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Doctoral Dissertation

**Learning Organization as a Core Process in
Development of Social Ride-hailing Service: A Case
of Careem in Pakistan**

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ABSTRACT

The role of sharing economy is significant worldwide, because of its capability to innovate new markets by making the reuse of idle resources that can reduce the ecological power of consumption. Statistics show that there are numerous unutilized resources valued at 5.35 trillion dollars, which could be shared, consumed and bartered globally. The term sharing economy can be applied in different contexts as economic, social and financial without transferring the possession. In developed countries, the concept of sharing economy is mainly focused as an opportunity to reuse the idle assets that are shared among people to earn money. The structure and channel to utilize resources are well established in developed countries, therefore, the practice of sharing economy is effective and sustainable. However, in developing countries, the practice of sharing economy is different, as these countries do not have the proper regulation of sharing infrastructure and assistance to participate in the sharing culture.

Among the sharing services, the case of transportation in terms of ride-hailing service is trending these days, because of the motivation of many people to protect the environment. This research is focused on ride-hailing services. The study is conducted in Pakistan where transportation is a big issue. It affects the whole society and especially poor people. Many people who have to travel on a daily basis, they are bound to use the available public transportation, because they have no alternatives. Government is trying to fulfill the needs of society by launching new transportation services (Trains and buses). In this situation, the launching of ride-hailing service played a crucial role to improve the transportation system for building a new pathway towards sustainability.

Initially, the concept of ride-hailing service was introduced in developed countries, later, this trend was carried over to the developing countries. Because of the transformative and disruptive nature of sharing economy, an issue of instability has emerged, in the execution of ride-hailing service in developing countries. Because of unsustainable circumstances ‘fluctuating environment and economic situation’, the ride-hailing service cannot be implemented with the same power as of developed countries. Behind the issue, there are multiple reasons as 1) no proper way to identify social issues, 2) a high rate of unemployment, 3) there are limited resources available, 4) resources are available but scattered, and 5) lack of awareness among people regarding the adoption of sharing culture. The consequence of the incurred

issues is the scarcity of product and services in developing countries that are responsible to create a big hurdle towards society building. The sharing economy has the potential to change the social, financial and economic situation of many societies. Promoting sharing culture enhances trust and brings different people together. Transferring the concept of sharing culture from developed countries to developing countries is not possible, it is necessary to reshape the service. To introduce a new service in a country, the service must consider the localization of that specific country. It means re-shaping of the service is required to fit into the market. And re-shaping can be done only by adopting cultural norms and social trends.

This research proposes that a learning organization plays an important role in re-shaping a service in a specific setting. The theory of learning organization enables the transformation of the whole system by acquiring new knowledge and making enough amendments for better survival in a promptly changing environment.

The main objective of this study is to explore the success factors of Careem by investigating the concept of the learning organization, considering the differences of Careem from UBER to understand the popularity factor, analyzing the role of actors, practices, and resources in Careem to understand the business model. And finally, to examine the transformation of values within the Careem network to realize the adaptability and motivation in the society to participate in sharing economy. Ultimately, the goal of this study is to examine the core process of Careem behind the evolution from conventional to social ride-hailing service.

To achieve the goal, a case study of Careem a ride-hailing service is selected in Pakistan. This research is focused on Careem because it provides multiple services using just one application which makes Careem different from others. Careem has created many new jobs and provides people with the opportunity to increase their social status. Careem also fosters the idea of entrepreneurship by enabling different classes of society to run their own business. The mission of Careem is not only to make a profit but also to improve people's life.

The research methodology employed in this research is a case-based approach (case study). Data is collected from Pakistan. Data collection is made through a mixed-method approach in the following way: 1) Web survey and literature review 2) semi-structured interviews 3) close-ended questionnaire survey.

This study proposes that to improve the economic situation, Careem fosters the idea of entrepreneurship. Furthermore, by implementing the mechanism of two-level boundary spanning, Careem accumulates the resources from different stakeholders to endorse cross-business collaborations. Ultimately, this study suggests that economic and social awareness among the people is the key to make progress in the knowledge society. To achieve sustainable consumption in developing countries, it is necessary to focus on cooperative localization.

The essence of Careem as a learning organization is the adaptation of inter and intra organizational matters. As the environment is very complex these days, Careem has realized the significance of step-by-step learning. In the era of open innovation, two-level boundary spanning is one way to construct a service ecosystem. It can be used as a hint to improve future sharing services.

Keywords: Sharing economy, social ride-hailing service, learning organization, service-dominant logic (S-D logic), boundary spanning.

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1. CHAPTER

INTRODUCTION

1.1 Background

Collaborative consumption is a powerful development which has a real economic impact in this world. It is amongst other driven by a shift in the mindset of people and by the technological advancement. Instead of throwing away things, individuals started to share things with others. Humankind realized that the way how we consume is not sustainable. Individuals consume too much which leads to a ‘throw-away’ culture that causes environmental pollution (Belk, 2014; Hamari, Sjöklint, & Ukkonen, 2016). An important question in the context of sharing economy is, why individuals participate in sharing economy. The system thrives on the fact that many people participate because of their own free will. The motivation for participating in collaborative consumption is manifold (Hamari et al., 2016). It can be different depending on the goods and business model.

In the case of ride-hailing services, many people have the motivation to protect the environment. Another motivation is sociability. For example, individuals seek to make new experiences by meeting other people (Ikkala & Lampinen, 2015). An important factor that also needs to be considered is socio-demographic differences. For example, people who are younger or who have a low income are more motivated from an economic perspective since their goal is to save money (Böcker & Meelen, 2017). Hence, the motivation of individuals to participate in sharing accommodation can differ depending on the country and the environment where they live.

When comparing developed and developing countries in the context of sharing economy, there are some significant differences. These differences refer, especially to the economic situation. In developed countries, there are already established structures where the government provides an appropriate environment or support to initiate the business. However, in developing countries, these structures are not available in the same way but sharing economy has the potential to bridge the gap. In this regard, sharing economy can support people in establishing an entrepreneurial mindset in developing countries. Through micro-entrepreneurship, people are able to create their own business. Both society and economy can benefit from these developments (Jain, 2015).

This research is focused on ride-hailing services because of its popularity in developing countries. The study is conducted in Pakistan where transportation is a big issue. It affects the whole society and especially poor people. Another group which is affected are women, as they don't feel safe using public transport alone due to cultural barriers (Field & Vyborny, 2015). To overcome this issue the government is trying its best to launch new trains and bus services but still, the demand is higher than the supply. And the services charges are unnecessarily very high. To fulfill the needs of the customers, different ride-hailing services were launched by private companies.

1.2 Problem Statement

Initially, the concept of ride-hailing service was introduced in developed countries. After the success of ride-hailing service in developed countries, this trend was carried over to the developing countries. Because of the transformative and disruptive nature of sharing economy, an issue of instability has emerged, in the execution of ride-hailing service in developing countries. Because of unsustainable circumstances 'fluctuating environment and economic situation', the ride-hailing service cannot be implemented with the same power as of developed countries. Behind the issue, there are multiple reasons as:

- 1) No proper way to identify social issues,
- 2) A high rate of unemployment,
- 3) There are limited resources available,
- 4) Resources are available but scattered, and
- 5) Lack of awareness among people regarding the adoption of sharing culture.

The consequence of above-mentioned issues is the scarcity of product and services in developing countries that are responsible to create a big hurdle towards society building. The sharing economy has the potential to change the social, financial and economic situation of many societies. Promoting sharing culture enhances trust and brings different people together. Transferring the concept of sharing culture from developed countries to developing countries is not possible, it is necessary to reshape the service. To introduce a new service in a country, the service must consider the localization of that specific country. It means re-shaping of the service is required to fit into the market. And re-shaping can be done only by adopting cultural norms and social trends.

This research proposes that a learning organization plays an important role in re-shaping a service in a specific setting. The theory of learning organization enables the transformation of the whole system by acquiring new knowledge and making enough amendments for better survival in a promptly changing environment (Figure 1).

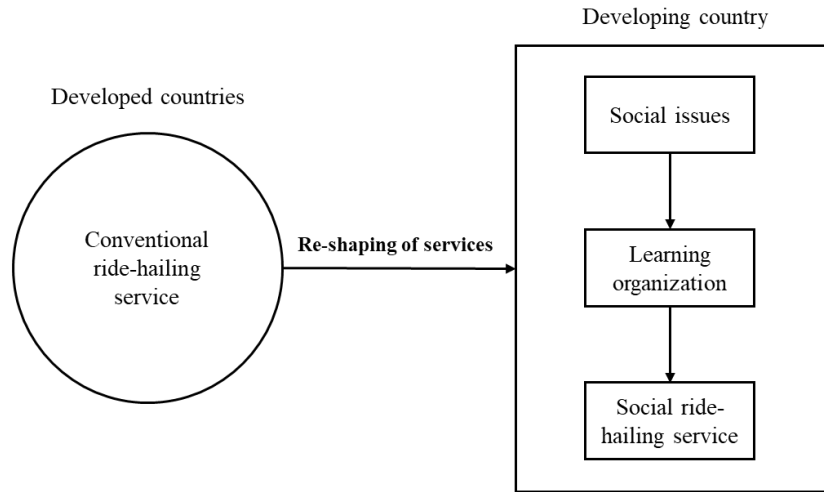


Figure 1: Problem statement

To answer the problem statement, an emerging ride-hailing service company (Careem) is selected as a case. Careem has become a successful service in most of the developing countries because of its adaptive nature to the environment. For this study, the reason to select Careem, instead of UBER or other ride-hailing services in Pakistan is, Careem is a “one-stop-shop” because it provides multiple services using just one app. which makes Careem different from others. Another reason for choosing Careem as a case is the vision of Careem. One of Careem’s co-founder is Pakistani and he launched the service in Pakistan to resolve the local issues. Careem brings job opportunities in society and provides people with the opportunity to increase their social status.

Statistics on Careem website shows that, in 2018, Careem got 30 million (plus) registered users from 120 (plus) cities, 15 (plus) countries and 1 million (plus) drivers. Overall, the estimated amount of Careem funding was 770 million dollars in 2019. (Careem, 2019i)

Careem fosters also the idea of entrepreneurship by enabling different classes of the society to run their own business. Careem has made many achievements regarding services by creating a service ecosystem through its platform. Table 1 shows a comparison of Careem

and other ride-hailing services in Pakistan. The contents of the table are developed on the bases of web-survey (Careem.com, Uber.com, paxi.taxi, gosafr.com).

Table 1: Comparison of Careem with other ride-hailing services

Ride-hailing services	Booking methods	Ride options	Car type	Payment system	Cities
Careem	By call By website By app	Now Later Repeat	Bike Riksha Go Go + Business	Cash Credit/debit card Careem wallet	15
UBER	By app	Now	Economy Premium Accessibility Carpool	Credit card	8
Paxi	By call	Now	For woman only	Cash	3
Safr	By call	Now	For woman only	Cash	3

This study proposes a step by step strategy to understand the evolution of Careem from a conventional to social ride-hailing service. The finding extracted in this research are as follows:

- 1) *Service system*: To gain an in-depth understanding of a service, it is necessary to investigate the actor-network involved in that service. The organization of actors to whom the service is offered is the key point in any organization.
- 2) *Value creation*: Once the actor-network is determined for any service it is necessary to investigate the interaction among the actors to understand the structure of the service. And service creation ensures the way to provide and receive benefits from each other.
- 3) *Value in use*: The ultimate value extracted by the actors involved in the service is considered as feedback to improve the service and to know the success factors or loop-holes of any service.
- 4) *Service ecosystem*: After understanding the interaction the next step is to expand the network in all possible ways. Service ecosystems usually show the expansion of an

actor-network with the passage of time. How the business expands its services according to the needs of society can be understood by analyzing the service ecosystem.

- 5) *Boundary spanning*: When an organization develops links outside the organization to make collaborations for solving social issues, it needs to span its boundary. This boundary spanning can become a success factor of any organization in the future.
- 6) *Concept of a learning organization*: An organization can be a learning organization if it adapts to the environment and makes necessary reformatations in a required time period. It shows the capability of any organization to learn step by step.

By combining all the concepts, this research results in new insights on the transformation of one service from its conventional type to a social type. This concept can be used to modify service transactions in the future to facilitate the society.

1.3 Research Objectives

- The main objective of this study is to explore the success factors of Careem by investigating the concept of learning organization.
- To investigate the differences of Careem from UBER to understand the popularity factor.
- To analyze the role of actors, practices, and resources in Careem to understand the business model.
- To understand the transformation of values within the Careem network to realize the adaptability and motivation in the society to participate in sharing economy.
- To evaluate the role of Careem in society through the expansion of service eco-system for a better understanding of resource distribution and to encourage small and medium investors to promote sharing culture.
- To determine the ways of cross-business collaborations among multiple stakeholders by initializing the service ecosystem in developing countries.

1.4 Research Questions

An examination of the literature reveals the absence of studies that incorporates the operationalization of learning organizational theory to explain how an organization works. It can enhance the learning experience by integrating new knowledge into past knowledge to

enable change in society. Similarly, the non-existence of enough research on practical implications of the learning organization has been evident. This research tries to address these gaps and to clearly define learning organization and its working environment in Careem (ride-hailing service), by raising the following questions:

Major Research Question

MRQ: How has Careem evolved from a conventional to a social ride-hailing service?

Subsidiary Research Questions

SRQ1: What is the business model of Careem?

SRQ2: What is the value flow in the business model of Careem?

SRQ3: How has Careem evolved its business model?

SRQ4: What is the internal mechanism of Careem to develop a social ride-hailing service?

SRQ5: What makes Careem social ride-hailing service?

1.5 Research Methodology

This research has adopted a case-based approach (case study). Data has been collected from Pakistan where the selected case of Careem service is getting popular day by day (Table 2).

Table 2: Data collection

No.	Category	Samples 2017		Samples 2018 Careem						Data Collection Method	Total Samples	
1	Management	UBER	Careem	4						Semi structured interview	10	
		3	3									
2	Driver	UBER	Careem	10						Semi structured interview	20	
		5	5									
3	Customer	UBER	Careem	10						Close ended Questions	30	
		10	10									
4	3 rd parties	—		Investors			Companies			Semi structured interview	14	
				Local Investors	Bank		Rent-A-Car	Rozee.pk	Pakwheels.com			Jubilee Insurance
				2	Mezan Bank	JS bank	2	2	2			2
					2	2						
5	Regulatory Authorities	—		Local Police			Traffic Police			Semi structured interview	4	
				2			2					

Data collection is made through a mixed-method approach in the following way: 1) Web survey and literature review to clarify the image of Careem services that differentiates it from other ride-hailing services, 2) interviews with the Careem and UBER management to identify service management and creation of services and 3) questionnaire survey with customers to recognize the popularity factors of Careem and UBER and to understand the customer perspective about the working operations and image of Careem.

1.6 Research Originality

This research contributes to the current literature of learning organization and service-dominant logic. Past literature focuses on learning organization mainly from a theoretical perspective. But this research is the first to focus on learning organization by considering the specific service case of Careem (a ride-hailing service). The selection of the case itself is unique because it demonstrates an emerging trend of ride-hailing service with the focus on economic benefits as well as society building.

Furthermore, this study is the first that shows the importance and mechanisms of two-level boundary spanning. It explains the concept of the sub-service ecosystem in-service science research. As a mechanism, this research shows how a secondary stage boundary spanning emerges because of the core boundary spanner.

In the past, a lot of research has been done on learning organization that explains mainly the intra-organizational matters. But this research has described the importance of social orientation in parallel with a market orientation to clarify the cross-boundary collaboration. For modern service creation, this research suggests that intra and inter-organizational matters, both play a prominent role in service expansion.

1.7 Research Limitations

Like other research activities, this study has also some limitations which are as follows:

- This research is mainly to explore the working mechanism of Careem with success factors, so, the focus of this research is provider's point of view mainly.
- The extracted results cannot be generalized to all service economies because the case refers to only one developing country.

- The questionnaire survey is collected from customers, but the sample is not large enough to generalize the results for all customers.

1.8 Research Significance

A lot of research has been done on learning organization but there is very limited work that shows the practical implication of the concept learning organization. This study will expand the concept of the learning organization by analyzing it in the context of learning climate and learning mechanisms.

This study reveals more complex boundary spanning. As a study of knowledge management, this study shows that there are two levels of boundary spanning and this is Careem's key to success. 'How sub ecosystem evolves through boundary spanning' is the contribution to the S-D logic framework, because the S-D logic focuses on service ecosystems and resource integration. Finally, this research will expand the scope of ride-hailing services as a sharing business.

1.9 Structure of the Dissertation

This dissertation is organized in a total of seven main chapters.

Chapter 1: This chapter highlights the background of the study including the research objectives, research questions, research methodology, research originality, research significance, and research limitations.

Chapter 2: This chapter is about the literature review. Different topics are explained: sharing economy, S-D logic, boundary spanning and learning organization theories in the 1990s and 21st centuries. These theories help us to build an initial understanding of the research.

Chapter 3: In this chapter, we compare the two big ride-hailing service providers in Pakistan. One company is UBER which is already established, and which expanded its business already in many countries. On the other hand, Careem is a start-up company which has grown faster than UBER in the Middle East and Pakistan. This chapter further provides detailed information about how these two companies work and about their commonalities and differences.

Chapter 4: This chapter is about the research methodology. It explains the research methods we used to collect and analyze the data furthermore, to draw the conclusions.

Chapter 5: This chapter describes the research findings and highlights the processes and mechanisms behind the Careem platform. We analyzed, what makes Careem different compared to other ride-hailing services.

Chapter 6: This chapter answers the research questions and provides theoretical implications.

Chapter 7: Finally, in this chapter, the conclusions are drawn by summarizing the research findings and depicting and explain the theoretical models.

2. CHAPTER

LITERATURE REVIEW

Introduction

This chapter describes the relevant literature for this study. In section 2.1, the sharing economy in the context of ride-hailing services is introduced. Section 2.2 introduces the principles of the service-dominant logic and its components in detail covering the topic, service system, value creation, and value co-creation, value in use and service ecosystem. Section 2.3 highlights the process of boundary-spanning. Section 2.4 is about learning organization theories. The most important and popular work from the 1990ies has been introduced. Post-modern definitions of a learning organization are introduced in Section 2.5. The concept of creating shared value is discussed in section 2.6. The literature regarding globalization and localization is explained in section 2.7. Finally, in section 2.8 a summary of the literature review is given.

2.1 Sharing Economy and Ride-Hailing Services

The sharing economy evolved in the last years into an important topic. An important driver of sharing economy are information and communication technologies which allow so-called ‘collaborative consumption’ to take place (Hamari et al., 2016). Collaborative consumption can be described as “the peer-to-peer-based activity of obtaining, giving, or sharing the access to goods and services, coordinated through community-based online services” (Hamari et al., 2016, p. 2047). It is a shift from a global culture of unsustainability to collaborative consumption (Barros, 2013; Heinrichs, 2013).

Technology plays a crucial role in collaborative consumption. There is a variety of different technologies which promoted sharing and collaboration. Examples are content-sharing sites (e.g. YouTube or Instagram), crowdfunding services, open-source software or collaborative online encyclopedias (e.g. Wikipedia). These examples show that new technologies enable the simple sharing of goods and services. A distinction can be made between access over ownership and transfer of ownership. In the case of access over ownership goods and services are shared for a limited time, for example through lending or renting. The transfer of ownership means that second-hand goods are given to other people, such as clothes. The ownership is passed from one person to another person (Hamari et al., 2016). From a historical

perspective, the human being has the tendency to share things with people they already know respectively who are trustworthy. Technology enables bringing people together who don't know each other and who don't have a trustworthy relationship established. Digital platforms reduce the personal risks of people by acting as intermediary and offering, for example, ratings or reviews (Frenken & Schor, 2017).

In the late 1990s traditional early car service sharing models emerged. One of the examples is Zipcar. The advantage of such car-sharing services is that members can rent cars in the area where they live on a flexible short-term basis where they pay hourly. This was the first generation of car-sharing services. The second generation offered people the possibility to choose the location where they pick up and drop the car. The third generation of car sharing refers to peer-to-peer car sharing. Individuals offer their car when they don't need it and it can be used by other individuals.

The adoption of new technologies, in particular, the smartphone and digital road maps, created new opportunities and business models with respect to car sharing. So-called ride-hailing services emerged, for example, Uber in 2009. In contrast to car-sharing, ride-hailing services are more attractive to a bigger part of the population. There is a shift from product centricity to service centricity. Ride-hailing is offered as a service. However, not only Uber but similar ride-hailing companies entered the market, such as Careem in the Middle East and Pakistan or Didi which is popular in China. The next generation is shared ride-hailing. People can share the ride with other people who are on a similar route. This is enabled through technology that matches passengers in real-time (Clewlow & Mishra, 2017).

2.2 Service-Dominant Logic

We live in an era in which most economies can be regarded as service economies. Delivering a service means that a party applies specific knowledge and skills which are beneficial for a third party. Vargo & Lusch (2004, 2008) introduced the service-dominant logic (SD logic) which explains how markets, organizations and the society are intertwined. A distinction is made between the so-called goods-dominant logic and service-dominant logic. The goods-dominant logic focuses primarily on products while the service is in the center of the service-dominant logic. A service is defined as “application of skills and knowledge (operant resources) for the benefit of another party” (Vargo & Lusch, 2008, p. 10). The service-dominant logic has taken on an important role in the context of service science. It provides the

underlying concepts, theories, and assumptions to discuss the subject. Ten foundational premises constitute the core of the SD logic (Vargo & Lusch, 2004, 2008) as depicted in Table 3.

Table 3: SD-Logic foundational premises

FP1	Service is the fundamental basis of exchange
FP2	Indirect exchange masks the fundamental basis of exchange
FP3	No Change
FP4	Operant resources are the fundamental source of competitive advantage
FP5	All economies are service economies
FP6	The customer is always a co-creator of value
FP7	The enterprise cannot deliver value, but only offer value propositions
FP8	A service-centered view is inherently customer oriented and relational
FP9	All social and economic actors are resource integrators
FP10	Value is always uniquely and phenomenologically determined by the beneficiary
FP11	Value co-creation is coordinated through actor-generated institutions and institutional arrangements

2.2.1 Service System

A service is considered as a process where something valuable is created. Service science aims to describe the phenomenon of value co-creation and interaction in service systems. There are different definitions of a service system as depicted in Table 4.

Table 4: Definitions of service system

Author	Definition of Service System
Maglio & Spohrer (2008)	Service systems are compositions of value co-creation which consist of technology, people and value propositions. Service systems connect both internal and external service systems and information that is shared (e.g. methods, language).

Vargo, Maglio, & Akaka, (2008)	A service system consists of various resources (e.g. technology, people). These resources are linked with other service systems by value propositions.
Polese, Russo, & Carrubb (2009)	Service systems are real networks where different entities use common strengths by being directly and indirectly connected. Service systems focus on competitiveness and interaction with other service systems that are external and independent.

2.2.2 Value Creation and Value Co-creation

When discussing the service-dominant logic, it is important to understand the meaning and the difference between value co-creation and value creation. Value creation is a concept that originates from service marketing. From this perspective, value creation is something that happens inside the enterprise. The consumers are considered as entities which are outside the enterprise. The consumers use a service but are not involved in the creation of the service (Prahalad & Ramaswamy, 2004). This is demonstrated by traditional concepts such as the value chain of Porter (1985). The exchange and extraction of value are the dominant concepts. Table 5 shows selected definitions for value creation.

Table 5: Definitions of the term value creation

Author	Definition of Value Creation
Prahalad & Ramaswamy, 2004	Value creation is the process where the enterprise produces a product or service independently from the customer with the goal to provide value to the customer.
Gronroos & Voima, 2013	Value creation is an ongoing process that represents the ability of the customer to extract value, for example from products. It is the customer who creates value-in-use.
Ueda, Takenaka, & Fujita, 2008	The authors distinguish between provided value and adaptive value. Provided value is a closed system where producer and consumer are specified independently and where the environment is predictable. The question is how to find the optimal solution. In case of adaptive value producer and consumer can also be specified but the environment is subject to change. The challenge and hence focus are on an adaptive strategy.

However, customer behavior has changed with technological advancement which goes along with new business models. Customers have been provided with new information sources. It enables them to exchange information with each other and customers are not dependent on the information that an enterprise provides. The customer can form an independent opinion and judge products according to their value to the customer. Traditionally the enterprise decided what constitutes value for the customer. However, since the customer has more knowledge, the customer has also more power and is more willing to negotiate the terms with the enterprise (Prahalad & Ramaswamy, 2004).

This phenomenon is referred to as value co-creation (Vargo & Lusch, 2004). In order to gain competitive advantage, enterprises need to involve customers in a new kind of relationships which consist of a unique experience between customer and enterprise. Hence, value is not only created by enterprises but by both together the enterprise and the customer. (Prahalad & Ramaswamy, 2004; Vargo & Lusch, 2004). There are different definitions of value-co creation. Table 6 shows selected definitions for value co-creation.

Table 6: Definitions of the term value co-creation

Author	Definition of Value Co-creation
Ueda, Takenaka, & Fujita, 2008	In value co-creation, the service process and the final product are inseparably linked. It is not possible to create value independently from the producer and consumer.
Vargo et al., 2008	Value co-creation occurs through existing resources, such as people or technology. These resources are integrated with resources from other service systems. Service systems access each other's resources through the exchange.
Prahalad & Ramaswamy, 2004	Value co-creation occurs when customer and enterprise create value jointly. The process of defining and solving a problem is done together.
Gronroos & Voima, 2013	The authors emphasize the importance of considering three value creation spheres: the provider sphere, the joint sphere, and the customer sphere. At least two parties need to have an impact on each other that co-creation can take place.

2.2.3 Value in Use

With the shift from the traditional firm-centric perspective on value to the customer-centric perspective, the term value-in-use has been introduced. In the firm-centric perspective, value is regarded as something that the company delivers to the customer for a given price. However, from customer-centric perspective value is determined by the customer experience and realized when using the service. Hence, the customer does not only co-create value but also makes a judgment of service value. What determines the value of a service is the time of its use. Therefore this is referred to as value-in-use (Vargo & Lusch, 2004, 2008).

According to Ballantyne & Varey (2006) extend the service dominant-logic of Vargo & Lush (2004) and provide a deeper explanation about how value-in-use is created through marketing interaction. Three linked enablers are proposed for the improvement of value-in-use (Ballantyne & Varey, 2006):

- Relating: the building of relationships is important with respect to knowledge resources. It supports the creation and application (Ballantyne & Varey, 2006)
- Communicating: it is required to develop relationships through dialogical interaction (Ballantyne & Varey, 2006)
- Knowing: this represents the knowledge that is required to improve customer experience. An important part of the knowledge renewal process is the generation of tacit knowledge (Ballantyne & Varey, 2006)

2.2.4 Service Ecosystem

Understanding service ecosystems in a precondition for depicting how the system of Careem works. There are different approaches for, how ecosystems are defined and explained.

In today's globalized economies, the information age firms interact in dynamic environments. It leads to higher competition between enterprises. Organizations can do their business globally and are connected with different parties outside the organization (Anggraeni, Den Hartigh, & Zegveld, 2007). The question is how this phenomenon of the different actors and their connections can be conceptualized. Moore (1993, 1996) was the first author who used the term business ecosystem to explain how organizations are interconnected with their environment.

The business ecosystem of Moore (1993, 1996) has been developed in a time when the Internet, smartphones, and computers were not yet accessible to the mass market. The development was in the early stages compared to today. Since then there has been enormous technological progress which impacted the daily lives of people all over the world.

With technological advancement also a shift in the way how enterprises do business could be observed. It is referred to as the development from the goods-dominant logic to the service-dominant logic. Nowadays economies are considered as service economies. There was a shift from product centricity to customer-centricity. The customer is considered as an integral part respectively as co-creator of value and the focus is on value-in-use (Vargo & Lusch, 2004). The focus is on a value creation network that consists of multiple actors rather than on the single actors and their roles. The question is what value constitutes and how do multiple actors contribute to value creation. This phenomenon is grounded in the description of the so-called service ecosystem (Lusch & Vargo, 2014). According to Lusch & Vargo (2014, p. 24), service ecosystems can be described as “a relatively self-contained, self-adjusting system of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange”. Value co-creation, integration of resources and importance of institutions are emphasized in this concept. The concept was further developed by other researchers who used different approaches and focuses. Table 7 shows an overview of the definitions of two authors which have produced the most cited works in this area.

Table 7: Definitions of the business ecosystem

Author	Definition of Business Ecosystem
Moore (1993, 1996)	The author focuses on the underlying logic which explains the change. Business ecosystems evolve in four stages. The first stage starts with the birth, the second stage is expansion, the third stage is leadership and the fourth stage is self-renewal. If the self-renewal doesn't happen then it is death. In each stage, the organization has cooperative and competitive challenges to face. Cooperative challenges refer to the organization itself while competitive challenges refer to the environment.
Iansiti & Levien (2004a, 2004b)	A business ecosystem is a large network of different entities (e.g. organization, customers, competitors) which interact with each other and which are loosely connected. There are no strict

	boundaries. Each part of the ecosystem that is important with respect to product or service delivery needs to be healthy in order to make the overall system work. The health and performance of the organization depend on the overall system.
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The service ecosystem perspective is based on a dynamic systems approach. The goal is to explain service exchange and interaction between different stakeholders. It states that it is the knowledge of people that drives the creation of value (Kaartemo, Akaka, & Vargo, 2006).

Vargo, Akaka, & Vaughan (2017) consider four value characteristics as relevant in the context of a service ecosystem conceptual framework: phenomenological, co-created, multi-dimensional and emergent.

Phenomenological:

Value is always dependent on the actor who perceives the value at a certain point in time and place. What might be valuable for one actor can be not valuable for another actor (Vargo et al., 2008). For example, introducing a ride-hailing service might be positive for people who seek for alternative ways of transportation. However, for taxi drivers, it was a negative value because their jobs are in danger (Vargo et al., 2017).

Co-created:

Value is always created by multiple actors, such as firms, suppliers, customers, etc. A single actor is not able to create value through isolated efforts. Creating value is always embedded in a social construct (Vargo & Lusch, 2004). For example, multiple actors are required in a ride-hailing service, such as drivers, customers, and governments that support the service (Vargo et al., 2017).

Multidimensional:

One of the further characteristics of value is, it is a multidimensional construct. It is made up of different components: cultural, individual, social and technological. For example, individual components from a ride-hailing service are the needs and preferences of a person (somebody likes commuting). An example of technological capabilities is the availability of mobile technology in the context of ride-hailing services (Vargo et al., 2017).

Emergent:

Self-organization, emergence, and complexity are crucial components in the context of service ecosystems. The co-creation of value is an ongoing activity which is created in a specific context. Value is the link respectively the hidden glue that holds the service ecosystem together (Vargo & Lusch, 2017). For example, to understand the value in a ride-hailing service it is not enough to consider the resources that are required for a ride-hailing experience. The value itself occurs because of a specific customer who needs to drive at a specific time from one place to another place. Hence the value emerges because there is a unique relationship between an actor and the service ecosystem (Vargo et al., 2017).

2.3 Boundary-Spanning Knowledge Process

This section introduces the topic of boundary-spanning knowledge processes. Section 2.3.1 gives an outline of the topic and section 2.3.2 explains the significance of boundaries. Finally, in section 2.3.3 it is explained how boundary objects should facilitate boundary-spanning knowledge sharing.

2.3.1 Introduction

There are different knowledge processes that occur in a group context. An example is knowledge processes in communities of practice. These are homogenous groups of people. The group members share certain commonalities. However, there are also collaborations between groups with diverse backgrounds. There is little shared identity and knowledge between the group members. This context is explained as a boundary-spanning situation. Between these groups, the so-called spanning of boundaries is required because these people have different identities (Hislop, Bosua, & Helms, 2018). Hwang, Singht, & Argote (2015) define a boundary as “a border that divides one group from another”. Hislop et al. (2018, p. 216) define boundary-spanning collaboration as “a form of heterogeneous group collaboration involving people who have distinct differences between them such as knowledge base, sense of identity, the native language is spoken, etc.”.

2.3.2 The Significance of Boundaries

Boundaries are a diverse construct. For example, there can be geographic, physical or social boundaries, such as different professional backgrounds or social status. Boundary-Spanning collaboration represents reality in today's organizations. There is a variety of

boundary spanning situations that include the creating and sharing of knowledge between people with divergent backgrounds (Hislop et al., 2018). For example, there are people who are involved in inter-organizational collaboration with the goal to develop or to produce complex products in the technology area (Tallman and Phene, 2007; Harryson, Dudkowski, & Stern, 2008). Another example is the outsourcing of business services to third parties (Betz, Oberweis, & Stephan, 2012; Kotlarsky, Scarbrough, & Oshri, 2014). Situations, as described in these examples, become more and more popular. This shows the significance of boundary-spanning research. By bringing people from diverse backgrounds together for collaboration it is of interest how the potential for knowledge creation and innovation can be exploited.

2.3.3 Boundary Object

Boundary objects should facilitate boundary-spanning knowledge sharing. These objects can be physical or linguistic/symbolic (Hislop et al., 2018). For example, Alin, Ioro, & Taylor (2013) examine a three-dimensional virtual workspace. It fosters knowledge sharing in engineering design projects. According to Bresnen (2010), boundary objects provide people from different communities a common space for discussion or negotiation or shared activities. This leads to a better understanding and better collaboration in the team.

Carlile (2002, 2004) suggests a typology for the implementation of boundary objects depending on the boundary that needs to be crossed. There are four boundary object types: repository (e.g. database), standardized forms/methods, objects/models (e.g. sketches, drawings, mock-ups) and maps (e.g. process maps or gantt charts) which are suggested to cross boundaries. The boundary object type repository is relevant in the case of syntactic boundaries. Common repositories can be used for knowledge sharing. The repository serves as a common knowledge base that is understandable for all members of the community since people have a shared syntax and language.

It is more complex to tackle semantic boundaries. In this case, individuals need to establish an understanding for the perspective of other individuals. Standardized forms and methods can be used to give other people insights into a topic and to gain a shared understanding. Objects/models can be used to communicate and discuss different perspectives. Maps allow showing interdependencies between different groups. These examples emphasize the importance of translation in order to span semantic boundaries. Spanning pragmatic boundaries is a complex task because it requires a focus on knowledge transformation. In this context

objects/models and maps are appropriate concepts which can be used to cross the boundaries. By using maps people can better understand and appreciate the interests of other people. Objects/models can be used for knowledge transformation in order to achieve common goals (Carlile, 2002, 2004).

2.4 Learning Organization Theories

This section gives an outline of the learning organization theory which is required to understand this study. Section 2.4.1 gives an introduction into two important terms in the context of learning organization: adaptive and generative learning. In the sections, 2.4.2- 2.4.7 the most important learning organization theories are described. Section 2.4.8 provides a summary of the learning organization definitions.

2.4.1 Adaptive and Generative Learning

The distinction between adaptive and generative learning is one of the most important typologies in organizational learning theories. According to Chiva, Grandío, & Alegre (2010), the typology of adaptive and generative learning has most probably been introduced first by Argyris & Schön (1974, 1978) who describe the single loop (adaptive) and double loop (generative) learning. However, Argyris & Schön (1974, 1978) are not the only authors who investigated the theories of adaptive and generative learning. These two types of learning have also been analyzed by Senge (1990), Mezias & Lant (1992), Fiol & Lyles (1983), Virany, Tushman, & Romanelli (1992) and Sitkin (1992).

The concept of single-loop learning is an organizational learning process which is based on the ‘theory of action’ perspective. Single loop learning can be described as a situation where people observe and adapt their behavior according to the difference between their expectations and the outcomes. In the case of single-loop learning, people analyses current, unpleasant situations and adapt their behavior in order to mitigate or to solve the problem. Overall, single-loop learning follows the concept of cause and effect. There must be a cause which is responsible for a certain effect. By recognizing the cause and adapting and adjusting current behavior the goals can be achieved (Argyris & Schön, 1974).

“Single-loop learning can be compared with a thermostat that learns when it is too hot or too cold and then turns the heat on or off” (Argyris, 1977, p. 116). Single-loop learning focuses on efficiency and on doing the right things. However, in reality, the single loop approach

doesn't address the root of the problem. The disadvantage is that the symptoms are removed while the root causes remain the same. Hence, it can lead to the fact that the same problem is repeated in the future because the root cause is still the same and has not been discovered (Argyris & Schön, 1974).

While the focus of single-loop learning is predominantly on fixing or avoiding problems, double-loop learning can be regarded as a more profound approach. The focus is on the modification of the underlying causes that generate the problems. There is a variety of underlying causes in the organization. Examples are organizational policies or norms, motives of individual employees or informal practices that are established in the organization. Double-loop learning assumes that individuals should question rules and operating norms instead of only focusing on how to fix or avoid current problems (Argyris & Schön, 1974). The underlying idea of double-loop learning can be described as follows: "If the thermostat could question itself about whether it should be set at 68 degrees, it would be capable not only of detecting error but of questioning the underlying policies and goals as well as its own the games" (Argyris, 1977, p. 116). 'Thinking outside the box' and creativity are the key to success. However, this requires leadership and culture in the organization which allows individuals to re-think and question the causes of problems (Argyris & Schön, 1974).

2.4.2 The Five Disciplines of Learning Organizations

Senge (1990) emphasizes also the difference between adaptive and generative learning. Adaptive learning is referred to as survival learning for an organization. It enables an organization to solve current challenges to survive. However, although adaptive learning is necessary for an organization it is not enough. In order to become a learning organization which has the capacity to create things and to innovate, adaptive learning must be joined generative learning. The latter requires a fundamental shift in the 'mental schemas' of the learners. Generative learning requires an organization to handle five disciplines: personal mastery, mental models, shared vision, team learning, and systems thinking. Senge (1990) introduces the concept of 'metanoia' in order to take a closer look at generative learning. It is a Greek word which consists of the terms 'meta' (above or beyond something) and 'noia'(mind). Understanding the meaning of metanoia means understanding that learning "involves a fundamental shift or movement of mind" (Senge, 1990, p.14).

The author argues that the term learning has lost its central meaning. Many people consider learning as the same as ‘gathering information’. However, gathering information about a topic is distantly related to real learning. Real learning enables people to re-create themselves, to see the world from a different angle and to extend their own capacities and creativity. People are able to do things they were not able to do before. This type of learning is in the nature of the human being and deep inside, human beings seek to experience this type of learning. Basically, this is what constitutes the learning organization (Senge, 1990).

Senge (1990) argues that we live in a world with increasing environmental dynamics which makes decision-making more complex. For companies which are hierarchically organized it is difficult to make the right decisions and to respond in a timely manner. These challenges can be addressed with the concept of the learning organization which harnesses the learning capacity of all employees of an organization. The group forms the basis for the development of learning processes.

The development of a learning organization draws upon five basic disciplines: personal mastery, mental models, shared vision, team learning, and systems thinking (Senge, 1990).

Personal Mastery

Personal mastery refers to the self-awareness of individuals of an organization. An organization can learn through the experience of the individual members. Hence, the skills of the members determine the organization’s ability to learn. On the one hand, employees should have a vision of the goals they want to achieve. This vision is described as “something you desire for its intrinsic value, not because of where it stands you relative to another” (Senge, 1990, p. 134). On the other hand, it is important to have a realistic and objective view of the problems and possibilities. Overall, the personal aspiration and vision of the members of the organization should support and initiate positive change and motivate other members. People with a high level of personal mastery have the courage to take stand for their visions.

Senge (1990) calls the gap between vision and the reality that people face the creative tension. This tension is required as a source of motivation that triggers the desire to work in order to achieve the vision. This is what drives innovation in the firm. It is important to distinguish between emotional tension and creative tension as represented in Figure 2. When people have a vision that has not been achieved yet they can react in two different ways. People with emotional tension tend to lower their vision in order to feel better because they

bring the vision into line with reality. The price they pay for it is that they abandon their own vision. (see the upper part of the figure). However, the better approach is to work constantly on the realization of the vision by taking actions (see the lower part of the figure) (Senge, 1990).

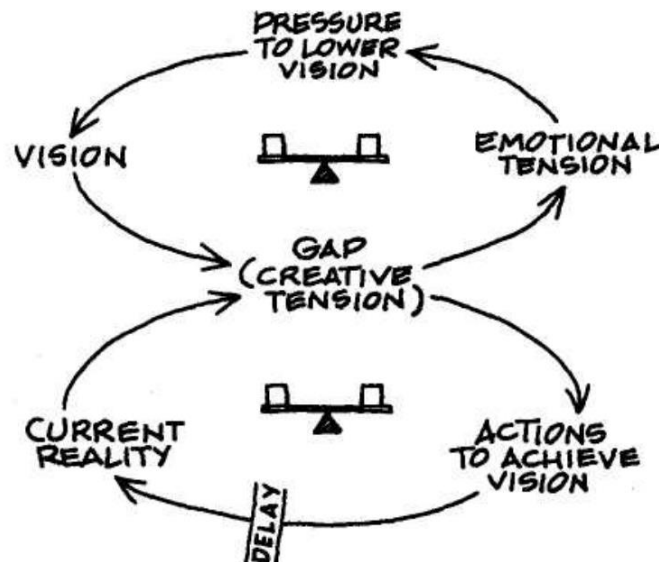


Figure 2: Creative and emotional tension (Senge, 1990)

Overall, members of a learning organization understand the idea behind creative tension and the importance not to lower the vision but to work constantly on the actions that allow achieving the vision. “It's not what the vision is, it's what the vision does. [...] Failure is, simply, a shortfall, evidence of the gap between vision and current reality” (Senge, 1990, p. 139).

Mental Models

We all have images or assumptions in our mind which are the result of the subjective perception of reality. These so-called mental models are internal images of how the world works. These images limit us to familiar thinking patterns. Mental models are very powerful. They determine how members of the organization see things and how their perception influences their actions. Two people can face the same situation in reality but describe it totally differently because they have a different focus. Mental models become a problem when people make judgments but at the same time are unaware that the judgment is based on a tacit mental model (Senge, 1990).

This prevents the possibility of recognizing and changing mental models for the benefit of the organization. The gap between mental models and reality can lead to counterproductive actions. Hence, members face the danger that they don't realize gaps between their thinking and reality. It is difficult to detect changes or deviations in reality. In a learning organization, the members are able to identify their mental models. A prerequisite is an environment where people have the courage to expose their own thinking and to be open for the ideas and the influence of other members of the organization (Senge, 1990).

Shared Vision

A common vision is a prerequisite for innovation. Shared visions represent the goals that a group of people wants to achieve. The basis for a shared vision is the personal vision of the organizational members (Senge, 1990).

People who share a vision are committed and willing to take risks and to make experiments. The members of the organization are aware that it can also go wrong. But if something doesn't work out the members know that they can change the directions and try again because they have a 'higher goal' which they seek to achieve. Typically, in an organization, there are different attitudes towards a vision. They range from commitment, enrolment, genuine compliance, formal compliance, noncompliance to apathy. People in the first two listed categories are highly committed or committed and will take the necessary steps to make it happen. The lowest level of commitment is apathy. These group of members has basically no opinion about the vision nor interest or energy (Senge, 1990).

Team Learning

A prerequisite for team learning is personal mastery and shared vision. Learning teams become a microcosm. The insights which are gained are put into action and transferred to other individuals or teams. There are three critical dimensions in organizations with respect to team learning. Teams need to learn how to challenge the 'collective intelligence' of the whole team to be more intelligent than single team members. Moreover, teamwork requires coordinated action. Each team member needs to understand his or her own role and the role of other team members to be able to act coordinated. Teams should foster learning by supporting each other (Senge, 1990).

Teams need to be able to have a dialogue and discussions. The focus of the dialogue is to listen to each other carefully and to understand the opinion of other team members. In the discussion, different team members express and defend their opinions with the goal to find a common agreement. Experienced teams can switch between dialogue and discussion since they know how to manage both practices within the team. It is important to emphasize that it is more difficult to develop team skills than individual skills. Hence team learning is a discipline that needs to be practiced by the team members in order to grow (Senge, 1990).

System Thinking

System thinking requires a shift of mind. It focuses on the understanding of interdependencies. It is more important to understand the overall context respectively the big picture instead of focusing on short-term cause-effect relations. System thinking starts with the so-called structure of feedback which should be understood. It represents thinking in control loops and cyclic contexts. The predominant thinking paradigm that shapes our perspective on the world is linear thinking. It is limited. The human language has a structure with supports thinking in linear and causal context much better than a cyclical and networked perspective (Senge, 1990).

An example is used for demonstration purposes. When seeing Figure 3 a majority of people would say that somebody is filling a glass of water. This represents a linear viewpoint. However, filling a glass of water involves in reality much more steps as depicted in Figure 4. Actually, when we fill a glass of water, we operate in a system consisting of five variables. There is a water level that we require and there is a current level of water in the glass. There is a gap between the current and desired level of water. Then there is a position of the faucet and water flow. The organization of these variables is called the feedback process. It is not linear but consists of a loop of cause-effect relationships (Senge, 1990).

For example, from a linear point of view, one could say that the hand on the faucet controls how much water is filled (the rate) into the glass. From a feedback process perspective, the previous sentence can be extended. It would also be true to say that the hand is controlled by the water in the glass. The goal of system thinking is to make complete statements which depict circles of influence. So-called system archetypes should support organizations in their rethinking process. System archetypes can be regarded as a sort of patterns or process structures. Nine of them are introduced. Complex problems or task constellations can be analyzed

in order to identify these archetypes. Once the archetypes have been identified they can be applied to support change in the organization (Senge, 1990).



Figure 3: Linear viewpoint (Senge, 1990)

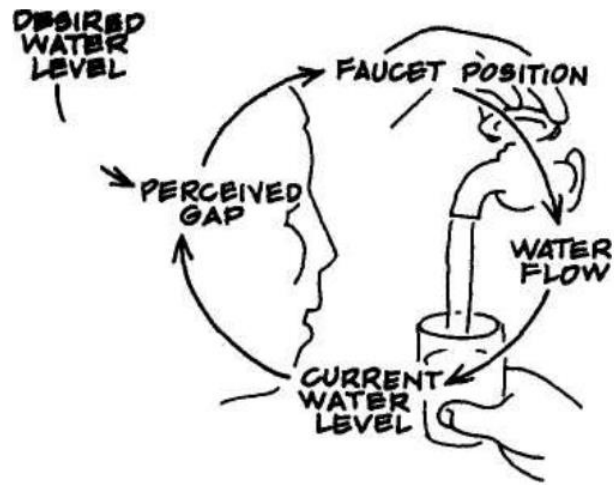


Figure 4: Feedback process (Senge, 1990)

2.4.3 Learning Organization Model

Garvin (1993) argues that learning organization theories focus on philosophy instead of giving practical advice. For example, Senge (1990) explains the five disciplines of learning organizations. However, the author doesn't provide frameworks and concrete approaches on how to become a learning organization. The focus is on philosophical underpinnings. There are three issues that need to be resolved to give clearer guidelines for practice: meaning, management, and measurement. Meaning represents the idea that there is a need for a well-grounded definition of what learning organization includes (Garvin, 1993).

Management means that there is a need for clear practical guidelines which are filled with operational advice. Measurement refers to the idea that an organization needs tools and guidelines to assess whether the level of learning success. There are five main activities where learning organizations are skilled at systematic problem solving, experimentation, learning from past experience, learning from other and transferring knowledge (Garvin, 1993).

Systematic Problem Solving

Accuracy and precision are considered as important basic blocks for learning. Employees need to train their skills in order to become attentive to details and to have a more disciplined

mindset. Employees should seek to discover the underlying causes of problems and subjects. The organization should, therefore, rely on scientific methods for problem diagnosis. Decisions should be based on data and facts. In order to organize this data statistical tools have been proven to be useful. Systematic problem-solving skills in the organization can be achieved by training the employees. The training should provide employees to enable them to perform in four areas: generation of ideas, information gathering, reaching consensus, analyzing and reporting data and planning actions (Garvin, 1993).

Experimentation

The goal of the experimentation is to systematically gather new knowledge. It is not about solving problems but about expanding the horizon. There are two possibilities: ongoing programs and demonstration programs. Ongoing programs include small series of experiments. The goal is to increase the knowledge step by step. Employees can be motivated by an incentive system that favors risk-taking. Moreover, it is important to have managers and employees who know how to conduct the experiments. Demonstration projects are typically more complex. The goal is to gain a deep understanding of a subject. Demonstration projects involve holistic and system-wide changes which are introduced. The goal of demonstration projects is often to develop new organizational capabilities (Garvin, 1993).

Learning from Past Experience

As the name already implies, learning from past experience refers to lessons learned from previous projects within the organization. What was successful? What was wrong and which mistakes should not be repeated? Enterprises can, for example, use case studies or post-project reviews to deduce the lessons learned and to make them available to others. Employees can interact with each other and share knowledge by presenting and discussing the lessons learned from past experiences (Garvin, 1993).

Learning from Others

Not all learning is based on self-reflection. Sometimes it is useful to take a look outside the organization in order to gather new insights. One way to gain information from outside is benchmarking. Through benchmarking organizations can compare their practices and performances with other organizations to identify commonalities and gaps. The information about

the gaps can be used to improve performance. Another way of learning from others is customer information. Customers can provide different sort of information, such as immediate feedback about services, information about competitive comparisons or insights into preferences that change over time (Garvin, 1993).

Transferring Knowledge

Ideas can achieve a maximum impact when they are spread throughout the organization. It is therefore important to distribute knowledge. There are different mechanisms which support this process, for example, reports, site visits, personal rotation programs or educational training programs for the employees. An efficient way to gather knowledge actively is personal rotation programs. The daily contact with experts from another area enables employees to acquire new knowledge respectively to transfer the knowledge (Garvin, 1993).

2.4.4 Knowledge-Creating Company

Nonaka (1991) considers knowledge as an organizational capability that ensures a competitive advantage in the long term. This is particularly important in economic circumstances which are characterized by constant change. A knowledge-creating company is an organization that can continuously manage innovation. According to Nonaka (1991) manager's need to understand what it takes to become a true learning organization. The concept of the spiral of knowledge is introduced. It describes that learning starts always with the individual and is then spread throughout the organization.

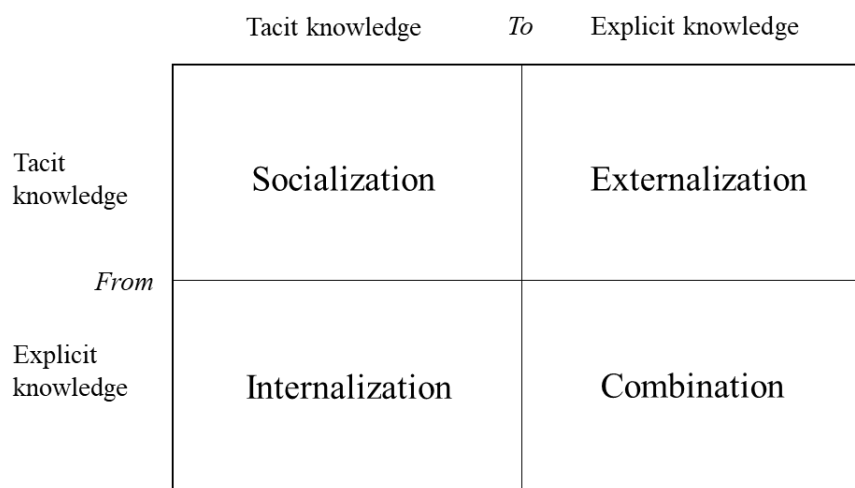


Figure 5: The four modes of knowledge creation (Nonaka, 1994)

A knowledge-creating company has the ability to transfer this individual knowledge to other people in the company. This is the key to success. In this context, a distinction is made between two types of knowledge: tacit and explicit knowledge. Explicit knowledge can be formally structured, for example in documents. Tacit knowledge can be acquired by a human being through practice and experience. Knowledge in the company is created through interactions of four patterns of knowledge as depicted in Figure 5: tacit to tacit (socialization), tacit to explicit (externalization), explicit to explicit (combination) and explicit to tacit (internalization) (Nonaka, 1991).

2.4.5 Five Strategic Building Blocks

According to Goh (1998), a learning organization is characterized by the fact that it can build long-term competitive advantage. There are five strategic building blocks which are required to become a learning organization. These five building blocks are regarded as internal conditions of an organization which needs to be met. The goal is to give clear guidelines to managers. Following building blocks are suggested (see Figure 6): mission and vision, leadership, experimentation, transfer of knowledge and teamwork and cooperation. A clear vision and mission are important in order to empower employees to take responsibility.

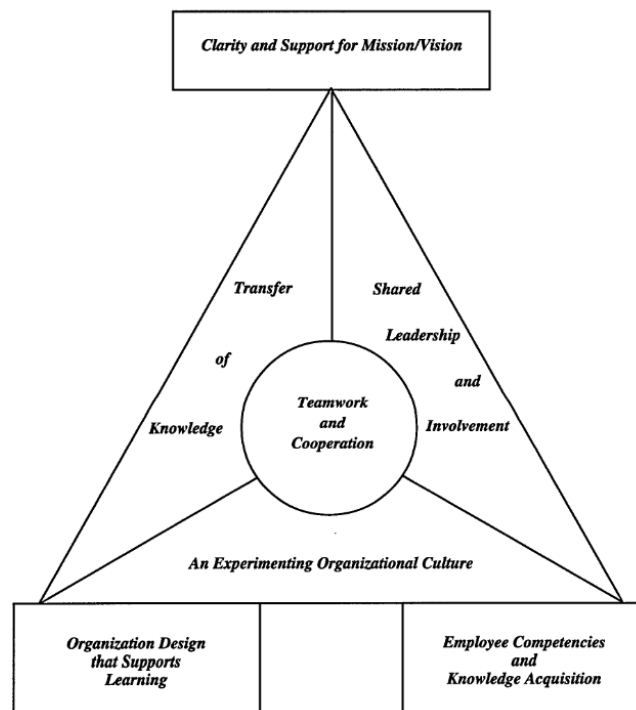


Figure 6: The five strategic building blocks (Goh, 1998)

Shared leadership and involvement mean to remove barriers and to encourage employees to take responsibility (Goh, 1998). Managers should rather act as coaches than as controllers. A culture of experimentation encourages employees to question the status quo, to try new ideas and to improve existing processes. This leads to the creation of new knowledge which can be used to capitalize on new market opportunities. New knowledge should not only be acquired but also transferred across organizational boundaries. Therefore, an enterprise should set up mechanisms which enable employees to learn from past experiences and to learn from other organizations and competitors. The last building block is teamwork. Teams should include employees from a variety of areas. Diversity fosters learning through knowledge exchange and joint problem solving (Goh, 1998).

2.4.6 Learning Organization Model

According to Pedler, Burgoyne, & Boydell (1991), a learning organization is constantly transforming itself with the goal in mind to achieve the strategic goals. This presupposes that the members of the organization are supported in learning. The authors identified 11 dimensions with respect to learning: a learning approach to strategy, participative policymaking, informative, formative accounting and control, internal exchange, reward flexibility, enabling structures, boundary workers as environmental scanners, intercompany learning, learning climate, and self-development for everyone. An ideal learning organization should include all these dimensions. However, the dimensions are not considered as fully separated since some areas are overlapping. In a learning organization, the manager has the role of facilitating, supporting and advocating the employees. Moreover, the manager should ensure that a vision exists and that the employees are working towards this vision. Teamwork is considered essential and employees should have a high degree of autonomy to perform their tasks. There should be a culture where people share the same vision with a strong sense of community and trust. This environment enables people to feel free to create and transfer knowledge (Pedler et al., 1991).

2.4.7 Framework of Learning Organization

Watkins & Marsick (1997) explain the learning organization with an integrative model. It is based on a framework which explains different levels that are relevant: organization, teams (group learning) and individuals (see Figure 7). The framework should guide enter-

prises in how to become a learning organization. Two organizational constituents are emphasized in this framework: individuals and structure. On the one hand, there are people who work in an organization. On the other hand, there are a structure and culture which have been created by the organization.

These three levels have seven characteristics that are related to each other but at the same time distinct from each other. There are two levels on an individual level: continuous learning and inquiry and dialogue. Team learning and collaboration is on the group level. The level organizational learning includes empowerment, embedded systems, system connection and strategic leadership (Watkins & Marsick, 1993, 1996).

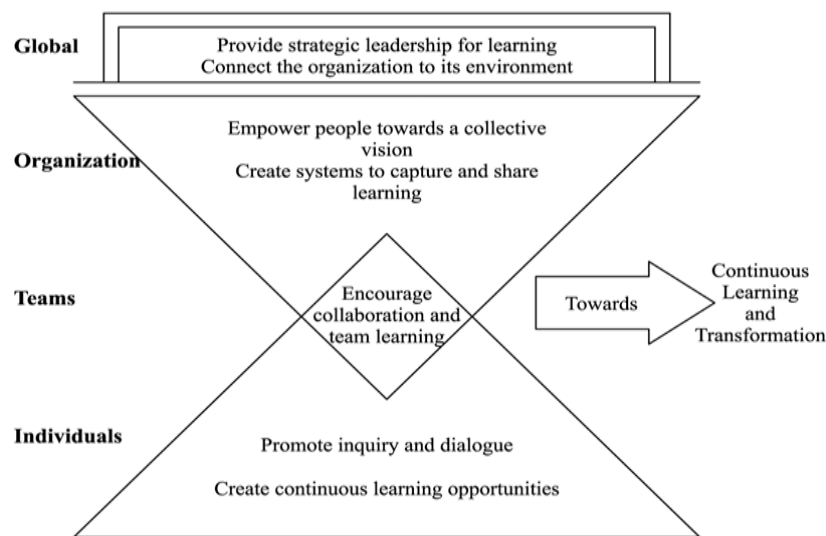


Figure 7: Learning organization model (Marsick & Watkins, 1999)

Marsick & Watkins (2003) developed the so-called Dimensions of the Learning Organization Questionnaire (DLOQ). The questionnaire “measures important shifts in an organization’s climate, culture, systems, and structures that influence whether individuals learn” (Marsick & Watkins, 2003, p. 133). The seven dimensions which have been described in the previous paragraph serve as the basis for the DLOQ (Watkins & Marsick, 1993, 1996). The DLOQ enables organizations to measure their current status with respect to a learning organization.

2.4.8 Summary of Learning Organization Definitions

This section summarizes the definition of learning organization explored by several past research work as mentioned in Table 8.

Table 8: Learning organization definitions

Author	Definition of Learning Organization
Garvin (1993)	A learning organization has the required abilities to create, acquire and transfer knowledge. Moreover, a learning organization is able to change its behavior based on acquired knowledge and insights. Learning organizations are skilled at systematic problem solving, experimentation, learning from past experience, learning from other and transferring knowledge
Goh (1998)	A learning organization requires ongoing effort, commitment, and management awareness. Long-term thinking is necessary to gain a competitive advantage. Five building blocks are regarded as necessary internal conditions of a learning organization: mission and vision, leadership, experimentation, transfer of knowledge and teamwork and cooperation
Nonaka (1998)	The knowledge-creating company is an organization which can continuously innovate. Knowledge in the company is created through interactions of four patterns of tacit and explicit knowledge.
Pedler, Burgoyne, and Boydell (1991)	A learning organization is characterized by two aspects. Firstly, it supports the learning of all members of the organization. Secondly, the organization is in a continual state of transformation. The goal is to meet the strategic goals. 11 dimensions are important in the context of learning: a learning approach to strategy, participative policymaking, informative, formative accounting and control, internal exchange, reward flexibility, enabling structures, boundary workers as environmental scanners, intercompany learning, learning climate, and self-development for everyone
Salter and Narver (1995)	Learning organizations have members that share a common vision with a high focus on delivering value for their customers. Acquiring, transferring and disseminating knowledge about products, technologies, and markets throughout the organization is an ongoing activity. Five components constitute learning organizations: entrepreneurship, market orientation, organic structure, facilitative leadership, and decentralized strategic planning.
Senge (1990)	The development of a learning organization draws upon five basic disciplines: personal mastery, mental models, shared vision, team learning, and systems thinking. A learning organization fosters the ongoing development of the individual to encourage new and critical thinking patterns. At the same time, the author emphasizes the importance of group

	learning and shared vision. System thinking represents thinking in control loops and cyclic contexts instead of linear cause-effect chains.
Watkins and Marsick (1993)	A learning organization is in a constant state of transformation. Learning is a process that occurs on individual, team, organizational and community level. Learning is an ongoing and goal-oriented process. Learning manifests itself in the fact that knowledge, convictions, and behaviors change. Learning also contributes to organizational innovation and growth.

2.5 Post-Modern Theories on Learning Organization

The previous section introduced the most relevant definitions and theories in the context of a learning organization. This section summarizes further contribution regarding learning organization with a particular focus on definitions that have been published as the post-modern theories. It is summarized in Table 9.

Table 9: Post-modern theories on learning organization

Author	Definition of Learning Organization
Thomas & Allen (2015)	A learning organization has the ability to enable individuals to learn and knows how to disseminate this knowledge for the benefit or the organization. A learning organization consists of a combination of various change mechanisms within the enterprise related to structures, processes, and human capabilities.
Jensen (2005)	A learning organization seeks to gather information from its environment and to create information by itself. The organizations foster individuals in the transformation process where information becomes knowledge. Moreover, the organization supports the knowledge exchange between individuals to gain new insights.
Gómez (2004)	A learning organization has the ability to learn across organizational structures, time and geography. The organization is able to learn in a way that it can act effectively.
Örtenblad (2004)	The author suggests an integrated model which should consist of four parts in order to be a learning organization: considering different levels of knowledge and storing of knowledge (organizational learning), context-dependent on-the-job learning (learning at work), a positive learning atmosphere (learning climate) and a flexible organization with low bureaucracy (learning structure).

Hirschhorn, Noble, and Rankin (2001)	A learning organization is able to change its course of action in order to adapt to new customer needs within a short time period. This includes not only customer needs but also marketplace changes.
Grievies (2000)	A learning organization is a very flexible organization. It has the capabilities to compete in globally competitive markets and to quickly adapt to the external environment. The organization has the ability to meet customer needs by quickly adapting strategy, internal and external relationships, HRM policies and technology.

2.6 The Concept of “Creating Shared Value”

The concept of “creating shared value” refers to a new way to achieve economic success (Porter & Kramer, 2011). The term was introduced the first time by Porter and Kramer in 2006. The authors analyzed how the definition of corporate social responsibility (CSR) can be further developed. The focus of CSR is on the reputation of the enterprise rather than creating social values in the long term. To make an advancement in the area of CSR it is necessary to understand the inter-relationships between enterprises and the society in the context of firm’s business strategies (Porter & Kramer, 2006).

In the current economic paradigm, enterprises operate with the goal to increase profits. Many companies focus on short term success and neglect to consider the long-term impacts of their course of action. For example, enterprises outsource activities to countries with low wages. This perspective is an outdated approach. It might lead in the short term to higher profits but in the long term, it doesn’t help to solve social issues. New concepts are required where enterprises consider both the business interests as well as the wellbeing of the society. It is necessary to redefine the purpose of the enterprise (Porter & Kramer, 2011). “If a business could stimulate social progress in every region of the globe, poverty, pollution, and disease would decline and corporate profits would rise” (M. W. Pfitzer & Kramer, 2016). Capitalism creates many employment opportunities and enables societies to build wealth. However, the concept of capitalism and its implementation is still narrow. The time is ripe for a new type of capitalism that exploits its full potential to meet the challenges of the society. Instead of creating profit this new form of capitalism should aim to create shared value for the benefit of all involved stakeholders. This includes both generating profit and at the same time a contribution to solve social issues (Porter & Kramer, 2011).

The concept of shared value is a set of guidelines which allows enterprises to gain competitive advantage and at the same time supports the advancement of the community where the enterprise operates. The advancement relates to social and economic conditions. Value is not only defined by benefit. In the concept of shared value, it is considered as “benefits relative to costs”. The principles of shared value do not only apply to enterprises but also to non-profit organizations and to governments. Moreover, the shared value can be created in different economic contexts which include developed and developing countries. However, the opportunities for creating shared value and the way how these opportunities are exploited distinguish based on the economic setting (Porter & Kramer, 2011).

The concept of shared value can be demonstrated with different views on a corporate strategy which are referred to as inside-out and outside-in view. The inside-out view represents the traditional neoclassical paradigm. An enterprise develops its strategy with the goal to sell as many products and services as possible to generate profit. The focus is on the enterprise itself and how the profit can be maximized. However, an outside-in perspective of the enterprise doesn't start with the goals of the organization but with the needs of the society and how the enterprise can meet these needs. The concept of shared value promotes the inside-out perspective. Organizations need to create social value in order to create shared value (Strand, Freeman, & Hockerts, 2015).

How Shared Value is Created

This subsection introduces two approaches which discuss the basics of the creation of shared value.

2.6.1 Three Different Ways to Create Shared Value

According to Porter & Kramer (2011), there are three different ways to create shared value: reconceiving products and markets, redefining productivity in the value chain and enabling local cluster development. Each of these three ways is explained in more detail in the following.

Reconceiving Products and Markets

Enterprises should seek to understand societal needs and challenges and to develop products that address these needs. This can be achieved by starting to identify how current and future products of the enterprise fulfill societal needs and what kind of benefits they bring.

This observation includes not only local but also global markets and different societies. This is an ongoing activity. Markets that are underserved often require an adaption of current products or distribution channels of an enterprise. By adapting to local circumstances and needs enterprises can exploit the huge market potential in developing countries. There are billions of potential customers with a low income. By offering appropriate solutions that serve the local needs at an affordable price enterprises can make substantial profits (Porter & Kramer, 2011).

Redefining Productivity in the Value Chain

The value chain of a company is interrelated with societal issues, such as working conditions or the use of natural resources and water. Societal issues can cause internal costs for the value chain of an enterprise. For example, excess packaging leads to costs for both the enterprise and the environment. The food store chain Wal-Mart was able to reduce its truck delivery route by cutting 100 million miles. This resulted in lower carbon emissions and enabled Wal-Mart to save 200 million US dollar. Enterprises can approach societal issues by taking a shared value perspective on its value chains and by exploring new ways how to address these issues. This can be done from different perspectives. The authors suggest 6 perspectives which can be analyzed: the productivity of employees, resource use, energy use and logistics, procurement, distribution and location (Porter & Kramer, 2011).

The example of distribution has been selected to demonstrate how a shared value perspective can make a substantial impact. For example, the use of electronic distribution channels, such as iTunes (music, movies, etc.) or Kindle (e-books) leads to the reduction of the usage of plastic and paper. Another example is given by Hindustan Unilever (consumer goods company) that created a new distribution system for poor female entrepreneurs. Unilever provided more than 45'000 female entrepreneurs with microcredits and business training to run their own business. They educate women and support them to increase their income. At the same time, the enterprise had the opportunity to reach low-income consumers and to provide them with access to important life-altering hygiene products. These activities not social problems but also generated economic benefits for the company. While people can increase their living standard and benefit from better hygiene products, Unilever was able to increase its profit (Porter & Kramer, 2011).

Enabling Local Cluster Development

Companies are not separate units but are always embedded in a cluster. These clusters include different actors, such as suppliers, service providers, related businesses, logistical infrastructure, and institutions. Also, public assets are part of the clusters, such as universities and schools, governmental agencies or clean water. These clusters influence the innovation and productivity of enterprises (Pfitzer & Kramer, 2016; Porter & Kramer, 2011). The environmental conditions are given and can't be influenced by an enterprise. To achieve social progress, it is necessary for an enterprise to bring together the various actors of an ecosystem. In this context, the term "collective impact" has been introduced. It represents the fact that social problems originate from a complex interplay where different actors are involved. In order to solve social problems, it is necessary to build a network which consists of different actors, such as people who are affected by the social problems, the government or charitable organizations. There are five elements which need to be available to achieve collective impact: a common agenda, a measurement system that is shared, constant communication, dedicated backbone support and mutually reinforcing activities (Pfitzer & Kramer, 2016).

A common agenda represents a shared vision of the participants. Different stakeholders have to reach an agreement, and everyone should be "on board". In a shared measurement system, participants agree on a common system of how to measure the success of their efforts. This system serves as a guideline and ensures the ongoing improvement of the efforts. Mutually reinforcing activities means that each actor focuses on the activity where he or she can deliver the most efficient output. Typically, different working groups can be formed which focus on single aspects of the business by solving specific problems. Constant communication helps to build trust between the actors. The backbone support ensures that an entity in the backend guides the efforts by managing vision and strategy, providing support and mobilizing resources. The backbone support can be a single organization or consist of multiple actors. Important is, that the backbone support holds the actor-network together and ensures that everything is aligned (Pfitzer & Kramer, 2016).

2.6.2 Five Elements to Create Shared Value

Pfitzer, Bockstette, & Stamp (2013) suggest five elements that are essential for creating shared value in business: embedding a social purpose, defining the social need, measuring

shared value, creating the optimal innovation structure and co-creating with external stakeholders.

Embedding a Social Purpose and Defining the Social Need

These two elements contain the same message as stated by Porter & Kramer (2011) “Re-defining productivity in the value chain” in the previous subsection. Pfitzer et al. (2013) emphasize the importance of having the goal of creating shared value embedded in the corporate culture. Defining the social need represents the ongoing activity of doing research in order to discover new issues that need to be solved and how to approach these issues.

Measuring Shared Value

The element measuring shared value has also been explained in the previous subsection (Pfitzer & Kramer, 2016). Pfitzer et al. (2013) propose in addition a three-step process for enterprises to monitor their economic and social performance. In the first step, enterprises should estimate what values constitute their business and social activities. In a second step, it is necessary to define measures for these values and to track the progress of the measures. In a third step, the value that is produced should be assessed and analyzed. Based on the assessment, enterprises can adapt to the circumstances and plan the next steps.

Creating the Optimal Innovation Structure

To ensure an optimal innovation structure the enterprise needs to make sure that the social business is properly integrated into the existing core business (presuming that a legacy business exists). This should happen when the social purpose is clearly defined and when the enterprise has the skills to solve the social problems. The social enterprise should be based on a strong business case. If the business case most likely is not able to meet the financial targets of the enterprise, it makes sense to separate the social business from the core business. By founding a new enterprise which is not directly linked to the financial measures of the established business risks can be reduced. If an enterprise discovered opportunities but it not able to finance the social business, governmental agencies or philanthropic support can be a source of financing. Another possibility is to find external entrepreneurs who build the social business for an enterprise. This can be an option if the enterprise is not able to develop solutions for a social problem with its own resources. In this case, the social business is “outsourced” into a new enterprise.

Co-creating with External Stakeholders

In order to understand all aspects of a problem and to develop appropriate solutions, it is necessary to involve different stakeholders in this process. To create shared value enterprises should involve a variety of different stakeholders. These stakeholders might be the government, non-profit organizations, universities or other firms. Enterprises should tap stakeholders and use their delivery capabilities to leverage the business. For example, the social initiative “Arogya Parivar” of Novartis in India (pharmaceutical company) realized that pharmacists and doctors in rural areas can’t afford to buy their diagnostic equipment. To solve this problem, the pharmaceutical company decided to establish a partnership with a microfinance enterprise which is located onsite. Microcredits allow pharmacists and doctors to purchase the products. This is an example of how the business can be leveraged in collaboration with a partner company.

2.7 Globalization and Localization

The goal of this subsection is to explain the terms globalization, localization and semi-globalization and how these terms are related to the topics of this study.

The term globalization (also globality or globalism) has been used since the early 1980ies. Globalization describes an economic phenomenon where enterprises operate around the world. Globalization assumes that there is a great interdependence of people, money, values, ideas, etc. that crosses national boundaries. Global businesses are not limited to a single country but operate in different markets all around the world serving different customers. Globalization is a term which has many dimensions and that be analyzed from different perspectives, such as political, cultural or economic. In the context of this study the economic perspective is emphasized (Voisey & O’Riordan, 2001). A typical example of a global firm is McDonald’s. The fast-food restaurant has more than 35’000 branches in more than 100 countries around the world (Wikipedia, 2019).

The term localization refers to the local environment where the business operates. When an enterprise goes international and develops business in a specific place it is necessary to adapt the products and services to the local environment. At the location itself, there is a social system consisting of different actors that are connected with each other (Voisey & O’Riordan, 2001). In order to clarify the principle of localization, McDonald’s has over 180 branches in

Israel. About 50 of these branches offer kosher food which is compliant with Jewish dietary regulations (McDonald's, 2019). This shows how a global enterprise can adapt its products to local needs.

In the context of globalization and localization Ghemawat (2003) refers to the term “semi-globalization”. It explains the need of enterprises for strategies that take advantage of the globalization but at the same time consider local needs as depicted with the example of McDonald's. There are differences between countries which are important, and which need to be considered. Globalization starts from the approach “one size fits it all”. However, semi-globalization emphasizes the need for taking advantage of globalization but empathizes also the importance of addressing the differences depending on the location. For firms competing in a globalized world, it is crucial to recognize these differences and to address them properly (Ghemawat, 2003).

The semi-globalization perspective explains why Careem has been more successful in Pakistan than its rival UBER. From a globalized perspective, Careem has a business model which is based on a mobile app then is used by millions of people across various Middle East countries. Because millions of people can use the same app, Careem benefits from global economies of scale. On the other hand, Careem managed to successfully consider the local circumstances of each country where it operates. For example, Careem offers in Pakistan (Careem, 2019g) the vehicle type Bike and Riksha, while this vehicle type is not available in Dubai (Careem, 2019f). Another example is, that Careem realized that not all people in Pakistan have access to smartphone apps. Therefore, Careem enables people to book a ride via both phone and app. The customer can select the preferred option. In section 0, a summary of ride-hailing services is provided which explains in more detail the results of the comparison between Careem and UBER from semi-globalization perspective.

2.8 Summary of Literature Review

This section provides a summary of the literature review and explains how the literature contributes to achieve the desired research results. Figure 8 depicts the integrated research framework.

The target of this research is the sharing economy that has become an important topic in today's economy. Where technology is the driver that promotes sharing and collaboration. Technical platforms bring together individuals who don't know each other and establish trust

between them. Ride-hailing services are a typical example of sharing economy business models. The focus of this research is Careem that is getting popular day by day in the developing countries.

The concepts of globalization, localization, and semi-globalization have been introduced to describe the challenges of the business model of Careem in an international context. On one hand, Careem operates globally and provides its services in different countries. On the other hand, this study demonstrates how Careem adapted its services in Pakistan to the local needs of the society. This is referred to as semi-globalization. In this context, the concept of “creating shared value” explains the economic success of Careem in Pakistan in comparison to its rival UBER. This concept represents a new kind of capitalism where enterprises do not focus mainly on making a profit but seek to understand first societal problems and to find solutions for these problems. Shared value assumes that it is possible to make a profit and at the same time to contribute to the advancement of the community. This requires a deep understanding of the social issues in a specific region.

The underlying mechanisms of ride-hailing services are explained with the framework of service-dominant logic (SD-logic). Because the framework has the capability to describe the service phenomenon by using various concepts in sharing economy. In ride-hailing services, people exchange services rather than goods. Explaining these service transactions in detail is the main contribution of service-dominant logic, while the goods dominant logic focuses on the products mainly. The service-dominant logic emphasizes the role of the customer, the role of the knowledge and skills of the service provider. It starts from the assumption that value is not something that delivers only by the organization, but it is co-created together with the customer (as shown in Figure 8).

Careem has a service ecosystem that involves different actors, such as drivers, customers, and third parties. In service ecosystem explained through SD-logic, value is created by multiple actors. Overall, value is the glue that “holds” service ecosystems together for service expansion. In the context of this study, two terms are relevant, the business ecosystem and the service ecosystem. Business eco-system describes how the enterprise and the different actors (e.g. customers, suppliers) interact with each other. A service ecosystem can be considered as a further development of the business ecosystem. The shift from goods-dominant logic to service-dominant logic emphasizes the importance of the interactions between indi-

viduals. Value is always co-created by several actors through interactions. In service ecosystems, the perceived value is always dependent on the single actor. Value is a multifaceted construct that considers individual, cultural, social and technological components.

In order to analyze the relations and the interaction between the actors in detail, the theory of boundary-spanning knowledge process is used. It explains how knowledge is created and shared among people who have different backgrounds. Boundaries can be, for example, geographic, social, physical or related to the social status of a person.

Finally, the aforementioned theories help to answer the main research question of this thesis. The theory building approach for this study focuses on learning organization. Where learning is something that takes place between individuals. And it is crucial to understand the interaction practices inside and outside the organization. So, this research is mainly conducted to analyze the formation of learning organization in Careem. As Careem is considered to be a learning-driven company, hence it includes adaptive and generative learning in combination. Therefore, to observe the internal mechanism of Careem will lead us to differentiate Careem from other ride-hailing services (Figure 8).

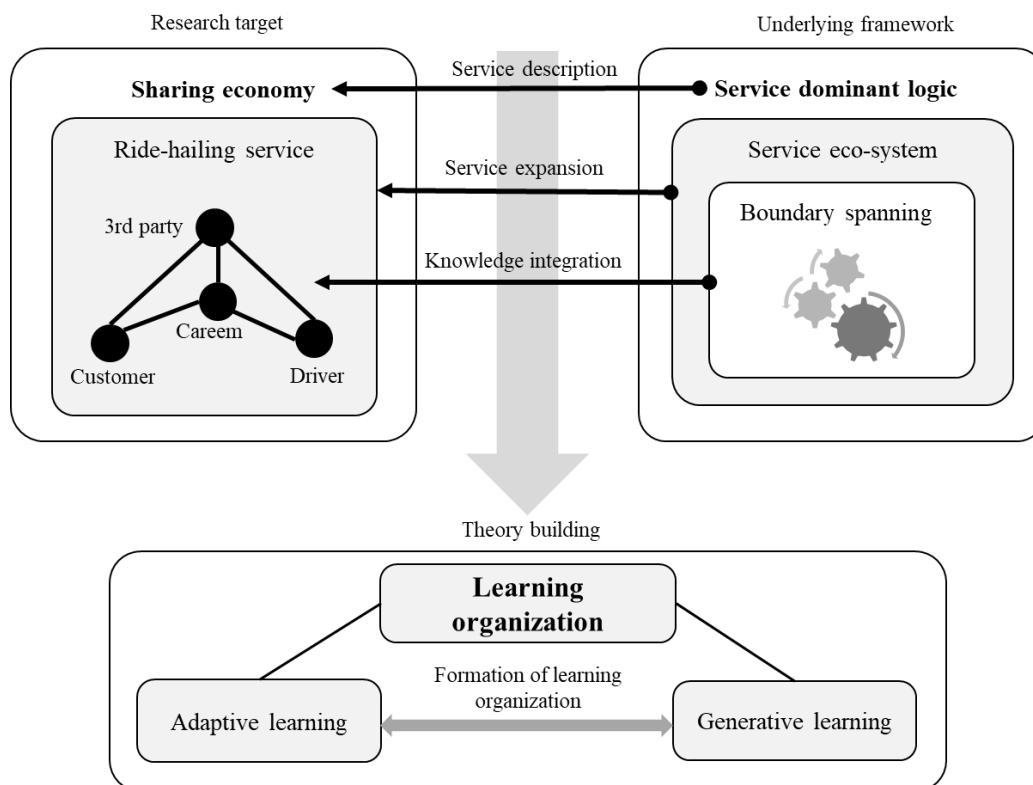


Figure 8: Integrated theory building research framework

3. CHAPTER

RIDE-HAILING SERVICE (CAREEM/UBER)

Introduction

Car Sharing

Sharing cars is a popular service in the USA and in many European countries. Car sharing is of interest for customers who need a car for a short time. The service is of interest for people who don't need a car every day but who occasionally need access to a car. They can rent this car for short time periods which are mostly charged on an hourly basis. The advantage is one can rent different types of cars depending on customer demand. Organizations that rent the cars can be a commercial business or users that are organized as a company, ad hoc group or cooperative.

Carpooling

Carpooling is also referred to as car-sharing, lift-sharing or ridesharing. The idea of carpooling is several people share the car in one journey. So more than one person can exploit the opportunity. The advantage of carpooling is that the costs of each person are reduced with respect to fuel, tolls and the effort which is required to drive from one location to another. It is also an environmental-friendly and sustainable way of traveling. The sharing of cars leads to a reduction of air pollution and carbon emissions, the need for parking spaces and traffic congestion on the roads.

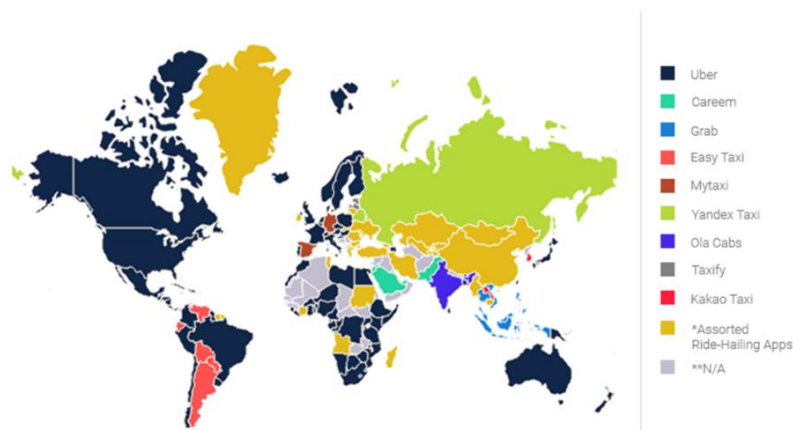


Figure 9: Ride-hailing services all-over the world (Keepgo, 2016)

Ride-Hailing

Ride-hailing represents the process of ordering a car or any other form of transportation pick up via an online service or a mobile device. Ride-hailing became in the meanwhile very popular. There are different suppliers that offer ride-hailing services all over the world. Some examples are shown in Figure 9, such as Uber, Careem, Ola Cabs, Grab, Mytaxi, etc.

3.1 UBER

Uber Technologies Inc. is an American company that develops and offers the Uber mobile application. This application that connects potential passengers with drivers who use their own vehicles. The company was founded in San Francisco in 2009 and started marketing the free mobile application in 2011. That same year Uber expanded to New York City, Chicago, and Washington, D.C. and later that year in Paris, France. Since then they continued their expansion to Toronto, London, Sydney, Singapore, Johannesburg and other markets such as Seoul, Tijuana, Peking, and Delhi. Since April 2016, Uber services are available in 405 cities in 60 countries on all 7 continents.

<u>South Asia</u>	<u>Ajmer</u>	<u>Amritsar</u>
<u>Ahmedabad</u>	<u>Bangalore</u>	<u>Bhopal</u>
<u>Aurangabad</u>	<u>Chandigarh</u>	<u>Chennai</u>
<u>Bhubaneswar</u>	<u>Coimbatore</u>	<u>Colombo</u>
<u>Chittagong</u>	<u>Dhaka</u>	<u>Faisalabad</u>
<u>Delhi NCR</u>	<u>Guwahati</u>	<u>Hyderabad</u>
<u>Gujranwala</u>	<u>Indore</u>	<u>Islamabad</u>
<u>Hyderabad, Pakistan</u>	<u>Jodhpur</u>	<u>Karachi</u>
<u>Jaipur</u>	<u>Kolkata</u>	<u>Kollam</u>
<u>Kochi</u>	<u>Lahore</u>	<u>Lucknow</u>
<u>Kottayam</u>	<u>Mangalore</u>	<u>Multan</u>
<u>Ludhiana</u>	<u>Mysore</u>	<u>Nagpur</u>
<u>Mumbai</u>	<u>Peshawar</u>	<u>Puducherry</u>
<u>Nashik</u>	<u>Surat</u>	<u>Thiruvananthapuram</u>
<u>Pune</u>	<u>Vadodara</u>	<u>Vijayawada</u>
<u>Udaipur</u>		
<u>Visakhapatnam</u>		

Figure 10: UBER in Pakistan

In 2016, UBER launched its first ride service in Lahore, Pakistan. Lahore is an attractive location for UBER. It has a lot of public institutions, such as schools, colleges and universities. People migrate from rural areas to this city for education and a better future. Lahore was a

very successful starting point for UBER. After the launching in Lahore, UBER launched its services in other cities in Pakistan as shown in Figure 10.

3.1.1 How UBER Works

In order to use the ride-hailing service of UBER, customers need to have a smartphone with internet access where they can download the UBER app. Then a customer must have a login id, email address, and cell number. In addition, the customer must have a valid credit card for the payment deduction which is done automatically after the ride.

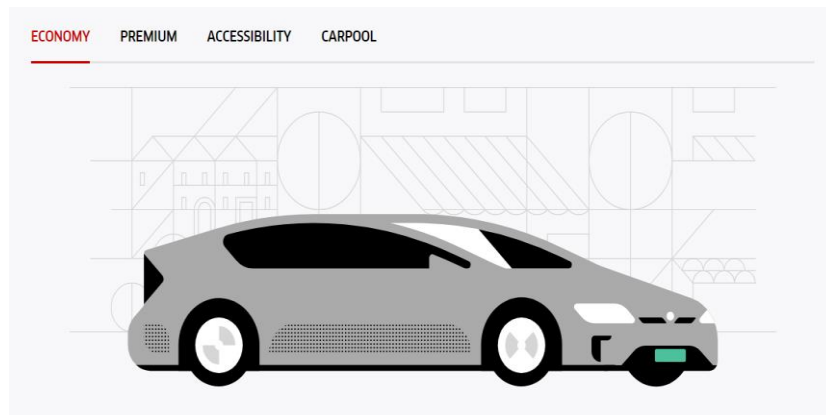


Figure 11: UBER cars for service in Pakistan

To organize a ride, customers need to define a pickup point in the app. This pickup point can be located on the built-in map by using a mobile GPS system, so the customer doesn't need to know the exact place of the pickup point. Booking a ride in advance is not possible. Customers need to insert the destination pinpoint or the address of the location. After all these steps are done, the customer will see in the app nearby cars and the customer ride request will be sent to one of them. Drivers have the option to accept or to reject the ride. If a driver accepts the ride, the customer will get the necessary information of the driver and estimated arrival time to the pickup point. When the customer accepts all conditions, the driver will receive the real-time car location and tracking of the ordered ride. During the journey, the customer always has an overview of the location where the car is passing through. After reaching the destination the payment will be done and an automated bill will be transferred to the customer's email address.

Drivers and customers can rate each other in the app (from 1 star to 5 stars). Uber has a fixed basic charge which varies from city to city. Moreover, UBER has an algorithm system to change the surcharge price depending on the peak hours and rush hours. Figure 11 shows

the screenshot of the UBER platform and the rides that are offered in Pakistan. UBER offers economy, premium, accessibility and carpool services.

3.2 Careem

Careem became a very popular ride-hailing app in the Middle East region. “We are all about simplifying people’s lives and moving our region towards better living” (Careem, 2019i).

Mudassir Sheikha and Magnus Olsson are the founders of Careem. They both worked before they founded Careem, at McKinsey & Company as management consultants. Initially, Careem started in 2012 with a website offering corporate car bookings. Over time, Careem further developed its business model and became a ride-hailing service for the mass market (Middle East). Abdually Alyas joined Careem in 2014. He is a serial entrepreneur with German Saudi background who supported Careem in its further development.

“Careem is a brand that aims to simplify people’s lives by revolutionizing the transportation industry. A brand that strives to inspire everyone, it interacts with and supports every single person who dares to believe. A brand that exists to drive our region towards something better (Mudassir Sheikha) (Careem, 2019i)”. 2016 Mudassir Sheikha come up with an idea to launch Careem in Pakistan. This was a big challenge for him because at this stage UBER was already announced regarding its launch in different cities of Pakistan. To acquire attention from society, Careem starts operating its service for the well-being of the society and to provide an opportunity for the whole society to earn and to get the benefit.

Furthermore, in 2017, the company announced a program to extend maternity leave and hire more women. In Pakistan, women are more comfortable to drive with women due to cultural and safety reasons. Moreover, Pakistan is a country which has little opportunities for uneducated women to join a good company. Careem came up with an innovative idea to ensure woman empowerment and to balance the economic situation of Pakistan by providing job and employment opportunities. This is an example that should emphasize the difference between Careem and UBER business strategy. Careem has been founded by Pakistani who understand the culture and the norms in the region. Understanding the local culture and adapting the business model to a specific culture and norms is the key to success. Careem has succeeded to overcome its rival company UBER and became the brand of people’s choice. In 2018, Careem got 30 million (plus) registered users from 120 (plus) cities, 15 (plus) countries

and 1 million (plus) drivers. Overall, the estimated amount of Careem funding was 770 million dollars (2019).

Pakistan			
Karachi	Lahore	Islamabad	Peshawar
Faisalabad	Hyderabad	Multan	Gujranwala
Sialkot	Abbottabad	Sargodha	Mardan
Sukkur	Quetta	Bahawalpur	

Figure 12: Careem services in Pakistan

Careem not only launched ride-hailing service in many countries but introduced a sharing culture in many societies where this trend was new, and where people had no awareness regarding its benefits. It was a big success for Careem to convince different societies in a short time to use the services of Careem.

Table 10 shows the Careem's success in a short time of period and the countries and cities where Careem is existing with its ride-hailing service (Careem, 2019a).

Table 10: List of countries and cities

No.	Countries	Cities
1	UAE	Dubai, Abu Dhabi, Sharjah, Al Ain, Ras al Khaimah, Ajman.
2	Qatar	Doha.
3	KSA	Riyadh, Dammam, Jeddah, Makkah, Jubail, Madinah, Al Hasa, Qassim, Taif, Aseer, Alkharj, Jazan, Yanbu, Tabuk, Al Bahah, Hail, KAEC, Hafar Albatin, Al Ula, Najran, Aljowf, Tihamah, Madinah Governorates, Tabuk Governorates.
4	Bahrain	Manama.
5	Lebanon	Beirut.
6	Pakistan	Karachi, Lahore, Islamabad, Peshawar, Faisalabad, Hyderabad, Multan, Gujranwala, Sialkot, Abbottabad, Sargodha, Mardan, Quetta, Sukkur, Bahawalpur.
7	Kuwait	Kuwait City.

8	Egypt	Cairo, Sahel, Alexandria, Gouna, Damanhour, Tanta, Mansoura, Hurghada, Port Said, Suez, Ismailia, Zagazig, Damietta, Banha, Sokhna.
9	Morocco	Casablanca, Rabat, Marrakech.
10	Jordan	Amman, Irbid, Zarqa, Aqaba
11	Turkey	Istanbul, Bursa, Adana
12	Palestine	Ramallah, Gaza, Nablus
13	Iraq	Baghdad
14	Sudan	Khartoum
15	Africa	North Africa and West Africa

The mission of Careem is to improve people's life in parallel with business growth. Table 11 shows that as compared to other ride-hailing services, Careem is very small with respect to the total funding, annual revenue and number of employees but has a great CEO's rating which claims the progression of Careem with limited infrastructure. The contents of the table are developed on the bases of web-survey (Owler, 2019).

Table 11: Comparison of Careem with other ride-hailing services

No	Company	Founded	Area served	Co-founder & CEO	CEO Score	Estimated Employees	Total Funding	Revenue
1	Uber	2009	63 countries worldwide	Dara Khosrow-shahi	80/100	22,263	\$24.1B	\$12.4B
2	DiDi	2012	China, Australia, Mexico, Taiwan	Cheng Wei	73/100	4,659	#18.8B	\$400.5M
3	Grab	2012	Malaysia, Indonesia, Myanmar, Singapore, Thailand	Anthony Tan	77/100	2,252	\$8.7B	\$400M
4	Careem	2012	Middle East, Africa, South Asia	Mudassir Shikha	75/100	1,700	\$771.7M	\$118.8M

5	OLA	2010	India, Australia, New Zealand, UK	Bhavish Aggarwal	94/100	8,000	\$3.6 B	\$201.4M
6	Lyft	2012	USA, Canada	Logan Green	84/100	4,680	\$7.1B	\$3.1B

3.2.1 Careem Platform (Website and App)

The Careem platform and app are very user-friendly. There are two main clients 1) drivers and 2) customers. In Figure 13, on the right-hand side, the picture shows the app for the drivers, and on the left-hand side, the picture shows the app for the customer. The Careem app works differently for drivers and for the customers, the app has different features respectively.

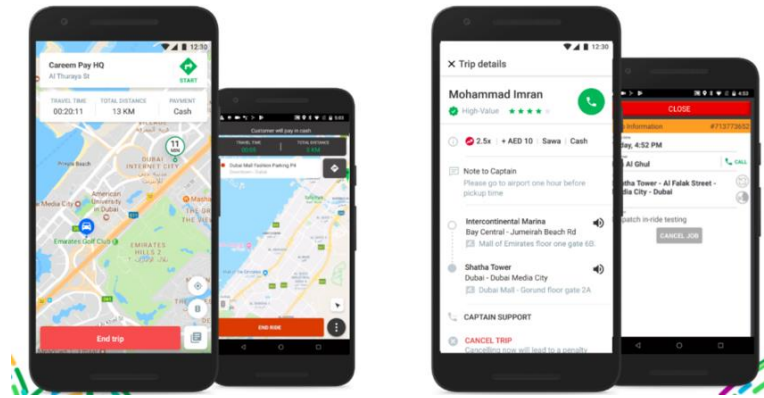


Figure 13: Careem for drivers and for customers

Figure 14 shows how a ride-hailing app works. This app plays a significant role. The goal of the app is to connect customers and drivers. Careem acts as a mediator and organizes the required demand made by the customer.

Figure 14 illustrates, the whole transaction of Careem service. It describes how a customer can order a ride by using the app. The whole process starts when the customer logs in to the app with the valid ID and password or by using their mobile number as the customer identity. After login and authentication, the customer can make a ride request by using the Careem app. This request is handled by the Careem support section. After receiving a request from the customer, the Careem support responds to the request and transfers the request to the nearby driver's network. With Careem's internal algorithm the nearest driver gets the request and then the driver accepts the request. The acceptance status goes to the Careem customer support and then they refer the driver's information and location to the customer.

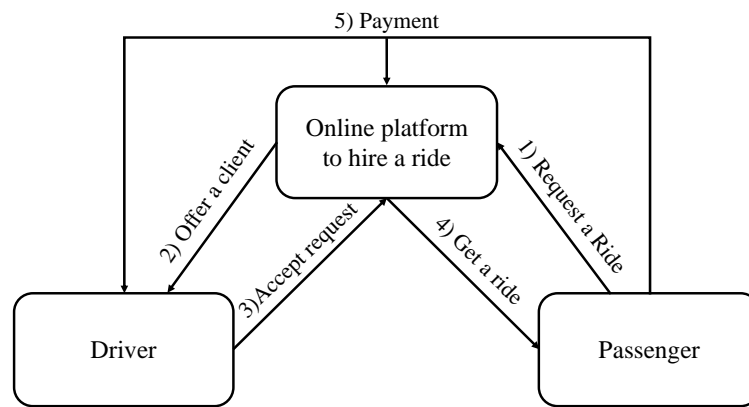


Figure 14: How Careem app works

When the customer reaches the destination, it is time for the payment. If a customer wants to pay electronically (credit /debit card or Careem credit) then this transaction is done by the electronic device and the Careem platform deducts the service charges and pays it out to the driver at a later stage. But in the case, if the customer wants to pay in cash the driver will take the service charges and at a later stage transfer the share of Careem to the Careem center. There is one new case if the customer wants to pay in cash and driver doesn't have the change of remaining then driver transfer the remaining balance to the customer's account and the customer can use that Careem credit in the next ride.

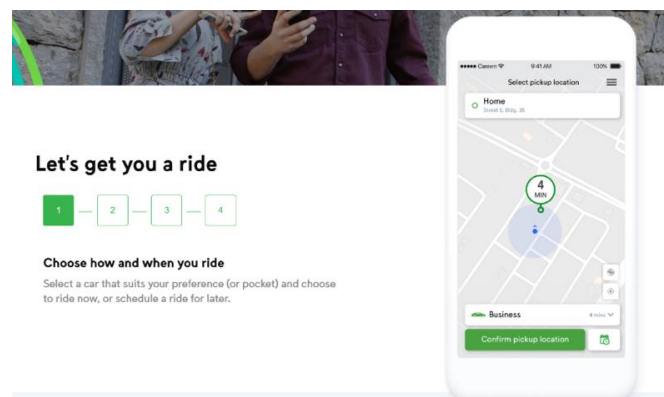
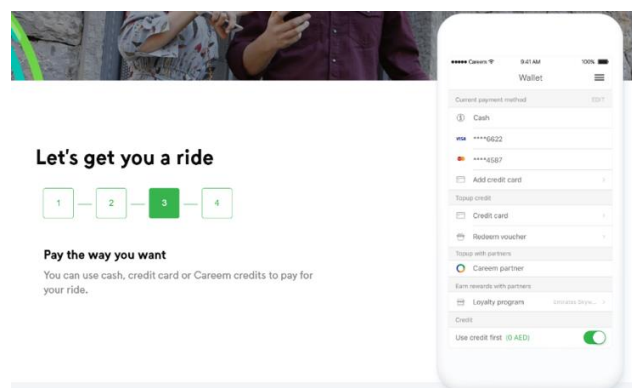


Figure 15: Step 1 - Choose how and when you ride (Careem, 2019d)

In this part, we will explain how the transaction, in reality, takes place by explaining the app screenshots. In Figure 15, we showed the screenshot of the mobile app. It is described, how customer pinpoints their desired destination by using the online map on the screen. At this stage, the customer has the option to order a ride for now or to schedule the ride for any other day.

A composite image showing a person in a maroon shirt holding a smartphone, with a large smartphone screen overlaying the scene. The screen displays the Uber app interface, including a map, pickup location, and driver details for Ahmed Abbas.

For example, the customer can see the name, vehicle maker information, car registration and the overall rating of the driver given by the previous passengers. At this stage, customers have 2 minutes to check all the information provided. The customer can reject the ride for any reason and no costs will be charged. If the customer got some reason to reject the ride after 2 minutes have passed, the customer has to pay some penalty and service charges for the inconvenience of the driver. After accepting the ride at this stage, the estimated time of the trip will be shown on the screen.



After accepting the ride and confirming the fare charges a screen will be shown with the payment method as depicted in Figure 17. In Careem customers have 3 ways to pay. One way is to pay by credit or debit card, the second way is to pay with cash and the third way is to

pay with Careem credit which is equal to the Pakistani currency and sometimes customers earn those credit by the previous rides.

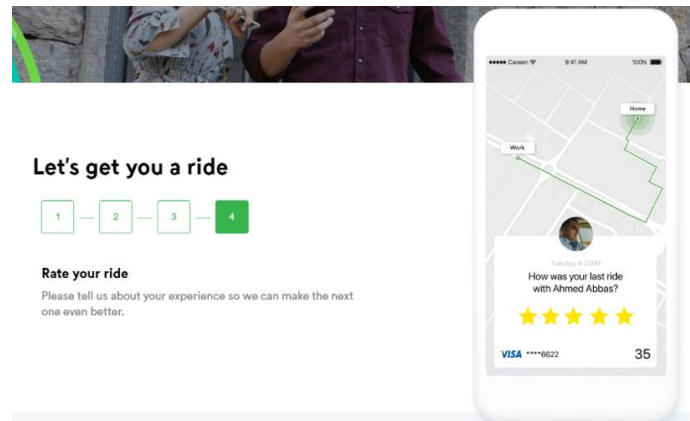


Figure 18: Step 4 - Rate your ride (Careem, 2019d)

Once the ride is confirmed, customers can see on a mobile screen the driver's location and time. As the driver reaches the pickup point customers can sit into the car and the driver will start the ride while customers are able to track online the navigation of the route. The route is provided by the Careem map and this route is the convenient one and fastest.

Figure 18 shows the real-time GPS. At the end of the ride, the Careem app asks the customer to rate the driver. And this customer rating is very important for the driver. Because Careem has a rule: every month a driver's assessment report is generated. If the rating is very low, Careem is authorized to cancel the driver's membership and he is not able to drive anymore for Careem. So Careem drivers need to be very careful and to obey the rules and regulations provided by the Careem management.

3.2.2 Careem Key Features for Customers

Careem has many useful features before and during the ride for the customer's safety and for privacy issues. For example, Pakistan is a society where women are not fully secured, and they have a chance to get some mishap while traveling.

In order to address this challenge, Careem has provided a feature that allows sharing the ride information with your family and friends who can see the real-time ride status. Another feature is to reserve the ride for a friend and family by using their own account. This feature is useful as many people don't have smartphones or they are not familiar with the app so someone can get a ride for them and they can pay in cash.

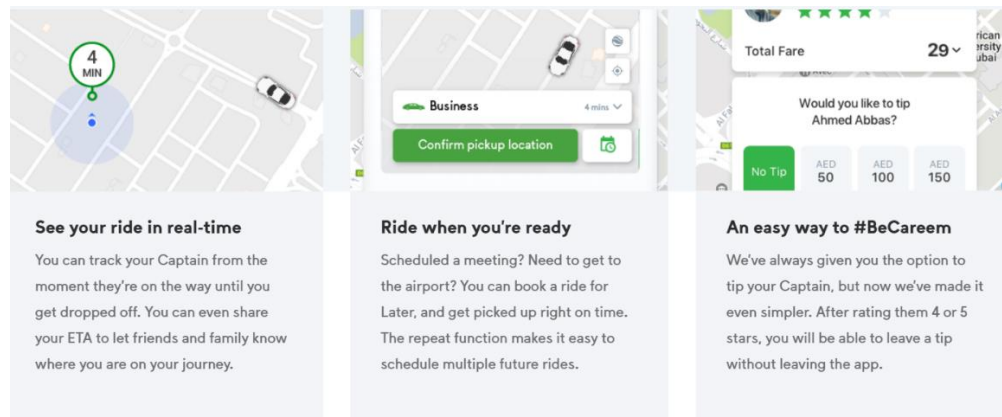


Figure 19: Key features before and during the ride (Careem, 2019d)

Recently Careem launched another feature regarding giving tip to drivers. If the customer thinks the driver is really behaving well-mannered and following all safety precautions, the customer can appreciate the driver with the tip feature. Figure 19 shows the screenshot of the features.

3.3 Careem Rides

Careem is offering a versatile range of car types in its fleet. As the society is divided into classes and categories with respect to purchasing power. And Careem calls itself people's choice so they launched different types of cars according to society's needs and demands. Careem offers following services: bike, Riksha, Careem Go, Go plus and Careem business. With each service, Careem can address specific customers' needs and demands. I will explain the single services in the following section.

Careem requires from the drivers to have a valid driving license (for the appropriate vehicle) and they have to know or to be willing to learn the traffic ethics and rules and regulations to drive the vehicle in public. It's also required to have insurance for the vehicle. Moreover, it is necessary that the vehicle is in good condition. In order to ensure this, Careem conducts inspections as per the safety requirements. Careem organizes awareness seminars for the drivers and it is compulsory for all drivers to participate once per month. These seminars ensure that drivers know how to behave with respect to road safety and passengers' privacy.

3.3.1 Careem Bike

Careem bike is a service which was launched after the market survey and after observing the social and financial situation of the society.

According to the customer's perspective, many people in Pakistan are on daily wages and can't afford a Taxi or Riksha. Therefore, Careem launched Careem bike for those who want to travel alone and have not much budget to spend. The difference between Careem normal car category and Careem bike is almost half of the price. The Careem bike service is getting popular among students who want to save money and who need to travel on a daily basis. This service is much faster than Careem car service as the roads are very crowded and the car needs to break many times. Figure 20 shows the screenshot of Careem bike and other categories.

From a driver perspective, the bike is very attractive. Many people in Pakistan can't afford to buy a car. However, they want to participate and to earn money with the Careem services. So, this bike is really appreciated by a specific group of people. Even many students of small businessman or small shop owners who have to travel in a day many times from one place to another for studying or for the work. These people become Careem Bike drivers and earn in their free time or while going home. With this service, students can earn pocket money and cover their daily expenses.

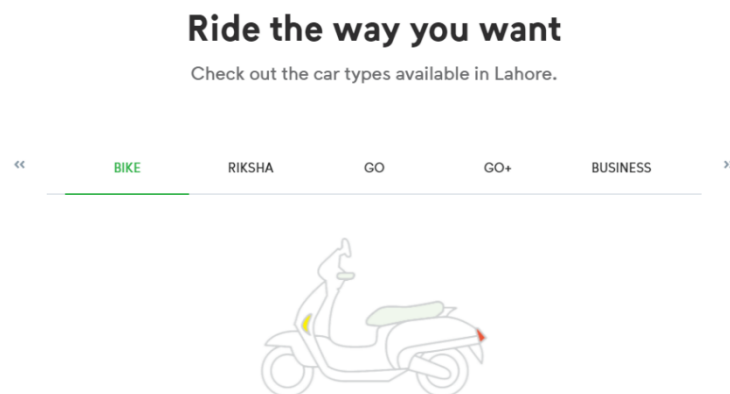


Figure 20: Careem Bike (Careem, 2019e)

3.3.2 Careem Riksha

Careem is striving hard to provide outstanding service across major cities of Pakistan. Careem is constantly analyzing social issues and social trends. This enables Careem to launch services that fulfill customer needs. After the success of Careem bike, Careem launched the new service which is called Careem Riksha. From a customer point of view, Careem bike was comfortable for the men and people who travel alone. But Careem Riksha is for female customers who need subsidized rates for traveling. Moreover, Careem Riksha is used for the

Carpooling. Different people can ride at the same time and share the price. In comparison with the bike, it is quite reasonable and compared to normal cars (Careem Go), it has a remarkable price difference. Figure 21 shows the screenshot of the Careem app and other rides categories.

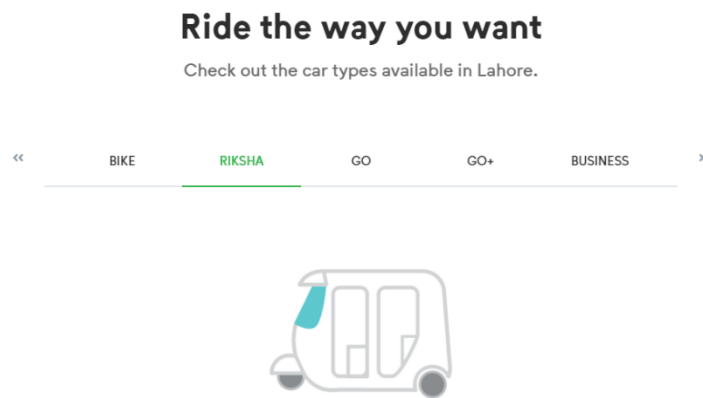


Figure 21: Careem Riksha (Careem, 2019e)

From the driver's point of view, Riksha is a good service provided by the Careem. As 60% of Pakistani population is on the belt of the poverty level and can't afford to buy a car it is a good way to involve large parts of the population. Now people buy their own Riksha and drive it in their own free time.

In Pakistan, this Riksha service was already available. But what makes Careem Riksha different is the service charges and fare. In the case of the traditional Riksha service, people need to bargain and sometimes it is difficult to get a ride. And sometimes the customer needs to go to the main stop and to wait to get the Riksha. But with the Careem Riksha service, people order it from the app and the Riksha comes to the doorstep. It saves time and money in bargaining.

3.3.3 Careem Go

Careem Go is the service Careem launched first in Pakistan. This service got much appreciation as this service was for the white-collar people who are tired of using local transportation and can't afford to buy their own car. These people can't afford to wait on the road for the taxi. This service has updated several times in Pakistan as this offer is for the whole middle-class society. This is the class who generate much more revenue for the country by paying regular income tax because they earn per month salary. This service is customer-centric and Careem over time make this service more efficient, it is considered affordable and

high-quality transportation. This service is more affordable for people who have a daily job and who have to travel several times a day. Most of the times drivers are students from the university, retired from the job, small shop owners or small businessmen. Careem GO is also known as economy car service.

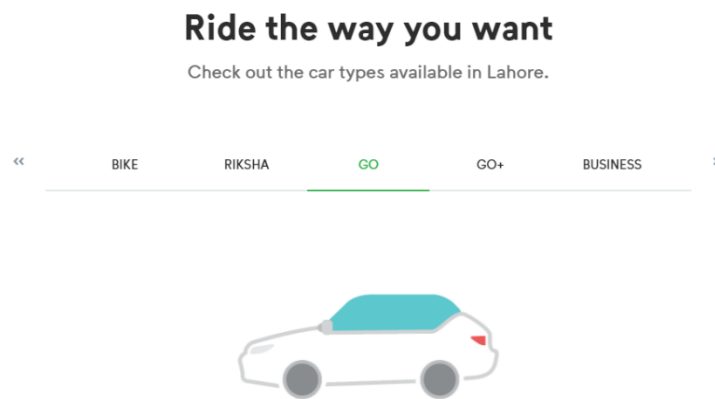


Figure 22: Careem Go (Careem, 2019e)

In this service, mostly small cars with or without hatchback (Engine capacity from 660 to 1000 cc) are used, as these cars are efficient and have a low fuel consumption. Therefore, it is affordable for the customers. Mostly, in this category cars are Pakistani assembled or re-conditioned cars imported from Japan (Figure 22).

3.3.4 Careem Go+

Careem Go+ is a service that is similar to Careem Go but has some extended features. Only cars are used which are of good quality (comfortable), little bigger (hatchback) and equipped with extra options (air-conditioned and air filtration/air purification

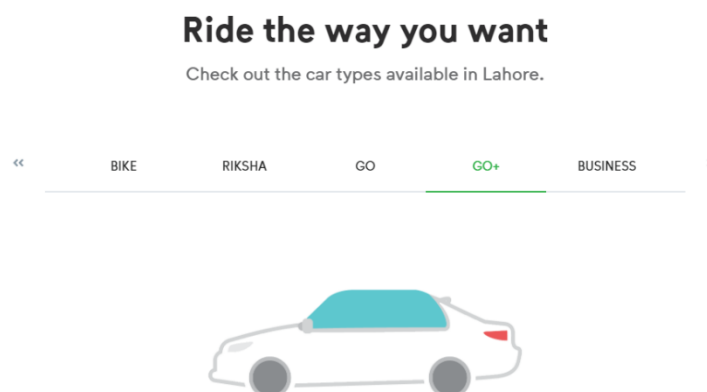


Figure 23: Careem Go+ (Careem, 2019e)

). This car service works exactly the same, but this service is more used by customers who want to travel long distances or who travel to some events or functions (Figure 23). In this service, most of the drivers are more sophisticated and compared to other drivers they are managers in small/middle size companies or engineers. For them, it is like extra income and they do it mostly as part-time occupation and use their free time to make money.

3.3.5 Careem Business

Careem business is the service which is enlisted with cars which are luxury and latest cars. Most of the time drivers are hired from different individual stakeholders who have cars and want to run their own business by using the Careem platform. The customers are mostly people who travel on a business trip for their companies. In Pakistan, many multi-national companies acquire this service to facilitate their partners/clients or guests who came from abroad to visit their company. This service is not that much popular but still a required service which fulfills the demands of the customers (Figure 24).

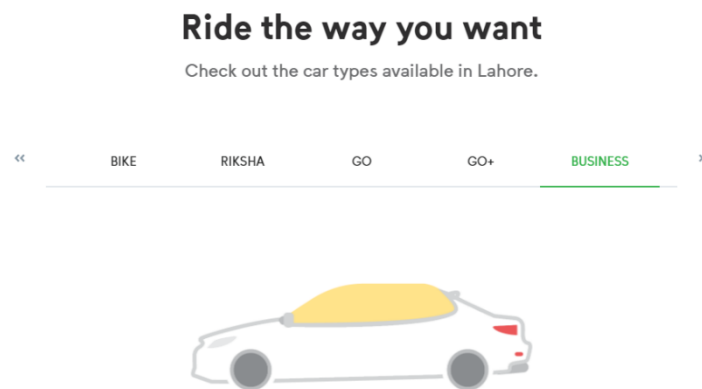


Figure 24: Careem business (Careem, 2019e)

3.4 How to Become a Careem Driver (Captain)

Careem gave its drivers a respected designation that's why they like to call their independent contractors/drivers as "Captains".

To become a Careem captain everyone needs to fulfill the requirements and to register themselves. The registration process is as follows;



Figure 25: Registration process

A potential driver has to follow certain steps to become Careem captain: First of all, the driver needs to sign up online on Careem's website and to provide the necessary information and to upload the required documents. After a driver has been accepted as Careem captain in the next step it is required to participate in training. For this purpose, Careem provides potential drivers with dates for a training session. The drivers need to select a date and to join the session. All potential drivers need to participate in the training session and to pass a test during this session to become a captain. Once the test is passed the Careem staff hires the driver as a captain and provides him/her with the necessary documents and the captain ID. At this stage, the captain is ready to start driving for Careem (Figure 25).

In this whole process, a captain has to provide the CNIC (Computerized National Identity Card), a valid driving license, one recent passport size photo, and the proof of vehicle registration if the captain owns the car. If the car is on leasing or financed through a loan, then a certificate from the bank is required. If the captain is using a car provided by someone then an authority letter of the car owner is required. The letter should give evidence of the current address of the car owner and two recent utility bills need to be submitted. And finally, valid car insurance is necessary.

3.4.1 Vehicle Specifications for Careem

Careem offers the same service in different cities. Careem accepts different type of cars depending on the city. For Islamabad (Capital city of Pakistan) and Lahore (a second-most populous city in Pakistan) Careem has the following criteria which determine the acceptance of cars:

Business Class: Luxury Sedans car with engine capacity 1300cc - onward (depending on the condition). For example, Mercedes Benz, Land Cruiser, Toyota Corolla, etc.

Go+: All Sedans engine capacity ranging from 1000-1300cc (depending on the condition). For example, Honda City, Honda Civic, Prius, etc.

Go: All models of local and refurbished cars (imported cars). Engine capacity ranging from 660- 1000 cc (depending on the condition). For example, Mehran, Vitz, Alto, Santro, Mira, Wagon R.

3.5 Careem Facilities for Driver/Customers

Careem treats its customers and drivers with respect. And for them, Careem always makes different policies and introduce services which make their life easy, comfortable and secure. For example, Careem provides its customers and their drivers with in-app support. Moreover, 24/7 helpline support is provided for any inconvenience and for any mishap (accident) during traveling. Careem has many investors and partners. Careem release on a regular basis press release for their customers, so that they can see the progress and develop more trust in the services of Careem.

Careem launched Careem credit, which is used as real money. Customers can earn it by using rides more frequently and be Careem's loyal partner. But this credit it is also used as balance if a Careem driver doesn't have a change, the driver can add this credit to the customer's wallet. In Figure 26 a screenshot from the Careem website is depicted. It shows the additional services and benefits that Careem offers. Careem announces free rides over time for customers by providing them with promo codes. These promo codes are for the general public but also sometimes for loyal customers.

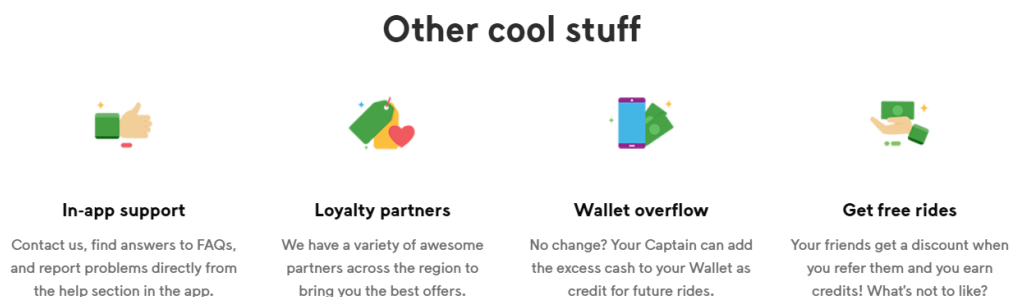


Figure 26: Customer facilities (Careem, 2019d)

3.6 Careem Service Extension

3.6.1 Careem Promo Codes

Careem promotes itself on different marketing channels. Careem does interactive marketing by giving free rides or discounted rides to their loyal customers and potential customers as well. Careem has a big competition with its rival company UBER, which is also famous worldwide and has a range of customer which are attracted to UBER. Like many people who travel abroad, they use UBER outside Pakistan and they already have the UBER mobile app

on their smartphones. These people are already satisfied with the UBER service, so it is difficult to change their mind. Careem tries to attract these customers by promoting special offers and free rides to those who never used Careem before. This made Careem very popular among young people (Figure 27).



Figure 27: Careem promo codes (RIDE. CODES, 2018)

Another reason to offer promo codes is to enable customers to attend some traditional events or functions. For example, in Pakistan Careem became promoting cricket partner and took the responsibility to promote and support Pakistani cricket. Pakistan has a very rich culture and historical background. To promote the historical places Careem also provides a promo code for discounted rides. In Pakistan, Careem participated in the promotion of general elections 2018 and provided partially free rides for their customers to cast their votes and to let them reach to the polling station easily. One of the goals was also to ensure the maximum participation of the society in the elections. This was also an awareness program to raise the awareness of the society for the importance of their vote.

3.6.2 Careem Kids

Careem Kids car type is the safest way to travel with children. In Pakistan, regulatory authorities (police and traffic police) introduced many years ago rules for the safety of children (under 10 years old). But people don't follow the rules and underestimate the safety regarding kids. Careem realized this problem and launched a ride service where kids have their own seat protectable with a seat belt.

This service can be ordered via the app. And Careem will suggest the car which has this facility and gives the customer an estimated time of arrival. Careem captains are well trained. They know how to fasten the child seat and they are advised to drive very carefully when they have passengers with small kids.

Figure 28 shows the Careem kid's car with a captain fixing the seat and securing the child's life.



Figure 28: Careem kids (Careem, 2018)

3.6.3 Careem Box

Careem recently launched a service called Careem box. Careem box is a service for those who want to transport their small items from home, from a shop or from any other place. In this case, people can book a ride with the Careem app. In a short time, the app will receive the notification of available Careem bikers who are at the nearest place to the pickup point and all the steps are the same as booking a ride for a person.

This service is getting popular for those who need urgently office item or laptop and they forgot it at home because of rush and they have no time to drive home and pick up the item. Customer needs to just arrange a ride for picking up. Sometimes this service is also used to deliver a small parcel to friends or family within the city. The Careem bike will pick up the item and drop it at the desired destination. This service is affordable, and the item is available in a short time. Moreover, as this ride is tracked, people can see the real-time route of the drive to ensure the privacy and security of the parcel.



Figure 29: Careem box

Careem is extending this service by adding the feature of buying small items for people and deliver to their home. For example. this service can be helpful for picking up the medicine from the pharmaceutical clinic. People don't need to face the traffic on the road. It is very convenient to receive the package delivered to your home. Figure 29 shows the screenshot of the service Careem is providing to their customers.

3.6.4 Careem on Call

Careem recently launched its new on-call service in Pakistan. This service is based on Careem's market analysis and identified market needs. As many people in Pakistan still use the ordinary phone, they don't have internet access. For those people the Careem helpline service is available. It is for them similar to an on-demand taxi service.

To avail this service, the customer needs to make a call and to tell the customer service operator the pickup location. The Careem staff will organize the ride in the back end for them. The Careem staff will inform the customer about the estimated arrival time and the estimated cost of the ride. As the customer accepts all the conditions the ride will be booked, and the customer can enjoy the Careem ride without any waiting time for the taxi. Figure 30 depicts the detailed process of how Careem on-call works (Careem, 2017).

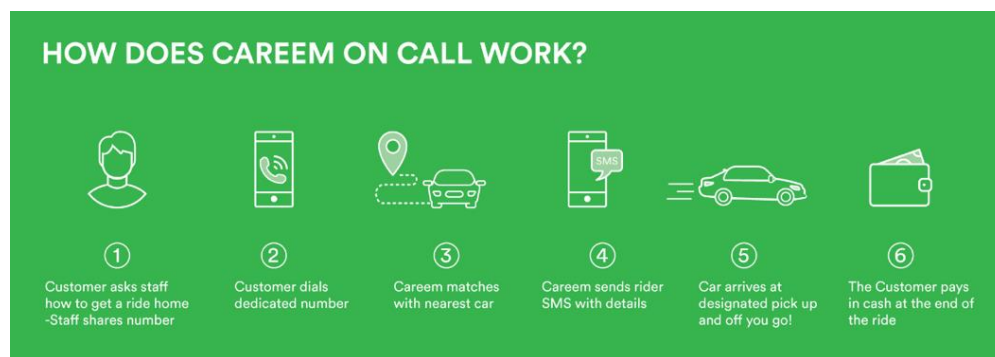


Figure 30: Careem ride by a call (Careem, 2017)

3.7 Careem Safety/Security

3.7.1 Safety Measures for Captains of Careem

Careem is a platform in which customers trust. And Careem makes sure to provide safety to its captains. For this, it is necessary for all customers to have their login ID and correct information. This information is later cross-checked to ensure the security of the captain by the safety and security operations center (SSOC).

During the ride, if the car got some problem or mishaps like automobile collision or medical issues, Careem's SSOC team is always available to help. The SSOC team and their help-line work 24/7 and try their best to provide necessary aid or help in time. This center is also having contact with the police, hospitals, and ambulances in many cities. Careem accepts captains only when their car is fully secured, and when they have a valid insurance policy. Figure 31 shows the screenshot of a Careem captain and Careem customer having a good communication for healthy and safe traveling.



Figure 31: Safety for captain in Careem (Careem, 2019b)

3.7.2 Safety Measures for Customers of Careem

All Careem captains have to go through a rigorous screening process and background check from different channels (Local Police and The National Database and Registration Authority). While ordering a ride Careem customers can see all important information on their smartphones, for example, the captain's photo, name, rating, vehicle type, and plate number. It is mandatory for the captains to attend training sessions. In this session, Careem provides them with rules, instructions and road guidance on smooth driving as well as standard safety and security procedures in case of an emergency.

Careem collaborates with an individual company (Pakwheels) for the car inspection in order to ensure the safety and assessment for their captain's cars. This inspection and assessments are done during the registration process of Careem captain (Careem, 2019c).

For the customer's privacy, the customers have a built-in option in their Careem App. They can hide their mobile numbers from the captain. This masking hides their mobile phone number during communication with captains as sometimes they need guidance to reach the pickup point. The reason is GPS and mobile data network are not good in many cities. For customer's security and privacy, Careem is working on a technology called telematics (which

monitors driver behavior). Telematics can sense and assess the captain's driving skills in real-time to make sure the ride is as safe and smooth as possible. This technology enables Careem to monitor captains proactively. The goal is to improve their driving skills (Careem, 2019c).

Pakistan is a society where women don't feel safe alone or feel uncomfortable with male drivers. For this case, Careem has a built-in facility to share the ride with friends and family who can assess your real-time travel status on the Careem website. This step makes sure the safety of all customers (Careem, 2019c).

Careem takes customer's feedback very seriously. As a customer finish the ride, he/she has to rate the captain (5-star rating system). This rating is very important for the Careem management to give a reward to the captain or to remove the captain from the Careem membership. Careem's safety and security department is available 24/7 for the customer's support and helps to provide customers with a safe and pleasant experience while traveling. This is the one big advantage Careem has because its rival company UBER doesn't have this local support service center. In case that customers get a problem, they need to contact UBER after the ride via email. Figure 32 shows the friendly and professional behavior of Careem captain with their customers (Careem, 2019c).



Figure 32: Safety for customers of Careem (Careem, 2019c)

3.8 Careem Partners

Careem has many global partners worldwide. Moreover, Careem has many investors in Pakistan. This section provides insights regarding the partnerships and collaborations of Careem.

3.8.1 Telenor Pakistan and Careem

Due to the growing popularity of Careem, many companies in Pakistan have expressed interest in working with Careem. Joining hand with Careem does not only support Careem

but also helps the partner company to expand its business in Pakistan. Telenor Pakistan has joined the forces with Careem. Telenor Pakistan is a multinational mobile network company. In Pakistan, Telenor has almost 44 million subscribers and acquires 28% of cellular market share in Pakistan. The agreement states the following: Telenor customers will get a 35% discount for their first ride with Careem. Moreover, these customers will have access to free Wi-Fi during the ride. Also, the Careem captains will benefit from the deal. Telenor Pakistan will provide them with special data packages (Phone world, 2016).

Both enterprises Telenor Pakistan and Careem benefit from the agreement since they have a mutual customer base. The advantage of Careem is, it can attract new customers and provide a better and more attractive service for the existing ones. The advantage of Telenor is, it can provide its customers with comfortable and affordable rides (Phone world, 2016).



Figure 33: Telenor as Careem partner (Phone world, 2016)

3.8.2 Careem and JS Bank

Careem established an agreement with the JS Bank in order to enable captains to get loans in order to buy a car. Within 6 months Careem and the JS Bank managed to create over one thousand entrepreneurs. The goal of the management of Careem is to enable as many people as possible to become drivers respectively entrepreneurs. According to Junaid Iqbal, MD Careem Pakistan, Careem was very proud of how they managed to attract so many people in such a short time who want to work as Careem driver. The goal of Careem is not only to

push its own business but also to make a contribution to the Pakistani economy(ProPakistani.PK, 2018).



Figure 34: JS Bank as Careem partner (JSBank, 2019)

These loans are possible due to the so-called Prime Minister Youth Business Loan (PMYBL) program which has been very popular among Careem captains. It has been initiated by the government of Pakistan. The goal is to support the socio-economic development of the country and to foster entrepreneurship. The loans of the JS Bank are subsidized at a 6% markup rate. All cars need to have insurance and tracker facilities. Careem captains who showed a good performance are eligible to apply and to get the loan in order to buy their own car. Also, the Pakistani automotive industry could benefit from the initiative (ProPakistani.PK, 2018).

Khalid Imran, CEO JS Bank, stated (ProPakistani.PK, 2018):

“JS Bank launched this scheme in an effort to make sure that people get a fair opportunity to run their own business and be entrepreneurs. The results of this scheme are beyond our expectations. We hope to continue working with Careem in future endeavors.”

3.8.3 General Motors and Careem

Careem and General Motors have signed an agreement to support car ownership for their captains. Currently, this agreement is limited to Africa and the Middle East only. But after the first successful transactions, the partnership will move to other countries and cities all over the world. The idea of the collaboration is that Careem captains get vehicles including Chevrolet, GMC and Cadillac models on discounted rates. The captain can also benefit from maintenance support and extended warranty in the same plan. By this scheme, Careem captains can fully own the car after three years.

The main goal of this partnership is to increase the Careem fleet and to support Careem captains to become self-employed.

3.9 Careem Launches Women Drivers in Pakistan

Careem was the first enterprise that launched a woman driving service in Pakistan. It means that Careem offers the opportunity to book a ride where the captain is a woman. It is a rare initiative in a country where only 22% of women participate in the labor market. There was a big demand for such a service since many female customers don't feel comfortable to drive with a male driver. The women driver service empowers women and enables them to earn a healthy income and to achieve a good social status in society.

The problem in Pakistan is that women from rural areas don't have the chance to get a proper education. This makes it difficult for them to find a proper job and to achieve a healthy income. One of the biggest barriers is women are dependent on the man since the man is responsible to earn the income for the household. In some cases, this circumstance can be of disadvantage. For example, if the husband dies or if he is not able to generate an income the women needs to take actions to earn money. In most of the cases, women have only a chance to get money by contacting NGO's that support them with small jobs or to take charity. Therefore, Careem is in touch with many NGO's for women. Careem does not only fulfill a market need by involving female drivers but also contributes to the socio-economic development of the Pakistani society.



Figure 35: Careem woman driver

3.10 Significance of Step by Step Learning

Careem is a company which is learning from its experience and constantly improving its services. Table 12 shows an overview of the different cities in Pakistan and the types of ride services offered by Careem in these cities. Careem has overall five types of ride services that are offered: Careem Business, Careem Go+, Careem Go, Bike and Riksha. Careem didn't

launch all services in all cities at the same time. For example, in Sialkot Careem introduced only four types of ride services in the beginning and excluded Careem Business.

Table 12: Significance of step by step learning

No.	Category	Cities	Ride service by Careem
1	Big city, popular with respect to education and work opportunities, tourist place	Karachi	Careem Business, Careem Go+, Careem Go, Bike and Riksha
2		Lahore	Careem Business, Careem Go+, Careem Go, Bike, and Riksha
3		Islamabad	Careem Business, Careem Go+, Careem Go, Bike, and Riksha
	Industry area	Sialkot	Careem Business, Careem Go+, Careem Go, Bike, and Riksha
4	Medium cities with respect to population and purchasing power	Peshawar	Careem Go+, Careem Go, Bike, and Riksha
5		Faisalabad	Careem Go+, Careem Go, Bike, and Riksha
6		Bahawalpur	Careem Go+, Careem Go, Bike, and Riksha
7		Multan	Careem Go+, Careem Go, Bike, and Riksha
8		Gujranwala	Careem Go+, Careem Go, Bike, and Riksha
10		Abbottabad	Careem Go+, Careem Go, Bike, and Riksha
11		Sargodha	Careem Go+, Careem Go, Bike, and Riksha
12	Small cities with respect to population and purchasing power	Mardan	Careem Go, Bike and Riksha
13		Quetta	Careem Go, Bike and Riksha
14		Sukkur	Careem Go, Bike and Riksha
15		Hyderabad	Careem Go, Bike and Riksha

However, Sialkot is an industrial area where a lot of local and foreign business people demanded the Careem Business ride type. To fulfill the customer needs, after some time Careem Business has been introduced in Sialkot.

3.11 Summary of Ride-hailing Service (Careem/UBER)

When comparing the business model of Careem and UBER following differences can be observed in Table 13:

Table 13: Difference table between UBER and Careem

No.	Category	UBER	Careem
1	Rides offered	4 ride services in Pakistan	5 ride services in Pakistan
2	Order a ride	Booking by app only	Booking by call, website, app
3	Ride options	Ride booking only “Now”	Ride booking “Now, Later, Repeat”
4	Payment method	Payment with only credit/debit card	Payment with cash, credit/debit card, and Careem wallet
5	Target group	Limited target group of customers (Middle class and rich)	Expanded target group of customers (Poor, middle class and rich)
6	Coverage area	Launched in 8+ big cities	Launched in 15+ small and big cities
7	Ride service	Profit based ride-hailing service	Social ride-hailing service (Profit + resolve social issues)
8	Market orientation	Focus on market needs	Focus on the market and social needs
9	Driver	People who have a valid driving license and car ownership can become a driver	People who own a car or not can be a driver of Careem. But valid driving license and supporting documentation is necessary
10	Work	Provide part-time work opportunity for the drivers	Provide part-time and full-time job opportunity for the drivers
11	Driver support	-	Careem support its drivers to get easy loans and cars on leasing
12	Investors	Global investors	Global, local investors
13	Collaboration	-	Collaborate with 3 rd parties to support drivers
14	Female driver	-	Promote female driver

4. CHAPTER

CASE STUDY DESIGN

Introduction

Careem started its business in Dubai in 2012. Since its foundation, Careem has expanded its services into many countries. Careem's fast growth in the Middle East, North Africa, and Pakistan is remarkable. What makes Careem different from other ride-hailing services in the region is the focus on solving local issues. When Careem launched its services in Pakistan, it had to compete with UBER which is the pioneer of ride-hailing services. Careem needs to start from a different point of view and to make its place in Pakistan. In a few years, Careem has penetrated the market deeper than its rival company UBER and became a famous ride-hailing service in Pakistan. Careem managed to adapt its ride-hailing business model to local customs and needs. Careem provides good customer service and job opportunities in society, which makes Careem people's choice.

The CEO of Careem said in a talk at the StartSmart Saudi Arabia conference, organized by the MIT Enterprise Forum (MITEF) Saudi Arabia 2017 that Careem is growing each month by 30% of its original value. This is the reason why we chose this case as a target to observe the mechanisms behind the success. In this research, we want to observe and analyze why Careem is more successful in Pakistan than UBER. To extract the main factors behind the success of Careem, we need to make a benchmark by observing the business model of UBER. Hence, this research is a competitive study of UBER and Careem but in the end, we will be able to explain the success factors of Careem.

4.1 Data Collection

In this research, we use a mixed-method approach for data collection. Interviews and questionnaires were conducted in parallel with a literature review. Overall, we have collected data in two rounds in 2017 and 2018.

4.1.1 Interview Method

Interviews represent the direct and purposeful social interaction for research activities. In this research, data is collected through semi-structured interviews mainly. The goal of the semi-structured interviews is to encourage people to start talking and to provide us with extra

information. To prepare the interview data, there are several stages to be followed in this research. Table 14 shows the summary of all the stages in tabular form.

Table 14: The stages of the in-depth interviews

Stages involved	Phases	Explanations
Stage 1	Interview preparation	1. Permission for authorization 2. Feasible plan
Stage 2	A formal meeting with the manager	To explain the purpose of the interview
Stage 3	Audio interview for a minimum of 30 minutes and a maximum of 90 minutes	1. Deep understanding of the ideas 2. Explanation of unclear terms and concepts 3. Related questions
Stage 4	Preparation of text files from audio files	Transcribed the files for the purpose, not to omit important contents

Purpose of Interviews

In 2017, we have collected semi-structured interviews from UBER and Careem management to discover the commonalities and differences between both ride-hailing services. In order to validate the interview results, we conducted interviews with drivers of Careem and UBER.

In 2018, we conducted semi-structured interviews with Careem management. The goal was to understand the ecosystem of the business model of Careem. Moreover, we conducted semi-structured interviews with 3rd parties, to find out what values are being originated by involving investors and 3rd parties in the context of the business model of Careem. We also convinced external investors to provide us with important information regarding their involvement in Careem. The goal was to understand their opinion about the business model of Careem and to analyze the strength of the ecosystem created by Careem. Furthermore, we collected semi-structured interviews with regulatory authorities to understand the situation from law and order perspective with respect to ride-hailing services in Pakistan. The role of the drivers was observed, and semi-structured interviews were conducted to identify their motivation to participate in the Careem network.

The overall goal of this case study is to understand the motivation and contribution of different actors (e.g. investors, 3rd parties, drivers, customers) to participate in the ecosystem of Careem. Table 14 describes how the interviews have been conducted and analyzed.

Protocols to Conduct Interviews

The following section explains the protocols used in this research while conducting interviews.

- **Interview preparation**

To conduct a successful interview within a specified time period, it was necessary to get the authorization from the authorities of the Careem and UBER management to work on that company as a part of a case study research. We guaranteed the interviewees, that we will not use the private and classified data of the company. In the next step, we sent emails to all the interviewees to get an appointment for an interview.

- **A formal meeting with management**

After interview preparation, we had a meeting with people from the Careem and UBER management in-person to ensure that the research purpose has an academic background. We convinced the manager that the collected data will be used only for this research and we will not unveil the names of the persons.

- **Audio Interview**

After receiving the management commitment, we conducted audio interviews in the company office. The interviews helped the researcher to explore the ideas and contents of the research more deeply. The interviews were helpful to make clear the ambiguous concepts from the research.

- **Preparation of text files**

After conducting audio interviews, we immediately converted the audio files into text files to save the data. If there were open questions after the interview, we contacted with the interviewees by email.

Interview Data collection in 2017

We have conducted *16 face-to-face interviews* in 2017 in Pakistan and the time period for the data collection was *August 14, 2017, to September 7, 2017*. The target of interviews was Careem Management, Careem drivers, UBER management and UBER drivers. Table 15 shows, with whom the interviews have been conducted and explain the roles of the interviewees.

Table 15: Interview data collection 2017

No	Interviewees	Number of interviews	Designation of interviewees	Interview duration (Minutes)	Date	Location
1	Careem management	3	Operation manager	90	19-08-2017	Head office ISB
			Public relation officer	45	21-08-2017	Head office ISB
			Safety and security officer	55	23-08-2017	Head office LHR
2	UBER management	3	Business development and sales	80	26-08-2017	Head office ISB
			Community operations	40	27-08-2017	Head office ISB
			Safety, security, and insurance	45	30-08-2017	Head office LHR
3	Careem drivers	5	Full-time	50	31-08-2017	LHR
			Full-time	45	31-08-2017	LHR
			Part-time	35	1-09-2017	LHR
			Part-time	50	1-09-2017	LHR
			Part-time	40	2-09-2017	LHR
4	UBER drivers	5	Part-time	30	3-09-2017	LHR
			Part-time	40	3-09-2017	LHR
			Part-time	35	4-09-2017	LHR
			Part-time	30	4-09-2017	LHR
			Part-time	35	5-09-2017	LHR

Careem Management

In this section, we will explain the roles and job descriptions of the people from the Careem management we interviewed.

- **Operation manager**

An operation manager is a key person in any company as he/she is responsible for the potential growth of a company and for building a team. In Careem, the operation manager needs to have an overview of market needs and the targets of the company. Based on the analysis of the marketing team, the operation manager decides whether new services should be launched, or existing services should be upgraded. The operation manager is responsible for the feasibility check of Service and needs to decide if a service fits into the business model of Careem by serving the society.

- **Public relation officer**

The public relation officer is the backbone of Careem as this person is directly connected with the general public and all stakeholders. The public relation officer is responsible for the reporting of all issues raised by customers, drivers or stakeholders. The public relation officer is acting as a bridge between Careem and society. Table 15 depicts an overview of the interviews that have been conducted in 2017.

- **Safety and security officer**

The safety and security department is responsible to handle all online transactions, webpages and the Careem customer and drivers end side app. Furthermore, this department ensures customers and driver's safety. It can be related to car inspections, environmental issues or any other service

UBER Management

In this section, we will highlight the role of UBER management and explain the job descriptions.

- **Business development and sales**

The role of business development and sales is very important as this department is responsible for the company's growth, the introduction of new services and the promotion of upcoming services. This department is also responsible to analyze and ensure customer satisfaction.

- **Community operations**

The role of community operation is to bring together, community and UBER management. So that UBER can learn from their clients and use this knowledge for further development.

- **Safety, security and insurance**

The role of this department is to ensure the customer's safety and to provide a comfortable and safe ride to the customers. This department is also responsible for the security check of internet-based transactions, for example, online billing and payments. This department is also in charge of emergency cases. For example, there can be an emergency during the ride or a road accident where UBER is involved. In these cases, the department intervenes and regulates the situation.

Interview Data collection in 2018

In 2018, we have collected 22 *face-to-face interviews*. Data were collected in Pakistan from *August 15, 2018, to September 9, 2018*. The target of the interviews was the Careem management, 3rd parties, external investors, Careem drivers and regulatory authorities. The goal was to understand the success factors of Careem and to analyze the provider and stakeholder's perspectives regarding the Careem business model and services. Table 16 shows the information of interviewees and their designation in the company.

In comparison to the interviews conducted in 2017, different people from the Careem management have been interviewed with two exceptions only. The operation manager and the public relation officer were the same as in 2017- In 2018, two new parties from the Careem management were interviewed: the strategy planning officer and the product manager. This gave us the opportunity to collect additional information from the Careem management to gain a deeper understanding for the management perspective.

Table 16: Interview data collection 2018

No.	Interviewees	Number of interviews	Designation of interviewees	Interview duration (Minutes)	Date	Location
1	Careem management	4	Operation manager	90	16-8-2018	Head office ISB
			Public relation officer	60	18-8-2018	Head office ISB
			Strategy planning officer	45	20-8-2018	Head office LHR
			Product manager	50	21-8-2018	Head office LHR
2	External investors	3	Local investors	45	22-8-2018	LHR
			Banks	60	23-8-2018	LHR
			Rent-a-car	50	25-8-2018	LHR
3	3 rd party	3	Rozee.pk	60	27-8-2018	ISB
			Pakwheels.com	60	28-8-2018	ISB
			Jubilee Insurance	45	29-8-2018	ISB
4	Regulatory authority	2	Local police	30	31-8-2018	LHR
			Traffic police	45	1-9-2018	LHR
5	Careem drivers	10	Part-time	40	2-9-2018	LHR
			Full time	45	2-9-2018	LHR
			Full time	35	3-9-2018	LHR
			Part-time	40	3-9-2018	LHR
			Part-time	45	4-9-2018	LHR
			Part-time	40	4-9-2018	LHR
			Part-time	35	4-9-2018	LHR
			Part-time	40	5-9-2018	LHR
			Full time	30	5-9-2018	LHR
			Full time	45	6-9-2018	LHR

Careem Management

- **Operation manager**

The role of the operation manager is to ensure the growth of customers, growth of drivers and to arrange of to facilitate the 3rd parties in Careem network. Operation manager is also responsible to initiate any new strategy or suggestions regarding new collaboration or new service.

- **Public relation officer**

The role of public relation officer is more towards society and to listen and understand the needs and issues of everyone. And to report further. In the case of Careem public relation officer is open towards all issues as the whole company is together to make Careem successful and to achieve the CEO's vision.

- **Strategy planning officer**

This department is responsible to observe the market and to find feasible and appropriate solutions in case of any strategic or planning issues. This department is responsible to innovate the services and to revise the services for the betterment of the society.

- **Product manager**

This department is responsible to launch new services. This department is further connected to the digital media department. They collaborate with the goal to promote new services and raise awareness via advertisements with different media.

Rozee.pk

Rozee.pk is Pakistan's first online platform for e-recruitment which was founded in 2007. Rozee.pk provides companies (small, medium and large/ national and international) with an online platform that helps to increase the efficiency of their HR department. The word rozee means "livelihood". Rozee.pk is a well-known e-recruitment company with more than 65-thousand companies who post job ads to find the right candidate for their company. In Pakistan, this platform became popular because it not only helps employers to find the appropriate candidate for their companies but also supports people looking for a job. Rozee.pk supports job candidates by reviewing their CV and giving recommendations.

In 2017, Rozee.pk started its collaboration with Careem. On one hand, Rozee.pk supports Careem to find good team members and staff (captains). On the other hand, Rozee.pk supports potential drivers to find investors who provide them with loans and/or cars.

Pakwheels.com

Pakwheels.com is an online portal for buying and selling second-hand cars. Pakwheels.com was founded in July 2003 by Hanif Bhatti. This platform is not only limited to buying and selling cars but also offers extra services. Pakwheels.com provide buyers and

sellers with the opportunity to get a car inspection report. This service includes a detailed check-up of the car starting from the physical perspective to the fuel consumption and efficiency of the car. Pakwheels.com has more than 250,000 registered users, who trust the company and admire its services.

Recently, Careem started a collaboration with Pakwheels. The goal of this collaboration is to ensure the safety of Careem customers by hiring only drivers whose car has a good standard and by meeting the security measures. Pakwheels provides a detailed inspection report by checking the car's physical appearance, engine, air condition and the quality of tires. After the inspection has been done, the administration department of Pakwheels issues a certificate which is compulsory in the registration process to become a Careem driver.

Jubilee Insurance

Jubilee insurance has a long history in Pakistan. In 1995, Jubilee was officially launched after it has been successful in many other countries, especially in the African continent. Jubilee provides a variety of insurance services, for example, life insurance, travel insurance, study insurance, home insurance, and motor insurance.

In Pakistan, many car owners don't have insurance for their car. One of the reasons is the lack of awareness about the importance of car insurance. Another reason is cost. Many people don't have car insurance to save money. After the service of Careem has been launched in Pakistan, Jubilee recognized the potential of Careem and the needs of drivers and an opportunity for business growth. Jubilee introduced new insurance policies which are cheaper in comparison to the competition. Jubilee realized that many people want to drive and take advantage to become Careem driver. Jubilee provided car insurances for different service models, such as for cars that are privately-owned but also for cars that are financed with third party liabilities.

Meezan Bank

Meezan Bank is the first and largest Islamic bank of Pakistan. It has a network of over 660 branches in more than 159 cities of Pakistan. In Pakistan, it was launched in 2002. This bank has a huge network of customers and their policies towards the loan and car leasing are affordable to the general public. As they are an Islamic bank and they have no interests but only service charges per transaction bases.

JS Bank

JS Bank was formed in 2006, after merging Jahangir Siddiqui investment bank limited and American express bank limited of Pakistan. This bank is active in five main areas, 1) Corporate Banking, 2) Wealth Management, 3) Treasury, 4) Investment Banking, and 5) Retail Banking. This bank collaborates with Careem and provides drivers with loans that enable them to buy a car. This collaboration results in 1000 new entrepreneurs.

Local Investors

Local investors are the people who own a medium-sized business and who have enough money to invest in other small business as well. In Pakistan, these local investors work as banks and they provide loans for their benefits and for the circulation of money. They often provide loans or provide cars and run a business in partnerships.

Rent-A-Car

Rent-a-car is a small-sized business where two or more people collaborate and make a joint company. They gather money, buy a few cars and then hire drivers as employees in order to offer on-demand car service to its customers. Before ride-hailing services were introduced in Pakistan this sort of business was the only one that enabled people to travel with comfort and peace of mind.

4.1.2 Questionnaire Method

To identify the service perception of the customers of UBER and Careem we collected quantitative data by conducting a survey. We collected the questionnaire survey in two phases, the first one in 2017 and the second one in 2018. The questionnaires were conducted one by one.

Purpose of Questionnaire

In 2017, the purpose of the questionnaire survey was to validate the interview data collected from the UBER and Careem management. To goal was to observe the real voice from the society as both companies have the motivation to be successful and to provide quality service to their customers.

In 2018, the questionnaire survey was collected only from Careem customers. As we observed in the data analysis of 2017, Careem is growing its network by involving other stakeholders to motivate and strengthen the drivers. The questionnaire survey was conducted to investigate the image of Careem from customer point of view to identify if Careem can fulfill customers' demands.

Protocols to Conduct Questionnaire

In the questionnaire survey, our main target was to understand the Careem perspective and its service expansion for customers. We distributed the questionnaire in well-reputed universities in *Lahore city of Pakistan* as this city is popular and many people from other cities migrate towards this city for educational or work purposes. The names of the universities are *Lahore University and Punjab University*. Moreover, we distributed questionnaires to government officials and company employees.

The sample was randomly selected. To collect data from these people, we requested them to fill the questionnaire (5-10 minutes) on the spot. In Pakistan, it is difficult to conduct a long questionnaire because people are reluctant to write on the paper. Therefore, we prepared a closed-ended short questionnaire and the return rate was 100%. For this survey, we did not give any rewards or gifts.

Questionnaire 2017

In 2017, the questionnaire survey was collected *in Pakistan from August 14, 2017, to September 7, 2017*. We conducted a demographic survey with UBER and Careem customers to analyze the popularity of each company in the society (see APPENDIX A. (2017), and APPENDIX B. (2017)). The survey is based on the literature review and web-based information about Careem and UBER. The selected sample was *10 questionnaires from the customers of each company and in total 20 questionnaires*. The sample size is very small because our main target was to analyze the working mechanisms of Careem and its internal development. The goal was to understand how Careem became a successful ride-hailing service in Pakistan. Moreover, the target of this research was to investigate the driver's point of view with respect to job opportunities. Therefore, the small sample size was selected intentionally. Table 17 depicts the information of the participants.

Table 17: Questionnaire data collection 2017

No.	Questionnaire	Number of participants	Participants	Date	Location
1	Careem customers	10	Student	24-08-2017	LHR
			Student	24-08-2017	LHR
			Student	24-08-2017	LHR
			Student	24-08-2017	LHR
			Businessman	24-08-2017	LHR
			Company employee	24-08-2017	LHR
			Company employee	24-08-2017	LHR
			Government official	24-08-2017	LHR
			Government official	24-08-2017	LHR
			Shop Owner	24-08-2017	LHR
2	UBER customers	10	Student	5-09-2017	LHR
			Student	5-09-2017	LHR
			Businessman	5-09-2017	LHR
			Businessman	5-09-2017	LHR
			Businessman	5-09-2017	LHR
			Company employee	5-09-2017	LHR
			Company employee	5-09-2017	LHR
			Company employee	5-09-2017	LHR
			Company employee	5-09-2017	LHR
			Government official	5-09-2017	LHR

Questionnaire 2018

In 2018, we conducted a survey to evaluate the service quality and service standards of Careem from the customer's point of view. We passed the questionnaire sheets to *10 participants*. Data were collected in *Pakistan from August 15, 2018 to September 9, 2018*. The ques-

tionnaire was composed of closed-ended questions. We used a Likert scale for the measurement of satisfaction, quality, and opinion of the participants (APPENDIX C. (2018)). Table 18 shows the data collection information about the participants.

Table 18: Questionnaire data collection 2018

No.	Questionnaire	Number of participants	Participants	Date	Location
1	Careem customers	10	Student	5-9-2018	LHR
			Student	5-9-2018	LHR
			Student	5-9-2018	LHR
			Student	5-9-2018	LHR
			Businessman	5-9-2018	LHR
			Businessman	6-9-2018	LHR
			Company employee	6-9-2018	LHR
			Company employee	6-9-2018	LHR
			Government official	6-9-2018	LHR
			Government official	6-9-2018	LHR

4.2 Data Analysis

This research is based on a mixed-method approach and therefore, we conducted a qualitative and quantitative analysis of the service experience and comparison between the Careem and UBER platform.

4.2.1 Interview Analysis

To state the research findings, this study is designed to create a comparison between Careem and UBER along with a framework to describe the unique characteristics of Careem as a social ride-hailing service in Pakistan. In terms of data analysis, we examined the selected case according to the following steps:

- Determination of point of differences between Careem and UBER that explain the success factors of Careem in Pakistan.
- Analysis of the implementation of the service ecosystem from a service-dominant logic point of view.
- Discussion of the learning organization concept and structure adopted by Careem.

- Observation of resource integration and matchmaking mechanisms in Careem.

The interview data were analyzed using the thematic analysis approach based on grounded evidence and theoretical reasoning (Eisenhardt, 1989). Without using the software, the technique (APPENDIX G.) followed for thematic analysis in this study is as:

- Firstly, the interview transcripts were translated from the native language (Urdu) into English.
- Secondly, the transcripts were read several times in order to highlight the notable words, actions, and processes of the interviewees. It helped to develop a clear image of the points of discussion.
- Thirdly, labeling and categorization were done for the most relevant words, actions, and processes.
- Fourthly, to find associated concepts and relationships, the labels and categories were connected to make a reference.
- Lastly, this study resulted in developing a theory based on the connections and the categorization that has been made.
- In order to keep the privacy, the names of the interviewees have been anonymized.

4.2.2 Questionnaire Analysis

For the analysis of questionnaire data collected from customers, Microsoft Excel has been used. To evaluate the customer opinion about the ride-hailing services of Careem and UBER with respect to selection factors and customer preferences, again a frequency analysis has been considered. Excel has been used to evaluate the research questionnaire. The results of the paper questionnaires were transferred to Excel. Then the results were summed up and evaluated according to frequency. Finally, the frequencies have been analyzed in order to conclude with which statements people agree or disagree.

4.3 Summary of the Research Methodology

The contents explained in this chapter are summarized as key points stated below:

- The research methodology adopted for this research is a case-based approach.
- This is an exploratory study.

- The target research area is Pakistan. Careem is the most trending ride-hailing service in Pakistan these days.
- We employed a mixed-method approach: it includes a qualitative research design based on in-depth analysis of interviews conducted in 2017 and 2018. A quantitative research design was applied by developing a questionnaire and conducting a customer survey.
- Semi-structured interviews were used to identify the perspective of providers (Careem, UBER) with respect to ride-hailing service in Pakistan.
- Close-ended questionnaires were collected with customers of Careem and UBER to understand the customer perspective for this study.
- The results generated in 2017 were conducted to check the popularity of the selected case. For the next study in 2018, data was collected based on references provided by the interviewees.

5. CHAPTER

RESEARCH FINDINGS

Introduction

Firstly, this chapter explains the findings extracted from the case analysis of Careem and UBER in Pakistan. The findings are mainly about the association of services, actor-network, and a working mechanism to fulfill the needs of the community by involving multiple stakeholders. Secondly, to become a successful organization, it is necessary to hold clearly defined values that are transferable to other actors. Values can be extracted from the activities performed and services offered. It can be measured as the managing and controlling gears that usually,

- Help to examine the vision and mission of any organization and its implementation in the real setting.
- Offer the configuration of multiple rules and regulations, practices, communication and the perceptions of actors.

Thirdly, the chronological development of service eco-system is discussed and defined as cross-business collaborations that are characterized as an expanded network (Hislop et al., 2018). Fourthly, the service development process is explained in this chapter. That explains multiple services introduced by Careem having some unique features. These features explain the extension in the Careem app as well as the extension of resources.

Lastly, the findings explain the core process to become a social ride-hailing service. These days Careem has become a big platform because of its agile nature. It has the capability to learn step by step. As a social ride-hailing service, the target of Careem has expanded from profit generation to deliver social benefits to human beings. There are distinctive differences between the service provided by UBER and Careem. This chapter will explain the major differences and initial findings that will lead to an advanced level of findings. Figure 36 displays the extracted findings from this research that are explained in the following sections.

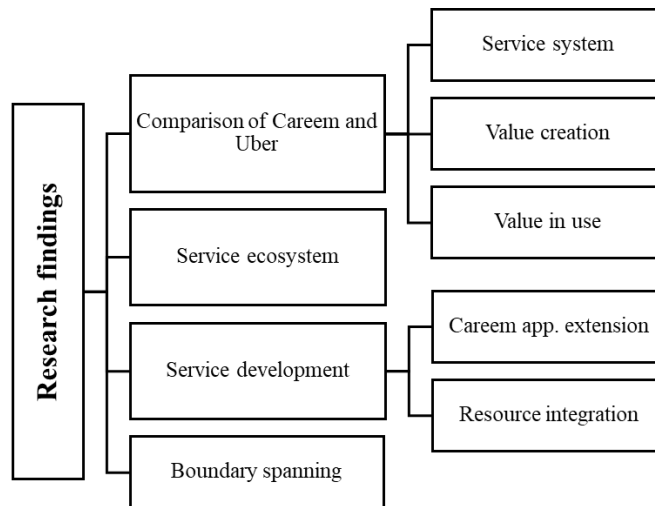


Figure 36: Structural analysis of Careem

5.1 Comparison of Careem and UBER

UBER is a ride-hailing service that has a big network worldwide. The goal of UBER is to maximize the profit and to compete in the capital market. However, Careem is a developing ride-hailing service that is recognized in other countries but mainly in the Middle East. It is getting progress day by day because of its unique vision. The goal of Careem is not only to make revenue but also to act as a social ride service by expanding its network towards the community. A *social ride-hailing service* is a term used for a service which has a great focus on social impact in parallel with financial incentives. This section explains the differences on the basis of the service network, working mechanism, and value flow as a result of service execution. The differences are explained in the following sub-sections.

5.1.1 Service System

A service system can be defined as an actor-network in an organization with the aim to connect internal and external service systems and information that can be shared easily. Service systems help any organization to meet the desires and expectations of the actors involved in the network to expand the service values. These are mainly the compositions of co-creating values that are comprised of technology, people and proposed values (Maglio & Spohrer, 2008). This research implies the structure of the actor-network in Careem and UBER. This study defines the service system as follows:

“A service network that connects Institution, people, organizations and community directly or indirectly with the focus on competitiveness with other service systems that are external and independent.”

5.1.1.1 Service Network of Careem

The results in this section are developed based on the interviews that have been conducted with the Careem management in Pakistan. The results show that the service system is a network of actors/stakeholders, who are involved in the ride-hailing service offered by Careem. The arrangement of the network is explained with the connection building among the actors to show the interaction and communication among them. Under the supervision of regulatory authorities, Careem service network involves actors: Careem itself, drivers, customers, investors, and 3rd parties (Figure 37).

Careem plays the role of intermediary in all the service transactions and is responsible to connect the resource seekers to the resource holders. Careem is performing all the functions independently but as a source, it cannot neglect the power of interference of regulatory authorities (local police and traffic police).

The essential fact of Careem is that the entire service transaction is observed and fostered by the regulatory authority. It includes the local police and the traffic police. The local police check the criminal record of a person and provide a certification of his or her clean status [...] However, the traffic police ensure the validity of a driving license. Then the potential person can be hired by Careem. Without certification, it is impossible to get employment with Careem. (Careem Management)

We are responsible to regulate the traffic by enforcing the traffic/road law and issuance of driving license. We are liable to conduct road safety seminars for the drivers. (Traffic Police).

Careem is always in the middle to build favorable connections among stakeholders. It has introduced the concept of sharing culture in Pakistan. To promote the sharing culture, it is necessary to involve the whole society. All actors are connected in a systematic way. Like all the other service organizations, Careem also has a partnership with internal investors that

provide initial funding and support with their own resources in order to expand Careem services.

Careem has many internal investors and global partners, who support the managerial body to grow and expand the Careem business [...] currently, we have a partnership with Rakuten, Telenor, JS Bank, and General Motors. (Careem Management)

The purpose of Careem is not only to make a profit but also the social growth of the economy by providing more employment opportunities, safe and easy rides. Overall, they are making a big contribution to the development of society. The dashed line in Figure 37 represents the service transaction in Careem.

Our main focus is to provide job opportunities to unemployed people, [...] and also to expand the coverage of passengers as much as possible by observing the local needs. (Careem Management)

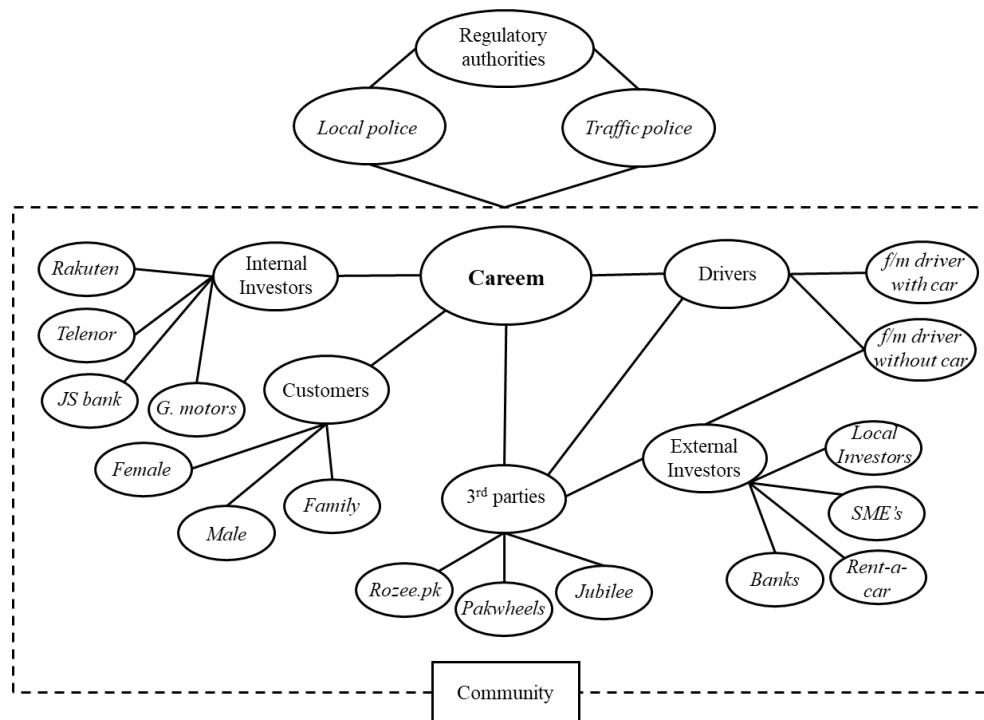


Figure 37: Service network of Careem

All the parties involved in a service transaction are working for a common platform either internal or external stakeholders. There is a big contribution of 3rd parties in Careem. 3rd parties are the independent organizations which have resources to be shared and act as a supporting hand to promote the service network and facilities provided by Careem.

We are collaborating with some of the independent companies (i.e. insurance, e-recruitment, and car inspection companies) to enhance the ride service [...] we establish contacts among different stakeholders to work together. (Careem Management)

Drivers can be female/male with own car or without owning a car. Customers are the actors who get benefits from the different kinds of services provided. Customers can be male, female or families. The dotted area in Figure 37 is characterized as a community because it is comprised of all actors working for a common platform. Therefore, the community is not considered outside the system boundary.

5.1.1.2 Service Network of UBER

The service network of UBER is developed at the transactional level to earn a profit. It is a well-developed and successful ride-hailing service worldwide. It follows the traditional business model of ride-hailing service. UBER is a service app. that provides ride services to customers. It is regulated under the supervision of local and traffic police like other transportation services. Figure 38 explains the service network of UBER.

UBER is a well-known company worldwide and we already have established our service and design model to provide the customer with the best service. (UBER Management)

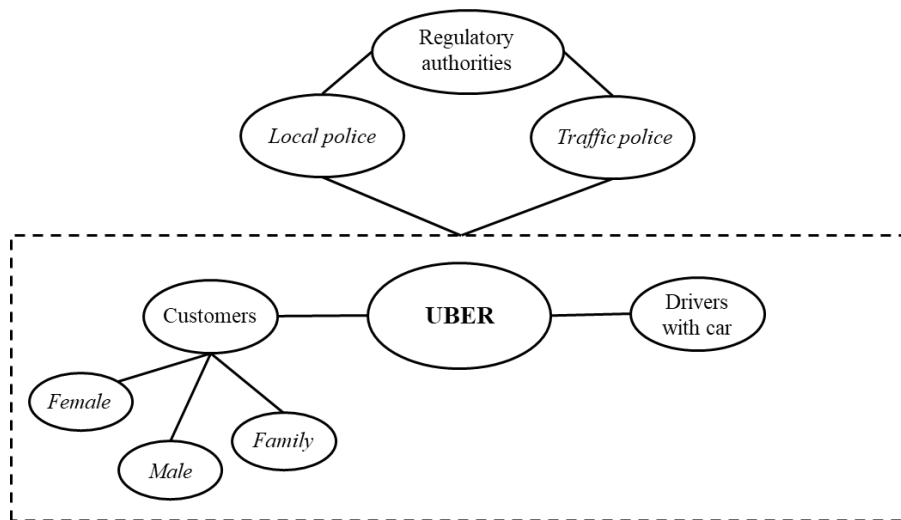


Figure 38: Service network of UBER

5.1.2 Value Creation in Service Transaction

Value creation is a concept that has its origin from service marketing. It explains mainly the exchange and extraction of values from services by the actors involved in the transaction. Value creation is a process adopted by an enterprise to develop a service with the goal to provide values to the actors dealing with the introduced service (Gronroos and Voima, 2013). Value creation can be observed by seeing the interaction between the actors and service delivery as a central practice (Vargo and Lusch, 2008). This research infers the mechanisms of service transaction occurred in Careem and UBER separately. The definition of value creation developed in this research to demonstrate the service mechanism is as follows:

“A value creation is an ongoing process that signifies the capability of the actors involved in the service transaction to extract values.”

5.1.2.1 Service Transaction of Careem

The generated results, which are based on the interviews that have been conducted, show that the working style of Careem is quite similar to other ride-hailing services. However, there are few differences with respect to the entrepreneurship behavior and mindset. Compared to UBER (that gives certification under the company who have their own cars and who wanted to drive for the customer on-demand basis similar to the traditional TAXI system), Careem follows a hybrid strategy. A person can become a Careem driver regardless of whether they own a car or not. To the drivers, Careem provides full-time and part-time work opportunities on flexible bases. In return, Careem gets a fixed ratio of the profit from the drivers.

Careem provides everyone with the opportunity to become a captain. No matter whether people have a car or not. They can be a member of Careem. (Careem Management)

In Pakistan, around 40% of the population is economically vulnerable. They have a low expenditure level. Hence, there is a large group of people that can drive but can't afford to buy a car. It is an important target group since it represents large parts of the population. It must be pointed out that the income of drivers without a car is lower than the income of drivers with own car. Nevertheless, the business model of Careem

fosters low-income classes by enabling them to have a regular income. (Careem Management)

Recently I have joined Careem as a full-time employee. Before I was working at a small shop and could not earn enough to fulfill my expenses [...]. Now I am able to work on a daily basis to meet the assigned target per week. [Careem Driver]

Careem has global investors that are categorized as internal investors. They support Careem by making investments and providing technical support. In return, they get a shared profit. They act as partners to create values for Careem and for their own business (Figure 39).

External investors include small banks, citizens with a high income who can afford cars and small business runners (rent-a-car). External investors play an important role in providing cars and loans, in return, they earn a profit based on a pre-decided ratio. However, in the case of banks, they can get fixed installments on a monthly basis. That results in value creation. All parties involved in the service transaction of Careem have a strong interaction with each other. This interaction ensures value creation with joint efforts which lead to the growth of the services of Careem (Figure 39).

The target of Careem is to expand the circle of stakeholders. Careem is providing a platform for individual companies to come together and share the benefit. (Careem Management)

There are different 3rd parties and organizations which have already been established in Pakistan before Careem entered the market. These organizations perform different tasks to reinforce the activities of Careem. One important task of the 3rd party is to ensure security and car inspection. Moreover, these organizations support Careem in finding and hiring new drivers. They also guide the local investors by recommending professional drivers to make sure that the transactions are safe. In return, the 3rd parties can generate profit and increase their brand image (Figure 39).

We are collaborating with individual companies that help us to strengthen the service model of Careem. By involving the 3rd parties, Careem is able to get a motivated workforce. 3rd parties act as supporting-hand of Careem to guarantee the car inspection and security check for the customers. (Careem Management)

The structure of Careem in Figure 39 depicts how value is created for both customers' males and females. The customers feel safe while taking a ride with Careem. In any service transaction, the satisfaction of the customer is very important and must be satisfied fully as considered by Careem.

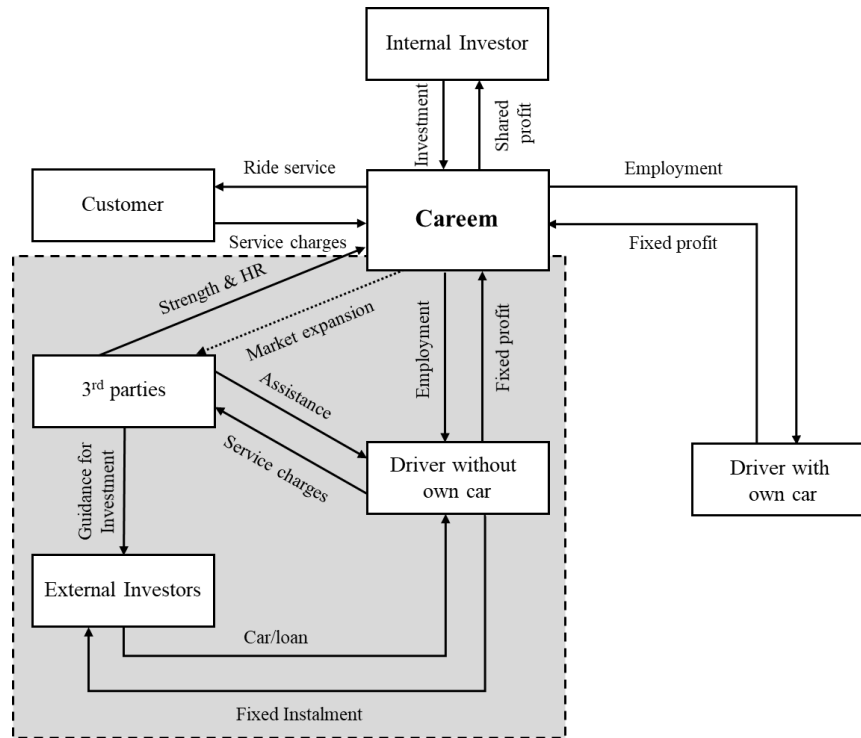


Figure 39: Service transaction of Careem

5.1.2.2 Service Transaction of UBER

Compared to Careem, the service transaction of UBER is limited as shown in Figure 40. UBER offers rides to the customers and gets fixed service charges that depend on the area and peak hours. On the other hand, UBER gives drivers the opportunity to work part-time. To be an UBER driver, it is necessary to own a car. This is the rule followed all over the world by UBER management.

We are providing the finest part-time work opportunity to the drivers and in return, we demand the best quality of service for our customers. (UBER Management)

From my point of view, UBER took responsibility for the customer's safety and security. That's why we do not want to take risks at the moment by giving memberships to people, who do not own a car or whose car is registered on his or her own name. (UBER Management)

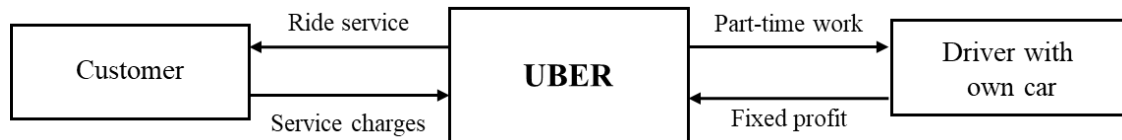


Figure 40: Service transaction of UBER

5.1.3 Values in Use

Value in use can be explained as a representation of a value proposition that is constructed for the betterment or well-being of the society (Ballantyne and Varey, 2006). These values are developed through interactions between the actors. Value in use represents a shift in the definition of values from the traditional firm-centric perspective to the actor centric-perspective. In the firm-centric perspective, value is considered as a norm that is delivered to the customer for a given price. These values are normally embedded in the services. However, in the actor-centric perspective value is realized by the actor after the utilization of the service provided by the firm (Vargo & Lusch, 2004, 2008). This research suggests the system of value flow among actors involved in the service transaction of Careem and UBER. In this study, the value in use is defined as:

“Value in use is considered as a gain that a product or service generates for a specific actor after the use of service in several proportions.”

5.1.3.1 System of Value Flow in Careem

The results of the interviews conducted from management, drivers, and 3rd parties, additionally, the questionnaire from customers, narrate that there are four main groups of stakeholders, as an outcome of service transaction in Careem. It is important to distinguish between four groups with respect to the discussion of the values provided by Careem: service facilitator, service providers, service executer, and service utilizer. The whole value transformation process for each group starts with aspirations and motivations that come from service utilizers and community in terms of feedback. These aspirations motivate facilitators, service providers, service executors and service utilizers to enhance the service with respect to society (Figure 41). The connection of Careem with regulatory authorities is strong as Careem contacts with traffic and local police for the cross verification of the documents provided by the potential drivers.

It is our first priority to ensure customer safety, and for this one of our department is responsible to validate the applications and supporting documents provided by the drivers with the help of local and traffic police. (Careem Management)

Without verification, Careem has the rule to reject the application on spot. The explanation of all groups are as follows:

- **Service Facilitator** (Internal investor, external investor, 3rd parties)

The values originated by service facilitators include society-building and money circulation. They offer financial support and professional skills to enhance the individual ability to work with Careem. This support plan expands the Careem network and facilitators business as well.

The role of 3rd parties is to facilitate Careem by circulating the money to balance the status in society. Because of the 3rd parties, Careem is able to achieve a competitive workflow and a shared vision. However, the companies involved with Careem can expand their business by earning a big profit and more sustainable investment targets.

Our company provides e-recruitment facility all over the country. We are interested to work for Careem to provide Careem with good and qualified employees. Before collaborating with Careem, we were providing job opportunities to white-collar people (salaried person), but now we are working for blue-collar people (labor class) as well. This will help to reduce the problem of unemployment and poverty in Pakistan. (Roze.pk)

Pak wheels is the No.1 online automobile portal in Pakistan. We are known because of our in-detail car inspection and authentic car certification. In 2017, we started working with Careem. And it is an exciting experience to collaborate with Careem to extend Pakistan's first and only car inspection service. We are responsible to ensure the good condition of cars registered with Careem. Without our certification, no car can be registered with Careem. (Pakwheels.com)

Our vision of assisting people is to overcome uncertainty. We strive to be the best by providing values to the customers in terms of introducing road safety seminars and the importance of car insurance policies. Being the private sector market leader, we have

developed a special policy for Careem drivers to secure their own lives as well as the passengers under an affordable circumstance. (Jubilee Insurance)

Moreover, investors include banks, rent-a-car and also the local investors. Careem is collaborating with the investors and provides them with the chance to grow. Careem is raising their awareness and provides good investment opportunities. The ultimate goal of the collaboration is to expand the workforce of the Careem platform.

Careem and JS Bank as partners have achieved a remarkable success by creating over one thousand entrepreneurs in the short duration of 6 months. We are dealing with Prime Minister Youth Business Loan (PMYBL). And under this scheme, Careem has managed to turn 1000 Careem captains into entrepreneurs. (JS bank)

Providing loan is a risky business but as a bank, it is our responsibility to support trustworthy citizens. This trustworthiness is ensured by Careem as a strong reference. (Meezan bank)

My business is mainly to provide cars on an hourly/daily basis. After knowing about the Careem business, I am delighted to provide my cars on a quarterly/half-yearly basis. Now, I am able to get a proper amount of money every month. (Rent-A-Car)

I invest mostly in the real estate business and the stock market. In the real estate business, I have to make big investments. I make a profit after four to six months on an occasional basis. As the economy is unstable in Pakistan, the stock market either turns into profit or loss. After attending awareness seminars conducted by Careem, I am eager to work for Careem to make a stable source of income per month. (Local Investor)

- **Service Provider (Careem)**

Careem increases the level of security in Pakistan by introducing rules and regulations for the safety of public transport. One of the effects is also the increase in trust and social capital between people. Careem has introduced mechanisms which ensure that people to receive a transparent service. For example, the customers know the estimated cost before the usage of service. Careem provides a transparent platform for all the actors dealing with

Careem. Careem has guiding philosophies to enable the society by giving them resource opportunities to develop a sense of equality among them. That results in empathy, empowerment, and freedom of thoughts for each other.

The essence of Careem is to streamline and enhance the lives of people and construct an enduring organization that inspires. In short, by building connections with Careem, we are empowering everyone to realize their full social and economic capability.
(Careem Management)

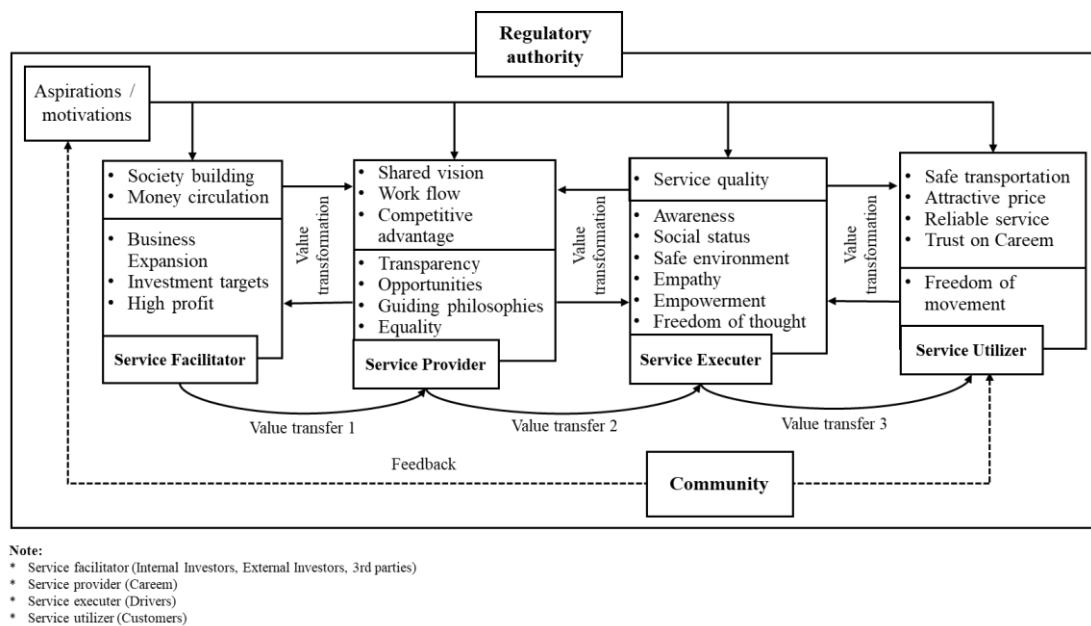


Figure 41: System of value flow in Careem

• **Service Executor (Driver)**

From a driver perspective, the values that have been extracted are connected with their motivation to work for Careem. Many drivers have a modest professional background and a very low income. Careem gives these drivers the opportunity to achieve a good and constant income. With the passage of time, they enhance their skills to become socially aware and better drivers. This has also an impact on the family of the drivers since it helps them to provide their children with better educational opportunities. Careem provides employment opportunities for drivers to increase their social status. In return, drivers offer a good service to the customers of Careem.

I am working for Careem since last year. As I am a university student, it is difficult for me to bear all my expenses. By joining Careem as a part-time employee, I have flexible working hours so I can continue my work and studies simultaneously. (Careem Driver)

Figure 41 demonstrates the four stakeholders and the process of value transformation that constitutes strong bonding among them. Moreover, the purpose of value transformation is to enhance the capability and efficiency of each stakeholder by exchanging the values where Careem plays an important role as an intermediary.

- **Service Utilizer (Customer)**

In this subsection, the results are generated from the analysis of close-ended questionnaire collected from the customers of Careem. Values related to the customer explain, why it is worth to use the service of Careem? Customers expect safe, affordable and reliable (punctuality, integrity) transportation. This is a value that cannot be taken for granted in a developing country. Careem enables the whole society (women, handicap, family, and low income) to move freely by using its service.

Demographic Profile of the Service Utilizer

The analysis is shown in Table 19. Through this analysis, we analyzed the selection factors of Careem and its popularity among the users of different age group and gender. And we found that Careem is popular among students, women and private/government employees.

Table 19: Demographic profile of Careem customers 2017

		Frequency	Percentage
Gender	Male	6	60
	Female	4	40
Age group	Under 25	2	20
	26-35	4	40
	36-45	2	20
	46 and above	2	20
Occupation	Student	4	40
	Businessman	1	10
	Company employee	2	20
	Government official	2	20

	Other (Shop owner)	1	10
Number of rides per week	1~2	1	10
	3~4	4	40
	5~6	4	40
	7 Above	1	10
Selection factors	User-friendly app.	1	10
	Quality service	3	30
	Safe transportation	3	30
	Affordable price	3	30
	Others	0	0

- The demographic profile of the respondents illustrates, the age group of 26-35 took part in the research with the highest participation rate of 40% (APPENDIX A. (2017).
- Results show that most of the users of Careem are males with a 60% participation rate, but the usage of women is also considered as the rate is 40%.
- The outcome of the survey explains that the students use the service more actively as the rate is 40%. Company employees and government officials are also using the service. With the rate of 20%.
- The results depict that the students are the most frequent users of Careem service as they book rides 5-6 times per week with a rate of 40%. However, company employees and government officials are the second-highest users of Careem.
- Regarding the selection factors, the results show that Careem users are preferring Careem ride service because of three main factors as quality service, safe and affordable transportation with the rate of 30% respectively.

Customer's Opinion about Careem Service

This research analyses the questionnaires to know the customer's perspective about Careem service (shown in APPENDIX C. (2018). The questionnaire is comprised of several questions mentioned as follows:

- a) Careem App is user-friendly.
- b) Careem cars have good condition.
- c) Careem captain use the best and fastest route.

- d) In the Careem app, I can see the route that I am driving in real-time.
- e) Careem captains follow the rules and regulations.
- f) I feel safe while traveling with Careem.
- g) Careem drivers are familiar with local roads.
- h) The profile of the Careem captain helps to book the ride.
- i) Careem has a better price-performance ratio than other taxi services.
- j) Estimated time and arrival time are same.
- k) I am happy with the Careem service.

- Figure 42 shows the detailed analysis. Bar (d), depicts that 80% of respondents said that they can see the real-time traveling route and they can predict the estimated time of arrival to destination. Also, they feel safe because of tracing their route by themselves.
- In bar (e), 50% of customers are strongly agreed and 50% agrees on, Careem drivers follow the rules and regulations provided by the Careem and enforced by the regulatory authorities.

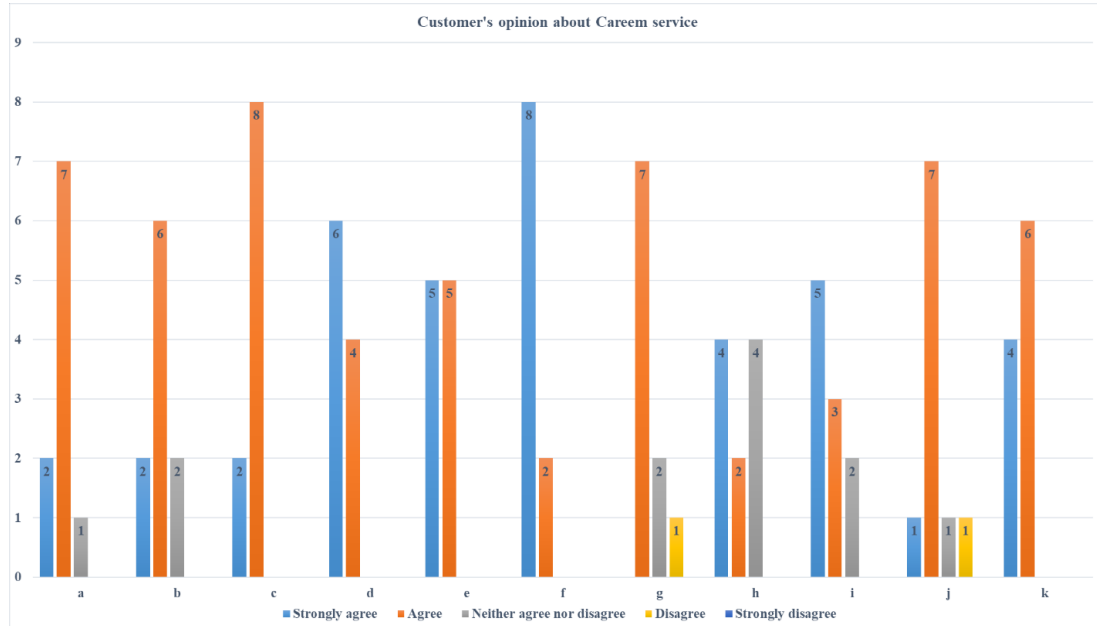


Figure 42: Customer's opinion about Careem service

- In bar (f), 80% respondent said, “they feel safe while traveling with Careem”.

- In bar (i), customers respond to the price ratio and 50% respondents are strongly agreed and 30% are agreed which demonstrates that Careem ride is affordable and covers a range of people who travel with Careem on daily and weekly basis.
- Overall remarks from the respondent in the graph (k) illustrate that Careem customers are happy and satisfied with the ride services provided by Careem.

Customer's Opinion about Careem Platform

Through a questionnaire survey, this research evaluates the customer's perspective regarding Careem platform as a whole (APPENDIX C. (2018)). And the questions considered for platform evaluation are as follows:

- a) Careem focuses on customer's benefits mainly.
 - b) Careem has more innovative services than UBER.
 - c) The Careem helpline center is always active for customers.
 - d) Careem is providing services to facilitate everyone.
 - e) Careem is meeting the standards of privacy.
 - f) Careem drivers are polite with the customers.
 - g) Careem should hire educated drivers only.
 - h) Careem provides employment opportunities for the benefit of society.
 - i) Careem has improved the public transportation system.
- The analysis shown in Figure 43 and in the bar (b), it is observed that 60% respondents are agreed and 40% are strongly agreed with the statement that Careem is more innovative than UBER services.
 - In bar (e), it is displayed that 70% of respondents are agreed and 30% are strongly agreed towards Careem is meeting the standards of privacy of customers. Therefore, customers feel comfortable during and after the ride.
 - In bar (f), 70% of respondents are agreed and 20% are strongly agreed towards the behavior of Careem captains. And they said they are polite and well-mannered.

In bar (g), the result seems very interesting as it is explained in many sections before that Careem has involved the whole society in its business model and provide job opportunities regardless of their social status and educational background. The question about the driver's education was posed to know customer opinion. Whether education is important to judge the standards of manners among the drivers or not. The result shows a versatile range of opinions. 40% respondent disagreed and 30% are neither agreed nor disagreed so this is a good sign from the society as they appreciate the slogan of Careem “opportunity for all”.

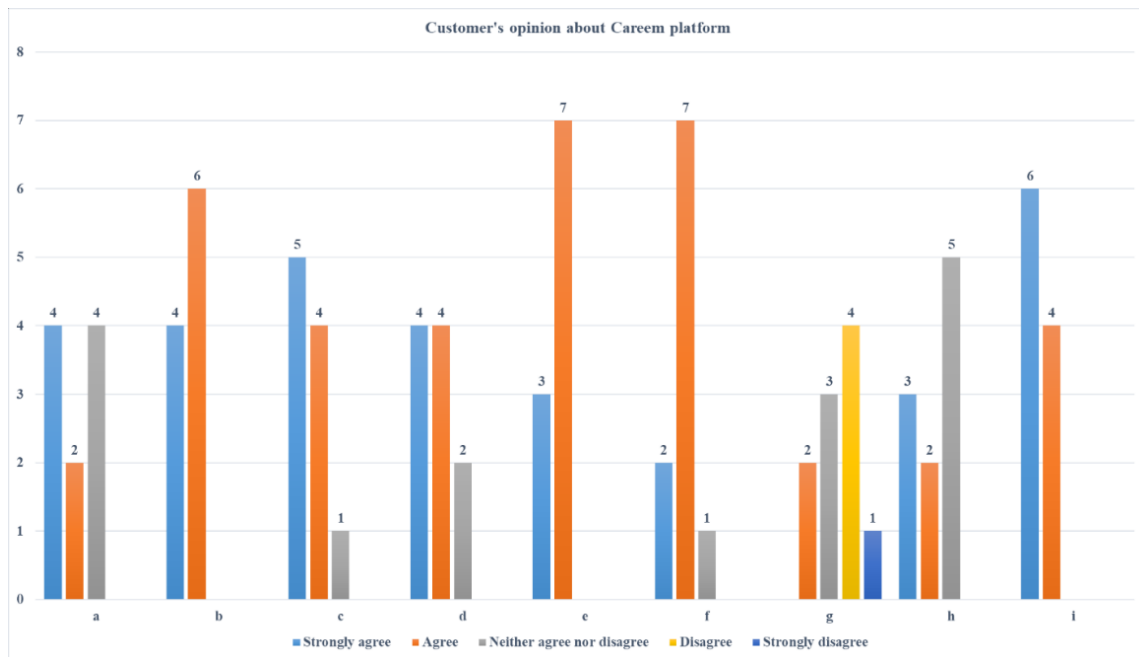


Figure 43: Customer's opinion about Careem platform

- Overall remarks from the respondents in the bar (i) demonstrates that Careem customers are convinced with the Careem services because Careem has replaced the traditional public transportation system by adopting a better infrastructure.

5.1.3.2 System of Value Flow in UBER

In comparison with Careem, the value transfer in UBER is less complex. The business model of UBER includes mainly three groups (service provider, executer, and utilizer). UBER is a well-known company because of its big resources and reputation in the market. It's a customer-oriented ride-hailing service with a focus on providing quality service to the customers (Figure 44). As compare to Careem, UBER has goals that are established internally

based on its own market orientation rather than aspirations or motivations from the community. Principally, the working model of UBER in Pakistan is similar to the model successfully implemented and approved in developed countries.

Our main focus is to meet the service standards, quality and customer's safety. Currently, we have limited rides and are dealing in urban areas mainly. Our recent goal is to expand our service network to facilitate different classes of customers. (UBER Management)

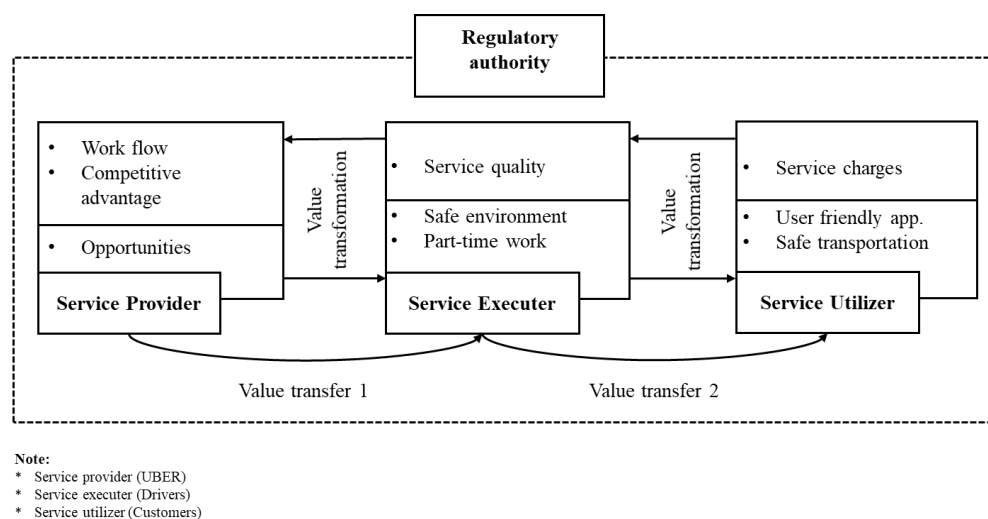


Figure 44: System of value transfer in UBER

The difference between Careem and UBER can be illustrated by considering the opinion of the drivers. As compared to Careem, UBER is working mainly in eight metropolitan cities in Pakistan. However, Careem is working in fifteen small and big cities.

UBER is a great company to work with. I am working as a part-time driver. I can make good money and work as long as I want. But In the case of long routes, the earning should be better. (UBER Driver)

Demographic Profile of the Service Utilizer

- The demographic profile of the respondents illustrates, the age group of 36-45 took part in the research with the highest participation rate of 60% (APPENDIX B. (2017)).
- Results show that most of the users of Careem are males with 80% participation rate, but the usage of women is too small as compared to males.

- The outcome of the survey explains that the company employees use the service more actively as the rate is 40%. And the rate of a businessman is 30%.
- The results depict that the company employees and businessman are the main users of UBER service.
- Regarding the selection factors, the results show that UBER users are preferring UBER ride service because of two main factors as 1) user-friendly app. and 2) safe transportation. The analysis is shown in Table 20.

Table 20: Demographic profile of UBER customers 2017

		Frequency	Percentage
Gender	Male	8	80
	Female	2	20
Age group	Under 25	0	0
	26-35	2	20
	36-45	6	60
	46 and above	2	20
Occupation	Student	2	20
	Businessman	3	30
	Company employee	4	40
	Government official	1	10
	Other	0	0
Number of rides per week	1~2	5	50
	3~4	3	30
	5~6	2	20
	7 Above	0	0
Selection factors	User-friendly app.	4	40
	Quality service	2	20
	Safe transportation	3	30
	Affordable price	1	10
	Others	0	0

5.2 Service Ecosystem

A service ecosystem is a large network of different actors which interact with each other to develop an overall competitive and sustainable system. It can be defined as an autonomous and self-reliant system of actors that are responsible to exchange resources associated with shared institutional measures (Lusch & Vargo, 2014). This research explains the extended function of Careem in terms of an ecosystem. This is the most important reason for the success of Careem as a ride-hailing service. In this study, the definition of a service ecosystem is as follows:

“A service ecosystem is a dynamic system of resource integration that explains service exchange and interaction between different stakeholders.”

5.2.1 Development of Service Ecosystem in Careem

Careem is a Dubai based company and when the CEO of Careem launched its services in Pakistan for the first time, the core business model was similar to UBER. However, Careem has the vision to become a social enterprise in Pakistan.

Careem is providing not only affordable and quality transportation services but also playing a leadership role for the country's development. (Careem Management)

Aftermarket analysis and feasibility check, Careem observed a big need amongst potential customers. There was a large number of people who can't afford a car since they are living already under the poverty line. Careem extended its business model to cover and to facilitate society moreover, to grow its driver's network. Figure 45 shows the chronological development of Careem.

Careem is just an App. with a great vision for society. But to implement the vision Careem does not have enough recourses [...] therefore, to expand their business, the role of investors and companies cannot be ignored. The real target of Careem is to explore the possibility of mutual cooperation for creating employment opportunities for youth. (Careem Management)

Figure 45 shows the chronological development of Careem. To support the drivers without a car, it is necessary to organize arrangements with the banks, SME's and local investors.

In this whole process, Careem is acting as an intermediary to expand the network by outsourcing the multiple resources. After the first big success of involving small and medium investors, now Careem is trying to make an autonomous ecosystem by involving 3rd parties.

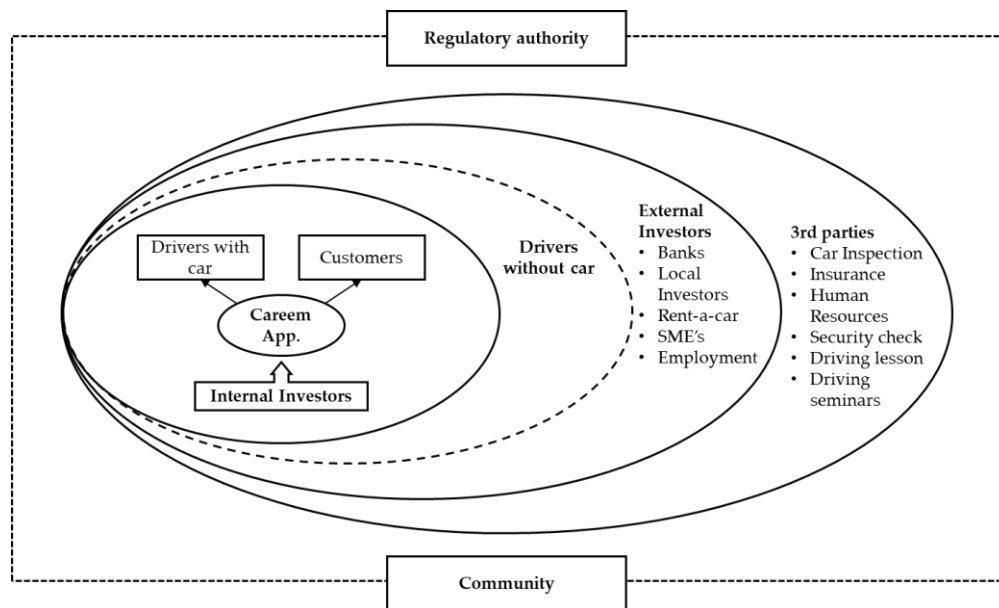


Figure 45: Chronological development of the service ecosystem in Careem

These parties are responsible for multiple functions compatible with their business nature. These functions are like safety and security check of cars, vehicle insurance, and recruitment system. This chronological order of expansion in ecosystem realized by the Careem, because of its capability to fulfill the agility. Here Careem has proven itself as a social ride-hailing service. Careem has given the chance to the multiple stakeholders to meet together that results in the evolutionary development of the ecosystem. In this whole process, Careem is acting as a core to expand the network by outsourcing the multiple resources to develop a sustainable economy.

The role of regulatory authority is similar to maintain law and order. As these authorities give direction and foster rules and regulations to ensure fair transportation in Pakistan. Additionally, the growth of Careem business is under the control of these authorities. Because ride-hailing service is directly connected with customer safety.

Our job is to enforce safety in the region, by checking the criminal record of drivers and local parties registered with Careem. (Local Police)

Figure 45 demonstrates, under the control of regulatory authority, the expansion of Careem is for the wellbeing of the community. By involving multiple stakeholders, the target of Careem is to build a healthy society.

5.3 Service Development of Careem

The results in this section are developed based on the interviews conducted with the Careem management in Pakistan. To achieve these results, we have compiled several cases and we drew the conclusions. The results show the essence of Careem and answer the question of, why Careem is more successful than UBER in Pakistan. Figure 46 shows the segments of Careem services.

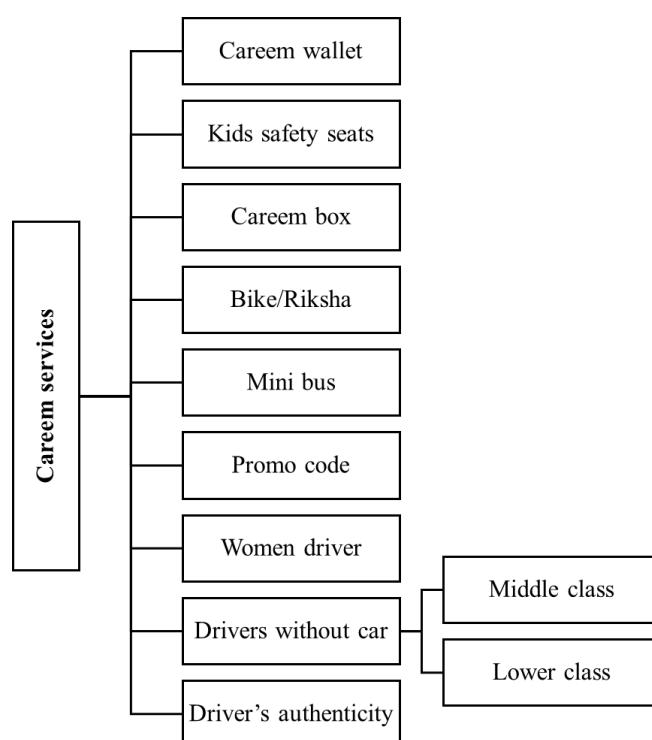


Figure 46: Service extension in Careem

The vision of Careem is to provide services to the customers that consider two dimensions. The first dimension is the extension of the Careem App to serve the country with the best services, according to customer needs. Careem extends these services by utilizing its internal resources and act as a core boundary spanner. The term *core boundary spanner* is defined as an individual who is responsible to collect all the measures of available resources to be used and have a visionary mindset. Secondly, Careem acts as a facilitative leader or as

a core boundary spanner to organize compatible match-making between two different stakeholders and encourage them to be a secondary boundary spanner. This match-making mechanism refers as resource integration. The *secondary boundary spanner* is liable to facilitate the vision of core boundary spanner by providing its own resources or skills.

Our purpose is: simplifying and improving the lives of people and building an awesome organization that inspires. (Careem, 2019h)

5.3.1 Careem App. Extension

In this section, we will explain the first dimension of Careem. This dimension makes the Careem services more reachable towards society. Pakistan is a country where people have different purchasing power capabilities. The whole community is divided into 3 classes: upper, middle and lower class. To become popular in such a society the needs of the different social classes should be addressed equally. In this part, research will explain how Careem has extended its services for the benefit of society. Moreover, this research will highlight the internal process for launching new services. This process is customer-centric and considers the whole society.

Careem fosters its departments to think independently and later on share their thoughts with others. They work in a collaborative manner and initiate the solution for the sake of economic and social growth. In the whole process of App. extension, Careem act as a core boundary spanner and resolve the issues by availing its internal resources.

Inside Careem, we have multiple departments responsible for various assignments. All the departments are connected to resolve any issue incurred by Careem. In a short time period, Careem has not only established itself but also understood the market needs. (Careem Management)

5.3.1.1 Cashless Travelling (Careem Wallet)

This service was launched, when some customers complained regarding their payment experience with Careem. It used to happen that customers paid their service charges to the drivers and the drivers were not able to give them the exact cash balance in return. The problem arises at both ends (drivers and customers). When this complaint was reported to the public relation department, Careem realized the importance of the issue and the inconvenience caused for the customer and drivers themselves.

The Careem wallet service is available for both customers and drivers. Drivers use the service to pay the remaining balance and customers can use the service to travel cashless. (Careem Management)

Then, this information was transferred to the security and IT department which is responsible for the online transaction and online billing. The security and IT department acknowledged the issue and proposed an app feature. Customers only need to charge their Careem wallet account with money and can pay Careem rides electronically. In cases where customers pay in cash and the driver doesn't have the money to give it back in cash, the Careem wallet is used. The driver can pay back through Careem wallet and customers are able to get the money on their online Careem account and use it for further rides. Figure 47 demonstrates how the cash problem has been solved with Careem wallet.

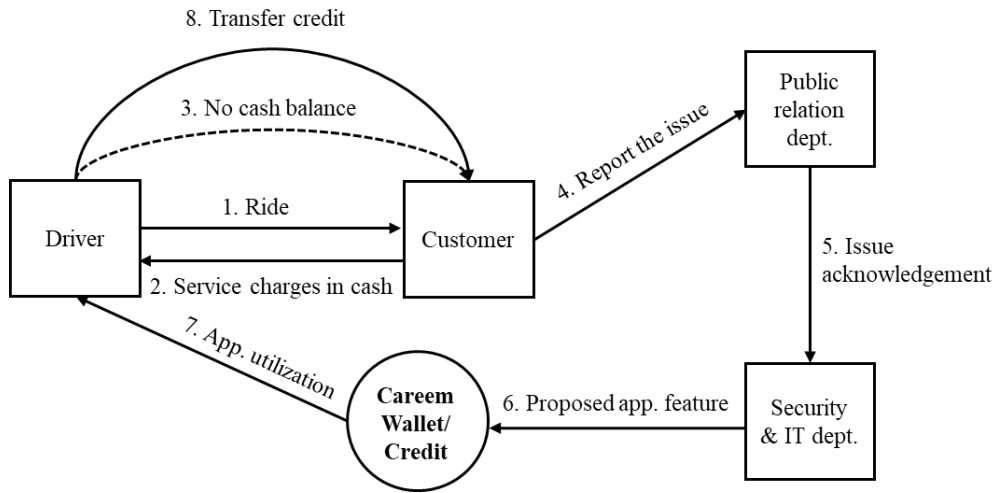


Figure 47: Service extension (Careem wallet)

5.3.1.2 Safety Improvement (Kids Safety Seats)

In section 3.6.2, we have explained this service in detail. All over the world, the safety of children has a high priority, especially in the case of public and private transport. The awareness for children safety is in Pakistan low and often neglected. Careem shows its intention to not only give awareness to the society for the kid's safety but also launched a service by introducing (optional) a seat feature for children in its ride fleet. Any customer who travels with a small child (under 10 years) can order a ride where the seat feature is available.

We are taking care of the sensitive issue regarding kids' safety. In Pakistan, there is less awareness and people ignore the importance of kid's safety seats while traveling. (Careem Management)

The quality control department is responsible to ensure the service quality during the ride. If there is an issue, these issues are reported to the strategic department. The strategic department is responsible to check the feasibility for improvement and to estimate the time that is required to launch a new service. The strategic department also gives suggestions to the product department on how to improve the service in order to solve the reported issue. The mentioned process has also been applied in case of the kid's safety service. Figure 48 shows the process diagram for kid's safety service.

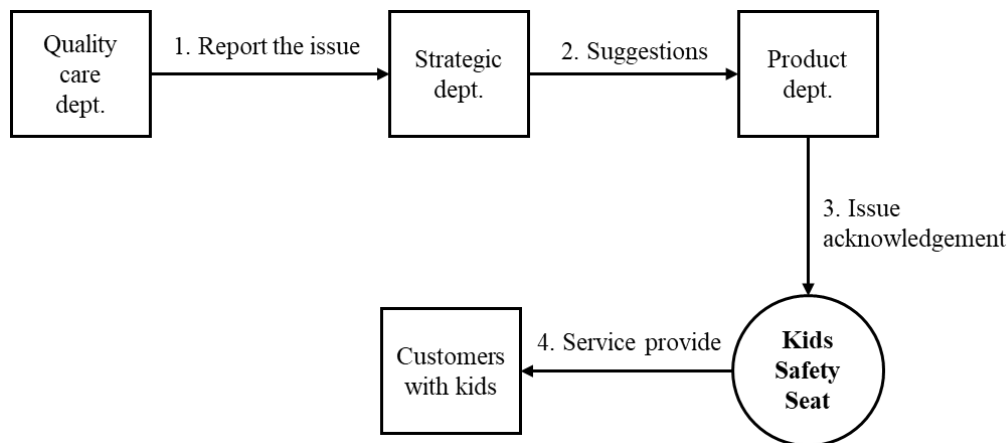


Figure 48: Service extension (Kids safety seat)

5.3.1.3 Convenient Small Parcel Service (Careem Box)

In section 3.6.3, we explained in detail the Careem box service. The initiative for the development of this service was taken by the strategic and planning department which is responsible to launch innovative services for the customers. After launching the Careem bike service, Careem bike became very popular since it is fast and doesn't require a lot of space on the road.

Careem bike is a service for the individual customer who wants to travel at minimum cost. Careem box is based on the idea to meet customer needs by exploiting the potential of the already existing service Careem bike. Figure 49 depicts the process diagram. It shows the three main reasons why people use Careem box: they forget things somewhere; they make an on-demand purchase or they require a short distance parcel delivery.

Careem has enhanced the features of bike service by launching a small cargo service for the local people. (Careem Management)

Careem launched this service with the help of the product department which developed a small cargo box. It is installed on the bikes and can be used for transportation of items which are not bigger than 45 x 45 x 45.

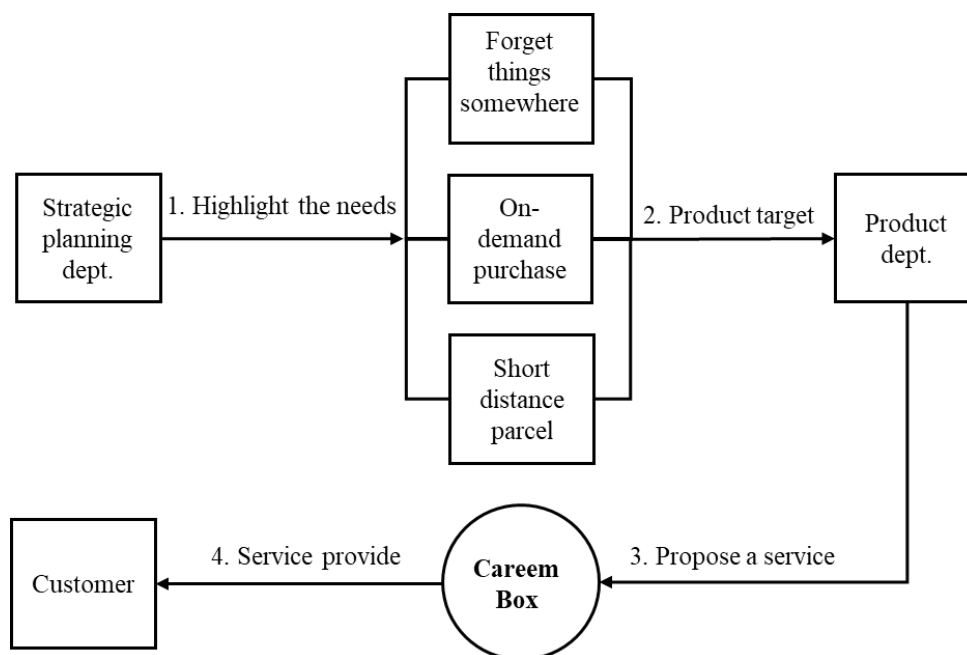


Figure 49: Service extension (Careem box)

5.3.1.4 Low-Cost Travelling (Bike and Riksha)

In section 3.3.1 and 3.3.2, we already explained the service and its benefit. Careem calls itself the people's choice of transportation service. In the beginning, the focus of Careem was to facilitate the upper and middle class of the society. However, the market analysis revealed that Careem doesn't respond properly to the needs of lower classes of the society. Then Careem started to develop services that can satisfy the needs of the lower-class people.

We have launched a low-cost service that is developed especially for the people who wanted to save traveling cost, as they are traveling on a daily basis or several times a day. (Careem Management)

Figure 50 explains the mechanism inside the Careem to launch low-cost services. As the public relation department is directly connected to the customer, their first priority is to gather

issues from the customers and to find accurate and quick solutions. After receiving the issues, the public relation officer transfers the issue to the strategic department. This department estimates how long it takes to launch appropriate services. Finally, the product department made the proposal to introduce Careem bike and Careem Riksha in Pakistan. With the launch of these services, traveling has become easy, safe, and affordable for a large population of low-income customers. Also, with the introduction of new services, Careem provided more employment opportunities to the drivers.

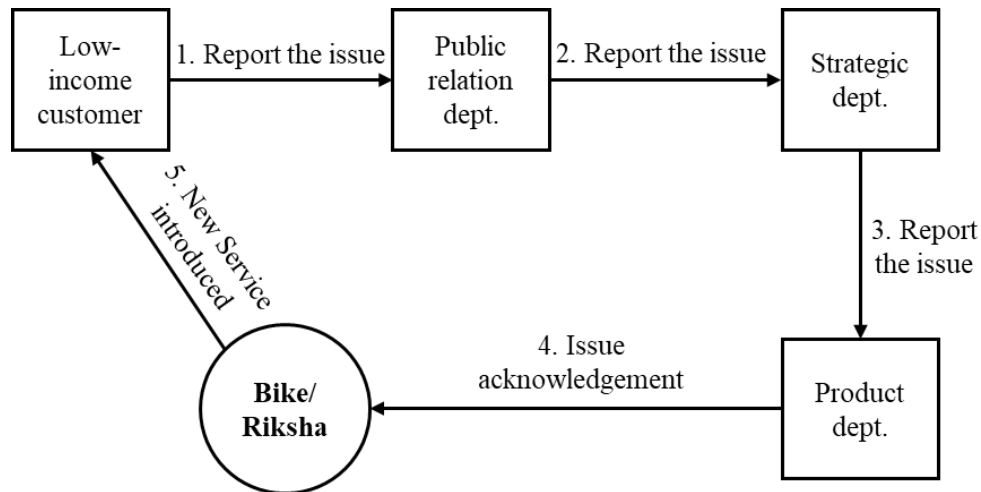


Figure 50: Service extension (Bike and Riksha)

5.3.1.5 Affordable and Environment-Friendly Ride (Mini Bus)

The mini-bus is a service which is utilized by everyone who wants good traveling at an affordable price. Careem has introduced this service to counteract the increasing pollution caused by exhaust gases. Because of ride-hailing services, many people own a car, and it causes traffic congestion.

In Pakistan, the transportation system has a bad infrastructure. Therefore, our primary task is to give relief to our customers and to provide them with a comfortable, affordable ride on demand. (Careem Management)

To overcome the environmental problem (traffic congestion and CO₂ emission) this service will be a useful solution. The strategic planning department has a significant role in the context of the launch of this service. The strategic planning department collected the proposals from the society, analyzed market trends and then drew a road map for the product department to enable them to finalize the service. And once all the necessary plans and feasibility tests

were done the service was launched. Customers can use the Careem app to make a bus reservation. The Bus service will operate a pre-defined route and can also be ordered on demand in certain cases. Figure 51 narrates the way adopted by Careem to introduce a new service.

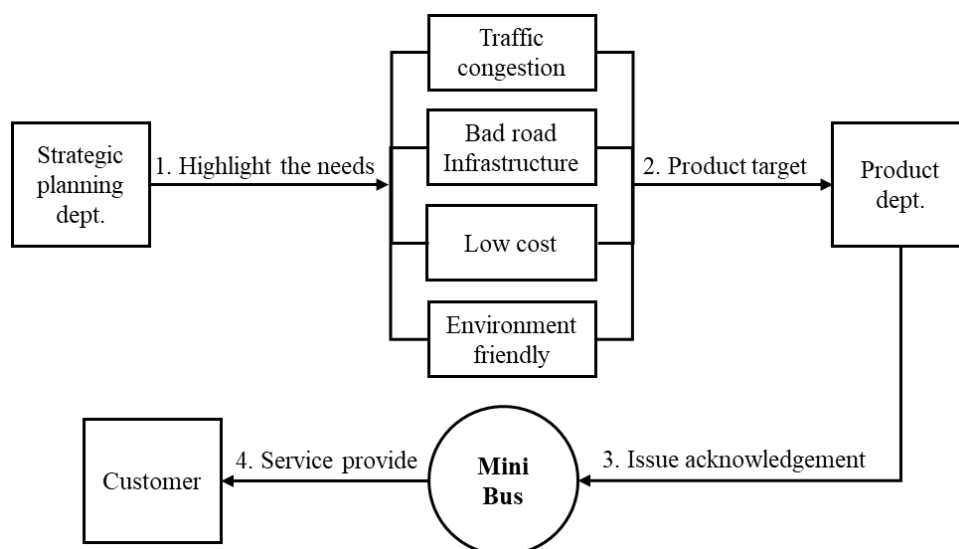


Figure 51: Service extension (Mini bus)

5.3.1.6 Discounted Rides (Promo Codes)

Promo code is a service feature that is based on a vision of Careem's CEO. Careem wants to be a social company who provides not only the opportunity to earn but also increases awareness for sharing among society. When Careem was launched for the first time in Pakistan, people were unaware of the sharing culture and its benefits that how can sharing change one's life. After the initiation taken by Careem, society gave a positive response and showed big interest to participate in the sharing culture.

The Careem platform has created the flexibility of transportation in society. Because we are strongly concerned with the social issues faced by the customers. Careem took the responsibility to ensure the protection of cultural values and the historical background of Pakistan. (Careem Management)

The young generation in Pakistan has the tendency not to participate in cultural events. Careem supports these cultural events by providing discounted rides. These rides are promoted by sending digital advertisement via SMS (Short Message Service) to its beneficiaries. By using this feature, the customers are provided with a code that is called Careem promo code. By inserting this promo code to the booked rides, Careem customers can get a discount.

Careem introduced this service after a suggestion has been given by the CEO of Careem. And this suggestion was reported to the strategic and planning department as well as to the quality care department. After receiving this input, the department figured out which events should be supported by Careem. This information has been transferred to the product department to turn this idea into a real service. One of the important events supported by Careem was the general election in Pakistan in 2018. The goal of Careem was to encourage the young generation to be active and to raise awareness regarding the importance of vote casting for their future. Figure 52 shows the overall mechanism of the development of promo codes.

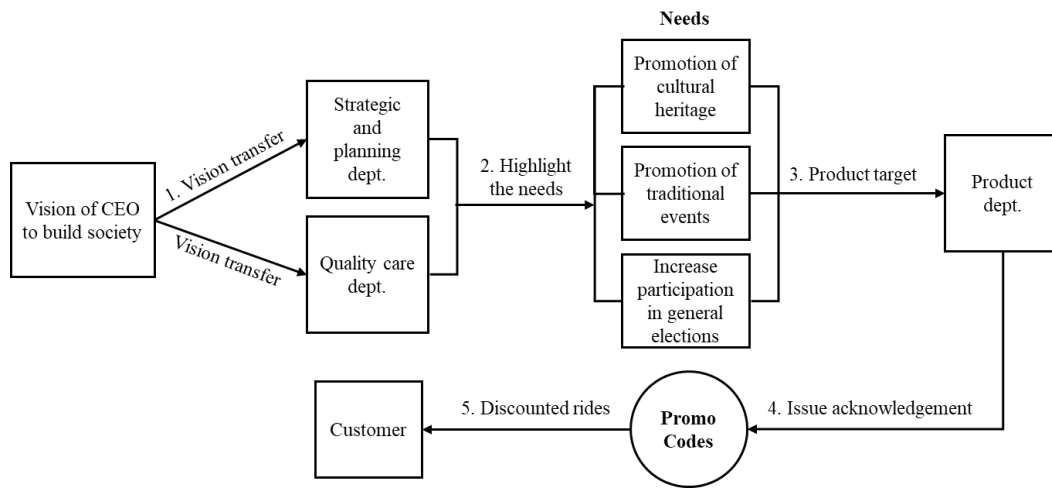


Figure 52: Service extension (Promo codes)

5.3.2 Resource Integration

Careem is a ride-hailing service and promotes the sharing culture in the society. After careful analysis of Pakistani society, Careem figured out some pattern for resources which are scattered in the society and can be reused. In our findings, we use the term *resource seeker* for those who have the ability to participate in Careem, but who do not have resources to utilize this ability. *Resource holder* is the term used for those people (individuals or companies) who have the resources and can be a part of Careem, but they need a utilizer. So, by seeing all this demand and supply proportion Careem took the responsibility to act as a facilitative leader/core boundary spanner between resource seekers and resource holders.

We are trying to combine the scale of multiple resources to facilitate the lives of more people in the region in additional ways than just mobility [...] Our mission is to help and realize the regional potential by joining hands with local allies. (Careem Management)

In the following section, we will explain the cases in detail. How has Careem created opportunities for society? And how has Careem acted as a core boundary spanner in the resource integration mechanism? Moreover, it is explained how secondary boundary spanner is created because of the core boundary spanner.

5.3.2.1 A Case of Women Driver

Woman safety and woman empowerment is the biggest issue in Pakistan. In Pakistani society, the main workforce is male dominant in all fields of life. Women are motivated to be educated and a new trend is coming where women are willing to be an active participant in the mainstream beside men.

Careem has realized that there are some cases, where women are forced to earn income for the family. As these women are not well educated, so the only option is working as labor to earn daily wages. Later, it has grasped the attention of Careem that some female customers have issues regarding safety and comfort while traveling with male drivers. Careem showed the intention to solve two main problems in society. First to empower the women and second to ensure the safety of female customers while traveling.

Our mission is to give women equal rights as men to generate a healthy income from the utilization of service opportunities and chances provided by Careem. (Careem Management)

The public relation department is the backbone of Careem since they are the one who listens and facilitates the customers. After getting the information about female safety issues, they inform the security and safety department to find a solution. Further, this department contacts the digital marketing department to advertise the need for women drivers. Moreover, to raise the awareness that women can also become Careem captain. To show respect as a responsible part of Careem, the term captain is assigned to the drivers. Besides the advertisement on different channels, Careem contacts the NGO who are responsible for providing skills and jobs to the women. The NGO raises awareness among women and provides all the necessary information regarding driving rules and regulations on the road.

I am not that much educated to work in a good company and to earn a healthy income [...] But after joining Careem, I earn far better than before, and I can raise my family with good financial support. (Woman Driver)

When these women receive all the necessary documents, they register as Careem captains. In this whole process, the public relation department of Careem acts as a core boundary spanner and because of this, another boundary spanner is created which connects Careem and women drivers that is NGO. This two-stage boundary spanning is the innovation in the service design of Careem. It empowers the society and ultimately makes Careem successful in the region. Figure 53 shows the whole process to introduce a new service provided by the female driver.

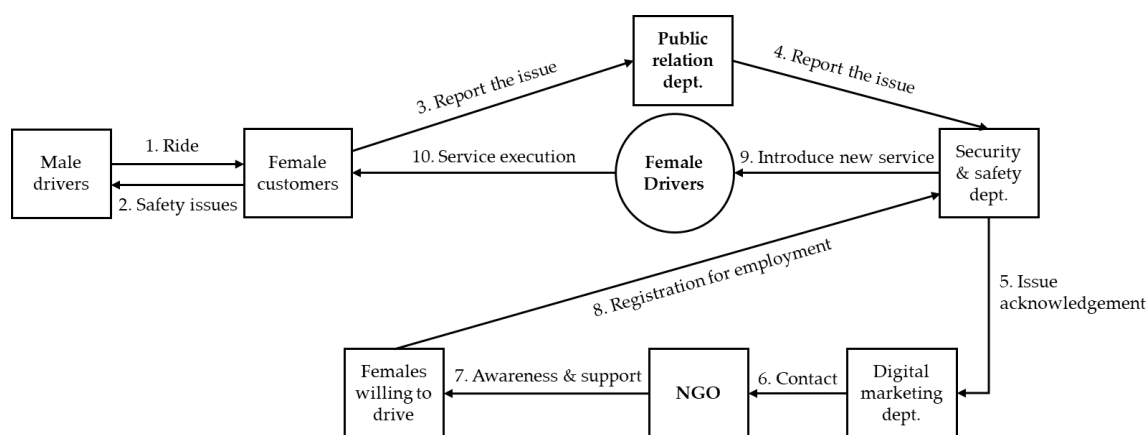


Figure 53: Process to involve female as a driver

5.3.2.2 A Case of Drivers without Car

Careem connects the society with opportunities and with resources. This applies especially in the case when a driver does not own a car. There are two cases of drivers without a car. Firstly, drivers who belong to the middle class. They have basic education and a valid driving license. Secondly, drivers who belong to the lower class. They are uneducated and do not know how to use a computer and smartphone.

- **Facilitation of Drivers without Car (Middle Class)**

In Pakistani society, the young generation is facing a problem of unemployment, or if there are jobs available then that does not match with their qualification. Careem realized the fact that there are several resource seekers who can be a part of Careem as captain. This is a good chance for Careem to penetrate into the society by arranging and collaborating with local banks and SME's. The whole process starts when a driver without a car reports the issue to the public relation department of Careem. The captain growth department further contacts the bank for collaboration. The proposal was to arrange loans and cars on leasing with easy registration and a low rate of interest.

We are trying to expand our driver's network. And to achieve this goal, we offer awareness seminars to develop an entrepreneurial mindset among individuals [...] it will help them to earn a good income as well as social status. (Careem Management)

Further, the captain growth department arranges an awareness seminar for the potential drivers with the sponsorship of investor. In the seminar, Careem introduces the resource seeker (Potential Driver) to the resource holder (Investor). And the banks provide necessary information to get easy loans on installments. Moreover, potential drivers can get in touch with investors.

Recently, we have initiated collaboration with Careem to attract trustworthy customers [...] Our main role is to sponsor awareness seminars organized by the Careem and to provide car loans and leasing on the bases of strong reference offered by Careem. (Bank)

In this case, Careem (public relation department) acts as a core boundary spanner and because of this boundary spanning, drivers can meet with the investors. And in the next stage, investors act as a second stage boundary spanner. Because of investors, potential drivers can become a part of Careem. Figure 54 shows the step by step processing of the whole transaction.

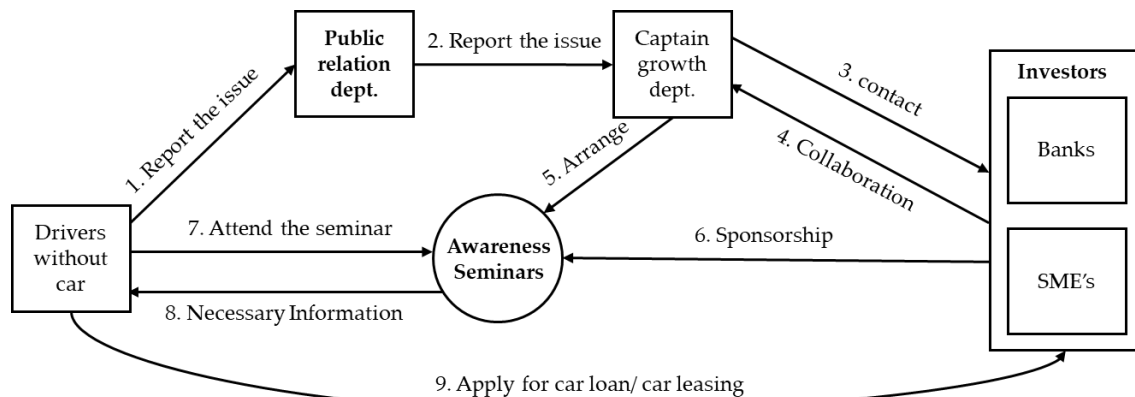


Figure 54: Collaboration mechanism with investors

- **Facilitation of Drivers without Car (Lower Class)**

This case affects most of the population in Pakistan. The main target is to nourish people who belong to a lower class of society. Since these people are not well educated, it is difficult for them to find proper jobs. One of the motives of Careem is to establish the society on the bases of equality. The process starts when a potential driver gains access to the public relation

department to become a driver but has not enough money to buy a car. After pre-examination, the report transfers in parallel to the digital marketing department and the captain growth department. The digital marketing department is responsible for the advertisement. The captain growth department is in charge of managing the inquiries and the growth of drivers.

We have found a group of people who are interested to be a captain. But they do not own a car and they have no information regarding investors and banks [...] for those people, we organize awareness seminars with the help of sponsors and investors to come-up and work together for Careem. (Careem Management)

Later on, Careem establishes a contact with a 3rd party (Rozee.pk- an online portal of Pakistan's first e-recruitment) to find a job opportunity in the country. In collaboration, Careem and Rozee.pk arrange an awareness seminar to make the connection between drivers and investors. Potential drivers and local investors attend the seminar. Figure 55 explains the case of lower-class drivers to get involved with Careem through the assistance provided by the 3rd party.

My business is mainly to provide cars on an hourly/daily basis. After knowing about the Careem business, I am delighted to provide my cars on a quarterly/half-yearly basis [...] Now, I am able to get a proper amount of money every month. (Rent-A-Car)

In the awareness seminar, Rozee.pk provides information about the way to approach local investors by using the company's online platform. Because of the participation in the seminar, local investors apply for acquiring employees and drivers apply to get employment.

I invest mostly in the real estate business and the stock market. In the real estate business, I have to make big investments. I make a profit after four to six months on an occasional basis. As the economy is unstable in Pakistan, the stock market either turns into profit or loss [...] after attending awareness seminars conducted by Careem, I am eager to work for Careem to make a stable source of income per month. (Local Investor)

Often the potential drivers do not know how to use the online platform due to a lack of education. In this case, the staff of Rozee.pk helps the drivers to develop an online CV.

We provide an online platform for job seekers and job providers [...] recently, we made collaboration with Careem to give our professional expertise for uneducated people to develop a good CV and find a suitable employer for them. (Roze.pk)

Ultimately, a contract establishes between drivers and investors. In this case, Careem acts as a core boundary spanner and in the next stage, the 3rd party acts as a secondary boundary spanner, because it helps to expand the further expansion.

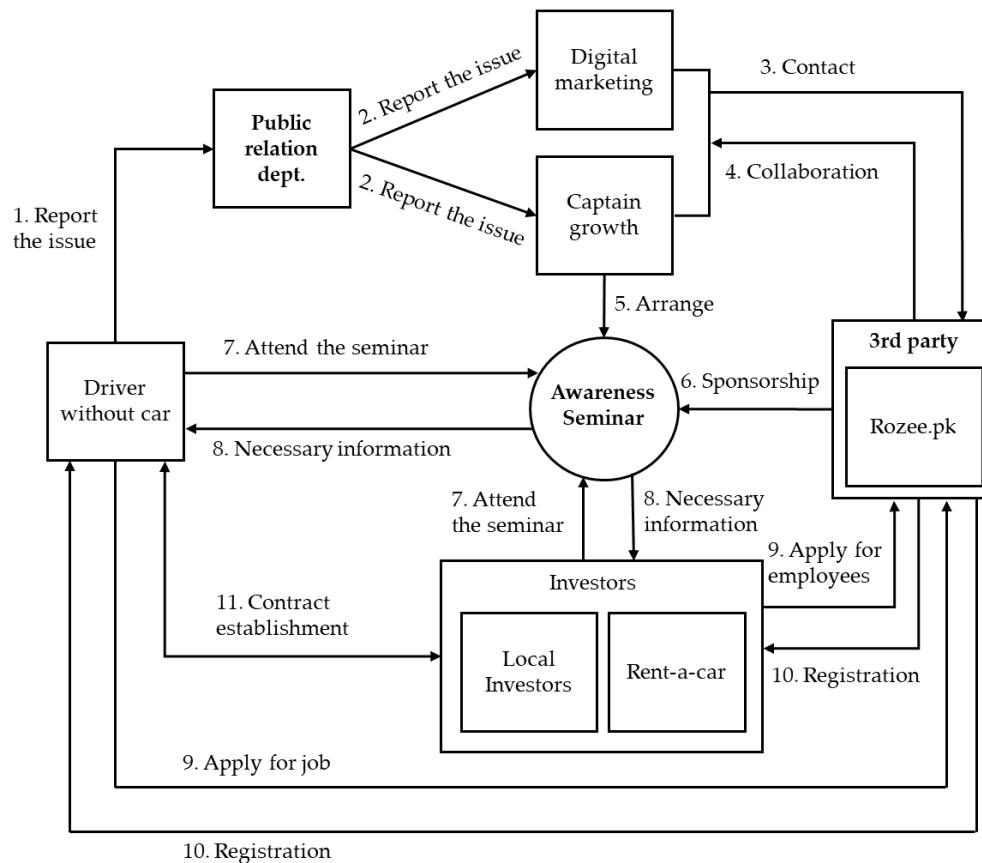


Figure 55: Collaboration mechanism with a 3rd party

5.3.2.3 A Case of Authenticity of Drivers with Car

This case is very typical and applies to all the drivers of Careem. As this particular case is for the consultancy and for acquiring the information related to driving. In Pakistan many people are unaware of 1) how to obtain a driving license, who are the responsible authorities, 2) how to get car insurance, who are providing cheap and efficient car insurance policies and 3) how to check the detailed features for car safety.

We are responsible to regulate the traffic by enforcing the traffic/road laws and issuance of driving license [...] we are liable to conduct road safety seminars for the drivers. (Traffic Police)

For reporting these issues, the general public, potential drivers and already existing drivers approach the Careem office. And in Careem office public relation officer assists them the way to resolve their issues. Careem provides very basic consultancy but if the demand for one issue is more, then public relation officer contacts and reports the issue to the captain growth department, who is responsible for all the dealings related to drivers. The captain growth department contacts the 3rd parties to collaborate with Careem for the specific issues to provide necessary information to the Careem drivers. If 3rd parties are interested to collaborate then they accept the proposal from the Careem as shown in Figure 56.

Pak wheels is the No.1 online automobile portal in Pakistan. We are known because of our in-detail car inspection and authentic car certification [...] in 2017, we started working with Careem. And it is an exciting experience to collaborate with Careem to extend Pakistan's first and only car inspection service. We are responsible to ensure the good condition of cars registered with Careem. Without our certification, no car can be registered with Careem. (Pakwheels.com)

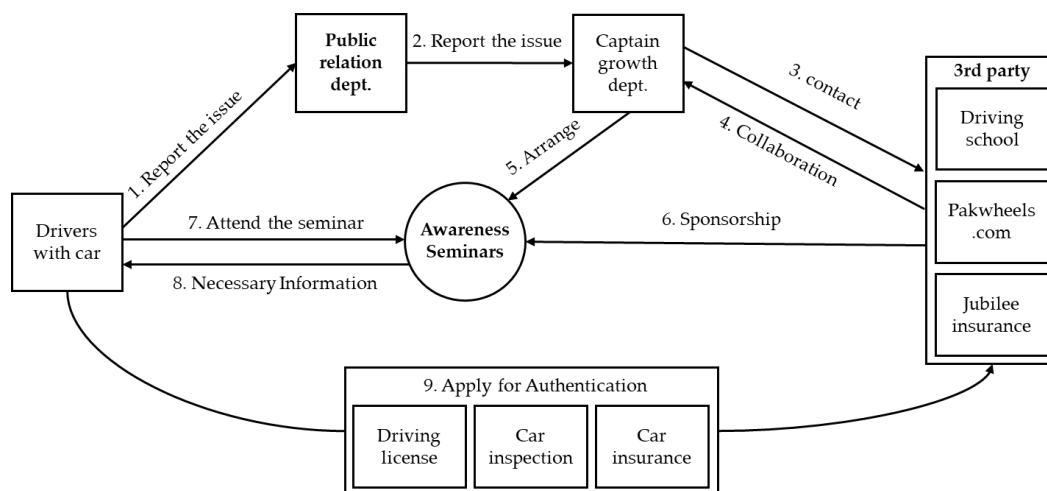


Figure 56: Collaboration mechanism with a 3rd party for authentication

Later on, the captain growth department arranges the seminar where 3rd parties sponsor the seminar. People join the seminar to ask related questions and the concerned company

provides the solution for them. By the end, drivers are able to find an appropriate solution to utilize maximum benefits.

Our vision of assisting people is to overcome uncertainty. We strive to be the best by providing values to the customers in terms of introducing road safety seminars and the importance of car insurance policies [...] Being the private sector market leader, we have developed a special policy for Careem drivers to secure their own lives as well as the passengers under an affordable circumstance. (Jubilee Insurance)

5.3.3 Illustration of Internal Mechanism of Careem

This section explains the internal mechanism of Careem to expand its services. To observe the real structure behind the offered services of Careem, it is necessary to examine the internal mechanism of service expansion. This process starts with the vision of Careem having certain goals like resolving local issues, providing job opportunities and building the society to improve the economic situation in Pakistan.

In order to achieve its goals, Careem has created a learning climate. Under the umbrella of this climate, Careem has formed an internal team to communicate with the general public, investors, and companies to accelerate the mission of Careem. The results of this climate are a culture of respect, positive interactions, motivation for learning, and a better understanding of real problems. Moreover, the key to success of this climate is freedom of thoughts (Figure 57).

In Careem, a team is formed who is responsible to listen to the voices of people [...]. We provide an environment, where everyone shares their suggestions and concerns to be considered by Careem. (Careem Management)

As a result, Careem is able to identify needs, demands and social issues faced by society. Careem has adopted a strategy of *open innovation* where Careem is not only considering internal knowledge sources, and resources of the employees but also gathers feedback and suggestions from external sources to be innovative in the market (Figure 57).

To find an appropriate solution for problems and issues, Careem departments (Care dept., captain growth dept., public relation dept., strategic planning dept.) act as a facilitative leader and report the issues to the other departments to get insights. To fulfill the requirements of the customers, the care department of Careem is responsible for the safety and quality check

of the ride services. The captain growth department is accountable for the management of the driver's progression. The role of the public relation officer is to integrate the resources dispersed in the society by listening and assisting the stakeholders (3rd parties and investors). The strategic planning department is responsible for the launch of new services which are affordable for different classes of the society. Because of all above-mentioned activities, Careem has become a social ride-hailing service. The root cause of this service evolution in Careem is the learning climate as depicted in Figure 57.

We analyze social issues by investigating the market trends and individual's needs. Our purpose is not only to earn profit but in parallel, we are growing our business by spreading awareness, an entrepreneurial mindset, and by letting the people think out of the box [...]. In my opinion, this type of thinking is novel in the developing country, but still, it is getting appreciation by the society. (Careem Management)

The core mechanism of all service expansion cases explained in section 5.3.2 and 5.3.1 are depicted in Figure 57. This illustration is the essence of Careem.

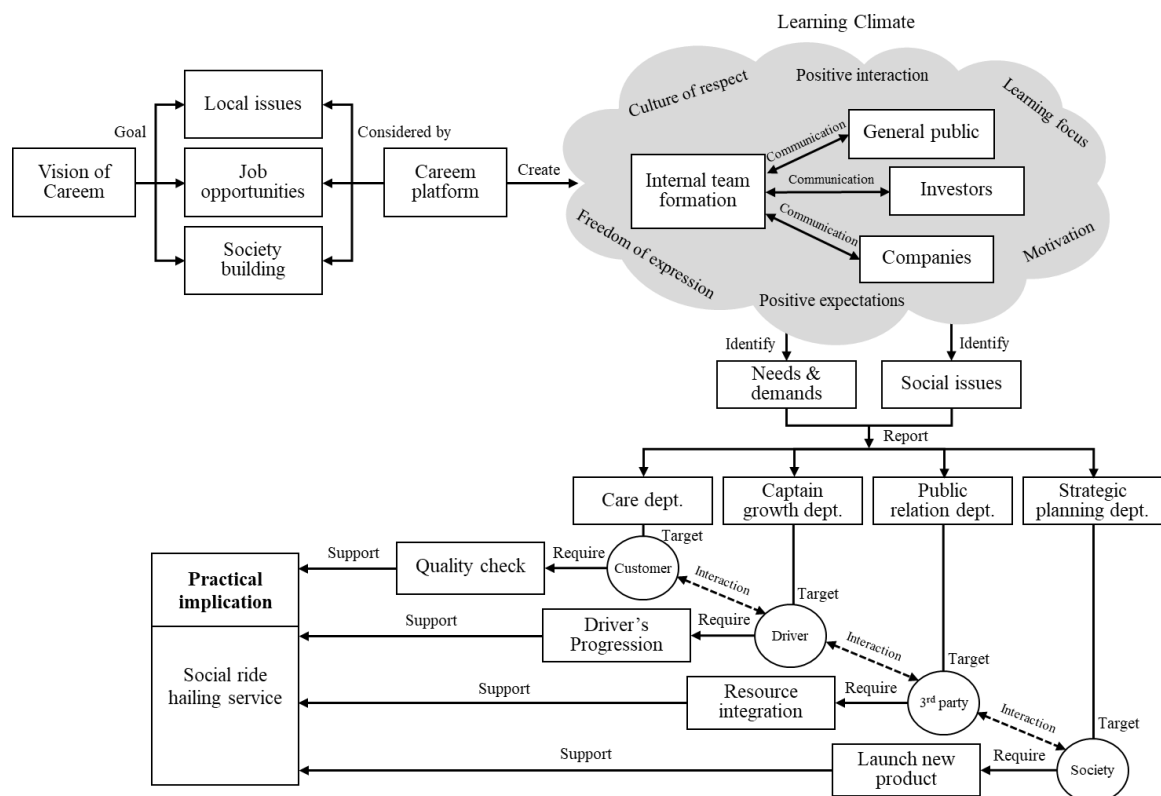


Figure 57: Internal service mechanism of Careem

5.4 Boundary Spanning

In theory about boundary spanning processes a lot of attention is given to the organizational and institutional level. A boundary spanner is an actor in the organization who has the required capabilities to span intra- and inter-organizational boundaries. Boundary spanners have a specific set of characteristics, skills, and competencies. These people contribute to the effectiveness of inter-organizational behavior. Boundary spanners have relational and interpersonal competencies which enable them to engage in relationships with other people. These capabilities are motivated by the need to interact with different people and organizations which are outside their own organization (Williams & Paul, 2002).

The boundary spanner is an actor with entrepreneurial and innovative capabilities. Complex problems in organizations typically cannot be solved with conventional approaches. People are required who are “rule-breakers” and who have a creative and flexible mindset (Williams & Paul, 2002). Boundary spanner facilitates boundary-spanning knowledge sharing.

The question arises how the difficulties in boundary-spanning knowledge processes can be addressed. There are two directions. One direction is to approach the issue from a social perspective by investing in the management of the relationship between people. A second perspective addresses the challenge with boundary objects (Hislop et al., 2018). In this research boundary spanning is defined as:

“Boundary spanning is the mechanism to link an organization’s internal resources with external resources by making collaborations to facilitate the flow of knowledge across the boundaries.”

5.4.1 Boundary Spanning Mechanism of Careem

This section explains the distinct feature of Careem in terms of boundary spanning mechanism. Initially, Careem started its business in the UAE, where people have enough resources to collaborate with each other by themselves. But, to penetrate in the economy of a developing country, re-shaping of the service was necessary. Therefore, Careem entered Pakistani society with a vision of learning climate as an input.

Learning climate is comprised of several factors like the culture of respect, positive interaction, focused learning, freedom of expressions, positive expectations, and motivation.

The purpose of this learning climate is to realize the local needs, find compatible solutions and to give social awareness. It is normally considered that when there is a learning climate then people feel free to express their needs and expectations. In Careem, this learning climate helps to realize the social issues prevailing in the society through positive interactions. This learning climate is an input that initiates the process of resource integration in Careem (Figure 58).

The process of boundary spanning explains the construction or creation of a subsystem of the service ecosystem that begins from the requests reported by the (prospective) drivers or passengers. The requests are gathered by Careem. Then Careem implements the request as a new matching option in their application. This is the first step considered by Careem. If the implementation is not successful, because of limited resources, then they transmit or co-creates the request with a third actor, which implements it as new business transactions or contracts. Here Careem has introduced the concept of business matching to join hands with many stakeholders for the benefit of the society.

The target of Careem is to expand the circle of stakeholders. Careem is providing a platform for individual companies to come together and share the benefit. (Careem Management)

Throughout the process, Careem acts as a facilitative leader and develops an entrepreneur mindset among the stakeholders to expand their skills and expertise by sharing resources. A *facilitative leader* is an individual who supports and develops a culture of respect at the workplace to strengthen the ability for further growth. Figure 58 shows that, in total, there are three implementation paths of request reported.

1. Dealing between Careem and drivers or passengers (app. matching).
2. The path between drivers and third party (business matching).
3. Interaction between the third party and passengers (business matching).

The output is generated in terms of business matching. Where Careem acts a core boundary spanner because it provides a platform to all the stakeholders to meet. And the public relation officer collects all the requests and issues from the public. Then as per the nature of the issue, further collaborations are developed. Public relation officer acts as a role of match-

maker to resolve the problem as early as possible. Here Careem has adopted a volume business strategy, which explains the vision of Careem to expand its business network to facilitate drivers by offering them job vacancies. *Volume business* term is used mostly in bulk trading case, but in the case of Careem, this term has the meaning towards increasing the number of drivers to meet the demand and supply ratio in the society. Under the learning climate, Careem initiates the services as a first-level boundary spanner. But for joining resource seekers with resource holders, it is necessary to expand the boundary. So, for resource integration Careem has succeeded to create a second level boundary spanner through collaboration.

We are collaborating with individual companies that help us to strengthen the service model of Careem. By involving the 3rd parties, Careem is able to get a motivated workforce. 3rd parties act as supporting-hand of Careem to guarantee the car inspection and security check for the customers. (Careem Management)

And in the age of open innovation, two-level boundary spanning is the most effective way to reach sustainability. Figure 58 demonstrates the output of boundary spanning mechanism in terms of business matching. Three social issues are considered mainly to explain the concept.

5.4.1.1 Initiative for Women Empowerment

Section 5.3.2.1 demonstrates that Careem has realized the issue of safety with female customers. And the best possible solution they found is to introduce a service provided by female drivers. To implement the solution, Careem required human resources (females who are willing to drive). Here Careem played the role of boundary spanner and made collaborations with NGO to resolve the issue. NGO provided social awareness to the females to earn for themselves and played the role of second-level boundary spanner.

5.4.1.2 Initiative for Drivers without Car

Section 5.3.2.2 explains that in conventional ride-hailing services, they hire drivers who own the cars. The purpose of the *conventional ride-hailing service* is to provide on-demand taxi service to the customers. But in Pakistan, there are many people who are low income and cannot afford to buy cars. Careem realized the issue and to expand its network, Careem acts as a core boundary spanner to collaborate with the banks. They granted car loans or cars on

leasing to the drivers to make their earnings. Moreover, Careem organized recruitment seminars by collaborating with Rozee.pk (second level boundary spanner) to give awareness to the drivers regarding new market trends.

5.4.1.3 Initiative for the Authenticity of a Driver

Section 5.3.2.3 illustrates that to maintain safety on the road it is necessary to have certification in terms of car insurance, regular car inspection, and valid driving licenses (Figure 58).

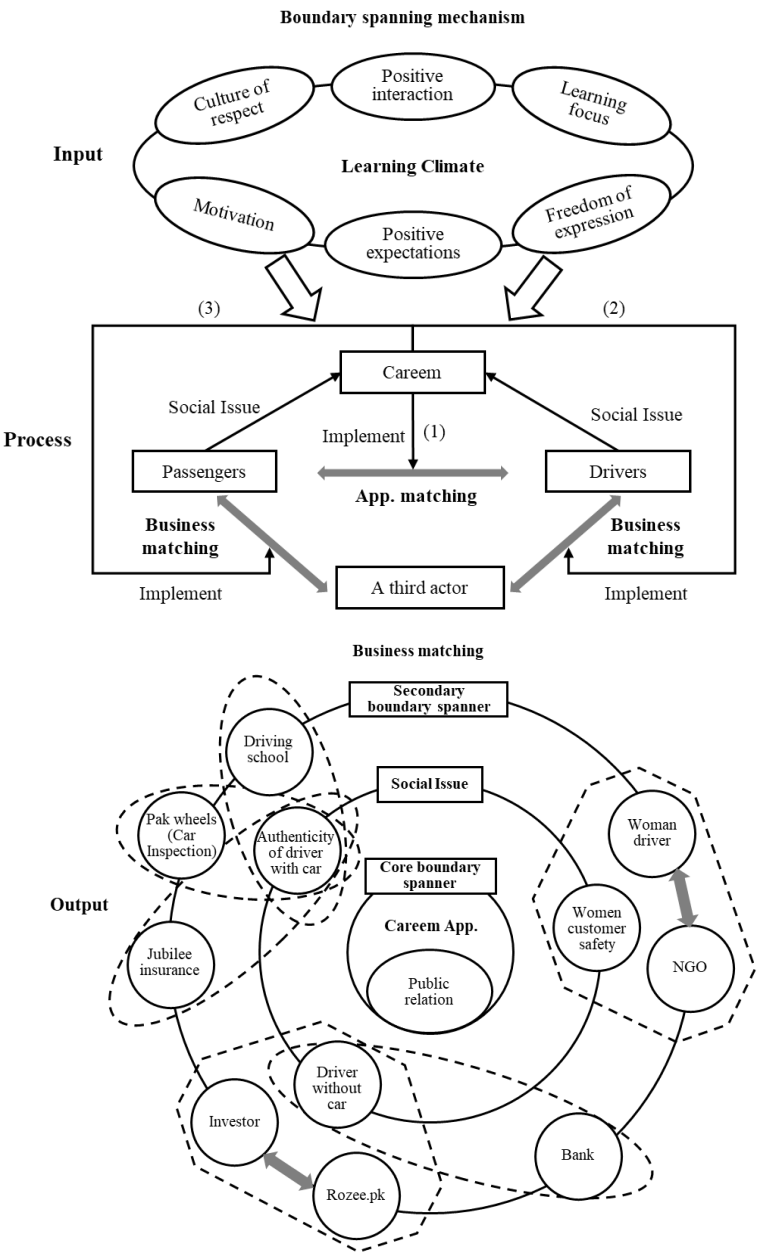


Figure 58: Boundary spanning mechanism in Careem

Careem (core boundary spanner) grasped the issue and to resolve the issue, collaborations were made with Jubilee insurance company, Pakwheels for car inspection, and driving schools to give awareness to the drivers regarding the road rules and regulations. These companies are the second level boundary spanners that help Careem to create learning instances for the drivers and customers. The role of Careem in business matching is very important. Because to match the same nature of resource seekers and resource providers is a challenging task for Careem towards sustainable consumption. And this factor makes Careem a social ride-hailing service.

5.5 Summary of Research Findings

Service System

- The service system of Careem is a sub-system that elaborates the connections between multiple parties/stakeholders involved in a service transaction. Regulatory authorities provide the check and balance to ensure the safety of the citizens.
- The essence of the service system of Careem is that all stakeholders interact with each other to develop a strong community.

Value Creation

- The Careem platform tries to develop a common interest among the actors involved in a service transaction. It results in the creation of unique values with deeper involvement of the parties involved. This interaction ends up with the satisfaction attained by the concerned parties.

Value in Use

- In the case of conventional ride-hailing services, the focus is mainly to get economic benefits. However, Careem has the vision to create social benefits in parallel with economic benefits for the involved parties.
- Careem follows a system of value transfer among service actors. The value transfer process is initiated with the aspirations/motivations that come from the community in terms of feedback.

Service Ecosystem

- Careem has an extended feature that makes it distinctive from other ride-hailing services. That feature is a chronological development of the service ecosystem. To expand the resources, Careem is trying to expand its service network by making collaborations with companies, banks, and other investors.
- The essence of the service ecosystem of Careem is to create a big matching mechanism among the resource seekers and resource providers to extract more values.

Service Development Cases

- As discussed earlier (section 5.3), Careem has brought a social vision into Pakistani society. The efforts of Careem contribute to social development. Careem management has recognized two big differences in the social classes: poor and rich. The middle class has already been considered in the business model of UBER.
- Ride-hailing services go along with a prominent change in the public transportation system. People who were affected by bad infrastructure were poor. These people have no money, but they wish to travel with comfort and peace of mind. For them, Careem has extended its services to improve the lives of the users. Now because of Careem, transportation is affordable, safe and the waiting time is reduced.
- The greatest achievement of Careem is to bring different stakeholders together at one platform, to mitigate the social problems prevailed in the society. Careem has succeeded to raise awareness in society, to let them know the ways to change their life by availing different resources. Table 21 depicts the services offered by Careem with the explanation of the implemented features that became the success factors of Careem in the Pakistani economy.
- Careem has provided a huge work opportunity for the people who claim that they don't have a good social status. As these people don't have a good income there is a barrier to invest in them as they are poor. This goes along with trust issues within the society. Careem has given them opportunities to participate and to become a part of the sharing economy.

- Ultimately the society is getting direct benefits because of the services offered in terms of the service app extension and resource integration.

Table 21: Summary of services offered by Careem

No.	Services offered by Careem services	Implemented features	Success factors of Careem
1	Careem wallet	Cashless ride	Service extension
2	Safety seats	To ensure kids safety	
3	Careem box	Quick parcel deliver	
4	Bike/Riksha	To facilitate low income customers	
5	Mini bus	To avoid traffic congestion	
6	Promo code	Discounted rides	
7	Female driver	To assure women safety	Resource integration
8	Drivers without car	Part time/full time work opportunity	
		Awareness seminars	
9	Driver's authenticity	To ensure car safety	
		Validation of driving license	
		Road safety seminars	

Boundary Spanning

- Careem has introduced two-level boundary-spanning activity in its network by which Careem is able to reach the root level resources. To gather different stakeholder for sharing resources, Careem has provided a platform. Through the boundary-spanning activity, Careem has initiated the step towards gathering scattered resources.
- By creating a learning climate, Careem has identified a mechanism to realize social issues.
- Careem act as a facilitative leader to promote resource matching concept among stakeholders either internal or external. Acting as a core boundary spanner Careem has set up an entrepreneur mindset to enable second-level boundary spanner.

6. CHAPTER

THEORETICAL MODEL AND ITS IMPLICATION

Introduction

This chapter explains the major findings by answering the research questions raised at the beginning of the research in a summarized form. And finally, all the findings are concluded to support answering the major research question. A theoretical framework is developed at the end that explains the concept of the learning organization as an essence of Careem. This chapter contains the points of discussion raised during the research to realize the practical implication of this research in the field of service science and knowledge management. In short, this chapter is about the complete story of the research work from the beginning to the end with a major contribution of research.

6.1 Answers to the Research Questions

All the findings extracted in chapter 5 are summarized in the form of answers to the subsidiary research questions. And finally, the fusion of all answers states the result of the major research question as explained in the following sections.

SRQ1: What is the business model of Careem?

The business model of Careem is comprised of two findings: service network and service transaction mechanism explained in section 5.1.1.1 and 5.1.2.1. In Careem, the service network consists of internal and external actors who participate in order to contribute to the ride-hailing service. The actors are drivers, customers, investors, 3rd parties, regulatory authorities and Careem itself. Each actor has to fulfill a specific role in the network. Careem plays the role of an intermediary in this system by connecting the different actors and ensuring that each actor can perform properly in order to contribute to the service network.

The business model of Careem is innovative as compared to the conventional ride-hailing services because of its strategic measures to improve the financial and social well-being of the actors involved. Careem involves multiple stakeholders to its business model as partners by giving them insights to work for a common goal of society building by sharing the benefits. Careem has expanded its network to accommodate the drivers without a car and to facilitate these drivers Careem collaborates with investors. And this overall collaborative culture makes

Careem an innovative ride-hailing service with the capability to involve different stakeholders from the society.

SRQ2: What is the value flow in the business model of Careem?

It is important to understand the perspective of four groups in order to explain the value flow from the business model of Careem: service facilitator (internal investor, external investor, 3rd parties), service providers (Careem), service executer (drivers), and service utilizer (customers) as explained in 5.1.3.1.

Service facilitators provide values in terms of society-building and money circulation. They support individuals and enable them to collaborate with Careem. The values originated from the collaboration with local and global investors enable Careem to increase its workforce. From a service provider perspective, the values originated are an increased trust and social capital between the individuals. The reason for these values is the transparency of Careem which is ensured through different controlled mechanisms. The values originated from the service executors are to increase their social status, as many drivers are from low-income households. So, Careem is creating work opportunities for them. The service utilizers are the main beneficiaries of Careem services as they get attractive pricing, trust, reliable service, and safe transportation.

The value flow of Careem is at advanced level compared to conventional ride-hailing services and there are multiple findings to support it as: 1) Careem involves multiple stakeholders to expand its network to build a healthy community, 2) All the groups of stakeholders are getting aspirations from each other to be motivated and to grow further their skills and expertise, 3) Regulatory authorities are responsible to define the rules and regulations under the government directives. As Careem has a deeper understanding of the Pakistani society and the local issues raised, so, Careem is more concerned with the validation of the personal information and supporting documents provided by the drivers. This makes Careem a more trustworthy and transparent ride-hailing service.

SRQ3: How has Careem evolved its business model?

This question refers to the chronological development of the service network explained in section 5.2.1. Careem is an agile organization which managed to adapt to the environment

and the circumstances in order to further develop its service system. Careem started its business by providing an app that connects drivers and potential ride-hailing customers.

The goal of Careem is to resolve social issues in the region. As a first step, Careem launched its services by using its internal resources. After observing the market trends and social needs, Careem realized that there is a big potential in the society that can be utilized. People are motivated to participate in the sharing economy but because of limited resources, they are unable to utilize their skills and expertise. On the other hand, there are people who have the resources but do not have the knowledge regarding the best way to make use of their resources. Against this emerging issue, Careem has arranged a platform to unite the resource seekers and resource holders. By doing this, Careem has promoted the collaborative culture and elevated the sharing awareness among people. Finally, Careem has achieved the goal to become a social ride-hailing service by contributing to the wellbeing of the community.

SRQ4: What is the internal mechanism of Careem to develop a social ride-hailing service?

As discussed in section 5.3.1, 5.3.2, 5.3.3, Careem has incorporated the idea to resolve social issues existing in the society by providing a platform where people can fulfill their demands and needs. As Careem has a deeper understanding of localization of the services, this makes Careem different from other ride-hailing services. *Localization of services* is a process where any new service must be adapted to the needs and preferences of the society and cultural norms.

Careem as a ride-hailing service provides a comfortable and affordable ride to its customers and also expands its driver network by offering job opportunities to build a healthy society. As a success factor, Careem has created a learning climate with a positive environment of sharing thoughts, where all stakeholders (internal and external) meet together. Under this climate, Careem has enabled itself to be accustomed to the social needs and compatible solutions. By this initiative, Careem has identified the social requirements of the society, and to improve the issues, Careem acts as a facilitative leader. As a core boundary spanner, Careem motivates all the stakeholders to get benefits from the sharing culture by participating and strengthening Careem. Ultimately, Careem has arranged a platform for the resource seekers and resource holders to meet and collaborate for further expansion of Careem to be a social ride-hailing service.

SRQ5: What makes Careem social ride-hailing service?

Careem has succeeded to transform from a conventional to a social ride-hailing service by creating a new business structure. This structure contains multiple concepts in it. The concepts that make Careem a social ride are as follows:

Section 5.4.1 explains the first concept that was initiated when Careem extended its business from Dubai to Pakistan. Careem came with a vision of resolving local issues and for this Careem created a learning climate to facilitate general public, investors, and companies. This climate aided Careem to understand the issues deeper and to grow efficiently. In this learning climate, Careem promotes the culture of respect in the sense of listening to everyone and to show a positive intention regarding other's opinions. This climate enables and motivates the actors (employees, drivers, customers, and all stakeholders) to be focused on one common goal and to have a positive expectation from the others. Freedom of thoughts helps the climate to think beyond the market issue but also to the social issue. Ultimately, this climate pledges the feeling with each other to have a positive interaction and to share a common vision of Careem with the goal to grow and to get benefits together.

The second concept introduced how Careem acts as a facilitative leader and provides a vision of success to the stakeholders to expand their business by sharing the skills and knowledge with others. Careem plays a facilitative leadership role and combines the individual stakeholders to one platform to contribute to one common and shared vision to increase the social benefits.

The third concept appeared when Careem constructs an individual's thinking to "be your own boss" and start thinking like an entrepreneur. Careem enables the thought of self-employment among people and the possibility to earn extra income by sharing resources. Careem gives awareness to the stakeholders regarding the incorporated issues, highlights the solutions and arranges the possible ways to involve many participants. The goal of Careem is to establish an entrepreneurial culture that allows employees to learn from exploration and experimentation that encourage them to think independently to develop their own ideas.

The fourth concept familiarized when Careem acted as a core boundary spanner and created a secondary boundary spanner through collaboration. Because of this, Careem reached to the root level resources and by promoting those resources a new innovative service system

was created. In Pakistan, there are many stakeholders who have many resources that are unutilized. Careem has created a matching mechanism to establish more values. Careem has formed a bridge in the society being a source of awareness, work opportunity provider, and an investment target. In short, Careem has introduced an advanced two-level boundary spanning in the age of open innovation.

6.2 Summary of the Research Questions

Figure 59 explains the summarized form of answers to the research questions. The conventional part of the figure shows the traditional description of the concept. However, the social part represents the innovative measures taken by Careem to become social ride-hailing service.

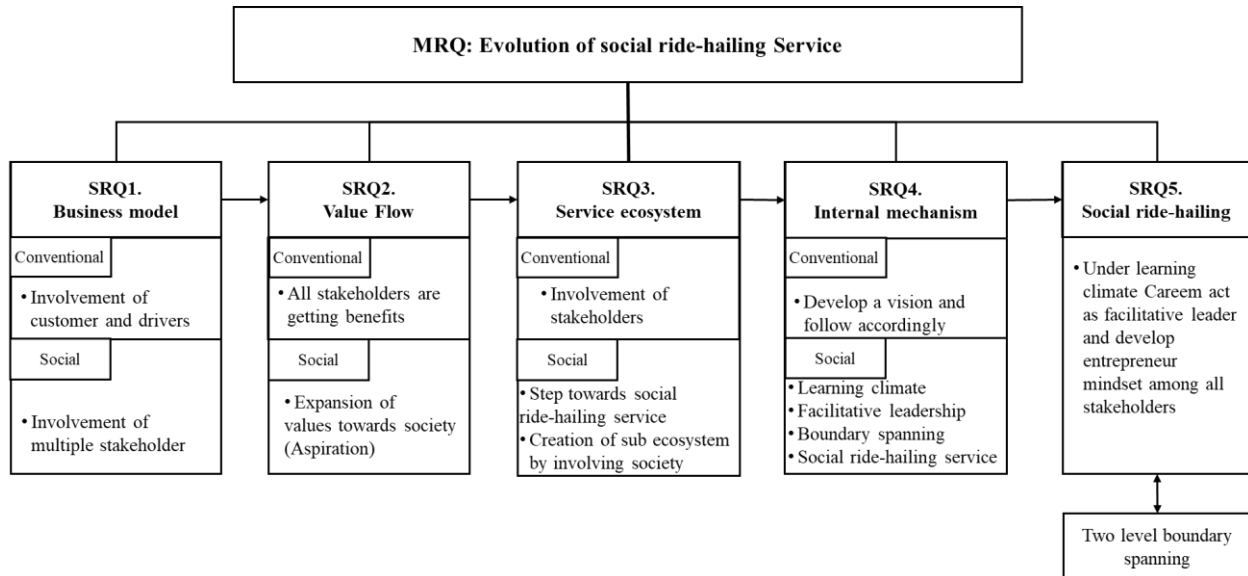


Figure 59: Summary of research questions

6.3 A Theoretical Framework of Learning Organization

A learning organization can be explained as follows: it has the capability to learn continuously from the internal and external environment to transforms itself. Learning is embedded in individuals, groups, organizations, and communities. It results in variations of customs, knowledge, beliefs, and behaviors (Watkins & Marsick, 1993). There are two main types used to explain learning organization: adaptive learning and generative learning. These two types of learnings are explained by many authors in different contexts. In chapter 2, the concept and relevant literature regarding learning organization are explained. In adaptive learning people analyze current situations and adapt their behavior according to the situation to mitigate the

problem they experienced. It generally follows the notion of cause and effect. It can be referred to as survival learning for any organization because it helps an organization to solve the current challenges for better survival in the market. However, generative learning requires a shift in the thoughts of the learners to create and innovate things. It can be considered as learning that emphasizes the modification of the core causes of any problem. To be a learning organization the combination of these two types of learning is preferable (Senge, 1990). This study defines the concept of learning organization in Careem using the following perspective:

“A learning organization has the ability to change its course of action and learn across organizational structures, processes and human competencies. Moreover, these organizations support the knowledge exchange between the individuals and groups to gain new insights.”

6.3.1 Development of the Learning Organization Concept and its Role in Careem

Based on all the research findings explained in Chapter 5, a theoretical framework is developed to explain the concept of learning organization in the context of Careem. The framework is developed based on the literature review and interviews conducted with Careem management as evidence to support the findings. In Careem, the CEO has the vision to promote its employees by giving them self-awareness and capabilities to resolve any issue in a collaborative way. This is important because an organization attains the ability to learn through the experience of individual members, and the learning capability depends on the skills they have. Because of this initiative, the CEO tried to have a genuine and objective view of the problems and feasible outcomes in the organization. The CEO of Careem transferred his thoughts to the group of people in his organization to develop a common vision that is a prerequisite for innovation.

To compete successfully in the Pakistani market the focus should be on solving local problems, be quick and flexible, hire awesome people, get local allies, discover a purpose for looking after the well-being of society. (Careem 2019h)

As explained in section 5.3.1 and 5.3.2, Careem has individual departments that act as a facilitative leader and identify the issues related to service app. extension and resource integration. Furthermore, they resolve the issues by collaborating with other departments to launch a new service. Ultimately, in Careem there is no fixed route to resolve any issue, but every department takes the responsibility to propose the solution.

Literature shows that to be a learning organization, it is necessary to have two types of learning within the organization: adaptive and generative learning. But there is no research that described the transition from adaptive learning to generative learning. This study has examined from the interviews that three types of learning are involved in Careem to make the service platform successful. These types are adaptive, generative and systemic learning (as shown in Figure 60). Systemic learning mainly shows the switching phase that is necessary to be triggered to attain generative learning.

6.3.1.1 Adaptive Learning

Adaptive learning explains the situation where people try to observe their surroundings and adapt their behaviors according to the real situation in order to mitigate the gap between their expectations and the outcomes. However, this research defines adaptive learning as follows:

“Adaptive learning is a state in which, an organization follows a centralized conventional approach to survive in the market. In a challenging situation, there is a fixed route to address the issue.”

According to Senge (1990), adaptive learning is known as survival learning because it takes place within established thinking patterns of any organization. Adaptive learning can be achieved if we follow the thinking patterns of other organizations. In the case of Careem, they adopted the ride-hailing model from UBER and conventional taxi services.

In Pakistan, the transportation system has a bad infrastructure. Therefore, our primary task is to give relief to our customers and to provide them with a comfortable, affordable and on-demand taxi service. (Careem Management)

Figure 60 demonstrates the adaptive learning of Careem as it provides the ride service to the customers by getting the expertise from the drivers and technical support from the internal investors. It follows the same pattern as developed in conventional ride-hailing services. And for better survival in the market, it was necessary for Careem to adopt in a first step the conventional mechanisms of ride-hailing services.

6.3.1.2 Generative Learning

Generative learning can be explained as the reformation of the basic causes that generate the problems. And in any organization, there can be multiple causes for any problem. Generative learning occurs only when people concern about something. This research defines generative learning as follows:

“Generative learning is a state in which, an organization integrates the existing knowledge with the past experiences and new information from the market to innovate services/products.”

Generative learning assumes that individuals should question rules and operating norms instead of only focusing on how to fix or avoid current problems (Argyris & Schön, 1974). It is the integration of current knowledge with the experience of any organization. In the case of Careem, the app extension is the combination of experience and the latest insights. However, Careem is providing extra services to enable stakeholders through resource integration. By acquiring the leadership role and establishing a learning climate, Careem allows individuals, groups, and organizations to think out of the box to expand the service network by collaborations.

To achieve generative learning Careem follows a de-centralized working approach to develop a spontaneous system for addressing the issue. And to tackle the challenging situation it is important to have a shared vision among the actors involved. It takes time to develop a shared vision since this is a process that can only emerge if members of the organization exchange individual visions, for example through dialogue. A prerequisite for this dialogue is that members feel free to express their opinion and to accept and listen to the opinion of

other people. According to Senge (1990), a shared vision connects people by creating a common identity. Hence, a learning organization can't exist without a shared vision. This shared vision is necessary to be innovative.

The Careem platform has created flexibility in public transportation. As we are strongly concerned with social issues not only for the customers but also for the growth of drivers. Furthermore, we are making collaborations with other stakeholders towards innovation by sharing the same vision as Careem. (Careem Management)

Figure 60 depicts the generative learning cases in Careem. There are mainly two ways that are adopted by Careem to be creative in the ride-hailing market. One is by modifying the service app. Where social issues are reported to Careem by using the approach of establishing a shared vision they come up with a feasible solution and the implementation is done by Careem. The second way is the integration of resources. Sometimes there is a social problem that is reported to Careem but due to resource limitation, Careem can't solve the problem at once but still acts as a core boundary spanner. Careem interacts with external stakeholders that act as a secondary boundary spanner. This interaction is necessary to get a proper solution for the problem incurred. As a result of this interaction and collaboration, Careem is able to expand its network as well as resources to implement the best solution for the problem.

Careem has reformed the social issues by developing a shared vision among the internal and external stakeholders to identify the cause of problem incurred. Careem collects multiple viewpoints from the stakeholders to generate a practical solution. In the case of resource integration, Careem combines the two different actors or parties for a common goal. The key point in this whole process is that if the selected partners are accurate and have commonalities with Careem then, new knowledge will emerge. So, Careem has taken the responsibility to find a perfect match of resource seekers and resource holders to participate in sharing culture.

6.3.1.3 Systemic Learning

Systemic learning is a process of learning and development which refers to system-wide learning that effects or relate to a group or whole system instead of its individual members. The insights which are gained, are put into action and transferred to other individuals or teams. The essence of Careem lies in the shift of mind: instead of linear cause-effect chains, interrelationships are important. As per Careem interviews, the process of change is the matter rather

than just a snapshot. It signifies the thinking in control loops and recurring context. This research defines systemic learning as follows:

“Systemic learning is a state that accelerates an organization’s conventional way of thinking towards a shift of mind to generate values that constitutes business and social activities.”

Figure 60 narrates the mechanisms of control loops in terms of the innovation of social orientation in parallel with market orientation. *Market orientation* is the process that starts with analyzing the market trend, then designing the organic structure to find the most feasible solution. Here, the phase of strategic planning initiates. These days in the service economy decentralization is the upbringing concept. This means that the strategy is not set directly by the management. It is a bottom-up process in which various people from the company are involved. Then the management considers feedback from the people and decides the next steps. After examining the viable plan structure, the process ends up with an examination of the practical implementation. This process is just like a loop that continues until the organization comes up with the best possible solution.

Most of the organizations are trending their products/services based on market orientation. But Careem is different because it has added a process of social orientation to the market orientation. It has developed a process of learning and development inspired and engineered through empowerment and leadership that can be explained as *social orientation*. Careem became successful in the market because of its capability to build the society.

We analyze social issues by investigating the market trends and individual’s needs. Our purpose is not only to earn profit but in parallel, we are growing our business by spreading awareness, an entrepreneurial mindset, and by letting people think out of the box. In my opinion, this type of thinking is novel in a developing country. But still, it is getting appreciation by the society. (Careem Management)

After analyzing the market trends, the focus of Careem is to create a *learning climate* (where everyone is welcome to share his/her opinion comfortably to identify and address their limitations). After creating a learning climate, Careem develops an in-depth investigation of

the social issues prevailing in the society under the created climate. Subsequently, by evaluating the social issues, Careem is playing the role of a *facilitative leader* (an individual who supports and develops a culture of respect at the workplace to strengthen the ability for further growth) for setting up an *entrepreneurial mindset* (a state in which, people are able to create opportunities by observing the surrounding and turn an idea into action). This mindset enables them to collaborate and share the values among the society. On these bases, Careem is re-shaping its service transactions (as shown in Figure 60).

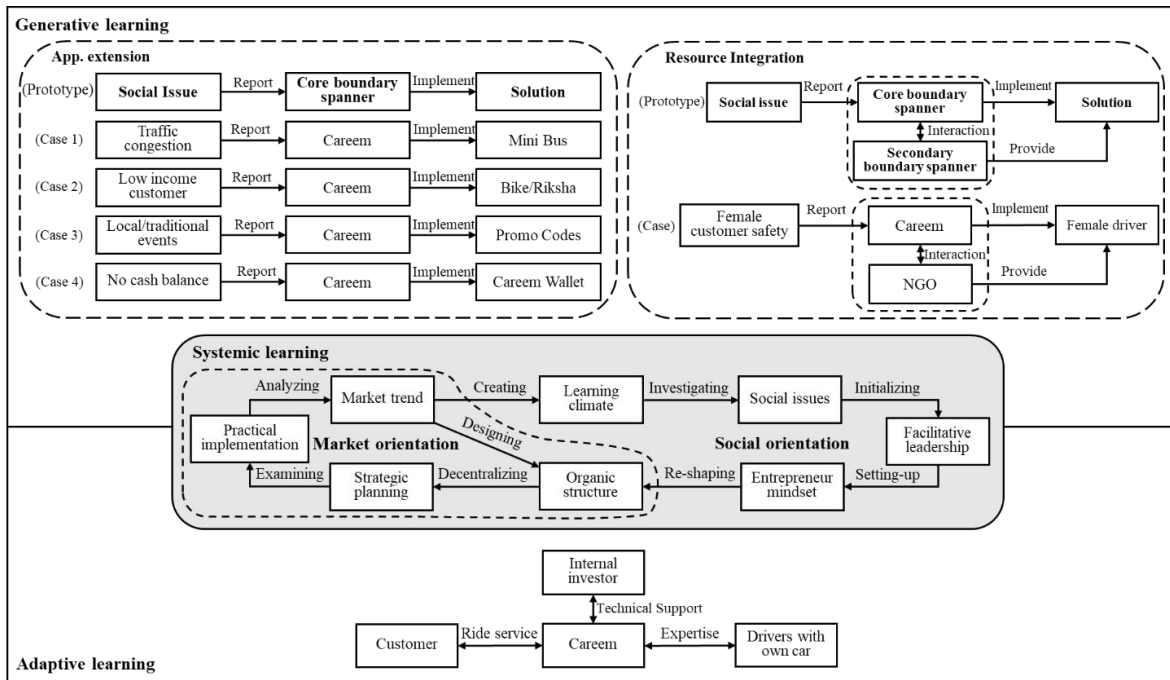


Figure 60: Learning organization concept in Careem

For reshaping the *organic structure* (an arrangement of human resources or departments with specialized skills which interact horizontally in an organization), Careem has adopted *decentralized strategic planning* (an approach in which an organization involves the entire workforce for decision making). Careem listens to the voices of internal and external stakeholders under the learning climate to address a maximum of the existing issues. By involving 3rd parties as external stakeholders, Careem has extended its network to develop a service ecosystem. Acting as a facilitative leader, Careem has introduced a learning environment to the actors of a service ecosystem for acquiring and sharing knowledge. The management of knowledge in Careem leads to the development of a *spontaneous switch system* (a trigger point in the double loop learning process). This system accelerates the organization to move

from adaptive learning state to generative learning state. Figure 60 depicts the theoretical framework of learning organization in Careem.

MRQ: How has Careem evolved from a conventional to a social ride-hailing service?

The evolution of Careem initiates with the survival learning which considers that the structure of Careem is not so much different than other ride-hailing services. Subsequently, Careem adapted its business model to the local customs and needs in Pakistan. With the consideration of local issues, Careem has extended the app. features and its network. Careem provided job opportunities to the local people to mitigate the problem of unemployment by involving multiple stakeholders.

The mission of Careem is not only to make profits but to improve people's life. Careem started with a specific business model which evolved over time. The business model has been adapted and changed to satisfy the needs and norms of the local culture in the region. The key to success is the constant development of the business model from adaptive to generative learning and to achieve this, Careem has incorporated systemic learning as a switching phase. The social perspective embedded in market orientation, introduced by Careem is based on collective intelligence, coordinated action, dialogue and discussions among the team members and the society. By adopting the culture of learning from others, Careem became a social ride-hailing service.

Careem successfully implemented a process that consists of social orientation in combination with market orientation. Careem has a service network consisting of different actors, who contribute to the success of Careem. By providing a healthy learning climate and facilitative leadership, Careem supports individuals and groups to think out of the box aiming to expand the service network. A prerequisite for generative learning is a shared vision and people within the organization who are involved need to be willing to take responsibility for their actions and goals. This results in innovation since individuals are able to question norms and rules instead of focusing on how to resolve current problems. Careem has the ability to expand continuously its network to provide its customers with the best solution for their problems.

From a knowledge management perspective, Careem can be referred to as an organization that incorporated the idea of learning. Careem as a learning organization has the ability to change its behavior based on the knowledge that has been acquired. The essence of Careem

as a learning organization is the adaptation of inter- and intra-organizational matters. As the environment is very complex these days, Careem has realized the significance of step by step learning on trial and error basis.

7. CHAPTER

CONCLUSION

Introduction

This chapter concludes the overall discussion of this study. Which depicts how has Careem evolved from a conventional ride-hailing service to social ride-hailing service. Careem is not only a market-oriented company but can also be regarded as a social enterprise that contributes to the wellbeing of society in a developing country. This research depicts the service system of Careem as a whole. That explains how the sharing economy can be established in developing countries in two folds: 1) for the benefit of the enterprise itself to maximize profit and 2) for the society which has specific needs.

7.1 Conclusion with Discussion

Careem has developed a strong community. What makes Careem special is the fact that the company brings together different classes of society in one network. This supports the mitigation of social problems in society. This is of high importance in a developing country like Pakistan. That has many people who are economically vulnerable respectively have a low income and hence a low social status. In comparison to other ride-hailing services, Careem enables people, who can afford a car and those who can't afford a car to become Careem driver. Moreover, Careem supports people in finding investors. Recognizing cultural barriers and finding solutions for local markets are two of the biggest strengths of Careem. Finally, Careem has proven itself a successful market leader by introducing a social orientation perspective to its business model.

This research concludes that to become a social ride-hailing service there are several concepts that Careem has incorporated in its business model show as follows as:

Re-shaping of Service

We are living in the era of the sharing economy which is spreading across the boundaries. With the evolution of the service economy, this research concludes that Careem as a social ride-hailing service has revealed a great focus on the entrepreneur mindset, making social collaborations by investing in cross-boundary businesses, and finally the growth of the service ecosystem. It is considered that the sharing economy has the capability to shape our future,

and it is expected that all the re-shaped sharing services will exist in the background. Careem has taken the initiative towards reshaping of sharing economy in developing country like Pakistan.

Agile Nature

Nowadays agility is the key to success in order to survive in the long term. Careem can be regarded as an agile enterprise since Careem has the ability to learn and to further develop as a social organization. In comparison to its rival UBER, Careem has established a unique service network by involving different actors that pro-actively contribute to the business model of Careem. In this loosely coupled network, knowledge is generated and shared among the whole community.

Creating Shared Value

This study demonstrated that the business model of Careem incorporates various aspects of shared value creation. The example of Careem in Pakistan shows how Careem approaches the Pakistani market from an outside-in perspective. Careem is an enterprise that seeks to deeply understand the societal challenges and the problems of its customers. This is an ongoing activity. Over time the management gained a deeper understanding of the challenges of the Pakistani society. Careem has departments that constantly monitor the needs of society and develop new services to meet these requirements. Hence, Careem is an enterprise with a high awareness of the social needs. A typical example of a service which is based on societal needs is women drivers in Careem. Soon after entering the Pakistani market the Careem realized that driving alone is still a safety issue for women. Therefore, the concept of female drivers has been introduced. In this constellation all parties can benefit from an economic and societal perspective: women are able to work and to achieve a good income, female customers receive a service that meets their needs with respect to safety and Careem can generate profit.

An important element of creating shared value is the involvement of different stakeholders. The various actors involved in the network support Careem in leveraging its business. An example of how this support works in the collaboration between Careem and individual companies, which provide drivers without a car with loans to buy a car (banks) or with cars (external investors). This partnership goes along with several benefits for all parties. Their benefit is a job opportunity and the chance to achieve a healthy income.

Learning Climate

Careem has introduced a new perspective of sharing thoughts to resolve social issues occurred in the society. This perspective is called “Learning climate”. In this climate, all stakeholders are involved and discuss the new ideas. Learning climate constitutes of positive interactions, the culture of respect and freedom of expression. Under this climate, people are motivated to express their opinion/idea to find a feasible solution for a common cause.

Facilitative Leadership

Facilitative leadership in Careem refers to the ability of individual departments to develop people around them and motivate them to learn further. Managers as a leader promote a vision and share information about the enterprise to keep the employees informed. Moreover, Careem managers encourage employees to learn at different levels to achieve the common vision of the company with a purpose to make collaborations outside the organization.

Entrepreneurship

Acting as a facilitative leader, Careem enables all stakeholders to build an entrepreneur mindset. Careem gives awareness regarding the issues, highlight the solutions and arrange the possible ways to involve many participants in its service network. Employees who have an entrepreneurial mindset have the ability to see customer needs, make proposals accordingly and generate ideas which are beneficial for the enterprise. The goal of Careem is to establish an entrepreneurial culture that allows all stakeholders to learn from exploration and experimentation that encourage them to think independently for developing their own ideas.

Learning Organization

The prominent role of Careem as a learning organization is to introduce learning dynamics in society. The majority of learning organization theories start from the assumption that innovation starts from the stakeholders within the enterprise who interact with parties outside the enterprise, such as partners or customers. However, the case of Careem shows that it needs to be refined what a learning organization constitutes. Careem’s success is not only based on the traditional inside and outside view of the company, rather Careem focuses on the social

interaction of actors. In short, Careem has promoted the culture of market orientation in parallel with a social orientation to integrate the past organizational knowledge with emerging trends. There are some key points of Careem as a learning organization mentioned as follows:

- The traditional view of a learning organization is *closed innovation* (intra-organizational knowledge) but Careem has introduced a new type of learning organization offered to the public that is *open innovation* (inter-organizational knowledge).
- The essence of Careem as a learning organization is the adaptation of inter and intra organizational matters. As the environment is very complex these days, Careem has realized the significance of step by step learning on trial and error basis.
- The central theme of the learning organization in Careem is systemic learning. Learning is something that takes place between individuals, hence understanding the interaction between actors inside and outside the organization is crucial. An important distinction in order to explain how Careem evolved into a learning organization is the concepts of systemic learning. As it has a switching behavior it enables Careem to accelerate its activities according to the market and social needs.

Two Level Boundary Spanning

The development of the ecosystem of Careem occurs in different stages. This shows how Careem evolved over time. It started its business model by involving drivers and customers and expanded it step by step. First, by involving investors and then by collaborating with the third parties. This makes the social aspect of entrepreneurship visible. By involving internal and external stakeholders, Careem not only positively contribute to its own profit but also involves large parts of the society that have no or limited access to resources.

Careem acts as a core boundary spanner between resource seekers and resource holders. Resource seekers are those who have not enough resources. Resource holders are those people who have the money and the power to invest. As a social ride-hailing service, Careem has contributed to developing an advanced level of boundary spanning by creating second-level boundary spanner. The role of second-level boundary spanner is to provide support and strength to Careem for further growth by sharing resources.

7.2 Future Considerations of Careem

Among many good things there are few things which should be considered by Careem in future:

- Since Careem is providing good work opportunities and healthy incomes, it is an attractive employer. Therefore, many people are joining Careem as drivers. On the other hand, the road infrastructure in Pakistan is not in good condition. This results in increased traffic congestion and contributes to environmental pollution. Hence, there must be some advanced precautions to deal with this issue. Careem launched the mini bus service which can transport more people than a car at the same time. However, this is not a satisfactory long-term solution. Since Careem is a part of the cause of this situation, it is necessary to find new ways and solutions to help solve the problems.
- Careem must constantly recruit drivers to continue growth. Currently, Careem is able to acquire enough people who are willing to become Careem drivers. The question is whether there will be possible staff shortages in the future and what plans and strategies Careem have to deal with this situation.
- Since Careem has been acquired by UBER the question arises how Careem's future strategy and ecosystem will be influenced by UBER. For example, Careem is known as a good partner for drivers providing a good income package. In the beginning, UBER also gave good incentives to its drivers but currently UBER reduced all these incentives and drivers are not happy.

7.3 Suggestions for Future Research

This research results in two-level boundaries spanning that have a great focus to create sub-ecosystem. In the future, the same concept can be investigated with a more advanced mechanism by developing a framework that can be tested in other sharing services.

Currently, the outcome of this study is three learning levels. And this research explains that systemic learning is the key to transform survival learning to generative learning. In the future, it can be exemplifying systemic learning by considering other service cases.

Recently, Careem has acquired by UBER. The deal consolidates that Careem will keep operating its services independently under the leadership of its CEO. As per news headlines,

both companies will integrate parts of its network soon. As future research, it will be worth observing to see the impact of Careem as a learning organization to UBER.

In conclusion, Careem proved itself as a social ride-hailing service and Uber acquired Careem to expand its business model by providing better services in the region of the Middle East, Pakistan, and Egypt. This is a very big success of Careem. Careem needs resources, UBER needs a better system to work in developing countries. So, by acquiring Careem, UBER will increase its market-share, moreover, it will expand the further chance to develop.

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rants

LIST OF PUBLICATIONS AND PRESENTATIONS

Learning Organization as a Core Process in Development of Social Ride-hailing Service: A Case of Careem in Pakistan

Paper Published in Journal

- **Javaid, A.**, Javed, A., and Kohda, Y., (2019) Exploring the Role of Boundary Spanning towards Service Ecosystem Expansion: A Case of Careem in Pakistan, Sustainability (MDPI), 11, pp. 1-27, Published, doi:10.3390/su11153996. International Conference Proceedings
- **Javaid, A.**, Javed, A., and Kohda, Y., Exploring the Role of Learning Organization to Improve Sharing Economy in Developing Countries: A Case Study of Ride-Hailing Service in Pakistan, International Journal of Knowledge and Systems Science (IJKSS), Under review, IGI Global, (2019).

International Conference Proceedings

- Javaid, A., and Kohda, Y., Exploring the Role of Service Eco-system in Developing Countries: A Case Study of Ride Hailing Service in Pakistan, The 9th International Conference on Applied Human Factors and Ergonomics: Human Factors, Business Management and Society, Oral, Reviewed, pp. 282-292, Proceeding published by Springer Publishing Group, 21-25 July 2018, Orlando, FL, USA.
- Javaid, A., Kurjakovic, S., Masuda, H., and Kohda, Y., An Ontological Approach to Digital Service Innovation by Using Cloud Services in Small and Medium-Sized Enterprises (SMEs). The 5th International Conference on Serviceology, Oral, Reviewed, pp. 224-233, Proceeding published by Springer Publishing Group, 12-14 July 2017, University of Vienna, Vienna, Austria.
- Javaid, A., and Kohda, Y., Selection Criteria of Sharing Accommodation: Host-Guest Relationship in Airbnb. The 4th International Conference on Serviceology, 6-8 September 2016, Oral, Reviewed, pp. 32-39, Proceeding published by Springer Publishing Group, Shibaura Institute of Technology, Tokyo, Japan.
- Javaid, A., and Hisashi, M., Effect of Social Promotion for Customer Choice in the High Mobility of Mobile Phone Market, The 5th International Conference on Applied Human Factors and Ergonomics: Advances in The Human Side of Service Engineering, Oral, Reviewed, pp. 123-135, July 19-23, 2014, Krakow, Poland.

APPENDIX A. (2017)

Interview Questions (Careem Management)

General questions:

Q: What is the working mechanism of the services of Careem?

Q: What distinguishes Careem from UBER?

Q: What is your opinion about the future of Careem?

Specific questions:

1. Operation manager

Q: What is your specific role in the Careem organization?

Q: What are your target investment areas?

Q: What are the criteria to select a potential client or investor?

Q: What are the current issues faced by Careem?

Q: What sort of media are you using to advertise the services of Careem?

2. Public relation officer

Q: What is your specific role in the Careem organization?

Q: What is your opinion about the business model of Careem?

Q: How do you identify the needs of potential and existing customers?

Q: What are the criteria to select a potential driver?

Q: How do you deal with a specific or critical issue?

3. Safety and security officer

Q: What kind of risks does Careem face?

Q: How do you measure or avoid risks?

Q: What is the mechanism to ensure customer safety in Careem?

Interview Questions (Careem Drivers)

General questions:

Q: What is your age?

Q: What is your occupation?

Q: What is your educational background?

Q: Which city you are from?

Q: When did you join Careem as a driver?

Q: What is the reason to work as Careem captain?

Q: What is the procedure to accept or reject a ride request?

Q: Have you registered your own car in Careem?

Q: Is it necessary to have car insurance in Careem?

Q: Are you working full time or part-time?

Q: How many rides do you take per day?

Q: Do you have specific criteria that you need to achieve (per day) in order to get a bonus?

Q: What kind of issues have you encountered with Careem customers?

Q: Are you satisfied with your job?

Q: Would you recommend others to become a Careem driver? (Please specify the reason for yes/no)

Research Questionnaire (Careem Customers)

Dear Respondent,

I am conducting academic research on sharing service and the impact of ride-hailing services in Pakistani society. It will be a pleasure for me if you spend your precious time in filling the questionnaire as per your opinion about the ride-hailing services.

1. Have you ever used the Careem ride-hailing service?

- a) Yes
- b) No

2. How often do you use Careem in one week?

- a) 1-2
- b) 3-4
- c) 5-6
- d) 7 above

3. Please select your age

- a) Under 25
- b) 26-35
- c) 36-45
- d) 46 above

4. Please select your gender

- a) Male
- b) Female

5. What is your occupation?

- a) Student
- b) Businessman
- c) Company employee
- d) Government official
- e) Others, please specify _____

6. What factors attract you to choose Careem?

- a) User-friendly app.
- b) Quality service
- c) Safe transportation
- d) Affordable price
- e) Others factors please specify _____

7. What is your preferred ride-hailing service?

- a) Public transport
- b) Careem
- c) UBER

APPENDIX B. (2017)

Interview Questions (UBER Management)

General questions:

Q: What is the working mechanism of the services of UBER?

Q: What distinguishes UBER from Careem?

Q: What is your opinion about the future of UBER?

Specific questions:

1. Business development and sales

Q: What is your specific role in the UBER organization?

Q: What are your target investment areas?

Q: What are the criteria to select a potential client or investor?

Q: What are the current issues faced by UBER?

Q: What sort of media are you using to advertise the services of UBER?

2. Community operations

Q: What is your specific role in the UBER organization?

Q: What is your opinion about the business model of UBER?

Q: How do you identify the needs of potential and existing customers?

Q: What are the criteria to select a potential driver?

Q: How do you deal with a specific or critical issue?

3. Safety, security and insurance

Q: What kind of risks does UBER face?

Q: How do you measure or avoid risks?

Q: What is the mechanism to ensure customer safety in UBER?

Interview Questions (UBER Drivers)

General questions:

Q: What is your age?

Q: What is your occupation?

Q: What is your educational background?

Q: Which city you are from?

Q: When did you join UBER as a driver?

Q: What is the reason to work as an UBER driver?

Q: What is the procedure to accept or reject a ride request?

Q: Have you registered your own car in UBER?

Q: Is it necessary to have car insurance in UBER?

Q: Are you working full time or part-time?

Q: How many rides do you take per day?

Q: Do you have specific criteria that you need to achieve (per day) in order to get a bonus?

Q: What kind of issues have you encountered with UBER customers?

Q: Are you satisfied with your job?

Q: Would you recommend others to become an UBER driver? (Please specify the reason for yes/no)

Research Questionnaire (UBER Customers)

Dear Respondent,

I am conducting academic research on sharing service and the impact of ride-hailing services in Pakistani society. It will be a pleasure for me if you spend your precious time in filling the questionnaire as per your opinion about the ride-hailing services.

1. Have you ever used the UBER ride-hailing service?

- a) Yes
- b) No

2. How often do you use UBER in one week?

- a) 1-2
- b) 3-4
- c) 5-6
- d) 7 above

3. Please select your age

- a) Under 25
- b) 26-35
- c) 36-45
- d) 46 above

4. Please select your gender

- a) Male
- b) Female

5. What is your occupation?

- a) Student
- b) Businessman
- c) Company employee
- d) Government official
- e) Others, please specify _____

6. What factors attract you to choose UBER?

- a) User-friendly app.
- b) Quality service
- c) Safe transportation
- d) Affordable price
- e) Others factors please specify _____

7. What is your preferred ride-hailing service?

- a) Public transport
- b) UBER
- c) Careem

APPENDIX C. (2018)

Interview Questions (Careem Management)

General questions:

Q: What is the reason behind the success of Careem?

Q: How is Careem expanding its business?

Q: What is your opinion about the future of Careem?

Specific questions:

1. Operation manager

Q: Who are the current partners of Careem?

Q: What are the criteria to establish collaborations?

Q: What are the current challenges for Careem?

Q: How do you monitor the service implementation of Careem?

2. Public relation officer

Q: How to register a complaint regarding the issue?

Q: What is the strategy of Careem to attract more customers?

Q: What kind of risks does Careem face?

3. Strategy planning officer

Q: What is your specific role in Careem?

Q: What is the strategy to expand the driver's network?

Q: How do you identify the needs of a customer/driver?

Q: What is the best way to achieve a customer-oriented service?

4. Product manager

Q: What are the criteria to introduce a new product/service?

Q: What is the mechanism to improve a product/service?

Q: How do you evaluate the success of products/services?

Interview Questions (Careem Drivers)

General questions:

Q: What is your age?

Q: What is your occupation?

Q: What is your educational background?

Q: Which city you are from?

Q: When did you join Careem as a driver?

Q: What is the reason to work with Careem?

Q: What is the difference between full time and part-time work in Careem?

Q: What is the salary difference?

Q: How many rides are necessary to take per day?

Q: Do you have the flexibility to select if you want to work part-time or full time?

Q: Is there any salary bonus?

Q: What is the impact of the customer's rating on your salary?

Q: What is your general impression of Careem?

Q: Are you satisfied with your job?

Q: Would you recommend others to become a Careem driver? (Please specify the reason for yes/no)

Research Questionnaire (Careem Customers)

Dear Respondent,

I am conducting academic research on sharing services and the impact of ride-hailing services in Pakistani society. It will be a pleasure for me if you spend your precious time in filling the questionnaire as per your opinion about the ride-hailing services.

1. Have you ever used Careem ride-hailing service?

- a) Yes
- b) No

2. How often you use Careem in one week?

- a) 1-2
- b) 3-4
- c) 5-6
- d) 7 above

3. Please select your age

- a) Under 25
- b) 26-35
- c) 36-45
- d) 46 above

4. Please select your gender

- a) Male
- b) Female

5. Your opinion about Careem:

Questions	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
a) Careem App is user-friendly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Careem cars have good condition.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Careem captain use the best and fastest route.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) In the Careem app, I can see the route that I am driving in real time.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Careem captains follow the rules and regulations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) I feel safe while travelling with Careem.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Careem drivers are familiar with local roads.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) The profile of the Careem captain helps to book the ride.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Careem has a better price-performance ratio than other taxi services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j) Estimated time and arrival time is same.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k) I am happy with the Careem service.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. Do you think?

Questions	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
a) Careem focuses on customers benefits mainly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Careem has more innovative services than UBER.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c)The Careem helpline center is always active for customers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Careem is providing services to facilitate everyone.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Careem is meeting the standards of privacy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Careem drivers are polite with the customers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Careem should hire educated drivers only.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Careem provides employment opportunities for the benefit of the society.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Careem has improved the public transportation system.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. What are the drawbacks of Careem?

APPENDIX D. (2018)

Interview Questions (External Investors)

General questions:

Q: What is your motivation to invest in Careem?

Q: What is your opinion about the future of Careem?

Specific questions:

1. Local investors

Q: What is/was your target investment areas?

Q: What are the criteria to select a potential client?

Q: Are you satisfied with the investment in Careem?

2. Bank

Q: What is your opinion about the business model of Careem?

Q: What kind of risks are in Careem?

Q: How do you measure or avoid risks?

Q: How many customers you are having because of Careem?

Q: What are the criteria to select a potential customer?

3. Rent-a-car

Q: What are the reasons to invest in Careem?

Q: What were your business activities before dealing with Careem?

Q: What are the criteria to select a potential employee (driver)?

Q: Are you satisfied with the investment in Careem?

APPENDIX E. (2018)

Interview Questions (3rd Party)

General questions:

Q: What is the nature of your company?

Q: What were your business activities before dealing with Careem?

Q: What is your motivation to invest in Careem?

Q: What is your opinion about the future of Careem?

Specific questions:

1. Rozee.pk

Q: What is the working mechanism of e-recruitment?

Q: What are the criteria to select a potential employee for Careem?

Q: How many job opportunities are created by Careem?

2. Pakwheels.com

Q: What are the criteria for the car inspection?

Q: What is the working mechanism?

Q: How is your experience with Careem as a business partner?

3. Jubilee insurance

Q: What are the criteria to provide insurance to Careem drivers?

Q: What is the working mechanism of the car insurance?

Q: Who are your target customers in Careem?

Q: How is your experience with Careem?

APPENDIX F. (2018)

Interview Questions (Regulatory Authority)

General questions:

Q: How do you differentiate drivers of Careem from UBER?

Q: What is your opinion about the future of Careem/UBER?

Specific questions:

1. Local police

Q: How many issues do you have because of ride-hailing services?

Q: What kind of problems are you facing because of ride-hailing services?

Q: What is the procedure to ensure the clean status of drivers?

Q: How many drivers follow the rules and regulations?

Q: How do you investigate the criminal record of the drivers migrated from other cities?

2. Traffic police

Q: What is the traffic situation because of ride-hailing services?

Q: How many traffic violation cases do you have because of ride-hailing service?

Q: Do you have any awareness programs for the drivers to ensure safety?

Q: What is the procedure to investigate the validity of a driving license?

Q: How do the traffic police control ride-hailing services and their drivers?

APPENDIX G.

Code Book (1)

Category	Sub categories	Codes	Illustrative Statements of Careem Management
Service expansion	Service network	Service platform	The essence of Careem is to streamline and <u>enhance the lives of people</u> and <u>construct an enduring organization</u> that inspires. In short, by building connections with Careem, we are empowering everyone to realize their full <u>social and economic capability</u> .
			The target of Careem is to <u>expand the circle of stakeholders</u> . Careem is providing a platform for individual companies to come together and <u>share the benefit</u> .
		Driver's network expansion	We are trying to expand our driver's network. And to achieve this goal, we offer <u>awareness seminars to develop an entrepreneurial mindset</u> among individuals [...] it will help them to earn a good income as well as social status.
	Careem provides everyone with the opportunity to become a captain. <u>No matter whether people have a car or not</u> . They can be a member of Careem.		
	Service transaction	Business expansion	Careem has many <u>internal investors and global partners, who support the managerial body to grow and expand the Careem business</u> [...] currently, we have a partnership with Rakuten, Telenor, JS Bank, and General Motors.
		Service opportunities	Our mission is to give women equal rights as men to generate a healthy income from the <u>utilization of service opportunities and chances</u> provided by Careem.
Our main focus is to provide <u>job opportunities to unemployed people</u> , [...] and also to <u>expand the coverage of passengers</u> as much as possible by observing the local needs.			

Code Book (2)

Category	Sub categories	Codes	Illustrative Statements of Careem Management
Service ecosystem expansion	Resource integration	Accumulation of resources	Careem is just an App. with a great vision for society. But to implement the vision Careem does not have enough recourses [...] therefore, to <u>expand its business, the role of investors and companies cannot be ignored.</u>
		Intermediary role	Careem is providing not only affordable and quality transportation services but also playing a <u>leadership role for the country's development.</u>
	Service exchange	Mutual collaboration	The real target of Careem is to explore the possibility of <u>mutual cooperation for creating employment opportunities for youth.</u>
	Interaction	Scale of multiple resources	We are <u>collaborating with some of the independent companies</u> (i.e. insurance, e-recruitment, and car inspection companies) to enhance the ride service [...] we <u>establish contacts among different stakeholders to work together.</u>
			We are trying to combine the scale of multiple resources to <u>facilitate the lives of more people in the region</u> in additional ways than just mobility [...] Our mission is to <u>help and realize the regional potential by joining hands with local allies.</u>