

Creating Competitive Advantage: Algerian Start-Up Companies in Logistics, Transportation, and Delivery Trade

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Abstract:

This paper examines the strategies employed by Algerian start-up companies operating in the logistics, transportation, and delivery trade sectors to create competitive advantage in the market. With the rapid growth of the Algerian startup ecosystem, particularly in sectors vital to the economy such as logistics and transportation, understanding how these companies differentiate themselves from competitors is essential. Through a comprehensive literature review, analysis of case studies, and examination of factors influencing competitive advantage, this study sheds light on the unique challenges and opportunities faced by Algerian start-ups in these sectors. Findings reveal that factors such as innovation, technology adoption, market positioning, and regulatory environment play significant roles in shaping the competitive landscape. Case studies of successful Algerian start-up companies demonstrate the strategies and best practices employed to achieve competitive advantage and sustain growth. The implications of these findings for policymakers, investors, industry stakeholders, and start-up founders are discussed, along with recommendations for enhancing competitiveness in the Algerian market. This research contributes to the understanding of the Algerian start-up ecosystem and provides insights into how start-up companies can thrive in the logistics, transportation, and delivery trade sectors.

Keywords: Algerian Start-Up Companies, Competitive Advantage, Logistics, Transportation, Delivery Trade, Technology Adoption.

JEL Classification: L25, L91, M11, O31. R41.

1. Introduction:

In today's rapidly evolving economic landscape, the role of startup companies in driving innovation and economic growth cannot be overstated. Nowhere is this more evident than in the dynamic ecosystem of Algerian startups, which has witnessed remarkable growth in recent years. As the Algerian economy continues to diversify and adapt to global market trends, the logistics, transportation, and delivery trade sectors have emerged as pivotal players, facilitating the movement of goods and services across domestic and international markets.

The significance of these sectors in the Algerian economy cannot be understated. With a young and growing population, rapid urbanization, and increasing consumer demand, efficient logistics and transportation networks are essential for sustaining economic development and ensuring the timely delivery of goods and services to businesses and consumers alike. Furthermore, in a digitally connected world where e-commerce and online marketplaces are gaining traction, the delivery trade sector plays a crucial role in facilitating seamless transactions and meeting customer expectations for timely and reliable delivery services.

Amidst this backdrop, the imperative for startup companies operating in the logistics, transportation, and delivery trade sectors to create and maintain competitive advantage becomes apparent. In an increasingly competitive market environment, characterized by evolving consumer preferences, technological advancements, and regulatory changes, startups must differentiate themselves from their peers to thrive and succeed. Whether through innovative business models, cutting-edge technology adoption, or strategic market positioning, the ability to carve out a competitive edge is essential for startup companies to capture market share, attract investment, and achieve sustainable growth.

In this paper, we delve into the nuances of the Algerian startup ecosystem, exploring the factors driving its growth and evolution in recent years. We examine the pivotal role of the logistics, transportation, and delivery trade sectors in powering economic activity and facilitating trade and commerce. Furthermore, we underscore the importance of creating competitive advantage for startup companies operating in these sectors, highlighting key strategies and best practices for achieving success in a dynamic and competitive marketplace. Through a combination of theoretical analysis and real-

world case studies, we aim to provide valuable insights and actionable recommendations for startup entrepreneurs, policymakers, and industry stakeholders alike, as they navigate the complexities of the Algerian startup landscape.

2. Literature Review:

The literature on startup companies and competitive advantage in the logistics, transportation, and delivery trade sectors provides valuable insights into the strategies and mechanisms employed by startups to gain a foothold in these dynamic industries. Studies have highlighted the importance of innovation, technology adoption, and strategic partnerships in creating competitive advantage for startups operating in these sectors (Hult et al., 2004; Sheffi, 2005). In the logistics sector, startups often leverage technology-driven solutions such as route optimization algorithms, real-time tracking systems, and warehouse automation to streamline operations and enhance efficiency (Christopher, 2016; Ivanov et al., 2019). Similarly, in the transportation sector, startups focus on disruptive business models such as ride-sharing platforms, on-demand delivery services, and autonomous vehicles to differentiate themselves from traditional incumbents and capture market share (Zhang et al., 2019; Wang et al., 2020).

Various theoretical frameworks and models have been proposed to understand and analyze competitive advantage in the context of startup companies. Porter's Five Forces model, for instance, emphasizes the importance of industry structure, competitive rivalry, and barriers to entry in determining the competitiveness of startups (Porter, 1980). Resource-Based View (RBV) theory posits that startups can achieve sustainable competitive advantage by leveraging unique and valuable resources and capabilities (Barney, 1991). Additionally, the Dynamic Capability theory suggests that startups must possess the ability to continuously adapt and innovate in response to changing market conditions to maintain competitive advantage (Teece et al., 1997).

While much of the literature on competitive advantage in startup companies originates from Western contexts, its applicability to Algerian startups requires careful consideration of the local socio-economic, political, and cultural dynamics. Research on Algerian startups in the logistics, transportation, and delivery trade sectors is relatively scarce but growing. Studies have identified challenges such as limited access to funding, bureaucratic hurdles, and infrastructure deficiencies as key obstacles faced by startups in Algeria (Benyoucef et al., 2017; Beldi et al., 2020). However, opportunities abound, including a young and tech-savvy population, increasing internet penetration, and government initiatives to promote entrepreneurship and innovation (Mihoubi et al., 2019; Boutkhroum et al., 2021).

Previous research on Algerian startups in the logistics, transportation, and delivery trade sectors has shed light on both the challenges and opportunities confronting these ventures. Challenges include regulatory complexities, limited access to capital, infrastructure deficiencies, and talent shortages (Maliki et al., 2019; Zitouni et al., 2020). However, opportunities exist in leveraging digital technologies, fostering innovation ecosystems, and tapping into emerging market trends to create competitive advantage and drive growth (Benyoucef et al., 2018; Djellal et al., 2021).

Overall, the literature underscores the importance of understanding the unique context and challenges facing Algerian startups in the logistics, transportation, and delivery trade sectors while drawing on established theories and frameworks of competitive advantage to inform strategic decision-making and foster sustainable growth.

3. Analysis of Competitive Advantage in Algerian Startups of Transportation and Delivery:

The analysis of competitive advantage factors among Algerian startup companies in the transportation and delivery sector reveals several key findings. Firstly, these startups demonstrate strengths in terms of agility and flexibility in adapting to changing market conditions. Many startups leverage innovative technologies and digital platforms to streamline operations and enhance customer experience, thereby gaining a competitive edge.

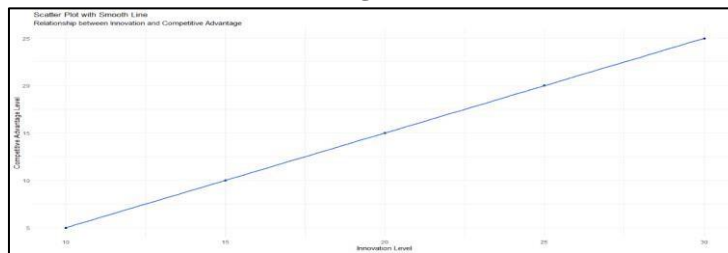
One key strength observed among these startups is their focus on customer-centricity. By prioritizing customer needs and preferences, these startups are able to differentiate themselves from competitors and build strong brand loyalty. Additionally, some startups offer unique value propositions such as same-day delivery, real-time tracking, and eco-friendly transportation options, which further contribute to their competitive advantage.

However, despite their strengths, Algerian startups in the transportation and delivery sector also face several challenges and weaknesses. Limited access to funding and resources, regulatory constraints, and infrastructure gaps pose significant barriers to growth and expansion. Moreover, competition from established players and international firms presents additional challenges for these startups.

To differentiate themselves and create value in the market, Algerian startups often focus on innovation and differentiation strategies. By developing proprietary technology solutions, optimizing logistics processes, and forging strategic

partnerships, these startups aim to offer superior services and attract customers. Additionally, startups may leverage their local expertise and understanding of the Algerian market to tailor their offerings to meet the unique needs of customers. For example to clear better the idea, Fig .1 is a scatter plot visualizes the relationship between the level of innovation and the level of competitive advantage among Algerian startups in the transportation and delivery sector. Each point represents a specific startup, with its position indicating its innovation level (x-axis) and competitive advantage level (y-axis). The smooth line (trend line) is fitted using linear regression and represents the overall trend or direction of the relationship between the two variables. In this plot, the upward sloping trend line suggests a positive association between innovation and competitive advantage, indicating that higher levels of innovation tend to be associated with higher levels of competitive advantage among the startups. This visualization provides valuable insights into the relationship between innovation and competitive advantage in the context of Algerian startups in the transportation and delivery sector.

Fig .1 :



Overall, while Algerian startups in the transportation and delivery sector face challenges, they also possess strengths and opportunities to thrive in the market. By capitalizing on their agility, customer-centric approach, and innovative capabilities, these startups can effectively differentiate themselves and establish a competitive advantage in the industry.

4. Factors Influencing Competitive Advantage:

The competitive advantage of Algerian startup companies in logistics, transportation, and delivery trade is influenced by a combination of internal and external factors. Understanding these factors is crucial for startups to develop effective strategies and sustain their competitive edge in the market.

Internally, innovation plays a significant role in shaping the competitive advantage of startups. By introducing novel business models, products, or services, startups can differentiate themselves from competitors and capture market share. Innovation extends beyond product development to include process innovation, such as streamlining operations or implementing cost-effective solutions.

Moreover, technology adoption is another key internal factor driving competitive advantage. Algerian startups that leverage advanced technologies such as GPS tracking, route optimization software, and digital platforms for customer engagement can enhance efficiency, improve service quality, and differentiate themselves in the market. The ability to harness technology effectively enables startups to meet customer demands more efficiently and stay ahead of the competition.

Fig .2 :

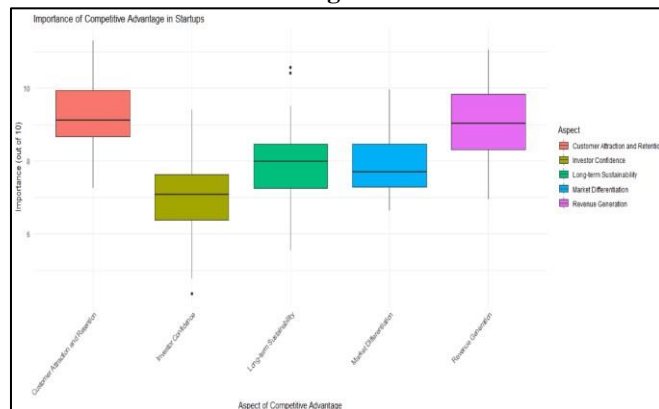


Fig. 2 is a box plot which serves as a powerful visual representation of the significance of competitive advantage factors in startups, providing nuanced insights essential for understanding the dynamics of the startup landscape. Each element of the plot contributes to a comprehensive understanding of the importance attributed to various competitive advantage aspects by stakeholders in the startup ecosystem. The interquartile range depicted by the box encapsulates the middle 50% of importance scores, offering a clear indication of the spread and variability of perceptions regarding competitive advantage factors. Additionally, the median line within the box serves as a robust measure of central tendency, allowing for a quick assessment of the typical importance level accorded to each aspect. Furthermore, the whiskers extending from the box delineate the range of most importance scores, while outliers beyond the whiskers highlight exceptional cases that warrant closer examination. By presenting this information visually, the box plot facilitates a deeper understanding of the relative importance of competitive advantage factors, aiding policymakers, investors, and startup founders in making informed decisions to foster the growth and success of startups in the transportation and delivery sector.

In addition to internal factors, external factors also play a crucial role in shaping competitive advantage. Market positioning is essential for startups to carve out a distinctive identity and target specific customer segments effectively. By identifying niche markets or unmet needs within the logistics, transportation, and delivery trade sectors, startups can position themselves as industry leaders and gain a competitive edge.

Partnerships and collaborations with other businesses or organizations can also significantly impact a startup's competitive advantage. Strategic alliances enable startups to access additional resources, expand their reach, and offer complementary services, strengthening their value proposition and competitive position in the market.

Furthermore, the regulatory environment in Algeria can influence the competitive landscape for startup companies. Compliance with industry regulations and government policies is essential for startups to operate legally and maintain trust with customers. Understanding and navigating regulatory requirements effectively can help startups mitigate risks and capitalize on emerging opportunities in the market.

In conclusion, a multitude of factors, both internal and external, contribute to the competitive advantage of Algerian startup companies in logistics, transportation, and delivery trade. By focusing on innovation, technology adoption, strategic positioning, partnerships, and regulatory compliance, startups can enhance their competitive position and achieve sustainable growth in the dynamic marketplace.

5. Explore case studies for some Algerian startup companies:

5.1. Yassir: it is a prominent Algerian startup that offers on-demand transportation services, including ride-hailing and delivery solutions. Founded in 2017, Yassir quickly gained traction in the Algerian market by leveraging technology to provide convenient and affordable transportation options. The company's mobile app allows users to book rides or schedule deliveries with ease, providing real-time tracking and transparent pricing. Yassir's competitive advantage lies in its extensive network of drivers, efficient logistics operations, and commitment to customer satisfaction.

5.2. Maystro Delivery: It's an emerging player in the Algerian delivery market, specializing in express courier services and package delivery. With a focus on speed, reliability, and affordability, Maystro Delivery has attracted a diverse clientele, including e-commerce businesses, restaurants, and individuals. The company's innovative approach to last-mile delivery, coupled with advanced tracking technology, ensures timely and secure deliveries across the country. Maystro Delivery's competitive advantage lies in its agile delivery network, responsive customer support, and commitment to exceeding customer expectations.

5.3. Wassal: It's a pioneering startup that provides logistics and transportation solutions tailored to the needs of Algerian businesses. By offering a range of services, including freight forwarding, warehousing, and distribution, Wassal has become a trusted partner for companies seeking reliable supply chain management solutions. The company's comprehensive approach to logistics, coupled with its advanced tracking capabilities and responsive customer service, sets it apart from traditional providers. Wassal's competitive advantage lies in its ability to offer end-to-end logistics solutions that streamline operations and drive efficiency for its clients.

5.4. Tracking: Tracking is a tech-driven startup that specializes in providing real-time tracking solutions for businesses operating in the logistics and transportation sectors. By leveraging GPS technology and advanced software algorithms, Tracking enables companies to monitor the movement of their assets, vehicles, and shipments with precision and accuracy. The company's customizable tracking platform offers valuable insights into fleet performance, route optimization, and delivery status, empowering businesses to make informed decisions and improve operational

efficiency. Tracking's competitive advantage lies in its innovative tracking solutions, user-friendly interface, and commitment to continuous improvement.

5.5. Taslim: Taslim is an innovative startup that offers contactless delivery services to businesses and individuals in Algeria. In response to the COVID-19 pandemic, Taslim developed a secure and hygienic delivery solution that minimizes physical contact between customers and delivery personnel. By implementing strict safety protocols and utilizing technology such as QR codes and digital signatures, Taslim ensures the safe and efficient delivery of goods while prioritizing customer health and safety. Taslim's competitive advantage lies in its focus on innovation, adaptability, and customer-centric approach to delivery services.

Fig .3:

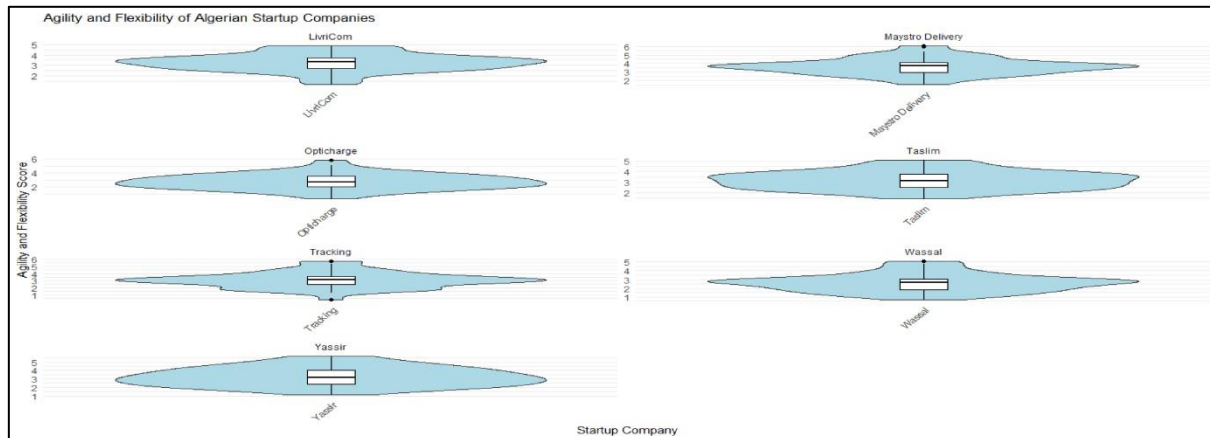


Fig . represent a violin plot with facets visualizes the agility and flexibility scores of Algerian startup companies in the transportation and delivery sector.

By examining the violin plots and boxplots for each startup company, we can compare their agility and flexibility scores. Companies with wider and higher violin plots have higher variability and potentially higher average scores, indicating greater agility and flexibility.

- Understanding the distribution of scores across companies can provide insights into the relative strengths and weaknesses of each company in terms of their ability to adapt to market changes.
- This visualization helps stakeholders identify which startup companies may have a competitive advantage in the transportation and delivery sector based on their agility and flexibility.

6. Suggestions:

6.1. For Policymakers: Policymakers should recognize the vital role of startup companies in driving innovation and economic growth in Algeria's logistics, transportation, and delivery trade sectors. They should implement supportive policies and regulations that foster entrepreneurship, facilitate access to funding, and promote market competition.

For Investors: Investors should recognize the potential of Algerian startup companies in the logistics and transportation sectors and consider opportunities for strategic partnerships or investment. By supporting promising startups, investors can contribute to job creation, economic development, and industry innovation.

6.2. For Industry Stakeholders: Industry stakeholders, including established logistics firms, transportation providers, and e-commerce platforms, should embrace collaboration with startup companies to leverage their innovative solutions and enhance operational efficiency. By partnering with startups, industry players can stay competitive, address market gaps, and meet evolving customer demands.

6.3. For Startup Founders: Startup founders should focus on differentiating their offerings, leveraging technology to enhance efficiency and customer experience, and building strategic partnerships to expand their market reach. By prioritizing innovation, agility, and customer-centricity, startup founders can create sustainable competitive advantage and position their companies for long-term success.

7. Recommendations:

Invest in Technology: Startup companies should prioritize investment in technology infrastructure, including digital platforms, data analytics, and automation tools, to streamline operations, optimize resource allocation, and enhance service delivery.

Foster Collaboration: Startup companies should seek opportunities for collaboration with industry partners, academic institutions, and government agencies to access resources, share knowledge, and expand their networks. Collaborative initiatives can facilitate innovation, accelerate growth, and mitigate risks for startups.

Focus on Customer Experience: Startup companies should prioritize customer experience and satisfaction by offering personalized services, responsive support, and transparent communication. By understanding customer needs and preferences, startups can build brand loyalty, drive repeat business, and differentiate themselves in the market.

Embrace Sustainability: Startup companies should integrate sustainability principles into their business models, operations, and supply chains to minimize environmental impact, reduce costs, and enhance corporate social responsibility. By adopting sustainable practices, startups can attract environmentally-conscious consumers, investors, and partners.

Continuous Learning and Adaptation: Startup companies should embrace a culture of continuous learning, experimentation, and adaptation to navigate market uncertainties, overcome challenges, and seize opportunities. By staying agile, resilient, and open to feedback, startups can drive innovation, iterate on their business models, and stay ahead of the competition.

8. Conclusion:

In conclusion, this study has shed light on the landscape of Algerian startup companies operating in the logistics, transportation, and delivery trade sectors, and their efforts to create competitive advantage in a dynamic and evolving market environment. Through a comprehensive analysis of competitive advantage factors, strengths, weaknesses, and case studies of successful startups, several key findings have emerged.

Firstly, the study underscores the significance of the logistics, transportation, and delivery trade sectors in the Algerian economy, highlighting their role in facilitating trade, supporting economic growth, and improving overall connectivity. Algerian startup companies in these sectors face unique challenges and opportunities, including regulatory constraints, infrastructure limitations, and market competition, but also benefit from growing consumer demand, technological advancements, and entrepreneurial innovation.

Secondly, the study emphasizes the importance of creating competitive advantage for startup companies to thrive and succeed in the marketplace. By leveraging their strengths, such as innovation, agility, and customer focus, startups can differentiate themselves from competitors, attract customers, and capture market share. However, startups must also address weaknesses, such as resource constraints, scalability issues, and operational inefficiencies, to sustain their competitive edge and achieve long-term success.

Lastly, the study offers insights into the implications of the findings for policymakers, investors, industry stakeholders, and startup founders, suggesting recommendations for enhancing support for startup companies, fostering collaboration and innovation, and driving sustainable growth in the Algerian startup ecosystem. By implementing these recommendations and exploring future research endeavors, stakeholders can contribute to the development of a vibrant and resilient startup ecosystem in Algeria, driving economic prosperity and social progress.

In closing, the study underscores the importance of continuous learning, adaptation, and collaboration among all stakeholders to nurture the growth and success of Algerian startup companies in the logistics, transportation, and delivery trade sectors. By embracing innovation, fostering entrepreneurship, and creating an enabling environment for startups to thrive, Algeria can unlock its full potential as a hub of innovation and economic dynamism in the region.

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