



Universität Zürich

Institut für Strategie und Unternehmensökonomik
Lehrstuhl für Services- und Operationsmanagement

Seminar in Services- und Operationsmanagement (FS 2009): Changing Organisational Models in Car Distribution

- Zeit:** Kick-off 20. und 21. Februar 2009 (Teil I),
Abschlussworkshop 24. und 25. April (Teil II)
- Ort:** Seminarraum PLM-4-423, Plattenstr. 14, 8032 Zürich
- Anmeldung:** Bitte melden Sie sich ab dem 10. Januar bei Karina Rothenari
(sekretariat.dietl@isu.uzh.ch) mit Wunschthema,
Name, Emailadresse, Matrikelnummer und Ihrer Studienrichtung an.

Die Teilnehmerzahl ist beschränkt. Im Falle von Überschussnachfrage behalten wir uns eine Selektion der Teilnehmer vor.

Anmeldeschluss: 14. Februar 2009

Leistungsnachweis: Seminararbeit, Präsentation (zum zugeteilten Thema, Dauer ca. 20 Min. plus Diskussion) und Diskussionsbeiträge; das Seminar wird in englischer Sprache abgehalten.

Es besteht Anwesenheitspflicht.

Seminararbeit:

- **Abgabetermin** 4. Mai 2009, Bearbeitungszeit 10 Wochen

Abgabe von zwei gedruckten Exemplaren am Lehrstuhl-Sekretariat (Plattenstrasse 14, 8032 Zürich). Bitte schicken sie ausserdem eine PDF-Version der Arbeit an panlang.lin@isu.uzh.ch.

- **Gestaltung** Der Umfang der Arbeit sollte ca. 12, maximal 15 Seiten betragen. Bezüglich der Formatierung ist vorgegeben: Schrifttyp Times New Roman, 12 pt., Zeilenabstand 1,5-fach, Ränder 3 cm.

Die Arbeit muss den Richtlinien des wissenschaftlichen Arbeitens entsprechen. Informationen hierzu finden Sie auf unserer Homepage unter <http://www.isu.uzh.ch/cms/som/SEMDIPL.html>

Beachten Sie: Die angegebene Literatur dient als Einstieg in die Thematik. Wir erwarten, dass eine intensive Literaturrecherche (Bibliothekskatalog, etc., und nicht nur eine "google-Recherche") bei der Themenbearbeitung vorgenommen wird.



Changing organisational models in car distribution

The course deals with recent trends and developments in the distribution sector of the European automobile industry with the focus on new forms of organising value adding activities. Current developments indicate changing competitive landscapes and new relationships between actors in this sector. Automobile manufacturers have heavily restructured their value activities and processes recently and these activities are ongoing.

While in production, manufacturers reduced manufacturing depth and intensified the work with system integrator suppliers who got extensive quality, quantity, time and cost responsibilities for assembly groups or modules and sometimes even for complete models, sustainable changes are recently happening in the area of distribution: Large multi-brand dealer groups gained importance and took over functions which were previously fulfilled by the automobile manufacturers themselves. Traditional family businesses had to struggle to survive, new models to bundle resources as a consequence came into being.

New relevant actors have to be considered such as manufacturer-independent banks and leasing firms that offer distribution services besides their traditional financial products (e.g., complete mobility solutions including new car ordering, fleet management up to re-marketing of the car). These services gain strategic importance with the growing share of business customers in Europe. Private customers then again are increasingly buying young used cars instead of new ones. In the consequence car distribution becomes more fragmented with impacts on customer expectations and products and services. Today, many distributor groups work together with the increasing and strategically very important segment of business customers and less focus on private end customers.

These are only a couple of trends that do indicate that further investigating this field may be a fruitful area of research regarding established and new forms of organisations.

The following research topics are to be investigated. The seminar is structured into three core topics. Regarding these core topics the participants have to go into depth into one specific sub-topic each. Relevant questions regarding these topics are outlined below to illustrate possible avenues of investigating these topics.

CORE TOPIC A: Reconfiguration of new car retailing

Sub-topic 1: The market environment of car retail in Europe

- What are recent developments and trends in new car distribution? What are the key market characteristic with regard to the European markets?
- How has the traditional franchised dealer system changed over years and what are the key challenges for this established way to organise new car retailing?
- Which political, economic, socio-economic or technical triggers can you systematically identify and specify regarding their impact on car distribution in the investigated markets? Which implications may these trends and developments have on the market structure, customer expectations and on products and services?
- What are the consequences for the competitive landscape and for the existing actors in car distribution?
- From this market based perspective what are the inherent opportunities and threats for the key players in car distribution?



Sub-topic 2: Actors in European car retail sector and their resources and capabilities

- How can the different types of players in new car distribution be systematized? What are the distinctive characteristics?
- How did these players change over time and what retail model is recently under pressure and which is supported?
- What resources and capabilities are strategically important for the different players?
- How to overcome restrictions on resources and capabilities?
- What strategic perspectives do traditional family businesses have in such a market context and in front of such resource requirements?

Sub-topic 3: "Multi-franchising in new car distribution: Models and Synergies"?

- What synergies can be obtained by multi-franchising concepts?
- What types of multi-franchising are possible?
- What is the most established form of multi-franchising in European car distribution?
- What innovative approaches of car distribution can be found in terms of multi-franchising concepts in both market areas the European and the US markets?
- What type offers which synergy effects?
- What are the inherent threats of different types of multi-franchising?
- What are the implications on the competitiveness of the concept?

Sub-topic 4: Case Study "Pendragon: An international multi-franchise group"

- What are the characteristics of Pendragon (e.g., market position, relevant activities, products, development)?
- Which are the opportunities and threats of the competitive environment?
- Which are strengths and weaknesses of Pendragon, which are the relevant resources and capabilities?
- What are the strategic implications from the undertaken analyses for this dealer type in new car retail?

Sub-topic 5: Case Study "Aventi AG: Facing future challenges through alliances"

- What are the characteristics of the Aventi AG (e.g., market position, relevant activities, products, development)?
- Which are the opportunities and threats of the competitive environment?
- Which are strengths and weaknesses of the Aventi AG, which are the relevant resources and capabilities?
- What are the strategic implications from the undertaken analyses for this dealer type in new car retail?



CORE TOPIC B: Why does it make a difference to sell used cars?

Sub-topic 6: The market environment for selling used cars in Europe

- What distribution structures can be found on different used car markets? The aim is to compare the markets with regard to the dominance and influence factors on the used car sector as well as the profitability.
- Why is the used car market much more complex in terms of actors and activities?
- What distinctive characteristics can be identified in terms of the existing actors in the market?
- How and by whom are functions fulfilled and processes coordinated and organised? Both, wholesales and retail activities have to be under consideration.
- What is their relevance and evolution in the European market?
- What strategic outlook for the different players?

Sub-topic 7: Used cars: selling products, selling services or both?

- What are the underlying product characteristics of a used car?
- What makes it different from new cars and why are services a core ingredient of selling used cars?
- What used car segments can be systematized and what are the inherent customer expectations?
- How can the so-called lemon problem be solved?
- Which role do services around the product such as financing or repair play in this context?
- Which strategic approaches to used car sale result from the undertaken investigation of product characteristics? Which impact do product specificities have on the organisational forms to be suggested?
- Outline a continuum between pure selling (specialisation) and all-inclusive packages (generalists) and try to establish a criteria catalogue that helps evaluating business models in the different markets.

Sub-topic 8: Case Study "CarMax the Supermarket Concept"

- What are the characteristics of CarMax (e.g., market position, relevant activities, products, development)?
- Which are the opportunities and threats of the competitive environment?
- Which are strengths and weaknesses of CarMax, which are the relevant resources and capabilities?
- What are the strategic implications from the undertaken analyses for this dealer type in used car retail?

Sub-topic 8: Case Study "Auto Weller: the exclusive dealer channel"

- What are the characteristics of Auto Weller (e.g., market position, relevant activities, products, development)?
- Which are the opportunities and threats of the competitive environment?
- Which are strengths and weaknesses of Auto Weller, which are the relevant resources and capabilities?
- What are the strategic implications from the undertaken analyses for this dealer type in used car retail?



CORE TOPIC C: Service and repair: exploitation of industry's last profit resort

Sub-topic 10: The market environment of repair and service markets in Europe

- What are recent developments and trends in the automotive repair and service markets?
- What are the characteristics and specificities of this sector/market?
- How to systematize the service and repair market in terms of organisational types?
- What relationship levers to work with independent repairers?
- What specific requirements on services by different customer groups and what strategic impacts on the different organisations and participating actors?
- What impact do these developments have on the competitiveness of different organisational forms and actors?

Sub-topic 11: Towards a typology of service and repair organisations

- What different types of organisations can be differentiated?
- How are these concepts distributed in the European market?
- Who are the franchise coordinators and what are their core objectives?
- How can the relationship between franchisor and franchisees be characterised in the different concepts?
- By what strategies can these objective be fulfilled?
- What are the strategic advantages of the different organisation forms?

Sub-topic 12: Case Study "Bosch Partner Concepts"

- What are the characteristics of Bosch Partner Concepts (e.g., market position, relevant activities, products, development)?
- Which are the opportunities and threats of the competitive environment?
- Which are strengths and weaknesses of Bosch Partner Concepts, which are the relevant resources and capabilities?
- What are the strategic implications from the undertaken analyses for the repair and service market?

Sub-topic 13: Case Study "Temot International Franchises"

- What are the characteristics of Temot International Franchises (e.g., market position, relevant activities, products, development)?
- Which are the opportunities and threats of the competitive environment?
- Which are strengths and weaknesses of Temot International Franchises, which are the relevant resources and capabilities?
- What are the strategic implications from the undertaken analyses for the repair and service market?

Sub-topic 14: Case Study "Motrio Franchise – OEM driven concept"

- What are the characteristics of Motrio Franchise (e.g., market position, relevant activities, products, development)?
- Which are the opportunities and threats of the competitive environment?
- Which are strengths and weaknesses of Motrio Franchise, which are the relevant resources and capabilities?
- What are the strategic implications from the undertaken analyses for the repair and service market?



Broad Outline:

February 20-21	Kick-of with all participants <ul style="list-style-type: none">• topic assignment• introduction lectures regarding the three core topics• guest presentation from the practice of automobile distribution• discussion of the selected topics• introduction into a general research framework• brief student's presentations regarding their planned research projects• feedback for each student regarding the planned research project
February till April	Intense work phase <ul style="list-style-type: none">• Investigating the topics• Optional: video conferences in which each participant briefly presents and afterwards discusses the current state of their work with the lecturers
April 24-25	Final workshop with all participants <ul style="list-style-type: none">• presentations of the findings by each participating student• discussion of the results• final feedback round
May 4	Delivery final paper



Helpful Books and Articles

ACEA: European Automobile Industry Report.

[http://www.acea.be/ASB20/axidownloads20s.nsf/Category0ACEA/0ED967FB0DA32BECC125704B0035F273/\\$File/IndustryReport05.pdf](http://www.acea.be/ASB20/axidownloads20s.nsf/Category0ACEA/0ED967FB0DA32BECC125704B0035F273/$File/IndustryReport05.pdf), 2005.

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Booz Allen Hamilton: Multi-branding strategies in the German automotive market.

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Buzzavo, L. & Montagner, L.: Dealer Margin Structures for New Vehicles in Europe. ICDP, 2005.

Buzzavo, L. & Pizzi, C.: "Trade Marketing and Vertical Restraints: the case of automotive distribution in Italy". Paper presented at the "European Marketing Trends" Congress, 21st -22nd January 2005, Paris.

Capgemini: "Cars Online 04/05: Driving growth through collaboration".

http://www.capgemini.com/resources/thought_leadership/cars_online_0405/, 2005.

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London Economics: Developments in car retailing and after-sales markets under Regulation No. 1400/2002, European Commission 2006.

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Royer, S. & Stratmann, U.: Value Net Organisation and Strategic Competitive Advantage: The case of value net design in car repair and maintenance services in Europe, in: Festing, M. & Royer, S.



(Eds.): Current Issues in International Human Resource Management and Strategy Research, Schriftenreihe Internationale Personal- und Strategieforschung, Band 1, München, Mering: Hampp Verlag, 2008: 9-57.

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Royer, S.: Strategic Management and Online-Selling: Creating Competitive Advantage with Intangible Web Goods, 'Routledge Advances in Management and Business Studies', London/New York (Routledge) 2005.

Tongue, A. & Whiteman, J.: Understanding BER 1400/02 – New roles in a new re-gime? ICDP research report 06/03, Solihull (UK), 2003

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