Lalamove Transport and Freight App: Murder or Suicide?

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EXECUTIVE SUMMARY

Lalamove, as the Chinese internet freight industry leader, provides a variety of services such as same-city and cross-city freight, corporate version of logistics services, moving, and car aftermarket. On February 6th, 2021, a 23-year-old girl, Che Sasha, jumped to her death while riding in a Lalamove van to her moving destination. The incident was posted on the internet on February 21st and sparked huge controversies. As more information was revealed, supporters of the driver and the female passenger were divided. Ultimately, the driver was sentenced to manslaughter, and Lalamove rectified its safety management.

BRAND BACKGROUND

Lalamove (or Huolala in Chinese) is an internet freight transportation platform engaged in same-city and cross-city freight transportation, enterprise version logistics services, moving, less-than-truckload cargo transportation (LTL), car rental and sale, and car aftermarket services. In December 2013, Shing Yuk Chow, the founder of Lalamove, anticipated building a convenient, technological, and reliable logistics mall that can dispatch various vehicles to provide efficient logistics solutions for individuals, merchants, and enterprises based on mobile Internet big data and artificial intelligence technology. As a result, Lalamove was founded in Hong Kong. In the next year, Lalamove expanded overseas and to mainland China. Lalamove started its trial operation in the Great Bay Area at first. In 2015, it further extended to Beijing, Shanghai, and other second-tier cities in China. By October 2021, Lalamove had covered 352 cities in mainland China, with around 660,000 monthly active drivers and nearly 8.4 million monthly active users (Lalamove, n.d.). In less than seven years, the estimated market value of Lalamove is more than ten billion US dollars (Awtmt, 2021). As a result, Lalamove is regarded as the super unicorn in the

freight industry. Lalamove's business model relies on the sharing mode. This company integrates the scattered drivers in society to establish a mass reserve of transportation resources. Hence, Lalamove charges fees from both sides. The drivers must register as members, and the level of membership determines the number of orders that a driver can take every day. On the other hand, Lalamove will draw commission from consumers' orders by matching the nearest trucks at an acceptable price (Tech Planet, 2021).

From Gambler to Entrepreneur: The Legendary Experience of Shing Yuk Chow

The founder's trait will influence a company's operational style to a great extent, especially during the startup phase. So was Lalamove. Hence, this section begins with the legendary experience of Shing Yuk Chow - the founder of Lalamove.

Shing Yuk Chow was born in Jieyang, Guangdong. His father used to be a Chinese teacher in the local school, but he quit this decent job and became a factory worker in the New Territories, Hong Kong, in 1980. Therefore, Shing Yuk Chow moved to Hong Kong with his family. As immigrants, they lived in temporary housing areas on a tight budget. Hence, Shing entered Sha Tin Government Secondary School, a nearby public school that charged no fee. At that time, Hong Kong students should pass the Hong Kong Certificate of Education Examination, which allowed students to choose six to ten subjects out of thirty-nine. If a student obtained ten A-level grades on this exam, he or she would be the top scorer. Usually, only students from famous schools in Kowloon can receive this honour. Unexpectedly, Shing achieved this glory, although he never became the top three students in his school before this exam (Wu, 2021).

Because of his academic achievement, he was recommended to the University of California, Los Angeles, with a scholarship. Nevertheless, he eventually settled at Stanford University, studying Physics. He transferred to Economics a year later because "every physics problem has model answers, which is boring," as he stated. After graduation, he was employed by Bain & Company, one of the top management consulting companies in the world. This company paid him more than a million HK dollars a year but still failed to save him from leaving. Shing remarked that his treatment at Bain & Company was good, but he did not feel excited (Eastweek, 2015).

Set back from the admired elite life, Shing was obsessed with poker. From 2002 to 2006, Shing input ten to twelve hours on Texas Poker online. With the help of statistical software, Shing analyzed and reviewed every game and quickly became a full-time poker. At first, he had to support his life with previous savings. Gradually, he could calculate the win rate per hand (Yu, 2021). Unfortunately, the Council of the United States introduced the Unlawful Internet Gambling Enforcement Act in 2006. This act prohibits certain forms of online gambling businesses, including Texas Poker. This act led to the near-collapse of the entire online gambling ecosystem as the capital flow was cut off. In response to this policy, Shing went to Macao. In 2009, Shing won 30 million Hong Kong dollars from Macao (Chiang, 2021).

Shing's adventurous spirit reflects Lalamove's development. Lalamove seizes the dominant market share as a latecomer due to his aggressive expansion strategy. Nevertheless, it is too anxious for quick results, which leads to security loopholes and forebodes the occurrence of subsequent issues.

From Late Comer to Industry Leader: The Growth of Lalamove

The Chinese mobile internet industry boomed in 2013 (Iimedia, 2022). Shared travel platforms such as Uber and Didi popped out and occupied the market immediately. Shing Yuk Chow alertly sniffed this business opportunity and planned to set up a freight company. Shing said in an interview, "Logistics is