

CHAPTER I INTRODUCTION

1.1 Background

The unicorn is a level where a startup business has a value of over \$1 billion or 10 trillion rupiah. To become a unicorn, companies also need an original concept, a distinct growth strategy, a strong business plan, and a workable method of reaching venture capitalists and private investors in order to become unicorns. The word "unicorn" was first used by Aileen Lee, the founder of Cowboy Ventures, to describe the 39 firms with a valuation of more than \$1 billion.¹ To emphasize the rarity of such businesses, the word was initially utilized. Since then, the criteria for defining a unicorn startup have not altered. On the other hand, there are now more unicorns around the world.

According to a recent report, software makes up 87% of unicorn's products, followed by hardware at 7% and other goods and services at 6%. For your information, globally, there will be more than 1,150 unicorns, according to CB Insights, as of June 2022. The United States, China, and India are in the lead with 612, 174, and 65 unicorns, respectively out of the 47 nations that have at least one. With 43, 29 and 24 respectively, the U.K., Germany, and

¹ Author Khushali Shah Khushali is a content marketer at Razorpay. A logophile, Author Khushali Shah, and Khushali is a content marketer at Razorpay. A logophile. 2022. "What Is a Unicorn Startup and How to Be One? - Razorpay." *Razorpay Learn*. July 2. <https://razorpay.com/learn/what-is-a-unicorn-startup/>.

France are in first place in Europe.² United States and China both have four of the top five unicorn-populated cities. Luckily, with more than 6,000 startup company in Indonesia, we have 12 of them that get to the level of unicorn.

The 12 unicorns in Indonesia are GOTO, Traveloka, Bukalapak, OVO, JD.ID, Blibli.com, Tiket.com, J&T Express, Kredivo, Xendit, Ajaib, and Kopi kenangan.³ The first unicorn in Indonesia is the very popular application that we all used called GO-JEK. GO-JEK is an app that answered Indonesian people prayer to have a practical way to do more than one job at the same time. Michaelangelo Moran and Nadiem Makarim together founded GO-JEK. Before founding GO-JEK, which had only 20 ojek drivers who ultimately evolved into recruiters, the company spent three years consulting. Nadiem learned through experience using ojek that passengers squander time waiting for available ojek while ojek drivers spend most of their time waiting for passengers. GO-JEK was developed to address this issue by giving drivers a platform to effectively interact with clients and increase their income. In addition to serving as the company's brand director, Michaelangelo Moran, the other co-founder and longtime buddy from high school, is credited for creating the business's first recognizable logo and branding it as a whole.⁴ The business

² "For Global Unicorns, It's Growth and Volatility." 2022. *Practical Ecommerce*. August 30. <https://www.practicalecommerce.com/for-global-unicorns-its-growth-and-volatility#:~:text=Unicorn%20Statistics,174%2C%20and%2065%2C%20respectively>.

³ Asti. 2022. "Indonesia Miliki 12 Gelar Startup Unicorn Di Tahun 2021, Anggota Baru Muncul Di Penghujung Tahun." *DailySocial.id | DailySocial.id*. Dailysocial. January 1. <https://dailysocial.id/post/indonesia-miliki-12-gelar-startup-unicorn-di-tahun-2021-anggota-baru-muncul-di-penghujung-tahun>.

⁴ Rodenbaugh, Ryan. 2020. "East Meets West: What Is Gojek?" *East Meets West: What Is Gojek?* August 1. <https://ryanrodenbaugh.com/gojek/>.

was established in 2010 as a call center for motorbike (ojek) ride-hailing. With the introduction of their mobile app featuring GoRide, GoFood, GoSend, and GoMart services in 2015. Through its smartphone app, GO-JEK now provides over 20 services. Although Indonesia remains the company's primary market, it is also growing in other countries like Vietnam, Singapore, Thailand, and the Philippines.⁵

One of the global marketing strategy the business used made the company now valued at around \$10 billion due to the receiving funding most recently from Facebook and PayPal. Due to this funding and the merging strategy of GO-JEK and Tokopedia (GOTO), in August 2022, President Joko Widodo announced us that GO-JEK is the first decacorn and the most successful startups in Indonesia. By upholding the three pillars of GO-JEK speed, innovation, and social impact, they were able to become a "Decacorn SuperApp" after just ten years in business.⁶ According to CBInsights, there are just 19 decacorn startups in the entire world, and most of them are American.

By the reason of everything that mentioned above, GO-JEK has a very strong relation with the improvement of Indonesia's economic since then. GO-JEK provided job for more than 1 million unemployed people in Indonesia, GO-JEK also help the small culinary businesses to spread their wings down to

⁵ "The Milestones of Go-Jek as the First Decacorn Startup in Indonesia." 2019. *Finance*. July 5. <https://finance.binus.ac.id/2019/07/the-milestones-of-go-jek-as-the-first-decacorn-startup-in-indonesia/>.

⁶ Dewi, Intan Rakhmayanti. 2022. "Jokowi Sebut Ri Punya 2 Decacorn & 9 Unicorn, Ini Daftarnya." *CNBC Indonesia*. August 16. <https://www.cnbcindonesia.com/tech/20220816112937-37-364133/jokowi-sebut-ri-punya-2-decacorn-9-unicorn-ini-daftarnya>.

the market and easier for them to reach people beyond their region by using GoFood, GO-JEK helped Indonesia's economic throughout the pandemic, GO-JEK contributes to enhancing societal welfare and not just that, this company also reduce social inequality in Indonesia for example the driver who was unemployed and don't have income, now they could buy a car, send their children to proper school, open small business, and many more positive effects since GO-JEK was established.⁷ Therefore, this is one of the reasons that drive me as the author of this thesis to choose GO-JEK as the main actor, not just because they were the first unicorn but because GO-JEK has a particular role in making improvement for Indonesia's economic.

1.2 Research Question

As the result base on the information stated in the background, this thesis will particularly put the highlight and focus on the GO-JEK global marketing strategy that improving Indonesia's economic. Then, this thesis will discuss about the strategy and contribution of GO-JEK in international economy with ASEAN countries which is formulated into a question as written in followings: How does GO-JEK's strategy and contribution affect international economy in Southeast Asia (Singapore, Thailand, and Vietnam)?

⁷ "Indonesia's Super App Bettering Lives of 2 Million Partners." 2022. *AIM2Flourish*. Accessed October 23. <https://aim2flourish.com/innovations/indonesias-super-app-bettering-lives-of-2-million-partners>.

1.3 Research Objective

The objective of this thesis is to analyze and to look for the effective way of GO-JEK global marketing strategy and contribution to international economy. The global marketing strategy that GO-JEK use is the main reason for the company to become successful like today. This on demand platform and the pioneer of multi-service ecosystem model which GO-JEK had established is creating a new environment for Indonesian people to do business or become an entrepreneur by opening small businesses and creating new land for unemployed to become an employee. Afterwards, this thesis also aims to see GO-JEK influence to Indonesia's economic. Furthermore, the unicorns have a major influence on international business around the world, especially the under-developed countries. By the reason of that, global marketing strategy of GO-JEK are needed to help us see the method of GO-JEK can improve Indonesia's economic drastically which we will see deeper in future chapter.

1.4 Research Significance

This thesis is made in an expectation that we can have a better understanding of global marketing strategy that a successful company like GO-JEK use and hopefully many other startup businesses will be able to be like GO-JEK in the future. Following the path of GO-JEK to become a unicorn, to establish Indonesia becomes a developed country.

Aside from the significant above, this thesis also made to increase an understanding that in Indonesia, we have a lot of incredible domestic startup

businesses who does not lose from international startups. But most of them are just well-known inside the country due to unsupportive government in the past or any other reasons. We have to breakthrough these challenges and we don't have to be afraid to start a business considering that the government itself is now supporting small businesses (UMKM), the thesis also wants to raise the awareness that we could make Indonesia a better place for the people to create an innovation and help its economic growth.

Therefore, this thesis will focus on discussing their effective global marketing strategy and I wish this thesis will contribute as the new knowledge for Indonesian people to study and they able to apply this into their business strategy. Lastly, through this thesis as well, hopefully the readers will be influenced to be interested about starting their own business or be an entrepreneur.

1.5 Structure of Thesis

The first chapter of the thesis consists of background, two research questions, research objective and research significances. This chapter will provide a sneak peek into the substance of this thesis and what will be covered in other chapters of this research.

The second chapter of the thesis consists of two parts, the literature review, and theory and concepts. The literature review part will talk about the information gathered from plenty well known resources about the global marketing, the role of unicorns in improving Indonesia's economy, and

Indonesia international business relation with Southeast Asia countries. It will then be followed by the section on theory and concepts, which will serve as the thesis's framework.

The third chapter will focus on explaining the methodology that will be employed in this research. Moreover, it will describe the research methodology and approach that will be applied. The process of gathering data will next be explained, and the process of analyzing data will follow.

The fourth chapter of the thesis, which is the primary content of the research, will explain how well the data were analyzed. This part will explain how GO-JEK got the unicorn status and the reason GO-JEK chose those countries in Southeast Asia to cooperate with. Besides that, this part of the thesis will depict the challenges that comes from internal (law, rules, cultures, and regulations) and external (competitors, cultures, sustainability).

The fifth chapter is the conclusion section of the thesis, which will summarize this entire thesis discussion. It will be divided into two sections: the conclusion itself and a recommendation section that offers ideas for additional research on the subject, which is analyzing on GO-JEK global marketing strategy as the first unicorn that improving Indonesia's economic.