

BUSINESS MODEL CANVAS ANALYSIS ON RIDE-SHARING ONLINE SERVICE OPERATOR NOOMPANG

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ABSTRACT

Innovation in the transportation sector with the principle of sharing economy has created a new service industry sector, namely online ride-sharing services. Companies can display in a simple but comprehensive manner the nine essential components of a business. A business model is a method that helps companies tell stories about the internal conditions of the company. This study aims to analyze the business model of Noompang using the Business Model Canvas analysis. This research uses descriptive-exploratory method. Data collection using the ghost interview method to the selected driver. Data obtained from interviews with partners, both drivers and passengers Noompang in Bandung - Jakarta and the results of studies of supporting literature. The results obtained from this study are that Noompang benefits from profit sharing with partner companies, profit sharing with driver partners, benefits from the Ovo e-wallet, and benefits from Google / Apple on application downloads.

Keywords: *Business Model Canvas, Ride-Sharing Online Services, Noompang*

1. INTRODUCTION

Technological innovations have emerged in several sectors, including the public transportation sector. One of the transportation business sector innovations is the emergence of an online transportation service operator business known as ride-sharing. Ride-sharing, better known as the term "numpong" in Bahasa Indonesia, is part of the technology-based sharing economy system in the transportation service industry. The sharing economy system allows the rental of assets owned, including, in this case, lending force and vehicles in the form of online ride-sharing services. Vehicles commonly used for the ride-sharing business consist of two-wheeled and four-wheeled motorized vehicles. The combination of the concept of ride-sharing, which is equipped with real-time technology, is fascinating, so it is not uncommon for many consumers to try and become customers of this service.

The existence of ride-sharing services is not a new thing in Indonesia. However, to ensure that these transportation services can reach consumer trust, a work system that can ensure the safety of passengers and ride-sharing providers who do not know each other is needed. The concept of the Noompang service originated from the idea of providing a short-distance round-trip service at an affordable price. This service allows one vehicle to be filled by several consumers with the same destination or in the same direction as the main destination so that travel costs can be more affordable. By sharing trips in Noompang, people can improve road transport efficiency, save travel money, and reduce traffic congestion. Furthermore, to facilitate the journey from point A to point B, the ride-sharing provider can set the itinerary, the point of departure and arrival, and how many seats are available in the vehicle.

The Business Model explains the reasons how organizations create, deliver, and capture value (Osterwalder & Pigneur, 2010). Small businesses can take advantage of the business model canvas as a strategy to face competition. This custom business model canvas depicts the relationship between business owners, their partners, and their customers. In this business model canvas, there are nine interrelated blocks: (1) *Customer Segments*; (2) *Value Proposition*; (3) *Channels*; (4) *Customer Relationship*; (5) *Revenue Stream*; (6) *Key Resources*; (7) *Key Activities*; (8) *Key Partnership*; (9) *Cost structure*.

BMC is a tool in management strategies to translate concepts, consumers, infrastructure, and company finances in the form of visual elements. The business model canvas concept relies on pictures of ideas so that everyone has the same and genuine understanding of the types of consumers, expenses, the way the company works, and so forth.

The problem formulations in this research are what is the current picture of Noompang's business model viewed from the aspects of the business model canvas, and what is the appropriate business development strategy for Noompang using the business model canvas approach?.

2. RESEARCH METHOD

The research type used is descriptive qualitative research, where the research design is arranged to provide a systematic description of scientific information originating from the subject or object of research (Sanusi, 2014). Meanwhile, Sugiyono (2013) said that qualitative research methods are research methods based on the philosophy of positivism, used to examine the condition of natural objects (as opposed to experiments), where the researcher is the key instrument of data collection carried out by collection techniques with triangulation. Data analysis is inductive/qualitative, and qualitative research results emphasize meaning rather than generalization.

Data collection was carried out using interviews with driver-partners and passengers of Noompang, observation, and analysis of documents and supporting literature. The informant determination technique used by the researcher in this research is the purposive sampling technique. According to Sugiyono (2013), the purposive sampling technique is a sampling technique for data sources with specific considerations. The determination of informants as data sources in this study is based on the principle of subjects who master the problem, have data, and are willing to provide complete and accurate information. In this study, there were six informants consisting of one CEO and Co-Founder of Noompang Indonesia, one CMO of Noompang Indonesia, one Product Manager, one employee from the Digital Marketing division, one driver of Noompang Indonesia, and one Noompang Indonesia passenger on the Bandung-Jakarta route.

3. RESULTS AND DISCUSSION

Noompang, as one of the online ride application platforms, has implemented Business Model Canvas in its business. The customer segment of Noompang is adults with an age range from 18 to 45 years. The value proposition of the Noompang application is the sharing economy. Sharing empty seats is advantageous. From a more affordable cost because of sharing, reducing congestion since it reduces vehicles if the passengers have the same destination, to having friends when driving, which creates a new community. The method used by Noompang to communicate with its segments is through social media such as Whatsapp, Line, Twitter, Instagram, and Youtube. The Noompang team interacts with consumers through online media and holds gatherings for the community that grew up with Noompang, creates promos also emails, and WhatsApp NewsLetters about the development of Noompang. Revenue stream building blocks describe the income generated by the company from each customer segment that costs must reduce revenue to generate income (Osterwalder and Pigneur, 2015). All of Noompang's revenue comes from the use of the application and the cost of travel services of partners with consumers paid by users through the OVO electronic wallet. Key resource building blocks of Noompang are employees themselves or Skilled Staff, office buildings where Noompang's business activities operate, Google Maps, Noompang applications, and server infrastructure. The key activities of this are connecting drivers with passengers and doing big data management. Noompang established a partnership with investors for the development of the company consisting of driver-partners, food seller partners, Apps Store iOS for iPhone, Google Store for Android, OVO for payment method, and suppliers of attributes such as Noompang clothes and jackets as well as server infrastructure providers. Noompang's fee structure is fees for driver-partners and merchant food, server infrastructure rental, Google maps, ios API fees, office staff salaries, electricity, wifi costs, and system maintenance and repair costs.

From the explanation above, it can be concluded that the current Noompang Business Model Canvas can be described as follows.

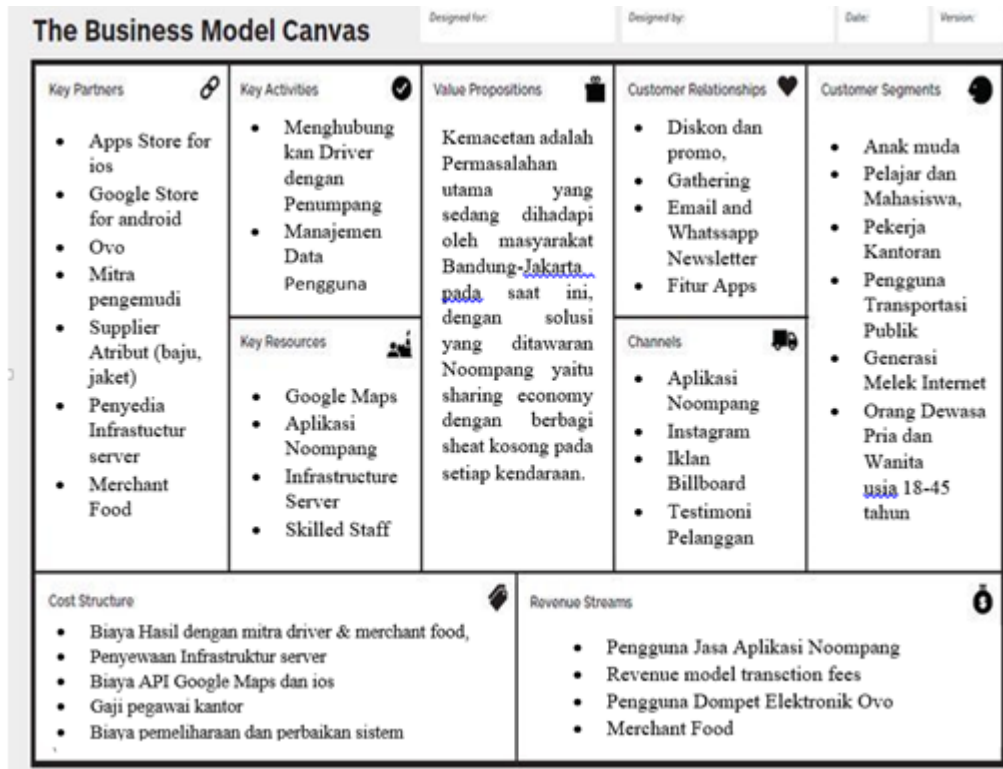


Figure 1. Current Business Model Canvas of Noompang
 Source: Author

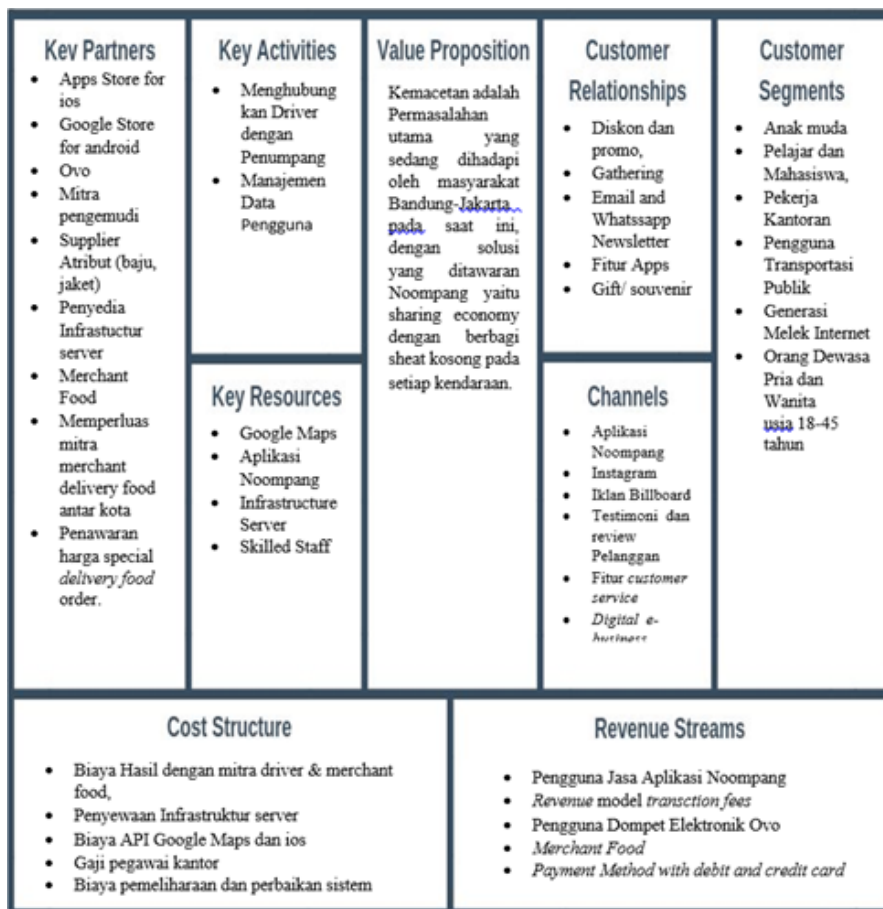


Figure 2. Recommendation for Business Model Canvas of Noompang
 Source: Author

4. CONCLUSIONS

The business model of the Noompang online ride-sharing platform follows the standard business model canvas of Osterwalder and Pigneur, which consists of nine interrelated blocks. From analysis results, the researcher recommends adding business strategies to 4 blocks, namely Channels, Customer Relationships, Key Partnerships, and Revenue Streams. Although Noompang has implemented an e-business system in its marketing process, marketing activities also need to be carried out by electronic media such as television and radio. Noompang is also recommended to carry out marketing activities through YouTube, which will automatically go directly to the Noompang website. Customer service calls via telephone also need to be provided to customers to facilitate communication between service providers, partners, and service users. In the customer relationship block, it is recommended that Noompang provide more attractive promos such as discounts in certain events and provide gifts/souvenirs for customers who have made repeat purchases and giveaways through social media. In the key partnership block, the improvement of delivery services between cities can also be increased through pricing strategies such as special prices or gifts. In the revenue streams block, additional payment systems via credit and debit cards need to be added to make business transactions easier.

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