# Chapter I Introduction

# I.1 Background

The growth of shuttle travel business for route Jakarta – Bandung is 20% per year (<u>http://www.pikiran-rakyat.com/node/233418</u>). This growth is driven by the deployment of toll Cipularang (Cikampek – Purwakarta – Padalarang) by the goverment, which reduces the duration of travel time between Jakarta – Bandung. The growth rate can be seen from the amount of vehicles which cross Jakarta – Bandung through Cipularang toll, which is 12,86% in period 2012 – 2013 for measurement within 6 months (<u>http://www.jasamarga.com/id\_/kinerja-perusahaan/volume-lalu-lintas.html</u>). This phenomenon impacts the development of shuttle travel business for route Jakarta – Bandung and Bandung – Jakarta.

The presence of many companies serving of shuttle travel business for Jakarta-Bandung route has effect on many offering for departure schedule and the variant of destinations to fulfill the customer needs. All of shuttle travel providers prioritize on time service, both for departure and arrival schedules, for their customers. This value make customer more interesting to use shuttle travel compare to other transportation.

Here is an example of ticket sales system that performed by PT Cipaganti Travel.



Customer

Callcenter

Figure I. 1 Ticket sales model of Cipaganti

From the description above, it can be seen that Cipaganti sells shuttle tickets offline by using call centers. The call center is divided based on each province such as Jakarta and Bandung, so that when customers order, it will input manually by the employee in charge, then the customer pays the ticket before the departure time at the pool which has determined. Ticket sales model like this is also implemented by other shuttle travel agencies such as X-Trans, Day Trans, City Trans and Baraya, to serve their customers.

Cipaganti has 18 pool in Jakarta and 10 in Bandung to serve the passengers. PT Travel Cipaganti has the market share by 45% for the entire market shuttle travel for Jakarta - Bandung route. Therefore, Cipaganti become the market leader shuttle travel at this time. The shuttle travel companies such as X-Trans, Day Trans, and City Trans, and Baraya have the total market share of 45%, and the rest 10% owned by other businesses travel shuttle (Source: Business Development Manager Cipaganti). Customer segmentation in the target by the Travel Cipaganti consists from office employees / civil servants and businessmen, students, travelers, and housewives, who, from demographic category, are middle to upper economy.

On the other hand, the development of internet users in Indonesia is growing very rapidly, shown by the figure I.2, especially for large cities such as Jakarta and Bandung. Therefore businessmen utilized this opportunity to make displays of information and services of shuttle travel via website. However, these services not fully facilitate the passengers because it does not provide online ticket booking services, which have the complete information of all shuttle travel companies, which means simplify the passenger by using only one platform with all information.

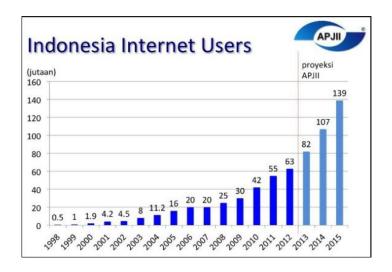


Figure I. 2 The number of Internet users in Indonesia Period 1998-2015

(Source : http://www.antaranews.com/berita/, 2014)

This phenomenon provides an opportunity for new company to act as ticket sales agent that provides the service by integrating the online ticketing. In addition, this platform also has to facilitate online payment. To implement this opportunity, it is necessary to build co-operation between the ticket sales agent shuttle travel (researcher) with the Shuttle Travel services providers. The ticket agent will be connected with many shuttle travel companies in order to integrate all sales ticket in a single platform. Setting all those things requires mapping the relationship between the agent and the shuttle companies involved, which includes how to unify the process of the agent system and firms system as well as percentage of the profit sharing for each transaction. Therefore, it is necessary to make the business model of online ticket booking service which integrates all the shuttle travel agents in Jakarta and Bandung.

## I.2 Problem Formulation

Based on the background of the problems described above, the formulation of the problem in this study are :

• How is the shape of business model for e-ticketing shuttle travel Jakarta-Bandung using Business Model Canvas approach.

# I.3 Research Objectives

• Obtaining business model for e-ticketing shuttle travel Jakarta-Bandung using Business Model Canvas approach.

# I.4 Research Benefits

For shuttle travel company :

- The companies can offer additional value for the customers
- The companies can add other sales channel

For Customer:

- Easier to buy shuttle travel ticket via smartphone
- Acquire information about departure schedule and available seats from all shuttle travel company.
- Get notified about the nearest location of shuttle travel based on customer's position

## I.5 Research Boundary

The research as independent business which own by personal without any share to the partner of the business

## I.6 Systematics Writing

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This study described the systematic writing as follows:

## **Chapter I Introduction**

This chapter contains a description of the background research, the formulation of the problem, the purpose of the study, and the benefits of research and systematic writing.

## **Chapter II Review of Literature**

This chapter describes related research literature that focuses on the business canvas model approaches relevant to the issue being researched. This includes literature review that used for business model canvas and its approach to a theory that can support to perform problem solving and provide a proposal improvement in accordance with the existing problems.

## **Chapter III Research Methodology**

In this chapter the research steps described in detail include: stages of preliminary, data collection and process, analysis, and business model recomendation, conclusion and suggestion.

#### **Chapter IV Data Collection**

This chapter contains the data collection. The collection of data can be obtained through interviews, direct observation and using secondary data, that will be processed in accordance with the methodology described in chapter III.

#### **Chapter V Analysis**

This chapter describes the analysis conducted on the data that has been obtained and the proposed business model is given in detail.

#### **Chapter VI Conclusion**

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This chapter contains the conclusions based on the research objectives tailored to the results obtained in data collection and analysis.