Ho	Not Significant
Price	-.456	.649	Accept Ho	Not Significant
Place	1.156	.249	Accept Ho	Not Significant
Promotion	.143	.887	Accept Ho	Not Significant

Table 9 shows that product, with f-value of 1.236 and p-value of 0.218; Price, with f-value of -0.456 p-value of 0.649; Place, with f-value of 1.156 and p-value of 0.249; and

Promotion with f-value of.143 and p-value of.887 are all above the 0.05 level of significance which means that hypothesis is accepted.

TABLE 11: Test of Significant Difference in the Level of Effectiveness of Marketing Activities According to Frequency of Grab use.

Marketing Activity	t-value	p-value	Decision	Remarks
Product	.638	.636	Accept Ho	Not Significant
Price	1.233	.298	Accept Ho	Not Significant
Place	.576	.680	Accept Ho	Not Significant
Promotion	.670	.614	Accept Ho	Not Significant

Table 11 presents the test of significant difference on the level of effectiveness of marketing activities of Grab Car when respondents are grouped based on frequency of using Grab. Product, with f-value of.683 and p-value of.636; Price, with f-value of 1.233 p-value of.298; Place, with f-value of -.576 and p-value of.680; and Promotion with f-value of.670 and p-value of.614 are all above the 0.05 level of significance which means that hypothesis is accepted.

TABLE 12: Level of Seriousness of Problems Encountered by Grab Car Passengers.

Level of Problems	Weighted Mean	Verbal Interpretation
No guarantee to land a ride during peak hours	4.09	Serious
Effort when booking for long haul travels	3.98	Serious
Surge pricing during peak hours	4.22	Serious
Inconvenience when driver asks to cancel booking due to unknown reason/s	4.37	Serious
Drivers limited road knowledge	4.00	Serious
Drivers demand for additional fare or tip	4.06	Serious
Usage of mobile devices while driving	3.87	Serious
Small change not ready or unavailable	3.69	Serious
Arrival at the pick-up point is behind schedule	3.90	Serious
Drivers not honoring promo codes	3.97	Serious
Untidy exterior and interior of the vehicle	4.00	Serious
Unpleasant smell of the vehicle	4.13	Serious
General Weighted Mean	4.02	Serious

As can be seen from the table, all the problems listed are generally considered **serious**. Moreover, the problem with the highest mean score is *inconvenience when driver asks to cancel booking due to unknown reasons*; *surge during peak hours*; and the third highest is *unpleasant smell of the vehicle*.

5. Conclusion and Recommendation

Based on the findings, the majority of the respondents are female, aged 26-30 years old, employed in private industries, single, do not own a car, and are using Grab Car for special occasion only. Further, the ratings given respondents when grouped based on profile revealed that they found Grab Car's marketing activity in terms of product, price, place, and promotion to be effective. The results of the one-way ANOVA and paired-tests (for sex) have revealed that no statistical significance existed on almost all of the responses when grouped based on the profile except for that of the product marketing activity when grouped according to the type of institution. As for the problems encountered, the majority of the respondents considered cancellation of bookings for unknown reasons as their main concerns as Grab passengers and that all of the given problems have been identified as serious.

Based on the conclusions, the researchers have recommended for the company to strengthen the monitoring of pick cab drivers to ensure that passengers get to be served especially during peak hours; for a study comparing the effectiveness of marketing activities of both Grab and Uber car services to be conducted to find out which of the two have more effective marketing strategies; and to address the problems encountered by passengers, random checking may be conducted by Grab to ensure that vehicles registered under their name are fully complying with their policy. Sanctions leading to cancellation of registration may be imposed if vehicle owners fail to observe after being given warnings.

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