

COMPETING WITH RIDE-HAILING STARTUPS: BUSINESS TRANSFORMATION STRATEGIES FOR CONVENTIONAL TAXI COMPANIES IN INDONESIA

Asaduddin Abdullah^{*1}, Raden Isma Anggraini^{*}, Dikky Indrawan^{*}

^{*}School of Business, IPB University
Jl. Pajajaran, Bogor 16151, Indonesia

Abstract: The emergence of ride-hailing startups has dramatically changed the transportation landscape, threatening the existence of conventional taxi services. These new players have disrupted the traditional taxi industry, challenged their market share, and forced conventional taxi companies to adapt to changing consumer demands. As a result, conventional taxi companies like PT XYZ in Indonesia need to implement effective business transformation strategies to stay competitive and maintain their position in the market. This research implements a quantitative and qualitative descriptive approach and uses data analysis techniques, namely the IFE, EFE, IE matrix, QSPM, and Business Transformation Domain. The IFE analysis showed that a strong and strategic taxi distribution network in major cities was PT XYZ's main strength, while the company's financial position was a weakness. The EFE analysis identifies the high level of mobility and transportation needs as opportunity factors, while the standardization of fares, the number of fleets, and the lack of identity of online ride-hailing are threat factors. PT XYZ could implement the five domains of the digital transformation framework by increasing its business value by offering innovative taxi services, expanding service networks, improving customer interaction, developing business innovation through technology, utilizing data and analytics, and focusing on the company's strengths to compete with online taxi companies.

Keywords: business competitiveness, business transformation, digital transformation domains, IE Matrix, QSPM

Abstrak: Kemunculan perusahaan rintisan pemesanan kendaraan telah mengubah lanskap transportasi secara dramatis dan mengancam eksistensi layanan taksi konvensional. Para pemain baru ini telah mendisrupsi industri taksi tradisional, menantang pangsa pasar mereka dan memaksa perusahaan taksi konvensional untuk beradaptasi dengan tuntutan konsumen yang terus berubah. Akibatnya, perusahaan taksi konvensional seperti PT XYZ di Indonesia perlu menerapkan strategi transformasi bisnis yang efektif untuk tetap kompetitif dan mempertahankan posisinya di pasar. Penelitian ini menerapkan pendekatan deskriptif kuantitatif dan kualitatif serta menggunakan teknik analisis data, yaitu IFE, EFE, IE matriks, QSPM, dan Domain Transformasi Bisnis. Analisis IFE menunjukkan bahwa jaringan distribusi taksi yang kuat dan strategis di kota-kota besar merupakan kekuatan utama PT XYZ, sedangkan posisi keuangan perusahaan merupakan kelemahan. Analisis EFE mengidentifikasi tingkat mobilitas dan kebutuhan transportasi yang tinggi sebagai faktor peluang, sedangkan standarisasi tarif, jumlah armada, dan kurangnya identitas transportasi online merupakan faktor ancaman. PT XYZ dapat mengimplementasikan lima domain kerangka kerja transformasi digital dengan meningkatkan nilai bisnis dengan menawarkan layanan taksi yang inovatif, memperluas jaringan layanan, meningkatkan interaksi dengan pelanggan, mengembangkan inovasi bisnis melalui teknologi, memanfaatkan data dan analitik, serta fokus pada kekuatan perusahaan untuk bersaing dengan perusahaan taksi online.

Kata kunci: daya saing bisnis, transformasi bisnis, domain transformasi digital, IE matriks, QSPM

Article history:

Received
21 July 2023

Revised
4 August 2023

Accepted
29 September 2023

Available online
31 December 2023

This is an open access article under the CC BY license (<https://creativecommons.org/licenses/by/4.0/>)



¹ Corresponding author:

Email: asaduddin.abdullah@gmail.com

INTRODUCTION

The past decade has seen significant developments in the taxi industry, particularly since the emergence of app-based or online ride-hailing services in 2014 (Clewlow and Mishra, 2017). With these innovations in the online ride-hailing, customers can now easily book a ride using their smartphones. This has created a digital economy cycle in the transportation sector, which is expected to empower the economy, particularly the small and medium-sized enterprises (SMEs), through app-based digitalization (Mulyati and Utami, 2019). Moreover, the impact of ride-sourcing services on public transportation systems has been a topic of much debate in recent years. While some studies have focused on the effect of individual public transportation modes like taxis, others have examined the broader impact on collective public transportation (Silva et al. 2018).

Moreover, online ride-hailing services has also pressured established taxi companies to adopt sustainable and effective competitive strategies. PT XYZ, the largest private conventional taxi operator in Indonesia with a market share of 33% of the national taxi market (Statita, 2021), has been significantly impacted by the emergence of ride-hailing services. The company, based in Jakarta, has experienced fluctuations in revenue and operations since the arrival of ride-hailing services. As a result, PT XYZ needs to adapt and implement strategies to remain competitive in the changing transportation landscape.

PT XYZ faced a challenging financial situation due to a decline in driver deposits from 2015 to 2017, coupled with the emergence of online transportation companies that negatively impacted the company's revenues, as shown in Table 1. As a result, the company experienced a significant decline in revenue and other key financial indicators. This downward trend continued into the year ended 2017 when revenue levels dropped by 62.54% compared to the previous year. To make matters worse, the COVID-19 pandemic hit, causing PT XYZ's revenue to plummet by 100%. This event forced the company to implement a transformation strategy and explore various options to overcome the challenges.

The presence of online taxis has significantly impacted driver productivity and the operations of conventional cabs such as PT XYZ. The productivity level of driver

deposits has decreased by 40% per day, which has caused PT XYZ to experience a decrease in the number of taxis from 13,050 in 2014 to 9,700 taxis in 2017 (Annual Report, 2019). It is challenging for PT XYZ to maintain its position in an increasingly competitive market.

The high level of fare competition and declining market share are also problems for PT XYZ. Fierce fare competition makes PT XYZ less able to compete in terms of taxi prices so that taxi drivers can stay within the standard deposit set by the company. PT XYZ's taxi fares are also more expensive than online taxi fares, which are, on average, 35% cheaper per km (Annual Report, 2019). This has caused many passengers to switch from conventional taxis to online taxis. Therefore, PT XYZ needs to implement the right competitive strategy to continue to exist in an increasingly competitive market.

Several kinds of literature analyze the competitiveness of an established taxi company, Zhao and Xing (2012) used the Important Performance Analysis (IPA) method in their research and found that online taxis with high performance are in quadrant II, which indicates that passengers are more interested in using online taxi services than conventional taxis because of the superiority of online taxis in the aspects of reliability, responsiveness, assurance, empathy, and tangibles. In Chaudhary and Joshi's research (2016) using the Five Porter's Forces and SWOT models, there are two strategies to face challenges in the taxi industry. The first strategy is to create different services and use alternative transportation. The second is to allocate private vehicle taxes for public infrastructure development. Meanwhile, Subagja's research (2016) used the Five Porter Forces, SWOT, BCG, and QSPM methods to analyze PT Blue Bird Tbk's business and marketing strategy. The results showed that the company implemented five alternative strategies to improve profitability and service quality, such as adding a taxi fleet and increasing coverage in new cities. Hasian (2014), in his research using the play-to-win analysis method, Five Porter Force, and VRIO, found that the best cost provider strategy is the most appropriate strategy applied by PT Express Transindo Utama Tbk in competing in the conventional taxi industry, with a focus on cost leadership and differentiation strategies.

Table 1. Financial Statements of PT XYZ 2015-2021 in Billions

	2015	2016	2017	2018	2019	2020	2021
Revenue	3.970	3.118	3.231	3.567	4.047	2.046	2.220
Gross profit	341	74	-123	-63	1,095	334	493
Net income	32	-184	-133	-82	112	-87	-60
EBITDA	514	246	-52	-32	523	-113	77
Total asset	6.883	6.557	6.392	6.721	7.124	7.253	6.598

Moreover, the case study literature discusses digital business strategies and organizational implications in the publishing and newspaper industry as an example of an industry experiencing competitive pressures due to digitization (Horlacher and Hess, 2016; Karimi and Walter, 2015; Oliver, 2018). This research incorporates exploratory concepts in digital transformation strategies, focusing on innovation capacities and capabilities such as resources, processes, and values. In addition, case studies from the retail industry add aspects of organizational change in digital transformation strategies (Hansen and Sia, 2015). El Sawy et al. (2016) found elements of digital leadership from case studies of world-leading toy manufacturers, including different business strategies and models, corporate platforms, digital mindsets, high-performance enterprise IT, and workplace environments. Their findings demonstrate the practical application of information strategy research, consistent with academic claims. To help companies develop digital transformation strategies, Matt, Hess, & Benlian (2015) developed a holistic digital transformation framework consisting of four main dimensions that any company can apply in their digital transformation. The research suggests that companies must adopt digital transformation strategies proactively to remain competitive in today's rapidly changing business landscape.

This study aims to 1) analyze the internal and external factors affecting PT XYZ; 2) formulate PT XYZ's transformation strategy to achieve a competitive advantage in the taxi industry and face competition from startups. This research will limit the scope to the competitive strategy in the business unit of regular taxi company PT XYZ as the object of study. This research will focus on competitive strategies at the business unit level and consider internal and external environmental factors that affect the company.

METHODS

This research uses a quantitative descriptive approach with a case study method. This approach emphasizes systematic, planned, and structured measurements objectively of an organization, institution, or specific symptoms that become social phenomena in society. This study uses primary data and secondary data. Primary data is obtained through questionnaire surveys to expert respondents from internal and external companies. Primary data is obtained via two methods: questionnaire surveys and in-depth interviews. For the questionnaire surveys, these are disseminated to expert respondents both within and outside the organization in question. The in-depth interviews, on the other hand, involve a sample size of nine members of PT XYZ's executive team, encompassing various critical positions within the company. This method allows us to extract essential insights, perspectives, and opinions directly from those holding pivotal roles in the organization.

The individuals selected for interviews include five top management officials from PT XYZ and representatives from the Indonesian Ministry of Transportation, totalling seven expert respondents. The protocol is meticulously designed to ensure a comprehensive exploration of the research subject matter, focusing on topics relevant to our study. This method also allows for spontaneity and flexibility, enabling us to probe deeper into emerging issues during the discussion. Secondary data is primarily derived from a comprehensive review of relevant literature, which provides context and supports our primary data findings. The data analysis technique uses several methods, namely:

Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE)

The IFE and EFE matrices are analytical methods used in strategic management to evaluate a company's strengths, weaknesses, and responses to internal and external conditions (David, 2021). To evaluate

internal factors that affect company performance, researchers use the IFE Matrix. To assess external factors such as opportunities and threats from the business environment, researchers use the EFE Matrix (Zulkarnain et al. 2018).

Internal-External (IE)

Furthermore, the IE matrix is a combination of the IFE and EFE matrices, which results in a suggestive model that allows companies to look at internal and external environmental factors in an integrated manner (David, 2021). In Figure 1, it can be seen that when visualized, the company must hold and maintain its position. The IE model is represented by nine strategy cells that can be grouped into three main strategies: growth, stability, and retrenchment (David, 2021). Growth strategy is the company's own growth strategy or product diversification efforts. This strategy is carried out by developing new products, expanding markets, or acquiring new companies to grow the business. A stability strategy is a strategy that is implemented without changing the direction of the existing strategy, where the company tries to maintain its position in the market and maintain its performance. Meanwhile, the company carries out a retrenchment strategy to minimize or reduce the efforts made, such as reducing operational costs or shifting focus to more profitable products or markets (David, 2021).

Quantitative Strategic Planning

Quantitative Strategic Planning (QSP) is a strategic analysis method that objectively measures internal and external success factors. The goal is to evaluate alternative strategies that an organization can implement. QSP uses a quantitative approach to collect and analyze data (David, 2021). This method consists of several stages, including collecting internal and external data, identifying success factors, determining the weight of each success factor, assessing organizational performance on each success factor, calculating the total score, and creating a QSP matrix. By using QSP, organizations can evaluate alternative strategies objectively and choose the method that best suits the organization's current situation (David, 2021).

Domain Digital Transformation

Rogers' 5 domains of digital transformation framework is a model used to describe the changes that occur in companies in the digital era. Five domains must be considered in digital transformation: customers, competition, data, innovation, and value (Rogers, 2017). This domain shows changes in how to interact and create value with customers, compete in different ways, and be able to collaborate with competitors in some aspects of the business, the use of data in digital business, the ease of innovation, and efforts to understand changing customer values. The digital transformation framework guides understanding the changes happening to businesses in the digital age. Digital technology has changed many basic assumptions of previously established business strategies. Therefore, companies must be prepared to accept that many of their basic assumptions must be updated (Rogers, 2017).

RESULTS

IFE and EFE Analysis of PT XYZ

IFE matrix assessment is essential in strategic management to evaluate the strengths and weaknesses of a company from its internal factors. In the context of digital transformation, this evaluation of internal factors becomes even more crucial because companies must understand their strengths and weaknesses well in the face of significant changes in the business world (Kamneva and Baeva, 2020).

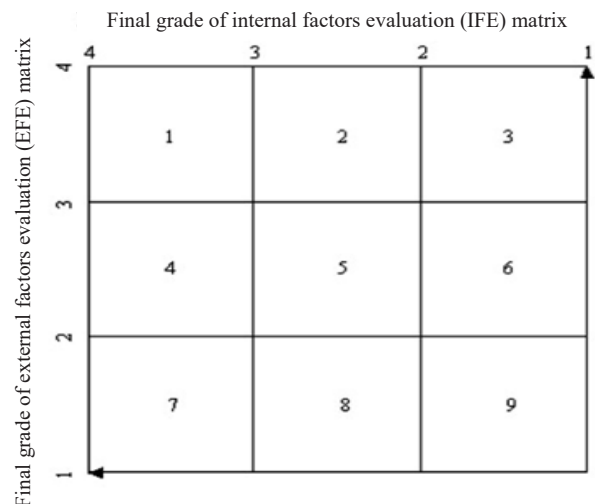


Figure 1. Internal-External Matrix

IFE matrix analysis is an evaluation method carried out at PT XYZ to identify internal factors in the form of company strengths and weaknesses from the internal environmental analysis that has been carried out. The results of the IFE matrix calculation shown in Table 2 show that PT XYZ has a total weight score of 3.380, which indicates that the company's internal position can overcome existing weaknesses with its strengths. Furthermore, the IFE matrix analysis also shows that the most significant strength factor owned by PT XYZ is a robust and reliable service quality, with a score of 0.4704. However, the IFE matrix also reveals a key weakness that PT XYZ needs to address: its precarious financial position, which scored 0.1017. The presence of this weakness, despite the strength of service quality, signifies a need for a focus on financial management and stability within the company. Strengthening this area is fundamental to optimizing business performance and taking full advantage of its services' robustness and reliability (Phadermrod et al. 2016).

The EFE matrix is used in strategic management analysis to evaluate external factors that affect a company's performance. In the context of PT XYZ, the external factors assessed include the opportunities

and threats facing the company. In the EFE matrix, each factor is assessed with a weight that reflects its influence on the company's performance. The results of the EFE matrix can provide an overview of how well PT XYZ can face and utilize external factors to achieve its business goals. (Kamneva and Baeva, 2020).

Analysis of the EFE matrix is one way in strategic management to evaluate external factors that affect company performance. This study uses the EFE matrix to evaluate the opportunities and threats that affect PT XYZ, a taxi company in Indonesia. Weighting is done to identify the most significant external factors for the company. Based on the calculation results in Table 3, a total score of 3.17801 was obtained. A weighted score above 2.5 indicates that PT XYZ can respond well to external factors by utilizing existing opportunities to overcome threats. In both IFE and EFE matrix assessments, the scores achieved are not mere numbers. They are indicative of the company's strategic position and ability to manage internal and external factors for its benefit, necessitating argumentative, in-depth evaluation for their derivation and interpretation. (Walukow et al. 2015).

Table 2. Results of IFE Matrix Analysis at PT XYZ

Internal Factors	Weighted	Rating	Score
Strength			
Reliable service quality	0.1176	4.0	0.47040
High driver and passenger loyalty	0.0747	3.2	0.23904
The driver partnership scheme with the company works well	0.0333	3.4	0.11322
Good employee benefits/incentives	0.0358	3.1	0.11098
A large number of taxi fleets and pools	0.0754	2.8	0.21112
Strategic office and pool locations	0.0556	2.6	0.14456
Maintenance, production, and operation efficiency	0.0961	2.8	0.26908
Ability to cooperate with government/non-government	0.0931	3.4	0.31654
Competitive fares	0.0653	3.8	0.24814
Weakness			
Lack of human resource capability in technology	0.0656	3.8	0.24928
Revitalization of the taxi fleet is costly	0.0886	3.4	0.30124
Marketing and fare promotions tend to be passive	0.0409	3.6	0.14724
Not a solid financial position	0.0339	3.0	0.10170
Revitalization of technology infrastructure at the high cost	0.0716	3.9	0.27924
Lack of research, development, and innovation	0.0525	3.4	0.17850
Total	1		3.38003

Table 3. Results of EFE Matrix Analysis at PT XYZ

External Factors	Weighted	Rating	Score
Opportunities			
Government regulations on conventional and online taxis	0.0835	3.8	0.31730
Increasing population growth	0.0741	4.1	0.30381
Indonesia's having good economic growth	0.0536	3.5	0.18760
Increasing size of middle market share	0.0648	3.2	0.20736
Strategy to focus on domestic market	0.0817	3.1	0.25327
Rapid development of information technology	0.0915	2.9	0.26535
Increasing number of offices and entertainment venues	0.0623	2.8	0.17444
Funding support from investors and stakeholders	0.0541	3.5	0.18935
Treat			
Intense competition with online taxis	0.0991	3.2	0.31712
Entry of online ride-hailing	0.0931	3.5	0.32585
Low taxi fares in the community	0.0519	2.5	0.12975
High competition in the taxi industry	0.0339	2.6	0.08814
Difficult vehicle ownership license by the government	0.0716	2.4	0.17184
Inflation and rising input prices	0.0851	2.9	0.24679
Total	1		3.17801

Internal External Matrix of PT XYZ

Internal-External (IE) matrix analysis is an advanced stage after the IFE and EFE matrices. The results of the complete score mapping on the IFE and EFE matrix show that PT XYZ has a high level of internal and external factors (Gasperlin et al. 2021). From this condition, it can be concluded that the company can manage the strengths, weaknesses, opportunities, and threats in the taxi industry.

The total score in the IE matrix shows PT XYZ's position in a cell I, which is the growth and build strategy. This strategy is applied at the business unit level, where the company emphasizes moving the organization forward in the regular taxi business unit. Furthermore, the weighting results of the internal and external factor matrix are entered into the IE matrix, which can be seen in Figure 2.

Overall, PT XYZ can respond to the external environment and manage its internal factors. With the growth and build strategy applied to the regular taxi business unit, the company can expand its market and increase its business growth.

Figure 3 shows that PT XYZ is in cell 1, growth and build strategy. This strategy increases the company's strength by increasing business growth, expanding into new markets, developing new products or services,

and increasing the use of technology and innovation (David, 2021). It means the company focuses on developing and growing its business through several strategies (McKiernan, 1992).

The vertical forward integration strategy allows the company to control the entire supply chain and distribute its products directly to the market (Wang et al. 2010). This is done by acquiring businesses along the supply chain or building new ones. This strategy helps the company increase efficiency and profits and reduce supplier dependence. The following are alternative strategies in the vertical forward integration strategy.

- Increasing the variety of products and services by developing mobile applications integrated with conventional and online taxi services and private vehicle booking and goods delivery services.
- Improve operational efficiency by using advanced technologies such as the Internet of Things (IoT) for taxi fleet monitoring and maintenance and fleet management systems to optimize fleet usage.
- Adopt new technologies such as electric or hybrid vehicles to reduce operational costs and adapt to the growing sustainability trend in society.
- Enhance cooperation with government agencies in road infrastructure development, public transportation development, and regulatory arrangements related to the taxi industry.

- Establish strategic partnerships with related companies, such as logistics or e-commerce, to offer goods delivery services integrated with taxi services.
- Optimizing human resources by providing training and development of technical and interpersonal skills and improving team member welfare to increase motivation and loyalty.
- Adopt blockchain technology to improve security and reliability in transactions and tracking of the goods delivery.
- Establish strategic partnerships with transportation technology startups to develop innovative solutions and keep up with evolving industry trends.
- Develop new products and services using data and analytics to understand customer needs and emerging market trends.

A backward vertical integration strategy is a strategy that allows a company to have control over the raw materials or components required in the production of the product (Hensmans 2019). In this strategy, the company can buy a raw material manufacturer or produce the raw materials. This can increase the company's profits and reduce dependence on suppliers. The following are alternative strategies in the vertical backward integration strategies:

- Provide employee training and development to improve efficiency and productivity.
- Utilize technology to optimize the location of administrative offices and taxi polls and add online

- booking features to improve customer convenience.
- Develop applications to facilitate taxi bookings in cities not yet served by the company.
- Establish collaboration with electric car manufacturers or provide its fleet of electric taxis to reduce dependence on fossil fuels and mitigate adverse environmental impacts.

A horizontal integration strategy is a strategy that allows companies to acquire or partner with other companies that have similar products or services. With this strategy, the company can expand its market and increase its market share (Hensmans 2019). A horizontal integration strategy can be an option for taxi companies that want to expand their market and increase their market share. Here are some examples of possible strategies:

- Acquire or partner with other transportation companies with similar services, such as car rental or public transportation.
- Collaborate with other online platform providers that offer similar services, such as food delivery or online shopping.
- Improve customer experience by partnering with technology companies and developing more sophisticated and innovative taxi applications.
- Strengthen taxi networks in major cities by acquiring or partnering with local taxi companies with a substantial market share.

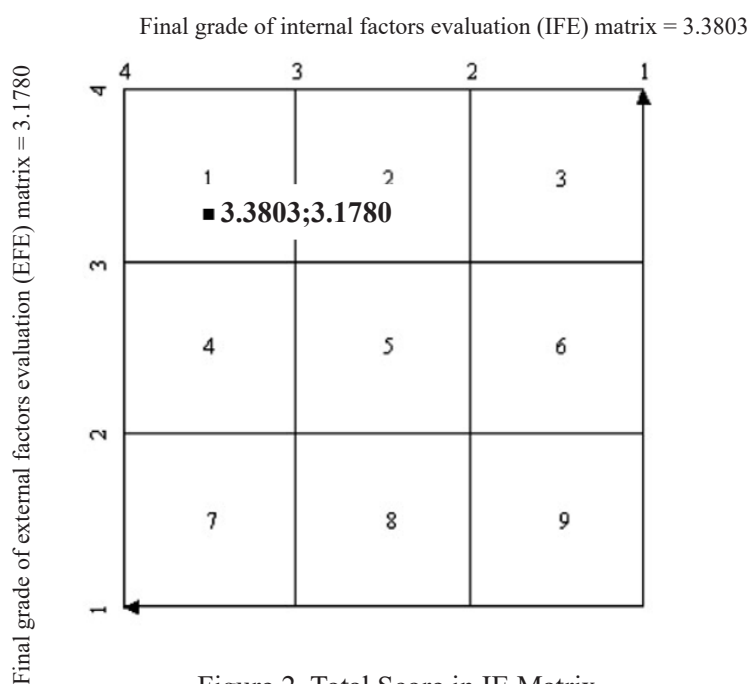


Figure 2. Total Score in IE Matrix

Formulation of Business Transformation Strategy

By implementing a business transformation strategy that combines vertical integration, backward integration, and horizontal integration, PT XYZ can optimize its resources, reduce dependence on other parties, and improve operational efficiency. By cooperating with vehicles and other component suppliers, PT XYZ can strengthen the supply chain and reduce production costs. In addition, by increasing cooperation with online taxi companies and technology companies, PT XYZ can expand its market share and increase the use of technology in optimizing user experience.

In implementing the business transformation strategy, PT XYZ needs to consider internal and external factors that can affect the success of this strategy. Internal factors, such as HR capabilities in terms of technology and the company's financial position, need to be optimized. In contrast, external factors such as government regulations and intense competition in the taxi industry must be anticipated. By formulating the right strategy and considering these factors, PT XYZ can strengthen its market position and provide better value-added value for customers and stakeholders. Based on the analysis results using the QSPM method, the forward vertical integration strategy occupies the top position with the highest total TAS of 6.6115. This shows that this strategy has a higher priority value than the other two.

The forward vertical integration strategy has the highest priority in making business decisions at PT XYZ. Alternative strategies that can be taken include: increasing the variety of products and services, increasing operational efficiency with advanced technology, adopting new technologies, increasing cooperation with the government and related companies, optimizing human resources, using blockchain technology, establishing partnerships with transportation technology companies, and developing new products and services based on data and analytics.

Managerial Implication

As a managerial implication of the analysis results, PT XYZ should choose the vertical integration strategy as the top priority in its business transformation. PT XYZ can optimize revenue through the diversity of Value-Added Transportation Business (VATB) products and premium taxis that are not yet optimal, improve cash flow efficiency in terms of production and operation

maintenance, revitalize and rejuvenate the taxi fleet, and increase cooperation with the government / non-government agencies and companies in other fields. PT XYZ can also implement alternative strategies prepared in the framework of vertical integration in the future to improve company performance. As the next step, PT XYZ can implement the five domains of the digital transformation framework to increase business value and compete with online taxi companies. The following is an explanation of the five domains of the digital transformation framework (Rogers, 2017) that PT XYZ could implement in its future integration strategy:

- 1) Increase business value: PT XYZ needs to increase business value by offering innovative taxi services different from competitors, such as premium or value-added transportation business (VATB) services that still need to be optimized. This will increase the company's revenue and help PT XYZ maintain its market share.
- 2) Expand service network: PT XYZ needs to expand its taxi service network in cities the company still needs to cover. This can be done by increasing cooperation with government/non-government agencies, strengthening the taxi network outside the operational area, and building strategic taxi poll locations from the economic center of the community.
- 3) Improve interaction with customers: PT XYZ needs to improve interaction with customers and offer better services by utilizing digital technology, such as mobile applications that are integrated with conventional and online taxi services. PT XYZ can also utilize data and analytics to understand customer needs and emerging market trends.
- 4) Develop business innovation through technology: PT XYZ needs to develop business innovations through technologies such as the Internet of Things (IoT) for taxi fleet monitoring and maintenance and fleet management systems to optimize fleet usage. PT XYZ can also adopt new technologies, such as electric or hybrid vehicles to reduce operational costs and adapt to the growing sustainability trend in society.
- 5) Leverage data and analytics: PT XYZ must utilize data and analytics to understand customer needs and emerging market trends. PT XYZ can use data and analytics to develop new products and services, improve operational efficiency, and optimize human resources. It can also use blockchain technology to improve security and reliability in transactions and tracking goods delivery.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

This study aims to formulate a transformative and effective competitive strategy for PT XYZ amidst the emergence of new competitors, such as online ride-hailing, that caused a decline in revenue for conventional taxis. The evaluation of the internal environment shows that the taxi distribution network is strong and strategic in major cities to be the company's strength. However, the financial position is not vital to be a weakness. Meanwhile, the highest opportunity factor is the high level of mobility and transportation needs. At the same time, the threats are the standardization of tariffs, the number of fleets, and the minimal identity of online taxis. Based on the IE matrix analysis, the company is in cell 1 (grow and build). In addition, PT XYZ can develop five domains of the digital transformation framework to increase business value and compete with online taxi companies. These domains include taxi service innovation, service network expansion, interaction with customers, business innovation through technology, utilization of data and analytics, and utilization of company strengths.

Recommendations

The recommendations for the next research should focus on understanding customer preferences, analyzing business models and strategies, conducting financial analysis, exploring innovative service offerings and technologies, and studying the domains of digital transformation to inform strategic recommendations for PT XYZ to stay competitive in the changing landscape of the transportation industry in Indonesia. The future research should also encompass a meticulous financial analysis of PT XYZ. Understanding the cost structures, revenue streams, profitability, and investment needs would provide a clear picture of the company's financial health. Moreover, this would enable an evaluation of the financial feasibility of implementing new technologies or service models.

REFERENCES

- Chaudhary ML, Joshi, CY. 2016. Strategy analysis of urban public transport industry: a case of Ahmedabad, Gujarat in India. *Journal NMIMS Management in India* 19(9): 81-101.
- Clewlow RR, Mishra GS. 2017. Disruptive Transportation: The Adoption, Utilization, and Impacts of Ride-Hailing in the United States.
- David FR. 2021. *Strategic Management*. Pearson
- El Sawy OA, Amsinck H, Kræmmergaard P, Vinther AL. 2016. How Lego Built the Foundations and Enterprise Capabilities for Digital Leadership. *MIS Quarterly Executive* 15(2): 1–17.
- Express Group. 2019. Annual report PT Express Transindo Utama Tbk Tahun 2016. <http://www.expressgroup.co.id> [25 Jan 2018].
- Gasperlin B, Pucihar A, Kljajić Borštnar M. 2021. *Influencing Factors of Digital Transformation in SMEs – Literature Review*. 40th International Conference on Organizational Science Development. <https://doi.org/10.18690/978-961-286-442-2.17>
- Hansen R, Sia SK. 2015. Hummel's Digital Transformation Toward Omnichannel Retailing: Key Lessons Learned. *MIS Quarterly Executive* 14(2): 51–66.
- Hasian A. 2014. Formulasi strategi bersaing PT Express Transindo Utama Tbk (Express Group) dalam memenangkan persaingan bisnis taksi di Jakarta [thesis]. Yogyakarta: Universitas Gajah Mada.
- Hensmans M. 2019. A new matrix for building platform portfolios: how companies can sustain their leadership. *Journal of Business Strategy* 42(3): 159-167. <https://doi.org/10.1108/JBS-08-2019-0162>
- Horlacher A, Hess T. 2016. What does a chief digital officer do? Managerial tasks and roles of a new C-level position in the context of digital transformation. In *2016 49th Hawaii International Conference on System Sciences (HICSS)* (pp. 5126-5135). <https://doi.org/10.1109/HICSS.2016.634>
- Kamneva V, Baeva D. 2020. Digital Transformation Of External Factors Of Competitiveness Of Companies. *Bulletin Of South Ural State University Series "Economics And Management"* 14(1): 63–70. <https://doi.org/10.14529/em200107>
- Karimi J, Walter Z. 2015. The role of dynamic capabilities in responding to digital disruption: A factor-based study of the newspaper industry. *Journal of Management Information Systems* 32(1): 39–81. <https://doi.org/10.1080/07421222.2015.1029380>
- Matt C, Hess T, and Benlian A. 2015. Digital Transformation Strategies. *Business &*

- Information Systems Engineering* 57(5): 339–343. <https://doi.org/10.1007/s12599-015-0401-5>
- McKiernan P. 1992. *Strategies of growth: maturity, recovery and internationalization*. Routledge.
- Mulyati T, Utami SB. 2019. Penguatan usaha kecil menengah melalui program tanggungjawab sosial perusahaan (Studi PT INKA Persero). *Jurnal Capital* 2(2): 116-137. <https://doi.org/10.25273/capital.v2i2.3986>
- Oliver JJ. 2018. Strategic transformations in a disruptive digital environment. *Strategic Direction* 34(5): 5–8. <https://doi.org/10.1108/SD-01-2018-0003>
- Phadermrod B, Crowder R, Wills G. 2016. Importance-Performance Analysis based SWOT analysis. *International Journal of Information Management* 44: 194-203. <https://doi.org/10.1016/j.ijinfomgt.2016.03.009>
- Silva LA, Andrade MO, Maia ML. 2018. How does the ride-hailing systems demand affect individual transport regulation? *Research in Transportation Economics* 69: 600-606. <https://doi.org/10.1016/j.retrec.2018.06.010>
- Subagja IK. 2016. Pelaksanaan strategi bisnis dan pemasaran PT Blue Bird Tbk. *Manajemen Bisnis Krisnadwipayana* 4(3): 1-18. <https://doi.org/10.35137/jmbk.v4i3.63>
- Walukow M, Pangemanan S. 2015. Developing Competitive Strategic Model Using Quantitative Strategic Planning Matrix (QSPM) Approach for Handicrafts Ceramic Industry in Pulutan, Minahasa Regency. *Procedia - Social and Behavioral Sciences* 211: 688-695. <https://doi.org/10.1016/j.sbspro.2015.11.104>
- Wang Y, Wang L, Xu Z, Yang G. 2010. IE is the accelerator of economic growth mode transformation of autonomous vehicle. *2010 IEEE 17Th International Conference on Industrial Engineering and Engineering Management* 759-765. <https://doi.org/10.1109/ICIEEM.2010.5646509>
- Zhao L, Xing J. 2012. Taxi operation and management system based on distributed only taxi stations soving strategy. *Applied Mechanics and Materials* 25(255): 1833-1836. <https://doi.org/10.4028/www.scientific.net/AMM.253-255.1833>
- Zulkarnain A, Wahyuningtias D, Putranto TS. 2018. Analysis of IFE, EFE and QSPM matrix on business development strategy. *IOP Conference Series: Earth and Environmental Science* 126(1): 012062. <https://doi.org/10.1088/1755-1315/126/1/012062>