A STUDY OF E-BUSINESS READINESS OF INDIAN CAR INDUSTRY

By

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Thesis is Submitted
in fulfillment of the requirements for
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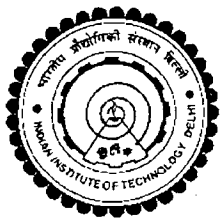

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CERTIFICATE

The thesis entitled **"A STUDY OF E-BUSINESS READINESS OF INDIAN CAR INDUSTRY"** being submitted by **MR. SWAPAN KUMAR MAJUMDAR** to the Indian Institute of Technology, Delhi, for the award of the degree of **DOCTOR OF PHILOSOPHY (Ph.D.)**, is a record of *bona fide* research work carried out by him. He has worked under my supervision, and has fulfilled the requirements for the submission of this thesis, which has attained the standard required for a Ph.D. degree of the institute. The results presented in this thesis have not been submitted elsewhere for the award of any degree or diploma.

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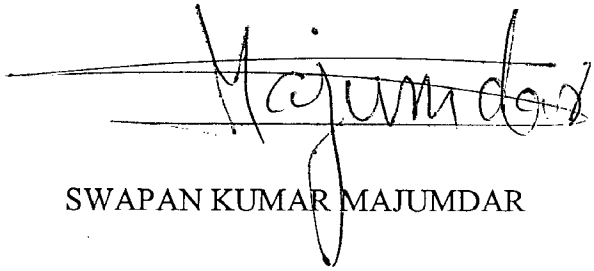

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ABSTRACT

This study presents a research work that was undertaken to understand the attitudes and exposures of Indian customers in Internet shopping, the equipping and experience of car dealers in Internet selling, and the commitments of Indian car manufacturers towards the deployment of eBusiness technology for retailing of cars.

Three-stage methodology was deployed to address various issues of the study. *First stage* was action oriented prior research – the development of a research car portal, www.phdcar.com, to feel and experience the real activities and research issues eBusiness in car industry. *Second stage* was collection of field data by conducting India-wide surveys among the prospective customers, dealers and manufacturers of car to gather factual and behavioural information about their perceptions and equipping towards the use Internet and eBusiness technology as business enabler. *Third stage* consisted of development of descriptive case studies and SAP-LAP analysis of the situation, processes and actions relationships of three-selected car companies and to suggest strategies for gaining sustainable competitive advantage.

Statistical analysis of customers' data revealed that age, occupation and sex significantly influence individuals' attitudes towards eBusiness. The number one advantage of Internet shopping is convenience and there is a significant relationship between the availability of home-Internet connectivity and Internet shopping. Younger generation and women have positive mental attitudes towards eBusiness than their older counterparts and men respectively. Dealers data indicated that there is

a positive correlation between "Construction of Dealers' Website" and "Dealers Who Sold Goods & Services through the Internet". Websites increase car-dealers' capacity to attract customers through the Internet. Similarly, the collation of expert panel's opinion indicated that car-assembling is a multi-chain-activity business and it has **high potential for eBusiness**. On the preparation front, **it was observed** that only one car manufacturer, Mahindra and Mahindra is ready to provide a full spectrum of eBusiness services, while Telco and Maruti are ready for B2B transactions and the others remain non-committal.

Three cases were developed for Maruti, Daewoo and Toyota. The case analysis reveals that carmakers that deployed eBusiness technology were quite successful to reduce time, cost and improve the quality of their processes by the application of eBusiness technology. Maruti's Extranet for dealers reduced the cycle time, cost of vehicle delivery and enhanced the quality of services. Daewoo's 24 hours Tele-customer servicing helped them provide better customer services at less cost.

Synthesis of the findings indicates that eBusiness does not change the basic value of the business nor its entities; it only changes the media, and operating processes of business. Thus eBusiness will make the traditional car retailing system more efficient, flexible and customer centric. Thus to gain strategic advantage it is recommended that each carmaker must plan to deploy eBusiness differently. To maximize gain, carmakers must focus and deploy eBusiness technology to such business processes, which have the power to produce maximum long-term benefits.

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