Digital Transformation, a Question of Survival?

Exploring the Possibility for a Swedish Car Rental Company to Digitally Transform into a Mobility Service Provider

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Acknowledgements

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Linköping, 29th May 2017

_________________________________________  _________________________________________
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Abstract

Title: Digital Transformation, a Question of Survival? - Exploring the Possibility for a Swedish Car Rental Company to Digitally Transform into a Mobility Service Provider

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Keywords: Digital Transformation, Disruption, Mobility as a Service (MaaS), Mobility Service Provider (MSP), Organizational Learning, Customer Experience

Background: Due to arising shifts in customers’ digital expectations, businesses need to adapt current strategies to dynamic environments in order to stay competitive in today’s digital era. These shifts, which are to set new directions for entire industries, is also known as a digital transformation. To digitally transform a firm entails both opportunities to thrive and challenges to face. The technological advances create a need for new roles and skills to be mastered. In addition, the rise of the sharing economy has led to the need for certain industries to adapt accordingly, including the car rental industry.

Purpose: The purpose of this thesis is to contribute to the identification of necessary internal and external factors that firms need to consider in order to digitally transform their services. Further, this study aims to provide guidelines for firms aspiring to transform their service to become a MSP.

Methodology: This study has adopted a qualitative research strategy and the design of a single case study of a car rental company. In order to collect empirical data, semi-structured interviews were conducted within related fields.

Conclusion: The authors of this study have identified prominent internal and external factors within the fields of digital transformation and MaaS. In addition, the authors have come to the conclusion that the identified factors possess different levels of impact within each perspective, which is illustrated through a constructed analysis model. To conclude, this study has contributed with guidelines regarding possible strategies a traditional car rental company could implement in order to transform its business to become a MSP.
## Concept Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Meaning</th>
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<tr>
<td>AI</td>
<td>Artificial Intelligence</td>
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<td>CDO</td>
<td>Chief Digital Officer</td>
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<td>KBV</td>
<td>Knowledge-based View</td>
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<td>MaaS</td>
<td>Mobility as a Service</td>
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<td>MSP</td>
<td>Mobility Service Provider</td>
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<td>R&amp;D</td>
<td>Research and Development</td>
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<td>RBV</td>
<td>Resource-based View</td>
</tr>
</tbody>
</table>
Table of Contents

1. Introduction ............................................................................................................................................... 1
   1.1 Background ........................................................................................................................................... 1
   1.2 Problem Description ............................................................................................................................... 3
   1.3 Purpose and Research Questions .......................................................................................................... 6
   1.4 Intended Contribution ............................................................................................................................. 6
   1.5 Delimitations ......................................................................................................................................... 7

2. Theoretical Framework .............................................................................................................................. 9
   2.1 Digital Transformation ............................................................................................................................. 9
   2.2 Dynamic Capabilities .............................................................................................................................. 10
   2.3 Strategies for Exploiting Innovation ....................................................................................................... 15
   2.4 From Mass Market to Customer Networks ............................................................................................. 16
      2.4.1 Five Customer Network Strategies ................................................................................................. 18
   2.5 The Role of Data ...................................................................................................................................... 21
   2.6 Disruption .............................................................................................................................................. 22
   2.7 Mobility as a Service ............................................................................................................................... 23
   2.8 Analysis Model ....................................................................................................................................... 26

3. Methodology .............................................................................................................................................. 29
   3.1 Research Strategy ................................................................................................................................... 29
   3.2 Research Approach ................................................................................................................................. 30
   3.3 Research Perspective ............................................................................................................................... 31
   3.4 Research Design ..................................................................................................................................... 32
      3.4.1 The Case Company ............................................................................................................................... 32
   3.5 Secondary Sources ................................................................................................................................ 33
   3.6 Primary Data ......................................................................................................................................... 34
      3.6.1 Qualitative Interviews ....................................................................................................................... 34
      3.6.2 Interview Guide ................................................................................................................................ 35
   3.7 Motivation for the Selection of Respondents .......................................................................................... 36
      3.7.1 Head of the Business Unit for Digital Transformation at Centigo ...................................................... 36
      3.7.2 Head of Digital Transformation and Innovation at KPMG ............................................................... 36
      3.7.3 The CEO and E-Commerce Coordinator of Company X ................................................................. 36
      3.7.4 Customers of Company X ................................................................................................................. 37
      3.7.5 Head of Innovation at CGI ............................................................................................................... 37
      3.7.6 Managing Director at Accenture ....................................................................................................... 37
   3.8 Criticism of Empirical Data Collection .................................................................................................... 38
   3.9 Qualitative Data Analysis ....................................................................................................................... 39
# 4. Empirical Results

4.1 The Case Company Perspective

4.2 Internal Perspective
   - 4.2.1 Digitalization in General
   - 4.2.2 Dynamic Capabilities

4.3 External Perspective
   - 4.3.1 Customer Network Strategies
   - 4.3.2 The Role of Data
   - 4.3.3 Disruption
   - 4.3.4 Customers’ view

4.4 The MaaS Perspective

# 5. Analysis

5.1 Internal Perspective
   - 5.1.1 Digitalization in General
   - 5.1.2 Dynamic Capabilities
   - 5.1.3 Strategies for Exploiting Innovation
   - 5.1.4 Revised Internal Perspective

5.2 External Perspective
   - 5.2.1 Customer Network Strategies
   - 5.2.2 The Role of Data
   - 5.2.3 Disruption
   - 5.2.4 Revised External Perspective

5.3 MaaS Perspective
   - 5.3.1 Further Revised External Perspective

5.4 Revised Analysis Model

# 6. Conclusion and Suggestions for Future Research

6.1 Research Contribution

6.2 Suggestions for Future Research

# 7. List of References
List of Figures

Figure 1: Digital Transformation Framework (Capgemini Consulting, 2013) ............ 10
Figure 2: Own illustration of Hierarchy of a Firm’s Capabilities (Winter, 2003) ....... 11
Figure 3 Mass Market Model (Rogers, 2009). .................................................. 17
Figure 4: Customer Network Model (Rogers, 2009)........................................... 17
Figure 5: Sharing Economy Life Cycle (PwC, 2014). ........................................... 25
Figure 6: Analysis Model: The Wheels of Efficiency (Enocson & Söderholm, 2017) .. 26
Figure 7: Revised Internal Perspective (Enocson & Söderholm, 2017)................... 70
Figure 8: Revised External Perspective (Enocson & Söderholm, 2017).................... 77
Figure 9: Further Revised External Perspective (Enocson & Söderholm, 2017)....... 84
1. Introduction

The following chapter aims to introduce this thesis through a Background and a Problem Description. Furthermore, the Purpose and the related Research Questions will be presented. The chapter will conclude by explaining the Intended Contribution and Delimitations.

1.1 Background

Back in 1996, the co-founder of Intel, Andrew Grove, gave a statement concerning digitalization by saying “Only the paranoid survive” (Brandenburger & Nalebuff, 1996, p.168). According to Rogers (2016), Grove’s statement highlights the importance of adapting to the digital environment and seize opportunities as they occur in order to survive in dynamic environments. Because the digital revolution has already begun, and it is developing fast.

In today’s digital age, businesses have come to realize that higher customer expectations require changes regarding the implementation of strategies and the running of their organizations, according to Berman and Bell, R. (2011). Still, integrating information and interactivity is a more expensive and complex requirement in addition to the already traditional operations (Berman & Bell, R., 2011). Berman and Bell, R. (2011) implies that the phenomenon of using information technology to improve productivity and efficiency has been practiced by business leaders over the years (Berman & Bell, R., 2011). The authors further argue that a change in customer expectations towards firms becoming digital has arisen, indicating that from now on businesses need to shift strategies and successfully adapt to the digital age.

The concepts of innovation, differentiation and growth has always been of focus when one is to define strategies. Although, with the digital revolution the question now revolves around how companies are going to reap advantages of these three key concepts (Berman & Bell, R., 2011). In particular, optimization of new information technologies of businesses’ physical operations is required. Furthermore, shifts of a digital nature has even been proven to set new directions for entire industries (Berman & Bell, R., 2011) such as the automotive-, electricity-, logistics-, media-, and healthcare industries (World
Economic Forum, 2016). For instance, the automotive industry has developed and provided assistance-driven vehicles as well as self-driven vehicles (World Economic Forum, 2016).

The concept of shifting strategies towards a more digital nature goes by the name digital transformation. Rogers (2016) defines digital transformation as changes that are being impacted by digital technology. For a company to have the ability to make a successful digital transformation of its operations, the importance lies in having a clear digital strategy (Kane, Palmer, Phillips, Kiron & Buckley, 2015). McDonald, M. (2015) defines a digital strategy as the application of new technology to already existing business activities. Some examples of new technologies are advanced robotics, intelligent tools and self-driving vehicles (Ismail, 2017). The World Economic Forum (2016), in a collaboration with Accenture (2017b), performed an analysis of 65 digital initiatives, which provided the results of an expected combined value of 100 trillion USD by the year of 2025. The combined value is to be generated by rapid innovation, increased productivity, enhanced processes as well as heightened customer experiences (Wade, 2015).

The digitalization has facilitated the rise of the so-called sharing economy (Marr, 2016). A sharing economy is described as “[…] an economic model in which individuals are able to borrow or rent assets owned by someone else” (Investopedia, 2017). A study by PwC (2015), conducted in the U.S, indicate that 72 percent of consumers that have tried the sharing economy could see themselves as being consumers of the sharing economy within two years. According to Holmberg, Collado, Sarasini, and Williander (2016), through the sharing economy the concept of Mobility as a Service (MaaS) has grown to become a current phenomenon within the transportation sector. BlaBlaCar, Uber, Zipcar, and Sunfleet are examples of successful businesses derived from the sharing economy and the concept of MaaS. BlaBlaCar is one of the world’s leading carpooling platforms with a mission to connect drivers with people traveling the same way (BlaBlaCar, 2017; Clifford, 2015). Uber is a company that allows consumers to book a ride through a few easy steps on a mobile application. The company has grown to become a strong rival to taxi companies with their premium black-car service and is currently operating in 58 countries (Uber, 2017; McAlone, 2015). Zipcar, which was acquired by the car rental company Avis in 2013 (Worstall, 2013), is the world’s largest car sharing firm and offers
a subscription-based alternative to car ownership (Zipcar, 2017). Another subscription-based car sharing company is Sunfleet, which is owned by car manufacturer Volvo and operates on the Swedish market (Sunfleet, 2017).

1.2 Problem Description

Researchers (Berman & Bell, R., 2011; Kane et al., 2015) has found the topic of digital transformation to be highly relevant and a current phenomenon in today’s changing business environment. As previously mentioned, firms across nearly all industries have, in recent years, explored new technologies in order to exploit the attached benefits (Matt, Hess & Benlian, 2015; World Economic Forum, 2016). According to Matt, Hess and Benlian (2015), it involves transformations in organizational structures, management concepts and key business operations. Hence, it is of the essence for a firm to formulate a digital strategy when integrating the entire coordination, prioritization and implementation of digital transformations (Matt, Hess & Benlian, 2015). Regarding frameworks on digital transformation, Matt, Hess and Benlian (2015) argues that the number of existing ones are few and in need of further development. Moreover, performing empirical studies could help in achieving insights as to how digital transformation operates in practice as well as increases its success rate (Matt, Hess & Benlian, 2015).

A possible disadvantage of the digital advancement could be that it requires a new set of skills for employees, and according to Ismail (2017), a growing concern regarding skill adaptation is emerging. Many workers, 77 percent, across Europe believe that they must acquire digital skills if they want to stay competitive on the global market (Ismail, 2017). Yet, 41 percent of these workers have also expressed concerns regarding the capability of adapting to these new demanded changes (Ismail, 2017). The authors of this study aim to address the aspect of skill adaptation in dynamic environments in an attempt to provide valuable findings. These findings are intended to complement current literature, in relation to empirical results, with potential solutions for the expressed concerns.

The technological advances have, as previously mentioned, created new roles and skills to be mastered. However, it has also shaped today’s new socio-economic system (Ismail, 2017; Karabell, 2017). The sharing economy is an example of the new socio-economic
The sharing economy is a phenomenon that is growing rapidly, in fact, it has proved to grow at a rate that is 20 times faster than previous predictions (Karabell, 2017). According to a study by Deloitte, implications on consumers’ demands from brands established that 90 percent of consumers preferred brands, in general, that had incorporated some sort of sharing (Karabell, 2017).

The aspects of car sharing and carpooling are often included within the notion of Mobility as a Service (MaaS). Even though MaaS has grown to become a current phenomenon within the transportation sector, it lacks a clear definition (Holmberg et al., 2016). Holmberg et al. (2016) argues that a definition of MaaS cannot be established due to the fear of delimiting innovation within the area, and further because it is such a novel concept that is constantly evolving. Previous researchers (Chesbrough & Rosenbloom, 2002), have labelled business models as mediating tools that connect economic value in a given technology and deliver the value to customers in terms of products or services. In addition, the concept of innovation regarding business models further enables the adoption of new technology (Bohnsack, Pinkse & Kolk, 2014; Kley, Lerch & Dallinger, 2011). Holmberg et al. (2016) states that several researchers have characterized business models in terms of technological innovations, although the authors highlight that the role of MaaS business models regarding transitions within road transport should be researched in the future. This highlight further emphasizes the need for empirical insights towards a wider knowledge of the applicability of MaaS business models in the field of transportation. Furthermore, the concept of MaaS will require organizational changes and significant commitments within the automotive industry (Holmberg et al., 2016). Thus, it is of importance to provide empirical insights regarding strategy alignment and implementation in a MaaS environment, which this study aims to address through a case study by examining a car rental company.

Holmberg et al. (2016) further argues that if MaaS is designed in the right way, business opportunities for MaaS-operators such as Mobility Service Providers (MSP), are possible. MSP’s are often characterized as taxi companies, car sharing companies and bike sharing companies, which offers an attractive solution for customers’ mobility needs (Holmberg et al., 2016). Further, the narrow characterization of MSP invites further research
regarding its applicability in practice, therefore empirical insights regarding implementation of MSP in a specific context is to be explored in this study.

The car rental industry faces challenges in today’s changing environment, which is mainly driven by the sharing economy and sustainability (Sinha, Sahu & Kar, 2015). Sinha, Sahu and Kar (2015) states that the car rental industry is facing a crossroad, where companies need to identify and respond to the changes in terms of customer demands and environmental awareness, which will ultimately impact their position on the market. Sinha, Sahu and Kar (2015) further urge for car rental companies to align their operational efficiency and business models in accordance with innovation propositions and they argue for establishing potential partnerships. Finding the right partner who understands the emerging technology and its implications for the car rental industry is key when adapting to the increasingly competitive environment (Sinha, Sahu & Kar, 2015). Moreover, Goodwin (2016) argues that if one were to set up a car rental company in today’s society, you would not do it the old-fashioned way by buying land and cars. Instead, mobile applications would be used to connect those in need of a car with those who own cars (Goodwin, 2016).

The authors of this study assert that drivers of change have given rise to the digital transformation for many companies operating within the car rental industry and thus provided a solid foundation to further examine these concepts. The demands and challenges of adapting to the new digital age (Berman & Bell, R., 2011; Kane et al., 2015; Ismail, 2017) does not only conform to businesses, the aspect of creating value for customers when a business is undergoing a digital transformation is also highly relevant, in accordance with previous literature (Woodruff, 1997; Teece, 2010; Kumar & Reinartz, 2016). Therefore, it is of interest for the authors of this study to not only identifying the internal factors of a digital transformation, but also the potential external factors that may impact. Identifying salient internal and external factors of a digital transformation provides the foundation for exploring the concept of MaaS and further identifying factors that may affect a car rental company if it wants to transform into a MSP.
1.3 Purpose and Research Questions

The purpose of this thesis is to contribute to the identification of necessary internal and external factors that firms need to consider in order to digitally transform their services. Further, this study aims to provide guidelines for firms aspiring to transform their service to become a MSP.

Within the framework of the purpose, the following research questions are of importance in order to fully contribute to finding valuable solutions to the previously expressed problem.

RQ1. What are the most prominent internal factors to take into consideration when undergoing a digital transformation?
RQ2. What are the most prominent external factors to take into consideration when undergoing a digital transformation?
RQ3. How could a firm formulate internal and external strategies to digitally transform its business to become a MSP?

1.4 Intended Contribution

The authors of this study aim at contributing with an identification of salient factors that affect a traditional company striving to undergo a digital transformation, in conjunction with guidelines regarding the aspect of becoming become a MSP. The authors of this study aim at achieving results that provide guidelines for firms aspiring to undergo a digital transformation that could be generalized across industries.

The authors of this study claim that knowledge on how to apply the MaaS framework in an industry as the car rental industry is not explored enough, nor does current studies provide insights on customer perspectives. This study aims to complement this lack of information of MaaS and its growing importance within the car rental industry. Hence, the importance of deepening the knowledge regarding digitalized innovations and value creation due to its absence within the car rental industry acts as a primary motivator for conducting this study.
1.5 Delimitations

The authors of this study have limited the thesis to revolve around a case study of a Swedish company operating within car rental industry. Thus, the empirical research is limited solely to the Swedish market and the customer perspective is limited to the customers of the case company. The concept of digital transformation is discussed generally, whereas the aspect of MaaS has been limited to the scope of the purpose. Due to the concept of MaaS entailing several categories, the examined categories in this study are the concepts of car sharing and carpooling. Due to differing definitions amongst literature and dictionaries, the authors of this study refer to the following definitions regarding car sharing and carpooling. Car sharing is defined as an alternative to car ownership through a membership program that offers members the possibility to use vehicles from a fleet with an hourly rate (Millard-Ball, Murray, Schure, Fox & Burkhardt, 2005). The concept of carpooling entails an arrangement amongst a group that own cars to take turns in driving each other to a designated place (Dictionary, 2017).
2. Theoretical Framework

The following chapter aims to facilitate the understanding of important concepts discussed later in this thesis. The chapter consists of eight different sections. The first section describes the concept of Digital Transformation, which is followed by a section on Dynamic Capabilities. The third section provides a description of Strategies for Exploiting Innovation. The fourth section discusses the concept of Customer Networks, which is followed by the Role of Data. The notion of Disruption is described within the sixth section. The seventh section will explain the concept of MaaS, and the final section presents the analysis model developed for this study.

2.1 Digital Transformation

Digital transformation is a concept that has been used prominently the last few years and has been given broad definitions, according to Wade (2015). When one types in the phrase “Digital transformation” on a search engine, the concept could be defined as something simple as businesses “going paperless”, to wider definitions such as “applying digital technology to all aspects of human society” (Wade, 2015). Wade (2015) has further defined the concept on the basis of business leaders’ pragmatism to drive performance. “Digital Business Transformation is Organizational Change through the use of Digital Technologies and Business Models to Improve Performance” (Wade, 2015, p.3).

Ultimately, a digital transformation revolves around change, more specifically organizational change, and it targets strategies, processes, people, and dynamic competition (Rogers, 2016). MIT in collaboration with Capgemini Consulting (2013) has presented a framework regarding Digital Transformation and the included relevant factors (see Figure 1). The framework highlights the importance of understanding and value creation in terms of customer experience, operational processes, and the business model.
2.2 Dynamic Capabilities

According to Wall, Zimmermann, Klingebiel and Lange (2010), innovation is a concept long recognized by researchers, but over the years the strategic paradigm for the concept has shifted. In the 1980’s focus was on the market-based theory of innovation, but now researchers focus more on the resource-based view (RBV). The RBV regarding innovation is that a firm’s capacity for innovation is determined by organizational resources, competences, capabilities and dynamic capabilities. Furthermore, according to Eisenhardt and Martin (2000) the goal with RBV is to understand how competitive advantage is achieved and sustained over time. In environments prone to change, Levitas and Ndofor (2006) mean that the approach of dynamic capabilities is considered to be more significant than traditional views on how a firm gains and sustains competitive advantage.

Dynamic capabilities are seen as the drivers behind the process of recombining resources to develop new value-creating strategies and become new sources for competitive advantages (Henderson & Cockburn, 1994; Teece, Pisano & Shuen, 1997; Eisenhardt & Martin, 2000; Winter, 2003). Hence, dynamic capabilities deal with strategy formulation in changing environments (Wall et al. 2010). Teece, Pisano and Shuen (1997) define the term dynamic as the organization's capacity to renew competencies to align with changing business environments, whilst the term capabilities is defined as follows.
Teece, Pisano and Shuen (1997) argue that innovations are required due to the difficulty of determining the nature of future competition and markets, whilst timing is of the essence as the rate of technological changes are rapid. In accordance, Leonard-Barton (1992) asserts that the dynamic capabilities describe the organization’s ability to achieve new competitive advantage through innovation.

Winter (2003) argues that a hierarchy (see Figure 2) can be created amongst capabilities. Firstly, there are resources and capabilities that function as what the organization makes its living on currently. Secondly, the author describes the so-called first-order dynamic capabilities, which are capabilities that can change products, production processes or customers served. Finally, Winter (2003) claim the existence of higher-order capabilities.

According to Winter (2003), the higher-order dynamic capabilities concern a firm's ability to develop the previously mentioned first-order capabilities. An example of a higher-order dynamic capability is organizational learning, which is needed in order to change, for instance, a production process. According to Schein (1993), there is an increasing need for rapid learning in organizations due to the increasing rate of change in the business environment. The higher-order capabilities, watch over the rate of change in ordinary and operational capabilities (Winter, 2003). In addition, according to Wall et al. (2010), dynamic capabilities are intended to explain why an organization survives over time.
**Flexibility**

Within the framework of dynamic capabilities the term flexibility is frequently used. Firms who are relatively better at adapting to changing circumstances in the competitive markets are those who tend to be more successful (Schumpeter, 1950). Schumpeter (1950) defines strategic flexibility as a firm’s capacity to respond to changes on demands in dynamic environments. However, being flexible comes at a cost and therefore it is important, from a strategic point of view, to ask the question of when to preserve and when to avoid flexibility (Schumpeter, 1950). Successful managers will, according to Schumpeter (1950), know how to answer this question and create a balance in the firm's’ flexibility in regards to change. Both external and internal parameters can guide decisions and explain the value of flexibility, which, according to Wall et al. (2010), are the most commonly used terms to express flexibility. The authors further state that flexibility is a necessity for a firm to possess in order to be able to survive and adapt in dynamic markets.

Even though several studies argued for the benefits of flexibility, some authors have argued for stability as being of greater importance for organizations. According to Scott (1965), flexibility can lead to either hesitant decision-making or alterations of plans without sufficient consideration of connected factors like costs. Therefore, when being flexible, it is of the essence for a firm to see to the potential of the individual organization, as being flexible does not always equal adding value (Wall et al., 2010).

**Knowledge-based View on Dynamic Capabilities**

A complementary perspective to the previously mentioned RBV on dynamic capabilities is the knowledge-based view (KBV), according to Wall et al. (2010). KBV differentiates itself from RBV due to its strong belief that knowledge is the main source to achieve sustainable competitive advantage. Whereas, RBV merely sees knowledge as a generic resource (Wall et al., 2010). According to the KBV, the current approach to dynamic capabilities derived from the RBV, is lacking explanatory power due to some restrictions (Wall et al., 2010). Furthermore, the current dynamic capability approach sees knowledge as a commodity, which, under control from management, can be created, transferred and combined. However, Wall et al. (2010) argues that the problems connected to this approach is, to some extent, due to the lack of recognition of the nature of organizational knowledge and social interactions. Therefore, it is considered to be of importance to recognize how an organization’s and its connected individuals’ knowledge could provide
sustainable and valuable change for the organization. It is when discussing these higher-order capabilities that KBV comes into play (Wall et al., 2010).

According to Kogut and Zander (1992), the KBV argues that firms exist to create, transfer and, instead of combining, it is meant to transform knowledge into competitive advantage. The difference in performance for firms lie in their different supplies and capabilities of knowledge (Grant, 1996). Knowledge is constructed of social practices created in particular social contexts, and the most important kind of knowledge is considered to be that created between people (Wall et al., 2010). Hence, the nature of knowledge is seen as dynamic and a constant subject for modifications. If firms are more flexible in terms of learning, knowledge-creation and problem-solving, they tend to be more likely to operate successfully in changing environments (Wall et al., 2010). Schein (1993) expresses that due to technological advances, and their growing complexity in all functions of an organization, the structures and designs of organizations are moving towards knowledge-based forms.

**Operationalizing the Dynamic Capability View**

Dynamic capabilities provide organizations with the possibility of growth (Helfat et al., 2007). Growth can be sought in three different directions; more of the same, expansion in current businesses or by seeking growth in something different, which may include new markets or businesses. The level of advantage-creating capabilities vary depending on the strategic position a firm chooses to adopt (Helfat et al., 2007). However, a firm’s strategic position can only improve if the management of a firm can identify the capabilities providing competitive advantage, but also be able to benchmark them against the competitor’s capabilities. The evolution of capabilities is both time consuming and complex, which is considered to render it inimitable and therefore a source of competitive advantage for a firm (Wall et al., 2010).

According to Teece, Pisano and Shuen (1997), there are three possible dimensions, dynamic components that lie as the foundation for a capability; positions, paths and processes. The first dimension, positions, refer to the firm’s available assets, which determine decisions regarding future resource allocation. The technological assets owned and utilized by a firm are key differentiators. Moreover, besides the tangible assets, both the reputation and structure of a firm influence future activities.
The second dimension presented by Teece, Pisano and Shuen (1997), called *paths*, refer to a firm’s historic development. The past resource allocations lead to the development of routines, but also to a need for amortization of investments. Hence, a firm presenting path-dependency limits its future maneuverability. However, path-dependency is seen as a key factor when assessing dynamic capabilities due to the possibility of learning from past experiences.

The final dimension illustrated as a foundation for capabilities is *processes* (Teece, Pisano & Shuen, 1997). The dimension concerns parts of an organization’s internal activities devoted to optimizing and improving the utilization of firm resources. The source of differentiation for a firm does not lie in the resource itself, but in the coordination of the firm’s production processes, also known as organizational routines. The authors assert that reconfiguration of firm resources is made by organizational learning by finding new ways to go outside the box of current activities.

**Challenges of Employee Networks**

The employees of a company possess a key role when a business is to undergo a digital transformation. The two challenges deemed relevant to this case study are the enabling of the network inside, and adding new skills. Businesses need to provide access for employees to ensure a flexible and easy workflow. They also need to provide the appropriate resources and tools to ensure that employees are well-informed about their tasks (Rogers, 2016).

It is of importance that businesses foster an effective employee network when the goal is to harness customer networks, and often it includes the acquirement and the integration of new networking skills (Rogers, 2016). The easy way for established businesses to accomplish these skills would be to outsource the tasks (Rogers, 2016). However, according to Rogers (2016), outsourcing is to be avoided, since it results in a delay of the process of integrating skills within the organization. The author further argues that integration is a key factor when businesses want to stay ahead of competition in terms of generating new ideas and developing strategic thinking. Mostly, the skills of employees are isolated and scattered across different departments of an organization, which triggers the need for shared knowledge between the departments, to bridge the silos, in a bid to integrate digital skills (Rogers, 2016). Schein (1993) asserts that learning across these
cultural boundaries is achieved through some form of dialogue. If an organization is to respond to new and changing environments it is required to learn across the departments, and dialogue is viewed as an essential component by Schein (1993). According to Rogers (2016) and Hein (2013) the role of a Chief Digital Officer (CDO) is emerging in organizations to drive the strategic changes, reinvent the core of the business and act as a mediator in between departments to harness skills and capabilities.

The authors of this study further argue that being dynamic and innovative is important, not only to transform, but to have a successful transformation and to stand out from competitors in the eyes of the consumers. The challenges considered relevant to this study are the enabling of networks inside as well adding new skills to the organization. The aspect of organization learning and, more specifically, shared knowledge is becoming increasingly crucial. Thus, the emerging role of a CDO (Rogers, 2016; Hein, 2013) is another factor the authors of this study find important to address.

2.3 Strategies for Exploiting Innovation

According to Grant (2015), the key factor connecting technology and competitive advantage is innovation. Time, people, information, facilities are all necessary resources in terms of innovation, and innovation itself requires to be integrated cross-functionally or collaborated. The R&D department of a firm will only be productive if the organization allows the fostering of innovation (Grant, 2015). Further, technology-intensive industries are dominated by disruptive innovations, which causes a quest for competitive advantage.

Grant (2015) describes different paths towards exploiting innovation, and most importantly how and when to enter. The strategies for exploiting innovation are as follows: Licensing, Outsourcing certain functions, Strategic alliance, Joint venture, and Internal commercialization (Grant, 2015). For this study, the strategies of Outsourcing certain functions and Strategic alliance were deemed as relevant. According to Grant (2015) outsourcing might lead to a firm depending too much on suppliers/partners, and it limits capital investment. Further, outsourcing leads to access to external resources and capabilities. A strategic alliance generates flexibility, though it might provide an informal structure for the firm in question. An alliance allows pooling of resources and capabilities with more than one firm (Grant, 2015). The different strategies require different kinds of resources and capabilities. Thus, firms are to choose how to exploit innovation depending
on the resources and capabilities that the innovator will bring (Grant, 2015). Today, large companies are becoming forced to take up more technological collaborations since innovation requires increased responses by many companies (Grant, 2015).

Grant (2015) further argues that for a company to gain competitive advantage within emerging and technologically intensive industries, it must enter on the optimal time. Being an early mover depends on three factors. A firm can be a successful early mover if an innovation is appropriable through a patent, copyright, or lead-time advantage. It also depends on the importance of complementary resources when it comes to exploiting innovation. Finally, there has to exist the potential to establish a standard, some markets today are converging towards technical standards, and the greater that standard becomes, the greater the advantage for early movers. Although, for an established firm who holds both brands and a reputation to protect, the risks of being innovative are greater than it is for smaller technological firms (Grant, 2015)

According to Markides and Geroski (2005), the most effective follower strategy is the one that allows firms to create a new product, which embodies the recent technology and offers new functionality, to enable the products transition from the niche market onto a mass market. The provided opportunity could be reached by offering a lower cost and at the same time offering an increased quality. Although, according to Sull (2005), entering on timing is of the essence, and a successful mover watch the developments occurring on the market, whilst gathering the necessary resources and capabilities to be able to enter the market on a large scale.

The authors of this study assert that when one is to choose one of these strategic paths, it is important to take into consideration the different risks and resource requirements that comes with each path. This knowledge could assist a firm with a traditional business model entering a new market, where advanced technology is of main focus to be able to gain a competitive advantage.

2.4 From Mass Market to Customer Networks

Traditional theories promoted the use of mass marketing tools in order to reach the largest number of customers possible. However, in the digital age, the priority is no longer to
mass produce and sell in vast quantities (Rogers, 2016). Instead, the priority today lies with harnessing customer networks. The customers are no longer to be observed as a mass market, they are now a dynamic network that indicate that businesses need to alter their way of strategizing in order to attain the customers’ attention (Rogers, 2016).

The changes in terms of how companies approach customers are categorized into two models, each representing a different era (Rogers, 2016). The first model is the mass market model (see Figure 3 below), which dominated during the analog age, also known as the twentieth century (Rogers, 2016). The role of the customers in the twentieth century was limited to either purchasing or not purchasing the product or service.

| Figure 3 Mass Market Model (Rogers, 2009). | Figure 4: Customer Network Model (Rogers, 2009). |

Nevertheless, a shift has occurred regarding customer approach strategies (Rogers, 2016). The earlier days of economies of scale has shifted towards economies of value. Rogers (2016) has presented a model known as the customer network model (see Figure 4 above), which has been created to replace the previous mass market model (Figure 3). The shift has evolved from mass market offerings to companies interacting with customers directly to ultimately deliver value (Rogers, 2016).

Customers today are capable of accessing a variety of digital platforms, as seen in Figure 4, and through this access customers have managed to interact, innovate and publish in ways that shape brands, and even markets (Rogers, 2016). Businesses must engage with customers to understand the changes in customers’ demands and needs. In order to thrive in a new digital environment guided by the changing needs of customers, Rogers (2016) asserts that businesses must reap advantages by identifying customers that could co-create value with the company. Moreover, merely chasing potential customers is no longer of focus for businesses within the frame of the digital era. Businesses should also take into consideration ways to achieve recurrent customers and thus achieve customer loyalty (Rogers, 2016).
2.4.1 Five Customer Network Strategies
Rogers (2016) has presented five different network behaviors; Access, Engage, Customize, Connect, and Collaborate. The author argues that the adoption of digital experiences is driven by these five core behaviors. Each behavior has wide strategies deriving from them to be implemented in the customer-oriented businesses of the digital era. Rogers (2016) further states that each strategy is of value to businesses. However, the strategies should be aligned with each specific project.

The Customer Network Strategy Generator
According to Rogers (2016), one can determine which strategies that are relevant to a specific project by following a few steps: Define objectives, select customers, and finally choose the strategy most appropriate.

Rogers (2016) states that whenever a new customer strategy is to be developed, one must define objectives to achieve. The second step of the process is to adapt the customer segments in accordance with the previously set objectives. Furthermore, it is of importance to understand what to focus on within each segment. One must identify each segment’s unique objective, unique value proposition, and unique barriers to success. To exemplify, the unique objective may differ from segment to segment, perhaps the goal of reaching one segment is to drive early adoption, whereas for another segment with higher activity, the objective might entail customer feedback to improve a platform. The unique value proposition could also differ in-between segments, one segment might require more than the other in terms of offers and service. Finally, the factors that establish barriers for each customer segment might include price sensitivity and advances in technology (Rogers, 2016).

After setting objectives and defining customer segments and each segment’s needs or barriers, the following step is to select the suitable strategies for the specific project. Rogers (2016) defines the strategies as follows;

*Access: Be faster, be easier, be everywhere, and be always on for your customers.*

*Engage: Become a source of valued content for your customers.*

*Customize: Make your offering adaptable to your customers’ needs.*

*Connect: Become a part of your customers’ conversations.*
Collaborate: Invite your customers to help build your enterprise.
(Rogers, 2016, p.42)

Access Strategy
The access behavior involves a strategy regarding ways to be faster, easier, everywhere and to always be on. Customers expect more from businesses today in terms of access, they demand to receive information rapidly and with convenience (Rogers, 2016). Wide approaches have been established in order for businesses to be accessible for their customers. For instance, businesses have embraced mobile commerce (Rogers, 2016), which enables a tremendous gateway of access due to the fact that a strong majority within developed countries own a smartphone (Baer, 2016). Customers today are opting for ways to handle their affairs and make errands in an efficient way and this demand has been widely recognized by industries such as banking and healthcare (Rogers, 2016). To conclude, incorporating access strategies to a firm’s overall strategy permits the creation of additional value for customers in a bid to achieve customer loyalty.

Engage Strategy
The second customer network behavior is the engage strategy, which is essentially about becoming a source of valuable content for customers. Rogers (2016) explains that companies must create relevant content, with the aim that customers will seek out that content and share it with others. Still, the content must generate an added value through the enhancement of customer relationships, according to both Rogers (2016) and Oestreicher-Singer and Zalmanson (2013). Providing useful content in the right time and place is considered as an effective way to engage customers (Rogers, 2016). Rogers (2016) further asserts that in order to engage customers, one should primarily focus on creating relevant content based on customer perceptions and needs. Thereafter, choose strategies aligned with the company’s objective of strengthening customer relationships.

Customize Strategy
The third customer network strategy is the customized strategy and its aim is to provide offers that are adaptable to customers’ needs (Rogers, 2016). Personalizing offers could be achieved through recommendation engines, where behavioral data is collected to identify patterns and personalize accordingly. Another approach is through personalized messages and content, which is applied by different media outlets. Davenport, Mule, and
Lucker (2011) exemplifies that when Microsoft targeted customers via e-mail with specific offers based on customers’ demographics, these personalized offers resulted in an increase by 70 percent in conversion rates. Rogers (2016) further argues that a key aspect of customizing strategies is to distinguish customers’ needs and behaviors in different areas. This distinction should be made in order to locate the appropriate tools that leads to personalizing on customers’ behalf or finding tools that motivates customers to personalize their own experiences.

**Connect Strategy**

According to both Rogers (2016) and Kaplan and Haenlein (2010), social media has become a standard path for leading communication amongst customers, which encourages the presence of businesses on various social media platforms. In fact, it is expected of companies to be present and responsive on social media. The connect strategy revolves around becoming closer to customers and learn the market better (Rogers, 2016). The author asserts that this could be done by identifying the social media channels that customers use more prominently, and engage with them there in order to solve issues (Rogers, 2016).

**Collaborate Strategy**

The final customer network strategy is the collaborate strategy, which enables customers to help build the business. Even though this strategy has similarities to the connect strategy, this strategy has its focus on working together with customers, whilst trying to achieve a shared goal (Rogers, 2016). Businesses who wants to pursue a collaborate strategy could do it with several approaches. For instance through passive contribution where customers’ content is used, or by collaborative platforms where customers define challenges that ought to be addressed (Rogers, 2016). In order to pursue a collaborate strategy, businesses must understand the motivations of the participants collaborating and find a balance between the participants’ proper level of expertise and providing enough guidance to reach a successful final outcome (Rogers, 2016).

All of the listed network strategies above are considered, by the authors of this study, to be of relevance when a firm wants to transform its business to become a MSP and create value for customers. The aspect of access is important in terms of being available for customers any time of the day, which is something that might not be something that a car
rental company can offer today. To engage customers and build customer relationships is another aspect to take into consideration, which goes hand in hand with the connect strategy. In order to build customer relationships, one must be present and active on platforms where communication with consumers is enabled. For a MSP, the needs of the consumers may vary, therefore it could be of importance to customize the offerings so that it is adapted to each customer target’s need. Finally, inviting customers to collaborate in building the service could assist in providing the ultimate customer experience and offering a value creating proposition.

2.5 The Role of Data

Another important challenge for firms in the digital age is the managing of information from collected data. It is of the essence, according to Rogers (2016), to analyze data in a proactive way. Firms should rethink how they treat their data and start thinking of it as a strategic asset (Rogers, 2016). The assumptions regarding data within the digital age are different from the analog age where data was seen as an expensive asset which was difficult to store, and was treated independently within each silo (Rogers, 2016). However, in the digital age, data is no longer an expensive commodity and storing data is not a challenge anymore. Instead, the challenges today lie in analyzing data to turn it into an asset of value, and to combine and connect valuable information in-between silos. In the analog age, data was merely considered as a commodity to assist in process optimization, whereas today it has grown to become an intangible factor that is key when firms want to create value (Rogers, 2016). However, in order to treat data as a strategic asset, firms must implement data strategies. Rogers (2016), has identified three key data types; Business process data, product or service data, and Customer data. For this study, the authors have identified customer data to be of most relevance since it addresses behaviors and interactions of customers, which in turn allows valuable information to be created.

When it comes to making the most of customer data, Rogers (2016) mean that implementing loyalty programs is an important asset to consider. Loyalty programs enable firms to track behavioral data of customers over time in, which firms can use to enhance their understanding of customers’ unique behaviors.
2.6 Disruption

“One secret to maintaining a thriving business is recognizing when it needs a fundamental change.” (Johnson, Christensen & Kagermann, 2008, p. 50)

Disruption is defined as a process that takes place over several years, sometimes even decades (Christensen & Raynor, 2003). Downes and Nunes (2013) and Ganguly, Nilchiani and Farr (2010) state that disruption is often caused by the continuous advances in technology, which delivers differentiation in terms of products’ and services’ attributes, even if these attributes are not considered to be valuable by consumers. According to Rogers (2016), the notion of disruption has become a word of hype, used as a tool to explain how a business is a disruptor. However, disruption does not only convey the disrupting of an industry, it brings a new level of value to be created for customers (Rogers, 2016). The author refers to business disruption in his definition of the notion, and explains that a disruption occurs once a competitor challenges an existing industry by delivering greater value than the existing firms can offer, and thus disables the existing firms to compete with the competitor directly. The advances in technology has triggered the acquisition or development of new skills due to the gaps created in terms of capabilities of already established firms (Lavie, 2006). Hence, these skills are crucial to possess when one wants to enter an innovative and disruptive environment.

Schumpeter (1942), was the first theorist to present a major theory regarding disruption. Although, the author did not call the concept disruption, instead he called it creative destruction (Rogers, 2016; Schumpeter, 1942). Schumpeter (1942) described the phenomenon of creative destruction as long-standing industries inherently being destroyed by capitalism, to create new industries through innovation. Decades later, Christensen (1997) provided the disruptive innovation theory, which aims to explain the success or failure of companies that respond to disruptive innovations. Christensen’s (1997) theory was the first to explain how disruption occurs. According to Christensen, Raynor and McDonald, R. (2015), disruption occurs when incumbent firms are successfully challenged by new, smaller entrants. The already established firms disregard the needs of some segments, generating an opportunity for the new entrants, also known as disrupters, to target these neglected segments. The disrupters are capable of seeing to the needs of the segment that does not value the high performance of products or services.
by delivering functional value instead. As the process continues, the incumbent firms are preoccupied with gaining profits from the segments that are more demanding, whilst the disrupters move their way up the market to reach the mainstream customers of the incumbents. Disruption has finally occurred when the mainstream customers adopt the offerings of the disrupters in larger quantities (Christensen, Raynor & McDonald R., 2015).

Rogers (2016) has offered an extension to Christensen’s (1997) disruptive innovation theory due to new visible dynamic innovations. The author describes business disruption offerings according to two sides of a business model; value proposition and value network. The value proposition side of the business model consists of the value offered to customers by the firm. The author argues that the value proposition of a firm is the most important aspect. More specifically, creating value for customers is considered the most important aspect within business disruption (Rogers, 2016).

The other side of the business model, known as the value network, consists of the processes, assets, people, and partners who all play a role in the value creation. To become a disruptor within an industry, one has to differentiate itself significantly within both the value proposition and the value network. According to Rogers (2016), the two conditions to be met before reaching disruption are that there needs to exist; “A difference in value proposition that dramatically displaces the value provided by the incumbent at least for some customers” (Rogers, 2016, p. 204), and “A difference in value network that creates a barrier to imitation by the incumbent” (Rogers, 2016, p. 204). Some key value propositions include offering a lower price, simplicity, providing access, creating integration or bundling of services. It could also include freedom of ownership (Rogers, 2016). Some key components within value network include customers, channels, skills and processes, and data assets (personalizing offers based on unique data).

2.7 Mobility as a Service

The demand for urban mobility increases as the global trends for sustainable travel experiences and sharing models grows (Karlsson, Sochor & Strömberg, 2016; Giesecke, Surakka & Hakonen, 2016). According to Hilgert, Kagerbauer, Schuster and Becker (2016), advancements in technology is another salient factor that has allowed the increase
and development of mobility services. The notion of Mobility as a Service (MaaS) has been attempted to be conceptualized by numerous authors. According to the European Mobility-as-a-Service Alliance, the concept of MaaS is to offer accessible mobility solutions adapted to the travel needs of individuals (Giesecke, Surakka & Hakonen, 2016). However, Giesecke, Surakka and Hakonen (2016) find the definition from the European MaaS Alliance poor in terms of the description regarding the concept’s content. MaaS offerings vary from on-demand vehicles, car sharing services, bike sharing services as well as cab services, which includes the planning of a trip and sometimes even bookings or payments (Giesecke, Surakka & Hakonen, 2016).

For many of the sharing models, the offerings are often subscription based, as with the case of Sunfleet, whereas for cab services the offerings tend to be more pay-as-you-go, as with Uber (Giesecke, Surakka & Hakonen, 2016). With the technological advances, the options of traveling are also advancing and thus, future offerings connected to MaaS are prone to include autonomous vehicles, for example driverless cab services. Nevertheless, the goal of MaaS offering a seamless travel experience has not been addressed to the fullest, since many of these services lack the integration of ticketing and planning (Giesecke, Surakka & Hakonen, 2016).

Huhtala-Jenks and Forsblom (2015) defines MaaS as a connected and intelligent transportation system that represents the vision of the transportation sector’s future. The authors further argue that the creation of MaaS is going to grow as soon as disruption in the transportation sector occurs. The most prominent factors to enable disruption within the transportation sector are the shift in trends in attitudes and behaviors of consumers, and technological innovations (Huhtala-Jenks & Forsblom, 2015).

Holmberg et al. (2016) has also attempted to conceptualize MaaS as a framework by dividing the concept into seven different levels; simplified car ownership, peer transport services, car sharing, extended multimodal planner, combined mobility services, integrated public transport, and mobility broker. The third level of MaaS, car sharing such as Zipcar and Sunfleet, is considered as the most developed category. There are currently a growing number of car manufacturers who collaborate with car sharing companies to create a stronger bond to mobility services (Holmberg et al., 2016).
Giesecke, Surakka and Hakonen (2016) have received the following insights on mobility services. An existing business that wishes to be streamlined for MaaS does not always necessarily qualify. For the notion of car sharing to be successful, it requires a high degree of population density. The authors have thus provided a four-step model for MaaS. The first step is to offer a specified transportation need; the ideal is to offer a wide variety of different means that can be applied both over short and long distances. The second step is that the end users need to be able to save costs while maintaining an equal level of convenience. The other option is to have a higher degree of convenience and maintaining cost levels equal. Approaches on social media can assist and drive user demand. The third step is to ensure that MaaS encompasses existing offers (public transport, car sharing, taxi services on demand). By allowing real-time data and real-time traffic to implement modal preferences online, gives rise to the overall level of transport convenience and environmental benefits. Which leads to the final and fourth step of the MaaS model, Sustainability. The goal requires intensive collaboration with stakeholders within a MaaS ecosystem (Giesecke, Surakka and Hakonen, 2016).

**Sharing Economy**

According to a report from PwC (2014), the sharing economy has disrupted the current rental economy. To exemplify, the outlook for car renting by year 2025 is that the market will increase with a mere 2 percent, in comparison with the market for car sharing, which will increase with 23 percent (PwC, 2014). Moreover, the industry lifecycle for car rentals, indicate that it is on its way from the mature stage towards a declining stage within the cycle, whereas car sharing has broken through and is on its way to become normalized (see Figure 5 below).

![The sharing economy life-cycle](image)

*Figure 5: Sharing Economy Life Cycle (PwC, 2014).*
The authors of this study argue that the PwC (2014) prognosis further stresses the importance for car rental companies to seek other opportunities, such as becoming a MSP. Moreover, the authors of this study chose to focus on the car sharing aspect of MaaS, due to it being the most developed category, as Holmberg, et al. (2016) stated.

2.8 Analysis Model

The authors of this study have constructed an analysis model called *The Wheels of Efficiency* (see Figure 6), which is based on the theoretical framework. To begin with, the theories were systematically organized into three categories in accordance with the listed research questions; The Internal Perspective, The External Perspective and The MaaS Perspective. The Internal Perspective holds the theories of Dynamic Capabilities and Strategies for Exploiting Innovation. The two theories have been categorized within the Internal Perspective due to the fact that they address strategy formulation as well as internal processes such as organizational learning, employees, and flexibility. The internal perspective directly affects the rate of efficiency and success when a firm wants to transform its business to become a connected company and a MSP. The authors of this study deem that having a connected company is a prerequisite in order to transform into a MSP. The External Perspective consists of Customer Network Strategies, The Role of Data and Disruption. Customer Network Strategies revolves around ways to reach out to
customers, and in order establish customer relationships a company must analyze their customer data. Additionally, disruption is considered by the authors of this study to be an external influence, where benchmarking with the competition as well as building the business model to function in disruptive environments are of the essence when one wants to explore the possibilities of becoming a MSP. The External Perspective also affects the rate of efficiency and success of the MaaS Perspective.

The different perspectives have been depicted in Figure 6 to show how the perspectives affect each other. The cogwheels are the same size, but vary in shape due to containing different elements. The model illustrates that within each cogwheel there is an ongoing process that keeps the wheels spinning in the right direction. This movement is further illustrated by the arrows surrounding each individual cogwheel. The link between the internal and external perspective is explained by the arrows in the bottom of the figure. These arrows imply that both perspectives are connected and impact each other. To exemplify, if one cogwheel within the Internal Perspective stops spinning, it will directly affect the whole perspective and inhibit the other perspectives to function effectively. In order for a firm to have an efficient digital transformation, the wheels within all perspectives need to keep on spinning, otherwise a successful transformation to become a MSP is deemed impossible. It is therefore argued that a company cannot choose to merely undergo a digital transformation with one perspective in mind, both will have to be adapted to thrive in a dynamic environment.
3. Methodology

The following chapter aims to present the study's methodology through the choice of Research Strategy, Approach, Perspective, and Design, including a presentation of the case company. Further discussed in this chapter is the collection of Secondary Sources and Primary Data, followed by the Motivation for Selection of Respondents. Finally, the Criticism of the Empirical Data Collection, the study’s Data Analysis method, and the Quality of the Study as well as Ethical Aspects are deliberated.

3.1 Research Strategy

According to Bryman and Bell, E., (2015) the research strategy is the general orientation of a conducted business research, which can be separated into two categories, qualitative and quantitative research. This study is based on a qualitative research method, which Justesen and Mik-Meyer describes as a phenomenon in its context in order to generate greater understanding of the phenomenon. Furthermore, a qualitative study is deemed appropriate when conducting interviews with a smaller group of people and thereafter analyzing the gathered material (Justesen & Mik-Meyer, 2011). Hence, the qualitative research method was considered appropriate in this study in order to fulfill its purpose, which aims to identify potential factors affecting traditional firms going through a transformation.

The reasons for this study not to undertake a quantitative research method were as follows. Primarily, the quantitative research method does not allow deeper analysis, instead focus is on the gathering of quantitative data in order to statistically ensure chosen factors (Justesen & Mik-Meyer, 2011). The quantitative data usually take its form based on answers from a survey (Justesen & Mik-Meyer, 2011). Since the authors of this study were not aware of all potential factors that could impact a digital transformation, a qualitative method allowed for unknown factors to be highlighted. Arguably, these factors would probably not have been identified with a quantitative method. Further, the objective of this study was to receive an understanding regarding the subject of digital transformation strategies in terms of opportunities and challenges. Thus, a quantitative research approach was considered insufficient to provide the required data that would assist to fulfil this study’s purpose. The data collection required in this thesis had to be of
an elaborated nature to ensure rich empirical results and a strong analytical foundation, which the authors of this study assert could not have been gathered with a quantititative method.

3.2 Research Approach

There are two different approaches for the relationship between theory and research, the deductive or inductive method. The inductive method claims that concepts are outcomes of research (Bryman & Bell, E., 2015). Hence, an inductive view is when theory is generated by the empirical research and research questions are used to narrow the study’s scope. The deductive approach on the other hand aims to use theories as guidance for research (Bryman & Bell, E., 2015). Moreover, it aims to verify or falsify already existing theories through pre-established hypotheses. According to Bryman and Bell, E., (2015) research rarely has a solely inductive approach and students often go back and forwards to read more theories. The authors further refer to the term abductive approach, also known as an iterative approach, which is a mixture of both an inductive and a deductive approach.

The approach for the study in this thesis was thus considered to be of an iterative nature. The basis for this study was deemed to be inductive to then iterate between an inductive and deductive approach. Due to the lack of extensive theories and frameworks regarding the concepts of digital transformation and MaaS in practice, a solely deductive study was deemed as unsuitable for this study. Thus, the theories cannot be tested in a deductive manner with hypotheses of the empirical data. On the other hand, the aim of this study was not to generate a completely new theory, which goes against the purpose of an inductive approach. However, the lack of theories and guidelines on the implementation of digital transformation in practice could result in a need for further theoretical contributions. Hence, an iterative approach was deemed optimal in order to describe the collected empirical data.

This choice is further strengthened by Mantere and Ketokivi (2013), who describe three different reasonings regarding organizational research; theory-testing research, inductive case research, and interpretative research. Out of the three reasonings, interpretative research was considered to be the most appropriate for this study since it involves the
usage of qualitative data and is often associated with an abductive approach. Furthermore, the development of theories happens over time as a dialogical process between theory and the empirical phenomenon occurs (Mantere & Ketokivi, 2013).

### 3.3 Research Perspective

In social science research, there exist two perspectives, epistemology and ontology. Epistemology concerns the question of knowledge, whereas ontology concerns questions of existence (Alvesson & Sköldberg, 2008). According to Alvesson and Sköldberg (2008), the two aspects of epistemology and ontology are considered to be more important in qualitative research than in quantitative research, since they allow numerous interpretation opportunities.

The ontological and epistemological positions are guided by the way a research is conducted, in terms of building theory (Bryman & Bell, E., 2011). Regarding the epistemological perspective, three positions were identified; positivism, realism, and interpretivism. Both positivism and realism promotes the application of natural sciences to the study of social reality. Whereas the contrasting interpretivism enables the interpretation of elements within a study (Bryman & Bell, E., 2011). As previously mentioned, this study has an iterative approach and an interpretative reasoning, thus it is founded on interpretative epistemology. Additionally, the authors of this study had to interpret elements of the empirical phenomenon in order to identify the necessary stages of undergoing a digital transformation and becoming a MSP. Therefore, the interpretivist epistemology perspective of this study was strengthened.

For the ontological research perspective, two positions are identified; objectivism and constructionism (Bryman & Bell, E., 2011). An objectivist position identifies an organization as a tangible object and does not allow subjectivity to affect the study’s phenomenon. A constructionism position requires conclusions to be drawn from both interpretations of previous theories and of the empirical phenomenon (Bryman & Bell, E., 2011). Consequently, this study has approached a constructivist position since application of subjectivity to some extent has been made regarding interpretation of the empirical collection as well as of the theoretical perspectives.
3.4 Research Design

The design of the research method is the logic which constitutes of realizing the study with the initial research questions as a starting point to generate a result and draw conclusions (Yin, 2009). According to Eisenhardt and Graebner (2007), a case study is often the preferred research design within business research, which is also the chosen design for this thesis. According to Bryman and Bell, E. (2015) a case study, in its basic form, consists of analyzing a single case intensively with attention to details. The authors further describe the possible ways to perform a case study on, a single organization, a single location, a person, and a single event. The research design chosen for this thesis was a case study of a single organization, more specifically, a case study of a Swedish car rental company.

Both Bryman and Bell, E. (2011) and Yin (2009) argue that when performing a case study, it is often an industry, organization or workplace that is examined. A case study research design differentiates itself from other designs through its limitation regarding a situation with a purpose and functioning parts. Further, this case study held a holistic approach, which entails that the study only examined the global nature of the organization (Yin, 2009). The holistic design is deemed appropriate when the theories connected to the case study is of a holistic nature or when no relevant subunits is identified (Yin, 2009). The main reason behind the choice of performing a case study for this thesis was due to the lack of previous empirical studies within the car rental industry in terms of MaaS, which invited further research. To be able to fulfill the purpose and to answer the formulated research questions, the case study approach was deemed to be appropriate with the aim to fully capture the chosen area’s complexity.

3.4.1 The Case Company

The case company in this study is one of the biggest car rental companies in Sweden and a franchise to a worldwide car rental company. The company wanted to stay anonymous in this thesis and will therefore from now on be referred to as Company X. Company X is a subsidiary of the Swedish branch of a manufacturer of automobiles and commercial vehicles, which is one of the largest in Europe.
The case company was facing several challenges connected to digital transformation and was in need of guidance during this process. Therefore, it was deemed as an appropriate case company for this study. When looking at performing a digital transformation in the car rental industry, the concepts of MaaS and MSP emerged. Hence, these concepts were investigated as well.

3.5 Secondary Sources

The collection of theoretical literature was made in order to gain knowledge and perspectives on existing research within the chosen field of this study, which is in accordance with Bryman and Bell, E. (2015). Further, the gained knowledge derived from the secondary sources provided insights regarding the basis of the empirical data collection. The collection of theoretical literature was derived from books retrieved from the library at Linköping University, as well as books retrieved from Adlibris. A vast majority of the theoretical literature were peer-reviewed literature, which were located on the following databases: Web of Science, Scopus and Google Scholar. A few articles and reports were retrieved from sources such as Forbes, PwC, Accenture and World Economic Forum etcetera in an effort to provide more current insights. Also, some of the information gathered, for instance in section 1.2 Background, was derived from organizations official websites, which could result in information bias. Nonetheless, the authors of this study deemed the information from organizations own websites to be accurate and trustworthy to present.

The peer-reviewed literature that was retrieved from the previously mentioned databases were chosen according to times cited, relevance regarding subject and/or keywords, and dates going from newest to oldest. Literature regarding the concepts of MaaS and MSP were amongst the newer articles collected for this study due to difficulties finding relevant literature with the criterion of having a high number of times cited. These difficulties may be due to a recent emergence of reports and studies related to the concepts of MaaS and MSP, and they have thus not been published long enough to receive many citations.

Bryman and Bell, E. (2015) emphasize the importance of possessing critical reading skills when conducting a study of this nature. In accordance with the authors, it has been of importance for the authors of this study to take into consideration the trustworthiness of
the collected literature. To achieve trustworthiness of the information gathered, triangulation of literature has been attempted to the most possible extent. Triangulation is used when one wants to confirm information with at least two sources to provide a stronger theoretical content, since relying on one sole source could lead to gathering biased information (Bryman & Bell, E., 2015). The literature regarding how to reach out to customers during a digital transformation has to a great extent been derived from Rogers (2016). After a thorough research, the authors of this thesis have made a conscious decision to rely on Rogers (2016) framework, since it is deemed current and has received praise for its accuracy. Although, triangulation of customer network strategies has been attempted in this study when possible.

3.6 Primary Data

3.6.1 Qualitative Interviews
In this study, qualitative interviews have been used as the source for collection of primary data. According to Lantz (1993), an interview is a method for systematic gathering of information. Bryman and Bell, E. (2015) argue that interviews could be considered to be the most widely employed method for data collection in qualitative research. The use of qualitative interviews is suitable when the researcher wants to comprehend the world from the interviewee’s point of view (Kvale & Brinkmann, 2014). Here, the experiences of interviewees provide meaning to the discussed topics. The purpose of the interviews in this study was to gain further knowledge within the fields of digital transformation and MaaS. The aim was to get the perception of experts and customers in order to receive their point of view regarding these topics.

The aim was to conduct all interviews in person with both authors of this study present, since this, according to Bryman and Bell, E. (2015), is considered advantageous. Bryman and Bell, E. (2015) claim that interviews held with more than one interviewer present creates a less formal setting and more of a discussion. At one time during the research period, a Skype interview was conducted due to geographical barriers. A Skype interview is similar to an in-person interview, since those involved are able to see each other and the method offers more flexibility than an interview conducted through email (Bryman & Bell, E., 2015). The authors of this study did not find that conducting the interview via Skype affected the results negatively, since everybody involved had the ability to see each other and thus read facial expressions. One aspect that could have affected the outcome
was if technical issues would have appeared, though this did not occur during the Skype interview in question.

In order to have the possibility to transcribe the interviews afterward, all interviews were recorded. This method was chosen so that the authors of this study could be more involved during interviews and not preoccupied by taking notes. This decision is in accordance with Bryman and Bell, E. (2015), who emphasize the importance of not getting distracted as the interviewer thereby can miss following up interesting points made by the interviewee. According to Bryman and Bell, E. (2015), when recording and transcribing interviews, it is possible to not only gather information on what people say, but also on how they say it, which enables a deeper analysis. The authors further mean, that this type of data could be lost due to the lack of memory capacity on the interviewer's side, and therefore transcribed interview material is preferred. However, a risk when recording interviews is that interviewees alter their statements and behave with more caution when answering questions (Bryman & Bell, E., 2015). Further, Bryman and Bell, E. (2015), point out the importance of finding a quiet space when conducting the interviews, minimizing the risk of disturbances. All locations for interviews in this study met this requirement.

Since the interviews were held in the Swedish language, all the transcriptions had to be translated in English. The translation and usage of quotes could therefore be perceived as well-articulated, since the sentence structures had to be altered. However, the authors of this study have attempted to translate and interpret the quotes as accurately as possible.

### 3.6.2 Interview Guide

The interviews conducted in this study followed the guidelines of semi-structured interviews presented by Bryman and Bell, E. (2015). According to Bryman and Bell, E. (2015), semi-structured interviews entail the researcher to work with an interview guide, designing a number of questions on rather specific topics in advance. Moreover, the interviewee has no restrictions in how to reply and if the interviewee highlights something considered interesting for the study by the interviewer, questions may be added (Bryman and Bell, E., 2015). The interview guides, which the authors of this study had as a base for the semi-structured interviews, are located in Appendix A-D.
In this study, both customers of Company X and representatives from Company X were interviewed. Additionally, interviews were conducted with representatives working in the fields of Digital Transformation and MaaS. Therefore, different interview guides were seen as a requirement. Four different guides were created, but all were based on the same framework and issues. Due to the difference in knowledge amongst interviewees, the objective with the interviews differed between customers and experts in the mentioned fields and therefore the questions were adapted accordingly.

3.7 Motivation for the Selection of Respondents

A collected list of conducted interviews is located in Appendix E.

3.7.1 Head of the Business Unit for Digital Transformation at Centigo
Anders Heurlin is a partner and in charge of the business unit named Digital Transformation at Centigo. He has worked at Centigo during the past 13 years and has started two business units during his time at the company. Centigo is a consulting company within management and IT founded in 2002 (Centigo, 2017). They believe globalization and digitalization is changing the prerequisites for business and the way business is conducted. As Centigo works with helping companies going through digital transformations, the authors of this study deemed the firm to be relevant and Anders Heurlin was deemed as the relevant interview candidate due to his experience within the field and his position within the firm.

3.7.2 Head of Digital Transformation and Innovation at KPMG
Marie Wirkestrand, senior manager, has been working at KPMG for six and a half years and is today the head of the department for Digital Transformation and Innovation. KPMG offers help with revision, tax questions as well as consultation services (KPMG, 2017). Wirkestrand’s expertise derives mainly from business and IT, and she has previously worked with ERP systems for a period of 13 years at Intentia, a firm which now goes by the name Lawson. Wirkestrand was deemed as a relevant interviewee due to her experience and current position at KPMG.

3.7.3 The CEO and E-Commerce Coordinator of Company X
In order to receive the case company perspective and the reasons behind wanting to undergo a digital transformation and potentially become a MSP, the CEO and the E-
commerce Coordinator were interviewed. The CEO is the one to drive this transformation with the help of the E-commerce Coordinator, who possesses more knowledge regarding the digital aspect.

3.7.4 Customers of Company X
The authors of this study deemed it relevant to receive the customers’ view on digital transformation. Therefore, 20 customers of Company X were interviewed in order to find out if potential tendencies could be shown. The number of 20 respondents was not an active decision from the authors of this study. Even though as many customers as possible were approached, not everyone was willing or able to participate. In addition, time restrictions prevented the authors of this study to conduct further interviews with customers. The interviews were conducted at the service station of Company X at Arlanda airport. This location was chosen due to the fact that it is the largest office in Sweden, in number of customers per day. Hence, this location was deemed appropriate in order to receive a sufficient number of customer responses to analyze. Further, the authors of this study did have in mind that customers at Arlanda might not be Swedish residents. However, all 20 customers that were interviewed lived in Sweden.

3.7.5 Head of Innovation at CGI
Martin Högenberg is Head of the Department of Innovation at CGI Sweden. CGI is an IT service provider, which holds 40 years of experience within IT (CGI, 2017). CGI is, according to Högenberg, often involved in projects related to digitalization. Högenberg started out his career within the field of smart cities and that was when he realized the importance of IT regarding the development of smart cities and sustainability. Thereafter, he became Head of Sustainability at CGI Sweden, which mainly revolved around digitalization and how digitizing changes today’s society. This has further led him to the field of Mobility as a Service. Högenberg has previously assisted a car rental company with the MaaS perspective and is thus, according to the authors of this study, deemed as relevant as he has gained experience of the potential challenges and opportunities with MaaS.

3.7.6 Managing Director at Accenture
Per Österman started his career at Accenture in 1998. Accenture is a global professional services company, which provides a range of services and solutions within the fields of
strategy, consulting, digital, technology and operations (Accenture, 2017a). Due to the field that Accenture operates in, the authors of this study deemed the company as relevant for this thesis. Österman has worked within multiple departments, as the head of Accenture’s Nordic media entertainment department, worked with communication media, high tech firms and with health and public service. Since 2011, Österman is the Managing Director for Accenture's Analytics organization in the Nordics and leader of the Swedish S&CS Group. As of 2014, Analytics is a part of the business unit named Digital at Accenture. Due to his experience and knowledge within the field, Österman was deemed as an appropriate interview candidate.

3.8 Criticism of Empirical Data Collection

An important aspect to take into consideration from the empirical data collection is that there might be a matter of subjectivity with the interviewees, since it is a mixture of both their personal and professional opinions that are expressed. The interviewees with expertise within the field of digital transformation were all consultants, which comes with both advantages and disadvantages. An advantage with consults is that they possess diverse experience within their field of profession. However, a disadvantage with solely interviewing consultants is that the perspective could come across as biased, since it is merely their experiences, opinions and statements that are illustrated in the results.

Another aspect to take into consideration is the customers’ view, which, due to its number of respondents, is only to be referred to as tendencies and not views that represents all of the customers of Company X. In addition, the interviewed customers of Company X consisted mostly of business travelers, which is an aspect the authors of this study could not have affected. This, since it was normal for this time of the year, according to employees at Arlanda service station. However, it might be important to take into consideration that the customers presented in the empirical results could belong to a certain target group. Finally, the responding customers were all in a hurry, which resulted in their answers being short and not very elaborated, something the authors of this study could not impact.

Furthermore, the aspect of access has had a major impact on the empirical results and the outcome of the analysis, especially within the MaaS perspective. Due to difficulties
getting a hold of companies that are a part of the creation of MaaS, the empirical results have been limited to one perspective. Most of the firms that responded, explained that they were not able to conduct an interview due to all their resources being diverted towards the creation of MaaS. Thus, due to relying on one perspective, the authors of this study cannot exclude that subjectivity and bias could appear within the MaaS Perspective.

Alvesson and Sköldberg (2008) state that empirical results are not to be considered as judgement calls, ruling out the least favorable theory. Instead the empirical part of a study should be observed as a collection of arguments in a debate. Empirical results derived from qualitative research such as interviews, are deemed as stronger arguments, than those of a quantitative nature, since they generate more variety when it comes to interpretations of the results. Nevertheless, Alvesson and Sköldberg (2008) further argue that the results from the empirical part cannot provide any evidence of a phenomenon or a subject, they merely provide feasibility to relevant relationships. Thus, the empirical results in this study are to be viewed as arguments open for interpretation and not determinants in terms of whether theories should be rejected or not, in an effort to maintain objectivity to the greatest extent throughout the study.

### 3.9 Qualitative Data Analysis

In accordance with Bryman and Bell, E. (2015), the authors of this study have actively sorted, organized and categorized the empirical material to facilitate the process of addressing the formulated research questions. After transcribing and translating the empirical data, the data was categorized into relevant perspectives in accordance with the analysis model. The categorization was conducted in order to identify patterns, similarities and differences. Furthermore, Ahrne and Svensson (2015) highlights the importance of clarifying the connection between the analysis and the empirical material, since the empirical material disciplines and imposes limits for the analysis. Thus, in accordance with Ahrne and Svensson (2015), the authors of this study have attempted to maintain a red thread throughout the empirical results and the analysis, to the greatest extent possible, to facilitate the identified linkages.

The method chosen for analyzing the empirical data is known as thematic analysis (Bryman & Bell, E., 2015), which entails a similar practice to the previously mentioned
coding. The authors of this study have systematically categorized the data in themes relevant to the purpose of this study, which is illustrated in the analysis model (see Figure 6 in 2.8 Analysis Model).

3.10 Quality of the Study

In order for this thesis to be considered of high quality, the authors of this study chose to maintain a critical approach to the process. According to Bryman and Bell, E. (2015), two important criteria when establishing and assessing the quality of research is reliability and validity. However, these two terms have received critique as to their relevance in the field of qualitative research. Instead, Bryman and Bell, E. (2015) suggests an alternative to validity and reliability, presented by Lincoln and Guba (1985), known as trustworthiness. Trustworthiness is further divided into four different criteria; credibility, transferability, dependability and confirmability, which will be discussed in the following sections.

Credibility

The criteria of credibility is defined, by Bryman and Bell, E. (2015), as a trustworthiness criterion. The authors mean that this entail carrying out research according to good practice as well as submitting the research findings for confirmation by those taking part in the research. Lantz (1993) argues, that in order for an interview to be considered a valuable foundation for analysis and conclusions, it is of the essence that respondents are reliable and for authors to critically examine their responses. In this study, all transcribed material of the empirical data was sent back to the interviewees for approval. When doing this, and assuring no misinterpretations had been made, the criteria of credibility was achieved for this study and trustworthiness could be assured.

Transferability

The second quality aspect is transferability, which is the ability of the conducted study to be generalizable in different contexts in order for it to be considered reliable (Bryman & Bell, E., 2015). This study concerns the concept of digital transformation and MaaS and was carried out as a case study of a car rental company. However, the results from this study could be applied to other empirical contexts concerning these concepts. The results from this study could therefore provide indications of what a generalizable result could
be. In addition, the authors of this study hoped to provide knowledge for practitioners in the field of digital transformation, not only in the car rental industry.

**Dependability**

To be able to establish the quality of a study, Bryman and Bell, E. (2015) argue that more than one observer or member of the research team should keep track of all the different processes in the study. In order to ensure the dependability of this study, the authors worked closely with a tutor and attended regular seminars with other students. These seminars provided the authors with feedback and input to ensure the quality of the study.

**Confirmability**

The final quality criterion presented by Bryman and Bell, E. (2015) is called confirmability. This aspect entails ensuring that the researcher maintain objectivity, not letting personal values and opinions sway the direction of the study. However, according to Myrdal (1969), to accomplish a completely objective research is an illusion, due to the viewpoints of researchers always guiding a study throughout some stages of the process and thus the study will contain subjectivity. The previously mentioned seminars helped the authors of this study to maintain their objectivity. The inputs of other students are considered objective, and therefore can be seen as a contributing factor to this study being as objective as possible.

**3.11 Ethical Aspects**

Due to the content of the empirical evidence presented in this study, ethical aspects had to be taken into consideration. For this study, the four principles on ethical guidelines presented by Kvale and Brinkmann (2014) were used. These four guidelines are in place to protect individuals and are as follows; informed consent, confidentiality, consequences and the role of the researcher.

Informed consent implies informing the interviewees about the general purpose and design of the research as well as explaining the connected risks and advantages with taking part of the study (Kvale & Brinkmann, 2014). For this study, it was made clear by the authors that participation is voluntary and can be anonymous. All interviewees had the possibility to review the transcribed interviews and approve the content before use.
The case company of the study requested to be anonymous and therefore no specific information about the company, that could potentially reveal its identity, have been used.

The requirement of confidentiality entails that agreements have been made between researchers and participants as to what data will be used for and how (Kvale & Brinkmann, 2014). As all interviewees had been made aware of the purpose of the study, as well as being able to review the transcribed material, confidentiality was fulfilled. No material was used in this study that could harm the participating individuals or companies, only approved information was used. This can also be linked to the requirement of assessing the consequences of a qualitative study for the participating individuals as presented by Kvale and Brinkmann (2014). The principle of ethics is to do good and therefore the risk of doing harm to the interviewee should be minimal.

The final requirement to be fulfilled is that of the role of the researcher (Kvale & Brinkmann, 2014). The researcher has a responsibility of integrity, empathy and sensitivity to moral questions. It is of importance for the researcher to be aware of ethical guidelines and theories. In this study, the authors have tried to always maintain the distance from personal values and feelings to the greatest extent possible.

Provided the ethical approach, described above, the authors of this study believe they fulfill the presented requirements and that this thesis was conducted in an ethical manner.
4. Empirical Results

The following chapter will present the collected empirical data. The chapter begins with a presentation of the Case Company Perspective. This is followed by a section regarding the Internal Perspective and one regarding the External Perspective. The last section of this chapter concerns the perspective of Mobility as a Service (MaaS).

4.1 The Case Company Perspective

The studied case company, Company X, expresses several reasons for wanting to undergo a digital transformation and to become a MSP. The E-commerce Coordinator of Company X points out that the need for a digital transformation is a type of adaptation to the new expectations possessed by today's consumers. According to the E-commerce Coordinator, new technologies have changed the consumer behavior and believe that today almost everyone owns a smartphone and is active on their smartphone a great amount of time. Company X needs to be accessible where the customer is, the E-commerce Coordinator argues. However, the customer perspective is merely one side of the digital transformation. The CEO emphasizes two different perspectives regarding digital transformation. The first perspective, the customer perspective, is explained by the CEO as part of the external perspective, and entails being more available towards customers. The CEO believes the technology allows several advantages for customers. Digitalization, and the connected technology, allow a greater value for customers. “The goal is to offer a greater and better customer experience as well as make it easier to get in contact with us, with the help of the technology” (CEO, 2017).

The CEO further believes that technology will make it easier for customers to make upgrades, for example to a larger vehicle, without having personnel explaining the process. “If a customer wants to change to another vehicle, instead of having personnel needing to go back into the service station and getting another key, the customer could easily change cars on its smartphone” (CEO, 2017). The CEO calls this process a seamless operation; much simpler operations with fewer steps and obstacles. However, the CEO points out that one aspect to keep in mind is the differences between generations
and the different relationships these groups of consumers have towards technologies and smartphones.

According to the E-commerce Coordinator, Company X does not currently communicate much with customers in terms of data. However, this is something the E-commerce Coordinator feels need to be developed, but that there might also come a time when a company hits the wall with all the gathered information. The E-commerce Coordinator points out that in 2018 there is going to be a new law regarding the protection of privacy, which will call for a more delicate handling of data. The challenge is to organize data, to make it useful in a way that the consumer agrees upon. Furthermore, the E-commerce Coordinator believes that consumers are becoming more aware of companies storing data, and they need to feel that it is worth sharing data and to be aware of the connected conditions. The E-commerce Coordinator argues that this will be the case, especially in a mobile application where customers can make reservations, purchases, and store credit card numbers.

The CEO believes the transition to a more digital business will take time, customers will not adapt right away. According to the CEO, clients have expectations when renting a car from Company X, however different clients have different expectations. The CEO argues that whilst some clients will adapt easier to change, and embrace the new technology, some may still want the personal meetings. Therefore, during a transition period, the CEO believes the company needs to offer both solutions. The CEO points out that customers need to reach a level of maturity to understand the new technologies and what it demands from consumers. However, in the end, the company wants their business to be as simple and uniform as possible, the question lies in how long this will take. “More of a smooth transition, we can’t be brutal” (CEO, 2017).

The second perspective, which the CEO refers to as the station perspective, is the internal perspective. Digitalization allows employees to use their time more efficiently, which equals an increase in productivity and cost efficiency. However, it needs to be done without decreasing the customer perspective, the customer value. In addition to the aspects mentioned above, the vehicles need to transform as well with the new technology. Hence, the reason behind the desire to go digital is both due to internal and external
factors. The competition is getting stronger and moving towards a more digital business, therefore it is essential that Company X follows, according to the CEO.

Another side to the external perspective is the aspect of competitors. The CEO means that the issue is concerning what would happen if the company does not undergo a digital transformation; “What do we have left to compete with?” (CEO, 2017). The CEO points out two factors: price point and the soft value, meaning the personal interaction between customers and employees. However, the CEO argues that if you do not get clients to get to the service station, then there really is no point regarding these factors. Therefore, the digital transformation is considered necessary by the company. The digitalization has further given rise to the amount of existing competitors in the market. Nowadays the threshold to enter a market is low, which enables new businesses to enter the market easily and become a competitor, according to the CEO. New competitors are the car manufacturers, instead of merely selling vehicles, they are now gaining an interest in selling services. The CEO asserts that the car has become the tool to sell mobility. Instead of buying a car, you rent, either from a traditional car rental company or a car sharing service. New behaviors are created amongst consumers and the race to keep up has already started, due to digitalization. “It is how we should do it, in what pace, that’s what is important. There is no other option, we have to do this” (CEO, 2017).

The CEO of Company X explains that the revenues are declining at the moment. Thereby, the CEO argues that a change is necessary and that there exists the potential to become a MSP. The CEO further believes that, most likely, the company will become a part of a bigger transportation ecosystem. The need to get from A to B exists, the remaining question is regarding how this should be done; “A person basically has a need for some sort of transportation 365 days a year, as a business customer this might be 220 days, because it is related to work” (CEO, 2017). However, the CEO argues that this is just a vision for now, but if the company wants to be a part of the future, and take lead in the digital transformation, guidelines need to be established. The CEO believes that becoming a MSP would provide greater opportunities for the company, higher profits and a better capacity use. The CEO stress the importance of being part of an elaborated and functioning ecosystem, because if any part of the chain fails to do their part, every part of the chain gets affected. This aspect is regarded as an existing fear when becoming a part
of an ecosystem as a MSP, according to the CEO, since being part of a non-functioning network could do more harm than good to the business.

Regarding if the company feels that they will move away from the core business, the CEO points out that the core business generates a cash flow necessary to be able to finance the transformation. The digital transformation forces the company to review its offer, its business model, and how it operates, without reducing the cash flow. The CEO further expresses the concern of losing the firm's premium stamp if they do not pursue with a digital transformation. Company X is today linked to strong brands and offers a wide selection of vehicles. The E-commerce Coordinator adds that instead of offering a rental vehicle, the company should offer a wider range of products and service in order to be able to provide customers with more options. Eventually, the company should offer more of a complete package solution, not just a rental car service, according to the CEO. However, both representatives of Company X state that the company does not have the competencies within the firm, at this time, to undergo a digital transformation. The challenge is, again, to compete with new firms, start-ups, within the tech-industry. The E-commerce Coordinator argues that if Company X is to become a MSP, it needs assistance with the digital and technological side from either an outside tech-company or the company needs to gain the competence from acquiring new talent. The CEO agrees that a shift in competencies is necessary to meet the new requirements.

In the end, the CEO is sure of one thing;

The digital transformation will mean a huge change for the company and our customers. The question lies in how it will affect the core business and at what pace the transformation will occur. Because it will happen.

(CEO, 2017)

4.2 Internal Perspective

4.2.1 Digitalization in General

According to both Anders Heurlin at Centigo and Marie Wirkestrand at KPMG, there exists a trend regarding digitalization that has been on-going for the past 20 years. However, to define digital transformation is considered difficult since it depends on where a company currently is; “[...] a lot of the content of a digital transformation is
about order and structure, and removing unnecessary steps to become more efficient” (Wirkestrand, KPMG). Heurlin feels that the whole concept of digital transformation is mystified, when in reality, he believes that it is merely another process of change. Per Österman at Accenture argues that being successful in digitally transforming a company lies in being able to adapt and embrace these changes. He further continues to mention that it is a great risk to not undergo a digital transformation and that firms must experiment their way forward. Although, Österman asserts that the transformation needs to happen in moderation, since an extensive amount of changes during a short period of time may scare away customers. In addition, too many changes might result in the company losing its identity.

*I believe it is a question of survival. Cause if you are not thinking about it, to be innovative, then your company will eventually die with the generation that is traditional.*

(Österman, Accenture)

Heurlin argues that digital transformation is in fact a constant, ongoing change that occurs in all businesses. At this point in time, he argues that the change is concerning digitalization, though this is only due to the existing technology that allows digital innovation.

Furthermore, Heurlin believes that the topic of digital transformation altogether will no longer be current in the near future. In accordance, Österman believes that the department of digital will disappear in the future possibly within five or ten years; “Everything we do will be based on digital, and therefore it won’t be necessary to have a digital department or group working with digital business models, it will exist as a natural feature in everything we do”.

### 4.2.2 Dynamic Capabilities

Wirkestrand and Österman believe that for firms there is no escape when it comes to digitizing businesses. However, according to Wirkestrand, what is currently occurring is that digitalization has new forms and tools to combine. Wirkestrand argues that there exists a very clear linkage between digitalization and innovation. She claims that digitization becomes more of a tool to use when one wants to implement innovative ideas. Österman argues that a firm that possesses the tools to be able to change, to think outside the box,
have the right competencies within the firm, and does not get stuck in the “old style” of conducting business will survive: “I would say that it is a question of survival for companies today, to understand how to develop their digital business models and how to work digitally”. Österman continues by stating that companies need to challenge themselves with digital business tools, because customers have already embraced a more digital way of life.

Leaders of companies today are under immense pressure, Heurlin says;

> It probably has never been as hard, being a leader of a company as you need to both be good at what you’ve always done at the same time as you need to think about what is going to happen.

(Heurlin, Centigo)

According to Heurlin, leaders need to think outside the box, but at the same time they should not get stressed over the large amount of new initiatives that surface every day within the company. The digital agenda needs to be clearly structured in order to prevent diversion from the company’s vision. Heurlin mentions the importance for a leader to dare to launch new initiatives, take risks, but also to be able shut down those initiatives that do not work. A company will never move forward by thinking about what they might be able to do, it needs to act and to test its ideas on the end-user. He further states that management is often not prepared for the consequences of a transformation; “Everybody loves transformation, but nobody wants to transform”. Wirkestrand also stresses the important aspect that the management leading the transformation needs to exhibit the necessary ambition.

Thereby, Wirkestrand and Heurlin illustrate that the first thing to look at when one wants to undergo a digital transformation is the vision of the firm. However, Heurlin states that; “The only issue is that companies create their vision from how the reality looks today, but it is impossible to know what will happen in three years’ time”. Therefore, he asserts that it is important to not have plan that is too detailed for the years to come, and to be open to changes occurring in the business environment. “If the journey towards the vision is planned to the very last detail, the risk might be that the company diverts from the vision due to new, unexpected things occurring along the way” (Heurlin, Centigo). According to Heurlin, this is the first mistake companies are prone to make. The second mistake is that
a company starts several different activities, without having the vision planned. Both Heurlin and Wirkestrand believe that the reason behind these mistakes is often that companies feel stressed to start the digital transformation because they experience that all their competitors have already started, which is usually not the case.

Heurlin argues that “[...] if every firm think of themselves to be behind in the digitalization of their operations, then perhaps they are not as far behind as they believe they are”. Further, Heurlin asserts that this might be due to that companies look to the extremes within the industry, for example Uber. He argues that it is easy to find the extremes within an industry and become consumed with the idea of it. If a company does not have a clear vision, all the activities a company start will go in different directions, according to Heurlin. However, the vision does not need to be planned in detail, as previously mentioned, but the company will need to have some sort of long-term plan and strategy. Heurlin asserts that the digital initiatives need to be business critical; if they do not point towards the vision, then it is not recommended to execute them. "No matter how tempting they [the initiatives] may be, they do not fulfil a purpose” (Heurlin, Centigo).

The digital business models demand, according to Österman, a new way of thinking when it comes to technology. Österman believes that organizational learning is one of the most prominent challenges a company faces when undergoing a digital transformation. He argues that it is easy to establish a technology platform, the issue revolves around knowing your data and combining it with other data in order for it to be a valuable investment for the company and its customers. Österman asserts that the main issues for a company is transforming its way of working, the mindset of employees, the operational processes and the whole decision-making process. Enabling extensive changes to happen, as the ones mentioned above, could be experienced as a vast challenge in traditional companies, according to Österman.

Wirkestrand states that it is important to think about all the parts of a business model, and how one currently works within the business. She argues that it is essential for the business model to be digital in order for the company to be sustainable. Wirkestrand further claims that knowing what kind of technical support the firm has to assist in the process of transforming its business is of the essence, and the knowledge of how to accomplish it in the most optimal way. The acquirement of necessary skills and
competences is, according to both Heurlin and Wirkestrand, an important aspect. Wirkestrand believes that there needs to exist a mixture of changing skills of current employees as well as acquiring new talents. For instance, if some employees work with a process that now has become more efficient through digitization, then these employees would have to acquire skills through further education. However, she claims that not everything can be retaught, and that is when new skills and competences are needed.

Regarding digitized integration throughout an organization, Wirkestrand experiences that firms often have the internal efficient operations and a program aiming to work the same way, which could be considered as a starting point for digitizing. Österman states that most of the larger firms are quite slow when it comes to having more efficient internal operations. Furthermore, Wirkestrand points out that outsourcing is not useful if processes are not trimmed or fixed beforehand. Wirkestrand argues that in order to receive proper material to analyze, one has to be close to the business, to know it well and to work together in that way. After a transformation of a business model has begun and the processes have been linked together, then it might be possible to outsource standardized processes. According to Österman, when firms digitize it usually means that they take back tasks which used to be outsourced. He claims that outsourcing, in accordance with Wirkestrand, builds on the fact that a process is predictable and standardized.

Heurlin asserts that companies need to understand how to address digitalization across all levels of the company. Österman states that there are still processes surrounding different departments such as IT and Business, and that each function works separately in silos. He further claims that when a firm adopts a digital business model, the silos need to be connected. Heurlin refers to this concept as cross-functional transformation.

*If the different departments of a company are vertical, then the digitalization is horizontal, and the horizontal integration is something companies always have been bad at. To implement the transformation in each part of the company is relatively easy, but it becomes difficult when companies need to go horizontal.*

(Heurlin, Centigo)
In order to truly reach out to customers, firms need to be more business oriented and bridge the silos to work together. Heurlin means that companies in general are bad at communicating across departments, due to existing silo structures. According to Heurlin, many companies try to solve this issue by hiring a CDO. The challenge for the CDO is to figure out how to make this cross-functional transformation effective. Wirkestrand believes that the role of CDO is relevant when one is to find the connection between the business and the digital. The role of CDO becomes important when one wants to connect digitalization to the processes, in order to make it clearer towards the business and amongst the departments, according to Wirkestrand. However, Heurlin does not believe finding one person to give the responsibility to transform the company is the solution. In accordance with Heurlin, Österman is hesitant to the concept of hiring a CDO. He believes the employment of a CDO is a way for leaders of a company to demonstrate to employees that they are working digitally, but that the actual role is uncertain and difficult. Further, due to Östernas beliefs that digital will become a natural part of all businesses, he believes the role of CDO to be a temporary position within companies. The solution, according to Heurlin, is to find one, common way to work, to communicate and to build work groups across the firm.

Wirkestrand asserts that firms with traditional business models do not possess the same liberty as start-ups. She states that start-ups can easily join in on new modern paths and purchase cloud services without owning any server halls, which enables them to become more agile. Österman exemplifies that start-ups that build their businesses around platforms do not have the issue of bridging the silos like larger firms have. Further, Österman argues that new platform-based companies can respond quicker to change; “Platform-based unicorns, that build their whole business model on innovation and digital business models have a different kind of rapidity when it comes to embracing new changes, in comparison to a traditional company”. Wirkestrand concludes that even if a firm has implemented digital strategies it is of importance to constantly improve them. That is when it comes to innovation, she claims, how to assess and build on all the new ideas and suggestions of improvements.
4.3 External Perspective

4.3.1 Customer Network Strategies

According to Heurlin, digitalization is extremely important due to the existing expectations of customers surrounding digital meetings. Heurlin argues that, at this stage in time, almost all individuals are doing their errands online, through digital platforms, which creates the idea that the same could be done in the professional life. He means that it is considered to be easier, and could be considered as a natural evolution in society. He further asserts that change originates from a consumer behaviour. Due to these new consumer behaviors, Österman argues that if a firm finds a digital model which works for the new customers then there will exist a word-of-mouth effect amongst the customer's social circle. Heurlin further asserts the rise of social media, which has generated a strong platform for products and services; “When people press “like” in their social media channels, it will have a strong impact on others in their networks” (Heurlin, Centigo).

Moreover, Wirkestrand means that firms can reach out to customers in a different, more informal, way with social media platforms. She asserts that firms could build the brand for both employees, internally, as well as for customers, externally with the help of social media.

Other than understanding customers’ needs and expectations, Heurlin emphasizes the importance of building target groups and performing target analysis. Österman asserts that looking into customer patterns and preferences to adapt the message aimed towards the customer, and enhance the customer experience, is a fundamental element when digitizing a firm. Heurlin argues that one way to understand how the firm could create value for customers is through the use of customer surveys, which Wirkestrand agrees upon. Wirkestrand believes that both the physical interaction and, for instance newsletters, should in some instances be customized depending on the target groups. Heurlin is in accordance; “If a company does not adapt its services according to customers’ traits and preferences, then they are going to have to build services targeting everyone”. Building services targeting everyone is, according to Heurlin, not the optimal approach. Instead, he believes that to ensure cost-efficiency; […] the ideal option would be to adapt the services to meet customer needs within the different target groups”.

52
Österman firmly believes that there will be a transition period when it comes to digital business models. He believes that consumers will realize that digitalization entails efficiency and a better service, and that the factor of personal interaction is not always going to be necessary. However, personal interaction should not be underestimated either. Österman explains that with Uber for instance, the experience differs from a normal taxi, which brings added value. He further exemplifies that when one orders an Uber, you will know in advance the name of your driver, what car model you will ride in, know the exact time of arrival, pay in advance, and even follow its current position on the map. However, it has the personal interaction in the vehicle as well, but the process of payment has already happened digitally. Österman believes that it took a while for consumers to get used to the idea of Uber and realize how efficient it is; “I believe it has to do with habits”.

Wirkestrand mentions the possibility of having both a digital and an analog strategy, since firms cannot always expect their clients to be present online. In the meantime, firms may aim at getting as many customers as possible over to the digital side. Nonetheless, Wirkestrand believes that a majority of the traditional firms today keep the analog strategy as a foundation, and then continues to build the digital strategy on top of it.

Heurlin asserts that the most salient trends to break through this year are the customer experience and the customer journey. Österman mentions that a network could become more optimized through analyzing information, and thereby create an enhanced customer experience. Moreover, Heurlin argues that the current digital and analog strategies will align and become more united than ever before. Most importantly, he believes companies need to figure out what kind of customer experience their service offers. Additionally, Heurlin finds it necessary to understand what the customer actually wants and expects when turning to a specific company; “Every part of a company's interaction with customers is crucial, one wrong interaction and all can be ruined”.

According to Heurlin, there exists an additional consumer trend, which is that consumer are becoming less and less loyal towards brands. He asserts that consumers are searching for function instead and thus become more loyal towards function. Österman is in accordance and asserts that it is much easier for customers to go from one supplier to another today. He states that customers today possess more criteria to be met and the risk for higher churn rates, meaning that the rate of customers turning away from a company, increases if these criteria are not met. Österman further stresses the necessity of involving
the customer in product and service development to the greatest extent possible. He mentions that customers often want to be a part of the development of products and that according to studies, customers have the opportunity to impact a firm's services or products which have led to an increase in loyalty.

Customers are not stupid, they are smart. They make more and more demands, which makes them as customers less and less loyal. It is easier for them to move, and the boundaries become lower and lower, which makes the demands for companies bigger and bigger to get to know their customers.

(Österman, Accenture)

Moreover, Wirkestrand mentions that a lot of firms believe that transforming their businesses will be a lot easier than it really is. A firm might build a mobile application, but often that application will not contribute to the rest of the firm. Wirkestrand feels it might bring a modern feel to the company as a whole, but it will not be meaningful if it is not tied together with something else within the firm. Hence, building mobile applications for the sake of the customers is a good idea. However, Wirkestrand believes that the firm must become digitized internally as well.

4.3.2 The Role of Data
Wirkestrand mentions that with the technology today firms have the possibility to attain and analyze data, and identifying data that stands out, which the human mind might not have found. Wirkestrand asserts that being able to see how things are now, how they used to be, to find out what happened and identify factors of change is of interest. Additionally, Österman believes that if a company works with the end-user in mind, it is much easier to find the valuable information in collected data. “You need to find the needle in the haystack, but if you start with the end in mind, you know where to find that needle better” (Österman, Accenture). Another method to handle data is to work with discovery, to look for unpredicted patterns and find new ways to use data. Österman argues that a company should work in both ways, both beginning with the end in mind and discovery, in order to get the most out of the data; “[...] it [data] is a goldmine”.

Wirkestrand argues that the important aspect, regarding the data that companies could collect, is to know how to use the information. Wirkestrand asserts that collecting
information is something any firm can do; the importance lies in knowing how to use and process the collected data in order to generate value from it. Österman also emphasizes the importance of analyzing data and identifying common denominators. He continues by stating that it is necessary to be driven by data when making decisions and to make those decisions on the right grounds, and for instance take into consideration if the customer is unprofitable.

Österman argues that strategies need to be adapted depending on how one wants to reach out to the customers. In a bid to reach out to the right target group, a firm may want to apply micro segmentation. Österman explains that micro segmentation revolves around gathering data from customers with similar preferences and traits, and create a target group based on their similarities. He implies that one might identify that the micro segmented group has a higher churn rate and could thus adapt the message towards that particular group’s needs in a smarter, more proactive way to prevent them from going to the competitor.

According to Österman, the customer and the customer experience are highly important from a company’s point of view, and the optimal way to get to know the customer is through their data; “[...] there is no better way to get to know the customer than through using the customers’ data and the digital traces [...]”. However, once the company knows its customers, it needs to understand how to use the information to its advantage. He further states that gathering information and analyzing data to better understand customers allow firms to sell more of their products or services, and to possess a service that is superior.

Wirkestrand argues that after collecting data, it is important to assess it. Instead of wasting resources on unnecessary information and doing unnecessary digital projects, firms should focus on the objective; what to receive from the information and how to use it afterwards. Wirkestrand believes that firms will need to acquire data analysts to categorize and put together all the collected data; “Firms have plenty of data in the different systems, however there is a lack of competence regarding connecting and analyzing the data”.
Moreover, Wirkestrand argues that firms must think about how far they dare to use data against their customers since it could be a matter of integrity. For instance, Wirkestrand gives the example of Booking.com or any similar website, that right after viewing the site, the website will send an email with offers similar to what the person was viewing. 

"[...] this is a phenomenon that more and more consumers are starting to pay attention to” (Wirkestrand, KPMG). Österman further stresses the importance of having consent from customers in order to collect data from them, otherwise it could end up in an expensive fine or even worse, a bad reputation as a brand. According to Österman, the changes in privacy data regulations, previously mentioned by the E-commerce Coordinator of Company X, will affect the way firms use and store data. He believes the changed regulation will set higher requirements on companies, but he further believes it will create a higher level of trust between company and customer.

### 4.3.3 Disruption

The notion of digitizing is not considered disruptive, according to Wirkestrand, because she believes that creating something disruptive is a way of thinking outside of the box, in ways like Uber has for example. Heurlin similarly states that if a company wants to view itself as disruptive, it needs to think completely outside the box. Additionally, Heurlin describes the notion of early adopters and how there are firms at the forefront who are constantly shaping the ways of doing business. “This perspective gives rise for firms to ask themselves what strategy they should adopt: do we want to be the kind of firm who shapes business or do we want to stay put and consider ways to imitate?” (Heurlin, Centigo). He further argues that it will not be one of the company’s competitors that will be disruptive within the industry; it is going to be someone completely new. Heurlin once again provides the example of Uber, which does not originate from the taxi industry, but is a mobile application developer; “Nobody within the industry saw it [Uber] coming”.

Heurlin states that disruption could be viewed as a so-called buzzword. Being disruptive depends on the definition and how big of a change is needed for a company to view it as being disruptive. To make changes in a business model could be seen as innovative, but it does not equal being disruptive. Heurlin exemplifies that changing the way a company charges its customers is not disruptive, it is still selling the same type of service, only the method of payment is performed in a new way.
Österman believes that everything that is new is in some way disruptive. Firms today are trying to locate their place in the value chain; “What is it that I am supposed to be in the value chain, in order to be relevant?” (Österman, Accenture). He argues that it is essential to have a sound relationship to the digital or disruptive business model. Österman asserts that it is important to develop skills and learn from the experience. Although, one still needs to be cautious to not put all the eggs in one basket and believe that it will entail the future of the business. He means that it might end up not being a profitable move. Nonetheless, learning and innovating is encouraged.

\[...\] but you have to be curious, and innovative, and be there. Cause if you don’t learn and let other firms to the testing, then you will lose your place in the value chain. The train will leave the station and you will remain in the end.

(Oösterman, Accenture)

### 4.3.4 Customers’ view

A strong majority of the interviewed customers rent a car mainly for the purpose of business travels. Although, a majority of customers are not loyal to Company X, and choose different companies to rent a car from when travelling. In addition to this, only two of the interviewees are members of the loyalty program of Company X. Although, one of these two customers that are members of the loyalty program still sometimes choose other firms than Company X, when renting a car.

When it comes to booking a car, the majority of interviewees rent a car on the Internet through the website of Company X and none of the interviewees made their car reservation using the Company X mobile application. On average, the majority of interviewees rent a car between one to five times a year, and 30 percent of interviewees rent a car from five up to ten times a year. The remaining 20 percent rent a car over ten times a year.

Regarding whether renting a car is tedious, the interviewed customers are torn, some respondents are indifferent, others find it to be a tedious process and others do not. However, a strong majority of customers would prefer the pick-up location to be closer to where they want to depart, for example from home or work. In addition, all except two interviewees have a positive attitude towards being members of a car sharing service. Interviewees have a more conflicted approach towards the aspect of carpooling, sharing
a car with others heading the same way. An equal number of interviewees are positive and negative towards this concept, and six interviewees have a neutral response. Moreover, a strong majority of interviewees would prefer a more digital solution to renting a car, every step from making a reservation to returning the vehicle after the use, if it results in being a more efficient solution. However, 40 percent of interviewees still find personal service to be necessary in the car rental process, while 35 percent of interviewees are indifferent, and 25 percent of interviewees find personal service to be unnecessary. For future prospects, 50 percent of interviewees could see themselves leasing or renting a car when needed, instead of owning their own vehicle. An equal number of interviewees responded that they are unsure or do not consider this as an option.

4.4 The MaaS Perspective

Martin Högenberg at CGI, believes that the most important aspect when transforming a firm is to always start from the business model and identify what one could do with it, which goes in line with what Heurlin, Österman and Wirkestrand argues for. In addition to the business model, the firm has to take into consideration the role of the customers;” [...] it really is the relationship with humans that we need, to be able to do business” (Högenberg, CGI). Another important aspect to understand, according to Högenberg, is what kind of infrastructure the firm currently holds, which could be used in terms of digital technologies. From there the firm needs to be able to connect the technique with current infrastructure in a bid to receive information in a new way. He states that understanding the combination of both current infrastructure and digital technology, with additional consumer data, is extremely important. Further, it is important to understand the latter aspect in relation to the firm’s business model to realize what, for instance a car rental company, must do to be unique. Högenberg asserts that when new digital technologies arrive, firms need to move fast. Although, they also need to ensure that the current processes change as well to be able to cope with the new technology. This aspect is something Högenberg finds to be difficult, but necessary. He means that changing processes is more complex, and not as fast, but at the same time he does not believe that it is negative to test projects.
Högenberg does not find the concept of MaaS to be disruptive within the automotive industry. This notion is due to the fact that focus within MaaS is often placed on the same kind of services and that firms are simply trying to deliver it on a new type of platform. Högenberg argues that; “[…] the topic of discussion in terms of sharing cars, renting cars and combining with different types of transportation, is the same as before within the industry, which indicates that it is not disruptive”.

Regarding salient factors that has led to the development of MaaS, Högenberg states that the growth of platform societies has contributed, as well as the notion of smartphones. The accessibility of information through smartphones allows the providers of transportation to reach consumers together. According to Högenberg, through MaaS, consumers are able to book different means of transportation depending on each individual’s needs. However, he further raises an issue regarding the value proposition within MaaS.

[… but what is the added value of bundling them [different kinds of transportation] together to create a seamless travel experience, for an example? These aren’t any immense needs among consumers that are addressed today, and that is what I find to be a problem.

(Högenberg, CGI)

Högenberg argues that it is of the essence to learn new things, to be able to move into a mature market with adequate resources. “Since nobody really knows exactly where MaaS is heading, it is extremely important to test several different services and products” (Högenberg, CGI). He exemplifies that perhaps 99 percent of what a firm test may prove to be faulty, but at the same time, that firm is learning new things and is starting to understand the context. Högenberg asserts that in order to be the firm that delivers that one percent that is really good, one must experiment with other projects as well. He states that if a firm is trying to hit accuracy, it will merely accomplish what other firms are already doing.

From a MaaS perspective, companies need to make sure that they are creating new value for customers, which Högenberg believes is not just creating a mobile application that can handle everything. Högenberg argues that if a company is to create an application, it
should be created to fulfill one, particular need. Hence, creating a MaaS-application that combines all transportation, is believed by Högenberg to be a bad idea; “I don’t think it will be a good user experience”. In addition, Högenberg says that this is not what people want, people want what can be of use for their particular need. He believes this could be, for example, a mobile application that catches the patterns of a user. Högenberg argues that sometimes, companies feel that an application is the solution to everything, which he contradicts. Hence, if a company is to create an application, it needs to be really good in order for people to actually use it; “If you see to the number of apps that we use in our phones, we only really use the ones that are extremely good” (Högenberg, CGI).

Regarding the aspect of customers when it comes to MaaS, Högenberg stresses the importance of not only listening to the customers, but also understand them to enable an understanding of what the firm should challenge, and try to exceed the needs of the customers. “I think that being close to the customer is extremely important” (Högenberg, CGI). Finding ways to collaborate with the customer is, according to Högenberg, to understand how to use the information and collected data received from customers, and also enabling relationships with customers to receive access to their new needs. Although, he further states that MaaS tends to not be driven in accordance with the end-user’s needs. He rather believes that it is driven by cities aiming to become sustainable, and from there one could break it down to the end user. Moreover, Högenberg believes that the behavioral aspects of consumers are much more complex compared to the technological side of things; “it is not due to difficult technology, but due to human behaviors, that things are not progressing faster within the field of MaaS”.

Regarding how to reach out to customers, Högenberg states that the entire service that a firm puts together for MaaS must have the right pricing model towards both customers and towards those behind the firm in the supply chain. The right kind of pricing model with the right incentives in a bid to acquire the right players to develop the services could result in every player within the MaaS ecosystem creating a driving force to allow the service to grow.

Högenberg believes that MaaS is a service more suitable for urban environments, due to the existing, larger purchase power. He is not against it working in more rural areas as
well, but points out that the transportation needs look different and therefore the mobility service may need to be designed differently.

Regarding the future prospects for car sharing and carpooling, Högenberg believes that both concepts will have a place on the market. With car sharing for instance, he argues that people do not need to have ownership of vehicles, and when new living areas are built, the need for parking spaces is reduced since people could share cars instead. However, Högenberg mentions that there is someone else who makes the profit out of it, perhaps it is the car rental companies who earns a profit from establishing a car sharing service. Meanwhile, when it comes to carpooling, or peer-2-peer transport such as BlaBlaCar, it could be another type of model used where one person owns the vehicle and rents it to other commuters.

Högenberg states that when autonomous vehicles enter the market it will entail vast changes to the industry as a whole; “Will people even want to own a car, or will it be that owning a car is going to be three times as expensive?”. He mentions that when autonomous vehicles enter the market, it will consist of many different components that have to be linked together. Heurlin also argues that artificial intelligence (AI) in general is a notion that has already started to become a frequent topic of discussion across industries.

Högenberg could also see the aspect of leasing as a part of MaaS. He mentions that there are rental car companies finding value in providing both leasing and rental cars. However, according to Högenberg, the law regarding leasing is about to change, and what many in the industry believe is that the part of rental cars will increase in companies. When the law enters into force, companies will have to account for leasing cars in their balance sheets, according to Högenberg. He further argues, that companies probably will not be as interested in providing leased vehicles for their employees due to this. Instead, Högenberg believes companies will provide their employees with rental cars, causing a new type of business to arise for car rental companies.

**Blockchain**

Högenberg mentions a new technology, blockchain, which he believes will be one of the biggest players in the future technological revolution. Blockchain is merely in the early
stages, but those who know what it could accomplish understands its magnitude, according to Högenberg. He describes it as an embedded technology, which enables trust in existing digital systems in a completely new way. Högenberg argues that blockchain has an important role in enabling MaaS to function properly.

*I believe this will be one of the most important factors to make MaaS work.*

*The problem with MaaS today is that you try to build extremely complex systems, with many different players. And everyone is supposed to trust each other.*

(Högenberg, CGI)

Högenberg asserts that blockchain will eliminate the need for trust between the members of a MaaS system. Therefore, he believes blockchain will have a crucial role regarding MaaS. According to Högenberg, it is a control system, where all agreements exist and all actors will know that they can trust each other. Österman believes that blockchain will revolutionize how openness is created; *“Blockchain is openness, being able to trace back origins”*. He thinks that blockchain will assist in tracing a potential source of a problem faster. Instead of every party being affected, blockchain can locate the source quickly, minimizing risks for non-responsible companies being part of the ecosystem. In addition, Österman believes blockchain will contribute to companies using their resources smarter.

When asked if Högenberg believes blockchain to be disruptive he agrees that it is, but most importantly he believes it will change how the car industry is built. He mentions that businesses today are built upon some sort of intermediator, and he provides the example of a car manufacturer, a car rental company and a customer. *“If blockchain is included, the customer can rent a car straight from the car manufacturer, eliminating unnecessary steps, in this case that would be the car rental company”* (Högenberg, 2017). Further, according to Högenberg, *“...it is all about making the process more efficient and making it automated through smart contracts”*. Högenberg states that the car rental industry is constantly changing, and has changed a lot during the past years, but further changes need to happen if the company want to take part of the future. Finally, Högenberg does not believe that blockchain will necessarily equal customers being more loyal, or feel attached to a certain brand. According to Högenberg, blockchain is more about *“[...] knowing that you can trust the things in front of you, which means that you don’t need to build a personal relationship in order to trust companies or people”*. 62
5. Analysis

The following chapter will present the analysis derived from the collected empirical data in conjunction with the theoretical framework. The chapter begins with a section regarding the Internal Perspective. This is followed by a section regarding the External Perspective and finally the last section of this chapter concerns the MaaS Perspective. The perspective of Company X, and the Customers’ View permeate the Internal, External and MaaS perspectives.

5.1 Internal Perspective

5.1.1 Digitalization in General
Empirical results suggest that digital transformation is far from a new concept. However, as previous literature states, the knowledge of what a digital transformation may entail in practice, could be interpreted in various ways. As Wade (2015) expressed, a digital transformation could be anything from going paperless to digitizing an entire society. The interviewees within the field agreed that the concept of a digital transformation varies depending on what industry a firm operates within. The authors of this study deem the vague definitions of digital transformation to invite further interpretations of what the concept would entail for a specific business. Nonetheless, the expressed common denominator is that digital transformation revolves around change. More specifically, the importance of adapting to changes in a dynamic environment, regardless of their size, in order to have a surviving business. The authors of this study will thus refer to digital transformation as a process of change that is unique to each business, but with the common end objective of enhancing efficiency and profitability.

As empirical results indicated, the concept of digital transformation is believed to become the norm across all industries in the near future. Hence, the importance of undergoing a digital transformation before the competition is too far ahead. The authors of this study argue that if a digital transformation is to happen within a firm, it needs to start in the near future in order to stay competitive, due to the rapid pace of growth and change within industries.
The digital route is, according to Heurlin and Company X, allowed due to existing technology, which aligns with Wade’s (2015) statement on digital business transformation. When embracing changes, the goal is to become more efficient. Thus, according to the interviewees, when undergoing a digital transformation, the most salient factors to digitize are the internal processes and the business model, in order to enhance the customer experience. This aspect of a digital transformation goes in line with Capgemini Consulting's (2013) definition of necessary digital capabilities (see Figure 1 in section 2.1) a firm should possess when undergoing a transformation of this kind. The role of the customer, and enhancing the customer experience are considered to be the underlying reasons for undergoing a digital transformation by both interviewees and the case company. The authors of this study are in agreement with the previous statements that customers possess a key role when it comes to a company’s success. One could argue that without customers a company would not exist, and therefore the priority should always be on the end-consumer, including understanding to changes in customer expectations and demands. The authors of this study, in conjunction with the empirical results, believe that a firm cannot function efficiently nor proactively towards customers if it has not achieved internal efficiency first. The aspect of customers will be elaborated within the external perspective (see 5.2 External Perspective).

5.1.2 Dynamic Capabilities

Vision

Previous literature (Schumpeter, 1950) and empirical results state that firms who are better at adapting to changing environments have an increased chance of being successful. The authors of this study identified a linkage between the importance of having a vision and the aspect of flexibility versus stability. However, both literature (Scott, 1965) and empirical results stress the importance of maintaining a critical point of view and knowing when to avoid flexibility. In conjunction with empirical results and literature, the authors of this study are in agreement with the importance of being flexible as a firm, but precautions should always be taken into consideration. Empirical results suggest that flexibility is obstructed by a vision that is either too detailed or unclear with its purpose. Even though, Company X has expressed a vision and an objective to support it, it is considered necessary to maintain a critical business-thinking throughout the process. This aspect is argued, by the authors of this study, as being especially important for firms that succumb to the pressure of digitizing, which could result in projects being launched
outside the scope of the vision and not leading to any added value. The empirical results go in line with Rogers (2016), who declares that in order to reach out to customers, objectives need to be defined by the company. In line with these statements, the authors of this study urge the importance of having a clear vision when undergoing a digital transformation. Without a vision, the authors deem it unnecessary to even start a transformation of a firm, since it should always be driven by a goal, in entity with the entire organization. Further, the authors of this study believe that an unclear vision could affect the company negatively in terms of efficiency, but unclear objectives might also impact the customers’ view towards the firm.

**Organizational Learning**

As described by Leonard-Barton (1992), the dynamic capabilities explain the ability of an organization to achieve competitive advantage through innovation, which strengthens the existing linkages between digitalization and innovation that the empirical results indicate. Further the empirical results suggest that with the new tools, introduced by the development of digitalization, the increased need for organizational know-how is of the essence. The new form of tools that could be used to assist companies in a process of change are deemed by the authors of this study to equal the first-order dynamic capabilities, described by Winter (2003). The aspect of organizational learning has earlier been expressed by Österman as one of the biggest challenges firms face when undergoing a digital transformation. This challenge expresses the need for rapid acquirement of knowledge as a part of organizational success (Schein, 1993). Literature further suggests that the aspect of organizational learning is identified as a higher-order dynamic capability. Thus, the aspect of firms having both a RBV, and the complementary KBV is of the essence when digitizing a firm, according to the authors of this study, in order to increase efficiency and gain a sustainable competitive advantage. The authors of this study believe, in accordance with literature and empirical results, that knowledge and organizational learning are of great importance when a firm wants to implement dynamic tools in a bid to survive in the long term. One could argue that due to the shifting environment within the car rental industry, organizational learning and the implementation of dynamic tools within Company X are no longer optional, but a requirement to stay competitive. The importance of organizational learning in environments characterized by technological advances is strengthened by the beliefs of Schein (1993).
From a resource-based point of view, organizational learning starts at the top, with the control from management, however it needs to permeate the entire organization in order to be of value (Wall et al., 2010). Empirical results assert that leaders of today are under immense pressure and that the need to think outside the box whilst avoiding diversion from the company vision calls for a clear structure. However, empirical results also highlight that management is often not prepared for the consequences of going digital, which the authors of this study imply might be due to the lack of knowledge in the area throughout the organization. One could argue that leaders might get blind during the process due to pressure and skip a few steps when attempting to apply knowledge throughout the organization. Applying knowledge scarcely is thus not considered to be efficient nor value creating for firms. The authors of this study, in conjunction with the case company, have established that Company X does not possess the required knowledge to digitally transform its business in its current state. Hence, managements of firms experiencing pressure should allow for knowledge integration, to be better prepared for potential risks and diversions. Furthermore, the authors of this study claim that Company X’s participation in this study should be viewed as an attempt to take precautions and learn more about the transformation process before taking action.

Regarding the role of resources in a digital transformation, empirical results suggest that a need for a new host of skills within the field of technology is apparent. Empirical results further imply that connected to the importance of organizational learning is knowing what kind of technical support a firm has to assist with the transformation. This aspect goes in line with Teece, Pisano, and Shuen’s (1997) dynamic dimension called *positions*, in other words, a firm’s available assets. The literature identified technological assets as key differentiators and could be considered as the underlying factor of which direction a firm is to take on the market. The lack of technological assets within Company X has previously been expressed and, the options to solve this issue are viewed as either outsourcing or acquiring a new host of skills. If Company X aspires to thrive in the long term, the firm must learn how to operate in the new dynamic environment of the car rental industry. One could argue that it is necessary for firms to proactively learn the new technologies emerging, in order to establish a prominent position on the market. Hence, the aspect outsourcing is not optimal when a firm wants to gain a competitive advantage in terms of digital development.
Internal Operations

Empirical results suggest that outsourcing of standardized processes could be done, but not until they have been properly trimmed. This is in accordance with Teece, Pisano and Shuen (1997), who includes using both internal and external competences as a way for firms to modify their resource base in order to address dynamic environments. The authors of this study argue that outsourcing standardized processes could allow firms to relocate these resources in order to address dynamic environments more efficiently. This aspect would also allow firms to have a stronger workforce in terms of targeting skill acquisition and knowledge integration. Rogers (2016) argues that outsourcing tasks that require new skills prevent the integration of new knowledge to permeate the organization. Since Rogers (2016) asserts that the integration of skills is key when firms want to stay competitive, the idea of insourcing might be another option to consider. Empirical results agree that acquiring skills or further educating employees, if possible, are of importance when one wants to digitize efficiently. The results further suggest that through digitizing, one has the possibility to optimize and scale a business more efficiently than with a traditional model. This goes in line with another dynamic dimension of Teece, Pisano and Shuen (1997), who state that processes, also known as internal activities, is considered as the foundation of capabilities in terms of optimizing and improving usage of a firm’s resources. These statements derived from both literature and empirical results strengthens the previous arguments made by the authors of this study, emphasizing the importance of having knowledge internally, since efficiency of processes is enabled by organizational learning.

The previously mentioned processes (Teece, Pisano and Shuen, 1997), are connected to a few questions in practice. Regarding the integration of digital operations throughout an organization, empirical results assert that companies need to review their internal processes, which larger firms are often slow at implementing. Empirical results express a connected issue to the silo structure of traditional companies. Empirical results argue that in order for a company to have a successful digital transformation, the internal operations need to be cross-functional. The aspect of bridging the silos is in accordance with literature (Grant, 2015; Rogers, 2016; Schein, 1993), who argue for shared knowledge in between departments to enable efficient integration of digital skills. This aspect further strengthens the importance of knowledge being integrated throughout all the departments of a firm.
One way to bridge the silos and enhance shared knowledge is, according to empirical results and literature (Rogers, 2016; Hein, 2013), to employ a CDO. Although, the empirical findings suggest that the role in question is temporary, and that it might require more than one person to overlook and support the transformation. The authors of this study believe that the hiring of a CDO could support a firm undergoing a digital transformation. However, the idea of having merely one person responsible for bridging the silos is deemed inconvenient. One could argue that the optimal choice is to allow groups within departments to work together towards integrating digital skills, which is in accordance with empirical results. The authors of this study claim that this argument applies especially for larger firms, where the number of departments is high and thus more silos are to be bridged. Due to the number of departments within Company X in its current state, the authors argue that bridging the silos is not a highly complex process. In their case, the acquirement of adequate technological resources should be prioritized, and thereafter the integration of knowledge could proceed within all departments of the firm. The authors of this study indicate that this acquirement would heighten the complexity of bridging the silos for the firm, which requires a new set of skills to enable knowledge to permeate efficiently.

The empirical results suggest that new platform-based companies have an advantage over traditional firms when it comes to adapting the internal operation. The challenge to compete with new firms or start-ups within the technological industry is expressed by the CEO of Company X. The CEO further claims that it has become easier for new businesses to enter the car rental market due to a low threshold, which has given rise to the increased number of competitors. One could thus argue that start-ups could join new modern paths, making them more agile compared to firms with a long history. This is in accordance with Teece, Pisano and Shuen’s (1997) final dynamic dimension called paths, where path-dependency could be viewed as an obstacle for the future maneuverability of firms with historic development. As previously discussed, firms need to be dynamic and respond quickly to changing environments, therefore it is, according to the authors of this study, of the essence to enable maneuverability. Since Company X is lacking an own technology department, one option could be to acquire a platform-based company of this kind to assist the firm to move forward. This option could provide Company X with valuable insights as to how the new business environment is operating. However, a risk to keep in
mind is that an acquisition of this kind will entail large changes for the company, highlighting the importance of maintaining flexibility. Nonetheless, one could argue that the maneuverability of Company X could potentially be improved with the help of a platform-based company, with its new way of thinking and cloud-based business models.

5.1.3 Strategies for Exploiting Innovation

The empirical results suggest that efficiency cannot be achieved if an organization is not willing to learn. The authors of this study deem this aspect to be even more crucial when it revolves around industries characterized by technological innovations. Grant (2015) implies that in order for firms to stay competitive in industries dominated by disruption, they must foster innovations, and in some cases, collaborate with other firms to enable fostering. In addition, the aspect of timing is of the essence to gain an advantage on a competitive market, and it requires firms to be an early mover. The authors of this study do not consider Company X to yet position itself as an early mover nor an early adapter. When comparing the offer of Company X to already existing offers from competitors operating within the same industry, it becomes clear to the authors that Company X needs to move rapidly in order to not fall too far behind and potentially lose out on market shares. A parallel could be drawn here to the PwC (2014) prognosis, which should be considered as a warning that the replacement of traditional ways of renting cars has already begun. One could further argue that since Company X does not currently have a R&D department, another option instead of acquiring a platform-based firm, would be to collaborate with firms who could assist in providing the firm with the necessary technological tools, to even be able to enter the market in the first place. Grant (2015) indicates that being an early mover does not come without risks. The reputation is at stake for established firms, such as Company X, and one would have to consider whether entering a new market is worth the risks it might entail, or whether it is a question of survival. This aspect is further discussed in the MaaS Perspective (5.3).

5.1.4 Revised Internal Perspective

During the analysis of the internal perspective, new insights emerged regarding the factors presented and thus alterations to the previously illustrated analysis model, The Wheels of Efficiency, has been made. The alterations are shown in Figure 7 below, which also illustrates the initial state of the cogwheels. The aspect of Dynamic Capabilities has received a larger sized wheel due to the authors finding this aspect to have a larger impact
than initially understood. However, both concepts depend on each other to enable efficient operations. An additional factor has been added to the model’s’ internal perspective; the Vision. The Vision considered to always having to be present in guiding the firm’s direction as well as deciding what skills and capabilities are needed for such a move. Hence, the Vision allows the wheels to operate more efficiently.

![Figure 7: Revised Internal Perspective (Enocson & Söderholm, 2017)](image)

### 5.2 External Perspective

#### 5.2.1 Customer Network Strategies

The changes regarding customers’ needs and expectations within digitalization has been argued by both previous literature (Rogers, 2016) and empirical results. Literature implies that in order for firms to understand these changes within customer demand, they must engage with the customers. Going from a mindset where mass communication conquered, to a perhaps more complex overview of reaching customers (as illustrated in Figure 3 and Figure 4) demand firms to seek out new opportunities to deliver value. One could argue that entering numerous digital platforms in order to reach out to customers would result in more channels to monitor and numerous flows of information to take into consideration. This complexity might entail benefits in terms of the enhanced amount of customer data from multiple sources. However, it might also result in firms requiring more resources to monitor the data and reap its advantages, in a proactive way since the flow of information is constant. Empirical results suggest that interacting with customers on social media will have an impact on the brand and create a word-of-mouth effect. This goes in line with Rogers’ (2016) connect strategy, which aims at becoming a part of customers’ conversations through the use of social media in order to come closer to one’s customers.

Furthermore, when engaging with customers, Rogers (2016) asserts that the content must be relevant and have an added value in order for the firm to become a source of value for the customer. With this in mind, the authors of this study argue that it might be of value
for a firm to be present and engage with customers on social media platforms, if the offer is adapted to the right group of consumers. One cannot assume that all target groups of a company will be present online, but it might merely be a question of a transition period for some consumers, which is in accordance with the empirical results. The CEO of Company X affirms that some customers are likely to have an easier period of transition than others, but that the general transition towards a more digital service will take time. This statement is agreed upon by the authors of this study, who believe that an important factor that may have a role in this issue is the differing traits and preferences of target groups. With this aspect in mind, Company X needs to assist customers who might not be mature for this digital transition, in order to get as many customers as possible to understand the benefits of a new, digital service.

The CEO of Company X argues that clients have certain expectations when renting cars. However, these expectations differ from client to client, as indicated by interviewed customers. The importance of building and analyzing target groups, in order to identify customer patterns and linked preferences is also emphasized by both literature and empirical results. Both Heurlin and Wirkestrand suggest customer surveys as a way to collaborate with customers to understand factors that create customer value. This is in accordance with Rogers (2016), who emphasizes the importance of inviting customers to build a firm’s’ services or products. However, empirical results imply that building services that target each and every one is not optimal, instead the ideal is to customize offers within different customer segments. Company X expressed that it hopes to be able to provide individual offers in the future. Thus, the authors of this study argue that when a firm wants to build target groups based on consumer preferences, the necessary strategies to implement are the collaborate and customize strategies, demonstrated by Rogers (2016). The authors of this study further assert that building a service that aims to target all customer groups might be considered the easiest option. However, in the long term it could end up being the least efficient option to choose, since one could argue that it is unlikely that all consumers would have the same preferred traits. Since Company X expresses that customers have different expectations on the firm, the authors of this study argue that the company should proactively create personalized offers based on customers’ preferences. An effort of this kind from the firm could be perceived by the customers as a sign of them being prioritized and that the firm cares about the customer relationships.
Moreover, interviewees emphasized the importance of the role of customer experience, which was previously mentioned as one of the most important factors to take into consideration when undergoing a digital transformation. This is described by the CEO of Company X as the goal with a digital transformation, to offer superior customer experiences. The authors of this study find the collaborate strategy (Rogers, 2016) to be the most effective tool to use when one wants to enhance the customer experience. The underlying reason for this choice is due to the fact that in order to truly understand how customers perceive a service, projects should be tested together with the end-user. This aspect could give rise to challenges or issues, which might not have been discovered earlier in the process, to be addressed immediately by the firm and enhance efficiency.

**Loyalty**

Working close to the end-user could increase customer loyalty, something the case company is showing tendencies to lack, as a majority of asked customers were not loyal to Company X. This tendency further emphasizes the need to differentiate the customer experience in the competitive landscape. Rogers (2016) emphasized the importance for businesses to find ways to achieve recurrent customers and suggested the use of loyalty programs as a way to understand customer behaviors. Thus, the authors of this study believe that, in accordance with Rogers (2016), Company X may need examine their current strategies regarding how to maintain recurrent customers. Due to the low rate of loyal customers presented in this study, one way to bring awareness to the existence of Company X’s loyalty program and its benefits, would be to clearly advertise it both on the digital platforms, as well as at the service stations. Since one of the objectives of a digital transformation is to retain current customers as well as gaining new ones. The aspect of recurring customers is considered to be a key factor in order to sustain a competitive advantage.

Empirical results suggest that there exists a trend today that customers are becoming less and less loyal towards brands, and more loyal towards function. The notion of customers being less loyal towards brands is supported by the previously mentioned tendencies shown by customers of Company X. Further, the empirical results indicate that customers are prone to be less loyal if their demands are not met and thus become more prone to use the services of a competitor instead. Taking these statements into consideration, the authors of this study once again highlight the importance of customizing offers
proactively in a bid to keep churn rates low. The indication that consumers today are prone to being loyal to functions instead of brands emphasizes the need for Company X to deliver a superior value, in terms of function, if they want to achieve loyalty.

**Digital Technologies**

As earlier discussed, interacting with customers on digital platforms is becoming an important factor when it comes to reaching out to customers. As Rogers (2016) states, markets today are moving away from the analog age and entering a digital era instead. However, the aspect of having both an analog and digital strategy is relevant for some time, according to empirical results. The interviewees further argue that a transition period will be necessary, and that it revolves around customer habits. Just under a majority of the interviewed customers of Company X still find personal service to be necessary when renting a car and Österman argues that the personal interaction should not be underestimated. However, the only identified option for personal service to exist when it comes to car renting, is at service points. Based on the empirical results, the authors of this study believe that having a digital strategy is the better option for the future, although they agree that due to consumer habits it might be necessary to retain both strategies during a transition period.

Connected to going digital is the use of digital technologies, such as mobile applications in smartphones. Company X expresses the need to be accessible for its customers and answering to customer demands. Further, Baer (2016) believes the use of mobile commerce will enable tremendous opportunities for companies to get in contact with consumers and fulfill their expectations. As Rogers (2016) argue, customers opt for a more efficient way to handle their errands, such as on-demand services via mobile applications. In line with this argument, the empirical results indicate that customers would prefer digital solutions every step of the way when renting a car if it meant it would be more efficient. The authors of this study make the assumption that the lack of customers using the existing mobile application of Company X, could imply that they consider the application to be insufficient. Concerning customers that merely rent vehicles one to five times a year, one could argue that it cannot be expected by firms that customers download an application for merely one use. However, another factor that may have a role in this tendency is the aspect of habits. Habits, as earlier discussed, are deemed as an important aspect within transition periods. Thus, the authors of this study mean that
the tendency of not using the mobile application could also imply that the interviewed customers are merely a target group still in a transition period. As the CEO of Company X argued, customers need to reach a certain level of maturity before understanding the benefits of new technologies. Therefore, one could argue that this indicates that a level of maturity might not have been reached yet by customers of Company X, which could offer an explanation if the number of customers using the mobile application is low. However, when a mobile application could be used to unlock vehicles or make changes in reservations, the authors argue that this could lead to an increased usage, because the application would thus enable an efficient digital solution and bring an added value to the customer experience. However, the authors believe that the application should be enhanced in collaboration with customers in order to ensure that it creates value and user friendliness, which is in accordance with Rogers (2016).

5.2.2 The Role of Data
Rogers (2016), previously emphasized the importance of proactively analyzing data and identifying patterns, which is also a part of customizing offers. Empirical results also emphasize the important role of data, and the valuable information on customers that could be derived from it. Moreover, the results highlight the importance of knowing how to use the collected data in a proactive way. The authors of this study agree that the role of data has a large impact on the value creation, both for customers and within firms. If a firm does not have the competences to proactively analyze and exploit relevant data, it will not have the desired domino-effect. By this the authors mean that if a firm successfully retrieves valuable information from collected data, this will impact the possibility of building target groups and creating adapted offers accordingly. Furthermore, the authors of this study assert that the five network strategies presented by Rogers (2016), all start with the end-user in mind. However, through discovering unpredicted patterns, as empirical results mentioned, the authors of this study argue that it is possible for a firm to further differentiate itself from competitors and thus gain a competitive advantage. Proactively seeking out and using valuable information appropriately would thus result in a more sustainable competitive advantage, and as earlier discussed achieve a higher level of loyalty.

The aspect of micro-segmentation is agreed upon by the authors of this study, due to its ability to identify needs of certain groups and thus provide the firm with a superior ability
to keep churn rates low. Rogers (2016) also emphasizes that distinguishing customers’ needs in different groups is considered a key aspect when customizing offers, and due to its ability to increase, for instance, conversion rates. Since Company X earlier expressed that they do not proactively use their collection of data, the authors of this study assert that analyzing this data is of great importance. The benefits, which the authors of this study find to be overwhelming, derived from analyzing and understanding current customer data assists the firm to identify valuable factors. These factors may also have an impact in attracting new, potential customers. This is in accordance with Österman, who believe the best way to get to know a customer is through analyzing its data, which in the end could lead to a service that is superior. This goes in line with what was discussed earlier, that differentiation from competitors is of value and having a service considered as superior by consumers could probably be one of the greatest labels a company can achieve, according to the authors of this study.

Another aspect to take into consideration when handling information on customers, is dealing with customer integrity. Empirical results stress the importance of customer consent as well as keeping in mind the aspect of how much the firm dares to use data against customers. The E-commerce Coordinator of Company X argues that customers are becoming more aware of their digital footprints and of their data being stored. The authors of this study believe it is important to keep this aspect in mind as it could present potential risks for the company, mostly in terms of reputation, which affects churn rates. The authors of this study claim that there exists a fine line between offering customized value propositions, and sending out unsolicited emails. Therefore, it is important to adapt the content according to preferences. Since this is connected to legal aspects, one could argue that breaking privacy data regulations could affect the company negatively from a financial point of view as well.

5.2.3 Disruption
According to empirical results, thinking outside the box could be viewed as creating something disruptive. The authors of this study thereby assert that a linkage could be found between organizational learning and the notion of disruption, since according to Teece, Pisano and Shuen (1997), organizational learning affects the notion of thinking outside the box. Disruption is, according to Lavie (2006), caused by advances in technology, which further triggers the need to acquire new skills in order to be capable to
enter an innovative market, which empirical results agree upon. Heurlin earlier mentioned that early adopters are shaping the way of doing business. A parallel could thus be drawn to Christensen, Raynor and McDonald, R. (2015), who insist that disruptive industries are led by new, smaller entrants that challenges incumbent firms. A new competitor that enters the market does not have to be from the same industry, according to Heurlin. One could therefore argue that, the new, smaller entrants could be platform-based start-ups, which previously have been argued to possess a greater advantage than traditional firms. Hence, companies should have in mind that it is not merely the current competitors on the market that one should look out for.

Since Österman believes that it is of importance for firms to have a sound relationship with their disruptive business models, one has to stay reasonable and not risk the future of the business on one idea, which in the end might not be profitable. Further, Heurlin and Wirkestrand does not consider that simply digitizing or making changes to an existing business model should be seen as disruptive. Heurlin stresses that making changes to a business could be seen as innovative, but this does not equal being disruptive. Although, one could argue that in order for Company X to thrive in an environment characterized by competition and digitalization, it must adapt its business model to function properly on a disruptive market. The authors of this study assert that firms may get consumed with the idea of providing an idea perceived as disruptive. However, if the idea does not create value for the customers, as Rogers (2016) mentions, then it should not be considered in the first place. Christensen, Raynor and McDonald, R. (2015) state that in a disruptive environment, firms have the choice of either delivering functional value or serving target groups that are neglected. Taking into consideration that empirical results indicate that customers are becoming more and more loyal towards function, one could argue that the aspect of delivering functional value might be deemed as the more profitable choice for a firm to make. However, if the market does not exist of too many competitors, serving the needs of neglected target groups could result in being more valuable. Hence, it depends on the market situation and prerequisites the firm holds.

### 5.2.4 Revised External Perspective

During the analysis of the external perspective, new insights regarding the factors earlier presented emerged and thus alterations have been made for the external perspective. The alterations are illustrated in Figure 8 below, which also illustrates the initial state of the
cogwheels. The aspects of Customer Network Strategies and The Role of Data have received larger sized cogwheels, due to the authors finding these factors to have a larger impact than initially understood. However, all three concepts, including Disruption, all depend on each other to enable efficient operations.

![Diagram of cogwheels]  
*Figure 8: Revised External Perspective (Enocson & Söderholm, 2017)*

**5.3 MaaS Perspective**

The first step when thinking about becoming a MSP is, according to empirical results, to know the firm's infrastructure. This goes in line with what was earlier discussed by the authors of this study regarding dynamic capabilities in terms of internal efficiency. Thus, the authors stress once again the importance of knowing a firm’s assets and knowledge of the technology before launching new digital projects. As previously discussed, Company X does not possess the technological skills within the firm currently, though the firm is aware of the necessity to gain the required knowledge.

Becoming a MSP, and being part of a MaaS ecosystem, is not considered disruptive by Högenberg. However, the opinions regarding what is considered disruptive or not disruptive, has been similar amongst the interviewees. Therefore, the authors of this study argue that MaaS itself may not be disruptive, but it is rather an actor within the category of MaaS, such as Uber, which could be considered as a disruptor within an industry. The authors further imply that it could revolve around bringing something new that differentiates a firm from the rest of the competitors, in a way that shapes an entire industry. This goes in line with Christensen, Raynor, and McDonald, R’s (2015) definition on when disruption occurs. However, the authors of this study further assert that it might not merely be a question of differentiation that results in being disruptive, but also bringing a new added value which harnesses customer relationships.
The aspect of customers in relation to MaaS is, according to Högenberg, highly important. Högenberg, in accordance with previous interviewees within the field of digital transformation and Rogers (2016), emphasizes the necessity of obtaining and analyzing consumer data in bid to differentiate and offer added value to customers. This goes in line with the discussion made earlier regarding the important role of data in relation to understanding customers’ needs and expectations. Empirical results indicate that the concept of MaaS tends not to be driven by the end-user, as in the case of digitalization, but that it rather has to do with cities becoming more aware of sustainability, which is in accordance with literature (Karlsson, Sochor & Stromberg, 2016; Giesecke, Surakka & Hakonen, 2016). The authors of this study are in agreement with the empirical results on this matter and believe that often the consumer might not be the source of demand when it comes to MaaS. Although, one could assert that the source of demand regarding sustainability might, in addition to cities, include consumers. Furthermore, one could argue that it has to do with consumers’ transition period towards embracing new digital technologies and breaking free from old habits. A parallel could thus be drawn to the example of Uber and how consumers at first were a bit reluctant to the idea, as Österman mentioned, but as soon as the benefits from the service were apparent they embraced the service. Another possible aspect to take into consideration, which goes in line with Högenberg’s beliefs, is that it may not be that technology is too advanced, but rather that consumers’ behaviors are too complex. According to him, this is why MaaS is not progressing as fast as it should. The authors of this study agree upon this additional aspect provided by Högenberg, as it cannot be excluded that the progression of MaaS might be held back by consumers’ complex behaviors and habits.

**Digital Technologies**

Högenberg argues that the growth of platform societies, in conjunction with the increased use of smartphones, has led to the development of MaaS. This is in accordance with previous interviewees and Rogers (2016), which both state that the changes in customer behaviors lead to the need for companies to change the way they conduct business. The authors of this study agree with the empirical results that firms should adapt their offerings according to new digital customer behaviors. Nonetheless, it is equally important to see to the, previously discussed, digital maturity level of target groups, as not all customers may be ready for a digital service of this nature. This is when firms, according to the authors of this study, must make a decision whether the benefits of
becoming a MSP exceeds the negative aspects, such as losing some customer groups. The authors of this study claim that the digital aspect is a prerequisite to be a part of a MaaS ecosystem. Even if going digital might entail, for Company X in its current state, a few initial negative consequences, in terms of losing some customers for example, going digital is deemed necessary to be able to evolve and grow as a company operating on a competitive, dynamic market.

Moreover, Högenberg stresses the importance of having an optimized MaaS application in order to add additional value for customers. However, Högenberg argues that it is wrong to focus on applications as they are a specific technology. Instead, he believes the most important aspect to look at is the existing needs on the market. He further expresses an issue with the value proposition of MaaS, that has not been addressed enough, which is in accordance with Giesecke, Surakka and Hakonen (2016). This issue concerns the ability to offer a seamless travel experience, which is considered by the authors (Giesecke, Surakka & Hakonen, 2016) as the main goal with MaaS. To offer customers a seamless operation is one of the goals for Company X by undergoing a digital transformation. The authors of this study do not believe that creating a MaaS application should equal firms integrating existing services into one single application. Instead, if the choice is to create an application, focus should be on optimizing it to the fullest, to ensure that added value is provided to the end-users.

Högenberg asserts that a key aspect to move into new markets successfully is to learn within the organization, which aligns with the previously discussed importance of organizational learning. Since the concept of MaaS is relatively new, the authors of this study assert that it is of the essence to explore and test new possible ways to ensure competitive advantage. This could be achieved by allowing the firm to take risks and test projects in a bid to differentiate itself and not merely imitating current players on the market, in accordance with empirical results. Further, empirical results argue that the drive to change must come from within the organization, and most importantly the management, in order to thrive in a transformation, which is the case for Company X. However, one could argue that firms need to proactively drive the change, meaning that the necessary skills and capabilities must be acquired and understood throughout all levels of the organization. Otherwise, firms might not be able to keep up with the pace of
development occurring on the market. Hence, the importance of organizational learning as a factor of success, is strengthened.

**The Aspect of MSP**

According to the report presented by PwC (2014), the future for rental cars is uncertain, but it indicates that this industry is not far from reaching its declining state. In accordance, Högenberg believes that both car sharing and carpooling will have places on the future market. The interviewed customers of Company X have a positive attitude towards car sharing, claiming that they for instance see a pick-up location closer to home as advantageous. The aspect of car sharing thus enables access and customization, which goes in line with Roger’s (2016) strategies when it comes to reaching out to customers. However, the attitudes towards carpooling are more conflicted, and no real tendencies could be determined regarding this concept. One could argue that car sharing could be the better option to implement, and when referring to the PwC prognosis, the outlook is positive. As the attitudes towards carpooling were conflicted, one must keep in mind that the attitudes could go either way, and therefore further research within the area is necessary before making a decision on implementing a service of this kind. In the end, both carpooling and car sharing are argued, by the authors of this study, to be potential sources of revenue, which is in accordance with the empirical results.

One could argue that in order to offer car sharing services, a firm should make sure that the vehicles have the necessary technology. If that is not the case, one option would be to acquire that function through outsourcing, which is in accordance with one of Grant’s (2015) strategies for exploiting innovation. However, one must have in mind that the risks with outsourcing, such as becoming too dependent on outside suppliers, might outweigh the benefits. Additionally, as previously discussed, one large disadvantage with outsourcing is that it obstructs the organizational learning within a firm, and can thus inhibit innovative ideas from employees to be created. In turn, this affects a firm’s ability to gain sustainable competitive advantage. Furthermore, Company X expresses that the likelihood of becoming a part of a larger MaaS ecosystem is probable, and in this case, it would entail that their strategic path would be in accordance with Grant’s (2015) strategic alliance. The possibility of pooling resources and capabilities with other firms could be a path to follow when wanting to become a MSP and offering car sharing services. For instance, a collaboration with a car manufacturer.
Empirical results suggest that a requirement regarding reaching out to customers, with a MaaS service, is having the right pricing model. This implication is in accordance with Giesecke, Surakka and Hakonen’s (2016) insight regarding mobility services, in terms of convenience and cost. In addition, Markides and Geroski (2005) mean that firms in general could pioneer a new service that embodies new technologies through lowering costs and while increasing the convenience. The authors of this study assert that, in relation to earlier empirical results regarding consumers today becoming more and more loyal towards function, the optimal choice would be to offer a pricing model which enables customers to save costs, which goes in line with literature (Christensen, Raynor and McDonald, R., 2015; Rogers, 2016). One could argue that if a firm enters a market with a service that equals competitors’ services in terms of pricing and level of convenience, it would not offer a value proposition superior to competitors. However, since Company X is linked to strong brands, the other option of offering a higher level of convenience, such as being able to offer more than one car brand, whilst maintaining costs is not excluded. The authors of this study argue that Company X could thus offer a value proposition that stands out on the Swedish market and is differentiated from competitors’ offers. Thus, the importance of adding value to a MaaS service is once again emphasized.

Another aspect of offering a successful MaaS service is, according to both empirical results and Giesecke, Surakka and Hakonen (2016), to offer it in areas with dense populations. The authors of this study are in conjunction with the empirical results and literature, as it is more likely that larger cities that aim at becoming more sustainable have the necessary resources and capabilities to offer integrated MaaS services. Offering a MaaS service in rural areas with less density and other consumer needs would, according to Högenberg, have to be designed differently. In the case of Company X, as a start, urban areas would be of interest if it offers a car sharing service. However, the firm should explore the possibilities and needs of consumers within rural areas as well. Although for the moment, the authors of this study deem urban mobility to be of greater importance.

**Further Aspects to Consider**

Another future aspect to take into consideration is the aspect of AI, and in this case autonomous vehicles. Högenberg believes this concept will affect the entire industry and potentially even the way consumers own cars. However, it is unclear to the authors of this
study in what way autonomous vehicles will change the industry. The authors further argue that the benefits for companies to have autonomous vehicles are uncertain. If a car rental company is to have autonomous vehicles in their offer, it most likely will raise the price of the service for customers, which could negatively affect the overall customer experience. Although, the use of autonomous vehicles could also provide the customer with an additional sense of security, if they are to drive in foreign environments. Nonetheless, the aspect of autonomous vehicles should be kept in mind as it could impact the car rental industry, even if the authors of this study cannot indicate in what way at this stage in time.

An aspect to keep in mind when it comes to MaaS is, according to Högenberg, the concept of leasing. He argues that there exist car rental companies that find value in providing leasing services. However, as the law surrounding leasing is about to change, he believes the number of rental cars will increase in companies. Some customers of Company X are positive to the idea of leasing or renting cars instead of owning them in the future. The authors of this study argue that as the regulation regarding leasing is changing, it might not be profitable to offer this service, since firms must account for the leases. Instead the authors argue for the concept of providing a car sharing service to be relevant. One could argue that since the attitudes of customers were more positive towards car sharing services, and adding the changing regulations on leasing, this kind of service seems to be the option to promote to customers, in addition to classic rental vehicles. A car sharing service would imply for Company X to offer digital solutions throughout the value chain, from booking the vehicle on a mobile application, to the stage of unlocking the vehicle through the application as well. The main challenge for the firm with a car sharing is to ensure that it possesses the technique to enable a service of this kind, and to ensure that the service is operating efficiently.

**Blockchain**

As the empirical results indicate, the new technology, blockchain, is deemed as an important aspect to consider embedding in future digital systems. As Högenberg mentions, the blockchain technology is believed to revolutionize and disrupt the car rental industry by eliminating the need for trust in-between member parties. The authors of this study imply that this new technology could be seen as an element to create added value for both customers as well as companies. This implication is due to blockchain enabling
the elimination of steps within a process connected to trust, and thus enables efficiency. Furthermore, Österman argues that the potential to trace back a source of a problem with the help of blockchain, could also be an aspect of enhancing efficiency. Empirical results mean that a MaaS transportation system must be an efficient system from the start. However, in order to establish an efficient system, the right kind of actors must be acquired. The CEO of Company X expresses a fear connected to being part of an ecosystem of this kind, since if an actor within the supply chain fails to do its part, it would affect the entire value chain. The authors of this study affirm the importance of having a functioning supply chain in order for a firm to be a part of a MaaS ecosystem that ensures that the added value strived for is enabled. One could argue that when implementing blockchain, it could assist with making firms’ internal operations more efficient, as well as identifying and tracing the source of an issue faster within a MaaS ecosystem.

The previously discussed aspect of customer loyalty, is something Högenberg does not believe will be increased by embedding the blockchain technology. However, the authors of this study argue that it may not be a question of increased loyalty at first. It could entail that customers are more likely to turn to the firm where the process is the most efficient. In addition, the aspect of trust being ensured without the presence of a third party could be viewed as an added value, which could create customer loyalty amongst consumers loyal to function. However, customers that have an issue with digital technologies, and trusting technologies, might react in an opposite way, preferring the personal interactions, since blockchain eliminates this aspect.

5.3.1 Further Revised External Perspective
During the analysis of MaaS perspective, the authors of this study have received further insights regarding the factors presented in the external perspective and alterations have been made. The alterations are illustrated in Figure 9 below, where a new factor has been added to the model; Blockchain. The blockchain technology is considered to be an external influence which inflicts additional value exchange between firms and customers. Blockchain is a factor that, the authors of this study mean, could be interpreted as a disruptive factor and a factor that may lead to increased customer loyalty. Even though
this technology has not been explored to the fullest, it should be kept in mind for the future.

As seen in Figure 7, 8, and 9, the authors of this study have revised the analysis model, which was originally illustrated within the Theoretical Framework (see 2.8 Analysis Model). After altering the different perspectives of the analysis model, the complete revised model can be viewed in Figure 10. The authors of this study realized that a few factors affect the digital transformation and the possibility to become a MSP to a greater
extent, than previously anticipated. The authors have illustrated these realizations by enlarging the cogwheels of each affected concept; Dynamic Capabilities, The Role of Data, and Customer Network Strategies. These factors were identified as possessing a more prominent role after analyzing previous literature in relation to the collected empirical data. In addition, the factor of Vision and Blockchain was added to the equation after the impact of these concepts were realized during the process of analyzing the empirical results. The aspect of vision has received a more prominent shade of green, in comparison to the aspect of Blockchain, to emphasize that having a vision should always be present and remind the firm of which direction to follow. Whereas the aspect of Blockchain is considered, by the authors of this study, as a prospect to take into consideration, but that is optional in this stage of time. Thereby, the authors do not exclude that in the future, the aspect of Blockchain might also receive a more prominent shade of green if it disrupts industries and becomes a new standard technology for firms to adopt.
6. Conclusion and Suggestions for Future Research

The aim of the final chapter of this master thesis is to provide answers to the research questions based on the analysis. RQ1 will address the Internal Perspective, RQ2 will address the External Perspective, and RQ3 will address the MaaS Perspective. Following the conclusion of the research question are two sections; one addressing the discussion of the Research Contribution and the other addressing Suggestions for Future Research.

RQ1. What are the most prominent internal factors to take into consideration when undergoing a digital transformation?

The most salient identified internal factor when undergoing a digital transformation is the aspect of having a vision and an objective and to support it. The authors of this study believe that this factor could easily be overlooked by firms under pressure and could result in launching unnecessary projects, which in the end is neither cost nor time efficient. In addition, the management possesses a crucial role in leading the transformation, which is the case with Company X. Although, leaders should be aware of not getting carried away during the process. The aspect of having a vision has been linked to the aspect of stability by the authors of this study. However, organizations must maintain flexibility to some extent in order to respond to changing environments. The vision should be viewed as a stable factor, but the road towards achieving this vision should maintain flexibility to some extent. It is recommended for firms to maintain a balance between the two concepts. An excessive degree of stability inhibits firms from responding to dynamic environments, whilst having too much flexibility might lead to plans being altered without regard to the end objective. Further the aspect of a firm to have a vision is linked to the formulation of strategies regarding innovation exploitation. It is thus argued that entering a new market without adapting the direction in accordance with the established vision might entail unnecessary risks and costs.

Another crucial factor identified in this study is the use of resources enabling internal processes to become more efficient. One of the most salient resources is the knowledge possessed by a firm, due to the aspect of organizational learning being considered as the second step in enabling digitization, the first step being establishing a vision. Further, the authors of this study do not necessarily deem the aspect of acquiring a CDO as a crucial factor when wanting to undergo a digital transformation. Although, it could be a
supporting factor when it comes to integrating the knowledge in-between departments. If a firm does not possess the technological skills required, as with the case of Company X, the authors assert that it is a necessity to either acquire new talent or educate current staff if possible. The aspect of outsourcing is thus not recommended in this specific case. However, outsourcing of standardized processes does not have to be excluded after the internal operations have been trimmed.

The authors of this study have come the conclusion that even though organizational learning plays an important role when it comes to digitizing firms, it is not of use if the firm is not guided by a clear vision. As illustrated in the revised analysis model, the cogwheels do not spin efficiently without a vision in place.

**RQ2. What are the most prominent external factors to take into consideration when undergoing a digital transformation?**

The largest external influence regarding a digital transformation is consumers. The changes in consumer behaviors, due to new digital technologies, create new customer expectations and demands, which further emphasizes the need for companies to adapt accordingly. When making adaptations to one’s business, interacting with customers in various ways is deemed as the most effective source of value creation. Advisedly, firms should therefore aspire to create and sustain a relationship with customers in terms of engagement, collaboration, customization, connection as well as being accessible. In order to create valuable relationships with customers, and building target groups, the need for acquiring and analyzing data plays a crucial role, which further enables firms to identify patterns. In order to provide individualized offers, the creation of target groups is considered a necessity to achieve loyalty. By doing so, the firm may come to realize that not all customers will follow the digital transformation, and thereby it needs to make an assessment of the value that these customers bring to the firm. However, due to the identified tendencies of current customers of Company X, the aspect of having an aligned analog and digital strategy is advised in the short term. Whereas, in the long term the optimal strategy is to have a completely digital business model, in accordance with customers moving towards preferring digital solutions.

Other prominent factors within the external perspective are disruption and the aspect of competition. Competing with other firms on a market where disruption may occur
emphasizes the importance of benchmarking and enabling efficient internal operations. Firms should benchmark themselves with both current competitors and new entrants on a market to ensure that the firm’s position stays competitive. The most salient factor that has created a disruptive environment within the car rental industry is the sharing economy, which has given rise to new customer demands to take into consideration. Firms must thus adapt their current business models to ensure that they can respond to disruption, and one way of achieving that is by offering a completely new, and optimally innovative, value proposition. Another factor that could grow to become disruptive is the aspect of blockchain, which has previously been discussed within the MaaS perspective. However, the authors of this study assert that this factor is not merely applicable within MaaS, this technology could be embedded in almost any digital system. Therefore, blockchain is argued to be a prominent external factor within the aspect of digital transformation as well.

The authors of this study have come the conclusion that even if focus should mainly be on the customer expectations and demands, firms cannot ignore the fact that operating on a dynamic market, involves being prepared to respond to disruption efficiently.

RQ3. How could a firm formulate internal and external strategies to digitally transform its business to become a MSP?

When aspiring to become a MSP, the authors of this study have identified a number of factors. In line with the external perspective, the main factor to always keep in mind is the customer expectations and demands. The authors concluded that in this case, for Company X, the preferred direction to begin with is to offer a car sharing service. However, if the firm aspires to be a part of a larger and functioning value chain, such as a MaaS ecosystem, this possibility should be explored as soon as possible due to the rapid development of MaaS. An alternative to being a part of a MaaS ecosystem, would be to have a strategic alliance with a car manufacturer in order to receive the technical resources necessary. Another possible direction would be to outsource technical functions, though it is not recommended since the aspect of outsourcing inhibits organizational learning and results in dependency on suppliers.

Furthermore, the authors advise that testing a car sharing service by creating a subsidiary could be a way to determine the profitability of establishing a service of this nature. This
way, the firm could protect the current brand and maintain its current services while testing projects. It would thus entail that the firm itself goes through a transition period, but with the reassurance that they will not risk the entire future of the business for the sake of one project.

Value creation is deemed as one of the most salient factors within MaaS, towards both customers and the firm itself. In order for a MaaS system to be considered useful by customers it needs to create added value, compared to similar services offered on the market today. However, creating value might be difficult when starting a new service and serving other target groups than one might have before. It is therefore important to have in mind to proactively collaborate with customers as well as continuously collecting and analyzing data to adapt offerings efficiently. The authors of this study have deemed the blockchain technology as a possible factor which might entail additional value to a firm’s MaaS offerings.

The importance of setting objectives aligned with customer segments is another finding that the authors of this study would like to highlight. The preferred goal for this case study would be to be an early mover in a bid to serve target groups on the MaaS market before too many competitors enter. Especially on the Swedish market, where there is only one identified strong competitor in the car sharing segment. Even though barriers, such as limited use of smartphones, may exist between different target groups, firms should take into consideration the future vision of the firm and build their target groups accordingly. Which, in the end, might entail losing current customers, but also the possibility of gaining others.

### 6.1 Research Contribution

Based on the conclusions, the authors of this study deem the purpose of this thesis to be fulfilled. As the customers’ views can only be regarded as tendencies, the conclusions drawn should be viewed as indications. However, the authors argue that the conclusions have generated a theoretical and empirical contribution. The study has identified prominent internal and external factors of a digital transformation and illustrated the factors according to level of impact. The factors were depicted in the authors’ revised analysis model, *The Wheels of Efficiency*, which further illustrate the theoretical
contribution of this study. These findings are argued to be generalizable across industries where digitalization needs to occur.

The conclusions derived from the analysis regarding the concept of MaaS contribute to an understanding of the identified salient factors. The recommended value proposition in conjunction with the tentative conclusions regarding customer preferences, contribute to provide guidelines for the case company’s future direction. Although, the authors of this study further argue that these implications are not limited to merely be applicable within the car rental industry. The authors assert that these findings could additionally be applied within the car industry as a whole.

6.2 Suggestions for Future Research

Initially, it is suggested that further research should be conducted to address challenges revolving around having a vision, whilst maintaining a balance between flexibility and stability, affects internal and external factors. A research of this nature is becoming increasingly important since digitalization is becoming the new norm for firms across industries, as well as with the rising phenomenon of AI. For the car rental industry, additional research of the possibility to incorporate autonomous vehicles in car renting or car sharing services. This field is developing fast and is connected to many challenges. Here, other factors, such as legal and insurance aspects, will probably adopt a greater role and thus have a larger impact.

In order to receive a deeper understanding for the underlying reason behind changing consumer behaviors in relation to digitalization, the authors suggest that a quantitative research should be conducted. A quantitative research method is recommended in order to be able to draw general conclusions of a population, since this study has been limited to draw tentative conclusions regarding consumers. A research of this nature would allow firms to receive an enhanced overview of potential target groups to build and thereby be able to efficiently adapt to consumers’ transition periods.

Finally, the authors of this study suggest that further research should be conducted on the potential implementation and impact of blockchain within the concept of MaaS and car sharing as well as across other industries.
7. List of References


https://www.ted.com/talks/don_tapscott_how_the_blockchain_isChanging_money_and_business [2017-05-22]


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### 7.1 Interviews


Högenberg, Martin. (2017-04-10). Head of Innovation at CGI. (Enocson, Julia & Söderholm, Linnéa).


Wirkestrand, Marie. (2017-03-17). Senior Manager, Head of Digital Transformation and Innovation at KPMG. (Enocson, Julia & Söderholm, Linnéa).

Appendix A

Interview Guide: Digital Transformation

- What is your current role within the firm and for how long have you worked here?
- What is your previous experience within the field?
- Why do you believe the notion of digitizing is important for firms today?
- Is digitalization a response to disruption?
- What are the benefits of undergoing a digital transformation?
- What challenges exist when undergoing a digital transformation?
- How do you consider digital transformation to be a source of value creation, in terms of both customers and the firm itself?
- What factors contribute to the need for change?
- From your experience, how does consumers approach digitalization in general?
- What kind of customer adapted strategies are necessary in order to reach out to clients and create value during a digital transformation?
- What resources and competences are required, both internally and externally?
- What is, in your opinion, the optimal approach to integrate digital capabilities throughout all levels of an organization?
- What is your opinion regarding the aspect of insourcing, instead of outsourcing?
- How do you approach the idea of hiring a Chief Digital Officer (CDO)?
Appendix B
Interview Guide: Mobility as a Service

▪ What is your current role within the firm and for how long have you worked here?
▪ What is your previous experience within the field?
▪ Would you consider the notion of Mobility as a Service as disruptive?
▪ What are considered as the most prominent factors that have led to the development of MaaS?
▪ What are the first or crucial steps for a company to become an MSP?
▪ How do you think the transformation of a traditional car rental company to an MSP will affect the different levels of the organization, both internally as well as externally?
▪ What is the role of consumers in terms of developing MaaS?
▪ How does one successfully reach out to customers and ensure customer value?
Appendix C

Interview Guide: The Case Company

- What are the underlying factors for undergoing a digital transformation within this firm?
- What is your vision and/or objectives with undergoing a digital transformation?
- Why do you believe that transforming the business digitally solves the firm's current problems?
- Regarding the organization, what departments does the firm currently possess (R&D, E-commerce etc.)?
- How do you reach out to customers today (Presence on social media platforms, newsletters)?
- You want to transform your business into becoming a Mobility Service Provider (MSP), but how would you define the concept of MSP?
- Do you consider the offered service in the future to be limited to MSP, and completely end vehicle renting?
Appendix D
Interview Guide: Customers of Company X

- For what purpose are you renting a car today?
- Do you always rent a car with the same company?
- Are you a member of the Company X loyalty program?
- Which is your most used method for booking a rental vehicle?
- Which of the following options reflects the best on how many times a year you rent a car? 1-5, 5-10, 10-15 or 15+?
- Do you find it tedious to rent a car?
- Would you prefer to pick up and drop off your vehicle at a location best suited for you (e.g. close to home)?
- Would you be open to sharing a car (and the cost) with someone heading the same way?
- Would you be open to renting a car by the hour (car sharing service)?
- Would you prefer to handle all steps of renting a car - booking, pick-up, unlocking and returning, digitally?
- Do you feel that it is necessary to receive personal service when renting a car?
- In the future, would you consider renting/leasing a car when in need, instead of owning your own?
## Appendix E
### List of Interviews

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<th>Interview method</th>
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<td>2017-03-07</td>
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