

Unless you have a helicopter, there is no easy way to traverse the Indonesian megalopolis of Jakarta, on the island of Java. No underground subway exists (although one is being built). To proceed much more than a few streets by foot is not advised: pavements are often broken or non-existent. So the city's population of 10 million people (and 18 million vehicles) is forced to navigate its sprawling, complicated, polluted road network.

This means Jakarta's multi-lane highways are horribly congested both day and night – it's one long rush hour in which cars travel at an average speed of just 5mph. Most of the time they are gridlocked, with taxi drivers in a constant state of aggravation, and their frustrated passengers checking their watches as they realise yet again that they are going to be late for that meeting or dinner date.

For those commuting from the suburbs to jobs at high-rise hotels and offices it means setting off hours in advance, and having little in the way of an evening by the time they get home. Unsurprisingly, at weekends the greatest luxury is to stay at home, or visit one of the neighbourhood mega-malls.

Although the city would be perilous for cyclists, two wheels (albeit powered by petrol) are the best way to get around. As any visitor will discover, between the nose-to-nose bumpers weave hundreds of thousands of honking motorbikes (*ojek* in the local lingo), a quarter of a million of which have now been sequestered as mototaxis by the ride-sharing companies Uber, Grab (a Singaporean firm) and, most famously, the homegrown Go-Jek, the biggest player in the on-demand market in Indonesia.

The last-named are easy to spot as drivers wear Go-Jek-branded jackets and bright-green helmets. Thanks to a dedicated mobile app, they're easy to book, too. For this company, poor infrastructure presented a golden opportunity.

The on-demand economy is exploding in Indonesia, owing to a perfect combination of high smartphone penetration, a burgeoning middle class and a tech-savvy populace (the country is south-east Asia's biggest internet economy, while Jakarta has been dubbed the Twitter capital of the



ENTERPRISE

## EVERYTHING MUST GO

*In traffic-thronged Jakarta one delivery app has become an on-demand lifeline*

By Jenny Southan

world). Everyone loves convenience, but in a city where many aspects of life are consistently difficult – from buying groceries to picking up your kids from school – Go-Jek couldn't have emerged at a better time. It's a necessity rather than a choice.

Founded seven years ago by a Harvard Business School graduate, Nadiem Makarim, Go-Jek received a \$1.2bn investment in March 2017 from the Chinese internet provider Tencent (best known for its WeChat app), increasing the on-demand platform's valuation to \$3bn and reinforcing its claim to be Indonesia's only 'unicorn' (a new tech company valued at \$1bn or more). Although Go-Jek started life booking rides via a call centre, things really took off with the launch of its app two years ago. To date this has been downloaded over 45 million times and is being used in 25 cities across Indonesia.

In a recent interview with the Oxford Business Group, Makarim stated: "Nothing can change the country



economically, socially and politically more than technology. In the case of Go-Jek, [it] is already having a huge impact. First, it is having an effect on drivers' lives. [It] is bringing labour mobility and flexibility. People can now earn a good living with only a motorcycle as an asset. You can work full-time, half-time or any time your situation allows. In Indonesia the problem is more underemployment than unemployment. People are not able to work as much as they would like.

"The second impact is on users, as people's everyday lives are being transformed. This type of service is a net saver of cost and time, increasing productivity, reducing the pressure of congestion and changing mindsets about owning private vehicles."

In Jakarta mobility isn't just about getting from A to B, it's about having the thing you want or need come to you. This is something that Makarim has been working hard to address. Today Go-Jek is one of more than a dozen

verticals in his business, which has now branched into multiple lifestyle, logistics and courier services, making it the planet's most wide-ranging on-demand platform. Londoners may use Laundrapp to get their dry cleaning done or Urban Massage to book at-home pampering; Californians may turn to Heal for house calls from a doctor; and in Sydney, if you need your house cleaned, you think of Whizz. However, Go-Life covers a variety of similar services from one centralised app.

Simply tap Go-Clean for home spruce-ups, Go-Massage to fix that aching back, or Go-Glam if you don't want to make a trip to the salon. When you need to get your car washed, Go-Auto is on hand. The list goes on: Go-Tix for football tickets, groceries from Go-Mart and takeaways through Go-Food, in partnership with 85,000 restaurants. And if you're ill in bed, Go-Med will have drugs whizzed over from the nearest pharmacy within an hour. Payments for all these can be



made digitally via Go-Pay, so there is no need for cash.

Dutch expat Richard van der Schaar, the managing director of Indonesia Investments, is a frequent user of Go-Jek and its spin-off services. He says: “What makes the Go-Jek motorcycle particularly great in my eyes is that the tariff between the pick-up point and destination is fixed. Therefore it is also in the driver’s interest to take the quickest route.”

Are there any downsides? “Obviously for the traditional *ojek* driver there are big disadvantages, because the market now prefers these online app-based services,” says Van der Schaar. “This has led to some tensions. The Indonesian government has been trying to find a balance between protecting the interests of the traditional transportation services and giving what the consumer wants.” Last year there were violent protests across the city as taxi drivers reacted to a slump in earnings of as much as 75% since the arrival of app-based ride-sharing.

What is the future for life on-

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demand? Jim Tan, the president of the Sharing Economy Association Singapore, says: “We believe that the industry will continue to grow and tap into areas like insurance, medical, B2B and more traditional industries. Providing convenience to users is always the key to successful and sustainable business, and getting users reliant on this is good for the market.”

Go-Jek in effect has a monopoly in Jakarta. Yet, anecdotally at least, there appear as yet to be few reservations among its customers about its market dominance. Competitors are nevertheless mounting challenges: Uber has expanded from cars to motorbikes and another ride-hailing app, Singapore’s Grab, recently announced it would be investing \$700m in its Indonesia operations in an attempt to eat into Go-Jek’s user base.

For the old guard, it’s a case of ‘if you can’t beat them, join them’. Last year Blue Bird taxis forged a partnership with Go-Jek – and they’ll be praying for bad weather. While bikes are fast, when it rains you still want to be in a car.