

# *Careem Service Line Extension Plan*



By:

Anum Azmat 01-121172-007

Amna Aslam 01-121172-006

Ch. Omer Arshad 01-121172-009

***MBA***

Supervisor:

Usman Afzal

***Department of Management Sciences***

***Bahria University Islamabad***

***Fall 2018***

## FINAL PROJECT APPROVAL SHEET

Viva-Voce Examination

Viva Date: 23/01/2019

Topic of Project: *Careem Service Line Extension Plan*

Names of Students:

Anum Azmat01-121172-007

Amna Aslam 01-121172-006

Ch. Omer Arshad01-121172-009

Class:MBA 1.5

Approved by:

---

**Usman Afzal**

Supervisor

---

**Dr. Khalilullah**

Examiner-I

---

**Summaira Haroon**

Examiner-II

---

**Dr. Sarwar Zahid**

Research Coordinator

---

**Dr Muhammad Arif Khattak**

Head of Department

Management Sciences

## ABSTRACT

This paper is based on viable and effective marketing plan to launch a new service named as “SAMAN” under the auspices(support) of Careem. The idea has been shared with a few personnel (staff) of Careem, who appreciated in and we intend (plan) to pitch the marketing plan to them for further consideration. The strategies are based on secondary and primary data that was collected through internet and sample selected from within twin cities. We believe the marketing strategies proposed in the paper will provide Careem with a first mover’s advantage in the newly created market space that is untapped till date.

## ACKNOWLEDGEMENTS

We would like to acknowledge the utmost guidance, support and insights provided by our supervisor Sir Usman Afzal. It is needless to say that we would not have been able to complete this project without him. We would also like to thank Mr. Abdullah from Careem who was helpful to us in many ways. We are thankful to our respondents for their feedback and insights and also to the team Billion Ideas for lending us their graphic designing skills. Lastly, we would also like to thank our parents for their cooperation, support and encouragement that kept us motivated throughout this project.

## TABLE OF CONTENTS

ABSTRACT.....	5
ACKNOWLEDGEMENTS.....	6
EXECUTIVE SUMMARY .....	12
CHAPTER 1 – INTRODUCTION .....	14
1.1 Project purpose.....	14
1.2 Project Goals .....	15
1.3 PROJECT RATIONALE .....	15
1.4 Scope and Significance .....	16
1.5 Project Objectives .....	17
1.5.1 Defining target market for new service provision:.....	17
1.5.2 Specifying characteristics of service: .....	17
1.5.3 Getting drivers on board for interviews and creation of fare scales less costly than traditional service: .....	17
1.5.4 Formulation of marketing strategy:.....	17
1.5.5 Implementation plan designing: .....	17
1.6 Anticipated benefits.....	17
1.6.1 Anticipated Economic Benefits:.....	18
1.6.2 Anticipated Social Benefits: .....	18
1.6.3 Anticipated Technological Benefits: .....	18
1.7 Key success factors .....	18
1.7.1 PROJECT SUCCESS FACTORS:.....	18
1.7.2 STRATEGY AND SERVICE LAUNCH SUCCESS FACTORS:.....	19
1.8 Quality definition .....	20

1.9 Major Deliverables .....	20
1.9.1 Service characteristics .....	20
1.9.2 Target Market Segmentation .....	20
1.9.3 Industry Research Analysis including the survey results from 30+ traditional service providers all across Islamabad.....	20
1.9.4 Marketing strategy based on 7Ps (Place, Promotion, Price, people, process, physical evidence and Positioning).....	20
1.9.5 Launch Plan for service .....	21
1.10 ESTIMATED TIME FRAME.....	21
1.11 ESTIMATED BUDGETS.....	21
1.12 CONSTRAINTS .....	22
1.12.1 Driver Competencies:.....	22
1.12.2 Driver Biasness and concerns:.....	22
1.12.3 Limited Financial Resources: .....	22
1.12.4 Limited Knowledge and Research Team: .....	22
1.13 ASSUMPTIONS .....	23
1.13.1 Support And Appreciation From Careem:.....	23
1.13.2 Perfection In Target Market Segmentation: .....	23
1.13.3 Best Utilization Of Resources: .....	23
1.13.4 Name Selection Is Relevant: And Easy To Decipher:.....	23
1.13.5 Best Estimate of Supply Requirement:.....	23
1.14 RISKS.....	23
Following are the anticipated risks:.....	23
1.14.1 Failure To Develop Trustworthy Image: .....	23

1.14.2 Driver Defaulting:.....	24
1.14.3 Failure To Meet Demand:.....	24
1.14.4 Human .....	24
1.14.5 Legal Actions:.....	24
1.14.6 Technical Issues:.....	24
1.14.7 Political Issues: .....	25
1.15 PROJECT MIX .....	25
1.16 INFORMATION REQUIREMENT .....	25
CHAPTER 2 - SERVICE SPECIFICATIONS: .....	25
2.1 SERVICE DESCRIPTION: .....	25
2.2 MODE: .....	26
2.3 OUR 3CS VALUE PROPOSITION: .....	26
2.4 VEHICLE TYPES: .....	27
CHAPTER 3 – CONCEPT TEST AND ANALYSIS .....	27
3.1 RESEARCH ANALYSIS FOR END-USERS: .....	28
3.2 Research Analysis for Intermediary Users.....	35
CHAPTER 4 – COMPETITOR’S ANALYSIS .....	40
4.1 PORTER’S FIVE FORCE MODEL .....	41
4.1.1 Rivalry Among Existing Competitors .....	41
4.1.2 Threats Of New Entrants .....	41
4.1.3 Threats Of Substitute Products .....	41
4.1.4 Bargaining Power Of Suppliers .....	42
4.1.5 Bargaining power of Buyers .....	42
CHAPTER 5 - TARGET MERKET SEGMENTATION .....	43
5.1. COMING FROM THE ARCHIVE.....	43

5.2 ANALYSIS OF SECONDARY RESEARCH IN THE LIGHT OF “SAMAN” .....	43
5.3 SEGMENTATION FOR END-USERS (Business to Business and Business to Customer) .....	44
5.3.1 Demographic Segmentation .....	44
5.3.2 Geographic Segmentation.....	46
5.3.3 Psychographic Segmentation.....	46
5.3.4 Behavioral Segmentation.....	47
5.3.5 Media Segmentation .....	49
5.3.6 Benefit Segmentation .....	49
5.4 SEGMENTATION FOR INTERMEDIARY USERS (DRIVERS) .....	50
5.4.1 Demographic Segmentation .....	50
5.4.2 Geographic Segmentation.....	51
5.4.3 Psychographic Segmentation.....	51
5.4.4 Behavioral Segmentation.....	52
5.4.5 Media Segmentation .....	53
5.4.6 Benefit Segmentation .....	53
CHAPTER 6 - MARKETING AND LAUNCH STRATEGY .....	54
6.1 CHARACTERISTICS OF MARKET ORIENTED STRATEGY .....	54
6.1.1 Customer Focus and Performance Implications .....	54
6.1.2 Competitor and Customer Intelligence.....	54
6.1.3 Determining Distinctive Capabilities .....	54
6.2 MARKETING OBJECTIVES .....	55
6.2.1 Maximization of Profits.....	55
6.2.2 Reinforcing Brand Image of Careem.....	55



6.2.3 Acquisition of New Market Space .....	55
6.2.4 Creating New Value Proposition .....	56
6.2.5 Gaining First Mover Advantage .....	56
6.3 SERVICE MARKETING MIX – 7P’s .....	56
6.3.1 Product Strategy: .....	56
6.3.2 Pricing Strategy .....	56
6.3.3 Placement Strategy: .....	58
6.3.4 Promotion Strategy .....	58
6.3.5 People Strategy .....	62
6.3.6 Process Strategy .....	63
6.3.7 Physical Evidence Strategy .....	63
6.4 LAUNCH STRATEGY .....	63
6.4.1 Hype Generation .....	63
6.4.2 Awareness generation .....	63
6.4.3 Call For Action .....	64
CONCLUSION .....	65
REFERENCES .....	66

## TABLE OF FIGURES

Figure 1: 3Cs Value Proposition of SAMAN .....	27
Figure 2: End User's Income Division Results .....	29
Figure 3: Usage Rate Expected.....	30
Figure 4: End User's Likelihood of Service Use.....	31
Figure 5: End User's Value Perception Results .....	31
Figure 6: End User's Convenience Measure Results - 1 .....	32
Figure 7: End User's Convenience Measure Results - 2 .....	33
Figure 8: Results of End User's Willingness to pay extra.....	34
Figure 9: Careem's Brand Equity Results .....	34
Figure 10: End User's willingness and readiness to spread the word about SAMAN .....	35
Figure 11: Intermediary User Existing per km charges .....	36
Figure 12: Monthly income level of intermediary users.....	38
Figure 13: Family Size of intermediary users .....	39
Figure 14: Availability of Smart Phone .....	39
Figure 15: Willingness to join Careem .....	40
Figure 16: Pakistan Patan 01 image by Arnim Schulz from Fotolia.com.....	41
Figure 17: Loyalty Chart (drivingretention, 2018) .....	48
Figure 18: Brand Knowledge Pyramid: (finesilverdesign, 2014).....	48