

## From Ride-Hailing App to Diversified and Sustainable Platform Business Model

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**Abstract :** We show how prisoner's dilemma-type competition problems can be mitigated through rapid platform diversification and ecosystem expansion. We analyze a ride-hailing company in Southeast Asia, Gojek, whose network grew to more than 170 million users comprising consumers, partner drivers, merchants, and complementors within a few years and has already achieved higher contribution margins than ride-hailing peers Uber and Lyft. Its ecosystem integrates ride-hailing, food delivery and logistics, merchant solutions, e-commerce, marketplace and advertising, payments, and fintech offerings. The company continues growing its network of complementors and App developers, expanding content and gaining critical mass in consumer data analytics and advertising. We compare the company's growth and diversification trajectory with those of its main international rivals and peers. The company's rapid growth and future potential are analyzed using Cusumano's (2012) Staying Power and Six Principles, Hax and Wilde's (2003) and Hax's (2010) The Delta Model as well as Santos' (2016) home-market advantages frameworks. The recently announced multi-billion-dollar merger with one of Southeast Asia's largest e-commerce majors lends additional support to the above arguments.

**Keywords :** ride-hailing, prisoner's dilemma, platform and ecosystem strategy, digital applications, diversification, home market advantages, e-commerce

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