IDENTIFICATION OF THE IMPLEMENTATION FOUR DIMENSIONS OF INNOVATION BY JOE TIDD IN PT. GO-JEK INDONESIA

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ABSTRACT

GO-JEK is one of the companies that offer motorcycle taxi transportation services that integrate with technology, by using booking taxis-based applications. As a pioneer in these business, GO-JEK get a good response from consumers and drivers. The systems that offered by GO-JEK attract many of drivers. GO-JEK driver number increased drastically from January 2015 through June 2015 with a total of nearly 11,000. With the rise in the highest driver occurs from April to May, with the increase in 2750. The increase in the number of drivers coupled with a high number of followers emerged that offer similar services at cheaper rates led to increased competition among the drivers. Therefore GO-JEK needs to make innovations in every aspect of its business.

The purpose of this study is to Identify the Four Dimension Implementation Innovation by Joe Tidd in business GO-JEK Namely Product Innovation, Process Innovation, Position innovation, Paradigm innovation. The method used is descriptive qualitative inductive. Techniques used in collecting data triangulation technique where the study data were collected in a way that is different from the same source. In this case the interviews will be conducted with resource persons from PT. GO-JEK, then made observations to stay abreast of the latest innovations from GO-JEK and checked back in with both visual and audio documentation.

Keywords: Entrepreneurship, Product innovation, Process innovation, Position innovation, Paradigm innovation.

INTRODUCTION

The increase in number of population would directly proportional to an increase in the use of motor vehicles occurred very rapidly in Indonesia, leading to congestion on almost every road, especially in big cities. Based on data reported by the Police of the Republic of Indonesia regarding the development of the number of vehicles, there is a rise in the number of motor vehicles. Throughout the year 2012, there were approximately 13.5 million vehicles in Jakarta. Of that number, 10.8 million are two-wheeled vehicles while the rest of the car. This number has increased quite dramatically in 2013. As many as 14.9 million vehicles in Jakarta include 11.9 million motorcycles and 3 million cars. This is an increase of 9.1 percent of motor vehicles in Jakarta. Meanwhile, the growth rate in Jakarta did not increase significantly. (www.cnnindonesia.com)

This obviously makes people look for alternative Transporter to simplify and accelerate the mobility so as to save time and costs, it is also safe to use. One of them is motorcycle or ojeg which can carry one passenger on a motorbike which would facilitate users to get to the destination on time. In addition, the emerging phenomenon in the society where the use of the Internet has become the daily needs of each person.
From the data possessed by APJII (Association of Indonesian Internet Service Provider) showed that Internet users in Indonesia each year increases. Judging from their domiciles, 78.5% of the total Internet users in Indonesia living in Indonesia western region. As an important addition, Internet users is dominated by those who live in urban Indonesia. (Http://www.apjii.or.id/read/content/info-terkini/301/pengguna-internet-indonesia-tahun-2014-sebanyak-88.html)

Based on the statistical data on the growth of e-commerce market share in Indonesia by Vertitrans, from 2013 to 2015 the increase in the market share of e-commerce in Indonesia. Widespread use of the Internet is a new business opportunity for entrepreneurs. Nadiem Makarim saw this as an opportunity and set up a company engaged in services that GO-JEK.

GO-JEK is one of the companies that offer motorcycle taxi transportation services that integrate with technology, ie booking taxis-based applications. Forms of innovation is what distinguishes their products, their business processes, positioning them as a provider of ground transportation services, and the community paradigm of the motorcycle or ojek. GO-JEK is a service provider shuttle transport humans (transport), freight forwarder (instant courier), food ordering services (go-food), purchase of goods and services in a place (shopping) -based applications. Consumers could download the GO-JEK application on Google App-Store or PlayStore and chose
what services will be used. After that the transparent, GO-JEK will show the rate to be paid by the consumer before scanning driver. After making services GO-JEK consumers can provide feedback to the driver to give a rating that the column has been provided on the application when our journey is complete.

The system offered by GO-JEK in fact attracted many of the drivers. From the diagram above, it can be seen that the GO-JEK driver numbers increased drastically from January 2015 through to June 2015 with a total of nearly 11,000. With the rise in the highest driver occurs from April to May, with the increase in 2750.

Meanwhile, the picture on top shows the mapping of GO-JEK driver across four major cities of Jakarta, Bali, Bandung, and Surabaya. With a lot of number of drivers, certainly the number of orders per one driver became very tight competition. This is supported by the statement of one of the GO-JEK driver who lives in Bandung named Addis, who said that lately it difficult to get orders for the number of drivers and a lot of auto competition is even more stringent. GOJEK popularity Attract some other entrepreneurs and follow the lead of GO-JEK and established businesses alike. According to the news portal liputan6.com, there are six motorcycles online who are ready to compete with GO-JEK. Among Grab bike and taxi jeger that offer promotional fares cheaper for every kilometer, Smart Jek, blu-jack, Ojesy and Bangjek. If the company GO-JEK do not innovate, then the passenger demand would be diminished considering the number of competitors with similar services. The increase orders by one driver which also means increasing sales or sales of the company, GO-JEK requires fresh innovation, and in contrast to competitors who already has a similar service. In this case, GO-JEK has something different as their service truck for moving (Go-Box), services to clean the house (Go-Clean), and services for a relaxing massage (Go-Massage).

Innovation is one strategy in developing the business. As a growing company, innovation will be very
important for the GO-JEK. Based on the Four Dimensions of Innovation Joe Tidd in this study conducted Identification of Implementation in the Business GO-JEK.

2. LITERATURE REVIEW

2.1 Inovasi

Innovation is the most important thing for development or economic progress in a company, in the territory of a state, or the state itself. As technology has developed rapidly, traditional industrial products and decreased sales. Invention and innovation are the key economic future (Hisrich et al, 2008:148)

Innovation is important, not only to improve the company's progress belongs to us, but also to add to the progress of the national economy. Innovation is not just talking about opening new markets, but also talked about how to offer a product or market that had already been developed and more mature with new ways. (Tidd dan Bessant, 2008)

Tidd and Bessant, group several aspects of innovation, among others:

1) **Degree of novelty – incremental or radical innovation?**

   The main thing in managing an organization closely related to the level of the need to create a whole new things in different innovation dimensions. When you're managing, the difference is important. Like the way we approach earnings, changes from day to day will be different from the one we use to deal with a radical step change in terms of product or process. But we must also remember that the interests of creating new things; The new thing is very important in the eyes of people who saw or involved in it.

2) **Platforms and families innovation**

   One of the ways in which innovation can approach the expected profit and steadily rises and can be used to good effect is through the concept of platform. This method is a way to create a stretching and space around an innovation depends on the ability to build a basic platform or a strong family.

3) **Discontinuous innovation – what happens when the rules of the game change?**

   Sometimes something unexpected could occur in the framework of innovation that has been made and the rule changes. According to this definition not a mistake that is common but they have the capacity to define the space restrictions and conditions. They open up new opportunities and challenges existing players to reframe what they do under the new conditions.

4) **Level of innovation – component or architecture?**

   It is also important to use to see opportunities for innovation is a component in a larger system. Innovation is about knowledge, the intention is to create new possibilities through the incorporation of different knowledge. Can be in the form of technical knowledge or configuration that will meet the needs.

5) **Timing – the innovation life cycle**

In stage 1 is fluid phase, there are three components, namely the exploracy, uncertainty, and flexibility. In stage 2 which contained transitional dominant aspect of design. The latter on aspects to 3 there is a component standardization and integration.

**Picture 2.2 The Innovation Life Cycle**

*Source: Abernathy dan Utterback dalam Tidd dan Bessant: 2008*

2.2 Dimensional Innovations

Joe Tidd and John Bessant divide the innovation in four dimensions, namely:

1) **Product Innovation** - changing things produced by a company in the form of goods or services.
Perhaps the most commonly understood in product innovation is that which introduce or improve products or services or change what is being offered to consumers. Bic pen is an example of product innovation, which has also benefited from a wide range of incremental innovations since its original discovery.

2) Process innovation - changing the way how they are created and delivered
Innovation can also be focused on the process of making the product to be delivered. Examples of process innovations that have a positive effect on the humanitarian sector is increasing the number of items in strategic locations, or use a more practical packaging.

3) Position innovation - changing the context of the introduction of a product that is produced in the form of goods or services
The third focus of innovation involves re-positioning the perception of a product or process that is set out in a particular context. Position based innovation refers to changes in the way a product or process that is perceived symbolically and how they are used. For example, Levi-Strauss, originally developed as clothing materials for manual workers, but later re-branded as a fashion item.

4) Paradigm innovation - changing the model of thinking about what was done by the company
Innovation paradigm associated with mental models that make up about an organization or business. Henry Ford provides a pithy quote, when talking about the development of the Model T: ‘If I ask people what they want, they will ask for a five-legged horse’. Sometimes opportunities for innovation arises when we framed the way we see things. Henry Ford fundamentally change the face of transport is not because he found the car or because he developed a manufacturing process to put one together, his contribution is to change the underlying model handmade for wealthy customers with prices paid in accordance with the ability of consumers at the time.

**Picture 2.3 The 4Ps of Innovation Space**

*Source: Tidd dan Bessant (2008)*

Each dimension of innovation can be positioned on incremental spectrum (doing what we do but better) to
radical (to do something completely different). Both of these innovations can stand on its own component or they can be part of a related architecture or systems that carry many different components together in a certain way.

2.3. Previous Research

For your consideration of this study, the researchers included some previous research that has been done by other researchers.

1. Adoge Okay (2007)

Types of research is the title Innovation and Innovation Management Practices in Service Companies. This study aims to determine the extent of the application of innovation in service companies. The study took a sample of six agencies to conduct interviews 6 senior executive of a leading service of several companies in the UK. The conclusion is product innovation in service companies with more emphasis on aspects of telecommunications and the financial sector rather than in the transportation sector and retail.


This study, entitled Managing Innovation and Risk. The purpose of this study was to determine the extent of the importance of innovation for the company. The author conducted research using a lot of literature review of secondary data and case studies on several companies. In conclusion, a perusahaan must understand what is needed by consumers. Innovation is needed to further improve the condition of the company. However, every new innovation certainly involves the risks that should be considered by the company.

3. A. David Johnson (2001)

Title of research Success in Innovation Implementation (2001). The aim of research to identify factors that support the success of the implementation of innovations. Research using qualitative methods from a variety of literature review. The conclusion of this study, the authors propose that the successful implementation of innovation depends on three factors namely; framing, innovation environment and innovation attributes.

2.4 Framework of thinking

Production management in a company must pass through three stages, namely the input stage, transformational process, and the output stage. Where in the transformational process there are four aspects yaitualter (change), transport, store (storage), and inspect (check). In the aspect alter or change, the company must cultivate the idea that there is inside or outside the company as well as information from the company about what yng many consumers need. From that aspect, it appears the one innovation that will be presented to the company's customers to meet the needs of its customers, be a product that keeps in mind the value and differentiation, as well as to meet the targets or objectives of the company itself.

Innovation conducted an enterprise by Joe Tidd and John Bessant (2008) includes four dimensions of which include product innovation, process innovation, innovation position, and innovation paradigm. Therefore, the authors will examine the extent to which the company GO-JEK in the process alters have adopted innovations that include the four dimensions according to Tidd and Bessant (2008).

This research will look at how far the application of innovation by Joe Tidd business processes run by the company GO-JEK. Here are the framework of the 4th Dimension Implementation Identification According to Joe Tidd innovation in Business GO-JEK:
3. RESEARCH METHODOLOGY

The research method used in this study is qualitative method with a case study approach. The unit of analysis in this research is business unit (GO-JEK). This object will be identified on the implementation of Innovation Dimensions of Joe Tidd. The technique to select the informants is used the purposive sampling, which informants are selected based on their potential contribution to the research purposes. A key approach to select the informants from the case is using numerous and highly knowledgeable persons who view the focal phenomena from diverse perspectives. The numbers of informant that have been interviewed are two persons. The duration of each interview about 60 minutes every informant.

There are two sources of data were used: (1) semi-structured interviews with GO-JEK staff and (2) observation. The questions posed to the respondents related to the research topic, namely: (1) Product Innovation, (2) Paradigm Innovation, (3) Process Innovation, and (4) Position Innovation. During the interview conducted the observations are documented and recorded. In-depth interview results are transcribed and coded manually.

In analyzing data from in-depth interview results, the informants’ answer will be analyzed by manual coding. Then, the results are compared among two selected participants. The way to assess the quality of the research in addition to the validity and reliability of measurement is using triangulation method. It is an approach that utilizes various ways of in-depth interview, observation, and secondary data. The explanations are as follow:

(1) Use double informants, the numbers of informante are 2 persons for this case. They are asked with the same interview questions of Innovation Dimensions. The total numbers of 2 informants for this case have reached data saturation of possible responses to the interview questions. The data saturation from in-depth interview is validated by observation and secondary data.

(2) The observation is conducted during the process to gather the data of in-depth interview from informants. The field notes from observation are validating the data saturation from in-depth interview with the informants.
4. FINDINGS AND DISCUSSION

4.1 Product Innovation

GO-JEK provides product/service is not only transportation but also other services that ordered through GO-JEK application. According to its application, GO-JEK has already launched 10 services until February 2016, namely:

a. Go-Send
   This product allows users to send documents or packages which suit with the capacity of motorcycles to the recipient with a distance of no more than 25 kilometres.

b. Go-Ride
   This product offers motorcycle transportation services to transport passengers from point of origin to destination with a maximum distance of 25 kilometers and the fare of Rp. 2000 per 1 kilometer. According to Michaelangelo Moran, Go-Ride is ranked first of all GO-JEK services most frequently used by consumers (number of orders).

c. Go-Food
   Consumers can view the menus of the restaurants listed on the application to then order it also via the application. After that, drivers will pay the amount of customer orders with a maximum price of Rp. 1,000,000 after the food received by the buyer; the reservation will pay the total price of the order. According to the Co-Founder of GO-JEK, Michaelangelo Moran, Go-Food is services among the largest food in Southeast Asia because up to this time, Go-Food has been holding more than 200 restaurants either from small stalls to the upscale restaurants to join GO-JEK. At first, the company conducts its own research on the 10 restaurants of the most visited and favourite menus of each restaurant to put the data into the menu column.

d. Go-Mart
   Users can shop at a maximum price of Rp. 2,000,000 with the same payment system as Go-Food. There are 50 stores that have been joined together Go-Mart until January 2016. However, because of the many products sold in the store, then GO-JEK cannot make a list of menu from any merchant belonging to the Go-Mart. More research is needed for the company to find out which products are most in demand by consumers in the store. One of the obstacles is why Go-Mart is not superior to a Go-Go Food is because Go-Mart established is to change consumer behaviour. That is, with the home delivery service, the GO-JEK aims to change people's habits change the way of shopping. But until now, most people still choose what items will be purchased by the way he came to the supermarket, minimarket, or even stall. With these habits, the Go-Mart service is somewhat difficult to move up a level on the chart number of users that are owned by the company.

e. Go-Box
   Go-Box is a delivery service using trucks. From the start of a small truck, medium truck, as well as a large truck with a tariff of Rp. 6,000 per kilometer. GO-JEK companies cooperating with an agency that provides rental trucks, so the ownership of the truck is not in the name of the company GO-JEK. These services are often used by consumers as a means to move from origin home/office to another home/office or to send goods in large number and volume.

f. Go-Clean
   This service is one of the human services offered by GO-JEK to consumers. The consumers can use the services of Go-Clean to help clean the house, an apartment or a room by ordering through the application. Consumers pay a Go-Ride fare from the worker to the location of the consumer and then pay for the services of workers after doing its job.

g. Go-Glam
   Go-Glam functioning much like a salon, only difference is Go-Glam workers can be called to the consumer's home by the same payment system as Go-Clean.
h. **Go-Massage**
This service is also one of the three human services offered by GO-JEK. Go-Massage offers a therapist who is trained by the company to serve a full-body massage and reflexology.

i. **Go-Busway**
This service is a form of cooperation and support from the local government of Jakarta to GO-JEK. Consumers can order a motorcycle from one location to the shelter to the busway. In these applications live report also looks at how the busway will get to the shelter and at what time busway will run leaving the shelter.

j. **Go-Tix**
This service is the most recent innovation issued by GO-JEK. In this service, consumers can know what events are being or will be held in Jakarta. After that, consumers can go to the location of the event using the GO-JEK by pressing the button that says 'take me there' for the free event. For the event which sets the admission rate, the application also provides a GO-JEK online tickets that can be paid by credit card.

GO-JEK launches all their products or services with the aim to create user experience. Initially, GO-JEK just launched three services: instant courier services, transport, and shopping. In development process, GO-JEK shopping separates into two categories. First, the services are to deliver food (Go-Food) and the second is food shopping services (Go-Mart). However, according to information provided by Michaelangelo Moran, GO-JEK has 5000 SKU (stock keeping unit) for Go-Mart, then there are too much lists on the menu hence until now has not issued a GO-JEK feature on the menu of applications. It is necessary to study and survey to be able to put the products that are most popular on the menu in the application.

The human service launching of Go-Glam, Go-Massage, and Go-Clean can be seen that the company pay attention to consumers in detail in each innovation. According to Moran Michaelangelo as Co-Founder and Chief Brand Director of GO-JEK, every innovation can create new customers or markets. In addition, the important reason that makes the GO-JEK launch human service in the application is because the main competitor (GrabBike) is planning to issue the same service to customers. Therefore, GO-JEK decides to do such innovations before their competitors do the same. GO-JEK also will issue new innovations to become the number one compared to its competitors and establish markets or customers first. According to Moran, "Now because of that, there are lots of copycat but nobody is going to be GO-JEK, because his name GO-JEK already too well known. So that's why they decide to actually expand and it's not gonna stop there.

### 4.2 Paradigm Innovation

According to information provided by Mikey Moran as the Co-Founder of PT. GO-JEK Indonesia, companies benefit only from the division of the commission. The percentage gain for the driver was 80% and for the company is 20% of any payments made to the customer service that has been used. As well as a 15% cut of every sale that is accessed through Go-Food of any restaurant under agreement. The system is very different from the service providers that still apply the system of "deposit" by drivers. Business models applied by GO-JEK facilitate the human resource owned by the company can choose the time to work in accordance with their needs.

### 4.3 Process Innovation

According to Moran as Co-Founder and Chief Brand Director of GO-JEK, originally Nadim is one of the employees at the consulting firm, McKinsey. When become an employee of the company McKinsey, Nadim has given office facilities such car by the company. However, because congestion is one of the main issues of the traffic in the big city, then Nadim choose not to use the facilities provided by the company. Nadim chose to use a motorcycle taxi ("ojek") that always stays in front of her house. During the time, it creates a good relationship between producers and consumers. In fact, when Nadim needs something to be bought or driven to her office, she was asking for help from the motorcycle drivers.
User experiences that suffered by Nadim, and then came the idea to develop a motorcycle function not only as a means of transport of man. Then he discussed her idea with Michaelangelo Moran as a friend to create an innovation that would solve some of the polemics that occur in big cities, namely congestion, unemployment, and harnessing the function of internet usage becomes a useful thing.

In addition to solving the polemic in the big city, Nadim also developed the idea to help conventional motorcycle taxi drivers. Typically, conventional motorcycle taxi driver can only pick up passengers at the base (could not get around). However, with the idea, motorcycle taxi driver will be equipped with mobile phones to accept orders from customers at anytime and anywhere. In addition, the working system motorcycle taxi drivers are also not based on the turn. That is, if they work in conventional, then there will be order in each of the base system. With a new idea that is brought by Nadim, the motorcycle taxi driver will not wait or turn sequence. They do not have to work from 8 am until 10 pm just to get five passengers in a day.

In the early emergence, GO-JEK still uses the name GO-BIKE with invites to join motorcycle taxi driver who had become a subscription of Nadim and her friends. They were given a cell phone to accept orders from consumers. The Company began making systems to support business processes of her company, then began to develop interfaces for enterprise application form with three options, namely transport, shopping, and courier.

According to Rummiller and Brache in Siegel (2008) business process is a set of activities in the business to produce products and services. These business process activities can be done either manually or with the help of information systems (Weske, 2007). In a business process, must have (1) a clear purpose, (2) their input, (3) their output, (4) using the resource, (5) has a number of activities in several stages, (6) may affect more than one unit in organization, and (7) can create value or value for consumers (Sparx Systems, 2004).

The theory above supports the implementation of sub-variable process innovation undertaken by the company GO-JEK. The purpose of the company providing the services is to create a user experience that can facilitate and make more efficient related energy and consumer time. In addition to use its resources, GO-JEK also take advantage of Internet communication resources for ordering services and internet banking to make payments for services. Certainly with the presence of services offered by according to market research that has been done during product innovation and process innovation carried out, can give a value or value to consumers who enjoy the services of GO-JEK.

4.4 Position Innovation

GO-JEK Company forms a mind-set of society by emphasizing the advantages that will be well received by consumers and drivers. From the consumer side, Moran stated that the advantage of using the services GO-JEK is that consumers will get the price transparency before he ordered. Consumers can also keep track of where the driver would pick him up or deliver something into place. The payoff was not only through cash, but also use the GO-JEK Credit whose balance can be charged via a transfer service at the bank or atm. As well as the advantages the latter are no less important was the booking process will not take a long time, which means that by using the services of GO-JEK, consumers can spend less time.

The Company does not use all the media channels such as radio, television, and print media. The only thing they do is to market innovation via social media and do a press conference. According to information given by Michaelangelo Moran, he added that in his opinion, the only way marketing is considered the most effective is the "word of mouth".

All innovation both in terms of products or services or systems or business processes that are owned by GO-JEK, the current GO-JEK make the transition from a company that only provide transport services for people and goods into a technology company that serves the needs of transportation, logistics, and life style in Indonesia. Obviously, GO-JEK expect that when someone needs something, anything that comes to his mind is the "GO-JEK".

Positioning according to Kotler and Keller (2006: 288) is a venture company to provide a picture in the minds of consumers when seeing or hearing about the product or the brand of the company. The final goal of
positioning is the formation of a proportion of the value of a product at a consumer who creates a convincing reason why they should buy that product. In implementation, GO-JEK has done a different product introductions and marketing, for example, with their referral code and special tariff. There is already visible from product innovation and marketing that GO-JEK target market is people who need a fast and efficient service and people who understand the internet technologies. Thus, the company wants to form a picture that GO-JEK is technology company services provider of transportation, logistics, and lifestyle in Indonesia in the minds of public and consumers.

5. CONCLUSION

GO-JEK Company has successfully innovated products and paradigms. The Evidence of their successful is many variations of the services offered by the company. The services are ranging from human service, home delivery service, food delivery service, and transportation.

The revenue received by GO-JEK is the result from the division of commission with the drivers and restaurants that are under agreement. Business model that applied technology company service provider of transportation, logistics, and lifestyle do not apply the deposit system as other similar companies.

The company has successfully changed the pace of creation of conventional taxis transportation services to become transportation, logistics, and a lifestyle that has been integrated with the Internet to increase the efficiency for its users. The company offers the services to users in hi-tech ways in order to attract target consumers successfully.

Initially, GO-JEK was known as a provider of transportation services such as motorcycles. However, with product innovations that they also can develop a way of marketing which is very different from its competitors. GO-JEK has change its positioning as a service provider of transportation, logistics, and lifestyle in Indonesia.

Innovation is one of the internal factors in the company. As a new business sector that are much in demand, new competitors will grow and trying to find the weakness of GO-JEK. There is an opportunity to explore the competitors of GO-JEK to identify and analyze the position of its competitors, hence it can be used to develop GO-JEK in a sustainable way.

REFERENCES


Pertumbuhan pangsa pasar e-commerce di Indonesia saat ini.


