The Online Transportation from The Perspective Of Strategic Entrepreneurship

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Abstract—**In this era of information and technology, on line transportation has become an emerging issue both within academic and business aspects. In fact, it is one of the breaking through of creative and innovative ideas. However, although empirically, the rapid growth of online transportation has been evident, there has been limited research within this area especially in the perspective of strategic entrepreneurship. In responding to such gaps, this study aimed to understand the implementation of the strategic entrepreneurship from opportunity discovery, evaluation, and exploitation; value creations; and wealth creations. This paper reports on the preliminary stage of the study, that is, to explore the customers' expectations, needs and wants toward on line transportation. Data were collected from 14 respondents who were recruited using purposive sampling method. They were android smart phone literate and aged between 18 to 50 years. Data were analyzed using qualitative approach. The study found that almost all respondents perceived that on line transportation was a good solution for their daily needs and wants. There were two main themes revealed, they are functional and technical aspects. This finding are in line with the service literature that outlined the 'what' and 'how' of or types of service. Further discussion on the finding is presented trough out the paper. Limitation and direction for future research are also provided.**

Keywords—expectation; online transportation; strategic entrepreneurship; type of service

I. INTRODUCTION

In the current's fast-paced competitive environment, business firms are forced to have the capability to adapt [1] [2]. However, being merely adaptive and updated may not be sufficient. For example, in terms of technology, business firms need to embrace the latest or more novel technologies instead of adapting to the older versions. This is particularly true as technology continues to evolve. In fact, the ability to adapt to new technology may become the competitive advantages for a business to stay in its market.

Having that in mind, it may not be surprising that many business firms continuously develop the so called advantage-seeking behavior. In the management literature, such behavior and the opportunity-seeking behavior characterize the strategic entrepreneurship [1], [2], an emerging term used to respond to the inevitable growth of business environment. However, practically, such behaviors may be different from one business to another depending upon their sizes. That is, small entrepreneur may be more effective in finding opportunity, whereas larger business may be more successful in developing competitive advantage [1]. Thus, in strategic entrepreneurship practices, opportunity exploratory and advantages exploitations are distinct processes, although the two should be balanced [2].

The opportunity discovery and advantages exploitation have been mainly driven by advances in information and communication technologies. Indeed, the continued development and sophistication of technologies have opened new paradigm in operating business, including the practices of strategic entrepreneur. One fascinating example is the existence of online transportation or 'ride-sharing" platform. It is a new platform of transportation which highly involving technology for both service providers and customers.

The idea of ride-sharing is to provide economy sharing for customers, driver, and provider. With the use of technology, it is believed that business can operate in a more effective and efficient ways [3]. That is, the distribution channel can be shortened. Providers offer several easy features for customers and drivers so they can interact faster.

In this era of tremendous improvement of technology and information, this service seems to be a good alternative or event solution for many people, both as customer and driver. In Indonesia, online ride sharing begun to emerge in 2010 and became popular in 2014 [4]. Although if seen from the product life cycle, it seems that the introduction period took relatively

long time. Although, in the growth phase it seems that this service becomes more and more popular. Perhaps, the slow introduction stage was due to the characteristic of Indonesian people who are somewhat reluctant to new environment or idea [4]. Besides, many of decisions are made not solely by individual but also by involving other people particularly family or relatives. Indeed, they are less probably to open to changes if they are already in a comfort zone.

In Indonesia, there have been two major online transportation companies, which are Gojek (a national company) and Grab (an international company). Another company, however less popular is Uber (an international company). In the year of 2017, there were 900.000 drivers who served 15 million active users per week [5]. Gojek reported that its service has reached 100.000.000 transactions per month in 2017 [5].

In terms of continued practices of opportunity-seeking and advantages-seeking, the online transportation companies have provided additional services such as sending package (Go Send), ordering food (Go Food), Go Med, Go Mart, and many more. Gojek has worked with more than 150.000 merchants [5] to help people in their daily life and perhaps, to spoil people. Indeed, this service has demonstrated its role in meeting the current and future needs and wants of customers in their evolving busy lives.

The number of transactions and active users of this service may suggest the positive response of people toward online transportation. This is particularly true as the price of normal existing taxi is considerably higher than the ride-sharing. However, while the empirical evidence has shown that online transportation service has been in the spot light, there has been limited research that has particularly examined such phenomenon. Indeed, little research has been conducted to deeper understand this online transportation service platform, either from the perspective of drivers and customers.

Thus, as a response to such gaps, this study explored the online transportation business from the perspective of strategic entrepreneurship and focused on the opportunity discovery by understanding customers' need, expectation, and evaluation. Results of this study provide insights within the strategic entrepreneurship and service literature and suggest ideas for business practice especially in understanding customers' perceptions and government body in ruling the operations of online transportation.

II. LITERATURE REVIEW

One of the critical drivers of the huge transformation in business practices has been the rapid development of information and communication technologies, particularly internet. Both business firms and customers seem to be more technology literate than before. As such, a new operational paradigm has emerged along with such development. That is, business transaction has become relatively faster and easier, from process to customer service.

However, research has shown contradictory findings with regard to customers' confidence to do online transaction. On one side, customers are said to be more technology literate in which the use of internet has been increasing in almost all aspects of their lives [7]. On the opposite, previous research has shown that to certain degree, customers are still hesitant to in have online transaction, mostly due to problems related with security and reliability [7]. Also, customers who have not or have limited internet literacy may find it hard to engage in online transaction.

In Indonesia, the number of internet users has increased annually. It was predicted that the internet users in Indonesia in 2020 will reach 145 million people or approximately 53% of the total population [4] [5].

While many industries have moving toward the use of internet, it is also the time for transportation industry to embrace the development of information and technology such as internet [6].

The online ride sharing was built based on the concept of economy sharing [4]. It is a economy system that is developed based on human, physical, and intellectual resources. This system is said to be sustainable and consisted of 10 aspects which are people, production, value, distribution, planet, strength, law, communication, culture, and future [4].

While empirically the online ride sharing has become more and more popular, there have been contradictory findings in previous research on this topic. [3] stated that online transportation has become increasingly popular and unstoppable. On the other hand, the study of [4] has found that respondents have not necessarily used such service. Probably, that was due to their respondents were mostly officer who drove their own car. Besides, the respondents were middle class levels in which they most probably concern on the comfort and privacy of driving own car rather than public or online transportation. From this, rose a question of whether or not it still occurs remembering the fact of dramatic growth of this service. Thus, it was intriguing to conduct similar study as to understand more the customers' expectation, needs and wants toward the online transportation service, which is part of the initial strategic entrepreneurship stage.

III. RESEARCH METHOD

This research served as an initial part of a study on the implementation of strategic entrepreneur conducted in the setting of online transportation service. It focused on the exploration of customers' perception toward such service. In line with the purpose of the study, qualitative approach was employed to answer the research question. Data were gathered

from 14 respondents who were recruited using purposive sampling with snow ball method and were treated anonymous in the report. The respondents were those who used and were familiar with mobile application of online transportation.

Data were collected using interview method that included both general and specific questions that captured participants' view and experiences toward online transportation services. Data were recorded and additional note were taken to describe the participants' responses and thoughts. These raw data were then transcribed and were ready for analysis using qualitative approach that involved open coding, axial coding, and selective coding [9], [10]. Firstly, patterns were sought through the open coding. In this stage, themes emerged were identified and were given label. Next, all themes were examined and were reviewed. At this stage, additional codes were allowed to emerge and any irrelevant codes were removed. Finally, themes were selected, compared, and contrasted.

IV. RESULTS AND DISCUSSION

The study was undertaken in Badung Regency, Bali. The majority of respondents were male (79%) and almost all were office workers in private sector and academia (government officer). Other than that were housewife, student, and business woman. They aged between 18-50 years.

The study revealed that all respondents perceived the ride sharing online transportation platform positively. Most of the respondents reported that they have used the transportation service and considered it to be helpful in performing their daily activities. Those who have not used the service directly explained that they had experiences helping their family or friends or relatives in ordering or using the service. Furthermore, it was found that the main use of online transportation includes going to a place, ordering food, sending goods or stuff. The latter was largely expressed by those who managed home business or had side business (apart from being office workers).

In terms of ease of booking, all respondents reported that with the smart phone they have, it was almost no difficulties in using the mobile application. Even, one female respondent who was a business woman from a small village said that although she has never used ride-sharing service before, she found it simple and easy to use right from her first timer. She explained that during her time attending a business exhibition in a foreign city, she preferred to take online transportation rather than taxi because of cheaper price. She added that she did not have to wait for the car on the street instead she can order and get picked up right in front of the building, which support the works of [11].

Furthermore, price emerged as an important theme. All of the respondents agreed that price of online ride sharing

transportation cheaper than the manual/traditional taxi. Also, as the price can already be seen on the screen, customers can estimate and manage their money. This characteristic may not always available in manual or traditional taxi where the drivers may offer price without guidance or they add price from the one shown on the taxi screen. This phenomenon becomes more complex if the distance is short. In many cases, driver charge high rate or does not want to serve the customer. Such evidence leaves customers with uncertainty. This finding supports the previous work of [11].

In terms of expectation, needs, and wants, respondents have similar voices. The majority of them expressed their appreciation toward the online transportation as being cheaper, faster, easier, and helpful. However, there were also a few unfavorable comments that were related to the cleanliness of the coach, the attitude and appearance of the drivers. In additions, one respondent stressed the importance of consistency of the driver. She elaborated about her experience that the driver and the car were different from the ones displayed on the application.

Another interesting finding was that several respondents use the online transportation service for doing business. Mostly the business is a home production of goods (such as creative handicraft and snacks) and also restaurants. Among other stuff, food seems to be the most popular product. Thereby, it may not be surprising that online transportation drivers park close to favorite restaurants and expect to receive orders. The sellers make use of the internet for promoting their business and delivering their products to the customers' door. Indeed, people seem to be busier than before thus, they prefer to order food. Also, particular case in Bali is the hot weather that may prevent people to go out for food during the day. In fact in the rainy day, people may also face the same feeling of unwillingness to dine out.

Furthermore, the majority of respondents commented that the online transportation service were not easy to order in a rural area. They suggested that government helps in this matter. Several respondents added their concern about the conflict between online and non online transportation service and urged the government to produce a rule to legalize to the practices of online transportation business.

In brief, there were two main themes obtained from data analysis which are tangible and intangible aspects of the service. These aspects were in line with what constitute type of service in the service literature which are core or technical (the quality of the work performed) and functional (how the service work is delivered) [12], [13], [14]. Indeed, the "what" and "how" of service are in fact the critical determinant of customers' satisfaction. By understanding their expectation through their needs and wants, service firms would be able to serve the customers in a much better way.

V. CONCLUSION

As internet has become an important platform in human's live, many businesses have attempted to establish a competitive advantage by using internet in their operations or promotions [7]. Online transportation is one sector that highly incorporates the ever evolving development and sophistication of internet in its operations. In fact, this sector operates based on internet, both for service provider and customers.

This paper has reported the perceptions people have toward online transportation. It was found that all respondents perceived this mode of transportation as being positive that help them to do their daily activities easier, more efficient, and more effective. Indeed, customers can order the service using their own cell phone instead of asking for the help of other to do so such as security, hotel front desk, or calling the official operator. Next, the driver can reach the caller at almost no time. In other word, customers do not need to wait to have a driver picking them. This is due to there are many drivers available and they are around many places. Thus, they are available almost all the time and easy to call. Nevertheless, they also provided some comments to improve the service. In summary, the expectation, need, and wants toward online ride sharing service could be reduced into two themes which are tangible and intangible aspects which are terms as technical and functional aspect of service [12], [13], [14].

Moreover, the results of this study also suggest that government helps or facilitates such service in rural areas. In additions, legislation with regard to the practice of online ride sharing transportation service so that the older mode of transportation (manual or traditional taxi) would not be in conflict with the online one. This suggestion seems to be urgent and important to address soon. However, there were also drivers who are registered at the offline or traditional and the online transportation companies.

The limitation of this study lays in the nature of exploratory study using qualitative approach in which results may not be readily applicable to wider population. That is, this study is specific for the context of online transportation service. However, being an initial part of a larger study on strategic entrepreneurship within the online transportation setting, the results of this study serve for the next stage of the study.

Future research might continue to focus on the second stage of strategic entrepreneurship dimension, that is, value creation.

Another research might develop items for service quality dimension within the context of ride-sharing online transportation. In addition, researchers who work within this area might be interesting to investigate the online ride sharing service from the eyes of the drivers. Such research could provide a deeper insight within the transportation, service, and entrepreneur literature.

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