

# **SOCAR MALAYSIA RECEIVES THE 2023 MARKET LEADERSHIP AWARD**

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*Identified as best in class in the  
Southeast Asia car-sharing industry*

## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. SOCAR Malaysia excels in many of the criteria in the car-sharing space.

AWARD CRITERIA	
Growth Strategy Excellence	Technology Leverage
Implementation Excellence	Price/Performance Value
Brand Strength	Customer Purchase Experience
Product Quality	Customer Ownership Experience
Product Differentiation	Customer Service Experience

### Southeast Asia Leading Car-Sharing Platform Provider

Southeast Asia (SEA) has seen steady growth in the car-sharing network market due to the growing demand for flexible and affordable transportation. With a high population density, urbanization, and traffic congestion, the region presents a promising market for car-sharing. Furthermore, the ease of using a car-sharing service reduces consumers' living costs in a significant way, such as pay-as-you-go, maximum use, and no aftermarket service costs.

The revenue of the SEA car-sharing market was about \$219.2 million in 2021 and is expected to grow by 15.9% between 2021 and 2026.<sup>1</sup> Growing demand for flexible, affordable, sustainable transportation

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**- Norazah Bachok,  
Best Practices Research Analyst**

options, rising urbanization, and government initiatives drive market growth.

As the car-sharing market in SEA grows, it still faces several challenges, including the limited availability of vehicles and the need for more infrastructure, such as designated parking spots and charging stations for electric vehicles (EVs). There are also relatively low car ownership rates within the region, which limits the market for car-sharing. Moreover, regulations for car-sharing services vary

<sup>1</sup> Frost Radar™: Car Sharing in Southeast Asia, 2022 (Frost & Sullivan, November 2022)

significantly from region to region, with some countries having strict insurance and driver eligibility requirements.

Founded in 2017 and based in Kuala Lumpur, Malaysia, SOCAR Malaysia (SOCAR) is a pioneering car-sharing company. Established as a joint venture between SK Inc. and SOCAR Inc., it offers flexible short-term car rentals spanning from a few hours to several days. Its SOCAR-2-YOU application (app)-based and door-to-door car delivery service allows users to reserve their preferred car and have the vehicle delivered to their desired pickup point. SOCAR's operations are supported by TREVO in Malaysia and Indonesia. The peer-to-peer car-sharing model has revolutionized the car rental market while opening-up new opportunities for the shared economy.

### *Exceptional Market Share for Innovative Offerings*

SOCAR aims to promote car-sharing, reduce ownership, and create a sustainable environment. By continuously focusing on technology advancements and infrastructure investments, the company improves its existing solutions and paves the way for the market to progress. Frost & Sullivan finds that SOCAR successfully offers its customers a variety of benefits:

- **Convenience:** SOCAR's user-friendly platform makes it easy for customers to book and find a car. Its app-based system allows customers to rent a car quickly and easily.
- **Affordability:** Due to its algorithm technology, the company offers competitive pricing, often at a lower hourly or daily rate than traditional car rental companies, allowing customers who temporarily need a car to find a cost-effective option.
- **Flexibility:** In addition to offering diverse vehicles, such as compact, sedan, and SUVs, the company provides flexible rental policies, which allows customers to rent cars for as little as 30 minutes to several days.
- **Environmental Benefits:** With its long-term vision, SOCAR plans to reduce environmental impact and congestion by focusing on mobility solutions. By opting for car-sharing, it essentially reduces the number of cars on the road for better environmental protection and sustainability.

SOCAR successfully brings convenience to car-sharing by placing many vehicles in multiple locations. As a result of the company's availability everywhere, it creates a marketplace supply and demand that is effective for those who cannot afford cars, and those who own only one car, also for short-term users, including e-hailing. Its strategic business model contributes to the remarkable market growth with over 1 million registered users. For example, despite various industry challenges, SOCAR Malaysia achieved a 90% market share with over 1 million users two years after it launched.<sup>2</sup> In December 2020, it also secured 100,000 users within six months of entering Indonesia.

SOCAR continues to form strategic partnerships with other companies to increase its customer base and expand its services. One of its noteworthy partnerships is with Maxis, Malaysia's biggest telecommunications provider. As a result of this partnership, Maxis subscribers can access SOCAR's

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<sup>2</sup> <https://www.kedglobal.com/future-mobility/newsView/ked202109160006>



services at discounted pricing via its in-house app from anywhere, making it more convenient for their subscribers. In Malaysia, the company works with leaders in the financial and travel industries, including Commerce International Merchant Bankers Berhad (CIMB), LEGOLAND Malaysia, KKdays, and so on. At the same time, SOCAR has partnered with the PMiles loyalty program to provide exclusive discounts to Petron members. What's more, specific Petron stations have designated SOCAR zones, enabling SOCAR users to conveniently initiate and conclude their car rental experience at these locations.

*“SOCAR consistently initiates ambitious plans for future growth, aiming to expand its services and reach more customers, promote eco-friendly driving, and continue to innovate.”*

*- Ming Lih Chan,  
Industry Principal, Mobility Practice*

Beyond Malaysia, a few of its collaborations in Indonesia include Bukalapak, Telkomsel, Bank Central Asia, and Go-Food, intending to provide its car-sharing services to a broader audience.

Ultimately, SOCAR car-sharing services provide an affordable and convenient alternative to traditional car rental and ownership. Its expansion into other SEA countries demonstrates the company's strong positioning in the region's rapidly developing car-sharing economy.

### **Customer Experience Remarkable Journey**

SOCAR places a strong emphasis on providing excellent customer service to its users. The company continually measures customer satisfaction through various feedback mechanisms such as the Net Promoter Score and customer feedback surveys through media social and its mobile app. Additionally, the company regularly improves its customer experience by introducing new features and services that make renting a car easier and more convenient. SOCAR demonstrates its commitment to enhance its customer service through various avenues:

- **24/7 Customer Support:** With SOCAR Malaysia, users have access to round-the-clock customer support, ensuring they receive help whenever needed. Besides its app and website, the company also offers support over its social media channels.
- **User-friendly Platform:** Thanks to the SOCAR platform's user-friendly design, customers can search and book a car quickly and easily. Customers can view their rental history and manage account settings through the app, which provides detailed information on each vehicle, including location and availability.
- **Regular Maintenance and Cleaning:** The company ensures that its cars are regularly maintained and cleaned to provide customers with a safe and comfortable experience.
- **Transparent Pricing:** SOCAR offers transparent pricing information without any hidden fees or charges. Customers can view the rental rates for each vehicle on the app or website, as well as options for Mileage Package and Super Collision Damage Waiver (SCDW), that includes prepaid mileage and maximum payable limit for accident repairs, respectively.
- **Customer Feedback:** The company regularly solicits user feedback to improve the platform and services it offers.

Frost & Sullivan applauds the company for its commitment to providing a high-quality experience for users, which helps it gain a strong leading reputation in the SEA car-sharing market.

### ***Financial Performance and Growth Plans***

The company earns revenue from charging customers for the time they spend driving its cars. Additionally, it also provides a variety of insurance options, such as comprehensive coverage and third-party coverage. To strengthen its financial position and growth prospects, SOCAR closed a Series B funding in 2021, led by Sime Darby (a Malaysian trading conglomerate) and EastBridge Partners (a South Korean private equity firm). The new investment brings SOCAR's total funding to around \$73 million, demonstrating investors' increasing confidence in SOCAR's solutions.<sup>3</sup> The new funds will enhance its technology, boost its growth in Malaysia, and help it expand overseas. The company plans to use the additional capital to improve its app's user experience, refresh its fleet, support more payment options, and speed up the onboarding and license approval process. SOCAR is also expanding into new cities in Malaysia and SEA to reach more customers.

While the company faces competition from other players in each market, Frost & Sullivan sees that SOCAR has established a strong presence in the car-sharing industry and believes that it is well-positioned for future growth in the region.

## **Conclusion**

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With its customer-centric corporate philosophy, SOCAR Malaysia (SOCAR) operates on the central tenet that its success depends on customer satisfaction. This philosophy permeates the company's daily practices. SOCAR successfully leads the industry in introducing its advanced car-sharing platform that allows customers to rent cars for short periods, typically for a few hours or days, without the need for ownership. SOCAR is continually expanding its services beyond Malaysia to other countries in Asia by focusing on strategic partnerships, offering a diverse range of vehicles, and implementing safety measures. Moreover, growing partnerships with well-known companies allow SOCAR to provide its customers with a broader range of services, making renting cars more convenient and accessible. Customers are well-served round-the-clock with a user-friendly platform, well-maintained and sanitized vehicles, and transparent pricing, leading to more than 1 million registered users that demonstrates SOCAR's success in the car-sharing industry.

As an emerging mobility solution, car-sharing has been well-developed in Southeast Asia, meeting the basic needs of daily commuting mileage. SOCAR consistently initiates ambitious plans for future growth, aiming to expand its services and reach more customers, promote eco-friendly driving, and continue to innovate. With its strong overall performance, SOCAR earns Frost & Sullivan's 2023 Southeast Asia Market Leadership Award in the car-sharing industry.

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<sup>3</sup> <https://blog.socar.my/2021/09/17/socar-mobility-malaysia-secures-usd55-million-in-series-b-funding/>

## What You Need to Know about the Market Leadership Recognition

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Frost & Sullivan's Market Leadership Award recognizes the company that achieved the greatest market share resulting from outstanding performance, products, and services.

### Best Practices Award Analysis

For the Market Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

**Growth Strategy Excellence:** Company demonstrates an ability to consistently identify, prioritize, and pursue emerging growth opportunities

**Implementation Excellence:** Company processes support efficient and consistent implementation of tactics designed to support the strategy

**Brand Strength:** Company is respected, recognized, and remembered

**Product Quality:** Products or services receive high marks for performance, functionality, and reliability at every stage of the life cycle

**Product Differentiation:** Products or services carve out a market niche based on price, quality, or uniqueness (or some combination of the three) that other companies cannot easily replicate

**Technology Leverage:** Company is committed to incorporating leading-edge technologies into product offerings to enhance product performance and value

**Price/Performance Value:** Products or services provide the best value for the price compared to similar market offerings

**Customer Purchase Experience:** Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

**Customer Ownership Experience:** Customers are proud to own the company's product or service, and have a positive experience throughout the life of the product or service

**Customer Service Experience:** Customer service is accessible, fast, stress-free, and of high quality

