

# **Navigating the Road to Value: Knowledge as a Strategic Driver in Ride-Hailing Service**

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## **Abstract**

The ride-hailing industry has witnessed significant transformations globally, with companies increasingly recognizing the key role of knowledge as a strategic asset in creating and sustaining value. This research presents a case study focusing on Careem, a leading ride-hailing service, and its utilization of knowledge as a key driver for value creation within the specific context of Pakistan. Through a comprehensive analysis of Careem's strategies, operations, and market dynamics, we explore how the company leverages knowledge to address challenges, enhance services, and contribute to its success in the Pakistani market.

**Purpose** – This research aims to highlight how knowledge can be handled to build innovative strategies and unravel the intricate ways by which knowledge is leveraged as a strategic asset for value creation within the ride-hailing industry. The study navigates through theoretical foundations, practical applications, and challenges encountered by Careem in its quest to associate knowledge for sustainable success.

**Design/methodology/approach** – The core of research unfolds through an in-depth examination of a case study from the prominent ride-hailing service platform (Careem) in Pakistan, renowned for its innovative approaches and market leadership. This research spotlights how Careem strategically manages and applies knowledge to optimize operations, enhance customer experiences, and pioneer transformative changes in the transportation sector. Data are gathered through publicly available company information and interviews with Careem management, drivers, customers, and stakeholders. An explanation-building technique has been adopted for data analysis.

**Findings** – Findings highlight three domains (knowledge, strategic, and value), arising from the market and societal needs along with technical progressions. First, the “knowledge domain”, where tacit, and explicit knowledge play

crucial roles in the operations and success of ride-hailing services like Careem. These two types of knowledge are often distinguished based on their nature and accessibility. While explicit knowledge (*information*) provides formal guidelines and procedures, tacit knowledge (*experience*) contributes to the intuitive decision-making and problem-solving skills of drivers. Careem relies on a combination of tacit and explicit knowledge (*actionable knowledge*) for effective operation. The case of Careem shows that understanding the balance between two types of knowledge is crucial for developing strategies therefore *knowledge-to-action cycle (knowledge capture, creation, sharing, and knowledge utilization)* is discussed to enhance the operational efficiency of Careem's services.

Moreover, the “strategic domain” is where knowledge is the central part of Careem's strategic approach (*making decisions, taking actions, and devising the best solutions*). Careem has adopted multiple innovative strategies that can change over time based on market conditions, industry trends, and the company's evolving priorities as (1) Competitive localization: understanding and staying compliant with local regulations and culture in the regions (2) Learning organization: plan for entering new markets or expanding its services within existing markets (3) Boundary spanning: strategic partnerships with other companies, businesses, or local entities (4) Creating shared value (CSV) company: outlining its commitment to social and environmental responsibility in parallel with profitability, contributing to the communities it serves.

Lastly, the “value domain” is the outcome of the *strategic utilization of knowledge* by Careem. It drives Careem's commitment to refining its services, processes, and technologies over time. Careem operates ethically and follows legal standards, ethical business practices, and responsible corporate behavior to create value for all the involved stakeholders (Careem itself, drivers, riders, investors, and 3<sup>rd</sup> parties) in its service transaction.

Conclusion –The conclusion summarizes key findings from the case study, emphasizing the critical role of knowledge as a strategic asset for Careem in creating and sustaining value in the Pakistani market. It highlights the importance of adaptive strategies, customer-centric approaches, and effective knowledge management in navigating challenges and capitalizing on opportunities within the ride-hailing industry. The insights gained from this case study contribute to a broader understanding of how knowledge-driven strategies can shape success in dynamic and diverse markets.

Originality/value – This research is the first attempt to conceptualize the essence of knowledge for creating value in the context of a ride-hailing platform.

### **Keywords**

Creating shared value, Knowledge domain, Strategic domain, Value domain, Careem.

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