

**RESEARCH INTO THE FEASIBILITY AND VIABILITY OF STARTING A  
RIDESHARING SERVICE**

By

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## **DECLARATION**

I, Martin Nguyen, declare that the information contained in this dissertation is my own work and has not previously been submitted for academic examination towards any qualification. The ideas presented are my own opinions and not necessarily those of the Southern Institute of Technology.

.....  
Signed

.....  
Date

# **Acknowledgement**

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Thong Minh Nguyen (Martin)

# **Executive Summary**

This dissertation is an evaluation of the feasibility and viability for establishing the Giving Lifts service. Research was undertaken to determine, the demands of people in Invercargill and business plans was identified and drawn in detail.

Giving Lifts service is a ridesharing service accessed via a smartphone application matching drivers and passengers who are on the same routes. This idea was inspired by social and environmental reasons.

Through the literature review and research, the target segments in Invercargill were identified as the retired aged 50+, who would be prepared to be drivers and students at SIT who would be the passengers. The basic values of Giving Lifts service are solutions for people's common transport problems – means of transportation, parking and money issues. Through research of customers' opinions, in comparison with other indirect competitors (especially buses and taxis), the results showed that Giving Lifts service could provide a substitute that replaced their advantages – cheapness, safety and emergency and covered their disadvantages – time issues, routes and huge expenses in the long run.

The business plan analysed and presented all aspects in detail. Business objectives, benefits for stakeholders and the analyses of micro and macro environments were drawn to identify the position of the business when it begins to operate. Following that, the marketing strategies were built around the 7Ps model to reach the customers' minds effectively. Additionally, customer retention was mentioned to ensure the ability to keep customers' repeat custom.

After that, human resources management and relevant issues were all considered. In particular, this start-up will begin with seven workers including the owner. The recruiting and selecting processes were built with person profiles and job descriptions. Then, to manage human resources, the

motivation, remuneration and supervision were built to ensure the business has appropriate human resource coverage.

Further, potential challenges and risks which would prevent business from operating and performing efficiently were listed, categorized and solutions suggested and an action plan was presented.

Finally, a set of financials was presented including forecast, sales, profit/loss, cash flow and balance sheet in three years were presented in details monthly and yearly. Then through ratios, the ability of the business to grow sustainably were ensured. Also, the contingency arrangements were explained and justified, and the solutions were presented.

# Table of Contents

<b>Lists of figures, tables and appendices .....</b>	<b>xi</b>
Figures.....	xi
Tables.....	xii
Appendices .....	xiv
<b>RESEARCH ELEMENTS.....</b>	<b>1</b>
<b>A. Introduction.....</b>	<b>2</b>
1. Brief description of business and business concept.....	2
2. Research aim.....	6
3. Research Objectives (ROs) .....	6
4. Research Questions (RQs) .....	6
5. Research Hypothesis .....	6
<b>B. Literature Review.....</b>	<b>7</b>
1. Introduction .....	7
2. Literature review .....	7
2.1. Potential segments .....	7
2.2. Customers' transport problems .....	9
2.3. Advantages and disadvantages of Invercargill competitors .....	11
2.3.1. Advantages.....	11
2.3.2. Disadvantages.....	11
3. Conclusion.....	12
<b>C. Methodology.....</b>	<b>14</b>
1. Introduction .....	14
2. Research Philosophy.....	14
3. Research Approach.....	14
4. Primary Research.....	15
5. Time Horizon .....	15
6. Research Process.....	15

7.	Research Strategy .....	16
7.1.	Mixed methods research .....	17
8.	Research Tool Overview .....	17
8.1.	Semi-structured interview .....	17
8.2.	Questionnaire.....	17
9.	Research Tool Design .....	18
9.1.	Semi-structured interview .....	18
9.2.	Questionnaire.....	18
10.	Pilot testing.....	19
10.1.	Semi-structured interview.....	19
10.2.	Questionnaire .....	19
11.	Sample.....	20
11.1.	Semi-structured interview .....	21
11.2.	Questionnaire .....	21
12.	Data Collection.....	21
12.1.	Semi-structured interview .....	21
12.2.	Questionnaire – Delivery and Collect.....	22
13.	Data Analysis.....	22
13.1.	Semi-structured interview .....	22
13.2.	Questionnaire .....	23
14.	Bias .....	23
14.1.	Semi-structured interview .....	23
14.2.	Questionnaire .....	24
15.	Validity and Reliability.....	24
16.	Conclusion.....	24
<b>D.</b>	<b>Research Ethics.....</b>	<b>26</b>
1.	Introduction .....	26
2.	Ethics.....	26
3.	Conclusion.....	29

<b>E. Results .....</b>	<b>30</b>
1. Introduction .....	30
2. Qualitative data and quantitative data analyses .....	31
2.1. Qualitative data analysis .....	31
2.1.1. Segments information .....	31
2.1.2. Basic values.....	34
2.1.3. Disadvantages and advantages of modes of transportation.....	35
2.1.3.1. Advantages of modes of transport.....	36
2.1.3.2. Disadvantages of modes of transportation.....	39
2.1.4. Summary of qualitative data.....	41
2.2. Quantitative data analysis .....	41
2.2.1. Segments.....	42
2.2.1.1. Selections of using or not using Giving Lifts service .....	42
2.2.1.2. Types of customers .....	43
2.2.2. Transport problems .....	46
2.2.3. Advantages and disadvantages of competitors from participants' attitudes .....	48
2.2.3.1. Personal vehicles .....	49
2.2.3.2. Giving Lifts service .....	51
2.2.3.3. Scheduled bus services.....	52
2.2.3.4. Taxis .....	54
2.2.4. Additional comments.....	55
2.2.5. Conclusion .....	56
<b>BUSINESS PLAN ELEMENTS.....</b>	<b>58</b>
<b>A. Business Concept .....</b>	<b>59</b>
1. Introduction .....	59
2. Business concept of Giving Lifts service .....	59
2.1. Outline of business concept .....	59
2.2. Customer segments .....	59
2.3. Values to customers .....	59

2.3.1.	Basic values.....	59
2.3.2.	Extra values.....	60
2.4.	Mission, vision, core values and business objectives .....	61
3.	Strengths of the proposed business model .....	62
4.	Benefits provided to customers and stakeholders.....	62
4.1.	Benefits provided to customers .....	62
4.2.	Benefits provided to stakeholders .....	63
5.	Analysis on micro and macro environments .....	64
5.1.	Macro environment analysis .....	64
5.1.1.	PESTLE analysis.....	64
5.1.1.1.	Political and legal factors.....	64
5.1.1.2.	Social and economic factors .....	65
5.1.1.3.	Technological factors .....	65
5.1.1.4.	Environmental factors.....	65
5.1.2.	Competitor analysis.....	66
5.1.3.	Competitive advantages .....	68
5.2.	Micro environment analysis .....	69
5.2.1.	SWOT analysis .....	69
5.2.2.	Porters' five forces analysis .....	69
5.2.2.1.	Threat of potential entrants – medium to high.....	69
5.2.2.2.	Threat of substitutions - medium .....	70
5.2.2.3.	Supplier bargaining power - medium .....	70
5.2.2.4.	Threat of buyer - high.....	70
5.2.2.5.	The degree of rivalry - low.....	71
6.	Conclusion.....	71
<b>B.</b>	<b>Marketing Strategies .....</b>	<b>72</b>
1.	Introduction .....	72
2.	Marketing objectives and strategies .....	72
2.1.	Marketing objectives.....	72

2.2.	Marketing strategies .....	73
3.	Target market.....	74
3.1.	Market segmentation and targeting.....	74
3.2.	Market differentiation and positioning.....	74
4.	Wants, preferences and characteristics of relevant market segments.....	75
5.	Projected revenues.....	76
6.	Marketing mix.....	77
6.1.	Service strategy.....	77
6.1.1.	Service classification.....	78
6.1.2.	Service attributes.....	78
6.2.	Pricing strategy .....	78
6.3.	Place strategy.....	79
6.4.	Promotion strategy.....	79
6.5.	People.....	80
6.6.	Processes .....	81
6.7.	Physical evidence .....	81
7.	Customer retention .....	81
8.	Marketing timeline and budget.....	82
9.	Methods to check the effectiveness of the promotional activities.....	82
10.	Conclusion.....	83
<b>C.</b>	<b>Human resources.....</b>	<b>84</b>
1.	Introduction .....	84
2.	Organization.....	84
3.	Job analysis, Person Specification and Job Description.....	85
3.1.	Job analysis .....	85
3.2.	Person Specification.....	86
3.3.	Job Description .....	86
4.	Recruitment and Selection .....	86
4.1.	Job advertising.....	86

4.2.	Shortlisting.....	86
4.3.	Interview process.....	86
4.4.	Appointments .....	87
5.	Induction.....	87
6.	Motivation .....	87
7.	Remuneration and benefits.....	88
8.	Training and development.....	89
9.	Performance management.....	91
10.	Human resource decision making process .....	91
11.	Conclusion .....	93
<b>D.</b>	<b>Key Operational and Implementation Issues .....</b>	<b>94</b>
1.	Potential challenges for the business establishment .....	94
2.	Risk management strategy.....	96
3.	Action plan for the business establishment .....	100
4.	Conclusion.....	102
<b>E.</b>	<b>Resources, Finances, Breakeven and Cost Benefit Analyses.....</b>	<b>103</b>
1.	Introduction .....	103
2.	Resources and finances required to establish the business.....	103
3.	Main capital expenditure items, source of supply and legal requirements .....	104
3.1.	Capital expenditure items.....	104
3.2.	Sources of supply.....	105
3.3.	Legal requirements.....	106
4.	Operation and function ongoing basis of business concept .....	107
4.1.	Operation and function of business concept.....	107
4.2.	Staff issues.....	108
5.	Projected sales and profits scenarios .....	109
5.1.	Projected sales.....	109
5.2.	Projected profits .....	112
5.2.1.	Projected profits in three years (monthly).....	112

5.2.2.	Brief projected profits in three years (yearly) .....	116
5.3.	Forecasted cash flow in three years .....	117
5.4.	Forecasted balance sheets for 3 years.....	120
5.5.	Notes and assumptions.....	120
5.5.1.	Good and service tax (GST) .....	120
5.5.2.	Material facilities .....	121
5.5.3.	Expenses for establishment .....	122
5.5.4.	Expenses in three years .....	123
5.5.5.	Capital and loan from bank .....	129
5.6.	Breakeven point.....	129
5.7.	Ratio analysis .....	130
5.7.1.	Profitability ratio.....	131
5.7.2.	Efficiency ratio.....	131
5.7.3.	Liquidity ratio .....	132
5.7.4.	Leverage ratios .....	132
5.8.	Contingency arrangements .....	133
5.9.	Conclusion.....	134
<b>Conclusion to the dissertation.....</b>		<b>135</b>
<b>REFERENCES.....</b>		<b>136</b>
<b>APPENDICES .....</b>		<b>141</b>

# Lists of figures, tables and appendices

## Figures

Figure 1. Research process.....	16
Figure 2. Selections of using or NOT using Giving Lifts service from questionnaire participants .....	43
Figure 3. Types of customers .....	44
Figure 4. Types of customers - driver.....	44
Figure 5. Percentage of each age range of people who was retired and chose driver.....	45
Figure 6. Type of customers - Passengers .....	45
Figure 7. Percentage of each age range of people who was student and chose passenger .....	46
Figure 8. Transport problems of questionnaire participants .....	47
Figure 9. Transport problems of targeted segments - drivers (retired, 50+) .....	48
Figure 10. Transport problems of targeted segments - passenger (student, 21-49).....	48
Figure 11. Modes of transportation selections of questionnaire participants.....	49
Figure 12. Modes of transportation selections - Personal vehicle.....	50
Figure 13. Reasons for questionnaire participants' choices - personal vehicle .....	50
Figure 14. Modes of transportation selections - Giving Lifts service .....	51
Figure 15. Reasons for questionnaire participants' choices - Giving Lifts service .....	52
Figure 16. Modes of transportation selections - scheduled bus services.....	53
Figure 17. Reasons for questionnaire participants' choices - Scheduled bus services .....	53
Figure 18. Modes of transportation - Taxis.....	54
Figure 19. Reasons for questionnaire participants' choices - Taxis .....	55
Figure 20. Basic values for customers.....	60
Figure 21. Information of both customers .....	60
Figure 22. SWOT of Giving Lifts service .....	69
Figure 23. Customer-driven strategy .....	74
Figure 24. Brand position of department stores .....	75
Figure 25. Product-service/equipment-people continuums .....	77
Figure 26. Customer retention strategies.....	81
Figure 27. Marketing timeline and budget.....	82
Figure 28. Giving Lifts organizational structure.....	85
Figure 29. Goal - setting criteria for Giving Lifts service .....	88
Figure 30. Training progress.....	90
Figure 31. Decision making progress .....	92
Figure 32. Risk Assessment Matrix 3x3.....	97
Figure 33. Risk Management Strategies .....	97
Figure 34. Breakeven point.....	130

## Tables

Table 1. Lean Canvas of Giving Lifts service .....	4
Table 2. Ethics for tools and strategies used throughout collection process.....	26
Table 3. Schedule of recording for semi-structured interviews .....	31
Table 4. Ages of interviewees.....	32
Table 5. Employment status.....	33
Table 6. Types of customers.....	34
Table 7. Transport problems from interviewees.....	35
Table 8. Advantages of modes of transport from interviewees .....	38
Table 9. Disadvantages of modes of transport from interviewees .....	40
Table 10. Selections of using or NOT using Giving Lifts service from participants.....	42
Table 11. Transport problems of questionnaire participants.....	47
Table 12. Modes of transportation selections - Personal vehicles.....	49
Table 13. Modes of transportation selections - Giving Lifts service .....	51
Table 14. Modes of transportation selections - scheduled bus services .....	53
Table 15. Modes of transportation - taxis .....	54
Table 16. Number of comments on Giving Lifts service .....	56
Table 17. Comments categories .....	56
Table 18. Core values of Giving Lifts service .....	61
Table 19. Stakeholders and their benefits from Giving Lifts service .....	63
Table 20. Competitor analysis.....	67
Table 21. Price charges for using Giving Lift service .....	76
Table 22. Salary for staff in Giving Lifts service .....	89
Table 23. Potential challenges for the business establishment.....	94
Table 24. Risk factors, influences and solutions .....	98
Table 25. Action plan.....	101
Table 26. Resources and finances required to establish Giving Lifts service.....	103
Table 27. Capital expenditure items.....	104
Table 28. Sources of supply.....	105
Table 29. Forecasted sales in year 1 .....	111
<i>Table 30. Forecasted sales in year 2 .....</i>	111
Table 31. Forecasted sales in year 3 .....	111
Table 32. Projected profits in year 1 .....	113
Table 33. Projected profits in year 2 .....	114
Table 34. Projected profits in year 3 .....	115
Table 35. Brief projected profits in three years .....	116
Table 36. Cash flow in year 1 .....	117
Table 37. Cash flow in year 2 .....	118
Table 38. Cash flow in year 3 .....	119
Table 39. Balance sheets in three years .....	120
Table 40. Office material facilities .....	121

Table 41. Systems/Network material facilities .....	122
Table 42. Expenses for establishment in forecasted profit/loss .....	123
Table 43. Percentage expenses for companies providing platforms .....	123
Table 44. Staff salaries in three years .....	125
Table 45. Insurance in three years.....	126
Table 46. Depreciation in three years.....	128
Table 47. Breakeven point analysis .....	129
Table 48. Profitability ratios .....	131
Table 49. Efficiency ratio .....	131
Table 50. Liquidity ratio .....	132
Table 51. Leverage ratios .....	132
Table 52. Contingency arrangments .....	133

## **Appendices**

Appendix 1. Question wording checklist.....	141
Appendix 2. Person specifications - ICT Technician.....	142
Appendix 3. Person specifications - Customer Service Representative .....	143
Appendix 4. Job description - ICT Technician .....	144
Appendix 5. Job description - Customer Service Representative.....	145
Appendix 6. Participant Information Sheet.....	146
Appendix 7. Consent form - Interview & Questionnaire .....	147
Appendix 8. Brief introduction .....	148
Appendix 9. Questions of Interview .....	149
Appendix 10. Questions of Questionnaire .....	150

# **RESEARCH ELEMENTS**

## **A. Introduction**

### **1. Brief description of business and business concept**

Southland has seen a growth in its population in recent years (Ministry of Business, Innovation & Employment, 2016, p. 1). This coupled with limited types of public transport (Invercargill City Council, 2012, p. 6), has led to a rise in number of private cars (Massey University , 2017, p. 3). In turn this has caused a significant increase in the number of accidents (Ministry of Transport, 2017). Hence, there is an opportunity to investigate a ridesharing business.

The term ‘ridesharing’ is widely used, with Deloittes (2016) noting that it is services that provide platforms on which drivers and passengers are matched in order to reach destinations. The ridesharing industry has become popular around the world and is still in growth mode with Price Waterhouse Cooper predicting that:

... [T]ransportation will move from vehicle ownerships and rental vehicles to ridesharing business in around 2025. As Frost & Sullivan's research on Uber shows... the most popular reasons for success are ease of payment and short waiting time. Additionally, Uber is currently one of the largest ridesharing businesses, having expanded to 397 cities with an estimated eight million users in 2016. (Nicoll & Armstrong, 2016, para. 3-13)

Ridesharing recently arrived in New Zealand; Auckland and Wellington (Abrahamse & Keall, 2012, p. 45). Potential markets in New Zealand, such as Invercargill, are currently being ignored. The ICC (Invercargill City Council), continues to develop bus routes (Invercargill City Council, 2012, pp. 10-12), which might increase the number of vehicles on the road, and does not take advantage of the quantity of cars which are already in Invercargill. Further, the number of taxis is increasing on main routes (Otago Regional Council & Environment Southland, 2014, p. 34), and increasing for disabled people (Invercargill City Council, 2012, p. 3).

As a result ‘Giving Lifts’ is proposed. This service is a smartphone application, which enables passengers and drivers, who are on the same routes to find one

another at the same time. Initially, the service will be located in Invercargill, which is home to the largest concentrated population in Southland (Statistics New Zealand, 2014). The business will start with a small team of Technicians and Customer Service Representatives. The targeted segments Giving Lifts focuses on in Invercargill are the retired whose ages are 50+ and students in Southern Institute of Technology (SIT).

The service will offer customers' values by solving their transportation requirements.

Passengers can save time, can immediately select any vehicle on the road, and they do not need to look for parking sites. Moreover, this service will cost passengers less than a bus or taxi fare. This is because the price does not include the cost for the drivers to find your places to pick up and back to the original location after the ride finishes. This creative way of sharing costs will be based on the distance and the time of the trips. The fare will be used to help cover the running, maintenance and fuel costs, while the passenger can access a low-cost means of transport.

Drivers, especially those who already have jobs but want to gain additional income, can benefit because this service offers them the opportunity to off-set their commuting costs.

The benefits to stakeholders of Giving Lifts are provided in *Table 19*.

The Lean Canvas is presented below (refer Table 1).

*Table 1. Lean Canvas of Giving Lifts service*

<b>Problem</b>	<b>Solution</b>	<b>Unique Value Proposition</b>	<b>Unfair Advantage</b>	<b>Customer Segments</b>
<p><i>For passengers</i></p> <ul style="list-style-type: none"> <li>- No vehicle</li> <li>- Parking</li> <li>- Time</li> </ul> <p><i>For drivers</i></p> <ul style="list-style-type: none"> <li>- Running costs</li> <li>- No time for more jobs</li> </ul>	<p><i>For passenger</i></p> <ul style="list-style-type: none"> <li>- Being given lifts</li> <li>- Avoiding parking issues</li> <li>- Avoiding time issues</li> </ul> <p><i>For drivers</i></p> <ul style="list-style-type: none"> <li>- Extra income</li> <li>- Flexible working time</li> </ul>	<ul style="list-style-type: none"> <li>- Extra income and cheap price</li> <li>- Modern system in which both passengers and drivers see the maps, know the price and mutual information before starting the trip</li> <li>- Extra values – safety and cashless payment</li> <li>- Timesaving</li> </ul>	<ul style="list-style-type: none"> <li>- Cheap price</li> <li>- Variety of means of transportation</li> <li>- Flexible time for using the service</li> </ul>	<p><i>Passengers</i></p> <ul style="list-style-type: none"> <li>- The retired whose age is 50 and above</li> </ul> <p><i>Drivers</i></p> <ul style="list-style-type: none"> <li>- SIT students</li> </ul>
	<b>Key metrics</b>		<b>Channels</b>	
	<ul style="list-style-type: none"> <li>- Functions and application development</li> </ul>		<p><i>Both</i></p> <ul style="list-style-type: none"> <li>- Smartphone application</li> <li>- Office</li> </ul>	

	<ul style="list-style-type: none"> <li>- Solving customers' enquiries</li> <li>- Managing information from customers including their personal information and their opinions/ feedbacks</li> </ul>		<ul style="list-style-type: none"> <li>- Facebook, Youtube and Twitter.</li> <li>- Word of mouth</li> </ul> <p><i>For passengers</i></p> <ul style="list-style-type: none"> <li>- SIT, supermarkets (PacnSave and Countdown).</li> </ul> <p><i>For drivers</i></p> <ul style="list-style-type: none"> <li>- Retirement villages, supermarket (PacnSave and Countdown).</li> </ul>	
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<b>Cost structure</b>	<b>Revenue Streams</b>
<ul style="list-style-type: none"> <li>- Platform development</li> <li>- Salaries</li> <li>- Material facilities</li> <li>- Electricity, rent, internet and telephone.</li> <li>- Marketing</li> </ul>	<ul style="list-style-type: none"> <li>- Percentage taken from each trip. In that, price per trip is calculated from time, distance, booking fee, or minimum fee, or cancellation fee.</li> </ul>

## **2. Research aim**

To evaluate the feasibility and viability of establishing a ridesharing business in Invercargill, Southland.

## **3. Research Objectives (ROs)**

1. To identify target segments for the ridesharing business in Invercargill.
2. To identify values that Invercargill customers expect from the ridesharing business.
3. To understand competitors in the Invercargill market.

## **4. Research Questions (RQs)**

1. Which segments of customers in Invercargill does the ridesharing business need to target?
2. Which values do customers in Invercargill expect from the ridesharing business?
3. What are advantages and disadvantages of competitors in Invercargill market?

## **5. Research Hypothesis**

As the cost of car ownership increases, people in Invercargill will select a ridesharing option to meet their transport needs; either to offset the cost of car ownership or to compensate for lack of car ownership.

## **B. Literature Review**

### **1. Introduction**

A literature review is "... detailed and justified analysis and commentary of the merits and faults of the literature within a chosen area, which demonstrates familiarity with what is already known about research topic" (Saunders et al., 2016, p. 714).

In this dissertation, secondary sources were considered as a tool to support and develop the research plan. Specifically, previous research provided this project with additional data, strategies and techniques. Some material highlighted aspects of this business for further research. In addition, by understanding previous research it was possible to avoid repeating research which had already been conducted. Finally, the research model and method might be framed more systematically and clearer thanks to reviewing previous literature.

The writer believes that there is an opportunity to develop a regional ridesharing business model and looked at material in three areas to demonstrate this point, being; potential segments; customer's transport problems; and advantages and disadvantages of Invercargill competitors. Through those themes, the type of sequence of this review structure was thematic literature review. This "... presents various topics that are common across the literature to help the researchers examine various perspectives" (Muratovski, 2016, pp. 32-33).

### **2. Literature review**

#### **2.1. Potential segments**

Initially, two of Kotler's four variables seem to have the greatest potential, geographic and demographic (Kotler & Armstrong, Principles of Marketing, 2012, p. 247). The focus for passengers is on the 50+ years old, and students of SIT. The focus for drivers are those aged 20-49 and SIT students.

Initially, Giving Lifts plans to target those aged 50+. This is because this group had increasing demand for transportation and the proportion of seniors in Invercargill city is growing; from 31% to 35.1% between 2012 and 2015 (New Zealand Parliament, 2012, 2015). Further, transport needs for this group is

increasing (Blind citizens NZ Southland Branch, 2017, p. 1). Despite recent data confirmed by Invercargill City Council (ICC), there is no detailed statistics. Also, this statement was based on only one choice (bus) for measuring customers' selection which suggests further data is required.

Chase and Coughlin (2014) studied similar project about:

Elderly choices of transportation to develop the mobility systems for seniors in Massachusetts. Particularly, they analysed cases of public transportation and another three ridesharing models used voluntary labours. Also, they built general criteria list for four models to evaluate each. (pp. 23-33).

However, instead of collecting practical data to erect those standards, they used secondary data from previous sources.

The second potential segment is SIT students who were not from Invercargill. Specifically, many of them coped with transportation difficulty when they studied and lived here at the beginning. Besides, the number of them were on the rise, especially students from Asia (Friesen, 2015, pp. 10-20).

Further, Francois, Youssef, & Francesco's (2014) research on a ridesharing model (carpool) at the University of Luxembourg note that:

After analysing the rise of mobility needs in University of Luxembourg, the study was conducted on people in this place to evaluate the selection of them for ridesharing solutions. Furthermore, the essay researched in details about the barriers to this business which was parking and policy. (pp. 1-3)

Nevertheless, these studies were conducted without segmenting and targeting and so lack real usefulness for a specific Invercargill solution.

To be successful, the number of drivers has to be high enough so that passengers have a variety of opportunities for finding ridesharing matches (Deakin, Frick, & Shively, 2011, p. 133). Smirnov et al. (2011) also agreed and gave instructions to attract more drivers with well developed technology that is simple to use and provides a high quality service.

In Invercargill, 38% of people are aged 21-49 years old (New Zealand Parliament, 2012, 2015). Further, the researcher was interested in all people

at SIT who have vehicles, because this school environment was easy for both drivers and passengers to make friends and avoid parking problems (Caballero-Gil, Caballero-Gil, Molina-Gil, Martin-Fernandez, & Loia, 2017, p. 245).

## **2.2. Customers' transport problems**

A customers' rideshare selection reflects how the ride solved their transport problem(s), i.e. solutions for customers' transport problems were basic values that they expected from ridesharing option. This section studied widespread problems resolved by ridesharing businesses.

As investigated in Invercargill public transport – bus only, ICC found out citizens stated that the bus was cold inside, the number of routes were extremely low and paying process was underdeveloped. Hence, they planned to improve the air-conditioners, open more bus roads and issue BusSmart Cards. (Invercargill City Council, 2012, pp. 4-16).

The ICC plan outlined people's transport problems and how they implemented change. However, these issues only related to bus services and not the populations' general mobility problems. The intention of this research is to establish the problems that people experience and how they might be addressed.

In 2017 research into the safety of transport within Otago and Southland was conducted that demonstrated the potential customers' thinking.

In particular, as to Invercargill, three focus groups were carried out to collect their attitudes towards the safety and how to improve it. They virtually agreed that the transportation in Invercargill is not modern and relatively easy to cause accidents because of many appearances of vehicles on roads. Following that, one of those groups suggested the ridesharing solutions on bikes and vans. (McRae & Hawkes, 2017, pp. 23-24).

Overall, they investigated in detail and mentioned rideshare as an option in Invercargill, yet the research only centred around one problem (safety) and did not cover the others. In other research, three common problems; parking, money and time were mentioned (Tranter, 2010, p. 155).

With regards to parking, people selected ridesharing because their destination had no parking sites or parking sites are far away from their destinations (Chan & Shaheen, 2012, pp. 6-9). Further Defrancisco (2012) research on Zimride found:

First influence was between the demand for parking and number of parking sites, where the demand was higher than the capacity. Second was the time students spent looking for parks, which often took 15–30 minutes. (pp. 6-34).

Although the research analysed Zimride as solution, the findings did not mean that customers selected this service only because of the parking issue.

In Invercargill, this problem was recognized as what people disliked most. In the central business district, many buildings do not have dedicated business parks. This made it difficult for transporting by vehicles (Blumsky & Kirton, 2010, pp. 2-18).

Following these findings, an action plan (2011) organizing solutions for parking problem in Invercargill was created. However, this layout was solely designed to study parking issues in this city and did not bring out practical process and findings (Urbansimplus Ltd, 2011, pp. 29-33).

Li, Hong and Zhang (2017) note that:

After comparison between ridesharing business and traditional taxis, they stated drivers spent less time wandering streets looking for passengers, which otherwise used up fuel and contributed to congestions. Also, passengers spent less time on waiting for ridesharing vehicles than on waiting for taxis. (pp. 6-9).

Finally, although the demands for seniors for buses is on the rise (as previously mentioned), the ticket price was still not affordable for many seniors and people with disability, thus Invercargill bus service asked for more public funding through the ICC (Blind citizens NZ Southland Branch, 2017, p. 3).

Rideshare is a good solution for this problem. In particular, it helps customers save money mostly from fuel and repairs (Seyedabrizhani, Mamdoogi, Barzegar, & Hasanpour, 2012, p. 324). According to Xavier and Santos (2014)

costs was the most decisive factor why customers changed from taxis to ridesharing services.

### **2.3. Advantages and disadvantages of Invercargill competitors**

Buses, taxis and personal vehicles are all indirect competitors and the advantages and disadvantages should be examined.

#### **2.3.1. Advantages**

Ford (2012) showed that ridesharing depended on the volume of customers' purchases, which buses did not. Specifically, there would be some routes that a ridesharing business did not reach, but buses already covered. (pp. 10-18). However, in a regional centre like Invercargill, many workers commute to or from the country, and a city of this size was unable to provide public transport services for many of these workers.

Besides, buses were usually considered as the best option for disable customers because of security and safety (Holmgren, 2013, p. 66). However, these comments are based on international environments.

Rayle, Shaheen, Chan, Dai and Cervero (2014) showed that taxis had support from government policy, which ridesharing business often did not have, in many countries. There is a barrier for ridesharing operation (pp. 3-6). In fact, in Invercargill, both taxis and buses had been receiving subsidies, 67% and 50% respectively, from ICC and New Zealand Transport Agency (NZTA) (Invercargill City Council, 2012, p. 7).

As to customers' own vehicles, it depended on their lifestyles and behaviours. Coltin and Veloso (2012) stated that:

If there were not many people's demands for going out, people tended to use their own vehicles rather than select taxis, buses or ridesharing vehicles. Additionally, if people did not like to be dependent, they tended to select their own vehicles instead of ridesharing option. (pp. 2-3).

The recent research outlined above suggests the common competitive advantages of competitors. However, the research was not based on practical data and customers' attitudes..

#### **2.3.2. Disadvantages**

Recently, there had been a decrease in the number of passengers using city buses (Invercargill City Council, 2015, p. 3):

In particular, fluctuation of fuel cost was the main reason for this decline. To explain, it had decreased from 2014, but the price of bus ticket had still been the same (this price had been included the subsidy stated from 2012 until now), which made people tend to use their own vehicles. (Pearson, 2015, p. 64)

The price of rideshare, especially this Giving Lifts, is mainly based on the distance and the time of the trip, which can avoid the fluctuation of the fuel. Also, rideshare was a solution to some aspects of the weaknesses of traditional taxis. Especially, traditional taxis' system was not as informative as all ridesharing models' systems:

To be specific, a traditional taxi did not provide information about both drivers and passengers for each other as well as the price and the place mutually before the trip started, which ridesharing system did equip for both sides on smartphone. This made rideshare more reliable than traditional taxi. (Wang, 2015, pp. 4-5)

Further, owning a car was not as beneficial as using rideshare. Viti (2011) noted that owning a vehicle meant the owners had to pay the expences including fuel costs and vehicle-related taxes on their own, which were higher than using rideshare. In other words, all those expences were shared between drivers and passengers. Lewis & Simmons (2012) agreed and went further. They concluded that it was uneconomical if the owners drove less than 41km/day on their own instead of rideshare. However, research of Lewis and Simmons did not include explicit statistics to prove whether that conclusions were generalisable or specific to a time and place.

In general, these competitors' problems created the opportunity for ridesharing business in Invercargill. Nevertheless, it did not mean that Invercargill people chose rideshare because of those disadvantages mentioned above. Also, previous research did not provide clear statistics to prove statements and results.

### **3. Conclusion**

This research followed directions analysed above to find out customers' attitudes towards ridesharing business and competitors as well as relationship between customers' selection for rideshare and Invercargill's transport options.

To identify target segments, some potential segments were surveyed to evaluate each to target the most beneficial ones. Specifically, for passengers, those segments were seniors whose age was from 50 and above, and SIT students. For drivers, potential segments were people from 20 to 49 years old and within SIT who had conveyances.

To identify values that Southland customers expect, this research builds strategies to study further Invercargill customers' expectations regarding common problems – parking, time and money.

To understand Invercargill competitors, this study researched in details attitudes of people in Invercargill towards both competitors' advantages and disadvantages to assess whether their shortcomings lead to customers' ridesharing option.

## **C. Methodology**

### **1. Introduction**

This applied business research was descriptive in nature that "... produces an accurate representation of persons, events or situations" (Saunders, Lewis, & Thornhill, 2016, p. 715). Applied research "... is original investigation undertaken in order to acquire new knowledge, but directed primarily towards a practical objective" (OECD, 2015, p. 44). Applied research was required because there is no research available on ridesharing services in regional NZ locations. This research was used to find out whether Invercargill people will select rideshare services due to underdevelopment of Invercargill transportation.

As previously mentioned, the purpose of this research was to evaluate the feasibility and viability of the Giving Lifts start-up in Invercargill. This project aimed to provide a clear summary of the situation for this start-up that might prove usefulness to other researchers. Moreover, this research suggests changing current transportation in Invercargill into the new rideshare. To meet that aim, this section showed how research methodology was built and conducted. Research methodology is a way to systematically and scientifically solve research problem (Gupta & Gupta, 2011, p. 11).

The researcher will outline their research methodology followed by their research methods.

### **2. Research Philosophy**

This project followed positivism philosophy, which is the philosophical opinion of scientist entailing working with an observable social reality to yield law-like generalisations (Saunders et al., 2016, p. 724). Further, the validity and reliability was obtained through using a mixed methods paradigm (Saunders et al., 2016, p.135-137).

### **3. Research Approach**

In keeping with a positivist viewpoint, a deductive reasoning was used, which "... approaches to theory development involving the testing of a theoretical proposition by the employment of a research strategy specifically designed for the purpose of its testing" (Saunders et al., 2016, p. 714). A positivist

viewpoint is most notably associated with a deductive approach which meant a hypothesis was developed and tested.

#### **4. Primary Research**

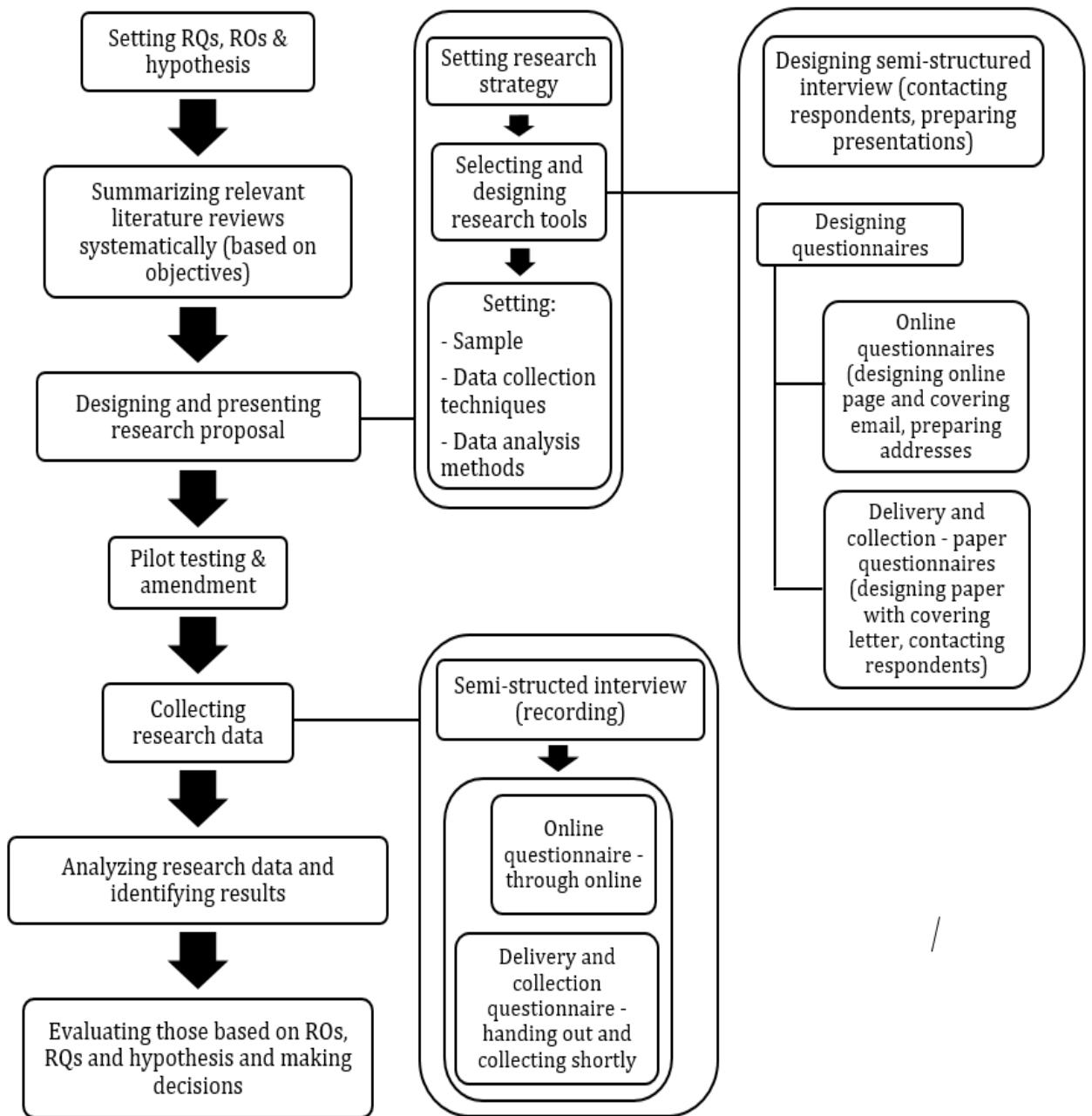
Primary research, which is data collected first-hand rather than found in a book or journal (Driscoll, 2011, p. 153), was used. Primary data collection was required because as previously noted, there is no known research on this topic in regional locations in NZ or internationally.

#### **5. Time Horizon**

Time horizon is the unit of the present event is the function of the anticipated reproduction of a past experience (Renn & Nell, 2013, p. 40). Cross-sectional data collection was required, which is the research of a phenomenon at a particular time, because this project was completed for a programme of study which included time constraints.

#### **6. Research Process**

The process from setting objectives to final evaluation is presented in flow-chart format, based on Polgar & Thomas (2013) (Refer *Figure 1* below).



*Figure 1. Research process*

## 7. Research Strategy

Research strategy is "... a plan of how a researcher will go about answering research questions" (Saunders et al., 2016, p. 726). This research used a survey strategy which is a standardised collection of data from a sizeable population (Saunders et al., 2016, p. 728). This strategy was chosen as it allowed the researcher to gather a lot of data quickly and economically (Saunders et al., 2016, p. 181). Survey is often used as a strategy when there are clearly defined research boundaries and generally relies on research tools where the researcher asks questions and participants respond.

## **7.1. Mixed methods research**

Sequential mixed methods research, which involves more than one phase of data collection and analysis (Saunders et al., 2016, p. 171), were chosen because of flexibility and nature of data in this project.

Qualitative research, which is a measure of questions utilized in academic research and contexts (Titsworth, 2014, p. 8), was harnessed to collect people's expectations and competitors' information. Further, data from qualitative research provided practical opinions, the results from analysis was compelling and powerful.

Quantitative research, which refers to systematic empirical study of social phenomena through mathematic techniques (Titsworth, 2014, p. 8), was used to count frequency of occurrences and draw comparisons among segments, people's expectations, and competitors' advantages and disadvantages. Thanks to these numbers, the information was reliable and evaluated easily.

The choice of mixed methods has many benefits such as it allows triangulation of data, which is the outcomes of the two data collection tools can mutually reinforce each other. In turn this permits a level of generalisability that establishes credibility and confidence of the data (Saunders et al., 2016, pp. 169-172).

## **8. Research Tool Overview**

### **8.1. Semi-structured interview**

Semi-structured interview starts with a set interview themes, but the interviewer is prepared to change the order and to ask new questions in the context of the research situations (Saunders et al., 2016, p. 727). In qualitative research the researcher is the research tool and semi-structured interviews provide the researcher the flexibility to explore unanticipated issues, and possibility to expand the number of informative questions, this tool was used at first to provide insight into what topics might be included for questionnaire.

### **8.2. Questionnaire**

Questionnaires include data collection techniques in which each respondent is asked to answer the same set of questions in the same order (Saunders et al.,

2016, p. 725). In quantitative research, the researcher designs the tool that collects that data.

## **9. Research Tool Design**

### **9.1. Semi-structured interview**

The researcher used semi-structured interviews to collect opinion data which records what respondents feel, think or believe something (Saunders et al., 2016, p. 722). Through this, people's opinions surrounding transportation topic were raised quickly and easily.

Open questions, which allow interviewees to respond in their own way (Saunders et al., 2016, p. 722), were exploited to gain informative answers, attitudes and facts, particularly, types of people's expectations and competitors' information. The researcher used broad questions and then introduced probing questions as required.

The order of questions started with demographic questions, then participants transport issues and ended with comparisons of transportation solutions. This order of the questions was intended to be logical to participants so that they could answer naturally.

As previously noted, this tool was conducted first to collect important information to permit the design of the questionnaire.

### **9.2. Questionnaire**

Besides collecting opinion data, the researcher collected behaviour data to detect people's current and anticipated behaviours. Behavioural variable included data about behaviours of people in the past, present or future (Saunders et al., 2016, p. 711).

Both open type and closed questions were used. Closed questions allow participants to answer quickly and easily. Further questions followed a pattern of easy (to allow participants to feel comfortable), hard and then sensitive.

The questionnaire had thirteen questions. The questionnaire started with attribute (demographic) questions, the following questions mirrored material from the semi-structured interview. For example, the main contents were presented in the order of the interviews but using a closed question format

multiple choice format to gain behaviour data. Finally, qualitative data about customers' feeling were collected in the last (open) question to gain opinion data.

## **10. Pilot testing**

### **10.1. Semi-structured interview**

The questions were sent to the research supervisor for comment and review. After amending, a pilot of the interview was conducted to test how the interviewer raised respondents' ideas, how effective the structure of the questions were, and what interactions to modify.

The number of participants was five which was large enough to find negative situations (Nielsen, 2012, para. 1-2). This pilot was conducted within SIT.

There were two problems which needed amending. The first one was about the number of current means of transport in Invercargill. These needed to be listed to allow participants to prepare answers. Three participants were confused and found it hard to follow the flow without this information.

The other was the content of questions, which was between explanations of modes of travel participants would use and would not use. Those two types were also divided into the same two parts. However each part included the same lists of conveyances which made participants confused or not understand. Hence, the researcher introduced the all types of transportation in Invercargill first then made the simple table with one side was for "using" and the other side was for "not using". After that, he could go easily into details of each side.

### **10.2. Questionnaire**

The questionnaire were sent to the research supervisor for comment and review. After amending, a pilot of the questionnaire was administered. This pilot tested the relevance and preciseness of presentation and content of questionnaire.

Ten questionnaires were completed and used by people within SIT. According to Saunders et al. (2016) this number is enough for the unpredictable situations to appear.

There were problems about misunderstanding options of questions. Specifically, “transport issues” term in the fourth question was general and made people unable to categorize their situations. Or there were two “convenience” terms in both fifth and sixth questions which made participants confused. Hence, the researcher added some short explanations or examples behind those for easy comprehension.

The other was about the content of this business. Although the contents of business were provided in the first page of questionnaires, participants tended to overlook and did not look through the concept of the service. This made most of them asked the researcher about that. Hence, the researcher also provided the brief introduction (refer to *Appendix 8*) at the top of second page where the questions were written.

## **11. Sample**

A research population is “... the full set of cases or elements from which a sample is taken” (Saunders et al., 2016, p. 274) and in this case were Invercargill residents. However, due to the size of the population a census was not an option and so a sample needed to be selected, which is “... the actual focus of the research inquiry, and from which a sample may be drawn” (Saunders et al., 2016, p. 727). In this case people within SIT and people aged 20+ were selected as the sample.

The following explanation of the sample selection was based on the planned division of people for obtaining data, previously discussed in *Section 2.1* in literature review part.

With regards to the SIT sample, the researcher used probability sampling in which “... the chance of each case being selected from the population is known and is not zero” (Saunders et al., 2016, p. 724). In that, stratified random type “... in which the researcher divided the target population into two or more relevant and significant strata based on one or a number of attributes” (Saunders et al., 2016, p. 290) was chosen. Specifically, the target population of people within SIT were divided into those who have and do not have vehicles to be representative for passengers and drivers.

As to people aged 20+, the research chose non-probability sampling in which “... the probability of each case being selected is not known” (Saunders et al., 2016, p. 722). In that, quota sampling, which “... ensures that the sample represents certain characteristics of the population chosen by the researcher”, was selected. In particular, the target population of people aged 20+ were separated into people aged from 20 to 49, and 50+, due to the non-random property of each group. Particularly, in the group of people from 20 to 49, the chosen sample was people who had vehicles; and people who did not have vehicles for the other.

### **11.1. Semi-structured interview**

According to Guest (2015), sixteen respondents should provide 90% of the necessary data around a topic. Hence, the number of participants was set at sixteen with eight from SIT and eight aged 20+. In addition, each group of eight was divided into two groups, being four participants with vehicles and four who did not.

### **11.2. Questionnaire**

The questionnaire sample size is based on Krejci & Morgan (1970) using a 95% degree of confidence with a margin of error of 5%.

The population of residents aged 20+ in Invercargill was 46 770 (New Zealand Parliament, 2015), and the number of people within SIT was around 5 000 equivalent full-time students (Southern Institute of Technology, 2017, para. 3). According to Krejci and Morgan (1970) the sample size would need to be 381. However, because of the resource constraints (time and money), the sample size was reduced to 150. This size also covers unpredictable situations to keep the data stable. Further, as the sample was selected non-randomly, the larger sample size was not required. While not ideal in terms of reliability and validity, the researcher is using a mixed method paradigm which alleviates some of the issues that a smaller sample size creates (Saunders et al., 2012, p. 169)

## **12. Data Collection**

### **12.1. Semi-structured interview**

The researcher as interviewer selected the locations for interviews within SIT and at places which had been previously agreed upon with participants that were convenient for these interviews.

While Saunders et al. (2016), suggests an effective interview will last an hour or more, because of limited budget and conditions, the researcher managed to keep the length of each interview to around fifteen. He collected interview data over a three week period.

The 'voice memos' application on the researcher's smartphone was used to record the interview which allowed the interviewer to concentrate on conducting the interview. The researcher then undertook a summary transcript of the data to allow him to analyse data (Saunders et al., 2016, p. 416).

## **12.2. Questionnaire – Delivery and Collect**

This tool was conducted after the semi-structured interviews and took three weeks to run. The time required to complete the questionnaire was around 5 minutes.

The distribution of the questionnaires was achieved using participant completed delivery and collect. This method was used because the response rate is usually high (50%+), although it takes longer and costs more to administer (Saunders et al., 2016, p.441). The researcher considered that this was the most efficient manner in which to gain a statistically significant sample.

As the questionnaires only took a short time to complete, the researcher handed them out with the consent forms and collected them back shortly after. The places to carry out this activity were within and surrounding SIT, and in organizations where assembled people aged from 20 to 49 or 50+.

## **13. Data Analysis**

### **13.1. Semi-structured interview**

The analysis followed qualitative style. To have clear data to analyse, at first, only statements, which were relevant to the topic in each recording, were transcribed. After that, the research compressed that selected information into briefer ones in which the key points were easily perceived.

Next, the researcher conducted content analysis which was "... a research technique for the objective, systematic and quantitative description of the manifest content of communication" (Saunders et al., 2016, p. 608), and thematic analysis – "a technique used to analyse qualitative data that involves the search for themes, or patterns, occurring across a data set" (Saunders et al., 2016, p. 729). In particular, firstly, brief notes, which were mainly about people's transport problems and expectations, and competitors' information, were written. Next, comparisons among information were made to find out the commonalities and differences. Then categorizing and naming steps was conducted. After that, relationships among those data was identified, then the researcher grouped them. Finally, those materials were collated mutually and clarified before being applied to the questionnaire.

### **13.2. Questionnaire**

This analysis followed quantitative style. The main chosen sort of data is nominal data about people's selection for segments, expectations and transport.

Questions 1-12 were analysed quantitatively. At first, data of segments were categorized based on demographic information and people's backgrounds, then data about people's expectations and competitors' information were also classified. Through this, the researcher also determined what values were good enough to penetrate Invercargill market.

The final question about people's suggestions or feelings about rideshare and Invercargill transportation were processed also by content analyses to quantify that data.

Those data above were then counted and analysed by Microsoft Excel 2016 and SPSS 20. to have the clear and accurate final results.

## **14. Bias**

### **14.1. Semi-structured interview**

There were two main biases that interviewer foresaw and prepared before interviews, which are interviewer and interviewee biases.

First, the research prepared firm knowledge about Giving Lifts ideas, information needed to obtain from interviewees, competitors and Invercargill transport situation.

Besides, the researcher practiced alone and in pilot testing time about the tone that attracted informants; body language through which they still understood what the researcher wanted to know, as well as how much right information the researcher could collect by summarizing all at the end of each interview; and comments which could make them feel comfortable that they did not hesitate to share information. Following that, to be more credible, the research always wore SIT coat and presented student ID card in introduction.

Next, the researcher also prepared sets of interview contents – participant information sheet (PIS) which were given to interviewees to read them before the interviews carried out. In the interviews, probing, specific and closed questions were utilized alternately to go into valuable details interestingly.

Overall, those preparation and practice allowed the research to drive the conversations only around the topic in which valuable data were collected quickly and easily.

## **14.2. Questionnaire**

There was a main bias that was addressed before the real questionnaire, which was response bias, especially question wording problem.

Although, the set of questions was edited carefully, it was also tested in pilot testing and based on the checklist in *Appendix 1* referred from Saunders et al. (2016).

## **15. Validity and Reliability**

To enhance the validity of this research, the sampling methods along with research measures as presented above were conducted selectively and carefully.

The reliability of this research could not be measured, because this research was not carried out as a repeat study which had the same research and then the same results.

## **16. Conclusion**

This section has outlined the methodology and methods that will guide the data collection process. In the following section the researcher will outline how they have met their moral and legal requirements under the SIT ethics in research policy.

## D. Research Ethics

### 1. Introduction

Research ethics is "... standards of the researcher's behaviour in relation to the rights of those who become the subject of a research project, or who are affected by it" (Saunders et al., 2016, p. 726). This issue is helpful two-side tool. In other words, research ethics help the research project gain public credibility and prove that this business is helpful to Invercargill people as the data was collected in an authentic and honest manner. From that, people or particularly, participants are willing to provide useful information that the researcher requires. All items outlined below are based on the SIT Ethics in Research Policy and meet the requirements for the ethics approval that was granted to this project. They were developed and monitored in consultation with the researcher's research supervisor.

### 2. Ethics

This section is presented under table form based on Saunders et al. (2016) and Anorexia Nervosa Genetics Initiative (ANGI, 2017) (refer *Table 4* below). According to this, all information needed to commit with participants such as anonymity, non-disclosure of information and cultural considerations were mentioned in participant information sheet (PIS) and the consent form (CF).

Please refer to *Appendices 6 and 7*.

*Table 2. Ethics for tools and strategies used throughout collection process*

Stage of research	Stage-specific ethical issues	Tool	Strategies
Formulating and clarifying the research topic	<ul style="list-style-type: none"><li>- Integrity &amp; objectivity</li><li>- Recognition of conflicting interests</li></ul>	Both semi-structured interview and questionnaire	<ul style="list-style-type: none"><li>- There was one big cultural consideration raised through pilot testing, which was about language understanding due to a lot of international people in the samples. This made participants uncomfortable and wasted their time. The language used in both the interview and questionnaire was English. This was also informed in PIS with information that it was impossible to provide interpreted versions. Instead, the researcher was always available to help respondents gain a full understanding of the questions.</li></ul>

			<ul style="list-style-type: none"> <li>- To be truthful and objective, careful preparation for the interviews was carried out. Following that, information and questions, which were needed to collect were created in a structured manner and the researcher took notes as required.</li> <li>- To avoid conflicting interests, the expenses and benefits of participants were informed in PIS. Specifically, there were no costs to participation, but there were no specific benefits to them in participating, but then the explanation of their future benefits were given.</li> </ul>
Risk assessment (of potential harm)	Semi-structured interview		<p>The risk was that the time for completing the interviews might be quite long, which occupied valuable time for the researcher and participants. Hence, the researcher prepared all necessary questions and information in PISs and gave to participants, which saved time. Moreover, through pilot testing, the interviewer perceived the approximate the period of time that the real interview would be carried out, and the reasons of expansion of time was the long and irrelevant answers of participants. From this experience, the interviewer practiced driving the interviews only around the topic, and also practiced the way to limit respondents' answers.</p>
	Questionnaire		<p>The risk of questionnaire was that, through pilot testing, the respondents tended to overlook questions recklessly and then give random answers without thinking carefully because of many pages and length of questions. To solve this, the researcher modified the size of questions within two lines, all the questions appeared in one paper, but still kept the same meaning and comprehensibility.</p>

<b>Designing the research and gaining access</b>	<ul style="list-style-type: none"> <li>- Right of absence of coercion (by researcher, sponsor or gatekeeper)</li> <li>- Participants/gatekeeper's right to be fully informed and ask questions</li> <li>- Right to withdraw</li> <li>- Participants' right to privacy</li> <li>- Right to give informed consent</li> <li>- Requirement to work within and maintain informed consent</li> </ul>	Both semi-structured interview and questionnaire	<p>All these rights of respondents were mentioned and solved in the most comfortable way to them in PIS and CF. In that,</p> <ul style="list-style-type: none"> <li>- Respondents were fully informed about nature of research and information that the researcher needed to collect through PIS and CF,</li> <li>- It was optional for respondents to take part in the interviews/questionnaires, even withdraw without proving any reasons, and without any penalty in anyway,</li> <li>- Respondents could provide their questions and concerns through phone and email of the researcher and the supervisor.</li> <li>- The general contents of interview/questionnaire were mentioned in PIS to inform them that the interviews/questionnaires were only discussed within these themes.</li> </ul>
<b>Collecting the data</b>	Right to confidentiality and anonymity	Semi-structured interview	The identifications that interviewees gave were their names and emails. Those identifications were coded if they were needed in the research, and confidential that known only by the researcher.
		Questionnaire	Respondents' name and other identifications are not required to fill. Besides, all demographic information and the others in questionnaire (such as your email) will be strictly confidential that only known by the researcher.
	Maintenance of objectivity	Semi-structured interview	This issue depended on how well the researcher could control the interviews. The researcher practiced and gained experiences through pilot testing about the way of using English language, body language to let interviews understand correctly, and raising awareness which information is objective and which is not.
<b>Processing and storing the data</b>	Confidentiality and anonymity	Semi-structured interview	All results, data from transcriptions, recordings transmitted into a USB, and questionnaires were stored in strong box with password.

		Questionnaire	<ul style="list-style-type: none"> <li>- All demographic information and the others in questionnaire (such as your email) will be strictly confidential that only known by the researcher.</li> <li>- After getting the results, data from paper questionnaires, and online data stored in a memory disk will be stored in strong box with password.</li> </ul>
	<ul style="list-style-type: none"> <li>- Maintenance of objectivity</li> <li>- Researcher's responsibility to verify data</li> </ul>	Semi-structured interview	Each interview was recorded not only to collect and select necessary and valuable data but also to make sure that all the analysed data and results were based on practical interviews.
		Questionnaire	All data which were processed and selected by Excel and SPSS 20 were only based on information about quantity and frequency collected from questionnaires.
	Use and security of personal data	Both semi-structured interview and questionnaire	<ul style="list-style-type: none"> <li>- Only researcher could access to all collected data.</li> <li>- At the end of project, personal information data were destroyed. However, raw data, according to SIT policy (2011), have been retained for 5 years in safe storage, then will be destroyed in accordance with SIT's document destruction policy.</li> </ul>
<b>Analysing the data and reporting the findings</b>	<ul style="list-style-type: none"> <li>- Maintenance of objectivity</li> <li>- Confidentiality and anonymity</li> </ul>	Both semi-structured interview and questionnaire	<ul style="list-style-type: none"> <li>- Analysis and evaluation were only inferred from what were processed.</li> <li>- Results of all analysis were coded by a system known and granted to access only by the researcher.</li> </ul>

### 3. Conclusion

In this section the researcher has provided an extensive explanation of their ethical processes and actions throughout the data collection process. The researcher will now present the research findings followed by a discussion of the results.

## **E. Results**

### **1. Introduction**

This section focuses on analysing and processing the collected data to answer the research questions and meet the research objectives.

The research undertook a summary transcription from the recorded qualitative interviews. The researcher then undertook data reduction to focus on the most important data for the project and to remove all personal information. The data was then analysed with the researcher seeking meaningful patterns and themes. Finally, the findings were used to develop the second stage of the data collection; the questionnaire design. This method of data analysis was appropriate because this data was based on words and not numbers and so cannot be treated statistically.

For the quantitative analysis technique the research organised the data, collated it and then undertook exploratory analysis using summary descriptive statistics. The researcher used SPSS 20. and Microsoft Excel 2016 to enter, code and analyse data. The findings were presented as tables, graphs and descriptive statistics to describe and present perceived relationships and trends. Especially, this method was used to find out which types of customers Giving Lifts service should focus on and how customers' transport trend would be if this business became available. This method was appropriate as quantitative research is typically designed to be treated using mathematical treatments.

The researcher harnessed both qualitative and quantitative data from interviews and questionnaires respectively, to create a stronger overview of the entire business. After undertaking the analysis, the results were used to assess the Invercargill transport market, particularly potential segments, the values Giving Lifts service should provide and customers' attitudes towards competitors, to aid the researcher to make decisions for the business. That information were especially beneficial for developing the marketing strategies and business plan.

The results are presented below.

## **2. Qualitative data and quantitative data analyses**

### **2.1. Qualitative data analysis**

The interviewees were listed as number of recording from 1 to 16 (refer table 3 below).

*Table 3. Schedule of recording for semi-structured interviews*

<b>No. of recording (NoR)</b>	<b>Background 1 (B1)</b>	<b>Background 2 (B2)</b>
1	SIT	Vehicles
2	SIT	Vehicles
3	SIT	Vehicles
4	SIT	Vehicles
5	SIT	No vehicles
6	SIT	No vehicles
7	SIT	No vehicles
8	SIT	No vehicles
9	20+	Vehicles
10	20+	Vehicles
11	20+	Vehicles
12	20+	Vehicles
13	20+	No vehicles
14	20+	No vehicles
15	20+	No vehicles
16	20+	No vehicles

There were seven questions (refer to *Appendix 9*) used in the interviews, which were designed based on the research questions and objectives.

#### **2.1.1. Segments information**

The researcher used three questions to ask participants about their age, their employment status and which types of participant (driver/passenger) they wanted to be. The findings were grouped and presented in the tables as below.

*Table 4* (below) shows the age range for the sample group.

*Table 4. Ages of interviewees*

NoR	B1	B2	Ages	Groups
5	SIT	No vehicles	21	20 - 49
15	20+	No vehicles	24	
2	SIT	Vehicles	24	
4	SIT	Vehicles	25	
10	20+	Vehicles	28	
1	SIT	Vehicles	29	
7	SIT	No vehicles	29	
8	SIT	No vehicles	31	
3	SIT	Vehicles	35	
6	SIT	No vehicles	35	
13	20+	No vehicles	48	50+
12	20+	Vehicles	51	
11	20+	Vehicles	55	
14	20+	No vehicles	55	
9	20+	Vehicles	63	
16	20+	No vehicles	64	

*Table 5* (below) summarises the employment statuses. The statuses were categorized and divided into four groups as below, which are student, working, in between jobs and retired.

As to “student” option, the researcher did not use “student in SIT” to describe this group, because it was risk and might lose many opportunities in other segments if the scope was too narrow. However, people in SIT would be marked by the age within 21-49, if they chose “Student” option.

Besides, some cases had two options, thus this question were set into multiple responses. In other words, participants could choose as many options as they could at this question.

*Table 5. Employment status*

NoR	B1	B2	Employment Statuses	Groups
2	SIT	Vehicles	Student in SIT	Student
5	SIT	No vehicles	Student in SIT	
7	SIT	No vehicles	Student in SIT/Sales person	Both (student & working)
8	SIT	No vehicles	Student in SIT/ Forklifter	
1	SIT	Vehicles	Working in SIT	Working
3	SIT	Vehicles	Working in SIT	
4	SIT	Vehicles	Working in SIT	
11	20+	Vehicles	Engineer	
12	20+	Vehicles	Electrician	In between jobs
14	20+	Vehicles	Teacher	
10	20+	Vehicles	Looking for jobs	
13	20+	No vehicles	Looking for jobs	Both (student & in between jobs)
15	20+	No vehicles	Looking for jobs	
6	SIT	No vehicles	Student in SIT/Looking for jobs	Both (student & in between jobs)
9	20+	No vehicles	Retired	Retired
16	20+	No vehicles	Retired	

*Table 6* (below) summarised participant's willingness to be passengers or drivers if Giving Lifts service was available. This question did not need to group because the answers were brief but still had enough meanings.

There were some situations that participants did not have vehicles but they still selected to be driver or both. The researcher did give those more questions for explanation and they said they planned to buy vehicles in near future.

*Table 6. Types of customers*

NoR	B1	B2	Types of customers
5	SIT	No vehicles	Passenger
6	SIT	No vehicles	
7	SIT	No vehicles	
8	SIT	No vehicles	
11	20+	Vehicles	
13	20+	No vehicles	
16	20+	No vehicles	Both
1	SIT	Vehicles	
2	SIT	Vehicles	
14	20+	No vehicles	
3	SIT	Vehicles	Driver
4	SIT	Vehicles	
9	20+	Vehicles	
10	20+	Vehicles	
12	20+	Vehicles	
15	20+	No vehicles	

In these questions, each one was used to create a group of answers which would be utilized as choices in questionnaires to justify potential segments.

### **2.1.2. Basic values**

This question sought to determine the basic values which customers expected from Giving Lifts or transport problems which they expected Giving Lifts might solve. The researcher tried to collect as many problems as possible by asking each interviewee to give as many ideas as they could. Interviewees' ideas were categorized and put into subgroups based on the same contents. All of those subgroups were put into four bigger groups which are transport, parking, money and environmental issues.

Although the literature review highlighted “time issues” no interview participants identified this as a problem.

*Table 7. Transport problems from interviewees*

Statements			Pollution											
NoR	B1	B2	Transport issues			Parking issues			Money issues			Environmental issues		
1	SIT	Vehicles		X			X	X	X		X	X		
2	SIT	Vehicles			X				X	X	X	X		
3	SIT	Vehicles				X	X	X	X	X	X			
4	SIT	Vehicles		X	X				X					
5	SIT	No vehicles	X					X			X	X		X
6	SIT	No vehicles	X	X	X		X		X		X	X		X
7	SIT	No vehicles	X		X			X	X	X	X	X		
8	SIT	No vehicles	X											
9	20+	Vehicles		X		X	X	X	X	X		X		
10	20+	Vehicles			X	X		X		X	X	X	X	
11	20+	Vehicles		X	X	X		X	X		X	X		X
12	20+	Vehicles		X		X	X	X	X	X		X		
13	20+	No vehicles	X											X
14	20+	No vehicles	X						X			X		
15	20+	No vehicles	X						X					
16	20+	No vehicles	X											X

Each bigger group in this question was representative for one basic problem that people in Invercargill expected Giving Lift to solve. Following that, they were used in questionnaires as choices for participants.

### **2.1.3. Disadvantages and advantages of modes of transportation**

This section focused on interviewee's choices around modes of transportation in Invercargill – personal vehicles, buses, taxis and Giving Lifts.

At first, the researcher gave them four choices to categorise them into “using” and “not using”, then the chosen ones were investigated further to gather more explanations. After that, participants were asked to give more information why they did not select the others. Following that, these reasons became the advantages and disadvantages of each means of transportation from the customers’ attitudes.

Some participants gave ideas under brief forms, but some provided under some situations or by telling short stories. The researcher transformed them into briefer concepts and coded them into a suitable category. For example, one man explained that his car broke suddenly and he was in a hurry to pick up his daughter from the airport, so he used a taxi. In other words, this was recorded as an emergency situation.

Although there were some ideas which were mentioned by only one or two participants, they were still collected and used in these tables below. The frequency of occurrences of those opinions would be checked through quantitative analysis. But in this qualitative analysis, the researcher tried to collect as many viewpoints as possible.

Thematic analysis and content analysis were used to brief, categorize and name as mentioned previously in *section 13.1.*, thus all of respondents’ ideas were abridged into short statements which would be choices in questionnaires for each type of transportation.

In the questionnaires, participants would go through all four means of transportation to select the reasons which were described in the table above. Based on those advantages and disadvantages, the researcher could partly have assessment between Giving Lifts service and other available means of transport on Invercargill market, which was helpful for business decision.

### **2.1.3.1. Advantages of modes of transport**

Given that a lot of ideas were shown in the interviews, those reasons for selection of each mode of transportation were presented as the table below.

All interviewees provided their attitudes towards advantages of almost four modes of transportation. To explain, besides the modes of transportation which participants used before, they also agreed to provide their opinions

about some others' advantages if they would use those. However, the researcher did not force all respondents to give reasons for all four modes of transportation.

*Table 8. Advantages of modes of transport from interviewees*

Ideas			Advantages										Having car / taking the bus and just needing taxis for emergency situations		Emergency			
Statements			Cheapness/ sharing fees		Quickness		Convenience		Independence		Safety		Schedule time		Taxis			
NoR	B 1	B 2	Giving Lift service								Personal vehicles				Buses		Taxis	
1	SIT	Vehicles	X	X		X		X	X	X	X	X	X	X		X		
2	SIT	Vehicles		X	X	X	X		X		X	X	X	X	X		X	
3	SIT	Vehicles									X	X	X	X			X	
4	SIT	Vehicles		X			X	X	X		X	X	X				X	
5	SIT	No vehicles	X		X	X		X	X		X	X	X				X	
6	SIT	No vehicles									X	X	X	X	X			
7	SIT	No vehicles	X		X	X		X	X	X					X	X	X	
8	SIT	No vehicles													X	X	X	
9	20+	Vehicles									X		X	X				
10	20+	Vehicles									X		X	X			X	X
11	20+	Vehicles	X		X	X	X		X		X	X	X					
12	20+	Vehicles									X			X			X	
13	20+	No vehicles	X	X		X	X	X	X	X		X			X	X		
14	20+	No vehicles	X	X				X	X	X	X	X	X		X	X	X	
15	20+	No vehicles																
16	20+	No vehicles	X	X	X	X		X	X	X					X	X	X	

### **2.1.3.2. Disadvantages of modes of transportation**

The reasons for not selecting any of the four modes transportation were described in the table below.

Likewise, interviewees not only provided the researcher with information about reasons why they did not use those conveyances, but also about potential reasons if they would not use the others. Some participants only mentioned transport options they did not use.

Table 9. Disadvantages of modes of transport from interviewees

Ideas			Disadvantages												Drivers are not supportive/friendly								
			Inconvenience												Service quality is bad								
			Huge expense to spend in the long time/ long trips												Have to wait for the trips								
NoR	B 1	B 2	Giving Lift services						Personal vehicles						Buses						Taxis		
1	SIT	Vehicles	X					X		X		X	X	X	X	X	X	X	X				
2	SIT	Vehicles										X			X		X	X					
3	SIT	Vehicles	X	X	X	X		X	X	X		X	X		X	X		X					
4	SIT	Vehicles										X		X		X		X	X				
5	SIT	No vehicles										X		X	X	X	X	X	X				
6	SIT	No vehicles	X	X	X	X	X	X									X	X	X				

7	SIT	No vehicles			X	X	X			X	X	X			X				X	X	X	X	
8	SIT	No vehicles	X	X	X		X			X	X	X	X										
9	20+	Vehicles	X	X	X			X	X					X	X	X		X	X	X	X	X	
10	20+	Vehicles	X	X		X		X						X	X			X	X				
11	20+	Vehicles	X			X				X	X	X	X					X		X	X	X	
12	20+	Vehicles												X	X	X				X	X	X	X
13	20+	No vehicles			X					X	X	X		X	X				X	X	X	X	
14	20+	No vehicles												X	X		X	X	X	X	X	X	X
15	20+	No vehicles		X		X				X	X	X	X				X	X				X	
16	20+	No vehicles								X	X	X	X	X						X	X	X	X

#### 2.1.4. Summary of qualitative data

In the qualitative data analysis, qualitative data were collected through interviewees based on the research objectives and questions. All of participants' opinions were transformed through some steps into the briefest and most general statements. These ideas helped the researcher to build the marketing plans to attract as many customers as possible at the beginning by focusing on their demands. However, he did not have information about which opinions were the most common that could make many people notice. Following that, these statements would be used as choices in multiple choices in questions of questionnaires.

#### 2.2. Quantitative data analysis

Graphs, charts and tables below were used to present summarised data. The researcher transformed data into meaningful form which assisted him to have a good general oversight of Invercargill transportation and the opportunity for Giving Lifts service.

Answers to thirteen questions (refer to *Appendix 10*) over three focus areas were presented. The analysis followed the order of research objectives and questions rather than the questionnaire. A mistake in question 3, which was not discovered in the pilot, was that there was not an option for 'NOT using Giving Lifts service'. To solve this problem, whenever the researcher gave the questionnaire to a respondent, he also showed them to write the words 'NOT'/'N' after 'Both' option if they meant not to use Giving Lifts service.

### **2.2.1. Segments**

This field includes the first three questions to identify percentage of number of people who were interested in Giving Lifts and categorize them into segments. This data helped the researcher to determine the segments which need to be targeted.

The content from these questions were a bit different from the plans of collecting segments data which were set up previously. This was because these questions helped the researcher not only information within SIT and people with ages from 20+ but also the types of customers and other segments which might be beneficial.

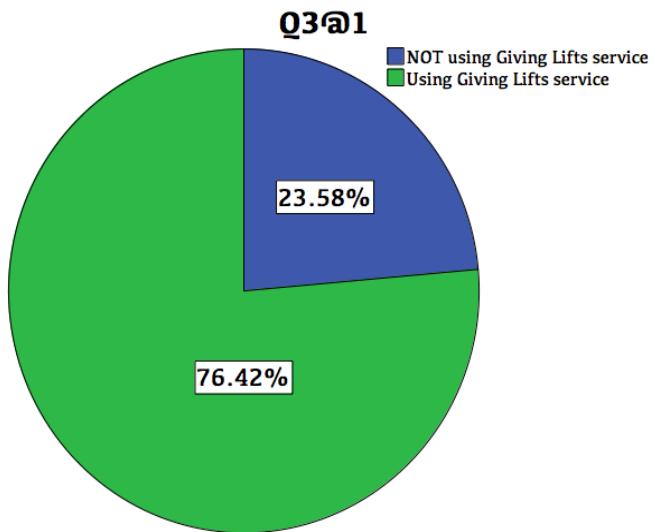
The first three questions tried to determine the percentage of number of people who were interested in Giving Lifts service. In that, besides the age, the researcher not only focused on customers within SIT, but also outside SIT as categorized by employment status. The third question were about the type of customers and the choice for using Giving Lifts service. The researcher believed it would give more opportunities for the business.

#### **2.2.1.1. Selections of using or not using Giving Lifts service**

The third question not only found out the quantity of passengers and drivers in this start-up business, but also assisted the researcher with classifying who were interested and those who were not in Giving Lifts service.

Table 10. Selections of using or NOT using Giving Lifts service from participants

<b>Selections</b>	<b>Frequency</b>	<b>Percent</b>
NOT using Giving Lifts service	29	23.58
Using Giving Lifts service	94	76.42
<b>Total</b>	<b>123</b>	<b>100</b>



*Figure 2. Selections of using or NOT using Giving Lifts service from questionnaire participants*

From 123 respondents of the survey, 23.58% which is 29 participants would not use Giving Lifts service, and 76.42% which is 94 participants. Following this result, the researcher believed that the opportunity for running that business in Invercargill was high, which might attract many people here.

The next categorization were based on the number of respondents – 94 participants – who did not selected ‘NOT using Giving Lifts service’, the remainder would be analysed further from the ninth question. The researcher analysed the ages and employment statuses information with type of customer’s data to have a particular segments. Specifically, the researcher wanted to know the number of drivers and passengers in target segments if they were in balance to produce suitable strategies.

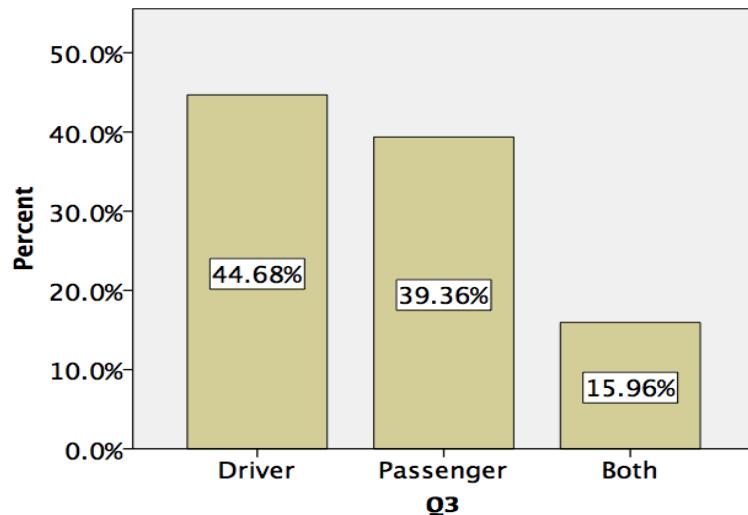
#### **2.2.1.2. Types of customers**

The third question allowed the researcher to categorize the quantity of potential drivers and passengers, or both among customers then to have a suitable strategies to fulfil demands of those two types of clients.

The percentage of this analysis was based on the number of responses, not on number of respondents, which showed the flexibility and covered opportunities in switching from this type of customer to the other type of each participant.

The survey showed that 'driver' occupied 44.68% while 'passenger' just took up 39.36%. In other words, people in Invercargill were more interested in being drivers than being passengers in this start-up business. However, the gap (5.32%) was not significant, which suggests that it might be narrowed if there are appropriate solutions.

Only 15.96% were interested being both 'driver' and 'passenger', hence, the analysis will focus on these two specific roles.



*Figure 3. Types of customers*

- **Driver**

In the driver category, 'retired' was the most noticeable employment statuses at 58.7%. This meant this retired segment would be the good selection to target at the start-up stage.



*Figure 4. Types of customers - driver*

Further in the ‘retired’ ‘driver’ category, the majority were aged 50+ (81.48%). In other words, the business should target people 50+ who were ‘retired’ for ‘driver’ customers based on this finding.

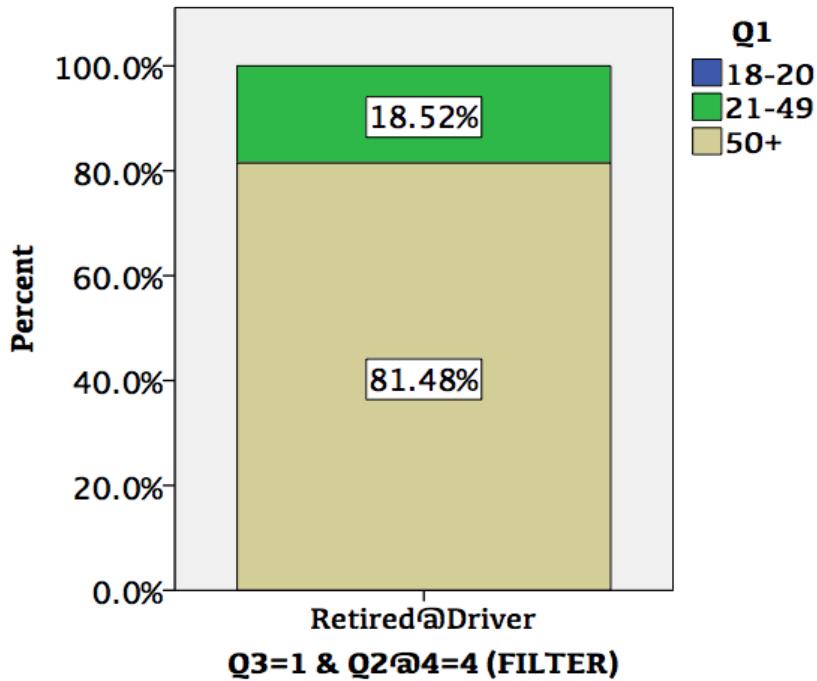


Figure 5. Percentage of each age range of people who was retired and chose driver

- **Passenger**

In passenger category, ‘student’ gained the highest percentage, which was 51.16%. Hence, that segment could be profitable if the business targets them in the start-up.

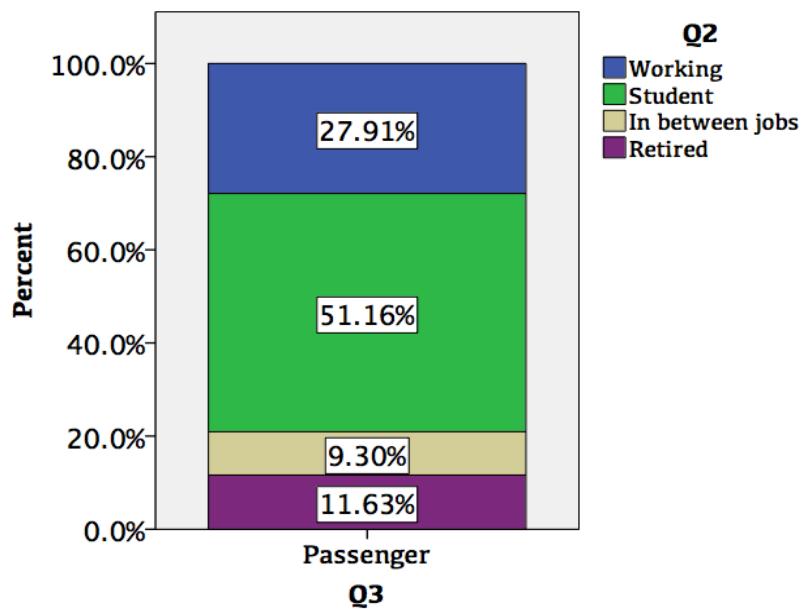
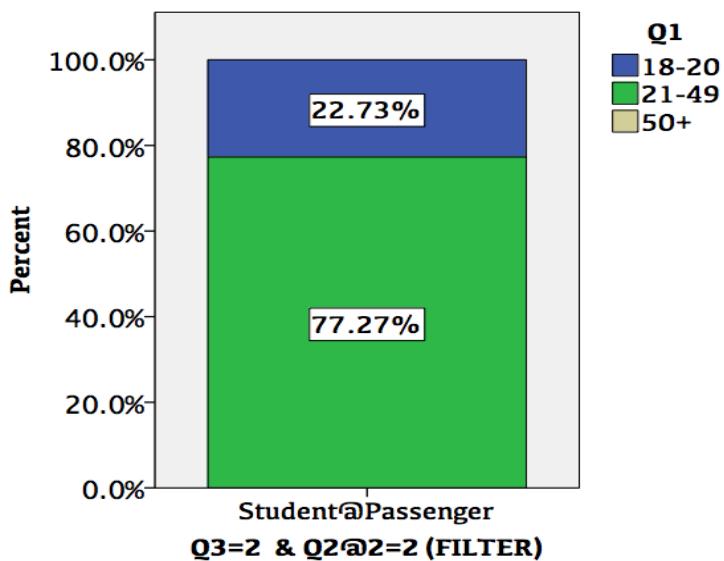


Figure 6. Type of customers - Passengers

In the 'student' 'passenger' category, 77.27% were aged 21-49 years; making them SIT students. This concurs with previous expectations for a target segment.



*Figure 7. Percentage of each age range of people who was student and chose passenger*

Overall, as per the findings above, at the beginning, the business would build marketing strategies to target the retired aged 50+ as drivers and SIT students aged 21-49 years old as passengers. This finding is a bit different from what the researcher expected as mentioned before in literature review that seniors and SIT students were expected to be passengers, people whose age from 20 to 49 years old and within SIT who had conveyances were expected to be drivers.

### 2.2.2. Transport problems

The fourth question helped the researcher to identify what basic values people in Invercargill expected from Giving Lifts. The basic values here were common problems relating to transportation that this start-up business was supposed to solve.

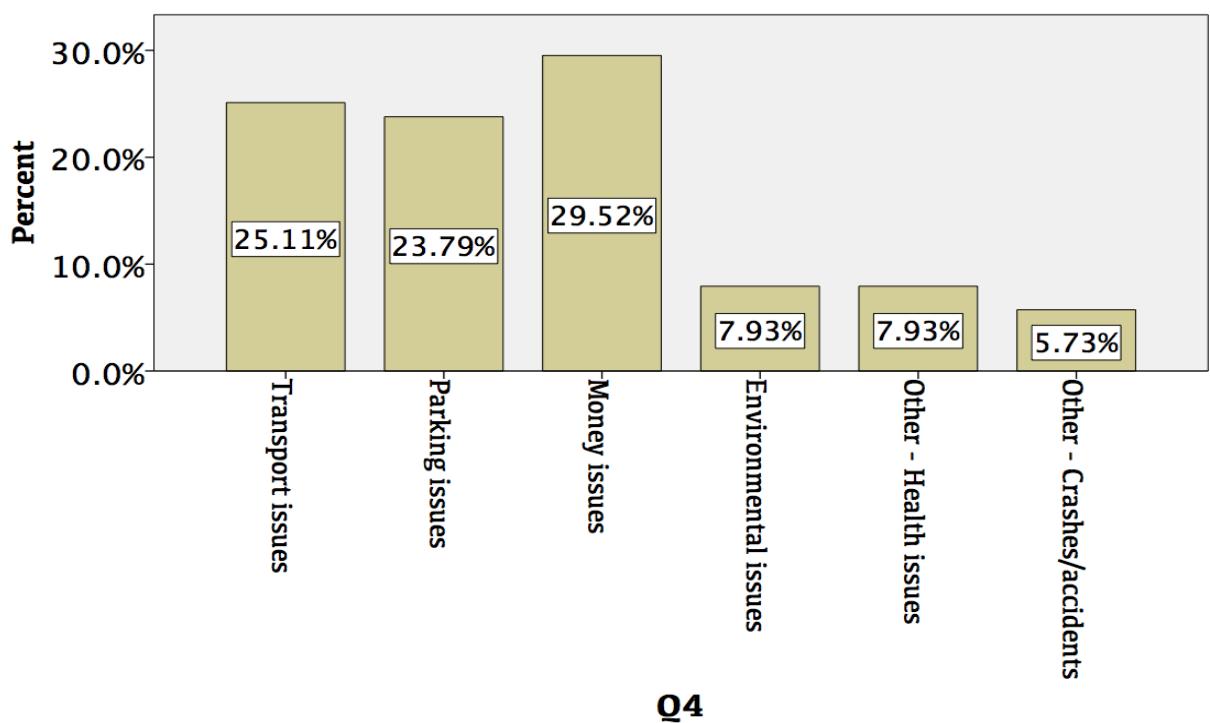
At first, this question not only covered people who would use Giving Lifts but also people who would not. Because although the business would target at potential segments, it did not mean the business would ignore the other segments which could turn into prospective segments in future.

In general, through the questionnaire, there were three problems which were selected the most; transport issues, parking issues and money issues. The

basic values of Giving Lifts have to include them to standout in the marketplace. The data is presented below. Further, there were two elements listed in 'Other' being 'Health issues' and 'crashes/accidents'.

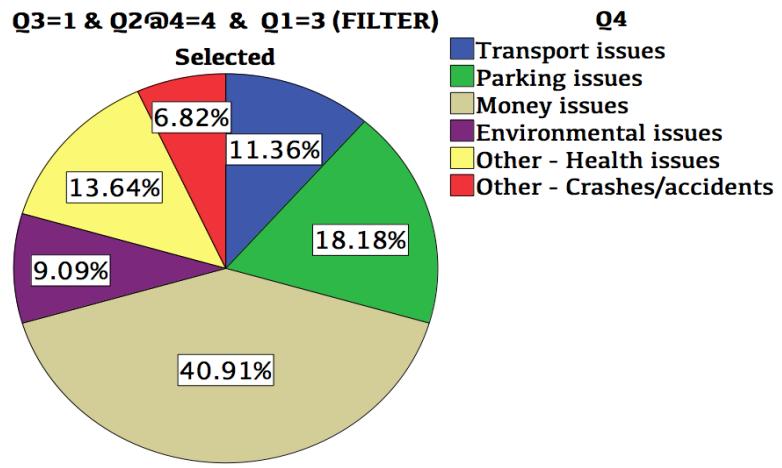
*Table 11. Transport problems of questionnaire participants*

Problems	Number of times participants selected	Percentage
Transport issues	57	25.11%
Parking issues	54	23.79%
Money issues	47	29.52%
Environmental issues	18	7.93%
Other - Health issues	18	7.93%
Other - Crashes/accidents	13	5.73%
Total	227	100%



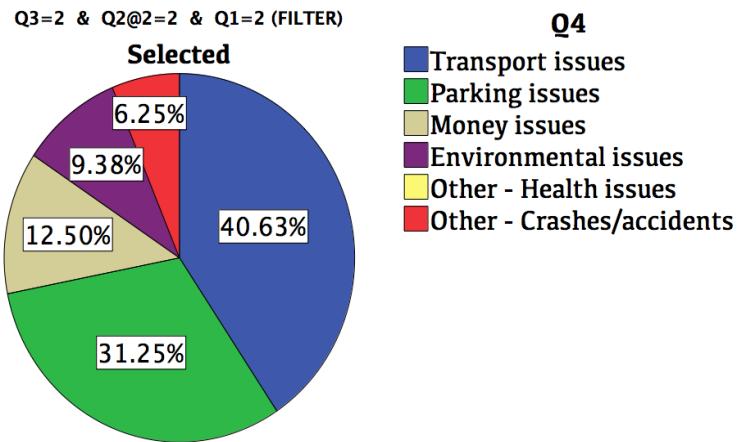
*Figure 8. Transport problems of questionnaire participants*

For 'drivers' all of the selections were chosen, but 'money issues' occupied the highest percentage at 40.91%. In other words, people in Invercargill, who would choose to be driver, expected Giving Lifts could help them solve financial problems.



*Figure 9. Transport problems of targeted segments - drivers (retired, 50+)*

For ‘passenger’ they had ‘transport issues’ (40.63%), followed by parking issues’ (31.25%).



*Figure 10. Transport problems of targeted segments - passenger (student, 21-49)*

Overall, there were three problems that people in Invercargill selected; ‘transport issues’, ‘parking issues’ and ‘money issues’. In particular, ‘drivers’ expected the business could solve their ‘money issues’, and ‘passengers’ expected the service were able to address ‘money issues’ and ‘parking issues’. In simple words, Giving lifts should be able to grow if it can tap into these basic values and solve these problems.

### **2.2.3. Advantages and disadvantages of competitors from participants' attitudes**

Questions five to twelve are about the advantages and disadvantages of Giving Lifts and competitors from the customers’ perspective.

There were 112 selection of personal vehicles. Giving Lifts service would be their second choice if it was available on the market, which had 94 responses. Bus and taxi services were the least options, with 64 and 40 selections.

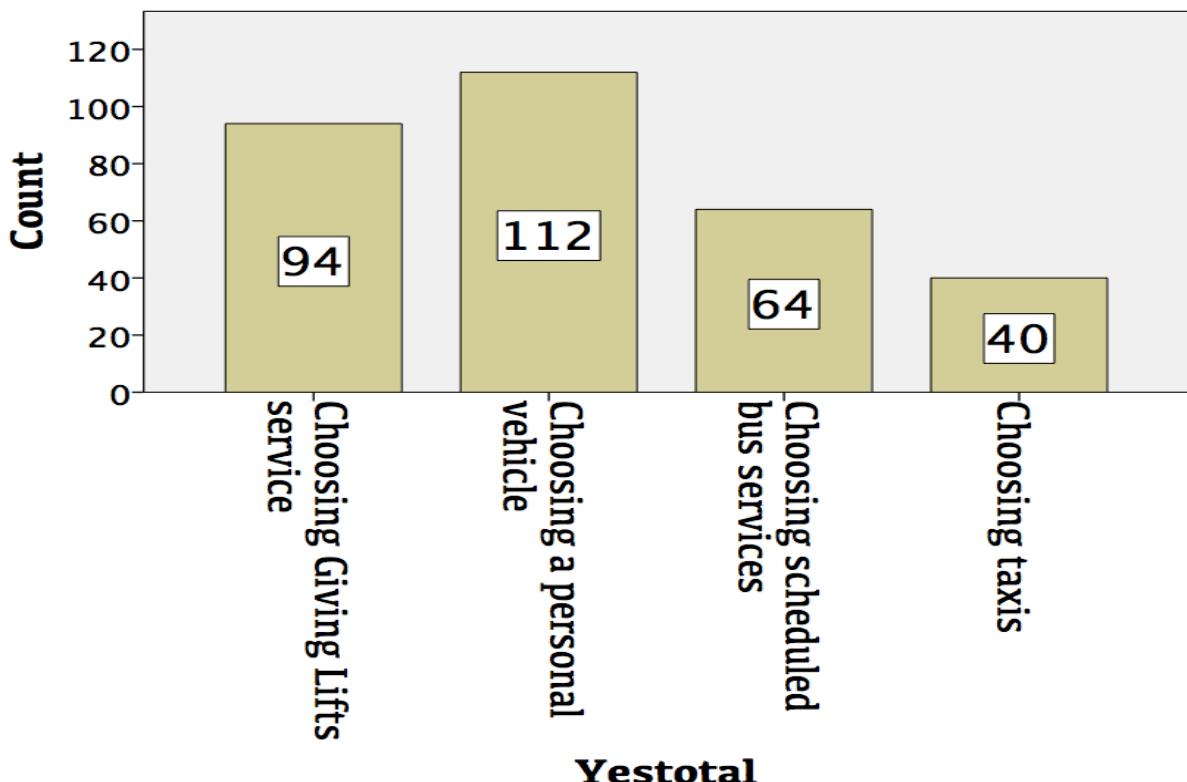


Figure 11. Modes of transportation selections of questionnaire participants

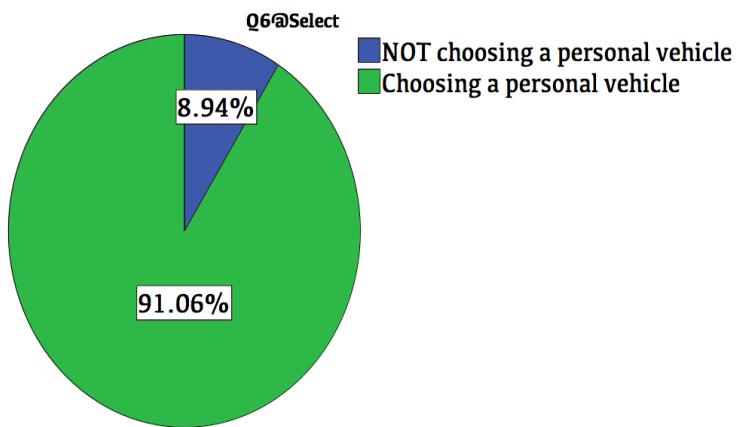
The next analysis of each mode of travel was processed in ascending order of the number of selections above.

#### 2.2.3.1. Personal vehicles

The findings of this were based on replies gathering from question 6 and 10. 86.18% people in the survey selected personal vehicles and this mode of transport also took up the highest frequency as mentioned before, which directed the researcher to think that this mode of transport were the most popular in Invercargill.

*Table 12. Modes of transportation selections - Personal vehicles*

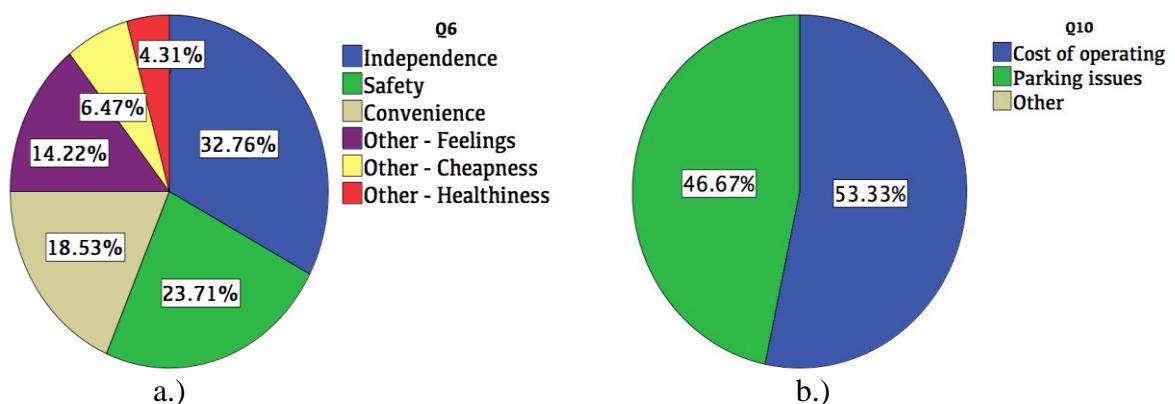
Selections	Frequency	Percentage
NOT choosing a personal vehicle	11	8.94%
Choosing a personal vehicle	112	91.06%
<b>Total</b>	123	100%



*Figure 12. Modes of transportation selections - Personal vehicle*

There were seven reasons that people in the questionnaire provided. Aside from option already available, the other three suggestions were ‘feelings’, ‘cheapness’ and ‘healthiness’. Following that, respondents chose personal vehicles as their mean of transport because of ‘independence’ and ‘safety’, which occupied the highest percentages. On the other hand, there were no additional options for not choosing personal vehicles from the other seventeen participants.

To be more informative, ‘feelings’ meant participants just liked it and chose to use it without any other reasons. ‘Cheapness’ meant they used cheap vehicles such as bike. Finally, ‘healthiness’ meant that they used vehicles such as bike not only as a mean of transportation, but also as a means of exercise.



*Figure 13. Reasons for questionnaire participants' choices - personal vehicle*

- a.) Reasons why personal vehicles were chosen
- b.) Reasons why personal vehicles were NOT chosen

Based on those findings, these personal vehicles were the biggest competitor to this start-up. In other words, personal vehicles were considered as the most popular mode of transport in this area, despite the high cost of operating and parking issues. Initially, Giving Lifts would not compete to this current biggest market share, but to the others – buses and taxis – which are easier by covering their disadvantages.

#### **2.2.3.2. Giving Lifts service**

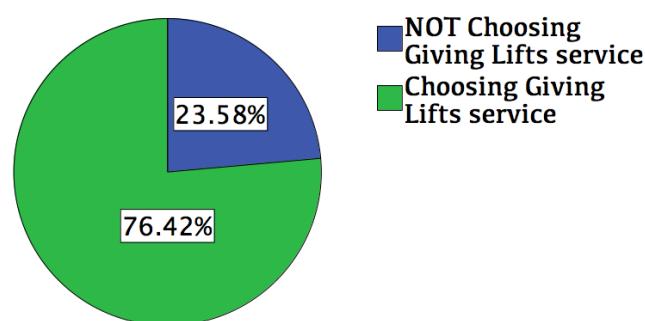
The findings of this were based on replies gathering from questions five and nine.

76.42% people in the survey would choose Giving Lifts and it also gained the second highest number of selections from participants as mentioned before. This drove the researcher to think that this business had high opportunity to gain many customers if it would be available on the market.

*Table 13. Modes of transportation selections - Giving Lifts service*

Selections	Frequency	Percentage
NOT choosing Giving Lifts service	29	23.58%
Choosing Giving Lifts service	94	76.42%
<b>Total</b>	123	100%

**Giving Lifts service - Selecting/NOT selecting**

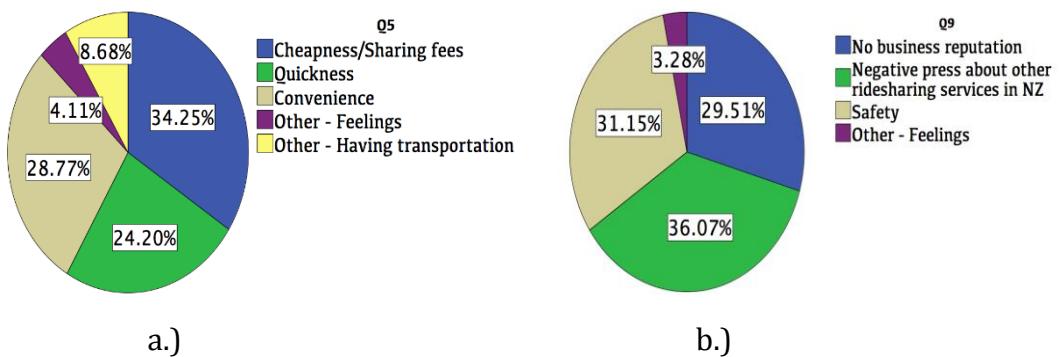


*Figure 14. Modes of transportation selections - Giving Lifts service*

There were five reasons that participants selected. Besides the three available choices, participants suggested two more options which were ‘feelings’ and ‘having transportation’. ‘Feelings’ had the same meaning as mentioned in

section 2.2.3.1. ‘Having transportation’ meant that participants would need to be transported, thus they would select the service.

Based on findings, participants would choose Giving Lifts service because of ‘cheapness/sharing fees’, ‘convenience’ and ‘quickness’, which scored 34.25%, 28.77% and 24.20% respectively. On the other hand, most of answers from the twenty-nine other participants (36.07%), were ‘negative press about other ridesharing services in NZ’ as the most popular reason why they would not choose Giving Lifts. The other two popular reasons could become negative reasons against the business were ‘safety’ and ‘no business reputation’, which scored 31.15% and 29.51% respectively.



*Figure 15. Reasons for questionnaire participants' choices - Giving Lifts service*

a.) *Reasons why Giving Lifts service would be chosen*

b.) *Reasons why personal vehicles would NOT be chosen*

In general, through the results of the questionnaire, it was profitable for Giving Lifts to launch the business in Invercargill, but there were also some reasons, which were reputation, negative press about ridesharing services and safety, that the researcher should have good solutions to solve via product design and marketing.

### 2.2.3.3. Scheduled bus services

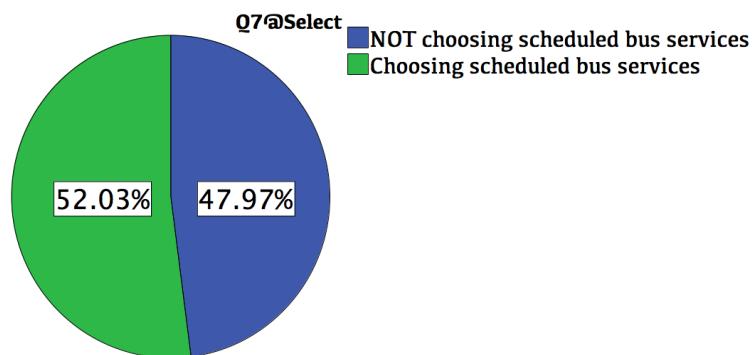
The findings of this were based on replies gathered from questions seven and eleven.

52.03% people in the survey chose scheduled bus services as their mean of transport, but in comparison with other modes of travel, this occupied the second lowest number of responses as mentioned above. On the other hand, the other people who did not choose buses were 47.79% which was only around 4% lower. The distance between percentages of those two types of

people were close, or currently buses were not as popular as personal vehicles in Invercargill.

*Table 14. Modes of transportation selections - scheduled bus services*

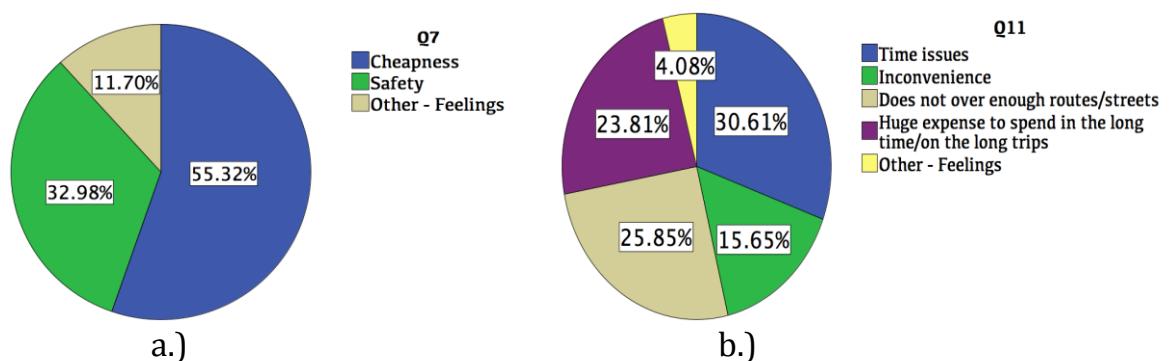
Selections	Frequency	Percentage
NOT choosing scheduled bus services	59	47.79%
Choosing scheduled bus services	64	52.03%
<b>Total</b>	<b>123</b>	<b>100%</b>



*Figure 16. Modes of transportation selections - scheduled bus services*

There were three reasons including an additional reason; feelings for the choice of using bus services. ‘Feelings’ in this question had the same meaning as mentioned previously. In that, ‘cheapness’ occupied the highest percentage of answers and the second was ‘safety’.

Conversely, there were five reasons why participants did not use scheduled bus services, including supplementary option – feelings. Following that, time issues’ was the most common reason, followed by ‘not enough routes’ and ‘huge expenses in long time’ took up the second and the third positions.



*Figure 17. Reasons for questionnaire participants' choices - Scheduled bus services*

a.) *Reasons why scheduled bus services were chosen*

b.) *Reasons why scheduled bus services were NOT chosen*

Overall, based on those findings, schedule bus services in Invercargill were not very popular, there were still many disadvantages that could not attract numerous customers. Additionally, some disadvantages of scheduled bus services which are ‘time issues’, ‘routes’ and ‘huge expenses in the long time’ were able to solve by the advantages of Giving Lifts.

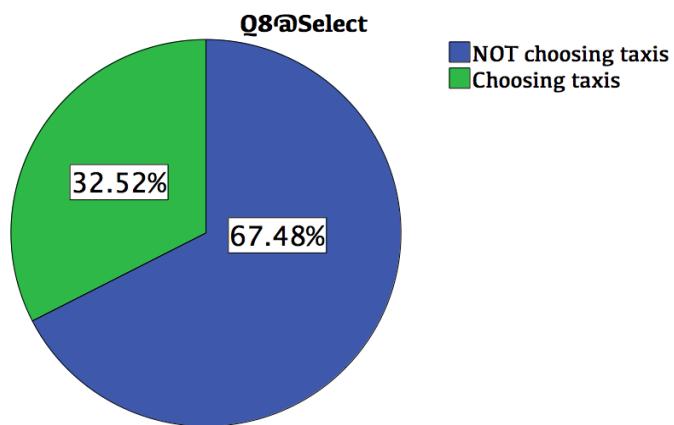
#### 2.2.3.4. Taxis

The findings of this were based on replies gathering from questions eight and twelve.

Only 32.52% participants were interested in taxis, while 67.48% did not select taxis as their mode of transport. Taxis received the lowest level of selection, i.e. based on the findings, taxis were not the choice that people in Invercargill used many times.

*Table 15. Modes of transportation - taxis*

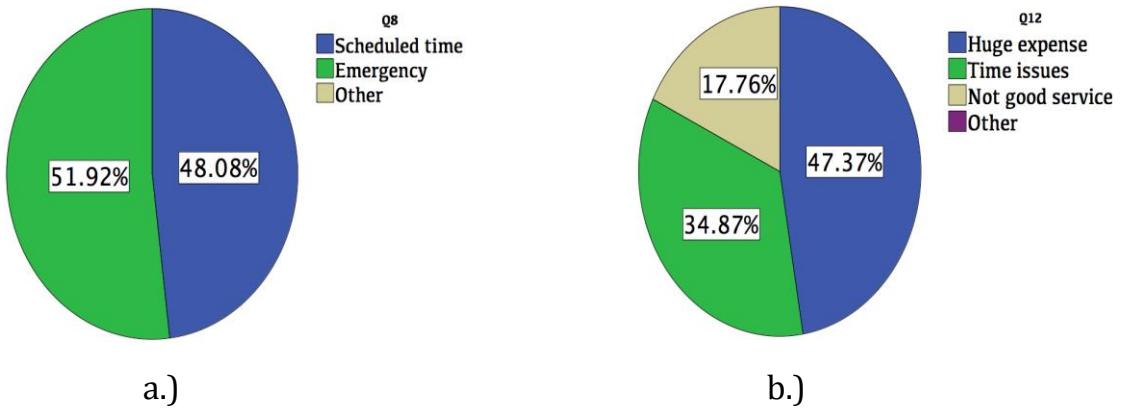
Selections	Frequency	Percentage
NOT choosing taxis	59	47.79%
Choosing taxis	64	52.03%
<b>Total</b>	123	100%



*Figure 18. Modes of transportation - Taxis*

There were only 2 reasons without additional options for choosing taxis which were ‘emergency’ and ‘scheduled time’ in ascending order. As to why people did not use taxis, ‘huge expense’ were the most common reason, which occupied 47.37%, followed by ‘time issues’ and ‘not good service’. The ‘other’ option was not selected. In other words, generally, taxis were not popular in

Invercargill because of high price, time for waiting, bad service and it could only be used in urgent situations or for plans which were set before.



*Figure 19. Reasons for questionnaire participants' choices - Taxis*

a.) *Reasons why taxis were chosen*

b.) *Reasons why taxis were NOT chosen*

Overall, through the results of the survey, taxis were not used as a common mode of transport in Invercargill, but might be used in urgent situations or for scheduled plans. Furthermore, all disadvantages of taxis including 'huge expenses', 'time issues' would be addressed by Giving Lifts, and also this start-up business would replace 'emergency' reasons of taxis with its feature that many vehicles, especially cars, on the roads that people could ask for giving lifts through the app at any time.

In general, based on to these findings and results, Giving Lifts service would not be directly compete with personal vehicles at the beginning, but with scheduled bus services and taxis by solving their disadvantages and replacing their advantages.

#### **2.2.4. Additional comments**

This question were used as a tool to gain ideas from customers to know what direction they expect Giving Lifts service to develop. Depending on situations, these ideas would be utilized at the beginning, in the future or might not be efficient to apply.

The collected answers were grouped then briefed into short and general statements and counted frequency.

There were 29 people providing their suggestions on this ridesharing business, while 94 of them wrote 'no' or '/'.

*Table 16. Number of comments on Giving Lifts service*

Selections	Frequency
No comment	94
Comments	29
<b>Total</b>	<b>123</b>

The twenty-nine responses were provided below. In particular, eleven participants wanted a simple payment system and ten participants wanted Giving Lifts to build an efficient identification and safety for customers. These statements would be applied at the beginning.

On the other hand, the first statement might be applied in the future when the market share of Giving Lifts is stable in Invercargill, because that direction is broader and not particular, which has more expenses to run the business at the beginning.

*Table 17. Comments categories*

No.	Comments	Frequency
1	Changing business into trips from cities/towns/provinces to cities/towns/provinces	8
2	Focusing on identification and safety of customers	10
3	Developing simple payment process	11
	<b>Total</b>	<b>29</b>

### **2.2.5. Conclusion**

The researcher gathered primary data from semi-structured interview and questionnaires. Following that, semi-structured interviews was used to collect options terms and some other information as materials for questionnaires. After that, the researcher gathered data and counted the quantity or frequency of those data through questionnaires.

According to the research findings, the business would target on retired people whose ages are 50+ as drivers and students in SIT. The basic values that people in Invercargill expected from Giving Lifts service were 3 problems, which were “transport issues”, “parking issues” and “money issues”. As to Invercargill transport market, the service could compete with buses and taxis

at the beginning, because its advantages could cover their disadvantages and advantages to attract many customers.

Overall, thanks to those findings and results, they would be important materials for building business models and strategies which mentioned in the next sections.

# BUSINESS

## PLAN

# ELEMENTS

## **A. Business Concept**

### **1. Introduction**

According to Bernus, Nemes and Schmidt (2012), business concept leads to building a business model, business plan and action plan, in which mission, vision and intended cultural attributes (values and policies of the company) are presented.

### **2. Business concept of Giving Lifts service**

#### **2.1. Outline of business concept**

Giving Lifts service is a smartphone application which assists passengers and drivers, who are on the same routes, find one another at the same time. This business is a means to help reduce the number of vehicles on road and by extension, the number of incidents. The income for this service mainly comes from the percentage of the payments drivers receive.

Giving Lifts have two types of customers; passengers who do not have vehicles and drivers who have vehicles and want to earn additional income.

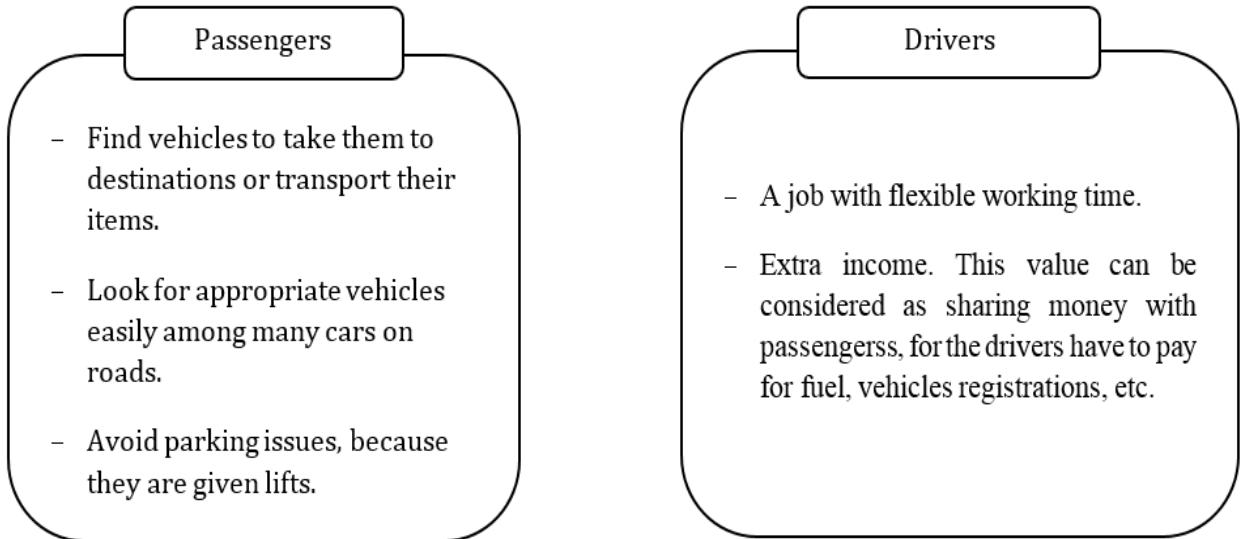
#### **2.2. Customer segments**

This service will be opened to all people in Invercargill but some segments will be focused on in the start-up to reduce expenses; to achieve a desired level of customers and income. As per the findings of research, Giving Lifts will attract the retired whose aged 50+ as drivers and students at SIT as passengers.

#### **2.3. Values to customers**

##### **2.3.1. Basic values**

According to the research data, the most common problems were money issues, transport issues and parking issues. Hence, Giving Lifts has been created to solve those troubles;



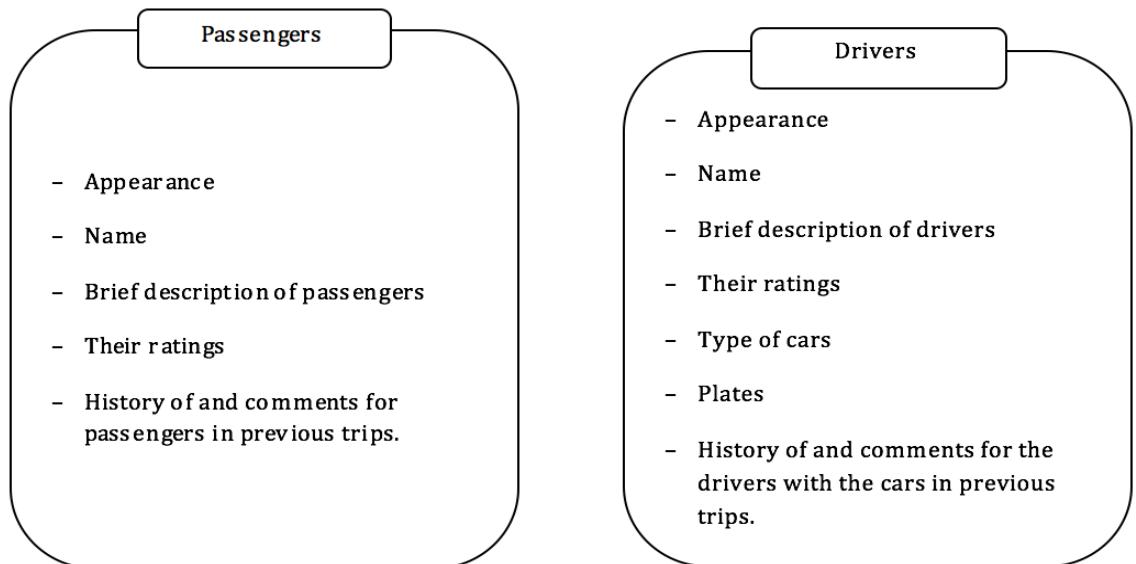
*Figure 20. Basic values for customers*

### **2.3.2. Extra values**

According to the research data, additional values will be created based on those participants' comments;

- *Safety*

This is what the different customers will see on their screens.



*Figure 21. Information of both customers*

This helps customers to feel safer in using the service and increases trust in this service.

- *Payment system*

There are two ways for passengers to pay drivers, by cash or by cashless payment (phone or card number) and the payment will be conducted after the trips.

These ways are easily to carry out and convenient in case they do not have cash.

When both of customers register to use the apps, they will be asked to provide their information relating to cashless payment method, especially information about their accounts to conduct the payment. As to drivers, they will be asked to create one more account to let company collect the money whenever the passengers pay by cash. However, this information will not appear on the screens of the others.

#### **2.4. Mission, vision, core values and business objectives**

- *Mission:* Giving Lifts appear everywhere everytime to solve every transport problems for everyone.
- *Vision:* To become a habit of everyone when they want to go out locally.
- *Core value:* The main core value is to solve transport problems for people, and it is presented as 3 points below.

Core Values	Explanation
<i>Be convenient, be fast and be cheap</i>	The service is always convenient to have a trip, procedures and processes are fast and the price fit customers' satisfaction.
<i>Be modern</i>	Although the service is based on technology and kept improving.
<i>Be sociable</i>	Being sociable at all times to make customers feel safe and friendly to keep them use the service again and again.

*Table 18. Core values of Giving Lifts service*

- *Business objectives:*

Approaching 5 000 people in Invercargill after the first years by marketing strategies. In that, around 2500 people will download the app to use the service.

In the second year, by long-term promotional activities, the number of usage increases 40%.

In the third year, through promotions, other marketing strategies and more offers to customers, the profit will be increased 30%.

By the end of 2020, the service will occupy 30%-40% market share.

### **3. Strengths of the proposed business model**

Below are factors about the strengths of this proposed business model

Trust	Mutual feedbacks/ comments/ necessary information and dual rating systems are built for customers to have evaluation on each other to choose the suitable trips.
Low operational costs	Through interaction between passengers and drivers on the app, it is unnecessary for dispatchers or equivalent services.
Targeted segments	Although that the business will open to everyone, targeted segments were researched and will still be focused on. This helps the business identify where it is in the market and where to emphasize on. Also this aids the service navigates marketing strategies and narrow the cost which should not spend on unnecessary segments.
Extra values	Safety and two ways of payment also differentiate the proposed business from the existing means of transport, especially buses and taxis in Invercargill. In that by the method of payment card, passengers can still pay the trips without cash.
Training service for drivers	Every month there will be a day for training drivers about how to serve customers to gain high rates, good comments and repeat using the service. Also, thanks to this, a well-skilled drivers will be created to satisfy passengers and guarantee the good quality of the service.

### **4. Benefits provided to customers and stakeholders**

#### **4.1. Benefits provided to customers**

The below is the range of benefits that customers will receive.

- Values to customers as previously mentioned are also considered as benefits.
  - o Basic values - for passengers, the benefits are to provide a means of transportation, various vehicles on roads for choosing and no parking issues to worry. For drivers, flexible working time and money issues will be addressed.

- Extra values, the benefits are safety with information of both passengers and drivers and two means of payments.
- In comparison with other competitors, such as taxis and buses, customers do not need to call and wait for pick up or wait in a line and can use the service at any time, which suits people's schedule time.
- Discounts and valuable gifts will be provided to the passengers if they accumulate enough points and honoraria for drivers if they reach a certain number of trips and rating in a certain period of time.
- The consultant or customer service team who will support customers 24/7 using chat or calling. This is always available for customers if they need any assistance.

#### **4.2. Benefits provided to stakeholders**

A comprehensive list of benefits to stakeholders is provided below (refer *Table 19* below).

*Table 19. Stakeholders and their benefits from Giving Lifts service*

Stakeholders		Benefits provided by the proposed business	
Internal	Investors	- The risks are low - Payback period is quick	
	Business owner	- Low expenses - The revenue can be rising because of increased volumes of rides	
	Employees	- Working from home - Comfortable working place (such as always having snacks at the office, ...) - Some special discounts (such as discounts for gym centres, vision tests, ...)	
External	Customers	Drivers	- Money issues are solved - A job with flexible time - Extra income to cover other expenses (such as maintenance fee, ...)
		Passengers	- Transport issues and parking issues are solved - Variety in types of vehicles on roads for selecting

	<p><i>Suppliers</i></p> <ul style="list-style-type: none"> <li>- Fuel stations (<i>indirect</i>)</li> <li>- Application programs</li> <li>- Material facilities</li> </ul>	<ul style="list-style-type: none"> <li>- Getting more customers (especially fuel stations)</li> <li>- Increasing sales</li> <li>- Long term relationship (especially application programs)</li> </ul>
	<p><i>Government bodies</i></p>	<ul style="list-style-type: none"> <li>- Gaining more tax income</li> <li>- Safer roads</li> <li>- Greater options for residents and visitors</li> </ul>
	<p><i>Community/Society</i></p>	<ul style="list-style-type: none"> <li>- Reducing pollution and accidents/crashes</li> </ul>

## 5. Analysis on micro and macro environments

It is necessary to analyse micro and macro environments to have a general look around the business to identify opportunities, challenges the strengths as well as weakness, from which the strategies and activities will be built to carry out.

The internal and external factors was analysed through these following tools: PESTLE, Porter's Five Forces and SWOT.

### 5.1. Macro environment analysis

#### 5.1.1. PESTLE analysis

This analysis is used to analyse various forces that will affect Giving Lifts service within Invercargill.

##### 5.1.1.1. Political and legal factors

Political and legal factors are connected in this business. The well-known ridesharing business Uber, has had many problems relating to compliance in some big cities in New Zealand (Chisholm, 2017). There are new laws which have been effective since on 1<sup>st</sup> October 2017, which regulate the ridesharing industry (New Zealand Transport Agency, 2017, pp. 2-11). The changes require that;

- Both the business and drivers must hold Small Passenger Service Licence (SPSL). This is to make sure the service comes under New Zealand regulations.
- Drivers must have vehicle walk-around inspection. This is to make sure the vehicles are safe and meet enough standards to provide the service.

- Every year, every trip as well as transaction must be recorded and reported to New Zealand Transport Agency (NZTA) to allow the government to follow the operation of the business; and to ensure that drivers who receive a sizable income from driving declare that income.

#### **5.1.1.2. Social and economic factors**

Social and economic factors are connected in this business. As the population increases, the economy increases. This is beneficial to Giving Lifts.

As Friesen noted (2015), the increase in the economy of Invercargill is mostly owing to the number of migrants, especially migrants from Asia through SIT. These people struggle to find the means of transportation initially when they move to Invercargill, thus Giving Lifts can help them solve that problem.

According to Southland Mayoral Forum (2015), the upcoming development strategies for Invercargill (2015 – 2025) is to attract more tourists by building a museum, renewing Esk Street as a mall area and arts centre, and encouraging the opening of more cafes, bars, and hospitality experiences as well as tertiary trainers for the young professional demographic. Also, new buildings will be built and old buildings will be renewed to attract more companies.

All of these strategies lead to the increase in the population as well as the economy in Invercargill, which means this ridesharing business has a possibility to take up a big share and large profit from the market.

#### **5.1.1.3. Technological factors**

According to Venture Southland (2015), since 2008 the use of technology has increased. This has led to the growth in demand as well as the rise in usage of smartphone and cellular data. However, it does not mean all of people are using or will use smartphone and cellular data. Hence, Venture Southland has sought to attract more mobile and internet companies to Invercargill since 2015. This will facilitate the development of Giving Lifts.

#### **5.1.1.4. Environmental factors**

As Environment Southland (2011), the air quality in Invercargill is lower than the other places within Southland and New Zealand air quality. Especially in winter in CBD of Invercargill, the pollution is prone to increase. Although this

is a bad situation to Invercargill, to Giving Lifts, this is an opportunity for the business to appear as the best solution.

### **5.1.2. Competitor analysis**

Given that this ridesharing service does not currently have direct competitors in Invercargill, the researcher has completed a competitor analysis based on the indirect competitors including personal vehicles, buses and taxis.

All of these competitors have similar service which is to transport someone/something from places to other places and are operated in Invercargill. In the table below, “none” meaning this comparative factor does not apply to this competitor.

*Table 20. Competitor analysis*

Competitors		Giving Lifts service	Personal vehicles	Buses	Taxis
<b>Segments</b>		Everybody, but targeting at people whose age is 50+ and students in SIT	Depending on each brand's strategies and customers' demands	Everybody	Everybody
Features	<b>Advanced booking</b>	No	None	No	Yes
	<b>Hiring method</b>	Smart phone application	Owning vehicles	Standing at bus stations and flagging	Calling centre, application, taxi queue
	<b>Payment</b>	Cash/Cashless	None	Cash/Bus Smart Card	Cash/EFTPOS
	<b>Fare sharing</b>	Anyone	No	Price based on quantity of people	Limited to friends
	<b>ETA to destination/estimated price</b>	Available	None	No	No
	<b>Trust/Interaction between drivers and passengers (mutual feedbacks and information)</b>	Available	None	No	No
	<b>Vehicle provided from</b>	Self	Self	Invercargill City Council	Taxis companies
<b>Price/cost</b>		Flexible but affordable	All expenses are paid by only the owners	Affordable prices	High prices
<b>Promotion</b>		Facebook page/brochures/booths/website and word of mouth	Depending on each brand's marketing strategies	<ul style="list-style-type: none"> <li>- Website/Newspaper for informing news</li> <li>- No particular promotional activities</li> </ul>	<ul style="list-style-type: none"> <li>- Website/Newspaper for informing news</li> <li>- No particular promotional activities</li> </ul>
<b>Strengths</b>		<ul style="list-style-type: none"> <li>- Flexible time</li> <li>- No parking issues</li> <li>- Quickness</li> <li>- Brought doors to doors/close to destinations</li> <li>- Sharing fees</li> <li>- Promotional activities</li> </ul>	<ul style="list-style-type: none"> <li>- Independence</li> <li>- Safety</li> <li>- Brought doors to doors</li> <li>- Brands have their own reputations</li> </ul>	<ul style="list-style-type: none"> <li>- Cheapness</li> <li>- Safety</li> <li>- Supported by government</li> </ul>	<ul style="list-style-type: none"> <li>- Scheduled time</li> <li>- Emergency</li> </ul>

<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>- No business reputation</li> <li>- Negative press about other ridesharing services in NZ</li> <li>- Unknown/ Unchecked safety</li> </ul>	<ul style="list-style-type: none"> <li>- Cost of operating</li> <li>- Parking issues</li> </ul>	<ul style="list-style-type: none"> <li>- Time issues</li> <li>- No doors to doors</li> <li>- Not covering enough routes</li> <li>- Huge expense to spend in the long time ore long trip</li> <li>- No promotional activities</li> <li>- Not commonly optional payment</li> </ul>	<ul style="list-style-type: none"> <li>- Huge expense</li> <li>- Time issues</li> <li>- Not good service</li> <li>- No promotional activities</li> <li>- Not commonly optional payment</li> </ul>
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### 5.1.3. Competitive advantages

The first competitive advantage are the features of the business. Giving Lifts is based on the application to match drivers and passengers with low prices, also through those, trust, evaluations and chatting environments are provided. Those offers greater customer values than competitors in Invercargill.

The second is promotional activities from marketing strategies which keeps customer relationships and attract more clients.

Following that, at the beginning, the business aimed at low cost in narrow segments which is cost focus. To explain, the service is run with lower operation cost than other competitors – buses and taxis in that niche market – drivers and passengers among the retired whose age from 50+ and students in SIT, who are on the same routes.

## 5.2. Micro environment analysis

### 5.2.1. SWOT analysis

This tools helps this business recognize strengths and opportunities and to minimize the weaknesses and threats. The SWOT of Giving Lifts service is presented as *Figure 22.* below

STRENGTHS	WEAKNESS
<ul style="list-style-type: none"><li>- Technical platform</li><li>- Trust</li><li>- Low operational costs</li><li>- Targeted segments</li><li>- Basic and extra values</li><li>- Training services for drivers</li></ul>	<ul style="list-style-type: none"><li>- No business reputation.</li><li>- Low income at the beginning to keep running the business due to the number of using the service of both customers and drivers.</li><li>- Although the business has built the solutions for "safety", but it has not been through the real test from customers, thus customers might hesitate to use the service at the beginning.</li><li>- Not everyone uses smartphone.</li></ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"><li>- Dissatisfaction with disadvantages of competitors, which makes people switch to use Giving Lifts service.</li><li>- The increase in the usage of smartphones means an ability in increase in usage of Giving Lifts service.</li><li>- There are other potential and exploitable segments apart from SIT and age ranges – transporting to airports and sharing trips between cities, in which the service can expand in the future.</li><li>- The population in Invercargill is increasing, which leads to the growth of demands for mean of transportation.</li></ul>	<ul style="list-style-type: none"><li>- Negative press about other ridesharing services in NZ.</li><li>- Giving Lifts service is easily substituted by personal vehicles which occupied the highest percentage of selection as mentioned in the survey.</li><li>- The business concept is easily copied by competitors, especially taxis who already had a certain number of customers and reputation, or by new entrants.</li></ul>

*Figure 22. SWOT of Giving Lifts service*

### 5.2.2. Porters' five forces analysis

This tool gave the researcher more details about the transport market in Invercargill.

#### 5.2.2.1. Threat of potential entrants – medium to high

As Giving Lifts service is the first ridesharing service in Invercargill, potential entrants can take advantages on what Giving Lifts achieves, i.e. they can spend less initial capital which allows them to penetrate the market quicker.

Secondly, this business idea is easily copied, which means those entrants not only run the service in the same way but also charge less for the same distance.

The threat of potential entrants seems to be high, but if the business can build business reputation through good marketing strategies to occupy the large market share, which will be a barrier to the new entrants.

#### **5.2.2.2. Threat of substitutions - medium**

Based on the research Invercargill residents tend to use their own vehicles. However, Giving Lifts was a preferred option over buses and taxis. This means that substitutions (buses and taxis) are not a strong threat to this start-up business.

#### **5.2.2.3. Supplier bargaining power - medium**

The fuel suppliers are an indirect provider to Giving Lifts, which provide fuel for driver customers. As the survey conducted in 2011 by Ministry for Economic Development, in Southland, the fuel costs will increase until 2025. This trend coupled with the highly volatile nature of fuel process will cause a high risk to the transportation industry. However, the price of fuel will affect all transportation providers including buses and taxis.

The other suppliers are application programs, which provide platforms for the service to build the systems. However, the prices for these are fixed by percentage in a year, thus the risks of this supplier are not high, but it is not too low either because the higher the sales is, the higher these expenses are.

The companies which provides material facilities such as telephones, laptops are also considered as suppliers. Nevertheless, those are not frequent suppliers that can cause pressure on Giving Lifts service.

#### **5.2.2.4. Threat of buyer - high**

According to the data personal cars occupies market share which means that the demand for Giving is threatened might be low; i.e. switching customers from personal vehicle use to using Giving Lifts and keeping them loyal.

This threat is high, but based on the transport problems – transport issues, parking issues and money issues that residents in Invercargill expected this ridesharing service to solve, if Giving Lifts service provides good offers such as accumulating points towards free rides to keep customer relationships and obviously good service, this trouble can be addressed.

#### **5.2.2.5. The degree of rivalry - low**

At this time, there is no direct competitors who offer a ridesharing service in Invercargill, thus the degree of rivalry is low. However, in future, another well-known provider such as Uber might appear in Invercargill, which makes the threat higher if Giving Lifts does not have a stable market share.

### **6. Conclusion**

Based on the research and literature reviews, all the unique features and values of the business were mentioned in details as well as the benefits stakeholders gained from the business were drawn clearly in the table. Additionally, analyses of macro and micro environment were carried out to have a clear look about the position of the company to have suitable strategies. Also, the comparisons among competitors in Invercargill and competitive advantages were mentioned particularly to make sure about ability to stand in Invercargill market of the business.

## B. Marketing Strategies

### 1. Introduction

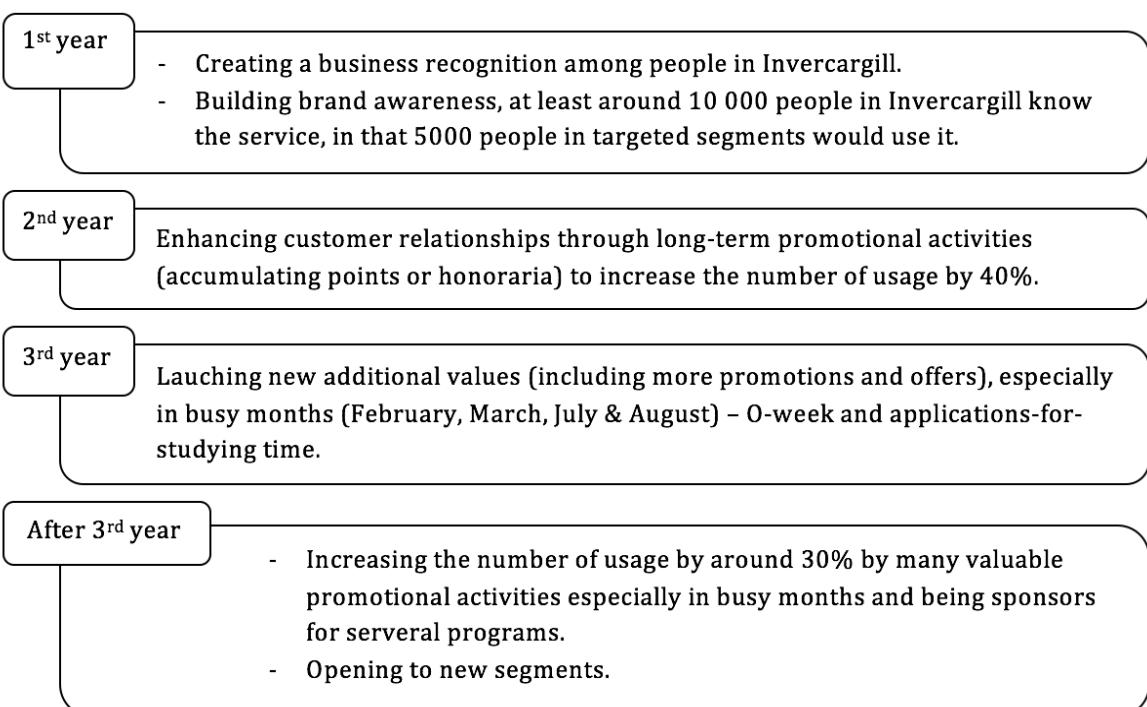
Marketing strategies help the business to capture the hearts and minds of their customers thereby allowing the business to run profitably. In other words, these are tools for the business to create and maintain customer relationships. Hence, this section discusses about how Giving Lifts service attract customers and keep them use the service again and again.

### 2. Marketing objectives and strategies

Based on the literature review and the research, the retired whose aged 50+ and students in SIT are most likely to choose this service. These findings assisted the business to know where to focus their strategies and so assisted them with suitable places to spread the message of their service. Customers expect Giving Lifts to address transport issues, parking issues and money issues. In other words, marketing strategies will focus on customer benefits. Giving lifts will initially compete buses and taxis by highlighting replaceable advantages and covering their disadvantages.

Based on the findings above and business objectives, the marketing objectives and strategies are built as below.

#### 2.1. Marketing objectives



Quarterly, all the performances will be assessed against the objectives provided above.

Before opening, a preliminary campaign will be conducted for three weeks to raise awareness of Giving Lifts. The owner, the leaders and all the staff will spread out leaflets those places includes SIT, supermarkets, public parking sites and retirement villages. Additionally, Facebook, Youtube and Twitter will be used as a major tool to introduce information about the service, because those have a broader network.

## 2.2. Marketing strategies

Starting the campaign to raise people's awareness in Invercargill in three weeks before the establishment of the business.

Offering long-term programs to attract and maintain customers, such as accumulating points to get valuable gifts or discounts on the next trips, or more honoraria.

Always checking and analysing the chatting environment on the Giving Lifts service' website to collect valuable opinions to identify situations and have suitable strategies.

Following competitors frequently by visiting their websites, noticing news of them from newspaper and analysing demands of customers to have different strategies to make the service more attractive.

Conducting and analysing among effective marketing channels to choose the best one which has the lowest expenses but still attracts the largest number of clients.

Keeping following all marketing programs based on the number of customers and revenues to eliminate immediately the unprofitable ones to save money and use that to invest more on other effectively promotional activities.

Making an agreement with a bank to offer customers discounts on cashless payments, which is a way to keep customer relationships and attract more customers.

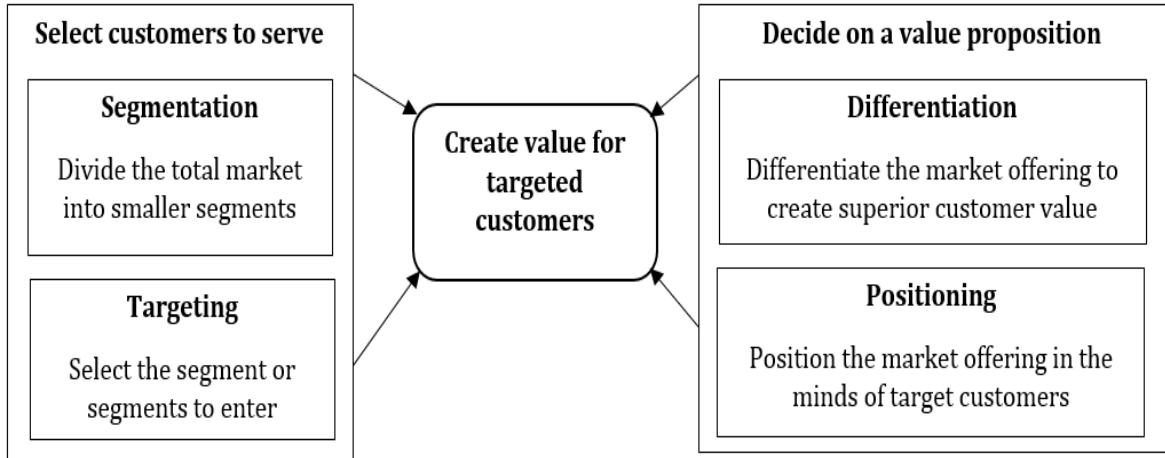
Partnering with fuel stations to provide fuel discounts to customers, on the contrary, Giving Lifts business will offer discounts to them for using the service.

Quarterly, evaluating the trends of revenues and of number of customers with marketing strategies to identify the current market and prepare suitable marketing plans for future.

### 3. Target market

To create value for targeted customers, this section discusses about

- Which customers will the business serve? – Segmentation and targeting
- How will we create value for them? – Differentiation and positioning



Source: (Kotler et al., 2013, p.247)

Figure 23. Customer-driven strategy

#### 3.1. Market segmentation and targeting

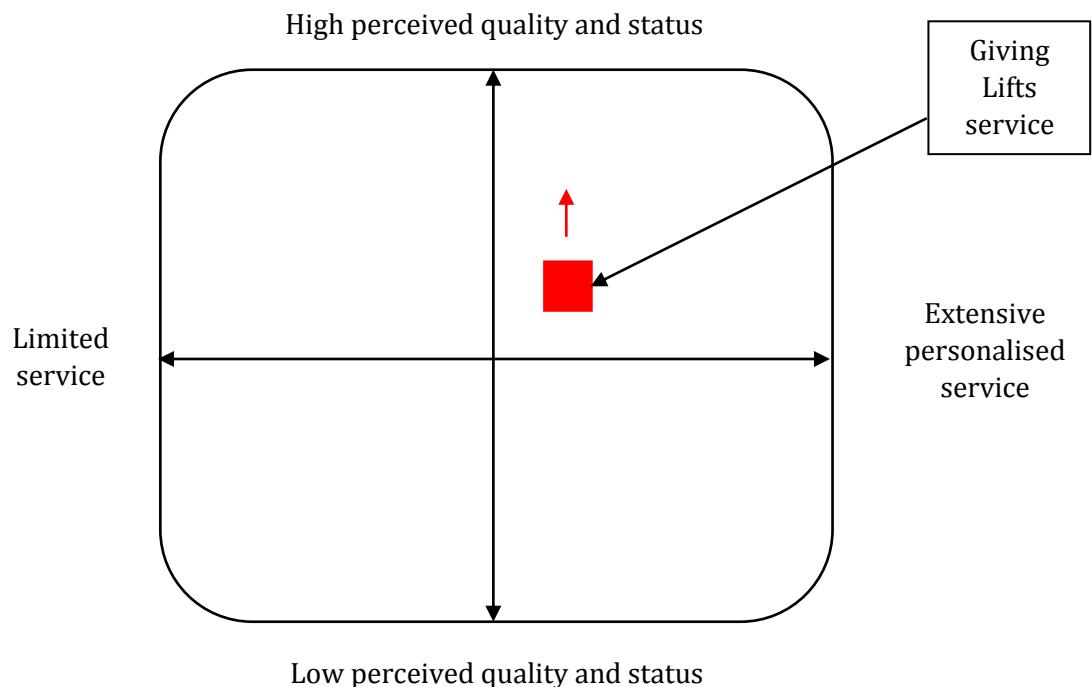
These steps were conducted in the research to confirm the potential segments which were mentioned in the literature review and identify the actual target segments. Particularly, the researcher examined demographic variables – age and occupation. According to the data, the business will target the retired aged 50+, and SIT students. As Kotler et al. (2013) notes, this leads the business to use concentrated marketing and local marketing strategies, which is suitable to limited resources and easy to satisfy these types of people in Invercargill.

#### 3.2. Market differentiation and positioning

The differentiation and positioning strategy of the business will focus on service attributes and personalized service. Particularly, Giving Lifts offers customers smartphone app to access a means of transportation with various vehicles by matching drivers and passengers who are on the same routes – for a low price. Through this app clients can see necessary information for the safety and can make cashless payments. Giving Lifts expects to extend both the quality and service in the future.

These factors help Giving Lifts position the brand in customers' perceptions, which is different from competitors.

The figure below shows the brand position of Giving Lifts based on the features listed above.



Source: (Kotler et al., 2013, p.262)

Figure 24. Brand position of department stores

#### 4. Wants, preferences and characteristics of relevant market segments

According to the research the retired aged 50+ would use Giving Lifts and would choose to be drivers. SIT students aged 21-49 would also use the service and would choose to be passengers.

The most preferred values, or the most common problems that people expected Giving Lifts to solve are transport issues, parking issues and money issues. These problems are all solved by the features of the service. In particular, through the app, people can gain access to an effective means of transportation. Ridesharing allow clients to not worry about parking sites; and the price will be low for the passengers, but will help drivers to reduce other transport expenses.

Furthermore, the highest selection for mode of transportation was personal vehicles followed by Giving Lifts and then others (bus services and taxis

respectively). In other words, this business has an opportunity to gain a profitable foothold in the Invercargill market.

The reasons that people would choose Giving Lifts were cheapness, quickness and convenience, and people would not choose the service mostly because of the negative press about other ridesharing companies, no reputation and safety. In that, safety will be solved by extra values and others will be addressed through marketing strategies and actual quality.

## 5. Projected revenues

The revenue stream of the business has been calculated as below from the usage of the service.

*Table 21. Price charges for using Giving Lift service*

Types of fees	NZ\$ per unit
Per km (distance)	1.40
Per minute (time)	0.35
Booking fee	0.60
Minimum fare	6.00
Cancellation fee	9.00

The price of each trip is constituted from those types of fees set in *Table 21* above. After each trip, the company will take 20% of the price as the main revenue of the company. In particular, as to cashless payment, all the money will go to the company, then it will be split up 20/80 – 20% for the company and 80% for the drivers. Each driver will receive back the 80% within 24 hours which is set up by the system, and the company still keeps 20%. As to the cash payment, after passengers give the money to the drivers, the company will take 20% from the drivers' accounts.

Although the total money (100%) can be seen as the revenue of the company, but because passengers can pay by cash, it is not always total money goes to the company. Hence, the company only consider the 20% as the main revenue of the company.

All of the payment and division will be shown in history of trips as mentioned above of both drivers and customers.

The price list above is designed based on references from other ridesharing companies in other cities, analysing the competitors and expenses.

This price will be kept through first year and second year to attract more customers and keep a stable number of customers. In the third year, the list of price above will be increased slightly by 3%.

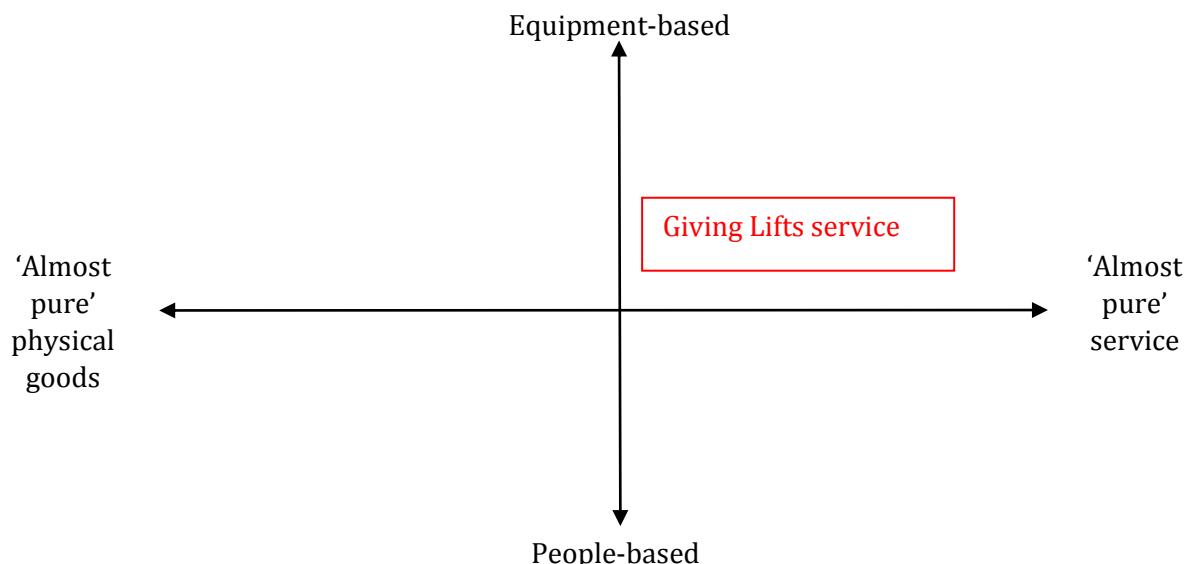
Detailed analysis of forecasted sales projections and assumptions were presented in *financial part, section 5.1*.

## 6. Marketing mix

Marketing mix tool helps the business to create an effective service that can satisfy customers' demands. An extended marketing mix is presented below as Giving Lifts is a service.

### 6.1. Service strategy

The business provides a transport service and is based on equipment which is a smartphone. The figure below shows the position of type of the business.



Source: (Kotler et al., 2013, p.277)

Figure 25. Product-service/equipment-people continuums

There are three levels of a service strategy known as core, actual and augmented.

- *Core service*

The core service of the business is to provide a means of transportation for people.

- *Actual service*

The actual service is the smartphone app to match drivers and passengers who are on the same routes, flexible time for using the service, able to use anywhere, and trust and online environment.

- *Augmented service*

The augmented services are extra values including necessary information of both drivers and passengers, and cashless payment. Furthermore, those also are an online environment to evaluate the trips, connect and make friends.

### **6.1.1. Service classification**

The service is categorized as consumer service because it is sold to the final customers. In those types of consumer service, the service follows convenience type. To explain, customers can use it everyday to go to work or SIT, for example; they can use it immediately without checking on the price much, because the price is low; and promotional activities will be conducted a lot to increase the number of customers.

### **6.1.2. Service attributes**

There are three main points in this part – quality, features and design.

As to quality and features, the business follows the core values mentioned before, especially be convenient, be fast and be cheap. It is convenient and fast to have a means of transportation through the smartphone app. It is also cheaper than competitors and convenient to pay cashless.

As to design, simple and fashionable functions and patterns will be designed in the app. Furthermore, the drivers will have a day for training as mentioned above to become a friendly and safe drivers to provide passengers with a great experience.

## **6.2. Pricing strategy**

At this stage, the pricing objective is to aim at people who have transport problems and want to have a new means of transportation with low expenses. In the future, the objective will be extended to increase the market share. Hence, to penetrate in the market and let people recognize the existence, the business will apply market-penetration pricing. In particular, this low price is to compare with competitors which are, at the first time, buses and taxis.

As to price-adjusting strategy, to control the number of drivers and passengers in the market when supply and demand are unbalance, the business will modify the price by multiplying a constant coefficient in a certain period of time.

On the Giving Lifts website, there will be a chatting environment for customers to provide their comments about the pricing strategy, so that the business can modify subtlety.

Also, some promotional activities relating to the price, especially, accumulating points to have a discount on the next trip or honoraria for drivers when they reach the standard numbers of passengers, will be conducted in the long term to keep the stable number of customers.

### **6.3. Place strategy**

The service is based in Invercargill, the place is in need of other mean of transportation as mentioned above. Besides, customers can download the app for free to use with wifi or cellular data.

### **6.4. Promotion strategy**

As to promotion, pull strategy will be focused to attract customers. Aside from approaching all customers, especially targeted clients – passengers in SIT school and drivers around retirement villages and supermarkets, the business also uses promotion mix.

- *Advertising:* Advertising on other websites and other applications. The service also harnesses social media such as Facebook and YouTube. On YouTube, the teams will create a commercial to tell a transport story and send the link via Facebook. This is being done in this way because people spend less time engaged with traditional media e.g. t.v. than social media e.g. mobile and internet. Besides, SIT students use YouTube and Facebook to exchange knowledge and the retired whose ages are 50+ use it for entertainment.
- *Public Relations and Sales Promotion:* Being a sponsor putting a booth into seminars in SIT, and in retirement villages such as Rowena Jackson and Bupa Ascot, and supermarkets such as Pac'n'Save, New World and

Countdown; and at other events such as *Night Food Market*. This will help people in Invercargill connect to each despite age and background.

- *Word of mouth:* After two weeks in April 2019 to introduce and establish the business, in the first four days of operation, a free trial will be conducted for customers to experience Giving Lifts and to encourage positive word of mouth stories to spread out.

One of the most important contents given in this promotion mix is the function of Giving Lifts service. Following that, based on the research conducted above about comparisons among people's choices of means of transportations, the information will be emphasized around time issues, covering many routes, being available to use in emergency situations, not costing huge expenses and the service's advantages – cheapness, quickness and convenience.

Additionally, some programs will be applied in long term, especially accumulating points for discounts/ valuable gifts on the next trips for passengers, or more honoraria for drivers as mentioned previously. Besides, the business will add more promotion programmes to reach more and remind clients about 'Giving Lifts' such as customers who used service then introduce to others will receive a code to gain a discount for the next ride or to share less percentage of next day. And people who are introduced by the others who utilized will be given a code to get discount for the first time or to share less percentage of the first day.

## **6.5. People**

Key people are technicians and customer service personnel. Technicians are people who directly work to provide the formation of the service through the application. These people will work following the core values of the business, especially be modern and be fast to create the most effective and the simplest functions. As to customer service representatives staff, these people helps customers about the information of the service as well as collect their opinions, these people will be recruited based on their attitudes to the customers, ability to gather and communicate information comprehensively.

## **6.6. Processes**

All the process from the beginning until the end of the trip will occur consistently. Especially, at registration step, after providing information as mentioned previously, it will take a while to authorise and check the profile of each client. After that, all people need to do to have lifts is to enter the information of destination then choose the suitable vehicles on the same routes. Before starting the trip, the price will be estimated to let customers know, if there is change in the price, clients will be informed on the screen.

The type of payment will be chosen after the trip finishes.

Besides, if there are any modifications of the process, it will be informed to customers through emails, on app or through website. Also through these changes, clients' opinion will be gathered on chatting environment.

## **6.7. Physical evidence**

The key physical evidences are the application and websites, and through the vehicles. In particular, through the application and websites will be designed in simple style but including all necessary functions and make clients feel comfortable, not bored for using for a long time. Besides, those vehicles will be inspected to have the best environment to transport people.

## **7. Customer retention**

In simple words, customer retention is to retain the business' number of customers, or keep the clients repeating using the service. Below is the strategies for customer retention of Giving Lifts service.

Customer service model	<ul style="list-style-type: none"><li>- The service help customers solve common transport problems</li><li>- Extra values provide trusts and convenience for customers to use the service</li><li>- Flexible time for using and able to use anywhere with wife or cellular data</li><li>- Available customer service 24/7 for helping customers</li></ul>
Accumulating points	<ul style="list-style-type: none"><li>- To get the discounts for the next trips or valuable gifts (passengers)</li><li>- To get more honoraria or valuable gifts (drivers)</li></ul>
Noticing what client needs	Through chatting environment and their feedbacks to offer more service to satisfy them and keep them using the service and invite more friends to use

*Figure 26. Customer retention strategies*

## **8. Marketing timeline and budget**

The business will officially be established at the beginning of April and the first marketing campaigns will be started three weeks before to raise the awareness of the business that and last in one more month until the end of April. After this, promotional activities – second marketing campaign including trial service will be applied. The start-up promotional budget and timeline is described as below.

*Figure 27. Marketing timeline and budget*

Planned Activities	2/2019	3/2019	4/2019	5/2019	Cost (NZ\$)
Promotions and sharing through Facebook					No cost
First marketing campaign to raise awareness (booths, leaflets)					600
Second marketing campaign (booths, trial services, gifts)					700
<b>Total</b>					1300

After this, promotional activities will be applied, modified and carried out every year. In particular, the promotional activities which are used to keep customers' usages such as accumulating points and honoraria will be reflected in sales, the others will be conducted in busy months (February, March and July, August – the time of the O-weeks and applications for studying) and were counted in expenses showed in financial parts.

## **9. Methods to check the effectiveness of the promotional activities**

The business will follow these key measures below to check the effectiveness of the promotional activities.

Checking weekly and quarterly Facebook, Twitter, YouTube viewers, comments, shares and likes

Checking comments, inquiries and reflections from customers on chatting environment

Collecting and analysing any cases from customer service

Survey campaign to check which channel is effective and which programs can collect good results

Evaluating the actual performance and expected achievement of marketing objectives

## **10. Conclusion**

The marketing strategies were based on the literature review and especially the research conducted above to be built in details. Specifically, the marketing objectives and strategies were set up in statements and details. Additionally, necessary aspects of the targeted segments and projected sales were mentioned to see the clear structure of these parts. Especially, the marketing mix 7Ps were built in particular about how to attract customers effectively. Following that, customer retention, timeline and budget and how to monitor the performance of promotional activities were all presented.

## C. Human resources

### 1. Introduction

Strategic human resources management (SHRM) is an essential element for the business to provide the best service to attract more customers and to remain profitable. Matching the human resource and financial requirements to the commercialization process is a key challenge in a business start-up. This section presents the SHRM plan including key requirements and processes.

### 2. Organization

The organizational structure is presented as *Figure 28* below. In the start-up phase there will be five employees excluding the business owner. In start-up, there will only be teams not departments for each function. Each team always has a leader to manage information and problems, and decide what to do in emergency situations.

- *Owner*

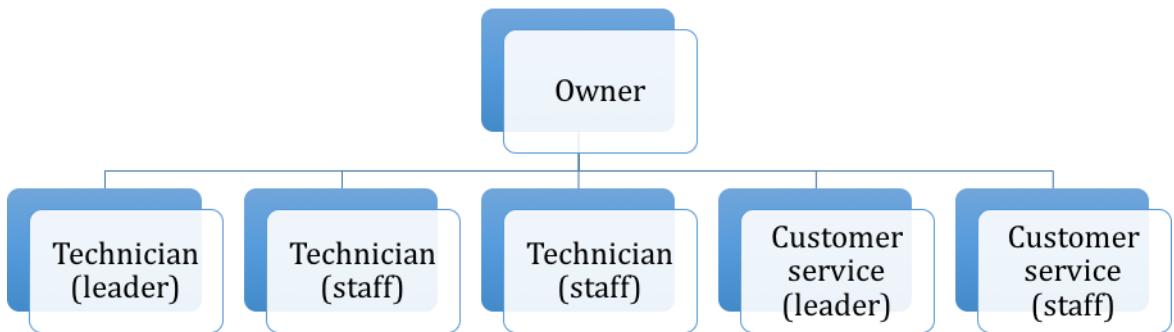
The owner will be responsible for deciding the directions of the business – goals, objectives and plan, working with leaders to supervise staff performances, managing the budget and sorting out effective strategies. The business owner will be responsible for undertaking marketing and accounting functions. He will also be responsible for human resources management, thus updates on performance and operational situations will be submitted to him every month.

- *Technical team*

These workers are a major resource of the business to investigate the application and develop the functions, also check and fix all technical problems. All employees in this team works fulltime. In that, these people can work from home, except during rush hours or busy periods.

- *Customer service team*

Two people work at the office, in which the leader works fulltime and the staff work partime to communicate and interact with customers at any time.



*Figure 28. Giving Lifts organizational structure*

### **3. Job analysis, Person Specification and Job Description**

One of the necessary aspects of requirements for human resources management is to present all about issues regarding the jobs for the positions. This step is a part of recruitment and includes job analysis, person specification and job description.

The jobs which need to be recruited through this process are technician and customer service representatives staff, because all leaders will be friends of the owner.

#### **3.1. Job analysis**

This step helps the business to identify content, attributes and activities involved or the requirement needed to carry out a specific job (Rudman, 2014, p. 89).

Following that, all of specific jobs are always analysed and identified those fields below to establish requirements those jobs need.

- Purposes of position (based on the goals and objectives of the business)
- Key responsibility areas
- Position in organizational structure
- Relationships with other teams and members
- Decision making and authority
- Skill, knowledge and experience
- Working conditions

### **3.2. Person Specification**

This part is built as per these criteria: Experience, qualifications/training, knowledge/skills, behavioral attributes and others.

Please refer to *Appendices 2 and 3*.

### **3.3. Job Description**

All of job descriptions includes these standards: Title, reporting relationships, job purposes, and duties and responsibilities.

Please refer to *Appendices 4 and 5*.

## **4. Recruitment and Selection**

Although recruitment is based on the criteria listed above, skills, previous experience and being committed will be the most important points for all the positions.

The selection techniques will be used through recruitment process are past and present behaviour – reference to check their skills and attitudes in the past, interview to check their current attitudes, qualifications and experience.

### **4.1. Job advertising**

The recruitment will be posted on social media (Facebook and Twitter), online websites (careersNZ and nz.indeed.com) and also by printing on information boards of SIT, supermarkets and retirement villages. The business will open for all candidates to apply their profiles (including curriculum vitae and cover letters) through both online and door to door. Furthermore, information about the contact, closing date, range of salary and process of recruitment will be presented in the advertisement.

### **4.2. Shortlisting**

All of the applicants or applications will be arranged by the owner based on the selection criteria drawn from the job descriptions and the person specifications. Following that, the process of describing how an applicants meets or does not meet the requirements of the job will occur. Through that, a shortlist of candidates are decided, and they will be advised by phone and email.

### **4.3. Interview process**

This steps will also be conducted by the owner and leaders. In this, the proof of all qualifications and other relevantly personal documentation, attitudes and experience will be checked. Also, reference checking will be conducted after this interview by leaders.

After few days, both successful and unsuccessful candidates will be advised through emails.

#### **4.4. Appointments**

Only successful candidates will be confirmed again through phone calls and to advise more information about the date, time and address for signing the welcome letter. All the procedures, policies and conditions will be presented to the chosen candidates in the induction process.

### **5. Induction**

The phone calls for all selected candidates will be conducted in the third week in February 2019. The induction program will be conducted in two days with the contents as below.

Introducing staff members to each other and their roles in the company

Getting a tour surrounding the office so as to be used to the workplace

Introducing all about company including values, missions, concepts, goals and objectives

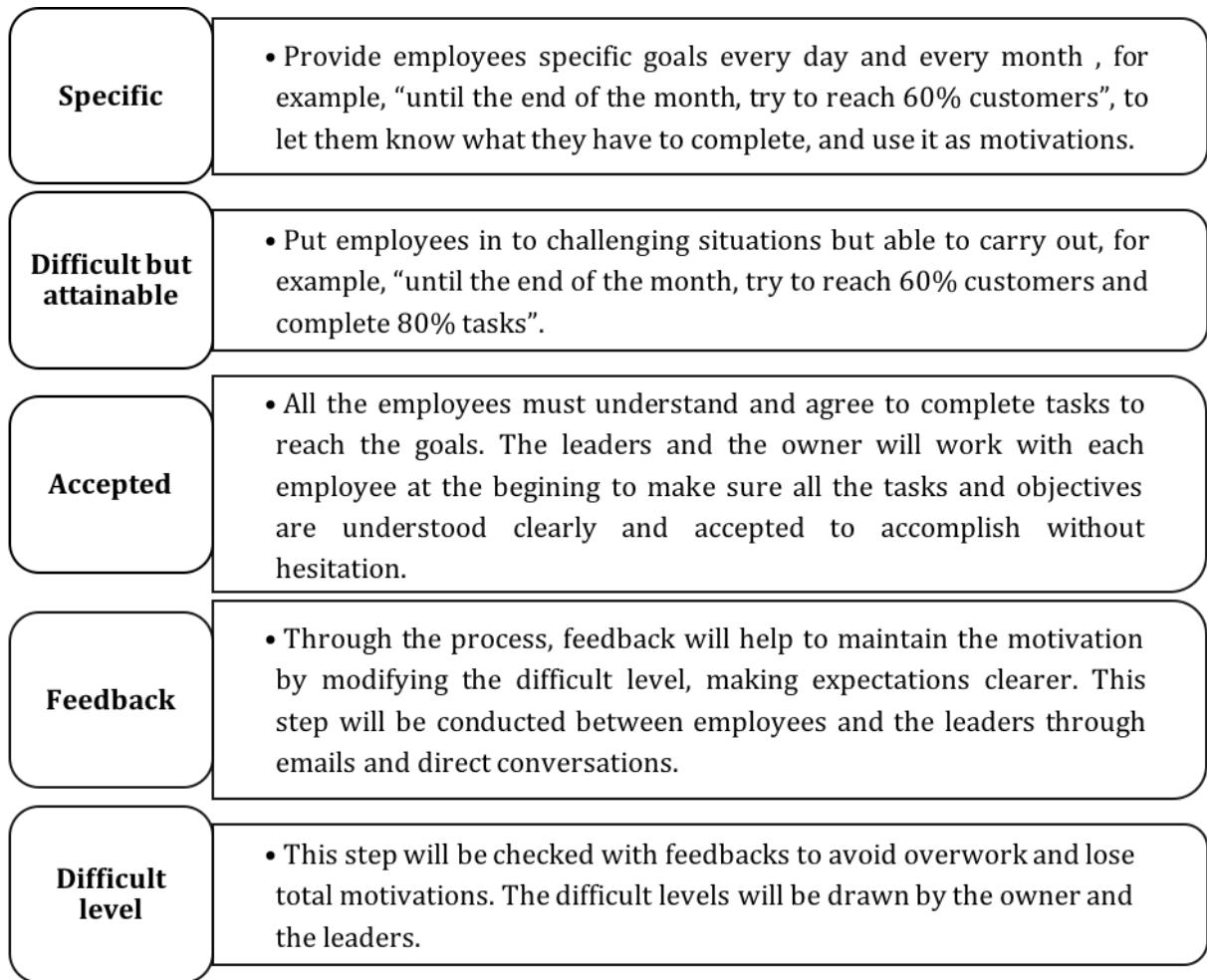
Brief introducing about the policies, procedures, conditions, responsibilities and expectations

Providing details about employee entitlements, relationships, security, and health and safety

Meeting each selected candidates to sign the contracts

### **6. Motivation**

Giving Lifts service at the beginning is a small business, has a lot of challenges and objectives to achieve. Hence, the company will adopt “Goal-setting Theory” to motivate employees to gain better results. Following that, the motivation will be built as below based on criteria mentioned by Fred (2011).



*Figure 29. Goal - setting criteria for Giving Lifts service*

At the initial stage of operation, the business uses non-financial reward such as praising the best employees fortnight in front of people within the company, or at the end of each month the owner will organize a small party for everyone to meet socially in an informal manner.

Also, the owner utilizes the financial rewards such as bonus at the end of the year and welfare every month to encourage them work more efficiently.

## **7. Remuneration and benefits**

The business will use remuneration packages. In that, the benefits will be discounted on fuel costs for a month or discounts on using the company's service.

All full-time employees will be paid monthly, and all partime employees will be paid fortnightly. Bonuses will be included in the salary at the end of that year depending on the results and their performances. Also the remuneration

structure will be built as per job family style as presented in the table below. In that, the rank of the owner will be 1.

*Table 22. Salary for staff in Giving Lifts service*

Job position	Rank	Type of working	Period of paying time	NZ\$
ICT Technician (leader)	2	Full-time	Monthly	2520
ICT Technician (staff)	4	Full-time	Monthly	2310
Customer Service Representative (leader)	3	Full-time	Monthly	2380
Customer Service Representative (staff)	5	Part-time	Fortnight	640

## **8. Training and development**

Both technical and customer service teams follow the general steps of training. In that, the owner and the leader of each team will discuss to create suitable training program. After that, the leader of each team will undertake the training program on each staff in their team.

At the first stage, there are two types, one is before the establishment, the other is after that. The training before establishing day will be conducted in the fourth week in February 2019.

The training after the establishment will be conducted in busy months – July and August (the time for O-week and application in SIT), because there will be a lot of tasks in this stage, the business does not need to organize new programs, which saves time and money.

**Stage 1 -  
Identify job  
needs**

- Before the establishing day, all the jobs to build the systems will be listed by the owner and all leaders.
- Referring the jobs or experience of other ridesharing companies to identify gaps of Giving Lifts service.
- After the establishment, identifying whether there is a gap between expected performance and the actual performance by customers' feedbacks and performance records every month.

**Stage 2 -  
Assess job  
needs**

- Through discussion of the owner and the leader of each team to list the job individual needs.
- Categorizing which lessons should be used in off-job training and on-job training along with the suitable costs.
- Identifying training priorities in each category.

**Stage 3 -  
Plan the  
training**

- All the training programs will be conducted by the leader of each team in the office.
- The content of training programs will be summarized and planned by the leader of each team and then authorised by the owner.
- On-job training will be carried out around one month with step-by-step approach.
- Off-job training will be carried out around one day.
- The learning objectives will be set in each training by the leaders and the owner.

**Stage 4 -  
Undertake  
the training**

- On-job training will be instructed directly by the leader with practice immediately.
- Off-job training will be conducted through a presentation or through a programs in Giving Lifts system on computer.

**Stage 5 -  
Evaluate the  
training**

- After each training, there will be a small test to test how many objectives and how well the employees achieve.
- The comparison between pre- and post- training performance will be assessed to evaluate accurately about the effectiveness of training programs.
- Through feedback forms and reaction of each employees, the reaction to the training programs will be collected.

*Figure 30. Training progress*

## 9. Performance management

### Planning

- **Performance standards**

- Being set in printed paper and put on table of each employees by the leader of each team.
- The contents will be listed depended on jobs of each team.

- **Performance objectives**

- Being set and put on each laptop screen (desktop) every week by the leader of each team.
- The contents will be based on the company plans.

- **Performance indicator**

- Following results and implementation method.

### Supervision - Managing and monitoring

- The leader of each team will monitor their employees through observation and provide guidelines and feedbacks immediately if needed.
- If some mistakes appear, the leaders will be the people in charge of these actions below
  - *Firstly*, solving the mistakes
  - *Secondly*, quick assesing why the employees make mistakes, also categorizing if those are performance problems or personal problems to have correct performance assessments for each emmployees.

### Supervision - Reviewing

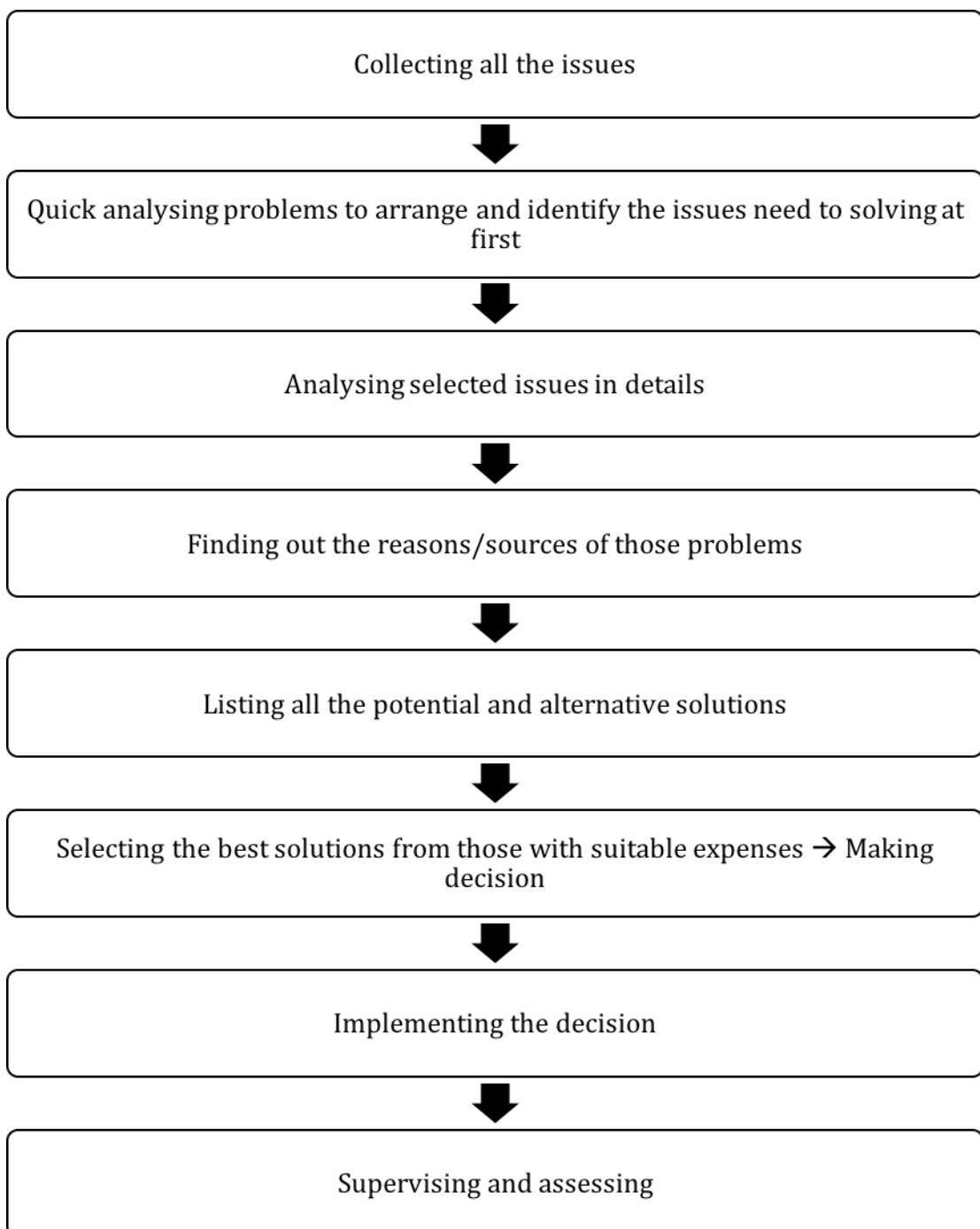
- Every week performance records and rating will be sent to the owner then performance rating will also be sent to each employees.

## 10. Human resource decision making process

This process is used for any human resource cases including employee performance, job needs and human resource problems.

The owner and team leaders will provide all the issues relating to human resources, then discussions about those issues will occur among owner and leaders. After that, the decision will be made by the owner. Next, all of people in the company will implement as per that decision. Finally, the leaders will monitor and evaluate all performances and results towards that decision.

The process of making decision will present as the figure below.



*Figure 31. Decision making progress*

## **11. Conclusion**

The business will be established with 6 people including the owner. Following that, apart from the owner's friends, 3 more employees will be recruited based on job needs and by person profiles and job descriptions. Through the recruiting and selecting processes, the suitable employees will be employed. Next the training and development will be conducted by the owner and mainly by the leaders. These plans can both be used before the establishing day and after that. Also, human resources management including motivation, remuneration and benefits and performance management were built to motivate employees, monitor their performances and set up close relationships with them. Finally, to be organized, the decision making process were also drawn clearly.

## D. Key Operational and Implementation Issues

At start-up, the business has to cope with many challenges and risks. This section outlines the most important ones, discusses how to mitigate or avoid, and provide an suitable action plan to overcome those issues.

### 1. Potential challenges for the business establishment

*Table 23. Potential challenges for the business establishment*

Potential challenges	Influences on the business	Solutions
<i>Organization development:</i> These two basic issues will build the company and keep it grow.	Capital sources (not enough money)	<p>All the procedure including renting office, recruiting employees, buying facilities, and so forth have to be postponed, or even stopped.</p> <ul style="list-style-type: none"> <li>- Finding angel investors.</li> <li>- Building the business model clearly and especially listing all expenses and operating costs of at least 6 months.</li> <li>- Listing all potential investors.</li> <li>- Borrowing money from bank.</li> </ul>
	Brand awareness, attracting customers and customer retention	<p>Customers are the only reason to grow the business and maintain it. In other words, the business cannot exist without them. Hence, initially, to let them know about the business, to attract them to use the service, and keeping them using the service are very essential and a huge challenge.</p> <ul style="list-style-type: none"> <li>- Posting Giving Lifts service information on common social media such as Facebook, Youtube, Twitter, ...</li> <li>- Apply many promotional activities at crowded places such as CBD, supermarkets, ...</li> <li>- Increasing values in promotional activities - such trial service, gifts, ... <ul style="list-style-type: none"> <li>- at targeted segments' places.</li> </ul> </li> <li>- Offering many long-term programs which are able to keep clients using the service.</li> <li>- Increasing benefits for customers who use the service over the standard number.</li> </ul>

	Time and cost management	<p>If the time is not managed well, the cost will be increased, also delayed all of the relevant tasks. Especially, if all the schedule time is not met, all the jobs will be postponed which leads to the failure to open the company.</p>	<ul style="list-style-type: none"> <li>- Preparing clear and detailed schedule.</li> <li>- Listing all potential problems and solutions.</li> <li>- Arranging and prioritizing at all times, even when the problems happen to keep all tasks run smoothly.</li> </ul>
<i>Management</i>	Employee recruitment and turnover	<p>The employees, especially technicians are key people who build the systems and application for forming the business</p> <ul style="list-style-type: none"> <li>- <i>Recruitment:</i> To hire employees with high knowledge about network and technology is not easy and costs a lot of time.</li> <li>- <i>Turnover:</i> Costing a lot of money and time, and also the business has to start to recruitment from the begining</li> </ul>	<ul style="list-style-type: none"> <li>- Recruiting people not only in Invercargill but also in other cities</li> <li>- Recruiting people who has at least 1 experience working relating to the vacant position</li> <li>- Recruiting people who has basic knowledge to save time and money</li> <li>- Creating comfortable working environment, flexible working time.</li> <li>- Providing suitable remuneration package</li> <li>- Strengthening relationships with employees to understand and help them if there is any troubles.</li> </ul>
<i>Operational processes</i>		<p>If all the processes are not unified at the begining, the company will not run smoothly and there will always be some disruptions which delays the operation of the company</p>	<ul style="list-style-type: none"> <li>- All the processes of the company will be explained in induction programs. At the begining, all the teams need to know functions of each other to control the problems correctly.</li> <li>- The tasks will be specialized and completed in rotation.</li> </ul>

<i>Quality systems</i>	The systems with not good quality can cause data lost, data fault and so forth.	<ul style="list-style-type: none"> <li>- It is not easy to build company and customer systems with high quality at the begining. Instead, because Giving Lifts systems are based on technology, thus backup solutions are always planned.</li> <li>- All of ideas and problems from customers or staff will be taken notes and discussed to have better solutions.</li> </ul>
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## 2. Risk management strategy

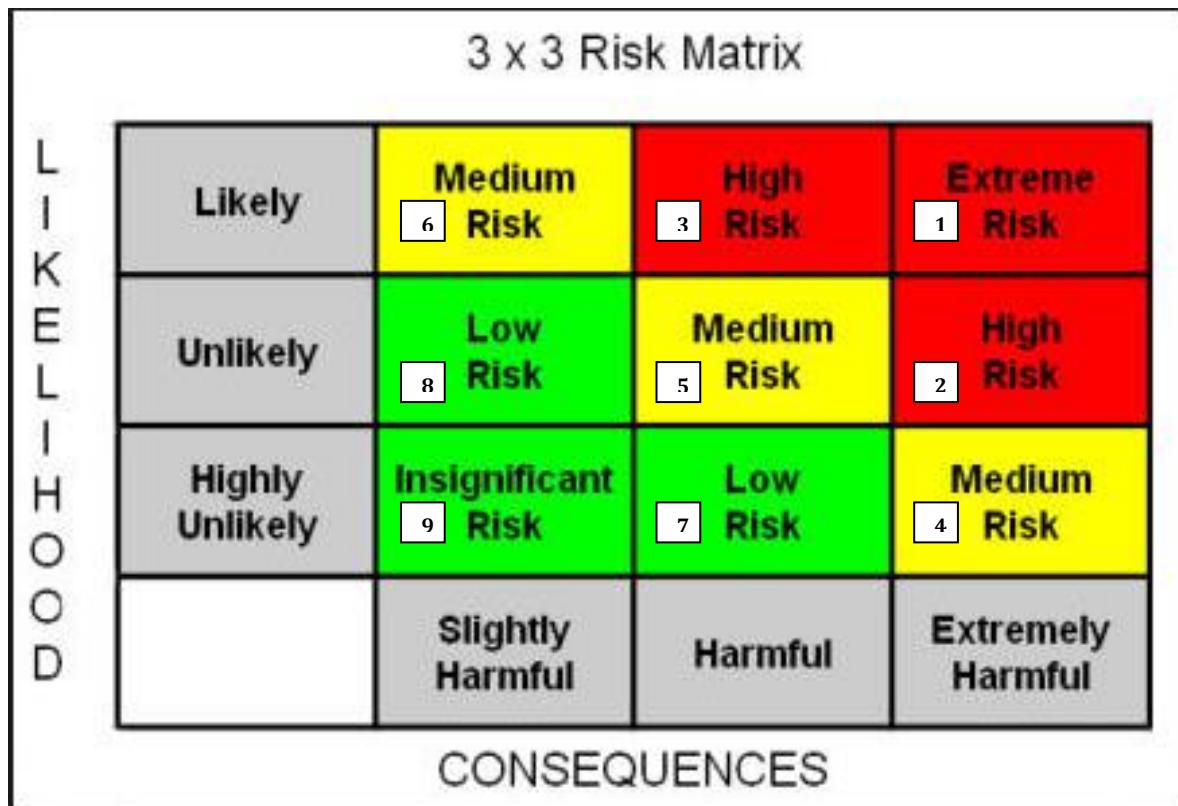
Risks are unavoidable in any business, thus it is better and important to identify and analyse them to know the probability of occurrence and the impact to the business operations, and find out the suitable solutions.

Risk is all around but the followings are identified as the most significant, including:

- Internal factors
  - o Staff problems
    - Unable to hire employees
    - Employees' performances are not good as expected
    - Employees' resignation
  - o Operational problems
    - Disconnected internet
    - Errors in systems
    - Conflicts in processes
- External factors
  - o Customers
    - Unprofessional drivers and unsafe for passengers
    - Switching to other competitors
  - o New laws for ridesharing from government

- Burglary and theft
- Weather problems (heavy rains/ extremely cold weather)

To build effective risk management strategies, the owner used Risk Assessment Matrix (RAM) and Risk Management Techniques (RMT) to categorize clearly and have suitable solutions for each one.



*Figure 32. Risk Assessment Matrix 3x3*



*Figure 33. Risk Management Strategies*

*Table 24. Risk factors, influences and solutions*

Risks factors	Influences on the business	Position in RAM	Risk Management Techniques	Solutions	
<b><i>Inside Giving Lifts</i></b>					
<i>Employee problems</i>	Unable to hire employees (not enough candidates in Invercargill)	The business cannot be established, so all operations will be delayed	2	Avoidance	Attracting candidates not only in Invercargill but also in other cities such as Christchurch, Dunedin ... through national job-opportunity websites.
	Employees' performances are not good as expected	Operations will not run smoothly, customers will not satisfy and switch to competitors, brand name will be damaged	1	Reduction	<ul style="list-style-type: none"> <li>- All employees will receive full skills and knowledge through good training programs.</li> <li>- Always encouraging employees to speak out their problems.</li> </ul>
	Employees' resignation	<ul style="list-style-type: none"> <li>- The speed of operations will be slowed down because of employee shortage</li> <li>- Time and cost will be spent for recruiting and training new employees</li> </ul>	3	Reduction	<ul style="list-style-type: none"> <li>- Providing attractive and competitive remuneration package</li> <li>- Strengthening the relationships between owner, leaders and employees to make them feel themselves important to the company</li> </ul>
<i>Operational problems</i>	Disconnected internet		1	Reduction	<ul style="list-style-type: none"> <li>- Identifying and finding out the reasons and solutions immediately to avoid the delays</li> <li>- Having backup wifi</li> </ul>
	Errors in systems		1	Reduction	<ul style="list-style-type: none"> <li>- Listing all types of errors with particular solutions for each and providing for each employees</li> <li>- Also providing all employees list of phone numbers of person who are responsible for that problems</li> </ul>

<b><i>Outside Giving Lifts service</i></b>					
<i>Customer problems</i>	Unprofessional drivers and unsafe for passengers	Brand name will be damaged, number of clients and revenue will be decreased	4	Reduction	<ul style="list-style-type: none"> <li>- Every new driver will be trained about how to serve passengers well every month.</li> <li>- All of profiles of customers are double-checked by police for criminal history.</li> </ul>
	Switching to other competitors	The revenue will be decreased	4	Reduction	<ul style="list-style-type: none"> <li>- Analysing competitors frequently to modify the strategies.</li> <li>- Also conducting customers' survey to gain opinions about the service to have suitable solutions in time.</li> <li>- Offering more attractive promotional activities.</li> </ul>
<i>New laws for ridesharing from government</i>		Negatively affecting business profits and business operations	2	Acceptance and reduction	<ul style="list-style-type: none"> <li>- Finding assistance from marketing and law consultant to have a suitable change.</li> </ul>
<i>Burglary and theft</i>		Losing material facilities which causes financial losses	4	Transference and reduction	<ul style="list-style-type: none"> <li>- Buying insurance for burglary and theft.</li> <li>- Electrical doors opened by authorised cards and will be locked at all times.</li> <li>- CCTV cameras will be operated at all times.</li> </ul>
<i>Natural disasters such fire, storms or earthquake</i>		Damaging office and equipment, which cost a lot for repairing and buying new ones	3	Transference	<ul style="list-style-type: none"> <li>- Buying insurance for office.</li> </ul>

### **3. Action plan for the business establishment**

Folowing the sole proprietorship type, the researcher is the owner, other leaders will be the owners' best friends. Thus, at the begining, all the leaders do not need to be recruited.

The business has planned to be established at the beginning of April 2019 and the action plan was set up in 3 months earlier, which would start from January 2019.

Most the tasks for startup day including opening ceremony and registration will be conducted by the owner; also he and all leaders will be responsible for the recruitment. Besides, all the paper work including financial tasks will be carried out by the owner.

However, all of the tasks will be double checked mutually between leaders and the owner, also each of group taks will be scheduled and set deadlines to keep everything under control and completed well before the establishing day.

The particular action plan is presented as below.

*Table 25. Action plan*

No.	Tasks	Conducted by	Month/year											
			1/2019				2/2019				3/2019			
			Week											
			1	2	3	4	1	2	3	4	1	2	3	4
1	Conducting registration step (approved business name and business registration)	Owner												
2	Find office place and sign lease contract	Owner												
3	Opening bank account	Owner												
4	Buying material facilities and designing office	Owner												
5	Buying insurance for office and burglary and theft	Owner												
6	Conducting recruitment and training	Owner and leaders												
7	Building Facebook page, Twitter account and Youtube TVC.	Leaders												
8	Marketing plans (including promotional activities)	Owner and all employees												
9	Establishing day	Owner and all employees												

#### **4. Conclusion**

This parts mainly mentioned about the challenges for establishing the business and risks can appear. Also, the type and the solutions for those were identified and drawn. At the end, the timeline, duties of action plan were described in details.

## **E. Resources, Finances, Breakeven and Cost Benefit Analyses**

### **1. Introduction**

This section discusses presents the financial accounts and commentary which are key activities in a business start-up. In other words, this section will reflect all the previously mentioned ideas in money form. In particular, the resources and finances required to establish the business, and expenses and profits of business operation will be presented.

### **2. Resources and finances required to establish the business**

The resources and finances used for establishing Giving Lifts service are listed below. The material facilities for the office and systems or network are presented in *Table 40* and *41*.

The salary for staff in the first one month (03/2019) are calculated as;

- ICT Technician
  - Leader: 2520
  - Staff: 2310 \*2 = 4620
- Customer Service Representative
  - Leader: 2380
  - Staff: 640 \*2 = 1280

*Table 26. Resources and finances required to establish Giving Lifts service*

<b><i>Resources and finances required to establish Giving Lifts service</i></b>		
<b>Resources</b>	<b>Expenses (NZ\$)</b>	
<i>Business registration fees</i>		<b>141.35</b>
Name	15.00	
Registration	126.35	
<i>Office material facilities (equipment/accessories)</i>		<b>4,114.80</b>
<i>Systems/Network material facilities</i>		<b>611.98</b>
<i>Office rent</i>		<b>2,000.00</b>
<i>First 2 months (02/2019 - 03/2019)</i>	800.00	
<i>Bond (for 3 months)</i>	1,200.00	
<i>Installing fees</i>		<b>260.00</b>
<i>Telephone connection</i>	100.00	

<i>Internet connection</i>	160.00	
<i>Insurance</i>		<b>201.28</b>
<i>Office with material facilities</i>	156.33	
<i>Staff (03/2019)</i>	44.95	
<i>Electricity (02/2019 - 03/2019)</i>		<b>120.00</b>
<i>Internet (02/2019 - 03/2019)</i>		<b>90.00</b>
<i>Telephone (02/2019 - 03/2019)</i>		<b>114.00</b>
<i>Recruiting and training programs</i>		<b>500.00</b>
<i>Staff salary (03/2019)</i>		<b>10,800.00</b>
<i>Marketing activities</i>		<b>1,300.00</b>
<b>Total</b>		<b>20,253.41</b>

The table above describes the startup expenses requirement for launching Giving Lifts service. To cover all those costs, the owner will contribute NZ\$35 000 of his own savings to cover costs in the first few months.

Further, there are expenses from Apple and Google for using their smartphone platforms for Giving Lifts application, but these costs will be calculated only after the business begins to operate.

### **3. Main capital expenditure items, source of supply and legal requirements**

#### **3.1. Capital expenditure items**

The capital expenditure items are mainly office and systems/network material facilities as presented in the table below. To be more particular, *Table 40* and *41* showed details about each facility.

*Table 27. Capital expenditure items*

<b><i>Capital expenditure items</i></b>	
<b>Items</b>	<b>Costs (NZ\$)</b>
<i>Office material facilities</i>	4114.8
<i>Systems/Network material facilities</i>	611.98
<b>Total</b>	<b>4726.78</b>

### 3.2. Sources of supply

The table below presented the suppliers who provide Giving Lifts service with facilities to use for whole operating time. Following that, especially the Systems/Network material facilities, the business chose those suppliers based on their reputation and quality because of the safety, guarantee and long-term usage without any errors, thus Apple and Google developer programs were still selected though the percentage they take is a bit high . The other program providers were chosen by their functions and price.

*Table 28. Sources of supply*

Items	Suppliers
<b><i>Office material facilities</i></b>	
<i>Laptop</i>	NZPCClearance
<i>Telephone</i>	Harvey Norman
<i>Furniture</i>	
<i>Table</i>	The Warehouse
<i>Chair</i>	The Warehouse
<i>File cabinet</i>	Biscroes Homeware
<i>Printing accessories</i>	
<i>Printer</i>	Harvey Norman
<i>Papers (500 sheets each pack)</i>	Warehouse Stationery
<i>Black &amp; Colour Ink</i>	Warehouse Stationery
<i>Stationery</i>	
<i>Pens (12 pens each pack)</i>	Warehouse Stationery
<i>Pencils (5 pencils each pack)</i>	Warehouse Stationery
<i>Erasers (4 erasers each pack)</i>	Warehouse Stationery
<i>Rulers</i>	Warehouse Stationery
<i>Sticky notes (200 sheets each pack)</i>	Warehouse Stationery
<i>File folders</i>	Warehouse Stationery
<i>Paper clips (40 pieces each pack)</i>	The Warehouse
<i>Pen cups</i>	Spotlight
<i>Others</i>	

<i>CCTV Camera</i>	Harvey Norman
<i>Mini fridge</i>	Ubuy New Zealand
<i>Fruits, snacks &amp; beverage</i>	PacnSave
<b><i>Systems/Network material facilities</i></b>	
<i>Google Office</i>	Google company
<i>Microsoft Outlook 2016</i>	Software City NZ
<i>Windows 10</i>	Software City NZ
<i>Ryver - chatting program</i>	Ryver company
<i>Website and domain name</i>	Wordpress & Weebly
<i>Application registration, building, and platform</i>	
<i>iOS Developer Program</i>	Apple company
<i>Developer Console (Android)</i>	Google company
<i>Good Barber program for building application</i>	Good Baber company
<b><i>Others</i></b>	
<i>Electricity</i>	Contact company
<i>Internet</i>	Spark company
<i>Telephone</i>	Spark company
<i>Insurance</i>	AMI company

### **3.3. Legal requirements**

According to business.govt.nz (2017), at first, the business will get registration about type of business which is sole proprietorship, and trademark from New Zealand Government and New Zealand Post by getting RealMe login.

Secondly, using ONECheck tool to secure business name – “Giving Lifts” including

- Registering a domain name,
- Reserving company name with “Companies Office” function,
- Using Intellectual Property Office (IPONZ) to check for trademark (to check if Giving Lifts service is registered)

Thirdly, registering with Inland Revenue to have IRD number for tax requirements, and also doing GST registration.

Forthly, the regulations that Giving lifts service should obey are from New Zealand Transport Agency (2017) – which were presented previously in PESTLE analysis, instead of Land Transport Rule: Operator Licensing 2007. To explain, the new laws are clearer and cover all requirements already mentioned in the old ones.

#### **4. Operation and function ongoing basis of business concept**

##### **4.1. Operation and function of business concept**

Giving Lifts business follows the service type in which the company does not have any stock purchase as well as stock control issues. The main purchase which would be conducted is about the office and systems/network material facilities. In other words, these materials are considered as non-current assets for long-term usage and would be purchased before the establishing day.

At first, to raise the Giving Lifts information in customers' minds, the business would use the social media channels which are Facebook, Twitter and Youtube as mentioned previously. Then, emphasis of necessary existence of Giving Lifts service would be conducted at crowded places, especially, where assembles targeted segments by putting booths with many gifts to provide more information about the business including the reasons to use it, how to use it and offers. Next, the word of mouth strategies would be used by trial service in four days in third week in April 2019. After that, other promotional activities such as being sponsors, accumulating points programs would be applied to attract and keep customers' usages.

The business starts with limited number of employees, but will ensure that the customers receive the best service.

In particular, the Technical team focuses on building the application with functions, website and systems for inside company and for customers. When the application service is launched to use, the customers would register with their profiles, in short time – around 5 – 10 minutes, this information would be authorised and checked by the police, then appear publicly on their screens for mutual seeing. Especially, as to drivers, all the information about the vehicle including all papers and pictures, especially pictures of current status about the vehicle will be sent to the team for inspection as the regulation

listed in PESTLE analysis above. If everything is fine, the drivers can start; if something is wrong, the drivers will need to do as requirements shown in the screen to complete. Also, this team will create a “bank” to store and manage customers’ information. The application platform would record all of customers’ trips history automatically and appear on their profile screen. These records will be sent to NZTA as regulation mentioned previously.

The Customer Service team focuses on interacting with customers directly and indirectly. This team will handle all enquiries from customers and collect customers’ ideas and opinions to report to leaders. Also, this team manage chatting environment of customers both on website and on application to gather customers’ reflections to the service and perceive the trends. Besides, the customers service team will collaborate with technical team to solve technical problems.

The service occurs mostly on the application. Through this, customers can get a trip with all necessary information about distance, maps, price, time and even the informaiton about each others, and then payment is easy to make optionally and conveniently – cash or cashless.

#### **4.2. Staff issues**

Employees are one of the most import parts to build the firm company and attract many customers. Following that, the business create the friendship environment in the office that all employees can communicate to each other in optional ways – through online chatting, direct talking or through phones, and comfortable place that they can eat snack while working. However, the office will still be run professionally, in which the employees will communicate to each other through Ryver chatting programs for completing tasks, which will be monitored by the leaders and owner.

The staff problems will be reduced and avoided by the care from the leaders and owner for the employees. Particularly, they will frequently chat to staff to see how they are and also share their problems, thus the relationship would be closer.

However, if the problems or conflicts happened among staff, the leaders will be the people to solve by identifying the source and finding the solutions first,

then categorizing if those are performance problems or personal problems to assess correctly on each employees.

The goals for each day will be set by the owner and leaders following the business and marketing objectives to motivate the employees' performances. At the end of the month, the best employee will be praised in front of the company, and owner might organize a small party to raise closer relationships. Also, bonus will be included in the salary of any employees depending on their results and performances.

## **5. Projected sales and profits scenarios**

### **5.1. Projected sales**

The projected sales of three years were drawn based on the data and information collected from both literature reviews and the research process.

- The trend that reflects the demands for Giving Lifts service occupied 76.42%.
- The targeted segments whose ages are 50+, and students in SIT. Also as materials found in literature reviews, these types of customers are on the rise.
- The basic values of the service which are solutions for common transport problems – transport issues (25.11%), parking issues (23.79%) and money issues (29.52%).
- Comparing to other competitors, the Giving Lift service is the number two selection behind personal vehicle.
- The feature of Giving Lifts service can replace other competitors' advantages, and also its advantages can cover other competitors' disadvantages.

Despite all positive information above, there would be some periods of time that sales were supposed to decrease, which are November, December and January – 3 months of SIT students' breaktime. However, in February, March and July, August – O-week and application-for-studying time, the sales will be likely to increase.

The sales were calculated based on the price per unit, which were listed in *Table 21* in marketing part, not directly based on the number of customers. In

particular, also as mentioned previously, the price is constituted from distance, minute, booking fee, minimum fare and cancellation fee, and 20% of that price is taken as the main revenue of the company. Through the process, as to cashless payment, after each trip, the money will go to the company then will be divided into 20/80, 20% for the company as the main revenue which company actually has after each trip, and 80% for the drivers. The 80% will be sent to the drivers' accounts 24 hours within the day. As to cash payment, after each trip, 20% of the price will be taken from drivers' accounts.

Although the total money received from the passengers can be seen as the revenue, as explained previously, passengers can pay by cash, thus the total money does not go to the company in this case. Hence, in sales forecasted tables below, and to easily, clearly and simply following and calculating financial tables, only the main revenue of the company which is the 20% of the price – “Main revenue” line – was focused on and counted.

The price and percentage of revenue will be retained through first and second year, in the third year, will be increased slightly 3%.

The years of financial calculation are explained below

- Year 1: 2019/2020
- Year 2: 2020/2021
- Year 3: 2021/2022

The sales in three years are calculated as below

*Table 29. Forecasted sales in year 1*

Year 1														
	Price per unit	04/2019	05/2019	06/2019	07/2019	08/2019	09/2019	10/2019	11/2019	12/2019	01/2020	02/2020	03/2020	Total
Distance	1.40	25,165.00	38,686.76	39,188.66	42,047.60	43,808.10	43,512.56	44,627.66	43,692.60	45,639.72	44,863.00	62,979.42	65,513.70	539,724.78
Minute	0.35	6,582.45	9,971.50	10,128.65	10,925.95	11,542.30	11,365.90	11,524.45	11,184.60	11,901.75	11,725.35	15,953.00	16,671.90	139,477.80
Booking fee	0.60	1,198.80	972.60	1,685.40	2,034.00	2,589.00	2,155.80	2,440.20	1,978.80	2,214.60	2,758.80	3,034.80	3,596.40	26,659.20
Minimum fare	6.00	4,986.00	11,388.00	11,934.00	16,290.00	17,934.00	10,158.00	13,200.00	11,688.00	12,054.00	15,714.00	23,988.00	24,168.00	173,502.00
Cancellation fee	9.00	108.00	135.00	180.00	225.00	297.00	189.00	135.00	99.00	99.00	126.00	189.00	225.00	2,007.00
Total		38,040.25	61,153.86	63,116.71	71,522.55	76,170.40	67,381.26	71,927.31	68,643.00	71,909.07	75,187.15	106,144.22	110,175.00	881,370.78
<b>Main revenue</b>	<b>0.20</b>	<b>7,608.05</b>	<b>12,230.77</b>	<b>12,623.34</b>	<b>14,304.51</b>	<b>15,234.08</b>	<b>13,476.25</b>	<b>14,385.46</b>	<b>13,728.60</b>	<b>14,381.81</b>	<b>15,037.43</b>	<b>21,228.84</b>	<b>22,035.00</b>	<b>176,274.16</b>

*Table 30. Forecasted sales in year 2*

Year 2														
	Price per unit	04/2020	05/2020	06/2020	07/2020	08/2020	09/2020	10/2020	11/2020	12/2020	01/2021	02/2021	03/2021	Total
Distance	1.40	56,334.60	57,524.60	60,181.80	68,396.97	70,194.60	67,124.12	67,141.20	65,646.00	63,135.80	68,865.44	75,766.60	79,772.84	800,084.57
Minute	0.35	14,666.05	14,728.35	15,295.35	17,480.05	18,543.00	17,196.90	17,041.15	16,481.50	16,415.35	17,819.20	19,254.55	20,156.15	205,077.60
Booking fee	0.60	2,368.80	2,400.60	2,940.00	3,718.80	4,788.00	3,713.40	3,911.40	3,550.20	2,934.00	4,194.60	5,916.00	5,538.60	45,974.40
Minimum fare	6.00	18,006.00	19,764.00	18,114.00	27,060.00	30,114.00	17,514.00	14,940.00	13,914.00	15,114.00	27,072.00	32,514.00	35,418.00	269,544.00
Cancellation fee	9.00	99.00	126.00	144.00	198.00	261.00	135.00	162.00	108.00	90.00	117.00	189.00	225.00	1,854.00
Total		91,474.45	94,543.55	96,675.15	116,853.82	123,900.60	105,683.42	103,195.75	99,699.70	97,689.15	118,068.24	133,640.15	141,110.59	1,322,534.57
<b>Main revenue</b>	<b>0.20</b>	<b>18,294.89</b>	<b>18,908.71</b>	<b>19,335.03</b>	<b>23,370.76</b>	<b>24,780.12</b>	<b>21,136.68</b>	<b>20,639.15</b>	<b>19,939.94</b>	<b>19,537.83</b>	<b>23,613.65</b>	<b>26,728.03</b>	<b>28,222.12</b>	<b>264,506.91</b>

*Table 31. Forecasted sales in year 3*

Year 3														
	Price per unit	04/2021	05/2021	06/2021	07/2021	08/2021	09/2021	10/2021	11/2021	12/2021	01/2022	02/2022	03/2022	Total
Price pluses 3%	1.03													
Distance	1.44	80,736.14	81,845.04	82,277.64	89,690.96	92,259.16	81,171.62	82,711.68	79,582.54	76,698.54	79,630.12	95,014.82	96,758.20	1,018,376.45
Minute	0.36	20,316.70	20,796.88	20,909.72	23,064.79	23,125.71	20,712.89	20,917.29	20,188.36	19,468.08	20,192.33	23,837.34	24,515.80	258,045.90
Booking fee	0.62	5,901.28	6,132.41	6,750.41	7,388.81	7,966.02	5,431.60	5,877.80	5,020.01	4,347.01	4,950.18	8,027.82	9,883.67	77,677.04
Minimum fare	6.18	36,981.12	38,112.06	34,057.98	46,529.22	48,846.72	24,831.24	31,017.42	28,458.90	21,586.74	27,810.00	61,664.04	62,214.06	462,109.50
Cancellation fee	9.27	139.05	166.86	185.40	241.02	268.83	203.94	176.13	139.05	111.24	101.97	213.21	268.83	2,215.53
Total		144,074.29	147,053.25	144,181.15	166,914.80	172,466.44	132,351.29	140,700.32	133,388.86	122,211.61	132,684.60	188,757.23	193,640.57	1,818,424.42
<b>Main revenue</b>	<b>0.21</b>	<b>29,679.30</b>	<b>30,292.97</b>	<b>29,701.32</b>	<b>34,384.45</b>	<b>35,528.09</b>	<b>27,264.37</b>	<b>28,984.27</b>	<b>27,478.11</b>	<b>25,175.59</b>	<b>27,333.03</b>	<b>38,883.99</b>	<b>39,889.96</b>	<b>374,595.43</b>

## **5.2. Projected profits**

In the first year, because of the expenses to establishing the business, there is no profit. Through the second and third year, some promotional activities to keep customers' usages as mentioned previously will be used, which reflected in sales and new ones will be applied in February, March and July, August when the number of students increases.

GST was excluded in these tables and calculations below.

### **5.2.1. Projected profits in three years (monthly)**

In the first month of the second year, the profit is negative due to the same price as the first year and the increase in the expenses. However, after that the awareness of brand is expanded leading to the increase in sales, which is able to cover those costs.

In the first month of the third year, the profit is negative due to the increase in the price may affect the customers' behaviors, and the increase in costs. However, after that when customers get familiar with the convenience and efficiency of the service, the sales starts to get back on the upward trend. Additionally, in the busy months of the O-week and application-for-studying time, the business enhances more promotional activites such as putting more booths and adding more games as well as gifts in SIT, PacnSave, Countdown and retirement villages to reach more customers to increase the sales.

*Table 32. Projected profits in year 1*

Year 1																
	% taken	04/2019	05/2019	06/2019	07/2019	08/2019	09/2019	10/2019	11/2019	12/2019	01/2020	02/2020	03/2020	Total		
<b>Forecasted sales</b>																
Distance		25,165.00	38,686.76	39,188.66	42,047.60	43,808.10	43,512.56	44,627.66	43,692.60	45,639.72	44,863.00	62,979.42	65,513.70	539,724.78		
Minute		6,582.45	9,971.50	10,128.65	10,925.95	11,542.30	11,365.90	11,524.45	11,184.60	11,901.75	11,725.35	15,953.00	16,671.90	139,477.80		
Booking fee		1,198.80	972.60	1,685.40	2,034.00	2,589.00	2,155.80	2,440.20	1,978.80	2,214.60	2,758.80	3,034.80	3,596.40	26,659.20		
Minimum fare		4,986.00	11,388.00	11,934.00	16,290.00	17,934.00	10,158.00	13,200.00	11,688.00	12,054.00	15,714.00	23,988.00	24,168.00	173,502.00		
Cancellation fee		108.00	135.00	180.00	225.00	297.00	189.00	135.00	99.00	99.00	126.00	189.00	225.00	2,007.00		
<b>Total</b>		38,040.25	61,153.86	63,116.71	71,522.55	76,170.40	67,381.26	71,927.31	68,643.00	71,909.07	75,187.15	106,144.22	110,175.00	881,370.78		
<b>Main revenue</b>		7,608.05	12,230.77	12,623.34	14,304.51	15,234.08	13,476.25	14,385.46	13,728.60	14,381.81	15,037.43	21,228.84	22,035.00	176,274.16		
<b>Expenses</b>																
Companies providing platforms																
Google	0.10	760.81	1,223.08	1,262.33	1,430.45	1,523.41	1,347.63	1,438.55	1,372.86	1,438.18	1,503.74	2,122.88	2,203.50	17,627.42		
Apple	0.10	760.81	1,223.08	1,262.33	1,430.45	1,523.41	1,347.63	1,438.55	1,372.86	1,438.18	1,503.74	2,122.88	2,203.50	17,627.42		
Bank charges		60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	720.00		
Office expenses																
Electricity		120.00	120.00	120.00	128.60	128.60	120.00	120.00	111.40	111.40	111.40	128.60	128.60	1,448.60		
Insurance		2,359.40	-	-	-	-	-	-	-	-	-	-	-	2,359.40		
Rent		400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	4,800.00		
Telephone		114.00	114.00	114.00	124.00	124.00	114.00	114.00	104.00	104.00	104.00	124.00	124.00	1,378.00		
Internet		90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	1,080.00		
Printing accessories (Paper & Ink)		-	-	-	-	-	324.95	-	-	-	-	-	-	324.95	649.90	
Stationery		-	-	-	-	-	116.93	-	-	-	-	-	-	116.93	233.86	
Fruits, snack & beverage		-	-	-	-	-	50.00	-	-	-	-	-	-	50.00	100.00	
Staff expenses																
Salary		10,800.00	10,800.00	10,800.00	11,480.00	11,480.00	10,800.00	10,800.00	10,546.67	10,546.67	10,546.67	11,480.00	11,480.00	131,560.00		
Welfare		14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	174.00		
Bonus		-	-	-	-	-	-	-	-	-	-	-	-	150.00	150.00	
Promotional activities		-	-	-	-	250.00	250.00	-	-	-	-	-	-	250.00	250.00	1,000.00
Others																
Miscellaneous		80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	960.00		
Expenses for establishment		16,342.51	-	-	-	-	-	-	-	-	-	-	-	-		
Financing expenses																
Loan interest repayments		-	-	-	-	-	-	-	-	-	-	-	-	-		
Depreciation		74.29	74.29	74.29	74.29	74.29	74.29	74.29	74.29	74.29	74.29	74.29	74.38	891.57		
<b>Total expenses</b>		31,976.31	14,198.94	14,277.46	15,562.29	16,240.09	14,448.04	14,629.88	14,226.58	14,357.22	14,488.34	16,947.16	17,750.36	199,102.67		
Profit/Loss before tax		-24,368.26	-1,968.17	-1,654.12	-1,257.78	-1,006.01	-971.79	-244.42	-497.98	24.59	549.09	4,281.69	4,284.64	-22,828.52		
Income tax		-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Profit/Loss after tax</b>		-24,368.26	-1,968.17	-1,654.12	-1,257.78	-1,006.01	-971.79	-244.42	-497.98	24.59	549.09	4,281.69	4,284.64	-22,828.52		

*Table 33. Projected profits in year 2*

Year 2															
	% taken	04/2020	05/2020	06/2020	07/2020	08/2020	09/2020	10/2020	11/2020	12/2020	01/2021	02/2021	03/2021	Total	
<b>Forecasted sales</b>															
Distance		56,334.60	57,524.60	60,181.80	68,396.97	70,194.60	67,124.12	67,141.20	65,646.00	63,135.80	68,865.44	75,766.60	79,772.84	<b>800,084.57</b>	
Minute		14,666.05	14,728.35	15,295.35	17,480.05	18,543.00	17,196.90	17,041.15	16,481.50	16,415.35	17,819.20	19,254.55	20,156.15	<b>205,077.60</b>	
Booking fee		2,368.80	2,400.60	2,940.00	3,718.80	4,788.00	3,713.40	3,911.40	3,550.20	2,934.00	4,194.60	5,916.00	5,538.60	<b>45,974.40</b>	
Minimum fare		18,006.00	19,764.00	18,114.00	27,060.00	30,114.00	17,514.00	14,940.00	13,914.00	15,114.00	27,072.00	32,514.00	35,418.00	<b>269,544.00</b>	
Cancellation fee		99.00	126.00	144.00	198.00	261.00	135.00	162.00	108.00	90.00	117.00	189.00	225.00	<b>1,854.00</b>	
Total		91,474.45	94,543.55	96,675.15	116,853.82	123,900.60	105,683.42	103,195.75	99,699.70	97,689.15	118,068.24	133,640.15	141,110.59	<b>1,322,534.57</b>	
<b>Main revenue</b>		18,294.89	18,908.71	19,335.03	23,370.76	24,780.12	21,136.68	20,639.15	19,939.94	19,537.83	23,613.65	26,728.03	28,222.12	<b>264,506.91</b>	
<b>Expenses</b>															
Companies providing platforms															
Google	0.11	2,012.44	2,079.96	2,126.85	2,570.78	2,725.81	2,325.04	2,270.31	2,193.39	2,149.16	2,597.50	2,940.08	3,104.43	<b>29,095.76</b>	
Apple	0.11	2,012.44	2,079.96	2,126.85	2,570.78	2,725.81	2,325.04	2,270.31	2,193.39	2,149.16	2,597.50	2,940.08	3,104.43	<b>29,095.76</b>	
Bank charges		63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00	<b>756.00</b>	
Office expenses															
Electricity		125.00	125.00	125.00	131.50	131.50	125.00	125.00	121.00	121.00	121.00	131.50	131.50	<b>1,514.00</b>	
Insurance		2,662.00												<b>2,662.00</b>	
Rent		410.00	410.00	410.00	410.00	410.00	410.00	410.00	410.00	410.00	410.00	410.00	410.00	<b>4,920.00</b>	
Telephone		119.00	119.00	119.00	125.00	125.00	119.00	119.00	102.00	102.00	102.00	125.00	125.00	<b>1,401.00</b>	
Internet		93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	<b>1,116.00</b>	
Printing accessories (Paper & Ink)		-	-	-	-	-	-	-	329.50	-	-	-	-	<b>329.50</b>	
Stationery		-	-	-	-	-	-	-	120.95	-	-	-	-	<b>120.95</b>	
Fruits, snack & beverage		-	-	-	-	-	-	-	60.00	-	-	-	-	<b>60.00</b>	
Staff expenses															
Salary		13,395.00	13,395.00	13,395.00	14,257.50	14,257.50	13,395.00	13,395.00	12,972.50	12,972.50	12,972.50	14,257.50	14,257.50	<b>162,922.50</b>	
Welfare		15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	<b>180.00</b>	
Bonus		-	-	-	-	-	-	-	-	-	-	-	-	<b>200.00</b>	
Promotional activities		-	-	-	-	300.00	300.00	-	-	-	-	-	300.00	300.00	<b>1,200.00</b>
Others															
Miscellaneous		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	<b>1,200.00</b>	
Training		-	-	-	-	50.00	100.00	-	-	-	-	-	-	<b>150.00</b>	
Financing expenses															
Loan interests repayments		7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19	<b>86.28</b>	
Depreciation		56.96	56.96	56.96	56.96	56.96	56.96	56.96	56.96	56.96	56.96	56.96	56.96	<b>683.51</b>	
<b>Total expenses</b>		21,071.03	18,544.07	18,637.86	20,750.72	21,110.78	19,034.22	19,435.21	18,327.44	18,238.97	19,135.65	21,439.32	21,968.00	<b>237,693.26</b>	
Profit/Loss before tax		-2,776.14	364.64	697.17	2,620.05	3,669.34	2,102.46	1,203.94	1,612.50	1,298.86	4,478.00	5,288.71	6,254.12	<b>26,813.66</b>	
Income tax	0.28	-	-	-	-	-	-	-	-	-	-	-	7,507.82	<b>7,507.82</b>	
<b>Profit/Loss after tax</b>		-2,776.14	364.64	697.17	2,620.05	3,669.34	2,102.46	1,203.94	1,612.50	1,298.86	4,478.00	5,288.71	-1,253.71	<b>19,305.83</b>	

*Table 34. Projected profits in year 3*

Year 3															
	% taken	04/2021	05/2021	06/2021	07/2021	08/2021	09/2021	10/2021	11/2021	12/2021	01/2022	02/2022	03/2022	Total	
<b>Forecasted sales</b>															
Distance		80,736.14	81,845.04	82,277.64	89,690.96	92,259.16	81,171.62	82,711.68	79,582.54	76,698.54	79,630.12	95,014.82	96,758.20	1,018,376.45	
Minute		20,316.70	20,796.88	20,909.72	23,064.79	23,125.71	20,712.89	20,917.29	20,188.36	19,468.08	20,192.33	23,837.34	24,515.80	258,045.90	
Booking fee		5,901.28	6,132.41	6,750.41	7,388.81	7,966.02	5,431.60	5,877.80	5,020.01	4,347.01	4,950.18	8,027.82	9,883.67	77,677.04	
Minimum fare		36,981.12	38,112.06	34,057.98	46,529.22	48,846.72	24,831.24	31,017.42	28,458.90	21,586.74	27,810.00	61,664.04	62,214.06	462,109.50	
Cancellation fee		139.05	166.86	185.40	241.02	268.83	203.94	176.13	139.05	111.24	101.97	213.21	268.83	2,215.53	
<b>Total</b>		144,074.29	147,053.25	144,181.15	166,914.80	172,466.44	132,351.29	140,700.32	133,388.86	122,211.61	132,684.60	188,757.23	193,640.57	1,818,424.42	
<b>Main revenue</b>		29,679.30	30,292.97	29,701.32	34,384.45	35,528.09	27,264.37	28,984.27	27,478.11	25,175.59	27,333.03	38,883.99	39,889.96	374,595.43	
<b>Expenses</b>															
Companies providing platforms															
Google	0.13	3,858.31	3,938.09	3,861.17	4,469.98	4,618.65	3,544.37	3,767.95	3,572.15	3,272.83	3,553.29	5,054.92	5,185.69	48,697.41	
Apple	0.13	3,858.31	3,938.09	3,861.17	4,469.98	4,618.65	3,544.37	3,767.95	3,572.15	3,272.83	3,553.29	5,054.92	5,185.69	48,697.41	
Bank charges		70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	840.00	
Office expenses															
Electricity		130.00	130.00	130.00	135.40	135.40	130.00	130.00	126.00	126.00	126.00	135.40	135.40	1,569.60	
Insurance		3,275.10												3,275.10	
Rent		421.00	421.00	421.00	421.00	421.00	421.00	421.00	421.00	421.00	421.00	421.00	421.00	5,052.00	
Telephone		124.00	124.00	124.00	135.00	135.00	124.00	124.00	121.00	121.00	121.00	135.00	135.00	1,523.00	
Internet		98.00	98.00	98.00	98.00	98.00	98.00	98.00	98.00	98.00	98.00	98.00	98.00	1,176.00	
Printing accessories (Paper & Ink)		-	-	-	-	-	-	-	335.00	-	-	-	-	335.00	
Stationery		-	-	-	-	-	-	131.50	-	-	-	-	-	131.50	
Fruits, snack & beverage		-	-	-	-	-	-	80.00	-	-	-	-	-	80.00	
Staff expenses															
Salary		18,420.00	18,420.00	18,420.00	19,640.00	19,640.00	18,420.00	18,420.00	17,646.67	17,646.67	17,646.67	19,640.00	19,640.00	223,600.00	
Welfare		21.50	21.50	21.50	21.50	21.50	21.50	21.50	21.50	21.50	21.50	21.50	21.50	258.00	
Bonus		-	-	-	-	-	-	-	-	-	-	-	300.00	300.00	
Promotional activities		-	-	-	-	500.00	500.00	-	-	-	-	-	600.00	600.00	2,200.00
Others															
Miscellaneous		120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	1,440.00	
Training		-	-	-	-	150.00	200.00	-	-	-	-	-	-	350.00	
Financing expenses															
Loan interests repayments		7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19	7.19	86.28	
Depreciation		57.35	57.35	57.35	57.35	57.35	57.35	57.35	57.35	57.35	57.35	57.35	57.35	688.22	
<b>Total expenses</b>		30,460.76	27,345.21	27,191.38	30,295.40	30,642.74	26,557.78	27,551.45	25,833.01	25,234.36	25,795.29	31,415.28	31,976.85	340,299.51	
Profit/Loss before tax		-781.46	2,947.76	2,509.93	4,089.05	4,885.34	706.59	1,432.82	1,645.09	-58.77	1,537.73	7,468.71	7,913.11	34,295.92	
Income tax	0.28	-	-	-	-	-	-	-	-	-	-	-	9,602.86	9,602.86	
<b>Profit/Loss after tax</b>		-781.46	2,947.76	2,509.93	4,089.05	4,885.34	706.59	1,432.82	1,645.09	-58.77	1,537.73	7,468.71	-1,689.75	24,693.06	

### 5.2.2. Brief projected profits in three years (yearly)

*Table 35. Brief projected profits in three years*

	Notes	Year 1	Year 2	Year 3
<b>Forecasted sales</b>	5.1.			
Distance		539,724.78	800,084.57	1,018,376.45
Minute		139,477.80	205,077.60	258,045.90
Booking fee		26,659.20	45,974.40	77,677.04
Minimum fare		173,502.00	269,544.00	462,109.50
Cancellation fee		2,007.00	1,854.00	2,215.53
Total		881,370.78	1,322,534.57	1,818,424.42
<b>Main revenue</b>		176,274.16	264,506.91	374,595.43
<b>Expenses</b>	5.5.4			
Companies providing platforms				
Google		17,627.42	29,095.76	48,697.41
Apple		17,627.42	29,095.76	48,697.41
Bank charges		720.00	756.00	840.00
Office expenses				
Electricity		1,448.60	1,514.00	1,569.60
Insurance		2,359.40	2,662.00	3,275.10
Rent		4,800.00	4,920.00	5,052.00
Telephone		1,378.00	1,401.00	1,523.00
Internet		1,080.00	1,116.00	1,176.00
Printing accessories (Paper & Ink)		649.90	329.50	335.00
Stationery		233.86	120.95	131.50
Fruits, snack & beverage		100.00	60.00	80.00
Staff expenses				
Salary		131,560.00	162,922.50	223,600.00
Welfare		174.00	180.00	258.00
Bonus		150.00	200.00	300.00
Promotional activities		1,000.00	1,200.00	2,200.00
Others				
Miscellaneous		960.00	1,200.00	1,440.00
Training		-	150.00	350.00
Expenses for establishment		16,342.51	-	-
Financing expenses				
Loan interests repayments		-	86.28	86.28
Depreciation		891.57	683.51	688.22
<b>Total expenses</b>		199,102.67	237,693.26	340,299.51
Profit/Loss before tax		-22,828.52	26,813.66	34,295.92
Income tax		-	7,507.82	9,602.86
<b>Profit/Loss after tax</b>		-22,828.52	19,305.83	24,693.06

### 5.3. Forecasted cash flow in three years

Table 36. Cash flow in year 1

Year 1	Capital & Start-up Cost	04/2019	05/2019	06/2019	07/2019	08/2019	09/2019	10/2019	11/2019	12/2019	01/2020	02/2020	03/2020	Total	
<b>Forecasted sales</b>															
Distance		25,165.00	38,686.76	39,188.66	42,047.60	43,808.10	43,512.56	44,627.66	43,692.60	45,639.72	44,863.00	62,979.42	65,513.70	<b>539,724.78</b>	
Minute		6,582.45	9,971.50	10,128.65	10,925.95	11,542.30	11,365.90	11,524.45	11,184.60	11,901.75	11,725.35	15,953.00	16,671.90	<b>139,477.80</b>	
Booking fee		1,198.80	972.60	1,685.40	2,034.00	2,589.00	2,155.80	2,440.20	1,978.80	2,214.60	2,758.80	3,034.80	3,596.40	<b>26,659.20</b>	
Minimum fare		4,986.00	11,388.00	11,934.00	16,290.00	17,934.00	10,158.00	13,200.00	11,688.00	12,054.00	15,714.00	23,988.00	24,168.00	<b>173,502.00</b>	
Cancellation fee		108.00	135.00	180.00	225.00	297.00	189.00	135.00	99.00	99.00	126.00	189.00	225.00	<b>2,007.00</b>	
Total		38,040.25	61,153.86	63,116.71	71,522.55	76,170.40	67,381.26	71,927.31	68,643.00	71,909.07	75,187.15	106,144.22	110,175.00	<b>881,370.78</b>	
<b>Cash inflow (main revenue)</b>		7,608.05	12,230.77	12,623.34	14,304.51	15,234.08	13,476.25	14,385.46	13,728.60	14,381.81	15,037.43	21,228.84	22,035.00	<b>176,274.16</b>	
<b>Other cash inflows</b>															
Owner's equity	35,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loan from bank		-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Expenses</b>															
Companies providing platforms															
Google		760.81	1,223.08	1,262.33	1,430.45	1,523.41	1,347.63	1,438.55	1,372.86	1,438.18	1,503.74	2,122.88	2,203.50	<b>17,627.42</b>	
Apple		760.81	1,223.08	1,262.33	1,430.45	1,523.41	1,347.63	1,438.55	1,372.86	1,438.18	1,503.74	2,122.88	2,203.50	<b>17,627.42</b>	
Bank charges		60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	<b>720.00</b>	
Office expenses															
Electricity		120.00	120.00	120.00	120.00	128.60	128.60	120.00	120.00	111.40	111.40	111.40	128.60	<b>1,440.00</b>	
Insurance		2,359.40	-	-	-	-	-	-	-	-	-	-	-	<b>2,359.40</b>	
Rent		400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	<b>4,800.00</b>	
Telephone		114.00	114.00	114.00	114.00	124.00	124.00	114.00	114.00	104.00	104.00	104.00	124.00	<b>1,368.00</b>	
Internet		90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	<b>1,080.00</b>	
Printing accessories (Paper & Ink)		-	-	-	-	324.95	-	-	-	-	-	-	-	<b>324.95</b>	
Stationery		-	-	-	-	116.93	-	-	-	-	-	-	-	<b>116.93</b>	
Fruits, snack & beverage		-	-	-	-	50.00	-	-	-	-	-	-	-	<b>50.00</b>	
Staff expenses															
Salary		10,800.00	10,800.00	10,800.00	11,480.00	11,480.00	10,800.00	10,800.00	10,546.67	10,546.67	10,546.67	11,480.00	11,480.00	<b>131,560.00</b>	
Welfare		14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	<b>174.00</b>	
Bonus		-	-	-	-	-	-	-	-	-	-	-	150.00	<b>150.00</b>	
Promotional activities		-	-	-	250.00	250.00	-	-	-	-	-	250.00	250.00	<b>1,000.00</b>	
Others															
Miscellaneous		80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	<b>960.00</b>	
Expenses for establishment	20,253.41	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total expenses</b>		15,559.51	14,124.65	14,203.17	15,469.40	16,165.80	14,392.35	14,555.59	14,170.89	14,282.93	14,414.05	16,835.67	17,675.98	<b>181,849.99</b>	
<b>Operating inflow</b>		-7,951.46	-1,893.88	-1,579.83	-1,164.89	-931.72	-916.10	-170.13	-442.29	98.88	623.38	4,393.18	4,359.02	<b>-5,575.84</b>	
<b>Financing expenses</b>															
Loan repayments (including interests)		-	-	-	-	-	-	-	-	-	-	-	-	-	
Drawings		-	-	-	-	-	-	-	-	-	-	-	-	-	
Income tax		-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Financing outflow</b>															
<b>GST Movements</b>															
GST received		1,141.21	1,834.62	1,893.50	2,145.68	2,285.11	2,021.44	2,157.82	2,059.29	2,157.27	2,255.61	3,184.33	3,305.25	<b>26,441.12</b>	
GST paid		3,742.94	489.70	501.48	551.91	656.37	529.85	554.34	534.63	551.44	571.11	756.85	882.90	<b>10,323.51</b>	
GST payments/refunds				-1,256.81		2,985.79		3,120.33			3,128.14	3,290.34		<b>11,267.78</b>	
<b>GST movement</b>		-2,601.73	1,344.92	2,648.84	1,593.77	-1,357.05	1,491.59	-1,516.85	1,524.66	1,605.83	-1,443.63	-862.86	2,422.35	<b>4,849.83</b>	
<b>Cash flow Surplus/Deficit</b>		<b>14,746.59</b>	<b>-10,553.19</b>	<b>-548.96</b>	<b>1,069.01</b>	<b>428.87</b>	<b>-2,288.77</b>	<b>575.49</b>	<b>-1,686.98</b>	<b>1,082.37</b>	<b>1,704.72</b>	<b>-820.25</b>	<b>3,530.31</b>	<b>6,781.37</b>	<b>14,020.58</b>
Balance at the opening		0.00	14,746.59	4,193.40	3,644.43	4,713.45	5,142.32	2,853.56	3,429.04	1,742.06	2,824.44	4,529.15	3,708.90	7,239.21	<b>14,020.58</b>
Balance at the end		<b>14,746.59</b>	<b>4,193.40</b>	<b>3,644.43</b>	<b>4,713.45</b>	<b>5,142.32</b>	<b>2,853.56</b>	<b>3,429.04</b>	<b>1,742.06</b>	<b>2,824.44</b>	<b>4,529.15</b>	<b>3,708.90</b>	<b>7,239.21</b>	<b>14,020.58</b>	

*Table 37. Cash flow in year 2*

<b>Year 2</b>	<b>Loan</b>	<b>04/2020</b>	<b>05/2020</b>	<b>06/2020</b>	<b>07/2020</b>	<b>08/2020</b>	<b>09/2020</b>	<b>10/2020</b>	<b>11/2020</b>	<b>12/2020</b>	<b>01/2021</b>	<b>02/2021</b>	<b>03/2021</b>	<b>Total</b>
<b>Forecasted sales</b>														
Distance		56,334.60	57,524.60	60,181.80	68,396.97	70,194.60	67,124.12	67,141.20	65,646.00	63,135.80	68,865.44	75,766.60	79,772.84	800,084.57
Minute		14,666.05	14,728.35	15,295.35	17,480.05	18,543.00	17,196.90	17,041.15	16,481.50	16,415.35	17,819.20	19,254.55	20,156.15	205,077.60
Booking fee		2,368.80	2,400.60	2,940.00	3,718.80	4,788.00	3,713.40	3,911.40	3,550.20	2,934.00	4,194.60	5,916.00	5,538.60	45,974.40
Minimum fare		18,006.00	19,764.00	18,114.00	27,060.00	30,114.00	17,514.00	14,940.00	13,914.00	15,114.00	27,072.00	32,514.00	35,418.00	269,544.00
Cancellation fee		99.00	126.00	144.00	198.00	261.00	135.00	162.00	108.00	90.00	117.00	189.00	225.00	1,854.00
Total		91,474.45	94,543.55	96,675.15	116,853.82	123,900.60	105,683.42	103,195.75	99,699.70	97,689.15	118,068.24	133,640.15	141,110.59	1,322,534.57
<b>Cash inflow (main revenue)</b>		18,294.89	18,908.71	19,335.03	23,370.76	24,780.12	21,136.68	20,639.15	19,939.94	19,537.83	23,613.65	26,728.03	28,222.12	264,506.91
<b>Other cash inflows</b>														
Owner's equity		-	-	-	-	-	-	-	-	-	-	-	-	-
Loan from bank	5,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenses</b>														
Companies providing platforms														
Google		2,012.44	2,079.96	2,126.85	2,570.78	2,725.81	2,325.04	2,270.31	2,193.39	2,149.16	2,597.50	2,940.08	3,104.43	29,095.76
Apple		2,012.44	2,079.96	2,126.85	2,570.78	2,725.81	2,325.04	2,270.31	2,193.39	2,149.16	2,597.50	2,940.08	3,104.43	29,095.76
Bank charges		63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00	756.00
Office expenses														
Electricity		128.60	125.00	125.00	125.00	131.50	131.50	125.00	125.00	121.00	121.00	121.00	131.50	1,511.10
Insurance		2,662.00	-	-	-	-	-	-	-	-	-	-	-	2,662.00
Rent		410.00	410.00	410.00	410.00	410.00	410.00	410.00	410.00	410.00	410.00	410.00	410.00	4,920.00
Telephone		124.00	119.00	119.00	119.00	125.00	125.00	119.00	119.00	102.00	102.00	102.00	125.00	1,400.00
Internet		90.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	1,113.00
Printing accessories (Paper & Ink)		-	-	-	-	-	-	-	329.50	-	-	-	-	329.50
Stationery		-	-	-	-	-	-	-	120.95	-	-	-	-	120.95
Fruits, snack & beverage		-	-	-	-	-	-	-	60.00	-	-	-	-	60.00
Staff expenses														
Salary		13,395.00	13,395.00	13,395.00	14,257.50	14,257.50	13,395.00	13,395.00	12,972.50	12,972.50	12,972.50	14,257.50	14,257.50	162,922.50
Welfare		15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	180.00
Bonus		-	-	-	-	-	-	-	-	-	-	-	200.00	200.00
Promotional activities		-	-	-	300.00	300.00	-	-	-	-	-	-	300.00	300.00
Others														
Miscellaneous		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
New laptop		-	-	-	-	-	200.00	-	-	-	-	-	-	200.00
New telephone		-	-	-	-	-	70.00	-	-	-	-	-	-	70.00
New table & chair		-	-	-	-	-	75.00	-	-	-	-	-	-	75.00
Training		-	-	-	50.00	100.00	-	-	-	-	-	-	-	150.00
<b>Total expenses</b>		21,012.48	18,479.92	18,573.71	20,674.07	21,046.63	19,327.57	19,371.06	18,284.29	18,174.82	19,071.50	21,341.67	21,903.87	237,261.57
<b>Operating inflow</b>		-2,717.59	428.79	761.32	2,696.70	3,733.49	1,809.11	1,268.09	1,655.65	1,363.01	4,542.15	5,386.36	6,318.25	27,245.34
<b>Financing expenses</b>														
Loan repayments (including interests)		147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00	1,764.00
Drawings		-	-	-	-	2,000.00	-	-	-	-	-	-	-	2,000.00
Income tax		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Financing outflow</b>		147.00	147.00	147.00	147.00	2,147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00	3,764.00
<b>GST Movements</b>														
GST received		2,744.23	2,836.31	2,900.25	3,505.61	3,717.02	3,170.50	3,095.87	2,990.99	2,930.67	3,542.05	4,009.20	4,233.32	39,676.04
GST paid		1,133.17	753.29	767.36	908.04	963.92	880.44	886.96	787.32	770.90	905.40	1,008.17	1,092.50	10,857.46
GST payments/refunds		4,849.83		3,694.08		4,730.48		5,043.17			4,412.59	4,796.42		27,526.56
GST movement		-3,238.77	2,083.02	-1,561.18	2,597.58	-1,977.38	2,290.07	-2,834.25	2,203.67	2,159.78	-1,775.94	-1,795.39	3,140.81	1,292.01
Cashflow Surplus/Deficit	5,000.00	-6,103.35	2,364.81	-946.86	5,147.28	-390.89	3,952.18	-1,713.17	3,712.33	3,375.78	2,619.21	3,443.97	9,312.06	24,773.36
Balance at the opening	14,020.58	19,020.58	12,917.23	15,282.04	14,335.18	19,482.46	19,091.58	23,043.76	21,330.59	25,042.92	28,418.70	31,037.91	34,481.88	34,481.88
Balance at the end	<b>19,020.58</b>	<b>12,917.23</b>	<b>15,282.04</b>	<b>14,335.18</b>	<b>19,482.46</b>	<b>19,091.58</b>	<b>23,043.76</b>	<b>21,330.59</b>	<b>25,042.92</b>	<b>28,418.70</b>	<b>31,037.91</b>	<b>34,481.88</b>	<b>43,793.94</b>	

Table 38. Cash flow in year 3

Year 3	04/2021	05/2021	06/2021	07/2021	08/2021	09/2021	10/2021	11/2021	12/2021	01/2022	02/2022	03/2022	Total
<b>Forecasted sales</b>													
Distance	80,736.14	81,845.04	82,277.64	89,690.96	92,259.16	81,171.62	82,711.68	79,582.54	76,698.54	79,630.12	95,014.82	96,758.20	<b>1,018,376.45</b>
Minute	20,316.70	20,796.88	20,909.72	23,064.79	23,125.71	20,712.89	20,917.29	20,188.36	19,468.08	20,192.33	23,837.34	24,515.80	<b>258,045.90</b>
Booking fee	5,901.28	6,132.41	6,750.41	7,388.81	7,966.02	5,431.60	5,877.80	5,020.01	4,347.01	4,950.18	8,027.82	9,883.67	<b>77,677.04</b>
Minimum fare	36,981.12	38,112.06	34,057.98	46,529.22	48,846.72	24,831.24	31,017.42	28,458.90	21,586.74	27,810.00	61,664.04	62,214.06	<b>462,10950</b>
Cancellation fee	139.05	166.86	185.40	241.02	268.83	203.94	176.13	139.05	111.24	101.97	213.21	268.83	<b>2,21553</b>
Total	144,074.29	147,053.25	144,181.15	166,914.80	172,466.44	132,351.29	140,700.32	133,388.86	122,211.61	132,684.60	188,757.23	193,640.57	<b>1,818,42442</b>
<b>Cash inflow (main revenue)</b>	<b>29,679.30</b>	<b>30,292.97</b>	<b>29,701.32</b>	<b>34,384.45</b>	<b>35,528.09</b>	<b>27,264.37</b>	<b>28,984.27</b>	<b>27,478.11</b>	<b>25,175.59</b>	<b>27,333.03</b>	<b>38,883.99</b>	<b>39,889.96</b>	<b>374,59543</b>
<b>Expenses</b>													
Companies providing platforms													
Google	3,858.31	3,938.09	3,861.17	4,469.98	4,618.65	3,544.37	3,767.95	3,572.15	3,272.83	3,553.29	5,054.92	5,185.69	<b>48,69741</b>
Apple	3,858.31	3,938.09	3,861.17	4,469.98	4,618.65	3,544.37	3,767.95	3,572.15	3,272.83	3,553.29	5,054.92	5,185.69	<b>48,69741</b>
Bank charges	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	<b>840.00</b>
Office expenses													
Electricity	131.50	130.00	130.00	130.00	135.40	135.40	130.00	130.00	126.00	126.00	126.00	135.40	<b>1,565.70</b>
Insurance	3,275.10	-	-	-	-	-	-	-	-	-	-	-	<b>3,275.10</b>
Rent	421.00	421.00	421.00	421.00	421.00	421.00	421.00	421.00	421.00	421.00	421.00	421.00	<b>5,05200</b>
Telephone	125.00	124.00	124.00	124.00	135.00	135.00	124.00	124.00	121.00	121.00	121.00	135.00	<b>1,51300</b>
Internet	93.00	98.00	98.00	98.00	98.00	98.00	98.00	98.00	98.00	98.00	98.00	98.00	<b>1,17100</b>
Printing accessories (Paper & Ink)	-	-	-	-	-	-	335.00	-	-	-	-	-	<b>335.00</b>
Stationery	-	-	-	-	-	-	131.50	-	-	-	-	-	<b>131.50</b>
Fruits, snack & beverage	-	-	-	-	-	-	80.00	-	-	-	-	-	<b>80.00</b>
Staff expenses													
Salary	18,420.00	18,420.00	18,420.00	19,640.00	19,640.00	18,420.00	18,420.00	17,646.67	17,646.67	17,646.67	19,640.00	19,640.00	<b>223,60000</b>
Welfare	21.50	21.50	21.50	21.50	21.50	21.50	21.50	21.50	21.50	21.50	21.50	21.50	<b>25800</b>
Bonus	-	-	-	-	-	-	-	-	-	-	300.00	300.00	
Promotional activities	-	-	-	500.00	500.00	-	-	-	-	-	600.00	600.00	<b>2,20000</b>
Others													
Miscellaneous	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	<b>1,440.00</b>
New laptop	-	-	-	-	-	400.00	-	-	-	-	-	-	<b>400.00</b>
New telephone	-	-	-	-	-	70.00	-	-	-	-	-	-	<b>70.00</b>
New chair and file wardrobe	-	-	-	-	-	120.00	-	-	-	-	-	-	<b>120.00</b>
New printer	-	-	-	-	-	60.00	-	-	-	-	-	-	<b>60.00</b>
New CCTV camera	-	-	-	-	-	29.99	-	-	-	-	-	-	<b>29.99</b>
Training	-	-	-	150.00	200.00	-	-	-	-	-	-	-	<b>350.00</b>
<b>Total expenses</b>	<b>30,393.72</b>	<b>27,280.67</b>	<b>27,126.84</b>	<b>30,214.46</b>	<b>30,578.20</b>	<b>27,189.63</b>	<b>27,486.91</b>	<b>25,775.47</b>	<b>25,169.82</b>	<b>25,730.75</b>	<b>31,327.34</b>	<b>31,912.29</b>	<b>340,18610</b>
<b>Operating inflow</b>	<b>-714.42</b>	<b>3,012.30</b>	<b>2,574.47</b>	<b>4,169.99</b>	<b>4,949.88</b>	<b>74.74</b>	<b>1,497.36</b>	<b>1,702.63</b>	<b>5.77</b>	<b>1,602.27</b>	<b>7,556.65</b>	<b>7,977.67</b>	<b>34,40933</b>
<b>Financing expenses</b>													
Loan repayments (including interests)	147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00	147.00	<b>1,76400</b>
Drawings	-	-	-	-	3,000.00	-	-	-	-	-	-	-	<b>3,00000</b>
Income tax	7,507.82	-	-	-	-	-	-	-	-	-	-	-	<b>7,50782</b>
<b>Financing outflow</b>	<b>7,654.82</b>	<b>147.00</b>	<b>147.00</b>	<b>147.00</b>	<b>3,147.00</b>	<b>147.00</b>	<b>12,27182</b>						
<b>GST Movements</b>													
GST received	4,451.90	4,543.95	4,455.20	5,157.67	5,329.21	4,089.65	4,347.64	4,121.72	3,776.34	4,099.95	5,832.60	5,983.49	<b>56,18931</b>
GST paid	1,785.56	1,318.60	1,295.53	1,500.67	1,555.23	1,304.94	1,349.54	1,208.82	1,117.97	1,202.11	1,652.60	1,740.34	<b>17,03192</b>
GST payments/refunds	6,141.84	5,891.68	6,816.67	6,558.69						5,911.00	5,556.21		<b>36,87609</b>
GST movement	-3,475.50	3,225.34	-2,732.01	3,657.00	-3,042.69	2,784.71	-3,560.59	2,912.89	2,658.37	-3,013.16	-1,376.21	4,243.15	<b>2,28131</b>
<b>Cash flow Surplus/Deficit</b>	<b>-11,844.74</b>	<b>6,090.64</b>	<b>-304.54</b>	<b>7,679.99</b>	<b>-1,239.80</b>	<b>2,712.45</b>	<b>-2,210.23</b>	<b>4,468.53</b>	<b>2,517.14</b>	<b>-1,557.88</b>	<b>6,033.44</b>	<b>12,073.82</b>	<b>24,41881</b>
<b>Balance at the opening</b>	<b>43,793.94</b>	<b>31,949.20</b>	<b>38,039.84</b>	<b>37,735.30</b>	<b>45,415.29</b>	<b>44,175.49</b>	<b>46,887.94</b>	<b>44,677.71</b>	<b>49,146.23</b>	<b>51,663.37</b>	<b>50,105.49</b>	<b>56,138.93</b>	
<b>Balance at the end</b>	<b>31,949.20</b>	<b>38,039.84</b>	<b>37,735.30</b>	<b>45,415.29</b>	<b>44,175.49</b>	<b>46,887.94</b>	<b>44,677.71</b>	<b>49,146.23</b>	<b>51,663.37</b>	<b>50,105.49</b>	<b>56,138.93</b>	<b>68,212.75</b>	

## 5.4. Forecasted balance sheets for 3 years

Table 39. Balance sheets in three years

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>
<b>Assets</b>			
<i>Non current assets</i>			
<i>Tangible assets</i>			
Laptop	1,546.67	1,397.33	1,437.87
Telephone	541.33	489.07	447.25
Furniture	498.80	459.04	463.23
Printer	92.80	74.24	107.39
CCTV camera	46.38	37.11	53.68
Mini fridge	75.74	60.59	48.47
<i>Total tangible assets</i>	<b>2,801.72</b>	<b>2,517.38</b>	<b>2,557.90</b>
<i>Intangible assets</i>			
Systems/Network material facilities	541.60	487.44	438.70
<i>Total intangible assets</i>	<b>541.60</b>	<b>487.44</b>	<b>438.70</b>
<i>Total non current assets</i>	<b>3,343.33</b>	<b>3,004.82</b>	<b>2,996.59</b>
<i>Current assets</i>			
Cash at bank	14,020.58	43,793.94	68,212.75
<i>Total current assets</i>	<b>14,020.58</b>	<b>43,793.94</b>	<b>68,212.75</b>
<b>Total assets</b>	<b>17,363.91</b>	<b>46,798.76</b>	<b>71,209.34</b>
<b>Equity and liabilities</b>			
<i>Equity</i>			
Owner's equity	35,000.00		
Retained earnings			
Profit/Loss of the year	-22,828.52	19,305.83	24,693.06
Owners' drawings		-2,000.00	-3000
Accumulated fund		12,171.48	29,477.32
<i>Total equity</i>	<b>12,171.48</b>	<b>29,477.32</b>	<b>51,170.38</b>
<i>Liabilities</i>			
<i>Non current liabilities</i>			
Loan from bank		3,322.28	1,644.56
<i>Total non current liabilities</i>		<b>3,322.28</b>	<b>1,644.56</b>
<i>Current liabilities</i>			
GST payable	4,849.83	6,141.84	8,423.15
Income tax payable		7,507.82	9,602.86
Electricity payable	128.60	131.50	135.4
Telephone payable	124.00	125.00	135
Internet payable	90.00	93.00	98
<i>Total current liabilities</i>	<b>5,192.43</b>	<b>13,999.17</b>	<b>18,394.41</b>
<b>Total liabilities</b>	<b>5,192.43</b>	<b>17,321.45</b>	<b>20,038.97</b>
<b>Total equity and liabilities</b>	<b>17,363.91</b>	<b>46,798.76</b>	<b>71,209.34</b>

## 5.5. Notes and assumptions

### 5.5.1. Good and service tax (GST)

The business will be registered for GST on a payments basis with two-monthly GST periods, and the GST movements were calculated into monthly cash flow.

In Profit/Loss table, the GST was excluded to easily perceive the profit or loss after GST.

### 5.5.2. Material facilities

Material facilities include two types, one is office and the other is for building systems and network.

The names of those items in the lists in tables below will be used through 3 years. In other words, the owner only increases the number of those material facilities by buying the new ones, and do not purchase the new type of material facilities.

*Table 40. Office material facilities*

<i>Office material facilities</i>				
Items	Cost per item (NZ\$)	Quantity	Costs (NZ\$)	
Laptop	200	10		2000
Telephone	70	10		700
Furniture				645
Table	50	7	350	
Chair	25	9	225	
File wardrobe	70	1	70	
Printing accessories				444.95
Printer	60	2	120	
Papers (500 sheets each pack)	5	5	25	
Black & Colour Ink	59.99	5	299.95	
Stationery				116.93
Pens (12 pens each pack)	5	3	15	
Pencils (5 pencils each pack)	3	2	6	
Erasers (4 erasers each pack)	1.5	2	3	
Rulers	1	5	5	
Sticky notes (200 sheets each pack)	1	5	5	
File folders	4	10	40	
Paper clips (40 pieces each pack)	4	2	8	
Pen cups	4.99	7	34.93	
Others				207.92
CCTV Camera	29.99	2	59.98	
Mini fridge	97.94	1	97.94	
Fruits, snacks & beverage	50		50	
<b>Total</b>				<b>4114.8</b>

*Table 41. Systems/Network material facilities*

<b><i>Systems/ Network material facilities</i></b>	
<b>Items</b>	<b>Costs (NZ\$)</b>
<i>Google Office</i>	<i>Free</i>
<i>Microsoft Outlook 2016</i>	<b>109.99</b>
<i>Windows 10</i>	<b>119.99</b>
<i>Ryver - chatting program</i>	<i>Free</i>
<i>Website and domain name</i>	<b>150</b>
<i>Application registration, building, and platform</i>	<b>232</b>
<i>iOS Developer Program</i>	142.2
<i>Developer Console (Android)</i>	35.88
<i>Good Barber program for building application</i>	53.92
<b>Total</b>	<b>611.98</b>

### 5.5.3. Expenses for establishment

- In forecasted cash flow

The expenses for establishment are calculated as presented above in *Table 26*.

- In forecasted profit/loss

The expenses for establishment are calculated as table below

<i>Expenses for establishment in forecasted profit/loss</i>		
<i>Resources</i>	<i>Expenses (NZ\$)</i>	
<i>Business registration fees</i>		<b>141.35</b>
<i>Name</i>	15.00	
<i>Registration</i>	126.35	
<i>Office material facilities (equipment/accessories)</i>		
<i>Printing accessories</i>		<b>324.95</b>
<i>Papers (500 sheets each pack)</i>	25.00	
<i>Black &amp; Colour Ink</i>	299.95	
<i>Stationery</i>		<b>116.93</b>
<i>Others</i>		<b>50.00</b>
<i>Fruits, snacks &amp; beverage</i>	50.00	
<i>Office rent</i>		<b>2,000.00</b>
<i>First 2 months (02/2019 - 03/2019)</i>	800.00	
<i>Bond (for 3 months)</i>	1,200.00	
<i>Installing fees</i>		<b>260.00</b>
<i>Telephone connection</i>	100.00	
<i>Internet connection</i>	160.00	
<i>Insurance</i>		<b>201.28</b>
<i>Office with material facilities</i>	156.33	
<i>Staff (03/2019)</i>	44.95	
<i>Electricity (02/2019 - 03/2019)</i>		<b>240.00</b>
<i>Internet (02/2019 - 03/2019)</i>		<b>180.00</b>
<i>Telephone (02/2019 - 03/2019)</i>		<b>228.00</b>
<i>Recruiting and training programs</i>		<b>500.00</b>
<i>Staff salary (03/2019)</i>		<b>10,800.00</b>
<i>Marketing activities</i>		<b>1,300.00</b>
<b>Total</b>		<b>16,342.51</b>

*Table 42. Expenses for establishment in forecasted profit/loss*

#### **5.5.4. Expenses in three years**

- Platforms from Google and Apple companies:

They will take same percentage from Giving Lifts revenue, the percentage standards are presented in the table below through 3 years.

*Table 43. Percentage expenses for companies providing platforms*

<i>Years</i>	<i>Percentage</i>
Year 1	10%
Year 2	11%
Year 3	12%

- The electricity, telephone and internet will be paid in the following month.
- Printing accesspries (Paper & Ink), stationery and fruits, snack and beverage will be paid once in six months.
- Staff salary, welfare and bonus:

All the full-time employees including leaders start to work from 9.00 am and finish at 4.00 pm from Monday to Friday. However, in busy months (February, March and July, August) the amount of working time of all full-time staff will be increased half an hour (they will finish at 4.30 pm)

In long-term break of SIT students – November, December and January, the amount of working time of all full-time staff will be decreased half an hour (they will finish at 3.30)

The part-time staff will start to work at 10.00 am and finish at 2.00 pm from Monday to Friday.

Staff welfare will be paid every month to encourage them work efficiently.

Bonus for employees will be added at the end of that year.

In the second year and third year, the owner will recruit more employees.

The number of employees and total salary are presented in the table below:

Table 44. Staff salaries in three years

Staff position	Quantity	Type	Pay per hour	Salary								Total amount in a year	
				Busy months (February, March and July, August)		Long-term break months (November, December and January)		Normal months (April, May, June, September and October)					
				Total hours	Amount	Total hours	Amount	Total hours	Amount				
<b>Year 1</b>													
Technicians	Leader	1	Full time	18	600	10800	390	7020	700	12600	30420		
	Staff	2	Full time	16.5	600	19800	390	12870	700	23100	55770		
Customer service representatives	Leader	1	Full time	17	600	10200	390	6630	700	11900	28730		
	Staff	1	Part time	16	320	5120	320	5120	400	6400	16640		
<b>Total</b>					<b>45920</b>			<b>31640</b>		<b>54000</b>	<b>131560</b>		
<b>Year 2</b>													
Technicians	Leader	1	Full time	18.5	600	11100	390	7215	700	12950	31265		
	Staff	2	Full time	16.75	600	20100	390	13065	700	23450	56615		
Customer service representatives	Leader	1	Full time	17.5	600	10500	390	6825	700	12250	29575		
	Staff	1	Full time	16.75	600	10050	390	6532.5	700	11725	28307.5		
		1	Part time	16.5	320	5280	320	5280	400	6600	17160		
<b>Total</b>					<b>57030</b>			<b>38917.5</b>		<b>66975</b>	<b>162922.5</b>		
<b>Year 3</b>													
Technicians	Leader	1	Full time	19	600	11400	390	7410	700	13300	32110		
	Staff	3	Full time	17	600	30600	390	19890	700	35700	86190		
Customer service representatives	Leader	1	Full time	18	600	10800	390	7020	700	12600	30420		
	Staff	2	Full time	17	600	20400	390	13260	700	23800	57460		
		1	Part time	16.75	320	5360	320	5360	400	6700	17420		
<b>Total</b>					<b>78560</b>			<b>52940</b>		<b>92100</b>	<b>223600</b>		

- Insurance

The insurance is paid in the first month of that year, the particular information about insurance are listed as the table below.

*Table 45. Insurance in three years*

Type of worker	Insurance a year	Quantity	Total
<b>Year 1</b>			
Full-time employee	294	4	1176
Part-time employee	245.4	1	245.4
Office with material facilities	938		938
<b>Total amount in a year</b>			<b>2359.4</b>
<b>Year 2</b>			
Full-time employee	295.2	5	1476
Part-time employee	246	1	246
Office with material facilities	940		940
<b>Total amount in a year</b>			<b>2662</b>
<b>Year 3</b>			
Full-time employee	297.6	7	2083.2
Part-time employee	248.4	1	248.4
Office with material facilities	943.5		943.5
<b>Total amount in a year</b>			<b>3275.1</b>

- The promotional activities which are used to keep customers' usages are reflected in the sales through 3 years already. The new promotional activites for emphasizing the existence of the brand and attracting more customers will be conducted in February, March and July, August when the O-weeks and applications for studyting occur.
- Miscellaneous expenses will be used for unexpected small costs.
- Training for new employees will occur in busy months – July and August, because there will be a lot of available jobs need to be done that the business does not need to build new programs, which will save time and money of the business.

- Depreciation

Office material facilities will be depreciated at 20%, systems/network material facilities will be depreciated at 10%.

Table 46. Depreciation in three years

	Office material facilities						Systems/Network material facilities	Total depreciation	Depreciation for each month	
	Laptop	Telephone	Furniture	Printer	CCTV Camera	Mini fridge			11 months	Last month
<i>For establishment (02/2019 - 03/2019)</i>										
Balance at the begining	2,000.00	700.00	645.00	120.00	59.98	97.94	611.98			
Depreciation	66.67	23.33	21.50	4.00	2.00	3.26	10.20	<b>130.96</b>	10.91	10.95
Net asset value	1,933.33	676.67	623.50	116.00	57.98	94.68	601.78			
<i>Year 1</i>										
Balance at the beginning	1,933.33	676.67	623.50	116.00	57.98	94.68	601.78			
Additions										
Balance after adding	1,933.33	676.67	623.50	116.00	57.98	94.68	601.78			
Depreciation	386.67	135.33	124.70	23.20	11.60	18.94	60.18	<b>760.61</b>	63.38	63.43
Net asset	1,546.67	541.33	498.80	92.80	46.38	75.74	541.60			
<i>Year 2</i>										
Balance at the beginning	1,546.67	541.33	498.80	92.80	46.38	75.74	541.60			
Additions	200.00	70.00	75.00							
Balance after adding	1,746.67	611.33	573.80	92.80	46.38	75.74	541.60			
Depreciation	349.33	122.27	114.76	18.56	9.28	15.15	54.16	<b>683.51</b>	56.96	56.95
Net asset	1,397.33	489.07	459.04	74.24	37.11	60.59	487.44			
<i>Year 3</i>										
Balance at the beginning	1,397.33	489.07	459.04	74.24	37.11	60.59	487.44			
Additions	400.00	70.00	120.00	60.00	29.99					
Balance after adding	1,797.33	559.07	579.04	134.24	67.10	60.59	487.44			
Depreciation	359.47	111.81	115.81	26.85	13.42	12.12	48.74	<b>688.22</b>	57.35	57.37
Net asset	1,437.87	447.25	463.23	107.39	53.68	48.47	438.70			

- **Withdrawing**

In the second year and third year, the owner will withdraw 2000 NZD and 3000 NZD respectively to held some small parties for employees, and the rest will be used for personal purposes such as holiday.

#### **5.5.5. Capital and loan from bank**

- **Capital**

The owner will contribute 35 000 NZD from personal saving accounts at the beginning to launch the business into Invercargill market

- **Loan from bank**

Since the second year, the owner will start borrow 5000 NZD from ASB bank with interest at 3.3% p.a. to develop the business and increase the number of customers. Monthly equal installment is 147 NZD.

#### **5.6. Breakeven point**

This helps the owner identify the sales point at that total can cover total expenses and the business can start to get profit.

The total expense at the beginning is high because of the expenses for launching the business into the market; and seeing that the low awareness of brand is low at this time. Until December 2019, the business has started to have profit.

*Table 47. Breakeven point analysis*

<b>Breakeven point</b>	
<i>Total revenue</i>	176,274.16
<i>Fixed cost</i>	87,796.08
<i>Total variable cost</i>	46,054.83
<i>Total contribution</i>	130,219.32
<i>Contribution margin</i>	0.74
<b><i>Total revenue at breakeven point</i></b>	<b>118,847.03</b>

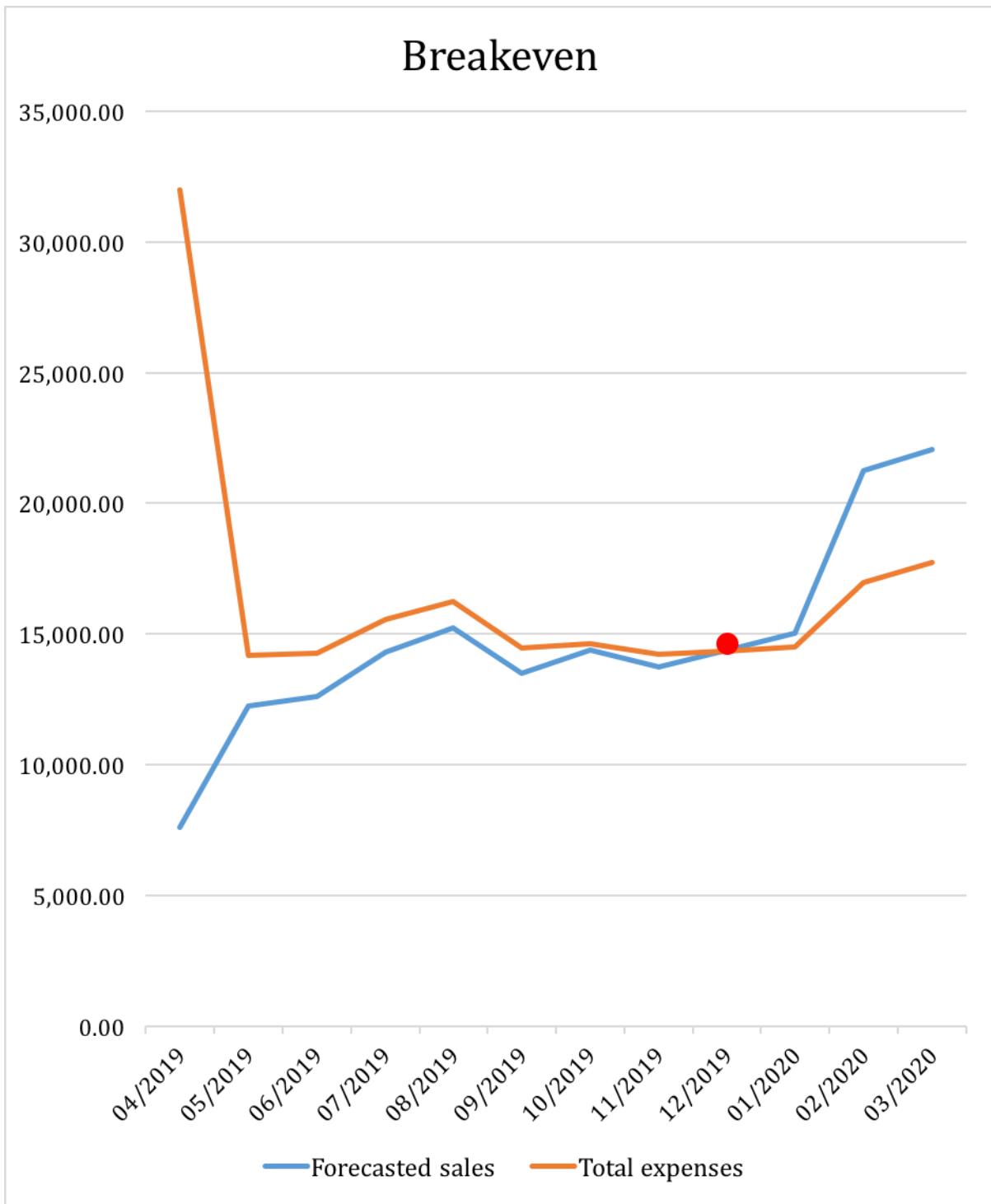


Figure 34. Breakeven point

### 5.7. Ratio analysis

Analysing ratios helps the owner follow and evaluate aspects of the business such as, especially in this business, profitability, liquidity, efficiency and leverage and equity. Through these, the business has a clear look about the

performance of the business whether it is improved or on the downward trend. Also, these numbers reflects the sustainability and growth of the business.

### **5.7.1. Profitability ratio**

All of the ratios in this section in the first year is negative because of the expenses for establishing the business.

- Net Profit Margin

After first year, net profit margin increases and keeps stable until the third year. This is mainly because of the increase in costs of new staff which leads to the growth in employees' salary.

- Return on Assets

Following the increase in the second year is the decrease in the third year. This is due to the increase in assets by buying some new office materials facilities, and the growth in cash at bank. Nevertheless, the assets has been utilized to create profits efficiently.

- Return on Equity

After the increase, return on equity decreases in the third year because the growth in profit is lower than the increase in equity. To explain, the owner does not withdraw huge amount and carries on investing for the next periods.

*Table 48. Profitability ratios*

<b><i>Profitability ratios</i></b>			
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<i>Net Profit Margin</i>	-0.13	0.07	0.07
<i>Return on Assets</i>	-1.31	0.57	0.48
<i>Return on Equity</i>	-1.88	0.82	0.65

### **5.7.2. Efficiency ratio**

The ratio is on the upward trend through 3 years which means the business use the assets to generate the sales efficiently.

*Table 49. Efficiency ratio*

<b><i>Efficiency ratio</i></b>			
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<i>Assets turnover period</i>	0.10	0.18	0.19

### 5.7.3. Liquidity ratio

The ratio is on upward trend through 3 years and higher than 1 which reflects that the possibility to pay the short-term payable amounts is high.

*Table 50. Liquidity ratio*

<b>Liquidity ratio</b>			
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<i>Current ratio</i>	2.70	3.13	3.40

### 5.7.4. Leverage ratios

- Debt to assets ratio & debt to equity ratio

In the first year, the business does not borrow money from bank, thus these ratios are low and then increases in the second year, when the money will be loaned to the business by ASB bank. However after that, they decrease mainly because of the depletion of loan, which means the financial health of the business is stable.

- Gearing ratio

The ratio starts to appear in the second year when the business borrows money from bank, then decreases in the third year, when the loan is partly paid, which means the business have strong financial health.

- Interest cover ratio

This ratio also appears from the second year and increases after that. It is higher than 1 and considerably high, which means the interest are covered totally.

*Table 51. Leverage ratios*

<b>Leverage ratios</b>			
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<i>Debt to assets ratio</i>	0.30	0.37	0.28
<i>Debt to equity ratio</i>	0.43	0.59	0.39
<i>Gearing ratio</i>	-	0.10	0.03
<i>Interest cover ratio</i>	-	311.77	398.50

In general, through those ratios above, the business has strong financial health that can lead the business to operate sustainably and keep it on the growth especially in the first three years.

## 5.8. Contingency arrangements

Besides the risks mentioned previously, this part discusses about other risks which affects sales and financial health of the business in table below.

*Table 52. Contingency arrangements*

Risks	Explanation	Contingency arrangements
<i>The demands between drivers and customers are unbalance</i>	When the number of passengers is higher or the number of drivers is higher, if the business does not manage these demands on the market, the operation of the service and the sales will be affected negatively.	<ul style="list-style-type: none"> <li>- Price strategy: Using a coefficient multiplying with the current price to balance the demands and supplies.</li> </ul>
<i>Decline in number of customers</i>	Although the decrease in number of customers are forecasted in sales already, in reality, the decline can be more considerable, which affects the sales.	<ul style="list-style-type: none"> <li>- Building and keeping certainly stable number of customers through promotional activities such accumulating points and honoraria as presented previously.</li> <li>- Increasing sales by increasing promotional activities in February, March and July, August when the number of potential customers are high (such as put booths in SIT, PacnSave, Countdown and retirement villages when the O-week occurs), to cover the falls in previous months.</li> </ul>

<i>Decrease in financial health</i>	Unexpected events happen, which causes huge damages to financial health that the business does not have enough money to cover expenses including interests.	<ul style="list-style-type: none"> <li>- Limiting withdrawing the money for personal use at the beginning and re-investing for the following months instead.</li> <li>- Sharing capital and turning the business into partnership type to share the risks to many people.</li> </ul>
<i>Performances are negatively not the same as forecasted</i>	In reality, the business is not welcomed and the service is not attractive and not used by many people as researched	<ul style="list-style-type: none"> <li>- Asking helps from marketing agent/consultant to identify the problems and have suitable strategies, even restructure the whole business.</li> <li>- Be prepared for the last selection which is to exit the market before worse by assessing the business by reputated company – UHY Haines Norton then liquidating to other party (following the instruction of consultants).</li> </ul>

## 5.9. Conclusion

In this section, all forecasted calculations were set up to make sure that the business has a firm financial health. The resources and sources of supply were drawn particularly as well as the legal requirements were mentioned clearly. After that, forecasted sales, profit/loss, cash flow and balance sheet were built to let the owner have a clear look about the potential performances and operations in three years. In particular, all the sources of sales and all expenses were listed in details to manage easily.

The breakeven point would be reached in December 2019 and the business would start to get profit. Through analysing ratios, the business proves the strong financial health which supports business sustainability and growth. The contingency arrangements are also presented to be prepared for unexpected cases even including that last selection which is to exit the market.

## **Conclusion to the dissertation**

Through literature reviews and research, Giving Lifts service in Invercargill is necessary, and opportunity to get profit is high. Particularly, although the business opens for all people in Invercargill, it still focuses on the targeted segments at the beginning for saving money and time, and also easily to have certainly stable number of customers. Basic values of this service are considered as the solutions for common transport problems. Additionally, to compare with other indirect competitors already exists in Invercargill, Giving Lifts service is able to replace their advantages and cover their disadvantages as well.

The business plans were drawn based on analyses of macro and micro environment from general to particular. Following that, marketing strategies, especially, marketing strategies 7Ps were presented to show all the factors the business needs to consider and build. Inside the company, human resources management and all key operations, performances as well as risk management were all discussed. Finally, the financial issues were also forecasted, assessed and described in three years to see how the financial flows would be performed.

Overall. All the essential aspects to launch, to operate, to maintain and to develop the business were all analysed, which means the opportunity for business to succeed is high.

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# APPENDICES

## *Appendix 1. Question wording checklist*

No.	Problems	Check box
1	Will respondents have the necessary knowledge to answer questions?	
2	Do questions challenge respondents' mental or technical abilities?	
3	Are the words used in questions familiar to all respondents, and will all respondents understand them in the same way?	
4	Are there any words that sound similar and might be confused with those used in questions?	
5	Are there any words that look similar and might be confused if questions are read quickly?	
6	Are there any words in questions that might cause offence?	
7	Should questions be shortened?	
8	Are there more than one question at the same time?	
9	Do questions include negatives or double negatives?	
11	Are questions unambiguous?	
12	Do questions prevent certain answers from being given?	
13	Are questions likely to embarrass the respondent?	
14	Are answers to closed questions written so that at least one will apply to every respondent and so that each of the responses listed is mutually exclusive?	
15	Are the instructions on how to record each answer clear?	

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*Appendix 2. Person specifications - ICT Technician*

<b><i>Person specifications of ICT Technician position</i></b>		
<b>Selection Criteria</b>	<b>Essential/Desirable</b>	<b>Assessment</b>
<b><i>Experience</i></b>		
Minimum of 1 year's experience with ICT systems and procedure	Essential	Application & Interview
Experience of building, designing and developing systems, network and application	Essential	Application & Interview
Working within transport environment before	Desirable	Application & Interview
<b><i>Qualifications/Training</i></b>		
Good level 2 qualification or above in ICT/related field/equivalent working experience	Essential	Application
Willingness to undertake training to obtain the necessary skills and knowledge for the role	Essential	Application & Interview
<b><i>Knowledge/Skills</i></b>		
Organizational skill, prioritizing skill, multitask skills	Essential	Application, Interview & Reference
Work effectively in team and individually	Essential	Application, Interview & Reference
Skilled in all mainstream applications	Desirable	Application & Interview
Knowledge of application/web development and maintenance	Essential	Application & Interview
Knowledge of Data Protection Act and legislation	Essential	Application & Interview
<b><i>Behavioral Attributes</i></b>		
Able to deal with sensitive information in a confidential manner	Essential	Application, Interview & Reference
Ability to work effectively as part of a team	Essential	Application, Interview & Reference
Being calm when facing difficult and challenging situations	Essential	Application, Interview & Reference
<b><i>Others</i></b>		
Enjoying building a new mean of transportation for Invercargill	Essential	Interview

*Appendix 3. Person specifications - Customer Service Representative*

<b><i>Person specifications of Customer Service Representative</i></b>		
<b>Selection criteria</b>	<b>Essential/desirable</b>	<b>Assessment</b>
<b><i>Experience</i></b>		
Minimum of 2 years' experience of working in a customer based service role	Essential	Application & Interview
Experience of working within transport environment	Desirable	Application & Interview
<b><i>Qualifications</i></b>		
NZQA level 1 or above in literacy and numeracy or equivalent	Essential	Application
NZQA level 2 or above in Service Sector – Customer Service or equivalent	Essential	Application
<b><i>Knowledge/Skills</i></b>		
Professionally deal with customer enquiries	Essential	Application, Interview & Reference
Well organized to be able to complete all daily tasks	Essential	Application, Interview & Reference
Good with numbers	Essential	Applicaiton & Interview
Computer skills (Microsoft and Internet)	Essential	Application & Interview
Technical skills (applications on smartphone)	Desirable	Application & Interview
<b><i>Behavioral Attributes</i></b>		
Friendly and approachable	Essential	Application & Interview
Reliable and consistent	Essential	Application & Interview
Working well in team and individually	Essential	Application & Interview
Being calm when facing difficult and challenging situations	Essential	Application & Interview
<b><i>Others</i></b>		
Enjoying helping people with transport problems	Essential	Interview

#### *Appendix 4. Job description - ICT Technician*

<b>Title</b>	ICT Technician
<b>Company</b>	Giving Lifts service
<b>Location</b>	204 Dee Street, Invercargill, New Zealand

*Reports to:* Leader/Owner

*Job purpose:* To promote and support leader to build, design and develop modern and simple service system for customers' usage at Giving Lifts service

#### *Duties and responsibilities*

- To support network infrastructure to ensure that it provides a secure, stable environment for application and website.
- Designing and developing both company system and customer system.
- Support the other teams when the company system has problems.
- Designing and developing application as well as website.
- Dealing with network problems of application and website via the helpdesk to ensure that customers are satisfied.
- Working with police systems and customers' information to update their profiles and data.
- To assist in management and storage customers' data.
- Report to leaders all performances.

## *Appendix 5. Job description - Customer Service Representative*

<b>Title</b>	Customer Service Representative
<b>Company</b>	Giving Lifts service
<b>Location</b>	204 Dee Street, Invercargill, New Zealand

*Reports to:* Leader/ Owner

*Job purpose:* Ensuring the best service standards and retaining clients' high satisfaction.

### *Duties and responsibilities*

- Answering customers enquiries through website, phone and email.
- Working with technical team to solve customer complaints via phone, email, mail or other social media (Facebook, ...)
- Provide customers with service information warmly and enthusiastically.
- Informing customers of deals and promotions
- Attempt to persuade customer to reconsider using the service.
- Utilize computer technology well to handle customers enquiries and complaints
- Report to owner all performances.

## *Appendix 6. Participant Information Sheet*



**Study title:** Evaluating the feasibility and viability of establishing ridesharing business – Giving Lifts in Invercargill, Southland.

**Locality:** Southern Institute of Technology (SIT)

**Lead investigator:** Martin Nguyen

You are invited to take part in a study on Invercargill current transportation and ridesharing option. This Participant Information Sheet (PIS) will help you decide if you would like to take part. It sets out why we are doing the study, what your participation would involve, and what would happen after the study ends. I will go through this information with you and answer any questions you may have. If you agree to take part in this study, you will be asked to sign the Consent Form (CF) on the last page of this document. This document is 3 pages long, including CF.

### **About the nature of the research**

Giving Lifts is a service – smartphone application, which enables passengers and drivers, who are on the same routes to find one another at the same time. This rideshare can help you, even your family to transport to destinations fast and cheap. Additionally, by using this, the number of cars on roads will decrease, then crashes and pollution will be reduced.

Giving Lifts project purpose is to collect data about how people who have vehicles and people who do not have vehicles think about their transport problems, this ridesharing business, and compare it to your or Invercargill current transportation. This will lead to decision whether Giving Lifts will be operated in Invercargill.

### **About the use of the data collected and the way in which it will be reported**

The data collected from you will only be used for the purposes above. No material that could personally identify you will be used in any reports on this study. Results of all analysis will be coded by a system known and granted to access only by the researcher.

After getting the results, data from paper questionnaires, and online data stored in a memory disk will be stored in strong box with password.

At the end of project, personal information data will be destroyed immediately. However, raw data, according to SIT policy (2011), will be retained for 5 years in safe storage, then will be destroyed in accordance with SIT's document destruction policy.

### **Your rights and if you change your mind**

There are no charges to you, but there are no specific benefits to you in participating. On the other hand, your participation may contribute to your convenience and interests in the future.

Whether or not you take part is your option, if you do agree to take part in this study, you are free to withdraw at any time, without having to give a reason, and without any penalty in anyway.

If you withdraw consent for the study, any information about you will not be used in the future. I am unable to retract this information at this point.

### **Whom to contact to raise any concerns and questions about the research**

#### **Researcher**

Martin Nguyen

Email: [martinnguyen20494@gmail.com](mailto:martinnguyen20494@gmail.com)

#### **Supervisor**

Fiona Tyrie

Email: [fiona.tyrie@sit.ac.nz](mailto:fiona.tyrie@sit.ac.nz)

## *Appendix 7. Consent form - Interview & Questionnaire*

### ▪ Consent form – Interview

<b>Southern Institute of Technology CONSENT FORM</b>		
<b>Title of research project:</b> Evaluating the feasibility and viability of establishing ridesharing business – Giving Lifts in Invercargill, Southland.		
<b>Name and position of researcher:</b> Thong Minh Nguyen (Martin), Post-graduate student, Business Enterprises Course, Southern Institute of Technology		
<i>Please initial box</i>		
1. I confirm that I have read and understand the information sheet for the above study and have had the opportunity to ask questions.	<input type="checkbox"/>	
2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving reason.	<input type="checkbox"/>	
3. I agree to take part in the research.	<input type="checkbox"/>	
4. I agree to the interview being audio-recorded.	<input type="checkbox"/>	<input type="checkbox"/>
5. I agree to use of anonymised quotes in publications.	<input type="checkbox"/>	<input type="checkbox"/>
Name of participant	Date:	Signature:
Thong Minh Nguyen (Martin) – Researcher	Date:	Signature:

### ▪ Consent form – Questionnaire

<b>Southern Institute of Technology CONSENT FORM</b>		
<b>Title of research project:</b> Evaluating the feasibility and viability of establishing ridesharing business – Giving Lifts in Invercargill, Southland.		
<b>Name and position of researcher:</b> Thong Minh Nguyen (Martin), Post-graduate student, Business Enterprises Course, Southern Institute of Technology		
<i>Please initial box</i>		
1. I confirm that I have read and understand the information sheet for the above study and have had the opportunity to ask questions.	<input type="checkbox"/>	
2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving reason.	<input type="checkbox"/>	
3. I agree to take part in the research.	<input type="checkbox"/>	
4. I agree to fill the questionnaires.	<input type="checkbox"/>	<input type="checkbox"/>
5. I agree to use of anonymised quotes in publications.	<input type="checkbox"/>	<input type="checkbox"/>
Name of participant	Date:	Signature:
Thong Minh Nguyen (Martin) – Researcher	Date:	Signature:

*Appendix 8. Brief introduction*

I am a Post-graduate student in Business Enterprise of Southern Institute of Technology undertaking research on feasibility and validity of establishing Giving Lifts in Invercargill. Giving Lifts is a service on smartphone matching drivers and passengers who are on the same routes and giving lifts.

Your participation is voluntary anonymous. You may withdraw at any time without experiencing any disadvantages. The collated data will be presented in tables and charts in our research. At the end of project, personal information data will be destroyed immediately. However, raw datam according to SIT policy (2011), will be retained for 5 years in safe storage, then will be destroyed.

## *Appendix 9. Questions of Interview*

The information in the bracket was not shown to the interviewees, it was the notes to remind the researcher.

- 1. How old are you? Or can you tell me the age range that your age belonged to?**
- 2. What is your job?**

*(Asking for more details if needed:*

*→ Can you please give a bit more details about your status?/ Where do you study?/ If you don't work, are you looking for a job?/ ...)*

- 3. In Giving Lifts business, there would be two types of customer – driver and passenger – which types of customer would you be prepared to be?**

- 4. What problems do you expect Giving Lifts ridesharing service can solve?**

*(If there are two many ideas, frequency of their occurrences need to be asked to gain the most common ones)*

- 5. Including Giving Lifts service, personal vehicles, scheduled bus service and taxis, could you please categorize the ones that you would use as your means of transportation and the ones that you would NOT use into two sides as below?**

*Using*



*NOT using*

- 6. For “using” side, could you please give a bit more details/information why you use them?**

*(→ Depends on what interviewees will choose to ask for more details*

*→ Asking participants about reasons for the others if they would use them.)*

- 7. For “NOT using” side, could you please give a bit more details/information why you do not use them?**

*(→Depends on what interviewees will choose to ask for more detail*

*→ Asking participants about reasons for the others if they would NOT use them.*

## *Appendix 10. Questions of Questionnaire*

**1. Your age is ...? (Please select √ one only)**

18 - 20

21 - 49

50+

**2. What is your status? (Please select √ as many as are appropriate)**

Working

Student

In between jobs

Retired

**3. In the Giving Lifts business, you would be prepared to be ... (Please select √ one only)**

Driver

Passenger

Both

**4. What problems do you expect Giving Lifts ride sharing service can solve? (Please select √ as many as are appropriate)**

Transport issues (no vehicles, small vehicles, ...)

Parking issues (no parking areas, far parking areas, ...)

Money issues (petrol charges, registration fees, ...)

Environmental issues (pollution, ...)

Other, please specify .....

**These questions below relate to why you would use different modes of travel even if you may not do so**

**5. If the Giving Lifts service was available, why would you use it? (Please select √ as many as are appropriate)**

Cheapness/Sharing fees

Quickness

Convenience (no parking/time issues, ...)

Other, please specify .....

This one does not apply because I would NOT use Giving Lifts service

**6. Why do you use a personal vehicle? (Please select √ as many as are appropriate)**

Independence (e.g. using for your own purposes without any regulations/ restrictions)

Safety

Convenience (e.g. bringing you door to door)

Other, please specify .....

This one does not apply because I do NOT use a personal vehicle

**7. Why do you use scheduled bus services? (Please select √ as many as are appropriate)**

Cheapness

Safety

Other, please specify .....

This one does not apply because I do NOT use scheduled bus services

**8. Why do you use taxis? (Please select √ as many as are appropriate)**

- Schedule time
- Emergency (I have car or take the bus and just need taxis for emergency situations)
- Other, please specify .....
- This one does not apply because I do NOT use taxis

**These questions below relate to why you would NOT use different modes of travel even if you may do so**

**9. Why would you NOT use Giving Lifts ride sharing service? (Please select √ as many as are appropriate)**

- No business reputation
- Negative press about other ridesharing services in NZ
- Safety (not enough drivers'/passengers' information, ...)
- Other, please specify .....
- This one does not apply because I would use Giving Lifts service

**10. Why would you NOT use a personal vehicle? (Please select √ as many as appropriate)**

- Cost of operating
- Parking issues (availability and cost)
- Other, please specify .....
- This one does not apply because I would use a personal vehicle

**11. Why would you NOT use scheduled bus services? (Please select √ as many as are appropriate)**

- Time issues (trip takes too long or schedule is inconvenient)
- Inconvenience
- Does not cover enough routes/streets
- Huge expense to spend in the long time/on the long trips
- Other, please specify .....
- This one does not apply because I would use scheduled bus services

**12. Why would you NOT use taxis? (Please select √ as many as are appropriate)**

- Huge expense
- Time issues
- Not good service
- Other, please specify .....
- This one does not apply because I would use taxis

**13. Do you have any additional comments about Giving Lifts ridesharing service?**

.....  
.....