



### In the Driver Seat: Ride Now Pte Ltd

Ride Now Pte Ltd prides itself as a vehicle rental company that focuses on its customers. The small and medium-sized enterprise (SME), set up in 2016, has a fleet size of about 170 cars from across 25 brands, with vehicles ranging from sedans to hatchbacks and continental cars.

Ride Now's cars and commercial vehicles are available for daily rental and longer-term leases. Currently, the majority of its customers are long-term lessees (one to three months) comprising a mix of individuals and companies, followed by lessees who are private-hire drivers; about 10% are short-term leasing customers including those going on road trips to Malaysia, and tourists who want to explore Singapore through self-drive. Ride Now is one of the few car rental companies in Singapore which rents its cars to young or new drivers below 22 years of age.

The car rental industry is known for its intense competition marked by fierce price wars to gain market share. Car rental companies, which are already facing decreasing profit margins, saw their bottom lines shrink even more with the disruptions caused by Covid-19. Ride Now knows that competing on price is not a sustainable strategy. It took advantage of the lull in business (due to the pandemic) to approach the UOB-SMU Asian Enterprise Institute (AEI) about differentiating itself from its competitors, and enhancing its business. Under the Institute's flagship SME Consulting Programme (SCP), a team of student-consultants, supervised by an industry veteran and supported by the Institute, undertook the market research and brand strategies project.

### Who's driving what?

The team of three student-consultants leveraged scientific methods of research to better understand the trends in the car rental market and the evolving customer needs. For secondary research, they examined the websites and social media posts of industry players including Ride Now and its competitors. The team gathered data pertaining to their unique selling propositions, positive and negative selling points, rental rates and customer reviews.



*Customers of Ride Now can "sit back and relax while they wait for their ride."*

By analysing the feedback of Ride Now's competitors, the student-consultants learnt that car rental companies with good customer relationships and which offer efficient services tend to have repeat customers. Behaviours such as friendly and patient service, and promptness in addressing customers' needs, are most frequently lauded by customers. In terms of product expectations, the condition and reliability of the vehicles, which impact their safety and roadworthiness, rank high in the customers' decision-making

process. Cleanliness is also important, especially as Covid-19 remains a health threat.

The primary research involved a survey, one-on-one interviews and an assessment of Ride Now's customer list. For the survey and interviews, the student-consultants reached out to two groups of respondents – Ride Now's regular customers, and non-Ride Now customers – to obtain balanced, in-depth perspectives. A comprehensive study of Ride Now's customer database gave the student-consultants a better understanding of the customers' profiles.

The insights from the primary research helped to corroborate the findings of the secondary research. With the qualitative and quantitative data, the team performed a SWOT (strengths, weaknesses, opportunities, threats) analysis and proceeded to craft their recommendations for Ride Now.

### Foot on the pedal

Car rental companies are generally not welcoming of less experienced, young or new drivers like P-plate drivers. They are perceived to require more advice and assistance to operate a car, are less confident, have poorer driving skills and are more likely to get into accidents. As such, companies may set a minimum age for lessees, usually 22 years, or collect higher deposits and/or rental rates if they agree to rent a car at all.

Herein lies a viable niche segment for Ride Now, which can differentiate itself from the intense competition by positioning itself as "Your Most Friendly P-Plate Car Rental Buddy". To address concerns that car rental companies have about P-plate drivers, the student-consultants proposed specific action plans for Ride Now. For example, to enhance confidence, a collaboration with the nearby driving centre could pave the way for a refresher course, while a quick test drive around the block can help familiarise an inexperienced driver with the features and feel of the car.

For Ride Now to grow into a well-recognised brand in Singapore, the student-consultants suggested generating greater awareness of Ride Now, and improving people's attitudes and loyalty towards the brand. From content marketing to building a community for P-plate drivers, from tackling immediate Covid-19-related issues to designing a loyalty programme for customer retention, the team proposed a clear set of recommendations that mapped the customer journey, and the requisite actions that Ride Now should take at different junctures and various touchpoints. They also included in the final report the government schemes that the SME may want to apply for, to help the company advance in its objectives.



*The friendly customer service team of Ride Now.*

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**Steering in the right direction**

According to Meryl Ng, Manager at Ride Now, “I wanted new strategies to target the younger/new crowds. The team gave me various marketing ideas which I did not think of, especially ideas which work for people in their age group.” She found the primary and secondary research data “insightful”, and commended the team on a “thorough and comprehensive analysis”. Pronouncing herself “very satisfied with the project and final presentation”, she added that she “will be implementing their ideas”.

The student-consultants, on hearing that Ride Now had rolled out their ideas and even achieved “immediate results”, shared their “great sense of satisfaction”. They had signed up for the SCP to gain consulting experience, which they did; more than that, they attained useful strategic and marketing techniques, got an insider look into the workings and challenges of an SME, and gained domain knowledge of the car rental industry. From Project Advisor Loh Shurn Lin, they learnt to keep their focus throughout the project duration, and devise recommendations that are appropriate, realistic and feasible for the SME.

“Success, to me, is when the client acts on the recommendations given – which they did – and they are already seeing results,” says Ms Loh. Of her young charges, she says, “The team has definitely achieved a very good outcome for the client.”

Project Advisor

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